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**Statement by**

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**Member  
Board of Governors of the  
Federal Reserve System**

**before the**

**Subcommittee on International Exchange and Payments**

**of the**

**Joint Economic Committee**

**June 16, 1971**

Mr. Chairman and Members of the Subcommittee, I appreciate this opportunity to respond, on behalf of the Federal Reserve Board, to the invitation to report on the Voluntary Foreign Credit Restraint Program. It has been almost two and a half years since I last appeared before this Subcommittee to perform the same assignment.

The Subcommittee asked that I review the positive and negative impacts of the Voluntary Foreign Credit Restraint Program -- or the VFCR as it is generally known -- on the U.S. balance of payments and to discuss the need to maintain this program in the light of prospective balance of payments developments. It also asked for whatever information the Board might have on the activities of U.S. commercial banks in moving large amounts of short-term funds internationally in late April and early May of this year. In general, the Subcommittee wanted to know what role U.S. commercial banks played in the capital flows that apparently led German authorities to allow the exchange rate of the Deutsche mark to float. I will deal with these two topics in that order.

#### The Voluntary Foreign Credit Restraint Program

The Voluntary Foreign Credit Restraint Program is essentially a request that U.S. financial institutions restrain their capital outflow by limiting loans to foreigners and the acquisition of investments abroad. The VFCR is part of a Government-wide effort to strengthen the U.S. balance of payments, and it has been in effect since March, 1965. The central feature of the program is a set of

Guidelines issued to U.S. banks and nonbank financial institutions by the Federal Reserve Board. At the beginning of 1968, the Board received by Executive Order authority to make the program mandatory. However, the banks and other financial institutions have generally responded well to the Board's request for their cooperation, and the Board has chosen to keep the program on a voluntary basis.

The program is one of three sets of restraints on U.S. capital outflow. The other two are: the Interest Equalization Tax (applying to purchases by Americans of foreign stock, bonds, and other equity and debt securities); and the Foreign Direct Investment Program (regulating funds supplied by U.S. corporations to their overseas affiliates). I will not discuss the latter two programs. But I must stress that the VFCD is interrelated with both of these programs, and any assessment of the effects of the VFCD must take into account these relationships.

Each bank and each nonbank financial institution is asked to keep its loans to foreigners and its other investments abroad within limits. Each institution, in making loans and investments under these ceilings, is to give priority to credits that finance U.S. exports and that meet the financing needs of developing countries.

In addition to observing the overall ceilings, the institutions are asked to observe additional restraints on capital outflow to the developed countries of continental Western Europe and

lesser restraints on outflows to developing countries. Exemptions are provided for outflow to Canada and for export credit related to Eximbank financing.

Changes have been made in the program from time to time, but its principal features are today the same as when it was established in early 1965. For the Subcommittee's information, I submit a fuller description of the program in an appendix to my statement.

#### Effect of the VFCR Program on the U.S. Balance of Payments

There is a substantial body of statistical and other information on which we can draw to ascertain the possible positive and negative impacts of the VFCR on the balance of payments. However, it must be understood that it is impossible to do an exacting assessment because of data deficiencies and analytical problems.

With these limitations in mind, we can focus initially on trends in assets subject to restraint. On December 31, 1964, the base date for calculating the Guideline ceilings, total foreign assets held by banks were almost the same as they were on the most recent reporting date: \$9,495 million at the end of 1964 for 154 banks, compared to \$9,536 million on April 30, 1971, for 169 banks (see Table 1). As shown by year-end data, foreign assets subject to VFCR ceilings have fluctuated within a narrow range throughout the period of the program.

The rather stable level of assets subject to the restraints contrasts markedly with the rapid increase in bank-reported holdings of foreign assets in the years immediately preceding the program. In the period 1961-63, U.S. bank claims on foreigners rose from \$6.9 billion to \$9.0 billion, a gain of about \$1 billion each year. This was a period during which interest rates were comparatively low in the United States. In 1964, the level jumped by another \$2.4 billion, partly reflecting the fact that the IET had just been imposed but did not yet cover bank lending. Once the VFCR was instituted in the early part of 1965, the rapid rise ceased, and -- apart from short-run fluctuations -- has not resumed.

The observed trends should not obscure the varying influence of a restrictive U.S. monetary policy on U.S. bank foreign lending. For example, in 1966, aggregate VFCR ceilings were raised, but monetary policy became restrictive. Bank foreign assets declined, and banks at the end of the year had large VFCR lending leeway. In 1967, monetary policy eased, and banks increased their foreign assets. During 1968, the impact of monetary policy varied greatly. However, at the beginning of 1968, there was a tightening of the VFCR and the Department of Commerce Foreign Direct Investment Program. By the end of the year, banks had reduced their foreign assets more than requested under the VFCR. The reduction was probably attributable both to the restraint program and to monetary policy changes. In 1969 and 1970,

there were increases in foreign assets subject to restraint. The VFCR ceilings were increased twice during 1969, but a continued restrictive monetary policy and high domestic demand for money in 1969 held down the outflow of bank funds. As monetary policy eased in 1970, there was a large change in the banking sector of the U.S. capital account, banks repaid a large part of their borrowings, but they did not increase their claims on foreigners.

#### Further Impact of the VFCR on Capital Flows

One can also get an indirect indication of the possible effect of the VFCR by tracing the behavior of the banks' foreign lending compared to their total lending. Claims on foreigners by U.S. banks would have been about \$16.6 billion at the end of 1970 -- instead of \$13.8 billion -- if they had grown at the same rate as total domestic loans and investments of Reserve City member banks. Moreover, the projected end-of-1970 level probably would have been even higher if we take account of the relatively greater emphasis of U.S. banks on foreign markets. That emphasis has been reflected in part in the rapid establishment of U.S. bank branches and subsidiaries overseas.

The VFCR program has been especially helpful in restraining bank lending to residents of the developed countries of continental Western Europe. Special VFCR restraints apply to these countries:

Non-export term loans are not to be made at all, and short-term non-export credits are to be kept to within 75 per cent of their end-of-1967 level. Non-export term loans outstanding to these Western European countries when the subsidiary restraint was introduced in late 1967 have by now been repaid, and no new ones have been granted over the past 3-1/2 years. Short-term non-export credits to these countries have been sharply restrained by the subceiling at a level of about one-half billion dollars.

#### The VFCR Program and Export Financing

As Members of this Subcommittee know, there has been considerable discussion of the treatment of export credits under the VFCR bank program. Consequently, it might be helpful to focus on the issue at this point. First, the provisions on export credits are of a lesser degree of restraint; in fact, there are virtual exemptions in some cases. Second, the possible impact of the program on exports, as well as on export financing, is an essential element of the evaluation of the balance of payments effects of the program.

In the fall of last year, the Board, with the assistance of the Department of Commerce and the Federal Reserve Banks, conducted a survey of commercial banks and of exporters to determine the possible effects in 1970 of the VFCR on exports and export financing. The survey obtained replies from banks accounting for

over nine-tenths of bank foreign lending. The replies were checked in every possible case against the reports of exporters identified by the banks, and another sampling was taken of exporters across the country. The survey indicated that there was no significant loss of exports as the result of the VFQR. In virtually every instance, U.S. exporters were able to obtain adequate financing for their shipments -- if not through financing from one U.S. bank, then from another, or from sources abroad.

I submit a copy of the report of the survey for the Subcommittee's record.

Earlier, I noted that all banks, as well as all nonbank financial institutions, were asked, in using their ceilings, to give priority to credits that would finance U.S. exports. This priority was established to ensure credit where it is essential to make export sales.

Inquiries were made late last year of banks reporting under the VFQR program, and the Board's staff produced a study which shows how this request for priority treatment has been carried out. The study, the staff noted, is necessarily qualified, since there are limitations on the ability to separate export credit to foreigners from other credit to foreigners and since there are other data problems.

However, it appeared that 16 per cent of banks' holdings of foreign loans subject to the VFQR ceilings are made up of export

credits. The export credit figure is 22 per cent if we take both export credits subject to the VFCR ceilings and export credits that are exempt from the ceilings by reason of falling within the exemption that applies to Eximbank-related and Department of Defense-related commercial bank credit. The positions of individual banks vary greatly from these averages. In some cases, banks have no export credits among their loans to foreigners; in other cases, the overwhelming majority of their foreign assets are made up of export credits.

For the Subcommittee's information, I submit also a copy of the staff study to which I have referred.

With regard to export credits exempted because they are Eximbank-related, a category which I have mentioned, there has been a notable growth, particularly over the last year or so.

From its earliest days, the program has exempted commercial bank loans to foreigners that have been paralleled by direct credits of the Eximbank, or that have been guaranteed by Eximbank, or that have been insured by Eximbank's affiliate -- the Foreign Credit Insurance Association (FCIA). Largely as a result of recent growth in Eximbank activities, commercial bank export credits exempted from the VFCR ceilings have almost doubled since the end of 1969 and now amount to \$870 million.

Since early 1968, when Canada was exempted from all U.S. balance of payments programs, there has been a modest increase in

the outflow of U.S. bank credit to Canada. One factor tending to limit growth is the relatively low level at present of borrowing costs in Canada compared with those in this country. Another is the action taken by Canadian authorities to prevent Americans from funneling money through Canada to other foreign areas.

The VFCR program has stimulated -- and some might say "caused" -- an important expansion of U.S. banking activity abroad, including the creation and expansion of branches and subsidiaries of U.S. banks. A foreign branch, without adverse impact on the U.S. balance of payments and therefore without restraint from the Guidelines, can lend abroad with funds obtained abroad. Consequently, many banks have established or expanded their facilities overseas. This expansion has been concentrated in the principal financial centers such as London, but it has also occurred in some non-traditional centers -- such as Nassau -- as well.

It is hard to estimate the full effect, either short-run or long-run, of this development of the U.S. banking system. However, it is clear that the ability of banks to meet the needs of their customers for financial assistance abroad -- without restraint from the Guidelines -- has been substantially ensured.

#### The VFCR Nonbank Program

I will not endeavor in this statement to discuss the implication for our balance of payments of the nonbank portion of the VFCR program, since the bulk of the foreign assets held by

nonbank financial institutions, being Canadian and international institution securities, is exempt from the restraints. However, I am submitting information on the nonbank portion of the program in the appendix to my statement.

#### The Program's Contribution to the Balance of Payments

From a review of our experience since early 1965, when the VFCR program was established, we can see that the restraints have been most effective when monetary conditions in the United States have eased. Understandably, following any easing relative to conditions abroad, U.S. financial institutions reassert their interest in placing funds abroad and, conversely, prospective foreign borrowers are attracted by declines of U.S. interest rates and an easing of other credit terms and conditions.

The program has kept an overall limit on capital outflow through these institutions, with leeway expanding and contracting as monetary conditions here and abroad have changed. U.S. credit has been restrained most with regard to foreign countries which are best able to rely on non-U.S. financial resources, principally the developed countries of continental Western Europe. Institutions have been asked throughout the period to give priority to export credit, and export sales have not been lost because of the partial inclusion of export credit in the program.

Banks have made adjustments compatible with the restraint program so that they can continue to service their customers abroad, particularly the foreign affiliates of American corporations. These adjustments have taken the form largely of new, or expanded, foreign bank branches and the use by those branches of Eurodollars.

Possible Offsetting "Leakages"

An evaluation of the effectiveness of the VFCR on checking capital outflow must take account, not only of the direct restraining force, but of any negative indirect effects. A gain reflected in one balance of payments account might be offset -- partially, wholly, or even more than wholly -- by a cost reflected in another balance of payments account. In our judgment, there have been no substantial offsetting losses -- or "leakages," as they are sometimes known.

The area we have looked at most carefully has been that of exports. As I have already said, we have carried out extensive investigations to see whether, and, if so, to what extent, there was evidence to substantiate the apprehension and allegation that the restraint on export credit has led to a loss of exports. We found abundant evidence to the contrary. Responses from banks and exporters showed that the VFCR has not caused any significant loss of U.S. exports.

Examination of this and other areas in our international accounts which might reflect offsets to the direct contributions of

the VFCR to the balance of payments indicates that these offsets have not been of significant size compared to the balance of payments savings.

Role of U.S. Commercial Banks in Recent Short-Term Capital Flows

I would now like to turn to the Subcommittee's question regarding the role of U.S. banks in the international movements of short-term funds during the latter part of April and the first week of May. We have two sets of information on which we can draw: the first source is reports received from banks covered by the VFCR, and the second source is information that can be derived from statistical reports submitted weekly by some banks.

With respect to the VFCR data, the information regularly collected is available through April (Table 1). To obtain data for May, we have prepared a special tabulation covering the 49 largest banks under the program. These data show that in April these reporting banks increased their foreign assets covered by the VFCR by \$125 million, of which \$26 million was for export term loans. At the end of April, total foreign assets subject to the VFCR for all banks were about as large as they were at the beginning of the year.

Our special tabulation for May showed that the 49 largest banks increased their foreign assets by about \$500 million. The reports showed that only six banks had increases of more than \$10 million; most banks had little activity, and 16 reduced their

foreign assets. In addition, these banks reported an increase of \$70 million in foreign claims held for account of their customers -- which would include collections on exports -- and this too was largely accounted for by a few banks.

The data on foreign assets of banks derived from weekly statistical reports are shown in Table 2. These data reflect a sharp increase in certain foreign assets in the week of May 12, the statement week during which the results of transactions undertaken at the height of market activity would appear in the reports. The increases were as follows (millions of dollars):

Balances with foreign banks	165
Loans to foreign commercial banks	331
Foreign commercial and industrial loans	201
Loans to foreign governments and official institutions	<u>41</u>
	738

There were a number of factors which led to this unusually large rise in foreign assets. Probably most important was the use by foreign banks and other borrowers of the credit lines that had been established with U.S. banks in earlier periods. Drawings on these credit lines may have represented a hedge by the foreign borrowers against exchange rate changes, but since the loans are primarily in dollars they do not represent foreign exchange activity for the U.S. banks involved. The increase in balances held with foreign banks was also unusually large, although it was substantially reversed in the following week. In this case, banks may

have been acting both on their own account and in order to be in a position to meet the demands of their customers.

I believe these data help to delineate the role of the banks in the large international capital flows that occurred in late April and early May. However, this is only a limited part of the total flow of capital in that period. While we cannot measure this flow directly, it was evidently large. This conclusion is clearly suggested by changes in reserve assets of major foreign countries. These reserves -- as recorded -- increased by about \$1-1/4 billion in April and by some \$4 billion in May -- mainly in the early part of the month.

Although we have tried to put together the data most relevant to your questions, I must emphasize that it will still be some time before we have available the full set of statistical reports with which we can measure all the types of capital flows that enter the balance of payments.

#### Concluding Comment

I would like to conclude by emphasizing again the role of the VFCR and the other restraints on capital outflows under present circumstances. Over the last few months, banks have consumed much of the leeway that they have had under their ceilings, so that the restraints have pressed increasingly on bank outflow of funds. The largest banks, in particular, are just about at their General Ceilings. There is every reason to expect that a significant relaxation or a removal of the Guideline restraints at this time would be followed by a substantial outpouring of funds from the United States.

Table 1

<u>Voluntary Foreign Credit Restraints</u>	<u>Foreign Assets of United States Banks</u> (dollar amounts in millions)										June 3, 1971
	<u>1964</u> <u>Dec.</u>	<u>1965</u> <u>Dec.</u>	<u>1966</u> <u>Dec.</u>	<u>1967</u> <u>Dec.</u>	<u>1968</u> <u>Dec.</u>	<u>1969</u> <u>Dec.</u>	<u>1970</u> <u>Dec.</u> <sup>r</sup>	<u>1971</u> <u>Jan.</u> <sup>r</sup>	<u>1971</u> <u>Feb.</u> <sup>r</sup>	<u>1971</u> <u>Mar.</u> <sup>r</sup>	<u>1971</u> <u>Apr.</u>
Number of reporting banks	154	161	148	151	161	169	171	165	165	169	169
<hr/>											
General Ceiling <u>1/</u>											
Aggregate ceiling	--	9,973	10,407	11,069	9,729	10,092	9,968	9,947	9,914	9,908	9,905
Assets under ceiling <u>2/</u>	9,495	9,652	9,496	9,865	9,253	9,398	9,353	9,069	9,073	9,174	9,262
Change from previous date	--	+157	-156	+369	-612	+145	-45	-284	+4	+101	+88
Apparent leeway	--	321	911	1,204	476	694	615	878	841	734	643
<hr/>											
Export Term-Loan Ceiling <u>3/</u>											
Aggregate ceiling	--	--	--	--	--	1,264	1,423	1,431	1,425	1,442	1,442
Assets under ceiling <u>4/</u>	--	--	--	--	--	16	190	210	218	248	274
Change from previous date	--	--	--	--	--	--	+174	+20	+8	+30	+26
Apparent leeway	--	--	--	--	--	1,248	1,234	1,221	1,206	1,194	1,168
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Total General and Export Term-Loan Ceilings											
Aggregate ceilings	--	9,973	10,407	11,069	9,729	11,356	11,391	11,378	11,339	11,350	11,347
Assets under ceilings	9,495	9,652	9,496	9,865	9,253	9,414	9,543	9,288	9,291	9,422	9,536
Change from previous date	--	+157	-156	+369	-612	+161	+129	-255	+3	+131	+114
Apparent leeway	--	321	911	1,204	476	1,942	1,942	1,849	2,099	1,928	1,811
<hr/>											
Total Foreign Assets Held for Own Account <u>5/</u>	9,719	9,958	9,844	10,202	9,844	10,158	10,614	10,262	10,285	10,509	10,634
Change from previous date	--	+239	-114	+358	-358	+314	+456	-352	+23	+224	+125

1/ Prior to December 1969, "Target Ceiling".

2/ Total foreign assets reported on Treasury Foreign Exchange Forms B-2 and B-3: minus (1) amounts held for accounts of customers, (2) loans guaranteed or participated in by the Export-Import Bank, guaranteed by the Department of Defense, or insured by the FCIA, (3) beginning March 1968, changes after February 29, 1968, in claims on residents of Canada held for own account, and (4) export term loans (maturity over one year) placed on banks' books after November 30, 1969, plus foreign assets held for own account but not reported on Forms B-2 and B-3.

3/ 0.5 per cent of reporting banks' total assets as of December 31, 1968.

4/ See point (4) of footnote 2.

5/ Total foreign assets reported on Treasury Foreign Exchange Forms B-2 and B-3, plus foreign assets held for own account not reported on those forms, minus amounts held for account of customers.

Note: Data are for end of months listed.

Table 2

SELECTED FOREIGN ASSETS OF U.S. BANKS REPORTED WEEKLY  
(millions of dollars)

		March					April				May				June
		3	10	17	24	31	7	14	21	28	5	12	19	26	2
A. Loans to foreign commercial banks	(Amt.)	1504	1507	1450	1395	1338	1451	1474	1412	1488	1384	1715	1861	1866	1750
	(Chg.)		+3	-57	-55	-57	+113	+23	-62	+76	-104	+331	+146	+5	-116
	Foreign commercial and industrial loans	(Amt.)	2420	2462	2517	2525	2475	2487	2464	2535	2480	2681	2665	2703	2826
		(Chg.)		+42	+55	+8	-74	+12	-23	+71	-55	+201	-16	+38	+123
	Balances with foreign banks	(Amt.)	381	464	476	508	531	546	539	585	535	700	563	544	601
Total	(Chg.)		+83	+12	+32	-78	+101	+15	-7	+46	-50	+165	-137	-19	+57
	(Amt.)	4305	4433	4443	4428	4317	4457	4507	4415	4608	4399	5096	5089	5113	5177
	(Chg.)		+128	10	-15	-111	140	50	-92	193	-209	697	-7	24	64
B. Loans to foreign governments and official institutions	(Amt.)	760	762	757	789	783	770	802	786	805	767	808	800	814	836
	(Chg.)		+2	-5	+32	-6	-13	+32	-16	+19	-38	+41	-8	+14	+22
TOTAL	(Amt.)	5065	5195	5200	5217	5100	5227	5309	5201	5413	5166	5904	5889	5927	6013
	(Chg.)		+130	+5	+17	-117	+127	+82	-108	+212	-247	+738	-15	+38	+86

Source: Loans to and balances with foreign banks and loans to foreign governments and official institutions are Weekly Condition Report data; foreign commercial and industrial loans are from weekly (Federal Reserve) Commercial and Industrial Loans series; data for May 26 and June 2 are preliminary.

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## OPERATION OF THE VOLUNTARY FOREIGN CREDIT RESTRAINT PROGRAM

The Guidelines for the Federal Reserve Voluntary Foreign Credit Restraint Program are divided into provisions for U.S. banks and for U.S. nonbank financial institutions.

### Commercial Bank Program

Each reporting bank has a General Ceiling and an Export Term-Loan Ceiling. Each bank is also to observe several additional restraints, including a prohibition on loans to Western Europe of over one year maturity (except to finance exports) and a limitation on deposits or other short-term investments abroad for its own account. Priority is to be given to loans to finance U.S. exports and which meet the needs of developing countries. The Guidelines exempt loans and investments in Canada or loans which are related to Eximbank programs and several other specific categories of foreign assets.

The principal features of the program are today the same as they were when the program was established in early 1965. Frequent changes, however, have been made in the level of ceilings -- a few intensifications and more relaxations. Some changes have been made to mitigate apparent inequities resulting from an initial freezing of the relative lending positions among banks. Canada was exempted from the program in early 1968, and Canadian authorities simultaneously acted to insure that the exemption would not create a pass-through for

U.S. funds to other areas of the world. The most recent change of major importance was the creation of a separate Export-Term Loan Ceiling for each bank at the end of 1969. This ceiling provided added leeway for loans of over one year maturity granted to finance exports of U.S. goods and the performance of U.S. services abroad.

All banks in the United States are asked to observe the VFCR Guidelines. However, reports are asked only from banks which have \$500,000 or more in foreign assets. Currently about 170 banks report monthly (out of almost 14,000 banks in this country). Moreover, 18 of the reporting banks account for about four-fifths of the bank lending and investment subject to the restraints.

The banks' aggregate ceilings amount to \$11.3 billion at the end of April; \$9.9 billion represented the General Ceiling, and \$1.4 billion represented the Export Term-Loan Ceiling. Also, at the end of April, there were \$9.6 billion of loans outstanding under the combined ceilings; \$9.3 billion were under the General Ceiling, and \$274 million were under the Export Term-Loan Ceiling.

The VFCR restraints apply to loans and investments for the account of the banks. However, banks are requested to discourage customers from engaging in certain transactions that would be inconsistent with the objectives of the VFCR or of the other capital restraint programs.

### Nonbank Financial Institutions Program

The nonbank part of the program applies to several kinds of specified financial institutions, including insurance companies, mutual funds, endowment funds, trust departments of banks, and finance companies. Foreign assets held by these institutions are larger than the foreign assets held by banks. However, only a minor fraction of these foreign assets is subject to restraints, since the principal investments -- Canadian bonds and long-term securities of international institutions -- are exempt. At the end of last year, the 336 reporting nonbank institutions had over \$15 billion in total foreign assets, \$1-1/2 billion being subject to restraint.

Generally speaking, the Guidelines for the nonbank institutions call for restraints similar to those applying to banks. However, these restraints are more extensively differentiated by type of foreign asset because of the more varied nature of the nonbank institutions and of their activities.

Several changes have been made in the program since its inception in 1965. In addition to the exemption of Canada in 1968 (and aside from both increases and decreases in ceilings), certain categories of foreign assets have been exempted from the nonbank Guideline restraints. The last change of major importance was made in late 1969 when an exemption for long-term investment in Japan was terminated. Since then, restraints have applied equally to such investments in Japan and in other developed countries.

Data in the attached table indicate the trend of holdings of foreign assets by nonbank financial institutions since the beginning of the program. These data show that the VFCR nonbank program has restrained the amount of assets subject to the VFCR Guidelines held by nonbank financial institutions. On the other hand, there has been a steady growth in the total -- and in the uncovered portion -- of foreign assets held by nonbank financial institutions. This increase has centered primarily on credits to Canada and the developing countries.

The nonbank part of the program is also of special importance in buttressing the Department of Commerce Foreign Direct Investment Program (FDIP). For example, a U.S. direct investor might wish to transfer funds to a subsidiary in a less developed country, but might find he had no leeway under the FDIP. If it were not for the VFCR nonbank program, he could arrange for a U.S. nonbank financial institution, such as an insurance company, to make a loan to his foreign subsidiary. However, under the consultative process required by the VFCR nonbank program, nonbank financial institutions are requested not to provide financing that would cause the Commerce Department program to be evaded.

Attachment: Foreign Assets of U.S. Nonbank Financial Institutions

Appendix Table  
Foreign Assets of U.S. Nonbank Financial Institutions  
(dollars in millions)

	Number of Reporting <u>Institutions</u>	<u>Covered</u> <u>Liquid</u>	<u>Assets</u> <sup>1/</sup> <u>Other</u>	<u>Noncovered</u> <u>Assets</u> <sup>1/</sup>	<u>Total</u>
1965 Guidelines					
Dec. 1964	584	511	1,234	10,441	12,186
Dec. 1965	571	276	1,266	11,365	12,907
1966 Guidelines					
Dec. 1965	571	268	2,912	9,941	13,121
Sept. 1966	571	208	2,653	10,188	13,049
1967 Guidelines					
Dec. 1965	572	265	2,239	10,609	13,114
Sept. 1966	572	208	1,850	11,016	13,074
Dec. 1966	572	194	1,757	11,153	13,105
1968 Guidelines <sup>2/</sup>					
Dec. 1966	352	189	1,695	10,770	12,654
Dec. 1967	352	185	1,719	11,659	13,563
1968 Rev. Guidelines					
Dec. 1967	346	51	1,631	11,885	13,567
Dec. 1968	346	16	1,427	12,517	13,959
1969 Guidelines					
Dec. 1968	336	14	1,416	12,508	13,939
Dec. 1969	336	15	1,241	13,563	14,820
1970 Guidelines					
Dec. 1969	336	25	1,702	13,086	14,813
Dec. 1970	336	35	1,478	13,749	15,262

<sup>1/</sup> See table A-4 for shifts in covered/noncovered status of reportable assets.

<sup>2/</sup> Reporting requirements changed from \$500,000 or more in total foreign assets to: (a) \$500,000 or more of covered foreign assets or, (b) \$5,000,000 or more of total foreign assets.