NOVEMBER 1976

FEDERAL RESERVE BULLETIN

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FEDERAL RESERVE BULLETIN

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Domestic Financial Developments in the Third Quarter of 1976

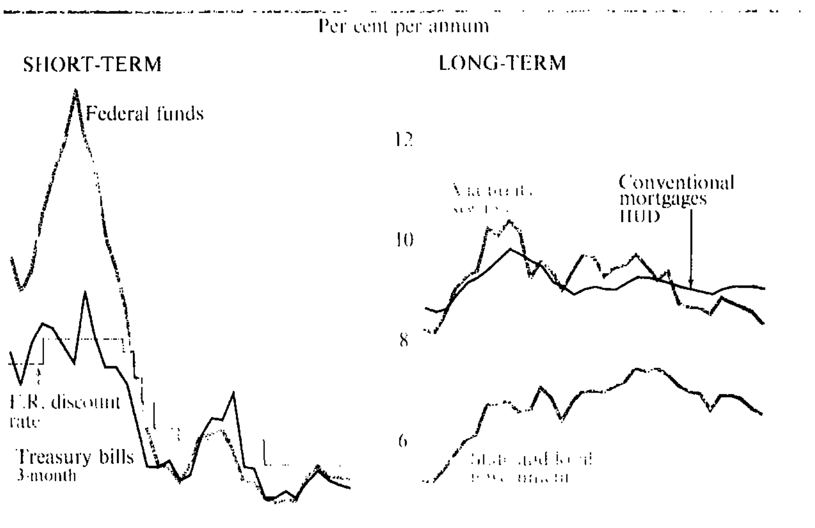
This report, which was sent to the Joint Economic Committee of the U.S. Congress on November 12, 1976, highlights the important developments in financial markets during the summer and early fall.

The volume of funds raised in financial markets increased slightly, on a seasonally adjusted basis, from the second to the third quarter of 1976. However, the supply of credit remained ample, with especially strong flows of funds through financial institutions, and interest rates registered modest declines. By early October both short- and long-term market rates of interest were ¼ to ½ of a percentage point below their levels of late June, and bond rates generally were at or near their lowest levels in 2½ years.

Growth in M_1—currency and demand deposits held by the public—slowed from an unusually high annual rate of 8.4 per cent in the second quarter to 4.1 per cent in the third. Nevertheless, expansion in the broader monetary aggregates, which include interest-bearing deposits, continued at a relatively rapid pace; M_2 and M_3 grew at annual rates of 9.2 and 11.6 per cent, respectively. Changes in financial technology that have occurred in recent years continued to induce the public to place in savings deposits some of the transactions and precautionary balances that would otherwise have been held in demand accounts. In addition, inflows into time and savings accounts other than large certificates of deposit (CD's) strengthened at both commercial banks and thrift institutions as declining open market yields enhanced the attractiveness of these deposits relative to other investment alternatives.

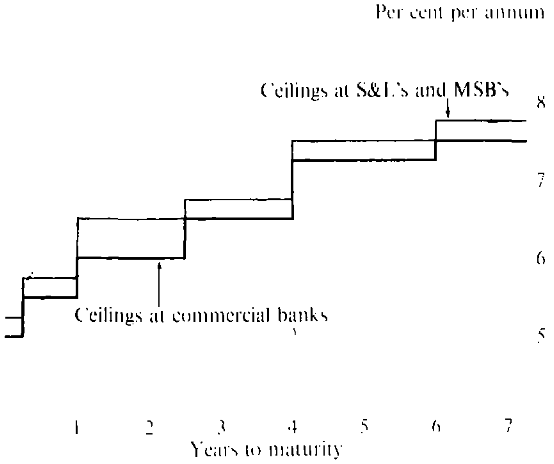
Large deposit inflows permitted savings and loan associations to acquire a record volume of

Interest rates



NOTES:

Monthly averages except for F.R. discount rate and conventional mortgages (based on quotations for one day each month). Yields: U.S. Treasury bills, market yields on 3-month issues; prime commercial paper, dealer offering rates; Conventional mortgages, rates on first mortgages in primary markets, unweighted and rounded to nearest 5 basis points, from Dept. of Housing and Urban Development; Aaa utility bonds, weighted averages of new publicly offered bonds rated Aaa, Aa, and A by Moody's Investors Service and adjusted to Aaa basis; U.S. Govt. bonds, market yields adjusted to 20-year constant maturity by U.S. Treasury; State and local govt. bonds (20 issues, mixed quality) *Bond Buyer*.



Deposit ceilings are the maximum interest rates payable on deposits of varying maturities under $100,000, as determined by the various Federal regulatory agencies. Yield curves are based on selected U.S. Government securities yields, all of which are calculated on an investment basis.

new home mortgages in the third quarter, and the flow of funds to all mortgage markets combined rose sharply to a 3-year high. Meanwhile, the growth in total loans and investments of commercial banks picked up from the sluggish pace of the preceding 2 years. Nearly all major components of bank credit—the most notable exception being Treasury security holdings—grew more rapidly than in the second quarter.

The outstanding amount of short-term business credit remained essentially unchanged on balance during the third quarter, while public bond offerings by domestic corporations dropped more than seasonally. Much of the decline in the issuance of long-term debt reflected a lower volume of public issues by industrial corporations; such firms had made substantial progress in improving their liquidity positions through the funding of short-term debt in 1975 and early 1976, and their needs for external funds to finance new investment remained moderate. New stock offerings also

In per cent, seasonally adjusted annual rates

Item	1974	1975	1975	1976		
			Q4	Q1	Q2	Q3
Member bank reserves:						
Total	6.8	-.2	.6	−3.8	.8	3.0
Nonborrowed	7.6	3.2	2.7	3.2	.5	3.0
Concepts of money[1]:						
M_1	5.0	4.4	2.3	2.7	8.4	4.1
M_2	7.7	8.3	6.4	9.7	10.8	9.2
M_3	7.1	11.1	9.4	11.2	12.0	11.6
M_4	10.6	6.5	6.7	5.4	6.6	5.9
M_5	9.0	9.7	9.4	8.4	9.3	9.4
Time and savings deposits at:						
Commercial banks (other than large CD's)	10.1	11.7	9.8	15.3	12.5	13.2
Savings	6.5	17.0	14.4	28.3	21.7	13.4
Other time	12.7	8.0	6.6	5.6	5.1	12.7
Thrift institutions[2]	6.1	15.8	14.2	13.7	14.0	15.4
Bank credit proxy[3]	9.8	4.3	6.0	2.3	2.4	3.8
MEMO (change in billions of dollars, seasonally adjusted):						
Large CD's	23.4	-5.3	1.9	6.0	−5.8	−4.6
U.S. Govt. demand deposits at all member banks	-1.7	-.2	.5	.7	.2	.7

NOTES:

[1] M_1 is currency plus private demand deposits adjusted.

M_2 is M_1 plus bank time and savings deposits adjusted other than large CD's.

M_3 is M_2 plus deposits at mutual savings banks and savings and loans and credit union shares.

M_4 is M_2 plus large negotiable CD's.

M_5 is M_3 plus large negotiable CD's.

[2] Savings and loan associations, mutual savings banks, and credit unions.

[3] Total member bank deposits plus funds provided by Euro-dollar borrowings and bank-related commercial paper.

NOTE. Changes are calculated from the average amounts outstanding in each quarter. Annual rates of change in reserve measures have been adjusted for changes in reserve requirements.

were lower, and stock prices remained generally unchanged over most of the summer before declining slightly late in September.

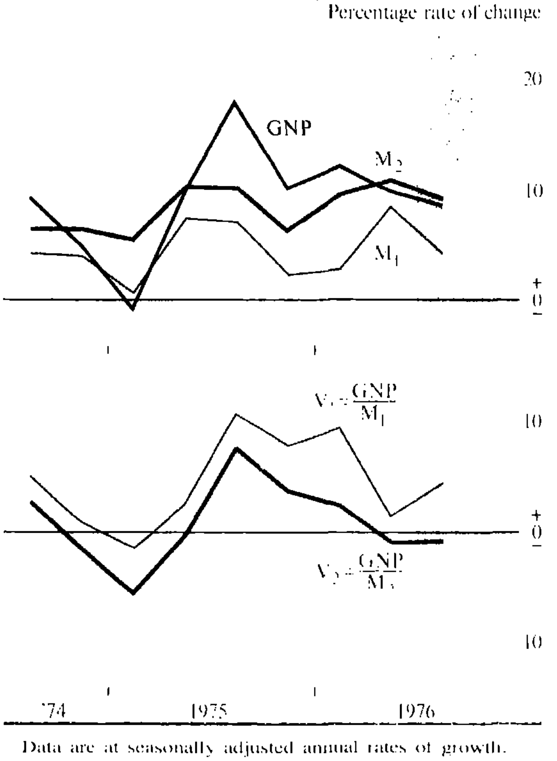
Treasury borrowing increased about seasonally from the second-quarter rate. The Treasury continued to lengthen the maturity of its outstanding debt by financing the third-quarter deficit almost entirely with coupon issues. State and local government offerings of new long-term issues, after adjustment for normal seasonal variation, remained near the heavy volume of the first half of the year.

MONETARY AGGREGATES AND BANK RESERVES

The quarterly-average growth rate of the narrowly defined money stock, M_1, during the summer was somewhat below the average pace of the first half of 1976 and brought the growth rate for the first three quarters of the year to 5.1 per cent. The deceleration in the third quarter reflected mainly a very sluggish performance in September when there was a slight absolute decline. However, growth of M_1 subsequently rebounded sharply in October. During September and early October, weekly movements in M_1 displayed exceptional volatility, apparently resulting in some degree from the transitory effects of large week-to-week swings in Treasury deposits at commercial banks and at the Federal Reserve Banks.

The growth rates of M_2 and M_3 decreased only slightly in the third quarter as the rapid expansion of the time and savings deposit components of these measures remained quite strong. At commercial banks, growth in time and savings deposits (other than negotiable CD's at large banks), measured on a quarterly-average basis, increased slightly on balance from 12.5 per cent in the second quarter to 13.2 per cent in the third. Deposits at savings and loan associations, mutual savings banks, and credit unions advanced at a 15.4 per cent annual rate during the summer months, a somewhat higher rate of growth than the 14.0 per cent increase of the previous quarter. The acceler-

Changes in the income velocity of M_1 and M_2



Data are at seasonally adjusted annual rates of growth.

ation in deposit growth at both types of institutions accompanied a decline in market rates of interest—especially in the 1- to 4-year maturity range—that made interest-bearing deposits at financial institutions more competitive with open market instruments.

Preliminary estimates indicate that gross national product (GNP) rose at an 8½ per cent rate in the third quarter; consequently, the income velocity of M_1—that is, the ratio of GNP to M_1—increased by more than 4 per cent at an annual rate. The rise in M_1 velocity during the current economic upswing has been substantially larger than in other postwar recoveries, even though short-term interest rates generally have fallen since the cyclical trough (in contrast to the cumulative increases of interest rates in most of the upswings in the postwar period). The income velocity of M_2, on the other hand, fell during the quarter and is now roughly in line with its historical cyclical pattern.

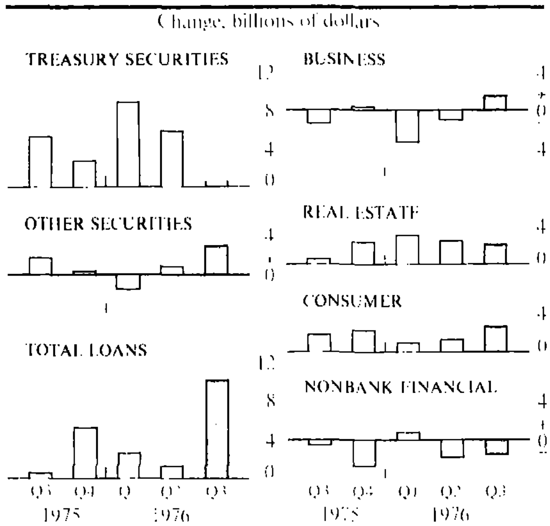
Several factors have contributed to the divergent patterns of change in these two velocity measures over the course of the current recovery. First, since the mid-1940's the velocity of M_1 has tended to rise faster than the velocity of M_2, as money holders have continued to expand their interest-bearing deposits while economizing on transactions balances that do not pay interest. Second, recent regulatory changes have established several interest-bearing alternatives to demand deposits—such as negotiable orders of withdrawal (NOW) accounts and savings accounts for businesses and State and local government units—that may be used for transactions balances and that are included in the broader monetary aggregates but not in M_1. In recent quarters, utilization of these financial alternatives continued to spread. Finally, as market interest rates fell to levels near or below the maximum rates allowed on interest-bearing deposits, the time and savings deposit components of the broader aggregates became more attractive for investment purposes.

Both total reserves and nonborrowed reserves of member banks increased at a 3.0 per cent annual rate over the quarter. This moderate increase in reserves was sufficient to support substantial growth in the money stock mainly because the volume of large negotiable CD's outstanding continued to decline, thereby releasing reserves to support the expansion of other deposits.

BANK CREDIT AND COMMERCIAL PAPER

Total loans and investments at commercial banks expanded at a 7 per cent annual rate during the third quarter (on an end-of-month basis) as all major types of loans except those to nonbank financial institutions increased. Business loans expanded at a 3.5 per cent annual rate in the third quarter, in contrast to the declines registered in earlier quarters this year; some of this increase was associated with acquisitions of highly liquid bankers acceptances in September by large money center banks, partly for end-of-quarter statement purposes.

Components of bank credit | Major categories of bank loans



Seasonally adjusted. Total loans and business loans adjusted for transfers between banks and their holding companies, affiliates, subsidiaries, or foreign branches.

Bank holdings of municipal and other securities increased significantly in the third quarter, after declining on balance during the previous year. The renewed interest by banks in tax-exempt issues probably reflects their stronger profit positions, as well as some dissipation of the uncertainty surrounding the financial condition of several State and local units. Holdings of Treasury securities—which have accounted for most of the growth in bank credit in recent periods—were unchanged for the quarter, although banks lengthened the maturity of their Treasury portfolios. At large banks, for example, acquisitions of coupon issues and a contemporaneous liquidation of bills raised the proportion of Treasury securities maturing in 1 year or more to about 60 per cent of total Treasury holdings at the end of September—considerably higher than the 50 per cent proportion in late 1975, but still below the 65 to 70 per cent range that had prevailed during the preceding decade.

Although commercial banks lowered the rate on loans to prime borrowers ¼ of a percentage point in July and again in late September (to

TABLE 2

Rate spreads and changes in business loans and commercial paper

Period	Rate spread[1] (basis points)	Change: Business loans[2]	Change: Commercial paper[3]	Change: Total	Annual rate for total (per cent)
		In billions of dollars, seasonally adjusted			
1975—					
Q1 ..	237	−2.4	.8	−1.6	−3.2
Q2 ..	170	−4.0	−1.5	−5.5	−11.1
Q3 ..	121	−1.4	−.3	−1.7	−3.5
Q4 ..	192	.3	−1.6	−1.3	−2.7
1976—					
Q1 ..	194	−3.3	.8	−2.5	−5.3
Q2 ..	171	−1.0	1.9	.9	1.9
Q3 ..	193	1.5	−1.2	.3	.6
July	196	.8	.1	.9	5.8
Aug.	191	−.3	.1	−.2	−1.3
Sept.	191	1.0	−1.4	−.4	−2.6

[1] Prime rate less 30- to 59-day commercial paper rate.

[2] At all commercial banks based on last Wednesday-of-month data, adjusted for outstanding amounts of loans sold to affiliates.

[3] Nonfinancial company paper measured from end of month to end-of-month.

6¾ per cent), the spread between the prime rate and the commercial paper rate remained relatively wide. Even so, commercial paper issued by nonfinancial firms declined in the third quarter, thus offsetting most of the modest increase in business loans and leaving short-term business credit outstanding only slightly higher on balance. Business demands for short-term credit continued to be limited by the moderate size of external funds requirements and by the preference for long-term financing.

MORTGAGE MARKETS

Total mortgage debt outstanding rose sharply during the third quarter. Lending on 1- to 4-family homes again accounted for the bulk of the increase, as the multifamily and nonresidential components remained weak.

Strong deposit growth during the summer enabled savings and loan associations to extend new mortgage credit at a record pace without significantly eroding their liquidity positions. By the end of September, moreover, outstanding commitments at these institutions had risen to an all-time high of $22.5 billion. As in previous quarters, savings and loan associations dominated the market for conventional home mortgages. In the Federally underwritten mortgage sector, extensions of credit via purchases of pass-through securities guaranteed by the Government National Mortgage Association (GNMA) were the major source of strength. Together, conventional loans by savings and loan associations and acquisitions of GNMA securities accounted for well over three-fourths of the over-all increase in residential mortgage credit during the summer. Federal and related agencies sold slightly more mortgages in the secondary market than they acquired, as flows of funds to private sources of mortgage finance continued to be strong.

Interest rates on new commitments for home mortgages in the primary market fluctuated in a narrow range around 9 per cent throughout most of the third quarter, but declined somewhat

TABLE 3

Net change in mortgage debt outstanding

In billions of dollars, seasonally adjusted annual rates

Change	1975 Q3	1975 Q4	1976 Q1	1976 Q2	1976 Q3[e]
By type of debt:					
Total	63	71	72	75	83
Residential	46	53	56	58	64
Other[1]	17	18	16	17	19
By type of holder:					
Commercial banks	3	9	11	9	10
Savings and loans	35	39	36	44	49
Mutual savings banks	3	3	2	3	4
Life insurance cos.	2	1	3	(2)	1
FNMA–GNMA	5	6	1	−5	(2)
Other[3]	15	13	19	24	19

[1] Includes commercial and other nonresidential as well as farm properties.

[2] Less than $500 million.

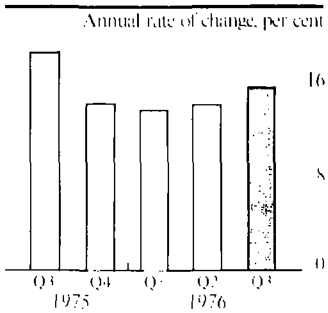
[3] Includes net changes in securities guaranteed by the Government National Mortgage Association, some of which may have been purchased by the institutions shown separately.

[e] Estimated.

after mid-September. Yields in the secondary market fell more significantly during the quarter and in the first half of October, registering a total decline of nearly ½ of a percentage point. Reflecting these declines, the maximum rate permitted on loans insured by the Federal Housing Administration or guaranteed by the Veterans Administration was reduced from 8½ per cent to 8 per cent on October 18.

Deposits

Savings and loans and mutual savings banks



Seasonally adjusted quarterly averages at annual rates.

SECURITIES MARKETS

In the third quarter, gross long-term debt and equity financing by U.S. corporations dropped to a seasonally adjusted annual rate of $45 billion from the relatively high $53 billion pace that had prevailed over the first half. Most of the reduction in gross bond offerings can be attributed to a decline in the volume of public issues, especially by prime-rated industrial concerns; private placements are reported to have continued at an unusually high level. The decline in stock offerings was more evenly distributed among industry groups. Many corporations apparently accelerated their long-term financing plans in the first and second quarters when it was widely expected that tighter credit conditions would prevail late in the year. The funds thus raised, when combined with the sustained flow of resources generated internally, evidently reduced the dependence of many firms on external sources of finance during the quarter.

Partly as a result of the lighter calendar of public debt offerings, the Board's index of yields on newly issued Aaa-rated utility bonds declined during the quarter to 8.29 per cent—the lowest level since February 1974. Lower short-term interest rates and changing expectations of market participants about the course of future rate movements may also have contributed to lower corporate bond yields. Average price levels in the stock market fluctuated narrowly during most of the third quarter, but declined slightly in late September and then more markedly during early October.

TABLE 4

Offerings of new securities issues

In billions of dollars, seasonally adjusted annual rates

Type of issue	1975		1976		
	Q3	Q4	Q1	Q2	Q3[e]
Corporate securities: total	[r]47	[r]50	[r]52	53	45
Bonds	[r]37	[r]39	[r]38	41	36
Stock	9	10	14	12	9
Foreign securities	7	10	12	10	9
State and local govt. bonds	36	26	33	[r]35	35

[e] Estimated.
[r] Revised.

State and local governments continued to borrow heavily in long-term markets, at a pace little changed from the previous two quarters. This high volume resulted in part from the funding of short-term obligations and the activation of borrowing programs that had been postponed during the adverse market conditions that had prevailed during most of 1975 and early 1976. Despite the large volume of long-term borrowing, the *Bond Buyer* index of tax-exempt yields declined over the quarter to reach a level of 6.33 per cent by early October. This reduction in yields accompanied a strong demand by institutional investors in general and by property/casualty insurance companies in particular. These companies had reduced their acquisitions of tax-exempt securities in 1975, when they experienced financial losses. With a rebound in profits this year, they are again providing a

TABLE 5

Federal Government borrowing and cash balance

Quarterly totals, in billions of dollars, not seasonally adjusted

Item	1975			1976		
	Q2	Q3	Q4	Q1	Q2	Q3
Treasury financing:						
Budget surplus, or deficit	−12.0	−18.5	−26.6	−22.7	2.2	−12.7
Off-budget deficit[1]	−2.6	−.8	−2.6	−3.8	−.7	−2.0
Net cash borrowings, or repayments (−)	16.6	23.5	25.9	24.1	9.4	18.0
Other means of financing[2] ...	−1.0	−1.1	1.2	2.0	−4.0	−.7
Change in cash balance	1.0	2.9	−2.1	−.4	6.8	2.6
Federally sponsored credit agencies, net cash borrowings[3]	−.1	.8	1.8	.3	.5	1.8

[1] Includes outlays of the Export Import Bank, Pension Benefit Guaranty Corporation, Postal Service Fund, Rural Electrification and Telephone Revolving Fund, Rural Telephone Bank, Housing for the Elderly or Handicapped Fund, and Federal Financing Bank.

[2] Checks issued less checks paid, accrued items, and other transactions.

[3] Includes debt of the Federal Home Loan Mortgage Corporation, Federal home loan banks, Federal land banks, Federal intermediate credit banks, banks for cooperatives, Federal National Mortgage Association (including discount notes and securities guaranteed by the Government National Mortgage Association), and farm credit banks.

significant source of demand for State and local securities.

Net borrowing by the U.S. Treasury nearly doubled as the unified budget swung from a modest surplus in the second quarter to a deficit of $13.2 billion in the third quarter. Of the total $18.0 billion in net new funds raised, only $300 million came from the bill market as the Treasury continued to lengthen the maturity of its outstanding debt. In the regular midquarter refinancing, the Treasury raised $6.4 billion in net new cash, largely through a 10-year note sold by means of a fixed-price subscription offering. Government spending proceeded at a less-than-anticipated rate during the transitional quarter to a new fiscal year, and as a result, the cash balance advanced $2.6 billion to a record $17.4 billion by the end of September. □

New Estimates of Capacity Utilization: Manufacturing and Materials

The Federal Reserve has developed new estimates of capacity utilization rates for manufacturing and for industrial materials.[1] The revision of the manufacturing series—the first since 1971—has raised considerably the estimates of capacity utilization for 1971–76 and lowered those for 1948–55. The new industrial materials series, which cover the entire materials grouping in the Federal Reserve's industrial production (IP) indexes, are much broader in scope than the formerly published "major" materials series, but the levels of utilization rates for both the new total materials series and the major materials series have generally been similar.

This article describes the new series and explains the methods employed in estimating capacity utilization, presents some statistical findings, and provides a tabulation of the historical data. More detailed descriptions of the methodologies for the manufacturing and the materials capacity utilization series will be included in a publication that is expected to be available in the spring.

Publication of these revised rates of capacity utilization for manufacturing and materials represents the completion of an interim step in a major effort to improve the Board's statistical measures of capacity utilization. According to present plans, these two distinct sets of estimates will be replaced in the future by a single integrated system of measures of output, capacity, and capacity utilization covering manufacturing, mining, and utilities. Capacity utilization rates will then be published for total industrial production and for the major market and industry groupings shown in the IP indexes. The basic data to be used in the contemplated system will be the IP indexes and the figures on capacity utilization rates published yearly by the U.S. Bureau of the Census in its *Survey of Plant Capacity*. The introduction of such an integrated system will require some time because the Census Bureau did not begin to collect utilization rate data until the fourth quarter of 1973. Utilization rate figures from two or three more Census surveys are needed before it will be possible to derive an adequate time series of capacity and capacity use for many individual industries.

OVERVIEW

The analytical importance of capacity utilization rates and the different views of how they should be measured have led a number of public and private organizations to publish such rates. As of late 1976 there were six sets of estimates covering all manufacturing and one set covering industrial materials.[2] Four of these series have been introduced in the last 3 years—indicating a growing interest in measures of capacity utilization.

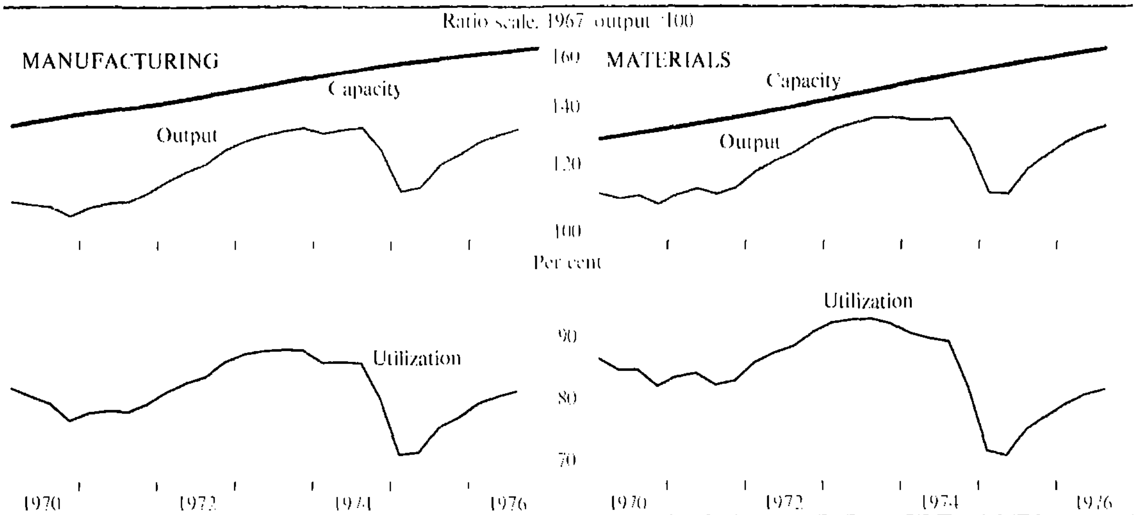
NOTE.—Richard D. Raddock and Lawrence R. Forest of the Board's Division of Research and Statistics prepared this article.

[1] All Federal Reserve utilization rates in this article are derived from seasonally adjusted industrial production indexes.

Current estimates for total manufacturing and advanced and primary processing are published in the Federal Reserve statistical release "Capacity Utilization in Manufacturing" (E.5). The nine materials series, which were introduced in July, are shown on page 3 of the "Industrial Production" statistical release (G.12.3). Selected series will be published in the BULLETIN each month.

[2] The seven capacity utilization series include the materials series published by the Board of Governors of the Federal Reserve System (Federal Reserve) and the six manufacturing or total industrial series published, respectively, by McGraw-Hill Publishing Company; Wharton Econometric Forecasting Associates; the Federal Reserve; the Bureau of Economic Analysis (BEA) and the Bureau of the Census of the U.S. Department of Commerce; and Rinfret-Boston Associates. Publication of the Federal Reserve series for materials and of the BEA, Census, and Rinfret series has occurred only during the past 3 years.

1. Output, capacity, and utilization



Seasonally adjusted quarterly data.

This heightened interest can be attributed in part to a concern that shortages such as those in 1973–74 might reoccur as the economy moves closer to full utilization of capacity. This concern has been aroused by reports that escalating costs of expanding capacity have made it too expensive for private enterprise to alleviate the bottlenecks that were evident in the 1973–74 period. Those bottlenecks were concentrated in the basic materials industries. Among the many materials reported in short supply were metals, petrochemicals, fuels, paper, and cotton. It may be noted, however, that the current levels of the Federal Reserve's utilization rate series for materials do not indicate that capacity to produce industrial materials is a constraint on production at the present time.

Differences among the various estimates of industrial utilization rates are indicative of the basic problems in measuring capacity. These differences can be explained largely in terms of the different methods that are used to quantify such elusive concepts as capacity and capacity utilization.[3] Inasmuch as there are neither universally accepted definitions nor comprehensive tabulations of capacity for the production facilities of the economy, timely utilization rate estimates have to be developed from the limited data that are available.

Some of the available utilization rate series —such as the BEA series published by the Department of Commerce—are based solely on company surveys in which businessmen are asked to provide estimates of their operating rates as a per cent of capacity. One series is based almost entirely on the Federal Reserve indexes of industrial production.[4] Monthly estimates published by the Federal Reserve and by the McGraw-Hill Publishing Company combine information that is obtained from monthly production indexes and from less frequent utilization rate surveys.

Each of the utilization rate estimates that the Board publishes is calculated by dividing an IP index, seasonally adjusted, by a related estimate of capacity (Chart 1). In our view, this procedure has two advantages: (1) It provides

[3]The Federal Reserve generally accepts the concept of capacity implicit in the various surveys of utilization rates. For the most part it is thought that a concept of practical maximum capacity is used by most respondents to surveys. For example, the Census Bureau defines practical capacity as the greatest level of output that a plant can achieve within the framework of a realistic work pattern, assuming a normal product mix and an expansion of operations that can be reasonably attained in the particular locality and considering only equipment in place.

[4]In deriving the Wharton index of capacity utilization, industry utilization is calculated as the ratio of the current production index to a trend through the major peaks in the production index for an industry.

more current estimates of utilization rates than do existing surveys because the IP indexes are available monthly about 15 days after the end of the month; and (2) the estimates appear to reflect the cyclical movements in production more accurately than do rates based solely on available surveys of business judgments of utilization rates.

The Board's derived utilization rates have two general properties: (1) The cyclical movements approximate those of the IP indexes with the growth trend removed; and (2) the average levels of utilization rates over time and the long-term movements in such rates are determined primarily by the estimates of utilization rates as reported in various surveys. It should be noted that the Federal Reserve conducts no surveys either of capacity or of capacity utilization rates. In fact, there are no comprehensive surveys that collect consistent capacity and production data, although such data exist for some basic commodities. In deriving the Board's utilization rate series, capacity indexes are estimated indirectly in a manner that makes them generally consistent with IP indexes and with independently conducted surveys of capacity utilization rates. This consistency cannot always be maintained in the short term because the short-term movements in IP and in the utilization survey data often differ, but it is achieved on average over time.

The over-all levels and the long-term movements of the Federal Reserve capacity estimates are determined primarily by production indexes divided by utilization rate data as reported in various surveys. The resulting IP/utilization rate ratios are then combined into capacity time series that are smoothed to eliminate frequent irregularities.[5] The relatively smooth interpolated and extrapolated series (Chart 1) are based in part on estimates of deflated capital stocks that are derived from investment expenditure data adjusted for estimated scrappage of old equipment. In other words, the Federal Reserve's capacity estimates reflect long-term production trends, businessmen's judgments concerning the degree of utilization of their facilities, and the pattern of real investment over the course of the business cycle. These estimated capacity indexes appear to be reasonably good measures of production capabilities over time, but they should not be considered to be accurate indicators of short-term changes in capacity.

The estimates of manufacturing capacity are based primarily on the IP indexes and the McGraw-Hill survey of utilization rates. Estimates of materials capacity too are based on IP indexes but in this instance the utilization rates used are derived from data published by various trade associations such as the American Iron and Steel Institute or data collected and published by the Census Bureau in its *Survey of Plant Capacity* (actually a survey of utilization rates). Thus, although they are constructed in much the same way, the estimates of manufacturing and of materials capacity are partially independent of each other because they depend on data obtained from different surveys. Moreover, the estimates differ because of coverage: Manufacturing encompasses finished products as well as most industrial materials, but some materials are produced by mines or utilities that are not part of manufacturing.

For the period since 1955 the method of calculating the revised utilization rates for manufacturing—including the subtotals for primary and advanced processing industries—is much the same as that used when the series were introduced in the BULLETIN in November 1966, except that the revisions have been calculated in more detail. Nevertheless, the use of McGraw-Hill survey data available since the last revision in 1971 and of newly revised IP indexes has resulted in the re-estimation of manufac-

[5] There are a number of possible sources of the inconsistencies between movements in IP indexes and in survey-based utilization rates that cause the observed irregularities in the IP/utilization rate ratios. For example, the utilization rate data may be based on relatively small samples of companies while the production data are usually establishment- or product-based. In addition, there may be a lack of correspondence between the time periods covered by the two sets of data. Moreover, in our opinion, the recessionary cutbacks in capacity sometimes implied by the IP/utilization rate ratios are unrealistic. Although it is conceivable that some small reduction in over-all capacity may occur in a recession, it is likely that the survey "judgments" contain an element of guesswork and that some respondents view a temporary plant shutdown as a loss in capacity. Treating a temporary shutdown as a loss in capacity understates true production capabilities, as most shutdown plants are likely to be reopened in the next expansion.

1. Capacity utilization series

Series	1967 Value added proportion of total IP	Rates (in per cent) Average for period	1973 Monthly high	1975 Monthly low	1976 Q3
		1955–75			
Manufacturing	**87.95**	83.2	88.0	69.6	80.9
Advanced processing	57.36	82.3	85.4	70.5	79.3
Primary processing	30.59	85.0	93.6	67.8	82.4
		1967–75			
Materials	**39.29**	85.9	93.1	69.7	81.3
Durable goods materials	20.35	82.7	92.5	64.3	78.3
Basic metal materials	5.57	86.4	97.7	66.1	81.7
Nondurable goods materials	10.47	88.1	94.6	67.8	85.2
Textile, paper, and chemical	7.62	87.6	94.5	65.5	84.1
Textile materials	1.85	87.6	94.4	58.0	81.9
Paper materials	1.62	93.8	100.5	71.8	90.2
Chemical materials	4.15	85.6	93.8	64.7	83.0
Energy materials	8.48	91.4	94.6	82.7	84.4

turing capacity and in substantial upward revisions in manufacturing capacity utilization for the period since 1970.

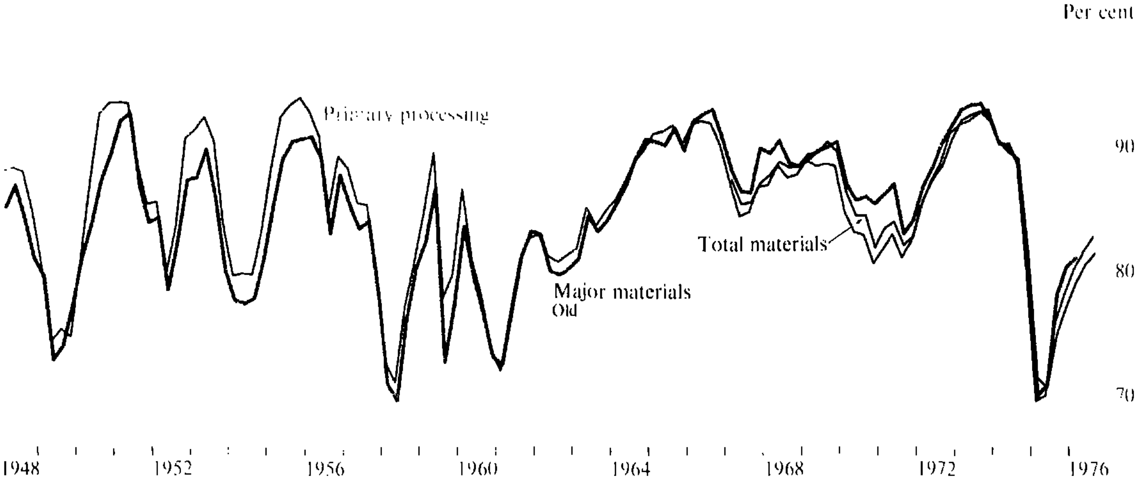
In addition, methodological changes have resulted in new manufacturing capacity extrapolations for the 1948–54 period. The capacity estimates prior to 1955 can be derived only by extrapolating backward in time because McGraw-Hill made no surveys of company utilization rates prior to year-end 1954. In the old series capacity had been extrapolated backward almost exclusively on the basis of capital stock data using the relationship between capacity and capital observed after 1954. In this revision capacity extrapolations are based on capital stock estimates that have been retrended to reflect the results of an analysis of pre-1955 data relating to production peaks in various industries and of physical unit output and capacity data for certain materials. This analysis indicated that the previously published figures for utilization rates had been too high and hence that the previous estimates of capacity had been too low. The figures in Table 3, presented in the section on "Statistical Findings," show that the old major materials series, which is based on physical output and capacity data, support the new primary processing figures and show that the revisions in advanced processing are similar in magnitude to those in primary processing. Although the estimates for 1948–54 are believed to have been improved considerably, it should be recognized that they are inherently less firmly based than those for later periods for which the McGraw-Hill data for utilization rates in manufacturing are available.

Table 1 includes 1967 value-added proportions (total IP = 100) for the published series for manufacturing and materials and their components. The nine series for materials include all 96 detailed materials series in IP; as the table shows, they represent about two-fifths of value added in manufacturing, mining, and utilities, whereas the old major materials represented less than one-tenth of industrial value added.[6] Within manufacturing, the advanced and primary processing groupings are aggregations of all two-digit SIC groupings of manufacturing industries, which represent about nine-tenths of industrial value added.[7]

[6] A detailed listing of the components of materials (for further industrial processing) will appear in the forthcoming *Industrial Production, 1976 Edition*. An approximate listing is presently available in *Industrial Production, 1971 Edition*; however, the new grouping for energy materials has been significantly expanded from the industrial fuel and power series previously shown.

[7] Advanced processing includes the following industries: food, tobacco, apparel, furniture, printing, chemical products such as drugs and toiletries, leather, ma-

2. Comparison of utilization rate series



Seasonally adjusted quarterly averages. Major materials (old) utilization rates are based on the IP indexes available prior to the July 1976 revision.

The new estimates of capacity to produce industrial materials reflect not only increased coverage but also adjustments that serve as a means of converting the initial estimates of "peak-load" capacity into estimates that better represent annual productive capacity.[8] The result of these adjustments has been to reduce estimated capacity relative to output and to raise final estimates of utilization rates. No such adjustment had been made to the former major materials, and none has as yet been made to the revised manufacturing estimates.[9]

Two factors in particular have affected the new estimates of capacity utilization rates for materials: One is that the new series include many processed materials that typically have lower utilization rates than the major materials. The other is that they incorporate data from the Census survey, which covers smaller plants; such plants tend to have lower utilization rates than the large companies reporting to McGraw-Hill. For the materials series the effects of increased coverage of establishments are approximately offset by the adjustment for annual capacity, so the over-all level of capacity utilization in the new total series, as shown in Chart 2 (and Table 3), is almost the same as for the former major materials series and the new primary processing series.

STATISTICAL FINDINGS

For the third quarter of 1976, capacity utilization in manufacturing was 81 per cent, according to the revised estimates shown in Table 1.

chinery, transportation equipment, instruments, miscellaneous manufacturing, and ordnance.

Primary processing, which incorporates many of the same manufacturing industries that are represented in materials, includes textiles, lumber, paper, industrial chemicals, petroleum refining, rubber and plastics, stone, clay and glass, and primary and fabricated metals.

[8] The adjustments were made in an attempt to remove from the (industrial production/survey operating rate) ratios the amount of indicated capacity that could not be realized (economically) over the course of a year because of seasonable variability in attainable production. The adjustments to an annual capacity concept were based on the maximum monthly seasonal factors of the associated production series in those cases where it was judged that the original estimates represented measures of peak-load capacity. In most cases the conversions to annual capacity were based on the following:

Annual capacity = peak-load capacity ÷ (peak monthly capacity output/average monthly capacity output)

= peak-load capacity ÷ (peak month's output/average month's output)

= peak-load capacity/maximum seasonal adjustment factor

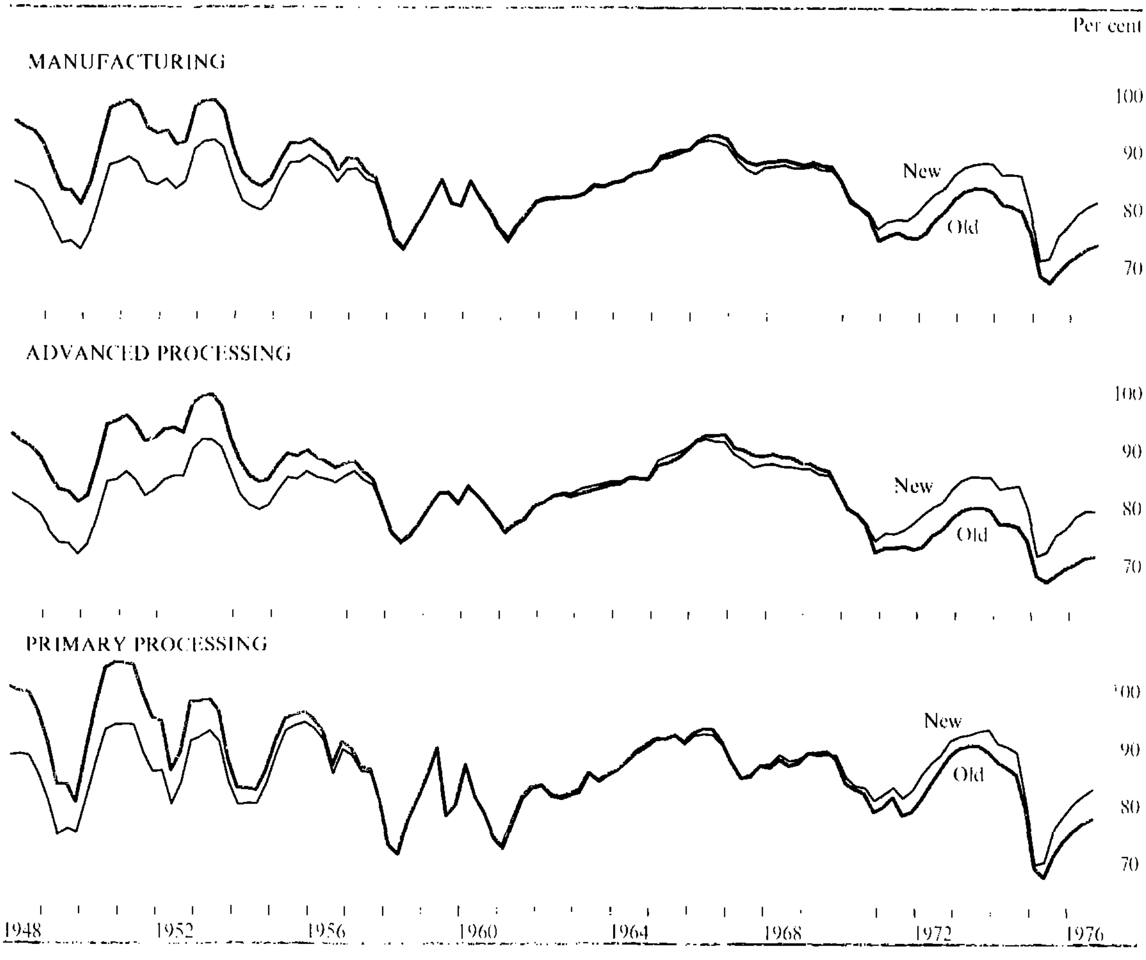
[9] Annual capability adjustments will be made to the manufacturing capacity series when the more detailed Census survey data are used in deriving the estimates of manufacturing capacity.

Although up substantially from the 1975 low of 70 per cent, this rate was still well below the 1973 peak of 88 per cent. This reflects the fact that in the 3 years since that peak, manufacturing capacity has grown by roughly 10 per cent whereas over the same period manufacturing output fell 17 per cent to a low in March 1975 and has only recently recovered its 1973 levels. Within the manufacturing sector durable goods output is still below its 1973–74 peak because of the incomplete recovery in equipment production. Consequently, recent capacity utilization rates for advanced and primary processing industries and for industrial materials are below their average levels. Thus there seems to be a relatively ample margin of capacity at present even though the recent rate of growth of capacity appears to have been slow by historical standards.

The new third-quarter capacity utilization rate for manufacturing is about 7 percentage points above the 74 per cent formerly published. As shown in Chart 3, the new rates for recent years are progressively higher than the unrevised data; the rates for the 1955–70 period are little different; and those for the 1948–54 period have been lowered. The result is that the range of the cyclical peaks in manufacturing utilization rates is much narrower than it had been.

Not surprisingly, peak rates of utilization in excess of 90 per cent, which occurred in 1953 and 1966 during the wars in Korea and Vietnam, are somewhat higher than the major peacetime peaks in 1955 and 1973. This is primarily be-

3. Manufacturing capacity utilization rates



Seasonally adjusted quarterly averages.

cause wartime production led to much higher utilization rates in those advanced processing industries that produce aircraft and other defense equipment.

As described earlier, the use of new data in re-estimating the relationships between capacity and capital for the pre-1955 and the post-1970 subperiods led to substantial revisions in estimated capacity. It appears that during 1947–53 and 1970–76—both periods that were characterized by high inflation rates—constant-dollar investment spending resulted in less capacity growth than one would have expected based on the relationship among the data for 1953–69. This variability indicates (1) how difficult it is to make accurate extrapolations of capacity and (2) that revisions of current extrapolations should be made more often than in the past.

2. Capacity utilization rates in manufacturing

Three Vintages of Federal Reserve Series[1]

In per cent

Quarterly peaks	Original 1966 estimates	1971 estimates	1976 revisions
1948	88	94.4	83.9
1951	96	98.1	88.3
1953	96	98.0	91.3
1955	91	91.3	88.6
1960	84	84.1	84.5
1966	91	92.3	91.6
1973	n.a.	83.3	87.8
1976 Q3	n.a.	73.6	80.9

[1] The dates in the column headings reflect the introduction of the estimates in the Federal Reserve BULLETIN articles by deLeeuw (November 1966), Edmonson (October 1971), and Raddock and Forest (November 1976).

n.a. not available

In the 1970's significant percentages of investment expenditures have been devoted to meeting Government safety and pollution control regulations. Such regulations probably caused some reduction in capacity growth per deflated investment dollar.[10] Similarly, in the early post-World-War-II years, capacity growth relative to growth in the private capital stock may have been reduced by (1) private purchases of existing capacity from the Government, (2) large-scale expenditures primarily for the purpose of replacing aging and worn-out equipment that had not been replaced during the Great Depression or World War II, and (3) an increased rate of substitution of equipment for labor.

Products and Materials

The disaggregation of manufacturing capacity utilization rates into primary and advanced processing industries is a rough approximation for manufacturing of the finer split of all the IP indexes into groupings for materials and products.[11] The lack of adequate historical information on capacity utilization for more detailed classification has so far precluded a more refined split of the manufacturing utilization rates.

As shown in Chart 4, capacity utilization rates for primary processing industries show more cyclical movement than those for advanced processing—just as output of industrial materials is typically more cyclical than that of products. Materials production rises especially rapidly in an expansion because final demand pressures from a variety of sources tend to converge on metals, chemical materials, and other primary products. Moreover, business users tend to build up stocks of necessary materials during a boom, when lead times lengthen and commodity prices escalate, necessitating higher production levels. Conversely, in a recession, businesses buy less materials than they use, thereby cutting into their stocks and causing materials output to fall more sharply than materials use.

[10] Capacity is an ambiguous concept and can be measured only roughly. It is possible that price controls, devaluation of the dollar, and worldwide hoarding, which led to shortages of many materials, influenced businessmen to reduce their estimates of practical capacity during the 1973–74 boom. With more normal price relationships and with more adequate availability of materials, over-all capacity might appear to grow more rapidly in the next expansion.

[11] The materials group includes those industrial goods, such as raw steel, that are used for the most part as inputs by manufacturing and mining establishments and utilities. Products include primarily consumer goods and equipment, but also some intermediate products such as fertilizer that are used by nonindustrial firms.

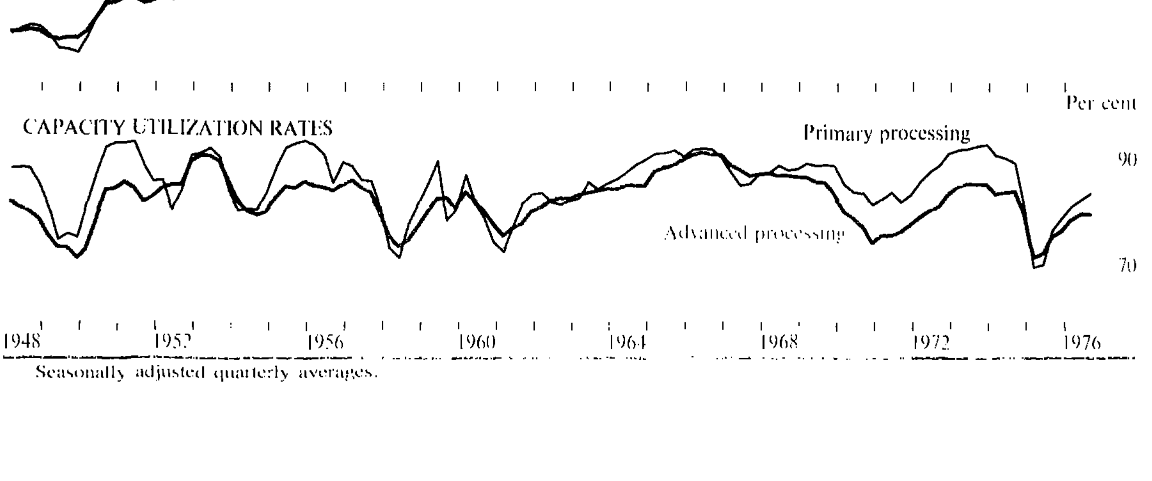
Furthermore, as Table 3 indicates, peak rates in primary processing are typically higher than those in advanced processing. This is in part because of the more varied content of the advanced processing category, which includes not only consumer durable and nondurable goods but also defense and business equipment. The peaks in these series are often less synchronized than those for primary processing. For instance, auto production often peaks well before equipment production, whereas raw steel production—buoyed by inventory demand—is likely to remain at relatively high levels during a period that begins with a boom in consumer durable goods and lasts until equipment production weakens. If fears of shortages lead to excessive inventory accumulation during such sustained booms, then many basic materials are likely to reach peaks concurrently.

In 1973–74 the absence of war and the dispersion of consumer and investor demand held down the utilization rates for advanced processing industries. Moreover, shortages of industrial materials—caused to some extent by hoarding—probably impeded production further downstream, so that peak utilization rates for primary materials were much higher than those for advanced products. In 1973, capacity utilization in primary processing (and materials) industries reached a quarterly peak of about 93 per cent. In contrast, capacity utilization in advanced processing industries reached only 85 per cent.

In light of the 1973–74 shortages of materials and in light also of the great concern about the shortage of capital for expanding materials capacity, it is interesting that—as shown in Table 3—both the new primary processing and the old major materials utilization rates at the 1973 peak were rather similar to other major peaks since World War II. This would seem to indicate that manufacturers have typically not found it profitable to invest in sufficient materials-producing capacity to meet both the convergence of derived demands for materials and the build-up of stocks that occur only at important peaks.

More publicity has usually been given to rates of utilization in manufacturing than to such rates in materials industries, even though the capacity to produce various materials is often the most significant constraint on production. Recognizing the strategic importance of materials ca-

4. Production and utilization by stage of processing



Seasonally adjusted quarterly averages.

3. Capacity utilization rates in primary and advanced processing

Old and New Series
In per cent

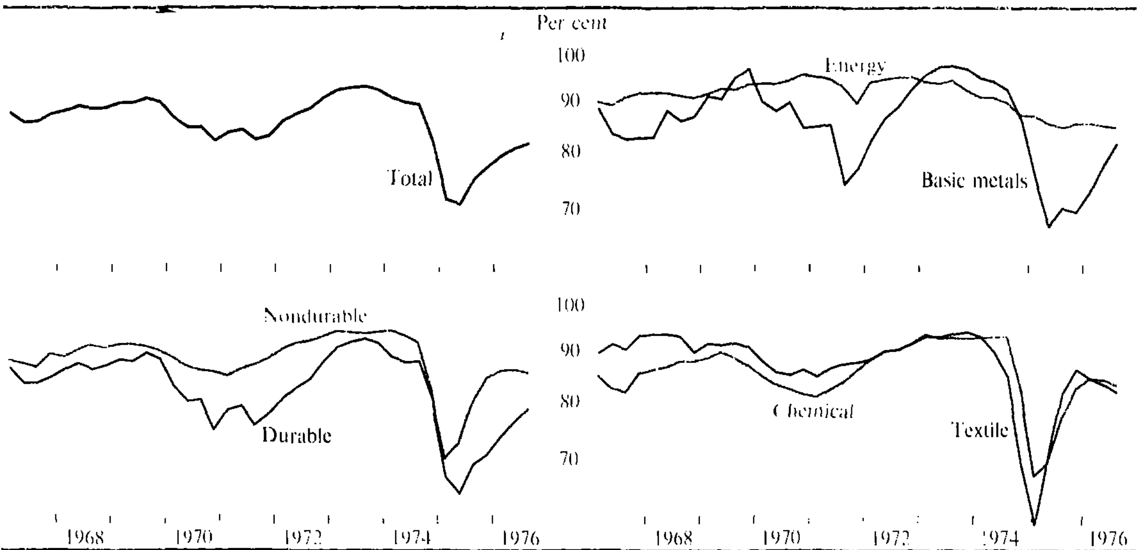
Quarterly peaks	Old major materials	Primary processing: Old	Primary processing: New	Primary processing: Difference	Advanced processing: Old	Advanced processing: New	Advanced processing: Difference
1948	87.1	99.6	88.3	11.3	91.7	81.7	10.0
1951	92.9	103.8	93.6	10.2	95.1	85.5	9.6
1953	90.0	97.6	92.4	5.2	98.4	91.1	7.3
1955	91.1	95.3	93.9	1.4	89.1	85.6	3.5
1960	84.3	86.4	86.6	.2	82.9	83.4	.5
1966	93.0	92.9	92.0	.9	92.2	91.5	.7
1973	93.5	90.1	93.0	2.9	79.7	85.2	5.5
1976 Q3	[1]83.0	77.5	82.4	4.9	71.3	79.3	8.0

[1] Estimated.

pacity in limiting over-all industrial production, the Federal Reserve had previously estimated capacity utilization rates for major materials. Now, the current revision provides more comprehensive estimates for the period since 1967. As shown in Chart 5, the cyclical movements in utilization were very large in 1973–75. After having reached peaks of well over 90 per cent, such rates fell sharply in 1974 in both durable and nondurable goods materials. In comparison with the 1969–70 and other postwar recessions, the 1974–75 decline in utilization rates in nondurable goods materials was extraordinary. This indicates a reduction in the growth of final demand and a very high rate of inventory liquidation.

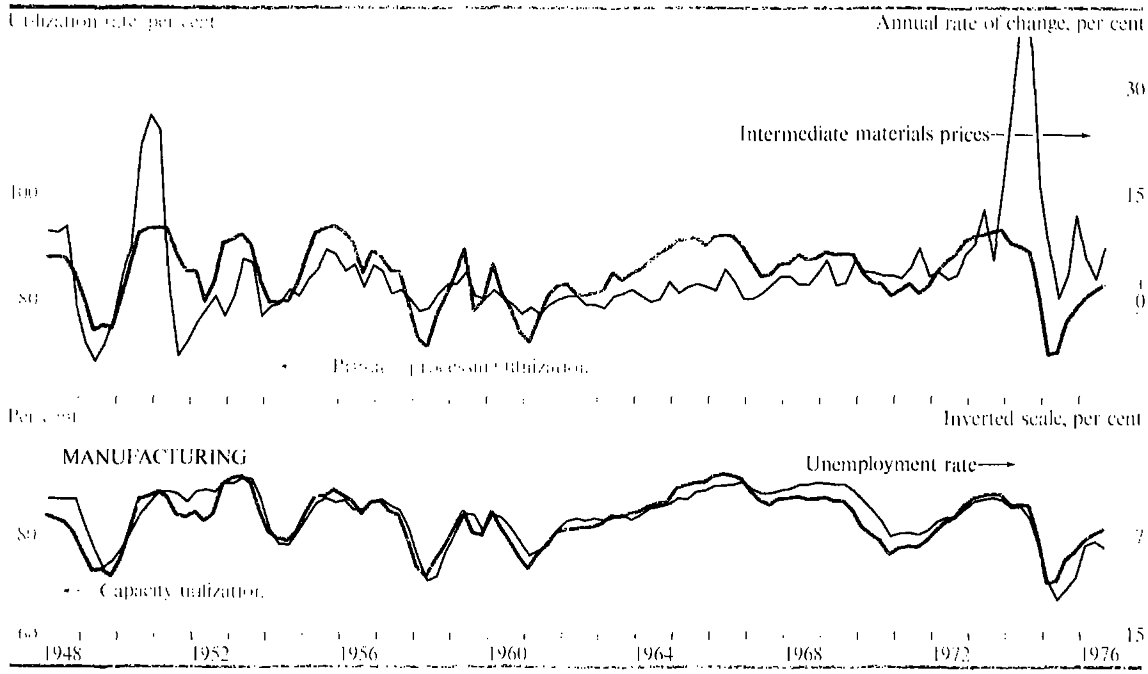
Since the 1975 low in economic activity, sales have expanded and manufacturers have increased their inventories again. As a result, production of nondurable materials recovered sharply; in fact, it rose more than output of durable goods materials, which has been restrained by the slow recovery in equipment production. In contrast, production of energy materials has continued weak, reflecting in part the effect of higher prices on demand.

5. Capacity utilization rates for industrial materials



Seasonally adjusted quarterly averages.

6. Capacity utilization, inflation, and unemployment



Seasonally adjusted quarterly data. The U.S. Bureau of Labor Statistics is the source of the wholesale price and manufacturing unemployment data.

Most recently, the recoveries in the output of both durable and nondurable goods materials have stalled, leaving the utilization rates at levels far below the 1973 peak values. This indicates that materials capacity is not likely to be a significant constraint on economic growth in the near future unless business investment in plant, equipment, and inventories picks up dramatically.

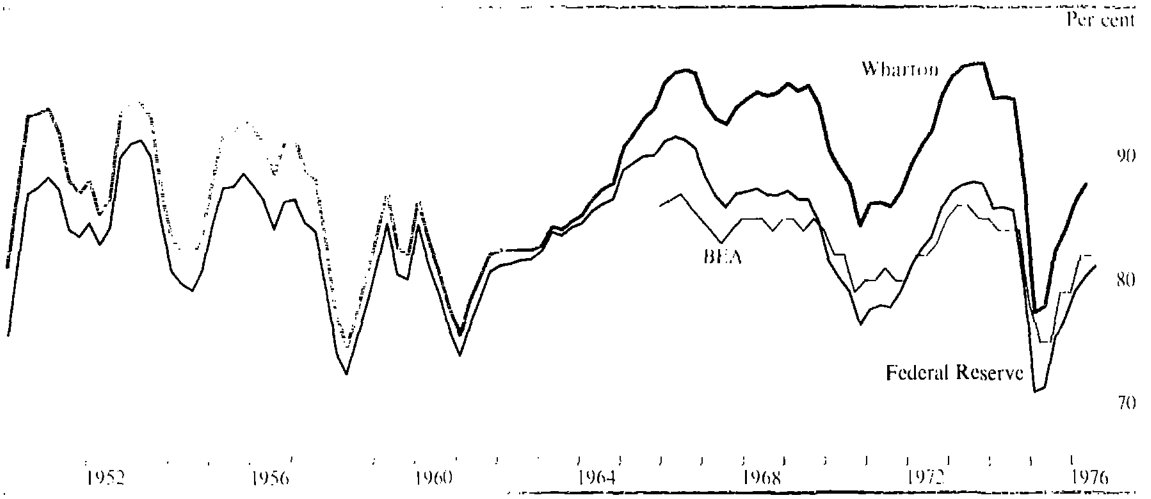
Comparisons With Other Series

Relationships between capacity utilization in primary processing industries and prices of intermediate industrial materials are shown on the upper panel of Chart 6. It is apparent that there is a rough correlation between these two series, but that factors other than utilization rates are also important in determining price behavior. For instance, the relaxing of price controls during a worldwide commodities boom led to an explosion in prices of materials in early 1974. On the other hand, the lower panel of Chart 6 shows that—as would be expected—the revised estimates of capacity utilization in manufacturing are closely and inversely related to unemployment rates in the manufacturing sector.

Some of the presently available estimates of capacity utilization in manufacturing are shown in Chart 7. The Wharton index of capacity utilization is generally the highest because in that index peak production in major industry groups is defined as 100. Most other series, which depend on data reported in surveys, are at a somewhat lower level. The Census Bureau's survey (not shown) yields the lowest rates because it is an establishment survey and includes large plants and also relatively small plants that tend to operate at lower rates. The Federal Reserve estimates tend to average about the same as those from the BEA and from the McGraw-Hill surveys of relatively large companies; however, the cyclical pattern of the Federal Reserve estimates is generally more volatile than surveys of utilization rates would show. The cyclical patterns of the Federal Reserve and the Wharton estimates are most alike because IP indexes determine the short-term movements of both. □

Chart 7 appears on page 902.

2. [illegible] capacity utilization series



Seasonally adjusted. Quarterly data except for the once-a-year McGraw-Hill survey. Sources: McGraw-Hill Publishing Company, Wharton Econometric Forecasting Associates, Inc., U.S. Dept. of Commerce (Bureau of Economic Analysis).

Historical Data

A. Manufacturing

Period		Output (1967 = 100)	Capacity (per cent of 1967 output)	Utilization rate (per cent): Total	Utilization rate (per cent): Primary processing	Utilization rate (per cent): Advanced processing
Quarterly						
1948	Q1	40.7	*48.5*	*83.9*	*88.1*	*81.7*
	Q2	41.0	*49.2*	*83.3*	*88.3*	*80.5*
	Q3	41.2	*50.0*	*82.5*	*88.0*	*79.6*
	Q4	40.8	*50.7*	*80.4*	*84.7*	*78.2*
1949	Q1	39.5	*51.4*	*76.9*	*80.3*	75.2
	Q2	38.1	*51.9*	*73.5*	74.4	73.2
	Q3	38.7	*52.4*	*73.8*	75.4	*73.1*
	Q4	38.4	*52.9*	*72.4*	74.7	*71.4*
1950	Q1	40.4	*53.5*	75.6	*80.7*	*73.6*
	Q2	43.9	*54.1*	*81.1*	*87.0*	*77.9*
	Q3	47.5	*54.6*	*87.0*	92.6	*83.9*
	Q4	48.3	*55.2*	*87.5*	*93.5*	*84.3*
1951	Q1	49.3	*55.8*	*88.3*	*93.6*	*85.5*
	Q2	49.3	*56.4*	*87.4*	*93.5*	*84.1*
	Q3	47.9	*57.0*	*84.1*	*88.6*	*81.5*
	Q4	48.1	*57.6*	*83.5*	*85.3*	*82.5*
1952	Q1	49.2	*58.2*	*84.6*	*85.5*	*84.2*
	Q2	48.8	*58.9*	*82.9*	*79.7*	*84.9*
	Q3	50.2	*59.6*	*84.2*	*83.5*	*84.8*
	Q4	54.1	*60.3*	*89.8*	*90.7*	*89.6*
1953	Q1	55.4	*60.9*	*91.0*	*91.3*	*91.1*
	Q2	56.1	*61.5*	*91.3*	*92.4*	*91.0*
	Q3	55.9	*62.1*	*90.0*	*90.4*	*89.7*
	Q4	53.1	*62.7*	*84.7*	*83.5*	*85.6*
1954	Q1	51.1	*63.3*	*80.8*	*79.6*	*81.6*
	Q2	50.9	*63.9*	*79.7*	*79.8*	*79.7*
	Q3	51.0	*64.4*	*79.1*	*79.7*	*79.0*
	Q4	52.6	*65.0*	*80.8*	*83.3*	*79.7*
1955	Q1	55.5	65.7	84.5	88.3	82.4
	Q2	58.1	66.4	87.4	92.4	84.6
	Q3	58.8	67.2	87.5	93.4	84.3
	Q4	60.2	67.9	88.6	93.9	85.6
1956	Q1	60.2	68.7	87.6	92.8	84.6
	Q2	60.2	69.6	86.5	90.7	84.3
	Q3	59.3	70.5	84.2	85.0	83.7
	Q4	61.6	71.4	86.3	89.2	84.9
1957	Q1	62.4	72.1	86.5	88.2	85.7
	Q2	61.6	72.8	84.6	85.4	84.2
	Q3	61.6	73.5	83.9	85.3	83.3
	Q4	58.9	74.2	79.4	80.0	79.2
1958	Q1	55.4	74.8	74.1	72.6	75.1
	Q2	54.6	75.4	72.4	71.1	73.3
	Q3	57.4	76.1	75.4	77.1	74.4
	Q4	60.0	76.7	78.2	80.8	76.9
1959	Q1	62.9	77.3	81.4	84.8	79.6
	Q2	66.0	78.0	84.6	89.5	82.1
	Q3	63.3	78.7	80.5	77.8	82.3
	Q4	63.6	79.4	80.1	79.8	80.4
1960	Q1	67.7	80.2	84.5	86.6	83.4
	Q2	66.0	81.1	81.3	80.9	81.7
	Q3	64.8	82.1	78.9	78.0	79.6
	Q4	63.0	83.0	75.8	73.7	77.2
1961	Q1	61.9	83.8	73.8	71.9	75.1
	Q2	64.5	84.5	76.4	76.5	76.6
	Q3	66.8	85.1	78.4	80.7	77.4
	Q4	69.2	85.8	80.6	82.6	79.7
1962	Q1	70.2	86.5	81.2	82.9	80.5
	Q2	70.9	87.2	81.3	81.1	81.8
	Q3	71.8	88.0	81.6	80.7	82.2
	Q4	72.4	88.7	81.6	81.3	82.0
1963	Q1	73.7	89.5	82.3	81.8	82.9
	Q2	75.7	90.4	83.8	85.0	83.2
	Q3	76.2	91.2	83.6	83.6	83.6
	Q4	77.5	92.1	84.2	84.8	84.0
1964	Q1	78.6	93.0	84.5	85.7	84.0
	Q2	80.4	94.0	85.5	87.1	84.8
	Q3	81.8	95.1	86.1	88.7	84.7
	Q4	83.1	96.1	86.5	89.8	84.9
1965	Q1	86.7	97.5	88.9	91.0	87.8
	Q2	88.7	99.2	89.4	91.2	88.5
	Q3	90.8	101.0	89.9	91.7	89.1
	Q4	92.4	102.7	90.0	90.2	90.0
1966	Q1	95.3	104.5	91.1	91.8	91.0
	Q2	97.5	106.4	91.6	92.0	91.5
	Q3	98.9	108.3	91.2	91.9	91.0
	Q4	99.9	110.2	90.6	90.1	90.9
1967	Q1	99.0	112.1	88.2	87.0	88.9
	Q2	98.8	114.0	86.6	84.3	87.9
	Q3	99.6	115.9	85.9	84.7	86.7
	Q4	102.4	117.8	86.9	86.7	87.0
1968	Q1	104.2	119.6	87.1	86.9	87.2
	Q2	106.0	121.3	87.4	88.5	86.8
	Q3	106.8	123.0	86.8	87.4	86.7
	Q4	108.2	124.7	86.8	87.8	86.4
1969	Q1	110.1	126.3	87.2	88.9	86.3
	Q2	110.6	127.9	86.5	88.4	85.4
	Q3	112.0	129.6	86.4	88.6	85.2
	Q4	111.2	131.2	84.8	88.4	82.9
1970	Q1	108.0	132.6	81.4	84.7	79.7
	Q2	107.2	133.8	80.1	83.1	78.5
	Q3	106.6	134.9	79.0	82.8	76.9
	Q4	103.9	136.1	76.3	80.6	74.0
1971	Q1	106.3	137.2	77.5	81.7	75.3
	Q2	107.6	138.1	77.9	82.9	75.2
	Q3	108.1	139.1	77.8	81.1	75.9
	Q4	110.6	140.0	79.0	82.4	77.1
1972	Q1	114.2	141.1	80.9	85.2	78.6
	Q2	117.3	142.3	82.4	87.2	79.8
	Q3	119.8	143.6	83.4	88.6	80.6
	Q4	124.2	144.8	85.8	91.1	83.1
1973	Q1	127.2	146.1	87.1	91.8	84.5
	Q2	129.2	147.5	87.6	92.1	85.2
	Q3	130.7	149.0	87.8	92.7	85.0
	Q4	131.8	150.4	87.7	93.0	85.0
1974	Q1	130.1	151.8	85.7	90.5	83.0
	Q2	131.3	153.1	85.8	90.0	83.4
	Q3	132.1	154.4	85.5	89.0	83.6
	Q4	124.1	155.7	79.7	80.4	79.3
1975	Q1	111.2	156.8	70.9	69.5	71.5
	Q2	112.4	157.7	71.3	70.0	72.1
	Q3	119.4	158.6	75.3	75.8	75.0
	Q4	122.5	159.5	76.8	78.1	76.1
1976	Q1	126.7	160.4	79.0	80.2	78.2
	Q2	129.4	161.3	80.2	81.6	79.3
	Q3p	131.2	162.3	80.9	82.4	79.3

Seasonally adjusted data.

NOTE. New manufacturing capacity and utilization rate data for the 1948–54 period are extrapolations and are shown in italics.

A. Manufacturing—Continued

Period		Output (1967=100)	Capacity (per cent of 1967 output)	Utilization rate (per cent): Total	Primary processing	Advanced processing
				Monthly		
1973-	Jan.	125.7	145.7	86.3	91.0	83.8
	Feb.	127.6	146.1	87.3	92.1	84.7
	Mar.	128.3	146.6	87.5	92.2	85.0
	Apr.	128.3	147.1	87.2	91.8	84.9
	May	129.6	147.5	87.8	92.3	85.4
	June	129.8	148.0	87.7	92.1	85.1
	July	130.6	148.5	88.0	93.0	85.1
	Aug.	130.4	149.0	87.5	92.6	84.8
	Sept.	131.2	149.4	87.8	92.4	85.2
	Oct.	131.6	149.9	87.8	92.6	85.1
	Nov.	132.0	150.4	87.8	93.6	85.4
	Dec.	131.9	150.8	87.4	92.8	84.5
1974	Jan.	130.1	151.3	86.0	91.1	83.1
	Feb.	129.8	151.8	85.5	90.2	82.9
	Mar.	130.4	152.2	85.7	90.2	83.1
	Apr.	130.3	152.6	85.4	89.8	82.5
	May	131.5	153.1	85.9	89.9	83.7
	June	132.2	153.5	86.1	90.1	83.8
	July	132.1	154.0	85.8	89.6	83.6
	Aug.	132.1	154.4	85.6	89.0	83.6
	Sept.	132.1	154.9	85.3	88.4	83.5
	Oct.	129.5	155.3	83.4	85.6	82.1
	Nov.	124.6	155.7	80.0	81.1	79.8
	Dec.	118.1	156.1	75.7	74.4	76.1
1975	Jan.	113.4	156.5	72.5	71.2	72.7
	Feb.	110.8	156.8	70.6	69.6	71.2
	Mar.	109.3	157.1	69.6	67.8	70.5
	Apr.	110.9	157.4	70.4	68.9	71.3
	May	111.8	157.7	70.9	69.7	71.9
	June	114.6	158.0	72.5	71.4	73.1
	July	117.0	158.3	73.9	73.4	74.2
	Aug.	119.7	158.6	75.5	76.0	75.3
	Sept.	121.4	158.9	76.4	78.1	75.5
	Oct.	121.2	159.2	76.1	77.8	75.3
	Nov.	122.7	159.5	76.9	78.5	76.1
	Dec.	123.6	159.8	77.4	78.1	77.0
1976	Jan.	125.2	160.1	78.2	78.8	77.3
	Feb.	127.0	160.4	79.2	80.8	78.6
	Mar.	127.9	160.7	79.6	81.0	78.7
	Apr.	128.5	161.0	79.8	81.2	78.8
	May	129.6	161.3	80.3	81.4	79.6
	June	130.2	161.6	80.5	82.1	79.3
	July	131.0	162.0	80.9	82.1	79.7
	Aug.	131.7	162.3	81.2	82.2	79.8
	Sept. [r]	131.0	162.6	80.5	82.9	78.3
	Oct. [p]	130.0	162.9	79.8	...	...

B. Industrial Materials

Period		Output (1967=100)	Capacity (per cent of 1967 output)	Utilization rate (per cent): Total	Durable: Total	Durable: Basic metals	Nondurable: Total	Textile, paper, and chemical: Total	Textile	Paper	Chemical	Energy
						Quarterly						
1967–	Q1	99.6	114.1	87.3	86.2	88.2	87.8	87.8	89.4	94.8	84.7	89.5
	Q2	98.4	115.3	85.3	83.2	83.1	87.0	86.1	91.2	91.8	82.2	88.7
	Q3	99.6	116.4	85.5	83.2	82.1	86.2	85.3	90.2	90.8	81.5	90.4
	Q4	102.4	117.6	87.1	84.4	82.4	89.0	88.3	93.0	91.5	85.2	91.3
1968	Q1	104.2	118.8	87.7	85.9	82.7	88.3	89.0	93.3	92.8	86.0	91.5
	Q2	106.6	120.1	88.8	87.2	87.9	89.9	89.8	93.5	94.7	86.5	91.4
	Q3	107.1	121.2	88.4	86.1	85.8	90.9	90.4	92.8	95.6	87.7	90.8
	Q4	108.4	122.5	88.5	86.8	86.7	90.3	89.6	89.6	95.3	87.7	90.4
1969-	Q1	110.6	123.8	89.4	87.9	90.7	91.0	90.5	91.4	96.8	88.3	91.1
	Q2	111.8	124.8	89.6	87.7	90.2	91.2	91.3	91.0	96.8	89.5	92.4
	Q3	113.7	125.8	90.4	89.4	95.0	90.7	90.9	91.6	97.6	88.4	92.2
	Q4	113.8	127.0	89.6	88.2	96.9	89.8	89.7	90.8	97.3	86.8	93.2
1970–	Q1	110.5	128.0	86.3	82.6	89.7	88.2	87.4	87.8	95.7	84.7	93.5
	Q2	109.0	129.0	84.5	79.9	87.8	86.5	85.7	85.4	94.3	83.1	93.3
	Q3	109.9	130.1	84.5	80.2	89.6	85.8	84.7	84.9	92.4	82.1	94.1
	Q4	107.4	131.2	81.9	74.8	84.3	85.4	84.3	86.0	92.4	81.2	95.4
1971–	Q1	110.3	132.1	83.5	78.3	84.6	84.7	83.9	84.6	93.7	80.6	94.9
	Q2	112.0	133.4	83.9	78.9	85.0	86.0	85.2	86.4	93.9	82.1	94.5
	Q3	110.4	134.5	82.1	75.6	74.2	86.9	86.5	87.3	94.8	83.6	92.7
	Q4	112.2	135.6	82.8	77.4	76.9	88.1	88.2	87.6	96.7	85.9	89.3
1972	Q1	117.3	136.9	85.7	80.4	82.1	90.0	89.9	88.2	97.3	88.1	93.9
	Q2	120.7	138.3	87.3	82.5	86.3	91.4	91.2	89.9	97.6	89.7	94.4
	Q3	123.4	139.6	88.4	84.1	88.8	91.8	91.6	90.2	97.9	90.1	94.8
	Q4	127.7	141.0	90.6	87.7	92.5	92.8	92.7	91.4	98.8	91.3	94.9
1973	Q1	131.3	142.5	92.1	90.6	95.6	93.9	94.1	92.8	98.4	93.2	93.8
	Q2	133.4	144.2	92.5	91.6	97.2	93.6	93.7	92.7	99.5	92.4	93.4
	Q3	135.4	145.8	92.9	92.3	97.5	93.4	93.9	93.4	98.8	92.5	94.1
	Q4	135.7	147.4	92.1	91.4	96.8	93.7	93.7	93.9	98.2	92.4	92.0

Seasonally adjusted data.

B. Industrial Materials — Continued

Period	Output (1967 = 100)	Capacity (per cent of 1967 output)	Utilization rate (per cent): Total	Durable: Total	Durable: Basic metals	Nondurable: Total	Nondurable: Textile, paper, and chemical: Total	Textile	Paper	Chemical	Energy
Quarterly — Continued											
1974— Q1	134.6	148.9	90.4	88.5	94.7	94.0	93.6	92.9	97.9	92.5	90.5
Q2	134.6	150.3	89.6	87.4	93.9	93.0	93.2	89.6	98.4	92.7	90.3
Q3	135.2	151.8	89.1	87.7	92.0	91.4	91.9	84.5	97.0	92.7	89.4
Q4	125.2	153.3	81.7	79.9	86.0	81.4	81.0	69.3	89.9	82.1	87.0
1975— Q1	110.7	154.8	71.5	66.9	75.2	69.9	67.8	60.1	78.3	67.2	86.8
Q2	110.4	156.1	70.7	64.6	67.0	72.4	70.3	70.5	73.5	69.4	85.2
Q3	118.2	157.7	74.9	69.0	70.1	79.8	78.2	81.5	81.2	76.5	84.4
Q4	122.8	159.2	77.1	70.6	69.4	84.3	83.8	86.2	86.4	82.3	85.2
1976— Q1	127.0	160.6	79.1	73.5	72.8	85.6	85.1	84.3	89.1	84.2	85.3
Q2[r]	130.3	161.7	80.6	76.2	77.4	85.9	85.0	83.1	90.9	84.0	84.8
Q3[p]	132.7	163.1	81.3	78.3	81.7	85.2	84.1	81.9	90.2	83.0	84.4
Monthly											
1973— Jan.	129.9	142.0	91.5	89.6	93.5	93.0	93.4	92.8	98.0	92.3	94.3
Feb.	131.7	142.5	92.4	90.8	96.3	94.0	94.2	92.4	98.6	93.6	94.3
Mar.	132.3	143.1	92.5	91.3	96.8	94.6	94.5	93.3	98.7	93.8	92.8
Apr.	132.4	143.5	92.3	91.3	97.0	93.3	93.5	92.5	98.8	92.3	93.2
May	133.5	144.2	92.6	91.7	97.4	93.9	93.8	92.4	100.5	92.3	93.2
June	134.3	144.6	92.9	92.0	97.2	93.6	93.9	93.2	99.3	92.5	93.8
July	135.1	145.2	93.0	92.5	97.7	93.0	93.7	93.2	99.3	92.2	94.6
Aug.	135.8	145.8	93.1	92.4	97.4	94.1	94.5	93.6	98.8	93.5	94.0
Sept.	135.4	146.3	92.5	91.9	97.2	93.0	93.5	93.6	98.3	91.9	93.8
Oct.	135.2	146.9	92.0	91.2	96.7	93.2	93.4	93.9	98.4	91.8	93.1
Nov.	136.0	147.4	92.3	91.8	96.9	93.9	93.9	94.4	98.5	92.5	91.2
Dec.	136.0	147.8	92.0	91.1	96.6	93.9	93.8	93.4	97.9	92.8	91.7
1974 Jan.	134.9	148.4	90.9	89.6	95.8	94.0	93.9	92.2	97.8	93.3	90.2
Feb.	134.4	148.9	90.3	88.1	94.5	94.0	93.6	93.5	97.6	92.4	90.7
Mar.	134.5	149.4	90.0	87.8	93.9	93.8	93.2	92.7	98.4	92.0	90.7
Apr.	132.9	149.8	88.7	86.4	93.7	93.1	93.0	89.9	98.5	92.3	88.6
May	135.2	150.3	90.0	87.6	93.5	93.3	93.5	90.3	98.6	92.9	91.4
June	135.7	150.8	90.0	88.3	94.6	92.5	92.9	88.7	98.2	92.8	91.2
July	135.4	151.3	89.5	88.1	92.5	92.7	93.1	87.5	97.9	93.4	88.6
Aug.	134.8	151.8	88.8	87.2	90.3	91.0	91.1	83.6	96.1	92.0	89.9
Sept.	135.4	152.4	88.8	87.7	93.4	90.6	91.6	82.5	97.1	92.8	89.5
Oct.	132.4	152.9	86.6	85.4	91.5	87.0	87.3	75.1	93.0	89.5	89.2
Nov.	125.2	153.3	81.7	80.0	86.6	81.7	80.9	70.3	90.3	81.5	86.1
Dec.	118.0	153.8	76.7	74.1	80.1	75.5	74.8	62.4	86.2	75.4	85.6
1975— Jan.	113.7	154.4	73.6	69.9	78.3	71.9	69.9	58.0	82.3	70.0	87.1
Feb.	110.1	154.8	71.1	66.3	75.7	70.0	68.0	60.2	80.4	67.0	86.3
Mar.	108.3	155.3	69.7	64.7	71.6	67.8	65.5	62.2	72.4	64.7	86.8
Apr.	108.8	155.7	69.9	64.6	68.6	70.3	67.7	66.1	71.8	67.1	84.2
May	109.8	156.1	70.3	64.3	66.5	72.2	70.0	69.9	72.0	69.4	84.3
June	112.6	156.6	71.8	64.9	66.1	74.6	73.2	75.4	76.7	71.6	86.9
July	114.5	157.2	72.8	66.6	67.5	76.8	74.6	78.3	78.4	72.6	84.7
Aug.	119.0	157.6	75.5	69.9	71.9	79.2	77.7	79.4	81.0	76.3	85.7
Sept.	121.0	158.1	76.5	70.6	70.8	83.3	82.4	86.7	84.3	80.5	82.7
Oct.	122.0	158.6	76.9	70.5	70.4	83.9	83.2	85.7	85.0	81.9	84.4
Nov.	123.1	159.1	77.3	70.6	70.2	84.2	83.7	86.3	86.7	82.1	86.1
Dec.	123.3	159.6	77.2	70.7	67.7	84.7	84.3	86.4	87.5	82.9	85.1
1976 Jan.	125.3	160.1	78.2	72.1	71.6	84.6	83.8	85.4	87.7	82.2	86.2
Feb.	127.3	160.5	79.3	74.0	73.8	85.9	85.3	84.0	89.9	84.3	84.6
Mar.	128.2	160.9	79.7	74.3	72.9	86.3	86.1	83.4	89.8	86.0	85.0
Apr.	129.2	161.3	80.1	75.4	75.5	86.2	85.6	82.2	90.9	85.2	84.2
May	130.6	161.6	80.8	76.6	79.1	85.5	84.6	83.7	90.1	83.3	85.2
June	131.1	162.3	80.8	76.5	77.7	86.0	84.8	83.3	91.9	83.4	84.9
July	132.2	162.7	81.2	78.5	81.9	84.9	83.8	82.2	90.2	82.6	83.9
Aug.[r]	132.9	163.0	81.5	78.7	83.3	84.7	83.6	81.3	90.4	82.3	84.5
Sept.[p]	132.9	163.5	81.3	77.7	79.9	85.9	84.8	82.2	89.9	84.1	84.7
Oct.[p]	132.3	163.9	80.7	77.2		84.8	83.7				84.4

Seasonally adjusted data.

Statements to Congress

Statement by Arthur F. Burns, Chairman, Board of Governors of the Federal Reserve System, before the Committee on Banking, Housing and Urban Affairs, U.S. Senate, November 11, 1976.

I am pleased to meet once again with this distinguished committee to present the report of the Federal Reserve Board on the condition of the national economy and the course of monetary policy.

During the first year of recovery from the severe recession of 1974–75, the pace of economic growth was rapid. The physical volume of total production rose by 7½ per cent. The level of industrial production—that is, the output of our factories, mines, and power plants—increased by 12 per cent. Employment across the Nation rose by 2 million, and the unemployment rate fell by more than a percentage point—to 7½ per cent.

A substantial part of the gain in the gross national product during the first year of recovery was attributable to inventory investment—that is, a turnaround from extensive liquidation of inventories to a moderate rate of accumulation. The remaining and basic part of our gross national product—that is, the purchase of goods and services by the consuming public, by our governmental units, by foreigners, and by business firms apart from their inventory adjustments—grew 4½ per cent in physical terms during the first year.

These final sales have continued to advance during the past two quarters about as rapidly as in the initial year of recovery. But inventory investment did not add to the growth of physical output after the first quarter of this year.

In the absence of further stimulus from inventory accumulation, the growth of over-all economic activity has moderated. The gross national product during the past two quarters rose at an average annual rate of 4¼ per cent, and industrial production advanced at a 6½ per cent rate. Employment continued to move up by 1½ million; but there was also a large increase in the labor force, and the unemployment rate drifted higher over the summer months.

Indeed, the growth of the civilian labor force has been exceptionally large during the past year, amounting to over 2 million persons. Some pick-up in the rate of growth in the labor force is fairly common during a cyclical recovery because improving employment opportunities tend to attract men and women into the job market. In the present instance, however, the persistent pressure on family budgets caused by inflation has accelerated the rise in labor force participation and has thus slowed the reduction of unemployment. At a time of inflation, the cost of living increases for everyone; the like, however, is not true of incomes. Many individuals are earning no more today than they did 6 months or a year ago, and some are earning less. As a consequence, more and more households have found it necessary for additional family members to work outside the home in order to make ends meet. This has been reflected in a sharp rise during the past year in the proportion of adult women and teenagers who are working or looking for work.

The slowdown in the rate of economic expansion since last spring has been widely noted, but it is useful to keep in mind that a roughly parallel development occurred in earlier postwar recoveries. During the previous five cyclical upswings, the physical volume of the Nation's total production rose, on average, by 8 per cent in the first year and 4 per cent in the second.

In those earlier postwar expansions, as in the present one, the diminished pace of expansion during the second year reflected a reduced stimulus from rebuilding of inventories.

Although the broad outlines of the current expansion thus resemble earlier recoveries, there has been a notable difference in the behavior of the capital goods sector. Expressed in constant dollars, business outlays for new plants, machinery, and other equipment typically begin to move up at about the same time or soon after the upturn in general business activity. Throughout last year, however, these outlays either continued to decline or failed to rise. Since then, a moderate rate of advance has resumed. Nevertheless, business fixed investment in the third quarter of this year was only 2¼ per cent above its physical level in the first 3 months of 1975, when general business activity reached its trough. At the comparable stage of previous postwar upswings, business fixed investment had risen, on average, by about 15 per cent.

The sluggish advance of business capital spending in this recovery is a consequence in large part of the impact of the recession of 1974–75 on the psychology of the business community. Not many of the current generation of business managers had ever before experienced an economic decline of comparable severity. In recent times, the view has spread in business circles, as it already had in the academic community, that the old-fashioned business cycle was dead—that any recession that might occur would prove to be brief and mild, since governmental policies could be relied upon to keep the economy moving forward at a rather steady pace. Businessmen were certainly unprepared for the slump in sales and production in 1974 and early 1975 that resulted from an inflationary process that got out of control and undermined the strength of the economy. In the aftermath of this hard experience, it should not be surprising that the rebuilding of confidence needed for a new surge of investment activity has proceeded rather slowly.

A gradual restoration of confidence, such as we have been experiencing, is also under way in other industrial countries. The inflation that played havoc with our economy was worldwide in scope, and so was the subsequent recession. Businessmen around the world are tending to be cautious in making major long-term investment commitments. Recovery has been slow or only moderate in Germany, France, Japan, and other industrial nations. Weakness in business capital outlays has been rather widespread, and most industrial countries have experienced a pause in economic expansion similar to our own.

The key to releasing the productive energies of our people, as well as the people of other industrial nations, lies in a further rebuilding of confidence—that is, renewed hope of businessmen, investors, and consumers in their own and their nation's economic future. That process, I believe, is generally continuing. True, some recent surveys in our country suggest that consumers have of late become somewhat more cautious. Yet, they are still adding to their purchases of goods and services. The personal savings rate fell last quarter to 6½ per cent—the lowest level in several years. Rising disposable income and the strengthened liquidity position of American families should, I believe, provide the basis for advances in consumer spending over the remainder of this year and on into 1977.

In the business sector, too, there are indications of a growing willingness to make commitments for the future. New orders for nondefense capital goods increased in 7 of the first 8 months of this year; they again increased, by 3 per cent, in September and are now about 20 per cent above their level last December. In recent months, the volume of contracts awarded for commercial and industrial construction has been running well above the average level in the early months of this year. The formation of new businesses has continued to grow. Moreover, the latest McGraw-Hill survey of investment intentions indicates that businesses plan to increase expenditures on plant and equipment by 13 per cent next year.

Historically, such surveys have tended to underestimate capital expenditures when economic activity was expanding. Both corporate profits and the utilization of industrial capacity have improved this year. Under such conditions, business firms are apt to move ahead energetically with their capital expenditure programs. Although such a development has been delayed in the present expansion, the traditional pattern now seems to be emerging, so that business capital outlays should be an important stimulus to economic activity next year.

Housing activity has been moving up at a good pace in recent months, and this should also help to strengthen the rate of economic expansion. Some slowdown appears to have occurred recently in the rising price of new homes. This is an encouraging development in a sector where rising costs have squeezed out many potential buyers. Residential building permits have advanced rather rapidly of late, and are now at the highest level in 3 years. New housing starts are moving up for both single-family and multifamily units. Sales of new homes are increasing. With mortgage credit in ample supply in practically all parts of the country, a continued advance in homebuilding activity may reasonably be expected.

Activity in the major sectors of the private economy thus seems poised for further advances. The recovery has proceeded in an orderly fashion, and there have been few signs of the speculative excesses that often develop in the course of a business-cycle expansion. The basic sources of strength underlying the expansion of economic activity do not appear to have been weakened by the recent pause in the pace of expansion. Final sales are still increasing and should continue to register good gains in the months ahead. Some imbalances in inventories that were a problem earlier this year—particularly in the nondurable goods industries—are being corrected. The depressing effect of strikes in the rubber and auto industries on industrial production, employment, and personal income is now behind us, and the recent steep decline of farm income may also be nearing an end.

Furthermore, foreign demand for our exports should increase as business activity expands further in Western Europe and Japan. Although our imports will also generally move up in response to our own economic expansion, the beginning of oil flows through the Alaskan pipeline should moderate the rise in oil imports in 1977.

All in all, it seems entirely reasonable to expect a pick-up in the tempo of economic activity in the near future. Certainly, conditions in financial markets remain conducive to continued economic expansion.

The Federal Reserve has pursued a moderate monetary policy during the course of this recovery, seeking to foster financial conditions that would facilitate a good expansion in economic activity without aggravating in any way the troublesome problem of inflation. That is still our basic policy.

In my report to this committee last November, I announced the ranges of growth for the major monetary aggregates that the Federal Open Market Committee had projected for the year ending with the third quarter of 1976. In the case of M_1—that is, the money stock defined so as to include only currency and demand deposits—a range of 5 to 7½ per cent was projected. For M_2—which also includes time and savings deposits other than large certificates of deposit at commercial banks—the range was set at 7½ to 10½ per cent; and for M_3—which encompasses, besides the components of M_2, the deposits at savings banks, credit unions, and savings and loan associations—a range of 9 to 12 per cent was set.

Looking back over the past year, we find that the actual pace of monetary expansion was broadly in line with the specified ranges. During the year ended in the third quarter of 1976, M_1 grew 4.4 per cent, somewhat below the lower end of the projected range. On the other hand, M_2 rose 9.3 per cent, a little above the midpoint of its range, while M_3 grew 11.5 per cent, or close to the top end of its range.

The shortfall in the growth of M_1 from the projected rate reflects innovations in financial technology that spread through the financial system more rapidly than we anticipated. For example, the spread of overdraft facilities at banks has tended to reduce the volume of demand deposits held by the public for transactions purposes. So also has the growth of Negotiable Order of Withdrawal (NOW) accounts in the New England region, the development of telephonic transfers of funds from savings to checking accounts, and the growing use of savings deposits to settle monthly bills for utilities, mortgage obligations, and other recurring items. Moreover, recent regulatory changes, which permitted commercial banks to accept savings deposits by business corporations and State and local governments, have resulted in a substantial increase in savings accounts. A significant part of these deposits effectively serve as transactions balances.

The Board's staff has sought to estimate the effect of innovations of this kind on the recent growth of M_1. These estimates are necessarily rough. They suggest, however, that growth of M_1 over the past year would have been 2 percentage points higher—or about 6½ instead of 4½ per cent—in the absence of these developments.

A year ago there was some concern among the members of the Congress and other interested citizens that the growth ranges of the monetary aggregates we had projected would lead to a marked tightening of credit conditions. That has not occurred. Interest rates usually begin to rise at about the time general business activity turns up. In the present instance, however, market interest rates have generally remained below their level in the spring of 1975, when the economic recovery began. Indeed, interest rates on short-term securities are about as low now as at any time in the past 4 years. In longer-term markets, yields on high-grade corporate bonds are about 1½ percentage points below their level at the beginning of the recovery. In fact, they are lower than at any time in the past 2½ years.

The downward tendency of interest rates during the current economic expansion stems, in part, from the fact that private credit demand—especially the demand by business firms for short-term funds—has remained moderate. The main cause, however, of the unusual behavior of interest rates during this recovery is the gradual lessening of inflationary fears and the consequent reduction in the inflation premium built into interest rates—particularly the long-term rates.

The financial climate that has prevailed during the recovery has permitted lenders and borrowers alike to strengthen their financial condition. Commercial banks have rebuilt their liquidity, and the condition of the banking system has been further strengthened through widespread additions to retained earnings and some new issues of common stock.

The liquidity of savings banks and savings and loan associations has also improved markedly. The flow of savings to these institutions has remained abundant, and they have continued to increase their mortgage lending. Outstanding mortgage loan commitments of savings and loan associations—the leading suppliers of home mortgage credit—are now at the highest dollar figure in history.

Our Nation's business enterprises have likewise taken advantage of the prevailing financial climate to improve their financial condition. During the past 2 years, corporations have issued a huge volume of long-term bonds, and they have used much of the proceeds to repay short-term debt and to acquire liquid assets. Since early this year, many lower-rated firms have found a more receptive public market for their debt issues, and others have met their need for long-term funds through private placements with life insurance companies and other institutional lenders.

These accomplishments in financial markets indicate, I believe, that the course of moderation in monetary policy pursued over the past year has significantly aided the process of recovery in economic activity.

We at the Federal Reserve remain deeply concerned about the high level of unemployment that still exists in our country. We recognize the need to regain more prosperous economic conditions. We also recognize, as thoughtful Americans generally do, that lasting prosperity will not be achieved until our country solves its chronic problem of inflation.

The inflation that is still damaging our economy and troubling our people began over a decade ago—largely as a consequence of loose fiscal policies. During the early 1970's, the underlying inflationary trend was aggravated by a variety of special factors—poor crop harvests here and abroad, a worldwide boom in economic activity, devaluation of the dollar in international exchange markets, and an enormous run-up in the prices of gasoline, fuel oil, and other energy items brought on by the Organization of Petroleum Exporting Countries (OPEC) cartel. By 1974 the general price level was rising at an explosive rate.

In 1975 our Nation finally succeeded in reducing the rate of inflation—with the increase of consumer prices slowing to 7 per cent from the 12 per cent rise recorded in 1974. Most of this notable progress occurred in the first half of 1975.

Since then, there has been little further improvement in the underlying rate of inflation. Thus, consumer prices have risen during the past several months at an average annual rate of around 6 per cent, and the advance of wholesale prices of industrial commodities has been still faster. Energy prices are again rising rapidly; since April the cost of energy items to consumers has increased at an annual rate of 15 per cent.

Last quarter, the average level of prices of all items included in the gross national product rose less than in the second quarter. This improvement, however, mainly reflected technical factors. With the underlying rate of increase in the general price level still around 6 per cent, inflation continues to erode the purchasing power of the wages and savings of our people at a disconcerting rate.

Continued progress in unwinding inflation must remain a major objective of public policy, along with re-establishment of reasonably full employment and reasonably full utilization of our industrial capacity. Experience around the world indicates that these goals are inseparable—that lasting prosperity cannot be attained in a highly inflationary environment.

The principal contribution that the Federal Reserve can now make to the achievement of our Nation's basic economic objectives is to adhere to a course of moderation in monetary policy. With that in mind, the Federal Reserve has made several adjustments over the past year in its projected long-run growth ranges for the monetary aggregates. These adjustments were in large part designed to take account of the changes in financial technology that I discussed earlier, but by pointing gradually downward they also moved in a direction consistent with an eventual return to general price stability.

The Federal Open Market Committee has now adopted ranges for the year ending in the third quarter of 1977 that differ only a little from those announced last July. For M_1, the upper boundary of the projected growth range was reduced by ½ of a percentage point, so that the new range is 4½ to 6½ per cent. This reduction reflects the fact that changes in financial technology are likely to continue reducing the proportion of transactions balances held by the public in the form of currency and demand deposits. Therefore, an increase of M_1 as large as 7 per cent over the next year would not be needed to finance a continued good recovery—and it might well contribute to a revival of inflationary expectations. The change thus constitutes one more small but prudent step toward achievement of a monetary growth trend consistent with a gradual return to general price stability.

For technical reasons, the upper boundary of the ranges for the broader measures of money has been raised by ½ of a percentage point. The projected range for M_2 is now 7½ to 10 per cent, and for M_3 the range is 9 to 11½ per cent. These adjustments were dictated by the fact that market interest rates have recently declined, while those paid by banks and thrift institutions on time and savings deposits (other than large certificates of deposit) have generally remained at regulatory ceilings. The diversion of savings funds from market instruments to deposits at these institutions has therefore been unexpectedly large, so that growth rates of M_2 and M_3 have of late tended to exceed their longer-run ranges. We cannot be sure that these higher growth rates of M_2 and M_3 will continue, but there is no reason at present to be seriously concerned about them.

Let me take this opportunity to state unequivocally once again that further reductions in the growth ranges of all the major monetary aggregates will continue to be needed if the United States is to succeed in unwinding the inflation that still plagues our economy. We at the Federal Reserve are mindful of this basic consideration.

In the course of this review of economic and financial developments, I have tried to indicate that our Nation has made considerable progress over the past year and a half in restoring prosperous conditions. Much remains to be accomplished, however. In recent months the rate of economic expansion has been retarded, new jobs have not been created at a sufficient pace, and unemployment has risen.

I remain entirely optimistic about our Nation's ability to deal successfully with these problems. There are, however, uncertainties at the present time that cloud the prospects for a strong recovery of economic activity next year.

One concern is the possibility that the pace of inflation may accelerate. Over the past 3 months, wholesale prices of industrial commodities have risen at an annual rate of 11 per cent. Continuation of anything like that rate would erode confidence and induce businesses and consumers to reduce their spending commitments.

A related concern is the threat of a further increase of OPEC oil prices. If the OPEC cartel raises prices an additional 10 to 15 per cent, as has been rumored, the adverse effects on the recovery of business activity could be serious—in other countries as well as our own. An increase of that magnitude would add to the strains that have already been brought on in international markets by the continuance of high rates of inflation in numerous countries. Banks and other private lenders here and abroad may be unable to extend a sizable volume of additional loans to foreign borrowers without going beyond the boundaries of prudent management. International financial mechanisms may encounter difficulties in handling still larger or more widespread balance of payments deficits. These considerations must be kept sternly in mind by the political and financial leaders of both the oil-exporting and the oil-importing nations.

As we at the Federal Reserve Board now observe the world scene, there is a clear need for expansion in the economies of both the industrialized and the developing nations. Both here and abroad, the recovery from the deep recession of 1974–75 has been incomplete.

The participants in the recent meetings of the International Monetary Fund in Manila wisely recognized the dilemma presently faced by economic policy-makers throughout the world. In today's environment of deeply ingrained inflationary expectations, traditional policies of economic stimulation might well be counterproductive. Fears of inflation would intensify, and the seeds of another recession may be sown. As the Interim Committee of the International Monetary Fund observed this October, ". . . in present circumstances the restoration of a reasonable degree of price stability will be necessary to establish the basis for sustained economic growth and the reduction of unemployment."

The Federal Reserve Board continues to believe that structural changes in our economy would enhance the prospects for returning to reasonably full employment without releasing a new wave of inflation. Part of our recent problem of continuing inflation amidst widespread unemployment stems from a failure to attend sufficiently to modernization and improvement of our Nation's industrial plant. There is a need in our country for a larger volume of business capital investment and for greater reliance by business firms on equity funds in financing their capital expenditures. These objectives could be promoted by an overhaul of the structure of Federal taxation.

Governmental practices and programs affecting labor markets also have to be reviewed in any serious search for lasting measures to reduce unemployment. For example, the Federal minimum wage law is still pricing many teenagers out of the job market, and our present programs for unemployment compensation may be providing benefits on such a generous scale as to blunt incentives to work. We would also benefit from more effective job banks, more practical training programs, and other realistic labor market policies.

Structural changes in other areas are also needed to enhance the prospects for expanded employment, while at the same time reducing the pressures on costs and prices. We need to gather the courage to reassess the nature and enforcement of our laws directed against restraint of trade by business firms; also the various restrictions on entry into the professions, the wage standards in the Davis-Bacon Act, the proper role of trade unions in the public sector, the monopoly of first-class mail by the Postal Service, and the mass of governmental regulations that impede the competitive process and run up costs for business enterprises.

There are numerous structural measures besides those I have mentioned that could aid in the restoration of general prosperity. For example, there is a large contribution to be made by serious efforts on the part of business managers, trade union leaders, officials of local governments, and other public-minded citizens to work cooperatively together to help train unskilled workers and find them jobs, to stimulate new businesses in the central cities, to restore the pride of Americans in their local communities, and to deal on a broad front with the vast problem of urban decay. □

Statement by Stephen S. Gardner, Vice Chairman, Board of Governors of the Federal Reserve System, at the public hearings of the Providers Committee of the National Commission on Electronic Fund Transfers, November 11–12, 1976. (Although not congressional testimony, this statement reflects the views of the Board of Governors of the Federal Reserve System.)

Mr. Chairman, members of the Commission, I appreciate the opportunity to present the views of the Board of Governors of the Federal Reserve System on the important question of the role of Government in Electronic Fund Transfer Systems (EFTS). The Board follows the work of this Commission very carefully and will benefit from proceedings before the Commission and hopefully contribute to its deliberations. The Board's positions on the questions with which the Commission is concerned are still under development. Board staff papers on some of these questions, for example, consumer issues, competitive effects of terminals, and the Federal Reserve's current activities in the payments mechanism area, have already been forwarded to the Commission. Additional Board staff papers on economic and monetary policy implications of EFTS, the cost of the current payments mechanism, the question of sharing EFT facilities, and other topics will be made available to the Commission when they are completed. As you know, we have had under way a comprehensive appraisal of pricing of and access to Federal Reserve payments mechanism services, and when this work is completed, we shall be pleased to share it with the Commission.

Since its origin in 1913, the Federal Reserve System has been an active participant in the Nation's payments mechanism. Currently, the Federal Reserve System provides clearing and settlement facilities for the exchange of payments among depositary institutions in paper form and on magnetic tape. The System also provides currency and coin services to its member banks and the facilities for the wire transfer of reserve account balances and transactions in Government securities. A brief summary of the System's statutory responsibilities in these areas may be useful.

Prior to the enactment of the Federal Reserve Act, checks were exchanged in this country through a system of clearing houses (or exchanges). Often exchange charges were levied by the bank that finally paid the check, and since the checks were not paid in full, the practice was termed "nonpar banking." The exchange charge was generally ¼ of 1 per cent of the face value of the check paid, and many banks engaged in circuitous routing of checks to avoid such exchange charges. This resulted in check collection being slow, cumbersome, and costly, and the system had an adverse effect on commerce and economic growth. Sections 13 and 16 of the Federal Reserve Act changed these relationships because commercial banks were required to pay for checks presented to them by Reserve Banks at par, and the Reserve Banks were authorized to collect the checks of commercial banks.

With respect to currency and coin services, Section 16 of the Federal Reserve Act authorized the issuance and redemption of Federal Reserve notes. The Federal Reserve Banks have issued and redeemed such notes since 1914, and, as you know, Federal Reserve notes are now the primary legal tender in the United States. On May 29, 1920, the Congress authorized the Secretary of the Treasury to transfer to the Federal Reserve Banks the duties and functions of the Assistant Treasurers in connection with the exchange of paper currency and coin in the United States (41 Stat. 654). Accordingly, Reserve Banks have been authorized and directed by the Treasury to make in all cases an equitable and impartial distribution of available supplies of currency and coin directly to member banks and to nonmember commercial banks (see 31 CFR 100).

The System has also provided the facilities for the wire transfer of reserve account balances and transactions in Government securities since 1915. These facilities are integral to the maintenance of reserve account balances that are required by the Federal Reserve Act and to providing a viable Federal funds market.

Much of the discussion of the role of the Federal Reserve in an electronic payments mechanism has centered on the automated clearinghouse (ACH) operations and the point-of-sale system. Both have the potential to be important electronic-based substitutes for currency, paper checks, and other traditional forms of funds transfer. It may be beneficial to clarify the role of the Federal Reserve in automated clearinghouse operations in order to insure that we are proceeding from a common understanding.

More often than not the term "automated clearinghouse" has been incorrectly interpreted as being synonomous with the facilities provided by Reserve Banks in such operations. Rather, the term "automated clearinghouse" encompasses much more and extends to the activities of all of the participants and the many operations required in the processing of transfers from origination to final settlement. The Federal Reserve's role in such operations essentially parallels its role in the check-clearing operation except that the payment information is exchanged on magnetic tape in lieu of paper checks.

In ACH operations, financial institutions create computer tapes of credit and debit items based upon customer instructions and deliver the tapes to their local Federal Reserve automated clearing and settlement facility, just as those institutions would deliver checks to the Federal Reserve's check-clearing and settlement facility. A Federal Reserve computer--which is also used for other operational purposes—reads, edits, and balances the information on the tapes, sorts according to the receiving financial organization, and makes the credit and debit entries in member bank reserve accounts for settlement for both the originating and the receiving financial organization.

When the processing has been completed, the computer creates output consisting of magnetic tapes and descriptive paper listings. The Federal Reserve delivers the output material to the receiving financial organization, using the same courier system that is used for delivering checks. Currently, the System provides the clearing and settlement facilities for such operations in 25 offices. It is important to note that in this entire process the Federal Reserve interacts only with financial institutions for purposes of effecting clearing and settlement. All other organizational, operational, and legal requirements are between the participating financial institutions and their customers.

At the invitation of its member banks, the Federal Reserve System agreed to provide the clearing and settlement facilities necessary for automated clearinghouse operations. The two primary factors considered in agreeing to this operational role were (1) the cost savings opportunity that electronic funds transfer provided and (2) a consumer alternative to the traditional methods of receiving and making payment. There is very little volume emanating from the commercial end of the operation, although Government volume is increasing quite rapidly.

In common with other electronic payments technologies, the automated clearinghouse operation must afford customers a level of service or other reward that they cannot otherwise obtain, and such benefits must be paid for from cost savings over the paper-based alternative. If these benefits are realized, I believe that the automated clearinghouse operation can be a progressive and cost-effective alternative to the paper system. In addition, the automated clearing and settlement facility for these operations is well suited to Reserve Bank participation for two reasons. First, and most importantly, the Federal Reserve System has operated the Nation's settlement system since 1913. Regardless of how EFTS develops, it is unlikely that member banks will choose to duplicate the existing facilities for settlement purposes. The reserve balances of our member banks are turned over repeatedly each day in transferring funds among member banks and their customers in making final settlement for the Nation's commercial transactions. Like check transactions, ACH transactions are also settled among financial institutions through the reserve accounts of member banks of the Federal Reserve System. Secondly, and perhaps less importantly, the check courier network that is leased by the Federal Reserve is also employed in delivering ACH transactions; and our computer systems, installed and used primarily for other purposes, are also used for sorting the payment instructions on magnetic tape. In making available the clearing and settlement facilities for this alternative payments arrangement, the Federal Reserve provided the payments mechanism infrastructure that the private sector may not have been organized to provide and assume. And in doing so, the System expects to realize economies both of financial and of real resources.

Federal Reserve provision of automated clearing facilities was not intended to preclude private sector development and operation of similar facilities any more than its operation of check-clearing facilities preempts correspondent or other clearings of paper checks. To the contrary, two privately operated automated clearinghouse facilities that have recently been established use the Federal Reserve's settlement system and will use its check courier delivery system. These initiatives, in combination with the announcement in January 1976 (41 FR 3097) to study the basis for pricing System payments mechanism services, emphasize the System's policy of encouraging private sector alternatives to Federal Reserve operated automated clearing and settlement facilities.

On the question of a national exchange capability in the ACH operation, the Federal Reserve System has agreed to cooperate with the National Automated Clearing House Association in a pilot study to test the feasibility of exchanging payments among six regions. Five of these regions use Reserve Bank automated clearing and settlement facilities, and one uses a privately operated clearing facility and the local Reserve Bank's settlement and delivery systems. Under the pilot test proposal, the Federal Reserve would use its wire network to transmit the payment instructions contained on magnetic tape among the six regions. The automated clearing and settlement facilities would then be used to sort, clear, and settle for the payments received by wire. Whether or not the Federal Reserve System will provide such interchange capability nationwide on a continuing basis will depend upon the Board's appraisal of the broad issues concerned with Government participation in an electronic payments mechanism. As you know, this question was raised in the Board's Subparts B and C of the proposed changes to Regulation J that were published for comment most recently in January of this year (41 FR 3097). To refresh our memories, Subparts B and C would provide the regulatory framework for two types of funds transfer activity. First, they would set forth the rules and procedures—now contained in Reserve Bank operating circulars—for the transfer of reserve account balances on our wire network, an activity we have been performing on behalf of our member banks since 1915. Secondly, the subparts would establish the regulatory framework for the automated clearing and settlement of payments exchanged on magnetic tape nationwide.

In essence, the proposed subparts would define the rights of payors, payees, and their banks, and are intended to provide uniform and mutual protection from unauthorized transfers. In the broadest sense, the subparts would require financial intermediaries to manage their responsibilities to their customers and to other financial institutions in the payments mechanism. The subparts are not conceptually different, therefore, from the Board's current Regulation J concerning transactions with paper checks. The current Regulation J reinforces the Uniform Commercial Code, a system of law that required nearly 10 years to draft and pass the various State legislatures. As you know, the Board has given extended and continued consideration to proposed Subparts B and C and has invited extensive public comment, including that of this Commission. However, the Board has not made a final determination in this matter, and we look forward to receiving the views of this Commission.

We are monitoring other developments. For example, we are cognizant that a *Giro*[1] system has been successful in Europe and that such a system might be accommodated by use of existing facilities. Although some attention has been given to *Giro* payments, the industry has been much more interested in an electronic mode of payment whereby a customer at a retail establishment would use an electronic terminal to arrange for the instantaneous transfer of funds from the customer to the retailer—what has become known as the on-line-point-of-sale system. While interest has focused on the on-line-point-of-sale system, off-line systems that accumulate information concerned with financial transactions for batched processing, clearing, and deferred settlement are beginning to receive serious consideration. An off-line system appears to offer most of the advantages of the on-line system, including consumer convenience, at substantially reduced costs. Moreover, such a system would accommodate the debiting of consumer accounts on a schedule paralleling the current paper-based payments mechanism—while providing for simultaneous settlement among the financial institutions.

The role of all participants in an electronic payments mechanism is, as yet, unclear. As I have stated earlier, the Federal Reserve has not arrived at specific positions on questions related to its role in the electronic payments mechanism and has been studying this issue for some time. In determining its role, the Board will consider such factors as competitive developments in the electronic payments mechanism, the positive encouragement of the private sector, the preservation of consumer options and the willingness of the private sector to innovate and provide services beneficial to consumers, the preservation of equity among classes of financial institutions, and the maintenance of a viable and efficient payments mechanism. □

[1] *Giro* is the term used to describe the credit transfer payment system in use in European countries. Instead of sending a check to a creditor, a consumer provides his financial institution with instructions to pay a creditor. As a result, the financial institution initiates a credit transfer on behalf of the consumer and debits the consumer's account.

Record of Policy Actions of the Federal Open Market Committee

MEETING HELD ON SEPTEMBER 21, 1976

1. Domestic Policy Directive

The information reviewed at this meeting suggested that growth in real output of goods and services in the third quarter had remained close to the pace in the second quarter, now indicated by revised estimates of the Commerce Department to have been at an annual rate of 4.5 per cent. The rise in the fixed-weighted price index for gross domestic business product in the third quarter also appeared to have changed little from that in the second quarter, now estimated by the Commerce Department to have been at an annual rate of 5.2 per cent.

Final purchases of goods and services appeared to have increased more rapidly in the third quarter than in the second. According to staff estimates, however, growth in real output had been restrained by adjustments in business inventory investment in response to the slackening in the expansion of consumer spending during the second quarter and to an accumulation of inventories of nondurable goods to levels in excess of those desired. Staff projections suggested that growth in real GNP would pick up somewhat in the fourth quarter and would remain at a good rate well into 1977. The projections also suggested that average prices would continue to rise at about the recent pace.

The index of industrial production, which after revision showed a somewhat larger increase in July than had been indicated a month earlier, continued to expand in August. In the 2 months—and also over the 5-month period April through August—the over-all production index rose at an annual rate of about 6 per cent, compared with a rate of about 12 per cent over the first 3 months of the year.

In August, as in the preceding 4 months, output of nondurable goods was about unchanged, reflecting the earlier build-up in inventories and the sluggishness of consumer spending for such goods in the second quarter. Among durable goods, output of materials, construction supplies, and business equipment continued to rise; output of automotive products and other consumer goods was about unchanged.

Retail sales rose vigorously in August after having changed little on balance from April through July. Gains were widespread and were largest among stores selling automobiles, furniture and appliances, and other goods for which consumers may exercise considerable discretion in their spending decisions. Sales of new automobiles in August, at an annual rate of 10½ million units, equaled the levels reached in April and June, even though some of the popular 1976 models were in short supply. Sales of domestic models apparently rose further in early September.

Payroll employment in nonfarm establishments, which had risen substantially in July after 2 months of little change, rose appreciably further in August. The number of jobs in manufacturing increased somewhat, but most of the growth continued to be in retail trade, services, and State and local government. As indicated by the survey of households, both total employment and the civilian labor force changed little in August, and the unemployment rate edged up further from 7.8 to 7.9 per cent.

Growth in personal income—after having accelerated in July, in part because of a bulge in transfer payments attributable to a cost-of-living increase in social security payments—slowed in August, as growth in transfer payments subsided, income of farm proprietors declined, and expansion in wage and salary payments moderated. Nevertheless, total personal income in August was nearly 10 per cent higher than a year earlier.

The latest Department of Commerce survey of business plans for plant and equipment expenditures in 1976, conducted in late July and early August, indicated a 7.4 per cent increase over outlays in 1975—almost the same year-to-year increase as had been indicated by the survey taken in May. Actual expenditures in the second quarter appeared to have fallen short of the expectations recorded in the earlier survey, but plans for the rest of 1976 called for larger increases than had been the case in May.

A strengthening in the outlook for plant and equipment outlays was suggested by monthly indicators. New orders for nondefense capital goods rose by an unusually large amount in July, marking the seventh consecutive month of advance. While orders in real terms were still below the pre-recession peak in the summer of 1974, they were substantially above the level of last December. In July unfilled orders for such goods showed the first significant increase of the current business expansion. Contract awards for commercial and industrial buildings—measured in terms of floor space—edged down in July, but the trend of awards had been upward since the beginning of the year.

Private housing starts declined in July but then rose by a somewhat larger amount in August; the average for the 2 months was slightly above the rate in the second quarter. Residential building permits increased in both months, and the average rate for the 2 months—the highest since the first quarter of 1974—was up substantially from the second-quarter rate. Throughout the summer months mortgage terms changed little, and sales of both new and existing houses were relatively strong. In July outstanding mortgage commitments at savings and loan associations advanced to a near-record level. Furthermore, some support for residential construction in the period ahead was provided by release of the remaining $2 billion in GNMA funding to purchase mortgages on multifamily structures at yields below market interest rates and by enactment of legislation that revised and extended authorization for several FHA subsidy programs.

The rise in the index of average hourly earnings for private nonfarm production workers, which had accelerated slightly in July, slowed again in August. Over the first 8 months of this year the rise in the index was somewhat below the rapid rate of increase during 1975.

The wholesale price index for all commodities was about unchanged in August, after having risen at a moderate rate in the preceding 3 months. Average prices of farm and food products declined appreciably—reflecting decreases in prices of grains, soybeans, manufactured animal feeds, hogs, pork, and raw cotton that were offset only in part by increases in prices of cattle, beef, and some other commodities. Prices of industrial commodities, as in July, rose at a faster pace than they had earlier in the year. Increases were widespread and were largest for fuels, lumber and wood products, rubber products, and transportation equipment.

The consumer price index advanced at an annual rate of 6 per cent in both July and August, the same as the average monthly rate in the second quarter. Average retail prices of foods increased little in the latest 2 months, while average retail prices of other commodities and of services rose at an annual rate of about 7 per cent. Increases were relatively large for gasoline and other fuels, for apparel, and for used cars.

The average value of the dollar against leading foreign currencies remained relatively steady over the 5 weeks between the August and September meetings of the Committee. The dollar declined somewhat against most of those currencies, but it rose against the pound sterling.

On September 1 the Mexican peso—which had been pegged to the U.S. dollar at the same rate for 22 years—was allowed to float, and the peso immediately depreciated more than 40 per cent. On September 12 the Finance Minister announced that as long as possible the Bank of Mexico would hold the peso at a rate equivalent to a 37 per cent depreciation against the dollar but that maintenance of this rate did not represent a return to a fixed parity.

The U.S. foreign trade deficit rose sharply in July to a level considerably above the average monthly deficit in the first half of the year. The value of exports continued to expand in July, but the value of imports rose substantially more—reflecting sizable increases in the physical quantity of industrial supplies and consumer goods and in prices of coffee. Imports of fuels, which had surged upward in June, changed little in July.

Staff projections for the period through the second quarter of 1977 suggested that growth in real output of goods and services would be at a somewhat higher rate than in the second and third quarters of 1976. It was expected that expansion in business fixed investment would accelerate and that business investment in inventories would increase as manufacturers and distributors endeavored to maintain stocks in line with rising sales. It was also anticipated that personal consumption expenditures would grow at a faster rate than they had in the second and third quarters of 1976; that residential construction activity would continue to increase; and that State and local government expenditures would expand at a moderate pace.

Total bank credit rose further during August. However, most of the increase was associated with the Treasury's huge August financing; banks acquired a substantial volume of the new Treasury issues and substantially increased their loans to securities dealers. Business loans at banks contracted again, following the modest increase in July. Moreover, the outstanding volume of commercial paper of nonfinancial businesses rose little, even though the spread between the bank prime rate and market interest rates continued to favor business borrowing in the commercial paper market. With business demands for short-term credit remaining slack, two large banks lowered their prime rate from 7 to 6¾ per cent in mid-September.

It was anticipated that business loan demands at banks would remain sluggish in the weeks immediately ahead and that banks would continue to use a substantial part of their time and savings deposit inflows to increase holdings of Treasury coupon issues. At the same time banks were likely to permit the outstanding volume of CD's to decline further.

The narrowly defined money stock (M_1) grew at a seasonally adjusted annual rate of just under 6 per cent during August, somewhat below the rate of 6¾ per cent in July. Demand deposits had increased sharply during the first half of August, before payment on the new issues offered in the Treasury's financing. But they declined after the payment date for these new issues.

Growth in M_2 also slowed in August from the strong pace in July. The slackening reflected in part the behavior of M_1, but in addition, expansion in the time deposit component of M_2 slowed sharply. On the other hand, savings deposit inflows at banks accelerated. Inflows of deposits to savings and loan associations and to mutual savings banks also accelerated, and growth in M_3 remained rapid.

Over the first 8 months of this year—from December 1975 to August 1976—M_1 grew at a rate near the midpoint of the Committee's longer-run range for that aggregate. However, growth in M_2 and M_3 was high relative to the Committee's longer-term ranges. The relatively rapid growth in the broader aggregates resulted mainly from lower-than-expected short-term interest rates associated with slower-than-expected expansion in nominal GNP and in credit demands.

The rate of increase in M_1 thus far in 1976 was consistent with the view that the downward shift in the demand for currency and demand deposits that was so evident in 1975 may have slowed.

As a result, the velocity of M_1 increased on the average over the second and third quarters of 1976 at a much slower rate than over the preceding three quarters, when it had risen at a rate of almost 9¼ per cent.

System open market operations since the August meeting had been guided by the Committee's decision to maintain prevailing bank reserve and money market conditions, provided that M_1 and M_2 appeared to be growing at about the rates then expected. Since incoming data indicated that in the August–September period the aggregates would grow at rates well within the projected ranges, open market operations continued to be directed toward maintaining reserve conditions consistent with a Federal funds rate of about 5¼ per cent—the rate prevailing at the time of the August meeting.

During the inter-meeting period the Federal funds rate deviated little from the 5¼ per cent midpoint of the operating range that had been specified by the Committee. However, most other interest rates declined further—by amounts ranging to nearly 20 basis points in short-term markets and to as much as 30 basis points in intermediate- and long-term markets. A relatively light calendar of new corporate bond issues for the months immediately ahead and a shading of market forecasts of the fourth-quarter volume of Treasury cash borrowing contributed to the declines in rates. In addition, market participants apparently interpreted incoming economic data as indicative of slower expansion in output and less rise in prices than they had anticipated earlier.

The Treasury raised another $3.2 billion of new money during the inter-meeting period—by adding $1.1 billion to the auction of 2-year notes in late August and by issuing $2.1 billion of a new 4-year note on which payment was made in mid-September. The Treasury also announced that it would raise $820 million of new money when it rolled over a 2-year note that would mature at the end of September. Because of these operations, and also because Federal spending had fallen short of earlier expectations, it now seemed likely that the Treasury cash balance at the end of September would be quite high—possibly in excess of $15 billion.

The further general decline of bond yields carried indexes of yields on State and local government issues to the lowest levels since February 1975. Municipal borrowers took advantage of the reduced interest costs by maintaining their bond offerings in July and August at a relatively high rate for that time of year, but the offerings were readily absorbed. Fire and casualty insurance companies contributed importantly to the strengthened demands for municipal bonds.

Average interest rates for new commitments on primary home mortgages changed little over the inter-meeting period, but yields in the more sensitive secondary market edged down in response to the further decline in bond yields. The over-all volume of funds raised in residential mortgage markets remained large. Most of the new residential mortgages continued to be absorbed by savings and loan associations or into pools of mortgages used by GNMA as collateral for new issues of guaranteed securities. Savings and loan associations acquired nearly a fifth of these new issues.

During the Committee's discussion of the economic situation at this meeting no member expressed substantial disagreement with the staff projection of stronger growth in real GNP over the quarters immediately ahead. However, two members expressed uncertainty about the timing with which the anticipated strengthening in economic activity would actually develop, and it was suggested that the chances of a shortfall from the projected rates of growth appeared to have increased recently. One member questioned whether the strike under way in the automobile industry might not have a significantly adverse effect on expansion in aggregate output, at least over the near term—although others stated that in the past the bulk of output losses resulting from major strikes had generally tended to be made up within a short period. Also, uncertainties about the course of prices—in particular, concern that cost pressures might push prices up at a more rapid rate—were seen as a possible dampening influence on business spending plans.

Other members expressed the view that recent economic statistics justified optimism about the outlook. The index of industrial production had been revised upward to show a significant increase in July, and it had continued to rise at the same pace in August. Figures on retail sales—which had appeared sluggish for a time—had been revised upward for June and July, sales were reported to have expanded sharply in August, and weekly estimates suggested that they had remained strong in early September. And while the advance in personal income was reported to have slowed appreciably in August, the slowing was attributable in part to estimates of a decline in farm proprietors' income, figures for which were highly conjectural. The situation with respect to business income also appeared to have been healthy recently.

It was also emphasized that the behavior of new orders for nondefense capital goods and of other advance indicators suggested that a more rapid increase in business fixed investment was in the making. With respect to business inventories, some significant adjustments had been made, no troublesome excesses were apparent, and attitudes remained appropriately cautious. Residential construction activity was not so strong as one might wish, but a slow uptrend was in progress; the August figures for housing starts and building permits were reassuring.

At its July meeting the Committee had agreed that from the second quarter of 1976 to the second quarter of 1977 average rates of growth in the monetary aggregates within the following ranges appeared to be consistent with broad economic aims: M_1, 4½ to 7 per cent; M_2, 7½ to 9½ per cent; and M_3, 9 to 11 per cent. The associated range for growth in the bank credit proxy was 5 to 8 per cent. It was agreed that the longer-term ranges, as well as the particular aggregates for which such ranges were specified, would be subject to review and modification at subsequent meetings. It also was understood that short-run factors might cause growth rates from month to month to fall outside the ranges contemplated for annual periods.

As to policy for the period immediately ahead, Committee members in general advocated continuation of the current stance. Interest rates, especially on long-term debt, had been adjusting downward, it was observed, in good measure because of improving confidence that the rate of inflation was being reduced, and also because of stability in the Federal funds rate. One or two members, taking note of uncertainties in the outlook for economic activity, suggested that open market operations in pursuit of the Committee's objectives for the period immediately ahead might be conducted so that any deviations would be on the side of ease. At the same time, other members felt that any marked easing in the near term might be misinterpreted in the market.

In considering the ranges for M_1 and M_2 to be specified for the September–October period, the Committee took account of, among other things, the relatively rapid growth in the time and savings deposit component of M_2 that appeared to be materializing for September, given the attractiveness of rates offered on time and savings deposits in relation to market interest rates. There was near unanimity in the preferences expressed for ranges of growth in the monetary aggregates over the September–October period. The members favored a 2-month range of 4 to 8 per cent for M_1 and either 8 to 12 or 9 to 13 per cent for M_2. It was suggested that the relatively rapid growth in M_2 ought to be accommodated. At the same time, two members cited the rapid growth in M_2 in recent months as an argument for specifying the lower of the two ranges. One member suggested giving greater weight to M_2 than to M_1 in assessing the implications of the behavior of the aggregates for System open market operations.

With respect to the Federal funds rate, the members agreed that it would be appropriate to maintain the prevailing level of 5¼ per cent so long as the monetary aggregates were growing at about the rates expected. They differed, however, in their preferences for the width of the range for the funds rate. Some members advocated retention of the 5 to 5½ per cent range that had been specified at the August meeting. Others advocated a range of 4¾ to 5¾ per cent—and one favored a still wider range. Others proposed a range that was not symmetrical around the prevailing rate of 5¼ per cent—specifically, a range of 4¾ to 5½ per cent. In support of that proposal, it was suggested that because of the recent sluggishness in the economic expansion, it would be appropriate to permit more easing in money market conditions in response to indications of unexpected weakness in growth of the aggregates than tightening in response to unexpected strength.

It was observed that, if the Committee specified a wider range for the Federal funds rate than it had at the August meeting, it would be appropriate to place greater emphasis than at that meeting on the behavior of the aggregates in formulating the operating instructions contained in the last paragraph of the domestic policy directive issued to the Federal Reserve Bank of New York. One member suggested that, because of the uncertainties about the economic situation and outlook, it would be appropriate for the Committee to emphasize steady growth in the monetary aggregates—just as uncertainties about the changing demand function for money around the beginning of the year had made it appropriate, in his view, to place more emphasis on interest rate stability.

At the conclusion of the discussion the Committee decided to seek bank reserve and money market conditions consistent with moderate growth in monetary aggregates over the period ahead. Specifically, the Committee concluded that growth in M_1 and M_2 over the September–October period at annual rates within ranges of 4 to 8 per cent and 8 to 12 per cent, respectively, would be appropriate. The Committee also decided that, in assessing the behavior of the aggregates, the Manager should continue to give approximately equal weight to the behavior of M_1 and of M_2.

It was agreed that until the next meeting the weekly-average Federal funds rate might be expected to vary in an orderly way within a range of 4¾ to 5½ per cent. It was also agreed that the Manager should continue to aim for a Federal funds rate of 5¼ per cent, unless growth in the monetary aggregates appeared to be deviating significantly from the midpoints of the specified ranges. As customary, it was understood that the Chairman might call upon the Committee to consider the need for supplementary instructions before the next scheduled meeting if significant inconsistencies appeared to be developing among the Committee's various objectives.

The following domestic policy directive was issued to the Federal Reserve Bank of New York:

> The information reviewed at this meeting suggests that growth in real output of goods and services has remained moderate in the current quarter. In August industrial production continued to expand at about the average rate in the preceding 4 months. Retail sales apparently rose vigorously, after having changed little on balance since April. Payroll employment in nonfarm establishments rose appreciably further, but according to household survey data, the unemployment rate edged up from 7.8 to 7.9 per cent. The wholesale price index for all commodities was about unchanged in August, as a substantial decline in average prices of farm products and foods offset another large increase in average prices of industrial commodities. So far this year the advance in the index of average wage rates has been somewhat below the rapid rate of increase during 1975.
>
> The average value of the dollar against leading foreign currencies

has remained relatively steady in recent weeks, declining somewhat against most of these currencies but rising against the pound sterling. The Mexican peso was allowed to depreciate on September 1 and in recent days has been about 37 per cent below its old value against the dollar. In July the U.S. foreign trade deficit increased sharply.

M_1 and M_2 grew at moderate rates in August. Inflows of the time and savings deposits included in M_2 were relatively strong, although they slackened from the high rate in July. Inflows of deposits to nonbank thrift institutions accelerated, however, and growth in M_3 remained rapid. Most market interest rates have declined somewhat further in recent weeks.

In light of the foregoing developments, it is the policy of the Federal Open Market Committee to foster financial conditions that will encourage continued economic expansion, while resisting inflationary pressures and contributing to a sustainable pattern of international transactions.

To implement this policy, while taking account of developments in domestic and international financial markets, the Committee seeks to achieve bank reserve and money market conditions consistent with moderate growth in monetary aggregates over the period ahead.

Votes for this action: Messrs. Burns, Volcker, Balles, Black, Coldwell, Gardner, Jackson, Kimbrel, Lilly, Wallich, and Winn. Votes against this action: None. Absent and not voting: Mr. Partee.

2. Financing Arrangements with Mexico

On the day before this meeting it was announced that the U.S. Treasury Department and the Federal Reserve had made arrangements with the Government of Mexico under which up to $600 million would be available to the Bank of Mexico to counter disorderly exchange-market conditions during a transition period pending the receipt of medium-term financing from the International Monetary Fund.

Following the devaluation of the peso on August 31, 1976, the Mexican Government had developed a detailed economic program designed to cope with Mexico's balance of payments problem. Subsequently, the Managing Director of the International Monetary Fund had advised the Mexican authorities that he found the program adequate to deal with Mexico's balance of payments problem and was prepared to recommend that the Fund's Executive Board authorize drawings by Mexico under the Extended Fund Facility and other facilities of the Fund.

At the time these arrangements were made, the Bank of Mexico had outstanding drawings of $360 million on its swap line with the Federal Reserve. These drawings were due to mature in early October. The arrangements provided that, at the option of the Mexican Government, the Federal Reserve would make available amounts repaid in advance of maturity under the existing swap line, up to $180 million. The remaining amounts would be made available by the Treasury through the Exchange Stabilization Fund.

These arrangements were approved on behalf of the Federal Open Market Committee by the Foreign Currency Subcommittee, consisting of Messrs. Burns, Volcker, Gardner, and Wallich.

* * * * *

Records of policy actions taken by the Federal Open Market Committee at each meeting, in the form in which they will appear in the Board's *Annual Report*, are released about a month after the meeting and are subsequently published in the BULLETIN.

Law Department
Statutes, regulations, interpretations, and decisions

Securities of Member State Banks

The Board of Governors has amended its Regulation F to make it substantially similar to comparable rules and regulations issued by the Securities and Exchange Commission.

Section 206.7(c)(10) is amended by adding the following new paragraph:

Section 206.7—Form and Content of Financial Statements

*   *   *   *   *

(c) * * *
(10) * * *

(vii) Disclosure of selected quarterly financial data in notes to financial statements.[1]

Exemption. This rule shall not apply to any registrant that does not meet the following conditions:

(a) The bank (1) has securities registered pursuant to Section 12(b) of the Securities Exchange Act of 1934 or (2) has securities registered pursuant to Section 12(g) of that Act that also (i) are quoted on the National Association of Securities Dealers Automated Quotation System and (ii) meet the requirements for continued inclusion on the list of OTC margin stocks set forth in Section 220.8(i) of Regulation T of the Board of Governors of the Federal Reserve System; and

(b) The bank and its consolidated subsidiaries (1) have had a net income after taxes but before extraordinary items and the cumulative effect of a change in accounting, of at least $250,000 for each of the last three fiscal years; or (2) had total assets of at least $200,000,000 as of the end of the last fiscal year.

(1) Disclosure shall be made in a note to financial statements of total operating income, income before security gains (losses), income before extraordinary items and cumulative effect of a change in accounting, net income, and per share data based upon such income for each full quarter within the two most recent fiscal years and any subsequent interim period for which income statements are presented.

(2) When the data required by the preceding paragraph vary from the amounts previously reported on the Form F-4 filed for any quarter, such as would be the case when a pooling of interests occurs or where an error is corrected, reconcile the amounts given with those previously reported describing the reason for the difference.

(3) Describe the effect of any unusual or infrequently occurring items recognized in each full quarter within the two most recent fiscal years and any subsequent interim period for which income statements are presented, as well as the aggregate effect and the nature of year-end or other adjustments that are material to the results of that quarter.

(4) Where this note is part of audited financial statements, it may be designated "unaudited."

Instruction: If the financial statements are covered by an independent public accountant's report, and the note required by the above paragraph (vii) is designated as "unaudited," it shall be presumed that appropriate professional standards and procedures with respect to the data in the note have been followed by the independent accountant who is associated with the unaudited footnote by virtue of reporting on the financial statements in which it is included.

Bank Holding Companies

By notice of proposed rulemaking published in the *Federal Register* on April 10, 1974 (39 F.R. 13007), the Board of Governors proposed, in connection with an application filed pursuant to § 4(c)(8) of the Bank Holding Company Act (12 U.S.C. § 1843(c)(8)) and § 225.4(b)(2) of the Board's Regulation Y (12 CFR § 225.4(b)(2)), to add to the list of activities that it has determined

[1] Copies of revised forms F-4 and F-9 are available from any Federal Reserve Bank.

to be closely related to banking or managing or controlling banks (§ 225.4(a) of Regulation Y) the following:

> . . . underwriting and dealing in such obligations of the United States, general obligations of any State and of any political subdivision thereof, and other obligations that State member banks of the Federal Reserve System may from time to time be authorized to underwrite and deal in.

The Board has considered all comments received. After considering all relevant aspects of the proposal to add the above activity to the list of permissible activities for bank holding companies, the Board has determined not to adopt the proposed amendment at the present time and to suspend further consideration of the activity at this time.

In order for the Board to approve an activity as permissible for a bank holding company under § 4(c)(8) of the Bank Holding Company Act, the Board must find that the activity satisfies two distinct tests. The activity must be determined (1) to be closely related to banking or managing or controlling banks; and (2) to be a proper incident thereto. The second test involves a weighing of public benefits that may be expected to flow from a bank holding company engaging in the activity against the possible adverse effects.

On the basis of the information in the record, the Board believes that there is support for a determination that the activity is "closely related to banking." National banks and State member banks are specifically authorized under 12 U.S.C. §§ 24, Paragraph Seventh and 335, to engage in the activity directly and many banks do, in fact, engage in the activity. At the present time, banks are a major competitive factor in the industry. To date, only two courts have considered the "closely related" language in Section 4(c)(8) of the Act, and both courts concluded, *inter alia,* that an activity generally engaged in by banks directly would seem to qualify as "closely related" to banking or managing or controlling banks within the meaning of the statute.[1] Accordingly, the Board is of the view that the proposed activity is "closely related" to banking.

Notwithstanding the foregoing conclusion, the Board believes that developments occurring since the issuance of the proposed rulemaking in this matter warrant deferral of a decision to adopt the proposed amendment to Regulation Y. In 1975, subsequent to the notice of the proposed rulemaking in this matter, Congress amended the Securities Exchange Act of 1934 to subject, for the first time, municipal securities dealers to extensive regulation. As part of a comprehensive scheme of regulation, the 1975 Amendments created the Municipal Securities Rulemaking Board (MSRB) and authorized it to promulgate rules governing the activities of bank and nonbank municipal securities dealers. Under the statute, the MSRB is required, among other things, to propose and adopt rules that:

> "[are] designed . . . to promote just and equitable principles of trade . . . to remove impediments to and perfect the mechanism of a free and open market in municipal securities, and, in general, to protect investors and the public interest [and must] not be designed to permit unfair discrimination between customers . . . [and that] establish the terms and conditions under which any municipal securities dealer may sell, or prohibit any municipal securities dealer from selling, any part of a new issue of municipal securities to a municipal securities portfolio during the underwriting period."[2]

The MSRB is currently in the process of promulgating regulations governing the conduct of municipal securities dealers. Without the benefit of a thorough consideration of the impact that the MSRB's actions may have on the municipal securities industry and in light of the specific Congressional mandate that the MSRB has received to act in this area, the Board believes that action by it to adopt the proposed amendment at this time would be premature.

Possible regulatory changes that may be brought about by actions of the Municipal Securities Rulemaking Board may significantly alter present practices and operations of bank-related and nonbank-related municipal securities underwriters and dealers. In light of this uncertainty, any findings of public benefits deriving from bank holding company performance of the instant activity or of possible adverse effects of such performance would necessarily be speculative at best. Applica-

[1] *National Courier Association* v. *Board of Governors of the Federal Reserve System*, 516 F. 2d 1229 (D.C. Cir. 1975); and *Alabama Association of Insurance Agents* v. *Board of Governors of the Federal Reserve System*, 533 F. 2d 224 (5th Cir. June 10, 1976).

[2] Section 15B(b)(2)(C) and (K) of the Securities Exchange Act of 1934, as amended.

tion of the balancing test necessary to determine that the instant activity is a proper incident to banking or managing or controlling banks would be even more uncertain at this time.

For the foregoing reasons, the Board has determined not to adopt the proposed amendment at this time, and to suspend further consideration of the activity, either by order or by regulation, as permissible for bank holding companies, for a period of twelve months, unless prior to that time actions of the Municipal Securities Rulemaking Board lead the Board in its judgment to reconsider the deferral of action on this matter.

By order of the Board of Governors, effective October 19, 1976.

Automobile Leasing as an Activity for Bank Holding Companies

Effective April 17, 1974, the Board of Governors amended section 225.4(a)(6) of its Regulation Y, 12 CFR 225.4(a)(6), to permit bank holding companies to engage in the leasing of real and personal property subject to certain conditions. The National Automobile Dealers Association (NADA) sought judicial review of this leasing regulation insofar as it permitted bank holding companies to engage in the leasing of automobiles. The Board requested the court to remand the matter to the Board for reconsideration of the specific issue of whether automobile leasing should continue to be a permissible activity for bank holding companies. On October 25, 1975, the court granted the Board's request and remanded the matter to the Board.

On November 11, 1975, the Board issued notice (published in the *Federal Register* on November 17, 1975, 40 *Federal Register* 53272), of a proposed rulemaking on whether automobile leasing should continue to be a permissible activity for bank holding companies and, if so, under what conditions or limitations. The Board received written comments from approximately 100 interested parties, including automobile dealers, automobile leasing companies, banks, bank holding companies, and various trade associations. In response to several requests for an opportunity to present views orally and for a formal hearing, the Board announced on January 20, 1976 (published in the *Federal Register* on January 28, 1976, 41 *Federal Register* 4022), a schedule for oral presentation of views and additional written submissions. On March 23, 1976, the informal hearing was held before available members of the Board, Governor Jackson presiding. Participants were permitted to file additional materials until April 23, 1976.

The Board has considered all comments received prior to the oral presentation, the record of the oral presentation, and all written statements submitted in connection with and subsequent to the oral presentation. Although bank holding companies have been permitted to engage in automobile leasing since 1974 under the Board's general personal property leasing regulation, section 225.4(a)(6)(*a*) of Regulation Y, the Board has considered the issue of the permissibility of automobile leasing on a *de novo* basis and has based its findings only upon the record of this proceeding.[1] After studying the record herein, the Board has determined that automobile leasing should continue to be a permissible activity for bank holding companies and should continue to be included within the scope of the Board's existing personal property leasing regulation.

In order to authorize a bank holding company to engage in a nonbanking activity pursuant to Section 4(c)(8) of the Bank Holding Company Act ("Act"), the Board must first determine whether the activity is closely related to banking or managing or controlling banks. Such a determination is usually made by the Board, as here, by regulation in adding the proposed activity to the list of permissible activities set forth in Regulation Y. The second determination required by the statute is that the activity is a "proper incident" to banking. That is, that performance of the activity by a bank holding company "can reasonably be expected to produce benefits to the public . . . that outweigh possible adverse effects. . . ." As set forth below, in adopting and determining in this action to retain the regulation the Board has made a general finding that the activity is a proper incident to banking. However, as provided for in the Board's regulations and procedures, in many cases, this issue is reconsidered in light of factors peculiar to individual applications at the time such applications are submitted.

I. The Closely-Related-to-Banking Test

There are a number of tests that the Board applies to proposed new activities and, if an activity qualifies under any one of these, it may be

[1] See p. 943 for all footnotes.

determined to be closely related to banking and added to the list of activities in Regulation Y that are permissible for bank holding companies if also found to be a proper incident. It appears on the basis of the record that automobile leasing qualifies under at least two of these tests.

The first of these tests is a strictly factual test of whether banks generally have provided and do provide the proposed service.[2] Although automobile leasing is a relatively new activity, banks engage in the activity on a widespread basis. Moreover, banks have been engaged in leasing of other types of personal property for a much greater period of time,[3] and the Board considers these legitimate precedents for automobile leasing since it does not appear that the basic nature of the activity is altered by the type of item leased.

The relevant period to consider bank involvement in automobile leasing is the last 25 years, since it is only within that period that leasing of vehicles to individuals as well as to businesses began to develop. Banks began to engage in automobile leasing at a relatively early stage of the industry's development even though the actual length of time that banks have been involved in automobile leasing has not been great.

Automobile leasing has spread nationwide within the last 12 to 15 years. Leasing of automobiles to individuals has tripled within the last decade and accounts for 10 per cent of the new car market nationwide.[4] Total automobile leasing including commercial fleet leasing in 1974 was 2.8 million vehicles, about 26 per cent of new car production.[5] Some projections indicate that this rate of growth will continue and that by 1980, 40 per cent of new car registrations will be for leased automobiles.[6] In California, where leasing first developed, two out of every five automobiles presently in use are leased.[7]

The record in this proceeding indicates that five types of entities compete in the leasing industry today. First, there is the independent leasing organization which engages solely in leasing rather than selling automobiles. The second type of entity is the auto dealership which, in addition to selling automobiles, has the potential to lease vehicles if it can obtain adequate financing. The larger dealerships lease vehicles in much the same way as independent leasing companies, frequently obtaining financing from a bank. The third type of lessor is the bank or bank holding company that may lease vehicles directly or through a network of smaller automobile dealerships. The fourth kind of leasing competitor is the financing affiliate of the auto manufacturer such as Ford Motor Credit Corporation and General Motors Acceptance Corporation. These organizations use their own network of auto dealers to conduct their leasing operations. Finally, certain large retail corporations have entered or may enter the market. Most notably, Sears, Roebuck and Company, the Nation's largest retail corporation, has begun to expand its automobile leasing operation nationwide.

National banks have been engaged in automobile leasing since the 1963 ruling of the Comptroller of the Currency that such activity was properly incidental to banking. In addition, 31 States have specific statutes permitting banks to lease personal property, and in other States the bank supervisory authority permits State banks by regulation to engage in the activity.[8] In 1968 there were 267 national banks engaged in auto leasing; by 1974 the number rose to 590 national banks. Another survey, that included State banks, showed 680 banks engaged in automobile leasing in the early 1970's, with lease outstandings of $400 million.[9] It appears that the number of banks involved in automobile leasing is continuing to grow.

On the basis of (1) the historical involvement of banks in the leasing of personal property such as railroad stock and ships, (2) the large and growing number of banks that lease automobiles, (3) the fact that banks entered the automobile leasing industry at an early stage and are now a significant component of the industry, (4) the fact that the Comptroller of the Currency and over two-thirds of the States have determined that automobile leasing is a permissible activity for banks, and (5) the likelihood that the number of banks engaging in automobile leasing will continue to grow, the Board concludes that automobile leasing is closely related to banking.

The second test pursuant to which the Board finds automobile leasing to be closely related to banking is a functional test, i.e., whether banks generally provide services that are functionally or operationally similar to the proposed service and are thus qualified to provide the proposed service. The parties to this proceeding argued strenuously about whether automobile leasing is functionally equivalent to other banking services.

Those parties to the proceeding in favor of the performance of the activity by bank holding companies (generally hereafter "proponents") argued that leasing is essentially a financial transaction since it is an alternate method of financing the purchase of an automobile without the necessity of a large initial down payment. Thus, to the customer it is a means of obtaining the possession and use of an automobile through deferred payment. To the bank it is another in a spectrum of methods of new car financing that includes instalment credit transactions, floor planning and commercial lending to independent lessors.[10]

Those parties to the proceeding opposed to the performance of the activity by bank holding companies (generally hereafter "opponents") argued that automobile leasing is essentially a merchandising activity in which reliance on the residual or resale value of the leased vehicle upon the completion of the lease term is the critical element. They argue that the need for the lessor to estimate and thus to speculate on the resale value of a new automobile three years hence makes automobile leasing different from an extension of credit or other types of personal property leasing.[11]

On the basis of the record, the Board has concluded that automobile leasing, if conducted by a bank holding company in accordance with the Board's existing personal property regulation, is essentially a financial transaction that is functionally equivalent to a bank's lending function. The leases written by a bank holding company in the lease of an automobile have many similarities to a secured loan. In each case there is a sum certain in amount. This sum includes the acquisition cost of the vehicle and the cost of financing and is recovered through a schedule of noncancellable deferred payments. The term of the payment period in both cases is 24 to 36, or recently to 48 months. The vehicle serves as a type of collateral to guarantee payment on both the instalment loan and the lease. Both forms of financing are applied to a specific automobile that is chosen prior to preparation of the document. In the case of a lease the bank is required by the Board's Regulation Y, section 225.4(a)(6)(*a*)(*ii*), to acquire the automobile specifically for an individual transaction. All attributes of ownership pass to the lessee who is responsible for servicing, insurance, and depreciation.

In addition to the above, the proponents have testified that they use the same skills in leasing a vehicle as they do in financing it through an instalment loan.[12] They assess the credit worthiness of the lessee, examining his record on repayment of earlier obligations and reviewing his ability to meet the payment schedule. They examine the collateral involved to determine its value over the term of the lease. In fact, since the amount financed is larger in the case of a lease than in the case of a loan, the credit criteria are usually a little more stringent.

The opponents argue, however, that the Board's regulation which allows reliance by a lessor upon a residual value of 20 per cent in computing a full-payout recovery permits speculation in property and alters the character of the transaction from that of a loan.[13] They point out that a lender does not generally have an equity interest in the property being financed.[14] Further, the Federal District Court for the Western District of Washington determined in *M&M Leasing Corporation* v. *Seattle-First National Bank*[15] that any lease in which the bank bears any risk of loss is not the equivalent of a loan.

The record of the proceeding reflects that the resale value of automobiles at the conclusion of a two- to three-year lease is generally between 20 and 55 per cent of a vehicle's acquisition cost.[16] By setting a maximum residual value of 20 per cent, the Board is recognizing that, on an empirical basis, automobiles have a useful life in excess of the lease term. On the other hand, the figure is a small enough percentage of the original price of the automobile to ensure that the holding company will be truly financing a lessee's acquisition and use of a vehicle rather than conducting a short-term rent-a-car operation. The record in this proceeding reflects that in 90 to 98 per cent of leases the vehicle is worth more than the residual value at the conclusion of the lease and is therefore purchased by the lessee,[17] and, even with respect to those vehicles returned at the end of the lease there is frequently no deficiency.[18] Thus, the Board finds that the risk of loss in a lease transaction cannot be said to be significantly greater than in a loan transaction and a bank holding company lessor cannot be said to be speculating in the value of property.

While, as indicated above, a lease in which the lessor relies on a residual value of up to 20 per cent of the initial value of the property to calculate payments that provide for a "full payout" is equivalent to and a substitute for an extension of credit, the record in the proceeding reflects that banks and bank holding companies presently engaging in leasing activities uniformly write open-end leases in which the lessee guarantees the estimated residual value. If upon resale at the end of the lease term, the vehicle does not bring the estimated residual value, the lessee agrees to reimburse the lessor for the deficiency. If the vehicle's actual resale price exceeds the estimate, the lessee receives the surplus.

The Board's existing personal property leasing regulation, section 225.4(a)(6)(*a*)(*iv*)(*4*) of Regulation Y, permits the lessor bank holding company to rely upon residual value up to 60 per cent of the acquisition cost of the vehicle if the residual value is unconditionally guaranteed by a financially qualified third party. This 60 per cent figure corresponds to the maximum residual value for most vehicles after a two- or three-year lease,[19] and the Board believes such a ceiling prevents speculation on residual value and preserves the lease as the functional equivalent of an extension of credit. The court in *M&M Leasing*[20] found this traditional automobile lease with the guarantee of residual value to be the functional equivalent of a loan.

Subsequent to the Board's adoption of the guarantee provisions, on March 23, 1976, Congress enacted the Consumer Leasing Act[21] which provides, in part, that with respect to a guarantee of residual value a lessee is obligated to pay the difference between the projected residual value and the actual resale price only if the estimate of the residual value is reasonable and made in good faith. The estimate is presumed unreasonable if it exceeds the actual resale value by more than three times the lessee's average monthly rental payments. Except in the case of unreasonable wear and use or a mutually agreeable final adjustment, the lessor can recover an additional sum only by filing suit and by demonstrating to a court that the estimate of residual value was reasonable and made in good faith.

The opponents argue that the Consumer Leasing Act effectively prevents reliance by bank holding company lessors upon the lessee guarantees of residual value. In their view, such a guarantee is no longer unconditional as required by the Board's regulation, as the lessor is compelled to rely upon the resale value of the vehicle rather than the credit worthiness of the lessee. This, they argue, destroys the equivalency of the lease to a loan.[22]

Initially, it is clear from the legislative history of the Consumer Leasing Act that Congress intended this legislation to protect the consumer from liability for unreasonable balloon payments at the end of a lease term. The legislation was not intended to indirectly prohibit banks and bank holding companies from engaging in automobile leasing by eliminating any possibility that they could rely upon a lessee guarantee.[23] In fact, the legislation was specifically designed to ensure that the "estimated residual value shall be a reasonable approximation of the fair market value of the property on lease expiration." Reasonableness in the estimating of residual value is required by the Board's regulation and is one reason for imposing a 60 per cent ceiling on the guarantee provision. If the guarantee is reasonable then there is no ban on reliance upon it under the Consumer Leasing Act. The Report of the Senate Committee on Banking, Housing and Urban Affairs, in reporting out the version of Section 183 of the Consumer Leasing Act that ultimately was enacted, recognized that the lessee bears the risk of loss upon which lessors may rely.

> The lessor's obligation under this language (of section 183) is to make a good faith and rational estimate of future residual value based on circumstances and information available at the time the lease was written. If the lessor does so the lessee bears the risk of unanticipated fluctuations in market value and the lessor is assured of full recovery under the lease.[23A]

The Board believes that, even in light of the Consumer Leasing Act, an automobile lease wherein the bank holding company lessor relies upon a reasonably estimated residual value guaranteed by the lessee remains functionally equivalent to a loan. If anything, the Consumer Leasing Act eliminates possible speculation on residual values and forces the lessor to adopt very conservative residual values. The bank holding company looks to the lessee for rental payments and in the event of default, particularly in the early stages of a lease when most defaults occur[24] and when resale value of the automobile does not equal the lessor's costs. The lessor also relies upon the lessee for reimbursement in the event of deficiencies between estimated and actual resale value, particularly when such deficiencies are less than three monthly rental payments.[25] It stands to reason that, as in the case of a loan, a bank holding company lessor would prefer to rely upon payment by a lessee/debtor rather than to attempt to dispose of the leased item/collateral.

The risk of fluctuation of residual value remains with the lessee, and even the small risk borne by the bank holding company that a court may find the estimate of residual value unreasonable is no greater than the risk always present in making a secured loan. As in the case of reliance upon an unguaranteed residual value of 20 per cent or less, a minimal risk of loss does not destroy the lease's equivalency to an extension of credit.

Furthermore, the Board does not consider the Consumer Leasing Act to impose a "condition" upon a guarantee for purposes of its personal property leasing regulation. The need to follow certain statutory procedures to enforce the provisions of a document such as a lease or a secured loan does not necessarily "condition" that document. Nor does the need to prove that the estimate of residual value is reasonable impose a condition upon recovery within the contemplation of the regulation. The Board has required the estimate of residual value to be reasonable upon the signing of the lease. All conditions to recover upon the lease have been fulfilled at that time and the document is subject to enforcement.

An additional argument that the opponents raise to establish that leasing of automobiles is not functionally equivalent to financing is that it more closely resembles the merchandising of used cars since the bank holding company lessor must estimate the vehicle's residual value, must purchase the vehicle and must dispose of it upon completion of the lease term. They argue that the need to estimate, and to rely upon, the residual value of the vehicles leased transforms the leasing of automobiles into something more than a financial transaction, particularly since automobile leasing is the only type of personal property leasing that relies to such a significant degree upon the factor of residual value.[26]

These possible aspects of the activity have been of concern to the Board and it has imposed certain conditions designed to avoid any merchandising aspects of leasing and to preserve its financial character. The regulation requires that the bank holding company acquire the item to be leased specifically for the transaction under consideration (section 225.4(a)(6)(*a*)(*ii*)) and that at the end of the lease term the holding company release the item or dispose of it within two years (section 225.4(a)(6)(*a*)(*vi*)). Both of these provisions are designed to prevent the stockpiling or inventorying of property, activities that indicate a commercial or merchandising operation. The bank holding company may purchase an automobile only as already selected by an individual lessee and must dispose of that vehicle promptly, if it is returned rather than purchased or otherwise disposed of by the lessee.

In the case of indirect leasing, the prospective lessee deals with an automobile dealer rather than a bank or bank holding company directly. The bank or holding company merely purchases the vehicle selected from the dealer after the dealer and lessee have agreed upon the make and model, the accessories to be included and the date of delivery. The lessor's role is the traditional banking function of credit analysis and approval of the written financing agreement. Since the dealer is responsible for delivery, the vehicle may never even be seen by the lessor.[27]

The bank holding companies and banks do prepare a schedule of leasing fees for dealers in their network, and this includes a projection of residual values. The proponents testified that they project residuals on the basis of the Kelly Blue Book of wholesale prices and similar auto industry projections, conservatively tempered by a safety factor and without any reliance upon the inflation that has marked the used car market in recent years.[28]

The projection of residual value draws upon the same knowledge and expertise with regard to the value of collateral that banks rely upon when making secured loans. Banks have traditionally appraised property before accepting it as collateral for a mortgage loan, refusing the loan if the purchase price exceeds the bank's estimated resale value of the property. On various types of secured loans banks have traditionally required down payments that are a certain percentage of the purchase price of the item financed as protection in the event of early default and repossession. These banking functions require a level of competence in assessing the value of collateral. The estimate of residual values in automobile leasing is considered by the Board to be equivalent to existing banking functions.

In the case of direct leasing the bank or holding company is more involved than in the case of indirect leasing since it deals directly with the lessee, and thus greater concerns are raised as to "merchandising." However, the banks and bank holding companies have testified that they do not counsel or advise the prospective lessee as to the make or model of vehicle he may wish to lease, or even suggest that he lease rather than buy.[29] They may merely put the lessee in contact with a dealer who is conveniently located to provide servicing and maintenance.[30] Frequently, as in the case of indirect leasing, the holding company never even has possession or contol of the vehicle which is delivered from dealer to lessee.

As an additional safeguard to prevent bank holding company lessors from becoming too involved in the commercial aspects of automobile leasing, the Board's regulation (section 225.4(a)(6)(*a*)(*iii*)) requires the leases be written on a nonoperating basis. This means that the bank holding company may not provide for servicing and maintenance of the vehicle or for similar functions. The bank holding company administers the lease as it would administer a loan.

The opposing parties additionally charge that disposal of the vehicle at the end of the lease forces the holding company into the merchandising of used cars. The experience of banks and bank holding companies, however, demonstrates that this activity is very limited because only a small percentage of the vehicles are returned to the lessors. In addition to the earlier cited testimony that between 90 and 98 per cent of all vehicles leased by banks are disposed of by the lessee, both Alameda Bancorporation and Wells Fargo Bank testified that only 2 per cent of their leased vehicles were returned for resale.[31] First National Bank of San Jose has had to dispose of fewer than 5 per cent of its leased vehicles,[32] and Seattle-First National Bank has had to dispose of only two vehicles wholesale out of a total of 345 normally terminated leases since April 1973.[33]

Such figures tend to demonstrate empirically that the banks are not engaged in the merchandising of used automobiles but are merely incidentally disposing of a few vehicles as they would in the case of repossession on a secured auto loan. Indeed, Seattle-First testified that it repossessed 147 vehicles during the same period that it disposed of two leased vehicles.[34] Wells Fargo "repossessed" approximately 370 leased vehicles in 1975 (out of a total of 17,000) for failure to make payments, but only 30 additional automobiles were returned at the close of the lease period.[35] Even if the number of leased vehicles returned to the bank lessors was significantly greater, the disposal of such vehicles wholesale, or through auction on the same basis as repossessed vehicles in the case of a secured loan, is merely a necessary incident to automobile leasing. It is conducted in a routine manner and does not involve bank holding companies in merchandising to any significant degree.

One opposing party has presented a series of brochures advertising the leasing activities of some banks and a very small number of bank holding companies in an attempt to show that banks themselves view automobile leasing in terms of merchandising automobiles rather than financing or extending credit. This literature emphasized such services as locating the vehicle of the customer's choice, purchasing it on favorable terms, delivering it without cost and disposing of it at the conclusion of the lease term.

Such advertising is likely to be used only in the case of direct leasing, according to testimony by the proponents, since in the case of indirect leasing these services are performed by the auto dealer with whom the prospective lessee negotiates.[36] If the advertising is prepared by the bank holding company for use by all of the dealers in its network and merely demonstrates the dealers' services as opposed to those of the holding company, the Board believes no issue as to merchandising by the holding company is raised.

When such advertising emphasizes certain incidental leasing services of the bank holding company itself, however, such advertising still does not alter the basic nature of the lease transaction. It appears customary to obtain lending or leasing business by emphasizing the automobile such a loan or lease will secure. The Board also notes that the Consumer Leasing Act has an express provision regulating the advertising of leases,[37] and that this will provide the necessary safeguards against deceptive advertising.

However, in order to insure that leasing of automobiles by bank holding companies remains essentially a financing transaction and does not take on the character of merchandising, the Board believes it appropriate to define more fully the requirement of the existing regulation that bank holding company leasing be conducted on a nonoperating basis. Accordingly, the Board is amending its personal property leasing regulation by adding the following footnote.

> For purposes of the leasing of automobiles, the requirement that the lease be on a nonoperating basis means that the bank holding company may not, directly or indirectly, provide for the servicing, repair or maintenance of the leased vehicle during the lease term; purchase parts and accessories in bulk or for an individual vehicle after the lessee has taken delivery of the vehicle; provide for the loan of an automobile during servicing of the leased vehicle; purchase insurance for the lessee; or provide for the renewal of the vehicle's license merely as a service to the lessee where the lessee could renew the license without authorization from the lessor.

With this additional safeguard and the other limitations on the automobile leasing activities of bank holding companies already contained in the regulation, the Board concludes that the essence of automobile leasing will remain the financing of the use and control of a vehicle by a lessee. It is the equivalent of a loan and thus meets a second of the tests for establishing that an activity is closely related to banking.

II. The Proper Incident to Banking Test

The determination that automobile leasing by bank holding companies is "closely related to banking or managing or controlling banks" resolves the first portion of the two-part test of Section 4(c)(8). Resolution of the second issue, whether bank holding company automobile leasing "can reasonably be expected to produce benefits to the public . . . that outweigh possible adverse effects," is usually achieved through the consideration of the individual applications of bank holding companies to engage in automobile leasing. This is the case since the public benefits or adverse effects may vary considerably with each application depending on such factors as the size and condition of the applicant and the competitiveness of the relevant market. Nevertheless, before placing a nonbanking activity on the list of activities that have been found to be "closely related to banking or managing or controlling banks," the Board finds it desirable to make a generalized examination of the activity and to determine, as a general matter, whether the balance of reasonably expected public benefits and possible adverse effects is such that it would be in the public interest for bank holding companies to enter the industry in question. Particularly in the case of uncontested applications to engage *de novo* in the proposed activity, the public benefits findings made during the rulemaking proceeding may prove helpful or perhaps dispositive.

With respect to the question whether bank holding company performance of leasing activities may lead to possible unfair competition, opponents contend that independent lessors are unable to compete with either the direct or indirect leasing programs of bank holding companies because of significant differentials in the cost of funds. Since banks are the source of funds for the independent lessors, the opposing parties claim that bank holding companies can and do require the independent lessors to pay interest rates that make it impossible for them to be competitive with bank-affiliated dealers and leasing subsidiaries.[38] They allege that in some instances leasing subsidiaries of bank holding companies may borrow funds from their parent corporations without interest.[39] Further, they contend that the financial resources of holding companies allow them to set the residual value on leased vehicles artificially high, thereby creating smaller monthly payments coupled with a large balloon payment at the end of the lease term. Independents are unable to match these lower monthly payments because it would mean a negative cash flow.[40]

The proponents contend that holding companies generally borrow funds at approximately the same rates as the independent lessors.[41] They state further that Section 23A of the Federal Reserve Act effectively prohibits holding companies from borrowing from their banking subsidiaries and that holding companies must borrow their funds from other banks. They thus contend that leasing subsidiaries of holding companies are, therefore, in the same position as independent lessors vis-a-vis access to funds.[42] Moreover, if one bank were to set the price of funds for independent lessors artificially high, other banks would find it profitable to offer funds at a lower rate and thereby acquire new customers.[43] Almost all of the banking parties testified that, although involved in auto leasing, they continue to provide funds to independent lessors, and that there is an adequate number of banks competing to provide such financing.[44]

The Board finds that large independent lessors have approximately the same cost for borrowed funds as holding companies. It appears that the disparity between the cost of borrowed funds for holding companies and small independent lessors is based primarily on the relative size of holding companies rather than advantages gained from affiliation with the banking subsidiaries. Indeed, large independent lessors appear to have a similar advantage over small independent lessors with regard to the cost of borrowed funds. Further, the record demonstrates that holding companies obtain at least a portion of their funds by borrowing from unaffiliated banks.[45] It is the Board's judgment that access to the securities market or a lower cost of borrowed funds resulting from the size of holding companies does not represent an unfair competitive advantage, nor does it represent an attempt to use the assets of the subsidiary banks to obtain a unique competitive status.

The opponents argue that unfair competition between bank holding companies and the independent lessors that must borrow from the subsidiary banks of the same holding companies extends beyond the cost of funds. They allege that holding companies have access to significant confidential information regarding potential competitors, both independents and small dealers that are part of the holding company's indirect network of dealers. Indeed, the opponents suggest, although presenting no evidence to so demonstrate, that indirect leasing programs may simply be a means of making contact with the customers of small dealers so that they may later be transferred to the holding company's direct leasing system.[46] Additionally, they state that by auditing the books of the independent lessors to which loans are granted the holding companies may acquire confidential information concerning the independent lessor's business. As similar information with regard to the bank holding companies is not available to the independent lessors, the opponents state that they are placed at a competitive disadvantage.[47]

The American Bankers Association (ABA) responded that it has taken a "strong position" with regard to protecting such information. The ABA also commented upon the fact that the leasing parties did not present a single example of misuse of such information.[48] The California Bankers Association (CBA) stated that financial information obtained from independent lessors is not, as a matter of law, entitled to the same amount of protection as is individual consumer credit information. Absent "improper use" of such information concludes CBA, bank disclosure of such information to a leasing affiliate is not unlawful.[49] Moreover, the proponents indicated that lines of credit and interest rates are reported in the annual reports of bank holding companies,[50] and independent lessors as well aware of the lease terms being offered by banks and bank holding companies through discussions with lessees and bank advertising.[51]

The record reflects that independent lessors have the option of obtaining financing from banks whose affiliates are not engaged in auto leasing.[52] Even borrowing from a bank subsidiary of a holding company that is so engaged results only in divulging information to that particular bank. Absent some sort of information pooling agreement, other bank holding companies would not have access to this data. There has been no allegation that such a pooling arrangement exists. Substantial amounts of information concerning the leasing operations of bank holding companies are publicly available. Although the misuse of confidential information is a possible adverse effect of allowing bank holding company entry into the leasing field, the Board concludes that such possibility should not be accorded significant adverse weight.

The opposing parties also contend that certain intrinsic qualities of the banking business also allow holding companies an unfair advantage. Banking has associated with it a shield of respectability that no other business may obtain[53] and banks can offer such inducements to prospective lessees as free checking accounts or safe deposit boxes.[54] The proponents respond that, to the extent consumers desire a lease package that includes maintenance and repair work, independent lessors have a significant advantage over bank holding companies as the latter are not permitted to offer such services.[55]

Although the Board is concerned about subsidiary banks offering their holding company affiliates services without compensation and has, in fact, directed its staff to prepare a general study of this issue for Board consideration, the competitive effect of free checking or free safe deposit boxes as an inducement to lease an automobile appears *de minimis*. Bank holding companies are not permitted to offer a variety of services provided by independent lessors such as maintenance and repair work, the provision of "loaner" automobiles while the leased vehicle is being repaired, the purchase of insurance for the lessee, the sale of auto accessories, and the maintenance of inventories of vehicles. When compared to these services, the offer of free checking or a free safe deposit box would not appear to give a holding company an unfair competitive advantage. Furthermore, the Board notes that such services apparently are offered only in isolated instances, most likely when the bank itself leases and not the bank holding company.

The opponents claim that holding companies may tie leasing services to other banking services. The proponents contend that the participation of holding companies in the leasing market may, in fact, prevent tying by other entities. As an example, it is said that auto dealers may be tempted to write leases requiring that all maintenance work be performed by that dealer. Further, small dealers may be required to finance their leasing activities with funds obtained from auto manufacturers. These manufacturers could tie the provision of such credit to other financial services such as floor plan financing for the dealer's inventory. Thus, it is said, allowing holding companies to engage in leasing will provide an alternative source of financing and thereby discourage this type of tying.[56] The proponents also note that Section 106 of the Bank Holding Company Act prohibits the tying of services by banks and bank holding companies.[57]

The Board is of the view that it is not necessary for holding companies to engage in auto leasing in order to act as an alternative source of financing and thereby discourage tying in other segments of the industry. Such an effect could just as well be achieved through more traditional forms of extending credit. Consequently, it does not appear that any public benefits will be generated in this regard through holding company entry. With respect to possible adverse effects, Section 106 of the Bank Holding Company Act provides a deterrent to holding company tying as it enables any person injured by such tying to bring a civil action for treble damages plus reasonable attorney's fees. Furthermore, the record of this proceeding is devoid of any examples of such tying and the Board believes that the unsubstantiated possibility of such tying does not constitute a significant adverse effect of bank holding company entry to this field.

With respect to the question whether performance of the activity may lead to decreased competition, the opponents point out that bank economic forecasters predicted in 1973 that entry of bank holding companies into the auto leasing field would produce a high mortality rate among smaller independent lessors. They contend that these small independent auto dealers offer true competitive alternatives in contrast to the automobile dealers involved in indirect leasing that offer the same single bank leasing program and are merely "economic vassals" of bank holding companies.[58] The opponents argue that, if holding companies seriously wish to encourage competition, they have but to make their wholesale lease financing lines available to the smaller auto dealers, thus allowing such dealers to compete independently without relying on a holding company's indirect leasing program. Holding companies are unlikely to offer wholesale lease financing to small dealers, however, if holding companies are permitted to engage in leasing themselves.[59] Rather than allowing smaller dealers to compete as independent lessors, the opponents contend that bank holding companies have entered the direct and indirect leasing fields on a massive scale and have expanded rapidly. The presence of banks and bank holding companies has increased with such speed in California, where much of the Nation's auto leasing occurs, that in a short time several banks have acquired a larger market share than any independent lessor has after 30 years of operation, according to the leasing parties.[60] In the State of Washington, Seattle-First National Bank has achieved a sizable market share after only two years.[61]

The opponents further contend that rapid expansion by holding companies has stifled the vigorous competition that existed beforehand. They state that in San Jose, California, bank lessors have virtually driven the independent lessors out of business.[62] It is asserted that independent lessors in San Jose were able to match the overall price offered to consumers if the residual value factor were included but that they were unable to offer monthly payments as low as those offered by banks.[63] Opponents contend that the auto leasing market share of California bank holding companies, 49 per cent, coupled with their predatory pricing tactics, will result in the destruction of the independents. Thereafter, it is said, holding companies will raise their prices and obtain monopoly profits. Finally, responding to claims that holding companies must engage in leasing in order to preserve their share of the auto financing market, the opponents state that businesses that merchandise autos must obtain their financing from banks whether those businesses sell or lease autos.[64]

The proponents dispute the assertion that the independent lessors will be driven out of the market. They point out that the history of the provision of consumer credit does not indicate that banks have displaced other consumer credit granting entities. After years of financing the sale of automobiles, banks in California finance only 49 per cent of those sold. By analogy one would not expect independent lessors to be displaced as a general matter.[65] The banking parties also allege that, although a considerable number of bank holding companies have entered the leasing field, the growth of such leasing by banks and bank holding companies has not kept pace with that of independent lessors.[66]

The proponents argue that, in order to control the auto leasing market and drive out independent lessors, bank holding companies would be required to engage in a conspiracy to deny funds to independent lessors. In fact, one bank engaged in leasing stated that in 1975 it helped to finance the operations of 97 independent lessors with loans of $195 million.[67] Further, unless accompanied by a withdrawal of alternative sources of funds such as General Motors Acceptance Corporation, any conspiracy to deprive independents of funding would be ineffective.[68] The proponents argue that, although NADA has contended for a number of years that independent lessors will be driven out of the market, it has produced no evidence to support this claim.[69]

As noted above, the Board has determined that large independent lessors have approximately the same cost for borrowed funds as bank holding companies; that any disparity between the cost of such funds for holding companies and small independent lessors is probably based on the relative size of holding companies, and that neither the lower cost of borrowed funds for large businesses such as holding companies or large independents, nor the ability of holding companies to avoid borrowing funds by resorting to the securities market, represents an unfair competitive advantage.

Inefficient holding companies will doubtless find themselves unable to compete with large, well-managed independent lessors over the long run. Furthermore, even small independent lessors may have the capacity to be quite competitive because of the restrictions placed on bank holding companies by the personal property leasing regulation, as modified above. Most significantly, holding companies may not provide maintenance or repairs for the vehicles they lease. They may not maintain inventories of cars, sell auto accessories, purchase insurance for their lessees, or provide "loaner" cars while the leased vehicle is being repaired. A segment of the leasing market may well desire these services and the record indicates that independent lessors provide all of these services.[70]

The contentions of the leasing parties that independent lessors will be driven from the leasing market with a resultant decrease in the level of competition appears to be based in part on the assumption that independent lessors face a group of holding companies that are acting in concert to eliminate their competitors by charging artificially low prices to their lessees, by unreasonably raising interest rates on loans made to independent lessors, or by simply refusing to make loans to independent lessors. There is no evidence of record to indicate that banks or bank holding companies are in fact engaged in such a conspiracy. Further, as the proponents have noted, the history of the involvement of banks in the area of consumer finance suggests that it is extremely unlikely that banks will charge independent lessors artificially high rates of interest or refuse to make funds available to independents. For example, while banks have routinely and traditionally made direct extensions of credit to consumers for the purchase of autos, they continue to make such loans indirectly through auto dealer intermediaries by discounting the notes that dealers have accepted from consumers.

The record does indicate that the automobile leasing industry as whole has grown with considerable rapidity in recent years and that some holding company operations have become quite large. However, the statement by the opponents that holding companies now control 49 per cent of the leasing market in California appears to represent a misunderstanding of the observation that after many years of financing the sale of new cars banks have only 49 per cent of that segment of the financial industry.

In view of the above, the Board believes that independent lessors will continue to exist as strong competitors in the automobile leasing market. Further, there is no evidence of record to suggest that bank holding companies are not competing among themselves in this area, just as they do in other banking and nonbanking fields. The Board concludes that automobile leasing by bank holding companies, or banks, has not had anticompetitive effects in the past and is unlikely to result in decreased competition in the future.

The record does not provide sufficient data for the Board to conclude that bank holding company automobile leasing has had large procompetitive effects in the past. Nevertheless, the Board concludes that the addition to the total number of competitors that results from bank holding company entry as well as the innovation and increased competition which bank holding companies may offer can be reasonably expected to have procompetitive results, and there is some evidence of lower lease rates as a result of bank holding company entry.[71]

With respect to the issue of whether performance of the activity by bank holding companies will lead to possible unsound banking practices, the opponents state that, notwithstanding claims that bank holding company lessors are protected by their analysis of the creditworthiness of the lessee and the guarantee provision of open-end leases, the major factor in the success of an auto leasing business is the accurate projection of the residual value of leased vehicles. It is said that even open-end leases involve a substantial risk if the lessor makes an overly optimistic estimate of the residual value.[72] A considerable amount of expertise is required to make such estimates accurately, and this expertise is normally not possessed by bank holding companies. Consequently, auto leasing is said to involve a high degree of risk that endangers the capital adequacy of banks and holding companies.[73]

The opponents state that holding companies make unreasonable estimates of residual values so that the consumer's monthly payments may be artificially reduced.[74] They contend that since the Consumer Leasing Act shifts all of the risk involved in estimating the residual value to the lessor, the failure of holding companies to estimate residual value reasonably represents an unsound banking practice.[75] Even absent the Consumer Leasing Act, the leasing parties state that it is difficult to enforce a lessee guarantee provision due to the costs involved in litigation and the hesitancy of courts to rule in favor of the lessor in view of his superior knowledge of probable residual values.[76]

The proponents contend that holding companies utilize higher standards in assessing the creditworthiness of potential lessees than is the case with those who wish to finance the purchase of an auto.[77] Residual values are estimated conservatively, using the same basic methods applied by banks in all secured lending involving autos.[78] Banks with up to 12 years experience in auto leasing indicated that their percentage of delinquent accounts, total dollar losses per repossessed vehicle, and total number of autos repossessed has been relatively low, in most cases roughly comparable with their auto sales financing operations.[79]

The proponents state that any tempation to reduce the lessee's monthly payment by estimating an imprudently high residual vaue is counterbalanced by the associated reduction in the lessor's yield. Finally, proponents contend that the lessee's liability is not limited by the Consumer Leasing Act if the lessor makes a reasonable estimate of the residual value based on information available at the time the lease is written.[80]

It is the Board's judgment that the Consumer Leasing Act has a significant effect on the potential for abuse associated with an automobile leasing transaction. As discussed above, this Act provides that lessors are required to make a reasonable estimate of the residual value of leased property. To the extent the estimated residual value exceeds the actual residual value by more than three monthly payments, the Act creates a rebuttable presumption that the estimate is unreasonable and was not made in good faith. The Act further provides that such excess liability may not be collected except by mutual agreement or through litigation and that in such litigation the lessor is required to pay the lessee's reasonable attorney's fees unless the reason for the failure to accurately project the residual value is due to excessive wear and use of the vehicle by the lessee.

It does not appear that the provisions of this Act will result in unsound banking practices, however, as they will substantially reduce any tendency to overestimate residual value in order to create lower monthly payments. The low level of losses historically associated with bank and bank holding company leasing also diminishes the possibility that the Consumer Leasing Act will have significant adverse effects on the automobile leasing operations of bank holding companies and support statements by the banking parties that residual values are estimated in a conservative manner. The Board finds that the estimation of residual values is not an inherently unsafe activity and that holding companies have made such estimates in a reasonable manner that cannot be said to represent an unsound banking practice.

The opponents further contend that the low rates of interest at which holding companies provide funds to their leasing subsidiaries represent an unsound banking practice. If fair interest rates were charged, they argue, the supposed profits of leasing subsidiaries would be deflated and might even become losses.

The Board is unable to discern how the use of low interest rates for intracompany transfers of funds could represent an unsound banking practice. First, the subsidiary banks themselves are protected from abuse by the provisions of Section 23A of the Federal Reserve Act. Secondly, low interest loans by the holding company to subsidiaries cannot significantly alter the appearance of consolidated financial statements for purposes of determining profit and loss.

With respect to the question whether bank holding company performance of leasing activities can be reasonably expected to produce benefits to the public such as increased convenience, the opponents contend that, if properly performed, auto leasing involves the provision of a variety of services to accompany the leasing transaction.[81]

These services include consumer counseling, maintenance and repair work, arranging for insurance coverage, provision of free "loaner" cars while the leased vehicle is being repaired, sale of auto accessories, sale and purchase of used vehicles, and generally keeping abreast of market developments to assure consumers that they receive the best possible price. The opponents argue that bank holding companies are either not allowed to offer these services or, in the case of consumer counseling, not qualified, and conclude that holding company lessors are not adequately serving the needs of their customers.[82]

The Board concludes that the fact that holding companies are not permitted to offer certain services does not indicate that their participation in the market does not lead to greater convenience for the public. The Board regards holding company leasing as representing an alternative to, rather than a replacement of, the type of leasing performed by independent lessors. Allowing bank holding companies to offer leasing services will create more leasing outlets for the consumer. The elimination of the limited type of leasing transaction offered by holding companies would be particularly undesirable in areas that have no independent lessors or whose needs are not adequately served by existing independent lessors.

The questionable nature of the claim that the limited type of leasing offered by holding companies does not adequately serve the public is emphasized by the fact that holding company leasing is intended to be the functional equivalent of an extension of credit. It has not been suggested, for example, that bank financing of auto sales is somehow inadequate because it does not include the type of services provided by auto dealers. Thus, the Board concludes that performance of the activity by bank holding companies will have benefits to the consumer in terms of increased convenience.

The opponents contend that some holding companies do not attempt to purchase autos at the lowest available price and consequently, do not offer consumers the full benefits of leasing.[83] Conversely, holding companies are said to deceive consumers by offering lower monthly payments on the basis of artificially high residual values with the result that consumers are required to make a substantial deficiency payment at the end of the lease term.[84] Proponents contend that some holding companies purposefully avoid paying the lowest possible price for the automobiles they purchase for lease because to do so would have an adverse effect on the quality of the warranty work performed for the lessor by the automobile dealer that sells it.[85] Proponents further argue that they have not overestimated residual values, and offer examples from their own experience to demonstrate that their estimates have been reasonable.[86] Furthermore, even if such practice had existed, the Consumer Leasing Act would have the effect of severely restricting it.

The Board believes that consumers should be allowed to choose between lease plans that provide differing amounts of additional or incidental services and determine how many or how few services to pay for. Such an increase in selection provides positive benefits to the consumer and it is reasonably expected that performance by bank holding companies of the activity will lead to such benefits.

With further reference to the questions of increased convenience and competition, the opponents state in response to claims that the indirect leasing programs of bank holding companies benefit small automobile dealers and create additional sources of leasing services, that any benefits which may accrue to dealers that are enabled to engage in leasing through indirect leasing programs are undermined to the extent that the same holding company is permitted to engage in direct leasing in competition with the independents.[87] Further, they contend that the individual dealer in an indirect leasing program is not a separate competitor providing an alternative source of leasing services to the consumer because the holding company funding the indirect leasing program is the only actual competitor.[88]

The proponents contend that holding company leasing has markedly increased the number of auto dealers that are able to offer leasing and, thus, the number of leasing outlets. Seattle-First National Bank states that 300 of the approximately 480 new car dealers in the State of Washington utilize its indirect leasing program,[89] while Wells Fargo Bank states that in 1975 it was providing indirect lease financing through 750 dealerships that wrote a total of 17,000 leases.[90] The proponents argue that were it not for this type of leasing arrangement small dealers would be unable to provide auto leasing and the public's alternatives would be significantly diminished.[91]

Furthermore, proponents state that holding company leasing has not precluded other types of auto financing; that banking subsidiaries continue to extend credit to finance both new car sales and the operations of independent lessors.[92] Moreover, dealers that utilize indirect leasing programs receive their profit more rapidly than is the case with conventional financing.[93] They contend that by providing an alternative to conventional financing, leasing also allows dealers to garner increased sales.[94] Additional public benefits arise through holding company leasing in rural areas that would otherwise have no leasing outlets.[95] Finally, proponents state that in some areas of the country holding company leasing has resulted, or is expected to result, in lower costs to consumers.[96]

In the Board's judgment, in view of the history of the involvement of banks in the area of consumer finance, it is unlikely that a holding company's addition of a direct leasing plan to an indirect program will have a negative impact on dealers participating in the indirect program. Banks have demonstrated that they are prepared to utilize several methods of financing the same type of transaction and it seems reasonable to expect that they will do so in the leasing area also. The record indicates that in practice direct and indirect methods of holding company leasing are not incompatible.[97] Moreover, allowing direct leasing provides additional locations at which a lease may be obtained and is therefore more convenient for the consumer. Direct leasing by bank holding companies also adds a completely independent competitor to the market.

The contentions of opponents that auto dealers participating in indirect leasing plans are not independent competitors are undermined by the fact that dealers may participate in several plans at once. It does, however, appear reasonable to assume that dealers involved in only one such plan are not independent competitors and might be more accurately described as agents for a particular holding company. Despite this, it must be noted that even in this instance, the holding company is added to the number of competitors in the market served by the dealer. By participating in several indirect leasing programs, the dealer may gain a certain degree of independence and additional holding companies may become competitors in the dealer's market area.

More significantly, the large number of leasing outlets associated with an indirect leasing plan is clearly more convenient for the public, particularly in areas that cannot support an independent leasing operation. Thus the Board is of the view that bank holding company leasing, whether of the direct or indirect type, provides a significant public benefit in terms of greater convenience for the community to be served, and provides a benefit in terms of increased competition.

With regard to the issue of whether holding company auto leasing will create gains in efficiency, the opponents contend that bank holding companies are not leasing experts and therefore cannot create such gains. Proponents respond that by using the centralized facilities of a bank holding company, small auto dealers are able to substantially reduce the cost of administering a leasing program and that the resulting savings may be passed on to the consumer.

The Board is of the view that the contention of the opponents that holding companies cannot create greater efficiencies because they are inexperienced in leasing is dubious in view of the fact that national banks have been permitted to engage in auto leasing since 1963, and many have experience that can be transferred to their parent holding companies. Moreover, holding companies have been involved in the related field of auto finance for decades. Accordingly, the Board concludes that banks and bank holding companies have had significant experience in the administration of automobile leasing and automobile sales financing programs and that gains in efficiency can reasonably be expected to result from making this expertise available to small automobile dealers through indirect leasing programs.

On the basis of the foregoing, the Board concludes that automobile leasing is closely related to banking or managing or controlling banks. The Board has further determined that performance of this activity by an affiliate of a holding company can reasonably be expected to produce benefits to the public which outweigh possible adverse effects and that the activity is, therefore, a proper incident to banking or managing or controlling banks. The Board has therefore determined that bank holding companies should be allowed to continue to conduct automobile leasing activities in a manner consistent with the Board's personal property leasing regulation. The Board has, however, determined in accordance with the above discussion, that it would be appropriate to provide a further definition of the requirement that a lease be on a nonoperating basis. Accordingly, pursuant to Section 4(c) (8) of the Bank Holding Company Act, the Board has decided herein to amend its personal property leasing regulation.

Footnotes:

[1] The Board has considered all submissions of the parties to this proceeding. It has considered all suggestions for changes in the Board's existing personal property leasing regulation as applied to the lease of automobiles. In this Order, the Board has summarized and dealt specifically with the major arguments and suggestions of all parties in adopting a regulation permitting bank holding companies to continue to engage in automobile leasing. To the extent that any arguments and suggestions opposing the regulation are not treated individually in this Order, they have been considered and dismissed as without merit.

[2] See the Board's Order of November 15, 1973, adding courier activities to the list of activities in the Board's Reg. Y that are permissible for bank holding companies. 1973 Federal Reserve Bulletin 892. See also *National Courier Association v. Board of Governors*, 516 F. 2d 1229, 1237 (D.C. Cir. 1975).

[3] Testimony of Professor Bower: Letter, dated March 12, 1976, pp. 5-8 and Transcript (hereinafter abbreviated Tr.), pp. 154-56; California Bankers Assoc. (hereinafter "CBA"), March 12, 1976, p. 7.

[4] Tr., p. 68; 1975 Federal Reserve Bulletin 414.

[5] Federal Reserve Bank of Chicago December 22, 1976, p. 2, citing 1975 Federal Reserve Bulletin 414.

[6] Tr., p. 68, Trust Company of Georgia, March 4, 1976, and United States National Bank of Oregon, December 22, 1975.

[7] CBA, March 12, 1976, p. 1.

[8] Tr., p. 66.

[9] Fulton Bank, Lancaster, Pennsylvania, December 2, 1975, and Boatman's Bank, St. Louis, Missouri, December 19, 1975.

[10] See, for example, Tr., pp. 6, 8-9, 156-159, 182, 184; CBA, March 12, 1976, pp. 8-11.

[11] See, for example, Tr., pp. 39, 42, 110-119, 220; NADA, December 22, 1975, pp. 9-19, Southwest Leasing Corp. ("SW"), December 15, 195, pp. 3-4.

[12] Tr., pp. 8-9, 77-78; Seilon, Inc., Toledo, Ohio, December 16, 1975.

[13] Tr. pp. 104-106.

[14] Tr., pp. 40, 117-118.

[15] 391 F. Supp. 1290 (W.D. Wash. 1975).

[16] Tr., pp. 19, 90, 104, 106, 126.

[17] Tr., pp. 11, 45, 56-58, 62, 72, 89, 95, 165, 176, 180.

[18] Tr., pp. 11, 176, 180.

[19] See note 16.

[20] See note 15.

[21] 90 Stat. 257, codified as 15 U.S.C. 1667 (1976).

[22] NADA, April 23, 1976, pp. 9-13, and American Imported Automobile Dealers Assn., April 22, 1976, and SW, April 13, 1976.

[23] House Report, No. 544, 94th Cong., 1st Sess., 1975; 121 Cong. Record, H10308-10312.

[23A] S. Rep. No. 590, 94th Cong., 2d Sess., 1973.

[24] Tr., p. 31.

[25] The Board believes in light of the "safety factors" used by banks and bank holding companies in estimating residual values, it is likely that any deficiency will be less than the average of three monthly rental payments. See Tr., pp. 9, 72, 166.

[26] Tr., pp. 41, 104-105, 111-113, 117-119, NADA, December 22, 1975.

[27] Tr., pp. 8-10, 71-72, Seilon, Inc., *supra*, and First Hawaii Bank, December 17, 1975.

[28] Tr., pp. 9, 71, 166, 175, 180.

[29] Tr., pp. 10, 77, CBA, March 12, 1976.

[30] Tr., p. 96.

[31] Tr., pp. 165, 176.

[32] Tr., p. 72.

[33] Tr., p. 11.

[34] Tr., p. 11.

[35] Letter from Wells Fargo Bank, p. 13, March 12, 1976.

[36] Tr., p. 76.

[37] Section 184, 90 Stat. 259, 15 U.S.C. 1667(e) (1976).

[38] Tr., p. 48; SW December 15, 1975, p. 8.

[39] SW, April 21, 1976, p. 1.

[40] Tr., p. 58.

[41] Tr., pp. 169, 190.

[42] Tr., pp. 169, 180-81.

[43] Tr., p. 53.

[44] Tr., pp. 201-202.

[45] Tr., pp. 169, 190.

[46] Tr., p. 137.

[47] Tr., p. 224.

[48] ABA, April 23, 1976, p. 1.

[49] CBA, April 23, 1976, pp. 14-16.

[50] Tr., p. 169.

[51] Tr., p. 232; NADA, April 23, 1976, Appendix A; California Doctors Leasing Service, Inc., April 23, 1976.

[52] Tr., pp. 153, 181, Dick Bullis Car Lease Corp., December 15, 1975.

[53] American Imported Automobile Dealers Assoc., April 22, 1976, p. 7.

[54] SW, December 15, 1975, p. 8.

[55] Seattle-First National Bank, April 20, 1976, p. 5.

[56] Tr., p. 86.

[57] Tr., p. 87.

[58] NADA, December 22, 1975, pp. 21-22.

[59] NADA, April 23, 1976, p. 19.

[60] SW, December 15, 1975, p. 8.

[61] Ibid.

[62] Tr., p. 222.

[63] Tr., p. 123.

[64] Tr., p. 153.

[65] Tr., p. 196.

[66] Tr., p. 75.

[67] Tr., p. 172.

[68] Tr., p. 181.

[69] Seattle-First National Bank, March 12, 1976, pp. 18-20.

[70] Tr., pp. 43, 216-218.

[71] Tr., p. 188.

[72] NADA, December 22, 1975, pp. 22-23.

[73] Id., pp. 21-23.

[74] Tr., pp. 42, 58.

[75] NADA, April 23, 1976, pp. 19-20.

[76] Tr., pp. 51-52.

[77] Tr., p. 12.

[78] Tr., pp. 8-18, 71-72, 175.

[79] Tr., pp. 12, 74, 165, 176, 178.

[80] Seattle-First National Bank, April 20, 1976.

[81] Tr., pp. 212-220.

[82] NADA, April 23, 1976, p. 14; SW, December 15, 1976.

[83] Tr., pp. 213-214.

[84] Tr., p. 238.

[85] Tr., p. 99.

[86] Tr., pp. 9, 72.

[87] Tr., p. 114.

[88] NADA, April 23, 1976, pp. 18-19.

[89] Tr., p. 8.

[90] Tr., p. 173.

[91] Seattle-First National Bank, March 12, 1976, pp. 18-20.

[92] Tr., pp. 13, 171-73, 201-202.

[93] Tr., p. 16.

[94] Tr., p. 83.

[95] Tr., p. 80.

[96] Tr., pp. 26, 188.

[97] Tr., p. 71.

AMENDMENT TO REGULATION Y

(1) Effective October 13, 1976, section 225.4(a) (6) is hereby amended by adding a new footnote 4 at the end of paragraph 225.4(a) (6) (iii) to read as follows:

Section 225.4—Nonbanking Activities

(a) Activities closely related to banking or managing or controlling banks. * * *

*   *   *   *   *

(6)(a) Leasing personal property or acting as agent, broker or adviser in leasing such property provided:

*   *   *   *   *

(iii) the lease is on a nonoperating basis;[4]

(2) As an incident to this amendment, footnotes 4 to 12 are redesignated 5 to 13.

[4] For purposes of the leasing of automobiles, the requirement that the lease be on a nonoperating basis means that the bank holding company may not, directly or indirectly, provide for the servicing, repair or maintenance of the leased vehicle during the lease term; purchase parts and accessories in bulk or for an individual vehicle after the lessee has taken delivery of the vehicle; provide for the loan of an automobile during servicing of the leased vehicle; purchase insurance for the lessee; or provide for the renewal of the vehicle's license merely as a service to the lessee where the lessee could renew the license without authorization from the lessor.

Truth in Lending

The Board of Governors has adopted amendments to Regulation Z implementing the Consumer Leasing Act of 1976 (41 FR 28313).

Effective March 23, 1977, Part 226 is amended as follows:

Section 226.1— Authority, Scope, Purpose, etc.

1. By revising the last sentence of paragraph 226.1(a)(1) to read as follows:

(a)(1) * * * Except as otherwise provided herein, this Part, within the context of its related provisions, applies to all persons who are creditors, as defined in paragraph(s) of § 226.2, and in the case of consumer leases, as defined in paragraph (mm) of § 226.2, to all persons who are lessors, as defined in paragraph (oo) of § 226.2.

2. In paragraph 226.1(a)(2) by inserting the words "and consumer lease" between the words "Advertising of consumer credit" and "terms must comply" and by adding the following sentence before the last sentence of the paragraph:

* * * This Part is also designed to assure that lessees of personal property are given meaningful disclosures of lease terms, to delimit the ultimate liability of lessees in leasing personal property and to require meaningful and accurate disclosures of lease terms in advertisements. * * *

3. In paragraph 226.1(b)(1) by inserting a comma after the word "creditors," deleting the word "and" between the words "creditors" and "credit" and inserting the words "and lessors" between the words "issuers" and "is."

4. By amending paragraph 226.1(c) to read as follows:

(c) **Penalties and liabilities.** Section 112 of the Act provides criminal liability for willful and knowing failure to comply with any requirement imposed under the Act and this Part. Section 134 provides for criminal liability for certain fraudulent activities related to credit cards. Section 130 provides for civil liability in individual or class actions for any creditor or lessor who fails to comply with any requirement imposed under Chapter 2, Chapter 4 or Chapter 5 of the Act and the corresponding provisions of this Part. Section 130 also provides creditors or lessors a defense against civil and criminal liability under Sections 130 and 112 for any act done or omitted in good faith in conformity with the provisions of this Part or any interpretation thereof by the Board, or with any interpretations or approvals issued by a duly authorized official or employee of the Federal Reserve System, notwithstanding that after such act or omission has occurred, such rule, regulation, interpretation or approval is amended, rescinded or otherwise determined to be invalid for any reason. Section 130 further provides that a multiple failure to disclose in connection with a single account or single consumer lease shall permit but a single recovery. Section 115 provides for civil liability for an assignee of an original creditor where the original creditor has violated the disclosure requirements and such violation is apparent on the face of the instrument assigned, unless the assignment is involuntary. Section 185(b) provides for civil liability under § 130 for any lessor who fails to comply with any requirement imposed under § 184 to any person who suffers actual damage from the violation. Pursuant to § 108 of the Act, violations of the Act or this Part constitute violations of other Federal laws which may provide further penalties.

Section 226.2 is amended as follows:

Section 226.2— Definitions and Rules of Construction

1. In paragraph (d) by inserting the words "or lessee or prospective lessee" between the words "prospective customer" and "in."

2. By amending paragraph 226.2(h) to read as follows:

(h) **Arrange for the extension of credit or for lease of personal property** means to provide or offer to provide consumer credit or a lease which is or will be extended by another person under a business or other relationship pursuant to which the person arranging such credit or lease

(1) Receives or will receive a fee, compensation, or other consideration for such service, or

(2) Has knowledge of the credit or lease terms and participates in the preparation of the contract documents required in connection with the extension of credit or the lease. It does not include honoring a credit card or similar device where no finance charge is imposed at the time of that transaction.

3. In paragraph 226.2(jj) by deleting the word "and" after the words "consumer loan" and adding the words "and 'lease' to mean 'consumer lease'" after the words "consumer credit transaction."

4. In paragraph 226.2(kk) by inserting the words "or a lessor and lessee" between the words "customer" and "irrespective."

5. By adding the following after paragraph 226.2 (ll):

(mm) **Consumer lease** means a contract in the form of a bailment or lease for the use of personal property by a natural person primarily for personal, family or household purposes, for a period of time exceeding four months, for a total contractual obligation not exceeding $25,000, whether or not the lessee has the option to purchase or otherwise become the owner of the property at the expiration of the lease. It does not include a lease which meets the definition of a credit sale in § 226.2(t), nor does it include a lease for agricultural, business or commercial purposes or one made to an organization.

(nn) **Lessee** means a natural person who leases under, or who is offered, a consumer lease.

(oo) **Lessor** means a person who in the ordinary course of business regularly leases, offers to lease or arranges for the leasing of personal property under a consumer lease.

(pp) **Personal property** means any property which is not real property under the law of the State where is is located at the time it is offered or made available for lease.

(qq) **Realized value** means (1) the price received by the lessor for the leased property at disposition, (2) the highest offer for disposition, or (3) the fair market value at the end of the lease term.

(rr) **Total lease obligation** equals the total of (1) the scheduled periodic payments under the lease, (2) any nonrefundable cash payment required of the lessee or agreed upon by the lessor and lessee or any trade-in allowance made at consummation, and (3) the estimated value of the leased property at the end of the lease term.

(ss) **Value at consummation** equals the cost to the lessor of the leased property including, if applicable, any increase or markup by the lessor prior to consummation.

Section 226.3 is amended by adding a new § 226.3(f) to read as follows:

Section 226.3— Exempted Transactions

(f) **Certain lease transactions.** Lease transactions of personal property which are incident to the lease of real property and which provide that (1) the lessee has no liability for the value of the property at the end of the lease term except for abnormal wear and tear, and (2) the lessee has no option to purchase the leased property.

Section 226.6 is amended as follows:

Section 226.6— General Disclosure Requirements

1. By adding a new § 226.6(b)(3) to read as follows:

(b)(3)(i) A State law which is similar in nature, purpose, scope, intent, effect or requisites to a section of Chapter 5 of the Act is not inconsistent with the Act or this Part within the meaning of § 186(a) of the Act if the lessor can comply with the State law without violating this Part. If a lessor cannot comply with a State law without violating a provision of this Part which implements a section of Chapter 5 of the Act, such State law is inconsistent with the requirements of the Act and this

Part within the meaning of § 186(a) of the Act and is preempted.

(ii) A State, through its Governor, Attorney General, or other appropriate official having primary enforcement or interpretative responsibilities for its consumer leasing law, may apply to the Board for a determination that the State law offers greater protection and benefit to lessees than a comparable provision(s) of Chapter 5 of the Act and its implementing provisions(s) in this Part, or is otherwise not inconsistent with Chapter 5 of the Act and this Part, or for a determination with respect to any issues not clearly covered by § 226.6(b)(3)(i) as to the consistency or inconsistency of a State law with Chapter 5 of the Act or its implementing provisions in this Part.

2. In paragraph 226.6(c) by inserting the words "or lessor's" between the words "creditor's" and "option" and by inserting the words "or lessee" between the words "customer" and "or" in the first sentence, and by inserting the words "or lessor" between the words "creditor" and "who elects" in the second sentence.

3. By revising paragraphs 226.6 (d), (e) and (f) to read as follows:

(d) **Multiple creditors or lessors; joint disclosure.** If there is more than one creditor or lessor in a transaction, each creditor or lessor shall be clearly identified and shall be responsible for making only those disclosures required by this Part which are within his knowledge and the purview of his relationship with the customer or lessee. If two or more creditors or lessors make a joint disclosure, each creditor or lessor shall be clearly identified. The disclosures required under paragraphs (b) and (c) of § 226.8 shall be made by the seller if he extends or arranges for the extension of credit. Otherwise disclosures shall be made as required under paragraphs (b) and (d) of § 226.8 and paragraph (b) of § 226.15.

(e) **Multiple customers or lessees; disclosure to one.** In any transaction other than a credit transaction which may be rescinded under the provisions of § 226.9, if there is more than one customer or lessee, the creditor or lessor need furnish a statement of disclosures required by this Part to only one of them other than an endorser, comaker, guarantor, or a similar party.

(f) **Unknown information estimate.** If at the time disclosures must be made, an amount or other item of information required to be disclosed, or needed to determine a required disclosure, is unknown or not available to the creditor or lessor and the creditor or lessor has made a reasonable effort to ascertain it, the creditor or lessor may use an estimated amount or an approximation of the information, provided the estimate or approximation is clearly identified as such, is reasonable, is based on the best information available to the creditor or lessor and is not used for the purpose of circumventing or evading the disclosure requirements of this Part.

Notwithstanding the requirement of this paragraph that the estimate be based on the best information available, a lessor is not precluded in a purchase option lease from understating the estimated value of the leased property at the end of the term in computing the total lease obligation as required in § 226.15(b)(15)(i).

4. By revising the footnote to paragraph 226.6 (g) to read as follows:

[6]Such acts, occurrences, or agreements include the failure of the customer or lessee to perform his obligations under the contract and such actions by the creditor or lessor as may be proper to protect his interests in such circumstances. Such failure may result in the liability of the customer or lessee to pay delinquency charges, collection costs, or expenses of the creditor or lessor for perfection or acquisition of any security interest or amounts advanced by the creditor or lessor on behalf of the customer or lessee in connection with insurance, repairs to or preservation of collateral.

5. In paragraph 226.6 (i) by inserting the words "or lessor" between the words "creditor" and "for" in the first sentence and between the words "creditor" and "shall" in the last sentence.

Section 226.10 is amended by redesignating the introductory text of § 226.10(a) as § 226.10(a)(1), § 226.10(a)(1) as § 226.10(a)(1)(i) and § 226.10(a)(2) as § 226.10(a)(1)(ii), and by adding new §§ 226.10(a)(2), 226.10(g) and 226.10(h). Section 226.10 reads as follows:

Section 226.10—
Advertising Credit and Lease Terms

(a) **General rule.** ***

(2) No advertisement to aid, promote or assist directly or indirectly any consumer lease may state that a specific lease of any property at specific amounts or terms is available unless the lessor usually and customarily leases or will lease such property at those amounts or terms.

(b) **Catalogs and multi-page advertisements.** If a catalog or other multiple-page advertisement sets forth or gives information in sufficient detail to permit determination of the disclosures required by this section in a table or schedule of credit or lease terms, such catalog or multiple-page advertisement shall be considered a single advertisement provided:

(1) The table or schedule and the disclosures made therein are set forth clearly and conspicuously; and

(2) Any statement of credit or lease terms appearing in any place other than in that table or schedule of credit or lease terms clearly and conspicuously refers to the page or pages on which that table or schedule appears, unless that statement discloses all of the credit or lease terms required to be stated under this section. For the purpose of this subparagraph, cash price is not a credit term.

* * * * *

(g) **Advertising of consumer leases.** No advertisement to aid, promote or assist directly or indirectly any consumer lease shall state the amount of any payment, the number of required payments, or that any or no downpayment or other payment is required at consummation of the lease unless the advertisement also states clearly and conspicuously each of the following items of information as applicable:

(1) That the transaction advertised is a lease.

(2) The total amount of any payment such as a security deposit or capitalized cost reduction required at the consummation of the lease, or that no such payments are required.

(3) The number, amounts, due dates or periods of scheduled payments, and the total of such payments under the lease.

(4) A statement of whether or not the lessee has the option to purchase the lease property and at what price and time. The method of determining the price may be substituted for disclosure of the price.

(5) A statement of the amount or method of determining the amount of any liabilities the lease imposes upon the lessee at the end of the term and a statement that the lessee shall be liable for the difference, if any, between the estimated value of the lease property and its realized value at the end of the lease term, if the lessee has such liability.

(h) **Multiple-item leases; merchandise tags.** If a merchandise tag for an item normally included in a multipe-item lease sets forth information which would require additional disclosures under § 226.10(g), such merchandise tag need not contain such additional disclosures, provided it clearly and conspicuously refers to a sign or display which is prominently posted in the lessor's showroom. Such sign or display shall contain a table or schedule of those items of information to be disclosed under § 226.10(g).

Section 226.12 is amended to read as follows:

Section 226.12—Exemption of Certain State Regulated Transactions

(a) **Exemption for State regulated transactions.** In accordance with the provisions of Supplements II, IV, V, and VI to Regulation Z, any State may make application to the Board for exemption of any class of transactions within the State from the requirements of Chapters 2, 4 or 5 of the Act and the corresponding provisions of this Part, Provided that:

(1) The Board determines that under the law of that State, that class of transactions is subject to requirements substantially similar to those imposed under Chapter 2 or Chapter 4 of the Act, or both, or under Chapter 5, and the corresponding provisions of this Part; or in the case of Chapter 4, the consumer is afforded greater protection than is afforded under Chapter 4 of the Act, or in the case of Chapter 5, the lessee is afforded greater protection and benefit than is afforded under Chapter 5 of the Act, and

(2) There is adequate provision for enforcement.

(b) **Procedures and criteria.** The procedures and criteria under which any State may apply for the determination provided for in paragraph (a) of this section are set forth in Supplement II to Regulation Z with respect to disclosure and rescission requirements (sections 121-131 of Chapter 2), Supplement IV with respect to the prohibition of the issuance of unsolicited credit cards and the liability of the cardholder for unauthorized use of a credit card (sections 132-133 of Chapter 2), in Supplement V with respect to fair credit billing requirements (sections 161-171 of Chapter 4) and in Supplement VI with respect to consumer leasing (sections 181-186 of Chapter 5).

* * * * *

A new section 226.15 is added to read as follows:

Section 226.15—Consumer Leasing

(a) **General requirements.** Any lessor shall, in accordance with § 226.6 and to the extent applicable, make the disclosures required by paragraph (b) of this section with respect to any consumer lease. Such disclosures shall be made prior to the consummation of the lease on a dated written statement which identifies the lessor and the lessee, and a copy of such statement shall be given to the lessee at that time. All of the disclosures shall be made together on either

(1) The contract or other instrument evidencing the lease on the same page and above the place for the lessee's signature; or

(2) A separate statement which identifies the lease transaction.

In any lease of multiple items, the description required by § 226.15(b)(1) may be provided on a separate statement or statements which are incorporated by reference in the disclosure statement required by § 226.15(a).

(b) **Specific disclosure requirements.** In any lease subject to this section the following items, as applicable, shall be disclosed:

(1) A brief description of the leased property, sufficient to identify the property to the lessee and lessor.

(2) The total amount of any payment, such as a refundable security deposit paid by cash, check or similar means, advance payment, capitalized cost reduction or any trade-in allowance, appropriately identified, to be paid by the lessee at consummation of the lease.

(3) The number, amount and due dates or periods of payments scheduled under the lease and the total amount of such periodic payments.

(4) The total amount paid or payable by the lessee during the lease term for official fees, registration, certificate of title, license fees or taxes.

(5) The total amount of all other charges, individually itemized, payable by the lessee to the lessor, which are not incuded in the periodic payments. This total includes the amount of any liabilities the lease imposes upon the lessee at the end of the term, but excludes the potential difference between the estimated and realized values, required to be disclosed under § 226.15(b)(15)(i).

(6) A brief identification of insurance in connection with the lease including (i) if provided or paid for by the lessor, the types and amounts of coverages and cost to the lessee, or (ii) if not provided or paid for by the lessor, the types and amounts of coverages required of the lessee.

(7) A statement identifying any express warranties or guarantees available to the lessee made by the lessor or manufacturer with respect to the leased property.

(8) An identification of the party responsible for maintaining or servicing the leased property together with a brief description of the responsibility, and a statement of reasonable standards for wear and use, if the lessor sets such standards.

(9) A description of any security interest, other than a security deposit disclosed under § 226.15(b)(2), held or to be retained by the lessor in connection with the lease and a clear identification of the property to which the security interest relates.

(10) The amount or method of determining the amount of any penalty or other charge for delinquency, default or late payments.

(11) A statement of whether or not the lessee has the option to purchase the leased property and, if at the end of the lease term, at what price, and, if prior to the end of the lease term, at what time and the price or method of determining the price.

(12) A statement of the conditions under which the lessee or lessor may terminate the lease prior to the end of the lease term and the amount or method of determining the amount of any penalty or other charge for early termination.

(13) A statement that the lessee shall be liable for the difference between the estimated value of the property and its realized value at early termination or the end of the lease term, if such liability exists.

(14) Where the lessee's liability at early termination or at the end of the lease term is based on the estimated value of the leased property, a statement that the lessee may obtain at the end of the lease term or at early termination, at the lessee's expense, a professional appraisal of the value which could be realized at sale of the leased property by an independent third party agreed to by the lessee and the lessor, which appraisal shall be final and binding on the parties.

(15) Where the lessee's liability at the end of the lease term is based upon the estimated value of the leased property:

(i) The value of the property at consummation of the lease, the itemized total lease obligation at the end of the lease term, and the difference between them.

(ii) That there is a rebuttable presumption that the estimted value of the leased property at the end of the lease term is unreasonable and not in good faith to the extent that it exceeds the realized value by more than three times the average payment allocable to a monthly period, and that the lessor cannot collect the amount of such excess liability unless the lessor brings a successful action in court in which the lessor pays the lessee's attorney's fees, and that this provision regarding the presumption and attorney's fees does not apply to the extent the excess of estimated value over realized value is due to unreasonable wear or use, or excessive use.

(iii) A statement that the requirements of § 226-15(b)(15)(ii) do not preclude the right of a willing lessee to make any mutually agreeable final adjustment regarding such excess liability.

(c) **Renegotiations or extensions.** If any existing lease is renegotiated or extended, such renegotiation or extension shall be considered a new lease subject to the disclosure requirements of this Part, except that the requirements of this paragraph shall not apply to (1) a lease of multiple items where a new item(s) is provided or a previously leased item(s) is returned, and the average payment allocable to a monthly period is not changed by more than 25 per cent, or (2) a lease which is extended for not more than six months on a month-to-month basis or otherwise.

Credit by Banks for the Purpose of Purchasing or Carrying Margin Stocks

Notice of additional postponement of effective date of adoption of revised Federal Reserve Form U-1, "Statement of Purpose of a Stock-Secured Extension of Credit by a Bank."

Pursuant to the authority of Section 7 of the Securities Exchange Act (15 U.S.C. 78g), the Board of Governors, on August 21, 1976 (41 F.R. 35477), published notice of postponement of the effective date of Federal Reserve Form U-1, "Statement of Purpose of a Stock-Secured Extension of Credit by a Bank," until November 1, 1976. Because questions relating to operational difficulties in complying with certain requirements of revised Form U-1 which were raised by some banks require further review and consideration, the Board hereby postpones the effective date of the revision to January 1, 1977 in order to permit sufficient time to address these questions.

Bank Holding Company and Bank Merger Orders Issued by the Board of Governors

Orders Under Section 3 of Bank Holding Company Act

Charter Clarendon Bancorporation, Inc., Northfield, Illinois

Order Approving Formation of Bank Holding Company

Charter Clarendon Bancorporation, Inc., Northfield, Illinois has applied for the Board's approval under § 3(a)(1) of the Bank Holding Company Act (12 U.S.C. § 1842(a)(1)) of formation of a bank holding company through acquisition of 80 percent or more of the voting shares of Bank of Clarendon Hills, Clarendon Hills, Illinois ("Bank").

Notice of the application, affording opportunity for interested persons to submit comments and views, has been given in accordance with § 3(b) of the Act. The time for filing comments and views has expired, and the Board has considered the application and all comments received in light of the factors set forth in § 3(c) of the Act (12 U.S.C. § 1842(c)).

Applicant, a nonoperating corporation with no subsidiaries, was organized for the purpose of becoming a bank holding company through the acquisition of Bank. Bank holds deposits of $31.4 million[1] and is the 173rd largest bank in the Chicago banking market,[2] controlling approximately 0.08 per cent of the total deposits in commercial banks in the market. Upon acquisition of Bank, Applicant would control approximately 0.05 per cent of the total commercial deposits in the State of Illinois.

Principals of Applicant are also affiliated with three other one-bank holding companies in the Chicago market that control the Bank of Wheaton, the Bank of Northfield, and the Bank of Winfield, respectively. These three banks are, respectively nine miles northwest, 24 miles north and 13 miles northwest of Bank and there are several intervening alternative banking organizations between Bank and each of them. The aggregate of Bank's

[1]All banking data are as of June 30, 1975.

[2]The Chicago banking market is approximated by Cook County, DuPage County, and portions of Lake County.

deposits and the deposits of these three banks amounts to less than 0.5 per cent of the commercial bank deposits in the market. Accordingly, consummation of the proposal would not appear to eliminate any significant existing or potential competition nor would it significantly increase the concentration of banking resources in the market. Therefore, competitive considerations are consistent with approval of the application.

The Board has previously stated that it would apply multibank holding companies standards in assessing the managerial and financial resources of an applicant seeking to become a one-bank holding company where the principals of the applicant are engaged in establishing a series or chain of one-bank holding companies.[3] The three other one-bank holding companies and their respective subsidiary banks with which Applicant's principals are associated appear to be in satisfactory condition, which suggests that Applicant's principals would conduct the operations of the proposed holding company and of Bank in a satisfactory manner. In addition, Applicant has committed to inject $400,000 in new capital funds into Bank within sixty to ninety days after consummation of the proposal. Although Applicant will incur some debt in connection with this proposal, it appears that income from Bank will provide sufficient revenue to service the debt adequately without adversely affecting the financial condition of either Applicant or Bank. Accordingly, considerations relating to the financial and managerial resources and future prospects of Applicant and Bank are consistent with and lend some weight in favor of approval.

Although consummation of the transaction would have no immediate effect on area banking needs, considerations relating to the convenience and needs of the community to be served are consistent with approval of the application. It is the Board's judgment that consummation of the proposed transaction would be consistent with the public interest and that the application should be approved.

On the basis of the record, the application is approved for the reasons summarized above. The transaction shall not be made (a) before the thirtieth calendar day following the effective date of this Order or (b) later than three months after the effective date of this Order, unless such period is extended for good cause by the Board, or by the Federal Reserve Bank of Chicago pursuant to delegated authority.

By order of the Board of Governors, effective October 26, 1976.

Voting for this action: Chairman Burns and Governors Gardner, Wallich, Coldwell, Jackson, Partee, and Lilly.

(Signed) GRIFFITH L. GARWOOD,
[SEAL] *Deputy Secretary of the Board.*

[3]See the Board's Order of June 14, 1976 denying the application of Nebraska Banco, Inc., Ord, Nebrasks (62 Fed. Res. *Bulletin* 638 (1976)).

Stepp, Inc., Mission Hills, Kansas

Order Approving Formation of Bank Holding Company and Deferring Action on Retention of A. F. Stepp Investments, Inc.

Stepp, Inc., Mission Hills, Kansas has applied for the Board's approval under § 3(a)(1) of the Bank Holding Company Act (12 U.S.C. § 1842(a)(1)) to become a bank holding company through acquisition of 65 per cent of the voting shares of Quindaro Bancshares, Inc., Kansas City, Kansas ("Quindaro"), a one-bank holding company that owns 83.3 per cent of the shares of Arrowhead State Bank of Kansas City, Kansas City, Kansas ("Bank"). Quindaro is solely engaged in holding shares of Bank. Applicant has also applied pursuant to § 4(c)(8) of the Act (12 U.S.C. § 1843(c)(8)) for permission to retain shares of A. F. Stepp Investments, Inc., a company engaged in government securities underwriting activities. Such activities have not heretofore been determined by the Board by regulation to be closely related to banking.

Notice of the applications, affording opportunity for interested persons to submit comments and vieews, has been given in accordance with §§ 3 and 4 of the Act (41 *Federal Register* 14334). The time for filing comments and views has expired, and the Board has considered the applications and all comments received in light of the factors set forth in § 3(c) of the Act and the considerations specified in § 4(c)(8) of the Act.

Applicant is a corporation that presently controls one subsidiary, A. F. Stepp Investments, Inc., Kansas City, Missouri ("Stepp Investments"). The purpose of the proposed transaction is to effect a transfer of ownership of shares of Quindaro from Applicant's sole shareholder to Applicant. Bank has total deposits of approximately $12.8 million, representing 0.3 per cent of total deposits in the

Kansas City banking market,[1] and is the 90th largest banking organization in that market.[2] Since Applicant has no existing subsidiary banks and the proposal represents merely a restructuring of the existing ownership of Quindaro, consummation of the proposed transaction would not have any adverse effects on existing or potential competition, nor would it increase the concentration of banking resources or have an adverse effect upon other banks in the relevant market. Accordingly, the Board concludes that competitive considertions are consistent with approval of the application.

The financial and managerial resources and future prospects of Applicant, which are dependent upon those same factors as they apply to Bank and Stepp Investments, are regarded as generally satisfactory and consistent with approval. Accordingly, considerations relating to the banking factors are regarded as consistent with approval of the application. Although consummation of the proposal would have no immediate effect on the banking services offered by Bank, considerations relating to the convenience and needs of the community to be served are consistent with approval of the application. It is the Board's judgment that consummation of the proposed transaction, to the extent it relates to acquisition of shares of Quindaro, would be consistent with the public interest and that the application to that extent should be approved.

Applicant has also applied to the Board to retain shares of Stepp Investments, a company that engages in underwriting and dealing in such obligations of the United States, obligations of various States and of political subdivisions thereof and other obligations that State member banks of the Federal Reserve System may from time to time be authorized to deal in under sections 24 (Paragraph Seventh) and 335 of Title 12 of the United States Code. By notice of proposed rulemaking published in the *Federal Register* on April 10, 1974, (39 F.R. 13007), the Board of Governors proposed to add this activity to the list of activities that it has determined to be "so closely related to banking or managing or controlling banks as to be a proper incident thereto" (§ 225.4(a) of the Board's Regulation Y). The Board, on October 20, 1976, announced its decision not to adopt the proposed amendment at the present time and to suspend temporarily further consideration of the activity, either by order or by regulation. The reasons for that decision are summarized in that Statement.

Consistent with its decision to suspend action on the general activity, the Board hereby defers consideration of Applicant's application under section 4(c)(8) of the Act, for a period of twelve months, unless prior to that time actions of the Municipal Securities Rulemaking Board lead the Board in its judgment to reconsider the deferral of action on the general activity.

Notwithstanding the decision to defer action on the general activity, the application of Stepp, Inc., to become a bank holding company is approved for the reasons summarized herein.[3] The acquisition of shares of Quindaro shall not be made (a) before the thirtieth calendar day following the effective date of this Order; nor (b) later than three months after the effective date of this Order unless such period is extended for good cause by the Board or by the Federal Reserve Bank of Kansas City pursuant to delegated authority.

By order of the Board of Governors, effective October 22, 1976.

Voting for this action: Vice Chairman Gardner and Governors Wallich, Coldwell, Jackson, Partee, and Lilly. Absent and not voting: Chairman Burns.

(Signed) GRIFFITH L. GARWOOD,
[SEAL] *Assistant Secretary of the Board.*

[1]The Kansas City banking market is approximated by Johnson and Wyandotte Counties in Kansas, and Clay, Jackson, and Platte Counties, and the northern half of Cass County in Missouri.

[2]All banking data are as of December 31, 1975.

[3]Under section 4(a)(2) of the Act, Applicant may, in any event, retain shares of Stepp Investments for two years after the date Applicant becomes a bank holding company. The Board is authorized, upon application by Applicant, to extend the two year period from time to time for not more than one year at a time if, in the Board's judgment, such an extension would not be detrimental to the public interest. Such extensions may not in the aggregate exceed three years.

Union Holding Company, Halliday, North Dakota

Order Denying Formation of Bank Holding Company

Union Holding Company, Halliday, North Dakota, has applied for the Board's approval under § 3(a)(1) of the Bank Holding Company Act (12 U.S.C. § 1842(a)(1)) of formation of a bank holding company through acquistion of 80 per cent (or more) of the voting shares of The Union Bank, Halliday, North Dakota ("Bank").

Notice of the application, affording opportunity for interested persons to submit comments and views, has been given in accordance with § 3(b) of the Act. The time for filing comments and views has expired, and the Board has considered the application and all comments received in light of the factors set forth in § 3(c) of the Act (12 U.S.C. § 1842(c)).

Applicant is a nonoperating corporation organized for the purpose of becoming a bank holding company through the acquisition of Bank. Upon acquisition of Bank, Applicant would hold .13 per cent of the total deposits in commercial banks in North Dakota. Bank, with deposits of approximately 3.9 million,[1] is the smaller of two banking organizations in the relevant banking market[2] and hold 42 per cent of market deposits. Inasmuch as this proposal represents essentially a reorganization of existing ownership interests whereby the principals of Bank will shift the ownership of Bank to a corporation owned by them, the acquisition of Bank by Applicant would have no significant adverse effects upon either existing or potential competition within the relevant market.

The Board has indicated on previous occasions that it believes that a holding company should constitute a source of financial and managerial strength to its subsidiary bank(s), and that the Board will closely examine the condition of an applicant in each case with this consideration in mind. The principals of Applicant acquired control of Bank in 1969 and the record indicates that the overall condition of Bank has declined somewhat under their management since that time. In view of the history of Bank's operations under the management of Applicant's principals and inasmuch as no management changes are contemplated by Applicant in connection with this proposal, the Board is unable to conclude that managerial considerations are consistent with approval.

With respect to financial considerations, the Board notes that Applicant would incur a sizable debt in connection with the proposed acquisition. Applicant proposes to service this debt over a 12-year period through dividends declared by bank, as well as cash payments made by Bank and retained by Applicant to the extent that they represent savings from filing consolidated tax returns. Based upon the Board's analysis of Bank's operating history, Applicant's financial projections appear to be overly optimistic, and in the Board's view Applicant's debt servicing requirements would result in a further deterioration of Bank's present capital position and would tend to limit Applicant's ability to act as a source of financial strength to Bank in the future. In concluding that Applicant's debt servicing requirement would constitute an undue strain on Bank, the Board has not disregarded certain commitments made by Applicant's principals to contribute to Bank the commission income earned from credit life and credit health and accident insurance during the debt amortization period by their individually-owned insurance agency. While these contributions would provide some assistance, it is the Board's view that they would not significantly lighten the proposed debt burden of Applicant. Accordingly, on the basis of its analysis of the facts of record, the Board finds that considerations relating to financial and managerial resources and future prospects weigh against approval of the application.

Although Applicant indicates that some minor improvements in Bank's services will result from the proposed transaction, the Board does not view such considerations as lending any significant weight toward approval of the application, and in any event they do not outweigh the adverse financial and managerial considerations that the Board finds present in the proposal.

On the basis of the circumstances concerning this application, the Board concludes that the banking considerations involved in this proposal present adverse factors bearing upon the managerial and financial resources and future prospects of both Applicant and Bank. Such adverse factors are not outweighed by any procompetitive effects or by benefits that would result in better serving the convenience and needs of the community. Accordingly, it is the Board's judgment that the application should be denied.

On the basis of the facts of record, the application is denied for the reasons summarized above.

By order of the Board of Governors, effective October 20, 1976.

Voting for this action: Vice Chairman Gardner and Governors Wallich, Coldwell, Jackson, Partee, and Lilly. Absent and not voting: Chairman Burns.

(Signed) GRIFFITH L. GARWOOD,

[SEAL] *Assistant Secretary of the Board.*

[1]All banking data are as of December 31, 1975.

[2]The relevant banking market is approximated by Dunn County.

Utica Agency, Inc., Utica, Kansas

Order Approving Formation of Bank Holding Company and Retention of Credit-Related Insurance Activities

Utica Agency, Inc., Utica, Kansas ("Applicant") has applied for the Board's approval under section 3(a)(1) of the Bank Holding Company Act (12 U.S.C. § 1842(a)(1)), to become a bank holding company through the acquisition of 80 per cent or more of the voting shares of The Citizens State Bank of Utica, Utica, Kansas ("Bank"). The factors that are considered in acting on this application are set forth in § 3(c) of the Act (12 U.S.C. § 1842(c)). Applicant has also applied, pursuant to Section 4(c)(8) of the Act (12 U.S.C. §1843(c)(8)) and section 225.4(b)(2) of Regulation Y, for permission to retain its credit-related insurance agency activities which are presently conducted through Horn Insurance Agency upon the premises of Bank. Such activities have been determined by the Board to be closely related to banking (12 C.F.R. § 225.4(a)(9)(ii)(a)).

Notice of the applications, affording an opportunity for interested persons to submit comments and views, has been given in accordance with sections 3 and 4 of the Act (41 *Federal Register* 24429). The time for filing comments and views has expired, and the applications and all comments received have been considered in light of the factors set forth in section 3(c) of the Act (12 U.S.C. § 1842(c)), and the considerations specified in section 4(c)(8) of the Act (12 U.S.C. § 1843(c)(8)).

Applicant is a corporation recently formed for the purposes of becoming a bank holding company through the acquisition of Bank and of conducting credit-related insurance activities. Upon acquisition of Bank (deposits of $2.8 million), Applicant would control the 559th largest bank in Kansas, holding approximately .03 of one per cent of total deposits in commercial banks in the State.[1] Bank is the smallest of four banks operating in the relevant banking market, which is approximated by Ness County, and controls approximately 10.0 per cent of total market deposits. Inasmuch as the purpose of the transaction is to facilitate the transfer of the ownership interests of Bank from individuals to a corporation owned by the same individuals, and Applicant has no banking subsidiaries, consummation of the proposal would eliminate neither existing nor potential competition, nor would it increase the concentration of banking resources or have an adverse effect on other banks in the relevant market. Two principals of Applicant also have ownership interests in Consolidated Insurance, Inc., a one-bank holding company in Hill City, Kansas. The subsidiary bank of this holding company does not compete with Bank because it is located in a separate banking market, sixty-five miles from Bank. Accordingly, competitive considerations are consistent with approval of the application.

The financial and managerial resources and future prospects of Applicant, which are largely dependent upon those of Bank, are considered generally satisfactory and consistent with approval. The debt to be incurred by Applicant appears to be serviceable from the income to be derived from its insurance operations and from Bank without having an adverse effect on the financial condition of either Applicant or Bank. Therefore, considerations relating to banking factors are regarded as being consistent with approval.

Although consummation of the transaction would effect no changes in the banking services offered by Bank, considerations relating to the convenience and needs of the community to be served are consistent with approval. It has been determined that consummation of the proposal to form a bank holding company would be consistent with the public interest and the application should be approved.

In connection with the application to become a bank holding company, Applicant also proposes to retain the credit-related insurance agency business that operates on Bank's premises. Prior to Applicant's purchase of the agency, it was operated as a sole proprietorship by one of Bank's officers. Applicant's retention of the business would result in the continued provision of a convenient source of insurance services to residents of the Utica area, which factor is in the public interest. There is no evidence in the record indicating that retention of the insurance agency business would result in any undue concentration of resources, unfair competition, conflicts of interest, unsound banking practices, or other adverse effects on the public interest.

Based on the foregoing and other considerations reflected in the record, it has been determined that

[1]All banking data are as of December 31, 1975.

the considerations affecting the competitive factors under section 3(c) of the Act and the balance of the public interest factors set forth in section 4(c)(8) both favor approval of Applicant's proposals.

Accordingly, the applications are approved for the reasons summarized above. The acquisition of Bank shall not be made before the thirtieth calendar day following the effective date of this Order or later than three months after the effective date of this Order, unless such period is extended for good cause by the Board, or by the Federal Reserve Bank of Kansas City pursuant to delegated authority. The determination as to Applicant's insurance activities is subject to the conditions set forth in section 225.4 of Regulation Y and to the authority of the Board of Governors to require reports by, and make examinations of, holding companies and their subsidiaries and to require such modifications or termination of the activities of a bank holding company or any of its subsidiaries as the Board finds necessary to assure compliance with the provisions and purposes of the Act and the Board's regulations and orders issued thereunder, or to prevent evasion thereof.

By order of the Secretary of the Board, acting pursuant to delegated authority from the Board of Governors, effective October 21, 1976.

(Signed) GRIFFITH L. GARWOOD,
[SEAL] *Assistant Secretary of the Board.*

Bank Land Company,
Denver, Colorado

Order Approving Acquisition and Retention of Stock Interests in Bank

Bank Land Company, Denver, Colorado ("Applicant"), a bank holding company within the meaning of the Bank Holding Company Act ("Act"), has applied for the Board's approval under § 3(a)(3) of the Act (12 U.S.C. § 1842(a)(3)) to acquire an additional 16.9 per cent of the outstanding voting shares of Southwest State Bank, Denver, Colorado ("Bank"), and to retain 8 per cent of the outstanding voting shares of Bank.

Notice of the applications, affording opportunity for interested persons to submit comments and views, has been given in accordance with § 3(b) of the Act. The time for filing comments and views has expired, and the Board has considered the applications and all comments received in light of the factors set forth in § 3(c) of the Act (12 U.S.C. § 1842(c)).

In June of 1972, Applicant, a one-bank holding company by virtue of its ownership of 31 per cent of the outstanding voting shares of Bank, acquired an additional 8 per cent of Bank's shares without the Board's prior approval.[1] Applicant now seeks the Board's approval to retain these shares and to acquire an additional 16.9 per cent of Bank's stock. Bank ($28.4 million in deposits) is the 28th largest banking organization in Colorado, controlling 0.38 per cent of the total deposits in commercial banks in the State.[2]

Bank ranks 16th in the Denver banking market (which is approximated by Adams, Arapahoe, Denver and Jefferson Counties and the city of Broomfield) and holds 0.74 per cent of market deposits.[3] As Applicant has no other banking subsidiaries, and the proposal involves only the retention and acquisition of additional stock interests in Bank, which, at all times pertinent hereto, was controlled by Applicant, approval of the application will not result in any adverse competitive effects. It will eliminate neither existing nor potential competition, nor increase the concentration of banking resources in any relevant area. Thus, competitive considerations are consistent with approval of the application.

The financial and managerial resources and future prospects of Applicant and Bank are satisfactory and it appears that Applicant will be able to service the debt associated with this application while adequately maintaining Bank's capital position. Thus, banking factors are consistent with approval.

There is no indication that the convenience and needs of the community to be served are not currently being met. Although there will be no

[1] It appears from the facts of record that the acquisition of the shares of State Bank was based on a misunderstanding of the applicable statutes and regulations relating to the acquisition of the voting stock of banks by bank holding companies. Applicant took prompt action to comply with the Act by applying for Board approval upon being advised that its actions constituted a violation of the Act. In accord with the Board's position with respect to violations of the Act, the Board has scrutinized the underlying facts surrounding the acquisition of the shares of State Bank. Upon examination of all the facts of record, the board is of the view that the facts surrounding the violation are not such as would call for denial of the application.

[2] As of December 31, 1975.

[3] As of March 31, 1976.

immediate increase in the services offered by Bank, convenience and needs considerations are consistent with approval. Therefore, it is the Board's judgment that the retention and acquisition of the shares of Bank would be in the public interest and that the applications should be approved.

On the basis of the record, the applications are approved for the reasons summarized above. Acquisition of the shares of Bank shall not be made (a) before the thirtieth calendar day following the effective date of this Order or (b) later than three months after the effective date of this Order, unless such period is extended for good cause by the Board, or by the Federal Reserve Bank of Kansas City pursuant to authority hereby delegated.

By order of the Board of Governors, effective November 1, 1976.

Voting for this action: Chairman Burns and Governors Gardner, Wallich, Coldwell, Jackson, Partee, and Lilly.

(Signed) RICHARD D. ABRAHAMSON,
[SEAL] *Assistant Secretary of the Board.*

Bren-Mar Properties, Inc.
Columbia, Missouri

Order Approving Acquisition of Bank

Bren-Mar Properties, Inc., Columbia, Missouri ("Applicant"), a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval under § 3(a)(3) of the Act (12 U.S.C. § 1842(a)(3)) to retain[1] an additional 1.5 percent, and to acquire an additional 48.5 percent, of the voting shares of First State Bank, Tishomingo, Oklahoma ("Bank").

Notice of the application, affording opportunity for interested persons to submit comments and views, has been given in accordance with § 3(b) of the Act. The time for filing comments and views has expired, and the Board has considered the application and all comments received in light of the factors set forth in § 3(c) of the Act (12 U.S.C. § 1842(c)).

Applicant, a one-bank holding company, presently owns 31.6 per cent of the shares of Bank.[2] Bank, with total deposits of approximately $10.3 million,[3] controls approximately 0.1 of one per cent of the total deposits in commercial banks in Oklahoma and is the only bank in the relevant banking market, which is approximated by the boundaries of Johnston County in south-central Oklahoma. Applicant proposes to acquire 485 shares, or 48.5 percent of the shares, of Bank from the family that controls Applicant and Bank and also requests permission to retain 15 shares of Bank that were acquired withour prior approval of the Board. Because the Applicant's proposal involves the acquisition and retention of shares of a bank that it already controls, consummation of the proposal would eliminate no existing or potential competition, nor would it increase the concentration of banking resources. Thus, competitive considerations are consistent with approval of the application.

The financial condition, managerial resources, and future prospects of Applicant and Bank are regarded as generally satisfactory and consistent with approval of the application. Although there will be no immediate change in the services or facilities of Bank as a result of consummation of the proposal, considerations relating to the convenience and needs of the community to be served are consistent with approval of the application. Therefore, it is the Board's judgment that the proposal is consistent with the public interest and that the application should be approved.

On the basis of the record, the application is approved for the reasons summarized above. The transaction involving the acquisition of additional shares shall not be made (a) before the thirtieth calendar day following the effective date of this

[1]On August 20, 1973, Applicant acquired 24 shares (2.4 percent) of Bank without prior Board approval. Applicant subsequently sold 10 of these shares on January 30, 1974. Applicant continues to retain the other 14 shares. On February 4, 1976, Applicant again acquired 1 additional share, without prior Board approval, which it also presently retains. In accordance with the Board's position with respect to violations of the Act, the Board has scrutinized the underlying facts surrounding the acquisitions of Bank's shares without prior Board approval. Upon an examination of all the facts of record, including commitments made by Applicant that will guard against violations of section 3 of the Act in the future, the Board does not believe that the circumstances surrounding the violations reflect so adversely on the managerial factors as to constitute grounds for denial of this application.

[2]Applicant, a family-owned company, is a "company covered in 1970," as defined in § 2(b) of the Act and engages in the following activities under the exemption in § 4(c)(ii) of the Act: (a) the rental of a commercial building in Hobbs, New Mexico, currently leased to the U.S. Postal Service, and (b) the rental of a one-unit apartment in New York City. Applicant also owns 20 shares (2 percent) of the Bank of Mountain View, Mountain View, Missouri, located approximately 330 air miles from Bank.

[3]All banking data are as of June 30, 1975.

Order nor (b) later than three months after the effective date of this Order, unless such period is extended for good cause by the Board, or by the Federal Reserve Bank of Dallas pursuant to delegated authority.

By order of the Board of Governors, effective October 5, 1976.

Voting for this action: Vice Chairman Gardner and Governors Coldwell, Jackson, Partee, and Lilly. Absent and not voting: Chairman Burns and Governor Wallich.

(Signed) GRIFFITH L. GARWOOD,
[SEAL] *Assistant Secretary of the Board.*

Colonial Bancorp, Inc., Waterbury, Connecticut

Order Approving Acquisition of Banks

Colonial Bancorp, Inc., Waterbury, Connecticut, a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval under § 3(a)(3) of the Act (12 U.S.C. 1842(a)(3)) to acquire all of the voting shares of The Plainville Trust Company, Plainville, Connecticut ("Plainville Bank"), and the successor by merger to Constitution Bank and Trust Company, Hartford, Connecticut ("Constitution Bank"). The bank into which Constitution Bank is to be merged has no significance except as a means to facilitate the acquisition of the voting shares of Constitution Bank. Accordingly, the proposed acquisition of shares of the successor organization is treated herein as the proposed acquisition of the shares of Constitution Bank.

Notice of the applications, affording opportunity for interested persons to submit comments and views, has been given in accordance with § 3(b) of the Act. The time for filing comments and views has expired, and the Board has considered the applications and all comments received in light of the factors set forth in § 3(c) of the Act (12 U.S.C. 1842(c)).

Applicant, the fourth largest banking organization in Connecticut, controls two banks with aggregate deposits of approximately $547 million, representing 7.4 per cent of the total deposits in commercial banks in the State.[1] Acquisition of Plainville Bank (deposits of approximately $30.4 million) and Constitution Bank (deposits of approximately $31.4 million) would increase Applicant's share of State deposits by 0.8 per cent and would not result in a significant increase in the concentration of banking resources in Connecticut.

Constitution Bank and Plainville Bank are both located in the Hartford banking market which is the relevant banking market for purposes of analyzing the competitive effects of these proposals.[2] The Hartford banking market is highly concentrated since the two largest banking organizations, Hartford National Corporation and CBT Corporation, control 76.8 per cent of total commercial bank deposits and operate 66 offices in the market.[3] The third largest banking organization in the market, First Connecticut Bancorp, controls 8.3 per cent of market deposits and operates 26 offices in the market. Plainville Bank and Constitution Bank, even though they are, respectively, the sixth and seventh largest of 23 banks located in the relevant market, hold respectively only 1.2 and 1.1 per cent of commercial bank deposits, and each operates six offices in the market. Applicant is not represented in the market; however, upon consummation it would become the fifth largest banking organization with approximately 2.3 per cent of market deposits and 12 banking offices. Applicant would not thereby control an undue percentage of commercial bank deposits in the Hartford market, nor would consummation of the transaction result in a significant increase in the concentration of firms in the market.

Although Applicant does not operate any offices in the relevant market, an office of one of Applicant's subsidiary banks is located 8.5 miles from Plainville Bank and derives some of its deposits from the Hartford banking market. The amount of such deposits, however, is not viewed as significant. Applicant's banking office closest to Constitution Bank is 18 miles south in a separate banking market. Thus, it appears on the basis of the distances between Banks and Applicant's banking subsidiaries and other facts of record, that consummation of the proposals would not result in the elimination of a significant amount of existing competition between Applicant and Banks. With respect to potential competition between Applicant and Banks, the Board notes that the law

[1] Unless otherwise indicated, all banking data are as of December 31, 1975, and reflect bank holding company formations and acquisitions approved as of September 30, 1976.

[2] The Hartford banking market is approximated by the Hartford, New Britain, and Bristol SMSA's plus the towns of Somers, Ashford, Lebanon, and Barkhamsted.

[3] All market data are as of June 30, 1975.

of the State of Connecticut contains a home office protection provision which generally prohibits branching into towns where the home office of another commercial bank is located. Applicant's banking subsidiaries are thus precluded from branching into either Hartford or Plainville; similarly, Constitution and Plainville Banks are precluded from branching into either Waterbury or New Haven, the cities where Applicant's two bank subsidiaries are headquartered. "Open" towns are available in the Waterbury and New Haven banking markets but because of the size, resources and unaggressive branching history of Constitution and Plainville Banks, they do not appear to be likely entrants into Applicant's markets. Although the establishment of a *de novo* bank in the Hartford banking market by Applicant is possible, it is doubtful whether Applicant, by establishing a new bank, could become an effective competitor with the market's two largest banking organizations within a reasonable period of time. Accordingly, on the basis of the above and other facts of record, the Board concludes that consummation of the proposed transaction would not have a significantly adverse effect on any existing or potential competition between Applicant's subsidiary banks and the banks to be acquired.

To the extent that Constitution Bank and Plainville Bank operate in the same banking market, some existing competition would be eliminated. The principal area in which Constitution Bank and Plainville Bank compete is in the town of Farmington. However, deposits in commercial banks in Farmington account for only 0.68 per cent of the total commercial bank deposits in the Hartford banking market. Although both banks operate offices in Farmington, competition between them has been limited by the historical growth and traffic patterns of the town. Furthermore, the ability of Constitution Bank's branch to compete has been severely hampered by the bankruptcy of the developer of the complex in which it is located. The effect of the elimination of some existing competition in Farmington is mitigated, to a degree, by the fact that the two banking organizations that are dominant in the market also have offices in Farmington, and their combined deposits will approximate Applicant's. It appears unlikely that any significant additional competition will develop in the future between Constitution Bank and Plainville Bank in light of Connecticut's home office protection law and the limited resources of Banks. The total deposits in each Bank have remained essentially unchanged at approximately $30 million for the past several years. This appears to be due, in part, to the unaggressive branching policies of each Bank. In light of their past histories, it is reasonable to conclude that if Banks remained independent they would not become significant competitors. Furthermore, after consummation of the proposal, there would still remain other entry vehicles attractive for acquisition by banking organizations not presently operating in the Hartford market. The Board views these proposals as an appropriate means whereby Applicant would be able to compete more effectively with the two largest organizations operating in the market. Furthermore, on the basis of the foregoing and all the facts of record, it is the Board's judgment that consummation of the proposed transactions would not eliminate a significant amount of existing or potential competition.

The financial and managerial resources and future prospects of Applicant, its subsidiaries, and Banks are regarded as satisfactory and consistent with approval of the applications. Following affiliation, Constitution Bank will begin calculating interest on deposits on a daily rather than quarterly basis and will offer trust services to its customers. Plainville Bank will expand its commercial and industrial banking services. In addition, both Banks will offer a full range of real estate lending services and international banking services. By their ability to offer expanded services to businesses and individuals in the Hartford market, Constitution Bank and Plainville Bank should be able to compete more effectively with the two largest banking organizations in the market. Therefore, convenience and needs considerations associated with the proposals lend weight in favor of approval of the subject applications. Accordingly, it is the Board's judgment that consummation of the proposed transactions would be in the public interest and that the applications should be approved.

On the basis of the record, the applications are approved for the reasons summarized above. The transactions shall not be made (a) before the thirtieth calendar day following the effective date of this Order or (b) later than three months after the effective date of this order, unless such period is extended for good cause by the Board, or by the Federal Reserve Bank of Boston pursuant to delegated authority.

By order of the Board of Governors, effective October 22, 1976.

Voting for this action: Vice Chairman Gardner and Governors Wallich, Coldwell, Partee, and Lilly. Absent and not voting: Chairman Burns and Governor Jackson.

(Signed) GRIFFITH L. GARWOOD,
[SEAL] *Assistant Secretary of the Board.*

First Bancshares of Florida, Inc., Boca Raton, Florida

Order Amending Requirement for Injection of Additional Capital into one of Applicant's Subsidiary Banks in Connection with Acquisition of Shares of Vero Beach National Bank, Vero Beach, Florida

By Order of December 19, 1975, the Board approved an application of First Bancshares of Florida, Inc. ("Applicant") to acquire shares of Vero Beach National Bank, Vero Beach, Florida ("Vero Beach Bank"). The Board's Order was conditioned upon Applicant injecting $500,000 additional equity capital into one of Applicant's other subsidiary banks, Sunrise American National Bank of Fort Lauderdale, Fort Lauderdale, Florida ("Sunrise Bank"), within 120 days from the effective date of the Board's Order. Subsequently, Applicant was granted extensions of time until October 19, 1976 within which to inject the additional capital into Sunrise Bank, and until December 19, 1976 within which to acquire shares of Vero Beach Bank.

By letter dated August 2, 1976, Applicant advised that it intended to merge its three existing banking subsidiaries located in Broward County, Florida, subject to the approval of the Comptroller of the Currency. Under this plan, Sunrise Bank and Southport American National Bank, Fort Lauderdale, Florida would become full service branches of the American National Bank and Trust Company of Fort Lauderdale, Fort Lauderdale, Florida. Applicant asserted that the newly-merged bank would have adequate capital ratios, thereby obviating the necessity for the $500,000 capital injection. In view of the capital improvement to Sunrise Bank that would result from the proposed merger, Applicant requested the Board to withdraw its condition that acquisition of Vero Beach Bank be subject to injecting capital into Sunrise Bank.

The Board has carefully considered Applicant's request to withdraw the aforementioned condition. Based upon all facts of record, the Board believes that consummation of the proposed merger of Applicant's three subsidiary banks in Broward County would satisfactorily resolve the capital needs of Sunrise Bank. However, the Board remains concerned that these capital needs be resolved as soon as possible. Therefore, the Board has decided to extend the time for Applicant to effect a final resolution of the capital needs of Sunrise Bank until March 31, 1977, with the firm understanding that Applicant shall file with the Comptroller of the Currency an appropriate application under the Bank Merger Act (12 U.S.C. 1828(c)) within 30 days from the effective date of this Amended Order. It should be emphasized again that the Board expects Applicant to effect a *final* resolution of the capital needs of Sunrise Bank by March 31, 1977, at the very latest, either as a result of the above merger or, if that proposal is denied by the Comptroller of the Currency, through an equity capital injection of $500,000 directly into Sunrise Bank on or before March 31, 1977. Further, it should be noted that the Board does not contemplate granting any further extensions of time, beyond March 31, 1977, within which to provide capital support to Sunrise Bank. Accordingly, the Board's Order of December 19, 1975, is hereby amended for the reasons summarized above.

By order of the Board of Governors, effective October 15, 1976.

Voting for this action: Vice Chairman Gardner and Governors Coldwell, Jackson, Partee, and Lilly. Absent and not voting: Chairman Burns and Governor Wallich.

(Signed) GRIFFITH L. GARWOOD,
[SEAL] *Assistant Secretary of the Board.*

First City Bancorporation of Texas, Inc., Houston, Texas

Order Approving Acquisition of Bank

First City Bancorporation of Texas, Inc., Houston, Texas, a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval under § 3(a)(3) of the Act (12 U.S.C. § 1843(a)(3)) to acquire all of the voting shares (less directors' qualifying shares) of First City Bank - Northeast, N.A., Houston, Texas ("Bank").

Notice of the application, affording opportunity for interested persons to submit comments and views, has been given in accordance with § 3(b) of the Act. The time for filing comments and views has expired, and the Board has considered the application and all comments received in light of the factors set forth in § 3(c) of the Act (12 U.S.C. § 1842(c)).

Applicant, the second largest banking organization in Texas, controls 25 banks with aggregate deposits of $3.4 billion, representing approximately 7.3 percent of the total deposits held by commercial banks in Texas.[1] In addition to its 25 subsidiary banks, Applicant also controls interests of less than 25 percent in each of 6 other banks. Acquisition of Bank ($17.4 million in deposits) would increase Applicant's share of Statewide deposits by only 0.04 percent and thereby have no significant effect upon the concentration of banking resources in Texas.

Bank is located in a northeast suburb of Houston and ranks 76th out of the 169 banks competing in the Houston banking market,[2] controlling 0.2 percent of market deposits. Bank is the recently-chartered national bank successor by reorganization to Northeast Bank of Houston, Houston, Texas, which was declared insolvent by the Texas Banking Commissioner on June 3, 1976 and ordered closed. Applicant operates 12 banking subsidiaries in the Houston banking market and controls 21.2 per cent of deposits therein. Applicant's closest subsidiary to Bank, located in Houston's central business district, is approximately 10 miles southwest of Bank. Acquisition of Bank by Applicant would contribute to an increase in Applicant's deposit share in the market. However, after consummation of the proposed transaction the four largest banking organizations would control 56.5 percent of market deposits. Existing competition between Applicant and Bank is significantly minimized in view of the competitive strength of Bank, the distances separating Bank from Applicant's other subsidiary banks, and the number of intervening independent banking alternatives. Approval of this application would also appear not to have significant adverse effects upon potential competition since the anticipated increase in Applicant's share of market deposits would be minimal, the banking market would remain attractive to *de dovo* entry, and numerous small and medium sized banks would continue to be available as entry vehicles. Accordingly, on the basis of the above and other facts of record, the Board concludes that consummation of the proposal would have only slightly adverse competitive effects.

The financial and managerial resources and future prospects of Applicant and its subsidiaries are regarded as generally satisfactory and consistent with approval.[3] The financial and managerial resources and future prospects of Bank, in the light of the previously failed condition of the predecessor to Bank and the events surrounding the chartering of Bank, are now regarded as generally satisfactory. Affiliation with Applicant should enable Bank to insure continuity of banking services to the public. Accordingly, the Board regards banking factors as lending weight toward approval of the application. Moreover, affiliation with Applicant would enable Bank to utilize Applicant's financial and managerial resources to strengthen and expand the services provided by Bank. Applicant will also offer to Bank such specialized services as management and personnel training, loan servicing and appraisal and investment advice. Thus, considerations relating to the convenience and needs of the community to be served lend weight toward approval of the application and in the Board's view, are sufficient to outweigh any slight adverse competitive effects that might result from consummation of the proposal. It is the Board's judgment that consummation of the proposed acquisition would be in the public interest and that the application should be approved.

On the basis of the record, the application is approved for the reasons summarized above. The transaction shall not be made (a) before the thirtieth calendar day following the effective date of this Order or (b) later than three months after the effective date of this Order, unless such period is extended for good cause by the Board, or by the Federal Reserve Bank of Dallas pursuant to delegated authority.

[1] All banking data are as of December 31, 1975, and reflect bank holding company formations and acquisitions approved as of September 30, 1976.

[2] The Houston banking market is the relevant banking market and is approximated by the Houston RMA, which is comprised of Harris County and portions of five adjacent counties in Texas.

[3] On September 15, 1976, the Board approved Applicant's acquisition of Red Bird National Bank, Dallas, Texas, a proposed new bank. In connections therewith, Applicant submitted a plan to insure completion, by March 31, 1977, of certain commitments to either divest itself of certain minority interests in various banks or to acquire complete ownership of these banks within a designated period of time. The Board relies in part on these undertakings in concluding that considerations relating to the managerial factors are consistent with approval of the instant application.

By order of the Board of Governors, effective October 13, 1976.

Voting for this action: Vice Chairman Gardner, and Governors Coldwell, Jackson, Partee, and Lilly. Absent and not voting: Chairman Burns and Govenor Wallich.

(Signed) GRIFFITH L. GARWOOD,
[SEAL] *Assistant Secretary of the Board.*

LITCO Corporation of New York, Garden City, New York

Order Approving Acquistion of Bank

LITCO Corporation of New York, Garden City, New York, a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval under § 3(a)(3) of the Act (12 U.S.C. § 1842(a)(3)) to acquire 100 percent of the voting shares of Long Island Bank ("Bank"), Hicksville, New York, the successor by conversion of Long Island National Bank.[1]

Notice of the application, affording opportunity for interested persons to submit comments and views, has been given in accordance with § 3(b) of the Act. The time for filing comments and views has expired, and the Board has considered the application and all comments received, including those of the United States Department of Justice ("Department of Justice"), in light of the factors set forth in § 3(c) of the Act (12 U.S.C. § 1842(c)).

Applicant, the twenty-fourth largest banking organization in the State of New York, controls one bank, Long Island Trust Company ("LIT"), Garden City, New York, with total deposits of $504.3 million, representing approximately .37 per cent of total deposits in commercial banks in the State.[2] Acquisition of Bank (deposits of $115.2 million) would increase Applicant's share of commercial bank deposits in the State of New York by .08 percent and, as such, would not have an appreciable effect upon the concentration of banking resources in the State.

Both LIT and Bank are located in the Metropolitan New York banking market.[3] LIT is the largest of the commercial banks headquartered in Nassau or Suffolk Counties, and is the sixteenth largest of the 122 banking organizations in the relevant market.[4] Bank is the forty-second largest banking organization in the market, controlling .1 percent of deposits in the market. Since December 31, 1973, its total deposits have decreased from approximately $133 million to approximately $110 million in March of this year, which is lower than the amount of total deposits it held as of December 31, 1971. This decline appears to be attributable to a conservative competitive reaction to aggressive competition from New York City-based banking organizations. Applicant's acquisition of Bank would result in its controlling approximately .5 percent of market deposits and would cause it to rank as the fifteenth largest banking organization in the market.

The proposed acquisition would reduce existing competition within the market, inasmuch as the service area of Bank falls entirely within the service area of LIT. Also, there is a possibility that the acquisition could result in a loss of increased future competition between LIT and Bank to the extent each, if a separate institution, might open additional branches in other areas of Nassau and Suffolk Counties.

Department of Justice has expressed the opinion that the proposed acquisition would eliminate existing competition between LIT and Bank to a significant degree. However, Department of Justice's analysis appears to be based upon its utilization of a smaller-than-appropriate market area, that is, the Nassau-Suffolk SMSA, within which to assess the competitive effects of this proposal. In connection with its reconsideration of the application of LIT to merge with the Bank of Westbury Trust Company, Westbury, New York[5] the Board directed the Federal Reserve Bank of New York to conduct a comprehensive survey in order to assist it in properly determining the relevant banking market. Based upon that survey,[6] the Board

[1] Consummation of the subject proposal was contingent upon the prior conversion of Long Island National Bank to a New York State chartered bank. On September 3, 1976, the Superintendent of Banks of the State of New York approved the conversion and the conversion has now been completed.

[2] All banking data, unless otherwise indicated, are as of December 31, 1975.

[3] The Metropolitan New York banking market, which is the relevant market within which to assess the competitive effects of the proposed acquisition, consists of the five boroughs of New York City plus Nassau, Westchester, Putnam, and Rockland Counties and western Suffolk County in New York State, as well as the northern two thirds of Bergen County and eastern Hudson County in New Jersey, plus southwestern Fairfield County in Connecticut.

[4] Market deposit data are as of June 30, 1975, adjusted for structural changes through July 6, 1976.

[5] Both banks were headquartered in Nassau County.

determined that the Metropolitan New York area was the appropriate market in which the competitive consequences of that proposal should be determined.[7]

Banks located outside the Nassau-Suffolk SMSA have a substantial impact on competition within that area, and constitute a convenient alternative source of banking services for customers, large and small, within the area. While immediate and direct competition between LIT and Bank occurs in Nassau and Suffolk Counties, use of only this area in measuring the total present and potential competitive consequences of the instant acquisition would ignore major market forces that bear on the question of the significance of the elimination of such competition. New York City banks are permitted to branch throughout the New York portion of the Metropolitan New York area, and Nassau County banks, such as LIT and Bank, may also branch into New York City. In major respects, Nassau County banks are significantly influenced in their service rates and terms by those set by the New York City banks. A large proportion of the working population of Nassau County commutes daily to New York City. These commuters tend to utilize banking services convenient to their places of business; even non-commuters tend to use to some extent either banks outside the County or banks within that have offices in New York City. It is the Board's view that the Metropolitan New York area is the appropriate banking market within which the competitive effects of this proposal should be determined.

Although Applicant's acquisition of Bank would eliminate some existing competition and would eliminate the possibility of future competition between LIT and Bank, the elimination of such competition is not regarded as significant in the context of the banking structure in the relevant market. Applicant's acquisition of Bank would remove home-office protection from the community of Hicksville, currently provided by the provisions of section 105 of the Banking Law of the State of New York, and thus would open that community to *de novo* branching. The Metropolitan New York banking market is not highly concentrated and considering the large number of banking alternatives available to the residents and businesses in the Nassau County area, the loss of one alternative through this acquisition is not viewed as a significantly adverse competitive consequence. Accordingly, for the reasons summarized above the Board concludes that consummation of the proposed acquisition would not have significant anticompetitive effects.

The financial and managerial resources and future prospects of Applicant, its subsidiaries, and Bank are regarded as generally satisfactory and consistent with approval. Applicant's acquisition of Bank will have the procompetitive effect of providing new services to Bank's customers, including day-of-deposit-to-day-of-withdrawal savings accounts, overdraft checking, one-statement banking, individual retirement accounts, and business savings accounts. The Board concludes, therefore, that considerations relating to the convenience and needs of the communities to be served clearly outweigh the slight anticompetitive effects of the proposal. Accordingly, it is the Board's judgment that the proposed acquisition would be in the public interest and that the application should be approved.

On the basis of the record, the application is approved for the reasons summarized above. The transaction shall not be made (a) before the thirtieth calendar day following the effective date of this Order or (b) later than three months after the effective date of this Order, unless such period is extended for good cause by the Board or by the Federal Reserve Bank of New York pursuant to authority hereby delegated.

By order of the Board of Governors, effective October 18, 1976.

Voting for this action: Vice Chairman Gardner and Governors Wallich, Coldwell, Jackson, Partee, and Lilly. Absent and not voting: Chairman Burns.

(Signed) GRIFFITH L. GARWOOD,
[SEAL] *Assistant Secretary of the Board.*

[6]The manner in which the survey was conducted and the results thereof are discussed in the Board's Statement accompanying the Board's Order on Petition for Reconsideration in the matter of the application of Long Island Trust Company for approval of merger with Bank of Westbury Trust Company, Westbury, New York, 56 Federal Reserve BULLETIN 769 (1970).

[7]Although at that time the Metropolitan New York banking market consisted only of the five boroughs of New York City plus Nassau and Westchester Counties, that banking market has grown since 1970 to encompass also Putnam, Rockland and western Suffolk Counties in New York State, and portions of both New Jersey and Connecticut. In 1970 and today Nassau County was and is deemed to be part of the Metropolitan New York banking market.

The Royal Trust Company; Royal Trust Bank Corp., Montreal, Quebec, Canada

Order Approving Acquisition of Bank

The Royal Trust Company, Montreal, Quebec, Canada ("Applicant"), and its wholly-owned subsidiary, Royal Trust Bank Corp., Miami, Florida ("Corp."), both of which are bank holding companies within the meaning of the Bank Holding Company Act, have applied for the Board's approval under § 3(a)(3) of the Act [12 U.S.C. § 1842(a)(3)] to acquire 51 per cent or more of the voting shares of Worth Avenue National Bank, Palm Beach, Florida ("Bank").[1] Inasmuch as Corp. is a wholly-owned subsidiary of Applicant, the proposed acquisition of Bank by Applicant and Corp. is treated herein as a proposed acquisition by Applicant.

Notice of the application, affording opportunity for interested persons to submit comments and views, has geen given in accordance with § 3(b) of the Act. The time for filing comments and views has expired, and the Board has considered the proposal and all comments received, including those of the Comptroller of the Currency,[2] in light of the factors set forth in § 3(c) of the Act [12 U.S.C. § 1842(c)].

Applicant, with total assets of $3.4 billion (as of December 31, 1975) is the largest trust company and the eighth largest financial institution in Canada, and operates, through its subsidiaries and other interests, in both Europe and the Caribbean Islands. In the United States, Applicant controls three banks[3] and operates one nonbank subsidiary,[4] which provides data processing and other related services to financial institutions located in Florida and operates as a computer service bureau for the storing and processing of banking, financial, and other related economic data. Through its three subsidiary banks, Applicant controls aggregate deposits of $108.6 million, representing approximately four-tenths of one per cent of the total deposits held by commercial banks in Florida.[5] Consummation of the subject proposal would increase Applicant's share of State commercial bank deposits by approximately one-tenth of one per cent and would not have a significant effect upon the concentration of banking resources in the State.

Bank (with deposits of $27 million) is the 12th largest of the 19 banking organizations (controlling 40 banks) in the West Palm Beach banking market[6] and holds approximately two per cent of the market's total commercial bank deposits. Applicant is not currently represented in the relevant market and its closest banking subsidiary to Bank is located approximately 75 miles south of Bank. There does not appear to be any existing competition between Bank and any of Applicant's present banking and nonbanking subsidiaries and, in view of the distances involved, it does not appear likely that any significant competition would develop in the future. While Applicant could enter the relevant market *de novo*, in view of Bank's relative size and its market position, the Board views the proposed acquisition of Bank as a foothold entry by Applicant into the market. Such a foothold entry by Applicant should have a salutary effect upon competition among the banking organizations in the relevant market by enabling Bank to compete more effectively in that market. Therefore, on the basis of the facts of record, the

[1]Applicant currently controls The Royal Trust Bank of Miami, N.A., Miami, Florida; Dale Mabry State Bank, Tampa, Florida; and The First Bank of Gulfport, Florida. On March 1, 1976, pursuant to the Federal Reserve Bank of Atlanta's approval of a § 3(a)(1) application, Applicant transferred its controlling interest in Royal Trust Bank of Miami to a newly-formed, wholly-owned Florida subsidiary, Royal Trust Bank Corp., itself a registered bank holding company. Applicant also contemplates similar transfers in the future with respect to both Dale Mabry State Bank and The First Bank of Gultport in order to enable Corp. to hold directly all of Applicant's banking interests in the United States. Such transfers would require the Board's prior approval under § 3(a)(3) of the Bank Holding Company Act.

[2]By letter dated September 9, 1976, to the Board, the Comptroller recommended approval of the proposal.

[3]See footnote 1. Corp., with total assets of $100,000, has no financial history because it was incorporated on November 3, 1975 and did not become a bank holding company until March 1, 1976.

[4]Information Systems Design of Florida, Inc., Miami, Florida ("ISD-Florida"), is a subsidiary of Information Systems Design, Inc., Santa Clara, California ("ISD California"), which is owned by Computel Systems, Ltd. ("Computel"), a Canadian computer company. By Order of December 6, 1973, the Board denied Applicant's retention of ISD-California after Applicant's acquisition of Computel [38 *Federal Register* 34514 (1973); 60 Federal Reserve BULLETIN 58 (1974)]. ISD-California is engaged in non-permissible data processing activities while ISD-Florida is engaged in permissible data processing activities. The Board granted Applicant a two-year period, after its acquisition of Computel, within which to divest itself of ISD California. The Board is currently reviewing a plan of divestiture that has been submitted by Applicant.

[5]All banking data are as of December 31, 1975, unless otherwise indicated.

[6]The West Palm Beach banking market is approximated by the upper two thirds of Palm Beach County's eastern coastal area.

Board concludes that consummation of the proposal would not have any significant adverse effects upon either existing or potential competition in any relevant area, and that competitive considerations are consistent with approval of the application.

The financial and managerial resources and future prospects of Applicant, its subsidiary banks and Bank are regarded as satisfactory. In addition, Applicant has committed itself to make a capital contribution of $600,000 to Bank after consummation of this proposal. Therefore, considerations relating to banking factors are consistent with approval of the application. Although no significant changes are contemplated in Bank's services, affiliation of Bank with Applicant would provide Bank with access to Applicant's financial and managerial resources, thereby enhancing Bank's ability to service the community. Thus, considerations relating to the convenience and needs of the community to be served are consistent with approval of the application. It is the Board's judgment that the proposed acquisition would be in the public interest and that the application should be approved.

On the basis of the record, the application is approved for the reasons summarized above. The transaction shall not be made (a) before the thirtieth calendar day following the effective date of this Order or (b) later than three months after the effective date of this Order, unless such period is extended for good cause by the Board, or by the Federal Reserve Bank of Atlanta pursuant to delegated authority.

By order of the Board of Governors, effective October 29, 1976.

Voting for this action: Chairman Burns and Governors Gardner, Wallich, Coldwell, Partee, and Lilly. Absent and not voting: Governor Jackson.

(Signed) GRIFFITH L. GARWOOD,
[SEAL] *Deputy Secretary of the Board.*

Orders Under Section 4 of Bank Holding Company Act

FrostBank Corporation, San Antonio, Texas

Order Approving Lending Activities of Main Plaza Corporation

FrostBank Corporation, San Antonio, Texas, a bank holding company within the meaning of the Bank Holding Company Act ("Act"), has applied for the Board's approval, under § 4(c)(8) of the Act (12 U.S.C. § 1843(c)(8)) and § 225.4(b)(2)) of the Board's Regulation Y (12 CFR § 225.4(b)(2)), to retain the lending activities engaged in by its wholly-owned subsidiary, Main Plaza Corporation, San Antonio, Texas ("Company). Such activities, consisting of making or acquiring for its own account or for the account of others loans or extensions of credit, have been determined by the Board to be closely related to banking (12 CFR § 225.4(a)(1)).

Notice of the application, affording opportunity for interested persons to submit comments and views on the public interest factors, has been duly published (41 *Federal Register* 29040). The time for filing comments and views has expired, and the Board has considered the application and all comments received in the light of the public interest factors set forth in § 4(c)(8) of the Act (12 U.S.C. § 1843(c)(8)).

Applicant, the tenth largest banking organization in Texas, controls five banks with aggregate deposits of approximately $687 million, representing 0.5 per cent of the total deposits in commercial banks in the State.[1]

In acting on applications submitted pursuant to § 4(c)(8) of the Act, the Board analyzes an application to continue to engage in § 4(c)(8) activities by the same standards that it analyzes an application to acquire a company engaged in such activities. In addition, the Board analyzes the competitive effects of a proposal both at the time of the acquisition and at the time of application for retention. Company was formed on May 1, 1973, concurrently with the reorganization of Applicant's predecessor, Frost Realty Company, San Antonio, Texas ("Frost Realty"),[2] for the purpose of holding certain assets and engaging in certain activities of Frost Realty.[3] Included in the activities transferred to Company were the above-de-

[1]All banking data are as of December 31, 1975.

[2]The reorganization of Frost Realty and formation of Company occurred without prior approval of the Board. However, the Board has examined the facts surrounding these transactions and believes that those facts do not call for denial of the application to retain the lending activities of Company.

[3]At the same time, Frost Realty transferred the assets of Data Processing Center, San Antonio, Texas, to Company. On November 12, 1973, the Board approved the application of Applicant to retain those assets and thereby continue to engage in performing financially-related data processing activities under § 4(c)(8) of the Board's Regulation Y (12 CFR § 225(a)(8)).

scribed lending activities. Since that transaction was essentially a reorganization of Applicant's existing nonbank lending activities, it does not appear to have had any significant adverse effects on competition at that time.

At present, Company's lending activities essentially involve making business loans in the San Antonio SMSA.[4] Such lending activities include making loans for interim construction, stock acquisition and short-term capital working needs. Company originated $5.3 million of such loans during 1975 and had $3.7 million of such loans outstanding as of December 31, 1975. Applicant's subsidiary banks also engage in making business loans and hold approximately $200 million of such loans, representing 29.2 per cent of the total business loans held by the 45 banking organizations operating in the relevant market. In view of the relatively small size of Company's lending activities and the number of other competitors,[5] it does not appear that the retention of Company's lending activities by Applicant would have any significant adverse effects on existing or potential competition. At the same time, the retention of Company's lending activities by Applicant should provide benefits to the public by assuring customers of a continued and convenient source for such loans. Moreover, there is no evidence in the record indicating that the retention of Company's lending activities would lead to any undue concentration of resources, unfair competition, conflicts of interests, unsound banking practices or other adverse effects on the public interest.

Based upon the foregoing and other considerations reflected in the record, the Board has determined that the balance of the public interest factors the Board is required to consider under § 4(c)(8) is favorable. Accordingly, the application is hereby approved. This determination is subject to the conditions set forth in § 225.4(c) of Regulation Y and to the Board's authority to require such modification or termination of the activities of a holding company or any of its subsidiaries as the Board finds necessary to assure compliance with the provisions and purposes of the Act and the Board's regulations and orders issued thereunder, or to prevent evasion thereof.

By order of the Board of Governors, effective October 5, 1976.

Voting for this action: Vice Chairman Gardner and Governors Coldwell, Jackson, Partee, and Lilly. Absent and not voting: Chairman Burns and Governor Wallich.

(Signed) GRIFFITH L. GARWOOD,
[SEAL] *Assistant Secretary of the Board.*

[4] The San Antonio SMSA approximates the relevant geographic market for purposes of analyzing the competitive effects of the subject application.

[5] It should be noted that other competitors include commercial finance companies, insurance companies and savings and loan associations located outside as well as inside the market area in addition to the market's banking organizations.

Philadelphia National Corporation, Philadelphia, Pennsylvania

Order Approving Acquisition of Additional Shares of Congress Factors Corporation

Philadelphia National Corporation, Philadelphia, Pennsylvania, a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval, under § 4(c)(8) of the Act and § 225.4(b)(2) of the Board's Regulation Y, to increase its ownership interest in Congress Factors Corporation ("Congress"), Philadalphia, Pennsylvania, to 100 per cent. Congress, already a subsidiary of Applicant, currently engages in the activities of purchasing accounts receivable and making loans secured by accounts receivable, inventory, machinery and equipment and generally in the factoring and commercial finance business. Such activities have been determined by the Board to be closely related to banking (12 CFR § 225.4(a)(1)).

Notice of the application, affording opportunity for interested persons to submit comments and views on the public interest factors, has been duly published (41 *Federal Register* 34702 (1976)). The time for filing comments and views has expired, and the Board has considered the application and all comments received in the light of the public interest factors set forth in § 4(c)(8) of the Act (12 U.S.C. § 1843(c)(8)).

Applicant, the third largest banking organization in Pennsylvania, controls one bank with total domestic deposits of approximately $2.4 billion,[1] representing about 5.5 per cent of the total deposits in commercial banks in the State.

On September 11, 1973, the Board approved the application by Applicant to retain 80 per cent of the voting shares of Congress to be transferred

[1] All banking data are as of December 31, 1975.

from Applicant's subsidiary bank, the Philadelphia National Bank ("PNB"), Philadelphia, Pennsylvania.[2] Applicant now proposes to acquire indirectly the remaining shares of Congress through the repurchase by Congress of the ownership interest currently held by Congress' minority shareholders. Such repurchase would be pursuant to an agreement between Congress and its minority shareholders which was entered into in 1968 in connection with PNB's original acquistion of shares of Congress.

When Applicant received approval to retain its majority ownership interest in Congress, competitive factors were assessed by the Board and were not found to be adverse. Since Applicant currently seeks only to increase its already majority ownership interest in Congress, it does not appear that consummation of the instant proposal would have an adverse effect on either existing or potential competition; nor is there any evidence in the record indicating that such consummation would lead to any undue concentration of resources, conflicts of interests, unsound banking practices, or any other adverse effect upon the public interest. On the other hand, approval of the application is likely to assure the continuation of the public benefits the Board found to be provided by Applicant's original acquisition of Congress.

Based upon the foregoing and other considerations reflected in the record, the Board has determined, in accordance with the provisions of § 4(c)(8) of the Act, that Applicant's increased ownership interest in Congress can reasonably be expected to continue to produce benefits to the public that outweigh any possible adverse effects. Accordingly, the application is hereby approved. This determination is subject to the conditions set forth in section 225.4(c) of Regulation Y and to the Board's authority to require such modification or termination of the activities of a bank holding company or any of its subsidiaries as the Board finds necessary to assure compliance with the provisions and purposes of the Act and the Board's regulations and orders issued thereunder, or to prevent evasion thereof.

The transaction shall be made not later than three months after the effective date of this Order unless such period is extended for good cause by the Board or by the Federal Reserve Bank of Philadelphia pursuant to authority hereby delegated.

[2] 38 *Federal Register* 26156 (1973).

By order of the Board of Governors, effective October 21, 1976.

Voting for this action: Governors Wallich, Coldwell, Jackson, Partee, and Lilly. Present and abstaining: Vice Chairman Gardner. Absent and not voting: Chairman Burns.

(Signed) GRIFFITH L. GARWOOD,
[SEAL] *Assistant Secretary of the Board.*

Horizon Bancorp, Morristown, New Jersey

Order Approving Acquisition of Mortgage Investment Securities, Inc., and M.I.S.I., Inc.

Horizon Bancorp, Morristown, New Jersey, a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval, under § 4(c)(8) of the Act (12 U.S.C. § 1843(c)(8)), to purchase all the outstanding shares of stock of Mortgage Investment Securities, Inc. ("Company"), and its subsidiary, M.I.S.I., Inc. ("M.I.S.I."), both of Clearwater, Florida, both of which engage in the activities of making and acquiring loans and other extensions of credit as would be made by a mortgage company and servicing loans and extensions of credit to any person. Each of the above activities has been determined by the Board to be closely related to banking (12 CFR § 225.4(a)(1) and (3)).

Notice of the application, affording opportunity for interested persons to submit comments and views on the public interest factors has been duly published (41 *Federal Register* 30401 and 32688 (1976)). The time for filing comments and views has expired, and the Board has considered the application and all comments received in the light of the public interest factors set forth in § 4(c)(8) of the Act (12 U.S.C. § 1843(c)(8)).

Applicant, the thirteenth largest banking organization in New Jersey with deposits of $501.5 million,[1] controls two banks in New Jersey and one nonbank subsidiary, also in New Jersey, which engages in the activities of equipment financing and leasing and in second mortgage financing.

Company, with total assets of $15.4 million as of June 25, 1976, is a wholly-owned subsidiary of Branitek, Inc., Oak Brook, Illinois, a subsidiary of Union Camp Corporation. Its operations are

[1] Unless otherwise indicated, all banking data are as of December 31, 1975.

limited to the origination, sale, and servicing of mortgage loans, particularly in regard to single family residential mortgages. Some commercial mortgages are handled, but only on a brokered basis, thus not requiring the commitment of funds by Company. Construction loans are minimal. Company does not carry mortgages for its own account and they are held no longer than necessary to effect delivery in fulfillment of prior commitments. M.I.S.I., the only subsidiary of Company, was recently formed solely to provide company with another bidding vehicle for obtaining Federal National Mortgage Association (FNMA) and Government National Mortgage Association (GNMA) loan commitments. M.I.S.I. is not an operating company and maintains its office of record at Company's corporate headquarters in Clearwater, Florida.

Company, a relatively small mortgage banking firm with a servicing portfolio of $31.6 million, operates the following 9 offices in 4 states: Clearwater, Auburndale, Fort Lauderdale, and Sarasota, all in Florida; Atlanta, Georgia; Tucson and Phoenix, Arizona; and two offices in Oak Brook, Illinois, one of which is purely administrative and will be consolidated with Company's new corporate headquarters in Clearwater, Florida. Through these offices, Company is represented in 7 local markets for the origination of residential mortgages.[2]

Applicant currently originates only residential mortgages through its banking subsidiaries in New Jersey. Neither Applicant nor Company derives any business from the service area of the other. There is wide geographic separation of their market areas and Applicant lacks expertise in the origination and sale of FHA/VA-insured mortgages which account for approximately one-half of Company's originations.[3] Also, it appears unlikely that Applicant would enter *de novo* into the mortgage banking business where Company presently operates. Thus, the proposal would not eliminate any existing competition between Applicant and Company nor would any significant potential competition between the two be eliminated by approval of the proposal. It does not appear that consummation of the proposal would result in any concentration of resources, conflicts of interests, or other adverse effects on the public interest.

Acquisition of Company and M.I.S.I. by Applicant will be accompanied by the opening of a new office of Company in Morristown, New Jersey, and thus would increase the availability of FHA and VA mortgages in central New Jersey. The ownership of a mortgage banking subsidiary having extensive relationships with institutional investors and FNMA and GNMA will increase Applicant's ability to provide additional mortgage funds to consumers. The Board also notes that Applicant has undertaken to add additional capital to Company.[4]

Based on the foregoing and other considerations reflected in the record, the Board has determined, in accordance with section 4(c)(8) of the Act, that consummation of the proposal can reasonably be expected to produce benefits to the public that outweigh possible adverse effects. Accordingly, the application is hereby approved. This determination is subject to the conditions set forth in § 225.4(c) of Regulation Y (12 CFR § 225.4(c)) and to the authority of the Board to require such modification or termination of the activities of a holding company or any of its subsidiaries as the Board may find necessary to assure compliance with the provisions and purposes of the Act and the Board's regulations or orders issued thereunder, or to prevent evasion thereof.

The transaction shall be made not later than three months after the effective date of this Order unless such period is extended for good cause by the Board or by the Federal Reserve Bank of New York, pursuant to authority hereby delegated.

By order of the Board of Governors, effective October 22, 1976.

Voting for this action: Vice Chairman Gardner and Governors Wallich, Coldwell, Partee, and Lilly. Absent and not voting: Chairman Burns and Governor Jackson.

(Signed) Griffith L. Garwood,
[SEAL] *Assistant Secretary of the Board.*

[2] Data indicates that Company's share of mortgage originations is negligible in all markets where it operates except for commercial mortgages originated in the Sarasota market. However, its share of 27.5 per cent of that market reflects mortgage recordings for a single month and seems unlikely to be a valid indication of Company's market power considering the number of other competitors operating in that market.

[3] Moreover, in view of the substantial number of other firms originating real estate loans in each of Company's market areas, including several national mortgage banking firms and local commercial banks and thrift institutions, any foreclosure of potential competition between Applicant and Company would be insignificant.

[4] In addition, Applicant intends to augment the capital of one of its subsidiary banks and of its nonbank subsidiary.

United Bancorp,
Roseburg, Oregon

Order Deferring Consideration of Application to Form United Bancorp Municipals, Inc.

United Bancorp, Roseburg, Oregon, a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval, under § 4(c)(8) of the Act (12 U.S.C. § 1843(c)(8)) and § 225.4(b)(2) of the Board's Regulation Y (12 CFR § 225.4(b)(2)), to form United Bancorp Municipals, Inc., Roseburg, Oregon, a company that will engage *de novo* in the activities of underwriting and dealing in certain government securities. Such activities have not heretofore been determined by the Board by regulation to be closely related to banking.

Notice of the application, affording opportunity for interested persons to submit comments and views, has been given in accordance with § 4 of the Act (39 *Federal Register* 13007). The time for filing comments and views has expired, and the Board has considered the application and all comments received in light of the public interest factors set forth in § 4(c)(8) of the Act (12 U.S.C. § 1843(c)(8)).

Applicant, the twelfth largest banking organization in Oregon, controls one subsidiary bank with aggregate deposits of approximately $40.3 million, representing about 0.7 per cent of the total deposits in commercial banks in the State.[1] United Bancorp Municipals, Inc. would engage *de novo* in the activities of underwriting and dealing in such obligations of the United States, general obligations of various States and of political subdivisions thereof and other obligations that State member banks of the Federal Reserve System may from time to time be authorized to deal in under § 24 (Paragraph Seventh) and § 335 of Title 12 of the United States Code. By notice of proposed rulemaking published in the *Federal Register* on April 10, 1974, (39 F.R. 13007), the Board of Governors proposed to add this activity to the list of activities that it has determined to be so closely related to banking or managing or controlling banks as to be a proper incident thereto (§ 225.4(a) of Regulation Y). In a Statement issued concurrently with this Order, the Board today announced its decision not to adopt the proposed amendment at the present time and to defer temporarily further consideration of the activity, either by order or by regulation. The reasons for that decision are summarized in that Statement.

Consistent with its decision to suspend action on the general activity, the Board hereby defers consideration of the instant application for a period of twelve months, unless prior to that time actions of the Municipal Securities Rulemaking Board lead the Board in its judgment to reconsider the deferral of action on the general activity.

By order of the Board of Governors, effective October 19, 1976.

Voting for this action: Vice Chairman Gardner and Governors Wallich, Coldwell, Jackson, Partee, and Lilly. Absent and not voting: Chairman Burns.

(Signed) THEODORE E. ALLISON,
[SEAL] *Secretary of the Board.*

[1] Banking data are as of December 31, 1975.

ORDERS APPROVED UNDER BANK HOLDING HOLDING COMPANY ACT

By the Board of Governors

During October 1976, the Board of Governors approved the applications listed below. The orders have been published in the Federal Register, and copies are available upon request to Publications Services, Division of Administrative Services, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

Section 3

Applicant	*Bank(s)*	*Board action (effective date)*	*Federal Register citation*
Exchange Bancorporation, Inc., Tampa, Florida	Security National Bank, Lee County (P.O. Fort Myers), Florida	10/4/76	41 F.R. 44898 10/13/76
Lisco State Company, Lisco, Nebraska	Lisco State Bank, Lisco, Nebraska	10/1/76	41 F.R. 44473 10/8/76
Peninsula Financial, Inc., Sturgeon Bay, Wisconsin	First State Bank of Algoma, Algoma, Wisconsin	10/27/76	41 F.R. 48611 11/4/76
Sioux National Company, Harrison, Nebraska	The Sioux National Bank of Harrison, Harrison, Nebraska	10/13/76	41 F.R. 46388 10/20/76
Shaw Investment Company, New Hampton, Iowa	First National Bank in New Hampton, New Hampton, Iowa	10/20/76	41 F.R. 47601 10/29/76
The Spalding City Corporation, Spalding, Nebraska	Spalding City Bank, Spalding, Nebraska	10/12/76	41 F.R. 45915 10/18/76
Texarkana National Bancshares, Inc., Texarkana, Texas	Liberty Eylau State Bank, Texarkana, Texas	10/29/76	41 F.R. 49197 11/8/76

Section 4

Applicant	*Nonbanking company (or activity)*	*Board action (effective date)*	*Federal Register citation*
Century Financial Corporation of Michigan, Saginaw, Michigan	Century Life Insurance Company of Michigan, Phoenix, Arizona	10/5/76	41 F.R. 44897 10/13/76
Southern Bankshares, Inc., Richmond, Virginia	Charter Insurance Managers, Inc., Richmond, Virginia	10/12/76	41 F.R. 46060 10/19/76

By Federal Reserve Banks

During October 1976, applications were approved by the Federal Reserve Banks as listed below. The orders have been published in the Federal Register, and copies are available upon request to the Reserve Bank.

Section 3

Applicant	*Bank(s)*	*Reserve Bank*	*Effective date*	*Federal Register citation*
First Michigan Bank Corporation, Zeeland, Michigan	Community State Bank of Dowagiac, Dowagiac, Michigan	Chicago	10/21/76	41 F.R. 49195 11/8/76
First National Financial Corporation, Kalamazoo, Michigan	The National Bank of Ludington, Ludington, Michigan	Chicago	10/8/76	41 F.R. 47111 10/27/76
First Midwest Bancorp., Inc., St. Joseph, Missouri	Platte Valley Bank, Ravenwood, Missouri	Kansas City	10/5/76	41 F.R. 46058 10/19/76
Deseret Bancorporation, Pleasant Grove, Utah	Bank of Pleasant Grove, Pleasant Grove, Utah; State Bank of Lehi, Lehi, Utah; Mountain View Bank, American Fork, Utah; and Geneva State Bank of Orem, Orem, Utah	San Francisco	9/29/76	41 F.R. 44897 10/13/76

Sections 3 and 4

Applicant	*Bank(s)*	*Nonbanking company (or activity)*	*Reserve Bank*	*Effective date*	*Federal Register citation*
Milco Bancorporation, Inc., Iberia, Missouri	Bank of Iberia, Iberia, Missouri	Tritten Insurance Company, Iberia, Missouri	St. Louis	10/7/76	41 F.R. 46059 10/19/76

ORDER APPROVED UNDER THE BANK MERGER ACT—

Applicant	*Bank(s)*	*Reserve Bank*	*Effective date*	*Federal Register citation*
United Jersey Bank/Central, Elizabeth, New Jersey	Suburban National/ A United Jersey Bank, South Plainfield, New Jersey	New York	10/1/76	41 F.R. 46061 10/19/76

PENDING CASES INVOLVING THE BOARD OF GOVERNORS*

Michigan National Corporation v. *Board of Governors*, September 1976, U.S.C.A. for the 6th Circuit.

First Security Corporation v. *Board of Governors*, filed August 1976, U.S.C.A. for the 10th Circuit.

Anthony R. Martin-Trigona v. *Board of Governors*, filed August 1976, U.S.C.A. for the District of Columbia.

First State Bank of Clute, Texas, et al. v. *Board of Governors*, filed July 1976, U.S.C.A. for the 5th Circuit.

International Bank v. *Board of Governors, et al.*, filed July 1976, U.S.D.C. for the District of Columbia.

North Lawndale Economic Development Corporation v. *Board of Governors*, filed June 1976, U.S.C.A. for the 7th Circuit.

Central Wisconsin Bankshares, Inc. v. *Board of Governors*, filed June 1976, U.S.C.A. for the 7th Circuit.

A.R. Martin-Trigona v. *Board of Governors, et al.*, filed June 1976, U.S.D.C. for the District of Columbia.

National Urban League, et al. v. *Office of the Comptroller of the Currency, et al.*, filed April 1976, U.S.D.C. for the District of Columbia Circuit.

Farmers & Merchants Bank of Las Cruces, New Mexico v. *Board of Governors*, filed April 1976, U.S.C.A. for the District of Columbia Circuit.

United States ex rel. A.R. Martin-Trigona v. *Arthur F. Burns, et al.*, March 1976, U.S.D.C. for the District of Columbia.

Grandview Bank & Trust Company v. *Board of Governors*, filed March 1976, U.S.C.A. for the Eighth Circuit.

Association of Bank Travel Bureaus, Inc. v. *Board of Governors*, filed February 1976, U.S.C.A. for the Seventh Circuit.

Memphis Trust Company v. *Board of Governors*, filed February 1976, U.S.D.C. for the Western District of Tennessee.

First Lincolnwood Corporation v. *Board of Governors*, filed February 1976, U.S.C.A. for the Seventh Circuit.

International Bank v. *Board of Governors*, filed December 1975, U.S.C.A. for the District of Columbia.

Roberts Farms, Inc. v. *Comptroller of the Currency, et al.*, filed November 1975, U.S.D.C. for the Southern District of California.

National Computer Analysts, Inc. v. *Decimus Corporation, et al.*, filed November 1975, U.S.D.C. for the District of New Jersey.

†*Peter E. Blum* v. *First National Holding Corporation*, filed May 1976, U.S.C.A. for the Fifth Circuit.

†*Peter E. Blum* v. *Morgan Guaranty Trust Co., et al.*, filed April 1976, U.S.C.A. for the Fifth Circuit.

†*Logan* v. *Secretary of State, et al.*, filed September 1975, U.S.D.C. for the District of Columbia.

*This list of pending cases does not include suits against the Federal Reserve Banks in which the Board of Governors is not named a party.

Florida Association of Insurance Agents, Inc. v. *Board of Governors*, and *National Association of Insurance Agents, Inc.* v. *Board of Governors*, filed August 1975, actions consolidated in U.S.C.A. for the Fifth Circuit.

†‡*David R. Merrill, et al.* v. *Federal Open Market Committee of the Federal Reserve System*, filed May 1975, U.S.D.C. for the District of Columbia, appeal pending, U.S.C.A. for the District of Columbia.

Curvin J. Trone v. *United States*, filed April 1975, U.S. Court of Claims.

Louis J. Roussel v. *Board of Governors*, filed April 1975, U.S.D.C. for the Eastern District of Louisiana.

Georgia Association of Insurance Agents, et al. v. *Board of Governors*, filed October 1974, U.S.C.A. for the Fifth Circuit.

Alabama Association of Insurance Agents, et al. v. *Board of Governors*, filed July 1974, U.S.C.A. for the Fifth Circuit.

†*Investment Company Institute* v. *Board of Governors*, dismissed July 1975, U.S.D.C. for the District of Columbia, appeal pending, U.S.C.A. for the District of Columbia Circuit.

East Lansing State Bank v. *Board of Governors*, filed December 1973, U.S.C.A. for the Sixth Circuit.

†*Consumers Union of the United States, Inc., et al.* v. *Board of Governors*, filed September 1973, U.S.D.C. for the District of Columbia.

Bankers Trust New York Corporation v. *Board of Governors*, filed May 1973, U.S.C.A. for the Second Circuit.

†Decisions have been handed down in these cases, subject to appeals noted.

‡The Board of Governors is not named as a party in this action.

Announcements

REGULATION Q: Amendments

The Board of Governors of the Federal Reserve System on November 8, 1976, amended its Regulation Q (Interest on Deposits) to improve the terms under which member banks may offer Keogh plan retirement accounts.

The amendments extend to Keogh (H.R. 10) plan retirement accounts the conditions established last December for individual retirement accounts (IRA's). The amendments are:

1. Member banks may pay all, or a part, of a Keogh plan time deposit (as with an IRA) prior to its maturity, without the usual penalty for early withdrawal from a time deposit, when the depositor reaches the age of 59½ or becomes disabled.

2. In the case of Keogh plan time deposits (as with IRA's) it is not necessary to have on deposit a minimum of $1,000 in order to earn the 7¼ per cent interest rate available for 4-year time deposits, or the 7½ per cent for 6-year deposits.

Similar actions will be taken by the Federal Deposit Insurance Corporation (FDIC) for banks under its supervision and by the Federal Home Loan Bank Board (FHLBB) for savings and loan associations.

The first of the amendments to Regulation Q allows avoidance of the loss of interest usually required when funds are withdrawn before a time deposit matures—when, for example, funds in a 5-year time deposit are withdrawn after 4 years. As a result of the amendment, member banks may distribute the full proceeds of a Keogh account in a single payment, or in a series of annuity-like payments, without penalty, when the distribution is made in accordance with the Keogh plan agreement between the bank and the depositor.

The second amendment allows payment of maximum interest rates on amounts smaller than $1,000 in recognition of the fact that some depositors may not have that much money to start an account.

The Board believes these amendments to Regulation Q serve the intent of the Congress to encourage self-employed individuals to save for their retirement.

Keogh (H.R. 10) plan accounts were authorized under the Self-Employed Individuals Tax Retirement Act of 1962, to encourage, by tax benefits, saving for retirement by self-employed persons. The Keogh plan provisions as amended permit a self-employed individual to establish a retirement savings plan with a depositary institution and to deposit up to 15 per cent of earned income, or $7,500 a year, whichever is less, in the account. The amount deposited may be deducted from the individual's income that is subject to Federal tax.

The Employee Retirement Income Security Act of 1974 permits individuals not covered by a retirement plan to deposit in IRA's up to $1,500, or 15 per cent of gross income, whichever is less.

Keogh plans already in existence may be amended to incorporate these changes in Regulation Q requirements. Keogh plan accounts must be established before the end of 1976 in order to be eligible for tax benefits for the whole year.

REGULATION Y: Deferred Action on Amendment

The Board of Governors on October 20, 1976, deferred action on a proposal to make underwriting and dealing in Federal Government securities and general obligations of States or their subdivisions (municipal securities) a permissible activity for bank holding companies. It also suspended further consideration of applications by bank holding companies to engage in the activity.

Action was deferred for 12 months unless before that time actions by the Municipal Securities Rulemaking Board—created by Congress in 1975 to regulate the municipal securities field—make reconsideration appropriate in the Board's judgment.

The Board had proposed on April 2, 1974, to add to the list of permissible bank holding company activities underwriting and dealing in obligations of the United States, general obligations of any State and of any political subdivision thereof, and other obligations that State member banks are authorized to underwrite and deal in. Underwriting and dealing in U.S. Government securities and municipals are common among banks.

CONSUMER ADVISORY COUNCIL: Meetings

The Board of Governors has announced that the initial meetings of its new Consumer Advisory Council took place November 10 and 11 at the Board. The meetings were open to the public.

At its first meetings the Council acquainted itself with the Board's responsibilities and functions in the area of consumer credit and was asked to advise the Board on current developments in that field. These include the revision of Regulation B to implement the amended Equal Credit Opportunity Act.

The Board had announced on September 20 that Representative Leonor K. Sullivan of Missouri, a long-time sponsor of consumer protection legislation who is retiring from the Congress in January, will head the Council. At the same time, the Board had also announced the names of 25 other members of the Council, including Dr. William D. Warren, Dean of the School of Law of the University of California at Los Angeles, who will be Vice Chairman and who will preside until Mrs. Sullivan leaves the Congress in January. The Council members are as follows:

Leonor K. Sullivan, Chairman, U.S. House of Representatives, has been in Congress for 24 years, beginning in 1952. She was the first woman elected to Congress from Missouri. For 12 years, from 1963 to 1975, Mrs. Sullivan was Chairman of the Subcommittee on Consumer Affairs of the House Banking and Currency Committee. She was one of the primary authors of the Consumer Credit Protection Act of 1968, which included the Truth in Lending Act. In 1970 Mrs. Sullivan sponsored the Fair Credit Reporting Act in the House. She was a member of the National Commission on Consumer Finance from 1969 to 1972. In 1974 Mrs. Sullivan proposed legislation to forbid discrimination in the extension of credit on the basis of sex, marital status, race, color, religion, and age. These proposals are now embodied in the Equal Credit Opportunity Act. Mrs. Sullivan sponsored the Food Stamp Act in 1964. Mrs. Sullivan is currently Chairman of the House Committee on Merchant Marine and Fisheries, and ranking majority member of the Committee on Banking, Currency and Housing and of that Committee's subcommittees on Housing and Community Development, and Consumer Affairs. In addition, she chairs the Joint Committee of the Congress on Defense Protection and its House Materials Availability Subcommittee.

William D. Warren, Vice Chairman, Los Angeles, California, is Dean of the School of Law of the University of California at Los Angeles. He was reporter-draftsman of the Uniform Consumer Credit Code, 1964 to 1974, and has been a consultant on consumer law and debtor/creditor law to the National Commission on Consumer Finance and various California agencies. Mr. Warren is the author of books and articles concerning commercial and consumer law. He taught law at Stanford University and the University of Illinois before joining UCLA.

Barbara D. Blum, Atlanta, Georgia, is Vice Chairman of the Fulton County Planning Commission and was until recently a member of the Atlanta Regional Commission Health and Social Services Advisory Board. She has broad experience as chairman or member of numerous Statewide consumer-oriented organizations. Ms. Blum has also worked in the field of mental health. She has a Master of Social Work degree from Florida State University.

Roland E. Brandel, San Francisco, California, is a partner in the law firm of Morrison and Foerster. He is a member of the Committee of the American Bar Association on the Regulation of Consumer Credit. He has worked extensively in the field of bank credit-card law. He has been visiting professor of law at the University of California at Berkeley. Mr. Brandel has written and lectured on the subjects of Truth in Lending, Fair Credit Billing, Equal Credit Opportunity, and Electronic Funds Transfer.

Agnes H. Bryant, Detroit, Michigan, is Director of the City of Detroit Human Rights Department. She chairs the Michigan Consumer Council and is vice president of the Consumer Research Advisory Council, a member of the Board of the National Association for the Advancement of Colored People, a member of the Advisory Council of the Wayne County Consumer Protection Agency, and a former member of the Michigan State Advisory Council on Vocational Education.

John G. Bull, Pompano Beach, Florida, is President and Chief Executive Officer of the Southern BankCard Corporation. He has served two terms as chairman of the bank-card division of the Florida Bankers Association and was chairman of the design specifications committee that developed a computer program for descriptive billing in electronic funds transfer. He has done extensive work on other aspects of the operation of bank-card systems.

John V. Bullock, Frankfort, Kentucky, is Assistant Attorney General in charge of the

Division of Consumer Protection in the Office of the Attorney General of Kentucky. He is active in the National Association of Attorneys General's Consumer Protection Committee. He was previously an attorney for the Federal Trade Commission in Cleveland, Ohio, and in Washington, D.C.

Linda M. Cohen, Washington, D.C., is Coordinator of the National Credit Task Force of the National Organization for Women and has served as spokesperson and lecturer on women and credit for that organization. She has been an attorney-adviser in the General Services Administration since 1973 and is active in local community organizations.

John R. Coleman, Haverford, Pennsylvania, is President of Haverford College and Chairman of the Board of Directors of the Federal Reserve Bank of Philadelphia. He is a Trustee and member of the Research and Policy Committee of the Committee for Economic Development. Mr. Coleman was a member of special CED committees that produced in 1976 statements regarding national policy on "Welfare Report and its Financing" and "Fighting Inflation and Promoting Growth." He is trustee of a number of educational institutions and was formerly a trustee of the Special Development Fund of the National Association for the Advancement of Colored People. Mr. Coleman is the author of a number of books having to do with economics and labor problems. One of his books, *Blue Collar Journal* (1974), recounts his experiences in 1973 when he took leave from his professional occupations to work as a blue-collar laborer.

Robert R. Dockson, Los Angeles, California, is President and chief executive officer of the California Federal Savings and Loan Association. Prior to joining that Association, he was dean of the undergraduate School of Business and the Graduate School of Business Administration of the University of Southern California at Los Angeles. Mr. Dockson has received the Human Relations Award of the American Jewish Committee and the Brotherhood Award of the National Conference of Christians and Jews.

Anne G. Draper, Washington, D.C., is an economic analyst with the AFL-CIO and author of numerous articles, testimony, and policy resolutions on consumer matters. She serves on advisory councils in the Department of Labor and the Bureau of the Census. She was formerly a social research analyst with the Social Security Administration and served as an economist with the National War Labor Board and the Office of Price Controls.

Carl Felsenfeld, New York City, New York, is Vice President of Citicorp in charge of legal aspects of its consumer-related operations. He is a member of the Committee on the Regulation of Consumer Credit of the American Bar Association and the Committee on Consumer Affairs of the New York City Bar Association and is an adjunct professor of Banking Law at Fordham University. He has served as consultant to the Commissioners on Uniform State Laws in the drafting of the Uniform Consumer Credit Code.

Marcia A. Hakala, Omaha, Nebraska, was until recently Executive Director of the Mayor's Commission on the Status of Women for the city of Omaha and is a member of a number of other advisory councils and committees working in the fields of manpower planning, women in small business, and problems of older citizens. She has taught at Illinois State University, Cleveland State University, Stout State University, and Indiana University.

Joseph F. Holt III, Washington, D.C., is a consultant to the Federal National Mortgage Association, where he was formerly National Field Representative with responsibility for field operations, especially in the area of discrimination by geographic areas (red-lining). Mr. Holt is a former member of the U.S. House of Representatives and was a member of the Education and Labor Committee and served on House subcommittees responsible for minimum wage legislation and Federal aid for education in impacted areas.

Edna De Coursey Johnson, Baltimore, Maryland, is Director of Consumer Services of the Baltimore Urban League. She is a member of the President's Consumer Advisory Council. Ms. Johnson is also a member of the Maryland and Virginia Citizens Consumer Councils, the Governor's Commission on the Status of Women, and the Board of Directors of Consumers Union of the United States. She was formerly a teacher in the Baltimore public schools.

Robert J. Klein, New York City, New York, is a senior editor of *Money Magazine*. He is a member of the National Advisory Council on Small Claims of the National Center for State Courts and served from its inception on the Federal Reserve Board's Truth in Lending Advisory Committee (which the Consumer Advisory Council replaces). He has been a reporter and editor with a number of publications and is the author of numerous articles concerning consumer affairs. Mr. Klein has testified on consumer matters before governmental committees.

Ralph Lazarus, Cincinnati, Ohio, is Chairman of the Board of Directors of Federated Department Stores, Inc. He is a Trustee and member of the Research and Policy Committee of the Committee for Economic Development and has been associated with the Stanford Research Institute Council and the Council for Financial Aid to Education. Mr. Lazarus is a Trustee of Dartmouth College and a member of the Rockefeller University Council, among a number of other civic associations.

Percy W. Loy, Portland, Oregon, is President of the Kubla Khan Food Company. He is serving his third term as a member of the District Advisory Council of the Small Business Administration, is a member of the Business Liaison Committee of the Business School of the University of Oregon, and is a past president of the Frozen Food Council of Oregon and a past member of the Marketing Advisory Council of the Business School of the University of Oregon. He is a member of the Board of Overseers of Lewis and Clark College.

R. C. Morgan, El Paso, Texas, is President of the Government Employees Credit Union of El Paso. He is immediate past vice chairman of the National Legislative Forum and chairman of the Governmental Affairs Committee of the Credit Union National Association. He served three terms as president of that Association. He has served as a member and as chairman of the Credit Union Advisory Commission for the State of Texas and as a member of the Texas Credit Union Commission. He has testified on consumer protection issues before committees of the U.S. Senate and House of Representatives and regulatory agencies.

Reece A. Overcash, Dallas, Texas, is President and chief operating officer of Associates Corporation of North America. He has served as president of the National Consumer Finance Association and formerly served on the board of directors of the North Carolina Economic Resources Association. He has taught at the National Institute of Consumer Finance at Marquette University and the National Instalment Banking School at the University of Colorado.

Raymond J. Saulnier, New York City, New York, is professor emeritus of economics at Barnard College, Columbia University. He is a former chairman of the President's Council of Economic Advisers and a former director of the Financial Research Program of the National Bureau of Economic Research, where he was responsible for studies of consumer instalment credit. He has written extensively in the field of consumer instalment credit.

E. G. Schuhart, Dalhart, Texas, a farmer and rancher, has served as Vice Chairman and member of the Federal Farm Credit Board (policy-making board for the Farm Credit System). He has also been a member of the Agricultural Stabilization and Conservation Committee for the State of Texas and mayor of the City of Dalhart, Texas. He has been a director of the Farm Credit Board of Houston and a chairman and member of the stockholders' committee of the Federal Land Bank of Houston. He was formerly manager of the Schuhart Grain Company.

James E. Sutton, Dallas, Texas, is Secretary and Corporate Counsel of Chilton Corporation. Before joining Chilton in 1973, Mr. Sutton served 3 years as staff attorney and consumer education consultant in the Texas State Consumer Credit Commission. While in that office, he was charged with enforcing the Texas Credit Code and worked closely with the Federal Truth in Lending Act. Mr. Sutton was also engaged in consumer education programs and participated in the establishment of the Consumer Credit Counseling Service of Greater Dallas and Family Debt Counselors of Corpus Christi.

Anne Gary Taylor, Alexandria, Virginia, is a former national president of the American Association of University Women. For 21 years she was president of Sweet Briar College. She has served on the American Council on Education, and was vice chairman of the Board, and a member of the Commission on Students and Faculty of the Association of American Colleges. She was one of four educational administrators who arranged for the establishment of the United States–India Women's Colleges Faculty Exchange Program.

Richard D. Wagner, Simsbury, Connecticut, is President of Wagner Ford Sales, Incorporated. He is a member of the board of directors of the National Automobile Dealers' Association and is chairman of the Association's Public and Consumer Affairs Committee and director of the Association for the State of Connecticut. He established the Connecticut Automotive Consumer Action Panel Program (AUTOCAP).

Richard L. Wheatley, Jr., Stillwater, Oklahoma, is Chairman and chief executive officer of the University Bank at Stillwater. He was the first Administrator of Consumer Affairs for the State of Oklahoma after the State enacted the Uniform Consumer Credit Code, and served as a representative in the State legislature. He has served as consultant with some 30 other State legislatures regarding enactment of the Uniform Consumer Credit Code in those States.

The Council was established, at the Board's suggestion, under the amendments to the Equal Credit Opportunity Act passed earlier this year. It will advise and consult with the Board on the Board's responsibilities under the Consumer Credit Protection Act, which includes Truth in Lending, Fair Credit Billing, Equal Credit Opportunity, Fair Credit Reporting, and Consumer Leasing. In addition, the Board may place before the Council any other consumer-related matters, including matters related to its responsibilities under the Home Mortgage Disclosure Act and the Federal Trade Commission Improvement Act's provisions concerning unfair and deceptive practices in banking.

CHANGES IN BOARD STAFF

The Board of Governors has announced the appointment of David L. Shannon, Director of Personnel at the Federal Trade Commission, as Director, Division of Personnel, effective November 15, 1976.

Mr. Shannon has been on the staff of the FTC since 1968, prior to which he was associated with Western Specialists, Inc., Denver, Colorado. He holds a B.A. from St. Bernard's College, Rochester, New York, and an M.A. from International University of Rome, and is currently a candidate for a doctorate from the University of Southern California.

In addition, the Board has announced the following official staff promotions, all effective October 24, 1976:

Griffith L. Garwood from Assistant Secretary to Deputy Secretary in the Office of the Secretary.

John H. Kalchbrenner from Adviser to Associate Director in the Division of Research and Statistics.

J. Cortland G. Peret from Assistant Adviser to Associate Adviser in the Division of Research and Statistics.

Eleanor Stockwell from Associate Adviser to Adviser in the Division of Research and Statistics.

SYSTEM MEMBERSHIP: Admission of State Bank

The following bank was admitted to membership in the Federal Reserve System during the period October 16, 1976, through November 15, 1976:

Texas

Snook .... First Bank of Snook

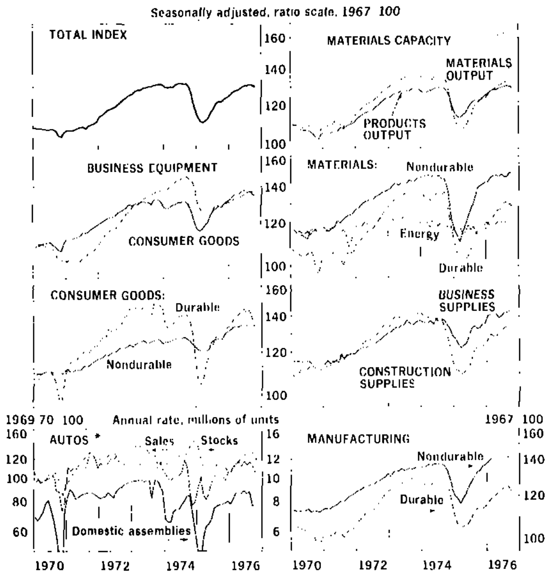
Industrial Production

Released for publication November 15

Industrial production declined by an estimated 0.5 per cent in October to 130.4 per cent of the 1967 average. The September estimate was revised downward and now shows a decline of 0.2 per cent, rather than no change. In October, reductions occurred in output of final products and materials. These reductions include the effects of strikes in the farm equipment and automotive industries; the direct strike effect is estimated to have accounted for somewhat less than one-third of the October decline.

Consumer goods production declined 0.7 per cent last month, reflecting widespread cutbacks in both durable and nondurable goods. Auto assemblies, at a 7.7-million-unit annual rate, were about unchanged from September, but utility vehicle production apparently declined somewhat further. Output of home goods, such as appliances, carpeting, and furniture, was reduced somewhat. Production of nondurable consumer goods, particularly clothing, also decreased. Business equipment declined by more than 1 per cent, largely because of strike effects on farm equipment output and, to a lesser extent, on building and mining equipment. Output of construction supplies is estimated to have risen slightly.

Durable materials production is estimated to have been reduced somewhat in October, reflecting weakness in production of steel and other metals as well as in component parts for consumer durable goods. Output of nondurable materials declined sharply, reflecting reductions in textiles, paper, and chemicals.



F.R. indexes, seasonally adjusted. Latest figures: October.
*Auto sales and stocks include imports.

Industrial production	Seasonally adjusted, 1967 100				Per cent changes from--		
	1976						
	July	Aug.	Sept.[p]	Oct.[e]	Month ago	Year ago	Q2 to Q3
Total	**130.7**	**131.3**	**131.0**	**130.4**	**-.5**	**6.7**	**1.2**
Products, total	129.8	130.4	129.7	129.2	.4	5.6	.9
Final products	127.6	128.3	127.2	126.5	.6	4.6	.5
Consumer goods	136.8	137.5	136.1	135.2	.7	5.1	.2
Durable goods	141.8	144.1	138.7	136.3	1.7	3.3	.9
Nondurable goods	134.8	135.0	135.0	134.7	.2	5.7	.1
Business equipment	136.9	137.5	137.4	135.9	1.1	5.5	2.0
Intermediate products	137.6	138.1	139.0	139.0	.0	8.6	2.2
Construction supplies	133.1	134.0	134.8	135.0	.1	10.0	2.9
Materials	132.2	132.9	132.9	132.3	.5	8.4	1.8

[p]Preliminary. [e]Estimated.

Financial and Business Statistics

CONTENTS

MEMBER BANK RESERVES, FEDERAL RESERVE BANK CREDIT, AND RELATED ITEMS

(In millions of dollars)

Period or date	Factors supplying reserve funds									
	Reserve Bank credit outstanding							Gold stock	Special Drawing Rights certificate account	Treasury currency outstanding
	U.S. Govt. securities[1]			Loans	Float	Other F.R. assets	Total[3]			
	Total	Bought outright[2]	Held under repurchase agreement							
Averages of daily figures										
1969—Dec.	57,500	57,295	205	1,086	3,235	2,204	64,100	10,367	....	6,841
1970—Dec.	61,688	61,310	378	321	3,570	1,032	66,708	11,105	400	7,145
1971—Dec.	69,158	68,868	290	107	3,905	982	74,255	10,132	400	7,611
1972—Dec.	71,094	70,790	304	1,049	3,479	1,138	76,851	10,410	400	8,293
1973—Dec.	79,701	78,833	868	1,298	3,414	1,079	85,642	11,567	400	8,668
1974—Dec.	86,679	85,202	1,477	703	2,734	3,129	93,967	11,630	400	9,179
1975—Oct.	90,476	89,547	929	191	1,945	3,521	96,931	11,599	500	9,877
Nov.	90,934	89,560	1,374	61	2,480	3,481	97,817	11,599	500	10,010
Dec.	92,108	91,225	883	127	3,029	3,534	99,651	11,599	500	10,094
1976—Jan.	92,998	91,524	1,474	79	2,684	3,505	100,172	11,599	500	10,177
Feb.	94,610	92,812	1,798	76	2,375	3,384	101,369	11,599	500	10,267
Mar.	94,880	93,503	1,377	58	2,204	3,412	101,336	11,599	500	10,436
Apr.	93,243	92,187	1,056	44	2,236	4,144	100,317	11,599	500	10,501
May	95,967	94,049	1,918	121	2,071	4,051	102,951	11,599	500	10,552
June	95,592	94,289	1,303	120	2,678	4,069	103,106	11,598	530	10,623
July	97,105	96,210	895	123	2,721	4,375	104,799	11,598	700	10,648
Aug.	98,458	96,058	2,400	104	2,512	3,739	105,393	11,598	700	10,690
Sept.	98,797	96,689	2,108	75	2,880	3,681	105,880	11,598	703	10,737
Oct.p	100,374	98,643	1,731	67	2,804	3,744	107,312	11,598	1,123	10,785
Week ending—										
1976—Aug. 4	98,096	95,387	2,709	157	2,450	4,020	105,395	11,598	700	10,658
11	94,828	94,828	....	122	2,513	4,239	102,015	11,598	700	10,681
18	97,336	95,714	1,622	85	2,754	3,587	104,231	11,598	700	10,695
25	101,312	96,996	4,316	68	2,274	3,388	107,745	11,598	700	10,698
Sept. 1	100,655	97,203	3,452	93	2,573	3,657	107,748	11,598	700	10,702
8	97,388	97,277	111	45	2,441	3,505	103,645	11,598	700	10,720
15	93,935	93,935	....	61	3,467	3,709	101,426	11,598	700	10,735
22	99,629	97,086	2,543	44	3,131	3,693	107,046	11,598	700	10,741
29	103,069	98,252	4,817	87	2,414	3,675	109,848	11,598	700	10,753
Oct. 6	102,173	97,708	4,465	101	2,657	3,873	109,436	11,598	800	10,760
13	98,375	97,199	1,176	47	2,596	3,710	105,014	11,598	1,200	10,782
20p	100,173	99,060	1,113	47	3,493	3,643	107,603	11,598	1,200	10,786
27p	100,433	99,923	510	120	2,582	3,750	107,096	11,598	1,200	10,798
Daily figures for—										
End of month										
1976—Aug.	100,949	96,660	4,289	64	1,984	3,665	107,470	11,598	700	10,645
Sept.	103,507	98,405	5,102	322	2,997	3,800	111,464	11,598	800	10,742
Oct.p	102,675	100,035	2,640	45	1,925	3,770	108,752	11,598	1,200	10,810
Wednesday										
1976—Aug. 4	100,262	95,341	4,921	770	3,596	4,088	109,515	11,598	700	10,667
11	92,795	92,795	....	599	3,367	4,209	101,270	11,598	700	10,692
18	101,719	96,220	5,499	286	3,825	3,105	109,619	11,598	700	10,698
25	100,787	97,607	3,180	73	3,300	4,041	108,750	11,598	700	10,698
Sept. 1	102,282	96,408	5,874	271	3,186	4,528	111,135	11,598	700	10,715
8	97,098	96,320	778	40	2,844	3,622	103,925	11,598	700	10,733
15	94,006	94,006	....	167	4,283	3,587	102,288	11,598	700	10,738
22	101,363	98,409	2,954	52	3,341	3,669	108,851	11,598	700	10,750
29	106,276	98,076	8,200	326	2,811	3,749	113,881	11,598	700	10,757
Oct. 6	94,152	92,262	1,890	56	3,808	3,874	102,270	11,598	800	10,775
13	104,330	99,169	5,161	54	4,020	3,629	112,550	11,598	1,200	10,783
20p	102,741	100,235	2,506	82	3,757	4,002	110,893	11,598	1,200	10,789
27p	101,026	99,426	1,600	569	2,372	3,719	107,912	11,598	1,200	10,804

1 Includes Federal agency issues held under repurchase agreements beginning Dec. 1, 1966, and Federal agency issues bought outright beginning Sept. 29, 1971.

2 Includes, beginning 1969, securities loaned—fully guaranteed by U.S. Govt. securities pledged with F.R. Banks—and excludes (if any) securities sold and scheduled to be bought back under matched sale–purchase transactions.

3 Includes acceptances. For holdings of acceptances on Wed. and end-of-month dates, see p. A-10.

4 Beginning July 1973, this item includes certain deposits of domestic nonmember banks and foreign-owned banking institutions held with member banks and redeposited in full with F.R. Banks in connection

Notes continued on opposite page.

MEMBER BANK RESERVES, FEDERAL RESERVE BANK CREDIT, AND RELATED ITEMS—Continued

(In millions of dollars)

Factors absorbing reserve funds									
Currency in circulation	Treasury cash holdings	Deposits, other than member bank reserves with F.R. Banks			Other F.R. liabilities and capital	Member bank reserves			Period or date
		Treasury	Foreign	Other [4]		With F.R. Banks	Currency and coin [5]	Total [6]	
									Averages of daily figures
53,591	656	1,194	146	458	2,192	23,071	4,960	28,031	1969—Dec.
57,013	427	849	145	735	2,265	23,925	5,340	29,265	1970—Dec.
61,060	453	1,926	290	728	2,287	25,653	5,676	31,329	1971—Dec.
66,060	350	1,449	272	631	2,362	24,830	6,095	31,353	1972—Dec.
71,646	323	1,892	406	717	2,942	28,352	6,635	35,068	1973—Dec.
78,951	220	1,741	357	874	3,266	29,767	7,174	36,941	1974—Dec.
82,215	387	4,940	271	632	3,208	27,254	7,313	34,567	1975—Oct.
83,740	415	4,333	297	649	3,276	27,215	7,356	34,571	Nov.
85,810	452	3,955	259	906	3,247	27,215	7,773	34,989	Dec.
84,625	496	5,903	287	916	3,225	26,995	8,445	35,575	1976—Jan.
84,002	527	8,811	280	716	3,231	26,168	7,646	33,953	Feb.
85,014	511	7,653	264	810	3,252	26,366	7,456	33,967	Mar.
86,565	524	5,211	254	815	3,203	26,345	7,568	34,063	Apr.
87,389	507	7,215	286	655	3,314	26,236	7,838	34,228	May
88,547	510	6,778	252	784	3,275	25,711	7,903	33,774	June
89,423	469	7,404	262	945	3,310	25,933	8,064	34,146	July
89,548	454	7,797	275	979	3,326	26,001	7,989	34,141	Aug.
89,863	442	8,270	249	1,071	3,315	25,708	8,113	33,979	Sept.
90,320	481	9,199	266	1,012	3,372	26,169	8,028	34,346	Oct.p
									Week ending—
89,226	443	7,623	288	1,023	3,398	26,351	8,190	34,691	1976—Aug. 4
89,759	439	5,416	224	934	3,136	25,088	8,324	33,562	11
89,897	436	6,067	352	909	3,253	26,311	7,946	34,408	18
89,484	432	10,135	240	943	3,394	26,111	7,556	33,818	25
89,273	423	10,126	259	1,245	3,538	25,884	8,017	34,052	Sept. 1
89,917	419	6,735	267	1,062	3,095	25,168	8,242	33,564	8
90,355	410	3,768	262	1,197	3,206	25,261	8,414	33,835	15
89,848	460	9,316	229	953	3,371	25,908	7,428	33,496	22
89,402	474	12,303	220	914	3,529	26,057	8,360	34,577	29
89,738	499	11,633	273	1,039	3,383	26,028	8,258	34,433	Oct. 6
90,633	500	7,811	237	1,020	3,212	25,180	8,466	33,800	13
90,544	491	8,399	291	1,010	3,318	27,135	7,429	34,710	20p
90,218	457	9,093	243	1,018	3,450	26,214	7,850	34,210	27p
									Daily figures for—
									End of month
89,494	412	10,795	254	962	3,716	24,782	8,017	32,950	Aug.
89,549	496	13,296	393	1,024	3,625	26,220	8,258	34,626	Sept.
90,371	446	10,238	362	953	3,615	26,374	8,277	34,806	Oct.p
									Wednesday
89,662	427	5,856	264	1,063	3,145	32,062	8,190	40,402	1976—Aug. 4
90,181	431	4,666	199	921	3,136	24,726	8,324	33,200	11
89,961	419	9,323	222	815	3,390	28,485	7,946	36,582	18
89,513	419	10,167	219	1,873	3,512	26,043	7,556	33,750	25
89,683	412	9,959	216	2,227	3,410	28,241	8,017	36,409	Sept. 1
90,590	416	3,421	292	967	3,123	28,148	8,242	36,544	8
90,349	414	5,684	327	1,112	3,283	24,155	8,414	32,729	15
89,785	466	10,841	230	877	3,363	26,337	7,428	33,925	22
89,690	504	12,212	245	920	3,649	29,716	8,360	38,236	29
90,427	499	7,496	252	898	3,030	22,842	8,258	31,247	Oct. 6
91,007	504	9,128	280	1,171	3,285	30,755	8,466	39,375	13
90,557	460	8,076	256	1,546	3,397	30,188	7,429	37,763	20p
90,508	450	9,448	251	954	3,482	26,421	7,850	34,417	27p

with voluntary participation by nonmember institutions in the F.R. System's program of credit restraint.

As of Dec. 12, 1974, the amount of voluntary nonmember bank and foreign-agency and branch deposits at F.R. Banks that are associated with marginal reserves are no longer reported. However, two amounts are reported: (1) deposits voluntarily held as reserves by agencies and branches of foreign banks operating in the United States; and (2) Euro-dollar liabilities.

[5] Part allowed as reserves Dec. 1, 1959—Nov. 23, 1960; all allowed thereafter. Beginning Jan. 1963, figures are estimated except weekly averages. Beginning Sept. 12, 1968, amount is based on close-of-business figures for reserve period 2 weeks previous to report date.

[6] Beginning with week ending Nov. 15, 1972, includes $450 million of reserve deficiencies on which F.R. Banks were allowed to waive penalties for transition period associated with bank adaptation to Regulation J, as amended effective Nov. 9, 1972. For 1973, allowable deficiencies included are (beginning with first statement week of quarter): Q1, $279 million; Q2, $172 million; Q3, $112 million; Q4, $84 million. For 1974, Q1, $67 million, Q2, $58 million. Transition period ended after 1974, Q2.

Beginning with week ending Nov. 19, 1975, adjusted to include waivers of penalties for reserve deficiencies in accordance with Board policy, effective Nov. 19, 1975, of permitting transitional relief on a graduated basis over a 24-month period when a nonmember bank merges into an existing member bank, or when a nonmember bank joins the Federal Reserve System.

For other notes see opposite page.

CURRENT RATES

(Per cent per annum)

Federal Reserve Bank	Loans to member banks									Loans to all others under last par. Sec. 13[4]		
	Under Secs. 13 and 13a[1]			Under Sec. 10(b)[2]								
				Regular rate			Special rate[3]					
	Rate on 10/31/76	Effective date	Previous rate	Rate on 10/31/76	Effective date	Previous rate	Rate on 10/31/76	Effective date[3]	Previous rate	Rate on 10/31/76	Effective date	Previous rate
Boston	5½	1/19/76	6	6	1/19/76	6½	6½	1/19/76	7	8½	1/19/76	9
New York	5½	1/19/76	6	6	1/19/76	6½	6½	1/19/76	7	8½	1/19/76	9
Philadelphia	5½	1/19/76	6	6	1/19/76	6½	6½	1/19/76	7	8½	1/19/76	9
Cleveland	5½	1/19/76	6	6	1/19/76	6½	6½	1/19/76	7	8½	1/19/76	9
Richmond	5½	1/19/76	6	6	1/19/76	6½	6½	1/19/76	7	8½	1/19/76	9
Atlanta	5½	1/19/76	6	6	1/19/76	6½	6½	1/19/76	7	8½	1/19/76	9
Chicago	5½	1/19/76	6	6	1/19/76	6½	6½	1/19/76	7	8½	1/19/76	9
St. Louis	5½	1/23/76	6	6	1/23/76	6½	6½	1/23/76	7	8½	1/23/76	9
Minneapolis	5½	1/19/76	6	6	1/19/76	6½	6½	1/19/76	7	8½	1/19/76	9
Kansas City	5½	1/19/76	6	6	1/19/76	6½	6½	1/19/76	7	8½	1/19/76	9
Dallas	5½	1/19/76	6	6	1/19/76	6½	6½	1/19/76	7	8½	1/19/76	9
San Francisco	5½	1/19/76	6	6	1/19/76	6½	6½	1/19/76	7	8½	1/19/76	9

1 Discounts of eligible paper and advances secured by such paper or by U.S. Govt. obligations or any other obligations eligible for F.R. Bank purchase.

2 Advances secured to the satisfaction of the F.R. Bank. Advances secured by mortgages on 1- to 4-family residential property are made at the Section 13 rate.

3 Applicable to special advances described in Section 201.2(e)(2) of Regulation A.

4 Advances to individuals, partnerships, or corporations other than member banks secured by direct obligations of, or obligations fully guaranteed as to principal and interest by, the U.S. Govt. or any agency thereof.

SUMMARY OF EARLIER CHANGES

(Per cent per annum)

Effective date	Range (or level)— All F.R. Banks	F.R. Bank of N.Y.
In effect Dec. 31, 1955	2½	2½
1956—Apr. 13	2½–3	2¾
20	2¾–3	2¾
Aug. 24	2¾–3	3
31	3	3
1957—Aug. 9	3 –3½	3
23	3½	3½
Nov. 15	3 –3½	3
Dec. 2	3	3
1958—Jan. 22	2¾–3	3
24	2¾–3	2¾
Mar. 7	2¼–3	2¼
13	2¼–2¾	2¼
21	2¼	2¼
Apr. 18	1¾–2¼	1¾
May 9	1¾	1¾
Aug. 15	1¾–2	1¾
Sept. 12	1¾–2	2
23	2	2
Oct. 24	2 –2½	2
Nov. 7	2½	2½
1959—Mar. 6	2½–3	3
16	3	3
May 29	3 –3½	3½
June 12	3½	3½
Sept. 11	3½–4	4
18	4	4
1960—June 3	3½–4	4
10	3½–4	3½
14	3½	3½
Aug. 12	3 –3½	3
Sept. 9	3	3
1963—July 17	3 –3½	3½
26	3½	3½
1964—Nov. 24	3½–4	4
30	4	4
1965—Dec. 6	4 –4½	4½
13	4½	4½
1967—Apr. 7	4 –4½	4
14	4	4
Nov. 20	4 –4½	4½
27	4½	4½
1968—Mar. 15	4½–5	4½
22	5	5
Apr. 19	5 –5½	5½
26	5½	5½
Aug. 16	5¼–5½	5½
30	5¼	5¼
Dec. 18	5¼–5½	5½
20	5½	5½
1969—Apr. 4	5½–6	6
8	6	6
1970—Nov. 11	5¾–6	6
13	5¾–6	5¾
16	5¾	5¾
Dec. 1	5½–5¾	5¾
4	5½–5¾	5½
11	5½	5½
1971—Jan. 8	5¼–5½	5¼
15	5¼	5¼
19	5 –5¼	5¼
22	5 –5¼	5
29	5	5
Feb. 13	4¾–5	5
19	4¾	4¾
July 16	4¾–5	5
23	5	5
1971—Nov. 11	4¾–5	5
19	4¾	4¾
Dec. 13	4½–4¾	4¾
17	4½–4¾	4½
24	4½	4½
1973—Jan. 15	5	5
Feb. 26	5 –5½	5½
Mar. 2	5½	5½
Apr. 23	5½–5¾	5½
May 4	5¾	5¾
11	5¾–6	6
18	6	6
June 11	6 –6½	6½
15	6½	6½
July 2	7	7
Aug. 14	7 –7½	7½
23	7½	7½
1974—Apr. 25	7½–8	8
30	8	8
Dec. 9	7¾–8	7¾
16	7¾	7¾
1975—Jan. 6	7¼–7¾	7¾
10	7¼–7¾	7¼
24	7¼	7¼
Feb. 5	6¾–7¼	6¾
7	6¾	6¾
Mar. 10	6¼–6¾	6¼
14	6¼	6¼
May 16	6 –6¼	6
23	6	6
1976—Jan. 19	5½–6	5½
23	5½	5½
In effect, Oct. 31, 1976	5½	5½

NOTE.—Rates under Secs. 13 and 13a (as described in table and notes above). For description and earlier data, see Section 12 of *Banking and Monetary Statistics, 1914–41*, and *Banking and Monetary Statistics, 1941–1970*.

RESERVE REQUIREMENTS ON DEPOSITS OF MEMBER BANKS

(Deposit intervals are in millions of dollars. Requirements are in per cent of deposits.)

Effective date [1]	Net demand [2]: Reserve city 0–5	Net demand [2]: Reserve city Over 5	Net demand [2]: Other 0–5	Net demand [2]: Other Over 5	Time [3] (all classes of banks): Savings	Time [3]: Other time 0–5	Time [3]: Other time Over 5
In effect Jan. 1, 1963	16½		12		4		
1966—July 14, 21	...	...	...	...	4	4	5
Sept. 8, 15	...	...	...	...	...	...	6
1967—Mar. 2	...	...	...	...	3½	3½	...
Mar. 16	...	...	...	...	3	3	...
1968—Jan. 11, 18	16½	17	12	12½	...	...	...
1969—Apr. 17	17	17½	12½	13	...	...	...
1970—Oct. 1	...	...	...	...	...	...	5

Beginning Nov. 9, 1972

Effective date	Net demand [2,4]: 0–2	2–10	10–100	100–400	Over 400	Time [3]: Savings *	Other time: 0–5, maturing in—30–179 days	0–5: 180 days to 4 years	0–5: 4 years or more	Over 5 [5], maturing in—30–179 days	Over 5: 180 days to 4 years	Over 5: 4 years or more
1972—Nov. 9	8	10	12	[6] 16½	17½	[7] 3	[7] 3			[7] 5		
Nov. 16	...	...	...	13	...	...	...			...		
1973—July 19	...	10½	12½	13½	18	...	...			...		
1974—Dec. 12	...	...	...	...	17½	...	...			6	3	
1975—Feb. 13	7½	10	12	13	16½	...	...			...	...	
Oct. 30	...	...	...	...	...	...	3		[8] 1	...	3	[8] 1
1976—Jan. 8	...	...	...	...	...	...	3	[8] 2½	...	...	[8] 2½	...
In effect Oct. 31, 1976	7½	10	12	13	16½	3	3	[8] 2½	[8] 1	6	[8] 2½	[8] 1

Present legal limits:	Minimum	Maximum
Net demand deposits, reserve city banks	10	22
Net demand deposits, other banks	7	14
Time deposits	3	10

[1] When two dates are shown, the first applies to the change at reserve city banks and the second to the change at country banks. For changes prior to 1963 see Board's *Annual Reports*.

[2] (a) Demand deposits subject to reserve requirements are gross demand deposits minus cash items in process of collection and demand balances due from domestic banks.

(b) Requirement schedules are graduated, and each deposit interval applies to that part of the deposits of each bank.

(c) Since Oct. 16, 1969, member banks have been required under Regulation M to maintain reserves against foreign branch deposits computed on the basis of net balances due from domestic offices to their foreign branches and against foreign branch loans to U.S. residents. Since June 21, 1973, loans aggregating $100,000 or less to any U.S. resident have been excluded from computations, as have total loans of a bank to U.S. residents if not exceeding $1 million. Regulation D imposes a similar reserve requirement on borrowings from foreign banks by domestic offices of a member bank. The reserve percentage applicable to each of these classifications is 4 per cent. The requirement was 10 per cent originally, was increased to 20 per cent on Jan. 7, 1971, was reduced to 8 per cent effective June 21, 1973, and was reduced to the current 4 per cent effective May 22, 1975. Initially certain base amounts were exempted in the computation of the requirements, but effective Mar. 14, 1974, the last of these reserve-free bases were eliminated. For details, see Regulations D and M.

[3] Effective Jan. 5, 1967, time deposits such as Christmas and vacation club accounts became subject to same requirements as savings deposits. Beginning Nov. 10, 1975, profitmaking businesses may maintain savings deposits of $150,000 or less at member banks. For details of 1975 action, see Regulations D and Q.

Notes 2(b) and 2(c) above are also relevant to time deposits.

[4] Effective Nov. 9, 1972, a new criterion was adopted to designate reserve cities, and on the same date requirements for reserves against net demand deposits of member banks were restructured to provide that each member bank will maintain reserves related to the size of its net demand deposits. The new reserve city designations are as follows: A bank having net demand deposits of more than $400 million is considered to have the character of business of a reserve city bank, and the presence of the head office of such a bank constitutes designation of that place as a reserve city. Cities in which there are F.R. Banks or branches are also reserve cities. Any banks having net demand deposits of $400 million or less are considered to have the character of business of banks outside of reserve cities and are permitted to maintain reserves at ratios set for banks not in reserve cities. For details, see Regulation D and appropriate supplements and amendments.

[5] A marginal reserve requirement was in effect between June 21, 1973, and Dec. 11, 1974, against increases in the aggregate of the following types of obligations: (a) outstanding time deposits of $100,000 or more, (b) outstanding funds obtained by the bank through issuance by a bank's affiliate of obligations subject to existing reserve requirements on time deposits, and (c) beginning July 12, 1973, funds from sales of finance bills. The requirement applied to balances above a specified base, but was not applicable to banks having obligations of these types aggregating less than $10 million. For details, including percentages and maturity classifications, see "Announcements" in BULLETINS for May, July, Sept., and Dec. 1973 and Sept. and Nov. 1974.

[6] The 16½ per cent requirement applied for one week, only to former reserve city banks. For other banks, the 13 per cent requirement was continued in this deposit interval.

[7] See columns above for earliest effective date of this rate.

[8] The average of reserves on savings and other time deposits must be at least 3 per cent, the minimum specified by law. For details, see Regulation D.

* Negotiable orders of withdrawal (NOW) accounts are subject to the same reserve requirements as savings deposits.

NOTE.—Required reserves must be held in the form of deposits with F.R. Banks or vault cash.

MAXIMUM INTEREST RATES PAYABLE ON TIME AND SAVINGS DEPOSITS

(Per cent per annum)

Rates July 20, 1966—June 30, 1973

Type and size of deposit	Effective date: July 20, 1966	Sept. 26, 1966	Apr. 19, 1968	Jan. 21, 1970
Savings deposits	4	4	4	4½
Other time deposits:[1]				
Multiple maturity:[2]				
30–89 days	4	4	4	4½
90 days to 1 year				5
1–2 years	5	5	5	5½
2 years or more				5¾
Single-maturity:				
Less than $100,000:				
30 days to 1 year				5
1–2 years	5½	5	5	5½
2 years or more				5¾
$100,000 or more:				
30–59 days			5½	(3)
60–89 days			5¾	(3)
90–179 days	5½	5½	6	(3)
180 days to 1 year			6¼	(3)
1 year or more				(3)

Rates beginning July 1, 1973

Type and size of deposit	Effective date: July 1, 1973	Nov. 1, 1973	Nov. 27, 1974	Dec. 23, 1974
Savings deposits	5	5	5	5
Other time deposits (multiple- and single-maturity):[1, 2]				
Less than $100,000:				
30–89 days	5	5	5	5
90 days to 1 year	5½	5½	5½	5½
1–2½ years	6	6	6	6
2½ years or more	6½	6½	6½	6½
Minimum denomination of $1,000:[4]				
4–6 years	(5)	7¼	7¼	7¼
6 years or more				7½
Governmental units	(6)	(6)	7½	7¾
$100,000 or more	(3)	(3)	(3)	(3)

1 For exceptions with respect to certain foreign time deposits, see BULLETIN for Feb. 1968, p. 167.

2 Multiple-maturity time deposits include deposits that are automatically renewable at maturity without action by the depositor and deposits that are payable after written notice of withdrawal.

3 Maximum rates on all single-maturity time deposits in denominations of $100,000 or more have been suspended. Rates that were effective Jan. 21, 1970, and the dates when they were suspended are:

30–59 days	6¼ per cent	June 24, 1970
60–89 days	6½ per cent	
90–179 days	6¾ per cent	May 16, 1973
180 days to 1 year	7 per cent	
1 year or more	7½ per cent	

Rates on multiple-maturity time deposits in denominations of $100,000 or more were suspended July 16, 1973, when the distinction between single- and multiple-maturity deposits was eliminated.

4 Effective Dec. 4, 1975, the $1,000 minimum denomination does not apply to time deposits representing funds contributed to an Individual Retirement Account established pursuant to 26 U.S.C. (I.R.C. 1954) §408.

5 Between July 1 and Oct. 31, 1973, there was no ceiling for certificates maturing in 4 years or more with minimum denominations of $1,000. The amount of such certificates that a bank could issue was limited to 5 per cent of its total time and savings deposits. Sales in excess of that amount were subject to the 6½ per cent ceiling that applies to time deposits maturing in 2½ years or more.

Effective Nov. 1, 1973, a ceiling rate of 7¼ per cent was imposed on certificates maturing in 4 years or more with minimum denominations of $1,000. There is no limitation on the amount of these certificates that banks may issue.

6 Prior to Nov. 27, 1974, no distinction was made between the time deposits of governmental units and of other holders, insofar as Regulation Q ceilings on rates payable were concerned. Effective Nov. 27, 1974, governmental units were permitted to hold savings deposits and could receive interest rates on time deposits with denominations under $100,000 irrespective of maturity, as high as the maximum rate permitted on such deposits at any Federally insured depositary institution.

NOTE.—Maximum rates that may be paid by member banks are established by the Board of Governors under provisions of Regulation Q; however, a member bank may not pay a rate in excess of the maximum rate payable by State banks or trust companies on like deposits under the laws of the State in which the member bank is located. Beginning Feb. 1, 1936, maximum rates that may be paid by nonmember insured commercial banks, as established by the FDIC, have been the same as those in effect for member banks.

For previous changes, see earlier issues of the BULLETIN.

MARGIN REQUIREMENTS

(Per cent of market value)

Period: Beginning date	Ending date	For credit extended under Regulations T (brokers and dealers), U (banks), and G (others than brokers, dealers, or banks): On margin stocks T	U	G	On convertible bonds T	U	G	On short sales (T)
1937—Nov. 1	1945—Feb. 4	40						50
1945—Feb. 5	July 4	50						50
July 5	1946—Jan. 20	75						75
1946—Jan. 21	1947—Jan. 31	100						100
1947—Feb. 1	1949—Mar. 29	75						75
1949—Mar. 30	1951—Jan. 16	50						50
1951—Jan. 17	1953—Feb. 19	75						75
1953—Feb. 20	1955—Jan. 3	50						50
1955—Jan. 4	Apr. 22	60						60
Apr. 23	1958—Jan. 15	70						70
1958—Jan. 16	Aug. 4	50						50
Aug. 5	Oct. 15	70						70
Oct. 16	1960—July 27	90						90
1960—July 28	1962—July 9	70						70
1962—July 10	1963—Nov. 5	50						50
1963—Nov. 6	1968—Mar. 10	70						70
1968—Mar. 11	June 7		70			50		70
June 8	1970—May 5		80			60		80
1970—May 6	1971—Dec. 3		65			50		65
1971—Dec. 6	1972—Nov. 22		55			50		55
1972—Nov. 24	1974—Jan. 2		65			50		65
Effective Jan. 3, 1974			50			50		50

NOTE.—Regulations G, T, and U, prescribed in accordance with the Securities Exchange Act of 1934, limit the amount of credit to purchase and carry margin stocks that may be extended on securities as collateral by prescribing a maximum loan value, which is a specified percentage of the market value of the collateral at the time the credit is extended; margin requirements are the difference between the market value (100 per cent) and the maximum loan value. The term margin stocks is defined in the corresponding regulation.

Regulation G and special margin requirements for bonds convertible into stocks were adopted by the Board of Governors effective Mar. 11, 1968.

TRANSACTIONS OF THE SYSTEM OPEN MARKET ACCOUNT

(In millions of dollars)

Period	Outright transactions in U.S. Govt. securities, by maturity (excluding matched sale–purchase transactions)														
	Treasury bills[1]			Others within 1 year[2]			1–5 years			5–10 years			Over 10 years		
	Gross purchases	Gross sales	Redemptions	Gross purchases	Gross sales	Exch., maturity shifts, or redemptions	Gross purchases	Gross sales	Exch. or maturity shifts	Gross purchases	Gross sales	Exch. or maturity shifts	Gross purchases	Gross sales	Exch. or maturity shifts
1970	11,074	5,214	2,160	99	......	−3,483	848	......	5,430	249	......	−1,845	93	......	−102
1971	8,896	3,642	1,064	1,036	......	−6,462	1,338	......	4,672	933	......	685	311	......	150
1972	8,522	6,467	2,545	125	......	2,933	789	......	−1,405	539	......	−2,094	167	......	250
1973	15,517	4,880	3,405	1,396	......	−140	579	......	−2,028	500	......	895	129	......	87
1974	11,660	5,830	4,550	450	......	−1,314	797	......	−697	434	......	1,675	196	......	205
1975	11,562	5,599	6,431	3,886	......	−3,553	2,863	......	4,275	1,510	......	−4,697	1,070	......	848
1975—Sept.	2,118	......	200	....	......	278	562	......	−278	137	......	....	124	......	....
Oct.	1,263	766	400	....	......	48	....	......	−48	....	......	....	....	......	....
Nov.	983	652	919	43	......	−265	267	......	−135	155	......	300	244	......	100
Dec.	1,984	......	200	31	......	28	118	......	−28	78	......	....	71	......	....
1976—Jan.	243	1,239	600	37	......	....	110	......	....	100	......	....	73	......	....
Feb.	1,664	......	389	40	......	−1,153	177	......	174	63	......	968	59	......	200
Mar.	1,069	511	600	38	......	349	185	107	−349	63	......	....	24	......	....
Apr.	2,869	1,355	1,000	27	......	72	249	70	−72	51	......	....	38	......	....
May	1,335	1,224	403	....	......	2,602	....	......	−3,105	....	......	418	....	......	85
June	2,719	524	350	83	......	449	617	......	449	195	......	....	96	......	....
July	279	1,413	875	....	......	59	....	......	59	....	......	....	....	......	....
Aug.	1,100	......	....	42	......	−1,525	301	......	−79	72	......	1,354	65	......	250
Sept.	1,125	171	....	129	......	−285	580	......	285	272	......	....	95	......	....

Period	Total outright[1]			Matched sale–purchase transactions (U.S. Govt. securities)		Repurchase agreements (U.S. Govt. securities)		Net change in U.S. Govt. securities	Federal agency obligations			Bankers acceptances, net		Net change[3]
									Outright		Repurchase agreements, net			
	Gross purchases	Gross sales	Redemptions	Gross sales	Gross purchases	Gross purchases	Gross sales		Gross purchases	Sales or redemptions		Outright	Repurchase agreements	
1970	12,362	5,214	2,160	12,177	12,177	33,859	33,859	4,988	....	....	....	−6	....	4,982
1971	12,515	3,642	2,019	16,205	16,205	44,741	43,519	8,076	485	....	101	22	181	8,866
1972	10,142	6,467	2,862	23,319	23,319	31,103	32,228	−312	1,197	370	−88	−9	−145	272
1973	18,121	4,880	4,592	45,780	45,780	74,755	74,795	8,610	865	239	29	−2	−36	9,227
1974	13,537	5,830	4,682	64,229	62,801	71,333	70,947	1,984	3,087	322	469	511	420	6,149
1975	20,892	5,599	9,559	151,205	152,132	140,311	139,538	7,434	1,616	246	−392	163	−35	8,539
1975—Sept.	2,940	....	200	19,931	19,835	16,664	14,857	4,451	394	1	203	14	94	5,155
Oct.	1,263	766	400	15,886	16,113	13,699	13,838	186	284	....	−124	49	50	445
Nov.	1,693	652	919	14,442	15,207	14,342	17,275	−2,047	....	1	−169	−21	−300	−2,537
Dec.	2,281	....	200	10,559	10,058	8,464	7,247	2,797	....	....	118	15	385	3,315
1976—Jan.	563	1,239	600	11,407	11,503	18,135	14,919	2,037	239	....	187	5	98	2,567
Feb.	2,003	....	200	7,551	7,957	17,753	20,943	−982	297	1	−236	−70	−109	−1,101
Mar.	1,380	618	600	12,697	12,082	16,000	14,783	763	....	....	217	−138	−31	812
Apr.	3,233	1,425	1,000	15,138	14,899	17,456	15,963	2,061	....	....	−155	−50	162	2,019
May	1,335	1,224	403	12,417	12,355	20,355	21,203	−1,202	240	20	22	−51	−69	−1,080
June	3,709	524	350	20,973	21,205	14,409	13,643	3,834	....	22	123	−78	229	4,086
July	279	1,413	875	10,522	10,468	12,947	14,657	−3,773	....	....	−231	−31	−339	−4,375
Aug.	1,579	....	....	16,389	16,180	26,641	24,655	3,357	....	27	95	−68	220	3,577
Sept.	2,202	171	....	19,828	19,563	24,108	23,477	2,397	....	22	182	−55	85	2,587

[1] Before Nov. 1973 BULLETIN, included matched sale–purchase transactions, which are now shown separately.

[2] Includes special certificates acquired when the Treasury borrows directly from the Federal Reserve, as follows (millions of dollars): June 1971, 955; Sept. 1972, 38; Aug. 1973, 351; Sept. 1973, 836; Nov. 1974, 131; Mar. 1975, 1,560; Aug. 1975, 1,989.

[3] Net change in U.S. Govt. securities, Federal agency obligations, and bankers acceptances.

NOTE.—Sales, redemptions, and negative figures reduce System holdings; all other figures increase such holdings. Details may not add to totals because of rounding.

CONSOLIDATED STATEMENT OF CONDITION OF ALL FEDERAL RESERVE BANKS

(In millions of dollars)

Item	Wednesday 1976 Oct. 27	Oct. 20	Oct. 13	Oct. 6	Sept. 29	End of month 1976 Oct. 31	Sept. 30	1975 Oct. 31
Assets								
Gold certificate account	11,598	11,598	11,598	11,598	11,598	11,598	11,598	11,599
Special Drawing Rights certificate account	1,200	1,200	1,200	800	700	1,200	800	500
Cash	374	370	368	365	365	381	370	398
Loans:								
Member bank borrowings	569	82	54	56	326	45	322	73
Other	....	....	....	....	....	....	....	....
Acceptances:								
Bought outright	196	199	200	199	212	197	207	747
Held under repurchase agreements	30	112	317	181	507	140	631	300
Federal agency obligations:								
Bought outright	6,757	6,757	6,757	6,757	6,757	6,757	6,757	6,073
Held under repurchase agreements	51	110	293	83	295	79	323	169
U.S. Govt. securities:								
Bought outright:								
Bills	39,266	40,075	39,009	32,102	38,372	39,875	38,245	35,747
Certificates—Special	....	....	....	....	....	....	....	....
Other	....	....	....	....	....	....	....	....
Notes	46,897	46,897	46,897	46,897	46,482	46,897	46,897	43,400
Bonds	6,506	6,506	6,506	6,506	6,465	6,506	6,506	5,104
Total bought outright[1]	92,669	93,478	92,412	85,505	91,319	93,278	91,648	84,251
Held under repurchase agreements	1,549	2,396	4,868	1,807	7,905	2,561	4,779	2,933
Total U.S. Govt. securities	94,218	95,874	97,280	87,312	99,224	95,839	96,427	87,184
Total loans and securities	101,821	103,134	104,901	94,588	107,321	103,057	104,667	94,546
Cash items in process of collection	[p]7,507	[p]9,448	10,498	9,416	8,081	[p]6,643	7,768	5,595
Bank premises	358	359	357	356	354	358	354	313
Operating equipment	26	26	27	27	26	26	26	11
Other assets:								
Denominated in foreign currencies	395	390	388	739	638	401	738	413
All other	2,940	3,227	2,857	2,752	2,731	2,985	2,682	3,202
Total assets	[p]126,219	[p]129,752	132,194	120,641	131,814	[p]126,649	129,003	116,577
Liabilities								
F.R. notes	80,528	80,598	81,097	80,509	79,802	80,389	79,674	73,063
Deposits:								
Member bank reserves	[p]26,421	[p]30,188	30,755	22,842	29,716	[p]26,374	26,220	26,140
U.S. Treasury—General account	9,448	8,076	9,128	7,496	12,212	10,238	13,296	8,517
Foreign	251	256	280	252	245	362	393	297
Other:								
All other [2]	954	1,546	1,171	898	920	953	1,024	594
Total deposits	[p]37,074	[p]40,066	41,334	31,488	43,093	[p]37,927	40,933	35,548
Deferred availability cash items	5,135	5,691	6,478	5,608	5,270	4,718	4,771	4,468
Other liabilities and accrued dividends	1,094	1,126	1,134	990	1,248	1,165	1,205	1,163
Total liabilities	[p]123,831	[p]127,481	130,043	118,595	129,413	[p]124,199	126,583	114,242
Capital accounts								
Capital paid in	973	974	966	966	965	974	965	917
Surplus	929	929	928	929	929	929	929	897
Other capital accounts	486	368	257	151	507	547	526	521
Total liabilities and capital accounts	[p]126,219	[p]129,752	132,194	120,641	131,814	[p]126,649	129,003	116,577
Marketable U.S. Govt. securities held in custody for foreign and international accounts	49,748	49,996	49,420	50,037	49,219	[p]49,790	49,690	42,399

Federal Reserve Notes—Federal Reserve Agents' Accounts

Item	Oct. 27	Oct. 20	Oct. 13	Oct. 6	Sept. 29	Oct. 31	Sept. 30	Oct. 31
F.R. notes outstanding (issued to Bank)	85,815	85,829	85,786	85,556	85,571	85,907	85,526	78,659
Collateral held against notes outstanding:								
Gold certificate account	11,596	11,595	11,596	11,596	11,595	11,595	11,595	11,596
Special Drawing Rights certificate account	619	600	600	435	394	619	421	302
Acceptances	....	....	....	....	....	....	....	....
U.S. Govt. securities	75,680	75,635	75,635	75,235	75,230	75,680	75,230	69,410
Total collateral	87,895	87,830	87,831	87,266	87,219	87,894	87,246	81,308

[1] See note 2 on p. A-2.
[2] See note 4 on p. A-2.

MATURITY DISTRIBUTION OF LOANS AND U.S. GOVERNMENT SECURITIES HELD BY FEDERAL RESERVE BANKS

(In millions of dollars)

Item	Wednesday					End of month		
	1976					1976		1975
	Oct. 27	Oct. 20	Oct. 13	Oct. 6	Sept. 29	Oct. 31	Sept. 30	Oct. 31
Loans—Total	569	82	55	55	324	45	323	73
Within 15 days	555	71	37	35	311	31	299	46
16–90 days	14	11	18	20	13	14	24	27
91 days to 1 year	....	....	....	....	....	....	....	....
Acceptances—Total	226	311	517	380	719	337	838	1,047
Within 15 days	57	139	358	236	569	170	691	421
16–90 days	103	102	98	98	109	99	105	294
91 days to 1 year	66	70	61	46	41	68	42	332
U.S. Govt. securities—Total	94,218	95,874	97,280	87,312	99,224	95,839	96,427	87,184
Within 15 days[1]	4,036	7,380	9,868	4,663	12,142	5,831	6,688	6,148
16–90 days	18,710	17,307	17,406	11,991	17,066	18,395	17,269	18,235
91 days to 1 year	26,866	26,581	25,400	26,052	26,061	27,007	27,864	23,190
1–5 years	29,559	29,559	29,559	29,559	29,034	29,559	29,559	30,051
5–10 years	9,981	9,981	9,981	9,981	9,896	9,981	9,981	5,893
Over 10 years	5,066	5,066	5,066	5,066	5,025	5,066	5,066	3,667
Federal agency obligations—Total	6,808	6,867	7,050	6,840	7,052	6,836	7,080	6,242
Within 15 days[1]	72	131	335	124	327	100	355	207
16–90 days	374	362	382	383	383	374	383	216
91 days to 1 year	1,021	1,033	958	958	967	1,021	967	657
1–5 years	3,234	3,234	3,267	3,267	3,267	3,234	3,267	3,282
5–10 years	1,406	1,406	1,415	1,415	1,415	1,406	1,415	1,284
Over 10 years	701	701	693	693	693	701	693	596

[1] Holdings under repurchase agreements are classified as maturing within 15 days in accordance with maximum maturity of the agreements.

BANK DEBITS AND DEPOSIT TURNOVER

(Seasonally adjusted annual rates)

Period	Debits to demand deposit accounts[1] (billions of dollars)					Turnover of demand deposits				
	Total 233 SMSA's	Leading SMSA's		Total 232 SMSA's (excl. N.Y.)	226 other SMSA's	Total 233 SMSA's	Leading SMSA's		Total 232 SMSA's (excl. N.Y.)	226 other SMSA's
		N.Y.	6 others[2]				N.Y.	6 others[2]		
1975—Sept.	23,181.9	10,585.0	5,153.0	12,596.9	7,443.8	128.8	330.7	123.8	85.1	70.0
Oct.	24,137.1	11,801.5	4,921.3	12,335.6	7,414.3	134.0	364.0	118.7	83.5	69.8
Nov.	24,067.7	11,529.9	4,937.3	12,537.8	7,600.5	134.0	360.8	119.5	84.9	71.5
Dec.	23,565.1	10,970.9	4,932.5	12,594.2	7,661.8	131.0	351.8	118.4	84.7	71.6
1976—Jan.	23,845.0	11,517.7	4,789.0	12,327.3	7,538.3	132.4	366.0	115.4	82.9	70.3
Feb.	25,528.4	12,212.0	5,324.6	13,316.4	7,991.8	140.9	375.4	128.1	89.6	74.6
Mar.	26,474.4	12,629.6	5,560.9	13,844.8	8,283.9	144.6	377.5	131.4	92.5	77.2
Apr.	25,792.8	12,482.8	5,302.4	13,310.0	8,007.7	140.3	374.9	124.6	88.4	74.2
May	25,490.9	12,179.0	5,327.1	13,311.9	7,984.7	139.3	380.2	126.9	88.2	73.3
June	26,625.6	12,844.3	5,561.2	13,781.3	8,220.1	145.0	400.8	131.9	90.9	75.1
July	27,102.3	13,354.2	5,497.7	13,748.1	8,250.4	145.9	405.0	128.7	89.9	74.9
Aug.	r27,875.0	13,221.1	5,935.8	r14,653.9	r8,718.1	r148.6	400.6	138.2	r94.8	r78.1
Sept.	27,246.6	12,727.9	5,856.0	14,518.8	8,662.8	145.8	393.7	136.1	94.0	77.7

[1] Excludes interbank and U.S. Govt. demand deposit accounts.
[2] Boston, Philadelphia, Chicago, Detroit, San Francisco–Oakland, and Los Angeles–Long Beach.

NOTE.—Total SMSA's include some cities and counties not designated as SMSA's.
For back data see pp. 634–35 of the July 1972 BULLETIN.

MEASURES OF THE MONEY STOCK

(In billions of dollars)

Period	Seasonally adjusted					Not seasonally adjusted				
	M_1	M_2	M_3	M_4	M_5	M_1	M_2	M_3	M_4	M_5
	Composition of measures is described in the NOTE *below.*									
1973—Dec.	270.5	571.4	919.5	634.9	982.9	278.3	576.5	921.8	640.5	985.8
1974—Dec.	283.1	612.4	981.6	702.2	1,071.4	291.3	617.5	983.8	708.0	1,074.3
1975—Sept.	293.6	652.9	1,068.1	731.9	1,147.1	291.7	649.5	1,062.8	732.2	1,145.5
Oct.	293.4	655.8	1,075.8	736.7	1,156.6	292.3	653.2	1,070.4	736.9	1,154.1
Nov.	295.6	662.1	1,086.5	743.9	1,168.3	297.4	660.2	1,080.6	743.0	1,163.5
Dec.	294.8	664.3	1,092.9	747.2	1,175.8	303.2	669.3	1,094.6	752.8	1,178.1
1976—Jan.	295.1	670.0	1,103.5	749.2	1,182.7	301.0	675.0	1,106.9	753.5	1,185.4
Feb.	296.6	677.9	1,116.7	753.3	1,192.1	292.9	674.8	1,112.8	747.8	1,185.8
Mar.	298.1	682.6	1,126.5	755.7	1,199.7	295.3	682.5	1,128.2	754.2	1,199.9
Apr.	301.8	690.8	1,140.0	762.2	1,211.5	303.5	695.5	1,148.2	764.9	1,217.6
May	303.5	695.7	1,150.0	763.9	1,218.2	298.5	694.1	1,150.8	761.5	1,218.2
June	303.2	698.5	1,157.4	769.1	1,228.0	302.5	699.8	1,162.3	768.9	1,231.4
July	304.9	705.4	1,169.9	774.9	1,239.4	305.2	705.8	1,173.8	774.6	1,242.6
Aug.	306.4	710.8	1,182.3	775.1	1,246.7	303.1	707.4	1,178.7	773.6	1,245.0
Sept.	306.3	716.4	1,195.4	778.8	1,257.8	304.4	712.8	1,189.2	778.1	1,254.5

NOTE.—Composition of the money stock measures is as follows:

M_1: Averages of daily figures for (1) demand deposits of commercial banks other than domestic interbank and U.S. Govt., less cash items in process of collection and F.R. float; (2) foreign demand balances at F.R. Banks; and (3) currency outside the Treasury, F.R. Banks, and vaults of commercial banks.

M_2: Averages of daily figures for M_1 plus savings deposits, time deposits open account, and time certificates of deposit other than negotiable CD's of $100,000 of large weekly reporting banks.

M_3: M_2 plus the average of the beginning and end-of-month deposits of mutual savings banks, savings and loan shares, and credit union shares (nonbank thrift).

M_4: M_2 plus large negotiable CD's.

M_5: M_3 plus large negotiable CD's.

For a description of the latest revisions in M_1, M_2, M_3, M_4, and M_5, see "Revision of Money Stock Measures" on pp. 82–87 of the Feb. 1976 BULLETIN. Beginning Jan. 1976, money stock measures and related data have been revised to incorporate benchmark data from the Mar. 31, 1976, call report.

Latest monthly and weekly figures are available from the Board's H.6 release. Back data are available from the Banking Section, Division of Research and Statistics.

COMPONENTS OF MONEY STOCK MEASURES AND RELATED ITEMS

(In billions of dollars)

Period	Seasonally adjusted						Not seasonally adjusted								
		Commercial banks						Commercial banks							
	Currency	Demand deposits	Time and savings deposits			Nonbank thrift institutions[2]	Currency	Demand deposits			Time and savings deposits			Nonbank thrift institutions[2]	U.S. Govt. deposits[5]
			CD's[1]	Other	Total			Member	Domestic nonmember[3]	Total[4]	CD's[1]	Other	Total		
1973—Dec.	61.5	209.0	63.5	300.9	364.4	348.0	62.7	156.5	56.3	215.7	64.0	298.2	362.2	345.3	6.3
1974—Dec.	67.8	215.3	89.8	329.3	419.1	369.2	69.0	159.7	58.5	222.2	90.5	326.3	416.7	366.3	4.9
1975—Sept.	72.0	221.6	79.1	359.2	438.3	415.2	71.9	157.0	59.7	219.9	82.7	357.7	440.4	413.3	3.9
Oct.	72.6	220.8	80.9	362.4	443.3	420.0	72.5	156.6	60.3	219.9	83.7	360.8	444.5	417.2	3.4
Nov.	73.4	222.1	81.8	366.5	448.3	424.4	73.9	159.0	61.4	223.5	82.9	362.8	445.6	420.4	3.5
Dec.	73.7	221.0	82.9	369.6	452.4	428.6	75.1	162.1	62.6	228.1	83.5	366.2	449.6	425.3	4.1
1976—Jan.	74.2	220.9	79.2	374.9	454.1	433.5	73.7	162.0	62.1	227.3	78.5	374.0	452.5	431.9	3.8
Feb.	75.0	221.6	75.4	381.3	456.7	438.8	74.1	155.8	59.9	218.9	73.0	381.9	454.9	433.0	4.6
Mar.	75.7	222.4	73.2	384.4	457.6	444.0	75.1	156.9	60.3	220.2	71.8	387.2	458.9	445.7	3.9
Apr.	76.7	225.2	71.5	388.9	460.4	449.3	76.2	161.9	62.3	227.2	69.4	392.1	461.5	452.6	3.9
May	77.3	226.2	68.2	392.2	460.4	454.3	77.1	157.2	61.0	221.4	67.4	395.6	462.9	456.7	3.8
June	77.6	225.6	70.6	395.3	465.9	458.9	77.8	159.3	62.3	224.7	69.1	397.3	466.4	462.5	4.8
July	78.1	226.8	69.6	400.4	470.0	464.5	78.7	160.2	62.8	226.5	68.9	400.6	469.4	468.0	3.4
Aug.	78.6	227.8	64.4	404.4	468.7	471.6	78.9	158.5	62.4	224.3	66.3	404.2	470.5	471.3	3.6
Sept.	79.1	227.2	62.4	410.1	472.5	479.0	79.0	159.1	63.2	225.4	65.3	408.4	473.7	476.4	4.9

1 Negotiable time certificates of deposit issued in denominations of $100,000 or more by large weekly reporting commercial banks.

2 Average of the beginning and end-of-month figures for deposits of mutual savings banks, for savings capital at savings and loan associations, and for credit union shares.

3 Based on most recent call report single-day observations.

4 Total deposits include, in addition to the member and domestic nonmember deposits shown, deposits due to foreign and international institutions at F. R. Banks and M_1 type balances at agencies and branches of foreign banks.

5 At all commercial banks.

See also NOTE above.

AGGREGATE RESERVES AND MEMBER BANK DEPOSITS

(In billions of dollars)

Period	Member bank reserves, S.A.[1]			Deposits subject to reserve requirements[2]								Total member bank deposits plus nondeposit items[3]	
				S.A.				N.S.A.					
	Total	Non-borrowed	Required	Total	Time and savings	Demand: Private	Demand: U.S. Govt.	Total	Time and savings	Demand: Private	Demand: U.S. Govt.	S.A.	N.S.A.
1973—Dec.	34.98	33.69	34.68	442.8	279.7	158.1	5.0	447.5	278.5	164.0	5.0	449.4	454.0
1974—Dec.[1]	36.63	35.90	36.37	486.9	322.9	160.6	3.4	491.8	321.7	166.6	3.5	495.3	500.1
1975—Sept.	34.99	34.59	34.80	498.4	329.8	165.6	3.0	499.1	332.2	164.0	2.9	505.5	506.1
Oct.[1]	34.79	34.60	34.58	500.1	333.1	164.0	3.0	500.4	334.7	163.3	2.5	508.0	508.3
Nov.	34.73	34.67	34.44	505.9	336.1	165.9	3.9	503.6	334.3	166.7	2.6	514.1	511.9
Dec.	34.75	34.62	34.49	506.0	338.7	164.4	3.0	510.9	337.2	170.7	3.1	515.4	519.3
1976—Jan.[1]	34.32	34.24	34.08	506.2	338.9	164.7	2.6	511.1	337.9	170.3	2.9	514.1	519.0
Feb.	34.05	33.97	33.83	507.6	339.5	165.5	2.6	504.2	337.5	163.4	3.4	515.6	512.2
Mar.	34.00	33.95	33.78	507.8	339.4	165.8	2.5	506.4	339.6	163.9	2.9	516.0	514.7
Apr.	34.02	33.98	33.87	509.8	340.2	167.2	2.5	511.9	340.2	168.8	2.9	517.3	519.4
May	34.14	34.02	33.93	507.8	338.3	167.2	2.3	506.0	339.9	163.4	2.8	515.3	513.6
June	34.34	34.21	34.12	513.9	342.3	167.9	3.7	512.7	342.5	166.7	3.6	522.3	521.2
July	34.39	34.25	34.15	514.9	344.2	168.0	2.7	513.9	343.7	167.7	2.5	523.6	522.7
Aug.	r34.52	r34.42	34.32	513.6	341.1	168.7	3.9	511.3	342.7	165.9	2.7	522.5	520.2
Sept.	34.36	34.30	34.16	515.3	342.6	168.9	3.8	514.9	344.1	167.2	3.6	523.5	523.1

1 Averages of daily figures. Member bank reserve series reflect actual reserve requirement percentages with no adjustment to eliminate the effect of changes in Regulations D and M. There are breaks in series because of changes in reserve requirements effective Dec. 12, 1974, Feb. 13, May 22, and Oct. 30, 1975, and Jan. 8, 1976. In addition, effective Jan. 1, 1976, statewide branching in New York was instituted. The subsequent merger of a number of banks raised required reserves because of higher reserve requirements on aggregate deposits at these banks.

2 Averages of daily figures. Deposits subject to reserve requirements include total time and savings deposits and net demand deposits as defined by Regulation D. Private demand deposits include all demand deposits except those due to the U.S. Govt., less cash items in process of collection and demand balances due from domestic commercial banks.

3 "Total member bank deposits" subject to reserve requirements, plus Euro-dollar borrowings, loans sold to bank-related institutions, and certain other nondeposit items. This series for deposits is referred to as "the adjusted bank credit proxy."

NOTE. Back data and estimates of the impact of required reserve changes may be obtained from the Banking Section, Division of Research and Statistics, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

LOANS AND INVESTMENTS AT ALL COMMERCIAL BANKS

(In billions of dollars)

Date	Seasonally adjusted							Not seasonally adjusted						
	Total loans and invest-ments[1]	Loans				Securities		Total loans and invest-ments[1]	Loans				Securities	
		Total[1]	Plus loans sold[2]	Commercial and industrial[3]: Total	Commercial and industrial[3]: Plus loans sold[2]	U.S. Treas-ury	Other[4]		Total[1]	Plus loans sold[2]	Commercial and industrial[3]: Total	Commercial and industrial[3]: Plus loans sold[2]	U.S. Treas-ury	Other[4]
1971—Dec. 31	485.7	320.9	323.7	116.1	117.7	60.6	104.2	497.9	328.3	331.1	118.5	120.2	64.9	104.7
1972—Dec. 31	558.0	378.9	381.5	130.2	131.9	62.6	116.5	571.4	387.3	389.9	132.7	134.4	67.0	117.1
1973—Dec. 31	633.4	449.0	453.3	156.4	159.0	54.5	129.9	647.3	458.5	462.8	159.4	162.0	58.3	130.6
1974—Dec. 31[5]	690.4	500.2	505.0	183.3	186.0	50.4	139.8	705.6	510.7	515.5	186.8	189.6	54.5	140.5
1975—Oct. 29	716.3	495.0	499.7	176.3	179.2	76.0	145.3	714.6	493.7	498.4	175.3	178.2	75.9	144.9
Nov. 26	722.2	498.5	503.2	177.1	179.9	76.8	146.9	722.4	497.6	502.3	176.5	179.3	79.4	145.4
Dec. 31	721.1	496.9	501.3	176.0	178.5	79.4	144.8	737.0	507.4	511.8	179.3	181.8	84.1	145.5
1976—Jan. 28p	723.3	497.3	501.6	176.6	179.1	81.0	145.0	721.4	492.6	496.9	174.4	176.9	84.8	144.0
Feb. 25p	726.7	497.8	502.3	175.1	177.8	84.4	144.5	720.8	491.9	496.4	173.5	176.2	85.4	143.6
Mar. 31p	731.2	499.7	503.9	171.4	174.0	88.2	143.3	729.6	496.9	501.1	171.3	173.9	89.3	143.5
Apr. 28p	734.5	500.5	504.7	170.5	173.1	90.0	144.0	732.1	496.7	500.9	170.6	173.2	90.2	145.2
May 26p	737.6	500.6	505.0	170.7	173.4	93.0	144.0	735.1	500.0	504.4	170.8	173.5	90.5	144.6
June 30p	738.8	500.7	505.2	170.2	173.0	94.0	144.1	743.3	507.2	511.7	172.4	175.2	90.8	145.3
July 28p	743.1	504.7	509.2	171.0	173.8	92.7	145.7	740.3	505.2	509.7	170.7	173.5	89.5	145.6
Aug. 25p	748.7	507.6	511.6	171.0	173.5	95.0	146.1	746.1	508.5	512.5	170.3	172.8	91.8	145.8
Sept. 29p	752.5	511.4	515.3	172.0	174.5	94.0	147.1	752.9	513.3	517.2	172.5	175.0	92.6	147.0
Oct. 27p	760.3	519.3	523.1	174.8	177.2	93.5	147.5	758.7	518.2	522.0	174.2	176.6	93.5	147.0

1 Adjusted to exclude domestic commercial interbank loans.

2 Loans sold are those sold outright to banks' own foreign branches, nonconsolidated nonbank affiliates of the banks, the banks' holding company (if not a bank), and nonconsolidated nonbank subsidiaries of the holding company. Prior to Aug. 28, 1974, the institutions included had been defined somewhat differently, and the reporting panel of banks was also different. On the new basis, both "Total loans" and "Commercial and industrial loans" were reduced by about $100 million.

3 Reclassification of loans at one large bank reduced these loans by about $400 million as of June 30, 1972 and by about $1.2 billion as of March 31, 1976.

4 Farmers Home Administration insured notes included in "Other securities" rather than in loans beginning June 30, 1971, when such notes totaled about $700 million.

5 Data beginning June 30, 1974, include one large mutual savings bank that merged with a nonmember commercial bank. As of that date there were increases of about $500 million in loans, $100 million in "Other securities," and $600 million in "Total loans and investments."

As of Oct. 31, 1974, "Total loans and investments" of all commercial banks were reduced by $1.5 billion in connection with the liquidation of one large bank. Reductions in other items were: "Total loans," $1.0 billion (of which $0.6 billion was in "Commercial and industrial loans"), and "Other securities," $0.5 billion. In late November "Commercial and industrial loans" were increased by $0.1 billion as a result of loan reclassifications at another large bank.

NOTE. *Total loans and investments:* Back data for 1959–75 available from Banking Section, Division of Research and Statistics; for 1948–58, see Aug. 1968 BULLETIN, pp. A-94—A-97. For description of seasonally adjusted series for total loans and investments, see Dec. 1971 BULLETIN, pp. 971–73 and for commercial and industrial loans, see July 1972 BULLETIN, p. 683. Data are for last Wed. of month except for June 30 and Dec. 31; data are partly or wholly estimated except when June 30 and Dec. 31 are call dates.

PRINCIPAL ASSETS AND LIABILITIES AND NUMBER, BY CLASS OF BANK

(Amounts in millions of dollars)

Classification by FRS membership and FDIC insurance	Loans and investments: Total	Loans and investments: Loans [1]	Securities: U.S. Treasury	Securities: Other [2]	Cash assets [3]	Total assets—Total liabilities and capital accounts [4]	Deposits: Total [3]	Interbank [3]: Demand	Interbank [3]: Time	Other: Demand: U.S. Govt.	Other: Demand: Other	Other: Time [5]	Borrowings	Total capital accounts [6]	Number of banks
Last-Wednesday-of-month series [7]															
All commercial banks:															
1941—Dec. 31...	50,746	21,714	21,808	7,225	26,551	79,104	71,283	10,982		44,349		15,952	23	7,173	14,278
1947—Dec. 31[8]..	116,284	38,057	69,221	9,006	37,502	155,377	144,103	12,792	240	1,343	94,367	35,360	65	10,059	14,181
1960—Dec. 31...	199,509	117,642	61,003	20,864	52,150	257,552	229,843	17,079	1,799	5,945	133,379	71,641	163	20,986	13,472
1970—Dec. 31[9]..	461,194	313,334	61,742	86,118	93,643	576,242	480,940	30,608	1,975	7,938	209,335	231,084	19,375	42,958	13,686
1971—Dec. 31...	516,564	346,930	64,930	104,704	99,832	640,255	537,946	32,205	2,908	10,169	220,375	272,289	25,912	47,211	13,783
1972—Dec. 31...	598,808	414,696	67,028	117,084	113,128	739,033	616,037	33,854	4,194	10,875	252,223	314,891	38,083	52,658	13,927
1973—Dec. 31...	683,799	494,947	58,277	130,574	118,276	835,224	681,847	36,839	6,773	9,865	263,367	365,002	58,994	58,128	14,171
1974—Dec. 31...	744,107	549,183	54,451	140,473	128,042	919,552	747,903	43,483	11,496	4,807	267,506	420,611	58,369	63,650	14,465
1975—Oct. 29...	747,250	526,420	75,940	144,890	110,670	915,890	736,870	31,900	11,210	2,650	247,590	443,520	60,640	67,550	14,628
Nov. 26...	757,450	532,660	79,400	145,390	123,150	939,310	753,000	34,560	11,160	3,530	257,640	446,110	66,780	68,000	14,624
Dec. 31...	775,794	546,172	84,119	145,503	133,614	964,918	786,252	41,811	12,020	3,114	278,692	450,615	60,224	69,125	14,633
1976—Jan. 28...	756,630	527,820	84,770	144,040	112,720	927,140	743,140	32,110	11,540	3,790	245,600	450,100	67,250	68,870	14,611
Feb. 28...	757,540	528,560	85,420	143,560	111,470	928,540	741,230	31,560	11,370	4,010	242,810	451,480	68,490	69,110	14,624
Mar. 31[10].	767,260	534,530	89,260	143,470	120,870	934,440	766,680	37,510	11,860	2,430	256,930	457,950	63,420	70,070	14,628
Apr. 28...	765,550	530,170	90,180	145,200	113,210	926,370	753,150	32,280	10,990	4,120	250,200	455,560	68,480	70,610	14,632
May 26...	766,760	531,780	90,430	144,550	111,710	927,690	754,070	33,100	10,530	3,520	247,550	459,370	66,160	71,400	14,637
June 30...	779,820	543,740	90,800	145,280	125,170	957,130	782,850	38,270	10,580	4,660	266,450	462,890	65,870	72,090	14,636
July 28...	772,540	537,550	89,490	145,500	111,530	934,250	761,180	33,100	10,160	3,540	250,590	463,790	66,790	72,190	14,635
Aug. 25...	782,080	544,460	91,800	145,820	109,110	940,510	759,400	33,380	9,650	3,710	247,400	465,260	72,250	72,550	14,649
Sept. 29p..	790,400	550,820	92,630	146,950	118,660	960,030	773,320	35,180	9,520	5,840	252,890	469,890	77,520	73,140	14,649
Oct. 27p..	796,900	556,440	93,460	147,000	115,160	962,640	777,910	34,760	9,140	3,690	258,180	472,140	75,980	73,680	14,649
Members of F.R. System:															
1941—Dec. 31...	43,521	18,021	19,539	5,961	23,113	68,121	61,717	10,385	140	1,709	37,136	12,347	4	5,886	6,619
1947—Dec. 31...	97,846	32,628	57,914	7,304	32,845	132,060	122,528	12,353	50	1,176	80,609	28,340	54	8,464	6,923
1960—Dec. 31...	*165,619*	*99,933*	*49,106*	*16,579*	*45,756*	*216,577*	*193,029*	*16,437*	*1,639*	*5,287*	*112,393*	*57,273*	*130*	*17,398*	*6,174*
1970—Dec. 31[9]..	365,940	253,936	45,399	66,604	81,500	465,644	384,596	29,142	1,733	6,460	168,032	179,229	18,578	34,100	5,767
1971—Dec. 31...	405,087	277,717	47,633	79,738	86,189	511,353	425,380	30,612	2,549	8,427	174,385	209,406	25,046	37,279	5,727
1972—Dec. 31...	465,788	329,548	48,715	87,524	96,566	585,125	482,124	31,958	3,561	9,024	197,817	239,763	36,357	41,228	5,704
1973—Dec. 31...	528,124	391,032	41,494	95,598	100,098	655,898	526,837	34,782	5,843	8,273	202,564	275,374	55,611	44,741	5,735
1974—Dec. 31...	*568,532*	429,537	38,921	100,073	106,995	715,615	575,563	41,062	10,052	3,183	204,203	317,064	52,850	48,240	5,780
1975—Oct. 29...	556,383	401,492	54,546	100,345	91,397	695,312	552,649	29,568	9,578	1,952	186,851	324,700	54,250	50,963	5,796
Nov. 26...	564,023	405,805	57,471	100,747	102,103	714,112	564,835	32,064	9,527	2,708	194,492	326,044	60,162	51,199	5,791
Dec. 31...	578,560	416,366	61,519	100,675	108,489	733,635	590,776	38,569	10,015	2,255	210,824	329,113	53,646	52,078	5,788
1976—Jan. 28...	563,387	402,020	61,704	99,663	93,808	705,093	556,274	29,712	9,529	2,908	185,773	328,352	61,022	52,167	5,765
Feb. 28...	562,940	401,731	61,869	99,340	91,914	704,357	552,942	29,145	9,357	2,977	183,458	328,005	62,051	52,300	5,768
Mar. 31[10].	569,913	406,148	64,636	99,129	100,455	710,228	573,878	34,934	9,848	1,769	194,932	332,395	57,470	53,191	5,778
Apr. 28...	567,384	402,147	64,892	100,345	93,743	702,130	561,110	29,923	8,978	3,281	189,361	329,567	62,002	53,753	5,775
May 26...	567,050	402,319	65,037	99,694	92,323	702,269	561,220	30,675	8,517	2,701	187,038	332,289	59,588	54,450	5,777
June 30...	577,509	411,707	65,626	100,176	104,036	726,826	585,345	35,595	8,570	3,669	202,131	335,380	59,302	54,987	5,776
July 28...	570,060	405,282	64,442	100,336	92,277	706,225	565,107	30,720	8,150	2,720	188,636	334,881	60,343	55,051	5,762
Aug. 25...	578,200	410,790	66,747	100,663	89,366	710,710	562,360	30,943	7,642	2,793	185,915	335,067	65,878	55,372	5,771
Sept. 29p..	583,553	415,076	66,973	101,504	98,897	726,823	573,939	32,659	7,521	4,349	191,011	338,399	70,636	55,740	5,771
Oct. 27p..	588,645	419,479	67,744	101,422	94,911	727,636	576,067	32,213	7,130	2,859	194,650	339,215	69,119	56,199	5,771
Call date series															
Insured banks:															
Total:															
1941—Dec. 31...	49,290	21,259	21,046	6,984	25,788	76,820	69,411	10,654		1,762	41,298	15,699	10	6,844	13,426
1947—Dec. 31...	114,274	37,583	67,941	8,750	36,926	152,733	141,851	12,615	54	1,325	92,975	34,882	61	9,734	13,398
1960—Dec. 31...	198,011	117,092	60,468	20,451	51,836	255,669	228,401	16,921	1,667	5,932	132,533	71,348	149	20,628	13,119
1970—Dec. 31[9]..	458,919	312,006	61,438	85,475	92,708	572,682	479,174	30,233	1,874	7,898	208,037	231,132	19,149	42,427	13,502
1972—Dec. 31...	594,502	411,525	66,679	116,298	111,333	732,519	612,822	33,366	4,113	10,820	250,693	313,830	37,556	52,166	13,721
1973—Dec. 31...	678,113	490,527	57,961	129,625	116,266	827,081	677,358	36,248	6,429	9,856	261,530	363,294	57,531	57,603	13,964
1974—Dec. 31...	734,516	541,111	54,132	139,272	125,375	906,325	741,665	42,587	10,693	4,799	265,444	418,142	55,988	63,039	14,216
1975—June 30...	736,164	526,272	67,833	142,060	125,181	914,781	746,348	41,244	10,252	3,106	261,903	416,962	59,310	65,986	14,320
Dec. 31...	762,400	535,170	83,629	143,602	128,256	944,654	775,209	40,259	10,733	3,108	276,384	433,352	56,775	68,474	14,372
1976—Mar. 31...	758,753	527,718	85,372	145,663	119,026	919,546	759,615	36,123	10,420	2,474	256,356	454,241	61,716	67,300	14,368
National member:															
1941—Dec. 31...	27,571	11,725	12,039	3,806	14,977	43,433	39,458	6,786		1,088	23,262	8,322	4	3,640	5,117
1947—Dec. 31...	65,280	21,428	38,674	5,178	22,024	88,182	82,023	8,375	35	795	53,541	19,278	45	5,409	5,005
1960—Dec. 31...	107,546	63,694	32,712	11,140	28,675	139,261	124,911	9,829	611	3,265	71,660	39,546	111	11,098	4,530
1970—Dec. 31[9]..	271,760	187,554	34,203	50,004	56,028	340,764	283,663	18,051	982	4,740	122,298	137,592	13,100	24,868	4,620
1972—Dec. 31...	350,743	247,041	37,185	66,516	67,390	434,810	359,319	19,096	2,155	6,646	146,800	184,622	26,706	30,342	4,612
1973—Dec. 31...	398,236	293,555	30,962	73,718	70,711	489,470	395,767	20,357	3,876	5,955	152,705	212,874	39,696	33,125	4,659
1974—Dec. 31...	428,433	321,466	29,075	77,892	76,523	534,207	431,039	23,497	6,750	2,437	154,397	243,959	39,603	35,815	4,706
1975—June 30...	428,167	312,229	37,606	78,331	75,686	536,836	431,646	21,096	6,804	1,723	152,576	242,492	41,954	37,483	4,730
Dec. 31...	441,135	315,738	46,799	78,598	78,026	553,285	447,590	22,305	7,302	1,788	159,840	250,493	40,875	38,969	4,741
1976—Mar. 31...	435,453	308,481	46,726	80,246	73,103	536,191	435,144	19,406	6,590	1,441	147,557	260,151	44,112	38,468	4,748

For notes see opposite page.

PRINCIPAL ASSETS AND LIABILITIES AND NUMBER, BY CLASS OF BANK—Continued

(Amounts in millions of dollars)

Classification by FRS membership and FDIC insurance	Loans and investments: Total	Loans[1]	Securities: U.S. Treasury	Securities: Other[2]	Cash assets[3]	Total assets—Total liabilities and capital accounts[4]	Deposits: Total[3]	Interbank[3]: Demand	Interbank[3]: Time	Other: Demand: U.S. Govt.	Other: Demand: Other	Other: Time[5]	Borrowings	Total capital accounts[6]	Number of banks
						Call date series									
Insured banks (cont.):															
State member:															
1941—Dec. 31	15,950	6,295	7,500	2,155	8,145	24,688	22,259	3,739		621	13,874	4,025	1	2,246	1,502
1947—Dec. 31	32,566	11,200	19,240	2,125	10,822	43,879	40,505	3,978	15	381	27,068	9,062	9	3,055	1,918
1960—Dec. 31	58,073	36,240	16,394	5,439	17,081	77,316	68,118	6,608	1,028	2,022	40,733	17,727	20	6,299	1,644
1970—Dec. 31[9]	94,760	66,963	11,196	16,600	25,472	125,460	101,512	11,091	750	1,720	45,734	42,218	5,478	9,232	1,147
1972—Dec. 31	115,426	82,889	11,530	21,008	29,176	150,697	123,186	12,862	1,406	2,378	51,017	55,523	9,651	10,886	1,092
1973—Dec. 31	130,240	97,828	10,532	21,880	29,387	166,780	131,421	14,425	1,968	2,318	49,859	62,851	15,914	11,617	1,076
1974—Dec. 31	140,373	108,346	9,846	22,181	30,473	181,683	144,799	17,565	3,301	746	49,807	73,380	13,247	12,425	1,074
1975 June 30	134,759	100,968	12,004	21,787	31,466	179,787	141,995	18,751	2,771	443	48,621	65,654	14,380	12,773	1,064
1975 Dec. 31	137,620	100,823	14,720	22,077	30,451	180,495	143,409	16,265	2,712	467	50,984	67,656	12,771	13,105	1,046
1976 Mar. 31	135,853	98,568	14,641	22,644	28,670	175,394	139,011	15,438	3,086	356	47,425	72,705	14,706	12,598	1,030
Nonmember:															
1941—Dec. 31	5,776	3,241	1,509	1,025	2,668	8,708	7,702	129		53	4,162	3,360	6	959	6,810
1947—Dec. 31	16,444	4,958	10,039	1,448	4,083	20,691	19,342	262	4	149	12,366	6,558	7	1,271	6,478
1960—Dec. 31	32,411	17,169	11,368	3,874	6,082	39,114	35,391	484	27	645	20,140	14,095	19	3,232	6,948
1970—Dec. 31[9]	92,399	57,489	16,039	18,871	11,208	106,457	93,998	1,091	141	1,438	40,005	51,322	571	8,326	7,735
1972—Dec. 31	128,333	81,594	17,964	28,774	14,767	147,013	130,316	1,408	552	1,796	52,876	73,685	1,199	10,938	8,017
1973—Dec. 31	149,638	99,143	16,467	34,027	16,167	170,831	150,170	1,467	586	1,582	58,966	87,569	1,920	12,862	8,229
1974—Dec. 31	165,709	111,300	15,211	39,199	18,380	190,435	165,827	1,525	642	1,616	61,240	100,804	3,138	14,799	8,436
1975—June 30	173,238	113,074	18,223	41,942	18,029	198,157	172,707	1,397	676	940	60,706	108,816	2,976	15,730	8,526
1975—Dec. 31	183,645	118,609	22,109	42,927	19,778	210,874	184,210	1,689	719	853	65,560	115,203	3,128	16,400	8,585
1976—Mar. 31	187,448	120,669	24,006	42,773	17,253	207,960	185,460	1,280	743	676	61,374	121,386	2,898	16,234	8,590
Noninsured nonmember:															
1941—Dec. 31	1,457	455	761	241	763	2,283	1,872	329		1,291		253	13	329	852
1947—Dec. 31[8]	2,009	474	1,280	255	576	2,643	2,251	177	185	18	1,392	478	4	325	783
1960—Dec. 31	1,498	550	535	413	314	1,883	1,443	159	132	13	846	293	14	358	352
1970—Dec. 31[9]	3,079	2,132	304	642	934	4,365	2,570	375	101	40	1,298	756	226	532	184
1971—Dec. 31	3,147	2,224	239	684	1,551	5,130	2,923	380	116	19	1,273	1,134	283	480	181
1972—Dec. 31	4,865	3,731	349	785	1,794	7,073	3,775	488	81	55	1,530	1,620	527	491	206
1973—Dec. 31	6,192	4,927	316	949	2,010	8,650	4,996	591	344	9	1,836	2,215	1,463	524	207
1974—Dec. 31	9,981	8,461	319	1,201	2,667	13,616	6,627	897	803	8	2,062	2,857	2,382	611	249
1975—June 30	11,725	9,559	358	1,808	3,534	16,277	8,314	1,338	957	11	2,124	3,320	3,110	570	253
1975—Dec. 31	13,674	11,283	490	1,902	5,359	20,544	11,323	1,552	1,291	6	2,308	5,115	3,449	651	261
Total nonmember:															
1941—Dec. 31	7,233	3,696	2,270	1,266	3,431	10,992	9,573	457		5,504		3,613	18	1,288	7,662
1947—Dec. 31	18,454	5,432	11,318	1,703	4,659	23,334	21,591	439	190	167	13,758	7,036	12	1,596	7,261
1960—Dec. 31	33,910	17,719	11,904	4,287	6,396	40,997	36,834	643	160	657	20,986	14,388	33	3,590	7,300
1970—Dec. 31[9]	95,478	59,621	16,342	19,514	12,143	110,822	96,568	1,466	243	1,478	41,303	52,078	796	8,858	7,919
1971—Dec. 31	111,674	69,411	17,297	24,966	13,643	129,100	112,764	1,592	359	1,742	45,990	63,081	866	9,932	8,056
1972—Dec. 31	133,198	85,325	18,313	29,559	16,562	154,085	134,091	1,895	633	1,850	54,406	75,305	1,726	11,429	8,223
1973—Dec. 31	155,830	104,070	16,783	34,976	18,177	179,480	155,165	2,057	930	1,592	60,802	89,784	3,383	13,386	8,436
1974—Dec. 31	175,690	119,761	15,530	40,400	21,047	204,051	172,454	2,422	1,445	1,624	63,302	103,661	5,520	15,410	8,685
1975—June 30	184,963	122,633	18,581	43,750	21,563	214,434	181,021	2,735	1,633	951	62,830	112,136	6,086	16,300	8,779
1975—Dec. 31	197,319	129,892	22,599	44,829	25,137	231,418	195,533	3,241	2,010	859	67,868	120,318	6,577	17,051	8,846

[1] Loans to farmers directly guaranteed by CCC were reclassified as securities and Export-Import Bank portfolio fund participations were reclassified from loans to securities effective June 30, 1966. This reduced "Total loans" and increased "Other securities" by about $1 billion. "Total loans" include Federal funds sold, and beginning with June 1967 securities purchased under resale agreements, figures for which are included in "Federal funds sold, etc.," on p. A-16.

Effective June 30, 1971, Farmers Home Administration notes were classified as "Other securities" rather than "Loans." As a result of this change, approximately $300 million was transferred to "Other securities" for the period ending June 30, 1971, for all commercial banks.

Effective Mar. 31, 1976, includes "reserves for loan losses" and "unearned income on loans."

See also table (and notes) at the bottom of p. A-24.

[2] See first 2 paragraphs of note 1.

[3] Reciprocal balances excluded beginning with 1942.

[4] Includes items not shown separately. See also note 1.

Effective Mar. 31, 1976, "reserves for loan losses" and unearned income on loans," which for all commercial banks are estimated to be approximately $14.5 billion, have been netted against "other assets" and "other liabilities" and, therefore, against "total assets/liabilities."

[5] See third paragraph of note 1 above.

[6] Effective Mar. 31, 1976, includes "reserves for securities" and a portion of "reserves for loan losses."

[7] For the last-Wednesday-of-the-month series, figures for call dates are shown for June and December as soon as they became available.

[8] Beginning with Dec. 31, 1947, the series was revised; for description, see note 4, p. 587, May 1964 BULLETIN.

[9] Figure takes into account the following changes, which became effective June 30, 1969: (1) inclusion of consolidated reports (including figures for all bank-premises subsidiaries and other significant majority-owned domestic subsidiaries) and (2) reporting of figures for total loans and for individual categories of securities on a gross basis—that is, before deduction of valuation reserves—rather than net as previously reported.

[10] See last paragraph of note 1, second paragraph of note 4, and note 6.

NOTE.—Data are for all commercial banks in the United States (including Alaska and Hawaii, beginning with 1959). Commercial banks represent all commercial banks, both member and nonmember; stock savings banks; nondeposit trust companies; and U.S. branches of foreign banks.

Figures for member banks before 1970 include mutual savings banks as follows: 3 before Jan. 1960 and 2 through Dec. 1960. Those banks are not included in insured commercial banks.

Effective June 30, 1969, commercial banks and member banks exclude a small national bank in the Virgin Islands; also, member banks exclude, and noninsured commercial banks include, through June 30, 1970, a small member bank engaged exclusively in trust business; beginning 1973, exclude 1 national bank in Puerto Rico.

Beginning Dec. 31, 1973, June 30, 1974, Dec. 31, 1974, June 30, 1975, and March 31, 1976, respectively, member banks exclude and noninsured nonmember banks include 1, 2, 3, 4, and 5 noninsured trust companies that are members of the Federal Reserve System.

Comparability of figures for classes of banks is affected somewhat by changes in F.R. membership, deposit insurance status, and by mergers etc.

Figures are partly estimated except on call dates.

For revisions in series before June 30, 1947, see July 1947 BULLETIN, pp. 870–71.

ASSETS BY CLASS OF BANK, MARCH 31, 1976

(Assets and liabilities are shown in millions of dollars.)

Assets	Insured commercial banks	Member banks[1] Total	Large banks: New York City	Large banks: City of Chicago	Large banks: Other large	All other	Non-member banks[1]
Cash bank balances, items in process	**119,026**	**101,773**	**26,340**	**4,185**	**39,319**	**31,929**	**17,260**
Currency and coin	11,216	8,440	714	158	2,845	4,723	2,776
Reserves with F.R. Banks	28,525	28,525	4,702	2,065	11,946	9,812	....
Demand balances with banks in United States	27,671	17,248	6,704	102	3,187	7,255	10,430
Other balances with banks in United States	6,586	4,267	40	16	1,593	2,618	2,319
Balances with banks in foreign countries	2,910	2,530	169	41	1,465	856	379
Cash items in process of collection	42,119	40,763	14,010	1,803	18,283	6,666	1,356
Total securities held - Book value	**229,529**	**162,998**	**17,581**	**7,459**	**53,826**	**84,131**	**66,534**
U.S. Treasury [4]							
Other U.S. Govt. agencies [4]							
States and political subdivisions [4]							
All other securities [4]							
Unclassified total [4]							
Trading-account securities	5,664	5,584	2,364	772	2,189	259	79
U.S. Treasury [4]							
Other U.S. Govt. agencies [4]							
States and political subdivisions [4]							
All other trading acct. securities [4]							
Unclassified [4]							
Bank investment portfolios	*223,865*	*157,414*	*15,217*	*6,687*	*51,637*	*83,872*	*66,454*
U.S. Treasury	85,372	61,367	7,315	3,137	20,840	30,074	24,007
Other U.S. Govt. agencies	32,946	20,181	873	324	5,869	13,115	12,765
States and political subdivisions	100,143	72,384	6,666	3,083	24,090	38,545	27,759
All other portfolio securities	5,404	3,482	363	143	838	2,138	1,923
F.R. stock and corporate stock	1,506	1,259	243	82	457	478	248
Federal funds sold and securities resale agreement	**36,012**	**27,144**	**1,684**	**1,484**	**13,321**	**10,655**	**8,893**
Commercial banks	31,447	22,809	979	1,110	10,490	10,231	8,663
Brokers and dealers	3,200	3,019	352	344	2,008	314	181
Others	1,365	1,316	354	30	824	109	49
Other loans, gross	**491,706**	**379,905**	**68,332**	**20,815**	**143,842**	**146,916**	**111,801**
Less: Unearned income on loans	11,218	7,829	407	83	2,741	4,599	3,388
Reserves for loan loss	6,063	4,858	1,081	331	1,812	1,634	1,205
Other loans, net	474,425	367,217	66,844	20,401	139,289	140,683	107,207
Gross other loans, by category:							
Real estate loans -Total	*138,288*	*98,569*	*8,778*	*2,007*	*36,408*	*51,377*	*39,719*
Construction and land development	15,933	13,096	3,203	502	6,177	3,214	2,836
Secured by farmland	6,111	2,644	6	15	287	2,336	3,466
Secured by residential	78,347	56,662	3,953	923	20,954	30,831	21,686
1- to 4-family residences	73,858	53,354	3,509	827	19,709	29,309	20,504
FHA insured	8,212	7,108	560	52	3,888	2,608	1,104
Conventional	65,646	46,246	2,949	775	15,821	26,700	19,400
Multifamily residences	4,489	3,308	444	96	1,244	1,522	1,182
FHA insured	431	365	126	25	100	113	66
Conventional	4,058	2,943	318	71	1,144	1,409	1,115
Secured by other properties	37,897	26,167	1,615	567	8,990	14,996	11,731
Loans to financial institutions	*37,463*	*35,574*	*13,065*	*4,772*	*14,761*	*2,975*	*1,887*
To real estate investment trusts	10,381	10,072	3,877	1,536	3,930	728	309
To domestic commercial banks	3,069	2,407	799	111	1,066	431	662
To banks in foreign countries	5,687	5,560	2,526	327	2,299	408	126
To other depository institutions	2,408	2,281	601	15	1,495	170	126
To other financial institutions	15,918	15,254	5,262	2,783	5,971	1,238	664
Loans to security brokers and dealers	6,125	6,017	4,085	627	1,182	122	108
Other loans to purch./carry securities	3,868	3,238	405	315	1,619	900	630
Loans to farmers - except real estate	20,433	11,379	78	170	2,607	8,525	9,054
Commercial and industrial loans	167,013	138,858	34,725	10,642	54,574	38,917	28,155
Loans to individuals- Total	*105,656*	*74,974*	*4,846*	*1,604*	*27,304*	*41,220*	*30,681*
Instalment loans	83,121	58,674	3,291	903	21,703	32,777	24,447
Passenger automobiles	34,120	22,443	489	157	6,895	14,902	11,677
Residential-repair/modernize	5,853	4,175	261	35	1,739	2,140	1,678
Credit cards and related plans	11,923	10,519	1,080	511	6,032	2,897	1,403
Charge-account credit cards	9,216	8,270	772	481	4,828	2,190	946
Check and revolving credit plans	2,707	2,249	308	30	1,204	707	457
Other retail consumer goods	15,122	10,491	183	92	3,836	6,380	4,631
Mobile homes	8,628	6,187	107	36	2,279	3,765	2,441
Other	6,494	4,304	76	56	1,557	2,615	2,190
Other instalment loans	16,103	11,046	1,278	108	3,201	6,458	5,057
Single-payment loans to individuals	22,535	16,300	1,555	701	5,601	8,443	6,234
All other loans	12,859	11,293	2,350	678	5,386	2,879	1,565
Total loans and securities, net	741,472	558,618	86,352	29,426	206,893	235,947	182,881
Direct lease financing	4,200	3,988	636	129	2,619	604	212
Fixed assets—Buildings, furniture, real estate	17,832	13,368	1,454	560	5,437	5,916	4,466
Investment in unconsolidated subsidiaries	1,982	1,958	810	152	925	71	24
Customer acceptances outstanding	9,731	9,440	4,814	350	3,992	284	291
Other assets	25,301	22,440	7,940	1,677	9,061	3,761	2,907
Total assets	**919,546**	**711,585**	**128,347**	**36,481**	**268,246**	**278,512**	**208,043**

For notes see opposite page.

LIABILITIES AND CAPITAL BY CLASS OF BANK, MARCH 31, 1976

(Assets and liabilities are shown in millions of dollars.)

Liabilities and capital Accounts	Insured commercial banks	Member banks[1]					Nonmember banks[1]
		Total	Large banks			All other	
			New York City	City of Chicago	Other large		
Demand deposits	294,953	231,623	52,202	8,997	83,922	86,501	63,331
Mutual savings bank	1,033	941	432	2	222	284	92
Other individuals, partnerships, and corporations	228,651	173,801	29,202	6,577	65,625	72,397	54,849
U.S. Government	2,474	1,798	121	25	661	990	676
States and political subdivisions	15,860	11,183	502	191	3,471	7,019	4,677
Foreign governments, central banks, etc	1,434	1,388	1,168	18	172	30	47
Commercial banks in United States	29,608	28,550	13,167	1,756	10,215	3,413	1,058
Banks in foreign countries	5,482	5,353	4,089	136	1,011	117	130
Certified and officers' checks, etc	10,410	8,610	3,522	291	2,545	2,252	1,801
Time deposits	285,241	213,442	33,200	13,467	78,372	88,403	71,799
Accumulated for personal loan payments[2]	197	152	...	...	12	139	45
Mutual savings banks	553	537	297	2	193	45	16
Other individuals, partnerships, and corporations	219,140	161,988	22,954	9,460	58,504	71,069	57,152
U.S. Government	618	478	91	1	201	186	141
States and political subdivisions	46,328	32,819	1,032	1,442	14,147	16,198	13,508
Foreign governments, central banks, etc	8,550	8,337	5,122	1,136	2,047	33	213
Commercial banks in United States	8,504	7,843	3,001	1,340	2,786	716	661
Banks in foreign countries	1,351	1,288	703	86	482	17	63
Savings deposits	179,421	129,091	8,650	2,706	47,534	70,201	50,330
Individuals and nonprofit organizations	170,989	123,059	8,247	2,616	45,430	66,767	47,930
Corporations and other profit organizations	5,437	3,978	192	66	1,677	2,042	1,459
U.S. Government	2,925	1,988	161	23	418	1,385	938
All other	68	65	50	...	8	7	3
Total deposits	759,615	574,155	94,053	25,169	209,828	245,105	185,460
Federal funds purchased and securities sold under agreements to repurchase	57,248	54,654	11,733	7,536	27,819	7,566	2,594
Commercial banks	35,330	34,269	6,625	5,261	18,388	3,995	1,061
Brokers and dealers	5,608	5,408	751	1,001	2,967	689	200
Others	16,309	14,976	4,357	1,273	6,464	2,881	1,333
Other liabilities for borrowed money	4,467	4,164	1,913	58	1,872	321	304
Mortgage indebtedness	770	554	53	16	304	182	216
Bank acceptances outstanding	10,385	10,094	5,431	352	4,026	285	291
Other liabilities	15,212	13,223	4,266	897	5,164	2,897	2,065
Total liabilities	847,697	656,844	117,448	34,028	249,013	256,355	190,930
Subordinated notes and debentures	4,549	3,676	916	84	1,698	978	873
Equity capital	67,300	51,065	9,983	2,368	17,535	21,178	16,240
Preferred stock	53	34	...	...	10	24	20
Common stock	15,699	11,631	2,259	570	3,875	4,928	4,070
Surplus	27,112	20,277	3,906	1,149	7,279	7,944	6,836
Undivided profits	22,710	17,906	3,745	600	5,962	7,600	4,807
Other capital reserves	1,725	1,218	75	50	410	684	508
Total liabilities and equity capital	919,546	711,585	128,347	36,481	268,246	278,512	208,043
Demand deposits adjusted[3]	220,752	160,512	24,904	5,413	54,763	75,432	60,241
Average for last 15 or 30 days:							
Average cash and due from bank	117,460	101,147	26,918	4,255	38,935	31,039	16,316
Average Federal funds sold and securities purchased under agreements to resell	36,716	27,406	1,767	1,379	12,856	11,404	9,340
Average total loans	486,101	371,737	68,027	20,768	140,866	142,077	114,363
Average time deposits of $100,000 or more	144,427	120,645	30,152	11,156	50,764	28,574	23,781
Average total deposits	751,437	567,916	91,522	25,125	207,676	243,593	183,520
Average Federal funds purchased and securities sold under agreements to repurchase	59,318	56,753	14,503	7,312	27,223	7,715	2,565
Average other liabilities for borrowed money	4,093	3,813	1,666	47	1,815	286	280
Standby letters of credit outstanding	9,756	9,304	4,800	950	2,940	614	452
Time deposits of $100,000 or more	123,946	103,711	26,372	9,098	42,807	25,434	20,235
Certificates of deposit	119,853	99,898	24,706	9,051	40,992	25,148	19,955
Other time deposits	23,301	20,501	5,253	2,159	9,478	3,610	2,800
Number of banks	14,368	5,778	11	9	155	5,603	8,595

1 Member banks exclude and nonmember banks include 5 noninsured trust companies that are members of the Federal Reserve System, and member banks exclude 2 national banks outside the continental United States.

2 See table (and notes), *Deposits Accumulated for Payment of Personal Loans*, p. 24.

3 Demand deposits adjusted are demand deposits other than domestic commercial interbank and U.S. Govt., less cash items reported as in process of collection.

NOTE.—Data include consolidated reports, including figures for all bank-premises subsidiaries and other significant majority-owned domestic subsidiaries. Securities are reported on a gross basis before deductions of valuation reserves. Holdings by type of security will be reported as soon as they become available.

Back data in lesser detail were shown in previous *Bulletins*. Details may not add to totals because of rounding.

ASSETS AND LIABILITIES OF LARGE COMMERCIAL BANKS▲

(In millions of dollars)

Wednesday	Total loans and investments[1]	Loans: Federal funds sold, etc.[2]: Total	Federal funds sold: To commercial banks	Federal funds sold: To brokers and dealers involving—: U.S. Treasury securities	Federal funds sold: To brokers and dealers involving—: Other securities	Federal funds sold: To others	Other: Total[1]	Other: Commercial and industrial	Other: Agricultural	For purchasing or carrying securities: To brokers and dealers: U.S. Treasury secs.	For purchasing or carrying securities: To brokers and dealers: Other secs.	For purchasing or carrying securities: To others: U.S. Treasury secs.	For purchasing or carrying securities: To others: Other secs.	To nonbank financial institutions: Pers. and sales finance cos., etc.	To nonbank financial institutions: Other	Real estate
Large banks—Total																
1975																
Oct. 1	390,570	17,809	15,054	1,291	632	832	276,761	119,944	3,645	896	3,822	87	2,260	9,570	19,458	59,554
8	390,283	18,017	13,423	2,990	958	646	276,009	119,408	3,632	2,248	3,843	87	2,262	8,721	19,280	59,477
15	391,689	19,703	15,297	2,638	1,057	711	275,949	119,405	3,624	1,499	4,174	81	2,275	8,700	19,170	59,582
22	385,274	15,606	12,922	1,546	533	605	273,395	118,542	3,639	898	3,489	78	2,260	8,630	19,071	59,681
29	385,124	16,454	13,842	1,653	466	493	272,879	118,442	3,596	798	3,683	83	2,266	8,303	19,015	59,733
1976																
Sept. 1	393,119	20,705	17,536	1,635	653	881	269,475	111,137	4,191	1,613	6,815	78	2,554	6,887	17,316	62,055
8	395,153	23,470	19,599	2,424	752	695	268,911	111,237	4,203	1,632	6,391	79	2,535	6,800	17,276	62,082
15	397,347	23,315	18,190	3,608	701	816	270,748	111,853	4,205	2,224	6,463	78	2,536	6,884	17,297	62,260
22	392,506	18,791	15,574	1,819	622	776	270,243	112,165	4,202	1,226	6,714	76	2,532	6,624	17,105	62,378
29	392,825	18,702	15,711	1,685	518	788	270,394	112,313	4,224	1,035	6,439	81	2,554	6,631	17,123	62,431
Oct. 6	401,249	25,027	17,738	5,313	642	1,334	272,646	112,510	4,229	2,381	7,154	74	2,524	6,620	17,111	62,446
13	397,704	21,052	17,757	1,823	536	936	272,083	112,497	4,247	1,290	7,076	75	2,496	6,680	17,137	62,540
20	397,777	19,723	16,278	2,098	480	867	273,371	113,302	4,255	1,685	7,379	71	2,525	7,053	16,927	62,743
27	396,764	19,751	16,239	1,911	418	1,183	272,929	113,525	4,278	1,526	7,436	71	2,536	6,828	16,885	62,822
New York City																
1975																
Oct. 1	91,066	2,223	1,878	45	......	300	71,325	37,288	106	850	2,277	15	404	3,525	7,530	9,225
8	90,572	1,216	1,039	49	......	128	71,620	37,159	107	1,950	2,460	15	406	2,950	7,400	9,262
15	91,832	2,655	2,451	18	70	116	71,451	37,182	108	1,216	2,885	15	400	2,911	7,324	9,323
22	89,668	2,013	1,805	50	......	158	70,074	36,925	109	824	2,271	14	404	2,965	7,288	9,346
29	88,943	1,703	1,510	91	......	102	69,962	36,917	110	746	2,427	14	405	2,810	7,252	9,341
1976																
Sept. 1	87,758	1,701	946	356	81	318	66,564	32,604	81	1,499	3,960	15	394	2,457	6,548	9,249
8	86,242	1,266	851	277	81	57	65,932	32,626	82	1,513	3,636	15	392	2,382	6,415	9,211
15	88,070	2,505	1,658	572	78	197	66,583	32,796	80	1,618	3,737	15	389	2,512	6,453	9,240
22	86,769	1,526	956	387	69	114	65,743	32,725	81	1,074	3,754	14	386	2,251	6,374	9,211
29	85,768	1,177	689	258	32	198	65,360	32,864	83	909	3,520	14	386	2,245	6,298	9,181
Oct. 6	87,857	1,273	909	172	36	156	67,332	33,027	86	2,082	4,040	14	376	2,246	6,304	9,166
13	87,818	1,238	690	275	32	241	66,654	33,185	89	1,122	4,084	13	372	2,238	6,269	9,127
20	88,787	1,972	1,398	375	32	167	67,309	33,414	90	1,465	4,135	13	373	2,476	6,214	9,133
27	88,441	2,379	1,400	552	17	410	66,834	33,520	91	1,346	4,167	13	369	2,339	6,163	9,135
Outside New York City																
1975																
Oct. 1	299,504	15,586	13,176	1,246	632	532	205,436	82,656	3,539	46	1,545	72	1,856	6,045	11,928	50,329
8	299,711	16,801	12,384	2,941	958	518	204,389	82,249	3,525	298	1,383	72	1,856	5,771	11,880	50,215
15	299,857	17,048	12,846	2,620	987	595	204,498	82,223	3,516	283	1,289	66	1,875	5,789	11,846	50,259
22	295,606	13,593	11,117	1,496	533	447	203,321	81,617	3,530	74	1,218	64	1,856	5,665	11,783	50,335
29	296,181	14,751	12,332	1,562	466	391	202,917	81,525	3,486	52	1,256	69	1,861	5,493	11,763	50,392
1976																
Sept. 1	305,361	19,004	16,590	1,279	572	563	202,911	78,533	4,110	114	2,855	63	2,160	4,430	10,768	52,806
8	308,911	22,204	18,748	2,147	671	638	202,979	78,611	4,121	119	2,755	64	2,143	4,418	10,861	52,871
15	309,277	20,810	16,532	3,036	623	619	204,165	79,057	4,125	606	2,726	63	2,147	4,372	10,844	53,020
22	305,737	17,265	14,618	1,432	553	662	204,500	79,440	4,121	152	2,960	62	2,146	4,373	10,731	53,167
29	307,057	17,525	15,022	1,427	486	590	205,034	79,449	4,141	126	2,919	67	2,168	4,386	10,825	53,250
Oct. 6	313,392	23,754	16,829	5,141	606	1,178	205,314	79,483	4,143	299	3,114	60	2,148	4,374	10,807	53,280
13	309,886	19,814	17,067	1,548	504	695	205,429	79,312	4,158	168	2,992	62	2,124	4,442	10,868	53,413
20	308,990	17,751	14,880	1,723	448	700	206,062	79,888	4,165	220	3,244	58	2,152	4,577	10,713	53,610
27	308,323	17,372	14,839	1,359	401	773	206,095	80,005	4,187	180	3,269	58	2,167	4,489	10,722	53,687

▲ Effective with changes in New York State branch banking laws, beginning Jan. 1, 1976, three large New York City banks are now reporting combined totals for previously affiliated banks that have been converted to branches.

The principal effects of these changes were to increase the reported data for New York City (total assets, by about $5.5 billion) and to decrease the reported data for "Outside New York City" (total assets, by about $4.0 billion).

Historical data (from Jan. 1972) on a basis comparable with 1976 data are available from the Public Information Department of the Federal Reserve Bank of New York on request.

For other notes see p. A-22.

ASSETS AND LIABILITIES OF LARGE COMMERCIAL BANKS▲—Continued

(In millions of dollars)

Loans (cont.)						Investments										
Other (cont.)						U.S. Treasury securities					Other securities					
To commercial banks								Notes and bonds maturing—				Obligations of States and political subdivisions		Other bonds, corp. stocks, and securities		
Domestic	Foreign	Consumer instalment	Foreign govts.[3]	All other	Loan loss reserve and unearned income on loans[1]	Total	Bills	Within 1 yr.	1 to 5 yrs.	After 5 yrs.	Total	Tax warrants[4]	All other	Certif. of participation[5]	All other[6]	Wednesday
																Large banks Total
																1975
2,614	5,827	35,012	1,405	18,460	5,793	35,461	10,080	5,495	16,988	2,898	60,539	6,445	40,034	2,390	11,670	Oct. 1
2,458	5,938	34,997	1,415	18,059	5,816	35,748	10,212	4,396	17,088	3,052	60,509	6,372	39,954	2,346	11,837	8
2,417	5,926	34,996	1,453	18,439	5,792	35,036	9,827	5,410	16,903	2,896	61,001	6,758	39,963	2,348	11,932	15
2,438	5,858	35,051	1,477	18,039	5,756	35,716	9,559	5,431	17,875	2,851	60,557	6,458	39,805	2,298	11,996	22
2,306	5,782	35,142	1,539	17,957	5,766	35,155	9,029	5,518	17,867	2,741	60,636	6,739	39,916	2,306	11,675	29
																1976
1,915	5,999	37,611	1,847	18,091	8,634	43,141	10,791	6,141	22,128	4,081	59,798	6,130	40,250	2,656	10,762	Sept. 1
1,656	5,899	37,655	1,928	18,204	8,666	42,634	10,585	6,162	21,825	4,062	60,138	6,578	40,354	2,545	10,661	8
1,838	5,818	37,725	1,943	18,312	8,688	43,267	10,978	6,238	22,001	4,050	60,017	6,298	40,305	2,560	10,854	15
1,759	6,168	37,837	1,851	18,307	8,701	43,603	11,331	6,194	22,038	4,040	59,869	6,210	40,126	2,648	10,885	22
1,791	6,095	37,983	1,924	18,406	8,636	43,421	10,919	6,140	22,338	4,024	60,308	6,409	40,311	2,392	11,196	29
1,810	6,033	38,006	2,041	18,250	8,543	43,736	11,301	6,091	22,423	3,921	59,840	6,405	40,038	2,359	11,038	Oct. 6
2,223	5,929	38,018	1,941	18,536	8,602	44,469	10,858	6,099	22,713	4,799	60,100	6,445	40,057	2,348	11,250	13
2,073	5,986	37,929	1,940	18,111	8,608	43,918	10,617	5,972	22,762	4,567	60,765	6,795	40,150	2,314	11,506	20
1,884	5,885	38,056	1,945	17,867	8,615	43,954	11,016	6,101	22,323	4,514	60,130	6,425	39,964	2,354	11,387	27
																New York City
																1975
1,176	2,511	3,574	522	4,071	1,749	7,875	2,344	778	4,039	714	9,643	1,494	6,041	178	1,930	Oct. 1
988	2,583	3,578	517	3,985	1,740	8,264	2,585	762	4,058	859	9,472	1,441	5,993	177	1,861	8
993	2,576	3,570	546	4,126	1,724	8,146	2,556	759	4,107	724	9,580	1,426	6,031	178	1,945	15
976	2,550	3,575	585	3,931	1,689	8,093	2,232	699	4,512	650	9,488	1,405	5,983	178	1,922	22
905	2,503	3,583	644	4,014	1,709	7,782	1,981	689	4,520	592	9,496	1,472	5,988	178	1,858	29
																1976
746	2,619	3,870	548	3,699	1,725	10,221	2,735	1,026	5,274	1,186	9,272	1,442	6,175	281	1,374	Sept. 1
667	2,469	3,864	603	3,773	1,716	9,749	2,511	997	5,051	1,190	9,295	1,490	6,187	280	1,338	8
816	2,416	3,884	567	3,784	1,724	9,656	2,678	1,025	4,829	1,124	9,326	1,467	6,226	280	1,353	15
689	2,692	3,935	518	3,766	1,727	10,312	3,448	970	4,843	1,051	9,188	1,423	6,130	290	1,345	22
791	2,621	3,934	525	3,644	1,655	9,969	2,904	930	5,009	1,126	9,262	1,437	6,166	290	1,369	29
770	2,577	3,943	614	3,710	1,623	10,106	2,946	793	5,218	1,149	9,146	1,435	6,158	290	1,263	Oct. 6
826	2,518	3,942	532	3,979	1,642	10,688	3,021	795	5,281	1,591	9,238	1,420	6,201	290	1,327	13
849	2,551	3,960	546	3,735	1,645	10,129	2,800	765	5,253	1,311	9,377	1,512	6,086	237	1,542	20
623	2,555	3,957	555	3,637	1,636	10,043	3,121	789	4,971	1,162	9,185	1,376	5,988	242	1,579	27
																Outside New York City
																1975
1,438	3,316	31,438	883	14,389	4,044	27,586	7,736	4,717	12,949	2,184	50,896	4,951	33,993	2,212	9,740	Oct. 1
1,470	3,355	31,419	898	14,074	4,076	27,484	7,627	4,634	13,030	2,193	51,037	4,931	33,961	2,169	9,976	8
1,424	3,350	31,426	907	14,313	4,068	26,890	7,271	4,651	12,796	2,172	51,421	5,332	33,932	2,170	9,987	15
1,462	3,308	31,476	892	14,108	4,067	27,623	7,327	4,732	13,363	2,201	51,069	5,053	33,822	2,120	10,074	22
1,401	3,279	31,559	895	13,943	4,057	27,373	7,048	4,829	13,347	2,149	51,140	5,267	33,928	2,128	9,817	29
																1976
1,169	3,380	33,741	1,299	14,392	6,909	32,920	8,056	5,115	16,854	2,895	50,526	4,688	34,075	2,375	9,388	Sept. 1
989	3,430	33,791	1,325	14,431	6,950	32,885	8,074	5,165	16,774	2,872	50,843	5,088	34,167	2,265	9,323	8
1,022	3,402	33,841	1,376	14,528	6,964	33,611	8,300	5,213	17,172	2,926	50,691	4,831	34,079	2,280	9,501	15
1,070	3,476	33,902	1,333	14,541	6,974	33,291	7,883	5,224	17,195	2,989	50,681	4,787	33,996	2,358	9,540	22
1,000	3,474	34,049	1,399	14,762	6,981	33,452	8,015	5,210	17,329	2,898	51,046	4,972	34,145	2,102	9,827	29
1,040	3,456	34,063	1,427	14,540	6,920	33,630	8,355	5,298	17,205	2,772	50,694	4,970	33,880	2,069	9,775	Oct. 6
1,397	3,411	34,076	1,409	14,557	6,960	33,781	7,837	5,304	17,432	3,208	50,862	5,025	33,856	2,058	9,923	13
1,224	3,435	33,969	1,394	14,376	6,963	33,789	7,817	5,207	17,509	3,256	51,388	5,283	34,064	2,077	9,964	20
1,261	3,330	34,099	1,390	14,230	6,979	33,911	7,895	5,312	17,352	3,352	50,945	5,049	33,976	2,112	9,808	27

For notes see pp. A-18 and A-22.

ASSETS AND LIABILITIES OF LARGE COMMERCIAL BANKS▲—Continued

(In millions of dollars)

Wednesday	Cash items in process of collection	Reserves with F.R. Banks	Currency and coin	Balances with domestic banks	Investments in subsidiaries not consolidated	Other assets	Total assets/total liabilities[1]	Deposits: Demand: Total	IPC	States and political subdivisions	U.S. Govt.	Domestic interbank: Commercial	Domestic interbank: Mutual savings	Foreign govts., etc.[3]
Large banks—Total														
1975														
Oct. 1	36,864	21,456	4,808	13,240	1,794	38,788	507,520	168,282	120,217	6,570	1,082	25,793	925	1,223
8	33,477	19,418	4,680	11,927	1,800	37,716	499,301	160,849	118,002	5,805	906	23,051	851	1,119
15	41,748	20,810	4,976	14,079	1,801	37,791	512,894	173,950	126,094	6,235	1,647	26,156	846	1,102
22	32,660	21,809	5,048	12,432	1,792	38,009	497,024	159,863	116,374	5,890	1,454	23,345	767	1,081
29	31,848	22,360	5,211	11,491	1,794	38,183	496,011	159,838	116,592	5,880	1,261	22,111	794	1,141
1976														
Sept. 1	35,358	21,805	5,308	12,176	2,136	45,773	515,675	166,689	120,365	6,346	1,127	24,617	845	1,023
8	36,447	22,208	5,207	11,550	2,119	46,255	518,939	166,598	121,171	5,790	1,698	24,829	849	1,011
15	39,051	17,964	5,444	12,028	2,116	46,157	520,107	175,122	126,196	6,148	4,737	24,031	764	1,176
22	33,460	19,404	5,474	10,502	2,120	45,277	508,743	162,256	117,377	6,010	2,603	23,142	744	1,138
29	35,950	23,243	5,619	11,902	2,116	45,987	517,642	165,960	119,089	5,620	2,668	24,011	761	1,016
Oct. 6	36,831	16,628	4,922	12,104	2,158	46,670	520,562	171,099	121,274	5,834	2,440	26,157	968	1,097
13	40,238	24,750	5,523	12,469	2,172	47,009	529,865	173,402	125,603	5,587	1,614	26,111	955	1,208
20	35,788	23,011	5,468	12,374	2,347	45,572	522,337	169,020	122,606	5,770	2,544	24,464	913	1,226
27	35,070	19,807	5,654	11,785	2,351	45,772	517,203	167,554	121,360	5,939	2,060	23,671	876	1,464
New York City														
1975														
Oct. 1	13,880	7,415	667	6,590	805	13,229	133,652	50,973	27,901	665	100	13,349	596	986
8	12,465	5,770	662	5,527	804	13,195	128,995	47,330	27,689	615	90	11,044	511	903
15	14,475	6,411	671	6,542	804	12,664	133,399	50,962	29,099	702	256	12,819	499	860
22	11,048	5,693	683	5,821	804	13,205	126,922	46,142	25,904	569	202	11,809	459	841
29	12,070	7,462	683	5,107	806	12,712	127,783	46,871	26,740	465	159	10,619	464	904
1976														
Sept. 1	11,991	7,080	740	5,409	954	15,640	129,572	47,476	26,540	596	83	11,623	479	798
8	11,479	7,877	746	4,737	951	16,183	128,215	45,572	26,149	482	138	10,908	457	778
15	12,263	5,086	735	5,388	949	15,730	128,221	49,614	28,074	523	1,354	11,284	400	946
22	11,845	5,373	755	4,422	949	15,169	125,282	45,736	25,068	651	399	11,514	391	907
29	14,181	6,949	766	5,046	956	15,906	129,572	48,704	26,585	515	386	11,930	405	780
Oct. 6	13,109	5,439	718	4,962	1,000	16,007	129,092	48,625	26,168	546	397	11,975	548	769
13	13,496	8,491	758	5,142	1,011	16,180	132,896	48,398	26,626	542	232	12,060	520	915
20	12,251	6,408	753	5,213	1,011	14,635	129,058	48,625	27,232	585	430	12,075	500	944
27	12,075	5,220	748	4,976	1,011	14,996	127,467	47,791	26,547	555	303	11,175	468	1,195
Outside New York City														
1975														
Oct. 1	22,984	14,041	4,141	6,650	989	25,559	373,868	117,309	92,316	5,905	982	12,444	329	237
8	21,012	13,648	4,018	6,400	996	24,521	370,306	113,519	90,313	5,190	816	12,007	340	216
15	27,273	14,399	4,305	7,537	997	25,127	379,495	122,988	96,995	5,533	1,391	13,337	347	242
22	21,612	16,116	4,365	6,611	988	24,804	370,102	113,721	90,470	5,321	1,252	11,536	308	240
29	19,778	14,898	4,528	6,384	988	25,471	368,228	112,967	89,852	5,415	1,102	11,492	330	237
1976														
Sept. 1	23,367	14,725	4,568	6,767	1,182	30,133	386,103	119,213	93,825	5,750	1,044	12,994	366	225
8	24,968	14,331	4,461	6,813	1,168	30,072	390,724	121,026	95,022	5,308	1,560	13,921	392	233
15	26,788	12,878	4,709	6,640	1,167	30,427	391,886	125,508	98,122	5,625	3,383	12,747	364	230
22	21,615	14,031	4,719	6,080	1,171	30,108	383,461	116,520	92,309	5,359	2,204	11,628	353	231
29	21,769	16,294	4,853	6,856	1,160	30,081	388,070	117,256	92,504	5,105	2,282	12,081	356	236
Oct. 6	23,722	11,189	4,204	7,142	1,158	30,663	391,470	122,474	95,106	5,288	2,043	14,182	420	328
13	26,742	16,259	4,765	7,327	1,161	30,829	396,969	125,004	98,977	5,045	1,382	14,051	435	293
20	23,537	16,603	4,715	7,161	1,336	30,937	393,279	120,395	95,374	5,185	2,114	12,389	413	282
27	22,995	14,587	4,906	6,809	1,340	30,776	389,736	119,763	94,813	5,384	1,757	12,496	408	269

For notes see pp. A-18 and A-22.

ASSETS AND LIABILITIES OF LARGE COMMERCIAL BANKS▲—Continued

(In millions of dollars)

Deposits (cont.): Demand (cont.): Foreign commercial banks	Deposits (cont.): Demand (cont.): Certified and officers' checks	Deposits (cont.): Total[7]	Deposits (cont.): Time and savings: IPC: Savings	Deposits (cont.): Time and savings: IPC: Other	Deposits (cont.): Time and savings: States and political subdivisions	Deposits (cont.): Time and savings: Domestic interbank	Deposits (cont.): Time and savings: Foreign govts.[3]	Federal funds purchased, etc.[8]	Borrowings from—: F.R. Banks	Borrowings from—: Other	Other liabilities, etc.[9]	Total equity capital and sub. notes/debentures[10]	Wednesday
													Large banks—Total
													1975
5,176	7,296	226,110	65,999	116,500	22,067	7,928	12,241	48,488	393	3,962	23,931	36,354	Oct. 1
4,881	6,234	226,958	66,128	116,642	22,285	8,064	12,508	47,427	38	4,103	23,558	36,368	8
5,042	6,828	225,734	66,165	115,701	22,152	8,053	12,308	47,866	353	4,113	24,602	36,276	15
4,804	6,148	226,418	66,330	116,182	22,206	8,096	12,249	45,394	842	4,195	24,032	36,280	22
4,693	7,366	225,805	66,222	115,872	22,267	8,028	12,071	46,470	3	3,917	23,645	36,333	29
													1976
5,095	7,271	221,423	80,937	105,378	19,824	6,002	7,776	61,621	210	3,941	21,681	40,110	Sept. 1
5,398	5,852	221,436	81,342	105,046	19,764	5,932	7,885	65,781	....	3,790	21,280	40,054	8
5,390	6,680	221,052	81,280	104,932	19,659	5,863	7,856	57,515	131	4,042	22,205	40,040	15
5,344	5,898	222,285	81,593	105,704	19,672	5,915	7,919	58,824	24	3,801	21,492	40,061	22
5,745	7,050	223,690	82,090	106,373	19,795	5,925	7,947	62,494	259	3,785	21,326	40,128	29
5,517	7,812	223,785	83,045	105,704	19,659	5,908	7,938	60,396	10	3,969	20,917	40,386	Oct. 6
5,706	6,618	223,223	83,260	105,079	19,568	5,981	7,870	67,572	11	3,949	21,231	40,477	13
5,439	6,058	222,806	83,886	104,499	19,303	5,799	7,868	64,067	40	3,925	21,870	40,609	20
5,571	6,613	222,596	84,243	104,241	19,194	5,700	7,823	60,717	511	3,917	21,401	40,507	27
													New York City
													1975
3,854	3,522	48,277	7,277	27,419	1,553	3,189	7,928	13,331	....	1,826	9,035	10,210	Oct. 1
3,503	2,975	49,027	7,265	27,866	1,562	3,328	8,146	11,548	....	1,806	9,069	10,215	8
3,462	3,265	48,592	7,258	27,498	1,565	3,358	8,036	11,517	275	1,818	10,052	10,183	15
3,514	2,844	48,806	7,273	27,669	1,584	3,420	7,984	10,104	680	1,932	9,071	10,187	22
3,344	4,176	48,432	7,274	27,449	1,596	3,432	7,827	11,886	....	1,651	8,757	10,186	29
													1976
3,773	3,584	41,390	8,901	23,009	1,227	2,600	4,805	18,232	210	1,528	9,280	11,456	Sept. 1
4,097	2,563	41,070	8,943	22,772	1,197	2,533	4,813	19,602	....	1,567	8,930	11,474	8
3,938	3,095	40,676	8,940	22,507	1,164	2,479	4,781	15,051	....	1,422	9,970	11,488	15
4,017	2,789	40,707	8,968	22,537	1,159	2,457	4,759	16,293	....	1,642	9,420	11,484	22
4,349	3,754	40,903	9,024	22,519	1,227	2,456	4,754	16,991	215	1,664	9,610	11,485	29
4,105	4,117	41,011	9,115	22,524	1,252	2,515	4,699	16,778	....	1,802	9,333	11,543	Oct. 6
4,302	3,201	40,795	9,148	22,299	1,296	2,598	4,616	20,742	....	1,746	9,651	11,564	13
4,070	2,789	40,770	9,249	22,175	1,290	2,524	4,696	16,456	....	1,748	9,886	11,573	20
4,273	3,275	40,612	9,263	22,040	1,328	2,502	4,690	15,895	....	1,823	9,788	11,558	27
													Outside New York City
													1975
1,322	3,774	177,833	58,722	89,081	20,514	4,739	4,313	35,157	393	2,136	14,896	26,144	Oct. 1
1,378	3,259	177,931	58,863	88,776	20,723	4,736	4,362	35,879	38	2,297	14,489	26,153	8
1,580	3,563	177,142	58,907	88,203	20,587	4,695	4,272	36,349	78	2,295	14,550	26,093	15
1,290	3,304	177,612	59,057	88,513	20,622	4,676	4,265	35,290	162	2,263	14,961	26,093	22
1,349	3,190	177,373	58,948	88,423	20,671	4,596	4,244	34,584	3	2,266	14,888	26,147	29
													1976
1,322	3,687	180,033	72,036	82,369	18,597	3,402	2,971	43,389	....	2,413	12,401	28,654	Sept. 1
1,301	3,289	180,366	72,399	82,274	18,567	3,399	3,072	46,179	....	2,223	12,350	28,580	8
1,452	3,585	180,376	72,340	82,425	18,495	3,384	3,075	42,464	131	2,620	12,235	28,552	15
1,327	3,109	181,578	72,625	83,167	18,513	3,458	3,160	42,531	24	2,159	12,072	28,577	22
1,396	3,296	182,787	73,066	83,854	18,568	3,469	3,193	45,503	44	2,121	11,716	28,643	29
1,412	3,695	182,774	73,930	83,180	18,407	3,393	3,239	43,618	10	2,167	11,584	28,843	Oct. 6
1,404	3,417	182,428	74,112	82,780	18,272	3,383	3,254	46,830	11	2,203	11,580	28,913	13
1,369	3,269	182,036	74,637	82,324	18,013	3,275	3,172	47,611	40	2,177	11,984	29,036	20
1,298	3,338	181,984	74,980	82,201	17,866	3,198	3,133	44,822	511	2,094	11,613	28,949	27

For notes see pp. A-18 and A-22.

ASSETS AND LIABILITIES OF LARGE COMMERCIAL BANKS▲—Continued

(In millions of dollars)

Wednesday	Memoranda: Total loans (gross) adjusted[11]	Total loans and investments (gross) adjusted[11]	Demand deposits adjusted[12]	Large negotiable time CD's included in time and savings deposits[13]: Total	Issued to IPC's	Issued to others	All other large time deposits[14]: Total	Issued to IPC's	Issued to others	Savings ownership categories: Individuals and nonprofit organizations	Partnerships and corporations for profit[15]	Domestic governmental units	All other[16]	Gross liabilities of banks to their foreign branches
Large banks—Total														
1975														
Oct. 1	282,695	378,695	104,543	84,078	56,416	27,662	33,125	18,326	14,799	65,999	......	......	......	2,723
8	283,961	380,218	103,415	84,568	56,554	28,014	33,478	18,410	15,068	66,128	......	......	......	3,085
15	283,730	379,767	104,399	83,360	55,665	27,695	33,439	18,380	15,059	66,165	......	......	......	4,233
22	279,397	375,670	102,404	83,783	56,121	27,662	33,485	18,411	15,074	66,330	......	......	......	3,232
29	278,951	374,742	104,618	83,388	55,991	27,397	33,502	18,414	15,088	66,222	......	......	......	2,916
1976														
Sept. 1	279,363	382,302	105,587	65,382	43,360	22,022	27,666	15,367	12,299	76,413	3,453	998	73	3,787
8	279,792	382,564	103,624	65,123	43,134	21,989	27,656	15,339	12,317	76,684	3,543	1,010	105	3,582
15	282,723	386,007	107,303	64,618	42,755	21,863	27,608	15,408	12,200	76,672	3,506	1,019	83	4,844
22	280,402	383,874	103,051	65,543	43,463	22,080	27,326	15,145	12,181	76,898	3,537	1,074	84	4,217
29	280,230	383,959	103,331	65,990	43,670	22,320	27,564	15,407	12,157	77,290	3,607	1,120	73	4,684
Oct. 6	286,668	390,244	105,671	65,096	42,808	22,288	27,484	15,481	12,003	78,051	3,649	1,270	75	4,094
13	281,757	386,326	105,439	64,574	42,272	22,302	26,972	15,215	11,757	78,230	3,694	1,259	77	3,794
20	283,351	388,034	106,224	63,563	41,584	21,979	27,024	15,312	11,712	78,611	3,777	1,420	78	5,449
27	283,172	387,256	106,753	63,151	41,296	21,855	26,769	15,282	11,487	78,800	3,863	1,499	81	5,234
New York City														
1975														
Oct. 1	72,243	89,761	23,644	29,665	19,205	10,460	7,862	4,901	2,961	7,277	......	......	......	1,923
8	72,549	90,285	23,731	30,495	19,688	10,807	7,824	4,874	2,950	7,265	......	......	......	1,991
15	72,386	90,112	23,412	30,078	19,317	10,761	7,804	4,871	2,933	7,258	......	......	......	3,472
22	70,995	88,576	23,083	30,315	19,581	10,734	7,780	4,814	2,966	7,273	......	......	......	2,077
29	70,959	88,237	24,023	30,117	19,519	10,598	7,692	4,745	2,947	7,274	......	......	......	2,071
1976														
Sept. 1	68,298	87,791	23,779	22,519	14,685	7,834	5,913	4,306	1,607	8,386	317	150	48	2,828
8	67,396	86,440	23,047	22,177	14,505	7,672	5,948	4,291	1,657	8,396	325	143	79	2,488
15	68,338	87,320	24,713	21,704	14,134	7,570	5,984	4,350	1,634	8,403	325	155	57	3,970
22	67,351	86,851	21,978	21,770	14,246	7,524	5,881	4,229	1,652	8,405	331	174	58	3,342
29	66,712	85,943	22,207	21,766	14,162	7,604	6,003	4,275	1,728	8,459	333	183	49	3,616
Oct. 6	68,549	87,801	23,144	21,673	14,034	7,639	6,088	4,387	1,701	8,486	340	237	52	2,988
13	68,018	87,944	22,610	21,591	13,890	7,701	5,923	4,290	1,633	8,526	343	227	52	2,910
20	68,679	88,185	23,869	21,463	13,770	7,693	5,869	4,251	1,618	8,566	352	276	55	4,273
27	68,826	88,054	24,238	21,399	13,663	7,736	5,801	4,268	1,533	8,582	361	267	53	4,073
Outside New York City														
1975														
Oct. 1	210,452	288,934	80,899	54,413	37,211	17,202	25,263	13,425	11,838	58,722	......	......	......	800
8	211,412	289,933	79,684	54,073	36,866	17,207	25,654	13,536	12,118	58,863	......	......	......	1,094
15	211,344	289,655	80,987	53,282	36,348	16,934	25,635	13,509	12,126	58,907	......	......	......	761
22	208,402	287,094	79,321	53,468	36,540	16,928	25,705	13,597	12,108	59,057	......	......	......	1,155
29	207,992	286,505	80,595	53,271	36,472	16,799	25,810	13,669	12,141	58,948	......	......	......	845
1976														
Sept. 1	211,065	294,511	81,808	42,863	28,675	14,188	21,753	11,061	10,692	68,027	3,136	848	25	959
8	212,396	296,124	80,577	42,946	28,629	14,317	21,708	11,048	10,660	68,288	3,218	867	26	1,094
15	214,385	298,687	82,590	42,914	28,621	14,293	21,624	11,058	10,566	68,269	3,181	864	26	874
22	213,051	297,023	81,073	43,773	29,217	14,556	21,445	10,916	10,529	68,493	3,206	900	26	875
29	213,518	298,016	81,124	44,224	29,508	14,716	21,561	11,132	10,429	68,831	3,274	937	24	1,068
Oct. 6	218,119	302,443	82,527	43,423	28,774	14,649	21,396	11,094	10,302	69,565	3,309	1,033	23	1,106
13	213,739	298,382	82,829	42,983	28,382	14,601	21,049	10,925	10,124	69,704	3,351	1,032	25	884
20	214,672	299,849	82,355	42,100	27,814	14,286	21,155	11,061	10,094	70,045	3,425	1,144	23	1,176
27	214,346	299,202	82,515	41,752	27,633	14,119	20,968	11,014	9,954	70,218	3,502	1,232	28	1,161

▲ See p. A-18.

1 Loan loss reserve and unearned income on loans had been reported as liability items through Mar. 24, 1976. Since then the item is netted against total loans, and therefore against total assets also. As a proxy for this item prior to Mar. 31, 1976, reserves for loans have been used to calculate year-ago figures.

2 Includes securities purchased under agreements to resell.

3 Includes official institutions and so forth.

4 Includes short-term notes and bills.

5 Federal agencies only. 6 Includes corporate stocks.

7 Includes U.S. Govt. and foreign bank deposits, not shown separately.

8 Includes securities sold under agreements to repurchase.

9 Includes minority interest in consolidated subsidiaries. Beginning Mar. 31, 1976, also includes deferred tax portion of reserves for loans.

10 Includes reserves for securities. Beginning Mar. 31, 1976, also includes contingency portion of reserves for loans.

11 Exclusive of loans and Federal funds transactions with domestic commercial banks.

12 All demand deposits except U.S. Govt. and domestic commercial banks, less cash items in process of collection.

13 Certificates of deposit issued in denominations of $100,000 or more.

14 All other time deposits issued in denominations of $100,000 or more (not included in large negotiable CD's).

15 Other than commercial banks. 16 Domestic and foreign commercial banks, and official international organizations.

NOTE. Effective Mar. 24, 1976, in the city of Chicago and Mar. 31, 1976, in the San Francisco District reclassification of loans resulted in the following major revisions: commercial and industrial, −$1,168 million; other nonbank financial institutions, +$185 million; real estate, +$783 million; other loans, +$200 million. These reclassifications are not reflected for earlier dates.

COMMERCIAL AND INDUSTRIAL LOANS OF LARGE COMMERCIAL BANKS

(In millions of dollars)

Industry	Outstanding 1976 Oct. 27	Oct. 20	Oct. 13	Oct. 6	Sept. 29	Net change during— 1976 Oct.	Sept.	Aug.	1976 III	II	I	1976 1st half	1975 2nd half
Durable goods manufacturing:													
Primary metals	2,003	1,991	2,003	2,052	2,062	-59	109	-69	-36	73	-48	25	50
Machinery	4,605	4,631	4,654	4,606	4,617	-12	-123	-132	-417	-429	-296	-725	-1,668
Transportation equipment	2,298	2,387	2,397	2,456	2,426	-128	33	-177	-252	315	-52	367	-465
Other fabricated metal products	1,663	1,664	1,691	1,695	1,686	-23	14	10	-56	-144	-87	-231	-750
Other durable goods	3,416	3,421	3,464	3,493	3,503	-87	-2	22	-109	106	53	159	-688
Nondurable goods manufacturing:													
Food, liquor, and tobacco	3,399	3,369	3,269	3,274	3,366	33	-154	119	3	92	-509	-417	468
Textiles, apparel, and leather	3,404	3,441	3,524	3,533	3,499	-95	-38	135	178	r243	r387	630	532
Petroleum refining	2,561	2,589	2,536	2,525	2,5 0	41	399	-120	217	79	-138	-59	-116
Chemicals and rubber	2,641	2,622	2,604	2,551	2,525	116	-10	-13	41	-167	40	-207	-431
Other nondurable goods	1,851	1,858	1,869	1,883	1,881	-30	-24	-24	-34	r8	r99	107	-415
Mining, including crude petroleum and natural gas	7,190	7,107	7,082	6,992	6,960	230	307	19	229	330	448	778	1,065
Trade: Commodity dealers	1,810	1,673	1,517	1,506	1,556	254	126	88	-212	121	65	186	477
Other wholesale	6,107	6,025	6,049	6,071	6,033	74	77	2	189	r47	r358	405	-181
Retail	6,457	6,373	6,252	6,262	6,340	117	82	r50	19	392	r137	r529	-517
Transportation	5,125	5,148	5,077	5,103	5,184	-59	-103	-73	496	-157	231	388	3
Communication	1,418	1,465	1,502	1,500	1,489	-71	-80	-50	263	57	-289	-232	158
Other public utilities	5,611	5,697	5,687	5,719	5,699	88	-110	-379	526	113	-885	-772	-198
Construction	4,207	4,229	4,171	4,233	4,191	16	-82	38	-51	177	706	883	-436
Services	10,395	10,371	10,362	10,290	10,405	10	33	-29	174	r-305	r65	-240	-15
All other domestic loans	7,585	7,554	7,488	7,525	7,360	225	163	48	385	r-840	r-2,588	-3,428	643
Bankers acceptances	4,256	4,086	3,841	3,763	3,587	669	788	147	629	-337	1,650	-1,987	2,685
Foreign commercial and industrial loans	5,808	5,827	5,712	5,730	5,769	39	9	317	95	304	82	386	757
Total classified loans	93,810	93,528	92,751	92,762	92,658	1,152	1,386	r-367	-641	r-906	r-5,825	r6,731	-422
Comm. paper included in total classified loans[1]	*287*				*326*	*-39*	*50*	*97*	*-142*	*24*	*7*	*31*	*197*
Total commercial and industrial loans of large commercial banks	113,525	113,302	112,497	112,510	112,313	1,212	1,640	r-291	460	r-892	r-6,989	r-7,881	942

For notes see table below.

"TERM" COMMERCIAL AND INDUSTRIAL LOANS OF LARGE COMMERCIAL BANKS

(In millions of dollars)

Industry	Outstanding 1976 Oct. 27	Sept. 29	Aug. 25	July 28	June 30	May 26	Apr. 28	Mar. 31	Feb. 25	Net change during— 1976 III	II	I	1975 IV	1976 1st half
Durable goods manufacturing:														
Primary metals	1,191	1,214	1,146	1,191	1,241	1,293	1,283	1,291	1,335	-27	-50	-81	34	-131
Machinery	2,592	2,675	2,748	2,901	3,029	3,088	3,055	3,144	3,072	-354	-115	-169	-424	-284
Transportation equipment	1,315	1,381	r1,354	1,399	1,505	1,488	1,632	1,691	1,643	-124	186	76	-78	110
Other fabricated metal products	747	756	765	767	799	879	919	909	1,035	43	-110	-115	-244	-225
Other durable goods	1,668	1,736	1,758	1,763	1,815	1,843	1,871	1,793	1,838	-79	22	-30	-189	-8
Nondurable goods manufacturing:														
Food, liquor, and tobacco	1,425	1,435	1,463	1,444	1,403	1,334	1,366	1,391	1,536	32	12	-187	107	175
Textiles, apparel, and leather	1,125	1,144	1,159	1,123	1,116	1,075	1,044	993	1,055	28	123	-2	-108	121
Petroleum refining	1,931	1,908	1,606	1,659	1,707	1,781	1,785	1,685	1,886	201	22	-146	-136	-124
Chemicals and rubber	1,486	1,464	1,460	1,444	1,466	1,462	1,495	1,540	1,603	2	-74	-82	-43	-156
Other nondurable goods	930	935	948	982	986	961	979	962	942	51	24	74	-168	98
Mining, including crude petroleum and natural gas	5,514	5,342	r5,137	r5,118	r5,220	5,117	5,015	4,904	4,731	r122	r316	420	637	r736
Trade: Commodity dealers	220	209	186	191	207	206	180	190	182	2	17	18	22	35
Other wholesale	1,400	1,394	1,340	1,308	1,308	1,355	1,312	1,344	1,279	86	-36	68	43	32
Retail	2,173	2,134	2,080	2,061	2,032	2,031	2,036	2,008	1,987	102	24	12	-157	36
Transportation	3,883	3,934	3,941	4,032	4,237	4,246	4,252	4,250	4,329	-303	-13	-140	-1	-153
Communication	910	903	948	937	990	1,008	984	998	1,095	87	-8	-83	-51	-91
Other public utilities	3,523	3,604	r3,685	3,895	3,908	3,811	3,770	3,898	3,940	-304	10	-81	13	-71
Construction	1,708	1,696	r1,711	1,690	1,744	1,755	1,876	1,915	2,141	-48	-171	-266	-178	-437
Services	4,886	4,967	r4,926	4,948	5,097	5,240	5,317	5,368	5,147	130	-271	233	13	-38
All other domestic loans	2,447	2,419	2,356	2,415	2,350	2,349	2,507	2,700	3,093	69	-350	-599	55	949
Foreign commercial and industrial loans	3,388	3,522	3,462	3,141	3,157	3,121	3,085	2,984	3,001	365	173	63	158	236
Total loans	44,462	44,772	r44,179	r44,409	r45,317	45,443	45,763	45,958	46,870	r-545	r-641	-1,017	-781	r-1,658

[1] Reported the last Wednesday of each month.

NOTE.—For description of series see article "Revised Series on Commercial and Industrial Loans by Industry," Feb. 1967 BULLETIN, p. 209.

Commercial and industrial "term" loans are all outstanding loans with an original maturity of more than 1 year and all outstanding loans granted under a formal agreement - revolving credit or standby—on which the original maturity of the commitment was in excess of 1 year.

GROSS DEMAND DEPOSITS OF INDIVIDUALS, PARTNERSHIPS, AND CORPORATIONS[1]

(In billions of dollars)

Class of bank, and quarter or month	Type of holder					Total deposits, IPC
	Financial business	Nonfinancial business	Consumer	Foreign	All other	
All insured commercial banks:						
1970—Dec.	17.3	92.7	53.6	1.3	10.3	175.1
1971—Dec.	18.5	98.4	58.6	1.3	10.7	187.5
1972—Dec.	18.9	109.9	65.4	1.5	12.3	208.0
1973—Sept.	18.8	108.3	69.1	2.1	11.9	210.3
Dec.	19.1	116.2	70.1	2.4	12.4	220.1
1974—Mar.	18.9	108.4	70.6	2.3	11.0	211.2
June	18.2	112.1	71.4	2.2	11.1	215.0
Sept.	17.9	113.9	72.0	2.1	10.9	216.8
Dec.	19.0	118.8	73.3	2.3	11.7	225.0
1975—Mar.	18.6	111.3	73.2	2.3	10.9	216.3
June	19.4	115.1	74.8	2.3	10.6	222.2
Sept.	19.0	118.7	76.5	2.2	10.6	227.0
Dec.	20.1	125.1	78.0	2.4	11.3	236.9
1976—Mar.	19.9	116.9	77.2	2.4	11.4	227.9
June	20.3	121.2	78.8	2.5	11.4	234.2
Sept.p	19.6	121.3	80.2	3.3	11.4	235.8
Weekly reporting banks:						
1971—Dec.	14.4	58.6	24.6	1.2	5.9	104.8
1972—Dec.	14.7	64.4	27.1	1.4	6.6	114.3
1973—Dec.	14.9	66.2	28.0	2.2	6.8	118.1
1974—Dec.	14.8	66.9	29.0	2.2	6.8	119.7
1975—Sept.	14.7	65.5	29.6	2.1	6.2	118.1
Oct.	15.1	66.7	29.0	2.2	6.3	119.3
Nov.	15.4	68.1	29.4	2.2	6.4	121.6
Dec.	15.6	69.9	29.9	2.3	6.6	124.4
1976—Jan.	15.2	68.0	30.3	2.2	6.7	122.4
Feb.	15.3	65.6	29.2	2.2	6.4	118.7
Mar.	15.4	65.2	30.8	1.8	6.2	119.5
Apr.	15.1	65.5	33.6	1.8	6.0	122.0
May	15.7	67.8	26.4	2.2	6.1	118.2
June	16.1	67.3	31.2	2.0	6.1	122.6
July	16.3	64.8	33.3	2.3	5.8	122.5
Aug.	15.0	61.4	29.2	1.8	5.6	112.9
Sept.p	15.3	65.7	31.4	2.5	6.6	121.5

1 Including cash items in process of collection.

NOTE.—Daily-average balances maintained during month as estimated from reports supplied by a sample of commercial banks. For a detailed description of the type of depositor in each category, see June 1971 BULLETIN, p. 466.

DEPOSITS ACCUMULATED FOR PAYMENT OF PERSONAL LOANS

(In millions of dollars)

Class of bank	Dec. 31, 1974	June 30, 1975	Dec. 31, 1975	Mar. 31, 1976	Class of bank	Dec. 31, 1974	June 30, 1975	Dec. 31, 1975	Mar. 31, 1976
All commercial	389	338	280	....	All member—Cont.				
Insured	387	335	280	197	Other large banks 1	69	74	76	12
National member	236	223	188	117	All other member 1	206	186	146	139
State member	39	36	35	35	All nonmember	115	79	58	....
All member	275	260	223	152	Insured	112	76	58	45
					Noninsured	3	3	....	....

1 Beginning Nov. 9, 1972, designation of banks as reserve city banks for reserve-requirement purposes has been based on size of bank (net demand deposits of more than $400 million), as described in the BULLETIN for July 1972, p. 626. Categories shown here as "Other large" and "All other member" parallel the previous "Reserve City" (other than in New York City and the City of Chicago) and "Country" categories, respectively (hence the series are continuous over time).

NOTE.—Hypothecated deposits, as shown in this table, are treated one way in monthly and weekly series for commercial banks and in another way in call-date series. That is, they are excluded from "Time deposits" and "Loans" in the monthly (and year-end) series as shown on p. A-14; from the figures for weekly reporting banks as shown on pp. A-18–A-22 (consumer instalment loans); and from the figures in the table at the bottom of p. A-13. But they are included in the figures for "Time deposits" and "Loans" for call dates as shown on pp. A-14–A-17.

LOANS SOLD OUTRIGHT BY LARGE COMMERCIAL BANKS

(Amounts outstanding; in millions of dollars)

Date	To selected related institutions[1]			
	Total	By type of loan		
		Commercial and industrial	Real estate	All other
1976 July 7	4,530	2,862	219	1,449
14	4,518	2,826	212	1,480
21	4,549	2,825	207	1,517
28	4,529	2,823	209	1,497
Aug. 4	4,598	2,886	209	1,503
11	4,298	2,613	209	1,476
18	4,103	2,538	211	1,354
25	3,990	2,508	213	1,269
Sept. 1	3,952	2,491	210	1,251
8	3,935	2,426	213	1,296
15	3,818	2,354	213	1,251
22	3,826	2,386	211	1,229
29	3,920	2,463	222	1,235
Oct. 6	3,833	2,372	221	1,240
13	3,890	2,463	221	1,206
20	3,844	2,455	221	1,168
27	3,782	2,406	222	1,154

[1] To bank's own foreign branches, nonconsolidated nonbank affiliates of the bank, the bank's holding company (if not a bank), and nonconsolidated nonbank subsidiaries of the holding company.

NOTE.—Series changed on Aug. 28, 1974. For a comparison of the old and new data for that date, see p. 741 of the Oct. 1974 BULLETIN. Revised figures received since Oct. 1974 that affect that comparison are shown in note 2 to this table in the Dec. 1974 BULLETIN, p. A-27.

COMMERCIAL PAPER AND BANKERS ACCEPTANCES OUTSTANDING

(In millions of dollars)

End of period	Commercial paper						Dollar acceptances									
	All issuers	Financial companies[1]		Nonfinancial companies[4]	Bank-related[5]		Total	Held by—						Based on—		
								Accepting banks			F.R. Banks		Others	Imports into United States	Exports from United States	All other
		Dealer-placed[2]	Directly-placed[3]		Dealer-placed	Directly-placed		Total	Own bills	Bills bought	Own acct.	Foreign corr.[6]				
1966	13,645	2,332	10,556	757	....	....	3,603	1,198	983	215	193	191	2,022	997	829	1,778
1967	17,085	2,790	12,184	2,111	....	....	4,317	1,906	1,447	459	164	156	2,090	1,086	989	2,241
1968	21,173	4,427	13,972	2,774	....	....	4,428	1,544	1,344	200	58	109	2,717	1,423	952	2,053
1969	32,600	6,503	20,741	5,356	1,160	3,134	5,451	1,567	1,318	249	64	146	3,674	1,889	1,153	2,408
1970	33,071	5,514	20,424	7,133	352	1,997	7,058	2,694	1,960	735	57	250	4,057	2,601	1,561	2,895
1971	32,126	5,297	20,582	6,247	524	1,449	7,889	3,480	2,689	791	261	254	3,894	2,834	1,546	3,509
1972	34,721	5,655	22,098	6,968	1,226	1,411	6,898	2,706	2,006	700	106	179	3,907	2,531	1,909	2,458
1973	41,073	5,487	27,204	8,382	1,938	2,943	8,892	2,837	2,318	519	68	581	5,406	2,273	3,499	3,120
1974	49,144	4,611	31,839	12,694	1,814	6,518	18,484	4,226	3,685	542	999	1,109	12,150	4,023	4,067	10,394
1975–Aug.	49,810	5,645	32,172	11,993	1,511	7,392	16,456	4,546	3,988	558	840	304	10,766	3,305	3,806	9,344
Sept.	48,257	5,574	30,496	12,187	1,482	7,316	16,790	5,002	4,190	812	948	302	10,538	3,313	3,783	9,693
Oct.	50,394	6,360	32,308	11,726	1,634	7,114	17,304	5,213	4,288	924	1,047	284	10,760	3,467	3,947	9,890
Nov.	49,512	6,389	32,003	11,120	1,715	6,974	17,875	6,497	5,684	813	727	279	10,372	3,545	3,888	10,443
Dec.	47,690	6,239	31,276	10,175	1,762	6,892	18,727	7,333	5,899	1,435	1,126	293	9,975	3,726	4,001	11,000
1976–Jan.	48,858	6,072	31,305	11,481	1,657	6,918	18,677	6,294	5,367	927	1,230	248	10,904	3,891	3,906	10,880
Feb.	49,927	6,401	31,534	11,992	1,567	6,753	19,060	5,950	5,255	695	1,051	231	11,827	3,977	4,039	11,044
Mar.	49,300	6,428	31,239	11,633	1,654	6,773	18,901	6,340	5,651	689	883	245	11,433	4,027	4,193	10,681
Apr.	49,572	6,246	31,143	12,183	1,658	6,304	19,559	6,126	5,305	821	995	344	12,094	4,258	4,258	11,043
May	50,537	6,443	31,866	12,228	1,724	5,974	19,681	6,175	5,397	778	875	440	12,147	4,267	4,304	11,110
June	50,011	6,075	31,198	12,738	1,710	6,297	19,783	6,171	5,378	793	1,027	427	12,157	4,384	4,308	11,091
July	51,138	6,187	32,513	12,438	1,655	5,936	19,544	r5,905	5,255	r650	656	447	12,968	4,611	4,327	10,606
Aug.	50,063	6,243	31,500	12,320	1,650	5,938	19,383	6,107	5,449	658	808	442	12,026	4,530	4,355	10,498

[1] Financial companies are institutions engaged primarily in activities such as, but not limited to, commercial, savings, and mortgage banking; sales, personal, and mortgage financing; factoring, finance leasing, and other business lending; insurance underwriting; and other investment activities.

[2] As reported by dealers; includes all financial company paper sold in the open market.

[3] As reported by financial companies that place their paper directly with investors.

[4] Nonfinancial companies include public utilities and firms engaged primarily in activities such as communications, construction, manufacturing, mining, wholesale and retail trade, transportation, and services.

[5] Included in dealer- and directly-placed financial company columns. Coverage of bank-related companies was expanded in Aug. 1974. Most of the increase resulting from this expanded coverage occurred in directly-placed paper.

[6] Beginning November 1974, the Board of Governors terminated the System guarantee on acceptances purchased for foreign official accounts.

PRIME RATE CHARGED BY BANKS

(Per cent per annum)

Effective date	Rate	Effective date	Rate	Effective date	Rate	Monthly average rate	
1974—Apr. 11	10	1975—Jan. 9	10¼	1975—July 18	7¼	1975—July	7.15
19	10¼	15	10	28	7½	Aug.	7.66
25	10½	20	9¾	Aug. 12	7¾	Sept.	7.88
May 2	10¾	28	9½	Sept. 15	8	Oct.	7.96
6	11	Feb. 3	9¼	Oct. 27	7¾	Nov.	7.53
10	11¼	10	9	Nov. 5	7½	Dec.	7.26
17	11½	18	8¾	Dec. 2	7¼	1976—Jan.	7.00
June 26	11¾	24	8½	1976—Jan. 12	7	Feb.	6.75
July 5	12	Mar. 5	8¼	21	6¾	Mar.	6.75
Oct. 7	11¾	10	8	June 1	7	Apr.	6.75
21	11½	18	7¾	7	7¼	May	6.75
28	11¼	24	7½	Aug. 2	7	June	7.20
Nov. 4	11	May 20	7¼			July	7.25
14	10¾	June 9	7			Aug.	7.01
25	10½					Sept.	7.00
						Oct.	6.78

RATES ON BUSINESS LOANS OF BANKS

Center	All sizes		Size of loan (in thousands of dollars)									
			1–9		10–99		100–499		500–999		1,000 and over	
	Aug. 1976	May 1976	Aug. 1976	May 1976	Aug. 1976	May 1976	Aug. 1976	May 1976	Aug. 1976	May 1976	Aug. 1976	May 1976
	Short-term											
35 centers	7.80	7.44	9.06	8.91	8.58	8.38	7.99	7.78	7.84	7.52	7.61	7.18
New York City	7.48	6.99	8.85	8.84	8.40	8.29	7.91	7.65	7.77	7.29	7.36	6.83
7 Other Northeast	8.18	7.79	9.41	9.24	8.84	8.58	8.25	7.99	8.16	7.95	7.98	7.45
8 North Central	7.70	7.44	8.65	8.39	8.50	8.21	7.85	7.62	7.71	7.46	7.55	7.29
7 Southeast	7.95	7.66	9.33	9.20	8.76	8.65	8.00	7.84	7.85	7.20	7.54	7.25
8 Southwest	7.75	7.51	8.83	8.75	8.24	8.13	7.80	7.71	7.61	7.48	7.55	7.11
4 West Coast	8.15	7.75	9.26	9.14	8.79	8.51	8.28	8.00	8.06	7.71	8.05	7.61
	Revolving credit											
35 centers	7.87	7.36	8.70	9.23	8.33	8.12	8.02	7.59	7.80	7.35	7.88	7.32
New York City	8.14	7.42	7.25	....	8.26	7.73	7.70	7.49	7.56	7.29	8.19	7.43
7 Other Northeast	7.59	7.78	8.00	8.92	8.22	7.84	7.67	7.44	8.36	7.58	7.47	7.83
8 North Central	7.96	7.48	8.94	9.19	9.03	8.69	8.50	7.99	7.74	7.74	7.90	7.34
7 Southeast	7.48	8.01	8.75	9.85	8.40	8.95	8.16	8.35	....	8.15	7.13	7.69
8 Southwest	7.81	7.50	8.74	8.93	8.09	8.23	8.20	7.67	7.47	7.23	7.80	7.48
4 West Coast	7.73	7.15	9.10	8.61	8.08	7.84	7.95	7.39	7.91	7.14	7.68	7.12
	Long-term											
35 centers	8.45	8.02	9.61	9.21	9.02	8.80	8.55	8.16	8.60	8.33	8.40	7.92
New York City	8.52	7.85	....	7.68	8.27	8.45	8.05	8.45	8.44	8.51	8.56	7.76
7 Other Northeast	8.62	7.35	9.40	9.10	9.43	9.19	8.93	8.52	7.50	8.10	8.70	6.64
8 North Central	8.05	8.59	8.83	8.38	9.07	8.28	8.26	7.94	8.36	9.08	7.92	8.65
7 Southeast	8.88	8.03	9.60	9.49	9.08	8.90	9.88	7.70	8.18	7.75	8.06	8.01
8 Southwest	8.42	7.89	10.85	10.53	9.04	8.92	8.23	8.40	8.69	7.64	8.30	7.74
4 West Coast	8.67	8.23	9.28	9.43	8.58	8.97	8.81	7.73	10.00	8.29	8.46	8.26

MONEY MARKET RATES

(Per cent per annum)

Period	Prime commercial paper[1] 90–119 days	Prime commercial paper[1] 4 to 6 months	Finance co. paper placed directly, 3 to 6 months[2]	Prime bankers' acceptances, 90 days[3]	Federal funds rate[4]	U.S. Government securities[5]: 3-month bills[6] Rate on new issue	3-month bills[6] Market yield	6-month bills[6] Rate on new issue	6-month bills[6] Market yield	9- to 12-month issues: 1-year bill (market yield)[6]	9- to 12-month issues: Other[7]	3- to 5-year issues[7]
1967	....	5.10	4.89	4.75	4.22	4.321	4.29	4.630	4.61	4.71	4.84	5.07
1968	....	5.90	5.69	5.75	5.66	5.339	5.34	5.470	5.47	5.46	5.62	5.59
1969	....	7.83	7.16	7.61	8.21	6.677	6.67	6.853	6.86	6.79	7.06	6.85
1970	....	7.72	7.23	7.31	7.17	6.458	6.39	6.562	6.51	6.49	6.90	7.37
1971	....	5.11	4.91	4.85	4.66	4.348	4.33	4.511	4.52	4.67	4.75	5.77
1972	4.66	4.69	4.52	4.47	4.44	4.071	4.07	4.466	4.49	4.77	4.86	5.85
1973	8.20	8.15	7.40	8.08	8.74	7.041	7.03	7.178	7.20	7.01	7.30	6.92
1974	10.05	9.87	8.62	9.92	10.51	7.886	7.84	7.926	7.95	7.71	8.25	7.81
1975	6.26	6.33	6.16	6.30	5.82	5.838	5.80	6.122	6.11	6.30	6.70	7.55
1975—Oct.	6.35	6.48	6.43	6.28	5.82	6.081	5.96	6.385	6.25	6.48	6.89	7.80
Nov.	5.78	5.91	5.79	5.79	5.22	5.468	5.48	5.751	5.80	6.07	6.40	7.51
Dec.	5.88	5.97	5.86	5.72	5.20	5.504	5.44	5.933	5.85	6.16	6.51	7.50
1976—Jan.	5.15	5.27	5.16	5.08	4.87	4.961	4.87	5.238	5.14	5.44	5.71	7.18
Feb.	5.13	5.23	5.09	4.99	4.77	4.852	4.88	5.144	5.20	5.53	5.78	7.18
Mar.	5.25	5.37	5.27	5.18	4.84	5.047	5.00	5.488	5.44	5.82	6.12	7.25
Apr.	5.08	5.23	5.14	5.03	4.82	4.878	4.86	5.201	5.18	5.54	5.85	6.99
May	5.44	5.54	5.38	5.53	5.29	5.185	5.20	5.600	5.62	5.98	6.36	7.35
June	5.83	5.94	5.78	5.77	5.48	5.443	5.41	5.784	5.77	6.12	6.52	7.40
July	5.54	5.67	5.53	5.50	5.31	5.278	5.23	5.597	5.53	5.82	6.21	7.24
Aug.	5.35	5.47	5.46	5.32	5.29	5.153	5.14	5.416	5.40	5.64	5.99	7.04
Sept.	5.33	5.45	5.31	5.28	5.25	5.075	5.08	5.311	5.30	5.50	5.79	6.84
Oct.	5.10	5.22	5.08	5.06	5.03	4.930	4.92	5.073	5.06	5.19	5.49	6.50
Week ending—												
1976—July 3	5.70	5.80	5.50	5.69	5.58	5.368	5.36	5.754	5.75	6.08	6.46	7.36
10	5.72	5.81	5.63	5.66	5.37	5.412	5.34	5.768	5.61	5.90	6.35	7.30
17	5.53	5.65	5.53	5.48	5.27	5.190	5.15	5.430	5.44	5.72	6.13	7.18
24	5.48	5.65	5.50	5.47	5.30	5.226	5.23	5.536	5.54	5.84	6.17	7.26
31	5.38	5.50	5.50	5.34	5.28	5.194	5.17	5.497	5.45	5.74	6.12	7.21
Aug. 7	5.38	5.50	5.50	5.34	5.36	5.151	5.16	5.473	5.46	5.72	6.11	7.12
14	5.38	5.50	5.50	5.34	5.25	5.181	5.17	5.422	5.42	5.65	6.04	7.06
21	5.38	5.50	5.50	5.33	5.29	5.143	5.15	5.390	5.40	5.64	5.95	7.04
28	5.30	5.43	5.40	5.30	5.28	5.138	5.11	5.380	5.35	5.59	5.92	6.98
Sept. 4	5.35	5.45	5.35	5.28	5.28	5.091	5.09	5.351	5.35	5.56	5.88	6.91
11	5.38	5.50	5.34	5.31	5.25	5.087	5.11	5.333	5.31	5.53	5.83	6.88
18	5.38	5.50	5.35	5.30	5.22	5.099	5.10	5.309	5.31	5.52	5.79	6.84
25	5.28	5.38	5.25	5.26	5.21	5.028	5.05	5.236	5.27	5.43	5.72	6.80
Oct. 2	5.25	5.38	5.25	5.25	5.32	5.072	5.06	5.325	5.30	5.48	5.74	6.80
9	5.25	5.38	5.25	5.22	5.17	5.087	5.04	5.265	5.17	5.31	5.62	6.61
16	5.13	5.22	5.09	5.05	5.02	4.905	4.86	5.024	4.98	5.09	5.44	6.35
23	5.00	5.13	4.95	4.93	4.97	4.799	4.84	4.911	4.97	5.11	5.39	6.39
30	5.00	5.13	4.98	5.01	4.99	4.929	4.90	5.093	5.07	5.19	5.45	6.56

1 Averages of the most representative daily offering rate quoted by dealers.

2 Averages of the most representative daily offering rate published by finance companies, for varying maturities in the 90–179 day range.

3 Beginning Aug. 15, 1974, the rate is the average of the midpoint of the range of daily dealer closing rates offered for domestic issues; prior data are averages of the most representative daily offering rate quoted by dealers.

4 Seven-day averages of daily effective rates for week ending Wednesday. Since July 19, 1973, the daily effective Federal funds rate is an average of the rates on a given day weighted by the volume of transactions at these rates. Prior to this date, the daily effective rate was the rate considered most representative of the day's transactions, usually the one at which most transactions occurred.

5 Except for new bill issues, yields are averages computed from daily closing bid prices.

6 Bills quoted on bank-discount-rate basis.

7 Selected note and bond issues.

NOTE.—Figures for Treasury bills are the revised series described on p. A-35 of the Oct. 1972 BULLETIN.

BOND AND STOCK YIELDS

(Per cent per annum)

Period	Government bonds: United States (long-term)	Government bonds: State and local: Total[1]	Government bonds: State and local: Aaa	Government bonds: State and local: Baa	Corporate bonds: Aaa utility: New issue	Corporate bonds: Aaa utility: Recently offered	Corporate bonds: Seasoned issues: Total[1]	Corporate bonds: Seasoned issues: By selected rating: Aaa	Corporate bonds: Seasoned issues: By selected rating: Baa	Corporate bonds: Seasoned issues: By group: Industrial	Corporate bonds: Seasoned issues: By group: Railroad	Corporate bonds: Seasoned issues: By group: Public utility	Stocks: Dividend/price ratio: Preferred	Stocks: Dividend/price ratio: Common	Stocks: Earnings/price ratio: Common
1970	6.59	6.42	6.12	6.75	8.68	8.71	8.51	8.04	9.11	8.26	8.77	8.68	7.22	3.83	6.46
1971	5.74	5.62	5.22	5.89	7.62	7.66	7.94	7.39	8.56	7.57	8.38	8.13	6.75	3.14	5.41
1972	5.63	5.30	5.04	5.60	7.31	7.34	7.63	7.21	8.16	7.35	7.99	7.74	7.27	2.84	5.50
1973	6.30	5.22	4.99	5.49	7.74	7.75	7.80	7.44	8.24	7.60	8.12	7.83	7.23	3.06	7.12
1974	6.99	6.19	5.89	6.53	9.33	9.34	8.98	8.57	9.50	8.78	8.98	9.27	8.23	4.47	11.60
1975	6.98	7.05	6.42	7.62	9.40	9.41	9.46	8.83	10.39	9.25	9.39	9.88	8.38	4.31	9.03
1975– Oct.	7.29	7.40	6.67	8.01	9.45	9.43	9.51	8.86	10.37	9.32	9.40	9.94	8.58	4.22	....
Nov.	7.21	7.41	6.64	8.08	9.20	9.26	9.44	8.78	10.33	9.27	9.36	9.83	8.50	4.07	....
Dec.	7.17	7.29	6.50	7.96	9.36	9.21	9.45	8.79	10.35	9.26	9.37	9.87	8.57	4.14	8.61
1976– Jan.	6.94	7.08	6.22	7.81	8.70	8.79	9.33	8.60	10.24	9.16	9.32	9.68	8.16	3.80	....
Feb.	6.92	6.94	6.04	7.76	8.63	8.63	9.23	8.55	10.10	9.12	9.25	9.50	8.00	3.67	....
Mar.	6.87	6.90	5.99	7.72	8.62	8.61	9.18	8.52	9.99	9.10	9.16	9.43	8.07	3.65	....
Apr.	6.73	6.61	5.68	7.50	8.48	8.52	9.04	8.40	9.83	8.98	9.05	9.27	8.04	3.66	8.26
May	6.99	6.85	5.88	7.75	8.82	8.77	9.06	8.58	9.76	9.00	8.96	9.31	8.06	3.76	....
June	6.92	6.83	5.85	7.75	8.72	8.73	9.05	8.62	9.72	8.96	8.88	9.36	8.10	3.75	....
July	6.85	6.71	5.71	7.64	8.63	8.63	8.97	8.56	9.63	8.90	8.81	9.26	8.08	3.64	....
Aug.	6.79	6.53	5.51	7.48	8.52	8.50	8.85	8.45	9.49	8.79	8.75	9.07	7.99	3.74	....
Sept.	6.70	6.42	5.40	7.36	8.29	8.33	8.72	8.38	9.30	8.66	8.66	8.91	7.90	3.71	....
Oct.	6.65	6.29	5.29	7.20	8.25	8.24	8.63	8.32	9.18	8.58	8.54	8.83	7.80	3.85	....
Week ending—															
1976 Sept. 4	6.77	6.43	5.42	7.38	8.38	8.38	8.78	8.41	9.41	8.72	8.69	8.98	7.93	3.74	....
11	6.73	6.43	5.40	7.38	8.28	8.35	8.75	8.38	9.35	8.67	8.71	8.95	7.97	3.71	....
18	6.70	6.41	5.40	7.35	8.28	8.30	8.73	8.39	9.31	8.66	8.67	8.92	7.90	3.74	....
25	6.66	6.42	5.40	7.35	8.23	8.29	8.68	8.36	9.24	8.63	8.63	8.85	7.85	3.64	....
Oct. 2	6.69	6.40	5.40	7.34	8.29	8.29	8.68	8.37	9.22	8.63	8.60	8.86	7.84	3.72	....
9	6.64	6.32	5.31	7.24	8.26	8.23	8.65	8.33	9.20	8.59	8.58	8.52	7.89	3.81	....
16	6.61	6.25	5.24	7.16	8.15	8.20	8.62	8.30	9.18	8.57	8.54	8.49	7.77	3.84	....
23	6.65	6.28	5.28	7.19	8.28	8.25	8.62	8.31	9.18	8.58	8.53	8.49	7.78	3.86	....
30	6.70	6.30	5.31	7.21	8.29	8.27	8.63	8.33	9.16	8.59	8.52	8.48	7.77	3.87	....
Number of issues[2]	16	20	5	5	....	....	121	20	30	41	30	40	14	500	500

[1] Includes bonds rated Aa and A, data for which are not shown separately. Because of a limited number of suitable issues, the number of corporate bonds in some groups has varied somewhat. As of Dec. 23, 1967, there is no longer an Aaa-rated railroad bond series.

[2] Number of issues varies over time; figures shown reflect most recent count.

NOTE. Annual yields are averages of weekly, monthly, or quarterly data.

Bonds: Monthly and weekly yields are computed as follows: (1) *U.S. Govt.*, averages of daily figures for bonds maturing or callable in 10 years or more; from Federal Reserve Bank of New York. (2) *State and local govt.*, general obligations only, based on Thurs. figures, from Moody's Investors Service. (3) *Corporate*, rates for "New issue" and "Recently offered" Aaa utility bonds, weekly averages compiled by the Board of Governors of the Federal Reserve System; and rates for seasoned issues, averages of daily figures from Moody's Investors Service.

Stocks: Standard and Poor's corporate series. Dividend/price ratios are based on Wed. figures. Earnings/price ratios as of end of period. Preferred stock ratio based on 8 median yields for a sample of noncallable issues—12 industrial and 2 public utility. Common stock ratios on the 500 stocks in the price index. Quarterly earnings are seasonally adjusted at annual rates.

NOTES TO TABLES ON OPPOSITE PAGE:

Security Prices:

[1] Standard and Poor's corporate series. Effective July 1976, Standard and Poor added a new financial group, including banks and insurance companies, to the index. Stocks in this revised group are 400 industrials (formerly 425), 40 public utility (formerly 60), 20 transportation (formerly 15 rail), and 40 financial.

[2] The base period used for the "Total," "Industrial," and "Public utility" series is 1941-43=10, and for the other series is 1970=10.

NOTE. Annual data are averages of daily or weekly figures. Monthly and weekly data are averages of daily figures unless otherwise noted and are computed as follows: *U.S. Govt. bonds*, derived from average market yields in table on p. A-28 on basis of an assumed 3 per cent, 20-year bond. *Municipal and corporate bonds*, derived from average yields as computed by Standard and Poor's Corp., on basis of a 4 per cent, 20-year bond; Wed. closing prices. *Common stocks*, derived from component common stock prices. *Average daily volume of trading*, presently conducted 5 days per week for 6 hours per day.

Stock Market Customer Financing:

[1] Margin credit includes all credit extended to purchase or carry stocks or related equity instruments and secured at least in part by stock (Dec. 1970 BULLETIN, p. 920). Credit extended by brokers is end-of-month data for member firms of the New York Stock Exchange. June data for banks are universe totals; all other data for banks represent estimates for all commercial banks based on reports by a reporting sample, which accounted for 60 per cent of security credit outstanding at banks on June 30, 1971.

[2] In addition to assigning a current loan value to margin stock generally, Regulations T and U permit special loan values for convertible bonds and stock acquired through exercise of subscription rights.

[3] Nonmargin stocks are those not listed on a national securities exchange and not included on the Federal Reserve System's list of over the counter margin stocks. At banks, loans to purchase or carry nonmargin stocks are unregulated; at brokers, such stocks have no loan value.

[4] Free credit balances are in accounts with no unfulfilled commitments to the brokers and are subject to withdrawal by customers on demand.

SECURITY PRICES

Period	Bond prices (per cent of par)			Common stock prices											Volume of trading in stocks (thousands of shares)	
				New York Stock Exchange										American Stock Exchange total index (Aug. 31, 1973=100)		
				Standard and Poor's index 2					New York Stock Exchange index (Dec. 31, 1965=50)							
	U.S. Govt. (long-term)	State and local	Corporate AAA	Total	Industrial	Public utility	Transportation	Finance	Total	Industrial	Transportation	Utility	Finance		NYSE	AMEX
1970	60.52	72.3	61.6	83.22	91.29	54.48	10.02	10.00	45.72	48.03	32.14	37.24	54.64	96.63	10,532	3,376
1971	67.73	80.0	65.0	98.29	108.35	59.33	13.90	11.86	54.22	57.92	44.35	39.53	70.38	113.40	15,381	4,234
1972	68.71	84.4	65.9	109.20	121.79	56.90	15.83	13.98	60.29	65.73	50.17	38.48	78.35	129.10	16,487	4,447
1973	62.80	85.4	63.7	107.43	120.44	53.47	12.66	13.37	57.42	63.08	37.74	37.69	70.12	103.80	16,374	3,003
1974	57.45	76.3	58.8	82.85	92.91	38.91	11.51	10.17	43.84	48.08	31.89	29.82	49.67	79.97	13,883	1,908
1975	57.44	68.9	56.2	85.17	96.15	41.21	11.42	9.92	45.73	51.88	30.73	31.45	46.62	83.15	18,568	2,150
1975—Oct.	55.23	66.1	56.0	88.57	99.29	42.59	11.46	9.31	46.87	52.26	30.79	31.87	44.36	83.46	15,893	1,629
Nov.	55.77	66.2	56.3	90.07	100.86	43.77	11.82	9.64	47.64	52.91	32.09	32.99	45.10	85.60	16,795	1,613
Dec.	56.03	67.4	56.1	88.74	94.89	43.25	11.69	9.50	46.78	51.89	31.61	32.75	43.86	82.50	15,859	1,977
1976—Jan.	57.75	69.7	57.0	96.86	108.45	46.99	13.11	10.35	51.31	57.00	35.78	35.23	48.83	91.47	32,794	3,070
Feb.	57.86	68.8	57.1	100.64	113.43	47.22	13.82	11.06	53.73	59.79	38.53	36.12	52.06	100.58	31,375	4,765
Mar.	58.23	69.2	57.3	101.08	113.73	45.67	13.97	11.24	54.01	60.30	39.17	35.43	52.61	104.04	23,069	3,479
Apr.	59.33	71.3	58.2	101.93	114.67	46.07	14.02	11.38	54.28	60.62	38.66	35.69	52.71	103.00	18,770	2,368
May	57.38	69.1	56.5	101.16	113.76	45.70	14.26	10.97	53.87	60.22	39.71	35.40	50.99	103.65	17,796	2,127
June	57.86	69.3	56.8	101.78	114.50	45.61	14.53	11.26	54.23	60.70	40.41	35.16	51.82	103.57	18,965	2,177
July	58.38	71.1	57.1	104.20	117.01	47.48	14.94	11.83	55.70	62.10	42.12	36.49	54.06	105.24	18,977	2,280
Aug.	58.88	74.1	57.9	103.29	115.63	48.81	14.47	11.97	55.06	61.09	40.63	37.56	54.22	102.79	15,758	1,605
Sept.	59.54	74.8	58.8	105.45	117.87	50.50	14.32	11.96	56.16	62.2	40.33	38.47	54.37	102.82	18,406	1,856
Oct.	59.93	76.3	59.1	101.99	114.15	50.63	13.58	11.53	54.49	60.13	38.42	38.37	52.79	99.06	17,539	1,812
Week ending—																
1976—Oct. 2	59.65	74.8	58.5	105.59	118.46	50.86	14.18	11.76	56.42	62.56	40.06	38.89	53.93	102.44	18,860	1,842
9	60.03	76.1	59.1	103.27	115.71	50.77	13.71	11.51	55.21	61.04	38.98	38.66	52.85	100.48	17,100	1,920
16	60.28	76.8	59.4	101.17	113.30	50.40	13.34	11.41	54.04	59.56	37.77	38.40	52.21	98.00	17,288	1,765
23	59.92	76.2	59.0	101.08	113.01	49.78	13.60	11.56	53.99	59.51	38.21	38.11	52.82	98.46	18,222	1,772
30	59.58	76.1	59.0	101.83	113.94	50.71	13.73	11.79	54.36	59.95	38.35	38.21	53.14	98.46	17,688	1,753

For notes see opposite page.

STOCK MARKET CUSTOMER FINANCING

(In millions of dollars)

End of period	Margin credit at brokers and banks 1										Free credit balances at brokers 4	
	Regulated 2									Unregulated 3		
	By source			By type								
				Margin stock		Convertible bonds		Subscription issues				
	Total	Brokers	Banks	Brokers	Banks	Brokers	Banks	Brokers	Banks	Nonmargin stock credit at banks	Margin accts.	Cash accts.
1975—Sept.	6,251	5,399	852	5,250	811	145	30	4	10	2,520	470	1,455
Oct.	6,455	5,448	1,007	5,300	956	144	36	4	15	2,311	545	1,495
Nov.	6,527	5,519	1,008	5,370	958	146	37	3	13	2,270	490	1,470
Dec.	6,500	5,540	960	5,390	909	147	36	3	15	2,281	475	1,525
1976—Jan.	6,568	5,568	1,000	5,420	946	146	34	2	20	2,321	655	1,975
Feb.	7,152	6,115	1,037	5,950	984	162	34	3	20	2,333	685	2,065
Mar.	7,617	6,575	1,042	6,410	988	162	34	3	20	2,355	595	1,935
Apr.	7,932	6,856	1,076	6,690	1,023	163	32	3	21	2,325	570	1,740
May	8,110	7,103	1,007	6,940	957	161	31	2	19	2,357	540	1,655
June	8,276	7,248	1,028	7,080	976	166	33	2	19	2,368	540	1,680
July	8,417	7,519	898	7,340	854	176	28	3	16	2,317	530	1,635
Aug.	8,683	7,622	1,061	7,450	1,008	167	34	5	19	2,368	555	1,605
Sept.	8,566	7,707	859	7,530	813	174	32	3	14	2,830	555	1,710

For notes see opposite page.

EQUITY STATUS OF MARGIN ACCOUNT DEBT AT BROKERS

(Per cent of total debt, except as noted)

End of period	Total debt (millions of dollars)[1]	Equity class (per cent): 80 or more	70–79	60–69	50–59	40–49	Under 40
1975—Sept.	5,250	5.1	7.3	10.6	19.6	31.0	26.5
Oct.	5,300	5.5	6.7	11.2	21.8	29.7	25.2
Nov.	5,370	5.2	6.7	12.2	23.2	28.6	24.0
Dec.	5,390	5.3	6.9	11.6	22.3	28.8	25.0
1976—Jan.	5,420	7.0	9.4	18.3	21.3	28.8	15.5
Feb.	5,950	6.8	8.9	17.4	29.0	22.6	15.3
Mar.	6,410	6.0	8.7	16.0	29.0	25.0	16.0
Apr.	6,690	6.1	7.7	12.9	27.7	30.2	15.4
May	6,940	5.8	7.2	12.4	23.8	34.2	16.6
June	7,080	6.3	7.7	14.4	32.2	25.4	14.1
July	7,340	6.1	8.0	13.0	27.7	31.1	14.0
Aug.	7,450	6.0	7.0	13.0	28.0	32.1	18.0
Sept.	7,530	6.3	8.0	14.1	29.6	29.9	12.1

[1] Note 1 appears at the bottom of p. A-28.

NOTE.—Each customer's equity in his collateral (market value of collateral less net debit balance) is expressed as a percentage of current collateral values.

SPECIAL MISCELLANEOUS ACCOUNT BALANCES AT BROKERS, BY EQUITY STATUS OF ACCOUNTS

(Per cent of total, except as noted)

End of period	Net credit status	Equity class of accounts in debit status: 60 per cent or more	Less than 60 per cent	Total balance (millions of dollars)
1975—Sept.	45.3	38.9	15.8	7,515
Oct.	44.4	40.1	15.5	7,362
Nov.	45.3	40.2	14.5	7,425
Dec.	43.8	40.8	15.4	7,290
1976—Jan.	45.8	44.0	10.3	7,770
Feb.	44.4	44.7	10.9	8,040
Mar.	44.0	46.0	10.4	8,050
Apr.	43.0	45.0	12.0	7,990
May	41.4	46.2	12.4	8,030
June	40.6	49.0	10.4	8,150
July	40.5	48.7	10.8	8,300
Aug.	42.1	46.5	11.4	8,320
Sept.	42.4	47.4	10.2	8,550

NOTE.—Special miscellaneous accounts contain credit balances that may be used by customers as the margin deposit required for additional purchases. Balances may arise as transfers based on loan values of other collateral in the customer's margin account or deposits of cash (usually sales proceeds) occur.

MUTUAL SAVINGS BANKS

(In millions of dollars)

End of period	Loans: Mortgage	Loans: Other	Securities: U.S. Govt.	Securities: State and local govt.	Securities: Corporate and other[1]	Cash	Other assets	Total assets—Total liabilities and general reserve accts.	Deposits	Other liabilities	General reserve accounts	Mortgage loan commitments[2] classified by maturity (in months): 3 or less	3–6	6–9	Over 9	Total
1971	62,069	2,808	3,334	385	17,674	1,389	1,711	89,369	81,440	1,810	6,118	1,047	627	463	1,310	3,447
1972[3]	67,563	2,979	3,510	873	21,906	1,644	2,117	100,593	91,613	2,024	6,956	1,593	713	609	1,624	4,539
1973	73,231	3,871	2,957	926	21,383	1,968	2,314	106,651	96,496	2,566	7,589	1,250	598	405	1,008	3,261
1974	74,891	3,812	2,555	930	22,550	2,167	2,645	109,550	98,701	2,888	7,961	664	418	232	726	2,040
1975	77,127	4,028	4,777	1,541	27,964	2,367	3,195	120,999	109,796	2,770	8,433	896	301	203	403	1,803
1975—Aug.	76,310	4,405	4,187	1,451	27,104	1,730	3,067	118,254	106,745	3,255	8,254	981	431	237	573	2,222
Sept.	76,429	4,487	4,279	1,495	27,033	1,783	3,136	118,643	107,560	2,778	8,304	1,011	372	256	499	2,138
Oct.	76,655	4,481	4,368	1,523	27,106	1,805	3,152	119,089	107,812	2,950	8,328	950	368	275	394	1,987
Nov.	76,855	4,550	4,601	1,551	27,421	1,872	3,223	120,073	108,480	3,215	8,378	972	323	222	379	1,896
Dec.	77,221	4,023	4,740	1,545	27,992	2,330	3,205	121,056	109,873	2,755	8,428	896	301	203	403	1,803
1976—Jan.	77,308	4,839	4,918	1,581	28,473	1,961	3,245	122,325	110,979	2,892	8,455	923	315	195	426	1,859
Feb.	77,413	5,243	5,211	1,765	29,035	1,853	3,301	123,821	112,019	3,275	8,527	930	352	184	401	1,867
Mar.	77,738	5,366	5,452	1,867	30,043	1,740	3,321	125,526	114,090	2,859	8,577	1,092	360	251	427	2,130
Apr.	78,046	5,027	5,533	2,149	30,707	1,647	3,361	126,470	114,752	3,106	8,612	1,175	398	281	436	2,290
May	78,286	5,103	5,660	2,318	31,179	1,539	3,385	127,470	115,521	3,296	8,654	1,237	419	290	480	2,426
June[r]	78,803	5,137	5,635	2,337	31,493	1,558	3,470	128,436	116,876	2,841	8,719	1,174	438	215	575	2,402
July[r]	79,398	5,341	5,640	2,376	32,028	1,538	3,505	129,826	117,883	3,161	8,781	1,201	423	185	624	2,433
Aug.[p]	79,781	5,210	5,733	2,399	32,319	1,552	3,576	130,571	118,225	3,490	8,555	......	......	......	......	......

[1] Also includes securities of foreign governments and international organizations and nonguaranteed issues of U.S. Govt. agencies.

[2] Commitments outstanding of banks in New York State as reported to the Savings Banks Assn. of the State of New York. Data include building loans.

[3] Balance sheet data beginning 1972 are reported on a gross-of-valuation-reserves basis. The data differ somewhat from balance sheet data previously reported by National Assn. of Mutual Savings Banks, which were net of valuation reserves. For most items, however, the differences are relatively small.

NOTE.—NAMSB estimates for all savings banks in the United States.

LIFE INSURANCE COMPANIES

(In millions of dollars)

End of period	Total assets	Government securities: Total	Government securities: United States[1]	Government securities: State and local	Government securities: Foreign[2]	Business securities: Total	Business securities: Bonds	Business securities: Stocks	Mort-gages	Real estate	Policy loans	Other assets
1971	222,102	10,373	3,828	3,363	3,182	100,432	79,825	20,607	75,496	6,904	17,065	11,832
1972	239,730	10,637	3,827	3,367	3,443	113,720	86,875	26,845	76,948	7,295	18,003	13,127
1973	252,436	10,519	3,444	3,412	3,663	118,599	92,680	25,919	81,369	7,693	20,199	14,057
1974	263,349	10,900	3,372	3,667	3,861	119,637	97,717	21,920	86,234	8,331	22,862	15,385
1975	289,304	13,758	4,736	4,508	4,514	135,317	107,256	28,061	89,167	9,621	24,467	16,974
1975—Aug.	280,700	12,140	3,819	4,106	4,215	131,473	104,434	27,039	88,208	9,104	23,963	15,812
Sept.	282,065	12,253	3,821	4,165	4,267	132,037	105,440	26,597	88,331	9,197	24,099	16,148
Oct.	285,015	12,858	4,342	4,193	4,323	133,865	106,250	27,615	88,481	9,342	24,242	16,227
Nov.	287,122	13,243	4,613	4,260	4,370	134,961	107,040	27,921	88,657	9,450	24,343	16,468
Dec.	289,304	13,758	4,736	4,508	4,514	135,317	107,256	28,061	89,167	9,621	24,467	16,974
1976—Jan.	293,870	14,036	5,102	4,652	4,282	140,309	109,474	30,835	89,395	9,661	24,498	15,971
Feb.	296,479	14,816	5,132	4,790	4,894	141,658	110,647	31,011	89,543	9,726	24,633	16,103
Mar.	298,625	15,701	5,093	5,016	5,592	142,310	110,816	31,494	89,474	9,798	24,754	16,588
Apr.	299,983	15,917	5,198	5,100	5,619	143,197	111,757	31,440	89,489	9,852	24,873	16,655
May	301,754	15,975	5,141	5,146	5,688	144,496	113,087	31,409	89,529	9,909	24,978	16,867
June	304,728	15,947	4,863	5,196	5,888	147,193	114,583	32,610	89,691	10,004	25,142	16,751
July	307,005	16,672	5,150	5,263	6,259	148,617	116,101	32,516	89,753	10,050	25,257	16,656
Aug.	309,295	16,902	5,292	5,324	6,286	150,303	117,806	32,497	89,891	10,146	25,383	16,670

1 Direct and guaranteed obligations. Excludes Federal agency securities, which are included here with business securities.

2 Issues of foreign governments and their subdivisions and bonds of the International Bank for Reconstruction and Development.

NOTE.—Estimates of the American Council of Life Insurance for all life insurance companies in the United States. Figures are annual statement values, with bonds carried on an amortized basis and stocks at market value.

SAVINGS AND LOAN ASSOCIATIONS

(In millions of dollars)

End of period	Assets: Mort-gages	Assets: Invest-ment secur-ities[1]	Assets: Cash	Assets: Other	Total assets — Total liabilities	Liabilities: Savings capital	Liabilities: Net worth[2]	Liabilities: Bor-rowed money[3]	Liabilities: Loans in process	Liabilities: Other	Mortgage loan com-mitments outstanding at end of period[4]
1971	174,250	18,185	2,857	10,731	206,023	174,197	13,592	8,992	5,029	4,213	7,328
1972	206,182	21,574	2,781	12,590	243,127	206,764	15,240	9,782	6,209	5,132	11,515
1973[5]	231,733	21,055		19,117	271,905	226,968	17,056	17,172	4,667	6,042	9,526
1974	249,293	23,240		22,991	295,524	242,959	18,436	24,780	3,244	6,105	7,454
1975	278,693	30,900		28,802	338,395	286,042	19,776	20,730	5,187	6,659	10,675
1975—Sept.	270,600	30,786		27,745	329,131	277,201	19,414	20,031	5,128	7,357	12,585
Oct.	273,596	31,652		28,145	333,393	279,465	19,663	20,306	5,207	8,752	11,748
Nov.	275,919	32,498		28,610	337,027	281,711	19,919	20,413	5,164	9,820	11,365
Dec.	278,693	30,900		28,802	338,395	286,042	19,776	20,709	5,187	6,680	10,675
1976—Jan.	280,071	34,271		29,716	344,058	291,418	19,948	19,630	5,051	8,011	11,111
Feb.	282,487	36,128		30,251	348,866	295,364	20,162	18,746	5,134	9,460	12,878
Mar.	286,556	36,722		30,462	353,740	302,436	20,211	18,220	5,379	7,494	14,445
Apr.	290,727	36,437		30,663	357,827	305,234	20,475	17,759	5,787	8,572	15,512
May	294,759	37,005		31,268	363,032	308,284	20,688	17,670	6,156	10,234	16,620
June	299,574	35,316		31,708	366,598	313,326	20,761	18,251	6,464	7,796	16,639
July	303,815	36,029		32,112	371,956	316,510	20,997	18,439	6,640	9,370	16,328
Aug.	308,049	35,873		32,442	376,364	318,675	21,266	18,935	6,697	10,791	15,796
Sept.p	312,152	35,241		32,531	379,924	324,277	21,387	19,154	6,753	8,353	15,486

1 Excludes stock of the Federal Home Loan Bank Board. Compensating changes have been made in "Other" assets.

2 Includes net undistributed income, which is accrued by most, but not all, associations.

3 Advances from FHLBB and other borrowing.

4 Data comparable with those shown for mutual savings banks (on opposite page) except that figures for loans in process are not included above but are included in the figures for mutual savings banks.

5 Beginning 1973, participation certificates guaranteed by the Federal Home Loan Mortgage Corporation, loans and notes insured by the Farmers Home Administration, and certain other Govt.-insured mortgage-type investments, previously included in mortgage loans, are included in other assets. The effect of this change was to reduce the mortgage total by about $0.6 billion.

Also, GNMA-guaranteed, mortgage-backed securities of the pass-through type, previously included in "Cash" and "Investment securities" are included in "Other" assets. These amounted to about $2.4 billion at the end of 1972.

NOTE.—FHLBB data; figures are estimates for all savings and loan assns. in the United States. Data are based on monthly reports of insured assns. and annual reports of noninsured assns. Data for current and preceding year are preliminary even when revised.

FEDERAL FISCAL OPERATIONS: SUMMARY

(In millions of dollars)

Period	U.S. budget: Receipts	U.S. budget: Outlays	U.S. budget: Surplus or deficit (−)	Means of financing: Borrowings from the public: Public debt securities	Agency securities	Less: Investments by Govt. accounts: Special issues	Less: Investments by Govt. accounts: Other	Less: Special notes[1]	Equals: Total	Less: Cash and monetary assets: Treasury operating balance	Less: Cash and monetary assets: Other	Other means of financing, net[2]
Fiscal year:												
1974	264,932	268,392	−3,460	16,918	903	13,673	1,140	......	3,009	−3,417	889	−2,077
1975	280,997	324,601	−43,604	58,953	−1,069	8,112	−1,081	......	50,853	−1,570	1,890	−6,920
1976	300,005	365,610	−65,605	87,244	−90	6,581	−2,239	......	82,813	7,246	550	−9,412
Half year:												
1974—July–Dec.	139,607	153,147	−13,540	18,429	−689	2,840	150	......	14,751	−3,228	557	−3,881
1975—Jan.–June	141,189	171,202	−30,013	40,524	−423	5,272	−1,231	......	36,059	1,657	1,643	−2,746
July–Dec.	139,453	184,545	−45,092	43,460	−39	−4,739	−1,186	......	49,347	866	−980	−4,368
1976 Jan.–June	160,552	181,066	−20,513	43,784	51	11,320	−1,053	......	33,466	6,380	1,530	−5,044
Month:												
1975—Sept.	28,615	29,044	−429	5,935	9	−2,151	−367	......	8,463	6,961	r441	r−633
Oct.	19,316	32,425	−13,109	8,352	−5	−3,656	260	......	11,743	203	−348	815
Nov.	21,745	29,401	−7,656	4,800	−3	−749	−390	......	5,936	−3,844	392	−1,732
Dec.	25,995	31,792	−5,797	9,850	−24	1,860	−249	......	8,215	1,971	166	−281
1976—Jan.	25,634	30,725	−5,091	7,757	−2	−393	328	......	7,820	3,532	114	918
Feb.	20,845	29,833	−8,987	9,465	5	1,062	−564	......	8,972	64	−125	−46
Mar.	20,431	29,054	−8,623	6,620	−6	−623	−83	......	7,320	−4,032	−288	−3,018
Apr.	33,348	32,476	872	1,483	−32	50	4	......	1,398	3,517	545	1,792
May	22,679	28,410	−5,731	8,699	−9	5,130	−549	......	4,109	−3,383	502	−1,259
June	37,615	30,567	7,048	9,760	−8	6,094	−189	......	3,847	6,682	782	−3,431
July	22,660	33,906	−11,247	4,114	−139	−1,645	−345	......	5,964	−4,784	229	270
Aug.	27,360	29,571	−2,211	8,782	353	1,711	−1,310	......	8,733	1,658	299	−4,565
Sept.	31,753	30,996	757	1,373	−19	−1,913	−12	......	3,279	5,705	249	1,917

End of period	Selected balances: Treasury operating balance: F.R. Banks	Tax and loan accounts	Other depositaries[3]	Total	Borrowing from the public: Public debt securities	Agency securities	Less: Investments of Govt. accounts: Special issues	Less: Investments of Govt. accounts: Other	Less: Special notes[1]	Equals: Total	Memo: Debt of Govt.-sponsored corps.—Now private[4]
Fiscal year:											
1974	2,919	6,152	88	9,159	475,060	12,012	114,921	25,273	825	346,053	65,411
1975	5,773	1,475	343	7,591	533,188	10,943	123,033	24,192	(5)	396,906	76,092
1976	11,972	2,856	7	14,835	620,432	10,853	129,614	21,952	....	479,719	....
Calendar year:											
1973	2,543	7,760	70	10,374	469,898	11,586	106,624	24,978	825	349,058	59,857
1974	3,113	2,745	70	5,928	492,664	11,323	117,761	25,423	(5)	360,804	76,459
1975	7,286	1,159	7	8,452	576,649	10,904	118,294	23,006	....	446,253	78,842
Month:											
1975—Sept.	8,074	2,162	529	10,765	553,647	10,935	120,839	23,385	....	420,358	77,026
Oct.	8,517	1,251	559	10,327	561,999	10,931	117,183	23,645	....	432,102	78,016
Nov.	4,919	1,558	9	6,485	566,799	10,928	116,434	23,255	....	438,037	78,451
Dec.	7,286	1,159	7	8,452	576,649	10,904	118,294	23,006	....	446,253	78,842
1976—Jan.	10,077	1,899	7	11,982	584,405	10,902	117,901	23,333	....	454,072	79,355
Feb.	10,350	1,682	7	12,039	584,405	10,902	117,901	23,333	....	463,045	78,359
Mar.	7,145	864	7	8,016	600,490	10,901	118,340	22,686	....	470,365	78,712
Apr.	9,808	1,723	7	11,537	601,973	10,870	118,390	22,690	....	471,763	80,039
May	6,746	1,407	7	8,159	610,672	10,861	123,520	22,140	....	475,872	77,665
June	11,972	2,856	7	14,835	620,432	10,853	129,614	21,952	....	479,719	79,325
July	8,739	1,312	....	10,051	624,546	10,714	127,969	21,607	....	485,683	80,123
Aug.	10,795	914	....	11,709	633,328	11,066	129,680	20,297	....	494,417	80,784
Sept.	13,296	4,118	....	17,414	634,701	11,047	127,767	20,285	....	497,696	....

1 Represents non-interest-bearing public debt securities issued to the International Monetary Fund and international lending organizations. New obligations to these agencies are handled by letters of credit.

2 Includes accrued interest payable on public debt securities until June 1973 and total accrued interest payable to the public thereafter; deposit funds; miscellaneous liability (includes checks outstanding) and asset accounts; seigniorage; increment on gold; fiscal 1974 conversion of interest receipts of Govt. accounts to an accrual basis; gold holdings, gold certificates and other liabilities, and gold balance beginning Jan. 1974; and net gain/loss for U.S. currency valuation adjustment beginning June 1975.

3 As of Jan. 3, 1972, the Treasury operating balance was redefined to exclude the gold balance and to include previously excluded "Other depositaries" (deposits in certain commercial depositaries that have been converted from a time to a demand basis to permit greater flexibility in Treasury cash management). "Other depositaries" have been excluded from the Treasury operating balance beginning July 1, 1976.

4 Includes debt of Federal home loan banks, Federal land banks, R.F.K. Stadium Fund, FNMA (beginning Sept. 1968), and Federal intermediate credit banks and banks for cooperatives (both beginning Dec. 1968).

5 Beginning July 1974, public debt securities excludes $825 million of notes issued to International Monetary Fund to conform with Office of Management and Budget's presentation of the budget.

NOTE.—Half years may not add to fiscal year totals due to revisions in series that are not yet available on a monthly basis.

FEDERAL FISCAL OPERATIONS: DETAIL

(In millions of dollars)

Period	Budget receipts: Total	Individual income taxes: Withheld	Individual income taxes: Pres. election campaign fund	Individual income taxes: Nonwithheld	Individual income taxes: Refunds	Individual income taxes: Net total	Corporation income taxes: Gross receipts	Corporation income taxes: Refunds	Social insurance taxes and contributions: Employment taxes and contribution[1]: Payroll taxes	Social insurance taxes and contributions: Employment taxes and contribution[1]: Self-empl.	Social insurance taxes and contributions: Unempl. insur.	Social insurance taxes and contributions: Other net receipts[2]	Social insurance taxes and contributions: Net total	Excise taxes	Customs	Estate and gift	Misc. receipts[3]
Fiscal year:																	
1973	232,225	98,093	......	27,017	21,866	103,246	39,045	2,893	52,505	2,371	6,051	3,614	64,542	16,260	3,188	4,917	3,921
1974	264,932	112,092	28	30,812	23,952	118,952	41,744	3,125	62,878	3,008	6,837	4,051	76,780	16,844	3,334	5,035	5,369
1975	280,997	122,071	32	34,296	34,013	122,386	45,747	5,125	71,789	3,417	6,770	4,466	86,441	16,551	3,676	4,611	6,711
1976	300,005	123,408	34	35,528	27,367	131,603	46,783	5,374	76,391	3,518	8,054	4,752	92,714	16,963	4,074	5,216	8,026
Half year:																	
1974—July-Dec.	139,607	61,378	......	7,098	1,016	67,461	18,247	2,016	34,418	254	2,914	2,187	39,774	8,761	1,958	2,284	3,140
1975—Jan.-June	141,190	60,694	......	27,198	32,997	54,926	27,500	3,109	37,371	3,163	3,856	2,279	46,667	7,790	1,718	2,327	3,370
July-Dec.	139,453	59,549	......	7,649	1,362	65,835	18,810	2,735	35,443	268	2,861	2,314	40,886	8,759	1,927	2,573	3,397
1976—Jan.-June	160,552	63,859	33	27,879	26,004	65,767	27,973	2,639	40,947	3,250	5,193	2,438	51,828	8,204	2,147	2,643	4,630
Month:																	
1975—Sept.	28,615	9,182	......	4,809	382	13,609	6,277	264	5,555	251	75	400	6,280	1,430	312	431	539
Oct.	19,316	9,983	......	589	81	10,653	1,694	821	4,551	......	259	395	5,206	1,462	343	396	382
Nov.	21,745	10,195	......	283	124	10,354	1,072	399	6,900	......	716	377	7,994	1,476	310	428	511
Dec.	25,995	10,738	......	571	109	11,200	6,884	354	5,043	17	110	395	5,565	1,482	347	386	485
1976—Jan.	25,634	9,518	1	5,843	86	15,276	1,771	218	5,540	225	223	442	6,430	1,335	348	401	292
Feb.	20,845	10,938	7	933	4,100	7,778	1,203	422	8,330	237	693	370	9,631	1,354	288	475	538
Mar.	20,431	11,377	9	2,532	8,646	5,272	6,485	621	5,796	275	129	435	6,635	1,344	384	450	482
Apr.	33,348	10,029	7	12,723	7,512	15,248	6,727	607	6,179	1,832	952	386	9,349	1,353	357	387	535
May	22,679	10,749	6	573	5,171	6,157	1,396	380	9,132	359	2,940	380	12,811	1,329	349	489	528
June	37,615	11,249	3	5,275	490	16,037	10,391	391	5,969	322	254	425	6,971	1,489	421	442	2,255
July	22,660	10,731	......	1,018	549	11,201	1,885	372	5,937	......	723	408	7,068	1,510	389	454	524
Aug.	27,360	11,813	......	542	267	12,088	1,111	422	9,328	......	1,822	464	11,614	1,476	394	547	552
Sept.	31,753	10,406	......	5,249	142	15,513	6,812	554	6,268	269	152	386	7,077	1,486	429	453	537

Period	Budget outlays: Total	National defense	Intl. affairs	General science, space, and tech.	Agriculture	Natural resources, envir., and energy	Commerce and transp.	Commun. and region. development	Education, training, employment, and social serv.	Health and welfare	Veterans	Interest[4]	General Govt., law enforce., and justice	Revenue shar. and fiscal assistance	Undistrib. offsetting receipts[4, 5]
Fiscal year:															
1974	268,392	78,569	3,593	3,977	2,230	6,571	13,096	4,911	11,598	106,505	13,386	28,072	5,789	6,746	−16,651
1975	324,601	86,585	4,358	3,989	1,660	9,537	16,010	4,431	15,248	136,252	16,597	30,974	6,031	7,005	−14,075
1976	365,610	90,216	4,462	4,197	1,994	11,674	17,239	5,023	17,678	160,497	18,444	35,500	6,277	7,114	−14,704
TQ[7] r	94,473	22,389	1,450	1,129	760	3,592	4,685	1,505	4,683	41,830	3,975	7,304	1,714	2,024	−2,567
1977[6]	400,000	101,600	7,100	4,500	1,800	15,100	16,400	6,000	18,400	172,700	17,800	40,200	6,900	7,400	−16,800
Month:															
1975—Sept. r	29,044	6,923	−8	376	481	931	1,907	442	1,513	12,817	1,324	1,149	509	37	645
Oct.	32,425	8,192	362	398	312	740	1,965	462	896	13,575	1,518	2,957	492	1,592	−1,035
Nov.	29,401	7,533	419	405	196	786	1,203	315	1,653	12,612	1,624	2,996	531	15	−887
Dec.	31,792	7,981	290	409	175	814	1,994	433	1,515	13,721	1,704	2,820	1,154	1	−1,221
1976—Jan.	30,725	6,915	351	336	228	718	1,819	421	1,478	13,714	1,626	2,813	121	1,627	−1,441
Feb.	29,833	6,120	320	413	315	1,833	900	421	1,530	13,360	1,696	3,143	570	53	−841
Mar.	29,054	7,752	320	379	44	935	−672	270	1,809	14,382	1,659	3,407	567	16	−1,814
Apr.	32,476	7,994	249	360	−51	984	1,610	464	1,606	13,679	1,652	3,356	420	1,605	−1,452
May	28,410	7,136	292	348	270	924	466	448	1,258	13,229	1,555	3,220	617	96	−1,449
June	30,567	8,134	1,077	371	−181	929	1,238	528	1,738	13,501	1,248	2,652	668	32	−1,368
July	33,906	7,462	902	403	99	1,313	2,056	450	1,348	14,066	1,367	3,298	502	1,776	−1,136
Aug.	29,571	7,268	395	417	130	1,106	651	531	1,473	13,885	1,385	2,831	601	111	−1,213
Sept.	30,996	7,659	152	309	531	1,173	1,977	525	1,862	13,799	1,223	1,256	612	137	−217

1 Old-age, disability, and hospital insurance, and Railroad Retirement accounts.

2 Supplementary medical insurance premiums and Federal employee retirement contributions.

3 Deposits of earnings by F. R. Banks and other miscellaneous receipts.

4 Effective September 1976. The "Interest" and "Undistributed offsetting receipts" columns reflect the accounting conversion for interest on special issues for Govt. accounts from an accrual basis to a cash basis.

5 Consists of interest received by trust funds, rents and royalties on the Outer Continental Shelf, and Govt. contributions for employee retirement.

6 Estimates presented in *Mid-session Review of the 1977 Budget*, July 16, 1976. Figures for outlay categories exclude special allowances for civilian agency pay raises totaling $800 million for fiscal year 1977, and therefore do not add to totals.

7 Effective in calendar year 1976, the fiscal year for the U.S. Govt. is being changed from July 1–June 30 to Oct. 1–Sept. 30. The period July 1–Sept. 30 of 1976, data for which are shown separately from fiscal year 1976 and fiscal year 1977 totals, will be a transition quarter.

NOTE.—Half years may not add to fiscal year totals due to revisions in series that are not yet available on a monthly basis.

GROSS PUBLIC DEBT, BY TYPE OF SECURITY

(In billions of dollars)

End of period	Total gross public debt [1]	Public issues (interest-bearing): Total	Marketable: Total	Marketable: Bills	Marketable: Certificates	Marketable: Notes	Marketable: Bonds [2]	Convertible bonds	Nonmarketable: Total [3]	Nonmarketable: Foreign issues [4]	Nonmarketable: Savings bonds and notes	Special issues [5]
1968—Dec.	358.0	296.0	236.8	75.0	....	76.5	85.3	2.5	56.7	4.3	52.3	59.1
1969—Dec.	368.2	295.2	235.9	80.6	....	85.4	69.9	2.4	56.9	3.8	52.2	71.0
1970—Dec.	389.2	309.1	247.7	87.9	....	101.2	58.6	2.4	59.1	5.7	52.5	78.1
1971—Dec.	424.1	336.7	262.0	97.5	....	114.0	50.6	2.3	72.3	16.8	54.9	85.7
1972—Dec.	449.3	351.4	269.5	103.9	....	121.5	44.1	2.3	79.5	20.6	58.1	95.9
1973—Dec.	469.9	360.7	270.2	107.8	....	124.6	37.8	2.3	88.2	26.0	60.8	107.1
1974—Dec.	492.7	373.4	282.9	119.7	....	129.8	33.4	2.3	88.2	22.8	63.8	118.2
1975—Oct.	562.0	443.6	350.9	147.1	....	166.3	37.6	2.3	90.5	21.2	67.2	117.4
Nov.	566.8	447.5	355.9	151.1	....	166.1	38.7	2.3	89.3	21.3	67.6	116.7
Dec.	576.6	457.1	363.2	157.5	....	167.1	38.6	2.3	91.7	21.6	67.9	118.5
1976—Jan.	584.4	463.8	369.3	159.6	....	171.1	38.6	2.3	92.2	21.6	68.2	118.1
Feb.	593.9	473.7	378.8	162.1	....	177.6	39.1	2.3	92.7	21.7	68.6	119.2
Mar.	600.5	480.7	385.3	163.1	....	183.1	39.0	2.3	93.1	21.7	69.0	118.5
Apr.	602.0	482.4	386.4	161.8	....	185.8	38.9	2.3	93.6	21.6	69.4	118.6
May	610.7	484.4	388.0	161.8	....	186.5	39.7	2.3	94.1	21.5	69.8	123.7
June	620.4	489.5	392.6	161.2	....	191.8	39.6	2.3	94.6	21.5	70.1	129.8
July	624.5	495.5	397.7	161.4	....	197.2	39.1	2.3	95.5	21.4	70.8	128.1
Aug.	633.3	502.5	404.3	161.4	....	203.0	39.9	2.3	95.9	21.0	71.5	129.8
Sept.	634.7	505.7	407.7	161.5	....	206.3	39.8	2.3	95.8	20.8	71.2	127.9
Oct.	637.6	508.7	408.6	161.5	....	207.3	39.8	2.3	97.8	22.3	71.5	126.4

[1] Includes non-interest-bearing debt (of which $613 million on October 31, 1976, was not subject to statutory debt limitation).

[2] Includes Treasury bonds and minor amounts of Panama Canal and postal savings bonds.

[3] Includes (not shown separately): depositary bonds, retirement plan bonds, Rural Electrification Administration bonds, State and local government bonds, and Treasury deposit funds.

[4] Nonmarketable certificates of indebtedness, notes, and bonds in the Treasury foreign series and foreign-currency-series issues.

[5] Held only by U.S. Govt. agencies and trust funds and the Federal home loan banks.

NOTE.—Based on *Monthly Statement of the Public Debt of the United States*, published by U.S. Treasury. See also second paragraph in NOTE to table below.

OWNERSHIP OF PUBLIC DEBT

(Par value, in billions of dollars)

End of period	Total gross public debt	Held by: U.S. Govt. agencies and trust funds	Held by: F.R. Banks	Held by private investors: Total	Commercial banks	Mutual savings banks	Insurance companies	Other corporations	State and local govts.	Individuals: Savings bonds	Individuals: Other securities	Foreign and international [1]	Other misc. investors [2]
1968—Dec.	358.0	76.6	52.9	228.5	66.0	3.8	8.4	14.2	24.9	51.9	23.3	14.3	21.9
1969—Dec.	368.2	89.0	57.2	222.0	56.8	3.1	7.6	10.4	27.2	51.8	29.0	11.2	25.0
1970—Dec.	389.2	97.1	62.1	229.9	62.7	3.1	7.4	7.3	27.8	52.1	29.1	20.6	19.9
1971—Dec.	424.1	106.0	70.2	247.9	65.3	3.1	7.0	11.4	25.4	54.4	18.8	46.9	15.6
1972—Dec.	449.3	116.9	69.9	262.5	67.7	3.4	6.6	9.8	28.9	57.7	16.2	55.3	17.0
1973—Dec.	469.9	129.6	78.5	261.7	60.3	2.9	6.4	10.9	29.2	60.3	16.9	55.6	19.3
1974—Dec.	492.7	141.2	80.5	271.0	55.6	2.5	6.1	11.0	29.2	63.4	21.5	58.4	23.2
1975 Aug.	547.2	144.8	82.5	320.4	74.8	3.9	7.5	16.0	31.2	66.2	22.6	67.3	29.1
Sept.	553.6	142.3	87.0	324.4	78.3	4.0	7.7	15.0	32.2	66.5	23.0	65.5	31.1
Oct.	562.0	138.8	87.2	336.0	79.3	4.2	7.9	17.5	33.8	66.8	23.8	66.9	32.2
Nov.	566.8	137.7	85.1	343.9	82.2	4.4	8.8	20.0	33.9	67.1	23.9	66.1	35.5
Dec.	576.6	139.3	87.9	349.4	85.1	4.5	9.3	20.2	33.8	67.3	24.0	66.5	38.6
1976—Jan.	584.4	139.3	89.8	355.3	86.0	4.7	10.0	21.2	34.6	67.7	24.0	68.3	38.9
Feb.	593.9	139.7	89.0	365.1	87.2	4.9	10.1	23.2	36.4	68.0	25.8	69.6	39.9
Mar.	600.5	139.1	89.8	371.7	91.9	5.1	10.4	23.0	37.8	68.4	26.0	68.1	40.8
Apr.	602.0	139.1	91.8	371.0	91.7	5.1	10.3	23.8	37.7	68.8	25.8	70.2	37.4
May	610.7	143.7	90.5	376.4	91.6	5.3	10.4	26.0	37.6	69.2	26.6	71.0	38.7
June	620.4	149.6	94.4	376.4	91.8	5.1	10.5	25.0	39.5	69.6	26.8	69.8	38.2
July	624.5	147.6	90.7	386.2	94.0	5.3	11.1	27.0	37.2	70.3	26.8	72.8	41.9
Aug.p	633.3	148.0	94.0	391.3	92.5	5.4	11.6	27.8	38.7	70.9	28.8	74.6	40.9

[1] Consists of investments of foreign and international accounts in the United States.

[2] Consists of savings and loan assns., nonprofit institutions, corporate pensions trust funds, and dealers and brokers. Also included are certain Govt. deposit accounts and Govt.-sponsored agencies.

NOTE.—Reported data for F.R. Banks and U.S. Govt. agencies and trust funds; Treasury estimates for other groups.

The debt and ownership concepts were altered beginning with the Mar. 1969 BULLETIN. The new concepts (1) exclude guaranteed securities and (2) remove from U.S. Govt. agencies and trust funds and add to other miscellaneous investors the holdings of certain Govt.-sponsored but privately owned agencies and certain Govt. deposit accounts. Beginning in July 1974, total gross public debt includes Federal Financing Bank bills and excludes notes issued to the IMF ($825 million).

OWNERSHIP OF MARKETABLE SECURITIES, BY MATURITY

(Par value, in millions of dollars)

Type of holder and date	Total	Within 1 year			1–5 years	5–10 years	10–20 years	Over 20 years
		Total	Bills	Other				
All holders:								
1973—Dec. 31	270,224	141,571	107,786	33,785	81,715	25,134	15,659	6,145
1974—Dec. 31	282,891	148,086	119,747	28,339	85,311	27,897	14,833	6,764
1975—Dec. 31	363,191	199,692	157,483	42,209	112,270	26,436	14,264	10,530
1976—Aug. 31	404,314	204,787	161,433	43,354	128,994	44,010	13,260	13,263
Sept. 30	407,663	206,062	161,505	44,557	131,102	44,029	13,221	13,249
U.S. Govt. agencies and trust funds:								
1973—Dec. 31	20,962	2,220	631	1,589	7,714	4,389	5,019	1,620
1974—Dec. 31	21,391	2,400	588	1,812	7,823	4,721	4,670	1,777
1975—Dec. 31	19,347	2,769	207	2,562	7,058	3,283	4,233	2,053
1976—Aug. 31	16,657	2,291	512	1,779	5,784	2,556	3,676	2,350
Sept. 30	16,640	2,298	544	1,754	5,726	2,540	3,676	2,401
Federal Reserve Banks:								
1973—Dec. 31	78,516	46,189	36,928	9,261	23,062	7,504	1,577	184
1974—Dec. 31	80,501	45,388	36,990	8,399	23,282	9,664	1,453	713
1975—Dec. 31	87,934	46,845	38,018	8,827	30,518	6,463	1,507	2,601
1976—Aug. 31	94,030	49,192	40,161	9,031	29,814	9,932	1,598	3,495
Sept. 30	96,427	50,462	41,364	9,098	30,531	10,242	1,606	3,587
Held by private investors:								
1973—Dec. 31	170,746	93,162	70,227	22,935	50,939	13,241	9,063	4,341
1974—Dec. 31	180,999	100,298	82,168	18,130	54,206	13,512	8,710	4,274
1975—Dec. 31	255,860	150,078	119,258	30,820	74,694	16,690	8,524	5,876
1976—Aug. 31	293,627	153,304	121,306	31,998	93,396	31,522	7,986	7,418
Sept. 30	294,596	153,302	119,597	33,705	94,845	31,247	7,939	7,261
Commercial banks:								
1973—Dec. 31	45,737	17,499	7,901	9,598	22,878	4,022	1,065	272
1974—Dec. 31	42,755	14,873	6,952	7,921	22,717	4,151	733	280
1975—Dec. 31	64,398	29,875	17,481	12,394	29,629	4,071	552	271
1976—Aug. 31	70,015	26,926	14,791	12,135	36,165	6,002	487	435
Sept. 30	70,201	26,524	14,413	12,111	36,740	6,151	451	334
Mutual savings banks:								
1973—Dec. 31	1,955	562	222	340	750	211	300	131
1974—Dec. 31	1,477	399	207	192	614	174	202	88
1975—Dec. 31	3,300	983	554	429	1,524	448	232	112
1976—Aug. 31	4,032	1,059	391	668	2,102	602	188	80
Sept. 30	3,975	1,026	368	658	2,097	600	184	68
Insurance companies:								
1973—Dec. 31	4,956	779	312	467	1,073	1,278	1,301	523
1974—Dec. 31	4,741	722	414	308	1,061	1,310	1,297	351
1975—Dec. 31	7,565	2,024	1,513	511	2,359	1,592	1,154	436
1976—Aug. 31	9,749	2,003	1,349	654	3,748	2,300	1,134	564
Sept. 30	9,654	1,899	1,263	636	3,744	2,333	1,117	561
Nonfinancial corporations:								
1973—Dec. 31	4,905	3,295	1,695	1,600	1,281	260	54	15
1974—Dec. 31	4,246	2,623	1,859	764	1,423	115	26	59
1975—Dec. 31	9,365	7,105	5,829	1,276	1,967	175	61	57
1976—Aug. 31	15,182	11,244	9,766	1,478	3,595	241	63	39
Sept. 30	14,102	10,115	8,731	1,384	3,578	316	60	32
Savings and loan associations:								
1973—Dec. 31	2,103	576	121	455	1,011	320	151	45
1974—Dec. 31	1,663	350	87	263	835	282	173	23
1975—Dec. 31	2,793	914	518	396	1,558	216	82	22
1976—Aug. 31	4,393	1,963	1,348	615	2,169	171	72	19
Sept. 30	4,439	1,895	1,280	615	2,283	174	69	18
State and local governments:								
1973—Dec. 31	9,829	5,845	4,483	1,362	1,870	778	1,003	332
1974—Dec. 31	7,864	4,121	3,319	802	1,796	815	800	332
1975—Dec. 31	9,285	5,288	4,566	722	1,761	782	896	558
1976—Aug. 31	11,298	6,472	5,239	1,233	2,252	1,103	766	706
Sept. 30	11,467	6,604	5,452	1,152	2,252	1,162	760	689
All others:								
1973—Dec. 31	101,261	64,606	55,493	9,113	22,076	6,372	5,189	3,023
1974—Dec. 31	118,253	77,210	69,330	7,880	25,760	6,664	5,479	3,141
1975—Dec. 31	159,154	103,889	88,797	15,092	35,894	9,405	5,546	4,420
1976—Aug. 31	178,957	103,637	87,876	15,761	43,366	21,103	5,277	5,576
Sept. 30	180,759	105,239	88,090	17,149	44,151	20,511	5,299	5,559

NOTE.—Direct public issues only. Based on Treasury Survey of Ownership.

Data complete for U.S. Govt. agencies and trust funds and F.R. Banks, but data for other groups include only holdings of those institutions that report. The following figures show, for each category, the number and proportion reporting: (1) 5,509 commercial banks, 471 mutual savings banks, and 727 insurance companies combined, each about 80 per cent; (2) 451 nonfinancial corporations and 486 savings and loan assns., each about 50 per cent; and (3) 500 State and local govts., about 40 per cent.

"All others," a residual, includes holdings of all those not reporting in the Treasury Survey, including investor groups not listed separately.

DAILY-AVERAGE DEALER TRANSACTIONS

(Par value, in millions of dollars)

Period	U.S. Government securities: Total	By maturity: Within 1 year	By maturity: 1–5 years	By maturity: 5–10 years	By maturity: Over 10 years	By type of customer: U.S. Govt. securities dealers	By type of customer: U.S. Govt. securities brokers	By type of customer: Commercial banks	By type of customer: All other[1]	U.S. Govt. agency securities
1975—Sept.	5,566	4,032	1,315	128	91	931	1,405	1,198	2,033	787
Oct.	8,714	5,929	2,332	309	144	1,271	2,675	1,839	2,929	1,250
Nov.	7,594	5,519	1,353	534	189	1,070	2,176	1,875	2,474	1,217
Dec.	7,586	5,919	1,270	278	120	1,190	2,217	1,977	2,202	1,059
1976—Jan.	9,509	7,049	1,765	569	126	1,265	3,118	2,192	2,935	1,417
Feb.	8,329	5,863	1,553	755	158	951	2,389	2,196	2,793	1,163
Mar.	9,044	6,763	1,807	358	116	1,308	2,777	2,276	2,683	1,185
Apr.	10,293	7,667	2,186	306	134	1,341	3,154	2,426	3,372	1,665
May	8,557	6,002	1,593	700	263	952	2,907	2,128	2,571	1,131
June	8,582	6,415	1,616	426	126	1,312	2,543	1,983	2,743	1,118
July	9,663	6,846	1,771	946	99	1,356	3,230	2,078	2,999	1,371
Aug.	10,579	6,170	2,548	1,498	363	1,401	3,284	2,355	3,539	1,557
Sept.	9,541	5,828	2,488	956	270	1,273	2,889	2,239	3,139	1,616
Week ending—										
1976—Sept. 1	10,417	6,081	2,979	980	377	1,479	3,267	2,393	3,278	1,740
8	7,776	4,495	2,295	774	211	1,066	2,248	1,892	2,570	1,321
15	7,259	4,204	2,098	743	215	852	2,048	1,817	2,541	1,319
22	11,839	7,519	2,852	1,103	365	1,498	3,922	2,674	3,745	2,368
29	10,118	6,417	r2,393	1,024	283	1,387	3,237	r2,229	3,265	1,265
Oct. 6	12,689	7,484	2,704	2,231	270	2,004	3,926	3,015	3,744	2,365
13	16,153	8,796	3,848	3,136	373	1,876	6,215	3,708	4,354	3,268
20	14,978	8,923	3,065	2,619	372	1,603	5,595	3,268	4,513	2,466
27	10,636	6,279	2,815	1,317	226	1,227	3,813	2,205	3,391	1,397

1 Since Jan. 1972 has included transactions of dealers and brokers in securities other than U.S. Govt.

NOTE.—The transactions data combine market purchases and sales of U.S. Govt. securities dealers reporting to the F.R. Bank of New York. They do not include allotments of, and exchanges for, new U.S. Govt. securities, redemptions of called or matured securities, or purchases or sales of securities under repurchase agreement, reverse repurchase (resale), or similar contracts. Averages of daily figures based on the number of trading days in the period.

DAILY-AVERAGE DEALER POSITIONS

(Par value, in millions of dollars)

Period	U.S. Government securities, by maturity: All maturities	Within 1 year	1–5 years	5–10 years	Over 10 years	U.S. Govt. agency securities
1975—Sept.	5,718	5,214	410	56	39	529
Oct.	7,322	6,019	1,091	111	102	r498
Nov.	6,752	5,011	640	594	506	953
Dec.	6,061	5,274	322	218	247	982
1976—Jan.	6,305	5,287	449	398	170	694
Feb.	6,263	5,477	381	224	183	602
Mar.	6,884	6,360	286	122	116	537
Apr.	6,733	6,328	190	131	84	508
May	5,272	4,852	232	126	62	183
June	5,895	5,489	251	144	11	335
July	7,118	6,370	254	466	29	568
Aug.	8,511	6,948	493	624	446	806
Sept.	9,496	8,152	530	510	304	867
Week ending—						
1976—Aug. 4	7,800	6,951	568	284	−2	519
11	8,783	6,885	607	853	437	753
18	8,199	6,370	399	781	649	771
25	8,211	6,696	488	514	514	894
Sept. 1	9,517	8,043	509	515	449	1,052
8	9,963	8,351	637	571	403	910
15	9,244	7,825	597	478	344	774
22	10,097	8,810	593	457	237	957
29	8,751	7,813	248	443	246	767

NOTE.—The figures include all securities sold by dealers under repurchase contracts regardless of the maturity date of the contract, unless the contract is matched by a reverse repurchase (resale) agreement or delayed delivery sale with the same maturity and involving the same amount of securities. *Included in the repurchase contracts are some that more* clearly represent investments by the holders of the securities rather than dealer trading positions.

Average of daily figures based on number of trading days in the period.

DAILY-AVERAGE DEALER FINANCING

(In millions of dollars)

Period	All sources	Commercial banks: New York City	Commercial banks: Elsewhere	Corporations[1]	All other
1975—Sept.	6,576	1,160	1,640	972	2,804
Oct.	6,940	1,658	1,792	817	2,673
Nov.	7,215	1,958	1,393	991	2,873
Dec.	7,107	2,001	1,304	1,086	2,716
1976—Jan.	6,766	1,757	1,337	1,147	2,526
Feb.	6,700	1,705	850	1,017	3,128
Mar.	7,175	1,865	1,138	1,225	2,947
Apr.	7,587	1,966	1,734	1,126	2,761
May	6,089	1,346	1,026	975	2,742
June	7,326	1,819	1,494	1,258	2,756
July	7,772	1,496	1,522	1,569	3,185
Aug.	9,264	1,671	1,600	1,879	4,114
Sept.	10,827	2,073	1,949	1,715	5,091
Week ending—					
1976—Aug. 4	8,781	1,225	1,555	1,974	4,026
11	8,951	1,751	1,950	1,897	3,353
18	8,919	1,661	1,637	1,810	3,812
25	9,150	1,618	1,344	1,793	4,396
Sept. 1	10,541	1,950	1,497	1,984	5,109
8	10,996	2,182	2,202	1,963	4,650
15	10,905	2,502	2,474	2,027	3,902
22	10,715	2,005	1,814	1,435	5,461
29	10,886	1,733	1,449	1,461	6,243

1 All business corporations, except commercial banks and insurance companies.

NOTE.—Averages of daily figures based on the number of calendar days *in the period. Both bank and nonbank dealers are included.* See also NOTE to the table on the left.

MAJOR BALANCE SHEET ITEMS OF SELECTED FEDERALLY SPONSORED CREDIT AGENCIES

(In millions of dollars)

End of period	Federal home loan banks: Assets			Federal home loan banks: Liabilities and capital			Federal National Mortgage Assn. (secondary market operations)		Banks for cooperatives		Federal intermediate credit banks		Federal land banks	
	Advances to members	Investments	Cash and deposits	Bonds and notes	Member deposits	Capital Stock	Mortgage loans (A)	Debentures and notes (L)	Loans to cooperatives (A)	Bonds (L)	Loans and discounts (A)	Bonds (L)	Mortgage loans (A)	Bonds (L)
1970	10,614	3,864	105	10,183	2,332	1,607	15,502	15,206	2,030	1,755	4,974	4,799	7,186	6,395
1971	7,936	2,520	142	7,139	1,789	1,618	17,791	17,701	2,076	1,801	5,669	5,503	7,917	7,063
1972	7,979	2,225	129	6,971	1,548	1,756	19,791	19,238	2,298	1,944	6,094	5,804	9,107	8,012
1973	15,147	3,537	157	15,362	1,745	2,122	24,175	23,001	2,577	2,670	7,198	6,861	11,071	9,838
1974	21,804	3,094	144	21,878	2,484	2,624	29,709	28,201	3,575	3,561	8,848	8,400	13,643	12,427
1975—Sept.	17,482	4,247	114	18,720	2,275	2,679	31,157	28,933	3,847	3,109	10,100	9,657	16,044	14,351
Oct.	17,578	4,368	70	18,766	2,291	2,685	31,466	29,373	4,087	3,453	9,933	9,505	16,247	14,774
Nov.	17,606	4,439	87	18,874	2,527	2,690	31,647	29,319	4,041	3,664	8,784	9,319	16,380	14,774
Dec.	17,845	4,376	109	18,863	2,701	2,705	31,916	29,963	3,979	3,643	9,947	9,211	16,564	14,773
1976 Jan.	17,106	5,549	97	18,850	2,971	2,802	31,866	29,809	4,356	3,793	9,944	9,201	16,746	15,243
Feb.	16,380	5,286	69	17,738	3,085	2,829	31,704	29,758	4,546	3,878	10,013	9,254	16,930	15,120
Mar.	15,757	6,063	110	17,714	3,182	2,827	31,564	30,021	4,656	3,918	10,272	9,812	17,264	15,120
Apr.	15,336	6,394	113	17,713	2,990	2,829	31,468	30,148	4,590	3,921	10,762	9,877	17,514	15,834
May	15,215	5,585	97	17,114	2,891	2,836	32,113	29,805	4,470	3,761	10,823	10,034	17,731	15,834
June	15,274	3,739	118	17,136	2,949	2,839	32,090	29,863	4,413	3,733	11,188	9,998	17,979	15,834
July	15,403	5,626	103	17,101	2,907	2,848	32,075	29,845	4,420	3,757	11,417	10,531	18,202	16,340
Aug.	15,751	5,292	95	17,112	3,073	2,854	32,131	30,429	4,360	3,908	11,555	10,643	18,390	16,340
Sept.	16,062	5,130	146	17,077	3,177	2,864	32,112	30,685	4,467	3,970	11,580	10,729	18,570	16,340

NOTE.—Data from Federal Home Loan Bank Board, Federal National Mortgage Assn., and Farm Credit Admin. Among omitted balance sheet items are capital accounts of all agencies, except for stock of FHLB's. Bonds, debentures, and notes are valued at par. They include only publicly offered securities (excluding, for FHLB's, bonds held within the FHLB System) are not guaranteed by the U.S. Govt. Loans are gross of valuation reserves and represent cost for FNMA and unpaid principal for other agencies.

NEW ISSUES OF STATE AND LOCAL GOVERNMENT SECURITIES

(In millions of dollars)

Period	All issues (new capital and refunding): Total	Type of issue: General obligations	Type of issue: Revenue	Type of issue: HAA[1]	Type of issue: U.S. Govt. loans	Type of issuer: State	Type of issuer: Special district and stat. auth.	Type of issuer: Other[2]	Total amount delivered[3]	Issues for new capital: Total	Use of proceeds: Education	Use of proceeds: Roads and bridges	Use of proceeds: Utilities[4]	Use of proceeds: Housing[5]	Use of proceeds: Veterans' aid	Use of proceeds: Other purposes
1971	24,963	15,220	8,681	1,000	62	5,999	8,714	10,246	....	24,495	5,278	2,642	5,214	2,068	......	9,293
1972	23,653	13,305	9,332	959	57	4,991	9,496	9,165	....	22,079	4,981	1,689	4,714	1,910	......	8,785
1973	23,969	12,257	10,632	1,022	58	4,212	9,505	10,249	....	22,397	4,311	1,458	5,654	2,639	......	8,335
1974	24,315	13,563	10,212	461	79	4,784	8,638	10,817	....	23,508	4,730	768	5,634	1,064	......	11,312
1975	30,607	16,020	14,511	....	76	7,438	12,441	10,660	....	29,495	4,689	1,277	7,209	647	......	15,673
1975—Sept.	2,171	907	1,252	....	12	357	1,185	614	....	2,123	279	134	447	48	......	1,215
Oct.	2,337	1,120	1,203	....	14	482	979	855	....	2,241	212	60	487	44	......	1,438
Nov.	2,385	1,040	1,341	....	4	470	1,244	667	....	2,318	219	88	618	28	......	1,365
Dec.	2,062	995	1,057	....	10	434	1,043	576	....	1,990	287	29	495	20	......	1,159
1976—Jan.	2,358	1,136	1,211	....	11	639	1,073	638	....	2,274	432	95	601	88	......	1,058
Feb.	2,722	1,332	1,375	....	15	446	1,449	810	....	2,622	360	135	574	130	......	1,423
Mar.	3,346	2,173	1,166	....	7	1,254	824	1,262	....	3,180	439	215	710	692	......	1,124
Apr.	2,440	1,211	1,218	....	11	457	1,227	746	....	2,319	356	26	679	367	......	891
May	3,490	1,866	1,611	....	13	824	1,400	1,256	....	3,303	710	384	956	70	......	1,183
June	3,028	1,689	1,324	....	15	590	1,097	1,331	....	2,807	414	75	745	113	......	1,460
July[r]	2,691	1,186	1,496	....	9	308	1,261	1,118	....	2,470	309	21	1,000	160	......	980
Aug.[r]	2,765	1,269	1,488	....	8	669	1,162	930	....	2,504	373	95	784	102	......	1,150
Sept.	2,694	1,224	1,465	....	5	470	1,164	1,056	....	2,504	347	90	731	487	......	849

1 Only bonds sold pursuant to 1949 Housing Act, which are secured by contract requiring the Housing Assistance Administration to make annual contributions to the local authority.
2 Municipalities, counties, townships, school districts.
3 Excludes U.S. Govt. loans. Based on date of delivery to purchaser and payment to issuer, which occurs after date of sale.
4 Water, sewer, and other utilities.
5 Includes urban redevelopment loans.

NOTE.—Security Industries Assn. data; par amounts of long-term issues based on date of sale unless otherwise indicated.
Components may not add to totals due to rounding.

TOTAL NEW ISSUES

(In millions of dollars)

Period	Gross proceeds, all issues[1]										
	Total	Noncorporate				Corporate					
		U.S. Govt.[2]	U.S. Govt. agency[3]	State and local (U.S.)[4]	Other[5]	Total	Bonds			Stock	
							Total	Publicly offered	Privately placed	Preferred	Common
1972	84,792	17,080	12,825	23,070	1,589	40,228	26,132	17,425	8,706	3,370	10,725
1973	99,050	19,057	23,883	22,700	1,385	32,025	21,049	13,244	7,802	3,337	7,642
1974						38,311	32,066	25,903	6,160	2,253	3,994
1975						53,644	42,781	32,603	10,177	3,458	7,405
1975—June						5,596	4,594	3,943	651	230	772
July						4,327	3,673	2,658	1,014	198	456
Aug.						2,405	1,842	1,356	486	129	434
Sept.						2,836	1,999	1,414	585	308	529
Oct.						4,705	3,158	2,389	769	332	1,215
Nov.						4,068	3,296	1,666	1,630	444	324
Dec.						4,325	3,528	1,761	1,767	462	335
1976—Jan.[r]						3,381	2,802	2,189	613	148	431
Feb.[r]						3,842	2,915	2,142	773	173	754
Mar.[r]						6,632	4,585	3,238	1,347	443	1,604
Apr.[r]						3,523	2,995	2,350	645	61	467
May[r]						4,188	2,996	1,937	1,059	291	901
June						6,269	4,875	3,135	1,740	359	1,035

Period	Gross proceeds, major groups of corporate issuers											
	Manufacturing		Commercial and miscellaneous		Transportation		Public utility		Communication		Real estate and financial	
	Bonds	Stocks	Bonds	Stocks	Bonds	Stocks	Bonds	Stocks	Bonds	Stocks	Bonds	Stocks
1972	4,560	1,833	2,526	2,786	1,258	148	6,349	4,966	3,709	1,126	7,728	3,242
1973	4,199	638	1,318	1,532	1,084	26	5,578	4,691	3,523	1,348	5,344	2,745
1974	9,867	544	1,845	940	1,550	22	8,873	3,964	3,710	217	6,218	562
1975	17,006	1,670	2,757	1,470	3,439	1	9,658	6,235	3,464	1,002	6,459	488
1975—June	2,195	123	384	194	211		838	640	362		603	45
July	1,056	64	229	227	338		715	324	254	16	1,081	22
Aug.	580	101	147	70	17		719	305	93	19	286	68
Sept.	512	107	57	37	154		723	541	249	48	304	105
Oct.	810	142	335	152	626		571	676	373	555	443	23
Nov.	874	229	81	53	1,000		851	424	45	10	444	57
Dec.	1,295	130	473	193	339		539	363	205	27	679	83
1976—Jan.[r]	1,025	48	330	87	299		662	435	16		472	9
Feb.[r]	748	435	319	132	650		487	302	151	20	559	37
Mar.[r]	1,840	405	221	84	323		747	1,411	577	1	876	146
Apr.[r]	524	60	638	115	329		329	315	450		721	39
May[r]	1,225	484	185	136	118	1	643	505	20		806	65
June	1,269	125	411	58	263	3	867	478	696	771	1,369	19

[1] Gross proceeds are derived by multiplying principal amounts or number of units by offering price.
[2] Includes guaranteed issues.
[3] Issues not guaranteed.
[4] See NOTE to table at bottom of preceding page.

[5] Foreign governments and their instrumentalities, International Bank for Reconstruction and Development, and domestic nonprofit organizations.

NOTE.—Securities and Exchange Commission estimates of new issues maturing in more than 1 year sold for cash in the United States.

NET CHANGE IN OUTSTANDING CORPORATE SECURITIES

(In millions of dollars)

Period	Derivation of change, all issuers [1]								
	All securities			Bonds and notes			Common and preferred stocks		
	New issues	Retirements	Net change	New issues	Retirements	Net change	New issues	Retirements	Net change
1972	42,306	10,224	32,082	27,065	8,003	19,062	15,242	2,222	13,018
1973	33,559	11,804	21,754	21,501	8,810	12,691	12,057	2,993	9,064
1974	39,334	9,935	29,399	31,554	6,255	25,098	7,980	3,678	4,302
1975	53,255	10,991	42,263	40,468	8,583	31,886	12,787	2,408	10,377
1975—II	15,602	3,211	12,390	11,460	2,336	9,124	4,142	875	3,266
III	9,079	2,576	6,503	6,654	2,111	4,543	2,425	465	1,960
IV	13,363	3,116	10,247	9,595	2,549	7,047	3,768	567	3,200
1976—I	13,671	2,315	11,356	9,404	1,403	8,001	4,267	912	3,355
II	14,229	3,668	10,561	10,244	3,159	7,084	3,985	509	3,477

Period	Type of issues											
	Manufacturing		Commercial and other [2]		Transportation [3]		Public utility		Communication		Real estate and financial [1]	
	Bonds and notes	Stocks	Bonds and notes	Stocks	Bonds and notes	Stocks	Bonds and notes	Stocks	Bonds and notes	Stocks	Bonds and notes	Stocks
1972	1,995	2,094	1,409	2,471	711	254	5,137	4,844	3,343	1,260	7,045	2,096
1973	801	658	−109	1,411	1,044	−93	4,265	4,509	3,165	1,399	3,523	1,181
1974	7,404	17	1,116	−135	341	−20	7,308	3,834	3,499	398	5,428	207
1975	13,219	1,607	1,605	1,137	2,165	65	7,236	6,015	2,980	1,084	4,682	468
1975—II	4,574	500	483	490	429	7	1,977	1,866	810	359	852	43
III	1,442	412	221	108	147	53	1,395	1,043	472	97	866	247
IV	2,069	433	528	462	1,588	4	1,211	1,537	429	604	1,222	160
1976—I	2,966	838	203	149	985	5	1,820	2,174	498	47	1,530	203
II	1,529	1,120	726	318	488	25	1,260	1,300	953	735	2,128	−21

1 Excludes investment companies.
2 Extractive and commercial and miscellaneous companies.
3 Railroad and other transportation companies.

NOTE.—Securities and Exchange Commission estimates of cash transactions only. As contrasted with data shown on preceding page, new issues exclude foreign sales and include sales of securities held by affiliated companies, special offerings to employees, and also new stock issues and cash proceeds connected with conversions of bonds into stocks. Retirements are defined in the same way and also include securities retired with internal funds or with proceeds of issues for that purpose.

OPEN-END INVESTMENT COMPANIES

(In millions of dollars)

Year	Sales and redemption of own shares			Assets (market value at end of period)			Month	Sales and redemption of own shares [4]			Assets (market value at end of period)		
	Sales [1]	Redemptions	Net sales	Total [2]	Cash position [3]	Other		Sales [1]	Redemptions	Net sales	Total [2]	Cash position [3]	Other
1963	2,460	1,504	952	25,214	1,341	23,873	1975—Sept.	760	874	−114	40,234	3,664	36,570
1964	3,404	1,875	1,528	29,116	1,329	27,787	Oct.	914	995	−81	41,860	3,601	38,259
1965	4,359	1,962	2,395	35,220	1,803	33,417	Nov.	786	911	−125	42,460	3,733	38,727
							Dec.	1,040	1,093	−53	42,179	3,748	38,431
1966	4,671	2,005	2,665	34,829	2,971	31,858							
1967	4,670	2,745	1,927	44,701	2,566	42,135	1976—Jan.	411	538	−47	46,529	3,287	43,242
1968	6,820	3,841	2,979	52,677	3,187	49,490	Feb.	262	577	−315	46,540	3,084	43,546
							Mar.	326	677	−351	46,866	2,881	43,985
1969	6,717	3,661	3,056	48,291	3,846	44,445	Apr.	305	620	−315	45,956	2,683	42,273
1970	4,624	2,987	1,637	47,618	3,649	43,969	May	241	589	−348	45,122	2,769	42,353
1971	5,145	4,751	394	55,045	3,038	52,007	June	321	599	−278	46,801	2,679	44,122
							July	281	596	−315	45,986	2,547	43,439
1972	4,892	6,563	−1,671	59,831	3,035	56,796	Aug.	256	536	−280	45,457	2,561	42,896
1973	4,358	5,651	1,261	46,518	4,002	42,516	Sept.	338	573	−235	46,138	2,507	43,631
1974	5,346	3,937	1,409	35,777	5,637	30,140							
1975	10,057	9,571	486	42,179	3,748	38,431							

1 Includes contractual and regular single-purchase sales, voluntary and contractual accumulation plan sales, and reinvestment of investment income dividends; excludes reinvestment of realized capital gains dividends.
2 Market value at end of period less current liabilities.
3 Cash and deposits, receivables, all U.S. Govt. securities, and other short-term debt securities, less current liabilities.
4 Beginning Jan. 1976, sales and redemption figures exclude money market funds.

NOTE.—Investment Company Institute data based on reports of members, which comprise substantially all open-end investment companies registered with the Securities and Exchange Commission. Data reflect newly formed companies after their initial offering of securities.

SALES, REVENUE, PROFITS, AND DIVIDENDS OF LARGE MANUFACTURING CORPORATIONS

(In millions of dollars)

Industry	1973	1974	1975	1974 I	1974 II	1974 III	1974 IV	1975 I	1975 II	1975 III	1975 IV	1976 QI
Total (170 corps.):												
Sales	442,351	564,724	586,813	126,812	143,077	145,054	149,781	138,322	145,872	147,986	154,633	159,291
Total revenue	448,919	573,136	595,205	128,711	145,227	147,251	151,947	140,411	147,785	149,820	157,189	161,734
Profits before taxes	53,845	67,737	60,286	16,596	18,218	17,860	15,063	12,895	14,859	15,493	17,039	16,710
Profits after taxes	28,767	32,531	27,004	7,739	9,292	8,428	7,072	5,551	6,707	7,094	7,652	8,537
Memo: PAT unadj.[1]	28,798	32,720	27,775	7,627	9,222	8,497	7,374	5,667	6,596	7,046	8,466	8,558
Dividends	11,516	12,421	12,442	2,912	2,928	3,073	3,508	3,128	3,032	3,072	3,210	3,183
Nondurable goods industries (86 corps.):[2]												
Sales	210,216	309,033	323,136	68,782	77,193	80,543	82,515	77,297	78,656	82,361	84,822	86,987
Total revenue	214,028	314,584	328,502	70,066	78,654	82,021	83,843	78,616	79,940	83,595	86,351	88,231
Profits before taxes	30,211	46,446	40,905	11,887	11,998	12,618	9,943	9,378	9,989	10,924	10,614	10,638
Profits after taxes	15,537	20,568	16,303	5,055	5,740	5,473	4,300	3,586	3,919	4,441	4,357	4,775
Memo: PAT unadj.[1]	15,415	20,465	16,719	4,958	5,689	5,398	4,420	3,572	3,900	4,439	4,808	4,794
Dividends	6,104	6,873	7,228	1,626	1,645	1,720	1,882	1,815	1,784	1,803	1,826	1,879
Durable goods industries (84 corps.):[3]												
Sales	232,135	255,691	263,677	58,030	65,884	64,511	67,266	61,025	67,216	65,625	69,811	72,304
Total revenue	234,891	258,552	266,703	58,645	66,573	65,230	68,104	61,795	67,845	66,225	70,838	73,503
Profits before taxes	23,634	21,291	19,381	4,709	6,220	5,242	5,120	3,517	4,870	4,569	6,425	6,072
Profits after taxes	13,230	11,963	10,701	2,684	3,552	2,955	2,772	1,965	2,788	2,653	3,295	3,762
Memo: PAT unadj.[1]	13,383	12,255	11,056	2,669	3,533	3,099	2,954	2,095	2,696	2,607	3,658	3,764
Dividends	5,412	5,548	5,214	1,286	1,283	1,353	1,626	1,313	1,248	1,269	1,384	1,304
Selected industries:												
Food and kindred products (28 corps.):												
Sales	42,629	52,753	57,149	11,885	12,729	13,663	14,476	13,490	14,117	14,600	14,942	14,762
Total revenue	43,198	53,728	58,156	12,110	12,996	13,939	14,683	13,708	14,356	14,844	15,248	14,986
Profits before taxes	3,957	4,602	5,025	1,046	1,190	1,289	1,077	1,066	1,190	1,385	1,384	1,448
Profits after taxes	2,062	2,298	2,496	529	607	645	517	502	607	919	668	643
Memo: PAT unadj.[1]	2,073	2,329	2,601	533	610	646	540	526	615	745	715	644
Dividends	936	1,011	1,100	243	248	253	267	268	271	274	287	307
Chemical and allied products (22 corps.):												
Sales	43,208	55,083	57,735	12,507	13,892	14,606	14,078	13,618	14,329	14,660	15,128	15,816
Total revenue	43,785	55,676	58,376	12,667	14,066	14,778	14,165	13,756	14,503	14,791	15,326	15,958
Profits before taxes	6,264	8,263	7,082	1,856	2,293	2,194	1,920	1,647	1,622	1,858	1,955	2,166
Profits after taxes	3,505	4,876	3,889	1,044	1,247	1,223	1,362	932	929	1,035	993	1,232
Memo: PAT unadj.[1]	3,469	4,745	4,015	1,031	1,245	1,180	1,289	927	937	1,028	1,123	1,213
Dividends	1,496	1,647	1,723	383	405	422	437	430	425	429	439	444
Petroleum refining (15 corps):												
Sales	93,504	165,150	172,645	36,103	41,362	42,747	44,938	41,988	41,342	43,873	45,442	46,656
Total revenue	95,722	168,680	175,915	36,913	42,261	43,659	45,847	42,851	42,100	44,633	46,331	47,407
Profits before taxes	17,493	30,657	26,305	8,296	7,564	8,339	6,458	6,227	6,612	6,961	6,505	6,254
Profits after taxes	8,551	11,775	8,551	3,098	3,349	3,181	2,147	1,905	2,078	2,300	2,268	2,481
Memo: PAT unadj.[1]	8,505	11,746	8,712	3,011	3,304	3,132	2,299	1,871	2,040	2,268	2,533	2,512
Dividends	3,146	3,635	3,801	864	853	899	1,019	966	937	949	949	971
Primary metals and products (23 corps.):												
Sales	42,400	54,044	48,578	11,888	13,976	14,285	13,895	12,482	12,393	12,274	11,429	12,733
Total revenue	43,103	55,048	49,534	12,045	14,171	14,504	14,328	12,782	12,604	12,479	11,669	12,904
Profits before taxes	3,221	5,579	2,921	973	1,586	1,791	1,229	1,015	711	487	708	633
Profits after taxes	1,966	3,199	1,822	589	927	1,028	655	633	478	396	315	409
Memo: PAT unadj.[1]	2,039	3,485	2,003	607	942	1,137	799	639	485	381	498	416
Dividends	789	965	945	221	209	238	297	273	227	216	229	218
Machinery (27 corps.):												
Sales	65,040	73,894	78,914	16,830	18,836	18,853	19,375	18,245	19,881	19,764	21,024	20,375
Total revenue	65,925	74,725	79,868	17,012	19,023	19,075	19,615	18,464	20,104	19,956	21,344	20,928
Profits before taxes	7,670	7,661	8,665	1,829	2,074	1,943	1,815	1,727	2,089	2,219	2,630	2,445
Profits after taxes	4,236	4,210	4,801	1,006	1,149	1,074	981	971	1,178	1,224	1,428	1,344
Memo: PAT unadj.[1]	4,209	4,149	4,864	996	1,137	1,096	920	975	1,173	1,231	1,485	1,343
Dividends	1,607	1,957	2,015	441	441	476	599	483	485	519	528	529
Motor vehicles and equipment (9 corps.):												
Sales	83,017	80,386	85,863	18,467	20,979	19,443	21,497	18,866	22,275	21,005	23,717	26,395
Total revenue	83,671	80,881	86,475	18,597	21,146	19,593	21,545	19,011	22,341	21,083	24,040	26,702
Profits before taxes	7,429	2,920	3,077	636	1,115	231	938	−98	854	590	1,731	1,794
Profits after taxes	3,991	1,686	1,471	369	657	133	527	−127	451	328	819	1,331
Memo: PAT unadj.[1]	4,078	1,742	1,604	361	648	147	586	−12	455	280	881	1,337
Dividends	2,063	1,537	1,121	384	382	386	385	294	276	274	277	285

[1] Profits after taxes unadjusted are as reported by the individual companies. These data are not adjusted to eliminate differences in accounting treatments of special charges, credits, and other nonoperating items.

[2] Includes 21 corporations in groups not shown separately.

[3] Includes 25 corporations in groups not shown separately.

NOTE.—*Data are obtained from published reports of companies and* reports made to the Securities and Exchange Commission. Sales are net of returns, allowances, and discounts, and exclude excise taxes paid directly by the company. Total revenue data include, in addition to sales, income from nonmanufacturing operations and nonoperating income. Profits are before dividend payments and have been adjusted to exclude special charges and credits to surplus reserves and extraordinary items not related primarily to the current reporting period. Income taxes (not shown) *include Federal, State and local government, and foreign.*

Previous series last published in June 1972 BULLETIN, p. A-50.

CORPORATE PROFITS, TAXES, AND DIVIDENDS

(In billions of dollars)

Year	Profits before taxes	In-come taxes	Profits after taxes	Cash divi-dends	Undis-tributed profits
1968	85.6	39.3	46.2	21.9	24.2
1969	83.5	39.7	43.8	22.6	21.2
1970	71.5	34.5	37.0	22.9	14.1
1971	82.0	37.7	44.3	23.0	21.3
1972	96.2	41.4	54.6	24.6	30.0
1973	115.8	48.7	67.1	27.8	39.3
1974	127.6	52.4	75.2	30.8	44.4
1975	114.5	49.2	65.3	32.1	33.2

Quarter	Profits before taxes	In-come taxes	Profits after taxes	Cash divi-dends	Undis-tributed profits
1974—I	126.3	50.5	75.8	29.9	45.9
II	126.4	53.0	73.3	30.7	42.6
III	138.6	57.6	81.0	31.3	49.7
IV	119.2	48.6	70.6	31.1	39.5
1975—I	94.2	40.2	54.0	31.7	22.3
II	105.8	44.8	61.0	31.9	29.1
III	126.9	54.8	72.1	32.6	39.5
IV	131.3	57.2	74.2	32.2	r42.0
1976—I	141.1	61.4	79.7	33.1	46.6
II	146.2	63.5	82.7	34.4	48.3

NOTE.—Dept. of Commerce estimates. Quarterly data are at seasonally adjusted annual rates.

CURRENT ASSETS AND LIABILITIES OF NONFINANCIAL CORPORATIONS

(In billions of dollars)

End of period	Net working capital	Current assets: Total	Cash	U.S. Govt. securi-ties	Notes and accts. receivable: U.S. Govt.[1]	Notes and accts. receivable: Other	Inven-tories	Other	Current liabilities: Total	Notes and accts. payable: U.S. Govt.[1]	Notes and accts. payable: Other	Accrued Federal income taxes	Other
1970	187.4	492.3	50.2	7.7	4.2	201.9	193.3	35.0	304.9	6.6	204.7	10.0	83.6
1971	203.6	529.6	53.3	11.0	3.5	217.6	200.4	43.8	326.0	4.9	215.6	13.1	92.4
1972	221.3	574.4	57.5	10.2	3.4	240.0	215.2	48.1	352.2	4.0	230.4	15.1	102.6
1973	242.3	643.2	61.6	11.0	3.5	266.1	246.7	54.4	401.0	4.3	261.6	18.1	117.0
1974—II	253.9	685.4	58.8	10.7	3.4	289.8	269.2	53.5	431.5	4.7	278.5	19.0	129.1
III	259.5	708.6	60.3	11.0	3.5	295.5	282.1	56.1	449.1	5.1	287.0	22.7	134.3
IV	261.5	712.2	62.7	11.7	3.5	289.7	288.0	56.6	450.6	5.2	287.5	23.2	134.8
1975—I	260.4	698.4	60.6	12.1	3.2	281.9	285.2	55.4	438.0	5.3	271.2	21.8	139.8
II	269.0	703.2	63.7	12.7	3.3	284.8	281.4	57.3	434.2	5.8	270.1	17.7	140.6
III	271.8	716.5	65.6	14.3	3.3	294.7	279.6	59.0	444.7	6.2	273.4	19.4	145.6
IV	274.1	731.6	68.1	19.4	3.6	294.6	285.8	60.0	457.5	6.4	281.6	20.7	148.8
1976—I	287.6	753.5	68.4	21.7	3.6	307.3	288.8	63.6	465.9	6.4	280.5	23.9	155.0
II	299.5	775.4	70.8	23.3	3.7	318.1	295.6	63.9	475.9	6.8	287.0	22.0	160.1

[1] Receivables from, and payables to, the U.S. Govt. exclude amounts offset against each other on corporations' books.

NOTE.—Securities and Exchange Commission estimates.

BUSINESS EXPENDITURES ON NEW PLANT AND EQUIPMENT

(In billions of dollars)

Period	Total	Manufacturing: Durable	Manufacturing: Non-durable	Mining	Transportation: Rail-road	Transportation: Air	Transportation: Other	Public utilities: Electric	Public utilities: Gas and other	Commu-nications	Other[1]	Total (S.A. A.R.)
1972	88.44	15.64	15.72	2.45	1.80	2.46	1.46	14.48	2.52	11.89	20.07	....
1973	99.74	19.25	18.76	2.74	1.96	2.41	1.66	15.94	2.76	12.85	21.40	....
1974	112.40	22.62	23.39	3.18	2.54	2.00	2.12	17.63	2.92	13.96	22.05	....
1975	112.78	21.84	26.11	3.79	2.55	1.84	3.18	17.00	3.14	12.74	20.60	....
1974—II	28.16	5.59	5.69	.78	.64	.61	.49	4.56	.75	3.60	5.46	111.40
III	28.23	5.65	5.96	.80	.64	.43	.58	4.42	.78	3.39	5.57	113.99
IV	31.92	6.64	6.99	.91	.78	.48	.71	4.80	.87	3.78	5.97	116.22
1975—I	25.82	5.10	5.74	.91	.59	.44	.62	3.84	.58	3.11	4.88	114.57
II	28.43	5.59	6.55	.97	.71	.47	.77	4.15	.79	3.22	5.19	112.46
III	27.79	5.16	6.51	.94	.62	.50	.85	4.16	.91	3.14	5.00	112.16
IV	30.74	5.99	7.30	.97	.62	.43	.93	4.85	.85	3.26	5.52	111.80
1976—I	25.87	4.78	6.18	.92	.49	.26	.72	4.18	.62	2.92	4.82	114.72
II	29.70	5.61	7.05	.99	.68	.42	1.02	4.74	.76	3.21	5.21	118.12
III[2]	30.54	5.90	7.35	.95	.54	.34	.96	4.90	.98	8.62		122.96

[1] Includes trade, service, construction, finance, and insurance.
[2] Anticipated by business.

NOTE.—Dept. of Commerce estimates for corporate and noncorporate business; excludes agriculture, real estate operators, medical, legal, educational, and cultural service, and nonprofit organizations.

MORTGAGE DEBT OUTSTANDING BY TYPE OF HOLDER

(In millions of dollars)

Type of holder, and type of property	End of year			End of quarter				
	1972	1973	1974	1975			1976	
				II r	III r	IV r	I r	II r
ALL HOLDERS	**603,417**	**682,321**	**742,522**	**768,889**	**785,795**	**802,103**	**817,112**	**839,537**
1- to 4-family	372,793	416,883	449,937	467,365	479,992	491,690	502,711	519,553
Multifamily	82,572	92,877	99,851	100,475	100,517	100,427	100,699	100,954
Commercial	112,294	131,308	146,428	151,587	154,779	158,736	160,954	164,428
Farm	35,758	41,253	46,306	49,462	50,507	51,250	52,748	54,602
MAJOR FINANCIAL INSTITUTIONS	**450,000**	**505,400**	**542,552**	**558,179**	**570,049**	**581,486**	**592,061**	**609,086**
Commercial banks [1]	*99,314*	*119,068*	*132,105*	*133,012*	*134,514*	*136,186*	*137,986*	*141,086*
1- to 4-family	57,004	67,998	74,758	75,356	76,149	77,018	78,218	80,218
Multifamily	5,778	6,932	7,619	6,816	6,363	5,915	5,515	5,115
Commercial	31,751	38,696	43,679	44,598	45,694	46,882	47,812	49,112
Farm	4,781	5,442	6,049	6,242	6,308	6,371	6,441	6,641
Mutual savings banks	*67,556*	*73,230*	*74,920*	*75,796*	*76,490*	*77,249*	*77,738*	*78,735*
1- to 4-family	46,229	48,811	49,213	49,458	49,719	50,025	50,344	50,989
Multifamily	10,910	12,343	12,923	13,262	13,523	13,792	13,876	14,030
Commercial	10,355	12,012	12,722	13,024	13,194	13,373	13,456	13,653
Farm	62	64	62	52	54	59	62	63
Savings and loan associations	*206,182*	*231,733*	*249,293*	*261,336*	*270,600*	*278,693*	*286,556*	*299,574*
1- to 4-family	167,049	187,750	201,553	211,290	218,483	224,710	231,337	241,996
Multifamily	20,783	22,524	23,683	24,409	24,976	25,417	25,847	26,722
Commercial	18,350	21,459	24,057	25,637	27,141	28,566	29,372	30,856
Life insurance companies	*76,948*	*81,369*	*86,234*	*88,035*	*88,445*	*89,358*	*89,781*	*89,691*
1- to 4-family	22,315	20,426	19,026	18,377	17,964	17,602	17,321	16,861
Multifamily	17,347	18,451	19,625	19,795	19,756	19,708	19,726	19,374
Commercial	31,608	36,496	41,256	43,287	44,085	45,288	45,907	46,456
Farm	5,678	5,996	6,327	6,576	6,640	6,760	6,827	7,100
FEDERAL AND RELATED AGENCIES	**40,157**	**46,721**	**58,320**	**61,470**	**64,464**	**66,891**	**66,650**	**66,192**
Government National Mortgage Association	*5,113*	*4,029*	*4,846*	*5,610*	*6,534*	*7,438*	*7,619*	*5,557*
1- to 4-family	2,513	1,455	2,248	2,787	3,692	4,728	4,886	3,165
Multifamily	2,600	2,574	2,598	2,823	2,842	2,710	2,733	2,392
Farmers Home Administration	*1,019*	*1,366*	*1,432*	*1,169*	*1,118*	*1,109*	*650*	*830*
1- to 4-family	279	743	759	367	343	208	97	228
Multifamily	29	29	167	268	134	215	23	46
Commercial	320	218	156	176	181	190	96	151
Farm	391	376	350	358	460	496	434	405
Federal Housing and Veterans Administration	*3,338*	*3,476*	*4,015*	*4,297*	*4,681*	*4,970*	*5,033*	*5,270*
1- to 4-family	2,199	2,013	2,009	1,915	1,951	1,990	1,908	1,808
Multifamily	1,139	1,463	2,006	2,382	2,730	2,980	3,125	3,462
Federal National Mortgage Association	*19,791*	*24,175*	*29,578*	*30,015*	*31,055*	*31,824*	*31,482*	*32,028*
1- to 4-family	17,697	20,370	23,778	23,988	25,049	25,813	25,562	26,112
Multifamily	2,094	3,805	5,800	6,027	6,006	6,011	5,920	5,916
Federal land banks	*9,107*	*11,071*	*13,863*	*15,435*	*16,043*	*16,563*	*17,264*	*17,978*
1- to 4-family	13	123	406	497	525	549	563	575
Farm	9,094	10,948	13,457	14,938	15,518	16,014	16,701	17,403
Federal Home Loan Mortgage Corporation	*1,789*	*2,604*	*4,586*	*4,944*	*5,033*	*4,987*	*4,602*	*4,529*
1- to 4-family	1,754	2,446	4,217	4,543	4,632	4,588	4,247	4,166
Multifamily	35	158	369	401	401	399	355	363
MORTGAGE POOLS OR TRUSTS [2]	**14,404**	**18,040**	**23,799**	**29,550**	**31,483**	**34,138**	**37,684**	**41,225**
Government National Mortgage Association	*5,504*	*7,890*	*11,769*	*15,437*	*16,595*	*18,257*	*20,479*	*23,634*
1- to 4-family	5,353	7,561	11,249	14,863	15,946	17,538	19,693	22,821
Multifamily	151	329	520	574	649	719	786	813
Federal Home Loan Mortgage Corporation	*441*	*766*	*757*	*1,193*	*1,323*	*1,598*	*1,999*	*2,153*
1- to 4-family	331	617	608	1,008	1,105	1,349	1,698	1,831
Multifamily	110	149	149	185	218	249	301	322
Farmers Home Administration	*8,459*	*9,384*	*11,273*	*12,920*	*13,565*	*14,283*	*15,206*	*15,438*
1- to 4-family	5,017	5,458	6,782	8,112	8,563	9,194	9,516	9,670
Multifamily	131	138	116	116	296	295	542	541
Commercial	867	1,124	1,473	1,687	1,765	1,948	2,122	2,104
Farm	2,444	2,664	2,902	3,005	2,941	2,846	3,026	3,123
INDIVIDUALS AND OTHERS [3]	**98,856**	**112,160**	**117,851**	**119,690**	**119,799**	**119,588**	**120,717**	**123,034**
1- to 4-family	45,040	51,112	53,331	54,804	55,871	56,378	57,321	59,113
Multifamily	21,465	23,982	24,276	23,417	22,623	22,017	21,950	21,858
Commercial	19,043	21,303	23,085	23,178	22,719	22,489	22,189	22,096
Farm	13,308	15,763	17,159	18,291	18,586	18,704	19,257	19,967

1 Includes loans held by nondeposit trust companies but not bank trust departments.

2 Outstanding principal balances of mortgages backing securities insured or guaranteed by the agency indicated.

3 Other holders include mortgage companies, Real Estate Investment Trusts, State and local credit agencies, State and local retirement funds, noninsured pension funds, credit unions, and U.S. agencies for which amounts are small or separate data are not readily available.

NOTE.—Based on data from various institutional and Govt. sources, with some quarters estimated in part by Federal Reserve in conjunction with the Federal Home Loan Bank Board and the Dept. of Commerce. Separation of nonfarm mortgage debt by type of property, if not reported directly, and interpolations and extrapolations where required, are estimated mainly by Federal Reserve. Multifamily debt refers to loans on structures of 5 or more units.

FEDERAL NATIONAL MORTGAGE ASSOCIATION AND FEDERAL HOME LOAN MORTGAGE CORPORATION— SECONDARY MORTGAGE MARKET ACTIVITY

(In millions of dollars)

End of period	FNMA							FHLMC						
	Mortgage holdings			Mortgage transactions (during period)		Mortgage commitments		Mortgage holdings			Mortgage transactions (during period)		Mortgage commitments	
	Total[1]	FHA-insured	VA-guaranteed	Purchases	Sales	Made during period	Outstanding	Total	FHA-VA	Conventional	Purchases	Sales	Made during period	Outstanding
1971	17,791	12,681	5,110	3,574	336	9,828	6,497	968	821	147	778	64	....	182
1972	19,791	14,624	5,112	3,699	211	8,797	8,124	1,789	1,503	286	1,297	409	1,606	198
1973	24,175	16,852	6,352	6,127	71	8,914	7,889	2,604	1,743	861	1,334	409	1,629	186
1974	29,578	19,189	8,310	6,953	5	10,765	7,960	4,586	1,904	2,682	2,191	52	4,553	2,390
1975	31,824	19,732	9,573	4,263	2	6,106	4,126	4,987	1,824	3,163	1,716	1,020	982	111
1975—Sept.	31,055	19,560	9,122	488	....	575	5,399	5,033	1,852	3,181	148	31	79	403
Oct.	31,373	19,641	9,309	508	....	282	4,685	5,119	1,843	3,276	176	59	45	201
Nov.	31,552	19,648	9,430	372	....	332	4,385	4,971	1,834	3,137	104	225	50	124
Dec.	31,824	19,732	9,573	451	....	517	4,126	4,987	1,824	3,163	69	30	71	111
1976—Jan.	31,772	19,674	9,554	76	....	189	3,170	4,958	1,816	3,142	47	57	42	99
Feb.	31,618	19,541	9,521	56	55	355	3,201	4,686	1,802	2,884	51	296	43	87
Mar.	31,482	19,431	9,473	85	22	405	3,120	4,602	1,787	2,815	95	98	93	128
Apr.	31,389	19,368	9,431	103	184	213	2,788	4,520	1,768	2,752	43	86	209	289
May	32,052	19,296	9,390	877	....	1,305	3,732	4,486	1,752	2,735	73	64	178	376
June	32,028	19,238	9,391	240	....	857	4,153	4,529	1,729	2,801	163	75	72	285
July	32,011	19,184	9,388	210	597	584	4,245	4,551	1,713	2,838	152	84	39	154
Aug.	32,069	19,180	9,394	277	689	492	4,335	4,310	1,695	2,614	77	278	117	175
Sept.	32,062	19,133	9,366	199	....	463	3,983	....	....	....	....	....	....	....

1 Includes conventional loans not shown separately.

NOTE.—Data from FNMA and FHLMC, respectively.

For FNMA: Holdings include loans used to back bond issues guaranteed by GNMA. Commitments include some multifamily and nonprofit hospital loan commitments in addition to 1- to 4-family loan commitments accepted in FNMA's free market auction system, and through the FNMA-GNMA Tandem Plans.

For FHLMC: Holdings and transactions cover participations as well as whole loans. Holdings include loans used to back bond issues guaranteed by GNMA. Commitments cover the conventional and Govt.-underwritten loan programs.

FEDERAL NATIONAL MORTGAGE ASSOCIATION AUCTIONS OF COMMITMENTS TO BUY HOME MORTGAGES

Item	Date of auction 1976											
	May 17	June 1	June 14	June 28	July 12	July 26	Aug. 9	Aug. 23	Sept. 7	Sept. 20	Oct. 4	Oct. 18
Amounts (millions of dollars):												
Govt.-underwritten loans												
Offered[1]	634.3	349.5	146.6	261.2	148.3	311.8	190.1	171.3	121.9	99.1	124.3	111.2
Accepted	321.4	224.7	98.8	157.5	88.4	212.0	107.4	107.0	68.8	49.1	61.8	45.3
Conventional loans												
Offered[1]	128.8	131.4	77.3	93.6	90.7	130.5	136.7	162.1	170.6	151.1	153.8	143.7
Accepted	68.9	90.5	70.3	59.2	82.0	105.2	93.4	115.3	117.8	107.6	94.4	121.4
Average yield (per cent) on short-term commitments[2]												
Govt.-underwritten loans	9.13	9.20	9.14	9.12	9.05	9.04	9.01	8.97	8.92	8.84	8.80	8.70
Conventional loans	9.24	9.31	9.30	9.31	9.27	9.23	9.17	9.14	9.13	9.09	9.07	9.02

1 Mortgage amounts offered by bidders are total bids received.

2 Average accepted bid yield (before deduction of 38 basis-point fee paid for mortgage servicing) for home mortgages assuming a prepayment period of 12 years for 30-year loans, without special adjustment for FNMA commitment fees and FNMA stock purchase and holding requirements. Commitments mature in 4 months.

MAJOR HOLDERS OF FHA-INSURED AND VA-GUARANTEED RESIDENTIAL MORTGAGE DEBT

(End of period, in billions of dollars)

Holder	Sept. 30, 1974	Dec. 31, 1974	Mar. 31, 1975	June 30, 1975	Sept. 30, 1975	Dec. 31, 1975	Mar. 31, 1976
All holders	138.6	140.3	142.0	143.0	144.9	147.0	148.3
FHA	84.1	84.1	84.3	85.0	85.1	85.4	85.4
VA	54.5	56.2	57.7	58.0	59.8	61.6	62.9
Commercial banks	10.7	10.4	10.5	9.6	9.7	9.4	9.5
FHA	7.4	7.2	7.2	6.4	6.4	6.3	6.3
VA	3.3	3.2	3.3	3.2	3.3	3.1	3.2
Mutual savings banks	27.8	27.5	27.3	27.2	27.0	27.4	27.7
FHA	15.0	14.8	14.7	14.7	14.5	14.7	14.7
VA	12.8	12.7	12.6	12.5	12.5	12.7	13.0
Savings and loan assns.	....	....	....	....	....	....	....
FHA / VA	29.9	29.9	29.9	30.2	30.4	30.6	....
Life insurance cos.	12.9	12.7	12.5	12.2	12.1	11.8	11.6
FHA	8.7	8.6	8.4	8.2	8.1	7.9	7.8
VA	4.2	4.2	4.1	4.0	4.0	3.9	3.8
Others	57.4	59.9	61.6	62.2	65.7	67.8	....
FHA	....	....	....	....	....	....	....
VA	....	....	....	....	....	....	....

NOTE.—VA-guaranteed residential mortgage debt is for 1- to 4-family properties while FHA-insured includes some debt in multifamily structures.

Detail by type of holder partly estimated by Federal Reserve for first and third quarters, and for most recent quarter.

COMMITMENTS OF LIFE INSURANCE COMPANIES FOR INCOME PROPERTY MORTGAGES

Period	Number of loans	Total amount committed (millions of dollars)	Averages: Loan amount (thousands of dollars)	Contract interest rate (per cent)	Maturity (yrs./mos.)	Loan-to-value ratio (per cent)	Capitalization rate (per cent)	Debt coverage ratio	Per cent constant
1972	2,132	4,986.5	2,339	8.57	23/3	75.2	9.6	1.29	9.8
1973	2,140	4,833.3	2,259	8.76	23/3	74.3	9.5	1.29	10.0
1974	1,166	2,603.0	2,232	9.47	21/3	74.3	10.1	1.29	10.6
1975	599	1,717.0	2,866	10.22	21/9	73.8	10.8	1.33	11.2
1975—Apr.	32	108.4	3,386	10.02	23/0	75.6	10.8	1.36	10.8
May	73	227.5	3,116	10.23	20/9	74.7	10.8	1.30	11.1
June	61	167.5	2,745	10.11	21/9	73.0	10.5	1.29	11.2
July	53	178.6	3,370	10.19	20/7	74.6	10.9	1.31	11.3
Aug.	44	106.5	2,420	10.26	21/2	72.7	10.8	1.32	11.4
Sept.	57	123.8	2,172	10.24	22/8	73.6	10.7	1.37	11.1
Oct.	57	144.7	2,538	10.29	20/10	74.3	10.7	1.28	11.3
Nov.	47	252.8	5,378	10.24	22/7	72.7	10.9	1.35	11.2
Dec.	52	159.4	3,065	10.15	23/4	73.7	11.0	1.34	11.0
1976—Jan.	32	99.2	3,099	10.25	20/11	74.3	10.7	1.29	11.2
Feb.	40	140.2	3,506	10.08	20/6	74.2	10.5	1.26	11.0
Mar.	71	294.6	4,150	10.04	21/11	73.8	10.6	1.30	11.0
Apr.	78	292.1	3,745	9.88	23/1	73.0	10.4	1.31	10.8
May	104	294.8	2,834	9.80	21/2	74.4	10.4	1.30	11.1
June	104	297.2	2,858	9.90	20/9	73.9	10.1	1.31	10.6

NOTE.—American Council of Life Insurance data for new commitments of $100,000 and over each on mortgages for multifamily and nonresidential nonfarm properties located largely in the United States. The 15 companies account for a little more than one-half of both the total assets and the nonfarm mortgages held by all U.S. life insurance companies. Averages, which are based on number of loans, vary in part with loan composition by type and location of property, type and purpose of loan, and loan amortization and prepayment terms. Data for the following are limited to cases where information was available or estimates could be made: capitalization rate (net stabilized property earnings divided by property value); debt coverage ratio (net stabilized earnings divided by debt service); and per cent constant (annual level payment, including principal and interest, per $100 of debt). All statistics exclude construction loans, increases in existing loans in a company's portfolio, reapprovals, and loans secured by land only.

TERMS AND YIELDS ON NEW HOME MORTGAGES

Period	Conventional mortgages: Terms[1]: Contract rate (per cent)	Fees and charges (per cent)[2]	Maturity (years)	Loan/price ratio (per cent)	Purchase price (thous. of dollars)	Loan amount (thous. of dollars)	Yields (per cent) in primary market: FHLBB series[3]	HUD series[4]	FHA-insured loans—Yield in private secondary market[5]
1971	7.60	.87	26.2	74.3	36.3	26.5	7.74	7.75	7.70
1972	7.45	.88	27.2	76.8	37.3	28.1	7.60	7.64	7.53
1973	7.78	1.11	26.3	77.3	37.1	28.1	7.95	8.30	8.19
1974	8.71	1.30	26.3	75.8	40.1	29.8	8.92	9.22	9.55
1975	8.75	1.54	26.8	76.1	44.6	33.3	9.01	9.10	9.19
1975—Sept.	8.70	1.46	26.7	75.9	45.6	34.1	8.94	9.25	9.74
Oct.	8.75	1.59	27.3	77.5	43.9	33.2	9.01	9.25	9.53
Nov.	8.74	1.65	27.6	76.5	46.4	34.8	9.01	9.20	9.41
Dec.	8.74	1.65	27.8	76.9	45.9	34.7	9.01	9.15	9.32
1976—Jan.	8.71	1.74	27.4	76.9	47.2	35.4	8.99	9.05	9.06
Feb.	8.67	1.56	26.0	75.1	45.2	33.4	8.93	9.00	9.04
Mar.	8.67	1.60	27.1	76.4	46.8	35.0	8.93	8.95	....
Apr.	8.67	1.52	27.3	75.3	48.5	35.8	8.92	8.90	8.82
May	8.75	1.35	26.5	77.5	46.3	35.3	8.97	9.00	9.03
June	8.69	1.27	26.5	75.1	48.9	36.2	8.89	9.05	9.05
July	8.76	1.29	27.1	75.8	49.4	36.7	8.97	9.05	8.99
Aug.	8.79	1.38	27.8	75.8	49.6	36.8	9.02	9.05	8.93
Sept.	8.85	1.42	27.7	75.6	50.5	37.4	9.08	9.00	8.82

1 Weighted averages based on probability sample survey of characteristics of mortgages originated by major institutional lender groups (including mortgage companies) for purchase of single-family homes, as compiled by Federal Home Loan Bank Board in cooperation with Federal Deposit Insurance Corporation. Data are not strictly comparable with earlier figures beginning Jan. 1973.

2 Fees and charges—related to principal mortgage amount—include loan commissions, fees, discounts, and other charges, but exclude closing costs related solely to transfer of property ownership.

3 Effective rate, reflecting fees and charges as well as contract rates (as shown in first column of this table) and an assumed prepayment at end of 10 years.

4 Rates on first mortgages, unweighted and rounded to the nearest 5 basis points.

5 Based on opinion reports submitted by field offices of prevailing local conditions as of the first of the succeeding month. Yields are derived from weighted averages of private secondary market prices for Sec. 203, 30-year mortgages with minimum downpayment and an assumed prepayment at the end of 15 years. Any gaps in data are due to periods of adjustment to changes in maximum permissible contract interest rates.

FINANCE RATES ON SELECTED TYPES OF INSTALMENT CREDIT

(Per cent per annum)

Month	Commercial banks: New automobiles (36 mos.)	Mobile homes (84 mos.)	Other consumer goods (24 mos.)	Personal loans (12 mos.)	Credit-card plans	Finance companies: Automobiles: New	Automobiles: Used	Mobile homes	Other consumer goods	Personal loans
1974—Sept.	11.31	11.72	13.20	13.41	17.15	12.84	17.61	13.43	19.31	20.87
Oct.	11.53	11.94	13.28	13.60	17.17	12.97	17.78	....	....	....
Nov.	11.57	11.87	13.16	13.47	17.16	13.06	17.88	13.60	19.49	21.11
Dec.	11.62	11.71	13.27	13.60	17.21	13.10	17.89	....	....	....
1975—Jan.	11.61	11.66	13.28	13.60	17.12	13.08	17.27	13.60	19.80	21.09
Feb.	11.51	12.14	13.20	13.44	17.24	13.07	17.39	....	....	....
Mar.	11.46	11.66	13.07	13.40	17.15	13.07	17.52	13.59	20.00	20.82
Apr.	11.44	11.78	13.22	13.55	17.17	13.07	17.58	....	....	....
May	11.39	11.57	13.11	13.41	17.21	13.09	17.65	13.57	19.63	20.72
June	11.26	12.02	13.10	13.40	17.10	13.12	17.67	....	....	....
July	11.30	11.94	13.13	13.49	17.15	13.09	17.69	13.78	19.87	20.93
Aug.	11.31	11.80	13.05	13.37	17.14	13.10	17.70	....	....	....
Sept.	11.33	11.99	13.06	13.41	17.14	13.18	17.73	13.78	19.69	21.16
Oct.	11.24	12.05	13.00	13.38	17.11	13.15	17.79	....	....	....
Nov.	11.24	11.76	12.96	13.40	17.06	13.17	17.82	13.43	19.66	21.09
Dec.	11.25	11.83	13.11	13.46	17.13	13.19	17.86	....	....	....
1976—Jan.	11.21	11.76	13.14	13.40	17.08	13.18	17.25	....	....	....
Feb.	11.18	11.77	13.02	13.24	17.14	13.14	17.37	13.18	19.58	21.13
Mar.	11.13	11.82	13.02	13.13	16.99	13.13	17.48	....	....	....
Apr.	11.08	11.66	12.95	13.16	17.04	13.13	17.58	....	....	....
May	11.00	11.61	12.96	13.27	17.02	13.15	17.64	13.35	19.37	20.87
June	11.02	11.82	12.99	13.32	17.04	13.17	17.68	....	....	....
July	11.06	11.80	13.02	13.38	16.91	13.16	17.71	....	....	....
Aug.	11.07	11.84	13.02	13.31	r17.10	13.18	17.71	13.59	19.51	20.86
Sept.	11.07	11.88	13.08	13.40	17.02	....	....	....	....	....

NOTE.—Rates are reported on an annual percentage rate basis as specified in Regulation Z (Truth in Lending) of the Board of Governors. Commercial bank rates are "most common" rates for direct loans with specified maturities; finance company rates are weighted averages for purchased contracts (except personal loans). For back figures and description of the data, see BULLETIN for Sept. 1973.

INSTALMENT CREDIT—TOTAL OUTSTANDING, AND NET CHANGE

(In millions of dollars)

Holder, and type of credit	1973	1974	1975	1976 Mar.	Apr.	May	June	July	Aug.	Sept.
	Amounts outstanding (end of period)									
TOTAL	146,434	155,384	162,237	160,729	162,334	164,101	166,664	168,674	171,160	172,918
By holder:										
Commercial banks	71,871	75,846	78,703	78,039	78,982	79,785	80,850	81,930	82,961	83,714
Finance companies	35,404	36,208	36,695	36,450	36,745	37,022	37,490	38,026	38,398	38,575
Credit unions	19,609	22,116	25,354	26,025	26,403	26,975	27,842	28,234	28,956	29,600
Retailers[1]	16,395	17,933	18,002	16,375	16,448	16,465	16,633	16,660	16,911	17,012
Others[2]	3,155	3,281	3,483	3,840	3,756	3,854	3,849	3,824	3,934	4,017
By type of credit:										
Automobile, total	50,065	50,392	53,028	53,650	54,572	55,484	56,667	57,659	58,665	59,270
Commercial banks	31,502	30,994	31,534	31,580	32,162	32,664	33,269	33,877	34,414	34,701
Purchased	18,997	18,687	18,353	18,200	18,472	18,671	18,912	19,151	19,404	19,495
Direct	12,505	12,306	13,181	13,381	13,690	13,993	14,358	14,726	15,010	15,206
Finance companies	10,718	10,618	11,439	11,695	11,903	12,080	12,333	12,573	12,748	12,808
Credit unions	7,456	8,414	9,653	9,908	10,051	10,269	10,601	10,749	11,024	11,270
Others	389	366	402	467	456	471	464	460	479	491
Mobile homes:										
Commercial banks	8,340	8,972	8,704	8,485	8,439	8,408	8,390	8,384	8,379	8,340
Finance companies	3,358	3,524	3,451	3,363	3,351	3,336	3,343	3,333	3,323	3,319
Home improvement, total	6,950	7,754	8,004	8,026	8,089	8,209	8,367	8,452	8,562	8,665
Commercial banks	4,083	4,694	4,965	4,924	4,978	5,048	5,129	5,192	5,263	5,318
Revolving credit:										
Bank credit cards	6,838	8,281	9,501	9,221	9,343	9,402	9,531	9,725	9,924	10,153
Bank check credit	2,254	2,797	2,810	2,769	2,775	2,777	2,805	2,835	2,870	2,922
All other, total	68,629	73,664	76,738	75,215	75,765	76,485	77,561	78,286	79,438	80,249
Commercial banks, total	18,854	20,108	21,188	21,060	21,285	21,486	21,726	21,917	22,112	22,280
Personal loans	12,873	13,771	14,629	14,578	14,743	14,871	15,034	15,148	15,308	15,450
Finance companies, total	20,914	21,717	21,655	21,247	21,350	21,466	21,675	21,983	22,192	22,316
Personal loans	16,483	16,961	17,681	17,434	17,528	17,631	17,811	18,079	18,275	18,371
Credit unions	11,564	13,037	14,937	15,333	15,557	15,894	16,402	16,635	17,060	17,438
Retailers	16,395	17,933	18,002	16,375	16,448	16,465	16,633	16,660	16,911	17,012
Others	902	869	956	1,200	1,125	1,174	1,125	1,091	1,163	1,203
	Net change (during period)[3]									
TOTAL	19,676	8,952	6,843	1,473	1,427	1,474	1,330	1,303	1,403	1,481
By holder:										
Commercial banks	11,001	3,975	2,851	552	575	713	409	619	518	697
Finance companies	4,006	806	483	282	326	157	230	264	169	233
Credit unions	2,696	2,507	3,238	514	392	521	482	365	386	483
Retailers	1,632	1,538	69	108	177	5	214	116	183	24
Others	341	126	202	16	−42	78	−5	−61	148	45
By type of credit:										
Automobile, total	5,968	327	2,631	663	732	652	526	556	621	605
Commercial banks	4,197	−508	535	237	356	340	229	327	377	376
Purchased	2,675	−310	−340	99	162	110	32	60	159	125
Direct	1,523	−198	875	138	194	230	197	267	218	251
Finance companies	740	−100	821	240	224	122	116	108	62	28
Credit unions	1,024	958	1,239	192	151	181	186	135	136	172
Other	7	−23	36	−6	2	9	−4	13	46	28
Mobile homes:										
Commercial banks	1,933	632	−268	−18	−52	−37	−42	−28	35	−53
Finance companies	444	168	−73	....	−11	−17	*	−9	−16	−16
Home improvement, total	1,033	804	248	69	39	70	79	19	39	65
Commercial banks	482	611	271	41	26	36	29	22	25	43
Revolving credit:										
Bank credit cards	1,430	1,443	1,220	192	139	193	98	171	86	166
Bank check credit	478	543	14	16	35	44	14	27	−6	17
All other, total	8,389	5,036	3,072	550	546	570	655	567	714	698
Commercial banks, total	2,480	1,255	1,080	84	70	138	81	101	71	148
Personal loans	1,492	898	858	51	69	112	86	70	46	108
Finance companies, total	2,564	803	−64	43	119	53	115	170	126	223
Personal loans	1,746	479	717	62	116	21	95	143	106	198
Credit unions	1,591	1,473	1,900	307	228	326	282	220	240	297
Retailers	1,632	1,538	69	108	177	5	214	116	183	24
Others	122	−33	87	7	−49	48	−38	−39	96	5

1 Excludes 30-day charge credit held by retailers, oil and gas companies, and travel and entertainment companies.

2 Mutual savings banks, savings and loan associations, and auto dealers.

3 Figures for all months are seasonally adjusted and equal extensions minus liquidations (repayments, charge-offs, and other credits).

INSTALMENT CREDIT EXTENSIONS AND LIQUIDATIONS

(In millions of dollars)

Holder, and type of credit	1973	1974	1975	1976 Mar.	Apr.	May	June	July	Aug.	Sept.
				Extensions[1]						
TOTAL	160,228	160,008	163,483	15,521	15,003	15,041	15,592	15,240	15,685	15,775
By holder:										
Commercial banks	72,216	72,605	77,131	7,352	6,989	7,223	7,289	7,358	7,487	7,546
Finance companies	38,922	35,644	32,582	2,945	2,913	2,776	2,986	2,861	2,965	3,072
Credit unions	21,143	22,403	24,151	2,389	2,386	2,448	2,456	2,329	2,313	2,424
Retailers[2]	25,440	27,034	27,049	2,596	2,544	2,313	2,650	2,533	2,548	2,463
Others[3]	2,507	2,322	2,570	238	171	280	211	159	372	271
By type of credit:										
Automobile, total	46,105	43,209	48,103	4,689	4,583	4,471	4,600	4,477	4,712	4,769
Commercial banks	29,369	26,406	28,333	2,699	2,677	2,616	2,660	2,680	2,762	2,846
Purchased	17,497	15,576	15,761	1,514	1,475	1,413	1,386	1,417	1,480	1,511
Direct	11,872	10,830	12,572	1,185	1,202	1,204	1,274	1,263	1,282	1,335
Finance companies	9,303	8,630	9,598	990	975	914	935	891	937	891
Credit unions	7,009	7,788	9,702	964	891	892	968	879	928	963
Others	424	385	470	35	40	49	36	27	84	69
Mobile homes:										
Commercial banks	4,438	3,486	2,681	233	186	182	204	223	186	200
Finance companies	1,573	1,413	771	63	61	49	68	59	54	53
Home improvement, total	4,414	4,571	4,398	414	413	385	410	381	400	434
Commercial banks	2,487	2,789	2,722	253	259	233	235	240	242	266
Revolving credit:										
Bank credit cards	13,863	17,098	20,428	2,118	1,985	2,103	2,088	2,152	2,183	2,165
Bank check credit	3,373	4,227	4,024	380	394	422	435	401	413	375
All other, total	86,462	86,004	83,079	7,624	7,382	7,429	7,786	7,546	7,737	7,779
Commercial banks, total	18,686	18,599	18,944	1,669	1,489	1,667	1,666	1,661	1,702	1,693
Personal loans	12,928	13,176	13,386	1,182	1,081	1,203	1,221	1,174	1,197	1,193
Finance companies, total	27,627	25,316	22,135	1,890	1,874	1,810	1,981	1,907	1,970	2,125
Personal loans	17,885	16,691	17,333	1,551	1,545	1,465	1,641	1,535	1,607	1,745
Credit unions	13,768	14,228	13,992	1,376	1,446	1,511	1,440	1,403	1,338	1,410
Retailers	25,440	27,034	27,049	2,596	2,544	2,313	2,650	2,533	2,548	2,463
Others	941	827	959	93	29	127	50	43	180	87
				Liquidations[1]						
TOTAL	140,552	151,056	156,640	14,048	13,576	13,566	14,261	13,937	14,282	14,294
By holder:										
Commercial banks	61,215	68,630	74,280	6,800	6,414	6,510	6,879	6,739	6,970	6,849
Finance companies	34,916	34,838	32,099	2,663	2,587	2,619	2,756	2,597	2,796	2,839
Credit unions	18,447	19,896	20,913	1,875	1,994	1,927	1,974	1,964	1,927	1,941
Retailers[2]	23,808	25,496	26,980	2,488	2,367	2,308	2,436	2,417	2,365	2,439
Others[3]	2,166	2,196	2,368	222	214	202	216	220	224	226
By type of credit:										
Automobile, total	40,137	42,883	45,472	4,026	3,851	3,819	4,074	3,922	4,090	4,165
Commercial banks	25,172	26,915	27,798	2,463	2,321	2,276	2,432	2,354	2,385	2,470
Purchased	14,823	15,886	16,101	1,416	1,313	1,303	1,354	1,357	1,321	1,386
Direct	10,349	11,029	11,697	1,047	1,008	973	1,077	996	1,064	1,084
Finance companies	8,563	8,730	8,777	750	751	792	819	784	874	862
Credit unions	5,985	6,830	8,463	772	740	711	783	745	792	791
Others	417	408	434	42	39	39	40	39	39	42
Mobile homes:.										
Commercial banks	2,505	2,854	2,949	251	237	219	247	251	222	253
Finance companies	1,129	1,245	844	63	72	67	68	68	70	69
Home improvement, total	3,381	3,767	4,150	344	374	314	330	362	361	369
Commercial banks	2,005	2,178	2,451	212	232	197	206	218	216	223
Revolving credit:										
Bank credit cards	12,433	15,655	19,208	1,926	1,846	1,911	1,990	1,981	2,097	2,000
Bank check credit	2,894	3,684	4,010	364	359	378	421	374	419	358
All other, total	78,072	80,969	80,007	7,074	6,836	6,859	7,132	6,979	7,023	7,081
Commercial banks, total	16,205	17,345	17,864	1,584	1,418	1,529	1,585	1,560	1,631	1,545
Personal loans	11,435	12,278	12,528	1,131	1,012	1,091	1,135	1,104	1,151	1,085
Finance companies, total	25,063	24,513	22,199	1,846	1,756	1,758	1,866	1,737	1,844	1,902
Personal loans	16,139	16,212	16,616	1,489	1,429	1,445	1,546	1,392	1,501	1,547
Credit unions	12,177	12,755	12,092	1,069	1,218	1,185	1,158	1,183	1,098	1,113
Retailers	23,808	25,496	26,980	2,488	2,367	2,308	2,436	2,417	2,365	2,439
Others	819	860	872	86	77	79	87	82	85	82

1 Monthly figures are seasonally adjusted.

2 Excludes 30-day charge credit held by retailers, oil and gas companies and travel and entertainment companies.

3 Mutual savings banks, savings and loan associations, and auto dealers.

INDUSTRIAL PRODUCTION—1976 REVISION

(Seasonally adjusted, 1967 = 100)

Grouping	1967 proportion	1975 average	1975 Oct.	1975 Nov.	1975 Dec.	1976 Jan.	1976 Feb.	1976 Mar.	1976 Apr.	1976 May	1976 June	1976 July	1976 Aug.	1976 Sept.	1976 Oct.[p]
								Major market groupings							
Total index	100.00	117.8	122.2	123.5	124.4	125.7	127.3	128.1	128.4	129.6	130.1	130.7	131.3	131.0	130.4
Products, total	**60.71**	**119.3**	**122.4**	**123.8**	**124.9**	**126.0**	**127.4**	**128.1**	**128.0**	**128.9**	**129.5**	**129.8**	**130.4**	**129.7**	**129.2**
Final products	*47.82*	*118.2*	*120.9*	*122.3*	*123.5*	*123.9*	*125.3*	*126.4*	*126.3*	*127.3*	*127.6*	*127.6*	*128.3*	*127.2*	*126.5*
Consumer goods	27.68	124.0	128.7	131.1	132.3	133.1	134.9	136.1	136.1	137.4	137.8	136.8	137.5	136.1	135.2
Equipment	20.14	110.2	110.0	110.0	111.5	111.2	112.1	112.9	112.9	113.5	113.8	114.9	115.8	115.3	114.7
Intermediate products	12.89	123.1	128.0	129.3	129.9	133.6	135.3	134.9	134.7	135.0	135.9	137.6	138.1	139.0	139.0
Materials	**39.29**	**115.5**	**122.0**	**123.1**	**123.3**	**125.3**	**127.3**	**128.2**	**129.2**	**130.6**	**131.1**	**132.2**	**132.9**	**132.9**	**132.3**
Consumer goods															
Durable consumer goods	*7.89*	*121.4*	*131.9*	*132.5*	*134.0*	*134.7*	*137.9*	*140.3*	*141.1*	*143.2*	*144.2*	*141.8*	*144.1*	*138.7*	*136.3*
Automotive products	2.83	125.9	140.8	143.2	147.7	142.8	148.9	155.2	155.2	154.0	156.6	155.9	158.4	147.1	144.2
Autos and utility vehicles	2.03	113.7	133.6	134.7	140.0	133.4	142.0	149.5	152.1	153.4	156.6	155.9	158.2	139.0	135.7
Autos	1.90	101.1	119.1	120.9	122.8	118.9	125.8	133.6	134.3	134.3	137.5	135.0	137.7	120.9	121.5
Auto parts and allied goods	.80	156.6	159.0	164.9	167.0	167.4	166.5	169.5	163.1	155.6	156.9	156.0	158.4	167.8	166.1
Home goods	5.06	118.8	127.0	126.5	126.4	130.3	131.7	132.0	133.1	137.2	137.4	133.8	136.1	133.9	131.8
Appliances, A/C, and TV	1.40	98.0	105.3	100.9	101.1	107.8	112.6	114.6	117.2	123.5	123.8	110.3	119.1	113.1	108.7
Appliances and TV	1.33	100.2	109.3	103.7	104.4	110.6	115.2	117.1	119.6	126.4	126.7	114.1	121.9	116.9	112.0
Carpeting and furniture	1.07	126.8	141.9	144.7	142.0	144.8	145.6	141.4	143.0	142.6	142.5	142.0	145.0	144.2	......
Misc. home goods	2.59	126.9	132.6	132.9	133.6	136.6	136.3	137.9	137.8	142.5	142.6	143.0	141.7	141.0	140.1
Nondurable consumer goods	*19.79*	*125.1*	*127.4*	*130.6*	*131.5*	*132.5*	*133.9*	*134.4*	*134.0*	*135.1*	*135.1*	*134.8*	*135.0*	*135.0*	*134.7*
Clothing	4.29	111.6	120.4	123.2	123.9	127.4	127.6	130.1	129.6	132.1	127.9	126.3	124.2	......	......
Consumer staples	15.50	128.8	129.3	132.5	133.6	133.9	135.7	135.6	135.2	135.8	137.1	137.2	137.9	138.2	138.2
Consumer foods and tobacco	8.33	122.8	125.3	127.6	127.2	128.5	129.9	129.0	128.4	129.8	130.8	131.4	131.7	132.3	......
Nonfood staples	7.17	135.8	133.8	138.2	141.0	140.2	142.3	143.3	143.3	142.7	144.5	143.9	145.1	145.2	145.4
Consumer chemical products	2.63	151.3	149.8	157.8	159.7	157.3	161.1	163.6	162.1	161.4	165.4	166.2	168.8	169.7	......
Consumer paper products	1.92	107.0	104.4	107.5	113.4	113.3	113.9	113.4	114.2	113.8	112.3	112.8	113.9	112.5	......
Consumer energy products	2.62	141.6	139.2	140.9	142.8	142.4	144.3	145.0	145.9	145.1	147.2	144.1	143.9	144.5	......
Residential utilities	1.45	152.3	148.6	152.0	152.0	154.5	153.7	153.7	154.5	154.7	153.2	150.4	......	......	......
Equipment															
Business equipment	*12.63*	*128.2*	*128.8*	*129.6*	*131.6*	*131.0*	*132.6*	*134.0*	*134.1*	*134.6*	*135.0*	*136.9*	*137.5*	*137.4*	*135.9*
Industrial equipment	6.77	121.2	122.1	123.0	124.5	123.5	124.0	125.6	125.3	126.9	127.4	127.5	128.0	129.2	128.4
Building and mining equip.	1.44	168.3	172.9	174.9	172.9	171.4	171.5	172.1	170.7	174.6	174.9	176.9	179.2	180.3	175.0
Manufacturing equipment	3.85	99.9	100.5	99.9	101.3	101.2	102.7	104.4	105.4	106.4	106.5	107.2	107.2	108.3	109.0
Power equipment	1.47	130.8	128.9	132.3	137.6	134.6	133.1	135.6	132.7	134.0	135.4	132.6	132.0	133.2	133.3
Commercial transit, farm equip.	5.86	*136.3*	*136.4*	*137.2*	*139.7*	*139.7*	142.4	143.7	144.6	143.7	143.8	147.7	148.8	146.9	144.7
Commercial equipment	3.26	157.8	158.5	159.5	164.4	165.0	166.6	168.5	170.0	169.5	171.4	174.1	176.2	176.6	177.4
Transit equipment	1.93	101.9	102.4	102.8	102.9	100.2	103.7	104.7	105.6	104.2	102.9	107.6	106.6	103.0	101.4
Farm equipment	.67	130.6	126.6	127.7	125.6	131.5	135.3	134.7	132.7	133.1	128.0	135.3	136.8	127.9	......
Defense and space equipment	*7.51*	*80.0*	*78.5*	*77.3*	*77.7*	*78.0*	*77.6*	*77.4*	*77.3*	*78.2*	*78.3*	*78.0*	*79.1*	*78.1*	*78.8*
Intermediate products															
Construction supplies	6.42	116.3	122.7	123.1	124.1	126.8	129.6	128.7	128.0	130.9	131.8	133.1	134.0	134.8	135.0
Business supplies	6.47	129.8	133.3	135.4	135.9	140.3	140.9	141.2	141.3	139.0	140.1	142.1	142.2	143.2	......
Commercial energy products	1.14	150.6	147.5	149.8	147.9	158.1	154.0	157.6	156.8	157.1	156.1	159.1	160.0	160.0	......
Materials															
Durable goods materials	*20.35*	*109.1*	*114.6*	*115.2*	*115.5*	*118.3*	*121.6*	*122.4*	*124.5*	*126.8*	*127.0*	*130.6*	*131.2*	*129.7*	*129.2*
Durable consumer parts	4.58	97.7	107.2	109.3	111.6	111.7	116.7	118.5	119.2	123.0	123.1	126.1	125.1	121.9	121.0
Equipment parts	5.44	118.9	120.6	122.3	123.9	125.7	127.5	128.5	130.5	133.0	134.0	136.3	138.0	138.6	139.1
Durable materials n.e.c.	10.34	109.0	114.8	114.0	112.9	117.4	120.7	121.0	123.5	125.2	125.0	129.8	130.3	128.7	127.6
Basic metal materials	5.57	99.1	99.5	99.5	96.1	101.9	105.1	104.0	107.8	113.2	111.3	117.5	119.6	115.0	......
Nondurable goods materials	*10.47*	*126.6*	*140.3*	*141.3*	*142.6*	*142.9*	*145.5*	*146.7*	*146.9*	*146.2*	*147.5*	*146.0*	*146.1*	*148.7*	*147.1*
Textile, paper, and chem. mat.	7.62	129.0	144.9	146.2	147.9	147.5	150.5	152.7	152.2	150.9	151.8	150.5	150.5	153.2	151.7
Textile materials	1.85	100.6	117.3	118.4	118.9	117.8	116.2	115.5	114.1	116.4	116.1	114.7	113.7	115.2	......
Paper materials	1.62	113.2	121.6	124.4	125.9	126.5	130.0	130.1	132.1	131.2	134.2	132.1	132.7	132.2	......
Chemical materials	4.15	147.9	166.3	167.2	169.5	168.9	173.9	178.0	177.2	173.9	174.7	173.8	173.7	178.3	......
Containers, nondurable	1.70	127.9	137.3	134.8	136.1	139.0	142.2	141.3	141.9	140.7	146.6	142.8	142.9	146.1	......
Nondurable materials n.e.c.	1.14	108.3	114.3	118.4	116.7	118.3	117.3	115.1	120.4	123.2	119.6	120.4	121.3	121.5	......
Energy materials	8.48	117.2	117.0	119.7	118.7	120.6	118.8	119.6	118.8	120.6	120.6	119.5	120.6	121.2	121.2
Primary energy	4.65	108.3	109.6	110.5	107.3	107.7	105.4	106.2	105.0	106.2	107.5	106.9	108.4	108.9	......
Converted fuel materials	3.82	128.0	125.9	130.8	132.3	136.3	135.2	136.0	135.7	138.1	136.7	134.6	135.7	136.4	......
Supplementary groups															
Home goods and clothing	9.35	115.5	124.0	125.0	125.2	129.9	129.8	131.1	131.5	134.9	133.0	130.3	130.7	128.9	127.3
Energy, total	12.23	125.5	124.5	127.1	126.6	128.8	127.5	128.6	128.2	129.3	129.7	128.4	129.3	129.9	129.7
Products	3.76	144.3	141.8	143.7	144.5	147.2	147.1	148.8	149.3	148.8	149.9	148.7	148.8	149.3	148.9
Materials	8.48	117.2	117.0	119.7	118.7	120.6	118.8	119.6	118.8	120.6	120.6	119.5	120.6	121.2	121.2

For NOTES see opposite page.

INDUSTRIAL PRODUCTION—1976 REVISION

(Seasonally adjusted, 1967 = 100)

Grouping	SIC code	1967 pro-portion	1975 average	1975 Oct.	1975 Nov.	1975 Dec.	1976 Jan.	1976 Feb.	1976 Mar.	1976 Apr.	1976 May	1976 June	1976 July	1976 Aug.	1976 Sept.p	1976 Oct.r
							Gross value of products in market structure (Annual rates, in billions of 1972 dollars)									
Products, total	......	1286.3	*505.9*	*521.1*	*527.1*	*528.4*	*531.9*	*544.3*	*546.0*	*545.0*	*551.5*	*552.4*	*552.7*	*556.1*	*551.9*	*547.8*
Final products	......	1221.4	*393.3*	*404.0*	*409.7*	*410.6*	*410.9*	*421.7*	*423.0*	*421.8*	*427.5*	*428.3*	*427.8*	*430.9*	*425.1*	*421.2*
Consumer goods	......	1156.3	274.4	285.0	290.5	292.0	292.3	300.6	299.7	299.9	303.7	305.5	302.2	304.6	301.0	299.8
Equipment	......	165.3	119.0	119.1	119.3	118.9	119.1	121.1	123.6	122.1	123.7	123.1	125.8	126.4	124.1	121.6
Intermediate products	......	164.9	112.6	116.6	117.6	117.9	120.8	122.8	122.6	123.0	123.7	124.1	124.7	125.5	127.0	126.6
							Major industry groupings									
Mining and utilities	......	*12.05*	*128.5*	*127.9*	*130.5*	*129.2*	*131.8*	*131.5*	*131.6*	*131.2*	*132.0*	*131.9*	*130.6*	*131.8*	*132.3*	*132.4*
Mining	......	6.36	112.8	113.8	114.2	112.9	113.6	112.7	113.9	113.5	113.0	114.4	112.5	114.6	115.1	115.4
Utilities	......	5.69	146.0	143.8	148.8	147.2	152.0	152.5	151.4	150.8	153.0	151.2	150.8	151.2	151.5	151.5
Electric	......	3.88	160.8	157.3	165.5	162.3	167.4	168.7	167.3	165.7	169.8	167.2	167.2	166.4	......	......
Manufacturing	......	*87.95*	*116.3*	*121.2*	*122.7*	*123.6*	*125.2*	*127.0*	*127.9*	*128.5*	*129.6*	*130.2*	*131.0*	*131.7*	*131.0*	*130.0*
Nondurable	......	35.97	126.4	133.6	136.2	136.9	138.4	140.2	140.7	140.7	140.9	141.3	141.1	141.3	141.8	141.3
Durable	......	51.98	109.3	112.7	113.4	114.4	115.8	117.9	119.0	120.1	121.7	122.3	124.2	125.0	123.6	122.2
Mining																
Metal mining	10	.51	115.8	112.5	118.1	117.9	122.2	124.2	122.3	124.3	118.3	118.3	121.6	127.3	123.1	......
Coal	11,12	.69	113.4	122.2	125.6	109.9	111.2	109.6	114.4	114.4	119.2	122.7	104.8	112.6	121.4	120.0
Oil and gas extraction	13	4.40	113.3	113.1	112.3	113.1	112.5	110.1	111.9	111.3	110.8	112.3	112.0	112.7	112.2	112.1
Stone and earth minerals	14	.75	107.0	110.9	112.1	111.5	117.1	120.0	119.3	117.5	116.7	116.5	116.5	119.1	121.4	......
Nondurable manufactures																
Foods	20	8.75	123.4	126.4	128.8	128.5	129.2	130.8	128.3	129.2	131.2	130.5	131.8	132.6	133.3	......
Tobacco products	21	.67	111.8	113.9	118.5	116.0	117.3	118.8	122.4	115.4	114.5	115.4	114.5	114.8	......	......
Textile mill products	22	2.68	122.3	137.5	141.6	139.0	137.6	138.7	136.4	135.7	138.0	138.1	136.8	134.6	135.9	......
Apparel products	23	3.31	107.6	115.9	118.3	121.2	123.8	128.0	126.3	126.1	130.3	126.8	125.6	123.7	......	......
Paper and products	26	3.21	116.3	126.5	127.7	129.5	130.3	133.0	132.2	133.9	130.4	139.1	132.0	134.6	132.7	131.0
Printing and publishing	27	4.72	113.4	113.2	115.4	118.4	120.0	121.0	121.0	122.0	120.5	119.7	122.0	120.6	120.4	119.5
Chemicals and products	28	7.74	147.3	157.5	161.9	163.3	162.9	167.6	170.6	168.7	166.6	170.0	167.6	170.6	171.2	......
Petroleum products	29	1.79	124.1	125.1	124.9	126.3	125.7	129.1	131.8	131.6	132.7	135.1	134.1	130.7	130.2	126.9
Rubber & plastic products	30	2.24	166.7	185.1	185.2	185.3	188.4	196.7	203.5	198.2	185.6	189.1	191.2	186.1	211.2	......
Leather and products	31	.86	76.5	85.8	87.7	83.2	86.0	86.1	86.0	87.7	91.4	84.0	81.1	77.3	77.4	......
Durable manufactures																
Ordnance, pvt. & govt	19,91	3.64	76.6	72.0	70.0	70.1	69.9	69.5	69.5	69.1	71.4	73.1	74.0	75.0	73.6	73.8
Lumber and products	24	1.64	107.6	116.8	114.1	116.4	123.5	123.9	121.1	122.8	123.0	120.3	124.6	128.1	128.6	......
Furniture and fixtures	25	1.37	118.2	127.9	128.7	130.3	132.7	134.1	130.6	131.7	131.0	130.1	131.6	134.4	130.9	......
Clay, glass, stone prod	32	2.74	117.9	127.8	127.5	129.4	128.6	128.5	133.7	132.7	133.9	136.1	137.2	137.4	138.0	......
Primary metals	33	6.57	96.4	95.4	98.1	92.6	98.1	103.9	101.4	105.4	113.2	111.5	116.9	118.3	114.9	112.0
Iron and steel	......	4.21	95.8	92.0	96.5	89.1	92.9	100.9	97.7	103.5	110.7	110.0	115.3	116.2	111.8	108.9
Fabricated metal prod	34	5.93	109.9	114.4	116.3	117.3	116.6	120.9	120.2	121.5	121.4	124.0	124.6	125.8	125.4	122.0
Nonelectrical machinery	35	9.15	125.1	125.4	126.6	128.6	129.0	131.5	132.9	133.5	134.0	133.5	135.0	136.1	136.7	136.7
Electrical machinery	36	8.05	116.5	120.1	120.1	122.7	124.7	126.5	127.8	130.0	131.8	132.0	131.0	131.9	128.7	129.0
Transportation equip	37	9.27	97.4	104.4	104.7	106.7	105.8	109.0	111.2	110.6	112.9	112.6	113.3	115.0	105.4	105.9
Motor vehicles & pts	......	4.50	111.1	126.5	127.1	130.1	126.7	135.2	140.8	141.3	144.3	146.5	148.5	150.6	131.3	131.1
Aerospace & misc. tr. eq	......	4.77	84.5	83.6	83.6	84.7	86.1	84.3	83.3	81.7	83.3	80.7	80.3	81.5	81.0	82.2
Instruments	38	2.11	132.3	136.0	136.4	140.9	142.0	141.8	144.4	145.4	149.0	149.5	151.3	149.6	148.6	149.0
Miscellaneous mfrs	39	1.51	128.3	134.6	137.6	137.3	139.5	140.7	142.5	140.7	145.5	145.9	148.5	142.1	142.7	142.4

[1] 1972 dollars.

N.B. Published groupings include some series and subtotals not shown separately. For summary description and historical data, see BULLETIN for June 1976, pp. 470–79. Availability of detailed descriptive and historical data will be announced in a forthcoming BULLETIN.

SELECTED BUSINESS INDEXES

(1967 = 100, except as noted)

Period	Industrial production: Total	Market: Products: Total	Products: Final: Total	Final: Consumer goods	Final: Equipment	Products: Intermediate	Market: Materials	Industry: Manufacturing	Capacity utilization in mfg. (1967 output = 100)	Construction contracts	Nonagricultural employment—Total[1]	Manufacturing[2]: Employment	Manufacturing[2]: Payrolls	Total retail sales[3]	Prices[4]: Consumer	Prices[4]: Wholesale commodity
1955	58.5	56.7	55.4	59.0	50.4	61.6	61.3	58.2	87.0	....	76.9	92.9	61.1	59	80.2	87.8
1956	61.1	59.9	58.6	61.2	55.3	64.4	62.9	60.5	86.1	....	79.6	93.9	64.6	61	81.4	90.7
1957	61.9	61.2	60.4	62.7	57.5	64.4	62.8	61.2	83.6	....	80.3	92.2	65.4	64	84.3	93.3
1958	57.9	58.7	57.6	62.1	51.5	62.9	56.6	56.9	75.0	....	78.0	83.9	60.3	64	86.6	94.6
1959	64.8	64.5	63.2	68.1	56.5	69.5	65.3	64.1	81.6	....	81.0	88.1	67.8	69	87.3	94.8
1960	66.2	66.3	65.3	70.7	58.0	69.9	66.1	65.4	80.1	68.6	82.4	88.0	68.8	70	88.7	94.9
1961	66.7	67.0	65.8	72.2	57.3	71.3	66.2	65.6	77.3	70.2	82.1	84.5	68.0	70	89.6	94.5
1962	72.2	72.3	71.4	77.1	63.7	75.7	72.1	71.5	81.4	78.1	84.4	87.3	73.3	75	90.6	94.8
1963	76.5	76.4	75.5	81.3	67.5	79.9	76.7	75.8	83.5	86.1	86.1	87.8	76.0	79	91.7	94.5
1964	81.7	80.9	79.8	85.8	71.4	85.2	82.9	81.0	85.7	89.4	88.6	89.3	80.1	83	92.9	94.7
1965	89.8	88.2	87.6	92.6	80.7	90.6	92.4	89.7	89.5	93.2	92.3	93.9	88.1	90	94.5	96.6
1966	97.7	95.9	95.9	97.3	94.0	96.2	100.7	97.9	91.1	94.8	97.1	99.9	97.8	97	97.2	99.8
1967	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	86.9	100.0	100.0	100.0	100.0	100	100.0	100.0
1968	106.3	106.2	106.2	105.9	106.5	106.3	106.5	106.4	87.0	113.2	103.2	101.4	108.3	109	104.2	102.5
1969	111.1	110.3	109.6	109.8	109.3	112.9	112.5	111.0	86.2	123.7	106.9	103.2	116.6	114	109.8	106.5
1970	107.8	106.9	105.3	109.0	100.1	112.9	109.2	106.4	79.2	123.1	107.7	98.1	114.1	119	116.3	110.4
1971	109.6	108.5	106.3	114.7	94.7	116.7	111.3	108.2	78.0	145.4	108.1	94.2	116.7	130	121.2	113.9
1972	119.7	118.0	115.7	124.4	103.8	126.5	122.3	118.9	83.1	165.3	111.9	97.6	131.5	142	125.3	119.8
1973	129.8	127.1	124.4	131.5	114.5	137.2	133.9	129.8	87.5	179.5	116.8	103.2	149.2	160	133.1	134.7
1974	129.3	127.3	125.1	128.9	120.0	135.3	132.4	129.4	84.2	169.7	119.1	102.1	157.1	171	147.7	160.1
1975	117.8	119.3	118.2	124.0	110.2	123.1	115.5	116.3	73.6	166.0	116.9	91.4	151.0	186	161.2	174.9
1975—Oct.	122.2	122.4	120.9	128.7	110.0	128.0	122.0	121.2		166.0	117.8	92.5	158.4	192	164.6	178.9
Nov.	123.5	123.8	122.3	131.1	110.0	129.3	123.1	122.7	76.8	148.0	117.8	92.4	158.9	192	165.6	178.2
Dec.	124.4	124.9	123.5	132.3	111.5	129.9	123.3	123.6		137.0	118.1	93.0	162.3	198	166.3	178.7
1976—Jan.	125.7	126.0	123.9	133.1	111.2	133.6	125.3	125.2		183.0	118.7	94.0	165.9	197	166.7	179.3
Feb.	127.3	127.4	125.3	134.9	112.1	135.3	127.3	127.0	79.0	170.0	119.0	94.3	165.4	201	167.1	179.3
Mar.	128.1	128.1	126.4	136.1	112.9	134.9	128.2	127.9		185.0	119.4	94.9	167.4	204	167.5	179.6
Apr.	128.4	128.0	126.3	136.1	112.9	134.7	129.2	128.5		189.0	119.9	95.5	166.1	205	168.2	181.3
May	129.6	128.9	127.3	137.4	113.5	135.0	130.6	129.6	80.2	205.0	119.8	95.4	170.7	202	169.2	181.8
June	130.1	129.5	127.6	137.8	113.8	135.9	131.1	130.2		187.0	119.9	95.3	171.6	206	170.1	183.1
July	130.7	129.8	127.6	136.8	114.9	137.6	132.2	131.0		184.0	120.2	95.1	173.2	205	171.1	184.3
Aug.	131.3	130.4	128.3	137.5	115.8	138.1	132.9	131.7	80.9	162.0	120.5	95.3	175.9	209	171.9	183.7
Sept.	131.0	129.7	127.2	136.1	115.3	139.0	132.9	131.0		164.0	120.8	96.2	177.6	206	172.6	184.7
Oct.	130.4	129.2	126.5	135.2	114.7	139.0	132.3	130.0	....	....	120.7	95.2	176.0	207	....	185.2

▲ Revised data for 1955–62, comparable to the revised data beginning 1963 shown below, will be published later.

1 Employees only: excludes personnel in the Armed Forces.

2 Production workers only. Revised back to 1973.

3 F.R. index based on Census Bureau figures.

4 Prices are not seasonally adjusted. Latest figure is final.

NOTE.—*All series:* Data are seasonally adjusted unless otherwise noted.

Capacity utilization: Based on data from Federal Reserve, McGraw-Hill Economics Department, and Dept. of Commerce.

Construction contracts: McGraw-Hill Informations Systems Company, F.W. Dodge Division, monthly index of dollar value of total construction contracts, including residential, nonresidential, and heavy engineering.

Employment and payrolls: Based on Bureau of Labor Statistics data; includes data for Alaska and Hawaii beginning with 1959.

Prices: Bureau of Labor Statistics data.

CONSTRUCTION CONTRACTS AND PRIVATE HOUSING PERMITS

(In millions of dollars, except as noted)

Type of ownership and type of construction	1974	1975	1975: Sept.	1975: Oct.	1975: Nov.	1975: Dec.	1976: Jan.	1976: Feb.	1976: Mar.	1976: Apr.	1976: May	1976: June	1976: July	1976: Aug.	1976: Sept.
Total construction contracts [1]	**93,685**	**90,237**	**7,692**	**7,767**	**5,573**	**5,431**	**6,390**	**6,149**	**8,908**	**9,408**	**9,836**	**10,533**	**9,774**	**8,505**	**8,112**
By type of ownership:															
Public	32,062	31,415	2,725	2,544	1,597	1,724	1,655	1,719	2,192	2,383	3,915	3,136	3,246	2,505	2,344
Private [1]	61,623	58,822	4,967	5,223	3,976	3,708	4,734	4,430	6,716	7,025	5,921	7,397	6,528	5,999	5,768
By type of construction:															
Residential building [1]	33,567	31,347	2,966	3,189	2,404	2,233	2,157	2,546	3,618	4,003	3,955	4,166	4,149	4,099	3,758
Nonresidential building	33,131	30,577	2,526	2,629	1,859	1,865	1,939	1,996	2,561	2,741	2,819	2,805	3,031	2,536	2,875
Nonbuilding	26,988	28,313	2,200	1,949	1,309	1,334	2,294	1,608	2,729	2,664	3,062	3,562	2,594	1,869	1,478
Private housing units authorized... (In thousands, S.A., A.R.)	1,074	926	1,092	1,111	1,127	1,091	1,147	1,165	1,188	1,082	1,158	1,150	1,215	r1,296	1,433

1 Because of improved procedures for collecting data for 1-family homes, some totals are not strictly comparable with those prior to 1968. To improve comparability, earlier levels may be raised by approximately 3 per cent for total and private construction, in each case, and by 8 per cent for residential building.

NOTE.—Dollar value of construction contracts as reported by the McGraw-Hill Informations Systems Company, F.W. Dodge Division. Totals of monthly data may differ from annual totals because adjustments are made in accumulated monthly data after original figures have been published.

Private housing units authorized are Census Bureau series for 14,000 reporting areas with local building permit systems.

VALUE OF NEW CONSTRUCTION ACTIVITY

(In millions of dollars)

Period	Total [1]	Private							Public [1]				
		Total	Residential	Nonresidential					Total	Military	Highway	Conservation and development	Other
				Total	Buildings			Public utilities and other					
					Industrial	Commercial	Other buildings [2]						
1967	78,082	52,546	25,564	26,982	....	....	....	....	25,536	695	8,591	2,124	14,126
1968	87,093	59,488	30,565	28,923	6,021	7,761	4,382	10,759	27,605	808	9,321	1,973	15,503
1969	93,917	65,953	33,200	32,753	6,783	9,401	4,971	11,598	27,964	879	9,250	1,783	16,052
1970	94,855	66,759	31,864	34,895	6,518	9,754	5,125	13,498	28,096	718	9,981	1,908	15,489
1971	109,950	80,079	43,267	36,812	5,423	11,619	5,437	14,333	29,871	901	10,658	2,095	16,217
1972	124,085	93,901	54,288	39,613	4,676	13,464	5,898	15,575	30,184	1,087	10,429	2,172	16,496
1973	137,917	105,412	59,727	45,685	6,243	15,453	5,888	18,101	32,505	1,166	10,505	2,313	18,521
1974	138,526	100,179	50,378	49,801	7,902	15,945	5,797	20,157	38,347	1,188	12,069	2,741	22,349
1975	132,043	93,034	46,476	46,558	8,017	12,804	5,585	20,152	39,009	1,391	10,345	3,227	24,046
1975—Sept.	136,310	95,365	48,375	46,990	7,895	12,369	5,820	20,906	40,945	1,597	10,738	3,429	25,181
Oct.	136,204	95,561	49,396	46,165	7,591	12,418	5,604	20,552	40,643	1,500	10,425	3,314	25,404
Nov.	138,040	97,346	50,409	46,937	7,720	12,420	5,754	21,043	40,694	1,617	10,389	3,575	25,113
Dec.	137,833	98,063	52,061	46,002	7,582	12,209	5,608	20,603	39,770	1,583	10,423	3,670	24,094
1976 Jan.	136,713	99,345	52,755	46,590	7,522	11,479	5,843	21,746	37,368	1,505	9,808	3,295	22,760
Feb.	139,030	102,635	55,227	47,408	7,842	12,762	6,024	20,780	36,395	1,598	9,018	3,751	22,028
Mar.	145,085	107,068	58,119	48,949	7,605	13,346	5,957	22,041	38,017	1,454	9,632	3,385	23,546
Apr.	143,901	106,004	58,398	47,606	7,227	12,604	5,567	22,208	37,897	1,522	10,575	3,774	22,026
May	142,840	106,626	58,346	48,280	6,967	12,331	5,967	23,015	36,214	1,423	9,901	3,546	21,344
June r	146,444	107,528	59,555	47,973	6,738	12,006	6,229	23,000	38,916	1,368	10,292	3,674	23,582
July r	145,144	108,377	60,558	47,819	6,097	12,574	6,178	22,970	36,767	1,446	8,297	3,573	23,451
Aug.	148,055	110,275	60,054	50,221	6,902	12,984	6,689	23,646	37,780	1,439	9,249	4,065	23,027
Sept. p	149,371	111,736	62,005	49,731	6,607	12,432	6,645	24,047	37,635	1,437	....	....	....

[1] Data beginning Jan. 1976 are not strictly comparable with prior data because of change by Census Bureau in its procedure for estimating construction outlays of State and local governments. Such governments accounted for 86 per cent of all public construction expenditures in 1974.

[2] Includes religious, educational, hospital, institutional, and other buildings.

NOTE.—Census Bureau data; *monthly series at seasonally adjusted annual rates.*

PRIVATE HOUSING ACTIVITY

(In thousands of units)

Period	Starts			Completions			Under construction (end of period)			Mobile home shipments	New 1-family homes sold and for sale [1]			
	Total	1-family	2-or-more family	Total	1-family	2-or-more family	Total	1-family	2-or-more family		Units		Median prices (in thousands of dollars) of units	
											Sold	For sale (end of period)	Sold	For sale
1967	1,292	844	448	....	....	....	....	....	....	240	487	190	22.7	23.6
1968	1,508	899	608	1,320	859	461	....	....	....	318	490	218	24.7	24.6
1969	1,467	811	656	1,399	807	591	885	350	535	413	448	228	25.6	27.0
1970	1,434	813	621	1,418	802	617	922	381	541	401	485	227	23.4	26.2
1971	2,052	1,151	901	1,706	1,014	692	1,254	505	749	497	656	294	25.2	25.9
1972	2,357	1,309	1,047	1,971	1,143	828	1,586	640	947	576	718	416	27.6	28.3
1973	2,045	1,132	913	2,014	1,174	840	1,599	583	1,016	567	620	456	32.5	32.9
1974	1,338	888	450	1,692	931	760	1,189	516	673	329	501	407	35.9	36.2
1975	1,160	892	268	1,297	866	430	1,003	531	472	216	544	383	39.3	38.9
1975 Sept.	1,304	966	338	1,315	969	346	1,033	528	505	228	571	384	39.7	38.2
Oct.	1,431	1,093	338	1,115	738	377	1,057	556	501	235	610	389	40.7	38.4
Nov.	1,381	1,048	333	1,386	992	394	1,056	560	496	230	660	381	41.1	38.6
Dec.	1,283	962	321	1,329	993	336	1,041	558	482	224	641	378	42.1	38.9
1976—Jan.	1,236	957	279	1,213	926	287	1,042	564	478	263	573	379	41.6	39.1
Feb.	1,547	1,295	252	1,299	953	346	1,053	584	469	287	679	384	42.7	39.3
Mar.	1,417	1,110	307	1,399	1,032	367	1,057	594	463	244	573	389	43.6	39.6
Apr.	1,367	1,055	312	1,266	986	280	1,061	599	462	237	628	394	43.3	39.8
May r	1,422	1,065	357	1,360	934	426	1,055	603	452	260	540	400	43.8	40.2
June r	1,510	1,139	371	1,373	1,052	321	1,064	609	455	233	594	406	46.2	40.5
July r	1,382	1,123	259	1,294	1,029	265	1,063	615	448	224	612	411	44.7	40.7
Aug.	1,542	1,186	356	1,386	1,081	305	1,075	624	451	252	656	405	44.1	40.8
Sept. p	1,814	1,295	519	....	....	....	....	....	....	252	....	....	....	....

[1] Merchant builders only.

NOTE.—All series except prices, seasonally adjusted. Annual rates for starts, completions, mobile home shipments, and sales. Census data except for mobile homes, which are private, domestic shipments as reported by the Mobile Home Manufactured Housing Institute and seasonally adjusted by Census Bureau. Data for units under construction seasonally adjusted by Federal Reserve.

LABOR FORCE, EMPLOYMENT, AND UNEMPLOYMENT

(In thousands of persons, except as noted)

Period	Total noninstitutional population (N.S.A.)	Not in labor force (N.S.A.)	Total labor force (S.A.)	Civilian labor force (S.A.)					Unemployment rate[2] (per cent; S.A.)
				Total	Employed[1]			Unemployed	
					Total	In nonagricultural industries	In agriculture		
1970	140,182	54,280	85,903	82,715	78,627	75,165	3,462	4,088	4.9
1971	142,596	55,666	86,929	84,113	79,120	75,732	3,387	4,993	5.9
1972	145,775	56,785	88,991	86,542	81,702	78,230	3,472	4,840	5.6
1973	148,263	57,222	91,040	88,714	84,409	80,957	3,452	4,304	4.9
1974	150,827	57,587	93,240	91,011	85,935	82,443	3,492	5,076	5.6
1975	153,449	58,655	94,793	92,613	84,783	81,403	3,380	7,830	8.5
1975 Oct.	154,256	58,825	95,377	93,213	85,151	81,743	3,408	8,062	8.6
Nov.	154,476	59,533	95,272	93,117	85,178	81,877	3,301	7,939	8.5
Dec.	154,700	59,812	95,286	93,129	85,394	82,158	3,236	7,735	8.3
1976 - Jan.	154,915	60,110	95,624	93,484	86,194	82,851	3,343	7,290	7.8
Feb.	155,106	60,163	95,601	93,455	86,319	83,149	3,170	7,136	7.6
Mar.	155,325	60,065	95,866	93,719	86,692	83,513	3,179	7,027	7.5
Apr.	155,516	59,898	96,583	94,439	87,399	83,982	3,417	7,040	7.5
May	155,711	59,988	96,699	94,557	87,697	84,368	3,329	6,860	7.3
June	155,925	57,674	96,780	94,643	87,500	84,206	3,294	7,143	7.5
July	156,142	56,817	97,473	95,333	87,907	84,566	3,341	7,426	7.8
Aug.	156,367	57,530	97,634	95,487	87,981	84,557	3,424	7,506	7.9
Sept.	156,595	59,476	97,348	95,203	87,819	84,533	3,286	7,384	7.8
Oct.	156,788	59,112	97,489	95,342	87,773	84,444	3,329	7,569	7.9

[1] Includes self-employed, unpaid family, and domestic service workers.
[2] Per cent of civilian labor force.

NOTE.—Bureau of Labor Statistics. Information relating to persons 16 years of age and over is obtained on a sample basis. Monthly data relate to the calendar week that contains the 12th day; annual data are averages of monthly figures. Description of changes in series beginning 1967 is available from Bureau of Labor Statistics.

EMPLOYMENT IN NONAGRICULTURAL ESTABLISHMENTS, BY INDUSTRY DIVISION

(In thousands of persons)

Period	Total	Manufacturing	Mining	Contract construction	Transportation and public utilities	Trade	Finance	Service	Government
1970	70,920	19,349	623	3,536	4,504	15,040	3,687	11,621	12,561
1971	71,216	18,572	603	3,639	4,457	15,352	3,802	11,903	12,887
1972	73,711	19,090	622	3,831	4,517	15,975	3,943	12,392	13,340
1973	76,896	20,068	644	4,015	4,644	16,674	4,091	13,021	13,739
1974	78,413	20,046	694	3,957	4,696	17,017	4,208	13,617	14,177
1975	76,987	18,342	745	3,462	4,499	16,949	4,473	13,996	14,771
SEASONALLY ADJUSTED									
1975—Oct.	77,555	18,493	774	3,402	4,476	17,043	4,246	14,157	14,964
Nov.	77,574	18,482	766	3,409	4,496	17,010	4,248	14,188	14,975
Dec.	77,796	18,568	769	3,406	4,477	17,080	4,264	14,229	15,003
1976—Jan.	78,179	18,722	764	3,428	4,494	17,233	4,266	14,307	14,965
Feb.	78,368	18,763	763	3,375	4,517	17,326	4,266	14,360	14,998
Mar.	78,630	18,877	770	3,366	4,498	17,386	4,276	14,422	15,035
Apr.	78,963	18,973	772	3,399	4,510	17,444	4,293	14,498	15,074
May	78,923	18,964	773	3,386	4,498	17,439	4,278	14,514	15,071
June	78,943	18,950	779	3,362	4,477	17,460	4,297	14,557	15,061
July	79,176	18,933	788	3,373	4,500	17,567	4,303	14,623	15,089
Aug.	79,333	18,979	752	3,352	4,501	17,603	4,312	14,709	15,125
Sept.	79,567	19,122	795	3,337	4,507	17,612	4,343	14,768	15,083
Oct.[p]	79,513	18,976	804	3,357	4,492	17,625	4,372	14,788	15,099
NOT SEASONALLY ADJUSTED									
1975 Oct.	78,193	18,687	763	3,620	4,503	17,136	4,238	14,185	15,061
Nov.	78,339	18,635	763	3,522	4,509	17,313	4,235	14,174	15,188
Dec.	78,527	18,584	763	3,338	4,477	17,737	4,243	14,158	15,227
1976—Jan.	77,091	18,495	756	3,061	4,440	17,026	4,223	14,049	15,041
Feb.	77,339	18,545	752	3,014	4,445	16,926	4,228	14,188	15,241
Mar.	77,906	18,679	759	3,103	4,462	17,028	4,246	14,307	15,322
Apr.	78,688	18,813	766	3,270	4,474	17,295	4,276	14,498	15,296
May	79,115	18,872	775	3,386	4,494	17,405	4,278	14,616	15,289
June	79,900	19,117	795	3,523	4,531	17,552	4,344	14,775	15,168
July	78,891	18,821	804	3,582	4,540	17,517	4,368	14,784	14,475
Aug.	79,187	19,171	766	3,620	4,528	17,544	4,368	14,827	14,363
Sept.	79,855	19,395	801	3,557	4,543	17,652	4,347	14,768	14,792
Oct.[p]	80,158	19,173	793	3,572	4,519	17,722	4,363	14,818	15,198

NOTE.—Bureau of Labor Statistics; data include all full- and part-time employees who worked during, or received pay for, the pay period that includes the 12th of the month. Proprietors, self-employed persons, domestic servants, unpaid family workers, and members of Armed Forces are excluded.

Beginning with 1973, series has been adjusted to Mar. 1974 benchmark.

CONSUMER PRICES

(1967 = 100)

Period	All items	Food	Housing: Total	Housing: Rent	Housing: Home-ownership	Housing: Fuel oil and coal	Housing: Gas and electricity	Housing: Furnishings and operation	Apparel and upkeep	Transportation	Health and recreation: Total	Health and recreation: Medical care	Health and recreation: Personal care	Health and recreation: Reading and recreation	Health and recreation: Other goods and services
1929	51.3	48.3	......	76.0	......	......	......	......	48.5	......	......	......	......	......	......
1933	38.8	30.6	......	54.1	......	......	......	......	36.9	......	......	......	......	......	......
1941	44.1	38.4	53.7	57.2	......	40.5	81.4	......	44.8	44.2	......	37.0	41.2	47.7	49.2
1945	53.9	50.7	59.1	58.8	......	48.0	79.6	......	61.5	47.8	......	42.1	55.1	62.4	56.9
1960	88.7	88.0	90.2	91.7	86.3	89.2	98.6	93.8	89.6	89.6	85.1	79.1	90.1	87.3	87.8
1965	94.5	94.4	94.9	96.9	92.7	94.6	99.4	95.3	93.7	95.9	93.4	89.5	95.2	95.9	94.2
1966	97.2	99.1	97.2	98.2	96.3	97.0	99.6	97.0	96.1	97.2	96.1	93.4	97.1	97.5	97.2
1967	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1968	104.2	103.6	104.2	102.4	105.7	103.1	100.9	104.4	105.4	103.2	105.0	106.1	104.2	104.7	104.6
1969	109.8	108.9	110.8	105.7	116.0	105.6	102.8	109.0	111.5	107.2	110.3	113.4	109.3	108.7	109.1
1970	116.3	114.9	118.9	110.1	128.5	110.1	107.3	113.4	116.1	112.7	116.2	120.6	113.2	113.4	116.0
1971	121.3	118.4	124.3	115.2	133.7	117.5	114.7	118.1	119.8	118.6	122.2	128.4	116.8	119.3	120.9
1972	125.3	123.5	129.2	119.2	140.1	118.5	120.5	121.0	122.3	119.9	126.1	132.5	119.8	122.8	125.5
1973	133.1	141.4	135.0	124.3	146.7	136.0	126.4	124.9	126.8	123.8	130.2	137.7	125.2	125.9	129.0
1974	147.7	161.7	150.6	130.6	163.2	214.6	145.8	140.5	136.2	137.7	140.3	150.5	137.3	133.8	137.2
1975	161.2	175.4	166.8	137.3	181.7	235.3	169.6	158.1	142.3	150.6	153.5	168.6	150.7	144.4	147.4
1975—Sept.	163.6	177.8	168.9	138.4	183.9	238.7	174.0	160.1	143.5	155.4	155.4	172.2	152.1	146.0	148.0
Oct.	164.6	179.0	169.8	139.3	184.8	243.3	174.2	160.9	144.6	156.1	156.3	173.5	152.9	146.6	148.5
Nov.	165.6	179.8	171.3	139.9	186.8	246.5	176.8	161.6	145.5	157.4	156.5	173.3	153.6	147.0	148.9
Dec.	166.3	180.7	172.2	140.6	187.8	248.7	179.0	162.0	145.2	157.6	157.5	174.7	154.6	147.5	149.8
1976—Jan.	166.7	180.8	173.2	141.2	188.8	248.9	179.5	163.7	143.3	158.1	158.6	176.6	155.7	148.2	150.5
Feb.	167.1	180.0	173.8	142.1	188.6	249.4	181.9	165.2	144.0	158.5	159.7	178.8	157.0	148.5	151.3
Mar.	167.5	178.7	174.5	142.7	188.7	247.6	183.7	166.6	145.0	159.8	160.6	180.6	157.4	149.0	151.8
Apr.	168.2	179.2	174.9	143.2	188.9	246.6	184.4	167.4	145.7	161.3	161.4	181.6	158.3	149.5	152.5
May	169.2	180.0	175.6	143.8	189.6	246.2	186.1	167.9	146.8	163.5	162.1	182.6	158.9	150.3	152.9
June	170.1	180.9	176.5	144.4	190.7	247.3	187.9	168.5	146.9	165.9	162.8	183.7	159.8	150.9	153.2
July	171.1	182.1	177.5	145.0	192.2	248.1	189.6	168.9	146.5	167.6	163.9	185.5	160.5	151.2	153.6
Aug.	171.9	182.4	178.4	145.6	193.4	249.3	190.3	169.1	148.1	168.5	164.4	186.8	161.6	151.4	153.8
Sept.	172.6	181.6	179.5	146.2	194.4	250.8	192.2	170.2	150.2	169.5	165.3	187.9	162.8	152.8	153.9

NOTE.—Bureau of Labor Statistics index for city wage earners and clerical workers.

WHOLESALE PRICES: SUMMARY

(1967 = 100, except as noted)

Period	All commodities	Farm products	Processed foods and feeds	Industrial commodities: Total	Textiles, etc.	Hides, etc.	Fuel, etc.	Chemicals, etc.	Rubber, etc.	Lumber, etc.	Paper, etc.	Metals, etc.	Machinery and equipment	Furniture, etc.	Nonmetallic minerals	Transportation equipment[1]	Miscellaneous
1960	94.9	97.2	89.5	95.3	99.5	90.8	96.1	101.8	103.1	95.3	98.1	92.4	92.0	99.0	97.2	......	93.0
1965	96.6	98.7	95.5	96.4	99.8	94.3	95.5	99.0	95.9	95.9	96.2	96.4	93.9	96.9	97.5	......	95.9
1966	99.8	105.9	101.2	98.5	100.1	103.4	97.8	99.4	97.8	100.2	98.8	98.8	96.8	98.0	98.4	......	97.7
1967	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	......	100.0
1968	102.5	102.5	102.2	102.5	103.7	103.2	98.9	99.8	103.4	113.3	101.1	102.6	103.2	102.8	103.7	......	102.2
1969	106.5	109.1	107.3	106.0	106.0	108.9	100.9	99.9	105.3	125.3	104.0	108.5	106.5	104.9	107.7	100.8	105.2
1970	110.4	111.0	112.0	110.0	107.2	110.1	105.9	102.2	108.6	113.7	108.2	116.7	111.4	107.5	113.3	104.5	109.9
1971	113.9	112.9	114.3	114.0	108.6	114.0	114.2	104.2	109.2	127.0	110.1	119.0	115.5	109.9	122.4	110.3	112.8
1972	119.1	125.0	120.8	117.9	113.6	131.3	118.6	104.2	109.3	144.3	113.4	123.5	117.9	111.4	126.1	113.8	114.6
1973	134.7	176.3	148.1	125.9	123.8	143.1	134.3	110.0	112.4	177.2	122.1	132.8	121.7	115.2	130.2	115.1	119.7
1974	160.1	187.7	170.9	153.8	139.1	145.1	208.3	146.8	136.2	183.6	151.7	171.9	139.4	127.9	153.2	125.5	133.1
1975	174.9	186.7	182.6	171.5	137.9	148.5	245.1	181.3	150.2	176.9	170.4	185.9	161.4	139.7	174.0	141.5	147.7
1975—Oct.	178.9	197.3	186.2	174.7	141.3	152.4	256.5	182.3	151.5	179.1	170.9	187.2	164.1	141.1	177.1	146.6	147.6
Nov.	178.2	191.7	182.6	175.4	143.2	154.4	257.0	182.9	151.8	178.3	171.3	187.0	165.3	141.5	177.7	147.2	148.6
Dec.	178.7	193.8	181.0	176.1	144.0	154.6	258.0	183.4	151.9	183.1	173.1	187.1	165.8	142.0	178.0	147.5	151.1
1976—Jan.	179.3	192.8	179.4	177.3	145.1	157.5	257.3	184.2	152.4	190.5	174.8	187.7	167.0	143.1	181.1	148.7	151.8
Feb.	179.3	191.0	176.4	178.0	146.3	159.9	255.7	184.9	154.2	196.0	175.8	189.2	167.7	143.4	181.3	148.8	152.1
Mar.	179.6	187.2	175.8	178.9	146.7	162.0	255.7	185.6	155.5	202.3	176.9	190.6	168.2	143.9	182.5	149.1	152.6
Apr.	181.3	192.9	178.0	180.0	147.4	165.4	256.9	187.1	156.7	203.3	178.5	192.9	168.9	144.4	185.2	149.2	152.4
May	181.8	192.6	179.9	180.4	147.0	169.6	257.2	186.9	157.1	202.3	179.2	194.0	169.4	144.8	185.6	149.0	152.7
June	183.1	196.5	181.8	181.3	148.1	167.4	260.3	187.1	157.2	199.8	179.5	196.4	170.2	145.3	186.0	149.1	154.4
July	184.3	196.9	182.6	182.6	149.0	169.8	265.0	187.0	158.2	203.7	180.5	198.7	170.9	145.7	186.9	149.2	153.8
Aug.	183.7	189.3	176.8	183.6	149.2	171.3	269.1	187.7	161.0	207.5	181.0	199.0	171.4	146.1	187.7	150.2	153.5
Sept.	184.7	191.8	177.1	184.7	149.0	173.6	270.9	188.5	163.6	212.7	181.6	200.0	172.9	146.5	188.2	151.0	153.9
Oct.	185.2	186.6	174.9	186.3	149.3	170.8	277.0	188.4	164.5	213.6	181.4	199.9	174.2	147.0	189.1	156.0	154.1

[1] Dec. 1968 = 100.

GROSS NATIONAL PRODUCT

(In billions of dollars)

Item	1950	1970	1972	1973	1974	1975	1975		1976		
							III	IV	I	II	III^p
Gross national product	286.2	982.4	1,171.1	1,306.6	1,413.2	1,516.3	1,548.7	1,588.2	1,636.2	1,675.2	1,709.7
Final purchases	279.4	978.6	1,161.7	1,288.6	1,402.5	1,531.0	1,550.6	1,592.5	1,621.4	1,659.2	1,695.4
Personal consumption expenditures	192.0	618.8	733.0	809.9	887.5	973.2	987.3	1,012.0	1,043.6	1,064.7	1,088.9
Durable goods	30.8	84.9	111.2	123.7	121.6	131.7	136.0	141.8	151.4	155.0	158.1
Nondurable goods	98.2	264.7	299.3	333.8	376.2	409.1	414.6	421.6	429.1	434.8	442.7
Services	63.0	269.1	322.4	352.3	389.6	432.4	436.7	448.6	463.2	474.9	488.1
Gross private domestic investment	53.8	140.8	188.3	220.0	215.0	183.7	196.7	201.4	229.6	239.2	245.5
Fixed investment	47.0	137.0	178.8	202.1	204.3	198.3	198.6	205.7	214.7	223.2	231.1
Nonresidential	27.1	100.5	116.8	136.0	149.2	147.1	146.1	148.7	153.4	157.9	162.5
Structures	9.3	37.7	42.5	49.0	54.1	52.0	51.8	52.1	53.2	54.9	55.6
Producers' durable equipment	17.8	62.8	74.3	87.0	95.1	95.1	94.3	96.6	100.2	103.0	106.8
Residential structures	19.9	36.6	62.0	66.1	55.1	51.2	52.6	57.0	61.3	65.3	68.7
Nonfarm	18.7	35.1	60.3	64.3	52.7	49.0	50.2	54.2	58.6	62.9	66.1
Change in business inventories	6.8	3.8	9.4	17.9	10.7	−14.6	−2.0	−4.3	14.8	16.0	14.4
Nonfarm	6.0	3.7	8.8	14.7	12.2	−17.6	−4.2	−9.5	12.7	17.3	15.4
Net exports of goods and services	1.9	3.9	−3.3	7.1	7.5	20.5	21.4	21.0	8.4	9.3	5.9
Exports	13.9	62.5	72.7	101.6	144.4	148.1	148.2	153.7	154.1	160.3	166.2
Imports	12.0	58.5	75.9	94.4	136.9	127.6	126.8	132.7	145.7	151.0	160.3
Government purchases of goods and services	38.5	218.9	253.1	269.5	303.3	339.0	343.2	353.8	354.7	362.0	369.5
Federal	18.7	95.6	102.1	102.2	111.6	124.4	124.6	130.4	129.2	131.2	134.4
National defense	14.0	73.5	73.5	73.5	77.3	84.3	84.6	87.1	86.2	86.9	88.6
Other	4.7	22.1	28.6	28.7	34.3	40.1	40.0	43.2	42.9	44.2	45.7
State and local	19.8	123.2	151.0	167.3	191.6	214.5	218.6	223.4	225.5	230.9	235.1
Gross national product in 1972 dollars	533.5	1,075.3	1,171.1	1,235.0	1,214.0	1,191.7	1,209.3	1,219.2	1,246.3	1,260.0	1,272.2

NOTE.—Dept. of Commerce estimates. Quarterly data are seasonally adjusted totals at annual rates. For back data and explanation of series, see the *Survey of Current Business*, Jan. 1976.

NATIONAL INCOME

(In billions of dollars)

Item	1950	1970	1972	1973	1974	1975	1975		1976		
							III	IV	I	II	III^p
National income	236.2	798.4	951.9	1,064.6	1,135.7	1,207.6	1,233.4	1,264.6	1,304.7	1,337.4	....
Compensation of employees	154.8	609.2	715.1	799.2	875.8	928.8	935.2	963.1	994.4	1,017.2	1,037.3
Wages and salaries	147.0	546.5	633.8	701.2	764.5	806.7	811.7	836.4	861.5	881.1	897.7
Private	124.4	430.5	496.2	552.6	604.1	630.8	634.4	654.1	676.1	692.4	706.0
Government and govt. enterprises	22.6	116.0	137.6	148.6	160.4	175.8	177.3	182.2	185.4	188.7	191.7
Supplements to wages and salaries	7.8	62.7	81.4	98.0	111.3	122.1	123.5	126.7	132.9	136.2	139.6
Employer contributions for social insurance	4.2	30.7	39.4	49.3	55.8	59.7	60.2	61.6	65.9	67.1	68.6
Other labor income	3.7	32.0	42.0	48.7	55.5	62.5	63.3	65.2	67.1	69.0	71.1
Proprietors' income with inventory valuation and capital consumption adjustments	38.4	65.1	76.1	92.4	86.9	90.2	95.5	97.2	93.2	100.3	96.1
Business and professional	24.9	51.2	58.1	60.4	61.1	65.3	66.3	69.0	71.4	72.8	74.4
Farm	13.5	13.9	18.0	32.0	25.8	24.9	29.2	28.3	21.9	27.5	21.7
Rental income of persons with capital consumption adjustment	7.1	18.6	21.5	21.6	21.0	22.4	22.4	22.9	23.3	23.1	23.2
Corporate profits and inventory valuation adjustment and without capital consumption adjustment	37.6	66.4	89.6	97.2	87.8	103.1	117.9	119.1	129.6	131.8	....
Profits before tax	42.6	71.5	96.2	115.8	127.6	114.5	126.9	131.3	141.1	146.2	....
Profits tax liability	17.9	34.5	41.5	48.7	52.4	49.2	54.8	57.2	61.4	63.5	....
Profits after tax	24.7	37.0	54.6	67.1	75.2	65.3	72.1	74.1	79.7	82.7	....
Dividends	8.8	22.9	24.6	27.8	30.8	32.1	32.6	32.2	33.1	34.4	35.9
Undistributed profits	15.9	14.1	30.0	39.3	44.4	33.2	39.5	41.9	46.6	48.3	....
Inventory valuation adjustment	−5.0	−5.1	−6.6	−18.6	−39.8	−11.4	−9.0	−12.3	−11.5	−14.4	−12.7
Capital consumption adjustment	−4.0	1.5	2.5	1.9	−3.0	−11.6	−12.6	−13.5	−14.5	−15.4	−15.7
Net interest	2.3	37.5	47.0	52.3	67.1	74.6	74.9	75.8	78.6	80.3	83.1

NOTE.—Dept. of Commerce estimates. Quarterly data are seasonally adjusted totals at annual rates. See also NOTE to table above.

RELATION OF GROSS NATIONAL PRODUCT, NATIONAL INCOME, AND PERSONAL INCOME AND SAVING

(In billions of dollars)

Item	1950	1970	1972	1973	1974	1975	1975 III	1975 IV	1976 I	1976 II	1976 III^p
Gross national product	**286.2**	**982.4**	**1,171.1**	**1,306.6**	**1,413.2**	**1,516.3**	**1,548.7**	**1,588.2**	**1,636.2**	**1,675.2**	**1,707.9**
Less: Capital consumption allowances with capital consumption adjustment	23.9	90.8	105.4	117.7	137.7	161.4	164.4	169.5	173.6	177.7	182.0
Indirect business tax and nontax liability	23.4	94.0	111.0	120.2	128.4	138.7	141.5	144.1	144.9	148.2	151.0
Business transfer payments	.8	4.0	4.7	5.4	5.6	6.3	6.4	6.6	6.8	7.0	7.2
Statistical discrepancy	2.0	-2.1	1.7	2.6	6.6	4.4	5.1	6.1	7.2	5.8	......
Plus: Subsidies less current surplus of government enterprises	.1	2.7	3.6	3.9	.8	2.0	2.1	2.7	.9	.7	1.1
Equals: National income	**236.2**	**798.4**	**951.9**	**1,064.6**	**1,135.7**	**1,207.6**	**1,233.4**	**1,264.6**	**1,304.7**	**1,337.4**	......
Less: Corporate profits with inventory valuation and capital consumption adjustments	33.7	67.9	92.1	99.1	84.8	91.6	105.3	105.6	115.1	116.4	......
Net interest	2.3	37.5	47.0	52.3	67.1	74.6	74.9	75.8	78.6	80.3	83.1
Contributions for social insurance	7.1	58.7	73.6	91.5	103.4	109.7	110.3	112.6	119.3	121.4	123.7
Wage accruals less disbursements	......	......	......	......	......	......	......	......	......	......	......
Plus: Government transfer payments to persons	14.4	75.9	99.4	113.5	134.6	168.9	172.7	176.0	181.8	180.6	185.4
Personal interest income	8.9	64.3	74.6	84.1	101.4	110.7	111.0	114.4	118.0	120.7	124.7
Dividends	8.8	22.9	24.6	27.8	30.8	32.1	32.6	32.2	33.1	34.4	35.9
Business transfer payments	.8	4.0	4.7	5.4	5.6	6.3	6.4	6.6	6.8	7.0	7.2
Equals: Personal income	**226.1**	**801.3**	**942.5**	**1,052.4**	**1,153.3**	**1,249.7**	**1,265.5**	**1,299.7**	**1,331.3**	**1,362.0**	**1,386.2**
Less: Personal tax and nontax payments	20.6	115.3	141.2	150.8	170.4	168.8	174.0	179.8	183.8	189.5	195.8
Equals: Disposable personal income	**205.5**	**685.9**	**801.3**	**901.7**	**982.9**	**1,080.9**	**1,091.5**	**1,119.9**	**1,147.6**	**1,172.5**	**1,190.4**
Less: Personal outlays	194.7	635.4	751.9	831.3	910.7	996.9	1,011.1	1,036.2	1,068.0	1,089.6	1,114.8
Personal consumption expenditures	192.0	618.8	733.0	809.9	887.5	973.2	987.3	1,012.0	1,043.6	1,064.7	1,088.9
Interest paid by consumer to business	2.3	15.5	17.9	20.2	22.2	22.8	22.8	23.3	23.4	23.9	24.8
Personal transfer payments to foreigners (Net)	.4	1.1	1.0	1.3	1.0	.9	.9	.9	1.0	1.0	1.1
Equals: Personal saving	**10.8**	**50.6**	**49.4**	**70.3**	**72.2**	**84.0**	**80.5**	**83.7**	**79.5**	**82.9**	**75.6**
Disposable personal income in (1972) dollars	**361.9**	**741.6**	**801.3**	**854.7**	**840.8**	**855.5**	**857.1**	**867.5**	**880.4**	**890.5**	**892.5**

NOTE.—Dept. of Commerce estimates. Quarterly data seasonally adjusted totals at annual rates. See also NOTE to table at top of opposite page.

PERSONAL INCOME

(In billions of dollars)

Item	1974	1975	1975 Sept.	1975 Oct.	1975 Nov.	1975 Dec.	1976 Jan.	1976 Feb.	1976 Mar.	1976 Apr.	1976 May	1976 June	1976 July	1976 Aug.	1976 Sept.^p
Total personal income	**1153.3**	**1249.7**	**1277.1**	**1290.8**	**1300.2**	**1308.2**	**1320.8**	**1331.4**	**1341.9**	**1352.5**	**1362.9**	**1370.4**	**1380.8**	**1385.5**	**1392.2**
Wage and salary disbursements	**765.0**	**806.7**	**819.1**	**828.5**	**836.6**	**844.0**	**854.2**	**861.4**	**868.8**	**876.9**	**883.3**	**883.1**	**892.7**	**897.4**	**903.1**
Commodity-producing industries	273.9	275.3	279.8	282.9	285.7	288.6	292.8	294.9	298.4	301.7	303.5	303.4	306.5	306.4	307.6
Manufacturing only	*211.4*	*211.7*	*215.5*	*218.1*	*220.1*	*222.8*	*227.2*	*229.4*	*232.2*	*234.8*	*235.8*	*236.2*	*238.0*	*238.8*	*239.6*
Distributive industries	184.4	195.6	198.2	200.9	202.5	203.5	206.5	208.8	209.8	212.3	213.9	212.4	214.9	216.3	218.0
Service industries	145.9	159.9	162.4	163.6	166.0	168.8	170.8	172.4	174.1	175.3	177.2	177.7	180.5	183.0	184.8
Government	160.9	175.8	178.8	181.1	182.4	183.2	184.2	185.4	186.6	187.6	188.7	189.6	190.7	191.7	192.7
Other labor income	55.5	62.5	63.9	64.5	65.2	65.8	66.4	67.1	67.7	68.4	69.0	69.7	70.4	71.1	71.7
Proprietors' income with inventory valuation and capital consumption adjustments	86.9	90.2	96.4	97.5	97.1	97.2	95.2	92.4	92.2	96.0	100.0	105.0	98.8	95.4	93.1
Business and professional	61.1	65.3	67.0	68.3	68.7	69.9	70.6	71.3	72.2	72.7	72.5	73.4	73.8	74.4	75.0
Farm	25.8	24.9	29.4	29.2	28.4	27.3	24.6	21.1	20.0	23.3	27.5	31.6	26.0	21.0	18.1
Rental income of persons with capital consumption adjustment	21.0	22.4	22.4	22.9	22.9	22.9	23.2	23.4	23.3	23.3	23.4	22.7	23.4	23.2	23.1
Dividends	30.8	32.1	32.9	32.9	32.9	30.8	32.9	33.3	33.0	33.4	33.9	35.9	35.2	35.4	35.6
Personal interest income	101.4	110.7	112.1	113.2	114.4	115.5	116.7	117.9	119.3	120.0	120.7	121.5	123.0	125.2	127.5
Transfer payments	140.3	175.2	180.7	182.1	182.1	183.4	185.3	189.2	191.3	188.7	187.1	186.8	191.3	192.9	193.6
Less: Personal contributions for social insurance	47.6	50.0	50.4	50.7	51.0	51.4	53.1	53.4	53.7	54.1	54.4	54.3	54.9	55.2	55.5
Nonagricultural income	**1117.3**	**1213.4**	**1236.1**	**1249.9**	**1260.0**	**1269.1**	**1284.4**	**1298.6**	**1310.1**	**1317.3**	**1323.3**	**1326.6**	**1342.5**	**1351.8**	**1361.4**
Agricultural income	**36.0**	**36.3**	**41.0**	**40.9**	**40.2**	**39.1**	**36.4**	**32.8**	**31.8**	**35.2**	**39.6**	**43.8**	**38.4**	**33.6**	**30.9**

NOTE.—Dept. of Commerce estimates. Monthly data seasonally adjusted totals at annual rates. See also NOTE to table at top of opposite page.

SUMMARY OF FUNDS RAISED IN U.S. CREDIT MARKETS

(Seasonally adjusted annual rates; in billions of dollars)

	Transaction category, or sector	1967	1968	1969	1970	1971	1972	1973	1974	1975	1975 H1	1975 H2	1976 H1	
						Credit market funds raised by nonfinancial sectors								
1	**Total funds raised by nonfinancial sectors**	**83.9**	**98.3**	**93.5**	**100.7**	**151.0**	**176.9**	**197.6**	**188.8**	**210.4**	**184.2**	**236.5**	**242.0**	1
2	***Excluding equities***	**81.5**	**98.3**	**89.6**	**94.9**	**139.6**	**166.4**	**190.0**	**185.0**	**200.3**	**173.8**	**226.9**	**228.3**	2
3	U.S. Government	13.0	13.6	-3.7	11.9	24.7	15.2	8.3	12.0	85.2	80.8	89.6	73.8	3
4	Public debt securities	8.9	10.5	-1.3	12.9	26.0	14.3	7.9	12.0	85.8	82.0	89.7	73.9	4
5	Agency issues and mortgages	4.1	3.1	-2.4	-1.0	-1.3	1.0	.4	*	-.6	1.2	-.1	-.1	5
6	**All other nonfinancial sectors**	**70.9**	**84.8**	**97.1**	**88.8**	**126.3**	**161.7**	**189.4**	**176.8**	**125.2**	**103.4**	**146.9**	**168.2**	6
7	Corporate equities	2.4	*	3.9	5.8	11.5	10.5	7.7	3.8	10.0	10.5	9.6	13.7	7
8	*Debt instruments*	*68.5*	*84.8*	*93.3*	*83.0*	*114.8*	*151.2*	*181.7*	*173.0*	*115.1*	*93.0*	*137.3*	*154.5*	8
9	***Private domestic nonfinancial sectors***	**66.9**	**81.9**	**93.5**	**86.1**	**121.1**	**157.7**	**183.1**	**161.6**	**112.2**	**94.9**	**129.4**	**152.5**	9
10	Corporate equities	2.4	.2	3.4	5.7	11.4	10.9	7.9	4.1	9.9	10.3	9.5	13.3	10
11	*Debt instruments*	*64.5*	*82.1*	*90.1*	*80.4*	*109.7*	*146.8*	*175.3*	*157.5*	*102.3*	*84.6*	*119.9*	*139.2*	11
12	Debt capital instruments	46.1	51.8	52.5	60.2	86.8	102.8	106.7	101.2	101.3	97.5	105.1	111.8	12
13	State and local obligations	7.8	9.5	9.9	11.2	17.5	15.4	16.3	19.6	17.3	16.2	18.4	18.4	13
14	Corporate bonds	14.7	12.9	12.0	19.8	18.8	12.2	9.2	19.7	27.2	33.4	21.0	20.7	14
15	*Home mortgages*	*13.4*	*17.3*	*18.1*	*14.4*	*28.6*	*42.6*	*46.4*	*34.6*	*40.8*	*33.5*	*48.1*	*54.4*	15
16	*Multifamily residential mortgages*	*3.6*	*3.4*	*4.9*	*6.9*	*9.7*	*12.7*	*10.4*	*7.0*	*-.1*	*	*-.2*	*.9*	16
17	*Commercial mortgages*	*4.7*	*6.6*	*5.7*	*7.1*	*9.8*	*16.4*	*18.9*	*15.1*	*10.9*	*8.7*	*13.1*	*11.5*	17
18	*Farm mortgages*	*2.0*	*2.2*	*1.8*	*.8*	*2.4*	*3.6*	*5.5*	*5.1*	*5.2*	*5.6*	*4.8*	*5.9*	18
19	Other debt instruments	18.4	30.2	37.6	20.1	22.8	44.0	68.6	56.3	1.0	-12.8	14.8	27.4	19
20	Consumer credit	4.5	10.0	10.4	5.9	11.6	18.6	21.7	9.8	8.5	1.1	16.0	19.4	20
21	Bank loans n.e.c.	9.6	13.8	15.5	6.7	6.5	18.1	34.8	26.2	-14.5	-23.5	-5.5	-12.7	21
22	Open market paper	1.7	1.5	1.8	2.6	-.4	.8	2.5	6.8	-2.2	-.2	-4.2	8.1	22
23	Other	2.6	5.0	9.9	5.0	5.1	6.5	9.6	13.5	9.1	9.7	8.5	12.6	23
24	By borrowing sector	66.9	81.9	93.5	86.1	121.1	157.7	183.1	161.6	112.2	94.9	129.4	152.5	24
25	State and local governments	7.9	9.8	10.7	11.3	17.8	15.2	14.8	18.6	14.9	13.9	15.9	16.7	25
26	Households	22.4	32.1	33.8	25.3	42.1	64.8	73.5	45.2	49.7	39.0	60.4	72.8	26
27	Farm	3.3	2.8	3.1	2.3	4.5	5.8	9.7	7.9	9.4	9.4	9.4	11.0	27
28	Nonfarm noncorporate	4.4	5.3	7.5	5.7	10.3	13.1	12.3	6.7	1.2	-.8	3.2	5.2	28
29	Corporate	28.9	31.9	38.4	41.5	46.4	58.8	72.9	83.1	37.1	33.5	40.6	46.8	29
30	***Foreign***	**4.0**	**2.8**	**3.7**	**2.7**	**5.2**	**4.0**	**6.2**	**15.3**	**13.0**	**8.5**	**17.4**	**15.7**	30
31	Corporate equities	.1	.2	.5	.1	*	-.4	-.2	-.2	.1	.1	.1	.3	31
32	*Debt instruments*	*4.0*	*2.7*	*3.2*	*2.7*	*5.2*	*4.4*	*6.4*	*15.5*	*12.8*	*8.4*	*17.3*	*15.3*	32
33	Bonds	1.2	1.1	1.0	.9	.9	1.0	1.0	2.1	6.2	5.7	6.7	7.6	33
34	Bank loans n.e.c.	-.3	-.5	-.2	-.3	2.1	3.0	2.8	4.7	4.0	.6	7.4	3.7	34
35	Open market paper	.5	-.2	.3	.8	.3	-1.0	.9	7.1	-.1	-1.2	1.0	.8	35
36	U.S. Government loans	2.6	2.2	2.1	1.3	1.8	1.5	1.7	1.6	2.8	3.3	2.2	3.2	36
37	Memo: U.S. Govt. cash balance	1.2	-1.2	.5	2.8	3.2	-.3	-1.7	-4.6	2.9	.5	5.2	10.8	37
	Totals net of changes in U.S. Govt. cash balances:													
38	Total funds raised	82.7	99.5	93.0	97.9	147.8	177.2	199.3	193.4	207.5	183.7	231.3	231.2	38
39	By U.S. Government	11.8	14.8	-4.1	9.1	21.6	15.5	9.9	16.6	82.3	80.3	84.4	63.0	39
						Credit market funds raised by financial sectors								
1	**Total funds raised by financial sectors**	**2.0**	**17.2**	**35.2**	**15.8**	**17.0**	**29.1**	**56.7**	**43.0**	**14.8**	**15.1**	**14.6**	**29.7**	1
2	U.S. Govt. related	.1	4.0	9.5	9.8	5.9	8.4	19.9	23.1	13.5	14.0	13.1	18.0	2
3	Sponsored credit agencies	-.6	3.2	9.1	8.2	1.1	3.5	16.3	16.6	2.3	1.4	3.3	3.9	3
4	Mortgage pool securities	.7	.5	.7	1.6	4.8	4.9	3.6	5.8	10.3	11.5	9.2	14.2	4
5	Loans from U.S. Government	-.1	.2	-.3					.7	.9	1.1	.6	*	5
6	Private financial sectors	2.0	13.2	25.8	6.0	11.1	20.7	36.8	19.9	1.3	1.1	1.4	11.7	6
7	Corporate equities	3.1	6.5	6.3	4.8	3.5	2.8	1.5	1.0	1.2	1.2	1.2	.7	7
8	*Debt instruments*	*-1.1*	*6.7*	*19.5*	*1.2*	*7.6*	*18.0*	*35.3*	*18.9*	*.1*	*	*.3*	*11.0*	8
9	Corporate bonds	.7	.4	.8	2.7	3.8	5.1	3.5	2.1	2.9	3.2	2.6	6.1	9
10	Mortgages	1.0	.4	.2	.7	2.1	1.7	-1.2	-1.3	2.3	1.2	3.4	1.2	10
11	Bank loans n.e.c.	-2.0	1.5	1.5	*	3.5	6.8	14.0	7.5	-3.9	-4.7	-3.2	-2.8	11
12	Open market paper and RP's	1.8	3.4	12.9	-3.5	.9	4.4	11.8	3.9	2.8	7.6	1.9	8.7	12
13	Loans from FHLB's	-2.5	.9	4.0	1.3	-2.7	*	7.2	6.7	-4.0	-7.3	-.6	-2.3	13
14	**Total funds raised, by sector**	**2.0**	**17.2**	**35.2**	**15.8**	**17.0**	**29.1**	**56.7**	**43.0**	**14.8**	**15.1**	**14.6**	**29.7**	14
15	Sponsored credit agencies	-.6	3.5	8.8	8.2	1.1	3.5	16.3	17.3	3.2	2.5	4.0	3.9	15
16	Mortgage pools	.7	.5	.7	1.6	4.8	4.9	3.6	5.8	10.3	11.5	9.2	14.2	16
17	Private financial sectors	2.0	13.2	25.8	6.0	11.1	20.7	36.8	19.9	1.3	1.1	1.4	11.7	17
18	Commercial banks	*	.8	2.4	-2.0	2.4	4.8	8.1	-1.1	1.7	6.4	-3.0	11.3	18
19	Bank affiliates			4.3	-1.9	-.4	.7	2.2	3.5	.3	.9	-.3	-1.3	19
20	Foreign banking agencies	*	.1	.2	.1	1.6	.8	5.1	2.9	-.3	.9	.2	-1.5	20
21	Savings and loans associations	-1.7	1.1	4.1	1.8	-.1	2.0	6.0	6.3	-2.1	-7.8	3.6	-.7	21
22	Other insurance companies	.1	.2	.5	.4	.6	.5	.5	.9	.9	.9	1.0	1.0	22
23	Finance companies	.6	3.9	7.8	2.6	2.7	6.2	9.4	4.5	.7	-.8	2.1	6.7	23
24	REIT's	*	1.2	1.5	2.2	2.9	6.3	6.5	1.1	-1.9	-1.6	-2.2	1.9	24
25	Open end investment companies	3.0	5.9	4.9	2.8	1.3	-.5	-1.2	-.5	.8	1.5	.1	-1.1	25
26	Money market funds								2.4	1.3	2.6	*	-.7	26
						Total credit market funds raised, all sectors, by type								
1	**Total funds raised**	**85.9**	**115.5**	**128.7**	**116.4**	**168.1**	**206.0**	**254.3**	**231.8**	**225.2**	**199.4**	**251.1**	**271.7**	1
2	Investment company shares	3.0	5.9	4.9	2.8	1.3	-.5	-1.2	-.5	.8	1.5	.1	-1.1	2
3	Other corporate equities	2.5	.6	5.2	7.7	13.7	13.8	10.4	5.4	10.4	10.2	10.7	15.4	3
4	*Debt instruments*	*80.4*	*109.0*	*118.6*	*105.9*	*153.1*	*192.8*	*245.2*	*227.0*	*214.0*	*187.7*	*240.3*	*257.4*	4
5	U.S. Government securities	13.2	17.4	6.2	21.7	30.7	23.7	28.3	34.5	98.0	93.6	102.4	91.8	5
6	State and local obligations	7.8	9.5	9.9	11.2	17.5	15.4	16.3	19.6	17.3	16.2	18.4	18.4	6
7	Corporate and foreign bonds	16.6	14.4	13.8	23.3	23.5	18.4	13.6	23.9	36.3	42.3	30.3	34.4	7
8	Mortgages	24.6	29.8	30.7	29.9	52.5	76.8	79.9	60.5	59.0	49.1	69.0	74.1	8
9	Consumer credit	4.5	10.0	10.4	5.9	11.6	18.6	21.7	9.8	8.5	1.1	16.0	19.4	9
10	Bank loans n.e.c.	7.3	14.8	16.8	6.3	12.1	27.8	51.6	38.4	-14.4	-27.6	-1.2	-11.8	10
11	Open market paper and RP's	3.9	4.8	15.1	-.1	.8	4.1	15.2	17.8	.5	6.2	-5.1	17.7	11
12	Other loans	2.5	8.3	15.8	7.7	4.2	8.0	18.5	22.5	8.7	6.8	10.7	13.5	12

NOTE.—Full statements for sectors and transaction types quarterly, and annually for flows and for amounts outstanding, may be obtained from Flow of Funds Section, Division of Research and Statistics, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

DIRECT AND INDIRECT SOURCES OF FUNDS TO CREDIT MARKETS

(Seasonally adjusted annual rates; in billions of dollars)

	Transaction category, or sector	1967	1968	1969	1970	1971	1972	1973	1974	1975	1975 H1	1975 H2	1976 H1	
1	**Total funds advanced in credit markets to nonfinancial sectors**	**81.5**	**98.3**	**89.6**	**94.9**	**139.6**	**166.4**	**190.0**	**185.0**	**200.3**	**173.8**	**226.9**	**228.3**	1
	By public agencies and foreign													
2	**Total net advances**	**12.0**	**13.0**	**16.5**	**29.2**	**43.4**	**19.8**	**34.2**	**52.7**	**44.2**	**51.9**	**36.6**	**52.6**	2
3	U.S. Government securities	6.9	3.3	.5	15.1	34.4	7.6	9.6	11.9	22.5	32.6	12.4	26.9	3
4	Residential mortgages	2.6	3.3	5.1	6.5	7.0	7.0	8.2	14.7	16.2	15.9	16.5	11.1	4
5	FHLB advances to S&L's	-2.5	.9	4.0	1.3	-2.7	*	7.2	6.7	-4.0	-7.3	-.6	-2.3	5
6	Other loans and securities	5.2	5.5	6.9	6.2	4.6	5.1	9.2	19.5	9.5	10.6	8.3	16.9	6
	Totals advanced, by sector													
7	U.S. Government	4.7	5.2	3.1	2.8	2.8	1.8	2.8	9.8	15.1	14.9	15.2	5.9	7
8	Sponsored credit agencies	.6	3.8	9.4	11.1	5.2	9.2	21.4	25.6	14.5	15.9	13.2	20.0	8
9	Monetary authorities	4.8	3.7	4.2	5.0	8.9	.3	9.2	6.2	8.5	7.0	10.1	13.7	9
10	Foreign	2.0	.3	-.3	10.3	26.4	8.4	.7	11.2	6.1	14.2	-2.0	13.0	10
11	Agency borrowing not included in line 1	.1	4.0	9.5	9.8	5.9	8.4	19.9	23.1	13.5	14.0	13.1	18.0	11
	Private domestic funds advanced													
12	**Total net advances**	**69.5**	**89.3**	**82.5**	**75.5**	**102.1**	**155.0**	**175.7**	**155.3**	**169.6**	**135.9**	**203.4**	**193.8**	12
13	U.S. Government securities	6.3	14.1	5.6	6.6	-3.7	16.1	18.7	22.6	75.5	61.0	90.0	64.9	13
14	State and local obligations	7.8	9.5	9.9	11.2	17.5	15.4	16.3	19.6	17.3	16.2	18.4	18.4	14
15	Corporate and foreign bonds	16.0	13.8	12.5	20.0	19.5	13.1	10.0	20.9	32.8	38.9	26.7	27.3	15
16	Residential mortgages	14.4	17.3	17.9	14.7	31.2	48.1	48.5	26.9	24.4	17.7	31.1	44.3	16
17	Other mortgages and loans	22.4	35.5	40.7	24.3	35.0	62.3	89.3	71.9	15.7	-5.2	36.5	36.6	17
18	Less: FHLB advances	-2.5	.9	4.0	1.3	-2.7	*	7.2	6.7	-4.0	-7.3	-.6	2.3	18
	Private financial intermediation													
19	*Credit market funds advanced by private financial institutions*	*63.4*	*75.5*	*57.4*	*77.0*	*109.7*	*149.4*	*163.8*	*126.2*	*116.0*	*97.7*	*134.3*	*139.2*	19
20	Commercial banks	35.8	38.7	18.6	35.0	50.6	70.5	86.5	64.6	27.6	13.5	41.7	22.1	20
21	Savings institutions	15.0	15.4	14.6	17.4	39.1	47.2	36.0	27.0	51.0	49.8	52.2	68.0	21
22	Insurance and pension funds	12.9	13.8	13.3	17.1	14.2	17.8	23.8	30.1	39.3	36.4	42.3	43.9	22
23	Other finance	-.3	7.6	10.8	7.5	5.9	13.8	17.4	4.5	-1.8	-1.9	-1.8	5.1	23
24	*Sources of funds*	*63.4*	*75.5*	*57.4*	*77.0*	*109.7*	*149.4*	*163.8*	*126.2*	*116.0*	*97.7*	*134.3*	*139.2*	24
25	Private domestic deposits	49.8	45.9	2.3	60.7	89.4	100.9	86.4	69.4	90.5	90.3	90.6	90.9	25
26	Credit market borrowing	-1.1	6.7	19.5	1.2	7.6	18.0	35.3	18.9	.1	*	.3	11.0	26
27	Other sources	14.7	22.9	35.6	15.1	12.6	30.5	42.1	37.8	25.4	7.4	43.4	37.3	27
28	Foreign funds	2.3	2.6	9.6	-8.1	-3.9	5.3	6.9	14.5	-.4	-5.7	5.0	.1	28
29	Treasury balances	.2	-.2	*	2.9	2.2	.7	-1.0	-5.1	-1.7	-3.5	.1	3.5	29
30	Insurance and pension reserves	11.4	11.4	10.8	13.3	8.6	11.6	18.4	26.0	29.9	27.4	32.5	32.7	30
31	Other, net	.8	9.1	15.1	7.1	5.7	12.8	17.8	2.4	-2.4	-10.8	5.9	1.2	31
	Private domestic nonfinancial investors													
32	Direct lending in credit markets	4.9	20.5	44.6	-.3	*	23.6	47.2	48.0	53.7	38.1	69.4	65.6	32
33	U.S. Government securities	-1.1	8.6	17.5	-7.1	-10.8	4.2	19.4	17.9	23.0	5.0	41.0	29.5	33
34	State and local obligations	-2.6	-.1	8.2	-1.3	.5	3.1	7.5	12.2	9.9	10.3	9.6	7.7	34
35	Corporate and foreign bonds	4.0	4.2	5.4	9.5	8.3	4.2	.9	5.3	10.4	13.6	7.2	6.0	35
36	Commercial paper	1.8	4.2	10.0	5.1	-1.1	3.0	12.5	4.6	3.1	3.5	2.7	10.2	36
37	Other	2.8	3.6	3.6	3.7	3.2	9.1	6.9	8.1	7.3	5.6	8.9	12.2	37
38	Deposits and currency	51.8	48.5	5.1	64.2	92.8	105.3	90.3	75.7	96.7	95.7	97.7	95.1	38
39	Time and saving accounts	38.8	33.7	-2.2	55.3	79.1	83.7	76.2	67.4	84.8	75.0	94.7	82.3	39
40	Large negotiable CD's	4.3	3.5	-13.7	15.0	7.7	8.7	18.4	23.6	-9.7	-22.3	2.9	-23.5	40
41	Other at commercial banks	17.9	17.2	3.1	23.6	31.8	29.7	29.4	21.4	35.4	34.4	36.4	39.9	41
42	At savings institutions	16.6	13.0	8.4	16.6	39.6	45.4	28.4	22.4	59.2	63.0	55.4	66.0	42
43	Money	13.0	14.8	7.3	8.9	13.7	21.6	14.1	8.3	11.9	20.7	3.0	12.7	43
44	Demand deposits	11.0	12.3	4.5	5.4	10.4	17.2	10.2	2.0	5.7	15.3	-4.0	8.5	44
45	Currency	2.0	2.5	2.8	3.5	3.4	4.4	3.9	6.3	6.2	5.4	7.1	4.2	45
46	**Total of credit market instr., deposits, and currency**	**56.8**	**69.0**	**49.8**	**63.9**	**92.9**	**129.0**	**137.5**	**123.7**	**150.4**	**133.8**	**167.1**	**160.7**	46
47	Private support rate (in per cent)	14.8	13.2	18.4	30.7	31.1	11.9	18.0	28.5	22.1	29.9	16.1	23.0	47
48	Private financial intermediation (in per cent)	91.2	84.6	69.5	102.0	107.4	96.4	93.2	81.2	68.4	71.9	66.0	71.8	48
49	Total foreign funds	4.3	2.9	9.4	2.2	22.5	13.7	7.6	25.7	5.7	8.5	3.0	13.0	49
		Corporate equities not included above												
1	**Total net issues**	5.6	6.5	10.1	10.5	15.0	13.3	9.2	4.9	11.2	11.7	10.8	14.3	1
2	Mutual fund shares	3.0	5.9	4.9	2.8	1.3	-.5	-1.2	-.5	.8	1.5	.1	-1.1	2
3	Other equities	2.5	.6	5.2	7.7	13.7	13.8	10.4	5.4	10.4	10.2	10.7	15.4	3
4	Acquisitions by financial institutions	9.1	10.9	13.0	10.6	17.8	15.3	13.3	5.5	8.3	9.2	7.4	11.7	4
5	Other net purchases	-3.5	-4.4	-2.9	-.1	-2.9	-2.1	-4.1	-.7	2.9	2.4	3.4	2.6	5

Notes

Line
1. Line 2 of p. A-56.
2. Sum of lines 3–6 or 7–10.
6. Includes farm and commercial mortgages.
11. Credit market funds raised by Federally sponsored credit agencies. Included below in lines 13 and 33. Includes all GNMA-guaranteed security issues backed by mortgage pools.
12. Line 1 less line 2 plus line 11. Also line 19 less line 26 plus line 32. Also sum of lines 27, 32, 39, and 44.
17. Includes farm and commercial mortgages.
25. Lines 39 plus 44.
26. Excludes equity issues and investment company shares. Includes line 18.
28. Foreign deposits at commercial banks, bank borrowings from foreign branches, and liabilities of foreign banking agencies to foreign affiliates.
29. Demand deposits at commercial banks.
30. Excludes net investment of these reserves in corporate equities.
31. Mainly retained earnings and net miscellaneous liabilities.
32. Line 12 less line 19 plus line 26.
33–37. Lines 13–17 less amounts acquired by private finance. Line 37 includes mortgages.
45. Mainly an offset to line 9.
46. Lines 32 plus 38 or line 12 less line 27 plus line 45.
47. Line 2/line 1.
48. Line 19/line 12.
49. Lines 10 plus 28.

Corporate equities

Lines 1 and 3. Includes issues by financial institutions.

1. U.S. INTERNATIONAL TRANSACTIONS—SUMMARY

(In millions of dollars. Quarterly figures are seasonally adjusted except as noted.[1])

Line	Credits (+), debits (−)	1973	1974	1975	1975			1976	
					II	III	IV	I	II p
1	Merchandise exports	71,410	98,310	107,088	25,851	26,562	27,657	26,836	28,450
2	Merchandise imports	70,499	103,679	98,058	22,568	24,483	25,437	28,510	29,735
3	Merchandise trade balance [2]	911	−5,369	9,030	3,283	2,079	2,220	−1,674	−1,285
4	Military transactions, net	−2,287	−2,083	−883	−378	−115	12	−5	−13
5	Investment income, net	5,178	10,227	6,007	1,531	1,682	1,670	2,279	2,157
6	Other service transactions, net	102	812	2,163	648	619	455	458	715
7	**Balance on goods and services** [3]	**3,905**	**3,586**	**16,316**	**5,084**	**4,265**	**4,357**	**1,058**	**1,574**
8	Unilateral transfers	−3,883	−7,185	−4,620	−1,146	−1,044	−1,251	−1,118	−872
9	Remittances, pensions, and other transfers	−1,945	−1,710	−1,727	−434	−429	−433	−483	−441
10	U.S. Government grants (excluding military)	−1,938	−5,475	−2,893	−712	−615	−818	−635	−431
11	**Balance on current account**	**22**	**−3,598**	**11,697**	**3,938**	**3,221**	**3,106**	**−60**	**702**
12	*Not seasonally adjusted*	......	......	......	*3,934*	*513*	*4,305*	*1,479*	*625*
13	U.S. Govt. capital transactions, other than official reserve assets, net (outflow, −)	−1,492	1,089	−1,731	−422	−401	−453	798	−234
14	Change in U.S. official reserve assets (increase, −)	209	−1,434	−607	−29	−342	89	−773	−1,578
15	Gold	......	......	......	......	......	......	......	......
16	SDR's	9	−172	−66	−16	−25	−21	−45	14
17	Reserve position in IMF	−33	−1,265	−466	−7	−95	−57	−237	−798
18	Foreign currencies	233	3	−75	−6	−222	167	−491	−794
19	Change in U.S. private assets abroad (increase, −)	−13,998	−32,323	−27,523	−7,074	−3,297	−10,375	−8,615	−6,228
20	Bank-reported claims	−5,980	−19,494	−13,487	−3,820	−617	−5,348	−3,582	−4,665
21	Long-term	−933	−1,183	−2,373	−381	−608	−943	−250	−338
22	Short-term	−5,047	−18,311	−11,114	−3,439	−9	−4,405	−3,332	−4,327
23	Nonbank-reported claims	−2,378	−3,221	−1,521	59	−972	−972	−751	−579
24	Long-term	−396	−474	−441	55	−139	−379	−187	233
25	Short-term	−1,982	−2,747	−1,081	4	−833	−593	−564	−812
26	U.S. purchase of foreign securities, net	−671	−1,854	−6,206	−979	−938	−2,361	−2,525	−1,448
27	U.S. direct investments abroad, net	−4,968	−7,753	−6,307	−2,334	−770	−1,694	−1,757	463
28	Change in foreign official assets in the United States (increase, +)	5,145	10,257	5,166	1,913	−1,977	2,272	2,460	3,162
29	U.S. Treasury securities	114	3,282	4,338	818	−2,847	1,069	1,998	2,151
30	Other U.S. Govt. obligations	582	902	891	65	25	307	68	316
31	Other U.S. liabilities reported by U.S. banks	4,126	5,818	−2,158	591	320	134	−275	4
32	Other foreign official assets	323	254	2,095	439	525	762	669	691
33	Change in foreign private assets in the United States (increase, +)	12,220	21,452	8,427	1,576	4,313	3,103	1,454	3,197
34	U.S. bank-reported liabilities	4,702	16,017	647	776	1,639	691	675	3,586
35	Long-term	227	9	−300	−287	−114	146	−91	23
36	Short-term	4,475	16,008	947	1,063	1,753	545	766	3,563
37	U.S. nonbank-reported liabilities	1,035	1,615	171	58	−141	−68	24	−479
38	Long-term	298	−212	345	77	−99	10	−332	−308
39	Short-term	737	1,827	−174	−19	−42	−78	356	−171
40	Foreign private purchases of U.S. Treasury securities, net	−214	697	2,667	−423	2,125	213	453	−586
41	Foreign purchases of other U.S. securities, net	4,041	378	2,505	385	738	1,038	1,030	130
42	Foreign direct investments in the United States, net	2,656	2,745	2,437	780	−48	1,229	−728	547
43	Allocations of SDR's	......	......	......					......
44	Discrepancy	−2,107	4,557	4,570	98	−1,517	2,258	4,736	979
45	Owing to seasonal adjustments	......	......	......	−39	−2,561	1,275	1,348	−108
46	Statistical discrepancy in recorded data before seasonal adjustment	−2,107	4,557	4,570	137	1,044	983	3,388	1,087
	Memoranda:								
	Changes in official assets:								
47	U.S. official reserve assets (increase, −)	209	−1,434	−607	−29	−342	89	−773	−1,578
48	Foreign official assets in the U.S. (increase, +)	5,145	10,257	5,166	1,913	−1,977	2,272	2,460	3,162
49	Transfers under military grant programs (excluded from lines 1, 4, and 10 above)	2,809	1,817	2,232	1,202	56	177	50	95

[1] Seasonal factors are no longer calculated for capital transactions—lines 14 through 49.

[2] Adjusted to a balance of payments basis; among other adjustments, excludes military transactions and includes imports into the Virgin Islands.

[3] Differs from the definition of "net exports of goods and services" in the national income and product (GNP) account. The GNP definition excludes special military sales from exports and U.S. Govt. interest payments from imports.

NOTE.—Data are from U.S. Dept. of Commerce, Bureau of Economic Analysis, *Survey of Current Business*. A detailed description of items in this revised format of U.S. International Transactions will appear in a future issue of the BULLETIN.

2. MERCHANDISE EXPORTS AND IMPORTS

(Seasonally adjusted; in millions of dollars)

	Exports [1]				Imports [2]				Trade balance			
	1973	1974	1975	1976	1973	1974[3]	1975	1976	1973	1974[3]	1975	1976
Month:												
Jan.	4,955	7,150	9,374	9,103	5,244	6,498	9,633	9,176	−289	+652	−259	−73
Feb.	5,070	7,549	8,756	8,800	5,483	7,318	7,927	8,941	−413	+231	+829	−141
Mar.	5,311	7,625	8,681	8,956	5,414	7,742	7,467	9,607	−103	−117	+1,215	−651
Apr.	5,494	8,108	8,649	9,394	5,360	8,025	7,959	9,596	+133	+83	+690	−202
May	5,561	7,652	8,222	9,578	5,703	8,265	7,263	9,182	−142	−612	+958	+396
June	5,728	8,317	8,716	9,716	5,775	8,577	7,103	10,094	−47	−260	+1,613	−377
July	5,865	8,307	8,871	10,022	5,829	8,922	7,832	10,849	+37	−615	+1,039	−827
Aug.	6,042	8,379	8,980	9,688	6,011	9,267	7,877	10,446	+32	−888	+1,103	−758
Sept.	6,420	8,399	9,104	9,872	5,644	8,696	8,196	10,651	+776	−297	+908	−779
Oct.	6,585	8,673	9,226	....	5,996	8,773	8,169	....	+589	−100	+1,056	....
Nov.	6,879	8,973	9,409	....	6,684	8,973	8,201	....	+195	....	+1,208	....
Dec.	6,949	8,862	9,250	....	6,291	9,257	8,522	....	+658	−395	+728	....
Quarter:												
I	15,336	22,325	26,811	26,859	16,140	21,558	25,026	27,723	−804	+767	+1,785	−864
II	16,783	24,077	25,586	28,688	16,839	24,867	22,325	28,872	−56	−790	+3,261	−184
III	18,327	25,085	26,955	29,582	17,483	26,885	23,904	31,946	+844	−1,800	+3,051	−2,364
IV	20,413	26,508	27,885	....	18,972	27,003	24,892	....	+1,441	−495	+2,993	....
Year[4]	70,823	97,908	107,130	....	69,476	100,251	96,116	....	+1,347	−2,343	11,014	....

1 Exports of domestic and foreign merchandise (f.a.s. value basis); excludes Department of Defense shipments under military grant-aid programs.

2 General imports, which includes imports for immediate consumption plus entries into bonded warehouses. See also note 3.

3 Beginning with 1974 data, imports are reported on an f.a.s. transactions value basis; prior data are reported on a Customs import value basis. For calendar year 1974, the f.a.s. import transactions value was $100.3 billion, about 0.7 per cent less than the corresponding Customs import value of $101.0 billion.

4 Sum of unadjusted figures.

NOTE.—Bureau of the Census data. Details may not add to totals because of rounding.

3. U.S. RESERVE ASSETS

(In millions of dollars)

End of year	Total	Gold stock [1]		Convertible foreign currencies	Reserve position in IMF	SDR's [3]
		Total [2]	Treasury			
1961	18,753	16,947	16,889	116	1,690	....
1962	17,220	16,057	15,978	99	1,064	....
1963	16,843	15,596	15,513	212	1,035	....
1964	16,672	15,471	15,388	432	769	....
1965	15,450	13,806	13,733	781	863	....
1966	14,882	13,235	13,159	1,321	326	....
1967	14,830	12,065	11,982	2,345	420	....
1968	15,710	10,892	10,367	3,528	1,290	....
1969	[4] 16,964	11,859	10,367	[4] 2,781	2,324	....
1970	14,487	11,072	10,732	629	1,935	851
1971	[5] 12,167	10,206	10,132	[5] 276	585	1,100
1972[6]	13,151	10,487	10,410	241	465	1,958
1973[7]	14,378	11,652	11,567	8	552	2,166
1974	15,883	11,652	11,652	5	1,852	2,374

End of month	Total	Gold stock		Convertible foreign currencies	Reserve position in IMF	SDR's [3]
		Total [2]	Treasury			
1975—						
Oct.	16,569	11,599	11,599	413	2,192	2,365
Nov.	16,592	11,599	11,599	423	2,234	2,336
Dec.	16,226	11,599	11,599	80	2,212	2,335
1976—						
Jan.	16,622	11,599	11,599	333	2,314	2,376
Feb.	16,661	11,599	11,599	296	2,390	2,376
Mar.	16,941	11,599	11,599	571	2,420	2,351
Apr.	17,437	11,598	11,598	936	2,578	2,325
May	17,958	11,598	11,598	938	3,113	2,309
June	18,477	11,598	11,598	1,365	3,198	2,316
July	18,246	11,598	11,598	864	3,466	2,318
Aug.	18,586	11,598	11,598	845	3,818	2,325
Sept.	18,945	11,598	11,598	1,038	3,952	2,357
Oct.	[8] 19,013	11,598	11,598	1,066	[8] 3,997	[8] 2,352

1 Includes (a) gold sold to the United States by the IMF with the right of repurchase, and (b) gold deposited by the IMF to mitigate the impact on the U.S. gold stock of foreign purchases for the purpose of making gold subscriptions to the IMF under quota increases. For corresponding liabilities, see Table 5.

2 Includes gold in Exchange Stabilization Fund.

3 Includes allocations by the IMF of Special Drawing Rights as follows: $867 million on Jan. 1, 1970; $717 million on Jan. 1, 1971; and $710 million on Jan. 1, 1972; plus net transactions in SDR's.

4 Includes gain of $67 million resulting from revaluation of the German mark in Oct. 1969, of which $13 million represents gain on mark holdings at time of revaluation.

5 Includes $28 million increase in dollar value of foreign currencies revalued to reflect market exchange rates as of Dec. 31, 1971.

6 Total reserve assets include an increase of $1,016 million resulting from change in par value of the U.S. dollar on May 8, 1972; of which, total gold stock is $828 million (Treasury gold stock $822 million), reserve position in IMF $33 million, and SDR's $155 million.

7 Total reserve assets include an increase of $1,436 million resulting from change in par value of the U.S. dollar on Oct. 18, 1973; of which, total gold stock is $1,165 million (Treas. gold stock $1,157 million), reserve position in IMF $54 million, and SDR's $217 million.

8 Beginning July 1974, the IMF adopted a technique for valuing the SDR based on a weighted average of exchange rates for the currencies of 16 member countries. The U.S. SDR holdings and reserve position in the IMF are also valued on this basis beginning July 1974. At valuation used prior to July 1974 (SDR 1 = $1.20635) SDR holdings at end of October amounted to $2,453 million, reserve position in IMF, $4,087 million, and total U.S. reserves assets, $19,204.

NOTE.—See Table 20 for gold held under earmark at F.R. Banks for foreign and international accounts. Gold under earmark is not included in the gold stock of the United States.

4. GOLD RESERVES OF CENTRAL BANKS AND GOVERNMENTS

(In millions of dollars; valued at $35 per fine ounce through Apr. 1972, at $38 from May 1972–Sept. 1973, and at $42.22 thereafter)

End of period	Estimated total world[1]	Intl. Monetary Fund	United States	Estimated rest of world	Algeria	Argentina	Australia	Austria	Belgium	Canada	China, Rep. of (Taiwan)	Denmark	Egypt
1970	41,275	4,339	11,072	25,865	191	140	239	707	1,470	791	82	65	85
1971	41,160	4,732	10,206	26,220	192	90	259	729	1,544	792	80	64	85
1972	44,890	5,830	10,487	28,575	208	152	281	791	1,638	834	87	69	92
1973	49,850	6,478	11,652	31,720	231	169	312	881	1,781	927	97	77	103
1974	49,800	6,478	11,652	31,670	231	169	312	882	1,781	927	97	76	103
1975—Oct.	....	6,478	11,599	....	231	169	312	882	1,781	927	97	76	103
Nov.	....	6,478	11,599	....	231	169	312	882	1,781	927	97	76	103
Dec.	49,740	6,478	11,599	31,665	231	169	312	882	1,781	927	97	76	103
1976—Jan.	....	6,478	11,599	....	231	169	312	882	1,781	927	97	76	103
Feb.	....	6,478	11,599	....	231	169	312	882	1,781	927	97	76	103
Mar.	49,490	6,478	11,599	31,415	231	169	312	882	1,781	916	94	76	103
Apr.	....	6,478	11,598	....	231	169	312	882	1,781	916	94	76	103
May	....	6,478	11,598	....	231	169	312	882	1,781	916	94	76	103
June	49,565	6,448	11,598	31,520	231	169	312	882	1,781	916	98	76	103
July	....	6,412	11,598	....	231	169	312	882	1,781	916	98	76	....
Aug.	....	6,412	11,598	....	231	....	312	882	1,781	916	98	76	....
Sept.p	....	6,379	11,598	....	231	....	312	882	1,781	913	....	76	....

End of period	France	Germany	Greece	India	Iran	Iraq	Italy	Japan	Kuwait	Lebanon	Libya	Mexico	Netherlands
1970	3,532	3,980	117	243	131	144	2,887	532	86	288	85	176	1,787
1971	3,523	4,077	98	243	131	144	2,884	679	87	322	85	184	1,909
1972	3,826	4,459	133	264	142	156	3,130	801	94	350	93	188	2,059
1973	4,261	4,966	148	293	159	173	3,483	891	120	388	103	196	2,294
1974	4,262	4,966	152	293	158	173	3,483	891	148	389	103	154	2,294
1975—Oct.	4,262	4,966	153	293	158	173	3,483	891	160	389	103	154	2,294
Nov.	4,262	4,966	153	293	158	173	3,483	891	160	389	103	154	2,294
Dec.	4,262	4,966	153	293	158	173	3,483	891	169	389	103	154	2,294
1976—Jan.	4,262	4,966	153	293	158	173	3,483	891	169	389	103	152	2,294
Feb.	4,262	4,966	153	293	158	173	3,483	891	176	....	103	152	2,294
Mar.	4,262	4,966	153	293	158	173	3,483	891	176	....	103	152	2,294
Apr.	4,262	4,966	153	293	158	173	3,483	891	183	....	103	....	2,294
May	4,262	4,966	153	293	158	173	3,483	891	214	....	103	....	2,294
June	4,263	4,966	153	293	158	173	3,483	891	192	....	103	....	2,294
July	4,266	4,966	154	293	158	173	3,483	891	192	....	103	....	2,294
Aug.	4,266	4,966	154	....	158	173	3,483	891	192	....	103	....	2,294
Sept.p	4,266	4,966	154	....	158	....	3,483	891	192	....	103	....	2,294

End of period	Pakistan	Portugal	Saudi Arabia	South Africa	Spain	Sweden	Switzerland	Thailand	Turkey	United Kingdom	Uruguay	Venezuela	Bank for Intl. Settlements[2]
1970	54	902	119	666	498	200	2,732	82	126	1,348	162	384	282
1971	55	921	108	410	498	200	2,909	82	130	777	148	391	310
1972	60	1,021	117	681	541	217	3,158	89	136	801	133	425	218
1973	67	1,163	129	802	602	244	3,513	99	151	887	148	472	235
1974	67	1,175	129	771	602	244	3,513	99	151	888	148	472	250
1975—Oct.	67	1,175	129	754	602	244	3,513	99	151	888	135	472	256
Nov.	67	1,175	129	752	602	244	3,513	99	151	888	135	472	259
Dec.	67	1,170	129	749	602	244	3,513	99	151	888	135	472	246
1976—Jan.	67	1,170	129	753	602	244	3,513	99	151	888	135	472	213
Feb.	67	1,170	129	749	602	244	3,513	99	151	888	135	472	205
Mar.	67	1,170	129	[3]543	602	244	3,513	99	151	888	135	472	206
Apr.	69	1,170	129	539	602	244	3,513	99	151	888	135	472	231
May	69	1,170	129	538	602	244	3,513	99	151	888	135	472	245
June	69	1,170	129	540	602	244	3,514	99	151	888	135	472	290
July	69	....	129	540	602	244	3,514	99	151	....	135	472	298
Aug.	69	....	129	544	602	244	3,516	99	151	....	....	472	308
Sept.p	69	....	129	541	....	244	3,516	99	151	....	....	472	280

1 Includes reported or estimated gold holdings of international and regional organizations, central banks and govts. of countries listed in this table, and also of a number not shown separately here, and gold to be distributed by the Tripartite Commission for the Restitution of Monetary Gold; excludes holdings of the U.S.S.R., other Eastern European countries, and People's Republic of China.

The figures included for the Bank for International Settlements are the Bank's gold assets net of gold deposit liabilities. This procedure avoids the overstatement of total world gold reserves since most of the gold deposited with the BIS is included in the gold reserves of individual countries.

2 Net gold assets of BIS, i.e., gold assets minus gold deposit liabilities.

3 Reflects South African Reserve Bank sale of gold spot and repurchase forward.

5. U.S. LIABILITIES TO FOREIGN OFFICIAL INSTITUTIONS, AND LIQUID LIABILITIES TO ALL OTHER FOREIGNERS

(In millions of dollars)

End of period	Total	Liquid liabilities to IMF arising from gold transactions[1]	Liabilities to foreign countries: Official institutions[2]: Total	Short-term liabilities reported by banks in U.S.	Marketable U.S. Treas. bonds and notes[3]	Nonmarketable U.S. Treas. bonds and notes[4]	Other readily marketable liabilities[5]	Liquid liabilities to commercial banks abroad[6]	Liquid liabilities to other foreigners: Total	Short-term liabilities reported by banks in U.S.	Marketable U.S. Treas. bonds and notes[3,7]	Liquid liabilities to nonmonetary intl. and regional organizations[8]
1964	29,364	800	15,786	13,220	1,125	1,283	158	7,303	3,753	3,377	376	1,722
1965	29,568	834	15,825	13,066	1,105	1,534	120	7,419	4,059	3,587	472	1,431
1966[9]	31,144	1,011	14,840	12,484	860	583	913	10,116	4,271	3,743	528	906
	31,019	1,011	14,895	12,539	860	583	913	9,936	4,272	3,744	528	905
1967[9]	35,819	1,033	18,201	14,034	908	1,452	1,807	11,209	4,685	4,127	558	691
	35,667	1,033	18,194	14,027	908	1,452	1,807	11,085	4,678	4,120	558	677
1968[9]	38,687	1,030	17,407	11,318	529	3,219	2,341	14,472	5,053	4,444	609	725
	38,473	1,030	17,340	11,318	462	3,219	2,341	14,472	4,909	4,444	465	722
1969[9]	[10]45,755	1,109	[10]15,975	11,054	346	[10]3,070	1,505	23,638	4,464	3,939	525	659
	45,914	1,019	15,998	11,077	346	3,070	1,505	23,645	4,589	4,064	525	663
1970—Dec.	47,009	566	23,786	19,333	306	3,452	695	17,137	4,676	4,029	647	844
	46,960	566	23,775	19,333	295	3,452	695	17,169	4,604	4,039	565	846
1971—Dec.[11]	67,681	544	51,209	39,679	1,955	9,431	144	10,262	4,138	3,691	447	1,528
	67,808	544	50,651	39,018	1,955	9,534	144	10,949	4,141	3,694	447	1,523
1972—Dec.	82,862	....	61,526	40,000	5,236	15,747	543	14,666	5,043	4,618	425	1,627
1973—Dec.	92,490	....	66,861	[12]43,923	5,701	[12]15,564	1,673	17,694	5,932	5,502	430	2,003
1974—Dec.[9]	119,240	....	76,801	53,057	5,059	16,339	2,346	30,314	8,803	8,305	498	3,322
	119,204	....	76,823	53,079	5,059	16,339	2,346	30,146	8,913	8,415	498	3,322
1975—Sept.[r]	123,944	....	78,762	48,594	6,472	19,666	4,030	30,360	9,854	9,153	701	4,968
Oct.[r]	127,204	....	80,676	50,111	6,644	19,666	4,255	28,527	9,971	9,232	739	4,921
Nov.[r]	127,204	....	80,198	49,634	6,485	19,726	4,353	32,266	10,200	9,490	710	4,540
Dec.[r]	126,589	....	80,650	49,513	6,640	19,976	4,521	29,556	10,759	10,028	731	5,624
1976—Jan.[r]	128,192	....	81,198	49,487	6,851	20,051	4,809	30,964	10,504	9,766	738	5,526
Feb.[r]	131,837	....	82,326	50,429	7,027	20,051	4,819	33,149	10,808	10,060	748	5,554
Mar.[r]	129,720	....	82,561	49,634	7,757	20,051	5,119	30,512	10,922	10,118	804	5,725
Apr.[r]	136,709	....	84,205	50,538	8,187	20,151	5,329	35,256	11,579	10,758	821	5,669
May[r]	139,121	....	85,630	51,606	8,450	20,151	5,423	36,476	11,361	10,557	804	5,654
June[r]	135,229	....	85,129	50,023	9,167	20,251	5,688	32,654	11,504	10,646	858	5,942
July	139,163	....	85,866	50,474	9,461	20,151	5,780	34,743	11,821	10,932	889	6,733
Aug.[p]	138,754	....	86,678	51,242	9,781	19,801	5,854	32,828	12,203	11,238	965	7,045
Sept.[p]	141,096	....	86,016	49,651	10,746	19,803	5,816	34,941	12,398	11,473	925	7,741

1 Includes (a) liability on gold deposited by the IMF to mitigate the impact on the U.S. gold stock of foreign purchases for gold subscriptions to the IMF under quota increases, and (b) U.S. Treasury obligations at cost value and funds awaiting investment obtained from proceeds of sales of gold by the IMF to the United States to acquire income-earning assets.

2 Includes Bank for International Settlements; also includes European Fund through Dec. 1972.

3 Derived by applying reported transactions to benchmark data.

4 Excludes notes issued to foreign official nonreserve agencies.

5 Includes long-term liabilities reported by banks in the United States and debt securities of U.S. Federally sponsored agencies and U.S. corporations.

6 Includes short-term liabilities payable in dollars to commercial banks abroad and short-term liabilities payable in foreign currencies to commercial banks abroad and to other foreigners.

7 Includes marketable U.S. Treasury bonds and notes held by commercial banks abroad.

8 Principally the International Bank for Reconstruction and Development and the Inter-American and Asian Development Banks.

9 Data on the 2 lines shown for this date differ because of changes in reporting coverage. Figures on first line are comparable with those shown for the preceding date; figures on second line are comparable with those shown for the following date.

10 Includes $101 million increase in dollar value of foreign currency liabilities resulting from revaluation of the German mark in Oct. 1969.

11 Data on the second line differ from those on first line because certain accounts previously classified as official institutions are included with banks; a number of reporting banks are included in the series for the first time; and U.S. Treasury securities payable in foreign currencies issued to official institutions of foreign countries have been increased in value to reflect market exchange rates as of Dec. 31, 1971.

12 Includes $162 million increase in dollar value of foreign currency liabilities revalued to reflect market exchange rates, as follows: short-term liabilities, $15 million; and nonmarketable U.S. Treasury notes, $147 million.

NOTE.—Based on Treasury Dept. data and on data reported to the Treasury Dept. by banks and brokers in the United States. Table excludes IMF holdings of dollars, and U.S. Treasury letters of credit and nonnegotiable, non-interest-bearing special U.S. notes held by other international and regional organizations.

6. U.S. LIABILITIES TO OFFICIAL INSTITUTIONS OF FOREIGN COUNTRIES, BY AREA

(Amounts outstanding; in millions of dollars)

End of period	Total foreign countries	Western Europe[1]	Canada	Latin American republics	Asia	Africa	Other countries[2]
1972	61,526	34,197	4,279	1,733	17,577	777	2,963
1973	66,861	45,764	3,853	2,544	10,887	788	3,025
1974—Dec. [3]	{76,801	44,328	3,662	4,419	18,604	3,161	2,627
	{76,823	44,328	3,662	4,419	18,626	3,161	2,627
1975—Sept.	78,762	43,858	3,003	4,840	21,153	3,145	2,763
Oct.	80,676	45,354	3,044	4,254	22,406	3,018	2,600
Nov.	80,198	45,095	3,218	4,056	22,263	2,951	2,615
Dec.	80,650	45,676	3,132	4,448	22,514	2,983	1,897
1976—Jan.	81,198	45,741	3,416	3,552	23,780	2,724	1,985
Feb.	82,326	45,091	3,645	3,377	25,462	2,731	2,020
Mar.	82,561	45,583	3,663	3,779	26,911	2,718	1,907
Apr.	84,205	43,581	3,600	3,850	28,596	2,805	1,773
May	85,630	43,247	3,590	3,827	30,047	3,141	1,777
June	85,130	42,425	3,578	4,104	29,879	3,245	1,898
July	85,866	42,308	3,410	4,000	30,949	3,134	2,065
Aug.[p]	86,678	41,494	3,230	4,378	32,582	3,098	1,896
Sept.[p]	86,016	41,545	3,417	4,289	32,382	2,759	1,624

1 Includes Bank for International Settlements; also includes European Fund through 1972.
2 Includes countries in Oceania and Eastern Europe, and Western European dependencies in Latin America.
3 See note 9 to Table 5.

NOTE.—Data represent short- and long-term liabilities to the official institutions of foreign countries, as reported by banks in the United States; foreign official holdings of marketable and nonmarketable U.S. Treasury securities with an original maturity of more than 1 year, except for nonmarketable notes issued to foreign official nonreserve agencies; and investments by foreign official reserve agencies in debt securities of U.S. Federally sponsored agencies and U.S. corporations.

7. SHORT-TERM LIABILITIES TO FOREIGNERS REPORTED BY BANKS IN THE UNITED STATES, BY TYPE

(Amounts outstanding; in millions of dollars)

End of period	To all foreigners							IMF gold investment	To nonmonetary international and regional organizations[5]				
	Total[1]	Payable in dollars					Payable in foreign currencies		Total	Deposits		U.S. Treasury bills and certificates	Other short-term liab.[6]
		Total	Deposits		U.S. Treasury bills and certificates[3]	Other short-term liab.[4]				Demand	Time[2]		
			Demand	Time[2]									
1972	60,696	60,200	8,290	5,603	31,850	14,457	496	....	1,412	86	202	326	799
1973	69,074	68,477	11,310	6,882	31,886	18,399	597	....	1,955	101	83	296	1,474
1974	94,811	94,044	14,051	9,932	35,662	34,399	766	....	3,171	139	111	497	2,424
1975—Sept.	93,008	92,454	13,402	10,170	36,653	32,230	554	....	4,901	107	127	3,008	1,659
Oct.	92,453	91,818	12,128	10,259	37,728	31,702	635	....	4,583	132	150	2,397	1,903
Nov.	95,861	95,221	12,810	10,076	37,268	35,068	637	....	4,471	145	156	1,605	2,563
Dec.	94,390	93,833	13,564	10,348	37,414	32,506	549	....	5,293	139	148	2,554	2,451
1976—Jan.	95,151	94,542	12,271	10,483	38,789	32,998	600	....	4,933	114	217	2,498	2,103
Feb.	98,159	97,505	13,350	10,222	39,763	34,169	642	....	4,520	118	162	2,435	1,806
Mar.	95,033	94,462	13,091	10,488	37,977	32,907	565	....	4,768	130	192	2,495	1,952
Apr.	102,070	101,303	14,244	10,235	39,430	37,394	763	....	5,519	140	193	2,739	2,446
May	104,151	103,419	13,846	10,104	40,258	39,211	727	....	5,512	91	185	2,876	2,361
June	98,688	97,997	14,135	9,973	38,257	35,632	687	....	5,360	258	160	2,236	2,706
July	101,820	101,147	14,714	10,259	39,632	36,541	667	....	5,671	483	192	3,129	1,868
Aug.[p]	100,957	100,288	14,198	10,212	40,964	34,914	661	....	5,641	379	148	3,475	1,639
Sept.[p]	102,031	101,329	15,219	10,626	40,119	35,365	697	....	5,962	331	151	4,031	1,449

For notes see opposite page.

7. SHORT-TERM LIABILITIES TO FOREIGNERS REPORTED BY BANKS IN THE UNITED STATES, BY TYPE—Continued

(Amounts outstanding; in millions of dollars)

End of period	Total to official, banks and other foreigners: Total	Payable in dollars: Deposits: Demand	Deposits: Time[2]	U.S. Treasury bills and certificates[3]	Other short-term liab.[4]	Payable in foreign currencies	To official institutions[8]: Total	Payable in dollars: Deposits: Demand	Deposits: Time[2]	U.S. Treasury bills and certificates[3]	Other short-term liab.[6]	Payable in foreign currencies
1973	67,119	11,209	6,799	31,590	16,925	597	43,923	2,125	3,911	31,511	6,248	127
1974—Dec.[7]	91,676	13,928	9,995	35,165	31,822	766	53,057	2,951	4,257	34,656	11,066	127
	91,640	13,912	9,821	35,165	31,975	766	53,079	2,951	4,167	34,656	11,178	127
1975—Sept.	88,107	13,295	10,043	33,645	30,571	554	48,594	2,444	3,886	33,339	8,925	....
Oct.	87,870	11,996	10,109	35,330	29,800	635	50,111	2,448	3,877	35,004	8,782	....
Nov.	91,390	12,665	9,920	35,663	32,506	637	49,634	2,242	3,579	35,242	8,571	....
Dec.	89,097	13,426	10,200	34,860	30,063	549	49,513	2,644	3,423	34,182	9,264	....
1976—Jan.	90,217	12,158	10,266	36,291	30,903	600	49,487	2,445	3,291	35,645	8,106	....
Feb.	93,638	13,233	10,060	37,328	32,376	642	50,429	2,695	2,908	36,761	8,066	....
Mar.	90,264	12,962	10,296	35,482	30,959	565	49,634	2,671	2,767	34,989	9,207	....
Apr.	96,551	14,104	10,042	36,691	34,951	763	50,538	2,782	2,319	36,196	9,241	....
May	98,638	13,755	9,919	37,382	36,855	727	51,606	2,799	2,400	36,859	9,547	....
June	93,323	13,877	9,813	36,021	32,925	687	50,023	2,632	2,392	35,532	9,468	....
July	96,149	14,231	10,067	36,504	34,680	667	50,474	2,932	2,251	36,016	9,275	....
Aug.[p]	95,308	13,819	10,064	37,489	33,275	661	51,242	2,380	2,226	36,974	9,663	....
Sept.[p]	96,065	14,888	10,476	36,088	33,916	697	49,651	2,548	2,144	35,653	9,307	....

End of period	Total	To banks[9]: Payable in dollars: Total	Deposits: Demand	Deposits: Time[2]	U.S. Treasury bills and certificates	Other short-term liab.[4]	To other foreigners: Payable in dollars: Total	Deposits: Demand	Deposits: Time[2]	U.S. Treasury bills and certificates	Other short-term liab.[6]	To banks and other foreigners: Payable in foreign currencies
1973	23,196	17,224	6,941	529	11	9,743	5,502	2,143	2,359	68	933	469
1974—Dec.[7]	38,619	29,676	8,248	1,942	232	19,254	8,304	2,729	3,796	277	1,502	639
	38,560	29,507	8,231	1,910	232	19,134	8,414	2,729	3,744	277	1,664	639
1975—Sept.	39,513	29,806	7,962	1,656	89	20,099	9,153	2,889	4,501	217	1,547	554
Oct.	37,759	27,891	6,780	1,565	100	19,446	9,232	2,769	4,666	226	1,572	635
Nov.	41,756	31,630	7,584	1,544	135	22,367	9,490	2,839	4,797	287	1,568	637
Dec.	39,584	29,006	7,534	1,942	335	19,195	10,029	3,248	4,835	342	1,604	549
1976—Jan.	40,730	30,364	6,809	1,979	369	21,208	9,766	2,904	4,996	277	1,588	600
Feb.	43,209	32,507	7,418	2,036	275	22,777	10,060	3,120	5,116	293	1,532	642
Mar.	40,630	29,947	7,248	2,268	217	20,215	10,118	3,044	5,261	276	1,538	565
Apr.	46,014	34,493	7,883	2,317	134	24,160	10,757	3,439	5,406	361	1,551	763
May	47,033	35,749	7,737	2,092	151	25,769	10,557	3,219	5,427	372	1,538	727
June	43,300	31,967	8,100	1,882	154	21,831	10,647	3,146	5,539	335	1,626	687
July	45,675	34,076	7,992	2,275	155	23,654	10,932	3,307	5,541	333	1,751	667
Aug.[p]	44,066	32,167	7,934	2,206	162	21,865	11,238	3,505	5,632	353	1,747	661
Sept.[p]	46,413	34,244	8,667	2,551	176	22,850	11,472	3,674	5,780	259	1,759	697

1 Data exclude IMF holdings of dollars.

2 Excludes negotiable time certificates of deposit, which are included in "Other short-term liabilities."

3 Includes nonmarketable certificates of indebtedness and Treasury bills issued to official institutions of foreign countries.

4 Includes liabilities of U.S. banks to their foreign branches, liabilities of U.S. agencies and branches of foreign banks to their head offices and foreign branches, bankers' acceptances, commercial paper, and negotiable time certificates of deposit.

5 Principally the International Bank for Reconstruction and Development and the Inter-American and Asian Development Banks.

6 Principally bankers' acceptances, commercial paper, and negotiable time certificates of deposit.

7 Data on the 2 lines shown for this date differ because of changes in reporting coverage. Figures on the first line are comparable in coverage with those shown for the preceding date; figures on the second line are comparable with those shown for the following date.

8 Foreign central banks and foreign central govts. and their agencies, Bank for International Settlements, and European Fund through Dec. 1972.

9 Excludes central banks, which are included in "Official institutions."

NOTE.—"Short term" obligations are those payable on demand or having an original maturity of 1 year or less. For data on long-term liabilities reported by banks, see Table 9. Data exclude International Monetary Fund holdings of dollars; these obligations to the IMF constitute contingent liabilities, since they represent essentially the amount of dollars available for drawings from the IMF by other member countries. Data exclude also U.S. Treasury letters of credit and nonnegotiable, noninterest-bearing special U.S. notes held by the Inter-American Development Bank and the International Development Association.

8. SHORT-TERM LIABILITIES TO FOREIGNERS REPORTED BY BANKS IN THE UNITED STATES, BY COUNTRY

(End of period. Amounts outstanding; in millions of dollars)

Area and country	1974 Dec.[1]		1975 Dec.	1976 Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.p	Sept.p
Europe:												
Austria	607	607	754	749	715	581	585	577	549	589	412	335
Belgium-Luxembourg	2,506	2,506	2,898	2,678	2,440	2,395	2,332	2,213	2,336	1,977	1,976	1,946
Denmark	369	369	332	375	434	678	681	649	452	322	440	327
Finland	266	266	391	309	313	334	350	403	405	446	435	426
France	4,287	4,287	7,733	7,499	6,480	6,210	4,856	4,529	4,776	4,408	4,214	4,335
Germany	9,420	9,429	4,357	3,823	4,468	4,195	5,830	5,206	4,932	4,961	4,738	5,980
Greece	248	248	284	263	340	261	289	299	346	361	350	338
Italy	2,617	2,617	1,112	1,052	1,044	1,338	1,504	1,418	1,560	2,263	2,641	1,577
Netherlands	3,234	3,234	3,411	3,409	3,828	3,397	3,281	3,111	2,256	2,182	2,189	2,567
Norway	1,040	1,040	996	888	925	798	915	797	807	900	684	789
Portugal	310	310	195	243	221	209	213	189	196	250	257	193
Spain	382	382	426	445	400	386	462	392	446	416	419	538
Sweden	1,138	1,138	2,286	2,266	2,312	2,287	2,352	2,437	2,435	2,384	2,227	1,979
Switzerland	9,986	10,139	8,514	8,611	8,648	8,854	8,965	9,129	10,125	9,551	9,250	9,041
Turkey	152	152	118	88	104	106	113	101	95	80	100	65
United Kingdom	7,559	7,584	6,886	7,606	8,231	6,726	6,589	7,096	6,430	6,289	6,139	7,288
Yugoslavia	183	183	126	83	178	222	179	174	182	128	142	128
Other Western Europe[2]	4,073	4,073	2,970	2,313	2,116	2,144	2,002	2,250	2,079	2,150	2,130	2,068
U.S.S.R.	82	82	40	45	43	38	34	45	40	35	34	70
Other Eastern Europe	206	206	200	160	201	159	161	153	188	209	215	182
Total	48,667	48,853	44,028	42,906	43,441	41,320	41,692	41,168	40,587	39,899	38,990	40,174
Canada	3,517	3,520	3,076	3,885	4,721	4,126	4,173	4,997	3,789	3,995	3,808	4,763
Latin America:												
Argentina	886	886	1,147	1,208	1,134	1,169	1,238	1,368	1,398	1,407	1,510	1,424
Bahamas	1,448	1,054	1,827	3,190	2,940	1,715	4,600	5,162	2,905	4,838	3,006	2,968
Brazil	1,034	1,034	1,227	1,191	1,135	1,320	1,475	1,176	1,271	1,308	1,200	1,138
Chile	276	276	317	248	248	273	310	367	369	301	303	330
Colombia	305	305	417	484	536	516	582	629	686	762	772	767
Mexico	1,770	1,770	2,078	1,899	2,048	2,004	2,133	2,218	2,158	2,110	2,301	2,348
Panama	488	510	1,099	1,145	953	779	961	1,098	1,207	1,050	1,387	900
Peru	272	272	244	219	223	235	219	230	221	235	239	248
Uruguay	147	165	172	185	204	242	216	215	229	219	226	244
Venezuela	3,413	3,413	3,289	2,711	2,571	2,574	2,742	2,757	2,643	2,747	3,092	3,208
Other Latin American republics	1,316	1,316	1,500	1,437	1,456	1,640	1,713	1,671	1,836	1,796	1,710	1,756
Netherlands Antilles and Surinam	158	158	129	129	142	119	121	125	129	135	149	147
Other Latin America	526	596	1,507	1,620	2,448	1,735	2,530	1,881	1,533	2,057	1,723	2,347
Total	12,038	11,754	14,954	15,665	16,037	14,322	18,839	18,897	16,593	18,964	17,619	17,825
Asia:												
China, People's Rep. of (China Mainland)	50	50	123	263	224	101	120	139	63	42	45	45
China, Republic of (Taiwan)	818	818	1,025	1,015	1,072	1,100	1,134	1,130	1,182	1,070	1,131	1,123
Hong Kong	530	530	623	667	682	741	709	803	747	788	842	874
India	261	261	126	203	324	338	423	632	845	938	1,047	985
Indonesia	1,221	1,221	369	762	583	498	920	1,121	706	1,122	1,002	995
Israel	386	389	386	325	312	346	323	324	316	298	324	300
Japan	10,897	10,931	10,218	10,556	11,764	12,265	12,789	13,246	12,847	13,631	14,194	14,422
Korea	384	384	390	395	382	361	360	327	343	346	369	350
Philippines	747	747	698	601	616	605	525	593	742	636	653	622
Thailand	333	333	252	279	224	225	244	218	261	244	249	215
Middle East oil-exporting countries[3]	4,633	4,623	6,461	6,444	6,993	7,723	8,008	8,543	7,290	7,286	8,102	7,198
Other	813	845	867	969	933	967	1,017	984	1,250	1,122	1,376	1,272
Total	21,073	21,130	21,539	22,480	24,109	25,271	26,570	28,061	26,591	27,522	29,335	28,402
Africa:												
Egypt	103	103	343	177	180	314	231	197	211	236	200	186
South Africa	130	130	169	218	133	186	177	202	161	123	164	165
Oil-exporting countries[4]	2,814	2,814	2,239	2,135	2,208	1,919	2,256	2,423	2,567	2,443	2,368	2,075
Other	504	504	623	562	609	680	598	651	652	672	736	650
Total	3,551	3,551	3,373	3,091	3,131	3,099	3,262	3,472	3,591	3,473	3,469	3,076
Other countries:												
Australia	2,742	2,742	2,014	2,046	2,070	2,001	1,931	1,950	2,066	2,185	1,964	1,711
All other	89	89	114	143	131	125	84	93	107	111	122	114
Total	2,831	2,831	2,128	2,190	2,201	2,126	2,015	2,043	2,173	2,296	2,087	1,824
Total foreign countries	91,676	91,640	89,097	90,217	93,638	90,264	96,551	98,638	93,323	96,149	95,308	96,065
International and regional:												
International[5]	2,900	2,900	5,064	4,629	4,188	4,459	5,269	5,247	5,063	5,383	5,285	5,613
Latin American regional	202	202	187	219	262	182	141	156	176	176	168	154
Other regional[6]	69	69	42	86	70	128	108	109	126	112	196	199
Total	3,171	3,171	5,293	4,933	4,520	4,769	5,519	5,512	5,365	5,671	5,649	5,966
Grand total	94,847	94,811	94,390	95,151	98,159	95,033	102,070	104,151	98,688	101,820	100,957	102,031

For notes see opposite page.

8. SHORT-TERM LIABILITIES TO FOREIGNERS REPORTED BY BANKS IN THE UNITED STATES, BY COUNTRY—Continued

(End of period. Amounts outstanding; in millions of dollars)

Supplementary data[7]

Area and country	1974 Apr.	1974 Dec.	1975 Apr.	1975 Dec.	1976 Apr.^{p}
Other Western Europe:					
Cyprus	10	7	17	6	38
Iceland	11	21	20	33	......
Ireland, Rep. of	53	29	29	75	39
Other Latin American republics:					
Bolivia	102	96	93	110	104
Costa Rica	88	118	120	125	69
Dominican Republic	137	128	214	169	149
Ecuador	90	122	157	120	......
El Salvador	129	129	144	171	128
Guatemala	245	219	255	260	177
Haiti	28	35	34	38	36
Honduras	71	88	92	99	69
Jamaica	52	69	62	41	49
Nicaragua	119	127	125	133	89
Paraguay	40	46	38	43	43
Trinidad and Tobago	21	107	31	131	......
Other Latin America:					
Bermuda	201	116	100	170	......
British West Indies	354	449	627	1,311	......
Other Asia:					
Afghanistan	11	18	19	41	54
Burma	42	65	49	31	......
Other Asia—Cont.:					
Cambodia	4	4	4	4	......
Jordan	6	22	30	39	20
Laos	3	3	5	2	2
Lebanon	68	126	180	117	......
Malaysia	40	63	92	77	105
Pakistan	108	91	118	74	89
Singapore	165	245	215	255	......
Sri Lanka (Ceylon)	13	14	13	13	9
Vietnam	98	126	70	62	33
Other Africa:					
Ethiopia (incl. Eritrea)	118	95	76	60	70
Ghana	22	18	13	23	......
Kenya	20	31	32	19	37
Liberia	29	39	33	53	61
Southern Rhodesia	1	2	3	1	1
Sudan	2	4	14	12	17
Tanzania	12	11	21	30	18
Tunisia	17	19	23	29	33
Uganda	11	13	38	22	......
Zambia	66	22	18	78	......
All other:					
New Zealand	33	47	36	42	29

1 Data in the 2 columns shown for this date differ because of changes in reporting coverage. Figures in the first column are comparable in coverage with those for the preceding date; figures in the second column are comparable with those shown for the following date.
2 Includes Bank for International Settlements.
3 Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).
4 Comprises Algeria, Gabon, Libya, and Nigeria.
5 Data exclude holdings of dollars of the International Monetary Fund.
6 Asian, African, and European regional organizations, except BIS, which is included in "Europe."
7 Represent a partial breakdown of the amounts shown in the other categories (except "Other Eastern Europe").

9. LONG-TERM LIABILITIES TO FOREIGNERS REPORTED BY BANKS IN THE UNITED STATES

(Amounts outstanding; in millions of dollars)

End of period	Total	To intl. and regional	To foreign countries: Total	Official institutions	Banks[1]	Other foreigners	Country or area: Germany	United Kingdom	Total Europe	Total Latin America	Middle East[2]	Other Asia[3]	All other countries
1972	1,018	580	439	93	259	87	165	63	260	136	....	33	10
1973	1,462	761	700	310	291	100	159	66	470	132	....	83	16
1974	1,285	822	464	124	261	79	146	43	227	115	94	8	20
1975—Sept.	1,608	395	1,213	873	261	79	118	61	221	121	841	7	23
Oct.	1,525	311	1,212	868	261	83	118	61	226	126	832	6	24
Nov.	1,561	297	1,263	894	286	83	115	66	231	147	857	12	24
Dec.	1,812	415	1,395	931	364	100	214	66	331	140	894	8	24
1976—Jan.	1,935	306	1,627	1,027	477	123	314	70	448	142	990	16	41
Feb.	1,919	286	1,631	1,050	473	107	312	69	444	141	1,009	12	26
Mar.	2,132	182	1,949	1,342	492	115	306	78	443	147	1,305	16	40
Apr.	2,137	197	1,938	1,372	435	131	309	87	457	108	1,335	14	25
May	2,134	135	1,997	1,429	431	137	306	87	453	104	1,399	16	26
June	2,255	189	2,065	1,490	434	141	308	88	459	107	1,458	16	26
July	2,308	235	2,072	1,479	450	143	307	89	463	117	1,448	17	28
Aug.^{p}	2,277	246	2,026	1,425	452	149	311	92	469	122	1,394	17	28
Sept.^{p}	2,218	214	1,998	1,386	453	159	312	91	470	125	1,340	41	28

1 Excludes central banks, which are included with "Official institutions."
2 Comprises oil-exporting countries as follows: Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).
3 Until Dec. 1974 includes Middle East oil-exporting countries.

10. ESTIMATED FOREIGN HOLDINGS OF MARKETABLE U.S. TREASURY BONDS AND NOTES

(End of period; in millions of dollars)

Area and country	1974 Dec.	1975 Sept.	1975 Oct.	1975 Nov.	1975 Dec.	1976 Jan.	1976 Feb.	1976 Mar.	1976 Apr.	1976 May	1976 June	1976 July	1976 Aug.^{p}	1976 Sept.^{p}
Europe:														
Belgium-Luxembourg	10	14	14	13	13	13	13	13	14	13	12	11	9	9
Germany	9	217	216	216	215	212	238	247	228	225	227	221	324	518
Sweden	251	275	275	275	276	276	276	276	276	281	291	291	275	240
Switzerland	30	44	54	58	55	68	72	75	89	99	101	132	171	268
United Kingdom	493	501	441	414	363	374	370	386	389	349	380	368	383	396
Other Western Europe	88	114	152	165	159	209	213	381	465	472	551	577	567	589
Eastern Europe	5	5	5	4	4	4	4	4	4	4	4	4	4	4
Total	885	1,170	1,157	1,145	1,085	1,156	1,186	1,382	1,465	1,443	1,566	1,604	1,733	2,024
Canada	713	404	400	402	395	395	418	419	425	340	340	341	337	386
Latin America:														
Latin American republics	12	13	13	33	33	33	33	33	33	34	34	39	39	30
Netherlands Antilles [1]	83	149	158	160	161	159	131	121	120	125	141	157	222	138
Other Latin America	5	5	6	6	6	7	7	7	7	7	7	7	10	10
Total	100	168	177	199	200	200	171	161	160	166	182	203	271	178
Asia:														
Japan	3,498	3,502	3,520	3,269	3,271	3,268	3,212	3,217	3,217	3,074	3,075	3,077	2,952	3,052
Other Asia	212	1,668	1,818	1,869	2,099	2,229	2,436	2,987	3,330	3,800	4,391	4,624	4,931	5,499
Total	3,709	5,170	5,339	5,138	5,370	5,497	5,648	6,204	6,547	6,874	7,466	7,700	7,883	8,551
Africa	151	261	311	311	321	340	350	396	411	431	471	501	521	531
All other	......	......	......	......	......	......	......	......	......	......	......	......	......	......
Total foreign countries	5,557	7,173	7,383	7,195	7,372	7,589	7,775	8,561	9,009	9,254	10,026	10,350	10,746	11,671
International and regional:														
International	97	52	324	60	322	593	1,034	957	153	149	583	1,059	1,382	1,762
Latin American regional	53	15	15	9	9	−1	−1	−1	−3	−6	−6	3	13	13
Total	150	67	339	69	331	592	1,033	956	150	143	576	1,062	1,395	1,775
Grand total	5,708	7,240	7,722	7,263	7,702	8,181	8,808	9,517	9,158	9,396	10,602	11,412	12,141	13,446

[1] Includes Surinam until Jan. 1976.

NOTE. Data represent estimated official and private holdings of marketable U.S. Treasury securities with an original maturity of more than 1 year, and are based on a benchmark survey of holdings as of Jan. 31, 1971, and monthly transactions reports (see Table 14).

11. SHORT-TERM CLAIMS ON FOREIGNERS REPORTED BY BANKS IN THE UNITED STATES, BY TYPE

(Amounts outstanding; in millions of dollars)

End of period	Total	Payable in dollars: Total	Loans to—: Total	Loans to—: Official institutions	Loans to—: Banks [1]	Loans to—: Others [2]	Collections outstanding	Acceptances made for acct. of foreigners	Other	Payable in foreign currencies: Total	Deposits with foreigners	Foreign govt. securities, coml. and finance paper	Other
1972	15,676	14,830	5,671	163	2,970	2,538	3,276	3,226	2,657	846	441	223	182
1973	20,723	20,061	7,660	284	4,538	2,838	4,307	4,160	3,935	662	428	119	115
1974	39,056	37,859	11,296	381	7,337	3,579	5,637	11,237	9,689	1,196	669	289	238
1975—Sept.	45,843	44,706	12,822	574	7,638	4,610	5,314	10,071	16,499	1,138	581	236	320
Oct.	48,169	46,848	12,811	649	7,642	4,519	5,465	10,134	18,438	1,321	749	231	341
Nov.	48,752	47,432	13,562	697	8,392	4,472	5,363	10,610	17,898	1,319	652	340	327
Dec.	50,248	48,938	13,287	614	7,733	4,939	5,467	11,135	19,049	1,309	633	301	376
1976—Jan.	51,583	50,338	13,495	697	8,147	4,652	5,311	11,047	20,485	1,246	696	263	286
Feb.	54,173	52,773	14,303	754	8,762	4,788	5,191	10,994	22,285	1,401	728	241	431
Mar.	53,580	52,259	13,640	765	8,059	4,817	5,367	11,148	22,105	1,321	794	145	382
Apr.	55,668	54,219	14,549	769	8,824	4,956	5,325	11,297	23,048	1,449	920	156	373
May	57,658	56,240	15,819	1,014	9,532	5,272	5,379	11,310	23,733	1,419	878	141	399
June	57,924	56,363	15,182	815	9,124	5,243	5,517	11,541	24,124	1,560	916	158	487
July	59,332	57,875	15,597	737	9,670	5,189	5,542	11,451	25,285	1,457	850	132	475
Aug.^{p}	57,998	56,455	15,248	1,017	9,041	5,191	5,495	11,144	24,568	1,542	903	143	496
Sept.^{p}	59,522	57,868	15,013	778	9,141	5,094	5,608	11,347	25,899	1,654	1,027	120	507

[1] Excludes central banks which are included with "Official institutions."

[2] Includes international and regional organizations.

12. SHORT-TERM CLAIMS ON FOREIGNERS REPORTED BY BANKS IN THE UNITED STATES, BY COUNTRY

(End of period. Amounts outstanding; in millions of dollars)

Area and country	1974	1975	1976								
	Dec.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.p	Sept.p
Europe:											
Austria	21	15	20	23	22	39	25	35	24	24	47
Belgium-Luxembourg	384	352	401	417	430	398	427	537	562	472	445
Denmark	46	49	55	55	55	59	57	62	68	50	57
Finland	122	128	132	120	128	105	109	125	133	176	129
France	673	1,471	1,397	1,513	1,256	1,233	1,109	1,145	1,100	929	1,167
Germany	589	441	486	426	474	452	448	384	432	414	501
Greece	64	49	55	52	53	63	62	53	70	68	117
Italy	345	370	369	402	360	406	492	554	644	617	705
Netherlands	348	300	316	267	269	290	267	318	251	266	254
Norway	119	71	66	63	66	71	76	71	74	78	68
Portugal	20	16	20	20	21	18	32	40	53	57	55
Spain	196	249	274	262	231	241	321	285	302	239	244
Sweden	180	167	124	111	121	105	116	106	97	143	106
Switzerland	335	237	250	278	340	400	355	401	374	442	420
Turkey	15	86	59	82	73	68	90	99	81	77	91
United Kingdom	2,580	4,718	4,588	4,778	4,550	5,295	4,987	5,077	5,435	5,167	4,570
Yugoslavia	22	38	37	49	64	50	47	45	45	40	28
Other Western Europe	22	27	26	29	29	27	41	57	42	50	56
U.S.S.R.	46	103	101	84	85	63	70	70	69	53	52
Other Eastern Europe	131	114	125	159	109	107	102	110	147	125	107
Total	6,255	9,000	8,899	9,190	8,737	9,491	9,232	9,572	10,003	9,487	9,216
Canada	2,776	2,817	3,020	2,983	2,917	3,253	3,364	3,166	3,027	3,031	3,209
Latin America:											
Argentina	720	1,203	1,246	1,338	1,290	1,374	1,342	1,145	1,149	1,149	961
Bahamas	3,405	7,577	8,048	10,048	10,324	10,267	11,104	11,460	12,381	11,532	13,600
Brazil	1,418	2,225	2,157	2,204	2,318	2,351	2,414	2,692	2,633	2,773	2,891
Chile	290	360	312	343	324	349	352	340	364	352	343
Colombia	713	692	654	586	545	539	518	533	537	501	459
Mexico	1,972	2,813	2,783	3,079	3,034	3,236	3,444	3,494	3,562	3,559	3,456
Panama	505	1,052	1,281	1,193	1,110	787	991	840	697	778	809
Peru	518	588	624	634	597	638	621	623	665	666	691
Uruguay	63	51	68	62	46	39	33	34	31	31	28
Venezuela	704	1,086	1,001	925	1,040	1,077	1,280	1,153	1,237	1,503	1,302
Other Latin American republics	866	980	1,055	1,061	986	1,052	1,153	999	1,072	991	1,114
Netherlands Antilles and Surinam	62	49	53	43	33	32	32	33	28	29	42
Other Latin America	1,142	1,885	3,085	3,264	2,729	3,718	3,996	3,667	4,121	3,751	3,743
Total	12,377	20,561	22,368	24,781	24,375	25,458	27,280	27,015	28,477	27,614	29,439
Asia:											
China, People's Rep. of (China Mainland)	4	22	10	17	22	18	9	10	12	4	4
China, Republic of (Taiwan)	500	737	725	729	775	793	860	863	908	939	981
Hong Kong	223	258	234	225	229	200	228	273	296	251	252
India	14	21	19	26	25	26	34	38	36	36	33
Indonesia	157	105	129	131	162	162	171	160	125	108	119
Israel	255	491	419	365	309	314	285	315	269	257	313
Japan	12,518	10,753	10,121	9,870	10,208	10,118	10,004	10,358	10,340	10,116	10,230
Korea	955	1,556	1,605	1,715	1,600	1,713	1,675	1,713	1,614	1,551	1,594
Philippines	372	384	434	507	510	520	559	524	389	459	474
Thailand	458	495	535	516	537	533	491	490	465	437	434
Middle East oil-exporting countries [1]	330	524	525	600	646	605	742	746	780	836	695
Other	441	684	734	705	731	632	785	719	665	838	569
Total	16,226	16,029	15,489	15,405	15,756	15,635	15,841	16,209	15,898	15,832	15,696
Africa:											
Egypt	111	104	106	101	103	110	106	117	117	115	114
South Africa	329	545	547	546	575	631	672	689	698	695	679
Oil-exporting countries [2]	115	231	213	230	226	210	211	181	185	268	176
Other	300	351	349	330	270	301	336	327	311	317	363
Total	855	1,231	1,215	1,207	1,174	1,252	1,325	1,314	1,310	1,395	1,332
Other countries:											
Australia	466	535	503	492	521	498	547	548	542	553	519
All other	99	73	87	113	98	79	67	100	74	85	110
Total	565	609	589	605	619	577	615	647	617	638	629
Total foreign countries	39,055	50,246	51,581	54,172	53,578	55,666	57,657	57,923	59,331	57,997	59,522
International and regional	....	1	3	2	3	2	1	1	1	1	....
Grand total	39,056	50,248	51,583	54,173	53,580	55,668	57,658	57,924	59,332	57,998	59,522

[1] Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).

[2] Comprises Algeria, Gabon, Libya, and Nigeria.

NOTE.—Short-term claims are principally the following items payable on demand or with a contractual maturity of not more than 1 year: loans made to, and acceptances made for, foreigners; drafts drawn against foreigners, where collection is being made by banks and bankers for their own account or for account of their customers in the United States; and foreign currency balances held abroad by banks and bankers and their customers in the United States. Excludes foreign currencies held by U.S. monetary authorities.

13. LONG-TERM CLAIMS ON FOREIGNERS REPORTED BY BANKS IN THE UNITED STATES

(Amounts outstanding; in millions of dollars)

End of period	Total	Type							Country or area						
		Payable in dollars						Payable in foreign currencies	Total Europe	Canada	Total Latin America	Japan	Middle East[3]	Other Asia[4]	All other countries[2]
		Loans to—					Other long-term claims								
		Total	Official institutions	Banks[1]	Other foreigners[2]										
1972	5,063	4,588	844	430	3,314		435	40	853	406	2,020	353	....	918	514
1973	5,996	5,446	1,160	591	3,694		478	72	1,272	490	2,116	251	....	1,331	536
1974	7,179	6,490	1,328	931	4,231		609	80	1,907	501	2,614	258	384	977	537
1975 Sept.	8,607	7,705	1,343	1,371	4,991		809	93	2,459	508	3,139	265	237	1,214	785
Oct.	8,948	7,994	1,281	1,536	5,177		840	114	2,567	595	3,175	292	222	1,233	865
Nov.	9,158	8,137	1,318	1,567	5,253		903	118	2,562	569	3,287	293	249	1,237	961
Dec.	9,550	8,499	1,375	1,712	5,412		934	116	2,695	555	3,497	296	220	1,276	1,011
1976 Jan.	9,432	8,369	1,293	1,653	5,423		945	118	2,697	552	3,382	289	205	1,277	1,030
Feb.	9,531	8,372	1,268	1,652	5,452		1,012	148	2,622	576	3,471	289	210	1,270	1,093
Mar.	9,800	8,641	1,316	1,740	5,584		1,011	149	2,702	570	3,605	292	296	1,195	1,140
Apr.	9,980	8,783	1,337	1,842	5,603		1,081	116	2,736	558	3,785	307	196	1,279	1,118
May	10,252	9,004	1,381	1,933	5,689		1,133	115	2,831	607	3,973	307	196	1,263	1,075
June	10,216	8,957	1,370	1,961	5,626		1,138	121	2,742	590	4,081	324	182	1,261	1,037
July	10,386	9,098	1,346	2,085	5,667		1,155	133	2,871	575	4,103	337	183	1,290	1,027
Aug.[p]	10,956	9,603	1,349	2,223	6,010		1,224	129	3,093	592	4,379	355	187	1,293	1,057
Sept.[p]	11,232	9,846	1,359	2,298	6,188		1,249	137	3,149	623	4,516	370	171	1,325	1,079

[1] Excludes central banks, which are included with "Official institutions."
[2] Includes international and regional organizations.
[3] Comprises Middle East oil-exporting countries as follows: Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).
[4] Until Dec. 1974 includes Middle East oil-exporting countries.

14. PURCHASES AND SALES BY FOREIGNERS OF LONG-TERM SECURITIES, BY TYPE

(In millions of dollars)

Period	Marketable U.S. Treas. bonds and notes[1]					U.S. corporate securities[2,3]			Foreign bonds[3]			Foreign stocks[3]		
	Net purchases or sales (−)					Purchases	Sales	Net purchases or sales (−)	Purchases	Sales	Net purchases or sales (−)	Pur- Sales	Sales	Net purchases or sales (−)
	Total	Intl. and regional	Foreign											
			Total[4]	Official	Other									
1973	305	165	470	465	6	18,574	13,810	4,764	1,474	2,467	−993	1,729	1,554	176
1974	−472	101	−573	−642	69	16,207	14,679	1,529	1,036	3,254	2,218	1,907	1,723	184
1975	1,994	180	1,814	1,596	233	20,741	15,321	5,421	2,383	8,683	−6,301	1,541	1,730	−189
1976—Jan.-Sept.[p]	4,882	1,444	3,438	3,285	153	18,387	14,820	3,567	3,350	9,814	−6,464	1,421	1,744	−323
1975—Sept.	192	−14	206	175	31	1,288	1,131	157	194	285	−91	91	81	10
Oct.	482	272	210	173	38	2,133	1,382	751	195	678	−483	138	162	−24
Nov.	−459	−270	−189	−159	−29	1,674	1,249	426	248	991	−743	108	79	28
Dec.	439	262	177	156	21	1,894	964	930	281	1,471	−1,190	148	97	51
1976—Jan.	478	261	217	210	7	2,834	2,078	756	462	800	−339	145	142	3
Feb.	627	441	186	176	10	2,503	2,086	417	402	1,547	−1,145	162	222	−60
Mar.	709	77	786	731	55	2,524	1,972	552	360	1,293	−933	193	246	−53
Apr.	358	−805	447	430	18	2,260	1,689	571	341	763	−422	182	143	40
May	238	−7	245	263	−18	1,636	1,501	135	373	822	−450	198	240	−42
June	1,205	434	772	717	55	1,820	1,331	489	281	813	−531	162	206	−44
July	810	486	324	294	31	1,902	1,517	385	440	2,173	−1,734	128	257	−129
Aug.[p]	729	333	396	320	76	1,461	1,194	268	333	811	−478	123	134	−11
Sept.[p]	1,305	380	925	964	−40	1,485	1,465	20	359	790	−432	126	153	−27

[1] Excludes nonmarketable U.S. Treasury bonds and notes issued to official institutions of foreign countries.
[2] Includes State and local govt. securities, and securities of U.S. Govt. agencies and corporations. Also includes issues of new debt securities sold abroad by U.S. corporations organized to finance direct investments abroad.
[3] Includes transactions of international and regional organizations.
[4] Includes transactions (in millions of dollars) of oil-exporting countries in Middle East and Africa as shown in the tabulation in the opposite column:

	Middle East	Africa
1975	1,797	170
1976—Jan.-Sept.[p]	3,019	210
1975—Sept.	150	50
Oct.	150	50
Nov.	51	......
Dec.	179	10
1976—Jan.	116	20
Feb.	191	10
Mar.	532	45
Apr.	320	15
May	460	20
June	611	40
July	246	30
Aug.[p]	228	20
Sept.[p]	315	10

15. NET PURCHASES OR SALES BY FOREIGNERS OF U.S. CORPORATE STOCKS, BY COUNTRY

(In millions of dollars)

Period	Purchases	Sales	Net purchases or sales (−)	France	Germany	Netherlands	Switzerland	United Kingdom	Total Europe	Canada	Total Latin America	Middle East[1]	Other Asia[2]	Other[3]
1973	12,767	9,978	2,790	439	2	339	686	366	2,104	99	4	....	577	5
1974	7,636	7,096	540	203	39	330	36	−377	281	−6	−33	....	288	17
1975	15,347	10,678	4,669	262	251	359	889	594	2,491	361	−7	1,640	142	33
1976—Jan.	14,416	11,818	2,598	255	76	−98	36	332	582	236	146	1,498	103	32
1975—Sept.	898	646	252	10	6	22	64	7	122	20	−15	83	34	7
Oct.	1,475	1,047	428	16	6	17	36	48	143	60	7	190	22	6
Nov.	1,155	817	338	22	42	−5	42	44	134	36	−1	157	8	2
Dec.	1,380	691	689	28	38	64	122	32	295	103	−9	289	13	−3
1976—Jan.	2,087	1,546	541	1	136	−48	−2	88	208	40	76	222	−6	1
Feb.	2,095	1,724	371	15	12	−14	63	41	133	48	11	175	5	2
Mar.	2,137	1,555	582	79	26	−6	147	69	327	16	28	153	42	13
Apr.	1,690	1,279	411	10	10	31	−21	49	84	23	25	254	22	4
May	1,209	1,096	113	3	−44	4	21	20	−11	30	7	67	16	4
June	1,429	1,176	252	24	−27	2	−47	20	−47	5	11	266	20	3
July	1,595	1,363	232	72	20	22	−58	5	32	44	3	209	10	−1
Aug.p	1,050	962	88	28	−11	21	−11	12	−19	35	−24	92	−2	8
Sept.p	1,124	1,116	9	23	−6	26	−55	29	60	5	10	60	−4	−2

1 Comprises Middle East oil-exporting countries as follows: Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).

2 Until 1975 includes Middle East oil-exporting countries.

3 Includes international and regional organizations.

16. NET PURCHASES OR SALES BY FOREIGNERS OF U.S. CORPORATE BONDS, BY COUNTRY

(In millions of dollars)

Period	Total	France	Germany	Netherlands	Switzerland	United Kingdom	Total Europe	Canada	Total Latin America	Middle East[1]	Other Asia[2]	Total Africa	Other countries	Intl. and regional
1973	1,948	201	−33	19	307	275	1,204	49	44	....	5 88	*	10	52
1974	988	96	33	183	96	395	741	45	43	....	632	*	10	−483
1975	752	82	−11	15	117	87	106	128	31	1,553	−42	5	1	−1,030
1976—Jan.–Sept.p	994	34	−60	−7	157	21	50	74	31	970	−114	7	−20	10
1975—Sept.	94	−14	6	26	7	*	−19	−5	5	94	6	*	*	−162
Oct.	323	1	50	2	12	78	40	38	11	247	4	3	*	−11
Nov.	88	39	8	17	9	−41	−25	−1	6	93	4	1	*	11
Dec.	242	2	3	3	8	56	74	6	6	150	11	1	*	16
1976—Jan.	215	5	−1	1	36	30	7	29	3	221	−20	−2	10	−14
Feb.	47	2	−1	2	20	2	23	4	6	30	−34	1	*	18
Mar.	31	3	−56	3	5	−11	−70	9	1	35	20	4	−10	20
Apr.	160	3	9	5	4	26	−25	7	3	179	−13	7	*	4
May	22	3	2	*	23	19	2	−3	3	37	6	*	*	13
June	236	6	−1	−2	18	8	29	1	*	224	19	*	*	*
July	153	10	−3	4	35	3	49	2	7	104	−2	1	*	8
Aug.p	179	4	−3	3	16	23	29	9	9	121	5	*	*	6
Sept.p	11	−1	*	*	*	17	8	18	5	18	−15	−19	*	−4

1 See note 1 to Table 15.

2 See note 2 to Table 15.

NOTE.—Statistics include State and local govt. securities, and securities of U.S. Govt. agencies and corporations. Also includes issues of new debt securities sold abroad by U.S. corporations organized to finance direct investments abroad.

17. NET PURCHASES OR SALES BY FOREIGNERS OF LONG-TERM FOREIGN SECURITIES, BY AREA

(In millions of dollars)

Period	Total	Intl. and regional	Total foreign countries	Europe	Canada	Latin America	Asia	Africa	Other countries
1973	−818	139	−957	−141	−569	−120	168	3	37
1974	−2,034	−60	−1,974	546	−1,508	−93	142	7	22
1975	−6,490	−2,192	−4,299	−53	−3,178	−306	622	15	−155
1976—Jan.–Sept.p	−6,786	−1,154	−5,632	−649	−4,143	−14	−640	45	−230
1975—Sept.	−81	18	−99	−20	−129	25	24	−1	1
Oct.	−508	5	−513	48	−460	−48	−55	3	6
Nov.	−715	−62	−653	−27	−584	6	2	−2	−48
Dec.	−1,139	−839	−300	79	−310	9	−79	−1	1
1976—Jan.	−335	94	−429	−109	−304	9	−7	−3	2
Feb.	−1,205	−139	−1,067	33	−973	5	−113	−4	−14
Mar.	−986	9	−995	−168	−738	−72	−14	−5	2
Apr.	−382	−94	−288	*	−286	6	−15	4	2
May	−491	−158	−333	−19	−233	−39	−77	32	3
June	−576	6	−582	52	−328	10	12	11	−234
July	−1,862	−819	−1,044	−130	−853	19	93	9	3
Aug.p	−489	−66	−423	−60	−98	47	−317	1	3
Sept.p	−459	12	−471	−145	−331	20	−16	*	2

18. FOREIGN CREDIT AND DEBIT BALANCES IN BROKERAGE ACCOUNTS

(Amounts outstanding; in millions of dollars)

End of period	Credit balances (due to foreigners)	Debit balances (due from foreigners)
1973—Sept.	290	255
Dec.	333	231
1974—Mar.	383	225
June	354	241
Sept.	298	178
Dec.	293	194
1975—Mar.	349	209
June	380	233
Sept.	343	258
Dec.	365	319
1976—Mar.	411	333

NOTE.—Data represent the money credit balances and money debit balances appearing on the books of reporting brokers and dealers in the United States, in accounts of foreigners with them, and in their accounts carried by foreigners.

19a. ASSETS OF FOREIGN BRANCHES OF U.S. BANKS

(In millions of dollars)

Location and currency form	Month-end	Total	Claims on U.S.			Claims on foreigners					Other
			Total	Parent bank	Other	Total	Other branches of parent bank	Other banks	Official institutions	Nonbank foreigners	
IN ALL FOREIGN COUNTRIES Total, all currencies	1973—Dec.	121,866	5,091	1,886	3,205	111,974	19,177	56,368	2,693	33,736	4,802
	1974—Dec.	151,905	6,900	4,464	2,435	138,712	27,559	60,283	4,077	46,793	6,294
	1975—Aug.	167,672	9,151	6,098	3,054	151,897	32,062	62,974	4,901	51,960	6,623
	Sept.	167,886	6,575	3,268	3,307	154,905	32,140	65,876	4,863	52,026	6,407
	Oct.	171,465	7,924	4,896	3,027	156,989	33,496	65,348	5,237	52,908	6,553
	Nov.	173,736	8,705	5,777	2,928	158,179	34,385	65,296	5,516	52,982	6,852
	Dec.	176,493	6,743	3,665	3,078	163,391	34,508	69,206	5,879	53,798	6,359
	1976—Jan.	179,761	8,033	5,045	2,988	165,548	37,064	67,787	6,121	54,576	6,180
	Feb.	181,651	8,959	5,926	3,033	166,250	35,200	69,244	6,332	55,473	6,443
	Mar.	186,870	6,742	3,525	3,217	173,577	38,867	72,404	6,661	55,645	6,551
	Apr.	189,437	9,054	6,049	3,005	173,827	39,563	70,652	7,213	56,399	6,557
	May	194,592	10,019	6,924	3,095	177,806	39,982	73,619	7,820	56,385	6,767
	June[r]	194,481	6,701	3,272	3,429	181,151	40,971	74,404	7,909	57,867	6,629
	July	196,757	8,640	5,569	3,071	181,284	41,675	71,756	8,444	59,409	6,832
	Aug.[p]	196,117	7,241	4,008	3,234	182,161	40,890	71,537	8,835	60,898	6,715
Payable in U.S. dollars	1973—Dec.	79,445	4,599	1,848	2,751	73,018	12,799	39,527	1,777	18,915	1,828
	1974—Dec.	105,969	6,603	4,428	2,175	96,209	19,688	45,067	3,289	28,164	3,157
	1975—Aug.	122,781	8,827	6,044	2,783	110,654	25,758	48,250	4,148	32,498	3,299
	Sept.	124,373	6,238	3,211	3,027	115,178	26,043	51,998	4,042	33,095	2,957
	Oct.	127,355	7,506	4,822	2,684	116,673	27,357	50,820	4,363	34,133	3,176
	Nov.	130,233	8,350	5,725	2,625	118,603	28,317	51,624	4,646	34,016	3,280
	Dec.	132,901	6,408	3,628	2,780	123,496	28,478	55,319	4,951	34,748	2,997
	1976—Jan.	134,713	7,697	5,005	2,692	123,925	30,113	53,370	5,229	35,214	3,091
	Feb.	136,307	8,644	5,881	2,763	124,433	28,730	54,497	5,364	35,842	3,230
	Mar.	138,201	6,464	3,478	2,986	128,629	30,496	56,039	5,719	36,374	3,108
	Apr.	140,971	8,759	5,980	2,778	129,141	31,510	54,496	6,158	36,978	3,072
	May	146,438	9,704	6,848	2,855	133,491	32,121	57,540	6,656	37,175	3,243
	June[r]	145,994	6,384	3,203	3,181	136,541	32,856	58,857	6,706	38,122	3,070
	July	149,054	8,371	5,524	2,847	137,291	33,786	56,590	7,148	39,766	3,392
	Aug.[p]	147,200	6,927	3,969	2,959	137,067	32,933	56,159	7,643	40,333	3,206
IN UNITED KINGDOM Total, all currencies	1973—Dec.	61,732	1,789	738	1,051	57,761	8,773	34,442	735	13,811	2,183
	1974—Dec.	69,804	3,248	2,472	776	64,111	12,724	32,701	788	17,898	2,445
	1975—Aug.	72,455	3,795	2,698	1,097	66,428	15,213	33,486	948	16,780	2,232
	Sept.	72,120	2,042	1,076	967	67,923	15,249	35,569	825	16,280	2,155
	Oct.	72,742	2,681	1,699	982	67,631	16,555	33,882	830	16,364	2,430
	Nov.	73,924	3,112	2,137	975	68,494	17,549	34,077	852	16,017	2,319
	Dec.	74,883	2,392	1,449	943	70,331	17,557	35,904	881	15,990	2,159
	1976—Jan.	73,437	2,253	1,469	784	69,062	18,026	34,152	1,034	15,850	2,123
	Feb.	72,963	2,947	2,270	677	67,843	16,050	34,887	964	15,941	2,174
	Mar.	74,668	2,112	1,237	875	70,300	17,363	36,723	927	15,287	2,256
	Apr.	74,055	2,275	1,447	827	69,555	18,394	34,879	934	15,348	2,226
	May	75,926	2,443	1,534	909	71,189	18,619	36,270	851	15,449	2,294
	June[r]	74,460	1,702	802	900	70,526	18,139	35,804	888	15,695	2,233
	July	73,494	1,862	1,002	860	69,359	18,838	33,593	909	16,018	2,273
	Aug.[p]	73,229	1,758	938	821	69,298	18,044	34,135	1,007	16,112	2,173
Payable in U.S. dollars	1973—Dec.	40,323	1,642	730	912	37,816	6,509	23,389	510	7,409	865
	1974—Dec.	49,211	3,146	2,468	678	44,693	10,265	23,716	610	10,102	1,372
	1975—Aug.	53,456	3,661	2,681	980	48,763	13,315	24,719	740	9,989	1,032
	Sept.	54,256	1,910	1,054	856	51,369	13,488	27,514	596	9,772	977
	Oct.	54,192	2,552	1,687	865	50,494	14,654	25,450	592	9,799	1,146
	Nov.	56,221	2,988	2,123	865	52,145	15,555	26,233	638	9,720	1,087
	Dec.	57,361	2,273	1,445	828	54,120	15,645	28,224	648	9,604	967
	1976—Jan.	55,046	2,141	1,459	683	52,024	15,574	26,008	837	9,606	880
	Feb.	55,041	2,856	2,261	595	51,266	14,278	26,741	715	9,532	918
	Mar.	55,115	2,010	1,234	775	52,147	14,450	27,526	691	9,482	958
	Apr.	54,516	2,155	1,434	721	51,469	15,424	25,820	633	9,593	891
	May	56,667	2,322	1,519	803	53,466	15,860	27,218	635	9,754	879
	June[r]	55,360	1,614	795	819	52,899	15,454	27,068	631	9,747	846
	July	54,871	1,780	997	783	52,249	16,202	25,371	659	10,018	841
	Aug.[p]	54,522	1,658	934	724	52,006	15,401	25,826	799	9,980	858
IN BAHAMAS AND CAYMANS[1] Total, all currencies	1973—Dec.	23,771	2,210	317	1,893	21,041	1,928	9,895	1,151	8,068	520
	1974—Dec.	31,733	2,464	1,081	1,383	28,453	3,478	11,354	2,022	11,599	815
	1975—Aug.	41,624	4,117	2,580	1,536	36,555	5,222	14,117	2,891	14,324	953
	Sept.	41,601	3,189	1,289	1,900	37,479	5,220	14,604	3,020	14,635	933
	Oct.	44,166	3,989	2,295	1,694	39,225	5,604	15,414	3,308	14,899	952
	Nov.	44,471	4,544	2,929	1,615	38,973	5,321	15,134	3,434	15,084	954
	Dec.	45,203	3,229	1,477	1,752	41,040	5,411	16,298	3,576	15,756	933
	1976—Jan.	48,694	4,488	2,614	1,874	43,104	6,296	17,195	3,677	15,935	1,102
	Feb.	50,276	4,765	2,750	2,014	44,396	6,257	17,556	3,908	16,675	1,115
	Mar.	51,075	3,482	1,485	1,996	46,636	6,745	18,205	4,251	17,434	957
	Apr.	54,398	5,695	3,835	1,860	47,536	6,437	18,503	4,680	17,917	1,166
	May	57,247	6,294	4,424	1,870	49,631	6,435	20,181	5,101	17,915	1,322
	June	57,118	3,804	1,636	2,169	52,275	7,254	21,204	5,160	18,657	1,039
	July	59,913	5,772	3,864	1,908	52,960	7,149	20,668	5,699	19,444	1,180
	Aug.[p]	[2]57,677	3,822	1,721	2,101	52,665	6,791	19,954	5,929	19,991	1,190

For notes see p. A-74.

19b. LIABILITIES OF FOREIGN BRANCHES OF U.S. BANKS

(In millions of dollars)

Total	To U.S.			To foreigners					Other	Month-end	Location and currency form
	Total	Parent bank	Other	Total	Other branches of parent bank	Other banks	Official institutions	Nonbank foreigners			
											IN ALL FOREIGN COUNTRIES
121,866	5,610	1,642	3,968	111,615	18,213	65,389	10,330	17,683	4,641	1973—Dec.	Total, all currencies
151,905	11,982	5,809	6,173	132,990	26,941	65,675	20,185	20,189	6,933	1974—Dec.	
167,672	17,335	10,173	7,162	143,926	31,926	70,198	21,114	20,688	6,411	1975—Aug.	
167,886	18,502	11,026	7,476	143,182	31,567	70,853	19,780	20,981	6,202	Sept.	
171,465	19,154	11,282	7,872	146,066	33,216	70,560	20,642	21,648	6,246	Oct.	
173,736	19,858	11,201	8,657	147,011	33,892	70,567	21,200	21,352	6,867	Nov.	
176,493	20,221	12,165	8,057	149,815	34,111	72,259	22,773	20,672	6,456	Dec.	
179,761	22,571	12,691	9,880	151,212	35,908	72,481	21,710	21,114	5,978	1976—Jan.	
181,651	24,500	14,091	10,409	151,104	35,257	70,957	23,189	21,700	6,047	Feb.	
186,870	24,645	15,295	9,350	156,329	37,846	72,769	22,493	23,221	5,896	Mar.	
189,437	26,755	14,543	12,212	156,870	38,811	72,720	21,857	23,482	5,812	Apr.	
194,592	28,272	15,918	12,354	160,261	38,994	75,919	22,467	22,881	6,059	May	
194,481	27,968	16,502	11,467	160,364	39,969	75,527	21,605	23,262	6,148	June r	
196,757	28,610	15,941	12,669	161,536	41,061	74,181	22,233	24,060	6,611	July	
196,117	27,116	16,486	10,631	162,635	40,064	74,368	23,373	24,829	6,366	Aug. p	
80,374	5,027	1,477	3,550	73,189	12,554	43,641	7,491	9,502	2,158	1973—Dec.	Payable in U.S. dollars
107,890	11,437	5,641	5,795	92,503	19,330	43,656	17,444	12,072	3,951	1974—Dec.	
125,328	16,689	9,992	6,698	105,200	25,646	49,410	18,080	12,064	3,439	1975—Aug.	
126,850	17,871	10,823	7,048	105,765	25,607	50,726	16,777	12,654	3,213	Sept.	
129,569	18,477	11,078	7,399	107,682	27,118	49,911	17,476	13,177	3,409	Oct.	
133,291	19,159	11,008	8,151	110,213	28,030	50,450	18,407	13,326	3,919	Nov.	
135,907	19,503	11,939	7,564	112,879	28,217	51,583	19,982	13,097	3,526	Dec.	
138,828	21,931	12,519	9,412	113,546	29,682	51,994	18,906	12,965	3,351	1976—Jan.	
140,125	23,759	13,846	9,913	112,981	28,659	50,549	20,317	13,457	3,385	Feb.	
142,348	23,855	15,023	8,831	115,497	30,011	51,654	19,518	14,315	2,995	Mar.	
145,817	26,011	14,286	11,725	116,743	31,428	51,679	19,080	14,557	3,063	Apr.	
151,124	27,572	15,657	11,914	120,445	31,661	54,559	19,791	14,434	3,107	May	
150,502	27,167	16,229	10,938	120,145	32,758	54,085	19,036	14,266	3,190	June r	
153,157	27,844	15,687	12,157	121,937	33,850	53,560	19,580	14,947	3,377	July	
151,749	26,348	16,246	10,102	122,148	32,687	53,317	20,565	15,579	3,252	Aug. p	
											IN UNITED KINGDOM
61,732	2,431	136	2,295	57,311	3,944	34,979	8,140	10,248	1,990	1973—Dec.	Total, all currencies
69,804	3,978	510	3,468	63,409	4,762	32,040	15,258	11,349	2,418	1974—Dec.	
72,455	5,251	1,904	3,348	64,994	6,260	32,079	15,617	11,038	2,210	1975—Aug.	
72,120	5,112	1,833	3,279	64,962	6,396	33,130	14,486	10,950	2,046	Sept.	
72,742	4,905	1,766	3,139	65,681	6,746	32,315	14,909	11,711	2,157	Oct.	
73,924	5,497	2,028	3,468	66,210	6,470	33,284	15,180	11,275	2,218	Nov.	
74,883	5,646	2,122	3,523	67,240	6,494	32,964	16,553	11,229	1,997	Dec.	
73,437	5,645	1,749	3,896	65,899	6,444	33,522	15,053	10,879	1,893	1976—Jan.	
72,963	5,491	1,914	3,577	65,544	6,648	31,444	16,463	10,989	1,928	Feb.	
74,668	5,382	1,549	3,833	67,217	7,099	32,485	15,905	11,729	2,069	Mar.	
74,055	6,105	1,764	4,340	65,977	6,898	31,805	15,521	11,752	1,974	Apr.	
75,926	6,483	1,796	4,687	67,212	7,030	33,189	15,782	11,212	2,231	May	
74,460	5,874	1,562	4,312	66,536	7,288	33,313	14,825	11,110	2,050	June r	
73,494	5,628	1,727	3,901	65,594	6,927	31,487	15,462	11,718	2,272	July	
73,229	5,266	1,520	3,746	65,883	6,668	30,834	16,147	12,234	2,080	Aug. p	
39,689	2,173	113	2,060	36,646	2,519	22,051	5,923	6,152	870	1973—Dec.	Payable in U.S. dollars
49,666	3,744	484	3,261	44,594	3,256	20,526	13,225	7,587	1,328	1974—Dec.	
54,017	4,975	1,873	3,103	47,896	5,288	22,071	13,249	7,287	1,146	1975—Aug.	
54,683	4,889	1,808	3,081	48,814	5,456	23,645	12,182	7,531	980	Sept.	
54,478	4,696	1,735	2,961	48,641	5,708	22,433	12,500	7,999	1,142	Oct.	
56,696	5,288	2,009	3,279	50,159	5,478	23,615	12,999	8,066	1,249	Nov.	
57,820	5,415	2,083	3,332	51,447	5,442	23,330	14,498	8,176	959	Dec.	
55,987	5,446	1,732	3,714	49,609	5,422	23,357	13,070	7,761	932	1976—Jan.	
55,848	5,311	1,901	3,410	49,606	5,471	21,911	14,326	7,899	931	Feb.	
56,266	5,179	1,509	3,670	50,126	5,969	21,973	13,710	8,474	961	Mar.	
55,750	5,880	1,723	4,156	48,992	5,771	21,230	13,450	8,541	877	Apr.	
57,923	6,271	1,759	4,513	50,727	5,863	22,544	13,914	8,406	925	May	
56,574	5,682	1,546	4,136	50,044	6,218	22,690	13,074	8,062	848	June r	
55,978	5,443	1,703	3,740	49,691	5,878	21,765	13,604	8,444	844	July	
55,701	5,093	1,498	3,595	49,746	5,604	20,910	14,296	8,936	862	Aug. p	
											IN BAHAMAS AND CAYMANS[1]
23,771	1,573	307	1,266	21,747	5,508	14,071	492	1,676	451	1973—Dec.	Total, all currencies
31,733	4,815	2,636	2,180	26,140	7,702	14,050	2,377	2,011	778	1974—Dec.	
41,624	8,800	5,715	3,085	31,913	9,128	17,317	2,860	2,607	911	1975—Aug.	
41,601	9,928	6,490	3,439	30,861	8,918	16,834	2,570	2,540	812	Sept.	
44,166	10,833	7,056	3,778	32,372	9,725	17,296	2,775	2,577	961	Oct.	
44,471	11,082	6,710	4,372	32,239	10,553	15,972	3,230	2,483	1,150	Nov.	
45,203	11,147	7,628	3,520	32,949	10,569	16,825	3,308	2,248	1,106	Dec.	
48,694	13,111	8,088	5,023	34,475	11,169	17,724	3,416	2,166	1,109	1976—Jan.	
50,276	15,042	9,197	5,845	34,133	10,231	18,130	3,407	2,366	1,100	Feb.	
51,075	15,494	10,915	4,579	34,905	10,850	18,360	2,998	2,697	676	Mar.	
54,398	16,872	9,904	6,968	36,553	11,903	18,907	2,970	2,774	972	Apr.	
57,247	18,286	11,529	6,757	38,112	11,918	20,303	2,950	2,941	849	May	
57,118	18,286	12,203	6,083	37,817	12,117	19,724	2,917	3,059	1,016	June	
59,913	19,370	11,611	7,759	39,411	13,317	20,350	2,811	2,933	1,131	July	
[2]57,677	18,237	12,303	5,935	38,380	12,416	20,125	2,857	2,982	1,059	Aug. p	

For notes see p. A-74.

20. DEPOSITS, U.S. TREAS. SECURITIES, AND GOLD HELD AT F.R. BANKS FOR FOREIGN OFFICIAL ACCOUNT

(In millions of dollars)

End of period	Deposits	Assets in custody: U.S. Treas. securities[1]	Assets in custody: Earmarked gold
1972	325	50,934	[2]15,530
1973	251	52,070	[2]17,068
1974	418	55,600	16,838
1975—Oct.	297	60,307	16,751
Nov.	346	60,512	16,745
Dec.	352	60,019	16,745
1976—Jan.	294	61,796	16,669
Feb.	412	62,640	16,666
Mar.	305	61,271	16,660
Apr.	305	62,527	16,657
May	303	63,225	16,647
June	349	63,212	16,633
July	295	62,955	16,607
Aug.	254	63,457	16,565
Sept.	392	64,215	16,590
Oct.	362	64,942	16,505

[1] *Marketable U.S. Treasury bills, certificates of in*debtedness, notes, and bonds and nonmarketable U.S. Treasury securities payable in dollars and in foreign currencies.

[2] The value of earmarked gold increased because of the changes in par value of the U.S. dollar in May 1972, and in Oct. 1973.

NOTE.—Excludes deposits and U.S. Treasury securities held for international and regional organizations. Earmarked gold is gold held for foreign and international accounts and is not included in the gold stock of the United States.

21. SHORT-TERM LIQUID CLAIMS ON FOREIGNERS REPORTED BY NONBANKING CONCERNS

(Amounts outstanding; in millions of dollars)

End of period	Total	Payable in dollars: Deposits	Payable in dollars: Short-term investments[1]	Payable in foreign currencies: Deposits	Payable in foreign currencies: Short-term investments[1]	United Kingdom	Canada
1972	2,374	1,910	55	340	68	911	536
1973	3,164	2,588	37	435	105	1,118	765
1974	3,357	2,591	68	429	268	1,350	967
1975—July r	3,336	2,209	246	479	402	926	1,122
Aug. r	3,563	2,292	239	512	520	1,052	1,322
Sept. r	3,696	2,456	266	478	496	1,139	1,261
Oct. r	3,527	2,498	351	429	249	1,199	1,167
Nov. r	3,922	2,709	468	461	284	1,308	1,382
Dec. r	3,791	2,703	332	510	246	1,304	1,153
1976—Jan. r	4,224	3,086	375	474	289	1,506	1,325
Feb. r	4,426	3,267	377	447	335	1,507	1,348
Mar. r	4,437	3,356	393	435	253	1,690	1,325
Apr. r	4,968	3,855	412	432	267	2,061	1,381
May r	5,201	4,088	426	451	237	1,912	1,521
June r	4,939	3,963	345	433	199	1,908	1,274
July p	5,190	4,172	380	431	207	2,060	1,415
Aug. p	*5,111*	*4,088*	*419*	*377*	*227*	*2,064*	*1,393*

[1] Negotiable and other readily transferable foreign obligations payable on demand or having a contractual maturity of not more than 1 year from the date on which the obligation was incurred by the foreigner.

NOTE.—Data represent the liquid assets abroad of large nonbanking concerns in the United States. They are a portion of the total claims on foreigners reported by nonbanking concerns in the United States and are included in the figures shown in Table 22.

22. SHORT-TERM LIABILITIES TO AND CLAIMS ON FOREIGNERS REPORTED BY NONBANKING CONCERNS, BY TYPE

(Amount outstanding; in millions of dollars)

End of period	Liabilities: Total	Liabilities: Payable in dollars	Liabilities: Payable in foreign currencies	Claims: Total	Claims: Payable in dollars	Claims: Payable in foreign currencies: Deposits with banks abroad in reporter's name	Claims: Payable in foreign currencies: Other
1972—Dec.	3,119	2,635	484	5,721	5,074	410	237
	3,417	2,948	469	6,302	5,643	393	267
1973—Mar. r	3,320	2,848	472	7,024	6,154	456	414
June r	3,295	2,772	523	7,298	6,456	493	349
Sept. r	3,579	2,931	648	7,635	6,708	528	399
Dec. r	4,006	3,290	716	8,498	7,584	493	421
1974—Mar. r	4,414	3,590	823	10,497	9,564	407	526
June r	5,139	4,184	955	11,079	10,154	429	496
Sept. r	5,605	4,656	949	10,764	9,796	430	537
Dec. r	5,933	5,017	916	11,296	10,239	473	584
1975—Mar. r	5,953	5,082	871	10,949	9,818	453	678
June r	5,961	5,116	845	10,899	9,618	479	801
Sept. r	6,040	5,178	862	11,730	10,383	529	819
Dec. r	6,006	5,388	618	12,271	11,091	565	616
1976—Mar. p	6,330	5,655	675	12,850	11,773	483	595
June p	6,296	5,624	672	13,958	12,947	481	531

[1] Data on the 2 lines shown for this date differ because of changes in reporting coverage. Figures on the first line are comparable with those shown for the preceding date; figures on the second line are comparable with those shown for the following date.

23. SHORT-TERM LIABILITIES TO AND CLAIMS ON FOREIGNERS REPORTED BY NONBANKING CONCERNS

(End of period. Amounts outstanding; in millions of dollars)

Area and country	Liabilities to foreigners					Claims on foreigners				
	1975			1976		1975			1976	
	June	Sept.	Dec.	Mar.[p]	June[p]	June	Sept.	Dec.	Mar.[p]	June[p]
Europe:										
Austria	22	18	14	6	13	13	15	16	17	17
Belgium-Luxembourg	345	341	299	296	233	132	131	133	116	173
Denmark	14	8	9	12	12	22	24	39	35	30
Finland	12	14	14	10	7	87	114	91	36	138
France	137	150	148	204	157	287	311	300	372	378
Germany	293	276	151	153	229	346	319	357	307	361
Greece	27	21	19	25	29	69	56	33	41	47
Italy	110	156	173	126	117	300	380	382	408	337
Netherlands	143	154	115	164	171	135	139	172	181	151
Norway	8	13	20	23	22	41	48	41	58	52
Portugal	13	13	4	3	3	32	39	44	45	22
Spain	60	75	82	70	52	324	315	408	517	430
Sweden	35	53	29	25	24	74	100	62	80	84
Switzerland	168	167	130	159	213	113	220	242	207	270
Turkey	14	22	25	14	20	28	31	27	26	31
United Kingdom	1,068	963	992	926	836	1,555	1,781	1,908	2,294	2,603
Yugoslavia	45	60	76	91	115	32	24	36	30	28
Other Western Europe	4	5	8	6	7	16	19	14	18	14
Eastern Europe	49	38	31	33	26	154	170	219	186	171
Total	2,570	2,548	2,338	2,346	2,286	3,761	4,238	4,522	4,975	5,339
Canada	283	299	295	316	370	1,954	2,102	2,127	2,264	2,222
Latin America:										
Argentina	35	33	36	41	42	63	54	58	48	43
Bahamas	361	297	277	376	330	631	686	667	883	1,150
Brazil	127	116	96	91	90	350	389	409	475	462
Chile	15	13	14	11	15	55	40	36	27	46
Colombia	12	14	17	16	19	51	48	49	47	57
Cuba	*	*	*	*	*	1	1	1	1	1
Mexico	71	81	82	92	71	328	323	359	331	334
Panama	27	19	24	17	13	128	103	92	86	103
Peru	16	19	23	24	25	50	50	41	37	39
Uruguay	3	2	3	2	3	5	5	4	4	4
Venezuela	45	56	100	163	183	171	158	175	154	183
Other L.A. republics	67	69	71	72	93	182	166	160	172	186
Neth. Antilles and Surinam	60	76	35	58	55	13	12	12	7	10
Other Latin America	145	142	138	214	131	159	192	301	292	437
Total	983	936	914	1,178	1,070	2,187	2,225	2,362	2,563	3,054
Asia:										
China, People's Republic of (China Mainland)	6	2	6	5	8	32	45	65	35	23
China, Rep. of (Taiwan)	100	101	97	111	124	125	152	164	100	215
Hong Kong	30	29	18	24	28	85	85	111	67	105
India	21	22	7	9	10	39	48	39	60	51
Indonesia	87	104	137	137	134	147	137	169	193	191
Israel	62	45	29	23	27	60	63	54	42	52
Japan	273	279	296	308	292	1,250	1,269	1,141	1,168	1,175
Korea	43	63	69	54	62	178	207	265	107	129
Philippines	17	15	14	18	18	91	93	99	106	117
Thailand	6	8	18	18	12	24	21	22	20	19
Other Asia	844	908	1,031	995	1,030	462	532	550	643	688
Total	1,490	1,575	1,720	1,702	1,745	2,494	2,651	2,678	2,539	2,766
Africa:										
Egypt	34	34	37	30	22	15	15	22	22	28
South Africa	65	79	100	112	88	104	78	93	78	86
Zaire	9	9	6	7	12	17	22	28	28	30
Other Africa	215	219	248	354	406	228	273	297	249	278
Total	323	341	391	503	528	364	388	440	377	422
Other countries:										
Australia	37	52	55	47	32	99	79	101	96	99
All other	18	21	17	18	20	39	48	39	36	56
Total	55	73	73	65	51	138	127	140	132	155
International and regional	257	267	276	219	246	1	*	1	1	1
Grand total	5,961	6,040	6,006	6,330	6,296	10,899	11,731	12,271	12,850	13,958

NOTE.—Reported by exporters, importers, and industrial and commercial concerns and other nonbanking institutions in the United States. Data exclude claims held through U.S. banks, and intercompany accounts between U.S. companies and their foreign affiliates.

24. LONG-TERM LIABILITIES TO AND CLAIMS ON FOREIGNERS REPORTED BY NONBANKING CONCERNS

(Amounts outstanding; in millions of dollars)

End of period	Total liabilities	Claims										
		Total	Country or area									
			United Kingdom	Other Europe	Canada	Brazil	Mexico	Other Latin America	Japan	Other Asia	Africa	All other
1971—Dec.	3,138	3,068	128	704	717	174	60	653	136	325	86	84
1972—Dec.[1]	3,540	3,312	163	715	775	184	60	658	156	406	87	109
	3,603	3,666	191	745	1,141	187	64	703	133	378	86	38
1973—Mar.	3,781	3,798	156	802	1,151	165	63	796	123	393	105	45
June	3,785	3,853	180	805	1,163	146	65	825	124	390	108	48
Sept.	4,000	3,999	216	822	1,166	147	73	832	134	449	108	51
Dec.	3,886	4,057	290	761	1,172	145	79	829	125	488	115	53
1974—Mar.	3,836	4,194	369	737	1,210	194	81	809	123	488	122	61
June	3,536	4,191	363	699	1,226	184	138	756	123	515	126	61
Sept.	3,371	4,324	370	704	1,256	181	145	796	119	571	122	59
Dec.[r]	3,889	4,544	364	644	1,290	187	153	1,045	112	569	127	54
1975—Mar.[r]	4,168	4,523	340	655	1,334	182	169	1,008	102	540	139	54
June[r]	4,273	4,454	299	634	1,328	182	161	982	98	556	146	68
Sept.[r]	4,224	4,589	366	620	1,347	177	228	927	95	608	154	67
Dec.[r]	4,277	4,981	396	600	1,426	171	216	1,250	90	604	168	61
1976—Mar.	4,091	5,174	349	594	1,473	182	209	1,383	91	619	214	61
June[p]	3,930	5,029	365	588	1,516	164	187	1,255	85	649	163	59

1 Data on the 2 lines shown for this data differ because of changes in reporting coverage. Figures on the first line are comparable with those shown for the preceding date; figures on the second line are comparable with those shown for the following date.

25. OPEN MARKET RATES

(Per cent per annum)

Month	Canada		United Kingdom				France	Germany, Fed. Rep. of		Netherlands		Switzerland
	Treasury bills, 3 months[1]	Day-to-day money[2]	Prime bank bills, 3 months	Treasury bills, 3 months	Day-to-day money	Clearing banks' deposit rates	Day-to-day money[3]	Treasury bills, 60–90 days[4]	Day-to-day money[5]	Treasury bills, 3 months	Day-to-day money	Private discount rate
1973	5.43	5.27	10.45	9.40	8.27	7.96	8.92	6.40	10.18	4.07	4.94	5.09
1974	7.63	7.69	12.99	11.36	9.85	9.48	12.87	6.06	8.76	6.90	8.21	6.67
1975	7.36	7.34	10.57	10.16	10.13	7.23	7.89	3.51	4.23	4.41	3.65	6.25
1975—Oct.	8.28	7.92	11.38	11.42	9.88	6.93	6.53	3.13	3.27	4.22	4.35	5.50
Nov.	8.44	8.29	11.21	11.10	11.34	7.00	6.74	3.13	3.36	4.67	4.19	5.50
Dec.	8.59	8.66	10.88	10.82	9.61	7.00	6.42	3.13	3.84	4.88	4.34	5.50
1976—Jan.	8.59	8.75	9.83	9.87	9.08	5.75	6.38	3.13	3.58	4.52	3.76	5.00
Feb.	8.70	8.74	8.86	8.81	8.42	6.50	7.27	3.13	3.08	2.86	3.05	5.00
Mar.	9.04	9.05	8.66	8.46	6.25	6.50	7.63	3.13	3.62	2.50	2.12	4.78
Apr.	8.97	8.65	9.10	8.97	7.69	6.50	7.56	3.13	2.76	2.96	2.50	4.50
May	8.93	8.96	10.31	10.45	10.16	6.50	7.53	3.13	3.68	3.60	3.98	4.50
June	8.99	9.04	11.05	10.94	10.69	6.50	7.63	3.13	4.23	5.68	4.82	4.50
July	9.02	8.98	11.00	10.89	10.88	6.50	8.33	3.13	4.38	6.94	5.22	4.50
Aug.	9.12	9.22	10.94	10.88	10.53	6.50	9.50	3.13	4.08	9.27	7.60	4.50
Sept.	9.11	9.20	12.63	12.05	11.88	8.50	9.25	3.13	4.20	....	13.89	4.50
Oct.	9.07	9.13	14.75	14.40	14.34	11.00	11.08	3.13	2.48	....	....	4.50

1 Based on average yield of weekly tenders during month.
2 Based on weekly averages of daily closing rates.
3 Rate shown is on private securities.
4 Rate in effect at end of month.
5 Monthly averages based on daily quotations.

NOTES TO TABLES 19a AND 19b ON PAGES A-70 AND A-71, RESPECTIVELY:

1 Cayman Islands included beginning Aug. 1973.
2 Total assets and total liabilities payable in U.S. dollars amounted to $53,520 million and $54,154 million, respectively, on August 31, 1976.

NOTE.—Components may not add to totals due to rounding.

For a given month, total assets may not equal total liabilities because some branches do not adjust the parent's equity in the branch to reflect unrealized paper profits and paper losses caused by changes in exchange rates, which are used to convert foreign currency values into equivalent dollar values.

26. CENTRAL BANK RATES FOR DISCOUNTS AND ADVANCES TO COMMERCIAL BANKS

(Per cent per annum)

Country	Rate as of Oct. 31, 1976 — Per cent	Rate as of Oct. 31, 1976 — Month effective	Country	Rate as of Oct. 31, 1976 — Per cent	Rate as of Oct. 31, 1976 — Month effective
Argentina	18.0	Feb. 1972	Italy	15.0	Oct. 1976
Austria	4.0	June 1976	Japan	6.5	Oct. 1975
Belgium	9.0	Aug. 1976	Mexico	4.5	June 1942
Brazil	28.0	May 1976	Netherlands	7.0	Aug. 1976
Canada	9.5	Mar. 1976	Norway	6.0	Sept. 1976
Denmark	11.0	Oct. 1976	Sweden	6.0	June 1976
France	10.5	Sept. 1976	Switzerland	2.0	June 1976
Germany, Fed. Rep. of	3.5	Sept. 1975	United Kingdom	15.0	Oct. 1976
			Venezuela	5.0	Oct. 1970

NOTE.—Rates shown are mainly those at which the central bank either discounts or makes advances against eligible commercial paper and/or govt. securities for commercial banks or brokers. For countries with more than one rate applicable to such discounts or advances, the rate shown is the one at which it is understood the central bank transacts the largest proportion of its credit operations. Other rates for some of these countries follow:

Argentina—3 and 5 per cent for certain rural and industrial paper, depending on type of transaction;

Brazil—8 per cent for secured paper and 4 per cent for certain agricultural paper;

Japan—Penalty rates (exceeding the basic rate shown) for borrowings from the central bank in excess of an individual bank's quota;

United Kingdom—The bank's minimum lending rate, which is the average rate of discount for Treasury bills established at the most recent tender plus one-half per cent rounded to the nearest one-quarter per cent above;

Venezuela—2 per cent for rediscounts of certain agricultural paper, 4½ per cent for advances against government bonds, and 5½ per cent for rediscounts of certain industrial paper and on advances against promissory notes or securities of first-class Venezuelan companies.

27. FOREIGN EXCHANGE RATES

(In cents per unit of foreign currency)

Period	Australia (dollar)	Austria (schilling)	Belgium (franc)	Canada (dollar)	Denmark (krone)	France (franc)	Germany (deutsche mark)	India (rupee)	Ireland (pound)	Italy (lira)	Japan (yen)
1972	119.23	4.3228	2.2716	100.937	14.384	19.825	31.364	13.246	250.08	.17132	.32995
1973	141.94	5.1649	2.5761	99.977	16.603	22.536	37.758	12.071	245.10	.17192	.36915
1974	143.89	5.3564	2.5713	102.257	16.442	20.805	38.723	12.460	234.03	.15372	.34302
1975	130.77	5.7467	2.7253	98.297	17.437	23.354	40.729	11.926	222.16	.15328	.33705
1975—Oct.	126.26	5.4586	2.5662	97.557	16.601	22.694	38.737	11.244	205.68	.14745	.33076
Nov.	126.26	5.4535	2.5618	98.631	16.564	22.684	38.619	11.238	204.84	.14721	.33053
Dec.	125.38	5.3986	2.5311	98.627	16.253	22.428	38.144	11.134	202.21	.14645	.32715
1976—Jan.	125.65	5.4300	2.5443	99.359	16.231	22.339	38.425	11.178	202.86	.14245	.32826
Feb.	125.85	5.4628	2.5554	100.652	16.278	22.351	39.034	11.186	202.62	.13021	.33157
Mar.	124.79	5.4383	2.5480	101.431	16.273	21.657	39.064	11.157	194.28	.12113	.33276
Apr.	123.72	5.4964	2.5667	101.668	16.553	21.411	39.402	11.123	184.63	.11371	.33433
May	123.37	5.4535	2.5517	102.02	16.487	21.272	39.035	11.080	180.79	.11676	.33444
June	122.75	5.4136	2.5220	102.71	16.314	21.109	38.797	10.980	176.40	.11780	.33424
July	123.59	5.4500	2.5182	102.86	16.225	20.651	38.842	11.205	178.50	.11943	.33940
Aug.	124.18	5.5645	2.5632	101.49	16.448	20.131	39.538	11.143	178.28	.11936	.34410
Sept.	124.25	5.6567	2.6046	102.56	16.694	20.334	40.169	11.036	172.72	.11837	.34800
Oct.	123.40	5.7960	2.6822	102.81	16.968	20.072	41.165	11.243	163.77	.11684	.34344

Period	Malaysia (ringgit)	Mexico (peso)	Netherlands (guilder)	New Zealand (dollar)	Norway (krone)	Portugal (escudo)	South Africa (rand)	Spain (peseta)	Sweden (krona)	Switzerland (franc)	United Kingdom (pound)
1972	35.610	8.0000	31.153	119.35	15.180	3.7023	129.43	1.5559	21.022	26.193	250.08
1973	40.988	8.0000	35.977	136.04	17.406	4.1080	143.88	1.7178	22.970	31.700	245.10
1974	41.682	8.0000	37.267	140.02	18.119	3.9506	146.98	1.7337	22.563	33.688	234.03
1975	41.753	8.0000	39.632	121.16	19.180	3.9286	136.47	1.7424	24.141	38.743	222.16
1975—Oct.	38.931	8.0000	37.658	104.74	18.089	3.7359	114.84	1.6883	22.769	37.555	205.68
Nov.	38.929	8.0000	37.638	104.75	18.116	3.7318	114.69	1.6869	22.788	37.683	204.84
Dec.	38.670	8.0000	37.234	103.77	17.988	3.6836	114.75	1.6765	22.685	37.970	202.21
1976—Jan.	38.696	8.0000	37.429	104.06	17.992	3.6562	114.80	1.6751	22.831	38.418	202.86
Feb.	38.998	8.0000	37.529	104.25	18.098	3.6394	114.79	1.5523	22.861	38.912	202.62
Mar.	39.047	8.0000	37.149	102.42	18.022	3.4987	114.83	1.4947	22.702	38.980	194.28
Apr.	39.032	8.0000	37.215	100.19	18.201	3.3759	114.84	1.4864	22.709	39.531	184.63
May	39.079	8.0000	36.811	99.33	18.184	3.3195	114.85	1.4788	22.653	40.205	180.79
June	39.148	8.0000	36.524	98.09	18.020	3.2145	114.94	1.4724	22.475	40.484	176.40
July	39.589	8.0000	36.643	99.05	17.899	3.1810	114.83	1.4685	22.379	40.242	178.50
Aug.	40.077	8.0000	37.393	99.66	18.150	3.1982	114.84	1.4651	22.660	40.302	178.28
Sept.	39.753	5.0286	38.390	98.87	18.427	3.2062	114.77	1.4721	22.998	40.431	172.72
Oct.	39.575	4.8535	39.265	96.484	18.812	3.1920	114.85	1.4675	23.511	40.876	163.77

NOTE.—Averages of certified noon buying rates in New York for cable transfers. For description of rates and back data, see "International Finance," Section 15 of the Board's *Banking and Monetary Statistics, 1941–1970.*

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Index to Statistical Tables

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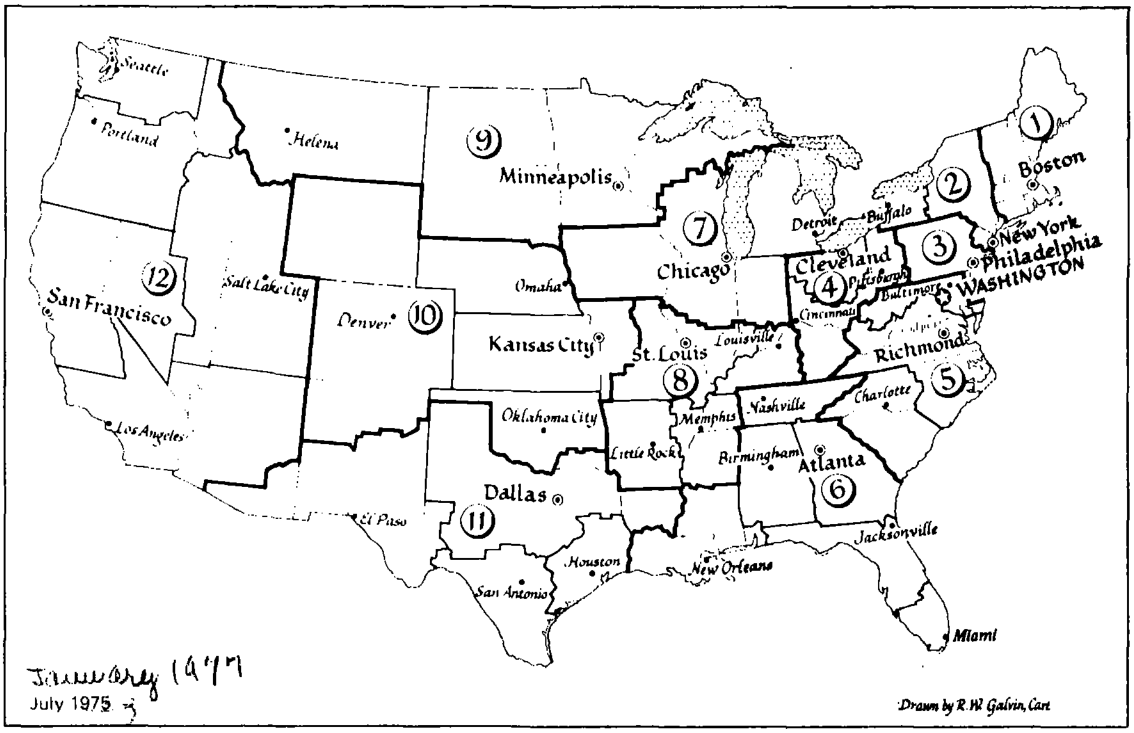
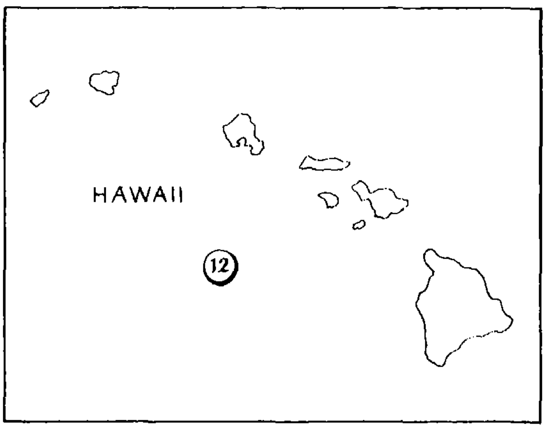
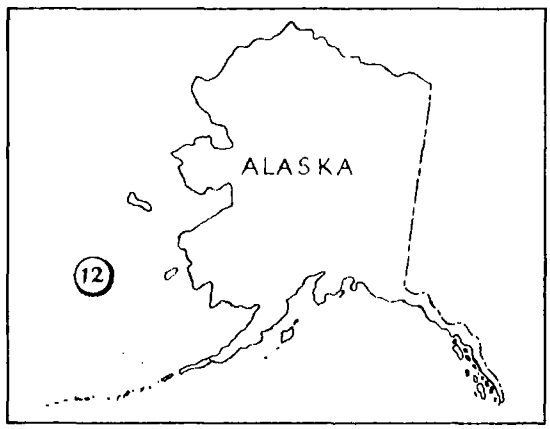
References are to pages A-2 through A-75 although the prefix "A" is omitted in this index

The Federal Reserve System

Boundaries of Federal Reserve Districts and Their Branch Territories







LEGEND

- Boundaries of Federal Reserve Districts
- Boundaries of Federal Reserve Branch Territories
- Board of Governors of the Federal Reserve System
- Federal Reserve Bank Cities
- Federal Reserve Branch Cities
- Federal Reserve Bank Facility

Guide to Tabular Presentation and Statistical Releases

SYMBOLS AND ABBREVIATIONS

e	Estimated
c	Corrected
p	Preliminary
r	Revised
rp	Revised preliminary
I, II, III, IV	Quarters
n.e.c.	Not elsewhere classified
A.R.	Annual rate
S.A.	Monthly (or quarterly) figures adjusted for seasonal variation
N.S.A.	Monthly (or quarterly) figures not adjusted for seasonal variation
IPC	Individuals, partnerships, and corporations
SMSA	Standard metropolitan statistical area
A	Assets
L	Liabilities
S	Sources of funds
U	Uses of funds
*	Amounts insignificant in terms of the particular unit (e.g., less than 500,000 when the unit is millions)
....	(1) Zero, (2) no figure to be expected, or (3) figure delayed

GENERAL INFORMATION

Minus signs are used to indicate (1) a decrease, (2) a negative figure, or (3) an outflow.

A heavy vertical rule is used in the following instances: (1) to the right (to the left) of a total when the components shown to the right (left) of it add to that total (totals separated by ordinary rules include more components than those shown), (2) to the right (to the left) of items that are not part of a balance sheet, (3) to the left of memorandum items.

"U.S. Govt. securities" may include guaranteed issues of U.S. Govt. agencies (the flow of funds figures also include not fully guaranteed issues) as well as direct obligations of the Treasury. "State and local govt." also includes municipalities, special districts, and other political subdivisions.

In some of the tables details do not add to totals because of rounding.

The footnotes labeled NOTE (which always appear last) provide (1) the source or sources of data that do not originate in the System; (2) notice when figures are estimates; and (3) information on other characteristics of the data.

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