AUGUST 1976

FEDERAL RESERVE BULLETIN

Domestic Financial Developments in the Second Quarter of 1976

Member Bank Income in 1975

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CONTENTS

651 Domestic Financial Developments in the Second Quarter of 1976

658 Member Bank Income in 1975

665 The Federal Reserve System's Equal Employment Opportunity Program

668 Statements to Congress

676 Record of Policy Actions of the Federal Open Market Committee

687 Law Department

729 Announcements

731 Industrial Production

A1 Financial and Business Statistics

A1 *Contents*
A2 *U.S. Statistics*
A58 *International Statistics*

A76 Board of Governors and Staff

A78 Open Market Committee and Staff; Federal Advisory Council

A79 Federal Reserve Banks and Branches

A80 Federal Reserve Board Publications

A82 Index to Statistical Tables

A84 Map of Federal Reserve System

Inside Back Cover:
Guide to Tabular Presentation and Statistical Releases

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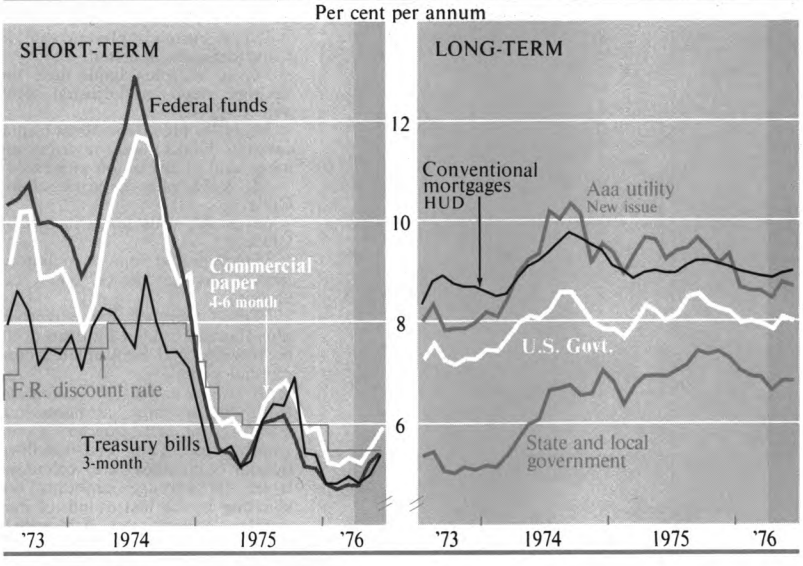
Domestic Financial Developments in the Second Quarter of 1976

This report, which was sent to the Joint Economic Committee of the U.S. Congress on August 13, 1976, highlights the important developments in financial markets during the spring and early summer.

The total volume of funds raised in domestic financial markets increased during the second quarter of 1976, as total spending in the Nation's economy expanded further. In the business sector, the cyclically improved level of profits continued to limit the amount of external funds needed to finance rising capital outlays. Nevertheless, the desire of many firms to strengthen their balance sheets kept offerings of new corporate stock and bonds at a very high level, and nonfinancial enterprises added to their total short-term indebtedness during the second quarter for the first time since late 1974. The aggregate credit demands of State and local governments also increased, as did those of households, which stepped up the pace of their borrowing in the mortgage and consumer loan markets. The Federal Government was the only major sector registering a lower level of borrowing; however, the Treasury's efforts to lengthen the maturity structure of its marketable debt were reflected in a large volume of note and bond issues.

Most interest rates posted moderate declines during the opening weeks of the second quarter; indeed, some short-term yields reached their lowest levels in more than 3 years. However, growth of the monetary aggregates, after accelerating in February and March, reached extraordinary proportions in April. The Federal Reserve consequently became somewhat less accommodative in the provision of reserves to the banking system. Reflecting the System's actions, as well as intensifying credit demands, the interest rate on Federal funds—interbank loans of immediately available funds on an

Interest rates



NOTES:

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

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overnight basis—rose from 4¾ per cent in late April to about 5½ per cent at the end of May; it fluctuated around this higher level for the remainder of the quarter.

Other short-term market rates of interest also moved up, rising between ½ and ¾ of a percentage point in May, and yields on long-term securities—already subject to upward pressure from the heavy volume of new offerings—rose between ⅜ and ½ of a percentage point. The prime loan rate at commercial banks was increased from 7 to 7¼ per cent at the beginning of June, but rates charged by banks on loans to small businesses and on automobile instalment loans declined on balance during the quarter.

The monthly growth rates of the major monetary aggregates slowed in May and June, suggesting that monetary expansion was returning to a growth path generally within the long-run ranges that had been specified by the System. Steps were then taken to provide bank reserves somewhat more freely, and the Federal funds rate declined to about 5¼ per cent in early July. Other interest rates also declined in July as the Federal funds rate fell and the calendars of new corporate and municipal bond offerings lightened.

Measured on a quarterly-average basis, the narrowly defined money stock, M_1, expanded at an 8.4 per cent annual rate in the second quarter, well above the 2.6 per cent rate of the first 3 months of 1976. The growth rates of M_2 and M_3—11.3 and 12.3 per cent, respectively—slightly exceeded their elevated first-quarter levels, but only because of the acceleration of M_1. Growth in the other components of the broader monetary aggregates moderated considerably in the latter half of the quarter when the higher level of market interest rates induced some investors to shift funds from savings accounts at commercial banks and thrift institu-

TABLE 1

Changes in selected monetary aggregates

In per cent, seasonally adjusted annual rates

Item	1974	1975	1975		1976	
			Q3	Q4	Q1	Q2
Member bank reserves:						
Total	6.8	−.2	.1	.6	−3.8	.8
Required	7.1	−.4	−.1	−.1	−3.6	1.2
Nonborrowed	7.6	3.2	−1.9	2.7	−3.2	.5
Concepts of money calculated from:[1]						
Quarterly average—						
M_1	5.0	4.4	7.1	2.3	2.6	8.4
M_2	7.7	8.3	10.1	6.4	10.1	11.3
M_3	7.1	11.1	13.3	9.4	11.4	12.4
M_4	10.6	6.5	5.7	6.7	5.7	7.1
M_5	9.0	9.7	10.1	9.4	8.6	9.6
End-month of quarter—						
M_1	4.7	4.1	3.6	1.6	4.3	6.8
M_2	7.2	8.5	6.5	7.0	11.5	9.9
M_3	6.8	11.3	10.7	9.3	12.6	11.4
M_4	10.6	6.4	3.0	8.4	5.0	7.6
M_5	9.0	9.7	8.1	10.0	8.4	9.8
Time and savings deposits at:						
Commercial banks (other than large CD's)	10.1	11.7	12.7	9.8	15.9	13.7
Nonbank thrift institutions[2]	6.1	15.8	18.4	14.2	13.7	14.0
Bank credit proxy, adjusted[3]	9.8	4.3	1.4	6.0	2.3	2.4
MEMO (change in billions of dollars, seasonally adjusted):						
Large CD's	23.4	−5.3	−5.9	1.9	−6.0	−5.8
U.S. Govt. demand deposits at all member banks	−1.7	−.2	...	.5	−.7	.2

NOTES:

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

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

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

M_4 is M_2 plus large negotiable CD's.

M_5 is M_3 plus large negotiable CD's.

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

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

NOTE.—Changes are calculated from the average amounts outstanding in each quarter, except where noted. The "end-month-of-quarter" changes are calculated from the average amounts outstanding in the last month of each quarter. Annual rates of change in reserve measures have been adjusted for changes in reserve requirements.

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tions into money market instruments. By mid-July, however, inflows of savings deposits no longer appeared to be retarded by shifts of interest-sensitive funds; as a result, the interest-bearing components of M_2 and M_3 resumed a rapid pace of expansion.

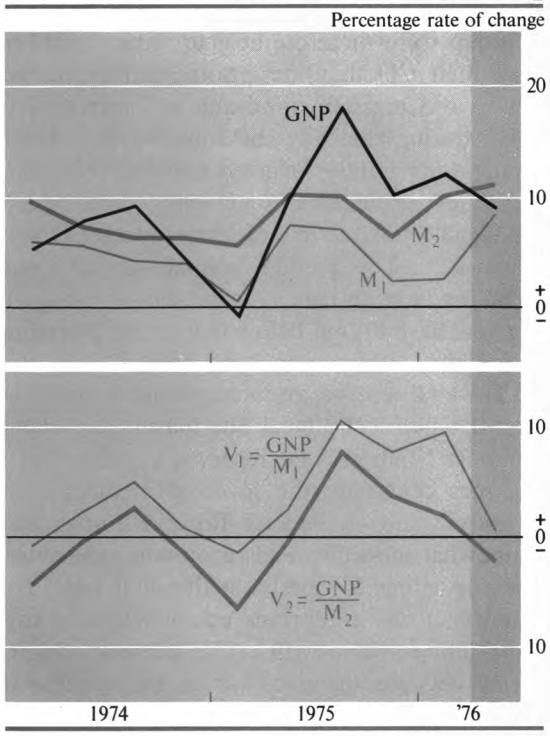
MONETARY AGGREGATES AND BANK RESERVES

Although the short-run behavior of the money stock is not amenable to definitive explanation, the movements of M_1 during the second quarter seem to have been influenced to a considerable degree by unusual variations in the size of the Treasury's cash balance. Most of the growth in M_1 occurred during April as the Treasury ran down its deposits at commercial banks and at the Federal Reserve by more than $7 billion (on a seasonally adjusted basis). Recipients of the Federal disbursements apparently deposited a large portion of the funds in checking accounts, temporarily building up their money balances in excess of current transactions needs. As they subsequently readjusted their asset portfolios, M_1 fluctuated in a narrow range, changing little on balance between late April and mid-June. Then, in the last weeks of the quarter, the Treasury's cash balances rose sharply, and M_1 declined briefly.

Over all, M_1 grew only a little less rapidly than gross national product during the second quarter. The income velocity of M_1—that is, the ratio of GNP to M_1—thus rose more slowly than in any previous quarter of the current cyclical expansion. The rise in velocity during the first year of this recovery had been exceptionally large, reflecting in part institutional and regulatory innovations that facilitated the substitution of savings deposits and other financial assets for demand deposits. Some reduction in the rate of increase in velocity typically occurs during the second year of an economic upswing; however, the ongoing changes in financial technology may continue to boost the pace of advance above that implied by past cyclical patterns.

Despite the marked pick-up in M_1 expansion during the second quarter, growth of the broader

Changes in the income velocity of M_1 and M_2



Data are at seasonally adjusted annual rates of growth.

monetary aggregates—measured on a quarterly-average basis—was only marginally above the pace of the first quarter of the year. The other component of M_2—time and savings deposits, other than large negotiable certificates of deposit (CD's), at commercial banks—rose at a 13.7 per cent annual rate, as compared with 15.9 per cent in the first quarter. Total deposits at savings and loan associations, mutual savings banks, and credit unions, included in M_3, grew at a 13.7 per cent rate in both quarters.

During the first few months of 1976, when market rates of interest on some short-term securities fell below interest rates paid on savings deposits, there was a massive influx of funds to such accounts. The rise in market yields during the second quarter apparently prompted some reversal of these rate-induced flows. Savings deposits, after expanding at a diminished pace in May, were about unchanged on a seasonally adjusted basis during June.

The net inflow of savings and small-denomination time deposits to commercial banks during the second quarter was, nonetheless, very strong

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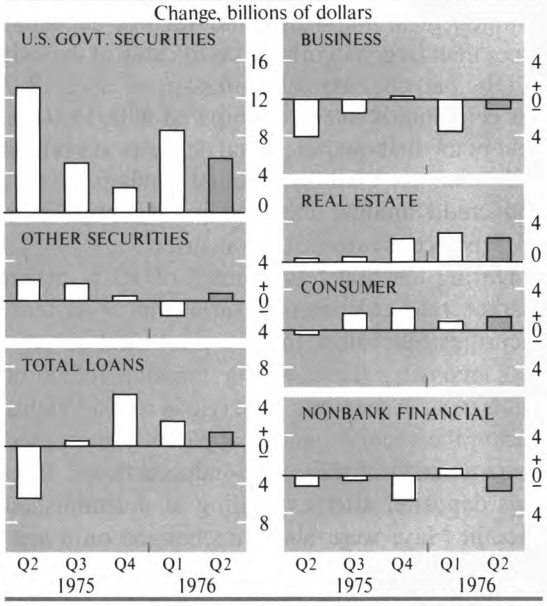
by historical standards. With their loan portfolios expanding only modestly, large banks as a group were therefore able to reduce still further their CD liabilities. Some money market banks did register significant net increases in CD's during late May and June, but this development apparently reflected mainly positioning for midyear financial statements; there was a noticeable contraction of outstanding CD's in early July. The average volume of CD's outstanding at large banks during the second quarter was $5.8 billion below that in the preceding 3 months, after seasonal adjustment.

The total reserves of member banks increased at a 0.8 per cent annual rate during the second quarter. Nonborrowed reserves expanded at a 0.5 per cent rate; the level of member bank borrowings from Federal Reserve Banks rose somewhat as the Federal funds rate approached the prevailing 5½ per cent discount rate. The small increase in reserves was adequate to support substantial growth in the monetary aggregates because the decrease in the volume of large CD's outstanding released reserves to support expansion of other deposits.

Components of bank credit — Major categories of bank loans



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

BANK CREDIT AND COMMERCIAL PAPER

Total loans and investments at all commercial banks grew at a moderate pace in the second quarter, and the pattern of expansion was broadly similar to that of the first quarter. Again, most of the growth occurred in holdings of U.S. Treasury and Federal agency issues, and large banks continued to concentrate their security

TABLE 2

Rate spreads and changes in business loans and commercial paper

Period	Rate spread (basis points)[1]	Change			
		In billions of dollars, seasonally adjusted			Annual rate for total (per cent)
		Business loans[2]	Commercial paper[3]	Total	
1975—					
Q1 ..	237	−2.4	.8	−1.6	−3.2
Q2 ..	170	−4.0	−1.5	−5.5	−11.1
Q3 ..	121	−1.4	−.3	−1.7	−3.5
Q4 ..	192	.3	−1.6	−1.3	−2.7
1976—					
Q1 ..	194	−3.3	.8	−2.5	−5.3
Q2 ..	171	−1.0	1.9	.9	1.9
Apr.	194	−.9	.9	...	...
May	158	.3	.2	.5	3.2
June	162	−.4	.8	.4	2.6

[1] Prime rate less 30- to 59-day commercial paper rate.
[2] At all commercial banks based on last-Wednesday-of-month data; adjusted for outstanding amounts of loans sold to affiliates.
[3] Nonfinancial company paper measured from end-of-month to end-of-month.

acquisitions in coupon issues rather than shorter-dated bills. Total loans outstanding increased only slightly, on a seasonally adjusted basis. Real estate and consumer loans expanded substantially. However, business loans contracted for the sixth consecutive quarter, bringing the cumulative decline between December 1974 and June 1976 to $11.8 billion, or 6.4 per cent.

Net issuance of commercial paper by nonfinancial firms was the largest since the third quarter of 1974. Indeed, the increase in outstanding nonfinancial paper during the second quarter exceeded the decrease in business loans

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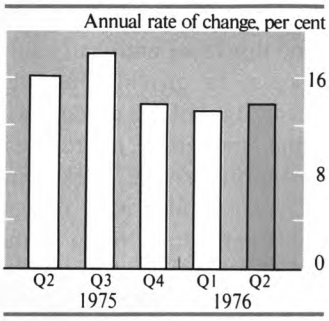
by nearly $1 billion (seasonally adjusted). Some firms that had used ample internal cash flows and the proceeds of capital market financings to repay short-term debt during the first year of the economic recovery again encountered a need for short-term credit; with the cost advantage of open market financing over bank loans remaining sizable, they returned to the commercial paper market.

MORTGAGE MARKET

Deposits at savings and loan associations and mutual savings banks expanded at a seasonally adjusted annual rate of 13.9 per cent in the second quarter, little changed from the 13.3 per cent rate of the preceding quarter. Deposit growth did slow, however, as the quarter progressed. Tending to moderate deposit inflows were not only the rise in market rates of interest but also prior efforts by some institutions to retard the heavy flows of funds into relatively costly term accounts. These efforts involved such measures as lowering offering rates, increasing minimum denominations, and reducing advertising.

Deposits

Savings and loans and mutual savings banks



Seasonally adjusted quarterly averages at annual rates.

The strong growth of deposits permitted savings and loan associations and mutual savings banks to increase their mortgage lending while maintaining a high level of liquidity. Net mortgage debt formation at these institutions during the second quarter was the highest in more than 3 years. Furthermore, their outstanding mortgage commitments rose to a near-record seasonally adjusted level of about $23 billion at the end of June.

TABLE 3

Net change in mortgage debt outstanding

In billions of dollars, seasonally adjusted annual rates

Change—	1975			1976	
	Q2	Q3	Q4	Q1[r]	Q2[e]
By type of debt:					
Total	46	58	70	71	73
Residential	32	40	51	54	56
Other[1]	14	18	19	17	17
At selected institutions:					
Commercial banks	1	3	9	11	9
Savings and loans	27	35	39	36	44
Mutual savings banks	2	3	3	2	3
Life insurance companies	4	2	1	3	1
FNMA–GNMA	3	5	6	1	−5
MEMO					
FHLB advances to S&L's[2]	−1	1	(3)	−2	−2

[1] Includes commercial and other nonresidential as well as farm properties.
[2] Quarterly totals, not seasonally adjusted.
[3] Less than $500 million.
[e] Partially estimated.
[r] Revised.

The pace of net mortgage debt formation by all lenders rose slightly further in the second quarter to a seasonally adjusted annual rate of $73 billion. As in other recent quarters, mortgage lending on 1- to 4-family homes accounted for much of the credit expansion; the multifamily and nonresidential components remained weak. The Federal and related agencies operating in the secondary market sold more mortgages from their portfolios than they bought, while private institutions, predominantly savings and loan associations, enlarged their support to the market.

SECURITIES MARKETS

Gross long-term debt and equity financing by U.S. corporations in the second quarter proceeded at a seasonally adjusted annual rate of $55 billion, slightly above the first-quarter pace. Domestic firms continued to restructure their balance sheets in the April–June period, selling new bonds at a seasonally adjusted annual rate

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of $40 billion, about the same volume as in the first quarter. Contributing to the large volume of publicly offered debt securities was a record amount of debt issued by finance companies. Nonprime borrowers also availed themselves of the public bond market in greater volume during the second quarter. Corporations issuing bonds rated A or lower accounted for 55 per cent of the quarter's calendar—a significant increase over their 40 per cent portion of the first-quarter volume. Such firms also obtained a large volume of long-term funds through private placements with institutional lenders.

Domestic corporations continued to lower the ratio of their debt to equity through issuance of substantial amounts of stock as well as through retention of earnings. Common and preferred stock offerings amounted to $15 billion at a seasonally adjusted annual rate, up slightly from the first-quarter figure. This large volume reflected a record amount of issues by manufacturing concerns and a single large issue by a communications firm.

The volume of long-term State and local debt issued in the April–June period was $34 billion at a seasonally adjusted annual rate, a little above the previous quarter's $33 billion. This large volume of financing appears to have reflected a significant amount of financial restructuring by State and local units, mainly the funding of short-term debt. The gross volume of short-term notes sold in the first half was 25 per cent below the pace of a year earlier.

TABLE 4

Offerings of new security issues

In billions of dollars, seasonally adjusted annual rates

Type of issue	1975			1976	
	Q2	Q3	Q4	Q1	Q2[e]
Corporate securities: total	61	44	48	54	55
Bonds	47	35	36	40	40
Stocks	14	9	12	14	15
Foreign securities	6	7	10	9	10
State and local govt. bonds	33	36	26	33	34

[e]Estimated.

The U.S. Treasury placed smaller demands on the credit markets in the second quarter as the Federal unified budget registered a modest surplus on a seasonally unadjusted basis. Government expenditures were somewhat lower than had been anticipated, and the Treasury cash balance rose to an unusually high level of $14.8 billion on June 30. Net cash borrowings amounted to $8.9 billion, compared with an average of $24.5 billion in each of the preceding three quarters. As part of its continuing effort to lengthen the average maturity of the marketable Federal debt, the Treasury reduced the amount of outstanding bills by $2.1 billion and issued $10.0 billion, net, of coupon securities during the quarter.

INTEREST RATES

Yields on both short- and long-term securities traced broadly similar patterns over the quarter, influenced to a considerable degree by shifting market expectations about future interest rate movements and by the less accommodative posture in providing bank reserves that the Federal Reserve System adopted beginning in late April. Federal funds, which had traded around the 4¾ per cent level in the first half of April, rose over the remainder of the month and throughout May, reaching the 5½ per cent level at the end of the month. The rate on Federal funds fluctuated around this level until early July when the System began to provide reserves somewhat more freely in light of the moderation in the growth of the monetary aggregates. Yields on other short-term private market instruments and on Treasury bills also moved upward by ⅝ to ¾ of a percentage point in the late April and May period, but declined again in late June and early July.

Yields on long-term corporate and municipal securities, which had declined in early April, increased by about ½ of a percentage point until they peaked in late May. Much of this rise occurred at a time when the supply of new issues in both markets was quite large and when market participants expected short-term interest

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TABLE 5

Federal Government borrowing and cash balance

Quarterly totals, in billions of dollars, not seasonally adjusted

Item	1975			1976	
	Q2	Q3	Q4	Q1	Q2[e]
Treasury financing:					
Budget surplus, or deficit	−12.0	−18.5	−26.5	−22.7	2.2
Off-budget deficit[1]	−2.5	−.8	−2.6	−3.7	−1.2
Net cash borrowings, or repayments (−)	16.6	23.5	25.9	24.1	9.3
Other means of financing[2]	−1.1	−1.3	1.1	1.8	−3.5
Change in cash balance	1.0	2.0	−2.1	−.5	6.8
Federally sponsored credit agencies, net cash borrowings[3]	−.1	.8	2.0	.5	−2.6

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

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

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

[e] Estimated.

rates to increase over the remainder of the year. As June progressed, prospective supply pressures eased; this, together with indications that the pace of monetary expansion was moderating, led market participants to revise their expectations, and long-term rates began to decline. For example, the Board's index of yields on newly-issued Aaa-rated utilities and the *Bond Buyer* index of long-term municipal bonds registered declines of about ¼ of a percentage point over the month of June.

Yields on long-term Treasury issues and on conventional mortgages moved less widely over the quarter. Treasury bond yields, paralleling corporate and municipal yields, rose about ⅜ of a percentage point in the April–May period before dropping about ⅛ of a percentage point by the end of June. With deposit flows relatively ample at thrift institutions, home mortgage rates in the primary market changed little in April and May and moved up only slightly in June. □

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Member Bank Income in 1975

Net income at member banks continued to increase in 1975, but the rate of expansion was half that of the year before and was at the slowest rate in more than a decade. The slow growth in earnings was the result largely of a sharp decrease in rates of return on loans, although other contributing factors included a deceleration in the rate of loan portfolio growth, a continued increase in the provision for loan losses, and a drop in revenues from Federal funds sold and securities purchased under resale agreements. Operating income and expenses declined during the year compared with record or near-record levels the two previous years. Net securities transactions, however, resulted in a small gain for member banks and added to net income for the first time in 3 years.

SUMMARY

Operating income at member banks decreased almost 5 per cent in 1975, after having risen at rapid rates in 1973 and 1974. The decline was largely the result of a substantial drop in interest income on loans caused by sharply reduced rates of return on loans and a negligible growth in loan volume. Interest income on investments, however, rose rapidly in 1975 as the rapid growth in holdings was accompanied by a modest increase in rates of return.

All noninterest categories of expenses increased in 1975, but the increases were generally less than in 1974. Salaries and wages, which represent the second largest single expense for member banks, rose moderately during 1975. The fact that the increase was substantially less than in the previous year reflected the efforts of many banks to trim payroll expenses. As in 1974, the largest increase in any noninterest category was in the provision for loan losses. Actual net loan losses in 1975 rose at substantially the same high rate as in 1974, even though the rate of growth in loans outstanding declined. As a result, the ratio of net loan charge-offs (for those banks that account for possible loan losses by the use of a reserve account) to average loans outstanding rose to the highest level in any recent year.

Because of these changes, income before income taxes and net securities gains and losses declined nearly 1 per cent in 1975 from the year-earlier total. However, a sizable decrease in tax liabilities on current income and a small net gain in securities transactions more than offset this decline, and so net after-tax income of member banks reached $5,545 million—3.4 per cent more than in 1974.

The ratio of net income to equity capital plus reserves at member banks declined in 1975 to a level below that of several recent years. As in 1974, however, cash dividends declared rose faster than net income, thus causing an increase in the ratio of cash dividends declared to net income.

Large member banks in New York, Chicago, and other major cities recorded roughly equal rates of increase in net income during 1975. For these groups the increase was slightly higher than for all member banks and significantly greater than for smaller member banks, which posted only a negligible increase in net income during 1975. For all groups, however, the rates of increase in 1975 were substantially less than those in 1974.

NOTE.—This article was prepared by Anthony W. Cyrnak of the Board's Division of Research and Statistics.

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OPERATING INCOME

After having increased at a record pace in 1973 and at a near-record rate in 1974, total operating income at member banks declined in 1975. Operating revenues totaled $51,356 million, down $2,472 million, or 4.6 per cent, from 1974 (Table 1). In recent years large gains in revenues had been attributable to rapid increases in interest and fees on loans. In contrast, there was a dramatic decline in such income during 1975. Similarly, there was a sharp drop in income derived from the amount of Federal funds sold and securities purchased under resale agreements. As a result, interest income on loans fell as a proportion of total operating revenue. Revenue from investment activities, however, accounted for a larger proportion of operating income in 1975 than in 1974.

Interest and fees on loans (including Federal funds sold and securities purchased under agreements to resell) declined $5,323 million, or 13.1 per cent, in 1975 after having increased

TABLE 1

Consolidated report of income for 1971–75 for all member banks

Amounts shown in millions of dollars

Item	Amount					Change, 1974–75	
	1971	1972	1973	1974	1975	Amount	Percentage
Operating income—Total	**28,670**	**31,335**	**41,708**	**53,828**	**51,356**	**−2,472**	**−4.6**
Loans:							
Interest and fees	18,317	19,997	28,261	38,055	33,739	−4,316	−11.3
Federal funds sold and securities purchased under resale agreement	677	794	1,847	2,722	1,715	−1,007	−37.0
Securities (excluding trading account income)							
Total:	*5,662*	*6,086*	*6,531*	*7,237*	*8,558*	*1,321*	*18.3*
U.S. Treasury securities	2,434	2,412	2,392	2,343	3,165	822	35.1
U.S. Govt. agencies and corporations	578	730	943	1,268	1,463	195	15.4
States and political subdivisions	2,468	2,709	2,927	3,301	3,576	275	8.3
Other securities	182	234	268	325	354	29	8.9
Trust department	1,182	1,269	1,344	1,379	1,457	78	5.7
Service charges on deposit accounts	896	904	940	1,022	1,086	64	6.3
Other charges, fees, etc.	795	864	998	1,151	1,359	208	18.1
Other operating income:							
On trading account (net)	340	254	338	425	497	72	16.9
Other	802	1,168	1,449	1,836	2,945	1,109	60.4
Operating expenses—Total	**23,346**	**25,639**	**35,027**	**46,806**	**44,398**	**−2,408**	**−5.1**
Salaries and wages of officers and employees	5,666	6,020	6,571	7,426	8,061	635	8.6
Officers and employee benefits	973	1,073	1,234	1,406	1,560	154	11.0
Interest on:							
Time and savings deposits	9,426	10,513	15,377	21,806	19,794	−2,012	−9.2
Federal funds purchased and securities sold under repurchase agreements	1,073	1,387	3,765	5,714	3,151	−2,563	−44.9
Other borrowed money	127	102	474	872	336	−536	−61.5
Capital notes and debentures	123	184	204	217	228	11	5.1
Net occupancy expense	1,130	1,259	1,408	1,603	1,791	188	11.7
Furniture, equipment, etc.	797	848	924	1,036	1,154	118	11.4
Provision for loan losses	681	767	994	1,857	3,050	1,193	64.2
Other operating expenses	3,348	3,486	4,078	4,869	5,273	404	8.3
Income before income taxes and securities gains or losses	5,325	5,696	6,681	7,021	6,957	−64	−.9
Applicable income taxes	1,349	1,356	1,654	1,591	1,453	−138	−8.7
Income before securities gains or losses	3,976	4,340	5,027	5,431	5,505	74	1.4
Net securities gains or losses (−) after taxes	144	46	− 30	− 69	17	...	...
Extraordinary charges (−) or credits after taxes	− 3	14	15	3	24	21	...
Less minority interest in consolidated subsidiaries	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Net income	4,117	4,400	5,012	5,364	5,545	181	3.4
Cash dividends declared[2]	1,908	1,839	2,018	2,270	2,476	206	9.1

[1] Less than $500,000.

[2] On common and preferred stock.

NOTE.—Figures may not add to totals because of rounding.

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sharply in both 1974 and 1973. The decline was attributable to several factors. Generally lower interest rates, for example, resulted in a significantly lower average return on all loans during 1975. For the year, the average rate of return on loans fell nearly 1½ percentage points to 8.44 per cent—after having risen by nearly the same amount in 1974. The drop in the average interest rate earned on Federal funds sold was even more dramatic—more than 4½ percentage points, the largest decline in recent years. Loan revenues were further dampened in 1975 by the effects of nonaccrual loans and by loans renegotiated at reduced rates, particularly loans to real estate investment trusts.

Perhaps the most important influence limiting the growth in interest income during 1975, however, was the lack of strong growth in average loans outstanding. For the year, the average[1] for total loans rose only $7.7 billion, or 1.9 per cent, in contrast to the increase of $51.3 billion, or 14.2 per cent, recorded in 1974. Loans outstanding in nearly every category increased less than in 1974. Commercial and industrial loans account for more than a third of total outstanding loans at member banks, and they increased only 2.2 per cent in 1975—far below the 17.7 per cent rise posted in 1974.

The contraction effect of the recession in early 1975 and the liquidation and then modest growth of inventories translated into a decline in the outstanding volume of loans to the commercial and industrial sector until late in the year. Businesses in the aggregate continued to issue a large volume of long-term debt and equities, repaying bank loans in order to restructure their balance sheets and improve their liquidity positions. This financial policy was enhanced by sharply improved cash flows relative to capital outlays. Bank loan policies remained cautious with loan rates high relative to market rates and with nonprice terms and conditions tending to emphasize loan quality as banks sought to improve their own financial positions.

Real estate loans of member banks rose by only $3.8 billion, or 4.1 per cent, during 1975. However, this increase in loans for real estate

TABLE 2

Changes in average loans, investments, deposits, and capital outstanding of member banks

Amounts shown in million of dollars

Item	Average amount[1]		Change	
	1974	1975	Amount	Percentage
Total loans and investments, gross[2]	**549,348**	**570,162**	**20,814**	**3.8**
Total average loans outstanding	*412,202*	*419,857*	*7,655*	*1.9*
Federal funds sold and securities purchased under resale agreement	27,114	29,307	2,193	8.1
Other loans	385,088	390,550	5,462	1.4
Commercial and industrial	146,633	149,837	3,204	2.2
Agricultural	10,539	10.838	299	2.8
Real estate	91,228	95,012	3,784	4.1
For purchasing and carrying securities	9,424	9,041	−383	−4.1
To financial institutions	41,226	39,647	−1,579	−3.8
Other loans to individuals	73,951	74,267	316	.4
All other	12,088	11,908	−180	−1.5
U.S. Treasury securities[3]	36,672	47,254	10,582	28.9
U.S. Govt. agency and corporation securities[3]	18,767	20,093	1,326	7.1
States and political subdivision securities[3]	69,993	71,914	1,921	2.7
Other securities[3]	4,125	4,634	509	12.3
Trading account securities	7,589	6,411	1,178	15.5
Total deposits	550,145	580,159	30,014	5.5
Time deposits	*305,620*	*332,390*	*26,770*	*8.8*
Savings	95,935	106,950	11,019	11.5
Other time I.P.C.	157,161	168,374	11,213	7.1
All other time	52,524	57,067	4,543	8.6
Equity capital[4]	43,252	46,729	3,477	8.0
Total capital accounts[5]	46,644	50,190	3,546	7.6
Reserves on loans and securities	6,680	7,226	546	8.2
Total equity capital and reserves	49,933	53,955	4,022	8.1

[1] Average of figures for three call dates—the end of the preceding year and the June 30 and December 31 call dates for the calendar year.
[2] Includes securities held in trading account.
[3] Excludes securities held in trading account.
[4] Includes common stock, preferred stock, surplus, undivided profits, and reserves for contingency and other capital reserves.
[5] Includes equity capital plus capital notes and debentures.

[1] Average of loans outstanding for three call dates—the end of the preceding year and the June 30 and December 31 call dates for the calendar year.

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TABLE 3

Selected member bank income ratios

In per cent

Ratios	1971	1972	1973	1974	1975
Ratios to equity capital (including reserves)—					
Income before securities gains or losses.	10.22	10.38	11.00	10.88	10.20
Net income	10.60	10.54	10.97	10.75	10.27
Cash dividends declared[1]	4.91	4.40	4.41	4.55	4.58
Rates of return on—					
Loans, gross	7.18	6.90	8.34	9.90	8.44
U.S. Treasury securities[2]	5.61	5.41	5.80	6.39	6.69
U.S. Govt. agencies and corporations[2]	6.20	6.08	6.20	6.76	7.28
State and local govt. obligations[2]	4.17	4.11	4.31	4.72	4.97
Other securities[2]	7.10	6.67	6.89	7.88	7.63
Interest on time deposits to total time deposits	4.77	4.61	5.82	7.14	5.95

[1]On common and preferred stock.

[2]Excludes securities held in trading account.

NOTE.—These ratios were computed from aggregate dollar amounts of income and expense items. The capital, deposits, loans, and securities items on which the ratios were based were averages for two call dates in the calendar year and the last call date in the preceding year.

activities accounted for a much larger proportion of total loan growth in 1975 than in 1974—about half of the total in contrast to one-fifth in 1974. Consumer loans too were depressed in response to adverse economic conditions in 1975; they rose less than 1 per cent during the year. This was in marked contrast to the 7.4 per cent growth rate posted in 1974. Loans for purchasing and carrying securities declined for the second consecutive year, although the $383 million, or 4.1 per cent, decline in 1975 was significantly less than the 23.8 per cent decrease recorded in the previous year.

The lack of strong loan demand, together with sizable deposit inflows, permitted member banks to invest more heavily in securities during 1975 than in 1974. For the year, average holdings of securities by member banks increased 11.3 per cent as compared with only 2.1 per cent in 1974. As a result, revenue from this source increased by $1,321 million, or 18.3 per cent. Acquisitions of U.S. Treasury securities were particularly large, with average holdings rising by 28.9 per cent. This sharp increase, coupled with a rise of 30 basis points in the rate of return on these securities, boosted revenue from this source by 35.1 per cent to $3,165 million. This was in sharp contrast to 1974, a year in which holdings fell by 11 per cent and revenue fell by 2 per cent. Investment in other types of securities also increased in 1975, but neither the gain in volume nor the increase in revenue was so large as in 1974.

Aggregate revenue from trust departments, service charges on deposit accounts, and other charges and fees increased $350 million, or 9.9 per cent—slightly more than in 1974. "Other operating income," which includes net income from the trading account, foreign branches, and Edge Act subsidiaries, rose $1,181 million, or 52.2 per cent. This increase compares with one of 26.5 per cent in 1974 and reflects a continuation in the trend toward a greater volume of overseas business at many member banks. As in other years, the largest member banks (especially those in New York and Chicago) have been most involved in this overseas expansion. In 1975 these large banks found international banking a profitable activity as loan demand increased substantially above 1974 levels and interest spreads widened.

OPERATING EXPENSES

Operating expenses at member banks during 1975 declined significantly, after having increased at a near-record rate in 1974. This decrease reflected both a sharp decline in nearly every category of interest expense and a slower rate of growth in noninterest expenses relative to 1974.

Interest paid on time and savings deposits—which generally comprises about two-fifths or more of total operating expenses—declined in 1975 to $19,794 million, a drop of 9.2 per cent. Contributing strongly to this decline was a sharp decrease in the average rate paid on such deposits. During 1975 the average rate paid on time and savings deposits declined 119 basis points after having risen rapidly in 1974. This drop reflected both a reduction in offering rates

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associated with the decline in yields on Treasury bills and other market outlets for savings and a shift in the composition of interest-bearing deposits at commercial banks. During the year, relatively low-cost savings deposits increased by 11.5 per cent while time deposits rose by only 7.5 per cent. In view of the relative strength of savings deposit inflows, member banks were able to reduce their reliance on purchased funds such as large certificates of deposit. This is in marked contrast to 1974, a year in which member banks issued large quantities of such time deposits. In addition, the over-all decline in short-term interest rates also made CD's a much cheaper source of funds in 1975 than in 1974 for those banks that found it necessary to purchase funds to finance their portfolios.

Interest paid for Federal funds purchased and securities sold under repurchase agreements fell dramatically in 1975. For the year this operating expense declined $2,563 million, or 44.9 per cent, and reflected both a slower increase in volume than in 1974 and a precipitous decline in the average rate paid for such funds. In 1975, for example, the volume of Federal funds sold increased 8.1 per cent compared with 23.6 per cent in the previous year. Similarly, the average rate paid for these funds in 1975 was 5.82 per cent, or 469 basis points less than in 1974.

Interest paid on "other borrowed money," which includes interest costs on Euro-dollar borrowings and on loans from Federal Reserve Banks, also declined sharply in 1975. During the year, expenses from such borrowings declined 61.5 per cent after having risen 84.0 per cent in 1974, as both the volume of borrowing and average rates paid declined. Interest costs associated with outstanding capital notes and debentures, the only interest expense category to increase in 1975, continued to grow at about the same pace as in 1974.

Salaries and wages (inciuding benefits) at member banks continued to rise in 1975, but the increase was somewhat less than in 1974 and it reflected an effort on the part of many banks to "hold the line" on payroll expenses. For the year such expenditures increased $789 million or 8.9 per cent, in contrast to a 13.2 per cent increase during 1974.

For the second consecutive year member banks raised their provision for loan losses by a large amount; provisions for the year totaled $3,050 million, an increase of $1,193 million, or 64.2 per cent. This rate, which was much larger than the 1.9 per cent growth rate of total average loans outstanding, reflected the necessity for many member banks to bolster loan loss reserves in response to the adverse economic conditions. For banks that operate on a loan-loss reserve-accounting basis, which includes all larger banks and many smaller ones, the current provision for loan losses generally is the estimated amount needed to bring the reserve for loan losses to a level sufficient to absorb expected losses on the existing loan portfolio. For accounting purposes, this item is considered to be an operating expense affecting net income in the current year. Although the minimum amount that a bank must provide each year for such purposes is determined by methods prescribed by supervisory authorities,[2] bank management may designate a larger-than-required provision if such action is advisable under prevailing economic conditions.

Numerous member banks made such "excess" provisions during 1975 in order to offset the effects of loan-loss charge-offs, which increased 71.6 per cent to $2,731 million. This increase in net loan charge-offs was much faster than the growth of loans; hence it caused the ratio of net loan charge-offs to average loans outstanding to increase from 0.39 per cent in 1974 to 0.65 per cent in 1975—the highest level recorded in any recent year. Nonetheless, actual provisions for loan losses exceeded net loan charge-offs by $319 million in 1975 and increased total loan loss reserves by 3.6 per cent. As a result of the changes, the ratio of reserves for losses to average loans outstanding increased slightly in 1975, from 1.69 per cent to 1.71 per cent.

Other minor operating expenses such as net occupancy expense, furniture and equipment

[2]All member banks that do not provide for loan losses on a reserve basis must use their actual net loan losses each year as a minimum "provision for loan losses." Other banks may use this method if they do so on a regular basis.

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expense, and other expenses all rose slightly less than in 1974 and reflected both cost-cutting measures taken by banks during 1975 and lower expenses associated with reductions on Eurodollar borrowing, which some banks report in this item.

OTHER TRANSACTIONS

After recording net losses on securities transactions for two consecutive years, member banks posted a small net gain in 1975. Their earnings on such transactions totaled $17 million. Ex-

TABLE 4

Consolidated report of income for 1975 and 1974 for member banks grouped by class

In millions of dollars

Item	All member banks		Large banks						All other banks	
			New York City		City of Chicago		Other			
	1975	1974	1975	1974	1975	1974	1975	1974	1975	1974
Operating income—Total	**51,356**	**53,828**	**9,375**	**10,299**	**2,725**	**3,216**	**19,399**	**20,925**	**19,856**	**19,388**
Loans:										
Interest and fees	33,739	38,055	6,201	7,840	1,880	2,469	12,876	14,959	12,782	12,787
Federal funds sold and securities purchased under resale agreement	1,715	2,722	103	184	86	148	815	1,216	711	1,174
Securities:										
Excluding trading-account income:										
U.S. Treasury securities	3,165	2,343	415	278	145	90	1,052	722	1,554	1,253
U.S. Govt. agencies and corporations	1,463	1,268	107	97	46	52	416	352	894	767
States and political subdivisions	3,576	3,301	400	362	136	132	1,156	1,124	1,885	1,683
Other securities	354	325	43	45	14	14	89	115	207	152
Trust department	1,457	1,379	393	390	116	108	587	549	361	332
Service charges on deposit accounts	1,086	1,023	86	80	26	19	405	383	569	541
Other charges, fees, etc.	1,359	1,151	232	149	59	49	619	557	449	396
Other operating income:										
On trading account (net)	497	425	168	166	77	26	231	219	21	14
Other	2,945	1,836	1,228	708	140	109	1,152	729	424	290
Operating expenses—Total	**44,398**	**46,806**	**7,864**	**8,817**	**2,298**	**2,818**	**16,964**	**18,562**	**17,272**	**16,609**
Salaries and wages of officers and employees	8,061	7,426	1,318	1,184	295	270	3,073	2,855	3,374	3,117
Officer and employee benefits	1,560	1,406	342	290	65	56	556	515	597	545
Interest on:										
Time and savings deposits	19,794	21,806	3,062	3,997	1,080	1,397	7,284	8,228	8,368	8,184
Federal funds purchased and securities sold under repurchase agreements	3,151	5,714	792	1,264	370	690	1,543	2,982	445	778
Other borrowed money	336	872	126	367	8	22	163	392	38	91
Capital notes and debentures	228	217	48	42	6	4	107	106	67	66
Net occupancy expense	1,791	1,603	341	314	65	57	652	584	734	647
Furniture, equipment, etc.	1,154	1,036	137	122	42	35	426	388	549	492
Provision for loan losses	3,050	1,857	981	516	196	80	1,151	733	722	529
Other operating expenses	5,273	4,869	716	723	172	207	2,009	1,779	2,377	2,160
Income before income taxes and securities gains or losses	6,957	7,021	1,511	1,482	427	397	2,435	2,363	2,584	2,779
Applicable income taxes	1,453	1,591	386	390	130	114	580	555	357	532
Income before securities gains or losses	5,505	5,431	1,125	1,093	298	284	1,855	1,808	2,228	2,246
Net securities gains or losses (—) after taxes	17	−69	16	−17	−4	−4	−8	−29	13	−20
Extraordinary charges (−) or credits after taxes	24	3	−1	...	...	...	16	−7	9	10
Less minority interest in consolidated subsidiaries	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]
Net income	5,545	5,364	1,140	1,076	294	280	1,863	1,772	2,249	2,237
Cash dividends declared	2,475	2,270	503	454	133	132	978	852	862	832
Ratios (per cent) to equity capital (including reserves):										
Income (after taxes) before securities gains or losses	10.20	10.89	10.53	11.17	11.25	11.60	10.06	10.60	10.03	10.89
Net income	10.27	10.75	10.67	11.00	11.09	11.43	10.11	10.39	10.12	10.85

[1] Less than $500,000.

NOTE.—Figures may not add to totals because of rounding.

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traordinary charges or credits after taxes also had a favorable impact on net earnings—adding $24 million to net income—after having had a negligible effect during 1974.

INCOME TAXES

Applicable income taxes at member banks declined 8.7 per cent, or $138 million, in 1975. This decline, which was about twice as large as that in 1974, reflected not only the decline in before-tax income but also the increased proportion of that income derived from tax-exempt sources.

NET INCOME AND CASH DIVIDENDS

Reflecting all of the above changes, net income at member banks in 1975 increased $181 million, or 3.4 per cent—the smallest gain in a number of years. Equity capital plus reserves, however, increased at more than twice that rate during 1975, and as a result the ratio of net income to equity capital plus reserves declined for the second consecutive year. For the year this ratio declined about half of a percentage point to 10.27 per cent, whereas in 1974 the decline had been a more moderate one-fifth of a percentage point.

The increase in cash dividends at member banks during 1975 was somewhat less than in 1974—9.1 per cent compared with 12.5 per cent. However, this rate of increase was still nearly three times as large as the increase in net income in 1975, and it boosted the ratio of cash dividends declared to net income from 42.3 per cent in 1974 to 44.7 per cent in 1975.

NET INCOME BY CATEGORY OF BANK

Large banks in New York City recorded the most rapid increase in net income of any category of member banks. However, the 5.9 per cent increase for this group—which accounts for a fifth of all member bank income—was only slightly higher than for large banks in Chicago, which posted a 5.0 per cent gain. This was in contrast to 1974 when the performance difference between these two groups had been somewhat larger. "Other" large banks also increased their net income at about the same rate—5.1 per cent during 1975. As in 1974 net income of "all other" member banks increased only slightly. For this group, such income rose only $12 million, or 0.5 per cent. □

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The Federal Reserve System's Equal Employment Opportunity Program

A Progress Report for the Period 1971 Through 1975

Equal employment opportunity is a key element in the personnel policies of the Federal Reserve System. The System's equal employment opportunity (EEO) program is of national significance in terms of the number of people affected, the number of policy-formulating jobs to be filled, the involvement of all geographic sections of the country, and the availability of jobs for women and minorities.

This article provides a progress report on results of the System's equal employment opportunity program over the past 4 years.

At the end of 1975 the System employed some 28,000 people. These people were employed—in categories ranging from manual labor to policy formulation—in Washington, D.C., in the 12 Federal Reserve Bank cities, and in 35 other cities across the country. There is no part of the Federal Reserve System's professional or technical work that cannot be performed equally well by women or men or by persons of any race or cultural background, given personal aptitude and the necessary education or training.

This report on the System's progress toward complete equality of opportunity in employment, therefore, may have some special significance as a profile of a large employer, operating nationwide under a single set of guidelines and conditions in which equality of opportunity is limited only by the availability of persons with the necessary aptitudes and preparation. One further factor is a limitation, not on equality of opportunity, but on results in the form of numerical improvements. The Federal Reserve System is regarded as an employer that gives a high level of training and requires a high level of performance. The System, consequently, has an Alice in Wonderland problem: it must run to even stay in place because minority or female employees promoted into the professional or high-level technical ranks are a target for other employers.

The Federal Reserve System's espousal of nondiscriminatory personnel management—employment and promotion based on merit—has long been regarded as a part of its general outlook as a public service organization. Board statements calling for the abandonment of personnel actions based on considerations of race, color, religion, or national origin date back many years before formalization of nondiscriminatory employment practices was required by the Civil Rights Act of 1964 and Executive Orders 11246 and 11478 implementing such rules in Federal employment policy. Later actions of the Federal Government extended this policy's reach by introducing requirements that employers prepare and implement written Affirmative Action Plans.

The Federal Reserve Board has kept in step with these moves, formalizing and extending the basic equal employment objectives that had long been a part of the System's employment philosophy. To focus efforts on the achievement of stated equal employment opportunity affirmative action goals, the Board in 1969 adopted a Ten-Point Plan. This called, *inter alia*, for the designation at each Federal Reserve Bank of a senior officer to head the Bank's Equal Employment Opportunity office, and to make regular reports to the President or First Vice President of the Bank on efforts being made by the Bank to achieve the objectives of the Plan and on the results achieved. In adopting the Ten-Point Plan the Board recognized that achievements under the Plan were a priority matter and gave the Reserve Banks authority to incur additional costs to that end.

The written Affirmative Action Plan, with

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annual revisions, is the basic element in an equal employment opportunity program. To be effective the plan must address the question of the representation of minorities and women at all levels of employment in the organization. Further, it must identify any deficiencies in personnel management that tend to inhibit the hiring and progress of women and minorities. Numerical goals and timetables are established by which achievement can be measured. The aim is a constantly improving "EEO profile," that is, a measurable improvement in the participation of minorities and women in an organization's employment and promotion pattern, and the distribution of minorities and women in all employment grades. This is the basic nature of the EEO programs now being implemented by the Board and the 12 Federal Reserve Banks.

To monitor and strengthen the System's EEO efforts, the Board in 1971 established an Equal Opportunity Office and gave officer status to its head. In 1972 the Board instituted an annual comprehensive year-end survey of Federal Reserve System employment, with detailed breakdowns by sex, minority group, and Federal Reserve (FR) grade level. Additional statistics cover accessions and separations.

The data that follow are taken from the annual surveys of System employment in the 4-year period from December 31, 1971, through December 31, 1975. The most significant progress toward improved nondiscriminatory employment is increased representation of women and minorities in higher grades—FR-9 and above, where professional and high-level technical employment with significant policy-formulation impact occurs. Thus, the data excerpted from the annual surveys concludes by focusing on changes in System employment of women and minorities at these levels. The FR-9 and above assignments include the professional, managerial, supervisory, and official staff positions that are comparable to the Federal Civil Service General Schedule (GS) assignments through the supergrade level. They cover the positions in which minorities and women have traditionally been underrepresented.

During the 4-year period 1971–75 over-all employment in the Federal Reserve System increased from 23,746 to 28,130. This represented a gain of 18.5 per cent. In 1971, women employees numbered 12,838, or 54.1 per cent of the total System employment. In 1975 they had increased to 15,346, or 54.6 per cent of the total. During the same 4-year period minority employment—which overlaps female employment—increased from 5,171 to 7,419, a gain of 43.5 per cent. Thus, the rate of increase in over-all minority employment was nearly 2½ times greater than the over-all increase in System employment. At the close of 1971, minority employees represented 21.7 per cent of total employment; by the end of 1975 they had increased to 26.4 per cent of the total.

The breakdown of the 4-year gain in minority group employment covered the following racial groupings, including women employees in these groups: Black, Oriental, American Indian, and Hispanic. The distribution of these groupings in the System for 1971 and 1975 by number and the percentage gains for each are shown in the accompanying table.

Racial grouping	1971	1975	Percentage increase
Black	4,174	5,844	40.0
Oriental	272	500	83.8
American Indian	21	36	71.4
Hispanic	704	1,039	47.6

In 1971 the minority distribution by sex was 2,040 men and 3,131 women; in 1975 the figures were 2,826 and 4,593, respectively. This accounted for gains of 38.5 per cent for minority men and 46.7 per cent for minority women. As a result, minority women increased their percentage of all women System employees from 24.4 per cent in 1971 to 29.9 per cent in 1975.

During the 4 years, System assignments in the critical FR-9 and above grades increased from 6,522 to 9,343. This was a gain of 43.3 per cent. For all men employees in this category, the advance was from 5,160 to 6,874 or 33.2 per cent. For all women employees the advance was from 1,362 to 2,469 or 81.3 per cent, more than double the percentage gain for men. These

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Employee group	1971	1975	Percentage increase	Per cent of total	
				1971	1975
All employees	6,522	9,343	43.3	100.0	100.0
of which:					
Men	5,160	6,874	33.2	79.1	73.6
Women	1,362	2,469	81.3	20.9	26.4
Non-minority employees	6,208	8,446	36.1	95.2	90.4
of which:					
Men	4,929	6,259	27.0	79.4	74.1
Women	1,279	2,187	71.0	20.6	25.9
Minority employees	314	897	186.0	4.8	9.6
of which:					
Men	241	615	155.0	76.8	68.6
Women	73	282	288.0	23.2	31.4

developments moved the percentage of women employees in the professional-managerial levels from 20.9 per cent of all System employees in 1971 to 26.4 per cent in 1975. In the officer category only, the increase for women was from 17 in 1971, representing 2.6 per cent of the total of 659 officers, to 40 or 5.1 per cent of the total of 778 officers in 1975.

For minority employees in the professional-managerial levels, the increase was from 314 to 897—a gain of 186 per cent during the 4-year period, or more than four times the over-all increase of System employment in these grades. Minority representation thus moved from 4.8 per cent of the highest levels of System employment in 1971 to 9.6 in 1975. During the same period, minority officers increased from 4 to 15, constituting 1.9 per cent of the System officer category at the end of 1975.

The accompanying table shows the distribution of System personnel FR-9 and above by sex and minority group for December 31, 1971, and December 31, 1975.

Further analyses of the 4-year employment data for both the Board and individual Reserve Banks show that progress in equality of employment opportunity has been rather uniform throughout the nationwide System. This is due in large measure to the uniform and advanced criteria for the Affirmative Action Plan laid down for the System by the Board and shows close adherence to it by all Banks and by the Board. This adherence, coupled with the System's program accountability provisions and comprehensive evaluation procedures, should insure continued evenness within the System in moving to full equality of opportunity for advancement for every System employee and equality of opportunity for employment for every applicant for a job in the System. □

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Statements to Congress

Statement by Arthur F. Burns, Chairman, Board of Governors of the Federal Reserve System, before the Committee on Banking, Currency, and Housing, U.S. House of Representatives, July 27, 1976.

I am pleased to meet once again with the House Banking Committee to present the report of the Board of Governors of the Federal Reserve System on the condition of the national economy and the course of monetary policy.

The economic expansion now under way is well into its second year. By any reasonable yardstick, the Nation's economy has experienced a substantial recovery. In the quarter just ended, the physical volume of total production was 8½ per cent above its trough in the first quarter of 1975. The rebound of activity in the industrial sector has been especially vigorous; the combined output of our factories, mines, and power plants has risen more than 16 per cent since March of last year.

The expansion of economic activity in the service trades as well as in the industrial sector has led to material strengthening in the demand for labor. Total employment across the Nation has risen about 3½ million from its low in March 1975 and is now 1¼ million above the previous peak. The average length of the factory workweek has also risen, and the unemployment rate has declined from about 9 per cent to 7½ per cent in the face of rapid growth of the labor force.

These gains in production and employment have been accompanied by larger personal incomes and rising consumer purchasing power. The average level of disposable income per capita has risen in real terms by 6½ per cent since early 1975, and last quarter it was 1½ per cent above its previous peak. Business profits, too, have rebounded as the workshops of the economy have returned to more efficient levels of operation.

In a typical business cycle, the rate of growth of economic activity slows after the first year of recovery. Thus, during the past five cyclical upswings, the physical volume of the Nation's total production rose, on average, by 8 per cent in the first year and 4 per cent in the second. This tendency for the pace of expansion to diminish during the second year often reflects a reduced stimulus from rebuilding of inventories.

In the current recovery, too, the rate of economic expansion has been influenced by the pace of inventory investment. Between the second quarter of last year and the first quarter of this year, the shift from extensive liquidation of inventories to moderate accumulation accounted for about 45 per cent of the increase in the physical volume of production. But in the quarter just ended, if preliminary estimates hold up, inventory investment no longer added to the growth of physical output.

In consequence, the real gross national product appears to have expanded at an annual rate of 4½ per cent in the second quarter of this year, compared with 8 per cent over the preceding three quarters. Growth of industrial output also decelerated, particularly in industries producing nondurable goods. And while conditions in labor markets continued to improve in the second quarter, they did so to a lesser degree. Total employment, which increased 1.3 million during the first 3 months of this year, rose 800,000 in the next 3 months. And the unemployment rate, which fell materially between December and March, has changed little over the ensuing months.

The recent slowdown in the rate of economic expansion has resulted not only from inventory adjustments—a pause in consumer spending

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also played a part in this development. After a rapid advance from last December through this March, retail sales grew slowly in April and then declined in May. Temporary pauses of this kind are not uncommon during periods of cyclical expansion. Indeed, recent sales figures suggest that a resumption of the upward trend is already under way. Retail sales rose nearly 3 per cent in June, and there were encouraging gains across the range of nondurable goods—where sales had lagged in April and May.

We may reasonably expect further good gains in retail trade in the months ahead. The basic determinants of consumer spending are clearly favorable: real incomes of families are increasing, labor market conditions are improving, and so too is the liquidity position of consumers. Furthermore, as optimism continues to spread, consumer expenditures will tend to rise more rapidly than the disposable income of consumers. As the recovery proceeds, consumer buying will in all likelihood remain a major source of strength in the economy.

A larger and more basic source of stimulus to economic activity can be expected from business outlays for new plants, machinery, and other equipment. Business capital spending typically joins the recovery process later than other sectors of the economy. But as utilization of capacity increases and profits improve, business firms typically move ahead more aggressively with their capital expenditure programs. Although such a development has been somewhat delayed in the present instance, the traditional pattern is again emerging.

Thus, production of business equipment has been rising briskly since late last year. Other indicators of business capital spending are also pointing upward. New orders for nondefense capital goods have risen in each of the past 6 months and in June were 18 per cent above their level at the end of 1975. Also, the most recent surveys of business anticipations indicate some further strengthening of plans for capital expenditures this year.

A rising level of outlays for plant and equipment creates a need for larger inventories of materials, component parts, and other supplies in the durable goods trades. Thus, while inventories in some nondurable goods industries have been restored to levels that are adequate to meet current rates of sales, renewed accumulation of inventories in the durable goods sector is just beginning. Total new orders received by producers of durable goods are now rising sharply, and rebuilding of their stocks should be a stimulus to production in the months ahead.

A revival of homebuilding activity has been contributing to general economic expansion since the spring of 1975. New housing starts rose 4 per cent further last month, as the number of single-family housing starts advanced to the level of 3 years ago.

Weakness in the multifamily sector, however, has limited the over-all improvement of residential building activity. Construction of apartment houses has been held down by previous overbuilding, lagging rents, and high construction costs. In fact, inflated costs—of construction, maintenance, and operation—have become a significant limiting factor for all branches of residential construction. Nevertheless, some signs of improvement have recently emerged even in the multifamily sector; in particular, vacancy rates for rental units have declined to the lowest level since 1972. With mortgage credit in ample supply in practically all parts of the country, a gradual further advance in homebuilding activity is likely in the months immediately ahead.

Our trade balance with other countries may also show some improvement in coming months. Imports of industrial supplies and consumer goods will move up further as the expansion of our economy continues to cumulate. But the outlook for our export trade is also brightening. Although economic recovery in other industrial countries began later than in our own, the pace of expansion in Western Europe and Japan has begun to gather momentum. Material strengthening of demands for American machinery and other products is therefore to be expected.

Activity in all major sectors of the private economy thus seems poised for further advances. Fortunately, the recovery process has thus far been well balanced, and the state of confidence has been steadily gaining. There

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have been few signs of the speculative excesses that often develop in the course of a business-cycle expansion. Consumer attitudes toward buying durable goods and homes have of late further improved, and conditions in financial markets remain favorable for continuance of economic expansion.

Developments in the money and capital markets during the current recovery contrast sharply with those observed in past cyclical upswings. Short-term interest rates usually begin to rise at about the time that general business activity turns up. Soon thereafter, inflows of savings to thrift institutions often begin to dry up, and the homebuilding industry is then adversely affected.

In view of the vigorous rebound of economic activity, the continuing advance of the price level, and the record volume of Treasury borrowing, strong upward pressures on short-term interest rates might well have been expected during the past year. However, after some run-up in the summer months of 1975, short-term rates turned down again last fall, and long-term rates also moved lower. The main cause of the unusual behavior of interest rates was undoubtedly the lessening of inflationary fears over the past year, and the consequent reduction in the inflation premium that got built into interest rates—particularly, the long-term rates.

The financial climate that has prevailed during the economic recovery has permitted lenders and borrowers alike to strengthen their financial condition. The liquidity position of savings banks and of savings and loan associations, for example, has improved markedly over the past year or so. The flow of savings to these institutions has been abundant, and they have substantially increased their mortgage lending as well as added to their liquidity. The outstanding mortgage loan commitments of savings and loan associations—the leading suppliers of home mortgage credit—are now close to the highest dollar figure on record.

Commercial banks have also rebuilt their liquidity. They have done so by adding large amounts of short-term Treasury securities to their portfolios, besides reducing their reliance on volatile funds. The condition of the banking system has been further strengthened through widespread additions to retained earnings and some new issues of common stock. The ratio of capital to risk assets of commercial banks, which declined steadily during the early 1970's, has thus increased appreciably, and confidence in the banking system has been bolstered.

Our Nation's business enterprises have likewise taken advantage of the prevailing financial climate to improve their financial condition. Corporations issued a huge volume of long-term bonds during 1975, and they used much of the proceeds to repay short-term debt and to acquire liquid assets. This year, they are still finding long-term funds readily available. Public offerings of bonds by domestic corporations totaled $3 billion last month—an extraordinary volume by historical standards. For a time, access to public markets for long-term funds was confined largely to firms with the highest credit ratings. During the past several months, however, some lower-rated firms have found a more receptive public market for their debt issues, as is reflected in a narrowing of the yield spread between Aaa- and A-rated bond issues from 1½ percentage points last summer to about ½ percentage point at present. Many medium-sized firms, and others with lower credit ratings, have met their need for long-term funds through private placements with life insurance companies and other institutional lenders.

Besides this, an improved stock market has made it much easier for corporations to raise equity funds for financing new investment programs or for restoring capital cushions. During June corporate enterprises sold about 1½ billion of new shares to the public. If the pace of new stock offerings during the first half of this year is maintained over the remainder of the year, 1976 will see the largest dollar volume of corporate stock flotations in our history.

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

We at the Federal Reserve remain deeply concerned about the level of unemployment that still exists in our country. We recognize the

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pressing need for the Nation to regain more prosperous economic conditions. We also recognize, as thoughtful Americans generally do, that lasting prosperity will not be achieved until our country solves its chronic problem of inflation.

The inflation that is still damaging our economy and troubling our people began over a decade ago—largely as a consequence of loose fiscal policies. Over the past 10 years, the Federal budget has been in deficit in every fiscal year but one. Over that 10-year span, the total deficit in the Federal budget—including off-budget agencies and Government-sponsored enterprises—has cumulated to almost $300 billion. These huge and persistent deficits added little to our capacity to produce, but they added enormously to aggregate demand for goods and services. They have thus been directly responsible for a substantial part of the inflation problem. In financing these deficits, and also in meeting the large demands for credit by business and consumers, tremendous pressures were placed on our credit mechanisms, and the supply of money has tended to grow at a rate inconsistent with price stability.

In the early 1970's, the underlying inflationary trend caused by lax financial policies was greatly aggravated by a variety of special factors. In 1972 and 1973 crop harvests were poor both here and abroad, and a boom in economic activity developed throughout the industrialized world. Upward pressures on our prices were further augmented by devaluation of the dollar in international exchange markets, and by an enormous run-up in prices of gasoline, fuel oil, and other energy items. By 1974 these special factors combined with the underlying inflationary trend to set off an explosion of the general price level.

Our Nation has made notable progress since then in reducing the rate of inflation. The rise in consumer prices came down from 12 per cent in 1974 to 7 per cent in 1975. Over the first 4 months of this year, the rise in consumer prices moderated further, to a 3½ per cent annual rate, reflecting a temporary decline in the prices of food and fuel. In the past 2 months, however, retail prices of food and fuel have again been increasing, and the annual rate of increase in consumer prices has stepped up to 6½ per cent. It appears that the underlying rate of inflation has not diminished since mid-1975 and that it may still be about 6 or 7 per cent.

Any such rate of inflation constitutes a serious threat to the economy, and elimination of our disease of inflation must therefore remain a major objective of public policy. Monetary policy—no matter how well designed and implemented—cannot do the job alone. Adherence to a moderate course of monetary policy can, however, make a significant contribution to the fight against inflation.

A year ago, I reported to this committee the Federal Reserve's projection that M_1—that is, the money stock defined so as to include only currency and demand deposits—should grow between 5 and 7½ per cent during the year ending in the second quarter of 1976. For M_2—which also includes consumer-type time and savings deposits at commercial banks—a range of 8½ to 10½ per cent was deemed appropriate. For M_3—a still broader measure of money balances encompassing, besides the components of M_2, the deposits at nonbank thrift institutions—the range was set at 10 to 12 per cent. As I informed the committee at the time, we believed that these projected rates of growth of the major monetary aggregates would facilitate substantial recovery in economic activity without aggravating the problem of inflation.

Looking back, we find that the pace of monetary expansion was generally in line with the specified ranges. During the year ended in the second quarter of 1976, M_1 grew by 5.2 per cent, or near the lower end of the projected range. M_2, on the other hand, rose by 9.8 per cent, which was near the midpoint of its range, while M_3 grew 12.1 per cent, or close to the top end of its range.

The Federal Reserve was urged repeatedly during the past year to pursue a more expansionist policy in order to speed the return to full employment. Some economists as well as some members of the Congress expressed concern that the rates of monetary growth we were seeking would prove inadequate to finance a good economic expansion. We at the Federal

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Reserve respected but did not share this pessimistic view. We judged from experience, first, that the turnover of existing money balances is apt to increase rapidly with the return of confidence; second, that more rapid expansion of money and credit is likely to intensify inflationary expectations and soon sow the seeds of another recession. Consequently, we resisted advice to open the tap and let money flow out in greater abundance.

The moderate rate of monetary expansion fostered by the Federal Reserve proved quite sufficient to finance a large increase in the physical volume of output and a still larger increase in the dollar volume of output. As expected, the increase of money stocks was accompanied by a sharp rise in the turnover of money balances. Moreover, neither rising interest rates nor developing shortages of credit were associated with this rise in velocity. On the contrary, conditions in financial markets, as I noted earlier, have been relatively easy, and they remain favorable to economic expansion.

Over the course of the past year, the Federal Reserve made several modifications in its projected growth ranges. Last October, the lower boundaries of the ranges for both M_2 and M_3 were reduced by one percentage point. This January, the lower boundary of the range for M_1 was reduced by a half of a percentage point, and in April the upper limit for both M_1 and M_2 was lowered by a half of a percentage point.

These were small changes, but they were logical steps in light of economic and financial developments. Reductions in our projected growth ranges were needed because improvements in financial technology made it possible for a moderate increase in money balances to finance a good economic recovery with declining interest rates. But in any event, some reduction in the projected growth ranges would have been called for as the expansion in economic activity proceeded.

The downward adjustments of these growth ranges served to reassure the business and financial community that we intend to stick to a course of moderation in monetary policy. Another indication of our firm resolve was the prompt action taken some weeks ago to ward off a threat of excessive growth of the monetary aggregates. In April, M_1 expanded very sharply—to an annual growth rate of 15 per cent. We recognized that technical factors—such as the decline in the Treasury's cash balance—were partly responsible, and that the bulge in the monetary growth rate might be temporary. We could not, however, risk an explosion of the monetary aggregates during a period of advancing economic activity.

Over a period of several weeks starting in late April, the Federal Reserve thus became somewhat less accommodative in meeting the demand for bank reserves. The upward movement in market rates of interest that followed reflected our actions as well as rising demands for credit. Subsequently the pace of monetary expansion moderated, and interest rates have declined again.

This temporary rise of interest rates was largely confined to sensitive market yields. Interest rates on loans to small businesses and farmers, also on instalment loans to consumers, have continued to move down or remain substantially unchanged.

Most interest rates at the present time are at or below their levels in the spring of 1975, when the economic recovery began. For example, the yield on 3-month Treasury bills reached a low of around 5¼ per cent in May 1975 and is now at about that same level. The rate on new issues of high grade corporate bonds in May 1975 was 9½ per cent; now that rate is down to around 8½ per cent. Interest charges on automobile instalment loans are at their lowest level since mid-1974, while those on bank loans to small businesses are lower than at any time in 3 years.

At its meeting last week, the Federal Open Market Committee specified growth ranges of the monetary aggregates for the year ending in the second quarter of 1977. The ranges differ only a little from those announced last May. The range of 4½ to 7 per cent was retained for M_1. For M_2 the upper boundary of the range was reduced by a half percentage point; for M_3 the upper boundary was brought down by a full percentage point. Consequently, the new range is 7½ to 9½ per cent for M_2, and 9 to 11 per cent for M_3.

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The projected range for M_1 was left unchanged because of considerable uncertainty about the transactions balances that may be needed over the next year to finance a good rate of economic expansion. During the first year of the economic recovery, the income velocity of M_1 rose by 8 per cent. Recently, however, the rise of velocity has slowed appreciably, and it would be reasonable to expect the financing of economic activity over the next year to depend less on increasing velocity of money balances than it did during the past year.

I have advised the Congress repeatedly that the rate of expansion in M_1 will have to be lowered gradually in order to be consistent with restoration of general price stability. However, in view of recent developments with regard to the turnover of M_1, a reduction of the previously projected growth of M_1 seems inappropriate at this time.

Some lowering of the growth ranges for M_2 and M_3 is nevertheless desirable. Depositary institutions have experienced very ample inflows of savings over the past year, and some of them—particularly among the thrift institutions—have recently reduced somewhat the rates they pay on various classes of deposits or have taken other actions to discourage inflows of funds in excess of what they can lend or invest profitably. Since market interest rates on short-term securities have also risen marginally since April of this year, savings inflows of late appear to have moderated. Consequently, if the ranges of expansion in M_2 and M_3 are to be consistent with our projected range for M_1, they need to be lowered somewhat. These downward adjustments, I should add, are another small and prudent step in moving toward a rate of monetary expansion that may in time accommodate general price stability.

We can all take considerable satisfaction in the progress that has been made over the past year in restoring more prosperous conditions in our country. Both the Congress and the administration deserve credit for improving the economic climate. Much remains to be accomplished, however. Unemployment remains much too high. Productivity has been lagging. The expansion of our industrial plant is proceeding at too slow a pace. The residential building industry and other branches of construction are still depressed. And the menace of inflation is still with us, though in a less virulent form than in many other countries around the world. Rampant inflation abroad—West Germany and Switzerland are outstanding exceptions—has been a major factor in the turbulence of foreign exchange markets this year.

In conclusion, let me sketch briefly the directions in which our Nation may need to move in order to deal effectively with some of these problems.

First, the Board believes that the prospects for a durable prosperity would be enhanced by moderation in the course of fiscal policy. The deficit in the Federal budget has diminished very little over the past year—especially when the operations of off-budget agencies and Government-sponsored enterprises are taken into account, as they should be. It is of the utmost importance that the Congress and the administration cooperate to maintain tight control over Federal expenditures. At the present stage of the business cycle, a substantial decline of the Federal deficit is desirable in order that savings may become sufficiently available for much-needed private investment and that renewed inflationary pressures be avoided.

Second, we would be well advised to avoid actions that might damage public confidence or threaten the vitality of particular industries. For example, the recent ruling by the Federal Trade Commission on the "holder-in-due course" doctrine seems to have come at an unpropitious moment. It may well be reducing somewhat the availability of credit to consumers and some retailers at the very time when a continued strong rise of consumer spending is needed to foster further gains in production and employment. Also, serious discussion of legislation to split up the Nation's large oil companies may even now be discouraging the investment required to relieve our critical energy problem.

Third, we ought to move forward with structural changes that will enhance the prospects for returning to full employment without releasing a new wave of inflation. A part of our recent problem of continuing inflation amidst wide-

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spread unemployment stems from a failure to attend sufficiently to modernization and improvement of our Nation's industrial plant. There is a clear need in our country for a larger volume of business capital investment and for greater reliance by business firms on equity funds in financing their capital expenditures. These objectives could be promoted by an overhaul of the structure of Federal taxation.

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

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

There are numerous structural measures besides those I have mentioned that might aid in the restoration of general prosperity. Progress in this field is, I believe, a matter of urgency. Our Nation has tolerated high rates of unemployment and of inflation much too long. But our Nation cannot reach the goal of full employment by pursuing fiscal and monetary policies that rekindle inflation. The Board therefore urges the Congress and the Administration to move ahead on structural policies that promise to strengthen competitive forces in our markets and to open new opportunities for expansion of production and employment. □

Statement by Philip C. Jackson, Jr., Member, Board of Governors of the Federal Reserve System, before the Committee on Banking, Housing, and Urban Affairs, U.S. Senate, July 29, 1976.

I appreciate the opportunity to participate on behalf of the Board of Governors of the Federal Reserve System in these hearings. For purposes of brevity, I will not repeat the answers previously furnished to the committee in response to its questions. These answers outline the nature and extent of the Board's Office of Saver and Consumer Affairs, which acts on consumer complaints. They describe the enforcement activities in the consumer credit area of both the Board of Governors and the Federal Reserve System as a whole. They also speak to the rationale and need for the complex regulatory scheme under the Consumer Credit Protection Act.

In discharging its responsibilities under the Consumer Credit Protection Act, the Board of Governors must fulfill the role of writer and promulgator of regulations under the statute as well as that of enforcer of the statute for State member banks. Thus, the Board's Office of Saver and Consumer Affairs not only responds to consumer complaints but also drafts regulations and interpretations to implement the statute and assists our Division of Banking Supervision and Regulation in its enforcement responsibilities.

Our past enforcement efforts under the Consumer Credit Protection Act, primarily concentrated in the Truth in Lending Act area, have utilized the standard bank examination technique. However, the recent rapid growth of

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consumer credit laws in general is leading us toward changes in this approach. These laws encompass such a broad range of highly technical subjects that examiners understandably have difficulty keeping up with the many details involved. We have also found that the techniques needed for examination of bank practices and policies in the consumer credit area are quite different from the approach that is appropriate for determining banks' safety and soundness.

In recent months a committee of the Board of Governors has been studying various approaches to the enforcement of consumer credit laws. This committee is striving to determine the best approach toward this type of enforcement activity and to provide for uniform techniques throughout the System.

Several Reserve Banks have already established special teams and procedures for enforcement of consumer credit regulations. The teams consist of experts and provide helpful information to banks, particularly small banks where the burdens of technical compliance are disproportionately large. These specialists are also working to develop new techniques for examination that will meet the demands for the more contemporaneous concepts of compliance with the new regulations. Generally, these Reserve Banks are finding it appropriate to separate enforcement for compliance under consumer credit legislation from standard examinations on safety and soundness.

The Board shares the banking committee's concern about the complexity of the regulatory scheme that has arisen as a consequence of the Consumer Credit Protection Act. In recent weeks, we have made some recommendations to this committee for statutory simplification of those aspects of the Truth in Lending Act applicable to closed-end credit. As soon as more practical experience is gained under the Fair Credit Billing Act, similar recommendations for potential simplification applicable to open-end credit may be in order. One of the recommendations made earlier—the possible limitation of creditor liability to acts that significantly injure or mislead consumers—offers some hope of a major change toward simplicity in the statute and its implementation.

In the Board's view, the principal reason that these statutes and regulations are complex is that the credit system in America is complex beyond the ability of any one person or organization to completely understand. Ours has become such a credit-oriented society that the purchase of practically any kind of good or service may directly or indirectly involve the use of credit. It is thus axiomatic that any statute or implementing regulation that is applicable to credit in general will tend to be as complex as the system it is designed to regulate. We feel the best solution to this problem for the future is to limit legislative corrective action to those particular fields where significant public abuse has developed.

The Board was pleased that the Congress recently authorized establishment of a Consumer Advisory Council, which has advisory responsibility on a broad range of consumer matters. We are also pleased that, following public notice, a large number of qualified people has indicated a willingness to serve on the Council. Final selection of Council members is now being made. This Council should prove to be beneficial in assisting the Board in its commitment toward effective action in the regulatory and enforcement aspects of consumer credit legislation. □

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Record of Policy Actions of the Federal Open Market Committee

MEETING HELD ON JUNE 22, 1976

Domestic Policy Directive

The information reviewed at this meeting suggested that growth in real output of goods and services had moderated in the second quarter from the rapid pace to which it had accelerated in the first quarter, now estimated by the Commerce Department to have been at an annual rate of 8.7 per cent. Average prices appeared to have risen more in the second quarter than the first, when the rate of advance had been relatively low. Staff projections suggested that during the second half of the year real GNP would expand at a good pace and that prices would continue to rise somewhat faster than they had in the first quarter.

The second-quarter moderation in growth of real output was attributable primarily to a considerable slowing in the rates of increase in consumer spending and business inventory investment. Retail sales, which had risen substantially in late 1975 and early 1976, were estimated to have remained about unchanged in April and to have declined somewhat in May—as a result of weakness in nondurable goods sales in both months and a downturn in sales of autos in May. However, weekly data suggested some pick-up in retail sales in late May and early June.

Industrial production, employment, and personal income all rose substantially further in May. Production gains were largest in industries that make business equipment, durable consumer goods other than autos, and materials for durable goods industries. Auto production rose only slightly further. Output of nondurable goods also increased, but growth in that area had slowed appreciably from the high rates of the summer and early fall of 1975. As in April, the rise in production was reduced somewhat by a strike in the rubber industry.

Conditions in labor markets continued to improve in May. Nonfarm payroll employment reached a level some 250,000 above its pre-recession high, and the unemployment rate declined from

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7.5 to 7.3 per cent. The average length of the factory workweek rebounded to about its March level, following a decline in April that apparently had been related to holidays in the week of the survey. Personal income increased at about the average rate of other recent months.

Private housing starts, which had declined in March and April, rose somewhat in May to a little above the first-quarter average rate. The May increase was accounted for by a rise in starts of multifamily units to the highest level in nearly 2 years, although such starts were still quite low by historical standards. Residential building permits increased for both single and multifamily units. Outstanding mortgage loan commitments at savings and loan associations had advanced further in April, the latest month for which data were available.

Although nonresidential construction activity remained weak in April, new orders for nondefense capital goods increased substantially further in both April and May. A Commerce Department survey of anticipated plant and equipment expenditures, taken in late April and early May, indicated that businesses were planning to step up capital outlays in 1976 relative to 1975 somewhat more than had been suggested by a corresponding survey taken in February. The rise, however, was considerably smaller than had been implied by an intervening private survey. According to the latest Commerce Department survey, the largest increases in capital outlays were planned by electric and gas utilities and manufacturers of nondurable goods.

According to available data, capacity utilization rates in industries producing major materials were still well below earlier peaks but had risen markedly, particularly in nondurable goods industries. Comments of businessmen in the course of conversations with Reserve Bank personnel also suggested that rates of capacity use were generally high in major industries. In almost all such industries, however, capacity was regarded as adequate for at least the next 6 to 12 months.

The wholesale price index for all commodities—which had risen appreciably in April following 5 months of little change—increased moderately in May. The rise was attributable to some further increase in prices of farm and food products, following their sharp advance in April. The May index for industrial commodities was

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virtually unchanged, but it did not reflect subsequent price increases for steel and gasoline.

The rate of increase in consumer prices stepped up somewhat in May, as prices of food and energy items rose; earlier in the year the rise in the consumer price index had been held down by declines in such items. Apart from food and energy, average consumer prices had advanced at a relatively steady annual rate, in the neighborhood of 7 per cent, for the past year.

The index of average hourly earnings for private nonfarm production workers advanced at a faster pace in May than in previous months of the year, reflecting in part the impact of a major labor settlement in the transportation industry and sizable wage increases in service industries. Over the first 5 months of 1976 the rate of increase in average wage rates was less than in the second half of 1975.

A staff analysis of the economic situation indicated that the economic expansion had slowed somewhat more in the second quarter than had been anticipated a month earlier, mainly because of sluggishness in retail sales. In the staff's judgment, however, the recent weakness in consumer spending was likely to prove to be a temporary pause of the kind that had often occurred during periods of economic expansion—most recently in 1975, following the sharp advance of the spring and early summer. It was noted that the basic determinants of consumer spending—including the rates of growth in employment and in real personal income—were conducive to a resumption relatively soon of stronger gains in outlays.

In general, it appeared that there had been little change during the past month in the fundamental factors underlying the outlook for economic activity. Therefore, relatively little change had been made in the staff's projections for the second half of 1976. Although the latest Commerce Department survey suggested less growth in business capital spending than had an earlier private survey, the outlook in that sector remained relatively favorable—in light of such factors as the recent increases in production of business equipment and in new orders for nondefense capital goods, and rising rates of capacity utilization. Businesses were expected to maintain a high rate of inventory investment, particularly in durable goods. Residential construction outlays were projected to rise in

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the second half, although at a somewhat slower pace than anticipated a month earlier.

U.S. foreign trade was in deficit again during April, but the deficit was less than in March and was about equal to the average rate in the first quarter. Nonfuel imports declined from their high March volume, while nonagricultural exports rose somewhat from the depressed levels early in the year.

In the latter part of May the average value of the dollar against leading foreign currencies increased about 1 per cent on a trade-weighted basis, in part because of a rise in U.S. interest rates relative to interest rates abroad, but it changed little thereafter. During the period since the meeting of the Committee in mid-May the dollar had appreciated on balance against all major currencies except the Canadian dollar and the Swiss franc. A steep decline in exchange rates for the British pound was halted and partly reversed in early June after announcement of a $5.3 billion package of standby credits to the Bank of England by the Group of Ten countries, Switzerland, and the Bank for International Settlements. The package included $1 billion under the Federal Reserve swap line with the Bank of England and $1 billion under a U.S. Treasury Exchange Stabilization Fund swap arrangement with that Bank.

At U.S. commercial banks total loans and investments expanded further in May, but most of the growth continued to reflect increased bank holdings of Treasury securities. While real estate loans remained strong and business loans rose for the first time since January, total loans outstanding at banks were about unchanged. The volume of commercial paper issued by nonfinancial corporations increased somewhat further during the month.

Growth in the narrowly defined money stock—M_1—slowed to a 6 per cent annual rate in May from the exceptionally rapid 15 per cent rate recorded in April and appeared to be moderating further in early June. Much of the slowing might have been attributable to adjustments in cash balances following the bulge that had developed in April. Growth in the broader measures of the money stock—M_2 and M_3—also slowed in May, due in most part to the slower expansion in demand deposits. Inflows of time and savings deposits (other than negotiable CD's) at banks and nonbank thrift institutions were relatively well maintained during May and early June—despite a marked diminution of inflows to

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passbook savings accounts at banks as short-term market interest rates moved above the ceiling rate on such accounts.

System open market operations since the May meeting had been guided by the Committee's decision to seek bank reserve and money market conditions consistent with moderate growth in the monetary aggregates over the period ahead, while taking account of developments in domestic and international financial markets. Immediately following the May meeting, the System had become a little less accommodative in the provision of reserves, as it aimed at reserve conditions consistent with a Federal funds rate averaging around 5⅜ per cent. This was slightly above the 5¼ per cent rate prevailing at the time of the meeting and equal to the midpoint of the 5 to 5¾ per cent operating range that the Committee had specified for the inter-meeting period.

Data becoming available in the latter part of May suggested that the May–June rates of growth in both M_1 and M_2 would be near the upper ends of the Committee's ranges of tolerance. Accordingly, the System sought reserve conditions consistent with a Federal funds rate of about 5½ per cent. While subsequent data tended to confirm the late-May projection of growth in M_2, they also suggested that growth in M_1 might be weaker than had been indicated earlier. Under the circumstances the System continued to aim at reserve conditions consistent with a Federal funds rate averaging around 5½ per cent.

Short-term interest rates in general rose somewhat further in the latter part of May, reflecting market responses to the firming in money market conditions and some increase in business credit demands. During this period most banks raised the prime rate applicable to large business borrowers in two steps from 6¾ to 7¼ per cent. Subsequently, short-term rates fluctuated in a narrow range, as market attitudes appeared to be influenced by indications that the rate of monetary growth had slowed, by the leveling off of the Federal funds rate, and by evidence of some moderation in the pace of economic expansion. Over the inter-meeting period as a whole, most private short-term interest rates increased modestly, on balance, while rates on Treasury securities changed little. On the day before this meeting the market rate on 3-month Treasury bills was 5.36 per cent, compared with 5.22 per cent on the day before the May meeting.

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Interest rates on intermediate- and long-term securities declined a little on balance over the inter-meeting period, in part reflecting the stabilization of conditions in short-term markets. In May public offerings of new corporate bonds and stocks remained substantial, and the volume of new State and local government bond offerings rose to the highest level on record.

Interest rates on home mortgages in the primary market, which typically lag bond yields, had edged up in recent weeks. However, yields in the secondary market for mortgages tended to move with other long-term rates—rising in May and declining in the first half of June.

In mid-May the Treasury announced plans to sell $2.25 billion of 2-year notes and $2.0 billion of 4-year 1-month notes, in order to refund $1.5 billion of publicly held notes maturing on May 31 and to raise $2.75 billion of new cash. In auctions on May 19 and June 3 the notes were sold at average prices to yield 7.16 and 7.71 per cent, respectively. Because its cash balance exceeded its earlier anticipations, the Treasury was able to meet its seasonal financing need prior to the June 15 tax date through the issuance of $2 billion of 9-day cash-management bills—roughly half the amount previously projected. In the week before this meeting the Treasury announced that in the coming weeks it would sell $2.5 billion of 2-year notes and $2.5 billion of 5-year 1-month notes.

In April, when the Committee had last reviewed its longer-run ranges for the monetary aggregates, it had agreed that on the average over the period from the first quarter of 1976 to the first quarter of 1977 growth at rates within the following ranges appeared to be consistent with its broad economic aims: M_1, 4½ to 7 per cent; M_2, 7½ to 10 per cent; and M_3, 9 to 12 per cent. The associated range for growth in the bank credit proxy was 6 to 9 per cent. It was agreed that the longer-term ranges, as well as the particular list of aggregates for which such ranges were specified, would be subject to review and modification at subsequent meetings. It was also understood that, as a result of short-run factors, growth rates from month to month might well fall outside the ranges contemplated for annual periods.

In the discussion of current policy at this meeting, the Committee took note of a staff analysis suggesting that, if prevailing money market conditions were maintained over the coming 4-week inter-

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val, rates of growth in M_1 and M_2 for June and July combined were likely to average close to the moderate pace that had developed in May. These rates were substantially below the very rapid growth rates experienced in April and near the midpoints of the longer-run ranges agreed upon by the Committee at its April meeting.

The staff analysis suggested that growth in M_1 would be influenced by increasing demands for money associated with expansion in nominal GNP, but that the rise in June was likely to be somewhat smaller than in July because of continuing adjustments of cash balances built up during the April bulge in money growth. Growth in the time deposit component of M_2 was expected to moderate slightly further, reflecting some continued shifts of interest-sensitive funds from passbook savings accounts to alternative forms of liquid assets.

The analysis also suggested that financial markets were not likely to come under pressure in the near term. Following the large volume of new corporate and municipal issues being offered in June, the supply of new bonds was expected to slacken seasonally. Moreover, while the Treasury faced a large budget deficit in the third quarter, it appeared that part of its cash needs in that quarter could be accommodated through reductions in what seemed likely to be a relatively large mid-year cash balance. It appeared, however, that over the somewhat longer run, strengthening could be expected in private short-term credit demands, particularly from businesses.

In discussion of the longer-term outlook for credit demands, it was noted by a staff member that business inventory accumulation and capital spending were projected to be larger in the second half of 1976 than in the first half. Because these expanded outlays seemed likely to exceed internal accumulations of funds, over-all business needs for external financing were projected to rise. In view of the large volume of financing already accommodated in capital markets during the first half of the year, the bulk of this additional second-half need was expected to be met at banks.

During the Committee's policy discussion, it was observed that the apparent moderation in the rate of growth in real GNP in the second quarter was, by and large, a healthy development, in the sense that continuation of the rapid first-quarter rate of expansion would soon have generated undesirable boom conditions. On the whole, the members were of the view that the economic expansion

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was proceeding satisfactorily and that the outlook was favorable. At the same time, some concern was expressed about the possibility that inflationary pressures would strengthen as the expansion proceeded.

Some differences emerged during the discussion in the degree of confidence with which members viewed the outlook in particular economic sectors. Thus, while the members were generally inclined to agree that the second-quarter slowing in consumer spending—which had been a major contributing factor to the moderation in GNP growth—was likely to prove temporary, several noted that that outcome was not wholly certain. Some members were more confident than others about the likely strength in capital spending. One member, who was personally optimistic on that score, nevertheless observed that the investment plans of many of the businessmen with whom he had talked were being affected by their concerns regarding the implications of current and possible governmental regulatory actions. Another indicated that he would interpret recent businessmen's comments to Reserve Banks as suggesting that there was less excess capacity in the economy than one might have thought. With respect to the outlook for residential construction, some members indicated that they had been rather disappointed by developments in recent months—including the relatively low average rate of multifamily starts and the failure of new home sales to rise above the levels of last autumn. In support of a contrary view, reference was made to the May increase in starts and permits, and to what appeared to be a generally optimistic attitude within the homebuilding industry.

In general, Committee members favored directing open market operations in the period immediately ahead toward achieving bank reserve and money market conditions consistent with moderate growth in the monetary aggregates. Some suggested specifying operating ranges for M_1 and M_2 in the June–July period with upper limits no higher than 7 and 10 per cent, respectively—the upper limits of the longer-run ranges agreed upon at the April meeting—on the ground that more rapid growth in the short run would make realization of the longer-run goals more difficult. Others indicated that they were prepared to accept somewhat more rapid growth over the June–July period.

The Committee agreed that it would be desirable to maintain

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relative stability in money market conditions at this juncture, in light of the current slowing of the economic expansion and the moderation of growth in the monetary aggregates since April. It was noted by some members that, if the economy expanded about as projected during the second half of the year, some firming of money market conditions might well be required to hold growth of the monetary aggregates within the Committee's longer-run ranges, and it was suggested that a small rise in the Federal funds rate now might serve to moderate the extent of the increase that might otherwise be indicated later. It was also noted, however, that there was little risk in awaiting stronger confirmation that the recent slowing of growth in consumer spending was only temporary. In addition, it was observed that short-term interest rates were already somewhat higher than they had been in April. With respect to the interest rate outlook, one Committee member questioned the staff's projection of enlarged business credit demands at banks in the second half of 1976.

There were some differences in members' views regarding the desired inter-meeting range of tolerance for the weekly-average Federal funds rate. A substantial majority favored a relatively narrow range of 5¼ to 5¾ per cent, on the grounds that a significant easing of money market conditions would be undesirable at this time in view of the likelihood that it might have to be reversed shortly, and that a significant firming would be inappropriate in view of the element of uncertainty in the economic outlook. Some, however, preferred a wider range of 5 to 6 per cent in order to allow more scope for responses to possible deviations from expectations in growth rates of the monetary aggregates.

At the conclusion of the discussion the Committee members agreed that growth in M_1 and M_2 over the June–July period at annual rates of 3½ to 7½ per cent and 6 to 10 per cent, respectively, would be acceptable. As at other recent meetings, they decided that approximately equal weight should be given to M_1 and M_2 in assessing the behavior of the aggregates. Finally, they agreed that until the next meeting the weekly-average Federal funds rate might be expected to vary in a gradual and orderly way within a 5¼ to 5¾ per cent range. As customary, it was understood that the Chairman might call upon the Committee to consider the need for supplementary instructions before the next scheduled meeting

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if significant inconsistencies appeared to be developing among the Committee's various objectives.

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

> The information reviewed at this meeting suggests that growth in real output of goods and services, which had been vigorous in the first quarter, has moderated in the current quarter. In May retail sales declined from the March–April level and were near the monthly average of the first quarter. However, recovery in industrial production continued at about the average pace of the first 4 months of the year, and the gain in employment again was substantial. The unemployment rate declined from 7.5 to 7.3 per cent. The rise in the wholesale price index for all commodities, which had been large in April, was moderate in May; average prices of farm products and foods rose much less than in April. Average prices of industrial commodities changed little in May, but in recent weeks price increases have been announced for some major industrial materials. The rise in consumer prices in May was somewhat faster than the average increase in earlier months of the year, owing to increases in prices of food and energy items. The advance in the index of average wage rates was larger in May than the gains in other recent months, owing in part to implementation of a new labor contract in a major industry.
>
> The average value of the dollar against leading foreign currencies has been relatively steady in recent weeks. On June 7 a total of $5.3 billion of 6-month stand-by credits to the United Kingdom was announced, including $1 billion under the Federal Reserve System's swap line and $1 billion from the Exchange Stabilization Fund. Subsequently, the decline in the pound sterling was halted and partly reversed. In April the U.S. foreign trade deficit was at the same rate as in the first quarter.
>
> Growth in monetary aggregates slowed substantially in May and early June from the exceptionally rapid rates recorded in April, mainly because of a sharp slackening in expansion of demand deposits at commercial banks; inflows of those time and savings deposits included in the broader aggregates were relatively well maintained. Market interest rates in general rose somewhat further in the latter part of May, but since then, short-term rates have fluctuated in a narrow range and long-term rates have edged down.
>
> In light of the foregoing developments, it is the policy of the Federal Open Market Committee to foster financial conditions that

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will encourage continued economic expansion, while resisting inflationary pressures and contributing to a sustainable pattern of international transactions.

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

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

* * * * *

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

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Law Department

Statutes, regulations, interpretations, and decisions

Securities Credit by Persons Other Than Banks, Brokers, or Dealers

The Board of Governors has adopted several amendments to its Regulation G relating to registration, termination of registration, and reporting requirements.

Effective August 20, 1976, Part 207 is amended as follows:

1. Paragraphs (a) and (b) of section 207.1 are amended as set forth below:

Section 207.1—General Rule

(a) **Registration.** Every person who, in the ordinary course of his business,[1] during any calendar quarter ended after June 30, 1976, extends or arranges for the extension of a total of $100,000 or more, or has outstanding at any time during the calendar quarter, a total of $500,000 or more, in credit, secured directly or indirectly,[2] in whole or in part, by collateral that includes any margin securities,[3] unless such person is subject to Part 220 (Regulation T) or Part 221 (Regulation U) of this Chapter, is subject to the registration requirements of this paragraph and shall, within 30 days following the end of the calendar quarter during which the person becomes subject to such registration requirements, register with the Board of Governors of the Federal Reserve System by filing a statement in conformity with the requirements of Federal Reserve Form G-1 with the Federal Reserve Bank of the district in which the principal office of such person is located.

(b) **Termination of registration.** Any person so registered who has not, during the preceding 6 calendar months, extended or arranged for the extension or maintenance of and has not had more than $200,000 of credit outstanding at any time during such period, secured directly or indirectly, in whole or in part, by collateral that includes any margin securities, may apply for termination of such registration by filing Federal Reserve Form G-2 with the Federal Reserve Bank of the district in which the principal office of such person is located. A registration shall be deemed terminated when such application is approved by the Board of Governors of the Federal Reserve System.

* * * * *

2. Section 207.3 (a) is amended as set forth below:

Section 207.3—Reports and Records

(a) Every person who is registered pursuant to § 207.1(a) of this part shall, within 30 days following June 30, 1977 and within 30 days following each succeeding June 30 thereafter, file a report on Federal Reserve Form G-4 with the Federal Reserve Bank of the district in which the principal office of the lender is located.

* * * * *

3. As an incident of the foregoing amendments to Regulation G, footnotes therein numbered 5, 6, 7, 8, and 9 are renumbered 4, 5, 6, 7, and 8, respectively.

[1] See § 207.2(b)
[2] See § 207.2(i)
[3] See § 207.2(d)

Truth in Lending

The Board of Governors has amended its Regulation Z to require itemization of a finance charge where the finance charge consists of more than one type of charge.

Effective August 6, 1976, section 226.8 is amended as follows:

Section 226.8—Credit other than open end—specific disclosures

* * * * *

(c) * * *

(8) * * *

(i) The total amount of the finance charge, using the term "finance charge," and where the total

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charge consists of two or more types of charges, a description of the amount of each type, and

(ii) * * *

(d) * * *

(3) * * * the total amount of the finance charge,[11] using the term "finance charge," and where the total charge consists of two or more types of charges, a description of the amount of each type.

Rules Regarding Delegation of Authority

The Board of Governors has amended its Rules Regarding Delegation of Authority to delegate to the Secretary of the Board the authority to approve future Annual Reports to the Office of Management and Budget on implementation of the Privacy Act.

Effective July 1, 1976, section 265.2(a) is amended by adding a new paragraph (17) to read as follows:

Section 265.2—Specific Functions Delegated to Board Employees and to Federal Reserve Banks

* * * * *

(a) **The Secretary of the Board** (or, in his absence, the Acting Secretary) is authorized:

* * * * *

(17) Pursuant to the requirement of the Privacy Act (5 U.S.C. § 552a(p)), to approve future Annual Reports on the Privacy Act from the Board of Governors to the Office of Management and Budget for inclusion in the President's annual consolidated report to the Congress.

* * * * *

Interest on Deposits

Individual Retirement Accounts—Notice Concerning Rulemaking Proceeding

On June 26, 1975, the Board and the Federal Deposit Insurance Corporation ("FDIC") invited public comment on several issues relating to Individual Retirement Accounts ("IRA's") and possible amendments to Regulation Q (Interest on Deposits) (40 FR 28644). This action was taken in view of the enactment of the Employee Retirement Income Security Act of 1974 (Pub.L. 93-406), which provides, in part, for the establishment of IRA's by individuals not covered by employer pension plans.

Among the issues presented for comment at that time was the question of whether existing restrictions of Regulation Q relating to withdrawal of time deposits prior to maturity unnecessarily interfere with the administration of IRA's maintained at banks in time deposit form. Comment was also requested on whether these restrictions interfere with the orderly distribution of IRA funds to an individual who has reached age 59½ or has become disabled. In addition, comment was requested on whether the existing schedule of ceiling interest rates that member banks are permitted to pay on IRA deposits should be increased and whether member banks should be permitted to pay interest on IRA deposits at rates that are equal to those that may be paid by savings and loan associations and mutual savings banks.

Numerous comments were received by the Board and the FDIC on the issues presented. Ninety financial institutions and organizations commented on the question of raising interest rate ceilings. Forty-eight commercial banks favored action to increase the interest rate ceiling on funds deposited in IRA's. Twenty-eight banks, ten thrift institutions, and four organizations representing thrift institutions opposed such action. Three hundred-nine comments were received on the question of elimination of the existing differential in interest rate ceilings between commercial banks and thrift institutions for IRA deposits. Two hundred forty-three commercial banks and banking organizations favored the elimination of the differential. Sixty thrift institutions and thrift organizations and six banks opposed elimination of the differential.

Those institutions and organizations commenting in favor of elimination of the interest rate differential stated that the existing differential in rate ceilings places commercial banks at a serious competitive disadvantage with thrift institutions in attracting and retaining IRA deposits. Additional arguments presented were that the effect of the ¼ per cent differential over time and the effect of compounding result in a significant difference in earnings over the life of an IRA. These comments assert that, since IRA's constitute an entirely new type of service available at financial institutions, it is inequitable for Federal regulations to permit a rate advantage to exist based solely upon the nature of the regulated institution in which the IRA is established. It is argued that in

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enacting the IRA provisions, Congress intended to provide an incentive for individuals to save for their retirement and did not indicate an intent to favor any one category of financial institution. Consistent with this Congressional intent, an individual should be permitted to obtain the highest rate of return possible on his or her retirement savings. It is further argued that to restrict individuals from obtaining the highest earnings possible on these retirement funds by limiting the ceiling rate for commercial banks to a rate below that permitted to be paid by thrift institutions would be contrary to Congress's intent that IRA's are to be encouraged as a vehicle for accumulating retirement savings.

Those opposed to elimination of the differential stated that thrift institutions need the ¼ per cent differential in order to compete successfully with commercial banks for IRA deposits. These comments stated that Congress was aware of the existence of the differential when it enacted the IRA provisions. It was argued that if Congress intended that IRA participants should be permitted to obtain the same rate of interest on IRA deposits regardless of where the accounts are established, it would have reflected such an intent explicitly in the legislative history of the provision. Since nothing in the legislative history indicates any such explicit Congressional intent to eliminate the favored position of thrift institutions, it was argued, Congress did not intend to affect the existing differential structure when it enacted the IRA provision. Many of those opposed to elimination of the differential also stated that any change in the rate structure should await the outcome of Congress's current review of the powers of financial institutions.

In December 1975, following consideration of the comments submitted, the Board amended Regulation Q to permit member banks to pay all or a portion of an IRA time deposit prior to maturity without imposing the Regulation Q interest penalty when the depositor attains age 59½ or becomes disabled (40 FR 57663). The Board also permitted member banks to waive the $1,000 minimum denomination requirement for IRA time deposits with 4- and 6-year maturities at ceiling rates of 7¼ per cent and 7½ per cent. Similar actions were taken by the FDIC and by the Federal Home Loan Bank Board for insured nonmember banks and insured savings and loan associations. These actions were taken to facilitate the establishment of IRA's in accordance with Congress's intent to encourage individuals not participating in other pension plans to save for their retirement and to provide a convenient means for payout of IRA funds in the future. At the time these actions were taken, the Board indicated that, in view of Congress's intent to encourage individuals to save for their retirement, the Board would continue to examine the question of whether a differential in interest rate ceilings is appropriate for IRA deposits.

Subsequently, a survey was conducted by the Board in conjunction with the FDIC and Federal Home Loan Bank Board of IRA accounts of all Federally-insured commercial banks, savings and loans, and mutual savings banks. Among the data obtained were statistics on the amount and distribution of IRA funds among various types of financial institutions, distribution of IRA deposits according to size of institution, and maturity classifications of IRA deposits at commercial banks and mutual savings banks. The results of this survey indicate that as of March 31, 1976, thrift institutions generally possess relatively more IRA deposits than do commercial banks.

The Board has carefully considered the question of an interest rate differential as it applies to IRA deposits at commercial banks and thrift institutions. During the course of this consideration, the Board has given weight to the various arguments presented by those who have commented on the issues raised by the Board's June 1975 announcement as well as comments received subsequently. Weight has also been given to the results of the Board's survey concerning IRA deposits. Consideration has been given to the intent of Congress in enacting the IRA provisions to encourage individuals to save for retirement and the effect that a differential may have upon the amount of earnings an individual may obtain on his or her retirement savings over the life of the IRA.

The Board believes that in enacting the IRA provisions it was the intent of Congress that individuals whose employers do not have private retirement plans should be encouraged to provide for their retirement needs through the establishment of IRA's. In order to accomplish Congress's intent, as a matter of public policy the Board believes that IRA participants should be permitted to obtain the highest rates of interest permissible on their retirement savings regardless of where the deposits are maintained. In the Board's estimation, a differential in IRA deposits may be viewed as inconsistent with the objective of providing IRA

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depositors with a means of obtaining the highest earnings possible on funds saved for retirement purposes.

In addition, the Board believes that there is some evidence, as yet inconclusive, which indicates that member banks may be at a disadvantage vis-à-vis thrift institutions in competing for IRA deposits because of the existence of the differential in present interest rate ceilings.

The Board has determined that further monitoring for several months will be proper before a final conclusion is reached. If the present trend in the competitive structure for IRA deposits continues, the Board will then consider taking appropriate steps to restore competitive balance between commercial banks and thrift institutions in the offering of IRA's.

It is anticipated that further consideration of action by the Board to permit member banks to offer IRA's on a fully competitive basis will be appropriate in early 1977 concurrent with Congressional consideration of the extension of the Board's authority to establish interest rate ceilings for member banks and the Board's recommendations to Congress in connection with that review. In this regard, the Board recognizes that under the provisions of Public Law 94-200 (89 Stat. 1124), any action by the Board to eliminate or reduce an interest rate differential for any category of deposits or accounts that was in effect on December 10, 1975 could not become effective until such action was approved by concurrent resolution of the House of Representatives and the Senate.

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

Orders Under Section 3 of Bank Holding Company Act

Banco de Santander, S.A.,
Santander, Spain

Order Approving
Formation of Bank Holding Company

Banco de Santander, S.A., Santander, Spain, 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 67 per cent or more of the voting shares of First National Bank of Puerto Rico, Hato Rey, Puerto Rico ("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 (deposits of approximately $3.2 billion), a Spanish commercial bank, has 484 branches including branches in Paris, Frankfurt, and London. Applicant also owns indirectly banks in Argentina and Panama and operates representative offices in Europe, Latin America, New York, New York, and San Juan, Puerto Rico.

Bank (deposits of approximately $29.3 million)[1] is the only national bank headquartered in Puerto Rico and is the tenth largest of eleven nongovernment-owned commercial banks operating in Puerto Rico. Because of the nature of the business conducted by Applicant's representative offices in Puerto Rico, it does not appear that any meaningful competition would be eliminated as a result of the proposal. In view of Bank's size and rank in the market, the Board views the proposed acquisition as a foothold entry by Applicant into the market.[2] Such a foothold entry by Applicant should have a salutary effect on competition by enhancing Bank's competitive capabilities relative to the other banks in the market. Therefore, on the basis of the record, the Board concludes that consummation of the proposal would not have a significant adverse effect on existing or potential competition in any relevant area and that competitive considerations are consistent with approval of the application.

The financial condition and managerial resources of Applicant are considered satisfactory and its future prospects appear favorable. Absent consummation of this proposal, the financial condition, managerial resources and future prospects

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

[2] The San Juan banking market consists of the San Juan SMSA.

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of Bank would be less than satisfactory. However, in view of Applicant's agreement to inject needed capital of approximately $3.2 million and its intention to strengthen the management of Bank, the same conclusions which apply to Applicant with respect to its financial condition, managerial resources and future prospects also apply to Bank. Affiliation with Applicant should enable Bank to more effectively provide services it has been forced to reduce as a result of its weakened financial condition. In addition, affiliation with an international banking organization such as Applicant should enable Bank to offer international banking services not currently available at Bank. Thus, considerations relating to the convenience and needs of the community to be served are also consistent with approval of the application. It is the Board's judgment that the proposed acquisition would be in the public interest and that the application should be approved.

On the basis of the record, the application is approved for the reasons summarized above. The transaction shall not be made (a) before the thirtieth calendar day following the effective date of this Order of (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 July 30, 1976.

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

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

C N Banc Holding Corporation, Maplewood, Missouri

Order Denying
Formation of Bank Holding Company

C N Banc Holding Corporation, Maplewood, Missouri ("Applicant"), 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 Citizens National Bank of Greater St. Louis, Maplewood, 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 is a nonoperating company with no subsidiaries, organized for the express purpose of becoming a bank holding company through the acquisition of Bank. The purpose of the proposed transaction is to effect a transfer of the controlling ownership of Bank from an individual to a corporation owned by the same individual with no change in Bank's management or operations. Upon acquisition of Bank, Applicant would control 0.3 per cent of the total deposits in commercial banks in Missouri.

Bank holds deposits of approximately $44.8 million,[1] representing 0.6 per cent of the total deposits in commercial banks in the St. Louis banking market,[2] and ranks as the 46th largest of 128 commercial banks operating in the market. In view of the facts that the proposed transaction represents a restructuring of Bank's present ownership, and Applicant has no subsidiaries, it does not appear that consummation of the proposal would eliminate any significant existing or potential competition, increase the concentration of resources, or have any adverse effects on any other banks in any relevant area. Therefore, the competitive considerations are consistent with approval of the application.

Under the Bank Holding Company Act, the Board is required to take into consideration the financial condition, managerial resources, and future prospects of the proposed holding company and the bank to be acquired. With respect to the subject proposal, it appears that the future prospects of Applicant are entirely dependent upon the financial resources of Bank. In this regard, Applicant proposes to service the $2.3 million debt[3] it will incur as part of this transaction over a twelve-year period primarily through dividends from Bank, representing 51.2 per cent of Bank's pro-

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

[2] The St. Louis banking market, the relevant geographic market for purposes of analyzing the competitive effects of the proposed transaction, is approximated by the city of St. Louis, St. Louis County, and portions of St. Charles and Jefferson Counties, all in Missouri and portions of Madison and St. Clair Counties in Illinois.

[3] Four hundred thousand dollars of this total indebtedness is to be injected into Bank to strengthen its capital.

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jected income for the first year and declining each year thereafter to 40.4 per cent in the twelfth year. In view of Bank's operating history and present financial condition, the Board is unable to conclude that Applicant's projected earnings are reasonable or attainable. The Board is of the view that the future earnings of Bank would not provide Applicant with the necessary financial flexibility to meet its debt servicing requirements as well as any unexpected problems that might arise at Bank. In addition, the high level of dividend payout may not provide Applicant with the necessary financial flexibility to service the acquisition debt while maintaining Bank's capital position. On the basis of the foregoing and other facts of record, the Board concludes that the considerations relating to the banking factors weigh against approval of the application.

As stated previously, the proposed formation of Applicant merely represents a restructuring of Bank's ownership with no changes in Bank's operations or services. Consequently, considerations relating to the convenience and needs of the community to be served lend no weight toward approval of the application. Moreover, in view of Applicant's debt servicing requirements, consummation of the subject transaction could diminish Bank's ability to continue to serve the area as a viable banking alternative.

On the basis of all of the facts of record, it is the Board's judgment that the subject proposal would result in a bank holding company with financial and managerial resources that are inadequate to service its debt while maintaining Bank's capital account. While the Board recognizes that denial of this application would not necessarily affect the control of Bank, the Board cannot sanction the use of a holding company structure that, because of its debt servicing requirements, could impair the financial condition of the bank to be acquired; nor would the public interest be served by such Board action. Accordingly, the Board concludes that consummation of the proposed transaction would not be in the public interest and that the application should be denied.

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

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

(Signed) J. P. GARBARINI,
[SEAL] *Assistant Secretary of the Board.*

Columbia Holding Corp., Chicago, Illinois

Order Denying Formation of Bank Holding Company

Columbia Holding Corp., 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 the acquisition of 80 per cent or more of the voting shares of Columbia 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 nonoperating corporation recently organized for the purpose of becoming a bank holding company through the acquisition of Bank ($55.2 million in deposits).[1] Bank ranks 154th among the banking organizations in Illinois and holds approximately .1 per cent of the total deposits held by commercial banks in the State. Bank, located approximately 10 miles northwest of downtown Chicago, is the 101st largest of the 292 commmercial banks operating in the Chicago banking market[2] (the relevant banking market) with approximately .13 per cent of market deposits. Inasmuch as the subject proposal represents a restructuring of existing ownership interests in Bank and since Applicant has no present subsidiaries, consummation of the proposal herein would have no adverse effects on existing or potential competition.

Principals of Applicant are also principals in Mid-Town Bank of Chicago, Chicago, Illinois ("Mid-Town Bank"). Mid-Town Bank (deposits of $6.4 million) ranks as the 273rd largest bank in the relevant banking market with .02 per cent of total market deposits. In view of the relatively small size of the two banks, the fact that their offices are six miles apart, and the large number of competitors in the market, it appears that there is no significant competition between Mid-Town Bank and Bank. Accordingly, based on the fore-

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

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

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going and other facts of record, the Board concludes that competitive considerations are consistent with approval of the application.

The Board has indicated on a number of occasions that it believes that a holding company should serve as a source of financial and managerial strength to its subsidiary bank(s) and that the Board will closely examine the condition of an applicant in each case with this consideration in mind. While the Board considers the managerial resources of Applicant and Bank as satisfactory, the Board is concerned with the high level of debt that will result in connection with the consummation of this proposal. Applicant proposes to incur a debt of $3.0 million[3] that Applicant intends to service over a twelve-year period primarily through dividends from Bank and through tax savings resulting from filing consolidated tax returns. Based on the facts of record, the Board is unable to conclude that the proposal would provide Applicant with the necessary financial flexibility to service its debt while maintaining adequate capital levels at Bank. In this connection, it is noted that Bank's capital is marginally acceptable at the present time, and this position has been attained through the retention of 100 per cent of Bank's earnings since it opened for business in 1964. Even though Applicant contemplates providing Bank with $300,000 in equity capital upon consummation of the proposal, Bank's capital would remain only marginally acceptable throughout the debt retirement period, assuming Applicant's projections are accurate, as a result of the sizable dividends that will be taken from Bank in order to service Applicant's debt.

The Board is also concerned about the narrow margin for error in Applicant's projections, since a deviation from those estimates in the future would further weaken Bank's capital and lessen Applicant's ability to serve as a source of financial strength. Applicant has projected that Bank's earnings, as a percentage of assets, would equal 1.05 per cent. However, only in 1975 did Bank's earnings exceed this figure and for each of the four previous years Bank earned between .3 and .9 per cent on its assets. Thus, Bank does not have a proven record of earnings to support Applicant's somewhat optimistic projections. Similarly, Applicant's projections in regard to Bank's asset growth are not supported by Bank's actual growth experience.

Furthermore, as indicated in footnote 3 *supra*, the instant proposal contemplates a transaction whereby the debenture holders of Bank will be exchanging debentures aggregating $600,000, bearing interest at 5.5 and 7.0 per cent, respectively, for approximately $1.1 million in Applicant's debentures, bearing interest at 10 per cent. As a consequence of this proposal, Bank's debenture holders will receive approximately $110,000 in interest annually on Applicant's debentures whereas they presently receive $37,500 in interest on Bank's debentures. The Board considers this additional financial burden on Applicant to be further evidence that Applicant's proposal does not permit Applicant to be a source of financial strength to Bank. Accordingly, the Board is of the view that Applicant's proposal, as presently structured, does not provide Applicant with the financial flexibility necessary to service its debt, maintain Bank's capital at acceptable levels, and to provide for any unforeseen problems that might arise at Bank. Therefore, the Board views the debt to be incurred by Applicant as a significantly adverse factor in the consideration of this proposal and finds that the considerations relating to financial resources and future prospects weigh against approval of the application.

The proposed formation represents merely a restructuring of the ownership of Bank with no changes in Bank's operations or the services offered to customers. Thus, considerations relating to the convenience and needs of the community to be served lend no weight toward approval of the application.

On the basis of all the circumstances concerning this application, the Board concludes that the banking considerations involved in this proposal present adverse factors bearing upon the financial condition and future prospects of both Applicant and Bank. Such adverse factors are not outweighed by any procompetitive effects or by benefits which would result in serving the convenience and needs of the community. Accordingly, it is the Board's judgment that approval of the application would not be in the public interest and that the application should be, and hereby is, denied for the reasons summarized above.

[3] Applicant proposes to exchange its shares of stock and $2.7 million of its 10 per cent debentures for all of the stock of Bank and $600 thousand of Bank's debentures ($300 thousand of which bears interest at 5.5 per cent, and the remainder of which bears interest at 7 per cent). Bank's debentures would be converted to equity capital in connection with this exchange. Applicant also proposes to borrow an additional $300 thousand to supplement Bank's equity capital.

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By order of the Board of Governors, effective July 9, 1976.

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

(Signed) J. P. GARBARINI,
[SEAL] *Assistant Secretary of the Board.*

United Bancshares of Nebraska, Inc., Lincoln, Nebraska

Order Approving Formation of a Bank Holding Company

United Bancshares of Nebraska, Inc., Lincoln, Nebraska 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 the acquisition of 99.2 per cent or more of the voting shares of First Westroads Bank, Inc., Omaha, Nebraska ("Bank").

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

Applicant is a nonoperating corporation organized for the purpose of becoming a bank holding company through the acquisition of Bank. Bank (deposits of $12.3 million) ranks 18th out of the 25 banks operating in the Omaha banking market (which is approximated by Douglas County) and controls 0.7 of 1 per cent of the total deposits in commercial banks in the market.[1] Upon acquisition of Bank, Applicant would control 0.2 of 1 per cent of the total deposits in commercial banks in Nebraska.

The principals of Applicant are also officers and/or directors of NBC Co., Lincoln, Nebraska, a one-bank holding company that owns the National Bank of Commerce Trust and Savings Association, Lincoln, Nebraska. NBC Co. presently is one of nine affiliated one-bank holding companies that individually own banks across the State of Nebraska, collectively holding 7.3 per cent of the deposits in commercial banks in the State. The purpose of the transaction is to effect an eventual transfer of the ownership of Bank to the shareholders of NBC Co. The nearest affiliates of NBC Co. are located in Fremont, approximately thirty miles northwest of Bank, and operate in a separate banking market. There is no existing competition between Bank and its potential affiliates. Accordingly, on the basis of the facts of record, the Board concludes that consummation of the proposal would not have any adverse effect on other banks in the relevant market and that competitive considerations are consistent with approval of the application.

The financial and managerial resources and future prospects of both Applicant and Bank are considered satisfactory in light of Applicant's commitment to add $100,000 to Bank's capital. Although Applicant will incur acquisition debt in connection with this proposal, it appears that it will be able to service this debt over a 10-year period without impairing the financial condition of Bank during that time. Furthermore, it appears that the overall financial condition of the other one-bank holding companies in which principals of Applicant are involved is satisfactory. Therefore, considerations relating to banking factors are consistent with approval of the application.

Affiliation with Applicant should enable Bank to expand and improve the banking services it presently offers to its customers. Accordingly, these considerations relating to the convenience and needs of the community to be served are consistent with approval. It is the Board's judgment that consummation of 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 made (a) before the thirtieth calendar day following the effective date of this Order or (b) later than three months after the effective date of this Order unless such period is extended for good cause by the Board or by the Federal Reserve Bank of Kansas City pursuant to delegated authority.

By order of the Board of Governors, effective July 16, 1976.

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

(Signed) J. P. GARBARINI,
[SEAL] *Assistant Secretary of the Board.*

[1] All banking data are as of June 30, 1975 and reflect holding company formations and acquisitions approved by the Board through June 30, 1976.

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First National Corporation,
Appleton, Wisconsin

Order Approving Acquisition of Bank

First National Corporation, Appleton, Wisconsin, 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 90 per cent or more of the voting shares of The Farmers State Bank, Larsen, Wisconsin ("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 ninth largest banking organization in Wisconsin, controls six banks with aggregate deposits of $179.5 million, representing approximately 1.2 per cent of the total deposits in commercial banks in the State.[1] Acquisition of Bank (deposits of approximately $9.3 million) would not significantly increase Applicant's share of deposits in the State nor would it alter Applicant's ranking among the other banking organizations in Wisconsin.

Bank is the eleventh largest of twelve banking organizations in the Appleton banking market[2] and holds $9.3 million in deposits, which represents 1.8 per cent of the total commercial bank deposits in the market. Applicant is the largest of the twelve banking organizations in the market, and upon acquisition of Bank, Applicant would control four banks in the market with aggregate deposits representing 26.8 per cent of the total commercial bank deposits in the market. Applicant and Bank operate in the same market, and the record indicates that some existing competition would be eliminated as a result of the consummation of the proposal. Bank is located on the western fringe of the relevant market in the town of Larsen and Applicant's closest banking office is a branch of Applicant's lead bank some 12 miles northeast in the town of Greenville. Competition between that office and Bank—and between Applicant's other subsidiary banks and Bank—does not appear to be significant. Moreover, in view of the restrictive State branching laws prohibiting the establishment of a branch within a three mile limit of Bank's location and also in view of the rural character of the area surrounding Bank, expansion by Applicant into this portion of the market does not appear likely. The effects of the proposal on competition are further mitigated by the relatively small size of Bank and the fact that it has not been a significant competitor in the market. Bank was established in 1914 and its deposits have grown to only about $9 million in some sixty years of operation. Accordingly, on the basis of the facts of record, the Board concludes that consummation of the proposal would have some slightly adverse effects on competition.

The financial and managerial resources and future prospects of Applicant, its subsidiaries, and Bank are regarded as generally satisfactory. In arriving at such conclusion, the Board has relied in part on Applicant's commitments to augment the capital at certain of its subsidiary banks. Consequently, the Board regards banking factors as being consistent with approval of the application. Furthermore, Applicant's acquisition of Bank would give Bank access to Applicant's banking expertise and management resources. Applicant also proposes to assist Bank in providing new and expanded services to its customers, including estate planning and trust services, investment advisory services, computer services for both Bank and Bank's customers, and direct leasing services. Therefore, considerations relating to the convenience and needs of the community to be served lend weight toward approval and, in the Board's view, outweigh any slightly adverse effects the proposal may have on competition. It is the Board's judgment that the proposed acquisition would be in the public interest and that the application should be approved.

On the basis of the record, the application is approved for the reasons summarized above. The transaction shall not be made (a) before the thirtieth calendar day following the effective date of this Order nor (b) later than three months after the effective date of this Order, unless such period is extended for good cause by the Board, or by the Federal Reserve Bank of Chicago pursuant to delegated authority.

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

[2] The Appleton RMA, which is the relevant banking market, extends from the northeastern portion of Winnebago County (including the cities of Neenah and Menasha) through the southeastern portion of Outagamie County (including the cities of Appleton, Kaukauna, Kimberly, Little Chute, and Combined Locks) and the southwestern-most portion of Brown County and the northwestern portion of Calumet County.

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

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

(Signed) J. P. GARBARINI,
[SEAL] *Assistant Secretary of the Board.*

Florida National Banks of Florida, Inc., Jacksonville, Florida

Order Denying Acquisition of Bank

Florida National Banks of Florida, Inc. ("Florida National"), Jacksonville, 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 50.37 per cent or more of the voting shares of the Citizens Bank of Bunnell ("Bank"), Bunnell, 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)).

Florida National, the fifth largest banking organization in Florida, controls 32 banks with aggregate deposits of approximately $1.3 billion, representing 5.4 per cent of the total deposits in commercial banks in the State.[1] Acquisition of Bank would increase Florida National's share of total commercial bank deposits by .04 per cent and would not result in a significant increase in the concentration of banking resources in Florida.

Bank, the larger of the two banks in the relevant banking market,[2] controls total deposits of approximately $11 million representing 62.2 per cent of the total deposits in commercial banking institutions in the market. The closest subsidiary bank of Florida National is 23 miles southeast of Bank. No significant competition exists between any of Florida National's subsidiary banks and Bank, and it appears unlikely that such competition would develop in the future. Common ownership and control of Bank and the only other bank in the relevant market has led to common senior operating management and director interlocks. Because of this affiliate relationship, the two banking institutions do not presently compete with each other. If the subject proposal is approved, it is expected that the affiliate relationship will be terminated and Bank will become an independent alternative source of banking services in the relevant market. On the basis of the facts of record, the Board concludes that competitive considerations are consistent with, and lend some weight toward, approval of the application.

The financial condition and future prospects of Florida National, its subsidiaries and Bank are regarded as satisfactory. Accordingly, the Board concludes that financial considerations are consistent with approval of the application.

In the course of processing this application, the following information has come to the Board's attention.

(1) In May 1974 Florida National withdrew a previous application it then had pending to acquire 50.37 per cent of Bank.[3]

(2) In late May 1974, Florida National's counsel (who was also a director of Florida National) conferred with members of the Board's Legal Division to discuss the possibility of preserving Florida National's opportunity to acquire Bank by having officers of Florida National purchase the stock of Bank and hold it as individuals until such time as Florida National could purchase it from them.

(3) Subsequently, by letter of June 14, 1974, the Board's Legal Division informed Florida National's counsel that ". . . any action to acquire shares of a bank by officers, directors or other persons associated or related to a bank holding company, without Board approval, should be taken with extreme caution to insure that the bank holding company does not obtain direct or indirect

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

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

[3] Following the 1966 Amendments to the Act, the DuPont Trust ("Trust") sought to divest its holdings in 30 Florida banks through an exchange of stock with a newly created bank holding company, Florida National. Subsequently, the Board determined that Trust was still controlling the 30 banks through Florida National and by Order of October 15, 1973, the Board ordered the DuPont Trust to "terminate its control and/or controlling interest over Florida National and/or its subsidiary banks" by December 31, 1974. In May 1974, eight pending § 3(a)(3) applications of Florida National were returned because Trust had not yet complied with the Board's Order of October 15, 1973; and therefore any acquisitions of bank shares by Florida National would have constituted an indirect acquisition by Trust.

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control or power to control or exercise a controlling influence over the bank."

(4) On June 28, 1974, Florida National entered into a Stock Purchase Agreement with three of its officers* ("Officers") providing, in part, that Florida National, through one of its subsidiary banks, would loan its Officers funds with which to purchase 50.37 per cent of the voting shares of Bank. The Officers agreed to sell those shares to Florida National at a later date. In addition, "the entire risk of gain or loss on the transactions" was upon Florida National. Florida National also agreed to indemnify its Officers against loss in the event it was unable to purchase the shares from them.

(5) Inquiries by the Board's Legal Division in October 1974 resulted in a letter dated October 7, 1974, from Florida National's counsel committing Florida National and its Officers to (a) remove the loan from Florida National's subsidiary bank to an unaffiliated bank, (b) cancel, rescind, and render void and unenforceable the Stock Purchase Agreement of June 28, 1974, and (c) enter into a new Stock Purchase Agreement "which would be consistent with the Board's staff's recommendations and which would provide no indemnification."

(6) Florida National subsequently placed the loan with an unaffiliated bank. However, Florida National agreed to guarantee the loan.

(7) On May 1, 1975, Florida National submitted an application for prior approval to acquire 50.37 per cent of the outstanding voting shares of Bank from its Officers who had acquired the shares from Bank's principal shareholder.

(8) During processing of the application, staff discovered that the Stock Purchase Agreement between Florida National and its Officers had not been "cancelled and rescinded and rendered void and unenforceable from the beginning" and was in fact still in force. The only step that had been taken by Florida National in fulfillment of the commitments listed in the aforementioned October 7th letter was the transfer of the loan to Officers from Florida National's subsidiary bank to an unaffiliated bank. Florida National continues to guarantee the loan to its Officers[4] and all of the other provisions of the Stock Purchase Agreement remain in force.

(9) In response to a request by the Board's staff that Florida National explain its actions, Florida National and its counsel provided documents and arguments in support of its position that its actions should not be deemed a willful violation of the Act. Florida National and its counsel argue, in part, that Florida National acted upon the advice of counsel; that Florida National's agreement with its Officers had been structured to comply with prior holdings of the Board in similar cases; and that, at worst, the transaction was a technical violation of the Act.

Section 3(a) of the Act provides that it shall be unlawful, except with the prior approval of the Board ". . .(3) for any bank holding company to acquire direct or indirect ownership or control of any voting shares of any bank if, after such acquisition, such company will directly or indirectly own or control more than 5 per centum of the voting shares of such bank." Section 2(a)(2)(A) of the Act provides that any company has control over a bank or over any company if "(A) the company directly or indirectly or acting through one or more other persons owns, controls, or has power to vote 25 per centum or more of any class of voting securities of the bank or company."

It appears that, contrary to the specific recommendations and views expressed by the Board's Legal Division, Florida National, acting through its Officers, acquired control of 50.37 per cent of Bank's outstanding voting shares. Florida National was instructed by the Board's Legal Division not to finance its Officers' purchase of Bank's shares, not to guarantee any loan made to its Officers by an unaffiliated bank and not to indemnify its Officers against loss. Despite these directions and Florida National's awareness of the Board's publicly expressed concern with acquisitions by officers of holding companies acting to preserve corporate opportunities,[5] and without apparent concern for the consequences of its actions, Florida National nevertheless structured the transaction in a manner that clearly resulted in its acquiring control of Bank. Moreover, Florida National continues to guarantee the loan to its Of-

*Two of the officers were also directors of Florida National.

[4]At the time Florida National placed the loan with the unaffiliated lender, American National Bank of Jacksonville, it continued to guarantee the loan to its Officers. When Florida National subsequently sought to remove its guarantee of the loan, American National Bank of Jacksonville refused to excuse Florida National from its obligation.

[5]See *Mid America Bancorporation, Inc.*, 1974 Federal Reserve BULLETIN 131; *The Jacobus Company and Inland Financial Corporation*, 1974 Federal Reserve BULLETIN 130.

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ficers and to indemnify those Officers against loss, and the control relationship thus continues.

On the basis of the facts of record, the Board concludes that Florida National controls Bank within the meaning of § 2(a)(2)(A) of the Act. The Board further concludes that Florida National violated § 3(a)(3) of the Act by acquiring control of Bank without the prior approval of the Board.

Among the factors enumerated in § 3(c) of the Act that the Board must consider in acting on applications is the managerial resources of the acquiring bank holding company. The reference to "managerial resources" does not, however, refer solely to the business abilities of management or its past financial success. The legislative history of this provision makes it clear that this factor relates not only to management's competence but also to management's integrity and disposition to conduct the affairs of the company in accordance with the requirements of law.[6]

In assessing the managerial resources of an applicant, the Board must consider all the factors that bear upon the competence, quality and integrity of the management of any holding company seeking to acquire control of a bank. The Board has previously stated that when it comes to the Board's attention that an acquisition has been made, or activities have been commenced, without the requisite prior approval of the Board, whether or not such violation of the law appears to have been "willful," such conduct may reflect so adversely upon the managerial factors in connection with an application for permission to retain the illegally acquired activity that the conduct, in and of itself, constitutes grounds for denial of such an application.

In view of the repeated warnings of the Board's Legal Division cautioning Florida National's counsel to exercise great care in structuring the transaction whereby Officers acquired control of Bank, the contradictory statements made by Florida National's counsel to the Legal Division, the apparent misrepresentations made in connection with the application, and Florida National's continued failure to comply with the Board's staff's recommendations for remedying the situation, it is clear that insofar as this application is concerned the management of Florida National has not demonstrated a disposition to conform the conduct of Applicant's affairs to the requirements of the Act. Section 3(a) of the Act requires *prior* approval for acquisitions, and where an acquisition of control is made without obtaining such prior approval, under circumstances such as those presented here, the Board believes it should not approve an application to retain the illegally acquired control position and thereby allow the offending party to reap the fruits of its violation.

There is no evidence in the record that the banking needs of the community are not currently being adequately served. Florida National has proposed to expand certain of Bank's services. However, in the context of this application, these considerations are not sufficient to outweigh the adverse managerial considerations of Florida National's violation of the Act referred to above. Accordingly, it is the Board's judgment that approval of the application would not be in the public interest and that the application should be denied.

On the basis of the record, the application is denied for the reasons summarized above. Florida National and its Officers are ordered to take all necessary steps to divest the shares of Bank unlawfully acquired by them no later than October 27, 1976 and to submit to the Board for its approval no later than August 29, 1976, a plan to effect such divestiture.

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

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

(Signed) J. P. GARBARINI,
[SEAL] *Assistant Secretary of the Board.*

[6] As originally enacted, § 3(c)(3) of the Bank Holding Company Act provided that among the factors to be considered by the Board is the "character of [the] management". Also see Senate Report No. 1095, 84th Cong., 1st Sess., at page 10, accompanying the 1956 Act. The present § 3(c) of the Act includes the same standard without any substantive change in its meaning having been made by the 1966 Amendments to the Act which brought this section into harmony with the Bank Merger Act. The Federal Home Loan Bank Board has had occasion in a similar context to consider the scope of the "managerial resources" standard as contained in that section of the National Housing Act dealing with savings and loan holding companies (12 U.S.C. § 1730a(e)(2)). The Bank Board concluded that its standard was adopted from the Bank Holding Company Act and that the phrase "managerial resources" encompasses considerations relating to the integrity of management. Opinion and Order of the Home Loan Bank Board in the matter of the *Joint Applications of Fidelity Financial Corporation and Fidelity Savings and Loan Association, Sacramento, California, and Six Rivers Savings and Loan Association, Eureka, California* (Resolution No. 73-1772, December 7, 1973), at page 20.

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Indian Head Banks Inc.,
Nashua, New Hampshire

Order Approving
Acquisition of Shares of Bank

Indian Head Banks Inc., Nashua, New Hampshire, 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 67 per cent or more of the voting shares of Community National Bank of Rochester, Rochester, New Hampshire.

Notice of the application, affording opportunity for interested persons to submit comments and views, has been given in accordance with § 3(b) of the Act. The time for filing comments and views has expired, and the Board has considered the application and all comments received, including those submitted by Strafford National Bank, Dover, New Hampshire ("Protestant"), in light of the factors set forth in § 3(c) of the Act (12 U.S.C. § 1842(c)).

Applicant, the largest banking organization in New Hampshire, controls 8 banks with aggregate deposits of approximately $255 million, representing 15.4 per cent of total deposits in commercial banks in New Hampshire.[1] Acquisition of Bank (deposits of approximately $7 million) would increase Applicant's share of Statewide deposits by .4 of one per cent. Consummation of the proposed transaction would not result in a significant increase in the concentration of banking resources in New Hampshire.

Bank is the 6th largest of 10 commercial banking organizations in the Dover-Rochester banking market (the relevant banking market for purposes of this proposal)[2] and controls 9.4 per cent of deposits in commercial banks in the market. A subsidiary of Applicant, Indian Head National Bank of Exeter ("Exeter Bank"), Exeter, New Hampshire, operates a branch in Newmarket, New Hampshire, located in the relevant banking market. That branch holds deposits of approximately $6.3 million[3] representing 8.4 per cent of total deposits in commercial banks in the market, and thus Applicant is the eighth largest banking organization in the relevant banking market. As a result of consummation of the proposed transaction, Applicant would become the largest banking organization in the relevant market with 17.8 per cent of deposits in commercial banks. Thus the proposed transaction would have the effect of increasing somewhat the concentration of banking resources in the relevant market. However, even after consummation of the proposed transaction, the market would not be highly concentrated as the four largest banking organizations would control 60.7 per cent of deposits in the market. The effect of the proposal on concentration in the relevant market is mitigated by the facts that Bank and Exeter Bank are among the smaller organizations in the market and that, because Bank is in less than satisfactory condition, it is not currently a meaningful competitor in the market. Indeed, affiliation with Applicant should enable Bank to become a competitive factor in the market. Accordingly, it is the Board's judgment that the proposal would be consistent with the public interest despite its effects on concentration in the market.

To the extent that Bank and Exeter Bank's Newmarket branch operate in the Dover-Rochester banking market, some amount of existing competition would be eliminated as a result of consummation of this proposal. However, on the basis of the facts of record, including the facts that Bank and Exeter Bank's Newmarket branch are 18 miles apart and that a number of banks compete in the market, it does not appear that any meaningful competition between Bank and Exeter Bank would be eliminated as a result of the proposal, particularly in view of the current financial condition of Bank. Applicant's other subsidiaries also have five banking offices located outside the relevant market that derive some deposits from Bank's service area. The amount of such deposits, however, is not significant nor does Bank derive a significant amount of deposits from the service areas of these subsidiaries of Applicant. After consummation of the proposal, several independent banks would remain available for acquisition by holding companies not represented in the market. Accordingly, the Board concludes that consummation of the

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

[2] The Dover-Rochester banking market is approximated by all of Strafford County, New Hampshire, the towns of Nottingham and Newmarket in Rockingham County, New Hampshire, the towns of Brookfield and Wakefield in Carroll County, New Hampshire, and the towns of Lebanon, Berwick and South Berwick in York County, Maine.

[3] As of June 30, 1974.

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proposal would not eliminate any significant existing competition or foreclose the development of potential competition.

The financial condition and managerial resources of Applicant and its subsidiaries are considered satisfactory and their future prospects appear favorable. Bank's financial condition, managerial resources and future prospects, absent consummation of the instant proposal, are less than satisfactory. However, Applicant has agreed to inject needed capital of approximately $200,000 into Bank and intends to revamp the management of Bank. Thus, banking factors lend some weight toward approval of the application. Affiliation with Applicant should enable Bank to provide more effectively services it has been forced by its weakened financial condition to reduce. In addition, as a result of the proposal, Bank will offer accounts subject to negotiable orders of withdrawal (so-called "NOW accounts") paying interest on balances in excess of $500, free checking accounts for individuals over 62 years of age, expanded savings and retirement account services, dealer floor planning services and accounts receivable financing. Therefore, considerations relating to convenience and needs of the community to be served lend weight toward approval of the application and, in the Board's view, outweigh any slight adverse competitive effects that might result from consummation of the proposal.

In its consideration of the subject application, the Board has considered the comments submitted by Protestant. Protestant has asserted that consummation of the proposal would result in adverse competitive effects that are not outweighed in the public interest by the effects the proposal would have on the convenience and needs of the community. Specifically, Protestant contends, first, that Applicant should have chosen to establish a *de novo* office rather than to acquire an existing institution and, second, that there exist less anticompetitive alternatives for the affiliation of Bank with another viable banking organization. With regard to possible *de novo* entry by Applicant, Protestant disregards the fact that Applicant's subsidiaries are precluded by New Hampshire law from opening branches in the town of Rochester.[4] Furthermore, the ratio of deposits per banking office in the relevant market is already considerably below the Statewide average. Introduction of an additional banking office would further reduce that average. With regard to the possible affiliation of Bank with an organization, the effects of which affiliation would be less anticompetitive, it is noted that State law requires that the principal offices of merging banks be within 30 miles of each other.[5] Thus, the merger of Bank with any other institution would likely have at least some adverse effect on competition.[6] Besides Applicant, there are only three other bank holding companies in New Hampshire. Two do not appear to possess sufficient resources to acquire the shares of Bank sought by Applicant, and any such acquisition by the third would present essentially the same competitive consequences as the instant proposal. The Board is of the view that the mere existence of other institutions with which Bank could conceivably become affiliated, does not warrant denial of the subject application.

In the course of its consideration of the subject application, the Board has also noted the existence of a bank management consulting agreement between a subsidiary of Applicant, Indian Head Bank Services Corporation ("IHBS"),[7] and Bank. According to that agreement, IHBS provides Bank with a full-time on-site consultant who is authorized to initiate new loans of less than $5,000, "to do all things appropriate to the collection of loans charged off or past due" and "to do all things necessary to administer the day-to-day operation of [Bank] but not including the execution of contracts on behalf of [Bank] or the hiring or removal of personnel." It appears that IHBS may be providing Bank with services on a daily or continuing basis contrary to the proscription contained in Footnote 9 to § 225.4(a)(12) of Regulation Y which provides in pertinent part: "In performing this activity [bank management consulting] bank holding companies are not authorized to perform tasks or operations or provide services to client banks *either on a daily or continuing basis,* except

[4]See New Hampshire RSA, 384-B:2(I).

[5]See New Hampshire RSA, 384-B:2(II).

[6]Protestant, currently the largest banking organization in the market, previously entered into merger negotiations with Bank and secured regulatory approval to merge with Bank. That merger, which was never consummated, would have produced a banking organization holding 26.6 per cent of the market's deposits.

[7]On October 25, 1974, the Board approved Applicant's application to acquire IHBS [39 *Federal Register* 39107], a company which engages in the permissible nonbanking activity of providing management consulting advice to nonaffiliated banks (section 225.4(a)(12) of Regulation Y, 12 CFR 225.4(a)(12)).

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as shall be necessary to instruct the client bank on how to perform such services for itself'' (emphasis added). The Board has scrutinized the circumstances of Applicant's involvement with Bank including the financial and managerial resources of Bank, the fact that the Federal Reserve Bank of Boston was consulted by Applicant prior to its entering into the agreeement with Bank and the fact that Applicant entered into the agreement at the insistence of Bank, and has concluded that the facts surrounding Applicant's involvement with Bank do not warrant denial of the subject application. Accordingly, the Board has proceeded to consider the subject application on its merits and, on that basis, concludes that approval of the proposal would be consistent with the public interest.

The Board, nevertheless, believes it appropriate to set forth for the record its view that transactions of the type described above may justify a finding that a company has violated the Bank Holding Company Act. Bank holding companies engaging directly or indirectly in the activity of providing management consulting advice to nonaffiliated banks, should avoid entering into relationships with client banks that exceed the scope of section 225.4(a)(12), even when such bank may be experiencing financial or managerial difficulties. Particular caution should be exercised where a bank holding company contemplates the subsequent acquisition of the client bank.

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

By order the Board of Governors, effective July 28, 1976.

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

(Signed) J. P. GARBARINI,
[SEAL] *Assistant Secretary of the Board.*

Orders Under Section 4 Of Bank Holding Company Act

First Security Corporation,
Salt Lake City, Utah

Order Denying
Extension of Time for Divestiture

First Security Corporation, Salt Lake City, Utah (''FSC''), a bank holding company within the meaning of the Bank Holding Company Act (''Act''), has tendered an application for the Board's approval under § 4(c)(8) of the Act (12 U.S.C. § 1843(c)(8)) and § 225.4(b)(2) of the Board's Regulation Y (12 CFR § 225.4(b)(2)), to retain 100 per cent of the voting shares of First Security Savings and Loan Association, Pocatello, Idaho (''FSS&L''), a company engaged in the business of operating a savings and loan association. Although FSC is subject to an outstanding Order of the Board to effect divestiture of FSS&L, it has not done so, and it is apparently of the view that the tender of the application tolls the time for divestiture. For the reasons set forth below, the Board denies any further extension of the time for divestiture of FSS&L by FSC, and, accordingly, will not process the tendered application.

FSC is a multi-State, multi-bank holding company whose predecessor (''Old FSC'') was organized in 1928. Old FSC was, at the time of the enactment of the Bank Holding Company Act of 1956, engaged in both banking and nonbanking activities (including the operation of FSS&L) in the States of Idaho, Utah, and Wyoming. As a result of the 1956 Act, Old FSC was required to divest of its impermissible nonbanking activities, including FSS&L. However, these activities were held until 1959 when Old FSC took steps to divide its bank and nonbank assets (the latter including FSS&L) among two corporations—FSC, which came to hold the bank assets, and First Security Investment Company (''FSIC''), a company holding the impermissible nonbank activities of Old FSC. The division was accomplished through a pro-rata ''spin-off'' of the company controlling the bank assets. Following this ''spin-off'' there existed and continued to exist not only a substantial identity of ownership, but significant officer and director interlocks between FSC and FSIC.[1]

On September 30, 1969, FSIC contracted to sell FSS&L to U.I.P. Corporation, Milwaukee, Wisconsin (''UIP''),[2] contingent upon UIP obtaining the necessary Federal Home Loan Bank Board

[1] FSC and FSIC had the same president and chief executive officer, and three of FSIC's directors were on the board of FSC.

[2] UIP was a diversified non-operating holding company engaged in the finance and industrial fields.

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("FHLBB") approval. The contract of sale provided that an escrow agent, First Security Bank of Utah, N.A, Salt Lake City, Utah, FSC's own lead bank, would hold the shares of FSS&L pending consummation of the sale. The contract further provided that the escrow agreement was to be terminated on June 30, 1970, if regulatory approval were not obtained.

On April 1, 1970, while the UIP application for FHLBB approval was still pending and FSIC was still the owner of the FSS&L shares, FSIC and FSC merged. FSC thereby became the owner of FSS&L's shares in clear violation of the Bank Holding Company Act.[3] It was not until six months later, on September 30, 1970, that the FHLBB denied UIP's application to acquire FSS&L. Following that denial, the escrow was terminated, and all rights with respect to the FSS&L shares reverted to the merged company.

In June 1971, after the Federal Reserve Bank of San Francisco became aware of the unlawful reacquisition of FSS&L by FSC, it advised FSC to divest FSS&L "as soon as possible." Later in 1971, however, FSC filed an application with the Board for permission to retain FSS&L. On August 21, 1972, the Board returned this application without acting upon it and directed FSC to initiate steps to dispose of FSS&L "as soon as practicable." In its letter the Board stated that it had decided not to include operation of a savings and loan association on its list of permissible activities at that time. FSC has nevertheless continued to retain its ownership of FSS&L.

Based on the foregoing and other facts of record, the Board has determined that FSC has held FSS&L in clear violation of the Act since the merger of FSC and FSIC in April 1970. Because of this violation, the separation of FSC's banking and impermissible nonbanking assets that was required when the Act was passed in 1956 has been frustrated. For the Board to extend the time for divestiture further, or to consider approving retention of FSS&L by FSC would serve only to encourage violations of the Act and delays in effecting divestiture by other bank holding companies. Accordingly, FSC is denied any further extension of the time for divesting FSS&L and is hereby ordered to divest itself of any and all direct or indirect interest in and control over FSS&L by no later than November 1, 1976. FSC is further directed to file a plan of divestiture with the Board by no later than September 15, 1976. Divestiture shall be accomplished in such a manner that neither FSC nor any successor thereto will exercise or be capable of exercising any direct or indirect control or controlling influence over FSS&L, its management or policies.

By order of the Board of Governors, effective July 30, 1976.

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

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

[3] By this merger, FSC apparently also violated § 408(e)(1)(B) of the National Housing Act, 12 U.S.C. § 1730a(e)(1)(B), inasmuch as the merger resulted in FSC becoming a savings and loan holding company without prior approval of the FHLBB.

Mellon National Corporation, Pittsburgh, Pennsylvania

Order Approving Acquisition of Local Loan Company

Mellon National Corporation, Pittsburgh, Pennsylvania, a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval, under §4(c)(8) of the Act (12 U.S.C. §1843(c)(8)) and §225.4(b)(2) of the Board's Regulation Y (12CFR §225.4(b)(2)), to acquire 100 percent of the voting shares of Local Loan Company ("Local"), Chicago, Illinois, a company that, directly and through 19 wholly-owned subsidiaries, engages in the activities of a consumer finance company by making secured and unsecured consumer instalment loans and by purchasing consumer instalment sales finance contracts. Local also acts as agent or broker for the sale of credit life, accident and health insurance, directly related to its extensions of credit. Such activities have been determined by the Board to be closely related to banking (12 CFR §§225.4(a)(1) and (9)).

Notice of receipt of the application, affording opportunity for interested persons to submit comments and views with respect to the proposed transaction, was published in the Federal Register (39 *Federal Register* 42719) on December 6, 1974. By letter dated January 6, 1975, Mr. Anthony R. Martin-Trigona ("Protestant"), Chicago, Illinois, requested the Board to hold a formal hearing on the subject application. Applicant responded by challenging the timeliness of Mr.

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Martin-Trigona's request for a hearing and his standing. Following an exchange of correspondence and an informal hearing concerning Mr. Martin-Trigona's standing, the Board, by Order dated July 28, 1975 (40 *Federal Register* 33072), directed that a public hearing be held with respect to the application, the issue to be considered at said hearing to be whether the proposed acquisition can reasonably be expected to produce benefits to the public, such as greater convenience, increased competition, or gains in efficiency that outweigh possible adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interests, or unsound banking practices. While the Board was skeptical concerning Mr. Martin-Trigona's claim of standing as a possible entrant into the consumer finance business, the Board expressly reserved judgment on that question and determined to permit Mr. Martin-Trigona to participate in the hearing.

The hearing, held in accordance with the Board's Rules of Practice for Formal Hearings (12 CFR Part 263), commenced on September 3, 1975, in Washington, D.C., with proceedings held thereafter on September 4-6, 29 and 30, October 1-3, 6-7, 9-10, and November 11, 1975. On November 24, 1975, the Administrative Law Judge, over Protestant's untimely objection,[1] closed the proceedings. A substantial record on the application was developed through extensive cross-examination by Protestant of Applicant's witnesses and through numerous exhibits submitted by all parties to the proceedings.

In a Recommended Decision dated March 11, 1976, the Administrative Law Judge concluded that consummation of the proposed acquisition of Local by Applicant "can reasonably be expected to produce benefits to the public that outweigh possible adverse effects within the meaning of section 4(c)(8) of the [Bank Holding Company] Act." Accordingly, the Administrative Law Judge recommended that the Board of Governors approve the subject application.

The Board, having considered the entire record of the hearing, including the transcript, exhibits, rulings, briefs filed in connection with the hearing, and the Recommended Decision filed by the Administrative Law Judge, together with Protestant's Exceptions and Applicant's and Board Counsel's response thereto, has determined that the Administrative Law Judge's findings of fact, conclusions and recommendations, as modified and supplemented herein, are fully supported by the evidence of record and should be adopted as the findings and conclusions of the Board. Accordingly, the Board now makes its findings as to the facts, its conclusions drawn therefrom, and its Order.[2]

Applicant is the largest banking organization in Pennsylvania and the sixteenth largest banking organization in the United States. Applicant controls Mellon Bank, N.A., Pittsburgh, Pennsylvania, ("Bank"), which holds domestic deposits of $5.1 billion, representing approximately 12 per cent of the total deposits in commercial banks in Pennsylvania.[3] Applicant controls no other banking subsidiaries but does control nonbanking companies engaged in equipment leasing on a full pay-out basis, real estate financing and mortgage banking.

Local, the seventieth largest consumer finance company in the country in terms of capital funds, is a moderately sized, multi-regional consumer finance company with net consumer finance receivables of $82.4 million. Local engages principally in making direct instalment loans to individuals. Of its total receivables, 82 per cent are derived from this activity. The balance of its receivables consist of purchased consumer instalment sales finance contracts.

Local operates 124 offices in twelve States,[4] with approximately 55 per cent of its business generated in the four western States of California, Colorado, Oregon, and Washington in which Local has 72 of its offices. Local derives an additional 30 per cent of its business from the States of Illinois and Wisconsin, in which it has 32 offices. The balance of Local's business is derived from 20 offices in Florida, Indiana, Kentucky, Minnesota, Nebraska, and New York.

The relevant product lines to be considered in evaluating the competitive effects of this proposal are direct personal instalment loans and purchased consumer sales finance contracts. The geographic

[1] See Appendix to this Order, p. 709.

[2] Protestant's numerous objections to the manner and conduct of the administrative proceedings as well as certain other matters raised by Protestant in motions and petitions to the Board are dealt with in the Appendix to this Order. The Appendix is incorporated herein and made a part of this Order.

[3] Unless otherwise noted, all financial data are as of June 30, 1975.

[4] In four States (California, Illinois, Kentucky, and Indiana), Local solicits direct consumer loans by mail through its subsidiary, Marlo Finance Company.

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market for direct personal instalment loans is considered to be local in nature.[5] Although it is possible to engage in the purchasing of sales finance contracts over an unlimited geographic area, Local generally purchases such contracts from dealers located in Local's service areas as a means of attracting new customers for its direct loan services. In view of the limited nature of Local's credit-related insurance activities, the Board finds that no significant existing or potential competition with respect to such insurance activities would be eliminated upon consummation of this proposal.

Applicant, through the 102 branch offices of Bank, makes substantially all of its consumer loans in the six-county metropolitan area of Pittsburgh,[6] some 350 miles distant from the closest Local service area. Bank also purchases consumer sales finance contracts from dealers outside its market. However, none of these dealers, except for mobile home servicing companies,[7] is located in any of the markets Local serves. As of June 30, 1974, Bank's total consumer credit extensions amounted to $360 million, representing approximately 4 per cent of its total assets and 9 per cent of its total loans. Of this amount, about $1 million (including both direct consumer loans and purchased sales finance contracts) or less then .5 per cent of Bank's total consumer credit resulted from loans extended to residents of Local's markets. In addition, none of these consumer loans was directly solicited by Bank, but rather was the result of Bank borrowers moving from the Pittsburgh banking market to a Local service area or resulted from credit accommodations being granted to users of Bank's other services residing in Local's markets. Thus, since there is no meaningful geographic overlap between the services offered by Applicant and Local, consummation of the proposal would not eliminate any significant existing competition in any relevant market.

With respect to the question of whether consummation of the proposal would eliminate any significant competition in the future, Applicant has evidenced within the past few years a desire to expand its activities. This has been manifested in its establishment of a corporate management team to plan and guide expansion, the sizeable growth and diversification of the subsidiary bank's activities both domestically and in the foreign area, and Applicant's entry, either *de novo* or by acquisition, into a number of nonbanking endeavors. Furthermore, considering Applicant's extensive resources, its stated view as to the importance to its structure of a consumer finance subsidiary, and the relatively low barriers to entry into the industry, the Board believes it reasonably likely that, absent approval of the instant application, Applicant might well within the foreseeable future enter the consumer finance business, if not *de novo*,[8] then through the acquisition of one or more smaller consumer finance companies, coupled with some *de novo* expansion.

In this connection, the Board does not agree with the Administrative Law Judge's characterization of Applicant's proposed acquisition of Local as a foothold entry into the consumer finance industry. While Local is clearly not one of the larger firms in the industry as a whole, it is one

[5] Protestant has excepted to the Administrative Law Judge's acceptance of Applicant's delineation of Local's 38 service areas as overbroad, contending that the relevant geographic markets are the narrowly localized or directly impacted areas. The Board is satisfied from its review of the technique Applicant used to define the markets that the Administrative Law Judge's findings as to the geographic boundaries of the markets are substantially correct. In this regard, the Board has previously determined consumer finance markets to be roughly equivalent to commercial banking markets. Measured against this standard, the Administrative Law Judge's market definitions appear in certain cases to be too narrow, rather than as Protestant suggests overbroad. With respect to the Administrative Law Judge's definition of the Los Angeles, California market, to which Protestant specifically objects, the Board has previously determined that market to be even broader than that found by the Administrative Law Judge. In any event, any error in market definition is viewed by the Board as insignificant in light of its findings with respect to the overall competitive effects of the proposal.

[6] Applicant's subsidiary Mellon National Mortgage Company of Ohio, while engaged primarily in mortgage banking, also engages to a very limited extent (less than .1 per cent of its total assets) in consumer loan activities through its second mortgage lending operations. All of these loans are on properties located in Ohio, and Local has no market that extends into Ohio.

[7] Local does not operate in this product sub-market.

[8] Applicant has submitted evidence indicating that although it has studied in detail the feasibility of a *de novo* entry into the industry, it has rejected such entry as unwise and imprudent because of the need to hire and train a large staff, the problems and difficulties of locating growth sites for offices, licensing requirements, its lack of experience in the industry, and the significant funds and time required to implement such entry, much less reach a breakeven point. The Administrative Law Judge concluded that the record would not warrant a finding that Applicant should be perceived as a *de novo* entrant into the industry. However, Applicant's study and rejection of *de novo* entry into the consumer finance industry does not preclude Applicant's entry by foothold acquisition. Indeed, following rejection of *de novo* entry, Applicant's corporate planning group considered and studied the acquisition of some 15 consumer finance companies prior to focusing attention upon Local.

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of the larger of the few remaining independent consumer finance companies in the country. In addition, Local has achieved a more than insignificant presence among consumer finance companies in certain of the markets in which it operates.[9]

While the Board cannot conclude that Applicant, absent approval of the instant application, would enter any particular market either *de novo* or through acquisition of a smaller consumer finance company, the Board is nevertheless of the view that consummation of the proposal would result in the elimination of some potential competition. However, that loss is regarded by the Board as very slight, since Applicant will not gain a substantial share of the consumer loan business in any of the markets presently served by Local and in view of the size and large number of financial institutions already competing in these markets as well as the number of available potential entrants and the low barriers to entry.

Each of the markets in which Local operates contains numerous competitors, including in nearly all cases many of the largest consumer finance companies in the United States as well as other finance companies larger in receivables and capital funds than Local. Moreover, in each of its markets Local competes with a significant number of credit unions and commercial banks. As a result, Local's share of the individual markets in which it operates is small, ranging from .21 per cent to 4.38 per cent, with a median of 1.37 per cent. In the Los Angeles and Chicago markets, from which Local derives about 30 per cent of its receivables and in which it operates 31 offices, Local's share of the consumer loan market (including direct consumer loans and purchased consumer sales finance contracts) is .47 per cent and .94 per cent, respectively. In no market does Local appear to have a dominant position in any product line in which it operates.

As discussed more fully below, any adverse effect of the proposal on potential competition is further and substantially mitigated by the lack of competitive aggressiveness exhibited by Local's present management and policies,[10] and the fact that the acquisition, which constitutes Applicant's initial entry into the consumer finance business, will provide it with expertise and a market position from which to successfully and vigorously compete in the industry and thereby, in the Board's view, increase competition and serve the public interest.

The Board notes that Bank, as of June 30, 1974, had credit commitments of $456 million and loans outstanding of $118 million to 59 consumer finance companies, some of which compete with Local. Since Applicant has assured the Board that Bank's lending policies toward such companies will not change if the application is approved, the Board concludes that consummation of the proposal will not result in any unfair competition.

With respect to whether consummation of the proposal would involve an unsound banking practice, the Administrative Law Judge concluded that both Applicant and Local were prudent and conservative institutions and that approval of the acquisition would not lead to unsound banking. Protestant argues, without any apparent or specified support in the record, that the proposed acquisition and Applicant's growth plans for Local will adversely affect the capital position and earnings of Applicant.

As of June 30, 1975, Applicant had total assets of $9.2 billion and equity capital and valuation reserves of $698 million. Its earnings for the first half of 1975 were $33.7 million, an increase of 14.5 per cent over the comparable 1974 period. Applicant's ratio of equity capital to non-cash assets is 9.5 per cent, which is the second highest of the thirty largest bank holding companies in the country. Applicant's ratio of consolidated liabilities to equity capital and valuation reserves is 12.2:1 and is considered by the Board to be conservative. During the five-year period ending December 31, 1974, Applicant's consolidated assets increased by 90 per cent, its consolidated net income by 26 per cent, its domestic and foreign deposits by 71 per cent, and its total equity capital by 21 per cent. During the same period, Applicant maintained one of the highest equity to asset ratios of the nation's large bank holding companies.

Applicant also ranks high among comparable bank holding companies in terms of certain other generally accepted standards for measuring capital adequacy, earnings performance and loan loss coverage and experience. In 1974, Bank, which accounts for about 96 per cent of Applicant's consolidated assets, was first among the nation's

[9] While Local's presence among consumer finance companies is viewed as more than insignificant in certain of its markets, Local's share of the consumer loan business in any such market is small because of the additional competition from banks and credit unions.

[10] In view of Local's almost complete lack of geographic expansion over the last decade or more, the Board concludes that Local should not be perceived as a potential entrant into Bank's market.

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18 banks with deposits in excess of $5 billion in terms of its ratio of earnings to assets. In this group, Bank also had the second highest ratio of equity capital and reserves to assets and to risk assets, and the highest loan loss coverage and lowest ratio of net charge-offs to total loans. During the period 1970-1974, Applicant's ratio of net charge-offs to average loans outstanding was .16, the fourth lowest in its peer group.

Applicant proposes to pay $30 million in cash for 100 per cent of Local's outstanding stock from funds already allocated by Applicant for this purpose and derived from its sale in March 1974 of $125 million in capital notes. Local, an established and consistently profitable business,[11] had, as of June 30, 1975, total consolidated assets of $93 million, including $82.4 million in net receivables, total equity capital of $28.6 million, and an allowance for loan losses of $5.9 million. Local is a well capitalized institution, with a debt to equity ratio (exclusive of loan loss reserves) of 2.3:1, which is significantly lower than the industry average or the average for consumer loan firms of comparable size. In these circumstances, Applicant's acquisition of Local and its plans to expand Local's lending operations by approximately 100 per cent over a five-year period, while maintaining a debt to equity ratio no higher than the consumer loan industry average, would not, in the Board's opinion, significantly affect Applicant's capital position.[12]

Moreover, according to Applicant, the proposed acquisition does not involve a high business risk and is a prudent way for it to enter the consumer finance industry because of the small premium involved in the proposed acquisition, the high quality of Local's receivables resulting from its conservative loan policies, Local's more than adequate loan loss reserve, and the ability and experience of Local's management. Applicant's assessment of the quality of Local's receivables and the adequacy of its loan loss reserve is fully borne out by the fact that Local's loan reserve as a percentage of its net receivables (4.7 per cent) is significantly higher than the industry average (3.9 per cent) or the average for consumer finance companies of Local's size (3.4 per cent), while Local's rate of net loan write-offs has been less than average from 1970 through 1973. In addition, Local's loan loss reserve has in recent years been more than adequate to cover its actual loan losses, despite Local's policy of charging off as worthless at year end generally all instalment receivables on which no payment has been received in the 90-day period ending November 30 of each year.

In connection with managerial considerations the Board notes that Local's present management has demonstrated its ability to operate a conservatively run and profitable institution in a highly competitive industry. The acquisition will not, therefore, constitute a drain upon Applicant's managerial resources and will provide Applicant with a competent and experienced management upon which to base its growth plans for Local.

In view of the foregoing and other facts of record, the Board concludes that the overall financial aspects of the proposal are not adverse and that consummation of the proposal, as the Administrative Law Judge correctly found, will not involve unsound banking practices. The Board is also of the view, from its examination of the evidence of record, that consummation of the proposal will not result in an undue concentration of resources, conflicts of interest or any other adverse effects on the public interest.

As the Administrative Law Judge correctly points out, in order for the Board to approve an acquisition under §4(c)(8) of the Bank Holding Company Act, it must determine that approval can "reasonably be expected to produce benefits to the public such as greater convenience, increased competition, or gains in efficiency that outweigh possible adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interests or unsound banking practices." Thus, the basic balancing test of §4(c)(8) requires a showing of positive public benefits that outweigh any possible adverse effects associated with the proposed acquisition.

In seeking to meet its burden of demonstrating that the proposed acquisition will be in the public interest, Applicant asserts that consummation of the proposal would result over a five-year period in a 100 per cent expansion in Local's consumer lending activities with a corresponding increase in competition and greater convenience to the public. Applicant contends that these results can be achieved through geographic expansion and a significant broadening of the types of services Local offers the public. Applicant proposes to market

[11] As discussed hereinafter, Local's profits have, however, been declining in recent years.

[12] Applicant acknowledges that its growth plans for Local will be tempered and coordinated with the needs and requirements of its other subsidiaries, particularly Bank.

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more aggressively the small direct loans currently being made by Local and, at the same time, to expand the volume of larger size and longer maturity direct loans in Local's portfolio by offering a wide variety of new consumer loans and services such as loan consolidation programs, second mortgage loans, mobile home loans, recreational vehicle and boat loans, insurance premium financing, and home modernization loans. Applicant also proposes to open *de novo* some 50 to 57 consumer loan offices within the next five years, within the States where Local presently operates. A majority of these new offices will be in markets not presently served by Local.

Additionally, Applicant contends that consummation of the proposal will provide Local with ready access to funds at generally lower rates and with greater assurance of availability, primarily through Applicant's access to the commercial paper market. Local currently does not utilize commercial paper markets, but relies for short-term financing primarily on bank loans, which is generally slightly more expensive than commercial paper operations. Finally, Applicant contends that consummation of the proposal will avoid a significant reduction in the number of Local's offices and the amount of its outstanding receivables. This contraction in operations has been planned by Local's management as a method both to improve Local's declining profitability and, following the death of Mr. Fred B. Snite, Local's founder and controlling stockholder,[13] to provide his estate [through redemption of Mr. Snite's Local stock] with the necessary liquidity to meet an estate and inheritance tax liability.

In his Exceptions to the Recommended Decision, Protestant asserts that the proposed public benefits were "fraudulent and designed to induce approval of the application."[14] In addition, Protestant argues that Local presently is offering or could offer the additional services proposed by Applicant, and that, in any event, the benefits proposed to flow from the acquisition will inure to the benefit of Applicant and Local rather than to the public.

The Board has carefully reviewed the evidence offered by Applicant to support its claimed public benefits, including the testimony of Mr. Barnes, Applicant's vice president in charge of corporate planning, that the application before the Board fully represents Applicant's plan for Local, the testimony of Mr. Kalchik, Local's president, that he anticipates substantial growth in Local's operations upon its affiliation with Applicant, and the application itself, the execution and delivery of which were authorized by Applicant's Board of Directors. On the basis of its examination of the record and in agreement with the Administrative Law Judge's findings on this point, the Board concludes that the evidence of record reflects a firm policy commitment by Applicant to Local's growth to be achieved through more aggressive marketing of the services Local presently offers, introduction of new consumer loan services, and *de novo* expansion into new geographic markets. Such growth in Local's operations can reasonably be expected to result in increased competition in the consumer finance industry and benefits to the public, including increased convenience and improved services. Moreover, the Board is of the view that this proposed expansion in Local's services to the public is not likely to occur absent approval of this application.

Local's management is presently dominated by the highly conservative and nonexpansionary policies of Mr. Snite. According to Mr. Kalchik, Local's president, these policies, which have prevented Local from expanding geographically and into new service lines, have placed Local at a competitive disadvantage within the consumer finance industry, as evidenced by a decline in its profits and efficiency and inadequate service to its markets. Again according to Mr. Kalchik, this situation is not likely to improve, absent Local's

[13] Mr. Snite, presently 91 years of age, owns individually 28.6 per cent of Local's outstanding capital stock and, through his private foundation, members of his immediate family and related trusts, control an additional 70 per cent.

[14] Protestant's assertion is based primarily upon the contrasts between Applicant's plans for Local as set forth in its application to the Board and certain assumptions underlying financial projections found in a position paper presented to Applicant's Board of Directors at the time Applicant's Board approved Local's acquisition. The projections in the position assumed an expansion of Local's receivables by 100 per cent without the establishment of new offices or services, a significant reduction in Local's cash and loan loss reserve, and an immediate dividend payment to Applicant of Local's excess capital, with a concomitant increase in Local's debt to equity ratio to 8:1. The postion paper, however, does not purport to represent Applicant's plan for Local. It was prepared in advance of the application solely to assist Applicant's Board in assessing the merits of the acquisition. In the Board's view, the Administrative Law Judge properly determined that the discrepancies between the position paper's assumptions and Applicant's formal proposal as reflected in its application to the Board are logically explained as evolutionary stages in Applicant's plan for Local.

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sale to Applicant in light of Mr. Snite's attitude and since the other members of Mr. Snite's family, who are not active in the company's management,[15] are interested in security and earnings rather than in the development and growth of Local. The Board's review of the record indicates that Mr. Kalchik's view as to Local's present position within the consumer finance industry is correct, that Local is essentially a defensive, nonaggressive competitor. This is demonstrated by Local's highly conservative loan policies, its lower than average growth rate, its less than average net income per office, and principally by the fact that Local has not expanded into new product lines within the past few years or entered a new State since 1945, a new market area since 1953, or opened a new office (as opposed to a spin-off of accounts from an existing office) since 1959.

In these circumstances, the Board concludes that substitution of Applicant, which is committed to a policy of revitalization and growth in the volume, scope and character of Local's services to the public and which has the financial resources to adequately support that growth, for Local's present owners represents a public benefit sufficient in and of itself to outweigh the slightly adverse effects associated with the proposal.[16]

Furthermore, affiliation with Applicant would provide Local with access to a broad range of financial services, including the commercial paper market. While industry statistics indicate that commercial paper represents approximately 18.8 per cent of the total liabilities, capital and surplus of consumer loan companies, Local has been principally dependent upon bank loans for short-term financing. Applicant's plan to rely extensively on commercial paper for Local's short-term financing should result in the long run in less costly debt financing as well as an increase in Local's loanable funds. Affiliation with Applicant will also provide Local with access to a staff sophisticated in planning, marketing, financial analysis and economics which, as the Administrative Law Judge found, should strengthen Local's competitive position within the consumer finance industry.

Consummation of the proposal would also avoid the significant contraction in Local's operations planned by Local's management as a method to improve Local's declining profit performance through elimination of some 26 of Local's less profitable offices and tightening of Local's credit standards to reduce loan losses. The plan formulated as an alternative to affiliation with Applicant contemplates the reduction of Local's staff by 140 and its net receivables by approximately $20 million and is expected to result in an increase in its profits from $446,000 to $714,000. The proposed contraction in operations would also enable Local after Mr. Snite's death to redeem Mr. Snite's stock while maintaining Local's traditionally low debt to equity ratio.

Protestant contends that such a contraction in Local's operations will not occur and that Local's loan agreements prohibit such a course of action. While Local's loan agreements prohibit a reduction in Local's liquid net worth below a certain amount, they do not prohibit the planned closing of its less profitable offices or a reduction in its receivables. Moreover, since at least 1966, Local's agreements with its lenders have contemplated and expressly permitted a significant redemption of Local's stock after the death of Mr. Snite for the purpose of making available to Mr. Snite's estate funds for the payment of his estate and inheritance taxes. Local's recent loan agreements limit the amount of such a redemption to $8 million.[17]

The Board is satisfied from its review of the evidence of record, including the testimony of Mr. Kalchik concerning Local's need to consolidate its operations to improve its efficiency and its earnings, with the correctness of the Administrative Law Judge's finding that the planned contraction of Local's operations is not a "mere sham", as Protestant argues. In this regard, the Board notes

[15] Except for Local's vice-chairman who is about to retire.

[16] While Local may, as Protestant suggests, presently possess the ability to provide new services and enter new market areas, the record is clear that it has not in fact done so. Nor is there any reason to believe that, absent approval of the instant application, Local would alter in any material respect its nonexpansionary policies. On the contrary, as discussed more fully below, Local's management has formulated a plan to significantly contract Local's operations in the event this application is denied.

[17] Local's loan agreements do, however, as Protestant points out, require the redemption payment to be made in ten equal and annual instalments in the event Mr. Snite's estate and inheritance taxes could under §6166 of the Internal Revenue Code of 1954 be paid in such instalments. In the event §6166 were applicable, the fact that the redemption of Mr. Snite's stock would take place over a ten-year period rather than at one point in time does not mean, as Protestant argues, that the planned contraction in Local's operations is prohibited or would not occur. The Board notes that the planned contraction in Local's operations does not rest solely on Local's need to provide liquidity to Mr. Snite's estate but also upon Local's need to improve its declining earnings.

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that the plan Local's management has formulated to increase Local's earnings is not at all unreasonable in view of Local's rejection of growth and expansion and its lower than average ratios of net income per office and receivables per employee. Since the proposed contraction in Local's operations would result in a decrease in Local's services to the public as well as a decrease in the amount of competition within the consumer finance industry, the prevention of that contraction through consummation of Applicant's proposal represents a further benefit to the public.

During the course of the hearing in this matter and in a collateral lawsuit challenging the conduct of these proceedings, Protestant raised a question concerning the environmental impact of Applicant's proposal. In view of the nature and extent of the activities involved in Applicant's proposal and the fact that the proposal involves merely a transfer of the ownership of Local and its presently existing 124 offices, the Board concludes that its approval of the instant application would not constitute a major Federal action significantly affecting the quality of the human environment within the meaning of section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. §4332(2)(C)). Thus, the Board has determined that the requirements of that section are inapplicable to the Board's action in this case.

With respect to Applicant's plans to establish *de novo* 50 new Local offices in as yet unspecified locations over the next five years, the Board notes that its action on this application does not constitute approval of the opening of those offices. Under the Board's Regulation Y (12 C.F.R. §§225.4 (b)(1) and (c)(2)), Applicant must obtain the Board's approval prior to establishing any such individual offices. However, since those offices will be located in leased premises on already established commercial sites, where there exists a probable public need or demand for the services offered by such offices and considering the low volume and essentially non-environmental nature of such services, the Board does not believe that any action it may take on those future applications would constitute a major Federal action significantly affecting the quality of the human environment.

On the basis of all the facts of record, including Applicant's commitment to and ability to support an expansion of Local by means of new and improved services to the public, the Board has determined that the balance of the public interest factors the Board is required to consider under §4(c)(8) of the Bank Holding Company Act is favorable. Accordingly, the application is hereby approved. This determination is subject to the conditions set forth in §225.4(c) of Regulation Y and to the Board's authority to require such modification or termination of the activities of a holding company or any of its subsidiaries as the Board finds necessary to assure compliance with the provisions and purposes of the Act and the Board's regulations and orders issued thereunder, or to prevent evasion thereof.

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

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

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

(Signed) J. P. GARBARINI,
[SEAL] *Assistant Secretary of the Board.*

Appendix

In his Exceptions to the Administrative Law Judge's Recommended Decision and by various motions and petitions to the Board, Protestant has raised a number of objections to the manner and conduct of the administrative proceedings and has requested the Board to vacate the Recommended Decision, remove the Administrative Law Judge and remand the application for "proper proceedings." In particular, Protestant asserts that in the conduct of the hearing due process was violated as a result of the refusal of the Administrative Law Judge and the Board "to allow [P] rotestant to present his case or indeed to present any case in rebuttal to [A]pplicant's case" and by their further refusal to order the production of certain documents and witnesses requested by Protestant. In addition, Protestant contends that due process was further violated by "repeated *ex parte* contacts on behalf of [A]pplicant to the Board staff and the examiner, and further violated when the Board, staff and examiner refused to disclose the extent of these *ex parte* contacts."

The Board has carefully examined the record of these proceedings and finds that they were conducted by the Administrative Law Judge fairly,

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properly, and in full compliance with both the requirements and spirit of the Administrative Procedure Act and the Board's Rules of Practice for Formal Hearings and that in no respect was Protestant denied a fair hearing. Accordingly and for the reasons set out hereinafter, the Board affirms in all respects the Administrative Law Judge's conduct of the proceedings and denies Protestant's requests to vacate the Administrative Law Judge's decision, remove the Administrative Law Judge, and remand the application for additional proceedings.

Protestant's contention that he was denied the opportunity to present his case is apparently based on the series of events surrounding the Administrative Law Judge's rulings on November 7 and 11, 1975, denying Protestant a postponement of the hearing from November 11, 1975 until December 8, 1975, and the Administrative Law Judge's decision on November 11, 1975, to proceed with the hearing to its close following Protestant's withdrawal from the hearing room after his request for a postponement was denied. Those events occurred generally as follows.

At the close of the thirteenth day of hearings, on October 10, 1975, Protestant requested and received a postponement of the hearing until October 21, 1975, because of health and business reasons. On October 20, 1975, Protestant notified the Administrative Law Judge that because of health reasons he would not be able to proceed on October 21, 1975. On the same date, Applicant also sought from the Administrative Law Judge a postponement of the hearing. With the consent of all parties to the proceeding, except Board Counsel, who objected to any further delays, the Administrative Law Judge scheduled the hearing to reconvene on November 11, 1975, and indicated that the hearing would proceed thereafter to its conclusion.

However, by letter dated October 31, 1975, Protestant requested of the Administrative Law Judge a further postponement of the hearing from November 11, 1975 until December 8, 1975, because of business reasons and in order that he might "reflect on and assess" his position in the proceedings. By Order dated November 7, 1975, the Administrative Law Judge denied Protestant's request. The hearing reconvened on November 11, 1975, at which time Protestant renewed his request for a postponement for the reasons stated in his letter of October 31, 1975, and, in addition, because of the unavailability of Mr. Suskin, a Federal Estate Tax expert and the only witness Protestant had indicated he would call. The Administrative Law Judge denied Protestant's request and directed Protestant to continue with his cross-examination of Dr. Shay, Applicant's final witness. The Administrative Law Judge did, however, indicate that the matter of postponements to obtain expert testimony would be taken up at the time Protestant was to proceed with his case.

Protestant then informed the Administrative Law Judge that he intended to leave the hearing room to prepare and file with the Board an appeal from the Administrative Law Judge's ruling and, thereafter, to return to Illinois for business reasons. The Administrative Law Judge informed Protestant that he could file his appeal with the Board during the noon recess and advised Protestant that the hearing would proceed in his absence. On six separate occasions the Administrative Law Judge directed Protestant to proceed with his cross-examination of Dr. Shay. Protestant refused to proceed and withdrew from the hearing room.[1] Thereafter, the hearing continued with cross-examination of Dr. Shay by Board Counsel and the introduction into evidence by Board Counsel of numerous documents and exhibits. Applicant and Board Counsel then rested their cases.

On November 12, 1975, the Administrative Law Judge issued to all parties to the hearing a notice to show cause by the close of business November 18, 1975, why the hearing should not be closed. At Protestant's request, the time limit to respond to the notice was extended to November 21, 1975. On November 24, 1975 the Administrative Law Judge closed the hearing and rejected

[1] Similarly, during the course of the hearing session on October 3, 1975, Protestant withdrew from the hearing room following an adverse ruling from the Administrative Law Judge, without the Administrative Law Judge's permission and despite the Administrative Law Judge's direction to Protestant, repeated four times, to proceed with his cross-examination of Applicant's witness. On that occasion, Protestant filed with the Board's Secretary a "Petition to the Board" for special permission to appeal from the ruling of the Administrative Law Judge denying Protestant's request that hearing sessions not be held on Saturdays. By Order dated October 8, 1975, the Board denied Protestant special permission to appeal and affirmed the authority of the Administrative Law Judge to regulate the course and conduct of the administrative proceedings. The hearing session scheduled for Saturday, October 4, 1975, was cancelled when at the close of the hearing on Friday, October 3, 1975, Protestant indicated that he had become ill and planned to consult with a physician on Saturday morning. Thereafter, no further Saturday sessions were scheduled.

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as untimely Protestant's response to the Show Cause Order.[2]

On November 13, 1975 Protestant filed with the Board's Secretary a "Petition to the Board" seeking special permission of the Board pursuant to § 263.10(e) of its Rules of Practice (12 CFR § 263.10(e)) to appeal "from the ruling or refusal of the Administrative Law Judge to continue the hearings to the week of December 8, 1975." By Order dated November 18, 1975, the Board denied Protestant special permission to appeal (40 *Federal Register* 55720) on the grounds that the Administrative Law Judge's decision involved a matter committed to his sound discretion by both law and regulation.

By undated motion received by the Administrative Law Judge on December 16, 1975, Protestant in addition to requesting the removal of the Admistrative Law Judge, requested that the hearing be reopened to take the testimony of Mr. Suskin and unspecified "others," which testimony Protestant alleged "was muzzled by the current judge without rhyme or reason." By Order dated January 7, 1976, the Administrative Law Judge denied Protestant's motions but permitted him to submit the affidavit of Mr. Suskin, the only prospective witness named by Protestant in response to the Show Cause Order. Mr. Suskin's affidavit was later accepted into evidence by the Administrative Law Judge.

As the Board has previously indicated in its Orders of October 8, and November 18, 1975, denying Protestant special permission to appeal from rulings of the Administrative Law Judge, the decision to grant or deny a continuance in and to otherwise regulate the course and conduct of an administrative hearing are matters committed to the sound discretion of the Administrative Law Judge under both the Board's Rules of Practice and the Administrative Procedure Act. In addition, the Board's Rules of Practice impose upon the Administrative Law Judge the duty and responsibility to take all necessary action to avoid delay in the disposition of the proceedings. Considering all of the relevant circumstances the Board is unable to conclude that the Administrative Law Judge abused his discretion or acted without regard to the convenience and necessity of the parties in denying Protestant's additional request for a further postponement of the hearing on November 11, 1975, and thereafter proceeding with the hearing to its close in the self-imposed absence of Protestant.

In the Board's view, the record clearly demonstrates that the Administrative Law Judge throughout the course of the lengthy and protracted hearings fairly accommodated Protestant. At the hearing session on November 11, 1975, Protestant had nearly four weeks in which to "reflect on and assess" his position and make necessary preparations for the hearing. Applicant's final witness, whom Protestant had already cross-examined for two days, as well as a previous witness, Mr. Barnes, whom Protestant had asked to be made available for use as his own witness, were both present at the hearing, the former at considerable expense to Applicant. Rather than proceed in an orderly manner with his questioning of these two witnesses, Protestant chose to withdraw from the hearing room in direct contravention of the Administrative Law Judge's express and repeated order to proceed with his cross-examination and with the full and clear knowledge that the hearing would continue in his absence. In these circumstances, Protestant's contention that he was deprived of the right to present his case is, in the Board's view, wholly without merit. This is especially so in view of the fact that the Administrative Law Judge later permitted Protestant to file the affidavit of Mr. Suskin.

Protestant next contends that the administrative proceedings were defective as a result of the refusal of the Administrative Law Judge to order the production of certain documents and witnesses. During the course of the hearing, Protestant demanded of Applicant the production of a large number of documents, including the desk calendar of Mr. Barnes, Applicant's complete correspondence file on the proposed acquisition, Local's profit and operating plans, Applicant's formal analyses of the proposed acquisition of Local and the feasibility of *de novo* entry into the consumer finance industry, Local's long- and short-term loan agreements, documents and memoranda presented to Applicant's Board of Directors concerning the proposed acquisition as well as related Board minutes, the wills, trust agreements and estate plans of Mr. Fred B. Snite, and current financial information for Bank and Local (as of January 30, 1976). Protestant further demanded the production of some 19 witnesses, including many of Applicant's directors and executive officers, virtually

[2]The Board has reviewed Protestant's response to the Show Cause Order and finds that it principally restates Protestant's earlier arguments for a continuance.

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every individual who was identified during the course of the hearing as having any connection whatsoever with the application, Local's three senior officers as well as Dr. Willis J. Winn, the President of the Federal Reserve Bank of Cleveland.

The Administrative Law Judge declined to order the production of the witnesses and documents requested by Protestant, concluding that the Board, and therefore any Administrative Law Judge appointed pursuant to its Rules of Practice, lacked authority to require by subpoena or by order under section 5(b) of the Bank Holding Company Act the attendance of witnesses or the production of documents in an administrative hearing held under the provisions of the Act. While the Board fully agrees with the Administrative Law Judge's conclusion that the Board lacks subpoena power under the Act, the Board in the circumstances of this case need not and does not determine the extent of its authority to order the production of documents and witnesses under section 5 of the Act, since, in the Board's view, the issuance of an order such as requested by Protestant would for the reasons stated hereinafter be neither appropriate nor warranted.

In response to Protestant's far-ranging requests for the production of documents, Applicant, at Board Counsels' request, voluntarily and in a more than reasonable effort to accommodate Protestant produced the great bulk of the documentary materials demanded, including Applicant's analyses of and position papers on the proposed acquisition, minutes of its Board of Directors, its feasibility studies on *de novo* entry into the consumer finance business, and Local's loan agreements. With respect to those items not produced, Protestant's requests were not supported by any statement as to the scope or general relevance of the materials sought. Moreover, the Board's review of Protestant's few unsatisfied demands indicates that those demands, including, for example, Local's profit and operating plans, Applicant's complete correspondence file on the proposed acquisition, and Mr. Barnes' office calendar, were either only remotely relevant and material to the issues in the hearing, unreasonable and excessive in scope, or cumulative of evidence already in the record or otherwise available to Protestant.[3] In the latter regard, the Board notes that both Mr. Barnes and Mr. Kalchik were fully available for examination by Protestant and that both did, in fact, testify at length concerning many of these matters.

With respect to the wills and estate plans of Mr. Snite, Protestant contends that these documents were necessary in order to accurately calculate the Federal Estate Tax liability on Mr. Snite's estate. The Administrative Law Judge noted that while no evidence had been produced on the full extent of Mr. Snite's estate, none was necessary to support his conclusions with respect to the anticipated contraction of Local's operations projected to occur on Mr. Snite's demise. The Board fully agrees with the Administrative Law Judge's analysis and conclusion on this aspect of Protestant's request.

In addition to the documentary materials made available to Protestant, Applicant also produced two of the witnesses Protestant requested. With respect to the remaining witnesses demanded by Protestant, the Board concludes from its examination of Protestant's demands therefor that Protestant either failed to establish the need materiality and relevance of the testimony sought to be elicited or that such testimony would be unduly repetitious of testimony and evidence actually produced by Applicant. With respect to Dr. Winn, the Board has considered his affidavit to the effect that he has never analyzed or seen an analysis of the subject application or made any recommendation with respect thereto. His conversations with officials of Applicant in late 1974 were confined to the capital position of Bank, and his knowledge of the same was derived from the report of examination of Bank prepared by the Office of the Comptroller of the Currency. In these circumstances and in view of the Comptroller's refusal to permit the Report of Examination of Bank to be introduced or used in the proceedings and the inability of Dr. Winn to testify concerning matters contained in that report absent permission from the Office of the Comptroller of the Currency,[4] the Board does not consider any testimony Dr. Winn could give as relevant or necessary to this proceeding.

[3] Protestant's request for the year-end 1975 financial information for Local and Applicant was filed after the close of the hearing, indeed after Applicant had submitted its Proposed Findings of Fact and Conclusions of Law to the Administrative Law Judge. Applicant had, however, during the course of the hearing, submitted such information for the first half of 1975, the most recent data then available. Under these circumstances, the Board deems Protestant's request to be wholly improper and unreasonable.

[4] See 12 CFR § 4.18(b).

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In connection with its review of Protestant's demands for the production of documents and witnesses, the Board has also considered the fact that the Administrative Law Judge, while recognizing the ability of the Board to draw adverse inferences from an applicant's refusal to produce "substantial relevant and material evidence," declined to draw any such inference in this case. The Board concludes from this that the Administrative Law Judge did not deem Protestant's unsatisfied demands to be sufficiently material or relevant to warrant such action.

In view of the foregoing and all other relevant circumstances, the Board concludes that the Administrative Law Judge's action in declining to order the production of those documents and witnesses requested by Protestant and not voluntarily produced by Applicant was completely proper and justified and further that Protestant was not thereby denied a fair hearing.

With respect to Protestant's allegation of *ex parte* contacts between the Administrative Law Judge and counsel for Applicant, the Board notes that Protestant in failing to file a timely and sufficient, or indeed any affidavit of personal bias or other disqualification in connection with his assertions did not comply with § 263.6(a) of the Board's Rules of Practice and the Administrative Procedure Act, 5 U.S.C. § 556(b). In addition, even assuming the alleged communication between the Administrative Law Judge and Applicant's counsel took place, which communication Applicant's counsel denies, such a communication, involving merely a statement by the Administrative Law Judge that he expects to render his decision within the 45-day period provided under the Board's Rules of Practice is not viewed by the Board as improper and does not concern "any fact in issue" within the meaning of § 263.6(a) of the Board's Rules of Practice and the Administrative Procedure Act, 5 U.S.C. § 554(d).[5]

In its consideration of Protestant's Exceptions, the Board has also reviewed Protestant's motions to remove the Administrative Law Judge filed with the Administrative Law Judge on December 16, 1975 and February 10, 1976. The former motion sought the Administrative Law Judge's removal because of the pendency of a lawsuit filed against the Administrative Law Judge by Protestant on December 12, 1975, in the United States District Court for the Northern District of Illinois (Civil Action No. 75 C 4238).[6] In that lawsuit Protestant challenged the Administrative Law Judge's rulings on Protestant's requests for discovery and continuances, as well as his impartiality and qualifications to sit in a banking case. On January 7, 1976, the Administrative Law Judge denied Protestant's motion because of the absence of good cause shown.[7]

Protestant's December 16, 1975 motion sets forth no legal or factual basis constituting sufficient ground or cause for the removal of the Administrative Law Judge. Moreover, the Board's examination of the record, including the procedural rulings to which Protestant's lawsuit was directed, indicates that the Administrative Law Judge's actions were at all times proper, consistent with good practice, and, in fact, demonstrated remarkable patience and restraint on his part in dealing fairly with Protestant. The Board believes Protestant's charges to be utterly baseless and his motion was properly denied.

Protestant's unsigned and undated motion received by the Administrative Law Judge on February 10, 1976 sought the Administrative Law Judge's removal because of the Board's alleged failure to comply with 5 U.S.C. § 3105, the section of the Administrative Procedure Act dealing with the appointment of Administrative Law Judges. In his Recommended Decision, the Administrative Law Judge denied Protestant's motion. The Board is also of the view that Protestant's

[5]The Board's examination of the record has revealed no basis whatsover to support Protestant's allegations of *ex parte* contacts between Applicant and Board staff or other alleged misconduct. The Board considers such allegations to be wholly unwarranted.

[6]This lawsuit was subsequently dismissed.

[7]By unsigned motion dated January 30, 1976, Protestant petitioned the Board pursuant to 12 CFR § 263.10(e) for special permission to appeal the Administrative Law Judge's Order of January 7, 1976. In that petition, Protestant also requested the removal of the Administrative Law Judge because of alleged *ex parte* contacts between the Administrative Law Judge and counsel for Applicant. In addition, Protestant requested the Board to direct the Administrative Law Judge to rule on his discovery requests.

On February 10, 1976, the Board's Secretary advised Protestant that his motion to remove the Administrative Law Judge did not comply with § 263.6(a) of the Board's Rules of Practice, and that his petition for an order directing the Administrative Law Judge to rule on unspecified demands for the production of documents and witnesses was premature. As noted above, the Administrative Law Judge in his Recommended Decision subsequently declined to order the production of the documents and witnesses requested by Protestant.

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belated challenge to the appointment of the Administrative Law Judge is unmeritorious and without validity. The Administrative Law Judge was properly appointed pursuant to 5 U.S.C. § 3105 and was properly selected to conduct the instant hearing pursuant to 5 U.S.C. § 3344 by the Director, Office of Administrative Law Judges, United States Civil Service Commission, with the consent of the Administrative Law Judge's employing agency, the Department of Housing and Urban Development.

On March 26, 1976, Protestant filed with the Board a "Motion to Reopen Hearings for taking of testimony of Snite and S. P. Mellon." Protestant asserts that Mr. Snite "is being held incommunicado and under quasi sedation in California . . . to silence his opposition to sale of Local Loan Company . . .". With respect to Mr. Mellon, Protestant desires to inquire "relative to his state of mind and views of legal procedures applicable to a civilized society." Protestant's motion being wholly unsupported by affidavits or any relevant evidence is hereby denied.

On March 26, 1976, Protestant also filed with the Board a motion to dismiss the application as moot, contending that the Stock Purchase Agreement between Local and Applicant expired on March 31, 1976. On March 31, 1976, Applicant filed with the Board and served upon Protestant a copy of a letter agreement extending the closing date under the Stock Purchase Agreement from March 31, 1976 to August 31, 1976. Accordingly, Protestant's motion is hereby denied.

In his Exceptions to the Recommended Decision, Protestant requested oral argument before the Board as provided for in § 263.14 of the Board's Rules of Practice (12 CFR § 263.14). Protestant's request, made in a summary fashion, does not show that any purpose would be served by allowing oral argument. Protestant's request is hereby denied.

By motions dated May 26, 1976, Protestant requested the Board to strike Board Counsel's Response to Protestant's Exceptions and to reopen the proceedings. For the reasons stated in its letter of June 8, 1976, to Protestant the Board returned those pleadings to Protestant without considering their substance and with leave to Protestant to resubmit the same in acceptable form. Protestant has not, however, seen fit to do so. Rather, on June 24, 1976, Protestant filed a lawsuit against the Board in the United States District Court for the District of Columbia (Civil Action No. 76-1168) seeking "[m] andamus relief to see that the documents are filed instanter." In addition, by letter dated June 24, 1976, Protestant requested the Board's Secretary to include in the record on this application a copy of that complaint with the objectionable pleadings attached. Protestant's request is hereby denied.

Having carefully reviewed the evidence of record in this matter, including the Administrative Law Judge's findings and conclusions, the Board finds that all other motions, demands, and exceptions made by Protestant are without merit, and they are hereby denied.

Board of Governors of the Federal Reserve System, July 19, 1976.

Recommended Decision of the Administrative Law Judge

Statement of the Case

On October 11, 1974 (by documents dated September 30, 1974),[1] Mellon National Corporation, the Applicant herein, submitted to the Federal Reserve Bank of Cleveland an application for prior approval to acquire all outstanding shares of Local Loan Co., Local herein, pursuant to Section 4(c)(8) of the Bank Holding Company Act of 1956, as amended, herein the Act, 12 U.S.C. Section 1841 *et seq.*, and the Rules and Regulations of the Board of Governors of the Federal Reserve System, the Board herein, Regulation Y, 12 C.F.R. Section 225 *et seq.* Additional materials, clarifications, and corrections were requested and thereafter received on October 24, November 6, November 7, and November 13, 1974. On November 19, 1974 (by letter of November 13, 1974), the Application was received by the Board from the Federal Reserve Bank of Cleveland. The receipt by the Board constitutes the filing within the meaning of the Act.

On November 27, 1974, a copy of the application was submitted to Anti-Trust Division, Department of Justice with concurrent notification to the Comptroller of the Currency of the Department of the Treasury and the Federal Deposit Insurance Corporation. None of these agencies thereafter intervened or opposed the acquisition. On November 29, 1974, the Applicant was requested by the Board to supplement its Application

[1] Except where noted the documents are of the same date as the action indicated.

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with additional information. On December 23, 1974 (by letter dated December 13, 1974), the requested supplemental information was filed with the Board. On December 6, 1974 (by Order dated November 27, 1974), the Board published the Notice of Application which provided, *inter alia,* that expressions of views and requests for hearings should be filed with the Board in writing no later than December 30, 1974. (39 Federal Register 42719).

On January 9, 1975[2] (by letter dated January 6), Anthony Robert Martin-Trigona, Protestant herein, "Renew[ed] [his] demand for a hearing on this application" and adopted by reference his filing of September 5, 1974 (by letter dated August 29, 1974), titled "Notice of Opposition to Proposed Acquisition" in which the present Application was opposed. On January 27 (by letter dated January 24, 1975), Applicant contested Protestant's standing to intervene. Following a lengthy exchange of correspondence between the parties and the Board, on May 30, 1975, an informal preliminary hearing on the standing of Anthony Robert Martin-Trigona as a Protestant in the matter was scheduled for June 12, 1975 in Washington, D.C. The hearing was held as scheduled before John D. Hawke, Jr., General Counsel of the Board. The Applicant appeared by Counsel and the Protestant appeared in person and by Counsel.

On July 28, 1975, the Board[3] by formal Order decided to refer the Application to formal hearing[4] before Administrative Law Judge Phillip J. La Macchia. On August 22, 1975, the Board designated the undersigned to conduct the hearing and directed the hearing for September 3, 1975. The hearing was held on September 3, 4, 5, 6,[5] 29, 30, October 1, 2, 3,[6,7] 6, 7, 9, 10,[8] and November 11,[9] 1975. On November 4 (by an undated document), Protestant filed a Motion to Remove Counsel for Applicant. On November 10 and November 11 (by documents dated November 10), Applicant and the Board, respectively, opposed the Motion. On November 10 by telegram, the undersigned denied Protestant's Motion to Remove Counsel.

Following the November 11 adjournment, a telegraphic Notice to Show Cause was issued on November 12 requiring the parties to show cause by the close of business November 18, why the hearing should not be closed. On November 18 (by telegram of the same date), Protestant requested a further extension. On November 19 by telegram, the time for response to the Notice to

[2] Except where noted, all dates refer to 1975.

[3] Governors Holland and Coldwell dissenting.

[4] The Board determined not to decide the question of Anthony Robert Martin-Trigona's standing as a potential competitor in this case but to permit Mr. Martin-Trigona to participate in the hearing.

[5] The hearing was held Saturday without objection.

[6] During the course of the hearing, Protestant took exception to the ruling on prospective Saturday sessions, and Protestant later absented himself from the hearing room to file his appeal with the Board. On October 8, the Board affirmed the authority of the Administrative Law Judge. Protestant gave notice of appeal on the issue to the United States Court of Appeals for the District of Columbia Circuit. As it developed, there were coincidentally no further Saturday sessions.

[7] Originally it had been intended to continue the hearing Saturday, October 4; however, the Saturday session was cancelled at the request of Protestant for pressing personal health reasons.

[8] At the close of the hearing on October 10, it was originally intended that the hearing should resume on October 11 and thereafter on October 14. At the request of Protestant for health and business reasons, the hearing was scheduled to resume on October 21. The setting was agreeable to all parties. On October 20, a telephone call was received from Jerome W. Shay, Counsel for Applicant, who reported that Applicant intended to request a postponement to further consider the situation, and that Applicant had been unable to reach Protestant to obtain his position. Mr. Shay was informed that where the date was an agreed setting, the postponement would be looked upon with disfavor unless agreed to by the other parties. The undersigned suggested that he contact Mr. Banzhaf, who possibly would know how to reach Mr. Martin-Trigona, and Mr. Brown. Shortly thereafter, a telephone call was received from Mr. Banzhaf. He reported that Mr. Martin-Trigona was then under a doctor's care and in bed and would not be available for the hearing the following day. He further stated that he had no indication when Mr. Martin-Trigona would be available to proceed with the case, but that he would definitely not be there on October 21. Mr. Banzhaf was then informed of Mr. Shay's call and that Mr. Shay would probably be calling him shortly. A conference call was suggested and arranged. Mr. Shay (for Applicant), Mr. Banzhaf and Mr. Martin-Trigona (for Protestant), Mr. Brown (for the Board), and the undersigned participated. After discussion, the postponement was requested and agreed to by all parties except the Board; the date, November 11, was suggested by Mr. Shay and agreed to by Mr. Martin-Trigona. The parties were informed that it should be planned that the hearing would proceed on consecutive days to its conclusion subject only to availability of witnesses.

Thereafter, on November 3 (by letter dated October 31), Protestant requested a further postponement of the hearing until December 8. On November 4, Applicant opposed such further postponement. On November 7, the request was denied. Protestant appealed this ruling to the Board and simultaneously gave notice of appeal to the United States Court of Appeals for the District of Columbia of the possible adverse ruling. The appeal to the Board was denied November 18.

[9] The hearing was opened on this day with Mr. Martin-Trigona's demand that the hearing be adjourned until December 8. Upon being denied the adjournment, Mr. Martin-Trigona left the hearing room. The hearing continued in his absence, and before the hearing adjourned both Applicant and the Board rested their cases. The Applicant further moved that the hearing be closed at that time. Although the Board did not object to Applicant's motion, Counsel for the Board suggested that Protestant be given an opportunity to present its direct case.

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Show Cause was extended to the close of business November 21. The hearing was closed on November 24 and the date for filing briefs was set for December 29. On November 24 (by letter dated November 20 but mailed November 21), Protestant responded to the November 11 Notice to Show Cause. His response was rejected as untimely and not given consideration.[10] On December 1 (by letter dated November 26), Mr. Banzhaf for Protestant objected to the use of telegraphic notices in the proceedings.[11] On December 12, Protestant requested service on him of certain documents introduced by Applicant and the Board on November 11 after he had left the hearing room.[12]

On December 16, (by undated document), Protestant filed a Motion to Remove the Administrative Law Judge and to Reopen the Hearing. The Motion was opposed by the Applicant and the Board. Applicant timely filed its Proposed Findings of Fact, Conclusions of Law, and Supporting Brief on December 29. On December 30 (by document dated December 26), Protestant requested a further extension of time for filing briefs. The request was opposed by Applicant. By Order dated January 7, 1976, the Motion to Remove Administrative Law Judge was denied, the Motion to Reopen the Hearing was denied,[13] and the Motion to Extend Time For Filing Briefs was granted until the close of business January 16, 1976. The Board joined Protestant's Motion to Extend Time For Filing Briefs because of the undersigned's failure to properly file the transcript of testimony with the Secretary of the Board. The transcript of testimony was properly filed with the Secretary on January 14, 1976, whereupon, the time for filing briefs was set for 15 days after receipt of notice of the filing of transcript of testimony. On February 2, 1976 (by documents dated January 30, 1976), Protestant filed: (1) a demand for an Order to Produce certain current financial statements; (2) a Motion to Extend Time for Filing Brief until February 10, 1976; and (3) the affidavit of Edward Kenneth Suskin. On the same date, Protestant Petitioned the Board to Remove the Administrative Law Judge. On February 4, 1976 by telegram, the time for filing briefs was extended to the close of business February 9, 1976. By Order dated February 9, 1976, the demand for an order requiring production of documents was denied.[14] Also on February 9, 1976

[10]The document is in the exhibit file.

[11]The use of telegraphic notices was deemed appropriate because of the extraordinary situation.

[12]The documents were subsequently served on Protestant.

[13]The Notice to Show Cause issued November 12 required any responding party to name any prospective witnesses and to briefly summarize their testimony. Protestant had responded in its untimely letter filed on November 24 by naming only Edward Kenneth Suskin. Of his testimony, Protestant stated, "I cannot summarize Mr. Suskin's testimony because I do not control his testimony. I have an idea of questions I will be putting to him, but I do not control his answers so I cannot speak for him."

Despite Protestant's prior failure to comply with the Notice to Show Cause, the Order denying the Motion to Reopen the Record provided that Protestant could "submit appended to his brief a copy of the affidavit of Edward Kenneth Suskin bearing on the material issues of this proceeding, which after consideration may be received in evidence and considered as the testimony of the affiant as if he had been called."

[14]The issue of compulsory production of documents came up repeatedly in the hearing. The Board's position as reflected by Mr. Loeser's statement of September 3 and 5, Mr. Oehmann's statement of September 30, and Exhibit 87 was that the Board was not granted subpoena authority under the Bank Holding Company Act unlike other comparable laws. The issue was considered and specifically rejected by Congress as follows:

MR. MORSE: Mr. President, the purpose of the amendment is to grant subpoena power to the Board.

A major defect of the bill is its failure to give the Federal Reserve Board any power to compel the production of documents or the appearance of witnesses. The Board has no such power at the present time. The general statutes creating the Federal Reserve Board and giving it powers in other fields such as enforcement of the Clayton Act do not, as is the case with other administrative agencies, grant to the Board general powers to subpoena witnesses, compel the production of documents, and so forth. Accordingly, anyone requested by the Board or a bank holding company to appear who does not desire to produce documents or to give testimony at a hearing held by the Board under this bill need not do so.

No genuine hearing could be held without this power, which is given by law to almost every other Federal agency exercising regulatory functions comparable to those assigned to the Board by this bill. Unless documents can be required to be produced and witnesses compelled to attend hearings, the hearings may well be abortive.

The amendment proposed is designed to give the Board this necessary power in connection with hearings held under the Act. The provisions are modeled upon corresponding provisions of the Federal Power Act (16 U.S.C. 825(b)-(c)).

I submit the amendment. 102 Con. Rec. (Senate) 6959. The Amendment was rejected.

Protestant argued that despite this rejection, the Board could compel production of evidence. His position was stated as follows:

MR. BANZHAF: May I attempt to correct counsel on that. I believe the statute provides that the Board may issue any order which is necessary to carry out its functions. If I can find it, I will refer counsel to it.

MR. LOESER: I think counsel's referring to Section 5B of the —

MR. BANZHAF: Committee—Section 5B, the Board is authorized to issue such regulations and orders as may be necessary to enable it to administer and carry out the purposes of this Act, and prevent evasions thereof. It certainly seems to me a reasonable order to be that if you feel the attendance of witness and the production of documents would be necessary to carry out your functions, to make a complete and detailed

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(by document dated February 6), Protestant moved for the admission of the affidavit of Edward Kenneth Suskin. On February 14, 1976, Applicant opposed the admission of the affidavit of Edward Kenneth Suskin.[15]

On February 10, 1976 (by document mailed February 9, 1976) Protestant filed his Proposed Findings of Fact, Conclusions of Law, and Supporting Brief.[16] On February 10, 1976, Applicant moved to strike "Protestant's Reply Memorandum."[17] On the same date, Protestant filed a Motion to Remove the Administrative Law Judge. The Motion to Remove was opposed by the Board.[18] On February 13, 1976, Applicant submitted an affidavit of Lawrence X. Pusateri.[19] On February 19, 1976, Applicant filed its Answering Brief.[20] No brief was filed by the Board.

Accordingly, I make the following:

Findings of Fact

Mellon National Corporation, the Applicant, is a Pennsylvania corporation with principal offices at Pittsburgh, Pennsylvania. Applicant is a one-bank holding company which controls Mellon Bank, N.A., the Bank herein. In addition to the commercial banking activities of the Bank, the Applicant is principally engaged in mortgage banking, real estate and leasing, through various other subsidiaries and affiliates. Applicant does not presently have a consumer finance subsidiary. Applicant's total consolidated assets are $9.9 billion.[21,22]

The Bank is the largest bank in Pennsylvania with its principal office and place of business located in Pittsburgh. The 102 branches of the Bank are located in the six-county metropolitan area of Pittsburgh. Based upon domestic deposits it is the sixteenth largest commercial bank in the United States. The Bank's deposits of $5.3 billion represent 12.4% of domestic deposits in the State. Ninety-nine per cent ($9.5 billion) of the Applicant's consolidated assets are represented by the assets of the Bank.

During the five years ending December 31, 1974, Applicant has increased consolidated assets by 90% ($9.7 billion from $5 billion), consolidated net income by 26% ($57.7 million from $45.8 million), domestic and foreign deposits by 71% ($7.2 billion from $4.2 billion), and total equity capital by 21% ($569 million from $470 million). The increase has been accomplished by growth as well as acquisitions and *de novo* operations. During 1973, Applicant through its subsidiary Mellon National Mortgage Company acquired Carruth Mortgage Company (New Orleans, Louisiana). Early in 1973 Applicant, through its subsidiary Mellon National Mortgage Company, began *de novo* operations of Mellon National Leasing Corporation (Pittsburgh) which is engaged in full pay-out leasing of equipment. In 1974 Applicant, also through its subsidiary Mellon National Mortgage Company, acquired 25% interest in Banco Bozano Simonsen de Investimento, S.A., an investment bank in Brazil.

The most significant operations of the Applicant are conducted through the Bank, which contributes substantially all of the income of Applicant. As noted above, the Bank is a commercial bank. The

examination of an application, that you could issue exactly such an order.

It is concluded that the general grant of authority in Section 5(b) of the Act, ". . . to issue such regulations and orders as may be necessary to enable it to administer and carry out the purposes of this Act and prevent evasion thereof," is insufficient to negate the specific rejection by Congress of the power of compulsory production of evidence. Accordingly, the Board could not compel a party to produce evidence in a Regulation Y proceeding. Since the Board did not have the power, it could not be vested in the Administrative Law Judge designated by the Board. This does not necessarily mean the Board has no recourse where substantial relevant and material evidence is not produced on demand of the Board. The Board could infer that the evidence would not support the Party refusing its production, or in the alternative could allow admission of secondary evidence to establish contested facts. Finally, where the Board deemed the failure to produce evidence to be sufficiently substantial, it obviously would find against the Applicant or Protestant because of failure to support the application or protest, respectively. However, parties would not by this have an open reason to demand production of evidence by opponents since the appropriateness of such demands would be limited not only by relevance and materiality, but also by reasonable limitations of cumulativeness and remoteness.

[15]The affidavit of Edward Kenneth Suskin is received in evidence and made a part of the record in the case.

[16]The perfunctory request for oral argument appearing on the cover sheet of the submission is denied.

[17]Protestant's Proposed Findings of Fact, Conclusions of Law and Supporting Brief is received.

[18]The Motion to Remove is denied.

[19]The affidavit of Lawrence X. Pusateri is rejected as not bearing on the issues of the case.

[20]The Answering Brief is rejected.

[21]Except where noted, all financial information is as of December 31, 1974.

[22]Applicant's Asset × Equity ratio over the last five-year period has been well below the average for the peer group of bank holding companies.

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most significant thrust of Bank activities is in the major heavy industrial area, both domestic and international.[23] Additionally, it provides the usual retail bank services to customers. This includes both a credit card program (affiliated with Master Charge card system) and consumer lending services. The volume of consumer loans of the Bank represent less than 4% ($360 million) of the total assets of the Bank.[24] Substantially, all of these consumer loans originate in the six-county Pittsburgh metropolitan area. The only other loan amount worthy of note is that produced by the purchase of mobile home sales contracts which are not confined to the six-county area.

The Applicant's mortgage banking operations are carried on by Mellon National Mortgage Corporation (a subsidiary of Applicant) and its subsidiaries Laurel Mortgage Co. and Carruth Mortgage Corporation, by the Allamon Corporation (a subsidiary of Applicant) through its subsidiary Mellon National Mortgage Co. of Ohio (Cleveland, Ohio), and by the Bank through its subsidiary Mellon National Mortgage Company of Colorado (Denver, Colorado). Of these, only Mellon National Mortgage Co. of Ohio engages in consumer loan activities. The volume of its consumer loans represents less than .1% the assets of Mellon National Mortgage Co. of Ohio. These consumer loans are in the Cleveland Area.

Local Loan Co. is a Delaware Corporation with principal offices in Chicago, Illinois.[25] Fred B. Snite, the founder, continues at the age of 91 to actively function as Chairman of the Board. Mr. Snite, members of his family, related trusts, and Mr. Snite's private foundation own about 99% of the outstanding stock of Local and its subsidiaries.

Local through its own operations and those of its 19 subsidiaries is engaged in the consumer finance business. These consolidated operations are conducted in 124 offices in 12 States; the offices are located in 38 identifiable market service areas. These are as follows:

Location	Offices
California	
Southern Los Angeles and Northern Orange Counties (Los Angeles area)	21
Western San Diego (San Diego area)	8
San Francisco and Northern San Mateo Counties (San Francisco area)	3
Western Alameda County (Oakland area)	2
Contra Costa County	1
San Jose area	1
Sacramento and Western Placer County (Sacramento area)	6
Colorado	
Boulder and Denver Counties; Western Adams and Western Arapahoe Counties; Northern Jefferson County (Denver area)	6
Florida	
Northeast Dade County (Miami area)	3
Illinois	
Northwestern Chicago	3
Cities of Waukegan, North Chicago, Dundee, and Zion	1
Elgin area	1
Western Chicago	3
Southern Suburban Chicago	1
Aurora	1
Chicago proper	11
Freeport	1
Peoria	1
Indiana/Kentucky	
Louisville area	5
Minnesota	
Minneapolis-St. Paul area	4
Duluth	1
Nebraska	
Omaha area	2
New York	
New York City	3
Oregon	
Portland area	6
Polk and Western Marion Counties (Salem area)	1
Benton and Western Lion Counties (Corvallis area)	1
Lane County (Eugene area)	4
Douglas County	1
Jackson County	2
Washington	
Western King and Western Snohomish Counties (Seattle area)	8
Western Whatcam County	1
Southern Douglas and Southern Chilan Counties (Wenatchee area)	1
Spokane County	3
Wisconsin	
Kenasha	1
Milwaukee	6
Brown County (Green Bay area)	1
Racine	1

[23]The Bank also extends credit to consumer finance companies (both captive and independent). As of June 30, 1974, the total credit commitment was $456 million and actual borrowings were $117 million. Local has not been a customer of the Bank.

[24]It is estimated that there are 180,000 such loans including credit card accounts, personal cash reserve accounts, auto loans, home improvement loans, mobile home financing loans, executive-professional loans, and other consumer loans.

[25]Local was founded in 1908 by Fred B. Snite; it was incorporated in 1928.

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Local's consolidated total assets are $95.2 million. Local's ranking among finance companies in the United States is seventieth ($32.5 million) in capital funds and seventy-fifth ($84.8 million) in net receivables.[26,27]

Exclusive of the captive finance companies, Local's ranking is forty-first in capital funds and forty-third in net receivables among independent finance companies. Eighty-two per cent ($72.2 million) of Local's total volume of receivables outstanding represents direct cash loans to individuals on an installment basis; eighteen per cent ($15.5 million), represents retail installment contracts.[28,29] Four states, California, Illinois, Oregon, and Wisconsin account for 74.2% of its total volume of receivables.

In the market service areas in which it operates, Local's share of the estimated total market is in a range of .21% to 4.38% with a median of 1.37%. Local's largest share is in Medford, Oregon. In the 28 market service areas in the four States contributing the largest volume of receivables, Local's share of the estimated total market is in the same range, with a median of 1.62%. In the other 10 market service areas (in 8 States) the range is .63% to 2.61% with a median of .87%. In each of the service areas, Local is competing against numerous other finance companies, both independent and captive, banks and credit union offices.[30] Most of the 10 highest ranked finance companies as well as many companies ranked above Local, both in total capital funds and net receivables, compete with Local in substantially all significant market areas.

Local uses as a source of funds its equity capital and bank loans, and has not attempted to use commercial paper. Bank loans at the prime rate have provided for compensating balances which can not be withdrawn absent termination of the issues of credit; as of December 31, 1973, $5.4 million was deposited in these banks. Additionally, the use of these lines of credit has been restricted by agreements requiring the company to liquidate its indebtedness to individual banks for 30 or 60 days each year. The agreements also allow cancellation of the credit lines at any time at the lending bank's discretion.

During the three-year period ending December 30, 1974,[31] Local has increased consolidated assets by 25% ($95.2 million from $76.7 million), and total equity capital by .2% ($28.3 million from $27.7 million). During the same period, the consolidated net income has decreased 58% ($1.04 million from $2.44 million). Local has not entered a new State since 1945, a new market service area since 1953, nor opened a new office, as distinguished from the division of the accounts of an office into two offices, since 1959. It has expanded its operations from 118 offices to 124 offices by such divisions since 1969. Local's receivables are $724 thousand per office as compared to $942 thousand per office, and $127 thousand per employee as compared to $198 thousand per employee for the industry according to Local's and the consumer finance industry statistics.[32] Local's growth rate has been 3.2% per year as compared to 7.4% for the industry according to the same statistics.

The agreement between Applicant and Local provides for the purchase of all of the outstanding shares of Local by Applicant for $30 million.[33] The source of the funds for the purchase of Local is an issuance of $125 million in floating rate notes due 1989 issued at 7.8% in March 1974.

Local is motivated to sell by the expectation of tax liabilities arising from Mr. Snite's eventual demise. It has been anticipated that the liability for taxes at that time will be $6.3 million.[34] The plan for payment of such taxes anticipates Local's purchase of sufficient of Snite's 28.6% share of the Local stock to provide the necessary funds. This would decrease the equity of Local and, in

[26] It is estimated that Local has outstanding 150,000 loans.

[27] Local's debt to adjusted capital ratio in 1973 was 2.4:1. This was well below average for the peer group of independent consumer finance companies.

[28] As of December 31, 1973.

[29] Local does not presently engage in the mobile home financing business.

[30] Within its service areas, Local is in direct competition with 2,137 finance company offices, 3,317 banks and 3,644 credit union offices.

[31] Five-year figures were not introduced in the hearing.

[32] Comparative figures are based upon overall industry figures for 1974 published by the National Consumer Finance Association. These figures do not reflect all companies, or all companies of different size categories, but only of reporting companies.

[33] Applicant contends that the $30 million represents essentially no premium since book value is conservatively estimated at $28.5 million. Based upon book value, the premium would be 5.2%.

[34] No evidence was offered on the full extent of Mr. Snite's present estate, nor is it considered necessary to these conclusions that there be such disclosure. This is despite the statement by witness Suskin that the validity of the tax estimate cannot be tested without such evidence.

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order to maintain the same debt to equity ratio, would substantially contract Local's operations. The effect is illustrated as follows (assuming debt to equity ratio remains constant):

	1974	Proposed
Equity	$28.3 million	$22 million
Liabilities	$66.9 million	$52 million
($6.3 million × 2.36 = $14.9 decline in liabilities)		
Net Receivables	$84.8 million	$63.6 million
($6.3 million + $14.9 million to reduce liabilities = $21.2 reduction)		

Such an event was contemplated by Local and a bank in a letter of agreement of 1972 which related to lines of credit.[35] At that time, it was stated as follows:

Sec. 5.18 is amended so that existing Lines 18, 19 and 20 should be deleted and the following language substituted:

"Purpose of making funds available to the estate of Mr. Fred B. Snite for the payment of estate and/or inheritance taxes on his estate, and/or for the purpose of redeeming any stock in his estate, a sum or sums not exceeding $10,000,000.00 in the aggregate to the purchase or redemption, in either case at not more than a reasonable"

The proposed contraction of Local anticipates the withdrawal from three states, Florida, Nebraska, and New York. In addition, eight offices would be closed in Wisconsin, two in California, three in Illinois, two in Minnesota, one in Oregon and two in Washington. The reduction in the number of offices would be from 124 to 98 resulting in a decrease in staff by 140 employees. Additionally, credit standards would be tightened. The projection is to reduce receivables from $88 million to $60 million. With the economies projected, Local's income would rise from $446 thousand to $714 thousand. While some contraction apparently has long been anticipated, the above described plan was only developed in the Fall of 1974 as an alternative to approval of this application.

Upon approval of the acquisition, Applicant plans to begin a program of expansion of Local's operations.[36] The expansion is to be accomplished by the concurrent increase in loanable funds, the increase of the debt to adjusted capital ratio from 2.4:1 to 5:1, and the reduction of the reserve for bad debts from 4.7% to 3.9% of receivables. The number of offices is to be increased by 50 with 280 additional employees. Additionally during the first year, Local is to begin offering new loan services such as, loan consolidation loans, second mortgage loans, executive and professional loans, insurance premium loans, and home improvement loans. Other new loan services would be offered later. In addition to new types of loans, Applicant will raise the loan amounts and extend the maturity terms of loans. All of these were offered by Applicant as benefits to the public and are discussed below.

Applicant denies that it would enter the market on a *de novo* basis.[37] In support of its rejection of *de novo* entrance into the consumer finance industry through a non-banking subsidiary Applicant cites the cost, the lack of an organization and trained staff (primarily qualified management), and the risk of a *de novo* entry. The evidence is uncontradicted that the investment would be in the range of $100 million to $120 million ($10 million to $30 million to duplicate Local's operations and $88 million in loanable funds). In addition, Applicant cites the need to employ an entire 650 person staff including top and mid-level management. Assuming Applicant could establish an operational company it is Applicant's position that the risk involved would be too high to justify the endeavor.

Conclusions

The Applicant is one of the major financial institutions in the United States. The evidence supports Applicant's self-characterization as a prudent and conservative bank holding company. Local is a medium sized sub-national or multi-regional consumer finance company. The states and market service areas where it does not operate cannot be regarded as insignificant in the national consumer finance market; its absence from these

[35] To the same effect were agreements with other sources of funds as early as 1966.

[36] See opposite column for footnote.

[36] The existence of the plan is established by evidence of a firm policy commitment. It is reflected in the several proposals submitted to the Applicant's Board of Directors as well as the testimony of witnesses Barnes and Kalchek. As noted by Protestant, there are certain discrepancies in the four versions [the Application, the base computations (Applicant's Exhibit 17), the July formal proposal (Applicant's Exhibit 29) and the August formal proposal (Applicant's Exhibit 30)] and the testimony of witness Barnes. As far as the issues in this case, there are no material differences in the several presentations which are explained as evolutionary stages of the plan.

[37] Witness Barnes testified on Applicant's evaluation of *de novo* entry.

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Federal Reserve Bank of St. Louis

markets preclude its being termed national. On the other hand, the number and dispersal of market areas where it does operate are substantially greater than normally contemplated by the term regional. Like Applicant, Local could be characterized by the terms prudent and conservative. The company is a significant participant in many of its market service areas, however, it is not the dominant participant in any. Local's business philosophy is reflected by its better than average quality of accounts receivable, its lower than average debt to equity ratio, its above average loan loss reserve, its consistency as a profit making concern, and the conservative policies of Mr. Snite and his management team. Local's growth reflects its other conservative policies; it has grown in total assets and equity while failing to expand geographically. Recently, there has also been a decrease in net income.[38]

The 1970 Amendments to the Act require that consideration be given to whether a proposed enterprise "can reasonably be expected to produce benefits to the public, such as greater convenience, increased competition, or gains in efficiency, that outweigh possible adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interest, or unsound banking practices."[39] The burden of proof is on the applicant to show, "that its carrying on a particular nonbank activity would produce benefits to the public that outweigh any adverse effects." House Conference Report on the 1970 Amendments to the Act. H. R. Report No. 91-1747, 91st Cong. 2d Sess. 17 (1970) [Hereinafter cited as House Conference Report.][40] Only if this test is met can the Board lawfully approve an application.[41]

Applicant proposes as public benefits of the acquisition the following:

1. Removal of the constraints on Local imposed by the projected repurchase of outstanding shares and the resultant contraction of the business.

2. Substitution of a policy of growth and revitalization of Local:

   a. 50 new offices in five years in new market service areas in states where Local now operates;
   b. Increase in loan receivables by 100% in five years, from the present $88 million to $176 million which would exceed Local's projection by $116 million (193%);
   c. Addition of new services to customers.

3. Increased efficiency of Local resulting in more effective competition in the market place including:

   a. Availability of more funds primarily by the Applicant's access to the commercial paper markets;
   b. Better organization resulting in economic efficiencies of larger scale operations;
   c. Availability of corporate planning, marketing, economics and statistical departments.

The first proposed benefit is based on averting the planned contraction of Local upon Mr. Snite's demise. As noted above, the proposal contemplates abandonment of market service areas, the reduction of accounts (both number and amount), and more restrictive lending policies. Protestant argues that there are viable alternatives to the plan; these include an increase in the low debt to equity ratio and the public sale of Local stock. The existence of alternatives for Local, however, is not the issue before the Board, and determination of the case on this basis would be substituting the Board's business judgment for Local's own management. It is sufficient that there exists a valid basis for the course of action, that Local's management has decided on a reasonable course of action (in this case the sale of the company as an operating business), and that the plan is not a mere sham created in expectation of these proceedings. The issue before the Board is whether the Applicant should be allowed to buy Local.

There is no doubt that abandonment of the market (both full or partial) by a significant seller of services decreases competition.[42] It is concluded that removal of the inevitable contraction of Local is a benefit to the public.

The second proposed benefit is based on a policy

[38] This can largely be attributed to the cost of money rather than any problems within Local's organization.

[39] Section 4(c)(8) of the Act.

[40] Cited by the Board in *Bankers Trust New York Corporation*, 38 Fed. Reg. 21822, 59 Fed. Res. Bul. 694 (1973).

[41] It is uncontested that the business of Local as a consumer finance company is closely related to business of banking within the meaning of the Act.

[42] *BankAmerica Corporation*, 58 Fed. Reg. 22578, 59 Fed. Res. Bul 687 (1973) (financial difficulties possibly impairing continuance as a viable competitor), and *Citizens and Southern National Bank, et al.*, 39 Fed. Reg. 15071, 60 Fed. Res. Bul. 379 (1974) rev. and rem. on other ground sub. nom. *Independent Bankers of Ga.* v. *Board of Governors* __F. 2d__ (1975) (restrictions on loan amounts imposed by management).

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Federal Reserve Bank of St. Louis

of growth to be established after acquisition as an alternative to Local's contraction plan. Financially, the plan is initiated by infusing new money into Local, reducing the debt to capital ratio from 2.4:1 to 5:1, and reducing the debt reserve by $1.5 million to the industry average of 3.9%. Operationally, the expansion contemplates increasing the number of offices by 50, the loan receivables by 100% to $176 million, and the addition of new services in the form of new types of loans, increased loan limits and length of maturity of loan. Protestant argues that the proposal is a sham which would not, in fact, benefit the public.

All the evidence in the hearing is consistent with the existence of Applicant's plans for expansion of Local. The plans as presented to the Board and to Applicant's directors all contemplate a detailed expansionary scenario. The Board has on numerous occasions determined the provision of more services to the public to be pro-competitive and a benefit to the public.[43] In view of the objective evidence of a firm policy commitment of Applicant to the expansion of current services, it is concluded that the proposed expansion of services constitute a benefit to the public.[44]

The final benefit proposed by Applicant is increased efficiency through availability of new funds to Local, better organization resulting in economies of scale, and the availability of Applicant's corporate strategic services. Protestant attacks the availability of funds as contemplated by commercial paper as not an advantage. He also denies the existence of economies of scale in the consumer finance industry. Protestant also questions the need for management services to Local.

As noted above, Local has been a successful consumer finance company for 70 years. This alone is an indication of the competence of management, both executive and operational. It has traditionally operated with a low asset to equity ratio using bank lines of credit as a source of funds at an effective rate higher than prime. Applicant plans to primarily rely on commercial paper as a source of funds and to rely on bank loans as a supplement. The evidence is uncontradicted that commercial paper on a long run basis pays lower interest than bank base prime rate. The Board has recognized easier access to funds as a public benefit. *BankAmerica Corporation, supra., Carolina BanCorp., Inc., supra.,* and *First National Holding Corp., supra.* The economies of scale other than the availability to the commercial paper market are not sufficiently established or defined to support a finding as a benefit. It would appear, however, that the availability of corporate services could represent a significant improvement in efficiency. The services listed by Applicant, planning, marketing, economics, personnel and statistics, should all strengthen Local's position among consumer finance companies.[45] These appear to be the type of services necessary for Local to become a national competitor in the field.

It is concluded that the availability of funds and corporate strategic services should result in strengthening of Local as a consumer finance company which should result in its being more competitive in the market.

Although it appears that there are benefits to the public to be obtained by approval of the acquisition, it is also necessary to determine whether possible adverse effects may exist which should prevent approval of the application. The adverse effects listed in Section 4(c)(8) are "concentration of resources, decreased or unfair competition, conflicts of interest, and unsound banking practices."

Of the first of the possible adverse effects, the Conference Report on the 1970 amendment to the Act stated in part as follows:

The danger of undue concentration of economic resources and power is one of the factors which led to the enactment of this legislation, and constitutes a significant threat to the continued healthy evolution of our free economy. American trade has always operated on the principle that relationships between businessmen, large and small, should be founded on economic merit rather than monopoly power. Our national policies of limited

[43] *Citizens and Southern National Bank, et al., supra.,* and *BankAmerica Corporation, supra.,* (expansion of lending services, new types of loans); *Tennessee National Bancshares, Inc.,* 38 Fed. Reg. 23364, 59 Fed. Res. Bul. 700 (1973) (new offices, application denied on other grounds); *Chase Manhattan Corporation,* 39 Fed. Reg. 4814, 60 Fed. Res. Bul. 142 (1974) (new offices, new types of loans, larger loan amounts, and longer loan periods; application denied on other grounds). *Carolina BanCorp., Inc.,* 39 Fed. Reg. 34715, 60 Fed. Res. Bul. 733 (1974) (new services). *First National Holding Corp.,* 39 Fed. Reg. 28565, 60 Fed. Res. Bul. 603 (1974) (new offices).

[44] Cf. *Carolina BanCorp., Inc., supra.,* (denial of application as to National Finance Company, Inc., because of absence of objective evidence and firm policy commitment).

[45] Cf. *Chase Manhattan Corporation, supra.,* and *Bankers Trust New York Corporation, supra.*

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Federal Reserve Bank of St. Louis

governmental regulation and interference in trade and commerce, however, do make it possible for undue concentrations of resources and economic power to override fundamental fairness and economic merit when responding to the profit motive. This possibility is enhanced when concentrations of power are centered about money, credit and other financial areas, the common denominators of the economy. . . . The dangers of undue concentration of resources include, but are not limited to, specific competitive effects, which are themselves relevant factors under the Act. It should be clear that this legislation directs the Board to consider all reasonable ramifications of the concentration of resources in fulfilling its responsibilities under section 4.[46]

The Board rulings are instructive as to situations contemplated as undue concentrations.

In *Chase Manhattan Corp., supra.*, the second largest bank holding company, which did not previously have a consumer finance company subsidiary, sought to acquire Dial Finance Corporation, the twenty-first largest independent consumer finance company. In its decision denying approval the Board commented on concentration of credit granting resources as follows:

"It is the Board's judgment that approval of this application involving acquisition by one of the nation's largest bank holding companies of a major consumer finance company with a large national network of offices and a commanding position in the market for provision of data processing services to the industry involves the issue of concentration of credit granting resources that was within the intent of Congress in enacting the 1970 amendments. While the matter is not free of doubt, and is one on which reasonable differences of judgment may occur, the Board has concluded that at a minimum, this factor weighs against approval of the application."

Thus in addition to size, the Board emphasized that Dial was in the business of providing vital data processing services to Dial's competitors. Also, in *Chase Manhattan* there was substantial direct competition between the applicant's banks and Dial in the New York State market.

In a comparable situation, the Board in *BankAmerica Corporation, supra.*, approved the acquisition by the largest bank holding company, which did not have a consumer finance company subsidiary, of the eleventh largest consumer finance company, GAC Finance, Inc. In that case, GAC was not in the business of providing necessary credit related services to competitors. The major concern in that case was the effect on actual competition in several market areas, and BankAmerica was required to divest itself of the GAC operations as operating units in areas of competition. The Board found the post-divestiture acquisition not to constitute an undue concentration of resources. The elimination of the situation which would have decreased direct competition resulted in approval of the application.

Finally, in *Citicorp,* ____Fed. Reg.____, ____Fed. Res. Bul.____ (November 10, 1975), the Board rejected the application of the second largest bank holding company to acquire through its consumer finance subsidiary, Nationwide, two additional consumer finance subsidiaries, Federal Discount, the twentieth, and Amfac Credit, the twenty-eighth largest consumer finance company. The Board stated as follows:

While the elimination of existing, future, and potential competition between Nationwide and each of the Finance Companies is a source of concern to the Board when viewed as individual factors, it represents an even more serious adverse effect of these proposals when examined, as the Board believes it must be, in conjunction with a collateral issue that has greater implications with respect to the public interest. The facts on record of these applications show that Applicant is one of the leading bank holding companies in the United States, that it already has a consumer finance subsidiary which is both substantial and growing in size, that Applicant's subsidiary has achieved a significant presence in the finance company industry, and that Applicant has gained expertise and managerial talent in this financial area. The Board is of the view that, when all of these factors are present, a proposal involving subsequent acquisitions of additional finance companies which are more than insignificant footholds in the consumer finance industry offers substantially diminished returns to the public interest.

Further, the Board stated:

If banking organizations that already have fairly sizable consumer finance subsidiaries are permitted to make additional acquisitions of the relatively few remaining independent consumer finance firms, substantial barriers to entry into the consumer finance industry would be raised.

[46]House Conference Report cited by the Board in *BankAmerica Corporation, supra.*

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Federal Reserve Bank of St. Louis

The concentration of credit granting resources here proposed is not of the magnitude, or in the absence of a concentration of necessary services to the industry, of the type commented on in *Chase Manhattan.* Neither is it comparable to the actual concentration approved of in *BankAmerica.* Furthermore, the concentration disapproved of in *Citibank* is not reflected here in the absence of an existing subsidiary of Applicant in the consumer finance industry. It is concluded, therefore, that acquisition sought herein does not constitute "concentration of resources" as contemplated by the Act.

The second adverse effect listed in the statute is "decreased or unfair competition." The Conference Report[47] stated on this subject as follows:

"Where a bank holding company seeks to engage in related activities through acquisition, in whole or in part, of a going concern, the elimination of existing competition will be an important negative factor, for other subsidiaries of the bank holding company, or the company itself, may already be providing the products and services in the market served by the company to be acquired. In such circumstances, where the possible benefits to the public of bank holding company activity are already being provided, the elimination of an independent competitive alternative will weigh heavily in the balance against approval."

The Board has determined that consumer finance companies generally compete with commercial banks in the area of small loans to individuals. *Bankers Trust New York Corporation, supra.* This has been interpreted by the Board to require the disapproval of applications where there is direct competition between the applicant and the finance company to be acquired unless the direct competition can be eliminated by divestiture. *Chase Manhattan Corporation, supra., BankAmerica Corporation, supra., First Commercial Bank, Inc.,* 37 Fed. Reg. 25795, 59 Fed. Res. Bul. 1036 (1972), and *First National Holding Corp.,* 38 Fed. Reg. 5285, 59 Fed. Res. Bul. 203 (1973). Absent the existence of direct competition, the Board has determined that all "acquisition can[not] be presumed *per se* to affect competition adversely." *BankAmerica Corporation, supra.* Under the circumstances the only reasonable conclusion is that approval of the application will not result in decreased or unfair competition.

Finally, "unsound banking practices" is listed as an adverse effect. The Board has required that proposed acquisitions be a source of strength of the bank holding company. Where the consumer finance company's financial situation has been so impaired that it might significantly weaken the bank involved, approval has been denied. *Continental Banksystem, Inc.,* 38 Fed. Reg. 18491, 59 Fed. Res. Bul. 597 (1973), and *UB Financial Corp.,* 39 Fed. Reg. 37831, 60 Fed. Res. Bul. 791 (1974). The evidence here does not support such a conclusion. Both Applicant and Local are prudent and conservative with low asset to equity ratios. Also regardless of Local's equity, the addition of Local's assets to those of Applicant would not significantly affect the Applicant's asset to equity ratio. It is, therefore, concluded that approval of the acquisition will not lead to unsound banking.

There is no evidence to support a conclusion that Applicant should be perceived as a potential *de novo* entrant in the consumer finance industry. However, presently Local has numerous bank, captive and independent consumer finance company, credit union, and retail merchant competitors in each of its market service areas. Further the Board has found that extension of consumer finance companies by *de novo* entrance into new market service areas is relatively easy. *First Commercial Bank, Inc.* and *First National Holding Corp., supra.* Further the Board has found that entrance *de novo* into the consumer finance industry is feasible for some bank holding companies. *Chase Manhattan Corporation, supra.* and *BankAmerica Corp., supra.* Thus it appears that despite Applicant's rejection of *de novo* entrance in the industry and the absence of a consumer finance subsidiary of Applicant to enter market areas *de novo,* there exist numerous present and potential competitors of Local.[48]

On the basis of the foregoing and the entire record, it is concluded that significant benefits to the public exist and that there are no reasonable adverse effects to the Applicant's application for prior approval to acquire Local. Further, it appears

[47] House Conference Report.

[48] Further, the Board has concluded that even for the leading financial institutions a foothold entry is an acceptable alternative to *de novo* entry.

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that the only basis upon which the application could be denied would be a conclusion that bigness *per se* is contrary to the purposes of the Act and that any acquisition of a significant consumer finance company by a leading or major bank holding company should be prohibited. There exists no legal authority for such a conclusion. On the contrary Applicant's acquisition of Local is a "foothold acquisition" as contemplated in *Chase Manhattan Corporation, supra.*, and *Bank-America Corporation, supra.* Accordingly, it is recommended that the application be approved.

Conclusions of Law

1. The Applicant is a bank holding company within the meaning of Section 2(a)(1) of the Act [12 C.F.R. 225.2(a)(1)].

2. Local is engaged in the consumer finance business, an activity determined by the Board to be closely related to the business of banking within the meaning of Section 4(a)(1) and (2) of the Act [12 C.F.R. 225.4(a)(1) and (2)].

3. Approval of the acquisition by Applicant of Local and the consummation of the proposal can reasonably be expected to produce benefits to the public that outweigh possible adverse effects within the meaning of Section 4(c)(8) of the Act [12 C.F.R. 225.4(c)(8)].

Recommended Order

It is recommended that the application of Mellon National Corporation, for prior approval to acquire all outstanding shares of Local Loan Co. and its subsidiaries, pursuant to Section 4(c)(8) of the Bank Holding Company Act of 1956 as amended, be approved.

Issued at Washington, D.C. on March 11, 1976.

(Signed) JAMES W. MAST,
Administrative Law Judge
Department of Housing and Urban Development
Washington, D.C. 20410

Worcester Bancorp, Inc., Worcester, Massachusetts

Order Approving Management Consulting Activities

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 § 4(c)(8) of the Act (12 U.S.C. § 1843(c)(8)) and § 225.4(b)(2) of the Board's Regulation Y (12 CFR § 225.4(b)(2)), to engage *de novo* in the activity of providing management consulting advice to nonaffiliated commercial banks through Applicant's wholly-owned subsidiary, Empire Group, Inc. ("Empire"), Natick, Massachusetts. Such activities have been determined by the Board to be closely related to banking (12 CFR § 225.4(a)(12)).

Notice of the application, affording opportunity for interested persons to submit comments and views on the public interest factors, has been duly published (41 *Federal Register* 9936). The time for filing comments and views has expired, and the Board has considered the application and all comments received, including those submitted by the United States Department of Justice, in the light of the public interest factors set forth in § 4(c)(8) of the Act (12 U.S.C. § 1843(c)(8)).

Applicant, the seventh largest commercial banking organization in Massachusetts, controls five banks with aggregate deposits of approximately $531 million, representing 3.7 per cent of the total deposits in commercial banks in the State.[1] Applicant presently engages in a variety of permissible nonbank activities through a number of direct and indirect nonbank subsidiaries. Applicant's nonbank activities include factoring, making loans secured by second mortgages on real property, personal property leasing on a full-payout basis, and selling credit life and credit accident and health insurance which is related to extensions of credit by Applicant's lending subsidiaries.

Through Empire, Applicant proposes to engage *de novo* in providing management consulting advice to nonaffiliated commercial banks on an explicit fee basis. Such advice would relate principally to the collection of consumer loans, including but not limited to offering advice on bank collection procedures, loan documentation, repossession techniques, disposal of repossessed property, personnel management, and compliance with consumer protection laws. Since Applicant proposes to engage in these activities *de novo*, it does not appear that any meaningful competition would be eliminated or potential competition fore-

[1] All banking data are as of June 30, 1975 and reflect holding company formations and acquisitions approved by the Board through April 30, 1976.

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closed as a result of approval of the application. Rather, it appears that Applicant's *de novo* entry into this industry should have a procompetitive effect by increasing the number of firms offering this specialized consulting advice. Furthermore, by making this service available on an explicit fee basis rather than as a correspondent banking service, clients will be able to more accurately analyze the cost of such services and may be able to more efficiently allocate their funds.

There is no evidence in the record to indicate that Applicant's engaging in the activity of providing management consulting advice would result in any undue concentration of resources, unfair competition, conflicts of interests or unsound banking practices.[2]

[2] In connection with the subject application, the United States Department of Justice submitted a letter expressing concern that possible conflicts of interests could result from approval of this proposal. However, at the time the Board adopted the activity of providing management consulting advice to nonaffiliated banks pursuant to section 4(c)(8) of the Act, the Board considered the potential for conflicts of interests resulting from a bank holding company's engaging in this activity. In recognition of this potential, the Board incorporated in Regulation Y a number of restrictions upon a bank holding company's performance of this activity, including the stipulation that any bank holding company providing management consulting advice must disclose to each potential client bank the names of all banks which are affiliates of the consulting company and the names of all existing client banks located in the same market area(s) as the potential client. The Board is of the opinion that these restrictions provide ample protection against possible conflicts of interests.

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

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

By order of the Board of Governors, effective July 7, 1976.

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

(Signed) J. P. GARBARINI,
[SEAL] *Assistant Secretary of the Board.*

ORDERS APPROVED UNDER BANK HOLDING COMPANY ACT

By the Board of Governors

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

Section 3

Applicant	*Bank(s)*	*Board action (effective date)*	*Federal Register citation*
Hastings State Company, Hastings, Nebraska	Hastings State Bank, Hastings, Nebraska	7/19/76	41 F.R. 31263 7/27/76

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Federal Reserve Bank of St. Louis

Section 4

Applicant	Nonbanking company (or activity)	Board action (effective date)	Federal Register citation
First Missouri Banks, Inc., Creve Coeur, Missouri	First Missouri Insurance Group, Phoenix, Arizona	7/12/76	41 F.R. 29495 7/16/76

Order Approved Under Bank Merger Act—

By Federal Reserve Banks

During July 1976, application was approved by the Federal Reserve Bank as listed below. The order has been published in the Federal Register, and copies are available upon request to the Reserve Bank.

Applicant	Bank(s)	Reserve Bank	Effective date	Federal Register citation
First Guaranty Bank, Hurt, Virginia	Schoolfield Bank and Trust Company, Danville, Virginia	Richmond	7/20/76	41 F.R. 32293 8/2/76

Pending Cases Involving the Board of Governors*

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

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

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

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

Save Needed Environmental Levels League v. *Southern California Company, et al.*, filed May 1976, U.S.D.C. for the Central District of California.

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

Farmers & Merchants Bank of Las Cruces, New Mexico v. *Board of Governors,* filed

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

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April 1976, U.S.C.A. for the District of Columbia Circuit.

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

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

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

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

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

Helen C. Hatten, et al. v. *Board of Governors*, filed January 1976, U.S.D.C. for the District of Connecticut.

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

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

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

†*Peter E. Blum* v. *First National Holding Corporation*, filed November 1975, U.S.D.C. for the Northern District of Georgia.

†*Peter E. Blum* v. *Morgan Guaranty Trust Co., et al.*, filed October 1975, U.S.D.C. for the Northern District of Georgia.

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

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

Bank of Boulder v. *Board of Governors, et al.*, filed June 1975, U.S.C.A. for the Tenth Circuit.

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

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

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

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

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

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

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

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

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

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

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

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Announcements

REGULATION G: Amendments

The Board of Governors has announced a reduction in the paperwork and reporting required in the regulation of securities credit, effective August 20, 1976.

Amendments to the Board's Regulation G governing securities credit by lenders other than banks and broker-dealers will reduce by half the number of persons subject to the regulation, yet continue to regulate 98 per cent of the credit covered under the regulation.

The action is part of a continuing effort by the Board to reduce the reporting burden on the public and to deregulate lenders over which regulatory control is no longer essential.

Regulation G, issued in 1968, applies to certain types of securities credit extended, arranged, or maintained by lenders other than banks and broker-dealers, such as credit unions and insurance companies. The regulation is designed to prevent the excessive use of securities credit by such lenders.

The amendments will:

1. Reduce the frequency of reporting by Regulation G lenders. Reports will be required of all Regulation G lenders on an annual instead of a quarterly basis.

2. Decrease the number of persons subject to the regulation. This will be done by increasing the minimum amount of credit that subjects a lender to the regulation. The minimum amount of credit extended or arranged will be $100,000 in any calendar quarter (instead of $50,000) and in the case of credit outstanding, the minimum amount will be raised from $100,000 to $500,000 at any time during the calendar quarter.

3. Establish a floor of $200,000 for credit outstanding during any 6-month period for deregistration of a lender. Under the present rule deregistration may occur only when no credit is outstanding.

These provisions will cut in half the approximately 700 lenders registered under Regulation G and will cut the annual reporting burden from 2,800 reports to 350 reports.

Revisions will be made to Forms G-1 (Registration Statement), G-2 (Deregistration Statement), and G-4 (Quarterly Report) to reflect the new amendments.

BOARD STATEMENT: Ceiling Rate on IRA's

The Board of Governors has said that it will give further consideration early next year to the question of whether commercial banks should be permitted to pay the same ceiling rate of interest on individual retirement accounts as do thrift institutions.

Further consideration of possible action to permit member banks to offer IRA's on a fully competitive basis with thrift institutions will be appropriate in early 1977 when the Congress is considering an extension of interest rate ceilings for financial institutions, the Board added.

There is some evidence, as yet inconclusive, indicating that member banks may be at a competitive disadvantage in competing with thrift institutions for IRA deposits, the Board said. Savings institutions generally may pay rates of interest on such deposits ¼ of a per cent higher than commercial banks. The Board will continue to monitor the growth of IRA accounts at all financial institutions.

The Board indicated that under the provisions of Public Law 94–200, passed in December 1975, any action by the Board to eliminate or reduce an interest rate differential for any category of deposit that was in effect on December 10, 1975, would require approval by the Congress before it could become effective.

Individual retirement accounts are retirement savings deposits that may be established under the Employee Retirement Income Security Act of 1974 by individuals not covered by an employer retirement plan.

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PROPOSED AMENDMENTS AND INTERPRETATION

The Board of Governors has announced that it would consider possible adoption of providing management consulting advice to certain types of nonaffiliated financial institutions as an activity permissible for bank holding companies (Regulation Y—Bank Holding Companies). The Board will receive comment on the proposed amendments and on a related application, through September 8, 1976.

The Board has also proposed an interpretation of its Regulation Z (Truth in Lending) to state that when a dealer and a creditor share in the interest on a consumer credit contract such participation need not be separately stated in disclosures given to the consumer. The Board requested comment by September 27, 1976.

SYSTEM MEMBERSHIP: Admission of State Bank

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

California

San Francisco ..... Pacific Securities Depository Trust Company

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Industrial Production

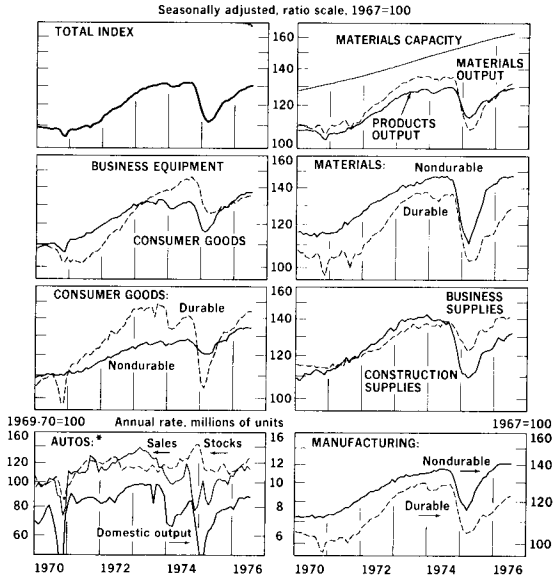
Released for publication August 13

Industrial production increased by an estimated 0.2 per cent in July following rises of 0.4 in June and 0.9 in May. Most major sectors of production showed little change or small increases last month. Over-all activity was also dampened somewhat in July by increased strike activity, notably in coal mining. At 130.4 per cent of the 1967 average, the index is now almost 17 per cent above the March 1975 trough.

Output of consumer goods was apparently unchanged in July. After allowance for model changeover, auto assemblies edged off slightly from June; production schedules that are currently available indicate little change for the remainder of the third quarter. Production of other consumer durable goods was almost unchanged, as small rises in furniture, carpeting, and miscellaneous goods were offset by a decline in appliance production. After a substantial rise early this year, output of business equipment has shown only modest increases in recent months, rising by 0.3 per cent in both June and July. Production of construction supplies rose 0.4 per cent in July.

Output of nondurable goods materials, which had rebounded strongly in the early part of the recovery, has recently been sluggish. However, production of durable goods materials continued to advance strongly in July to a level approximately 25 per cent above the low in the second quarter of 1975 but still 6 per cent below the pre-recession high. The materials capacity utilization rate was 81 per cent in July, 13 per cent below the 1973 peak.

NOTE.—Historical industrial production data on the newly revised basis is expected to be available by mid-September.



F.R. indexes, seasonally adjusted. Latest figures: July.
*Auto sales and stocks include imports.

Industrial production	Seasonally adjusted, 1967 = 100				Per cent changes from—		
	1976						
	Apr.	May	June[p]	July[e]	Month ago	Year ago	Q1 to Q2
Total	**128.4**	**129.6**	**130.1**	**130.4**	**.2**	**10.1**	**1.9**
Products, total	128.0	128.8	129.1	129.4	.2	7.0	1.1
Final products	126.3	127.2	127.2	127.4	.2	6.4	1.4
Consumer goods	136.1	137.3	137.3	137.3	...	8.5	1.6
Durable goods	141.1	143.3	144.2	144.3	.1	14.0	3.8
Nondurable goods	134.0	134.8	134.6	134.5	−.1	6.2	.7
Business equipment	134.1	134.8	135.2	135.6	.3	6.5	1.7
Intermediate products	134.7	135.0	136.4	136.8	.3	9.4	.6
Construction products	128.0	130.1	131.4	131.9	.4	12.9	1.1
Materials	129.2	131.0	131.6	132.0	.3	15.3	2.9

[p]Preliminary. [e]Estimated.

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Financial and Business Statistics

CONTENTS

INSIDE BACK COVER

Guide to Tabular Presentation
Statistical Releases: Reference

U.S. STATISTICS

A2 *Member bank reserves, Reserve Bank credit, and related items*
A5 *Federal funds—Money market banks*
A6 *Reserve Bank interest rates*
A7 *Reserve requirements*
A8 *Maximum interest rates; margin requirements*
A9 *Open market account*
A10 *Federal Reserve Banks*
A11 *Bank debits*
A12 *Money stock*
A13 *Bank reserves; bank credit*
A14 *Commercial banks, by classes*
A18 *Weekly reporting banks*
A23 *Business loans of banks*
A24 *Demand deposit ownership*
A25 *Loan sales by banks*
A25 *Open market paper*

A26 *Interest rates*
A29 *Security markets*
A29 *Stock market credit*
A30 *Savings institutions*

A32 *Federal finance*
A34 *U.S. Government securities*
A37 *Federally sponsored credit agencies*
A38 *Security issues*
A40 *Business finance*
A42 *Real estate credit*
A45 *Consumer credit*

A48 *Industrial production*
A50 *Business activity*
A50 *Construction*
A52 *Labor force, employment, and unemployment*

A53 *Consumer prices*
A53 *Wholesale prices*
A54 *National product and income*
A56 *Flow of funds*

INTERNATIONAL STATISTICS

A58 *U.S. balance of payments*
A59 *Foreign trade*
A59 *U.S. reserve assets*
A60 *Gold reserves of central banks and governments*
A61 *International capital transactions of the United States*
A74 *Open market rates*
A75 *Central bank rates*
A75 *Foreign exchange rates*

A82 INDEX TO STATISTICAL TABLES

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Federal Reserve Bank of St. Louis

MEMBER BANK RESERVES, FEDERAL RESERVE BANK CREDIT, AND RELATED ITEMS

(In millions of dollars)

Period or date	Factors supplying reserve funds									
	Reserve Bank credit outstanding							Gold stock	Special Drawing Rights certificate account	Treasury currency outstanding
	U.S. Govt. securities[1]			Loans	Float	Other F.R. assets	Total[3]			
	Total	Bought outright[2]	Held under repurchase agreement							
Averages of daily figures										
1969—Dec.	57,500	57,295	205	1,086	3,235	2,204	64,100	10,367	.....	6,841
1970—Dec.	61,688	61,310	378	321	3,570	1,032	66,708	11,105	400	7,145
1971—Dec.	69,158	68,868	290	107	3,905	982	74,255	10,132	400	7,611
1972—Dec.	71,094	70,790	304	1,049	3,479	1,138	76,851	10,410	400	8,293
1973—Dec.	79,701	78,833	868	1,298	3,414	1,079	85,642	11,567	400	8,668
1974—Dec.	86,679	85,202	1,477	703	2,734	3,129	93,967	11,630	400	9,179
1975—July	88,166	87,882	284	261	1,911	3,100	94,144	11,620	500	9,616
Aug.	86,829	86,348	481	211	1,691	2,953	92,395	11,604	500	9,721
Sept.	89,191	87,531	1,660	396	1,823	3,060	95,277	11,599	500	9,797
Oct.	90,476	89,547	929	191	1,945	3,521	96,931	11,599	500	9,877
Nov.	90,934	89,560	1,374	61	2,480	3,481	97,817	11,599	500	10,010
Dec.	92,108	91,225	883	127	3,029	3,534	99,651	11,599	500	10,094
1976—Jan.	92,998	91,524	1,474	79	2,684	3,505	100,172	11,599	500	10,177
Feb.	94,610	92,812	1,798	76	2,375	3,384	101,369	11,599	500	10,267
Mar.	94,880	93,503	1,377	58	2,204	3,412	101,336	11,599	500	10,436
Apr.	93,243	92,187	1,056	44	2,236	4,144	100,317	11,599	500	10,501
May	95,967	94,049	1,918	121	2,071	4,051	102,951	11,599	500	10,552
June	95,592	94,289	1,303	120	2,678	4,069	103,106	11,598	530	10,623
July[p]	97,105	96,210	895	123	2,752	4,375	104,830	11,598	700	10,652
Week ending—										
1976—May 5	97,490	94,289	3,201	30	2,464	4,402	105,278	11,599	500	10,499
12	93,718	93,099	619	55	2,395	4,361	101,105	11,599	500	10,535
19	95,119	93,777	1,342	122	2,377	4,015	102,296	11,599	500	10,541
26	96,984	94,798	2,186	136	1,795	3,737	103,463	11,599	500	10,581
June 2	95,992	93,903	2,089	242	1,962	3,795	102,717	11,598	500	10,580
9	90,962	90,962	.....	93	2,938	3,799	98,214	11,598	500	10,609
16	93,804	93,520	284	49	2,508	4,251	101,056	11,598	500	10,616
23	97,152	95,652	1,500	165	2,535	4,092	104,741	11,598	514	10,634
30	101,294	97,496	3,798	165	2,327	4,150	108,925	11,598	614	10,630
July 7	99,935	97,531	2,404	126	2,461	4,566	107,883	11,598	700	10,641
14	95,804	95,804	.....	176	3,448	4,460	104,239	11,598	700	10,641
21[p]	96,359	95,988	371	61	2,703	4,579	104,071	11,598	700	10,656
28[p]	96,352	95,794	558	159	2,465	4,087	103,418	11,598	700	10,664
End of month										
1976—May	97,593	94,334	3,259	397	475	3,888	103,228	11,599	500	10,514
June	101,528	97,380	4,148	314	3,577	4,233	110,679	11,598	700	10,573
July[p]	97,524	95,316	2,208	46	2,155	3,946	104,327	11,598	700	10,667
Wednesday										
1976—May 5	96,440	94,240	2,200	41	3,340	4,537	105,072	11,599	500	10,533
12	96,324	94,136	2,188	258	3,181	4,385	104,866	11,599	500	10,540
19	97,044	93,814	3,230	541	3,027	3,542	105,035	11,599	500	10,548
26	96,885	94,780	2,105	645	2,291	3,820	104,356	11,598	500	10,588
June 2	91,425	91,425	.....	166	2,705	4,002	98,718	11,598	500	10,596
9	90,054	90,054	.....	351	2,856	3,819	97,492	11,598	500	10,609
16	96,142	94,155	1,987	61	3,570	3,965	104,415	11,598	500	10,623
23	97,459	96,803	656	837	3,025	4,155	106,174	11,598	600	10,639
30	101,528	97,380	4,148	314	3,577	4,233	110,679	11,598	700	10,573
July 7	98,386	96,985	1,401	71	3,038	4,538	106,593	11,598	700	10,641
14	96,809	96,809	.....	1,013	3,862	4,400	106,427	11,598	700	10,644
21[p]	96,286	96,286	.....	129	3,487	4,411	104,653	11,598	700	10,661
28[p]	98,125	95,247	2,878	677	2,793	3,941	105,986	11,598	700	10,667

[1] Includes Federal agency issues held under repurchase agreements beginning Dec. 1, 1966, and Federal agency issues bought outright beginning Sept. 29, 1971.

[2] Includes, beginning 1969, securities loaned—fully guaranteed by U.S. Govt. securities pledged with F.R. Banks—and excludes (if any) securities sold and scheduled to be bought back under matched sale-purchase transactions.

[3] Includes acceptances. For holdings of acceptances on Wed. and end-of-month dates, see p. A-10.

[4] Beginning July 1973, this item includes certain deposits of domestic nonmember banks and foreign-owned banking institutions held with member banks and redeposited in full with F.R. Banks in connection

Notes continued on opposite page.

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MEMBER BANK RESERVES, FEDERAL RESERVE BANK CREDIT, AND RELATED ITEMS—Continued

(In millions of dollars)

Factors absorbing reserve funds									
Currency in circulation	Treasury cash holdings	Deposits, other than member bank reserves with F.R. Banks			Other F.R. liabilities and capital	Member bank reserves			Period or date
		Treasury	Foreign	Other [4]		With F.R. Banks	Currency and coin [5]	Total [6]	
									Averages of daily figures
53,591	656	1,194	146	458	2,192	23,071	4,960	28,031	1969—Dec.
57,013	427	849	145	735	2,265	23,925	5,340	29,265	1970—Dec.
61,060	453	1,926	290	728	2,287	25,653	5,676	31,329	1971—Dec.
66,060	350	1,449	272	631	2,362	24,830	6,095	31,353	1972—Dec.
71,646	323	1,892	406	717	2,942	28,352	6,635	35,068	1973—Dec.
78,951	220	1,741	357	874	3,266	29,767	7,174	36,941	1974—Dec.
81,758	358	2,207	269	711	3,135	27,442	7,213	34,655	1975—July
81,822	368	818	274	660	3,096	27,183	7,299	34,482	Aug.
81,907	362	3,415	308	798	3,169	27,215	7,431	34,646	Sept.
82,215	387	4,940	271	632	3,208	27,254	7,313	34,567	Oct.
83,740	415	4,333	297	649	3,276	27,215	7,356	34,571	Nov.
85,810	452	3,955	259	906	3,247	27,215	7,773	34,989	Dec.
84,625	496	5,903	287	916	3,225	26,995	8,445	35,575	1976—Jan.
84,002	527	8,811	280	716	3,231	26,168	7,646	33,953	Feb.
85,014	511	7,653	264	810	3,252	26,366	7,456	33,967	Mar.
86,565	524	5,211	254	815	3,203	26,345	7,568	34,063	Apr.
87,389	507	7,215	286	655	3,314	26,236	7,838	34,228	May
88,547	510	6,778	252	784	3,275	25,711	7,903	33,774	June
89,420	476	7,404	262	945	3,310	25,964	8,062	34,174	July[p]
									Week ending—
86,745	526	8,910	284	815	3,389	27,208	7,937	35,296	1976—May 5
87,422	522	6,427	327	632	3,136	25,271	8,297	33,720	12
87,502	514	6,473	300	568	3,234	26,346	7,638	34,136	19
87,402	493	8,055	232	624	3,409	25,927	7,513	33,597	26
87,890	488	6,777	275	716	3,416	25,834	7,833	33,825	June 2
88,601	503	2,951	255	669	3,056	24,885	8,082	33,127	9
88,765	507	4,050	261	1,031	3,187	25,970	7,841	33,971	16
88,527	513	8,348	243	723	3,333	25,801	7,633	33,594	23
88,358	511	11,788	251	699	3,535	26,629	8,077	34,866	30
89,231	510	10,415	257	1,025	3,232	26,153	8,220	34,521	July 7
89,971	476	7,121	255	772	3,212	25,370	8,400	33,919	14
89,582	443	5,622	282	945	3,286	26,867	7,428	34,443	21[p]
89,033	500	6,218	250	1,043	3,427	25,909	8,145	34,202	28[p]
									End of month
87,657	505	6,745	303	679	3,500	26,457	7,833	34,447	May
88,878	480	11,972	349	847	3,564	27,460	8,077	35,697	June
88,968	500	8,739	295	953	3,525	24,313	8,191	32,652	July[p]
									Wednesday
87,289	513	6,046	298	795	3,061	29,702	7,937	37,791	1976—May 5
87,818	510	5,795	332	588	3,207	29,255	8,297	37,704	12
87,611	493	7,861	230	518	3,336	27,632	7,638	35,422	19
87,782	480	7,655	251	941	3,435	26,498	7,513	34,168	26
88,520	513	6,128	235	849	3,002	22,165	7,833	30,157	June 2
88,987	495	2,496	238	637	3,112	24,234	8,082	32,476	9
88,896	510	5,763	235	787	3,273	27,672	7,841	35,673	16
88,594	507	11,052	254	740	3,378	24,485	7,633	32,278	23
88,878	480	11,972	349	847	3,564	27,460	8,077	35,697	30
90,014	492	7,478	260	800	3,134	27,354	8,220	35,722	July 7
90,120	446	6,987	234	743	3,246	27,593	8,400	36,142	14
89,529	431	5,042	277	1,142	3,309	27,882	7,428	35,458	21[p]
89,230	500	6,320	227	1,134	3,523	28,018	8,145	36,311	28[p]

with voluntary participation by nonmember institutions in the F.R. System's program of credit restraint.

As of Dec. 12, 1974, the amount of voluntary nonmember bank and foreign-agency and branch deposits at F.R. Banks that are associated with marginal reserves are no longer reported. However, two amounts are reported: (1) deposits voluntarily held as reserves by agencies and branches of foreign banks operating in the United States; and (2) Euro-dollar liabilities.

[5] Part allowed as reserves Dec. 1, 1959—Nov. 23, 1960; all allowed thereafter. Beginning Jan. 1963, figures are estimated except weekly averages. Beginning Sept. 12, 1968, amount is based on close-of-business figures for reserve period 2 weeks previous to report date.

[6] Beginning with week ending Nov. 15, 1972, includes $450 million of reserve deficiencies on which F.R. Banks were allowed to waive penalties for transition period associated with bank adaptation to Regulation J, as amended effective Nov. 9, 1972. For 1973, allowable deficiencies included are (beginning with first statement week of quarter): Q1, $279 million; Q2, $172 million; Q3, $112 million; Q4, $84 million. For 1974, Q1, $67 million, Q2, $58 million. Transition period ended after 1974, Q2.

Beginning with week ending Nov. 19, 1975, adjusted to include waivers of penalties for reserve deficiencies in accordance with Board policy, effective Nov. 19, 1975, of permitting transitional relief on a graduated basis over a 24-month period when a nonmember bank merges into an existing member bank, or when a nonmember bank joins the Federal Reserve System.

For other notes see opposite page.

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RESERVES AND BORROWINGS OF MEMBER BANKS

(In millions of dollars)

Period	All member banks					Large banks[2]						All other banks	
	Reserves			Borrowings		New York City		City of Chicago		Other			
	Total held[1]	Required	Excess[1]	Total	Seasonal	Excess	Borrowings	Excess	Borrowings	Excess	Borrowings	Excess	Borrowings
1965—Dec.	22,719	22,267	452	454	.....	41	111	15	23	67	228	330	92
1967—Dec.	25,260	24,915	345	238	.....	18	40	8	13	50	105	267	80
1968—Dec.	27,221	26,766	455	765	.....	100	230	15	85	90	270	250	180
1969—Dec.	28,031	27,774	257	1,086	.....	56	259	18	27	6	479	177	321
1970—Dec.	29,265	28,993	272	321	.....	34	25	7	4	42	264	189	28
1971—Dec.	31,329	31,164	165	107	.....	25	35	1	8	−35	22	174	42
1972—Dec.	31,353	31,134	219	1,049	.....	−20	301	13	55	−42	429	−160	264
1973—Dec.	35,068	34,806	262	1,298	41	−23	74	43	28	28	761	133	435
1974—Dec.	36,941	36,602	339	703	32	132	80	5	18	39	323	163	282
1975—July	34,655	34,687	−32	261	17	−22	54	−24	23	−118	62	132	122
Aug.	34,482	34,265	217	211	38	−18	14	5	1	98	51	132	145
Sept.	34,646	34,447	199	396	61	17	68	27	2	23	141	132	185
Oct.	34,567	34,411	156	191	65	42	31	−23	.....	3	32	134	128
Nov.	34,571	34,281	290	61	28	50	7	34	.....	42	5	164	49
Dec.	34,989	34,727	262	127	13	64	63	−18	.....	89	26	127	38
1976—Jan.	35,575	35,366	209	79	9	52	9	−18	17	3	13	172	40
Feb.	33,953	33,939	14	76	11	−147	20	−14	1	−2	16	177	39
Mar.	33,967	33,531	436	58	8	177	21	36	2	108	14	115	21
Apr.	34,063	33,974	89	44	11	2	.....	−4	8	−47	15	138	21
May	34,228	33,846	382	121	11	13	29	−69	2	297	33	141	57
June	33,774	33,657	117	120	20	22	26	91	7	−125	22	129	65
July[p]	34,174	34,081	93	123	25	−79	37	−37	13	−209	11	112	62
Week ending—													
1975—July 2	35,481	35,085	396	871	15	57	189	39	.....	117	468	183	214
9	34,612	34,479	133	222	13	18	.....	−20	.....	−20	90	155	132
16	34,864	34,791	73	202	15	−72	78	2	54	6	16	137	54
23	34,898	34,695	203	382	19	107	151	9	50	−13	57	100	124
30	34,999	34,718	281	253	23	82	.....	15	.....	67	91	117	162
1976—Jan. 7	35,551	35,227	324	67	10	59	.....	−12	.....	102	11	175	56
14	35,802	35,639	163	45	8	71	.....	−2	.....	−94	2	188	43
21	36,193	35,996	197	153	10	−62	28	−2	77	91	18	170	30
28	35,072	34,907	165	58	8	49	10	28	.....	−23	15	111	33
Feb. 4	35,069	34,652	417	57	12	94	.....	−14	.....	139	16	198	41
11	33,779	33,729	50	51	12	−83	.....	20	.....	−31	14	144	37
18	34,540	34,040	500	56	10	180	.....	−7	4	95	10	232	42
25	33,656	33,773	−117	148	10	−157	82	−5	.....	−43	24	88	42
Mar. 3	34,088	33,678	410	85	8	98	31	11	11	122	14	179	29
10	33,379	33,276	103	48	8	53	26	−18	.....	−67	3	135	19
17	33,710	33,509	201	40	8	26	.....	21	.....	13	22	141	18
24	33,562	33,451	111	78	8	−27	36	−13	.....	70	23	81	19
31	34,236	33,838	398	36	10	105	.....	10	.....	109	14	174	22
Apr. 7	33,587	33,464	123	24	11	−13	.....	−16	.....	17	4	135	20
14	33,762	33,589	173	61	10	29	.....	8	15	−15	32	151	14
21	34,447	34,317	130	40	10	−4	.....	−22	18	41	2	115	20
28	34,384	34,272	112	54	11	16	.....	27	.....	−43	26	112	28
May 5	35,296	34,855	441	30	11	65	3	6	.....	216	.....	154	27
12	33,720	33,753	−33	55	9	−43	34	3	3	−112	2	119	16
19	34,136	33,891	245	122	11	40	40	−14	6	80	34	139	42
26	33,597	33,519	78	136	12	−53	53	30	.....	10	32	91	51
June 2	33,825	33,372	453	242	17	60	.....	−15	14	244	79	164	149
9	33,127	33,197	−70	93	14	−42	36	−13	17	−153	5	138	35
16	33,971	33,400	571	49	16	118	.....	68	.....	210	11	175	38
23	33,594	33,774	−180	165	21	−106	62	−30	.....	−134	45	90	58
30	34,866	34,341	525	165	28	95	14	37	.....	213	24	180	127
July 7	34,521	33,959	562	126	26	317	21	50	.....	22	1	173	104
14	33,919	33,890	29	176	23	−93	78	−28	57	24	3	126	38
21[p]	34,443	34,198	245	61	24	26	.....	−20	.....	−137	11	71	50
28[p]	34,202	34,200	2	159	27	−233	63	−11	.....	−171	33	81	63

[1] Beginning with week ending Nov. 15, 1972, includes $450 million of reserve deficiencies on which F.R. Banks are allowed to waive penalties for a transition period in connection with bank adaptation to Regulation J as amended effective Nov. 9, 1972. Beginning 1973, allowable deficiencies included are (beginning with first statement week of quarter): Q1, $279 million; Q2, $172 million; Q3, $112 million; Q4, $84 million. Beginning 1974, Q1, $67 million; Q2, $58 million. Transition period ended after second quarter, 1974. For weeks for which figures are preliminary, figures by class of bank do not add to the total because adjusted data by class are not available.

Beginning with week ending Nov. 19, 1975, adjusted to include waivers of penalties for reserve deficiencies in accordance with Board policy, effective Nov. 19, 1975, of permitting transitional relief on a graduated basis over a 24-month period when a nonmember bank merges into an existing member bank, or when a nonmember bank joins the Federal Reserve System.

[2] Beginning Nov. 9, 1972, designation of banks as reserve city banks for reserve-requirement purposes has been based on size of bank (net demand deposits of more than $400 million), as described in the BULLETIN for July 1972, p. 626. Categories shown here as "Large" and "All other" parallel the previous "Reserve city" and "Country" categories, respectively (hence the series are continuous over time).

NOTE.—Monthly and weekly data are averages of daily figures within the month or week, respectively.

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

Effective Apr. 19, 1973, the Board's Regulation A, which governs lending by F.R. Banks, was revised to assist smaller member banks to meet the seasonal borrowing needs of their communities.

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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		
		Less—		Net surplus, or deficit (−)		Gross transactions		Total two-way transactions[2]	Net transactions				
	Excess reserves[1]	Borrowings at F.R. Banks	Net interbank Federal funds trans.	Amount	Per cent of avg. required reserves	Purchases	Sales		Purchases of net buying banks	Sales of net selling banks	Loans to dealers[3]	Borrowings from dealers[4]	Net loans
Total—46 banks													
1976—June 2	201	59	10,982	−10,840	73.7	18,849	7,867	5,099	13,749	2,768	2,522	1,291	1,231
9	−110	42	15,799	−15,951	108.6	20,721	4,921	4,011	16,710	910	3,729	1,484	2,245
16	250	.....	14,728	−14,478	97.8	21,071	6,343	4,168	16,903	2,175	3,662	1,072	2,590
23	−39	96	13,126	−13,261	89.4	19,373	6,247	4,529	14,843	1,718	2,047	941	1,106
30	189	19	10,233	−10,063	66.2	17,914	7,681	4,796	13,118	2,886	1,917	1,249	668
July 7	552	21	13,296	−12,766	85.5	20,637	7,341	4,668	15,969	2,673	2,448	997	1,451
14	18	135	16,941	−17,059	112.8	22,289	5,348	4,043	18,247	1,305	3,260	606	2,654
21	60	9	13,692	−13,641	90.0	20,241	6,549	4,472	15,769	2,077	2,549	935	1,614
28	3	66	12,617	−12,680	84.8	18,938	6,321	4,227	14,711	2,094	2,259	1,327	933
8 in New York City													
1976—June 2	32	.....	3,267	−3,235	54.5	4,484	1,217	1,183	3,301	34	1,399	261	1,138
9	−18	36	5,317	−5,370	89.8	5,869	552	552	5,317	.....	1,713	281	1,432
16	102	.....	5,018	−4,916	83.1	5,612	594	594	5,018	.....	2,219	211	2,008
23	−24	60	3,618	−3,701	62.8	4,629	1,012	1,012	3,618	.....	1,293	229	1,064
30	55	14	3,194	−3,154	51.6	4,385	1,190	1,106	3,279	85	1,283	193	1,091
July 7	430	21	5,414	−5,006	84.0	6,105	691	691	5,414	.....	1,684	357	1,327
14	1	78	5,881	−5,958	98.4	6,172	291	291	5,881	.....	1,884	272	1,612
21	68	.....	3,985	−3,917	65.5	4,873	888	695	4,178	193	1,665	378	1,287
28	−53	57	3,695	−3,805	64.3	4,513	819	819	3,695	.....	1,474	207	1,268
38 outside New York City													
1976—June 2	169	59	7,715	−7,605	86.8	14,365	6,650	3,917	10,448	2,734	1,123	1,030	93
9	−92	6	10,482	−10,581	121.6	14,852	4,369	3,459	11,393	910	2,017	1,203	813
16	149	.....	9,710	−9,561	107.6	15,459	5,749	3,574	11,885	2,175	1,442	861	582
23	−15	36	9,508	−9,559	106.9	14,744	5,236	3,518	11,226	1,718	754	713	42
30	134	4	7,038	−6,908	76.0	13,529	6,491	3,690	9,840	2,801	634	1,057	−423
July 7	122	.....	7,882	−7,760	86.6	14,532	6,650	3,977	10,555	2,673	764	640	124
14	17	57	11,060	−11,101	122.4	16,117	5,057	3,752	12,366	1,305	1,376	335	1,041
21	−8	9	9,706	−9,724	106.0	15,368	5,662	3,777	11,591	1,884	883	557	327
28	56	9	8,922	−8,875	98.2	14,425	5,503	3,409	11,016	2,094	785	1,120	−335
5 in City of Chicago													
1976—June 2	9	14	4,167	−4,172	277.5	4,943	775	775	4,167	.....	366	525	−159
9	−13	4	5,065	−5,081	333.7	5,622	557	557	5,064	.....	591	436	155
16	66	.....	5,156	−5,090	317.6	5,779	623	623	5,156	.....	585	470	115
23	−4	.....	4,935	−4,939	315.4	5,586	651	643	4,943	9	331	347	−16
30	32	.....	4,020	−3,988	248.0	4,962	942	918	4,045	24	170	445	−275
July 7	75	.....	4,711	−4,636	297.1	5,557	845	825	4,732	21	272	233	40
14	−17	57	5,935	−6,008	370.3	6,469	535	534	5,935	.....	368	33	335
21	20	.....	5,789	−5,769	350.0	6,541	753	753	5,789	.....	355	227	128
28	8	.....	5,411	−5,403	353.0	6,038	627	627	5,411	.....	304	501	−197
33 others													
1976—June 2	160	45	3,547	−3,433	47.3	9,422	5,875	3,141	6,281	2,734	757	505	252
9	−79	3	5,418	−5,500	76.6	9,230	3,812	2,902	6,329	910	1,426	767	659
16	82	.....	4,554	−4,472	61.4	9,680	5,127	2,951	6,729	2,175	857	390	467
23	−11	36	4,573	−4,620	62.6	9,157	4,584	2,875	6,282	1,709	423	365	57
30	102	4	3,018	−2,920	39.0	8,567	5,549	2,772	5,795	2,777	464	612	−148
July 7	48	.....	3,171	−3,123	42.2	8,976	5,805	3,152	5,823	2,652	492	408	84
14	33	.....	5,126	−5,092	68.4	9,648	4,522	3,217	6,431	1,305	1,008	301	707
21	−28	9	3,918	−3,955	52.6	8,827	4,909	3,025	5,802	1,884	529	330	199
28	48	9	3,511	−3,472	46.3	8,387	4,875	2,781	5,605	2,094	481	619	−138

[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. Beginning with week ending Jan. 7, 1976, adjusted to include waivers of penalties for reserve deficiencies in accordance with Board policy change effective Nov. 19, 1975.

[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. Revised data for Jan. 1976 may be obtained from the Public Information Office, Office of the Secretary, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

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CURRENT RATES

(Per cent per annum)

Federal Reserve Bank	Loans to member banks—									Loans to all others under last par. Sec. 13[4]		
	Under Secs. 13 and 13a[1]			Under Sec. 10(b)[2]								
				Regular rate			Special rate[3]					
	Rate on 7/31/76	Effective date	Previous rate	Rate on 7/31/76	Effective date	Previous rate	Rate on 7/31/76	Effective date[3]	Previous rate	Rate on 7/31/76	Effective date	Previous rate
Boston	5½	1/19/76	6	6	1/19/76	6½	6½	1/19/76	7	8½	1/19/76	9
New York	5½	1/19/76	6	6	1/19/76	6½	6½	1/19/76	7	8½	1/19/76	9
Philadelphia	5½	1/19/76	6	6	1/19/76	6½	6½	1/19/76	7	8½	1/19/76	9
Cleveland	5½	1/19/76	6	6	1/19/76	6½	6½	1/19/76	7	8½	1/19/76	9
Richmond	5½	1/19/76	6	6	1/19/76	6½	6½	1/19/76	7	8½	1/19/76	9
Atlanta	5½	1/19/76	6	6	1/19/76	6½	6½	1/19/76	7	8½	1/19/76	9
Chicago	5½	1/19/76	6	6	1/19/76	6½	6½	1/19/76	7	8½	1/19/76	9
St. Louis	5½	1/23/76	6	6	1/23/76	6½	6½	1/23/76	7	8½	1/23/76	9
Minneapolis	5½	1/19/76	6	6	1/19/76	6½	6½	1/19/76	7	8½	1/19/76	9
Kansas City	5½	1/19/76	6	6	1/19/76	6½	6½	1/19/76	7	8½	1/19/76	9
Dallas	5½	1/19/76	6	6	1/19/76	6½	6½	1/19/76	7	8½	1/19/76	9
San Francisco	5½	1/19/76	6	6	1/19/76	6½	6½	1/19/76	7	8½	1/19/76	9

[1] Discounts of eligible paper and advances secured by such paper or by U.S. Govt. obligations or any other obligations eligible for F.R. Bank purchase.

[2] Advances secured to the satisfaction of the F.R. Bank. Advances secured by mortgages on 1- to 4-family residential property are made at the Section 13 rate.

[3] Applicable to special advances described in Section 201.2(e)(2) of Regulation A.

[4] Advances to individuals, partnerships, or corporations other than member banks secured by direct obligations of, or obligations fully guaranteed as to principal and interest by, the U.S. Govt. or any agency thereof.

SUMMARY OF EARLIER CHANGES

(Per cent per annum)

Effective date	Range (or level)—All F.R. Banks	F.R. Bank of N.Y.
In effect Dec. 31, 1955	2½	2½
1956—Apr. 13	2½–3	2¾
20	2¾–3	2¾
Aug. 24	2¾–3	3
31	3	3
1957—Aug. 9	3 –3½	3
23	3½	3½
Nov. 15	3 –3½	3
Dec. 2	3	3
1958—Jan. 22	2¾–3	3
24	2¾–3	2¾
Mar. 7	2¼–3	2¼
13	2¼–2¾	2¼
21	2¼	2¼
Apr. 18	1¾–2¼	1¾
May 9	1¾	1¾
Aug. 15	1¾–2	1¾
Sept. 12	1¾–2	2
23	2	2
Oct. 24	2 –2½	2
Nov. 7	2½	2½
1959—Mar. 6	2½–3	3
16	3	3
May 29	3 –3½	3½
June 12	3½	3½
Sept. 11	3½–4	4
18	4	4
1960—June 3	3½–4	4
10	3½–4	3½
14	3½	3½
Aug. 12	3 –3½	3
Sept. 9	3	3
1963—July 17	3 –3½	3½
26	3½	3½
1964—Nov. 24	3½–4	4
30	4	4
1965—Dec. 6	4 –4½	4½
13	4½	4½
1967—Apr. 7	4 –4½	4
14	4	4
Nov. 20	4 –4½	4½
27	4½	4½
1968—Mar. 15	4½–5	4½
22	5	5
Apr. 19	5 –5½	5½
26	5½	5½
Aug. 16	5¼–5½	5½
30	5¼	5¼
Dec. 18	5¼–5½	5½
20	5½	5½
1969—Apr. 4	5½–6	6
8	6	6
1970—Nov. 11	5¾–6	6
13	5¾–6	5¾
16	5¾	5¾
Dec. 1	5½–5¾	5¾
4	5½–5¾	5½
11	5½	5½
1971—Jan. 8	5¼–5½	5¼
15	5¼	5¼
19	5 –5¼	5¼
22	5 –5¼	5
29	5	5
Feb. 13	4¾–5	5
19	4¾	4¾
July 16	4¾–5	5
23	5	5
1971—Nov. 11	4¾–5	5
19	4¾	4¾
Dec. 13	4½–4¾	4¾
17	4½–4¾	4½
24	4½	4½
1973—Jan. 15	5	5
Feb. 26	5 –5½	5½
Mar. 2	5½	5½
Apr. 23	5½–5¾	5½
May 4	5¾	5¾
11	5¾–6	6
18	6	6
June 11	6 –6½	6½
15	6½	6½
July 2	7	7
Aug. 14	7 –7½	7½
23	7½	7½
1974—Apr. 25	7½–8	8
30	8	8
Dec. 9	7¾–8	7¾
16	7¾	7¾
1975—Jan. 6	7¼–7¾	7¾
10	7¼–7¾	7¼
24	7¼	7¼
Feb. 5	6¾–7¼	6¾
7	6¾	6¾
Mar. 10	6¼–6¾	6¼
14	6¼	6¼
May 16	6 –6¼	6
23	6	6
1976—Jan. 19	5½–6	5½
23	5½	5½
In effect, July 31, 1976	5½	5½

NOTE.—Rates under Secs. 13 and 13a (as described in table and notes above). For data before 1956, see *Banking and Monetary Statistics*, 1943, pp. 439–42, and Supplement to Section 12, p. 31.

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RESERVE REQUIREMENTS ON DEPOSITS OF MEMBER BANKS

(Deposit intervals are in millions of dollars. Requirements are in per cent of deposits.)

Effective date [1]	Net demand [2]				Time [3] (all classes of banks)		
	Reserve city		Other		Savings	Other time	
	0–5	Over 5	0–5	Over 5		0–5	Over 5
In effect Jan. 1, 1963	16½		12		4		
1966—July 14, 21					4	4	5
Sept. 8, 15							6
1967—Mar. 2					3½	3½	
Mar. 16					3	3	
1968—Jan. 11, 18	16½	17	12	12½			
1969—Apr. 17	17	17½	12½	13			
1970—Oct. 1							5

Beginning Nov. 9, 1972

Effective date	Net demand [2,4]					Time [3]					
							Other time				
							0–5, maturing in—			Over 5 [5], maturing in—		
	0–2	2–10	10–100	100–400	Over 400	Savings	30–179 days	180 days to 4 years	4 years or more	30–179 days	180 days to 4 years	4 years or more
1972—Nov. 9	8	10	12	[6] 16½	17½	[7] 3	[7] 3			[7] 5		
Nov. 16				13								
1973—July 19		10½	12½	13½	18							
1974—Dec. 12					17½					6	3	
1975—Feb. 13	7½	10	12	13	16½							
Oct. 30							3		[8] 1		3	[8] 1
1976—Jan. 8							3	[8] 2½			[8] 2½	
In effect July 31, 1976	7½	10	12	13	16½	3	3	[8] 2½	[8] 1	6	[8] 2½	[8] 1

Present legal limits:	Minimum	Maximum
Net demand deposits, reserve city banks	10	22
Net demand deposits, other banks	7	14
Time deposits	3	10

[1] When two dates are shown, the first applies to the change at reserve city banks and the second to the change at country banks. For changes prior to 1963 see Board's *Annual Reports*.

[2] (a) Demand deposits subject to reserve requirements are gross demand deposits minus cash items in process of collection and demand balances due from domestic banks.

(b) Requirement schedules are graduated, and each deposit interval applies to that part of the deposits of each bank.

(c) Since Oct. 16, 1969, member banks have been required under Regulation M to maintain reserves against foreign branch deposits computed on the basis of net balances due from domestic offices to their foreign branches and against foreign branch loans to U.S. residents. Since June 21, 1973, loans aggregating $100,000 or less to any U.S. resident have been excluded from computations, as have total loans of a bank to U.S. residents if not exceeding $1 million. Regulation D imposes a similar reserve requirement on borrowings from foreign banks by domestic offices of a member bank. The reserve percentage applicable to each of these classifications is 4 per cent. The requirement was 10 per cent originally, was increased to 20 per cent on Jan. 7, 1971, was reduced to 8 per cent effective June 21, 1973, and was reduced to the current 4 per cent effective May 22, 1975. Initially certain base amounts were exempted in the computation of the requirements, but effective Mar. 14, 1974, the last of these reserve-free bases were eliminated. For details, see Regulations D and M.

[3] Effective Jan. 5, 1967, time deposits such as Christmas and vacation club accounts became subject to same requirements as savings deposits. Beginning Nov. 10, 1975, profitmaking businesses may maintain savings deposits of $150,000 or less at member banks. For details of 1975 action, see Regulations D and Q, and also BULLETINS for Oct. 1975, p. 708, and Nov. 1975, p. 769.

Notes 2(b) and 2(c) above are also relevant to time deposits.

[4] Effective Nov. 9, 1972, a new criterion was adopted to designate reserve cities, and on the same date requirements for reserves against net demand deposits of member banks were restructured to provide that each member bank will maintain reserves related to the size of its net demand deposits. The new reserve city designations are as follows: A bank having net demand deposits of more than $400 million is considered to have the character of business of a reserve city bank, and the presence of the head office of such a bank constitutes designation of that place as a reserve city. Cities in which there are F.R. Banks or branches are also reserve cities. Any banks having net demand deposits of $400 million or less are considered to have the character of business of banks outside of reserve cities and are permitted to maintain reserves at ratios set for banks not in reserve cities. For details, see Regulation D and appropriate supplements and amendments.

[5] A marginal reserve requirement was in effect between June 21, 1973, and Dec. 11, 1974, against increases in the aggregate of the following types of obligations: (a) outstanding time deposits of $100,000 or more, (b) outstanding funds obtained by the bank through issuance by a bank's affiliate of obligations subject to existing reserve requirements on time deposits, and (c) beginning July 12, 1973, funds from sales of finance bills. The requirement applied to balances above a specified base, but was not applicable to banks having obligations of these types aggregating less than $10 million. For details, including percentages and maturity classifications, see "Announcements" in BULLETINS for May, July, Sept., and Dec. 1973 and Sept. and Nov. 1974.

[6] The 16½ per cent requirement applied for one week, only to former reserve city banks. For other banks, the 13 per cent requirement was continued in this deposit interval.

[7] See columns above for earliest effective date of this rate.

[8] The average of reserves on savings and other time deposits must be at least 3 per cent, the minimum specified by law. For details, see Regulation D.

NOTE.—Required reserves must be held in the form of deposits with F.R. Banks or vault cash.

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MAXIMUM INTEREST RATES PAYABLE ON TIME AND SAVINGS DEPOSITS

(Per cent per annum)

Rates July 20, 1966—June 30, 1973

Type and size of deposit	Effective date: July 20, 1966	Sept. 26, 1966	Apr. 19, 1968	Jan. 21, 1970
Savings deposits	4	4	4	4½
Other time deposits:[1]				
Multiple maturity:[2]				
30–89 days	4	4	4	4½
90 days to 1 year	5	5	5	5
1–2 years				5½
2 years or more				5¾
Single-maturity:				
Less than $100,000:				
30 days to 1 year	5½	5	5	5
1–2 years				5½
2 years or more				5¾
$100,000 or more:				
30–59 days	5½	5½	5½	[3]
60–89 days			5¾	[3]
90–179 days			6	[3]
180 days to 1 year			6¼	[3]
1 year or more				[3]

Rates beginning July 1, 1973

Type and size of deposit	Effective date: July 1, 1973	Nov. 1, 1973	Nov. 27, 1974	Dec. 23, 1974
Savings deposits	5	5	5	5
Other time deposits (multiple- and single-maturity):[1, 2]				
Less than $100,000:				
30–89 days	5	5	5	5
90 days to 1 year	5½	5½	5½	5½
1–2½ years	6	6	6	6
2½ years or more	6½	6½	6½	6½
Minimum denomination of $1,000:[4]				
4–6 years	[5]	7¼	7¼	7¼
6 years or more				7½
Governmental units	[6]	[6]	7½	7¾
$100,000 or more	[3]	[3]	[3]	[3]

[1] For exceptions with respect to certain foreign time deposits, see BULLETIN for Feb. 1968, p. 167.

[2] Multiple-maturity time deposits include deposits that are automatically renewable at maturity without action by the depositor and deposits that are payable after written notice of withdrawal.

[3] Maximum rates on all single-maturity time deposits in denominations of $100,000 or more have been suspended. Rates that were effective Jan. 21, 1970, and the dates when they were suspended are:

30–59 days	6¼ per cent	June 24, 1970
60–89 days	6½ per cent	
90–179 days	6¾ per cent	
180 days to 1 year	7 per cent	May 16, 1973
1 year or more	7½ per cent	

Rates on multiple-maturity time deposits in denominations of $100,000 or more were suspended July 16, 1973, when the distinction between single- and multiple-maturing deposits was eliminated.

[4] Effective Dec. 4, 1975, the $1,000 minimum denomination does not apply to time deposits representing funds contributed to an Individual Retirement Account established pursuant to 26 U.S.C. (I.R.C. 1954) §408.

[5] Between July 1 and Oct. 31, 1973, there was no ceiling for certificates maturing in 4 years or more with minimum denominations of $1,000. The amount of such certificates that a bank could issue was limited to 5 per cent of its total time and savings deposits. Sales in excess of that amount were subject to the 6½ per cent ceiling that applies to time deposits maturing in 2½ years or more.

Effective Nov. 1, 1973, a ceiling rate of 7¼ per cent was imposed on certificates maturing in 4 years or more with minimum denominations of $1,000. There is no limitation on the amount of these certificates that banks may issue.

[6] Prior to Nov. 27, 1974, no distinction was made between the time deposits of governmental units and of other holders, insofar as Regulation Q ceilings on rates payable were concerned. Effective Nov. 27, 1974, governmental units were permitted to hold savings deposits and could receive interest rates on time deposits with denominations under $100,000, irrespective of maturity, as high as the maximum rate permitted on such deposits at any Federally insured depositary institution.

NOTE.—Maximum rates that may be paid by member banks are established by the Board of Governors under provisions of Regulation Q; however, a member bank may not pay a rate in excess of the maximum rate payable by State banks or trust companies on like deposits under the laws of the State in which the member bank is located. Beginning Feb. 1, 1936, maximum rates that may be paid by nonmember insured commercial banks, as established by the FDIC, have been the same as those in effect for member banks.

For previous changes, see earlier issues of the BULLETIN.

MARGIN REQUIREMENTS

(Per cent of market value)

Period: Beginning date	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
1971—Dec. 6	1972—Nov. 22		55			50		55
1972—Nov. 24	1974—Jan. 2		65			50		65
Effective Jan. 3, 1974			50			50		50

NOTE.—Regulations G, T, and U, prescribed in accordance with the Securities Exchange Act of 1934, limit the amount of credit to purchase and carry margin stocks that may be extended on securities as collateral by prescribing a maximum loan value, which is a specified percentage of the market value of the collateral at the time the credit is extended; margin requirements are the difference between the market value (100 per cent) and the maximum loan value. The term margin stocks is defined in the corresponding regulation.

Regulation G and special margin requirements for bonds convertible into stocks were adopted by the Board of Governors effective Mar. 11, 1968.

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TRANSACTIONS OF THE SYSTEM OPEN MARKET ACCOUNT

(In millions of dollars)

Period	Outright transactions in U.S. Govt. securities, by maturity (excluding matched sale–purchase transactions)														
	Treasury bills[1]			Others within 1 year[2]			1–5 years			5–10 years			Over 10 years		
	Gross purchases	Gross sales	Redemptions	Gross purchases	Gross sales	Exch., maturity shifts, or redemptions	Gross purchases	Gross sales	Exch. or maturity shifts	Gross purchases	Gross sales	Exch. or maturity shifts	Gross purchases	Gross sales	Exch. or maturity shifts
1970	11,074	5,214	2,160	99	.....	−3,483	848	.....	5,430	249	.....	−1,845	93	.....	−102
1971	8,896	3,642	1,064	1,036	.....	−6,462	1,338	.....	4,672	933	.....	685	311	.....	150
1972	8,522	6,467	2,545	125	.....	2,933	789	.....	−1,405	539	.....	−2,094	167	.....	250
1973	15,517	4,880	3,405	1,396	.....	−140	579	.....	−2,028	500	.....	895	129	.....	87
1974	11,660	5,830	4,550	450	.....	−1,314	797	.....	−697	434	.....	1,675	196	.....	205
1975	11,562	5,599	6,431	3,886	.....	−3,553	2,863	.....	4,275	1,510	.....	−4,697	1,070	.....	848
1975—June	421	161	612	20	.....	691	488	.....	−529	180	.....	.....	109	.....	.....
July	.....	1,505	800	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Aug	312	282	400	2,002	.....	−2,144	150	.....	1,299	64	.....	−1,444	47	.....	300
Sept	2,118	.....	200	.....	.....	278	562	.....	−278	137	.....	.....	124	.....	.....
Oct	1,263	766	400	.....	.....	48	.....	.....	−48	.....	.....	.....	.....	.....	.....
Nov	983	652	919	43	.....	−265	267	.....	−135	155	.....	300	244	.....	100
Dec	1,984	.....	200	31	.....	28	118	.....	−28	78	.....	.....	71	.....	.....
1976—Jan	243	1,239	600	37	.....	.....	110	.....	.....	100	.....	.....	73	.....	.....
Feb	1,664	.....	389	40	.....	−1,153	177	.....	174	63	.....	968	59	.....	200
Mar	1,069	511	600	38	.....	349	185	107	−349	63	.....	.....	24	.....	.....
Apr	2,869	1,355	1,000	27	.....	72	249	70	−72	51	.....	.....	38	.....	.....
May	1,335	1,224	403	.....	.....	2,602	.....	.....	−3,105	.....	.....	418	.....	.....	85
June	2,719	524	350	83	.....	−449	617	.....	449	195	.....	.....	96	.....	.....

Period	Total outright[1]			Matched sale–purchase transactions (U.S. Govt. securities)		Repurchase agreements (U.S. Govt. securities)		Net change in U.S. Govt. securities	Federal agency obligations			Bankers acceptances, net		Net change[3]
									Outright		Repurchase agreements, net			
	Gross purchases	Gross sales	Redemptions	Gross sales	Gross purchases	Gross purchases	Gross sales		Gross purchases	Sales or redemptions		Outright	Repurchase agreements	
1970	12,362	5,214	2,160	12,177	12,177	33,859	33,859	4,988	.....	.....	.....	−6	.....	4,982
1971	12,515	3,642	2,019	16,205	16,205	44,741	43,519	8,076	485	.....	101	22	181	8,866
1972	10,142	6,467	2,862	23,319	23,319	31,103	32,228	−312	1,197	370	−88	−9	−145	272
1973	18,121	4,880	4,592	45,780	45,780	74,755	74,795	8,610	865	239	29	−2	−36	9,227
1974	13,537	5,830	4,682	64,229	62,801	71,333	70,947	1,984	3,087	322	469	511	420	6,149
1975	20,892	5,599	9,559	151,205	152,132	140,311	139,538	7,434	1,616	246	−392	163	−35	8,539
1975—June	1,217	161	450	12,914	13,026	15,219	16,810	−873	.....	6	−255	−62	−121	−1,317
July	.....	1,505	800	15,532	15,139	5,977	6,146	−2,866	.....	2	−61	3	.....	−2,926
Aug	2,574	282	2,389	14,234	13,730	8,146	6,881	663	353	40	90	−1	156	1,222
Sept	2,940	.....	200	19,931	19,835	16,664	14,857	4,451	394	1	203	14	94	5,155
Oct	1,263	766	400	15,886	16,113	13,699	13,838	186	284	.....	−124	49	50	445
Nov	1,693	652	919	14,442	15,207	14,342	17,275	−2,047	.....	1	−169	−21	−300	−2,537
Dec	2,281	.....	200	10,559	10,058	8,464	7,247	2,797	.....	.....	118	15	385	3,315
1976—Jan	563	1,239	600	11,407	11,503	18,135	14,919	2,037	239	.....	187	5	98	2,567
Feb	2,003	.....	200	7,551	7,957	17,753	20,943	−982	297	1	−236	−70	−109	−1,101
Mar	1,380	618	600	12,697	12,082	16,000	14,783	763	.....	.....	217	−138	−31	812
Apr	3,233	1,425	1,000	15,138	14,899	17,456	15,963	2,061	.....	.....	−155	−50	162	2,019
May	1,335	1,224	403	12,417	12,355	20,355	21,203	−1,202	240	20	22	−51	−69	−1,080
June	3,709	524	350	20,973	21,205	14,409	13,643	3,834	.....	−22	123	−78	229	4,086

[1] Before Nov. 1973 BULLETIN, included matched sale–purchase transactions, which are now shown separately.

[2] Includes special certificates acquired when the Treasury borrows directly from the Federal Reserve, as follows (millions of dollars): June 1971, 955; Sept. 1972, 38; Aug. 1973, 351; Sept. 1973, 836; Nov. 1974, 131; Mar. 1975, 1,560; Aug. 1975, 1,989.

[3] Net change in U.S. Govt. securities, Federal agency obligations, and bankers acceptances.

NOTE.—Sales, redemptions, and negative figures reduce System holdings; all other figures increase such holdings. Details may not add to totals because of rounding.

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CONSOLIDATED STATEMENT OF CONDITION OF ALL FEDERAL RESERVE BANKS

(In millions of dollars)

Item	Wednesday					End of month		
	1976					1976		1975
	July 28	July 21	July 14	July 7	June 30	July 31	June 30	July 31
Assets								
Gold certificate account	11,598	11,598	11,598	11,598	11,598	11,598	11,598	11,620
Special Drawing Rights certificate account	700	700	700	700	700	700	700	500
Cash	347	347	320	336	339	361	339	338
Loans:								
Member bank borrowings	677	129	1,013	71	314	46	314	177
Other								
Acceptances:								
Bought outright	333	340	343	351	361	330	361	685
Held under repurchase agreements	117			209	666	326	666	
Federal agency obligations:								
Bought outright	6,805	6,805	6,805	6,805	6,805	6,805	6,805	5,083
Held under repurchase agreements	140				277	46	277	
U.S. Govt. securities:								
Bought outright:								
Bills	36,596	37,635	38,158	38,334	38,729	36,665	38,729	34,475
Certificates—Special								
Other								
Notes	45,749	45,749	45,749	45,749	45,749	45,749	45,749	42,886
Bonds	6,097	6,097	6,097	6,097	6,097	6,097	6,097	4,522
Total bought outright[1]	88,442	89,481	90,004	90,180	90,575	88,511	90,575	81,883
Held under repurchase agreements	2,738			1,401	3,871	2,162	3,871	
Total U.S. Govt. securities	91,180	89,481	90,004	91,581	94,446	90,673	94,446	81,883
Total loans and securities	99,252	96,755	98,165	99,017	102,869	98,226	102,869	87,828
Cash items in process of collection	p7,828	p9,156	9,533	9,609	9,044	p6,116	9,044	5,922
Bank premises	348	347	345	345	346	347	346	300
Operating equipment	18	18	18	18	18	18	18	2
Other assets:								
Denominated in foreign currencies	663	1,155	1,165	1,182	1,165	664	1,165	1
All other	2,912	2,891	2,872	2,993	2,704	2,917	2,704	2,893
Total assets	p123,666	p122,967	124,716	125,798	128,783	p120,947	128,783	109,404
Liabilities								
F.R. notes	79,409	79,646	80,242	80,201	79,124	79,161	79,124	72,392
Deposits:								
Member bank reserves	p28,018	p27,882	27,593	27,354	27,460	p24,313	27,460	25,740
U.S. Treasury—General account	6,320	5,042	6,987	7,478	11,972	8,739	11,972	2,675
Foreign	227	277	234	260	349	295	349	369
Other:								
All other [2]	1,134	1,142	743	800	847	953	847	686
Total deposits	p35,699	p34,343	35,557	35,892	40,628	p34,300	40,628	29,470
Deferred availability cash items	5,035	5,669	5,671	6,571	5,467	3,961	5,467	4,188
Other liabilities and accrued dividends	1,149	1,044	1,098	1,100	1,159	1,103	1,159	1,068
Total liabilities	p121,292	p120,702	122,568	123,764	126,378	p118,525	126,378	107,118
Capital accounts								
Capital paid in	960	960	959	959	959	959	959	911
Surplus	929	929	929	929	929	929	929	897
Other capital accounts	485	376	260	146	517	534	517	478
Total liabilities and capital accounts	p123,666	p122,967	124,716	125,798	128,783	p120,947	128,783	109,404
Marketable U.S. Govt. securities held in custody for foreign and international accounts	46,408	46,494	44,845	44,806	45,187	46,648	45,187	42,124
Federal Reserve Notes—Federal Reserve Agents' Accounts								
F.R. notes outstanding (issued to Bank)	84,984	84,920	84,619	84,263	83,987	85,165	83,987	78,070
Collateral held against notes outstanding:								
Gold certificate account	11,596	11,596	11,595	11,596	11,596	11,596	11,596	11,596
Special Drawing Rights certificate account	394	384	384	384	365	394	365	302
Acceptances								
U.S. Govt. securities	74,630	74,380	74,105	73,710	73,710	74,630	73,710	69,030
Total collateral	86,620	86,360	86,084	85,690	85,671	86,620	85,671	80,928

[1] See note 2 on p. A-2.
[2] See note 4 on p. A-2.

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MATURITY DISTRIBUTION OF LOANS AND U.S. GOVERNMENT SECURITIES HELD BY FEDERAL RESERVE BANKS

(In millions of dollars)

Item	Wednesday					End of month		
	1976					1976		1975
	July 28	July 21	July 14	July 7	June 30	July 31	June 30	July 31
Loans—Total	677	129	1,012	70	316	46	316	178
Within 15 days	677	126	1,004	61	311	38	311	162
16–90 days	.....	3	8	9	5	8	5	16
91 days to 1 year	.....	.....	.....	.....	.....	.....	.....	.....
Acceptances—Total	450	340	343	560	1,027	656	1,027	685
Within 15 days	164	33	11	236	699	386	699	99
16–90 days	216	230	225	213	200	206	200	403
91 days to 1 year	70	77	107	111	128	64	128	183
U.S. Govt. securities—Total	91,180	89,481	90,004	91,581	94,446	90,673	94,446	81,883
Within 15 days[1]	6,133	4,655	4,789	4,898	7,569	4,405	7,569	5,294
16–90 days	18,439	18,722	17,681	18,814	18,650	19,837	18,650	15,760
91 days to 1 year	25,137	24,633	26,063	26,398	26,756	24,960	26,756	22,130
1–5 years	28,531	28,531	28,531	28,531	28,531	28,531	28,531	28,366
5–10 years	8,283	8,283	8,283	8,283	8,283	8,283	8,283	7,137
Over 10 years	4,657	4,657	4,657	4,657	4,657	4,657	4,657	3,196
Federal agency obligations—Total	6,945	6,805	6,805	6,805	7,082	6,851	7,082	5,083
Within 15 days[1]	182	43	29	29	303	88	303	27
16–90 days	309	267	310	310	307	309	307	276
91 days to 1 year	919	960	908	908	914	919	914	531
1–5 years	3,374	3,374	3,374	3,374	3,374	3,374	3,374	2,544
5–10 years	1,468	1,468	1,491	1,491	1,491	1,468	1,491	1,187
Over 10 years	693	693	693	693	693	693	693	518

[1] Holdings under repurchase agreements are classified as maturing within 15 days in accordance with maximum maturity of the agreements.

BANK DEBITS AND DEPOSIT TURNOVER

(Seasonally adjusted annual rates)

Period	Debits to demand deposit accounts[1] (billions of dollars)					Turnover of demand deposits				
	Total 233 SMSA's	Leading SMSA's		Total 232 SMSA's (excl. N.Y.)	226 other SMSA's	Total 233 SMSA's	Leading SMSA's		Total 232 SMSA's (excl. N.Y.)	226 other SMSA's
		N.Y.	6 others[2]				N.Y.	6 others[2]		
1975—June	22,503.5	10,612.2	4,756.7	11,891.3	7,134.6	124.4	328.6	114.2	80.0	66.7
July	22,827.9	10,709.5	4,841.1	12,118.3	7,277.2	126.2	331.0	115.7	81.6	68.2
Aug.	23,269.4	10,628.8	5,125.1	12,640.5	7,515.4	130.4	335.0	124.4	86.2	71.2
Sept.	23,181.9	10,585.0	5,153.0	12,596.9	7,443.8	128.8	330.7	123.8	85.1	70.0
Oct.	24,137.1	11,801.5	4,921.3	12,335.6	7,414.3	134.0	364.0	118.7	83.5	69.8
Nov.	24,067.7	11,529.9	4,937.3	12,537.8	7,600.5	134.0	360.8	119.5	84.9	71.5
Dec.	23,565.1	10,970.9	4,932.5	12,594.2	7,661.8	131.0	351.8	118.4	84.7	71.6
1976—Jan.	23,845.0	11,517.7	4,789.0	12,327.3	7,538.3	132.4	366.0	115.4	82.9	70.3
Feb.	r25,528.4	12,212.0	r5,324.6	r13,316.4	7,991.8	140.9	375.4	r128.1	89.6	74.6
Mar.	r26,474.4	12,629.6	r5,560.9	r13,844.8	8,283.9	144.6	377.5	131.4	92.5	77.2
Apr.	r25,792.8	12,482.8	r5,302.4	r13,310.0	r8,007.7	140.3	374.9	r124.6	r88.4	r74.2
May	r25,490.9	12,179.0	r5,327.1	r13,311.9	r7,984.7	139.3	380.2	126.9	88.2	73.3
June	26,636.6	12,844.3	5,566.9	13,792.4	8,225.5	145.1	400.8	132.0	91.0	75.2

[1] Excludes interbank and U.S. Govt. demand deposit accounts.
[2] Boston, Philadelphia, Chicago, Detroit, San Francisco–Oakland, and Los Angeles–Long Beach.

NOTE.—Total SMSA's include some cities and counties not designated as SMSA's.

For back data see pp. 634–35 of the July 1972 BULLETIN.

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MEASURES OF THE MONEY STOCK

(In billions of dollars)

Period	Seasonally adjusted					Not seasonally adjusted				
	M_1	M_2	M_3	M_4	M_5	M_1	M_2	M_3	M_4	M_5
	Composition of measures is described in the NOTE below.									
1973—Dec.	270.5	571.4	919.5	634.9	982.9	278.3	576.5	921.8	640.5	985.8
1974—Dec.	283.1	612.4	981.6	702.2	1,071.4	291.3	617.5	983.8	708.0	1,074.3
1975—June	291.0	642.4	1,040.2	726.5	1,124.3	290.3	643.5	1,044.5	725.8	1,126.8
July	291.9	647.5	1,051.6	729.6	1,133.7	292.1	647.8	1,055.0	729.1	1,136.3
Aug.	293.2	650.6	1,060.6	729.3	1,139.3	290.0	647.2	1,057.1	728.4	1,138.3
Sept.	293.6	652.9	1,068.1	731.9	1,147.1	291.7	649.5	1,062.8	732.2	1,145.5
Oct.	293.4	655.8	1,075.8	736.7	1,156.6	292.3	653.2	1,070.4	736.9	1,154.1
Nov.	295.6	662.1	1,086.5	743.9	1,168.3	297.4	660.2	1,080.6	743.0	1,163.5
Dec.	294.8	664.3	1,092.9	747.2	1,175.8	303.2	669.3	1,094.6	752.8	1,178.1
1976—Jan.	295.1	670.2	1,103.7	749.4	1,182.9	301.0	675.3	1,107.1	753.7	1,185.6
Feb.	296.5	678.5	1,117.2	753.8	1,192.6	292.9	675.3	1,113.3	748.4	1,186.3
Mar.	298.0	683.4	1,127.3	756.5	1,200.5	295.2	683.3	1,129.0	755.1	1,200.8
Apr.	301.7	691.9	1,141.1	763.4	1,212.5	303.3	696.7	1,149.2	766.1	1,218.6
May	303.3	697.2	1,151.2	765.4	1,219.4	298.4	695.6	r1,152.0	763.0	1,219.4
June	303.0	700.2	1,158.5	770.8	1,229.2	302.2	701.5	1,163.5	770.7	1,232.6

NOTE.—Composition of the money stock measures is as follows:

M_1: Averages of daily figures for (1) demand deposits of commercial banks other than domestic interbank and U.S. Govt., less cash items in process of collection and F.R. float; (2) foreign demand balances at F.R. Banks; and (3) currency outside the Treasury, F.R. Banks, and vaults of commercial banks.

M_2: Averages of daily figures for M_1 plus savings deposits, time deposits open account, and time certificates of deposit other than negotiable CD's of $100,000 of large weekly reporting banks.

M_3: M_2 plus the average of the beginning and end-of-month deposits of mutual savings banks, savings and loan shares, and credit union shares (nonbank thrift).

M_4: M_2 plus large negotiable CD's.

M_5: M_3 plus large negotiable CD's.

For a description of the latest revisions in M_1, M_2, M_3, M_4, and M_5, see "Revision of Money Stock Measures" on pp. 82–87 of the Feb. 1976 BULLETIN. Beginning Oct. 1975, money stock measures and related data have been revised to incorporate benchmark data from the Dec. 31, 1975, call report.

Latest monthly and weekly figures are available from the Board's H.6 release. Back data are available from the Banking Section, Division of Research and Statistics.

COMPONENTS OF MONEY STOCK MEASURES AND RELATED ITEMS

(In billions of dollars)

Period	Seasonally adjusted						Not seasonally adjusted							
	Currency	Commercial banks				Nonbank thrift institutions[2]	Currency	Commercial banks					Nonbank thrift institutions[2]	U.S. Govt. deposits[3]
		Demand deposits	Time and savings deposits					Demand deposits			Time and savings deposits			
			CD's[1]	Other	Total			Member	Domestic nonmember	Total	CD's[1]	Other	Total	
1973—Dec.	61.5	209.0	63.5	300.9	364.4	348.0	62.7	156.5	56.3	215.7	64.0	298.2	362.2	345.3	6.3
1974—Dec.	67.8	215.3	89.8	329.3	419.1	369.2	69.0	159.7	58.5	222.2	90.5	326.3	416.7	366.3	4.9
1975—June	71.0	220.0	84.1	351.4	435.5	397.8	71.2	157.2	58.9	219.1	82.3	353.2	435.5	401.0	4.2
July	71.3	220.6	82.1	355.5	437.6	404.1	71.9	157.9	59.4	220.3	81.3	355.7	436.9	407.2	3.4
Aug.	71.9	221.3	78.8	357.4	436.2	410.0	72.1	155.8	59.0	217.8	81.1	357.3	438.4	409.9	2.7
Sept.	72.0	221.6	79.1	359.2	438.3	415.2	71.9	157.0	59.7	219.9	82.7	357.7	440.4	413.3	3.9
Oct.	72.6	220.8	80.9	362.4	443.3	420.0	72.5	156.6	60.3	219.9	83.7	360.8	444.5	417.2	3.4
Nov.	73.4	222.1	81.8	366.5	448.3	424.4	73.9	159.0	61.4	223.5	82.9	362.8	445.6	420.4	3.5
Dec.	73.7	221.0	82.9	369.6	452.4	428.6	75.1	162.1	62.6	228.1	83.5	366.2	449.6	425.3	4.1
1976—Jan.	74.2	220.8	79.2	375.2	454.4	433.5	73.8	162.0	62.1	227.2	78.5	374.3	452.8	431.9	3.8
Feb.	75.1	221.5	75.4	381.9	457.3	438.8	74.1	155.7	59.9	218.8	73.0	382.5	455.5	438.0	4.5
Mar.	75.7	222.3	73.2	385.4	458.5	444.0	75.1	156.8	60.2	220.1	71.8	388.1	459.9	445.7	3.9
Apr.	76.7	225.0	71.4	390.2	461.6	449.2	76.3	161.7	62.3	227.0	69.4	393.4	462.8	452.5	3.8
May	77.4	226.0	68.2	393.9	462.0	454.0	77.2	157.1	61.0	221.2	67.4	397.2	464.6	r456.4	3.7
June	77.6	225.3	70.6	397.2	467.9	458.3	77.8	159.0	62.3	224.4	69.1	399.3	468.4	461.9	4.7

[1] Negotiable time certificates of deposit issued in denominations of $100,000 or more by large weekly reporting commercial banks.

[2] Average of the beginning and end-of-month figures for deposits of mutual savings banks, for savings capital at savings and loan associations, and for credit union shares.

[3] At all commercial banks.

See also NOTE above.

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Federal Reserve Bank of St. Louis

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.					
	Total	Non-borrowed	Required	Available[2]	Total	Time and savings	Demand		Total	Time and savings	Demand		S.A.	N.S.A.
							Private	U.S. Govt.			Private	U.S. Govt.		
1973—Dec.	34.98	33.69	34.68	32.78	442.8	279.7	158.1	5.0	447.5	278.5	164.0	5.0	449.4	454.0
1974—Dec.[1]	36.63	35.90	36.37	34.42	486.9	322.9	160.6	3.4	491.8	321.7	166.6	3.5	495.3	500.1
1975—June	35.07	34.85	34.87	32.90	499.5	330.5	165.8	3.2	497.5	330.2	164.2	3.1	506.5	504.5
July	34.98	34.68	34.79	32.89	498.3	330.8	164.9	2.6	497.2	330.2	164.5	2.5	505.1	504.0
Aug.	34.88	34.67	34.69	32.77	496.3	328.4	165.1	2.8	494.8	330.5	162.3	2.0	503.3	501.8
Sept.	34.99	34.59	34.80	32.77	498.4	329.8	165.6	3.0	499.1	332.2	164.0	2.9	505.5	506.1
Oct.[1]	34.79	34.60	34.58	32.61	500.1	333.1	164.0	3.0	500.4	334.7	163.3	2.5	508.0	508.3
Nov.	34.73	34.67	34.44	32.43	505.9	336.1	165.9	3.9	503.6	334.3	166.7	2.6	514.1	511.9
Dec.	34.75	34.62	34.49	32.44	506.0	338.7	164.4	3.0	510.9	337.2	170.7	3.1	514.4	519.3
1976—Jan.[1]	34.32	34.24	34.08	32.17	506.2	338.9	164.7	2.6	511.1	337.9	170.3	2.9	514.1	519.0
Feb.	34.05	33.97	33.83	31.85	507.6	339.5	165.5	2.6	504.2	337.5	163.4	3.4	515.6	512.2
Mar.	34.00	33.95	33.78	31.75	507.8	339.4	165.8	2.5	506.4	339.6	163.9	2.9	516.0	514.7
Apr.	34.02	33.98	33.87	31.87	509.8	340.2	167.2	2.5	511.9	340.2	168.8	2.9	517.3	519.4
May	34.14	34.02	33.93	31.95	507.8	338.3	r167.2	2.3	506.0	339.9	163.4	2.8	515.3	513.6
June	34.34	34.21	34.12	32.01	513.9	342.3	167.9	3.7	512.7	342.5	166.7	3.6	522.3	521.2

[1] Averages of daily figures. Member bank reserve series reflect actual reserve requirement percentages with no adjustment to eliminate the effect of changes in Regulations D and M. There are breaks in series because of changes in reserve requirements effective Dec. 12, 1974, Feb. 13, May 22, and Oct. 30, 1975, and Jan. 8, 1976. In addition, effective Jan. 1, 1976, statewide branching in New York was instituted. The subsequent merger of a number of banks raised required reserves because of higher reserve requirements on aggregate deposits at these banks.

[2] 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.

[4] "Total member bank deposits" subject to reserve requirements, plus Euro-dollar borrowings, loans sold to bank-related institutions, and certain other nondeposit items. This series for deposits is referred to as "the adjusted bank credit proxy."

NOTE.—Back data and estimates of the impact of required reserve changes may be obtained from the Banking Section, Division of Research and Statistics, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

LOANS AND INVESTMENTS AT ALL COMMERCIAL BANKS

(In billions of dollars)

	Seasonally adjusted							Not seasonally adjusted						
	Total loans and investments[1]	Loans				Securities		Total loans and investments[1]	Loans				Securities	
		Total[1]	Plus loans sold[2]	Commercial and industrial[3]		U.S. Treasury	Other[4]		Total[1]	Plus loans sold[2]	Commercial and industrial[3]		U.S. Treasury	Other[4]
				Total	Plus loans sold[2]						Total	Plus loans sold[2]		
1971—Dec. 31	485.7	320.9	323.7	116.1	117.7	60.6	104.2	497.9	328.3	331.1	118.5	120.2	64.9	104.7
1972—Dec. 31	558.0	378.9	381.5	130.2	131.9	62.6	116.5	571.4	387.3	389.9	132.7	134.4	67.0	117.1
1973—Dec. 31	633.4	449.0	453.3	156.4	159.0	54.5	129.9	647.3	458.5	462.8	159.4	162.0	58.3	130.6
1974—Dec. 31[5]	690.4	500.2	505.0	183.3	186.0	50.4	139.8	705.6	510.7	515.5	186.8	189.6	54.5	140.5
1975—Aug. 27	709.3	490.2	494.7	176.5	179.3	75.0	144.1	706.1	490.3	494.8	175.3	178.1	72.0	143.8
Sept. 24	712.7	491.5	496.0	175.4	178.2	76.7	144.5	712.5	492.8	497.3	175.8	178.6	75.4	144.3
Oct. 29	716.3	495.0	499.7	176.3	179.2	76.0	145.3	714.6	493.7	498.4	175.3	178.2	75.9	144.9
Nov. 26	722.2	498.5	503.2	177.1	179.9	76.8	146.9	722.4	497.6	502.3	176.5	179.3	79.4	145.4
Dec. 31	721.1	496.9	501.3	176.0	178.5	79.4	144.8	737.0	507.4	511.8	179.3	181.8	84.1	145.5
1976—Jan. 28	723.3	497.3	501.6	176.6	179.1	81.0	145.0	721.4	492.6	496.9	174.4	176.9	84.8	144.0
Feb. 25	726.7	497.8	502.3	175.1	177.8	84.4	144.5	720.8	491.9	496.4	173.5	176.2	85.4	143.6
Mar. 31	731.2	499.7	503.9	171.4	174.0	88.2	143.3	729.6	496.9	501.1	171.3	173.9	89.3	143.5
Apr. 28	734.5	500.5	504.7	170.5	173.1	90.0	144.0	732.1	496.7	500.9	170.6	173.2	90.2	145.2
May 26	737.6	500.6	505.0	170.7	173.4	93.0	144.0	735.1	500.0	504.4	170.8	173.5	90.5	144.6
June 30	738.8	500.7	505.2	170.2	173.0	94.0	144.1	743.3	507.2	511.7	172.4	175.2	90.8	145.3
July 28[p]	743.1	504.7	509.2	171.0	173.8	92.7	145.7	740.3	505.2	509.7	170.7	173.5	89.5	145.6

[1] Adjusted to exclude domestic commercial interbank loans.

[2] Loans sold are those sold outright to banks' own foreign branches, nonconsolidated nonbank affiliates of the bank, the banks' holding company (if not a bank), and nonconsolidated nonbank subsidiaries of the holding company. Prior to Aug. 28, 1974, the institutions included had been defined somewhat differently, and the reporting panel of banks was also different. On the new basis, both "Total loans" and "Commercial and industrial loans" were reduced by about $100 million.

[3] Reclassification of loans at one large bank reduced these loans by about $400 million as of June 30, 1972 and by about $1.2 billion as of March 31, 1976.

[4] Farmers Home Administration insured notes included in "Other securities" rather than in loans beginning June 30, 1971, when such notes totaled about $700 million.

[5] Data beginning June 30, 1974, include one large mutual savings bank that merged with a nonmember commercial bank. As of that date there were increases of about $500 million in loans, $100 million in "Other securities," and $600 million in "Total loans and investments."

As of Oct. 31, 1974, "Total loans and investments" of all commercial banks were reduced by $1.5 billion in connection with the liquidation of one large bank. Reductions in other items were: "Total loans," $1.0 billion (of which $0.6 billion was in "Commercial and industrial loans"), and "Other securities," $0.5 billion. In late November "Commercial and industrial loans" were increased by $0.1 billion as a result of loan reclassifications at another large bank.

NOTE.—*Total loans and investments:* Back data for 1959–75 available from Banking Section, Division of Research and Statistics; for 1948–58, See. Aug. 1968 BULLETIN, pp. A–94—A–97. For description of seasonally adjusted series for total loans and investments, see Dec. 1971 BULLETIN, pp. 971–73 and for commercial and industrial loans, see July 1972 BULLETIN, p. 683. Data are for last Wed. of month except for June 30 and Dec. 31; data are partly or wholly estimated except when June 30 and Dec. 31 are call dates.

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PRINCIPAL ASSETS AND LIABILITIES AND NUMBER, BY CLASS OF BANK

(Amounts in millions of dollars)

Classification by FRS membership and FDIC insurance	Loans and investments				Cash assets[3]	Total assets—Total liabilities and capital accounts[4]	Deposits						Borrowings	Total capital accounts[6]	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				
Last-Wednesday-of-month series[7]															
All commercial banks:															
1941—Dec. 31	50,746	21,714	21,808	7,225	26,551	79,104	71,283	10,982		44,349		15,952	23	7,173	14,278
1947—Dec. 31[8]	116,284	38,057	69,221	9,006	37,502	155,377	144,103	12,792	240	1,343	94,367	35,360	65	10,059	14,181
1960—Dec. 31	199,509	117,642	61,003	20,864	52,150	257,552	229,843	17,079	1,799	5,945	133,379	71,641	163	20,986	13,472
1970—Dec. 31[9]	461,194	313,334	61,742	86,118	93,643	576,242	480,940	30,608	1,975	7,938	209,335	231,084	19,375	42,958	13,686
1971—Dec. 31	516,564	346,930	64,930	104,704	99,832	640,255	537,946	32,205	2,908	10,169	220,375	272,289	25,912	47,211	13,783
1972—Dec. 31	598,808	414,696	67,028	117,084	113,128	739,033	616,037	33,854	4,194	10,875	252,223	314,891	38,083	52,658	13,927
1973—Dec. 31	683,799	494,947	58,277	130,574	118,276	835,224	681,847	36,839	6,773	9,865	263,367	365,002	58,994	58,128	14,171
1974—Dec. 31	744,107	549,183	54,451	140,473	128,042	919,552	747,903	43,483	11,496	4,807	267,506	420,611	58,369	63,650	14,465
1975—July 30	738,060	525,250	69,400	143,410	106,840	899,590	723,730	33,180	10,830	2,220	243,000	434,500	61,870	66,080	14,583
Aug. 27	741,630	525,780	72,020	143,830	104,750	900,870	724,650	31,540	10,570	2,830	242,590	437,120	59,920	66,620	14,595
Sept. 24	743,970	524,270	75,360	144,340	106,220	906,410	726,840	31,330	10,990	3,180	240,570	440,770	61,030	66,980	14,612
Oct. 29	747,250	526,420	75,940	144,890	110,670	915,890	736,870	31,900	11,210	2,650	247,590	443,520	60,640	67,550	14,628
Nov. 26	757,450	532,660	79,400	145,390	123,150	939,310	753,000	34,560	11,160	3,530	257,640	446,110	66,780	68,000	14,624
Dec. 31	775,794	546,172	84,119	145,503	133,614	964,918	786,252	41,811	12,020	3,114	278,692	450,615	60,224	69,125	14,633
1976—Jan. 28[p]	756,630	527,820	84,770	144,040	112,720	927,140	743,140	32,110	11,540	3,790	245,600	450,100	67,250	68,870	14,611
Feb. 28[p]	757,540	528,560	85,420	143,560	111,470	928,540	741,230	31,560	11,370	4,010	242,810	451,480	68,490	69,110	14,624
Mar. 31[p10]	767,260	534,530	89,260	143,470	120,870	934,440	766,680	37,510	11,860	2,430	256,930	457,950	63,420	70,070	14,628
Apr. 28[p]	765,550	530,170	90,180	145,200	113,210	926,370	753,150	32,280	10,990	4,120	250,200	455,560	68,480	70,610	14,632
May 26[p]	767,070	531,990	90,470	144,610	111,740	928,140	755,010	33,620	10,530	3,660	247,630	459,570	66,170	71,400	14,637
June 30[p]	779,780	543,700	90,800	145,280	125,190	957,000	782,870	38,270	10,580	4,660	266,470	462,890	65,850	72,080	14,636
July 28[p]	772,860	537,760	89,540	145,560	111,560	934,620	761,490	33,100	10,160	3,540	250,700	463,990	66,790	72,190	14,636
Members of F.R. System:															
1941—Dec. 31	43,521	18,021	19,539	5,961	23,113	68,121	61,717	10,385	140	1,709	37,136	12,347	4	5,886	6,619
1947—Dec. 31	97,846	32,628	57,914	7,304	32,845	132,060	122,528	12,353	50	1,176	80,609	28,340	54	8,464	6,923
1960—Dec. 31	165,619	99,933	49,106	16,579	45,756	216,577	193,029	16,437	1,639	5,287	112,393	57,273	130	17,398	6,174
1970—Dec. 31[9]	365,940	253,936	45,399	66,604	81,500	465,644	384,596	29,142	1,733	6,460	168,032	179,229	18,578	34,100	5,767
1971—Dec. 31	405,087	277,717	47,633	79,738	86,189	511,353	425,380	30,612	2,549	8,427	174,385	209,406	25,046	37,279	5,727
1972—Dec. 31	465,788	329,548	48,715	87,524	96,566	585,125	482,124	31,958	3,561	9,024	197,817	239,763	36,357	41,228	5,704
1973—Dec. 31	528,124	391,032	41,494	95,598	100,098	655,898	526,837	34,782	5,843	8,273	202,564	275,374	55,611	44,741	5,735
1974—Dec. 31	568,532	429,537	38,921	100,073	106,995	715,615	575,563	41,062	10,052	3,183	204,203	317,064	52,850	48,240	5,780
1975—July 30	552,727	403,137	49,938	99,652	89,743	687,844	546,420	30,980	9,198	1,539	184,225	320,478	56,084	49,900	5,796
Aug. 27	554,007	402,281	51,899	99,827	87,208	686,266	545,021	29,335	8,932	2,099	183,283	321,372	54,175	50,281	5,792
Sept. 24	555,096	400,695	54,355	100,046	88,004	689,717	546,360	29,150	9,360	2,343	181,340	324,167	54,929	50,543	5,792
Oct. 29	556,383	401,492	54,546	100,345	91,397	695,312	552,649	29,568	9,578	1,952	186,851	324,700	54,250	50,963	5,796
Nov. 26	564,023	405,805	57,471	100,747	102,103	714,112	564,835	32,064	9,527	2,708	194,492	326,044	60,162	51,199	5,791
Dec. 31	578,560	416,366	61,519	100,675	108,489	733,635	590,776	38,569	10,015	2,255	210,824	329,113	53,646	52,078	5,788
1976—Jan. 28	563,387	402,020	61,704	99,663	93,808	705,093	556,274	29,712	9,529	2,908	185,773	328,352	61,022	52,167	5,765
Feb. 28	562,940	401,731	61,869	99,340	91,914	704,357	552,942	29,145	9,357	2,977	183,458	328,005	62,051	52,300	5,768
Mar. 31[10]	569,913	406,148	64,636	99,129	100,455	710,228	573,878	34,934	9,848	1,769	194,932	332,395	57,470	53,191	5,778
Apr. 28	567,384	402,147	64,892	100,345	93,743	702,130	561,110	29,923	8,978	3,281	189,361	329,567	62,002	53,753	5,775
May 26	567,220	402,435	65,058	99,727	92,340	702,517	561,393	30,676	8,517	2,702	187,099	332,399	59,591	54,450	5,777
June 30	577,480	411,676	65,627	100,177	104,052	726,745	585,354	35,595	8,570	3,668	202,144	335,377	59,277	54,986	5,776
July 28[p]	570,238	405,401	64,467	100,370	92,393	706,431	565,287	30,721	8,150	2,721	188,701	334,994	60,344	55,051	5,776
Call date series															
Insured banks:															
Total:															
1941—Dec. 31	49,290	21,259	21,046	6,984	25,788	76,820	69,411	10,654		1,762	41,298	15,699	10	6,844	13,426
1947—Dec. 31	114,274	37,583	67,941	8,750	36,926	152,733	141,851	12,615	54	1,325	92,975	34,882	61	9,734	13,398
1960—Dec. 31	198,011	117,092	60,468	20,451	51,836	255,669	228,401	16,921	1,667	5,932	132,533	71,348	149	20,628	13,119
1970—Dec. 31[9]	458,919	312,006	61,438	85,475	92,708	572,682	479,174	30,233	1,874	7,898	208,037	231,132	19,149	42,427	13,502
1972—Dec. 31	594,502	411,525	66,679	116,298	111,333	732,519	612,822	33,366	4,113	10,820	250,693	313,830	37,556	52,166	13,721
1973—Dec. 31	678,113	490,527	57,961	129,625	116,266	827,081	677,358	36,248	6,429	9,856	261,530	363,294	57,531	57,603	13,964
1974—Dec. 31	734,516	541,111	54,132	139,272	125,375	906,325	741,665	42,587	10,693	4,799	265,444	418,142	55,988	63,039	14,216
1975—June 30	736,164	526,272	67,833	142,060	125,181	914,781	746,348	41,244	10,252	3,106	261,903	416,962	59,310	65,986	14,320
Dec. 31	762,400	535,170	83,629	143,602	128,256	944,654	775,209	40,259	10,733	3,108	276,384	433,352	56,775	68,474	14,372
National member:															
1941—Dec. 31	27,571	11,725	12,039	3,806	14,977	43,433	39,458	6,786		1,088	23,262	8,322	4	3,640	5,117
1947—Dec. 31	65,280	21,428	38,674	5,178	22,024	88,182	82,023	8,375	35	795	53,541	19,278	45	5,409	5,005
1960—Dec. 31	107,546	63,694	32,712	11,140	28,675	139,261	124,911	9,829	611	3,265	71,660	39,546	111	11,098	4,530
1970—Dec. 31[9]	271,760	187,554	34,203	50,004	56,028	340,764	283,663	18,051	982	4,740	122,298	137,592	13,100	24,868	4,620
1972—Dec. 31	350,743	247,041	37,185	66,516	67,390	434,810	359,319	19,096	2,155	6,646	146,800	184,622	26,706	30,342	4,612
1973—Dec. 31	398,236	293,555	30,962	73,718	70,711	489,470	395,767	20,357	3,876	5,955	152,705	212,874	39,696	33,125	4,659
1974—Dec. 31	428,433	321,466	29,075	77,892	76,523	534,207	431,039	23,497	6,750	2,437	154,397	243,959	39,603	35,815	4,706
1975—June 30	428,167	312,229	37,606	78,331	75,686	536,836	431,646	21,096	6,804	1,723	152,576	242,492	41,954	37,483	4,730
Dec. 31	441,135	315,738	46,799	78,598	78,026	553,285	447,590	22,305	7,302	1,788	159,840	250,493	40,875	38,969	4,741

For notes see opposite page.

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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 liabilities and capital accounts[4]	Deposits						Borrowings	Total capital accounts[6]	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				
	Call date series														
Insured banks (cont.):															
State member:															
1941—Dec. 31....	15,950	6,295	7,500	2,155	8,145	24,688	22,259	3,739		621	13,874	4,025	1	2,246	1,502
1947—Dec. 31....	32,566	11,200	19,240	2,125	10,822	43,879	40,505	3,978	15	381	27,068	9,062	9	3,055	1,918
1960—Dec. 31....	58,073	36,240	16,394	5,439	17,081	77,316	68,118	6,608	1,028	2,022	40,733	17,727	20	6,299	1,644
1970—Dec. 319...	94,760	66,963	11,196	16,600	25,472	125,460	101,512	11,091	750	1,720	45,734	42,218	5,478	9,232	1,147
1972—Dec. 31....	115,426	82,889	11,530	21,008	29,176	150,697	123,186	12,862	1,406	2,378	51,017	55,523	9,651	10,886	1,092
1973—Dec. 31....	130,240	97,828	10,532	21,880	29,387	166,780	131,421	14,425	1,968	2,318	49,859	62,851	15,914	11,617	1,076
1974—Dec. 31....	140,373	108,346	9,846	22,181	30,473	181,683	144,799	17,565	3,301	746	49,807	73,380	13,247	12,425	1,074
1975—June 30...	134,759	100,968	12,004	21,787	31,466	179,787	141,995	18,751	2,771	443	48,621	65,654	14,380	12,773	1,064
1975—Dec. 31...	137,620	100,823	14,720	22,077	30,451	180,495	143,409	16,265	2,712	467	50,984	67,656	12,771	13,105	1,046
Nonmember:															
1941—Dec. 31....	5,776	3,241	1,509	1,025	2,668	8,708	7,702	129		53	4,162	3,360	6	959	6,810
1947—Dec. 31....	16,444	4,958	10,039	1,448	4,083	20,691	19,342	262	4	149	12,366	6,558	7	1,271	6,478
1960—Dec. 31....	32,411	17,169	11,368	3,874	6,082	39,114	35,391	484	27	645	20,140	14,095	19	3,232	6,948
1970—Dec. 319...	92,399	57,489	16,039	18,871	11,208	106,457	93,998	1,091	141	1,438	40,005	51,322	571	8,326	7,735
1972—Dec. 31....	128,333	81,594	17,964	28,774	14,767	147,013	130,316	1,408	552	1,796	52,876	73,685	1,199	10,938	8,017
1973—Dec. 31....	149,638	99,143	16,467	34,027	16,167	170,831	150,170	1,467	586	1,582	58,966	87,569	1,920	12,862	8,229
1974—Dec. 31....	165,709	111,300	15,211	39,199	18,380	190,435	165,827	1,525	642	1,616	61,240	100,804	3,138	14,799	8,436
1975—June 30...	173,238	113,074	18,223	41,942	18,029	198,157	172,707	1,397	676	940	60,706	108,816	2,976	15,730	8,526
1975—Dec. 31...	183,645	118,609	22,109	42,927	19,778	210,874	184,210	1,689	719	853	65,560	115,203	3,128	16,400	8,585
Noninsured nonmember:															
1941—Dec. 31....	1,457	455	761	241	763	2,283	1,872	329		1,291		253	13	329	852
1947—Dec. 318...	2,009	474	1,280	255	576	2,643	2,251	177	185	18	1,392	478	4	325	783
1960—Dec. 31....	1,498	550	535	413	314	1,883	1,443	159	132	13	846	293	14	358	352
1970—Dec. 319...	3,079	2,132	304	642	934	4,365	2,570	375	101	40	1,298	756	226	532	184
1971—Dec. 31....	3,147	2,224	239	684	1,551	5,130	2,923	380	116	19	1,273	1,134	283	480	181
1972—Dec. 31....	4,865	3,731	349	785	1,794	7,073	3,775	488	81	55	1,530	1,620	527	491	206
1973—Dec. 31....	6,192	4,927	316	949	2,010	8,650	4,996	591	344	9	1,836	2,215	1,463	524	207
1974—Dec. 31....	9,981	8,461	319	1,201	2,667	13,616	6,627	897	803	8	2,062	2,857	2,382	611	249
1975—June 30...	11,725	9,559	358	1,808	3,534	16,277	8,314	1,338	957	11	2,124	3,320	3,110	570	253
1975—Dec. 31...	13,674	11,283	490	1,902	5,359	20,544	11,323	1,552	1,291	6	2,308	5,115	3,449	651	261
Total nonmember:															
1941—Dec. 31....	7,233	3,696	2,270	1,266	3,431	10,992	9,573	457		5,504		3,613	18	1,288	7,662
1947—Dec. 31....	18,454	5,432	11,318	1,703	4,659	23,334	21,591	439	190	167	13,758	7,036	12	1,596	7,261
1960—Dec. 31....	33,910	17,719	11,904	4,287	6,396	40,997	36,834	643	160	657	20,986	14,388	33	3,590	7,300
1970—Dec. 319...	95,478	59,621	16,342	19,514	12,143	110,822	96,568	1,466	243	1,478	41,303	52,078	796	8,858	7,919
1971—Dec. 31....	111,674	69,411	17,297	24,966	13,643	129,100	112,764	1,592	359	1,742	45,990	63,081	866	9,932	8,056
1972—Dec. 31....	133,198	85,325	18,313	29,559	16,562	154,085	134,091	1,895	633	1,850	54,406	75,305	1,726	11,429	8,223
1973—Dec. 31....	155,830	104,070	16,783	34,976	18,177	179,480	155,165	2,057	930	1,592	60,802	89,784	3,383	13,386	8,436
1974—Dec. 31....	175,690	119,761	15,530	40,400	21,047	204,051	172,454	2,422	1,445	1,624	63,302	103,661	5,520	15,410	8,685
1975—June 30...	184,963	122,633	18,581	43,750	21,563	214,434	181,021	2,735	1,633	951	62,830	112,136	6,086	16,300	8,779
1975—Dec. 31...	197,319	129,892	22,599	44,829	25,137	231,418	195,533	3,241	2,010	859	67,868	120,318	6,577	17,051	8,846

[1] Loans to farmers directly guaranteed by CCC were reclassified as securities and Export-Import Bank portfolio fund participations were reclassified from loans to securities effective June 30, 1966. This reduced "Total loans" and increased "Other securities" by about $1 billion. "Total loans" include Federal funds sold, and beginning with June 1967 securities purchased under resale agreements, figures for which are included in "Federal funds sold, etc.," on p. A-16.

Effective June 30, 1971, Farmers Home Administration notes were classified as "Other securities" rather than "Loans." As a result of this change, approximately $300 million was transferred to "Other securities" for the period ending June 30, 1971, for all commercial banks.

Effective Mar. 31, 1976, includes "reserves for loan losses" and "unearned income on loans."

See also table (and notes) at the bottom of p. A-24.

[2] See first 2 paragraphs of note 1.

[3] Reciprocal balances excluded beginning with 1942.

[4] Includes items not shown separately. See also note 1.

Effective Mar. 31, 1976, "reserves for loan losses" and unearned income on loans," which for all commercial banks are estimated to be approximately $14.5 billion, have been netted against "other assets" and "other liabilities" and, therefore, against "total assets/liabilities."

[5] See third paragraph of note 1 above.

[6] Effective Mar. 31, 1976, includes "reserves for securities" and a portion of "reserves for loan losses."

[7] For the last-Wednesday-of-the-month series, figures for call dates are shown for June and December as soon as they became available.

[8] Beginning with Dec. 31, 1947, the series was revised; for description, see note 4, p. 587, May 1964 BULLETIN.

[9] Figure takes into account the following changes, which became effective June 30, 1969: (1) inclusion of consolidated reports (including figures for all bank-premises subsidiaries and other significant majority-owned domestic subsidiaries) and (2) reporting of figures for total loans and for individual categories of securities on a gross basis—that is, before deduction of valuation reserves—rather than net as previously reported.

[10] See last paragraph of note 1, second paragraph of note 4, and note 6.

NOTE.—Data are for all commercial banks in the United States (including Alaska and Hawaii, beginning with 1959). Commercial banks represent all commercial banks, both member and nonmember; stock savings banks; nondeposit trust companies; and U.S. branches of foreign banks.

Figures for member banks before 1970 include mutual savings banks as follows: 3 before Jan. 1960 and 2 through Dec. 1960. Those banks are not included in insured commercial banks.

Effective June 30, 1969, commercial banks and member banks exclude a small national bank in the Virgin Islands; also, member banks exclude, and noninsured commercial banks include, through June 30, 1970, a small member bank engaged exclusively in trust business; beginning 1973, exclude 1 national bank in Puerto Rico.

Beginning Dec. 31, 1973, June 30, 1974, and Dec. 31, 1974, June 30, 1975, respectively, member banks exclude and noninsured nonmember banks include 1, 2, 3, and 4 noninsured trust companies that are member of the Federal Reserve System.

Comparability of figures for classes of banks is affected somewhat by changes in F.R. membership, deposit insurance status, and by mergers etc.

Figures are partly estimated except on call dates.

For revisions in series before June 30, 1947, see July 1947 BULLETIN, pp. 870–71.

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ASSETS BY CLASS OF BANK, DECEMBER 31, 1975

(Assets and liabilities are shown in millions of dollars.)

Account	All commercial banks	Insured commercial banks	Member banks[1]					Non-member banks[1]
			Total	Large banks			All other	
				New York City	City of Chicago	Other large		
Cash, bank balances, items in process	133,614	128,256	108,477	24,778	3,888	43,730	36,081	25,137
Currency and coin	12,256	12,248	9,243	774	200	3,081	5,188	3,013
Reserves with F.R. Banks	26,776	26,776	26,776	3,349	1,433	12,283	9,712	.....
Demand balances with banks in United States	34,866	32,091	19,389	6,496	195	3,752	8,947	15,477
Other balances with banks in United States	8,866	7,367	5,184	151	29	1,995	3,008	3,683
Balances with banks in foreign countries	3,598	2,605	2,356	588	27	1,044	696	1,242
Cash items in process of collection	47,251	47,169	45,530	13,421	2,003	21,575	8,531	1,721
Total securities held—Book value	229,622	227,230	162,194	18,499	7,134	53,616	82,945	67,428
U.S. Treasury	84,119	83,629	61,519	9,005	3,212	21,411	27,892	22,600
Other U.S. Govt. agencies	34,409	33,941	21,186	1,508	485	6,031	13,162	13,223
States and political subdivisions	102,029	101,757	74,079	7,204	3,162	24,679	39,035	27,950
All other securities	9,065	7,903	5,410	783	275	1,496	2,855	3,655
Trading-account securities	5,338	5,332	5,182	1,902	563	2,484	232	156
U.S. Treasury	2,982	2,976	2,858	1,072	364	1,315	107	124
Other U.S. Govt. agencies	711	711	698	247	51	351	50	13
States and political subdivisions	1,142	1,142	1,130	357	102	602	70	12
All other	502	502	495	227	47	216	5	7
Bank investment portfolios	224,284	221,898	157,012	16,597	6,570	51,132	82,712	67,272
U.S. Treasury	81,137	80,653	58,661	7,933	2,848	20,096	27,785	22,476
Other U.S. Govt. agencies	33,698	33,230	20,488	1,262	434	5,680	13,112	13,209
States and political subdivisions	100,887	100,614	72,949	6,847	3,060	24,077	38,965	27,938
All other	8,563	7,401	4,914	556	229	1,280	2,850	3,649
Federal funds sold and securities purchased under agreements to resell	39,250	37,323	29,122	2,488	1,520	14,562	10,551	10,129
Commercial banks	34,099	32,172	24,075	2,080	998	11,094	9,903	10,023
Brokers and dealers	3,700	3,700	3,646	62	468	2,614	501	53
Others	1,452	1,452	1,400	346	54	854	146	52
Other loans	507,202	497,846	387,439	73,495	22,261	143,701	147,982	119,763
Real estate loans	134,770	134,588	96,018	8,448	1,371	35,198	51,002	38,752
Secured by farmland	6,237	6,224	2,702	8	11	302	2,381	3,534
Secured by residential properties	82,307	82,177	59,791	4,138	917	22,650	32,087	22,516
1- to 4-family residences	76,456	76,331	55,190	3,259	840	20,588	30,503	21,267
FHA insured	5,510	5,493	4,786	238	47	2,619	1,882	724
VA guaranteed	3,081	3,058	2,610	174	20	1,353	1,063	471
Other	67,865	67,780	47,793	2,847	773	16,616	27,557	20,071
Multifamily properties	5,850	5,846	4,601	879	77	2,062	1,584	1,249
FHA insured	493	492	449	91	24	158	175	44
Other	5,358	5,354	4,153	787	53	1,904	1,409	1,205
Secured by other properties	46,226	46,187	33,525	4,302	443	12,245	16,534	12,702
Loans to domestic and foreign banks	12,624	9,553	8,686	3,366	584	3,905	831	3,938
Loans to other financial institutions	29,611	29,276	28,088	10,187	4,442	11,199	2,259	1,523
Loans on securities to brokers and dealers	7,175	7,055	6,964	4,477	911	1,400	176	210
Other loans for purch./carry securities	3,916	3,822	3,193	415	289	1,560	929	723
Loans to farmers	20,158	20,129	11,244	94	162	2,564	8,424	8,914
Commercial and industrial loans	179,348	174,316	145,930	38,553	12,002	55,749	39,626	33,419
Loans to individuals	106,352	106,019	75,536	4,854	1,717	26,871	42,093	30,816
Instalment loans	83,205	82,969	58,830	3,153	925	21,178	33,574	24,375
Passenger automobiles	33,401	33,279	21,963	432	163	6,600	14,769	11,437
Residential-repair/modernize	5,859	5,845	4,189	222	36	1,731	2,199	1,670
Credit cards and related plans	12,312	12,311	10,846	1,107	509	6,048	3,181	1,466
Charge-account credit cards	9,501	9,500	8,506	815	478	4,817	2,395	995
Check and revolving credit plans	2,811	2,810	2,340	293	31	1,231	785	471
Other retail consumer goods	15,318	15,283	10,615	164	108	3,749	6,594	4,704
Mobile homes	8,721	8,719	6,276	97	39	2,221	3,919	2,445
Other	6,597	6,564	4,338	67	69	1,527	2,675	2,259
Other instalment loans	16,315	16,251	11,217	1,228	109	3,049	6,831	5,098
Single-payment loans to individuals	23,147	23,050	16,706	1,701	792	5,694	8,520	6,441
All other loans	13,248	13,087	11,781	3,100	784	5,255	2,643	1,466
Total loans and securities	776,074	762,400	578,755	94,483	30,915	211,880	241,478	197,319
Fixed assets—Buildings, furniture, real estate	17,474	17,390	13,061	1,415	539	5,232	5,875	4,413
Investments in subsidiaries not consolidated	2,015	1,993	1,970	835	146	958	31	45
Customer acceptances outstanding	8,952	8,679	8,424	4,319	249	3,538	318	527
Other assets	27,069	25,937	23,093	6,586	1,287	11,117	4,103	3,976
Total assets	965,198	944,654	733,780	132,416	37,024	276,454	287,886	231,418
Number of banks	14,633	14,372	5,787	12	9	155	5,611	8,846

[1] Member banks exclude and nonmember banks include 4 noninsured trust companies that are members of the Federal Reserve System, and member banks exclude 2 national banks outside the continental United States.

[2] See table (and notes), *Deposits Accumulated for Payment of Personal Loans*, p. 24.

[3] Demand deposits adjusted are demand deposits other than domestic commercial interbank and U.S. Govt., less cash items reported as in process of collection.

NOTE.—Data include consolidated reports, including figures for all bank-premises subsidiaries and other significant majority-owned domestic subsidiaries. Figures for total loans and for individual categories of securities are reported on a gross basis—that is, before deduction of valuation reserves.

Back data in lesser detail were shown in previous BULLETINS. Beginning with the fall Call Report, data for future spring and fall Call Reports will be available from the Data Production Section of the Division of Data Processing.

Details may not add to totals because of rounding.

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LIABILITIES AND CAPITAL BY CLASS OF BANK, DECEMBER 31, 1975

(Assets and liabilities are shown in millions of dollars.)

Account	All commercial banks	Insured commercial banks	Member banks[1]					Non-member banks[1]
			Total	Large banks			All other	
				New York City	City of Chicago	Other large		
Demand deposits	323,617	319,751	251,649	54,236	10,378	91,528	95,507	71,968
Mutual savings banks	1,325	1,160	1,063	494	1	221	347	262
Other individuals, partnerships, and corporations	246,559	245,471	187,632	30,546	7,754	70,913	78,419	58,927
U.S. Government	3,114	3,108	2,255	139	34	809	1,274	859
States and political subdivisions	18,726	18,595	13,058	779	191	3,867	8,221	5,667
Foreign governments, central banks, etc.	1,859	1,659	1,610	1,318	18	261	13	248
Commercial banks in United States	33,768	33,453	32,048	14,436	1,868	11,442	4,302	1,720
Banks in foreign countries	6,719	5,646	5,459	3,906	213	1,212	129	1,259
Certified and officers' checks, etc.	11,548	10,659	8,523	2,618	299	2,804	2,802	3,025
Time and savings deposits	462,915	455,458	339,350	45,551	16,302	124,194	153,303	123,565
Savings deposits	160,087	159,725	114,228	7,061	2,402	40,647	64,118	45,860
Accumulated for personal loan payments[2]	280	280	223	.....	.....	76	146	58
Mutual savings banks	517	499	490	195	5	239	52	26
Other individuals, partnerships, and corporations	229,414	224,878	168,882	25,975	10,467	61,277	71,163	60,531
U.S. Government	573	573	462	75	1	183	203	111
States and political subdivisions	48,113	47,896	34,355	1,114	1,055	15,307	16,879	13,758
Foreign governments, central banks, etc.	12,424	11,373	11,187	7,216	1,212	2,719	39	1,238
Commercial banks in United States	9,550	9,038	8,379	2,997	1,079	3,612	691	1,171
Banks in foreign countries	1,957	1,196	1,145	918	80	135	12	812
Total deposits	786,532	775,209	590,999	99,788	26,680	215,722	248,810	195,534
Federal funds purchased and securities sold under agreements to repurchase	53,811	52,126	49,305	9,043	6,367	26,601	7,294	4,506
Other liabilities for borrowed money	6,412	4,649	4,342	2,114	25	1,828	374	2,071
Mortgage indebtedness	765	763	548	54	16	300	178	217
Bank acceptances outstanding	9,548	9,267	9,012	4,884	252	3,555	321	536
Other liabilities	29,964	25,190	20,206	4,605	888	7,715	6,997	9,758
Total liabilities	887,033	867,204	674,411	120,489	34,228	255,721	263,974	212,622
Minority interest in consolidated subsidiaries	5	4	1	.....	.....	.....	1	4
Total reserves on loans/securities	9,035	8,972	7,293	1,629	482	2,777	2,405	1,742
Reserves for bad debts (IRS)	8,696	8,641	7,078	1,627	482	2,672	2,297	1,619
Other reserves on loans	150	145	92	1	.....	43	49	57
Reserves on securities	189	187	123	1	.....	62	60	66
Total capital accounts	69,125	68,474	52,074	10,298	2,314	17,956	21,506	17,051
Capital notes and debentures	4,479	4,379	3,494	779	80	1,681	954	985
Equity capital	64,646	64,095	48,580	9,519	2,235	16,275	20,551	16,066
Preferred stock	53	48	28	.....	.....	10	18	25
Common stock	15,601	15,495	11,498	2,275	568	3,755	4,900	4,103
Surplus	26,775	26,617	19,975	3,848	1,145	7,079	7,902	6,800
Undivided profits	21,340	21,143	16,562	3,396	472	5,310	7,385	4,777
Other capital reserves	876	792	516	.....	49	121	346	360
Total liabilities, reserves, minority interest, capital accounts	965,198	944,654	733,780	132,416	37,024	276,454	287,886	231,418
Demand deposits adjusted[3]	239,484	236,021	171,816	26,241	6,473	57,702	81,401	67,668
Average total deposits (past 15 days)	762,528	753,182	572,278	95,301	25,851	207,553	243,574	190,250
Average total loans (past 15 days)	514,414	505,174	388,589	74,436	21,931	143,973	148,249	125,826
Selected ratios:								
Percentage of total assets								
Cash and balances with other banks	13.8	13.6	14.8	18.7	10.5	15.8	12.5	10.9
	23.8	24.1	22.1	14.0	19.3	19.4	28.8	29.1
Total securities held								
Trading account securities	.6	.6	.7	1.4	1.5	.9	.9	.1
U.S. Treasury	.3	.3	.4	.8	1.0	.5	.....	.1
States and political subdivisions	.1	.1	.2	.3	.3	.2	.....	.....
All other trading account securities	.1	.1	.2	.4	.3	.2	.....	.....
Bank investment portfolios	23.2	23.5	21.4	12.5	17.7	18.5	28.7	29.1
U.S. Treasury	8.4	8.5	8.0	6.0	7.7	7.3	9.7	9.7
States and political subdivisions	10.5	10.7	9.9	5.2	8.3	8.7	13.5	12.1
All other portfolio securities	4.4	4.3	3.5	1.4	1.8	2.5	5.5	7.3
Other loans and Federal funds sold	56.6	56.7	56.8	57.4	64.2	57.2	55.1	56.1
All other assets	5.8	5.7	6.3	9.9	6.0	7.5	3.6	3.9
Total loans and securities	80.4	80.7	78.9	71.4	83.5	76.6	83.9	85.3
Reserves for loans and securities	.9	.9	1.0	1.2	1.3	1.0	.8	.8
Equity capital—Total	6.7	6.8	6.6	7.2	6.0	5.9	7.1	6.9
Total capital accounts	7.2	7.2	7.1	7.8	6.3	6.5	7.5	7.4
Number of banks	14,633	14,372	5,787	12	9	155	5,611	8,846

For notes see opposite page.

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ASSETS AND LIABILITIES OF LARGE COMMERCIAL BANKS▲

(In millions of dollars)

Wednesday	Total loans and investments[1]	Loans														
		Federal funds sold, etc.[2]					Other									
		Total	To commercial banks	To brokers and dealers involving—		To others	Total[1]	Commercial and industrial	Agricultural	For purchasing or carrying securities				To nonbank financial institutions		Real estate
				U.S. Treasury securities[1]	Other securities					To brokers and dealers		To others				
										U.S. Treasury secs.	Other secs.	U.S. Treasury secs.	Other secs.	Pers. and sales finance cos., etc.	Other	
Large banks—Total																
1975																
July 2	390,574	18,835	15,631	1,713	719	772	279,157	122,288	3,624	981	3,944	101	2,342	9,360	20,593	59,502
9	393,618	20,979	15,719	3,914	640	706	279,830	122,052	3,647	2,948	3,285	101	2,333	9,313	20,465	59,417
16	387,635	17,085	14,186	1,754	465	680	277,499	121,762	3,640	939	3,513	102	2,335	9,121	20,345	59,405
23	383,402	14,130	11,787	1,444	333	566	276,024	121,061	3,644	879	3,551	114	2,326	8,952	20,143	59,355
30	384,569	15,592	13,359	1,422	342	469	276,053	120,565	3,661	766	3,676	110	2,308	9,128	20,035	59,352
1976																
June 2	391,422	20,347	15,375	3,568	681	723	269,354	112,615	3,840	1,557	5,922	96	2,449	7,955	18,187	61,296
9	389,153	18,459	13,562	3,472	711	714	268,812	112,273	3,875	2,181	5,824	88	2,470	7,533	18,079	61,397
16	390,924	18,563	14,588	2,407	788	780	270,061	112,527	3,905	1,148	6,118	86	2,460	8,157	18,208	61,471
23	386,904	17,368	13,715	2,042	776	835	268,918	112,471	3,927	1,212	5,836	85	2,500	7,536	18,153	61,358
30	391,935	19,881	16,650	1,652	792	787	270,652	112,903	3,969	1,003	6,276	82	2,514	7,810	18,285	61,429
July 7	389,721	19,422	15,936	1,940	786	760	270,193	112,420	3,979	1,122	6,351	83	2,534	7,525	18,181	61,513
14	389,035	18,677	14,672	2,521	722	762	269,121	112,140	3,978	1,135	6,119	83	2,530	7,144	18,098	61,614
21	387,646	17,807	14,810	1,629	677	691	268,919	112,051	3,976	1,198	6,321	81	2,508	7,174	17,896	61,748
28	384,102	16,484	13,588	1,719	577	600	267,113	111,324	3,999	770	6,088	79	2,536	7,238	17,802	61,777
New York City																
1975																
July 2	91,915	1,256	819	49	74	314	73,492	38,841	102	825	2,810	39	473	3,296	8,072	8,813
9	92,398	1,064	824	12	.....	228	74,371	38,629	100	2,630	2,265	38	477	3,194	8,034	8,812
16	91,578	2,228	1,948	56	.....	224	72,391	38,418	99	691	2,470	36	482	3,164	8,055	8,831
23	89,928	1,540	1,083	227	.....	230	71,497	37,948	102	772	2,491	50	451	3,063	7,997	8,849
30	90,813	2,309	1,880	239	.....	190	71,551	37,895	111	648	2,602	45	440	3,168	7,858	8,851
1976																
June 2	89,816	2,498	1,793	548	.....	157	67,962	33,997	77	1,436	3,700	18	386	2,740	6,857	9,403
9	88,419	1,592	951	452	.....	189	67,856	33,728	83	1,953	3,636	13	392	2,527	6,786	9,404
16	88,828	2,141	1,195	584	.....	362	67,660	33,517	83	992	3,857	13	391	2,836	6,862	9,426
23	87,828	2,902	2,189	364	.....	349	66,792	33,461	85	1,075	3,603	13	394	2,504	6,803	9,382
30	88,155	1,859	1,452	111	10	286	67,439	33,464	84	889	3,879	13	393	2,761	6,787	9,298
July 7	86,883	1,210	632	324	10	244	67,404	33,397	84	957	4,001	13	393	2,562	6,715	9,336
14	87,012	1,507	710	563	.....	234	66,810	33,162	86	1,017	3,794	13	394	2,424	6,638	9,343
21	87,910	2,624	2,284	141	.....	199	66,588	32,996	85	1,095	3,901	12	390	2,466	6,616	9,359
28	85,189	1,712	1,367	157	.....	188	65,059	32,517	80	672	3,658	12	389	2,465	6,604	9,320
Outside New York City																
1975																
July 2	298,659	17,579	14,812	1,664	645	458	205,665	83,447	3,522	156	1,134	62	1,869	6,064	12,521	50,689
9	301,220	19,915	14,895	3,902	640	478	205,459	83,423	3,547	318	1,020	63	1,856	6,119	12,431	50,605
16	296,057	14,857	12,238	1,698	465	456	205,108	83,344	3,541	248	1,043	66	1,853	5,957	12,290	50,574
23	293,474	12,590	10,704	1,217	333	336	204,527	83,113	3,542	107	1,060	64	1,875	5,889	12,146	50,506
30	293,756	13,283	11,479	1,183	342	279	204,502	82,670	3,550	118	1,074	65	1,868	5,960	12,177	50,501
1976																
June 2	301,606	17,849	13,582	3,020	681	566	201,392	78,618	3,763	121	2,222	78	2,063	5,215	11,330	51,893
9	300,734	16,867	12,611	3,020	711	525	200,956	78,545	3,792	228	2,188	75	2,078	5,006	11,293	51,993
16	302,096	16,422	13,393	1,823	788	418	202,401	79,010	3,822	156	2,261	73	2,069	5,321	11,346	52,045
23	299,076	14,466	11,526	1,678	776	486	202,126	79,010	3,842	137	2,233	72	2,106	5,032	11,350	51,976
30	303,780	18,022	15,198	1,541	782	501	203,213	79,439	3,885	114	2,397	69	2,121	5,049	11,498	52,131
July 7	302,838	18,212	15,304	1,616	776	516	202,789	79,023	3,895	165	2,350	70	2,141	4,963	11,466	52,177
14	302,023	17,170	13,962	1,958	722	528	202,311	78,978	3,892	118	2,325	70	2,136	4,720	11,460	52,271
21	299,736	15,183	12,526	1,488	677	492	202,331	79,055	3,891	103	2,420	69	2,118	4,708	11,280	52,389
28	298,913	14,772	12,221	1,562	577	412	202,054	78,807	3,919	98	2,430	67	2,147	4,773	11,198	52,457

▲ Effective with changes in New York State branch banking laws, beginning Jan. 1, 1976, three large New York City banks are now reporting combined totals for previously affiliated banks that have been converted to branches.

The principal effects of these changes were to increase the reported data for New York City (total assets, by about $5.5 billion) and to decrease the reported data for "Outside New York City" (total assets, by about $4.0 billion).

Historical data (from Jan. 1972) on a basis comparable with 1976 data are available from the Public Information Department of the Federal Reserve Bank of New York on request.

For other notes see p. A-22.

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ASSETS AND LIABILITIES OF LARGE COMMERCIAL BANKS▲—Continued

(In millions of dollars)

Loans (cont.)						Investments										
Other (cont.)						U.S. Treasury securities					Other securities					
To commercial banks								Notes and bonds maturing—				Obligations of States and political subdivisions		Other bonds, corp. stocks, and securities		Wednesday
Domestic	Foreign	Consumer instalment	Foreign govts.[3]	All other	Loan loss reserve and unearned income on loans[1]	Total	Bills	Within 1 yr.	1 to 5 yrs.	After 5 yrs.	Total	Tax warrants[4]	All other	Certif. of participation[5]	All other[6]	
																Large banks—Total
																1975
2,313	5,279	34,307	1,586	18,667	5,730	32,166	7,093	5,071	16,822	3,180	60,416	6,302	39,683	2,375	12,056	July 2
2,325	5,664	34,276	1,406	18,323	5,725	32,471	6,969	5,078	17,261	3,163	60,338	6,318	39,613	2,381	12,026	9
2,359	5,636	34,296	1,355	18,403	5,712	32,203	7,003	5,081	17,038	3,081	60,848	6,414	40,144	2,455	11,835	16
2,365	5,601	34,325	1,362	18,055	5,709	32,187	7,080	5,102	16,944	3,061	61,061	6,658	39,906	2,439	12,058	23
2,232	5,773	34,444	1,572	18,181	5,750	32,305	7,403	5,157	16,657	3,088	60,619	6,540	39,816	2,426	11,837	30
																1976
2,155	5,301	36,310	1,941	18,189	8,459	42,809	13,098	6,275	20,715	2,721	58,912	6,145	39,642	2,409	10,716	June 2
2,090	5,530	36,352	1,801	17,851	8,532	42,563	13,475	6,200	20,312	2,576	59,319	6,123	40,240	2,393	10,563	9
2,376	5,662	36,512	1,769	18,232	8,570	42,424	12,786	6,237	20,733	2,668	59,876	6,254	40,367	2,421	10 834	16
2,365	5,595	36,616	1,756	18,072	8,564	41,331	12,458	6,129	20,132	2,612	59,287	5,875	40,306	2,432	10,674	23
2,285	5,730	36,738	1,749	18,298	8,419	42,150	12,871	6,140	20,641	2,498	59,252	5,806	40,194	2,404	10,848	30
2,338	5,728	36,777	1,797	18,262	8,417	41,194	12,492	6,202	20,094	2,406	58,912	5,785	40,073	2,418	10,636	July 7
2,218	5,668	36,782	1,782	18,284	8,454	41,668	12,069	6,272	20,111	3,216	59,569	6,598	39,749	2,409	10,813	14
2,153	5,616	36,883	1,768	18,044	8,498	41,310	11,955	6,150	20,115	3,090	59,610	6,039	40,172	2,430	10,969	21
2,026	5,637	37,031	1,750	17,575	8,519	41,121	11,934	6,174	19,961	3,052	59,384	5,932	40,115	2,445	10,892	28
																New York City
																1975
1,110	2,308	3,571	750	4,194	1,712	7,591	1,606	757	4,337	891	9,576	1,766	5,388	183	2,239	July 2
1,101	2,621	3,569	606	4,016	1,721	7,510	1,428	640	4,534	908	9,453	1,693	5,387	182	2,191	9
1,179	2,503	3,519	541	4,124	1,721	7,333	1,453	685	4,348	847	9,626	1,590	5,757	180	2,099	16
1,170	2,467	3,519	512	3,828	1,722	7,464	1,654	697	4,256	857	9,427	1,555	5,604	179	2,089	23
1,018	2,518	3,527	633	3,982	1,745	7,622	1,923	679	4,160	860	9,331	1,530	5,549	178	2,074	30
																1976
629	2,206	3,768	766	3,690	1,711	9,857	3,446	1,040	4,687	684	9,499	1,785	6,004	191	1,519	June 2
699	2,368	3,787	596	3,618	1,734	9,340	3,287	935	4,445	673	9,631	1,742	6,206	188	1,495	9
863	2,413	3,804	542	3,801	1,740	9,377	2,889	985	4,780	723	9,650	1,862	6,139	193	1,456	16
870	2,380	3,807	573	3,538	1,696	8,568	2,662	882	4,361	663	9,566	1,699	6,265	194	1,408	23
780	2,466	3,802	594	3,844	1,615	9,326	3,172	903	4,614	637	9,531	1,682	6,202	193	1,454	30
862	2,534	3,801	553	3,824	1,628	8,884	3,081	971	4,226	606	9,385	1,665	6,163	193	1,364	July 7
795	2,489	3,822	555	3,918	1,640	9,143	3,024	950	4,227	942	9,552	1,685	6,197	197	1,473	14
810	2,444	3,826	539	3,694	1,645	9,140	3,087	900	4,226	927	9,558	1,683	6,170	186	1,519	21
679	2,475	3,833	522	3,485	1,652	9,018	3,105	987	4,008	918	9,400	1,652	6,112	185	1,451	28
																Outside New York City
																1975
1,203	2,971	30,736	836	14,473	4,018	24,575	5,487	4,314	12,485	2,289	50,840	4,536	34,295	2.192	9,817	July 2
1,224	3,043	30,707	800	14,307	4,004	24,961	5,541	4,438	12,727	2,255	50,885	4,625	34,226	2,199	9,835	9
1,180	3,133	30,777	814	14,279	3,991	24,870	5,550	4,396	12,690	2,234	51,222	4,824	34,387	2,275	9,736	16
1,195	3,134	30,806	850	14,227	3,987	24,723	5,426	4,405	12,688	2,204	51,634	5,103	34,302	2,260	9,969	23
1,214	3,255	30,917	939	14,199	4,005	24,683	5,480	4,478	12,497	2,228	51,288	5,010	34,267	2,248	9,763	30
																1976
1,526	3,095	32,542	1,175	14,499	6,748	32,952	9,652	5,235	16,028	2,037	49,413	4,360	33,638	2,218	9,197	June 2
1,391	3,162	32,565	1,205	14,233	6,798	33,223	10,188	5,265	15,867	1,903	49,688	4,381	34,034	2,205	9,068	9
1,513	3,249	32,708	1,227	14,431	6,830	33,047	9,897	5,252	15,953	1,945	50,226	4,392	34,228	2,228	9,378	16
1,495	3,215	32,809	1,183	14,534	6,868	32,763	9,796	5,247	15,771	1,949	49,721	4,176	34,041	2,238	9,266	23
1,505	3,264	32,936	1,155	14,454	6,804	32,824	9,699	5,237	16,027	1,861	49,721	4,124	33,992	2,211	9,394	30
1,476	3,194	32,976	1,244	14,438	6,789	32,310	9,411	5,231	15,868	1,800	49,527	4,120	33,910	2,225	9,272	July 7
1,423	3,179	32,960	1,227	14,366	6,814	32,525	9,045	5,322	15,884	2,274	50,017	4,913	33,552	2,212	9,340	14
1,343	3,172	33,057	1,229	14,350	6,853	32,170	8,868	5,250	15,889	2,163	50,052	4,356	34,002	2,244	9,450	21
1,347	3,162	33,198	1,228	14,090	6,867	32,103	8,829	5,187	15,953	2,134	49,984	4,280	34,003	2,260	9,441	28

For notes see pp. A-18 and A-22.

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ASSETS AND LIABILITIES OF LARGE COMMERCIAL BANKS▲—Continued

(In millions of dollars)

Wednesday	Cash items in process of collection	Reserves with F.R. Banks	Currency and coin	Balances with domestic banks	Investments in subsidiaries not consolidated	Other assets	Total assets/ total liabilities[1]	Deposits						
								Demand						
								Total[6]	IPC	States and political subdivisions	U.S. Govt.	Domestic interbank		Foreign govts., etc.[3]
												Commercial	Mutual savings	
Large banks—Total														
1975														
July 2	36,005	20,664	4,606	12,467	1,755	39,027	505,098	169,631	121,978	6,486	1,342	24,695	928	1,462
9	32,661	18,658	4,771	12,170	1,776	37,963	501,617	162,916	118,125	6,006	1,433	23,958	882	1,081
16	34,070	25,065	4,868	12,679	1,750	36,674	502,741	164,356	119,700	6,041	1,506	23,795	777	1,132
23	30,801	23,879	5,026	11,597	1,743	36,402	492,850	157,737	115,779	6,006	991	21,982	713	1,117
30	30,934	22,073	5,076	11,596	1,751	37,091	493,090	159,507	116,292	6,021	871	23,364	750	1,204
1976														
June 2	39,581	16,157	5,224	12,919	2,136	45,165	512,604	170,817	124,301	6,004	1,170	24,883	816	1,320
9	31,493	17,941	5,253	11,914	2,110	44,515	502,379	159,538	117,830	5,516	1,033	22,130	725	1,095
16	38,233	21,452	5,304	12,563	2,134	44,258	514,868	174,679	124,164	6,143	5,767	24,393	774	1,140
23	35,963	17,639	5,515	12,755	2,135	43,341	504,252	164,589	119,388	6,304	1,547	23,327	657	1,184
30	39,982	20,645	5,433	14,633	2,179	46,391	521,198	178,773	126,591	6,839	2,737	27,372	854	1,241
July 7	41,460	21,468	4,990	13,827	2,174	47,517	521,157	175,604	125,661	6,162	1,805	27,478	961	1,165
14	37,017	21,698	5,444	11,931	2,125	45,705	512,955	168,505	124,278	5,815	1,181	23,377	842	1,172
21	35,535	21,025	5,403	12,723	2,114	44,564	509,010	167,352	120,634	5,838	2,585	23,537	742	1,066
28	32,430	21,630	5,505	11,231	2,132	45,219	502,249	161,672	117,864	5,687	1,884	22,576	727	1,239
New York City														
1975														
July 2	12,216	6,532	665	5,346	803	14,021	131,498	50,455	28,722	579	157	12,119	569	1,273
9	11,259	6,605	665	5,073	803	13,757	130,560	47,283	26,957	499	167	11,924	522	896
16	11,592	7,720	657	5,715	798	12,978	131,038	48,087	27,277	514	228	12,153	460	894
23	10,798	6,918	674	5,478	801	12,843	127,440	46,383	26,610	543	105	11,243	418	904
30	11,283	6,178	705	4,873	798	13,512	128,162	47,585	27,339	561	96	11,695	444	943
1976														
June 2	12,621	5,029	775	4,685	938	15,353	129,217	48,244	28,382	511	91	10,467	442	1,096
9	11,201	5,267	740	5,123	936	15,101	126,787	45,230	26,450	484	116	10,326	375	850
16	12,796	5,357	716	4,865	930	14,807	128,299	49,941	27,989	584	1,308	11,590	405	807
23	14,119	3,753	756	6,108	930	14,032	127,526	49,884	27,838	731	186	12,118	326	934
30	14,864	5,098	767	7,030	947	16,212	133,073	55,314	30,445	696	469	14,157	500	991
July 7	12,897	7,617	711	5,843	931	16,396	131,278	49,899	28,022	539	161	12,616	552	853
14	13,273	6,588	754	5,016	929	15,894	129,466	48,841	28,069	632	109	11,707	451	885
21	13,185	5,577	731	5,565	944	14,923	128,835	49,654	27,887	584	446	11,467	396	796
28	11,440	6,554	756	4,835	945	15,969	125,688	46,399	26,058	571	301	10,968	396	1,015
Outside New York City														
1975														
July 2	23,789	14,132	3,941	7,121	952	25,006	373,600	119,176	93,256	5,907	1,185	12,576	359	189
9	21,402	12,053	4,106	7,097	973	24,206	371,057	115,633	91,168	5,507	1,266	12,034	360	185
16	22,478	17,345	4,211	6,964	952	23,696	371,703	116,269	92,423	5,527	1,278	11,642	317	238
23	20,003	16,961	4,352	6,119	942	23,559	365,410	111,354	89,169	5,463	886	10,739	295	213
30	19,651	15,895	4,371	6,723	953	23,579	364,928	111,922	88,953	5,460	775	11,669	306	261
1976														
June 2	26,960	11,128	4,449	8,234	1,198	29,812	383,387	122,573	95,919	5,493	1,079	14,416	374	224
9	20,292	12,674	4,513	6,791	1,174	29,414	375,592	114,308	91,380	5,032	917	11,804	350	245
16	25,437	16,095	4,588	7,698	1,204	29,451	386,569	124,738	96,175	5,559	4,459	12,803	369	333
23	21,844	13,886	4,759	6,647	1,205	29,309	376,726	114,705	91,550	5,573	1,361	11,209	331	250
30	25,118	15,547	4,666	7,603	1,232	30,179	388,125	123,459	96,146	6,143	2,268	13,215	354	250
July 7	28,563	13,851	4,279	7,984	1,243	31,121	389,879	125,705	97,639	5,623	1,644	14,862	409	312
14	23,744	15,110	4,690	6,915	1,196	29,811	383,489	119,664	96,209	5,183	1,072	11,670	391	287
21	22,350	15,448	4,672	7,158	1,170	29,641	380,175	117,698	92,747	5,254	2,139	12,070	346	270
28	20,990	15,076	4,749	6,396	1,187	29,250	376,561	115,273	91,806	5,116	1,583	11,608	331	224

For notes see pp. A-18 and A-22.

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ASSETS AND LIABILITIES OF LARGE COMMERCIAL BANKS▲—Continued

(In millions of dollars)

Deposits (cont.)									Borrowings from—				
Demand (cont.)		Time and savings						Federal funds purchased, etc.[8]			Other liabilities, etc.[9]	Total equity capital and sub. notes/ debentures[10]	Wednesday
Foreign commercial banks	Certified and officers' checks	Total[7]	IPC		States and political subdivisions	Domestic interbank	Foreign govts.[3]		F.R. Banks	Other			
			Savings	Other									
													Large banks—Total
													1975
4,721	8,019	224,060	65,881	113,256	22,951	7,928	12,592	49,704	176	3,551	22,338	35,638	July 2
4,957	6,474	223,988	66,064	112,973	22,999	7,793	12,683	53,313	34	3,596	22,144	35,6 6	9
4,922	6,483	223,522	66,037	112,992	22,982	7,677	12,391	52,153	1,055	3,652	22,468	35,535	16
4,947	6,202	223,946	65,973	113,626	23,126	7,691	12,081	47,785	1,852	3,740	22,277	35,513	23
5,002	6,003	223,326	65,792	113,552	23,067	7,571	11,954	48,926	21	3,790	21,990	35,530	30
													1976
5,377	6,946	222,692	79,921	105,279	20,885	6,893	8,151	53,750	128	3,740	21,993	39,484	June 2
5,307	5,902	223,446	79,864	105,892	20,768	6,943	8,400	53,932	324	3,759	21,867	39,513	9
5,365	6,933	222,919	79,639	105,828	20,324	6,962	8,471	52,449	22	3,850	21,551	39,398	16
4,888	7,294	224,112	79,493	107,275	20,255	6,949	8,455	49,932	764	3,795	21,601	39,459	23
5,701	7,438	225,469	79,821	108,533	19,946	6,851	8,665	51,168	171	3,712	22,198	39,707	30
5,950	6,422	224,003	80,055	107,016	19,886	6,523	8,800	55,459	15	3,659	22,712	39,705	July 7
5,629	6,211	224,372	80,133	107,089	19,995	6,658	8,813	54,430	970	3,718	21,242	39,718	14
5,174	7,776	223,780	80,182	106,717	19,972	6,679	8,595	52,813	66	4,012	21,298	39,689	21
5,350	6,345	223,251	80,195	106,440	20,142	6,490	8,365	52,136	592	3,619	21,273	39,706	28
													New York City
													1975
3,385	3,651	47,529	7,504	26,208	1,567	3,444	7,848	14,555	75	1,433	7,639	9,812	July 2
3,660	2,658	47,649	7,509	26,344	1,595	3,340	7,885	16,703	.....	1,339	7,780	9,806	9
3,695	2,866	47,532	7,462	26,533	1,631	3,263	7,690	15,607	546	1,397	8,062	9,807	16
3,693	2,867	47,637	7,425	26,821	1,635	3,310	7,497	13,090	1,055	1,495	7,994	9,786	23
3,731	2,776	47,279	7,371	26,625	1,694	3,292	7,379	13,975	.....	1,534	8,028	9,761	30
													1976
4,028	3,227	43,100	9,123	23,490	1,333	2,978	5,187	15,354	.....	1,745	9,449	11,325	June 2
4,002	2,627	43,215	9,118	23,465	1,336	3,035	5,280	15,437	250	1,745	9,574	11,336	9
4,024	3,234	42,823	9,127	23,167	1,190	3,025	5,252	12,949	.....	1,901	9,359	11,326	16
3,655	4,096	42,892	9,098	23,375	1,209	2,943	5,206	11,981	435	1,746	9,275	11,313	23
4,251	3,805	42,989	9,010	23,677	1,157	2,846	5,257	11,294	100	1,672	10,359	11,345	30
4,593	2,563	42,678	9,025	23,316	1,219	2,725	5,341	16,035	.....	1,611	9,700	11,355	July 7
4,336	2,652	43,267	9,087	23,641	1,228	2,888	5,398	14,688	548	1,608	9,140	11,374	14
3,793	4,285	43,042	9,005	23,467	1,263	2,951	5,336	13,626	.....	1,596	9,551	11,366	21
4,009	3,081	42,719	8,996	23,326	1,275	2,880	5,276	13,800	441	1,517	9,435	11,377	28
													Outside New York City
													1975
1,336	4,368	176,531	58,377	87,048	21,384	4,484	4,744	35,149	101	2,118	14,699	25,826	July 2
1,297	3,816	176,339	58,555	86,629	21,404	4,453	4,798	36,610	34	2,257	14,364	25,820	9
1,227	3,617	175,990	58,575	86,459	21,351	4,414	4,701	36,546	509	2,255	14,406	25,728	16
1,254	3,335	176,309	58,548	86,805	21,491	4,381	4,584	34,695	797	2,245	14,283	25,727	23
1,271	3,227	176,047	58,421	86,927	21,373	4,279	4,575	34,951	21	2,256	13,962	25,769	30
													1976
1,349	3,719	179,592	70,798	81,789	19,552	3,915	2,964	38,396	128	1,995	12,544	28,159	June 2
1,305	3,275	180,231	70,746	82,427	19,432	3,908	3,120	38,495	74	2,014	12,293	28,177	9
1,341	3,699	180,096	70,512	82,661	19,134	3,937	3,219	39,500	22	1,949	12,192	28,072	16
1,233	3,198	181,220	70,395	83,900	19,046	4,006	3,249	37,951	329	2,049	12,326	28,146	23
1,450	3,633	182,480	70,811	84,856	18,789	4,005	3,408	39,874	71	2,040	11,839	28,362	30
1,357	3,859	181,325	71,030	83,700	18,667	3,798	3,459	39,424	15	2,048	13,012	28,350	July 7
1,293	3,559	181,105	71,046	83,448	18,767	3,770	3,415	39,742	422	2,110	12,102	28,344	14
1,381	3,491	180,738	71,177	83,250	18,709	3,728	3,259	39,187	66	2,416	11,747	28,323	21
1,341	3,264	180,532	71,199	83,114	18,867	3,610	3,089	38,336	151	2,102	11,838	28,329	28

For notes see pp. A-18 and A-22.

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ASSETS AND LIABILITIES OF LARGE COMMERCIAL BANKS▲—Continued

(In millions of dollars)

Wednesday	Memoranda													
	Total loans (gross) adjusted[11]	Total loans and investments (gross) adjusted[11]	Demand deposits adjusted[12]	Large negotiable time CD's included in time and savings deposits[13]			All other large time deposits[14]			Savings ownership categories				Gross liabilities of banks to their foreign branches
				Total	Issued to IPC's	Issued to others	Total	Issued to IPC's	Issued to others	Individuals and nonprofit organizations	Partnerships and corporations for profit[15]	Domestic governmental units	All other[16]	
Large banks—Total														
1975														
July 2	285,778	372,630	107,589	81,415	54,059	27,356	34,007	17,863	16,144	65,881	.....	.....	.....	1,429
9	288,490	375,574	104,864	81,394	53,840	27,554	33,969	17,955	16,014	66,064	.....	.....	.....	1,809
16	283,751	371,090	104,985	81,003	53,925	27,078	34,151	17,947	16,204	66,037	.....	.....	.....	3,130
23	281,711	369,250	103,963	81,507	54,445	27,062	34,097	17,985	16,112	65,973	.....	.....	.....	2,742
30	281,804	368,978	104,338	81,291	54,309	26,982	33,782	17,926	15,856	65,792	.....	.....	.....	2,377
1976														
June 2	280,630	373,892	105,183	68,440	44,850	23,590	27,654	14,559	13,095	75,714	3,045	1,071	91	2,404
9	280,151	373,501	104,882	69,130	45,402	23,728	27,869	14,717	13,152	75,628	3,069	1,070	97	2,944
16	280,230	373,960	106,286	68,736	45,223	23,513	27,890	14,783	13,107	75,452	3,007	1,091	89	4,016
23	278,770	370,824	103,752	69,416	46,475	22,941	27,997	14,896	13,101	75,296	3,043	1,061	93	3,784
30	280,017	373,000	108,682	70,555	47,246	23,309	28,082	15,104	12,978	75,845	3,045	854	77	3,674
July 7	279,758	371,447	104,861	68,934	45,735	23,199	28,062	15,102	12,960	76,038	3,085	851	81	3,149
14	279,362	372,145	106,930	69,412	45,978	23,434	28,103	15,210	12,893	76,018	3,085	841	189	3,140
21	278,261	370,683	105,695	68,561	45,360	23,201	28,041	15,236	12,805	76,107	3,134	847	94	4,122
28	276,502	368,488	104,782	67,897	44,981	22,916	28,169	15,344	12,825	76,082	3,185	833	95	3,884
New York City														
1975														
July 2	74,531	89,986	25,963	27,929	17,643	10,286	8,389	5,018	3,371	7,504	.....	.....	.....	712
9	75,231	90,473	23,933	28,161	17,895	10,266	8,390	5,020	3,370	7,509	.....	.....	.....	1,052
16	73,213	88,451	24,114	28,253	18,197	10,056	8,362	5,014	3,348	7,462	.....	.....	.....	2,145
23	72,506	87,675	24,237	28,617	18,558	10,059	8,159	4,952	3,207	7,425	.....	.....	.....	1,901
30	72,707	87,915	24,511	28,412	18,366	10,046	8,039	4,926	3,113	7,371	.....	.....	.....	1,390
1976														
June 2	69,749	87,394	25,065	24,013	15,474	8,539	5,990	4,092	1,898	8,557	285	219	62	1,865
9	69,532	86,769	23,587	24,177	15,483	8,694	6,012	4,119	1,893	8,529	281	237	71	2,149
16	69,483	86,770	24,247	23,646	15,117	8,529	6,125	4,166	1,959	8,518	277	270	62	3,201
23	68,331	84,769	23,461	23,763	15,334	8,429	6,034	4,081	1,953	8,479	285	268	66	2,830
30	68,681	85,923	25,824	23,794	15,444	8,350	6,083	4,167	1,916	8,530	283	148	49	2,651
July 7	68,748	85,389	24,225	23,513	15,143	8,370	6,129	4,195	1,934	8,538	283	155	49	2,090
14	68,452	85,507	23,752	24,119	15,465	8,654	6,081	4,240	1,841	8,497	277	163	150	2,324
21	67,763	84,816	24,556	23,980	15,246	8,734	6,032	4,236	1,796	8,492	281	166	66	3,204
28	66,377	83,143	23,690	23,730	15,147	8,583	6,001	4,231	1,770	8,473	294	164	65	3,060
Outside New York City														
1975														
July 2	211,247	282,644	81,626	53,486	36,416	17,070	25,618	12,845	12,773	58,377	.....	.....	.....	717
9	213,259	285,101	80,931	53,233	35,945	17,288	25,579	12,935	12,644	58,555	.....	.....	.....	757
16	210,538	282,639	80,871	52,750	35,728	17,022	25,789	12,933	12,856	58,575	.....	.....	.....	985
23	209,205	281,575	79,726	52,890	35,887	17,003	25,938	13,033	12,905	58,548	.....	.....	.....	841
30	209,097	281,063	79,827	52,879	35,943	16,936	25,743	13,000	12,743	58,421	.....	.....	.....	987
1976														
June 2	210,881	286,498	80,118	44,427	29,376	15,051	21,664	10,467	11,197	67,157	2,760	852	29	539
9	210,619	286,732	81,295	44,953	29,919	15,034	21,857	10,598	11,259	67,099	2,788	833	26	795
16	210,747	287,190	82,039	45,090	30,106	14,984	21,765	10,617	11,148	66,934	2,730	821	27	815
23	210,439	286,055	80,291	45,653	31,141	14,512	21,963	10,815	11,148	66,817	2,758	793	27	954
30	211,336	287,077	82,858	46,761	31,802	14,959	21,999	10,937	11,062	67,315	2,762	706	28	1,023
July 7	211,010	286,058	80,636	45,421	30,592	14,829	21,933	10,907	11,026	67,500	2,802	696	32	1,059
14	210,910	286,638	83,178	45,293	30,513	14,780	22,022	10,970	11,052	67,521	2,808	678	39	816
21	210,498	285,867	81,139	44,581	30,114	14,467	22,009	11,000	11,009	67,615	2,853	681	28	918
28	210,125	285,345	81,092	44,167	29,834	14,333	22,168	11,113	11,055	67,609	2,891	669	30	824

▲ See p. A-18.

[1] Loan loss reserve and unearned income on loans had been reported as liability items through Mar. 24, 1976. Since then the item is netted against total loans, and therefore against total assets also. As a proxy for this item prior to Mar. 31, 1976, reserves for loans have been used to calculate year-ago figures.

[2] Includes securities purchased under agreements to resell.

[3] Includes official institutions and so forth.

[4] Includes short-term notes and bills.

[5] Federal agencies only. [6] Includes corporate stocks.

[7] Includes U.S. Govt. and foreign bank deposits, not shown separately.

[8] Includes securities sold under agreements to repurchase.

[9] Includes minority interest in consolidated subsidiaries. Beginning Mar. 31, 1976, also includes deferred tax portion of reserves for loans.

[10] Includes reserves for securities. Beginning Mar. 31, 1976, also includes contingency portion of reserves for loans.

[11] Exclusive of loans and Federal funds transactions with domestic commercial banks.

[12] All demand deposits except U.S. Govt. and domestic commercial banks, less cash items in process of collection.

[13] Certificates of deposit issued in denominations of $100,000 or more.

[14] All other time deposits issued in denominations of $100,000 or more (not included in large negotiable CD's).

[15] Other than commercial banks. [16] Domestic and foreign commercial banks, and official international organizations.

NOTE.—Effective Mar. 24, 1976, reclassification of loans in Chicago resulted in the following major revisions: commercial and industrial, −$675 million; other nonbank financial institutions, −$185 million; real estate, $580 million. These reclassifications are not reflected in data prior to Mar. 24, 1976.

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COMMERCIAL AND INDUSTRIAL LOANS OF LARGE COMMERCIAL BANKS

(In millions of dollars)

Industry	Outstanding					Net change during—							
	1976					1976			1976		1975	1976	1975
	July 28	July 21	July 14	July 7	June 30	July	June	May	II	I	IV	1st half	2nd half
Durable goods manufacturing:													
Primary metals	2,023	2,052	2,059	2,090	2,098	−75	−7	51	73	−48	62	25	50
Machinery	4,880	4,923	4,967	5,018	5,034	−154	−199	−13	−429	−296	−781	−725	−1,668
Transportation equipment	2,565	2,629	2,666	2,675	2,676	−111	29	−143	−317	−52	−267	−369	−465
Other fabricated metal products	1,713	1,727	1,743	1,720	1,744	−31	−36	−80	−142	−87	−473	−229	−750
Other durable goods	3,499	3,535	3,576	3,575	3,612	−113	101	−68	106	53	−514	159	−688
Nondurable goods manufacturing:													
Food, liquor, and tobacco	3,400	3,420	3,378	3,441	3,363	37	323	−118	92	−509	455	−417	468
Textiles, apparel, and leather	3,396	3,422	3,409	3,395	3,320	76	171	r41	234	r395	−477	629	−532
Petroleum refining	2,240	2,249	2,324	2,354	2,300	−60	−72	31	76	−138	−234	−62	−116
Chemicals and rubber	2,546	2,575	2,537	2,539	2,484	62	−23	−95	−167	−40	−178	−207	−431
Other nondurable goods	1,929	1,932	1,929	1,923	1,917	12	38	r−47	19	r90	−268	109	−415
Mining, including crude petroleum and natural gas	6,592	6,595	6,554	6,578	6,667	−75	57	124	266	448	789	714	1,065
Trade: Commodity dealers	1,519	1,529	1,657	1,652	1,769	−250	102	124	122	65	340	187	477
Other wholesale	5,974	5,925	5,862	5,866	5,838	136	67	r−19	42	r357	−103	399	−181
Retail	6,178	6,258	6,205	6,139	6,306	−128	190	128	381	133	−208	514	−517
Transportation	5,344	5,369	5,461	5,524	5,681	−337	−113	−36	−156	−231	127	−387	3
Communication	1,623	1,650	1,652	1,762	1,753	−130	37	63	58	−289	−49	−231	−158
Other public utilities	6,202	6,297	6,209	6,253	6,225	−23	162	123	113	r−885	33	−772	−198
Construction	4,247	4,247	4,194	4,223	4,241	6	6	−122	−178	r−706	−381	−884	−436
Services	10,404	10,412	10,335	10,402	10,585	−181	−31	r−143	−303	69	285	−234	−15
All other domestic loans	7,323	7,355	7,368	7,338	7,070	253	−173	−339	−767	r−2,566	628	−3,333	643
Bankers acceptances	2,698	2,878	2,883	2,824	2,958	−260	86	−245	−344	−1,643	2,855	−1,987	2,685
Foreign commercial and industrial loans	5,481	5,466	5,502	5,600	5,676	−195	−37	63	306	82	222	388	757
Total classified loans	91,776	92,445	92,470	92,891	93,317	−1,541	678	r−720	−915	r−5,798	1,863	−6,713	−422
Comm. paper included in total classified loans[1]	*389*				*468*	*−79*	*112*	*−100*	*24*	*7*	*153*	*31*	*197*
Total commercial and industrial loans of large commercial banks	111,324	112,051	112,140	112,420	112,903	−1,579	883	r−545	−764	r−6,987	1,680	−7,751	−942

For notes see table below.

"TERM" COMMERCIAL AND INDUSTRIAL LOANS OF LARGE COMMERCIAL BANKS

(In millions of dollars)

Industry	Outstanding									Net change during—				
	1976							1975		1976		1975		1976
	July 28	June 30	May 26	Apr. 28	Mar. 31	Feb. 25	Jan. 28	Dec. 31	Nov. 26	II	I	IV	III	1st half
Durable goods manufacturing:														
Primary metals	1,191	1,241	1,293	1,283	1,291	1,335	1,341	1,372	1,381	−50	−81	34	50	−131
Machinery	2,901	3,029	3,088	3,055	3,144	3,072	3,117	3,313	3,451	−115	−169	−424	−240	−284
Transportation equipment	1,399	1,505	1,488	1,632	1,691	1,643	1,686	1,615	1,727	−186	76	−78	−47	−110
Other fabricated metal products	767	799	879	919	909	1,035	1,041	1,024	1,087	−110	−115	−244	46	−225
Other durable goods	1,763	1,815	1,843	1,871	1,793	1,838	1,874	1,823	1,905	22	−30	−189	−78	−8
Nondurable goods manufacturing:														
Food, liquor, and tobacco	1,444	1,403	1,334	1,366	1,391	1,536	1,547	1,578	1,544	12	−187	107	−43	−175
Textiles, apparel, and leather	1,123	1,116	1,075	1,044	993	1,055	1,032	995	1,072	123	−2	−108	8	121
Petroleum refining	1,658	1,706	1,781	1,785	1,685	1,886	1,859	1,831	1,860	21	−146	−136	258	−125
Chemicals and rubber	1,444	1,466	1,462	1,495	1,540	1,603	1,588	1,622	1,549	−74	−82	−43	−97	−156
Other nondurable goods	982	986	961	979	962	942	925	888	955	24	74	−168	−87	98
Mining, including crude petroleum and natural gas	5,092	5,194	5,117	5,015	4,904	4,731	4,528	4,484	3,867	290	420	637	113	710
Trade: Commodity dealers	194	207	206	180	190	182	196	172	168	17	18	22	2	35
Other wholesale	1,307	1,308	1,355	1,312	1,344	1,279	1,290	1,276	1,308	−36	68	−43	−10	32
Retail	2,057	2,030	2,031	2,036	2,008	1,987	2,007	1,996	2,115	22	12	−157	17	34
Transportation	4,030	4,235	4,246	4,252	4,250	4,329	4,291	4,390	4,324	−15	−140	−1	−34	−155
Communication	936	989	1,008	984	998	1,095	1,101	1,081	1,112	−9	−83	−51	−1	−92
Other public utilities	3,895	3,908	3,811	3,770	3,898	3,940	3,995	3,979	3,942	10	−81	13	−79	−71
Construction	1,690	1,744	1,755	1,876	1,915	2,141	2,258	2,181	2,207	−171	−266	−178	45	−437
Services	4,949	5,098	r5,240	5,317	5,368	5,147	5,038	5,135	5,082	−270	233	13	−18	−37
All other domestic loans	2,429	2,364	2,349	2,507	2,700	3,093	3,396	3,299	3,116	−336	−599	55	−14	−935
Foreign commercial and industrial loans	3,141	3,157	3,121	3,085	2,984	3,001	2,999	2,921	2,851	173	63	158	169	236
Total loans	44,392	45,300	r45,443	45,763	45,958	46,870	47,109	46,975	46,623	−658	−1,017	−781	−40	−1,675

[1] Reported the last Wednesday of each month.

NOTE.—For description of series see article "Revised Series on Commercial and Industrial Loans by Industry," Feb. 1967 BULLETIN, p. 209.

Commercial and industrial "term" loans are all outstanding loans with an original maturity of more than 1 year and all outstanding loans granted under a formal agreement—revolving credit or standby—on which the original maturity of the commitment was in excess of 1 year.

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GROSS DEMAND DEPOSITS OF INDIVIDUALS, PARTNERSHIPS, AND CORPORATIONS[1]

(In billions of dollars)

Class of bank, and quarter or month	Type of holder					Total deposits, IPC
	Financial business	Nonfinancial business	Consumer	Foreign	All other	
All insured commercial banks:						
1970—Dec.	17.3	92.7	53.6	1.3	10.3	175.1
1971—Dec.	18.5	98.4	58.6	1.3	10.7	187.5
1972—Dec.	18.9	109.9	65.4	1.5	12.3	208.0
1973—June	18.6	106.6	67.3	2.0	11.8	206.3
Sept.	18.8	108.3	69.1	2.1	11.9	210.3
Dec.	19.1	116.2	70.1	2.4	12.4	220.1
1974—Mar.	18.9	108.4	70.6	2.3	11.0	211.2
June	18.2	112.1	71.4	2.2	11.1	215.0
Sept.	17.9	113.9	72.0	2.1	10.9	216.8
Dec.	19.0	118.8	73.3	2.3	11.7	225.0
1975—Mar.	18.6	111.3	73.2	2.3	10.9	216.3
June	19.4	115.1	74.8	2.3	10.6	222.2
Sept.	19.0	118.7	76.5	2.2	10.6	227.0
Dec.	20.1	125.1	78.0	2.4	11.3	236.9
1976—Mar.	19.9	116.9	77.2	2.4	11.4	227.9
June[p]	20.3	121.9	78.8	2.5	11.2	234.6
Weekly reporting banks:						
1971—Dec.	14.4	58.6	24.6	1.2	5.9	104.8
1972—Dec.	14.7	64.4	27.1	1.4	6.6	114.3
1973—Dec.	14.9	66.2	28.0	2.2	6.8	118.1
1974—Dec.	14.8	66.9	29.0	2.2	6.8	119.7
1975—June	15.1	65.1	29.5	2.2	6.2	118.1
July	15.0	65.3	29.8	2.2	6.5	118.7
Aug.	14.4	64.6	29.1	2.0	5.9	116.1
Sept.	14.7	65.5	29.6	2.1	6.2	118.1
Oct.	15.1	66.7	29.0	2.2	6.3	119.3
Nov.	15.4	68.1	29.4	2.2	6.4	121.6
Dec.	15.6	69.9	29.9	2.3	6.6	124.4
1976—Jan.	15.2	68.0	30.3	2.2	6.7	122.4
Feb.	15.3	65.6	29.2	2.2	6.4	r118.7
Mar.	15.4	65.2	30.8	1.8	6.2	119.5
Apr.	15.1	65.5	33.6	1.8	6.0	122.0
May	15.7	67.8	26.4	2.2	6.1	118.2
June[p]	16.1	67.4	31.2	2.0	6.0	122.6

[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, 1973	Dec. 31, 1974	June 30, 1975	Dec. 31, 1975	Class of bank	Dec. 31, 1973	Dec. 31, 1974	June 30, 1975	Dec. 31, 1975
All commercial	507	389	338	280	All member—Cont.				
Insured	503	387	335	280	Other large banks [1]	58	69	74	76
National member	288	236	223	188	All other member [1]	294	206	186	146
State member	64	39	36	35	All nonmember	155	115	79	58
All member	352	275	260	223	Insured	152	112	76	58
					Noninsured	3	3	3	.....

[1] Beginning Nov. 9, 1972, designation of banks as reserve city banks for reserve-requirement purposes has been based on size of bank (net demand deposits of more than $400 million), as described in the BULLETIN for July 1972, p. 626. Categories shown here as "Other large" and "All other member" parallel the previous "Reserve City" (other than in New York City and the City of Chicago) and "Country" categories, respectively (hence the series are continuous over time).

NOTE.—Hypothecated deposits, as shown in this table, are treated one way in monthly and weekly series for commercial banks and in another way in call-date series. That is, they are excluded from "Time deposits" and "Loans" in the monthly (and year-end) series as shown on p. A-14; from the figures for weekly reporting banks as shown on pp. A-18–A-22 (consumer instalment loans); and from the figures in the table at the bottom of p. A-13. But they are included in the figures for "Time deposits" and "Loans" for call dates as shown on pp. A-14–A-17.

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LOANS SOLD OUTRIGHT BY LARGE COMMERCIAL BANKS

(Amounts outstanding; in millions of dollars)

Date	To selected related institutions[1]			
	Total	By type of loan		
		Commercial and industrial	Real estate	All other
1976—Apr. 7	4,050	2,459	195	1,396
14	4,082	2,480	197	1,405
21	4,121	2,531	194	1,396
28	4,176	2,560	200	1,416
May 5	4,174	2,567	195	1,412
12	4,346	2,727	193	1,426
19	4,307	2,704	192	1,411
26	4,356	2,707	205	1,444
June 2	4,432	2,757	204	1,471
9	4,424	2,767	205	1,452
16	4,478	2,839	205	1,434
23	4,442	2,810	205	1,427
30[r]	4,491	2,837	206	1,448
July 7	4,529	2,875	205	1,449
14	4,519	2,840	199	1,480
21	4,550	2,839	194	1,517
28	4,528	2,822	209	1,497

[1] To bank's own foreign branches, nonconsolidated nonbank affiliates of the bank, the bank's holding company (if not a bank), and nonconsolidated nonbank subsidiaries of the holding company.

NOTE.—Series changed on Aug. 28, 1974. For a comparison of the old and new data for that date, see p. 741 of the Oct. 1974 BULLETIN. Revised figures received since Oct. 1974 that affect that comparison are shown in note 2 to this table in the Dec. 1974 BULLETIN, p. A-27.

COMMERCIAL PAPER AND BANKERS ACCEPTANCES OUTSTANDING

(In millions of dollars)

End of period	Commercial paper						Dollar acceptances									
	All issuers	Financial companies[1]		Nonfinancial companies[4]	Bank-related[5]		Total	Held by—						Based on—		
		Dealer-placed[2]	Directly-placed[3]		Dealer-placed	Directly-placed		Accepting banks			F.R. Banks		Others	Imports into United States	Exports from United States	All other
								Total	Own bills	Bills bought	Own acct.	Foreign corr.[6]				
1966	13,645	2,332	10,556	757	.....	.....	3,603	1,198	983	215	193	191	2,022	997	829	1,778
1967	17,085	2,790	12,184	2,111	.....	.....	4,317	1,906	1,447	459	164	156	2,090	1,086	989	2,241
1968	21,173	4,427	13,972	2,774	.....	.....	4,428	1,544	1,344	200	58	109	2,717	1,423	952	2,053
1969	32,600	6,503	20,741	5,356	1,160	3,134	5,451	1,567	1,318	249	64	146	3,674	1,889	1,153	2,408
1970	33,071	5,514	20,424	7,133	352	1,997	7,058	2,694	1,960	735	57	250	4,057	2,601	1,561	2,895
1971	32,126	5,297	20,582	6,247	524	1,449	7,889	3,480	2,689	791	261	254	3,894	2,834	1,546	3,509
1972	34,721	5,655	22,098	6,968	1,226	1,411	6,898	2,706	2,006	700	106	179	3,907	2,531	1,909	2,458
1973	41,073	5,487	27,204	8,382	1,938	2,943	8,892	2,837	2,318	519	68	581	5,406	2,273	3,499	3,120
1974	49,144	4,611	31,839	12,694	1,814	6,518	18,484	4,226	3,685	542	999	1,109	12,150	4,023	4,067	10,394
1975–May	51,317	5,889	32,821	12,607	1,543	7,096	18,108	4,450	3,892	558	865	234	12,559	3,665	4,186	10,257
June	48,765	5,604	31,115	12,045	1,561	7,230	17,740	4,774	4,224	550	682	319	11,965	3,466	4,080	10,193
July	49,352	6,018	31,263	12,072	1,649	7,038	16,930	4,778	4,275	503	685	329	11,138	3,474	3,865	9,591
Aug	49,810	5,645	32,172	11,993	1,511	7,392	16,456	4,546	3,988	558	840	304	10,766	3,305	3,806	9,344
Sept	48,257	5,574	30,496	12,187	1,482	7,316	16,790	5,002	4,190	812	948	302	10,538	3,313	3,783	9,693
Oct	50,394	6,360	32,308	11,726	1,634	7,114	17,304	5,213	4,288	924	1,047	284	10,760	3,467	3,947	9,890
Nov	49,512	6,389	32,003	11,120	1,715	6,974	17,875	6,497	5,684	813	727	279	10,372	3,545	3,888	10,443
Dec	47,690	6,239	31,276	10,175	1,762	6,892	18,727	7,333	5,899	1,435	1,126	293	9,975	3,726	4,001	11,000
1976–Jan	48,858	6,072	31,305	11,481	1,657	6,918	18,677	6,294	5,367	927	1,230	248	10,904	3,891	3,906	10,880
Feb	49,927	6,401	31,534	11,992	1,567	6,753	19,060	5,950	5,255	695	1,051	231	11,827	3,977	4,039	11,044
Mar	49,300	6,428	31,239	11,633	1,654	6,773	18,901	6,340	5,651	689	883	245	11,433	4,027	4,193	10,681
Apr	49,572	6,246	31,143	12,183	1,658	6,304	[r]19,559	6,126	5,305	821	995	344	12,094	4,258	[r]4,258	11,043
May	50,539	6,443	31,867	12,229	1,724	5,974	19,511	6,050	5,271	778	875	440	12,147	4,143	4,258	11,110

[1] Financial companies are institutions engaged primarily in activities such as, but not limited to, commercial, savings, and mortgage banking; sales, personal, and mortgage financing; factoring, finance leasing, and other business lending; insurance underwriting; and other investment activities.

[2] As reported by dealers; includes all financial company paper sold in the open market.

[3] As reported by financial companies that place their paper directly with investors.

[4] Nonfinancial companies include public utilities and firms engaged primarily in activities such as communications, construction, manufacturing, mining, wholesale and retail trade, transportation, and services.

[5] Included in dealer- and directly-placed financial company columns. Coverage of bank-related companies was expanded in Aug. 1974. Most of the increase resulting from this expanded coverage occurred in directly-placed paper.

[6] Beginning November 1974, the Board of Governors terminated the System guarantee on acceptances purchased for foreign official accounts.

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PRIME RATE CHARGED BY BANKS

(Per cent per annum)

Effective date	Rate	Effective date	Rate	Effective date	Rate	Monthly average rate	
1974—Apr. 11	10	1975—Jan. 9	10¼	1975—July 18	7¼	1975—Jan.	10.05
19	10¼	15	10	28	7½	Feb.	8.96
25	10½	20	9¾	Aug. 12	7¾	Mar.	7.93
May 2	10¾	28	9½	Sept. 15	8	Apr.	7.50
6	11	Feb. 3	9¼	Oct. 27	7¾	May	7.40
10	11¼	10	9	Nov. 5	7½	June	7.07
17	11½	18	8¾	Dec. 2	7¼	July	7.15
June 26	11¾	24	8½	1976—Jan. 12	7	Aug.	7.66
July 5	12	Mar. 5	8¾	21	6¾	Sept.	7.88
Oct. 7	11¾	10	8	June 1	7	Oct.	7.96
21	11½	18	7¾	7	7¼	Nov.	7.53
28	11¼	24	7½	Aug. 2	7	Dec.	7.26
Nov. 4	11	May 20	7¼			1976—Jan.	7.00
14	10¾	June 9	7			Feb.	6.75
25	10½					Mar.	6.75
						Apr.	6.75
						May	6.75
						June	7.20
						July	7.25

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 1976	Feb. 1976	May 1976	Feb. 1976	May 1976	Feb. 1976	May 1976	Feb. 1976	May 1976	Feb. 1976	May 1976	Feb. 1976
	Short-term											
35 centers	7.44	7.54	8.91	9.03	8.38	8.44	7.78	7.80	7.52	7.55	7.18	7.33
New York City	6.99	7.14	8.84	8.64	8.29	8.20	7.65	7.52	7.29	7.40	6.83	7.03
7 Other Northeast	7.79	7.93	9.24	9.46	8.58	8.69	7.99	8.06	7.95	7.77	7.45	7.71
8 North Central	7.44	7.50	8.39	8.51	8.21	8.21	7.62	7.63	7.46	7.50	7.29	7.37
7 Southeast	7.66	7.86	9.20	9.44	8.65	8.78	7.84	8.16	7.20	7.62	7.25	7.29
8 Southwest	7.51	7.56	8.75	8.76	8.13	8.16	7.71	7.57	7.48	7.44	7.11	7.35
4 West Coast	7.75	7.77	9.14	9.17	8.51	8.60	8.00	8.06	7.71	7.70	7.61	7.61
	Revolving credit											
35 centers	7.36	7.50	9.23	9.50	8.12	8.40	7.59	7.79	7.35	7.74	7.32	7.42
New York City	7.42	7.51	.....	8.56	7.73	8.31	7.49	7.68	7.29	7.46	7.43	7.50
7 Other Northeast	7.78	8.06	8.92	10.66	7.84	7.57	7.44	7.47	7.58	7.80	7.83	8.16
8 North Central	7.48	7.64	9.19	9.88	8.69	9.23	7.99	8.34	7.74	7.46	7.34	7.53
7 Southeast	8.01	7.49	9.85	9.59	8.95	9.02	8.35	8.09	8.15	8.43	7.69	6.75
8 Southwest	7.50	7.73	8.93	8.81	8.23	8.14	7.67	7.89	7.23	8.02	7.48	7.49
4 West Coast	7.15	7.32	8.61	8.69	7.84	8.15	7.39	7.59	7.14	7.87	7.12	7.20
	Long-term											
35 centers	8.02	8.02	9.21	9.44	8.80	8.96	8.16	8.40	8.33	8.26	7.92	7.89
New York City	7.85	7.68	7.68	7.43	8.45	8.08	8.45	8.01	8.51	7.25	7.76	7.68
7 Other Northeast	7.35	8.16	9.10	9.36	9.19	9.32	8.52	8.38	8.10	8.10	6.64	7.98
8 North Central	8.59	7.96	8.38	9.23	8.28	8.56	7.94	8.35	9.08	7.90	8.65	7.86
7 Southeast	8.03	8.90	9.49	9.69	8.90	9.69	7.70	9.20	7.75	7.97	8.01	8.57
8 Southwest	7.89	8.14	10.53	10.65	8.92	8.69	8.40	8.10	7.64	8.79	7.74	7.84
4 West Coast	8.23	8.46	9.43	8.63	8.97	9.33	7.73	8.85	8.29	9.12	8.26	8.28

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MONEY MARKET RATES

(Per cent per annum)

Period	Prime commercial paper[1]		Finance co. paper placed directly, 3 to 6 months[2]	Prime bankers' acceptances, 90 days[3]	Federal funds rate[4]	U.S. Government securities[5]						
						3-month bills[6]		6-month bills[6]		9- to 12-month issues		3- to 5-year issues[7]
	90–119 days	4 to 6 months				Rate on new issue	Market yield	Rate on new issue	Market yield	1-year bill (market yield)[6]	Other[7]	
1967	.....	5.10	4.89	4.75	4.22	4.321	4.29	4.630	4.61	4.71	4.84	5.07
1968	.....	5.90	5.69	5.75	5.66	5.339	5.34	5.470	5.47	5.46	5.62	5.59
1969	.....	7.83	7.16	7.61	8.21	6.677	6.67	6.853	6.86	6.79	7.06	6.85
1970	.....	7.72	7.23	7.31	7.17	6.458	6.39	6.562	6.51	6.49	6.90	7.37
1971	.....	5.11	4.91	4.85	4.66	4.348	4.33	4.511	4.52	4.67	4.75	5.77
1972	4.66	4.69	4.52	4.47	4.44	4.071	4.07	4.466	4.49	4.77	4.86	5.85
1973	8.20	8.15	7.40	8.08	8.74	7.041	7.03	7.178	7.20	7.01	7.30	6.92
1974	10.05	9.87	8.62	9.92	10.51	7.886	7.84	7.926	7.95	7.71	8.25	7.81
1975	6.26	6.33	6.16	6.30	5.82	5.838	5.80	6.122	6.11	6.30	6.70	7.55
1975—July	6.32	6.44	6.02	6.40	6.10	6.164	6.13	6.492	6.50	6.64	7.07	7.72
Aug.	6.59	6.70	6.39	6.74	6.14	6.463	6.44	6.940	6.94	7.16	7.55	8.12
Sept.	6.79	6.86	6.53	6.83	6.24	6.383	6.42	6.870	6.92	7.20	7.54	8.22
Oct.	6.35	6.48	6.43	6.28	5.82	6.081	5.96	6.385	6.25	6.48	6.89	7.80
Nov.	5.78	5.91	5.79	5.79	5.22	5.468	5.48	5.751	5.80	6.07	6.40	7.51
Dec.	5.88	5.97	5.86	5.72	5.20	5.504	5.44	5.933	5.85	6.16	6.51	7.50
1976—Jan.	5.15	5.27	5.16	5.08	4.87	4.961	4.87	5.238	5.14	5.44	5.71	7.18
Feb.	5.13	5.23	5.09	4.99	4.77	4.852	4.88	5.144	5.20	5.53	5.78	7.18
Mar.	5.25	5.37	5.27	5.18	4.84	5.047	5.00	5.488	5.44	5.82	6.12	7.25
Apr.	5.08	5.23	r5.14	5.03	4.82	4.878	4.86	5.201	5.18	5.54	5.85	6.99
May	5.44	5.54	5.38	5.53	5.29	5.185	5.20	5.600	5.62	5.98	6.36	7.35
June	5.83	5.94	5.78	5.77	5.48	5.443	5.41	5.784	5.77	6.12	6.52	7.40
July	5.54	5.67	5.53	5.50	5.31	5.278	5.23	5.597	5.53	5.82	6.21	7.24
Week ending—												
1976—Apr. 3	5.15	5.30	5.13	5.10	4.84	4.929	4.97	5.327	5.34	5.76	6.03	7.14
10	5.18	5.38	5.18	5.05	4.73	4.957	4.91	5.293	5.22	5.59	5.94	7.04
17	5.09	5.19	r5.13	5.01	4.77	4.830	4.80	5.068	5.04	5.36	5.66	6.88
24	5.00	5.13	5.13	4.94	4.78	4.763	4.78	5.089	5.11	5.47	5.76	6.92
May 1	5.03	5.15	5.13	5.07	4.93	4.909	4.88	5.230	5.24	5.61	5.90	7.04
8	5.20	5.30	5.15	5.21	5.03	4.921	4.91	5.339	5.30	5.68	5.98	7.11
15	5.30	5.43	5.30	5.39	5.02	5.072	5.11	5.426	5.51	5.89	6.21	7.28
22	5.53	5.63	5.45	5.67	5.28	5.250	5.33	5.726	5.79	6.11	6.56	7.46
29	5.73	5.83	5.63	5.87	5.50	5.495	5.47	5.908	5.89	6.26	6.68	7.56
June 5	5.88	6.00	r5.78	5.92	5.54	5.578	5.53	5.952	5.90	6.27	6.66	7.52
12	5.88	6.00	5.88	5.82	5.44	5.459	5.44	5.768	5.75	6.11	6.55	7.42
19	5.90	6.00	5.88	5.74	5.47	5.380	5.38	5.695	5.74	6.07	6.50	7.38
26	5.78	5.90	5.75	5.69	5.48	5.356	5.34	5.722	5.71	6.06	6.44	7.32
July 3	5.70	5.80	5.50	5.69	5.58	5.368	5.36	5.754	5.75	6.08	6.46	7.36
10	5.72	5.81	5.63	5.66	5.37	5.412	5.34	5.768	5.61	5.90	6.35	7.30
17	5.53	5.65	5.53	5.48	5.27	5.190	5.15	5.430	5.44	5.72	6.13	7.18
24	5.48	5.65	5.50	5.47	5.30	5.226	5.23	5.536	5.54	5.84	6.17	7.26
31	5.38	5.50	5.50	5.34	5.28	5.194	5.17	5.497	5.45	5.74	6.12	7.21

[1] Averages of the most representative daily offering rate quoted by dealers.

[2] Averages of the most representative daily offering rate published by finance companies, for varying maturities in the 90–179 day range.

[3] Beginning Aug. 15, 1974, the rate is the average of the midpoint of the range of daily dealer closing rates offered for domestic issues; prior data are averages of the most representative daily offering rate quoted by dealers.

[4] Seven-day averages of daily effective rates for week ending Wednesday. Since July 19, 1973, the daily effective Federal funds rate is an average of the rates on a given day weighted by the volume of transactions at these rates. Prior to this date, the daily effective rate was the rate considered most representative of the day's transactions, usually the one at which most transactions occurred.

[5] Except for new bill issues, yields are averages computed from daily closing bid prices.

[6] Bills quoted on bank-discount-rate basis.

[7] Selected note and bond issues.

NOTE.—Figures for Treasury bills are the revised series described on p. A-35 of the Oct. 1972 BULLETIN.

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BOND AND STOCK YIELDS

(Per cent per annum)

Period	Government bonds				Corporate bonds								Stocks		
		State and local			Aaa utility			By selected rating		By group			Dividend/ price ratio		Earnings/ price ratio
	United States (long-term)	Total[1]	Aaa	Baa	New issue	Recently offered	Total[1]	Aaa	Baa	Industrial	Railroad	Public utility	Preferred	Common	Common
							Seasoned issues								
1970	6.59	6.42	6.12	6.75	8.68	8.71	8.51	8.04	9.11	8.26	8.77	8.68	7.22	3.83	6.46
1971	5.74	5.62	5.22	5.89	7.62	7.66	7.94	7.39	8.56	7.57	8.38	8.13	6.75	3.14	5.41
1972	5.63	5.30	5.04	5.60	7.31	7.34	7.63	7.21	8.16	7.35	7.99	7.74	7.27	2.84	5.50
1973	6.30	5.22	4.99	5.49	7.74	7.75	7.80	7.44	8.24	7.60	8.12	7.83	7.23	3.06	7.12
1974	6.99	6.19	5.89	6.53	9.33	9.34	8.98	8.57	9.50	8.78	8.98	9.27	8.23	4.47	11.60
1975	6.98	7.05	6.42	7.62	9.40	9.41	9.46	8.83	10.39	9.25	9.39	9.88	8.38	4.31	9.03
1975—July	6.89	7.07	6.39	7.60	9.41	9.42	9.43	8.84	10.33	9.26	9.37	9.81	8.24	4.02	.....
Aug.	7.06	7.12	6.40	7.71	9.46	9.49	9.51	8.95	10.35	9.29	9.41	9.93	8.41	4.36	.....
Sept.	7.29	7.40	6.70	7.96	9.68	9.57	9.55	8.95	10.38	9.35	9.42	9.98	8.56	4.39	9.12
Oct.	7.29	7.40	6.67	8.01	9.45	9.43	9.51	8.86	10.37	9.32	9.40	9.94	8.58	4.22	.....
Nov.	7.21	7.41	6.64	8.08	9.20	9.26	9.44	8.78	10.33	9.27	9.36	9.83	8.50	4.07	.....
Dec.	7.17	7.29	6.50	7.96	9.36	9.21	9.45	8.79	10.35	9.26	9.37	9.87	8.57	4.14	8.61
1976—Jan.	6.94	7.08	6.22	7.81	8.70	8.79	9.33	8.60	10.24	9.16	9.32	9.68	8.16	3.80	8.22
Feb.	6.92	6.94	6.04	7.76	8.63	8.63	9.23	8.55	10.10	9.12	9.25	9.50	8.00	3.67	.....
Mar.	6.87	6.90	5.99	7.72	8.62	8.61	9.18	8.52	9.99	9.10	9.16	9.43	8.07	3.65	.....
Apr.	6.73	6.61	5.68	7.50	8.48	8.52	9.04	8.40	9.83	8.98	9.05	9.27	8.04	3.66	.....
May	6.99	6.85	5.88	7.75	8.82	8.77	9.06	8.58	9.76	9.00	8.96	9.31	8.06	3.76	.....
June	6.92	6.83	5.85	7.75	8.72	8.73	9.05	8.62	9.72	8.96	8.88	9.36	8.10	3.75	.....
July	6.85	6.71	5.71	7.64	8.63	8.63	8.97	8.56	9.63	8.90	8.81	9.26	8.08	3.64	.....
Week ending—															
1976—June 5	6.98	6.88	5.90	7.79	8.83	8.80	9.08	8.63	9.76	9.03	8.93	9.37	8.13	3.79	.....
12	6.92	6.83	5.85	7.74	8.71	8.76	9.06	8.63	9.75	8.97	8.91	9.38	8.14	3.86	.....
19	6.91	6.81	5.83	7.73	8.69	8.70	9.04	8.62	9.71	8.94	8.88	9.36	8.04	3.74	.....
26	6.91	6.79	5.81	7.72	.....	8.74	9.02	8.60	9.68	8.93	8.84	9.36	8.10	3.70	.....
July 3	6.90	6.79	5.81	7.72	8.72	8.67	9.03	8.63	9.70	8.95	8.82	9.35	8.09	3.67	.....
10	6.86	6.74	5.75	7.66	8.58	8.57	8.99	8.57	9.68	8.92	8.79	9.32	8.09	3.62	.....
17	6.83	6.71	5.70	7.64	8.53	8.55	8.96	8.53	9.63	8.90	8.79	9.26	8.10	3.57	.....
24	6.86	6.69	5.67	7.62	8.66	8.68	8.95	8.55	9.60	8.88	8.81	9.24	8.07	3.64	.....
31	6.85	6.64	5.62	7.58	8.72	8.69	8.95	8.55	9.61	8.88	8.82	9.21	8.05	3.73	.....
Number of issues[2]	15	20	5	5	.....	.....	121	20	30	41	30	40	14	500	500

[1] Includes bonds rated Aa and A, data for which are not shown separately. Because of a limited number of suitable issues, the number of corporate bonds in some groups has varied somewhat. As of Dec. 23, 1967, there is no longer an Aaa-rated railroad bond series.

[2] Number of issues varies over time; figures shown reflect most recent count.

NOTE.—Annual yields are averages of weekly, monthly, or quarterly data.

Bonds: Monthly and weekly yields are computed as follows: (1) *U.S. Govt.*, averages of daily figures for bonds maturing or callable in 10 years or more; from Federal Reserve Bank of New York. (2) *State and local govt.*, general obligations only, based on Thurs. figures, from Moody's Investors Service. (3) *Corporate*, rates for "New issue" and "Recently offered" Aaa utility bonds, weekly averages compiled by the Board of Governors of the Federal Reserve System; and rates for seasoned issues, averages of daily figures from Moody's Investors Service.

Stocks: Standard and Poor's corporate series. Dividend/price ratios are based on Wed. figures. Earnings/price ratios as of end of period. Preferred stock ratio based on 8 median yields for a sample of noncallable issues—12 industrial and 2 public utility. Common stock ratios on the 500 stocks in the price index. Quarterly earnings are seasonally adjusted at annual rates.

NOTES TO TABLES ON OPPOSITE PAGE:

Security Prices:

[1] Standard and Poor's corporate series. Effective July 1976, Standard and Poor added a new financial group, including banks and insurance companies, to the index. Stocks in this revised group are 400 industrials (formerly 425), 20 transportation (formerly 15 rail), 40 public utility (formerly 60), and 40 financial.

NOTE.—Annual data are averages of daily or weekly figures. Monthly and weekly data are averages of daily figures unless otherwise noted and are computed as follows: *U.S. Govt. bonds*, derived from average market yields in table on p. A-28 on basis of an assumed 3 per cent, 20-year bond. *Municipal and corporate bonds*, derived from average yields as computed by Standard and Poor's Corp., on basis of a 4 per cent, 20-year bond; Wed. closing prices. *Common stocks*, derived from component common stock prices. *Average daily volume of trading*, presently conducted 5 days per week for 6 hours per day.

Stock Market Customer Financing:

[1] Margin credit includes all credit extended to purchase or carry stocks or related equity instruments and secured at least in part by stock (Dec. 1970 BULLETIN, p. 920). Credit extended by brokers is end-of-month data for member firms of the New York Stock Exchange. June data for banks are universe totals; all other data for banks represent estimates for all commercial banks based on reports by a reporting sample, which accounted for 60 per cent of security credit outstanding at banks on June 30, 1971.

[2] In addition to assigning a current loan value to margin stock generally, Regulations T and U permit special loan values for convertible bonds and stock acquired through exercise of subscription rights.

[3] Nonmargin stocks are those not listed on a national securities exchange and not included on the Federal Reserve System's list of over the counter margin stocks. At banks, loans to purchase or carry nonmargin stocks are unregulated; at brokers, such stocks have no loan value.

[4] Free credit balances are in accounts with no unfulfilled commitments to the brokers and are subject to withdrawal by customers on demand.

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SECURITY PRICES

Period	Bond prices (per cent of par)			Common stock prices										Volume of trading in stocks (thousands of shares)	
				New York Stock Exchange									American Stock Exchange total index (Aug. 31, 1973=100)		
				Standard and Poor's index (1941–43=10)					New York Stock Exchange index (Dec. 31, 1965=50)						
	U.S. Govt. (long-term)	State and local	Corporate AAA	Total	Industrial	Transportation	Public utility	Finance	Total	Industrial	Transportation	Utility	Finance		NYSE	AMEX
1970	60.52	72.3	61.6	83.22	91.29	.....	54.48	.....	45.72	48.03	32.14	37.24	54.64	96.63	10,532	3,376
1971	67.73	80.0	65.0	98.29	108.35	.....	59.33	.....	54.22	57.92	44.35	39.53	70.38	113.40	15,381	4,234
1972	68.71	84.4	65.9	109.20	121.79	.....	56.90	.....	60.29	65.73	50.17	38.48	78.35	129.10	16,487	4,447
1973	62.80	85.4	63.7	107.43	120.44	.....	53.47	.....	57.42	63.08	37.74	37.69	70.12	103.80	16,374	3,003
1974	57.45	76.3	58.8	82.85	92.91	.....	38.91	.....	43.84	48.08	31.89	29.82	49.67	79.97	13,883	1,908
1975	57.44	68.9	56.2	85.17	96.15	.....	41.21	.....	45.73	51.88	30.73	31.45	46.62	83.15	18,568	2,150
1975—July	58.09	68.5	56.6	92.49	103.84	.....	43.67	.....	49.54	54.96	32.90	32.98	52.51	93.28	20,076	2,750
Aug.	56.84	68.3	55.6	85.71	96.21	.....	41.04	.....	45.71	50.71	30.08	31.02	46.55	85.74	13,404	1,476
Sept.	55.23	66.1	55.8	84.62	94.96	.....	40.53	.....	44.97	50.05	29.46	30.65	43.38	84.26	12,717	1,439
Oct.	55.23	66.1	56.0	88.57	99.29	.....	42.59	.....	46.87	52.26	30.79	31.87	44.36	83.46	15,893	1,629
Nov.	55.77	66.2	56.3	90.07	100.86	.....	43.77	.....	47.64	52.91	32.09	32.99	45.10	85.60	16,795	1,613
Dec.	56.03	67.4	56.1	88.74	94.89	.....	43.25	.....	46.78	51.89	31.61	32.75	43.86	82.50	15,859	1,977
1976—Jan.	57.75	69.7	57.0	96.86	108.45	.....	46.99	.....	51.31	57.00	35.78	35.23	48.83	91.47	32,794	3,070
Feb.	57.86	68.8	57.1	100.64	113.43	.....	47.22	.....	53.73	59.79	38.53	36.12	52.06	100.58	31,375	4,765
Mar.	58.23	69.2	57.3	101.08	113.73	.....	45.67	.....	54.01	60.30	39.17	35.43	52.61	104.04	23,069	3,479
Apr.	59.33	71.3	58.2	101.93	114.67	.....	46.07	.....	54.28	60.62	38.66	35.69	52.71	103.00	18,770	2,368
May	57.38	69.1	56.5	101.16	113.76	.....	45.70	.....	53.87	60.22	39.71	35.40	50.99	103.65	17,796	2,127
June	57.86	69.3	56.8	101.78	114.50	.....	45.61	.....	54.23	60.70	40.41	35.16	51.82	103.57	18,965	2,177
July	58.38	71.1	57.1	104.20	117.01	14.94	47.48	11.83	55.70	62.10	42.12	36.49	54.06	105.24	18,977	2,280
Week ending—																
1976—July 3	58.02	69.6	56.6	103.85	116.84	14.84	47.37	11.76	55.46	62.03	41.64	35.88	53.65	105.06	19,760	2,306
10	58.33	70.3	56.9	104.06	116.95	14.81	47.25	11.74	55.61	62.09	41.86	36.29	53.90	105.76	19,953	2,098
17	58.58	71.3	57.3	105.48	118.46	15.16	47.80	11.95	56.35	62.93	42.81	36.66	54.72	106.73	23,198	2,463
24	58.33	71.1	57.0	103.96	116.77	15.00	47.58	11.83	55.57	61.94	42.28	36.55	53.90	104.73	17,366	2,068
31	58.38	71.6	57.2	103.39	115.97	14.81	47.60	11.81	55.26	61.52	41.65	36.61	53.78	103.94	14,610	1,552

For notes see opposite page.

STOCK MARKET CUSTOMER FINANCING

(In millions of dollars)

End of period	Margin credit at brokers and banks [1]									Free credit balances at brokers [4]	
	Regulated [2]								Unregulated [3]		
	By source			By type							
	Total	Brokers	Banks	Margin stock		Convertible bonds		Subscription issues		Nonmargin stock credit at banks	Margin accts.	Cash accts.
				Brokers	Banks	Brokers	Banks	Brokers	Banks			
1975—June	5,984	5,140	844	4,990	805	146	28	4	11	2,434	520	1,790
July	6,266	5,446	820	5,300	780	143	29	3	10	2,387	555	1,710
Aug.	6,197	5,365	832	5,220	791	142	30	3	11	2,457	515	1,500
Sept.	6,251	5,399	852	5,250	811	145	30	4	10	2,520	470	1,455
Oct.	6,455	5,448	1,007	5,300	956	144	36	4	15	2,311	545	1,495
Nov.	6,527	5,519	1,008	5,370	958	146	37	3	13	2,270	490	1,470
Dec.	6,500	5,540	960	5,390	909	147	36	3	15	2,281	475	1,525
1976—Jan.	6,568	5,568	1,000	5,420	946	146	34	2	20	2,321	655	1,975
Feb.	7,152	6,115	1,037	5,950	984	162	34	3	20	2,333	685	2,065
Mar.	7,617	6,575	1,042	6,410	988	162	34	3	20	2,355	595	1,935
Apr.	7,932	6,856	1,076	6,690	1,023	163	32	3	21	2,325	570	1,740
May	8,110	7,103	1,007	6,940	957	161	31	2	19	2,357	540	1,655
June	8,276	7,248	1,028	7,080	976	166	33	2	19	2,368	540	1,680

For notes see opposite page.

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EQUITY STATUS OF MARGIN ACCOUNT DEBT AT BROKERS

(Per cent of total debt, except as noted)

End of period	Total debt (millions of dollars)[1]	Equity class (per cent)					
		80 or more	70–79	60–69	50–59	40–49	Under 40
1975—June	4,990	7.4	9.9	18.3	32.7	20.4	11.4
July	5,300	6.0	8.3	13.9	23.6	30.4	17.9
Aug.	5,220	5.5	6.8	11.3	20.7	31.0	24.7
Sept.	5,250	5.1	7.3	10.6	19.6	31.0	26.5
Oct.	5,300	5.5	6.7	11.2	21.8	29.7	25.2
Nov.	5,370	5.2	6.7	12.2	23.2	28.6	24.0
Dec.	5,390	5.3	6.9	11.6	22.3	28.8	25.0
1976—Jan.	5,420	7.0	9.4	18.3	21.3	28.8	15.5
Feb.	5,950	6.8	8.9	17.4	29.0	22.6	15.3
Mar.	6,410	6.0	8.7	16.0	29.0	25.0	16.0
Apr.	6,690	6.1	7.7	12.9	27.7	30.2	15.4
May	6,940	5.8	7.2	12.4	23.8	34.2	16.6
June	7,080	6.3	7.7	14.4	32.2	25.4	14.1

[1] Note 1 appears at the bottom of p. A-28.

NOTE.—Each customer's equity in his collateral (market value of collateral less net debit balance) is expressed as a percentage of current collateral values.

SPECIAL MISCELLANEOUS ACCOUNT BALANCES AT BROKERS, BY EQUITY STATUS OF ACCOUNTS

(Per cent of total, except as noted)

End of period	Net credit status	Equity class of accounts in debit status		Total balance (millions of dollars)
		60 per cent or more	Less than 60 per cent	
1975—June	45.9	43.1	11.0	7,875
July	45.6	41.1	13.1	7,772
Aug.	43.5	40.6	16.0	7,494
Sept.	45.3	38.9	15.8	7,515
Oct.	44.4	40.1	15.5	7,362
Nov.	45.3	40.2	14.5	7,425
Dec.	43.8	40.8	15.4	7,290
1976—Jan.	45.8	44.0	10.3	7,770
Feb.	44.4	44.7	10.9	8,040
Mar.	44.0	46.0	10.4	8,050
Apr.	43.0	45.0	12.0	7,990
May	41.4	46.2	12.4	8,030
June	40.6	49.0	10.4	8,150

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		Securities			Cash	Other assets	Total assets—Total liabilities and general reserve accts.	Deposits	Other liabilities	General reserve accounts	Mortgage loan commitments[2] classified by maturity (in months)				
	Mortgage	Other	U.S. Govt.	State and local govt.	Corporate and other[1]							3 or less	3–6	6–9	Over 9	Total
1971	62,069	2,808	3,334	385	17,674	1,389	1,711	89,369	81,440	1,810	6,118	1,047	627	463	1,310	3,447
1972[3]	67,563	2,979	3,510	873	21,906	1,644	2,117	100,593	91,613	2,024	6,956	1,593	713	609	1,624	4,539
1973	73,231	3,871	2,957	926	21,383	1,968	2,314	106,651	96,496	2,566	7,589	1,250	598	405	1,008	3,261
1974	74,891	3,812	2,555	930	22,550	2,167	2,645	109,550	98,701	2,888	7,961	664	418	232	726	2,040
1975	77,127	4,028	4,777	1,541	27,964	2,367	3,195	120,999	109,796	2,770	8,433	896	301	203	403	1,803
1975—May	75,440	4,593	3,616	1,137	25,579	2,077	2,811	115,252	104,056	3,080	8,116	955	383	300	573	2,211
June	75,763	4,492	3,744	1,240	26,470	2,088	2,954	116,751	105,993	2,594	8,164	973	510	195	565	2,243
July	76,097	4,396	3,965	1,436	26,976	1,835	3,004	117,709	106,533	2,970	8,208	957	463	266	526	2,212
Aug.	76,310	4,405	4,187	1,451	27,104	1,730	3,067	118,254	106,745	3,255	8,254	981	431	237	573	2,222
Sept.	76,429	4,487	4,279	1,495	27,033	1,783	3,136	118,643	107,560	2,778	8,304	1,011	372	256	499	2,138
Oct.	76,655	4,481	4,368	1,523	27,106	1,805	3,152	119,089	107,812	2,950	8,328	950	368	275	394	1,987
Nov.	76,855	4,550	4,601	1,551	27,421	1,872	3,223	120,073	108,480	3,215	8,378	972	323	222	379	1,896
Dec.	77,221	4,023	4,740	1,545	27,992	2,330	3,205	121,056	109,873	2,755	8,428	896	301	203	403	1,803
1976—Jan.	77,308	4,839	4,918	1,581	28,473	1,961	3,245	122,325	110,979	2,892	8,455	923	315	195	426	1,859
Feb.	77,413	5,243	5,211	1,765	29,035	1,853	3,301	123,821	112,019	3,275	8,527	930	352	184	401	1,867
Mar.	77,738	5,366	5,452	1,867	30,043	1,740	3,321	125,526	114,090	2,859	8,577	1,092	360	251	427	2,130
Apr.	78,046	5,027	5,533	2,149	30,707	1,647	3,361	126,470	114,752	3,106	8,612	1,175	398	281	436	2,290
May[p]	78,286	5,103	5,660	2,318	31,179	1,539	3,385	127,470	115,521	3,296	8,654	1,237	419	290	480	2,426

[1] Also includes securities of foreign governments and international organizations and nonguaranteed issues of U.S. Govt. agencies.

[2] Commitments outstanding of banks in New York State as reported to the Savings Banks Assn. of the State of New York. Data include building loans.

[3] Balance sheet data beginning 1972 are reported on a gross-of-valuation-reserves basis. The data differ somewhat from balance sheet data previously reported by National Assn. of Mutual Savings Banks, which were net of valuation reserves. For most items, however, the differences are relatively small.

NOTE.—NAMSB estimates for all savings banks in the United States.

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LIFE INSURANCE COMPANIES

(In millions of dollars)

End of period	Total assets	Government securities				Business securities			Mortgages	Real estate	Policy loans	Other assets
		Total	United States	State and local	Foreign[1]	Total	Bonds	Stocks				
1971	222,102	11,000	4,455	3,363	3,182	99,805	79,198	20,607	75,496	6,904	17,065	11,832
1972	239,730	11,372	4,562	3,367	3,443	112,985	86,140	26,845	76,948	7,295	18,003	13,127
1973	252,436	11,403	4,328	3,412	3,663	117,715	91,796	25,919	81,369	7,693	20,199	14,057
1974	263,349	11,965	4,437	3,667	3,861	118,572	96,652	21,920	86,234	8,331	22,862	15,385
1975	289,084	14,582	5,894	4,440	4,248	135,014	106,755	28,259	89,358	9,634	24,389	16,107
1975—May	275,816	12,464	4,678	3,739	4,047	127,847	100,478	27,369	87,882	8,843	23,570	15,210
June	278,343	12,560	4,738	3,762	4,060	129,838	101,238	28,600	88,035	8,989	23,675	15,246
July	279,354	12,814	4,843	3,902	4,069	130,298	102,675	27,623	88,162	9,058	23,794	15,228
Aug	280,482	13,022	4,895	4,039	4,088	130,659	103,496	27,163	88,327	9,112	23,919	15,443
Sept	281,847	13,150	4,914	4,122	4,114	131,524	104,529	26,995	88,445	9,210	24,048	15,470
Oct	284,829	13,793	5,505	4,148	4,140	133,237	105,473	27,764	88,655	9,356	24,171	15,617
Nov	286,975	14,129	5,762	4,210	4,157	134,495	106,385	28,110	88,850	9,464	24,271	15,766
Dec	289,084	14,582	5,894	4,440	4,248	135,014	106,755	28,259	89,358	9,634	24,389	16,107
1976—Jan	293,870	15,380	6,446	4,652	4,282	138,965	108,130	30,835	89,395	9,661	24,498	15,971
Feb	296,479	16,142	6,458	4,790	4,894	140,332	109,321	31,011	89,543	9,726	24,633	16,103
Mar	299,552	15,723	4,967	5,220	5,536	143,105	111,385	31,720	89,781	9,812	24,755	16,376
Apr	299,983	15,917	5,198	5,100	5,619	143,197	111,757	31,440	89,489	9,852	24,873	16,655
May[p]	301,754	15,975	5,141	5,146	5,688	144,496	113,087	31,409	89,529	9,909	24,978	16,867

[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 outstanding at end of period[4]
	Mortgages	Investment securities[1]	Cash	Other		Savings capital	Net worth[2]	Borrowed money[3]	Loans in process	Other	
1971	174,250	18,185	2,857	10,731	206,023	174,197	13,592	8,992	5,029	4,213	7,328
1972	206,182	21,574	2,781	12,590	243,127	206,764	15,240	9,782	6,209	5,132	11,515
1973[5]	231,733	21,055		19,117	271,905	226,968	17,056	17,172	4,667	6,042	9,526
1974	249,293	23,240		22,991	295,524	242,959	18,436	24,780	3,244	6,105	7,454
1975	278,693	30,900		28,802	338,395	286,042	19,776	20,730	5,187	6,659	10,675
1975—June	261,336	30,880		25,786	318,003	268,978	18,992	18,863	4,446	6,724	12,363
July	264,458	32,054		26,311	322,823	272,032	19,266	18,744	4,771	8,010	12,611
Aug	267,717	31,694		27,127	326,538	273,504	19,495	19,216	4,995	9,328	12,673
Sept	270,600	30,786		27,745	329,131	277,201	19,414	20,031	5,128	7,357	12,585
Oct	273,596	31,652		28,145	333,393	279,465	19,663	20,306	5,207	8,752	11,748
Nov	275,919	32,498		28,610	337,027	281,711	19,919	20,413	5,164	9,820	11,365
Dec	278,693	30,900		28,802	338,395	286,042	19,776	20,709	5,187	6,680	10,675
1976—Jan	280,071	34,271		29,716	344,058	291,418	19,948	19,630	5,051	8,011	11,111
Feb	282,487	36,128		30,251	348,866	295,364	20,162	18,746	5,134	9,460	12,878
Mar	286,556	36,722		30,462	353,740	302,436	20,211	18,220	5,379	7,494	14,445
Apr	290,727	36,437		30,663	357,827	305,234	20,475	17,759	5,787	8,572	15,512
May	294,759	37,005		31,268	363,032	308,284	20,688	17,670	6,156	10,234	16,620
June[p]	299,667	35,265		31,658	366,590	313,331	20,767	18,204	6,475	7,813	16,634

[1] Excludes stock of the Federal Home Loan Bank Board. Compensating changes have been made in "Other" assets.

[2] Includes net undistributed income, which is accrued by most, but not all, associations.

[3] Advances from FHLBB and other borrowing.

[4] Data comparable with those shown for mutual savings banks (on opposite page) except that figures for loans in process are not included above but are included in the figures for mutual savings banks.

[5] Beginning 1973, participation certificates guaranteed by the Federal Home Loan Mortgage Corporation, loans and notes insured by the Farmers Home Administration, and certain other Govt.-insured mortgage-type investments, previously included in mortgage loans, are included in other assets. The effect of this change was to reduce the mortgage total by about $0.6 billion.

Also, GNMA-guaranteed, mortgage-backed securities of the pass-through type, previously included in "Cash" and "Investment securities" are included in "Other" assets. These amounted to about $2.4 billion at the end of 1972.

NOTE.—FHLBB data; figures are estimates for all savings and loan assns. in the United States. Data are based on monthly reports of insured assns. and annual reports of noninsured assns. Data for current and preceding year are preliminary even when revised.

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FEDERAL FISCAL OPERATIONS: SUMMARY

(In millions of dollars)

Period	U.S. budget			Means of financing								
				Borrowings from the public						Less: Cash and monetary assets		Other means of financing, net[2]
	Receipts	Outlays	Surplus or deficit (−)	Public debt securities	Agency securities	Less: Investments by Govt. accounts		Less: Special notes[1]	Equals: Total	Treasury operating balance	Other	
						Special issues	Other					
Fiscal year:												
1973	232,225	246,526	−14,301	30,881	216	11,712	109	.....	19,275	2,459	−1,613	−4,129
1974	264,932	268,392	−3,460	16,918	903	13,673	1,140	.....	3,009	−3,417	889	−2,077
1975	280,997	324,601	−43,604	58,953	−1,069	8,112	−1,081	.....	50,853	−1,570	1,890	−6,920
1976	300,005	365,610	−65,605	87,244	−90	6,581	−2,239	.....	82,813	7,246	550	−9,412
Half year:												
1974—July–Dec.	139,607	153,147	−13,540	18,429	−689	2,840	150	.....	14,751	−3,228	557	−3,881
1975—Jan.–June	141,189	171,202	−30,013	40,524	−423	5,272	−1,231	.....	36,059	1,657	1,643	−2,746
July–Dec.	139,453	184,545	−45,092	43,460	−39	−4,739	−1,186	.....	49,347	866	−980	−4,368
1976—Jan.–June	160,552	181,066	−20,513	43,784	−51	11,320	−1,053	.....	33,466	6,380	1,530	−5,044
Month:												
1975—June[r]	32,024	30,502	1,521	5,030	−42	4,131	276	.....	581	82	181	−1,839
July	20,197	31,249	−11,052	5,051	−23	−2,427	−346	.....	7,800	−3,390	−1,373	−1,511
Aug.	23,584	30,634	−7,050	9,472	6	2,384	−94	.....	7,189	−630	−263	−1,032
Sept.	28,615	29,044	−429	5,935	9	−2,151	−367	.....	8,463	6,961	446	−627
Oct.	19,316	32,425	−13,109	8,352	−5	−3,656	260	.....	11,743	−203	−348	815
Nov.	21,745	29,401	−7,656	4,800	−3	−749	−390	.....	5,936	−3,844	392	−1,732
Dec.	25,995	31,792	−5,797	9,850	−24	1,860	−249	.....	8,215	1,971	166	−281
1976—Jan.	25,634	30,725	−5,091	7,757	−2	−393	328	.....	7,820	3,532	114	918
Feb.	20,845	29,833	−8,987	9,465	5	1,062	−564	.....	8,972	64	−125	−46
Mar.	20,431	29,054	−8,623	6,620	−6	−623	−83	.....	7,320	−4,032	−288	−3,018
Apr.	33,348	32,476	872	1,483	−32	50	4	.....	1,398	3,517	545	1,792
May	22,679	28,410	−5,731	8,699	−9	5,130	−549	.....	4,109	−3,383	502	−1,259
June	37,615	30,567	7,048	9,760	−8	6,094	−189	.....	3,847	6,682	782	−3,431

End of period	Selected balances										Memo: Debt of Govt.-sponsored corps.—Now private[4]
	Treasury operating balance				Borrowing from the public.						
	F.R. Banks	Tax and loan accounts	Other depositaries[3]	Total	Public debt securities	Agency securities	Less: Investments of Govt. accounts		Less: Special notes[1]	Equals: Total	
							Special issues	Other			
Fiscal year:											
1971	1,274	7,372	109	8,755	398,130	12,163	82,740	22,400	825	304,328	37,086
1972	2,344	7,634	139	10,117	427,260	10,894	89,536	24,023	825	323,770	41,814
1973	4,038	8,433	106	12,576	458,142	11,109	101,248	24,133	825	343,045	51,325
1974	2,919	6,152	88	9,159	475,060	12,012	114,921	25,273	825	346,053	65,411
1975	5,773	1,475	343	7,591	533,188	10,943	123,033	24,192	(5)	396,906	76,092
1976	11,972	2,856	7	14,835	620,432	10,853	129,614	21,952	.....	479,719	.....
Calendar year:											
1973	2,543	7,760	70	10,374	469,898	11,586	106,624	24,978	825	349,058	59,857
1974	3,113	2,745	70	5,928	492,664	11,323	117,761	25,423	(5)	360,804	76,459
1975	7,286	1,159	7	8,452	576,649	10,904	118,294	23,006	.....	446,253	78,842
Month:											
1975—June	5,773	1,475	343	7,591	533,188	10,943	123,033	24,192	.....	396,906	76,092
July	2,776	878	444	4,098	538,240	10,920	120,606	23,847	.....	404,707	77,173
Aug.	2,349	1,214	−141	3,423	547,711	10,926	122,990	23,752	.....	411,895	76,659
Sept.	8,074	2,162	529	10,765	553,647	10,935	120,839	23,385	.....	420,358	77,026
Oct.	8,517	1,251	559	10,327	561,999	10,931	117,183	23,645	.....	432,102	78,016
Nov.	4,919	1,558	9	6,485	566,799	10,928	116,434	23,255	.....	438,037	78,451
Dec.	7,286	1,159	7	8,452	576,649	10,904	118,294	23,006	.....	446,253	78,842
1976—Jan.	10,077	1,899	7	11,982	584,405	10,902	117,901	23,333	.....	454,072	79,355
Feb.	10,350	1,682	7	12,039	584,405	10,902	117,901	23,333	.....	463,045	78,359
Mar.	7,145	864	7	8,016	600,490	10,901	118,340	22,686	.....	470,365	78,712
Apr.	9,808	1,723	7	11,537	601,973	10,870	118,390	22,690	.....	471,763	80,039
May	6,746	1,407	7	8,159	610,672	10,861	123,520	22,140	.....	475,872	.....
June	11,972	2,856	7	14,835	620,432	10,853	129,614	21,952	.....	479,719	.....

[1] Represents non-interest-bearing public debt securities issued to the International Monetary Fund and international lending organizations. New obligations to these agencies are handled by letters of credit.

[2] Includes accrued interest payable on public debt securities until June 1973 and total accrued interest payable to the public thereafter; deposit funds; miscellaneous liability (includes checks outstanding) and asset accounts; seigniorage; increment on gold; fiscal 1974 conversion of interest receipts of Govt. accounts to an accrual basis; gold holdings, gold certificates and other liabilities, and gold balance beginning Jan. 1974; and net gain/loss for U.S. currency valuation adjustment beginning June 1975.

[3] As of Jan. 3, 1972, the Treasury operating balance was redefined to exclude the gold balance and to include previously excluded "Other depositaries" (deposits in certain commercial depositaries that have been converted from a time to a demand basis to permit greater flexibility in Treasury cash management).

[4] Includes debt of Federal home loan banks, Federal land banks, R.F.K. Stadium Fund, FNMA (beginning Sept. 1968), and Federal intermediate credit banks and banks for cooperatives (both beginning Dec. 1968).

[5] Beginning July 1974, public debt securities excludes $825 million of notes issued to International Monetary Fund to conform with Office of Management and Budget's presentation of the budget.

NOTE.—Half years may not add to fiscal year totals due to revisions in series that are not yet available on a monthly basis.

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FEDERAL FISCAL OPERATIONS: DETAIL

(In millions of dollars)

Period	Budget receipts																
		Individual income taxes					Corporation income taxes		Social insurance taxes and contributions								
	Total	Withheld	Pres. Election Campaign Fund	Nonwithheld	Refunds	Net total	Gross receipts	Refunds	Employment taxes and contribution[1]		Unempl. insur.	Other net receipts[2]	Net total	Excise taxes	Customs	Estate and gift	Misc. receipts[3]
									Payroll taxes	Self-empl.							
Fiscal year:																	
1973	232,225	98,093	.....	27,017	21,866	103,246	39,045	2,893	52,505	2,371	6,051	3,614	64,542	16,260	3,188	4,917	3,921
1974	264,932	112,092	28	30,812	23,952	118,952	41,744	3,125	62,878	3,008	6,837	4,051	76,780	16,844	3,334	5,035	5,369
1975	280,997	122,071	32	34,296	34,013	122,386	45,747	5,125	71,789	3,417	6,770	4,466	86,441	16,551	3,676	4,611	6,711
1976	300,005	123,408	34	35,528	27,367	131,603	46,783	5,374	76,391	3,518	8,054	4,752	92,714	16,963	4,074	5,216	8,026
Half year:																	
1974—July–Dec.	139,607	61,378	.....	7,098	1,016	67,461	18,247	2,016	34,418	254	2,914	2,187	39,774	8,761	1,958	2,284	3,140
1975—Jan.–June	141,190	60,694	.....	27,198	32,997	54,926	27,500	3,109	37,371	3,163	3,856	2,279	46,667	7,790	1,718	2,327	3,370
July–Dec.	139,453	59,549	.....	7,649	1,362	65,835	18,810	2,735	35,443	268	2,861	2,314	40,886	8,759	1,927	2,573	3,397
1976—Jan.–June	160,552	63,859	33	27,879	26,004	65,767	27,973	2,639	40,947	3,250	5,193	2,438	51,828	8,204	2,147	2,643	4,630
Month:																	
1975—June[r]	32,024	10,027	.....	4,540	1,444	13,123	10,241	664	5,553	373	92	413	6,431	1,464	301	412	715
July	20,197	9,205	.....	908	498	9,615	1,838	471	5,309	.....	444	374	6,128	1,514	313	503	757
Aug.	23,584	10,246	.....	488	331	10,403	1,045	425	8,085	.....	1,257	372	9,713	1,394	302	430	723
Sept.	28,615	9,182	.....	4,809	382	13,609	6,277	264	5,555	251	75	400	6,280	1,430	312	431	539
Oct.	19,316	9,983	.....	589	−81	10,653	1,694	821	4,551	.....	259	395	5,206	1,462	343	396	382
Nov.	21,745	10,195	.....	283	124	10,354	1,072	399	6,900	.....	716	377	7,994	1,476	310	428	511
Dec.	25,995	10,738	.....	571	109	11,200	6,884	354	5,043	17	110	395	5,565	1,482	347	386	485
1976—Jan.	25,634	9,518	1	5,843	86	15,276	1,771	218	5,540	225	223	442	6,430	1,335	348	401	292
Feb.	20,845	10,938	7	933	4,100	7,778	1,203	422	8,330	237	693	370	9,631	1,354	288	475	538
Mar.	20,431	11,377	9	2,532	8,646	5,272	6,485	621	5,796	275	129	435	6,635	1,344	384	450	482
Apr.	33,348	10,029	7	12,723	7,512	15,248	6,727	607	6,179	1,832	952	386	9,349	1,353	357	387	535
May	22,679	10,749	6	573	5,171	6,157	1,396	380	9,132	359	2,940	380	12,811	1,329	349	489	528
June	37,615	11,249	3	5,275	490	16,037	10,391	391	5,969	322	254	425	6,971	1,489	421	442	2,255

Period	Budget outlays														
	Total	National defense	Intl. affairs	General science, space, and tech.	Agriculture	Natural resources, envir., and energy	Commerce and transp.	Commun. and region. development	Education, training, employment, and social serv.	Health and welfare	Veterans	Interest	General Govt., law enforce., and justice	Revenue shar. and fiscal assistance	Undistrib. offsetting receipts[4]
Fiscal year:															
1974	268,392	78,569	3,593	3,977	2,230	6,571	13,096	4,911	11,598	106,505	13,386	28,072	5,789	6,746	−16,651
1975	324,601	86,585	4,358	3,989	1,660	9,537	16,010	4,431	15,248	136,252	16,597	30,974	6,031	7,005	−14,075
1976	365,610	90,216	4,462	4,197	1,994	11,674	17,239	5,023	17,678	160,497	18,444	35,500	6,277	7,114	−14,704
TQ[6]	102,100	26,000	2,000	1,200	900	3,900	5,300	1,700	4,900	42,100	4,400	9,500	1,800	2,000	−3,600
1977[5]	400,000	101,600	7,100	4,500	1,800	15,100	16,400	6,000	18,400	172,700	17,800	40,200	6,900	7,400	−16,800
Month:															
1975—June[r]	30,502	6,229	710	385	205	1,776	1,611	641	2,218	13,741	1,426	2,472	712	−47	−1,578
July	31,249	7,307	531	476	270	821	2,256	402	1,237	13,092	1,367	2,637	321	1,625	−1,094
Aug.	30,634	8,229	448	402	117	770	2,165	568	1,690	12,431	1,447	2,672	553	213	−1,071
Sept.	29,044	6,923	47	398	507	844	1,899	440	1,571	12,738	1,334	2,859	548	4	−1,068
Oct.	32,425	8,192	362	398	312	740	1,965	462	896	13,575	1,518	2,957	492	1,592	−1,035
Nov.	29,401	7,533	419	405	196	786	1,203	315	1,653	12,612	1,624	2,996	531	15	−887
Dec.	31,792	7,981	290	409	175	814	1,994	433	1,515	13,721	1,704	2,820	1,154	1	−1,221
1976—Jan.	30,725	6,915	351	336	228	718	1,819	421	1,478	13,714	1,626	2,813	121	1,627	−1,441
Feb.	29,833	6,120	320	413	315	1,833	900	421	1,530	13,360	1,696	3,143	570	53	−841
Mar.	29,054	7,752	320	379	44	935	−672	270	1,809	14,382	1,659	3,407	567	16	−1,814
Apr.	32,476	7,994	249	360	−51	984	1,610	464	1,606	13,679	1,652	3,356	420	1,605	−1,452
May	28,410	7,136	292	348	270	924	466	448	1,258	13,229	1,555	3,220	617	96	−1,449
June	30,567	8,134	1,077	371	−181	929	1,238	528	1,738	13,501	1,248	2,652	668	32	−1,368

[1] Old-age, disability, and hospital insurance, and Railroad Retirement accounts.

[2] Supplementary medical insurance premiums and Federal employee retirement contributions.

[3] Deposits of earnings by F. R. Banks and other miscellaneous receipts.

[4] Consists of interest received by trust funds, rents and royalties on the Outer Continental Shelf, and Govt. contributions for employee retirement.

[5] Estimates presented in *Mid-session Review of the 1977 Budget*, July 16, 1976. Figures for outlay categories exclude special allowances for civilian agency pay raises totaling $800 million for fiscal year 1977, and therefore do not add to totals.

[6] Effective in calendar year 1976, the fiscal year for the U.S. Govt. is being changed from July 1–June 30 to Oct. 1–Sept. 30. The period July 1–Sept. 30 of 1976, data for which are shown separately from fiscal year 1976 and fiscal year 1977 totals, will be a transition quarter.

NOTE.—Half years may not add to fiscal year totals due to revisions in series that are not yet available on a monthly basis.

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GROSS PUBLIC DEBT, BY TYPE OF SECURITY

(In billions of dollars)

End of period	Total gross public debt [1]	Public issues (interest-bearing)										Special issues [5]
		Total	Marketable					Convertible bonds	Nonmarketable			
			Total	Bills	Certificates	Notes	Bonds [2]		Total [3]	Foreign issues [4]	Savings bonds and notes	
1968—Dec.	358.0	296.0	236.8	75.0	.....	76.5	85.3	2.5	56.7	4.3	52.3	59.1
1969—Dec.	368.2	295.2	235.9	80.6	.....	85.4	69.9	2.4	56.9	3.8	52.2	71.0
1970—Dec.	389.2	309.1	247.7	87.9	.....	101.2	58.6	2.4	59.1	5.7	52.5	78.1
1971—Dec.	424.1	336.7	262.0	97.5	.....	114.0	50.6	2.3	72.3	16.8	54.9	85.7
1972—Dec.	449.3	351.4	269.5	103.9	.....	121.5	44.1	2.3	79.5	20.6	58.1	95.9
1973—Dec.	469.9	360.7	270.2	107.8	.....	124.6	37.8	2.3	88.2	26.0	60.8	107.1
1974—Dec.	492.7	373.4	282.9	119.7	.....	129.8	33.4	2.3	88.2	22.8	63.8	118.2
1975—July	538.2	416.3	323.7	133.4	.....	153.6	36.7	2.3	90.4	22.2	66.3	120.9
Aug.	547.7	423.5	331.1	138.1	.....	155.2	37.8	2.3	90.1	21.6	66.6	123.3
Sept.	553.6	431.5	338.9	142.8	.....	158.5	37.7	2.3	90.3	21.5	66.9	121.1
Oct.	562.0	443.6	350.9	147.1	.....	166.3	37.6	2.3	90.5	21.2	67.2	117.4
Nov.	566.8	447.5	355.9	151.1	.....	166.1	38.7	2.3	89.3	21.3	67.6	116.7
Dec.	576.6	457.1	363.2	157.5	.....	167.1	38.6	2.3	91.7	21.6	67.9	118.5
1976—Jan.	584.4	463.8	369.3	159.6	.....	171.1	38.6	2.3	92.2	21.6	68.2	118.1
Feb.	593.9	473.7	378.8	162.1	.....	177.6	39.1	2.3	92.7	21.7	68.6	119.2
Mar.	600.5	480.7	385.3	163.1	.....	183.1	39.0	2.3	93.1	21.7	69.0	118.5
Apr.	602.0	482.4	386.4	161.8	.....	185.8	38.9	2.3	93.6	21.6	69.4	118.6
May	610.7	484.4	388.0	161.8	.....	186.5	39.7	2.3	94.1	21.5	69.8	123.7
June	620.4	489.5	392.6	161.2	.....	191.8	39.6	2.3	94.6	21.5	70.1	129.8
July	624.5	495.5	397.7	161.4	.....	197.2	39.1	2.3	95.5	21.4	70.8	128.1

[1] Includes non-interest-bearing debt (of which $613 million on July 31, 1976, was not subject to statutory debt limitation).

[2] Includes Treasury bonds and minor amounts of Panama Canal and postal savings bonds.

[3] Includes (not shown separately): depositary bonds, retirement plan bonds, Rural Electrification Administration bonds, State and local government bonds, and Treasury deposit funds.

[4] Nonmarketable certificates of indebtedness, notes, and bonds in the Treasury foreign series and foreign-currency-series issues.

[5] Held only by U.S. Govt. agencies and trust funds and the Federal home loan banks.

NOTE.—Based on *Monthly Statement of the Public Debt of the United States*, published by U.S. Treasury. See also second paragraph in NOTE to table below.

OWNERSHIP OF PUBLIC DEBT

(Par value, in billions of dollars)

End of period	Total gross public debt	Held by—		Held by private investors									
		U.S. Govt. agencies and trust funds	F.R. Banks	Total	Commercial banks	Mutual savings banks	Insurance companies	Other corporations	State and local govts.	Individuals		Foreign and international [1]	Other misc. investors [2]
										Savings bonds	Other securities		
1968—Dec.	358.0	76.6	52.9	228.5	66.0	3.8	8.4	14.2	24.9	51.9	23.3	14.3	21.9
1969—Dec.	368.2	89.0	57.2	222.0	56.8	3.1	7.6	10.4	27.2	51.8	29.0	11.2	25.0
1970—Dec.	389.2	97.1	62.1	229.9	62.7	3.1	7.4	7.3	27.8	52.1	29.1	20.6	19.9
1971—Dec.	424.1	106.0	70.2	247.9	65.3	3.1	7.0	11.4	25.4	54.4	18.8	46.9	15.6
1972—Dec.	449.3	116.9	69.9	262.5	67.7	3.4	6.6	9.8	28.9	57.7	16.2	55.3	17.0
1973—Dec.	469.9	129.6	78.5	261.7	60.3	2.9	6.4	10.9	29.2	60.3	16.9	55.6	19.3
1974—Dec.	492.7	141.2	80.5	271.0	55.6	2.5	6.1	11.0	29.2	63.4	21.5	58.4	23.2
1975—May	528.2	140.9	85.6	301.7	67.7	3.4	6.9	13.7	29.8	65.1	21.5	66.8	26.8
June	533.2	145.3	84.7	303.2	69.2	3.5	7.1	13.2	29.6	65.5	21.6	66.0	27.4
July	538.2	142.5	81.9	313.8	71.4	3.7	7.3	16.2	31.3	65.9	21.8	66.7	29.5
Aug.	547.2	144.8	82.5	320.4	75.4	3.9	7.4	16.0	31.2	66.2	22.6	67.3	30.5
Sept.	553.6	142.3	87.0	324.4	78.4	4.0	7.6	15.0	32.2	66.5	23.0	65.5	32.3
Oct.	562.0	138.8	87.2	336.0	80.5	4.2	7.9	17.5	33.8	66.8	23.2	66.9	35.2
Nov.	566.8	137.7	85.1	343.9	82.6	4.4	8.8	20.0	33.9	67.1	23.5	66.1	37.5
Dec.	576.6	137.4	87.9	349.4	85.8	4.5	9.3	20.2	33.8	67.3	23.6	66.5	38.3
1976—Jan.	584.4	139.3	89.8	355.3	87.0	4.7	9.9	21.2	34.6	67.7	23.6	68.3	38.3
Feb.	593.9	139.7	89.0	365.1	88.0	4.9	10.0	23.2	36.4	68.0	24.5	69.6	40.3
Mar.	600.5	139.1	89.8	371.7	92.7	5.1	10.4	23.0	37.8	68.4	24.6	68.1	41.4
Apr.	602.0	139.1	91.8	371.0	92.2	5.1	10.2	23.8	37.7	68.8	24.4	70.2	38.6
May[p]	610.7	143.7	90.5	376.4	92.0	5.3	10.3	26.0	37.6	69.2	24.5	71.0	40.5

[1] Consists of investments of foreign and international accounts in the United States.

[2] Consists of savings and loan assns., nonprofit institutions, corporate pensions trust funds, and dealers and brokers. Also included are certain Govt. deposit accounts and Govt.-sponsored agencies.

NOTE.—Reported data for F.R. Banks and U.S. Govt. agencies and trust funds; Treasury estimates for other groups.

The debt and ownership concepts were altered beginning with the Mar. 1969 BULLETIN. The new concepts (1) exclude guaranteed securities and (2) remove from U.S. Govt. agencies and trust funds and add to other miscellaneous investors the holdings of certain Govt.-sponsored but privately owned agencies and certain Govt. deposit accounts. Beginning in July 1974, total gross public debt includes Federal Financing Bank bills and excludes notes issued to the IMF ($825 million).

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OWNERSHIP OF MARKETABLE SECURITIES, BY MATURITY

(Par value, in millions of dollars)

Type of holder and date	Total	Within 1 year			1–5 years	5–10 years	10–20 years	Over 20 years
		Total	Bills	Other				
All holders:								
1973—Dec. 31	270,224	141,571	107,786	33,785	81,715	25,134	15,659	6,145
1974—Dec. 31	282,891	148,086	119,747	28,339	85,311	27,897	14,833	6,764
1975—Dec. 31	366,191	199,692	157,483	42,209	112,270	26,436	14,264	10,530
1976—May 31	388,021	205,431	161,840	43,591	121,112	35,573	14,025	11,881
June 30	392,581	204,167	161,198	42,969	127,017	35,561	13,979	11,857
U.S. Govt. agencies and trust funds:								
1973—Dec. 31	20,962	2,220	631	1,589	7,714	4,389	5,019	1,620
1974—Dec. 31	21,391	2,400	588	1,812	7,823	4,721	4,670	1,777
1975—Dec. 31	19,347	2,769	207	2,562	7,058	3,283	4,233	2,053
1976—May 31	18,562	2,528	442	2,086	6,582	3,039	4,298	2,115
June 30	18,354	2,402	418	1,984	6,500	3,039	4,298	2,115
Federal Reserve Banks:								
1973—Dec. 31	78,516	46,189	36,928	9,261	23,062	7,504	1,577	184
1974—Dec. 31	80,501	45,388	36,990	8,399	23,282	9,664	1,453	713
1975—Dec. 31	87,934	46,845	38,018	8,827	30,518	6,463	1,507	2,601
1976—May 31	90,530	49,439	38,722	10,717	28,287	8,198	1,556	3,050
June 30	94,446	51,469	40,833	10,636	29,939	8,353	1,595	3,090
Held by private investors:								
1973—Dec. 31	170,746	93,162	70,227	22,935	50,939	13,241	9,063	4,341
1974—Dec. 31	180,999	100,298	82,168	18,130	54,206	13,512	8,710	4,274
1975—Dec. 31	255,860	150,078	119,258	30,820	74,694	16,690	8,524	5,876
1976—May 31	278,929	153,464	122,626	30,838	86,243	24,336	8,171	6,716
June 30	279,781	150,296	119,947	30,349	90,578	24,169	8,086	6,652
Commercial banks:								
1973—Dec. 31	45,737	17,499	7,901	9,598	22,878	4,022	1,065	272
1974—Dec. 31	42,755	14,873	6,952	7,921	22,717	4,151	733	280
1975—Dec. 31	64,398	29,875	17,481	12,394	29,629	4,071	552	271
1976—May 31	68,962	28,163	16,601	11,562	35,359	4,647	509	283
June 30	69,162	28,177	16,749	11,428	35,909	4,324	494	258
Mutual savings banks:								
1973—Dec. 31	1,955	562	222	340	750	211	300	131
1974—Dec. 31	1,477	399	207	192	614	174	202	88
1975—Dec. 31	3,300	983	554	429	1,524	448	232	112
1976—May 31	4,001	1,000	477	523	2,119	540	213	129
June 30	3,885	953	410	543	2,114	546	197	74
Insurance companies:								
1973—Dec. 31	4,956	779	312	467	1,073	1,278	1,301	523
1974—Dec. 31	4,741	722	414	308	1,061	1,310	1,297	351
1975—Dec. 31	7,565	2,024	1,513	511	2,359	1,592	1,154	436
1976—May 31	8,551	1,582	1,095	487	3,393	1,955	1,133	488
June 30	8,670	1,483	961	522	3,502	2,020	1,134	530
Nonfinancial corporations:								
1973—Dec 31	4,905	3,295	1,695	1,600	1,281	260	54	15
1974—Dec. 31	4,246	2,623	1,859	764	1,423	115	26	59
1975—Dec. 31	9,365	7,105	5,829	1,276	1,967	175	61	57
1976—May 31	13,610	11,068	9,411	1,657	2,327	127	57	33
June 30	13,025	10,467	8,804	1,663	2,285	189	54	31
Savings and loan associations:								
1973—Dec. 31	2,103	576	121	455	1,011	320	151	45
1974—Dec. 31	1,663	350	87	263	835	282	173	23
1975—Dec. 31	2,793	914	518	396	1,558	216	82	22
1976—May 31	4,388	1,895	1,362	533	2,211	178	83	21
June 30	4,318	1,767	1,224	543	2,274	177	81	20
State and local governments:								
1973—Dec. 31	9,829	5,845	4,483	1,362	1,870	778	1,003	332
1974—Dec. 31	7,864	4,121	3,319	802	1,796	815	800	332
1975—Dec. 31	9,285	5,288	4,566	722	1,761	782	896	558
1976—May 31	14,868	10,425	9,616	809	2,111	879	804	649
June 30	13,174	8,339	7,460	879	2,271	971	802	790
All others:								
1973—Dec. 31	101,261	64,606	55,493	9,113	22,076	6,372	5,189	3,023
1974—Dec. 31	118,253	77,210	69,330	7,880	25,760	6,664	5,479	3,141
1975—Dec. 31	159,154	103,889	88,797	15,092	35,894	9,405	5,546	4,420
1976—May 31	164,550	99,332	84,115	15,217	38,723	16,009	5,373	5,114
June 30	167,548	99,110	84,338	14,772	42,223	15,943	5,325	4,948

NOTE.—Direct public issues only. Based on Treasury Survey of Ownership.

Data complete for U.S. Govt. agencies and trust funds and F.R. Banks, but data for other groups include only holdings of those institutions that report. The following figures show, for each category, the number and proportion reporting: (1) 5,518 commercial banks, 470 mutual savings banks, and 729 insurance companies combined, each about 90 per cent; (2) 452 nonfinancial corporations and 486 savings and loan assns., each about 50 per cent; and (3) 501 State and local govts., about 40 per cent.

"All others," a residual, includes holdings of all those not reporting in the Treasury Survey, including investor groups not listed separately.

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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	U.S. Govt. securities dealers	U.S. Govt. securities brokers	Commercial banks	All other[1]	
1975—June	5,732	3,745	1,484	372	132	801	1,689	1,336	1,906	1,217
July	4,675	3,301	1,131	172	71	669	1,294	1,100	1,613	778
Aug.	5,183	3,375	1,340	333	134	742	1,405	1,185	1,851	845
Sept.	5,566	4,032	1,315	128	91	931	1,405	1,198	2,033	787
Oct.	8,714	5,929	2,332	309	144	1,271	2,675	1,839	2,929	1,250
Nov.	7,594	5,519	1,353	534	189	1,070	2,176	1,875	2,474	1,217
Dec.	7,586	5,919	1,270	278	120	1,190	2,217	1,977	2,202	1,059
1976—Jan.	9,509	7,049	1,765	569	126	1,265	3,118	2,192	2,935	1,417
Feb.	8,329	5,863	1,553	755	158	951	2,389	2,196	2,793	1,163
Mar.	9,044	6,763	1,807	358	116	1,308	2,777	2,276	2,683	1,185
Apr.	10,293	7,667	2,186	306	134	1,341	3,154	2,426	3,372	1,665
May	8,557	6,002	1,593	700	263	952	2,907	2,128	2,571	r1,131
June	8,582	6,415	1,616	426	126	1,312	2,543	1,983	2,743	1,118
Week ending—										
1976—June 2	8,274	6,754	1,058	329	133	983	2,703	1,968	2,621	1,017
9	9,588	6,822	2,134	463	170	1,280	3,192	2,209	2,908	1,071
16	8,197	5,988	1,694	394	122	1,414	2,306	2,088	2,389	1,227
23	7,595	5,582	1,607	321	84	1,285	2,054	1,732	2,519	1,266
30r	8,853	6,833	1,325	587	107	1,318	2,600	1,816	3,119	986
July 7	9,421	6,914	1,136	1,281	90	1,430	2,795	2,099	3,099	1,253
14	10,692	7,271	2,022	1,260	139	1,660	3,784	2,322	2,926	1,808
21	8,030	5,670	1,488	784	88	1,175	2,756	1,545	2,554	1,460
28	10,411	7,730	2,078	524	80	1,350	3,499	2,239	3,322	1,096

[1] Since Jan. 1972 has included transactions of dealers and brokers in securities other than U.S. Govt.

NOTE.—The transactions data combine market purchases and sales of U.S. Govt. securities dealers reporting to the F.R. Bank of New York. They do not include allotments of, and exchanges for, new U.S. Govt. securities, redemptions of called or matured securities, or purchases or sales of securities under repurchase agreement, reverse repurchase (resale), or similar contracts. Averages of daily figures based on the number of trading days in the period.

DAILY-AVERAGE DEALER POSITIONS

(Par value, in millions of dollars)

Period	U.S. Government securities, by maturity					U.S. Govt. agency securities
	All maturities	Within 1 year	1–5 years	5–10 years	Over 10 years	
1975—June	6,768	5,923	748	100	−3	790
July	5,736	4,978	775	47	−64	626
Aug.	5,501	4,491	609	262	138	610
Sept.	5,718	5,214	410	56	39	529
Oct.	7,322	6,019	1,091	111	102	491
Nov.	6,752	5,011	640	594	506	953
Dec.	6,061	5,274	322	218	247	982
1976—Jan.	6,305	5,287	449	398	170	694
Feb.	6,263	5,477	381	224	183	602
Mar.	6,884	6,360	286	122	116	537
Apr.	6,733	6,328	190	131	84	508
May	5,272	4,852	232	126	62	r183
June	5,895	5,489	251	144	11	335
Week ending—						
1976—May 5	5,180	4,785	251	114	30	403
12	5,984	5,181	419	227	156	281
19	4,905	4,550	115	165	74	205
26	4,624	4,352	234	29	9	29
June 2	5,827	5,853	−28	16	−14	61
9	6,040	5,569	391	74	5	164
16	6,531	6,146	265	97	24	315
23	5,306	4,904	277	112	14	451
30	5,669	5,115	192	350	11	520

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		Corporations[1]	All other
		New York City	Elsewhere		
1975—June	7,682	1,955	1,979	737	3,012
July	6,594	1,365	1,435	929	2,865
Aug.	6,167	1,009	1,148	1,120	2,890
Sept.	6,576	1,160	1,640	972	2,804
Oct.	6,940	1,658	1,792	817	2,673
Nov.	7,215	1,958	1,393	991	2,873
Dec.	7,107	2,001	1,304	1,086	2,716
1976—Jan.	6,766	1,757	1,337	1,147	2,526
Feb.	6,700	1,705	850	1,017	3,128
Mar.	7,175	1,865	1,138	1,225	2,947
Apr.	7,587	1,966	1,734	1,126	2,761
May	6,089	1,346	1,026	975	2,742
June	7,326	1,819	1,494	1,258	2,756
Week ending—					
1976—May 5	5,448	1,013	863	739	2,833
12	6,721	1,717	1,312	787	2,905
19	6,511	1,464	1,121	971	2,956
26	5,561	1,277	905	1,051	2,328
June 2	6,351	1,404	974	1,390	2,583
9	7,251	1,747	1,574	1,333	2,597
16	9,344	3,199	2,049	1,404	2,692
23	6,953	1,455	1,370	1,220	2,908
30	5,887	826	1,050	1,037	2,973

[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.

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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)	Bonds (L)	Loans and discounts (A)	Bonds (L)	Mortgage loans (A)	Bonds (L)
1970.....	10,614	3,864	105	10,183	2,332	1,607	15,502	15,206	2,030	1,755	4,974	4,799	7,186	6,395
1971.....	7,936	2,520	142	7,139	1,789	1,618	17,791	17,701	2,076	1,801	5,669	5,503	7,917	7,063
1972.....	7,979	2,225	129	6,971	1,548	1,756	19,791	19,238	2,298	1,944	6,094	5,804	9,107	8,012
1973.....	15,147	3,537	157	15,362	1,745	2,122	24,175	23,001	2,577	2,670	7,198	6,861	11,071	9,838
1974.....	21,804	3,094	144	21,878	2,484	2,624	29,709	28,201	3,575	3,561	8,848	8,400	13,643	12,427
1975—June..	16,803	6,259	134	19,396	2,831	2,653	30,136	28,237	3,371	2,948	10,031	9,357	15,437	13,961
July..	16,685	6,174	119	19,446	2,436	2,656	30,453	28,419	3,520	2,914	10,163	9,556	15,654	14,351
Aug...	16,945	4,680	89	18,736	2,281	2,660	30,881	28,718	3,738	3,004	10,176	9,715	15,851	14,351
Sept...	17,482	4,247	114	18,720	2,275	2,679	31,157	28,933	3,847	3,109	10,100	9,657	16,044	14,351
Oct...	17,578	4,368	70	18,766	2,291	2,685	31,466	29,373	4,087	3,453	9,933	9,505	16,247	14,774
Nov..	17,606	4,439	87	18,874	2,527	2,690	31,647	29,319	4,041	3,664	8,784	9,319	16,380	14,774
Dec...	17,845	4,376	109	18,863	2,701	2,705	31,916	29,963	3,979	3,643	9,947	9,211	16,564	14,773
1976—Jan...	17,106	5,549	97	18,850	2,971	2,802	31,866	29,809	4,356	3,793	9,944	9,201	16,746	15,243
Feb...	16,380	5,286	69	17,738	3,085	2,829	31,704	29,758	4,546	3,878	10,013	9,254	16,930	15,120
Mar..	15,757	6,063	110	17,714	3,182	2,827	31,564	30,021	4,656	3,918	10,272	9,812	17,264	15,120
Apr...	15,336	6,394	113	17,713	2,990	2,829	31,468	30,148	4,590	3,921	10,762	9,877	17,514	15,834
May..	15,215	5,585	97	17,114	2,891	2,836	32,113	29,805	4,470	3,761	10,823	10,034	17,731	15,834
June..	15,274	3,739	118	17,136	2,949	2,839	32,090	29,863	4,413	3,733	11,188	9,998	17,979	15,834

NOTE.—Data from Federal Home Loan Bank Board, Federal National Mortgage Assn., and Farm Credit Admin. Among omitted balance sheet items are capital accounts of all agencies, except for stock of FHLB's. Bonds, debentures, and notes are valued at par. They include only publicly offered securities (excluding, for FHLB's, bonds held within the FHLB System) are not guaranteed by the U.S. Govt. Loans are gross of valuation reserves and represent cost for FNMA and unpaid principal for other agencies.

NEW ISSUES OF STATE AND LOCAL GOVERNMENT SECURITIES

(In millions of dollars)

Period	All issues (new capital and refunding)								Total 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
1971.....	24,963	15,220	8,681	1,000	62	5,999	8,714	10,246	.....	24,495	5,278	2,642	5,214	2,068	.....	9,293
1972.....	23,653	13,305	9,332	959	57	4,991	9,496	9,165	.....	19,959	4,981	1,689	4,638	1,910	.....	6,741
1973.....	23,969	12,257	10,632	1,022	58	4,212	9,505	10,249	.....	22,397	4,311	1,458	5,654	2,639	.....	8,335
1974.....	24,315	13,563	10,212	461	79	4,784	8,638	10,817	.....	23,508	4,730	768	5,634	1,064	.....	11,312
1975.....	30,607	16,020	14,511	.....	76	7,438	12,441	10,660	.....	29,495	4,689	1,277	7,209	647	.....	15,673
1975—June...	3,066	1,772	1,292	.....	2	938	1,137	989	.....	2,840	430	164	821	28	.....	1,397
July...	3,586	1,371	2,209	.....	6	1,577	1,063	941	.....	3,554	400	123	879	37	.....	2,115
Aug...	2,786	1,058	1,725	.....	3	376	1,665	747	.....	2,561	379	55	626	67	.....	1,434
Sept...	2,171	907	1,252	.....	12	357	1,185	614	.....	2,123	279	134	447	48	.....	1,215
Oct....	2,337	1,120	1,203	.....	14	482	979	855	.....	2,241	212	60	487	44	.....	1,438
Nov...	2,385	1,040	1,341	.....	4	470	1,244	667	.....	2,318	219	88	618	28	.....	1,365
Dec....	2,062	995	1,057	.....	10	434	1,043	576	.....	1,990	287	29	495	20	.....	1,159
1976—Jan.r..	2,358	1,136	1,211	.....	11	639	1,073	638	.....	2,273	432	95	600	88	.....	1,058
Feb.r..	2,722	1,332	1,375	.....	15	446	1,449	810	.....	2,622	360	135	574	130	.....	1,423
Mar.r.	3,346	2,173	1,166	.....	7	1,254	824	1,262	.....	3,180	439	215	710	692	.....	1,124
Apr....	2,365	1,191	1,163	.....	11	455	1,181	718	.....	2,252	341	25	665	358	.....	863
May...	3,490	1,866	1,611	.....	13	824	1,400	1,256	.....	3,303	710	384	956	70	.....	1,183
Junep..	2,756	1,547	1,194	.....	15	590	1,024	1,131	.....	2,537	364	59	693	98	.....	1,323

[1] Only bonds sold pursuant to 1949 Housing Act, which are secured by contract requiring the Housing Assistance Administration to make annual contributions to the local authority.
[2] Municipalities, counties, townships, school districts.
[3] Excludes U.S. Govt. loans. Based on date of delivery to purchaser and payment to issuer, which occurs after date of sale.
[4] Water, sewer, and other utilities.
[5] Includes urban redevelopment loans.

NOTE.—Security Industries Assn. data; par amounts of long-term issues based on date of sale unless otherwise indicated.
Components may not add to totals due to rounding.

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TOTAL NEW ISSUES

(In millions of dollars)

Period	Gross proceeds, all issues[1]										
	Total	Noncorporate				Corporate					
		U.S. Govt.[2]	U.S. Govt. agency[3]	State and local (U.S.)[4]	Other[5]	Total	Bonds			Stock	
							Total	Publicly offered	Privately placed	Preferred	Common
1972	84,792	17,080	12,825	23,070	1,589	40,228	26,132	17,425	8,706	3,370	10,725
1973	99,050	19,057	23,883	22,700	1,385	32,025	21,049	13,244	7,802	3,337	7,642
1974	.....	.....	.....	.....	.....	38,311	32,066	25,903	6,160	2,253	3,994
1975[r]	.....	.....	.....	.....	.....	53,629	42,766	32,603	10,162	3,458	7,405
1975—Apr.[r]	.....	.....	.....	.....	.....	4,294	3,194	2,771	423	349	751
May[r]	.....	.....	.....	.....	.....	5,798	4,298	3,796	502	346	1,154
June[r]	.....	.....	.....	.....	.....	5,596	4,594	3,943	651	230	772
July[r]	.....	.....	.....	.....	.....	4,327	3,673	2,658	1,014	198	456
Aug.[r]	.....	.....	.....	.....	.....	2,399	1,836	1,356	480	129	434
Sept.[r]	.....	.....	.....	.....	.....	2,836	1,999	1,414	585	308	529
Oct.[r]	.....	.....	.....	.....	.....	4,705	3,158	2,389	769	332	1,215
Nov.[r]	.....	.....	.....	.....	.....	4,068	3,296	1,666	1,630	444	328
Dec.[r]	.....	.....	.....	.....	.....	4,316	3,519	1,761	1,758	462	335
1976—Jan.[r]	.....	.....	.....	.....	.....	3,372	2,802	2,189	613	139	431
Feb.[r]	.....	.....	.....	.....	.....	3,838	2,911	2,142	769	173	754
Mar.	.....	.....	.....	.....	.....	6,624	4,577	3,238	2,721	443	1,604
Apr.	.....	.....	.....	.....	.....	3,380	2,859	2,350	509	58	463

Period	Gross proceeds, major groups of corporate issuers											
	Manufacturing		Commercial and miscellaneous		Transportation		Public utility		Communication		Real estate and financial	
	Bonds	Stocks	Bonds	Stocks	Bonds	Stocks	Bonds	Stocks	Bonds	Stocks	Bonds	Stocks
1972	4,560	1,833	2,526	2,786	1,258	148	6,349	4,966	3,709	1,126	7,728	3,242
1973	4,199	638	1,318	1,532	1,084	26	5,578	4,691	3,523	1,348	5,344	2,745
1974	9,867	544	1,845	940	1,550	22	8,873	3,964	3,710	217	6,218	562
1975[r]	17,006	1,670	2,751	1,470	3,430	1	9,658	6,235	3,464	1,002	6,459	488
1975—Apr.[r]	1,498	233	294	211	97	.....	794	586	354	61	156	9
May[r]	2,266	384	242	141	415	1	845	704	153	260	379	10
June[r]	2,195	123	384	194	211	.....	838	640	362	.....	603	45
July[r]	1,056	64	229	227	338	.....	715	324	254	16	1,081	22
Aug.[r]	580	101	141	70	17	.....	719	305	93	19	286	68
Sept.[r]	512	107	57	37	154	.....	723	541	249	48	304	105
Oct.[r]	810	142	335	152	626	.....	571	676	373	555	443	23
Nov.[r]	874	229	81	53	1,000	.....	851	424	45	10	444	57
Dec.[r]	1,295	130	473	193	330	.....	539	363	205	27	679	83
1976—Jan.[r]	1,025	39	330	87	299	.....	662	435	16	.....	472	9
Feb.[r]	748	435	319	132	650	.....	487	302	151	20	555	37
Mar.	1,838	405	216	84	323	.....	747	1,411	577	1	875	146
Apr.	489	60	567	115	319	.....	327	312	448	.....	709	35

[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.

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NET CHANGE IN OUTSTANDING CORPORATE SECURITIES

(In millions of dollars)

Period	Derivation of change, all issuers[1]								
	All securities			Bonds and notes			Common and preferred stocks		
	New issues	Retirements	Net change	New issues	Retirements	Net change	New issues	Retirements	Net change
1972	42,306	10,224	32,082	27,065	8,003	19,062	15,242	2,222	13,018
1973	33,559	11,804	21,754	21,501	8,810	12,691	12,057	2,993	9,064
1974	39,334	9,935	29,399	31,554	6,255	25,098	7,980	3,678	4,302
1975	53,255	10,991	42,263	40,468	8,583	31,886	12,787	2,408	10,377
1974—IV	12,272	2,871	9,401	10,086	2,004	8,082	2,186	866	1,319
1975—I	15,211	2,088	13,123	12,759	1,587	11,172	2,452	501	1,951
II	15,602	3,211	12,390	11,460	2,336	9,124	4,142	875	3,266
III	9,079	2,576	6,503	6,654	2,111	4,543	2,425	465	1,960
IV	13,363	3,116	10,247	9,595	2,549	7,047	3,768	567	3,200

Period	Type of issues											
	Manufacturing		Commercial and other[2]		Transportation[3]		Public utility		Communication		Real estate and financial[1]	
	Bonds and notes	Stocks	Bonds and notes	Stocks	Bonds and notes	Stocks	Bonds and notes	Stocks	Bonds and notes	Stocks	Bonds and notes	Stocks
1972	1,995	2,094	1,409	2,471	711	254	5,137	4,844	3,343	1,260	7,045	2,096
1973	801	658	−109	1,411	1,044	−93	4,265	4,509	3,165	1,399	3,523	1,181
1974	7,404	17	1,116	−135	341	−20	7,308	3,834	3,499	398	5,428	207
1975	13,219	1,607	1,605	1,137	2,165	65	7,236	6,015	2,980	1,084	4,682	468
1974—IV	3,098	126	240	−47	342	9	2,079	1,107	628	107	1,695	17
1975—I	5,134	262	373	77	1	1	2,653	1,569	1,269	24	1,742	18
II	4,574	500	483	490	429	7	1,977	1,866	810	359	852	43
III	1,442	412	221	108	147	53	1,395	1,043	472	97	866	247
IV	2,069	433	528	462	1,588	4	1,211	1,537	429	604	1,222	160

[1] Excludes investment companies.
[2] Extractive and commercial and miscellaneous companies.
[3] Railroad and other transportation companies.

NOTE.—Securities and Exchange Commission estimates of cash transactions only. As contrasted with data shown on preceding page, new issues exclude foreign sales and include sales of securities held by affiliated companies, special offerings to employees, and also new stock issues and cash proceeds connected with conversions of bonds into stocks. Retirements are defined in the same way and also include securities retired with internal funds or with proceeds of issues for that purpose.

OPEN-END INVESTMENT COMPANIES

(In millions of dollars)

Year	Sales and redemption of own shares			Assets (market value at end of period)			Month	Sales and redemption of own shares[4]			Assets (market value at end of period)		
	Sales[1]	Redemptions	Net sales	Total[2]	Cash position[3]	Other		Sales[1]	Redemptions	Net sales	Total[2]	Cash position[3]	Other
1963	2,460	1,504	952	25,214	1,341	23,873	1975—June	703	811	−108	45,538	3,640	41,898
1964	3,404	1,875	1,528	29,116	1,329	27,787	July	813	1,052	−239	42,896	3,591	39,305
1965	4,359	1,962	2,395	35,220	1,803	33,417	Aug	753	788	−35	41,672	3,660	38,012
							Sept	760	874	−114	40,234	3,664	36,570
1966	4,671	2,005	2,665	34,829	2,971	31,858	Oct	914	995	−81	41,860	3,601	38,259
1967	4,670	2,745	1,927	44,701	2,566	42,135	Nov	786	911	−125	42,460	3,733	38,727
1968	6,820	3,841	2,979	52,677	3,187	49,490	Dec	1,040	1,093	−53	42,179	3,748	38,431
1969	6,717	3,661	3,056	48,291	3,846	44,445	1976—Jan	411	538	−47	46,529	3,287	43,242
1970	4,624	2,987	1,637	47,618	3,649	43,969	Feb	262	577	−315	46,540	3,084	43,546
1971	5,145	4,751	394	55,045	3,038	52,007	Mar	326	677	−351	46,866	2,881	43,985
							Apr	305	620	−315	45,956	2,683	42,273
1972	4,892	6,563	−1,671	59,831	3,035	56,796	May	241	589	−348	45,122	2,769	42,353
1973	4,358	5,651	−1,261	46,518	4,002	42,516	June	321	599	−278	46,801	2,679	44,122
1974	5,346	3,937	1,409	35,777	5,637	30,140							
1975	10,057	9,571	486	42,179	3,748	38,431							

[1] Includes contractual and regular single-purchase sales, voluntary and contractual accumulation plan sales, and reinvestment of investment income dividends; excludes reinvestment of realized capital gains dividends.
[2] Market value at end of period less current liabilities.
[3] Cash and deposits, receivables, all U.S. Govt. securities, and other short-term debt securities, less current liabilities.
[4] Beginning Jan. 1976, sales and redemption figures exclude money market funds.

NOTE.—Investment Company Institute data based on reports of members, which comprise substantially all open-end investment companies registered with the Securities and Exchange Commission. Data reflect newly formed companies after their initial offering of securities.

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SALES, REVENUE, PROFITS, AND DIVIDENDS OF LARGE MANUFACTURING CORPORATIONS

(In millions of dollars)

Industry	1973	1974	1975	1973	1974				1975			
				IV	I	II	III	IV	I	II	III	IV
Total (170 corps.):▶												
Sales	442,351	564,284	586,394	121,023	126,812	143,077	145,054	149,341	138,322	145,872	147,986	154,214
Total revenue	448,919	572,695	594,806	123,175	128,711	145,227	147,251	151,506	140,411	147,785	149,820	156,790
Profits before taxes	53,845	67,719	60,183	14,732	16,596	18,218	17,860	15,045	12,895	14,859	15,493	16,936
Profits after taxes	28,767	32,535	26,973	7,738	7,739	9,292	8,428	7,076	5,551	6,707	7,094	7,621
Memo: PAT unadj.[1]	28,798	32,739	27,744	7,920	7,627	9,222	8,497	7,393	5,667	6,596	7,046	8,435
Dividends	11,516	12,303	12,444	3,393	2,912	2,928	3,073	3,390	3,128	3,032	3,072	3,212
Nondurable goods industries (86 corps.):[2]▶												
Sales	210,216	309,033	323,136	59,245	68,782	77,193	80,543	82,515	77,297	78,656	82,361	84,822
Total revenue	214,028	314,584	328,502	60,423	70,066	78,654	82,021	83,843	78,616	79,940	83,595	86,351
Profits before taxes	30,211	46,446	40,905	8,979	11,887	11,998	12,618	9,943	9,378	9,989	10,924	10,614
Profits after taxes	15,537	20,568	16,303	4,452	5,055	5,740	5,473	4,300	3,586	3,919	4,441	4,357
Memo: PAT unadj.[1]	15,415	20,465	16,719	4,506	4,958	5,689	5,398	4,420	3,572	3,900	4,439	4,808
Dividends	6,104	6,873	7,228	1,634	1,626	1,645	1,720	1,882	1,815	1,784	1,803	1,826
Durable goods industries (84 corps.):[3]												
Sales	232,135	255,251	263,258	61,778	58,030	65,884	64,511	66,826	61,025	67,216	65,625	69,392
Total revenue	234,891	258,111	266,304	62,751	58,645	66,573	65,230	67,663	61,795	67,845	66,225	70,439
Profits before taxes	23,634	21,273	19,278	5,754	4,709	6,220	5,242	5,102	3,517	4,870	4,569	6,322
Profits after taxes	13,230	11,967	10,670	3,287	2,684	3,552	2,955	2,776	1,965	2,788	2,653	3,264
Memo: PAT unadj.[1]	13,383	12,274	11,025	3,413	2,669	3,533	3,099	2,973	2,095	2,696	2,607	3,627
Dividends	5,412	5,430	5,216	1,760	1,286	1,283	1,353	1,508	1,313	1,248	1,269	1,386
Selected industries:												
Food and kindred products (28 corps.):												
Sales	42,629	52,753	57,149	11,871	11,885	12,729	13,663	14,476	13,490	14,117	14,600	14,942
Total revenue	43,198	53,728	58,156	11,938	12,110	12,996	13,939	14,683	13,708	14,356	14,844	15,248
Profits before taxes	3,957	4,602	5,025	1,067	1,046	1,190	1,289	1,077	1,066	1,190	1,385	1,384
Profits after taxes	2,062	2,298	2,496	543	529	607	645	517	502	607	919	668
Memo: PAT unadj.[1]	2,073	2,329	2,601	573	533	610	646	540	526	615	745	715
Dividends	936	1,011	1,100	240	243	248	253	267	268	271	274	287
Chemical and allied products (22 corps.):												
Sales	43,208	55,083	57,735	11,534	12,507	13,892	14,606	14,078	13,618	14,329	14,660	15,128
Total revenue	43,785	55,676	58,376	11,704	12,667	14,066	14,778	14,165	13,756	14,503	14,791	15,326
Profits before taxes	6,264	8,263	7,082	1,572	1,856	2,293	2,194	1,920	1,647	1,622	1,858	1,955
Profits after taxes	3,505	5,876	3,889	883	1,044	1,247	1,223	1,362	932	929	1,035	993
Memo: PAT unadj.[1]	3,469	4,745	4,015	880	1,031	1,245	1,180	1,289	927	937	1,028	1,123
Dividends	1,496	1,647	1,723	417	383	405	422	437	430	425	429	439
Petroleum refining (15 corps):												
Sales	93,504	165,150	172,645	27,752	36,103	41,362	42,747	44,938	41,988	41,342	43,873	45,442
Total revenue	95,722	168,680	175,915	28,584	36,913	42,261	43,659	45,847	42,851	42,100	44,633	46,331
Profits before taxes	17,493	30,657	26,305	5,724	8,296	7,564	8,339	6,458	6,227	6,612	6,961	6,505
Profits after taxes	8,551	11,775	8,551	2,662	3,098	3,349	3,181	2,147	1,905	2,078	2,300	2,268
Memo: PAT unadj.[1]	8,505	11,746	8,712	2,688	3,011	3,304	3,132	2,299	1,871	2,040	2,268	2,533
Dividends	3,146	3,635	3,801	832	864	853	899	1,019	966	937	949	949
Primary metals and products (23 corps.):												
Sales	42,400	54,044	48,578	11,379	11,888	13,976	14,285	13,895	12,482	12,393	12,274	11,429
Total revenue	43,103	55,048	49,534	11,715	12,045	14,171	14,504	14,328	12,782	12,604	12,479	11,669
Profits before taxes	3,221	5,579	2,873	919	973	1,586	1,791	1,229	1,015	711	487	660
Profits after taxes	1,966	3,199	1,822	561	589	927	1,028	655	633	478	396	315
Memo: PAT unadj.1	2,039	3,485	2,003	608	607	942	1,137	799	639	485	381	498
Dividends	789	965	945	227	221	209	238	297	273	227	216	229
Machinery (27 corps.):												
Sales	65,040	73,454	78,495	17,871	16,830	18,836	18,853	18,935	18,245	19,881	19,764	20,605
Total revenue	65,925	74,284	79,469	18,168	17,012	19,023	19,075	19,174	18,464	20,104	19,956	20,945
Profits before taxes	7,670	7,643	8,610	2,149	1,829	2,074	1,943	1,797	1,727	2,089	2,219	2,575
Profits after taxes	4,236	4,214	4,770	1,200	1,006	1,149	1,074	985	971	1,178	1,224	1,397
Memo: PAT unadj.[1]	4,209	4,168	4,833	1,188	996	1,137	1,096	939	975	1,173	1,231	1,454
Dividends	1,607	1,839	2,017	410	441	441	476	481	483	485	519	530
Motor vehicles and equipment (9 corps.):												
Sales	83,017	80,386	85,863	21,186	18,467	20,979	19,443	21,497	18,866	22,275	21,005	23,717
Total revenue	83,671	80,881	86,475	21,362	18,597	21,146	19,593	21,545	19,011	22,341	21,083	24,040
Profits before taxes	7,429	2,920	3,077	1,280	636	1,115	231	938	−98	854	590	1,731
Profits after taxes	3,991	1,686	1,471	709	369	657	133	527	−127	451	328	819
Memo: PAT unadj.[1]	4,078	1,742	1,604	763	361	648	147	586	−12	455	280	881
Dividends	2,063	1,537	1,121	817	384	382	386	385	294	276	274	277

▶ Historical data covering revisions for the textile, apparel, and leather industry, as well as total nondurables and all manufacturing, are available upon request from the Capital Markets Section, Division of Research and Statistics, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

[1] Profits after taxes unadjusted are as reported by the individual companies. These data are not adjusted to eliminate differences in accounting treatments of special charges, credits, and other nonoperating items.

[2] Includes 21 corporations in groups not shown separately.

[3] Includes 25 corporations in groups not shown separately.

NOTE—Data are obtained from published reports of companies and reports made to the Securities and Exchange Commission. Sales are net of returns, allowances, and discounts, and exclude excise taxes paid directly by the company. Total revenue data include, in addition to sales, income from nonmanufacturing operations and nonoperating income. Profits are before dividend payments and have been adjusted to exclude special charges and credits to surplus reserves and extraordinary items not related primarily to the current reporting period. Income taxes (not shown) include Federal, State and local government, and foreign.

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CORPORATE PROFITS, TAXES, AND DIVIDENDS

(In billions of dollars)

Year	Profits before taxes	Income taxes	Profits after taxes	Cash dividends	Undistributed profits	Quarter	Profits before taxes	Income taxes	Profits after taxes	Cash dividends	Undistributed profits
1968	85.6	39.3	46.2	21.9	24.2	1974—I	128.3	49.4	78.9	30.0	48.9
1969	83.5	39.7	43.8	22.6	21.2	II	129.6	52.6	77.1	30.9	46.2
1970	71.5	34.5	37.0	22.9	14.1	III	146.7	59.3	87.4	31.7	55.7
						IV	123.9	49.2	74.7	31.7	43.0
1971	82.0	37.7	44.3	23.0	21.3						
1972	96.2	41.4	54.6	24.6	30.0	1975—I	97.1	37.5	59.6	32.1	27.5
1973	117.0	48.2	68.8	27.8	40.9	II	108.2	41.6	66.6	32.6	34.0
1974	132.1	52.6	79.5	31.1	48.4	III	129.5	50.7	r78.8	33.5	45.3
1975	116.8	45.6	71.2	32.8	38.4	IV	132.4	52.5	79.9	33.1	46.8
						1976—I	142.8	57.1	85.7	33.3	52.4

NOTE.—Dept. of Commerce estimates. Quarterly data are at seasonally adjusted annual rates.

CURRENT ASSETS AND LIABILITIES OF NONFINANCIAL CORPORATIONS

(In billions of dollars)

End of period	Net working capital	Current assets							Current liabilities				
		Total	Cash	U.S. Govt. securities	Notes and accts. receivable		Inventories	Other	Total	Notes and accts. payable		Accrued Federal income taxes	Other
					U.S. Govt.[1]	Other				U.S. Govt.[1]	Other		
1970	187.4	492.3	50.2	7.7	4.2	201.9	193.3	35.0	304.9	6.6	204.7	10.0	83.6
1971	203.6	529.6	53.3	11.0	3.5	217.6	200.4	43.8	326.0	4.9	215.6	13.1	92.4
1972	221.3	r574.4	57.5	r10.2	3.4	240.0	215.2	48.1	352.2	4.0	230.4	15.1	102.6
1973—IV	242.3	643.2	61.6	11.0	3.5	266.1	246.7	54.4	401.0	4.3	261.6	18.1	117.0
1974—I	250.1	666.2	59.4	12.1	3.2	276.2	258.4	56.9	416.1	4.5	266.5	20.6	124.5
II	253.9	685.4	58.8	10.7	3.4	289.8	269.2	53.5	431.5	4.7	278.5	19.0	129.1
III	259.5	708.6	60.3	11.0	3.5	295.5	282.1	56.1	449.1	5.1	287.0	22.7	134.3
IV	261.5	712.2	62.7	11.7	3.5	289.7	288.0	56.6	450.6	5.2	287.5	23.2	134.8
1975—I	260.4	698.4	60.6	12.1	3.2	281.9	285.2	55.4	438.0	5.3	271.2	21.8	139.8
II	269.0	703.2	63.7	12.7	3.3	284.8	281.4	57.3	434.2	5.8	270.1	17.7	140.6
III	271.8	716.5	65.6	14.3	3.3	294.7	279.6	59.0	444.7	6.2	273.4	19.4	145.6
IV	274.1	731.6	68.1	19.4	3.6	294.6	285.8	60.0	457.5	6.4	281.6	20.7	148.8
1976—I	287.6	753.5	68.4	21.7	3.6	307.3	288.8	63.6	465.9	6.4	280.5	23.9	155.0

[1] Receivables from, and payables to, the U.S. Govt. exclude amounts offset against each other on corporations' books.

NOTE.—Securities and Exchange Commission estimates.

BUSINESS EXPENDITURES ON NEW PLANT AND EQUIPMENT

(In billions of dollars)

Period	Total	Manufacturing		Mining	Transportation			Public utilities		Communications	Other[1]	Total (S.A. A.R.)
		Durable	Nondurable		Railroad	Air	Other	Electric	Gas and other			
1972	88.44	15.64	15.72	2.45	1.80	2.46	1.46	14.48	2.52	11.89	20.07	.....
1973	99.74	19.25	18.76	2.74	1.96	2.41	1.66	15.94	2.76	12.85	21.40	.....
1974	112.40	22.62	23.39	3.18	2.54	2.00	2.12	17.63	2.92	13.96	22.05	.....
1975	112.78	21.84	26.11	3.79	2.55	1.84	3.18	17.00	3.14	12.74	20.60	.....
1974—II	28.16	5.59	5.69	.78	.64	.61	.49	4.56	.75	3.60	5.46	111.40
III	28.23	5.65	5.96	.80	.64	.43	.58	4.42	.78	3.39	5.57	113.99
IV	31.92	6.64	6.99	.91	.78	.48	.71	4.80	.87	3.78	5.97	116.22
1975—I	25.82	5.10	5.74	.91	.59	.44	.62	3.84	.58	3.11	4.88	114.57
II	28.43	5.59	6.55	.97	.71	.47	.77	4.15	.79	3.22	5.19	112.46
III	27.79	5.16	6.51	.94	.62	.50	.85	4.16	.91	3.14	5.00	112.16
IV	30.74	5.99	7.30	.97	.62	.43	.93	4.85	.85	3.26	5.52	111.80
1976—I	25.87	4.78	6.18	.92	.49	.26	.72	4.18	.62	2.92	4.82	114.72
II[2]	30.51	5.64	7.43	.95	.56	.43	.86	4.90	.84	8.88		121.14
III[2]	30.49	5.73	7.58	.95	.56	.34	.80	4.87	.96	8.71		123.00

[1] Includes trade, service, construction, finance, and insurance.
[2] Anticipated by business.

NOTE.—Dept. of Commerce estimates for corporate and noncorporate business; excludes agriculture, real estate operators, medical, legal, educational, and cultural service, and nonprofit organizations.

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MORTGAGE DEBT OUTSTANDING BY TYPE OF HOLDER

(In millions of dollars)

Type of holder, and type of property	End of year			End of quarter				
	1972	1973	1974	1975				1976
				I	II	III	IV	I
ALL HOLDERS	**564,825**	**634,954**	**688,652**	**695,369**	**709,153**	**725,543**	**741,547**	r**755,127**
1- to 4-family	345,372	384,738	412,168	415,607	425,132	436,420	447,350	r456,502
Multifamily	76,667	85,296	91,222	91,522	91,733	92,073	92,093	r92,857
Commercial	107,349	125,572	140,965	142,701	145,353	149,072	153,119	r155,624
Farm	35,437	39,348	44,297	45,539	46,935	47,978	48,985	r50,144
PRIVATE FINANCIAL INSTITUTIONS	**450,000**	**505,400**	**542,552**	**546,689**	**558,179**	**570,049**	**581,486**	r**592,080**
1- to 4-family	288,018	320,420	340,007	342,313	350,198	358,184	365,371	r372,572
Multifamily	59,398	64,750	68,161	68,095	68,453	68,688	68,807	r69,641
Commercial	92,063	108,735	121,948	123,684	126,634	130,153	134,100	r136,505
Farm	10,521	11,495	12,436	12,597	12,894	13,024	13,208	r13,362
Commercial banks[1]	*99,314*	*119,068*	*132,105*	*131,903*	*133,012*	*134,514*	*136,186*	r*137,986*
1- to 4-family	57,004	67,998	74,758	74,696	75,356	76,149	77,018	r78,044
Multifamily	5,778	6,932	7,619	7,176	6,816	6,363	5,915	r5,989
Commercial	31,751	38,696	43,679	43,924	44,598	45,694	46,882	r47,495
Farm	4,781	5,442	6,049	6,107	6,242	6,308	6,371	r6,458
Mutual savings banks	*67,556*	*73,230*	*74,920*	*75,157*	*75,796*	*76,490*	*77,249*	r*77,738*
1- to 4-family	41,650	44,246	44,670	44,795	45,175	45,588	46,041	r46,332
Multifamily	15,490	16,843	17,234	17,291	17,433	17,593	17,767	r17,880
Commercial	10,354	12,084	12,956	12,996	13,112	13,233	13,364	r13,449
Farm	62	57	60	75	76	76	77	r77
Savings and loan associations	*206,182*	*231,733*	*249,293*	*252,442*	*261,336*	*270,600*	*278,693*	*286,575*
1- to 4-family	167,049	187,750	201,553	204,099	211,290	218,483	224,710	230,776
Multifamily	20,783	22,524	23,683	23,831	24,409	24,976	25,417	25,846
Commercial	18,350	21,459	24,057	24,512	25,637	27,141	28,566	29,953
Life insurance companies	*76,948*	*81,369*	*86,234*	*87,187*	*88,035*	*88,445*	*89,358*	*89,781*
1- to 4-family	22,315	20,426	19,026	18,723	18,377	17,964	17,602	17,420
Multifamily	17,347	18,451	19,625	19,797	19,795	19,756	19,708	19,926
Commercial	31,608	36,496	41,256	42,252	43,287	44,085	45,288	45,608
Farm	5,678	5,996	6,327	6,415	6,576	6,640	6,760	6,827
FEDERAL AND RELATED AGENCIES	**45,790**	**55,664**	**72,380**	**76,010**	**79,952**	**84,522**	**89,039**	**91,975**
1- to 4-family	30,170	35,579	46,322	48,455	51,195	54,697	58,440	60,391
Multifamily	6,063	8,364	11,329	11,995	12,348	12,753	12,954	13,184
Commercial								
Farm	9,557	11,721	14,729	15,560	16,409	17,072	17,645	18,400
Government National Mortgage Association	*5,113*	*4,029*	*4,846*	*5,599*	*5,610*	*6,534*	*7,438*	*7,619*
1- to 4-family	2,513	1,455	2,248	2,787	2,787	3,692	4,728	4,886
Multifamily	2,600	2,574	2,598	2,812	2,823	2,842	2,710	2,733
Commercial								
Farmers Home Administration	*837*	*1,200*	*1,600*	*1,700*	*1,800*	*1,900*	*2,000*	*2,100*
1- to 4-family	387	550	734	780	826	872	918	964
Farm	450	650	866	920	974	1,028	1,082	1,136
Federal Housing and Veterans Administrations	*3,338*	*3,476*	*4,015*	*4,047*	*4,297*	*4,681*	*4,970*	*5,143*
1- to 4-family	2,199	2,013	2,009	1,879	1,915	1,951	1,990	1,922
Multifamily	1,139	1,463	2,006	2,168	2,382	2,730	2,980	3,221
Federal National Mortgage Association	*19,791*	*24,175*	*29,578*	*29,754*	*30,015*	*31,055*	*31,824*	*31,482*
1- to 4-family	17,697	20,370	23,778	23,743	23,988	25,049	25,813	25,562
Multifamily	2,094	3,805	5,800	6,011	6,027	6,006	6,011	5,920
Federal land banks (farm only)	9,107	11,071	13,863	14,640	15,435	16,044	16,563	17,264
Federal Home Loan Mortgage Corporation	*1,789*	*2,604*	*4,586*	*4,608*	*4,944*	*5,033*	*4,987*	*4,602*
1- to 4-family	1,754	2,446	4,217	4,231	4,543	4,632	4,588	4,247
Multifamily	35	158	369	377	401	401	399	355
GNMA Pools	*5,815*	*9,109*	*13,892*	*15,662*	*17,851*	*19,275*	*21,257*	*23,765*
1- to 4-family	5,620	8,745	13,336	15,035	17,136	18,501	20,403	22,810
Multifamily	195	364	556	627	715	774	854	955
INDIVIDUALS AND OTHERS[2]	**69,035**	**73,890**	**73,720**	**72,670**	**71,022**	**70,972**	**71,022**	**71,072**
1- to 4-family	27,184	28,739	25,839	24,839	23,739	23,539	23,539	23,539
Multifamily	11,206	12,182	11,732	11,432	10,932	10,632	10,332	10,032
Commercial	15,286	16,837	19,017	19,017	18,719	18,919	19,019	19,119
Farm	15,359	16,132	17,132	17,382	17,632	17,882	18,132	18,382

[1] Includes loans held by nondeposit trust companies but not bank trust departments.

[2] Includes some U.S. agencies for which amounts are small or separate data are not readily available.

NOTE.—Based on data from various institutional and Govt. sources, with some quarters estimated in part by Federal Reserve in conjunction with the Federal Home Loan Bank Board and the Dept. of Commerce. Separation of nonfarm mortgage debt by type of property, where not reported directly, and interpolations and extrapolations where required, estimated mainly by Federal Reserve. Multifamily debt refers to loans on structures of 5 or more units.

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FEDERAL NATIONAL MORTGAGE ASSOCIATION AND FEDERAL HOME LOAN MORTGAGE CORPORATION—SECONDARY MORTGAGE MARKET ACTIVITY

(In millions of dollars)

End of period	FNMA							FHLMC						
	Mortgage holdings			Mortgage transactions (during period)		Mortgage commitments		Mortgage holdings			Mortgage transactions (during period)		Mortgage commitments	
	Total[1]	FHA-insured	VA-guaranteed	Purchases	Sales	Made during period	Outstanding	Total	FHA-VA	Conventional	Purchases	Sales	Made during period	Outstanding
1971	17,791	12,681	5,110	3,574	336	9,828	6,497	968	821	147	778	64	.....	182
1972	19,791	14,624	5,112	3,699	211	8,797	8,124	1,789	1,503	286	1,297	408	1,606	198
1973	24,175	16,852	6,352	6,127	71	8,914	7,889	2,604	1,743	861	1,334	409	1,629	186
1974	29,578	19,189	8,310	6,953	5	10,765	7,960	4,586	1,904	2,682	2,191	52	4,553	2,390
1975	31,824	19,732	9,573	4,263	2	6,106	4,126	4,987	1,824	3,163	1,716	1,020	982	111
1975—June	30,015	19,282	8,498	326	.....	557	6,549	4,944	1,936	3,008	210	5	28	700
July	30,351	19,385	8,693	538	.....	575	6,119	5,015	1,943	3,072	161	63	139	530
Aug	30,777	19,507	8,942	594	.....	814	5,888	4,942	1,863	3,080	98	145	132	509
Sept	31,055	19,560	9,122	488	.....	575	5,399	5,033	1,852	3,181	148	31	79	403
Oct	31,373	19,641	9,309	508	.....	282	4,685	5,119	1,843	3,276	176	59	45	201
Nov	31,552	19,648	9,430	372	.....	332	4,385	4,971	1,834	3,137	104	225	50	124
Dec	31,824	19,732	9,573	451	.....	517	4,126	4,987	1,824	3,163	69	30	71	111
1976—Jan	31,772	19,674	9,554	76	.....	189	3,170	4,958	1,816	3,142	47	57	42	99
Feb	31,618	19,541	9,521	56	55	355	3,201	4,686	1,802	2,884	51	296	43	87
Mar	31,482	19,431	9,473	85	22	405	3,120	4,602	1,787	2,815	95	98	93	128
Apr	31,389	19,368	9,431	103	184	213	2,788	4,520	1,768	2,752	43	86	209	289
May	32,052	19,296	9,390	877	.....	1,305	3,732	4,486	1,752	2,735	73	64	178	376
June	32,028	19,238	9,391	240	.....	857	4,153	.....	.....	.....	.....	.....	.....	.....

[1] Includes conventional loans not shown separately.

NOTE.—Data from FNMA and FHLMC, respectively.

For FNMA: Holdings include loans used to back bond issues guaranteed by GNMA. Commitments include some multifamily and nonprofit hospital loan commitments in addition to 1- to 4-family loan commitments accepted in FNMA's free market auction system, and through the FNMA–GNMA Tandem Plans.

For FHLMC: Holdings and transactions cover participations as well as whole loans. Holdings include loans used to back bond issues guaranteed by GNMA. Commitments cover the conventional and Govt.-underwritten loan programs.

FEDERAL NATIONAL MORTGAGE ASSOCIATION AUCTIONS OF COMMITMENTS TO BUY HOME MORTGAGES

Item	Date of auction, 1976											
	Feb. 23	Mar. 8	Mar. 22	Apr. 5	Apr. 19	May 3	May 17	June 1	June 14	June 28	July 12	July 26
Amounts (millions of dollars):												
Govt.-underwritten loans												
Offered[1]	126.9	299.9	146.3	106.2	132.1	483.3	634.3	349.5	146.6	261.2	148.3	311.8
Accepted	81.2	171.9	121.6	56.2	60.1	222.3	321.4	224.7	98.8	157.5	88.4	212.0
Conventional loans												
Offered[1]	44.0	75.4	46.2	56.4	55.3	110.7	128.8	131.4	77.3	93.6	90.7	130.5
Accepted	23.3	45.0	33.7	31.8	33.4	60.1	68.9	90.5	70.3	59.2	82.0	105.2
Average yield (per cent) on short-term commitments[2]												
Govt.-underwritten loans	9.04	9.06	9.03	8.94	8.83	8.94	9.13	9.20	9.14	9.12	9.05	9.04
Conventional loans	9.14	9.15	9.13	9.05	9.00	9.09	9.24	9.31	9.30	9.31	9.27	9.23

[1] Mortgage amounts offered by bidders are total bids received.

[2] Average accepted bid yield (before deduction of 38 basis-point fee paid for mortgage servicing) for home mortgages assuming a prepayment period of 12 years for 30-year loans, without special adjustment for FNMA commitment fees and FNMA stock purchase and holding requirements. Commitments mature in 4 months.

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MAJOR HOLDERS OF FHA-INSURED AND VA-GUARANTEED RESIDENTIAL MORTGAGE DEBT

(End of period, in billions of dollars)

Holder	June 30, 1974	Sept. 30, 1974	Dec. 31, 1974	Mar. 31, 1975	June 30, 1975	Sept. 30, 1975	Dec. 31, 1975
All holders	137.8	138.6	140.3	142.0	143.0	144.9	147.0
FHA	84.9	84.1	84.1	84.3	85.0	85.1	85.4
VA	52.9	54.5	56.2	57.7	58.0	59.8	61.6
Commercial banks	11.0	10.7	10.4	10.5	9.6	9.7	9.4
FHA	7.6	7.4	7.2	7.2	6.4	6.4	6.3
VA	3.4	3.3	3.2	3.3	3.2	3.3	3.1
Mutual savings banks	27.9	27.8	27.5	27.3	27.2	27.0	27.4
FHA	15.1	15.0	14.8	14.7	14.7	14.5	14.7
VA	12.8	12.8	12.7	12.6	12.5	12.5	12.7
Savings and loan assns.							
FHA	29.7	29.9	29.9	29.9	30.2	30.4	30.6
VA							
Life insurance cos.	13.1	12.9	12.7	12.5	12.2	12.1	11.8
FHA	8.8	8.7	8.6	8.4	8.2	8.1	7.9
VA	4.3	4.2	4.2	4.1	4.0	4.0	3.9
Others	56.1	57.4	59.9	61.6	62.2	65.7	67.8
FHA							
VA							

NOTE.—VA-guaranteed residential mortgage debt is for 1- to 4-family properties while FHA-insured includes some debt in multifamily structures. Detail by type of holder partly estimated by Federal Reserve for first and third quarters, and for most recent quarter.

COMMITMENTS OF LIFE INSURANCE COMPANIES FOR INCOME PROPERTY MORTGAGES

Period	Number of loans	Total amount committed (millions of (dollars)	Averages						
			Loan amount (thousands of dollars)	Contract interest rate (per cent)	Maturity (yrs./mos.)	Loan-to-value ratio (per cent)	Capitalization rate (per cent)	Debt coverage ratio	Per cent constant
1972	2,132	4,986.5	2,339	8.57	23/3	75.2	9.6	1.29	9.8
1973	2,140	4,833.3	2,259	8.76	23/3	74.3	9.5	1.29	10.0
1974	1,166	2,603.0	2,232	9.47	21/3	74.3	10.1	1.29	10.6
1975	599	1,717.0	2,866	10.22	21/9	73.8	10.8	1.33	11.2
1975—Apr.	32	108.4	3,386	10.02	23/0	75.6	10.8	1.36	10.8
May	73	227.5	3,116	10.23	20/9	74.7	10.8	1.30	11.1
June	61	167.5	2,745	10.11	21/9	73.0	10.5	1.29	11.2
July	53	178.6	3,370	10.19	20/7	74.6	10.9	1.31	11.3
Aug.	44	106.5	2,420	10.26	21/2	72.7	10.8	1.32	11.4
Sept.	57	123.8	2,172	10.24	22/8	73.6	10.7	1.37	11.1
Oct.	57	144.7	2,538	10.29	20/10	74.3	10.7	1.28	11.3
Nov.	47	252.8	5,378	10.24	22/7	72.7	10.9	1.35	11.2
Dec.	52	159.4	3,065	10.15	23/4	73.7	11.0	1.34	11.0
1976—Jan.	32	99.2	3,099	10.25	20/11	74.3	1.29	11.2	10.7
Feb.	40	140.2	3,506	10.08	20/6	74.2	1.26	11.0	10.5
Mar.	71	294.6	4,150	10.04	21/11	73.8	1.30	11.0	10.6

NOTE.—American Life Insurance Association 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.

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TERMS AND YIELDS ON NEW HOME MORTGAGES

Period	Conventional mortgages								FHA-insured loans—Yield in private secondary market[5]
	Terms[1]						Yields (per cent) in primary market		
	Contract rate (per cent)	Fees and charges (per cent)[2]	Maturity (years)	Loan/price ratio (per cent)	Purchase price (thous. of dollars)	Loan amount (thous. of dollars)	FHLBB series[3]	HUD series[4]	
1971	7.60	.87	26.2	74.3	36.3	26.5	7.74	7.75	7.70
1972	7.45	.88	27.2	76.8	37.3	28.1	7.60	7.64	7.53
1973	7.78	1.11	26.3	77.3	37.1	28.1	7.95	8.30	8.19
1974	8.71	1.30	26.3	75.8	40.1	29.8	8.92	9.22	9.55
1975	8.75	1.54	26.8	76.1	44.6	33.3	9.01	9.10	9.19
1975—June	8.73	1.42	26.5	76.4	43.1	32.4	8.96	9.00	9.06
July	8.66	1.40	26.0	75.9	44.1	32.9	8.89	9.00	9.13
Aug	8.63	1.56	26.7	77.0	44.6	33.7	8.89	9.15	9.32
Sept	8.70	1.46	26.7	75.9	45.6	34.1	8.94	9.25	9.74
Oct	8.75	1.59	27.3	77.5	43.9	33.2	9.01	9.25	9.53
Nov	8.74	1.65	27.6	76.5	46.4	34.8	9.01	9.20	9.41
Dec	8.74	1.65	27.8	76.9	45.9	34.7	9.01	9.15	9.32
1976—Jan	8.71	1.74	27.4	76.9	47.2	35.4	8.99	9.05	9.06
Feb	8.67	1.56	26.0	75.1	45.2	33.4	8.93	9.00	9.04
Mar	8.67	1.60	27.1	76.4	46.8	35.0	8.93	8.95	.....
Apr	8.67	1.52	27.3	75.3	48.5	35.8	8.92	8.90	8.82
May	8.75	1.35	26.5	77.5	46.3	35.3	8.97	9.00	9.03
June[p]	8.71	1.25	26.4	75.1	48.5	36.0	8.91	9.05	9.05

[1] Weighted averages based on probability sample survey of characteristics of mortgages originated by major institutional lender groups (including mortgage companies) for purchase of single-family homes, as compiled by Federal Home Loan Bank Board in cooperation with Federal Deposit Insurance Corporation. Data are not strictly comparable with earlier figures beginning Jan. 1973.

[2] Fees and charges—related to principal mortgage amount—include loan commissions, fees, discounts, and other charges, but exclude closing costs related solely to transfer of property ownership.

[3] Effective rate, reflecting fees and charges as well as contract rates (as shown in first column of this table) and an assumed prepayment at end of 10 years.

[4] Rates on first mortgages, unweighted and rounded to the nearest 5 basis points.

[5] Based on opinion reports submitted by field offices of prevailing local conditions as of the first of the succeeding month. Yields are derived from weighted averages of private secondary market prices for Sec. 203, 30-year mortgages with minimum downpayment and an assumed prepayment at the end of 15 years. Any gaps in data are due to periods of adjustment to changes in maximum permissible contract interest rates.

FINANCE RATES ON SELECTED TYPES OF INSTALMENT CREDIT

(Per cent per annum)

Month	Commercial banks					Finance companies				
	New automobiles (36 mos.)	Mobile homes (84 mos.)	Other consumer goods (24 mos.)	Personal loans (12 mos.)	Credit-card plans	Automobiles		Mobile homes	Other consumer goods	Personal loans
						New	Used			
1974—June	10.81	11.21	13.01	13.20	17.23	12.50	17.06	.....	.....	.....
July	10.96	11.46	13.14	13.42	17.20	12.58	17.18	13.22	19.25	20.74
Aug	11.15	11.71	13.10	13.45	17.21	12.67	17.32	.....	.....	.....
Sept	11.31	11.72	13.20	13.41	17.15	12.84	17.61	13.43	19.31	20.87
Oct	11.53	11.94	13.28	13.60	17.17	12.97	17.78	.....	.....	.....
Nov	11.57	11.87	13.16	13.47	17.16	13.06	17.88	13.60	19.49	21.11
Dec	11.62	11.71	13.27	13.60	17.21	13.10	17.89	.....	.....	.....
1975—Jan	11.61	11.66	13.28	13.60	17.12	13.08	17.27	13.60	19.80	21.09
Feb	11.51	12.14	13.20	13.44	17.24	13.07	17.39	.....	.....	.....
Mar	11.46	11.66	13.07	13.40	17.15	13.07	17.52	13.59	20.00	20.82
Apr	11.44	11.78	13.22	13.55	17.17	13.07	17.58	.....	.....	.....
May	11.39	11.57	13.11	13.41	17.21	13.09	17.65	13.57	19.63	20.72
June	11.26	12.02	13.10	13.40	17.10	13.12	17.67	.....	.....	.....
July	11.30	11.94	13.13	13.49	17.15	13.09	17.69	13.78	19.87	20.93
Aug	11.31	11.80	13.05	13.37	17.14	13.10	17.70	.....	.....	.....
Sept	11.33	11.99	13.06	13.41	17.14	13.18	17.73	13.78	19.69	21.16
Oct	11.24	12.05	13.00	13.38	17.11	13.15	17.79	.....	.....	.....
Nov	11.24	11.76	12.96	13.40	17.06	13.17	17.82	13.43	19.66	21.09
Dec	11.25	11.83	13.11	13.46	17.13	13.19	17.86	.....	.....	.....
1976—Jan	11.21	11.76	13.14	13.40	17.08	13.18	17.25	.....	.....	.....
Feb	11.18	11.77	13.02	13.24	17.14	13.14	17.37	13.18	19.58	21.13
Mar	11.13	11.82	13.02	13.13	16.99	13.13	17.48	.....	.....	.....
Apr	11.08	11.66	12.95	13.16	17.04	13.13	17.58	.....	.....	.....
May	r11.00	11.61	12.96	r13.27	17.02	.....	.....	.....	.....	.....
June[p]	11.02	11.82	12.99	13.32	17.04	.....	.....	.....	.....	.....

NOTE.—Rates are reported on an annual percentage rate basis as specified in Regulation Z (Truth in Lending) of the Board of Governors. Commercial bank rates are "most common" rates for direct loans with specified maturities; finance company rates are weighted averages for purchased contracts (except personal loans). For back figures and description of the data, see BULLETIN for Sept. 1973.

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INSTALMENT CREDIT—TOTAL OUTSTANDING, AND NET CHANGE

(In millions of dollars)

Holder, and type of credit	1973	1974	1975	1975	1976					
				Dec.	Jan.	Feb.	Mar.	Apr.	May	June
	Amounts outstanding (end of period)									
TOTAL	146,434	155,384	162,237	162,237	160,824	160,402	160,729	162,334	164,101	166,664
By holder:										
Commercial banks	71,871	75,846	78,703	78,703	78,293	77,957	78,039	78,982	79,785	80,850
Finance companies	35,404	36,208	36,695	36,695	36,528	36,458	36,450	36,745	37,022	37,490
Credit unions	19,609	22,116	25,354	25,354	25,250	25,492	26,025	26,403	26,975	27,842
Retailers[1]	16,395	17,933	18,002	18,002	17,133	16,769	16,375	16,448	16,465	16,633
Others[2]	3,155	3,281	3,483	3,483	3,620	3,726	3,840	3,756	3,854	3,849
By type of credit:										
Automobile, total	50,065	50,392	53,028	53,028	52,832	53,044	53,650	54,572	55,484	56,667
Commercial banks	31,502	30,994	31,534	31,534	31,305	31,322	31,580	32,162	32,664	33,769
Purchased	18,997	18,687	18,353	18,353	18,227	18,135	18,200	18,472	18,671	18,912
Direct	12,505	12,306	13,181	13,181	13,078	13,187	13,381	13,690	13,993	14,358
Finance companies	10,718	10,618	11,439	11,439	11,503	11,579	11,695	11,903	12,080	12,333
Credit unions	7,456	8,414	9,653	9,653	9,612	9,704	9,908	10,051	10,269	10,601
Others	389	366	402	402	412	439	467	456	471	464
Mobile homes:										
Commercial banks	8,340	8,972	8,704	8,704	8,605	8,532	8,485	8,439	8,408	8,390
Finance companies	3,358	3,524	3,451	3,451	3,411	3,384	3,363	3,351	3,336	3,343
Home improvement, total	6,950	7,754	8,004	8,004	7,976	7,973	8,026	8,089	8,209	8,367
Commercial banks	4,083	4,694	4,965	4,965	4,928	4,907	4,924	4,978	5,048	5,129
Revolving credit:										
Bank credit cards	6,838	8,281	9,501	9,501	9,576	9,408	9,221	9,343	9,402	9,531
Bank check credit	2,254	2,797	2,810	2,810	2,802	2,803	2,769	2,775	2,777	2,805
All other	68,629	73,664	76,738	76,738	75,621	75,258	75,215	75,765	76,485	77,561
Commercial banks, total	18,854	20,108	21,188	21,188	21,076	20,985	21,060	21,285	21,486	21,726
Personal loans	12,873	13,771	14,629	14,629	14,589	14,549	14,578	14,743	14,871	15,034
Finance companies, total	20,914	21,717	21,655	21,655	21,465	21,348	21,247	21,350	21,466	21,675
Personal loans	16,483	16,961	17,681	17,681	17,523	17,500	17,434	17,528	17,631	17,811
Credit unions	11,564	13,037	14,937	14,937	14,878	15,020	15,333	15,557	15,894	16,402
Retailers	16,395	17,933	18,002	18,002	17,133	16,769	16,375	16,448	16,465	16,633
Others	902	869	956	956	1,069	1,136	1,200	1,125	1,174	1,125
	Net change (during period)[3]									
TOTAL	19,676	8,952	r6,843	r1,490	r1,103	r1,123	r1,473	r1,427	1,474	1,330
By holder:										
Commercial banks	11,001	3,975	r2,851	r753	r129	r467	r552	r575	713	409
Finance companies	4,006	806	483	188	148	160	282	326	157	230
Credit unions	2,696	2,507	3,238	470	387	420	514	392	521	482
Retailers	1,632	1,538	69	125	185	58	108	177	5	214
Others	341	126	202	−46	254	17	16	−42	78	−5
By type of credit:										
Automobile, total	5,968	r327	r2,631	r759	r539	r614	r663	r732	652	526
Commercial banks	4,197	−508	r535	r453	r44	r303	r237	r356	340	229
Purchased	2,675	−310	r−340	162	26	35	99	162	110	32
Direct	1,523	−198	r875	r292	r18	r267	r138	r194	230	197
Finance companies	740	−100	821	117	238	146	240	224	122	116
Credit unions	1,024	958	1,239	184	203	165	192	151	181	186
Other	7	−23	36	5	54	.....	−6	2	9	−4
Mobile homes:										
Commercial banks	1,933	632	−268	−17	r−62	−53	−18	−52	−37	−42
Finance companies	444	168	−73	−14	−31	−35	.....	−11	−17	*
Home improvement, total	1,033	804	248	67	109	58	69	39	70	79
Commercial banks	482	611	271	46	28	29	41	26	36	29
Revolving credit:										
Bank credit cards	1,430	1,443	1,220	6	106	132	192	139	r193	98
Bank check credit	478	543	14	10	r−11	18	16	35	44	14
All other	8,389	5,036	3,072	678	r452	389	550	546	570	655
Commercial banks, total	2,480	1,255	1,080	254	r24	40	84	70	138	81
Personal loans	1,492	898	858	238	r42	27	51	69	112	86
Finance companies, total	2,564	803	−64	88	−60	50	43	119	53	115
Personal loans	1,746	479	717	95	−7	128	62	116	21	95
Credit unions	1,591	1,473	1,900	274	173	241	307	228	326	282
Retailers	1,632	1,538	69	125	185	58	108	177	5	214
Others	122	−33	87	−63	129	1	7	−49	48	−38

[1] Excludes 30-day charge credit held by retailers, oil and gas companies, and travel and entertainment companies.

[2] Mutual savings banks, savings and loan associations, and auto dealers.

[3] Figures for all months are seasonally adjusted and equal extensions minus liquidations (repayments, charge-offs, and other credits).

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INSTALMENT CREDIT EXTENSIONS AND LIQUIDATIONS

(In millions of dollars)

Holder, and type of credit	1973	1974	1975	1975	1976					
				Dec.	Jan.	Feb.	Mar.	Apr.	May	June
	Extensions[1]									
TOTAL	160,228	160,008	r163,483	r15,228	r15,132	r15,045	r15,521	r15,003	15,041	15,592
By holder:										
Commercial banks	72,216	72,605	r77,131	r7,385	r6,870	r7,196	r7,352	r6,989	7,223	7,289
Finance companies	38,922	35,644	32,582	2,870	2,975	3,018	2,945	2,913	2,776	2,986
Credit unions	21,143	22,403	24,151	2,381	2,253	2,248	2,389	2,386	2,448	2,456
Retailers[2]	25,440	27,034	27,049	2,431	2,578	2,347	2,596	2,544	2,313	2,650
Others[3]	2,507	2,322	2,570	161	456	236	238	171	280	211
By type of credit:										
Automobile, total	46,105	43,209	r48,103	r4,642	r4,505	r4,523	r4,689	r4,583	4,471	4,600
Commercial banks	29,369	26,406	r28,333	r2,830	r2,446	r2,672	r2,699	r2,677	2,616	2,660
Purchased	17,497	15,576	15,761	1,584	1,356	1,435	1,514	1,475	1,413	1,386
Direct	11,872	10,830	r12,572	r1,246	r1,091	r1,238	r1,185	r1,202	1,204	1,274
Finance companies	9,303	8,630	9,598	896	896	930	990	975	914	935
Credit unions	7,009	7,788	9,702	875	1,068	881	964	891	892	968
Others	424	385	470	42	95	40	35	40	49	36
Mobile homes:										
Commercial banks	4,438	3,486	2,681	244	211	211	233	186	182	204
Finance companies	1,573	1,413	771	69	61	55	63	61	49	68
Home improvement, total	4,414	4,571	4,398	421	440	405	414	413	385	410
Commercial banks	2,487	2,789	2,722	267	235	244	253	259	233	235
Revolving credit:										
Bank credit cards	13,863	17,098	20,428	1,839	1,921	2,012	2,118	1,985	2,103	2,088
Bank check credit	3,373	4,227	4,024	396	r361	392	380	394	422	435
All other	86,462	86,004	83,079	7,618	7,633	7,447	7,624	7,382	7,429	7,786
Commercial banks, total	18,686	18,599	18,944	1,810	1,697	1,665	1,669	1,489	1,667	1,666
Personal loans	12,928	13,176	13,386	1,301	1,184	1,179	1,182	1,081	1,203	1,221
Finance companies, total	27,627	25,316	22,135	1,902	2,014	2,030	1,890	1,874	1,810	1,981
Personal loans	17,885	16,691	17,333	1,549	1,643	1,685	1,551	1,545	1,465	1,641
Credit unions	13,768	14,228	13,992	1,461	1,141	1,319	1,376	1,446	1,511	1,440
Retailers	25,440	27,034	27,049	2,431	2,578	2,347	2,596	2,544	2,313	2,650
Others	941	827	959	14	204	86	93	29	127	50
	Liquidations[1]									
TOTAL	140,552	151,056	r156,640	r13,738	r14,029	r13,923	r14,048	r13,576	13,566	14,261
By holder:										
Commercial banks	61,215	68,630	r74,280	r6,632	r6,741	r6,729	r6,800	r6,414	6,510	6,879
Finance companies	34,916	34,838	32,099	2,682	2,827	2,858	2,663	2,587	2,619	2,756
Credit unions	18,447	19,896	20,913	1,910	1,866	1,828	1,875	1,994	1,927	1,974
Retailers[2]	23,808	25,496	26,980	2,306	2,393	2,289	2,488	2,367	2,308	2,436
Others[3]	2,166	2,196	2,368	207	202	219	222	214	202	216
By type of credit:										
Automobile, total	40,137	42,883	r45,472	r3,883	r3,966	r3,909	r4,026	r3,851	3,819	4,074
Commercial banks	25,172	26,915	r27,798	r2,376	r2,402	r2,370	r2,463	r2,321	2,276	2,432
Purchased	14,823	15,886	r16,101	1,422	1,329	1,399	1,416	1,313	1,303	1,354
Direct	10,349	11,029	r11,697	r955	r1,073	r970	r1,047	r1,008	973	1,077
Finance companies	8,563	8,730	8,777	779	658	783	750	751	792	819
Credit unions	5,985	6,830	8,463	691	865	716	772	740	711	783
Others	417	408	434	37	41	40	42	39	39	40
Mobile homes:.										
Commercial banks	2,505	2,854	2,949	261	r273	264	251	237	219	247
Finance companies	1,129	1,245	844	83	91	89	63	72	67	68
Home improvement, total	3,381	3,767	4,150	353	331	348	344	374	314	330
Commercial banks	2,005	2,178	2,451	222	207	216	212	232	197	206
Revolving credit:										
Bank credit cards	12,433	15,655	19,208	1,832	1,815	r1,881	r1,926	1,846	1,911	1,990
Bank check credit	2,894	3,684	4,010	386	r372	374	364	359	378	421
All other	78,072	80,969	80,007	6,940	r7,181	7,058	7,074	6,836	6,859	7,132
Commercial banks, total	16,205	17,345	17,864	1,555	r1,673	1,625	1,584	1,418	1,529	1,585
Personal loans	11,435	12,278	12,528	1,063	r1,143	1,151	1,131	1,012	1,091	1,135
Finance companies, total	25,063	24,513	22,199	1,814	2,073	1,981	1,846	1,756	1,758	1,866
Personal loans	16,139	16,212	16,616	1,454	1,650	1,556	1,489	1,429	1,445	1,546
Credit unions	12,177	12,755	12,092	1,187	968	1,077	1,069	1,218	1,185	1,158
Retailers	23,808	25,496	26,980	2,306	2,393	2,289	2,488	2,367	2,308	2,436
Others	819	860	872	77	75	86	86	77	79	87

[1] Monthly figures are seasonally adjusted.
[2] Excludes 30-day charge credit held by retailers, oil and gas companies, and travel and entertainment companies.
[3] Mutual savings banks, savings and loan associations, and auto dealers.

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INDUSTRIAL PRODUCTION—1976 REVISION

(Seasonally adjusted, 1967 = 100)

Grouping	1967 proportion	1975 average	1975						1976						
			July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June[p]	July[e]
	Major market groupings														
Total index	100.00	117.8	118.4	121.0	122.1	122.2	123.5	124.4	125.7	127.3	128.1	128.4	129.6	130.1	130.4
Products, total	**60.71**	**119.3**	**120.9**	**122.3**	**122.8**	**122.4**	**123.8**	**124.9**	**126.0**	**127.4**	**128.1**	**128.0**	**128.8**	**129.1**	**129.4**
Final products	*47.82*	*118.2*	*119.7*	*120.8*	*121.5*	*120.9*	*122.3*	*123.5*	*123.9*	*125.3*	*126.4*	*126.3*	*127.2*	*127.2*	*127.4*
Consumer goods	27.68	124.0	126.6	127.5	129.0	128.7	131.1	132.3	133.1	134.9	136.1	136.1	137.3	137.3	137.3
Equipment	20.14	110.2	110.0	111.4	111.3	110.0	110.0	111.5	111.2	112.1	112.9	112.9	113.2	113.4	113.8
Intermediate products	12.89	123.1	125.0	127.9	127.6	128.0	129.3	129.9	133.6	135.3	134.9	134.7	135.0	136.4	136.8
Materials	**39.29**	**115.5**	**114.5**	**119.0**	**121.0**	**122.0**	**123.1**	**123.3**	**125.3**	**127.3**	**128.2**	**129.2**	**131.0**	**131.6**	**132.0**
Consumer goods															
Durable consumer goods	*7.89*	*121.4*	*126.6*	*129.2*	*132.2*	*131.9*	*132.5*	*134.0*	*134.7*	*137.9*	*140.3*	*141.1*	*143.3*	*144.2*	*144.3*
Automotive products	2.83	125.9	137.0	139.1	142.1	140.8	143.2	147.7	142.8	148.9	155.2	155.2	154.8	156.7	156.8
Autos and utility vehicles	2.03	113.7	127.6	130.2	133.9	133.6	134.7	140.0	133.4	142.0	149.5	152.1	153.4	156.4	156.4
Autos	1.90	101.1	114.2	116.3	118.5	119.1	120.9	122.8	118.9	125.8	133.6	134.3	134.4	137.4	136.9
Auto parts and allied goods	.80	156.6	160.5	161.8	162.7	159.0	164.9	167.0	167.4	166.5	169.5	163.1	158.9	157.9	158.0
Home goods	5.06	118.8	120.8	123.5	126.7	127.0	126.5	126.4	130.3	131.7	132.0	133.1	136.8	137.1	137.2
Appliances, A/C, and TV	1.40	98.0	107.1	105.8	107.0	105.3	100.9	101.1	107.8	112.6	114.6	117.2	122.2	122.2	119.5
Appliances and TV	1.33	100.2	110.7	109.4	111.0	109.3	103.7	104.4	110.6	115.2	117.1	119.6	125.0	124.8	122.0
Carpeting and furniture	1.07	126.8	125.4	134.3	141.1	141.9	144.7	142.0	144.8	145.6	141.4	143.0	142.6	142.9	.....
Misc. home goods	2.59	126.9	126.4	128.8	131.4	132.6	132.9	133.6	136.6	136.3	137.9	137.8	142.5	142.9	144.0
Nondurable consumer goods	*19.79*	*125.1*	*126.7*	*126.9*	*127.6*	*127.4*	*130.6*	*131.5*	*132.5*	*133.9*	*134.4*	*134.0*	*134.8*	*134.6*	*134.5*
Clothing	4.29	111.6	113.2	117.5	116.8	120.4	123.2	123.9	127.4	127.6	130.1	129.6	131.8	.....	.....
Consumer staples	15.50	128.8	130.6	129.6	130.7	129.3	132.5	133.6	133.9	135.7	135.6	135.2	135.6	136.2	136.0
Consumer foods and tobacco	8.33	122.8	125.1	125.1	125.2	125.3	127.6	127.2	128.5	129.9	129.0	128.4	129.5	128.9	.....
Nonfood staples	7.17	135.8	137.0	134.9	137.1	133.8	138.2	141.0	140.2	142.3	143.3	143.3	142.9	144.6	143.8
Consumer chemical products	2.63	151.3	153.0	149.1	150.4	149.8	157.8	159.7	157.3	161.1	163.6	162.1	161.4	163.8	.....
Consumer paper products	1.92	107.0	108.3	105.7	108.0	104.4	107.5	113.4	113.3	113.9	113.4	114.2	114.3	113.4	.....
Consumer energy products	2.62	141.6	141.9	142.3	145.0	139.2	140.9	142.8	142.4	144.3	145.0	145.9	145.2	148.2	.....
Residential utilities	1.45	152.3	151.1	153.0	154.1	148.6	152.0	152.0	154.5	153.7	153.7	.....	.....	.....	.....
Equipment															
Business equipment	*12.63*	*128.2*	*127.3*	*129.9*	*129.2*	*128.8*	*129.6*	*131.6*	*131.0*	*132.6*	*134.0*	*134.1*	*134.8*	*135.2*	*135.6*
Industrial equipment	6.77	121.2	120.0	121.8	121.9	122.1	123.0	124.5	123.5	124.0	125.6	125.3	126.9	127.2	127.0
Building and mining equip.	1.44	168.3	168.8	172.4	170.5	172.9	174.9	172.9	171.4	171.5	172.1	170.7	174.6	175.2	176.0
Manufacturing equipment	3.85	99.9	100.0	100.8	100.7	100.5	99.9	101.3	101.2	102.7	104.4	105.4	106.4	107.0	107.4
Power equipment	1.47	130.8	124.5	127.2	129.5	128.9	132.3	137.6	134.6	133.1	135.6	132.7	134.0	133.1	129.9
Commercial transit, farm equip.	5.86	136.3	135.8	139.1	137.8	136.4	137.2	139.7	139.7	142.4	143.7	144.6	143.8	144.6	145.7
Commercial equipment	3.26	157.8	157.8	161.8	160.4	158.5	159.5	164.4	165.0	166.6	168.5	170.0	169.5	171.4	171.6
Transit equipment	1.93	101.9	104.0	104.6	104.4	102.4	102.8	102.9	100.2	103.7	104.7	105.6	104.2	104.9	106.2
Farm equipment	.67	130.6	120.3	127.9	123.7	126.6	127.7	125.6	131.5	135.3	134.7	132.7	133.1	128.7	.....
Defense and space equipment	*7.51*	*80.0*	*81.0*	*80.6*	*81.2*	*78.5*	*77.3*	*77.7*	*78.0*	*77.6*	*77.4*	*77.3*	*77.1*	*76.8*	*77.3*
Intermediate products															
Construction supplies	6.42	116.3	116.8	121.3	122.3	122.7	123.1	124.1	126.8	129.6	128.7	128.0	130.1	131.4	131.9
Business supplies	6.47	129.8	133.1	134.3	132.8	133.3	135.4	135.9	140.3	140.9	141.2	141.3	139.8	141.4	.....
Commercial energy products	1.14	150.6	151.9	153.9	150.9	147.5	149.8	147.9	158.1	154.0	157.6	156.8	157.6	158.1	.....
Materials															
Durable goods materials	*20.35*	*109.1*	*107.3*	*112.9*	*114.5*	*114.6*	*115.2*	*115.5*	*118.3*	*121.6*	*122.4*	*124.5*	*127.1*	*128.0*	*129.1*
Durable consumer parts	4.58	97.7	99.2	108.7	110.8	107.2	109.3	111.6	111.7	116.7	118.5	119.2	122.8	123.2	121.8
Equipment parts	5.44	118.9	114.8	117.4	119.0	120.6	122.3	123.9	125.7	127.5	128.5	130.5	133.0	133.6	134.1
Durable materials n.e.c.	10.34	109.0	106.9	112.4	113.7	114.8	114.0	112.9	117.4	120.7	121.0	123.5	125.8	127.2	129.6
Basic metal materials	5.57	99.1	94.9	101.3	100.0	99.5	99.5	96.1	101.9	105.1	104.0	107.8	114.2	114.9	.....
Nondurable goods materials	*10.47*	*126.6*	*127.1*	*131.6*	*138.8*	*140.3*	*141.3*	*142.6*	*142.9*	*145.5*	*146.7*	*146.9*	*146.4*	*147.1*	*147.3*
Textile, paper, and chem. mat.	7.62	129.0	128.6	134.3	142.9	144.9	146.2	147.9	147.5	150.5	152.7	152.2	151.2	152.0	152.4
Textile materials	1.85	100.6	106.1	107.8	118.2	117.3	118.4	118.9	117.8	116.2	115.5	114.1	115.8	115.7	.....
Paper materials	1.62	113.2	111.3	115.5	120.4	121.6	124.4	125.9	126.5	130.0	130.1	132.1	131.2	132.5	.....
Chemical materials	4.15	147.9	145.5	153.5	162.7	166.3	167.2	169.5	168.9	173.9	178.0	177.2	174.9	175.9	.....
Containers, nondurable	1.70	127.9	131.0	131.9	140.2	137.3	134.8	136.1	139.0	142.2	141.3	141.9	140.7	144.5	.....
Nondurable materials n.e.c.	1.14	108.3	110.8	112.9	109.1	114.3	118.4	116.7	118.3	117.3	115.1	120.4	123.2	118.5	.....
Energy materials	8.48	117.2	116.5	118.3	114.5	117.0	119.7	118.7	120.6	118.8	119.6	118.8	121.0	121.2	119.7
Primary energy	4.65	108.3	107.6	107.7	106.0	109.6	110.5	107.3	107.7	105.4	106.2	105.0	107.2	107.7	.....
Converted fuel materials	3.82	128.0	127.4	131.2	124.8	125.9	130.8	132.3	136.3	135.2	136.0	135.7	137.7	137.6	.....
Supplementary groups															
Home goods and clothing	9.35	115.5	117.3	120.8	122.1	124.0	125.0	125.2	129.9	129.8	131.1	131.5	134.5	133.3	133.5
Energy, total	12.23	125.5	125.2	126.7	124.5	124.5	127.1	126.6	128.8	127.5	128.6	128.2	129.4	130.4	129.3
Products	3.76	144.3	145.0	145.7	146.8	141.8	143.7	144.5	147.2	147.1	148.8	149.3	148.9	151.2	150.8
Materials	8.48	117.2	116.5	118.3	114.5	117.0	119.7	118.7	120.6	118.8	119.6	118.8	121.0	121.2	119.7

For NOTES see opposite page.

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INDUSTRIAL PRODUCTION—1976 REVISION

(Seasonally adjusted, 1967 = 100)

Grouping	SIC code	1967 proportion	1975 average	1975 July	1975 Aug.	1975 Sept.	1975 Oct.	1975 Nov.	1975 Dec.	1976 Jan.	1976 Feb.	1976 Mar.	1976 Apr.	1976 May	1976 June[p]	1976 July[e]
	Gross value of products in market structure (Annual rates, in billions of 1972 dollars)															
Products, total	.....	[1]286.3	505.9	509.9	517.2	521.5	521.1	527.1	528.4	531.9	544.3	546.0	545.0	550.8	551.7	533.7
Final products	.....	[1]221.4	393.3	395.5	400.3	405.3	404.0	409.7	410.6	410.9	421.7	423.0	421.8	427.2	427.2	409.2
Consumer goods	.....	[1]156.3	274.4	278.4	280.7	284.3	285.0	290.5	292.0	292.3	300.6	299.7	299.9	303.7	303.9	285.2
Equipment	.....	[1]65.3	119.0	117.2	119.3	121.0	119.1	119.3	118.9	119.1	121.1	123.6	122.1	123.4	123.4	124.3
Intermediate products	.....	[1]64.9	112.6	114.4	116.9	116.1	116.6	117.6	117.9	120.8	122.8	122.6	123.0	123.8	124.5	124.2
	Major industry groupings															
Mining and utilities	.....	*12.05*	*128.5*	*127.2*	*129.0*	*127.2*	*127.9*	*130.5*	*129.2*	*131.8*	*131.5*	*131.6*	*131.2*	*132.2*	*132.4*	*131.7*
Mining	.....	6.36	112.8	110.8	111.6	111.6	113.8	114.2	112.9	113.6	112.7	113.9	113.5	113.6	114.2	112.8
Utilities	.....	5.69	146.0	145.5	148.3	144.6	143.8	148.8	147.2	152.0	152.5	151.4	150.8	153.0	152.7	153.0
Electric	.....	3.88	160.8	160.0	164.7	159.0	157.3	165.5	162.3	167.4	168.7	167.3	.....	.....	.....	.....
Manufacturing	.....	*87.95*	*116.3*	*117.0*	*119.7*	*121.4*	*121.2*	*122.7*	*123.6*	*125.2*	*127.0*	*127.9*	*128.5*	*129.3*	*130.0*	*130.4*
Nondurable	.....	35.97	126.4	128.1	130.5	132.9	133.6	136.2	136.9	138.4	140.2	140.7	140.7	140.6	140.8	140.8
Durable	.....	51.98	109.3	109.3	112.3	113.5	112.7	113.4	114.4	115.8	117.9	119.0	120.1	121.5	122.5	123.1
Mining																
Metal mining	10	.51	115.8	107.0	115.0	113.5	112.5	118.1	117.9	122.2	124.2	122.3	124.3	118.5	121.2	.....
Coal	11,12	.69	113.4	105.5	112.9	112.6	122.2	125.6	109.9	111.2	109.6	114.4	114.4	119.2	122.4	104.8
Oil and gas extraction	13	4.40	113.3	113.0	112.4	111.8	113.1	112.3	113.1	112.5	110.1	111.9	111.3	111.7	111.8	111.7
Stone and earth minerals	14	.75	107.0	105.6	103.9	108.0	110.9	112.1	111.5	117.1	120.0	119.3	117.5	116.7	116.2	.....
Nondurable manufactures																
Foods	20	8.75	123.4	125.4	125.8	126.2	126.4	128.8	128.5	129.2	130.8	128.3	129.2	131.2	130.6	.....
Tobacco products	21	.67	111.8	114.1	110.5	114.1	113.9	118.5	116.0	117.3	118.8	122.4	115.4	114.5	.....	.....
Textile mill products	22	2.68	122.3	127.8	130.0	138.3	137.5	141.6	139.0	137.6	138.7	136.4	135.7	138.4	138.4	.....
Apparel products	23	3.31	107.6	106.3	112.8	111.5	115.9	118.3	121.2	123.8	128.0	126.3	126.1	131.0	.....	.....
Paper and products	26	3.21	116.3	116.5	120.5	124.5	126.5	127.7	129.5	130.3	133.0	132.2	133.9	134.2	137.1	135.5
Printing and publishing	27	4.72	113.4	115.5	115.3	114.7	113.2	115.4	118.4	120.0	121.0	121.0	122.0	120.5	120.5	119.3
Chemicals and products	28	7.74	147.3	147.1	150.8	154.4	157.5	161.9	163.3	162.9	167.6	170.6	168.7	167.5	170.1	.....
Petroleum products	29	1.79	124.1	127.1	126.8	130.8	125.1	124.9	126.3	125.7	129.1	131.8	131.6	132.7	134.8	133.7
Rubber & plastic products	30	2.24	166.7	173.2	180.4	187.6	185.1	185.2	185.3	188.4	196.7	203.5	198.2	186.9	190.6	.....
Leather and products	31	.86	76.5	80.3	80.7	80.9	85.8	87.7	83.2	86.0	86.1	86.0	87.7	91.4	84.7	.....
Durable manufactures																
Ordnance, pvt. & govt.	19,91	3.64	76.6	76.6	76.5	75.9	72.0	70.0	70.1	69.9	69.5	69.5	69.1	69.3	69.3	69.8
Lumber and products	24	1.64	107.6	110.6	113.6	115.8	116.8	114.1	116.4	123.5	123.9	121.1	122.8	123.0	122.6	.....
Furniture and fixtures	25	1.37	118.2	118.6	123.6	128.4	127.9	128.7	130.3	132.7	134.1	130.6	131.7	131.0	129.9	.....
Clay, glass, stone prod	32	2.74	117.9	119.2	121.0	126.4	127.8	127.5	129.4	128.6	128.5	133.7	132.7	132.2	133.7	.....
Primary metals	33	6.57	96.4	92.3	97.7	97.9	95.4	98.1	92.6	98.1	103.9	101.4	105.4	114.0	114.6	117.3
Iron and steel	.....	4.21	95.8	87.0	92.7	93.4	92.0	96.5	89.1	92.9	100.9	97.7	103.5	112.0	114.1	116.3
Fabricated metal prod	34	5.93	109.9	108.9	113.8	115.3	114.4	116.3	117.3	116.6	120.9	120.2	121.5	121.4	123.8	122.9
Nonelectrical machinery	35	9.15	125.1	123.9	126.2	125.5	125.4	126.6	128.6	129.0	131.5	132.9	133.5	134.0	133.8	135.0
Electrical machinery	36	8.05	116.5	116.5	118.0	120.2	120.1	120.1	122.7	124.7	126.5	127.8	130.0	131.6	131.7	132.2
Transportation equip	37	9.27	97.4	101.1	105.0	105.9	104.4	104.7	106.7	105.8	109.0	111.2	110.6	112.9	113.2	111.5
Motor vehicles & pts	.....	4.50	111.1	116.3	123.7	126.8	126.5	127.1	130.1	126.7	135.2	140.8	141.3	144.3	146.7	142.7
Aerospace & misc. tr. eq.	.....	4.77	84.5	86.9	87.3	86.3	83.6	83.6	84.7	86.1	84.3	83.3	81.7	83.3	81.8	82.0
Instruments	38	2.11	132.3	130.7	131.9	135.1	136.0	136.4	140.9	142.0	141.8	144.4	145.4	149.0	150.0	151.0
Miscellaneous mfrs.	39	1.51	128.3	128.8	131.5	132.1	134.6	137.6	137.3	139.5	140.7	142.5	140.7	145.5	146.6	147.6

[1] 1972 dollars.

N.B. Published groupings include some series and subtotals not shown separately. For summary description and historical data, see BULLETIN for June 1976, pp. 470–79. Availability of detailed descriptive and historical data will be announced in a forthcoming BULLETIN.

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SELECTED BUSINESS INDEXES

(1967=100, except as noted)

Period	Industrial production								Capacity utilization in mfg. (1967 output = 100)	Construction contracts	Nonagricultural employment—Total[1]	Manufacturing[2]		Total retail sales[3]	Prices[4]	
	Total	Market					Industry					Employment	Payrolls		Consumer	Wholesale commodity
		Products				Materials	Manufacturing									
		Total	Final													
			Total	Consumer goods	Equipment	Intermediate										
1955	58.5	56.7	55.4	59.0	50.4	61.6	61.3	58.2	90.0	.....	76.9	92.9	61.1	59	80.2	87.8
1956	61.1	59.9	58.6	61.2	55.3	64.4	62.9	60.5	88.2	.....	79.6	93.9	64.6	61	81.4	90.7
1957	61.9	61.2	60.4	62.7	57.5	64.4	62.8	61.2	84.5	.....	80.3	92.2	65.4	64	84.3	93.3
1958	57.9	58.7	57.6	62.1	51.5	62.9	56.6	56.9	75.1	.....	78.0	83.9	60.3	64	86.6	94.6
1959	64.8	64.5	63.2	68.1	56.5	69.5	65.3	64.1	81.4	.....	81.0	88.1	67.8	69	87.3	94.8
1960	66.2	66.3	65.3	70.7	58.0	69.9	66.1	65.4	80.1	68.6	82.4	88.0	68.8	70	88.7	94.9
1961	66.7	67.0	65.8	72.2	57.3	71.3	66.2	65.6	77.6	70.2	82.1	84.5	68.0	70	89.6	94.5
1962	72.2	72.3	71.4	77.1	63.7	75.7	72.1	71.5	81.4	78.1	84.4	87.3	73.3	75	90.6	94.8
1963	76.5	76.4	75.5	81.3	67.5	79.9	76.7	75.8	83.0	86.1	86.1	87.8	76.0	79	91.7	94.5
1964	81.7	80.9	79.8	85.8	71.4	85.2	82.9	81.0	85.5	89.4	88.6	89.3	80.1	83	92.9	94.7
1965	89.8	88.2	87.6	92.6	80.7	90.6	92.4	89.7	89.0	93.2	92.3	93.9	88.1	90	94.5	96.6
1966	97.7	95.9	95.9	97.3	94.0	96.2	100.7	97.9	91.9	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	106.3	106.2	106.2	105.9	106.5	106.3	106.5	106.4	87.7	113.2	103.2	101.4	108.3	109	104.2	102.5
1969	111.1	110.3	109.6	109.8	109.3	112.9	112.5	111.0	86.5	123.7	106.9	103.2	116.6	114	109.8	106.5
1970	107.8	106.9	105.3	109.0	100.1	112.9	109.2	106.4	78.3	123.1	107.7	98.1	114.1	119	116.3	110.4
1971	109.6	108.5	106.3	114.7	94.7	116.7	111.3	108.2	75.0	145.4	108.1	94.2	116.7	130	121.2	113.9
1972	119.7	118.0	115.7	124.4	103.8	126.5	122.3	118.9	78.6	165.3	111.9	97.6	131.5	142	125.3	119.8
1973	129.8	127.1	124.4	131.5	114.5	137.2	133.9	129.8	83.0	179.5	116.8	103.2	149.2	160	133.1	134.7
1974	129.3	127.3	125.1	128.9	120.0	135.3	132.4	129.4	78.9	169.7	119.1	102.1	157.1	171	147.7	160.1
1975	117.8	119.3	118.2	124.0	110.2	123.1	115.5	116.3	68.7	166.0	116.9	91.4	151.0	186	161.2	174.9
1975—July	118.4	120.9	119.7	126.6	110.0	125.0	114.5	117.0	} 69.0	165.0	116.4	89.7	148.7	190	162.3	175.7
Aug.	121.0	122.3	120.8	127.5	111.4	127.9	119.0	119.7		208.0	116.9	90.9	154.2	191	162.8	176.7
Sept.	122.1	122.8	121.5	129.0	111.3	127.6	121.0	121.4		157.0	117.4	92.0	157.0	189	163.6	177.7
Oct.	122.2	122.4	120.9	128.7	110.0	128.0	122.0	121.2		166.0	117.8	92.5	158.4	192	164.6	178.9
Nov.	123.5	123.8	122.3	131.1	110.0	129.3	123.1	122.7	} 70.7	148.0	117.8	92.4	158.9	192	165.6	178.2
Dec.	124.4	124.9	123.5	132.3	111.5	129.9	123.3	123.6		137.0	118.1	93.0	162.3	198	166.3	178.7
1976—Jan.	125.7	126.0	123.9	133.1	111.2	133.6	125.3	125.2	} 72.1	183.0	118.7	94.0	165.9	197	166.7	179.3
Feb.	127.3	127.4	125.3	134.9	112.9	135.3	127.3	127.0		170.0	119.0	94.3	165.4	201	167.1	179.3
Mar.	128.1	128.1	126.4	136.1	112.9	134.9	128.2	127.9		185.0	119.4	94.9	167.4	204	167.5	179.6
Apr.	128.4	128.0	126.3	136.1	112.9	134.7	129.2	128.5		189.0	119.9	95.5	166.1	205	168.2	181.3
May	129.6	128.8	127.2	137.3	113.2	135.0	131.0	129.3	} 73.0	205.0	119.8	95.4	r170.7	202	169.2	181.8
June r	130.1	129.1	127.2	137.3	113.4	136.4	131.6	130.0		187.0	119.8	95.2	171.4	206	170.1	183.1
July	130.4	129.4	127.4	137.3	113.8	136.8	132.0	130.4	.....	.....	120.1	95.0	171.7	203	.....	184.3

▲ Revised data for 1955–62, comparable to the revised data beginning 1963 shown below, will be published later.

[1] Employees only: excludes personnel in the Armed Forces.

[2] Production workers only. Revised back to 1973.

[3] F.R. index based on Census Bureau figures.

[4] Prices are not seasonally adjusted. Latest figure is final.

NOTE.—*All series:* Data are seasonally adjusted unless otherwise noted.

Capacity utilization: Based on data from Federal Reserve, McGraw-Hill Economics Department, and Dept. of Commerce.

Construction contracts: McGraw-Hill Informations Systems Company, F.W. Dodge Division, monthly index of dollar value of total construction contracts, including residential, nonresidential, and heavy engineering.

Employment and payrolls: Based on Bureau of Labor Statistics data; includes data for Alaska and Hawaii beginning with 1959.

Prices: Bureau of Labor Statistics data.

CONSTRUCTION CONTRACTS AND PRIVATE HOUSING PERMITS

(In millions of dollars, except as noted)

Type of ownership and type of construction	1974	1975	1975							1976					
			June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June
Total construction contracts [1]	**93,685**	**90,237**	**9,324**	**9,044**	**10,037**	**7,692**	**7,767**	**5,573**	**5,431**	**6,390**	**6,149**	**8,908**	**9,408**	**9,836**	**10,533**
By type of ownership:															
Public	32,062	31,415	3,891	3,784	3,040	2,725	2,544	1,597	1,724	1,655	1,719	2,192	2,383	3,915	3,136
Private [1]	61,623	58,822	5,432	5,260	6,997	4,967	5,223	3,976	3,708	4,734	4,430	6,716	7,025	5,921	7,397
By type of construction:															
Residential building [1]	33,567	31,347	3,116	3,093	2,784	2,966	3,189	2,404	2,233	2,157	2,546	3,618	4,003	3,955	4,166
Nonresidential building	33,131	30,577	3,169	3,165	2,666	2,526	2,629	1,859	1,865	1,939	1,996	2,561	2,741	2,819	2,805
Nonbuilding	26,987	28,313	3,040	2,786	4,587	2,200	1,949	1,309	1,334	2,294	1,608	2,729	2,664	3,062	3,562
Private housing units authorized... (In thousands, S.A., A.R.)	1,074	r924	r938	r1,016	995	r1,092	r1,111	r1,127	r1,091	r1,147	r1,165	r1,188	r1,082	1,158	1,122

[1] Because of improved procedures for collecting data for 1-family homes, some totals are not strictly comparable with those prior to 1968. To improve comparability, earlier levels may be raised by approximately 3 per cent for total and private construction, in each case, and by 8 per cent for residential building.

NOTE.—Dollar value of construction contracts as reported by the McGraw-Hill Informations Systems Company, F.W. Dodge Division. Totals of monthly data may differ from annual totals because adjustments are made in accumulated monthly data after original figures have been published.

Private housing units authorized are Census Bureau series for 14,000 reporting areas with local building permit systems.

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VALUE OF NEW CONSTRUCTION ACTIVITY

(In millions of dollars)

Period	Total [1]	Private							Public [1]				
		Total	Residential	Nonresidential					Total	Military	Highway	Conservation and development	Other
				Total	Buildings			Public Utilities and Other					
					Industrial	Commercial	Other buildings [2]						
1967	78,082	52,546	25,564	26,982	.....	.....	.....	.....	25,536	695	8,591	2,124	14,126
1968	87,093	59,488	30,565	28,923	6,021	7,761	4,382	10,759	27,605	808	9,321	1,973	15,503
1969	93,917	65,953	33,200	32,753	6,783	9,401	4,971	11,598	27,964	879	9,250	1,783	16,052
1970	94,855	66,759	31,864	34,895	6,518	9,754	5,125	13,498	28,096	718	9,981	1,908	15,489
1971	109,950	80,079	43,267	36,812	5,423	11,619	5,437	14,333	29,871	901	10,658	2,095	16,217
1972	124,085	93,901	54,288	39,613	4,676	13,464	5,898	15,575	30,184	1,087	10,429	2,172	16,496
1973	r137,917	105,412	59,727	45,685	6,243	15,453	5,888	18,101	32,505	r1,166	r10,505	2,313	r18,521
1974	138,526	100,179	50,378	49,801	7,902	15,945	5,797	20,157	38,347	r1,188	r12,069	r2,741	r22,349
1975	132,043	93,034	46,476	46,558	8,017	r12,804	5,585	r20,152	39,009	r1,391	r10,345	r3,227	r24,046
1975—June	129,666	90,589	44,738	45,851	8,121	12,185	5,476	20,069	39,077	1,209	r10,715	r3,190	r23,963
July	133,096	91,970	46,123	45,847	8,175	12,334	5,449	19,889	41,126	1,339	r11,402	r3,275	r25,110
Aug	132,178	92,062	46,332	45,730	8,045	12,365	5,581	19,739	40,116	1,403	r11,010	r3,454	r24,249
Sept	136,310	95,365	48,375	46,990	7,895	12,369	5,820	20,906	40,945	1,597	r10,738	r3,429	r25,181
Oct	136,204	95,561	49,396	46,165	7,591	12,418	5,604	20,552	40,643	1,500	r10,425	r3,314	r25,404
Nov	138,040	97,346	50,409	46,937	7,720	12,420	5,754	21,043	40,694	1,617	r10,389	r3,575	r25,113
Dec	137,833	98,063	52,061	46,002	7,582	12,209	5,608	20,603	39,770	1,583	r10,423	r3,670	r24,094
1976—Jan	136,898	99,530	53,087	46,443	7,522	11,479	5,843	21,599	37,368	1,505	r9,808	r3,295	r22,760
Feb	139,253	102,858	55,625	47,233	7,842	12,762	6,024	20,605	36,395	1,598	r9,018	r3,751	r22,028
Mar	144,458	106,441	57,464	48,977	7,605	13,346	5,957	22,069	38,017	1,454	r9,632	r3,385	r23,546
Apr	r142,006	r104,109	r56,037	48,072	7,227	12,604	5,567	22,674	r37,897	r1,522	r10,575	r3,760	r22,040
May	r140,281	r104,065	r55,108	r48,957	r6,967	r12,331	5,967	r23,692	r36,216	1,435	r9,817	r3,523	r21,441
June[p]	142,496	103,923	56,084	47,839	6,712	11,772	6,021	23,334	38,573	1,370	.....	.....	.....

[1] Data beginning Jan. 1976 are not strictly comparable with prior data because of change by Census Bureau in its procedure for estimating construction outlays of State and local governments. Such governments accounted for 86 per cent of all public construction expenditures in 1974.

[2] Includes religious, educational, hospital, institutional, and other buildings.

NOTE.—Census Bureau data; monthly series at seasonally adjusted annual rates.

PRIVATE HOUSING ACTIVITY

(In thousands of units)

Period	Starts			Completions			Under construction (end of period)			Mobile home shipments	New 1-family homes sold and for sale [1]			
											Units		Median prices (in thousands of dollars) of units	
	Total	1-family	2-or-more family	Total	1-family	2-or-more family	Total	1-family	2-or-more family		Sold	For sale (end of period)	Sold	For sale
1967	1,292	844	448	.....	.....	.....	.....	.....	.....	240	487	190	22.7	23.6
1968	1,508	899	608	1,320	859	461	.....	.....	.....	318	490	218	24.7	24.6
1969	1,467	811	656	1,399	807	591	885	350	535	413	448	228	25.6	27.0
1970	1,434	813	621	1,418	802	617	922	381	541	401	485	227	23.4	26.2
1971	2,052	1,151	901	1,706	1,014	692	1,254	505	749	497	656	294	25.2	25.9
1972	2,357	1,309	1,047	1,971	1,143	828	1,586	640	947	576	718	416	27.6	28.3
1973	2,045	1,132	913	2,014	1,174	840	1,599	583	1,016	567	620	456	32.5	32.9
1974	1,338	888	450	1,692	931	760	1,189	516	673	329	501	407	35.9	36.2
1975	c1,160	892	268	1,297	866	430	1,003	531	472	216	544	383	39.3	38.9
1975—June	1,080	874	206	1,202	808	394	1,045	517	528	201	551	379	37.9	37.2
July	1,207	916	291	1,261	882	379	1,039	521	518	213	548	381	38.6	37.4
Aug	1,264	979	285	1,267	880	387	1,036	528	507	225	573	378	38.2	37.8
Sept	1,304	966	338	1,315	969	346	1,037	532	505	228	571	384	39.7	38.2
Oct	1,431	1,093	338	1,115	738	377	1,061	560	504	235	610	389	40.7	38.4
Nov	1,381	1,048	333	1,386	992	394	1,037	555	482	230	660	381	41.1	38.6
Dec	1,283	962	321	1,329	993	336	1,038	559	479	224	641	378	42.1	38.9
1976—Jan	1,236	957	279	1,213	926	287	1,041	562	479	263	573	379	41.6	39.1
Feb	1,547	1,295	252	1,299	953	346	1,053	582	471	287	r679	r384	r42.7	39.3
Mar	1,417	1,110	307	r1,399	r1,032	367	r1,055	592	463	244	r574	389	r43.7	r39.6
Apr	r1,367	r1,055	r312	r1,266	r984	r282	r1,061	r599	462	237	r628	r394	r43.7	r39.9
May	r1,430	r1,067	r363	1,331	r915	r416	1,055	r602	453	r260	514	399	r43.2	40.2
June[p]	1,492	1,150	342	.....	.....	.....	.....	.....	.....	231	.....	.....	.....	.....

[1] Merchant builders only.

NOTE.—All series except prices, seasonally adjusted. Annual rates for starts, completions, mobile home shipments, and sales. Census data except for mobile homes, which are private, domestic shipments as reported by the Mobile Home Manufactured Housing Institute and seasonally adjusted by Census Bureau. Data for units under construction seasonally adjusted by Federal Reserve.

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LABOR FORCE, EMPLOYMENT, AND UNEMPLOYMENT

(In thousands of persons, except as noted)

Period	Total noninstitutional population (N.S.A.)	Not in labor force (N.S.A.)	Total labor force (S.A.)	Civilian labor force (S.A.)					Unemployment rate[2] (per cent; S.A.)
				Total	Employed[1]			Unemployed	
					Total	In nonagricultural industries	In agriculture		
1970	140,182	54,280	85,903	82,715	78,627	75,165	3,462	4,088	4.9
1971	142,596	55,666	86,929	84,113	79,120	75,732	3,387	4,993	5.9
1972	145,775	56,785	88,991	86,542	81,702	78,230	3,472	4,840	5.6
1973	148,263	57,222	91,040	88,714	84,409	80,957	3,452	4,304	4.9
1974	150,827	57,587	93,240	91,011	r85,935	82,443	3,492	5,076	5.6
1975	153,449	58,655	94,793	92,613	84,783	81,403	3,380	7,830	8.5
1975—July	153,585	56,540	95,249	93,063	84,967	81,528	3,439	8,096	8.7
Aug.	153,824	57,331	95,397	93,212	85,288	81,824	3,464	7,924	8.5
Sept.	154,052	59,087	95,298	93,128	85,158	81,646	3,512	7,970	8.6
Oct.	154,256	58,825	95,377	93,213	85,151	81,743	3,408	8,062	8.6
Nov.	154,476	59,533	95,272	93,117	85,178	81,877	3,301	7,939	8.5
Dec.	154,700	59,812	95,286	93,129	85,394	82,158	3,236	7,735	8.3
1976—Jan.	154,915	60,110	95,624	93,484	86,194	82,851	3,343	7,290	7.8
Feb.	155,106	60,163	95,601	93,455	86,319	83,149	3,170	7,136	7.6
Mar.	155,325	60,065	95,866	93,719	86,692	83,513	3,179	7,027	7.5
Apr.	155,516	59,898	96,583	94,439	87,399	83,982	3,417	7,040	7.5
May	155,711	59,988	96,699	94,557	87,697	84,368	3,329	6,860	7.3
June	155,925	57,674	96,780	94,643	87,500	84,206	3,294	7,143	7.5
July	156,142	56,817	97,473	95,333	87,907	84,566	3,341	7,426	7.8

[1] Includes self-employed, unpaid family, and domestic service workers.
[2] Per cent of civilian labor force.

NOTE.—Bureau of Labor Statistics. Information relating to persons 16 years of age and over is obtained on a sample basis. Monthly data relate to the calendar week that contains the 12th day; annual data are averages of monthly figures. Description of changes in series beginning 1967 is available from Bureau of Labor Statistics.

EMPLOYMENT IN NONAGRICULTURAL ESTABLISHMENTS, BY INDUSTRY DIVISION

(In thousands of persons)

Period	Total	Manufacturing	Mining	Contract construction	Transportation and public utilities	Trade	Finance	Service	Government
1970	70,920	19,349	623	3,536	4,504	15,040	3,687	11,621	12,561
1971	71,216	18,572	603	3,639	4,457	15,352	3,802	11,903	12,887
1972	73,711	19,090	622	3,831	4,517	15,975	3,943	12,392	13,340
1973	76,896	20,068	644	4,015	4,644	16,674	4,091	13,021	13,739
1974	78,413	20,046	694	3,957	4,696	17,017	4,208	13,617	14,177
1975	76,987	18,342	745	3,462	4,499	16,949	4,473	13,996	14,771
SEASONALLY ADJUSTED									
1975—July	76,679	18,084	743	3,395	4,464	16,984	4,203	13,990	14,816
Aug.	77,023	18,254	749	3,415	4,466	17,016	4,218	14,054	14,855
Sept.	77,310	18,417	752	3,432	4,467	17,045	4,239	14,113	14,845
Oct.	77,555	18,493	774	3,402	4,476	17,043	4,246	14,157	14,964
Nov.	77,574	18,482	766	3,409	4,496	17,010	4,248	14,188	14,975
Dec.	77,796	18,568	769	3,406	4,477	17,080	4,264	14,229	15,003
1976—Jan.	78,179	18,722	764	3,428	4,494	17,233	4,266	14,307	14,965
Feb.	78,368	18,763	763	3,375	4,517	17,326	4,266	14,360	14,998
Mar.	78,630	18,877	770	3,366	4,498	17,386	4,276	14,422	15,035
Apr.	78,963	18,973	772	3,399	4,510	17,444	4,293	14,498	15,074
May	r78,923	r18,964	773	r3,386	r4,498	r17,439	4,278	r14,514	15,071
June	r78,900	r18,938	r780	r3,355	r4,487	r17,452	r4,300	r14,527	r15,061
July[p]	79,121	18,931	790	3,360	4,496	17,518	4,305	14,574	15,147
NOT SEASONALLY ADJUSTED									
1975—July	76,439	18,007	758	3,605	4,504	16,936	4,266	14,144	14,219
Aug.	76,900	18,450	763	3,688	4,493	16,959	4,273	14,162	14,112
Sept.	77,614	18,694	758	3,659	4,503	17,084	4,243	14,113	14,560
Oct.	78,193	18,687	763	3,620	4,503	17,136	4,238	14,185	15,061
Nov.	78,339	18,635	763	3,522	4,509	17,313	4,235	14,174	15,188
Dec.	78,527	18,584	763	3,338	4,477	17,737	4,243	14,158	15,227
1976—Jan.	77,091	18,495	756	3,061	4,440	17,026	4,223	14,049	15,041
Feb.	77,339	18,545	752	3,014	4,445	16,926	4,228	14,188	15,241
Mar.	77,906	18,679	759	3,103	4,462	17,028	4,246	14,307	15,322
Apr.	78,688	18,813	766	3,270	4,474	17,295	4,276	14,498	15,296
May	r79,115	r18,872	775	r3,386	r4,494	r17,405	4,278	r14,616	15,289
June	r79,760	r19,103	r796	r3,516	r4,541	r17,544	r4,347	r14,745	r15,168
July[p]	78,817	18,805	806	3,568	4,536	17,468	4,370	14,734	14,530

NOTE.—Bureau of Labor Statistics; data include all full- and part-time employees who worked during, or received pay for, the pay period that includes the 12th of the month. Proprietors, self-employed persons, domestic servants, unpaid family workers, and members of Armed Forces are excluded.

Beginning with 1973, series has been adjusted to Mar. 1974 benchmark.

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CONSUMER PRICES

(1967 = 100)

Period	All items	Food	Housing						Apparel and upkeep	Transportation	Health and recreation				
			Total	Rent	Homeownership	Fuel oil and coal	Gas and electricity	Furnishings and operation			Total	Medical care	Personal care	Reading and recreation	Other goods and services
1929	51.3	48.3	.....	76.0	.....	.....	.....	.....	48.5	.....	.....	.....	.....	.....	.....
1933	38.8	30.6	.....	54.1	.....	.....	.....	.....	36.9	.....	.....	.....	.....	.....	.....
1941	44.1	38.4	53.7	57.2	.....	40.5	81.4	.....	44.8	44.2	.....	37.0	41.2	47.7	49.2
1945	53.9	50.7	59.1	58.8	.....	48.0	79.6	.....	61.5	47.8	.....	42.1	55.1	62.4	56.9
1960	88.7	88.0	90.2	91.7	86.3	89.2	98.6	93.8	89.6	89.6	85.1	79.1	90.1	87.3	87.8
1965	94.5	94.4	94.9	96.9	92.7	94.6	99.4	95.3	93.7	95.9	93.4	89.5	95.2	95.9	94.2
1966	97.2	99.1	97.2	98.2	96.3	97.0	99.6	97.0	96.1	97.2	96.1	93.4	97.1	97.5	97.2
1967	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1968	104.2	103.6	104.2	102.4	105.7	103.1	100.9	104.4	105.4	103.2	105.0	106.1	104.2	104.7	104.6
1969	109.8	108.9	110.8	105.7	116.0	105.6	102.8	109.0	111.5	107.2	110.3	113.4	109.3	108.7	109.1
1970	116.3	114.9	118.9	110.1	128.5	110.1	107.3	113.4	116.1	112.7	116.2	120.6	113.2	113.4	116.0
1971	121.3	118.4	124.3	115.2	133.7	117.5	114.7	118.1	119.8	118.6	122.2	128.4	116.8	119.3	120.9
1972	125.3	123.5	129.2	119.2	140.1	118.5	120.5	121.0	122.3	119.9	126.1	132.5	119.8	122.8	125.5
1973	133.1	141.4	135.0	124.3	146.7	136.0	126.4	124.9	126.8	123.8	130.2	137.7	125.2	125.9	129.0
1974	147.7	161.7	150.6	130.6	163.2	214.6	145.8	140.5	136.2	137.7	140.3	150.5	137.3	133.8	137.2
1975	161.2	175.4	166.8	137.3	181.7	235.3	169.6	158.1	142.3	150.6	153.5	168.6	150.7	144.4	147.4
1975—June	160.6	174.4	166.4	136.9	181.4	230.6	169.4	158.1	141.4	149.8	153.2	168.1	150.3	144.1	147.3
July	162.3	178.6	167.1	137.3	182.3	234.1	170.4	158.3	141.1	152.6	154.0	169.8	151.2	144.4	147.6
Aug	162.8	178.1	167.7	138.0	182.8	235.7	171.2	158.8	142.3	153.6	154.6	170.9	151.4	144.7	148.1
Sept	163.6	177.8	168.9	138.4	183.9	238.7	174.0	160.1	143.5	155.4	155.4	172.2	152.1	146.0	148.0
Oct	164.6	179.0	169.8	139.3	184.8	243.3	174.2	160.9	144.6	156.1	156.3	173.5	152.9	146.6	148.5
Nov	165.6	179.8	171.3	139.9	186.8	246.5	176.8	161.6	145.5	157.4	156.5	173.3	153.6	147.0	148.9
Dec	166.3	180.7	172.2	140.6	187.8	248.7	179.0	162.0	145.2	157.6	157.5	174.7	154.6	147.5	149.8
1976—Jan	166.7	180.8	173.2	141.2	188.8	248.9	179.5	163.7	143.3	158.1	158.6	176.6	155.7	148.2	150.5
Feb	167.1	180.0	173.8	142.1	188.6	249.4	181.9	165.2	144.0	158.5	159.7	178.8	157.0	148.5	151.3
Mar	167.5	178.7	174.5	142.7	188.7	247.6	183.7	166.6	145.0	159.8	160.6	180.6	157.4	149.0	151.8
Apr	168.2	179.2	174.9	143.2	188.9	246.6	184.4	167.4	145.7	161.3	161.4	181.6	158.3	149.5	152.5
May	169.2	r180.0	175.6	143.8	189.6	246.2	186.1	167.9	146.8	163.5	162.1	182.6	158.9	150.3	152.9
June	170.1	180.9	176.5	144.4	190.7	247.3	188.5	168.5	146.9	165.9	162.8	183.7	159.8	150.9	153.2

NOTE.—Bureau of Labor Statistics index for city wage earners and clerical workers.

WHOLESALE PRICES: SUMMARY

(1967 = 100, except as noted)

Period	All commodities	Farm products	Processed foods and feeds	Industrial commodities												
				Total	Textiles, etc.	Hides, etc.	Fuel, etc.	Chemicals, etc.	Rubber, etc.	Lumber, etc.	Paper, etc.	Metals, etc.	Machinery and equipment	Furniture, etc.	Nonmetallic minerals	Transportation equipment[1]	Miscellaneous
1960	94.9	97.2	89.5	95.3	99.5	90.8	96.1	101.8	103.1	95.3	98.1	92.4	92.0	99.0	97.2	.....	93.0
1965	96.6	98.7	95.5	96.4	99.8	94.3	95.5	99.0	95.9	95.9	96.2	96.4	93.9	96.9	97.5	.....	95.9
1966	99.8	105.9	101.2	98.5	100.1	103.4	97.8	99.4	97.8	100.2	98.8	98.8	96.8	98.0	98.4	.....	97.7
1967	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	.....	100.0
1968	102.5	102.5	102.2	102.5	103.7	103.2	98.9	99.8	103.4	113.3	101.1	102.6	103.2	102.8	103.7	.....	102.2
1969	106.5	109.1	107.3	106.0	106.0	108.9	100.9	99.9	105.3	125.3	104.0	108.5	106.5	104.9	107.7	100.8	105.2
1970	110.4	111.0	112.0	110.0	107.2	110.1	105.9	102.2	108.6	113.7	108.2	116.7	111.4	107.5	113.3	104.5	109.9
1971	113.9	112.9	114.3	114.0	108.6	114.0	114.2	104.2	109.2	127.0	110.1	119.0	115.5	109.9	122.4	110.3	112.8
1972	119.1	125.0	120.8	117.9	113.6	131.3	118.6	104.2	109.3	144.3	113.4	123.5	117.9	111.4	126.1	113.8	114.6
1973	134.7	176.3	148.1	125.9	123.8	143.1	134.3	110.0	112.4	177.2	122.1	132.8	121.7	115.2	130.2	115.1	119.7
1974	160.1	187.7	170.9	153.8	139.1	145.1	208.3	146.8	136.2	183.6	151.7	171.9	139.4	127.9	153.2	125.5	133.1
1975	174.9	186.7	182.6	171.5	137.9	148.5	245.1	181.3	150.2	176.9	170.4	185.9	161.4	139.7	174.0	141.5	147.7
1975—July	175.7	193.7	184.6	171.2	136.8	149.3	246.6	181.4	150.1	179.6	170.0	183.4	161.7	139.2	174.7	140.1	147.7
Aug	176.7	193.2	186.3	172.2	137.6	149.3	252.4	182.1	150.0	179.7	170.0	184.3	162.2	139.8	175.8	140.5	147.8
Sept	177.7	197.1	186.1	173.1	138.4	151.3	254.9	182.2	150.8	179.9	170.3	185.5	163.1	140.1	176.1	141.1	148.2
Oct	178.9	197.3	186.2	174.7	141.3	152.4	256.5	182.3	151.5	179.1	170.9	187.2	164.1	141.1	177.1	146.6	147.6
Nov	178.2	191.7	182.6	175.4	143.2	154.4	257.0	182.9	151.8	178.3	171.3	187.0	165.3	141.5	177.7	147.2	148.6
Dec	178.7	193.8	181.0	176.1	144.0	154.6	258.0	183.4	151.9	183.1	173.1	187.1	165.8	142.0	178.0	147.5	151.1
1976—Jan	179.3	192.8	179.4	177.3	145.1	157.5	257.3	184.2	152.4	190.5	174.8	187.7	167.0	143.1	181.1	148.7	151.8
Feb	179.3	191.0	176.4	178.0	146.3	159.9	255.7	184.9	154.2	196.0	175.8	189.2	167.7	143.4	181.3	148.8	152.1
Mar	179.6	187.2	175.8	178.9	146.7	162.0	255.7	185.6	155.5	202.3	176.9	190.6	168.2	143.9	182.5	149.1	152.6
Apr	181.3	192.9	178.0	180.0	147.4	165.4	256.9	187.1	156.7	203.3	178.5	192.9	168.9	144.4	185.2	149.2	152.4
May	181.8	192.6	179.9	180.4	147.0	169.6	257.2	186.9	157.1	202.3	179.2	194.0	169.4	144.8	185.6	149.0	152.7
June	183.1	196.5	181.8	181.3	148.1	167.4	260.3	187.1	157.2	199.8	179.5	196.4	170.2	145.3	186.0	149.1	154.4
July	184.3	196.9	182.6	182.6	149.0	169.8	265.0	187.0	158.2	203.7	180.5	198.7	170.9	145.7	186.9	149.2	153.8

[1] Dec. 1968 = 100.

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GROSS NATIONAL PRODUCT

(In billions of dollars)

Item	1950	1970	1972	1973	1974	1975	1975			1976	
							II	III	IV	I	II p
Gross national product	**286.2**	**982.4**	**1,171.1**	**1,306.6**	**1,413.2**	**1,516.3**	**1,482.3**	**1,548.7**	**1,588.2**	**1,636.2**	**1,673.0**
Final purchases	*279.4*	*978.6*	*1,161.7*	*1,288.6*	*1,402.5*	*1,531.0*	*1,512.3*	*1,550.6*	*1,592.5*	*1,621.4*	*1,659.7*
Personal consumption expenditures	**192.0**	**618.8**	**733.0**	**809.9**	**887.5**	**973.2**	**960.3**	**987.3**	**1,012.0**	**1,043.6**	**1,064.6**
Durable goods	30.8	84.9	111.2	123.7	121.6	131.7	127.0	136.0	141.8	151.4	154.1
Nondurable goods	98.2	264.7	299.3	333.8	376.2	409.1	405.8	414.6	421.6	429.1	434.8
Services	63.0	269.1	322.4	352.3	389.6	432.4	427.4	436.7	448.6	463.2	475.6
Gross private domestic investment	**53.8**	**140.8**	**188.3**	**220.0**	**215.0**	**183.7**	**164.4**	**196.7**	**201.4**	**229.6**	**236.3**
Fixed investment	*47.0*	*137.0*	*178.8*	*202.1*	*204.3*	*198.3*	*194.3*	*198.6*	*205.7*	*214.7*	*223.0*
Nonresidential	*27.1*	*100.5*	*116.8*	*136.0*	*149.2*	*147.1*	*145.8*	*146.1*	*148.7*	*153.4*	*158.5*
Structures	9.3	37.7	42.5	49.0	54.1	52.0	51.2	51.8	52.1	53.2	55.3
Producers' durable equipment	17.8	62.8	74.3	87.0	95.1	95.1	94.6	94.3	96.6	100.2	103.1
Residential structures	19.9	36.6	62.0	66.1	55.1	51.2	48.6	52.6	57.0	61.3	64.5
Nonfarm	18.7	35.1	60.3	64.3	52.7	49.0	46.7	50.2	54.2	58.6	62.1
Change in business inventories	6.8	3.8	9.4	17.9	10.7	−14.6	−30.0	−2.0	−4.3	14.8	13.3
Nonfarm	6.0	3.7	8.8	14.7	12.2	−17.6	−31.2	−4.2	−9.5	12.7	14.7
Net exports of goods and services	**1.9**	**3.9**	**−3.3**	**7.1**	**7.5**	**20.5**	**24.4**	**21.4**	**21.0**	**8.4**	**9.1**
Exports	13.9	62.5	72.7	101.6	144.4	148.1	142.9	148.2	153.7	154.1	156.8
Imports	12.0	58.5	75.9	94.4	136.9	127.6	118.5	126.8	132.7	145.7	147.7
Government purchases of goods and services	**38.5**	**218.9**	**253.1**	**269.5**	**303.3**	**339.0**	**333.2**	**343.2**	**353.8**	**354.7**	**363.1**
Federal	*18.7*	*95.6*	*102.1*	*102.2*	*111.6*	*124.4*	*122.4*	*124.6*	*130.4*	*129.2*	*132.3*
National defense	14.0	73.5	73.5	73.5	77.3	84.3	83.4	84.6	87.1	86.2	88.4
Other	4.7	22.1	28.6	28.7	34.3	40.1	39.0	40.0	43.2	42.9	43.9
State local	19.8	123.2	151.0	167.3	191.6	214.5	210.9	218.6	223.4	225.5	230.8
Gross national product in 1972 dollars	**533.5**	**1,075.3**	**1,171.1**	**1,235.0**	**1,214.0**	**1,191.7**	**1,177.1**	**1,209.3**	**1,219.2**	**1,246.3**	**1,259.7**

NOTE.—Dept. of Commerce estimates. Quarterly data are seasonally adjusted totals at annual rates. For back data and explanation of series, see the *Survey of Current Business*, Jan. 1976.

NATIONAL INCOME

(In billions of dollars)

Item	1950	1970	1972	1973	1974	1975	1975			1976	
							II	III	IV	I	II p
National income	**236.2**	**798.4**	**951.9**	**1,064.6**	**1,135.7**	**1,207.6**	**1,182.7**	**1,233.4**	**1,264.6**	**1,304.7**	.....
Compensation of employees	**154.8**	**609.2**	**715.1**	**799.2**	**875.8**	**928.8**	**912.9**	**935.2**	**963.1**	**994.4**	**1,016.9**
Wages and salaries	*147.0*	*546.5*	*633.8*	*701.2*	*764.5*	*806.7*	*792.8*	*811.7*	*836.4*	*861.5*	*880.7*
Private	124.4	430.5	496.2	552.6	604.1	630.8	619.0	634.4	654.1	676.1	692.1
Government and govt. enterprises	22.6	116.0	137.6	148.6	160.4	175.8	173.8	177.3	182.2	185.4	188.7
Supplements to wages and salaries	*7.8*	*62.7*	*81.4*	*98.0*	*111.3*	*122.1*	*120.1*	*123.5*	*126.7*	*132.9*	*136.2*
Employer contributions for social insurance	4.2	30.7	39.4	49.3	55.8	59.7	58.7	60.2	61.6	65.9	67.1
Other labor income	3.7	32.0	42.0	48.7	55.5	62.5	61.4	63.3	65.2	67.1	69.0
Proprietors' income with inventory valuation and capital consumption adjustments	**38.4**	**65.1**	**76.1**	**92.4**	**86.9**	**90.2**	**86.8**	**95.5**	**97.2**	**93.2**	**100.0**
Business and professional	24.9	51.2	58.1	60.4	61.1	65.3	62.7	66.3	69.0	71.4	72.6
Farm	13.5	13.9	18.0	32.0	25.8	24.9	24.1	29.2	28.3	21.9	27.5
Rental income of persons with capital consumption adjustment	**7.1**	**18.6**	**21.5**	**21.6**	**21.0**	**22.4**	**22.3**	**22.4**	**22.9**	**23.3**	**23.1**
Corporate profits and inventory valuation adjustment and without capital consumption adjustment	**37.6**	**66.4**	**89.6**	**97.2**	**87.8**	**103.1**	**97.9**	**117.9**	**119.1**	**129.6**	.....
Profits before tax	*42.6*	*71.5*	*96.2*	*115.8*	*127.6*	*114.5*	*105.8*	*126.9*	*131.3*	*141.1*	.....
Profits tax liability	17.9	34.5	41.5	48.7	52.4	49.2	44.8	54.8	57.2	61.4	.....
Profits after tax	*24.7*	*37.0*	*54.6*	*67.1*	*75.2*	*65.3*	*61.0*	*72.1*	*74.1*	*79.7*	.....
Dividends	8.8	22.9	24.6	27.8	30.8	32.1	31.9	32.6	32.2	33.1	34.4
Undistributed profits	15.9	14.1	30.0	39.3	44.4	33.2	29.1	39.5	41.9	46.6	.....
Inventory valuation adjustment	−5.0	−5.1	−6.6	−18.6	−39.8	−11.4	−7.8	−9.0	−12.3	−11.5	−14.2
Capital consumption adjustment	−4.0	1.5	2.5	1.9	−3.0	−11.6	−11.4	−12.6	−13.5	−14.5	−15.4
Net interest	**2.3**	**37.5**	**47.0**	**52.3**	**67.1**	**74.6**	**74.0**	**74.9**	**75.8**	**78.6**	**80.3**

NOTE.—Dept. of Commerce estimates. Quarterly data are seasonally adjusted totals at annual rates. See also NOTE to table above.

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RELATION OF GROSS NATIONAL PRODUCT, NATIONAL INCOME, AND PERSONAL INCOME AND SAVING

(In billions of dollars)

Item	1950	1970	1972	1973	1974	1975	1975			1976	
							II	III	IV	I	II[p]
Gross national product	**286.2**	**982.4**	**1,171.1**	**1,306.6**	**1,413.2**	**1,516.3**	**1,482.3**	**1,548.7**	**1,588.2**	**1,636.2**	**1,673.0**
Less: Capital consumption allowances with capital consumption adjustment	23.9	90.8	105.4	117.7	137.7	161.4	158.7	164.4	169.5	173.6	177.7
Indirect business tax and nontax liability	23.4	94.0	111.0	120.2	128.4	138.7	136.5	141.5	144.1	144.9	147.9
Business transfer payments	.8	4.0	4.7	5.4	5.6	6.3	6.2	6.4	6.6	6.8	7.0
Statistical discrepancy	2.0	−2.1	1.7	2.6	6.6	4.4	.1	5.1	6.1	7.2	.....
Plus: Subsidies less current surplus of government enterprises	.1	2.7	3.6	3.9	.8	2.0	1.9	2.1	2.7	.9	1.1
Equals: National income	**236.2**	**798.4**	**951.9**	**1,064.6**	**1,135.7**	**1,207.6**	**1,182.7**	**1,233.4**	**1,264.6**	**1,304.7**	.....
Less: Corporate profits with inventory valuation and capital consumption adjustments	33.7	67.9	92.1	99.1	84.8	91.6	86.6	105.3	105.6	115.1	.....
Net interest	2.3	37.5	47.0	52.3	67.1	74.6	74.0	74.9	75.8	78.6	80.3
Contributions for social insurance	7.1	58.7	73.6	91.5	103.4	109.7	108.1	110.3	112.6	119.3	121.4
Wage accruals less disbursements	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Plus: Government transfer payments to persons	14.4	75.9	99.4	113.5	134.6	168.9	169.3	172.7	176.0	181.8	180.7
Personal interest income	8.9	64.3	74.6	84.1	101.4	110.7	109.0	111.0	114.4	118.0	120.7
Dividends	8.8	22.9	24.6	27.8	30.8	32.1	31.9	32.6	32.2	33.1	34.4
Business transfer payments	.8	4.0	4.7	5.4	5.6	6.3	6.2	6.4	6.6	6.8	7.0
Equals: Personal income	**226.1**	**801.3**	**942.5**	**1,052.4**	**1,153.3**	**1,249.7**	**1,230.3**	**1,265.5**	**1,299.7**	**1,331.3**	**1,361.4**
Less: Personal tax and nontax payments	20.6	115.3	141.2	150.8	170.4	168.8	142.2	174.0	179.8	183.8	189.6
Equals: Disposable personal income	**205.5**	**685.9**	**801.3**	**901.7**	**982.9**	**1,080.9**	**1,088.2**	**1,091.5**	**1,119.9**	**1,147.6**	**1,171.8**
Less: Personal outlays	194.7	635.4	751.9	831.3	910.7	996.9	983.6	1,011.1	1,036.2	1,068.0	1,089.3
Personal consumption expenditures	192.0	618.8	733.0	809.9	887.5	973.2	960.3	987.3	1,012.0	1,043.6	1,064.6
Interest paid by consumer to business	2.3	15.5	17.9	20.2	22.2	22.8	22.4	22.8	23.3	23.4	23.7
Personal transfer payments to foreigners (Net)	.4	1.1	1.0	1.3	1.0	.9	.9	.9	.9	1.0	1.0
Equals: Personal saving	**10.8**	**50.6**	**49.4**	**70.3**	**72.2**	**84.0**	**104.5**	**80.5**	**83.7**	**79.5**	**82.5**
Disposable personal income in (1972) dollars	**361.9**	**741.6**	**801.3**	**854.7**	**840.8**	**855.5**	**869.7**	**857.1**	**867.5**	**880.4**	**890.2**

NOTE.—Dept. of Commerce estimates. Quarterly data seasonally adjusted totals at annual rates. See also NOTE to table at top of opposite page.

PERSONAL INCOME

(In billions of dollars)

Item	1974	1975	1975							1976					
			June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June[p]
Total personal income	**1153.3**	**1249.7**	**1253.7**	**1252.0**	**1267.5**	**1277.1**	**1290.8**	**1300.2**	**1308.2**	**1320.8**	**1331.4**	**1341.9**	**1352.5**	**1362.9**	**1368.9**
Wage and salary disbursements	**765.0**	**806.7**	**797.4**	**802.9**	**813.0**	**819.1**	**828.5**	**836.6**	**844.0**	**854.2**	**861.4**	**868.8**	**876.9**	**883.3**	**882.1**
Commodity-producing industries	273.9	275.3	269.9	272.5	276.4	279.8	282.9	285.7	288.6	292.8	294.9	298.4	301.7	303.5	303.4
Manufacturing only	*211.4*	*211.7*	*207.6*	*209.2*	*212.9*	*215.5*	*218.1*	*220.1*	*222.8*	*227.2*	*229.4*	*232.2*	*234.8*	*235.8*	*235.5*
Distributive industries	184.4	195.6	193.3	194.4	197.9	198.2	200.9	202.5	203.5	206.5	208.8	209.8	212.3	213.9	211.7
Service industries	145.9	159.9	159.4	160.0	161.6	162.4	163.6	166.0	168.8	170.8	172.4	174.1	175.3	177.2	177.4
Government	160.9	175.8	174.8	176.0	177.1	178.8	181.1	182.4	183.2	184.2	185.4	186.6	187.6	188.7	189.7
Other labor income	55.5	62.5	62.0	62.6	63.3	63.9	64.5	65.2	65.8	66.4	67.1	67.7	68.4	69.0	69.7
Proprietors' income with inventory valuation and capital consumption adjustments	86.9	90.2	90.6	94.0	96.1	96.4	97.5	97.1	97.2	95.2	92.4	92.2	96.0	100.0	104.3
Business and professional	61.1	65.3	63.3	65.4	66.5	67.0	68.3	68.7	69.9	70.6	71.3	72.2	72.7	72.5	72.7
Farm	25.8	24.9	27.3	28.6	29.6	29.4	29.2	28.4	27.3	24.6	21.1	20.0	23.3	27.5	31.6
Rental income of persons with capital consumption adjustment	21.0	22.4	22.4	22.5	22.5	22.4	22.9	22.9	22.9	23.2	23.4	23.3	23.3	23.4	22.7
Dividends	30.8	32.1	32.0	32.3	32.6	32.9	32.9	32.9	30.8	32.9	33.3	33.0	33.4	33.9	35.9
Personal interest income	101.4	110.7	109.7	110.1	110.9	112.1	113.2	114.4	115.5	116.7	117.9	119.3	120.0	120.7	121.3
Transfer payments	140.3	175.2	189.2	177.3	179.3	180.7	182.1	182.1	183.4	185.3	189.2	191.3	188.7	187.1	187.1
Less: Personal contributions for social insurance	47.6	50.0	49.6	49.8	50.2	50.4	50.7	51.0	51.4	53.1	53.4	53.7	54.1	54.4	54.4
Nonagricultural income	**1117.3**	**1213.4**	**1215.4**	**1212.2**	**1226.5**	**1236.1**	**1249.9**	**1260.0**	**1269.1**	**1284.4**	**1298.6**	**1310.1**	**1317.3**	**1323.4**	**1325.0**
Agricultural income	**36.0**	**36.3**	**38.3**	**39.8**	**41.0**	**41.0**	**40.9**	**40.2**	**39.1**	**36.4**	**32.8**	**31.8**	**35.2**	**39.5**	**43.9**

NOTE.—Dept. of Commerce estimates. Monthly data seasonally adjusted totals at annual rates. See also NOTE to table at top of opposite page.

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SUMMARY OF FUNDS RAISED IN U.S. CREDIT MARKETS

(Seasonally adjusted annual rates; in billions of dollars)

	Transaction category, or sector	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	1975 H1	1975 H2	
	Credit market funds raised by nonfinancial sectors													
1	**Total funds raised by nonfinancial sectors**	67.9	82.4	96.0	91.8	98.2	147.4	169.4	187.4	180.1	204.6	186.7	222.2	1
2	***Excluding equities***	66.9	80.0	96.0	87.9	92.4	135.9	158.9	180.1	176.2	194.6	176.2	212.8	2
3	U.S. Government	3.6	13.0	13.4	−3.7	12.8	25.5	17.3	9.7	12.0	85.2	84.1	86.3	3
4	Public debt securities	2.3	8.9	10.4	−1.3	12.9	26.0	13.9	7.7	12.0	85.8	85.4	86.4	4
5	Agency issues and mortgages	1.3	4.1	3.1	−2.4	−.1	−.5	3.4	2.0	*	−.6	−1.2	−.1	5
6	**All other nonfinancial sectors**	64.3	69.4	82.6	95.5	85.4	121.9	152.1	177.7	168.1	119.4	102.6	135.9	6
7	Corporate equities	1.0	2.4	*	3.9	5.8	11.5	10.5	7.2	3.8	9.9	10.5	9.4	7
8	*Debt instruments*	*63.3*	*67.0*	*82.6*	*91.6*	*79.7*	*110.4*	*141.6*	*170.4*	*164.2*	*109.4*	*92.1*	*126.5*	8
9	***Private domestic nonfinancial sectors***	62.7	6.45	79.7	91.8	82.7	117.3	147.8	170.1	152.7	106.3	93.0	119.4	9
10	Corporate equities	1.3	2.4	−.2	3.4	5.7	11.4	10.9	7.4	4.1	9.9	10.3	9.5	10
11	*Debt instruments*	*61.5*	*63.0*	*79.9*	*88.4*	*77.0*	*105.8*	*136.9*	*162.7*	*148.6*	*96.4*	*82.7*	*109.9*	11
12	Debt capital instruments	38.2	44.5	49.5	49.6	56.7	83.2	93.8	96.1	92.9	97.8	101.7	93.8	12
13	State and local obligations	5.6	7.8	9.5	9.9	11.2	17.6	14.4	13.7	17.4	15.4	17.1	13.8	13
14	Corporate bonds	10.2	14.7	12.9	12.0	19.8	18.8	12.2	9.2	19.7	27.2	35.3	19.1	14
15	*Home mortgages*	*11.7*	*11.5*	*15.1*	*15.7*	*12.8*	*26.1*	*39.6*	*43.3*	*31.7*	*36.1*	*31.2*	*41.0*	15
16	*Multifamily residential mortgages*	*3.1*	*3.6*	*3.4*	*4.7*	*5.8*	*8.8*	*10.3*	*8.4*	*7.8*	*2.4*	*2.9*	*1.9*	16
17	*Commercial mortgages*	*5.7*	*4.7*	*6.4*	*5.3*	*5.3*	*10.0*	*14.8*	*17.0*	*11.5*	*11.0*	*9.4*	*12.6*	17
18	*Farm mortgages*	*1.8*	*2.3*	*2.2*	*1.9*	*1.8*	*2.0*	*2.6*	*4.4*	*4.9*	*5.6*	*5.8*	*5.4*	18
19	Other debt instruments	23.3	18.5	30.4	38.8	20.3	22.6	43.0	66.6	55.6	−1.3	−19.1	16.1	19
20	Consumer credit	6.4	4.5	10.0	10.4	6.0	11.2	19.2	22.9	9.6	5.3	−1.5	12.0	20
21	Bank loans n.e.c.	10.9	9.8	13.6	15.5	6.7	7.8	18.9	35.8	27.3	−11.3	−20.2	−2.5	21
22	Open market paper	1.1	1.7	1.8	3.0	3.0	−1.2	−.5	−.4	6.6	−2.0	−1.5	−2.5	22
23	Other	5.0	2.6	5.0	9.9	4.6	4.8	5.5	8.3	12.1	6.7	4.2	9.2	23
24	By borrowing sector	62.7	65.4	79.7	91.8	82.7	117.3	147.8	170.1	152.7	106.3	93.0	119.4	24
25	State and local governments	6.3	7.9	9.8	10.7	11.3	17.8	14.2	12.3	16.6	13.2	14.8	11.6	25
26	Households	22.7	19.3	30.0	31.7	23.4	39.8	63.1	72.8	44.0	45.2	36.2	54.1	26
27	Farm	3.1	3.6	2.8	3.2	3.2	4.1	4.9	8.6	7.8	9.2	8.2	10.2	27
28	Nonfarm noncorporate	5.4	5.0	5.6	7.4	5.3	8.7	10.4	9.3	7.2	2.9	.2	5.4	28
29	Corporate	25.3	29.6	31.6	38.9	39.5	46.8	55.3	67.2	77.1	35.8	33.6	38.1	29
30	***Foreign***	1.5	4.0	2.8	3.7	2.7	4.6	4.3	7.5	15.4	13.0	9.6	16.4	30
31	Corporate equities	−.3	.1	.2	.5	.1	*	−.4	−.2	−.3	*	.1	−.1	31
32	*Debt instruments*	*1.8*	*4.0*	*2.7*	*3.2*	*2.7*	*4.6*	*4.7*	*7.7*	*15.7*	*13.0*	*9.5*	*16.6*	32
33	Bonds	.7	1.2	1.1	1.0	.9	.9	1.0	1.0	2.2	6.3	5.9	6.7	33
34	Bank loans n.e.c.	−.2	−.3	−.5	−.2	−.3	1.6	2.9	2.8	4.7	4.0	1.4	6.6	34
35	Open market paper	−.1	.5	−.2	.3	.8	.3	−1.0	2.2	7.1	−.1	−1.2	1.0	35
36	U.S. Government loans	1.3	2.6	2.2	2.1	1.3	1.8	1.8	1.7	1.7	2.8	3.4	2.3	36
37	Memo: U.S. Govt. cash balance	−.4	1.2	−1.1	.4	2.8	3.2	−.3	−1.7	−4.6	2.9	2.7	3.1	37
	Totals net of changes in U.S. Govt. cash balances:													
38	Total funds raised	68.3	81.3	97.1	91.4	95.5	144.2	169.7	189.0	184.7	201.7	184.0	219.1	38
39	By U.S. Government	4.0	11.8	14.6	−4.1	10.0	22.3	17.6	11.4	16.6	82.3	81.4	83.2	39
	Credit market funds raised by financial sectors													
1	**Total funds raised by financial sectors**	11.7	2.0	18.3	33.7	12.6	16.5	28.9	52.0	38.0	12.1	4.9	19.3	1
2	Sponsored credit agencies	4.8	−.6	3.5	8.8	8.2	3.8	6.2	19.6	22.1	11.0	9.1	13.0	2
3	U.S. Government securities	5.1	−.6	3.2	9.1	8.2	3.8	6.2	19.6	21.4	10.2	8.0	12.3	3
4	Loans from U.S. Government	−.2	−.1	.2	−.3	.....	.....	.....	.....	.7	.9	1.1	.6	4
5	Private financial sectors	6.9	2.6	14.9	24.9	4.3	12.7	22.8	32.4	15.9	1.1	−4.2	6.3	5
6	Corporate equities	3.7	3.0	6.4	6.1	4.6	3.3	2.4	.8	1.7	1.8	2.1	1.5	6
7	*Debt instruments*	*3.2*	*−.4*	*8.5*	*18.8*	*−.3*	*9.3*	*20.3*	*31.6*	*14.2*	*−.7*	*−6.3*	*4.8*	7
8	Corporate bonds	.9	1.3	1.1	1.5	3.1	5.1	7.0	2.3	1.4	3.1	3.0	3.3	8
9	Mortgages	−.9	1.0	.4	.2	.7	2.1	1.7	−1.2	−1.3	2.3	2.0	2.6	9
10	Bank loans n.e.c.	−1.0	−2.0	2.5	2.3	−.5	3.0	6.8	13.5	7.5	−5.3	−7.9	−2.7	10
11	Open market paper and RP's	3.3	1.9	3.6	10.7	−5.0	1.8	4.9	9.8	−.1	3.1	4.6	1.5	11
12	Loans from FHLB's	.9	−2.5	.9	4.0	1.3	−2.7	*	7.2	6.7	−4.0	−8.1	.2	12
13	**Total funds raised, by sector**	11.7	2.0	18.3	33.7	12.6	16.5	28.9	52.0	38.0	12.1	4.9	19.3	13
14	Sponsored credit agencies	4.8	−.6	3.5	8.8	8.2	3.8	6.2	19.6	22.1	11.0	9.1	13.0	14
15	Private financial sectors	6.9	2.6	14.9	24.9	4.3	12.7	22.8	32.4	15.9	1.1	−4.2	6.3	15
16	Commercial banks	−.1	.1	1.2	1.4	−3.1	2.5	4.0	4.5	−1.9	3.3	4.6	2.1	16
17	Bank affiliates	.....	.....	.....	4.2	−1.9	−.4	.7	2.2	2.4	.3	.9	−.3	17
18	Foreign banking agencies	.1	*	.1	.2	.1	1.6	.8	5.1	2.9	−.3	−.9	.2	18
19	Savings and loan associations	.1	−1.7	1.1	4.1	1.8	−.1	2.0	6.0	6.3	−2.1	−8.0	3.8	19
20	Other insurance companies	.1	.1	.2	.5	.4	.6	.5	.5	.4	.7	.8	.7	20
21	Finance companies	3.1	1.2	5.7	8.3	1.6	4.2	9.3	9.4	3.9	−.9	−2.5	.8	21
22	REIT's	.....	.....	.7	1.3	2.7	3.0	6.1	6.3	1.0	−1.6	−1.8	−1.4	22
23	Open end investment companies	3.7	3.0	5.8	4.8	2.6	1.1	−.7	−1.6	1.0	1.6	2.7	.5	23
	Total credit market funds raised, all sectors, by type													
1	**Total funds raised**	79.6	84.4	114.3	125.5	110.8	163.9	198.3	239.4	218.1	216.6	191.6	241.5	1
2	Investment company shares	3.7	3.0	5.8	4.8	2.6	1.1	−.7	−1.6	1.0	1.6	2.7	.5	2
3	Other corporate equities	1.1	2.5	.6	5.2	7.7	13.6	13.6	9.6	4.6	10.1	9.8	10.4	3
4	*Debt instruments*	*74.9*	*79.0*	*107.9*	*115.5*	*100.4*	*149.1*	*185.4*	*231.3*	*212.5*	*204.9*	*179.0*	*230.6*	4
5	U.S. Government securities	8.8	12.5	16.7	5.5	21.1	29.4	23.6	29.4	33.5	95.4	92.0	98.9	5
6	State and local obligations	5.6	7.8	9.5	9.9	11.2	17.6	14.4	13.7	17.4	15.4	17.1	13.8	6
7	Corporate and foreign bonds	11.8	17.2	15.0	14.5	23.8	24.8	20.2	12.5	23.3	36.7	44.2	29.1	7
8	Mortgages	21.3	23.0	27.4	27.8	26.4	48.9	68.8	71.9	54.5	57.3	51.4	63.2	8
9	Consumer credit	6.4	4.5	10.0	10.4	6.0	11.2	19.2	22.9	9.6	5.3	−1.5	12.0	9
10	Bank loans n.e.c.	9.7	7.5	15.7	17.6	5.8	12.4	28.5	52.1	39.5	−12.6	−26.7	1.3	10
11	Open market paper and RP's	4.4	4.0	5.2	14.1	−1.2	.9	3.3	11.6	13.6	.9	1.9	*	11
12	Other loans	6.9	2.5	8.3	15.8	7.3	4.0	7.4	17.2	21.1	6.4	.6	12.2	12

NOTE.—Full statements for sectors and transaction types quarterly, and annually for flows and for amounts outstanding, may be obtained from Flow of Funds Section, Division of Research and Statistics, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

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DIRECT AND INDIRECT SOURCES OF FUNDS TO CREDIT MARKETS

(Seasonally adjusted annual rates; in billions of dollars)

	Transaction category, or sector	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	1975 H1	1975 H2	
1	**Total funds advanced in credit markets to non-financial sectors**	**66.9**	**80.0**	**95.9**	**88.0**	**92.5**	**135.9**	**158.9**	**180.1**	**176.2**	**194.6**	**176.2**	**212.8**	1
	By public agencies and foreign													
2	**Total net advances**	**11.9**	**11.3**	**12.2**	**15.7**	**28.1**	**41.7**	**18.3**	**33.2**	**49.2**	**39.2**	**41.6**	**36.8**	2
3	U.S. Government securities	3.4	6.8	3.4	.7	15.9	33.8	8.4	11.0	8.6	18.5	28.3	8.8	3
4	Residential mortgages	2.8	2.1	2.8	4.6	5.7	5.7	5.2	7.6	13.8	16.1	15.1	17.2	4
5	FHLB advances to S&L's	.9	−2.5	.9	4.0	1.3	−2.7	*	7.2	6.7	−4.0	−8.1	.2	5
6	Other loans and securities	4.8	4.9	5.1	6.3	5.2	4.9	4.6	7.5	20.1	8.5	6.3	10.7	6
	By agency—													
7	U.S. Government	4.9	4.6	4.9	2.9	2.8	3.2	2.6	3.0	7.4	13.3	12.7	13.9	7
8	Sponsored credit agencies	5.1	−.1	3.2	8.9	10.0	3.2	7.0	20.3	24.1	12.6	11.1	14.1	8
9	Monetary authorities	3.5	4.8	3.7	4.2	5.0	8.9	.3	9.2	6.2	8.5	7.0	10.1	9
10	Foreign	−1.6	2.0	.3	−.3	10.3	26.4	8.4	.7	11.6	4.7	10.8	−1.4	10
11	Agency borrowing not included in line 1	4.8	−.6	3.5	8.8	8.2	3.8	6.2	19.6	22.1	11.0	9.1	13.0	11
	Private domestic funds advanced													
12	**Total net advances**	**59.8**	**68.1**	**87.2**	**81.1**	**72.6**	**98.1**	**146.7**	**166.5**	**149.1**	**166.4**	**143.7**	**189.0**	12
13	U.S. Government securities	5.4	5.7	13.3	4.8	5.2	−4.4	15.2	18.4	24.9	76.9	63.7	90.2	13
14	State and local obligations	5.6	7.8	9.5	9.9	11.2	17.6	14.4	13.7	17.4	15.4	17.1	13.8	14
15	Corporate and foreign bonds	10.3	16.0	13.8	12.5	20.0	19.5	13.2	10.1	20.6	33.1	41.1	25.1	15
16	Residential mortgages	12.0	13.0	15.5	15.7	12.8	29.1	44.6	44.1	25.6	22.3	19.1	25.5	16
17	Other mortgages and loans	27.4	23.1	35.9	42.2	24.6	33.7	59.5	87.4	67.4	14.8	−5.3	34.7	17
18	Less: FHLB advances	.9	−2.5	.9	4.0	1.3	−2.7	*	7.2	6.7	−4.0	−8.1	.2	18
	Private financial intermediation													
19	*Credit market funds advanced by private financial institutions*	*45.4*	*63.5*	*75.3*	*55.3*	*74.9*	*110.7*	*153.4*	*158.8*	*131.5*	*123.0*	*115.0*	*130.8*	19
20	Commercial banks	17.5	35.9	38.7	18.2	35.1	50.6	70.5	86.6	64.6	27.3	16.3	38.2	20
21	Savings institutions	7.9	15.0	15.6	14.5	16.9	41.4	49.3	35.1	26.9	56.0	58.8	53.2	21
22	Insurance and pension funds	15.5	12.9	14.0	12.7	17.3	13.3	17.7	22.1	34.3	40.1	40.0	40.2	22
23	Other finance	4.5	−.3	7.0	9.9	5.7	5.3	15.8	15.0	5.7	−.4	−.2	−.8	23
24	*Sources of funds*	*45.4*	*63.5*	*75.3*	*55.3*	*74.9*	*110.7*	*153.4*	*158.8*	*131.5*	*123.0*	*115.0*	*130.8*	24
25	Private domestic deposits	22.5	50.0	45.9	2.6	63.2	90.3	97.5	84.9	76.5	96.0	103.6	88.5	25
26	Credit market borrowing	3.2	−.4	8.5	18.8	−.3	9.3	20.3	31.6	14.2	−.7	−6.3	4.8	26
27	Other sources	19.8	13.9	21.0	34.0	12.0	11.0	35.5	42.4	40.8	27.7	17.7	37.5	27
28	Foreign funds	3.7	2.3	2.6	9.3	−8.5	−3.2	5.2	6.5	13.6	−.4	−6.3	5.6	28
29	Treasury balances	−.5	.2	−.2	*	2.9	2.2	.7	−1.0	−5.1	−1.7	−2.3	−1.1	29
30	Insurance and pension reserves	13.6	12.0	11.4	10.8	13.1	9.1	13.1	16.7	27.9	27.4	27.6	27.2	30
31	Other, net	3.0	−.6	7.2	13.8	4.4	2.9	16.5	20.2	4.4	2.4	−1.3	5.8	31
	Private domestic nonfinancial investors													
32	Direct lending in credit markets	17.6	4.2	20.4	44.5	−2.6	−3.2	13.7	39.3	31.8	42.7	22.5	63.0	32
33	U.S. Government securities	8.4	−1.4	8.1	17.0	−9.0	−14.0	1.6	18.8	18.1	21.2	−4.8	47.1	33
34	State and local obligations	2.6	−2.5	−.2	8.7	−1.2	.6	2.1	4.4	10.8	8.3	10.6	5.9	34
35	Corporate and foreign bonds	2.0	4.6	4.7	6.6	10.7	9.3	5.2	1.1	−1.7	9.0	11.5	6.5	35
36	Commercial paper	2.3	1.9	5.8	10.2	−4.4	−.6	4.0	11.3	1.6	.4	2.1	−1.4	36
37	Other	2.3	1.7	2.1	2.0	1.4	1.5	.8	3.8	2.9	3.8	2.9	4.8	37
38	Deposits and currency	24.4	52.1	48.3	5.4	66.6	93.7	101.9	88.8	82.8	102.2	110.9	93.5	38
39	Time and saving accounts	20.3	39.3	33.9	−2.3	56.1	81.0	85.2	76.3	71.9	88.7	91.1	86.2	39
40	Large negotiable CD's	−.2	4.3	3.5	−13.7	15.0	7.7	8.7	18.5	23.6	−9.7	−22.3	2.9	40
41	Other at commercial banks	13.3	18.3	17.5	3.4	24.2	32.9	30.6	29.5	26.6	39.0	44.5	33.4	41
42	At savings institutions	7.3	16.7	12.9	8.0	16.9	40.4	45.9	28.2	21.8	59.4	68.9	49.9	42
43	Money	4.1	12.8	14.5	7.7	10.5	12.7	16.7	12.6	10.8	13.6	19.8	7.3	43
44	Demand deposits	2.1	10.6	12.1	4.8	7.1	9.3	12.3	8.6	4.5	7.4	12.4	2.3	44
45	Currency	2.0	2.1	2.4	2.8	3.5	3.4	4.4	3.9	6.3	6.2	7.3	5.1	45
46	**Total of credit market instr., deposits, and currency**	**42.0**	**56.3**	**68.7**	**49.9**	**64.1**	**90.5**	**115.7**	**128.1**	**114.5**	**144.9**	**133.3**	**156.5**	46
47	Private support rate (in per cent)	17.9	14.1	12.7	17.8	30.4	30.7	11.5	18.4	27.9	20.1	23.6	17.3	47
48	Private financial intermediation (in per cent)	75.9	93.2	86.4	68.3	103.1	112.8	104.5	95.4	88.2	73.9	80.0	69.2	48
49	Total foreign funds	2.1	4.3	2.9	9.1	1.8	23.2	13.6	7.2	25.1	4.4	4.5	4.2	49
		Corporate equities not included above												
1	**Total net issues**	**4.8**	**5.5**	**6.4**	**10.0**	**10.4**	**14.8**	**12.9**	**8.0**	**5.6**	**11.7**	**12.5**	**10.9**	1
2	Mutual fund shares	3.7	3.0	5.8	4.8	2.6	1.1	−.7	−1.6	1.0	1.6	2.7	.5	2
3	Other equities	1.1	2.5	.6	5.2	7.7	13.6	13.6	9.6	4.6	10.1	9.8	10.4	3
4	Acquisitions by financial institutions	6.0	9.1	10.8	12.2	11.4	19.3	16.0	13.4	6.1	8.4	10.4	6.5	4
5	Other net purchases	−1.2	−3.6	−4.4	−2.2	−1.0	−4.5	−3.1	−5.4	−.5	3.3	2.2	4.4	5

Notes

Line

1. Line 2 of p. A-56.
2. Sum of lines 3–6 or 7–10.
6. Includes farm and commercial mortgages.
11. Credit market funds raised by Federally sponsored credit agencies. Included below in lines 13 and 33. Includes all GNMA-guaranteed security issues backed by mortgage pools.
12. Line 1 less line 2 plus line 11. Also line 19 less line 26 plus line 32. Also sum of lines 27, 32, 39, and 44.
17. Includes farm and commercial mortgages.
25. Lines 39 plus 44.
26. Excludes equity issues and investment company shares. Includes line 18.
28. Foreign deposits at commercial banks, bank borrowings from foreign branches, and liabilities of foreign banking agencies to foreign affiliates.
29. Demand deposits at commercial banks.
30. Excludes net investment of these reserves in corporate equities.
31. Mainly retained earnings and net miscellaneous liabilities.
32. Line 12 less line 19 plus line 26.
33–37. Lines 13–17 less amounts acquired by private finance. Line 37 includes mortgages.
39+44. See line 25.
45. Mainly an offset to line 9.
46. Lines 32 plus 38 or line 12 less line 27 plus line 45.
47. Line 2/line 1.
48. Line 19/line 12.
49. Lines 10 plus 28.

Corporate equities

Lines 1 and 3. Includes issues by financial institutions.

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1. U.S. INTERNATIONAL TRANSACTIONS—SUMMARY

(In millions of dollars. Quarterly figures are seasonally adjusted except as noted.[1])

Line	Credits (+), debits (−)	1973	1974	1975	1975				1976
					I	II	III	IV	I
1	Merchandise exports	71,410	98,310	107,133	27,020	25,848	26,610	27,655	26,939
2	Merchandise imports	70,499	103,679	98,150	25,585	22,598	24,511	25,456	28,447
3	Merchandise trade balance [2]	911	−5,369	8,983	1,435	3,250	2,099	2,199	−1,508
4	Military transactions, net	−2,287	−2,083	−883	−402	−378	−115	12	−4
5	Investment income, net	5,178	10,227	6,007	1,124	1,531	1,682	1,670	2,129
6	Other service transactions, net	102	812	2,163	438	648	619	455	441
7	**Balance on goods and services** [3]	**3,905**	**3,586**	**16,269**	**2,595**	**5,051**	**4,285**	**4,336**	**1,058**
8	Unilateral transfers	−3,883	−7,185	−4,620	−1,179	−1,146	−1,044	−1,251	−1,138
9	Remittance, pensions, and other transfers	−1,945	−1,710	−1,727	−431	−434	−429	−433	−480
10	U.S. Government grants (excluding military)	−1,938	−5,475	−2,893	−748	−712	−615	−818	−658
11	**Balance on current account**	**22**	**−3,598**	**11,650**	**1,416**	**3,905**	**3,241**	**3,085**	**−80**
12	*Not seasonally adjusted*	.....	.....	.....	*2,934*	*3,903*	*529*	*4,284*	*1,467*
13	U.S. Govt. capital transactions, other than official reserve assets, net (outflow, −)	−1,492	1,089	−1,731	−455	−422	−401	−453	795
14	Change in U.S. official reserve assets (increase, −)	209	−1,434	−607	−325	−29	−342	89	−773
15	Gold	.....	.....	.....	.....	.....	.....	.....	.....
16	SDR's	9	−172	−66	−4	−16	−25	−21	−45
17	Reserve position in IMF	−33	−1,265	−466	−307	−7	−95	−57	−237
18	Foreign currencies	233	3	−75	−14	−6	−222	167	−491
19	Change in U.S. private assets abroad (increase, −)	−13,998	−32,323	−27,061	−6,777	−7,074	−3,109	−10,101	−8,065
20	Bank-reported claims	−5,980	−19,494	−13,238	−3,702	−3,820	−429	−5,287	−3,714
21	Long-term	−933	−1,183	−2,351	−441	−381	−586	−943	−245
22	Short-term	−5,047	−18,311	−10,887	−3,261	−3,439	157	−4,344	−3,469
23	Nonbank-reported claims	−2,378	−3,221	−1,309	363	59	−972	−759	−264
24	Long-term	−396	−474	−384	22	55	−139	−322	−84
25	Short-term	−1,982	−2,747	−925	341	4	−833	−437	−180
26	U.S. purchase of foreign securities, net	−671	−1,854	−6,206	−1,928	−979	−938	−2,361	−2,507
27	U.S. direct investments abroad, net	−4,968	−7,753	−6,307	−1,510	−2,334	−770	−1,694	−1,580
28	Change in foreign official assets in the United States (increase, +)	5,145	10,257	4,603	2,958	1,913	−2,356	2,088	1,856
29	U.S. Treasury securities	114	3,282	4,312	5,298	818	−2,880	1,076	1,713
30	Other U.S. Govt. obligations	582	902	891	494	65	25	307	65
31	Other U.S. liabilities reported by U.S. banks	4,126	5,818	−2,474	−3,203	591	17	121	−571
32	Other foreign official assets	323	254	1,874	369	439	482	584	649
33	Change in foreign private assets in the United States (increase, +)	12,220	21,452	8,544	−565	1,576	4,384	3,148	1,693
34	U.S. bank-reported liabilities	4,702	16,017	653	−2,459	776	1,634	702	881
35	Long-term	227	9	−355	−45	−287	−114	91	166
36	Short-term	4,475	16,008	1,008	−2,414	1,063	1,748	611	715
37	U.S. nonbank-reported liabilities	1,035	1,615	78	322	58	−141	−161	24
38	Long-term	298	−212	313	357	77	−99	−22	−170
39	Short-term	737	1,827	−235	−35	−19	−42	−139	194
40	Foreign private purchases of U.S. Treasury securities, net	−214	697	2,649	752	−423	2,158	162	451
41	Foreign purchases of other U.S. securities, net	4,041	378	2,727	344	385	781	1,217	1,026
42	Foreign direct investments in the United States, net	2,656	2,745	2,437	476	780	−48	1,229	−689
43	Allocations of SDR's	.....	.....	.....	.....	.....	.....	.....	.....
44	Discrepancy	−2,107	4,557	4,602	3,748	131	−1,417	2,143	4,574
45	Owing to seasonal adjustments	.....	.....	.....	1,330	−37	−2,565	1,275	1,357
46	Statistical discrepancy in recorded data before seasonal adjustment	−2,107	4,557	4,602	2,418	168	1,148	868	3,217
	Memoranda: Changes in official assets:								
47	U.S. official reserve assets (increase, −)	209	−1,434	−607	−325	−29	−342	89	−773
48	Foreign official assets in the U.S. (increase, +)	5,145	10,257	4,603	2,958	1,913	−2,356	2,088	1,856
49	Transfers under military grant programs (excluded from lines 1, 4, and 10 above)	2,809	1,817	2,232	797	1,202	56	177	50

[1] Seasonal factors are no longer calculated for capital transactions—lines 14 through 49.

[2] Adjusted to a balance of payments basis; among other adjustments, excludes military transactions and includes imports into the Virgin Islands.

[3] Differs from the definition of "net exports of goods and services" in the national income and product (GNP) account. The GNP definition excludes special military sales from exports and U.S. Govt. interest payments from imports.

NOTE.—Data are from U.S. Dept. of Commerce, Bureau of Economic Analysis, *Survey of Current Business*. A detailed description of items in this revised format of U.S. International Transactions will appear in a future issue of the BULLETIN.

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2. MERCHANDISE EXPORTS AND IMPORTS

(Seasonally adjusted; in millions of dollars)

	Exports [1]				Imports [2]				Trade balance			
	1973	1974	1975 r	1976	1973	1974 [3]	1975 r	1976	1973	1974 [3]	1975 r	1976
Month:												
Jan.	4,955	7,150	9,374	9,103	5,244	6,498	9,633	9,176	−289	+652	−259	−73
Feb.	5,070	7,549	8,756	8,800	5,483	7,318	7,927	8,941	−413	+231	+829	−141
Mar.	5,311	7,625	8,681	8,956	5,414	7,742	7,467	9,607	−103	−117	+1,215	−651
Apr.	5,494	8,108	8,649	9,394	5,360	8,025	7,959	9,596	+133	+83	+690	−202
May	5,561	7,652	8,222	9,578	5,703	8,265	7,263	9,182	−142	−612	+958	+396
June	5,728	8,317	8,716	9,716	5,775	8,577	7,103	10,094	−47	−260	+1,613	−377
July	5,865	8,307	8,871	.....	5,829	8,922	7,832	.....	+37	−615	+1,039	.....
Aug.	6,042	8,379	8,980	.....	6,011	9,267	7,877	.....	+32	−888	+1,103	.....
Sept.	6,420	8,399	9,104	.....	5,644	8,696	8,196	.....	+776	−297	+908	.....
Oct.	6,585	8,673	9,226	.....	5,996	8,773	8,169	.....	+589	−100	+1,056	.....
Nov.	6,879	8,973	9,409	.....	6,684	8,973	8,201	.....	+195	.....	+1,208	.....
Dec.	6,949	8,862	9,250	.....	6,291	9,257	8,522	.....	+658	−395	+728	.....
Quarter:												
I	15,336	22,325	26,811	26,859	16,140	21,558	25,026	27,723	−804	+767	+1,785	−864
II	16,783	24,077	25,586	28,688	16,839	24,867	22,325	28,872	−56	−790	+3,261	−184
III	18,327	25,085	26,955	.....	17,483	26,885	23,904	.....	+844	−1,800	+3,051	.....
IV	20,413	26,508	27,885	.....	18,972	27,003	24,892	.....	+1,441	−495	+2,993	.....
Year [4]	70,823	97,908	107,130	.....	69,476	100,251	96,116	.....	+1,347	−2,343	11,014	.....

[1] Exports of domestic and foreign merchandise (f.a.s. value basis); excludes Department of Defense shipments under military grant-aid programs.

[2] General imports, which includes imports for immediate consumption plus entries into bonded warehouses. See also note 3.

[3] Beginning with 1974 data, imports are reported on an f.a.s. transactions value basis; prior data are reported on a Customs import value basis. For calendar year 1974, the f.a.s. import transactions value was $100.3 billion, about 0.7 per cent less than the corresponding Customs import value of $101.0 billion.

[4] Sum of unadjusted figures.

NOTE.—Bureau of the Census data. Details may not add to totals because of rounding.

3. U.S. RESERVE ASSETS

(In millions of dollars)

End of year	Total	Gold stock [1]		Convertible foreign currencies	Reserve position in IMF	SDR's [3]	End of month	Total	Gold stock		Convertible foreign currencies	Reserve position in IMF	SDR's [3]
		Total [2]	Treasury						Total [2]	Treasury			
1961...	18,753	16,947	16,889	116	1,690	.....	1975—						
1962...	17,220	16,057	15,978	99	1,064	.....	July....	16,084	11,618	11,618	2	2,135	2,329
1963...	16,843	15,596	15,513	212	1,035	.....	Aug.....	16,117	11,599	11,599	28	2,169	2,321
1964...	16,672	15,471	15,388	432	769	.....	Sept.....	16,291	11,599	11,599	247	2,144	2,301
							Oct.....	16,569	11,599	11,599	413	2,192	2,365
1965...	15,450	13,806	13,733	781	863	.....	Nov.....	16,592	11,599	11,599	423	2,234	2,336
1966...	14,882	13,235	13,159	1,321	326	.....	Dec.....	16,226	11,599	11,599	80	2,212	2,335
1967...	14,830	12,065	11,982	2,345	420	.....							
1968...	15,710	10,892	10,367	3,528	1,290	.....	1976—						
1969...	[4]16,964	11,859	10,367	[4]2,781	2,324	.....	Jan.....	16,622	11,599	11,599	333	2,314	2,376
							Feb.....	16,661	11,599	11,599	296	2,390	2,376
1970...	14,487	11,072	10,732	629	1,935	851	Mar.....	16,941	11,599	11,599	571	2,420	2,351
1971...	[5]12,167	10,206	10,132	[5]276	585	1,100	Apr.....	17,437	11,598	11,598	936	2,578	2,325
1972[6]..	13,151	10,487	10,410	241	465	1,958	May....	17,958	11,598	11,598	938	3,113	2,309
1973[7]..	14,378	11,652	11,567	8	552	2,166	June....	r18,477	11,598	11,598	r1,365	3,198	2,316
1974...	15,883	11,652	11,652	5	1,852	2,374	July....	[8]18,246	11,598	11,598	864	[8]3,466	[8]2,318

[1] Includes (a) gold sold to the United States by the IMF with the right of repurchase, and (b) gold deposited by the IMF to mitigate the impact on the U.S. gold stock of foreign purchases for the purpose of making gold subscriptions to the IMF under quota increases. For corresponding liabilities, see Table 5.

[2] Includes gold in Exchange Stabilization Fund.

[3] Includes allocations by the IMF of Special Drawing Rights as follows: $867 million on Jan. 1, 1970; $717 million on Jan. 1, 1971; and $710 million on Jan. 1, 1972; plus net transactions in SDR's.

[4] Includes gain of $67 million resulting from revaluation of the German mark in Oct. 1969, of which $13 million represents gain on mark holdings at time of revaluation.

[5] Includes $28 million increase in dollar value of foreign currencies revalued to reflect market exchange rates as of Dec. 31, 1971.

[6] Total reserve assets include an increase of $1,016 million resulting from change in par value of the U.S. dollar on May 8, 1972; of which, total gold stock is $828 million (Treasury gold stock $822 million), reserve position in IMF $33 million, and SDR's $155 million.

[7] Total reserve assets include an increase of $1,436 million resulting from change in par value of the U.S. dollar on Oct. 18, 1973; of which, total gold stock is $1,165 million (Treas. gold stock $1,157 million), reserve position in IMF $54 million, and SDR's $217 million.

[8] Beginning July 1974, the IMF adopted a technique for valuing the SDR based on a weighted average of exchange rates for the currencies of 16 member countries. The U.S. SDR holdings and reserve position in the IMF are also valued on this basis beginning July 1974. At valuation used prior to July 1974 (SDR 1 = $1.20635) SDR holdings at end of July amounted to $2,435 million, reserve position in IMF, $3,583 million, and total U.S. reserves assets, $18,480.

NOTE.—See Table 20 for gold held under earmark at F.R. Banks for foreign and international accounts. Gold under earmark is not included in the gold stock of the United States.

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4. GOLD RESERVES OF CENTRAL BANKS AND GOVERNMENTS

(In millions of dollars; valued at $35 per fine ounce through Apr. 1972, at $38 from May 1972–Sept. 1973, and at $42.22 thereafter)

End of period	Estimated total world[1]	Intl. Monetary Fund	United States	Estimated rest of world	Algeria	Argentina	Australia	Austria	Belgium	Canada	China, Rep. of (Taiwan)	Denmark	Egypt
1970	41,275	4,339	11,072	25,865	191	140	239	707	1,470	791	82	65	85
1971	41,160	4,732	10,206	26,220	192	90	259	729	1,544	792	80	64	85
1972	44,890	5,830	10,487	28,575	208	152	281	791	1,638	834	87	69	92
1973	49,850	6,478	11,652	31,720	231	169	312	881	1,781	927	97	77	103
1974	49,800	6,478	11,652	31,670	231	169	312	882	1,781	927	97	76	103
1975—July	.....	6,478	11,618	.....	231	169	312	882	1,781	927	97	76	103
Aug.	.....	6,478	11,599	.....	231	169	312	882	1,781	927	97	76	103
Sept.	49,750	6,478	11,599	31,675	231	169	312	882	1,781	927	97	76	103
Oct.	.....	6,478	11,599	.....	231	169	312	882	1,781	927	97	76	103
Nov.	.....	6,478	11,599	.....	231	169	312	882	1,781	927	97	76	103
Dec.	49,740	6,478	11,599	31,665	231	169	312	882	1,781	927	97	76	103
1976—Jan.	.....	6,478	11,599	.....	231	169	312	882	1,781	927	97	76	103
Feb.	.....	6,478	11,599	.....	231	169	312	882	1,781	927	97	76	103
Mar.	49,470	6,478	11,599	31,395	231	169	312	882	1,781	916	94	76	103
Apr.	.....	6,478	11,598	.....	231	169	312	882	1,781	916	94	76	.....
May	.....	6,478	11,598	.....	231	.....	312	882	1,781	916	94	76	.....
June[p]	.....	6,448	11,598	.....	231	.....	312	882	1,781	916	98	76	.....

End of period	France	Germany	Greece	India	Iran	Iraq	Italy	Japan	Kuwait	Lebanon	Libya	Mexico	Netherlands
1970	3,532	3,980	117	243	131	144	2,887	532	86	288	85	176	1,787
1971	3,523	4,077	98	243	131	144	2,884	679	87	322	85	184	1,909
1972	3,826	4,459	133	264	142	156	3,130	801	94	350	93	188	2,059
1973	4,261	4,966	148	293	159	173	3,483	891	120	388	103	196	2,294
1974	4,262	4,966	152	293	158	173	3,483	891	148	389	103	154	2,294
1975—July	4,262	4,966	153	293	158	173	3,483	891	154	389	103	154	2,294
Aug.	4,262	4,966	153	293	158	173	3,483	891	154	389	103	154	2,294
Sept.	4,262	4,966	153	293	158	173	3,483	891	160	389	103	154	2,294
Oct.	4,262	4,966	153	293	158	173	3,483	891	160	389	103	154	2,294
Nov.	4,262	4,966	153	293	158	173	3,483	891	160	389	103	154	2,294
Dec.	4,262	4,966	153	293	158	173	3,483	891	169	389	103	154	2,294
1976—Jan.	4,262	4,966	153	293	158	173	3,483	891	169	389	103	152	2,294
Feb.	4,262	4,966	153	293	158	173	3,483	891	176	.....	103	152	2,294
Mar.	4,262	4,966	153	293	158	173	3,483	891	176	.....	103	152	2,294
Apr.	4,262	4,966	153	293	158	173	3,483	891	183	.....	103	.....	2,294
May	4,262	4,966	153	.....	158	173	3,483	891	214	.....	103	.....	2,294
June[p]	4,263	4,966	153	.....	158	.....	3,483	891	192	.....	103	.....	2,294

End of period	Pakistan	Portugal	Saudi Arabia	South Africa	Spain	Sweden	Switzerland	Thailand	Turkey	United Kingdom	Uruguay	Venezuela	Bank for Intl. Settlements[2]
1970	54	902	119	666	498	200	2,732	82	126	1,348	162	384	−282
1971	55	921	108	410	498	200	2,909	82	130	777	148	391	310
1972	60	1,021	117	681	541	217	3,158	89	136	801	133	425	218
1973	67	1,163	129	802	602	244	3,513	99	151	887	148	472	235
1974	67	1,175	129	771	602	244	3,513	99	151	888	148	472	250
1975—July	67	1,175	129	742	602	244	3,513	99	151	888	135	472	264
Aug.	67	1,175	129	744	602	244	3,513	99	151	888	135	472	264
Sept.	67	1,175	129	762	602	244	3,513	99	151	888	135	472	254
Oct.	67	1,175	129	754	602	244	3,513	99	151	888	135	472	256
Nov.	67	1,175	129	752	602	244	3,513	99	151	888	135	472	259
Dec.	67	1,170	129	749	602	244	3,513	99	151	888	135	472	246
1976—Jan.	67	1,170	129	753	602	244	3,513	99	151	888	135	472	213
Feb.	67	1,170	129	749	602	244	3,513	99	151	888	135	472	205
Mar.	67	1,170	129	[3]543	602	244	3,513	99	151	888	135	472	206
Apr.	69	1,170	129	539	602	244	3,513	99	151	.....	135	472	231
May	69	.....	129	538	602	244	3,513	99	151	.....	.....	472	245
June[p]	69	.....	129	540	.....	244	3,514	99	151	.....	.....	472	290

[1] Includes reported or estimated gold holdings of international and regional organizations, central banks and govts. of countries listed in this table, and also of a number not shown separately here, and gold to be distributed by the Tripartite Commission for the Restitution of Monetary Gold; excludes holdings of the U.S.S.R., other Eastern European countries, and People's Republic of China.

The figures included for the Bank for International Settlements are the Bank's gold assets net of gold deposit liabilities. This procedure avoids the overstatement of total world gold reserves since most of the gold deposited with the BIS is included in the gold reserves of individual countries.

[2] Net gold assets of BIS, i.e., gold assets minus gold deposit liabilities.

[3] Reflects South African Reserve Bank sale of gold spot and repurchase forward.

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5. U.S. LIABILITIES TO FOREIGN OFFICIAL INSTITUTIONS, AND LIQUID LIABILITIES TO ALL OTHER FOREIGNERS

(In millions of dollars)

End of period	Total	Liquid liabilities to IMF arising from gold transactions[1]	Liabilities to foreign countries									Liquid liabilities to non-monetary intl. and regional organizations[8]
			Official institutions[2]					Liquid liabilities to commercial banks abroad[6]	Liquid liabilities to other foreigners			
			Total	Short-term liabilities reported by banks in U.S.	Marketable U.S. Treas. bonds and notes[3]	Nonmarketable U.S. Treas. bonds and notes[4]	Other readily marketable liabilities[5]		Total	Short-term liabilities reported by banks in U.S.	Marketable U.S. Treas. bonds and notes[3,7]	
1964	29,364	800	15,786	13,220	1,125	1,283	158	7,303	3,753	3,377	376	1,722
1965	29,568	834	15,825	13,066	1,105	1,534	120	7,419	4,059	3,587	472	1,431
1966[9]	31,144	1,011	14,840	12,484	860	583	913	10,116	4,271	3,743	528	906
	31,019	1,011	14,895	12,539	860	583	913	9,936	4,272	3,744	528	905
1967[9]	35,819	1,033	18,201	14,034	908	1,452	1,807	11,209	4,685	4,127	558	691
	35,667	1,033	18,194	14,027	908	1,452	1,807	11,085	4,678	4,120	558	677
1968[9]	38,687	1,030	17,407	11,318	529	3,219	2,341	14,472	5,053	4,444	609	725
	38,473	1,030	17,340	11,318	462	3,219	2,341	14,472	4,909	4,444	465	722
1969[9]	[10] 45,755	1,109	[10] 15,975	11,054	346	[10] 3,070	1,505	23,638	4,464	3,939	525	659
	45,914	1,019	15,998	11,077	346	3,070	1,505	23,645	4,589	4,064	525	663
1970—Dec.	47,009	566	23,786	19,333	306	3,452	695	17,137	4,676	4,029	647	844
	46,960	566	23,775	19,333	295	3,452	695	17,169	4,604	4,039	565	846
1971—Dec.[11]	67,681	544	51,209	39,679	1,955	9,431	144	10,262	4,138	3,691	447	1,528
	67,808	544	50,651	39,018	1,955	9,534	144	10,949	4,141	3,694	447	1,523
1972—Dec.	82,862	.....	61,526	40,000	5,236	15,747	543	14,666	5,043	4,618	425	1,627
1973—Dec.[r]	92,490	.....	66,861	[12] 43,923	5,701	[12] 15,564	1,673	17,694	5,932	5,502	430	2,003
1974—Dec.[9]	119,240	.....	76,801	53,057	5,059	16,339	2,346	30,314	8,803	8,305	498	3,322
	119,152	.....	76,808	53,064	5,059	16,339	2,346	30,079	8,943	8,445	498	3,322
1975—June	122,136	.....	80,819	51,929	6,139	19,169	3,582	27,990	9,310	8,656	654	4,017
July	123,054	.....	80,068	50,393	6,180	19,616	3,879	29,035	9,337	8,627	710	4,614
Aug.	129,468	.....	79,556	49,915	6,296	19,466	3,879	30,340	9,668	8,997	671	4,904
Sept.	123,335	.....	78,128	48,080	6,472	19,666	3,910	30,318	9,901	9,200	701	4,988
Oct.	123,477	.....	80,047	49,602	6,644	19,666	4,135	28,467	10,021	9,283	738	4,942
Nov.	126,517	.....	79,532	49,124	6,474	19,726	4,208	32,191	10,234	9,527	707	4,560
Dec.	126,273	.....	80,286	49,170	6,599	19,976	4,541	29,579	10,765	10,036	729	5,643
1976—Jan.	127,910	.....	80,863	49,147	6,841	20,051	4,824	30,993	10,510	9,775	735	5,544
Feb.	131,077	.....	81,485	49,659	6,941	20,051	4,834	33,197	10,822	10,077	745	5,573
Mar.	129,159	.....	81,973	49,632	7,422	20,051	4,868	30,527	[r]10,915	10,115	[r]800	5,744
Apr.	136,285	.....	83,716	50,534	7,702	20,151	5,329	35,306	11,576	10,758	818	5,687
May	138,370	.....	84,884	51,577	7,738	20,151	5,418	36,485	11,327	10,557	770	5,674
June[p]	134,819	.....	84,433	50,194	8,305	20,251	5,683	32,988	11,468	10,653	815	5,930

[1] Includes (a) liability on gold deposited by the IMF to mitigate the impact on the U.S. gold stock of foreign purchases for gold subscriptions to the IMF under quota increases, and (b) U.S. Treasury obligations at cost value and funds awaiting investment obtained from proceeds of sales of gold by the IMF to the United States to acquire income-earning assets.

[2] Includes Bank for International Settlements; also includes European Fund through Dec. 1972.

[3] Derived by applying reported transactions to benchmark data.

[4] Excludes notes issued to foreign official nonreserve agencies.

[5] Includes long-term liabilities reported by banks in the United States and debt securities of U.S. Federally sponsored agencies and U.S. corporations.

[6] Includes short-term liabilities payable in dollars to commercial banks abroad and short-term liabilities payable in foreign currencies to commercial banks abroad and to other foreigners.

[7] Includes marketable U.S. Treasury bonds and notes held by commercial banks abroad.

[8] Principally the International Bank for Reconstruction and Development and the Inter-American and Asian Development Banks.

[9] Data on the 2 lines shown for this date differ because of changes in reporting coverage. Figures on first line are comparable with those shown for the preceding date; figures on second line are comparable with those shown for the following date.

[10] Includes $101 million increase in dollar value of foreign currency liabilities resulting from revaluation of the German mark in Oct. 1969.

[11] Data on the second line differ from those on first line because certain accounts previously classified as official institutions are included with banks; a number of reporting banks are included in the series for the first time; and U.S. Treasury securities payable in foreign currencies issued to official institutions of foreign countries have been increased in value to reflect market exchange rates as of Dec. 31, 1971.

[12] Includes $162 million increase in dollar value of foreign currency liabilities revalued to reflect market exchange rates, as follows: short-term liabilities, $15 million; and nonmarketable U.S. Treasury notes, $147 million.

NOTE.—Based on Treasury Dept. data and on data reported to the Treasury Dept. by banks and brokers in the United States. Table excludes IMF holdings of dollars, and U.S. Treasury letters of credit and nonnegotiable, non-interest-bearing special U.S. notes held by other international and regional organizations.

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6. U.S. LIABILITIES TO OFFICIAL INSTITUTIONS OF FOREIGN COUNTRIES, BY AREA

(Amounts outstanding; in millions of dollars)

End of period	Total foreign countries	Western Europe[1]	Canada	Latin American republics	Asia	Africa	Other countries[2]
1972	61,526	34,197	4,279	1,733	17,577	777	2,963
1973	66,861	45,764	3,853	2,544	10,887	788	3,025
1974—Dec.[3]	76,801	44,328	3,662	4,419	18,604	3,161	2,627
	76,808	44,328	3,662	4,419	18,611	3,161	2,627
1975—June	80,819	45,483	3,008	4,723	20,536	3,800	3,269
July	80,068	44,458	2,966	4,763	21,430	3,319	3,132
Aug.	79,556	44,210	2,929	4,937	21,114	3,392	2,794
Sept.	78,128	43,481	3,011	4,840	20,889	3,145	2,762
Oct.	80,047	45,010	3,049	4,254	22,115	3,018	2,601
Nov.	79,532	44,744	3,218	4,056	21,949	2,951	2,614
Dec.	80,286	45,312	3,132	4,447	22,518	2,983	1,894
1976—Jan.	80,863	45,406	3,420	3,552	23,775	2,724	1,986
Feb.	81,485	44,761	3,654	3,377	24,941	2,731	2,021
Mar.	81,973	43,567	3,673	3,779	26,329	2,718	1,907
Apr.	83,716	43,570	3,600	3,850	28,117	2,805	1,774
May[p]	84,884	43,237	3,590	3,827	29,314	3,141	1,776
June[p]	84,433	43,313	3,578	4,303	29,016	3,245	1,978

[1] Includes Bank for International Settlements; also includes European Fund through 1972.
[2] Includes countries in Oceania and Eastern Europe, and Western European dependencies in Latin America.
[3] See note 9 to Table 5.

NOTE.—Data represent short- and long-term liabilities to the official institutions of foreign countries, as reported by banks in the United States; foreign official holdings of marketable and nonmarketable U.S. Treasury securities with an original maturity of more than 1 year, except for nonmarketable notes issued to foreign official nonreserve agencies; and investments by foreign official reserve agencies in debt securities of U.S. Federally sponsored agencies and U.S. corporations.

7. SHORT-TERM LIABILITIES TO FOREIGNERS REPORTED BY BANKS IN THE UNITED STATES, BY TYPE

(Amounts outstanding; in millions of dollars)

End of period	To all foreigners							IMF gold investment	To nonmonetary international and regional organizations[5]				
	Total[1]	Payable in dollars					Payable in foreign currencies		Total	Deposits		U.S. Treasury bills and certificates	Other short-term liab.[6]
		Total	Deposits		U.S. Treasury bills and certificates[3]	Other short-term liab.[4]				Demand	Time[2]		
			Demand	Time[2]									
1972	60,696	60,200	8,290	5,603	31,850	14,457	496	.....	1,412	86	202	326	799
1973	69,074	68,477	11,310	6,882	31,886	18,399	597	.....	1,955	101	83	296	1,474
1974—Dec.[7]	94,847	94,081	14,068	10,106	35,662	34,246	766		3,171	139	111	497	2,424
	94,760	93,994	14,064	10,010	35,662	34,258	766		3,171	139	111	497	2,424
1975—June	92,517	91,933	12,596	10,662	38,265	30,535	584	.....	3,943	106	183	996	2,708
July	92,500	91,939	12,218	10,385	38,564	30,772	560	.....	4,444	146	134	2,518	1,646
Aug.	94,055	93,493	12,218	10,703	38,529	32,043	562	.....	4,804	110	148	3,156	1,389
Sept.	92,499	91,945	13,422	10,400	36,653	31,470	554	.....	4,901	107	127	3,008	1,659
Oct.	91,935	91,300	12,159	10,584	37,749	30,808	635	.....	4,583	132	150	2,397	1,903
Nov.	95,313	94,673	12,813	10,293	37,297	34,270	637	.....	4,471	145	156	1,605	2,562
Dec.	94,077	93,478	13,579	10,664	37,414	31,821	599	.....	5,293	139	186	2,554	2,412
1976—Jan.	94,848	94,239	12,295	10,732	38,789	32,424	600	.....	4,925	114	217	2,498	2,096
Feb.	97,454	96,800	13,349	10,272	39,657	33,522	654	.....	4,520	118	162	2,435	1,805
Mar.	95,043	94,473	13,089	10,538	37,977	32,868	570	.....	4,769	130	192	2,495	1,952
Apr.	102,116	101,349	14,244	10,285	39,430	37,390	767	.....	5,519	140	193	2,739	2,442
May[p]	104,131	103,399	13,846	10,085	40,258	39,211	732	.....	5,508	91	185	2,876	2,356
June[p]	99,170	98,479	14,135	10,004	38,257	36,084	691	.....	5,330	258	160	2,236	2,676

For notes see opposite page.

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7. SHORT-TERM LIABILITIES TO FOREIGNERS REPORTED BY BANKS IN THE UNITED STATES, BY TYPE—Continued

(Amounts outstanding; in millions of dollars)

End of period	Total to official, banks and other foreigners						To official institutions[8]					
	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.[6]	
		Demand	Time[2]					Demand	Time[2]			
1973	67,119	11,209	6,799	31,590	16,925	597	43,923	2,125	3,911	31,511	6,248	127
1974—Dec.[7]	{91,676	13,928	9,995	35,165	31,822	766	53,057	2,951	4,257	34,656	11,066	127
	{91,589	13,925	9,899	35,165	31,834	766	53,064	2,951	4,167	34,656	11,163	127
1975—June[r]	88,575	12,491	10,528	37,269	27,703	584	51,929	2,564	4,321	36,994	8,050	.....
July[r]	88,056	12,072	10,251	36,046	29,126	561	50,393	2,492	4,098	35,803	8,000	.....
Aug.[r]	89,252	12,108	10,555	35,373	30,654	562	49,915	2,493	4,164	35,055	8,205	.....
Sept.	87,598	13,315	10,273	33,645	29,811	554	48,080	2,452	3,957	33,284	8,387	.....
Oct.	87,352	12,027	10,434	35,359	28,897	635	49,602	2,448	3,948	34,983	8,223	.....
Nov.	90,842	12,668	10,137	35,692	31,708	637	49,124	2,242	3,594	35,247	8,041	.....
Dec.	88,785	13,440	10,478	34,860	29,416	591	49,170	2,644	3,438	34,175	8,913	.....
1976—Jan.	89,915	12,181	10,514	36,291	30,328	600	49,147	2,449	3,291	35,633	7,774	.....
Feb.	92,933	13,232	10,110	37,222	31,728	642	49,659	2,703	2,908	36,628	7,420	.....
Mar.	90,274	12,960	10,346	35,482	30,921	565	49,632	2,680	2,767	34,983	9,202	.....
Apr.	96,598	14,104	10,092	36,691	34,948	763	50,534	2,782	2,319	36,196	9,237	.....
May[p]	98,619	13,755	9,900	37,382	36,855	727	51,577	2,799	2,371	36,859	9,547	.....
June	93,835	13,877	9,843	36,021	33,407	686	50,194	2,632	2,417	35,531	9,615	.....

End of period	Total	To banks[9]					To other foreigners					To banks and other foreigners: Payable in foreign currencies
		Payable in dollars					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.[6]	
			Demand	Time[2]				Demand	Time[2]			
1973	23,196	17,224	6,941	529	11	9,743	5,502	2,143	2,359	68	933	469
1974—Dec.[7]	{38,619	29,676	8,248	1,942	232	19,254	8,304	2,729	3,796	277	1,502	639
	{38,525	29,441	8,244	1,936	232	19,029	8,445	2,729	3,796	277	1,643	639
1975—June[r]	36,645	27,406	7,070	1,979	99	18,258	8,656	2,857	4,228	176	1,395	584
July[r]	37,661	28,474	6,887	1,860	91	19,637	8,627	2,694	4,293	152	1,489	561
Aug.[r]	39,337	29,778	6,910	1,827	88	20,953	8,997	2,705	4,563	230	1,498	562
Sept.	39,518	29,764	7,982	1,775	89	19,918	9,200	2,881	4,541	272	1,506	554
Oct.	37,750	27,832	6,811	1,777	100	19,143	9,282	2,769	4,708	276	1,530	635
Nov.	41,718	31,554	7,587	1,694	135	22,139	9,527	2,839	4,850	311	1,528	637
Dec.	39,615	28,988	7,549	2,140	335	18,964	10,036	3,248	4,901	349	1,538	591
1976—Jan.	40,767	30,393	6,832	2,162	369	21,030	9,774	2,900	5,061	289	1,523	600
Feb.	43,275	32,555	7,418	2,086	275	22,775	10,078	3,111	5,116	320	1,532	642
Mar.	40,642	29,961	7,246	2,318	217	20,181	10,115	3,034	5,261	282	1,538	565
Apr.	46,064	34,543	7,883	2,367	134	24,160	10,757	3,439	5,406	361	1,551	763
May[p]	47,042	35,758	7,737	2,101	151	25,769	10,557	3,219	5,427	372	1,538	727
June[p]	43,641	32,302	8,119	1,889	154	22,140	10,653	3,126	5,538	336	1,653	686

[1] Data exclude IMF holdings of dollars.

[2] Excludes negotiable time certificates of deposit, which are included in "Other short-term liabilities."

[3] Includes nonmarketable certificates of indebtedness and Treasury bills issued to official institutions of foreign countries.

[4] Includes liabilities of U.S. banks to their foreign branches, liabilities of U.S. agencies and branches of foreign banks to their head offices and foreign branches, bankers' acceptances, commercial paper, and negotiable time certificates of deposit.

[5] Principally the International Bank for Reconstruction and Development and the Inter-American and Asian Development Banks.

[6] Principally bankers' acceptances, commercial paper, and negotiable time certificates of deposit.

[7] Data on the 2 lines shown for this date differ because of changes in reporting coverage. Figures on the first line are comparable in coverage with those shown for the preceding date; figures on the second line are comparable with those shown for the following date.

[8] Foreign central banks and foreign central govts. and their agencies, Bank for International Settlements, and European Fund through Dec. 1972.

[9] Excludes central banks, which are included in "Official institutions."

NOTE.—"Short term" obligations are those payable on demand or having an original maturity of 1 year or less. For data on long-term liabilities reported by banks, see Table 9. Data exclude International Monetary Fund holdings of dollars; these obligations to the IMF constitute contingent liabilities, since they represent essentially the amount of dollars available for drawings from the IMF by other member countries. Data exclude also U.S. Treasury letters of credit and nonnegotiable, noninterest-bearing special U.S. notes held by the Inter-American Development Bank and the International Development Association.

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8. SHORT-TERM LIABILITIES TO FOREIGNERS REPORTED BY BANKS IN THE UNITED STATES, BY COUNTRY

(End of period. Amounts outstanding; in millions of dollars)

Area and country	1974		1975				1976					
	Dec.[1]		Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May[p]	June[p]
Europe:												
Austria	607	607	688	606	635	700	714	693	581	585	577	549
Belgium-Luxembourg	2,506	2,506	2,865	2,918	2,938	2,917	2,697	2,460	2,395	2,332	2,213	2,336
Denmark	369	369	311	327	361	332	375	434	678	681	649	452
Finland	266	266	391	367	380	391	309	313	334	350	403	396
France	4,287	4,287	5,950	6,608	7,172	7,733	7,499	6,480	6,210	4,856	4,529	4,776
Germany	9,420	9,429	4,797	5,047	4,841	4,407	3,873	4,518	4,245	5,880	r5,206	4,989
Greece	248	248	361	331	313	284	263	340	261	289	299	346
Italy	2,617	2,617	1,426	1,398	1,071	1,112	1,052	1,044	1,338	1,504	1,418	1,503
Netherlands	3,234	3,234	3,059	3,199	3,301	3,148	3,132	3,558	3,397	3,281	3,111	2,256
Norway	1,040	1,040	982	886	970	996	888	925	798	915	797	807
Portugal	310	310	207	236	190	194	243	221	209	213	189	196
Spain	382	382	459	414	402	426	445	400	386	462	392	446
Sweden	1,138	1,138	2,195	2,252	2,241	2,286	2,266	2,312	2,287	2,352	2,437	2,435
Switzerland	9,986	10,137	8,048	8,205	8,029	8,556	8,611	8,648	8,854	8,965	9,129	10,135
Turkey	152	152	116	128	120	118	88	104	106	113	101	95
United Kingdom	7,559	7,584	6,268	6,722	7,177	6,885	7,611	8,236	6,724	6,589	7,096	6,665
Yugoslavia	183	183	128	138	175	126	83	178	222	179	174	182
Other Western Europe[2]	4,073	4,073	2,443	2,428	2,370	2,970	2,313	2,116	2,144	2,002	2,250	1,990
U.S.S.R.	82	82	39	42	38	40	45	43	38	34	45	40
Other Eastern Europe	206	206	272	153	128	200	160	201	159	161	153	267
Total	48,667	48,852	41,005	42,405	42,853	43,821	42,669	43,224	41,368	41,742	41,168	40,862
Canada	3,517	3,520	3,944	3,567	4,091	3,075	3,885	4,721	4,126	4,173	4,997	3,788
Latin America:												
Argentina	886	886	984	1,135	1,150	1,147	1,208	1,134	1,169	1,238	1,368	1,398
Bahamas	1,448	1,054	1,503	2,221	2,989	1,834	3,197	2,946	1,715	r4,600	r5,162	2,816
Brazil	1,034	1,034	1,016	1,083	1,075	1,227	1,191	1,135	1,320	r1,475	r1,176	1,358
Chile	276	276	293	270	266	317	248	248	273	310	367	368
Colombia	305	305	379	366	387	414	484	536	516	r582	629	686
Mexico	1,770	1,770	1,872	1,956	2,183	2,078	1,899	2,048	2,004	2,133	2,218	2,358
Panama	488	510	752	765	840	1,097	1,145	953	779	961	1,098	1,207
Peru	272	272	245	247	249	244	219	223	235	219	230	221
Uruguay	147	165	208	168	175	172	185	204	242	216	r215	229
Venezuela	3,413	3,413	4,247	3,531	3,188	3,290	2,711	2,571	2,574	2,742	2,757	2,642
Other Latin American republics	1,316	1,316	1,469	1,399	1,368	1,500	1,431	1,455	1,640	1,714	1,671	1,844
Netherlands Antilles and Surinam	158	158	119	113	118	129	129	143	119	121	125	129
Other Latin America	526	596	1,897	1,046	2,141	1,501	1,613	2,441	1,735	2,530	r1,881	1,453
Total	12,038	11,754	14,983	14,305	16,131	14,950	15,665	16,037	14,322	r18,839	r18,897	16,708
Asia:												
China, People's Rep. of (China Mainland)	50	50	94	104	93	123	263	224	101	120	139	63
China, Republic of (Taiwan)	818	818	1,058	1,061	1,051	1,025	1,010	1,072	1,100	1,134	1,131	1,182
Hong Kong	530	530	741	684	683	623	667	682	741	709	803	743
India	261	261	214	194	181	126	203	324	338	423	632	845
Indonesia	1,221	1,221	234	612	418	369	762	583	498	920	1,121	706
Israel	386	389	322	364	342	386	292	309	346	319	324	311
Japan	10,897	10,897	11,128	9,940	10,776	10,142	10,544	11,737	12,232	12,789	r13,246	12,846
Korea	384	384	342	400	386	390	395	382	361	360	327	343
Philippines	747	747	604	580	593	698	601	616	605	525	578	741
Thailand	333	333	207	194	193	252	279	224	225	244	218	259
Middle East oil-exporting countries[3]	4,633	4,608	5,111	5,785	5,987	6,440	6,428	6,535	r7,718	r8,008	r8,543	7,426
Other	813	820	970	925	885	869	970	933	r967	1,017	980	1,248
Total	21,073	21,082	21,025	20,844	21,589	21,443	22,414	23,621	25,233	r26,567	r28,041	26,714
Africa:												
Egypt	103	103	188	185	255	342	177	180	314	231	197	211
South Africa	130	130	254	177	108	168	218	133	186	177	202	161
Oil-exporting countries[4]	2,814	2,814	2,649	2,447	2,372	2,238	2,134	2,208	1,919	2,256	2,423	2,567
Other	504	504	560	575	643	622	563	609	680	598	651	651
Total	3,551	3,551	3,651	3,385	3,377	3,370	3,091	3,131	3,099	3,262	3,472	3,591
Other countries:												
Australia	2,742	2,742	2,912	2,766	2,712	2,013	2,046	2,070	2,001	1,931	1,950	2,036
All other	89	89	78	80	87	114	143	131	125	84	93	137
Total	2,831	2,831	2,989	2,846	2,800	2,127	2,190	2,201	2,126	2,015	2,043	2,173
Total foreign countries	91,676	91,589	87,598	87,352	90,842	88,786	89,915	92,933	90,274	r96,598	r98,619	93,835
International and regional:												
International[5]	2,900	2,900	4,621	4,303	4,217	5,069	4,629	4,189	4,459	5,269	5,247	5,033
Latin American regional	202	202	186	190	193	187	219	261	181	141	156	176
Other regional[6]	69	69	94	90	61	37	85	70	128	108	107	126
Total	3,171	3,171	4,901	4,583	4,471	5,293	4,933	4,520	4,768	5,519	5,512	5,335
Grand total	94,847	94,760	92,499	91,935	95,313	94,078	94,848	97,453	95,043	r102,116	104,131	99,170

For notes see opposite page.

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8. SHORT-TERM LIABILITIES TO FOREIGNERS REPORTED BY BANKS IN THE UNITED STATES, BY COUNTRY—Continued

(End of period. Amounts outstanding; in millions of dollars)

Supplementary data[7]

Area and country	1974		1975		1976
	Apr.	Dec.	Apr.	Dec.	Apr.[p]
Other Western Europe:					
Cyprus	10	7	17	6	38
Iceland	11	21	20	33	.....
Ireland, Rep. of	53	29	29	75	39
Other Latin American republics:					
Bolivia	102	96	93	110	104
Costa Rica	88	118	120	r125	69
Dominican Republic	137	128	214	169	149
Ecuador	90	122	157	120	.....
El Salvador	129	129	144	171	128
Guatemala	245	219	255	260	177
Haiti	28	35	34	38	36
Honduras	71	88	92	99	69
Jamaica	52	69	62	41	49
Nicaragua	119	127	125	133	89
Paraguay	40	46	38	43	43
Trinidad and Tobago	21	107	31	131	.....
Other Latin America:					
Bermuda	201	116	100	170	.....
British West Indies	354	449	627	1,304	.....
Other Asia:					
Afghanistan	11	18	19	41	54
Burma	42	65	49	31	.....
Other Asia—Cont.:					
Cambodia	4	4	4	4	.....
Jordan	6	22	30	39	20
Laos	3	3	5	2	2
Lebanon	68	126	180	117	.....
Malaysia	40	63	92	77	105
Pakistan	108	91	118	74	89
Singapore	165	245	215	255	.....
Sri Lanka (Ceylon)	13	14	13	13	9
Vietnam	98	126	70	62	*
Other Africa:					
Ethiopia (incl. Eritrea)	118	95	76	60	70
Ghana	22	18	13	23	.....
Kenya	20	31	32	19	37
Liberia	29	39	33	53	61
Southern Rhodesia	1	2	3	1	1
Sudan	2	4	14	12	17
Tanzania	12	11	21	30	.....
Tunisia	17	19	23	29	33
Uganda	11	13	38	22	.....
Zambia	66	22	18	78	.....
All other:					
New Zealand	33	47	36	42	29

[1] Data in the 2 columns shown for this date differ because of changes in reporting coverage. Figures in the first column are comparable in coverage with those for the preceding date; figures in the second column are comparable with those shown for the following date.

[2] Includes Bank for International Settlements.

[3] Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).

[4] Comprises Algeria, Gabon, Libya, and Nigeria.

[5] Data exclude holdings of dollars of the International Monetary Fund.

[6] Asian, African, and European regional organizations, except BIS, which is included in "Europe."

[7] Represent a partial breakdown of the amounts shown in the other categories (except "Other Eastern Europe").

9. LONG-TERM LIABILITIES TO FOREIGNERS REPORTED BY BANKS IN THE UNITED STATES

(Amounts outstanding; in millions of dollars)

End of period	Total	To intl. and regional	To foreign countries				Country or area						
			Total	Official institutions	Banks[1]	Other foreigners	Germany	United Kingdom	Total Europe	Total Latin America	Middle East[2]	Other Asia[3]	All other countries
1972	1,018	580	439	93	259	87	165	63	260	136	.....	33	10
1973	1,462	761	700	310	291	100	159	66	470	132	.....	83	16
1974	1,285	822	464	124	261	79	146	43	227	115	94	8	20
1975—June	1,460	512	948	806	247	70	120	59	197	121	599	2	23
July	1,493	432	1,060	1,041	242	77	121	61	201	121	709	5	24
Aug.	1,446	372	1,074	751	243	81	120	61	202	123	719	6	23
Sept.	1,468	395	1,073	753	241	79	118	61	201	121	721	6	23
Oct.	1,385	311	1,072	748	241	83	118	61	206	126	712	4	24
Nov.	1,391	297	1,093	749	261	83	115	61	206	147	712	4	24
Dec.	1,757	415	1,340	951	289	100	164	61	256	140	913	9	24
1976—Jan.	1,875	306	1,567	1,042	402	123	264	65	373	142	1,005	8	41
Feb.	1,859	286	1,571	1,065	398	107	262	64	369	141	1,024	12	26
Mar.	2,062	157	1,904	1,091	442	371	256	78	393	147	1,310	16	40
Apr.	2,087	197	1,888	1,372	385	131	259	87	407	108	1,335	14	25
May	2,134	135	1,997	1,429	431	137	306	87	453	104	1,399	16	26
June[p]	2,255	189	2,065	1,490	431	143	308	70	441	110	1,458	17	41

[1] Excludes central banks, which are included with "Official institutions."

[2] Comprises oil-exporting countries as follows: Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).

[3] Until Dec. 1974 includes Middle East oil-exporting countries.

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10. ESTIMATED FOREIGN HOLDINGS OF MARKETABLE U.S. TREASURY BONDS AND NOTES

(End of period; in millions of dollars)

Area and country	1974	1975							1976					
	Dec.	June[r]	July[r]	Aug.[r]	Sept.[r]	Oct.[r]	Nov.[r]	Dec.[r]	Jan.[r]	Feb.[r]	Mar.[r]	Apr.	May[p]	June[p]
Europe:														
Belgium-Luxembourg	10	14	14	14	14	14	13	13	13	13	13	14	13	13
Germany	9	209	209	210	217	216	216	215	212	238	247	228	225	227
Sweden	251	252	252	278	275	275	275	276	276	275	276	276	281	291
Switzerland	30	37	37	41	44	54	58	55	68	72	75	89	99	101
United Kingdom	493	522	536	520	501	441	414	363	374	370	386	389	349	380
Other Western Europe	[r]88	97	98	102	114	152	152	117	199	204	371	455	462	540
Eastern Europe	5	5	5	5	5	5	4	4	4	4	4	4	4	4
Total	885	1,135	1,151	1,169	1,170	1,157	1,134	1,044	1,146	1,176	1,372	1,455	1,433	1,556
Canada	713	412	408	406	404	399	400	393	393	416	416	422	337	337
Latin America:														
Latin American republics	12	13	13	13	13	13	33	33	33	31	31	31	32	32
Netherlands Antilles [1]	83	134	178	149	149	158	160	161	159	131	121	120	125	141
Other Latin America	5	5	5	5	5	6	6	6	7	8	8	8	9	9
Total	100	152	196	167	168	177	199	200	199	170	160	159	165	182
Asia:														
Japan	3,498	3,496	3,496	3,496	3,502	3,520	3,269	3,271	3,268	3,212	3,217	3,217	3,074	3,075
Other Asia	212	1,417	1,438	1,518	1,668	1,818	1,869	2,099	2,229	2,362	2,662	2,855	3,068	3,499
Total	3,709	4,913	4,934	5,014	5,170	5,339	5,138	5,370	5,497	5,573	5,879	6,072	6,142	6,574
Africa	151	181	201	211	261	311	311	321	340	350	396	411	431	471
All other	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Total foreign countries	5,557	6,793	6,890	6,967	7,173	7,382	7,181	7,328	7,576	7,686	8,223	8,520	8,508	9,121
International and regional:														
International	97	29	128	66	52	324	60	322	593	1,034	957	153	149	583
Latin American regional	53	44	40	35	35	35	29	29	19	19	19	16	13	13
Total	150	74	169	101	87	359	89	351	612	1,053	975	170	162	596
Grand total	5,708	6,867	7,059	7,068	7,260	7,741	7,270	7,679	8,188	8,739	9,197	8,689	8,671	9,716

[1] Includes Surinam until Jan. 1976.

NOTE.—Data represent estimated official and private holdings of marketable U.S. Treasury securities with an original maturity of more than 1 year, and are based on a benchmark survey of holdings as of Jan. 31, 1971, and monthly transactions reports (see Table 14).

11. SHORT-TERM CLAIMS ON FOREIGNERS REPORTED BY BANKS IN THE UNITED STATES, BY TYPE

(Amounts outstanding; in millions of dollars)

End of period	Total	Payable in dollars							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[2]						
1972	15,676	14,830	5,671	163	2,970	2,538	3,276	3,226	2,657	846	441	223	182
1973	20,723	20,061	7,660	284	4,538	2,838	4,307	4,160	3,935	662	428	119	115
1974	39,030	37,835	11,301	381	7,342	3,579	5,637	11,237	9,659	1,195	668	289	238
1975—June	45,710	44,497	11,347	494	6,796	4,057	5,345	10,641	17,165	1,212	591	335	286
July	45,542	44,368	11,705	572	6,837	4,296	5,383	10,204	17,076	1,175	608	296	271
Aug.	45,441	44,293	13,084	626	7,960	4,499	5,314	9,977	15,917	1,148	610	240	298
Sept.	45,564	44,433	12,706	572	7,520	4,614	5,314	10,071	16,342	1,130	576	236	319
Oct.	47,697	46,390	12,632	632	7,483	4,517	5,465	10,134	18,160	1,306	734	231	341
Nov.	48,127	46,846	13,075	670	7,929	4,476	5,363	10,610	17,799	1,281	625	340	316
Dec.	49,876	48,588	13,352	586	7,736	5,030	5,467	11,132	18,637	1,288	612	301	376
1976—Jan.	51,275	50,043	13,609	669	8,132	4,808	5,311	11,047	20,077	1,232	682	263	286
Feb.	53,749	52,348	14,233	754	8,699	4,771	5,191	10,994	21,941	1,401	728	241	431
Mar.	53,390	52,069	13,551	763	7,971	4,817	5,367	11,134	22,018	1,321	794	145	382
Apr.	55,668	54,219	14,549	769	8,824	4,956	5,325	11,297	23,048	1,449	920	156	373
May[p]	56,383	54,965	15,854	1,051	9,525	5,277	5,379	11,310	22,423	1,419	878	141	399
June[p]	57,468	55,912	15,462	841	9,367	5,254	5,516	11,525	23,408	1,556	914	157	484

[1] Excludes central banks which are included with "Official institutions."

[2] Includes international and regional organizations.

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12. SHORT-TERM CLAIMS ON FOREIGNERS REPORTED BY BANKS IN THE UNITED STATES, BY COUNTRY

(End of period. Amounts outstanding; in millions of dollars)

Area and country	1974	1975				1976					
	Dec.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May[p]	June[p]
Europe:											
Austria	21	20	19	32	15	20	23	22	39	25	35
Belgium–Luxembourg	384	536	555	463	352	401	417	430	398	427	537
Denmark	46	46	50	54	49	55	55	55	59	57	61
Finland	122	130	127	133	128	132	120	128	105	109	124
France	673	906	1,329	1,195	1,403	1,336	1,451	1,240	1,233	1,109	1,145
Germany	589	443	496	659	427	486	426	474	452	448	389
Greece	64	54	56	91	49	55	52	53	63	62	53
Italy	345	363	438	418	370	369	402	360	406	492	554
Netherlands	348	313	264	285	300	316	267	269	290	267	318
Norway	119	102	102	92	71	66	63	66	71	76	71
Portugal	20	18	15	19	16	20	20	21	18	32	40
Spain	196	245	256	261	249	274	262	231	241	321	285
Sweden	180	182	152	182	167	124	111	121	105	116	106
Switzerland	335	214	274	314	232	245	278	340	400	355	400
Turkey	15	56	54	121	86	59	82	73	68	90	99
United Kingdom	2,570	3,724	3,792	3,858	4,586	4,506	4,707	4,429	5,295	4,987	4,866
Yugoslavia	22	37	34	55	38	37	49	64	50	47	45
Other Western Europe	22	23	22	25	27	26	29	29	27	41	57
U.S.S.R.	46	106	144	165	103	101	84	85	63	70	70
Other Eastern Europe	131	110	96	103	114	124	159	109	107	102	110
Total	6,245	7,630	8,275	8,526	8,781	8,752	9,056	8,599	9,491	9,232	9,365
Canada	2,776	2,626	2,728	2,742	2,812	3,015	2,978	2,917	3,253	3,364	3,176
Latin America:											
Argentina	720	1,219	1,343	1,229	1,203	1,246	1,338	1,290	1,374	1,342	1,145
Bahamas	3,398	6,432	7,250	6,856	7,513	7,981	9,830	10,303	10,267	9,829	11,448
Brazil	1,415	1,491	1,536	1,785	2,200	2,132	2,173	2,318	2,351	2,414	2,689
Chile	290	405	351	381	360	312	343	324	349	352	340
Colombia	713	684	662	649	689	651	586	545	539	518	533
Mexico	1,972	2,705	2,623	2,565	2,800	2,776	3,079	3,034	3,236	3,444	3,458
Panama	503	721	903	886	1,032	1,262	1,167	1,108	r787	991	824
Peru	518	624	599	565	588	624	634	597	638	621	623
Uruguay	63	54	52	56	51	68	62	46	39	33	33
Venezuela	704	1,109	1,051	980	1,086	1,001	925	1,040	1,077	1,280	1,152
Other Latin American republics	866	1,014	1,041	969	980	1,045	1,061	986	r1,039	1,137	1,062
Netherlands Antilles and Surinam	62	57	59	46	49	53	43	33	32	32	33
Other Latin America	1,142	1,684	2,202	2,555	1,816	3,059	3,253	2,708	3,718	3,996	3,259
Total	12,366	18,199	19,673	19,522	20,417	22,224	24,495	24,331	r25,458	26,005	26,633
Asia:											
China, People's Rep. of (China Mainland)	4	5	11	11	22	10	17	22	18	9	10
China, Republic of (Taiwan)	500	606	601	681	735	725	729	775	793	860	861
Hong Kong	223	231	257	258	258	234	225	229	200	228	273
India	14	21	17	16	21	19	26	25	26	34	38
Indonesia	157	91	86	92	105	129	131	162	162	171	164
Israel	255	398	389	387	491	419	365	307	314	285	315
Japan	12,514	10,400	10,253	10,429	10,760	10,109	9,870	10,202	r10,118	10,004	10,349
Korea	955	1,515	1,555	1,505	1,556	1,605	1,715	1,600	1,713	1,675	1,713
Philippines	372	340	338	347	377	434	507	510	520	559	525
Thailand	458	474	501	499	495	535	516	537	533	491	488
Middle East oil-exporting countries[1]	330	624	446	506	524	525	600	646	605	742	880
Other	441	651	702	665	683	734	705	731	632	785	719
Total	16,222	15,357	15,156	15,396	16,025	15,477	15,405	15,747	r15,635	15,841	16,334
Africa:											
Egypt	111	125	127	130	104	106	101	103	110	106	117
South Africa	329	504	513	540	546	547	546	575	631	672	687
Oil-exporting countries[2]	115	190	207	215	231	213	230	226	r211	211	181
Other	300	343	380	409	351	349	330	270	r300	336	329
Total	855	1,162	1,227	1,294	1,231	1,215	1,207	1,174	1,252	1,325	1,313
Other countries:											
Australia	466	509	532	554	535	503	492	521	498	547	547
All other	99	80	105	91	73	87	113	98	79	67	100
Total	565	589	638	645	608	589	605	619	577	615	647
Total foreign countries	39,030	45,562	47,696	48,126	49,875	51,272	53,747	53,387	r55,666	56,382	57,467
International and regional	.....	1	*	1	1	3	2	3	2	1	1
Grand total	39,030	45,564	47,697	48,127	49,876	51,275	53,749	53,390	r55,668	56,383	57,468

[1] Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).
[2] Comprises Algeria, Gabon, Libya, and Nigeria.

NOTE.—Short-term claims are principally the following items payable on demand or with a contractual maturity of not more than 1 year: loans made to, and acceptances made for, foreigners; drafts drawn against foreigners, where collection is being made by banks and bankers for their own account or for account of their customers in the United States; and foreign currency balances held abroad by banks and bankers and their customers in the United States. Excludes foreign currencies held by U.S. monetary authorities.

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13. LONG-TERM CLAIMS ON FOREIGNERS REPORTED BY BANKS IN THE UNITED STATES

(Amounts outstanding; in millions of dollars)

End of period	Total	Type						Country or area						
		Payable in dollars					Payable in foreign currencies	Total Europe	Canada	Total Latin America	Japan	Middle East[3]	Other Asia[4]	All other countries[2]
		Loans to—				Other long-term claims								
		Total	Official institutions	Banks[1]	Other foreigners[2]									
1972	5,063	4,588	844	430	3,314	435	40	853	406	2,020	353	.....	918	514
1973	5,996	5,446	1,160	591	3,694	478	72	1,272	490	2,116	251	.....	1,331	536
1974	7,183	6,494	1,333	931	4,230	609	80	1,907	501	2,613	258	384	977	542
1975—June	7,995	7,184	1,274	1,226	4,683	719	92	2,303	461	2,880	264	241	1,150	696
July	8,308	7,425	1,292	1,319	4,815	792	90	2,344	471	3,037	270	241	1,223	723
Aug.	8,265	7,394	1,276	1,336	4,782	787	85	2,395	438	3,003	259	237	1,204	728
Sep.	8,539	7,637	1,348	1,364	4,926	809	93	2,426	508	3,132	265	237	1,195	775
Oct.	8,860	7,907	1,266	1,516	5,125	840	114	2,534	595	3,168	292	222	1,214	835
Nov.	9,070	8,050	1,303	1,547	5,201	903	118	2,529	569	3,281	293	249	1,218	931
Dec.	9,485	8,435	1,380	1,692	5,362	934	116	2,675	555	3,448	296	220	1,276	1,016
1976—Jan.	9,412	8,349	1,290	1,636	5,423	945	118	2,677	552	3,382	289	205	1,278	1,030
Feb.	9,511	8,352	1,268	1,632	5,452	1,012	148	2,602	576	3,471	289	210	1,270	1,093
Mar.	9,800	8,641	1,316	1,740	5,584	1,011	149	2,702	570	3,605	292	296	1,195	1,140
Apr.	9,980	8,783	1,337	1,842	5,603	1,081	116	2,736	558	3,785	307	196	1,279	1,118
May[p]	10,252	9,004	1,381	1,933	5,689	1,133	115	2,831	607	3,973	307	196	1,263	1,075
June[p]	10,126	8,842	1,345	1,944	5,554	1,162	121	2,714	575	4,053	323	182	1,246	1,033

[1] Excludes central banks, which are included with "Official institutions."
[2] Includes international and regional organizations.
[3] Comprises Middle East oil-exporting countries as follows: Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).
[4] Until Dec. 1974 includes Middle East oil-exporting countries.

14. PURCHASES AND SALES BY FOREIGNERS OF LONG-TERM SECURITIES, BY TYPE

(In millions of dollars)

Period	Marketable U.S. Treas. bonds and notes[1]				U.S. corporate securities[2,3]			Foreign bonds[3]			Foreign stocks[3]		
	Net purchases or sales (−)				Purchases	Sales	Net purchases or sales (−)	Purchases	Sales	Net purchases sales (−)	Purchases	Sales	Net purchases or sales (−)
	Total	Intl. and regional	Foreign										
			Total[4]	Official	Other								
1973	305	−165	470	465	6	18,574	13,810	4,764	1,474	2,467	−993	1,729	1,554	176
1974	−472	101	−573	−642	69	16,183	14,677	1,506	1,036	3,254	−2,218	1,907	1,722	185
1975	1,971	201	1,770	1,540	230	20,360	15,212	5,148	2,386	8,687	−6,300	1,538	1,719	−182
1976—Jan.–June[p]	2,038	245	1,793	1,706	87	13,535	10,630	2,905	2,233	6,015	−3,782	1,028	1,190	162
1975—June	−240	−326	86	56	31	1,754	1,332	422	215	852	−637	129	143	−15
July	192	95	96	41	56	2,251	1,278	973	315	1,008	−693	109	119	−10
Aug.	9	−67	77	117	−40	1,421	1,338	82	158	318	−160	89	256	−167
Sept.	192	−14	206	175	31	1,257	1,124	134	194	285	−91	91	79	11
Oct.	481	272	209	173	37	2,023	1,362	662	195	678	−484	137	161	−24
Nov.	−470	−270	−201	−171	−30	1,605	1,231	374	248	991	−743	107	78	29
Dec.	405	262	143	121	21	1,859	958	901	282	1,471	−1,190	148	97	51
1976—Jan.	509	261	248	242	6	2,798	2,069	729	462	800	−339	145	139	6
Feb.	551	441	110	101	10	2,503	2,086	418	402	1,547	−1,145	162	218	−56
Mar.	458	−78	536	481	55	2,524	1,972	552	360	1,282	−922	193	246	−53
Apr.	−508	−805	297	280	18	2,260	1,689	571	341	763	−422	182	143	40
May[p]	−19	−7	−11	37	−48	1,634	1,496	138	373	811	−439	198	240	−42
June[p]	1,046	433	612	567	45	1,817	1,317	499	295	811	−516	147	204	−57

[1] Excludes nonmarketable U.S. Treasury bonds and notes issued to official institutions of foreign countries.
[2] Includes State and local govt. securities, and securities of U.S. Govt. agencies and corporations. Also includes issues of new debt securities sold abroad by U.S. corporations organized to finance direct investments abroad.
[3] Includes transactions of international and regional organizations.
[4] Includes transactions (in millions of dollars) of oil-exporting countries in Middle East and Africa as shown in the tabulation in the opposite column:

	Middle East	Africa
1975[p]	1,773	170
1976—Jan.–June[p]	1,447	150
1975—June	106	.....
July	1	20
Aug.	80	10
Sept.	150	50
Oct.	150	50
Nov.	51	.....
Dec.	176	10
1976—Jan.	115	20
Feb.	116	10
Mar.	282	45
Apr.	270	15
May	r203	20
June[p]	461	40

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15. NET PURCHASES OR SALES BY FOREIGNERS OF U.S. CORPORATE STOCKS, BY COUNTRY

(In millions of dollars)

Period	Purchases	Sales	Net purchases or sales (−)	France	Germany	Netherlands	Switzerland	United Kingdom	Total Europe	Canada	Total America Latin	Middle East[1]	Other Asia[2]	Other[3]
1973	12,767	9,978	2,790	439	2	339	686	366	2,104	99	4	.....	577	5
1974	7,634	7,095	540	203	39	330	36	−377	281	−6	−33	.....	288	10
1975	15,066	10,600	4,465	262	250	359	897	569	2,464	356	−7	1,470	140	39
1976—Jan.–June[p]	10,614	8,367	2,246	132	113	−30	161	286	694	154	157	1,114	99	28
1975—June	1,321	1,063	258	32	1	19	71	36	152	21	8	87	9	−19
July	1,669	1,080	589	55	31	80	139	75	396	20	13	153	2	6
Aug.	1,153	712	441	52	52	47	83	38	302	21	−6	82	26	16
Sept.	882	642	240	10	7	22	64	7	123	20	−15	72	32	8
Oct.	1,407	1,042	365	16	−7	17	36	48	142	59	7	130	21	6
Nov.	1,114	809	304	22	40	−5	42	44	132	36	−1	122	12	4
Dec.	1,355	686	669	28	40	64	123	32	297	102	−9	268	13	−3
1976—Jan.	2,060	1,544	517	1	136	−48	−2	88	208	40	76	198	−6	1
Feb.	2,095	1,724	371	14	12	−14	63	41	133	48	11	175	5	5
Mar.	2,137	1,555	582	79	26	−6	147	69	327	16	28	153	42	16
Apr.	1,690	1,279	410	10	10	31	−21	49	84	23	25	254	22	−1
May[p]	1,207	1,092	115	3	−44	4	23	19	−9	30	7	67	16	4
June[p]	1,425	1,173	252	24	−28	2	−49	19	−49	−2	11	266	20	3

[1] Comprises Middle East oil-exporting countries as follows: Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).

[2] Until 1975 includes Middle East oil-exporting countries.

[3] Includes international and regional organizations.

16. NET PURCHASES OR SALES BY FOREIGNERS OF U.S. CORPORATE BONDS, BY COUNTRY

(In millions of dollars)

Period	Total	France	Germany	Netherlands	Switzerland	United Kingdom	Total Europe	Canada	Total Latin America	Middle East[1]	Other Asia[2]	Total Africa	Other countries	Intl. and regional
1973	1,948	201	−33	−19	307	275	1,204	49	44	.....	588	*	10	52
1974	966	96	33	183	96	373	719	45	43	.....	632	*	10	−483
1975	681	82	−11	−16	116	80	116	127	30	1,437	−42	5	1	−993
1976—Jan.–June[p]	658	15	−48	−9	67	−172	−37	46	10	735	−102	10	−20	16
1975—June	164	9	*	8	5	32	58	4	*	65	−1	*	*	38
July	384	27	16	6	35	80	183	33	1	179	4	*	*	−17
Aug.	−358	13	−3	−18	−6	−69	−73	6	1	−1	1	*	*	−292
Sept.	−107	−13	6	25	−7	121	−19	−5	5	82	−7	*	*	−162
Oct.	296	1	−50	2	12	89	51	38	11	209	−4	3	*	−11
Nov.	69	39	8	−17	9	−41	−25	−2	6	75	4	1	*	11
Dec.	232	2	3	3	8	56	74	6	6	140	−12	1	*	16
1976—Jan.	212	−1	4	−1	−2	−161	7	29	3	219	−21	−2	−10	−13
Feb.	47	2	−1	2	20	−2	23	4	6	30	−34	1	*	18
Mar.	−31	3	−56	−3	5	−11	−70	9	1	35	−20	4	−10	20
Apr.	160	3	9	−5	4	−26	−25	7	3	179	−14	7	*	4
May[p]	22	3	−2	*	23	19	−2	−3	−3	37	6	*	*	−13
June[p]	247	6	−1	−2	18	8	30	1	*	235	−19	*	*	*

[1] See note 1 to Table 15.

[2] See note 2 to Table 15.

NOTE.—Statistics include State and local govt. securities, and securities of U.S. Govt. agencies and corporations. Also includes issues of new debt securities sold abroad by U.S. corporations organized to finance direct investments abroad.

17. NET PURCHASES OR SALES BY FOREIGNERS OF LONG-TERM FOREIGN SECURITIES, BY AREA

(In millions of dollars)

Period	Total	Intl. and regional	Total foreign countries	Europe	Canada	Latin America	Asia	Africa	Other countries
1973	−818	139	−957	−141	−569	−120	−168	3	37
1974	−2,033	−60	−1,973	−546	−1,508	−93	144	7	22
1975	−6,515	−2,225	−4,290	−47	−3,178	−306	−619	15	−154
1976—Jan.–June[p]	−3,944	−282	−3,662	−314	−2,837	−100	−207	34	−238
1975—June	−655	*	−655	−22	−478	*	−30	2	−127
July	−699	−475	−224	−26	−109	−25	−69	*	4
Aug.	−362	−21	−341	24	−204	−164	1	1	2
Sept.	−80	18	−98	−19	−129	25	24	−1	1
Oct.	−508	5	−513	48	−460	−48	−56	−3	6
Nov.	−714	−62	−652	−27	−584	6	3	−2	−48
Dec.	−1,139	−839	−299	80	−310	9	−78	−1	1
1976—Jan.	−333	94	−426	−109	−304	−9	−4	−3	2
Feb.	−1,201	−139	−1,063	33	−973	5	−110	−4	−14
Mar.	975	9	−984	−168	−727	−72	−14	−5	2
Apr.	−382	−94	−288	*	−286	6	−15	4	2
May[p]	−481	−158	−323	−19	−222	−39	−77	32	3
June[p]	−572	6	−578	−52	−326	10	13	11	−234

18. FOREIGN CREDIT AND DEBIT BALANCES IN BROKERAGE ACCOUNTS

(Amounts outstanding; in millions of dollars)

End of period	Credit balances (due to foreigners)	Debit balances (due from foreigners)
1973—Sept.	290	255
Dec.	333	231
1974—Mar.	383	225
June	354	241
Sept.	298	178
Dec.	293	194
1975—Mar.	349	209
June	380	233
Sept.	343	258
Dec.	365	319
1976—Mar.	411	333

NOTE.—Data represent the money credit balances and money debit balances appearing on the books of reporting brokers and dealers in the United States, in accounts of foreigners with them, and in their accounts carried by foreigners.

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19a. ASSETS OF FOREIGN BRANCHES OF U.S. BANKS

(In millions of dollars)

Location and currency form	Month-end	Total	Claims on U.S.			Claims on foreigners					Other
			Total	Parent bank	Other	Total	Other branches of parent bank	Other banks	Official institutions	Non-bank foreigners	
IN ALL FOREIGN COUNTRIES											
Total, all currencies	1973—Dec.	121,866	5,091	1,886	3,205	111,974	19,177	56,368	2,693	33,736	4,802
	1974—Dec.	151,905	6,900	4,464	2,435	138,712	27,559	60,283	4,077	46,793	6,294
	1975—May	158,407	7,737	4,898	2,838	144,457	28,229	60,345	4,495	51,388	6,213
	June	164,117	5,542	2,344	3,198	152,123	31,628	63,757	4,843	51,896	6,451
	July	162,511	5,926	2,795	3,131	149,946	31,055	62,468	4,798	51,626	6,639
	Aug.	167,672	9,151	6,098	3,054	151,897	32,062	62,486	4,901	52,449	6,623
	Sept.	167,886	6,575	3,268	3,307	154,905	32,216	65,065	4,863	52,761	6,407
	Oct.	171,465	7,924	4,896	3,027	156,989	33,571	64,273	5,237	53,909	6,553
	Nov.	173,736	8,705	5,777	2,928	158,179	34,464	64,408	5,516	53,790	6,852
	Dec.	176,493	6,726	3,665	3,061	163,414	34,592	68,403	5,879	54,540	6,352
	1976—Jan.	178,925	7,995	5,007	2,988	164,682	36,723	66,592	6,121	55,246	6,248
	Feb.	180,779	8,937	5,903	3,033	165,411	34,770	69,122	6,332	55,187	6,431
	Mar.	185,957	6,737	r3,520	r3,217	172,680	38,435	72,244	6,661	55,341	6,540
	Apr.	188,574	9,046	6,041	3,005	172,982	39,166	70,508	7,213	56,095	6,546
	May[p]	193,719	10,014	6,919	3,095	176,952	39,598	73,453	7,820	56,081	6,753
Payable in U.S. dollars	1973—Dec.	79,445	4,599	1,848	2,751	73,018	12,799	39,527	1,777	18,915	1,828
	1974—Dec.	105,969	6,603	4,428	2,175	96,209	19,688	45,067	3,289	28,164	3,157
	1975—May	112,670	7,327	4,834	2,493	102,389	21,885	45,405	3,686	31,413	2,954
	June	118,436	5,115	2,282	2,833	110,294	25,183	49,149	3,950	32,012	3,026
	July	118,558	5,519	2,744	2,776	109,544	25,001	48,590	3,930	32,023	3,495
	Aug.	122,781	8,827	6,044	2,783	110,654	25,758	48,071	4,148	32,676	3,299
	Sept.	124,373	6,238	3,211	3,027	115,178	26,055	51,493	4,042	33,589	2,957
	Oct.	127,355	7,506	4,822	2,684	116,673	27,367	50,062	4,363	34,881	3,176
	Nov.	130,233	8,350	5,725	2,625	118,603	28,329	50,992	4,646	34,637	3,280
	Dec.	132,901	6,392	3,628	2,764	123,512	28,490	54,764	4,951	35,307	2,997
	1976—Jan.	134,366	7,659	4,967	2,692	123,618	29,827	52,671	5,229	35,891	3,090
	Feb.	135,918	8,622	5,859	2,763	124,070	28,399	54,497	5,364	35,809	3,226
	Mar.	137,811	6,458	r3,473	r2,986	128,246	30,156	56,039	5,719	36,331	3,107
	Apr.	140,591	8,751	5,972	2,778	128,769	31,172	54,496	6,158	36,943	3,071
	May[p]	146,117	9,699	6,844	2,855	133,175	31,832	57,540	6,656	37,148	3,243
IN UNITED KINGDOM											
Total, all currencies	1973—Dec.	61,732	1,789	738	1,051	57,761	8,773	34,442	735	13,811	2,183
	1974—Dec.	69,804	3,248	2,472	776	64,111	12,724	32,701	788	17,898	2,445
	1975—May	68,707	2,535	1,689	845	64,269	12,491	32,443	920	18,415	1,904
	June	70,751	1,834	641	1,192	66,868	13,765	34,634	948	17,522	2,049
	July	70,382	1,904	807	1,097	66,277	14,414	33,431	923	17,509	2,202
	Aug.	72,455	3,795	2,698	1,097	66,428	15,213	32,998	948	17,268	2,232
	Sept.	72,120	2,042	1,076	967	67,923	15,249	34,759	825	17,091	2,155
	Oct.	72,742	2,681	1,699	982	67,631	16,555	32,806	830	17,440	2,430
	Nov.	73,924	3,112	2,137	975	68,494	17,549	33,189	852	16,904	2,319
	Dec.	74,883	2,375	1,449	926	70,354	17,557	35,102	881	16,814	2,153
	1976—Jan.	73,437	2,253	1,469	784	68,983	18,026	33,094	1,034	16,828	2,202
	Feb.	72,963	2,947	2,270	677	67,843	16,050	34,887	964	15,941	2,174
	Mar.	74,668	2,112	1,237	875	70,300	17,363	36,723	927	15,287	2,256
	Apr.	74,055	2,275	1,447	827	69,555	18,394	34,879	934	15,348	2,226
	May[p]	75,926	2,443	1,534	909	71,189	18,619	36,270	851	15,449	2,294
Payable in U.S. dollars	1973—Dec.	40,323	1,642	730	912	37,816	6,509	23,389	510	7,409	865
	1974—Dec.	49,211	3,146	2,468	678	44,693	10,265	23,716	610	10,102	1,372
	1975—May	48,506	2,404	1,671	733	45,180	10,656	23,320	698	10,506	922
	June	51,365	1,669	623	1,045	48,713	12,054	25,761	721	10,178	983
	July	51,665	1,742	793	949	48,787	12,664	25,143	713	10,267	1,136
	Aug.	53,456	3,661	2,681	980	48,763	13,315	24,540	740	10,168	1,032
	Sept.	54,256	1,910	1,054	856	51,369	13,488	27,008	596	10,277	977
	Oct.	54,192	2,552	1,687	865	50,494	14,654	24,691	592	10,557	1,146
	Nov.	56,221	2,988	2,123	865	52,145	15,555	25,600	638	10,353	1,087
	Dec.	57,361	2,257	1,445	812	54,137	15,645	27,669	648	10,175	967
	1976—Jan.	55,067	2,141	1,459	683	52,046	15,574	25,311	837	10,325	880
	Feb.	55,041	2,856	2,261	595	51,266	14,278	26,741	715	9,532	918
	Mar.	55,115	2,010	1,234	775	52,147	14,450	27,526	691	9,482	958
	Apr.	54,516	2,155	1,434	721	51,469	15,424	25,280	633	9,593	891
	May[p]	56,667	2,322	1,519	803	53,466	15,860	27,218	635	9,754	879
IN BAHAMAS AND CAYMANS[1]											
Total, all currencies	1973—Dec.	23,771	2,210	317	1,893	21,041	1,928	9,895	1,151	8,068	520
	1974—Dec.	31,733	2,464	1,081	1,383	28,453	3,478	11,354	2,022	11,599	815
	1975—May	38,198	4,126	2,468	1,658	33,214	4,270	13,181	2,531	13,232	858
	June	39,646	2,634	987	1,647	36,181	5,831	13,747	2,772	13,831	831
	July	39,614	2,787	1,134	1,653	35,676	5,015	14,065	2,747	13,849	1,150
	Aug.	41,624	4,117	2,580	1,536	36,555	5,222	14,117	2,891	14,324	953
	Sept.	41,601	3,189	1,289	1,900	37,479	5,220	14,604	3,020	14,635	933
	Oct.	44,166	3,989	2,295	1,694	39,225	5,604	15,414	3,308	14,899	952
	Nov.	44,471	4,544	2,929	1,615	38,973	5,321	15,134	3,434	15,084	954
	Dec.	45,203	3,229	1,477	1,752	41,040	5,411	16,298	3,576	15,756	933
	1976—Jan.	48,694	4,488	2,614	1,874	43,104	6,296	17,195	3,677	15,935	1,102
	Feb.	50,276	4,765	2,750	2,014	44,396	6,257	17,556	3,908	16,675	1,115
	Mar.	51,075	3,482	r1,485	r1,996	46,636	6,745	18,205	4,251	17,434	957
	Apr.	54,398	5,695	3,835	1,860	47,536	6,437	18,503	4,680	17,917	1,166
	May[p]	257,247	6,294	4,424	1,870	49,631	6,435	20,181	5,101	17,915	1,322

For notes see p. A-74.

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19b. LIABILITIES OF FOREIGN BRANCHES OF U.S. BANKS

(In millions of dollars)

Total	To U.S.			To foreigners					Other	Month-end	Location and currency form
	Total	Parent bank	Other	Total	Other branches of parent bank	Other banks	Official institutions	Nonbank foreigners			
											IN ALL FOREIGN COUNTRIES
121,866	5,610	1,642	3,968	111,615	18,213	65,389	10,330	17,683	4,641	.....1973—Dec.	.....Total, all currencies
151,905	11,982	5,809	6,173	132,990	26,941	65,675	20,185	20,189	6,933	.....1974—Dec.	
158,407	16,920	10,426	6,494	135,176	27,855	64,714	22,263	20,344	6,311	.....1975—May	
164,117	18,697	12,283	6,414	138,813	31,693	64,996	21,169	20,955	6,607	.....June	
162,511	17,771	11,609	6,162	138,477	31,673	65,968	20,387	20,449	6,263	.....July	
167,673	17,335	10,173	7,162	143,944	31,926	70,216	21,114	20,688	6,395	.....Aug.	
167,886	18,502	11,026	7,476	143,182	31,567	70,853	19,780	20,981	6,202	.....Sept.	
171,465	19,154	11,282	7,872	146,085	33,216	70,579	20,642	21,648	6,227	.....Oct.	
173,736	19,858	11,201	8,657	147,067	33,892	70,623	21,200	21,352	6,811	.....Nov.	
176,493	20,204	12,149	8,056	149,854	34,127	72,182	22,773	20,771	6,435	.....Dec.	
178,925	22,570	12,691	9,879	150,439	35,568	72,347	21,710	20,814	5,916	.....1976—Jan.	
180,779	24,474	14,091	10,383	150,300	34,916	70,863	23,189	21,331	6,005	.....Feb.	
185,957	24,612	15,288	9,325	155,481	37,502	72,657	22,493	22,830	5,863	.....Mar.	
188,574	26,705	14,543	12,162	156,084	38,508	72,591	21,857	23,128	5,785	.....Apr.	
193,719	28,213	15,914	12,299	159,474	38,642	75,813	22,367	22,652	6,032	.....May[p]	
80,374	5,027	1,477	3,550	73,189	12,554	43,641	7,491	9,502	2,158	.....1973—Dec.	.....Payable in U.S. dollars
107,890	11,437	5,641	5,795	92,503	19,330	43,656	17,444	12,072	3,951	.....1974—Dec.	
115,281	16,316	10,249	6,067	95,526	21,585	43,865	18,928	11,148	3,439	.....1975—May	
120,648	18,077	12,087	5,990	98,969	25,072	44,208	17,968	11,720	3,602	.....June	
120,763	17,157	11,402	5,755	100,348	25,422	45,903	17,393	11,630	3,258	.....July	
125,328	16,689	9,992	6,698	105,216	25,646	49,427	18,080	12,064	3,423	.....Aug.	
126,850	17,871	10,823	7,048	105,765	25,607	50,726	16,777	12,654	3,213	.....Sept.	
129,569	18,477	11,078	7,399	107,701	27,118	49,930	17,476	13,177	3,390	.....Oct.	
133,291	19,159	11,008	8,151	110,239	28,030	50,475	18,407	13,326	3,893	.....Nov.	
135,907	19,486	11,923	7,563	112,915	28,233	51,503	19,982	13,197	3,507	.....Dec.	
138,558	21,930	12,519	9,411	113,313	29,464	51,876	18,906	13,068	3,315	.....1976—Jan.	
139,900	23,733	13,846	9,887	112,802	28,513	50,498	20,317	13,476	3,365	.....Feb.	
142,095	23,822	15,016	8,806	115,292	29,829	51,625	19,518	14,318	2,982	.....Mar.	
145,560	25,961	14,286	11,674	116,539	31,273	r51,634	19,080	r14,552	3,060	.....Apr.	
150,860	27,512	15,654	11,858	120,257	31,487	54,524	19,685	14,561	3,091	.....May[p]	
											IN UNITED KINGDOM
61,732	2,431	136	2,295	57,311	3,944	34,979	8,140	10,248	1,990	.....1973—Dec.	.....Total, all currencies
69,804	3,978	510	3,468	63,409	4,762	32,040	15,258	11,349	2,418	.....1974—Dec.	
68,708	4,772	1,337	3,435	61,772	5,325	28,957	16,726	10,764	2,164	.....1975—May	
70,751	4,668	1,451	3,217	63,857	7,030	30,030	15,524	11,274	2,226	.....June	
70,382	4,679	1,718	2,961	63,501	6,475	30,636	15,312	11,077	2,203	.....July	
72,457	5,251	1,904	3,348	65,012	6,260	32,097	15,617	11,038	2,194	.....Aug.	
72,120	5,112	1,833	3,279	64,962	6,396	33,130	14,486	10,950	2,046	.....Sept.	
72,742	4,905	1,766	3,139	65,699	6,746	32,334	14,909	11,711	2,138	.....Oct.	
73,924	5,497	2,028	3,468	66,267	6,470	33,340	15,180	11,275	2,161	.....Nov.	
74,883	5,646	2,122	3,523	67,261	6,494	32,985	16,553	11,229	1,976	.....Dec.	
73,437	5,645	1,749	3,896	65,914	6,444	33,534	15,053	10,882	1,878	.....1976—Jan.	
72,963	5,491	1,914	3,577	65,544	6,648	31,444	16,463	10,989	1,928	.....Feb.	
74,668	5,382	1,549	3,833	67,217	7,099	32,485	15,905	11,729	2,069	.....Mar.	
74,055	6,105	1,764	4,340	65,977	6,898	r31,805	15,521	r11,752	1,974	.....Apr.	
75,926	6,483	1,796	4,687	67,212	7,030	33,189	15,782	11,212	2,231	.....May[p]	
39,689	2,173	113	2,060	36,646	2,519	22,051	5,923	6,152	870	.....1973—Dec.	.....Payable in U.S. dollars
49,666	3,744	484	3,261	44,594	3,256	20,526	13,225	7,587	1,328	.....1974—Dec.	
49,479	4,487	1,314	3,173	43,784	4,220	18,640	14,135	6,789	1,208	.....1975—May	
51,848	4,369	1,412	2,957	46,312	5,962	20,039	13,083	7,228	1,167	.....June	
51,826	4,421	1,684	2,737	46,217	5,478	20,775	12,915	7,049	1,188	.....July	
54,017	4,975	1,873	3,103	47,912	5,288	22,087	13,249	7,287	1,129	.....Aug.	
54,683	4,889	1,808	3,081	48,814	5,456	23,645	12,182	7,531	980	.....Sept.	
54,478	4,696	1,735	2,961	48,660	5,708	22,452	12,500	7,999	1,123	.....Oct.	
56,696	5,288	2,009	3,279	50,185	5,478	23,641	12,999	8,066	1,223	.....Nov.	
57,820	5,415	2,083	3,332	51,466	5,442	23,349	14,498	8,176	940	.....Dec.	
56,039	5,446	1,732	3,714	49,676	5,422	23,369	13,070	7,816	917	.....1976—Jan.	
55,848	5,311	1,901	3,410	49,606	5,471	21,911	14,326	7,899	931	.....Feb.	
56,266	5,179	1,509	3,670	50,126	5,969	21,973	13,710	8,474	961	.....Mar.	
255,750	5,880	1,723	4,156	48,992	5,771	r21,230	13,450	r8,541	877	.....Apr.	
57,923	6,271	1,759	4,513	50,727	5,863	22,544	13,914	8,406	925	.....May[p]	
											IN BAHAMAS AND CAYMANS[1]
23,771	1,573	307	1,266	21,747	5,508	14,071	492	1,676	451	.....1973—Dec.	.....Total, all currencies
31,733	4,815	2,636	2,180	26,140	7,702	14,050	2,377	2,011	778	.....1974—Dec.	
38,198	9,090	6,766	2,324	28,309	6,872	16,018	2,977	2,441	799	.....1975—May	
39,646	10,866	8,322	2,544	27,987	8,075	14,482	3,036	2,393	793	.....June	
39,614	9,991	7,407	2,584	28,933	8,401	15,539	2,500	2,492	690	.....July	
41,624	8,800	5,715	3,085	31,913	9,128	17,317	2,860	2,607	911	.....Aug.	
41,601	9,928	6,490	3,439	30,861	8,918	16,834	2,570	2,540	812	.....Sept.	
44,166	10,833	7,056	3,778	32,327	9,725	17,296	2,775	2,577	961	.....Oct.	
44,471	11,082	6,710	4,372	32,239	10,553	15,972	3,230	2,483	1,150	.....Nov.	
45,203	11,146	7,628	3,519	32,950	10,569	16,726	3,308	2,348	1,106	.....Dec.	
48,694	13,110	8,088	5,022	34,475	11,169	17,603	3,416	2,287	1,109	.....1976—Jan.	
50,276	15,016	9,197	5,820	34,159	10,231	18,081	3,407	2,440	1,100	.....Feb.	
51,075	15,469	10,915	4,554	34,931	10,850	18,332	2,998	2,751	676	.....Mar.	
54,398	r16,822	9,904	r6,918	36,604	11,903	18,872	2,970	2,858	972	.....Apr.	
257,247	18,230	11,529	6,702	38,167	11,918	20,268	2,950	3,031	849	.....May[p]	

For notes see p. A-74.

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20. DEPOSITS, U.S. TREAS. SECURITIES, AND GOLD HELD AT F.R. BANKS FOR FOREIGN OFFICIAL ACCOUNT

(In millions of dollars)

End of period	Deposits	Assets in custody	
		U.S. Treas. securities[1]	Earmarked gold
1972.....	325	50,934	[2]15,530
1973.....	251	52,070	[2]17,068
1974.....	418	55,600	16,838
1975—July...	369	60,999	16,803
Aug...	342	60,120	16,803
Sept...	324	58,420	16,795
Oct....	297	60,307	16,751
Nov...	346	60,512	16,745
Dec...	352	60,019	16,745
1976—Jan....	294	61,796	16,669
Feb....	412	62,640	16,666
Mar...	305	61,271	16,660
Apr....	305	62,527	16,657
May...	303	63,225	16,647
June...	349	63,212	16,633
July...	295	62,955	16,607

[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.

[2] The value of earmarked gold increased because of the changes in par value of the U.S. dollar in May 1972, and in Oct. 1973.

NOTE.—Excludes deposits and U.S. Treasury securities held for international and regional organizations. Earmarked gold is gold held for foreign and international accounts and is not included in the gold stock of the United States.

21. SHORT-TERM LIQUID CLAIMS ON FOREIGNERS REPORTED BY NONBANKING CONCERNS

(Amounts outstanding; in millions of dollars)

End of period	Total	Payable in dollars		Payable in foreign currencies		United Kingdom	Canada
		Deposits	Short-term investments[1]	Deposits	Short-term investments[1]		
1972.....	2,374	1,910	55	340	68	911	536
1973.....	3,164	2,588	37	435	105	1,118	765
1974[r].....	3,357	2,591	68	429	268	1,350	967
1975—Apr.[r]....	3,472	2,488	65	373	545	1,089	1,289
May[r]....	3,298	2,253	66	453	526	931	1,254
June[r]....	3,250	2,177	214	427	432	997	1,142
July[r]....	3,334	2,207	246	479	402	925	1,122
Aug.[r]....	3,562	2,291	239	512	520	1,052	1,322
Sept.[r]....	3,696	2,456	266	478	496	1,139	1,261
Oct.[r]....	3,527	2,498	351	429	249	1,199	1,167
Nov.[r]....	3,922	2,709	468	461	284	1,308	1,382
Dec.[r]....	3,782	2,699	332	510	241	1,304	1,148
1976—Jan.....	4,206	3,081	374	476	274	1,506	1,312
Feb.....	4,416	3,265	377	449	325	1,508	1,357
Mar.....	4,410	3,352	393	437	228	1,690	1,325
Apr.....	4,936	3,851	412	435	238	2,061	1,354
May[p]....	5,175	4,087	426	455	207	1,912	1,495

[1] Negotiable and other readily transferable foreign obligations payable on demand or having a contractual maturity of not more than 1 year from the date on which the obligation was incurred by the foreigner.

NOTE.—Data represent the liquid assets abroad of large nonbanking concerns in the United States. They are a portion of the total claims on foreigners reported by nonbanking concerns in the United States and are included in the figures shown in Table 22.

22. SHORT-TERM LIABILITIES TO AND CLAIMS ON FOREIGNERS REPORTED BY NONBANKING CONCERNS, BY TYPE

(Amount outstanding; in millions of dollars)

End of period	Liabilities			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	Other
1972—Sept.....	2,933	2,435	498	5,487	4,833	426	228
Dec.[1].....	3,119	2,635	484	5,721	5,074	410	237
	3,417	2,948	469	6,302	5,643	393	267
1973—Mar.[r].....	3,320	2,848	472	7,017	6,147	456	414
June[r].....	3,295	2,772	523	7,290	6,448	493	349
Sept.[r].....	3,579	2,931	648	7,625	6,698	528	399
Dec.[r].....	4,006	3,290	716	8,482	7,569	493	421
1974—Mar.[r].....	4,414	3,590	823	10,475	9,541	407	526
June[r].....	5,139	4,184	955	11,046	10,122	429	496
Sept.[r].....	5,605	4,656	949	10,698	9,730	430	537
Dec.[r].....	5,916	5,007	909	11,276	10,219	473	584
1975—Mar.[r].....	5,930	5,068	862	10,929	9,798	453	678
June[r].....	5,924	5,091	834	10,886	9,606	479	801
Sept.[r].....	5,997	5,149	849	11,712	10,364	529	819
Dec.....	5,958	5,353	605	12,244	11,069	565	611
1976—Mar.[p].....	6,264	5,598	666	12,808	11,759	487	562

[1] Data on the 2 lines shown for this date differ because of changes in reporting coverage. Figures on the first line are comparable with those shown for the preceding date; figures on the second line are comparable with those shown for the following date.

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23. SHORT-TERM LIABILITIES TO AND CLAIMS ON FOREIGNERS REPORTED BY NONBANKING CONCERNS

(End of period. Amounts outstanding; in millions of dollars)

Area and country	Liabilities to foreigners					Claims on foreigners				
	1975				1976	1975				1976
	Mar.	June	Sept.	Dec.	Mar.[p]	Mar.	June	Sept.	Dec.	Mar.[p]
Europe:										
Austria	26	22	18	14	6	15	13	15	16	17
Belgium-Luxembourg	480	340	336	294	291	137	132	131	133	116
Denmark	23	14	8	9	12	35	22	24	39	35
Finland	16	12	14	14	10	77	87	114	91	36
France	151	137	150	148	204	328	287	311	300	372
Germany	352	293	276	151	153	276	346	319	357	306
Greece	25	27	21	19	25	59	69	56	33	40
Italy	109	110	156	173	126	309	300	380	382	408
Netherlands	122	143	154	115	165	157	135	139	172	182
Norway	9	8	13	20	23	35	41	48	41	58
Portugal	13	13	13	4	3	42	32	39	44	45
Spain	55	60	75	82	70	360	324	315	408	514
Sweden	32	30	47	24	25	66	74	100	62	80
Switzerland	155	168	167	130	159	86	113	220	242	207
Turkey	12	14	22	25	14	33	28	31	27	27
United Kingdom	1,192	1,054	945	970	923	1,655	1,555	1,781	1,905	2,291
Yugoslavia	52	45	60	76	91	33	32	24	36	30
Other Western Europe	5	4	5	6	6	23	16	19	14	18
Eastern Europe	45	49	38	31	33	114	154	170	219	186
Total	2,875	2,545	2,518	2,304	2,339	3,838	3,761	4,238	4,519	4,970
Canada	263	283	299	295	314	1,859	1,954	2,102	2,124	2,236
Latin America:										
Argentina	31	30	28	31	35	76	63	52	58	48
Bahamas	387	357	290	270	376	615	631	686	662	882
Brazil	121	127	116	96	91	378	349	385	403	470
Chile	23	15	13	14	11	69	57	41	38	28
Colombia	12	12	14	17	16	54	50	47	49	47
Cuba	*	*	*	*	*	1	1	1	1	1
Mexico	69	71	81	82	92	336	322	317	352	331
Panama	18	27	19	24	17	110	128	103	92	86
Peru	18	16	19	23	24	46	50	48	41	36
Uruguay	3	3	2	3	2	15	5	5	4	4
Venezuela	39	45	56	100	163	180	166	153	167	147
Other L.A. republics	65	67	69	71	72	193	179	165	157	167
Neth. Antilles and Surinam	56	60	76	35	58	16	13	12	12	7
Other Latin America	134	145	142	138	214	196	159	192	301	292
Total	975	973	924	903	1,171	2,286	2,171	2,205	2,337	2,546
Asia:										
China, People's Republic of (China Mainland)	8	6	2	6	5	19	32	45	65	35
China, Rep. of (Taiwan)	102	100	101	97	111	122	125	152	164	100
Hong Kong	19	30	29	18	24	83	85	85	111	67
India	10	21	22	7	9	32	39	48	39	60
Indonesia	63	87	104	137	137	117	147	137	169	194
Israel	62	62	45	29	23	46	60	63	54	42
Japan	327	273	279	296	308	1,326	1,250	1,269	1,141	1,170
Korea	47	43	63	69	54	165	178	207	265	108
Philippines	19	17	15	14	19	83	91	93	99	106
Thailand	9	6	8	18	18	30	25	21	22	21
Other Asia	642	841	908	1,027	958	394	465	532	555	643
Total	1,308	1,488	1,575	1,717	1,667	2,416	2,497	2,652	2,683	2,546
Africa:										
Egypt	5	34	34	37	30	24	15	15	22	22
South Africa	54	65	79	100	112	104	104	78	93	79
Zaire	17	9	9	6	7	18	17	22	28	28
Other Africa	137	209	212	240	347	236	218	263	287	239
Total	217	323	341	391	502	387	364	388	440	378
Other countries:										
Australia	60	37	52	55	47	97	99	79	101	96
All other	31	18	21	17	18	45	39	48	39	37
Total	91	55	73	73	65	141	138	127	140	133
International and regional	201	257	267	276	219	1	1	*	1	1
Grand total	5,930	5,924	5,997	5,958	6,277	10,929	10,886	11,712	12,244	12,810

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.

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24. LONG-TERM LIABILITIES TO AND CLAIMS ON FOREIGNERS REPORTED BY NONBANKING CONCERNS

(Amounts outstanding; in millions of dollars)

End of period	Total liabilities	Claims										
		Total	Country or area									
			United Kingdom	Other Europe	Canada	Brazil	Mexico	Other Latin America	Japan	Other Asia	Africa	All other
1971—Dec.	3,138	3,068	128	704	717	174	60	653	136	325	86	84
1972—Sept.	3,448	3,187	128	695	757	177	63	662	132	390	89	96
Dec.[1]	3,540	3,312	163	715	775	184	60	658	156	406	87	109
	3,603	3,666	191	745	1,141	187	64	703	133	378	86	38
1973—Mar.	3,781	3,798	156	802	1,151	165	63	796	123	393	105	45
June	3,785	3,853	180	805	1,163	146	65	825	124	390	108	48
Sept.	4,000	3,999	216	822	1,166	147	73	832	134	449	108	51
Dec.	3,886	4,057	290	761	1,172	145	79	829	125	488	115	53
1974—Mar.	3,836	4,194	369	737	1,210	194	81	809	123	488	122	61
June	3,536	4,191	363	699	1,226	184	138	756	123	515	126	61
Sept.	3,371	4,324	370	704	1,256	181	145	796	119	571	122	59
Dec.	3,850	4,544	364	644	1,290	187	153	1,045	112	569	127	54
1975—Mar.	4,129	4,523	340	655	1,334	182	169	1,008	102	540	139	54
June	4,230	4,454	299	634	1,328	182	161	982	98	556	146	68
Sept.	4,180	4,590	366	620	1,347	177	228	930	95	608	154	67
Dec.	4,232	4,971	396	589	1,426	171	216	1,251	90	604	168	61
1976—Mar.[p]	4,046	5,162	348	586	1,474	182	199	1,386	91	621	214	62

[1] Data on the 2 lines shown for this data differ because of changes in reporting coverage. Figures on the first line are comparable with those shown for the preceding date; figures on the second line are comparable with those shown for the following date.

25. OPEN MARKET RATES

(Per cent per annum)

Month	Canada		United Kingdom				France	Germany, Fed. Rep. of		Netherlands		Switzerland
	Treasury bills, 3 months[1]	Day-to-day money[2]	Prime bank bills, 3 months	Treasury bills, 3 months	Day-to-day money	Clearing banks' deposit rates	Day-to-day money[3]	Treasury bills, 60–90 days[4]	Day-to-day money[5]	Treasury bills, 3 months	Day-to-day money	Private discount rate
1973	5.43	5.27	10.45	9.40	8.27	7.96	8.92	6.40	10.18	4.07	4.94	5.09
1974	7.63	7.69	12.99	11.36	9.85	9.48	12.87	6.06	8.76	6.90	8.21	6.67
1975	7.36	7.34	10.57	10.16	10.13	7.23	7.89	3.51	4.23	4.41	3.65	6.25
1975—July	7.22	7.17	9.86	9.71	7.34	6.25	7.25	3.38	3.98	2.98	1.99	6.50
Aug.	7.72	7.42	10.59	10.43	8.59	6.43	7.16	3.38	1.93	2.89	1.51	6.00
Sept.	8.37	7.74	10.43	10.36	9.40	6.50	6.91	3.38	4.25	2.60	.94	5.50
Oct.	8.28	7.92	11.38	11.42	9.88	6.93	6.53	3.13	3.27	4.22	4.35	5.50
Nov.	8.44	8.29	11.21	11.10	11.34	7.00	6.74	3.13	3.36	4.67	4.19	5.50
Dec.	8.59	8.66	10.88	10.82	9.61	7.00	6.42	3.13	3.84	4.88	4.34	5.50
1976—Jan.	8.59	8.75	9.83	9.87	9.08	5.75	6.38	3.13	3.58	4.52	3.76	5.00
Feb.	8.70	8.74	8.86	8.81	8.42	6.50	7.27	3.13	3.08	2.86	3.05	5.00
Mar.	9.04	9.05	8.66	8.46	6.25	6.50	7.63	3.13	3.62	2.50	2.12	4.78
Apr.	8.97	8.65	9.10	8.97	7.69	6.50	7.56	3.13	2.76	2.96	2.50	4.50
May	8.93	8.96	10.31	10.45	10.16	6.50	7.53	3.13	3.68	3.60	3.98	4.50
June	8.99	9.04	11.05	10.94	10.69	6.50	7.63	3.13	4.23	5.68	4.82	4.50
July	9.02	8.98	.....	10.89	10.88	6.50	8.33	3.13	4.38	.....	.....	4.50

[1] Based on average yield of weekly tenders during month.
[2] Based on weekly averages of daily closing rates.
[3] Rate shown is on private securities.
[4] Rate in effect at end of month.
[5] Monthly averages based on daily quotations.

NOTE.—For description and back data, see "International Finance," Section 15 of *Supplement to Banking and Monetary Statistics*, 1962.

NOTES TO TABLES 19a AND 19b ON PAGES A-70 AND A-71, RESPECTIVELY:

[1] Cayman Islands included beginning Aug. 1973.
[2] Total assets and total liabilities payable in U.S. dollars amounted to $53,545 million and $54,160 million, respectively, on May 31, 1976.

NOTE.—Components may not add to totals due to rounding.

For a given month, total assets may not equal total liabilities because some branches do not adjust the parent's equity in the branch to reflect unrealized paper profits and paper losses caused by changes in exchange rates, which are used to convert foreign currency values into equivalent dollar values.

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26. CENTRAL BANK RATES FOR DISCOUNTS AND ADVANCES TO COMMERCIAL BANKS

(Per cent per annum)

Country	Rate as of July 31, 1976		Country	Rate as of July 31, 1976	
	Per cent	Month effective		Per cent	Month effective
Argentina	18.0	Feb. 1972	Italy	12.0	Mar. 1976
Austria	4.0	June 1976	Japan	6.5	Oct. 1975
Belgium	8.0	July 1976	Mexico	4.5	June 1942
Brazil	28.0	May 1976	Netherlands	5.0	June 1976
Canada	9.5	Mar. 1976	Norway	5.0	Oct. 1975
Denmark	8.5	Mar. 1976	Sweden	6.0	June 1976
France	9.5	July 1976	Switzerland	2.0	June 1976
Germany, Fed. Rep. of	3.5	Sept. 1975	United Kingdom	11.5	May 1976
			Venezuela	5.0	Oct. 1970

NOTE.—Rates shown are mainly those at which the central bank either discounts or makes advances against eligible commercial paper and/or govt. securities for commercial banks or brokers. For countries with more than one rate applicable to such discounts or advances, the rate shown is the one at which it is understood the central bank transacts the largest proportion of its credit operations. Other rates for some of these countries follow:

Argentina—3 and 5 per cent for certain rural and industrial paper, depending on type of transaction;

Brazil—8 per cent for secured paper and 4 per cent for certain agricultural paper;

Japan—Penalty rates (exceeding the basic rate shown) for borrowings from the central bank in excess of an individual bank's quota;

United Kingdom—The bank's minimum lending rate, which is the average rate of discount for Treasury bills established at the most recent tender plus one-half per cent rounded to the nearest one-quarter per cent above;

Venezuela—2 per cent for rediscounts of certain agricultural paper, 4½ per cent for advances against government bonds, and 5½ per cent for rediscounts of certain industrial paper and on advances against promissory notes or securities of first-class Venezuelan companies.

27. FOREIGN EXCHANGE RATES

(In cents per unit of foreign currency)

Period	Australia (dollar)	Austria (schilling)	Belgium (franc)	Canada (dollar)	Denmark (krone)	France (franc)	Germany (deutsche mark)	India (rupee)	Ireland (pound)	Italy (lira)	Japan (yen)
1972	119.23	4.3228	2.2716	100.937	14.384	19.825	31.364	13.246	250.08	.17132	.32995
1973	141.94	5.1649	2.5761	99.977	16.603	22.536	37.758	12.071	245.10	.17192	.36915
1974	143.89	5.3564	2.5713	102.257	16.442	20.805	38.723	12.460	234.03	.15372	.34302
1975	130.77	5.7467	2.7253	98.297	17.437	23.354	40.729	11.926	222.16	.15328	.33705
1975—July	130.95	5.7223	2.7123	97.004	17.477	23.659	40.469	11.777	218.45	.15387	.33741
Aug.	128.15	5.4991	2.6129	96.581	16.783	22.848	38.857	11.379	211.43	.14963	.33560
Sept.	126.87	5.4029	2.5485	97.437	16.445	22.367	38.191	11.281	208.34	.14740	.33345
Oct.	126.26	5.4586	2.5662	97.557	16.601	22.694	38.737	11.244	205.68	.14745	.33076
Nov.	126.26	5.4535	2.5618	98.631	16.564	22.684	38.619	11.238	204.84	.14721	.33053
Dec.	125.38	5.3986	2.5311	98.627	16.253	22.428	38.144	11.134	202.21	.14645	.32715
1976—Jan.	125.65	5.4300	2.5443	99.359	16.231	22.339	38.425	11.178	202.86	.14245	.32826
Feb.	125.85	5.4628	2.5554	100.652	16.278	22.351	39.034	11.186	202.62	.13021	.33157
Mar.	124.79	5.4383	2.5480	101.431	16.273	21.657	39.064	11.157	194.28	.12113	.33276
Apr.	123.72	5.4964	2.5667	101.668	16.553	21.411	39.402	11.123	184.63	.11371	.33433
May	123.37	5.4535	2.5517	102.02	16.487	21.272	39.035	11.080	180.79	.11676	.33444
June	122.75	5.4136	2.5220	102.71	16.314	21.109	38.797	10.980	176.40	.11780	.33424
July	123.59	5.4500	2.5182	102.86	16.225	20.651	38.842	11.205	178.50	.11943	.33940

Period	Malaysia (dollar)	Mexico (peso)	Netherlands (guilder)	New Zealand (dollar)	Norway (krone)	Portugal (escudo)	South Africa (rand)	Spain (peseta)	Sweden (krona)	Switzerland (franc)	United Kingdom (pound)
1972	35.610	8.0000	31.153	119.35	15.180	3.7023	129.43	1.5559	21.022	26.193	250.08
1973	40.988	8.0000	35.977	136.04	17.406	4.1080	143.88	1.7178	22.970	31.700	245.10
1974	41.682	8.0000	37.267	140.02	18.119	3.9506	146.98	1.7337	22.563	33.688	234.03
1975	41.753	8.0000	39.632	121.16	19.180	3.9286	136.47	1.7424	24.141	38.743	222.16
1975—July	41.442	8.0000	39.154	127.73	19.241	3.9227	139.75	1.7446	24.213	38.272	218.45
Aug.	39.779	8.0000	37.887	111.79	18.304	3.7700	139.72	1.7140	23.174	37.332	211.43
Sept.	38.219	8.0000	37.229	105.50	17.834	3.7048	131.40	1.6914	22.501	36.905	208.35
Oct.	38.931	8.0000	37.658	104.74	18.089	3.7359	114.84	1.6883	22.769	37.555	205.68
Nov.	38.929	8.0000	37.638	104.75	18.116	3.7318	114.69	1.6869	22.788	37.683	204.84
Dec.	38.670	8.0000	37.234	103.77	17.988	3.6836	114.75	1.6765	22.685	37.970	202.21
1976—Jan.	38.696	8.0000	37.429	104.06	17.992	3.6562	114.80	1.6751	22.831	38.418	202.86
Feb.	38.998	8.0000	37.529	104.25	18.098	3.6394	114.79	1.5523	22.861	38.912	202.62
Mar.	39.047	8.0000	37.149	102.42	18.022	3.4987	114.83	1.4947	22.702	38.980	194.28
Apr.	39.032	8.0000	37.215	100.19	18.201	3.3759	114.84	1.4864	22.709	39.531	184.63
May	39.079	8.0000	36.811	99.33	18.184	3.3195	114.85	1.4788	22.653	40.205	180.79
June	39.148	8.0000	36.524	98.09	18.020	3.2145	114.94	1.4724	22.475	40.484	176.40
July	39.589	8.0000	36.643	99.05	17.899	3.1810	114.83	1.4685	22.379	40.242	178.50

NOTE.—Averages of certified noon buying rates in New York for cable transfers. For description of rates and back data, see "International Finance," Section 15 of the Board's *Supplement to Banking and Monetary Statistics*, 1962.

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Index to Statistical Tables

References are to pages A-2 through A-75 although the prefix "A" is omitted in this index

ACCEPTANCES, bankers, 9, 25, 27
Agricultural loans of commercial banks, 16, 18
Assets and liabilities (*See also* Foreigners):
  Banks, by classes, 14, 16, 17, 18, 30
  Federal Reserve Banks, 10
  Nonfinancial corporations, current, 41
Automobiles:
  Consumer instalment credit, 45, 46, 47
  Production index, 48, 49

BANK credit proxy, 13
Bankers balances, 16, 17, 20
  (*See also* Foreigners)
Banks for cooperatives, 37
Bonds (*See also* U.S. Govt. securities):
  New issues, 37, 38, 39
  Yields and prices, 28, 29
Branch banks:
  Assets, foreign branches of U.S. banks, 70
  Liabilities of U.S. banks to their foreign branches and foreign branches of U.S. banks, 22, 71
Brokerage balances, 69
Business expenditures on new plant and equipment, 41
Business indexes, 50
Business loans (*See* Commercial and industrial loans)

CAPACITY utilization, 50
Capital accounts:
  Banks, by classes, 14, 17, 22
  Federal Reserve Banks, 10
Central banks, 60, 75
Certificates of deposit, 22
Commercial and industrial loans:
  Commercial banks, 13, 16
  Weekly reporting banks, 18, 23
Commercial banks:
  Assets and liabilities, 13, 14, 16, 17, 18
  Consumer loans held, by type, 45, 46, 47
  Deposits at, for payment of personal loans, 24
  Loans sold outright, 25
  Number, by classes, 14
  Real estate mortgages held, by type of holder and property, 42–44
Commercial paper, 23, 25, 27
Condition statements (*See* Assets and liabilities)
Construction, 50, 51
Consumer instalment credit, 45, 46, 47
Consumer price indexes, 50, 53
Consumption expenditures, 54, 55
Corporations:
  Profits, taxes, and dividends, 41
  Sales, revenue, profits, and dividends of large manufacturing corporations, 40
  Security issues, 38, 39
  Security yields and prices, 28, 29
Cost of living (*See* Consumer price indexes)
Currency and coin, 3, 16
Currency in circulation, 3, 12
Customer credit, stock market, 29, 30

DEBITS to deposit accounts, 11
Debt (*See specific types of debt or securities*)
Demand deposits:
  Adjusted, commercial banks, 11, 13, 17
  Banks, by classes, 14, 17, 20, 21
  Ownership by individuals, partnerships, and corporations, 24
  Subject to reserve requirements, 13
  Turnover, 11
Deposits (*See also specific types of deposits*):
  Accumulated at commercial banks for payment of personal loans, 24
  Banks, by classes, 14, 17, 20, 21, 30
  Federal Reserve Banks, 10, 72
  Subject to reserve requirements, 13
Discount rates at Federal Reserve Banks (*See* Interest rates)
Discounts and advances by Reserve Banks (*See* Loans)
Dividends, corporate, 40, 41

EMPLOYMENT, 50, 52

FARM mortgage loans, 42
Federal agency obligations, 9, 10, 11
Federal finance:
  Receipts and outlays, 32, 33
  Treasury operating balance, 32
Federal funds, 5, 16, 18, 21, 27
Federal home loan banks, 37
Federal Home Loan Mortgage Corporation, 42, 43
Federal Housing Administration, 42, 43, 44, 45
Federal intermediate credit banks, 37
Federal land banks, 37
Federal National Mortgage Assn., 37, 42, 43
Federal Reserve Banks:
  Condition statement, 10
  U.S. Govt. securities held, 2, 10, 11, 34, 35
Federal Reserve credit, 2, 4, 10, 11
Federal Reserve notes, 10
Federally sponsored credit agencies, 37
Finance companies:
  Loans, 18, 45, 46, 47
  Paper, 25, 27
Financial institutions, loans to, 16, 18
Float, 2
Flow of funds, 56, 57
Foreign:
  Currency operations, 10
  Deposits in U.S. banks, 3, 10, 17, 21, 72
  Exchange rates, 75
  Trade, 59
Foreigners:
  Claims on, 66, 67, 68, 72, 73, 74
  Liabilities to, 22, 61, 62, 64, 65, 72, 73, 74

GOLD:
  Certificates, 10
  Reserves of central banks and govts., 60
  Stock, 2, 59
Government National Mortgage Assn., 42
Gross national product, 54, 55

HOUSING permits, 50
Housing starts, 51

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References are to pages A-2 through A-75 although the prefix "A" is omitted in this index

INCOME, national and personal, 54, 55
Industrial production index, 48, 49, 50
Instalment loans, 45, 46, 47
Insurance companies, 31, 34, 35, 42, 44
Insured commercial banks, 14, 16, 17, 24
Interbank deposits, 14, 20
Interest rates:
  Bond and stock yields, 28
  Business loans of banks, 26
  Federal Reserve Banks, 6
  Foreign countries, 74, 75
  Money market rates, 27
  Mortgage yields, 43, 45
  Prime rate, commercial banks, 26
  Time and savings deposits, maximum rates, 8
International capital transactions of U.S., 61–74
International institutions, 60–64, 66, 67–69, 73
Inventories, 54
Investment companies, issues and assets, 39
Investments (*See also specific types of investments*):
  Banks, by classes, 14, 16, 19, 30
  Commercial banks, 13
  Federal Reserve Banks, 10, 11
  Life insurance companies, 31
  Savings and loan assns., 31

LABOR force, 52
Life insurance companies (*See* Insurance companies)
Loans (*See also specific types of loans*):
  Banks, by classes, 14, 16, 18, 30
  Commercial banks, 13, 14, 16, 18, 23, 25, 26
  Federal Reserve Banks, 2, 4, 6, 10, 11
  Insurance companies, 31, 44
  Insured or guaranteed by U.S., 42, 43, 44, 45
  Savings and loan assns., 31

MANUFACTURERS:
  Capacity utilization, 50
  Production index, 49, 50
Margin requirements, 8
Member banks:
  Assets and liabilities, by classes, 14, 16, 17
  Borrowings at Federal Reserve Banks, 4, 10
  Number, by classes, 14
  Reserve position, basic, 5
  Reserve requirements, 7
  Reserves and related items, 2, 4, 13
Mining, production index, 49
Mobile home shipments, 51
Money market rates (*See* Interest rates)
Money stock and related data, 12
Mortgages (*See* Real estate loans and Residential mortgage loans)
Mutual funds (*See* Investment companies)
Mutual savings banks, 20, 30, 34, 42, 44

NATIONAL banks, 14, 24
National defense expenditures, 33
National income, 54, 55
Nonmember banks, 15, 16, 17, 24

OPEN market transactions, 9

PAYROLLS, manufacturing index, 50
Personal income, 55
Prices:
  Consumer and wholesale commodity, 50, 53
  Security, 29
Prime rate, commercial banks, 26
Production, 48, 49, 50
Profits, corporate, 40, 41

REAL estate loans:
  Banks, by classes, 16, 18, 30, 42
  Mortgage yields, 43, 45
  Type of holder and property mortgaged, 42–44
Reserve position, basic, member banks, 5
Reserve requirements, member banks, 7
Reserves:
  Central banks and govts., 60
  Commercial banks, 17, 20, 22
  Federal Reserve Banks, 10
  Member banks, 3, 4, 13, 17
  U.S. reserve assets, 59
Residential mortgage loans, 43, 44, 45
Retail credit, 46, 47
Retail sales, 50

SALES, revenue, profits, and dividends of large manufacturing corporations, 40
Saving:
  Flow of funds series, 56, 57
  National income series, 54, 55
Savings and loan assns., 31, 35, 42, 44
Savings deposits (*See* Time deposits)
Savings institutions, principal assets, 30, 31
Securities (*See also* U.S. Govt. securities):
  Federally sponsored agencies, 37
  International transactions, 68, 69
  New issues, 37, 38, 39
  Yields and prices, 28, 29
Special Drawing Rights, 2, 10, 58, 59
State and local govts.:
  Deposits, 17, 20
  Holdings of U.S. Govt. securities, 34, 35
  New security issues, 37, 38
  Ownership of securities of, 16, 19, 30
  Yields and prices of securities, 28, 29
State member banks, 15, 24
Stock market credit, 29, 30
Stocks (*See also* Securities):
  New issues, 38, 39
  Yields and prices, 28, 29

TAX receipts, Federal, 33
Time deposits, 8, 13, 14, 17, 21, 22
Treasury currency, Treasury cash, 2, 3
Treasury deposits, 3, 10, 32
Treasury operating balance, 32

UNEMPLOYMENT, 52
U.S. balance of payments, 58
U.S. Govt. balances:
  Commercial bank holdings, 17, 20
  Member bank holdings, 13
  Treasury deposits at Reserve Banks, 3, 10, 32
U.S. Govt. securities:
  Bank holdings, 14, 16, 19, 30, 34, 35
  Dealer transactions, positions, and financing, 36
  Federal Reserve Bank holdings, 2, 10, 11, 34, 35
  Foreign and international holdings, 10, 66, 68, 72
  International transactions, 66, 68
  New issues, gross proceeds, 38
  Open market transactions, 9
  Outstanding, by type of security, 34, 35
  Ownership, 34, 35
  Yields and prices, 28, 29
Utilities, production index, 49

VETERANS Administration, 43, 44

WEEKLY reporting banks, 18–22

YIELDS (*See* Interest rates)

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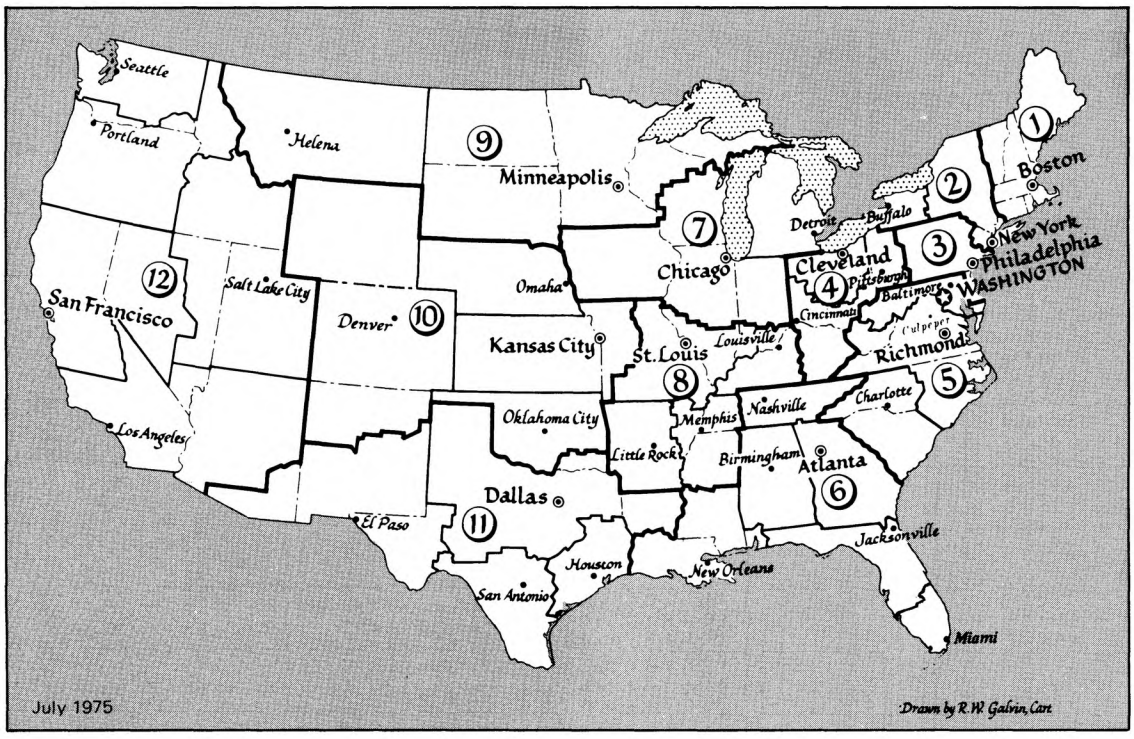
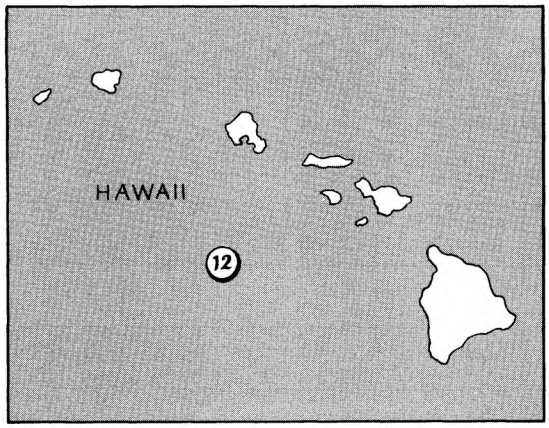
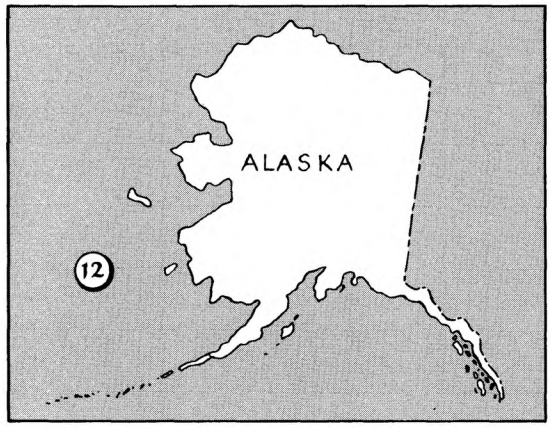
The Federal Reserve System

Boundaries of Federal Reserve Districts and Their Branch Territories







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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

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