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SEPTEMBER 1972

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FEDERAL RESERVE BULLETIN

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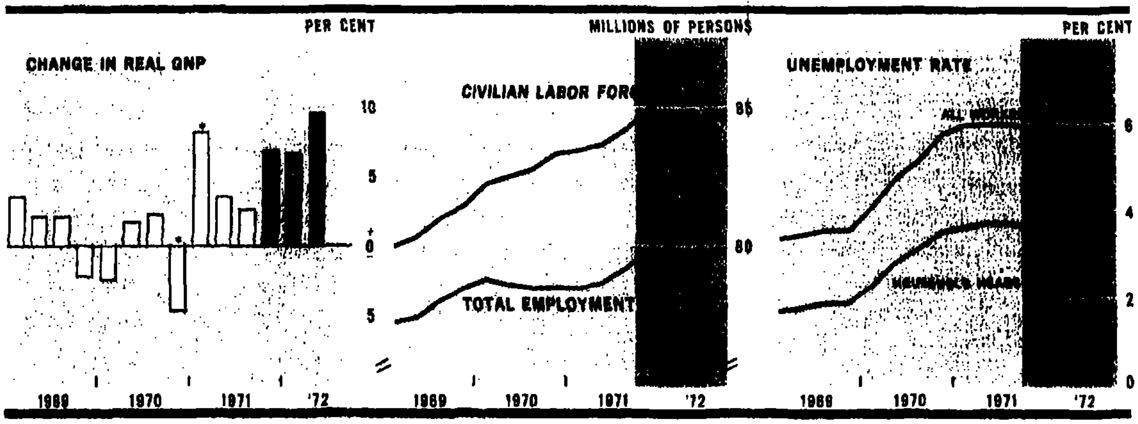
The Labor Market in an Expanding Economy

EMPLOYMENT and production began to rise sharply about a year ago in response to a significant upturn in demand. Unemployment showed little improvement until the spring of 1972, however, as gains in employment were about matched by increases in the labor force. At the same time, a strong cyclical rebound of growth in productivity, together with some dampening of wage increases, has brought about a moderation of the rise of unit labor costs and of upward pressure on prices.

Strengthening of labor demand began unusually late in the recovery—more than half a year after the trough of late 1970. Once the recovery got under way, the composition of employment gains was similar to previous experience. The initial impetus to employment occurred in the service-producing sectors, where hiring

1 After summer of 1971, INCREASED DEMANDS stimulated growth of employment; but with faster labor force growth, the decline in unemployment was small



*Affected by major strike.

Seasonally adjusted data. Changes in GNP are at annual rates. Labor force, employment, and unemployment rates are quarterly averages except for 1972 Q3 which is a July–August average.

Real GNP is in 1958 dollars.

accelerated after a recession lull. The subsequent recovery of industrial production brought increases in both manufacturing employment and working hours, but these came late and were mild compared with those in other cyclical upturns. Moreover, between May and August 1972, manufacturing employment was about unchanged. Mainly as a result of sluggishness in manufacturing, total nonfarm payroll employment has risen by only 3 per cent since the cyclical peak in the fall of 1969.

From the cycle trough until mid-1972, growth of the labor force about matched increases in employment. As a result, unemployment remained near 6 per cent until June 1972, when it dropped to around 5½ per cent and held there through August. Labor force growth was particularly rapid from mid-1971 until the spring of 1972 as the rate of labor force participation moved back toward the level of early 1970. This cyclical increase in labor force growth was augmented by the continuing flow of veterans into the civilian labor market.

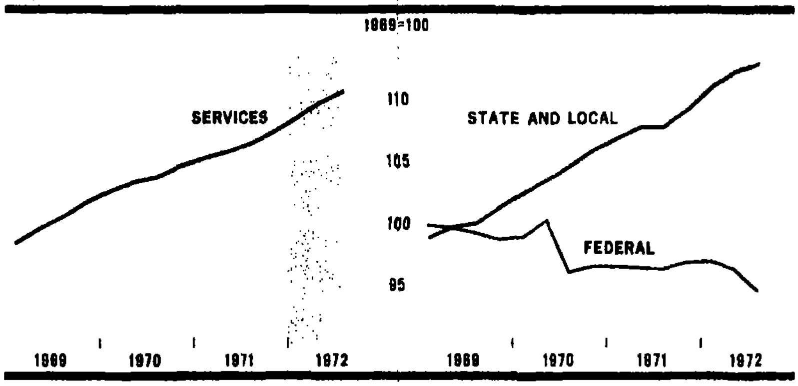
In contrast to most previous postwar cyclical experience, increases in wages and prices had shown little tendency to slow during the recession. Since the economic stabilization program was instituted in August 1971, however, increases in average hourly compensation have been reduced somewhat. In the private nonfarm economy, average hourly compensation rose 6.2 per cent over the year ending in the second quarter of 1972—1 percentage point less than in the comparable 1970-71 period. In conjunction with the strong cyclical recovery of growth in productivity, this improvement contributed to a substantial slowing of the rise in unit labor costs.

LABOR DEMAND

Increased spending by consumers and businesses provided the basis for sharp advances in production, employment, and productivity after the summer of 1971. Real GNP increased by 6.2 per cent over the year ending in the second quarter of 1972, while total employment advanced by 2.4 million persons, or about 3 per cent. Employment gains amounted to roughly 900,000 each for men and women and about 600,000 for teenagers. Most of the increase in total employment occurred among full-time workers—three-fifths of the advance was among blue-collar workers, many of whom had been laid off in 1969 and 1970. Reflecting this pattern of recovery, the reduction of unemployment since the summer of 1971 has been most pronounced for blue-collar workers seeking full-time jobs in the manufacturing industries. Most such workers are heads of households and the jobless rate of this group declined significantly over the past year to 3.3 per cent in August 1972.

Job gains in the services, trade, and State and local government sectors totaled 1.8 million in the past year after having slowed to an annual rate of about 1 million during and just after the recession. Employment increases in these service-producing industries had averaged 1.6 million annually over the 2 years before the recession. The average workweek in the service-oriented industries has continued its long-run downward trend during the recovery. This secular decline is primarily a result of increases in the number of part-time workers—a trend that may change or at least moderate with slowly developing changes in the age structure of the population.

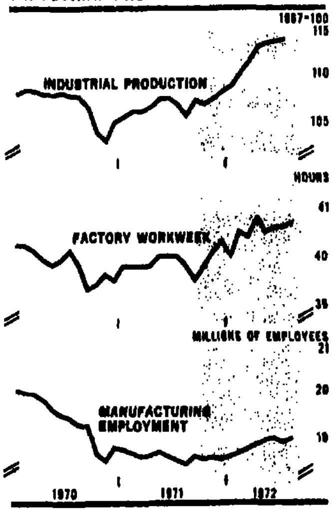
2 | EMPLOYMENT GROWTH strengthens in service-type industries



BLS payroll employment data, seasonally adjusted. 1972 Q3 is a July–August average.

As usual, the average weekly hours of factory workers turned up before manufacturing employment began to rise, showing about a 6-month lead. By August 1972, factory hours reached 40.7 hours, nearly an hour longer than a year earlier and close to the average level in the 1967-69 period. Increased overtime hours accounted for more than half the rise in working hours—a typical recovery pattern.

INDUSTRIAL PRODUCTION

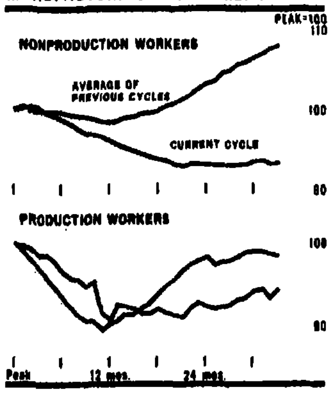


FR data on industrial production and BLS data on employment and hours.

Manufacturing employment was on a downward path from July 1969 until August 1971. Over that period, it registered a net decline of 1.8 million jobs—with about one-fourth of this decline in defense-oriented industries. With a net gain of only 540,000 factory jobs since August 1971—the lowest point for factory employment—the greater part of the over-all drop has yet to be made up; factory jobs remain 1.3 million below the level of mid-1969.

During the recent recession, employment cuts among nonproduction workers in manufacturing were far larger than in the past. During previous postwar recessions, employment of nonproduction workers edged down only 1 or 2 per cent and then resumed growth during the recovery phase. In this cycle, job losses by nonproduction workers were larger—about 6 per cent—and continued well after the trough. Layoffs of engineers and other professionals at defense firms accounted for most of the extra reduction at the early

MANUFACTURING EMPLOYMENT



BLS data, seasonally adjusted.

stages. During the recovery of 1972, however, the number of nonproduction jobs has remained about unchanged; apparently employers in most firms have continued to curb cost increases by limiting hiring and by promoting productivity growth in the office as well as on the production line. Although total employment of professional and technical workers rose in nonmanufacturing firms, the growth was not rapid enough to absorb new entrants and those losing defense-type jobs. As a result, unemployment among professional and technical workers rose more sharply than usual in this recession (from 1.0 per cent at its low to 3.3 per cent at its high) and continues relatively high.

Declines in employment during the recession were unevenly distributed across the Nation. The largest losses of jobs occurred in States that have concentrations of durable goods manufacturing industries—particularly defense products firms. States that showed the largest relative declines included California, Washington, Michigan, New York, and Illinois.

Employment continued to expand in the South during the recession—in part because durable goods manufacturing plays a less important role in that region. And since mid-1971 employment in the West and in industrial States in the North has recovered some of the earlier losses. In several important industrial States, however, the current number of jobs remains below 1969 levels.

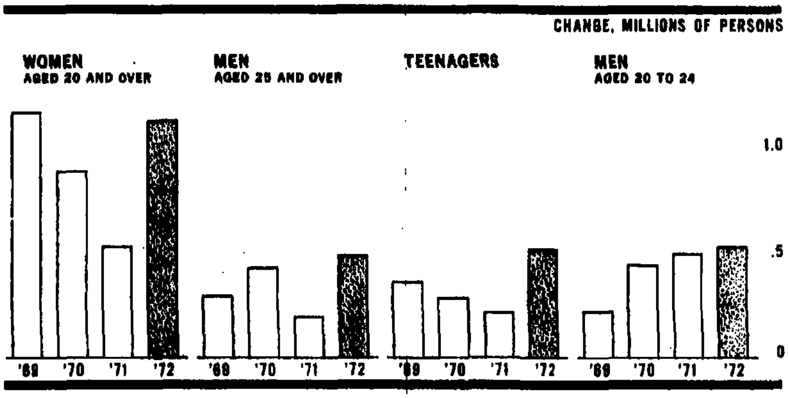
LABOR SUPPLY

Growth in the supply of labor has about equaled changes in total employment over most of the past 22 months. From November 1970—the trough of the cycle—to August 1972, the civilian labor force increased by 3.7 per cent and total civilian employment rose by 4.0 per cent. Month-to-month movements over the period were similar in size until June 1972 when employment growth moved slightly ahead of the labor force and the unemployment rate moved down to about 5½ per cent, where it remained through August.

Cyclical responsiveness of the labor force to changes in labor market conditions is reflected in participation rates (the percentage of the population either working or seeking work). During the recent recession the labor force participation rate dropped substantially as persons unable to find work ceased looking and others who might have come into the labor force were discouraged from doing so. Among the major groups the decline in participation took the form of faster and larger reductions in the participation rates of men and a slowing of the increase in participation of women. During the recovery, participation rate changes for most broad groups appear to have resumed their longer-run trends. As a result, the average participation rate has returned to about its pre-recession level: hence, continued strong demands for labor are much more likely to reduce the ranks of the unemployed than to stimulate rapid growth of the labor force.

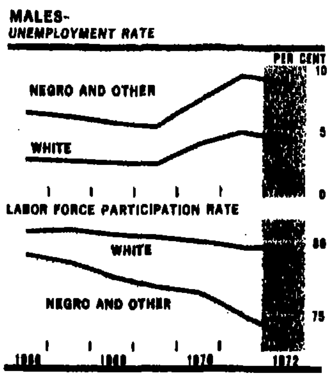
The cyclical rebound of labor force growth was largest for adult women; their number in the civilian labor force has increased by 1.1 million since mid-1971. Adult women filled more than one

3 | CIVILIAN LABOR FORCE: growth increases sharply; gains especially large for women



BLS household survey data. Changes from a year earlier are based on annual averages for 1969–71 and July–August 1972.

quarter of the additional professional and technical jobs, about two-thirds of the added clerical jobs, and three-fourths of the service jobs (excluding private household workers). About 500,000 teenagers were added to the labor force this past year; approximately half of this rise was due to growth in their population and half due to an advance in their participation rate.



BLS household survey data. Annual averages except for 1972, which is a seasonally adjusted half-year average.

The number of men aged 20 and over in the civilian labor force increased by 1.0 million over the past year. About half the rise occurred among 20- to 24-year olds in part because continuing reductions in the Armed Forces increased the number of young men seeking civilian jobs. About half a million men aged 25 years and over were added to the civilian labor force, owing entirely to an increase in their civilian population, and the labor force participation rate of this group continued its secular decline. The reduction in male participation has been particularly pronounced among Negro men, whose rates of participation have declined for all age groups. The reasons for these continuing declines are not entirely clear, but in light of the particularly large drop in 1970 and 1971 discouragement with the job market must be counted as a major factor.

UNEMPLOYMENT

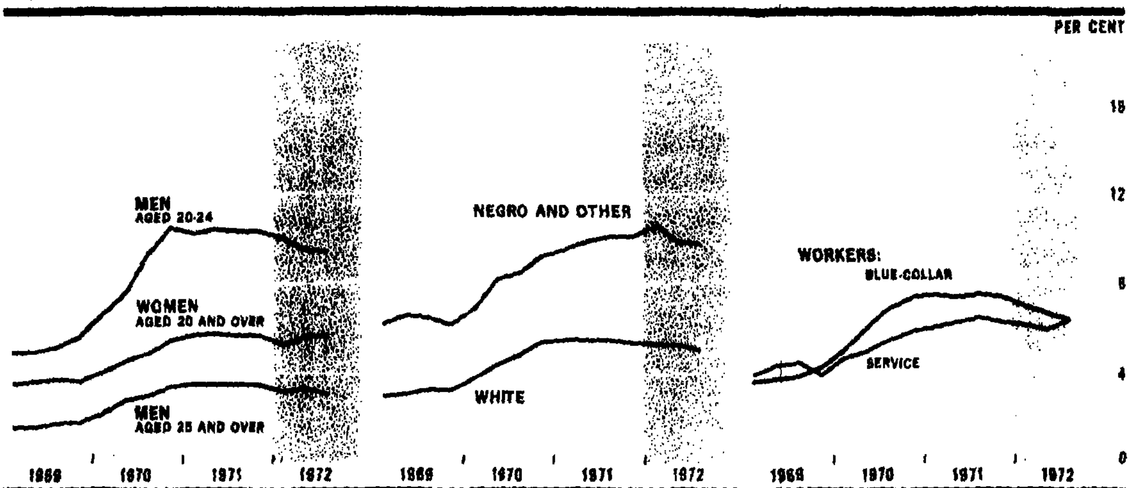
Unemployment did not climb so high in this recession as in previous post-World-War-II downturns, but it remained near its cyclical high point for 19 months—an unusually long period. Not until June

1972 did the jobless rate go below the 5.8 to 6.1 per cent range in which it had fluctuated since November 1970.

The unemployment rate had initially reached the 6 per cent range in late 1970, primarily as a result of layoffs in durable goods manufacturing where a weak demand situation was aggravated by secondary effects of an auto strike. At that time, and throughout 1971, the number of persons among the unemployed who had been laid off averaged about 2.3 million, about 1.3 million more than in late 1969 when demand for labor was still strong. Most such workers were eligible for unemployment insurance benefits, and the number of workers drawing jobless benefits spurted from about 1.2 million late in 1969 to about 2.2 million late in 1970. Insured unemployment continued high until late 1971, when the character of unemployment began to change. Unemployment among adult men, which had risen rapidly during 1970, began to move lower as layoffs declined and factory hiring increased.

Rates of unemployment in August 1972 were lower than a year earlier for most groups. The sharpest relative reduction occurred among men aged 20 years and over where the unemployment rate dropped from 4.5 per cent to 3.9 per cent; in the pre-recession period the rate for this group had been fluctuating around 2 per cent. The improvement in the rate for adult men was reflected in declines in the unemployment rates of heads of households, full-time workers, married men, blue-collar workers, and those in the manufacturing sector. In contrast, the unemployment rate for white-collar workers was unchanged from a year earlier and only slightly lower than at its cyclical high. Employment of white-collar

4 UNEMPLOYMENT declines somewhat in 1972, but JOBLESS RATES continue relatively high for most groups



BLS household data, seasonally adjusted quarterly averages except for 1972 Q3, which is a July–August average.

workers has continued to increase but demand has merely kept pace with increases in the number of workers seeking such jobs.

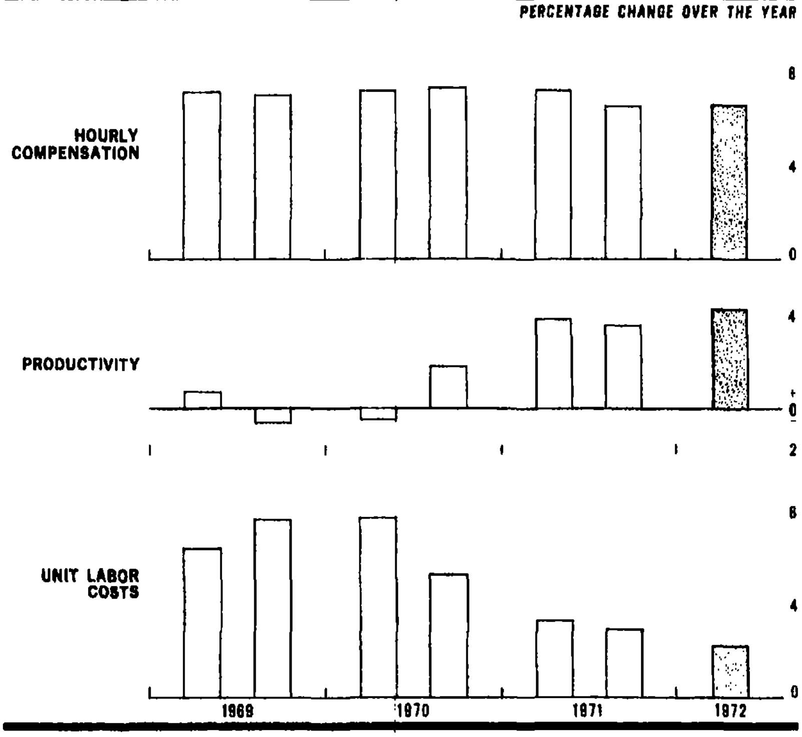
Unemployment among white workers has moved down over the past year but Negro joblessness has remained virtually unchanged since the spring of 1971 at a rate near 10 per cent. In previous recoveries, the rate for whites began to decline some months before the rate for Negroes.

LABOR COSTS AND WAGES

Progress has been made in reducing upward cost and price pressures. The bulk of the improvement reflects accelerated productivity growth, which—spurred by substantial gains in output—has shown a strong, if belated, post-recession pattern of recovery. In the private nonfarm sector, productivity advanced by 4.2 per cent from the first half of 1971 to the first half of 1972 with faster growth occurring in 1972. This advance compares with increases of less than 1 per cent each in 1969 and in 1970 and a trend increase of just over 2½ per cent per year for the post-World-War-II period.

Growth of hourly compensation in the private nonfarm sector from a year earlier slowed from 7.2 per cent for early 1971 to

5 | Increases in UNIT LABOR COSTS slow - mainly because of greater growth in productivity



BLS data. Changes from a year earlier based on half-year averages.

6.5 per cent for the first half of 1972. As with productivity, improvement was most pronounced in the spring of 1972. The acceleration of gains in productivity during the past year, in combination with the moderation of increases in compensation, resulted in a dramatic reduction in the rate of increase in unit labor costs. For the first half of 1972 the increase in unit labor costs from a year earlier averaged 2.2 per cent. These increases in unit labor costs were less than one-third as large as those in 1969 and 1970. Maintenance of the improved performance of unit labor costs will depend to a large extent on further slowing of increases in average hourly compensation because cyclical increases in productivity as large as those in the past three quarters are not likely to be sustained.

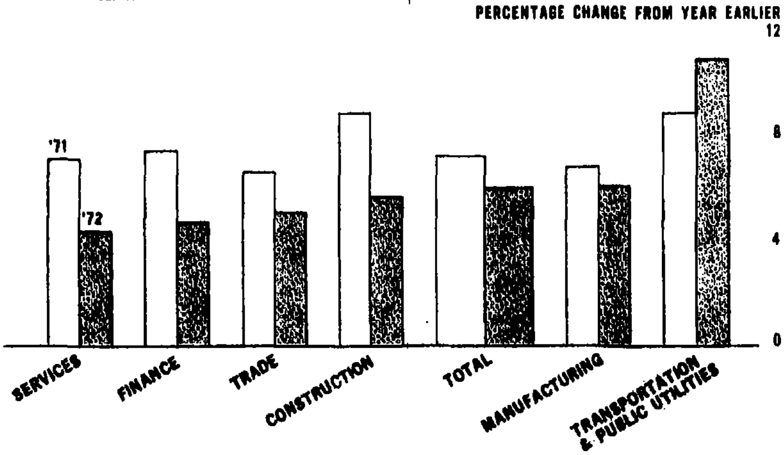
The growth of workers' hourly compensation has moderated somewhat since the economic stabilization program began in August 1971. The pattern of changes in pay rates has been uneven, however, reflecting changes in the nature and coverage of the wage control aspect of the program. Growth of wage rates was virtually halted during the freeze, but early in Phase II wage rates spurted up sharply as pay increases scheduled for the freeze period were allowed to be put into effect. In 1972, the trend of wage changes began to reflect more clearly the restraining influence of the controls.

The Pay Board, which is the administrative and policy arm of the program to dampen wage growth, initially set a standard for pay increases of 5½ per cent annually. A number of exceptions to the generally permissible increase allow larger wage adjustments in particular circumstances. The Pay Board reviews all pay adjustments for employee units of 1,000 or more workers and any other proposed increases that are in excess of the generally permissible standard. The average of pay adjustments approved by the Board was in fact around 5½ per cent through August 1972.

The recent trend of hourly earnings of production workers in private nonfarm industry suggests that progress has been made in the effort to moderate the growth of wages generally. Hourly earnings of production workers—adjusted for interindustry shifts—have increased by 5.6 per cent in the year since August 1971, compared with a 6.9 per cent increase in the preceding year. Since December 1971 hourly earnings have risen at an annual rate of just over 5 per cent.

The most dramatic reduction of wage rate inflation has occurred in the construction industry. Throughout the late 1960's, increases in hourly earnings of construction workers grew progressively larger, reaching a peak average increase of 9.6 per cent in 1970. (In that year, first-year wage increases under construction industry collective bargaining agreements averaged 17.6 per cent.) In order

6 Increases in HOURLY EARNINGS smaller over past year



BLS data on production workers' hourly earnings adjusted for interindustry shifts and overtime in manufacturing. Changes based on averages for the months of June, July, and August.

to halt the wage spiral in construction, the Construction Industry Stabilization Committee was established early in 1971. This committee has the authority to review and approve or disapprove all collective bargaining agreements in the construction industry. As of August 1972 the year-to-year growth of average hourly earnings in the industry had declined to 5.5 per cent. Collective bargaining agreements negotiated since November 1971—when the committee came under the jurisdiction of the Pay Board—and approved by the committee provide average increases of only 5.7 per cent in wages and fringe benefits. The reduced pace of earnings increases in construction during recent months is attributable in part to the activities of the committee, but other factors including high unemployment among construction workers and slack nonresidential building activity in some parts of the country also may have been important factors.

Aside from construction, the slowing of wage increases has been most pronounced in service, finance, and trade—industries that tend to be less unionized and to be composed of smaller establishments. In services, where increases in wages reached a peak annual rate of more than 8 per cent in early 1971, average hourly earnings were up by only 3.5 per cent over the year ending August 1972. In trade and finance, the picture since mid-1971 has been similar, although the slowing has been less dramatic. Employers in these industries may be relying heavily on Pay Board regulations to help hold down their wage costs. Also, because wage determination in these industries tends to be more individualized, more flexible, and less rigidly periodic, wages may respond more quickly to changes in economic and institutional conditions.

In contrast, growth of wages in the highly unionized manufacturing sector has slowed less dramatically. In the transportation and public utilities industry group, growth of wages has actually increased. In both situations, the wage adjustments provided for in contracts that were settled before the controls program was inaugurated have tended to maintain the earlier rapid growth of wages. The few new collective bargaining agreements that have been negotiated in manufacturing in the past 6 months have provided smaller increases than those negotiated before the economic stabilization program began, and increases in hourly earnings in 1972 have been down to the 5½ per cent zone.

COLLECTIVE BARGAINING

Major negotiations completed in the first half of 1972, which affected only 870,000 workers, showed a significant slowdown in wage rate adjustments for the first year of the contract: increases averaged 7.5 per cent compared with 11.7 per cent in 1971. Smaller first-year wage increases—a movement away from the practice of front-end loading of contracts—probably resulted from Pay Board regulations that emphasize consideration of adjustments at the time of implementation. A consequence has been a pattern of more even distribution of wage adjustments over the life of the contract.

Wage increases over the full term of new contracts, however, slowed considerably less than first-year increases—from 8.1 per cent annually in 1971 contracts to 7.1 per cent in contracts signed in the first 6 months of 1972. Contracts signed in 1972 have also been of somewhat shorter duration than earlier settlements. Both reduced front-end loading and shorter contracts reflect the existence of a controls program of uncertain duration, and these tendencies are likely to continue during the stabilization period.

Bargaining activity will continue to be light for the remainder of 1972; slightly more than 1 million workers are covered under major contracts coming up for renewal. However, bargaining will accelerate in 1973 as contracts expire in major industries such as trucking, construction, electrical equipment, and autos. During 1973 new contracts affecting more than 4.1 million workers will be negotiated; this is more than twice as many as in 1972. If price increases continue to moderate, a less inflationary pattern of wage increases may be established in these important industries. □

Treasury and Federal Reserve Foreign Exchange Operations

This 21st joint interim report reflects the Treasury-Federal Reserve policy of making available additional information on foreign exchange operations from time to time. The Federal Reserve Bank of New York acts as agent for both the Treasury and the Federal Open Market Committee of the Federal Reserve System in the conduct of foreign exchange operations.

This report was prepared by Charles A. Coombs, Senior Vice President in charge of the Foreign Department of the Federal Reserve Bank of New York, and Special Manager, System Open Market Account. It covers the period March to September 1972. Previous reports have been published in the March and September BULLETINS *of each year beginning with September 1962.*

The Smithsonian Agreement of December 18, 1971, was greeted with satisfaction and relief by the exchange markets. Rates for a number of European currencies settled at or close to their new floor levels, and sizable reflows of funds to the United States developed through the year-end. Following the turn of the year, however, market optimism shifted to an anxious and even skeptical mood as traders began to ponder the long negotiating path to a restructured international financial system. Market concern focused particularly on the risk that certain foreign central banks might suddenly withdraw from their Smithsonian commitments to defend their currencies at the new upper limits, and successive waves of speculation in January and February drove the mark, the guilder, the Belgian franc, and the yen close to or hard against their official ceilings.

The central banks concerned intervened decisively and without hesitation, however, and this demonstration had a reassuring effect. In early March, expeditious congressional action on a "clean" gold price bill removed another source of uncertainty that had been breeding unsettling market rumors. Simultaneously, the German Government took action to discourage borrowing abroad by German business firms, which had been a major source of buying pressure on the mark over the the previous 3 years, while the Japanese Government reinstated controls on speculative buying of the yen. Finally, the interest rate gap between Europe and the United States began to be squeezed out from both sides. As recessionary tendencies continued in Europe, discount rate cuts were announced in Germany, Belgium, and the Netherlands, while the U.S. Treasury bill rate rose significantly.

The dollar showed growing strength and resiliency throughout most of the spring months, as a return flow of short-term funds largely offset continuing deficits in other components of the U.S. balance of payments. This encouraging trend was abruptly reversed midway in June, however, as sterling was suddenly swept off its Smithsonian parity by a speculative wave that had been gathering force for many months past. In allowing sterling to float on June 23, the British authorities indicated that the defense of sterling during the previous 6 days had cost the equivalent of $2.6 billion.

Such official intervention to defend sterling was almost entirely conducted in Common Market currencies, in accordance with a British undertaking on May 1 to join with its prospective Common Market partners in maintaining a spread of no more than 2¼ per cent between sterling and any other Common Market currency. This European Community (EC) agreement had thus created a dual system of exchange rate limits in which the 2¼ per cent Common Market band became colloquially described as the "snake in the tunnel" represented by the

4½ per cent Smithsonian band. A critical feature of the Common Market 2¼ per cent band was that intervention in dollars was to be confined to circumstances in which a weakening Common Market currency should decline the full distance to its Smithsonian floor or a strong currency should rise to its Smithsonian ceiling. Otherwise, maintenance of the 2¼ per cent Common Market band was to be carried out by intervening in each other's currencies.

As sterling came under selling pressure in June, the bank of England accordingly was called upon to offer marks and whatever other Common Market currencies were being quoted at rates 2¼ per cent above sterling, while its European partners bought sterling with their currencies. The general effect of such intervention to maintain the 2¼ per cent Common Market band was to brake the decline of sterling toward its Smithsonian floor of $2.5471, while simultaneously pulling down the stronger EC currencies well below their Smithsonian ceilings. In this strained pattern of rates, the markets may have sensed a two-way speculative opportunity to go short of sterling and long of continental currencies in the hope of profiting on both. Most of the outflow from London seems to have ended up in the Common Market.

On June 23 the British authorities announced their decision to float the pound, in effect temporarily suspending their participation in the Smithsonian and EC agreements. Following that announcement, other European currencies immediately rebounded to their Smithsonian ceilings, reflecting market fears of a severe tightening of capital import controls, a joint float of the Common Market currencies, or some combination of both. The European currency markets were then closed down, and an emergency meeting of the Community finance ministers was set for the following Monday in Luxembourg. At that meeting Denmark formally withdrew from the EC monetary agreement, while Italy secured a temporary authorization to keep the lira within the 2¼ per cent band by intervening in dollars rather than in European currencies. The finance ministers then reaffirmed their determination to defend both the Smithsonian parities and the Common Market band.

Despite this reaffirmation and subsequent drastic controls imposed by Switzerland and Germany to ward off unwanted capital inflows, rumors of a European joint float continued to incite heavy speculative selling of dollars against the stronger European currencies and the yen. By Friday, July 14, the sterling crisis had generated not only the previously noted flight of $2.6 billion of funds from sterling into other Common Market currencies but also additional flows totaling over $6 billion from dollars into various European currencies and the yen.

Meanwhile, the U.S. authorities had been considering the advisability of renewed operations in the exchange markets, involving, if necessary, Federal Reserve swap drawings that had been suspended on August 15, 1971. On U.S. initiative and with the approval of the German Federal Bank, the first of such exchange operations was launched on July 19 in the form of repeated offerings by the Federal Reserve Bank of New York of sizable amounts of German marks on the New York market. This intervention, which was continued briefly on the following day, was described by Chairman Burns as a move by the U.S. authorities to play their part to restore order in foreign exchange markets and to do their part in upholding the Smithsonian Agreement, just as other countries were doing. The Chairman also indicated that

TABLE 1
FEDERAL RESERVE RECIPROCAL CURRENCY ARRANGEMENTS
In millions of dollars

Institution	Amount of facility Sept. 8, 1972
Austrian National Bank	200
National Bank of Belgium	600
Bank of Canada	1,000
National Bank of Denmark	200
Bank of England	2,000
Bank of France	1,000
German Federal Bank	1,000
Bank of Italy	1,250
Bank of Japan	1,000
Bank of Mexico	130
Netherlands Bank	300
Bank of Norway	200
Bank of Sweden	250
Swiss National Bank	1,000
Bank for International Settlements:	
Swiss francs/dollars	600
Other authorized European currencies/ dollars	1,000
Total	11,730

TABLE 2
FEDERAL RESERVE SYSTEM ACTIVITY UNDER ITS RECIPROCAL SWAP LINES
In millions of dollars equivalent

Transactions with—	System swap drawings, Jan. 1, 1972	Drawings, or repayments (−) 1972: I	II	July 1–Sept. 8	System swap drawings, Sept. 8, 1972
National Bank of Belgium	455.0	...	−20.0	10.2 −10.2	435.0
Bank of England	715.0	...	−52.0	−663.0	...
German Federal Bank	50.0	...	...	−50.0	...
Swiss National Bank	1,000.0	...	−300.0	...	700.0
Bank for International Settlements (Swiss francs)	600.0	...	...	...	600.0
Bank for International Settlements (Belgian francs)	35.0	...	...	...	35.0
Total	2,855.0	...	−372.0	10.2 −723.2	1,770.0

the operation would continue on whatever scale and whenever transactions seemed advisable. The U.S. Treasury also confirmed the intervention, stating in part that: "The action reflects the willingness of the United States to intervene in the exchange markets on occasion when it feels it is desirable to help deal with speculative forces. The action indicates absolutely no change in our basic policy approach toward monetary reform and the necessary efforts on all fronts to achieve a sustainable equilibrium in our balance of payments."

On August 10, the Federal Reserve Bank of New York intervened in a second European currency, the Belgian franc, which had remained pinned to its ceiling. In a series of daily operations in some volume, the Belgian franc rate was brought down appreciably below its ceiling and, in the process, some unwinding of speculation on the Belgian franc may have been set in motion.

Since July 19, the New York Reserve Bank has intervened in the market on nine occasions and sold in the process $31.5 million of foreign currencies; total offerings were, of course, much larger. All market sales of foreign currencies, either from balances or from small swap drawings, were fully covered by market purchases as the dollar strengthened on the exchanges.

As noted in the preceding report in this series, Federal Reserve swap debt, which had reached a peak of $3,045 million on August 13, 1971, had been reduced to $2,855 million by the end of last year.[1] Since then, further net repayments of $1,085 million have brought down the total outstanding debt to $1,770 million (Table 2), a reduction of nearly 40 per cent from the August 1971 peak. The bulk of such debt repayments during the period under review was accounted for by liquidation of the remaining $715 million of an original $750 million drawing on the Bank of England. The sterling needed for such repayments was acquired in regular purchases during June, July, and early August, both through the market and in direct transactions with the Bank of England, plus a sizable direct purchase from the U.S. Treasury of sterling previously acquired in a U.S. Government drawing on the International Monetary Fund (IMF).

In June, $300 million of swap debt to the Swiss National Bank was repaid through a direct purchase of $250 million of Swiss francs from the National Bank, supplemented by Federal Reserve purchases of Swiss francs in the market. In July, the remaining $50 million of swap debt due to the German Federal Bank was liquidated through a direct transaction with that institution. In May, swap debt in Belgian francs was reduced by a $20 million repayment to $470 million equivalent. Finally, in August, new drawings of $10.2 million equivalent were made

[1] See BULLETIN, March 1972, pp. 228–56.

on the Belgian swap line, but these were fully liquidated by early September.

In March and July of this year, the U.S. Treasury redeemed in two equal instalments a $153 million equivalent German mark-denominated note that had been issued to the German Federal Bank under the 1967 military offset agreement with Germany (Table 4). Other foreign-currency-denominated securities were renewed at maturity. As of September 8, outstanding U.S. Treasury foreign-currency-denominated securities amounted to $2.0 billion equivalent.

STERLING

In 1971 the United Kingdom had recorded a large payments surplus, with a substantial gain in official reserves. Meanwhile, however, the British economy had become afflicted by a wage and price spiral that threatened to weaken its competitive position in world markets. Moreover, a significant proportion of the 1971 reserve gain reflected hot money inflows that could be reversed in short order. Consequently, at the Smithsonian meeting the United Kingdom maintained sterling's gold parity, thereby limiting the appreciation of sterling against the dollar to the 8.57 per cent increase in the dollar price for gold. A middle rate for the pound of $2.60571—commensurate with the dollar's devaluation—was established, and the Bank of England announced official buying and selling rates in conformity with the Smithsonian Agreement's provision for a band of 4.5 per cent around the new middle or central rates.

At the same time the British authorities relaxed the exchange control regulations they had announced in late August and early October to discourage inflows of nonresident funds. Spot sterling fell close to the new floor of $2.5471 in late December, as some speculative positions began to be unwound and year-end adjustments were made. Taking advantage of this development, the Federal Reserve acquired sterling in the New York market and repaid, just prior to the year-end, $35 million of the $750 million equivalent swap drawing on the Bank of England that had been entered into in August 1971.

After the year-end adjustments were completed, however, the initial post-Smithsonian euphoria in the markets faded. The outflow of funds from the United Kingdom dried up rapidly, and spot sterling moved away from the floor. Doubts about the durability of the new exchange rates quickly surfaced, and by mid-January most other major European currencies were bid up toward, or even above, their central rates. At the same time it became clear that the EC countries were approaching agreement on narrowing the margin of fluctation between their currencies and that the United Kingdom probably would participate in the arrangements. Consequently, sterling was bid up into line with the continental currencies, rising by 4 cents to more than $2.59 before leveling off. In early February, following a further decline in Euro-dollar rates relative to money market rates in London, the pound advanced to its middle rate. Over the course of that month, sterling weakened from time to time, reflecting the market's pessimism over the long-term implications of a protracted coal miners' strike, but once the strike was settled the continuing general advance of other major European currencies had a buoyant effect on sterling.

TABLE 3
DRAWINGS AND REPAYMENTS ON FEDERAL RESERVE SYSTEM BY ITS SWAP PARTNERS
In millions of dollars

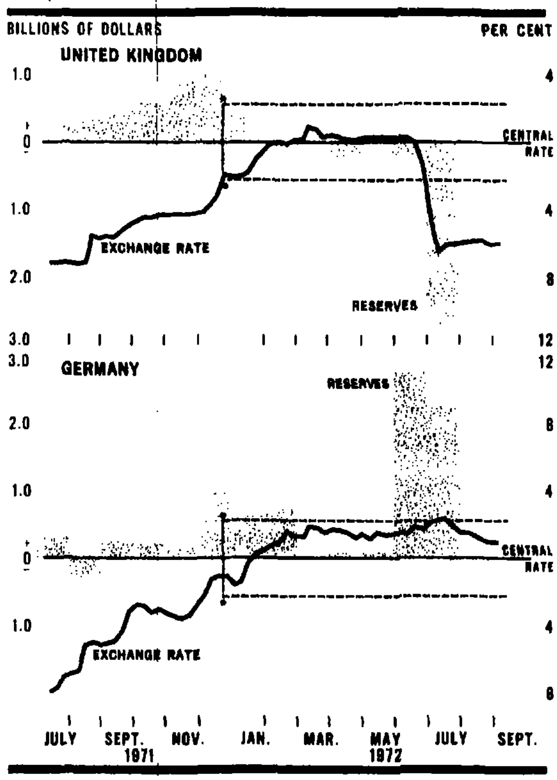
Banks drawing on System	Drawings on System, Jan. 1, 1972	Drawings, or repayments (−) 1972: I	II	July 1–Aug. 31	Drawings on System, Aug. 31, 1972
Bank for International Settlements (against German marks)	....	8.0 −8.0	6.0 −6.0	1.0 −1.0	....
Total	....	8.0 −8.0	6.0 −6.0	1.0 −1.0	....

On March 7, against a background of widespread market uncertainty and growing speculation about the readiness of individual central banks to absorb sizable new inflows of dollars, the EC countries announced agreement to narrow the margin of fluctuation between their own currencies to 2¼ per cent by July 1. The market saw this agreement as greatly increasing the likelihood of a concerted European attempt to stem further inflows of dollars—either through new controls or a joint float against the dollar—and there was a rush to stockpile currencies that might become more expensive or even unavailable later on. Although the buying wave was directed with particular force toward continental currencies, demand for sterling was also strong, and the spot rate shot up by almost 5 cents in 3 days to well over $2.65. The flurry soon abated, however, as the U.S. Congress acted on the gold bill, short-term interest rates in this country began to firm, and, following the March central bank meeting in Basle, it was made clear that there was continuing firm support for the Smithsonian Agreement.

Sterling, in particular, fell back sharply, especially after the release of British trade figures showing a swing into deficit in February. Thus, by the time the British budget was presented on March 21, sterling was down to the $2.61 level once again. The budget, which was expansionary, stressed the need for combating the sluggish trend in the domestic economy and the persistent high level of unemployment. In addition, there was a modest relaxation of exchange controls, primarily for capital outflows to the EC and candidate countries, and British firms controlled by residents of those nations were allowed to raise unlimited sterling finance for their operations in the United Kingdom. Following the budget announcement, forward sterling softened somewhat but, reflecting the general pressure against the dollar, spot sterling rose close to $2.62 by the end of March.

In April the sterling market was reasonably well balanced, with the spot rate fluctuating around $2.61. On April 28 the United Kingdom discharged the remainder of its debt to the IMF, thereby reconstituting its full drawing rights with the Fund for the first time since December 1964. The repayment required the cooperation

1A | CHANGES IN EXCHANGE RATES AND OFFICIAL TRANSACTIONS



Movements in exchange rates are measured as percentage deviations of weekly averages of New York noon offered rates from the middle or central rates established under the Smithsonian Agreement. Changes in reserves are computed from the figures published in the International Monetary Fund's *International Financial Statistics* and, as such, reflect for December 1971 not only actual movements in reserve assets but also the revaluation, on the basis of the Smithsonian Agreement, of assets other than dollars. Changes for January 1972 include this year's allocations of SDR's.

*Upper and lower intervention limits established in December 1971.

of a number of countries. Under the arrangement that was worked out, the U.S. Treasury drew SDR 200 million equivalent of sterling from the IMF, thereby reducing the United Kingdom's repurchase obligation by a corresponding amount to SDR 950 million. The United Kingdom, in turn, discharged this residual commitment with SDR 500 million equivalent of currencies acquired from third countries against dollars, with SDR 50 million of gold and SDR's purchased from Canada, and with SDR 400 million out of British reserves. Then, on May 1, the United Kingdom formally began its participation in the EC narrower band arrangement that had been put into effect 1 week earlier. There was little reaction in the market, however, as sterling had been holding well within the 2¼ per cent band for some 2 months.

Spot sterling remained fairly steady through most of May. Nevertheless, an increasingly pessimistic atomosphere was developing in the market, as price and wage inflation and the continuing series of labor disputes threatened to cut further into Britain's competitiveness in world markets. The trade deficits, which had appeared in February and had continued in March and April, were taken as a sign that the huge current-account surplus of the past 3 years was already being eroded and might soon be erased. Market pessimism first showed through in a widening of discounts on forward sterling late in May, and in early June spot sterling began to soften as well. The pound was still trading above the middle rate for the dollar but had fallen close to the bottom of the EC band.

On June 8, the release of first-quarter balance of payments statistics for the United Kingdom, showing a sharp drop in Britain's current-account surplus, seemed to confirm market fears about the pound's prospects, and sterling came on offer, with traders beginning to switch into German marks, Swiss francs, and Dutch guilders. Then, on June 15, out of a growing morass of legal and jurisdictional controversies on the labor front, a wildcat dock strike triggered a new selling wave of both forward and spot sterling. With spot sterling now at the bottom of the EC band, the Bank of England and several Common Market central banks were obliged to intervene heavily in support of the pound against EC currencies. As the pound dipped to $2.58½ against the dollar on June 16, it tended to pull the whole band down vis-a-vis the dollar, thereby making the continental currencies appear relatively cheap.

Meanwhile, sterling's prospects had become a subject of general debate in the United Kingdom, especially against the background of Chancellor of the Exchequer Barber's statement in the March budget address that "the lesson of the international balance of payments upsets of the last few years is that it is neither necessary nor desirable to distort domestic economies to an unacceptable extent in order to maintain unrealistic exchange rates, whether they are too high or too low." In parliamentary debate on June 19, an opposition spokesman stated that he did not see how a devaluation could be delayed beyond July or August of this year.

Over the next 3 days, enoromous amounts of sterling were dumped on the exchanges. Forward sterling was driven to deep discounts (as much as 15 per cent per annum on 1-month deliveries), and spot sterling was pushed down to as low as $2.56½ against the dollar, even as EC central banks continued their massive support effort to maintain the 2¼ per cent band among their own currencies. In sum, over the six trading days June 15 to 22, such support amounted to $2.6 billion equivalent, financed by exchange transactions with the Bank of England that were to be liquidated by the end of July.

Early on the morning of Friday, June 23, with no end to the reserve losses in sight, the British authorities announced:

> H.M. Government has decided that, as a temporary measure, sterling will be allowed to float. This means that for the time being the market rate for sterling will not necessarily be confined within announced limits either in respect of the U.S. dollar or in respect of EEC currencies.
>
> It is the Government's intention to return as soon as conditions permit to the maintenance of normal IMF margins round parity and participation in the special EEC currency arrangements.

At the same time, the London market was closed through the following Monday and most of the exchange controls applying to nonsterling-area countries were extended to the overseas-sterling-area countries other than the Republic of Ireland.

The floating of the pound, and the subsequent withdrawal on the same day of the continental central banks from their respective markets, gravely weakened confidence in the durability of the Smithsonian Agreement and the EC intervention arrangements. On Monday, June 26, however, the EC finance ministers agreed in Luxembourg to continue to defend the Smithsonian rates and to retain the narrower EC band arrangements, while the pound continued to float.

On June 27, when London was the only major European foreign exchange market to resume

TABLE 4
U.S. TREASURY SECURITIES, FOREIGN CURRENCY SERIES
In millions of dollars equivalent

Issued to—	Outstanding, Jan. 1, 1972	Redemptions (−) 1972 I	II	July 1–Sept. 8	Outstanding, Sept. 8, 1972
German Federal Bank	612.0	−76.5	....	−76.5	459.0
German banks	153.0	....	....	....	153.0
Swiss National Bank	1,215.4	....	....	....	1,218.3
Bank for International Settlements[1]	164.8	....	....	....	170.9
Total	2,145.2	−76.5	....	−76.5	2,001.2

[1]Denominated in Swiss francs.
NOTE.—Discrepancies in totals result from valuation adjustments and from rounding.

normal operations, the sterling rate dropped almost to $2.47, but a sharp squeeze for balances developed later in the day as deliveries on earlier sales contracts had to be met, and the spot rate temporarily rebounded to $2.51¾. Once the squeeze for balances had passed, sterling dropped off steadily, by a penny or two a day over the course of the next week, to as low as $2.41¼ on July 4 in London. At that point, commercial demand reappeared and the rate recovered to around $2.45.

The revival of commercial demand was underscored by the release of trade figures for June, which had swung back into surplus and confirmed that in fact the United Kingdom was still in current-account surplus. Moreover, the continuing money market squeeze in London tended to support sterling in the exchanges. Even so, new troubles on the labor front, culminating in a dock strike beginning on July 21, had a disturbing influence on the sterling market, occasionally pulling the rate down sharply. Over the remainder of July, sterling traded in the $2.44 to $2.45 range. On July 31, the United Kingdom settled its debts in connection with the defense of sterling in June, utilizing $1,150 million of funds previously swapped out under special arrangements, $634 million equivalent drawn under the U.K.'s IMF gold tranche position, and $823 million from reserves that at the end of July still amounted to $6,082 million (inclusive of Britain's remaining $126 million IMF gold tranche position).

Meanwhile, as sterling began to decline sharply against the dollar in mid-June, the New York Federal Reserve Bank, acting in close consultation with the Bank of England, began to buy sterling in the New York market to repay the Federal Reserve's remaining swap commitment. By the end of June the System had been able to reduce its swap commitment by another $52 million to $663 million equivalent. After sterling was floated, the U.S. Treasury periodically bought sterling on days when the rate was declining in New York and by mid-July had purchased a total of $41.5 million equivalent.

At that point the Federal Reserve, in order to repay the remainder of its swap commitment in sterling, initiated a program of daily purchases of sterling, mainly on a direct basis from the Bank of England but also in the market. These purchases, together with sterling acquired from the U.S. Treasury, including the pounds drawn by the Treasury at the time of the British IMF repayment in April, enabled the System to reduce its swap commitment by $405 million equivalent to $258 million as of July 31. The program of daily purchases continued through early August, and by August 14 the Federal Reserve had acquired sufficient sterling to liquidate the remainder of its original swap commitment of $750 million.

Buoyed by a tight domestic money market and continuing commercial demand, sterling rose early in August to trade above $2.45. Announcement of an end to the dock strike and release of a second consecutive trade surplus gave additional support to the spot rate toward midmonth. Subsequently, the squeeze for balances eased, with British short-term interest rates declining abruptly, and spot sterling edged to below the $2.45 level in early September.

GERMAN MARK

Following the Smithsonian Agreement, the German authorities established a new central rate for the mark of $0.3103⅛, an effective appreciation of 13.58 per cent against the dollar, and set margins at $0.3034⅞ and $0.3174⅝ on either side of the central rate. None of the restraints against inflows of foreign funds introduced earlier in 1971 were removed, but the Government announced that it would not avail itself for the time being of its new power to impose deposit requirements of up to 50 per cent against German firms' borrowings abroad. When exchange trading was resumed, the mark settled well below its new central rate. Except for some modest outflows toward the year-end, there was no significant reversal of the huge speculative positions in marks that had been built up over the course of 1971.

Early in 1972 doubts began to spread in the exchange markets that a durable settlement of the international monetary crisis really had been achieved. Moreover, many Europeans were expressing concern over the further decline taking place in the U.S. interest rates. With the press and the markets focusing more and more on these issues, the atmosphere deteriorated progressively over the early weeks of the new year, and almost any news item or rumor was seized upon as a reason for additional selling of dollars. Funds were shifted into Germany particularly, and in heavy demand the spot mark rose through the new central rate by mid-January. Further waves of nervousness swept through the foreign exchange markets in February. Each time the mark rate was bid up sharply, and the pressures eased only after forceful intervention by the German Federal Bank.

Then, late in February, the German authorities announced new measures designed to lessen the inflow of funds and to defend the Washington agreement. These included cuts in the discount and Lombard rates of the German Federal Bank and a hike in the marginal reserve requirement against nonresident liabilities. More importantly, the Ministry of Economics and Finance imposed a 40 per cent deposit requirement *(Bardepot)* on most foreign borrowings of nonbanking enterprises, retroactive to January 1, moving for the first time to curb German corporate borrowings abroad. Following the announcement of these measures, the spot rate declined to almost 1½ per cent below its upper limit by late February. Over the month as a whole, however, German official reserves had increased by $744 million.

The demand for marks soon built up again in early March, and the mark was driven up almost to its Smithsonian ceiling in reaction to the growing press discussion of a possible concerted European response to the continued influx of dollars—through either the introduction of controls or a joint float against the dollar. Following encouraging reports of the Basle meeting of central bankers on the weekend of March 11–12 and indications that U.S. short-term interest rates were beginning to firm, the mark backed off somewhat and traded around the $0.3150 level. The mark held at this level well into April, with little reaction to the announcement early that month that on April 24 the EC would implement its narrower trading band arrangement (the "snake in the tunnel").

By that time, and indeed throughout the second quarter, Germany's international payments position was undergoing a substantial readjustment. The domestic economy had leveled off, but wage and price pressures remained strong in Germany and the rise of the mark rate over the course of the previous year was beginning to exert an influence on the German trade balance. Thus the trade surplus, which had swelled to substantial proportions toward the end of 1971 and through the early months of 1972, showed a decline in March and subsequent months. Coupled with a further deterioration in service items and transfer payments, this moved the full current account from surplus to rough balance.

The continuing strength of the mark during the spring reflected, therefore, an increasingly heavy influx of capital. These inflows were mainly generated by the market's expectation that there might be a further rise in the value of mark-denominated instruments. At the same time, moreover, German corporations continued to seek funds abroad through a variety of means. To avoid the *Bardepot,* the corporations ran down their foreign market borrowings by $1.3 billion in March and April but at the same time were able to sell to foreigners a substantial volume of mark-denominated bonds.

The exchange markets were in better balance in May, but the general uneasiness over the international monetary situation showed through on a number of occasions. Such events as the intensification of the Vietnam war early in the month and Treasury Secretary Connally's resignation toward midmonth brought forth a spate of market and press commentary on their ultimate significance for the monetary system. Comments to the press by officials from either side of the Atlantic, or even rumors of what they might have said, were closely scrutinized for any hint of further moves to be made on the international monetary front. Thus, several times in May the German mark was bid up sharply in the exchanges, pulling several other European currencies along with it. These bursts of demand were short lived, however, and each time the spot rate quickly retreated.

The mark was trading quietly around $0.3150 in early June, when swiftly moving events in the sterling market sent shock waves into other markets as well. The rush out of sterling was directed mainly toward the mark, which rose sharply against the dollar. By June 16, sterling had fallen to its intervention point against the mark under the EC arrangements and both the German Federal Bank and the Bank of England had to intervene massively (selling marks against sterling) to keep the spread between their two currencies from widening beyond 2¾ per cent. This heavy injection of marks into the exchanges tended to pull the mark down against the dollar, and the rate dropped to $0.3131 by June 22.

When the British authorities announced the floating of the pound on Friday, June 23, thereby dropping out of the Smithsonian and EC agreements, traders immediately began shifting funds out of dollars and into other European currencies as they feared a general abandonment of the Smithsonian rates. As a result, the German Federal Bank was flooded with nearly $900 million within the first hour of trading, after which it suspended operations and closed the exchange market. In trading later that day and on Monday, June 26, in New York, the spot mark jumped 15 points above its Smithsonian ceiling. Following the EC finance ministers' decision on June 26 to continue to defend the Smithsonian limits and to maintain the EC band, the German authorities announced they would reopen their foreign exchange markets on Wednesday, June 28.

When normal trading resumed that day, the spot mark traded just below its ceiling, but marks for future delivery were quoted at large premiums. The next day the German Government moved to back up the decision to support the existing international exchange agreements by announcing a series of measures to tighten controls. The *Bardepot* requirement was raised from 40 per cent to 50 per cent and was applied to a wider range of borrowings. Sales of domestic fixed-income securities to nonresidents were made subject to the prior approval of the authorities, to be administered restrictively. The German Federal Bank again raised its reserve requirements against the banks' foreign liabilities, so that in effect reserves totaling between 90 per cent and 100 per cent would be required against any additional foreign liabilities of the banks. Finally, domestic reserve requirements were hiked to absorb the liquidity generated by inflows of the nonbanking sector. This increase in domestic liquidity reflected the fact that Germany's official reserves, which had risen by $121 million in April and May, had been swelled by a further $2,763 million in June, largely as a result of the intervention to support both sterling and the dollar.

The tightening of controls by the German authorities did not immediately allay market anxieties and, in the generalized pessimism over the future of the Smithsonian Agreement, traders hastened to shift even more funds into Germany ahead of the possible imposition of additional controls. Consequently, the mark was in heavy demand early in July and the German Federal Bank was obliged to absorb dollars on a large scale. The buying of marks, and of most major European currencies, continued until the Swiss authorities relieved some of the uncertainties by taking forceful defensive measures of their own on July 4 and 5. The Federal Bank then intensified its efforts to tighten up the *Bardepot* and also asked banks to enter into a gentlemen's agreement neither to sell assets out of their own portfolios to nonresidents nor to arrange or guarantee any sizable foreign credits to residents. In addition, the Federal Bank once again boosted its minimum reserve requirements against domestic liabilities to mop up the liquidity flowing directly into German corporations.

These various measures helped settle the markets briefly, but a new rush into marks and other currencies soon developed in the week prior to the scheduled July 17–18 London meeting of EC finance ministers. With the atmosphere still tense following the floating of the pound, there were reports in the European press suggesting that the EC finance ministers would plan a joint float of their currencies against the dollar, rather than stick to their announced agenda. The market seized upon these reports to mount a new drive out of the dollar and into the mark and other European currencies. With the mark pushed once again to its upper limit, the German Federal Bank had to absorb some $1.1 billion over the 2 days of July 13–14. On Monday, July 17, the EC ministers in London made clear their determination to maintain the Smithsonian exchange-rate structure and emerged with a general agreement on longer-term monetary questions, including the need for par values. The reports out of London gave pause to the markets, and the demand for marks let up over the 2 days of the meeting. The huge technical positions built up over previous days and weeks, short of dollars and long of marks and other currencies, nevertheless remained intact.

By Wednesday, July 19, the mark had edged slightly away from its ceiling and eased further after the New York market opened that morning, to around $0.3160 by 11 o'clock. Shortly thereafter, on the basis of a U.S. Government policy decision, the Federal Reserve Bank of New York placed large offerings of marks in the New York market. These offers were for System account, with marks made available by the U.S. Treasury on a swap basis. Such unexpected intervention generated an immediate market reaction, and traders quickly moved their mark quotations down. As the market backed away, the Federal Reserve's offering rate was subsequently lowered several times. The operation generated considerable market comment and, in response to press inquiries, Chairman Burns confirmed the System's intervention in marks, adding that such intervention would continue on whatever scale and whenever it was deemed desirable. The following morning in Germany, with the market fully alerted to the news of the U.S. initiative, the spot mark fell further, reaching $0.3152 (some ¾ of 1 per cent below the upper limit) by the time the New York market opened. The Federal Reserve followed up with a further offering of marks out of previously accumulated System balances. Over succeeding days, with additional favorable press and market commentary on the Federal Reserve initiative, the mark rate continued to decline. This tendency persisted into early August, with some unwinding of speculative positions, and the rate settled temporarily around $0.3140.

By midmonth a more favorable atmosphere developed for the dollar, following the release of improved U.S. balance of payments figures for the second quarter and indications of new efforts by the United States to negotiate a settlement of the Vietnam conflict. In addition, the various measures taken by the German authorities in July were beginning to bite. Consequently, the mark rate dropped further, reaching $0.3134 on August 16, and the Federal Reserve again sold marks to consolidate the dollar's improvement. These sales brought to $21.4 million equivalent the total of marks sold in market operations.

The shift in sentiment in favor of the dollar continued, pushing the mark rate to $0.3126¼ on August 21. On the next day, however, German commercial banks reportedly found themselves short of liquidity to meet their reserve requirements through the end of August. A squeeze developed in the Frankfurt money market, and the banks scrambled to buy marks in the exchanges, setting off a sharp rise in the mark rate before the banks' liquidity needs were met. When the July trade figures for the United States showing a narrowing of the trade deficit were announced on August 24, however, the mark eased once again.

In other operations during the period under review, the U.S. authorities, under agreements with the German Federal Bank, were able to liquidate certain German mark obligations entered into prior to the floating of the mark in May 1971. In March and July the U.S. Treasury purchased sufficient marks from the Federal Bank to redeem in two payments a $153 million mark-denominated note. Moreover, on July 24, the Federal Reserve liquidated its remaining $50 million equivalent mark swap commitment, also purchasing marks directly from the Federal Bank. This repayment placed the $1 billion swap arrangement with the German Federal Bank on a fully standby basis and no new drawings have been made.

SWISS FRANC

Under the Smithsonian Agreement the Swiss authorities fixed a central rate for the franc of $0.2604⅛—in effect, an increase of 6.36 per cent against the dollar from the franc's previous parity and of 13.88 per cent from the parity in force prior to Switzerland's revaluation on May 10, 1971—and announced their new intervention points, 2¼ per cent on either side of the central rate. Actual trading conditions were little changed, however, since the banks had been allowed to deal throughout and because the restrictions imposed the preceding August remained in effect. Increases in the banks' net foreign liabilities over the July 31, 1971, levels continued to be subject to a 100 per cent reserve requirement, and interest payments on nonresidents' deposits made after July 31 were still prohibited. In the wake of the Smithsonian Agreement there were modest outflows from Switzerland, and the franc gradually began to ease toward the new floor of $0.2546¾. There was no substantial unwinding of speculative positions, however, and the Swiss banks remained highly liquid as the year-end approached.

Early in January, with the current account of Switzerland's balance of payments continuing in small surplus and the markets hesitant in the face of the many monetary issues still to be resolved, the franc rate remained slightly above the floor, even as domestic monetary conditions eased further. By midmonth the market was already beginning to question the durability of the exchange rate realignment, and the spot franc rose along with other European currencies. Over succeeding weeks, as traders grew increasingly jittery, several rounds of heavy buying pushed the franc up to as high as the central rate. At that time, in view of the continuing inflows from abroad, the Swiss National Bank instituted a requirement that 25 per cent of the proceeds of foreign bond issues in Switzerland (which were running at more than twice their volume of a year earlier) had to be converted into dollars by the central bank at the franc's lower intervention limit. Another wave of demand for francs developed in early March when, in the general strengthening of European currencies, the Swiss franc was rapidly bid up to some 1 per cent above the central rate. The tensions in the foreign exchanges eased abruptly at that point, however, and the franc rate fell back sharply. Since domestic liquidity remained extremely abundant in Switzerland, the decline was steeper in the Swiss franc market than elsewhere on the Continent, and after mid-March the spot rate was again below the central rate.

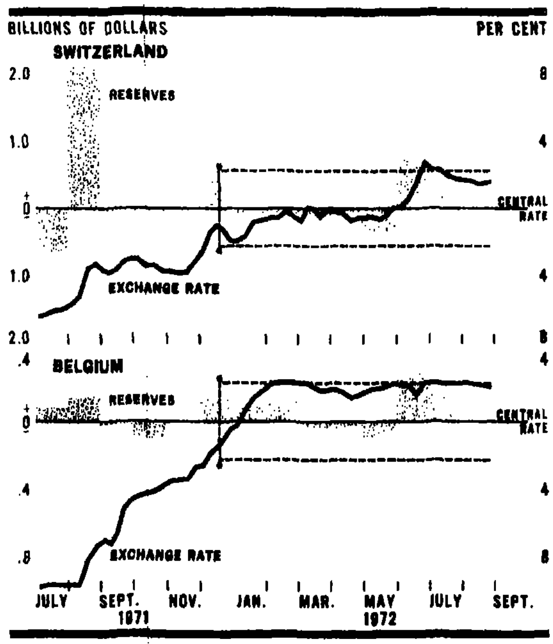
On April 5 the Swiss National Bank and the Swiss Bankers Association agreed on two measures to mop up some of the excess domestic liquidity. First, marginal reserve requirements ranging up to 20 per cent were introduced against the growth in the banks' domestic liabilities since July 31, 1971. Second, the already existing 100 per cent reserve requirement against increases in the banks' net foreign liabilities was considerably tightened through a more restrictive interpretation, even though the required ratio was halved. At first, there was little reaction to these measures in the Swiss franc market and the spot rate held fairly steady. But as the market came to appreciate the possible consequences of the restriction on the banks' net foreign currency positions, the franc weakened.

Late in April the Swiss banks began to transfer funds to the National Bank under the terms of the tightened reserve requirement against increases in net liabilities to foreigners. An alternative for the banks was to reduce their net external liability positions by purchasing dollars from the National Bank, and on May 2 the National Bank sold $150 million at the rate of $0.2577¼ (3.88 Swiss francs) for this purpose. The following day the National Bank announced that it would henceforth be prepared to sell dollars at this higher rate, rather than at the official lower intervention point of $0.2546¾, thereby reducing the effective range of fluctuation of the Swiss franc. In a parallel move, it lifted to the same level the exchange rate for conversions of foreign bond proceeds raised in Switzerland, while increasing to 40 per cent from 25 per cent the share of such proceeds that had to be converted at the central bank. These measures had no direct impact on the market but, over succeeding weeks, resulted in a further decline in the National Bank's dollar holdings.

The nervousness that broke out in the exchanges at the beginning of the second week of May pushed the franc somewhat higher, but there was never any severe pressure and the spot rate soon receded, declining until the middle of that month. Trading in francs then turned quiet, with the rate about ¾ per cent under the central rate and well below the EC currencies. Taking advantage of the relatively weak exchange rate, the Federal Reserve, with the agreement of the Swiss National Bank, initiated a program of moderate purchases of Swiss francs in the market to make a start on covering the System's swap commitments in that currency—$1 billion equivalent to the Swiss National Bank and $600 million to the BIS. By early June, such Federal Reserve purchases were sufficient, together with $250 million of francs bought directly from the Swiss National Bank to replenish its dollar balances, to enable the Federal Reserve to make swap repayments totaling $300 million equivalent to that bank. The System's Swiss franc swap indebtedness to the National Bank was thereby reduced to $700 million, while the additional $600 million equivalent Swiss franc drawing on the BIS remained outstanding.

Late in May the Swiss National Bank's sustained efforts to absorb domestic liquidity began to take hold and the Swiss franc strengthened. On May 30, an erroneous press report from Switzerland to the effect that Under Secretary Volcker had not absolutely ruled out the possibility of another dollar devaluation set off a particularly sharp reaction in the Swiss franc market. In heavy trading, the rate surged by ¼ per cent within half an hour. Although the wire service later admitted that it had transmitted its own interpretation of Mr. Volcker's response

1B CHANGES IN EXCHANGE RATES AND OFFICIAL TRANSACTIONS



For notes see p. 761.

to questions and that the Under Secretary had in fact strongly supported the Smithsonian alignment, the market did not immediately recover from the initial adverse reaction, and the franc swung widely around the central rate over the subsequent days.

This misunderstanding was the first of a series of disquieting developments to hit the exchange markets in rapid succession in the late spring, and the Swiss franc became increasingly subject to speculative pressures. Early in June free-market gold prices—which had already advanced sharply the preceding month—surged in a strong speculative outburst on rumors of an increase in the official price of gold. In response, the Swiss franc rose rapidly, moving through its $0.2604⅛ central rate.

Later in the month, the fever in the gold markets abated and the Swiss banks' concerns over their midyear liquidity positions were eased by the willingness of the National Bank to extend assistance through short-term swaps. (In fact, it granted a total of $923 million in swaps over the midyear period.) Nevertheless, demand for Swiss francs began to pick up, as funds were switched out of sterling on a progressively heavier scale. Since Switzerland is not a party to the EC currency arrangements, the franc rate was not pulled downward, as were many other continental currencies, by the rapid drop of sterling vis-à-vis the dollar. Instead, the spot franc was propelled upward by speculative positioning to \$0.2653 by June 22.

Following the floating of the pound on June 23, the Swiss National Bank announced that it would not intervene in the foreign exchange market until further notice. The Swiss banks were still free to trade, however, and the franc immediately rose above its ceiling. On June 26 the Swiss authorities took new and more drastic measures to limit the inflow of foreign capital, this time banning the sale to foreign investors of domestic securities, foreign securities denominated in Swiss francs, and mortgages on land and also prohibiting all sales of Swiss real estate to nonresidents. Following these steps, the franc rate moved back down toward its official ceiling. When other continental central banks reopened for business on June 28, however, the National Bank stayed out of the market to assess the situation further, and the franc continued to trade erratically above the upper limit in a thin market through the month-end. During this period, the Federal Reserve sold out of balances small amounts of francs in the New York market, with most of the proceeds used to purchase German marks.

When the National Bank resumed operations on Monday, July 3, it warned that a negative interest rate penalty on increases in nonresident deposits in Switzerland would be imposed if the inflow of funds became too large. Nevertheless, there was a heavy demand for francs, and the bank was forced to intervene at the upper intervention limit. The Swiss authorities moved promptly, therefore, to impose a quarterly 2 per cent tax on any portion of foreign deposits with Swiss banks in excess of the balances held on June 30, 1972. In addition, they extended the prohibition of interest payments on nonresident deposits made after July 31, 1971, to all banks (this ban had previously applied only to deposits with the larger banks), prohibited all banks from having net foreign exchange liability positions (including forward positions) at the close of business on any day, subjected borrowings abroad by Swiss citizens and corporations to the prior approval of the Swiss National Bank, and placed on a legal basis the previous gentlemen's agreement establishing the marginal reserve requirements against banks' net foreign liabilities. This barrage of measures halted the inflows, and the Swiss franc fell away from its upper limit, reaching as low as \$0.2647 on July 5.

As the July 17–18 meeting of the EC finance ministers approached, the Swiss franc again came into extremely heavy demand, and the National Bank had to absorb just over \$1 billion. Once the meeting got under way, however, the market concluded that the anticipated joint EC float against the dollar probably would not materialize, and buying pressure on the franc tapered off. When the meeting ended in a reaffirmation of official intent to defend the Smithsonian parities, some offerings of Swiss francs against dollars developed and the franc rate fell rapidly away from its \$0.2664⅛ ceiling. The downward movement was accelerated by the news of the U.S. authorities' reentry into the exchanges on July 19 and by the favorable response that action received. The franc reached as low as \$0.2641 before leveling off. On July 21, in order to absorb part of the franc liquidity resulting from the heavy mid-July inflows, the National Bank raised its marginal reserve requirements against increases in the banks' domestic and foreign liabilities.

The Swiss franc market, no longer fueled by a rapid succession of speculative rumors, then turned very quiet. In mid-August, when sentiment toward the dollar improved in response to the Federal Reserve's continuing market intervention and release of improved second-quarter U.S. balance of payments figures, the Swiss franc followed the German mark downward. By early September, the spot rate was fluctuating around the \$0.2645 level.

BELGIAN FRANC

Following the Smithsonian meeting, the Belgian authorities announced that the franc's central rate would be set at \$0.022313, an effective revaluation of 2.76 per cent against gold and a total appreciation of 11.57 per cent against the dollar. New intervention points were established at 2¼ per cent above and below the central rate.

At the same time, Belgium and the Netherlands—which appreciated the guilder by the same percentage against the dollar—decided to maintain the close link between their currencies by continuing to intervene when necessary to keep the rate between the franc and the guilder within a 1.5 per cent spread. Moreover, the Belgian authorities maintained the two-tier market structure, with only current transactions going through the official market. When the Brussels exchange market was reopened on December 21, the Belgian franc was quoted well above the new floor and rose gradually thereafter. By the year-end, when Euro-dollar quotations fell below comparable Belgian domestic interest yields, the franc reached the new central rate.

Early in 1972, the Belgian franc joined other currencies in rising sharply against the dollar, and by February the National Bank had begun to take in dollars, both on a swap and an outright basis. Moreover, in the separate market for financial francs, quotations had risen to a significant premium over the commercial rate. To a large extent, the run-up of the franc reflected relatively high interest rates in Belgium, as well as market fears over the prospects for the Smithsonian Agreement. For its part, the National Bank cut its lending rates three times between the first of the year and early March, with the discount rate reduced from 5½ per cent to 4 per cent in ½ per cent steps, but these actions served merely to bring Belgian rates down into line with comparable rates in other centers. At the same time, economic activity was only gradually recovering from a slowdown and Belgium's current-account surplus remained large. Once the spot rate began to rise, fears of a possible further advance led to a build-up of leads and lags in trade payments, which in turn generated additional demand in both spot and forward markets for commercial francs.

Early in March, when there was widespread discussion of a possible common EC response to growing dollar inflows, either through a joint float of their currencies or through administrative controls to bar these inflows, there was a jump in demand for several currencies, and the National Bank of Belgium again had to take in dollars at the Smithsonian ceiling. On March 9, in an effort to discourage short-term capital inflows, the authorities instructed the banks to avoid any further build-up in their spot liabilities to foreigners without a corresponding increase in their spot foreign assets. This tended to stem the tide for the time being, and the franc rate backed away.

With the Brussels money market now highly liquid, and with incentives having opened up in favor of moving into Euro-dollars, the Belgian franc continued to decline through mid-April. The generally improved exchange market atmosphere also encouraged some unwinding of the earlier leads and lags in favor of the franc. Nevertheless, the Belgian current account was still in surplus, and when the domestic money market turned tighter once again late in April while Euro-dollar rates declined, the Belgian franc began to advance. This tendency continued through May, when renewed nervousness in the exchanges led to a number of brief spurts in the Belgian franc rate. Late in May, when the Belgian Government needed dollars for current payments, the Federal Reserve purchased francs in a direct transaction with the National Bank and, using these francs as well as some balances on hand, repaid a total of $20 million equivalent of its swap debt to the National Bank. The System's Belgian franc swap commitments were thereby reduced to $470 million, including $35 million equivalent owed to the BIS.

When sterling came under speculative attack in mid-June, the Belgian franc was initially pushed up to its upper limit against the dollar. Sterling soon dropped to its middle rate, and the spread within the EC band thus reached the full 2¼ per cent. Consequently, as pounds continued to be dumped on the markets, the National Bank of Belgium joined other EC central banks in the support effort, buying sterling with francs in the market and making francs available to the Bank of England for corresponding intervention in London. As the whole EC band was pulled down against the dollar by the pressure on sterling, the franc dropped to as low as $0.022537 on June 22, or 1.3 per cent below the ceiling.

The floating of the pound on June 23 released the downward pressure on the EC band, and the franc snapped back to its ceiling. After absorbing some dollars, the National Bank of Belgium quickly withdrew from the market along with the other continental central banks that had opened that morning. In the limited trading that followed, the franc rate immediately rose above its Smithsonian ceiling. After the EC finance ministers met in Luxembourg on June 26 and made clear their intention of upholding both the Smithsonian and EC currency arrangements, the Belgian exchange market was reopened on June 28. At first, the rate held just below its upper limit and there was no need for the Belgian authorities to intervene.

The grave uncertainties left in the wake of the floating of the pound soon led to new demands for continental currencies, however, and along with other European central banks the National Bank had to intervene heavily in early July, particularly on July 13–14, just prior to the EC finance ministers' meeting in London. Reports from that meeting tended to reassure the markets and, as with other currencies, the franc edged away from its upper limit. Nevertheless, although the German mark, the Dutch guilder, and the Swiss franc all declined fairly sharply over subsequent days, the Belgian franc hovered close to its upper limit. By late July it had moved back to its ceiling and held there into early August, with the National Bank again absorbing dollars almost every day.

In part, the relative strength of the Belgian franc reflected the continuing current-account surplus. In addition, the Belgian authorities had worked out a gentlemen's agreement with the Belgian commercial banks to absorb some of the domestic liquidity created by the earlier official purchases of sterling and dollars, and the banks made sizable deposits with the central bank at the end of July and during most of August. Finally, it was clear that the speculative build-up of the previous month had not been unwound, and the longer the rate held at the ceiling the more entrenched became market expectations that the Belgian authorities might not be able to resolve the situation within the context of the Smithsonian Agreement.

In these circumstances, on August 10, following consultations with the National Bank of Belgium, the Federal Reserve initiated a probing action in the New York exchange market to see whether some shift of expectations could be generated that would pry the Belgian franc loose from its ceiling. As in the case of the operation in German marks in July, the Reserve Bank placed a large offer of Belgian francs in the market at the current rate. As the market backed away, the offer was subsequently moved down and a moderate amount of francs was sold over the course of the day. On the following morning in Europe there was not only some decline of the franc rate but also some sympathetic easing of other currency rates. To consolidate the gain, the Federal Reserve followed up with further offers on subsequent days, but, with the market continuing to back away, only a small amount of Belgian francs was sold. By August 14 the Belgian franc was clearly following the general downtrend of other European currencies, so that no further offers were made. As had been agreed at the inception of the operation, the Federal Reserve covered its franc sales by drawing on its swap line with the National Bank. These drawings totaling $10.2 million equivalent were repaid by early September, as improved conditions permitted the Federal Reserve to acquire the needed francs through market operations.

With the generally improved sentiment for the dollar, the franc continued to decline on its own through the end of August, reaching as low as $0.022743 before steadying in early September. As of September 8, the Federal Reserve swap drawings in Belgian francs remained at $470 million equivalent.

DUTCH GUILDER

At the conclusion of the Smithsonian meeting, the Dutch Government announced that the guilder would be revalued by 2.76 per cent against gold, thus producing an effective appreciation of the guilder of 11.57 per cent relative to the dollar. New intervention limits were set at 2¼ per cent on either side of the new central rate of $0.3082. There was little outflow of funds from the Netherlands when the Amsterdam market was reopened on December 21 and, with the Dutch current account strengthening against the background of sluggish domestic economic activity, the guilder rate began to rise during late December and early January.

With interest rates falling in foreign centers early in January, the Netherlands Bank reduced all its lending rates by ½ percentage point, the discount rate being cut to 4½ per cent. Domestic money market rates declined in response, but the exchange rate did not follow suit, as there were sizable new direct investment inflows and the underlying Dutch payments position remained strong. Even more important, the demand for guilders reflected the exchange market's growing concern over the viability of the exchange rate realignment negotiated in Washington, and the rise of the guilder followed closely the advance of other continental currencies, particularly the German mark. Consequently, the guilder rate was ratcheted upward in several stages in January and early February, reaching almost to the upper intervention level. In February the Dutch authorities moved to provide additional liquidity to the Amsterdam money market, first by open market purchases of Dutch Treasury bills and subsequently through exchange market swaps, and these operations relieved some of the upward pressure on the spot rate. Nevertheless, just after midmonth a new wave of exchange market uncertainty briefly pushed the spot guilder to the ceiling, and the Netherlands Bank had to absorb a modest amount of dollars. The market turned quieter through the end of February, and in view of the further decline in interest rates abroad, effective March 2, the Netherlands Bank cut its discount rate by ½ percentage point to 4 per cent.

By early March, however, the debate in Europe over alternative means of dealing with dollar inflows was in full swing, with a further extension of capital controls appearing to be the most likely route. Consequently, there was an influx of funds into guilders by traders and investors who feared that new controls could render the guilder more expensive or even unavailable for certain kinds of transactions later on. The heavy demand pushed up the guilder rate, although the Netherlands Bank slowed the advance by entering into new swaps with its banks. Then, on March 7, the EC countries reached the decision to narrow the band of fluctuation between their currencies, and the market took the view that the community would now be in a better position to take common action against dollar inflows—perhaps through a joint float. The demand for guilders thus swelled even further, pushing the spot rate to its Smithsonian upper limit, and over the course of 3 days the Netherlands Bank had to absorb $417 million. On March 9 the Netherlands Bank moved to curb inflows from abroad by prohibiting nonresidents from making new guilder time deposits or renewing such deposits when they mature and by banning the payment of interest on nonresidents' demand deposits. At the same time, the central bank restated its determination to maintain its Smithsonian buying and selling rates for dollars. Following these moves, the market turned much quieter and, as new inflows tapered off, the spot rate soon retreated from the ceiling.

The Dutch money market was now extremely liquid as a result of the earlier heavy influx of funds, and the guilder tended to drift downward through the second half of March and well into April, steadying only after dropping below $0.3100 in mid-April. Thereafter, the guilder followed the gradual updrift of the German mark and other continental currencies, and by early June was trading quietly around $0.3125.

The guilder was then caught up in the rush out of sterling. Although the guilder rate was bid up at first, the operation of the EC currency arrangements eventually resulted in a decline of the whole EC band vis-à-vis the dollar. As sterling weakened, it reached its support point against successive community currencies. By June 22, the guilder too was at the ceiling of the community band—now well below the Smithsonian upper limit against the dollar—and the Netherlands Bank was obliged to buy sterling with guilders. This additional supply of guilders tended to push the guilder rate still lower against the dollar, to 1.4 per cent below the ceiling at one point.

On June 23, following announcement of the floating of sterling, the Netherlands Bank along with other European central banks withdrew from the market. After the EC finance ministers' meeting on June 26, the Dutch joined others in reaffirming their commitment to the Smithsonian and EC arrangements. The Amsterdam market was officially reopened on Wednesday, June 28, with the guilder trading below its

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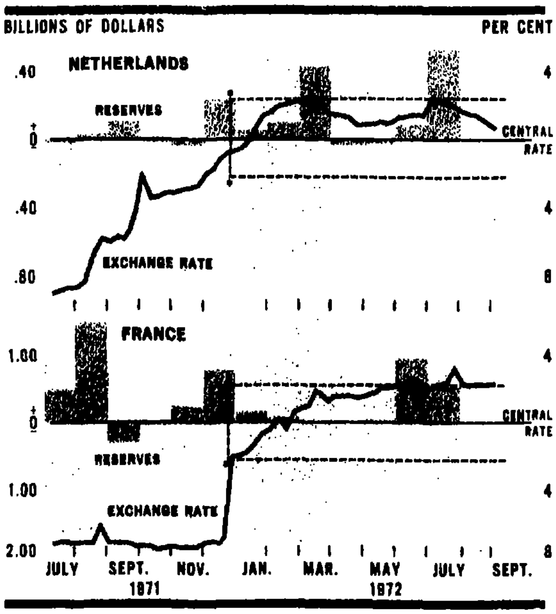

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official ceiling. Over subsequent days, however, the dollar came under pressure in other continental markets and, with exchange controls in other countries deflecting funds away from those currencies, the guilder came into strong demand, obliging the Netherlands Bank to absorb substantial amounts of dollars. By July 7, stiff measures by the Swiss authorities had helped calm the European exchanges and the guilder edged away from its ceiling. The respite proved only temporary, as the prospective EC finance ministers' meeting on July 17–18 in London sparked new rumors of a possible joint float against the dollar that led to massive shifting out of dollars into most continental currencies. Along with other central banks, the Netherlands Bank had to absorb progressively larger amounts of dollars. In sum, from the time of the floating of sterling through July 17, the Netherlands Bank took in \$543 million at the Smithsonian ceiling.

Demand pressures for continental currencies abated considerably when, during the course of the London meeting, the EC finance ministers reaffirmed their determination to defend the Smithsonian Agreement, while focusing their discussion on longer-term issues of monetary reform. Also, on July 17, the Netherlands Bank announced additional measures to curtail capital imports, through both leads and lags in payments for merchandise trade and through intracorporate transfers by multinational firms. These steps helped calm the guilder market further, and the rate began to ease away from the upper limit. The Federal Reserve's reentry into the exchange market through offers of marks in New York on July 19 brought about an easing of the German mark against the dollar over the next few days, and the guilder rate too began to decline. Moreover, as the rate continued to soften through the end of July and into August, previous leads and lags on trade transactions began to be unwound. As a result of this decline, the spread between the guilder and the Belgian franc reached 1½ per cent. Under the terms of the Benelux agreement the Netherlands Bank was obliged to sell modest amounts of Belgian francs against guilders in order to prevent the spread from widening still further. By early September the guilder was trading below \$0.3100 in a quiet market.

FRENCH FRANC

The French balance of payments had been in substantial surplus in 1971, and the franc had remained strong throughout the year. As part of the Smithsonian Agreement, the French Government agreed to keep the gold parity of the franc unchanged, thereby permitting the franc to appreciate relative to the dollar by 8.57 per cent. The new central rate for the franc was set at \$0.19543⁄4, with intervention limits set at 2¼ per cent on either side. Although many of the exchange controls imposed in the second half of 1971 were eased or abolished following the Smithsonian Agreement, the French authorities maintained the basic structure of their two-tier exchange market. Under this system, which subsequently has been liberalized, the Bank of France defends the franc at the prescribed intervention points only in the official market (through which trade and most service transactions as well as governmental transactions are effected), while all capital transactions and some service transactions are strictly segregated in a financial market where the franc rate is allowed to find its own level.

Despite the strength of the franc during 1971, most market participants had not expected so large an appreciation of the franc against the dollar, and profit-taking brought the rate under heavy selling pressure as soon as the Paris exchange market was reopened on December 21. With leads and lags beginning to be unwound, the French authorities sold a considerable amount of dollars in the market as the spot franc edged downward almost to its new floor. Selling pressure on the franc let up in the last days of December and, as doubts began to develop in the markets over the durability of the Smithsonian Agreement, the franc rate early in 1972 started a long steady advance. The financial franc, in the meanwhile, had fallen below the official franc's floor on December 21 as speculative positions were unwound, but it subsequently converged with the official franc.

During the first quarter, the French current-account balance deteriorated. Furthermore, in January the French authorities took a number of steps to stimulate the domestic economy, including reductions by the Bank of France in its rates on discounts and secured advances of ½ percentage point to 6 per cent and 7½ per cent, respectively. While the franc rate might have been expected to soften in consequence, there was simultaneously a general strengthening of European currencies against the dollar, and the spot franc quickly rose to a level only slightly below the central rate. In early February, an additional burst of demand, set off in part by open debate over measures to control short-term capital flows and rumors of growing official support in Europe for a joint EC float, lifted the franc somewhat above the central rate. These speculative pressures continued through much of the month and, with the Bank of France on the sidelines, the rate rose steadily. At the same time, the financial franc was pushed up to a modest premium above the official rate.

The market atmosphere deteriorated further when, on March 3, French Finance Minister Giscard d'Estaing warned that the European response to continuing dollar inflows would be a further extension of exchange controls—perhaps at first on a piecemeal basis but later in concert. It was shortly thereafter that the EC finance ministers announced they would soon cut to 2¼ per cent the maximum permissible spread among their currencies. In the general rush into all European currencies that followed, the commercial franc was pushed almost to its ceiling by March 9, and the financial franc, bid up not only by speculative pressures but also by heavy foreign purchases of French securities, surged almost 3 per cent above that level.

The flurry was short lived, however, and the commercial franc quickly settled down to a rate well below its ceiling. The financial franc, although staying above the official ceiling, also eased. At first, the softening reflected a normal technical reaction to the preceding excessive sales of dollars. In mid-March, however, there was a perceptible improvement in market atmosphere following the regular central bank meeting in Basle, Switzerland, Secretary Connally's indication of willingness to discuss the forum for negotiations on international monetary reform, and President Pompidou's expression of optimism about the international monetary situation. Moreover, the French authorities acted at this time to ease domestic monetary conditions, cutting requirements against the banks' domestic demand and time deposits (the requirements against liabilities to nonresidents were, however, kept unchanged), reducing those longer-term interest rates directly controlled by the Ministry of Finance, and lowering the Bank of France's domestic money market intervention rates.

Further relaxations of monetary policy relieved buying pressure on the franc until late April. Then, heavy month-end conversions of export proceeds and, later, a temporary liquidity squeeze during the tax-payment period exerted upward pressure on the franc, and the spot rate climbed close to its ceiling. Underlying liquidity conditions continued to ease, however, and, once month-end factors were out of the way, the franc traded quietly just below the upper intervention point until the end of May.

At that point the franc rose to its ceiling in response to an erroneous news report of Treasury Under Secretary Volcker's press conference on May 30. The pressure was especially heavy on June 2, when the Bank of France moved to restrain the growth of the French money supply by raising the reserve requirement against increases in bank credit from 2 per cent to 4 per cent. With interest rates in France already higher than in other major European countries, however, the authorities were confronted with a dilemma since they did not wish to draw in additional funds from abroad. Consequently, the Bank of France reduced its money market intervention rates on successive days to keep domestic interest rates below Euro-dollar yields. With each drop in the domestic intervention rates, the pressure in the exchange market subsided and the franc temporarily edged below its ceiling. Meanwhile, the financial franc had advanced to a premium of over 3 per cent above the commercial rate, reflecting flows of funds into the French stock market and some switching of funds out of sterling.

The franc rate was again pushed hard against its ceiling in mid-June, when speculation against sterling began. As the flight from sterling gathered momentum, large-scale official intervention was required to keep sterling within 2¼ per cent of the franc. Both the Bank of France and the Bank of England had to intervene on a progressively heavier scale, supplying francs against sterling to an often hectic market. In the circumstances, the franc was pulled lower and lower vis-à-vis the dollar until it reached $0.1972½ by the morning of June 22, some 1.4 per cent below the ceiling.

With the announcement of the floating of the pound at the opening on June 23, the franc immediately rebounded to the ceiling. After absorbing a sizable amount of dollars, the Bank of France, in a joint move with the other EC central banks that were still dealing in the foreign exchanges that morning, ceased intervening and the Paris exchange market was closed. When the Bank of France reopened the exchange market on June 28, the franc hovered close to the ceiling, but the market was relatively quiet and there was little further official intervention. As a result of the inflows during June, French reserves rose by $921 million.

During the first half of July, strong speculative pressure began to build up against the dollar; with the franc rate hard against its upper limit, the Bank of France had to intervene almost every day, often in large amounts. The outcome of the EC finance ministers' meeting in London on July 17–18 had a calming effect on the market, however, and in line with the general firming of the dollar in mid-July the demand for francs eased to the point where official support tapered off. Nevertheless, the spot rate continued to bump up against the ceiling until news of the Federal Reserve's intervention in defense of the dollar on July 19 helped reduce pressure on the franc. Even then the franc continued firm by comparison with other continental currencies, as the French authorities maintained a relatively tight rein on domestic liquidity by raising the banks' minimum reserve requirements against both resident and nonresident liabilities by 2 percentage points, effective July 21. The franc remained close to the ceiling in early August, but a somewhat softer tone developed toward mid-month following market and press reports that the Federal Reserve had been selling Belgian francs. Moreover the dollar was helped by subsequent news of improved second-quarter U.S. balance of payments figures and reports of further U.S. efforts to find a settlement of the war in Vietnam. The financial franc had been dropping more sharply, falling to a premium of less than 2½ per cent over the official franc's ceiling, as new issues of franc-dominated Eurobond issues slackened during the vacation period and as conversions of franc bank notes sold abroad by French tourists swelled. Later in August, both the commercial and financial franc rates firmed but trading remained orderly.

ITALIAN LIRA

Following the Smithsonian meeting, the Italian authorities established a central rate of $0.0017193¼ for the lira, representing a 7.48 per cent appreciation against the dollar that was slightly less than the dollar's devaluation against gold. At the same time, they revoked the exchange control regulations introduced as of December 6, whereby the Italian banks had been instructed to refuse conversion of foreign currencies into lire unless the proceeds were required for normal trade or service transactions or for nonspeculative capital transactions backed by the appropriate documentation.

After the Italian exchange market was

reopened on December 21, the spot rate soon settled near its new floor. A prolonged period of political uncertainty and the resultant delay in dealing with important social and economic problems generated some capital outflows. At the same time there were continuing prepayments of foreign loans. Consequently, even though the already large surplus in Italy's balance of payments on current account was expanding as the pace of domestic economic activity slowed, the spot rate held close to its lower limit through the second week in January. Then, with successive waves of speculation pushing many of the other EC currencies to their ceilings, the lira was pulled upward, eventually reaching some 1 per cent below its central rate where it traded through early March.

On March 7 the EC finance ministers announced their agreement in principle to narrow the margin of fluctuation between the Common Market countries' currencies to 2¼ per cent. With other EC currencies at or close to their ceilings, the market responded to this announcement by pushing the lira up into the proposed band. For some days the spot rate was, therefore, above the central rate. But the European markets soon turned quieter and, when the other EC currencies edged away from their upper limits, the lira—near the bottom of the 2¼ per cent band—dropped back to the central rate or just below, where it held through the end of the month.

A still softer tone developed in early April, especially when the Bank of Italy acted to help stimulate an upturn in economic activity by relaxing domestic credit conditions. Taking advantage of the tendency toward lower interest rates abroad, the bank cut its rates on discounts and secured advances by ½ percentage point to 4 per cent and 3½ per cent, respectively, effective April 10. (The additional 1½ percentage point penalty for banks making excessive use of central bank credit was, however, maintained.) Simultaneously, interest payments on balances held by commercial banks with the Bank of Italy were discontinued for deposits of more than 8 days, and were reduced from 1½ per cent to 1 per cent per annum for deposits of 8 days or less. The banks were thus induced to place excess funds in the market rather than with the central bank, and shortly thereafter they cut both their lending and deposit rates.

The spot lira rate declined until just before the EC currency arrangements limiting the maximum permissible spread between any two EC currencies were put into effect on April 24. At that point the spot rate firmed somewhat, fluctuating about 2 per cent below the strongest EC currency through the month-end. In early May, when the Belgian and French francs moved smartly higher, the lira held at the lower end of the band. But no official intervention was required to keep the lira within the band, as market arbitrage proved sufficient to do so in the absence of strong pressures. As other EC currencies rose during May, the lira rate was pulled higher and it hovered around the central rate until late May. Then, when formal consultations to form a new government in Italy were undertaken, the lira moved up to about 0.4 per cent above the central rate.

The accelerating attack on sterling that developed in mid-June brought with it heavy selling of lire and an abrupt shift in leads and lags against Italy. By June 22 the spot rate had been pushed to more than 1 per cent below the central rate. When the Italian exchange market remained closed on Friday, June 23, in the wake of the floating of the pound, reports circulated widely both in the market and in the Italian press that the lira would be devalued or that the Italian authorities were strongly considering withdrawing from the EC arrangements. In this atmosphere, the formation of a new Italian coalition government failed to allay the market's intense nervousness.

On June 26 the EC finance ministers, meeting in Luxembourg in the aftermath of sterling's float, confirmed their intention to maintain the EC arrangements and, to facilitate Italy's continued adherence to the scheme, permitted Italy to intervene for a 3-month period in dollars rather than in EC currencies to keep the lira within the EC band. (The EC arrangements normally permit intervention in dollars only when a currency is at its Smithsonian limits.) In addition, the Italian authorities took several other measures in an attempt to tighten control over foreign currency movements. They prohibited the crediting of lira notes to foreign

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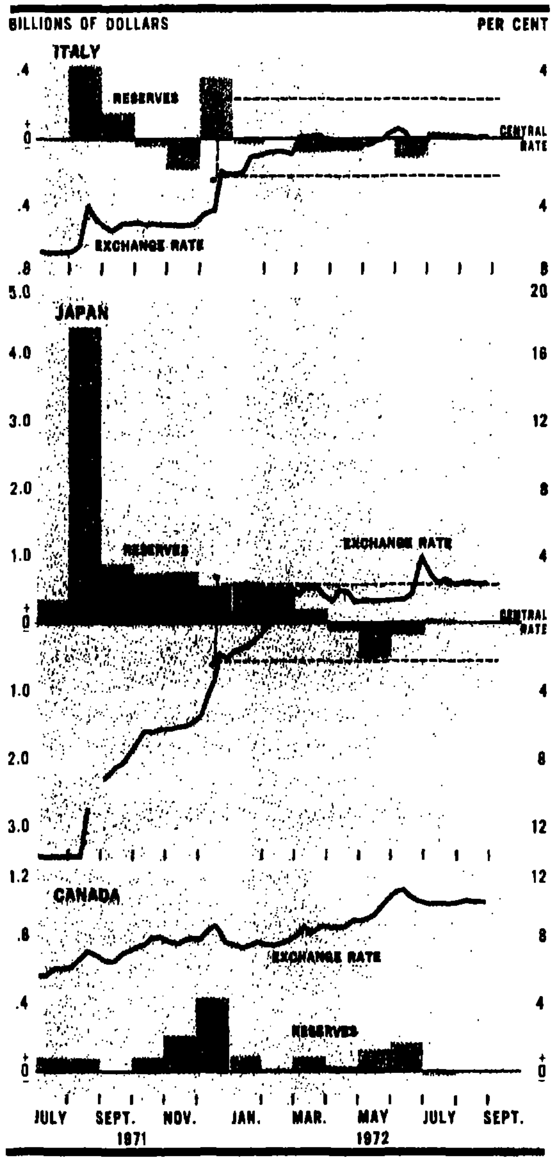

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accounts, thereby shutting down the export of capital through bank note conversion. They authorized the banks to assume net foreign liability positions rather than, as before, requiring balanced positions. And, finally, they reopened the door to nonbank borrowings abroad.

Fortified with these measures, the Italian authorities reopened the exchange market on June 28. The lira opened the day well outside the 2¼ per cent EC band, and sizable intervention was required to bring the lira back into the band at around its central rate. Despite this support, pressure on the lira continued as leads and lags remained adverse and Italian residents continued to repay their foreign borrowings. Consequently, the Italian authorities had to intervene in support of the lira well into July. To help offset the cost of official reserves of this foreign exchange market intervention, the Italian Exchange Office required any bank that developed a net foreign asset position to use the surplus foreign exchange to repay outstanding dollar swaps with it, while public enterprises were encouraged to tap the Euro-dollar market for large amounts. By mid-July Italian banks were repatriating funds on a large scale, state-owned entities were converting considerable amounts taken up in the international market, and tourist receipts were starting to build up. Consequently, pressure on the spot rate subsided, and the lira held just around its central rate through the rest of the month. Some of the foreign exchange inflows were added to official reserves, keeping the total reserve cost of the Italian support operations in June and July to around $100 million. This improved atmosphere continued through August, although the lira eased somewhat along with other European currencies as the dollar strengthened.

JAPANESE YEN

For several years prior to 1971, Japan had recorded progressively larger balance of payments surpluses, marked both by a burgeoning trade surplus and by increasingly heavy private capital inflows. As foreign exchange reserves mounted, the Government had moved to impede or offset the inflows of funds by tightening exchange controls, by promoting a shift in the financing of Japanese imports from foreign to domestic sources, by liberalizing some of the controls on imports and on capital outflows, and by depositing some officially held dollars with commercial banks.

While these measures had helped to relieve some of the immediate pressure, the markets became increasingly convinced that the yen was seriously undervalued. Therefore, when the U.S. Government suspended convertibility of the dollar in August 1971, there was a massive rush into yen that ultimately forced the Japanese Government to float its currency later that month. Over the following months, the yen rose sharply in the exchange market. But the authorities, concerned that a rapid run-up in the yen rate might impede the hoped-for recovery in the domestic economy, intervened heavily to moderate the advance.

Under the terms of the Smithsonian Agreement, the central rate for the yen was established at $0.003246¾, an effective appreciation of 16.88 per cent against the dollar. The Japanese authorities, in line with actions taken by other countries, immediately abolished some of the severe measures imposed earlier to block the inflow of funds. Then on January 5, with the yen settling near its floor and some reflows developing, the Japanese Government announced a further relaxation of exchange controls, eliminating among other things the requirement of prior official approval for any prepayment of Japanese exports. Not all of the control apparatus was dismantled, however, and certain measures limiting the foreign positions of Japanese banks were retained. Over the next 2 days a bunching-up of export prepayments gave rise to a burst of demand for yen, and the Bank of Japan absorbed a sizable amount of dollars, but the market then turned quieter.

By late January the exchange markets had become increasingly jittery. Most major foreign currencies began to rise sharply against the dollar, reflecting uncertainty over the viability of the Smithsonian Agreement and concern over declining interest rates in the United States. The yen, in particular, was in strong demand as the December 18 appreciation was seen by some as insufficient, given the size of the adjustment needed to bring the Japanese payments accounts into balance. Even with the Bank of Japan intervening to slow the advance, the yen almost reached its upper limit by February 24.

In view of this renewed show of strength for the yen, the authorities resumed their efforts to encourage the financing of Japanese trade out of Japanese reserves rather than with foreign credits, and the yen eased. The Ministry of Finance began to make deposits, totaling $200 million in February and $100 million in March, with the Japanese exchange banks to induce those banks to reduce their borrowings for U.S. banks. Deposits with the banks to facilitate the provision of export cover had been initiated in June 1971, and these new deposits raised the total amount transferred out of official reserves to $1.5 billion.

Then late in March, the Bank of Japan announced that, as an additional step to curb official reserve growth, it would increase its share of the financing of the country's imports from 30 per cent to 50 per cent over the 4-month period beginning in April; credits already extended by the central bank under this program totaled some $1.3 billion at that time. Despite these programs, however, Japan's official reserves rose by $1.2 billion during the first quarter, exclusive of the 1972 allocation of SDR's.

Early in April the authorities decided to stimulate some demand for dollars by requiring repayment at maturity of a series of special dollar deposits made the previous fall in connection with provision of forward cover for small and medium-sized Japanese enterprises. Since the banks did not have the dollars available, they were forced to come into the market as buyers of dollars to repay the maturing deposits. Shortly thereafter, Japanese seamen began a prolonged strike, and subsequent work disruptions at the docks and in other industrial sectors curtailed Japanese exports for some time. As a consequence of these developments, the yen declined over much of April and remained easy in early May. By mid-May the yen dropped to as low as $0.003282, and the Bank of Japan sold dollars to steady the market.

On May 23 the Bank of Japan announced that, as of June 1, the 1.5 per cent minimum reserve requirement against the foreign exchange banks' free-yen liabilities to foreigners would be replaced by a 25 per cent marginal requirement on increases in such liabilities. Also that day, the Japanese cabinet gave approval to a multifaceted plan to stimulate domestic business activity and, at the same time, bring Japan's external accounts into better balance. The exchange market did not believe these measures would bring any early change in the basic situation, however, and the spot rate held steady through early June.

With the attack on sterling, the entire Smithsonian alignment appeared threatened and the yen was bid sharply upward. Following the floating of the pound, the Bank of Japan closed its exchange market while also announcing a reduction in its discount rate by ½ percentage point, to 4¼ per cent. Then, in an attempt to isolate the Tokyo market from a new round of short-term inflows, the central bank doubled the reserve requirement for free-yen accounts to 50 per cent and strengthened the regulations against advance payments of Japanese exports. When the Japanese market reopened on June 29, the Bank of Japan had to absorb substantial amounts of dollars through the end of June to hold the spot rate at the ceiling.

These inflows and the continuing basic payments surplus were more than fully offset by the various measures taken to push dollars out of reserves. By the end of June the special deposits with the banks, which had been increased in several stages, amounted to $1.9 billion, and the Bank of Japan's share in import financing amounted to some $2.3 billion. During the entire second quarter the Japanese authorities succeeded in pushing some $1.4 billion out of reserves through special operations, bringing about a reduction in reserves of $820 million for the quarter.

In early July the exchange markets remained in the grip of uncertainties over the future of the Smithsonian Agreement, and with the yen at its ceiling, the Bank of Japan was obliged to intervene heavily. Although most European currencies eventually edged away from their dollar ceilings, particularly after the July 17–18 London meeting of EC finance ministers and the July 19 exchange market initiative by the Federal Reserve, the Japanese yen remained at its upper limit in Tokyo. Demand remained heavy as a result of the continuing large export surplus and renewed inflows to the Japanese stock market. The Bank of Japan, therefore, had to take in dollars almost daily, and sometimes in fairly substantial amounts, during July and August.

CANADIAN DOLLAR

As other major currencies rose strongly against the U.S. dollar late last year, there was also occasional upward pressure on the Canadian dollar. Heavy buying of Canadian dollars did not develop, however, until the conclusion in early December of the Group of Ten meeting in Rome. Thereafter, the Canadian dollar was pushed as high as $1.00½, and it remained strong until the Smithsonian meeting of the Group of Ten on December 17–18.

The communiqué at the conclusion of the Washington meeting noted that "Canada intends temporarily to maintain a floating exchange rate without intervention except as required to maintain orderly conditions." The Canadian dollar immediately rose to nearly $1.00¾, but expectations of a further appreciation dissipated rapidly, and the spot rate dropped back to below the $1.00 level in late December. After easing further early in January, the Canadian dollar settled at around $0.99½ by the middle of that month.

With the domestic economy expanding rapidly, the Canadian current account had slipped into deficit in late 1971 and the deficit increased in early 1972. Nevertheless, a step-up in loan demand in Canada put pressure on bank liquidity and in February interest rates began to rise, attracting funds from abroad. This influx of short-term capital, combined with continuing longer-term Canadian borrowings tended to offset the current-account deficit, and the Canadian dollar held relatively steady in the exchanges through late February.

At that point, substantial new Canadian wheat sales to the Soviet Union were announced, leading to a bullish reaction in the market. The spot rate for the Canadian dollar began to advance, and with rising interest rates in Canada still drawing funds from abroad, the rate soon rose above $1.00 once again. As it has done throughout the period of the floating rate, the Bank of Canada intervened intermittently on both sides of the market to moderate fluctuations in the rate, and with the Canadian dollar rising on balance, official reserves rose by $189 million over the first 3 months of the year.

During the second quarter the Canadian dollar came into strong, persistent demand. On occasion, this demand reflected the general uncertainties that were having such profound effect on other currency markets. Nevertheless, the growing strength of the Canadian dollar throughout the spring was more clearly traceable to developments in Canada's own payments position. Canada's current account improved sharply during the second quarter, with a swing of some $400 million away from the exceptional deficit of the first quarter. Moreover, the Canadian provincial governments and public utilities borrowed heavily abroad through bond issues, particularly in May. In addition, domestic credit conditions in Canada continued to tighten, and the chartered banks moved aggressively to attract funds. The consequent heavy demand for Canadian dollars drove the spot rate up by more than 2 cents from late April through early June, to about $1.02¼.

At that point, the squeeze for balances in Canada became acute, and the chartered banks, facing heavy loan demand but under pressure not to raise their prime rates above 6 per cent, had begun to offer certificates of deposit (CD's) at yields of as much as 6½ per cent. This naturally drew in still more funds, pushing the Canadian dollar to almost $1.02¾. The Canadian authorities then moved to forestall a further rise in the exchange rate by prevailing upon the chartered banks to cut back their rates on CD's, effective June 12. Subsequently, other Canadian money market yields also dropped back, as loan demand eased somewhat. The Canadian dollar began to ease in the exchanges, reaching $1.01½ by the end of June. Over the second quarter as a whole, official intervention in a market that was rising on balance resulted in a substantial net reserve gain of $328 million.

Trading turned much quieter in July, and the Canadian dollar held fairly steady between $1.01½ and $1.01¾ throughout the month. With the onset of seasonal strength, a somewhat firmer tone emerged in August and the spot rate edged slightly higher.

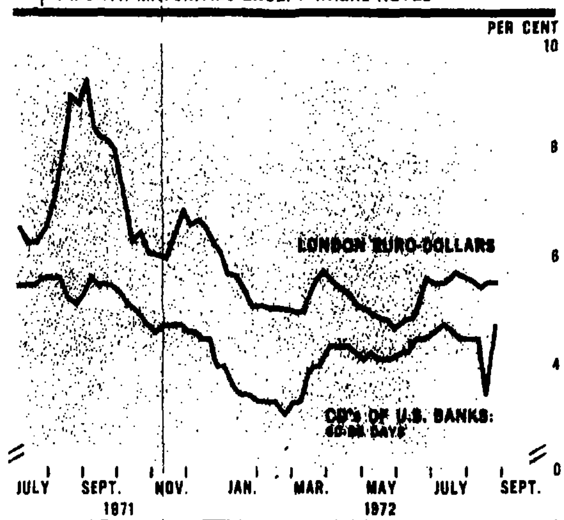
EURO-DOLLAR

On the whole, Euro-dollar rates have been relatively stable since early 1972, although for brief periods speculative flurries and exchange market uncertainties have exerted upward pressure on the rate level. In contrast to the wide rate fluctuations during the preceding year, the weekly average of daily rates for the 3-month maturity remained within a relatively narrow range.

On the demand side the market has come increasingly under the influence of a wide variety of administrative restraints imposed by European governments and central banks over the past year. In several countries, access by corporations to the market has been severely curtailed in order to restrain further accretions to official dollar reserves. In Germany, in particular, corporate borrowings in the Euro-dollar market were limited by fears of the impending imposition of compulsory cash-deposit requirements for nonfinancial enterprises, even before the actual implementation of the *Bardepot* on March 1. In addition, in many countries various barriers have been erected that prevent banks from converting Euro-dollar borrowings into local currencies, and these and other impediments to Euro-dollar borrowings were reinforced during periods of pressure on the dollar early this year and again following the currency crisis in June.

As a result of these constraints and of the decline in interest rates in European domestic loan markets, the demand for Euro-dollars in major European countries tended to be weak during most of the spring and summer. However, the contraction of demand from traditional sources was largely offset by a sharp rise of borrowings, mostly for distant maturities, by

2 | YIELD COMPARISONS
3-MONTH MATURITIES EXCEPT WHERE NOTED



Euro-dollars are weekly averages of daily rates; CD's Wednesday data.

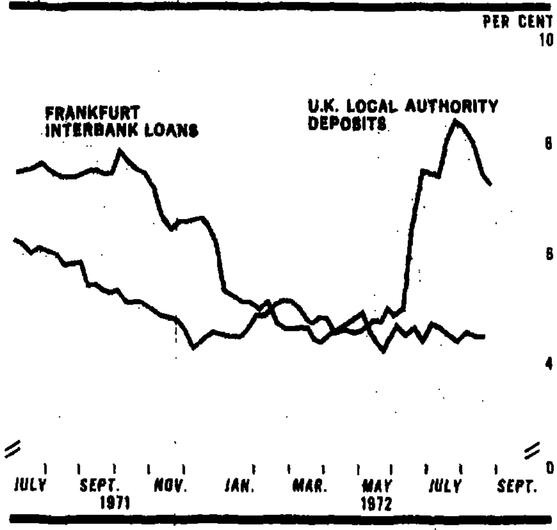
public and semipublic institutions in developing countries. Much of this expansion of loans to non-European borrowers reflected the aggressive efforts of major European banks that were flush with funds to find new takers for Euro-dollar loans. Eastern European countries also took advantage of the ample supply of Euro-dollar loans.

These various borrowings tended to cushion rate pressures arising from the disappearance from the market of some major Euro-dollar borrowers. Nevertheless, for protracted periods, notably during the April–June period, overnight Euro-dollar rates remained substantially below the Federal funds rate, providing some of the New York agencies and branches of foreign banks with opportunities for arbitraging between the two markets. Some U.S. banks also took advantage of the relatively attractive rates to borrow overnight Euro-dollars.

On the supply side, both U.S. residents and non-U.S. holders of dollars found the market increasingly attractive during the early months of the year, when short-term interest rates in the United States dropped much more sharply than 3-month Euro-dollar rates. Supplies from European official sources were held back as a result of the June 1971 agreement of the central banks of the Group of Ten countries not to place additional dollar balances in the market; however, supplies from non-European official sources expanded further, as monetary reserves of many countries continued to rise. The relative attraction of the market to European commercial banks also increased, as the relaxation of monetary policy by several eastern European countries during the January–April period reinforced a general trend toward lower interest rates.

Against this background, Euro-dollar interest rates tended to move downward in sympathy with U.S. domestic interest rates early in the year. Then, rates began to rise sharply in a belated response to the turnaround in U.S. interest rates in late February. This rise proved short lived, however; when the usual quarter-end pressures failed to materialize and domestic European money market rates declined further, rates on all Euro-dollar maturities began to drift lower again.

3 YIELD COMPARISONS
3-MONTH MATURITIES



Weekly averages of daily rates.

In April, with U.S. interest rates moving up and with Euro-dollar rates remaining under pressure, the differential between the 3-month Euro-dollar rate and that for U.S. CD's narrowed appreciably. The spread between the two rates had been in excess of 2 per cent in the middle of January; it fell to less than 1 per cent in April. During the remainder of the spring, conditions in the Euro-dollar market were generally more comfortable. Thus, by early June the Euro-dollar/CD spread had narrowed further to only 40 basis points.

The run on sterling, which had developed in mid-June, at first had little direct impact on the Euro-dollar market. As sterling weakened, the central banks of the EC intervened in the market by selling their own currencies. Several European currencies dropped to levels that the market considered unsustainably low in dollar terms. As a result, these currencies were bought heavily with dollars. The financing of these purchases brought about a new demand for Euro-dollars that, coupled with some midyear demand, pushed rates up once again.

On June 23, the day the British authorities yielded to the intense market pressure and allowed the pound to float, the 3-month rate rose as high as 6 per cent and 7-day Euro-dollars reached a peak of 7 per cent. Then, with the passing of the immediate effects of the speculative buying of continental European curriencies and of the midyear pressures, the rates on most Euro-dollar maturities eased somewhat. However, the Euro-dollar market remained susceptible to the anxieties of the foreign exchange market, and during the period of heavy pressure on the dollar in the exchanges in early July there were periodic scrambles for funds to cover short positions.

When the exchange markets turned calmer after mid-July following the resumption of Federal Reserve operations in defense of the dollar, Euro-dollar rates began to edge downward. After a brief squeeze at the month-end, the market stabilized in early August, with the 3-month rate fluctuating narrowly around 5½ per cent per annum. The tone of the market was nevertheless fairly firm, as U.S. short-term rates tended to rise and some new demands came into the market. In particular, Italian public corporations resumed their borrowings of Euro-dollars in response to official encouragement, and the squeeze for sterling balances in London also tended to draw funds out of Euro-dollars.

Yields On Newly Issued Corporate Bonds

With this issue of the BULLETIN, the Board of Governors is beginning to publish a series of yields on new issues of corporate bonds. Monthly and quarterly data for 1960 to 1972 and weekly data for 1972 are shown in Table 1.[1] Yields are based on prices asked by underwriting syndicates and do not necessarily coincide with market clearing prices. A companion series for yields on recently offered corporate bonds—which reflects free market yields—is being prepared for publication later.

Yield series on seasoned corporate bonds carry the undesirable feature of generally tending to understate both the level and the movement of yields in the new-issue market. Several factors account for this behavior. One, the lower yields usually found on seasoned bonds may stem from market imperfections that cause an appreciable lag in yield adjustments between newly issued and seasoned bonds. Two, bonds in a seasoned bond series often carry noncurrent coupons—this has been true especially for the period since the mid-1960's—that translate into bond prices considerably above or below par. When corporate bonds trade at such prices, prevailing yield differentials may reflect the effect of capital gains taxes, call-price restraints, or other considerations, which are infrequently if ever encountered in the new-issue market. And three, both the reliability and the availability of bid-and-asked quotes on seasoned bonds leave something to be desired. For these reasons, the new-issue yield series provides a more sensitive measure of interest rates on corporate bonds—one that should be useful in analyzing current market developments and in conducting certain longer-term research projects.

[1]This series was developed by James L. Kichline, P. Michael Laub, and Guy V. G. Stevens.

Weekly data beginning Jan. 1, 1960, are available upon request from Capital Markets Section, Division of Research and Statistics, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

The nature of the public market for corporate bonds presents several obstacles to the development of a new-issue yield series. There are relatively few new public offerings of bonds in any given week. And on occasion there may be none. More importantly, the relatively small number of observations are for bonds with substantial heterogeneity. Newly issued bonds in any week may come from one of a number of industry groups, and they may have different default risks, call options, call schedules, maturities, and so on. The market valuation of some of these characteristics varies over time, particularly for the call option and for default risk.

In order to track accurately the level and the changes in a "pure" yield on a newly issued corporate bond over time, it is necessary to measure the yield on a bond with invariant characteristics—in effect, a hypothetical new bond. This standard bond is defined as a new straight-debt, long-term (20 years or longer) utility issue, rated Aaa by Moody's Investors Service, Inc., carrying 5-year call protection, and underwritten by a process of competitive bidding. Since the hypothetical bond is a new issue, it is also assumed to carry a current coupon. Although these characteristics were chosen somewhat arbitrarily, they represent features that have been common to a large number of the bonds offered to investors in recent years.

Since there are many weeks in which no standard bond is offered, weekly yield information on newly issued bonds is obtained from bonds with characteristics other than those of the standard bond. Using such information requires a model that explains the market valuation of heterogeneous bond characteristics. The model employed relies upon existing theory whenever possible; it is basically a nonlinear regression model that can be used, when one has good estimates of its parameters, to calculate the values of the heterogeneous characteristics on observed newly issued bonds and to arrive ultimately at the estimated yield on the standard bond.

The parameters of the model were estimated with a sample of 1,422 new issues covering the period January 1960 through February 1972. All long-term, straight-debt issues rated Aaa, Aa, or A by Moody's Investors Service, Inc., were included in the sample. Excluded were convertible bonds, serial issues, offerings of natural gas pipeline companies and foreign companies, and bonds guaranteed by the U.S. Government. Details of the model, the estimation procedures, and a discussion of the results will be presented in a forthcoming Federal Reserve Staff Economic Study, which will be summarized in the BULLETIN. □

TABLE I

NEW-ISSUE AAA UTILITY BONDS

In per cent

Period	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972
	Monthly and quarterly, 1960–72												
Jan.	4.93	4.11	4.36	4.08	4.33	4.30	4.78	5.18	6.29	6.98	8.59	7.43	7.21
Feb.	4.86	4.05	4.40	4.12	4.25	4.36	5.01	5.21	6.25	6.98	8.53	7.33	7.34
Mar.	4.75	4.05	4.28	4.12	4.36	4.38	5.21	5.36	6.50	7.38	8.64	7.59	7.24
Apr.	4.74	4.36	4.14	4.20	([1])	4.39	5.07	5.42	6.51	7.18	8.69	7.48	7.45
May	4.76	4.38	4.12	4.20	4.37	4.42	5.27	5.70	6.74	7.32	9.09	8.01	7.38
June	4.62	4.62	4.13	4.19	4.39	4.47	5.37	5.87	6.69	7.69	9.25	7.98	7.32
July	4.49	4.42	4.28	4.23	4.34	4.49	5.52	5.87	6.48	7.66	8.79	8.04	7.38
Aug.	4.19	4.54	4.25	4.20	4.31	4.56	5.81	5.99	6.18	7.72	8.72	7.71	7.37
Sept.	4.40	4.43	4.06	4.25	4.32	4.58	5.85	5.96	6.25	8.15	8.63	7.68	....
Oct.	4.54	4.30	4.13	4.23	4.32	4.59	5.73	6.19	6.50	8.16	8.81	7.50	....
Nov.	4.60	4.38	4.04	4.29	([1])	4.67	5.81	6.47	6.66	8.48	8.51	7.38	....
Dec.	4.70	4.51	4.09	4.35	4.39	4.84	5.73	6.59	6.93	8.82	7.93	7.28	....
Q 1	4.85	4.08	4.34	4.11	4.31	4.35	4.99	5.25	6.34	7.11	8.59	7.46	7.26
Q 2	4.72	4.54	4.13	4.20	4.37	4.43	5.22	5.67	6.64	7.39	9.01	7.78	7.38
Q 3	4.38	4.46	4.21	4.23	4.32	4.55	5.74	5.93	6.29	7.83	8.72	7.83	....
Q 4	4.62	4.39	4.08	4.29	4.34	4.70	5.75	6.37	6.66	8.44	8.51	7.42	....

Weekly, 1972

Jan. 7	7.18	Mar. 3	7.32	May 5	7.40	July 7	7.35
14	7.10	10	7.08	12	7.40	14	7.32
21	7.18	17	7.24	19	7.29	21	7.37
28	7.39	24	7.32	26	7.49	28	7.48
		31	7.29				
Feb. 4	7.22			June 2	7.22	Aug. 4	7.40
11	7.44	Apr. 7	7.34	9	7.27	11	7.37
18	7.31	14	7.46	16	7.35	18	7.32
25	7.35	21	7.60	23	7.30	25	([1])
		28	7.41	30	7.42		
						Sept. 1	7.41
						8	7.38

[1] In these time periods, there were no new issues that met the criteria for inclusion in the series.

NOTE.—Board of Governors of the Federal Reserve System.

Statement to Congress

Statement by Arthur F. Burns, Chairman, Board of Governors of the Federal Reserve System, before the Subcommittee on International Exchange and Payments of the Joint Economic Committee, September 15, 1972.

Nine months have elapsed since last December when the finance ministers and central bank governors of the Group of Ten countries met at the Smithsonian Institution and reached an agreement on realigning the rates at which major currencies are to exchange for one another. During this period, exchange markets have alternated between calm and uneasiness.

The immediate reaction of the financial world to the Smithsonian Agreement was one of overwhelming approval. After the turn of the year, however, the earlier enthusiasm gave way to more cautious appraisal.

Many market participants expected a large return flow of capital to the United States to materialize right after the December meeting. This did not happen. A decline of interest rates in the United States relative to those abroad was partly responsible for inhibiting the reflow of funds. Another factor was the initial low level of foreign exchange rates within the wider exchange margins agreed to at the Smithsonian meeting. With the major European currencies below their central values, temporary holders of those currencies sensed a possibility of making a larger profit by delaying a shift back into dollars until the dollar prices of foreign currencies approached closer to their upper limits. And once major European currencies strengthened within the margins, fears developed that some governments would fail to defend the Smithsonian exchange rates.

But as successive speculative episodes occurred in January, February, and early March, the foreign central banks intervened decisively. Their clear determination to uphold the new system of exchange rates had a reassuring effect on the market. Moreover, short-term market interest rates began rising somewhat in the United States while they declined abroad. This convergence of international interest rates helped to improve the atmosphere of foreign exchange markets. So too did prompt passage by the Congress of the Par Value Modification Act, known popularly as the gold bill. Confidence in the new system of exchange rates therefore improved and markets became more orderly.

Indeed, between mid-March and mid-June a sizable reflow of capital to the United States actually materialized. This reflow more than offset our continuing deficit on current account. Since the United States ran a surplus in its official settlements balance during this period, the dollar naturally strengthened in exchange markets.

This encouraging development ended abruptly in June as sterling came under increasing pressure. Today's hearing is hardly the occasion to discuss Great Britain's problems, except to note that sharp and persistent wage and price advances weakened the market's confidence in the ability of Britain to continue to defend its new exchange rate. On June 23, after suffering a huge decline of monetary reserves, the British Government announced its decision to float the pound.

In the weeks following the British decision, exchange markets were again in turmoil and the dollar again weakened. Most of the major European currencies and the Japanese yen moved to their Smithsonian ceilings as market participants sought protection against the possibility of tighter foreign restrictions on capital imports, a float of Common Market currencies, or some combination of both. Speculative waves buffeted the markets daily, and several countries responded by adopting new restrictive measures on capital inflows. By Friday, July 14, the sterling crisis, besides causing a shift of $2.6 billion from sterling into Common Market currencies, led to an additional flow of over $6 billion from dollars into European currencies and the yen.

A period of relative calm was finally restored after mid-July and has been maintained since that time. On July 17–18, the Common Market finance ministers and central bank governors met in London and reaffirmed their determination to maintain the Smithsonian pattern of exchange rates while discussions were proceeding on longer-term reform of the international monetary system. On July 19, the Federal Reserve System, acting in collaboration with the Treasury, resumed operations in the foreign exchange market. These two actions were entirely independent. Both played a major role in arresting disorderly speculation and renewing market confidence.

Officials of the Federal Reserve and the Treasury had been considering for some time the advisability of renewed operations in the exchange markets that would involve—among other things—a resumption of Federal Reserve swap drawings that were suspended on August 15, 1971. Once a governmental decision to reactivate the swap network was reached, the Federal Reserve was ready to move. The first of these exchange operations occurred on July 19 when the Federal Reserve Bank of New York made repeated offerings of sizable amounts of German marks on the New York market. I explained at the time that this operation was undertaken to help restore order in the foreign exchange markets, that the United States was simply doing its part in upholding the Smithsonian Agreement just as other countries were doing, and that the operation would continue on whatever scale and in whichever currencies seemed advisable. As this Committee doubtless knows, the American intervention in the exchange market was very favorably received by financial observers and participants both in the United States and abroad.

The New York Reserve Bank has recently intervened in the market for Belgian francs as well as for German marks. In all, the Bank has intervened in the exchange markets on nine occasions and in the process sold about $32 million of foreign currencies. This amount, while relatively small, needs to be interpreted in the light of two major facts: first, the amount offered by the Bank for sale was much larger; second, in view of the extensive swap facilities outstanding, their reactivation meant that the amount that could at any time be offered for sale was vastly larger. The second of these facts has been a matter of general knowledge, and it was sufficient to make even reckless speculators stop and think. As the dollar strengthened on the exchanges, all sales of foreign currencies by the Federal Reserve that have taken place since July 19, whether from balances on hand or from swap drawings, were later fully covered by market purchases.

The Federal Reserve's foreign exchange operations started in 1962 and have been reported semiannually since then. The latest report, which describes operations through September 8, was released just a few days ago. With your permission, I would like to submit it for the record.

Let me call your attention now to a few salient facts concerning the swap facility—that is, the network of reciprocal currency arrangements that the Federal Reserve maintains with foreign central banks. This facility encompasses 14 central banks and also the Bank for International Settlements. The total amount that the Federal Reserve can draw on these institutions under outstanding arrangements is $11,730 million. By August 15, 1971, the amount actually drawn—that is, the Federal Reserve's debt to foreign institutions—had reached a peak of $3,045 million. Since then, substantial repayments have taken place, and the outstanding debt stood at $1,770 million on September 8 of this year.

Although profit considerations have never been the primary factor in the swap transactions, the Federal Reserve may either earn a profit or incur a loss in the course of using the swaps. A swap drawing by the Federal Reserve entails an obligation to deliver a specified amount of foreign currency at a future date. If the Federal Reserve acquires the currency needed for repayment of the swap at a dollar price that is lower than the price at which it was initially sold, a profit is made on the two transactions taken together. A loss results in the reverse case when the foreign currency appreciates between the time of the drawing and the time it is paid off and the required amount of foreign currency is therefore purchased at a higher price.

As already noted, the Federal Reserve's outstanding swap commitments on August 15, 1971, amounted to $3,045 million. Inasmuch as the dollar prices of the affected currencies—namely, Swiss francs, Belgian francs, pounds sterling, and German marks—have risen since then, the Federal Reserve has already incurred or will probably need to incur losses in liquidating these drawings. The total loss is presently estimated at about $160 million.

Two related facts have a vital bearing on this loss figure. First, from the inception of the swap network in 1962 until August 15, 1971, the Federal Reserve had a cumulative profit on its foreign exchange transactions of $25.6 million.

The second and more basic fact is that the expected Federal Reserve loss on foreign currency transactions undertaken prior to August 1971 is offset by the Treasury's incremental profit on gold account. Prior to the suspension of convertibility on August 15, 1971, foreign central banks taking in dollars could, under the Bretton Woods Agreement, convert such dollars into gold or other reserve assets. The swap transactions that were carried out in 1971 and earlier years served to defer or to reduce declines in reserve assets that would otherwise have occurred. Since gold was revalued in May of this year, the Treasury has profited substantially from the revaluation of the additional amount of gold that it now holds precisely because foreign central banks were willing to accept Federal Reserve swap drawings instead of demanding reserve assets from the Treasury.

All along, the primary purpose of the swap facilities that I have been discussing has been to serve as a first line of defense against disruptive speculation in exchange markets. Future foreign exchange operations by the Federal Reserve will continue to be guided by this objective. As in the past, operations in the currency of a particular country will be conducted only after full consultation with the central bank of that country.

In the new phase of operations, however, we shall not be confronted with the necessity of drawing on swap lines as an alternative to conversion by foreign central banks of dollars into gold or other reserve assets. In the new operations, market intervention will be on the Federal Reserve's initiative. It will be undertaken only to prevent or counteract disorderly market conditions and will be in such amounts and at such times as are judged likely to have a favorable market impact. Swap drawings will not be made for the purpose of providing medium- or longer-term financing of the U.S. payments deficit. Nor will they be used as a substitute for needed adjustments in basic economic policies.

Let me turn next to a brief discussion of recent balance of payments developments. The world payments situation continues to be plagued by large imbalances, despite the fact that the Smithsonian exchange rates are more appropriate than those that prevailed before August 1971. The U.S. deficit on current account and long-term capital transactions—sometimes called the "basic" deficit—has continued to be disconcertingly large, reaching an annual rate of nearly $11 billion in the first half of this year. Meanwhile, other countries have been experiencing large payments surpluses—not only Japan and some industrial countries in Europe, but also many of the nonindustrial countries.

We knew, of course, at the time of the Smithsonian Agreement that it would probably take 2 or 3 years for exchange rate adjustments to work out their full remedial effects. We also knew that business recovery in Europe and Japan was lagging behind the recovery in the United States, and that this divergence of business-cycle phasing would of itself delay restoration of equilibrium in our balance of payments. Under the circumstances, it would be entirely premature to reach a pessimistic conclusion about the longer-run outlook for our international transactions. It should, however, be noted that the needed adjustments of payments imbalances, particularly in our merchandise trade, are taking place more slowly than had been hoped or anticipated.

One need not be a great optimist to argue that several forces are at last working in the direction of bringing about significant improvement in the over-all balance of our international payments. These include, first and foremost, the better performance of costs and prices in this country during the past year than in other industrial countries; second, the impact of the exchange rate changes of last December, which in time should appreciably moderate the growth of our imports while stimulating the expansion of exports; third, the cyclical recovery now under way in Japan and Europe, which should increase the demand for our exports; and fourth, the strong expansion of our domestic economy, which should—besides helping to attract foreign capital to this country—make American investors more willing to put their dollars to work at home rather than abroad.

Still another encouraging fact is the growing awareness—emphasized in the recent IMF report on international monetary reform—that the status of international payments imbalances requires continuing review by both deficit and surplus countries.

Finally, I want to comment briefly on the prospects for international monetary reform. The governments represented at the Smithsonian conference recognized that the agreement they had reached represented only the first step in rebuilding monetary order. Although the Smithsonian meeting—and conversations since that time—have set the stage for realistic international negotiations, they have done no more than that. The uneasiness and turmoil that have characterized exchange markets in recent months, the violent movements of short-term capital from one currency into another, the new capital controls that various governments established in reacting to these movements, the floating of the British pound—all these indicate the urgent need for early rebuilding of the international monetary system.

Fortunately, it now appears that substantive negotiations will get under way promptly. The Committee of 20 in the International Monetary Fund will begin to function at the Fund-Bank meetings the week after next. The Deputies of the Committee of 20 should be able to meet frequently thereafter, canvass different approaches, and seek diligently to narrow the differences of view that presently prevail among national governments.

Many important issues will have to be resolved in the forthcoming negotiations. They include questions about the future monetary role of gold—a subject in which this subcommittee has indicated a special interest and on which Under Secretary Volcker testified earlier in the week. In general, I agree with the views that he has expressed. More specifically, I believe that the monetary role of gold will continue to diminish in the years ahead, while there will be a continuing increase in the importance of SDR's.

In discussing international monetary reform, we should guard against the tendency to be preoccupied with gold. Other issues deserve the greater part of our attention. Let me note some of them.

Ways need to be found, first of all, to assure a more prompt adjustment of payments imbalances than characterized the practical workings of the Bretton Woods system. Discussion of this objective and the means to attain it will in turn necessitate a thoroughgoing reexamination of the provisions of the IMF Articles of Agreement dealing with par values and exchange-rate flexibility.

Under the monetary system that prevailed before August 1971, there was a tendency to equate deficits with sin and surpluses with virtue. Moral as well as financial pressures were certainly much greater on deficit countries to reduce their deficits than on surplus countries to reduce surpluses. In fact, however, responsibility for payments imbalances can seldom be assigned unambiguously to individual countries. Moreover, the adjustment process is unlikely to work efficiently if surplus countries fail to participate actively in it. New means will therefore need to be devised for achieving a better division of responsibilities among surplus and deficit countries for initiating the correction of payments imbalances.

A number of vital issues will arise in connection with the convertibility of the dollar and future procedures for the settlement of payments imbalances. Decisions will need to be reached on the role of various reserve assets—not only gold, but also SDR's and reserve currencies. Major changes may be called for in the procedures governing the creation, allocation, and use of SDR's. Understandings will have to be reached about the desirability and feasibility of imposing limitations on the use of reserve currencies. Various proposals for the "consolidation" of reserve assets—among them, the substitution of SDR's for reserve currencies or gold—may need to be examined.

Moreover, since restrictive trading practices are a major factor influencing the balance of payments position of individual countries, it would be neither possible nor desirable to exclude the subject of trading arrangements from the forthcoming negotiations. As a specific example, some consideration will have to be given to ways of amending trade restrictions that impede payments adjustment when exchange rates are altered.

Still other issues will come up, particularly those bearing on volatile capital movements, the transition from our present interim arrangements to the new reformed system, and the organizational structure of the IMF.

There are bound to be significant differences in national views on the issues I have mentioned, and practical difficulties will intrude as efforts are made to resolve the differences. Nevertheless, we can be moderately optimistic about the outlook. All countries have a strong interest in devising new rules to govern international monetary arrangements. Disagreements among nations exist, but they can be resolved once their representatives get down to the serious business of discussing them in a constructive and cooperative spirit.

The task confronting the conferees will be rendered more manageable if the major industrial countries, particularly the United States, meanwhile practice strict financial discipline. Indeed, I doubt if a viable international monetary system can be rebuilt without better control over inflation than we have as yet achieved. Fortunately, this need is increasingly understood in our country.

I look ahead to an extended period of challenging and rewarding negotiations on monetary and related trade issues. At the end of this process, we should have the foundations of a new and stronger international economic order.

Record of Policy Actions

of the Federal Open Market Committee

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 approximately 90 days following the date of the meeting and are subsequently published in the Federal Reserve BULLETIN.

The record for each meeting includes the votes on the policy decisions made at the meeting as well as a résumé of the basis for the decisions. The summary descriptions of economic and financial conditions are based on the information that was available to the Committee at the time of the meeting, rather than on data as they may have been revised since then.

Policy directives of the Federal Open Market Committee are issued to the Federal Reserve Bank of New York—the Bank selected by the Committee to execute transactions for the System Open Market Account.

Records of policy actions have been published regularly in the BULLETIN beginning with the July 1967 issue, and such records have continued to be published in the Board's Annual Reports.

The records for the meetings held in 1972 through May 23 were published in the BULLETINS for April, pages 390–97; May, pages 455–63; June, pages 562–70; July, pages 640–48; and August, pages 707–12. The record for the meeting held on June 19–20, 1972, follows:

MEETING HELD ON JUNE 19-20, 1972[1]

Current economic policy directive.

The information reviewed at this meeting suggested that real output of goods and services was rising in the second quarter at a faster pace than the 5.6 per cent annual rate recorded in the first quarter. A moderately higher rate of growth appeared to be in prospect for the rest of 1972.

In May retail sales increased sharply, according to the advance report, and were well above the first-quarter average. Industrial production continued to expand, with gains reported among consumer goods, business equipment, and materials. Payroll employment rose substantially further in manufacturing and other nonfarm establishments, but because of another large addition to the civilian labor force, the unemployment rate remained at 5.9 per cent.

Wholesale prices of farm and food products rose considerably in May, following little change in April, and prices of industrial commodities continued upward at about the average rate of earlier months this year. Average hourly earnings of production workers on private nonfarm payrolls advanced at a slower pace than they had in the preceding 3 months.

The latest staff projections of real GNP for the second half of 1972, which suggested some further increase in the over-all rate of expansion, were similar to those of 4 weeks earlier. It was anticipated that disposable income and consumption expenditures would rise at a somewhat faster pace; that business capital outlays would continue to expand, although not so rapidly as had been suggested in the previous projections; and that inventory investment would increase appreciably. It was expected that Federal purchases of goods and services would expand moderately further and that residential construction would level off.

In foreign exchange markets, speculation involving a number of European currencies had developed since the last meeting of the Committee. The exhange rate for sterling against the dollar had declined significantly while rates for most continental curren-

[1]This meeting was held over a 2-day period beginning on the afternoon of June 19, 1972, in order to provide more time for the staff presentation concerning the economic situation and outlook and the Committee's discussion thereof.

cies had risen; the spread between sterling and several other currencies had widened to the maximum specified under the European Community monetary agreement. Through early June the U.S. balance of payments was in surplus on both the official settlements basis and the net liquidity basis, as recorded and unrecorded inflows of short-term capital to the United States continued to exceed the deficit on current and long-term capital account. The excess of merchandise imports over exports in April, however, had been even larger than in February and March.

Since the Committee's meeting on May 23, market interest rates on both short- and long-term securities had fluctuated in a narrow range—declining somewhat early in the period and rising again later. Rates had edged down in late May in part because of a Treasury decision not to refund $1.2 billion of bonds maturing on June 15 and expectations in the market that the Treasury would not borrow new funds until late July. Moreover, the combined volume of new publicly issued corporate and State and local government bonds had declined somewhat further in May and appeared likely to remain at a reduced level in June. Later in the period rates moved up again, in part because of the effects on investor expectations of reports that suggested further strengthening in economic activity and indications of some firming in money market conditions. Markets for Treasury notes and bonds also were influenced by discussion of the possibility that the Treasury might undertake an advance refunding. The market rate for 3-month Treasury bills was 3.92 per cent on the day before this meeting compared with 3.79 per cent 4 weeks earlier.

Contract interest rates on conventional new-home mortgages were unchanged from April to May while yields in the secondary market for Federally insured mortgages rose slightly. Inflows of savings funds to nonbank thrift institutions continued to moderate.

At commercial banks, business loans outstanding expanded in May at about the stepped-up rate of April, and real estate and consumer loans continued to grow rapidly. Banks also added a substantial amount to their holdings of securities, especially securities of State and local governments.

Growth in the narrowly defined money stock (private demand deposits plus currency in circulation, or M_1) slowed further in May. However, inflows of savings funds to commercial banks increased, after having fallen off in the preceding 3 months, and growth stepped up somewhat in the more broadly defined money stock (M_1 plus commercial bank time and savings deposits other than large-denomination CD's, or M_2). Over the April–May period, M_1 and M_2 grew at annual rates of about 6 and 8 per cent, respectively, compared with rates of about 9 and 13 per cent in the first quarter of 1972.[2] Expansion in the bank credit proxy—daily-average member bank deposits, adjusted to include funds from nondeposit sources—remained rapid as banks, especially those experiencing strong demands for business loans, acted aggressively to increase the volume of large-denomination CD's outstanding.

System open market operations since the May 23 meeting of the Committee had been directed at fostering growth in reserves available to support private nonbank deposits (RPD's) at an annual rate in the May–June period between 7.5 and 11.5 per cent and growth in the monetary aggregates at rates somewhat slower than those recorded earlier this year, while avoiding sharp day-to-day fluctuations and large cumulative changes in money market conditions. It appeared at present that RPD's would grow over the May–June period at a rate of about 7 per cent. The average Federal funds rate had been slightly below 4½ per cent since the beginning of June, compared with about 4¼ per cent in May. In the 4 weeks ending June 14 member bank borrowings had averaged about $115 million, approximately the same as in the preceding 5 weeks.

As at its May meeting, the Committee agreed that the economic situation called for moderate growth in the monetary aggregates over the months ahead. After taking account of recent changes in deposits and the 2-week lag in reserve requirements, the Committee decided to seek growth in RPD's at an annual rate in a range of 4.5 to 8.5 per cent during the June–July period while continuing to avoid sharp fluctuations and large cumulative changes in money market conditions. As before, it was recognized that pursuit of the objective for RPD's might be associated with some firming of money market conditions. The members also decided that some allowance should be made in the conduct of operations if growth in the monetary aggregates appeared to be deviating

[2]Based on the change in the daily-average levels from March to May and from December to March.

significantly from the rates expected, and that account should be taken of capital market developments and possible Treasury financing. As at other recent meetings, it was understood that the Chairman might call upon the Committee to consider the need for supplementary instructions before the next scheduled meeting if it appeared that the Committee's objectives and constraints were not being met satisfactorily.

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

> The information reviewed at this meeting, including recent data for such measures of business activity as industrial production, employment, and retail sales, suggests that real output of goods and services is growing at a faster rate in the current quarter than in the two preceding quarters, but the unemployment rate remains high. In May wholesale prices of farm and food products advanced appreciably—after having changed little in April—and the rise in prices of industrial commodities remained substantial. The most recent data suggest some moderation in the pace of advance in wage rates. The U.S. balance of payments has been in surplus in recent weeks on both the official settlements basis and the net liquidity basis. In April, however, the excess of merchandise imports over exports was even larger than in February and March. Some strains have developed in international financial markets recently, involving European currencies.
>
> Growth in the narrowly defined money stock slowed further in May, while growth in the broadly defined money stock stepped up somewhat as inflows of consumer-type time and savings deposits to banks expanded considerably; over the April–May period, growth in both measures of the money stock was well below the high rates in the first quarter of the year. The outstanding volume of large-denomination CD's increased substantially further in May, and expansion in the bank credit proxy remained rapid. In recent weeks, market interest rates have continued to fluctuate in a narrow range.
>
> In light of the foregoing developments, it is the policy of the Federal Open Market Committee to foster financial conditions conducive to sustainable real economic growth and increased employment, abatement of inflationary pressures, and attainment of reasonable equilibrium in the country's balance of payments.
>
> To implement this policy, while taking account of possible Treasury financing and developments in capital markets, the Committee seeks to achieve bank reserve and money market conditions

that will support moderate growth in the monetary aggregates over the months ahead.

> Votes for this action: Messrs. Burns, Brimmer, Bucher, Coldwell, Daane, Eastburn, MacLaury, Mitchell, Robertson, Sheehan, Winn, and Treiber. Votes against this action: None.
> Absent and not voting: Mr. Hayes. (Mr. Treiber voted as his alternate.)

Subsequent to this meeting, on July 6, 1972, Committee members voted to amend this current economic policy directive by adding a reference to international developments in the final paragraph. As amended, that paragraph read as follows:

> To implement this policy, while taking account of possible Treasury financing, developments in capital markets, and international developments, the Committee seeks to achieve bank reserve and money market conditions that will support moderate growth in monetary aggregates over the months ahead.

> Votes for this action: Messrs. Brimmer, Bucher, Coldwell, Daane, Eastburn, MacLaury, Robertson, Sheehan, Winn, and Treiber. Votes against this action: None.
> Absent and not voting: Messrs. Burns, Hayes, and Mitchell. (Mr. Treiber voted as Mr. Hayes' alternate.)

In the 3 days preceding this action, foreign central banks had acquired large amounts of dollars in the process of maintaining exchange rates for their currencies within the internationally agreed margins. The System Account Manager advised that, insofar as the investment of these and any additional funds that might be acquired by the foreign central banks took the form of purchases of U.S. Treasury bills in the market, they would tend to exert downward pressures on bill rates. In the interests of the U.S. balance of payments and international confidence in the dollar, the members decided that open market operations should be conducted with a view to avoiding significant declines in bill rates, insofar as that was consistent with the objectives agreed upon by the Committee on June 20, 1972. Specifically, it was decided that (1) to the extent feasible, reserve additions required to meet the Committee's objectives should be made by means other than purchases of Treasury bills, and (2) foreign official demands for bills, if heavy, should be met to the extent feasible by sales of bills from the System's portfolio, with any undesired reserve effects offset by other means. The members agreed that the directive should be amended to affirm the Committee's intention to authorize such operations.

In casting their affirmative votes, a number of members indicated that while they believed the authorization desirable they thought it should be used with restraint. Mr. Brimmer noted that he favored the action not only on the international grounds cited but also because he thought a significant decline in bill rates would have adverse domestic implications.

Law Department

Statutes, regulations, interpretations, and decisions

SECURITIES CREDIT TRANSACTIONS

The Board of Governors, effective October 16, 1972, has amended Regulation T, "Credit by Brokers and Dealers," and Regulation U, "Credit by Banks for the Purpose of Purchasing or Carrying Margin Stocks," to exempt from margin requirements certain credit extended to so-called "block positioners" and "third-market makers." Block positioners are securities firms that stand ready to hold amounts of stock for their own account sufficient to facilitate the sale or purchase by their customers—primarily institutions—of quantities too large to be absorbed by normal exchange transactions. Third-market makers are firms that make a market off the exchanges in stocks that are listed for exchange trading.

The amendments, which also apply new reporting requirements to exchange specialists, have been adopted simultaneously with registration and reporting requirements imposed by the Securities and Exchange Commission pertaining to the same subject.

The text of the Board's amendments reads as follows:

AMENDMENT TO REGULATION T

Effective October 16, 1972, § 220.4(g) is amended to read as follows:

SECTION 220.4—SPECIAL ACCOUNTS

* * * *

(g) **Specialist's account.** (1) In a special account designated as a specialist's account, a creditor may effect and finance, for any member of a national securities exchange who is registered and acts as a specialist in securities on the exchange, such member's transactions as a specialist in such securities, or effect and finance, for any joint venture in which the creditor participates, any transactions in any securities of an issue with respect to which all participants, or all participants other than the creditor, are registered and act on a national securities exchange as specialists.

(2) Such specialist's account shall be subject to the same conditions to which it would be subject if it were a general account except that if the specialist's exchange is a national securities exchange which requires and submits to the Board of Governors of the Federal Reserve System reports suitable for supplying current information regarding specialist's use of credit pursuant to this paragraph (g), the requirements of § 220.6(b) regarding joint ventures shall not apply to such accounts and the maximum loan value of a registered security in such account (except a security that has been identified as a security held for investment pursuant to a rule of the Commissioner of Internal Revenue (Regs. section 1-1236-1(d))) shall be as determined by the creditor in good faith.

* * * *

AMENDMENTS TO REGULATION U

Effective October 16, 1972, §§ 221.3(a), (o), (w)(1), and (y) are amended and § 221.3(z) is added as set forth below; and footnote 9 in § 221.4 (the Supplement to Regulation U) is redesignated as footnote 12:

SECTION 221.3—MISCELLANEOUS PROVISIONS

(a) **Required statement as to stock-secured credit.** In connection with an extension of credit secured directly or indirectly by any stock, the bank shall obtain and retain in its records for at least 3 years after such credit is extinguished a statement in conformity with the requirements of Federal Reserve Form U-1 executed by the recipient of such extension of credit (sometimes referred to as the "customer") and executed and accepted in good faith by a duly authorized officer of the bank prior to such extension: *Provided*, That this requirement shall not apply to any credit described in paragraphs (o), (w), (x), (y), or (z) of this section or § 221.2 of this part except for credit described in paragraphs 221.2(f), (g), and (h) extended to persons who are not brokers or dealers subject to Part 220 of this Chapter (Regulation T).

In determining whether or not an extension of credit is for the purpose specified in § 221.1 or for any of the purposes specified in § 221.2 or this section the bank may rely on the statement executed by the customer if accepted in good faith. To accept the customer's statement in good faith, the officer must (1) be alert to the circumstances surrounding the credit and (2) if he has any information which would cause a prudent man not to accept the statement without inquiry, have investigated and be satisfied that the customer's statement is truthful.

* * * *

(o) **Specialist.** In the case of credit extended to a member of a national securities exchange who is registered and acts as a specialist in securities on the exchange for the purpose of financing such member's transactions as a specialist in such securities, the maximum loan value of any stock (except stock that has been identified as a security held for investment pursuant to a rule of the Commissioner of Internal Revenue (Regs. section 1-1236-1(d))) shall be as determined by the bank in good faith: *Provided,* That the specialist's exchange is a national securities exchange which requires and submits to the Board of Governors of the Federal Reserve System reports suitable for supplying current information regarding specialists' use of credit pursuant to this section.

* * * *

(w) **OTC market maker exemption.** (1) In the case of credit extended to an OTC market maker, as defined in subparagraph (2) of this paragraph (w), for the purpose of purchasing or carrying an OTC margin stock in order to conduct the market-making activity of such a market maker, the maximum loan value of any OTC margin stock (except stock that has been identified as a security held for investment pursuant to a rule of the Commissioner of Internal Revenue (Regs. section 1-1236-1(d))) shall be determined by the bank in good faith: *Provided,* That in respect of each such stock the OTC market maker shall have filed with the Securities and Exchange Commission a notice of his intent to begin or continue such market-making activity (Securities and Exchange Commission Form X-17A-12 (1)) and all other reports required to be filed by market makers in OTC margin stock pursuant to a rule of the Commission (Rule17a-12(17 CFR 240.17a-12)), shall not have ceased to engage in such market-making activity, and shall have a reasonable average rate of inventory turnover in such stock: *And provided further,* That the bank shall obtain and retain in its records for at least 3 years after such credit is extinguished a statement in conformity with the requirements of Federal Reserve Form U-2, executed by the OTC market maker who is the recipient of such credit and executed and accepted in good faith[9] by a duly authorized officer of the bank prior to such extension. In determining whether or not an extension of credit is for the purpose of conducting such market-making activity, a bank may rely on such a statement if executed and accepted in accordance with the requirements of this paragraph (w) and paragraph (a) of this section.

* * * *

(y) **Third-market maker exemption.** (1) In the case of credit extended to a third-market maker, as defined in subparagraph (2) of this paragraph (y), for the purpose of purchasing or carrying a stock that is registered on a national securities exchange (other than a convertible debt security described in paragraph (t) (1) of this section) in order to conduct the market-making activity of such a market maker, the maximum loan value of any stock (except (i) a convertible debt security described in paragraph (t) (1) of this section, and (ii) stock that has been identified as a security held for investment pursuant to a rule of the Commissioner of Internal Revenue (Regs. section 1-1236-1(d))) shall be determined by the bank in good faith: *Provided,* That in respect of each such stock he shall, at least five full business days prior to such extension of credit, have filed with the Securities and Exchange Commission a notice of his intent to begin or continue such market-making activity, and thereafter all other reports required to be filed by third-market makers pursuant to a rule of the Securities and Exchange Commission and, except when such activity is unlawful, shall not have ceased to engage in such market-making activity: And *provided further,* That the bank shall obtain and retain in its records for at least 3 years after such credit is extinguished a statement in conformity with the requirements of Federal Reserve Form U-3, executed by the third-market maker who is the recipient of such credit and executed and accepted in good faith[10] by a duly authorized officer of the bank prior to such extension. In determining whether or not an extension of credit is for the purpose of conducting such market-making activity, a bank may rely on such a statement, if executed and accepted in accor-

[9] As described in paragraph (a) of this section.

[10] As described in paragraph (a) of this section.

dance with the requirements of this paragraph (y) and paragraph (a) of this section.

(2) A third-market maker with respect to a stock that is registered on a national securities exchange is a dealer who has and maintains net capital, as defined in a rule of the Securities and Exchange Commission (Rule 15c3-1 (17 CFR 240.15c3-1)), or in the capital rules of an exchange of which he is a member if the members thereof are exempt therefrom by Rule 15c3-1(b)(2) of the Commission (17 CFR 240.15c3-1(b)(2)), of $100,000 plus $20,000 for each stock in excess of five in respect of which he has filed and not withdrawn a notice with the Securities and Exchange Commission (but in no case does this subparagraph (2) require net capital of more than $500,000) who is in compliance with such rule of the Commission and who, except when such activity is unlawful, meets all the following conditions with respect to such stock: (i) He furnishes bona fide, competitive bid and offer quotations to other brokers and dealers, in the stocks for which he makes a market, at all times on request, (ii) he is ready, willing, and able to effect transactions for his own account in reasonable amounts, and at his quoted prices, with other brokers and dealers, and (iii) he has a reasonable average rate of inventory turnover in the stock.

(3) If all or a portion of the credit extended pursuant to this paragraph (y) ceases to be for the purpose specified in subparagraph (1) of this paragraph or the dealer to whom the credit is extended ceases to be a third-market maker as defined in subparagraph (2) of this paragraph, the credit or such portion thereof shall thereupon be treated as "a credit subject to § 221.1."

(z) **Block positioner exemption.** (*1*) In the case of credit extended to a block positioner, as defined in subparagraph (2) of this paragraph (z), for the purpose of financing the activity of block positioning, the maximum loan value of any margin stock obtained in the ordinary course of the activity of block positioning as described in subparagraph (2) of this paragraph (z) (except (i) a convertible debt security described in paragraph (t) (1) of this section and (ii) stock that has been identified as a security held for investment pursuant to a rule of the Commissioner of Internal Revenue (Regs. section 1-1236-1(d))) shall be determined by the bank in good faith: *Provided*, That in respect of such activity he shall have filed with the Securities and Exchange Commission a notice of undertaking such activity as prescribed by the Commission, and all reports required to be filed by block-positioners: *And provided further*, That the bank shall obtain and retain in its records for at least 3 years after such credit is extinguished a statement in conformity with the requirements of Federal Reserve Form U-5 and paragraph (a) of this section, executed by the block positioner who is the recipient of such credit and executed and accepted in good faith[11] by a duly authorized officer of the bank prior to such extension. In determining whether or not an extension of credit is for the purpose of conducting such block positioning activity, a bank may rely on such a statement if executed and accepted in accordance with the requirements of this paragraph (z) and paragraph (a) of this section. In determining whether or not an extension of time has been granted pursuant to subparagraph (4) of this paragraph (z) and whether or not such extension of time is commensurate with the circumstances the bank may rely on a statement executed by an officer of the exchange or association on behalf of the committee in conformity with the requirements of Federal Reserve Form U-6 and paragraph (a) of this section.

(2) A block positioner is a dealer who (i) is registered with the Securities and Exchange Commission under section 15 of the Securities Exchange Act of 1934 (15 U.S.C. 78o) and has a minimum net capital, as defined in a rule of the Securities and Exchange Commission (Rule 15c3-1 (17 CFR 240.15c3-1)) or in the capital rules of an exchange of which he is a member if the members thereof are exempt therefrom by Rule 15c3-1(b)(2) of the Commission (17 CFR 240.15c3-1(b)(2)), of $1 million, (ii) engages in the activity of purchasing long or selling short as principal, from time to time, from or to a customer (other than a partner or a joint venture or other entity in which a partner of the dealer, or the dealer itself, participates or a person "associated with" such dealer as defined in section 3(a)(18) of the Securities Exchange Act of 1934) a block of stock (other than a convertible debt security as described in paragraph (t)(1) of this section) with a current market value of $200,000 or more in a single transaction or in several transactions at approximately the same time from a single source to facilitate a sale or purchase by such customer, (iii) certifies to the lending bank that he has determined in the exercise of reasonable diligence that the block could not be sold to or purchased from others on equivalent or better terms, and (iv) sells the

[11] As described in paragraph (a) of this section.

shares comprising such block as rapidly as possible commensurate with the circumstances. In the case where a block positioner acquires a block from a broker who acts as agent for several sellers, such acquisition shall be deemed for purposes of this section to be an acquisition from a single source.

(3) No credit shall be extended or maintained pursuant to this paragraph (z) in respect of any such block of stock or portion thereof which the block positioner has held continuously for more than 20 business days, and any credit extended pursuant to this paragraph (z) shall be extinguished or brought into conformity with the initial margin requirements of §§ 221.1 and 221.4 before the expiration of such 20-day period. For the purposes of this subparagraph, a block or portion thereof shall be treated as not having been held continuously only to the extent that there has been a net sale (or in the case of short positions, net purchase) of such securities (whether or not represented by the same certificate) during such 20-day period.

(4) In exceptional cases the 20-day period specified in subparagraph (3) of this paragraph (z) may on the application of the block positioner, be extended for one or more periods limited to 5 business days each commensurate with the circumstances by any regularly constituted committee of a national securities exchange having jurisdiction over the business conduct of its members, of which the block positioner is a member or through which his block transaction was effected, or by a committee of a national securities association, if effected in the over-the-counter market: *Provided,* That such committee is satisfied that the block positioner is acting in good faith in making the application and that the circumstances in fact warrant such treatment.

BANK HOLDING COMPANIES

INSURANCE AGENCY ACTIVITIES

Effective September 1, 1971, the Board of Governors amended § 225.4(a) of Regulation Y to add specified insurance agency activities to the list of activities the Board has determined to be so closely related to banking or managing or controlling banks as to be a proper incident thereto. In the course of administering this regulation, a number of questions have arisen concerning the scope and terms of the Board's regulation. The Board's views on some of these questions are set forth below.

§ 225.4(a)(9)(i): Insurance "for the holding company and its subsidiaries". The Board regards the sale of group insurance for the protection of employees of the holding company as insurance for the holding company and its subsidiaries.

§ 225.4(a)(9)(ii)(a)*: Insurance "directly related to an extension of credit by a bank or a bank-related firm".* (1) This provision is designed to permit the sale, by a bank holding company system, of insurance that supports the lending transactions of a bank or bank-related firm in the holding company system. The Board regards the sale of insurance as directly related to an extension of credit by a bank or bank-related firm where (i) the insurance assures repayment of an extension of credit by the holding company system in the event of death or disability of the borrower (for example, credit life and credit accident and health insurance); or (ii) the insurance protects collateral in which the bank or bank-related firm has a security interest as a result of its extension of credit; or (iii) the insurance is other insurance which is sold to individual borrowers in conjunction with or as part of an insurance package (as a matter of general practice) with insurance protecting the collateral in which a bank or bank-related firm has a security interest as a result of its extension of credit. Examples that fall within (iii) above are: *(a)* liability insurance sold in conjunction with insurance relating to physical damage of an automobile when the purchase of such automobile is financed by a bank or bank-related firm; and *(b)* a homeowner's insurance policy with respect to a residence mortgaged to a bank or bank-related firm.

(2) Other types of insurance may be directly related to an extension of credit. A bank holding company applying to engage in the sale of such other types should furnish information showing that such insurance is so directly related.

(3) A renewal of insurance, after the credit extension has been repaid, is regarded as closely related to banking only to the extent that such renewal is permissible under § 225.4(a)(9)(ii)*(c)* of Regulation Y.

(4) The Board generally regards insurance protecting collateral where the security interest of a bank or bank-related firm was obtained by *purchase* rather than by a direct extension of credit by the holding company system as not being directly related to an extension of credit by a bank or bank-related firm. However, if such security interests are purchased on a continuing basis from a firm or an individual and the interval between the creation of the security interest and its subse-

quent purchase is minimal, the Board may regard such purchase as an extension of credit. Full details of the transactions should be provided to support a holding company's contention that such insurance sales are directly related to an extension of credit.

§ 225.4(a)(9)(ii)(b): Insurance "directly related to the provision of other financial services by a bank or . . . bank-related firm". This provision is designed to permit the sale by a bank holding company system of insurance in connection with bank-related services (rendered by a member of the holding company system) other than an extension of credit. Among the types of insurance the Board regards as directly related to such services are: (i) insurance against loss of securities held for safekeeping; (ii) insurance for valuables in a safe deposit box; (iii) life insurance equal to the difference between the maturity value of a deposit plan for periodic desposits over a specified term and the balance in the account at the time of the depositor's death; (iv) in connection with mortgage loan servicing that is provided by a bank or bank-related firm, insurance on the mortgaged property and/or insurance on the mortgagor to the extent of the outstanding balance of the credit extension, provided that the mortgagee is a beneficiary under such types of insurance policies; and (v) insurance directly related to the provision of trust services if the sale of such insurance is permitted by the trust instruments and under State law.

§ 225.4(a)(9)(ii)(c): Insurance that "is otherwise sold as a matter of convenience to the purchaser, so long as the premium income from sales within . . . subdivision (ii)(c) does not constitute a significant portion of the aggregate insurance premium income of the holding company from insurance sold pursuant to . . . subdivision (ii)".

(1) This provision is designed to permit the sale of insurance as a matter of convenience to the purchaser. It is not designed to permit entry into the general insurance agency business.

(2) The term "premium income" means gross commission income.

(3) The Board generally will regard premium income attributable to "convenience" sales as not constituting a "significant portion" if the income attributable to "convenience" sales is less than 5 per cent of the aggregate insurance premium income of the holding company system from insurance sold pursuant to § 225.4(a)(9)(ii).

ORDERS UNDER SECTION 3(a) of BANK HOLDING COMPANY ACT

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 section 3(a)(3) of the Act (12 U.S.C. 1842(a)(3)) to acquire an additional 29.7 per cent of the voting shares of United Bank Shares, Inc., El Paso, Texas ("United"), a holding company owning 100 per cent (less directors' qualifying shares) of the shares of Southwest National Bank of El Paso, El Paso, Texas ("Bank"). Applicant presently owns 24.5 per cent of United.

Notice of receipt of the application has been given in accordance with section 3(b) of the Act. Time for filing comments and views has expired. The Board has considered the application and all comments received in the light of the factors set forth in section 3(c) of the Act (12 U.S.C. 1842(c)).

Applicant, the third largest banking organization in Texas, controls eight banks with aggregate deposits of approximately $1.5 billion, representing about 4.9 per cent of deposits in commercial banks in the State.[1] Consummation of the proposal would increase Applicant's share of deposits by only .2 percentage points and would not result in a significant increase in the concentration of banking resources in Texas.

Bank (about $75 million in deposits) is the third largest of 12 banking organizations in the El Paso area and controls approximately 11 per cent of deposits there. However, two larger organizations dominate El Paso with each controlling about 36 per cent of deposits in the area. As the Board recognized in its earlier Order approving Applicant's acquisition of 24.5 per cent of the voting shares of United Bank (1972 Federal Reserve BULLETIN 295), the acquisition of Bank by Applicant eventually may lead to some deconcentration in the El Paso area through the introduction of a strong effective organization that competes with the two dominant organizations.

[1]All banking data are as of December 31, 1971 and reflect bank holding company formations and acquisitions approved by the Board through June 30, 1972.

Competitive considerations are consistent with approval of the application.

The financial and managerial resources and future prospects of Applicant and its subsidiary banks are regarded as generally satisfactory. Applicant proposes to provide additional capital to Bank and to strengthen management. Banking considerations lend weight for approval of the application. Applicant proposes to enable Bank to provide expertise in petroleum financing. Considerations relating to the convenience and needs of the community to be served are consistent with approval. It is the Board's judgment that the proposed transaction is 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 consummated (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.

By order of the Board of Governors, effective July 28, 1972.

Voting for this action: Chairman Burns and Governors Robertson, Mitchell, Brimmer, and Sheehan. Absent and not voting: Governors Daane and Bucher.

(Signed) TYNAN SMITH,
[SEAL] *Secretary of the Board.*

RIBSO, INC., ROCK ISLAND, ILLINOIS

ORDER APPROVING ACQUISITION OF BANK

Ribso, Inc,, Rock Island, Illinois, 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 ownership of 2.276 per cent of the voting shares of Rock Island Bank and Trust Company, Rock Island, Illinois ("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

[1]On June 22, 1971, the Board ordered that any company which acquired an interest in a bank between December 31, 1970, and June 22, 1971, without first securing prior Board approval because of lack of knowledge of that requirement might file for such approval by August 31, 1971, unless such time was extended for good cause. The application herein was filed pursuant to the Board's June 22, 1971, Order.

application and all comments received in light of the factors set forth in § 3(c) of the Act (12 U.S.C. 1842(c)).

As a result of the enactment of the 1970 Amendments to the Bank Holding Company Act, Applicant became a bank holding company by operation of law on December 31, 1970, because it then owned 23.1 per cent of the voting shares of Bank and controlled the election of a majority of Bank's directors. Subsequently, during the first six months of 1971, Applicant acquired an additional 2.276 per cent of the voting shares of Bank without the prior approval of the Board as required by § 3(a)(3) of the Act. The proposal herein is for the Board's approval to retain the shares so acquired.

Applicant, organized in 1955, is principally engaged in the ownership of shares of Bank and Bank's premises, and has no other banking subsidiaries. Bank ($59.1 million deposits) is the second largest of three banks in Rock Island, a community 160 miles west of Chicago. (Banking data are as of December 31, 1971.) Approval of Applicant's proposal would not result in the elimination of either existing or potential competition, nor does it appear that there would be any adverse effects on any bank in the area.

The financial and managerial resources and future prospects of Applicant and Bank are regarded as satisfactory and consistent with approval of the application. Approval of the proposal would have no effect on convenience and needs of the community. It is the Board's judgment that the application should be approved.

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

By order of the Board of Governors, effective August 1, 1972.

Voting for this action: Chairman Burns and Governors Robertson, Mitchell, Daane, Brimmer, and Sheehan. Absent and not voting: Governor Bucher.

(Signed) TYNAN SMITH,
[SEAL] *Secretary of the Board.*

AMERICAN BANCORPORATION, COLUMBUS, OHIO

ORDER APPROVING ACQUISITION OF BANK

American Bancorporation, Columbus, Ohio, 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 per cent of the voting shares (less directors' qualifying shares) of The Farmers State Bank of McClure, Ohio, McClure, Ohio ("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 none has been timely received. The Board has considered the application in light of the factors set forth in § 3(c) of the Act (12 U.S.C. 1842(c)).

Applicant controls four banks with deposits of $18.7 million, representing .08 per cent of aggregate deposits of commercial banks in Ohio. (All banking data are as of December 31, 1971, and reflect holding company formations and acquisitions approved through May 31, 1972.) The acquisition of Bank with deposits of $6.3 million would not appreciably increase the concentration of banking resources in any relevant area, and Applicant would retain its rank as the smallest bank holding company in the State.

Bank serves Henry County in the northwestern part of Ohio. There are six banks headquartered in the county with deposits ranging from $4.5 million to $22.4 million. Bank controls 11.6 per cent of county deposits and is the third largest of these banks. Consummation of the proposal should have no adverse effects on any of the competing banks.

The closest offices of Applicant and Bank are 78 miles apart, and no significant present competition exists between any of these offices. In addition, there does not appear to be any potential for the development of future competition between the two institutions, due to the distances separating their offices, the location of numerous intervening banks, and the restrictions placed on branching by State laws.

The financial and managerial resources of Applicant, its subsidiary banks, and Bank are considered to be generally satisfactory, and prospects for the group appear favorable. Therefore, considerations relating to the banking factors are consistent with approval of the application. Applicant proposes to expand and improve the present services offered by Bank to include specialized consumer and business loan programs. Although the major banking needs of the area are being served at the present time, Applicant's assistance to Bank in loan participation with other affiliates, and in training and management planning would better serve the convenience and needs of the communities. Considerations under this factor are consistent with approval of the application. 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 consummated (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 Cleveland pursuant to delegated authority.

By order of the Board of Governors, effective August 3, 1972.

Voting for this action: Chairman Burns and Governors Robertson, Brimmer, Sheehan, and Bucher. Absent and not voting: Governors Mitchell and Daane.

(Signed) TYNAN SMITH,
[SEAL] *Secretary of the Board.*

MICHIGAN NATIONAL CORPORATION, LANSING, MICHIGAN

ORDER APPROVING FORMATION OF BANK HOLDING COMPANY

Michigan National Corporation, Lansing, Michigan, has applied for the Board's approval, under § 3(a)(1) of the Bank Holding Company Act (12 U.S.C. 3(a)(1)), of formation of a bank holding company through the acquisition of 80 per cent or more of the voting shares of each of the following five Michigan banks: Michigan National Bank, Lansing; Michigan Bank, N.A., Detroit; Livonia National Bank, Livonia; Troy National Bank, Troy; and Oakland National Bank, Southfield. As a result of its acquisition of Michigan National Bank, Applicant would also acquire indirect control of less than 25 per cent but more than 5 per cent of the outstanding voting shares of each of seven Michigan banks as follows: Central Bank, Grand Rapids (24.1 per cent); Valley National Bank of Saginaw, Saginaw (24.9 per cent); Security National Bank of Manistee, Manistee (23.4 per cent); First National Bank of East Lansing, East Lansing (13.8 per cent); First National Bank of Wyoming, Wyoming (23.3 per cent); Central National Bank of Alma, Alma (18.8 per cent); and St. Clair Shores National Bank, St. Clair Shores (10 per cent).

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)).

On the basis of the record, the application is approved for the reasons set forth in the Board's Statement of this date. The transaction shall not be consummated (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 August 3, 1972.

Voting for this action: Chairman Burns and Governors Mitchell, Daane, and Sheehan. Voting against this action: Governors Robertson and Brimmer. Absent and not voting: Governor Bucher.

(Signed) TYNAN SMITH,
[SEAL] *Secretary of the Board.*

STATEMENT

Michigan National Corporation, Lansing, Michigan ("Applicant"), has filed with the Board, pursuant to section 3(a)(1) of the Bank Holding Company Act of 1956, an application for approval of action to become a bank holding company through the acquisition of 80 per cent or more of the voting shares of each of the following five Michigan banks: Michigan National Bank, Lansing ("Michigan National"); Michigan Bank, N.A., Detroit ("Michigan Bank"); Livonia National Bank, Livonia ("Livonia Bank"); Troy National Bank, Troy ("Troy Bank"); and Oakland National Bank, Southfield ("Oakland Bank"). By virtue of acquisition of Michigan National, Applicant would acquire also indirect control of voting shares of each of seven other Michigan banks as follows: 24.1 per cent of the shares of Central Bank, Grand Rapids ("Central Bank"); 24.9 per cent of the shares of Valley National Bank of Saginaw, Saginaw ("Valley National"); 23.4 per cent of the shares of Security National Bank of Manistee, Manistee ("Security Bank"); 13.8 per cent of the shares of First National Bank of East Lansing, East Lansing ("East Lansing Bank"); 23.3 per cent of the shares of First National Bank of Wyoming, Wyoming ("Wyoming Bank"); 18.8 per cent of the shares of Central National Bank of Alma, Alma ("Alma Bank"); and 10 per cent of the shares of St. Clair Shores National Bank, St. Clair Shores ("St. Clair Shores Bank").

The described shares of the latter seven banks are held in trust by the Michigan National Bank Profit Sharing Trust for the benefit of employees of Michigan National and, pursuant to § 2(g)(2) of the Act, Michigan National is deemed to control such shares; by virtue of § 2(g)(1) of the Act, Applicant will be deemed to control such shares upon its acquisition of control of Michigan National.

Statutory considerations. Applicant is a recently-organized corportion formed for the purpose of becoming a multi-bank holding company through the direct acquisition of voting shares of each of five banks. As an incident to the acquisition of one of those banks, control of less than 25 per cent but more than 5 per cent of the voting shares of seven other Michigan banks would be attributed to Applicant. The proposal is essentially a corporate reorganization inasmuch as the proposed five direct subsidiary banks are, and have been, closely affiliated for several years through common ownership by ten families and by profit sharing trusts established at each of the five banks. Each of the five banks has established a profit sharing trust for the benefit of its employees, which, in each case, has invested in the stock of its own bank and the stock of certain of the other proposed subsidiaries. The five banks have been operated as a unified banking group for several years with common directors and interchanging management. Upon acquisition of the shares of the five banks, Applicant would control approximately 9.3 per cent ($2.03 billion) of the total deposits held by commercial banks in Michigan and would become the second largest banking organization and the largest bank holding company in Michigan on the basis of deposits. (Unless otherwise indicated, all banking data are as of June 30, 1971, adjusted to reflect holding company formations and acquisitions approved by the Board to date.) The largest banking organization in Michigan would still be almost twice the size of Applicant and there are two other banking organizations comparable in size to Applicant.

Michigan National ($1.1 billion deposits), which holds 5.1 per cent of the total commercial bank deposits in the State, is located in Lansing 85 miles northwest of Detroit and is the fourth largest bank in Michigan and the largest bank outside of the Detroit area. Michigan National is represented in six banking markets, and has a total of twenty-five offices located throughout southern Michigan. On the basis of deposits, Michigan National's ranking among the banks operating in those six markets is as follows: first of the nine banks in the Lansing market; third of the fifteen banks in the Grand Rapids market; second of the six banks in the Saginaw market; third of the seven banks in the Flint market; first of the six banks in the Port Huron market; and first of the seven banks in the Battle Creek market. It appears that consummation of the proposal would not eliminate any significant existing competition between Michigan National and any of the other four proposed direct subsidiaries, all of which are located in the Detroit metropolitan area. Further, on the facts of record, particularly in view of the intervening distances between Michigan National and any of the other banks (the closest offices are 57 miles apart), the number of available banking alternatives, the common ownership of the five banks, the sizes of the banks involved, and the restrictions of Michigan branching law, it appears that no significant potential competition between Michigan National and any of the other four proposed direct subsidiaries would be precluded by consummation of the proposal.

Michigan Bank ($730 million deposits), headquartered in downtown Detroit with an additional twenty-six branches in the Detroit area, is the sixth largest bank in the State and the fifth largest of forty-nine banks located in the Detroit banking market, approximated by the three county Detroit SMSA, and holds 5.8 per cent of deposits in that market. Livonia Bank ($70.7 million deposits), located in a suburb two miles west of Detroit, operates six branches in Livonia, and is the sixteenth largest bank in the Detroit market with .6 per cent of deposits in the market. Troy Bank ($57.2 million deposits), located in a suburb six miles north of Detroit, operates seven branches in Troy, and is the nineteenth largest bank in the Detroit market with .5 per cent of deposits in the market. Oakland Bank ($56.3 million deposits), located in a suburb just northwest of Detroit, operates four branches in Southfield, and is the twenty-first largest bank in the Detroit market with approximately .5 per cent of deposits in the market.

It appears that consummation of the proposal would not have any significant adverse effects on competition in the Detroit banking market. As indicated above the four banks have been closely affiliated and have been operated as part of the Michigan National banking group for several years. Individuals associated with Michigan National purchased a substantial interest in Michigan Bank in 1955. Subsequently, Troy Bank and Oakland Bank were organized *de novo* with the assistance of Michigan National and Michigan Bank in 1962 and 1965, respectively, and the common ownership in Livonia Bank dates back to 1963 when the bank had only $12 million in deposits. Since the inception of the ownership interest in the three suburban banks, the management of all three has been supplied by Michigan National and Michigan Bank and all three have been operated as part of the banking group. On the basis of the facts herein, notably the origin and closeness of the existing relationships and the unlikelihood that the banks would become disaffiliated in the foreseeable future, the Board concludes that consummation of the proposal would not have any significant adverse effects on existing or potential competition among the four Detroit area banks.

Because of its acquisition of Michigan National, Applicant will acquire also indirect control of certain shares (in each instance, less than 25 per cent) of each of seven other Michigan banks presently held by the Michigan National Profit Sharing Trust ("indirect banks"). Neither Manistee Bank nor Alma Bank nor St. Clair Shores Bank operates in any meaningful way in a market served by Michigan National or any of the other proposed subsidiaries. Through its profit sharing trust, Michigan National was instrumental in organizing East Lansing Bank (1955), Valley National Bank (1959), and Wyoming Bank (1960); and Michigan National acquired its interest in Central Bank over ten years ago. Notwithstanding the origin of the interests of the profit sharing trust in the indirect banks that are located in the areas of Grand Rapids, Saginaw, and East Lansing, the relationship of Michigan National to said indirect banks is a matter of concern to the Board inasmuch as offices of Michigan National serve these areas. The Board notes that in each of the areas of Grand Rapids and Saginaw a larger banking organization holds more than twice the deposits held by Michigan National and, in the Lansing market, East Lansing Bank is one of the smallest banks and holds less than 2 per cent of the deposits there. It appears that there is no adverse competitive consideration serious enough to warrant denial of the application. Moreover, the order herein does not constitute a determination that any of said indirect banks is or may become a subsidiary of Applicant;[1] nor is the order herein any indication that Applicant will be permitted to acquire direct or indirect control of any additional shares of any of said banks. Any proposal for the acquisition of additional shares of any of said banks will be judged on the basis of the competitive circumstances and all other relevant facts involved in the particular proposal.

On the basis of the record before it, the Board concludes that consummation of the proposal involving the direct acquisition of the five banks and the indirect acquisition of less than 25 per cent of seven banks would not substantially lessen competition in any relevant area nor have a significantly adverse effect on existing competition, nor foreclose the development of significant potential competition in any relevant area.

The managerial resources of Applicant and each of its proposed subsidiaries are regarded as satisfactory and consistent with approval of the application. During consideration of the subject application, Applicant was notified by the Board of its serious concern over what it considered to be the inadequate capital positions of the proposed subsidiary banks, especially Michigan National and Michigan Bank, and of the Board's view that the capital position of each of the banks should be improved without delay.

In response to the Board's concern in this area, Applicant has proposed a capital improvement program that would immediately increase the capital funds of the five subsidiary banks by $45.8 million and by December 31, 1973, would increase the capital by over $80 million. The capital improvement program includes the sale of $32 million in convertible debentures by Applicant ($30 million of which will be used to exercise preemptive rights to purchase additional common stock of the proposed subsidiaries), the sale of $15.8 million in capital notes by Michigan National and Michigan Bank, and a dividend retention program that will increase significantly the capital position of each of the proposed subsidiaries. In addition, Applicant's capital improvement program includes the sale of $10 million of equity securities by December 31, 1973.[2] Execution of this capital improvement program would strengthen the financial condition of Applicant and its proposed subsidiaries and enhance the prospects

[1]Of course, the determination herein does not preclude the Board from determining that the Applicant exercises a controlling influence over the management or policies of any of the seven so-called indirect banks within the meaning of § 2(a)(2)(C) of the Act.

[2]The Board recognizes that the condition of the market for equity securities may present a serious impediment to a proposed sale of equity securities and that a reasonable delay beyond the projected period may be warranted. However, such delay will be warranted only if the Board is satisfied that a substantially significant deterioration below present market levels has taken place in the market for equity securities.

of the group substantially. The significant increases that will be made in the capital account of each of the subsidiary banks as a result of the program to which Applicant is committed and the fact that Applicant is likely to have better access to capital markets than any of the individual banks lend weight for approval of the application.

Consummation of the proposal would not have any immediate effects on the convenience and needs of the communities served by the proposed subsidiaries. However, reorganization of the ownership of the banks into the corporate structure of a holding company should provide the operational flexibility that would enable the holding company to assist the subsidiary banks in improving and expanding their services. Considerations relating to the convenience and needs of the communities are consistent with approval of the application.

Summary and conclusion. On the basis of all relevant facts contained in the record, and in light of the factors set forth in section 3(c) of the Act, it is the Board's judgment that the proposed transaction would be in the public interest, and that the application should be approved.

DISSENTING STATEMENT OF GOVERNORS ROBERTSON AND BRIMMER

We would approve the formation of a holding company to control the five direct subsidiary banks, now that steps have been taken or will be taken to augment their capital structures. However, the proposal before the Board involves not only the direct acquisition of five banks but also, as a result of investments of the Michigan National Bank's profit sharing trust, the indirect acquisition of interests in each of seven other Michigan banks. With respect to four of the seven banks, namely, First National Bank of East Lansing, Valley National Bank, Central Bank, and First National Bank of Wyoming, we consider the effects of this acquisition on competition to be adverse.

The profit sharing trust just mentioned, a creature of Michigan National Bank established for the benefit of its employees, purchased and holds stock (ranging from 10 per cent to 24.9 per cent of the voting shares) of seven banks other than the five direct subsidiaries.[1] While we doubt the appropriateness of such investments by such a trust, we are adamantly opposed to sanctioning the employment of such a device to further the interests of a parent bank (the creator of the trust), especially when the result is both to enlarge that bank's share of the market and stifle competition.

The record shows beyond any doubt that there is potential if not actual competition between each of the four above-mentioned banks and Michigan National Bank, the largest of Applicant's proposed subsidiaries. In the Lansing market, where Michigan National Bank is by far the largest bank with over 43 per cent of the deposits, First National Bank of East Lansing ranks seventh and holds about 2 per cent of the deposits. In the Saginaw market, where Michigan National Bank is the second largest bank with about 23 per cent of the deposits, Valley National Bank ranks fourth and holds about 7 per cent of the deposits. In the Grand Rapids market, where Michigan National Bank is the third largest bank with about 18 per cent of the deposits, Central Bank and First National Bank of Wyoming rank fourth and sixth, respectively, and hold, in the aggregate, about 4 per cent of the deposits. In each instance, the service area of Michigan National Bank overlaps that of one of the four banks. In our view, the evidence reflects meaningful potential—if not actual—competition which would be foreclosed to the detriment of the public interest. Consummation of Applicant's proposal would tend to eliminate competition and to preclude the development of potential competition by rendering less likely the prospect of disassociation of the four banks from the Michigan National group.

In view of Michigan National Bank's already significant position in the Lansing, Saginaw, and Grand Rapids markets, we consider that the public interest will not be served by approving Applicant's indirect interest in four banks that are in competition with Applicant's principal subsidiary. Instead, competition would be enhanced, and the public interest served, by withholding approval of the application until Applicant persuades the profit sharing trust to divest itself of its interests in the four banks. In the alternative, approval of the application should be so conditioned as to give Applicant a reasonable period of time after formation of the holding company within which to accomplish the divestiture of the four banks.

While we realize that (as intimated in the majority's opinion) divestiture of the stock of these four banks (or possibly the stock of all seven of the banks) held by the profit sharing trust could

[1] Additional shares in some of the seven banks were acquired by individual members of the ten families that control the Michigan National Bank, thus strengthening the control or influence over such banks by the Michigan National Bank. As a matter of fact, Michigan National Bank is represented on the Board of Directors of five of those seven banks. And to fill in part of the rest of the picture, each of the five direct subsidiary banks has its own profit sharing trust for the benefit of employees, each of which holds stock of some or all of those five banks.

be required as a condition to the approval of future applications to expand, we believe that in fairness to all parties and in the interests of sound bank supervision the issue should be faced and settled now, at the outset of the formation of the holding company rather than at some uncertain date in the future.

WORCESTER BANCORP, INC., WORCESTER, MASSACHUSETTS

ORDER APPROVING ACQUISITION OF BANK

Worcester Bancorp, Inc., Worcester, Massachusetts, 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 First National Bank of Amherst, Amherst, Massachusetts ("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 sixth largest banking organization in Massachusetts, controls one bank with aggregate deposits of $336.3 million, representing 2.9 per cent of total deposits of commercial banks in the State. (All banking data are as of December 31, 1971, and reflect bank holding company formations and acquisitions approved through May 31, 1972.) Approval of this application would not significantly increase Applicant's share of Statewide deposits and its present ranking would not change.

Bank, with deposits of $25.2 million, is the largest of six banks in its banking market, which is approximated by central Hampshire County and portions of Franklin County, and controls 32 per cent of deposits in commercial banks in that market.

Applicant's acquisition of Bank would constitute its initial entry into Bank's market and Hampshire County. Applicant's closest existing subsidiary banking office is located approximately 30 miles from Bank. No meaningful competition exists between Bank and any of Applicant's existing subsidiary banking offices, nor does it appear likely that such competition would develop in the future, in view of the distances separating Bank from Applicant's subsidiaries, the State's restrictive branching laws and the relatively static economic conditions in Bank's market.

The financial and managerial resources and future prospects of Applicant, its subsidiaries and Bank are generally satisfactory and consistent with approval of the application. In addition, it is expected that Applicant's acquisition of Bank will add depth to the management of Bank. Although there is no evidence that the banking needs of the communities involved are not being adequately met at present, Applicant expects to offer, through Bank, a broader range of financial services to Bank's customers. Considerations relating to the convenience and needs of the communities to be served are, therefore, consistent with approval of the application. 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 approval herein neither provides authority to Applicant to continue in the nonbank activities nor to retain nonbank shares nor requires the Applicant to modify or terminate said activities or holdings. However, consummation of the proposal herein is subject to the continuing authority of the Board to require modification or termination of such activities or holdings (within a period no shorter than 2 years), if the Board determines that the continued combination of banking and nonbanking interests is likely to have an adverse effect on the public interest.[1] The transaction shall not be consummated (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 August 4, 1972.

Voting for this action: Chairman Burns and Governors Robertson, Mitchell, Daane, Brimmer, and Sheehan. Absent and not voting: Governor Bucher.

(Signed) TYNAN SMITH,
Secretary of the Board.

[SEAL]

[1] In permitting Applicant to retain its grandfathered land development company, Wornat Development Corporation, the Board has not altered its position that land development is not a permissible activity under § 4(c)(8) of the Bank Holding Company Act. (Application of UB Financial Corporation, Phoenix, Arizona, to retain H. S. Pickrell Company, 1972 F.R. BULLETIN 428.)

NEW JERSEY NATIONAL CORPORATION, TRENTON, NEW JERSEY

Order Approving Acquisition of Bank

New Jersey National Corporation, Trenton, New Jersey, 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 per cent of the voting shares (less directors' qualifying shares) of New Jersey National Bank of Princeton, Princeton Borough, New Jersey ("New Bank"), a proposed new 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 none has been timely received. The Board has considered the application in the light of the factors set forth in § 3(c) of the Act (12 U.S.C. 1842(c)).

Applicant controls one bank, New Jersey National Bank, Princeton ("Bank"), with deposits of $578.7 million, representing 3.4 per cent of the aggregate commercial bank deposits for the State of New Jersey. (All banking data are as of December 31, 1971, and reflect holding company formations and acquisitions approved by the Board through May 31, 1972.) Bank holds the largest percentage of deposits in the Second New Jersey Banking District and also in the Trenton Banking Market, but is the second largest New Jersey banking organization represented in this market area. The acquisition by Applicant of the proposed new bank would have no immediate impact on the concentration of banking resources in any areas.

The proposed location of New Bank would be in Princeton Borough, a distance of 8.8 miles from the nearest office of Bank. Bank is prohibited by State law from branching into this area where subsidiaries of two banking organizations, with $1.1 billion and $447 million in deposits, respectively, presently operate six offices. Branch offices of three Trenton market banks are also located in the outlying area. The establishment of New Bank in Princeton Borough would not adversely affect competition in any relevant areas, but, conversely, would have a procompetitive effect by providing another source of full banking services to the Princeton Borough area. Competitive considerations are consistent with approval of the application.

The financial and managerial resources of Applicant and Bank are considered to be generally satisfactory and their prospects appear favorable. New Bank would also appear to have favorable prospects for future development and growth. Banking factors are consistent with approval of the application. Although the major banking needs of the Trenton market are presently fulfilled by its 25 banking organizations, New Bank would provide alternative banking facilities to an area of 27,500 inhabitants which area appears to have good potential for growth and economic expansion. Considerations relating to the convenience and needs of the communities to be served are consistent with and lend some support toward approval of the application. It is the Board's judgment that the proposed transaction 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 consummated (a) before the thirtieth calendar day following the effective date of this Order or (b) later than three months after that date, and (c) New Jersey National Bank of Princeton, Princeton Borough, New Jersey, shall be opened for business not later than six months after the effective date of this Order. Each of the periods described in (b) and (c) may be extended for good cause by the Board, or by the Federal Reserve Bank of Philadelphia pursuant to delegated authority.

By order of the Board of Governors, effective August 8, 1972.

Voting for this action: Chairman Burns and Governors Robertson, Mitchell, Brimmer, Sheehan, and Bucher. Absent and not voting: Governor Daane.

(Signed) Tynan Smith,
[SEAL] *Secretary of the Board.*

NORTH SHORE CAPITAL CORPORATION, CHICAGO, ILLINOIS

Order Denying Formation of Bank Holding Company

North Shore Capital Corporation, Chicago, 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 50.1 per cent or more of the voting shares of The North Shore National Bank of Chicago, Chicago, 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 is a newly-formed organization and has no operating history. Upon acquisition of Bank ($102.2 million of deposits), Applicant would control 0.3 per cent of the ccommercial bank deposits in Illinois. (All banking data are as of June 30, 1971.) Bank is the fourth largest of 18 banks competing in its service area and holds approximately 9 per cent of area deposits. The Board notes that the principals of Applicant are also principals of four other one-bank holding companies in Illinois, which hold deposits of $51, $38, $22, and $7 million, respectively. However, consummation of the proposed transaction is not likely to adversely affect existing competition in that the service areas of the other banks controlled by these principals do not appear to overlap with that of Bank. The nearest of these, Citizen's National Bank of Chicago, is approximately 12 miles distant from Bank.

Applicant will incur substantial debt in order to acquire shares of Bank and has projected retirement of this debt in 8½ years from dividends to be declared by Bank. Although, on occasion, the Board has approved acquisitions involving similar or even greater relative amounts of debt, payable over a lengthier period, those cases involved the transfer of ownership of small rural banks generally through the formation of small one-bank holding companies. In each such case, the adverse effects deriving from leverage were outweighed by public benefits deriving from the facilitation of the otherwise-difficult task of transferring ownership of those banks and the promotion of local ownership and management. Those benefits are absent where, as here, the bank, whose shares are sought to be acquired, is a large bank located in an urban center. The amount of debt Applicant will assume and the length of time contemplated to retire that debt are considered excessive for the financing of a bank of this size.

Although Bank's asset condition is satisfactory, an infusion of capital is necessary to raise Bank's capital to what the Board deems to be an acceptable level. The Board generally expects a bank holding company to assist its subsidiary banks especially where those banks are in need of increased capitalization. However, Applicant, apparently due to the debt-servicing obligations it would incur upon consummation of the proposed transaction, has been unreceptive to suggestions that it increase Bank's capital. The fact that Bank's earnings have been below the average earnings of similarly-sized banks suggests that consummation would foreclose capital improvement in Bank, and that Applicant may even be unable to service its debt without unduly straining Bank's earnings, retention of which are necessary to strengthen Bank's capital position.

Applicant's projected income includes an annual "consulting" fee of $24,000 to be extracted from Bank in order to enable Applicant to service its acquisition debt. In return, directors and officers of Applicant would, as directors and officers of Bank, provide services to Bank normally provided by such bank management; Applicant will not have a servicing staff. This consulting fee therefore appears to be unjustified and a means by which a portion of Bank's income would be distributed to Applicant without a similar *pro rata* distribution to Bank's minority stockholders.

The instant proposal contemplates the use of excessive leverage and, if consummated, could impede Bank's future capital growth and unduly operate to the detriment of Bank's minority shareholders. These factors weigh heavily against approval of this application.

The convenience and needs of the communities to be served are already adequately being served and there is no evidence that consummation of the proposed acquisition would give rise to any significant public benefits, other than those derived from the added flexibility inherent in a holding company structure. Considerations relating to the convenience and needs of the communities to be served therefore lend slight weight for approval.

Under all the circumstances of this case, the Board concludes that the leverage contemplated, the potentially unfulfilled capital need of Bank and unfair treatment of minority shareholders involved in this proposal present adverse circumstances bearing on the financial condition, managerial resources, and future prospects of Applicant and Bank. These circumstances are not outweighed by any procompetitive factors or by considerations relating to the convenience and needs of the communities to be served. Accordingly, approval of this application is not in the public interest and it should be denied.

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

By order of the Board of Governors, effective August 8, 1972.

Voting for this action: Chairman Burns and Governors Robertson, Mitchell, Brimmer, Sheehan, and Bucher. Absent and not voting: Governor Daane.

(Signed) TYNAN SMITH,
[SEAL] *Secretary of the Board.*

FIRST BANC GROUP OF OHIO, INC., COLUMBUS, OHIO

ORDER APPROVING ACQUISITION OF BANK

First Banc Group of Ohio, Inc., Columbus, Ohio, a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval under section 3(a)(3) of the Act (12 U.S.C. 1842(a)(3)) to acquire the successor by merger to The Liberty National Bank, Fremont, Fremont, Ohio ("Bank"). The bank into which Bank is to be merged has no significance except as a means to facilitate the acquisition of voting shares of Bank. Accordingly, the proposed acquisition is treated herein as a proposed acquisition of the shares of Bank.

Notice of the application affording opportunity for interested persons to submit comments and views has been given in accordance with section 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 section 3(c) of the Act (12 U.S.C. 1842(c)).

Applicant, the seventh largest banking organization in Ohio, controls 11 banks with aggregate deposits of approximately $823 billion, representing about 3.5 per cent of deposits of commercial banks in the State.[1] Consummation of the proposal herein would increase Applicant's share of deposits by only .1 percentage point and would not change its Statewide ranking nor result in a significant increase in the concentration of banking resources in Ohio.

Bank (about $24 million in deposits) is the third largest of five banking organizations in the Sandusky County area and controls approximately 19 per cent of area deposits. There is no significant existing competition between Applicant and Bank nor is there a reasonable probability of competition developing in the future since the Sandusky County area is not attractive for *de novo* entry with a population per banking office somewhat lower than the Statewide average. Additional reasons that mitigate against the possibility of future competition developing between Applicant and Bank are the distance separating Applicant's banking subsidiaries and Bank, and Ohio law regarding branching. The Board concludes 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 generally satisfactory. Applicant proposes to provide additional management depth to Bank so that banking considerations lend weight for approval of the application. Applicant also proposes to provide certain new services such as a 24-hour automated teller and educational loans, which Bank is not presently providing. Consequently, considerations relating to the convenience and needs of the community lend weight for approval. It is the Board's judgment that the proposed transaction is 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 consummated (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 Cleveland pursuant to delegated authority.

By order of the Board of Governors, effective August 8, 1972.

Voting for this action: Chairman Burns and Governors Robertson, Mitchell, Brimmer, Sheehan, and Bucher. Absent and not voting: Governor Daane.

(Signed) TYNAN SMITH,
[SEAL] *Secretary of the Board.*

ORDER APPROVING ACQUISITION OF BANK

First Banc Group of Ohio, Inc., Columbus, Ohio, a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval under section 3(a)(3) of the Act (12 U.S.C. 1842(a)(3)) to acquire the successor by merger to The First National Bank and Trust Company of Ravenna, Ravenna, Ohio ("Bank"). The bank into which Bank is to be merged has no significance except as a means to facilitate the acquisition of voting shares of Bank. Accordingly, the proposed acquisition is treated herein as the proposed acquisition of the shares of Bank.

Notice of the application, affording opportunity

[1]All banking data are as of December 31, 1971, and reflect bank holding company formations and acquisitions approved by the Board through June 30, 1972.

for interested persons to submit comments and views, has been given in accordance with section 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 section 3(c) of the Act (12 U.S.C. 1842(c)).

Applicant controls 12 banks with deposits of about $847 million representing approximately 3.6 per cent of total deposits of commercial banks in Ohio, and is the seventh largest banking organization in the State.[1] Acquisition of Bank (deposits of about $57 million) would increase Applicant's share of deposits in the State by only 0.2 percentage points and would not alter its State ranking nor result in a significant increase in the concentration of banking resources in Ohio.

Bank is the seventh largest organization operating in the Akron banking market and has only 3.9 per cent of market deposits. There is no substantial existing competition between Applicant and Bank, and there is little probability of competition developing in the future because of the distances separating Bank and Applicant's banking subsidiaries and Ohio branching laws. On the other hand, the entry by Applicant into the Akron market through a "foothold" acquisition such as that of Bank may enable Bank to provide increased competition for the larger organizations in the market. The Board concludes that competitive considerations are consistent with approval of the application.

Considerations relating to the financial condition, managerial resources and prospects of Applicant, its subsidiary banks, and Bank are generally satisfactory. Applicant proposes to provide Bank with additional management depth so that banking considerations give weight for approval of the application. Considerations relating to the convenience and needs of the community to be served lend weight for approval of the application since Applicant plans to provide educational loans and automatic 24 hour teller service which Bank does not presently provide for its customers. It is the Board's judgment that consummation of the proposed acquisition would be in the public interest and 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 consummated (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 Cleveland pursuant to delegated authority.

By order of the Board of Governors, effective August 8, 1972.

Voting for this action: Chairman Burns and Governors Robertson, Mitchell, Brimmer, Sheehan, and Bucher. Absent and not voting: Governor Daane.

(Signed) TYNAN SMITH,
[SEAL] *Secretary of the Board.*

[1]Banking data are as of December 31, 1971, and reflect holding company formations and acquisitions approved by the Board through June 30, 1972. Data also reflect the Board's approval of this date of Applicant's acquisition of The Liberty National Bank of Freemont, Freemont, Ohio.

FIRST UNION, INCORPORATED, ST. LOUIS, MISSOURI

ORDER APPROVING ACQUISITION OF BANKS

First Union, Incorporated, St. Louis, Missouri, has applied for the Board's approval under § 3(a)(3) of the Bank Holding Company Act (12 U.S.C. 1842(a)(3)) to acquire 90 per cent or more of the voting shares of The Peoples Bank and Trust Company of Branson, Branson, Missouri ("Branson Bank"), and The Bank of Crane, Crane, Missouri ("Crane 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)).

On the basis of the record, the applications are approved for the reasons set forth in the Board's Statement of this date.[1] The transactions shall not be consummated (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 St. Louis pursuant to delegated authority.

By order of the Board of Governors, effective August 8, 1972.

Voting for this action: Chairman Burns and Governors

[1]The Statement also reflects Board action of this date denying an application by First Union, Incorporated, to acquire 90 per cent or more of the voting shares of The Bank of Taney County, Forsyth, Missouri.

Robertson, Daane, and Sheehan. Absent and not voting: Governors Mitchell, Brimmer, and Bucher.

(Signed) TYNAN SMITH,
[SEAL] *Secretary of the Board.*

ORDER DENYING ACQUISITION OF BANK

First Union, Incorporated, St. Louis, Missouri, has applied for the Board's approval under § 3(a)(3) of the Bank Holding Company Act (12 U.S.C. 1842(a)(3)) to acquire 90 per cent or more of the voting shares of The Bank of Taney County, Forsyth, Missouri ("Forsyth 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)).

On the basis of the record, the application is denied for the reasons set forth in the Board's Statement of this date.

By order of the Board of Governors, effective August 8, 1972.

Voting for this action: Chairman Burns and Governors Robertson, Daane, and Sheehan. Absent and not voting: Governors Mitchell, Brimmer, and Bucher.

(Signed) TYNAN SMITH,
[SEAL] *Secretary of the Board.*

STATEMENT

Nature of transaction. First Union, Incorporated, St. Louis, Missouri, a registered bank holding company, has applied to the Board of Governors, pursuant to § 3(a)(3) of the Bank Holding Company Act (12 U.S.C. 1842(a)(3)), for prior approval of the acquisition of 90 per cent or more of the voting shares of The Peoples Bank and Trust Company of Branson, Branson, Missouri ("Branson Bank"), The Bank of Crane, Crane, Missouri ("Crane Bank"), and The Bank of Taney County, Forsyth, Missouri ("Forsyth Bank").

While each of the applications has been separately considered and the proposed acquisition of Forsyth Bank is subject to a separate Board Order, because of certain common facts and circumstances this Statement contains the Board's findings and conclusions with respect to all of the applications.

Statutory considerations. Applicant, the third largest bank holding company and banking organization in Missouri, controls ten banks with aggregate deposits of $1,048.7 million, representing approximately 8.3 per cent of the commercial bank deposits in the State. (All banking data are as of December 31, 1971, adjusted to reflect bank holding company acquisitions and formations approved by the Board through June 30, 1972.) As a result of consummation of the three proposed acquisitions herein, Applicant's share of Statewide deposits would increase by 0.3 percentage points, and its position in relation to the State's other bank holding companies and banking organizations would remain unchanged.

Branson Bank ($16.5 million in deposits) and Forsyth Bank ($8.9 million in deposits) are the largest and third largest, respectively, of three banks competing in the Taney County banking market, and control a combined share of 62.7 per cent of total deposits in that market. The present degree of common ownership between the two banks, while significant, is not as conclusive as would be the case upon affiliation with Applicant. The proposed affiliation would place the two banks under common control, which would tend to have a significant impact on concentration in Taney County. Furthermore, acquisition of both Branson Bank and Forsyth Bank would eliminate a banking alternative since the banks in Branson are the closest alternatives for residents of Forsyth. Approval would also foreclose potential competition as the operations of Branson Bank and Forsyth Bank are expected to be drawn much closer together by the planned establishment of remote facilities for each Bank at Hollister and Rockaway Beach, respectively. Completion of such facilities, under Missouri's new bank facility law, would substantially increase the likelihood of meaningful competition developing between them in the future.

Crane Bank ($8.5 million in deposits) is the largest of two banks in Stone County, the adjacent county to Taney County. Acquisition of Crane Bank and Branson Bank would have no anticompetitive consequences as the two banks are 35 miles apart, serve separate counties which constitute separate banking markets, and have an intervening bank between them. Potential competition would not be adversely affected.

No existing competition with Applicant's subsidiary banks would be eliminated, as Applicant's closest subsidiary bank is located in Springfield, Missouri, about 30 miles from Crane Bank and 40 miles from Branson Bank.

On the basis of the record before it, the Board concludes that the competitive effects of the proposed acquisitions, with the exception of Forsyth Bank, are consistent with approval of the applications.

The financial and managerial resources and future prospects of Applicant, its subsidiary banks, and Banks, are regarded as satisfactory, in view of Applicant's commitment to provide $350,000 in additional capital to Branson Bank and its agreement to permit Branson Bank to retain all earnings for a period of three years.

Affiliation with Applicant will permit higher loan limits through loan participation arrangements, and allow each of the communities involved to be afforded trust and investment management services. Considerations relating to the convenience and needs of the communities to be served lend weight for approval. With the exception of the Forsyth Bank proposal, any anticompetitive consequences inherent in the proposed acquisitions are clearly outweighed by the probable effect of the transactions in meeting the convenience and needs of the communities to be served. The likely adverse competitive consequences that would attend the Forsyth Bank acquisition are not outweighed by benefits to the community to be served.

Conclusion. On the basis of all relevant facts before it, the Board concludes that the proposed acquisitions of Branson Bank and Crane Bank would be in the public interest and these applications should be approved. The proposed acquisition of Forsyth Bank would not be in the public interest and that application should be denied.

THE CENTRAL BANCORPORATION, INC., CINCINNATI, OHIO

Order Approving Acquisition of Bank

The Central Bancorporation, Inc., Cincinnati, Ohio, has applied for the Board's approval under § 3(a)(3) of the Bank Holding Company Act (12 U.S.C. 1842(a)(3)) to acquire 100 per cent of the voting shares (less directors' qualifying shares) of the successor by merger to First National Bank of Canton, Canton, Ohio ("Bank").

The bank into which Bank is to be merged has no significance except as a means to facilitate the acquisition of the voting shares of Bank. Accordingly, the proposed acquisition of the successor organization is treated herein as the proposed acquisition of the shares of 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 tenth largest banking organization and sixth largest multi-bank holding company in Ohio, controls five banks with deposits of $605.7 million. (All banking data are as of December 31, 1971, and reflect holding company formations and acquisitions approved through May 31, 1971.) The acquisition of Bank ($157 million deposits) would increase Applicant's share of total State deposits by .67 percentage points, and although it would become the ninth largest banking organization, it would remain the sixth largest multi-bank holding company in Ohio. Consummation of the acquisition would not result in any undue concentration of banking resources within the relevant areas of the State.

Bank is headquartered in Canton, and operates ten offices in Stark County and one office in Carroll County. Bank is the second largest of 15 banks in the Canton banking market, and holds 21 per cent of the total deposits for the market. Applicant does not compete in the market at the present time, and the closest banking offices of Bank and Applicant are 80 miles apart. Applicant's other affiliates are located between 100 and 250 miles from Canton and none of its subsidiaries obtains any substantial amount of banking business from the Canton market. It appears that there is little likelihood for the development of any substantial amount of future competition between offices of Applicant and Bank due to the distances separating the banking offices and the cross-county branching limitations imposed by State laws. Should Bank become the nucleus for the formation of a small bank holding company, Applicant and Bank might compete in local markets in the future. This factor could have a slightly adverse effect on possible future competition. However, in considering the future development of the overall banking structure in Ohio, there are a number of large banks in the State that could develop into holding companies over time. Thus, the loss of Bank as a potential member of a holding company would not have a serious anticompetitive effect.

The financial and managerial resources of Applicant, its subsidiary banks and Bank are generally satisfactory, and prospects for each appear favorable. Banking factors are consistent with approval of the application.

The major banking needs of the Canton area are presently being served. However, the population of Stark County, primarily centered in Canton, is rapidly increasing along with its industrial expansion. Credit is needed to finance the purchase of homes and automobiles, as well as to support the expansion in industrial activity. Bank has been limited heretofore in its lending activities. Applicant proposes to increase Bank's lending capabilities, expand its trust services and make international services available at Bank. The expanded and enlarged services Bank would be able to offer its customers would serve the convenience and needs of the communities. Therefore, considerations under this factor are consistent with and lend support to approval of this application. It is the Board's judgment that the convenience and needs aspects of the instant proposal outweigh the slightly adverse competitive consequences and 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 consummated (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 Cleveland pursuant to delegated authority.

By order of the Board of Governors, effective August 9, 1972.

Voting for this action: Chairman Burns and Governors Mitchell, Daane, and Sheehan. Voting against this action: Governors Robertson and Brimmer. Absent and not voting: Governor Bucher.

(Signed) TYNAN SMITH,
Secretary of the Board.

[SEAL]

DISSENTING STATEMENT OF GOVERNORS ROBERTSON AND BRIMMER

We would deny this application because there are no overriding public benefits which result from the affiliation to outweigh the adverse effects on competition or to bring the proposal within the exception prescribed in the Bank Holding Company Act (12 U.S.C. 1842).

Bank is located in Canton, the county seat of Stark County—approximately 57 miles from Cleveland, 37 miles from Youngstown, and 23 miles from Akron. It serves the Canton Market, a highly industrialized area with a population of 400,000. It holds deposits of $157.1 million (representing 21.0 per cent of total deposits), and it ranks as the second largest of 15 banks in the market. Applicant, with deposits of $605.7 million, centers its operations in Cincinnati where its lead bank holds deposits of $519.5 million.

The acquisition of Bank would give Applicant control of aggregate deposits of $762.7 million, representing an immediate increase of 26 per cent. The 15 Canton Market banks operate 52 offices and control deposits ranging from $4 million to $186 million. The three largest of these banks (including Bank) control 64 per cent of total deposits. The acquisition by Applicant of the second largest bank in the market would further strengthen Bank's position and would solidify the high degree of concentration of banking resources already present there. As a result of consummation of the acquisition, the 12 smaller Canton Market banks, with deposits ranging from $4 to $54 million, would be placed in an even more difficult competitive position.

Applicant is capable of entering the market *de novo* or through acquisition of a smaller area bank. Either of these alternatives could have procompetitive effects on area banking. We are also mindful that this acquisition forecloses future competition between Applicant's subsidiaries and Bank. That institution, the twenty-fourth largest banking organization in Ohio—absent this proposal—is a potential lead bank in a local or possible Statewide bank holding company formation.

Our review of the record indicates that convenient and full banking services are made available to residents of the area by existing financial institutions and that no unserved public need or benefit would be added by consummation of this proposal. We have concluded, therefore, that banking competition in Ohio on a local and Statewide basis would best be served by a denial of this application and by requiring Applicant to resort to less anticompetitive means of entry.

THE CHASE MANHATTAN CORPORATION, NEW YORK, NEW YORK

ORDER APPROVING ACQUISITION OF BANK

The Chase Manhattan Corporation, New York, New York, a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval under section 3(a)(3) of the Act (12 U.S.C. 1842(a)(3)) to acquire 100 per cent of the voting shares (less directors' qualifying shares) of Chase Manhattan Bank of Central New York (National Association), Syracuse, New York ("Bank"), a proposed new bank.

Notice of receipt of the application has been given in accordance with section 3(b) of the Act, and the time for filing comments and views has expired. The Board has considered the application and all comments received in the light of the factors set forth in section 3(c) of the Act (12 U.S.C. 1842(c)) and finds that:

Applicant, the second largest banking organization in New York in terms of domestic deposits, controls two subsidiary banks with aggregate deposits of approximately $13.6 billion, representing 14.1 per cent of the total deposits in commercial banks in the State. (Unless otherwise noted, deposit data are as of December 31, 1971, and market data are as of June 30, 1970, adjusted to reflect bank holding company formations and acquisitions approved by the Board through June 16, 1972.) Since Bank is a proposed new bank, no existing competition would be eliminated nor would concentration be increased in any relevant area.

Bank will be located in downtown Syracuse, and will represent the initial entry by Applicant into the upstate New York markets. Applicant's two existing subsidiaries are presently barred from branching into the Syracuse market until Statewide branching becomes effective on January 1, 1976. Applicant's closest banking office is located about 250 miles southeast of Bank. Applicant's acquisition of Bank would have a procompetitive effect by introducing a new competitor into the highly concentrated Syracuse banking market, where four of the 11 banks competing in that market control over 90 per cent of total market deposits. Applicant's entry into this market should stimulate competition without having adverse effects on any competing bank.

The financial condition, management, and prospects of Applicant and its subsidiary banks are regarded as satisfactory. Since Bank will be able to draw on Applicant's financial and managerial resources, its prospects are favorable and the banking factors are consistent with approval. Considerations relating to the convenience and needs of the community to be served lend weight toward approval as Bank will provide an additional source of full banking services. 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.

Applicant owns two nonbanking subsidiaries, Berkeley Service Corporation, Boston, Massachusetts, and Dovenmuehle, Inc., Chicago, Illinois, which were acquired on June 4, 1969, and on December 19, 1969, respectively. Berkeley Service Corporation is a service agency for the Shapiro Factors Division of The Chase Manhattan Bank, and Dovenmuehle, Inc., is a mortgage servicing company. The approval herein neither provides authority to Applicant to continue in the nonbank activities nor to retain nonbank shares nor requires the Applicant to modify or terminate said activities or holdings. However, consummation of the proposal herein is subject to the continuing authority of the Board to require modification or termination of such activities or holdings (within a period no shorter than two years), if the Board determines that the continued combination of banking and nonbanking interests is likely to have an adverse effect on the public interest.

The provision of any credit, property or services by the holding company or any affiliate thereof shall not be subject to any condition which, if imposed by a bank, would constitute an unlawful tie-in arrangement under § 106 of the Bank Holding Company Amendments of 1970. The nonbanking activities of Applicant shall not be altered in any significant respect from those engaged in at the time of the filing of the application herein nor shall they be provided at any location other than as described in said application, except upon compliance with the procedures of § 225.4(b)(1) of Regulation Y; and no merger, or consolidation, or acquisition of assets other than in the regular course of business, to which Applicant or any affiliate thereof is a party, shall be consummated without prior Board approval.

On the basis of the record, the application is approved for the reasons summarized above. The transaction shall not be consummated (a) before the thirtieth calendar day following the effective date of this Order or (b) later than three months after that date; and (c) Chase Manhattan Bank of Central New York (National Association), Syracuse, New York, shall be opened for business not later than six months after the effective date of this Order. Each of the periods described in (b) and (c) may be extended for good cause by the Board, or by the Federal Reserve Bank of New York pursuant to delegated authority.

By order of the Board of Governors, effective August 10, 1972.

Voting for this action: Vice Chairman Robertson and Governors Mitchell, Brimmer, Sheehan, and Bucher. Absent and not voting: Chairman Burns and Governor Daane.

(Signed) TYNAN SMITH,
Secretary of the Board.

[SEAL]

Concurring Statement of Governor Brimmer

As I stated in my Dissenting Statement to the Board's approval of the application by First National City Corporation to acquire the successor by merger to The National Exchange Bank of Castleton-on-Hudson (37 Federal Register 14259), a review of the nonbanking activities of a one-bank holding company which became regulated as a result of the 1970 Amendments should precede Board approval of an application by that company to acquire an additional bank. However, I concur in the Board's approval of this application.

A preliminary investigation suggests that the activities engaged in by Applicant's two nonbanking subsidiaries are permissible activities for a bank holding company under current Board regulations. The question of whether Applicant's continued ownership of the indicated nonbanking activities poses anticompetitive problems remains open, but in passing it should be observed that these activities are quite modest in both volume and scope. A comprehensive review of Applicant's nonbanking activities will be undertaken shortly.

AMERICAN BANCSHARES, INCORPORATED, NORTH MIAMI, FLORIDA

Order Approving Acquisition of Banks

American Bancshares, Incorporated, North Miami, Florida, a bank holding company within the meaning of the Bank Holding Company Act, has applied in separate applications for the Board's approval under § 3(a)(3) of the Act (12 U.S.C. 1842(a)(3)) to acquire 80 per cent or more of the voting shares of each of the following banks in Florida: (1) Second National Bank of Clearwater, Clearwater ("Clearwater Bank"); (2) Sterling National Bank of Davie, Davie ("Davie Bank"); and (3) First National Bank of the Upper Keys, Tavernier ("Keys Bank").

Notice of these 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 none has been timely received. The Board has considered the applications in light of the factors set forth in § 3(c) of the Act (12 U.S.C. 1842(c)).

Applicant, the second smallest among twenty-three multi-bank holding companies in Florida, controls three banks with aggregate deposits of \$78.1 million, representing approximately .5 per cent of total deposits of commercial banks in the State. (All banking data are as of December 31, 1971, and reflect bank holding company formations and acquisitions as of May 31, 1971.) Upon consummation of the proposals herein, Applicant would control .85 per cent of total deposits of commercial banks in Florida and would rank 19th among the bank holding companies in the State. Consummation of Applicant's proposals herein would constitute its initial entry into the relevant market of each bank proposed to be acquired.

Clearwater Bank (\$19.5 million of deposits) ranks eleventh among 18 banks operating in North Pinellas County (which approximates its market) and holds 3.7 per cent of total deposits of commercial banks in that area. Applicant's subsidiary bank closest to Clearwater Bank is located in St. Petersburg, Florida, 19 miles south of Clearwater Bank's only office, and is regarded as operating in a separate banking market.

Davie Bank (\$25.8 million of deposits) is the eighth largest of 14 banks in the Hollywood (Florida) area, which approximates its market and holds approximately 6 per cent of total deposits of commercial banks in that area. Applicant's subsidiary bank closest to Davie Bank is located in North Miami, 14 miles southeast of Davie Bank's only banking office and operates in a separate banking market.

Keys Bank (\$17.2 million of deposits) operates one banking office in the northern portion of the Florida Keys in Monroe County, Florida, and is the only bank located in its market. Applicant's subsidiary bank closest to Keys Bank is located in North Miami, 82 miles north of Keys Bank.

It appears that no meaningful competition exists between any of the banks Applicant proposes to acquire, nor between any of Applicant's present subsidiary banks and any of Applicant's proposed subsidiary banks. In addition, the prospect of such competition developing in the future between any of these banks appears unlikely, particularly in view of (1) the distances separating these banks, (2) the number of banks in intervening areas, (3) the inconvenience of travel between these banks, and (4) the provisions of Florida banking law which prohibit branch banking. On the record before it, the Board concludes that consummation of Applicant's proposals would not have an adverse effect on competition in any relevant area and, in fact, may have a procompetitive effect in the markets of Clearwater and Davie banks where affiliation with Applicant will enable those banks to compete more effectively with banks that are now members of bank holding company organizations larger than Applicant.

The financial condition and managerial resources of Applicant and its subsidiary banks appear generally satisfactory. The future prospects of Applicant and its present subsidiary banks appear favorable, particularly in light of Applicant's commitment to strengthen the capital position of its subsidiary banks. The financial condition and prospects of Clearwater, Davie, and Keys banks appear generally satisfactory. Applicant's stated plans to strengthen the capital position of Davie and Keys banks soon after acquisition of those banks and to provide additional managerial resource strength to the proposed subsidiary banks should increase their ability to provide expanded and more efficient services to their respective communities. Considerations relating to the banking factors are consistent with and lend some weight toward approval of these applications. Although the banking needs of the relevant communities generally appear adequately served by the existing banking organizations, Applicant proposes to provide trust services to customers of the subject banks through its lead bank and ability to enable these banks to accommodate larger credit requests through participations. These considerations are consistent with approval. 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. None of the acquisitions shall be consummated (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 August 14, 1972.

Voting for this action: Chairman Burns and Governors Robertson, Mitchell, Brimmer, Sheehan, and Bucher. Absent and not voting: Governor Daane.

(Signed) TYNAN SMITH,
[SEAL] *Secretary of the Board.*

FIRST AT ORLANDO CORPORATION, ORLANDO, FLORIDA

ORDER DENYING ACQUISITION OF BANK

First at Orlando Corporation, Orlando, Florida, 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 at least 90 per cent of the voting shares of The Seminole Bank of Tampa, Tampa, Florida ("Seminole 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 controls 26 banks with aggregate deposits of $904.6 million, representing 5.57 per cent of the deposits for commercial banks in Florida, and is the fourth largest banking organization in the State. (All banking data are as of December 31, 1971, and reflect holding company formations and acquisitions approved through June 30, 1972.) The acquisition of Seminole Bank ($34 million in deposits) would increase Applicant's control of State deposits to 5.75 percentage points, and Applicant's rank among State banking organizations would remain unchanged.

Applicant presently controls Tampa Bay Bank (deposits of $24.1 million), the ninth largest bank in the Tampa Market. Seminole Bank, which Applicant seeks to acquire through this proposal, is also in the Tampa Market. The two banks hold 2.2 and 3.1 per cent, respectively, of total market deposits. If this application were approved, Applicant would become the market's fourth largest banking organization and would control 5.3 per cent of total deposits. The two banks are 10.5 miles apart, their service areas overlap slightly, and each bank obtains approximately 7 per cent of its deposits and loans from the service area of the other. Consummation of the proposal, therefore, would eliminate this existing competition.

Tampa, Florida's fifth largest city, is located in Hillsborough County, one of Florida's most important agricultural areas; it is also an important manufacturing center. The Tampa Harbor handles the bulk of Florida's shipping tonnage. In this prosperous area, the Tampa Banking Market is highly concentrated; 71 per cent of total deposits are held by three banking organizations. Seminole Bank is one of five remaining unaffiliated banks located in close proximity to the downtown Tampa area. It is especially attractive as a potential affiliate of a bank holding company making its initial entry into the area.

The acquisition of Seminole Bank by a banking organization not presently represented in the

Tampa Market would have a salutary effect on the existing high degree of concentration present in this area and could have a beneficial effect on competition in the relevant areas. The Board concludes, therefore, that the competitive factors relating to this application are adverse; that consummation of the proposed transaction would (1) eliminate some existing competition between Applicant's Tampa subsidiary and Seminole Bank; (2) eliminate a banking alternative in this concentrated market; and, most importantly, (3) remove Seminole Bank as a potential means of entry by other organizations not presently represented in this market. Accordingly, competitive considerations require denial of this application unless the anticompetitive effects of the proposal are outweighed by benefits to the public in meeting the convenience and needs of the communities to be served.

The financial conditions of Applicant and its subsidiaries are considered to be generally satisfactory, and their managements are deemed capable. Prospects for the group appear favorable. The financial condition and managerial resources of Seminole Bank are considered to be generally satisfactory, and prospects for its future growth and development are also favorable; its deposits increased 54 per cent from 1967 to 1971. Thus, banking factors are consistent with approval but provide no significant support for such action.

There are 19 banking organizations operating in the Tampa Market. No prime banking needs or conveniences are going unserved at this time. Applicant's proposed initiation of trust services and the hiring of a business development officer at Seminole Bank would not be important consequences of the proposed affiliation. Accordingly, considerations relating to the convenience and needs of the communities to be served, while consistent with approval of the application, do not outweigh the adverse competitive effects of the proposed acquisition. It is the Board's judgment that consummation of the proposed acquisition would not be in the public interest and the application should be denied.

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

By order of the Board of Governors, effective August 17, 1972.

Voting for this action: Chairman Burns and Governors Robertson, Brimmer, Sheehan, and Bucher. Absent and not voting: Governors Mitchell and Daane.

(Signed) TYNAN SMITH,
Secretary of the Board.

[SEAL]

ALABAMA BANCORPORATION, BIRMINGHAM, ALABAMA

ORDER APPROVING ACQUISITIONS OF BANKS

Alabama Bancorporation, Birmingham, Alabama, 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 the successors by merger to (1) The American National Bank & Trust Co. of Mobile, Mobile, Alabama ("Mobile Bank"), and (2) First National Bank of Decatur, Decatur, Alabama ("Decatur Bank"). The banks into which Mobile Bank and Decatur Bank are to be merged have no significance except as a means to facilitate the acquisitions of voting shares of Mobile Bank and Decatur Bank. Accordingly, the proposed acquisitions are treated herein as the proposed acquisitions of the shares of Mobile Bank and Decatur 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 controls one bank with deposits of approximately $648 million, representing about 12.4 per cent of deposits of commercial banks in Alabama.[1] Consummation of the two proposals would increase Applicant's share by 1.8 per cent, resulting in Applicant controlling approximately 14.2 per cent of deposits in commercial banks in Alabama. However, this would not result in a significant increase in the concentration of banking resources in the State.

Mobile Bank (deposits of about $64 million) is the third largest bank in the Mobile market with approximately 11 per cent of market deposits,[2] while Decatur Bank (deposits of about $35 million) is the second largest in the Decatur market with approximately 26 per cent of market deposits.[3] Acquisition of Mobile Bank and Decatur Bank would not have a substantial effect on existing competition since Decatur Bank is over 70 miles and Mobile Bank about 225 miles from Bir-

[1] All banking data are as of June 30, 1971, with the exception of data for the Decatur market where the data is as of June 30, 1970.

[2] The Mobile banking market is approximated by Baldwin and Mobile Counties.

[3] The Decatur banking market is approximated by Morgan County.

mingham, the headquarters of Applicant's banking subsidiary.

There is some existing competition between Engel Mortgage Compay ("Engel"), a subsidiary of Applicant's lead bank, and Mobile Bank and Decatur Bank, since Engel participates to a certain degree in the mortgage banking business in both Decatur and Mobile. In 1971, Engel originated a total of $7.1 million in loans in the Mobile area, most of which were FHA-VA loans on 1-4 family homes. During the same period of time, Mobile Bank originated approximately $1 million in conventional loans on 1-4 family homes. The total mortgage originations on 1-4 family residences in the Mobile area in 1971 was between $70 to $87 million; thus, it appears that neither Mobile Bank nor Engel has a major share of this market. Therefore, consummation of the transaction would have only a slightly adverse effect on competition for mortgage originations on 1-4 family residences in the Mobile area.

Also, in 1971 Engel had total mortgage originations of $1.5 million in the Decatur area. During the same period, Decatur Bank originated a total of $0.7 million in mortgage loans on 1-4 family homes. Total mortgage originations in 1971 in the Decatur area on 1-4 family homes was between $22-$24 million. Thus, both Decatur Bank and Engel accounted for only a modest proportion of the loan origination business in the Decatur market, so that, as in the Mobile market, the competitive consequences are only slightly adverse.

The Department of Justice filed comments with regard to both proposals. The Department contended that approval of the applications would have a significantly adverse effect on potential competition between Applicant and Mobile Bank and Decatur Bank. In the Department's view, Applicant, as the largest banking organization in Alabama, is one of the most likely entrants into markets throughout the State. The Department stated that the Mobile market was a highly concentrated one in terms of banking resources, and that Mobile Bank was the third largest bank in the market. For these reasons, the Department asserted that approval of the application would have a substantially adverse effect on competition in the Mobile market.

In addition, the Department contended that the acquisition of Mobile Bank would have significantly adverse effects on a Statewide level since Mobile Bank was believed to be one of only a small number of banks in Alabama which were capable of becoming significant components of new bank holding companies. The Department stated that banks comparable in size to Mobile Bank should be preserved in order to facilitate the possibility of the formation of additional holding companies in Alabama.

The Department considered the Decatur market, in which Decatur Bank is the second largest bank, to be highly concentrated. Since Applicant was the largest of the three Statewide holding companies in Alabama that were not presently represented in Decatur, the Department viewed the proposed acquisition of Decatur Bank as having a significantly adverse effect on potential competition.

Applicant was given an opportunity to reply and did so. In Applicant's view, the Mobile market is not conducive for *de novo* entry since both population growth and rate of per capita income growth in the Mobile market were below the State averages between 1960 and 1970. In addition, Applicant pointed out that the Mobile economy had suffered a severe loss with the closing of a nearby air force base. Since the two largest Mobile banks control over 70 per cent of deposits in the Mobile market, Applicant viewed its proposed affiliation to be procompetitive, one likely to aid in the eventual deconcentration of the market.

Applicant also viewed the Decatur market as being unattractive for *de novo* entry by reason of its low population per banking office. No other bank in the Decatur area that would provide more meaningful competition to the largest organization, which is already affiliated with a bank holding company, was available. The other independent bank headquartered in Decatur has an existing business relationship with a bank holding company, and the two banks located in Morgan County are prevented by law from branching into Decatur.

The record indicates that population growth in the Mobile market between 1960 and 1970 was 3.7 per cent. However, the rate of growth between 1965 and 1970 was a negative 4.2 per cent. This decline, plus the curtailment of military expenditures in the area, make prospects for the area unfavorable. The Board concludes that the Mobile market is not attractive for *de novo* entry. Moreover, the proposed acquisition could assist in that area's economic expansion. Mobile Bank ranks a distant third in the market; the two largest banks are both over three times the size of Bank. Affiliation with Applicant could make Mobile Bank a stronger competitor to these two large banking organizations which now tend to dominate the market. The resulting increase in competition would, in the Board's view, serve to stimulate economic expansion in the Mobile area.

The Decatur market does not appear attractive for *de novo* entry since the population per banking office is considerably less than the Statewide average. Additionally, there are no other suitable banks that would be available to Applicant. The largest banking organization in Decatur is already associated with a bank holding company, and the other bank located in Decatur has an existing affiliation with another organization. The only two remaining banks in the Decatur market are both located in Hartselle, about 13 miles from Decatur. Neither of these banks can branch into Decatur under present law so that they are unsuitable for entry by Applicant. Moreover, the proposed affiliation with Decatur Bank could be procompetitive since the largest bank in the market is a subsidiary of Central and State National Corporation of Alabama and has deposits of $253 million. Moreover, this bank is the third largest in Alabama and operates under grandfather privileges in 12 counties. Affiliation with Applicant should enable Decatur Bank to give stronger competition to this large organization. The Board concludes that competitive considerations of the proposed acquisitions of both Mobile Bank and Decatur Bank are consistent with approval.

The financial and managerial resources and future prospects of Applicant, its subsidiary banks, and Mobile Bank and Decatur Bank are regarded as generally satisfactory. Applicant does propose to provide additional capital for Mobile Bank so that banking considerations lend support for approval of the acquisition of Mobile Bank and are consistent with approval of the acquisition of Decatur Bank. Considerations relating to the convenience and needs of the communities to be served are consistent with approval of the Decatur application and lend some weight for support of approval of the Mobile Bank acquisition since Applicant will be able to make use of Mobile Bank's active International Department in the Birmingham area which presently does not have a bank with an international department. It is the Board's judgment that the proposed transactions are 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 consummated (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 August 17, 1972.

Voting for this action: Chairman Burns and Governors Mitchell and Sheehan. Voting against this action: Governors Robertson and Brimmer. Absent and not voting: Governors Daane and Bucher.

(Signed) TYNAN SMITH,

[SEAL] *Secretary of the Board.*

DISSENTING STATEMENT OF GOVERNORS ROBERTSON AND BRIMMER

We would deny both these applications by Alabama's largest banking organization.

The majority does not deny that there is existing competition between Applicant's subsidiary, Engel Mortgage Company, and each of the two banks sought to be acquired. There has been no showing that competition between Applicant and the two banks in this market is insubstantial; in fact, the indications are that it is probably substantial. The proposed acquisitions are, therefore, likely to cause a substantial lessening of existing competition in the market for mortgage originations in both the Mobile and Decatur areas.

As regards the application to acquire Mobile Bank, the fact that the Mobile area has experienced little growth in recent years does not, in and of itself, signify that the market is unattractive for *de novo* entry. The Mobile area is underbanked as measured by population per banking office as compared to the Statewide average. Even if population remains static in the Mobile area, there would be an incentive for Applicant to enter *de novo*. However, the lack of growth and population decline in Mobile can be traced to the closing of a large military base in 1964. There is no indication that the Mobile area will not in the future overcome this setback and expand, both in terms of population growth and economic activity. In our view, the long-term prospects for the Mobile area are favorable and, with the passage of a few years, likely to attract entry of other bank holding companies.

The three largest banking organizations in the Mobile market presently hold over 80 per cent of market deposits. Entry by a likely potential competitor through *de novo* means is particularly important in such a setting. With the financial resources and strength of Applicant behind a *de novo* bank, deconcentration of the market and better economic performance could result. Additionally, we see no benefits to the public to offset the adverse competitive effects that are present in this application. The majority noted that Applicant has agreed to increase capital of Mobile Bank and also that acquisition of Mobile Bank will enable Applicant to provide international banking services in the Birmingham area. The short answer to these "benefits" is that the Mobile Bank can surely increase capital without being acquired by the largest banking organization in Alabama, and the latter organization can certainly provide international services for Birmingham—given its size—without having to resort to acquisition of a large Mobile bank.

We cannot join the majority in approving the acquisition of Decatur Bank. Decatur Bank is the second largest bank in the Decatur market, with over 26 per cent of market deposits. Moreover, the two largest organizations within the Decatur market have close to 75 per cent of area deposits. Given this concentrated setting, and the fact that Applicant as the largest banking organization in Alabama is one of the most likely potential entrants into the Decatur area, we feel that the competitive considerations alone prohibit consummation of the proposal.

We find no public benefits which might outweigh the adverse competitive effects inherent in each application. We believe that Applicant's acquisition of each Bank will tend to solidify the already high level of concentration present in both markets. The absence of public benefits and the presence of anticompetitive effects mandate denial of both applications.

THE ALABAMA FINANCIAL GROUP, INC., BIRMINGHAM, ALABAMA

ORDER APPROVING ACQUISITION OF BANKS

The Alabama Financial Group, Inc., Birmingham, Alabama, 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 the successors by merger to (1) The First National Bank of Dothan, Dothan, Alabama ("Dothan Bank") and (2) Peoples National Bank of Huntsville, Huntsville, Alabama ("Huntsville Bank"). The banks into which Dothan Bank and Huntsville Bank are to be merged have no significance except as a means to facilitate the acquisition of voting shares of Dothan Bank and Huntsville Bank. Accordingly, the proposed acquisitions are treated herein as the proposed acquisitions of the shares of Dothan Bank and Huntsville 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 controls one bank with aggregate deposits of approximately $357 million, representing about 6.8 per cent of deposits in commercial banks in Alabama.[1] Consummation of both proposals would increase Applicant's share of deposits by 1.5 per cent so that Applicant would control 8.3 per cent of deposits of commercial banks in the State. Such an increase would not be significant in terms of the concentration of banking resources in Alabama.

Dothan Bank (deposits of about $55 million) is the largest bank in the Dothan market, with approximately 54 per cent of market deposits.[2] Huntsville Bank (deposits of about $21 million) is the fourth largest of six banks in the Huntsville market, with about 9.3 per cent of market deposits.[3] Due to Alabama's branching laws and the distances between Applicant's Birmingham location and Huntsville and Dothan, which are, respectively, over 100 and about 200 miles distant, there is no substantial existing competition between Applicant, Dothan Bank and Huntsville Bank.

The Department of Justice filed comments with regard to both proposals. In the Department's view, there are only a relatively few banking organizations in Alabama, including this Applicant, that are significant potential entrants into all markets in the State. The Department found the Dothan market to be highly concentrated and considered it important that Applicant enter the market through some means other than by acquisition of the "dominant" bank. Affiliation of Dothan Bank, the twelfth largest banking organization in Alabama, with Applicant would also eliminate the former as a member of another possible Statewide or regional banking group. For these reasons, the Department concluded that the acquisition of

[1] All banking data are as of June 30, 1971, with the exception of data for the Huntsville Market where the data are as of June 30, 1970.

[2] The Dothan banking market is approximated by the city of Dothan.

[3] The Huntsville banking market is approximated by Madison County.

Dothan Bank would have a substantially adverse effect on competition.

The Department viewed Applicant as one of the two most likely entrants into the Huntsville market, where the three largest banks control approximately 79 per cent of total commercial deposits and, two of the four largest holding companies in Alabama are already present. The Department concluded that Huntsville Bank's affiliation with Applicant would have an adverse effect on competition.

Applicant replied to the Department's comments by stating that the Dothan market was not attractive for *de novo* entry. Applicant pointed to such indicia as population and deposits per banking office, per capita income, and the moderate population growth in Dothan as reasons supporting this view. Since each of the two other banks headquartered in Dothan had existing relationships with other holding companies, there was no other means available for Applicant to enter this market. Moreover, Applicant asserted that Dothan Bank was not capable of serving as a lead bank for a new holding company due to its remoteness and relatively small size.

Since Huntsville Bank ranks as the fourth largest of six banks in the Huntsville market and must compete with much larger organizations, Applicant viewed the proposed acquisition of Huntsville Bank as procompetitive in that more vigorous competition would result.

The record indicates that the Dothan market is not attractive for *de novo* entry. Population per banking office is considerably under the comparable State ratio, while deposits per banking office are also less than the State average. Moreover, the Dothan market had only moderate population growth during the last decade. The Board, therefore, concludes that Applicant is not a likely *de novo* entrant into this market. It further appears that there is no likelihood that Applicant could enter the City of Dothan other than through acquisition of Dothan Bank. The two other banks in Dothan have existing relationships with other bank holding companies; a pending application from a holding company seeks approval to acquire one of these banks.

In the Huntsville market, deposits per banking office are well below the State average. Although the market's population growth during the last decade was high, this growth has leveled off substantially from 1965 to 1970. Thus, the Board views the Huntsville market as an unattractive market for *de novo* entry at this time. Acquisition of the Huntsville Bank, fourth largest of six banks in the market, could strengthen Bank's competitive position. The three larger banks in the market are substantially larger than Huntsville Bank and two of them are already affiliated with the second and third largest holding companies in Alabama. The proposal offers Applicant the opportunity to increase Huntsville Bank's ability to compete with these larger organizations and would, therefore, be procompetitive. For these reasons, the Board concludes that the acquisition of both Dothan Bank and Huntsville Bank are consistent with competitive considerations.

The financial and managerial resources and future prospects of Applicant, its subsidiary bank and Huntsville Bank are regarded as generally satisfactory, and these considerations are consistent with approval of the application. On the other hand, Applicant proposes to provide needed management depth for Dothan Bank so that banking considerations as regards the acquisition of Dothan Bank lend weight for approval of the application. Considerations relating to the convenience and needs of the communities of Dothan and Huntsville are consistent with approval of the two applications. It is the Board's judgment that the proposed transactions are 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 consummated (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 August 17, 1972.

Approval of acquisition of First National Bank of Dothan. Voting for this action: Chairman Burns and Governors Mitchell and Sheehan. Voting against this action: Governors Robertson and Brimmer. Absent and not voting: Governors Daane and Bucher.

Approval of acquisition of Peoples National Bank of Huntsville. Voting for this action: Chairman Burns and Governors Robertson, Mitchell, Brimmer, and Sheehan. Absent and not voting: Governors Daane and Bucher.

(Signed) TYNAN SMITH,
[SEAL] *Secretary of the Board.*

DISSENTING STATEMENT OF GOVERNORS ROBERTSON AND BRIMMER

We concur in the majority's approval of the acquisition by Applicant of Peoples National Bank of Huntsville. However, we would not approve the acquisition of The First National Bank of Dothan ("Dothan Bank").

At present, there are only four existing Statewide bank holding companies in Alabama. Applicant is one of them. As the Department of Justice suggested, these holding companies must be considered the most likely to enter the Dothan market, both in light of objective circumstances and by the expressed intent of the companies themselves.

We are confronted here with a dominant bank in a concentrated market being acquired by one of a small number of potential entrants into that market. The Courts have ruled in comparable cases that such an acquisition violates Section 7 of the Clayton Act. (*F.T.C.* v. *Proctor & Gamble Co., et al.*, 386 U.S. 568 (1967), and *General Foods Corp.* v. *F.T.C.*, 386 F. (2nd) 936 (3rd Cir. 1968), cert. denied 391 U.S. 919 (1968)). The Board took a similar position in *First Financial Corporation*, 1972 Federal Reserve BULLETIN 480. In our view, the acquisition of Dothan Bank by Applicant falls squarely within the framework of these previous positions and should be denied.

Another factor in our consideration is the fact that Dothan Bank will no longer be a likely member of an additional Statewide holding company if this application is approved. There are presently only four Statewide holding companies in the entire State of Alabama. We need to keep open avenues for the formation of additional bank holding companies in order to provide the degree of competition in the banking field that is compatible with the public interest. Approval of the acquisition of a bank the size of Dothan Bank—the twelfth largest in the State—inhibits the formation of alternative holding companies. Unless we are content to let Alabama be divided among a handful of organizations—perhaps no more than four—which we think would not be consonant with the responsibilities imposed on the Board by the Bank Holding Company Act, we should be alert to deny applications for the acquisition of banks of the size and importance of Dothan Bank in the absence of overriding benefits to the public that offset the anticompetitive consequences arising from a proposal. In this case, we think there must be much more concrete evidence of public benefits flowing from the proposed acquisition before the anticompetitive consequences arising from approval of this acquisition could be considered to be outweighed.

Therefore, we would deny the application by this Applicant to acquire Dothan Bank.

CENTRAL AND STATE NATIONAL CORPORATION OF ALABAMA, BIRMINGHAM, ALABAMA

ORDER APPROVING ACQUISITION OF BANK

Central and State National Corporation of Alabama, Birmingham, Alabama, a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval under section 3(a)(3) of the Act (12 U.S.C. 1842(a)(3)) to acquire at least 80 per cent of the voting shares of Peoples Bank and Trust Company, Montgomery, Alabama ("Bank").

Notice of the application, affording opportunity for interested persons to submit comments and views, has been given in accordance with section 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 section 3(c) of the Act (12 U.S.C. 1842(c)).

Applicant controls two banks with aggregate deposits of approximately $388 million representing about 7.4 per cent of deposits in commercial banks in Alabama.[1] Consummation of the proposal would increase Applicant's share of deposits by only .7 percentage points, and would not result in a significant increase in the concentration of the banking resources in Alabama.

There is no substantial existing competition between Applicant and Bank (about $36 million in deposits). Moreover, approval of this application may provide procompetitive effects for the Montgomery area. Bank is the fourth largest of five banks, with about 8.8 per cent of area deposits, while the two largest organizations in Montgomery control over 75 per cent of area deposits. The introduction of Applicant into the area, through acquisition of Bank, should provide a more vigorous competitor for these two large organizations and aid in the eventual deconcentration of the Montgomery area. For these reasons competitive considerations are consistent with the approval of the application.

The financial and managerial resources and future prospects of Applicant, its subsidiary banks, and Bank, are regarded as generally satisfactory, particularly since Applicant has made a commitment to provide additional capital to one of its subsidiary banks and also to Bank. These considerations lend weight for approval of the application. Considerations relating to the convenience

[1]All banking data are as of June 30, 1971.

and needs of the community also lend weight for approval, since Applicant proposes to expand Bank's business development, data processing, and correspondent banking services. It is the Board's judgment that the proposed transaction is 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 consummated (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 August 17, 1972.

Voting for this action: Chairman Burns and Governors Robertson, Mitchell, Brimmer, and Sheehan. Absent and not voting: Governors Daane and Bucher.

(Signed) TYNAN SMITH,
[SEAL] *Secretary of the Board.*

ORDER APPROVING ACQUISITION OF BANK

Central and State National Corporation of Alabama, Birmingham, Alabama, 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 80 per cent or more of the voting shares of The Citizens' Bank of Eufaula, Eufaula, Alabama ("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 controls three banks[1] with aggregate deposits of approximately $478 million, representing about 8.1 per cent of deposits in commercial banks in Alabama.[2] Consummation of the proposal would increase Applicant's share of deposits by only .2 percentage points and would not result in a significant increase in the concentration of banking resources in Alabama.

Bank ($9 million in deposits) is the third largest in Barbour County with about 17 per cent of the market, but is the smallest bank located in the City of Eufaula. Due to Alabama's branching laws and the fact that the closest banking subsidiary of Applicant to Bank is some 80 miles away, there is no significant existing competition between Applicant, its subsidiary banks, and Bank. There is little probability that Applicant would enter Barbour County on a *de novo* basis because of the small population growth and the low income per capita figures of the area, and consummation of the proposal would foreclose no substantial potential competition. The Board concludes that competitive considerations are consistent with approval of the application.

Considerations related to the financial and managerial resources and future prospects of Applicant, its subsidiary banks, and Bank are regarded as generally satisfactory and consistent with approval, particularly since, as noted in the Order approving the acquisition of Peoples Bank and Trust Company by Applicant dated August 17, 1972, Applicant has made a commitment to provide additional capital for its subsidiary banks. The banking considerations are consistent with approval of the application. Considerations relating to the convenience and needs of the community lend some weight for approval, since Applicant proposes to provide trust services, data processing and certain marketing functions which are not now readily available in the area. It is the Board's judgment that the proposed transaction is in the public interest and 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 consummated (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 August 17, 1972.

Voting for this action: Vice Chairman Robertson and Governors Brimmer, Sheehan, and Bucher. Absent and not voting: Chairman Burns and Governors Mitchell and Daane.

(Signed) TYNAN SMITH,
[SEAL] *Secretary of the Board.*

[1] This includes Peoples Bank and Trust Company, Montgomery, Alabama, whose acquisition by Applicant was approved by the Board on August 17, 1972.

[2] All banking data are as of December 31, 1971.

THE ALABAMA FINANCIAL GROUP, INC., BIRMINGHAM, ALABAMA

ORDER APPROVING ACQUISITION OF BANK

The Alabama Financial Group, Inc., Birmingham, Alabama, 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 the successor by merger to Commercial Guaranty Bank of Mobile, Mobile, Alabama ("Bank"). The bank into which Bank is to be merged has no significance except as a means to facilitate the acquisition of voting shares of Bank. Accordingly, the proposed acquisition is treated herein as the proposed acquisition of the shares of 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 none have been timely received. The Board has considered the application in light of the factors set forth in § 3(c) of the Act (12 U.S.C. 1842(c)).

Applicant controls three banks with aggregate deposits of approximately $470 million, representing about 8.1 per cent of deposits of commercial banks in Alabama.[1] Consummation of this proposal would increase Applicant's share of deposits by only .5 percentage points and would not result in a significant increase in the concentration of banking resources in the State.

Bank (deposits of about $27 million) is the fourth largest bank in the Mobile market with control of approximately 4.2 per cent of area deposits. There is no significant existing competition between any of Applicant's subsidiary banks and Bank, nor is there a reasonable probability of competition developing in the future due to the distances between Bank and Applicant's banking subsidiaries (the closest banking subsidiary is located about 175 miles from Mobile) and Alabama's restrictive branching laws. Affiliation by Bank with Applicant could, however, enable it to become a stronger alternative competitive force in the concentrated Mobile market, where the top two banking organizations control over 70 per cent of deposits. The Board concludes that competitive considerations are consistent with approval of the application.

[1]All banking data are as of December 31, 1971, adjusted to reflect Applicant's acquisition of The First National Bank of Dothan, Dothan, Alabama, and Peoples National Bank of Huntsville, Huntsville, Alabama, approved by the Board in an Order dated August 17, 1972.

The financial and managerial resources and future prospects of Applicant, its subsidiary banks, and Bank are regarded as generally satisfactory and these considerations are consistent with approval of the application. Considerations related to the convenience and needs of the community to be served also are consistent with approval of the application. It is the Board's judgment that the proposed transaction is 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 consummated (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 August 18, 1972.

Voting for this action: Vice Chairman Robertson and Governors Mitchell, Brimmer, and Bucher. Absent and not voting: Chairman Burns and Governors Daane and Sheehan.

(Signed) TYNAN SMITH,
[SEAL] *Secretary of the Board.*

CENTRAL BANCOMPANY, JEFFERSON CITY, MISSOURI

ORDER APPROVING ACQUISITION OF BANK

Central Bancompany, Jefferson City, Missouri, 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 55 per cent or more of the voting shares of The First National Bank of Clayton, Clayton, Missouri ("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 tenth largest multi-bank holding company in Missouri on the basis of deposits, has two subsidiary banks with aggregate deposits of $134.1 million, representing 1.1 per cent of the total commercial bank deposits in the State. (All banking data are as of December 31, 1971, adjusted to reflect holding company acquisitions and formations approved by the Board through June

30, 1972.) Consummation of the proposal herein would increase Applicant's share of commercial bank deposits in the State by less than 1 per cent, and Applicant would become the State's ninth largest multi-bank holding company.

Bank ($103.1 million deposits), located in Clayton nine miles west of downtown St. Louis, is the ninth largest of 108 banks in the St. Louis market area, and holds about 1.7 per cent of the deposits in that market. There is no significant existing competition between Bank and Applicant's present subsidiaries, the closest of which is over 100 miles west of Clayton. Furthermore, in light of the distances separating Applicant's subsidiary banks and Bank, Missouri's restrictive branching laws, and the unlikelihood that Applicant would enter the St. Louis area *de novo*, there seems to be little prospect for the development of significant competition between Bank and Applicant's subsidiaries. It appears, therefore, that consummation of the proposal herein would not likely have any adverse effects on competition and should enable Bank to compete more effectively with the larger banks in its market.

The financial and managerial resources and prospects of Applicant and its subsidiaries are regarded as satisfactory and consistent with approval of the application. The same conclusions apply with respect to Bank's management. With regard to the financial resources of Bank, capital is lower than the Board considers desirable for subsidiary banks of a holding company. In view of the Board's concern in this area, Applicant proposes to augment Bank's capital through the purchase of $1 million of Bank's common stock and the initiation of a dividend retention program at Bank. Implementation of these measures should strengthen Bank's financial condition and enhance its prospects. These considerations lend weight toward approval of the application. As a result of its improved financial condition and affiliation with Applicant, Bank should be able to improve and expand its range of services. Accordingly, considerations relating to convenience and needs are consistent with approval of the application. 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 consummated (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 St. Louis pursuant to delegated authority.

By order of the Board of Governors, effective August 18, 1972.

Voting for this action: Vice Chairman Robertson and Governors Mitchell, Brimmer, and Bucher. Absent and not voting: Chairman Burns and Governors Daane and Sheehan.

(Signed) TYNAN SMITH,
[SEAL] *Secretary of the Board.*

NORTHERN STATES FINANCIAL CORPORATION, DETROIT, MICHIGAN TWIN GATES CORPORATION, WILMINGTON, DELAWARE

ORDER APPROVING TRANSACTIONS UNDER BANK HOLDING COMPANY ACT

Northern States Financial Corporation, Detroit, Michigan ("Northern States"), has applied for the Board's approval, under § 3(a)(1) of the Bank Holding Company Act (12 U.S.C. 1842(a)(1)), for the formation of a bank holding company through acquisition of 100 per cent of the voting shares (less directors' qualifying shares) of the successor by merger to City National Bank of Detroit, Detroit, Michigan ("City National"). The bank into which City National is to be merged has no significance except as a means to facilitate the acquisition of all the voting shares of City National. Accordingly, the proposed acquisition of the successor organization is treated herein as the proposed acquisition of City National. As an incident to the acquisition of City National, Northern States would acquire indirectly 13.2 per cent of the voting shares of National Bank of Rochester, Rochester, Michigan ("Rochester Bank"), which shares are held by City National's profit sharing trust for the benefit of City National's employees; by virtue of § 2(g)(2) of the Act, Northern States would be deemed to control such shares upon its acquisition of City National.

In a related application, Twin Gates Corporation, Wilmington, Delaware ("Twin Gates"), a registered bank holding company owning directly 22.5 per cent of the voting shares of City National[1] and 20 per cent of the voting shares of Rochester

[1] In addition, ten separate trusts established for the benefit of the shareholders of Twin Gates hold an additional 15.8 per cent of the outstanding shares of City National. Control of said shares is attributed to Twin Gates by virtue of § 2(g)(2) of the Act.

Bank,[1] has applied to the Board for approval to exchange the interest it holds in City National for 22.5 per cent of the voting shares of Northern States.

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)).

Northern States was organized recently in order to acquire shares of City National. As a result of consummation of the proposed transaction, Twin Gates would acquire 22.5 per cent of the outstanding shares of Northern States through the exchange of shares that it holds in City National for shares of Northern States; and Northern States would become a subsidiary of Twin Gates; City National would become a direct subsidiary of Northern States and an indirect subsidiary of Twin Gates; Rochester Bank would remain a subsidiary of Twin Gates; Twin Gates would continue to control, in the aggregate, approximately $539.9 million in deposits, which represents about 2.3 per cent of the total commercial bank deposits in the State. (All banking data are as of December 31, 1971.)

City National ($529 million of deposits), headquartered in downtown Detroit, operates 30 offices throughout the Detroit SMSA, and holds about 4 per cent of the commercial bank deposits therein. Rochester Bank ($10.9 million of deposits), located in a suburb about 24 miles from City National's main office in downtown Detroit, operates its only office in Avon township, and holds about .04 per cent of the commercial bank deposits in the Detroit market. In the Detroit market, City National and Rochester Bank rank, respectively, as the 6th and 37th largest banking organizations among 43 banking organizations. An office of City National is located 3.3 miles south of Rochester Bank. However the banks are already subsidiaries of Twin Gates and do not appear to be in competition with each other. Rochester Bank was organized *de novo* in 1964 by individuals associated with City National and has been operated more or less as a branch of City National under common ownership. On the basis of the facts of record, notably the close working association of the two banks, the common ownership, and the unlikelihood that the banks would become disaffiliated in the reasonably near future, the Board concludes that consummation of the proposal would not have any adverse effects on existing or potential competition.

Northern States, having been recently organized, has no operating history; its financial condition, managerial resources, and prospects depend on those of its proposed subsidiary, City National, at least for the near future. The financial and managerial resources of Twin Gates appear satisfactory, and its prospects are considered favorable. The financial condition and managerial resources and prospects of City National and Rochester Bank are regarded as generally satisfactory and consistent with approval of the applications.

The capital position of City National is low for a subsidiary of a bank holding company and should be strengthened. The Board has previously expressed the view that a holding company should agree to strengthen the capital position of each of its subsidiaries to a desirable level as a condition to Board approval of the bank holding company formation or expansion. Northern States has committed itself to a capital improvement program that will, upon its implementation, increase the capital account of City National by $25 million. As a result of this injection of capital, the financial condition of City National would be strengthened and its prospects enhanced. The improvement expected in City National's capital account as a result of Northern States' capital improvement program and the greater access that Northern States is likely to have to capital markets than either of the two banks alone lend weight for approval of the applications.

Inasmuch as the proposed transactions involve essentially a corporate reorganization, there would be no immediate effects on the convenience and needs of the communities involved. However, considerations relating to the convenience and needs of the communities are consistent with approval of the applications. It is the Board's judgment that consummation of the proposal 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 consummated (a) before the thirtieth calendar day following the effective date of this Order, (b) later than three months after

[1]Rochester Bank is also a subsidiary of Twin Gates by virtue of the fact that 20 per cent of Rochester Bank's voting shares are owned directly by Twin Gates, and control of an additional 13.2 per cent of Rochester Bank's voting shares is attributed to Twin Gates because of control of such shares by a subsidiary (City National) of Twin Gates.

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 August 22, 1972.

Voting for this action: Governors Mitchell, Brimmer, Sheehan, and Bucher. Absent and not voting: Chairman Burns and Governors Robertson and Daane.

(Signed) TYNAN SMITH,
[SEAL] *Secretary of the Board.*

UNITED JERSEY BANKS, HACKENSACK, NEW JERSEY

ORDER APPROVING ACQUISITION OF BANK

United Jersey Banks, Hackensack, New Jersey, 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 (less directors' qualifying shares) of The Second National Bank of Orange, Orange, New Jersey ("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 has twelve subsidiary banks with total deposits of approximately $1.1 billion and ranks as the second largest multi-bank holding company in New Jersey with 6.3 per cent of total deposits in commercial banks in the State.[1] (All banking data are as of December 31, 1971 unless otherwise shown.) As a result of consummation of the proposal herein, Applicant's rank, in relation to the State's other bank holding companies, would remain unchanged.

Bank ($38 million in deposits), with three offices in the city of Orange (in Essex County) operates in the Greater Newark banking market. Of the 45 banking organizations operating in that market, Bank ranks nineteenth, based on total market deposits. Two of Applicant's subsidiary banks, Peoples Trust of New Jersey ("Peoples"), Applicant's lead bank, and Central Home Trust Company of Elizabeth, N.J. ("Central"), operate in the market. Together they hold less than 1.3 per cent of total market deposits and Applicant ranks as the fifteenth largest banking organization in the market based on market deposits. After consummation of the proposed acquisition, Applicant would rank tenth, holding approximately 2.2 per cent of market deposits. Bank derives 2.7 per cent of its loans, 1.3 per cent of its demand deposits, and 0.5 per cent of its time and savings deposits from areas served by Peoples and Central. Conversely, Peoples and Central derive an insignificant portion of their loan and deposit business from Bank's service area. Consummation of the proposed transaction would, therefore, eliminate no significant existing competition. Due to Bank's conservative operation, its limited branching opportunities, and the distances separating its branches from those of Applicant's subsidiary banks, it is unlikely that consummation of the proposal would foreclose significant potential competition between Bank and any of Applicant's present subsidiary banks.

Taking into account Applicant's commitment to add $15 million to the equity capital accounts of Peoples discussed in the Board's Order of this date with respect to The Dover Trust Company, considerations relationg to the financial and managerial resources and prospects of Bank and Applicant and its subsidiaries are considered satisfactory and consistent with approval of the application. Although the proposed new services that Applicant intends to make available through Bank are generally available from other banks in the communities to be served, consummation of Applicant's proposal would create an alternative source of such services as expanded installment, commercial, and mortgage lending, international banking, data processing, and accounting. The provision of an additional source of these services should better enable Bank to compete in a market in which more than 53 per cent of total deposits are held by the three largest banking organizations. Considerations bearing on the convenience and needs of the communities to be served are consistent with approval of the application. It is the Board's judgment that the proposed transaction is in the public interest and should be approved.

On the basis of the record, including the Board's understanding that Applicant will add $15 million to the equity capital accounts of Peoples, and for the reasons summarized above, the application is approved. The transaction shall not be consummated (a) before the thirtieth calendar day follow-

[1] This does not include The Dover Trust Company, Dover, New Jersey. By order of this date, the Board has approved Applicant's acquisition of 100 per cent of the voting shares of that bank.

ing 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 delegated authority.

By order of the Board of Governors, effective August 22, 1972.

Voting for this action: Chairman Burns and Governors Robertson, Mitchell, Daane, Brimmer, and Sheehan. Absent and not voting: Governor Bucher.

(Signed) TYNAN SMITH,
[SEAL] *Secretary of the Board.*

ORDER APPROVING ACQUISITION OF BANK

United Jersey Banks, Hackensack, New Jersey, 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 Dover Trust Company, Dover, New Jersey ("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 none have been timely received. The Board has considered the application in light of the factors set forth in § 3(c) of the Act (12 U.S.C. 1842(c)).

Applicant controls 12 banks[1] holding deposits of $1.1 billion, representing 6.3 per cent of total deposits in commercial banks in New Jersey.[2] Acquisition of Bank would not significantly increase Applicant's control of commercial bank deposits in the State.

Bank, with deposits of $41.3 million, as of June 30, 1970, controlled approximately 19.4 per cent of deposits in the Dover-Roxbury banking market, held by commercial banks. Based on share of deposits in the market, Bank ranks second among the ten banking organizations in that market, although Bank ranks seventh among the banking organizations operating in the market, based on total deposits held. Bank also operates a branch office in the Hackettstown banking market.

It appears that consummation of the proposed transaction will not adversely affect existing competition in the Dover-Roxbury market, as Applicant does not serve that market. Consummation may eliminate some competition in the Hackettstown market, since Applicant's lead bank, Peoples Trust of New Jersey ("Peoples"), operates branch offices in that market and held 19.5 per cent of total market deposits. The six offices of Peoples in that market are all within fifteen miles of Dover. Bank's branch in the market is approximately 10.3 miles east of the nearest office of Peoples. As of December 31, 1971, Bank derived 1.1 per cent of its deposits and 1.7 per cent of its loans from the service area of Peoples. Conversely, Peoples derived less than 0.1 per cent of its deposits from Bank's service area. Consummation of the proposal would eliminate no significant existing competition in the Hackettstown Market.

Consummation of the proposal would have only slightly adverse effects on potential competition in both the Dover-Roxbury and Hackettstown markets. Applicant's four subsidiary banks located in the First Banking District are permitted to branch into the Dover-Roxbury market. However, nine of the thirteen communities comprising that market are afforded home office or branch office protection and two others lack sufficient population to support additional banking offices. Applicant could enter the Dover-Roxbury market by the establishment of a *de novo* bank or by acquisition of one of the three smaller independent banks in that market. However, its acquisition of Bank should be a pro-competitive factor in that Bank, which has been rather conservatively managed in the past, should, under Applicant's guidance, become a stronger competitive force *vis a vis* the six larger banks (four of which are subsidiaries of multi-bank holding companies) with which it competes in the Dover-Roxbury market. Bank's branch in the Hackettstown market controls deposits of less than one million dollars. Due to Bank's size and conservative management and the presence of five of the State's multi-bank holding companies in the market it is unlikely that, absent this proposal, Bank would become a significant competitive force in the market. Consummation of the proposal therefore would not eliminate a significant possibility of the development of substantial competition between Bank and Applicant.

Applicant has indicated its willingness to increase the equity capital of Bank by $1 million and the equity capital of Peoples by $15 million should the Board deem it necessary. The Board has

[1]This does not include the Second National Bank of Orange, Orange, New Jersey. By order of this date, the Board has approved Applicant's acquisition of 100 per cent of the voting shares (less directors' qualifying shares) of that bank.

[2]All banking data are as of December 31, 1971, unless otherwise indicated, and include formations and acquisitions through June 30, 1972.

concluded that both Bank and Peoples are in need of such amounts of equity capital. Based on the Board's understanding that Applicant will make such infusions of equity capital, considerations relating to the financial resources and future prospects of Applicant, its subsidiaries, and Bank lend weight toward approval. Trust, data processing, and expanded loan services Applicant proposes to provide through Bank are generally available in the communities to be served. However, consummation of the proposed transaction would create another alternative source of such services. Thus, considerations relating to the convenience and needs of those communities are consistent with approval of the application. It is the Board's judgment that the proposed transaction is in the public interest and should be approved.

On the basis of the record, including the Board's understanding that Applicant will make infusions of equity capital as referred to above, and for the reasons summarized above, the application is approved. The transaction shall not be consummated (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 delegated authority.

By order of the Board of Governors, effective August 22, 1972.

Voting for this action: Chairman Burns and Governors Mitchell, Daane, Brimmer, and Sheehan. Voting against this action: Governor Robertson. Absent and not voting: Governor Bucher.

(Signed) TYNAN SMITH,
[SEAL] *Secretary of the Board.*

DISSENTING STATEMENT OF GOVERNOR ROBERTSON

Consummation of the acquisition proposed in this case would have adverse effects on potential competition in both the Dover-Roxbury and Hackettstown markets. Under New Jersey law, the four subsidiary banks of Applicant located in New Jersey's First Banking District are permitted to branch into the Dover-Roxbury market. Applicant could enter the Dover-Roxbury market by establishment of a *de novo* bank. It has the financial and managerial resources to pursue this method of entry and has demonstrated its ability to enter markets *de novo* by the establishment of a new bank in Cherry Hill Township and its application for permission to establish a new bank in Lakewood. *De novo* entry through branching or the establishment of a new bank would be less anticompetitive than, and therefore preferable to, the instant proposal, as would be acquisition of one of the three smaller independent banks in the Dover-Roxbury market.

Consummation of the proposed acquisition will also foreclose the development of competition between Bank and Peoples in the Hackettstown market that could derive from further branching by either within that market. The Hackettstown market is one of the fastest growing areas in the First Banking District and, indeed, in the State. Six municipalities in the market are open to branching. Consummation of the acquisition will therefore adversely affect competition in two markets.

Major holding companies should be discouraged from seeking to acquire important local competitors in markets in which they are already represented or are likely to enter through less anticompetitive means, as in the case here, especially when, as in this case, there are no derivative public benefits sufficient to outweigh the adverse effects upon potential competition.

I therefore would deny the application.

ZIONS UTAH BANCORPORATION, SALT LAKE CITY, UTAH

ORDER APPROVING ACQUISITION OF BANK

Zions Utah Bancorporation, Salt Lake City, Utah, 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 (less director's qualifying shares) of Zions National Bank of Ogden, Ogden, Utah, a proposed new bank ("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, the recommendation of the Comptroller of the Currency that the application should be approved, and all other 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 Utah, controls one bank which has total deposits of approximately \$339.2 million,[1] repre-

[1] Deposit data are as of December 31, 1971 and market data are as of June 30, 1970, adjusted to reflect holding company formations and acquisitions through June 30, 1972.

senting 16.1 per cent of the total deposits in commercial banks in the State. Since Bank is a proposed new bank, no existing competition would be eliminated nor would concentration be increased in any relevant area.

Applicant's acquisition of Bank represents its initial commercial banking entry into the Ogden banking market. Applicant's subsidiary bank, whose nearest office is located 20 miles from Bank, is prohibited by State law from branching into the Ogden banking market. Applicant's acquisition of Bank would likely have a procompetitive effect by introducing a new competitor into the Ogden market, where three of the six banks control over 90 per cent of total market deposits. Applicant's entry into this market should stimulate competition without having adverse effects on any competing bank.

The financial and managerial resources of Applicant and its subsidiaries are regarded as satisfactory and consistent with approval. Applicant has recently augmented the capital position of its lead bank by contributing a portion of the proceeds from a sale of Applicant's stock. Applicant has indicated that this contribution is a permanent investment. Since Bank will be able to draw upon Applicant's financial and managerial resources, its prospects seem favorable and the banking factors are consistent with approval. Applicant proposes to offer extended banking hours and to offer additional services, such as guaranteed student loans at Bank. Considerations relating to the convenience and needs of the communities to be served lend weight toward approval since Bank will become an additional source of full banking services in a community that has a high ratio of population to banking offices. 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.

Applicant is engaged, either directly or through subsidiaries, in several nonbanking businesses. The approval herein neither provides authority to Applicant to continue in the nonbank activities nor to retain nonbank shares nor requires the Applicant to modify or terminate said activities or holdings. However, consummation of the proposal herein is subject to the continuing authority of the Board to require modification or termination of such activities or holdings (within a period no shorter than two years), if the Board determines that the continued combination of banking and nonbanking interests is likely to have an adverse effect on the public interest.

The provision of any credit, property or services by the holding company or any affiliate thereof shall not be subject to any condition which, if imposed by a bank, would constitute an unlawful tie-in arrangement under § 106 of the Bank Holding Company Amendments of 1970. The nonbanking activities of Applicant shall not be altered in any significant respect from those engaged in at the time of the filing of the application herein nor shall they be provided at any location other than as described in said application, except upon compliance with the procedures of § 225.4(b)(1) of Regulation Y; and no merger, or consolidation, or acquisition of assets other than in the regular course of business, to which Applicant or any affiliate thereof is a party shall be consummated without prior Board approval.

On the basis of the record, the application is approved for the reasons summarized above. The transaction shall not be consummated (a) before the thirtieth calendar day following the effective date of this Order or (b) later than three months after that date, and (c) Zions National Bank of Ogden, Ogden, Utah, shall be opened for business not later than six months after the effective date of this Order. Each of the periods described in (b) and (c) may be extended for good cause by the Board, or by the Federal Reserve Bank of San Francisco pursuant to delegated authority.

By order of the Board of Governors, effective August 29, 1972.

Voting for this action: Vice Chairman Robertson and Governors Mitchell, Daane, Sheehan, and Bucher. Voting against this action: Governor Brimmer, on the basis of principles previously discussed in his Dissenting Statement in connection with the Board's Order approving the application of First National City Corporation to acquire the successor by merger to The National Exchange Bank of Castleton-on-Hudson (37 Federal Register 14259). Absent and not voting: Chairman Burns.

(Signed) TYNAN SMITH,
[SEAL] *Secretary of the Board.*

FINANCIAL SECURITIES CORPORATION, LAKE CITY, TENNESSEE

ORDER DENYING APPLICATIONS TO REMAIN A BANK HOLDING COMPANY AND TO RETAIN SHARES OF BANKS

Financial Securities Corporation, Lake City, Tennessee, 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 remain a bank holding company through the retention of 65.12 per cent of the voting shares of First Farmers Bank, Athens, Tennessee, and of 50.56 per cent of the voting shares of First National Bank of Anderson County, Lake City, Tennessee. Financial Securities Corporation has also applied for the Board's approval under § 3(a)(3) of the Act to retain 31.6 per cent (included in the above-mentioned 65.12 per cent) of the voting shares of First Farmers Bank, Athens, Tennessee.

Notice of receipt 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)).

On the basis of the record, the applications are denied for the reasons set forth in the Board's Statement of this date. Applicant is directed to take appropriate measures to effect a divestiture of control of First Farmers Bank, Athens, Tennessee, and of First National Bank of Anderson County, Lake City, Tennessee, and is granted until year-end 1972 to effect said divestiture, unless such period is extended for good cause by the Board or by the Federal Reserve Bank of Atlanta. No later than two months from the effective date of the Order herein, Applicant is required to report to the Federal Reserve Bank of Atlanta on the progress of said divestiture. A reduction of share holdings to 5 per cent or less of the outstanding voting shares of each of the banks involved would be regarded by the Board as appropriate in connection with such divestiture.

By order of the Board of Governors, effective August 29, 1972.

Voting for this action: Chairman Burns and Governors Robertson, Daane, and Sheehan. Absent and not voting: Governors Mitchell, Brimmer, and Bucher.

(Signed) TYNAN SMITH,
[SEAL] *Secretary of the Board.*

STATEMENT

Financial Securities Corporation, Lake City, Tennessee, 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 remain a bank holding company through the retention of 65.12 per cent of the voting shares of First Farmers Bank, Athens, Tennessee ("Farmers Bank"), and 50.56 per cent of the voting shares of First National Bank of Anderson County, Lake City, Tennessee ("Anderson Bank"). Applicant states that it acquired the aforementioned shares in August 1971, from the Athens Financial Co., a partnership, in the mistaken belief that such a reorganization into corporate form did not require Board approval. The partnership, the Athens Financial Co., acquired the aforementioned 50.56 per cent interest in Anderson Bank and a 33.52 per cent interest (included in the aforementioned 65.12 per cent) in Farmers Bank prior to December 31, 1970; such acquisitions did not require Board approval since a partnership did not fall within the definition of "company" in the Bank Holding Company Act until that date.

In a related application, Applicant has applied for the Board's approval under section 3(a)(3) of the Bank Holding Company Act (12 U.S.C. 1842(a)(3)) to retain 31.6 per cent of the voting shares of Farmers Bank, which Applicant states were acquired by the Athens Financial Co. in January 1971 in the mistaken belief that such action did not require Board approval. No equal offer was made to the minority shareholders of the banks involved.

Statutory considerations. Applicant was organized in August 1971 for the purpose of acquiring the interests in two banks held by a partnership made up of three individuals who are now the sole stock holders of Applicant. By virtue of its ownership interests in Farmers Bank and Anderson Bank, Applicant controls deposits of $27 million, which represents .3 per cent of the total commercial bank deposits in the State, and is the smallest of the State's seven bank holding companies. (All banking data are as of December 31, 1971.)

Anderson Bank ($14.8 million of deposits) is the fourth largest of five banks located in Anderson banking market, approximated by all of Anderson County and portions of Knox and Campbell counties, and controls approximately 15 per cent of the total deposits therein. Farmers Bank ($12.2 million of deposits) is the third largest of ten banks competing in the Athens banking market, approximated by all of McMinn County and portions of Meigs, Monroe, and Polk counties, and controls about 13 per cent of the deposits in that banking market. It appears that Anderson Bank and Farmers Bank do not now compete with each other. Nor does it appear likely that they would compete in the future primarily due to the distances separating their offices (at least 60 miles) and the presence of banks in the intervening areas. Approval of Applicant's proposal would not have an adverse effect on competition in any relevant area. The Board concludes that considerations relating to competition are consistent with, but lend no weight toward, approval of the applications.

In reviewing the financial resources of Applicant, as is required by the Bank Holding Company Act, the Board finds that the financial resources of Applicant are not up to Board standards for a bank holding company. Upon acquisition of the shares in the two banks from the partnership in August 1971, Applicant assumed a debt of $1.6 million which had been incurred by the partnership when it made its original stock purchases in the two banks. As of September 1971, Applicant's balance sheet disclosed shareholders' equity of only $5,000, compared to liabilities of $1.6 million.

On previous occasions, the Board has expressed its concern about the use of debt by a holding company to finance the purchase of bank stock. The presence of significant debt limits a holding company's ability to assist its subsidiary banks with capital if such a need arises. Furthermore, a heavy debt servicing obligation may result in Applicant being unable to service its debt without unduly straining the bank's earnings or undertaking a program of substantial management fees, practices which would impair the capital growth of the banks involved and operate to the detriment of the minority shareholders of the banks. In the present instance, the Board considers that the level of debt in the holding company is so disapportionate to the equity interests of the shareholders that the public interest requires denial of Applicant's proposal.

It appears that the major banking needs of each of the areas served by Applicant's subsidiaries are being met by existing institutions and no significant public benefits would result from approval of the applications. Rather, the ability of each of Applicant's subsidiaries to continue to improve or expand the services offered could be hampered because of a need by Applicant to draw on the financial resources of its subsidiaries in order to retire Applicant's debt. Considerations relating to convenience and needs of the communities to be served lend no weight toward approval of the applications.

On the basis of facts of record, the Board concludes that the high level of debt carried and the state of the financial recources of Applicant are adverse factors bearing on the financial condition and prospects of Applicant and the banks involved. These adverse findings are not outweighed by any procompetitive factors nor by considerations relating to the convenience and needs of the communities to be served. Accordingly, approval of the applications is not in the public interest and the applications should be denied.

COMMUNITY BANKS OF FLORIDA, INC., SEMINOLE, FLORIDA

ORDER APPROVING FORMATION OF BANK HOLDING COMPANY

Community Banks of Florida, Inc., Seminole, Florida, 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 per cent or more of the voting shares of Bank of Seminole, Seminole (P. O. Largo) ("Seminole Bank"); First Commercial Bank, St. Petersburg ("Commercial Bank"); First Community Bank, Largo ("Largo Bank"); First Bank of West Pasco, Pasco County ("Pasco Bank"), and Northside Community Bank, St. Petersburg ("Northside Bank"), all located in Florida.

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 was formed for the purpose of acquiring the five proposed subsidiary banks, all of which were organized by the same individuals and have functioned as a group since their establishment. Upon the acquisition of Seminole Bank (deposits of $42.6 million); Commercial Bank (deposits of $11.7 million); Largo Bank (deposits of $5.9 million); and the Pasco and Northside Banks which were recently opened, Applicant would control aggregate deposits of $60.2 million among commercial banks in Florida and would rank as the State's twenty-sixth largest banking organization, with .37 per cent of total State deposits. The proposal would represent no significant increase in the concentration of banking resources in the local markets or on a Statewide basis.

Seminole, Commercial, Largo, and Northside Banks are located in Pinellas County in the South Pinellas Banking Market where the four banks control 6.14 per cent of total deposits as the sixth largest of the 15 banking organizations represented in the market. Six multi-bank holding companies hold 49.62 per cent of deposits in this market.

The fifth proposed acquisition, Pasco Bank, is located in Pasco County, some 20 miles to the north. It was opened for business in late January of this year and ranks as the smallest bank in the county. It appears that the change in corporate structure for the group represented by this application would have no adverse effects on any of the competing banks in the relevant market areas.

The Seminole and Largo Banks are located approximately three miles apart, but their service areas do not overlap, and there is no significant present competition between them. The remaining three banks are located from 6 to 26 miles apart. There is no meaningful intergroup competition that would be eliminated between any of the subject banks by the proposed formation. All five banks have been closely affiliated since their inception. Senior management of each bank is vested in the same individuals and banking services are interchanged. It appears that this dependence within the group is permanently established, and there exists little likelihood for disaffiliation. Competitive considerations are consistent with approval of the application.

Although Applicant was recently organized and has no operating history, its financial structure and proposed management are deemed to be generally satisfactory. The subject banks have capable managements and their financial conditions are deemed satisfactory except for needed improvement in the capital account of Seminole Bank which Applicant has agreed to provide. Banking factors are consistent with approval of the application, and prospects for Applicant and the group of banks appear favorable. The primary banking needs of both market areas are served by existing financial institutions; however, it appears that efficiencies of operation would result from the corporate structure, and the public would derive benefits from trust services proposed to be offered at each bank. Considerations relating to the convenience and needs of the communities to be served are consistent with and lend some support toward approval of the application. It is the Board's judgment that the proposed transaction would be in the public interest and that the application would be approved.

On the basis of the record, the application is approved for the reasons summarized above. The transaction shall not be consummated (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 August 29, 1972.

Voting for this action: Vice Chairman Robertson and Governors Mitchell, Daane, Brimmer, Sheehan, and Bucher. Absent and not voting: Chairman Burns.

(Signed) TYNAN SMITH,
[SEAL] *Secretary of the Board.*

BEZANSON INVESTMENTS, INC., MORAMERICA FINANCIAL CORPORATION CEDAR RAPIDS, IOWA

ORDER DENYING ACQUISITION OF BANK

Bezanson Investments, Inc., Cedar Rapids, Iowa, and its subsidiary, MorAmerica Financial Corporation, Cedar Rapids, Iowa, each of which is a registered bank holding company, have applied for the Board's approval under § 3(a)(3) of the Bank Holding Company Act (12 U.S.C. 1842(a)(3)), to acquire 76 per cent or more of the voting shares of First Trust and Savings Bank, Wheatland, Iowa.

Notice of receipt 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 all those received have been considered. The Board has considered the applications in light of the factors set forth in § 3(c) of the Act (12 U.S.C. 1842(c)).

On the basis of the record, each of the applications is denied for the reasons set forth in the Board's Statement of this date.

By order of the Board of Governors, effective August 29, 1972.

Voting for this action: Vice Chairman Robertson and Governors Mitchell, Brimmer, Sheehan, and Bucher. Absent and not voting: Chairman Burns and Governor Daane.

(Signed) TYNAN SMITH,
[SEAL] *Secretary of the Board.*

STATEMENT

Nature of transaction. Bezanson Investments, Inc., Cedar Rapids, Iowa, ("Bezanson") and its subsidiary, MorAmerica Financial Corporation, Cedar Rapids, Iowa ("MorAmerica"), both of which are registered bank holding companies, have applied for the Board's approval, under § 3(a)(3) of the Bank Holding Company Act (12 *U.S.C. § 1842(a)(3)), of the acquisition* of 76 per cent or more of the voting shares of First Trust and Savings Bank, Wheatland, Iowa ("Bank"). The shares of Bank are proposed to be acquired directly by MorAmerica, and Bezanson thus would indirectly acquire such shares.

Statutory considerations. Applicants presently control Jackson State Bank and Trust Company, Maquoketa, Iowa, ("Jackson Bank") with deposits of $27.8 million, which accounts for 0.4 per cent of total commercial bank deposits in Iowa.

Bank (with deposits of $8.6 million) is the second largest of seven banks in the Wheatland banking market, which is approximated by southwestern Clinton County and northeastern Cedar County. Bank has an office in the Maquoketa banking market (approximated by southwestern Jackson County and northwestern Clinton County) and is the third largest of five banks competing there. Jackson Bank is the dominant bank in the Maquoketa market, controlling 53.2 per cent of commercial bank deposits in that area. Consummation of the proposed transaction would increase Applicants' share of the Maquoketa market to 56.1 per cent. (Banking data are as of December 31, 1971, except that market shares were computed as of June 30, 1970.) Although some existing competition between Bank and Applicants' subsidiary bank may have been eliminated in early 1971 by the acquisition of Bank by Mr. Peter F. Bezanson, president and principal shareholder of Applicants, consummation of the proposal would formalize existing arrangements and make it less likely that competition between Bank and Jackson Bank would be resumed. Accordingly, it appears that consummation of the proposal would have an adverse effect on competition in the Maquoketa banking market.

Considerations related to the convenience and needs of the communities to be served are consistent with, but do not provide significant support for, approval of the application. Although competitive considerations and convenience and needs considerations are not such as to bar approval, the Board's inquiry does not end here. As the Board has stated before, "[t]he Board believes that a holding company should be a source of financial and managerial strength for the banks in its system, rather than vice versa, and that every proposed acquisition should be closely examined . . ." in this regard. (Application of First Southwest Bancorporation, Inc., Waco, Texas, 1972 Federal Reserve BULLETIN 302.)

The record shows that Bezanson operates a general insurance agency; and MorAmerica has substantial interests in ownership and operation of nursing and convalescent care centers, a new and used car dealership, real estate development, and various servicing companies, among other activities.

As of September 30, 1971, MorAmerica had a consolidated debt to equity ratio of 376.8 per cent. By March 31, 1972, MorAmerica's consolidated debt to equity ratio had increased to 388.9 per cent.

Data with respect to MorAmerica's consolidated net income for the past 5 years indicates that earnings do not average amounts sufficient to amortize its consolidated debt in a reasonable period of time. Consolidated statements of changes in financial position of MorAmerica for 1970 and 1971 show that MorAmerica has been retiring its debt securities as they become due from the proceeds of new debt issues, and debt repayment schedules suggest that MorAmerica will likely refinance a significant portion of its debt in the future. Apparently, MorAmerica has no immediate plans to sell additional capital stock to strengthen its equity position, nor does it plan to reduce debt significantly from earnings or cash reserves.

On the facts presented, the Board is unable to conclude that MorAmerica would be a source of strength for banks within its system. The policies of Applicants' management are regarded by the Board as incompatible with sound banking principles and with an expansion of banking activities. Bank's capital seems adequate, and its prospects appear favorable. However, considerations related to the financial and managerial resources and future prospects of Applicants are not consistent with approval.

Conclusion. On the basis of the record and particularly in the light of the considerations discussed above, it is the Board's judgment that the proposed transactions would not be in the public interest and should not be approved.

BARNETT BANKS OF FLORIDA, INC., JACKSONVILLE, FLORIDA

ORDER APPROVING ACQUISITION OF BANKS

Barnett Banks of Florida, Inc., Jacksonville, Florida, a bank holding company within the meaning of the Bank Holding Company Act, has filed separate applications for the Board's approval under § 3(a)(3) of the Act (12 U.S.C. 1842(a)(3)) to acquire 80 per cent or more of the voting shares of Westchester National Bank of Dade County, Miami, Florida ("Westchester Bank"), and Midway National Bank, Miami, Florida ("Midway 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 is Florida's third largest banking organization and controls 34 banks with total deposits of $1.0 billion, representing 6.4 per cent of total deposits in commercial banks in the State. (All banking data are as of December 31, 1971, adjusted to reflect holding company formations and acquisitions approved by the Board through July 31, 1972.) The acquisition of Westchester Bank ($17.3 million deposits) and Midway Bank ($2.7 million deposits) would increase Applicant's share of State deposits by 0.1 percentage points, and Applicant's rank among banking organizations in Florida would not change.

Westchester and Midway Banks are located in Dade County where they control .48 and .07 per cent, respectively, of deposits in this banking market. Although subject banks are located only three miles apart, they do not actively compete with each other. Midway Bank was established in April 1971 by directors of Westchester Bank and is the only bank in its primary service area. Westchester Bank ranks as the smallest bank in its immediate service area. Both banks are under common ownership, control, and management. It appears that no significant present or potential competition would be eliminated by consummation of this proposal.

Applicant presently controls 2.8 per cent of the Dade County banking market deposits through three subsidiary banks (representing aggregate market deposits for each of $63.6, $26, and $9.7 million, respectively) and ranks as the market's ninth largest banking organization. Consummation of this proposal would represent an increase in Applicant's control of market deposits by only .5 percentage points. Applicant's present subsidiaries in Dade County are located 23, 16, and 10 miles, respectively, from the Westchester and Midway Banks' offices. There is no significant present competition between any of Applicant's subsidiaries and subject banks. Due to Florida's restrictive branching laws and the highly banked areas which intervene, it appears that no substantial amount of future competition would be eliminated by consummation of this proposal. Therefore, competitive considerations are consistent with approval of the applications.

The financial condition of Applicant and its subsidiaries are considered to be generally satisfactory in view of Applicant's plans to improve the capital positions of its subsidiaries where a need exists; management for the system is also considered to be generally satisfactory, and prospects for the group appear favorable. The financial condition and management of Westchester and Midway Banks are deemed satisfactory, and prospects for each appear favorable. Banking factors are, therefore, consistent with approval of the applications. Although the proposed affiliation with Applicant would not introduce new services to the market, it would better enable each bank to respond to the increasing financial needs in the expanding western section of the county which they serve. Specialized banking services of Applicant would be made available to both Westchester and Midway Banks, and the quality and quantity of the banking services offered by each would be improved. Accordingly, considerations relating to the convenience and needs of the communities to be served are consistent with and lend some support toward approval of the applications. It is the Board's judgment that 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 consummated (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 August 31, 1972.

Voting for this action: Vice Chairman Robertson and Governors Brimmer, Sheehan, and Bucher. Absent and not voting: Chairman Burns and Governors Daane and Mitchell.

(Signed) TYNAN SMITH,
[SEAL] *Secretary of the Board.*

WYOMING BANCORPORATION, CHEYENNE, WYOMING

ORDER APPROVING ACQUISITION OF BANK

Wyoming Bancorporation, Cheyenne, Wyoming, 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 per cent of the voting shares (less directors' qualifying shares) of The Stockgrowers Bank of Evanston, Evanston, Wyoming ("Bank").

Notice of receipt of the application has been given in accordance with § 3(b) of the Act, and the time for filing comments and views has expired. The Board has considered the application and all comments received in the 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 the State, controls nine banks with total deposits of $103.2 million, representing 11.1 per cent of the total commercial bank deposits in Wyoming. (All banking data are as of December 31, 1971, adjusted to reflect holding company acquisitions approved by the Board through July 31, 1972.) Consummation of the proposal would not significantly increase Applicant's share of total deposits in the State.

Bank, located in the southwestern corner of Wyoming about 75 miles northeast of Salt Lake City, Utah, is the smaller of two banks located in Evanston and holds total deposits of $8.6 million. Applicant's subsidiary located closest to Bank is about 175 miles to the north and neither it nor any of Applicant's other subsidiaries compete with Bank to any significant extent. Moreover, the development of competition between Bank and any of Applicant's subsidiaries is considered unlikely in view of the intervening distances between the banks, Wyoming's restrictive branching laws, and the unlikelihood that Applicant would enter the Evanston's area *de novo.* It appears, therefore, that consummation of the proposal would not eliminate any existing competition nor foreclose the development of any potential competition.

The financial and managerial resources and future prospects of Applicant and its subsidiary banks are regarded as generally satisfactory and consistent with approval of the application. While Applicant will incur acquisition debt as a result of consummation of the proposal, Applicant proposes to retire the entire debt at an early date from the proceeds of a stock offering. In addition, Applicant states that a portion of the proceeds from the stock offering will be used to augment the capital at its lead bank and at Bank, thus strengthening the financial condition of each. Affiliation with Applicant would provide Bank with a source of experienced banking personnel. Thus, considerations relating to the banking factors lend weight toward approval of the application. Applicant proposes to assist Bank in improving its services by establishing trust services and increasing Bank's lending capabilities. These considerations relating to the convenience and needs lend some weight toward approval. It is the Board's judgment that the proposed transaction 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 consummated (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 delegated authority.

By order of the Board of Governors, effective August 31, 1972.

Voting for this action: Vice Chairman Robertson and Governors Mitchell, Daane, Brimmer, Sheehan, and Bucher. Absent and not voting: Chairman Burns.

(Signed) TYNAN SMITH,
[SEAL] *Secretary of the Board.*

TEXAS COMMERCE BANCSHARES, INC., HOUSTON, TEXAS

ORDER APPROVING ACQUISITION OF BANKS

Texas Commerce Bancshares, 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 Bank Holding Company Act (12 U.S.C. 1842(a)(3)), to acquire 100 per cent of the voting shares (less directors' qualifying shares) of the successor by merger to American National Bank of Beaumont, Beaumont, Texas. As an incident to acquisition of said bank, Applicant necessarily would acquire, and seeks approval for, acquisition of, 37 per cent of the voting shares of Beaumont State Bank, Beaumont, Texas, shares of which are indirectly controlled by American National Bank under a trust relationship.

Notice of receipt of the application has been given in accordance with § 3(b) of the Act, and the time for filing comments and views has expired. 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)).

On the basis of the record, and for the reasons summarized in the Board's Statement of this date, the application is approved on condition that Applicant divest itself of its interest in Beaumont State Bank at the earliest practicable time and, in any event, within two years from the effective date of consummation of the acquisition of shares of American National Bank, unless such period is extended for good cause by the Board. The application to acquire shares of Beaumont State Bank is approved only to the extent necessary, and for the period granted to Applicant, to effect the required divestiture of its interest in Beaumont State Bank. The acquisition of American National Bank of Beaumont shall not be consummated (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.

By order of the Board of Governors, effective August 31, 1972.

Voting for this action: Chairman Burns and Governors Robertson, Mitchell, Brimmer, Sheehan, and Bucher. Absent and not voting: Governor Daane.

(Signed) TYNAN SMITH,
[SEAL] *Secretary of the Board.*

STATEMENT

Nature of transaction. Texas Commerce Bancshares, Inc., Houston, Texas, a registered bank holding company, has applied to the Board of Governors, pursuant to § 3(a)(3) of the Bank Holding Company Act (12 U.S.C. 1842(a)(3)), for prior approval of the acquisition of 100 per cent of the voting shares (less directors' qualifying shares) of the successor by merger to American National Bank of Beaumont, Beaumont, Texas ("American Bank"). The bank into which American Bank is to be merged has no significance except as a means to facilitate the acquisition of the voting shares of American Bank. Accordingly, the proposed acquisition of the shares of the successor organization is treated herein as the proposed acquisition of the shares of American Bank. Applicant has applied also for approval to acquire 37 per cent of the voting shares of Beaumont State Bank, Beaumont, Texas ("Beaumont Bank").[1] A trusteed affiliate of American Bank through its trustees, holds 37 per cent of the outstanding voting shares of Beaumont Bank for the benefit of shareholders of American Bank. Therefore, acquisition of American Bank would result in Applicant acquiring 37 per cent of the voting shares of Beaumont Bank.

In its Order and Statement dated April 11, 1972, the Board denied Applicant's application to acquire American Bank. At the same time, by separate Order, the Board approved Applicant's application to acquire shares of Beaumont Bank. Subsequently, Applicant filed a Request for Reconsideration of its application to acquire American Bank stating in part, that the proposed acquisition of shares of Beaumont Bank was incident to, and sought only in connection with, an acquisition of American Bank; that Applicant did not seek to acquire shares of Beaumont Bank independently of an acquisition of American Bank and could not acquire the shares of Beaumont Bank apart from an acquisition of American Bank. In addition, Applicant supplemented its original application with respect to American Bank with additional information concerning the present condition of that bank and the emerging structure of the Beaumont banking market. In an Order dated June 13, 1972, the Board granted Applicant's Request for Reconsideration of the Board's Order of April 11, 1972; and vacated its Order of April 11, 1972, which had granted approval to Applicant to acquire shares of Beaumont Bank.

Notice of the Board's Order granting Applicant's Request for Reconsideration of its application to acquire American Bank has been given and the time for filing comments and views has expired. The Board has reconsidered this application and all comments received in the light of the factors set forth in § 3(c) of the Act and the original and supplemental material received in connection with these applications.

Statutory considerations. Applicant controls two banks located in the Houston area with aggregate deposits of $1.2 billion, representing 3.9 per cent of total commercial bank deposits in the State. Applicant, the fourth largest banking organization in Texas and the second largest in the Houston banking market, controls approximately 16 per

[1]At the time this application was filed, American General Insurance Company, Houston, Texas, owned more than 32 per cent of the voting shares of Texas Commerce Bancshares so that an acquisition of shares by Texas Commerce would constitute indirect acquisition by American General. Therefore, separate applications with respect to the acquisition of the shares of Beaumont State and American Bank were filed by American General. However, during the period of the Board's consideration of these applications, American General effected a divestiture of its ownership and control of the voting shares of Texas Commerce and has ceased to be a bank holding company under the Bank Holding Company Act. Accordingly, American General's applications indirectly to acquire shares of each of said banks have been dismissed as moot by Order of the Board (1972 Federal Reserve BULLETIN 7650).

cent of total commercial deposits in the Houston area. In addition, Applicant controls between 20 and 24.9 per cent of the voting shares of each of five other banks located in the Houston market and holding aggregate deposits of $168.7 million, representing approximately 2.8 per cent of commercial bank deposits in the Houston area.[1] Upon acquisition of both American Bank and Beaumont Bank (respectively $112.5 million and $25.2 million of deposits), Applicant's position in relation to other Texas banking organizations and holding companies would remain unchanged and Applicant's share of deposits in the State would increase by approximately .5 percentage points. (All banking data are as of December 31, 1971, and reflect holding company formations and acquisitions approved through June 30, 1972.)

American Bank (located in downtown Beaumont) and Beaumont Bank (located 2 miles west of downtown Beaumont) both operate in the Beaumont banking market and are, respectively, the second and seventh largest of 18 banking organizations in that market; and they control respectively 17.7 and 4.0 per cent of commercial bank deposits in that market. American Bank, however, has a relatively large share of deposits of other banks and large certificates of deposit. Its market share of total IPC deposits in accounts under $100,000 is only 13.7 per cent; and the share of these smaller accounts is a better measure of the competitive situation in a local market. Upon consummation of the proposals herein, Applicant would control deposits of $137.6 million, representing 21.7 per cent of total commercial bank deposits in the Beaumont market, and would control 18.8 per cent of total IPC deposits in accounts under $100,000.[2]

The banking office of Applicant closest to either proposed subsidiary is located approximately 90 miles west of Beaumont in Houston, Texas, and operates in a separate but adjacent banking market. It appears that no meaningful competition exists between any of Applicant's present subsidiary banks and American or Beaumont Bank; and, on the facts of record, in particular, the Texas law prohibiting branch banking and the distances between the banks involved, consummation of the applications is unlikely to foreclose significant potential competition between either of the proposed subsidiaries and any of Applicant's subsidiary or satellite banks.

In its Order of April 11, 1972, denying acquisition of American Bank, the Board found that the facts of record indicated that acquisition by Applicant of control of both American Bank and Beaumont Bank or of American Bank alone, would have serious adverse effects on potential competition in the Beaumont banking market. The Board found the market attractive for *de novo* entry and Applicant a likely entrant into the Beaumont banking market. Acquisition of Beaumont Bank alone, and the resulting disaffiliation of that bank from American Bank was seen as reducing concentration in the Beaumont banking market by the introduction of an additional organization to compete with the larger banking organizations in that market. American Bank was regarded as strong enough to compete as a viable independent bank and capable of becoming a lead bank or substantial participant in a new or smaller bank holding company system.

In connection with its Request for Reconsideration, Applicant provided information not previously available to the Board at the time of its earlier consideration of the subject proposals. This information indicates the following:

1. Applicant's original applications failed to inform the Board that the proposed acquisition of shares of Beaumont Bank was sought only in connection with and as an incident to its acquisition of American Bank. Applicant has been advised by directors of both Beaumont and American banks and by trustees holding shares of Beaumont Bank that they will neither consider nor cooperate with any efforts of Applicant to acquire Beaumont Bank separate from acquisition of American Bank.

2. American Bank does not provide significant competition to the largest banking organization in the Beaumont market and does not have the management or financial resources to become a substantial member of a small bank holding company system.

3. Subsequent to the Board's denial of Applicant's proposal to acquire American Bank, three bank holding company organizations have either reached agreement or have applied to the Board to acquire the third, fourth, and fifth largest banks in the Beaumont market.

[1] Applicant has filed applications with the Board to acquire all of the remaining voting shares of each of two of these banks.

[2] Beaumont Bank was organized in 1955 and has been affiliated with American Bank since 1959 as the result of the purchase of 37 per cent of Beaumont Bank's outstanding voting shares by a corporation, all of the shares of which are held in trust for the benefit of the shareholders of American Bank. In addition, it appears that individuals owning 18 per cent of the outstanding voting shares of American Bank directly control an additional 39 per cent of the outstanding voting shares of Beaumont Bank.

4. Applicant has committed itself to divest its interest in Beaumont Bank (acquired as a consequence of an acquisition of American Bank), should the Board disapprove of Applicant's having control of both banks.

The Board has reviewed the information submitted by Applicant in connection with its Request for Reconsideration, together with a review of the entire record in this matter; and finds that significant changes have occurred in the Beaumont banking market and with respect to American Bank and that such changes lend weight toward approval of Applicant's acquisition of American Bank provided Applicant is required to divest the interest in Beaumont Bank that will be acquired as an incident to acquisition of American Bank.

Applicant's inability to acquire shares of Beaumont Bank (independently from an acquisition of American Bank) eliminates the prospect of Beaumont Bank, through affiliation with Applicant, becoming an additional competitor to the larger banking organizations in the Beaumont market. At the time of the Board's prior consideration of this proposal, the management of American Bank was considered generally satisfactory despite some indications of a lack of managerial resources; and the prospects for American Bank for operation independently were viewed as favorable. However, the most recent examination of American Bank (the results of which were not available to the Board at its earlier consideration of that bank's condition) indicates considerable executive turnover and a further weakening of management depth. Furthermore, additional analysis of American Bank's earnings and growth relative to other banks in its market indicates that American Bank is presently not in a position to provide vigorous competition in that market; and that it is unlikely that the bank could serve as a lead bank or significant participant in a new or smaller bank holding company system.

Events occurring subsequent to the Board's denial of the proposed acquisition of American Bank by Applicant have changed dramatically the outlook with respect to present and potential banking competition in the Beaumont market. Three additional banking organizations (two of which are the third and fifth largest banking organizations in the State) seek acquisition of the third, fourth and fifth largest banks in the market and to compete with the dominant banking organization in that market. We express no opinion on those pending applications but view as likely the prospect that some of the State's largest banking organizations will enter the Beaumont market. The competitive position of American Bank would be further weakened by the introduction of additional bank holding company organizations through affiliation with the significant banks in the market.

The Board continues to view the acquisition by Applicant of both American and Beaumont banks as having serious adverse effects on potential competition in the Beaumont market. Accordingly, acquisition by Applicant of American Bank is subject to the condition that Applicant divest its interest in Beaumont Bank (acquired incidentally to acquisition of American Bank) at the earliest practicable time and, in any event, within two years from its acquisition of 100 per cent of the voting shares (less directors' qualifying shares) of the successor by merger to American Bank.

On the basis of the record before it, the Board concludes that consummation of Applicant's proposal, as herein conditioned, would not result in a monopoloy or be in furtherance of any combination, conspiracy, or attempt to monopolize the business of banking in any area. Moreover, the competitive effects of the proposal are consistent with approval of the application and to the extent competition among Beaumont banking organizations is likely to become more aggressive, lend some weight toward approval.

The financial and managerial resources and future prospects of Applicant and its subsidiaries appear satisfactory and prospects of all are favorable. Although the financial condition of American Bank is generally satisfactory, the bank has not operated as successfully as competing banks in the market due, in part, to its lack of managerial strength. Affiliation with Applicant will enable American Bank to draw upon Applicant's financial, managerial, and technical resource strength and should result in that bank becoming a vigorous competitor in the Beaumont area. In addition, Applicant proposes to introduce through American Bank specialized banking services such as international petroleum and chemical banking operations to accommodate the large corporations engaged in various aspects of oil and gas operations in the Beaumont area.

Considerations relating to the convenience and needs of the relevant area are consistent with and lend weight to approval of the applications. It is the Board's judgment that consummation of the proposed acquisition of American Bank, upon the condition that Applicant divest shares acquired in Beaumont Bank, is in the public interest and that the applications should be approved.

ORDERS UNDER SECTIONS 3 & 4 OF BANK HOLDING COMPANY ACT

CAPITAL MANAGEMENT, INC., AURORA, NEBRASKA

ORDER APPROVING FORMATION OF BANK HOLDING COMPANY AND RETENTION OF BRADY INSURANCE AGENCY

Capital Management, Inc,. Aurora, Nebraska, has submitted an application 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 the acquisition of 80 per cent of the voting shares of Bank of Brady, Brady, Nebraska ("Bank").

At the same time, Applicant has submitted its application for the Board's approval under § 4(c)(8) of the Act and § 225.4(b)(2) of the Board's Regulation Y to engage in certain permissible insurance agency activities through the retention of assets of Brady Insurance Agency, Brady, Nebraska ("Agency").

Notice of receipt of these applications has been given in accordance with sections 3 and 4 of the Act, and the time for filing comments and views has expired. 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's sole business activity is operating Agency. Bank (deposits of $2.1 million) is the only bank in a community of approximately 300 people. Bank is the smallest of seven banks in the towns of North Platte, Gothenburg, Arnold, and Brady, which approximates Bank's service area. (All banking data are as of June 30, 1971.) Since the transaction involves only a change from individual to corporate ownership, consummation of the proposal will have no adverse effects on existing or potential competition.

The Board notes that Applicant's president acquired 34 shares of Bank for a lower sum than that paid for his majority shares. The Board has previously expressed the view that failure to make an equivalent offer to minority shareholders is considered as an adverse circumstance (57 F.R. BULLETIN 415, 688). However, Applicant has agreed to compensate the former owners of these minority shares so that they will receive a sum equal to that paid the majority shareholders. Applicant further agreed to make an equal offer to all remaining minority shareholders. The Board's approval of these applications is subject to the condition that Applicant fulfill such agreements prior to consummation of the proposed transaction.

The financial and managerial resources and future prospects of Applicant, Bank and Agency are consistent with approval. Although Applicant will incur considerable debt in acquiring Bank, its income from Bank and Agency will provide sufficient revenue to adequately service the debt. (Applicant's projections concerning the earnings of both Bank and Agency are reasonable and possibly conservative.) In addition, Applicant's acquisition of Bank will assure continued operation of the only bank in Brady. Accordingly, considerations relating to the convenience and needs of the community to be served, with respect to the acquisition of Bank, lend weight toward approval. It is the Board's judgment that consummation of the transaction would be in the public interest and that the application to acquire Bank should be approved.

Agency is the only general insurance agency in Brady, a town of approximately 300, and is located on the premises of Bank. The operation by a bank holding company of a general insurance agency in a community with a population of less than 5,000 is an activity that the Board has previously determined to be closely related to banking (12 CFR 225.4(a)(9)(iii)).

There is no evidence in the record indicating consummation of the proposal would result in any undue concentration of resources, unfair competition, conflicts of interest, unsound banking practices or other adverse effects on the public interest. The acquisition would assure continuation of the only source of general insurance in the town of Brady. On the basis of the foregoing and other facts reflected in the record, the Board has determined that the considerations affecting the competitive factors under section 3(c) of the Act and the balance of the public interest factors the Board must consider under section 4(c)(8) in permitting a holding company to engage in an activity on the basis that it is closely related to banking both favor approval of the Applicant's proposal.

Accordingly, the applications are approved for the reasons summarized above. The acquisition of Bank shall not be consummated (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 delegated authority. The determination as to

Agency's activities is subject to the Board's authority to require reports by, and make examinations of, holding companies and their subsidiaries and 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 August 4, 1972.

Voting for this action: Chairman Burns and Governors Robertson, Mitchell, Brimmer, and Sheehan. Absent and not voting: Governors Daane and Bucher.

(Signed) TYNAN SMITH,
[SEAL] *Secretary of the Board.*

CITIZENS INVESTMENT COMPANY, THORNTON, COLORADO

ORDER APPROVING FORMATION OF BANK HOLDING COMPANY AND PERFORMANCE OF INSURANCE AGENCY ACTIVITIES

Citizens Investment Company, Thornton, Colorado, 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 49 per cent or more of the voting shares of North Valley State Bank, Thornton, Colorado ("Bank").

At the same time Applicant 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 conduct the insurance agency business presently conducted by the North Investment Company, Thornton, Colorado ("Agency").

Notice of receipt of the applications has been given in accordance with sections 3 and 4 of the Act, and the time for filing comments and views has expired. The Board has considered the applications and all comments received in the 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)) and finds that:

Applicant is a non-operating corporation formed for the purpose of acquiring Bank ($8.8 million deposits) and Agency. Applicant's acquisition of Bank arises, in substantial measure, from the exercise of buy-sell agreements by major shareholders of Bank and would not have any adverse effects on eighter existing or potential competition.

The financial and managerial resources and future prospects of Applicant, Bank, and the proposed insurance agency subsidiary are consistent with approval, as are considerations relating to the convenience and needs of the communities to be served.

The business of Agency is currently being conducted on Bank's premises by the North Investment Company. Applicant proposes to succeed to the business of selling credit life, health and accident insurance to Bank's customers. Selling credit life, health and accident insurance in connection with extensions of credit by a bank or a bank-related firm is an activity that the Board has previously determined to be closely related to banking (12 CFR 225.4(a)(9)).

On the basis of the record, the applications to acquire Bank and Agency are approved. The acquisition of Bank shall not be consummated (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 delegated authority.

By order of the Board of Governors, effective August 18, 1972.

Voting for this action: Chairman Burns and Governors Brimmer, Sheehan, and Bucher. Voting against this action: Governor Robertson. Absent and not voting: Governors Mitchell and Daane.

(Signed) TYNAN SMITH,
[SEAL] *Secretary of the Board.*

WESTERN BANCSHARES, INC., STOCKTON, KANSAS

ORDER DENYING RETENTION OF BANK AND CONTINUATION OF THE ACTIVITIES OF A GENERAL INSURANCE AGENCY

Western Bancshares, Inc., Stockton, Kansas, a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval under § 3(a)(1) of the Act (12 U.S.C. 1842(a)(1)) to retain 89.5 per cent of the voting shares of Rooks County State Bank, Woodston, Kansas ("Bank").

At the same time, Applicant 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 to continue to engage in certain permissible insurance agency activities through the retention of Woodston Agency, Woodston, Kansas ("Agency").

Notice of receipt of these applications was published in the Federal Register on February 16, 1972 (37 Federal Register 3474), and the time for filing comments and views has expired. 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.

Bank ($1.2 million in deposits, as of December 31, 1971) is the only bank in Woodston, a community of 332 persons in central Kansas. Agency conducts a general insurance business from the premises of Bank. Approval of the proposal would have no effect upon either existing or potential competition.

On January 8, 1971, Applicant acquired Agency and a majority of the shares of Bank without the prior approval of the Board. On June 22, 1971, the Board, in order to avoid the imposition of unnecessary hardships, issued an Order which provided that any company which acquired a bank between December 31, 1970, and that date, without securing prior Board approval because the company lacked knowledge of the Bank Holding Company Act Amendments of 1970, might file an application to retain the Bank and, thus, cure its violation of the Act. In this connection, however, the Board provided that the standards which were to be applied to such applications to retain would be the same as those normally applied to applications for prior approval. Applicant apparently acted without knowledge of the Act and the application has been considered on that basis.

A principal of Applicant purchased certain of Bank's shares in late December 1970 and transferred them to Applicant on January 8, 1971. Between then and early March 1971, Applicant purchased the remainder of its present interest in Bank. A majority interst in Bank was purchased for about $522 a share, shares of certain employees of the Bank were purchased for $400 a share, and the shares of unrelated minority shareholders were purchased for $160 a share.

Applicant has stated that the premium paid to the principal shareholder reflects a payment for the related insurance agency. Such a premium would represent a payment for Agency of over 37 times the net income of Agency for 1971 and the Board concludes that Applicant has not justified the substantial disparity in prices paid for the shares. In its consideration of the public interest aspects of this application the Board finds, as it previously has in similar cases, that the failure to make an equivalent offer to all shareholders of Bank is an adverse circumstance weighing against approval of the application. (E.g. 1971 Federal Reserve BULLETIN 415 and 688)

An examination of considerations relating to the financial and managerial resources and future prospects of Bank and the convenience and needs of the communities to be served indicates that these considerations do not provide sufficient weight toward approval to outweigh the adverse circumstance of the disparate offers to shareholders.

The Board is aware that since the shares have already been purchased, denial of the application will not necessarily remedy the treatment of the minority shareholders. However, this results not from the Board's action but from Applicant's failure to obtain prior Board approval for its acquisition. Approval of Applicant's proposal would represent Board sanction of the inequitable treatment accorded to the minority and the public interest would not be served by such action.

On the basis of the record, the Board finds that approval of the § 3 application would not be in the public interest and it is accordingly denied.[1] As provided in the Board's Order of June 22, 1971, Applicant shall take appropriate action to forthwith divest the interest unlawfully held.

By order of the Board of Governors, effective August 31, 1972.

Voting for this action: Vice Chairman Robertson and Governors Brimmer, Sheehan, and Bucher. Voting against this action: Governors Mitchell and Daane. Absent and not voting: Chairman Burns.

(Signed) TYNAN SMITH,
[SEAL] *Secretary of the Board.*

ORDERS UNDER SECTION 4(c)(8) OF BANK HOLDING COMPANY ACT

NCNB CORPORATION, CHARLOTTE, NORTH CAROLINA

ORDER APPROVING ACQUISITION OF C. DOUGLAS WILSON & CO., INC.

NCNB Corporation, Charlotte, North Carolina, 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 acquire all of the voting shares of C. Douglas Wilson & Co., Inc., Greenville, South Carolina, a company that engages in the activity of mortgage banking. Such activity has been determined by the

[1]Denial of Applicant's 3(a)(1) application requires denial of the attendant 4(c)(8) proposal.

Board to be closely related to the business of 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 (37 Federal Register 1427). The time for filing comments and views has expired, and none has been timely received.

Applicant controls the North Carolina National Bank ("Bank"), the second largest bank in North Carolina, and nonbanking subsidiaries engaged principally in installment loan financing, factoring, mortgage banking, and furnishing investment advice. Bank's deposits of $1.5 billion[1] represent 18.5 per cent of the total commercial bank deposits in the State. Through its mortgage banking subsidiary, NCNB Mortgage Corporation, Applicant offers a complete line of mortgage banking services in North Carolina. However, NCNB Mortgage Corporation has no offices in South Carolina and substantially all of its servicing portfolio of $186.1 million[2] represents mortgages originated in the State of North Carolina.

C. Douglas Wilson & Co., Inc. ("Wilson"), engages in the origination and servicing of all types of mortgage loans throughout South Carolina. However, it obtains the majority of its business in 18 counties in close proximity to its six offices in that State. Of Wilson's total mortgage originations of $29.6 million in 1970, over 75 per cent were secured by residential property. Wilson competes for these mortgage originations with a number of savings and loan associations, other mortgage banking companies, and commercial banks in each of the local markets in which it maintains offices, including both South Carolina based firms and firms headquartered in other States. The record indicates that Wilson is a strong but not a dominant competitor in South Carolina mortgage markets, and that the demand for mortgage funds in the State may be expected to rise significantly. Between 1967 and 1970, new housing unit authorizations increased by 40.4 per cent in the State, compared to a national increase of 18.4 per cent.[3]

The proposed acquisition would not result in any elimination of existing competition between NCNB Mortgage Corporation and Wilson in the residential mortgage market on one-four family homes or in the servicing of mortgages for the public. While the two institutions might on occasion be approached to make construction loans or loans on new income producing properties in the other's markets, there is no significant existing competition between them in either of these product markets.

Applicant's capability for *de novo* entry into local mortgage markets in South Carolina is limited partially by its lack of personnel who are experienced in those markets. Consummation of the proposed acquisition eliminates the possibility of future competition between the two firms. However, because of numerous other mortgage companies and other financial institutions which both originate and service mortgages in South Carolina, the market is sufficiently unconcentrated to allow approval of the instant proposal without a substantial lessening of future competition.

South Carolina's need for an increasing supply of mortgage funds, including financing of large-scale developments, seems clear. The State's urban population increased by approximately 25 per cent between the period 1960-1970, and is expected to maintain this rate during the next decade. Consummation of the proposed acquisition would provide Wilson with access to financial and other resources of Applicant that would enable Wilson to provide more effectively for these needs, and at the same time enable it to compete more effectively for large commercial and construction loans in the State. The resulting benefits in terms of public needs and convenience, and increased competition would, in the Board's judgment, outweigh any possible adverse effect on competition.

In its consideration of the application, the Board noted that Applicant has substantial short-term debt, utilized to carry receivables of nonbank subsidiaries. In addition, long-term debt has been

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[1] Data as of December 31, 1971.

[2] Data as of June 30, 1971.

[3] New Housing Units Authorized in South Carolina and the United States, 1967-1970*

	1967		1968		1969		1970		per cent change 1967-1970	
	S.C.	*U.S.*	*S.C.*	*U.S.*	*S.C.*	*U.S.*	*S.C.*	*U.S.*	*S.C.*	*U.S.*
Number of units (000's)	15.6	1,168.6	16.2	1,387.8	16.8	1,352.4	21.9	1,384.0	40.4	18.4
Value of units ($ millions)	18.4	15,367	19.6	18,799	21.9	19,045	26.7	19,664	45.1	28.0

*Based on local building permits issued in 13,000 places. The data exclude hotels, motels, and other group residential structures.
Source: Bureau of the Census, *Construction Reports*, Series C-40.

used for purchasing capital notes of Bank and for other long-term investments; as a consequence, the resulting debt level is relatively high in relation to other bank holding companies. Debt of Applicant's nonbank subsidiaries appears to be reasonably comparable to that of other similar businesses, and reasonably supportable without dependence upon the prestige or resources of Bank. The Board believes it essential that bank holding companies and their nonbank subsidiaries be soundly financed so that they will, if anything, be in a position to add to the strength of their affiliated banks and in no way dilute or "trade on" that banking strength.

In this, as in every application, the Board looks to the quality of management of the holding company itself, as well as to its banking and nonbanking subsidiaries. Applicant and its subsidiaries are considered capably managed and appear able to operate satisfactorily with the level of the holding company's debt.

The Board notes further that the instant proposal involves an exchange of stock rather than a stock purchase; that Applicant's existing debt level will not be increased materially; that the earnings record of Wilson has reasonably provided for debt servicing; and that prospects are good for continued favorable earnings under Applicant's control. The Board concludes that the acquisition of Wilson will not place additional demands on Applicant's earnings or adversely affect Applicant's financial condition in any manner. Under these circumstances, the Board concludes that financial factors are consistent with approval.

Based on the foregoing and other considerations reflected in the record, the Board hereby approves the application. 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 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 evasions thereof.

By order of the Board of Governors, effective August 1, 1972.

Voting for this action: Chairman Burns and Governors Sheehan and Bucher. Voting against this action: Governors Robertson and Brimmer. Absent and not voting: Governors Mitchell and Daane.

(Signed) TYNAN SMITH,
Secretary of the Board

[SEAL]

DISSENTING STATEMENT OF GOVERNORS ROBERTSON AND BRIMMER

We would deny this application.

NCNB Corporation, headquartered in Charlotte, North Carolina, controls financial subsidiaries engaged principally in installment loan financing, factoring, mortgage banking, and furnishing investment advice, in addition to its $1.5 billion (deposit size) North Carolina National Bank. Its mortgage banking subsidiary, NCNB Mortgage Corporation, ranks as the 116th largest mortgage company in the nation. Serving the entire State of North Carolina, this subsidiary originates a complete line of mortgage loans up to—and occasionally across—the political boundary dividing North Carolina from South Carolina. Other nonbanking subsidiaries of Applicant have previously extended their services into South Carolina. Moreover, Applicant has applied through the Federal Reserve Bank of Richmond to establish a trust company in South Carolina. It is a foregone conclusion that Applicant will, in time, establish *de novo* mortgage banking offices in South Carolina, witness the present mortgage offices in South Carolina established by Applicant's principal holding company competitors in North Carolina—First Union National Bancorporation and the Wachovia Corporation. Expansion into South Carolina would appear essential if Applicant is to compete effectively with these companies on a regional basis. Hence, there are strong grounds for presuming that NCNB Corporation will attempt to enter South Carolina mortgage markets by alternative means if this application is denied.

The foregoing illustrates not only that Applicant has both the proximity and interest in the South Carolina mortgage market to rank it as a leading potential entrant, but that it has the resources through which it is capable of making a successful *de novo* entry. Indeed, it is Applicant's capability—in terms of both financial resources and management—that would permit it to overcome whatever short-term risks were entailed in such entry. The record in this case does not disclose any other potential entrant with the strong interest, incentives, and proximity to the South Carolina mortgage market which Applicant has, nor is there one with its capability. We can only conclude that significant potential competition exists between Wilson and NCNB Corporation and this competition would be eliminated by approval of this application.

The vehicle through which Applicant has chosen to enter the South Carolina mortgage market—C.

Douglas Wilson & Co., Inc.—is the largest mortgage banking firm headquartered in South Carolina and the 72nd largest mortgage banking firm in the nation.[1] Wilson's servicing portfolio in 1971 represented 36.6 per cent (by value) of all mortgages serviced by South Carolina-based mortgage companies. The combined mortgage servicing portfolio of Wilson and Applicant would total $452.4 million and would rank 44th nationally. Such a combination would have, in our opinion, a significantly adverse effect on competition among mortgage banking firms in South Carolina, and it would accelerate the trend toward acquisition of the remaining independents in that State.

Elimination of the potential competition between Wilson and Applicant would cause no concern were a number of other potential entrants standing in the wing, ready to enter the South Carolina mortgage markets. Such remaining potential entrants would have a competitive influence on the practices of policies of mortgage bankers in South Carolina. However, while there are a number of bank holding companies in the country having Applicant's capability, none have the same proximity or interest in entering local mortgage markets in South Carolina on a *de novo* basis. Undoubtedly, this is due to the fact that the greater the distance separating a *de novo* entrant from the market, the greater its start-up costs and costs of operation. In short, inability to make a successful *de nova* entry, i.e., one that is profitable early in its operation, deters many from entering at all. We conclude that such is the case here and that few but this Applicant can be shown to have the capability of making a successful *de novo* entry. The elimination of the prospective competition now offered by Applicant thus constitutes the elimination of significant potential competition from the most likely source—an adverse effect which we believe to be seriously detrimental to the public interest.

The majority concludes that approval of the proposed acquisition would be in the public interest and that the benefits to the public would outweigh the adverse effects caused by the elimination of potential competition by reason of additional funds Wilson could bring to the mortgage markets in South Carolina. We disagree. A mortgage banker acts only as a conduit through which funds flow from an institutional investor to the ultimate borrower. The funds in most cases—and certainly in the case of Wilson—come from the treasury of the institutional investor, not the treasury of the mortgage banker. We are therefore obliged to paraphrase an earlier view set forth in our dissent to the Board's approval of the application of First Union National Bancorp., Inc., to acquire Reid-McGee & Company,[2] where we stated: "[Applicant's] stated intent to make mortgage funds available in the [South Carolina] region is dependent on the ability or desire of its institutional investors, not the ability or desire of [Applicant]. Under these circumstances, we would require a clear showing that the institutional investors themselves intend to inject additional capital into the [South Carolina] mortgage market." Such a showing has not been made in the record before the Board on this application. Had Applicant been required to carry the burden of proof of establishing public benefits that outweigh the adverse effects of the proposal, we believe that Applicant would have failed to meet that burden. However, the majority has concluded that public benefits not only exist, but are sufficient to outweigh the adverse effects. The additional funds the majority expects to see channeled into the South Carolina mortgage market are actually non-existent, since one mortgage banker in that market has simply been replaced by another. On the other hand, were Applicant to enter this market *de novo*, the public would be doubly enriched: additional funds would flow into the market from the new entrant, and a competitive force would be added in the market to generate greater competition.

[1] Based on a mortgage servicing portfolio of $266.3 million as of June 30, 1971.

[2] 58 Federal Reserve BULLETIN 72, 74.

ORDER APPROVING ACQUISITION OF TRUST COMPANY OF FLORIDA

NCNB Corporation, Charlotte, North Carolina, 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 acquire all of the voting shares of Trust Company of Florida "(Trust"), Orlando, Florida, a company that engages in the activities performed or carried on by a trust company in the manner authorized by State law, but not the acceptance of demand deposits. Such activity has been determined by the Board to be closely related to the business of banking or managing or controlling banks (12 CFR 225.4(a)(4)).

Notice of the application, affording opportunity for interested persons to submit comments and views on the public interest factors, has been duly published (37 Federal Register 7272). The time for filing comments and views has expired, and none have been timely received.

Trust, which administered total trust assets of approximately $35 million as of December 31, 1971, operates its sole office in Orlando, and primarily serves Orange and all but the northern portion of Seminole Counties. With 7.3 per cent of the total trust assets held by institutions in the area, Trust is the fourth largest of seven corporate fiduciaries in that area and does not appear to be dominant.

North Carolina National Bank ("Bank"), a subsidiary of Applicant, engages, among other things, in a fiduciary business. Bank is located in Charlotte, North Carolina, and does not solicit trust business in the State of Florida. Bank's only trust business originating in Trust's service area is as trustee under a bond indenture for which it receives an annual fee of $250. Bank also does a nominal amount of trust business with former residents of North Carolina who, subsequent to the establishment of fiduciary relationships with Bank, moved into Trust's service area. Bullock-NCNB Company, the only other subsidiary of Applicant which performs services that are performed by trust companies, provides investment advisory and management services principally for pension and profit-sharing plans and tax-exempt institutional and endowment funds; it derives no business from Trust's service area. Nor does Trust derive any business from the service area of any subsidiary of Applicant. It therefore does not appear that any significant existing competition will be eliminated by consummation of the proposed acquisition. Nor does it appear that consummation would have any adverse effect on potential competition in that a recently-enacted Florida statute, inapplicable to the transaction proposed in this case, appears to prohibit the acquisition or ownership of Florida trust companies by out-of-State corporations.

There is no evidence on the record indicating that consummation of the proposed transaction would result in any undue concentration of resources, unfair competition, conflicts of interests, unsound banking paractices, or other adverse effects on the public interest. On the other hand, consummation of the proposal would enhance Trust's ability to offer a broadened range of fiduciary and trust-related services to the residents of the Orlando area by providing Trust with investment research and portfolio management services, computer services, and marketing materials. Consequently, Trust would be better able to serve the public and to compete more effectively with the three larger trust departments of commercial bank subsidiaries of Florida holding companies which together hold approximately 80 per cent of the total trust assets in the area.

The Board also concludes for reasons evident from its order of this date approving Applicant's acquisition of shares of C. Douglas Wilson & Co., Inc., Greenville, South Carolina, that financial factors are consistent with approval.

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 section 4(c)(8) is favorable. 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 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 August 1, 1972.

Voting for this action: Chairman Burns and Governors Brimmer, Sheehan, and Bucher. Voting against this action: Governor Robertson, who dissents from this order for reasons enumerated in his Statement dissenting from the Board's Order of December 7, 1971, approving the acquisition of Security Trust Company, Miami, Florida, by Nortrust Corporation, Chicago, Illinois (58 Federal Reserve BULLETIN 67 (1972)). Absent and not voting: Governors Mitchell and Daane.

[SEAL]

(Signed) TYNAN SMITH,
Secretary of the Board.

MIDWESTERN FINANCIAL CORPORATION, DENVER, COLORADO

ORDER APPROVING ACQUISITION OF CRAWSHAW MORTGAGE AND INVESTMENT CO.

Midwestern Financial Corporation, Denver, Colorado, 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 acquire all of the voting shares of Crawshaw Mortgage and Investment Co., Encino, California, a company that engages in the activity of mortgage banking. Such activity has been determined by the Board to be closely related to the business of 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 (37 Federal Register 9805). The time for filing comments and views has expired, and none has been timely received.

Applicant is a one-bank holding company through its ownership of The First National Bank in Golden (deposits of $39.8 million), Golden, Colorado.[1] Applicant's major activity of mortgage banking is conducted through three subsidiaries: Kassler & Co., Kassler-West Mortgage Corporation and Kassler of California. As of June 30, 1971, Kassler & Co. serviced $701 million of permanent mortgages and ranked as the 18th largest mortgage banking firm in the nation. Until March, 1970, when it acquired Kassler of California, Applicant was not active in the California mortgage banking markets.

Crawshaw Mortgage and Investment Co. ("Crawshaw") is a small mortgage company[2] operating out of one office in Encino, California. It engages in originating, brokering and servicing FHA and VA loans on single-family residences and construction loans on commercial properties. In its most recent fiscal year, Crawshaw originated a total of $11.3 million in single family mortgages (primarily in Ventura County and the San Fernando Valley—including the northern part of Los Angeles County) and $8.8 million in commercial mortgages (throughout the Los Angeles area). During 1971, Crawshaw had 0.17 per cent of the total mortgage recordings in Los Angeles County, while Kassler of California had about 0.51 per cent. In view of the relatively large number of other mortgage lenders in the Los Angeles area, elimination of this small amount of local competition would have no significantly adverse effect on mortgage lending in the area.

Kassler of California does not presently compete in the Los Angeles area for commercial mortgage loans. Therefore, consummation of the proposal would not eliminate any existing competition in this product market. Since Applicant could commence commercial mortgage lending on its own, however, its removal as a potential competitor to Crawshaw for such loans could have a slightly adverse effect.

It is anticipated that the proposed acquisition would enable Kassler of California to compete more effectively with the numerous mortgage departments of large banks and savings and loan associations in the Los Angeles area. Present and potential mortgage customers could be served more conveniently out of Kassler of California's established offices in the area. On balance, the Board concludes that these public benefits outweigh any possible adverse effect on competition.

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(a) 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 evasions thereof.

By order of the Board of Governors, effective August 31, 1972.

Voting for this action: Vice Chairman Robertson and Governors Mitchell, Daane, Brimmer, Sheehan, and Bucher. Absent and not voting: Chairman Burns.

(Signed) TYNAN SMITH,
[SEAL] *Secretary of the Board.*

[1]Banking data as of December 31, 1971.

[2]As of September 30, 1971, Crawshaw's servicing portfolio was approximately $28 million.

ORDER UNDER SECTION 4(d) OF BANK HOLDING COMPANY ACT

BENEFICIAL CORPORATION, WILMINGTON, DELAWARE

ORDER APPROVING EXEMPTION OF NONBANKING ACTIVITIES OF BANK HOLDING COMPANY

Beneficial Corporation, Wilmington, Delaware, a bank holding company within the meaning of the Bank Holding Company Act of 1956 (12 U.S.C. 1841), by virtue of ownership of 73.3 per cent of the voting shares of Peoples Bank and Trust Company, Wilmington, Delaware ("Bank"), has applied to the Board of Governors, pursuant to § 4(d) of the Act, for an exemption from the prohibitions of § 4 (relating to nonbanking activities and acquisitions).

Notice of receipt of the application was published in the Federal Register on June 14, 1972 (37 Federal Register 11804). Time for filing comments and views has expired. No request for a hearing has been received.

Section 4(d) of the Act provides that to the extent such action would not be substantially at variance with the purposes of the Act and subject to such conditions as the Board considers necessary to protect the public interest, the Board may grant an exemption from the provisions of § 4 of the Act to certain one-bank holding companies in order (1) to avoid disrupting business relationships that have existed over a long period of years without adversely affecting the banks or communities involved, or (2) to avoid forced sales of small locally owned banks to purchasers not similarly representative of community interests or (3) to allow retention of banks that are so small in relation to the holding company's total interests and so small in relation to the banking market to be served as to minimize the likelihood that the bank's powers to grant or deny credit may be influenced by a desire to further the holding company's other interests.

The Board has considered the application and all comments received in the light of the factors set forth in § 4(d) of the Act and finds that:

Beneficial Corporation is a diversified holding company that operates the sixth largest consumer finance company in the country, and owns Speigel, Inc., Western Auto Supply Company, and over 60 other firms. The record shows that, in the early 1920's, Beneficial organized Bank (under another name), but Bank did not open for business until December 1952. As of December 20, 1971, Beneficial owned 73.3 per cent of Bank's outstanding voting shares; and the remaining shares are owned by present or former directors, officers, or employees of Beneficial or of its subsidiaries (25.2 per cent), and by individuals residing in the Wilmington area. Furthermore, it appears that, as of February 29, 1972, approximately one-third of Bank's demand deposits represent deposits on behalf of Beneficial or its subsidiaries, or their directors, officers, or employees; and 17.6 per cent of Bank's total loans represent loans to directors, officers, or employees of Beneficial or its subsidiaries. The record contains nothing to suggest that permitting Bank's affiliation with Applicant to continue indefinitely will adversely affect either the Bank or the community of Wilmington.

Bank's total assets ($20.4 million) at year-end 1971 were about 0.7 per cent of the total assets of Applicant and all of its subsidiaries ($2.8 billion). Applicant indicates that neither Beneficial nor any of its subsidiaries has borrowed from Bank. During 1971, Beneficial had short-term borrowings of $275.7 million and long-term borrowings of $955 million. In contrast, Bank's total of loans outstanding as of February 29, 1972, amounted to $5.3 million, with a statutorily imposed lending limit of $200,000 to any one affiliate of Bank and $400,000 in aggregate to all such affiliates. The record contains nothing to suggest that Beneficial has misused Bank's services for the benefit of Applicant's other interests and, in view of the size disparity between Bank and Applicant, and the small size of Bank in relation to the surrounding banking market and to the credit needs of Beneficial, future misuse of Bank by Beneficial seems unlikely.

Bank ($16.3 million in deposits) operates in the Wilmington banking market where it is the fifth largest of eight banks in the market and controls about 1.2 per cent of total deposits in the market. (All banking data are as of December 31, 1971, and reflect bank holding company formations and acquisitions approved by the Board through July 7, 1972.) Each of the four larger banks in the market has deposits in excess of $245 million. There are at least four other subsidiaries of large consumer finance companies and seven other commercial banks in the same market. It does not appear that there would be any adverse competitive effects from permitting Beneficial to continue its ownership of Bank.

Based on the foregoing and other considerations reflected in the record, the Board concludes that the facts of record do not warrant disrupting a business relationship that has existed over a long period of years without adversely affecting the banks of the community involved; and that Bank is so small in relation to the total interests of Beneficial and so small in relation to the banking market served by Bank as to minimize the likelihood that Bank's powers to grant or deny credit may be influenced by a desire to further Beneficial's other interests. Accordingly, an exemption pursuant to § 4(d) of the Act is hereby granted; provided, however, that this determination is subject to revocation if the facts upon which it is based change in any material respect.

By order of the Board of Governors, effective August 29, 1972.

Voting for this action: Vice Chairman Robertson and Governors Mitchell, Daane, Brimmer, Sheehan, and Bucher. Absent and not voting: Chairman Burns.

(Signed) TYNAN SMITH,
[SEAL] *Secretary of the Board.*

Announcements

FEDERAL RESERVE BANK BRANCH DIRECTORS

E. Stanley Robbins, who had served since January 1, 1970, as a Board-appointed Director of the Birmingham Branch of the Federal Reserve Bank of Atlanta, resigned effective June 30, 1972.

Wade C. Barton, who had served since January 1, 1972, as a Board-appointed Director of the Memphis Branch of the Federal Reserve Bank of St. Louis died on July 26, 1972. Mr. Barton was President of First Citizens National Bank, Tupelo, Mississippi.

John G. Beam, who had served since January 1, 1969, as a Board-appointed Director of the Louisville Branch of the Federal Reserve Bank of St. Louis, died on August 29, 1972. Mr. Beam was President of Thomas Industries Incorporated, of Louisville.

National Summary of Business Conditions

Released for publication September 18

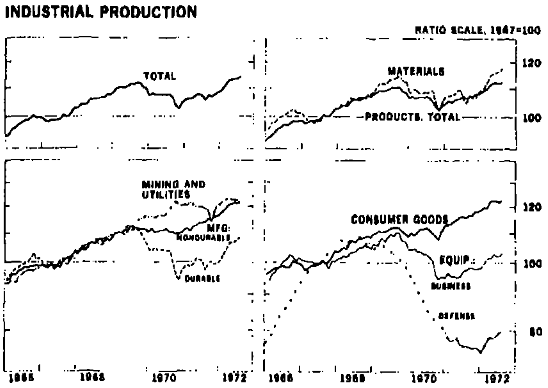
Industrial production, nonfarm employment, and retail sales advanced in August. The unemployment rate was about unchanged. The wholesale price index rose further. Commercial bank credit, the money stock, and time and savings deposits increased. Between mid-August and mid-September, yields on Treasury and municipal securities rose and yields on seasoned corporate securities remained relatively steady.

INDUSTRIAL PRODUCTION

Industrial production rose 0.5 per cent further in August to 114.3 per cent (1967=100), with gains in output general among final products and materials. The higher August level of the index reflected in part a pickup of production following the effects of the hurricane in late June. The July index was revised slightly upwards to 113.7. The total index in August was 8.2 per cent above a year earlier.

Auto assemblies, after allowance for the model changeovers, were at an 8.5 million unit annual rate in August, the same as in July. Among other consumer goods, production of some home goods and consumer nondurable goods also rose. Output in most business equipment industries increased and production of defense equipment advanced further. Gains continued in output of construction products and steel, and in the textile, paper, and chemical materials grouping.

INDUSTRIAL PRODUCTION



F.R. indexes, seasonally adjusted. Latest figures: August.

EMPLOYMENT

Nonfarm payroll employment rose in August, with advances in trade, services, State and local governments, and manufacturing. The average factory workweek edged up 0.1 hour to 40.7 hours. The unemployment rate was essentially unchanged at 5.6 per cent as the labor force increased considerably.

RETAIL SALES

The value of retail sales rose 1.5 per cent in August and was 9.5 per cent above a year earlier, according to the advance report. Sales at durable goods stores rose sharply from July, reflecting mainly strong gains in the automotive and the lumber-hardware-farm equipment groupings. Sales at nondurable goods stores were also higher.

WHOLESALE AND CONSUMER PRICES

The wholesale price index, seasonally adjusted, rose 0.6 per cent between July and August, as prices of farm and food products increased 1.4 per cent. The index of industrial commodities increased 0.4 per cent with important advances being posted for fuels, hides and skins, lumber and plywood, and motor vehicles and equipment.

The consumer price index rose 0.4 per cent in July, seasonally adjusted. Food prices were up 0.6 per cent, boosted by substantial advances for meats. Prices of other commodities and of services both increased 0.3 per cent.

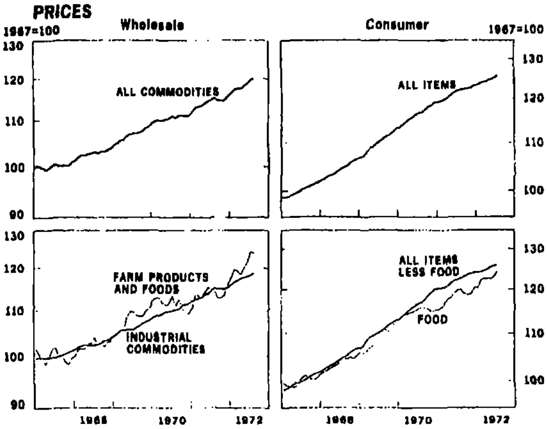
BANK CREDIT, DEPOSITS, AND RESERVES

Commercial bank credit, adjusted for transfers of loans between banks and their affiliates, increased rapidly in August—at an annual rate of about 18 per cent. Loan growth was very strong reflecting continued heavy borrowing in most major categories—business, real estate, consumer, and nonbank financial institutions. Holdings of municipal and Federal agency issues rose somewhat following little net change over the previous 2 months, but holdings of U.S. Treasury securities declined further, probably associated with a smaller-than-usual volume of Treasury financing.

The narrowly defined money stock increased at an annual rate of 6 per cent, much less rapidly than in July. U.S. Government deposits declined. Growth in time and savings deposits other than large negotiable CD's was at a faster pace than in July, but less rapid than earlier in the year. Sales of large negotiable CD's accelerated somewhat further.

Net borrowed reserves of member banks averaged about $180 million over the 5 weeks ending August 30 compared with $25 million in July. Member bank borrowings increased substantially further to an average level of about $370 million while excess reserves remained close to $190 million.

PRICES



Bureau of Labor Statistics. "Farm products and foods" is BLS "Farm products, and processed foods and feeds." Latest figures: Consumer, July; Wholesale, Aug.

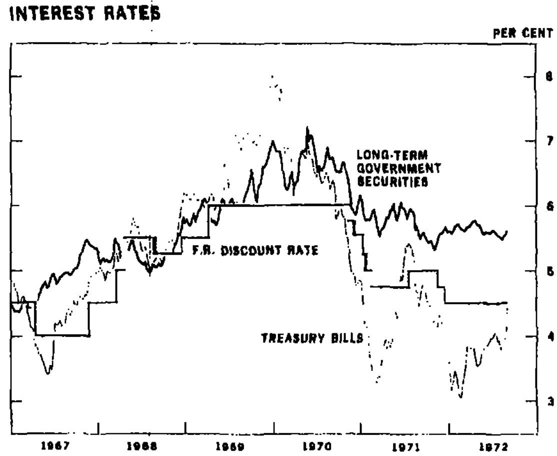
SECURITY MARKETS

Treasury bill rates rose by about 60 to 80 basis points between mid-August and mid-September. The 3-month bill was bid at around 4.70 per cent in the middle of September, up from 3.90 per cent a month earlier. Yields on U.S. Government notes and bonds advanced by some 10 to 35 basis points over the same period.

Yields on new corporate securities fluctuated narrowly from mid-August to mid-September, rising slightly on balance. Seasoned corporate security yields remained relatively steady. Municipal security rates rose steadily but leveled off in mid-September.

Common stock prices increased moderately on average to light volume.

INTEREST RATES



Discount rate, range or level for all F.R. Banks. Weekly average market yields for U.S. Govt. bonds maturing in 10 years or more and for 90-day Treasury bills. Latest figures: week ending Sept. 2.

Financial and Business Statistics

CONTENTS

Continued on next page

U.S. STATISTICS—Continued

INTERNATIONAL STATISTICS:

Guide to Tabular Presentation

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.

TABLES PUBLISHED QUARTERLY, SEMIANNUALLY, OR ANNUALLY, WITH LATEST BULLETIN REFERENCE

Statistical Releases

LIST PUBLISHED SEMIANNUALLY, WITH LATEST BULLETIN REFERENCE

RESERVES AND BORROWINGS OF MEMBER BANKS

(In millions of dollars)

Period	All member banks					Reserve city banks									
						New York City					City of Chicago				
	Reserves			Borrowings at F.R. Banks	Free reserves	Reserves			Borrowings at F.R. Banks	Free reserves	Reserves			Borrowings at F.R. Banks	Free reserves
	Total held	Required[1]	Excess			Total held	Required[1]	Excess			Total held	Required[1]	Excess		
1939—Dec.	11,473	6,462	5,011	3	5,008	5,623	3,012	2,611	....	2,611	1,141	601	540	....	540
1941—Dec.	12,812	9,422	3,390	5	3,385	5,142	4,153	989	....	989	1,143	848	295	....	295
1945—Dec.	16,027	14,536	1,491	334	1,157	4,118	4,070	48	192	−144	939	924	14	....	14
1950—Dec.	17,391	16,364	1,027	142	885	4,742	4,616	125	58	67	1,199	1,191	8	5	3
1960—Dec.	19,283	18,527	756	87	669	3,687	3,658	29	19	10	958	953	4	8	−4
1965—Dec.	22,719	22,267	452	454	−2	4,301	4,260	41	111	−70	1,143	1,128	15	23	−8
1967—Dec.	25,260	24,915	345	238	107	5,052	5,034	18	40	−22	1,225	1,217	8	13	−5
1968—Dec.	27,221	26,766	455	765	−310	5,157	5,057	100	230	−130	1,199	1,184	15	85	−70
1969—Dec.	28,031	27,774	257	1,086	−829	5,441	5,385	56	259	−203	1,285	1,267	18	27	−9
1970—Dec.	29,265	28,993	272	321	−49	5,623	5,589	34	25	9	1,329	1,322	7	4	3
1971—Aug.	30,455	30,257	198	804	−606	5,693	5,640	53	164	−111	1,417	1,410	7	7	....
Sept.	30,802	30,596	206	501	−295	5,683	5,674	9	38	−29	1,417	1,423	−6	4	−10
Oct.	30,860	30,653	207	360	−153	5,678	5,667	11	67	−56	1,425	1,408	17	15	2
Nov.	30,953	30,690	263	407	−144	5,644	5,608	36	107	−71	1,408	1,400	8	22	−14
Dec.	31,329	31,164	165	107	58	5,774	5,749	25	35	[6]−10	1,426	1,425	1	8	−7
1972—Jan.	32,865	32,692	173	20	153	6,066	6,058	8	....	8	1,503	1,512	−9	....	−9
Feb.	31,922	31,798	124	33	91	5,775	5,807	−32	5	−37	1,446	1,442	4	....	4
Mar.	31,921	31,688	233	99	134	5,815	5,758	57	71	−14	1,434	1,443	−9	4	−13
Apr.	32,565	32,429	136	109	27	5,938	5,940	−2	48	−50	1,482	1,476	6	5	1
May	32,812	32,708	104	119	−15	6,045	6,031	14	50	−36	1,514	1,505	9	12	−3
June	32,539	32,335	204	94	110	5,956	5,922	34	6	28	1,488	1,489	−1	....	−1
July	33,021	32,874	147	202	−55	6,129	6,097	32	15	17	1,510	1,502	8	6	2
Aug.[p]	33,155	32,894	261	439	−178	5,988	5,994	−6	117	−123	1,511	1,500	11	10	1
Week ending—															
1971—Aug. 4	30,894	30,460	434	764	−330	5,781	5,677	104	43	61	1,447	1,434	13	....	13
11	30,330	30,303	27	593	−566	5,625	5,699	−74	....	−74	1,419	1,431	−12	....	−12
18	30,605	30,381	224	1,179	−955	5,816	5,748	68	342	−274	1,416	1,412	4	31	−27
25	30,111	30,020	91	771	−680	5,456	5,522	−66	267	−333	1,387	1,383	4	....	4
1972—Feb. 2	32,435	32,190	245	16	229	5,936	5,880	56	....	56	1,460	1,451	9	....	9
9	31,892	31,842	50	42	8	5,733	5,825	−92	22	−114	1,439	1,445	−6	....	−6
16	32,257	31,946	311	18	293	6,078	5,895	183	....	183	1,450	1,466	−16	....	−16
23	31,823	31,693	130	14	116	5,686	5,789	−103	....	−103	1,453	1,427	26	....	26
Mar. 1	31,614	31,532	82	67	15	5,643	5,679	−36	....	−36	1,411	1,425	−14	....	−14
8	31,465	31,289	176	103	73	5,649	5,658	−9	99	−108	1,435	1,419	16	....	16
15	32,108	31,715	393	13	380	5,982	5,796	186	....	186	1,473	1,479	−6	....	−6
22	31,558	31,691	−133	115	−248	5,605	5,725	−120	95	−215	1,421	1,433	−12	4	−16
29	32,219	31,934	285	153	132	5,911	5,820	91	94	−3	1,442	1,436	6	14	−8
Apr. 5	32,604	32,230	374	141	233	5,991	5,933	58	86	−28	1,521	1,472	49	....	49
12	32,345	32,179	166	14	152	5,963	5,953	10	....	10	1,446	1,482	−36	....	−36
19	32,565	32,624	−59	43	−102	5,947	6,055	−108	23	−131	1,498	1,489	9	....	9
26	32,666	32,448	218	279	−61	5,913	5,824	89	124	−35	1,441	1,456	−15	23	−38
May 3	32,840	32,704	136	117	19	5,862	5,927	−65	60	−125	1,513	1,480	33	....	33
10	32,757	32,566	191	87	104	6,019	5,978	41	49	−8	1,486	1,506	−20	....	−20
17	33,157	32,963	194	39	155	6,223	6,218	5	21	−16	1,566	1,535	31	....	31
24	32,646	32,560	86	63	23	6,007	5,994	13	39	−26	1,443	1,491	−48	....	−48
31	32,814	32,726	88	254	−166	5,975	6,001	−26	51	−77	1,520	1,496	24	54	−30
June 7	32,677	32,346	331	58	273	6,020	5,931	89	....	89	1,490	1,491	−1	....	−1
14	32,417	32,308	109	94	15	5,889	5,920	−31	....	−31	1,506	1,491	15	....	15
21	32,596	32,384	212	59	153	6,047	5,975	72	18	54	1,492	1,497	−5	....	−5
28	32,301	32,177	124	129	−5	5,793	5,809	−16	6	−22	1,480	1,476	4	....	4
July 5	33,143	32,815	328	312	16	6,171	6,097	74	42	32	1,532	1,507	25	....	25
12	32,747	32,524	223	227	−4	6,014	5,991	23	....	23	1,484	1,485	−1	....	−1
19	33,295	33,148	147	173	−26	6,184	6,209	−25	....	−25	1,519	1,530	−11	....	−11
26	33,040	32,961	79	172	−93	6,123	6,124	−1	26	−27	1,501	1,489	12	26	−14
Aug. 2	33,139	32,897	242	363	−121	6,052	6,051	1	144	−143	1,485	1,498	−13	11	−24
9	33,133	33,003	130	287	−157	6,037	6,038	−1	39	−40	1,533	1,518	15	35	−20
16	33,326	33,072	254	382	−128	6,138	6,102	36	76	−40	1,503	1,516	−13	....	−13
23[p]	32,915	32,784	131	350	−219	5,889	5,935	−46	79	−125	1,496	1,486	10	....	10
30[p]	33,042	32,762	280	477	−197	5,981	5,900	81	85	−4	1,482	1,482	....	....	....

For notes see opposite page.

RESERVES AND BORROWINGS OF MEMBER BANKS—Continued

(In millions of dollars)

Other reserve city banks					Country banks					Period
Reserves			Borrowings at F.R. Banks	Free reserves	Reserves			Borrowings at F.R. Banks	Free reserves	
Total held	Required[1]	Excess			Total held	Required[1]	Excess			
3,140	1,953	1,188	....	1,188	1,568	897	671	3	668	1939—Dec.
4,317	3,014	1,303	1	1,302	2,210	1,406	804	4	800	1941—Dec.
6,394	5,976	418	96	322	4,576	3,566	1,011	46	965	1945—Dec.
6,689	6,458	232	50	182	4,761	4,099	663	29	634	1950—Dec.
7,950	7,851	100	20	80	6,689	6,066	623	40	583	1960—Dec.
9,056	8,989	67	228	−161	8,219	7,889	330	92	238	1965—Dec.
10,081	10,031	50	105	−55	8,901	8,634	267	80	187	1967—Dec.
10,990	10,900	90	270	−180	9,875	9,625	250	180	70	1968—Dec.
10,970	10,964	6	479	−473	10,335	10,158	177	321	−144	1969—Dec.
11,548	11,506	42	264	−222	10,765	10,576	189	28	161	1970—Dec.
11,871	11,883	−12	425	−437	11,474	11,324	150	208	−58	1971—Aug.
12,115	12,077	38	318	−280	11,587	11,422	165	141	24	Sept.
12,069	12,050	19	163	−144	11,688	11,528	160	115	45	Oct.
12,106	12,041	65	177	−112	11,795	11,641	154	101	53	Nov.
12,198	12,233	−35	22	−57	11,931	11,757	174	42	132	Dec.
12,954	12,941	13	....	13	12,342	12,181	161	20	141	1972—Jan.
12,578	12,573	5	12	−7	12,123	11,976	147	16	131	Feb.
12,559	12,533	26	9	17	12,113	11,954	159	15	144	Mar.
12,820	12,804	16	22	−6	12,325	12,209	116	34	82	Apr.
12,874	12,898	−24	31	−55	12,379	12,274	105	26	79	May
12,746	12,739	7	40	−33	12,349	12,185	164	48	116	June
12,849	12,890	−41	64	−105	12,533	12,385	148	117	31	July
13,007	12,908	99	134	−35	12,649	12,492	157	178	−21	Aug.[p]
										Week ending
12,094	11,973	121	429	−308	11,572	11,376	196	292	−96	1971—Aug. 4
11,856	11,898	−42	375	−417	11,430	11,275	155	218	−63	11
11,883	11,901	−18	545	−563	11,490	11,320	170	261	−91	18
11,798	11,788	10	372	−362	11,470	11,327	143	132	11	25
12,686	12,688	−2	....	−2	12,353	12,171	182	16	166	1972—Feb. 2
12,577	12,567	10	....	10	12,143	12,005	138	20	118	9
12,602	12,636	−34	1	−35	12,127	11,949	178	17	161	16
12,583	12,537	46	....	46	12,101	11,940	161	14	147	23
12,464	12,492	−28	57	−85	12,096	11,936	160	10	150	Mar. 1
12,396	12,384	12	....	12	11,985	11,828	157	4	153	8
12,605	12,554	51	2	49	12,048	11,886	162	11	151	15
12,465	12,539	−74	8	−82	12,067	11,994	73	8	65	22
12,651	12,609	42	21	21	12,215	12,069	146	24	122	29
12,804	12,718	86	....	86	12,288	12,107	181	55	126	Apr. 5
12,740	12,705	35	....	35	12,196	12,039	157	14	143	12
12,816	12,903	−87	8	−95	12,304	12,177	127	12	115	19
12,865	12,827	38	86	−48	12,447	12,341	106	46	60	26
12,894	12,866	28	2	26	12,571	12,431	140	55	85	May 3
12,815	12,804	11	19	−8	12,437	12,278	159	19	140	10
12,966	12,983	−17	4	−21	12,402	12,227	175	14	161	17
12,884	12,850	34	8	26	12,312	12,225	87	16	71	24
12,920	12,966	−46	106	−152	12,399	12,263	136	43	93	31
12,867	12,791	76	20	56	12,300	12,133	167	38	129	June 7
12,772	12,792	−20	44	−64	12,250	12,105	145	50	95	14
12,712	12,706	6	12	−6	12,345	12,206	139	29	110	21
12,642	12,639	3	67	−64	12,386	12,253	133	56	77	28
12,924	12,846	78	126	−48	12,516	12,365	151	144	7	July 5
12,827	12,814	13	78	−65	12,422	12,234	188	149	39	12
13,046	13,057	−11	64	−75	12,546	12,352	194	109	85	19
12,783	12,849	−66	33	−99	12,633	12,499	134	87	47	26
12,942	12,870	72	96	−24	12,660	12,478	182	112	70	Aug. 2
12,982	13,005	−23	95	−118	12,581	12,442	139	118	21	9
13,039	12,990	49	170	−121	12,646	12,464	182	136	46	16
12,894	12,844	50	95	−45	12,636	12,519	117	176	−59	23[p]
12,875	12,829	46	120	−74	12,704	12,551	153	272	−119	30[p]

[1] Beginning Sept. 12, 1968, amount is based on close-of-business figures for reserve period 2 weeks previous to report date.

NOTE.—*Averages of daily figures.* Monthly data are averages of daily figures within the calendar month; they are not averages of the 4 or 5 weeks ending on Wed. that fall within the month. Beginning with Jan. 1964 reserves are estimated except for weekly averages.

Total reserves held: Based on figures at close of business through Nov. 1959; thereafter on closing figures for balances with F.R. Banks and opening figures for allowable cash; see also note 3 to preceding table.

Required reserves: Based on deposits as of opening of business each day.

Borrowings at F.R. Banks: Based on closing figures.

BASIC RESERVE POSITION, AND FEDERAL FUNDS AND RELATED TRANSACTIONS

(In millions of dollars, except as noted)

Reporting banks and week ending—	Basic reserve position					Interbank Federal funds transactions					Related transactions with U.S. Govt. securities dealers		
	Excess reserves[1]	Less—		Net—		Gross transactions		Total two-way transactions[2]	Net transactions		Loans to dealers[3]	Borrowings from dealers[4]	Net loans
		Borrowings at F.R. Banks	Net interbank Federal funds trans.	Surplus or deficit	Per cent of avg. required reserves	Purchases	Sales		Purchases of net buying banks	Sales of net selling banks			
Total—46 banks													
1972—July 5	170	113	4,735	−4,678	34.0	11,315	6,580	3,952	7,363	2,628	1,707	437	1,270
12	66	....	6,405	−6,340	46.5	12,440	6,035	4,018	8,423	2,018	1,721	344	1,377
19	65	30	5,583	−5,548	39.5	12,117	6,534	3,965	8,152	2,569	1,293	526	768
26	19	64	5,259	−5,304	38.4	11,856	6,597	3,921	7,935	2,675	1,592	513	1,079
August 2	35	213	5,211	−5,389	39.1	11,724	6,513	4,320	7,404	2,193	1,650	548	1,102
9	67	77	7,016	−7,027	50.8	13,343	6,327	4,173	9,170	2,153	1,943	659	1,284
16	73	96	6,959	−6,982	50.3	13,724	6,765	4,468	9,256	2,297	2,148	644	1,504
23	8	79	7,067	−7,139	52.5	13,524	6,457	4,680	8,844	1,777	1,873	415	1,458
30	62	166	5,766	−5,870	43.3	12,357	6,590	4,426	7,931	2,164	1,624	328	1,296
8 in New York City													
1972—July 5	83	42	2,713	−2,673	49.2	3,442	728	710	2,732	19	1,182	58	1,124
12	39	....	3,215	−3,176	60.2	3,824	609	609	3,215	....	1,268	53	1,215
19	30	....	2,876	−2,846	51.4	3,693	817	743	2,950	73	854	49	805
26	17	23	3,224	−3,230	59.2	3,886	663	663	3,224	....	1,138	43	1,096
August 2	18	132	2,621	−2,736	50.7	3,590	969	969	2,621	....	1,158	47	1,111
9	20	39	4,334	−4,353	80.9	4,985	651	650	4,334	....	1,411	51	1,360
16	52	69	4,359	−4,375	80.2	4,978	619	619	4,359	....	1,610	72	1,538
23	−37	79	3,742	−3,859	72.9	4,489	747	747	3,742	....	1,220	68	1,152
30	61	85	3,297	−3,321	63.2	4,075	778	758	3,317	21	1,247	64	1,183
38 outside New York City													
1972—July 5	88	70	2,022	−2,005	24.1	7,874	5,852	3,242	4,631	2,609	525	379	146
12	27	....	3,190	−3,163	37.8	8,616	5,426	3,409	5,208	2,018	453	291	162
19	35	30	2,707	−2,702	31.7	8,424	5,717	3,222	5,202	2,496	439	477	−38
26	2	41	2,035	−2,075	24.8	7,970	5,935	3,259	4,711	2,675	454	470	−17
August 2	17	81	2,590	−2,654	31.7	8,134	5,544	3,352	4,782	2,193	492	501	−9
9	46	38	2,682	−2,674	31.6	8,358	5,676	3,523	4,835	2,153	533	608	−76
16	20	27	2,600	−2,607	30.9	8,746	6,145	3,849	....	2,297	538	572	−34
23	45	....	3,324	−3,280	39.5	9,035	5,710	3,934	5,101	1,777	653	347	306
30	2	82	2,470	−2,550	30.8	8,282	5,812	3,668	4,614	2,144	377	264	113
5 in City of Chicago													
1972—July 5	30	....	1,614	−1,584	115.1	2,166	552	528	1,638	24	259	....	259
12	7	....	1,926	−1,919	141.3	2,524	598	585	1,939	13	291	....	291
19	−3	....	1,555	−1,558	111.4	2,298	743	649	1,649	94	203	....	203
26	3	26	1,458	−1,481	108.7	2,154	696	590	1,564	106	214	....	214
August 2	−2	11	1,551	−1,564	114.2	2,264	713	620	1,644	93	235	....	235
9	58	35	1,658	−1,687	121.6	2,403	745	702	1,701	43	291	....	291
16	6	....	1,708	−1,703	122.8	2,424	716	678	1,746	38	295	....	295
23	7	....	1,522	−1,515	111.6	2,372	850	802	1,570	48	210	....	210
30	−1	....	1,130	−1,131	83.6	2,102	973	869	1,233	103	161	....	161
33 others													
1972—July 5	58	70	408	−420	6.1	5,708	5,300	2,714	2,993	2,586	266	379	−113
12	20	....	1,264	−1,244	17.8	6,092	4,828	2,824	3,269	2,005	162	291	−130
19	38	30	1,152	−1,143	16.1	6,126	4,974	2,573	3,553	2,402	237	477	−240
26	−2	15	577	−594	8.5	5,816	5,239	2,668	3,148	2,570	240	470	−230
August 2	−19	70	1,039	−1,090	15.6	5,870	4,831	2,732	3,138	2,099	257	501	−244
9	41	3	1,024	−986	14.0	5,955	4,931	2,821	3,135	2,110	241	608	−367
16	15	27	892	−904	12.8	6,322	5,430	3,171	3,151	2,259	243	572	−329
23	38	....	1,803	−1,765	25.4	6,663	4,860	3,131	3,532	1,729	443	347	96
30	3	82	1,340	−1,419	20.5	6,180	4,840	2,799	3,381	2,040	216	264	−48

1 Based upon reserve balances, including all adjustments applicable to the reporting period. Prior to Sept. 25, 1968, carryover reserve deficiencies, if any, were deducted. Excess reserves for later periods are net of all carryover reserves.

2 Derived from averages for individual banks for entire week. Figure for each bank indicates extent to which the bank's weekly average purchases and sales are offsetting.

3 Federal funds loaned, net funds supplied to each dealer by clearing banks, repurchase agreements (purchases of securities from dealers subject to resale), or other lending arrangements.

4 Federal funds borrowed, net funds acquired from each dealer by clearing banks, reverse repurchase agreements (sales of securities to dealers subject to repurchase), resale agreements, and borrowings secured by Govt. or other issues.

NOTE.—Weekly averages of daily figures. For description of series and back data, see Aug. 1964 BULLETIN, pp. 944–74.

CURRENT RATES

(Per cent per annum)

Federal Reserve Bank	Loans to member banks						Loans to all others under last par. Sec. 13[3]		
	Under Secs. 13 and 13a[1]			Under Sec. 10(b)[2]					
	Rate on Aug. 31, 1972	Effective date	Previous rate	Rate on Aug. 31, 1972	Effective date	Previous rate	Rate on Aug. 31, 1972	Effective date	Previous rate
Boston	4½	Dec. 13, 1971	4¾	5	Dec. 13, 1971	5¼	6½	Dec. 13, 1971	6¾
New York	4½	Dec. 17, 1971	4¾	5	Dec. 17, 1971	5¼	6½	Dec. 17, 1971	6¾
Philadelphia	4½	Dec. 17, 1971	4¾	5	Dec. 17, 1971	5¼	6½	Dec. 17, 1971	6¾
Cleveland	4½	Dec. 17, 1971	4¾	5	Dec. 17, 1971	5¼	6½	Dec. 17, 1971	6¾
Richmond	4½	Dec. 24, 1971	4¾	5	Dec. 24, 1971	5¼	6½	Dec. 24, 1971	6¾
Atlanta	4½	Dec. 23, 1971	4¾	5	Dec. 23, 1971	5¼	6½	Dec. 23, 1971	6¾
Chicago	4½	Dec. 17, 1971	4¾	5	Dec. 17, 1971	5¼	6½	Dec. 17, 1971	6¾
St. Louis	4½	Dec. 13, 1971	4¾	5	Dec. 13, 1971	5¼	6½	Dec. 13, 1971	6¾
Minneapolis	4½	Dec. 23, 1971	4¾	5	Dec. 23, 1971	5¼	6½	Dec. 23, 1971	6¾
Kansas City	4½	Dec. 13, 1971	4¾	5	Dec. 13, 1971	5¼	6½	Dec. 13, 1971	6¾
Dallas	4½	Dec. 24, 1971	4¾	5	Dec. 24, 1971	5¼	6½	Dec. 24, 1971	6¾
San Francisco	4½	Dec. 13, 1971	4¾	5	Dec. 13, 1971	5¼	6½	Dec. 13, 1971	6¾

[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. Maximum maturity: 90 days except that discounts of certain bankers' acceptances and of agricultural paper may have maturities not over 6 months and 9 months, respectively.

[2] Advances secured to the satisfaction of the F.R. Bank. Maximum maturity: 4 months.

[3] 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. Maximum maturity: 90 days.

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, 1954	1½	1½
1955—Apr. 14	1½–1¾	1½
15	1½–1¾	1¾
May 2	1¾	1¾
Aug. 4	1¾–2¼	1¾
5	1¾–2¼	2
12	2 –2¼	2
Sept. 9	2 –2¼	2¼
13	2¼	2¼
Nov. 18	2¼–2½	2½
23	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

Effective date	Range (or level)—All F.R. Banks	F.R. Bank of N.Y.
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

Effective date	Range (or level)—All F.R. Banks	F.R. Bank of N.Y.
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
Nov. 11	4¾–5	5
19	4¾	4¾
Dec. 13	4½–4¾	4¾
17	4½–4¾	4½
24	4½	4½
In effect Aug. 31, 1972	4½	4½

NOTE.—Rates under Secs. 13 and 13a (as described in table and notes above). For data before 1955, see *Banking and Monetary Statistics*, 1943, pp. 439–42, and Supplement to Section 12, p. 31.

RESERVE REQUIREMENTS OF MEMBER BANKS

(Per cent of deposits)

Dec. 31, 1949, through July 13, 1966

Effective date [1]	Net demand deposits [2,7]: Central reserve city banks	Net demand deposits [2,7]: Reserve city banks	Net demand deposits [2,7]: Country banks	Time deposits (all classes of banks)
In effect Dec. 31, 1949	22	18	12	5
1951—Jan. 11, 16	23	19	13	6
Jan. 25, Feb. 1	24	20	14	....
1953—July 9, 1	22	19	13	....
1954—June 24, 16	21	....	....	5
July 29, Aug. 1	20	18	12	....
1958—Feb. 27, Mar. 1	19½	17½	11½	....
Mar. 20, Apr. 1	19	17	11	....
Apr. 17	18½	....	....	....
Apr. 24	18	16½	....	....
1960—Sept. 1	17½	....	....	....
Nov. 24	....	....	12	....
Dec. 1	16½	....	....	....
1962—July 28	(3)	....	....	....
Oct. 25, Nov. 1	....	....	....	4

Beginning July 14, 1966

Effective date [1]	Net demand deposits [2,4,7]: Reserve city banks: Under $5 million	Reserve city banks: Over $5 million	Country banks: Under $5 million	Country banks: Over $5 million	Time deposits [4,5] (all classes of banks): Savings deposits	Other time deposits: Under $5 million	Other time deposits: Over $5 million
1966—July 14, 21	[6] 16½		[6] 12		[6] 4	[6] 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
In effect Aug. 31, 1972	17	17½	12½	13	3	3	5
Present legal requirement:							
Minimum	10		7		3	3	3
Maximum	22		14		10	10	10

[1] When two dates are shown, the first applies to the change at central reserve or reserve city banks and the second to the change at country banks. For changes prior to 1950 see Board's Annual Reports.

[2] Demand deposits subject to reserve requirements are gross demand deposits minus cash items in process of collection and demand balances due from domestic banks.

[3] Authority of the Board of Governors to classify or reclassify cities as central reserve cities was terminated effective July 28, 1962.

[4] Since Oct. 16, 1969, member banks have been required under Regulation M to maintain reserves against balances above a specified base due from domestic offices to their foreign branches. Effective Jan. 7, 1971, the applicable reserve percentage was increased from the original 10 per cent to 20 per cent. Regulation D imposes a similar reserve requirement on borrowings above a specified base from foreign banks by domestic offices of a member bank. For details concerning these requirements, see Regulations D and M and appropriate supplements and amendments thereto.

[5] Effective Jan. 5, 1967, time deposits such as Christmas and vacation club accounts became subject to same requirements as savings deposits.

[6] See preceding columns for earliest effective date of this rate.

[7] For amendment to Regulation D which will change structure of member bank reserve requirements effective with the weekly period beginning Sept. 21, 1972, see "Announcements" beginning on p. 679 of the July 1972 BULLETIN.

NOTE.—All required reserves were held on deposit with F.R. Banks June 21, 1917, until Dec. 1959. From Dec. 1959 to Nov. 1960, member banks were allowed to count part of their currency and coin as reserves; effective Nov. 24, 1960, they were allowed to count all as reserves. For further details, see Board's Annual Reports.

MARGIN REQUIREMENTS

(Per cent of market value)

Period: Beginning date	Period: 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	On margin stocks: U	On margin stocks: G	On convertible bonds: T	On convertible bonds: U	On convertible bonds: 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
Effective Dec. 6, 1971			55			50		55

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.

MAXIMUM INTEREST RATES PAYABLE ON TIME AND SAVINGS DEPOSITS

(Per cent per annum)

Rates Jan. 1, 1962—July 19, 1966

Type of deposit	Effective date: Jan. 1, 1962	July 17, 1963	Nov. 24, 1964	Dec. 6, 1965
Savings deposits: [1]				
12 months or more	4	4	4	4
Less than 12 months	3½	3½		
Other time deposits: [2]				
12 months or more	4			
6 months to 12 months	3½	4	4½	5½
90 days to 6 months	2½			
Less than 90 days (30–89 days)	1	1	4	

Rates beginning July 20, 1966

Type 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: [2]				
Multiple maturity: [3]				
30–89 days	4	4	4	4½
90 days–1 year				5
1 year to 2 years	5	5	5	5½
2 years and over				5¾
Single-maturity:				
Less than $100,000:				
30 days to 1 year				5
1 year to 2 years	5½	5	5	5½
2 years and over				5¾
$100,000 and over:				
30–59 days			5½	(4)
60–89 days			5¾	(4)
90–179 days	5½	5½	6	6¾
180 days to 1 year			6¼	7
1 year or more				7½

[1] Closing date for the Postal Savings System was Mar. 28, 1966. Maximum rates on postal savings accounts coincided with those on savings deposits.

[2] For exceptions with respect to certain foreign time deposits, see BULLETINS for Oct. 1962, p. 1279; Aug. 1965, p. 1084; and Feb. 1968, p. 167.

[3] 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.

[4] The rates in effect beginning Jan. 21 through June 23, 1970, were 6¼ per cent on maturities of 30–59 days and 6½ per cent on maturities of 60–89 days. Effective June 24, 1970, maximum interest rates on these maturities were suspended until further notice.

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.

DEPOSITS, CASH, AND RESERVES OF MEMBER BANKS

(In millions of dollars)

Item	All member banks	Reserve city banks: New York City	City of Chicago	Other	Country banks
	Four weeks ending June 14, 1972				
Gross demand—Total	196,077	41,147	8,108	70,345	76,477
Interbank	25,252	11,481	1,360	9,314	3,097
U.S. Govt.	6,142	948	252	2,481	2,461
Other	164,682	28,718	6,496	58,550	70,919
Net demand [1]	149,937	26,506	6,429	53,178	63,825
Time	224,607	27,779	8,170	81,710	106,947
Demand balances due from domestic banks	13,424	3,616	147	2,725	6,936
Currency and coin	5,468	442	103	1,716	3,206
Balances with F.R. Banks	27,171	5,531	1,387	11,145	9,109
Total reserves held	32,639	5,973	1,490	12,861	12,315
Required	*32,485*	*5,962*	*1,492*	*12,850*	*12,182*
Excess	*154*	*11*	*−2*	*11*	*133*

Item	All member banks	Reserve city banks: New York City	City of Chicago	Other	Country banks
	Four weeks ending July 12, 1972				
Gross demand—Total	202,732	43,143	8,156	72,656	78,778
Interbank	26,670	12,169	1,414	9,778	3,309
U.S. Govt.	6,434	996	238	2,730	2,471
Other	169,629	29,979	6,505	60,148	72,997
Net demand [1]	153,361	27,666	6,420	54,160	65,116
Time	225,532	27,702	8,493	81,709	107,628
Demand balances due from domestic banks	13,955	3,619	132	2,869	7,335
Currency and coin	5,583	458	109	1,743	3,271
Balances with F.R. Banks	27,114	5,548	1,388	11,033	9,147
Total reserves held	32,697	6,006	1,497	12,776	12,418
Required	*32,475*	*5,968*	*1,491*	*12,751*	*12,265*
Excess	*222*	*38*	*6*	*25*	*153*

[1] Demand deposits subject to reserve requirements are gross demand deposits minus cash items in process of collection and demand balances due from domestic banks.

NOTE.—Averages of daily figures, close of business.

CONSOLIDATED STATEMENT OF CONDITION OF ALL FEDERAL RESERVE BANKS

(In millions of dollars)

Item	Wednesday					End of month		
	1972					1972		1971
	Aug. 30	Aug. 23	Aug. 16	Aug. 9	Aug. 2	Aug. 31	July 31	Aug. 31
Assets								
Gold certificate account	10,303	10,303	10,303	10,303	10,303	10,303	10,303	9,875
Special Drawing Rights certificate account	400	400	400	400	400	400	400	400
Cash	324	328	325	323	322	327	324	280
Loans:								
Member bank borrowings	1,330	878	535	842	1,271	1,091	83	858
Other	....	....	....	....	....	....	....	....
Acceptances:								
Bought outright	67	67	68	65	63	66	63	52
Held under repurchase agreements	58	....	77	97	55	30	....	55
Federal agency obligations:								
Bought outright	1,076	1,169	1,169	1,169	1,041	1,076	1,079	....
Held under repurchase agreements	118	....	29	3	48	74	....	69
U.S. Govt. securities:								
Bought outright:								
Bills	30,099	29,581	30,764	30,686	30,725	29,814	30,724	28,937
Certificates—Special	....	....	....	....	....	....	....	....
Other	....	....	....	....	....	....	....	....
Notes	36,703	36,703	36,607	36,596	36,596	36,703	36,596	34,513
Bonds	3,511	3,511	3,491	3,502	3,502	3,511	3,502	3,185
Total bought outright	[1] 70,313	[1,2] 69,795	[1] 70,862	[1] 70,784	[1] 70,823	[1] 70,028	[1] 70,822	66,635
Held under repurchase agreements	526	....	649	609	632	712	....	233
Total U.S. Govt. securities	70,839	69,795	71,511	71,393	71,455	70,740	70,822	66,868
Total loans and securities	73,488	71,909	73,389	73,569	73,933	73,077	72,047	67,902
Cash items in process of collection	p10,526	p11,182	p13,382	p11,204	p11,930	p9,948	9,968	9,232
Bank premises	164	165	164	164	164	164	164	142
Other assets:								
Denominated in foreign currencies	34	25	14	14	7	34	7	23
IMF gold deposited [3]	....	....	....	....	....	....	....	144
All other	568	537	498	1,142	1,062	576	1,097	477
Total assets	p95,807	p94,849	p98,475	p97,119	p98,121	p94,829	94,310	88,475
Liabilities								
F.R. notes	55,145	55,160	55,408	55,430	55,102	55,120	54,897	51,887
Deposits:								
Member bank reserves	p28,611	p26,908	p28,426	p28,224	p29,080	p28,198	26,185	25,467
U.S. Treasurer—General account	1,406	1,919	1,792	2,473	2,137	1,727	2,298	987
Foreign	168	187	171	156	168	192	160	122
Other:								
IMF gold deposited [3]	....	....	....	....	....	....	....	144
All other	602	573	658	562	690	592	620	525
Total deposits	p30,787	p29,587	p31,047	p31,415	p32,075	p30,709	29,263	27,245
Deferred availability cash items	7,473	7,787	9,754	8,069	8,524	6,580	7,744	6,982
Other liabilities and accrued dividends	577	554	570	573	575	587	577	617
Total liabilities	p93,982	p93,088	p96,779	p95,487	p96,276	p92,996	92,481	86,731
Capital accounts								
Capital paid in	778	777	775	775	773	778	775	731
Surplus	742	742	742	742	742	742	742	702
Other capital accounts	305	242	179	115	330	313	312	311
Total liabilities and capital accounts	p95,807	p94,849	p98,475	p97,119	p98,121	p94,829	94,310	88,475
Contingent liability on acceptances purchased for foreign correspondents	287	286	267	265	263	287	263	245
Marketable U.S. Govt. securities held in custody for foreign and international accounts	30,551	30,671	30,580	30,260	29,923	30,337	29,804	20,351

Federal Reserve Notes—Federal Reserve Agents' Accounts

Item	Aug. 30	Aug. 23	Aug. 16	Aug. 9	Aug. 2	Aug. 31	July 31	Aug. 31
F.R. notes outstanding (issued to Bank)	59,047	59,105	59,021	58,917	58,854	59,088	58,917	55,161
Collateral held against notes outstanding:								
Gold certificate account	1,945	1,945	1,945	1,945	1,945	1,945	1,945	3,190
U.S. Govt. securities	58,365	58,365	58,165	58,065	58,055	58,365	58,055	53,440
Total collateral	60,310	60,310	60,110	60,010	60,000	60,310	60,000	56,630

[1] See note 6 on p. A-5.
[2] See note 7 on p. A-5.
[3] See note 1(b) to table at top of p. A-77.

STATEMENT OF CONDITION OF EACH FEDERAL RESERVE BANK ON AUGUST 31, 1972

(In millions of dollars)

Item	Total	Boston	New York	Phila-delphia	Cleve-land	Rich-mond	Atlanta	Chi-cago	St. Louis	Minne-apolis	Kan-sas City	Dallas	San Fran-cisco
Assets													
Gold certificate account	10,303	593	2,182	734	876	796	413	2,129	392	156	475	513	1,044
Special Drawing Rights certif. acct.	400	23	93	23	33	36	22	70	15	7	15	14	49
F.R. notes of other banks	1,227	188	219	53	55	119	243	55	38	36	70	50	101
Other cash	327	18	25	12	36	40	36	45	19	7	38	14	37
Loans:													
Secured by U.S. Govt. and agency obligations	1,091	135	744	1	6	58	46	72	5	3	2	5	14
Other	......	......	......	......	......	......	......	......	......	......	......	......	......
Acceptances:													
Bought outright	66	......	66	......	......	......	......	......	......	......	......	......	......
Held under repurchase agreements	30	......	30	......	......	......	......	......	......	......	......	......	......
Federal agency obligations:													
Bought outright	1,076	48	277	57	83	80	58	173	40	22	44	49	145
Held under repurchase agreements	74	......	74	......	......	......	......	......	......	......	......	......	......
U.S. Govt. securities:													
Bought outright	[1]70,028	3,135	17,996	3,719	5,378	5,204	3,803	11,259	2,613	1,408	2,883	3,180	9,450
Held under repurchase agreements	712	......	712	......	......	......	......	......	......	......	......	......	......
Total loans and securities	73,077	3,318	19,899	3,777	5,467	5,342	3,907	11,504	2,658	1,433	2,929	3,234	9,609
Cash items in process of collection	13,404	781	2,228	794	933	1,107	1,481	2,059	694	524	905	874	1,024
Bank premises	164	2	8	4	28	13	16	17	15	25	17	12	7
Other assets:													
Denominated in foreign currencies	34	2	[2]9	2	3	2	2	5	1	1	1	2	4
All other	576	49	168	28	37	40	28	75	19	12	21	23	76
Total assets	99,512	4,974	24,831	5,427	7,468	7,495	6,148	15,959	3,851	2,201	4,471	4,736	11,951
Liabilities													
F.R. notes	56,347	2,955	14,000	3,327	4,480	4,931	2,841	9,603	2,191	975	2,195	2,172	6,677
Deposits:													
Member bank reserves	28,198	1,144	7,543	1,323	1,853	1,455	1,862	4,146	965	655	1,294	1,722	4,236
U.S. Treasurer—General account	1,727	80	468	79	129	122	127	121	80	91	156	76	198
Foreign	192	7	[3]74	8	14	8	11	24	5	4	7	9	21
Other:													
All other	592	3	531	4	1	15	5	3	1	......	2	3	24
Total deposits	30,709	1,234	8,616	1,414	1,997	1,600	2,005	4,294	1,051	750	1,459	1,810	4,479
Deferred availability cash items	10,036	678	1,572	562	783	821	1,149	1,687	526	424	717	633	484
Other liabilities and accrued dividends	587	27	167	31	44	41	33	90	21	12	22	25	74
Total liabilities	97,679	4,894	24,355	5,334	7,304	7,393	6,028	15,674	3,789	2,161	4,393	4,640	11,714
Capital accounts													
Capital paid in	778	34	201	39	71	41	54	120	26	18	33	42	99
Surplus	742	34	193	38	68	38	50	111	25	17	32	41	95
Other capital accounts	313	12	82	16	25	23	16	54	11	5	13	13	43
Total liabilities and capital accounts	99,512	4,974	24,831	5,427	7,468	7,495	6,148	15,959	3,851	2,201	4,471	4,736	11,951
Contingent liability on acceptances purchased for foreign correspondents	287	13	[4]75	15	26	15	19	43	10	6	12	16	37
Federal Reserve Notes—Federal Reserve Agents' Accounts													
F.R. notes outstanding (issued to Bank)	59,088	3,167	14,730	3,406	4,655	5,129	3,072	9,871	2,308	1,017	2,289	2,310	7,134
Collateral held against notes outstanding:													
Gold certificate account	1,945	150	......	300	350	285	......	700	155	......	......	5	......
U.S. Govt. securities	58,365	3,050	14,850	3,250	4,400	4,915	3,150	9,300	2,230	1,040	2,400	2,380	7,400
Total collateral	60,310	3,200	14,850	3,550	4,750	5,200	3,150	10,000	2,385	1,040	2,400	2,385	7,400

[1] See note 6 on page A-5.

[2] After deducting $25 million participations of other Federal Reserve Banks.

[3] After deducting $118 million participations of other Federal Reserve Banks.

[4] After deducting $212 million participations of other Federal Reserve Banks.

NOTE.—Some figures for cash items in process of collection and for member bank reserves are preliminary.

TRANSACTIONS OF THE SYSTEM OPEN MARKET ACCOUNT

(In millions of dollars)

Month	Outright transactions in U.S. Govt. securities, by maturity											
	Total			Treasury bills			Others within 1 year			1–5 years		
	Gross purchases	Gross sales	Redemptions	Gross purchases	Gross sales	Redemptions	Gross purchases	Gross sales	Exch., maturity shifts, or redemptions	Gross purchases	Gross sales	Exch. or maturity shifts
1971—July	2,067	1,617	127	2,067	1,617	127	....	....	....	....	....	....
Aug.	1,818	1,024	....	1,709	1,024	....	....	....	991	84	....	−444
Sept.	2,102	1,088	83	1,818	1,088	83	46	....	104	189	....	−104
Oct.	772	1,133	....	772	1,133	....	....	....	....	....	....	....
Nov.	1,883	1,070	200	1,129	1,070	200	24	....	−3,548	406	....	1,478
Dec.	3,160	1,981	....	3,055	1,981	....	11	....	130	21	....	−130
1972—Jan.	915	248	110	499	248	110	16	....	....	187	....	....
Feb.	2,036	3,481	410	1,894	3,481	410	10	....	1,301	73	....	959
Mar.	2,009	298	155	1,829	298	155	11	....	....	92	....	....
Apr.	2,666	1,478	135	2,254	1,478	133	7	....	−2	255	....	....
May	475	291	....	475	291	....	....	....	2,626	....	....	−2,626
June	1,294	335	96	1,094	335	6	2	....	−90	69	....	....
July	2,753	3,286	....	2,753	3,286	....	....	....	....	....	....	....

Month	Outright transactions in U.S. Govt. securities—Continued						Repurchase agreements (U.S. Govt. securities)		Net change in U.S. Govt. securities	Federal agency obligations (net)		Bankers' acceptances		Net change[1]
	5–10 years			Over 10 years										
	Gross purchases	Gross sales	Exch. or maturity shifts	Gross purchases	Gross sales	Exch. or maturity shifts	Gross purchases	Gross sales		Outright	Repurchase agreements	Outright, net	Under repurchase agreements, net	
1971—July	....	....	....	....	....	....	3,044	3,044	323	....	....	−7	....	316
Aug.	16	....	−547	8	....	....	2,184	1,951	1,027	....	69	−3	55	1,148
Sept.	34	....	....	14	....	....	3,697	3,930	698	61	−69	−1	−55	634
Oct.	....	....	....	....	....	....	2,616	2,616	−361	35	....	1	....	−326
Nov.	267	....	1,920	58	....	150	5,003	5,003	613	244	....	6	....	862
Dec.	67	....	....	6	....	....	4,830	3,607	2,401	145	101	22	181	2,850
1972—Jan.	191	....	....	23	....	....	4,722	5,945	−666	165	−101	−4	−181	−787
Feb.	52	....	−2,260	8	....	....	1,694	1,694	−1,854	77	....	−12	....	−1,789
Mar.	31	....	....	47	....	....	2,695	2,022	2,229	83	16	19	61	2,408
Apr.	126	....	....	23	....	....	2,625	3,298	380	169	−16	1	−61	472
May	....	....	....	....	....	....	1,115	....	1,299	....	25	−4	65	1,386
June	109	....	....	20	....	....	211	1,326	−251	+127	−25	−6	−65	−221
July	....	....	....	....	....	....	1,736	1,736	−333	−26	....	−10	....	−570

[1] 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.

CONVERTIBLE FOREIGN CURRENCIES HELD BY FEDERAL RESERVE BANKS

(In millions of U.S. dollar equivalent)

End of period	Total	Pounds sterling	Austrian schillings	Belgian francs	Canadian dollars	Danish kroner	French francs	German marks	Italian lire	Japanese yen	Netherlands guilders	Swiss francs
1968—Dec.	2,061	1,444	....	8	3	....	433	165	1	1	4	3
1969—Dec.	1,967	1,575	....	1	*	....	199	60	125	1	3	4
1970—Dec.	257	154	....	*	*	....	....	98	....	1	*	4
1971—May	94	*	....	1	*	....	....	87	....	1	....	5
June	96	*	....	2	*	....	....	87	....	1	....	6
July	23	*	....	2	*	....	....	12	....	1	....	8
Aug.	23	*	....	2	*	....	....	12	....	1	....	8
Sept.	23	*	....	2	*	....	....	12	....	1	....	8
Oct.	30	*	....	9	*	....	....	12	....	1	....	8
Nov.	15	*	....	4	*	....	....	2	....	1	....	8
Dec.	18	3	....	3	*	....	....	2	....	1	....	8
1972—Jan.	17	3	....	3	*	....	....	2	....	1	....	8
Feb.	17	3	....	3	*	....	....	2	....	1	....	8
Mar.	17	3	....	3	*	....	....	2	....	1	....	8
Apr.	17	3	....	3	*	....	....	2	....	1	....	8
May	57	3	....	*	*	....	....	2	....	1	....	50

MATURITY DISTRIBUTION OF LOANS AND U.S. GOVERNMENT SECURITIES HELD BY FEDERAL RESERVE BANKS

(In millions of dollars)

Item	Wednesday					End of month		
	1972					1972		1971
	Aug. 30	Aug. 23	Aug. 16	Aug. 9	Aug. 2	Aug. 31	July 31	Aug. 31
Loans—Total	1,330	878	535	843	1,273	1,091	83	858
Within 15 days	1,330	878	534	842	1,272	1,090	81	857
16 days to 90 days	....	....	1	1	1	1	2	1
91 days to 1 year	....	....	....	....	....	....	....	....
Acceptances—Total	125	67	145	162	118	96	63	107
Within 15 days	77	24	102	114	74	48	17	67
16 days to 90 days	48	43	43	48	44	48	46	40
91 days to 1 year	....	....	....	....	....	....	....	....
U.S. Government securities—Total	70,839	69,795	71,511	71,393	71,455	70,740	70,822	66,868
Within 15 days[1]	4,999	3,707	5,275	6,051	6,175	3,212	4,209	2,542
16 days to 90 days	14,420	14,477	14,492	15,100	15,089	14,497	15,726	18,904
91 days to 1 year	18,945	19,136	19,385	18,972	18,921	20,556	19,617	15,904
Over 1 year to 5 years	24,859	24,859	24,781	24,108	24,108	24,859	24,108	23,240
Over 5 years to 10 years	6,102	6,102	6,079	5,913	5,913	6,102	5,913	5,377
Over 10 years	1,514	1,514	1,499	1,249	1,249	1,514	1,249	901
Federal agency obligations—Total	1,194	1,169	1,198	1,172	1,089	1,150	1,079	69
Within 15 days[1]	152	44	30	3	48	109	38	69
16 days to 90 days	31	67	110	111	99	30	99	....
91 days to 1 year	117	149	149	149	146	117	146	....
Over 1 year to 5 years	519	534	534	534	475	519	475	....
Over 5 years to 10 years	227	227	227	227	197	227	197	....
Over 10 years	148	148	148	148	124	148	124	....

[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]		
1971—July	11,703.8	5,210.2	2,681.0	6,493.6	3,812.6	80.0	184.4	80.4	55.0	45.0
Aug.	12,093.8	5,408.9	2,783.7	6,684.8	3,901.2	81.6	189.0	82.8	55.9	45.4
Sept.	12,202.2	5,570.3	2,757.5	6,631.9	3,874.4	82.2	190.6	82.3	55.6	45.2
Oct.	12,221.4	5,755.8	2,683.2	6,465.6	3,782.5	82.6	199.5	80.0	54.3	44.2
Nov.	12,915.7	5,918.9	2,945.2	6,996.9	4,051.6	86.4	203.7	87.2	58.1	46.7
Dec.	12,383.2	5,523.3	2,859.8	6,859.9	4,000.2	83.7	196.1	85.2	57.3	46.4
1972—Jan.	12,530.7	5,687.0	2,803.1	6,843.7	4,040.6	83.9	205.3	82.0	56.3	46.2
Feb.	13,027.8	6,013.9	2,913.1	7,013.9	4,100.9	84.5	205.1	82.6	56.2	45.8
Mar.	12,785.5	5,631.4	2,932.9	7,154.2	4,221.2	83.0	195.2	83.3	57.2	47.0
Apr.	r13,169.3	5,801.4	3,053.1	r7,367.9	r4,314.8	85.6	202.1	87.3	58.9	r47.8
May	r13,400.3	5,939.2	3,148.8	r7,461.1	r4,312.2	85.6	200.8	89.8	58.7	46.9
June	r13,281.6	5,780.8	3,096.4	r7,500.7	r4,404.4	84.7	199.9	88.1	r58.6	47.5
July	13,000.1	5,633.0	2,996.3	7,367.1	4,370.8	82.3	194.4	84.2	57.1	46.8

[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 includes some cities and counties not designated as SMSA's.

For back data see pp. 634–35 of July 1972 BULLETIN.

DENOMINATIONS IN CIRCULATION

(In millions of dollars)

End of period	Total in circulation [1]	Coin and small denomination currency							Large denomination currency						
		Total	Coin	$1 [2]	$2	$5	$10	$20	Total	$50	$100	$500	$1,000	$5,000	$10,000
1939	7,598	5,553	590	559	36	1,019	1,772	1,576	2,048	460	919	191	425	20	32
1941	11,160	8,120	751	695	44	1,355	2,731	2,545	3,044	724	1,433	261	556	24	46
1945	28,515	20,683	1,274	1,039	73	2,313	6,782	9,201	7,834	2,327	4,220	454	801	7	24
1947	28,868	20,020	1,404	1,048	65	2,110	6,275	9,119	8,850	2,548	5,070	428	782	5	17
1950	27,741	19,305	1,554	1,113	64	2,049	5,998	8,529	8,438	2,422	5,043	368	588	4	12
1955	31,158	22,021	1,927	1,312	75	2,151	6,617	9,940	9,136	2,736	5,641	307	438	3	12
1959	32,591	23,264	2,304	1,511	85	2,216	6,672	10,476	9,326	2,803	5,913	261	341	3	5
1960	32,869	23,521	2,427	1,533	88	2,246	6,691	10,536	9,348	2,815	5,954	249	316	3	10
1961	33,918	24,388	2,582	1,588	92	2,313	6,878	10,935	9,531	2,869	6,106	242	300	3	10
1962	35,338	25,356	2,782	1,636	97	2,375	7,071	11,395	9,983	2,990	6,448	240	293	3	10
1963	37,692	26,807	3,030	1,722	103	2,469	7,373	12,109	10,885	3,221	7,110	249	298	3	4
1964	39,619	28,100	3,405	1,806	111	2,517	7,543	12,717	11,519	3,381	7,590	248	293	2	4
1965	42,056	29,842	4,027	1,908	127	2,618	7,794	13,369	12,214	3,540	8,135	245	288	3	4
1966	44,663	31,695	4,480	2,051	137	2,756	8,070	14,201	12,969	3,700	8,735	241	286	3	4
1967	47,226	33,468	4,918	2,035	136	2,850	8,366	15,162	13,758	3,915	9,311	240	285	3	4
1968	50,961	36,163	5,691	2,049	136	2,993	8,786	16,508	14,798	4,186	10,068	244	292	3	4
1969	53,950	37,917	6,021	2,213	136	3,092	8,989	17,466	16,033	4,499	11,016	234	276	3	5
1970	57,093	39,639	6,281	2,310	136	3,161	9,170	18,581	17,454	4,896	12,084	215	252	3	4
1971—July	58,558	40,238	6,493	2,260	136	3,068	9,031	19,251	18,321	5,129	12,735	208	242	3	4
Aug.	58,904	40,442	6,537	2,267	136	3,058	9,045	19,398	18,462	5,162	12,845	207	241	2	4
Sept.	58,797	40,284	6,556	2,273	135	3,053	8,987	19,279	18,514	5,155	12,906	206	240	2	4
Oct.	59,216	40,559	6,589	2,302	135	3,071	9,054	19,408	18,657	5,183	13,024	205	239	2	4
Nov.	60,636	41,699	6,714	2,360	135	3,186	9,329	19,975	18,936	5,272	13,216	204	237	2	4
Dec.	61,068	41,831	6,775	2,408	135	3,273	9,348	19,893	19,237	5,377	13,414	203	237	2	4
1972—Jan.	59,429	40,388	6,774	2,281	135	3,083	8,900	19,215	19,042	5,261	13,337	202	235	2	4
Feb.	59,795	40,725	6,812	2,275	135	3,087	9,010	19,405	19,070	5,257	13,371	201	234	2	4
Mar.	60,388	41,182	6,860	2,279	135	3,106	9,110	19,692	19,205	5,275	13,490	200	233	2	4
Apr.	60,535	41,140	6,902	2,276	135	3,094	9,028	19,705	19,395	5,351	13,606	199	232	2	4
May	61,702	42,056	6,969	2,334	135	3,170	9,243	20,204	19,647	5,425	13,785	198	232	2	4
June	62,201	42,399	7,016	2,328	135	3,178	9,295	20,446	19,803	5,446	13,923	197	230	2	4
July	62,435	42,449	7,052	2,326	135	3,155	9,231	20,550	19,986	5,502	14,052	196	229	2	4

[1] Outside Treasury and F.R. Banks. Before 1955 details are slightly overstated because they include small amounts of paper currency held by the Treasury and the F.R. Banks for which a denominational breakdown is not available.

[2] Paper currency only; $1 silver coins reported under coin.

NOTE.—Condensed from Statement of United States Currency and Coin, issued by the Treasury.

KINDS OF UNITED STATES CURRENCY OUTSTANDING AND IN CIRCULATION

(Condensed from Circulation Statement of United States Money, issued by Treasury Department. In millions of dollars)

Kind of currency	Total, outstanding, July 31, 1972	Held in the Treasury			Held by F.R. Banks and Agents	Currency in circulation [1]		
		As security against gold and silver certificates	Treasury cash	For F.R. Banks and Agents		1972		1971
						July 31	June 30	July 31
Gold	10,410	(10,303)	107					
Gold certificates	(10,303)			[2] 10,302	1			
Federal Reserve notes	58,917		125		4,021	54,771	54,572	51,448
Treasury currency—Total	8,095		105		326	7,664	7,629	7,111
Dollars	719		31		49	638	633	482
Fractional Coin	6,761		72		276	6,414	6,383	6,011
United States notes	323		2			320	320	322
In process of retirement [3]	292					292	292	296
Total—July 31, 1972	[4] 77,422	(10,303)	337	10,302	4,348	62,435		
June 30, 1972	[4] 76,761	(10,303)	351	10,302	3,907		62,201	
July 31, 1971	[4] 72,880	(10,075)	487	10,074	3,760			58,558

[1] Outside Treasury and F.R. Banks. Includes any paper currency held outside the United States and currency and coin held by banks. Estimated totals for Wed. dates shown in table on p. A-5.

[2] Consists of credits payable in gold certificates, the Gold Certificate Fund—Board of Governors, FRS.

[3] Redeemable from the general fund of the Treasury.

[4] Does not include all items shown, as gold certificates are secured by gold. Duplications are shown in parentheses.

NOTE.—Prepared from Statement of United States Currency and Coin and other data furnished by the Treasury. For explanation of currency reserves and security features, see the Circulation Statement or the Aug. 1961 BULLETIN, p. 936.

MEASURES OF THE MONEY STOCK

(In billions of dollars)

Month or week	Seasonally adjusted[r]			Not seasonally adjusted[r]		
	M_1 (Currency plus demand deposits)	M_2 (M_1 plus time deposits at coml. banks other than large time CD's)[1]	M_3 (M_2 plus deposits at nonbank thrift institutions)[2]	M_1 (Currency plus demand deposits)	M_2 (M_1 plus time deposits at coml. banks other than large time CD's)[1]	M_3 (M_2 plus deposits at nonbank thrift institutions)[2]
1968—Dec.	197.4	378.0	572.6	203.4	383.0	577.5
1969—Dec.	203.7	386.8	588.3	209.8	392.0	593.4
1970—Dec.	214.8	418.2	633.9	221.2	423.5	639.1
1971—Aug.	228.0	454.5	697.6	224.9	451.7	694.5
Sept.	227.6	455.6	701.2	226.2	454.3	699.5
Oct.	227.7	458.3	706.5	227.5	458.0	705.9
Nov.	227.7	460.8	711.6	229.6	461.4	711.4
Dec.	228.2	464.7	718.1	235.1	470.2	723.4
1972—Jan.	228.8	469.9	727.3	235.3	475.3	732.8
Feb.	231.2	475.5	737.4	229.0	472.7	734.1
Mar.	233.5	480.1	745.9	231.3	478.7	744.9
Apr.	235.0	483.0	752.7	236.1	485.4	755.6
May	235.5	486.1	758.8	231.3	483.2	755.9
June	236.6	490.4	766.1	234.7	488.9	765.5
July[r]	239.4	495.0	774.8	237.9	493.6	774.0
Aug.[p]	240.4	498.1	781.5	237.1	495.3	778.1
Week ending—						
1972—Aug. 2	239.7	496.2	....	237.4	494.1	....
9	240.1	497.2	....	237.4	494.9	....
16	240.9	498.6	....	238.2	496.4	....
23[p]	240.4	498.3	....	235.8	494.2	....
30[p]	241.2	499.7	....	236.3	495.3	....

COMPONENTS OF MONEY STOCK MEASURES AND RELATED ITEMS

(In billions of dollars)

Month or week	Seasonally adjusted						Not seasonally adjusted						U.S. Govt. deposits[5]
	Currency	Commercial banks				Nonbank thrift institutions[4]	Currency	Commercial banks				Nonbank thrift institutions[4]	
		Demand deposits	Time and savings deposits					Demand deposits	Time and savings deposits				
			CD's[3]	Other	Total				CD's[3]	Other	Total		
1968—Dec.	43.4	154.0	23.6	180.6	204.2	194.6	44.3	159.1	23.6	179.6	203.2	194.6	5.0
1969—Dec.	46.0	157.7	11.0	183.2	194.1	201.5	46.9	162.9	11.1	182.1	193.2	201.4	5.6
1970—Dec.	49.0	165.8	25.5	203.4	228.9	215.7	50.0	171.3	25.8	202.3	228.1	215.6	7.3
1971—Aug.	51.7	176.3	30.8	226.5	257.3	243.1	51.9	173.0	31.2	226.9	258.1	242.8	6.8
Sept.	51.9	175.7	31.6	228.0	259.6	245.6	51.9	174.3	32.1	228.1	260.3	245.2	7.5
Oct.	52.2	175.5	32.7	230.6	263.3	248.3	52.2	175.3	33.6	230.5	264.1	247.9	5.3
Nov.	52.2	175.5	32.2	233.1	265.3	250.8	52.8	176.9	33.7	231.8	265.5	250.0	3.9
Dec.	52.5	175.7	33.4	236.4	269.9	253.4	53.5	181.5	33.9	235.1	269.0	253.2	6.7
1972—Jan.	52.8	176.0	33.2	241.2	274.4	257.4	52.6	182.7	33.7	240.0	273.7	257.5	7.2
Feb.	53.2	178.0	33.8	244.3	278.1	261.8	52.6	176.4	33.6	243.7	277.3	261.4	7.2
Mar.	53.7	179.9	33.4	246.5	279.9	265.8	53.2	178.1	33.3	247.5	280.8	266.2	7.7
Apr.	54.0	180.9	34.7	248.1	282.8	269.7	53.6	182.6	33.8	249.3	283.1	270.2	7.6
May	54.4	181.1	36.3	250.7	287.0	272.6	54.0	177.3	35.1	251.9	286.9	272.7	10.4
June	54.7	181.9	37.1	253.8	290.9	[r]275.7	54.6	180.1	35.8	254.2	290.0	276.6	6.8
July	54.9	[r]184.5	38.1	255.6	293.7	[r]279.7	[r]55.3	[r]182.6	37.0	255.7	292.7	[r]280.4	7.2
Aug.[p]	55.1	185.3	39.3	257.7	297.0	283.2	55.3	181.8	39.9	258.2	298.1	282.8	5.3
Week ending—													
1972—Aug. 2	54.9	184.8	38.6	256.5	295.1	....	54.9	182.6	38.2	256.7	294.9	....	7.8
9	55.2	185.0	38.6	257.0	295.6	....	55.8	181.7	38.9	257.5	296.4	....	6.4
16	55.0	185.9	38.8	257.7	296.5	....	55.5	182.7	39.4	258.2	297.6	....	5.3
23[p]	55.2	185.2	39.7	257.8	297.5	....	55.2	180.6	40.3	258.3	298.6	....	4.6
30[p]	55.2	186.0	40.4	258.5	298.9	....	54.8	181.5	41.2	259.0	300.2	....	4.4

[1] Includes, in addition to currency and demand deposits, savings deposits, time deposits open account, and time certificates of deposits other than negotiable time certificates of deposit issued in denominations of $100,000 or more by large weekly reporting commercial banks.

[2] Includes M_2, plus the average of the beginning and end of month deposits of mutual savings banks and savings and loan shares.

[3] Negotiable time certificates of deposit issued in denominations of $100,000 or more by large weekly reporting commercial banks.

[4] Average of the beginning and end-of-month deposits of mutual savings banks and savings and loan shares.

[5] At all commercial banks.

NOTE.—For description of revised series and for back data, see pp. 880–93 of the November BULLETIN.

Average of daily figures. Money stock consists of (1) demand deposits at all commercial banks other than those due to domestic commercial banks and the 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 all commercial banks. Time deposits adjusted are time deposits at all commercial banks other than those due to domestic commercial banks and the U.S. Govt.

AGGREGATE RESERVES AND MEMBER BANK DEPOSITS

(In billions of dollars)

Period	Member bank reserves, S.A.[1]				Deposits subject to reserve requirements[3]								Total member bank deposits plus nondeposit items[4]	
					S.A.				N.S.A.					
							Demand				Demand			
	Total	Non-borrowed	Required	Available[2]	Total	Time and savings	Private	U.S. Govt.	Total	Time and savings	Private	U.S. Govt.	S.A.	N.S.A.
1968—Dec....	27.25	26.47	26.89	24.96	297.6	164.5	128.3	4.8	301.2	163.8	133.3	4.1	304.6	308.1
1969—Dec....	27.98	26.83	27.75	25.25	285.4	150.3	129.8	5.3	288.8	149.7	134.6	4.6	305.4	308.8
1970—Dec....	29.13	28.76	28.92	26.75	319.0	178.6	133.8	6.5	322.8	178.2	138.7	6.0	330.6	334.4
1971—Aug....	30.74	[r]29.99	30.57	28.52	347.1	200.2	141.0	5.8	344.6	200.8	138.1	5.8	351.0	348.6
Sept....	31.07	30.56	30.91	28.50	349.2	202.2	140.5	6.5	348.2	202.7	139.2	6.3	353.3	352.2
Oct....	30.88	[r]30.49	30.69	28.59	349.8	205.2	139.9	4.7	350.2	205.9	139.9	4.3	354.7	355.0
Nov....	30.97	30.54	30.75	28.73	352.7	206.4	140.9	5.4	351.6	206.9	141.6	3.2	358.0	357.0
Dec....	31.25	31.08	31.10	28.84	357.9	210.2	141.5	6.2	362.2	209.7	146.7	5.7	361.9	366.2
1972—Jan....	31.77	31.68	31.56	29.06	360.9	213.7	141.0	6.3	366.3	213.4	146.9	6.0	364.9	370.3
Feb....	31.62	31.58	31.47	29.24	363.1	216.4	142.9	3.7	363.4	215.9	141.5	6.1	366.7	367.1
Mar....	32.03	31.93	31.82	29.63	368.4	217.4	144.9	6.1	368.0	218.1	143.4	6.6	372.1	371.8
Apr....	32.64	32.53	32.47	29.80	372.7	219.8	145.5	7.4	373.1	219.8	146.8	6.5	376.3	376.6
May....	32.83	32.73	32.69	29.95	377.1	223.4	146.3	7.4	374.9	223.1	142.9	8.8	380.9	378.6
June....	33.06	32.97	32.84	[r]30.15	378.7	226.1	147.3	5.3	376.4	225.2	145.6	5.7	382.4	380.2
July....	33.14	[r]32.92	32.96	30.37	[r]382.4	228.2	[r]148.9	5.3	[r]380.9	227.1	[r]147.7	6.1	[r]386.3	[r]384.8
Aug.[p]...	33.42	33.05	33.21	30.59	384.9	230.5	149.8	4.6	382.2	231.3	146.6	4.3	389.1	386.4

[1] Averages of daily figures. Member bank reserve series reflects actual reserve requirement percentages with no adjustment to eliminate the effect of changes in Regulations D and M. Required reserves were increased by $660 million effective Apr. 16, 1969, and $400 million, effective Oct. 16, 1969. Required reserves were reduced by $500 million (net) effective Oct. 1, 1970.

[2] Reserves available to support private nonbank deposits are defined as (1) required reserves for (a) private demand deposits, (b) total time and savings deposits, and (c) nondeposit sources subject to reserve requirements, and (2) excess reserves. This series excludes required reserves for net interbank and U.S. Govt. demand deposits.

[3] 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. Data for 1968 are not comparable with later data due to the withdrawal from the System on Jan. 2, 1969, of a large member bank.

[4] Total member bank deposits subject to reserve requirements, plus Euro-dollar borrowings, bank-related commercial paper, and certain other nondeposit items. This series for deposits is referred to as "the adjusted bank credit proxy."

NOTE.—Due to changes in Regulations M and D, member bank reserves include reserves held against nondeposit funds beginning Oct. 16, 1969. Back data 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						
		Loans				Securities			Loans				Securities	
				Commercial and industrial							Commercial and industrial			
	Total loans and investments[1,2]	Total[1,2]	Plus loans sold[1,2,3]	Total	Plus loans sold[3]	U.S. Treasury	Other[2]	Total loans and investments[1,2]	Total[1,2]	Plus loans sold[1,2,3]	Total	Plus loans sold[3]	U.S. Treasury	Other[2]
1968—Dec. 31....	390.6	258.2	....	95.9	....	61.0	71.4	400.4	264.4	....	98.4	....	64.5	71.5
1969—Dec. 31[4]...	402.1	279.4	283.3	105.7	108.3	51.5	71.2	412.1	286.1	290.0	108.4	111.0	54.7	71.3
1970—Dec. 31....	435.9	292.0	294.9	109.6	111.7	58.0	85.9	446.8	299.0	301.9	112.5	114.6	61.7	86.1
1971—Aug. 25....	468.4	309.7	312.4	115.2	117.0	60.9	97.8	466.1	309.3	312.0	114.2	116.0	58.7	98.1
Sept. 29....	472.4	313.0	316.0	116.2	118.1	59.9	99.5	472.0	313.4	316.4	115.9	117.8	58.7	99.9
Oct. 27....	477.2	317.0	319.9	116.6	118.4	59.1	101.1	476.5	315.1	318.0	115.6	117.4	60.0	101.5
Nov. 24....	479.8	318.7	321.6	116.0	117.8	58.8	102.2	479.9	317.3	320.1	115.6	117.4	61.0	101.6
Dec. 31....	485.7	320.6	323.4	115.5	117.1	60.7	104.5	497.9	328.3	331.1	118.5	120.1	64.9	104.7
1972—Jan. 26....	491.4	325.7	328.7	116.4	118.1	59.7	106.0	490.1	322.7	325.6	115.2	116.9	62.7	104.8
Feb. 23....	496.6	328.5	331.5	117.3	119.0	61.0	107.1	492.4	324.3	327.3	116.1	117.8	61.9	106.2
Mar. 29[p]...	504.3	333.3	336.1	118.1	119.9	62.2	108.7	500.7	330.0	332.8	118.1	119.9	62.4	108.4
Apr. 26[p]...	505.8	334.8	337.5	119.4	121.1	62.4	108.6	505.1	334.1	336.7	119.6	121.3	61.6	109.4
May 31[p]...	513.8	340.3	342.8	120.7	122.2	62.8	110.7	511.4	340.0	342.4	120.3	121.8	61.0	110.5
June 30[p]...	514.0	341.2	343.5	[5]119.4	[5]120.8	62.8	110.0	518.2	347.4	349.7	[5]121.8	[5]123.2	59.9	110.9
July 26[p]....	518.4	345.9	348.3	120.8	122.2	61.8	110.7	518.5	348.4	350.8	121.6	123.0	59.2	110.9
Aug. 30[p]....	526.3	353.6	355.9	123.1	124.7	61.0	111.7	522.9	351.9	354.3	121.4	123.0	58.9	112.1

[1] Adjusted to exclude domestic commercial interbank loans.

[2] Beginning June 30, 1971, Farmers Home Administration insured notes totaling approximately $700 million are included in "Other securities" rather than in "Loans."

[3] Loans sold outright by commercial banks to own subsidiaries, foreign branches, holding companies, and other affiliates.

[4] *Beginning June 30, 1969, data revised to include all bank-premises subsidiaries and other significant majority-owned domestic subsidiaries;* earlier data include commercial banks only. Also, loans and investments are now reported gross, without valuation reserves deducted, rather than net of valuation reserves as was done previously. For a description of the revision, see Aug. 1969 BULLETIN, pp. 642–46. Data shown in this table beginning January 1959 have been revised to include valuation reserves.

[5] Beginning June 30, 1972, commercial and industrial loans were reduced by about $400 million as a result of loan reclassifications at one large bank.

NOTE.—For monthly data on total loans and investments 1959–70, see Dec. 1971 BULLETIN, pp. 974–75. For monthly data, 1948–58, see Aug. 1968 BULLETIN, pp. A-94–A-97. For a description of the seasonally adjusted series see the following Bulletins: July 1962, pp. 797–802; July 1966, pp. 950–55; Sept. 1967, pp. 1511–17; and Dec. 1971, pp. 971–73. For monthly data on commercial and industrial loans, 1959–71, see July 1972 BULLETIN, p. A-109. For description of series, see July 1972 BULLETIN, p. 683. Data are for last Wednesday 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.

CONSOLIDATED CONDITION STATEMENT

(In millions of dollars)

Date	Assets									Total assets, net—Total liabilities and capital, net	Liabilities and capital	
	Gold stock and SDR certificates [1]	Treasury currency outstanding	Bank credit								Total deposits and currency	Capital and misc. accounts, net
			Total	Loans net [2]	U.S. Treasury securities				Other securities [4]			
					Total	Coml. and savings banks	Federal Reserve Banks	Other [3]				
1947—Dec. 31	22,754	4,562	160,832	43,023	107,086	81,199	22,559	3,328	10,723	188,148	175,348	12,800
1950—Dec. 30	22,706	4,636	171,667	60,366	96,560	72,894	20,778	2,888	14,741	199,008	184,384	14,624
1967—Dec. 30	11,982	6,784	468,943	282,040	117,064	66,752	49,112	1,200	69,839	487,709	444,043	43,670
1968—Dec. 31	10,367	6,795	514,427	311,334	121,273	68,285	52,937	51	81,820	531,589	484,212	47,379
1969—Dec. 31 [5]	10,367	6,849	532,663	335,127	115,129	57,952	57,154	23	82,407	549,879	485,545	64,337
1970—Dec. 31	11,132	7,149	580,899	354,447	127,207	64,814	62,142	251	99,245	599,180	535,157	64,020
1971—Aug. 25	10,500	7,500	611,300	365,700	130,000	62,200	66,400	1,400	115,600	629,300	563,500	65,800
Sept. 29	10,500	7,500	617,000	368,100	131,300	62,200	67,600	1,600	117,500	635,000	567,500	67,600
Oct. 27	10,500	7,600	622,200	369,500	133,600	63,300	67,800	2,500	119,100	640,300	571,600	68,800
Nov. 24	10,500	7,600	626,700	370,900	136,400	64,400	69,500	2,500	119,400	644,800	575,800	69,000
Dec. 31	10,532	7,627	650,677	386,010	141,547	68,198	70,804	2,545	123,120	668,837	604,415	64,423
1972—Jan. 26	10,500	7,700	642,600	380,600	138,400	66,000	69,900	2,500	123,600	660,800	593,000	67,900
Feb. 23	10,000	7,800	643,300	381,000	136,600	65,200	68,900	2,500	125,700	661,100	592,900	68,200
Mar. 29p	10,000	7,900	653,700	386,900	138,200	65,800	69,900	2,600	128,500	671,600	606,700	64,900
Apr. 26p	10,000	7,900	660,000	391,000	138,900	65,000	71,300	2,600	130,100	677,900	612,500	65,400
May 31p	10,800	8,000	665,300	395,000	138,600	64,400	71,600	2,600	131,700	684,100	619,400	64,700
June 28p	10,800	8,100	669,300	400,700	136,600	63,000	71,000	2,600	132,100	688,200	622,900	65,300
July 26p	10,800	8,100	674,100	405,200	136,200	62,700	70,900	2,600	132,700	693,100	628,100	65,000
Aug. 30p	10,800	8,200	678,300	408,800	135,700	62,300	70,800	2,600	133,800	697,300	630,200	67,100

DETAILS OF DEPOSITS AND CURRENCY

Date	Money stock						Related deposits (not seasonally adjusted)							
	Seasonally adjusted [6]			Not seasonally adjusted			Time				Foreign, net [10]	U.S. Government		
	Total	Currency outside banks	Demand deposits adjusted [7]	Total	Currency outside banks	Demand deposits adjusted [7]	Total	Commercial banks [8]	Mutual savings banks [9]	Postal Savings System [3]		Treasury cash holdings	At coml. and savings banks	At F.R. Banks
1947—Dec. 31	110,500	26,100	84,400	113,597	26,476	87,121	56,411	35,249	17,746	3,416	1,682	1,336	1,452	870
1950—Dec. 30	114,600	24,600	90,000	117,670	25,398	92,272	59,246	36,314	20,009	2,923	2,518	1,293	2,989	668
1967—Dec. 30	181,500	39,600	141,900	191,232	41,071	150,161	242,657	182,243	60,414	....	2,179	1,344	5,508	1,123
1968—Dec. 31	199,600	42,600	157,000	207,347	43,527	163,820	267,627	202,786	64,841	....	2,455	695	5,385	703
1969—Dec. 31 [5]	206,800	45,400	161,400	214,689	46,358	168,331	260,992	193,533	67,459	....	2,683	596	5,273	1,312
1970—Dec. 31	209,400	47,800	161,600	219,422	49,779	169,643	302,591	230,622	71,969	....	3,148	431	8,409	1,156
1971—Aug. 25	214,700	50,300	164,400	213,000	50,600	162,300	336,300	257,700	78,600	....	2,500	500	10,000	1,400
Sept. 29	213,800	50,400	163,400	212,400	50,500	161,900	340,700	261,400	79,400	....	2,400	500	9,500	2,000
Oct. 27	215,900	51,000	164,900	216,800	50,900	165,900	343,700	263,900	79,800	....	2,500	500	6,500	1,700
Nov. 24	216,700	51,100	165,600	220,100	52,500	167,600	346,400	266,100	80,300	....	2,600	500	4,700	1,400
Dec. 31	224,600	51,100	173,500	234,876	53,141	181,735	353,638	271,760	81,877	....	2,719	464	10,698	2,020
1972—Jan. 26	217,200	51,700	165,500	220,000	51,000	169,000	357,300	274,900	82,500	....	2,400	500	9,900	2,900
Feb. 23	220,400	52,100	168,300	219,300	51,500	167,800	361,700	278,300	83,400	....	2,600	400	7,800	1,100
Mar. 29p	230,300	52,600	177,700	227,000	52,100	174,900	366,600	281,700	84,900	....	2,500	400	9,200	900
Apr. 26p	227,400	52,700	174,700	227,400	52,200	175,200	369,400	284,000	85,400	....	2,500	400	11,000	1,800
May 31p	233,800	53,300	180,500	230,900	53,100	177,800	374,100	288,000	86,100	....	2,900	400	9,000	2,100
June 28p	233,400	53,300	180,100	230,200	53,300	177,000	377,000	289,900	87,100	....	2,900	400	9,500	2,900
July 26p	233,100	53,600	179,500	232,800	53,700	179,100	380,400	292,800	87,600	....	3,000	300	9,000	2,500
Aug. 30p	235,900	53,500	182,400	233,800	53,800	180,000	387,300	299,000	88,300	....	2,900	300	4,500	1,400

[1] Includes Special Drawing Rights certificates beginning Jan. 1970.

[2] Beginning with data for June 30, 1966, about $1.1 billion in "Deposits accumulated for payment of personal loans" were excluded from "Time deposits" and deducted from "Loans" at all commercial banks. These changes resulted from a change in Federal Reserve regulations. See table (and notes), *Deposits Accumulated for Payment of Personal Loans*, p. A-32. See footnote 1 on p. A-23.

[3] After June 30, 1967, Postal Savings System accounts were eliminated from this Statement.

[4] See second paragraph of note 2.

[5] Figures for this and later dates take into account the following changes (beginning June 30, 1969) for commercial banks: (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. See also note 1.

[6] Series began in 1946; data are available only for last Wed. of month.

[7] Other than interbank and U.S. Govt., less cash items in process of collection.

[8] See first paragraph of note 2.

[9] Includes relatively small amounts of demand deposits. Beginning with June 1961, also includes certain accounts previously classified as other liabilities.

[10] Reclassification of deposits of foreign central banks in May 1961 reduced this item by $1,900 million ($1,500 million to time deposits and $400 million to demand deposits).

NOTE.—For back figures and descriptions of the consolidated condition statement and the seasonally adjusted series on currency outside banks and demand deposits adjusted, see "Banks and the Monetary System," Section 1 of *Supplement to Banking and Monetary Statistics*, 1962, and BULLETINS for Jan. 1948 and Feb. 1960. Except on call dates, figures are partly estimated and are rounded to the nearest $100 million.

For description of substantive changes in official call reports of condition beginning June 1969, see BULLETIN for Aug. 1969, pp. 642–46.

PRINCIPAL ASSETS AND LIABILITIES AND NUMBER, BY CLASS OF BANK

(Amounts in millions of dollars)

Class of bank and date	Loans and investments				Cash assets[3]	Total assets—Total liabilities and capital accounts[4]	Deposits						Borrowings	Total capital accounts	Number of banks
	Total	Loans[1]	Securities				Total[3]	Interbank[3]		Other					
			U.S. Treasury	Other[2]				Demand	Time	Demand		Time[5]			
										U.S. Govt.	Other				
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
1945—Dec. 31...	124,019	26,083	90,606	7,331	34,806	160,312	150,227	14,065		105,921		30,241	219	8,950	14,011
1947—Dec. 31[6].	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
1966—Dec. 31...	322,661	217,726	56,163	48,772	69,119	403,368	352,287	19,770	967	4,992	167,751	158,806	4,859	32,054	13,767
1967—Dec. 30...	359,903	235,954	62,473	61,477	77,928	451,012	395,008	21,883	1,314	5,234	184,066	182,511	5,777	34,384	13,722
1968—Dec. 31...	401,262	265,259	64,466	71,537	83,752	500,657	434,023	24,747	1,211	5,010	199,901	203,154	8,899	37,006	13,679
1969—Dec. 31[7].	421,597	295,547	54,709	71,341	89,984	530,665	435,577	27,174	735	5,054	208,870	193,744	18,360	39,978	13,661
1970—Dec. 31...	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—Aug. 25...	482,230	325,450	58,720	98,060	85,300	591,080	491,180	26,380	2,110	9,390	195,020	258,280	24,620	44,980	13,739
Sept. 29...	489,640	331,000	58,740	99,900	88,180	602,070	497,530	27,050	2,500	8,920	197,180	261,880	26,850	45,110	13,753
Oct. 27...	492,020	330,570	59,960	101,490	95,590	611,630	506,710	28,920	2,610	5,950	204,800	264,430	27,240	45,530	13,768
Nov. 24...	497,070	334,420	61,030	101,620	95,350	616,080	506,340	28,200	2,600	4,210	204,670	266,660	30,870	45,710	13,776
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—Jan. 26...	508,200	340,730	62,690	104,780	92,690	624,750	521,320	28,480	2,960	9,280	205,160	275,440	26,370	46,600	13,787
Feb. 23...	511,360	343,300	61,860	106,200	96,130	631,330	524,280	31,050	2,990	7,270	204,080	278,890	29,190	47,050	13,799
Mar. 29p..	521,870	351,130	62,380	108,360	91,350	638,210	525,520	26,430	2,950	8,740	205,210	282,190	32,810	47,450	13,806
Apr. 26p..	523,760	352,770	61,620	109,370	95,300	643,770	531,990	26,140	2,870	10,470	207,990	284,520	31,520	47,780	13,823
May 31p..	529,510	358,080	60,960	110,470	101,360	656,770	542,940	28,240	3,020	8,430	214,640	288,610	33,110	48,310	13,838
June 28p..	535,580	365,380	59,600	110,600	92,730	653,980	538,620	26,520	3,000	8,920	209,710	290,470	34,240	48,340	13,875
July 26p..	539,130	369,060	59,190	110,880	92,270	656,960	542,830	27,250	3,230	8,480	210,500	293,370	34,050	48,710	13,877
Aug. 30p..	543,820	372,850	58,920	112,050	92,070	661,850	544,230	27,030	3,310	3,900	210,370	299,620	35,700	49,140	13,877
Member 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
1945—Dec. 31...	107,183	22,775	78,338	6,070	29,845	138,304	129,670	13,576	64	22,179	69,640	24,210	208	7,589	6,884
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
1966—Dec. 31...	263,687	182,802	41,924	38,960	60,738	334,559	291,063	18,788	794	4,432	138,218	128,831	4,618	26,278	6,150
1967—Dec. 30...	293,120	196,849	46,956	49,315	68,946	373,584	326,033	20,811	1,169	4,631	151,980	147,442	5,370	28,098	6,071
1968—Dec. 31...	325,086	220,285	47,881	56,920	73,756	412,541	355,414	23,519	1,061	4,309	163,920	162,605	8,458	30,060	5,978
1969—Dec. 31[7].	336,738	242,119	39,833	54,785	79,034	432,270	349,883	25,841	609	4,114	169,750	149,569	17,395	32,047	5,869
1970—Dec. 31...	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	5,766
1971—Aug. 25...	379,269	261,993	42,337	74,939	74,807	473,923	389,558	25,169	1,883	7,907	155,336	199,263	23,749	35,723	5,730
Sept. 29...	385,391	266,575	42,369	76,447	77,361	483,064	394,598	25,829	2,274	7,369	157,000	202,126	25,843	35,827	5,724
Oct. 27...	386,028	264,847	43,586	77,595	83,963	490,047	401,167	27,616	2,385	4,840	162,600	203,726	26,203	36,179	5,725
Nov. 24...	389,468	267,287	44,630	77,551	83,788	492,995	399,678	26,941	2,372	3,317	161,905	205,143	29,776	36,303	5,729
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—Jan. 26...	397,951	272,452	45,723	79,776	80,580	498,591	411,462	27,230	2,596	7,643	162,307	211,686	25,429	37,028	5,718
Feb. 23...	400,338	274,508	45,102	80,728	83,258	503,720	413,339	29,738	2,627	5,931	161,031	214,012	28,227	37,340	5,720
Mar. 29...	409,024	281,182	45,486	82,356	78,710	508,747	413,132	25,154	2,590	7,216	161,976	216,196	31,792	37,683	5,713
Apr. 26...	409,925	282,298	44,643	82,984	82,345	513,123	418,730	24,893	2,510	8,939	164,071	218,317	30,406	37,928	5,713
May 31...	414,469	286,310	44,403	83,756	87,524	523,538	427,426	26,913	2,663	6,825	169,496	221,529	31,907	38,356	5,713
June 28...	419,412	292,333	43,251	83,828	80,019	520,769	423,451	25,272	2,644	7,301	165,349	222,885	32,965	38,355	5,714
July 26...	422,102	295,275	42,932	83,895	79,164	522,562	426,242	25,923	2,867	6,953	165,393	225,106	32,725	38,649	5,705
Aug. 30p..	425,392	297,851	42,727	84,814	79,057	525,983	426,716	25,742	2,954	2,966	164,851	230,203	34,315	38,979	5,705
Reserve city member: New York City:[8,9]															
1941—Dec. 31...	12,896	4,072	7,265	1,559	6,637	19,862	17,932	4,202	6	866	12,051	807	......	1,648	36
1945—Dec. 31...	26,143	7,334	17,574	1,235	6,439	32,887	30,121	4,640	17	6,940	17,287	1,236	195	2,120	37
1947—Dec. 31...	20,393	7,179	11,972	1,242	7,261	27,982	25,216	4,453	12	267	19,040	1,445	30	2,259	37
1966—Dec. 31...	46,536	35,941	4,920	5,674	14,869	64,424	51,837	6,370	467	1,016	26,535	17,449	1,874	5,298	12
1967—Dec. 30...	52,141	39,059	6,027	7,055	18,797	74,609	60,407	7,238	741	1,084	31,282	20,062	1,880	5,715	12
1968—Dec. 31...	57,047	42,968	5,984	8,094	19,948	81,364	63,900	8,964	622	888	33,351	20,076	2,733	6,137	12
1969—Dec. 31[7].	60,333	48,305	5,048	6,980	22,349	87,753	62,381	10,349	268	694	36,126	14,944	4,405	6,301	12
1970—Dec. 31...	62,347	47,161	6,009	9,177	21,715	89,384	67,186	12,508	956	1,039	32,235	20,448	4,500	6,486	12
1971—Aug. 25...	60,886	47,659	4,793	8,434	21,431	88,217	67,392	11,918	939	1,564	28,578	24,393	6,201	7,078	12
Sept. 29...	61,997	48,700	4,713	8,584	23,254	90,982	68,633	12,471	1,013	1,283	29,229	24,637	6,818	7,061	12
Oct. 27...	61,734	47,971	5,088	8,675	24,405	91,671	68,923	13,005	1,086	710	29,561	24,561	6,748	7,207	12
Nov. 24...	61,776	47,626	5,582	8,568	23,026	90,162	67,792	12,988	1,196	392	28,785	24,431	6,954	7,257	12
Dec. 31...	63,342	48,714	5,597	9,031	22,663	91,461	71,723	13,825	1,186	1,513	30,943	24,256	5,195	7,285	12
1972—Jan. 26...	62,539	48,337	5,405	8,797	23,684	91,726	71,017	13,443	1,258	1,395	30,660	24,261	5,854	7,253	12
Feb. 23...	61,856	48,221	5,190	8,445	23,615	91,094	69,674	15,152	1,258	878	28,084	24,302	6,906	7,306	12
Mar. 29...	64,450	50,063	5,567	8,820	21,400	91,687	68,029	11,674	1,231	1,360	28,793	24,971	8,428	7,342	12
Apr. 26...	63,467	49,539	4,825	9,103	21,014	90,364	68,798	11,451	1,162	2,013	28,842	25,330	6,650	7,372	12
May 31...	65,719	50,799	5,257	9,663	22,516	93,765	70,852	12,303	1,198	1,038	29,918	26,395	8,103	7,618	13
June 28...	66,761	51,973	4,962	9,826	19,971	92,258	70,213	11,790	1,156	989	29,649	26,629	7,528	7,559	13
July 26...	66,331	51,408	4,954	9,969	19,517	91,247	69,508	11,580	1,312	1,170	28,396	27,050	7,431	7,612	13
Aug. 30...	67,353	52,031	5,158	10,164	19,152	92,066	69,330	11,679	1,345	288	27,497	28,521	8,188	7,736	13

For notes see p. A-23.

PRINCIPAL ASSETS AND LIABILITIES AND NUMBER, BY CLASS OF BANK—Continued

(Amounts in millions of dollars)

Class of bank and date	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	Number of banks
Reserve city member (cont.):															
City of Chicago: [8]															
1941—Dec. 31	2,760	954	1,430	376	1,566	4,363	4,057	1,035	......	127	2,419	476	......	288	13
1945—Dec. 31	5,931	1,333	4,213	385	1,489	7,459	7,046	1,312	......	1,552	3,462	719	......	377	12
1947—Dec. 31	5,088	1,801	2,890	397	1,739	6,866	6,402	1,217	......	72	4,201	913	......	426	14
1966—Dec. 31	11,802	8,756	1,545	1,502	2,638	14,935	12,673	1,433	25	310	6,008	4,898	484	1,199	11
1967—Dec. 30	12,744	9,223	1,574	1,947	2,947	16,296	13,985	1,434	21	267	6,250	6,013	383	1,346	10
1968—Dec. 31	14,274	10,286	1,863	2,125	3,008	18,099	14,526	1,535	21	257	6,542	6,171	682	1,433	9
1969—Dec. 31 [7]	14,365	10,771	1,564	2,030	2,802	17,927	13,264	1,677	15	175	6,770	4,626	1,290	1,517	9
1970—Dec. 31	15,745	11,214	2,105	2,427	3,074	19,892	15,041	1,930	49	282	6,663	6,117	1,851	1,586	9
1971—Aug. 25	16,346	12,113	1,528	2,705	3,089	20,364	15,234	1,365	142	380	5,997	7,350	2,447	1,638	9
Sept. 29	16,704	12,273	1,671	2,760	2,756	20,438	15,571	1,339	191	374	6,028	7,639	1,952	1,649	9
Oct. 27	16,526	11,938	1,732	2,856	3,576	21,049	15,933	1,553	228	240	6,386	7,526	2,462	1,669	9
Nov. 24	16,651	11,945	1,780	2,926	3,856	21,333	15,364	1,431	219	102	6,097	7,515	2,712	1,649	9
Dec. 31	17,133	12,285	1,782	3,067	3,011	21,214	16,651	1,693	168	364	6,896	7,530	1,935	1,682	9
1972—Jan. 26	16,614	11,901	1,657	3,056	3,488	21,059	15,730	1,460	213	378	6,243	7,436	2,673	1,781	9
Feb. 23	17,234	12,505	1,576	3,153	3,311	21,489	15,791	1,509	207	267	6,305	7,503	2,935	1,796	9
Mar. 29	17,668	12,898	1,582	3,188	3,204	21,806	15,912	1,398	191	341	6,462	7,520	3,180	1,820	9
Apr. 26	17,761	12,998	1,510	3,253	3,207	21,858	16,017	1,344	191	465	6,381	7,636	2,972	1,829	9
May 31	18,147	13,283	1,665	3,199	3,538	22,697	16,509	1,412	182	282	6,631	8,002	3,280	1,836	9
June 28	18,529	13,934	1,456	3,139	2,902	22,489	16,688	1,329	c191	243	6,533	c8,392	2,926	1,839	9
July 26	18,582	14,130	1,398	3,054	3,070	22,727	16,695	1,447	194	310	6,157	8,587	3,187	1,850	9
Aug. 30	19,200	14,701	1,455	3,044	2,880	23,128	17,147	1,487	196	68	6,226	9,170	2,985	1,850	9
Other reserve city: [8]															
1941—Dec. 31	15,347	7,105	6,467	1,776	8,518	24,430	22,313	4,356	104	491	12,557	4,806	......	1,967	351
1945—Dec. 31	40,108	8,514	29,552	2,042	11,286	51,898	49,085	6,418	30	8,221	24,655	9,760	2	2,566	359
1947—Dec. 31	36,040	13,449	20,196	2,396	13,066	49,659	46,467	5,627	22	405	28,990	11,423	1	2,844	353
1966—Dec. 31	95,831	69,464	13,040	13,326	24,228	123,863	108,804	8,593	233	1,633	49,004	49,341	1,952	9,471	169
1967—Dec. 30	105,724	73,571	14,667	17,487	26,867	136,626	120,485	9,374	310	1,715	53,288	55,798	2,555	10,032	163
1968—Dec. 31	119,006	83,634	15,036	20,337	28,136	151,957	132,305	10,181	307	1,884	57,449	62,484	4,239	10,684	161
1969—Dec. 31 [7]	121,324	90,896	11,944	18,484	29,954	157,512	126,232	10,663	242	1,575	58,923	54,829	9,881	11,464	157
1970—Dec. 31	133,718	96,158	14,700	22,860	31,263	171,733	140,518	11,317	592	2,547	59,328	66,734	10,391	12,221	156
1971—Aug. 25	137,513	98,538	13,132	25,843	27,341	172,142	138,865	9,111	667	3,366	54,235	71,486	12,375	12,854	156
Sept. 29	140,060	100,339	13,121	26,600	27,832	175,407	140,334	9,237	846	2,982	54,557	72,712	13,927	12,922	156
Oct. 27	139,515	98,621	13,810	27,084	30,995	177,945	143,113	10,006	847	1,963	56,832	73,465	13,732	13,012	156
Nov. 24	141,421	100,284	14,203	26,934	32,048	180,956	142,820	9,537	733	1,264	57,068	74,218	16,692	13,012	156
Dec. 31	149,401	106,361	15,912	27,129	33,732	190,880	155,226	11,241	933	3,557	62,474	77,020	14,799	13,197	156
1972—Jan. 26	145,436	103,311	14,796	27,329	29,154	182,373	147,352	9,306	901	3,057	56,144	77,944	13,528	13,427	156
Feb. 23	146,609	104,067	14,768	27,774	30,945	185,420	148,824	9,901	938	2,492	57,121	78,372	14,927	13,463	156
Mar. 29	149,384	106,665	14,583	28,136	29,082	186,613	147,937	9,004	944	2,889	57,001	78,099	16,508	13,657	156
Apr. 26	149,586	107,362	14,434	27,790	32,579	190,334	151,394	9,079	894	3,839	58,129	79,453	16,766	13,725	156
May 31	151,153	108,846	14,362	27,945	34,413	193,947	155,174	9,985	1,020	2,763	60,716	80,690	16,435	13,890	156
June 28	152,851	111,037	13,999	27,815	32,122	193,131	152,512	9,138	1,034	3,310	58,398	80,632	18,156	13,903	156
July 26	154,528	113,172	13,873	27,483	30,832	193,689	153,772	9,688	1,098	2,867	58,980	81,139	17,595	14,011	156
Aug. 30	153,956	112,637	13,501	27,818	31,452	193,592	152,570	9,458	1,150	1,015	58,564	82,383	18,421	14,062	156
Country member: [8, 9]															
1941—Dec. 31	12,518	5,890	4,377	2,250	6,402	19,466	17,415	792	30	225	10,109	6,258	4	1,982	6,219
1945—Dec. 31	35,002	5,596	26,999	2,408	10,632	46,059	43,418	1,207	17	5,465	24,235	12,494	11	2,525	6,476
1947—Dec. 31	36,324	10,199	22,857	3,268	10,778	47,553	44,443	1,056	17	432	28,378	14,560	23	2,934	6,519
1966—Dec. 31	109,518	68,641	22,419	18,458	19,004	131,338	117,749	2,392	69	1,474	56,672	57,144	308	10,309	5,958
1967—Dec. 30	122,511	74,995	24,689	22,826	20,334	146,052	131,156	2,766	96	1,564	61,161	65,569	552	11,005	5,886
1968—Dec. 31	134,759	83,397	24,998	26,364	22,664	161,122	144,682	2,839	111	1,281	66,578	73,873	804	11,807	5,796
1969—Dec. 31 [7]	140,715	92,147	21,278	27,291	23,928	169,078	148,007	3,152	84	1,671	67,930	75,170	1,820	12,766	5,691
1970—Dec. 31	154,130	99,404	22,586	32,140	25,448	184,635	161,850	3,387	135	2,592	69,806	85,930	1,836	13,807	5,589
1971—Aug. 25	164,524	103,683	22,884	37,957	22,946	193,200	168,067	2,775	135	2,597	66,526	96,034	2,726	14,153	5,553
Sept. 29	166,630	105,263	22,864	38,503	23,519	196,237	170,060	2,782	224	2,730	67,186	97,138	3,146	14,195	5,547
Oct. 27	168,253	106,317	22,956	38,980	24,987	199,382	173,198	3,052	224	1,927	69,821	98,174	3,261	14,291	5,548
Nov. 24	169,620	107,432	23,065	39,123	24,858	200,544	173,702	2,988	224	1,559	69,955	98,979	3,418	14,385	5,552
Dec. 31	175,211	110,357	24,343	40,511	26,783	207,798	181,780	3,853	263	2,993	74,072	100,600	3,118	15,114	5,550
1972—Jan. 26	173,362	108,903	23,865	40,594	24,254	203,438	177,363	3,021	224	2,813	69,260	102,045	3,374	14,567	5,541
Feb. 23	174,639	109,715	23,568	41,356	25,387	205,717	179,050	3,176	224	2,294	69,521	103,835	3,459	14,775	5,543
Mar. 29	177,522	111,556	23,754	42,212	25,024	208,641	181,254	3,078	224	2,626	69,720	105,606	3,676	14,864	5,536
Apr. 26	179,111	112,399	23,874	42,838	25,545	210,567	182,521	3,019	263	2,622	70,719	105,898	4,018	15,002	5,536
May 31	179,450	113,382	23,119	42,949	27,057	213,129	184,891	3,213	263	2,742	72,231	106,442	4,089	15,012	5,535
June 28	181,271	115,389	22,834	43,048	25,024	212,891	184,038	3,015	263	2,759	70,769	107,232	4,355	15,054	5,536
July 26	182,661	116,565	22,707	43,389	25,745	214,899	186,267	3,208	263	2,606	71,860	108,330	4,512	15,176	5,527
Aug. 30p	184,883	118,482	22,613	43,788	25,573	217,197	187,669	3,118	263	1,595	72,564	110,129	4,721	15,331	5,527

For notes see p. A-23.

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	Number of banks
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
1945—Dec. 31	121,809	25,765	88,912	7,131	34,292	157,544	147,775	13,883		23,740	80,276	29,876	215	8,671	13,297
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
1963—Dec. 20	252,579	155,261	62,723	34,594	50,337	310,730	273,657	15,077	443	6,712	140,702	110,723	3,571	25,277	13,284
1964—Dec. 31	275,053	174,234	62,499	38,320	59,911	343,876	305,113	17,664	733	6,487	154,043	126,185	2,580	27,377	13,486
1965—Dec. 31	303,593	200,109	59,120	44,364	60,327	374,051	330,323	18,149	923	5,508	159,659	146,084	4,325	29,827	13,540
1966—Dec. 31	321,473	217,379	55,788	48,307	68,515	401,409	351,438	19,497	881	4,975	166,689	159,396	4,717	31,609	13,533
1967—Dec. 30	358,536	235,502	62,094	60,941	77,348	448,878	394,118	21,598	1,258	5,219	182,984	183,060	5,531	33,916	13,510
1968—Dec. 31	399,566	264,600	64,028	70,938	83,061	498,071	432,719	24,427	1,155	5,000	198,535	203,602	8,675	36,530	13,481
1969—June 30[7]	408,620	283,199	53,723	71,697	87,311	513,960	423,957	24,889	800	5,624	192,357	200,287	14,450	38,321	13,464
Dec. 31	419,746	294,638	54,399	70,709	89,090	527,598	434,138	26,858	695	5,038	207,311	194,237	18,024	39,450	13,464
1970—Dec. 31	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
1971—June 30	478,302	321,575	59,991	96,735	95,181	595,819	501,283	30,953	2,166	8,391	205,736	254,036	22,297	44,816	13,547
Dec. 31	514,097	345,386	64,691	104,020	98,281	635,805	535,703	31,824	2,792	10,150	219,102	271,835	25,629	46,731	13,602
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
1945—Dec. 31	69,312	13,925	51,250	4,137	20,144	90,220	84,939	9,229		14,013	45,473	16,224	78	4,644	5,017
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
1963—Dec. 20	137,447	84,845	33,384	19,218	28,635	170,233	150,823	8,863	146	3,691	76,836	61,288	1,704	13,548	4,615
1964—Dec. 31	151,406	96,688	33,405	21,312	34,064	190,289	169,615	10,521	211	3,604	84,534	70,746	1,109	15,048	4,773
1965—Dec. 31	176,605	118,537	32,347	25,720	36,880	219,744	193,860	12,064	458	3,284	92,533	85,522	2,627	17,434	4,815
1966—Dec. 31	187,251	129,182	30,355	27,713	41,690	235,996	206,456	12,588	437	3,035	96,755	93,642	3,120	18,459	4,799
1967—Dec. 30	208,971	139,315	34,308	35,348	46,634	263,375	231,374	13,877	652	3,142	106,019	107,684	3,478	19,730	4,758
1968—Dec. 31	236,130	159,257	35,300	41,572	50,953	296,594	257,884	15,117	657	3,090	116,422	122,597	5,923	21,524	4,716
1969—June 30[7]	242,241	170,834	29,481	41,927	52,271	305,800	251,489	14,324	437	3,534	113,134	120,060	9,895	22,628	4,700
Dec. 31	247,526	177,435	29,576	40,514	54,721	313,927	256,314	16,299	361	3,049	121,719	114,885	12,279	23,248	4,668
1970—Dec. 31	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
1971—June 30	281,830	192,339	33,759	55,732	57,244	352,807	294,025	16,575	1,441	5,118	121,096	149,795	15,629	25,999	4,598
Dec. 31	302,756	206,758	36,386	59,612	59,191	376,318	314,085	17,511	1,828	6,014	128,441	160,291	18,169	27,065	4,599
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
1945—Dec. 31	37,871	8,850	27,089	1,933	9,731	48,084	44,730	4,411		8,166	24,168	7,986	130	2,945	1,867
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
1963—Dec. 20	72,680	46,866	15,958	9,855	15,760	91,235	78,553	5,655	236	2,295	40,725	29,642	1,795	7,506	1,497
1964—Dec. 31	77,091	51,002	15,312	10,777	18,673	98,852	86,108	6,486	453	2,234	44,005	32,931	1,372	7,853	1,452
1965—Dec. 31	74,972	51,262	12,645	11,065	15,934	93,640	81,657	5,390	382	1,606	39,598	34,680	1,607	7,492	1,406
1966—Dec. 31	77,377	54,560	11,569	11,247	19,049	99,504	85,547	6,200	357	1,397	41,464	36,129	1,498	7,819	1,351
1967—Dec. 30	85,128	58,513	12,649	13,966	22,312	111,188	95,637	6,934	516	1,489	45,961	40,736	1,892	8,368	1,313
1968—Dec. 31	89,894	61,965	12,581	15,348	22,803	116,885	98,467	8,402	404	1,219	47,498	40,945	2,535	8,536	1,262
1969—June 30[7]	88,346	64,007	9,902	14,437	26,344	119,358	93,858	9,773	285	1,341	45,152	37,307	4,104	8,689	1,236
Dec. 31	90,088	65,560	10,257	14,271	24,313	119,219	94,445	9,541	248	1,065	48,030	35,560	5,116	8,800	1,201
1970—Dec. 31	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
1971—June 30	96,939	67,726	10,279	18,934	27,499	129,955	107,484	13,389	539	1,865	44,731	46,959	6,071	9,823	1,138
Dec. 31	102,813	71,441	11,247	20,125	26,998	135,517	111,777	13,102	721	2,412	45,945	49,597	6,878	10,214	1,128
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
1945—Dec. 31	14,639	2,992	10,584	1,063	4,448	19,256	18,119	244		1,560	10,635	5,680	7	1,083	6,416
1947—Dec. 31	16,444	4,958	10,039	1,448	4,083	20,691	19,340	262	4	149	12,366	6,558	7	1,271	6,478
1963—Dec. 20	42,464	23,550	13,391	5,523	5,942	49,275	44,280	559	61	726	23,140	19,793	72	4,234	7,173
1964—Dec. 31	46,567	26,544	13,790	6,233	7,174	54,747	49,389	658	70	649	25,504	22,509	99	4,488	7,262
1965—Dec. 31	52,028	30,310	14,137	7,581	7,513	60,679	54,806	695	83	618	27,528	25,882	91	4,912	7,320
1966—Dec. 31	56,857	33,636	13,873	9,349	7,777	65,921	59,434	709	87	543	28,471	29,625	99	5,342	7,384
1967—Dec. 30	64,449	37,675	15,146	11,629	8,403	74,328	67,107	786	89	588	31,004	34,640	162	5,830	7,440
1968—Dec. 31	73,553	43,378	16,155	14,020	9,305	84,605	76,368	908	94	691	34,615	40,060	217	6,482	7,504
1969—June 30[7]	78,032	48,358	14,341	15,333	8,696	88,802	78,610	791	78	749	34,070	42,921	451	7,004	7,528
Dec. 31	82,133	51,643	14,565	15,925	10,056	94,453	83,380	1,017	85	924	37,561	43,792	629	7,403	7,595
1970—Dec. 31	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
1971—June 30	99,532	61,509	15,953	22,070	10,439	113,058	99,774	989	186	1,409	39,908	57,283	597	8,993	7,811
Dec. 31	108,527	67,188	17,058	24,282	12,092	123,970	109,841	1,212	242	1,723	44,717	61,946	582	9,451	7,875

For notes see p. A-23.

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				Cash assets 3	Total assets—Total lia-bilities and capital ac-counts 4	Deposits						Bor-row-ings	Total capital ac-counts	Num-ber of banks
	Total	Loans 1	Securities				Total 3	Interbank 3		Other					
			U.S. Treas-ury	Other 2				De-mand	Time	Demand		Time 5			
										U.S. Govt.	Other				
Noninsured nonmember:															
1941—Dec. 31	1,457	455	761	241	763	2,283	1,872	329		1,291		253	13	329	852
1945—Dec. 31	2,211	318	1,693	200	514	2,768	2,452	181		1,905		365	4	279	714
1947—Dec. 31 6	2,009	474	1,280	255	576	2,643	2,251	177	185	18	1,392	478	4	325	783
1963—Dec. 20	1,571	745	463	362	374	2,029	1,463	190	83	17	832	341	93	389	285
1964—Dec. 31	2,312	1,355	483	474	578	3,033	2,057	273	86	23	1,141	534	99	406	274
1965—Dec. 31	2,455	1,549	418	489	572	3,200	2,113	277	85	17	1,121	612	147	434	263
1967—Dec. 30	2,638	1,735	370	533	579	3,404	2,172	285	58	15	1,081	733	246	457	211
1968—Dec. 31	2,901	1,875	429	597	691	3,789	2,519	319	56	10	1,366	767	224	464	197
1969—June 30 7	2,809	1,800	321	688	898	3,942	2,556	298	81	15	1,430	731	290	502	209
Dec. 31	2,982	2,041	310	632	895	4,198	2,570	316	41	16	1,559	638	336	528	197
1970—Dec. 31	3,079	2,132	304	642	934	4,365	2,570	375	101	40	1,298	756	226	532	184
1971—June 30	2,968	2,057	263	648	960	4,356	2,480	360	41	20	1,182	877	250	495	182
Dec. 31	3,147	2,224	239	684	1,551	5,130	2,923	380	116	19	1,273	1,134	283	480	181
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
1945—Dec. 31	16,849	3,310	12,277	1,262	4,962	22,024	20,571	425		14,101		6,045	11	1,362	7,130
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
1963—Dec. 20	44,035	24,295	13,854	5,885	6,316	51,304	45,743	749	144	743	23,972	20,134	165	4,623	7,458
1964—Dec. 31	48,879	27,899	14,273	6,707	7,752	57,780	51,447	931	156	672	26,645	23,043	198	4,894	7,536
1965—Dec. 31	54,483	31,858	14,555	8,070	8,085	63,879	56,919	972	168	635	28,649	26,495	238	5,345	7,583
1967—Dec. 30	67,087	39,409	15,516	12,162	8,983	77,732	69,279	1,071	147	603	32,085	35,372	408	6,286	7,651
1968—Dec. 31	76,454	45,253	16,585	14,617	9,997	88,394	78,887	1,227	150	701	35,981	40,827	441	6,945	7,701
1969—June 30 7	80,841	50,159	14,662	16,021	9,594	92,743	81,166	1,090	160	765	35,500	43,652	741	7,506	7,737
Dec. 31	85,115	53,683	14,875	16,556	10,950	98,651	85,949	1,333	126	940	39,120	44,430	965	7,931	7,792
1970—Dec. 31	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—June 30	102,500	63,566	16,216	22,718	11,398	117,414	102,254	1,348	227	1,429	41,091	58,160	847	9,489	7,993
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

1 Beginning June 30, 1966, loans to farmers directly guaranteed by CCC were reclassified as securities, and Export-Import Bank portfolio fund participations were reclassified from loans to securities. 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-24.

Beginning June 30, 1971, Farmers Home Administration notes are 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.

See also table (and notes) at the bottom of p. A-32.

2 See first two paragraphs of note 1.

3 Reciprocal balances excluded beginning with 1942.

4 Includes items not shown separately. See also note 1.

5 See last paragraph of note 1.

6 Beginning with Dec. 31, 1947, the series was revised; for description, see note 4, p. 587, May 1964 BULLETIN.

7 Figure takes into account the following changes beginning 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.

8 Regarding reclassification as a reserve city, see Aug. 1962 BULLETIN, p. 993. For various changes between reserve city and country status in 1960–63, see note 6, p. 587, May 1964 BULLETIN.

9 Beginning May 6, 1972, two New York City country banks, with deposits of $1,412 million, merged and were reclassified as a reserve city bank.

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; and nondeposit trust companies.

For the period June 1941–June 1962 member banks include mutual savings banks as follows: three before Jan. 1960, two through Dec. 1960, and one through June 1962. Those banks are not included in insured commercial banks.

Beginning 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.

Comparability of figures for classes of banks is affected somewhat by changes in F.R. membership, deposit insurance status, and the reserve classifications of cities and individual banks, and by mergers, etc.

Data for national banks for Dec. 31, 1965, have been adjusted to make them comparable with State bank data.

Figures are partly estimated except on call dates.

For revisions in series before June 30, 1947, see July 1947 BULLETIN, pp. 870–71.

LOANS AND INVESTMENTS BY CLASS OF BANK

(In millions of dollars)

Class of bank and call date	Total loans[1] and investments	Federal funds sold, etc.[2]	Other loans[1]: Total[3,4]	Other loans: Commercial and industrial	Other loans: Agricultural[5]	For purchasing or carrying securities: To brokers and dealers	For purchasing or carrying securities: To others	To financial institutions: Banks	To financial institutions: Others	Real estate	Other, to individuals[3]	Other[5]	Investments: U.S. Treasury securities[6]: Total	U.S. Treasury: Bills and certificates	U.S. Treasury: Notes	U.S. Treasury: Bonds	State and local govt. securities	Other securities[5]
Total:[2]																		
1947—Dec. 31..	116,284	......	38,057	18,167	1,660	830	1,220	115	......	9,393	5,723	947	69,221	9,982	6,034	53,205	5,276	3,729
1969—Dec. 31[10]	422,728	9,928	286,750	108,443	10,329	5,739	4,027	2,488	15,062	70,020	63,256	7,388	54,709	......	......	......	59,183	12,158
1971—June 30.	481,270	15,663	307,969	114,362	12,228	5,634	3,493	2,844	16,958	75,777	69,149	7,527	60,254	......	......	......	77,994	19,889
Dec. 31.	517,244	19,954	327,636	118,528	12,497	7,292	3,659	4,591	16,926	81,601	74,314	8,049	64,930	......	......	......	82,420	22,284
All insured:																		
1941—Dec. 31..	49,290	......	21,259	9,214	1,450	614	662	40	......	4,773	4,505		21,046	988	3,159	16,899	3,651	3,333
1945—Dec. 31..	121,809	......	25,765	9,461	1,314	3,164	3,606	49	......	4,677	2,361	1,132	88,912	21,526	16,045	51,342	3,873	3,258
1947—Dec. 31..	114,274	......	37,583	18,012	1,610	823	1,190	114	......	9,266	5,654	914	67,941	9,676	5,918	52,347	5,129	3,621
1969—Dec. 31[10]	419,746	9,693	284,945	107,685	10,314	5,644	3,991	2,425	14,890	69,669	63,008	7,319	54,399	......	......	......	58,840	11,889
1971—June 30.	478,302	15,381	306,194	113,411	12,211	5,555	3,480	2,718	16,825	75,615	68,942	7,437	59,991	11,729	38,540	12,509	77,687	19,048
Dec. 31.	514,097	19,623	325,764	117,608	12,482	7,201	3,644	4,405	16,792	81,434	74,263	7,939	64,691	......	......	......	82,099	21,921
Member—Total:																		
1941—Dec. 31..	43,521	......	18,021	8,671	972	594	598	39	......	3,494	3,653		19,539	971	3,007	15,561	3,090	2,871
1945—Dec. 31..	107,183	......	22,775	8,949	855	3,133	3,378	47	......	3,455	1,900	1,057	78,338	19,260	14,271	44,807	3,254	2,815
1947—Dec. 31..	97,846	......	32,628	16,962	1,046	811	1,065	113	......	7,130	4,662	839	57,914	7,803	4,815	45,295	4,199	3,105
1969—Dec. 31[10]	337,613	7,356	235,639	96,095	6,187	5,408	3,286	2,258	14,035	53,207	48,388	6,776	39,833	......	......	......	47,227	7,558
1971—June 30.	378,769	12,026	248,040	98,573	7,094	5,333	3,024	2,496	15,770	56,934	52,037	6,777	44,038	5,444	25,365	9,791	61,963	12,702
Dec. 31.	405,570	15,373	262,826	101,479	7,311	6,895	3,167	4,123	15,713	61,091	55,839	7,207	47,633	......	......	......	65,244	14,494
New York City:																		
1941—Dec. 31..	12,896	......	4,072	2,807	8	412	169	32	......	123	522		7,265	311	1,623	5,331	729	830
1945—Dec. 31..	26,143	......	7,334	3,044	......	2,453	1,172	26	......	80	287	272	17,574	3,910	3,325	10,339	606	629
1947—Dec. 31..	20,393	......	7,179	5,361	......	545	267	93	......	111	564	238	11,972	1,642	558	9,772	638	604
1969—Dec. 31[10]	60,333	802	47,503	28,189	12	3,695	776	1,047	4,547	3,835	3,595	1,807	5,048	......	......	......	6,192	788
1971—June 30.	61,059	996	46,247	26,948	20	3,822	637	1,106	4,210	4,202	3,916	1,385	5,116	811	2,274	1,561	7,298	1,401
Dec. 31.	63,342	774	47,941	26,526	30	4,701	677	1,722	3,997	4,496	4,151	1,641	5,597	......	......	......	7,729	1,302
City of Chicago:																		
1941—Dec. 31..	2,760	......	954	732	6	48	52	1	......	22	95		1,430	256	153	1,022	182	193
1945—Dec. 31..	5,931	......	1,333	760	2	211	233	......	......	36	51	40	4,213	1,600	749	1,864	181	204
1947—Dec. 31..	5,088	......	1,801	1,418	3	73	87	......	......	46	149	26	2,890	367	248	2,274	213	185
1969—Dec. 31[10]	14,365	215	10,556	6,444	50	337	262	186	1,219	842	862	354	1,564	......	......	......	1,837	192
1971—June 30.	16,477	612	11,164	6,515	41	373	245	218	1,465	861	1,078	367	1,736	473	717	276	2,580	384
Dec. 31.	17,162	621	11,693	6,355	51	527	263	382	1,568	949	1,167	431	1,782	......	......	......	2,688	379
Other reserve city:																		
1941—Dec. 31..	15,347	......	7,105	3,456	300	114	194	4	......	1,527	1,508		6,467	295	751	5,421	956	820
1945—Dec. 31..	40,108	......	8,514	3,661	205	427	1,503	17	......	1,459	855	387	29,552	8,016	5,653	15,883	1,126	916
1947—Dec. 31..	36,040	......	13,449	7,088	225	170	484	15	......	3,147	1,969	351	20,196	2,731	1,901	15,563	1,342	1,053
1969—Dec. 31[10]	121,628	3,021	88,180	37,701	1,386	878	1,300	876	6,006	19,706	17,569	2,757	11,944	......	......	......	16,625	1,859
1971—June 30.	137,451	5,010	92,176	38,189	1,601	786	1,419	893	7,517	20,722	17,929	3,120	14,552	1,850	7,752	3,445	22,409	3,304
Dec. 31.	149,484	7,771	98,673	40,397	1,630	1,193	1,407	1,671	7,497	22,300	19,405	3,173	15,912	......	......	......	23,459	3,670
Country:																		
1941—Dec. 31..	12,518	......	5,890	1,676	659	20	183	2	......	1,823	1,528		4,377	110	481	3,787	1,222	1,028
1945—Dec. 31..	35,002	......	5,596	1,484	648	42	471	4	......	1,881	707	359	26,999	5,732	4,544	16,722	1,342	1,067
1947—Dec. 31..	36,324	......	10,199	3,096	818	23	227	5	......	3,827	1,979	224	22,857	3,063	2,108	17,687	2,006	1,262
1969—Dec. 31[10]	141,286	3,318	89,401	23,762	4,739	498	947	148	2,263	28,824	26,362	1,858	21,278	......	......	......	22,572	4,718
1971—June 30.	163,782	5,407	98,452	26,922	5,433	352	723	279	2,577	31,148	29,113	1,905	22,634	2,310	14,622	4,510	29,675	7,614
Dec. 31.	175,582	6,208	104,520	28,201	5,599	474	821	348	2,651	33,347	31,117	1,962	24,343	......	......	......	31,367	9,144
Nonmember:																		
1947—Dec. 31..	18,454	......	5,432	1,205	614	20	156	2	......	2,266	1,061	109	11,318	2,179	1,219	7,920	1,073	625
1969—Dec. 31[10]	85,115	2,572	51,111	12,348	4,141	329	741	231	1,028	16,813	14,868	612	14,875	......	......	......	11,956	4,600
1971—June 30.	102,500	3,638	59,929	15,789	5,131	301	468	348	1,187	18,843	17,112	749	16,216	......	......	......	16,031	6,687
Dec. 31.	111,674	4,581	64,830	17,046	5,187	398	492	468	1,213	20,509	18,675	842	17,297	......	......	......	17,176	7,790

1 Beginning with June 30, 1948, figures for various loan items are shown gross (i.e., before deduction of valuation reserves); they do not add to the total and are not entirely comparable with prior figures. Total loans continue to be shown net. See also note 10.

2 Includes securities purchased under resale agreements. Prior to June 30, 1967, they were included in loans—for the most part in loans to "Banks." Prior to Dec. 1965, Federal funds sold were included with "Total" loans and loans to "Banks."

3 See table (and notes), *Deposits Accumulated for Payment of Personal Loans*, p. A-32.

4 Breakdowns of loan, investment, and deposit classifications are not available before 1947; summary figures for 1941 and 1945 appear in the table on pp. A-20—A-23.

5 Beginning with June 30, 1966, loans to farmers directly guaranteed by CCC were reclassified as "Other securities," and Export-Import Bank portfolio fund participations were reclassified from loans to "Other securities." This increased "Other securities" by about $1 billion.

6 Beginning with Dec. 31, 1965, components shown at par rather than at book value; they do not add to the total (shown at book value) and are not entirely comparable with prior figures. See also note 10.

For other notes see opposite page.

RESERVES AND LIABILITIES BY CLASS OF BANK

(In millions of dollars)

Class of bank and call date	Reserves with F.R. Banks	Currency and coin	Balances with domestic banks[7]	Demand deposits adjusted[8]	Demand deposits: Interbank: Domestic[7]	Demand deposits: Interbank: Foreign[9]	Demand deposits: U.S. Govt.	Demand deposits: State and local govt.	Demand deposits: Certified and officers' checks, etc.	Demand deposits: IPC	Time deposits: Interbank	Time deposits: U.S. Govt. and Postal Savings	Time deposits: State and local govt.	Time deposits: IPC[3]	Borrowings	Capital accounts
Total:[3]																
1947—Dec. 31....	17,796	2,216	10,216	87,123	11,362	1,430	1,343	6,799	2,581	84,987	240	111	866	34,383	65	10,059
1969—Dec. 31[10]..	21,449	7,320	20,314	172,079	24,553	2,620	5,054	17,558	11,899	179,413	735	211	13,221	181,443	18,360	39,978
1971—June 30...	24,066	7,634	21,546	168,263	28,699	2,614	8,412	17,276	11,949	177,692	2,207	517	26,221	228,176	22,647	45,311
Dec. 31...	27,478	7,541	25,548	185,907	29,349	2,855	10,169	17,665	10,130	192,581	2,908	529	30,384	242,055	26,912	47,211
All insured:																
1941—Dec. 31....	12,396	1,358	8,570	37,845	9,823	673	1,762	3,677	1,077	36,544	158	59	492	15,146	10	6,844
1945—Dec. 31....	15,810	1,829	11,075	74,722	12,566	1,248	23,740	5,098	2,585	72,593	70	103	496	29,277	215	8,671
1947—Dec. 31....	17,796	2,145	9,736	85,751	11,236	1,379	1,325	6,692	2,559	83,723	54	111	826	33,946	61	9,734
1969—Dec. 31[10]..	21,449	7,292	19,528	170,280	24,386	2,471	5,038	17,434	11,476	178,401	695	211	13,166	180,860	18,024	39,450
1971—June 30...	24,066	7,610	20,748	168,860	28,519	2,434	8,392	17,185	11,736	176,815	2,166	517	26,132	227,387	22,207	44,816
Dec. 31...	27,478	7,532	24,171	184,366	29,145	2,680	10,150	17,547	9,810	191,746	2,792	529	30,303	241,003	26,628	46,731
Member—Total:																
1941—Dec. 31....	*12,396*	*1,087*	*6,246*	*33,754*	*9,714*	*671*	*1,709*	*3,066*	*1,009*	*33,061*	*140*	*50*	*418*	*11,878*	*4*	*5,886*
1945—Dec. 31....	15,811	1,438	7,117	64,184	12,333	1,243	22,179	4,240	2,450	62,950	64	99	399	23,712	208	7,589
1947—Dec. 31....	17,797	1,672	6,270	73,528	10,978	1,375	1,176	5,504	2,401	72,704	50	105	693	27,542	54	8,464
1969—Dec. 31[10]..	21,449	5,676	11,931	133,435	23,441	2,399	4,114	13,274	10,483	145,992	609	186	9,951	140,308	17,895	32,047
1971—June 30...	24,066	5,870	12,971	127,670	27,605	2,360	6,983	12,953	10,654	142,220	1,980	462	20,534	175,757	21,700	35,822
Dec. 31...	*27,478*	*5,778*	*14,893*	*140,446*	*28,056*	*2,556*	*8,427*	*12,955*	*8,587*	*152,843*	*2,549*	*445*	*23,890*	*185,553*	*26,046*	*37,279*
New York City:																
1941—Dec. 31....	5,105	93	141	10,761	3,595	607	866	319	450	11,282	6	......	29	778	.....	1,648
1945—Dec. 31....	4,015	111	78	15,065	3,535	1,105	6,940	237	1,338	15,712	17	10	20	1,206	195	2,120
1947—Dec. 31....	4,639	151	70	16,653	3,236	1,217	267	290	1,105	17,646	12	12	14	1,418	30	2,259
1969—Dec. 31[10]..	4,358	463	455	21,316	8,708	1,641	694	1,168	6,605	28,354	268	45	207	14,692	4,405	6,301
1971—June 30...	4,716	466	1,193	15,264	13,504	1,717	1,199	789	6,032	25,994	937	68	1,896	21,572	4,531	6,860
Dec. 31...	5,362	459	1,806	18,315	12,047	1,779	1,513	909	3,841	26,193	1,186	51	2,060	22,145	5,195	7,285
City of Chicago:																
1941—Dec. 31....	1,021	43	298	2,215	1,027	8	127	233	34	2,152	......	......	......	476	.....	288
1945—Dec. 31....	942	36	200	3,153	1,292	20	1,552	237	66	3,160	......	......	......	719	.....	377
1947—Dec. 31....	1,070	30	175	3,737	1,196	21	72	285	63	3,853	......	2	9	902	.....	426
1969—Dec. 31[10]..	869	123	150	5,221	1,581	96	175	268	229	6,273	15	1	216	4,409	1,290	1,517
1971—June 30...	991	126	247	5,044	1,439	51	318	352	211	6,084	85	3	741	6,353	2,359	1,636
Dec. 31...	956	133	202	5,335	1,592	101	363	333	240	6,323	168	1	809	6,749	1,935	1,682
Other reserve city:																
1941—Dec. 31....	4,060	425	2,590	11,117	4,302	54	491	1,144	286	11,127	104	20	243	4,542	.....	1,967
1945—Dec. 31....	6,326	494	2,174	22,372	6,307	110	8,221	1,763	611	22,281	30	38	160	9,563	2	2,566
1947—Dec. 31....	7,095	562	2,125	25,714	5,497	131	405	2,282	705	26,003	22	45	332	11,045	1	2,844
1969—Dec. 31[10]..	9,044	1,787	3,456	44,169	10,072	590	1,575	3,934	1,928	53,062	242	86	4,609	50,439	9,881	11,464
1971—June 30...	10,394	1,822	4,069	43,872	9,631	535	2,954	3,716	2,455	51,451	735	249	8,863	62,312	12,163	12,826
Dec. 31...	12,264	1,819	4,222	48,063	10,637	604	3,557	3,600	2,533	56,341	933	225	10,516	66,362	14,799	13,197
Country:																
1941—Dec. 31....	2,210	526	3,216	9,661	790	2	225	1,370	239	8,500	30	31	146	6,082	4	1,982
1945—Dec. 31....	4,527	796	4,665	23,595	1,199	8	5,465	2,004	435	21,797	17	52	219	12,224	11	2,525
1947—Dec. 31....	4,993	929	3,900	27,424	1,049	7	432	2,647	528	25,203	17	45	337	14,177	23	2,934
1969—Dec. 31[10]..	7,179	3,302	7,870	62,729	3,080	72	1,671	7,905	1,721	58,304	84	54	4,920	70,768	1,820	12,766
1971—June 30...	7,964	3,455	7,461	63,490	3,031	56	2,513	8,095	1,956	58,691	223	143	9,033	85,521	2,656	14,499
Dec. 31...	8,896	3,367	8,663	68,733	3,779	73	2,993	8,113	1,973	63,986	263	167	10,505	90,298	3,118	15,114
Nonmember:[3]																
1947—Dec. 31....	....	544	3,947	13,595	385	55	167	1,295	180	12,284	190	6	172	6,858	12	1,596
1969—Dec. 31[10]..	....	1,644	8,383	38,644	1,112	222	940	4,284	1,416	33,420	126	25	3,269	41,135	965	7,931
1971—June 30...	....	1,765	8,576	40,593	1,094	254	1,429	4,323	1,295	35,472	227	55	5,688	52,419	847	9,489
Dec. 31...	....	1,763	10,655	45,462	1,293	299	1,742	4,710	1,543	39,737	359	85	6,494	56,502	866	9,932

7 Beginning with 1942, excludes reciprocal bank balances.
8 Through 1960 demand deposits other than interbank and U.S. Govt., less cash items in process of collection; beginning with 1961, demand deposits other than domestic commercial interbank and U.S. Govt., less cash items in process of collection.
9 For reclassification of certain deposits in 1961, see note 6, p. 589, May 1964 BULLETIN.
10 Beginning June 30, 1969, reflects (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. See also notes 1 and 6.

NOTE.—Data are for all commercial banks in the United States; member banks in U.S. possessions were included through 1968 and then excluded.
For the period June 1941—June 1962 member banks include mutual savings banks as follows: three before Jan. 1960, two through Dec. 1960, and one through June 1962. Those banks are not included in all insured or total banks.
A small noninsured member bank engaged exclusively in trust business is treated as a noninsured bank and not as a member bank for the period June 30, 1969—June 30, 1970.
Comparability of figures for classes of banks is affected somewhat by changes in F.R. membership, deposit insurance status, and the reserve classifications of cities and individual banks, and by mergers, etc.
For other notes see opposite page.

ASSETS AND LIABILITIES OF LARGE COMMERCIAL BANKS

(In millions of dollars)

Wednesday	Total loans and investments	Loans													
		Federal funds sold, etc.[1]					Other								
		Total	To commercial banks	To brokers and dealers involving—		To others	Total	Commercial and industrial	Agricultural	For purchasing or carrying securities				To nonbank financial institutions	
										To brokers and dealers		To others			
				U.S. Treasury securities	Other securities					U.S. Treasury secs.	Other secs.	U.S. Treasury secs.	Other secs.	Pers. and sales finan. cos., etc.	Other
Large banks—Total															
1971															
Aug. 4	265,418	8,829	8,263	409	13	144	181,714	81.528	2,210	482	4,074	148	2,403	7,057	7,081
11	264,797	8,594	8,119	386	17	72	181,671	81.356	2,207	613	3,791	149	2,394	7,180	7,121
18	266,380	8,825	8,083	504	66	172	183,615	82.248	2,191	724	3,907	118	2,405	6,764	7,226
25	266,399	8,600	7,699	679	64	158	183,873	82,310	2,185	780	3,951	119	2,428	6,601	7,105
1972															
July 5	298,209	12,901	11,683	638	359	221	205,496	85,442	2,552	589	7,425	158	2,708	7,064	9,558
12	297,337	12,250	9,566	2,228	269	187	205,134	85,267	2,554	1,319	7,146	160	2,693	6,495	9,553
19	296,385	11,951	10,916	536	287	212	205,144	85,314	2,555	653	7,157	155	2,684	6,637	9,576
26	296,091	11,571	10,567	597	250	157	204,904	85,188	2,549	717	7,116	167	2,690	6,433	9,613
Aug. 2p	298,463	11,804	10,692	682	252	178	206,701	85,321	2,550	892	7,658	176	2,730	6,362	9,807
9p	297,328	11,523	10,326	718	300	179	205,983	84,981	2,543	750	7,277	165	2,737	6,339	9,839
16p	298,503	12,069	11,073	583	259	154	206,793	85,239	2,543	862	7,204	165	2,723	6,275	9,972
23p	298,951	12,171	10,278	1,496	216	181	206,917	85,157	2,537	970	7,104	185	2,735	6,144	10,097
30p	297,630	10,677	9,792	499	216	170	206,978	85,026	2,535	848	7,133	184	2,775	6,247	10,188
New York City															
1971															
Aug. 4	57,062	1,367	1,218	115	....	34	43,300	25,608	15	380	2,841	21	579	2,238	1,590
11	56,624	1,162	1,128	31	....	3	43,221	25,617	16	508	2,485	20	575	2,317	1,624
18	57,335	1,194	1,153	35	....	6	44,050	25.965	17	581	2,526	20	578	2,113	1,646
25	57,203	884	853	12	....	19	44,068	26,087	17	625	2,645	22	583	2,030	1,561
1971															
July 5	62,409	1,816	1,768	....	....	48	47,076	24,452	33	478	4,857	43	674	2,039	2,488
12	62,043	1,219	1,196	....	....	23	47,018	24,224	33	1,179	4,640	44	663	1,735	2,470
19	61,474	1,264	1,223	....	10	31	46,618	24,270	33	546	4,534	43	663	1,809	2,516
26	61,088	1,039	1,028	....	....	11	46,280	24,126	30	584	4,582	42	657	1,752	2,521
Aug. 2p	62,620	1,196	1,177	....	....	19	47,315	24,232	30	733	4,935	41	652	1,791	2,590
9p	62,070	1,142	1,059	....	68	15	46,862	24,105	30	651	4,609	41	652	1,792	2,592
16p	62,084	975	970	....	....	5	47,036	24,095	30	750	4,511	41	648	1,783	2,694
23p	62,635	1,356	1,220	132	....	4	47,054	24,170	39	836	4,417	41	650	1,684	2,748
30p	62,067	985	954	....	....	31	46,937	24,168	40	727	4,448	40	652	1,781	2,742
Outside New York City															
1971															
Aug. 4	208,356	7,462	7,045	294	13	110	138,414	55,920	2,195	102	1,233	127	1,824	4,819	5,491
11	208,173	7,432	6,991	355	17	69	138,450	55,739	2,191	105	1,306	129	1,819	4,863	5,497
18	209,045	7,631	6,930	469	66	166	139,565	56,283	2,174	143	1,381	98	1,827	4,651	5,580
25	209,196	7,716	6,846	667	64	139	139,805	56,223	2,168	155	1,306	97	1,845	4,571	5,544
1972															
July 5	235,800	11,085	9,915	638	359	173	158,420	60,990	2,519	111	2,568	115	2,034	5,025	7,070
12	235,294	11,031	8,370	2,228	269	164	158,116	61,043	2,521	140	2,506	116	2,030	4,760	7,083
19	234,911	10,687	9,693	536	277	181	158,526	61,044	2,522	107	2,623	112	2,021	4,828	7.060
26	235,003	10,532	9,539	597	250	146	158,624	61,062	2,519	133	2,534	125	2,033	4,681	7,092
Aug. 2p	235,843	10,608	9,515	682	252	159	159,386	61.089	2,520	159	2,723	135	2,078	4,571	7,217
9p	235,258	10,381	9,267	718	232	164	159,121	60,876	2,513	99	2,668	124	2,085	4,547	7,247
16p	236,419	11,094	10,103	583	259	149	159,757	61,144	2,513	112	2,693	124	2,075	4,492	7,278
23p	236,316	10,815	9,058	1,364	216	177	159,863	60,987	2,498	134	2,687	144	2,085	4,460	7,349
30p	235,563	9,692	8,838	499	216	139	160,041	60,858	2,495	121	2,685	144	2,123	4,466	7,446

For notes see p. A-30.

ASSETS AND LIABILITIES OF LARGE COMMERCIAL BANKS—Continued

(In millions of dollars)

Loans (cont.)						Investments						
Other (cont.)						U.S. Treasury securities						
	To commercial banks								Notes and bonds maturing—			
Real estate	Domestic	Foreign	Consumer instalment	Foreign govts.[2]	All other	Total	Bills	Certificates	Within 1 yr.	1 to 5 yrs.	After 5 yrs.	Wednesday
												Large banks—Total
												1971
36,216	561	1,860	22,849	802	14,443	25,182	3,431	....	3,556	14,923	3,272	Aug. 4
36,371	579	1,974	22,884	809	14,243	25,030	3,300	....	3,593	14,876	3,261	11
36,518	777	2,682	22,935	820	14,300	25,006	2,901	....	3,350	15,831	2,924	18
36,653	794	2,819	23,015	823	14,290	24,952	2,858	....	3,367	15,853	2,874	25
												1972
42,025	1,403	2,838	25,733	1,023	16,978	26,225	3,901	....	4,823	14,728	2,773	July 5
42,213	1,432	2,869	25,747	1,018	16,668	25,696	3,523	....	4,780	14,694	2,699	12
42,395	1,429	2,966	25,792	1,020	16,811	25,581	3,422	....	4,841	14,714	2,604	19
42,561	1,339	2,932	25,900	1,011	16,688	25,804	3,498	....	5,014	14,667	2,625	26
42,742	1,376	2,997	26,008	1,029	17,053	25,770	3,268	....	5,328	14,489	2,685	Aug. 2p
42,922	1,377	2,977	26,089	1,050	16,937	25,466	3,072	....	5,308	14,415	2,671	9p
43,219	1,368	2,955	26,167	1,043	17,058	25,246	2,997	....	4,281	14,860	3,108	16p
43,366	1,475	2,927	26,276	1,034	16,910	25,417	3,131	....	4,582	14,448	3,256	23p
43,432	1,450	2,869	26,379	1,078	16,834	25,639	3,549	....	4,641	14,292	3,157	30p
												New York City
												1971
3,813	195	911	1,874	554	2,681	4,378	741	....	522	2,774	341	Aug. 4
3,824	211	977	1,877	558	2,612	4,310	663	....	502	2,800	345	11
3,853	278	1,383	1,894	561	2,635	4,424	525	....	446	3,203	250	18
3,857	303	1,328	1,891	558	2,561	4,597	645	....	404	3,294	254	25
												1972
4,524	419	1,164	1,956	627	3,322	4,737	1,150	....	964	2,357	266	July 5
4,548	418	1,183	1,965	631	3,285	4,518	1,013	....	966	2,366	173	12
4,570	445	1,281	1,970	623	3,315	4,494	1,014	....	1,008	2,388	84	19
4,591	346	1,259	1,967	616	3,207	4,660	1,099	....	1,085	2,372	104	26
4,648	400	1,284	1,972	626	3,381	4,851	881	....	1,349	2,464	157	Aug. 2p
4,665	481	1,272	1,985	634	3,353	4,760	733	....	1,369	2,477	181	9p
4,718	462	1,275	1,996	627	3,406	4,546	703	....	878	2,551	414	16p
4,740	472	1,267	2,008	632	3,350	4,697	839	....	912	2,470	476	23p
4,693	452	1,243	2,006	661	3,284	4,877	1,209	....	917	2,328	423	30p
												Outside New York City
												1971
32,403	366	949	20,975	248	11,762	20,804	2,690	....	3,034	12,149	2,931	Aug. 4
32,547	368	997	21,007	251	11,631	20,720	2,637	....	3,091	12,076	2,916	11
32,665	499	1,299	21,041	259	11,665	20,582	2,376	....	2,904	12,628	2,674	18
32,796	491	1,491	21,124	265	11,729	20,355	2,213	....	2,963	12,559	2,620	25
												1972
37,501	984	1,674	23,777	396	13,656	21,488	2,751	....	3,859	12,371	2,507	July 5
37,665	1,014	1,686	23,782	387	13,383	21,178	2,510	....	3,814	12,328	2,526	12
37,825	984	1,685	23,822	397	13,496	21,087	2,408	....	3,833	12,326	2,520	19
37,970	993	1,673	23,933	395	13,481	21,144	2,399	....	3,929	12,295	2,521	26
38,094	976	1,713	24,036	403	13,672	20,919	2,387	....	3,979	12,025	2,528	Aug. 2p
38,257	896	1,705	24,104	416	13,584	20,706	2,339	....	3,939	11,938	2,490	9p
38,501	906	1,680	24,171	416	13,652	20,700	2,294	....	3,403	12,309	2,694	16p
38,626	1,003	1,660	24,268	402	13,560	20,720	2,292	....	3,670	11,978	2,780	23p
38,739	998	1,626	24,373	417	13,550	20,762	2,340	....	3,724	11,964	2,734	30p

For notes see p. A-30.

ASSETS AND LIABILITIES OF LARGE COMMERCIAL BANKS—Continued

(In millions of dollars)

Wednesday	Investments (cont.) — Other securities					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
	Total	Obligations of State and political subdivisions		Other bonds, corp. stock, and securities								
		Tax warrants[3]	All other	Certif. of participation[4]	All other[5]							
Large banks—Total												
1971												
Aug. 4	49,693	7,801	34,967	1,364	5,561	31,875	20,057	3,220	6,169	786	15,696	343,221
11	49,502	7,675	35,089	1,342	5,396	31,516	17,972	3,486	5,577	784	15,685	339,817
18	48,934	7,466	34,851	1,282	5,335	30,303	18,588	3,494	5,823	786	15,446	340,820
25	48,974	7,424	34,954	1,260	5,336	29,811	19,311	3,615	5,818	786	15,654	341,394
1972												
July 5	53,587	8,449	37,301	1,556	6,281	35,551	21,326	3,456	10,428	961	16,455	386,386
12	54,257	8,856	37,585	1,553	6,263	30,060	17,799	3,894	8,872	986	16,265	375,213
19	53,709	8,534	37,401	1,527	6,247	29,878	21,005	3,775	9,212	992	16,522	377,769
26	53,812	8,881	37,104	1,532	6,295	27,826	20,503	3,900	8,756	991	16,481	374,548
Aug. 2p	54,188	8,946	37,276	1,568	6,398	30,040	21,966	3,651	8,389	992	17,068	380,569
9p	54,356	9,081	37,285	1,569	6,421	27,030	21,326	3,686	8,112	991	16,637	275,110
16p	54,395	9,278	37,172	1,541	6,404	29,385	21,532	3,703	8,505	992	16,425	379,045
23p	54,446	9,186	37,340	1,547	6,373	26,076	19,877	3,851	8,334	997	16,333	374,419
30p	54,336	9,053	37,275	1,549	6,459	27,012	21,295	3,924	8,529	1,002	16,728	376,120
New York City												
1971												
Aug. 4	8,017	1,433	5,217	226	1,141	14,018	5,534	431	886	348	5,419	83,698
11	7,931	1,373	5,284	211	1,063	14,937	4,506	436	839	349	5,479	83,170
18	7,667	1,346	5,122	217	982	12,981	4,458	430	1,060	349	5,434	82,047
25	7,654	1,351	5,115	207	981	14,135	5,241	426	969	349	5,478	83,801
1972												
July 5	8,780	2,318	5,351	275	836	13,289	5,651	438	4,189	460	4,816	91,252
12	9,288	2,650	5,540	275	823	9,414	4,239	448	2,833	460	4,810	84,247
19	9,098	2,574	5,443	272	809	9,996	4,662	434	3,436	464	4,832	85,298
26	9,109	2,844	5,135	277	853	9,821	5,130	442	3,285	464	4,790	85,020
Aug. 2p	9,258	2,869	5,212	286	891	10,276	4,442	435	2,772	464	5,257	86,266
9p	9,306	2,868	5,271	285	882	9,485	5,239	435	2,779	464	4,955	85,427
16p	9,527	3,072	5,270	278	907	8,915	5,191	434	3,054	464	4,984	85,126
23p	9,528	3,031	5,326	264	907	8,558	4,684	438	3,115	469	4,965	84,864
30p	9,268	2,910	5,159	271	928	9,554	5,287	459	3,099	472	4,948	85,886
Outside New York City												
1971												
Aug. 4	41,676	6,368	29,750	1,138	4,420	17,857	14,523	2,789	5,283	438	10,277	259,523
11	41,571	6,302	29,805	1,131	4,333	16,579	13,466	3,050	4,738	435	10,206	256,647
18	41,267	6,120	29,729	1,065	4,353	17,322	14,130	3,064	4,763	437	10,012	258,773
25	41,320	6,073	29,839	1,053	4,355	15,676	14,070	3,189	4,849	437	10,176	257,593
1972												
July 5	44,807	6,131	31,950	1,281	5,445	22,262	15,675	3,018	6,239	501	11,639	295,134
12	44,969	6,206	32,045	1,278	5,440	20,646	13,360	3,446	6,039	526	11,455	290,966
19	44,611	5,960	31,958	1,255	5,438	19,882	16,343	3,341	5,776	528	11,690	292,471
26	44,703	6,037	31,969	1,255	5,442	18,005	15,373	3,458	5,471	527	11,691	289,528
Aug. 2p	44,930	6,077	32,064	1,282	5,507	19,764	17,524	3,216	5,617	528	11,811	294,303
9p	45,050	6,213	32,014	1,284	5,539	17,545	16,087	3,251	5,333	527	11,682	289,683
16p	44,868	6,206	31,902	1,263	5,497	20,470	16,341	3,269	5,451	528	11,441	293,919
23p	44,918	6,155	32,014	1,283	5,466	17,518	15,193	3,413	5,219	528	11,368	289,555
30p	45,068	6,143	32,116	1,278	5,531	17,458	16,008	3,465	5,430	530	11,780	290,234

For notes see p. A-30.

ASSETS AND LIABILITIES OF LARGE COMMERCIAL BANKS—Continued

(In millions of dollars)

Deposits															
Demand									Time and savings						Wednesday
Total	IPC	States and political subdivisions	U.S. Govt.	Domestic interbank: Commercial	Domestic interbank: Mutual savings	Foreign: Govts., etc.[2]	Foreign: Commercial banks	Certified and officers' checks	Total[6]	IPC: Savings	IPC: Other	States and political subdivisions	Domestic interbank	Foreign govts.[2]	
															Large banks—Total
															1971
139,404	97,190	6,620	2,890	21,489	703	760	2,358	7,394	132,924	53,133	57,472	15,067	1,566	5,144	Aug. 4
138,109	96,119	6,611	2,333	21,126	617	1,283	2,298	7,722	133,179	53,113	57,708	15,111	1,536	5,208	11
139,164	96,218	6,212	6,001	20,164	620	949	2,461	6,539	133,494	53,070	58,082	15,068	1,597	5,173	18
139,672	95,700	6,062	6,272	20,562	608	803	2,416	7,249	133,827	52,986	58,184	15,258	1,691	5,195	25
															1972
157,679	108,396	6,806	4,345	24,531	920	1,175	3,157	8,349	149,337	58,014	65,242	18,033	2,261	5,292	July 5
146,907	105,800	6,317	3,237	20,729	846	958	2,773	6,247	149,874	58,003	65,645	18,090	2,323	5,322	12
148,811	104,317	5,887	6,321	21,690	728	1,038	2,898	5,932	150,883	57,983	66,483	18,202	2,442	5,273	19
145,194	102,644	5,895	5,326	20,395	694	893	2,988	6,359	151,358	57,939	66,907	18,176	2,482	5,363	26
147,379	104,096	6,749	4,467	20,957	747	953	2,959	6,451	152,123	57,892	67,564	18,332	2,474	5,362	Aug. 2p
140,911	101,382	5,999	3,396	20,140	700	800	2,926	5,568	152,996	57,925	68,466	18,320	2,433	5,358	9p
143,100	104,684	6,266	1,976	20,195	688	774	2,984	5,533	153,485	57,901	68,942	18,286	2,480	5,381	16p
138,859	102,010	5,811	2,043	19,350	632	715	2,719	5,579	154,475	57,868	69,812	18,436	2,501	5,355	23p
140,296	102,300	6,055	1,715	20,359	681	837	2,996	5,353	155,538	57,836	70,794	18,487	2,550	5,329	30p
															New York City
															1971
39,282	21,711	509	545	9,610	378	586	1,648	4,295	23,013	5,191	12,439	1,515	751	2,928	Aug. 4
39,928	20,764	795	428	9,973	319	1,116	1,598	4,935	22,980	5,176	12,339	1,548	746	3,014	11
38,495	20,896	769	1,545	8,747	308	777	1,695	3,758	23,379	5,169	12,659	1,542	820	3,026	18
40,456	21,626	468	1,506	9,888	311	635	1,611	4,411	23,346	5,151	12,568	1,566	886	3,013	25
															1972
45,187	24,397	473	637	11,328	536	1,039	2,290	4,487	25,140	5,745	13,446	1,957	1,088	2,814	July 5
38,053	22,596	452	630	8,397	460	812	1,945	2,761	25,407	5,732	13,578	2,075	1,115	2,824	12
39,529	22,455	366	1,307	9,415	385	858	2,039	2,704	25,846	5,724	13,924	2,112	1,225	2,778	19
38,853	22,375	294	1,118	8,863	362	748	2,107	2,986	25,815	5,714	13,758	2,144	1,249	2,865	26
38,806	22,651	352	832	8,641	398	810	2,116	3,006	26,023	5,695	13,987	2,183	1,243	2,831	Aug. 2p
36,860	21,716	357	633	8,617	369	653	2,032	2,483	26,182	5,696	14,343	2,060	1,186	2,813	9p
36,504	22,336	460	253	8,040	348	633	2,112	2,322	26,395	5,699	14,527	2,043	1,234	2,809	16p
35,912	22,043	381	315	7,965	319	558	1,873	2,458	26,819	5,702	14,901	2,097	1,246	2,787	23p
37,256	22,169	363	274	8,983	349	674	2,153	2,291	27,268	5,673	15,384	2,070	1,280	2,775	30p
															Outside New York City
															1971
100,122	75,479	6,111	2,345	11,879	325	174	710	3,099	109,911	47,942	45,033	13,552	815	2,216	Aug. 4
98,181	75,355	5,816	1,905	11,153	298	167	700	2,787	110,199	47,937	45,369	13,563	790	2,194	11
100,669	75,322	5,443	4,456	11,417	312	172	766	2,781	110,115	47,901	45,423	13,526	777	2,147	18
99,216	74,074	5,594	4,766	10,674	297	168	805	2,838	110,481	47,835	45,616	13,692	805	2,182	25
															1972
112,492	83,999	6,333	3,708	13,203	384	136	867	3,862	124,197	52,269	51,796	16,076	1,173	2,478	July 5
108,854	83,204	5,865	2,607	12,332	386	146	828	3,486	124,467	52,271	52,067	16,015	1,208	2,498	12
109,282	81,862	5,521	5,014	12,275	343	180	859	3,228	125,037	52,259	52,559	16,090	1,217	2,495	19
106,341	80,269	5,601	4,208	11,532	332	145	881	3,373	125,543	52,225	53,149	16,032	1,233	2,498	26
108,573	81,445	6,397	3,635	12,316	349	143	843	3,445	126,100	52,197	53,577	16,149	1,231	2,531	Aug. 2p
104,051	79,666	5,642	2,763	11,523	331	147	894	3,085	126,814	52,229	54,123	16,260	1,247	2,545	9p
106,596	82,348	5,806	1,723	12,155	340	141	872	3,211	127,090	52,202	54,415	16,243	1,246	2,572	16p
102,947	79,967	5,430	1,728	11,385	313	157	846	3,121	127,656	52,166	54,911	16,339	1,255	2,568	23p
103,040	80,131	5,692	1,441	11,376	332	163	843	3,062	128,270	52,163	55,410	16,417	1,270	2,554	30p

For notes see p. A-30.

ASSETS AND LIABILITIES OF LARGE COMMERCIAL BANKS—Continued

(In millions of dollars)

Wednesday	Federal funds purchased, etc.[7]	Borrowings from— F.R. Banks	Borrowings from— Others	Other liabilities, etc.[8]	Reserves for— Loans	Reserves for— Securities	Total capital accounts	Memoranda: Total loans (gross) adjusted[9]	Memoranda: Total loans and investments (gross) adjusted[9]	Memoranda: Demand deposits adjusted[10]	Memoranda: Large negotiable time CD's included in time and savings deposits[11] — Total	Memoranda: Large negotiable time CD's — Issued to IPC's	Memoranda: Large negotiable time CD's — Issued to others	Memoranda: Gross liabilities of banks to their foreign branches
Large banks— Total														
1971														
Aug. 4	23,195	552	1,146	15,750	4,013	76	26,161	181,719	256,594	83,150	30,428	18,569	11,859	1,912
11	21,657	454	1,140	14,997	4,012	113	26,156	181,567	256,099	83,134	30,750	18,783	11,967	1,104
18	20,827	1,017	1,058	15,043	4,011	77	26,129	183,580	257,520	82,696	31,302	19,239	12,063	1,374
25	19,499	1,692	1,203	15,269	4,008	77	26,147	183,980	257,906	83,027	31,512	19,273	12,239	1,409
1972														
July 5	30,696	420	1,518	14,147	4,159	71	28,359	205,311	285,123	93,252	35,685	22,499	13,186	824
12	29,362	58	1,647	14,796	4,148	71	28,350	206,386	286,339	92,881	36,358	22,976	13,382	1,375
19	29,495	47	1,638	14,401	4,142	71	28,281	204,750	284,040	90,922	37,047	23,518	13,529	974
26	28,653	593	1,543	14,623	4,159	71	28,354	204,569	284,185	91,647	37,706	23,938	13,768	1,342
Aug. 2p	30,164	1,200	1,488	15,459	4,171	71	28,514	206,437	286,395	91,915	38,231	24,243	13,988	1,829
9p	31,162	777	1,528	14,952	4,166	71	28,547	205,803	285,625	90,345	38,937	25,031	13,906	1,250
16p	31,997	439	1,486	15,810	4,168	71	28,489	206,421	286,062	91,544	39,389	25,418	13,971	1,778
23p	30,285	809	1,555	15,661	4,167	71	28,537	207,335	287,198	91,390	40,288	26,213	14,075	1,839
30p	29,539	1,178	1,475	15,258	4,181	71	28,584	206,413	286,388	91,210	41,247	27,038	14,209	1,262
New York City														
1971														
Aug. 4	6,532	20	202	6,684	1,191	....	6,774	43,254	55,649	15,109	10,873	7,185	3,688	1,209
11	5,913	....	207	6,165	1,191	....	6,786	43,044	55,285	14,590	10,880	7,112	3,768	759
18	5,520	100	209	6,373	1,193	....	6,778	43,813	55,904	15,222	11,437	7,562	3,875	977
25	4,584	1,025	311	6,118	1,196	....	6,765	43,796	56,047	14,927	11,456	7,532	3,924	720
1972														
July 5	7,471	....	413	4,658	1,218	....	7,165	46,705	60,222	19,933	12,279	8,284	3,995	553
12	6,749	....	411	5,248	1,218	....	7,161	46,623	60,429	19,612	12,594	8,432	4,162	1,013
19	6,250	....	447	4,855	1,213	....	7,158	46,214	59,806	18,811	13,061	8,812	4,249	653
26	6,300	160	373	5,160	1,224	....	7,135	45,945	59,714	19,051	13,129	8,707	4,422	1,051
Aug. 2p	6,324	511	371	5,805	1,224	....	7,202	46,934	61,043	19,057	13,304	8,827	4,477	1,446
9p	8,032	275	335	5,320	1,221	....	7,202	46,464	60,530	18,125	13,542	9,243	4,299	972
16p	7,755	37	339	5,686	1,222	....	7,188	46,579	60,652	19,296	13,830	9,498	4,332	1,448
23p	6,962	570	354	5,837	1,227	....	7,183	46,718	60,943	19,074	14,304	9,947	4,357	1,543
30p	6,794	482	316	5,277	1,235	....	7,258	46,516	60,661	18,445	14,678	10,354	4,324	931
Outside New York City														
1971														
Aug. 4	16,663	532	944	9,066	2,822	76	19,387	138,465	200,945	68,041	19,555	11,384	8,171	703
11	15,744	454	933	8,832	2,821	113	19,370	138,523	200,814	68,544	19,870	11,671	8,199	345
18	15,307	917	849	8,670	2,818	77	19,351	139,767	201,616	67,474	19,865	11,677	8,188	397
25	14,915	667	892	9,151	2,812	77	19,382	140,184	201,859	68,100	20,056	11,741	8,315	689
1972														
July 5	23,225	420	1,105	9,489	2,941	71	21,194	158,606	224,901	73,319	23,406	14,215	9,191	271
12	22,613	58	1,236	9,548	2,930	71	21,189	159,763	225,910	73,269	23,764	14,544	9,220	362
19	23,245	47	1,191	9,546	2,929	71	21,123	158,536	224,234	72,111	23,986	14,706	9,280	321
26	22,353	433	1,170	9,463	2,935	71	21,219	158,624	224,471	72,596	24,577	15,231	9,346	291
Aug. 2p	23,840	689	1,117	9,654	2,947	71	21,312	159,503	225,352	72,858	24,927	15,416	9,511	383
9p	23,130	502	1,193	9,632	2,945	71	21,345	159,339	225,095	72,220	25,395	15,788	9,607	278
16p	24,242	402	1,147	10,124	2,946	71	21,301	159,842	225,410	72,248	25,559	15,920	9,639	330
23p	23,323	239	1,201	9,824	2,940	71	21,354	160,617	226,255	72,316	25,984	16,266	9,718	296
30p	22,745	696	1,159	9,981	2,946	71	21,326	159,897	225,727	72,765	26,569	16,684	9,885	331

1 Includes securities purchased under agreements to resell.
2 Includes official institutions and so forth.
3 Includes short-term notes and bills.
4 Federal agencies only.
5 Includes corporate stock.
6 Includes U.S. Govt. and foreign bank deposits, not shown separately.
7 Includes securities sold under agreements to repurchase.
8 Includes minority interest in consolidated subsidiaries.
9 Exclusive of loans and Federal funds transactions with domestic commercial banks.
10 All demand deposits except U.S. Govt. and domestic commercial banks, less cash items in process of collection.
11 Certificates of deposit issued in denominations of $100,000 or more.

COMMERCIAL AND INDUSTRIAL LOANS OF LARGE COMMERCIAL BANKS

(In millions of dollars)

Industry	Outstanding					Net change during—							
	1972					1972			1972		1971	1972	1971
	Aug. 30	Aug. 23	Aug. 16	Aug. 9	Aug. 2	Aug.	July	June	II	I	IV	1st half	2nd half
Durable goods manufacturing:													
Primary metals	1,978	1,974	1,973	1,976	2,008	−68	−47	−33	30	54	−162	84	−282
Machinery	4,211	4,200	4,209	4,138	4,138	4	−8	−55	−74	−91	−600	−165	−831
Transportation equipment	2,228	2,245	2,217	2,203	2,236	39	−170	−60	−317	14	−101	−303	−77
Other fabricated metal products	1,724	1,716	1,742	1,684	1,686	22	−9	21	−22	17	−259	−5	−389
Other durable goods	2,850	2,832	2,828	2,772	2,800	65	−41	76	185	146	−328	331	−317
Nondurable goods manufacturing:													
Food, liquor, and tobacco	2,730	2,761	2,740	2,725	2,721	54	51	58	−41	−227	205	−268	498
Textiles, apparel, and leather	2,981	3,000	3,016	2,984	2,960	48	78	88	281	281	−273	562	−304
Petroleum refining	915	942	904	957	965	−60	−14	−29	−88	−97	56	−185	52
Chemicals and rubber	1,935	1,910	1,916	1,899	1,913	−46	−147	−39	−23	−103	−437	−126	−592
Other nondurable goods	1,666	1,654	1,650	1,652	1,671	−4	16	−23	−93	−75	−96	−168	−36
Mining, including crude petroleum and natural gas	3,687	3,692	3,669	3,671	3,648	42	41	−76	−66	−137	−17	−203	187
Trade: Commodity dealers	1,251	1,253	1,233	1,248	1,190	42	31	−184	−304	−194	460	−498	532
Other wholesale	4,468	4,459	4,491	4,492	4,474	−30	6	77	111	−52	132	59	524
Retail	4,666	4,606	4,624	4,571	4,672	−50	197	9	138	259	−340	397	−259
Transportation	5,430	5,395	5,404	5,413	5,476	−33	−183	77	33	−33	−78	......	−324
Communication	1,577	1,570	1,592	1,594	1,594	−24	166	151	195	−74	−249	121	−225
Other public utilities	3,060	3,048	2,978	2,934	2,934	266	95	40	247	−274	176	−27	525
Construction	4,420	4,441	4,438	4,331	4,343	84	38	171	325	156	77	481	183
Services	8,462	8,531	8,525	8,496	8,488	−8	−134	325	358	372	276	730	289
All other domestic loans	5,644	5,705	5,817	5,921	6,003	−293	241	−348	−134	176	305	42	610
Bankers' acceptances	1,230	1,241	1,278	1,323	1,346	−112	−99	−183	−300	−553	696	−853	1,158
Foreign commercial and industrial loans	3,436	3,452	3,444	3,471	3,460	−20	59	19	83	89	254	172	578
Total classified loans	70,549	70,627	70,688	70,455	70,726	−82	167	82	524	−346	−303	178	1,500
Total commercial and industrial loans	p85,026	85,157	85,239	84,981	85,321	−162	235	233	1,136	47	335	1,183	1,614

See NOTE to table below.

"TERM" COMMERCIAL AND INDUSTRIAL LOANS OF LARGE COMMERCIAL BANKS

(In millions of dollars)

Industry	Outstanding									Net change during—				
	1972							1971		1972		1971		1972
	Aug. 30	July 26	June 28	May 31	Apr. 26	Mar. 29	Feb. 23	Jan. 26	Dec. 29	II	I	IV	III	1st half
Durable goods manufacturing:														
Primary metals	1,313	1,354	1,369	1,381	1,367	1,342	1,330	1,315	1,362	27	−20	−162	−62	7
Machinery	1,968	1,935	1,958	1,986	2,005	2,072	2,001	2,179	2,285	−114	−213	−194	−57	−327
Transportation equipment	1,266	1,244	1,360	1,370	1,389	1,493	1,553	1,605	1,620	−133	−127	−69	130	−260
Other fabricated metal products	713	711	677	685	695	688	683	699	713	−11	−25	−62	−39	−36
Other durable goods	1,147	1,130	1,183	1,144	1,163	1,145	1,118	1,117	1,135	38	10	−79	−19	48
Nondurable goods manufacturing:														
Food, liquor, and tobacco	1,084	1,034	931	947	909	912	937	987	1,021	19	−109	36	17	−90
Textiles, apparel, and leather	689	701	666	646	667	651	580	567	576	15	75	−31	10	90
Petroleum refining	652	685	694	726	714	757	818	848	892	−63	−135	35	−34	−198
Chemicals and rubber	1,188	1,200	1,234	1,245	1,238	1,226	1,315	1,330	1,441	8	−215	−344	−32	−207
Other nondurable goods	882	860	875	930	960	980	973	1,010	1,024	−105	−44	6	−2	−149
Mining, including crude petroleum and natural gas	2,724	2,723	2,667	2,785	2,870	2,872	2,891	2,927	3,039	−205	−167	105	−56	−372
Trade: Commodity dealers	107	110	109	128	125	125	132	119	115	−16	10	6	12	−6
Other wholesale	866	905	902	912	889	927	883	915	893	−25	34	46	11	9
Retail	1,375	1,345	1,297	1,332	1,328	1,340	1,352	1,349	1,383	−43	−43	−88	57	−86
Transportation	4,197	4,243	4,314	4,285	4,400	4,383	4,314	4,397	4,440	−69	−57	−131	−26	−126
Communication	516	517	502	427	460	440	417	432	427	62	13	7	−48	75
Other public utilities	1,643	1,471	1,423	1,218	1,161	1,160	1,191	1,305	1,316	263	−156	44	178	107
Construction	1,453	1,392	1,404	1,371	1,376	1,417	1,327	1,257	1,244	−13	173	52	5	160
Services	3,811	3,747	3,706	3,555	3,593	3,657	3,545	3,542	3,488	49	169	141	89	218
All other domestic loans	1,491	1,549	1,465	1,787	1,805	1,703	1,602	1,545	1,431	−238	272	41	141	34
Foreign commercial and industrial loans	2,064	2,028	2,033	1,995	1,981	1,939	1,898	1,995	2,076	94	−137	184	......	−43
Total loans	31,149	30,884	30,769	30,855	31,095	31,229	30,860	31,440	31,921	−460	−692	−457	275	−1,152

NOTE.—About 160 weekly reporting banks are included in this series; these banks classify, by industry, commercial and industrial loans amounting to about 90 per cent of such loans held by all weekly reporting banks and about 70 per cent of those held by all commercial banks.

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 commercial banks:						
1970—June	17.1	85.3	49.0	1.6	9.6	162.5
Sept.	17.0	88.0	51.4	1.4	10.0	167.9
Dec.	17.3	92.7	53.6	1.3	10.3	175.1
1971—Mar.	18.3	86.1	54.1	1.4	10.4	170.3
June	17.9	89.9	56.0	1.3	10.7	175.8
Sept.	17.9	91.5	57.5	1.2	9.7	177.9
Dec.	18.5	98.4	58.6	1.3	10.7	187.5
1972—Mar.	18.1	93.9	59.1	1.3	10.6	183.1
June	17.9	97.1	59.9	1.4	10.9	187.2
Weekly reporting banks:						
1971—July	14.1	54.7	24.8	1.2	5.4	100.3
Aug.	13.5	53.4	24.1	1.2	5.1	97.2
Sept.	13.8	54.6	24.5	1.2	5.5	99.6
Oct.	13.9	55.5	24.5	1.1	5.4	100.4
Nov.	13.7	55.8	24.6	1.1	5.4	100.7
Dec.	14.4	58.6	24.6	1.2	5.9	104.8
1972—Jan.	14.4	56.8	25.4	1.1	5.9	103.7
Feb.	13.7	55.4	24.4	1.1	5.9	100.5
Mar.	13.9	56.1	25.2	1.2	5.9	102.1
Apr.	14.3	56.9	27.0	1.2	5.9	105.4
May	13.7	56.2	25.4	1.2	5.7	102.1
June	14.1	57.1	25.8	1.3	5.9	104.2
July^p	14.4	58.4	26.0	1.3	5.9	106.1

[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, 1969	Dec. 31, 1970	June 30, 1971	Dec. 31, 1971
All commercial	1,131	804	746	680
Insured	1,129	803	745	677
National member	688	433	407	387
State member	188	147	129	95
All member	876	580	536	482
All member—Cont.				
Other reserve city	304	143	125	112
Country	571	437	411	371
All nonmember	255	224	210	197
Insured	253	223	209	195
Noninsured	2	1	1	2

NOTE.—These hypothecated deposits are excluded from Time deposits and Loans at all commercial banks beginning with June 30, 1966, as shown in the tables on pp. A-20, A-21, and A-26—A-30 (consumer instalment loans), and in the table at the bottom of p. A-18. These changes resulted from a change in Federal Reserve regulations. See June 1966 BULLETIN, p. 808.

These deposits have not been deducted from Time deposits and Loans for commercial banks as shown on pp. A-22 and A-23 and on pp. A-24 and A-25 (IPC only for time deposits).

LOANS SOLD OUTRIGHT BY COMMERCIAL BANKS

(Amounts outstanding; in millions of dollars)

Date	To own subsidiaries, foreign branches, holding companies, and other affiliates			To all others except banks		
	Total	By type of loan		Total	By type of loan	
		Commercial and industrial	All other		Commercial and industrial	All other
1972—May 3	2,610	1,618	992	1,654	368	1,286
10	2,571	1,612	959	1,659	357	1,302
17	2,485	1,557	928	1,670	[r]362	[r]1,308
24	2,446	1,564	882	1,660	366	1,294
31	2,450	1,472	978	1,674	362	1,312
June 7	2,413	1,513	900	1,697	374	1,323
14	2,346	1,499	847	1,688	366	1,322
21	2,268	1,439	829	1,680	357	1,323
28	2,296	1,422	874	1,675	353	1,322
July 5	2,238	1,298	940	1,666	336	1,330
12	2,217	1,347	870	1,662	331	1,331
19	2,304	1,384	920	1,710	368	1,342
26	2,327	1,426	901	1,687	340	1,347
Aug. 2	2,381	1,433	948	1,688	334	1,354
9	2,481	1,516	965	1,688	320	1,368
16	2,432	1,524	908	1,698	316	1,382
23	2,520	1,519	1,001	1,699	317	1,382
30	2,380	1,550	830	1,701	321	1,380

NOTE.—Amounts sold under repurchase agreement are excluded. Figures include small amounts sold by banks other than large weekly reporting banks.

COMMERCIAL AND FINANCE COMPANY PAPER AND BANKERS' ACCEPTANCES OUTSTANDING

(In millions of dollars)

End of period	Commercial and finance company paper					Dollar acceptances									
	Total	Placed through dealers		Placed directly		Total	Held by—						Based on—		
							Accepting banks			F.R. Banks		Others	Imports into United States	Exports from United States	All other
		Bank related	Other[1]	Bank related	Other[2]		Total	Own bills	Bills bought	Own acct.	Foreign corr.				
1965	9,058	....	1,903	....	7,155	3,392	1,223	1,094	129	187	144	1,837	792	974	1,626
1966	13,279	....	3,089	....	10,190	3,603	1,198	983	215	193	191	2,022	997	829	1,778
1967	16,535	....	4,901	....	11,634	4,317	1,906	1,447	459	164	156	2,090	1,086	989	2,241
1968	20,497	....	7,201	....	13,296	4,428	1,544	1,344	200	58	109	2,717	1,423	952	2,053
1969	31,709	1,216	10,601	3,078	16,814	5,451	1,567	1,318	249	64	146	3,674	1,889	1,153	2,408
1970	31,765	409	12,262	1,940	17,154	7,058	2,694	1,960	735	57	250	4,057	2,601	1,561	2,895
1971—July	29,746	469	11,001	1,339	16,937	7,454	2,594	2,168	426	55	228	4,577	3,118	1,388	2,948
Aug.	30,057	454	11,494	1,338	16,771	8,377	2,612	2,131	481	107	245	5,413	3,405	1,505	3,467
Sept.	29,946	395	11,909	1,505	16,137	8,148	2,803	2,227	575	51	259	5,036	3,286	1,470	3,391
Oct.	31,205	454	11,897	1,527	17,327	7,811	3,000	2,350	650	52	261	4,499	3,148	1,366	3,296
Nov.	31,164	406	11,825	1,624	17,309	7,479	2,852	2,204	648	58	258	4,312	2,848	1,392	3,239
Dec.	29,934	495	10,923	1,478	17,038	7,889	3,480	2,689	791	261	254	3,894	2,834	1,546	3,509
▶ Dec.	31,103	495	10,923	1,478	18,207	....	....	....	....	....	....	....	....	....	....
1972—Jan.	32,167	505	11,922	1,582	18,158	7,601	2,917	2,157	761	75	253	4,356	2,558	1,584	3,458
Feb.	32,579	525	12,262	1,624	18,168	7,935	3,123	2,408	715	63	267	4,482	2,589	1,717	3,629
Mar.	32,681	545	12,233	1,627	18,276	7,985	3,083	2,246	837	143	263	4,496	2,597	1,774	3,613
Apr.	32,814	532	12,394	1,644	18,244	7,734	2,840	2,009	830	83	265	4,547	2,597	1,707	3,431
May	33,055	517	12,043	1,482	19,013	7,443	2,874	2,117	757	143	261	4,165	2,683	1,596	3,164
June	33,482	542	12,325	1,429	19,186	7,069	2,817	2,082	735	73	251	3,927	2,657	1,569	2,843
July	33,891	604	12,319	1,652	19,316	6,643	2,430	1,873	557	63	263	3,887	2,492	1,606	2,545

▶ Data for commercial and finance company paper on new basis beginning Dec. 1971. The new series reflects inclusion of paper issued directly by real estate investment trusts and several additional finance companies.

1 As reported by dealers; includes finance company paper as well as other commercial paper sold in the open market.

2 As reported by finance companies that place their paper directly with investors.

PRIME RATE CHARGED BY BANKS

(Per cent per annum)

In effect during—	Rate	Effective date	Rate	Effective date	Rate	Effective date	Rate
1929	5½-6	1956—Apr. 13	3¾	1969—Jan. 7	7	1972—Jan. 3	5-5⅛-5¼*
1930	3½-6	Aug. 21	4	Mar. 17	7½	17	4¾-5¼*
1931	2¾-5	1957—Aug. 6	4½	June 9	8½	24	4⅝-5*
1932	3¼-4	1958—Jan. 22	4	1970—Mar. 25	8	31	4½-4¾*
1933	1½-4	Apr. 21	3½	Sept. 21	7½	Feb. 28	4⅜-4½-4¾*
1934—1947 (Nov.)	1½	Sept. 11	4	Nov. 12	7¼	Mar. 13	4½-4¾*
Effective date		1959—May 18	4½	23	7	23	4¾*
1947—Dec.[1]	1¾	Sept. 1	5	Dec. 22	6¾	27	4¾*-4⅞-5
1948—Aug.[1]	2	1960—Aug. 23	4½	1971—Jan. 6	6½	Apr. 3	4¾*-5
1950—Sept. 22	2¼	1965—Dec. 6	5	15	6¼	5	5*
1951—Jan. 8	2½	1966—Mar. 10	5½	18	6	17	5*-5¼
Oct. 17	2¾	June 29	5¾	Feb. 16	5¾	May 1	5*-5⅛-5¼
Dec. 19	3	Aug. 16	6	Mar. 11	5¼-5½	30	5
1953—Apr. 27	3¼	1967—Jan. 26-27	5½-5¾	19	5¼	June 12	5*-5⅛
1954—Mar. 17	3	Mar. 27	5½	1971—Apr. 23	5¼-5½	26	5-5¼*-5⅜
1955—Aug. 4	3¼	Nov. 20	6	May 11	5½	29	5-5¼*-5⅜
Oct. 14	3½	1968—Apr. 19	6½	July 6	5½-6	July 3	5¼*-5⅜
		Sept. 25	6 -6¼	7	6	10	5¼*-5⅜-5½
		Nov. 13	6¼	Oct. 20	5¾	17	5¼*-5½
		Dec. 2	6½	Nov. 1	5¾*-5⅞	31	5¼*-5⅜-5½
		18	6¾	4	5½*-5⅝	Aug. 3	5¼-5½*
				8	5½*	7	5¼*-5½
				22	5⅜-5½*	14	5¼
				29	5¼-5½*	21	5¼*-5⅜
				Dec. 6	5¼-5⅜-5½*		
				27	5¼-5½*		
				31	5¼*		

[1] Date of change not available.

NOTE.—Beginning Nov. 1971, several banks adopted a floating prime rate keyed to money market variables. Asterisk denotes prime rate charged by the majority of commercial banks.

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	
	May 1972	Feb. 1972	May 1972	Feb. 1972	May 1972	Feb. 1972	May 1972	Feb. 1972	May 1972	Feb. 1972	May 1972	Feb. 1972
	Short-term											
35 centers	5.59	5.52	7.07	7.08	6.53	6.44	5.94	5.76	5.57	5.44	5.33	5.31
New York City	5.28	5.35	6.54	6.47	6.10	5.92	5.61	5.27	5.28	4.97	5.21	5.38
7 Other Northeast	5.81	5.72	7.25	7.20	6.73	6.58	6.10	5.91	5.72	5.54	5.46	5.45
8 North Central	5.54	5.37	6.70	6.72	6.31	6.21	5.85	5.60	5.64	5.46	5.34	5.17
7 Southeast	5.78	5.87	7.30	7.39	6.77	6.73	5.96	6.11	5.47	5.76	5.30	5.29
8 Southwest	5.88	5.79	7.02	7.05	6.44	6.43	6.04	5.81	5.71	5.60	5.60	5.58
4 West Coast	5.60	5.39	7.45	7.41	6.77	6.69	6.12	6.08	5.55	5.46	5.35	5.07
	Revolving credit											
35 centers	5.59	5.24	6.52	6.60	6.28	6.16	5.69	5.60	5.60	5.31	5.57	5.18
New York City	5.44	5.07	5.92	6.06	5.97	5.51	5.41	5.34	5.35	5.22	5.44	5.05
7 Other Northeast	5.82	5.41	7.56	7.37	6.73	6.56	5.87	5.44	6.09	5.28	5.76	5.38
8 North Central	5.84	5.67	6.36	7.14	6.00	5.95	5.74	5.55	5.73	5.32	5.86	5.73
7 Southeast	5.13	5.76	5.95	6.03	6.05	6.13	5.44	5.56	....	5.86	4.91	5.74
8 Southwest	5.98	5.91	6.52	6.65	6.48	5.94	5.91	5.69	6.22	6.44	5.85	5.73
4 West Coast	5.57	5.13	6.90	6.67	6.37	6.36	5.72	5.72	5.47	5.10	5.55	5.04
	Long-term											
35 centers	5.87	5.64	7.03	6.98	6.65	6.85	6.26	6.19	5.87	6.13	5.78	5.44
New York City	5.66	5.35	5.55	5.75	6.26	5.77	5.99	5.83	5.54	5.62	5.64	5.29
7 Other Northeast	6.03	5.99	7.76	7.59	6.60	7.07	6.45	6.51	6.01	6.88	5.85	5.52
8 North Central	5.92	5.42	6.83	6.39	6.94	6.75	6.00	6.08	6.12	6.04	5.84	5.17
7 Southeast	6.45	7.07	6.58	7.81	6.63	9.03	7.10	6.78	7.05	9.53	5.50	5.50
8 Southwest	6.37	6.16	6.92	6.57	6.95	6.67	6.33	6.42	6.29	6.68	6.35	5.87
4 West Coast	5.80	5.80	7.49	7.55	6.35	6.24	6.37	6.02	5.25	5.04	5.79	5.87

NOTE.—Beginning Feb. 1971 the Quarterly Survey of Interest Rates on Business Loans was revised. For description of revised series see pp. 468–77 of the June 1971 BULLETIN.

MONEY MARKET RATES

(Per cent per annum)

Period	Prime coml. paper, *4- to 6-months*[1]	Finance co. paper placed *directly*, 3- to 6-months[2]	Prime bankers' accept-ances, 90 days[1]	Federal funds rate[3]	U.S. Government securities (taxable)[4]: 3-month bills[5]		6-month bills[5]		9- to 12-month issues		3- to 5-year issues[7]
					Rate on new issue	Market yield	Rate on new issue	Market yield	1-year bill (market yield)[5]	Other[6]	
1964	3.97	3.83	3.77	3.50	3.549	3.54	3.686	3.68	3.74	3.76	4.06
1965	4.38	4.27	4.22	4.07	3.954	3.95	4.055	4.05	4.06	4.09	4.22
1966	5.55	5.42	5.36	5.11	4.881	4.85	5.082	5.06	5.07	5.17	5.16
1967	5.10	4.89	4.75	4.22	4.321	4.30	4.630	4.61	4.71	4.84	5.07
1968	5.90	5.69	5.75	5.66	5.339	5.33	5.470	5.48	5.45	5.62	5.59
1969	7.83	7.16	7.61	8.22	6.677	6.64	6.853	6.84	6.77	7.06	6.85
1970	7.72	7.23	7.31	7.17	6.458	6.42	6.562	6.55	6.53	6.90	7.37
1971	5.11	4.91	4.85	4.66	4.348	4.33	4.511	4.51	4.67	4.75	5.77
1971—Aug.	5.73	5.57	5.57	5.57	5.078	4.93	5.363	5.22	5.52	5.67	6.39
Sept.	5.75	5.44	5.49	5.55	4.668	4.69	4.934	4.97	5.20	5.31	5.96
Oct.	5.54	5.30	5.05	5.20	4.489	4.46	4.626	4.60	4.75	4.74	5.68
Nov.	4.92	4.81	4.78	4.91	4.191	4.22	4.338	4.38	4.49	4.50	5.50
Dec.	4.74	4.60	4.45	4.14	4.023	4.01	4.199	4.23	4.40	4.38	5.42
1972—Jan.	4.08	3.95	3.92	3.50	3.403	3.38	3.656	3.66	3.78	3.99	5.33
Feb.	3.93	3.78	3.52	3.29	3.180	3.18	3.594	3.63	4.05	4.07	5.51
Mar.	4.17	4.03	3.95	3.83	3.723	3.72	4.086	4.12	4.42	4.54	5.74
Apr.	4.58	4.38	4.43	4.17	3.723	3.70	4.218	4.22	4.65	4.84	6.01
May	4.51	4.38	4.25	4.27	3.648	3.68	4.064	4.12	4.44	4.58	5.69
June	4.64	4.45	4.47	4.46	3.874	3.91	4.270	4.35	4.70	4.87	5.77
July	4.85	4.72	4.73	4.55	4.059	3.97	4.583	4.49	4.91	4.89	5.86
Aug.	4.82	4.58	4.67	4.80	4.014	4.01	4.527	4.53	4.90	4.91	5.92
Week ending—											
1972—May 6	4.55	4.38	4.25	4.25	3.604	3.56	3.998	4.03	4.37	4.52	5.72
13	4.50	4.38	4.25	4.20	3.462	3.58	3.907	4.03	4.42	4.55	5.73
20	4.50	4.38	4.25	4.32	3.699	3.74	4.118	4.23	4.53	4.67	5.71
27	4.50	4.38	4.25	4.24	3.825	3.78	4.233	4.19	4.47	4.57	5.62
June 3	4.50	4.38	4.25	4.38	3.762	3.82	4.106	4.20	4.51	4.66	5.64
10	4.50	4.38	4.35	4.48	3.861	3.86	4.243	4.25	4.62	4.80	5.71
17	4.63	4.38	4.38	4.46	3.798	3.87	4.187	4.29	4.62	4.80	5.73
24	4.65	4.50	4.53	4.39	3.924	3.97	4.328	4.40	4.69	4.89	5.81
July 1	4.83	4.58	4.70	4.49	4.023	3.96	4.484	4.50	4.92	5.02	5.87
8	4.88	4.70	4.75	4.61	4.138	4.05	4.688	4.54	5.00	5.01	5.86
15	4.88	4.75	4.75	4.62	4.102	4.03	4.605	4.54	4.94	4.97	5.85
22	4.88	4.75	4.75	4.46 r	3.948	3.92	4.455	4.46	4.86	4.84	5.84
29	4.80	4.63	4.68	4.54	4.047	3.93	4.585	4.46	4.86	4.79	5.87
Aug. 5	4.73	4.58	4.63	4.56	3.794	3.79	4.298	4.30	4.78	4.72	5.85
12	4.70	4.50	4.63	4.69	3.928	3.85	4.431	4.37	4.75	4.71	5.85
19	4.85	4.58	4.63	4.87	3.956	3.89	4.464	4.46	4.75	4.78	5.87
26	4.88	4.63	4.75	4.75	4.058	4.11	4.623	4.68	5.00	5.05	5.94
Sept. 2	4.95	4.63	4.75	4.90	4.332	4.46	4.818	4.90	5.28	5.38	6.11

1 Averages of daily offering rates of dealers.
2 Averages of daily rates, published by finance companies, for varying maturities in the 90-179 day range.
3 Seven-day average for week ending Wednesday.
4 Except for new bill issues, yields are averages computed from daily closing bid prices.
5 Bills quoted on bank discount rate basis.
6 Certificates and selected note and bond issues.
7 Selected note and bond issues.

BOND AND STOCK YIELDS

(Per cent per annum)

Period	Government bonds				Corporate bonds							Stocks		
	United States (long-term)	State and local			New-issue Aaa utility	Seasoned issues						Dividend/price ratio		Earnings/price ratio
		Total[1]	Aaa	Baa		Total[1]	By selected rating		By group			Preferred	Common	Common
							Aaa	Baa	Industrial	Railroad	Public utility			
1962	3.95	3.30	3.03	3.67	4.19	4.62	4.33	5.02	4.47	4.86	4.51	4.50	3.37	6.06
1963	4.00	3.28	3.06	3.58	4.21	4.50	4.26	4.86	4.42	4.65	4.41	4.30	3.17	5.68
1964	4.15	3.28	3.09	3.54	4.34	4.57	4.40	4.83	4.52	4.67	4.53	4.32	3.01	5.54
1965	4.21	3.34	3.16	3.57	4.50	4.64	4.49	4.87	4.61	4.72	4.60	4.33	3.00	5.87
1966	4.66	3.90	3.67	4.21	5.43	5.34	5.13	5.67	5.30	5.37	5.36	4.97	3.40	6.72
1967	4.85	3.99	3.74	4.30	5.82	5.82	5.51	6.23	5.74	5.89	5.81	5.34	3.20	5.71
1968	5.25	4.48	4.20	4.88	6.50	6.51	6.18	6.94	6.41	6.77	6.49	5.78	3.07	5.84
1969	6.10	5.73	5.45	6.07	7.71	7.36	7.03	7.81	7.22	7.46	7.49	6.41	3.24	6.05
1970	6.59	6.42	6.12	6.75	8.68	8.51	8.04	9.11	8.26	8.77	8.68	7.22	3.83	6.28
1971	5.74	5.62	5.22	5.89	7.62	7.94	7.39	8.56	7.57	8.38	8.13	6.69	3.14	5.44
1971—Aug.	5.78	5.84	5.56	6.21	7.71	8.12	7.59	8.76	7.80	8.48	8.30	7.04	3.18	....
Sept.	5.56	5.45	5.09	5.86	7.68	7.97	7.44	8.59	7.64	8.39	8.12	6.90	3.09	5.65
Oct.	5.46	5.05	4.75	5.38	7.50	7.88	7.39	8.48	7.58	8.25	8.04	6.75	3.16	....
Nov.	5.44	5.20	4.94	5.53	7.38	7.77	7.26	8.38	7.46	8.13	7.96	6.78	3.31	....
Dec.	5.62	5.24	4.99	5.55	7.28	7.75	7.25	8.38	7.42	8.12	7.92	6.81	3.10	4.86
1972—Jan.	5.62	5.13	4.84	5.49	7.21	7.66	7.19	8.23	7.34	7.98	7.85	6.57	2.96	....
Feb.	5.67	5.29	5.01	5.63	7.34	7.68	7.27	8.23	7.39	8.00	7.84	6.67	2.92	....
Mar.	5.66	5.31	4.99	5.61	7.24	7.66	7.24	8.24	7.35	8.03	7.81	6.76	2.86	....
Apr.	5.74	5.45	5.16	5.79	7.45	7.71	7.30	8.24	7.42	8.04	7.87	6.91	2.83	....
May	5.64	5.33	5.09	5.65	7.38	7.71	7.30	8.23	7.43	8.01	7.88	6.90	2.88	....
June	5.59	5.35	5.07	5.72	7.32	7.66	7.23	8.20	7.36	7.98	7.83	6.93	2.87	....
July	5.57	5.50	5.23	5.78	7.38	7.66	7.21	8.23	7.39	8.00	7.80	6.99	2.90	....
Aug.	5.54	5.36	5.10	5.66	7.37	7.61	7.19	8.19	7.36	7.99	7.69	6.90	2.80	....
Week ending—														
July 1	5.61	5.45	5.20	5.80	7.42	7.65	7.21	8.20	7.36	7.99	7.80	6.95	2.90	....
8	5.61	5.51	5.20	5.80	7.35	7.64	7.20	8.19	7.37	7.98	7.77	6.98	2.87	....
15	5.59	5.53	5.25	5.80	7.32	7.66	7.20	8.20	7.38	7.99	7.78	6.99	2.91	....
22	5.56	5.50	5.25	5.75	7.37	7.67	7.20	8.25	7.40	8.00	7.81	7.00	2.92	....
29	5.54	5.45	5.20	5.70	7.48	7.68	7.22	8.27	7.41	8.00	7.82	7.00	2.89	....
Aug. 5	5.51	5.40	5.10	5.70	7.40	7.66	7.22	8.25	7.39	8.00	7.80	6.97	2.84	....
12	5.48	5.35	5.10	5.65	7.37	7.63	7.20	8.23	7.36	7.99	7.73	6.96	2.80	....
19	5.53	5.31	5.05	5.60	7.32	7.60	7.19	8.19	7.35	7.98	7.67	6.90	2.78	....
26	5.56	5.36	5.10	5.65	....	7.59	7.17	8.16	7.34	8.00	7.64	6.79	2.77	....
Sept. 2	5.62	5.41	5.15	5.70	7.41	7.59	7.16	8.15	7.32	8.02	7.63	6.87	2.81	....
Number of issues[2]	9	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 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. (2) *State and local govt.*: General obligations only, based on Thurs. figures. (3) *Corporate*: New-issue Aaa utility rates are weekly averages compiled by the Board of Governors of the Federal Reserve System. Rates for seasoned issues are 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 are as of end of period. Preferred stock ratio is based on eight median yields for a sample of noncallable issues—12 industrial and two 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] Begins June 30, 1965, at 10.90. On that day the average price of a share of stock listed on the American Stock Exchange was $10.90.

NOTE.—Annual data are averages of monthly 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 preceding page 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*, normally conducted 5 days per week for 5½ hours per day, or 27½ hours per week. In recent years shorter days and/or weeks have cut total weekly trading to the following number of hours: 1967—Aug. 8–20, 20; 1968—Jan. 22–Mar. 1, 20; June 30–Dec. 31, 22; 1969—Jan. 3–July 3, 20; July 7–Dec. 31–22.5; 1970—Jan. 2–May 1, 25.

Terms on Mortgages:

[1] Fees and charges—related to principal mortgage amount—include loan commissions, fees, discounts, and other charges, which provide added income to the lender and are paid by the borrower. They exclude any closing costs related solely to transfer of property ownership.

NOTE.—*Compiled by Federal Home Loan Bank Board in cooperation* with Federal Deposit Insurance Corporation. Data are 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. Data exclude loans for refinancing, reconditioning, or modernization; construction loans to homebuilders; and permanent loans that are coupled with construction loans to owner-builders. Series beginning 1965, not strictly comparable with earlier data. See also the table on Home-Mortgage Yields, p. A-55.

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[1]			
				Standard and Poor's index (1941–43=10)				New York Stock Exchange index (Dec. 31, 1965=50)								
	U.S. Govt. (long-term)	State and local	Corporate AAA	Total	Industrial	Railroad	Public utility	Total	Industrial	Transportation	Utility	Finance			NYSE	AMEX
1962	86.94	112.0	96.2	62.38	65.54	30.56	59.16	......	......	......	......	......	......		3,820	1,225
1963	86.31	111.3	96.8	69.87	73.39	37.58	64.99	......	......	......	......	......	8.52		4,573	1,269
1964	84.46	111.5	95.1	81.37	86.19	45.46	69.91	......	......	......	......	......	9.81		4,888	1,570
1965	83.76	110.6	93.9	88.17	93.48	46.78	76.08	......	......	......	......	......	12.05		6,174	2,120
1966	78.63	102.6	86.1	85.26	91.09	46.34	68.21	44.16	43.79	48.23	44.77	44.43	14.67		7,538	2,752
1967	76.55	100.5	81.8	91.93	99.18	46.72	68.10	50.77	51.97	53.51	45.43	49.82	19.67		10,143	4,508
1968	72.33	93.5	76.4	98.70	107.49	48.84	66.42	55.37	58.00	50.58	44.19	65.85	27.72		12,971	6,353
1969	64.49	79.0	68.5	97.84	107.13	45.95	62.64	54.67	57.45	46.96	42.80	70.49	28.73		11,403	5,001
1970	60.52	72.3	61.6	83.22	91.29	32.13	54.48	45.72	48.03	32.14	37.24	54.64	22.59		10,532	3,376
1971	68.80	80.0	65.0	98.29	108.35	41.94	59.33	54.22	57.92	44.35	39.53	70.38	25.22		17,429	4,234
1971—Aug.	67.33	77.4	63.4	97.24	107.26	43.55	57.51	53.73	57.62	44.83	38.17	69.41	24.84		14,574	3,473
Sept	69.35	81.7	64.2	99.40	109.85	47.18	56.48	54.95	59.13	48.09	37.53	72.14	25.47		12,038	3,259
Oct.	70.33	84.7	65.2	97.29	107.28	44.58	57.41	53.76	57.52	47.02	37.93	71.24	25.24		13,340	3,622
Nov.	70.47	84.1	66.4	92.78	102.21	41.19	55.86	51.17	54.50	44.29	36.87	68.98	24.10		13,163	3,234
Dec.	68.80	83.5	66.5	99.17	109.67	43.17	57.07	54.76	58.85	48.34	37.52	72.28	25.04		17,171	4,777
1972—Jan.	68.79	84.6	67.1	103.30	114.12	45.16	60.19	57.19	61.33	50.56	40.02	74.24	26.46		18,072	5,516
Feb.	68.32	83.8	66.7	105.24	116.86	45.66	57.41	58.45	63.36	52.80	38.56	73.74	27.52		18,817	6,328
Mar.	68.43	84.1	66.2	107.69	119.73	46.48	57.73	59.96	65.18	53.71	38.56	77.15	28.03		18,351	5,680
Apr.	67.66	82.5	65.1	108.81	121.34	47.38	55.70	60.65	66.10	55.50	37.48	80.36	28.24		18,402	5,584
May	68.59	84.6	65.3	107.65	120.16	45.06	54.94	59.82	65.30	53.43	37.04	78.32	27.63		15,270	4,184
June	69.05	83.4	65.6	108.01	120.84	43.66	53.73	59.87	65.76	51.26	36.32	76.59	27.47		14,298	3,872
July	69.23	83.1	65.6	107.21	119.98	42.00	53.47	59.21	65.13	48.45	36.02	75.41	26.97		14,450	3,546
Aug.	69.55	65.8	84.2	111.01	124.35	43.28	54.66	61.07	67.25	48.97	36.87	78.27	26.85		15,522	3,807
Week ending—																
Aug. 5	69.82	65.9	83.8	109.13	122.32	42.41	53.28	60.04	66.19	48.82	35.99	76.22	26.83		16,055	3,872
12	70.09	65.6	84.5	109.23	124.50	41.94	53.89	61.05	67.40	49.76	36.21	77.58	26.92		15,070	3,878
19	69.60	65.6	84.9	111.87	125.43	41.46	54.48	61.52	67.90	48.96	36.72	78.47	26.97		16,201	3,998
26	69.32	66.7	84.2	111.62	124.89	42.08	55.87	61.44	67.47	48.74	37.78	79.52	26.83		16,729	3,598
Sept. 2	68.79	65.9	83.5	110.76	123.89	43.64	55.68	60.94	66.87	48.28	37.57	79.17	26.63		11,889	3,283

For notes see opposite page.

TERMS ON CONVENTIONAL FIRST MORTGAGES

Period	New homes						Existing homes					
	Contract rate (per cent)	Fees & charges (per cent)[1]	Maturity (years)	Loan/price ratio (per cent)	Purchase price (thous. of dollars)	Loan amount (thous. of dollars)	Contract rate (per cent)	Fees & charges (per cent)[1]	Maturity (years)	Loan/price ratio (per cent)	Purchase price (thous. of dollars)	Loan amount (thous. of dollars)
1965	5.74	.49	25.0	73.9	25.1	18.3	5.87	.55	21.8	72.7	21.6	15.6
1966	6.14	.71	24.7	73.0	26.6	19.2	6.30	.72	21.7	72.0	22.2	15.9
1967	6.33	.81	25.2	73.6	28.0	20.4	6.40	.76	22.5	72.7	24.1	17.4
1968	6.83	.89	25.5	73.9	30.7	22.4	6.90	.83	22.7	73.0	25.6	18.5
1969	7.66	.91	25.5	72.8	34.1	24.5	7.68	.88	22.7	71.5	28.3	19.9
1970	8.27	1.03	25.1	71.7	35.5	25.2	8.20	.92	22.8	71.1	30.0	21.0
1971	7.60	.87	26.2	74.3	36.3	26.5	7.54	.77	24.2	73.9	31.7	23.1
1971—June	7.38	.74	26.3	73.7	37.5	27.3	7.38	.74	24.3	73.9	32.9	23.9
July	7.51	.90	26.3	74.5	36.8	27.1	7.50	.75	24.2	74.5	31.6	23.2
Aug.	7.60	.84	26.2	73.9	36.5	26.5	7.58	.76	24.5	74.2	31.9	23.5
Sept.	7.67	.97	25.8	75.3	35.1	25.9	7.63	.79	24.2	74.5	30.7	22.5
Oct.	7.68	.97	26.4	75.5	35.2	26.3	7.62	.79	24.1	74.2	31.2	22.9
Nov.	7.65	.87	26.7	75.4	36.7	27.3	7.56	.79	24.3	74.6	31.6	23.2
Dec.	7.62	.93	26.6	74.5	36.4	26.5	7.51	.80	24.6	74.6	32.5	23.9
1972—Jan.	7.62	.95	26.5	75.0	37.3	27.6	7.45	.82	24.9	74.7	32.5	24.1
Feb.	7.45	1.02	27.0	76.5	37.2	27.8	7.35	.79	25.4	75.8	33.1	24.8
Mar.	7.38	.84	27.2	76.2	37.7	28.2	7.31	.77	25.1	75.6	32.7	24.4
Apr.	7.38	.83	27.2	76.0	38.3	28.5	7.30	.78	25.2	75.3	33.6	24.9
May	7.40	.84	27.2	76.2	38.2	28.5	7.33	.77	25.2	75.4	33.3	24.6
June[r]	7.41	.85	27.2	76.5	37.2	27.8	7.36	.78	25.5	76.1	33.8	25.2
July	7.45	.83	27.3	77.2	37.1	28.2	7.37	.78	25.5	76.0	33.6	25.0

For notes see opposite page.

STOCK MARKET CUSTOMER FINANCING

(In millions of dollars)

End of period	Margin credit at brokers and banks [1]										Other security credit at banks [4]	Free credit balances at brokers [5]	
	Regulated [2]									Unregulated [3]			
	By source			By type									
				Margin stock		Convertible bonds		Subscription issues		Nonmargin stock credit at banks			
	Total	Brokers	Banks	Brokers	Banks	Brokers	Banks	Brokers	Banks			Margin accts.	Cash accts.
1971—July	5,860	5,050	810	4,790	737	215	56	45	17	1,091	1,183	410	1,841
Aug.	5,917	5,121	796	4,850	723	227	58	44	15	1,208	1,206	405	1,838
Sept.	5,990	5,208	782	4,930	713	230	54	48	15	1,182	1,237	364	1,734
Oct.	6,016	5,238	778	4,950	711	239	53	49	14	1,194	1,204	393	1,765
Nov.	5,995	5,198	797	4,910	731	242	51	46	15	1,193	1,209	412	1,758
Dec.	6,835	5,700	835	5,400	764	258	57	42	14	1,197	1,298	387	1,837
1972—Jan.	6,850	5,989	861	5,700	789	252	56	37	16	1,182	1,313	448	2,040
Feb.	7,427	6,477	950	6,180	877	256	56	41	17	1,170	1,327	434	2,108
Mar.	7,847	6,896	951	6,620	883	240	53	36	15	1,158	1,294	442	2,070
Apr.	8,250	7,283	967	7,010	898	240	57	33	12	1,150	1,278	433	2,030
May	8,472	7,478	994	7,200	924	241	58	37	12	1,141	1,296	403	1,930
June	....	7,792	....	7,510	....	244	....	38	....	....	....	386	1,845
July	....	7,945	....	7,660	....	248	....	37	....	....	....	403	1,842

[1] Margin credit includes all credit extended to purchase or carry stocks or related equity instruments and secured at least in part by stock (see Dec. 1970 BULLETIN). Credit extended by brokers is end-of-month data *for member firms of the NYSE.* 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 Board of Governors of the Federal Reserve System's list of OTC margin stocks. At banks, loans to purchase or carry nonmargin stocks are unregulated; at brokers, such stocks have no loan value.

[4] Includes loans to purchase or carry margin stock if these are unsecured or secured entirely by unrestricted collateral (see Dec. 1970 BULLETIN).

[5] *Free credit balances are in accounts with no unfulfilled commitments* to the brokers and are subject to withdrawal by customers on demand.

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
1971—July	4,790	8.3	12.2	29.1	25.2	11.0	14.1
Aug.	4,850	9.3	14.4	35.4	19.6	8.9	12.6
Sept.	4,930	8.7	13.1	34.3	20.7	9.9	13.3
Oct.	4,950	7.5	10.9	28.7	24.4	12.1	16.3
Nov.	4,910	7.3	10.7	25.9	26.2	13.1	16.8
Dec.	5,400	8.6	12.7	27.1	29.9	10.2	11.5
1972—Jan.	5,700	8.7	13.5	27.1	32.6	8.5	9.6
Feb.	6,180	8.4	12.4	25.9	35.1	8.5	9.7
Mar.	6,620	7.6	11.2	22.3	38.5	10.6	9.7
Apr.	7,010	7.1	10.2	19.5	40.0	12.8	10.5
May	7,200	6.9	9.9	19.3	38.6	15.0	10.4
June	7,510	6.0	9.1	15.9	33.9	22.0	13.2
July	7,660	5.5	8.3	14.6	30.8	24.9	15.7

[1] See note 1 to table above.

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		Total balance (millions of dollars)
		60 per cent or more	Less than 60 per cent	
1971—July	45.2	46.7	8.1	4,190
Aug.	44.6	48.0	7.4	4,230
Sept.	44.2	47.0	8.8	4,160
Oct.	45.5	45.2	9.3	4,060
Nov.	44.6	45.1	10.2	4,000
Dec.	35.0	55.7	9.4	7,300
1972—Jan.	36.8	55.9	7.3	5,780
Feb.	35.1	57.0	7.9	5,910
Mar.	35.8	56.0	8.1	5,990
Apr.	35.5	56.5	8.0	5,920
May	34.7	57.1	8.0	5,860
June	34.3	56.3	9.4	5,770
July	34.4	55.2	11.4	5,930

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[2]	Other liabilities	General reserve accounts	Mortgage loan commitments[3] classified by maturity (in months): 3 or less	3–6	6–9	Over 9	Total
1963	36,007	607	5,863	440	5,074	912	799	49,702	44,606	943	4,153	......	......	......	......	2,549
1964	40,328	739	5,791	391	5,099	1,004	886	54,238	48,849	989	4,400	......	......	......	......	2,820
1965	44,433	862	5,485	320	5,170	1,017	944	58,232	52,443	1,124	4,665	......	......	......	......	2,697
1966	47,193	1,078	4,764	251	5,719	953	1,024	60,982	55,006	1,114	4,863	......	......	......	......	2,010
1967	50,311	1,203	4,319	219	8,183	993	1,138	66,365	60,121	1,260	4,984	742	982		799	2,523
1968	53,286	1,407	3,834	194	10,180	996	1,256	71,152	64,507	1,372	5,273	811	1,034		1,166	3,011
1969	55,781	1,824	3,296	200	10,824	912	1,307	74,144	67,026	1,588	5,530	584	485	452	946	2,467
1970	57,775	2,255	3,151	197	12,876	1,270	1,471	78,995	71,580	1,690	5,726	619	322	302	688	1,931
1971—June	59,546	2,696	3,409	319	16,649	1,281	1,665	85,565	77,683	1,956	5,926	1,118	517	343	1,244	3,222
July	59,935	2,545	3,558	326	16,969	1,198	1,750	86,282	78,130	2,198	5,924	1,015	582	347	1,260	3,204
Aug.	60,350	2,685	3,517	338	17,159	1,151	1,692	86,892	78,437	2,423	6,031	978	557	374	1,246	3,155
Sept.	60,622	2,782	3,467	339	17,282	1,177	1,742	87,410	79,236	2,129	6,045	1,086	509	422	1,196	3,213
Oct.	61,036	2,840	3,382	343	17,292	1,250	1,712	87,856	79,648	2,150	6,059	1,125	415	484	1,230	3,253
Nov.	61,473	2,891	3,346	357	17,452	1,280	1,695	88,495	80,165	2,218	6,112	1,129	554	461	1,231	3,375
Dec.	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—Jan.[4]	62,258	3,224	3,261	433	18,417	1,246	1,802	90,641	82,327	1,962	6,352	1,045	676	409	1,442	3,572
Feb.	62,517	3,523	3,306	459	19,055	1,255	1,808	91,924	83,269	2,229	6,427	1,277	759	533	1,414	3,983
Mar.	62,947	3,660	3,380	515	19,659	1,256	1,852	93,268	84,809	1,991	6,468	1,448	769	681	1,429	4,327
Apr.	63,299	3,452	3,425	548	20,192	1,239	1,868	94,022	85,299	2,231	6,492	1,720	747	742	1,437	4,646
May	63,753	3,499	3,450	598	20,615	1,238	1,881	95,035	85,976	2,493	6,565	1,654	778	737	1,591	4,760
June^p	64,333	3,439	3,397	642	20,857	1,332	1,948	95,947	87,027	2,254	6,667	1,612	925	540	1,603	4,679

[1] Also includes securities of foreign governments and international organizations and nonguaranteed issues of U.S. Govt. agencies.

[2] See note 8, p. A-19.

[3] 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 beginning with Aug. 1967.

[4] Balance sheet data beginning Jan. 1972 are reported on a gross of valuation reserves basis. The data differ somewhat from balance sheet data previously reported by NAMSB which were net of valuation reserves. For most items, however, the differences are relatively small.

NOTE.—National Assn. of Mutual Savings Banks data; figures are estimates for all savings banks in the United States and differ somewhat from those shown elsewhere in the BULLETIN; the latter are for call dates and are based on reports filed with U.S. Govt. and State bank supervisory agencies.

LIFE INSURANCE COMPANIES

(In millions of dollars)

End of period	Total assets	Government securities: Total	United States	State and local	Foreign[1]	Business securities: Total	Bonds	Stocks	Mortgages	Real estate	Policy loans	Other assets
Statement value:												
1963	141,121	12,438	5,813	3,852	2,773	60,780	53,645	7,135	50,544	4,319	6,655	6,385
1964	149,470	12,322	5,594	3,774	2,954	63,579	55,641	7,938	55,152	4,528	7,140	6,749
1965	158,884	11,679	5,119	3,530	3,030	67,599	58,473	9,126	60,013	4,681	7,678	7,234
1966	167,022	10,837	4,823	3,114	2,900	69,816	61,061	8,755	64,609	4,883	9,117	7,760
1967	177,832	10,573	4,683	3,145	2,754	76,070	65,193	10,877	67,516	5,187	10,059	8,427
1968	188,636	10,509	4,456	3,194	2,859	82,127	68,897	13,230	69,973	5,571	11,306	9,150
Book value:												
1966	*167,022*	*10,864*	*4,824*	*3,131*	*2,909*	*68,677*	*61,141*	*7,536*	*64,661*	*4,888*	*9,911*	*8,801*
1967	177,361	10,530	4,587	2,993	2,950	73,997	65,015	8,982	67,575	5,188	10,060	11,011
1968	187,695	10,483	4,365	3,036	3,082	79,403	68,575	10,828	70,071	5,573	11,284	10,881
1969	197,208	10,914	4,514	3,221	3,179	84,566	70,859	13,707	72,027	5,912	13,825	9,964
1970	207,254	11,068	4,574	3,306	3,188	88,518	73,098	15,420	74,375	6,320	16,064	10,909
1971—June^r	214,532	10,717	4,261	3,339	3,117	95,262	76,854	18,408	74,509	6,552	16,531	10,961
July	215,284	11,031	4,466	3,430	3,135	95,683	77,333	18,350	74,583	6,729	16,590	10,668
Aug.	216,436	11,076	4,475	3,452	3,149	96,429	77,581	18,848	74,707	6,749	16,679	10,796
Sept.	217,489	11,000	4,345	3,484	3,171	97,199	78,121	19,078	74,799	6,811	16,782	10,898
Oct.	218,257	11,016	4,331	3,485	3,200	97,778	78,890	18,888	74,864	6,876	16,850	10,873
Nov.	219,353	11,150	4,473	3,484	3,193	98,443	79,384	19,059	74,903	6,949	16,948	10,960
Dec.	221,573	11,129	4,427	3,518	3,184	99,430	78,912	20,518	75,596	7,097	17,027	11,294
1972—Jan.	223,312	11,325	4,594	3,535	3,196	101,350	80,087	21,263	75,517	7,097	17,074	10,949
Feb.	224,736	11,341	4,609	3,535	3,197	102,821	80,795	22,026	75,456	6,999	17,132	10,987
Mar.	226,024	11,517	4,744	3,532	3,241	103,798	81,099	22,699	75,424	7,048	17,212	11,025
Apr.	227,893	11,083	4,476	3,373	3,234	105,249	82,293	22,956	75,469	7,034	17,360	11,698
May	229,336	11,128	4,516	3,366	3,246	106,434	83,060	23,374	75,493	7,094	17,441	11,746
June	230,182	11,105	4,394	3,355	3,356	107,074	83,382	23,692	75,547	7,149	17,528	11,779

[1] *Issues of foreign governments and their subdivisions and bonds of* the International Bank for Reconstruction and Development.

NOTE.—Institute of Life Insurance estimates for all life insurance companies in the United States.

Figures are annual statement asset values, with bonds carried on an amortized basis and stocks at year-end market value. Adjustments for interest due and accrued and for differences between market and book values are not made on each item separately but are included in total, in "Other assets."

SAVINGS AND LOAN ASSOCIATIONS

(In millions of dollars)

End of period	Assets				Total assets—Total liabilities	Liabilities					Mortgage loan commitments[4]	
	Mortgages	Investment securities[1]	Cash	Other[2]		Savings capital	Reserves and undivided profits	Borrowed money[3]	Loans in process	Other	Made during period	Outstanding at end of period
1961	68,834	5,211	3,315	4,775	82,135	70,885	5,708	2,856	1,550	1,136	....	1,872
1962	78,770	5,563	3,926	5,346	93,605	80,236	6,520	3,629	1,999	1,221	....	2,193
1963	90,944	6,445	3,979	6,191	107,559	91,708	7,209	5,015	2,528	1,499	....	2,572
1964	101,333	6,966	4,015	7,041	119,355	101,887	7,899	5,601	2,239	1,729	....	2,549
1965	110,306	7,414	3,900	7,960	129,580	110,385	8,704	6,444	2,198	1,849	....	2,707
1966	114,427	7,762	3,366	8,378	133,933	113,969	9,096	7,462	1,270	2,136	....	1,482
1967	121,805	9,180	3,442	9,107	143,534	124,531	9,546	4,738	2,257	2,462	....	3,004
1968	130,802	[1]11,116	2,962	9,571	152,890	131,618	10,315	5,705	2,449	2,803	....	3,584
1969[5]	140,232	10,873	2,438	8,606	162,149	135,538	11,228	9,728	2,455	3,200	807	2,812
1970[5]	150,331	13,020	3,506	9,326	176,183	146,404	11,991	10,911	3,078	3,799	1,602	4,393
1971—July	163,720	19,281	2,139	10,084	195,224	164,524	12,337	8,011	4,944	5,408	3,144	8,555
Aug.	166,111	18,972	2,077	10,312	197,472	165,633	12,329	8,203	5,023	6,284	2,880	8,311
Sept.	168,233	18,663	2,056	10,474	199,426	168,303	12,339	8,388	4,996	5,400	2,639	8,004
Oct.	170,106	18,971	2,166	10,603	201,846	169,796	12,327	8,353	5,001	6,369	2,537	7,806
Nov.	172,047	19,096	2,284	10,811	204,238	171,358	12,325	8,439	4,960	7,156	2,511	7,759
Dec.	174,385	18,293	2,783	10,842	206,303	174,472	13,187	9,048	5,072	4,524	2,345	7,237
1971—Jan.	175,838	19,691	2,785	10,926	209,240	177,738	13,250	8,053	4,874	5,325	2,508	7,510
Feb.	177,614	20,682	2,829	11,144	212,269	180,556	13,248	7,275	4,853	6,337	3,354	8,659
Mar.	180,145	21,427	2,521	11,291	215,384	184,843	13,261	6,759	5,077	5,444	4,110	9,864
Apr.	182,711	21,449	2,551	11,440	218,151	186,617	13,262	6,847	5,283	6,142	4,047	10,837
May	185,431	22,070	2,456	11,691	221,648	188,826	13,257	6,802	5,608	7,155	4,545	11,793
June	188,884	21,644	2,414	11,865	224,807	192,564	13,583	7,273	5,887	5,500	4,198	11,663
July[p]	191,703	22,145	2,366	11,953	228,167	194,853	13,581	7,220	5,992	6,521	4,011	11,875

[1] U.S. Govt. securities only through 1967. Beginning 1968 the total reflects liquid assets and other investment securities. Included are U.S. Govt. obligations, Federal agency securities, State and local govt. securities, time deposits at banks, and miscellaneous securities, except FHLBB stock. *Compensating changes have been made in "Other assets."*

[2] Includes other loans, stock in the Federal home loan banks, other investments, real estate owned and sold on contract, and office buildings and fixtures. See also note 1.

[3] Consists of advances from FHLBB and other borrowing.

[4] Insured savings and loan assns. only. Data on outstanding commitments are comparable with those shown for mutual savings banks (on preceding page) except that figures for loans in process are not included above but are included in the figures for mutual savings banks.

[5] Balance sheet data for all operating savings and loan associations *were revised by the Federal Home Loan Bank Board for 1969 and 1970.*

NOTE.—Federal Home Loan Bank Board 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.

MAJOR BALANCE SHEET ITEMS OF SELECTED FEDERALLY SPONSORED CREDIT AGENCIES

(In millions of dollars)

End of period	Federal home loan banks						Federal National Mortgage Assn. (secondary market operations)		Banks for cooperatives		Federal intermediate credit banks		Federal land banks	
	Assets			Liabilities and capital										
	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)	Debentures (L)	Loans and discounts (A)	Debentures (L)	Mortgage loans (A)	Bonds (L)
1967	4,386	2,598	127	4,060	1,432	1,395	5,348	4,919	1,506	1,253	3,411	3,214	5,609	4,904
1968	5,259	2,375	126	4,701	1,383	1,402	6,872	6,376	1,577	1,334	3,654	3,570	6,126	5,399
1969	9,289	1,862	124	8,422	1,041	1,478	10,541	10,511	1,732	1,473	4,275	4,116	6,714	5,949
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
1971—July	7,338	3,211	85	7,297	1,699	1,600	15,674	15,638	1,997	1,726	5,905	5,712	7,650	6,884
Aug.	7,513	2,744	86	7,218	1,532	1,603	16,304	15,260	1,942	1,791	5,866	5,742	7,709	6,884
Sept.	7,637	2,584	117	7,190	1,522	1,600	16,732	16,241	1,942	1,791	5,841	5,713	7,767	6,884
Oct.	7,640	2,740	99	7,390	1,450	1,603	17,202	16,984	2,030	1,745	5,763	5,680	7,826	7,063
Nov.	7,708	2,545	101	7,139	1,548	1,607	17,535	17,138	2,076	1,763	5,633	5,606	7,870	7,063
Dec.	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—Jan.	7,238	3,412	156	7,139	1,949	1,647	17,977	17,442	2,098	1,867	5,785	5,537	7,970	7,063
Feb.	6,515	3,805	115	6,731	2,014	1,696	18,220	17,814	2,149	1,840	5,720	5,591	8,039	7,186
Mar.	5,992	4,342	113	6,730	2,008	1,708	18,342	17,992	2,267	1,840	5,967	5,689	8,139	7,186
Apr.	5,913	4,233	81	6,729	1,762	1,717	18,403	18,131	2,260	1,833	6,105	5,879	8,238	7,382
May	5,853	4,067	108	6,528	1,789	1,718	18,598	17,959	2,181	1,852	6,229	6,018	8,343	7,382
June	6,075	3,850	118	6,527	1,746	1,721	18,628	18,560	2,145	1,786	6,378	6,118	8,430	7,382
July	6,138	3,579	118	6,526	1,497	1,722	18,740	18,194	2,137	1,731	6,330	6,174	8,517	7,659

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) and are not guaranteed by the U.S. Govt.; for a listing of these securities, see table below. Loans are gross of valuation reserves and represent cost for FNMA and unpaid principal for other agencies.

OUTSTANDING ISSUES OF FEDERALLY SPONSORED AGENCIES, JULY 31, 1972

Agency, and date of issue and maturity	Coupon rate	Amount (millions of dollars)
Federal home loan banks		
Bonds:		
7/27/71 – 8/25/72	6¼	394
9/25/70 – 11/27/72	7⅝	250
9/27/71 – 11/27/72	5¾	310
2/25/70 – 2/26/73	8.35	350
5/23/71 – 2/26/73	5.70	400
3/25/71 – 5/25/73	4.20	400
10/27/70 – 8/27/73	7.20	450
1/26/70 – 1/25/74	8.40	300
6/26/70 – 2/25/74	8.40	250
8/27/71 – 2/25/74	7.10	300
6/25/71 – 5/25/74	6.35	300
8/25/69 – 8/25/74	7.65	181
11/25/69 – 11/25/74	8.00	227
1/26/71 – 2/25/75	6.10	250
8/25/70 – 5/26/75	8.05	265
7/27/70 – 8/25/75	7.95	300
12/18/70 – 11/25/75	6.50	350
8/27/71 – 2/25/76	7⅛	300
6/25/71 – 5/25/77	6.95	200
3/25/70 – 2/25/80	7.75	350
10/15/70 – 10/15/80	7.80	200
10/27/71 – 11/27/81	6.60	200
Federal Home Loan Mortgage Corporation		
Bonds:		
11/27/70 – 11/27/72	7.10	175
7/15/71 – 11/26/73	7.75	150
2/10/72 – 8/26/74	5.30	200
5/11/72 – 2/25/77	6.15	350
11/19/70 – 11/27/95	8.60	140
7/15/71 – 8/26/96	7.75	150
5/11/72 – 5/26/97	7.15	150
Federal National Mortgage Association—Secondary market operations		
Discount notes	......	387
Capital debentures:		
9/30/68 – 10/1/73	6.00	250
4/1/70 – 4/1/75	8.00	200
9/30/71 – 10/1/96	4.38	249
Mortgage-backed bonds:		
9/9/70 – 10/2/72	7.50	400
6/1/70 – 6/2/75	8.38	250
9/29/70 – 10/1/90	8.63	200
Federal National Mortgage Association—Cont.		
Debentures:		
5/11/70 – 9/11/72	8.40	400
6/10/70 – 9/11/72	7.40	200
11/10/69 – 12/11/72	8.00	200
10/13/70 – 12/11/72	7.20	400
11/10/70 – 3/12/73	7.30	450
12/12/69 – 3/12/73	8.30	250
6/12/61 – 6/12/73	4¼	146
7/10/70 – 6/12/73	8.35	350
7/12/71 – 6/12/73	6.75	550
3/10/70 – 9/10/73	8.10	300
6/10/71 – 9/10/73	6.13	350
12/10/70 – 12/10/73	5.75	500
8/10/71 – 12/10/73	7.15	500
12/1/71 – 3/11/74	5.45	400
4/10/70 – 3/11/74	7.75	350
8/5/70 – 6/10/74	7.90	400
11/10/71 – 6/10/74	5.70	350
9/10/69 – 9/10/74	7.85	250
2/10/71 – 9/10/74	5.65	300
5/10/71 – 12/10/74	6.10	250
9/10/71 – 12/10/74	6.45	450
11/10/70 – 3/10/75	7.55	300
10/12/71 – 3/10/75	6.35	600
4/12/71 – 6/10/75	5.25	500
10/13/70 – 9/10/75	7.50	350
3/10/72 – 12/10/75	5.70	500
3/11/71 – 3/10/76	5.65	500
6/10/71 – 6/10/76	6.70	250
2/10/72 – 6/10/76	5.85	450
11/10/71 – 9/10/76	6.13	300
6/12/72 – 9/10/76	5.85	500
7/12/71 – 12/10/76	7.45	300
2/13/62 – 2/10/77	4½	198
12/10/70 – 6/10/77	6.38	250
5/10/71 – 6/10/77	6.50	150
9/10/71 – 9/12/77	6.88	300
10/12/71 – 12/11/78	6.75	300
6/12/72 – 9/10/79	6.40	300
12/10/71 – 12/10/79	6.55	350
2/10/72 – 3/10/80	6.88	250
6/29/72 – 1/29/81	6.15	156
1/21/71 – 6/10/81	7.25	250
9/10/71 – 9/10/81	7.25	250
6/28/72 – 5/1/82	5.84	58
2/10/71 – 6/10/82	6.65	250
3/11/71 – 6/10/83	6.75	200
11/10/71 – 9/12/83	6.75	250
4/12/71 – 6/11/84	6.25	200
12/10/71 – 12/10/84	6.90	250
3/10/72 – 3/10/92	7.00	200
6/12/72 – 6/10/92	7.05	200
Banks for cooperatives		
Debentures:		
2/1/72 – 8/1/72	3.80	458
4/3/72 – 10/2/72	4.55	269
5/1/72 – 11/1/72	4.65	317
6/1/72 – 12/4/72	4.45	299
7/3/72 – 1/3/73	4.55	288
10/1/70 – 10/1/73	7.30	100
Federal intermediate credit banks		
Debentures:		
11/1/71 – 8/1/72	4.95	594
12/1/71 – 9/5/72	4⅝	593
1/3/72 – 10/2/72	4¾	454
2/1/72 – 11/1/72	3.95	634
3/1/72 – 12/4/72	4.00	558
4/3/72 – 1/2/73	4.80	514
5/1/72 – 2/1/73	4.95	482
3/2/70 – 3/1/73	7.75	203
6/1/72 – 3/1/73	4.80	489
7/3/72 – 4/2/73	4.80	475
9/1/70 – 7/2/73	5.55	200
7/1/71 – 1/2/74	6.85	212
1/4/71 – 7/1/74	5.95	224
5/1/72 – 1/2/75	6.05	240
1/3/72 – 7/1/75	5.70	302
Federal land banks		
Bonds:		
9/14/56 – 9/15/72	3⅞	109
9/22/69 – 9/15/72	8.35	337
10/23/72 – 10/23/72	5⅞	200
7/20/71 – 10/23/72	6.50	446
7/20/70 – 1/22/73	7.95	407
2/20/63 – 2/20/73–78	4⅛	148
4/20/72 – 4/23/73	5.20	433
1/20/70 – 7/20/73	8.45	198
8/20/73 – 7/20/73	7.95	350
4/20/70 – 10/22/73	7.80	300
7/20/72 – 1/21/74	5.55	450
2/20/72 – 2/20/74	4½	155
10/20/70 – 4/22/74	7.30	354
10/21/71 – 7/27/74	5.85	326
4/20/71 – 10/21/74	5.30	300
2/20/70 – 1/20/75	8⅜	220
4/20/65 – 4/21/75	4⅜	200
2/15/72 – 7/21/75	5.70	425
7/20/71 – 10/20/75	7.20	300
4/20/72 – 1/20/76	6¼	300
2/21/66 – 2/24/76	5.00	123
7/20/66 – 7/20/76	5⅜	150
10/27/71 – 10/20/77	6.35	300
5/2/66 – 4/20/78	5⅛	150
7/20/72 – 7/20/78	6.40	269
2/20/67 – 1/22/79	5.00	285
2/23/71 – 4/20/81	6.70	224
4/20/72 – 4/20/82	6.90	200

NOTE.—These securities are not guaranteed by the U.S. Govt.; see also note to table at bottom of opposite page.

FEDERAL FISCAL OPERATIONS: SUMMARY

(In millions of dollars)

Period	U.S. budget: Receipt-expenditure account: Budget receipts	Net expenditures	Net lending	Budget outlays[1]	Budget surplus or deficit (−)	Means of financing: Borrowings from the public[2]: Public debt securities	Plus: Agency securities	Less: Investments by Govt. accounts: Special issues	Other	Less: Special notes[3]	Equals: Total borrowing	Less: Cash and monetary assets: Treasury operating balance	Other	Other means of financing, net[4]
Fiscal year:														
1969	187,784	183,072	1,476	184,548	3,236	6,142	633	7,364	2,089	−1,384	[2]−1,295	596	1,616	269
1970	193,743	194,456	2,131	196,588	−2,845	17,198	−1,739	9,386	676	....	5,397	2,151	−581	−982
1971	188,392	210,318	1,107	211,425	−23,033	27,211	−347	6,616	800	....	19,448	710	−979	3,586
1972	208,596	230,514	1,105	231,619	−23,023	29,131	−1,269	6,795	1,625	....	19,442	1,362	905	5,849
Half year:														
1970—July-Dec.	87,583	104,117	99	104,216	−16,633	18,240	−21	1,807	157	....	16,257	54	−882	−453
1971—Jan.-June	100,809	106,201	1,008	107,209	6,400	8,971	−326	4,809	647	....	3,189	656	303	4,039
July-Dec.	93,100	110,608	948	111,557	−18,377	26,001	−1,119	2,803	523	....	21,556	973	80	−2,122
1972—Jan.-June	115,496	119,906	157	120,062	−4,646	3,130	−150	3,992	1,102	....	−2,114	389	835	7,971
Month:														
1971—July	r13,221	18,507	49	r18,568	r−5,348	7,169	r−959	1,861	122	....	4,227	−1,559	r−630	r−1,069
Aug.	15,652	19,276	306	19,582	−3,930	9,293	20	2,309	150	....	6,854	2,337	−819	−1,407
Sept.	19,710	18,265	−69	18,196	+1,513	−2,324	−503	−1,019	+194	....	−2,003	470	281	1,239
Oct.	12,462	18,677	115	18,791	−6,630	−334	50	−1,690	−1	....	1,407	−3,318	−290	1,314
Nov.	14,945	18,798	149	18,947	−4,002	2,686	−10	40	47	....	2,590	−2,324	−17	−928
Dec.	17,213	17,085	399	17,484	271	9,511	284	1,291	22	....	8,482	1,328	5,653	−1,230
1972—Jan.	17,596	19,226	243	19,469	−1,873	−1,269	−474	−1,508	−369	....	134	−191	1,026	2,573
Feb.	15,239	18,589	175	18,764	−3,525	1,169	568	1,450	286	....	1	−4,018	−208	−702
Mar.	15,237	20,000	327	20,327	−5,090	3,312	−103	−683	97	....	3,795	591	−16	1,869
Apr.	24,534	19,113	−515	18,598	5,935	−2,039	−44	−1,770	1,746	....	−2,059	4,047	1,338	1,508
May	17,275	19,723	237	19,960	−2,685	2,607	272	3,527	−29	....	−618	−2,030	−1,617	−346
June	25,537	23,255	−310	22,945	2,591	−651	−370	2,975	−628	....	−3,368	417	1,877	3,070
July	15,207	....	....	18,591	−3,384	5,123	9	1,409	−6	....	3,730	−1,129	−1,810	−3,284

End of period	Selected balances: Treasury operating balance: F.R. Banks	Tax and loan accounts	Other depositaries[5]	Total	Federal securities: Public debt securities	Agency securities	Less: Investments of Govt. accounts: Special issues	Other	Less: Special notes[3]	Equals: Total held by public	Memo: Debt of Govt.-sponsored corps.—Now private[6]
Fiscal year:											
1969	1,258	4,525	112	5,894	353,720	14,249	66,738	20,923	825	279,483	24,991
1970	1,005	6,929	111	8,045	370,919	12,510	76,124	21,599	825	284,880	35,789
1971	1,274	7,372	109	8,755	398,130	12,163	82,740	22,400	825	304,328	36,886
1972	2,344	7,934	[5] 139	10,117	427,260	10,894	89,539	24,023	825	323,770	....
Calendar year:											
1970	1,156	6,834	109	8,099	389,158	12,491	77,981	21,756	825	301,138	38,802
1971	2,020	9,173	113	11,306	424,131	11,044	85,544	22,922	825	325,884	39,860
Month:											
1971—July	1,274	7,372	113	8,755	405,299	11,203	84,601	22,522	825	308,554	37,985
Aug.	987	8,408	113	9,508	414,962	11,223	86,910	22,672	825	315,408	37,116
Sept.	2,102	7,763	113	9,978	412,268	10,720	85,904	22,853	825	313,406	37,380
Oct.	1,876	4,667	113	6,655	411,934	10,770	84,213	22,853	825	314,812	39,530
Nov.	1,996	2,223	113	4,331	414,620	10,760	84,253	22,900	825	317,402	39,392
Dec.	2,020	9,173	113	11,306	424,131	11,044	85,544	22,922	825	325,884	39,860
1972—Jan.	2,860	8,118	[5] 134	11,112	422,862	10,570	84,037	22,522	825	326,017	39,701
Feb.	884	6,075	134	7,094	424,032	11,137	85,486	22,839	825	326,019	39,883
Mar.	1,293	6,391	2	7,685	427,343	11,034	84,804	22,935	825	329,814	40,109
Apr.	1,871	9,724	136	11,732	425,304	10,991	83,034	24,681	825	327,755	40,632
May	2,144	7,420	136	9,700	427,912	11,263	86,561	24,652	825	327,137	40,426
June	2,344	7,934	139	10,117	427,260	10,894	89,539	24,023	825	323,770	41,044
July	2,298	6,547	144	8,988	432,383	10,903	90,944	24,018	825	327,499	....

[1] Equals net expenditures plus net lending.

[2] The decrease in Federal securities resulting from conversion to private ownership of Govt.-sponsored corporations (totaling $9,853 million) is not included here. In the bottom panel, however, these conversions decrease the *outstanding amounts of Federal securities held by the public* mainly by reductions in agency securities. The Federal National Mortgage Association (FNMA) was converted to private owership in Sept. 1968 and the Federal Intermediate credit banks (FICB) and banks for cooperatives in Dec. 1968.

[3] 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.

[4] Includes accrued interest payable on public debt securities, deposit funds, miscellaneous liability and asset accounts, and seigniorage.

[5] 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*).

[6] Includes debt of Federal home loan banks, Federal land banks, R.F.K. Stadium Fund, FNMA (beginning Sept. 1968), FICB, and banks for cooperatives (beginning Dec. 1968).

NOTE.—Half years may not add to fiscal year totals due to revisions in series which 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: 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 contributions[1]: Payroll taxes	Social insurance taxes and contributions: Employment taxes and contributions[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:																
1969	187,784	70,182	27,258	10,191	87,249	38,338	1,660	32,521	1,715	3,328	2,353	39,918	15,222	2,319	3,491	2,908
1970	193,743	77,416	26,236	13,240	90,412	35,037	2,208	37,190	1,942	3,465	2,700	45,298	15,705	2,430	3,644	3,424
1971	188,392	76,490	24,262	14,522	86,230	30,320	3,535	39,751	1,948	3,673	3,206	48,578	16,614	2,591	3,735	3,858
1972	208,596	83,282	25,683	14,141	94,824	34,797	2,760	44,087	2,032	4,377	3,434	53,929	15,484	3,285	5,412	3,624
Half year:																
1970—July–Dec.	87,584	37,465	5,569	565	42,469	12,744	1,467	17,768	133	1,348	1,576	20,826	8,153	1,317	1,537	2,006
1971—Jan.–June	r100,808	r39,025	18,693	13,957	r43,761	17,576	r2,069	21,983	1,815	2,325	1,630	r27,758	8,462	1,274	2,198	1,853
July–Dec.	93,180	38,449	5,589	574	43,465	13,262	1,448	19,643	155	1,518	1,673	22,989	8,961	1,838	2,395	1,718
1972—Jan.–June	115,416	44,833	20,094	13,567	51,359	21,535	1,312	24,444	1,877	4,736	1,761	30,940	6,523	1,447	3,017	1,906
Month:																
1971—July	r13,221	r6,245	490	191	r6,543	1,163	284	2,987	.....	205	272	3,464	1,532	227	319	r257
Aug.	15,652	6,706	306	91	6,920	688	236	5,049	.....	660	287	5,996	1,482	244	311	245
Sept.	19,710	5,513	3,755	76	9,192	4,505	198	3,299	152	60	273	3,784	1,490	363	263	312
Oct.	12,462	5,941	396	55	6,282	1,111	375	2,592	.....	116	274	2,983	1,412	334	391	324
Nov.	14,945	7,245	264	55	7,455	730	218	3,408	.....	424	288	4,120	1,656	343	566	293
Dec.	17,213	6,823	379	106	7,096	5,064	138	2,308	3	52	278	2,642	1,389	329	545	286
1972—Jan.	17,596	6,627	4,318	1	10,944	1,228	158	3,044	124	153	295	3,615	743	259	621	344
Feb.	15,239	7,581	682	1,416	6,846	878	212	4,774	147	545	274	5,740	819	224	596	347
Mar.	15,237	7,782	1,323	5,200	3,905	4,995	273	3,787	167	71	325	4,350	1,130	264	602	263
Apr.	24,534	6,599	8,650	3,284	11,985	5,145	250	3,877	1,153	343	283	5,655	1,091	215	372	342
May	17,275	8,141	1,413	2,997	6,557	967	234	5,281	223	1,636	303	7,443	1,371	235	461	475
June	25,537	8,102	3,708	668	11,142	8,324	185	3,681	64	111	281	4,137	1,370	250	364	135
July	15,207	7,052	548	245	7,355	1,258	187	3,727	.....	260	289	4,277	1,442	237	334	492

Period	Budget outlays[4]: Total	National defense	Intl. affairs	Space research	Agriculture	Natural resources	Commerce and transp.	Commun. develop. and housing	Education and manpower	Health and welfare	Veterans	Interest	General govt.	Intragovt. transactions[5]
Fiscal year:														
1969	184,548	81,232	3,785	4,247	6,221	2,081	7,921	1,961	6,525	49,395	7,640	15,791	2,866	−5,117
1970	196,588	80,295	3,570	3,749	6,201	2,480	9,310	2,965	7,289	56,785	8,677	18,312	3,336	−6,380
1971	211,425	77,663	2,884	3,381	5,312	2,713	11,283	3,382	8,650	70,164	9,787	19,608	3,970	−7,376
1972r	231,619	78,150	3,659	3,424	7,276	3,754	11,055	4,230	10,200	81,492	10,748	20,607	4,888	−7,864
1973[4,6]	[7]246,257	78,310	3,844	3,191	6,891	2,450	11,550	4,844	11,281	87,775	11,745	21,161	5,531	−8,590
Half year:														
1970—July–Dec.	104,216	38,521	1,409	1,720	4,633	1,561	5,808	1,677	3,744	32,710	4,626	9,597	1,818	−3,607
1971—Jan.–June	107,242	39,178	1,475	1,661	679	1,152	5,475	1,705	4,906	37,454	5,162	10,014	2,147	−3,770
July–Dec.	111,557	35,755	1,752	1,777	5,999	1,952	6,030	2,181	4,355	38,131	5,003	10,050	2,392	−3,822
1972—Jan.–June	120,063	42,396	1,906	1,647	1,278	1,801	5,025	2,048	5,845	43,362	5,745	10,556	2,494	−4,042
Month:														
1971—July	r18,568	r5,203	340	377	r1,783	r292	r573	545	684	r6,190	r799	r1,655	r370	r−244
Aug.	19,582	5,595	308	291	963	432	1,643	291	661	6,385	892	1,668	533	386
Sept.	18,196	5,979	303	273	336	344	947	292	924	6,169	758	1,800	287	−246
Oct.	18,791	6,106	303	266	1,134	309	1,030	272	501	6,499	833	1,418	396	−276
Nov.	18,947	6,175	286	286	568	302	892	236	851	6,437	942	1,811	334	−343
Dec.	17,484	6,713	181	285	852	271	875	402	722	6,444	896	1,702	473	−2,332
1972—Jan.	19,469	6,161	347	259	699	264	813	434	813	6,807	1,023	1,737	390	−277
Feb.	18,764	6,333	307	276	298	237	619	234	908	6,938	864	1,714	400	−385
Mar.	20,327	7,158	361	310	16	265	876	342	932	7,111	1,045	1,801	401	−293
Apr.	18,598	6,738	265	238	−196	255	793	9	728	6,936	929	1,792	419	−308
May	19,960	7,107	268	207	126	265	713	490	1,033	6,914	973	1,784	389	−371
June	22,945	8,899	358	294	335	515	1,211	519	1,431	8,657	911	1,728	495	−2,408
July	18,591	5,139	313	289	2,397	−821	827	529	764	6,214	884	1,695	612	−252

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 Federal Reserve Banks and other miscellaneous receipts.

4 Outlays by functional categories are published in the *Monthly Treasury Statement* (beginning April 1969). Monthly back data (beginning July 1968) are published in the *Treasury Bulletin* of June 1969.

5 Consists of government contributions for employee retirement and interest received by trust funds.

6 Estimates presented in the Jan. 1973 *Budget Document*. Breakdowns do not add to totals because special allowances for contingencies, Federal pay increase (excluding Department of Defense), and revenue sharing, totaling $6,275 million for fiscal 1973, are not included.

7 On June 5, 1972, the administration revised the Budget estimates—increasing total outlays to $250.0 billion; revised figures for the functional breakdown are not available.

NOTE.—Half years may not add to fiscal year totals due to revisions in series which 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									Special issues [4]
		Total	Marketable					Con-vert-ible bonds	Nonmarketable		
			Total	Bills	Certifi-cates	Notes	Bonds [2]		Total [3]	Sav-ings bonds & notes	
1941—Dec.	57.9	50.5	41.6	2.0	....	6.0	33.6	....	8.9	6.1	7.0
1946—Dec.	259.1	233.1	176.6	17.0	30.0	10.1	119.5	....	56.5	49.8	24.6
1965—Dec.	320.9	270.3	214.6	60.2	....	50.2	104.2	2.8	52.9	50.3	46.3
1966—Dec.	329.3	273.0	218.0	64.7	5.9	48.3	99.2	2.7	52.3	50.8	52.0
1967—Dec.	344.7	284.0	226.5	69.9	....	61.4	95.2	2.6	54.9	51.7	57.2
1968—Dec.	358.0	296.0	236.8	75.0	....	76.5	85.3	2.5	56.7	52.3	59.1
1969—Dec.	368.2	295.2	235.9	80.6	....	85.4	69.9	2.4	56.9	52.2	71.0
1970—Dec.	389.2	309.1	247.7	87.9	....	101.2	58.6	2.4	59.1	52.5	78.1
1971—Aug.	414.6	325.8	249.7	89.6	....	108.2	51.9	2.3	73.8	54.0	87.0
Sept.	412.3	324.5	249.9	88.6	....	109.5	51.8	2.3	72.2	54.2	86.0
Oct.	411.9	325.8	252.2	89.0	....	111.5	51.8	2.3	71.3	54.4	84.3
Nov.	414.6	328.4	254.5	89.8	....	114.0	50.7	2.3	71.6	54.7	84.4
Dec.	424.1	336.7	262.0	97.5	....	114.0	50.6	2.3	72.3	54.9	85.7
1972—Jan.	422.9	336.9	261.9	97.5	....	114.0	50.4	2.3	72.7	55.1	84.2
Feb.	424.0	336.5	261.2	98.1	....	112.9	50.2	2.3	73.0	55.3	85.6
Mar.	427.3	340.6	265.4	102.4	....	112.9	50.1	2.3	72.9	55.6	84.9
Apr.	425.3	340.4	263.0	98.3	....	114.7	50.0	2.3	75.1	55.9	83.1
May	427.9	339.5	261.9	98.1	....	113.4	50.4	2.3	75.2	56.2	86.6
June	427.3	335.8	257.2	94.6	....	113.4	49.1	2.3	76.3	56.5	89.6
July	432.4	339.6	257.7	95.2	....	113.4	49.1	2.3	79.5	56.7	91.0
Aug.	435.4	339.9	258.1	96.2	....	115.7	46.2	2.3	79.5	57.0	93.6

[1] Includes non-interest-bearing debt (of which $622 million on Aug. 31, 1972, 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, foreign currency series, foreign series, and Rural Electrification Administration bonds; before 1954, Armed Forces leave bonds; before 1956, tax and savings notes; and before Oct. 1965, Series A investment bonds.

[4] Held only by U.S. Govt. agencies and trust funds and the Federal home loan banks.

NOTE.—Based on Daily Statement of 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—		Held by private investors									
		U.S. Govt. agencies and trust funds	F.R. Banks	Total	Com-mercial banks	Mutual savings banks	Insur-ance com-panies	Other corpo-rations	State and local govts.	Individuals		Foreign and inter-national [1]	Other misc. inves-tors [2]
										Savings bonds	Other securities		
1939—Dec.	41.9	6.1	2.5	33.4	12.7	2.7	5.7	2.0	.4	1.9	7.5	.2	.3
1946—Dec.	259.1	27.4	23.4	208.3	74.5	11.8	24.9	15.3	6.3	44.2	20.0	2.1	9.3
1965—Dec.	320.9	59.7	40.8	220.5	60.7	5.3	10.3	15.8	22.9	49.7	22.4	16.7	16.7
1966—Dec.	329.3	65.9	44.3	219.2	57.4	4.6	9.5	14.9	24.3	50.3	24.3	14.5	19.4
1967—Dec.	344.7	73.1	49.1	222.4	63.8	4.1	8.6	12.2	24.1	51.2	22.8	15.8	19.9
1968—Dec.	358.0	76.6	52.9	228.5	66.0	3.6	8.0	14.2	24.4	51.9	23.9	14.3	22.4
1969—Dec.	368.2	89.0	57.2	222.0	56.8	2.9	7.1	13.3	25.4	51.8	29.1	11.4	24.1
1970—Dec.	389.2	97.1	62.1	229.9	62.7	2.8	7.0	10.5	23.1	52.1	29.8	20.6	21.4
1971—July	405.3	104.9	65.8	234.6	60.5	2.9	6.7	11.6	21.9	53.4	24.8	35.4	17.3
Aug.	414.6	107.3	66.9	240.4	59.5	2.8	6.7	10.9	21.1	53.6	24.5	42.7	18.6
Sept.	412.3	106.5	67.6	238.2	60.0	2.8	6.5	10.0	21.0	53.7	24.1	42.4	17.7
Oct.	411.9	104.7	67.2	240.0	60.9	2.8	6.5	11.1	20.8	54.0	23.7	42.8	17.4
Nov.	414.6	104.7	67.8	242.1	61.5	2.7	6.5	12.0	20.6	54.2	23.4	44.1	17.1
Dec.	424.1	106.0	70.2	247.9	65.3	2.7	6.6	12.6	20.4	54.4	23.0	46.9	16.0
1972—Jan.	422.9	104.4	69.6	248.9	62.8	2.7	6.5	12.2	21.1	54.6	22.8	48.2	18.0
Feb.	424.0	106.2	67.7	250.2	62.1	2.7	6.5	12.5	22.0	54.9	22.4	48.9	18.2
Mar.	427.3	105.5	69.9	251.9	63.3	2.7	6.5	12.3	21.6	55.2	22.3	49.9	18.1
Apr.	425.3	105.5	70.3	249.5	61.9	2.7	6.4	11.2	21.5	55.5	21.9	49.8	18.5
May	427.9	109.1	71.6	247.2	60.8	2.8	6.3	12.0	21.4	55.8	21.4	49.4	17.4
June	427.3	111.5	71.4	244.4	59.9	2.7	6.2	10.4	21.8	56.0	20.8	50.0	16.7
July	432.4	112.8	70.8	248.8	57.6	2.7	6.1	10.0	22.4	56.3	20.7	54.6	18.3

[1] Consists of investments of foreign and international accounts in the United States.

[2] Consists of savings and loan assns., nonprofit institutions, corporate pension 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.

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:								
1969—Dec. 31	235,863	118,124	80,571	37,553	73,301	20,026	8,358	16,054
1970—Dec. 31	247,713	123,423	87,923	35,500	82,318	22,554	8,556	10,863
1971—Dec. 31	262,038	119,141	97,505	21,636	93,648	29,321	9,530	10,397
1972—June 30	257,202	121,944	94,648	27,296	89,004	26,852	9,343	10,059
July 31	257,717	122,528	95,234	27,294	89,004	26,851	9,317	10,015
U.S. Govt. agencies and trust funds:								
1969—Dec. 31	16,295	2,321	812	1,509	6,006	2,472	2,059	3,437
1970—Dec. 31	17,092	3,005	708	2,297	6,075	3,877	1,748	2,387
1971—Dec. 31	18,444	1,380	605	775	7,614	4,676	2,319	2,456
1972—June 30	19,868	2,350	1,671	679	7,739	4,906	2,358	2,514
July 31	19,785	2,213	1,598	615	7,760	4,950	2,350	2,512
Federal Reserve Banks:								
1969—Dec. 31	57,154	36,023	22,265	13,758	12,810	7,642	224	453
1970—Dec. 31	62,142	36,338	25,965	10,373	19,089	6,046	229	440
1971—Dec. 31	70,218	36,032	31,033	4,999	25,299	7,702	584	601
1972—June 30	71,356	40,085	31,258	8,827	24,109	5,913	627	622
July 31	70,822	39,552	30,724	8,828	24,107	5,913	627	622
Held by private investors:								
1969—Dec. 31	162,414	79,780	57,494	22,286	54,485	9,912	6,075	12,164
1970—Dec. 31	168,479	84,080	61,250	22,830	57,154	12,631	6,579	8,036
1971—Dec. 31	173,376	81,729	65,867	15,862	60,735	16,943	6,627	7,340
1972—June 30	165,978	79,509	61,719	17,790	57,156	16,033	6,358	6,923
July 31	167,110	80,763	62,912	17,851	57,137	15,988	6,340	6,881
Commercial banks:								
1969—Dec. 31	45,173	15,104	6,727	8,377	24,692	4,399	564	414
1970—Dec. 31	50,917	19,208	10,314	8,894	26,609	4,474	367	260
1971—Dec. 31	51,363	14,920	8,287	6,633	28,823	6,847	555	217
1972—June 30	47,028	14,337	6,335	8,002	26,326	5,688	500	178
July 31	44,778	13,371	5,131	8,240	25,505	5,337	411	154
Mutual savings banks:								
1969—Dec. 31	2,931	501	149	352	1,251	263	203	715
1970—Dec. 31	2,745	525	171	354	1,168	339	329	385
1971—Dec. 31	2,742	416	235	181	1,221	499	281	326
1972—June 30	2,668	388	175	213	1,192	502	298	287
July 31	2,649	368	162	206	1,188	502	297	294
Insurance companies:								
1969—Dec. 31	6,152	868	419	449	1,808	253	1,197	2,028
1970—Dec. 31	6,066	893	456	437	1,723	849	1,369	1,231
1971—Dec. 31	5,679	720	325	395	1,499	993	1,366	1,102
1972—June 30	5,340	525	208	317	1,362	1,027	1,356	1,068
July 31	5,276	528	220	308	1,335	1,021	1,357	1,034
Nonfinancial corporations:								
1969—Dec. 31	5,007	3,157	2,082	1,075	1,766	63	12	8
1970—Dec. 31	3,057	1,547	1,194	353	1,260	242	2	6
1971—Dec. 31	6,021	4,191	3,280	911	1,492	301	16	20
1972—June 30	4,182	3,010	1,945	1,065	1,020	135	10	9
July 31	4,830	3,491	2,160	1,331	1,194	127	9	9
Savings and loan associations:								
1969—Dec. 31	3,851	808	269	539	1,916	357	329	441
1970—Dec. 31	3,263	583	220	363	1,899	281	243	258
1971—Dec. 31	3,002	629	343	286	1,449	587	162	175
1972—June 30	2,849	675	359	316	1,250	608	140	175
July 31	2,787	652	329	323	1,236	594	132	173
State and local governments:								
1969—Dec. 31	13,909	6,416	5,200	1,216	2,853	524	1,225	2,893
1970—Dec. 31	11,204	5,184	3,803	1,381	2,458	774	1,191	1,598
1971—Dec. 31	9,823	4,592	3,832	760	2,268	783	918	1,263
1972—June 30	10,314	5,298	4,441	857	2,223	749	773	1,270
July 31	10,408	5,379	4,512	867	2,227	793	766	1,244
All others:								
1969—Dec. 31	85,391	52,926	42,648	10,278	20,199	4,053	2,545	5,665
1970—Dec. 31	91,227	56,140	45,092	11,048	22,037	5,672	3,078	4,298
1971—Dec. 31	94,746	56,261	49,565	6,696	23,983	6,933	3,329	4,237
1972—June 30	93,597	55,276	48,256	7,020	23,783	7,324	3,281	3,936
July 31	96,382	56,974	50,398	6,576	24,452	7,614	3,368	3,973

NOTE.—Direct public issues only. Based on Treasury Survey of Ownership.

Beginning with Dec. 1968, certain Govt.-sponsored but privately owned agencies and certain Govt. deposit accounts have been removed from U.S. Govt. agencies and trust funds and added to "All others." Comparable data are not available for earlier periods.

Data complete for U.S. Govt. agencies and trust funds and F.R. Banks but for other groups are based on Treasury Survey data. Of total marketable issues held by groups, the proportion held on latest date by those reporting in the Survey and the number of owners surveyed were: (1) about 90 per cent by the 5,635 commercial banks, 485 mutual savings banks, and 738 insurance companies combined; (2) about 50 per cent by the 466 nonfinancial corporations and 487 savings and loan assns.; and (3) about 70 per cent by 504 State and local govts.

"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									U.S. Govt. agency securities
	Total	By maturity				By type of customer				
		Within 1 year	1–5 years	5–10 years	Over 10 years	Dealers and brokers: U.S. Govt. securities	Dealers and brokers: Other	Com-mercial banks	All other	
1971—July	2,484	2,103	280	74	28	814	131	837	702	471
Aug.	2,482	1,848	512	97	25	859	129	855	640	462
Sept.	2,115	1,598	271	219	26	759	99	725	532	482
Oct.	2,646	1,905	438	268	36	988	117	906	634	659
Nov.	2,691	1,668	523	418	81	906	157	940	687	547
Dec.	3,139	2,317	497	266	58	1,006	214	1,190	730	569
1972—Jan.	3,191	2,268	571	309	44	[1] 879	[2] 391	1,120	[3] 801	623
Feb.	3,260	2,339	652	242	27	913	363	1,170	815	611
Mar.	3,177	2,443	464	241	29	800	437	1,060	881	459
Apr.	2,990	2,300	460	203	28	704	450	1,002	835	609
May	2,542	1,939	348	221	35	589	364	821	767	485
June	2,452	2,001	257	161	34	545	355	759	793	411
July	2,571	2,124	283	131	33	633	382	851	704	438
Week ending—										
1972—July 5	2,926	2,601	199	107	19	609	401	932	983	328
12	2,130	1,874	146	89	21	420	310	710	691	419
19	2,286	1,938	165	156	26	588	367	709	622	366
26	2,080	1,880	116	65	19	581	265	636	599	587
Aug. 2	4,990	3,313	1,121	399	157	1,228	725	1,864	1,174	531
9	2,337	1,687	329	175	145	487	359	852	639	341
16	2,038	1,600	250	119	69	398	233	726	681	349
23	2,245	1,781	251	108	104	513	300	815	616	405
30	2,751	2,005	361	226	159	606	605	886	654	606

1 Beginning Jan. 5, 1972, represents transactions of U.S. Govt. securities dealers.
2 Beginning Jan. 5, 1972, represents transactions of U.S. Govt. securities brokers.
3 Beginning Jan. 5, 1972, includes transactions of dealers and brokers in securities other than U.S. Govt., previously shown under "other" dealers and brokers.

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					U.S. Govt. agency securi-ties
	All maturi-ties	Within 1 year	1–5 years	5–10 years	Over 10 years	
1971—July	3,011	3,018	−23	26	−11	771
Aug.	2,897	2,473	344	70	11	698
Sept.	3,856	3,089	355	377	36	926
Oct.	4,353	3,612	394	310	37	903
Nov.	5,846	3,725	914	943	265	1,063
Dec.	5,335	3,877	626	600	232	1,101
1972—Jan.	5,561	4,665	437	365	94	847
Feb.	4,960	4,094	479	304	83	554
Mar.	4,933	4,710	228	−32	27	489
Apr.	3,573	3,713	20	−131	−29	422
May	4,257	4,089	84	102	−18	551
June	3,733	3,903	−55	−99	−16	532
July	3,252	3,626	−146	−216	−11	356
Week ending—						
1972—June 7	3,963	4,054	−29	−39	−24	526
14	3,845	3,932	−21	−46	−21	488
21	3,891	4,011	−38	−70	−12	594
28	3,511	3,813	−104	−187	−11	533
July 5	3,129	3,547	−149	−256	−13	470
12	2,920	3,374	−183	−259	−12	276
19	3,109	3,431	−134	−188	......	279
26	3,560	3,870	−125	−180	−4	456

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		Corpora-tions[1]	All other
		New York City	Else-where		
1971—July	3,516	1,151	391	721	1,254
Aug.	3,071	894	390	821	967
Sept.	4,146	1,049	856	811	1,430
Oct.	4,511	1,188	704	921	1,699
Nov.	6,455	1,877	932	1,564	2,082
Dec.	5,517	1,375	912	1,659	1,571
1972—Jan.	5,714	1,296	904	1,750	1,763
Feb.	5,205	1,456	719	1,344	1,686
Mar.	4,662	1,347	907	949	1,458
Apr.	3,400	1,044	746	657	953
May	4,073	1,107	931	755	1,280
June	3,804	1,056	838	804	1,108
July	3,055	753	496	820	986
Week ending—					
1972—June 7	4,237	1,091	1,005	891	1,250
14	3,980	1,047	944	860	1,129
21	3,905	1,174	831	759	1,142
28	3,271	969	630	709	962
July 5	3,093	798	602	746	947
12	2,796	635	463	684	1,014
19	2,865	594	483	793	996
26	3,240	922	442	989	887

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.

U.S. GOVERNMENT MARKETABLE AND CONVERTIBLE SECURITIES, AUGUST 31, 1972

(In millions of dollars)

Issue and coupon rate	Amount	Issue and coupon rate	Amount	Issue and coupon rate	Amount	Issue and coupon rate	Amount
Treasury bills		**Treasury bills—Cont.**		**Treasury notes—Cont.**		**Treasury bonds**	
Sept. 7, 1972.........	4,102	Feb. 15, 1973.........	1,800	Apr. 1, 1974.....1½	34	Sept. 15, 1967–72..2½	454
Sept. 14, 1972.........	4,101	Feb. 22, 1973.........	1,801	May 15, 1974.....7¼	4,334	Dec. 15, 1967–72..2½	1,350
Sept. 21, 1972.........	4,102	Feb. 28, 1973.........	1,701	Aug. 15, 1974.....5⅝	10,284	Aug. 15, 1973.....4	3,894
Sept. 28, 1972.........	4,105	Mar. 1, 1973.........	1,801	Oct. 1, 1974.....1½	42	Nov. 15, 1973.....4⅛	4,339
Sept. 30, 1972.........	1,702	Mar. 31, 1973.........	1,702	Nov. 15, 1974.....5¾	5,440	Feb. 15, 1974.....4⅛	2,467
Oct. 5, 1972.........	4,098	Apr. 30, 1973.........	1,700	Feb. 15, 1975.....5¾	4,016	May 15, 1974.....4¼	2,852
Oct. 12, 1972.........	4,102	May 31, 1973.........	1,701	Feb. 15, 1975.....5⅞	1,222	Nov. 15, 1974.....3⅞	1,212
Oct. 19, 1972.........	4,101	June 30, 1973.........	1,201	Apr. 1, 1975.....1½	8	May 15, 1975–85..4¼	1,207
Oct. 26, 1972.........	4,102	July 31, 1973.........	1,201	May 15, 1975.....5⅞	1,776	June 15, 1978–83..3¼	1,511
Oct. 31, 1972.........	1,700	Aug. 28, 1973.........	1,804	May 15, 1975.....6	6,760	Feb. 15, 1980.....4	2,582
Nov. 2, 1972.........	4,102			Aug. 15, 1975.....5⅞	7,679	Nov. 15, 1980.....3½	1,899
Nov. 9, 1972.........	4,099			Oct. 1, 1975.....1½	30	Aug. 15, 1981.....7	807
Nov. 16, 1972.........	4,102			Nov. 15, 1975.....7	3,115	Feb. 15, 1982.....6⅜	2,702
Nov. 24, 1972.........	4,103			Feb. 15, 1976.....6¼	3,739	Aug. 15, 1984.....6⅜	2,354
Nov. 30, 1972.........	5,803			Feb. 15, 1976.....5⅞	4,945	May 15, 1985.....3¼	1,008
Dec. 7, 1972.........	1,800			Apr. 1, 1976.....1½	27	Nov. 15, 1986.....6⅛	1,216
Dec. 14, 1972.........	1,802	*Treasury notes*		May 15, 1976.....5¾	2,802	Aug. 15, 1987–92..4¼	3,775
Dec. 21, 1972.........	1,802	Oct. 1, 1972.....1½	33	May 15, 1976.....6½	2,697	Feb. 15, 1988–93..4	242
Dec. 28, 1972.........	1,799	Nov. 15, 1972.....6	1,327	Aug. 15, 1976.....7½	4,194	May 15, 1989–94..4⅛	1,524
Dec. 31, 1972.........	1,701	Feb. 15, 1973.....6½	2,514	Oct. 1, 1976.....1½	11	Feb. 15, 1990.....3½	4,347
Jan. 4, 1973.........	1,799	Feb. 15, 1973.....4⅞	4,268	Nov. 15, 1976.....6¼	1,283	Feb. 15, 1995.....3	998
Jan. 11, 1973.........	1,801	Apr. 1, 1973.....1½	34	Feb. 15, 1977.....8	5,163	Nov. 15, 1998.....3½	3,445
Jan. 18, 1973.........	1,800	May 15, 1973.....7¾	5,844	Apr. 1, 1977.....1½	5		
Jan. 25, 1973.........	1,800	May 15, 1973.....4¾	3,792	Aug. 15, 1977.....7¾	2,264		
Jan. 31, 1973.........	1,700	Aug. 15, 1973.....8⅛	1,839	Feb. 15, 1978.....6¼	8,389	**Convertible bonds**	
Feb. 1, 1973.........	1,800	Oct. 1, 1973.....1½	30	Nov. 15, 1978.....6	8,207	**Investment Series B**	
Feb. 8, 1973.........	1,801	Feb. 15, 1974.....7¾	2,960	Aug. 15, 1979.....6¼	4,563	Apr. 1, 1975–80..2¾	2,308

† Tax-anticipation series.

NOTE.—Direct public issues only. Based on Daily Statement of U.S. Treasury.

NEW ISSUES OF STATE AND LOCAL GOVERNMENT SECURITIES

(In millions of dollars)

Period	All issues (new capital and refunding)								Total amount delivered[3]	Issues for new capital						
		Type of issue				Type of issuer					Use of proceeds					
	Total	General obligations	Revenue	HAA[1]	U.S. Govt. loans	State	Special district and stat. auth.	Other[2]		Total	Education	Roads and bridges	Utilities[4]	Housing[5]	Veterans' aid	Other purposes
1964.........	10,847	6,417	3,585	637	208	1,628	3,812	5,407	10,069	10,201	3,392	688	2,437	727	120	2,838
1965.........	11,329	7,177	3,517	464	170	2,401	3,784	5,144	11,538	10,471	3,619	900	1,965	626	50	3,311
1966.........	11,405	6,804	3,955	325	312	2,590	4,110	4,695	....	11,303	3,738	1,476	1,880	533	......	3,667
1967.........	14,766	8,985	5,013	477	334	2,842	4,810	7,115	....	14,643	4,473	1,254	2,404	645	......	5,867
1968.........	16,596	9,269	6,517	528	282	2,774	5,946	7,884	....	16,489	4,820	1,526	2,833	787	......	6,523
1969.........	11,881	7,725	3,556	402	197	3,359	3,596	4,926	....	11,838	3,252	1,432	1,734	543	......	4,884
1970.........	18,164	11,850	6,082	131	103	4,174	5,595	8,399	....	18,110	5,062	1,532	3,525	466	......	7,526
1971.........	24,962	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
1971—July...	1,989	1,306	506	171	5	477	606	905	....	1,942	301	120	231	219	......	1,071
Aug...	1,903	1,141	754	....	9	459	735	707	....	1,894	352	158	377	159	......	846
Sept...	2,098	1,313	523	258	3	348	706	1,044	....	2,053	463	65	458	271	......	796
Oct....	1,728	836	890	....	3	341	840	548	....	1,626	291	210	353	96	......	678
Nov...	2,264	1,394	869	....	1	629	874	761	....	2,134	418	338	500	246	......	631
Dec....	2,068	1,367	440	253	8	441	568	1,058	....	2,042	353	137	239	298	......	1,016
1972—Jan....	1,776	1,120	654	....	2	639	545	591	....	1,696	377	147	440	56	......	676
Feb....	2,002	1,049	948	....	5	354	977	670	....	1,930	531	78	433	29	......	858
Mar...	2,237	1,289	718	225	5	434	954	849	....	2,111	463	134	348	329	......	837
Apr....	2,114	1,382	725	....	6	471	674	969	....	2,075	490	229	434	10	......	912
May...	1,986	990	992	....	3	374	828	785	....	1,919	657	214	295	67	......	684
June...	2,224	975	1,035	209	5	246	1,199	778	....	1,959	334	144	523	393	......	563
July...	1,771	1,315	454	....	2	647	444	680	....	1,762	325	120	208	152	......	957

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.—*The figures in the first column differ from those shown on the following page, which are based on Bond Buyer data.* The principal difference is in the treatment of U.S. Govt. loans.
Investment Bankers 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
1964	37,122	10,656	1,205	10,544	760	13,957	10,865	3,623	7,243	412	2,679
1965	40,108	9,348	2,731	11,148	889	15,992	13,720	5,570	8,150	725	1,547
1966	45,015	8,231	6,806	11,089	815	18,074	15,561	8,018	7,542	574	1,939
1967	68,514	19,431	8,180	14,288	1,817	24,798	21,954	14,990	6,964	885	1,959
1968	65,562	18,025	7,666	16,374	1,531	21,966	17,383	10,732	6,651	637	3,946
1969	52,496	4,765	8,617	11,460	961	26,744	18,347	12,734	5,613	682	7,714
1970	88,666	14,831	16,181	17,762	949	38,945	30,315	25,384	4,931	1,390	7,240
1971	105,233	17,325	16,283	24,370	2,165	45,090	32,123	24,775	7,354	3,670	9,291
1971—June	10,994	2,779	1,812	1,988	40	4,375	3,042	2,283	760	104	1,228
July	9,316	1,153	2,049	1,951	17	4,147	1,951	1,331	619	1,527	669
Aug.	9,346	3,228	1,500	1,850	237	2,532	1,844	1,428	416	270	418
Sept.	9,445	1,698	1,774	2,044	161	3,768	2,573	1,966	607	165	1,031
Oct.[c]	9,410	2,455	1,876	1,679	12	3,387	2,665	1,942	723	86	637
Nov.[c]	10,568	3,254	1,300	2,286	24	3,704	2,436	2,003	433	270	999
Dec.[c]	6,911	443	698	2,058	39	3,673	2,473	1,190	1,283	169	1,031
1972—Jan.	7,188	529	1,401	1,737	316	3,205	2,371	1,767	604	303	531
Feb.	7,302	539	1,325	1,942	126	3,369	2,329	1,917	412	195	846
Mar.	6,556	586	400	2,185	156	3,229	2,253	1,677	577	282	694
Apr.[r]	8,635	2,281	1,090	1,963	26	3,275	2,411	1,622	789	263	601
May[r]	9,547	1,090	1,500	1,924	165	3,597	2,450	1,676	774	130	1,017
June	7,588	1,500	300	2,222	190	4,341	2,556	1,336	1,218	612	1,174

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
1964	2,819	228	902	220	944	38	2,139	620	669	1,520	3,391	466
1965	4,712	704	1,153	251	953	60	2,332	604	808	139	3,762	514
1966	5,861	1,208	1,166	257	1,856	116	3,117	549	1,814	189	1,747	193
1967	9,894	1,164	1,950	117	1,859	466	4,217	718	1,786	193	2,247	186
1968	5,668	1,311	1,759	116	1,665	1,579	4,407	873	1,724	43	2,159	662
1969	4,448	1,904	1,888	3,022	1,899	247	5,409	1,326	1,963	225	2,739	1,671
1970	9,192	1,320	1,963	2,540	2,213	47	8,016	3,001	5,053	83	3,878	1,638
1971	9,426	2,152	2,272	2,390	1,998	420	7,605	4,195	4,227	1,592	6,601	2,212
1971—June	1,031	175	497	290	182	115	616	439	204	14	513	300
July	383	200	159	188	157	62	520	212	232	1,390	500	144
Aug.	262	212	76	175	76	12	687	162	359	....	385	126
Sept.	991	154	123	295	120	29	578	492	235	46	525	179
Oct.	571	91	150	172	185	5	703	230	432	....	624	224
Nov.	637	174	61	232	145	6	672	545	261	9	660	303
Dec.	687	293	246	127	199	33	520	371	311	42	510	335
1972—Jan.	321	71	163	138	268	14	418	115	458	294	742	202
Feb.	428	101	67	104	142	4	388	600	438	60	865	171
Mar.	448	155	178	264	102	3	386	354	197	30	942	170
Apr.[r]	383	197	235	178	129	3	924	295	177	1	562	190
May[r]	607	154	193	281	142	71	381	357	376	16	751	270
June	468	299	181	341	171	15	1,018	520	368	431	349	179

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
1967	25,964	7,735	18,229	21,299	5,340	15,960	4,664	2,397	2,267
1968	25,439	12,377	13,062	19,381	5,418	13,962	6,057	6,959	−900
1969	28,841	10,813	18,027	19,523	5,767	13,755	9,318	5,045	4,272
1970	38,707	9,079	29,628	29,495	6,667	22,825	9,213	2,411	6,801
1971	46,687	9,507	37,180	31,917	8,190	23,728	14,769	1,318	13,452
1971—I	11,241	2,015	9,226	8,765	1,776	6,989	2,476	239	2,237
II	13,212	2,979	10,233	8,974	2,681	6,294	4,238	299	3,939
III	10,746	1,992	8,754	6,159	1,649	4,510	4,586	343	4,244
IV	11,488	2,521	8,967	8,019	2,084	5,935	3,469	437	3,032
1972—I	10,072	2,691	7,381	6,699	2,002	4,698	3,373	690	2,683

Period	Type of issuer											
	Manu-facturing		Commercial and other[2]		Transpor-tation[3]		Public utility		Communi-cation		Real estate and financial[1]	
	Bonds & notes	Stocks	Bonds & notes	Stocks	Bonds & notes	Stocks	Bonds & notes	Stocks	Bonds & notes	Stocks	Bonds & notes	Stocks
1967	7,237	832	1,104	282	1,158	165	3,444	652	1,716	467	1,302	−130
1968	4,418	−1,842	2,242	821	987	−149	3,669	892	1,579	120	1,069	−741
1969	3,747	69	1,075	1,558	946	186	4,464	1,353	1,834	241	1,687	866
1970	6,641	870	853	1,778	1,104	36	6,861	2,917	4,806	94	2,564	1,107
1971	6,585	2,534	827	2,290	900	800	6,486	4,206	3,925	1,600	5,005	2,017
1971—I	2,076	520	201	416	271	33	1,897	948	1,194	66	1,349	255
II	2,296	885	446	757	461	374	1,347	1,261	919	38	825	624
III	852	676	−10	678	195	230	1,493	814	832	1,442	1,148	404
IV	1,361	453	190	445	−27	163	1,749	1,183	980	54	1,683	734
1972—I	696	423	31	545	267	15	827	872	1,020	402	1,856	425

[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 opposite 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)		
	Sales[1]	Redemp-tions	Net sales	Total[2]	Cash position[3]	Other
1960	2,097	842	1,255	17,026	973	16,053
1961	2,951	1,160	1,791	22,789	980	21,809
1962	2,699	1,123	1,576	21,271	1,315	19,956
1963	2,460	1,504	952	25,214	1,341	23,873
1964	3,404	1,875	1,528	29,116	1,329	27,787
1965	4,359	1,962	2,395	35,220	1,803	33,417
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
1968	6,820	3,841	2,979	52,677	3,187	49,490
1969	6,717	3,661	3,056	48,291	3,846	44,445
1970	4,624	2,987	1,637	47,618	3,649	43,969
1971	5,145	4,751	774	56,694	3,163	53,531

Month	Sales and redemption of own shares			Assets (market value at end of period)		
	Sales[1]	Redemp-tions	Net sales	Total[2]	Cash position[3]	Other
1971—July	371	444	−73	51,424	2,856	48,568
Aug.	432	394	38	53,798	3,016	50,782
Sept.	304	471	−167	53,291	2,511	50,780
Oct.	596	419	177	51,160	2,885	48,275
Nov.	397	334	63	50,958	3,172	47,786
Dec.	453	411	42	55,045	3,038	52,007
1972—Jan.	521	475	46	56,694	3,163	53,531
Feb.	404	514	−110	58,536	3,478	55,058
Mar.	472	667	−195	58,740	3,251	55,489
Apr.	405	655	−250	58,870	2,827	56,043
May	378	585	−207	59,736	2,763	56,973
June r	393	544	−151	57,708	3,015	54,693
July	398	424	−26	56,932	3,219	53,713

[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.

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.

CORPORATE PROFITS, TAXES, AND DIVIDENDS

(In billions of dollars)

Year	Profits before taxes	Income taxes	Profits after taxes	Cash dividends	Undistributed profits	Corporate capital consumption allowances[1]	Quarter	Profits before taxes	Income taxes	Profits after taxes	Cash dividends	Undistributed profits	Corporate capital consumption allowances[1]
1966	84.2	34.3	49.9	20.8	29.1	39.5	1970—II	75.2	34.6	40.6	24.7	15.8	54.8
1967	79.8	33.2	46.6	21.4	25.3	43.0	III	76.6	35.4	41.2	24.9	16.3	55.2
							IV	69.6	32.2	37.4	24.7	12.7	56.1
1968	87.6	39.9	47.8	23.6	24.2	46.8							
1969	84.9	40.1	44.8	24.3	20.5	51.9	1971—I	81.3	38.0	43.2	25.5	17.7	57.5
1970	74.3	34.1	40.2	24.8	15.4	55.2	II	84.5	38.6	45.8	25.4	20.4	59.4
1971	83.3	37.3	45.9	25.4	20.5	60.3	III	84.1	37.5	46.6	25.5	21.0	61.2
							IV	83.2	35.3	48.0	25.2	22.7	63.0
							1972—I	88.2	38.8	49.5	26.0	r23.5	64.8
							II	93.1	40.7	52.4	26.2	2.2	68.4

1 Includes depreciation, capital outlays charged to current accounts, and accidental damages.

NOTE.—Dept. of Commerce estimates. Quarterly data are at seasonally adjusted annual rates.

CURRENT ASSETS AND LIABILITIES OF CORPORATIONS

(In billions of dollars)

End of period	Net working capital	Current assets: Total	Cash	U.S. Govt. securities	Notes and accts. receivable: U.S. Govt.[1]	Notes and accts. receivable: Other	Inventories	Other	Current liabilities: Total	Notes and accts. payable: U.S. Govt.[1]	Notes and accts. payable: Other	Accrued Federal income taxes	Other
1967	198.9	470.4	54.1	12.7	5.1	216.0	153.4	29.0	271.4	5.8	190.6	14.1	60.8
1968	212.0	513.8	58.0	14.2	5.1	237.1	165.8	33.6	301.8	6.4	209.8	16.4	69.1
1969	213.2	555.9	54.9	12.7	4.8	261.0	184.8	37.8	342.7	7.3	238.1	16.6	80.6
1970—I	213.3	561.0	52.9	12.5	4.7	264.5	188.0	38.5	347.7	7.2	238.4	18.0	84.2
II	213.6	566.3	52.5	10.7	4.4	268.7	190.2	39.9	352.7	7.0	244.1	14.6	87.1
III	214.0	567.6	53.7	9.3	4.2	270.0	191.8	38.5	353.6	6.8	243.0	15.4	88.3
IV	217.0	572.1	56.9	9.7	4.2	268.1	194.4	38.8	355.2	6.6	244.5	15.9	88.1
1971—I	220.4	576.9	55.8	10.1	4.2	269.8	196.8	40.1	356.5	6.1	240.3	18.6	91.4
II	226.3	582.6	58.6	10.3	3.9	273.2	197.4	39.3	356.3	5.3	241.2	16.8	93.0
III	231.3	591.9	59.8	10.6	3.9	276.9	199.5	41.2	360.6	5.2	242.2	18.7	94.7
IV[2]	235.3	601.5	63.0	13.0	3.5	277.6	201.3	43.0	366.2	4.9	247.4	19.5	94.4
1972—I	240.6	611.8	62.7	12.3	3.4	282.7	205.4	45.2	371.2	4.9	247.3	21.4	97.7

1 Receivables from, and payables to, the U.S. Govt. exclude amounts offset against each other on corporations' books.
2 New series (for which figures for the third and fourth quarters of 1971 were published in the April BULLETIN) has been temporarily abandoned by SEC.

NOTE.—Securities and Exchange Commission estimates; excludes banks, savings and loan assns., insurance companies, and investment companies.

BUSINESS EXPENDITURES ON NEW PLANT AND EQUIPMENT

(In billions of dollars)

Period	Total	Manufacturing: Durable	Manufacturing: Nondurable	Mining	Transportation: Railroad	Transportation: Air	Transportation: Other	Public utilities: Electric	Public utilities: Gas and other	Communications	Other[1]	Total (S.A. A.R.)
1967	65.47	14.06	14.45	1.65	1.86	2.29	1.48	6.75	2.00	6.34	14.59	....
1968	67.76	14.12	14.25	1.63	1.45	2.56	1.59	7.66	2.54	6.83	15.14	....
1969	75.56	15.96	15.72	1.86	1.86	2.51	1.68	8.94	2.67	8.30	16.05	....
1970	79.71	15.80	16.15	1.89	1.78	3.03	1.23	10.65	2.49	10.10	16.59	....
1971	81.21	14.15	15.84	2.16	1.67	1.88	1.38	12.86	2.44	10.77	18.05	....
1972[2]	89.77	16.11	16.50	2.20	1.75	2.42	1.55	14.58	2.86	12.30	19.51	....
1970—IV	21.66	4.26	4.40	.50	.43	.76	.33	3.12	.63	2.81	4.42	78.63
1971—I	17.68	3.11	3.58	.49	.34	.34	.28	2.70	.41	2.50	3.94	79.32
II	20.60	3.52	4.03	.54	.47	.60	.36	3.20	.63	2.81	4.44	81.61
III	20.14	3.40	3.91	.55	.42	.39	.37	3.35	.71	2.62	4.42	80.75
IV	22.79	4.12	4.32	.59	.45	.56	.37	3.60	.69	2.84	5.26	83.18
1972—I	19.38	3.29	3.32	.58	.48	.50	.32	3.19	.44	2.72	4.55	86.79
II[2]	22.90	4.09	4.09	.61	.47	.76	.38	3.56	.71	8.24		90.69
III[2]	22.41	3.95	4.00	.58	.49	.50	.34	3.72	.87	7.96		89.72

1 Includes trade, service, construction, finance, and insurance.
2 Anticipated by business.

NOTE.—Dept. of Commerce and Securities and Exchange Commission estimates for corporate and noncorporate business; excludes agriculture, real estate operators, medical, legal, educational, and cultural service, and nonprofit organizations.

MORTGAGE DEBT OUTSTANDING

(In billions of dollars)

End of period	All properties				Farm			Nonfarm								
	All holders	Financial institutions[1]	Other holders[2]		All holders	Financial institutions[1]	Other holders[3]	All holders	1- to 4-family houses[4]			Multifamily and commercial properties[5]			Mortgage type[6]	
			U.S. agencies	Individuals and others					Total	Finan. institutions[1]	Other holders	Total	Finan. institutions[1]	Other holders	FHA-VA-underwritten	Conventional
1941	37.6	20.7	4.7	12.2	6.4	1.5	4.9	31.2	18.4	11.2	7.2	12.9	8.1	4.8	3.0	28.2
1945	35.5	21.0	2.4	12.1	4.8	1.3	3.4	30.8	18.6	12.2	6.4	12.2	7.4	4.7	4.3	26.5
1964	300.1	241.0	11.4	47.7	18.9	7.0	11.9	281.2	197.6	170.3	27.3	83.6	63.7	19.9	77.2	204.0
1965	325.8	264.6	12.4	48.7	21.2	7.8	13.4	304.6	212.9	184.3	28.7	91.6	72.5	19.1	81.2	223.4
1966	347.4	280.8	15.8	50.9	23.3	8.4	14.9	324.1	223.6	192.1	31.5	100.5	80.2	20.3	84.1	240.0
1967	370.2	298.8	*18.4*	53.0	25.5	9.1	*16.3*	344.8	236.1	201.8	34.2	108.7	87.9	20.9	88.2	256.6
1968	397.5	319.9	21.7	55.8	27.5	9.7	17.8	370.0	251.2	213.1	38.1	118.7	97.1	21.6	93.4	276.6
1969	425.3	339.1	26.8	59.4	29.5	9.9	19.6	395.9	266.8	265.0	1.8	129.1	105.5	23.6	....	....
1969—III	418.7	335.7	24.9	58.1	29.2	10.1	19.1	389.5	263.4	222.5	40.9	126.0	103.1	22.9	98.5	291.0
IV	425.3	339.1	26.8	59.4	29.5	9.9	19.6	395.9	266.8	223.6	43.2	129.0	105.5	23.5	100.2	295.7
1970—I	429.4	340.7	28.6	60.1	29.8	9.8	20.0	399.6	268.5	223.8	44.7	131.1	107.1	23.9	101.9	297.6
II	435.6	344.5	30.0	61.1	30.3	9.8	20.5	405.2	271.7	225.7	46.0	133.5	109.1	24.5	103.2	302.0
III	443.4	349.7	31.7	61.9	30.8	10.0	20.8	412.5	276.0	228.5	47.5	136.5	111.4	25.1	106.8	305.7
IV	451.7	355.9	33.0	62.8	31.2	10.1	21.1	420.5	280.2	231.4	48.8	140.3	114.6	25.7	109.2	311.3
1971—I	459.0	361.8	33.6	63.6	31.8	10.1	21.7	427.2	283.6	234.5	49.1	143.6	117.5	26.1	111.0	316.2
II	471.1	372.0	35.2	63.9	31.9	9.7	22.2	439.3	290.8	240.7	50.1	148.3	121.6	26.7	114.4	324.9
III	485.6	383.6	37.4	64.6	32.4	9.8	22.6	453.2	299.7	248.0	51.7	153.5	125.8	27.7	....	....
IV	499.9	394.5	105.4	66.8	32.9	9.9	23.0	467.0	307.8	254.2	53.6	159.2	130.5	28.7	....	....

1 Commercial banks (including nondeposit trust companies but not trust depts.), mutual savings banks, *life insurance companies*, and savings and loan assns.

2 U.S. agencies include former FNMA and, beginning fourth quarter 1968, new GNMA as well as FHA, VA, PHA, Farmers Home Admin., and in earlier years, RFC, HOLC, and FFMC. They also include U.S. sponsored agencies—new FNMA, Federal land banks, GNMA (Pools), and the FHLHC. Other U.S. agencies (amounts small or separate data not readily available) included with "individuals and others."

3 Derived figures; includes debt held by Federal land banks and farm debt held by Farmers Home Admin.

4 For multifamily and total residential properties, see tables below.

5 Derived figures; includes small amounts of farm loans held by savings and *loan* assns.

6 Data by type of mortgage on nonfarm 1- to 4-family properties alone are shown in table below.

NOTE.—Based on data from Federal Deposit Insurance Corp., Federal Home Loan Bank Board, Institute of Life Insurance, Depts. of Agriculture and Commerce, Federal National Mortgage Assn., Federal Housing Admin., Public Housing Admin., Veterans Admin., Government National Mortgage Assoc., Federal Home Loan Mortgage Corp., and Comptroller of the Currency.

Figures for first three quarters of each year are F.R. estimates.

MORTGAGE DEBT OUTSTANDING ON RESIDENTIAL PROPERTIES

(In billions of dollars)

End of period	All residential			Multifamily[1]		
	Total	Financial institutions	Other holders	Total	Financial institutions	Other holders
1941	24.2	14.9	9.4	5.9	3.6	2.2
1945	24.3	15.7	8.6	5.7	3.5	2.2
1963	211.2	176.7	34.5	29.0	20.7	8.3
1964	231.1	195.4	35.7	33.6	25.1	8.5
1965	250.1	213.2	36.9	37.2	29.0	8.2
1966	264.0	223.7	40.3	40.3	31.5	8.8
1967	280.0	236.6	43.4	43.9	34.7	9.2
1968	298.6	250.8	47.8	47.3	37.7	9.6
1969	319.0	265.0	54.0	52.2	41.3	10.9
1970—I	321.7	265.9	55.8	53.2	42.9	10.3
II	326.3	268.9	57.4	54.5	43.2	11.3
III	332.2	272.8	59.4	56.1	44.3	11.8
IV	338.2	277.2	61.0	58.0	45.8	12.2
1971—I	343.3	281.6	61.7	59.7	47.2	12.5
II	353.1	290.1	63.0	62.3	49.4	12.9
III	364.0	298.4	65.6	64.3	50.4	13.9
IV	374.7	306.1	68.6	66.8	52.0	14.8

1 Structures of five or more units.

NOTE.—Based on data from same source as for "Mortgage Debt Outstanding" table.

MORTGAGE DEBT OUTSTANDING ON NONFARM 1- to 4-FAMILY PROPERTIES

(In billions of dollars)

End of period	Total	Government-underwritten			Conventional
		Total	FHA-insured	VA-guaranteed[1]	
1954	18.6	4.3	4.1	.2	14.3
1963	182.2	65.9	35.0	30.9	116.3
1964	197.6	69.2	38.3	30.9	128.3
1965	212.9	73.1	42.0	31.1	139.8
1966	223.6	76.1	44.8	31.3	147.6
1967	236.1	79.9	47.4	32.5	156.1
1968	251.2	84.4	50.6	33.8	166.8
1969	266.8	90.2	54.5	35.7	176.6
1970—I	268.5	91.6	55.6	36.0	176.9
II	271.7	92.2	56.1	36.0	179.6
III	276.0	95.1	58.1	37.0	181.0
IV	280.2	97.3	59.9	37.3	182.9
1971—I	283.6	98.2	61.0	37.3	185.3
II	290.9	100.4	62.8	37.6	190.5
III	299.7	102.9	64.4	38.5	196.8
IV	307.8	105.2	65.7	39.5	202.6

1 *Includes outstanding amount of VA vendee accounts held by private* investors under repurchase agreement.

NOTE.—For total debt outstanding, figures are FHLBB and F.R. estimates. For conventional, figures are derived.

Based on data from FHLBB, Federal Housing Admin., and Veterans Admin.

MORTGAGE LOANS HELD BY BANKS

(In millions of dollars)

End of period	Commercial bank holdings [1]							Mutual savings bank holdings [2]						
	Total	Residential				Other non-farm	Farm	Total	Residential				Other non-farm	Farm
		Total	FHA-insured	VA-guaranteed	Conventional				Total	FHA-insured	VA-guaranteed	Conventional		
1941	4,906	3,292	....	....	....	1,048	566	4,812	3,884	....	....	....	900	28
1945	4,772	3,395	....	....	....	856	521	4,208	3,387	....	....	....	797	24
1964	43,976	28,933	7,315	2,742	18,876	12,405	2,638	40,556	36,487	12,287	11,121	13,079	4,016	53
1965	49,675	32,387	7,702	2,688	21,997	14,377	2,911	44,617	40,096	13,791	11,408	14,897	4,469	52
1966	54,380	34,876	7,544	2,599	24,733	16,366	3,138	47,337	42,242	14,500	11,471	16,272	5,041	53
1967	59,019	37,642	7,709	2,696	27,237	17,931	3,446	50,490	44,641	15,074	11,795	17,772	5,732	117
1968	65,696	41,433	7,926	2,708	30,800	20,505	3,758	53,456	46,748	15,569	12,033	19,146	6,592	117
1969—I	67,146	42,302	7,953	2,711	31,638	20,950	3,894	54,178	47,305	15,678	12,097	19,530	6,756	117
II	69,079	43,532	8,060	2,743	32,729	21,459	4,088	54,844	47,818	15,769	12,151	19,898	6,908	117
III	70,336	44,331	8,065	2,793	33,470	21,924	4,081	55,359	48,189	15,813	12,169	20,207	7,053	117
IV	70,705	44,573	7,960	2,663	33,950	22,113	4,019	56,138	48,682	15,862	12,166	20,654	7,342	114
1970—I	70,854	44,568	7,888	2,496	34,184	22,248	4,038	56,394	48,874	15,865	12,105	20,904	7,413	107
II	71,291	44,845	7,800	2,575	34,469	22,392	4,054	56,880	49,260	15,931	12,092	21,237	7,519	101
III	72,393	45,318	7,885	2,583	34,850	22,825	4,250	57,402	49,628	16,017	12,127	21,654	7,671	103
IV	73,275	45,640	7,919	2,589	35,131	23,284	4,351	57,948	49,937	16,087	12,008	21,842	7,893	119
1971—I	74,424	46,343	7,971	2,595	35,777	23,595	4,486	58,680	50,553	16,157	12,010	22,386	8,014	113
II	76,639	48,163	8,146	2,636	37,381	24,477	3,999	59,643	51,362	16,281	12,011	23,069	8,174	107
III	79,936	50,280	8,246	2,806	39,228	25,500	4,156	60,625	51,989	16,216	12,033	23,740	[c]8,636	75
IV	82,515	52,004	8,310	2,980	40,714	26,306	4,205	61,978	53,027	16,141	12,074	24,812	[c]8,951	50

[1] Includes loans held by nondeposit trust companies, but not bank trust depts.

[2] Data for 1941 and 1945, except for totals, are special F.R. estimates.

NOTE.—Second and fourth quarters, Federal Deposit Insurance Corporation series for all commercial and mutual savings banks in the United States and possessions. First and third quarters, estimates based on special F.R. interpolations after 1963 or beginning 1964. For earlier years, the basis for first- and third-quarter estimates included F.R. commercial bank call report data and data from the National Assn. of Mutual Savings Banks.

MORTGAGE ACTIVITY OF LIFE INSURANCE COMPANIES

(In millions of dollars)

Period	Loans acquired						Loans outstanding (end of period)					
	Total	Nonfarm				Farm	Total	Nonfarm				Farm
		Total	FHA-insured	VA-guaranteed	Other [1]			Total	FHA-insured	VA-guaranteed	Other	
1945	976	....	....	....	....	....	6,637	5,860	1,394	....	4,466	766
1964	10,433	9,386	1,812	674	6,900	1,047	55,152	50,848	11,484	6,403	32,961	4,304
1965	11,137	9,988	1,738	553	7,697	1,149	60,013	55,190	12,068	6,286	36,836	4,823
1966	10,217	9,223	1,300	467	7,456	994	64,609	59,369	12,351	6,201	40,817	5,240
1967	8,470	7,633	757	444	6,432	837	67,516	61,947	12,161	6,122	43,664	5,569
1968	7,925	7,153	755	346	6,052	722	69,973	64,172	12,469	5,954	45,749	5,801
1969	7,531	6,943	663	220	6,108	537	72,027	66,254	12,271	5,701	48,282	5,773
1970	7,137	6,785	397	80	6,268	315	73,227	67,555	11,551	5,540	49,898	5,672
1971	7,684	7,185	320	98	6,584	497	74,700	69,125	11,086	5,195	52,274	5,574
1971—June	537	494	29	9	456	42	74,585	68,973	11,123	5,219	52,631	5,562
July	590	551	20	8	523	39	74,583	69,017	11,048	5,180	52,789	5,566
Aug	735	684	23	8	601	51	74,707	69,121	10,975	5,142	52,438	5,586
Sept	672	636	73	10	515	36	74,799	69,209	10,950	5,104	52,590	5,590
Oct	607	568	28	11	487	39	74,864	69,270	10,884	5,071	52,749	5,594
Nov	607	565	20	9	492	42	74,903	69,302	10,843	5,047	52,854	5,596
Dec	1,346	1,285	18	10	1,252	61	75,596	69,995	10,760	5,001	[c]54,228	5,601
1972—Jan	503	475	37	16	393	28	81,086	75,517	10,722	4,986	53,704	5,539
Feb	436	392	26	12	354	44	75,456	69,940	10,674	4,952	53,750	5,516
Mar	569	484	24	18	442	85	75,424	69,897	10,599	4,932	54,366	5,527
Apr	560	504	30	15	459	54	75,469	69,163	10,535	4,903	53,725	5,543
May [r]	600	540	15	13	512	60	74,931	69,379	10,467	4,873	54,039	5,552
June	708	643	31	21	591	65	74,987	69,409	10,391	4,838	54,180	5,578

[1] Includes mortgage loans secured by land on which oil drilling or extracting operations are in process.

NOTE.—Institute of Life Insurance data. For loans acquired, the monthly figures may not add to annual totals; and for loans outstanding the end-of-Dec. figures may differ from end-of-year figures because (1) monthly figures represent book value of ledger assets, whereas year-end figures represent annual statement asset values, and (2) data for year-end adjustments are more complete. Beginning 1970 monthly and year-earlier data are on a statement balance basis.

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
1968	2,569	3,244.3	1,263	7.66	22/11	73.6	9.0	1.30	9.5
1969	1,788	2,920.7	1,633	8.69	21/8	73.3	9.6	1.29	10.2
1970	912	2,341.1	2,567	9.93	22/8	74.7	10.8	1.32	11.1
1971	1,664	3,982.5	2,393	9.07	22/10	74.9	10.0	1.29	10.4
1971—Jan.	69	141.4	2,050	9.69	22/8	74.3	10.5	1.31	10.7
Feb.	90	237.7	2,641	9.47	22/11	72.9	10.2	1.32	10.6
Mar.	124	351.5	2,835	9.14	23/4	75.0	10.2	1.32	10.4
Apr.	137	302.1	2,205	8.98	22	75.2	9.9	1.28	10.4
May	146	257.3	1,762	8.91	23/4	75.6	10.0	1.27	10.4
June	203	729.0	3,591	8.92	23/8	75.5	9.8	1.29	10.2
July	183	386.5	2,112	8.94	21/10	74.4	9.8	1.26	10.4
Aug.	153	434.4	2,839	9.08	23/1	74.9	9.9	1.27	10.4
Sept.	178	366.1	2,057	9.15	22/6	74.8	9.8	1.28	10.4
Oct.	112	198.4	1,771	9.20	22/7	75.8	10.0	1.28	10.4
Nov.	136	288.2	2,119	9.01	23/5	75.6	9.9	1.27	10.2
Dec.	133	290.0	2,181	8.96	23	74.4	9.9	1.30	10.2
1972—Jan.	107	198.6	1,856	8.78	22/1	73.3	10.0	1.31	10.2
Feb.	122	423.5	3,471	8.62	22/6	73.3	9.7	1.31	10.0
Mar.	220	530.4	2,411	8.50	24/2	76.3	9.5	1.29	9.7

NOTE.—Life Insurance Association of America 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.

MORTGAGE ACTIVITY OF SAVINGS AND LOAN ASSOCIATIONS

(In millions of dollars)

Period	Loans made			Loans outstanding (end of period)			
	Total [1]	New home construction	Home purchase	Total [2]	FHA-insured	VA-guaranteed	Conventional
1945	1,913	181	1,358	5,376	......	......	......
1964	24,913	6,638	10,538	101,333	4,894	6,683	89,756
1965	24,192	6,013	10,830	110,306	5,145	6,398	98,763
1966	16,924	3,653	7,828	114,427	5,269	6,157	103,001
1967	20,122	4,243	9,604	121,805	5,791	6,351	109,663
1968	21,983	4,916	11,215	130,802	6,658	7,012	117,132
1969	21,847	4,757	11,254	140,347	7,917	7,658	124,772
1970	21,383	4,150	10,237	150,331	10,178	8,494	131,659
1971	39,472	6,835	18,811	174,385	13,798	10,848	149,739
1971—July	4,151	686	2,087	163,951	12,592	9,784	141,575
Aug.	4,111	641	2,225	166,342	12,852	10,034	143,456
Sept.	3,672	628	1,951	168,464	13,130	10,232	145,102
Oct.	3,405	609	1,717	170,106	13,278	10,374	146,454
Nov.	3,298	589	1,661	172,047	13,521	10,582	147,944
Dec.	3,592	573	1,590	174,385	13,798	10,848	149,739
1972—Jan.	2,632	481	1,253	175,838	13,976	11,013	150,849
Feb.	2,849	518	1,400	177,614	14,167	11,264	152,183
Mar.	2,849	712	1,861	180,145	14,450	11,546	154,149
Apr.	3,819	707	1,819	182,711	14,697	11,789	156,225
May	4,603	836	2,276	185,431	14,878	12,010	158,543
June r	5,449	872	2,920	188,884	15,019	12,293	161,572
July	4,565	745	2,514	191,703	15,159	12,615	163,929

[1] Includes loans for repairs, additions and alterations, refinancing, etc. not shown separately.
[2] Beginning with 1958, includes shares pledged against mortgage loans; beginning with 1966, includes junior liens and real estate sold on contract; and beginning with 1967, includes downward structural adjustment for change in universe.

NOTE.—Federal Home Loan Bank Board data.

FEDERAL HOME LOAN BANKS

(In millions of dollars)

Period	Advances	Repayments	Advances outstanding (end of period)			Members' deposits (end of period)
			Total	Short-term [1]	Long-term [2]	
1945	278	213	195	176	19	46
1964	5,565	5,025	5,325	2,846	2,479	1,199
1965	5,007	4,335	5,997	3,074	2,923	1,043
1966	3,804	2,866	6,935	5,006	1,929	1,036
1967	1,527	4,076	4,386	3,985	401	1,432
1968	2,734	1,861	5,259	4,867	392	1,382
1969	5,531	1,500	9,289	8,434	855	1,041
1970	3,256	1,929	10,615	3,081	7,534	2,331
1971	2,714	5,392	7,936	3,002	4,934	1,789
1971—Aug.	358	183	7,514	2,812	4,702	1,528
Sept.	327	203	7,637	2,844	4,793	1,522
Oct.	306	303	7,640	2,874	4,766	1,450
Nov.	364	296	7,709	2,829	4,880	1,549
Dec.	490	262	7,936	3,002	4,934	1,789
1972—Jan.	186	885	7,238	2,569	4,669	1,948
Feb.	148	871	6,515	2,342	4,173	2,014
Mar.	165	689	5,992	2,125	3,867	2,008
Apr.	318	396	5,913	2,049	3,864	1,762
May	260	320	5,853	2,019	3,835	1,789
June	420	198	6,074	1,944	4,130	1,746
July	285	222	6,138	1,990	4,148	1,497

[1] Secured or unsecured loans maturing in 1 year or less.
[2] Secured loans, amortized quarterly, having maturities of more than 1 year but not more than 10 years.

NOTE.—Federal Home Loan Bank Board data.

FEDERAL NATIONAL MORTGAGE ASSOCIATION ACTIVITY

(In millions of dollars)

End of period	Mortgage holdings			Mortgage transactions (during period)		Mortgage commitments	
	Total	FHA-insured	VA-guaranteed	Purchases	Sales	Made during period	Outstanding
1967	5,522	4,048	1,474	1,400	12	1,736	501
1968	7,167	5,121	2,046	1,944	....	2,697	1,287
1969	10,950	7,680	3,270	4,121	....	6,630	3,539
1970	15,502	11,071	4,431	5,078	....	8,047	5,203
1971	17,791	....	....	3,574	....	4,986	5,694
1971-July	15,674	11,184	4,490	407	....	576	5,709
Aug.	16,204	11,562	4,642	659	1	1,219	5,146
Sept.	16,732	....	....	635	....	572	5,327
Oct.	17,202	....	....	553	....	655	5,208
Nov.	17,535	....	....	406	....	893	5,466
Dec.	17,791	....	....	350	5	1,014	5,694
1972-Jan.	17,977	....	....	281	7	574	5,558
Feb.	18,220	16,926	1,178	324	....	598	5,696
Mar.	18,342	13,654	4,687	316	79	469	5,635
Apr.	18,403	13,744	4,659	246	70	....	5,853
May	18,599	13,923	4,674	321	7	....	6,186
June	18,628	13,952	4,670	223	29	....	5,957
July	18,740	14,013	4,714	258	3	....	....

NOTE.—Federal National Mortgage Assn. data. Total holdings include conventional loans. Data prior to Sept. 1968 relate to secondary market portfolio of former FNMA. Mortgage holdings include loans used to back bond issues guaranteed by GNMA. Mortgage commitments made during the period 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 Plan (Program 18).

FEDERAL NATIONAL MORTGAGE ASSOCIATION AUCTIONS

Date of auction	Government-underwritten home loans			Conventional home loans		
	Mortgage amounts		Average yield (short-term commitments)	Mortgage amounts		Average yield (short-term commitments)
	Offered	Accepted		Offered	Accepted	
	In millions of dollars		In per cent	In millions of dollars		In per cent
1972—Feb. 28	....	....	....	21.1	11.5	
Mar. 6	86.9	50.6	7.56	....	....	....
13	....	....	....	10.1	5.5	7.61
20	202.9	86.2	7.54	....	....	....
Apr. 3	258.8	178.5	7.56	....	....	....
10	....	....	....	27.1	14.9	7.66
17	347.4	176.3	7.60	....	....	....
May 1	364.9	336.4	7.63	....	....	....
8	....	....	....	35.0	20.4	7.77
15	266.3	188.2	7.63	....	....	....
30	133.4	76.4	7.62	....	....	....
June 1	....	....	....	28.2	22.7	7.80
12	83.5	48.1	7.62	....	....	....
26	97.8	76.6	7.62	....	....	....
July 10	134.6	92.1	7.62	....	....	....
17	....	....	....	32.4	22.7	7.80
24	123.9	113.0	7.62	....	....	....
Aug. 7	106.2	81.7	7.63	....	....	....
14	....	....	....	24.7	24.2	7.80
21	114.6	87.2	7.62	....	....	....

NOTE.—Average secondary market yields are gross—before deduction of 38 basis-point fee paid for mortgage servicing. They reflect the average accepted bid yield 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. Beginning Oct. 18, 1971, the maturity on new short-term commitments was extended from 3 to 4 months. *Mortgage amounts offered by bidders* are total eligible bids received.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION ACTIVITY

(In millions of dollars)

End of period	Mortgage holdings			Mortgage transactions (during period)		Mortgage commitments	
	Total	FHA-insured	VA-guaranteed	Purchases	Sales	Made during period	Outstanding
1967	3,348	2,756	592	860	....	1,045	1,171
1968	4,220	3,569	651	1,089	1	867	1,266
1969	4,820	4,220	600	827	....	615	1,130
1970	5,184	4,634	550	621	....	897	738
1971-July	5,282	4,761	520	25	....	487	1,586
Aug.	5,279	....	....	29	....	....	....
Sept.	5,259	4,749	510	17	....	....	....
Oct.	5,245	....	....	15	....	....	....
Nov.	5,260	....	....	24	....	....	....
Dec.	5,294	....	....	32	....	....	....
1972-Jan.	5,287	....	....	....	....	....	....
Feb.	5,281	....	....	....	....	....	....
Mar.	5,243	....	....	....	....	....	....
Apr.	5,125	....	....	....	....	....	....
May	5,214	....	....	....	....	....	....
June	5,235	....	....	....	....	....	....
July	5,287	....	....	....	....	....	....

NOTE.—Government National Mortgage Assn. data. Data prior to Sept. 1968 relate to Special Assistance and Management and Liquidating portfolios of former FNMA and include mortgages subject to participation pool of Government Mortgage Liquidation Trust, but exclude conventional mortgage loans acquired by former FNMA from the RFC Mortgage Co., the Defense Homes Corp., the Public Housing Admin., and Community Facilities Admin.

GNMA MORTGAGE-BACKED SECURITY PROGRAM

(In millions of dollars)

Period	Pass-through securities		Bonds sold
	Applications received	Securities issued	
1970	1,126.2	452.4	1,315.0
1971	4,373.6	2,701.9	300.0
1971—July	104.2	116.4	....
Aug.	121.1	118.0	300.0
Sept.	254.2	71.5	....
Oct.	226.1	112.6	....
Nov.	533.7	244.2	....
Dec.	318.3	212.8	....
1972—Jan.	384.1	247.7	....
Feb.	511.2	391.2	200.0
Mar.	528.3	322.5	....
Apr.	187.8	275.1	....
May	216.4	212.9	500.0
June	245.8	193.2	....
July	135.5	145.8	....

NOTE.—Government National Mortgage Assn. data. Under the Mortgage-Backed Security Program, GNMA guarantees the timely payment of principal and interest on both pass-through and bond-type securities, which are backed by a pool of mortgages insured by FHA or Farmers Home Admin. or guaranteed by VA and issued by an approved mortgagee. To date, bond-type securities have been issued only by FNMA and FHLMC.

HOME-MORTGAGE YIELDS

(In per cent)

Period	Primary market (conventional loans)			Secondary market
	FHLBB series (effective rate)		FHA series	Yield on FHA-insured new home loans
	New homes	Existing homes	New homes	
1968	6.97	7.03	7.12	7.21
1969	7.81	7.82	7.99	8.26
1970	8.44	8.35	8.52	9.05
1971	7.60	7.54	7.75	7.70
1971—July	7.66	7.63	7.80	7.97
Aug.	7.74	7.71	7.85	7.92
Sept.	7.83	7.76	7.85	7.84
Oct.	7.84	7.75	7.80	7.75
Nov.	7.79	7.69	7.75	7.62
Dec.	7.77	7.64	7.70	7.59
1972—Jan.	7.78	7.58	7.60	7.49
Feb.	7.60	7.49	7.60	7.46
Mar.	7.52	7.44	7.55	7.45
Apr.	7.51	7.42	7.60	7.50
May	7.53	7.46	7.60	7.53
June	r7.55	7.49	7.60	7.54
July	7.58	7.50	7.65	7.54

NOTE.—Annual data are averages of monthly figures. The FHA data are based on opinion reports submitted by field offices on prevailing local conditions as of the first of the succeeding month. Yields on FHA-insured mortgages 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. Gaps in data are due to periods of adjustment to changes in maximum permissible contract interest rates. The FHA series on average contract interest rates on conventional first mortgages in primary markets are unweighted and are rounded to the nearest 5 basis points. The FHLBB effective rate series reflects fees and charges as well as contract rates (as shown in the table on conventional first-mortgage terms, p. A-37) and an assumed prepayment at end of 10 years.

GOVERNMENT-UNDERWRITTEN RESIDENTIAL LOANS MADE

(In millions of dollars)

Period	FHA-insured					VA-guaranteed		
	Total	Mortgages		Projects[1]	Property improvements[2]	Total[3]	Mortgages	
		New homes	Existing homes				New homes	Existing homes
1945	665	257	217	20	171	192	....	....
1964	8,130	1,608	4,965	895	663	2,846	1,023	1,821
1965	8,689	1,705	5,760	591	634	2,652	876	1,774
1966	7,320	1,729	4,366	583	641	2,600	980	1,618
1967	7,150	1,369	4,516	642	623	3,405	1,143	2,259
1968	8,275	1,572	4,924	1,123	656	3,774	1,430	2,343
1969	9,129	1,551	5,570	1,316	693	4,072	1,493	2,579
1970	11,981	2,667	5,447	3,250	617	3,442	1,311	2,131
1971—June	1,372	322	629	399	21	519	127	392
July	1,340	338	646	304	53	561	135	426
Aug.	1,393	407	710	216	60	577	146	431
Sept.	1,242	320	543	290	89	693	188	506
Oct.	1,202	318	504	276	105	514	135	379
Nov.	1,220	358	511	273	77	757	226	526
Dec.	1,598	358	502	691	47	685	220	465
1972—Jan.	1,277	420	516	280	62	629	204	425
Feb.	1,094	366	448	237	44	460	199	361
Mar.	1,253	349	449	401	54	658	231	427
Apr.	954	272	381	249	51	509	170	339
May	628	259	369	217	56	603	185	418
June	643	27	372	197	71	848	239	609

[1] Monthly figures do not reflect mortgage amendments included in annual totals.
[2] Not ordinarily secured by mortgages.
[3] Includes a small amount of alteration and repair loans, not shown separately; only such loans in amounts of more than $1,000 need be secured.

NOTE.—Federal Housing Admin. and Veterans Admin. data. FHA-insured loans represent gross amount of insurance written; VA-guaranteed loans, gross amounts of loans closed. Figures do not take into account principal repayments on previously insured or guaranteed loans. For VA-guaranteed loans, amounts by type are derived from data on number and average amount of loans closed.

DELINQUENCY RATES ON HOME MORTGAGES

(Per 100 mortgages held or serviced)

End of period	Loans not in foreclosure but delinquent for—				Loans in foreclosure
	Total	30 days	60 days	90 days or more	
1965	3.29	2.40	.55	.34	.40
1966	3.40	2.54	.54	.32	.36
1967	3.47	2.66	.54	.27	.32
1968	3.17	2.43	.51	.23	.26
1969	3.22	2.43	.52	.27	.27
1970	3.64	2.67	.61	.36	.33
1971	3.93	2.82	.65	.46	.46
1969—I	2.77	2.04	.49	.24	.26
II	2.68	2.06	.41	.21	.25
III	2.91	2.18	.47	.26	.25
IV	3.22	2.43	.52	.27	.27
1970—I	2.96	2.14	.52	.30	.31
II	2.83	2.10	.45	.28	.31
III	3.10	2.26	.53	.31	.25
IV	3.64	2.67	.61	.36	.33
1971—I	3.21	2.26	.56	.39	.40
II	3.27	2.36	.53	.38	.38
III	3.59	2.54	.62	.43	.41
IV	3.93	2.82	.65	.46	.46
1972—I	3.16	2.21	.58	.37	.50

NOTE.—Mortgage Bankers Association of America data from reports on 1- to 4-family FHA-insured, VA-guaranteed, and conventional mortgages held by more than 400 respondents, including mortgage bankers (chiefly), commercial banks, savings banks, and savings and loan associations.

FEDERAL HOME LOAN MORTGAGE CORPORATION ACTIVITY

(In millions of dollars)

End of period	Mortgage holdings			Mortgage transactions (during period)		Mortgage commitments	
	Total	FHA-VA	Conventional	Purchases	Sales	Made during period	Outstanding
1970	325	325	....	325	....	....	....
1971	968	821	147	778	64	....	182
1971—Apr.	328	322	6	8	....	....	....
May	346	339	7	20	....	....	....
June	485	454	31	141	....	....	....
July	637	587	50	154	....	49	283
Aug.	689	625	65	54	....	76	305
Sept.	798	695	103	111	....	117	376
Oct.	902	761	141	108	....	49	300
Nov.	976	800	176	91	15	23	227
Dec.	968	821	147	45	49	7	182
1972—Jan.	979	828	151	17	2	17	182
Feb.	893	844	49	23	104	126	290
Mar.	988	928	60	98	....	258	373
Apr.	1,110	1,040	70	126	....	232	455
May	1,324	1,239	86	220	....	156	398
June	1,415	1,344	72	194	97	117	313

NOTE.—Federal Home Loan Mortgage Corp. data. Data for 1970 include only the period beginning Nov. 26 when the FHLMC first became operational. Holdings, purchases, and sales include participations as well as whole loans. Mortgage holdings include loans used to back bond issues guaranteed by GNMA. Commitment data cover the conventional and Govt.-underwritten loan programs.

TOTAL CREDIT

(In millions of dollars)

End of period	Total	Instalment					Noninstalment			
		Total	Automobile paper	Other consumer goods paper	Repair and modernization loans [1]	Personal loans	Total	Single-payment loans	Charge accounts	Service credit
1939	7,222	4,503	1,497	1,620	298	1,088	2,719	787	1,414	518
1941	9,172	6,085	2,458	1,929	376	1,322	3,087	845	1,645	597
1945	5,665	2,462	455	816	182	1,009	3,203	746	1,612	845
1950	21,471	14,703	6,074	4,799	1,016	2,814	6,768	1,821	3,367	1,580
1955	38,830	28,906	13,460	7,641	1,693	6,112	9,924	3,002	4,795	2,127
1960	56,141	42,968	17,658	11,545	3,148	10,617	13,173	4,507	5,329	3,337
1965	90,314	71,324	28,619	18,565	3,728	20,412	18,990	7,671	6,430	4,889
1966	97,543	77,539	30,556	20,978	3,818	22,187	20,004	7,972	6,686	5,346
1967	102,132	80,926	30,724	22,395	3,789	24,018	21,206	8,428	6,968	5,810
1968	113,191	89,890	34,130	24,899	3,925	26,936	23,301	9,138	7,755	6,408
1969	122,469	98,169	36,602	27,609	4,040	29,918	24,300	9,096	8,234	6,970
1970	126,802	101,161	35,490	29,949	4,110	31,612	25,641	9,484	8,850	7,307
1971	137,237	109,545	38,310	32,447	4,356	34,432	27,692	10,300	9,818	7,574
1971—July	128,354	102,848	36,763	29,165	4,240	32,680	25,506	9,854	8,271	7,381
Aug.	129,704	104,060	37,154	29,477	4,295	33,134	25,644	9,997	8,305	7,342
Sept.	130,644	104,973	37,383	29,840	4,330	33,420	25,671	10,061	8,305	7,305
Oct.	131,606	105,763	37,759	30,072	4,357	33,575	25,843	10,097	8,435	7,311
Nov.	133,263	107,097	38,164	30,586	4,370	33,977	26,166	10,182	8,634	7,350
Dec.	137,237	109,545	38,310	32,447	4,356	34,432	27,692	10,300	9,818	7,574
1972—Jan.	135,830	108,826	38,111	32,096	4,319	34,300	27,004	10,324	8,929	7,751
Feb.	135,253	108,634	38,239	31,615	4,332	34,448	26,619	10,433	8,141	8,045
Mar.	136,135	109,481	38,762	31,682	4,354	34,683	26,654	10,511	8,011	8,132
Apr.	137,791	110,734	39,337	31,882	4,417	35,098	27,057	10,620	8,306	8,131
May	139,963	112,477	40,119	32,309	4,497	35,552	27,486	10,749	8,692	8,045
June	142,215	114,567	41,104	32,841	4,571	36,051	27,648	10,851	8,870	7,927
July	143,456	115,832	41,678	33,203	4,617	36,334	27,624	10,917	8,846	7,861

1 Holdings of financial institutions; holdings of retail outlets are included in "other consumer goods paper."

NOTE.—Consumer credit estimates cover loans to individuals for household, family, and other personal expenditures, except real estate mortgage loans. For back figures and description of the data, see "Consumer Credit," Section 16 (New) of *Supplement to Banking and Monetary Statistics*, 1965, and pp. 983–1003 of the BULLETIN for Dec. 1968.

INSTALMENT CREDIT

(In millions of dollars)

End of period	Total	Financial institutions					Retail outlets		
		Total	Commercial banks	Finance cos. [1]	Credit unions	Miscellaneous lenders [1]	Total	Automobile dealers [2]	Other retail outlets
1939	4,503	3,065	1,079	1,836	132	18	1,438	123	1,315
1941	6,085	4,480	1,726	2,541	198	15	1,605	188	1,417
1945	2,462	1,776	745	910	102	19	686	28	658
1950	14,703	11,805	5,798	5,315	590	102	2,898	287	2,611
1955	28,906	24,398	10,601	11,838	1,678	281	4,508	487	4,021
1960	42,968	36,673	16,672	15,435	3,923	643	6,295	359	5,936
1965	71,324	61,533	28,962	24,282	7,324	965	9,791	315	9,476
1966	77,539	66,724	31,319	26,091	8,255	1,059	10,815	277	10,538
1967	80,926	69,490	32,700	26,734	8,972	1,084	11,436	285	11,151
1968	89,890	77,457	36,952	29,098	10,178	1,229	12,433	320	12,113
1969	98,169	84,982	40,305	31,734	11,594	1,349	13,187	336	12,851
1970	101,161	87,064	41,895	31,123	12,500	1,546	14,097	327	13,770
1971	109,545	94,086	45,976	32,140	14,191	1,779	15,459	360	15,099
1971—July	102,848	89,458	43,509	30,906	13,296	1,747	13,390	344	13,046
Aug.	104,060	90,536	44,112	31,098	13,570	1,756	13,524	347	13,177
Sept.	104,973	91,279	44,603	31,133	13,780	1,763	13,694	349	13,345
Oct.	105,763	91,943	44,947	31,331	13,875	1,790	13,820	354	13,466
Nov.	107,097	92,901	45,396	31,643	14,052	1,810	14,196	359	13,837
Dec.	109,545	94,086	45,976	32,140	14,191	1,779	15,459	360	15,099
1972—Jan.	108,826	93,668	45,878	31,948	14,062	1,780	15,158	359	14,799
Feb.	108,634	93,955	45,963	31,979	14,126	1,887	14,679	360	14,319
Mar.	109,481	94,853	46,415	32,221	14,328	1,889	14,628	366	14,262
Apr.	110,734	96,104	47,148	32,530	14,494	1,932	14,630	372	14,258
May	112,477	97,748	48,032	32,957	14,797	1,962	14,729	381	14,348
June	114,567	99,734	49,167	33,470	15,175	1,922	14,833	391	14,442
July	115,832	100,913	49,879	33,823	15,293	1,918	14,919	397	14,522

1 Finance companies consist of those institutions formerly classified as sales finance, consumer finance, and other finance companies. Miscellaneous lenders include savings and loan associations and mutual savings banks.

2 Automobile paper only; other instalment credit held by automobile dealers is included with "other retail outlets."

See also NOTE to table above.

INSTALMENT CREDIT HELD BY COMMERCIAL BANKS

(In millions of dollars)

End of period	Total	Automobile paper		Other consumer goods paper	Repair and modernization loans	Personal loans
		Purchased	Direct			
1939	1,079	237	178	166	135	363
1941	1,726	447	338	309	161	471
1945	745	66	143	114	110	312
1950	5,798	1,177	1,294	1,456	834	1,037
1955	10,601	3,243	2,062	2,042	1,338	1,916
1960	16,672	5,316	2,820	2,759	2,200	3,577
1965	28,962	10,209	5,659	4,166	2,571	6,357
1966	31,319	11,024	5,956	4,681	2,647	7,011
1967	32,700	10,927	6,267	5,126	2,629	7,751
1968	36,952	12,213	7,105	6,060	2,719	8,855
1969	40,305	12,784	7,620	7,415	2,751	9,735
1970	41,895	12,433	7,587	8,633	2,760	10,482
1971	45,976	13,003	8,752	9,805	2,864	11,552
1971—July	43,509	12,614	8,220	8,931	2,803	10,941
Aug.	44,112	12,753	8,318	9,074	2,838	11,129
Sept.	44,603	12,831	8,380	9,235	2,860	11,297
Oct.	44,947	12,932	8,509	9,301	2,874	11,331
Nov.	45,396	13,015	8,680	9,412	2,875	11,414
Dec.	45,976	13,003	8,752	9,805	2,864	11,552
1972—Jan.	45,878	12,957	8,734	9,783	2,835	11,569
Feb.	45,963	13,007	8,763	9,769	2,824	11,600
Mar.	46,415	13,167	8,903	9,833	2,835	11,677
Apr.	47,148	13,369	9,065	10,004	2,873	11,837
May	48,032	13,647	9,264	10,208	2,925	11,988
June	49,167	14,028	9,487	10,486	2,985	12,181
July	49,879	14,315	9,612	10,644	3,019	12,289

See NOTE to first table on preceding page.

INSTALMENT CREDIT HELD BY FINANCE COMPANIES

(In millions of dollars)

End of period	Total	Automobile paper	Other consumer goods paper	Repair and modernization loans	Personal loans
1939	1,836	932	134	151	619
1941	2,541	1,438	194	204	705
1945	910	202	40	62	606
1950	5,315	3,157	692	80	1,386
1955	11,838	7,108	1,448	42	3,240
1960	15,435	7,703	2,553	173	5,006
1965	24,282	9,400	4,425	224	10,233
1966	26,091	9,889	5,171	191	10,840
1967	26,734	9,538	5,479	154	11,563
1968	29,098	10,279	5,999	113	12,707
1969	31,734	11,053	6,514	106	14,061
1970	31,123	9,941	6,648	94	14,440
1971	32,140	10,279	6,521	107	15,233
1971—July	30,906	10,037	6,230	101	14,538
Aug.	31,098	10,077	6,249	103	14,669
Sept.	31,133	10,077	6,268	104	14,684
Oct.	31,331	10,177	6,306	105	14,743
Nov.	31,643	10,248	6,325	106	14,964
Dec.	32,140	10,279	6,521	107	15,233
1972—Jan.	31,948	10,197	6,501	108	15,142
Feb.	31,979	10,207	6,508	107	15,157
Mar.	32,221	10,340	6,554	109	15,218
Apr.	32,530	10,474	6,574	112	15,370
May	32,957	10,642	6,686	113	15,516
June	33,470	10,865	6,820	114	15,671
July	33,823	10,974	6,936	117	15,796

NOTE.—Finance companies consist of those institutions formerly classified as sales finance, consumer finance, and other finance companies.

INSTALMENT CREDIT HELD BY OTHER FINANCIAL LENDERS

(In millions of dollars)

End of period	Total	Automobile paper	Other consumer goods paper	Repair and modernization loans	Personal loans
1939	150	27	5	12	106
1941	213	47	9	11	146
1945	121	16	4	10	91
1950	692	159	40	102	391
1955	1,959	560	130	313	956
1960	4,566	1,460	297	775	2,034
1965	8,289	3,036	498	933	3,822
1966	9,314	3,410	588	980	4,336
1967	10,056	3,707	639	1,006	4,704
1968	11,407	4,213	727	1,093	5,374
1969	12,943	4,809	829	1,183	6,122
1970	14,046	5,202	898	1,256	6,690
1971	15,970	5,916	1,022	1,385	7,647
1971—July	15,043	5,548	958	1,336	7,201
Aug.	15,326	5,659	977	1,354	7,336
Sept.	15,543	5,746	992	1,366	7,439
Oct.	15,665	5,787	999	1,378	7,501
Nov.	15,862	5,862	1,012	1,389	7,599
Dec.	15,970	5,916	1,022	1,385	7,647
1972—Jan.	15,842	5,864	1,013	1,376	7,589
Feb.	16,013	5,902	1,019	1,401	7,691
Mar.	16,217	5,986	1,033	1,410	7,788
Apr.	16,426	6,057	1,046	1,432	7,891
May	16,759	6,185	1,067	1,459	8,048
June	17,097	6,333	1,093	1,472	8,199
July	17,211	6,380	1,101	1,481	8,249

NOTE.—Other financial lenders consist of credit unions and miscellaneous lenders.

NONINSTALMENT CREDIT

(In millions of dollars)

End of period	Total	Single-payment loans		Charge accounts		Service credit
		Commercial banks	Other financial institutions	Retail outlets	Credit cards [1]	
1939	2,719	625	162	1,414	....	518
1941	3,087	693	152	1,645	....	597
1945	3,203	674	72	1,612	....	845
1950	6,768	1,576	245	3,291	76	1,580
1955	9,924	2,635	367	4,579	216	2,127
1960	13,173	3,884	623	4,893	436	3,337
1965	18,990	6,690	981	5,724	706	4,889
1966	20,004	6,946	1,026	5,812	874	5,346
1967	21,206	7,340	1,088	5,939	1,029	5,810
1968	23,301	7,975	1,163	6,450	1,305	6,408
1969	24,300	7,900	1,196	6,650	1,584	6,970
1970	25,641	8,205	1,279	6,932	1,918	7,307
1971	27,692	8,916	1,384	7,597	2,221	7,574
1971—July	25,506	8,498	1,356	6,173	2,098	7,381
Aug.	25,644	8,633	1,364	6,120	2,185	7,342
Sept.	25,671	8,694	1,367	6,101	2,204	7,305
Oct.	25,843	8,722	1,375	6,269	2,166	7,311
Nov.	26,166	8,795	1,387	6,482	2,152	7,350
Dec.	27,692	8,916	1,384	7,597	2,221	7,574
1972—Jan.	27,004	8,937	1,387	6,719	2,210	7,751
Feb.	26,619	9,008	1,425	6,008	2,133	8,045
Mar.	26,654	9,083	1,428	5,969	2,042	8,132
Apr.	27,057	9,176	1,444	6,239	2,067	8,131
May	27,486	9,294	1,455	6,638	2,054	8,045
June	27,648	9,406	1,445	6,764	2,106	7,927
July	27,624	9,473	1,444	6,680	2,166	7,861

[1] Service station and miscellaneous credit-card accounts and home-heating-oil accounts. Bank credit card accounts outstanding are included in estimates of instalment credit outstanding.

See also NOTE to first table on preceding page.

INSTALMENT CREDIT EXTENDED AND REPAID, BY TYPE OF CREDIT

(In millions of dollars)

Period	Total		Automobile paper		Other consumer goods paper		Repair and modernization loans		Personal loans	
	S.A.[1]	N.S.A.	S.A.[1]	N.S.A.	S.A.[1]	N.S.A.	S.A.[1]	N.S.A.	S.A.[1]	N.S.A.
	Extensions									
1965	....	78,586	....	27,227	....	22,750	....	2,266	....	26,343
1966	....	82,335	....	27,341	....	25,591	....	2,200	....	27,203
1967	....	84,693	....	26,667	....	26,952	....	2,113	....	28,961
1968	....	97,053	....	31,424	....	30,593	....	2,268	....	32,768
1969	....	102,888	....	32,354	....	33,079	....	2,278	....	35,177
1970	....	104,130	....	29,831	....	36,781	....	2,145	....	35,373
1971	....	117,638	....	34,638	....	40,979	....	2,550	....	39,471
1971—July	9,675	10,098	2,773	3,032	3,399	3,415	218	248	3,285	3,403
Aug.	10,049	10,300	3,004	3,066	3,465	3,465	222	253	3,358	3,516
Sept.	10,156	9,849	3,147	2,927	3,462	3,454	227	237	3,320	3,231
Oct.	10,031	9,797	2,992	3,037	3,467	3,423	229	225	3,343	3,112
Nov.	10,372	10,711	3,162	3,105	3,395	3,737	214	215	3,601	3,654
Dec.	10,130	11,966	2,973	2,780	3,604	5,061	217	181	3,336	3,944
1972—Jan.	10,184	8,766	2,978	2,470	3,706	3,297	221	156	3,279	2,843
Feb.	10,339	8,902	3,046	2,762	3,698	2,926	243	202	3,352	3,012
Mar.	10,996	10,951	3,143	3,358	3,921	3,727	249	230	3,683	3,636
Apr.	10,777	10,563	3,194	3,257	3,824	3,591	256	262	3,503	3,453
May	10,998	11,677	3,239	3,666	3,938	3,986	243	307	3,578	3,718
June	11,118	12,062	3,398	3,885	3,969	4,066	249	290	3,502	3,821
July	10,811	11,032	3,182	3,415	4,061	3,962	236	264	3,332	3,391
	Repayments									
1965	....	69,957	....	23,543	....	20,518	....	2,116	....	23,780
1966	....	76,120	....	25,404	....	23,178	....	2,110	....	25,428
1967	....	81,306	....	26,499	....	25,535	....	2,142	....	27,130
1968	....	88,089	....	28,018	....	28,089	....	2,132	....	29,850
1969	....	94,609	....	29,882	....	30,369	....	2,163	....	32,195
1970	....	101,138	....	30,943	....	34,441	....	2,075	....	33,679
1971	....	109,254	....	31,818	....	38,481	....	2,304	....	36,651
1971—July	8,914	9,112	2,565	2,618	3,203	3,226	188	194	2,958	3,074
Aug.	9,222	9,088	2,697	2,675	3,262	3,153	196	198	3,067	3,062
Sept.	9,157	8,936	2,732	2,698	3,172	3,091	199	202	3,054	2,945
Oct.	9,107	9,007	2,634	2,661	3,219	3,191	197	198	3,057	2,957
Nov.	9,306	9,377	2,662	2,700	3,254	3,233	199	202	3,191	3,252
Dec.	9,230	9,518	2,696	2,634	3,188	3,200	198	195	3,148	3,489
1972—Jan.	9,547	9,485	2,761	2,669	3,501	3,648	201	193	3,084	2,975
Feb.	9,373	9,094	2,693	2,634	3,408	3,407	200	189	3,072	2,864
Mar.	9,632	10,104	2,693	2,835	3,422	3,660	204	208	3,313	3,401
Apr.	9,681	9,310	2,767	2,682	3,531	3,391	207	199	3,176	3,038
May	9,557	9,934	2,748	2,884	3,457	3,559	214	227	3,138	3,264
June	9,791	9,972	2,851	2,900	3,526	3,534	207	216	3,207	3,322
July	9,784	9,767	2,835	2,841	3,681	3,600	215	218	3,053	3,108
	Net change in credit outstanding[2]									
1965	....	8,629	....	3,684	....	2,232	....	150	....	2,563
1966	....	6,215	....	1,937	....	2,413	....	90	....	1,775
1967	....	3,387	....	168	....	1,417	....	−29	....	1,831
1968	....	8,964	....	3,406	....	2,504	....	136	....	2,918
1969	....	8,279	....	2,472	....	2,710	....	115	....	2,982
1970	....	2,992	....	−1,112	....	2,340	....	70	....	1,694
1971	....	8,384	....	2,820	....	2,498	....	246	....	2,820
1971—July	761	986	208	414	196	189	30	54	327	329
Aug.	827	1,212	307	391	203	312	26	55	291	454
Sept.	999	913	415	229	290	363	28	35	266	286
Oct.	924	790	358	376	248	232	32	27	286	155
Nov.	1,266	1,334	500	405	341	514	15	13	410	402
Dec.	900	2,448	277	146	416	1,861	19	−14	188	455
1972—Jan.	637	−719	217	−199	205	−351	20	−37	195	−132
Feb.	966	−192	353	128	290	−481	43	13	280	148
Mar.	1,364	847	450	523	499	67	45	22	370	235
Apr.	1,096	1,253	427	575	293	200	49	63	327	415
May	1,441	1,743	491	782	481	427	29	80	440	454
June	1,327	2,090	547	985	443	532	42	74	295	499
July	1,027	1,265	347	574	380	362	21	46	279	283

[1] Includes adjustments for differences in trading days.

[2] Net changes in credit outstanding are equal to extensions less repayments.

NOTE.—Estimates are based on accounting records and often include financing charges. Renewals and refinancing of loans, purchases and sales of instalment paper, and certain other transactions may increase the amount of extensions and repayments without affecting the amount outstanding.

For back figures and description of the data, see "Consumer Credit," Section 16 (New) of *Supplement to Banking and Monetary Statistics*, 1965, and pp. 983–1003 of the BULLETIN for Dec. 1968.

INSTALMENT CREDIT EXTENDED AND REPAID, BY HOLDER

(In millions of dollars)

Period	Total S.A.[1]	Total N.S.A.	Commercial banks S.A.[1]	Commercial banks N.S.A.	Finance companies S.A.[1]	Finance companies N.S.A.	Other financial lenders S.A.[1]	Other financial lenders N.S.A.	Retail outlets S.A.[1]	Retail outlets N.S.A.
					Extensions					
1965	....	78,586	....	29,528	....	25,192	....	9,436	....	14,430
1966	....	82,335	....	30,073	....	25,406	....	10,362	....	16,494
1967	....	84,693	....	30,850	....	25,496	....	10,911	....	17,436
1968	....	97,053	....	36,332	....	28,836	....	12,850	....	19,035
1969	....	102,888	....	38,533	....	30,854	....	14,245	....	19,256
1970	....	104,130	....	39,136	....	29,662	....	14,619	....	20,713
1971	....	117,638	....	45,099	....	32,036	....	17,312	....	23,191
1971—July	9,675	10,098	3,644	3,917	2,676	2,791	1,423	1,506	1,932	1,884
Aug.	10,049	10,300	3,919	4,062	2,699	2,729	1,452	1,582	1,979	1,927
Sept.	10,156	9,849	3,989	3,932	2,718	2,549	1,488	1,439	1,961	1,929
Oct.	10,031	9,797	3,832	3,752	2,733	2,655	1,490	1,414	1,976	1,976
Nov.	10,572	10,711	4,140	3,931	2,853	3,015	1,564	1,535	2,015	2,230
Dec.	10,130	11,966	3,939	4,023	2,760	3,370	1,454	1,477	1,977	3,096
1972—Jan.	10,184	8,766	3,826	3,366	2,695	2,247	1,482	1,244	2,181	1,909
Feb.	10,339	8,902	3,947	3,539	2,666	2,354	1,602	1,465	2,124	1,544
Mar.	10,996	10,951	4,117	4,237	2,906	2,890	1,737	1,743	2,236	2,081
Apr.	10,777	10,563	4,156	4,215	2,908	2,793	1,583	1,577	2,130	1,978
May	10,998	11,677	4,250	4,701	2,912	3,009	1,614	1,792	2,222	2,175
June	11,118	12,062	4,565	4,968	2,777	3,106	1,656	1,870	2,120	2,118
July	10,811	11,032	4,273	4,510	2,773	2,840	1,483	1,541	2,282	2,141
					Repayments					
1965	....	69,957	....	25,663	....	22,551	....	8,310	....	13,433
1966	....	76,120	....	27,716	....	23,597	....	9,337	....	15,470
1967	....	81,306	....	29,469	....	24,853	....	10,169	....	16,815
1968	....	88,089	....	32,080	....	26,472	....	11,499	....	18,038
1969	....	94,609	....	35,180	....	28,218	....	12,709	....	18,502
1970	....	101,138	....	37,961	....	29,858	....	13,516	....	19,803
1971	....	109,254	....	41,018	....	31,019	....	15,388	....	21,829
1971—July	8,914	9,112	3,351	3,419	2,485	2,494	1,293	1,387	1,785	1,812
Aug.	9,222	9,088	3,456	3,459	2,590	2,537	1,288	1,299	1,888	1,793
Sept.	9,157	8,936	3,460	3,441	2,614	2,514	1,266	1,222	1,817	1,759
Oct.	9,107	9,007	3,439	3,408	2,495	2,457	1,319	1,292	1,854	1,850
Nov.	9,306	9,377	3,470	3,482	2,579	2,703	1,360	1,338	1,897	1,854
Dec.	9,230	9,518	3,451	3,443	2,596	2,873	1,324	1,369	1,859	1,833
1972—Jan.	9,547	9,485	3,620	3,464	2,586	2,439	1,346	1,372	1,995	2,210
Feb.	9,373	9,094	3,538	3,454	2,463	2,323	1,377	1,294	1,995	2,023
Mar.	9,632	10,104	3,574	3,785	2,513	2,648	1,527	1,539	2,018	2,132
Apr.	9,681	9,310	3,598	3,482	2,579	2,484	1,424	1,368	2,080	1,976
May	9,557	9,934	3,621	3,817	2,489	2,582	1,408	1,459	2,039	2,076
June	9,791	9,972	3,755	3,833	2,528	2,593	1,480	1,532	2,028	2,014
July	9,784	9,767	3,796	3,798	2,523	2,487	1,361	1,427	2,104	2,055
					Net change in credit outstanding[2]					
1965	....	8,629	....	3,865	....	2,641	....	1,126	....	997
1966	....	6,215	....	2,357	....	1,809	....	1,025	....	1,024
1967	....	3,387	....	1,381	....	643	....	742	....	621
1968	....	8,964	....	4,252	....	2,364	....	1,351	....	997
1969	....	8,279	....	3,353	....	2,636	....	1,536	....	754
1970	....	2,992	....	1,590	....	−611	....	1,103	....	910
1971	....	8,384	....	4,081	....	1,017	....	1,924	....	1,362
1971—July	761	986	293	498	191	297	130	119	147	72
Aug.	827	1,212	463	603	109	192	164	283	91	134
Sept.	999	913	529	491	104	35	222	217	144	170
Oct.	924	790	393	344	238	198	171	122	122	126
Nov.	1,266	1,334	670	449	274	312	204	197	118	376
Dec.	900	2,448	488	580	164	497	130	108	118	1,263
1972—Jan.	637	−719	206	−98	109	−192	136	−128	186	−301
Feb.	966	−192	409	85	203	31	225	171	129	−479
Mar.	1,364	847	543	452	393	242	210	204	218	−51
Apr.	1,096	1,253	558	733	329	309	159	209	50	2
May	1,441	1,743	629	884	423	427	206	333	183	99
June	1,327	2,090	810	1,135	249	513	176	338	92	104
July	1,027	1,265	477	712	250	353	122	114	178	86

[1] Includes adjustments for differences in trading days.

[2] Net changes in credit outstanding are equal to extensions less repayments, except in certain months when data for extensions and repayments have been adjusted to eliminate duplication resulting from large transfers of paper. In those months the differences between extensions and repayments for some particular holders do not equal the changes in their outstanding credit. Such transfers do not affect total instalment credit extended, repaid, or outstanding.

NOTE.—"Other financial lenders" include credit unions and miscellaneous lenders. See also NOTE to preceding table and Note 1 at bottom of p. A-56.

MARKET GROUPINGS

(1967 = 100)

Grouping	1967 pro-portion	1971 aver-age^p	1971 July	1971 Aug.	1971 Sept.	1971 Oct.	1971 Nov.	1971 Dec.	1972 Jan.	1972 Feb.	1972 Mar.	1972 Apr.	1972 May	1972 June	1972 July^p
Total index	100.00	106.8	106.8	105.6	107.1	106.8	107.4	108.1	108.7	110.0	111.2	112.8	113.2	113.4	113.7
Products, total	62.21	106.4	107.0	106.1	107.0	107.0	107.9	108.0	108.4	109.5	110.1	111.4	112.1	112.1	112.0
Final products	*48.95*	*104.7*	*105.0*	*104.8*	*105.5*	*105.4*	*106.1*	*106.2*	*106.4*	*107.6*	*108.2*	*109.8*	*110.2*	*110.3*	*110.1*
Consumer goods	28.53	115.7	116.3	115.9	116.7	116.6	118.0	118.0	118.5	119.6	119.6	122.0	122.2	122.2	121.8
Equipment	20.42	89.4	89.3	89.5	89.8	89.8	89.6	89.6	89.5	90.9	92.4	92.7	93.4	93.3	93.7
Intermediate products	13.26	112.6	114.6	110.9	112.3	113.2	114.3	114.9	115.9	117.0	117.3	117.3	119.3	119.3	119.2
Materials	37.79	107.4	106.4	104.8	107.3	106.6	106.5	108.4	109.2	110.8	113.1	115.0	115.6	115.9	116.5
Consumer goods															
Durable consumer goods	*7.86*	*115.1*	*117.4*	*117.3*	*117.1*	*116.8*	*116.0*	*117.4*	*117.5*	*120.3*	*118.9*	*125.9*	*125.3*	*125.8*	*125.2*
Automotive products	2.84	119.5	121.7	122.3	122.9	121.9	119.7	119.9	116.6	119.5	119.3	128.9	127.4	125.7	125.6
Autos	1.87	108.3	107.9	108.5	108.0	107.8	109.2	109.4	102.8	106.4	104.6	114.3	111.3	108.2	108.2
Auto parts and allied goods	.97	140.9	148.0	148.9	151.5	149.0	140.1	140.0	143.4	144.5	147.5	157.0	158.3	159.2	159.3
Home goods	5.02	112.6	115.0	114.4	113.8	113.9	113.8	116.0	118.1	120.7	118.7	124.2	124.3	125.8	124.7
Appliances, TV, and radios	1.41	111.5	115.5	112.4	110.4	109.7	110.5	116.9	123.8	123.1	115.1	132.2	129.3	125.9	124.2
Appliances and A/C	.92	127.6	126.7	128.5	129.0	129.5	131.3	135.8	143.4	146.9	131.9	149.3	148.2	141.2	142.4
TV and home audio	.49	81.4	94.5	82.4	75.6	72.6	71.8	81.3	87.1	78.3	84.0	100.1	93.7	97.2	89.9
Carpeting and furniture	1.08	117.2	121.2	121.7	121.9	120.7	122.2	120.4	121.7	126.1	127.1	131.3	132.0	134.0	135.9
Misc. home goods	2.53	111.2	112.1	112.7	112.3	113.4	112.0	113.7	113.5	117.2	117.2	116.9	118.2	122.3	120.3
Nondurable consumer goods	*20.67*	*116.0*	*115.9*	*115.4*	*116.5*	*116.6*	*118.8*	*118.4*	*119.0*	*119.3*	*119.9*	*120.5*	*121.0*	*120.8*	*120.5*
Clothing	4.32	101.4	102.5	100.3	103.6	103.2	103.7	105.0	105.8	102.7	105.0	105.0	106.2	106.6	......
Consumer staples	16.34	119.8	119.4	119.4	119.9	120.2	122.8	121.9	122.5	123.7	123.9	124.6	124.9	124.6	123.9
Consumer foods and tobacco	8.37	113.6	112.3	112.8	114.1	113.9	117.2	115.5	115.4	115.5	116.3	116.8	117.2	117.5	115.4
Nonfood staples	7.98	126.3	126.9	126.4	126.1	126.7	128.6	128.7	129.8	132.4	132.0	132.8	133.1	132.0	132.9
Consumer chemical products	2.64	133.9	132.7	133.3	133.6	132.0	137.2	134.3	137.6	144.3	141.4	145.4	144.8	140.2	140.4
Consumer paper products	1.91	107.9	106.9	106.2	109.2	111.0	111.5	114.8	111.4	112.1	113.9	111.4	111.1	112.2	110.9
Consumer fuel and lighting	3.43	130.8	133.8	132.3	129.6	131.6	131.6	132.1	134.2	134.5	134.9	134.8	136.3	136.8	139.4
Residential utilities	2.25	137.6	141.8	138.6	136.5	138.5	138.8	139.0	141.8	142.5	142.3	142.1	143.2	145.0	148.0
Equipment															
Business equipment	*12.74*	*96.8*	*97.1*	*97.5*	*98.2*	*98.2*	*97.9*	*98.0*	*98.4*	*99.9*	*101.3*	*101.3*	*102.5*	*102.2*	*102.2*
Industrial equipment	6.77	92.9	92.0	92.8	93.2	93.5	94.2	94.2	94.1	95.4	96.3	95.7	96.3	97.2	96.9
Building and mining equip.	1.45	92.9	88.9	96.4	96.6	95.5	95.2	94.0	98.0	99.6	101.2	98.4	97.0	98.3	99.4
Manufacturing equipment	3.85	82.6	82.5	81.5	82.1	83.1	83.5	83.8	82.4	83.4	84.5	84.9	85.9	86.7	86.5
Power equipment	1.47	119.8	119.9	119.0	118.7	118.8	121.5	121.6	121.0	122.7	122.0	121.4	122.8	123.5	121.8
Commercial, transit, farm eq.	5.97	101.2	102.9	102.8	104.0	103.6	102.1	102.4	103.3	105.1	107.0	107.6	109.6	108.3	108.0
Commercial equipment	3.30	110.0	111.7	111.1	113.1	112.2	110.2	109.4	109.1	111.9	114.7	114.1	116.4	116.7	116.9
Transit equipment	2.00	89.4	89.3	90.7	90.8	91.1	89.4	93.1	95.1	94.7	95.4	97.0	98.9	94.0	92.2
Farm equipment	.67	93.2	100.2	97.7	98.5	98.8	100.0	96.1	98.6	102.4	103.5	106.8	108.2	109.7	111.1
Defense and space equipment	*7.68*	*77.1*	*76.3*	*76.3*	*76.0*	*75.7*	*75.9*	*75.6*	*74.8*	*76.0*	*77.6*	*78.5*	*78.2*	*78.9*	*79.5*
Military products	5.15	79.9	78.8	79.2	79.0	79.0	78.8	78.3	77.6	78.5	80.7	81.3	81.1	81.4	82.5
Intermediate products															
Construction products	5.93	112.6	115.2	109.3	111.5	112.8	114.2	115.2	115.7	115.8	115.9	116.5	118.0	117.7	118.1
Misc. intermediate products	7.34	112.6	114.4	112.1	112.9	113.5	114.4	114.5	116.1	118.0	118.5	118.0	120.4	120.6	119.8
Materials															
Durable goods materials	*20.91*	*101.7*	*99.7*	*96.5*	*100.6*	*102.2*	*100.5*	*101.6*	*103.5*	*105.8*	*107.8*	*110.4*	*111.1*	*110.9*	*111.0*
Consumer durable parts	4.75	104.2	101.1	105.6	103.3	104.1	101.8	104.0	105.1	107.1	110.2	113.8	112.0	111.6	111.7
Equipment parts	5.41	87.1	88.0	83.1	87.1	88.1	87.3	87.9	88.8	90.7	91.0	95.4	95.3	95.0	96.8
Durable materials nec	10.75	107.9	105.1	99.3	106.2	108.5	106.5	107.4	110.2	112.8	115.2	116.5	118.6	118.7	117.9
Nondurable goods materials	*13.99*	*114.1*	*113.6*	*114.7*	*114.7*	*115.0*	*115.9*	*116.7*	*116.0*	*117.0*	*119.8*	*120.6*	*121.3*	*122.5*	*123.3*
Textile, paper, and chem. mat.	8.58	116.6	115.5	117.7	118.8	119.0	121.5	123.0	120.8	121.5	125.0	125.9	127.1	128.7	129.9
Nondurable materials n.e.c.	5.41	110.3	110.6	110.0	108.2	108.4	107.2	106.8	108.3	109.9	111.4	112.3	112.3	112.7	112.3
Fuel and power, industrial	2.89	116.3	119.6	117.4	119.5	98.7	104.6	117.6	117.4	117.7	118.9	121.6	120.7	121.7	122.9
Supplementary groups															
Home goods and clothing	9.34	107.4	109.2	107.9	109.1	108.9	109.2	110.9	112.4	112.4	112.3	115.3	115.9	116.9	116.4
Containers	1.82	116.8	118.3	117.3	115.1	116.9	119.4	121.0	120.6	123.7	120.3	127.5	127.0	130.2	131.0
Gross value of products in market structure															
(In billions of 1963 dollars)			r	r	r	r	r	r	r	r	r	r	r		
Products, total	......	*392.0*	*391.8*	*390.0*	*392.1*	*393.2*	*396.5*	*396.5*	*398.7*	*402.0*	*405.6*	*409.7*	*413.0*	*412.1*	*410.0*
Final products	......	302.6	300.7	302.4	303.5	303.8	306.7	305.8	306.7	309.2	312.3	317.1	318.5	317.8	315.5
Consumer goods	......	213.8	213.3	213.9	214.2	215.0	217.9	217.4	217.4	218.8	220.4	224.8	225.1	224.5	221.8
Equipment	......	88.8	87.7	88.6	89.4	89.2	89.0	88.9	89.2	90.4	91.9	92.4	93.3	93.4	93.7
Intermediate products	......	89.5	91.4	87.8	88.9	89.4	90.2	90.6	92.5	92.9	93.2	92.8	94.5	94.3	94.6

For NOTE see p. A-63.

INDUSTRY GROUPINGS

(1967 = 100)

Grouping	1967 proportion	1971 average[p]	1971						1972						
			July	Aug.	Sept.	Oct.	Nov.	Dec	Jan.	Feb.	Mar.	Apr.	May	June	July[p]
Manufacturing	*88.55*	*105.2*	*105.8*	*104.2*	*105.7*	*106.1*	*106.0*	*106.2*	*107.1*	*108.5*	*109.7*	*111.8*	*112.3*	*112.8*	*113.0*
Durable	52.33	99.4	100.3	97.4	99.3	100.1	99.1	99.5	100.4	102.1	103.4	105.8	106.3	106.8	107.2
Nondurable	36.22	113.6	113.8	114.0	115.1	114.7	115.9	116.0	116.8	117.8	118.8	120.3	120.8	121.3	121.1
Mining and utilities	11.45	118.9	119.2	118.6	118.3	114.3	117.4	120.1	120.6	121.6	122.3	122.9	122.6	122.7	122.2
Mining	6.37	107.0	105.6	106.3	105.9	97.7	102.5	107.8	107.3	107.2	108.5	109.0	107.9	107.5	107.1
Utilities	5.08	133.9	136.2	134.1	134.0	135.2	136.0	135.8	137.4	139.7	139.7	140.2	141.1	141.8	141.1
Durable manufactures															
Primary and fabricated metals	*12.55*	*104.0*	*104.6*	*94.0*	*99.5*	*101.3*	*98.8*	*100.6*	*104.0*	*105.4*	*107.4*	*110.4*	*112.7*	*111.4*	*113.3*
Primary metals	6.61	100.9	98.9	81.2	93.8	96.1	91.4	94.3	102.4	102.6	105.1	110.2	113.5	110.7	112.8
Iron and steel, subtotal	4.23	96.6	99.0	66.5	85.9	89.4	81.9	85.5	95.2	95.9	98.8	105.5	108.3	105.1	108.5
Fabricated metal products	5.94	107.5	110.9	108.2	105.9	107.1	107.1	107.6	106.0	108.6	110.1	110.8	111.9	112.3	113.9
Machinery and allied goods	*32.44*	*94.9*	*95.8*	*95.4*	*96.2*	*96.6*	*95.9*	*95.6*	*95.7*	*97.3*	*98.4*	*101.1*	*101.0*	*101.9*	*101.9*
Machinery	17.39	96.2	97.7	96.7	97.9	98.3	97.8	97.9	98.5	99.5	100.3	102.6	103.0	105.1	104.5
Nonelectrical machinery	9.17	94.3	95.8	95.5	97.0	97.4	95.9	94.8	95.1	96.2	97.6	98.6	100.4	102.9	102.1
Electrical machinery	8.22	98.3	99.9	97.9	99.0	99.3	99.9	101.3	102.2	103.2	103.3	107.1	105.9	107.4	107.3
Transportation equipment	9.29	92.9	93.2	93.9	94.2	94.5	93.4	92.7	92.0	94.7	95.9	100.4	98.9	97.4	98.2
Motor vehicles and parts	4.56	114.1	115.5	116.3	115.8	116.0	115.7	116.1	114.0	117.7	118.8	125.6	122.6	119.1	121.2
Aerospace and misc. trans. eq.	4.73	72.5	71.7	72.3	73.4	73.7	72.0	70.1	70.8	72.7	73.9	76.1	76.1	76.4	76.1
Instruments	2.07	108.5	110.9	109.1	110.5	111.2	110.4	109.3	111.3	114.5	114.2	116.1	117.3	119.3	119.7
Ordnance, private and Govt.	3.69	86.1	85.0	85.5	85.2	85.3	84.9	84.4	83.2	83.7	86.4	87.3	87.6	89.2	89.3
Lumber, clay, and glass	*4.44*	*111.5*	*111.4*	*111.0*	*112.1*	*113.2*	*113.7*	*114.8*	*115.5*	*118.0*	*118.1*	*118.1*	*118.2*	*119.2*	*118.1*
Lumber and products	1.65	113.9	114.1	113.9	114.8	118.2	119.4	121.7	122.0	119.7	119.6	119.9	119.1	121.8	121.0
Clay, glass, and stone products	2.79	110.0	109.8	109.3	110.6	110.1	110.4	110.7	111.6	117.0	117.2	117.1	117.5	117.7	116.4
Furniture and miscellaneous	*2.90*	*111.7*	*115.9*	*114.0*	*114.2*	*114.0*	*113.3*	*114.3*	*115.0*	*117.3*	*118.4*	*119.9*	*120.6*	*122.1*	*122.7*
Furniture and fixtures	1.38	102.1	104.8	105.2	105.3	104.5	105.4	103.8	104.0	108.4	108.7	111.7	110.7	113.9	114.5
Miscellaneous manufactures	1.52	120.5	126.1	122.0	122.2	122.6	120.5	123.9	125.1	125.4	127.2	127.4	129.6	129.6	130.0
Nondurable manufactures															
Textiles, apparel, and leather	*6.90*	*100.7*	*100.9*	*100.8*	*102.5*	*102.3*	*101.8*	*103.1*	*102.0*	*101.1*	*103.7*	*106.1*	*104.9*	*105.8*	*104.7*
Textile mill products	2.69	108.6	108.6	110.5	111.0	110.1	110.2	112.6	108.9	107.0	110.9	113.5	112.8	113.8	114.0
Apparel products	3.33	97.8	98.3	97.4	99.5	100.0	99.8	99.7	99.8	100.1	102.7	103.3	102.8	103.0	......
Leather and products	.88	87.4	87.0	84.2	87.7	87.4	83.3	87.1	89.6	86.9	85.4	94.4	89.2	92.1	90.5
Paper and printing	*7.92*	*107.8*	*108.4*	*108.1*	*108.2*	*109.4*	*110.5*	*110.7*	*111.3*	*112.6*	*112.6*	*112.3*	*114.1*	*114.7*	*115.1*
Paper and products	3.18	115.8	115.3	117.5	116.2	116.9	119.2	119.8	122.2	122.8	122.5	124.4	127.2	126.7	128.0
Printing and publishing	4.74	102.5	103.8	101.7	102.9	104.3	104.5	104.7	103.9	105.8	105.9	104.2	105.3	106.8	106.4
Chemicals, petroleum, and rubber	*11.92*	*124.8*	*124.7*	*126.3*	*127.5*	*126.6*	*127.9*	*127.9*	*129.8*	*132.6*	*133.4*	*136.1*	*137.5*	*137.4*	*137.3*
Chemicals and products	7.86	126.4	126.0	127.7	129.9	128.4	130.8	130.4	131.2	135.1	135.7	137.9	138.9	139.3	138.9
Petroleum products	1.80	115.7	114.8	115.8	113.7	115.7	116.0	118.3	119.3	118.7	117.9	117.0	119.5	117.3	118.7
Rubber and plastics products	2.26	126.0	128.1	129.9	129.6	129.1	127.7	126.6	133.3	135.0	138.1	144.7	146.5	146.5	146.6
Foods and tobacco	*9.48*	*113.7*	*114.1*	*113.1*	*114.2*	*113.3*	*115.8*	*115.0*	*115.7*	*115.9*	*116.3*	*117.6*	*117.1*	*117.6*	*117.2*
Foods	8.81	114.9	115.5	114.1	115.2	114.4	117.1	116.6	116.5	116.9	117.5	118.6	118.5	119.3	118.8
Tobacco products	.67	97.7	96.6	98.2	100.3	98.5	98.2	93.8	103.8	102.5	101.9	103.9	99.1	96.4	......
Mining															
Metal, stone, and earth minerals	*1.26*	*104.6*	*91.5*	*96.8*	*98.1*	*102.0*	*110.9*	*111.1*	*108.0*	*109.8*	*108.3*	*104.6*	*99.4*	*98.6*	*98.0*
Metal mining	.51	121.4	93.3	104.8	109.7	117.1	136.7	137.7	128.9	133.7	131.0	122.2	110.7	104.3	106.3
Stone and earth minerals	.75	93.2	90.2	91.4	90.1	91.7	93.4	92.7	93.8	93.5	92.7	92.6	91.7	94.7	92.4
Coal, oil, and gas	*5.11*	*107.6*	*109.1*	*108.7*	*107.9*	*96.6*	*100.4*	*107.1*	*107.1*	*106.5*	*108.6*	*110.0*	*109.9*	*109.7*	*109.4*
Coal	.69	99.8	109.3	110.7	111.0	29.5	55.7	112.4	106.3	99.6	104.1	112.9	105.0	103.8	103.8
Oil and gas extraction	4.42	108.9	109.1	108.4	107.4	107.1	107.4	106.3	107.2	107.6	109.3	109.6	110.7	110.7	110.3
Utilities															
Electric	3.91	138.1	140.9	138.6	138.6	140.6	141.9	141.9	141.2	144.4	144.8	145.6	147.1	148.0	146.8
Gas	1.17	119.8	......	......	......	......	......	......	......	......	......	......	......	......	......

For NOTE see p. A-63.

MARKET GROUPINGS

(1967 = 100)

Grouping	1967 proportion	1971 average^p	1971						1972						
			July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July^p
Total index	100.00	106.8	102.8	105.8	110.3	110.3	107.7	104.5	106.6	110.3	111.6	113.6	113.4	116.4	109.2
Products, total	62.21	106.4	104.5	107.4	112.2	111.5	107.7	103.0	105.5	109.0	110.0	111.7	110.8	115.2	109.0
Final products	*48.95*	*104.7*	*102.0*	*105.5*	*110.6*	*109.7*	*105.9*	*101.2*	*104.4*	*107.7*	*108.3*	*110.2*	*108.5*	*113.3*	*106.5*
Consumer goods	28.53	115.7	112.6	118.4	124.2	123.0	117.2	109.9	115.7	119.4	119.2	122.4	119.6	125.8	117.3
Equipment	20.42	89.4	87.3	87.5	91.7	91.1	90.1	89.0	88.6	91.4	93.1	93.2	93.1	95.8	91.4
Intermediate products	13.26	112.6	113.5	114.3	118.0	118.0	114.1	109.8	109.4	113.8	116.5	117.4	119.5	122.2	118.1
Materials	37.79	107.4	99.9	103.1	107.3	108.2	107.6	106.9	108.3	112.4	114.5	116.6	117.7	118.5	109.4
Consumer goods															
Durable consumer goods	*7.86*	*115.1*	*102.7*	*109.7*	*122.5*	*126.6*	*119.9*	*107.7*	*117.1*	*122.9*	*121.8*	*128.8*	*126.0*	*129.1*	*108.2*
Automotive products	2.84	119.5	94.9	102.0	128.7	135.9	123.9	102.5	120.7	126.5	126.3	138.2	132.6	133.5	93.6
Autos	1.87	108.3	69.4	76.5	112.0	124.0	115.6	87.5	112.0	117.0	115.1	128.0	121.3	120.1	61.0
Auto parts and allied goods	.97	140.9	144.0	151.1	160.6	158.7	139.8	131.3	137.5	144.8	147.8	157.8	154.3	159.2	156.3
Home goods	*5.02*	*112.6*	*107.1*	*114.1*	*119.0*	*121.4*	*117.6*	*110.7*	*115.1*	*120.8*	*119.3*	*123.5*	*122.3*	*126.6*	*116.5*
Appliances, TV, and radios	1.41	111.5	102.9	104.5	113.9	125.7	116.7	98.4	123.1	127.2	120.1	131.9	124.9	125.6	112.0
Appliances and A/C	.92	127.6	122.9	115.0	128.6	143.5	132.3	108.2	143.8	150.3	139.3	156.6	146.9	147.4	138.6
TV and home audio	.49	81.4	65.4	84.8	86.2	92.5	87.4	80.1	84.3	83.9	84.1	85.6	83.7	84.8	62.2
Carpeting and furniture	1.08	117.2	103.4	121.9	125.4	122.0	125.5	123.0	123.5	131.4	130.8	131.8	128.3	132.8	115.9
Misc. home goods	2.53	111.2	111.1	116.2	119.1	118.8	114.7	112.3	107.1	112.7	113.9	115.3	118.2	124.6	119.2
Nondurable consumer goods	*20.67*	*116.0*	*116.4*	*121.7*	*124.8*	*121.6*	*116.2*	*110.8*	*115.1*	*118.1*	*118.2*	*119.9*	*117.1*	*124.5*	*120.7*
Clothing	4.32	101.4	93.7	105.6	107.0	110.4	100.6	90.6	100.8	106.6	108.1	113.2	102.7	113.0	......
Consumer staples	*16.34*	*119.8*	122.4	126.0	*129.5*	124.6	120.3	116.2	118.9	121.2	120.9	121.7	120.9	127.6	126.8
Consumer foods and tobacco	8.37	113.6	112.9	118.7	123.9	120.5	115.8	109.0	109.2	111.2	113.0	114.8	114.7	120.8	116.2
Nonfood staples	7.98	126.3	132.4	133.7	135.3	128.9	125.0	123.7	129.0	131.7	129.2	128.9	127.4	134.8	138.0
Consumer chemical products	2.64	133.9	138.0	139.6	145.4	139.4	137.1	124.9	129.3	137.7	135.0	142.3	143.9	152.3	146.0
Consumer paper products	1.91	107.9	109.6	113.9	116.0	114.7	110.7	108.9	106.3	109.1	110.8	110.3	107.9	114.8	113.7
Consumer fuel and lighting	3.43	130.8	140.8	140.2	138.3	128.8	123.7	131.0	141.4	139.6	135.0	129.0	125.5	132.4	145.3
Residential utilities	2.25	137.6	151.6	149.6	148.6	134.8	126.9	135.5	152.3	150.1	144.2	136.3	128.7	137.5	155.8
Equipment															
Business equipment	*12.74*	*96.8*	*94.4*	*94.7*	*101.1*	*100.3*	*98.3*	*96.4*	*96.6*	*100.7*	*102.2*	*102.3*	*102.2*	*105.5*	*99.2*
Industrial equipment	6.77	92.9	91.0	90.8	95.7	95.2	94.6	93.4	93.0	96.2	96.4	95.7	95.7	99.0	95.8
Building and mining equip.	1.45	92.9	87.0	90.5	98.2	97.0	99.0	95.7	97.1	99.5	97.9	99.0	96.3	101.4	97.3
Manufacturing equipment	3.85	82.6	80.7	80.0	85.0	83.9	83.2	83.1	81.4	85.6	86.2	84.8	85.5	88.2	84.6
Power equipment	1.47	119.8	121.7	119.1	121.2	123.1	120.2	118.1	119.3	120.6	121.4	121.2	121.8	124.9	123.6
Commercial, transit, farm eq.	5.97	101.2	98.2	99.1	107.3	106.1	102.4	99.9	100.7	105.8	108.7	109.8	109.6	112.9	103.0
Commercial equipment	3.30	110.0	114.5	111.9	116.7	113.2	110.5	107.4	105.3	110.1	112.6	112.2	114.7	121.9	119.8
Transit equipment	2.00	89.4	*75.5*	*83.1*	*92.9*	*96.0*	*91.8*	90.8	*93.5*	*97.3*	*99.5*	104.8	100.9	*97.5*	77.9
Farm equipment	.67	93.2	85.8	83.8	103.7	101.2	93.7	90.6	99.1	109.9	117.2	113.2	110.0	114.4	95.1
Defense and space equipment	*7.68*	*77.1*	*75.4*	*75.5*	*76.1*	*75.7*	*76.4*	*76.6*	*75.3*	*75.9*	*77.9*	*78.0*	*78.1*	*79.6*	*78.5*
Military products	5.15	79.9	78.2	78.6	78.9	78.7	79.0	78.8	77.8	78.4	81.0	81.1	81.3	82.7	81.9
Intermediate products															
Construction products	5.93	112.6	112.2	111.8	116.1	117.6	112.7	109.1	107.6	113.7	116.9	118.9	120.6	122.0	116.1
Misc. intermediate products	7.34	112.6	114.5	116.4	119.6	118.4	115.2	110.4	110.9	113.9	116.1	116.2	118.7	122.4	119.8
Materials															
Durable goods materials	*20.91*	*101.7*	*93.1*	*93.5*	*100.8*	*103.3*	*101.2*	*100.1*	*102.2*	*107.5*	*110.2*	*112.4*	*113.8*	*114.7*	*103.9*
Consumer durable parts	4.75	104.2	90.4	96.7	102.7	106.6	106.3	109.0	108.8	110.5	111.6	112.9	113.3	112.5	99.9
Equipment parts	5.41	87.1	82.6	81.1	88.0	87.8	86.5	87.1	89.1	92.1	93.7	96.5	95.9	99.2	90.9
Durable materials n.e.c.	10.75	107.9	99.6	98.3	106.4	109.6	106.3	102.7	105.8	114.0	117.8	120.1	123.1	123.5	112.2
Nondurable goods materials	*13.99*	*114.1*	*107.7*	*114.4*	*114.8*	*117.6*	*117.5*	*114.4*	*115.1*	*118.3*	*119.8*	*121.8*	*123.0*	*123.8*	*116.5*
Textile, paper, and chem. mat.	8.58	116.6	107.3	116.8	118.7	121.5	122.8	119.2	120.0	124.3	126.0	128.5	129.6	130.5	120.7
Nondurable materials n.e.c.	5.41	110.3	108.3	110.7	108.6	111.3	109.0	106.8	107.4	108.8	110.0	111.2	112.6	113.2	109.9
Fuel and power, industrial	2.89	116.3	111.6	118.0	118.5	97.9	105.3	119.2	119.4	119.6	119.6	121.8	120.7	120.8	114.7
Supplementary groups															
Home goods and clothing	9.34	107.4	100.9	110.2	113.4	116.3	109.7	101.4	108.5	114.2	114.1	118.7	113.2	120.3	107.8
Containers	1.82	116.8	113.1	121.3	120.2	123.6	118.3	111.9	114.0	123.3	120.3	127.9	128.9	134.2	125.2

For NOTE see p. A-63.

INDUSTRY GROUPINGS

(1967 = 100)

Grouping	1967 proportion	1971 average[p]	1971 July	1971 Aug.	1971 Sept.	1971 Oct.	1971 Nov.	1971 Dec.	1972 Jan.	1972 Feb.	1972 Mar.	1972 Apr.	1972 May	1972 June	1972 July[p]
Manufacturing, total	*88.55*	*105.2*	*100.3*	*103.5*	*108.8*	*109.7*	*106.8*	*102.7*	*104.7*	*109.0*	*110.5*	*112.7*	*112.7*	*115.7*	*107.1*
Durable	52.33	99.4	93.7	94.3	101.0	102.4	99.8	97.1	99.2	103.8	105.5	107.5	107.6	109.4	100.2
Nondurable	36.22	113.6	109.9	116.8	120.0	120.2	116.8	110.9	112.6	116.4	117.8	120.2	120.0	124.7	117.1
Mining and utilities	*11.45*	*118.9*	*121.3*	*123.5*	*122.8*	*114.2*	*113.9*	*118.1*	*121.0*	*121.1*	*120.7*	*120.4*	*120.0*	*122.7*	*124.7*
Mining	6.37	107.0	103.0	107.9	106.5	97.9	101.8	107.5	104.7	105.4	106.4	108.8	109.9	109.5	105.9
Utilities	5.08	133.9	144.2	143.0	143.4	134.7	129.1	131.5	141.5	140.8	138.7	134.9	132.6	139.4	148.4
Durable manufactures															
Primary and fabricated metals	*12.55*	*104.0*	*96.2*	*90.2*	*99.1*	*101.6*	*98.9*	*98.0*	*102.8*	*109.4*	*112.6*	*114.3*	*115.7*	*114.4*	*104.8*
Primary metals	6.61	100.9	88.5	76.4	91.1	94.5	90.2	89.4	101.0	108.6	113.5	117.2	118.9	115.3	101.4
Iron and steel, subtotal	4.23	96.6	90.4	62.7	81.9	86.2	80.7	81.3	93.7	101.3	107.4	113.2	114.3	108.8	100.0
Fabricated metal products	5.94	107.5	104.8	105.5	107.9	109.5	108.6	107.6	104.8	110.2	111.5	111.1	112.2	113.3	108.6
Machinery and allied goods	*32.44*	*94.9*	*89.2*	*91.0*	*98.0*	*99.2*	*96.7*	*93.7*	*95.8*	*99.1*	*100.2*	*102.3*	*101.7*	*104.2*	*94.7*
Machinery	17.39	96.2	93.1	93.5	100.4	100.6	98.1	95.6	97.8	101.7	102.2	103.4	102.9	107.0	100.3
Nonelectrical machinery	9.17	94.3	93.6	92.0	98.6	97.1	95.0	93.7	93.9	99.4	100.2	99.8	100.9	104.8	99.8
Electrical machinery	8.22	98.3	92.6	95.2	102.5	104.4	101.5	97.7	102.1	104.3	104.5	107.4	105.1	109.5	100.8
Transportation equipment	9.29	92.9	79.0	84.4	94.8	99.0	95.4	90.3	94.0	97.5	99.0	103.8	101.7	100.7	81.0
Motor vehicles and parts	4.56	114.1	88.0	98.0	116.6	124.8	119.8	110.8	119.1	123.3	123.8	131.8	128.1	125.8	87.6
Aerospace and misc. trans. eq.	4.73	72.5	70.4	71.2	73.8	74.1	71.9	70.6	69.8	72.6	75.0	76.8	76.3	76.6	74.7
Instruments	2.07	108.5	110.9	111.4	114.9	114.4	111.0	109.2	108.1	111.2	112.3	112.5	116.1	121.8	119.7
Ordnance, private and Govt.	3.69	86.1	84.3	84.5	84.9	84.7	85.0	84.8	83.7	84.0	87.1	87.3	87.8	89.6	88.6
Lumber, clay, and glass	*4.44*	*111.5*	*111.5*	*116.7*	*117.6*	*118.6*	*113.5*	*107.1*	*105.9*	*112.3*	*115.9*	*118.5*	*120.4*	*124.3*	*118.2*
Lumber and products	1.65	113.9	113.2	118.5	120.4	122.6	116.2	109.3	111.1	119.5	121.5	122.1	121.8	126.5	120.0
Clay, glass, and stone products	2.79	110.0	110.5	115.6	115.9	116.3	111.9	105.8	102.8	108.1	112.5	116.3	119.6	123.0	117.1
Furniture and miscellaneous	*2.90*	*111.7*	*106.2*	*114.6*	*118.1*	*117.3*	*117.5*	*115.2*	*111.3*	*118.4*	*118.8*	*119.1*	*118.1*	*123.1*	*114.3*
Furniture and fixtures	1.38	102.1	91.1	103.5	106.4	104.8	108.6	106.9	106.2	113.7	112.7	111.6	108.7	112.1	100.9
Miscellaneous manufactures	1.52	120.5	120.0	124.8	128.8	128.7	125.6	122.7	116.0	122.8	124.4	125.9	126.6	133.2	126.6
Nondurable manufactures															
Textiles, apparel, and leather	*6.90*	*100.7*	*90.8*	*104.4*	*105.0*	*107.5*	*101.3*	*92.6*	*100.4*	*105.4*	*106.7*	*109.9*	*103.9*	*110.7*	*95.0*
Textile mill products	2.69	108.6	97.0	114.5	113.6	113.8	111.0	101.9	106.6	110.3	114.0	115.9	115.8	118.9	103.7
Apparel products	3.33	97.8	89.9	100.4	102.4	106.7	98.1	87.7	98.4	105.3	105.0	109.5	98.7	108.9	......
Leather and products	.88	87.4	75.4	88.8	88.1	91.5	83.9	83.0	88.9	90.6	90.4	93.3	87.3	92.7	78.5
Paper and printing	*7.92*	*107.8*	*105.1*	*111.4*	*113.3*	*115.2*	*112.0*	*104.9*	*105.2*	*109.9*	*111.2*	*112.9*	*114.1*	*117.5*	*111.9*
Paper and products	3.18	115.8	105.5	117.3	115.9	123.0	120.2	110.8	120.7	125.9	125.3	128.1	128.5	130.2	118.3
Printing and publishing	4.74	102.5	104.9	107.5	111.5	109.9	106.5	100.9	94.8	99.2	101.7	102.7	104.4	109.0	107.6
Chemicals, petroleum, and rubber	*11.92*	*124.8*	*122.3*	*126.8*	*130.9*	*130.1*	*129.1*	*125.9*	*126.0*	*131.1*	*132.5*	*135.8*	*138.0*	*141.3*	*134.6*
Chemicals and products	7.86	126.4	125.2	128.7	133.3	131.0	131.3	127.7	126.6	132.0	134.1	138.9	140.7	144.0	138.1
Petroleum products	1.80	115.7	118.9	120.9	118.9	117.8	115.2	116.5	114.4	115.0	113.5	112.1	118.4	121.5	123.0
Rubber and plastics products	2.26	126.0	114.9	124.7	131.9	136.7	132.3	126.9	133.0	140.8	142.2	144.1	144.0	147.5	131.5
Foods and tobacco	*9.48*	*113.7*	*112.3*	*117.8*	*122.9*	*121.2*	*116.8*	*110.4*	*110.8*	*111.4*	*112.9*	*114.2*	*114.1*	*120.1*	*115.6*
Foods	8.81	114.9	114.3	118.7	124.1	122.4	118.2	112.8	111.3	111.8	113.7	115.3	115.3	121.4	117.8
Tobacco products	.67	97.7	86.2	105.7	106.5	106.1	99.0	78.7	103.6	105.5	102.1	99.4	98.1	103.0	......
Mining															
Metal, stone, and earth minerals	*1.26*	*104.6*	*97.2*	*104.1*	*104.1*	*105.8*	*103.9*	*100.5*	*93.1*	*95.4*	*98.0*	*105.3*	*110.8*	*110.6*	*104.6*
Metal mining	.51	121.4	106.6	116.9	118.7	117.9	114.8	111.3	105.8	113.8	114.4	123.5	131.5	131.3	121.4
Stone and earth minerals	.75	93.2	90.9	95.4	94.2	97.6	96.6	93.1	84.4	82.8	86.8	92.8	96.7	96.6	93.1
Coal, oil, and gas	*5.11*	*107.6*	*104.5*	*108.8*	*107.1*	*95.9*	*101.3*	*109.2*	*107.6*	*107.9*	*108.5*	*109.7*	*109.7*	*109.2*	*106.2*
Coal	.69	99.8	83.7	117.9	113.9	31.5	56.9	111.7	105.1	99.9	102.7	114.9	107.1	104.8	87.6
Oil and gas extraction	4.42	108.9	107.8	107.4	106.1	106.0	108.2	108.8	108.0	109.2	109.4	108.9	110.1	109.9	109.1
Utilities															
Electric	3.91	138.1	151.3	150.0	150.8	139.9	132.8	136.2	146.6	145.8	143.5	138.5	136.4	144.9	156.2
Gas	1.17	119.8	......	......	......	......	......	......	......	......	......	......	......	......	......

NOTE.—Published groupings include series and subtotals not shown separately. A description and historical data will be available at a later date. Figures for individual series and subtotals are published in the monthly Business Indexes release.

SELECTED BUSINESS INDEXES

(1967 = 100, except as noted)

Period	Industrial production: Total	Industrial production: Market: Products: Total	Market: Products: Final products: Total	Final products: Consumer goods	Final products: Equipment	Market: Products: Intermediate products	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
1952	......	......	......	......	......	......	......	......	92.8	......	74.1	93.4	54.5	52	79.5	88.6
1953	......	......	......	......	......	......	......	......	95.5	......	76.3	98.2	60.3	54	80.1	87.4
1954	51.9	51.8	50.8	53.3	47.9	55.1	52.0	51.5	84.1	......	74.4	89.6	55.1	54	80.5	87.6
1955	58.5	56.6	54.9	59.5	48.9	62.6	61.5	58.2	90.0	......	76.9	92.9	61.1	59	80.2	87.8
1956	61.1	59.7	58.2	61.7	53.7	65.3	63.1	60.5	88.2	......	79.6	93.9	64.6	61	81.4	90.7
1957	61.9	61.1	59.9	63.2	55.9	65.3	63.1	61.2	84.5	......	80.3	92.2	65.4	64	84.3	93.3
1958	57.9	58.6	57.1	62.6	50.0	63.9	56.8	56.9	75.1	......	78.0	83.9	60.3	64	86.6	94.6
1959	64.8	64.4	62.7	68.7	54.9	70.5	65.5	64.1	81.4	......	81.0	88.1	67.8	69	87.3	94.8
1960	66.2	66.2	64.8	71.3	56.4	71.0	66.4	65.4	80.1	......	82.4	88.0	68.8	70	88.7	94.9
1961	66.7	66.9	65.3	72.8	55.6	72.4	66.4	65.6	77.6	......	r82.1	84.5	68.0	70	89.6	94.5
1962	72.2	72.1	70.8	77.7	61.9	76.9	72.4	71.4	81.4	......	84.4	87.3	73.3	75	90.6	94.8
1963	76.5	76.2	74.9	82.0	65.6	81.1	77.0	75.8	83.0	86.1	86.1	87.8	76.0	79	91.7	94.5
1964	81.7	81.2	79.6	86.8	70.1	87.3	82.6	81.2	85.5	89.4	88.6	89.3	80.1	83	92.9	94.7
1965	89.2	88.1	86.8	93.0	78.7	93.0	91.0	89.1	89.0	93.2	92.3	93.9	88.1	91	94.5	96.6
1966	97.9	96.8	96.1	98.6	93.0	99.2	99.8	98.3	91.9	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	87.9	100.0	100.0	100.0	100.0	100	100.0	100.0
1968	105.7	105.8	105.8	106.6	104.7	105.7	105.7	105.7	87.7	113.2	103.1	101.4	108.3	109	104.2	102.5
1969	110.7	109.7	109.0	111.1	106.1	112.0	112.4	110.5	86.5	123.7	106.7	103.2	116.6	114	109.8	106.5
1970	106.7	106.0	104.5	110.3	96.3	111.7	107.7	105.2	r78.3	......	107.3	98.1	114.2	120	116.3	110.4
1971	106.8	106.4	104.7	115.7	89.4	112.6	107.4	105.2	r75.0	132.0	107.4	94.3	116.9	122	121.2	113.9
1971—July	106.8	107.0	105.0	116.3	89.3	114.6	106.4	105.8		151.0	107.1	93.9	116.8	129	121.8	114.6
Aug.	105.6	106.1	104.8	115.9	89.5	110.9	104.8	104.2	r74.7	153.0	107.1	93.5	116.5	133	122.1	114.9
Sept.	107.1	107.0	105.5	116.7	89.8	112.3	107.3	105.7		156.0	107.6	94.5	117.0	135	122.2	114.5
Oct.	106.8	107.0	105.4	116.6	89.8	113.2	106.6	106.1		137.0	107.6	94.1	117.8	134	122.4	114.4
Nov.	107.4	107.9	106.1	118.0	89.6	114.3	106.5	106.0	r74.6	155.0	107.9	94.4	118.4	136	122.6	114.5
Dec.	108.1	108.0	106.2	118.0	89.6	114.9	108.4	106.2		160.0	108.1	94.2	121.1	133	123.1	115.4
1972—Jan.	108.7	108.4	106.4	118.5	89.5	115.9	109.2	107.1		165.0	108.7	94.5	122.2	133	123.2	116.3
Feb.	110.0	109.5	107.6	119.6	90.9	117.0	110.8	108.5	r75.3	155.0	108.9	95.0	124.9	135	123.8	117.3
Mar.	111.2	110.1	108.2	119.6	92.4	117.3	113.1	109.7		159.0	109.4	95.6	125.8	139	124.0	117.4
Apr.	112.8	111.4	109.8	122.0	92.7	117.3	115.0	111.8		167.0	109.7	96.2	128.7	139	124.3	117.5
May	113.2	112.1	110.2	122.2	93.4	119.3	115.6	112.3	r77.4	165.0	110.2	96.8	129.4	142	124.7	118.2
June	113.4	112.1	110.3	122.2	93.3	119.3	115.9	112.8		154.0	110.3	r97.1	130.7	141	125.0	118.8
July	113.7	112.0	110.1	121.8	93.7	119.2	116.5	113.0	......	155.0	110.2	r96.6	r128.7	143	125.5	119.7
Aug.p	114.3	112.3	110.7	122.3	94.6	118.7	117.5	113.6	......	......	110.7	97.1	131.3	......	......	119.9

1 Employees only: excludes personnel in the Armed Forces.
2 Production workers only.
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 Department of Commerce.

Construction contracts: F. W. Dodge Co. monthly index of dollar value of total construction contracts, including residential, nonresidential, and heavy engineering; does not include data for Alaska and Hawaii.
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	1970	1971	1971 July	1971 Aug.	1971 Sept.	1971 Oct.	1971 Nov.	1971 Dec.	1972 Jan.	1972 Feb.	1972 Mar.	1972 Apr.	1972 May	1972 June	1972 July
Total construction[1]	67,097	78,878	7,670	7,712	6,814	6,568	6,405	6,286	6,234	5,607	7,284	8,100	9,907	8,478	8,067
By type of ownership:															
Public	23,362	24,183	2,683	2,299	2,010	1,837	1,960	1,696	2,137	1,634	1,686	1,741	2,574	2,517	2,528
Private[1]	45,058	56,408	4,987	5,413	4,804	4,731	4,445	4,590	4,097	3,973	5,598	6,359	6,524	5,960	5,538
By type of construction:															
Residential building[1]	24,910	35,226	3,357	3,255	3,196	3,170	3,001	2,997	2,667	2,664	3,617	3,971	4,428	4,375	......
Nonresidential building	24,180	26,577	2,621	2,120	2,246	2,064	2,128	1,959	1,728	1,799	2,187	2,182	2,908	2,447	......
Nonbuilding	18,489	20,509	1,691	2,337	1,371	1,332	1,274	1,959	1,840	1,144	1,480	1,947	1,762	1,655	......
Private housing units authorized r (In thousands, S.A., A.R.)	1,324	1,885	2,034	1,997	1,944	1,983	2,051	2,142	2,204	2,056	2,007	1,991	1,995	r2,121	2,082

1 Because of improved collection procedures, data for 1-family homes beginning Jan. 1968 are not strictly comparable with those for earlier periods. 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 F. W. Dodge Co. does not include data for Alaska or Hawaii. Totals of monthly data exceed annual totals because adjustments—negative—are made into accumulated monthly data after original figures have been published.
Private housing units authorized are Census Bureau series for 13,000 reporting areas with local building permit systems.

VALUE OF NEW CONSTRUCTION ACTIVITY

(In millions of dollars)

Period	Total	Private								Public				
		Total	Residential	Nonresidential						Total	Military	Highway	Conservation & development	Other [2]
				Total	Buildings			Other						
					Industrial	Commercial	Other buildings [1]							
1962 [3]	59,965	42,096	25,150	16,946	2,842	5,144	3,631	5,329		17,869	1,266	6,365	....	....
1963 [4]	64,563	45,206	27,874	17,332	2,906	4,995	3,745	5,686		19,357	1,179	7,084	....	....
1964	67,413	47,030	28,010	19,020	3,565	5,396	3,994	6,065		20,383	910	7,133	....	....
1965	73,412	51,350	27,934	23,416	5,118	6,739	4,735	6,824		22,062	830	7,550	....	....
1966	76,002	51,995	25,715	26,280	6,679	6,879	5,037	7,685		24,007	727	8,405	....	....
1967	77,503	51,967	25,568	26,399	6,131	6,982	4,993	8,293		25,536	695	8,591	....	....
1968	86,626	59,021	30,565	28,456	6,021	7,761	4,382	10,292		27,605	808	9,321	....	....
1969	93,347	65,384	33,200	32,184	6,783	9,401	4,971	11,029		27,963	879	9,252	....	....
1970	94,265	66,147	31,748	34,399	6,538	9,754	5,125	12,982		28,118	719	9,986	....	....
1971	108,968	79,080	42,379	36,701	5,423	11,619	5,437	14,222		....	....	....	....	....
1971—July	109,801	80,328	42,533	37,795	5,428	12,690	5,499	14,178		29,473	1,142	....	2,150	....
Aug.	111,778	81,939	43,795	38,144	4,852	13,069	5,482	14,741		29,839	900	....	1,609	....
Sept.	110,319	81,730	45,027	36,703	4,597	11,702	5,591	14,813		28,573	786	....	1,570	....
Oct.	114,748	82,905	46,135	36,770	4,993	11,510	5,372	14,895		31,843	881	....	1,540	....
Nov.	115,186	84,764	46,841	37,923	4,885	12,188	5,670	15,180		30,422	938	....	1,697	....
Dec.	117,017	85,989	47,741	38,248	4,914	12,391	5,770	15,173		31,028	918	....	1,454	....
1972—Jan.	120,763	88,580	49,587	38,993	4,936	13,272	5,734	15,051		32,183	985	....	1,943	....
Feb.	121,728	90,812	51,907	31,905	4,674	13,247	5,583	15,401		30,916	1,002	....	1,804	....
Mar.	122,968	92,586	53,109	39,477	4,796	13,243	5,993	15,445		30,382	1,186	....	1,919	....
Apr.	120,634	91,686	52,766	38,920	4,649	13,411	5,765	15,095		28,948	965	....	1,644	....
May[r]	122,443	92,622	52,471	40,151	4,723	14,132	5,766	15,530		29,821	980	....	1,970	....
June[r]	121,365	92,821	52,989	39,832	4,944	13,477	5,907	15,323		28,544	1,088	....	2,206	....
July	121,376	92,351	53,380	38,971	4,567	13,123	5,793	15,452		29,025	1,353	....	1,468	....

[1] Includes religious, educational, hospital, institutional, and other buildings.

[2] Sewer and water, formerly shown separately, now included in "Other."

[3] Beginning July 1962, reflects inclusion of new series affecting most private nonresidential groups.

[4] Beginning 1963, reflects inclusion of new series under "Public" (for State and local govt. activity only).

NOTE.—Census Bureau data, monthly series at seasonally adjusted annual rates.

NEW HOUSING UNITS

(In thousands)

Period	Units started														Mobile home shipments (N.S.A.)
	Private (S.A., A.R.)								Private and public (N.S.A.)			Government underwritten (N.S.A.)			
	Total	Region				Type of structure									
		Northeast	North Central	South	West	1-family	2- to 4-family	5- or more-family	Total	Private	Public	Total	FHA	VA	
1963	1,610	261	328	591	431	1,021	589		1,642	1,610	32	292	221	71	151
1964	1,529	253	339	582	355	972	108	450	1,562	1,529	32	264	205	59	191
1965	1,473	270	362	575	266	964	87	422	1,510	1,473	37	246	197	49	216
1966	1,165	207	288	473	198	779	61	325	1,196	1,165	31	195	158	37	217
1967	1,292	215	337	520	220	844	72	376	1,322	1,292	30	232	180	53	240
1968	1,508	227	369	619	294	900	81	527	1,548	1,508	40	283	227	56	318
1969	1,467	206	349	588	323	810	87	571	1,500	1,467	33	288	237	51	413
1970	1,434	218	294	612	310	813	85	536	1,467	1,434	33	479	418	61	401
1971	2,051	263	434	869	485	1,151	120	780	[e]2,087	[e]2,055	[e]32	[e]627	[e]533	[e]94	[e]497
1971—July[r]	2,034	312	424	788	510	965	140	929	197	194	3	52	43	9	45
Aug.[r]	1,997	309	422	757	509	910	142	945	206	205	2	55	46	9	50
Sept.[r]	1,944	305	416	761	462	891	141	912	176	174	2	58	50	9	53
Oct.[r]	1,983	289	414	776	504	908	136	939	182	180	2	47	39	8	50
Nov.[r]	2,051	304	443	796	508	952	133	966	179	176	3	57	48	9	40
Dec.[r]	2,142	305	472	842	523	966	127	1,049	155	152	3	92	85	7	34
1972—Jan.[r]	2,204	376	405	841	582	1,098	143	963	151	149	2	45	37	8	33
Feb.[r]	2,056	303	377	767	609	959	122	975	154	152	1	36	28	8	40
Mar.[r]	2,007	257	364	842	544	954	134	919	206	204	2	49	38	11	49
Apr.[r]	1,991	282	430	820	459	963	152	876	213	212	2	38	29	9	53
May[r]	1,955	265	422	752	516	923	149	883	226	224	2	43	34	9	52
June[r]	2,121	271	419	870	561	989	146	986	223	220	3	43	33	10	55
July	2,082	280	413	874	515	997	141	944	204	203	1	38	29	9	....

NOTE.—Starts are Census Bureau series (including farm starts) except for Govt.-underwritten, which are from Federal Housing Admin. and Veterans Admin. and represent units started, including rehabilitation units under FHA, based on field office reports of first compliance inspections. Data may not add to totals because of rounding.

Mobile home shipments are as reported by Mobile Homes Manufacturers Assn.

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		
1966	131,180	52,288	78,893	75,770	72,895	68,915	3,979	2,875	3.8
1967[3]	133,319	52,527	80,793	77,347	74,372	70,527	3,844	2,975	3.8
1968	135,562	53,291	82,272	78,737	75,920	72,103	3,817	2,817	3.6
1969	137,841	53,602	84,240	80,734	77,902	74,296	3,606	2,832	3.5
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
1971—Aug.	142,886	54,433	87,088	84,313	79,199	75,792	3,407	5,114	6.1
Sept.	143,104	56,220	87,240	84,491	79,451	76,088	3,363	5,040	6.0
Oct.	143,321	55,968	87,467	84,750	79,832	76,416	3,416	4,918	5.8
Nov.	143,517	55,802	87,812	85,116	80,020	76,601	3,419	5,096	6.0
Dec.	143,723	56,181	87,883	85,225	80,098	76,698	3,400	5,127	6.0
1972—Jan.	144,697	57,550	88,301	85,707	80,636	77,243	3,393	5,071	5.9
Feb.	144,895	57,577	88,075	85,535	80,623	77,266	3,357	4,912	5.7
Mar.	145,077	57,163	88,817	86,313	81,241	77,759	3,482	5,072	5.9
Apr.	145,227	57,440	88,747	86,284	81,205	77,881	3,324	5,079	5.9
May	145,427	57,441	88,905	86,486	81,394	78,041	3,353	5,092	5.9
June	145,639	55,191	88,788	86,395	81,667	78,330	3,337	4,728	5.5
July	145,854	54,850	88,855	86,467	81,682	78,237	3,445	4,785	5.5
Aug.	146,069	55,311	89,256	86,860	81,973	78,348	3,625	4,887	5.6

[1] Includes self-employed, unpaid family, and domestic service workers.
[2] Per cent of civilian labor force.
[3] Beginning 1967, data not strictly comparable with previous data. *Description of changes available from Bureau of Labor Statistics.*

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.

EMPLOYMENT IN NONAGRICULTURAL ESTABLISHMENTS, BY INDUSTRY DIVISION

(In thousands of persons)

Period	Total	Manufacturing	Mining	Contract construction	Transportation & public utilities	Trade	Finance	Service	Government
1966	63,955	19,214	627	3,275	4,151	13,245	3,100	9,551	10,792
1967	65,857	19,447	613	3,208	4,261	13,606	3,225	10,099	11,398
1968	67,915	19,781	606	3,285	4,310	14,084	3,382	10,623	11,845
1969	70,284	20,167	619	3,435	4,429	14,639	3,564	11,229	12,202
1970	70,616	19,369	622	3,345	4,504	14,922	3,690	11,630	12,535
1971	70,699	18,610	601	3,259	4,481	15,174	3,800	11,917	12,858
SEASONALLY ADJUSTED									
1971—Aug.	70,529	18,457	609	3,219	4,428	15,223	3,804	11,946	12,843
Sept.	70,853	18,616	616	3,250	4,460	15,273	3,821	11,962	12,855
Oct.	70,848	18,560	521	3,290	4,442	15,270	3,834	11,996	12,935
Nov.	71,042	18,603	525	3,320	4,434	15,278	3,851	12,044	12,987
Dec.	71,185	18,566	607	3,245	4,465	15,315	3,860	12,089	13,038
1972—Jan.	71,584	18,609	616	3,320	4,502	15,447	3,872	12,120	13,098
Feb.	71,729	18,690	612	3,236	4,479	15,495	3,879	12,177	13,161
Mar.	72,030	18,777	613	3,272	4,536	15,518	3,890	12,217	13,207
Apr.	72,263	18,870	603	3,233	4,522	15,647	3,897	12,254	13,237
May	72,558	18,973	602	3,256	4,539	15,671	3,921	12,303	13,293
June	72,630	18,999	598	3,247	4,539	15,712	3,938	12,379	13,218
July[p]	72,592	18,915	597	3,177	4,520	15,716	3,930	12,404	13,333
Aug.[p]	72,871	18,999	595	3,227	4,524	15,775	3,940	12,442	13,369
NOT SEASONALLY ADJUSTED									
1971—Aug.	70,542	18,651	625	3,509	4,486	15,151	3,865	11,994	12,261
Sept.	71,184	18,840	623	3,471	4,509	15,242	3,829	11,986	12,684
Oct.	71,379	18,709	522	3,478	4,455	15,327	3,826	12,020	13,042
Nov.	71,638	18,693	524	3,410	4,447	15,537	3,836	12,032	13,159
Dec.	72,034	18,595	605	3,177	4,469	16,089	3,841	12,029	13,229
1972—Jan.	70,643	18,440	602	2,965	4,430	15,266	3,833	11,926	13,181
Feb.	70,776	18,537	596	2,880	4,407	15,147	3,844	12,031	13,334
Mar.	71,374	18,653	599	2,974	4,482	15,274	3,867	12,131	13,394
Apr.	71,928	18,713	597	3,117	4,486	15,460	3,885	12,279	13,391
May	72,533	18,824	602	3,246	4,521	15,592	3,913	12,401	13,434
June	73,345	19,142	612	3,406	4,589	15,771	3,969	12,540	13,316
July[p]	72,407	18,749	613	3,425	4,579	15,690	3,993	12,528	12,830
Aug.[p]	72,831	19,174	610	3,517	4,583	15,701	4,003	12,492	12,751

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 the Armed Forces are excluded.

Beginning with 1969, series has been adjusted to Mar. 1970 benchmark.

PRODUCTION WORKER EMPLOYMENT IN MANUFACTURING INDUSTRIES

(In thousands of persons)

Industry group	Seasonally adjusted[1]				Not seasonally adjusted[1]			
	1971	1972			1971	1972		
	Aug.	June	July[p]	Aug.[p]	Aug.	June	July[p]	Aug.[p]
Total	13,371	13,886	13,818	13,892	13,524	14,006	13,616	14,024
Durable goods	7,534	7,899	7,886	7,929	7,514	7,988	7,727	7,888
Ordnance and accessories	94	95	96	99	93	94	96	98
Lumber and wood products	503	524	528	531	521	544	544	550
Furniture and fixtures	375	406	410	411	378	406	401	414
Stone, clay, and glass products	497	523	522	522	513	536	534	538
Primary metal industries	901	971	966	976	905	994	977	980
Fabricated metal products	1,016	1,054	1,052	1,055	1,013	1,065	1,034	1,052
Machinery	1,159	1,215	1,214	1,232	1,147	1,227	1,210	1,218
Electrical equipment and supplies	1,167	1,247	1,238	1,233	1,176	1,243	1,220	1,237
Transportation equipment	1,248	1,257	1,257	1,265	1,189	1,269	1,120	1,184
Instruments and related products	256	273	273	278	257	273	271	279
Miscellaneous manufacturing industries	318	334	330	327	329	336	322	338
Nondurable goods	5,837	5,987	5,932	5,963	6,010	6,018	5,889	6,136
Food and kindred products	1,179	1,193	1,183	1,169	1,302	1,185	1,208	1,292
Tobacco manufactures	56	61	60	57	64	53	53	65
Textile-mill products	841	874	871	879	846	886	861	885
Apparel and related products	1,180	1,187	1,168	1,187	1,195	1,201	1,125	1,195
Paper and allied products	520	541	540	545	527	549	541	552
Printing, publishing, and allied industries	658	667	662	666	656	667	659	664
Chemicals and allied products	577	584	579	582	582	588	581	587
Petroleum refining and related industries	115	116	115	115	120	120	120	120
Rubber and misc. plastic products	447	492	488	493	450	493	481	496
Leather and leather products	264	272	266	276	268	276	263	280

[1] Data adjusted to 1970 benchmark.

NOTE.—Bureau of Labor Statistics; data cover production and related workers only (full- and part-time) who worked during, or received pay for, the pay period that includes the 12th of the month.

HOURS AND EARNINGS OF PRODUCTION WORKERS IN MANUFACTURING INDUSTRIES

Industry group	Average hours worked[1] (per week; S.A.)				Average weekly earnings[1] (dollars per week; N.S.A.)				Average hourly earnings[1] (dollars per hour; N.S.A.)			
	1971	1972			1971	1972			1971	1972		
	Aug.	June	July[p]	Aug.[p]	Aug.	June	July[p]	Aug.[p]	Aug.	June	July[p]	Aug.[p]
Total	39.8	40.6	40.6	40.7	141.69	154.63	153.12	154.25	3.56	3.79	3.79	3.79
Durable goods	40.0	41.4	41.2	41.2	151.60	168.06	164.42	166.86	3.79	4.04	4.02	4.05
Ordnance and accessories	41.9	42.0	42.5	42.9	161.80	172.60	171.79	173.79	3.88	4.09	4.10	4.07
Lumber and wood products	40.2	41.3	41.1	41.5	129.20	138.78	136.12	139.61	3.19	3.32	3.32	3.34
Furniture and fixtures	39.9	40.9	40.4	40.5	118.78	125.36	121.60	126.28	2.94	3.05	3.04	3.08
Stone, clay, and glass products	41.8	42.0	41.9	42.1	157.78	165.39	165.45	168.27	3.73	3.91	3.93	3.95
Primary metal industries	38.8	41.5	41.2	41.9	166.45	193.53	192.05	197.35	4.29	4.63	4.65	4.71
Fabricated metal products	40.2	41.2	41.2	41.2	151.13	165.17	162.38	164.37	3.75	3.98	3.98	3.98
Machinery	40.8	42.1	42.0	42.3	162.01	179.35	175.96	178.07	4.02	4.26	4.24	4.26
Electrical equipment and supplies	40.0	40.5	40.3	40.6	140.00	149.37	146.07	150.22	3.50	3.67	3.67	3.70
Transportation equipment	39.9	42.0	41.5	41.2	171.74	199.13	192.92	192.04	4.37	4.73	4.66	4.73
Instruments and related products	39.8	40.6	40.5	40.9	140.58	151.40	149.54	151.81	3.55	3.72	3.72	3.73
Miscellaneous manufacturing industries	39.2	39.5	39.2	39.0	115.64	122.36	119.27	121.29	2.95	3.09	3.09	3.11
Nondurable goods	39.3	39.8	39.7	39.7	129.17	137.66	138.50	138.05	3.27	3.45	3.48	3.46
Food and kindred products	40.1	40.6	40.5	40.1	135.94	145.71	146.42	143.26	3.34	3.58	3.58	3.52
Tobacco manufactures	37.1	34.3	34.6	35.6	119.31	122.50	122.11	119.57	3.19	3.52	3.56	3.34
Textile-mill products	40.7	41.5	41.1	41.2	104.86	113.42	110.84	112.75	2.57	2.72	2.71	2.73
Apparel and related products	35.7	35.9	35.9	35.9	90.00	93.60	92.62	94.48	2.50	2.60	2.58	2.61
Paper and allied products	42.4	43.0	42.9	43.0	158.53	168.99	170.74	171.54	3.73	3.93	3.98	3.98
Printing, publishing, and allied industries	37.5	37.9	38.0	38.1	159.47	169.03	170.62	171.97	4.23	4.46	4.49	4.49
Chemicals and allied products	41.5	42.0	41.9	41.8	164.79	176.40	176.40	175.14	3.99	4.20	4.22	4.21
Petroleum refining and related industries	43.4	42.1	41.8	42.5	195.53	209.88	209.73	208.08	4.59	4.95	4.97	4.99
Rubber and misc. plastic products	40.1	41.5	41.0	41.2	139.04	148.57	148.10	150.28	3.45	3.58	3.63	3.63
Leather and leather products	37.6	38.6	38.4	39.2	97.38	105.84	104.25	106.23	2.59	2.70	2.68	2.71

[1] Data adjusted to 1970 benchmark.

NOTE.—Bureau of Labor Statistics; data are for production and related workers only.

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
1961	89.6	89.1	90.9	92.9	86.9	91.0	99.4	93.7	90.4	90.6	86.7	81.4	90.6	89.3	88.5
1962	90.6	89.9	91.7	94.0	87.9	91.5	99.4	93.8	90.9	92.5	88.4	83.5	92.2	91.3	89.1
1963	91.7	91.2	92.7	95.0	89.0	93.2	99.4	94.6	91.9	93.0	90.0	85.6	93.4	92.8	90.6
1964	92.9	92.4	93.8	95.9	90.8	92.7	99.4	95.0	92.7	94.3	91.8	87.3	94.5	95.0	92.0
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
1971—July	121.8	119.8	124.5	115.4	133.5	117.5	114.7	118.9	119.3	119.5	122.6	129.3	117.1	119.6	121.2
Aug.	†122.1	120.0	125.1	115.8	134.4	117.8	115.7	119.1	119.0	†119.3	123.1	130.0	117.5	119.7	121.8
Sept.	†122.2	119.1	125.5	116.1	135.1	117.8	115.7	119.4	120.6	†118.6	123.6	130.4	117.6	120.5	122.4
Oct.	†122.4	118.9	125.9	116.4	135.7	117.8	115.7	119.5	121.6	†119.3	123.5	129.6	117.9	120.5	122.6
Nov.	122.6	119.0	126.4	116.6	136.7	118.1	116.2	119.5	121.9	118.8	123.7	129.7	117.9	120.8	122.8
Dec.	123.1	120.3	126.8	116.9	137.0	118.1	118.2	119.6	121.8	118.6	123.9	130.1	117.9	121.1	123.0
1972—Jan.	123.2	120.3	127.3	117.1	137.8	118.7	119.0	119.5	120.2	119.0	124.3	130.5	118.1	121.4	123.5
Feb.	123.8	122.2	127.6	117.5	138.0	118.7	119.4	119.6	120.7	118.3	124.7	131.0	118.4	121.5	124.3
Mar.	124.0	122.4	127.9	117.7	138.2	118.7	119.7	120.1	121.3	118.4	125.0	131.4	118.7	121.7	124.6
Apr.	124.3	122.4	128.2	118.1	138.5	118.6	120.2	120.5	121.8	118.6	125.5	131.7	119.1	122.3	125.1
May	124.7	122.3	128.5	118.3	138.9	118.7	120.5	120.8	122.5	119.5	125.8	132.0	119.7	122.5	125.4
June	125.0	123.0	129.0	118.8	139.6	117.8	120.3	121.0	122.1	r119.8	126.1	132.4	120.0	122.9	125.6
July	125.5	124.2	129.5	119.0	140.7	117.7	120.3	121.1	121.1	120.3	126.3	132.7	120.0	123.0	125.8

† Reflects effect of refund of Federal excise tax on new cars.
NOTE.—Bureau of Labor Statistics index for city wage-earners and clerical workers.

WHOLESALE PRICES: SUMMARY

(1967 = 100)

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
1961	94.5	96.3	91.0	94.8	97.7	91.7	97.2	100.7	99.2	91.0	95.2	91.9	91.9	98.4	97.6	......	93.3
1962	94.8	98.0	91.9	94.8	98.6	92.7	96.7	99.1	96.3	91.6	96.3	91.2	92.0	97.7	97.6	......	93.7
1963	94.5	96.0	92.5	94.7	98.5	90.0	96.3	97.9	96.8	93.5	95.6	91.3	92.2	97.0	97.1	......	94.5
1964	94.7	94.6	92.3	95.2	99.2	90.3	93.7	98.3	95.5	95.4	95.4	93.8	92.8	97.4	97.3	......	95.2
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
1971—Aug.	114.9	113.2	115.4	115.1	109.7	114.4	114.8	104.3	109.8	134.6	110.6	121.1	116.1	110.2	124.2	110.5	113.0
Sept.	114.5	110.5	114.6	115.0	109.7	114.7	115.3	104.3	109.7	134.3	110.6	121.1	116.0	110.2	124.2	109.6	113.0
Oct.	114.4	111.3	114.1	115.0	109.6	114.7	114.8	104.2	109.5	131.8	110.6	121.0	116.0	110.2	124.1	110.7	113.0
Nov.	114.5	112.2	114.4	114.9	109.8	115.1	114.7	103.8	109.5	131.3	110.6	120.9	115.9	110.2	124.0	110.8	113.1
Dec.	115.4	115.8	115.9	115.3	110.6	116.2	115.0	103.4	109.4	132.7	110.7	120.8	116.2	110.2	124.2	112.9	113.2
1972—Jan.	116.3	117.8	117.2	115.9	111.3	117.8	116.0	103.4	109.5	134.9	110.8	121.4	116.5	110.2	124.3	113.4	113.7
Feb.	117.3	120.7	118.8	116.5	112.0	119.1	116.1	103.5	109.2	137.7	111.6	122.6	117.1	110.8	124.6	113.6	114.0
Mar.	117.4	119.7	118.6	116.9	112.1	123.0	116.5	103.4	108.9	139.5	112.3	123.4	117.3	110.9	124.8	113.8	114.2
Apr.	117.5	119.1	117.7	117.3	112.6	127.2	116.9	104.1	108.7	141.1	112.8	123.5	117.6	111.0	125.6	113.7	114.1
May	118.2	122.2	118.6	117.6	113.3	129.5	117.5	104.4	108.8	142.7	113.2	123.6	117.9	111.1	125.9	113.8	114.1
June	118.8	124.0	119.6	117.9	113.6	130.9	118.2	104.3	108.9	144.2	113.5	123.6	118.1	111.2	125.8	114.2	114.2
July	119.7	128.0	121.5	118.1	114.0	131.6	118.6	104.2	109.2	146.1	113.7	123.5	118.3	111.4	126.2	114.1	114.9
Aug.	119.9	128.2	121.0	118.5	114.1	134.6	119.7	104.4	109.5	148.1	114.1	123.7	118.3	111.7	126.7	114.2	115.1

[1] For transportation equipment, Dec. 1968=100.

WHOLESALE PRICES: DETAIL

(1967 = 100)

Group	1971 Aug.	1972 June	1972 July	1972 Aug.
Farm products:				
Fresh and dried produce	115.9	121.7	129.9	138.9
Grains	92.8	94.5	96.3	99.8
Livestock	121.3	146.4	152.4	148.1
Live poultry	100.8	102.9	118.4	106.8
Plant and animal fibers	93.4	127.3	125.4	120.6
Fluid milk	119.3	121.7	122.0	122.0
Eggs	110.1	91.9	102.2	99.3
Hay and seeds	114.3	116.9	116.8	115.9
Other farm products	113.9	119.9	121.8	134.6
Processed foods and feeds:				
Cereal and bakery products	111.4	113.3	113.6	115.3
Meat, poultry, and fish	117.7	131.4	135.8	132.3
Dairy products	115.4	115.3	117.7	118.6
Processed fruits and vegetables	116.2	119.5	119.6	120.2
Sugar and confectionery	120.5	121.3	122.2	121.3
Beverages and beverage materials	116.1	117.8	117.9	118.9
Animal fats and oils	144.0	125.8	124.1	124.0
Crude vegetable oils	147.5	112.0	106.9	104.1
Refined vegetable oils	140.7	119.1	115.8	107.5
Vegetable oil end products	124.6	121.5	121.4	121.5
Miscellaneous processed foods	113.8	114.4	114.4	113.9
Manufactured animal feeds	104.7	107.7	110.9	111.7
Textile products and apparel:				
Cotton products	112.5	122.6	123.0	122.8
Wool products	92.7	99.2	100.0	101.1
Manmade fiber textile products	103.1	108.6	108.9	108.7
Apparel	113.6	114.4	115.1	115.1
Textile housefurnishings	104.8	109.5	109.5	109.9
Miscellaneous textile products	117.2	125.8	122.6	121.4
Hides, skins, leather, and products:				
Hides and skins	114.6	204.1	212.5	243.0
Leather	114.4	138.6	138.1	140.6
Footwear	117.1	125.8	126.5	126.5
Other leather products	108.2	116.7	116.5	118.7
Fuels and related products, and power:				
Coal	182.9	191.2	191.2	191.5
Coke	150.5	155.3	155.3	155.3
Gas fuels	107.2	112.9	113.2	114.3
Electric power	115.3	121.5	122.1	122.1
Crude petroleum	113.2	113.2	113.2	114.7
Petroleum products, refined	107.3	108.5	109.1	110.7
Chemicals and allied products:				
Industrial chemicals	102.4	101.4	101.5	101.3
Prepared paint	115.9	118.3	118.3	118.3
Paint materials	99.8	103.9	104.2	105.2
Drugs and pharmaceuticals	102.7	103.1	103.2	103.3
Fats and oils, inedible	134.2	115.9	113.2	121.4
Agricultural chemicals and products	91.0	92.3	91.9	92.0
Plastic resins and materials	89.0	87.9	87.9	88.2
Other chemicals and products	112.4	113.8	113.3	113.5
Rubber and plastic products:				
Rubber and rubber products	113.7	113.3	113.8	114.3
Crude rubber	99.6	98.6	98.8	98.7
Tires and tubes	111.4	108.7	109.5	109.7
Miscellaneous rubber products	119.3	120.8	121.3	122.1
Plastic construction products (Dec. 1969 = 100)	94.1	93.5	93.3	93.3
Unsupported plastic film and sheeting (Dec. 1970 = 100)	100.1	98.1	98.2	98.3
Laminated sheets, high pressure (Dec. 1970 = 100)	98.6	97.9	98.3	97.9
Lumber and wood products:				
Lumber	146.7	159.0	161.6	164.1
Millwork	123.8	128.4	129.6	130.0
Plywood	120.5	131.7	132.9	135.9
Other wood products	118.9	123.4	125.6	126.8

Group	1971 Aug.	1972 June	1972 July	1972 Aug.
Pulp, paper, and allied products:				
Pulp, paper and products, excluding building paper and board	110.8	113.8	114.0	114.4
Woodpulp	112.4	111.5	111.5	111.5
Wastepaper	112.8	137.7	137.7	138.9
Paper	114.7	116.2	116.7	116.7
Paperboard	102.8	106.0	106.0	106.0
Converted paper and paperboard	110.1	113.5	113.7	114.3
Building paper and board	104.3	106.6	106.8	107.2
Metals and metal products:				
Iron and steel	125.3	128.1	128.3	128.6
Steelmill products	128.1	130.4	130.3	130.2
Nonferrous metals	117.1	117.6	116.8	116.8
Metal containers	124.2	128.8	129.9	130.9
Hardware	117.7	120.4	120.5	120.7
Plumbing equipment	118.3	119.7	119.7	120.2
Heating equipment	116.8	118.6	119.0	119.2
Fabricated structural metal products	119.6	122.2	122.2	122.5
Miscellaneous metal products	119.8	124.4	124.2	124.7
Machinery and equipment:				
Agricultural machinery and equip.	117.5	122.7	122.7	122.8
Construction machinery and equip.	121.9	125.9	125.9	126.1
Metalworking machinery and equip.	118.1	120.2	120.5	120.8
General purpose machinery and equipment	120.3	122.7	122.9	123.0
Special industry machinery and equipment	121.6	123.7	123.9	124.0
Electrical machinery and equip.	109.9	110.6	110.7	110.6
Miscellaneous machinery	118.0	120.7	120.8	120.8
Furniture and household durables:				
Household furniture	115.5	117.2	117.4	117.8
Commercial furniture	118.2	119.5	119.8	119.8
Floor coverings	97.6	98.6	98.8	98.8
Household appliances	107.4	107.1	107.3	107.7
Home electronic equipment	94.0	92.6	92.4	92.4
Other household durable goods	122.1	125.4	126.4	126.8
Nonmetallic mineral products:				
Flat glass	124.3	121.1	121.8	122.8
Concrete ingredients	124.0	126.8	126.9	128.1
Concrete products	122.8	125.3	126.0	126.1
Structural clay products excluding refractories	114.9	117.4	117.5	117.5
Refractories	126.9	127.1	127.1	129.6
Asphalt roofing	131.2	131.2	131.2	131.2
Gypsum products	114.3	113.9	115.7	116.1
Glass containers	131.5	136.2	136.4	136.4
Other nonmetallic minerals	125.7	127.4	127.1	127.1
Transportation equipment:				
Motor vehicles and equipment	114.9	118.5	118.4	118.5
Railroad equipment	122.5	129.6	130.2	130.2
Miscellaneous products:				
Toys, sporting goods, small arms, ammunition	112.6	114.4	114.5	114.5
Tobacco products	116.8	117.5	117.5	117.5
Notions	111.7	111.7	111.7	111.7
Photographic equipment and supplies	106.3	106.2	106.3	107.0
Other miscellaneous products	112.9	115.2	117.4	117.6

NOTE.—Bureau of Labor Statistics indexes.

GROSS NATIONAL PRODUCT

(In billions of dollars)

Item	1929	1933	1941	1950	1967	1968	1969	1970	1971	1971			1972	
										II	III	IV	I	II
Gross national product	103.1	55.6	124.5	284.8	793.9	864.2	930.3	976.4	1050.4	1043.0	1056.9	1,078.1	1,109.1	1,139.4
Final purchases	101.4	57.2	120.1	278.0	785.7	857.1	922.5	971.5	1046.7	1036.4	1055.6	1,076.4	1,108.6	1,134.4
Personal consumption expenditures	77.2	45.8	80.6	191.0	492.1	536.2	579.5	616.8	664.9	660.4	670.7	680.5	696.1	713.4
Durable goods	9.2	3.5	9.6	30.5	73.1	84.0	90.8	90.5	103.5	101.9	106.1	106.1	111.0	113.9
Nondurable goods	37.7	22.3	42.9	98.1	215.0	230.8	245.9	264.4	278.1	277.2	278.5	283.4	288.3	297.2
Services	30.3	20.1	28.1	62.4	204.0	221.3	242.7	261.8	283.3	281.3	286.1	290.9	296.7	302.4
Gross private domestic investment	16.2	1.4	17.9	54.1	116.6	126.0	139.0	137.1	152.0	153.0	152.2	158.8	168.1	177.0
Fixed investment	14.5	3.0	13.4	47.3	108.4	118.9	131.1	132.2	148.3	146.4	150.9	157.2	167.7	172.0
Nonresidential	10.6	2.4	9.5	27.9	83.3	88.8	98.5	100.9	105.8	105.0	106.3	109.8	116.1	119.2
Structures	5.0	.9	2.9	9.2	28.0	30.3	34.2	36.0	38.4	38.3	38.7	38.8	41.3	42.0
Producers' durable equipment	5.6	1.5	6.6	18.7	55.3	58.5	64.3	64.9	67.4	66.7	67.6	71.0	74.8	77.2
Residential structures	4.0	.6	3.9	19.4	25.1	30.1	32.6	31.2	42.6	41.4	44.5	47.3	51.6	52.8
Nonfarm	3.8	.5	3.7	18.6	24.5	29.5	32.0	30.7	42.0	40.9	43.9	46.7	51.0	52.1
Change in business inventories	1.7	−1.6	4.5	6.8	8.2	7.1	7.8	4.9	3.6	6.6	1.3	1.7	.4	5.0
Nonfarm	1.8	−1.4	4.0	6.0	7.5	6.9	7.7	4.8	2.4	5.1	−.2	.8	.1	4.3
Net exports of goods and services	1.1	.4	1.3	1.8	5.2	2.5	1.9	3.6	.7	.1	.4	−2.1	−4.6	−5.2
Exports	7.0	2.4	5.9	13.8	46.2	50.6	55.5	62.9	66.1	66.7	68.5	63.0	70.7	70.0
Imports	5.9	2.0	4.6	12.0	41.0	48.1	53.6	59.3	65.4	66.6	68.2	65.1	75.3	75.2
Government purchases of goods and services	8.5	8.0	24.8	37.9	180.1	199.6	210.0	219.0	232.8	229.5	233.6	240.9	249.4	254.1
Federal	1.3	2.0	16.9	18.4	90.7	98.8	98.8	96.5	97.8	96.3	97.9	100.7	105.7	108.1
National defense	.....	.....	13.8	14.1	72.4	78.3	78.4	75.1	71.4	71.2	70.1	71.9	76.7	78.6
Other	.....	.....	3.1	4.3	18.4	20.5	20.4	21.5	26.3	25.0	27.8	28.7	28.9	29.6
State and local	7.2	6.0	7.9	19.5	89.4	100.8	111.2	122.5	135.0	133.3	135.7	140.2	143.7	146.0
Gross national product in constant (1958) dollars	203.6	141.5	263.7	355.3	675.2	706.6	725.6	722.1	741.7	737.9	742.5	754.5	766.5	783.9

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*, July 1968, July 1969, July 1970, July 1971, July 1972, and Supplement, Aug. 1966.

NATIONAL INCOME

(In billions of dollars)

Item	1929	1933	1941	1950	1967	1968	1969	1970	1971	1971			1972	
										II	III	IV	I	II^p
National income	86.8	40.3	104.2	241.1	653.6	711.1	766.0	798.6	855.7	851.4	860.8	876.2	903.1	923.6
Compensation of employees	51.1	29.5	64.8	154.6	467.2	514.6	566.0	603.8	644.1	639.6	648.0	660.4	682.7	697.8
Wages and salaries	50.4	29.0	62.1	146.8	423.1	464.9	509.7	541.9	573.5	569.6	576.5	587.3	606.6	620.0
Private	45.5	23.9	51.9	124.4	337.3	369.2	405.6	426.8	449.7	447.0	451.6	460.9	475.8	487.1
Military	.3	.3	1.9	5.0	16.2	17.9	19.0	19.6	19.4	19.4	18.8	19.4	20.8	20.5
Government civilian	4.6	4.9	8.3	17.4	69.5	77.8	85.1	95.5	104.4	103.3	106.0	107.0	110.0	112.4
Supplements to wages and salaries	.7	.5	2.7	7.8	44.2	49.7	56.3	61.9	70.7	70.0	71.5	73.0	76.1	77.8
Employer contributions for social insurance	.1	.1	2.0	4.0	21.9	24.3	27.8	29.7	34.1	33.8	34.3	35.0	37.3	38.0
Other labor income	.6	.4	.7	3.8	22.3	25.4	28.4	32.1	36.5	36.1	37.2	38.0	38.8	39.8
Proprietors' income	15.1	5.9	17.5	37.5	62.1	64.2	67.2	66.8	70.0	69.3	70.7	71.8	73.3	73.2
Business and professional	9.0	3.3	11.1	24.0	47.3	49.5	50.5	49.9	52.6	52.4	53.1	53.8	54.3	54.4
Farm	6.2	2.6	6.4	13.5	14.8	14.7	16.7	16.9	17.3	16.9	17.6	18.1	19.1	18.7
Rental income of persons	5.4	2.0	3.5	9.4	21.1	21.2	22.6	23.3	24.5	24.4	24.8	25.0	25.2	24.2
Corporate profits and inventory valuation adjustment	10.5	−1.2	15.2	37.7	78.7	84.3	79.8	69.9	78.6	80.1	78.3	79.4	81.8	87.6
Profits before tax	10.0	1.0	17.7	42.6	79.8	87.6	84.9	74.3	83.3	84.5	84.1	83.2	88.2	93.1
Profits tax liability	1.4	.5	7.6	17.8	33.2	39.9	40.1	34.1	37.3	38.6	37.5	35.3	38.8	40.7
Profits after tax	8.6	.4	10.1	24.9	46.6	47.8	44.8	40.2	45.9	45.8	46.6	48.0	49.5	52.4
Dividends	5.8	2.0	4.4	8.8	21.4	23.6	24.3	24.8	25.4	25.4	25.5	25.2	26.0	26.2
Undistributed profits	2.8	−1.6	5.7	16.0	25.3	24.2	20.5	15.4	20.5	20.4	21.0	22.7	23.5	26.2
Inventory valuation adjustment	.5	−2.1	−2.5	−5.0	−1.1	−3.3	−5.1	−4.4	−4.7	−4.4	−5.8	−3.9	−6.5	−5.5
Net interest	4.7	4.1	3.2	2.0	24.4	26.9	30.5	34.8	38.5	38.1	39.1	39.7	40.1	40.9

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	1929	1933	1941	1950	1967	1968	1969	1970	1971	1971			1972	
										II	III	IV	I	II^{p}
Gross national product	103.1	55.6	124.5	284.8	793.9	864.2	930.3	976.4	1050.4	1043.0	1056.9	1,078.1	1,109.1	1,139.4
Less: *Capital consumption allowances*	7.9	7.0	8.2	18.3	68.9	74.5	81.6	86.3	93.8	92.4	95.0	97.4	99.7	105.3
Indirect business tax and nontax liability	7.0	7.1	11.3	23.3	70.4	78.6	85.9	93.4	101.9	100.3	102.6	105.6	106.7	108.7
Business transfer payments	.6	.7	.5	.8	3.1	3.4	3.8	4.2	4.6	4.6	4.7	4.7	4.8	4.9
Statistical discrepancy	.7	.6	.4	1.5	−.7	−2.7	−6.1	−4.7	−4.8	−4.9	−5.9	−5.2	−4.1	−1.6
Plus: Subsidies less current surplus of government enterprises	−.1	.....	.1	.2	1.4	.7	1.0	1.5	.9	.8	.3	.7	1.2	1.6
Equals: National income	86.8	40.3	104.2	241.1	653.6	711.1	766.0	798.6	855.7	851.4	860.8	876.2	903.1	923.6
Less: Corporate profits and inventory valuation adjustment	10.5	−1.2	15.2	37.7	78.7	84.3	79.8	69.9	78.6	80.1	78.3	79.4	81.8	87.6
Contributions for social insurance	.2	.3	2.8	6.9	42.4	47.1	54.2	57.7	65.3	64.8	65.7	66.9	71.9	73.1
Excess of wage accruals over disbursements	.....	.....	.....	.....	.....	.....	.....	.....	.6	.2	.6	1.4	−1.4	−.5
Plus: Government transfer payments	.9	1.5	2.6	14.3	48.7	56.1	61.9	75.2	89.0	90.7	90.3	92.1	94.4	95.7
Net interest paid by government and consumers	2.5	1.6	2.2	7.2	23.6	26.1	28.7	31.0	31.1	31.0	31.1	30.9	30.9	31.8
Dividends	5.8	2.0	4.4	8.8	21.4	23.6	24.3	24.8	25.4	25.4	25.5	25.2	26.0	26.2
Business transfer payments	.6	.7	.5	.8	3.1	3.4	3.8	4.2	4.6	4.6	4.7	4.7	4.8	4.9
Equals: Personal income	85.9	47.0	96.0	227.6	629.3	688.9	750.9	806.3	861.4	858.1	867.9	881.5	907.0	922.1
Less: Personal tax and nontax payments	2.6	1.5	3.3	20.7	83.0	97.9	116.5	116.7	117.0	115.2	117.5	123.0	136.5	139.5
Equals: Disposable personal income	83.3	45.5	92.7	206.9	546.3	591.0	634.4	689.5	744.4	742.9	750.4	758.5	770.5	782.6
Less: Personal outlays	79.1	46.5	81.7	193.9	506.0	551.2	596.2	634.7	683.4	678.8	689.4	699.2	714.9	732.5
Personal consumption expenditures	77.2	45.8	80.6	191.0	492.1	536.2	579.5	616.8	664.9	660.4	670.7	680.5	696.1	713.4
Consumer interest payments	1.5	.5	.9	2.4	13.2	14.3	15.8	16.9	17.6	17.5	17.6	17.7	17.8	18.0
Personal transfer payments to foreigners	.3	.2	.2	.5	.7	.8	.9	1.0	1.0	.9	1.1	1.1	1.0	1.1
Equals: Personal saving	4.2	−.9	11.0	13.1	40.4	39.8	38.2	54.9	60.9	64.1	61.0	59.3	55.7	50.1
Disposable personal income in constant (1958) dollars	150.6	112.2	190.3	249.6	477.5	499.0	513.6	533.2	554.7	554.6	556.5	560.9	565.7	571.4

NOTE.—Dept. of Commerce estimates. Quarterly data are seasonally adjusted totals at annual rates. See also NOTE to table opposite.

PERSONAL INCOME

(In billions of dollars)

Item	1970	1971	1971						1972						
			July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July^{p}
Total personal income	806.3	861.4	862.4	869.1	872.2	874.8	879.4	890.4	898.9	908.5	913.6	919.4	924.0	922.9	934.2
Wage and salary disbursements	541.9	572.9	572.5	577.2	577.9	579.9	583.4	594.3	602.6	609.0	612.4	617.6	619.9	624.0	626.4
Commodity-producing industries	201.0	206.1	205.5	205.5	206.9	207.9	208.8	213.1	214.8	217.7	220.1	221.7	222.5	223.5	222.7
Manufacturing only	*158.3*	*160.3*	*160.0*	*159.5*	*160.4*	*161.3*	*161.7*	*165.1*	*165.8*	*169.3*	*171.3*	*173.3*	*173.8*	*175.0*	*174.8*
Distributive industries	129.2	138.2	137.7	139.3	140.2	140.4	140.8	143.8	145.5	148.1	148.0	149.4	149.4	151.4	152.3
Service industries	96.7	105.0	105.7	106.3	106.8	107.5	108.2	109.4	111.2	111.6	112.8	113.9	114.7	115.5	117.2
Government	115.1	123.5	123.6	126.1	124.0	124.0	125.5	128.0	131.2	131.7	131.5	132.5	133.2	133.6	134.3
Other labor income	32.1	36.5	36.9	37.2	37.5	37.8	38.0	38.3	38.5	38.8	39.1	39.5	39.8	40.1	40.5
Proprietors' income	66.8	69.9	70.0	70.7	71.3	71.6	71.9	72.0	72.6	73.2	74.2	74.0	74.0	71.6	74.3
Business and professional	49.9	52.6	52.8	53.1	53.4	53.6	53.8	53.9	54.0	54.1	54.7	54.9	55.3	53.2	55.7
Farm	16.9	17.3	17.2	17.6	17.9	18.0	18.1	18.1	18.6	19.1	19.5	19.1	18.7	18.4	18.6
Rental income	23.3	24.5	24.7	24.9	24.9	24.9	25.0	25.1	25.1	25.2	25.3	25.5	25.6	21.5	25.8
Dividends	24.8	25.4	25.5	25.6	25.5	25.5	25.5	24.6	26.0	26.1	26.0	26.1	26.3	26.3	26.4
Personal interest income	65.8	69.6	69.8	70.2	70.5	70.5	70.6	70.7	70.8	71.0	71.3	72.0	72.7	73.4	73.8
Transfer payments	79.5	93.6	94.2	94.7	96.1	96.2	96.8	97.6	97.6	100.0	100.1	99.7	100.9	101.3	102.4
Less: Personal contributions for social insurance	28.0	31.2	31.2	31.4	31.5	31.6	31.8	32.3	34.3	34.7	34.8	35.0	35.1	35.3	35.5
Nonagricultural income	782.8	837.2	838.4	844.7	847.6	850.0	854.5	865.0	873.4	882.4	887.1	893.4	898.3	897.5	908.6
Agricultural income	23.5	24.2	24.0	24.4	24.6	24.8	24.9	25.4	25.6	26.0	26.5	26.0	25.8	25.4	25.5

NOTE.—Dept. of Commerce estimates. Monthly data are seasonally adjusted totals at annual rates. See also NOTE to table opposite.

SUMMARY OF FUNDS RAISED AND ADVANCED IN U.S. CREDIT MARKETS

(Seasonally adjusted annual rates; in billions of dollars)

	Transaction category, or sector	1965	1966	1967	1968	1969	1970	1971	1969 H1	1969 H2	1970 H1	1970 H2	1971 H1	1971 H2	1972 Q1	
	Funds raised, by type and sector															
1	**Total funds raised by nonfinancial sectors**	70.4	68.7	83.4	97.8	91.7	101.6	156.3	92.1	91.0	93.8	109.7	142.9	168.9	138.6	1
2	U.S. Government	1.8	3.6	13.0	13.4	−3.6	12.8	25.5	−6.4	−.6	8.2	17.4	22.3	28.6	5.3	2
3	Public debt securities	1.3	2.3	8.9	10.3	−1.3	12.9	26.0	−5.9	3.6	9.5	16.3	23.8	28.1	3.1	3
4	Budget agency issues	.5	1.3	4.1	3.1	−2.4	−.1	−.5	−.5	−1.3	−4.2	1.1	−1.6	.5	2.2	4
5	***All other nonfinancial sectors***	68.6	65.0	70.4	84.4	95.3	88.8	130.8	98.5	91.5	85.6	92.3	120.6	140.3	133.3	5
6	Corporate equity shares	.3	.9	2.4	−.7	4.8	6.8	13.5	1.9	7.6	6.0	7.6	12.7	14.2	10.4	6
7	Debt instruments	68.3	64.1	68.0	85.1	90.6	81.9	117.4	96.6	83.9	79.6	84.7	108.0	126.1	122.9	7
8	Debt capital instruments	38.8	39.0	46.2	51.3	49.0	60.8	87.5	51.8	46.2	52.5	69.2	84.5	90.5	77.7	8
9	State and local govt. secs.	7.3	5.7	8.3	10.1	7.9	13.8	20.2	8.5	7.4	11.8	15.9	22.0	18.4	16.7	9
10	Corporate and fgn. bonds	5.9	11.0	15.9	14.0	13.1	21.1	20.3	14.0	12.2	18.0	24.3	23.2	17.4	11.6	10
11	Mortgages	25.6	22.3	22.0	27.3	27.9	25.8	47.0	29.3	26.5	22.7	29.0	39.3	54.6	49.4	11
12	*Home mortgages*	*15.4*	*11.4*	*11.6*	*15.2*	*15.7*	*12.8*	*26.1*	*16.8*	*14.6*	*11.2*	*14.4*	*20.4*	*31.8*	*27.2*	12
13	*Other residential*	*3.6*	*3.1*	*3.6*	*3.5*	*4.8*	*5.9*	*8.8*	*4.6*	*5.1*	*5.2*	*6.6*	*8.6*	*9.0*	*8.5*	13
14	*Commercial*	*4.4*	*5.7*	*4.7*	*6.6*	*5.5*	*5.4*	*10.1*	*5.7*	*5.3*	*4.8*	*6.0*	*8.6*	*11.6*	*11.5*	14
15	*Farm*	*2.2*	*2.1*	*2.1*	*2.1*	*1.9*	*1.8*	*2.0*	*2.3*	*1.6*	*1.5*	*2.1*	*1.8*	*2.3*	*2.2*	15
16	Other private credit	29.5	25.1	21.8	33.8	41.6	21.1	29.9	44.8	37.8	27.1	15.5	23.4	35.6	45.2	16
17	Bank loans n.e.c.	14.1	10.4	9.9	13.8	16.8	5.0	13.0	19.4	14.2	9.0	1.1	7.9	18.0	19.7	17
18	Consumer credit	10.0	7.2	4.6	11.1	9.3	4.3	10.4	10.0	7.9	5.5	3.4	6.5	13.5	13.9	18
19	Open market paper	−.3	1.0	2.1	1.6	3.3	3.8	−.4	4.6	2.1	3.7	3.8	−.4	−.4	2.9	19
20	Other	5.7	6.4	5.2	7.3	12.2	8.0	6.9	10.8	13.6	8.8	7.3	9.4	4.5	8.6	20
21	***By borrowing sector***	68.6	65.0	70.4	84.4	95.3	88.8	130.8	98.5	91.5	85.6	92.3	120.6	140.3	133.3	21
22	Foreign	2.5	1.3	4.0	3.1	3.3	3.0	5.6	4.7	2.0	2.3	3.8	5.5	5.8	2.9	22
23	State and local governments	7.6	6.4	8.5	10.4	8.7	13.9	20.6	8.9	8.5	11.4	16.4	22.1	19.1	17.8	23
24	Households	28.8	23.2	19.7	31.9	32.6	22.3	41.6	34.2	30.3	22.0	22.9	31.5	51.0	47.4	24
25	Nonfinancial business	29.6	34.1	38.1	39.1	50.8	49.5	63.0	50.8	50.7	49.9	49.2	61.6	64.4	65.2	25
26	*Corporate*	*20.6*	*25.2*	*29.7*	*30.7*	*40.2*	*39.8*	*48.6*	*39.8*	*40.6*	*41.1*	*38.5*	*47.0*	*50.1*	*49.5*	26
27	*Nonfarm noncorporate*	*5.7*	*5.5*	*5.0*	*5.7*	*7.4*	*6.4*	*10.3*	*7.6*	*7.2*	*5.6*	*7.4*	*11.0*	*9.7*	*11.4*	27
28	*Farm*	*3.3*	*3.5*	*3.5*	*2.7*	*3.2*	*3.2*	*4.1*	*3.4*	*3.0*	*3.2*	*3.3*	*3.6*	*4.6*	*4.2*	28
	Private net investment and borrowing in credit markets															
	Total, households and business															
1	***Total capital outlays***[1]	173.6	191.2	188.7	208.7	227.1	225.5	252.9	224.2	229.9	224.3	226.7	247.0	258.8	276.1	1
2	Capital consumption[2]	110.3	118.5	128.4	140.4	154.4	164.9	178.5	151.0	157.7	162.5	167.3	174.5	182.6	188.7	2
3	Net physical investment	63.3	72.7	60.3	68.3	72.7	60.6	74.3	73.2	72.2	61.8	59.4	72.5	76.1	87.4	3
4	Net funds raised	58.5	57.3	57.9	71.0	83.3	71.8	104.6	84.9	81.1	71.9	72.1	93.1	115.4	112.6	4
5	Excess net investment[3]	4.9	15.4	2.4	−2.7	−10.6	−11.2	−30.3	−11.7	−8.9	−10.1	−12.7	−20.5	−39.2	−25.2	5
	Total business															
6	***Total capital outlays***	84.1	97.0	94.0	99.0	109.3	110.1	118.0	106.1	112.4	108.4	111.9	116.9	119.0	129.4	6
7	Capital consumption	50.5	54.2	58.5	63.2	69.5	73.6	80.0	67.9	71.1	72.9	74.2	77.8	82.3	85.5	7
8	Net physical investment	33.6	42.8	35.6	35.8	39.7	36.6	37.9	38.1	41.3	35.5	37.6	39.2	36.7	43.9	8
9	Net debt funds raised	29.6	33.0	35.8	40.0	46.5	42.7	49.6	49.5	43.4	43.7	41.9	49.2	49.9	54.6	9
10	Corporate equity issues	*	1.2	2.3	−.8	4.3	6.8	13.4	1.2	7.4	6.3	7.3	12.3	14.5	10.5	10
11	Excess net investment[3]	4.0	8.7	−2.5	−3.3	−11.1	−12.9	−25.1	−12.6	−9.5	−14.4	−11.6	−22.4	−27.7	−21.3	11
	Corporate business															
12	***Total capital outlays***	62.8	77.1	72.0	76.2	84.0	84.6	85.2	81.5	86.5	83.0	86.3	85.0	85.5	94.0	12
13	Capital consumption	35.2	38.2	41.5	45.1	49.9	52.7	57.3	48.7	51.1	52.3	53.1	55.6	59.0	61.5	13
14	Net physical investment	27.5	38.9	30.5	31.1	34.2	31.9	27.9	32.9	35.4	30.7	33.1	29.4	26.4	32.5	14
15	Net debt funds raised	20.6	24.0	27.4	31.6	35.9	33.0	35.1	38.6	33.2	34.9	31.2	34.7	35.6	39.0	15
16	Corporate equity issues	*	1.2	2.3	−.8	4.3	6.8	13.4	1.2	7.4	6.3	7.3	12.3	14.5	10.5	16
17	Excess net investment[3]	6.9	13.7	.8	.3	−6.0	−7.9	−20.7	−6.9	−5.1	−10.4	−5.3	−17.6	−23.7	−17.0	17
	Households															
18	***Total capital outlays***	89.6	94.2	94.6	109.7	117.8	115.3	134.9	118.1	117.5	115.9	114.8	130.1	139.8	146.7	18
19	Capital consumption	59.9	64.3	69.9	77.2	84.8	91.3	98.5	83.1	86.6	89.6	93.0	96.7	100.3	103.2	19
20	Net physical investment	29.7	29.9	24.7	32.5	33.0	24.0	36.4	35.1	30.9	26.3	21.7	33.4	39.4	43.5	20
21	Net funds raised	28.8	23.2	19.7	31.9	32.6	22.3	41.6	34.2	30.3	22.0	22.9	31.5	51.0	47.4	21
22	Excess net investment[3]	.9	6.7	5.0	.6	.5	1.7	−5.2	.9	.6	4.3	−1.2	1.9	−11.5	−3.9	22
	Of which:															
23	Houses less home mortgages	−3.3	−.8	−1.3	−2.1	−2.9	−1.9	−8.1	−2.8	−3.1	−1.0	−2.8	−4.2	−11.9	−4.4	23
24	Durables less cons. credit	4.7	7.9	7.8	5.6	7.0	5.5	5.7	7.7	6.9	6.4	4.4	8.7	3.5	5.4	24
25	Nonprofit P&E less mortgages	1.8	2.0	1.9	1.9	2.2	2.2	2.3	2.0	2.4	2.3	2.1	2.3	2.4	2.6	25
26	Less: Unallocated debt	2.4	2.4	3.5	4.8	5.8	4.1	5.2	6.0	5.6	3.3	4.9	4.9	5.6	7.5	26

[1] Capital outlays are totals for residential and nonresidential fixed capital, net change in inventories, and consumer durables, except outlays by financial business.

[2] Capital consumption includes amounts for consumer durables and excludes financial business capital consumption.

[3] Excess of net investment over net funds raised.

NOTE.—Capital outlays and capital consumption allowances reflect 1969–72 revisions published in the July 1972 issue of *Survey of Current Business*.

Funds raised by type and sector. Credit flows included here are the net amounts raised by households, nonfinancial business, governments, and foreigners. All funds raised by financial sectors are excluded. U.S. Government budget issues (line 4) are loan participation certificates issued by CCC, Export-Import Bank, FNMA, and GNMA, together with security issues by FHA, Export-Import Bank, and TVA. Issues by federally sponsored credit agencies are excluded as borrowing by financial institutions. Such issues are in U.S. Government securities on p. A-73, line 11. Corporate share issues are net cash issues by nonfinancial and foreign corporations. Mortgages exclude loans in process. Open market paper is commercial paper issued by nonfinancial corporations plus bankers' acceptances.

DIRECT AND INDIRECT SOURCES OF FUNDS TO CREDIT MARKETS

(Seasonally adjusted annual rates; in billions of dollars)

	Transaction category, or sector	1965	1966	1967	1968	1969	1970	1971	1969 H1	1969 H2	1970 H1	1970 H2	1971 H1	1971 H2	1972 Q1	
1	**Total funds advanced in credit markets to nonfinancial sectors**	**70.1**	**67.7**	**81.0**	**98.5**	**86.9**	**94.7**	**142.9**	**90.2**	**83.3**	**87.8**	**102.1**	**130.2**	**154.7**	**128.2**	1
	By public agencies and foreign															
2	**Total net advances**	8.9	11.9	11.3	12.2	15.8	28.0	41.2	9.9	22.3	25.3	30.6	37.7	44.8	27.2	2
3	U.S. Government securities	3.7	3.4	6.8	3.4	.9	15.7	33.4	−2.7	4.5	10.5	21.0	32.4	34.4	20.4	3
4	Residential mortgages	.4	2.8	2.1	2.8	4.6	5.7	5.7	3.0	6.3	6.3	5.2	4.2	7.1	5.9	4
5	FHLB advances to S&L's	.7	.9	−2.5	.9	4.0	1.3	−2.7	3.1	5.0	2.8	−.1	−5.8	.5	−6.0	5
6	Other loans and securities	4.1	4.8	4.9	5.1	6.3	5.2	4.8	6.6	6.6	5.7	4.6	6.9	2.8	6.9	6
	By agency—															
7	U.S. Government	2.8	4.9	4.6	4.9	2.9	2.8	3.2	2.7	3.7	3.1	2.6	4.4	1.9	2.2	7
8	Sponsored credit agencies	2.2	5.1	−.1	3.2	9.0	9.9	2.8	6.2	11.8	11.1	8.7	−1.8	7.4	7.3	8
9	Federal Reserve	3.8	3.5	4.8	3.7	4.2	5.0	8.8	3.7	4.8	2.8	7.2	8.4	9.3	3.8	9
10	Foreign	.1	−1.6	2.0	.3	−.3	10.3	26.4	−2.6	2.0	8.3	12.2	26.7	26.1	13.9	10
11	Agency borrowing not in line 1	2.1	4.8	−.6	3.5	8.8	8.7	3.9	7.1	11.0	10.8	6.6	.3	7.4	6.0	11
	Private domestic funds advanced															
12	**Total net advances**	63.3	60.6	69.1	89.8	79.9	75.5	105.5	87.3	72.0	73.3	78.0	92.8	117.3	106.9	12
13	U.S. Government securities	*	5.4	5.7	13.3	4.6	5.8	−4.0	3.5	6.1	8.6	3.1	−9.9	1.8	−8.7	13
14	Municipal securities	7.3	5.7	8.3	10.1	7.9	13.8	20.2	8.5	7.4	11.8	15.9	22.0	18.4	16.7	14
15	Corporate and foreign bonds	6.0	10.3	16.0	13.8	12.6	20.5	20.0	13.4	11.8	17.1	23.8	23.0	17.1	11.3	15
16	Residential mortgages	18.6	11.6	13.1	15.8	15.8	12.9	29.2	18.3	13.3	10.0	15.7	24.7	33.6	29.6	16
17	Other mortgages and loans	32.1	28.5	23.5	37.8	43.0	23.8	37.4	46.8	38.5	28.6	19.4	27.2	46.8	52.0	17
18	Less: FHLB advances	.7	.9	−2.5	.9	4.0	1.3	−2.7	3.1	5.0	2.8	−.1	−5.8	.5	−6.0	18
	Private financial intermediation															
19	*Credit market funds advanced by private financial institutions*	*62.5*	*44.7*	*62.8*	*75.0*	*54.0*	*70.2*	*105.8*	*64.1*	*43.7*	*54.3*	*86.1*	*105.9*	*105.3*	*120.9*	19
20	Commercial banking	29.1	17.0	35.9	39.0	18.9	31.6	49.8	23.1	14.7	21.6	41.5	49.4	50.0	55.2	20
21	Savings institutions	14.3	7.9	15.0	15.6	14.2	16.6	41.6	17.8	10.6	11.7	21.5	45.4	37.8	49.8	21
22	Insurance and pension funds	13.6	15.0	12.4	13.9	12.2	17.6	12.0	12.4	12.1	17.7	17.5	11.6	12.4	8.1	22
23	Other finance	5.5	4.7	−.5	6.6	8.6	4.5	2.3	10.9	6.2	3.3	5.5	−.6	5.2	7.9	23
24	*Sources of funds*	*62.5*	*44.7*	*62.8*	*75.0*	*54.0*	*70.2*	*105.8*	*64.1*	*43.7*	*54.3*	*86.1*	*105.9*	*105.3*	*120.9*	24
25	Domestic private deposits	38.5	21.2	49.4	46.1	2.5	60.4	92.3	5.0	−.1	32.0	88.8	105.8	78.6	112.3	25
26	Credit market borrowing	6.8	3.0	−.6	6.9	16.8	1.8	4.5	13.4	20.1	10.7	−7.0	−.2	9.2	7.2	26
27	Other sources	17.2	20.5	14.0	22.0	34.7	8.0	9.0	45.7	23.6	11.6	4.3	.3	17.6	1.4	27
28	Foreign funds	.8	3.7	2.3	2.6	9.3	−8.4	−3.3	14.4	4.2	−3.4	−13.5	−7.6	1.0	1.3	28
29	Treasury balances	−1.0	−.5	.2	−.2	*	2.9	2.2	−2.1	2.1	3.4	2.4	−1.6	6.1	−7.9	29
30	Insurance and pension reserves	11.4	13.2	11.8	11.2	10.3	13.5	8.2	9.7	10.9	13.0	14.1	7.6	8.8	3.1	30
31	Other, net	5.9	4.2	−.3	8.4	15.1	*	1.8	23.7	6.3	−1.3	1.2	2.0	1.6	4.9	31
	Private domestic nonfinancial investors															
32	Direct lending in credit mkts	7.6	18.9	5.8	21.7	42.7	7.0	4.2	36.4	48.7	29.5	−15.0	−13.3	21.2	−6.8	32
33	U.S. Government securities	2.3	8.8	−1.3	7.7	16.0	−7.6	−13.1	14.6	17.4	1.8	−17.0	−24.7	−1.6	−18.2	33
34	Municipal securities	2.6	2.7	−2.0	.3	6.7	1.4	5.7	6.2	7.2	3.8	−1.1	5.3	6.1	4.2	34
35	Corporate and foreign bonds	1.4	2.5	5.3	5.1	7.6	10.4	8.6	6.0	9.1	8.7	12.1	10.3	6.8	7.1	35
36	Commercial paper	.5	2.0	1.5	4.4	8.7	−1.2	−2.1	6.1	11.2	10.9	−13.3	−7.8	3.7	−3.8	36
37	Other	.8	3.0	2.4	4.2	3.7	4.1	5.0	3.5	3.8	4.3	4.3	3.5	6.2	4.0	37
38	Deposits and currency	40.7	23.1	51.5	48.6	5.3	63.9	95.7	6.5	4.1	35.0	92.8	110.3	80.9	117.4	38
39	Time and savings accounts	32.7	20.3	39.3	34.0	−2.2	56.2	81.3	5.2	−9.7	31.1	81.4	92.4	70.1	92.7	39
40	Money	7.9	2.8	12.2	14.6	7.6	7.7	14.4	1.3	13.8	3.9	11.4	17.9	10.7	24.7	40
41	Demand deposits	5.8	.8	10.1	12.2	4.7	4.2	11.0	−.2	9.6	.9	7.4	13.4	8.4	19.6	41
42	Currency	2.1	2.0	2.1	2.4	2.8	3.5	3.4	1.5	4.2	3.0	4.0	4.5	2.3	5.0	42
43	**Total of credit market instr., deposits, and currency**	**48.2**	**42.1**	**57.3**	**70.3**	**48.8**	**71.3**	**99.9**	**42.1**	**55.3**	**65.3**	**77.8**	**96.9**	**102.1**	**110.6**	43
	Memoranda:															
44	Public support rate (in per cent)	12.7	17.6	13.9	12.3	18.0	29.4	28.9	11.1	26.0	28.6	30.0	28.9	29.0	21.2	44
45	Pvt. fin. intermediation (in per cent)	98.8	73.7	90.8	83.5	66.9	92.6	100.2	74.3	58.5	73.4	110.3	114.0	89.8	113.1	45
46	Total foreign funds	.8	2.1	4.3	2.9	9.0	1.8	23.1	11.8	6.2	4.9	−1.3	19.1	27.1	15.2	46
	Corporate equities not included above															
1	**Total net issues**	3.4	4.6	4.9	4.0	10.4	9.3	14.6	8.3	12.6	9.1	9.5	12.9	16.3	7.9	1
2	Mutual fund shares	3.1	3.7	2.6	4.7	5.7	2.4	1.1	6.4	5.0	3.0	1.9	.2	2.1	−2.7	2
3	Other equities	.3	.9	2.3	−.7	4.7	6.9	13.5	1.9	7.6	6.1	7.6	12.7	14.2	10.6	3
4	Acq. by financial institution	5.7	6.0	8.4	9.5	12.8	11.3	19.1	12.1	13.5	12.5	10.2	20.7	17.5	14.7	4
5	Other net purchases	−2.3	−1.3	−3.5	−5.5	−2.4	−2.0	−4.5	−3.8	−.9	−3.3	−.7	−7.8	−1.2	−6.7	5

Notes
Line
1. Total funds raised (line 1 of p. A-72) excluding corporate equities.
2. Sum of lines 3–6 or 7–10.
6. Includes farm and commercial mortgages.
11. Funds raised by Federally sponsored credit agencies.
12. Line 1 less line 2 plus line 11. Also line 19 less line 26 plus line 32. Also sum of lines 27 through 41 excluding subtotals.
17. Includes farm and commercial mortgages.
25. Lines 39 + 41.
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.
42. Mainly an offset to line 9.
43. Lines 32 plus 38 or line 12 less line 27 plus line 42.
44. Line 2/line 1.
45. Line 19/line 12.
46. Lines 10 plus 28.

Corporate equities
Line
1 and 3 Includes issues by financial institutions.

1. U.S. BALANCE OF PAYMENTS

(In millions of dollars)

Line	Credits+, debits−	1969	1970	1971	1971				1972
					I	II	III	IV	I[p]
	Summary—Seasonally adjusted								
1	Merchandise trade balance [1]	621	2,164	−2,689	289	−1,012	−472	−1,494	−1,673
2	Exports	36,417	41,963	42,770	11,017	10,710	11,479	9,564	11,809
3	Imports	−35,796	−39,799	−45,459	−10,728	−11,722	−11,951	−11,058	−13,482
4	Military transactions, net	−3,344	−3,374	−2,894	−665	−698	−724	−807	−866
5	Travel and transportation, net	−1,784	−2,061	−2,432	−498	−625	−606	−703	−643
6	Investment income, net [2]	5,975	6,259	7,995	1,798	2,191	1,711	2,295	1,836
7	U.S. direct investments abroad	7,340	7,920	9,455	2,060	2,464	2,163	2,770	2,271
8	Other U.S. investments abroad	3,199	3,506	3,443	877	833	852	881	930
9	Foreign investments in the United States	−4,564	−5,167	−4,903	−1,139	−1,106	−1,304	−1,356	−1,365
10	Other services, net	442	574	748	212	180	182	172	199
11	**Balance on goods and services** [3]	*1,911*	*3,563*	*727*	*1,136*	*36*	*91*	*−537*	*−1,147*
12	Remittances, pensions, and other transfers	−1,301	−1,474	−1,529	−355	−369	−402	−404	−387
13	**Balance on goods, services, and remittances**	610	2,089	−802	781	−333	−311	−941	−1,534
14	U.S. Government grants (excluding military)	−1,644	−1,734	−2,045	−436	−477	−544	−588	−560
15	**Balance on current account**	−1,035	356	−2,847	345	−810	−855	−1,529	−2,094
16	U.S. Government capital flows excluding nonscheduled repayments, net [4]	−2,106	−1,829	−2,117	−609	−681	−442	−385	−287
17	Nonscheduled repayments of U.S. Government assets	−87	244	225	4	102	72	48	45
18	U.S. Government nonliquid liabilities to other than foreign official reserve agencies	267	−433	−486	−97	−5	−188	−196	−143
19	Long-term private capital flows, net	−50	−1,398	−4,149	−922	−1,605	−1,883	260	−762
20	U.S. direct investments abroad	−3,254	−4,400	−4,765	−1,290	−1,277	−1,410	−788	−994
21	Foreign direct investments in the United States	832	1,030	−67	124	1	−374	181	−335
22	Foreign securities	−1,494	−942	−909	−361	−372	−249	73	−388
23	U.S. securities other than Treasury issues	3,112	2,190	2,282	559	196	606	921	1,066
24	Other, reported by U.S. banks	477	198	−814	−127	−214	−308	−165	6
25	Other, reported by U.S. nonbanking concerns	277	526	124	173	61	−148	38	−117
26	**Balance on current account and long-term capital** [4]	−3,011	−3,059	−9,374	−1,279	−2,999	−3,296	−1,802	−3,241
27	Nonliquid short-term private capital flows, net	−640	−482	−2,420	−534	−315	−883	−688	−529
28	Claims reported by U.S. banks	−658	−1,023	−1,807	−139	−91	−892	−685	−566
29	Claims reported by U.S. nonbanking concerns	−73	−361	−555	−133	−145	−147	−130	34
30	*Liabilities reported by U.S. nonbanking concerns*	91	902	+58	−262	−79	156	127	3
31	Allocations of Special Drawing Rights (SDR's)	....	867	717	180	179	179	179	178
32	Errors and omissions, net	−2,470	−1,174	−10,927	−944	−2,586	−3,380	−2,018	480
33	***Net liquidity balance***	−6,122	−3,851	−22,002	−2,577	−5,721	−9,380	−4,329	−3,112
34	Liquid private capital flows, net	8,824	−5,988	−7,763	−2,848	−745	−2,551	−1,619	−165
35	Liquid claims	162	252	−1,072	−272	95	−555	−340	−693
36	Reported by U.S. banks	−209	−99	−566	−94	32	−392	−112	−518
37	Reported by U.S. nonbanking concerns	371	351	−506	−178	63	−163	−228	−175
38	Liquid liabilities	8,662	−6,240	−6,691	−2,576	−840	−1,996	−1,279	528
39	To foreign commercial banks	9,166	−6,508	−6,908	−2,928	−892	−1,775	−1,313	438
40	To international and regional organizations	−63	181	682	280	198	149	55	29
41	To other foreigners	−441	87	−465	72	−146	−370	−21	61
42	**Official reserve transactions balance**	2,702	−9,839	−29,765	−5,425	−6,466	−11,931	−5,948	−3,277
	Financed by changes in—								
43	Nonliquid liabilities to foreign official reserve agencies reported by U.S. Government	−162	535	341	−8	−8	−9	366	280
44	Nonliquid liabilities to foreign official agencies reported by U.S. banks	−836	−810	−539	−201	−160	−173	−5	−4
45	Liquid liabilities to foreign official agencies	−517	7,637	27,615	4,952	5,975	10,919	5,774	2,572
46	U.S. official reserve assets, net	−1,187	2,477	2,348	682	659	1,194	−187	429
47	Gold	−967	787	866	109	456	300	1	544
48	SDR's	....	−851	−249	−55	17	−29	−182	−178
49	Convertible currencies	814	2,152	381	373	−66	72	2	64
50	Gold tranche position in IMF	−1,034	389	1,350	255	252	851	−8	−1
	Memoranda:								
51	Transfers under military grant programs (excluded from lines 2, 4, and 14)	2,856	2,586	3,153	735	778	701	939	932
52	Reinvested earnings of foreign incorporated affiliates of U.S. firms (excluded from lines 7 and 20)	2,614	2,885	(5)	(5)	(5)	(5)	(5)	(5)
53	Reinvested earnings of U.S. incorporated affiliates of foreign firms (excluded from lines 9 and 21)	431	434	(5)	(5)	(5)	(5)	(5)	(5)

For notes see end of table.

1. U.S. BALANCE OF PAYMENTS—Continued

(In millions of dollars)

Credits +, debits −	1969	1970	1971	1971 I	1971 II	1971 III	1971 IV	1972 I[p]
Balances excluding allocations of SDR's—Seasonally adjusted								
Net liquidity balance	−6,122	−4,718	−22,719	−2,757	−5,900	−9,559	−4,508	−3,290
Official reserve transactions balance	2,702	−10,706	−30,482	−5,605	−6,645	−12,110	−6,127	−3,455
Balances not seasonally adjusted								
Balance on goods and services (line 11)	1,911	3,563	727	1,509	251	−1,330	296	−782
Balance on goods, services, and remittances (line 13)	610	2,089	−802	1,174	−131	−1,743	−104	−1,148
Balance on current account (line 15)	−1,035	356	−2,847	709	−655	−2,246	−657	−1,738
Balance on current account and long-term capital [4] (line 26)	−3,011	−3,059	−9,374	−1,262	−3,466	−4,672	23	−3,272
Balances including allocations of SDR's:								
Net liquidity (line 33)	−6,122	−3,851	−22,002	−1,858	−6,612	−10,066	−3,466	−2,365
Official reserve transactions (line 42)	2,702	−9,839	−29,765	−4,718	−6,462	−12,703	−5,882	−2,548
Balances excluding allocations of SDR's:								
Net liquidity	−6,122	−4,718	−22,719	−2,575	−6,612	−10,066	−3,466	−3,075
Official reserve transactions	2,702	−10,706	−30,482	−5,435	−6,462	−12,703	−5,882	−3,258

[1] Adjusted to balance of payments basis; excludes transfers under military grants, exports under U.S. military agency sales contracts and imports of U.S. military agencies.

[2] Includes fees and royalties from U.S. direct investments abroad or from foreign direct investments in the United States.

[3] Equal to net exports of goods and services in national income and product accounts of the United States.

[4] Includes some short-term U.S. Govt. assets.

[5] Not available.

NOTE.—Data are from U.S. Department of Commerce, Office of Business Economics. Details may not add to totals because of rounding.

2. MERCHANDISE EXPORTS AND IMPORTS

(Seasonally adjusted; in millions of dollars)

Period	Exports [1] 1969	Exports 1970	Exports 1971	Exports 1972	Imports [2] 1969	Imports 1970	Imports 1971	Imports 1972	Trade balance 1969	Trade balance 1970	Trade balance 1971	Trade balance 1972
Month:												
Jan.	[3] 2,161	3,406	3,733	4,221	[3] 2,002	3,223	3,685	4,540	159	183	48	−319
Feb.	[3] 2,266	3,547	3,691	3,806	[3] 2,672	3,278	3,546	4,403	−406	269	145	−598
Mar.	[3] 3,188	3,376	3,815	3,891	[3] 2,982	3,218	3,568	4,475	206	158	247	−584
Apr.	[3] 3,318	3,409	3,528	3,760	[3] 3,183	3,263	3,748	4,460	135	146	−220	−699
May	[3] 3,268	3,661	3,776	3,914	[3] 3,257	3,338	3,988	4,466	11	323	−212	−552
June	[3] 3,179	3,730	3,662	3,905	[3] 3,152	3,266	4,019	4,495	27	465	−350	−590
July	3,182	3,699	3,493	4,019	3,074	3,255	3,793	4,561	108	444	−300	−542
Aug.	3,366	3,592	3,678	....	3,163	3,346	3,928	....	203	246	−251	....
Sept.	3,341	3,553	4,505	....	3,078	3,428	4,237	....	263	125	268	....
Oct.	3,342	3,689	2,710	....	3,192	3,501	3,523	....	150	188	−815	....
Nov.	3,398	3,499	3,160	....	3,180	3,428	3,379	....	218	71	−218	....
Dec.	3,280	3,570	3,858	....	3,078	3,404	4,128	....	202	166	−270	....
Quarter:												
I	7,615	10,328	11,239	11,917	7,655	9,719	10,799	13,418	−40	609	440	−1,501
II	9,765	10,800	10,965	11,579	9,591	9,867	11,747	13,421	174	933	−782	−1,842
III	9,889	10,845	11,675	....	9,315	10,029	11,958	....	574	816	−283	....
IV	10,020	10,758	9,726	....	9,450	10,333	11,030	....	570	425	−1,304	....
Year[4]	*37,332*	*42,662*	*43,555*	....	*36,043*	*39,963*	*45,602*	....	*1,289*	*2,699*	*−2,047*	....

[1] Exports of domestic and foreign merchandise; excludes Dept. of Defense shipments of grant-aid military equipment and supplies under Mutual Security Program.

[2] General imports including imports for immediate consumption plus entries into bonded warehouses.

[3] Significantly affected by strikes.

[4] Sum of unadjusted figures.

NOTE.—Bureau of the Census data. Details may not add to totals because of rounding.

3. U.S. NET MONETARY GOLD TRANSACTIONS WITH FOREIGN COUNTRIES AND INTERNATIONAL ORGANIZATIONS

(Net sales [−] or net acquisitions; in millions of dollars at $35 per fine troy ounce)

Area and country	1963	1964	1965	1966	1967	1968	1969	1970	1971	1971			1972	
										II	III	IV	I	II
Western Europe:														
Austria	−82	−55	−100	−25	......	......	4	......	......	......	......	......	......	......
Belgium	......	−40	−83	......	......	−58	......	......	−110	−110	......	......	......	......
France	−518	−405	−884	−601	......	600	325	−129	−473	−282	−191	......	......	......
Germany, Fed. Rep. of	......	−225	......	......	......	......	500	......	......	......	......	......	......	......
Ireland	......	−1	−2	−2	−2	−52	41	2	......	......	......	......	......	......
Italy	......	200	−80	−60	−85	−209	−76	......	......	......	......	......	......	......
Netherlands	......	−60	−35	......	......	−19	......	−50	−25	......	......	......	......	......
Spain	−130	−32	−180	......	......	......	......	51	......	......	......	......	......	......
Switzerland	......	−81	−50	−2	−30	−50	−25	−50	−175	−50	−50	......	......	......
United Kingdom	329	618	150	80	−879	−835	......	......	......	......	......	......	......	......
Bank for Intl. Settlements	......	......	......	......	......	......	200	......	......	......	......	......	......	......
Other	1	−6	−35	−49	16	−47	11	−29	−13	−6	−22	......	......	......
Total	−399	−88	−1,299	−659	−980	−669	969	−204	−796	−448	−263	......	......	......
Canada	......	......	......	200	150	50	......	......	......	......	......	......	......	......
Latin American republics:														
Argentina	−30	......	......	−39	−1	−25	−25	−28	......	......	......	......	......	......
Brazil	72	54	25	−3	−1	*	......	−23	......	......	......	......	......	......
Colombia	......	10	29	7	......	......	*	−1	......	......	......	......	......	......
Venezuela	......	......	−25	......	......	......	......	......	......	......	......	......	......	......
Other	−11	−9	−13	−6	11	−40	−29	−80	−5	−4	*	......	......	......
Total	32	56	17	−41	9	−65	−54	−131	−5	−4	*	......	......	......
Asia:														
Iraq	......	......	−10	−4	−21	−42	......	......	......	......	......	......	......	......
Japan	......	......	......	−56	......	......	......	−119	......	......	......	......	......	......
Lebanon	......	−11	......	−11	−1	−95	......	......	−35	......	......	......	......	......
Malaysia	......	......	......	......	......	−34	......	......	−10	−10	......	......	......	......
Philippines	25	20	*	−1	......	9	40	−4	−2	−1	−1	......	......	......
Saudi Arabia	......	......	......	......	......	−50	......	......	......	......	......	......	......	......
Singapore	......	......	......	......	......	−81	11	......	−30	......	−30	......	......	......
Other	−13	−6	−14	−14	−22	−75	−9	[2]−91	39	21	−1	......	......	......
Total	12	3	−24	−86	−44	−366	42	−213	−38	10	−32	−1	......	......
All other	−36	−7	−16	−22	[3]−166	[3]−68	−1	−81	−6	−4	*	*	......	......
Total foreign countries	−392	−36	−1,322	−608	−1,031	−1,118	957	[4]−631	−845	−445	−296	−1	......	......
Intl. Monetary Fund[5]	......	......	[6]−225	177	22	−3	10	−156	−22	−11	−4	......	−544	......
Grand total	−392	−36	−1,547	−431	−1,009	−1,121	967	−787	−867	−457	−300	−1	−544	......

[1] Includes purchase from Denmark of $25 million.

[2] Includes purchase from Kuwait of $25 million.

[3] Includes sales to Algeria of $150 million in 1967 and $50 million in 1968.

[4] Data for IMF include the U.S. payment of $385 million increase in its gold subscription to the IMF and gold sold by the IMF to the United States in mitigation of U.S. sales to other countries making gold payments to the IMF. The country data include U.S. gold sales to various countries in connection with the IMF quota payments. Such U.S. sales to countries and resales to the United States by the IMF total $548 million each.

[5] Includes IMF gold sales to and purchases from the United States, U.S. payment of increases in its gold subscription to IMF, gold deposits by the IMF (see note 1 (b) to Table 4), and withdrawal of deposits. The first withdrawal ($17 million) was made in June 1968 and the last withdrawal ($144 million) was made in Feb. 1972.

IMF sold to the United States a total of $800 million of gold ($200 million in 1956, and $300 million in 1959 and in 1960) with the right of repurchase; proceeds from these sales invested by IMF in U.S. Govt. securities. IMF repurchased $400 million in Sept. 1970 and the remaining $400 million in Feb. 1972.

[6] Payment to the IMF of $259 million increase in U.S. gold subscription less gold deposits by the IMF.

Notes to Table 5 on opposite page:

[1] Represents net IMF sales of gold to acquire U.S. dollars for use in IMF operations. Does not include transactions in gold relating to gold deposit or gold investment (see Table 6).

[2] Positive figures represent purchases from the IMF of currencies of other members for equivalent amounts of dollars; negative figures represent repurchase of dollars, including dollars derived from charges on purchases and from other net dollar income of the IMF. The United States has a commitment to repurchase within 3 to 5 years, but only to the extent that the holdings of dollars of the IMF exceed 75 per cent of the U.S. quota. Purchases of dollars by other countries reduce the U.S. commitment to repurchase by an equivalent amount.

[3] Includes dollars obtained by countries other than the United States from sales of gold to the IMF.

[4] Represents the U.S. gold tranche position in the IMF (the U.S. quota minus the holdings of dollars of the IMF), which is the amount that the United States could purchase in foreign currencies automatically if needed. Under appropriate conditions, the United States could purchase additional amounts equal to its quota.

[5] Includes $259 million gold subscription to the IMF in June 1965 for a U.S. quota increase, which became effective on Feb. 23, 1966. In figures published by the IMF from June 1965 through Jan. 1966, this gold subscription was included in the U.S. gold stock and excluded from the reserve position.

[6] Includes $30 million of Special Drawing Rights.

[7] Represents amount payable in dollars to the IMF to maintain the value of IMF holdings of U.S. dollars.

NOTE.—The initial U.S. quota in the IMF was $2,750 million. The U.S. quota was increased to $4,125 million in 1959, to $5,160 million in Feb. 1966, to $6,700 million in Dec. 1970, and to $7,274 million in May 1972 as a result of the change in par value of the U.S. dollar. Under the Articles of Agreement, subscription payments equal to the quota have been made 25 per cent in gold and 75 per cent in dollars.

4. U.S. RESERVE ASSETS

(In millions of dollars)

End of year	Total	Gold stock[1]		Con-vertible foreign curren-cies	Reserve position in IMF[3]	SDR's[4]
		Total[2]	Treasury			
1958...	22,540	20,582	20,534	....	1,958	....
1959...	21,504	19,507	19,456	....	1,997	....
1960...	19,359	17,804	17,767	....	1,555	....
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	[6]13,806	[6]13,733	781	[6] 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...	[7]16,964	11,859	10,367	[7]2,781	2,324	....
1970...	14,487	11,072	10,732	629	1,935	851
1971...	[8]12,167	10,206	10,132	[8]276	585	1,100

End of month	Total	Gold stock[1]		Con-vertible foreign curren-cies[5]	Reserve position in IMF[3]	SDR's[4]
		Total[2]	Treasury			
1971						
Aug....	12,128	10,488	10,132	248	574	1,097
Sept....	12,131	10,209	10,132	250	577	1,097
Oct....	12,146	10,207	10,132	259	580	1,100
Nov....	12,131	10,207	10,132	243	582	1,100
Dec....	[8]12,167	10,206	10,132	[8]276	585	1,100
		10,206				
1972						
Jan....	12,879		10,132	276	587	1,810
Feb....	12,330	10,206	9,588	276	582	1,810
Mar....	12,270	9,662	9,588	212	586	1,810
Apr....	12,285	9,662	9,588	429	391	1,803
May...	[9]13,345	9,662	[9]10,410	469	[9]428	[9]1,958
June...	13,339	[9]10,490	10,410	457	434	1,958
July...	13,090	10,490	10,410	203	439	1,958
Aug....	13,124	10,488	10,410	234	444	1,958

[1] Includes (a) gold sold to the United States by the International Monetary Fund 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 6.
[2] Includes gold in Exchange Stabilization Fund.
[3] The United States has the right to purchase foreign currencies equivalent to its reserve position in the IMF automatically if needed. Under appropriate conditions the United States could purchase additional amounts equal to the U.S. quota. See Table 5.
[4] 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 SDRs.
[5] For holdings of F.R. Banks only, see pp. A-12 and A-13.
[6] Reserve position includes, and gold stock excludes, $259 million gold subscription to the IMF in June 1965 for a U.S. quota increase which became effective on Feb. 23, 1966. In figures published by the IMF from June 1965 through Jan. 1966, this gold subscription was included in the U.S. gold stock and excluded from the reserve position.
[7] 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.
[8] Includes $28 million increase in dollar value of foreign currencies revalued to reflect market exchange rates as of Dec. 31, 1971.
[9] 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.

NOTE.—See Table 24 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.

5. U.S. POSITION IN THE INTERNATIONAL MONETARY FUND

(In millions of dollars)

Period	Transactions affecting IMF holdings of dollars (during period)							IMF holdings of dollars (end of period)		U.S. reserve position in IMF (end of period)[4]
	U.S. transactions with IMF				Transactions by other countries with IMF		Total change	Amount	Per cent of U.S. quota	
	Payments of subscrip-tions in dollars	Net gold sales by IMF[1]	Transac-tions in foreign curren-cies[2]	IMF net income in dollars	Purchases of dollars[3]	Re-purchases in dollars				
1946—1957	2,063	600	....	−45	−2,670	827	775	775	28	1,975
1958—1963	1,031	150	....	60	−1,666	2,740	2,315	3,090	75	1,035
1964—1966	776	....	1,640	45	−723	6	1,744	4,834	94	[5]326
1967	....	....	....	20	−114	....	−94	4,740	92	420
1968	....	....	−84	20	−806	....	−870	3,870	75	1,290
1969	....	22	....	19	−1,343	268	−1,034	2,836	55	2,324
1970	1,155	[6]712	150	25	−854	741	1,929	4,765	71	1,935
1971	....	*	1,362	−28	−24	40	1,350	6,115	91	585
1971—Aug.	....	....	862	−3	....	....	859	6,126	91	574
Sept.	....	....	....	−3	....	....	−3	6,123	91	577
Oct.	....	....	....	−3	....	....	−3	6,120	91	580
Nov.	....	....	....	−2	....	....	−2	6,118	91	582
Dec.	....	....	....	−3	....	....	−3	6,115	91	585
1972—Jan.	....	....	....	−2	....	....	−2	6,113	91	587
Feb.	....	....	....	5	....	....	5	6,118	91	582
Mar.	....	....	....	−4	....	....	−4	6,114	91	586
Apr.	....	....	200	−5	....	....	195	6,309	94	391
May	[7]541	....	....	−4	....	....	537	6,846	94	428
June	....	....	....	−6	....	....	−6	6,840	94	434
July	....	....	....	−5	....	....	−5	6,835	94	439
Aug.	....	....	....	−5	....	....	−5	6,831	94	444

For notes see opposite page.

6. U.S. LIQUID AND NONLIQUID 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	Official institutions: Liquid: Short-term liabilities reported by banks in U.S.	Official institutions: Liquid: Marketable U.S. Govt. bonds and notes[3,4]	Official institutions: Liquid: Nonmarketable convertible U.S. Treas. bonds and notes	Official institutions: Nonliquid: Nonmarketable nonconvertible U.S. Treas. bonds and notes[5]	Official institutions: Nonliquid: Long-term liabilities reported by banks in U.S.	Liquid liabilities to commercial banks abroad[6]	Liquid liabilities to other foreigners: Total	Liquid liabilities to other foreigners: Short-term liabilities reported by banks in U.S.	Liquid liabilities to other foreigners: Marketable U.S. Govt. bonds and notes[3,7]	Liquid liabilities to nonmonetary intl. and regional organizations[8]
1957	[9] 15,825	200	....	7,917	([10])	....	....	....	3,472	....	2,252	([10])	764
1958	[9] 16,845	200	....	8,665	([10])	....	....	....	3,520	....	2,430	([10])	1,047
1959	19,428	500	10,120	9,154	966	....	....	....	4,678	2,940	2,399	541	1,190
1960 [11]	20,994	800	11,078	10,212	866	....	....	....	4,818	2,773	2,230	543	1,525
	21,027	800	11,088	10,212	876	....	....	....	4,818	2,780	2,230	550	1,541
1961 [11]	22,853	800	11,830	10,940	890	....	....	....	5,404	2,871	2,355	516	1,948
	22,936	800	11,830	10,940	890	....	....	....	5,484	2,873	2,357	516	1,949
1962 [11]	24,268	800	12,948	11,997	751	....	200	....	5,346	3,013	2,565	448	2,161
	24,268	800	12,914	11,963	751	....	200	....	5,346	3,013	2,565	448	2,195
1963 [11]	26,433	800	14,459	12,467	1,217	703	63	9	5,817	3,397	3,046	351	1,960
	26,394	800	14,425	12,467	1,183	703	63	9	5,817	3,387	3,046	341	1,965
1964 [11]	29,313	800	15,790	13,224	1,125	1,079	204	158	7,271	3,730	3,354	376	1,722
	29,364	800	15,786	13,220	1,125	1,079	204	158	7,303	3,753	3,377	376	1,722
1965	29,569	834	15,826	13,066	1,105	1,201	334	120	7,419	4,059	3,587	472	1,431
1966 [11]	31,145	1,011	14,841	12,484	860	256	328	913	10,116	4,271	3,743	528	906
	31,020	1,011	14,896	12,539	860	256	328	913	9,936	4,272	3,744	528	905
1967 [11]	35,819	1,033	18,201	14,034	908	711	741	1,807	11,209	4,685	4,127	558	691
	35,667	1,033	18,194	14,027	908	711	741	1,807	11,085	4,678	4,120	558	677
1968 [11]	38,687	1,030	17,407	11,318	529	701	2,518	2,341	14,472	5,053	4,444	609	725
	38,473	1,030	17,340	11,318	462	701	2,518	2,341	14,472	4,909	4,444	465	722
1969 [11]	45,755	1,019	15,975	11,054	346	[12] 555	[12] 2,515	1,505	23,638	4,464	3,939	525	659
	45,914	1,019	15,998	11,077	346	555	2,515	1,505	23,645	4,589	4,064	525	663
1970—Dec.[11]	47,009	566	23,786	19,333	306	429	3,023	695	17,137	4,676	4,029	647	844
	46,960	566	23,775	19,333	295	429	3,023	695	17,169	4,604	4,039	565	846
1971—July	56,603	544	36,259	26,868	632	5,452	3,023	284	13,937	4,473	3,894	579	1,390
Aug.	63,105	544	43,863	34,015	870	5,785	3,021	172	12,820	4,382	3,839	543	1,496
Sept.	63,943	544	45,331	35,080	1,015	6,054	3,021	161	12,435	4,160	3,645	515	1,473
Oct.	65,262	544	46,574	36,067	1,272	6,055	3,021	159	12,478	4,244	3,734	510	1,422
Nov.	65,746	544	48,339	37,271	1,747	6,055	3,096	170	11,194	4,214	3,733	481	1,455
Dec.[13] r	67,681	544	51,209	39,679	1,955	6,060	3,371	144	10,262	4,138	3,691	447	1,528
	67,810	544	50,651	39,018	1,955	6,093	3,441	144	10,950	4,141	3,694	447	1,524
1972—Jan. r	69,063	544	51,514	39,581	2,260	6,094	3,441	138	11,171	4,153	3,763	390	1,681
Feb. r	69,995	....	52,799	40,679	2,448	6,094	3,441	137	11,373	4,204	3,812	392	1,619
Mar. r	71,015	....	53,811	40,985	2,882	6,094	3,723	127	11,464	4,194	3,818	376	1,546
Apr. r	72,217	....	54,098	38,728	2,933	8,594	3,723	120	12,433	4,242	3,853	389	1,444
May	72,110	....	53,579	37,850	3,283	8,594	3,723	129	12,821	4,284	3,889	395	1,426
June p	73,996	....	54,630	38,632	3,557	8,594	3,723	124	13,409	4,486	4,114	372	1,471
July p	77,466	....	59,466	39,827	3,781	12,094	3,647	117	12,071	4,507	4,137	370	1,422

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. Govt. 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 BIS and European Fund.

3 Derived by applying reported transactions to benchmark data; breakdown of transactions by type of holder estimated 1960–63. Includes securities issued by corporations and other agencies of the U.S. Govt. which are guaranteed by the United States.

4 Includes nonguaranteed securities of U.S. Federally-sponsored agencies, beginning Feb. 1972.

5 Excludes notes issued to foreign official nonreserve agencies.

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. Govt. 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. From Dec. 1957 through Jan. 1972 includes difference between cost value and face value of securities in IMF gold investment account.

9 Includes total foreign holdings of U.S. Govt. bonds and notes, for which breakdown by type of holder is not available.

10 Not available.

11 Data on the two 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.

12 Includes $101 million increase in dollar value of foreign currency liabilities resulting from revaluation of the German mark in Oct. 1969 as follows: liquid, $17 million, and nonliquid, $84 million.

13 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.

NOTE.—Based on Treasury Dept. data and on data reported to the Treasury Dept. by banks and brokers in the United States. Data correspond generally to statistics following in this section, except for the exclusion of nonmarketable, nonconvertible U.S. Treasury notes issued to foreign official nonreserve agencies, the inclusion of investments by foreign official reserve agencies in nonguaranteed bonds of U.S. Federally sponsored agencies and minor rounding differences. Table excludes IMF "holdings of dollars," and holdings of U.S. Treasury letters of credit and non-negotiable, non-interest-bearing special U.S. notes held by other international and regional organizations.

7. U.S. LIQUID AND NONLIQUID 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]
1967	18,194	10,321	1,310	1,582	4,428	250	303
1968 [3]	17,407	8,070	1,867	1,865	5,043	259	303
	17,340	8,062	1,866	1,865	4,997	248	302
1969 [3]	[4] 15,975	[4] 7,074	1,624	1,888	4,552	546	291
	15,998	7,074	1,624	1,911	4,552	546	291
1970 [3]	23,786	13,620	2,951	1,681	4,713	407	414
	23,775	13,615	2,951	1,681	4,708	407	413
1971—July	36,259	23,048	3,210	1,362	7,566	285	788
Aug.	43,863	26,059	3,474	1,398	11,788	312	832
Sept.	45,331	26,634	3,462	1,275	12,872	296	792
Oct.	46,574	27,154	3,530	1,344	13,477	276	793
Nov.	48,339	28,157	3,710	1,340	14,009	248	875
Dec.[5] r	51,209	30,010	3,980	1,414	14,519	415	871
	50,651	30,134	3,980	1,429	13,823	415	870
1972—Jan. r	51,514	30,266	3,974	1,402	14,430	426	1,016
Feb. r	52,799	31,190	3,981	1,330	14,792	449	1,057
Mar. r	53,811	31,593	4,052	1,323	15,191	457	1,195
Apr. r	54,098	31,363	4,181	1,492	15,249	477	1,336
May	53,579	30,935	4,316	1,476	14,967	458	1,427
June p	54,630	31,910	4,486	1,485	14,589	533	1,627
July p	59,466	36,390	4,446	1,392	14,757	572	1,909

[1] Includes Bank for International Settlements and European Fund.

[2] Includes countries in Oceania and Eastern Europe, and Western European dependencies in Latin America.

[3] See note 11 to Table 6.

[4] Includes $101 million increase in dollar value of foreign currency liabilities resulting from revaluation of the German mark in Oct. 1969.

[5] Data on second line differ from those on the first line because certain accounts previously classified as "Official institutions" are included in "Banks"; a number of reporting banks are included in the series for the first time; and U.S. Treasury liabilities payable in foreign currencies to official institutions of foreign countries have been increased in value by $110 million to reflect market exchange rates as of Dec. 31, 1971.

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. Govt. 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 nonguaranteed bonds of U.S. Federally-sponsored agencies.

8. 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 [5]	To nonmonetary international and regional organizations [6]				
	Total [1]	Payable in dollars					Payable in foreign currencies		Total	Deposits		U.S. Treasury bills and certificates	Other short-term liab. [4]
		Total	Deposits		U.S. Treasury bills and certificates [3]	Other short-term liab. [4]				Demand	Time [2]		
			Demand	Time [2]									
1969	40,199	39,770	20,460	6,959	5,015	7,336	429	800	613	62	83	244	223
1970 [7]	41,719	41,351	15,785	5,924	14,123	5,519	368	400	820	69	159	211	381
	41,761	41,393	15,795	5,961	14,123	5,514	368	400	820	69	159	211	381
1971—July	46,346	45,693	10,274	4,955	23,439	7,025	653	400	1,247	79	224	170	774
Aug.	52,416	51,766	9,294	5,026	30,198	7,248	650	400	1,342	61	202	269	810
Sept.	52,878	52,481	10,605	5,054	29,772	7,050	397	400	1,318	92	212	146	867
Oct.	53,946	53,566	11,860	5,088	29,758	6,860	380	400	1,267	78	177	168	843
Nov.	53,898	53,527	10,883	5,219	30,723	6,702	371	400	1,300	69	205	157	870
Dec.[8] r	55,404	55,018	10,399	5,209	33,025	6,385	386	400	1,372	73	192	210	896
	55,430	55,038	6,460	4,217	33,025	11,336	392	400	1,368	73	192	210	892
1972—Jan. r	56,439	56,007	6,157	4,220	33,902	11,728	432	400	1,524	86	201	338	899
Feb. r	57,326	56,853	6,019	4,331	34,490	12,013	473	....	1,462	85	164	295	918
Mar. r	57,656	57,140	5,991	4,428	34,929	11,792	516	....	1,389	88	186	275	839
Apr. r	56,289	55,795	6,460	4,499	32,324	12,512	494	....	1,275	87	195	177	817
May	55,825	55,326	6,570	4,650	31,498	12,608	499	....	1,265	84	183	198	800
June p	57,465	56,948	7,216	4,827	31,871	13,034	517	....	1,310	85	235	212	779
July p	57,295	56,816	7,338	4,743	32,878	11,857	479	....	1,260	101	259	142	758

For notes see the following page.

8. SHORT-TERM LIABILITIES TO FOREIGNERS REPORTED BY BANKS IN THE UNITED STATES, BY TYPE—Continued

(Amounts outstanding; in millions of dollars)

End of period	To residents of foreign countries						To official institutions[9]					
	Total	Payable in dollars				Payable in foreign currencies	Total	Payable in dollars				Payable in foreign currencies
		Deposits		U.S. Treasury bills and certificates[3]	Other short-term liab.[4]			Deposits		U.S. Treasury bills and certificates[3]	Other short-term liab.[4]	
		Demand	Time[2]					Demand	Time[2]			
1969	38,786	20,397	6,876	3,971	7,113	429	11,077	1,930	2,942	3,844	2,159	202
1970[7]	40,499	15,716	5,765	13,511	5,138	368	19,333	1,652	2,554	13,367	1,612	148
	40,541	15,726	5,802	13,511	5,133	368	19,333	1,652	2,554	13,367	1,612	148
1971—July	44,699	10,195	4,732	22,869	6,249	653	26,868	1,469	2,307	19,605	3,067	420
Aug.	50,674	9,233	4,823	29,529	6,438	650	34,015	1,264	2,371	26,674	3,285	421
Sept.	51,160	10,513	4,843	29,226	6,182	397	35,080	1,450	2,392	27,855	3,225	158
Oct.	52,279	11,781	4,911	29,190	6,016	380	36,067	1,231	2,465	28,982	3,231	158
Nov.	52,198	10,814	5,014	30,166	5,831	371	37,271	1,263	2,465	30,071	3,314	158
Dec.[8] [r]	53,632	10,326	5,017	32,415	5,489	386	39,679	1,620	2,504	32,311	3,086	158
	53,662	6,387	4,025	32,415	10,443	392	39,018	1,327	2,039	32,311	3,176	165
1972—Jan.[r]	54,515	6,071	4,020	33,164	10,828	432	39,581	1,185	2,024	33,045	3,161	166
Feb.[r]	55,864	5,934	4,167	34,195	11,095	473	40,679	1,099	2,119	34,092	3,202	167
Mar.[r]	56,267	5,903	4,242	34,654	10,952	516	40,985	1,128	2,148	34,548	2,994	167
Apr.[r]	55,014	6,373	4,304	32,147	11,696	494	38,728	1,246	2,270	32,047	2,998	167
May	54,560	6,486	4,468	31,300	11,808	499	37,850	1,224	2,379	31,209	2,871	167
June[p]	56,155	7,131	4,592	31,659	12,256	517	38,632	1,540	2,469	31,573	2,883	167
July[p]	56,035	7,237	4,484	32,736	11,100	479	39,827	1,521	2,377	32,655	3,104	170

End of period	Total	To banks[10]					To other foreigners					To banks and other foreigners: Payable in foreign currencies
		Payable in dollars										
		Total	Deposits		U.S. Treasury bills and certificates	Other short-term liab.[4]	Total	Deposits		U.S. Treasury bills and certificates	Other short-term liab.[4]	
			Demand	Time[2]				Demand	Time[2]			
1969	27,709	23,419	16,756	1,999	20	4,644	4,064	1,711	1,935	107	312	226
1970[7]	21,166	16,917	12,376	1,326	14	3,202	4,029	1,688	1,886	131	325	220
	21,208	16,949	12,385	1,354	14	3,197	4,039	1,688	1,895	131	325	220
1971—July	17,831	13,704	7,030	600	3,168	2,905	3,894	1,696	1,825	96	277	233
Aug.	16,659	12,590	6,284	665	2,769	2,872	3,839	1,684	1,787	87	280	230
Sept.	16,080	12,196	7,486	739	1,286	2,686	3,645	1,577	1,712	85	272	239
Oct.	16,212	12,256	8,845	786	120	2,504	3,734	1,705	1,660	89	281	222
Nov.	14,927	10,981	7,871	879	9	2,223	3,733	1,680	1,670	87	296	213
Dec.[8]	13,953	10,034	7,047	850	8	2,130	3,691	1,660	1,663	96	274	228
	14,644	10,722	3,400	320	8	6,995	3,694	1,660	1,666	96	271	228
1972—Jan.[r]	14,934	10,904	3,183	335	4	7,382	3,763	1,703	1,660	116	285	267
Feb.[r]	15,185	11,067	3,121	349	4	7,593	3,812	1,714	1,699	99	299	306
Mar.[r]	15,282	11,115	3,093	359	4	7,658	3,818	1,682	1,735	102	299	349
Apr.	16,286	12,106	3,372	352	4	8,379	3,853	1,756	1,682	96	318	327
May	16,710	12,488	3,569	307	3	8,609	3,889	1,693	1,781	88	328	333
June[p]	17,523	13,059	3,791	310	5	8,953	4,114	1,799	1,813	81	421	350
July[p]	16,208	11,762	3,877	286	5	7,594	4,137	1,839	1,820	75	402	309

[1] Data exclude "holdings of dollars" of the International Monetary Fund.

[2] Excludes negotiable time certificates of deposit, which are included in "Other."

[3] Includes nonmarketable certificates of indebtedness issued to official institutions of foreign countries.

[4] Principally bankers' acceptances, commercial paper, and negotiable time certificates of deposit. See also note 8(a).

[5] U.S. Treasury bills and certificates obtained from proceeds of sales of gold by the IMF to the United States to acquire income-earning assets. Upon termination of investment, the same quantity of gold was reacquired by the IMF.

[6] Principally the International Bank for Reconstruction and Development and the Inter-American Development Bank.

Includes difference between cost value and face value of securities in IMF gold investment account.

[7] Data on the two 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] Data on second line differ from those on first line because (a) those liabilities of U.S. banks to their foreign branches and those liabilities of U.S. agencies and branches of foreign banks to their head offices and foreign branches, which were previously reported as deposits, are included in "Other short-term liabilities"; (b) certain accounts previously classified as "Official institutions" are included in "Banks"; and (c) a number of reporting banks are included in the series for the first time.

[9] Foreign central banks and foreign central govts. and their agencies, and Bank for International Settlements and European Fund.

[10] Excludes central banks, which are included in "Official institutions."

NOTE.—"Short term" refers to obligations payable on demand or having an original maturity of 1 year or less. For data on long-term liabilities reported by banks, see Table 10. Data exclude the "holdings of dollars" of the International Monetary Fund; 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 non-negotiable, non-interest-bearing special U.S. notes held by the Inter-American Development Bank and the International Development Association.

9. 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	1970	1971			1972						
	Dec.	Nov.	Dec.[1] r		Jan. r	Feb. r	Mar. r	Apr. r	May	June p	July p
Europe:											
Austria	185	246	254	254	261	252	257	276	283	254	261
Belgium-Luxembourg	597	736	701	701	728	779	888	866	864	961	1,159
Denmark	189	168	168	168	177	179	191	218	203	215	216
Finland	117	134	160	160	156	150	140	151	131	148	176
France	2,267	2,858	3,150	3,150	3,234	3,311	3,103	3,043	3,027	3,513	4,324
Germany	7,520	5,733	6,596	6,596	6,972	7,724	7,670	5,482	5,500	6,483	6,601
Greece	184	175	170	170	167	164	147	163	159	179	168
Italy	1,330	1,953	1,888	1,888	1,700	1,693	1,572	1,627	1,572	1,373	1,423
Netherlands	762	291	271	270	306	424	823	878	861	847	1,488
Norway	324	714	685	685	702	675	674	655	669	654	769
Portugal	274	308	303	303	299	282	267	279	284	269	290
Spain	198	185	203	203	187	177	183	219	206	231	222
Sweden	503	757	791	792	803	871	964	981	1,010	1,044	1,036
Switzerland	1,948	3,265	3,248	3,249	3,256	3,099	2,935	2,942	2,709	2,626	3,623
Turkey	46	67	68	68	36	34	42	36	40	44	55
United Kingdom	5,504	7,711	7,374	7,379	7,908	7,600	8,089	7,954	7,954	7,913	4,941
Yugoslavia	37	40	34	34	35	40	54	94	88	90	87
Other Western Europe[2]	594	1,401	1,369	1,391	1,367	1,438	1,416	1,391	1,388	1,367	1,399
U.S.S.R.	15	8	14	14	13	11	9	9	13	10	18
Other Eastern Europe	54	67	53	53	54	46	58	56	58	68	58
Total	22,648	26,816	27,503	27,530	28,361	28,951	29,483	27,321	27,021	28,289	28,314
Canada	4,056	3,590	3,441	3,441	3,593	3,574	3,486	3,722	4,146	3,966	3,727
Latin America:											
Argentina	539	437	441	441	435	420	541	507	465	459	458
Brazil	346	383	342	342	376	406	449	543	576	628	619
Chile	266	189	191	191	180	146	137	132	134	136	136
Colombia	247	179	188	188	185	176	163	184	190	190	196
Cuba	7	6	6	6	6	6	6	7	6	7	6
Mexico	821	706	709	715	758	748	659	668	761	733	786
Panama	147	150	154	154	158	156	156	155	185	154	165
Peru	225	163	164	164	164	160	174	174	167	179	178
Uruguay	118	108	108	108	108	111	124	118	122	117	121
Venezuela	735	874	963	963	870	843	740	851	873	919	831
Other Latin American republics	620	615	656	655	645	685	649	695	661	681	671
Bahamas and Bermuda	745	376	657	656	313	278	307	444	440	484	385
Netherlands Antilles and Surinam	98	85	87	87	97	90	81	87	91	94	88
Other Latin America	39	46	36	37	43	46	37	29	43	40	47
Total	4,952	4,317	4,702	4,708	4,337	4,272	4,223	4,593	4,714	4,820	4,686
Asia:											
China Mainland	33	34	39	39	39	38	39	39	38	39	39
Hong Kong	258	336	312	312	304	335	306	299	328	311	341
India	302	142	89	89	114	118	116	102	104	105	120
Indonesia	73	65	63	63	54	71	90	89	87	113	98
Israel	135	133	150	150	133	143	143	145	148	139	128
Japan	5,150	13,919	14,294	14,295	14,179	14,950	14,808	14,902	14,017	14,095	13,963
Korea	199	216	201	196	224	220	204	178	196	198	205
Philippines	285	304	304	306	271	267	268	294	337	346	345
Taiwan	275	248	258	258	280	291	320	338	365	383	426
Thailand	508	107	126	126	121	116	120	170	174	177	120
Other	717	579	595	595	774	708	717	714	729	706	733
Total	7,936	16,082	16,432	16,429	16,495	17,257	17,131	17,267	16,525	16,612	16,518
Africa:											
Congo (Kinshasa)	14	12	12	12	12	13	22	14	16	18	27
Morocco	11	9	9	9	10	9	9	11	8	11	11
South Africa	83	74	78	78	53	73	70	79	70	76	92
U.A.R. (Egypt)	17	13	24	24	14	13	13	15	18	19	17
Other	395	314	474	474	510	538	526	542	522	608	620
Total	521	422	597	597	599	646	640	661	635	731	768
Other countries:											
Australia	389	919	916	916	1,087	1,124	1,257	1,405	1,482	1,692	1,977
All other	39	51	42	42	42	41	47	43	39	45	45
Total	428	970	957	957	1,129	1,165	1,304	1,448	1,520	1,737	2,022
Total foreign countries	40,541	52,198	53,632	53,662	54,515	55,864	56,267	55,014	54,560	56,155	56,035
International and regional:											
International[3]	975	1,269	1,332	1,327	1,475	1,000	941	808	802	817	792
Latin American regional	131	287	298	298	306	316	301	333	329	346	298
Other regional[4]	114	144	142	143	142	146	147	134	134	147	170
Total	1,220	1,700	1,772	1,768	1,924	1,462	1,389	1,275	1,265	1,310	1,260
Grand total	41,761	53,898	55,404	55,430	56,439	57,326	57,656	56,289	55,825	57,465	57,295

For notes see the following page.

9. 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 [5]

Area and country	1970 Apr.	1970 Dec.	1971 Apr.	1971 Dec.	1972 Apr.
Other Western Europe:					
Cyprus	15	10	7	2	2
Iceland	10	10	10	11	9
Ireland, Rep. of	32	41	29	16	15
Other Latin American republics:					
Bolivia	76	69	59	55	53
Costa Rica	43	41	43	62	70
Dominican Republic	96	99	90	123	91
Ecuador	72	79	72	57	62
El Salvador	79	75	80	78	83
Guatemala	110	100	97	117	123
Haiti	19	16	19	18	23
Honduras	29	34	44	42	50
Jamaica	17	19	19	19	32
Nicaragua	76	59	47	50	66
Paraguay	17	16	15	17	17
Trinidad & Tobago	11	10	14	10	15
Other Latin America:					
British West Indies	38	33	38	32	23
Other Asia:					
Afghanistan	15	26	15	19	17
Burma	5	4	3	10	5
Cambodia	1	2	2	5	2
Ceylon	4	4	4	4	6
Iran	41	32	50	59	88
Iraq	6	11	7	10	([6])
Other Asia—Cont.:					
Jordan	30	14	3	2	2
Kuwait	66	54	36	20	16
Laos	4	5	2	3	3
Lebanon	82	54	60	46	60
Malaysia	48	22	29	23	25
Pakistan	34	38	27	33	58
Ryukyu Islands (incl. Okinawa)	26	18	39	29	([6])
Saudi Arabia	166	106	41	79	80
Singapore	25	57	43	35	45
Syria	6	7	3	4	6
Vietnam	91	179	161	159	185
Other Africa:					
Algeria	13	17	13	23	31
Ethiopia (incl. Eritrea)	33	19	12	11	29
Ghana	7	8	6	8	11
Kenya	47	38	13	9	14
Liberia	41	22	21	23	25
Libya	430	195	91	274	([6])
Nigeria	11	17	25	46	([6])
Southern Rhodesia	2	1	2	2	2
Sudan	1	1	1	1	([6])
Tanzania	18	9	10	6	6
Tunisia	7	7	6	9	7
Uganda	7	8	5	3	([6])
Zambia	38	10	14	13	([6])
All other:					
New Zealand	18	25	22	23	27

[1] Data in the two columns shown for this date differ because of changes in reporting coverage. Figures in the first column are comparable in coverage with those shown for the preceding date; figures in the second column are comparable with those shown for the following date.

[2] Includes Bank for International Settlements and European Fund.

[3] Data exclude "holdings of dollars" of the International Monetary Fund but include IMF gold investment until Feb. 1972, when investment was terminated.

[4] Asian, African, and European regional organizations, except BIS and European Fund, which are included in "Europe."

[5] Represent a partial breakdown of the amounts shown in the "other" categories (except "Other Eastern Europe").

[6] Not available.

10. 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	To foreign countries: Official institutions	To foreign countries: Banks[1]	To foreign countries: Other foreigners	Country or area: Germany	Country or area: United Kingdom	Country or area: Other Europe	Country or area: Total Latin America	Country or area: Japan	Country or area: Other Asia	Country or area: All other countries
1968	3,166	777	2,389	2,341	8	40	2	*	16	541	658	1,093	80
1969	2,490	889	1,601	1,505	56	40	*	46	7	239	655	582	70
1970	1,703	789	914	695	166	53	110	42	26	152	385	137	62
1971—July	1,024	501	524	284	189	51	164	19	25	101	83	100	31
Aug.	895	480	415	172	190	53	164	19	25	80	12	101	14
Sept.	885	480	405	161	189	55	164	19	24	76	12	99	9
Oct.[r]	942	490	452	159	236	57	164	44	24	99	12	101	7
Nov.	917	452	465	170	237	59	165	45	25	115	8	96	10
Dec.[r]	902	446	457	144	257	56	164	52	30	111	3	87	9
1972—Jan.[r]	989	540	449	138	254	58	164	50	30	107	1	83	14
Feb.[r]	1,026	558	468	137	252	79	164	67	31	108	*	83	14
Mar.[r]	1,088	632	456	127	253	78	165	67	30	103	*	72	19
Apr.[r]	1,106	654	453	120	253	80	165	67	32	105	*	66	18
May	1,154	689	465	129	253	83	165	66	35	119	*	60	20
June[p]	1,168	695	473	124	267	82	165	66	34	135	*	58	14
July[p]	1,157	690	467	117	269	81	165	68	33	136	*	47	18

[1] Excludes central banks, which are included with "Official institutions."

11. ESTIMATED FOREIGN HOLDINGS OF MARKETABLE U.S. GOVERNMENT BONDS AND NOTES

(End of period; in millions of dollars)

	1971						1972						
	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June[p]	July[p]
Europe:													
Belgium-Luxembourg	6	6	6	6	6	6	6	6	6	6	6	6	6
Switzerland	29	29	29	29	60	60	53	53	53	52	52	52	49
United Kingdom	496	460	432	427	362	323	279	283	268	280	288	264	265
Other Western Europe	25	25	49	71	82	85	95	95	95	95	95	96	98
Eastern Europe	6	6	5	5	5	5	5	5	5	5	5	5	5
Total	562	525	521	538	516	480	438	441	426	438	445	424	422
Canada	175	175	175	175	179	181	179	179	178	179	166	313	313
Latin America:													
Latin American republics	1	1	1	1	1	1	1	1	1	1	1	1	1
Other Latin America	6	6	6	6	6	6	6	6	6	6	6	6	6
Total	7	7	7	7	7	7	7	7	7	7	7	7	7
Asia:													
India	20	20	20	20	20	......	......	......	......	......	......	......	......
Japan	395	633	755	1,009	1,488	1,717	2,007	2,146	2,391	2,415	2,777	2,901	3,125
Other Asia	10	10	10	10	10	10	10	10	10	10	10	10	10
Total	425	663	784	1,038	1,518	1,727	2,017	2,156	2,401	2,425	2,787	2,912	3,136
Africa	43	43	43	25	8	8	8	8	8	8	8	8	8
All other	*	*	*	*	*	*	*	*	*	*	*	*	*
Total foreign countries	1,211	1,413	1,530	1,782	2,228	2,402	2,650	2,791	3,020	3,057	3,413	3,664	3,886
International and regional:													
International	115	126	126	126	126	126	126	126	126	136	136	136	136
Latin American regional	28	28	29	29	30	30	31	31	32	33	25	26	27
Total	143	154	155	155	156	156	157	157	158	168	161	161	162
Grand total	1,354	1,567	1,685	1,937	2,383	2,558	2,807	2,948	3,177	3,226	3,574	3,825	4,048

NOTE.—Data represent estimated official and private holdings of marketable U.S. Govt. securities with an original maturity of more than 1 year, and are based on benchmark surveys of holdings and regular monthly reports of securities transactions (see Table 16).

12. NONMARKETABLE U.S. TREASURY BONDS AND NOTES ISSUED TO OFFICIAL INSTITUTIONS OF FOREIGN COUNTRIES

(In millions of dollars or dollar equivalent)

End of period	Total	Payable in dollars								Payable in foreign currencies			
		Total	Belgium	Canada[1]	Germany	Italy[2]	Korea	Taiwan	Thailand	Total	Germany[3]	Italy	Switzerland
1969	[4] 3,181	1,431	32	1,129	....	135	15	20	100	[4] 1,750	[4] 1,084	125	541
1970	3,563	2,480	32	2,289	....	25	15	20	100	1,083	542	......	541
1971—Aug.	8,924	7,479	32	2,289	5,000	23	15	20	100	1,444	542	......	902
Sept.	9,193	7,479	32	2,289	5,000	23	15	20	100	1,714	542	......	1,172
Oct.	9,195	7,479	32	2,289	5,000	23	15	20	100	1,716	542	......	1,174
Nov.	9,271	7,554	32	2,365	5,000	22	15	20	100	1,716	542	......	1,174
Dec.	[5] 9,657	7,829	32	2,640	5,000	22	15	20	100	[5] 1,827	612	......	1,215
1972—Jan.	9,658	7,829	32	2,640	5,000	22	15	20	100	1,828	612	......	1,216
Feb.	9,658	7,829	32	2,640	5,000	22	15	20	100	1,828	612	......	1,216
Mar.	9,940	8,188	32	2,840	5,158	22	15	20	100	1,752	536	......	1,216
Apr.	12,440	10,688	32	2,840	7,658	22	15	20	100	1,752	536	......	1,216
May	12,441	10,688	32	2,840	7,658	22	15	20	100	1,753	536	......	1,217
June	12,441	10,688	32	2,840	7,658	22	15	20	100	1,753	536	......	1,217
July	15,864	14,188	32	2,840	11,158	22	15	20	100	1,676	459	......	1,217
Aug.	15,864	14,188	32	2,840	11,158	22	15	20	100	1,676	459	......	1,217

[1] Includes bonds issued in 1964 to the Government of Canada in connection with transactions under the Columbia River treaty. Amounts outstanding end of 1967 through Oct. 1968, $114 million; Nov. 1968 through Sept. 1969, $84 million; Oct. 1969 through Sept. 1970, $54 million; and Oct. 1970 through Oct. 1971, $24 million.

[2] Bonds issued to the Government of Italy in connection with military purchases in the United States.

[3] In addition, nonmarketable U.S. Treasury notes amounting to $125 million equivalent were issued to a group of German commercial banks in June 1968. The dollar value of these notes was increased by $10 million in Oct. 1969 and by $18 million as of Dec. 31, 1971.

[4] Includes an increase in dollar value of $84 million resulting from revaluation of the German mark in Oct. 1969.

[5] Includes $106 million increase in dollar value of foreign currency obligations revalued to reflect market exchange rates as of Dec. 31, 1971.

13. 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	1970	1971			1972						
	Dec.	Nov.	Dec.[1] r		Jan. r	Feb. r	Mar.	Apr.	May	June p	July p
Europe:											
Austria	6	10	11	11	8	11	11	12	13	15	16
Belgium-Luxembourg	50	63	57	57	71	102	78	66	72	73	73
Denmark	40	48	49	49	50	54	55	52	54	52	50
Finland	66	116	135	135	137	139	138	137	132	126	124
France	113	182	267	268	311	344	342	273	295	321	311
Germany	186	227	235	235	200	252	258	239	231	315	286
Greece	26	23	30	30	30	25	29	28	30	24	25
Italy	101	139	159	161	166	182	230	213	231	201	203
Netherlands	61	90	105	105	92	102	117	105	101	117	107
Norway	54	66	67	67	72	71	73	72	65	64	71
Portugal	11	12	12	12	14	14	14	13	24	21	25
Spain	52	68	70	70	83	88	105	135	149	141	156
Sweden	97	120	118	118	125	125	130	128	132	95	114
Switzerland	100	143	145	145	147	181	164	138	193	147	137
Turkey	9	3	3	3	4	8	3	3	3	3	3
United Kingdom	379	536	563	563	526	562	559	537	539	564	756
Yugoslavia	35	22	19	19	20	15	25	24	27	25	23
Other Western Europe	13	11	12	12	13	16	17	17	19	24	23
U.S.S.R.	3	10	28	28	33	37	47	70	65	57	62
Other Eastern Europe	45	33	37	37	44	48	51	42	43	43	44
Total	1,449	1,923	2,122	2,124	2,146	2,374	2,445	2,303	2,417	2,429	2,608
Canada	1,043	1,138	1,530	1,530	1,508	1,701	1,942	1,831	1,697	1,737	2,088
Latin America:											
Argentina	326	316	305	305	310	306	316	304	316	325	323
Brazil	325	410	429	435	447	465	482	511	544	551	569
Chile	200	142	139	139	126	122	106	108	94	78	77
Colombia	284	378	380	380	375	390	376	379	394	404	395
Cuba	13	13	13	13	13	13	13	13	13	13	13
Mexico	909	839	936	936	1,004	977	1,006	1,095	1,037	1,152	1,173
Panama	112	109	125	125	110	106	116	110	121	125	133
Peru	147	201	176	176	163	159	155	163	177	160	157
Uruguay	63	39	41	41	41	41	41	38	38	35	38
Venezuela	283	249	268	268	271	271	278	311	299	314	333
Other Latin American republics	342	337	374	374	366	364	352	376	359	366	357
Bahamas and Bermuda	196	264	262	262	253	288	300	278	265	314	375
Netherlands Antilles and Surinam	19	20	18	18	20	23	16	15	16	16	16
Other Latin America	22	23	25	26	23	21	20	27	24	25	22
Total	3,239	3,340	3,490	3,496	3,521	3,547	3,577	3,727	3,697	3,878	3,980
Asia:											
China Mainland	2	1	1	1	1	1	2	2	2	2	2
Hong Kong	39	71	68	70	61	81	90	99	107	111	100
India	13	17	21	21	22	20	17	18	16	16	14
Indonesia	56	40	41	41	37	35	37	39	49	45	44
Israel	120	132	129	129	124	106	98	84	81	78	101
Japan	3,890	3,889	4,279	4,280	4,131	4,059	4,116	3,980	3,685	3,577	3,542
Korea	178	329	348	348	330	394	403	399	377	346	344
Philippines	137	129	136	138	141	145	149	137	138	138	143
Taiwan	95	94	109	109	123	154	156	172	180	182	178
Thailand	109	148	164	173	176	200	201	203	193	188	181
Other	167	226	252	252	237	213	232	210	199	221	245
Total	4,807	5,075	5,548	5,561	5,382	5,407	5,502	5,343	5,028	4,903	4,893
Africa:											
Congo (Kinshasa)	4	21	21	21	21	14	13	15	18	14	12
Morocco	6	4	4	4	4	4	3	4	4	4	4
South Africa	77	152	156	158	163	166	147	152	161	160	149
U.A.R. (Egypt)	13	9	10	10	11	13	11	10	11	16	14
Other	79	90	99	99	91	101	104	120	129	123	121
Total	180	277	291	292	290	299	278	301	324	318	300
Other countries:											
Australia	64	140	158	158	161	158	165	169	175	176	210
All other	16	24	28	28	32	29	35	34	31	34	38
Total	80	164	186	186	193	188	200	203	206	211	248
Total foreign countries	10,798	11,917	13,167	13,189	13,039	13,515	13,944	13,709	13,370	13,475	14,117
International and regional	3	4	3	3	3	5	4	3	7	4	3
Grand total	10,802	11,920	13,170	13,192	13,043	13,520	13,948	13,712	13,376	13,479	14,120

[1] Data in the two columns shown for this date differ because of changes in reporting coverage. Figures in the first column are comparable in coverage with those shown for the preceding date; figures in the second column are comparable with those shown for the following date.

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.

14. 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								Payable in foreign currencies			
		Total	Loans to—				Collections outstanding	Acceptances made for acct. of foreigners	Other	Total	Deposits with foreigners	Foreign govt. securities, coml. and finance paper	Other
			Total	Official institutions	Banks[1]	Others							
1969	9,680	9,165	3,278	262	1,943	1,073	2,015	3,202	670	516	352	89	74
1970	10,802	10,192	3,051	119	1,720	1,212	2,389	3,985	766	610	352	92	166
1971—July	10,953	10,423	3,559	200	2,051	1,308	2,364	3,678	821	531	374	62	95
Aug.	12,441	11,810	4,290	191	2,682	1,417	2,357	4,157	1,006	631	495	46	90
Sept.	11,870	11,225	3,831	188	2,236	1,406	2,372	4,049	974	645	453	104	88
Oct.	11,289	10,668	3,516	135	2,056	1,325	2,307	3,864	982	620	406	111	103
Nov.[r]	11,920	11,276	4,024	169	2,429	1,426	2,306	3,897	1,050	644	457	89	99
Dec.[2] [r]	13,170	12,328	4,503	223	2,613	1,667	2,475	4,243	1,107	842	549	119	174
	13,192	12,351	3,970	224	2,080	1,666	2,475	4,254	1,652	841	548	119	174
1972—Jan.[r]	13,043	12,298	3,875	209	2,053	1,613	2,473	4,234	1,716	744	501	139	104
Feb.[r]	13,520	12,733	4,027	198	2,055	1,774	2,430	4,394	1,882	787	562	127	98
Mar.	13,948	13,048	4,179	167	2,141	1,870	2,476	4,410	1,983	900	579	183	138
Apr.	13,712	12,991	4,455	163	2,354	1,939	2,469	4,252	1,815	721	498	112	111
May	13,376	12,616	4,608	169	2,516	1,922	2,541	3,837	1,631	760	530	112	118
June[p]	13,479	12,721	4,770	163	2,586	2,021	2,650	3,489	1,812	758	477	148	133
July[p]	14,120	13,308	5,068	162	2,796	2,111	2,703	3,227	2,310	811	509	187	115

[1] Excludes central banks, which are included with "Official institutions."
[2] Data on second line differ from those on first line because (a) those claims of U.S. banks on their foreign branches and those claims of U.S. agencies and branches of foreign banks on their head offices and foreign branches, which were previously reported as "Loans", are included in "Other short-term claims"; and (b) a number of reporting banks are included in the series for the first time.

15. 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	United Kingdom	Other Europe	Canada	Latin America	Japan	Other Asia	All other countries
		Loans to—				Other long-term claims								
		Total	Official institutions	Banks[1]	Other foreigners									
1969	3,250	2,806	502	209	2,096	426	18	67	411	408	1,329	88	568	378
1970	3,075	2,698	504	236	1,958	352	25	71	411	312	1,325	115	548	292
1971—July	3,261	2,959	489	253	2,217	282	20	118	530	266	1,277	219	515	337
Aug.[r]	3,393	3,090	523	265	2,302	276	28	120	546	259	1,337	221	539	370
Sept.[r]	3,440	3,121	524	269	2,328	291	28	126	570	264	1,351	225	536	367
Oct.[r]	3,494	3,181	542	266	2,373	286	26	127	580	261	1,323	240	565	398
Nov.[r]	3,537	3,237	567	282	2,389	276	23	138	586	244	1,357	240	564	407
Dec.[r]	3,661	3,338	575	315	2,448	300	22	130	593	228	1,456	246	582	426
1972—Jan.[r]	3,688	3,369	575	311	2,483	295	24	132	581	256	1,457	241	594	427
Feb.	3,739	3,423	595	324	2,503	292	24	124	592	254	1,475	241	624	430
Mar.	3,838	3,528	644	329	2,555	284	26	131	605	233	1,496	278	651	444
Apr.	3,940	3,619	654	335	2,630	295	27	143	625	230	1,540	290	672	440
May	4,046	3,724	674	335	2,715	291	30	140	636	251	1,582	281	712	444
June[p]	4,193	3,869	712	369	2,788	293	30	139	631	284	1,642	311	739	446
July[p]	4,307	3,993	747	372	2,875	282	32	146	672	283	1,721	295	758	432

[1] Excludes central banks, which are included with "Official institutions."

16. PURCHASES AND SALES BY FOREIGNERS OF LONG-TERM SECURITIES, BY TYPE

(In millions of dollars)

Period	Marketable U.S. Govt. bonds and notes [1]					U.S. corporate securities [2]			Foreign bonds			Foreign stocks		
	Net purchases or sales													
	Total	Intl. and regional	Foreign			Purchases	Sales	Net purchases or sales	Purchases	Sales	Net purchases or sales	Purchases	Sales	Net purchases or sales
			Total	Official	Other									
1970	56	−25	82	−41	123	11,426	9,844	1,582	1,490	2,441	−951	1,033	998	35
1971 r	1,672	130	1,542	1,661	−119	14,573	13,158	1,415	1,687	2,575	−888	1,385	1,434	−49
1972—Jan.-July p	1,490	6	1,484	1,561	−77	11,054	9,147	1,907	1,044	1,797	−754	1,504	1,388	117
1971—July	260	1	259	253	6	1,042	1,006	36	112	138	−27	102	144	−42
Aug.	212	11	202	238	−36	1,185	1,021	163	110	313	−203	124	102	22
Sept.	118	1	117	145	−28	1,045	796	249	131	138	−7	118	96	22
Oct. r	252	*	252	257	−5	965	974	−9	163	245	−82	157	104	52
Nov. r	446	1	445	474	−29	940	845	94	137	148	−11	137	76	61
Dec.	175	1	175	209	−34	1,673	1,207	465	185	175	10	195	154	41
1972—Jan.	248	1	247	305	−58	1,580	1,277	302	126	409	−283	191	170	21
Feb.	141	....	141	138	3	1,611	1,312	299	159	241	−82	200	199	1
Mar.	230	1	229	245	−16	2,025	1,527	498	181	248	−67	290	269	20
Apr.	48	11	38	25	13	1,703	1,420	283	161	157	4	197	181	16
May	348	−8	356	350	6	1,350	1,111	239	124	310	−186	245	138	107
June p	251	1	251	274	−23	1,652	1,407	245	103	332	−229	225	269	−43
July p	223	1	222	224	−2	1,134	1,093	41	188	100	88	157	162	−5

[1] Excludes nonmarketable U.S. Treasury bonds and notes issued to official institutions of foreign countries; see Table 12.

[2] Includes State and local govt. securities, and securities of U.S. Govt. agencies and corporations that are not guaranteed by the United States. Also includes issues of new debt securities sold abroad by U.S. corporations organized to finance direct investments abroad.

NOTE.—Statistics include transactions of international and regional organizations.

17. NET PURCHASES OR SALES BY FOREIGNERS OF U.S. CORPORATE STOCKS, BY COUNTRY

(In millions of dollars)

Period	Total	France	Germany	Netherlands	Switzerland	United Kingdom	Other Europe	Total Europe	Canada	Latin America	Asia	Africa	Other countries	Intl. & regional
1970	626	58	195	128	110	−33	24	482	−9	47	85	−1	1	22
1971 r	731	87	131	219	168	−49	71	627	−93	37	108	*	−2	54
1972—Jan.-July p	784	78	−79	153	320	209	23	704	−94	−51	178	−2	*	48
1971—July	−3	12	−6	15	−10	6	−13	4	−24	2	15	*	*	−2
Aug.	78	10	7	38	24	−33	−7	38	11	12	16	1	*	*
Sept.	155	24	33	9	38	11	17	132	10	7	4	*	*	2
Oct. r	−48	8	−4	2	4	−30	*	−21	−21	−17	5	*	−1	7
Nov.	*	9	−9	22	1	−1	20	42	−14	−38	6	*	*	4
Dec.	483	66	51	76	102	68	32	394	2	49	39	*	*	−2
1972—Jan.	269	36	29	60	98	2	−7	218	1	11	27	*	*	12
Feb.	153	13	4	37	55	36	5	149	−32	10	20	−1	*	6
Mar.	177	19	−12	27	56	95	*	185	−26	3	8	*	*	7
Apr.	78	−9	−22	19	1	46	*	35	−23	13	49	−1	*	6
May	55	19	−14	8	27	20	2	62	−17	−22	30	*	*	2
June p	31	8	−20	15	27	−2	5	32	−1	−42	32	*	*	9
July p	21	−6	−44	−14	56	14	17	23	4	−25	12	*	*	7

18. 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	Other Europe	Total Europe	Canada	Latin America	Asia	Africa	Other countries	Intl. and regional
1970	956	35	48	37	134	118	91	464	128	25	28	1	−12	324
1971	684	15	35	−1	197	327	39	612	37	19	−2	*	−21	39
1972—Jan.–July p	1,123	188	2	40	54	212	74	571	56	16	293	*	*	187
1971—July	40	−2	−1	1	3	20	1	22	−10	3	*	*	*	24
Aug.	85	−3	−1	−1	26	49	−3	67	*	1	1	*	*	17
Sept.	94	*	−1	*	21	69	−3	86	16	5	*	*	*	−14
Oct.	40	5	1	*	53	24	2	83	−8	−2	−1	*	*	−33
Nov.	94	*	4	−1	42	70	6	122	7	−1	2	*	−5	−31
Dec.	−18	−1	−1	−2	−12	18	−6	−3	−13	*	1	*	....	−3
1972—Jan.	33	3	2	1	−14	20	38	49	10	−2	3	*	*	−27
Feb.	146	−1	−1	−1	−20	102	−11	67	11	−13	51	*	*	29
Mar.	321	5	3	*	29	54	15	106	−3	3	192	*	*	23
Apr.	205	38	3	20	−1	17	−13	63	−1	*	27	*	....	115
May	184	40	−3	*	−3	71	15	121	11	26	11	*	*	14
June p	214	95	1	8	21	4	17	148	23	*	8	....	*	36
July p	20	9	−3	12	42	−56	13	16	4	2	1	*	*	−4

NOTE.—Statistics include State and local govt. securities, and securities of U.S. Govt. agencies and corporations that are not guaranteed by the United States. Also includes issues of new debt securities sold abroad by U.S. corporations organized to finance direct investments abroad.

19. 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
1970	−915	−254	−662	50	−586	−11	−129	−6	20
1971 r	−937	−310	−627	38	−285	−46	−366	−1	32
1972—Jan.–July p	−637	−148	−490	302	−478	−45	−280	−13	23
1971—July	−68	7	−75	−16	−6	−2	−53	−1	2
Aug.	−180	−152	−29	23	−23	−16	−14	1	1
Sept.	15	8	6	1	−7	3	8	*	1
Oct. r	−30	32	−63	27	−111	−6	24	1	2
Nov. r	50	11	39	37	32	−28	5	*	3
Dec.	51	2	49	23	53	−10	−15	−4	2
1972—Jan.	−262	−242	−20	11	−24	−16	5	*	3
Feb.	−81	−12	−68	32	−73	1	−26	−2	*
Mar.	−46	14	−60	58	−74	−2	−47	−5	10
Apr. r	20	6	14	65	8	−31	−36	3	5
May	−78	3	−81	75	−143	14	−21	−9	2
June p	−272	5	−278	26	−195	−15	−94	*	*
July p	83	78	5	36	23	3	−60	*	2

20. 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)
1969—Sept.	467	297
Dec.	434	278
1970—Mar.	368	220
June	334	182
Sept.	291	203
Dec.	349	281
1971—Mar.	511	314
June	419	300
Sept.	333	320
Dec.	311	314
1972—Mar.	325	379
June p	312	339

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.

Notes to Tables 21a and 21b on following pages:

[1] Total assets and total liabilities payable in U.S. dollars amounted to $8,295 million and $8,387 million, respectively, on May 31, 1972.

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.

21a. 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	1970—Dec.	47,363	9,740	7,248	2,491	36,221	6,887	16,997	695	11,643	1,403
	1971—May	50,574	4,398	2,191	2,207	41,576	8,317	18,124	798	14,337	4,600
	June	52,732	4,853	2,661	2,191	43,292	8,924	19,062	851	14,456	4,587
	July	52,739	4,833	2,619	2,214	43,088	8,788	18,474	1,006	14,820	4,817
	Aug.	54,873	4,092	2,036	2,056	46,393	9,126	20,773	1,129	15,365	4,388
	Sept.	56,967	5,047	2,970	2,077	48,963	9,706	22,305	1,164	15,788	2,957
	Oct.	57,496	5,844	3,649	2,195	49,716	10,154	21,923	1,198	16,441	1,937
	Nov.[r]	58,630	5,650	3,341	2,308	51,066	10,416	22,661	1,195	16,795	1,914
	Dec.	61,474	4,800	2,313	2,487	54,879	11,224	24,630	1,167	17,858	1,795
	1972—Jan.	60,026	4,333	1,987	2,345	53,760	10,445	24,513	1,211	17,591	1,933
	Feb.	61,862	4,116	1,742	2,374	55,845	11,013	25,618	1,118	18,095	1,901
	Mar.	65,053	4,565	2,085	2,480	58,662	10,635	28,070	1,176	18,781	1,826
	Apr.	64,171	4,886	2,426	2,461	57,465	10,544	26,693	1,181	19,048	1,820
	May	64,372	4,619	2,080	2,539	57,943	10,463	27,060	1,275	19,145	1,810
Payable in U.S. dollars	1970—Dec.	34,619	9,452	7,233	2,219	24,642	4,213	13,265	362	6,802	525
	1971—May	36,070	4,193	2,172	2,020	28,296	5,354	13,839	554	8,549	3,581
	June	37,648	4,648	2,651	1,998	29,438	5,609	14,645	587	8,598	3,562
	July	37,117	4,613	2,610	2,003	28,718	5,648	13,799	714	8,557	3,787
	Aug.	37,846	3,875	2,025	1,851	30,703	5,791	15,466	866	8,581	3,268
	Sept.	38,712	4,807	2,950	1,858	32,145	6,029	16,436	875	8,805	1,759
	Oct.	38,570	5,600	3,633	1,968	32,617	6,094	16,302	907	9,013	653
	Nov.[r]	39,130	5,368	3,319	2,049	33,118	6,436	16,690	910	9,082	644
	Dec.	40,236	4,542	2,306	2,236	35,117	6,659	18,040	864	9,554	577
	1972—Jan.	38,928	4,072	1,975	2,097	34,228	6,427	17,759	822	9,220	629
	Feb.	39,920	3,864	1,732	2,132	35,374	6,637	18,514	821	9,402	682
	Mar.	43,002	4,300	2,062	2,238	38,074	6,727	20,608	845	9,891	631
	Apr.	41,757	4,597	2,387	2,210	36,489	6,359	19,346	883	9,902	671
	May	41,932	4,393	2,063	2,330	36,886	6,475	19,574	935	9,902	653
IN UNITED KINGDOM											
Total, all currencies	1970—Dec.	28,451	6,729	5,214	1,515	21,121	3,475	11,095	316	6,235	601
	1971—May	29,952	2,746	1,401	1,345	24,627	4,218	11,957	433	8,020	2,579
	June	31,276	3,188	1,827	1,361	25,545	4,393	12,632	418	8,101	2,542
	July	30,710	3,098	1,700	1,398	25,140	4,448	11,953	520	8,218	2,473
	Aug.	32,119	2,608	1,340	1,268	27,249	4,462	13,744	558	8,486	2,262
	Sept.	33,280	3,390	2,143	1,247	28,464	4,882	14,683	512	8,387	1,426
	Oct.	33,408	4,116	2,772	1,344	28,458	5,189	14,536	524	8,210	834
	Nov.	33,945	3,845	2,529	1,316	29,203	5,483	15,040	527	8,153	896
	Dec.	34,552	2,694	1,230	1,464	30,996	5,690	16,211	476	8,619	862
	1972—Jan.	33,877	2,514	1,228	1,287	30,447	5,243	16,411	469	8,325	916
	Feb.	34,712	2,247	1,044	1,204	31,617	5,584	17,097	454	8,482	848
	Mar.	37,104	2,503	1,312	1,190	33,810	5,380	19,177	491	8,762	790
	Apr.	36,126	2,738	1,574	1,163	32,585	5,269	17,945	507	8,865	803
	May	36,311	2,441	1,282	1,160	33,119	5,209	18,304	585	9,020	750
Payable in U.S. dollars	1970—Dec.	22,574		6,596		15,655	2,223	9,420		4,012	323
	1971—May	23,028		2,651		18,156	3,030	10,128		4,999	2,221
	June	24,228		3,098		18,918	3,231	10,674		5,013	2,211
	July	23,282		3,010		18,155	3,219	10,031		4,906	2,116
	Aug.	23,848		2,528		19,451	3,245	11,336		4,870	1,868
	Sept.	24,418		3,289		20,123	3,369	11,883		4,871	1,006
	Oct.	24,481		4,012		20,069	3,440	11,859		4,771	399
	Nov.	24,561		3,717		20,445	3,918	12,090		4,438	398
	Dec.	24,428		2,585		21,493	4,135	12,762		4,596	350
	1972—Feb.	23,816		2,153		21,254	3,960	13,058		4,237	409
	Mar.	26,097		2,401		23,324	3,926	14,865		4,534	372
	Apr.	24,967		2,620		21,943	3,708	13,754		4,481	404
	May	24,928		2,356		22,195	3,577	14,101		4,517	377
IN THE BAHAMAS											
Total, all currencies	1970—Dec.	4,815	1,173	455	717	3,583		2,119		1,464	59
	1971—May	5,379	773	113	660	3,913		2,062		1,850	694
	June	5,760	839	203	635	4,238		2,338		1,900	683
	July	6,047	890	267	623	4,428		2,357		2,071	729
	Aug.	5,970	728	139	589	4,618		2,604		2,014	624
	Sept.	6,208	835	219	615	5,039		2,934		2,105	334
	Oct.	6,586	887	246	641	5,605		3,019		2,585	95
	Nov.[r]	7,264	1,025	277	798	6,139		3,203		2,936	101
	Dec.	8,493	1,282	505	778	7,119		3,798		3,320	92
	1972—Jan.	7,973	955	159	796	6,925		3,679		3,247	94
	Feb.	8,380	994	107	888	7,276		3,819		3,457	110
	Mar.	8,836	1,178	126	1,052	7,551		4,038		3,513	108
	Apr.	9,038	1,284	204	1,080	7,643		4,121		3,521	111
	May	[1]9,094	1,361	195	1,166	7,615		4,181		3,434	117

For notes see p. A-87.

21b. 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			
47,354	2,575	716	1,859	42,812	6,426	24,829	4,180	7,377	1,967	1970—Dec.	IN ALL FOREIGN COUNTRIES Total, all currencies
50,574	2,848	726	2,122	45,891	8,134	25,039	5,216	7,502	1,835	1971—May	
52,732	2,565	528	2,038	48,342	8,553	26,729	5,339	7,721	1,824	June	
52,736	3,061	477	2,584	47,934	8,346	26,544	5,373	7,670	1,741	July	
54,873	3,349	763	2,586	49,622	8,792	27,178	5,450	8,203	1,902	Aug.	
56,969	3,015	501	2,514	51,940	9,516	28,497	5,476	8,451	2,014	Sept.	
57,496	2,915	474	2,441	52,540	9,802	28,520	5,581	8,638	2,041	Oct.	
58,629	2,870	475	2,395	53,646	10,038	29,350	5,749	8,509	2,113	Nov. r	
61,475	3,114	669	2,445	56,242	10,818	31,147	5,491	8,786	2,119	Dec.	
60,020	2,938	658	2,280	55,048	10,324	29,763	5,869	9,091	2,034	1972—Jan.	
61,862	3,170	779	2,391	56,634	10,645	30,707	6,180	9,102	2,058	Feb.	
65,053	3,047	636	2,411	59,933	10,363	r33,692	r6,331	9,546	2,073	Mar.	
64,171	2,980	621	2,358	59,111	10,119	32,651	6,617	9,723	2,081	Apr.	
64,371	2,818	562	2,256	59,645	10,055	33,129	6,630	9,830	1,908	May	
36,086	2,334	657	1,677	32,509	4,079	19,816	3,737	4,877	1,243	1970—Dec.	Payable in U.S. dollars
37,316	2,582	643	1,939	33,638	5,469	19,120	4,419	4,630	1,096	1971—May	
39,142	2,293	432	1,861	35,782	5,793	20,610	4,604	4,775	1,068	June	
38,322	2,762	393	2,368	34,571	5,433	20,192	4,416	4,530	990	July	
39,494	2,939	643	2,296	35,406	5,735	20,340	4,375	4,956	1,149	Aug.	
40,208	2,638	381	2,257	36,375	6,234	20,981	4,408	4,752	1,195	Sept.	
40,742	2,549	352	2,198	36,331	6,154	20,797	4,503	4,878	1,161	Oct.	
40,894	2,523	375	2,148	37,149	6,479	21,120	4,662	4,888	1,221	Nov. r	
42,090	2,674	511	2,163	38,139	6,692	22,069	4,426	4,953	1,276	Dec.	
41,379	2,556	546	2,010	37,642	6,710	r20,862	r4,765	5,306	1,182	1972—Jan.	
42,562	2,743	644	2,099	38,607	6,853	21,742	4,768	5,244	1,212	Feb.	
45,612	2,643	509	2,135	41,744	6,945	24,425	4,947	5,428	1,225	Mar.	
44,079	2,591	514	2,077	40,260	6,583	23,127	5,202	5,349	1,227	Apr.	
44,220	2,411	439	1,973	40,751	6,648	23,618	5,152	5,333	1,058	May	
28,451	1,339	116	1,222	26,520	2,320	16,533	3,119	4,548	592	1970—Dec.	IN UNITED KINGDOM Total, all currencies
29,952	1,591	301	1,291	27,667	2,843	16,387	3,873	4,565	694	1971—May	
31,276	1,565	147	1,419	29,021	2,931	17,578	3,967	4,545	690	June	
30,710	1,773	126	1,647	28,264	2,762	16,843	4,034	4,625	674	July	
32,119	2,000	300	1,700	29,429	3,069	17,310	4,268	4,782	691	Aug.	
33,280	1,658	117	1,541	30,877	3,344	18,431	4,318	4,785	745	Sept.	
33,408	1,628	104	1,523	31,009	3,250	18,535	4,447	4,777	772	Oct.	
33,945	1,618	77	1,541	31,513	3,106	18,901	4,622	4,885	814	Nov.	
34,552	1,660	111	1,550	32,128	3,401	19,137	4,464	5,126	763	Dec.	
33,877	1,626	132	1,494	31,473	3,296	18,076	4,680	5,421	778	1972—Jan.	
34,712	1,582	114	1,468	32,371	3,417	18,705	4,788	5,461	759	Feb.	
37,104	1,525	78	1,447	34,787	3,209	20,989	4,996	5,594	792	Mar.	
36,126	1,340	68	1,272	33,980	3,056	19,893	5,172	5,859	807	Apr.	
36,311	1,397	105	1,291	34,090	3,154	19,908	5,158	5,871	824	May	
23,005	1,208	98	1,110	21,495	1,548	13,684	2,859	3,404	302	1970—Dec.	Payable in U.S. dollars
23,198	1,455	266	1,189	21,378	1,902	12,967	3,368	3,142	365	1971—May	
24,474	1,432	96	1,336	22,682	2,053	14,071	3,493	3,065	361	June	
23,400	1,610	89	1,521	21,428	1,819	13,198	3,382	3,029	361	July	
24,263	1,790	238	1,552	22,095	1,900	13,445	3,501	3,249	377	Aug.	
24,742	1,460	59	1,401	22,882	2,126	14,160	3,555	3,041	400	Sept.	
24,727	1,435	49	1,387	22,875	2,095	14,079	3,660	3,041	417	Oct.	
25,044	1,452	36	1,416	23,166	2,028	14,185	3,813	3,140	426	Nov.	
24,845	1,412	23	1,389	23,059	2,164	14,038	3,676	3,181	374	Dec.	
24,765	1,377	50	1,327	22,985	2,081	13,670	3,824	3,411	403	1972—Feb.	
26,971	1,327	19	1,308	25,220	2,093	15,694	4,041	3,392	424	Mar.	
25,599	1,154	26	1,129	24,027	1,852	14,465	4,233	3,477	419	Apr.	
25,787	1,202	58	1,144	24,168	2,054	14,610	4,141	3,363	417	May	
4,815	542			4,183	488	2,872		823	90	1970—Dec.	IN THE BAHAMAS Total, all currencies
5,380	646			4,633	991	2,744		898	101	1971—May	
5,761	446			5,221	1,013	3,095		1,113	93	June	
6,045	753			5,197	1,126	3,138		933	95	July	
5,970	696			5,155	1,005	3,029		1,121	119	Aug.	
6,211	719			5,359	931	3,381		1,048	133	Sept.	
6,588	628			5,805	1,083	3,551		1,170	155	Oct.	
7,265	599			6,510	1,446	3,943		1,121	155	Nov. r	
8,495	750			7,557	1,649	4,784		1,124	188	Dec.	
7,973	625			7,197	1,563	4,427		1,207	151	1972—Jan.	
8,380	858			7,380	1,526	4,676		1,178	142	Feb.	
8,836	833			7,876	1,429	5,142		1,305	128	Mar.	
9,038	961			7,922	1,494	5,224		1,204	155	Apr.	
[1]9,093	812			8,138	1,454	5,353		1,330	144	May	

For notes see p. A-87.

22. LIABILITIES OF U.S. BANKS TO THEIR FOREIGN BRANCHES AND FOREIGN BRANCH HOLDINGS OF SPECIAL U.S. GOVERNMENT SECURITIES

(Amounts outstanding; in millions of dollars)

Wednesday	Liabilities[1]
1967	
Mar. 29	3,412
June 28	3,166
Sept. 27	4,059
Dec. 27	4,241
1968	
Mar. 27	4,920
June 26	6,202
Sept. 25	7,104
Dec. 31 (1/1/69)	6,039
1969	
Mar. 26	9,621
June 25	13,269
Sept. 24	14,349
Dec. 31	12,805
1970	
Mar. 25	11,885
June 24	12,172
Sept. 30	9,663
Dec. 30	7,676

Wednesday	Liabilities[1]	Liab. plus sec.[2]
1971		
Jan. 27	6,536	7,536
Feb. 24	5,666	6,666
Mar. 31	2,858	4,358
Apr. 28	2,158	5,166
May 26	1,579	4,587
June 30	1,492	4,500
July 28	1,495	4,645
Aug. 25	1,405	4,075
Sept. 29	2,475	3,578
Oct. 27	2,917	....
Nov. 24	3,342	....
Dec. 29	909	....
1972		
Jan. 5	1,208	....
12	1,721	....
19	1,568	....
26	1,419	....
Feb. 2	1,301	....
9	1,062	....
16	1,006	....
23	1,068	....
Mar. 1	954	....
8	1,164	....
15	1,263	....
22	1,346	....
29	1,532	....

Wednesday	Liabilities[1]
1972—Cont.	
Apr. 5	1,130
12	1,052
19	1,279
26	1,374
May 3	1,240
10	1,323
17	1,544
24	1,599
31	1,465
June 7	1,192
14	1,525
21	1,740
28	1,442
July 5	824
12	1,375
19	974
26	1,342
Aug. 2	1,829
9	1,250
16	1,778
23	1,845
30	1,262

1 Represents gross liabilities of reporting banks to their branches in foreign countries.
2 For period Jan. 27, 1971 through Oct. 20, 1971, includes U.S. Treasury Certificates Eurodollar Series and special Export-Import Bank securities held by foreign branches. Beginning July 28, 1971, all of the securities held were U.S. Treasury Certificates Eurodollar Series.

23. MATURITY OF EURO-DOLLAR DEPOSITS IN FOREIGN BRANCHES OF U.S. BANKS

(End of month; in billions of dollars)

Maturity of liability	1972 Apr.	1972 May	1972 June
Overnight	1.91	1.74	2.37
Call	2.10	1.91	2.02
Other liabilities, maturing in following calendar months after report date:			
1st	9.00	9.48	11.19
2nd	5.90	6.24	4.92
3rd	5.05	3.86	4.82
4th	2.16	2.43	2.85
5th	2.06	2.47	2.61
6th	2.12	2.33	2.48
7th	.38	.63	.73
8th	.58	.54	.42
9th	.51	.41	.54
10th	.36	r.41	.41
11th	.37	r.39	.45
12th	.43	.45	.29
Maturities of more than 1 year	1.11	1.05	1.12
Total	34.05	34.32	37.25

NOTE.—Includes interest-bearing U.S. dollar deposits and direct borrowings of all branches in the Bahamas and of all other foreign branches for which such deposits and direct borrowings amount to $50 million or more.
Details may not add to totals due to rounding.

24. DEPOSITS, U.S. GOVT. 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. Govt. securities[1]	Assets in custody: Earmarked gold
1969	134	7,030	12,311
1970	148	16,226	12,926
1971—Aug.	122	35,914	13,821
Sept.	166	36,921	13,819
Oct.	135	38,207	13,819
Nov.	177	39,980	13,820
Dec.	294	43,195	13,815
1972—Jan.	147	44,359	13,815
Feb.	137	45,699	14,359
Mar.	191	46,837	14,321
Apr.	228	46,836	14,315
May	157	46,453	15,542
June	257	47,176	15,542
July	160	51,522	15,542
Aug.	192	51,676	15,530

1 Marketable U.S. Treasury bills, certificates of indebtedness, notes, and bonds and nonmarketable U.S. Treasury securities payable in dollars and in foreign currencies.

NOTE.—Excludes deposits and U.S. Govt. 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.

25. 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
1968	1,638	1,219	87	272	60	979	280
1969[2]	1,319	952	116	174	76	610	469
	1,491	1,062	161	183	86	663	534
1970	1,141	697	150	173	121	372	436
1971—June	1,470	932	176	240	122	634	365
July	1,478	949	189	238	101	579	395
Aug.	1,661	1,085	201	246	128	639	480
Sept.	1,579	989	198	285	107	519	489
Oct.	1,604	1,015	206	277	106	540	531
Nov.	1,622	1,029	205	246	143	612	517
Dec.	1,637	1,073	203	241	120	575	577
1972—Jan.	1,736	1,087	235	251	163	614	672
Feb.	1,820	1,034	316	245	225	548	845
Mar.r	1,982	1,235	266	281	200	653	847
Apr.r	1,907	1,273	211	259	164	662	740
May.r	1,990	1,309	223	305	153	698	685
June	1,994	1,342	208	273	170	693	652

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.
2 Data on the two lines 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.

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 Tables 26 and 27.

26. 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				
	1971				1972	1971				1972
	Mar.	June	Sept.	Dec.	Mar.p	Mar.	June	Sept.	Dec.	Mar.p
Europe:										
Austria	11	12	10	5	5	10	10	13	14	17
Belgium-Luxembourg	47	58	60	66	105	49	61	59	62	47
Denmark	9	3	3	2	3	16	17	14	15	18
Finland	2	2	2	2	2	8	15	16	18	19
France	112	117	139	142	128	159	181	182	208	201
Germany, Fed. Rep. of	122	105	125	117	88	191	228	209	192	210
Greece	4	5	6	4	5	34	27	40	35	36
Italy	71	69	74	108	112	175	172	176	191	187
Netherlands	115	102	85	70	75	65	74	66	69	67
Norway	4	5	5	5	6	15	14	17	13	16
Portugal	14	18	18	16	9	13	20	13	16	23
Spain	27	35	37	66	66	93	91	89	125	103
Sweden	28	31	28	17	16	53	40	37	40	35
Switzerland	122	85	100	91	60	38	62	95	63	59
Turkey	3	5	3	2	2	17	9	9	9	9
United Kingdom	735	659	686	768	870	1,020	961	846	957	976
Yugoslavia	4	4	4	3	4	16	16	21	13	10
Other Western Europe	1	2	2	2	1	12	11	14	13	13
Eastern Europe	4	3	3	4	5	16	16	16	28	25
Total	1,437	1,319	1,391	1,489	1,564	1,997	2,027	1,932	2,080	2,074
Canada	206	193	183	181	188	721	706	800	909	1,217
Latin America:										
Argentina	14	17	19	18	18	65	66	66	55	49
Brazil	15	17	13	21	20	105	117	127	150	142
Chile	13	8	14	14	21	40	44	48	47	40
Colombia	6	6	6	7	7	36	31	40	46	41
Cuba	*	*	*	*	*	1	1	1	1	1
Mexico	20	20	23	22	17	143	151	146	151	134
Panama	6	6	6	5	8	21	17	20	21	19
Peru	4	4	5	7	8	35	36	34	34	31
Uruguay	4	4	4	2	3	7	6	6	5	6
Venezuela	17	17	14	16	18	69	69	73	81	77
Other L.A. republics	29	29	33	33	28	95	96	105	101	95
Bahamas and Bermuda	173	167	232	275	341	222	273	362	366	313
Neth. Antilles and Surinam.	5	7	4	3	5	8	9	9	9	8
Other Latin America	5	6	8	5	12	21	25	21	24	22
Total	311	307	381	429	506	866	940	1,057	1,090	977
Asia:										
Hong Kong	8	8	9	12	11	19	25	26	24	21
India	25	22	26	27	13	39	39	36	37	31
Indonesia	5	6	11	10	6	20	21	24	29	29
Israel	28	19	21	10	9	24	25	21	23	23
Japan	165	158	178	177	194	349	372	397	411	469
Korea	11	10	10	13	12	50	54	52	68	56
Philippines	7	7	6	7	9	31	56	43	49	64
Taiwan	10	11	17	18	23	32	38	43	41	45
Thailand	4	3	4	3	4	12	13	16	15	18
Other Asia	59	122	140	143	110	153	158	201	147	173
Total	322	366	421	420	391	729	800	859	844	930
Africa:										
Congo (Kinshasa)	2	2	1	1	1	5	6	4	6	5
South Africa	31	45	45	31	26	32	38	39	41	42
U.A.R. (Egypt)	2	1	1	1	1	10	9	9	9	9
Other Africa	19	33	32	35	31	53	67	70	100	76
Total	54	82	78	68	59	100	120	122	156	130
Other countries:										
Australia	81	81	68	46	54	86	82	85	83	86
All other	8	8	9	9	10	13	17	24	19	27
Total	89	89	77	55	64	99	99	109	102	113
International and regional	*	*	1	*	*	3	4	4	4	2
Grand total	2,418	2,357	2,532	2,643	2,774	4,515	4,696	4,882	5,185	5,443

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.

27. SHORT-TERM LIABILITIES TO AND CLAIMS ON FOREIGNERS REPORTED BY NONBANKING CONCERNS, BY TYPE

(Amounts outstanding; in millions of dollars)

End of period	Liabilities			Claims			
	Total	Payable in dollars	Payable in foreign currencies	Total	Payable in dollars	Payable in foreign currencies: Deposits with banks abroad in reporter's name	Payable in foreign currencies: Other
1967—Dec.	1,386	1,039	347	3,011	2,599	203	209
1968—Mar.	1,358	991	367	3,369	2,936	211	222
June	1,473	1,056	417	3,855	3,415	210	229
Sept.	1,678	1,271	407	3,907	3,292	422	193
Dec.	1,608	1,225	382	3,783	3,173	368	241
1969—Mar.	1,576	1,185	391	4,014	3,329	358	327
June	1,613	1,263	350	4,023	3,316	429	278
Sept.	1,797	1,450	346	3,874	3,222	386	267
Dec.[1]	1,786	1,399	387	3,710	3,124	221	365
	2,124	1,654	471	4,159	3,532	244	383
1970—Mar.	2,234	1,724	510	4,275	3,738	219	318
June	2,387	1,843	543	4,457	3,868	234	355
Sept.	2,512	1,956	557	4,361	3,756	301	305
Dec.	2,655	2,159	496	4,160	3,579	234	348
1971—Mar.	2,418	1,957	462	4,515	3,909	232	374
June	2,357	1,919	438	4,696	4,045	303	348
Sept.	2,532	2,091	442	4,882	4,174	383	326
Dec.	2,643	2,180	463	5,185	4,535	318	333
1972—Mar.p	2,774	2,340	433	5,443	4,677	358	408

[1] Data on the two 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.

28. 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	United Kingdom	Other Europe	Canada	Brazil	Mexico	Other Latin America	Japan	Other Asia	Africa	All other
1967—Dec.	428	1,570	43	263	322	212	91	274	128	132	89	16
1968—Mar.	582	1,536	41	265	330	206	61	256	128	145	84	21
June	747	1,568	32	288	345	205	67	251	129	134	83	33
Sept.	767	1,625	43	313	376	198	62	251	126	142	82	32
Dec.	1,129	1,790	147	306	419	194	73	230	128	171	83	38
1969—Mar.	1,285	1,872	175	342	432	194	75	222	126	191	72	43
June	1,325	1,952	168	368	447	195	76	216	142	229	72	40
Sept.	1,418	1,965	167	369	465	179	70	213	143	246	71	42
Dec.[1]	1,725	2,215	152	433	496	172	73	388	141	249	69	42
	2,304	2,363	152	442	562	177	77	420	142	271	75	46
1970—Mar.	2,358	2,744	159	735	573	181	74	438	158	288	71	47
June	2,587	2,757	161	712	580	177	65	477	166	288	76	54
Sept.	2,785	2,885	157	720	620	180	63	586	144	284	73	58
Dec.	3,102	2,950	146	708	669	183	60	618	140	292	71	64
1971—Mar.	3,177	2,983	154	688	670	182	63	615	161	302	77	72
June	3,172	2,994	151	692	677	180	64	629	138	313	75	76
Sept.	2,922	3,025	135	675	753	179	63	598	133	323	91	75
Dec.	3,028	3,137	128	715	756	174	60	656	141	327	96	85
1972—Mar.p	2,946	3,214	128	723	775	173	59	662	141	362	104	86

[1] Data on the two 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.

FOREIGN EXCHANGE RATES

(In cents per unit of foreign currency)

Period	Argentina (peso)	Australia (dollar)	Austria (schilling)	Belgium (franc)	Canada (dollar)	Ceylon (rupee)	Denmark (krone)	Finland (markka)	France (franc)
1968	.28473	111.25	3.8675	2.0026	92.801	16.678	13.362	23.761	20.191
1969	.28492	111.10	3.8654	1.9942	92.855	16.741	13.299	23.774	[1]19.302
1970	[2]26.589	111.36	3.8659	2.0139	95.802	16.774	13.334	23.742	18.087
1971	22.502	113.61	[4]4.0009	2.0598	99.021	16.800	13.508	23.758	18.148
1971—Aug.	20.757	113.17	4.0264	2.0351	98.670	16.792	13.435	23.735	18.130
Sept.	19.919	114.78	4.0844	2.0921	98.717	16.839	13.672	23.830	18.112
Oct.	19.923	115.76	4.1261	2.1353	99.537	16.820	13.768	23.800	18.073
Nov.	19.925	115.89	4.1280	2.1572	99.607	16.806	13.773	23.773	18.096
Dec.	19.928	117.48	4.2041	2.1986	100.067	16.797	13.994	23.852	18.549
1972—Jan.	19.960	119.10	4.2516	2.2514	99.411	16.653	14.219	24.077	19.329
Feb.	[2]19.960	119.10	4.3108	2.2810	99.528	16.650	14.306	24.099	19.650
Mar.	....	119.10	4.3342	2.2757	100.152	16.650	14.361	24.121	19.835
Apr.	....	119.10	4.3236	2.2672	100.430	16.650	14.301	24.088	19.852
May	....	119.10	4.3277	2.2737	101.120	16.650	14.332	24.084	19.944
June	....	119.10	4.3421	2.2758	102.092	16.772	14.336	24.136	19.937
July	....	119.10	4.3674	2.2814	101.630	15.878	14.368	24.035	19.990
Aug.	....	119.11	4.3470	2.2795	101.789	15.611	14.438	24.020	19.986

Period	Germany (Deutsche mark)	India (rupee)	Ireland (pound)	Italy (lira)	Japan (yen)	Malaysia (dollar)	Mexico (peso)	Netherlands (guilder)
1968	25.048	13.269	239.35	.16042	.27735	32.591	8.0056	27.626
1969	[5]25.491	13.230	239.01	.15940	.27903	32.623	8.0056	27.592
1970	27.424	13.233	239.59	.15945	.27921	32.396	8.0056	27.651
1971	[6]28.768	13.338	244.42	.16174	.28779	32.989	8.0056	[6]28.650
1971—Aug.	29.277	13.345	243.46	.16157	.28113	32.737	8.0056	28.693
Sept.	29.794	13.401	246.94	.16292	.29583	33.354	8.0056	29.308
Oct.	30.065	13.349	249.06	.16332	.30202	33.573	8.0056	29.772
Nov.	30.005	13.353	249.33	.16324	.30418	33.627	8.0056	30.006
Dec.	30.593	13.388	252.66	.16652	.31249	34.135	8.0056	30.503
1972—Jan.	30.956	13.415	257.05	.16923	.31978	34.737	8.0002	31.072
Feb.	31.390	13.638	260.37	.17036	.32769	35.080	8.0000	31.468
Mar.	31.545	13.716	261.81	.17161	.33054	35.409	8.0000	31.384
Apr.	31.468	13.735	261.02	.17138	.32943	35.406	8.0000	31.142
May	31.454	13.763	261.24	.17175	.32854	35.446	8.0000	31.124
June	31.560	13.754	256.91	.17142	.33070	35.475	8.0000	31.296
July	31.634	13.072	244.47	.17208	.33219	35.918	8.0000	31.424
Aug.	31.382	13.030	245.02	.17203	.33204	36.026	8.0000	31.158

Period	New Zealand (dollar)	Norway (krone)	Portugal (escudo)	South Africa (rand)	Spain (peseta)	Sweden (krona)	Switzerland (franc)	United Kingdom (pound)
1968	111.37	14.000	3.4864	139.10	1.4272	19.349	23.169	239.35
1969	111.21	13.997	3.5013	138.90	1.4266	19.342	23.186	239.01
1970	111.48	13.992	3.4978	139.24	1.4280	19.282	23.199	239.59
1971	113.71	14.205	3.5456	140.29	1.4383	19.592	[7]24.325	244.42
1971—Aug.	113.28	14.244	3.5289	141.46	1.4335	19.502	24.813	243.46
Sept.	114.95	14.494	3.5970	140.88	1.4415	19.732	25.118	246.94
Oct.	115.88	14.599	3.6275	140.43	[8]1.4457	19.914	25.157	249.06
Nov.	116.01	14.578	3.6342	140.40	1.4533	19.989	25.104	249.33
Dec.	117.31	14.816	3.6494	137.22	1.4822	20.434	25.615	252.66
1972—Jan.	119.36	14.913	3.6474	131.27	1.5162	20.731	25.693	257.09
Feb.	119.39	15.029	3.6690	132.98	1.5170	20.858	25.890	260.37
Mar.	119.29	15.161	3.6930	133.77	1.5369	20.936	25.974	261.81
Apr.	119.36	15.151	3.6950	133.32	1.5487	20.907	25.920	261.02
May	119.41	15.214	3.7075	133.82	1.5492	21.032	25.903	261.24
June	119.13	15.303	3.7083	132.63	1.5509	21.101	26.320	[9]256.91
July	119.31	15.367	3.7178	125.26	1.5754	21.134	26.561	244.47
Aug.	119.45	15.335	3.7211	125.28	1.5752	21.160	26.449	245.02

[1] Effective Aug. 10, 1969, the French franc was devalued from 4.94 to 5.55 francs per U.S. dollar.

[2] A new Argentine peso, equal to 100 old pesos, was introduced on Jan. 1, 1970. Since Apr. 6, 1971, the official exchange rate is set daily by the Government of Argentina. Average for Feb. 1–27, 1972.

[3] On June 1, 1970, the Canadian Government announced that, for the time being, Canada will not maintain the exchange rate of the Canadian dollar within the margins required by IMF rules.

[4] Effective May 9, 1971, the Austrian schilling was revalued to 24.75 per U.S. dollar.

[5] Effective Oct. 26, 1969, the new par value of the German mark was set at 3.66 per U.S. dollar.

[6] Effective May 10, 1971, the German mark and Netherlands guilder have been floated.

[7] Effective May 10, 1971, the Swiss franc was revalued to 4.08 per U.S. dollar.

[8] Effective Oct. 20, 1971, the Spanish peseta was revalued to 68.455 per U.S. dollar.

[9] Effective June 23, 1972, the U.K. pound was floated.

NOTE.—Effective Aug. 16, 1971, the U.S. dollar convertibility to gold was suspended; as from that day foreign central banks did not have to support the dollar rate in order to keep it within IMF limits.

During December 1971, certain countries established central rates against the U.S. dollar in place of former IMF parities.

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 *Supplement to Banking and Monetary Statistics*, 1962.

CENTRAL BANK RATES FOR DISCOUNTS AND ADVANCES TO COMMERCIAL BANKS

(Per cent per annum)

Country	Rate as of Aug. 31, 1971		Changes during the last 12 months												Rate as of Aug. 31, 1972
			1971				1972								
	Per cent	Month effective	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	
Argentina	6.0	Dec. 1957						18.0							18.0
Austria	5.0	Jan. 1970													5.0
Belgium	6.0	Mar. 1971	5.5				5.0	4.5	4.0						4.0
Brazil	20.0	July 1969													20.0
Canada	5.25	Feb. 1971		4.75											4.75
Ceylon	6.5	Jan. 1970													6.5
Chile	8.0	July 1971					7.0								7.0
Colombia	8.0	May 1963													8.0
Costa Rica	4.0	June 1966					5.0								5.0
Denmark	7.5	Apr. 1971					7.0					8.0			8.0
Ecuador	8.0	Jan. 1970													8.0
Egypt, Arab Rep. of	5.0	May 1962													5.0
El Salvador	4.0	Aug. 1964													4.0
Ethiopia	6.50	Aug. 1970													6.50
Finland	8.50	June 1971					7.75								7.75
France	6.75	May 1971		6.5			6.0			5.75					5.75
Germany, Fed. Rep. of	5.0	Apr. 1971		4.5		4.0		3.0							3.0
Ghana	8.0	July 1971													8.0
Greece	6.5	Sept. 1969													6.5
Honduras	4.0	Feb. 1966													4.0
Iceland	5.25	Jan. 1966													5.25
India	6.0	Jan. 1971													6.0
Indonesia	6.0	May 1969													6.0
Iran	8.0	Aug. 1969		7.0											7.0
Ireland	6.12	Aug. 1971	5.12	5.12	4.94	4.81		4.81				5.19			5.19
Italy	5.0	Apr. 1971		4.5						4.0					4.0
Jamaica	5.5	Apr. 1971				5.0						6.0			6.0
Japan	5.25	May 1971				4.75						4.25			4.25
Korea	16.0	June 1971					13.0								13.0
Mexico	4.5	June 1942													4.5
Morocco	3.50	Nov. 1951													3.50
Netherlands	5.5	Apr. 1971	5.0				4.5		4.0						4.0
New Zealand	7.0	Mar. 1961							6.0						6.0
Nigeria	4.50	June 1968													4.50
Norway	4.5	Sept. 1969													4.5
Pakistan	5.0	June 1965									6.0				6.0
Peru	9.5	Nov. 1959													9.5
Philippine Republic	10.0	June 1969													10.0
Portugal	3.75	Feb. 1971													3.75
South Africa	6.5	Mar. 1971												6.0	6.0
Spain	6.0	Apr. 1971		5.0											5.0
Sweden	6.0	Apr. 1971	5.5		5.0										5.0
Switzerland	3.75	Sept. 1969													3.75
Taiwan	9.25	May 1971													9.25
Thailand	5.0	Oct. 1959													5.0
Tunisia	5.0	Sept. 1966													5.0
Turkey	9.0	Sept. 1970													9.0
United Kingdom	6.0	Apr. 1971	5.0									6.0			6.0
Venezuela	5.0	Oct. 1970													5.0
Vietnam	18.0	Sept. 1970													18.0

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;
Chile—Various rates ranging from 1 per cent to 17 per cent; 20 per cent for loans to make up reserve deficiencies.
Colombia—5 per cent for warehouse receipts covering approved lists of products, 6 and 7 per cent for agricultural bonds, and 12 and 18 per cent for rediscounts in excess of an individual bank's quota;
Costa Rica—5 per cent for paper related to commercial transactions (rate shown is for agricultural and industrial paper);
Ecuador—5 per cent for special advances and for bank acceptances for agricultural purposes, 7 per cent for bank acceptances for industrial purposes, and 10 per cent for advances to cover shortages in legal reserves;
Ethiopia—5 per cent for export paper and 6 per cent for Treasury bills.
Honduras—Rate shown is for advances only.
Indonesia—Various rates depending on type of paper, collateral, commodity involved, etc.;
Japan—Penalty rates (exceeding the basic rate shown) for borrowings from the central bank in excess of an individual bank's quota;
Morocco—Various rates from 3 per cent to 4.6 per cent depending on type of paper, maturity, collateral, guarantee, etc.
Peru—3.5, 5, and 7 per cent for small credits to agricultural or fish production, import substitution industries and manufacture of exports; 8 per cent for other agricultural, industrial and mining paper;
Philippines—6 per cent for financing the production, importation, and distribution of rice and corn and 7.75 per cent for credits to enterprises engaged in export activities. Preferential rates are also granted on credits to rural banks; and
Venezuela—2 per cent for rediscounts of certain agriculture 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.
Vietnam—10 per cent for export paper; treasury bonds are rediscounted at a rate 4 percentage points above the rate carried by the bond; and there is a penalty rate of 24 per cent for banks whose loans exceed quantitative ceilings.

OPEN MARKET RATES

(Per cent per annum)

Month	Canada: Treasury bills, 3 months[1]	Canada: Day-to-day money[2]	United Kingdom: Prime bank bills, 3 months[3]	United Kingdom: Treasury bills, 3 months	United Kingdom: Day-to-day money	United Kingdom: Clearing banks' deposit rates[4]	France: Day-to-day money[5]	Germany, Fed. Rep. of: Treasury bills, 60–90 days[6]	Germany, Fed. Rep. of: Day-to-day money[7]	Netherlands: Treasury bills, 3 months	Netherlands: Day-to-day money	Switzerland: Private discount rate
1970	6.12	6.22	8.26	6.70	5.73	5.23	8.67	6.54	8.67	5.97	6.47	5.14
1971	3.62	3.76	6.41	5.57	4.93	3.84	....	4.54	6.10	4.34	3.76	5.24
1971—Aug.	3.88	3.94	5.99	5.75	5.05	4.00	5.69	4.25	6.18	4.24	5.53	5.25
Sept.	3.93	4.16	[3] 5.42	4.83	4.39	[4] 3.00	5.99	4.25	7.01	4.34	3.80	5.25
Oct.	3.79	4.16	[8] 4.90	4.63	4.29	2.88	5.95	3.75	7.50	4.47	5.35	5.25
Nov.	3.31	3.60	4.74	4.48	3.75	2.70	5.51	3.75	4.58	4.06	3.79	5.25
Dec.	3.25	3.63	4.42	4.36	3.46	2.50	5.28	3.25	5.78	3.90	4.91	5.12
1972—Jan.	3.29	3.71	4.48	4.36	3.94	2.50	5.31	3.25	4.20	3.61	4.44	5.00
Feb.	3.48	3.79	4.85	4.37	4.43	2.50	5.20	2.75	4.15	3.19	3.38	5.00
Mar.	3.51	3.70	4.77	4.34	4.58	2.50	4.76	2.75	3.88	2.26	0.98	5.00
Apr.	3.65	3.68	4.62	4.30	3.82	2.50	4.81	2.75	3.77	1.84	0.70	4.75
May	3.67	3.73	4.83	4.27	4.56	2.50	5.32	2.75	2.95	1.98	3.03	4.75
June	3.61	3.64	5.86	5.21	3.92	2.93	3.81	2.75	2.65	1.90	1.53	4.75
July	3.48	3.45	6.82	5.60	4.99	4.18	....	2.75	2.24	1.09	0.86	4.75
Aug.	3.47	3.54	6.71	5.79	5.13	5.25	....	....	....	0.75	....	....

[1] Based on average yield of weekly tenders during month.
[2] Based on weekly averages of daily closing rates.
[3] Data for 1968 through Sept. 1971 are for bankers' acceptances, 3 months.
[4] Data for 1968 through Sept. 1971 are for bankers' allowance on deposits.
[5] Rate shown is on private securities.
[6] Rate in effect at end of month.
[7] Monthly averages based on daily quotations.
[8] Bill rates in table are buying rates for prime paper.

NOTE.—For description and back data, see "International Finance," Section 15 of *Supplement to Banking and Monetary Statistics*, 1962.

ARBITRAGE ON TREASURY BILLS

(Per cent per annum)

Date	United States and United Kingdom: Treasury bill rates: United Kingdom (adj. to U.S. quotation basis)	United States and United Kingdom: Treasury bill rates: United States	United States and United Kingdom: Treasury bill rates: Spread (favor of London)	United States and United Kingdom: Premium (+) or discount (−) on forward pound	United States and United Kingdom: Net incentive (favor of London)	United States and Canada: Treasury bill rates: Canada: As quoted in Canada	United States and Canada: Treasury bill rates: Canada: Adj. to U.S. quotation basis	United States and Canada: Treasury bill rates: United States	United States and Canada: Treasury bill rates: Spread (favor of Canada)	United States and Canada: Premium (+) or discount (−) on forward Canadian dollars	United States and Canada: Net incentive (favor of Canada)
1972											
Mar. 3	4.30	3.40	.90	−.40	.50	3.41	3.38	3.40	−.02	−1.08	−1.10
10	4.29	3.53	.76	.15	.91	3.40	3.33	3.53	−.20	−1.28	−1.48
17	4.29	3.78	.51	.07	.58	3.56	3.48	3.78	−.30	−.76	−1.06
24	4.27	3.69	.58	.12	.70	3.61	3.53	3.69	−.16	−.76	−.92
31	4.26	3.80	.46	−.11	.35	3.55	3.47	3.80	−.33	−.76	−1.09
Apr. 7	4.27	3.72	.55	.17	.72	3.64	3.56	3.72	−.16	−.80	−.96
14	4.27	3.78	.49	.12	.61	3.71	3.63	3.78	−.15	−.80	−.95
21	4.23	3.48	.75	.01	.76	3.64	3.56	3.48	.08	−1.04	−.96
28	4.21	3.48	.73	−.04	.69	3.62	3.54	3.48	.06	−1.20	−1.14
May 5	4.19	3.44	.75	−.22	.53	3.61	3.53	3.44	.09	−1.28	−1.19
12	4.20	3.55	.65	−.21	.44	3.62	3.54	3.55	−.01	−1.40	−1.41
19	4.20	3.72	.48	−.38	.10	3.69	3.61	3.72	−.11	−1.72	−1.83
26	4.24	3.67	.57	−.49	.08	3.75	3.66	3.67	−.01	−1.72	−1.73
June 2	4.34	3.77	.57	−.39	.18	3.73	3.65	3.77	−.12	−1.80	−1.92
9	4.78	3.78	1.00	−.49	.51	3.70	3.62	3.78	−.16	−1.36	−1.52
16	5.46	3.85	1.61	−1.62	−.01	3.57	3.49	3.85	−.36	−.72	−1.08
23	5.54	3.93	1.61	−7.74	−6.13	3.53	3.45	3.93	−.48	−.10	−.58
30	5.56	3.91	1.65	−4.00	−2.35	3.50	3.42	3.91	−.49	−.20	−.69
July 7	5.41	3.96	1.45	−2.50	−1.05	3.56	3.48	3.96	−.48	−.04	−.52
14	5.34	3.94	1.40	−3.58	−2.18	3.49	3.41	3.94	−.53	.02	−.51
21	5.67	3.85	1.82	−3.43	−1.61	3.43	3.33	3.85	−.52	.24	−.28
28	5.69	3.80	1.89	−3.43	−1.54	3.46	3.38	3.80	−.42	.12	−.30
Aug. 4	5.71	3.74	1.97	−3.59	−1.62	3.48	3.40	3.74	−.34	−.16	−.50
11	5.69	3.77	1.92	−2.91	−.99	3.41	3.34	3.77	−.43	.00	−.43
18	5.69	3.80	1.89	−2.08	−.19	3.44	3.36	3.80	−.44	.00	−.44
25	5.75	4.07	1.68	−2.40	−.72	3.46	3.38	4.07	−.69	.00	−.69

NOTE.—*Treasury bills:* All rates are on the latest issue of 91-day bills. U.S. and Canadian rates are market offer rates 11 a.m. Friday; U.K. rates are Friday opening market offer rates in London.

Premium or discount on forward pound and on forward Canadian dollar: Rates per annum computed on basis of midpoint quotations (between bid and offer) at 11 a.m. Friday in New York for both spot and forward pound sterling and for both spot and forward Canadian dollars.

All series: Based on quotations reported to F.R. Bank of New York by market sources.

For description of series and for back figures, see Oct. 1964 BULLETIN, pp. 1241–60. For description of adjustments to U.K. and Canadian Treasury bill rates, see notes to Table 1, p. 1257, and to Table 2, p. 1260, Oct. 1964 BULLETIN.

GOLD RESERVES OF CENTRAL BANKS AND GOVERNMENTS

(In millions of dollars; valued at $35 per fine ounce through Apr. 1972 and at $38 per fine ounce thereafter)

End of period	Estimated total world[1]	Intl. Monetary Fund	United States	Estimated rest of world	Algeria	Argentina	Australia	Austria	Belgium	Brazil	Burma	Canada	Chile
1965	[2]43,230	[3]1,869	13,806	27,285	6	66	223	700	1,558	63	84	1,151	44
1966	43,185	2,652	13,235	27,300	6	84	224	701	1,525	45	84	1,046	45
1967	41,600	2,682	12,065	26,855	155	84	231	701	1,480	45	84	1,015	45
1968	40,905	2,288	10,892	27,725	205	109	257	714	1,524	45	84	863	46
1969	41,015	2,310	11,859	26,845	205	135	263	715	1,520	45	84	872	47
1970	41,275	4,339	11,072	25,865	191	140	239	714	1,470	45	63	791	47
1971—July	....	4,479	10,453	....	192	140	259	746	1,600	46	22	792	47
Aug.	....	4,695	10,209	....	192	140	259	752	1,584	46	22	792	47
Sept.	41,210	4,722	10,207	26,280	192	140	259	722	1,572	46	22	792	47
Oct.	....	4,724	10,207	....	192	140	259	722	1,564	46	22	792	47
Nov.	....	4,726	10,206	....	192	140	259	722	1,564	46	22	792	47
Dec.	41,185	4,732	10,206	26,250	192	90	259	729	1,544	46	22	792	47
1972—Jan.	....	4,732	10,206	....	192	90	260	729	1,544	46	[r]21	792	47
Feb.	....	5,303	9,662	....	192	90	260	729	1,544	46	21	792	47
Mar.	41,260	5,304	9,662	26,290	192	70	259	729	1,544	46	20	792	....
Apr.	....	5,331	9,662	....	192	70	259	729	1,544	46	20	767	....
May	....	5,761	10,490	....	208	76	282	791	1,682	....	18	836	....
June	[p]44,835	5,761	10,490	[p]28,585	208	....	283	792	1,682	....	16	834	....
July[p]	....	5,761	10,490	....	208	....	285	793	1,682	....	16	834	....

End of period	Colombia	Denmark	Finland	France	Germany, Fed. Rep. of	Greece	India	Iran	Iraq	Ireland	Israel	Italy	Japan
1965	35	97	84	4,706	4,410	78	281	146	110	21	56	2,404	328
1966	26	108	45	5,238	4,292	120	243	130	106	23	46	2,414	329
1967	31	107	45	5,234	4,228	130	243	144	115	25	46	2,400	338
1968	31	114	45	3,877	4,539	140	243	158	193	79	46	2,923	356
1969	26	89	45	3,547	4,079	130	243	158	193	39	46	2,956	413
1970	17	64	29	3,532	3,980	117	243	131	144	16	43	2,887	532
1971—July	16	64	29	3,523	4,077	99	243	131	143	16	43	2,884	670
Aug.	14	64	49	3,523	4,076	99	243	131	143	16	43	2,884	679
Sept.	14	64	49	3,523	4,077	98	243	131	143	16	43	2,884	679
Oct.	14	64	49	3,523	4,077	98	243	131	143	16	43	2,884	679
Nov.	14	64	49	3,523	4,077	98	243	131	143	16	43	2,884	679
Dec.	14	64	49	3,523	4,077	98	243	131	144	16	43	2,884	679
1972—Jan.	14	64	49	3,523	4,077	98	243	131	144	16	43	2,884	679
Feb.	14	64	49	3,523	4,077	98	243	131	144	16	43	2,884	711
Mar.	14	64	49	3,523	4,077	98	243	131	144	16	43	2,884	735
Apr.	14	64	49	3,523	4,077	98	243	131	144	16	43	2,884	735
May	15	69	53	3,826	4,437	132	264	143	156	17	47	3,131	801
June	16	69	53	3,826	4,437	132	264	143	156	17	47	3,131	801
July[p]	16	69	53	3,826	4,437	132	....	143	156	17	....	3,131	801

End of period	Kuwait	Lebanon	Libya	Malaysia	Mexico	Morocco	Netherlands	Norway	Pakistan	Peru	Philippines	Portugal	Saudi Arabia
1965	52	182	68	2	158	21	1,756	31	53	67	38	576	73
1966	67	193	68	1	109	21	1,730	18	53	65	44	643	69
1967	136	193	68	31	166	21	1,711	18	53	20	60	699	69
1968	122	288	85	66	165	21	1,697	24	54	20	62	856	119
1969	86	288	85	63	169	21	1,720	25	54	25	45	876	119
1970	86	288	85	48	176	21	1,787	23	54	40	56	902	119
1971—July	87	322	85	58	184	21	1,888	34	55	40	64	895	119
Aug.	87	322	85	58	184	21	1,889	34	55	40	65	907	127
Sept.	87	322	85	58	184	21	1,889	34	55	40	66	911	127
Oct.	87	322	85	58	184	21	1,889	34	55	40	67	911	127
Nov.	87	322	85	58	184	21	1,889	34	55	40	67	918	127
Dec.	87	322	85	58	184	21	1,909	33	55	40	67	921	127
1972—Jan.	87	322	85	58	181	21	1,908	33	55	40	68	921	127
Feb.	87	322	85	58	179	21	1,908	33	55	40	68	921	127
Mar.	87	322	85	58	177	21	1,908	33	55	40	68	925	127
Apr.	89	322	85	58	174	21	1,908	33	55	40	68	925	127
May	104	350	93	63	....	23	2,079	36	60	....	73	1,004	138
June	98	350	93	63	....	23	2,079	36	....	....	72	1,004	138
July[p]	94	350	93	....	....	....	2,079	36	....	....	72	....	138

For notes see end of table.

GOLD RESERVES OF CENTRAL BANKS AND GOVERNMENTS—Continued

(In millions of dollars; valued at $35 per fine ounce through Apr. 1972 and at $38 per fine ounce thereafter)

End of period	South Africa	Spain	Sweden	Switzer-land	Taiwan	Thai-land	Turkey	U.A.R. (Egypt)	United King-dom	Uru-guay	Vene-zuela	Yugo-slavia	Bank for Intl. Settle-ments [4]
1965	425	810	202	3,042	55	96	116	139	2,265	155	401	19	−558
1966	637	785	203	2,842	62	92	102	93	1,940	146	401	21	−424
1967	583	785	203	3,089	81	92	97	93	1,291	140	401	22	−624
1968	1,243	785	225	2,624	81	92	97	93	1,474	133	403	50	−349
1969	1,115	784	226	2,642	82	92	117	93	1,471	165	403	51	−480
1970	666	498	200	2,732	82	92	126	85	1,349	162	384	52	−282
1971—July	481	498	200	2,909	82	81	127	85	803	148	391	52	225
Aug.	486	498	200	2,909	81	81	127	85	778	148	391	52	210
Sept.	479	498	200	2,909	81	82	127	85	778	148	391	52	215
Oct.	460	498	200	2,909	80	82	127	85	778	148	391	52	227
Nov.	443	498	200	2,909	80	82	122	85	778	148	391	51	249
Dec.	410	498	200	2,909	80	82	130	85	775	148	391	51	310
1972—Jan.	403	498	200	2,909	80	82	130	85	778	146	391	51	332
Feb.	405	498	200	2,909	80	82	130	85	751	146	391	51	333
Mar.	405	498	200	2,909	80	82	129	85	751	156	391	51	354
Apr.	412	498	200	2,909	80	82	127	85	751	156	391	51	347
May	469	541	217	3,158	87	89	r127	92	816	169	425	56	365
June p	506	541	217	3,158	87	89	r122	92	816	169	425	56	304
July p	543	....	217	3,158	87	89	122	....	....	169	425	56	276

[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 China Mainland.

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] Adjusted to include gold subscription payments to the IMF made by some member countries in anticipation of increase in Fund quotas, except *those matched by gold mitigation deposits with the United States and* United Kingdom; adjustment is $270 million.

[3] Excludes gold subscription payments made by some member countries in anticipation of increase in Fund quotas: for most of these countries the increased quotas became effective in Feb. 1966.

[4] Net gold assets of BIS, i.e., gold in bars and coins and other gold assets minus gold deposit liabilities.

NOTE.—For back figures and description of the data in this and the following tables on gold (except production), see "Gold," Section 14 of *Supplement to Banking and Monetary Statistics*, 1962.

GOLD PRODUCTION

(In millions of dollars; valued at $35 per fine ounce through 1971 and at $38 per fine ounce thereafter)

Period	World produc-tion [1]	Africa			North and South America					Asia			Other	
		South Africa	Ghana	Congo (Kin-shasa)	United States	Can-ada	Mex-ico	Nica-ragua	Colom-bia	India	Japan	Philip-pines	Aus-tralia	All other [1]
1966	1,445.0	1,080.8	24.0	5.6	63.1	114.6	7.5	5.2	9.8	4.2	19.4	15.8	32.1	62.9
1967	1,410.0	1,068.7	26.7	5.4	53.4	103.7	5.8	5.2	9.0	3.4	23.7	17.2	28.4	59.4
1968	1,420.0	1,088.0	25.4	5.9	53.9	94.1	6.2	4.9	8.4	4.0	21.5	18.5	27.6	61.6
1969	1,420.0	1,090.7	24.8	6.0	60.1	89.1	6.3	3.7	7.7	3.4	23.7	20.0	24.5	60.0
1970	1,450.0	1,128.0	24.8	6.2	63.5	84.3	6.9	3.8	7.1	3.7	24.8	21.1	21.7	54.1
1971 p	....	1,098.7	24.4	6.0	....	77.3	....	....	6.6	4.1	27.0	22.2	23.5	....
1971—June	....	92.0	....	....	....	6.7	....	....	.1	.4	2.4	....	1.9	....
July	....	93.4	....	....	....	5.8	....	....	1.1	.4	2.4	....	2.1	....
Aug.	....	92.3	....	....	....	6.3	....	....	.6	.3	2.4	....	2.1	....
Sept.	....	91.3	....	....	....	6.1	....	....	.6	.3	2.4	....	2.1	....
Oct.	....	93.4	....	....	....	6.3	....	....	.6	.3	2.1	....	2.0	....
Nov.	....	91.7	....	....	....	6.6	....	....	.6	.3	2.4	....	2.1	....
Dec.	....	85.7	....	....	....	5.9	....	....	.5	.3	2.2	....	2.1	....
1972—Jan.	....	95.3	....	....	....	6.5	....	....	.7	.4	2.6	....	3.3	....
Feb.		88.2	....	....	....	6.4	....	....	.6	....	2.5	....	2.3	....
Mar.	....	91.8	....	....	....	6.6	....	....	.5	....	2.6	....	....	....
Apr.	....	93.2	....	....	....	7.5	....	....	.6	....	....	....	....	....
May	....	94.4	....	....	....	6.8	....	....	....	....	....	....	....	....
June	....	94.3	....	....	....	6.2	....	....	....	....	....	....	....	....

[1] Estimated; excludes U.S.S.R., other Eastern European countries, *China Mainland*, and North Korea.

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