

FEDERAL RESERVE BULLETIN



FEBRUARY 1968

BOARD OF GOVERNORS □ THE FEDERAL RESERVE SYSTEM □ WASHINGTON, D.C.

A copy of the Federal Reserve Bulletin is sent to each member bank without charge; member banks desiring additional copies may secure them at a special \$2.00 annual rate. The regular subscription price in the United States and its possessions, Bolivia, Canada, Chile, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, Guatemala, Haiti, Republic of Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, El Salvador, Uruguay, and Venezuela is \$6.00 per annum or 60 cents per copy; elsewhere, \$7.00 per annum or 70 cents per copy. Group subscriptions in the United States for 10 or more copies to one address, 50 cents per copy per month, or \$5.00 for 12 months. *The Bulletin may be obtained from the Division of Administrative Services, Board of Governors of the Federal Reserve System, Washington, D. C. 20551, and remittance should be made payable to the order of the Board of Governors of the Federal Reserve System in a form collectible at par in U.S. currency. (Stamps and coupons not accepted)*

FEDERAL RESERVE BULLETIN

NUMBER 2 □ VOLUME 54 □ FEBRUARY 1968

CONTENTS

- 101 Recent Credit and Monetary Developments
- 113 Staff Economic Studies: Summary
- 115 The Price of Gold is not the Problem
- 122 Statements to Congress
- 137 Directors of Federal Reserve Banks and Branches
- 151 Record of Policy Actions of the Federal Open Market Committee
- 167 Law Department
- 242 Announcements
- 243 National Summary of Business Conditions
- Financial and Business Statistics
 - A- 1 Contents
 - A- 3 Guide to Tabular Presentation
 - A- 4 U.S. Statistics
 - A-66 International Statistics
- A-92 Board of Governors and Staff
- A-93 Open Market Committee and Staff; Federal Advisory Council
- A-94 Federal Reserve Banks and Branches
- A-95 Federal Reserve Board Publications
- A-98 Index to Statistical Tables

Map of Federal Reserve System on Inside Back Cover

EDITORIAL COMMITTEE

Charles Molony
Daniel H. Brill
Robert C. Holland
Robert Solomon
Albert R. Koch
Elizabeth B. Sette

The Federal Reserve BULLETIN is issued monthly under the direction of the staff editorial committee. This committee is responsible for opinions expressed except in official statements and signed articles.

Recent Credit and Monetary Developments

BANK CREDIT expanded rapidly in 1967, although the rate of growth slowed in the latter part of the year. Banks made strong efforts to restore their liquidity positions during the year, and more than half of the rise in bank credit took the form of security acquisitions. The public became more willing to hold bank deposits—both demand and time—as interest rates on short-term market instruments remained below their peak levels of 1966, and as consumer saving was exceptionally large relative to income.

Demands for bank credit and bank deposits were accommodated by a rapid expansion—during most of the year—in reserves made available to banks through Federal Reserve open market operations or released by reductions in reserve requirements. In late 1967, however, the stance of monetary policy became less expansionary, as an acceleration in economic activity was accompanied by marked increases in price and cost pressures. In light of these developments, as well as the devaluation of the pound and the further deterioration in the U.S. balance of payments position, the Federal Reserve raised the discount rate back to 4½ per cent in November, and in December it announced an increase of half a percentage point in reserve requirements on demand deposits in excess of \$5 million, effective in mid-January 1968.

Short-term market rates of interest, which had begun to rise in the early summer, rose further in late fall and early winter, although recently falling off from peak rates reached around year-

end. But with market interest rates on balance relatively attractive, inflows of time and savings deposits at banks and of savings accounts at nonbank savings institutions slowed in the last part of 1967 and in early 1968.

Long-term interest rates reached peak levels during the fall of 1967. In most cases these levels were well above the highs reached in the summer of 1966. Offerings of corporate bonds surged as businesses borrowed heavily in the capital markets in an effort to restructure financial positions and to protect themselves against possible future credit stringency. Borrowing by State and local governments also remained large. Moreover, in the second half of 1967, the Federal Government, in order to meet its exceptionally large cash needs, marketed an unusually large volume of new securities. During early 1968 most long-term market interest rates declined somewhat, as market expectations improved and as private security offerings moderated from the heavy volume of the summer and fall of 1967.

FEDERAL RESERVE POLICY

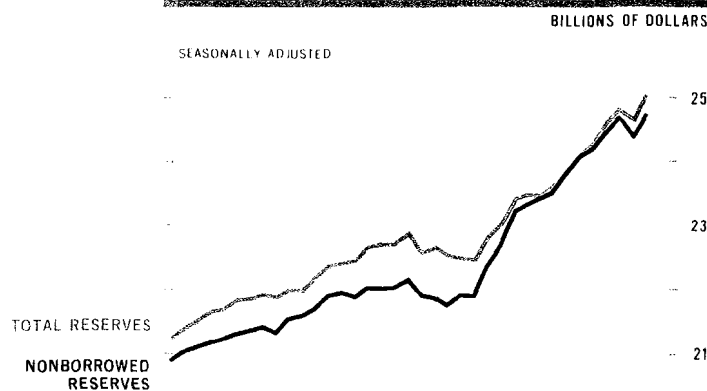
In the early months of 1967 the Federal Reserve extended the policy of monetary ease initiated in the fall of 1966. Open market operations absorbed only part of the return flow of reserves in early January and then supplied additional reserves at a rapid pace. By early March average member bank borrowing at Reserve Banks had fallen to around \$200 million compared with \$560 million in December 1966.

In March the Board of Governors authorized a two-step reduction in reserve requirements—from 4 to 3 per cent—on regular savings deposits, on Christmas savings and vacation club accounts, and on the first \$5 million of other time deposits at each member bank—lowering required reserves by about \$850 million. The following month the Federal Reserve discount rate was reduced from 4½ to 4 per cent. These policy actions were supplemented by continued use of open market operations in order to provide the reserves needed to accommodate deposit growth.

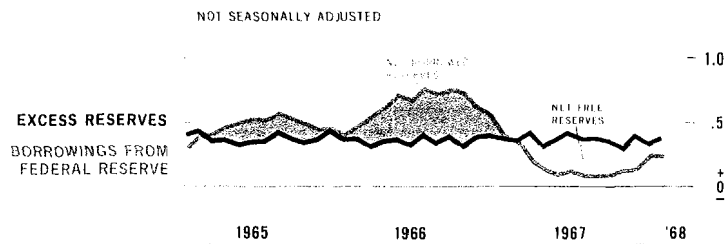
By early summer prospects of a more rapid increase in economic activity suggested the desirability of greater emphasis on restraint in the mix of fiscal and monetary policies, preferably through fiscal measures such as the administration's proposed tax increase. In the summer and early fall Treasury needs for a large volume of cash financing were added to very large private credit demands and the Federal Reserve continued to supply reserves at a relatively rapid pace. Nonborrowed reserves, which had shown little net

change in 1966, expanded quite rapidly throughout most of 1967. Because of the increase in reserve availability, member bank borrowing from Federal Reserve Banks fell, on average, to the lowest level since 1962.

1 BANKS' RESERVES expand...



BORROWING from Federal Reserve declines



Monthly averages of daily figures for member banks. Total and nonborrowed reserves are adjusted to exclude the effects of changes in reserve requirement percentages. Nonborrowed reserves are total reserves adjusted minus member bank borrowings from the Federal Reserve. Excess reserves are total reserves less required reserves. Latest figures: January (preliminary).

Near the end of 1967, with no tax action yet taken, Federal Reserve policy moved toward restraint in response to both domestic and international pressures on the dollar. With the devaluation of sterling and the increase in the British discount rate in November, the Federal Reserve raised the U.S. discount rate from 4 to 4½ per cent. Late in December the Board of Governors announced a two-stage increase in reserve requirements against demand deposits in excess of \$5 million at member banks, effective around mid-January 1968. This action raised the reserve requirement from 16½ to 17 per cent for reserve city banks and from 12 to

12½ per cent for other member banks and increased required reserves by an estimated \$550 million. Supplementing these measures, open market operations became somewhat less accommodative.

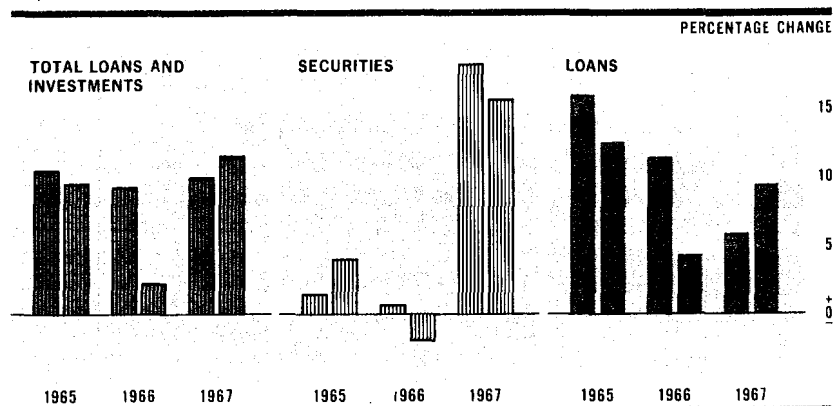
The most immediate effect of these policy actions was a rise in the cost of day-to-day credit, as typified by the interest rates on Federal funds and on bank loans to Government securities dealers. Also, with reserves being supplied less freely by System action, member banks began to increase their borrowing from Federal Reserve Banks.

Over the year, in order to offset technical factors and to add to the reserve base of member banks, the Federal Reserve acquired about \$4.8 billion, net, of Treasury securities through outright purchases or repurchase agreements. Most of these acquisitions—slightly more than three-fourths—were in Treasury bills. However, in an effort to moderate upward pressures on long-term interest rates resulting from heavy supplies of securities and changing market expectations, about one-quarter of the System's net purchases of Treasury securities were in coupon issues. The majority, \$780 million, of these purchases of coupon issues—about two-fifths of which had maturities in excess of 5 years—occurred in the spring and early summer.

BANK CREDIT

After showing almost no growth during the last half of 1966, total loans and investments at commercial banks expanded by 11 per cent in 1967. With relatively moderate loan demand and strong deposit inflows, banks were able to improve their reduced

2 | SECURITIES play larger role in bank credit expansion



Seasonally adjusted annual rates based on monthly data. Data partly estimated for all commercial banks as of last Wednesday of month, except for June 30 and December 31. Interbank loans excluded. Latest figure: December 31 (estimated).

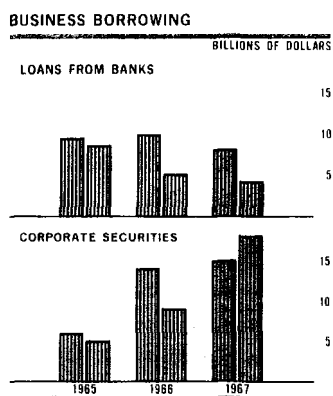
liquidity by rapidly increasing their holdings of securities throughout most of the year. While total loans expanded at the slowest pace since 1960–61, some categories of loans showed a marked increase in the rate of expansion in the second half.

Business loans. Even with bank credit more readily available in 1967 than in 1966, business loans expanded at a less rapid pace—by 9 per cent compared with 13 per cent in the previous year. As in 1966, however, a large part of the increase occurred in the first half, when corporate income tax payments were unusually heavy as a result of the accelerated tax program. After July, business borrowing at banks dropped back considerably, except for a bulge in late December and early January associated with tax and dividend payments and year-end adjustments.

The relatively moderate pace of business loan expansion in 1967 as compared with 1966 reflected a lower rate of inventory accumulation, a reduced pace of plant and equipment expenditures, and a shift of corporate borrowing to commercial paper and capital markets as corporations became concerned about future availability and cost of funds. In part, the last was a reaction to the 1966 experience, when many commercial banks found it necessary to ration credit to their business customers in view of restrictive monetary policy and reduced deposit inflows.

The reduced pace of business loan growth last year was evident in almost all industrial loan categories. There were higher rates of growth, as compared with 1966, among a few industrial loan components—such as commodity dealers, mining and petroleum, and primary metals—but these were the result of special situations rather than underlying strength. In addition, the relatively large increase in bankers' acceptances—reflecting, in part, bank interest in portfolio liquidity—accounted for some of the growth in business loans in the second half.

Other loans. Other major categories of loans, reflecting the pick-up in economic activity, grew at a faster rate during the second half of the year than in the first. Consumer loans, influenced by increased purchases of durable goods beginning around mid-year, expanded almost twice as fast as in the first half, although the increase for the year was less than in 1966. Growth in real estate loans—which had slowed considerably in late 1966 and early 1967—also expanded more rapidly after midyear, in large part owing to the easing of credit conditions which ultimately led to a relatively rapid rise in construction outlays and increased demands for mortgage financing.



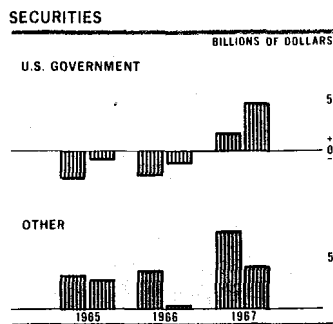
Seasonally adjusted annual rates taken from flow of funds data. Loans from banks include bank holdings of commercial paper and acceptances issued by domestic nonfinancial corporate businesses. Securities are those issued by corporate nonfinancial businesses only. Data for the last half of 1967 partially estimated.

With the unusually large volume of Treasury financing in the second half, security loans, which had declined earlier in the year, expanded rapidly in the summer and fall—exceeding, on balance, the rate of growth in 1966. Finally, loans to nonbank financial institutions, after declining from mid-1966, began to increase in the late summer and fall of 1967. The liquidation of these loans had reflected largely refinancing by finance companies through issuance of commercial paper, which remained less costly than bank financing even after the reductions in the prime rate in the early months of 1967. After late summer, as the cost advantage of market financing narrowed, loans to nonbank financial institutions expanded rapidly until November, when the prime rate was increased.

Bank investments. After a net liquidation during 1966, total holdings of securities by banks rose rapidly in 1967 and accounted for about half of the total bank credit expansion during the year. With moderate loan demand, strong deposit inflows, and attractive security yields available, banks invested in securities, partly in an effort to rebuild their liquidity and thereby to provide a cushion against the renewal of strong loan demands. While it is difficult to quantify the liquidity positions of banks, such indicators as the ratios of loans to deposits and of short-term securities to deposits improved in 1967 as compared with 1966, although still showing less liquidity than in earlier years.

Bank holdings of U.S. Government securities rose almost 12 per cent in 1967, the first annual increase since 1961. Most of the increase occurred during the period of large-scale Treasury financings after midyear, when bank holdings of these securities—most in the shorter maturity ranges—expanded by about 2½ times the pace of the first half. However, in December and January with deposit growth constrained, banks liquidated Government securities to accommodate the sizable turn-of-the-year expansion in business loans.

Banks increased their holdings of other securities by a record \$11.7 billion in 1967, almost 4 times the increase in 1966. During the first half, acquisitions of these securities—mostly State and local issues and attractively priced participation certificates and Federal agency issues—increased at a record 31 per cent annual rate. Such acquisitions slowed somewhat after mid-year as banks acquired more Treasury issues, and as uncertainties about the sustainability of time and savings deposit inflows apparently led to a reduced interest in longer-term State and local government securities.



Seasonally adjusted data for all commercial banks. Other is largely municipals, PC's, and Federal agency securities; adjusted in the first half of 1966 for shift of \$1 billion of PC's from "loans" on June 30. Last half of 1967 estimated.

TIME AND SAVINGS DEPOSITS

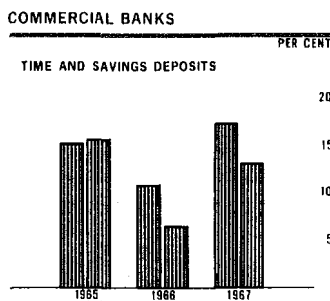
Time and savings deposits at commercial banks, after showing little growth over most of the last half of 1966, began to expand more rapidly toward year-end and continued to increase at a rapid rate during most of 1967. Over the year, these deposits increased about 16 per cent, almost twice the 1966 pace. In the second half of 1966, when market rates surpassed the regulatory ceilings banks could pay for such deposits, there had been a shift of funds from these deposits into higher-yielding market securities. However, when money market yields declined in late 1966 and early 1967, time and savings deposits at commercial banks again became relatively attractive, and inflows of these deposits expanded rapidly during the early months of 1967—with most of the growth being in the more interest-sensitive CD's and consumer-type time deposits.

During early spring—with somewhat improved bank liquidity, strong inflows of time deposits other than CD's, and relatively moderate loan demand—banks became less aggressive issuers of CD's. In the second quarter, therefore, CD's outstanding showed little net change. Banks also took steps during this period to moderate inflows of consumer-type time deposits—particularly by reduced advertising and by rate reductions at some large banks. Despite such measures, growth in these deposits remained relatively large.

Because of rising short-term interest rates, growing expectations of further increases in interest rates, and anticipated heavier demand for loans, around midyear banks began to raise their offering rates and compete more actively for large negotiable CD's. There were also selective rate increases on consumer-type instruments, including the restoration of rates reduced earlier by large banks.

However, when short-term market interest rates continued to rise over the second half of 1967, inflows of consumer-type deposits slackened as consumers made marginal shifts to market securities, and CD inflows slowed when offering rates approached their 5½ per cent Regulation Q ceiling. Under these circumstances banks found it necessary to raise offering rates on shorter-maturity CD's as the 5½ per cent limit became noncompetitive on the longer-maturity CD's.

In December, after the devaluation of sterling and the increase in the U.S. discount rate, CD offering rates of 5½ per cent became available throughout the maturity range. Towards the end of the month, when the volume of maturing CD's was unusually large and banks were having difficulty in marketing all

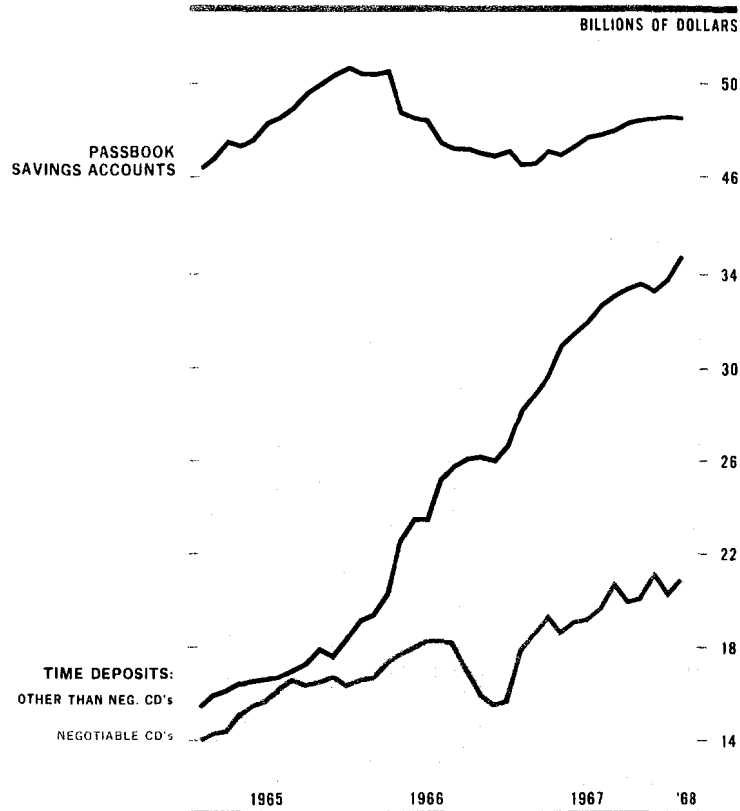


Percentage change in seasonally adjusted annual rates based on monthly averages of daily figures. Data adjusted to include balances accumulated for payment of personal loans which were eliminated from time deposits in June 1966.

but the shorter maturities, outstanding CD's declined more than seasonally. Moreover, during this period, inflows of time deposits other than CD's continued to slacken.

As short-term market rates declined in January from year-end peaks, banks were able to reduce offering rates below the 5½ per cent ceiling on CD's maturing in less than 6 months and at the same time recovered almost 80 per cent of the earlier decline in the outstanding volume of these deposits.

3 INTEREST-BEARING DEPOSITS at banks expand at a rapid pace



Data are for weekly reporting banks as of the last Wednesday of month and are not seasonally adjusted. The effect of a change in coverage of weekly reporting banks at the end of June 1966 has been eliminated. Negotiable CD's are in denominations of \$100,000 or more. Latest figure: January.

Liabilities to foreign branches. With moderate loan demand and sufficient leeway under Regulation Q ceilings to attract large inflows of time and savings deposits as short-term market rates declined, banks reduced their borrowing in the Euro-dollar market through their foreign branches by \$1.6 billion between mid-December 1966 and early May 1967. About midyear, however,

with rising short-term market rates and with stronger loan demand anticipated in the second half, banks began to increase their Euro-dollar borrowing again.

The Euro-dollar market remained a relatively attractive source of funds throughout most of the second half, and banks increased their Euro-dollar liabilities by \$1.9 billion from the end of May to mid-December. After the devaluation of sterling, Euro-dollars became somewhat more costly, but the availability of such funds was not seriously constrained, at least not for comparatively short-term maturities. By late January 1968, as the cost of these funds declined substantially from earlier peaks, liabilities of banks to foreign branches were almost as high as in mid-December.

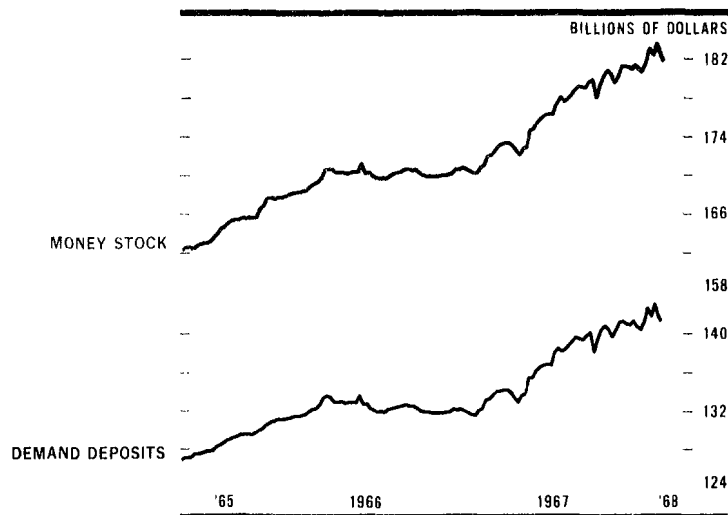
Nonbank savings institutions. Savings deposit inflows of non-bank savings institutions in 1967 generally paralleled inflows of time and savings deposits at commercial banks. With declining yields on short-term market instruments increasing the relative attractiveness of all deposit-type instruments issued by financial institutions, and with the high rate of consumer saving, net inflows of funds to savings and loan associations and mutual savings banks accelerated early in 1967. The expanded availability of funds at these institutions contributed to the easing of mortgage markets and a recovery in construction. However, following the reversal of the downward trend in short-term rates around midyear, deposit inflows to these institutions slackened, and these institutions became more cautious in making mortgage commitments.

MONEY STOCK

After declining in the last half of 1966, the money stock grew rapidly during most of 1967 as the public rebuilt its money balances, which had been reduced sharply during the period of monetary restraint in 1966. The 6.5 per cent rise over the year was almost three times the pace of 1966, but for the 2 years combined, the growth rate averaged 4.4 per cent, the same as the average for the two preceding years. (See Chart 4.)

Demands for money were probably enhanced by the relatively low short-term market rates during most of the year—at least as compared with 1966 peak rates—and also by cautious public attitudes in view of uncertainties related to proposed tax increases and to domestic economic conditions. Most of the money stock increase appears to have gone into consumer hands, although at times during the year corporations also added to their bank balances—in part, presumably, to safeguard their ability to obtain future credit from their banks.

4 After little growth in 1966, MONEY STOCK rises rapidly



Seasonally adjusted weekly averages of daily figures. Money stock consists of demand deposits and currency outside the Treasury, the F.R. System, and the vaults of commercial banks. Demand deposits exclude those due to domestic commercial banks and the U.S. Govt., cash items in process of collection, and F.R. float but includes foreign demand balances at F.R. Banks. Latest figure: last week in January; last 4 weeks in January, preliminary.

INTEREST RATES

During 1967 potential borrowers found both short- and long-term credit more readily available than in 1966. But at the same time the demand for credit—especially by corporations, State and local governments, and the Federal Government—also began to expand. As a result long-term rates rose after midwinter and short-term rates began to rise in early summer.

From late 1966 through the spring of 1967, short-term interest rates declined rapidly. The decline reflected in part the impact of an easier monetary policy. But it was also associated with an increase in demands for liquidity by financial institutions, in conjunction with larger than usual debt repayments by the Treasury and Federal home loan banks. During the first half of the year, the Federal home loan banks sharply reduced their outstanding short-term debt as they received repayments on advances—made the year before—to member savings and loan associations. In addition, the home loan banks were sizable net buyers of Treasury bills in the market.

In the early weeks of 1967 long-term interest rates also fell when the increased availability of funds at banks and other financial institutions relieved the pressure in long-term markets. More-

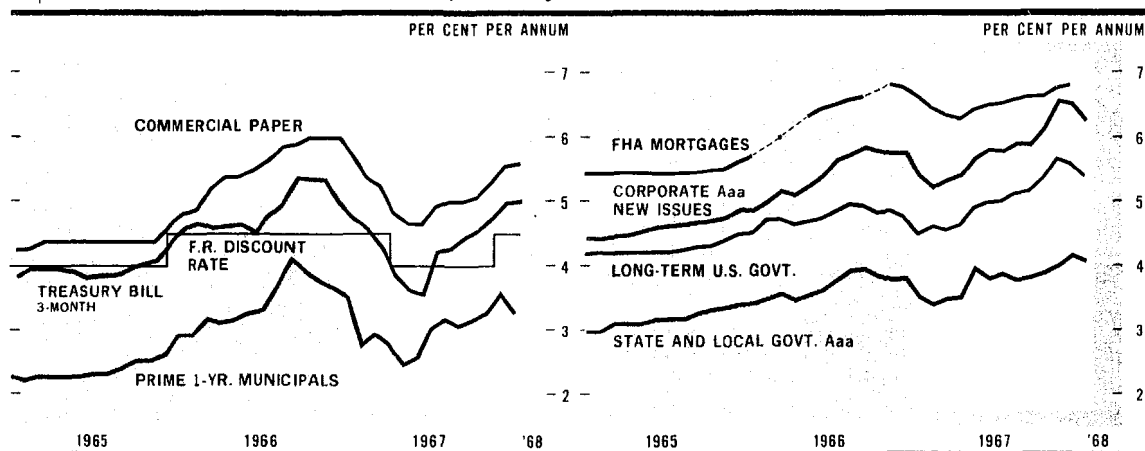
over, anticipated further easing of monetary policy at this time contributed to the decline in long-term yields.

After midwinter, however, long-term market rates began to rise, and they continued to increase throughout the rest of the year. Corporations began, relatively early in the year, to borrow heavily in long-term markets in order to replenish their liquidity, which had been reduced in 1966. Long-term borrowing continued heavy, as corporations attempted to lengthen their debt in anticipation of accelerated economic growth, more restrictive monetary policy, and rising interest rates.

Short-term interest rates began to rise during the summer as the Treasury issued an unusually large amount of short-term securities to finance the sizable second-half deficit. Moreover, toward the year-end short-term market rates shifted up further in response to the increase in the discount rate in November, the firming of open market policy in December, and the announcement of the increase in reserve requirements. After year-end pressures had subsided, short-term interest rates declined from earlier levels.

Long-term interest rates also declined rapidly early in 1968, as expectations of rising rates were moderated by the President's balance of payments program and the possibility of peace negotiations. But in early February these rates still remained relatively close to the advanced levels reached in late 1967.

5 | SHORT-TERM interest rates turn up in early summer; LONG-TERM rates, after midwinter



Monthly averages except FHA (based on quotations for 1 day each month) and prime 1-year municipals (based on quotations for 1 day at beginning of month). Yields: 4-6 month prime commercial paper; U.S. Treasury bills, market yields; prime 1-year municipals are from Salomon Brothers & Hutzler; FHA, weighted averages of private secondary market prices of new-home 30-year mortgages converted to annual yield (dash line indicates periods of adjustment to changes in contractual

interest rate); corporate issues, weighted averages of new publicly offered bonds rated Aaa, Aa, and A by Moody's Investors Service and adjusted to an Aaa basis; U.S. Govt. bonds, market yields adjusted to 20-year constant maturity by U.S. Treasury; State and local govt. bonds, Moody's. Latest figures: January 1968, except for FHA mortgages which is December 1967.

Staff Economic Studies

The research staffs of the Board of Governors of the Federal Reserve System and of the Federal Reserve Banks undertake studies that cover a wide range of economic and financial subjects, and other staff members prepare papers related to such subjects. In some instances the Board finances similar studies by members of the academic profession.

From time to time the results of studies that are of general interest to the economics profession and to others are summarized—or they may be printed in full—in this section of the BULLETIN.

In all cases the analyses and conclusions set forth are those of the authors and do not necessarily indicate concurrence by the Board of Governors, by the Federal Reserve Banks, or by members of their staffs.

Single copies of the full text of each of the studies or papers that are summarized below are available in mimeographed form. The list of Federal Reserve Board publications at the back of each BULLETIN includes a separate section entitled "Staff Economic Studies" that enumerates the studies for which copies are currently available in that form.

Study Summary

THE LAGS BETWEEN INVESTMENT DECISIONS AND THEIR CAUSES

Shirley Almon—Formerly with the Council of Economic Advisers

This paper was prepared under a grant from the Social Science Research Council, Committee on Economic Stability, Subcommittee on the Monetary Mechanism, in connection with a study of the impact of monetary policy being sponsored by the Board of Governors of the Federal Reserve System.

Many recent econometric studies of fixed investment have found that the lag between determinants of investment—output, cash flow, and interest rates—and spending extends over 3 or 4 years. This study attempts to identify better the lag by dividing it into two parts: first, the lag between the causes of investment and the appropriations; and second, the lag between the appropriations and the spending. The results suggest that the larger portion of the total lag arises in the period between appropriations and

spending. Appropriations, as measured by the series collected by the National Industrial Conference Board (NICB), respond quickly to changes in economic determinants.

The basic format of the appropriations equation is the familiar stock adjustment formulation, with desired net investment defined as the gap between desired capacity and current capacity adjusted for past, unspent appropriations. The acceleration coefficient is not constant but depends upon the cost of capital. To represent costs of ex-

ternal financing, an industrial bond yield and an index of stock prices were tested. The ratio of net cash flow to capacity and the long-term debt-to-asset ratio were used to take account of the cost and availability of internal financing.

The relation between appropriations and their causes was estimated for the All Manufacturing series and for 12 industries surveyed by the NICB. For All Manufacturing distributed lag schedules over only four quarters were found long enough for each of the three variables. These short lags indicate a rapid reaction to economic signals. For the output variable the weights on the third and fourth preceding quarters were negative. This negativity, however, is consistent with the accelerator theory.

The second link of the investment process relates appropriations to final expenditures by a distributed lag schedule. Appropriations originating in a given quarter are gradually spent over a period of several quarters. As suggested by recent studies, the timing of the spending schedule varies with capacity pressure in the supplying industries. The equations use the ratio of unspent appropriations to expenditures to represent this pressure. A variable-weight spending schedule of seven quarters was estimated for All Manufacturing.

The types of equations found useful for the All Manufacturing series were then applied to each of the 12 industries. The results generally support the rapid reaction found in the All Manufacturing series.

The Price of Gold is not the Problem

The international monetary system has been the subject of much uncertainty in recent months. The devaluation of sterling in November provided a shock which, against the background of a persistent deficit in the U.S. balance of payments, precipitated fundamental questioning as to the evolution of the international monetary system, the role of the dollar, and the price of gold. A number of observers in the United States and abroad have come to the conclusion that an increase in the official price of gold would be desirable; others have decided that, even if it is undesirable, a rise in the gold price is inevitable.

I am firmly of the belief that a higher gold price is neither necessary nor desirable. In reviewing with you the problems of the international monetary system, I want to make it unmistakably clear that the future evolution of the system can and should be based on the present price of gold.

There is no doubt that the problems facing the international monetary system are serious. I have no wish to underestimate their gravity. Consideration of the various solutions that have been proposed must be based on a clear understanding of the nature of the problems that we face. This is a time for cool-headed appraisal in the light of history and not for unmindful acceptance of panaceas that risk overturning a system that

has provided the monetary framework for an unprecedented expansion of world income and trade in the period since Bretton Woods.

The case I shall put to you in what follows can be summarized in two straightforward propositions.

First, it is imperative to adjust the balance of payments of the United States away from large and persistent deficit and of continental Europe away from large and persistent surplus. A higher gold price would do nothing to bring about those adjustments.

Second, the nations of the world need a means of increasing their reserves in a way that is not dependent on continuing deficits in the U.S. balance of payments. I am confident that the Rio Agreement on Special Drawing Rights (SDR's) can fulfill this function at the present price of gold.

THE DOLLAR AND THE U.S. BALANCE OF PAYMENTS

The root of the present imbalance in international payments can be traced back to the early years after World War II. At that time the United States initiated a program of international assistance designed to promote the economic recovery of war-damaged countries. In the process, the United States deliberately created a deficit in its balance of payments, while countries in Europe and elsewhere deliberately sought to achieve surpluses. An important by-product of the recovery program was that it increased the depleted reserves of the war-torn countries—by

NOTE.—Remarks of William McC. Martin, Jr., Chairman, Board of Governors of the Federal Reserve System, before the Financial Conference of the National Industrial Conference Board, at the Waldorf-Astoria, New York City, February 14, 1968.

putting them in a position to accumulate dollar balances and by redistributing U.S. gold reserves—which at the end of 1948 comprised more than 70 per cent of world gold holdings.

Policies designed to encourage a U.S. payments deficit took many forms. We provided funds through the Marshall Plan in amounts larger than was necessary for countries in Europe to purchase badly needed American goods, thus making it possible for aid recipients to accumulate dollar reserves. We deliberately kept the aid untied by encouraging the spending of U.S. grants and loans in countries other than the United States. Much of the aid was in the form of grants rather than loans, so as to avoid burdening the future payments positions of the recipients. We provided special inducements for direct investment by American corporations abroad. We even encouraged European countries to liberalize their imports from each other while they continued to restrict their imports from the United States, and later we supported the formation of the Common Market.

In these and other ways the United States adjusted its policies—and its citizens responded in their actions as importers, lenders, investors, and travelers—to the maintenance of a deficit in its balance of payments. In other words, the United States accustomed itself to an outflow of government and private capital in excess of its surplus on goods and services—with the result, as intended, that U.S. dollar liabilities increased and U.S. gold reserves fell. The countries of continental Europe made a corresponding adjustment to a surplus position—that is, to an inflow of capital from abroad combined with a pattern of transactions on current account that resulted in steady and sizable increases in their gold and dollar reserves.

It was during this period that the dollar became the world's major reserve currency.

It is significant that in those early years we did not describe these payments positions as “deficits” and “surpluses.” Many a newspaper article and book were written at that time about the persistent U.S. “surplus” and the intractable dollar shortage. The build-up of U.S. dollar balances abroad, together with the sale of U.S. gold to other countries, was universally regarded as desirable. And so it was.

But, like the man who came to dinner, the U.S. deficit, though invited, stayed too long. And so did the European surpluses. Both became chronic.

A continuing U.S. deficit of substantial size is neither desirable nor tolerable. Such a deficit saps the international liquidity position of the nation, by continually building up liquid liabilities abroad or continually reducing U.S. reserves, or both. A steady worsening of our liquidity position—even while our net worth is improving—cannot be sustained indefinitely. As a reserve currency, the dollar is widely held around the world. It is natural that holders of dollars look to our gold and other reserves, expecting us to maintain a reasonable relationship between our liquid reserves and our short-term liabilities, just as depositors look to the funds held in reserve by their banks.

The United States as a bank to the rest of the world was in the early postwar years a bank with *too* strong a liquidity position. By means of the Marshall Plan and the other policies I have mentioned, the bank embarked on a deliberate program that transformed its liquid assets into less liquid form, while its liquid liabilities expanded. In the process, the bank basically improved its position, while contributing significantly to world economic growth, for it acquired

sound and high-yielding long-term assets around the world as a counterpart to its increasing liabilities. But its liquidity deteriorated, since its most liquid asset—its gold reserves—declined while its liabilities expanded.

This drawing-down in the bank's liquidity position—once welcome—has now gone on for too long. The time has come to arrest it, and to do so decisively. As this happens, the bank's depositors—the rest of the world—must adjust to a slowdown in the lending and deposit-creating activities of the bank by providing other sources of capital and by establishing another means of increasing international reserves.

In other words, the world payments pattern is going through a period of transition—away from the pattern I have described—and the transition is understandably a painful one, since it requires a modification of so many policies and habits established earlier. The United States must cut the suit of its payments abroad to fit the cloth of its receipts from abroad. And the countries of continental Europe must do the reverse—they must find ways to export capital in an amount equal to the excess of their exports over their imports of goods and services—or else they must reduce their export surpluses. And the adjustment by both sides should be carried out in a way that is compatible with the healthy and inflation-free growth of the world economy.

The U.S. balance of payments program, announced on January 1 by President Johnson, should produce substantial results. That program is more severe than would have been needed had timely action on the domestic stabilization front been taken a year or more ago. Furthermore, the new program necessarily represents a step backward—temporarily—from our aspirations

for freer world investment and trade. While the various features of the program are serving a necessary stop-gap purpose, it is essential that the United States strengthen its underlying payments position. This means, at the very least, that it is vital for the United States to pursue effective stabilization policies that promote price stability and a competitive cost structure.

The results of the balance of payments program will be sustainable only if the reduction of the U.S. deficit has as its counterpart a reduction of European surpluses. This is so because there are not many countries outside of continental Europe that earn large surpluses or that have strong enough reserves to be able to adjust to a substantial improvement of the U.S. payments balance.

I am pleased to say that the reactions of European officials to the announcement of the U.S. program seem by and large to be highly constructive. They have made it clear that they understand the economic necessity I have just mentioned and that they intend to adopt policies designed to facilitate rather than interfere with the adjustment of the payments imbalance.

European officials recognize the need to prevent a reduction in total demand in their economies as U.S. foreign investment and other forms of spending in Europe decrease. They recognize the need to offset through their monetary policies tendencies for the reduction in the flow of dollars to Europe to tighten monetary conditions there and, more broadly, they recognize the need to encourage capital outflows from their markets. And they acknowledge that the pursuit of such policies may result in reductions in their own reserves.

Thus, we have before us the possibility, *if stated intentions on both sides of the Atlantic are implemented with proper actions,*

of a highly successful effort of international cooperation—aimed at rectifying the imbalance in international payments and completing the transition away from the payments pattern that was established, in response to need, in the earlier postwar period.

In the light of this way of looking at the balance of payments adjustment problem, I can now put to you the following question: Is there any reason to think that a higher gold price would help to bring about the needed adjustment?

It can be taken for granted that a unilateral devaluation by the United States is impossible; a change in the price of gold in terms of dollars would undoubtedly be accompanied by an equal change in terms of virtually all other currencies.

Would the U.S. balance of payments improve as the result of such an increase in the price of gold? Only to the extent that the enlarged foreign exchange earnings of gold producing countries led them to increase their purchases from the United States. But this would be a very small benefit compared with the magnitude of the U.S. payments deficit and would be far outweighed by the many disadvantages that would accompany an increase in the gold price. Would American corporations have less incentive to invest abroad? Would Americans travel less? Would developing nations need less aid? Would our imports decrease? Would our military spending in Europe and Asia seem less pressing—if the price of gold were higher? The answer in each case is clearly no.

Would European surpluses decline as the result of a higher gold price? Not at all. In fact, insofar as gold producing nations increased their purchases from Europe, these surpluses would be aggravated.

It seems perfectly clear that a revaluation of gold would make little or no contribution to an adjustment of the imbalance in international payments.

There are those who will accept the point I have just made but will say that an increase in the gold price will buy time for the United States. Buy time for what? They can only mean that it would delay the need for forceful measures to improve the balance of payments—that it would permit the United States to avoid distasteful curbs on capital outflows or other payments abroad and continue to incur deficits, thus putting off the painful adjustment to a healthier balance of payments. It seems clear to me that a measure known to be intended to buy time, if it is not accompanied by action to improve the underlying problem, will in fact buy relatively little time—for markets will anticipate the lapse of the period of bought time and act accordingly. Thus, a rise in the gold price is not an alternative to measures to strengthen the balance of payments. Such measures are required in any event and cannot be avoided by an increase in the price of gold.

The United States can and must pursue domestic fiscal and monetary policies that keep its economy and its price level under control. This is the paramount economic issue of 1968. And it must for the time being persevere with supplementary balance of payments measures to help restore its external payments to equilibrium as quickly as possible. Tinkering with the international price of gold is in no sense a substitute for actions that face up to these hard facts of life.

THE DOLLAR AND INTERNATIONAL LIQUIDITY

I turn now from the balance of payments problem itself to the relation between the

U.S. balance of payments and international liquidity and the relevance of this to the price of gold.

It became clear soon after the war that as economic recovery and economic growth proceeded, countries wished to see their gold and foreign exchange reserves increase.

The balance of payments pattern that was established in the postwar period provided a built-in mechanism for expanding not only the reserves of the war-torn countries but also for expanding world reserves. Insofar as other countries added dollars to their reserves instead of using dollar accruals to buy gold from the United States, the U.S. deficit enlarged the reserves of other countries without reducing U.S. reserves. And even when other countries began to use a part of their dollar receipts to purchase gold from the United States, their reserves rose faster than our reserves fell—and world reserves expanded accordingly. But this process had the inevitable effect of reducing the international liquidity position of the United States.

The balance of payments adjustment that must now be accomplished will cut off this major source of reserve growth. Yet the desire of countries around the world to increase their reserves has not diminished and will not diminish. Thus another source of reserve growth will be needed.

It is understandable that nations wish to see their reserves increase over time. Individuals and businesses expect their liquid assets to grow as their incomes grow. Liquid assets are there to be used in times of temporary shortfalls of receipts below payments. But no individual or business and no nation can afford to see its liquid reserves diminish persistently. Taking all nations together we have observed, and will no doubt continue to observe, a tendency to add to reserves over time. What is needed is a steady and

dependable supply of new reserves to satisfy this basic desire of nations to increase their reserves—a supply that is neither excessive nor deficient but consistent with the non-inflationary growth of the world economy. A once-for-all or once-in-a-generation increase in the value of gold reserves resulting from an increase in the gold price is no substitute for a gradual and steady accretion of new reserves. It is precisely this need that the Special Drawing Rights are designed to fulfill.

It has been clear for many years that new gold production alone cannot provide the necessary increase in world reserves. It is equally clear that dollars cannot and should not any longer satisfy a major part of the desired growth in the reserves of other countries. This was the basis for the unanimous decision of the members of the International Monetary Fund at Rio last September to proceed with the plan for Special Drawing Rights.

It has been said, and correctly, that the Rio agreement is a landmark in international monetary history. It is a landmark because it introduces a new concept—the deliberate creation of international reserves as a supplement to existing reserves of gold and foreign exchange. The Federal Reserve System is based on the proposition that “money will not manage itself.” The SDR Agreement can be said to be based on the view that international money will not manage itself either. The willingness of monetary authorities to cooperate, through the International Monetary Fund, in the creation of Special Drawing Rights has unmistakable implications: it means that the world will be assured of a growing supply of reserves *at the present price of gold*.

Events of recent months—the shock to the international monetary system following the devaluation of sterling and the strong

reinforcement of the U.S. balance of payments program—lend greater timeliness to the implementation of the Rio Agreement. Once the SDR Amendment is completed by the Executive Board of the International Monetary Fund and approved by its Board of Governors, I would hope that governments would proceed promptly to seek ratification from their legislatures.

THE ROLE OF GOLD

I have said that neither of the two major problems facing the international monetary system calls for an increase in the price of gold. Such a step is neither necessary nor desirable as a solution to the problem of international payments imbalance or to the problem of assuring adequate growth in international reserves. *It would be highly disruptive and highly inequitable.* A small increase in the gold price would inevitably engender expectations of additional increases in the not-distant future, thus leading both private and official holders of dollars to convert them into gold and negating the increase in international liquidity that the gold price rise was designed to achieve. An increase in the price of gold of sufficient magnitude to avoid arousing expectations of another such move soon would have to be very large. It would undoubtedly be inflationary, for it would expand, by a corresponding amount, both the reserves of gold-holding countries and the purchasing power of private gold holders. Neither a large nor a small rise in the price of gold would increase international reserves in an orderly and equitable manner. Countries with small gold reserves would share very little in the increase in reserves. Other means of increasing reserves of countries—particularly those holding little gold—would be required in any event.

The recommendation of a higher gold

price based on the fact that the general price level has risen greatly since the early 1930's while the price of gold has been unchanged mistakenly views gold more as a commodity than as a measure of monetary value and a monetary reserve asset. To raise the price of gold because the general price level has risen would be like increasing the length of the yardstick because the average height of human beings has increased.

In addition to these general economic considerations, which argue strongly against raising the gold price, there are considerations of special concern to the United States. A rise in the gold price would break faith with the many nations around the world that have held dollars on the basis of confidence that the United States would stick to its commitment regarding the price of gold.

Those who recommend an increase in the price of gold or are willing to tolerate it seem to me to have decided that monetary management is impossible on an international scale and that we must yield to blind and immutable forces that somehow govern economic destiny. Given the magnificent record of international monetary and economic cooperation we have witnessed in the past 20 years, I refuse to accept the cynical and desperate view that man must turn back to greater dependence on gold.

Let me be unmistakably clear: in my judgment an increase in the gold price would be wholly detrimental to the best interests of both the United States and the international monetary system.

I have been quoted as saying that gold is a barbarous metal. But it is not *gold* that is barbarous; that wasn't my point. Quite the contrary: gold is a beautiful and noble metal. What *is* barbarous, when it occurs, is man's enslavement to gold for monetary purposes.

It is important to sort out clearly just what

the role of gold is for the United States and for the world economy. The reserves of the United States are mainly in the form of gold, and the international monetary system has as one of its foundations the convertibility of the dollar into gold at \$35 per ounce. There are some who believe that the U.S. balance of payments problem could somehow be solved if we cut the link between the dollar and gold. I believe this view is mistaken. In the circumstances ruling in recent years, the United States would have had a balance of payments problem, whatever form our reserves happened to take—for the deficit in our payments inevitably led to a reduction of our reserves. We cannot attribute the payments imbalance to the link between the dollar and gold. We can't solve the payments problem by either cutting the link with gold or by reinforcing dependence on gold by raising its price.

Monetary history, both within and among countries, reveals a steady progression away from exclusive dependence on gold as a monetary instrument. In very few countries now is gold any longer used domestically for monetary purposes—either as a medium of exchange or as a regulator of monetary policy. Supplements to and substitutes for gold have been developed and have taken over gold's role as a monetary asset.

The same development has occurred internationally, and today gold comprises only a little more than half of world monetary reserves, with foreign exchange (mainly dollars and sterling) and reserve positions in the IMF making up the other half. The creation and use of SDR's will permit a continuation of this process by which dependence on gold gradually diminishes over time.

Thus gold, which was the major international reserve asset in the past, will continue to be held and used by monetary authorities. But its importance will gradually decline

over time as SDR's supply the major part of reserve growth. This evolution, which recognizes the monetary importance of gold but avoids excessive dependence on it, seems to me to be the only rational course for the international monetary system to take.

CONCLUDING OBSERVATIONS

I do not wish to leave you with a false sense of reassurance. The international economy has been passing through critical times and there are serious problems ahead—in the payments relations between the United States and Europe, and in the payments positions of countries in the rest of the world as the U.S. deficit and continental European surpluses are reduced. Meanwhile, other economic problems need continuing attention, including an adequate flow of capital from the advanced to the developing nations and an effective use of such capital. We must never forget that monetary matters and institutions are not an end in themselves but a means to the end of satisfactory economic growth and stability.

While avoiding false optimism, I *do* want to leave you with a sense of confidence regarding international monetary problems. A rational and orderly way is discernible through the twin challenges of balance of payments adjustment and adequate growth of international liquidity—a way that takes the Bretton Woods system and the gold exchange standard as a foundation and supplements them as needed with continued international cooperation, on which so much past progress has been based. I have no doubt that our present international monetary system, supplemented and modified gradually over time, can continue to provide a framework for sustained expansion of world trade and payments and, in turn, for uninterrupted advance in living standards throughout the world.

Statements to Congress

Statement of William McChesney Martin, Jr., Chairman, Board of Governors of the Federal Reserve System, before the Ways and Means Committee of the House of Representatives, January 22, 1968.

It is less than 8 weeks since I last had the opportunity to discuss with this committee the economic and financial conditions of the country, but these have been eventful weeks indeed. Production, employment, and incomes have all surged to new peaks, and unemployment has fallen sharply. With the retarding effects of major strikes largely behind us, the fundamental strength of expansionary forces in the economy has been more clearly revealed.

But, unfortunately, the surge in domestic activity has been accompanied by a further rapid advance in prices. And, unfortunately, these developments in domestic activity and prices have been accompanied by a serious deterioration in our international payments balance, necessitating the mounting of a new and more stringent program for temporary restriction of capital outflows and other expenditures abroad.

As the President stated, in his balance of payments message, "The first line of defense of the dollar is the strength of the American economy." That strength is now being sapped by inflation. For the second quarter in a row, nearly half of the rise in our gross national product has reflected inflated prices rather than real growth. Prices have risen at wholesale and retail, for farm products as well as for industrial commodities. More-

over, the pace of the increase has been accelerating. The rise in the price component of the GNP, which had slowed to about a 2 per cent rate last spring, was advancing at a rate of over 4 per cent in the final quarter of the year.

It is clear from the experience of 1966 and 1967—and indeed, from many other periods in our history—that we cannot achieve sustained economic growth under conditions of inflation. The distortions that inflation induces in the structure of output and demands, and the pressures it generates in financial markets, inevitably result in economic dislocation. Inflation in 1966 was followed by a cessation of growth in early 1967; a more severe adjustment was averted only by the prompt and flexible use of monetary and fiscal policies. Nevertheless, there was a penalty to pay—in the form of lost production and employment—for the failure to act early enough the preceding year in containing the emergence of excessive demand pressures.

We are now seeing some of these distortions and pressures developing again. Businessmen have already begun to step up their accumulation of inventories, in part to "beat the price rise." Negotiators of new wage contracts have built last year's price rise into next year's wage costs. But consumers have reacted to swiftly rising prices by spending more cautiously.

The increase in business ordering and inventory accumulation has been reflected in a faster pace of business borrowing at banks, accompanied by a reduced flow of banking funds into securities. In financial markets,

the high levels of yields on market securities has begun to curtail the availability of funds for the financing of home construction, both by reducing the inflows of consumer savings to institutions specializing in home finance, and by diverting funds from mortgages to other types of investment at institutions that normally do a substantial mortgage loan business. Repeating the by-now-familiar cycle, growth in commitments for mortgage lending is being curtailed, and mortgage yields have already risen back to the peaks of 1966.

The pressures that developed in financial markets over the summer and fall of 1967 reflected not only the normal rise in private demands for funds that accompanies resurgence in economic activity, but also the extraordinary additional demands arising from the Federal Government's deficit. Borrowing by the Treasury in the second half of last year was more than double that of the preceding year; the Government accounted for more than a quarter of all the funds raised in credit and equity markets between June and December, compared with less than a tenth in the comparable period of 1966.

The reaction of other borrowers to this enormous volume of Treasury financing, and to the possibility of continued preemption of loanable funds by the Government, was a flood of corporate and municipal security issues last summer and fall. The combined pressures of Federal and private credit demands resulted in a rise in interest rates that, by December, brought most long-term borrowing costs to levels well above those reached at the height of the credit strain in 1966.

Pressures in financial markets have abated somewhat in recent weeks, partly as a result of seasonal factors, partly in response to peace rumors, and partly because of revived hopes for greater fiscal restraint. But in the

absence of such restraint, the Government's financing needs will again press on financial markets. Without the added revenues from the proposed surcharge, the Treasury will have to borrow a substantial volume of funds this winter and spring, a period of the year when it usually has been a net supplier of funds to the market. Moreover, the prospects of continued large Treasury financing, and the attendant prospects of continued and—perhaps accelerating—inflation, would undoubtedly stimulate a renewal of large private financing demands.

If these developments result in renewed and stronger tensions in financial markets, housing finance would undoubtedly suffer again, better insulated though it may be from a repetition of the sharp contraction in 1966. As I commented to this committee last September, it is neither socially justifiable nor economically sound to put so much of the burden of financing a war on one sector of the economy.

Distortion in the domestic economy is only one of the risks we face if excessive demand pressures remain unchecked. We need to combat inflation not only to prevent erosion of the value of the dollar domestically but also to maintain its value internationally.

Our merchandise trade balance has already been sharply reduced. It would serve for naught for us to curb international outflows on capital account through temporary restrictions, but at the same time lose the battle to improve the long-run strength of our balance of payments stemming from the competitiveness of U.S. products in world markets. The ability of a country to compete energetically and successfully in international markets is widely recognized as one of the firmest indications of the strength of a currency. Correspondingly, a country whose international trade position is weak and

seems to be deteriorating may find its currency subject to speculative attacks.

Changes in the competitive position in international trade of an industrial country occur gradually over time. But once lost, a strong competitive position is difficult to regain. It would be a poor bargain to improve our over-all payments position temporarily through stringent curbs on capital outflows, while neglecting to take the steps necessary to assure the long-run strength of that position. That strength depends in large measure on curbing the inflationary cost and price increases that would make it increasingly difficult for our exports to compete in world markets and for our domestically produced goods to compete with imports.

The surest way to surmount this threat is through restraint on public and private spending, the goals of the fiscal program that the President has put before you. By reducing to a minimum the risk of continued inflation, we would demonstrate to the world the high priority we give to maintenance of the competitive position of the U.S. dollar. Even more important, we would thereby lay the basis for a balanced and sustainable rate of real economic growth that is, in the end, the true source of confidence in our currency, at home and abroad.

Statements of William McChesney Martin, Jr., Chairman, Board of Governors, on legislation to repeal the gold cover:

Before the Committee on Banking and Currency of the U.S. House of Representatives, January 23, 1968.

The Board of Governors of the Federal Reserve System recommends prompt enactment of legislation to repeal the statutory provisions that now require each Federal Reserve Bank to maintain reserves in gold certificates of not less than 25 per cent of

its Federal Reserve notes in circulation. Some change in this requirement this year or next will be unavoidable as the volume of our currency grows in response to the demands of a growing economy. Its repeal now would help to make absolutely clear that the U.S. gold stock is fully available to serve its primary purpose as an international monetary reserve.

I want to emphasize that elimination of the cover requirement would in any event be needed in the relatively near future even if there were no further net sales of gold to foreigners. Federal Reserve notes in circulation increase each year with growth in our economy. The increase in 1967 was more than \$2 billion, and this alone added more than \$500 million to the amount of gold required under present law to be held as cover for Federal Reserve notes. Moreover, our domestic industrial and artistic uses of gold, over and above domestic production, amounted to \$160 million last year, and such uses can be expected to be at least that large in the future. These two factors together would reduce our "free gold"—the amount of gold over and above that required as cover for notes—by about \$700 million a year. At that rate, our "free gold," currently \$1.3 billion, would be absorbed in less than 2 years, even in the absence of further sales of gold to foreigners. And it would be unrealistic not to allow for some additional foreign purchases. Thus, it is clear that a change in the cover requirement is unavoidable, and cannot be postponed for long.

It is true that Congress has given the Federal Reserve Board authority to suspend the gold cover requirement for a period of up to 30 days and to renew such suspension for 15-day periods thereafter. But this authority, granted at a time when Federal Reserve notes were convertible into gold domesti-

cally, was not designed to deal with present-day conditions. With growth in the economy the attendant need for steadily increasing currency in circulation will certainly continue. To provide the additional currency requires a permanent change in the law, rather than Board action every 15 days.

The primary function performed by gold today is not as a reserve against domestic currency but as a monetary reserve for use internationally. The major part of the U.S. international monetary reserve is in gold. Since mid-year, our gold stock has declined by more than \$1 billion, and it now amounts to about \$12 billion. In order to arrest this decline, we must achieve a major improvement in our balance of payments. That is the objective of the program announced by the President on January 1.

But while we are taking the fundamental steps needed to bring our international payments into equilibrium and stop the drain on our gold reserves, we should make it absolutely clear that all of our gold stock is available to serve its primary purpose, and thus discourage market speculation against the dollar or anticipatory takings of gold by central banks. Speculation against the dollar might be encouraged if the gold cover requirement were regarded as immobilizing part of our reserves; the labeling of only part of our gold reserves as "free" might seem to imply that the rest of our reserves are somehow unavailable to perform their primary function of maintaining the convertibility of the dollar. Any possible misunderstandings on this point should be put at rest. This legislation would do that.

Removal of this requirement would in no way reduce our determination to preserve the soundness of the dollar. To achieve our goals both domestically and internationally we must pursue sound and equitable fiscal and monetary policies.

Convertibility of the dollar into gold at a fixed price—\$35 an ounce—is a keystone of the international monetary system and is a fundamental reason why foreign monetary authorities are willing to hold dollar reserves. The role of the dollar as the major international reserve currency, together with the readiness of private foreign residents to hold dollar assets, places the dollar in a unique position in international commerce and finance. Prompt enactment of legislation to remove the gold cover requirement would reaffirm to the world the convertibility of the dollar. At the same time it would meet the long-run requirements for an expansion in note circulation commensurate with steady growth in the economy.

Before the Committee on Banking and Currency of the U.S. Senate, January 30, 1968.

The Board of Governors of the Federal Reserve System recommends prompt enactment of legislation to repeal the statutory provisions that now require each Federal Reserve Bank to maintain reserves in gold certificates of not less than 25 per cent of its Federal Reserve notes in circulation. Some change in this requirement this year or next will be unavoidable as the volume of our currency grows in response to the demands of a growing economy. Its repeal now would help to make absolutely clear that the U.S. gold stock is fully available to serve its primary purpose as an international monetary reserve.

I want to emphasize that domestic developments will necessitate elimination of the "gold cover" requirement in the relatively near future even if there are no further net sales of gold to foreigners. Federal Reserve notes account for nearly 90 per cent of all currency in circulation in this country, and for nearly 20 per cent of the

total money stock including demand deposits. The amount of such notes outstanding increases each year with growth in our economy. The increase in 1967 was \$2.2 billion—about 5½ per cent—and this alone added \$540 million to the amount of gold required under present law to be held as reserves for Federal Reserve notes. Moreover, our domestic industrial and artistic uses of gold, over and above domestic production, amounted to \$160 million last year, and such uses can be expected to be at least that large in the future.

These two factors are reducing what is called our “free gold”—the amount of gold over and above that required as cover for notes—by about \$700 million a year. At that rate, our free gold, which came to \$1.3 billion at the end of December, would be absorbed in less than 2 years, even in the absence of further sales of gold to foreigners. And it would be unrealistic not to allow for some additional foreign purchases. Thus, it is clear that a change in the cover requirement is unavoidable, and cannot be postponed for long.

It is true that Congress has given the Federal Reserve Board authority to suspend the gold reserve requirement for a period of up to 30 days and to renew such suspension for 15-day periods thereafter. The Board would, of course, make use of this authority if necessary, rather than permit a shortage of currency to interfere with the conduct of the nation's business. But the gold reserve requirement was established at a time when Federal Reserve notes were convertible into gold domestically, and authority to suspend the requirement was intended to deal only with a temporary shortfall. Both the requirement and the provision for suspending it are anachronisms under present-day conditions. With growth in the economy the attendant need for an increasing volume of currency in circulation will certainly con-

tinue. There is no way to ensure a corresponding increase in the gold stock. Hence, if the reserve requirement were not removed, we would soon face a continuing and increasing reserve deficiency. Furthermore, upon suspension of the requirement by the Board, we would be required by law to tax the Reserve Banks and they would have to add this tax to their discount rates. Clearly, repeated suspensions of the reserve requirement would be an unsatisfactory expedient in the face of a permanent change in the underlying conditions. To provide the additional currency that the economy requires calls for a permanent change in the law, rather than Board action every 15 days.

The primary function performed by gold today is not as a reserve against domestic currency but as a monetary reserve for use internationally. This has long since been recognized in almost all other countries by suspension or elimination of domestic gold reserve requirements. The major part of the U.S. international monetary reserve is in gold. In the past 6 months our gold stock has diminished by more than \$1 billion, and it now amounts to about \$12 billion. In order to arrest this decline, we must achieve a major improvement in our balance of payments. That is the objective of the program announced by the President on January 1.

But while we are taking the fundamental steps needed to bring our international payments into equilibrium and stop the drain on our gold, we should avoid any understatement or misunderstanding of our international reserve position. We still hold about 30 per cent of the total gold reserves held by all countries in the free world. We should make it absolutely clear that all of our gold stock is available to serve its primary purpose, and thus discourage market speculation against the dollar or anticipatory takings of gold by central banks. Speculation against the dollar might be encouraged

if the gold cover requirement were regarded as immobilizing part of our reserves; the labeling of only part of our gold reserves as "free" might seem to imply that the rest of our reserves are somehow unavailable to perform their primary function of maintaining the convertibility of the dollar. Any possible misunderstandings on this point should be put at rest. This legislation would do that.

Removal of this requirement would in no way reduce our determination to preserve the soundness of the dollar. To achieve our goals both domestically and internationally we must pursue sound and equitable fiscal and monetary policies. Whatever discipline gold imposes in this connection makes itself felt from the fact of a decline in the gold stock rather than from the existence of a reserve requirement, and this will continue to be the case.

Convertibility of the dollar into gold at a fixed price—\$35 an ounce—is a keystone of the international monetary system and is a fundamental reason why foreign monetary authorities are willing to hold dollar reserves. The role of the dollar as the major international reserve currency, together with the readiness of private foreign organizations and individuals to hold dollar assets, places the dollar in a unique position in international commerce and finance. Prompt enactment of legislation to remove the gold cover requirement would reaffirm to the world the convertibility of the dollar. At the same time it would meet the long-run requirements for an expansion in note circulation commensurate with steady growth in the economy.

Statement of William W. Sherrill, member, Board of Governors of the Federal Reserve System, before the Legal and Monetary Affairs Subcommittee of the Committee on

Government Operations, House of Representatives, February 7, 1968.

I appreciate the opportunity that has been afforded the Board of Governors to participate in your subcommittee's continuing effort to determine and make known the scope and nature of organized crime's operation in the United States, and to strengthen to a point of maximum effectiveness the Federal Government's fight against organized crime.

The record of your subcommittee's hearing dealing with the Federal effort against organized crime offers clear evidence of the danger that is presented by the organized crime conspiracy. The Board of Governors recognizes its responsibility to contribute in every meaningful way to the fight against organized crime, and pledges full cooperation within its area of responsibility to minimize the national threat from organized crime.

Mr. Chairman, your letter of November 29, 1967, addressed to the Board's Chairman Martin identified several specific subjects that you wished covered in a statement presented to your subcommittee. Before taking up these specific points, let me offer a few general observations.

As your subcommittee is aware, the Board of Governors is not primarily or principally an "investigative agency." That is to say, its primary responsibilities relate to the formulation and effectuation of sound monetary policy, and to the regulation and supervision of State-chartered banks that are members of the Federal Reserve System. Our supervisory responsibilities are primarily accomplished through regularly scheduled bank examinations, the primary purpose of which is to determine if, and assure that, the banks are being operated in a sound manner. State member banks are examined at least once each year by the Reserve Bank examiners, and more frequently in any case where exist-

ing circumstances dictate. While the supervisory functions involve, of course, investigatory procedures, such procedures are not of the nature, magnitude, or intensity of the investigations conducted by the Federal Bureau of Investigation and other divisions and bureaus of the Department of Justice, by the Internal Revenue Service and other units in the Treasury Department, or by numerous other Federal agencies directly responsible for, and geared to, full-scale investigative work.

In cases where the Board of Governors, either directly or through one of the Federal Reserve Banks, encounters evidence of criminal activity suggesting the need for investigation, a prompt report of the matter is made to the Federal Bureau of Investigation, or the appropriate U.S. Attorney. The point I am making is that while the staffs of the Board and of the Federal Reserve Banks are responsible for, and we believe accomplish, painstaking inquiries with respect to the bank examination function, criminal investigations of the type and scope contemplated by your subcommittee's study are not considered appropriately the function or responsibility of the Board or the several Reserve Banks.

Another fact bearing on the Board's role in dealing with the question of organized crime's efforts to penetrate the banking business is that the Board's supervisory and regulatory functions are exercised with respect to approximately one-tenth of the commercial banks in the United States, holding about one-fourth of the deposits of all U.S. commercial banks. While the Board has access to and utilizes data relating to all member banks, its supervisory actions are directed to the approximately 1,300 State member banks. In the course of this supervision, every practicable effort is made to coordinate the Board's supervisory actions

with the judgments and actions of other Federal and State bank supervisory authorities.

Turning now to the particular subjects mentioned in your subcommittee's request of the Board to present a statement, I would first comment upon the extent to which the Federal Reserve System has encountered elements of organized crime in its member banks. On the basis of our day-to-day examination of our member banks, of our daily and close contact and association with the members of the banking community, and of information coming into our possession from the many sources available to a Federal supervisory agency, the Board is not aware of penetration of its State member banks by organized crime. While in a given instance an examination of a member bank could present facts that would establish conclusively that organized crime had penetrated the bank, more likely an act of an apparent criminal nature could not, with certainty, be associated with organized crime.

Identification of organized crime in a given situation is a major problem for personnel without law enforcement training. With respect to any crime or suspected criminal activity in a bank, the conclusion that organized crime was not involved usually follows upon identification of a malfeasor with motives apparently unrelated to organized crime.

For the most part, the crimes with which the System's bank examiners are most often confronted are the so-called "internal crimes" such as embezzlements, defalcations, and fraudulent and unlawful loans. The "external crimes" occurring in our banks are usually quite obvious and encompass such crimes as armed robbery, theft, and burglary. Your subcommittee is familiar with the steps taken within the System aimed at effecting maximum security and controls measures against both internal and external

crime, several of which steps were taken pursuant to recommendations contained in your subcommittee's Eighteenth Report relating to "Crimes Against Banking Institutions." When crimes occur, are detected, or are suspected, immediate reports are made to the FBI and the Department of Justice, with requests for appropriate action. However, as best we can ascertain, these crimes seldom involve organized crime. In the very few instances where the presence or the backing of organized crime in a member bank was suspected, that suspicion and the circumstance giving rise to it have been known, or made known, to the Criminal Division of the Justice Department and, to the best of my knowledge, the Organized Crime and Racketeering Section in particular.

I think several reasons explain the minimal extent, if any, to which organized crime has attempted penetration of our banks. First, deposits of any large sums of money such as are realized from the gambling operations, narcotics traffic, and other illegal operations of the syndicates would immediately be suspect if placed in a single bank. It would seem to me impractical for the syndicates to attempt control of a sufficiently large number of institutions to spread their deposits so as to avoid notice. Similarly suspect might be action in bulk withdrawal of these funds, or, pursuant to dictate by a controlling stockholder or directorate, removal in the form of cash dividends. Secondly, I believe that organized crime has found business ventures far more profitable than commercial banking as investment sources for their illicit funds. The evidence presented at your subcommittee's 1967 hearings reveals the numerous pseudo-legitimate channels into which these funds can be placed with the expectation of producing large income while avoiding law enforcement detection.

Thirdly, it seems clear to me that Federal legislation enacted in recent years has presented a deterrent—less than absolute, but significantly effective—to the entry of organized crime into banks. Public Law 88-593, enacted in September of 1964, amended section 7 of the Federal Deposit Insurance Act to require that changes in control of any insured bank resulting from a change in ownership of voting stock must be reported to the appropriate Federal banking agency. Similarly, under that law whenever any insured bank makes a loan to be secured by 25 per cent or more of the outstanding voting stock of an insured bank the lending bank must report that fact to the appropriate Federal banking agency. Compliance with the statutory requirement for reporting assures receipt by the several Federal agencies of information regarding the stated identity of purchasers or borrowers, purchase price paid for the stock, and the amount of stock changing hands. With respect to reported changes in ownership of State member banks, the Reserve Banks are under instructions to ascertain and report to the Board on the character of new ownership or management. While no statute, investigative procedure, or enforcement technique can assure absolutely against the successful use of "street names," nominees, and third parties with respect to acquisition and transfer of bank stocks, the requirements of the "change in ownership" statute have made banks less susceptible to take-over by persons unqualified or unfit for such ownership.

An additional statutory enactment which we believe will prove quite effective in minimizing possible operational control of banks by criminal elements, including representatives of organized crime, is the Federal Financial Institutions Supervisory Act of 1966. This statute gives to the Board, the Comptroller of the Currency, and the Fed-

eral Deposit Insurance Corporation the authority, limited by appropriate procedural safeguards and requirement for precedent coordination with State supervisory authorities, to institute cease and desist proceedings and proceedings to remove directors or officers of banks under clearly prescribed circumstances. Without enumerating the several necessary findings required of the supervisory authorities before either the cease and desist or the removal authority can be exercised, suffice it to say that the existence of the statutory authority, and the very real prospect of its imposition, constitute a considerable barrier to the entry into or continued control of banks by elements of organized crime.

Finally, I believe that one of the most effective deterrents to the manipulation by organized crime of the resources of a commercial bank is the coordinated action between and among Federal and State law enforcement and supervisory authorities. I note that your subcommittee hearings time and again reflect the experienced judgment of the committee members and witnesses that cooperation and coordination between and among law enforcement agencies were the key to effective exposure and control of organized crime in all areas of its operations. I concur wholeheartedly in that judgment insofar as bank operations are concerned. In 1964 the Board initiated contact with the Department of Justice's Organized Crime and Racketeering Section to the end that there could be an effective exchange of information relating to any effort by organized crime to penetrate State member banks. Staff members of the Organized Crime and Racketeering Section have, from their offices in the field, requested and obtained from the Board's staff information bearing on investigations of organized crime then being pursued. The Board, the Federal Deposit Insur-

ance Corporation, the Comptroller of the Currency, and the several State bank supervisors have achieved, in my judgment, a system of information exchange well calculated to apprise each authority of facts and circumstances suggesting criminal activity within banks under their respective jurisdictions. As I earlier indicated, within the Federal Reserve System each of the Federal Reserve Banks reports to the FBI and/or the U.S. Attorney criminal violations detected in State member banks, or circumstances that suggest a serious violation of law. Rarely do such reports involve organized crime. The important point, however, is that our reporting system is such that if organized crime should be involved in a given case, even if unrecognized by our System officials, there will immediately be brought into the matter appropriate Federal investigatory forces and techniques calculated to deal effectively with the threat presented.

Mr. Chairman, I have given you my judgment of the extent to which organized crime constitutes a present problem to the Board as a bank supervisory authority, and I have briefly indicated some of the steps we have taken and are taking to combat crime at any level and of whatever nature. Earlier in my statement I referred to the danger which organized crime posed for the entire nation. The remarks that I have made today on behalf of the Board should not in any way be interpreted as an expression of total satisfaction regarding results achieved in combating the threat posed by organized crime. Each day presents potential encounters with this criminal element, necessitating continuing efforts for informed and coordinated action between and among bank supervisory agencies and Federal and State investigative and law enforcement agencies. I submit that the record will reflect fully the efforts taken by this Board to cooperate with the investigative

and prosecutive arms of the Federal Government in support of their efforts at law enforcement. I assure you of our resolve to continue such cooperative efforts to the end that the financial resources in the institutions supervised by the Board will be safeguarded to the fullest extent possible against criminal activity of whatever nature, and we will remain especially alert to possible incursions by organized crime.

Statement of William McChesney Martin, Jr., Chairman, Board of Governors of the Federal Reserve System, before the Joint Economic Committee, February 14, 1968.

I appreciate the opportunity of meeting again with this committee to discuss the state of the economy. It was just about a year ago that we last met, then in a quite different economic context. At that time, economic activity was faltering; businessmen were adjusting production schedules to reduce excessive inventories, investment in new plant facilities was falling, and consumer spending for durable goods was declining. Many doubted that the economy had sufficient resiliency to absorb a massive adjustment of inventories without a serious recession.

Today we meet in a far different situation. The economy is advancing at a rapid pace, labor resources are under strain, and costs and prices are moving up swiftly. In short, we are in the midst of inflation.

The avoidance of recession in 1967—the fact that we experienced only a pause, and not a reversal in economic expansion—was, in large measure, the result of prompt and vigorous application of the tools of stabilization policy. As early as the fall of 1966, when it first became evident that pressures in the economy were abating, monetary

policy shifted away from restraint and toward ease. Throughout the first half of 1967, policy provided a monetary climate that facilitated the orderly adjustment of business inventories and the recovery in homebuilding activity. At the same time, fiscal policy became increasingly stimulative. The rise in Federal spending was maintained, and the Federal deficit in the first half of 1967 reached the highest level since World War II.

The combined monetary and fiscal stimulus helped the economy to absorb a major decline in inventory investment, from a rate of over \$18 billion in the fourth quarter of 1966 to less than \$1 billion in the second quarter of 1967, with minimal effects on production and employment. Industrial output dropped by less than 3 per cent over the first half of the year, and unemployment remained below 4 per cent for most of the period. The resilience of our economy, and the timely use of stabilization policies, were amply demonstrated in the first half of 1967.

Unfortunately, there is less reason to be proud of the performance of the economy, or of stabilization policies, since mid-1967. The zeal with which policies were adapted to deal with a flagging economy has not been matched by commensurate zeal in coping with the emergence of economic overheating. The continuing large Federal deficit, in a period of rebounding private demands on resources, has intensified the strains on markets for labor, commodities, and financial capital.

Since the middle of last year, prices have risen at about 4 per cent annual rate, almost twice as rapidly as earlier in the year. With labor markets tight—unemployment has fallen to the lowest levels since the Korean war—the rise in prices is being translated into wage demands about twice as large as the long-run gains in productivity. And the

rise in our costs and prices has been an important factor in aggravating an already serious balance of payments deficit.

The resurgence in economic activity and in inflationary pressures after midyear-1967 did not come as a surprise. Anticipating these developments, early in the year the President recommended a fiscal program to insure that the rebound in activity would not reach an excessive pace. In my appearance before this committee a year ago, I urged the immediate adoption of the President's proposals, in order that the Government could enter the period of renewed expansion in an appropriate fiscal posture.

Delay in getting our budgetary deficit under control has been costly. The failure to exercise prudence in fiscal management before the forces of inflation gathered momentum has resulted in major setbacks in achieving both our domestic and our international economic goals.

Even now, with costs and prices advancing rapidly, we still are hesitating about taking tax measures to restrain demands. Some fear that demand restrictions cannot curb an inflation stemming from "cost-push." Others argue that nothing *should* be done about the current inflation, because a recession lurks around the corner.

Let me address myself first to the economics of cost-push and demand-pull. It seems to me that cost and price developments last year demonstrated once again how cost-push and demand-pull pressures interact to produce inflation. In the first half of 1967, costs rose rapidly, as wages continued to rise, and with production dipping, overhead costs had to be spread over a smaller output. Unit labor costs in manufacturing, for example, increased at an annual rate of almost 5½ per cent, about twice as rapidly as in the preceding year. Nevertheless, with over-all

demands leveling off, the rise in costs was *not* translated into higher prices. Industrial commodity prices were stable from February through July, and the advance in consumer prices slowed significantly.

But with the resurgence in aggregate demands after midyear, prices responded rapidly, even though the rise in unit labor costs moderated as production facilities began to be used more intensively. As soon as markets improved, past—and, indeed, prospective—cost increases were passed through the structure of production and distribution. The swift pace at which aggregate demands rose in the third and fourth quarters of last year provided a climate in which costs could more easily be passed on in the form of higher industrial and consumer prices. The rise in prices has fueled higher wage demands, laying the groundwork for another round of cost increases. And as long as overall demands continue to rise too rapidly, further cost pressures will be reflected in further increases in prices of industrial and consumer goods.

As for the issue of the economy's capability of absorbing a tax increase, even a cautious appraisal of economic prospects suggests a continued increase in demand pressures this year. The basic strength of expansionary forces in the economy has become evident since the termination of major work stoppages. For a few months, earlier in the fall, strikes in the auto and other industries had held back the recovery in production and sales, resulting in economic statistics that appeared to buttress the case of those who saw more weakness than strength in the economic outlook. When production rebounded at the end of the strikes, attention shifted to the apparent sluggishness of retail sales around the Christmas period. The latest figures, however, reveal that consumer

spending is picking up rapidly, and unemployment has fallen sharply. Now attention is shifting to the possibility of weakness developing next summer.

At any point in time, there will be some economic measures out of joint. And there will always be legitimate concern about the economic future. Forecasting economic developments is still an art, not yet a science, and no one can pretend to certainty about the outlook.

At this point in time, however, the great weight of the evidence is on the side of expectations for continued strong expansion in demands. Even if consumers should continue to save a high proportion of their after-tax incomes, consumer spending would rise substantially as incomes accelerate. Some reduction in business inventory accumulation is likely next summer, particularly in the stockpiling of steel. But the adjustment in steel inventories after the conclusion of wage negotiations in 1965 had little effect in retarding expansion then, and there is no more reason to expect a serious impact on overall economic activity from this source in 1968. Moreover, even with a tax increase and restraint on Government spending, the Federal budget would still be providing a significant net stimulus to the economy. We need no splurge in retail sales, or boom in investment spending, or excessive run-up in business inventories, to avert a recession this year.

Indeed, the greater risk is that expansionary forces will accelerate too rapidly and add further to inflationary pressures. Consumers' spending propensities are more likely to rise than to fall, as incomes accelerate and the workweek lengthens. Business plans to increase capital outlays, now modest, are more likely to be revised upward than downward, if the increase in final demands and in prices

continue untrammelled. And, as Budget Director Zwick noted to this committee last week, the risks are obviously in the direction of higher, rather than lower Federal spending, particularly in light of recent developments in the Far East.

The risks, therefore, are almost all on the side of too much demand, rather than too little. And the greatest danger to sustained expansion throughout the year is not that the economy might be too weak to absorb a tax increase, but that inflation will result in the excesses and distortions that inevitably lead to economic setbacks. A failure to exercise firm fiscal restraint will create an economic climate conducive to excessive inventory building and excessive plant expansion, only to be followed by cutbacks in output and employment as businessmen have to restore balance in their stocks, labor force, and capacity. It will encourage inflationary wage settlements that can be accommodated only by further price increases, diminishing both the potential for domestic sales and the possibility of regaining export markets, while attracting imports of foreign goods. And if the Government is forced to continue borrowing vast sums in financial markets to finance another large deficit, the availability of funds to sustain homebuilding at a high level will be seriously curtailed.

The financing of home construction is in a somewhat better position to compete for funds than in 1966, for the liquidity position of thrift institutions improved considerably last year. But home financing cannot be insulated from strong financial market forces. The pressure of corporate and Federal financing demands has already begun to pinch the flow of funds to mortgage lenders. Savings inflows at thrift institutions have been reduced, growth in the volume of commitments for future mortgage lending has slowed

appreciably, and interest rates on mortgages have returned to the peaks of 1966.

Increases in the cost of mortgage financing and mounting pressures on the availability of mortgage funds recurred last year even though monetary policy remained expansive through the summer and early fall. Monetary ease was maintained, despite the reemergence of inflationary pressures during the summer, to avoid a premature curtailment of the recovery in housing and aggravation of the strains in domestic and international financial markets resulting from the record volume of Treasury borrowing accompanied by a record volume of capital market financing by corporations and State and local governments. Moreover, the fiscal restraint program submitted by the President in early August offered the best prospect of relief from the tensions developing in financial markets and from the inflationary effects of growing demand pressures on real resources.

But with fiscal restraint held in abeyance, with inflationary pressures accentuating following termination of strikes in the auto and other industries, and with pressure on the international position of the dollar mounting after the devaluation of sterling, a shift was made later in the fall to a less expensive monetary policy. The initial step—a one-half point increase in the discount rate following the British devaluation—was a modest precautionary move in a situation of grave uncertainties; in fact, some in the System expressed a preference for a larger move to restraint at the time. In December as prices continued to advance rapidly, gold losses mounted, and our international trade balance diminished, an increase in member bank reserve requirements was announced, and open market operations were adjusted to support this less expansionary policy.

These moderate moves toward monetary

restraint were initially accompanied by some easing of tensions in financial markets, partly as a result of seasonal and other temporary factors. More recently, however, pressures have returned to financial markets, interest rates on market securities have been rising, and the flow of funds to institutions specializing in housing finance is once again being threatened.

In the absence of fiscal restraint, it may well prove impossible to avoid a contraction in the availability of credit to those sectors of the economy least capable of withstanding competitive pressures for funds. Housing finance, in particular, continues to be hampered by rigidities and imperfections that cannot swiftly be removed, and difficulties could be faced by many municipal and small business borrowers. Financing a continuing large Government deficit would absorb a disproportionate share of financial savings. And with real resources strained, prices increasing, and our balance of payments in difficulty, monetary policy could not irresponsibly permit the creation of credit on a scale that would accommodate all the private financing demands that inflation would generate.

To permit inflationary pressures to continue unchecked would dissipate the opportunity that the new balance of payments program is intended to provide, namely, the time to effect fundamental corrections in our position. How much we need an improvement in our international competitiveness was illustrated dramatically by the behavior of the U.S. trade balance during 1967. The rise in imports had halted in early 1967, as aggregate demands in our economy leveled off, but with the resurgence in activity, imports spurted to a new high by year-end. For the year as a whole, our merchandise imports were up 5½ per cent over the preced-

ing year, and almost half again as large as in 1964.

Our exports last year did not do as well as we had hoped they would. They rose only 4½ per cent for the year as a whole, and actually declined in the last quarter. Our merchandise trade balance, which had reached nearly \$7 billion in 1964, dwindled to less than \$4 billion in 1967.

Factors operating to dampen the demand for our exports were particularly important last year—such as the recession in Germany and the effects of the slack conditions in leading European countries on demands in many parts of the world. It is gratifying, therefore, that several European countries are using monetary and fiscal policies aimed at encouraging domestic expansion. Growth in economic activity and maintenance of relatively easy credit conditions in Europe are vital complements to the President's program to reduce the United States balance of payments deficit. But economic expansion abroad will not, by itself, be sufficient to produce a better balance in the pattern of international payments. We must temper the rise in demands here, in order to avoid surges in imports and to keep our exports competitive.

Serious as is the deterioration in our international trading position, it was on the capital side of the payments balance that worsening was most acute last year. Shifts in capital flows accounted for most of the change from a balance of payments deficit of about \$1½ billion in 1966, on the liquidity basis, to one of about \$3½ billion in 1967.

In 1966, an unusual constellation of factors had held down the net outflow of capital. Taut financial market conditions in this country pulled in a large amount of foreign private liquid funds in 1966. There was still a net inward flow of such funds in 1967,

but not on so large a scale, and there was a moderate outflow of bank loans and credits last year, reversing the inflows of such funds in 1965 and 1966. Also, net liquidation of foreign equity securities by U.S. investors, in response to the interest equalization tax, came to an end in 1967. Thus, after the temporary favorable circumstances affecting capital flows in 1966 were gone, a large over-all deficit reemerged in 1967.

In the context of a large and persistent deficit in the U.S. balance of payments, the devaluation of sterling last November unsettled gold and foreign exchange markets. Nevertheless, we have no evidence of any large flight out of dollars into either gold or foreign currencies. In fact, foreign private holdings of liquid dollar assets in the United States continued to show a net increase during the fourth quarter of 1967. A great deal of the purchasing of gold in recent months was done, we think, by people who were shifting out of sterling or out of continental currencies, rather than out of dollars.

Over the longer pull, however, we cannot depend on retaining the confidence of foreign holders of dollar assets unless we conduct our economic affairs in such a way as to deserve confidence. The new balance of payments program announced on New Year's Day by the President is addressed principally to reducing certain types of capital outflows, particularly direct investment outflows and bank lending. But such restrictions on particular types of international transactions cannot be relied on in the long run to assure sustained equilibrium in the over-all U.S. payments position. Public and private restraint in demands on our resources will be an essential element in the success of the United States in correcting its balance of payments problem.

To summarize this brief review of the key developments and problems in public policy formulation over the past year, it is clear that we have, as a nation, greater readiness to combat recession than to cope with inflation, despite the grave consequences that

failure to restrain inflation could have for our economy, both domestically and internationally. The Congress should act now to provide the fiscal restraint we need to sustain a balanced expansion and to protect the value of the dollar at home and abroad.

Directors of Federal Reserve Banks and Branches

Following is a list of the directorates of the Federal Reserve Banks and branches as at present constituted. The list shows, in addition to the name of each director, his principal business affiliation, the class of directorship, and the date when his term expires. Each Federal Reserve Bank has nine directors; three Class A and three Class B directors, who are elected by the stockholding member banks, and three Class C directors, who are appointed by the Board of Governors of the Federal Reserve System. Class A directors are representative of the stockholding member banks. Class B directors must be actively engaged in their district in commerce, agriculture, or some industrial pursuit, and may not be officers, directors, or employees of any bank. For the purpose of electing Class A and Class B directors, the member banks of each Federal Reserve district are classified by the Board of Governors of the Federal Reserve System into three groups, each of which consists of banks of similar capitalization, and each group elects one Class A and one Class B director. Class C directors may not be officers, directors, employees, or stockholders of any bank. One Class C director is designated by the Board of Governors as Chairman of the Board of Directors and Federal Reserve Agent and another as Deputy Chairman. Federal Reserve Bank branches have either five or seven directors, of whom a majority are appointed by the board of directors of the parent Federal Reserve Bank and the others are appointed by the Board of Governors of the Federal Reserve System. One of the directors appointed by the Board of Governors at each branch is designated annually as Chairman of the Board in such manner as the Federal Reserve Bank may prescribe.

District 1—FEDERAL RESERVE BANK OF BOSTON

		<i>Term Expires Dec. 31</i>
<i>Class A:</i>		
LAWRENCE H. MARTIN	Chairman, Chief Executive Officer, The National Shawmut Bank, Boston, Mass.	1968
CHARLES A. BEAUJON, JR.	President, The Canaan National Bank, Canaan, Conn.	1969
WILLIAM R. KENNEDY	President, Merrimack Valley National Bank, Haverhill, Mass.	1970
<i>Class B:</i>		
W. GORDON ROBERTSON	Chairman, Chief Executive Officer, Bangor Punta Corporation, Bangor, Maine	1968
F. RAY KEYSER, JR.	Counsel, Vermont Marble Company, Proctor, Vt.	1969
JAMES R. CARTER	President, Nashua Corporation, Nashua, N.H.	1970
<i>Class C:</i>		
CHARLES W. COLE ²	President Emeritus, Amherst College, Amherst, Mass.	1968
HOWARD W. JOHNSON ¹	President, Massachusetts Institute of Technology, Cambridge, Mass.	1969
JOHN M. FOX	Chairman of the Board, United Fruit Company, Boston, Mass.	1970

¹ Chairman

² Deputy Chairman

District 2—FEDERAL RESERVE BANK OF NEW YORK

		<i>Term Expires Dec. 31</i>
<i>Class A:</i>		
ROBERT G. COWAN	Chairman of the Board, National Newark & Essex Bank, Newark, N.J.	1968
EUGENE H. MORRISON	President, Orange County Trust Company, Middletown, N.Y.	1969
R. E. McNEILL, JR.	Chairman of the Board, Manufacturers Hanover Trust Company, New York, N.Y.	1970
<i>Class B:</i>		
MILTON C. MUMFORD	Chairman of the Board, Lever Brothers Company, New York, N.Y.	1968
MAURICE R. FORMAN	President, B. Forman Co., Inc., Rochester, N.Y.	1969
ARTHUR K. WATSON	Chairman of the Board, IBM World Trade Corporation, Vice Chairman of the Board, International Business Machines Corporation, Armonk, N.Y.	1970
<i>Class C:</i>		
KENNETH H. HANNAN ²	Executive Vice President, Union Carbide Corporation, New York, N.Y.	1968
EVERETT N. CASE ¹	President, Alfred P. Sloan Foundation, New York, N.Y.	1969
JAMES M. HESTER	President, New York University, New York, N.Y.	1970

BUFFALO BRANCH

Appointed by Federal Reserve Bank:

ARTHUR S. HAMLIN	President, The Canandaigua National Bank and Trust Company, Canandaigua, N.Y.	1968
E. PERRY SPINK	Chairman of the Board, Liberty National Bank and Trust Company, Buffalo, N.Y.	1969
WILMOT R. CRAIG	Chairman of the Board, Director, Lincoln Rochester Trust Company, Rochester, N.Y.	1970
CHARLES L. HUGHES	President, The Silver Creek National Bank, Silver Creek, N.Y.	1970

Appointed by Board of Governors:

NORMAN F. BEACH	Vice President, Eastman Kodak Company, Rochester, N.Y.	1968
GERALD F. BRITT	President, L-Brooke Farms, Inc., Byron, N.Y.	1969
ROBERT S. BENNETT ¹	General Manager, Lackawanna Plant, Bethlehem Steel Corporation, Buffalo, N.Y.	1970

District 3—FEDERAL RESERVE BANK OF PHILADELPHIA

<i>Class A:</i>		
HOWARD C. PETERSEN	Chairman of the Board, The Fidelity Bank, Philadelphia, Pa.	1968
ROBERT C. ENDERS	President, Bloomsburg Bank - Columbia Trust Company, Bloomsburg, Pa.	1969
H. LYLE DUFFEY	Executive Vice President, The First National Bank, McConellsburg, Pa.	1970

¹ Chairman² Deputy Chairman

District 3—FEDERAL RESERVE BANK OF PHILADELPHIA—Continued

		<i>Term Expires Dec. 31</i>
<i>Class B:</i>		
HENRY A. THOURON	Chairman of the Board, President, Hercules, Incorporated, Wilmington, Del.	1968
EDWARD J. DWYER	President, ESB Incorporated, Philadelphia, Pa.	1969
PHILIP H. GLATFELTER, III	President, P. H. Glatfelter Co., Spring Grove, Pa.	1970
<i>Class C:</i>		
D. ROBERT YARNALL, JR.	President, Yarway Corporation, Blue Bell, Pa.	1968
BAYARD L. ENGLAND ²	Chairman of the Board, Atlantic City Electric Company, Atlantic City, N.J.	1969
WILLIS J. WINN ¹	Dean, Wharton School of Finance and Commerce, University of Pennsylvania, Philadelphia, Pa.	1970

District 4—FEDERAL RESERVE BANK OF CLEVELAND

<i>Class A:</i>		
EVERETT D. REESE	Director, Former Chairman of the Board, The City National Bank and Trust Company, Columbus, Ohio	1968
RICHARD R. HOLLINGTON	President, The Ohio Bank and Savings Company, Findlay, Ohio	1969
SEWARD D. SCHOOLER	President, Coshocton National Bank, Coshocton, Ohio	1970
<i>Class B:</i>		
WALTER K. BAILEY	Director, Former Chairman of the Board, The Warner and Swasey Company, Cleveland, Ohio	1968
R. STANLEY LAING	President, The National Cash Register Company, Dayton, Ohio	1969
JOHN L. GUSHMAN	President, Chief Executive Officer, Anchor Hocking Glass Corporation, Lancaster, Ohio	1970
<i>Class C:</i>		
LOGAN T. JOHNSTON ²	Chairman of the Board, Armco Steel Corporation, Middletown, Ohio	1968
ALBERT G. CLAY ¹	President, Clay Tobacco Company, Mt. Sterling, Ky.	1969
J. WARD KEENER	Chairman of the Board, Chief Executive Officer, The B. F. Goodrich Company, Akron, Ohio	1970

CINCINNATI BRANCH*Appointed by Federal Reserve Bank:*

JACOB H. GRAVES	President, The Second National Bank and Trust Company, Lexington, Ky.	1968
JOHN W. HUMPHREY	President, Chairman of the Board, The Philip Carey Manufacturing Company, Lockland, Cincinnati, Ohio	1969
ROBERT J. BARTH	President, The First National Bank, Dayton, Ohio	1969
FLETCHER E. NYCE	President, The Central Trust Company, Cincinnati, Ohio	1970

¹ Chairman² Deputy Chairman

District 4—FEDERAL RESERVE BANK OF CLEVELAND—Continued
CINCINNATI BRANCH—Continued

		<i>Term Expires Dec. 31</i>
<i>Appointed by Board of Governors:</i>		
GRAHAM E. MARX ¹	President, General Manager, The G. A. Gray Company, Cincinnati, Ohio	1968
JOHN N. STAUFFER	President, Wittenberg University, Springfield, Ohio	1969
ORIN E. ATKINS	President, Ashland Oil & Refining Company, Ashland, Ky.	1970

PITTSBURGH BRANCH

Appointed by Federal Reserve Bank:

ROBERT C. HAZLETT	President, Wheeling Dollar Savings & Trust Co., Wheeling, W. Va.	1968
CHARLES M. BEEGLY	Chairman of the Board, Chief Executive Officer, Jones and Laughlin Steel Corporation, Pittsburgh, Pa.	1969
THOMAS L. WENTLING	President, First National Bank of Westmoreland, Greensburg, Pa.	1969
GEORGE S. COOK	President, Somerset Trust Company, Somerset, Pa.	1970

Appointed by Board of Governors:

F. L. BYROM ¹	President, Chief Executive Officer, Koppers Company, Inc., Pittsburgh, Pa.	1968
LAWRENCE E. WALKLEY (Vacancy)	President, Westinghouse Air Brake Company, Pittsburgh, Pa.	1969 1970

District 5—FEDERAL RESERVE BANK OF RICHMOND

Class A:

WILLIAM A. DAVIS	President, The Peoples Bank, Mullens, W. Va.	1968
ROBERT C. BAKER	President, Chairman of the Board, American Security and Trust Company, Washington, D.C.	1969
GILES H. MILLER	President, The Culpeper National Bank, Culpeper, Va.	1970

Class B:

CHARLES D. LYON	President, The Potomac Edison Company, Hagerstown, Md.	1968
THADDEUS STREET	President, Carolina Shipping Company, Charleston, S.C.	1969
H. DAIL HOLDERNESS	President, Carolina Telephone and Telegraph Company, Tarboro, N.C.	1970

Class C:

WILSON H. ELKINS ¹	President, University of Maryland, College Park, Md.	1968
ROBERT W. LAWSON, JR. ²	Managing Partner of Charleston Office, Steptoe and Johnson, Charleston, W. Va.	1969
STUART SHUMATE	President, Richmond, Fredericksburg and Potomac Railroad Company, Richmond, Va.	1970

¹ Chairman

² Deputy Chairman

BALTIMORE BRANCH

		<i>Term Expires Dec. 31</i>
<i>Appointed by Federal Reserve Bank:</i>		
JOSEPH B. BROWNE	President, Union Trust Company of Maryland, Baltimore, Md.	1968
JOHN P. SIPPEL	President, The Citizens National Bank, Laurel, Md.	1969
ADRIAN L. MCCARDELL	President, First National Bank of Maryland, Baltimore, Md.	1970
JAMES J. ROBINSON	Executive Vice President, Cashier, Bank of Ripley, W. Va.	1970
<i>Appointed by Board of Governors:</i>		
E. WAYNE CORRIN ¹	President, Consolidated Gas Supply Corporation, Clarksburg, W. Va.	1968
ARNOLD J. KLEFF, JR.	Manager, Baltimore Plant, American Smelting and Refining Company, Baltimore, Md.	1969
JOHN H. FETTING, JR.	President, A. H. Fetting Company, Baltimore, Md.	1970

CHARLOTTE BRANCH

<i>Appointed by Federal Reserve Bank:</i>		
G. HAROLD MYRICK	President, Trust Officer, First National Bank, Lincolnton, N.C.	1968
J. WILLIS CANTEY	President, The Citizens and Southern National Bank of South Carolina, Columbia, S.C.	1969
C. C. CAMERON	Chairman of the Board, President, First Union National Bank of North Carolina, Charlotte, N.C.	1970
H. PHELPS BROOKS, JR.	President, Trust Officer, The Peoples National Bank, Chester, S.C.	1970
<i>Appointed by Board of Governors:</i>		
JOHN L. FRALEY	Executive Vice President, Carolina Freight Carriers Corporation, Cherryville, N.C.	1968
JAMES A. MORRIS ¹	Vice President, Division of Advanced Studies and Research, University of South Carolina, Columbia, S.C.	1969
WILLIAM B. MCGUIRE	President, Duke Power Company, Charlotte, N.C.	1970

District 6—FEDERAL RESERVE BANK OF ATLANTA

<i>Class A:</i>		
JOHN W. GAY	President, The First National Bank, Scottsboro, Ala.	1968
WILLIAM B. MILLS	President, The Florida National Bank, Jacksonville, Fla.	1969
A. L. ELLIS	Chairman, First National Bank, Tarpon Springs, Fla.	1970
<i>Class B:</i>		
HARRY T. VAUGHN	President, United States Sugar Corporation, Clewiston, Fla.	1968
PHILIP J. LEE	Vice President, Seaboard Coast Line Railroad Company, Jacksonville, Fla.	1969
HOSKINS A. SHADOW	President, Tennessee Valley Nursery, Inc., Winchester, Tenn.	1970

¹ Chairman

District 6—FEDERAL RESERVE BANK OF ATLANTA—Continued

		<i>Term Expires Dec. 31</i>
<i>Class C:</i>		
EDWIN I. HATCH ¹	President, Georgia Power Company, Atlanta, Ga.	1968
JOHN A. HUNTER	President, Louisiana State University, Baton Rouge, La.	1969
JOHN C. WILSON ²	President, Horne-Wilson, Inc., Atlanta, Ga.	1970

BIRMINGHAM BRANCH*Appointed by Federal Reserve Bank:*

MAJOR W. ESPY	Chairman, The Headland National Bank, Headland, Ala.	1968
WILL T. COTHRAN	President, Birmingham Trust National Bank, Birmingham, Ala.	1969
ARTHUR L. JOHNSON	President, Camden National Bank, Camden, Ala.	1970
GEORGE A. LEMAISTRE	President, City National Bank, Tuscaloosa, Ala.	1970

Appointed by Board of Governors:

EUGENE C. GWALTNEY, JR.	Vice President, Russell Mills, Inc., Alexander City, Ala.	1968
MAYS E. MONTGOMERY ¹	General Manager, Dixie Home Feeds Company, Athens, Ala.	1969
C. CALDWELL MARKS	Chairman of the Board, Owens-Richards Company, Inc., Birmingham, Va.	1970

JACKSONVILLE BRANCH*Appointed by Federal Reserve Bank:*

ANDREW P. IRELAND	Chairman, President, The American National Bank and Trust Co., Winter Haven, Fla.	1968
L. V. CHAPPELL	President, First National Bank, Clearwater, Fla.	1969
HARRY HOOD BASSETT	Chairman, The First National Bank, Miami, Fla.	1970
JOHN Y. HUMPHRESS	Executive Vice President, Capital City First National Bank, Tallahassee, Fla.	1970

Appointed by Board of Governors:

CASTLE W. JORDAN ¹	President, Associated Oil and Gas Company, Coral Gables, Fla.	1968
HENRY KING STANFORD	President, University of Miami, Coral Gables, Fla.	1969
HENRY CRAIG	Chairman of the Board, Chief Executive Officer, Minute Maid Company, Orlando, Fla.	1970

NASHVILLE BRANCH*Appointed by Federal Reserve Bank:*

MOSES E. DORTON	President, The First National Bank, Crossville, Tenn.	1968
ANDREW BENEDICT	President, First American National Bank, Nashville, Tenn.	1969
H. A. CROUCH, JR.	President, The First National Bank, Tullahoma, Tenn.	1970
W. H. SWAIN	President, First National Bank, Oneida, Tenn.	1970

Appointed by Board of Governors:

ALEXANDER HEARD ¹	Chancellor, Vanderbilt University, Nashville, Tenn.	1968
JAMES E. WARD	Chairman, Baird-Ward Printing Company, Nashville, Tenn.	1969
ROBERT M. WILLIAMS	President, ARO, Inc., Arnold Engineering Development Center, Tullahoma, Tenn.	1970

¹ Chairman² Deputy Chairman

District 6—FEDERAL RESERVE BANK OF ATLANTA—Continued
NEW ORLEANS BRANCH

		<i>Term Expires Dec. 31</i>
<i>Appointed by Federal Reserve Bank:</i>		
DONALD L. DELCAMBRE	President, The State National Bank, New Iberia, La.	1968
A. L. GOTTSCHÉ	President, First National Bank, Biloxi, Miss.	1969
LUCIEN J. HEBERT, JR.	Executive Vice President, Lafourche National Bank, Thibodaux, La.	1970
MORGAN WHITNEY	Vice President, Whitney National Bank, New Orleans, La.	1970
<i>Appointed by Board of Governors:</i>		
FRANK G. SMITH, JR.	Vice President, Mississippi Power and Light Company, Jackson, Miss.	1968
GEORGE B. BLAIR ¹	General Manager, American Rice Growers Cooperative Association, Lake Charles, La.	1969
ROBERT H. RADCLIFF, JR.	President, Southern Industries Corporation, Mobile, Ala.	1970

District 7—FEDERAL RESERVE BANK OF CHICAGO

<i>Class A:</i>		
HARRY W. SCHALLER	President, The Citizens First National Bank, Storm Lake, Iowa	1968
KENNETH V. ZWIENER	Chairman of the Board, Harris Trust and Savings Bank, Chicago, Ill.	1969
MELVIN C. LOCKARD	President, First National Bank, Mattoon, Ill.	1970
<i>Class B:</i>		
JOSEPH O. WAYMIRE	Vice President for Finance, Eli Lilly and Company, Indianapolis, Ind.	1968
WILLIAM H. DAVIDSON	President, Harley-Davidson Motor Company, Milwaukee, Wis.	1969
HOWARD M. PACKARD	Chairman of the Finance Committee, S. C. Johnson & Son, Inc., Racine, Wis.	1970
<i>Class C:</i>		
ELVIS J. STAHR ²	President, Indiana University, Bloomington, Ind.	1968
EMERSON G. HIGDON	President, Treasurer, The Maytag Company, Newton, Iowa	1969
FRANKLIN J. LUNDING ¹	Chairman of the Finance Committee, Jewel Companies, Inc., Chicago, Ill.	1970

DETROIT BRANCH

<i>Appointed by Federal Reserve Bank:</i>		
B. P. SHERWOOD, JR.	President, Security First Bank and Trust Company, Grand Haven, Mich.	1968
JOHN H. FRENCH, JR.	President, City National Bank, Detroit, Mich.	1969
GEORGE L. WHYEL	President, Genesee Merchants Bank and Trust Company, Flint, Mich.	1969
RAYMOND T. PERRING	Chairman of the Board, The Detroit Bank and Trust Company, Detroit, Mich.	1970

¹ Chairman² Deputy Chairman

District 7—FEDERAL RESERVE BANK OF CHICAGO—Continued
DETROIT BRANCH—Continued

		<i>Term Expires Dec. 31</i>
<i>Appointed by Board of Governors:</i>		
GUY S. PEPIATT	Chairman of the Board, Federal-Mogul Corporation, Detroit, Mich.	1968
MAX P. HEAVENRICH, JR. ¹	President, Heavenrich Bros. & Company, Saginaw, Mich.	1969
L. WILLIAM SEIDMAN	General Partner, Seidman & Seidman, Grand Rapids, Mich.	1970

District 8—FEDERAL RESERVE BANK OF ST. LOUIS

Class A:

HARRY F. HARRINGTON	Chairman of the Board, The Boatmen's National Bank, St. Louis, Mo.	1968
CECIL W. CUPP, JR.	President, Arkansas Bank and Trust Company, Hot Springs, Ark.	1969
BRADFORD BRETT	President, The First National Bank, Mexico, Mo.	1970

Class B:

SHERWOOD J. SMITH	Vice President, Whirlpool Corporation, Evansville, Ind.	1968
ROLAND W. RICHARDS	Senior Vice President, Laclede Steel Company, St. Louis, Mo.	1969
MARK TOWNSEND	Chairman of the Board, Townsend Lumber Company, Inc., Stuttgart, Ark.	1970

Class C:

FREDERIC M. PEIRCE ¹	President, General American Life Insurance Company, St. Louis, Mo.	1968
WILLIAM KING SELF	President, Riverside Industries, Marks, Miss.	1969
SMITH D. BROADBENT, JR. ²	Owner, Broadbent Hybrid Seed Co., Cadiz, Ky.	1970

LITTLE ROCK BRANCH

Appointed by Federal Reserve Bank:

LOUIS E. HURLEY	President, The Exchange Bank & Trust Company, El Dorado, Ark.	1968
ELLIS E. SHELTON	President, The First National Bank, Fayetteville, Ark.	1969
WAYNE A. STONE	President, Simmons First National Bank, Pine Bluff, Ark.	1969
EDWARD M. PENICK	President, Chief Executive Officer, Worthen Bank and Trust Company, Little Rock, Ark.	1970

Appointed by Board of Governors:

CAREY V. STABLER	President, Little Rock University, Little Rock, Ark.	1968
JAKE HARTZ, JR. ¹	President, Jacob Hartz Seed Co., Inc., Stuttgart, Ark.	1969
REEVES E. RITCHIE	President, Arkansas Power & Light Company, Little Rock, Ark.	1970

LOUISVILLE BRANCH

JOHN H. HARDWICK	Chairman, Chief Executive Officer, The Louisville Trust Company, Louisville, Ky.	1968
WM. G. DEATHERAGE	President, Planters Bank & Trust Co., Hopkinsville, Ky.	1969
PAUL CHASE	President, The Bedford National Bank, Bedford, Ind.	1969
J. E. MILLER	Executive Vice President, Sellersburg State Bank, Sellersburg, Ind.	1970

¹ Chairman

² Deputy Chairman

District 8—FEDERAL RESERVE BANK OF ST. LOUIS—Continued
LOUISVILLE BRANCH—Continued

		<i>Term Expires Dec. 31</i>
<i>Appointed by Board of Governors:</i>		
C. HUNTER GREEN ¹	Vice President, Southern Bell Telephone and Telegraph Company, Louisville, Ky.	1968
LISLE BAKER, JR.	Executive Vice President, The Courier-Journal & Louisville Times Company, Louisville, Ky.	1969
HARRY M. YOUNG, JR.	Farmer, Herndon, Ky.	1970

MEMPHIS BRANCH

<i>Appointed by Federal Reserve Bank:</i>		
W. W. HOLLOWELL	President, The First National Bank, Greenville, Miss.	1968
ALLEN MORGAN	President, The First National Bank, Memphis, Tenn.	1969
CON T. WELCH	President, Citizens Bank, Savannah, Tenn.	1969
J. J. WHITE	President, Helena National Bank, Helena, Ark.	1970
<i>Appointed by Board of Governors:</i>		
SAM COOPER ¹	President, HumKo Products Division, National Dairy Products Corporation, Memphis, Tenn.	1968
WILLIAM L. GILES	President, Mississippi State University, State College, Miss.	1969
JAMES S. WILLIAMS	Assistant Vice President, American Greetings Corporation, Osceola, Ark.	1970

District 9—FEDERAL RESERVE BANK OF MINNEAPOLIS

<i>Class A:</i>		
CURTIS B. MATEER	Executive Vice President, The Pierre National Bank, Pierre, S.D.	1968
JOHN BOSSHARD	Executive Vice President, First National Bank, Bangor, Wis.	1969
WARREN F. VAUGHAN	Vice President, Security Trust & Savings Bank, Billings, Mont.	1970
<i>Class B:</i>		
JOHN H. TOOLE	President, Toole and Easter Company, Missoula, Mont.	1968
LEO C. STUDNESS	Manager, Studness Company, Devils Lake, N.D.	1969
NEIL G. SIMPSON	President, Black Hills Power and Light Company, Rapid City, S.D.	1970
<i>Class C:</i>		
ROBERT F. LEACH ²	Attorney, Oppenheimer, Hodgson, Brown, Wolff and Leach, St. Paul, Minn.	1968
JOYCE A. SWAN ¹	Executive Vice President, Publisher, Minneapolis Star and Tribune, Minneapolis, Minn.	1969
BYRON W. REEVE	President, Lake Shore, Inc., Iron Mountain, Mich.	1970

¹ Chairman

² Deputy Chairman

District 9—FEDERAL RESERVE BANK OF MINNEAPOLIS—Continued
HELENA BRANCH

		<i>Term Expires Dec. 31</i>
<i>Appointed by Federal Reserve Bank:</i>		
CHARLES H. BROCKSMITH	President, First Security Bank of Glasgow N.A., Glasgow, Mont.	1968
GLENN H. LARSON	President, First State Bank, Thompson Falls, Mont.	1968
B. MEYER HARRIS	President, The Yellowstone Bank, Laurel, Mont.	1969
<i>Appointed by Board of Governors:</i>		
C. G. MCCLAVE ¹	President, Montana Flour Mills Company, Great Falls, Mont.	1968
EDWIN G. KOCH	President, Montana College of Mineral Science and Technology, Butte, Mont.	1969

District 10—FEDERAL RESERVE BANK OF KANSAS CITY

<i>Class A:</i>		
BURTON L. LOHMULLER	Chairman of the Board, The First National Bank, Centralia, Kans.	1968
EUGENE H. ADAMS	President, The First National Bank, Denver, Colo.	1969
KENNETH H. PETERS	President, The First State Bank, Larned, Kans.	1970
<i>Class B:</i>		
STANLEY LEARNED	Vice Chairman, Phillips Petroleum Company, Bartlesville, Okla.	1968
FRED W. GILMORE	President, Union Stock Yards Company, Omaha, Nebr.	1969
ALFRED E. JORDAN	Vice President, Trans World Airlines, Inc., Kansas City, Mo.	1970
<i>Class C:</i>		
DEAN A. MCGEE ²	Chairman of the Board, Kerr-McGee Corporation, Oklahoma City, Okla.	1968
WILLARD D. HOSFORD, JR.	Vice President, General Manager, John Deere Company, Omaha, Nebr.	1969
DOLPH SIMONS ¹	Editor, President, The Lawrence Daily Journal-World, Lawrence, Kans.	1970

DENVER BRANCH

<i>Appointed by Federal Reserve Bank:</i>		
J. P. BRANDENBURG	President, The First State Bank, Taos, N.M.	1968
THEODORE D. BROWN	President, The Security State Bank, Sterling, Colo.	1968
ARMIN B. BARNEY	Chairman of the Board, Colorado Springs National Bank, Colorado Springs, Colo.	1969
<i>Appointed by Board of Governors:</i>		
D. R. C. BROWN	President, Aspen Skiing Corporation, Aspen, Colo.	1968
CRIS DOBBINS ¹	Chairman, Ideal Basic Industries, Inc., Denver, Colo.	1969

¹ Chairman

² Deputy Chairman

District 10—FEDERAL RESERVE BANK OF KANSAS CITY—Continued
OKLAHOMA CITY BRANCH

		<i>Term Expires Dec. 31</i>
<i>Appointed by Federal Reserve Bank:</i>		
GUY L. BERRY, JR.	President, The American National Bank and Trust Company, Sapulpa, Okla.	1968
C. M. CRAWFORD	President, First National Bank, Frederick, Okla.	1968
HOWARD J. BOZARTH	President, City National Bank and Trust Company, Oklahoma City, Okla.	1969
<i>Appointed by Board of Governors:</i>		
F. W. ZALOUDEK	Manager, J. I. Case Equipment Agency, Kremlin, Okla.	1968
C. W. FLINT, JR. ¹	Chairman of the Board, Flint Steel Corporation, Tulsa, Okla.	1969

OMAHA BRANCH

<i>Appointed by Federal Reserve Bank:</i>		
W. B. MILLARD, JR.	Chairman of the Board, Omaha National Bank, Omaha, Nebr.	1968
JOHN W. HAY, JR.	President, Rock Springs National Bank, Rock Springs, Wyo.	1969
S. N. WOLBACH	President, First National Bank, Grand Island, Nebr.	1969
<i>Appointed by Board of Governors:</i>		
HENRY Y. KLEINKAUF ¹	President, Natkin & Company, Omaha, Nebr.	1968
A. JAMES EBEL	Vice President, General Manager, Cornhusker Television Cor- poration, Lincoln, Nebr.	1969

District 11—FEDERAL RESERVE BANK OF DALLAS

<i>Class A:</i>		
RALPH A. PORTER	President, The State National Bank, Denison, Tex.	1968
MURRAY KYGER	Chairman of the Board, The First National Bank, Fort Worth, Tex.	1969
J. V. KELLY	President, The Peoples National Bank, Belton, Tex.	1970
<i>Class B:</i>		
J. B. PERRY, JR.	Real Estate Investments and Development, Lufkin, Tex.	1968
C. A. TATUM, JR.	President, Chief Executive Officer, Texas Utilities Company, Dallas, Tex.	1969
CARL D. NEWTON	President, Fox-Stanley Photo Products, Inc., San Antonio, Tex.	1970
<i>Class C:</i>		
KENNETH S. PITZER	President, Professor of Chemistry, Rice University, Houston, Tex.	1968
MAX LEVINE ²	Retired Chairman of the Board, Foley's, Houston, Tex.	1969
CARL J. THOMSEN ¹	Senior Vice President, Texas Instruments Incorporated, Dallas, Tex.	1970

¹ Chairman² Deputy Chairman

District 11—FEDERAL RESERVE BANK OF DALLAS—Continued**EL PASO BRANCH**

		<i>Term Expires Dec. 31</i>
<i>Appointed by Federal Reserve Bank:</i>		
JOE B. SISLER	President, The Clovis National Bank, Clovis, N.M.	1968
ROBERT W. HEYER	Director, Consultant, Southern Arizona Bank & Trust Company, Tucson, Ariz.	1969
ARCHIE B. SCOTT	President, The Security State Bank, Pecos, Tex.	1969
ROBERT F. LOCKHART	President, The State National Bank, El Paso, Tex.	1970
<i>Appointed by Board of Governors:</i>		
JOSEPH M. RAY ¹	President, The University of Texas, El Paso, Tex.	1968
C. ROBERT McNALLY, JR.	Rancher, Roswell, N.M.	1969
GORDON W. FOSTER	Vice President, Director, Farah Manufacturing Company, Inc., El Paso, Tex.	1970

HOUSTON BRANCH

<i>Appointed by Federal Reserve Bank:</i>		
HENRY B. CLAY	President, First Bank & Trust, Bryan, Tex.	1968
W. G. THORNELL	President, The First National Bank, Port Arthur, Tex.	1969
JOHN E. WHITMORE	President, Texas National Bank of Commerce, Houston, Tex.	1969
A. G. McNEESE, JR.	Chairman of the Board, Bank of the Southwest National Association, Houston, Tex.	1970
<i>Appointed by Board of Governors:</i>		
R. M. BUCKLEY	President, Director, Eastex Incorporated, Silsbee, Tex.	1968
GEO. T. MORSE, JR. ¹	President, General Manager, Peden Iron & Steel Company, Houston, Tex.	1969
M. STEELE WRIGHT, JR.	President, General Manager, Texas Farm Products Company, Nacogdoches, Tex.	1970

SAN ANTONIO BRANCH

<i>Appointed by Federal Reserve Bank:</i>		
JAMES T. DENTON, JR.	President, Corpus Christi Bank and Trust, Corpus Christi, Tex.	1968
J. R. THORNTON	Chairman of the Board, President, State Bank and Trust Company, San Marcos, Tex.	1969
T. C. FROST, JR.	President, The Frost National Bank, San Antonio, Tex.	1969
RAY M. KECK, JR.	President, Union National Bank, Laredo, Tex.	1970
<i>Appointed by Board of Governors:</i>		
FRANCIS B. MAY ¹	Chairman, Department of General Business, Professor of Business Statistics, The University of Texas, Austin, Tex.	1968
W. A. BELCHER	Veterinarian, Rancher, Brackettville, Tex.	1969
LLOYD M. KNOWLTON	General Manager, Partner, Knowlton's Creamery, San Antonio, Tex.	1970

¹ Chairman

District 12—FEDERAL RESERVE BANK OF SAN FRANCISCO

		<i>Term Expires Dec. 31</i>
<i>Class A:</i>		
RALPH V. ARNOLD	Chairman, Chief Executive Officer, First National Bank and Trust Company, Ontario, Calif.	1968
CARROLL F. BYRD	Chairman, President, The First National Bank, Willows, Calif.	1969
CHARLES F. FRANKLAND	Chairman, Chief Executive Officer, The Pacific National Bank, Seattle, Wash.	1970
<i>Class B:</i>		
HERBERT D. ARMSTRONG	Treasurer, Standard Oil Company of California, San Francisco, Calif.	1968
JOSEPH ROSENBLATT	Honorary Chairman, The Eimco Corporation, Salt Lake City, Utah	1969
MARRON KENDRICK	President, Schlage Lock Company, San Francisco, Calif.	1970
<i>Class C:</i>		
BERNARD T. ROCCA, JR.	Chairman, Pacific Vegetable Oil Corporation, San Francisco, Calif.	1968
S. ALFRED HALGREN ²	Senior Vice President, Director, Carnation Company, Los Angeles, Calif.	1969
(VACANCY) ¹		1970

LOS ANGELES BRANCH*Appointed by Federal Reserve Bank:*

HARRY J. VOLK	President, Union Bank, Los Angeles, Calif.	1968
CARL E. SCHROEDER	President, The First National Bank of Orange County, Orange, Calif.	1968
SHERMAN HAZELTINE	Chairman of the Board, Chief Executive Officer, First National Bank of Arizona, Phoenix, Ariz.	1969
T. H. SHEARIN	President, Community National Bank, Bakersfield, Calif.	1970

Appointed by Board of Governors:

J. L. ATWOOD ¹	President, Chief Executive Officer, North American Rockwell Corporation, El Segundo, Calif.	1968
ARTHUR G. COONS	President Emeritus, Occidental College, Newport Beach, Calif.	1969
NORMAN B. HOUSTON	Senior Vice President, Treasurer, Golden State Mutual Life Insurance Company, Los Angeles, Calif.	1970

PORTLAND BRANCH*Appointed by Federal Reserve Bank:*

E. W. FIRSTENBURG	Chairman of the Board, President, First Independent Bank, Vancouver, Wash.	1968
CHARLES F. ADAMS	President, The Oregon Bank, Portland, Ore.	1968
RALPH J. VOSS	President, First National Bank, Portland, Ore.	1969

¹ Chairman² Deputy Chairman

District 12—FEDERAL RESERVE BANK OF SAN FRANCISCO—Continued
PORTLAND BRANCH—Continued

	<i>Term Expires Dec. 31</i>
<i>Appointed by Board of Governors:</i>	
ROBERT F. DWYER ¹ Lumberman, Portland, Ore.	1968
FRANK ANDERSON Rancher, Heppner, Ore.	1969

SALT LAKE CITY BRANCH

<i>Appointed by Federal Reserve Bank:</i>	
ALAN B. BLOOD Executive Vice President, Barnes Banking Company, Kaysville, Utah	1968
NEWELL B. DAYTON Chairman of the Board, Tracy-Collins Bank and Trust Company, Salt Lake City, Utah	1968
WILLIAM E. IRVIN President, The Idaho First National Bank, Boise, Idaho	1969
<i>Appointed by Board of Governors:</i>	
PETER E. MARBLE ¹ Rancher, Deeth, Nev.	1968
ROYDEN G. DERRICK President, General Manager, Western Steel Company, Salt Lake City, Utah	1969

SEATTLE BRANCH

<i>Appointed by Federal Reserve Bank:</i>	
A. E. SAUNDERS President, The Puget Sound National Bank, Tacoma, Wash.	1968
PHILIP H. STANTON President, Washington Trust Bank, Spokane, Wash.	1968
MAXWELL CARLSON President, The National Bank of Commerce, Seattle, Wash.	1969
<i>Appointed by Board of Governors:</i>	
ROBERT D. O'BRIEN ¹ Chairman of the Board, Chief Executive Officer, Renton, Wash.	1968
WILLIAM MCGREGOR Vice President, McGregor Land and Livestock Company, Hooper, Wash.	1969

¹ Chairman

Record of Policy Actions

of the Federal Open Market Committee

Records of policy actions taken by the Federal Open Market Committee at each meeting, in the form in which they will appear in the Board's Annual Report, are now being released approximately 90 days following the date of the meeting and are subsequently being published in the Federal Reserve BULLETIN.

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

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

Records of policy actions for the meetings held in 1967 through October 3 were published in the BULLETINS for July, pages 1115–51; August, pages 1326–32; September, pages 1546–54; October, pages 1713–20; November, pages 1893–1910; December, pages 2035–42; and January 1968, pages 72–78. The record for the meetings held on October 24, and November 14, 1967, follow:

MEETING HELD ON OCTOBER 24, 1967**Authority to effect transactions in System Account.**

Underlying economic conditions continued strong despite recent weakness in some key measures of activity resulting from strikes in the automobile and other industries. In the third quarter, according to preliminary Commerce Department figures, real GNP rose substantially and average prices—as measured by the GNP “deflator”—increased more rapidly than they had earlier in the year. It appeared likely that the rate of growth in real output would step up in the fourth quarter if major work stoppages were limited in duration and extent and that inflationary pressures would continue. Expectations had diminished that a surcharge on Federal income taxes, as recommended by the President, would be enacted before the year-end.

Both nonfarm employment and industrial production declined in September, largely as a result of strikes. The unemployment rate rose to 4.1 per cent from 3.8 per cent in August, mainly because of an unusually large increase in the number of women in the labor force. However, continued tightness in over-all labor market conditions was indicated by other evidence, including a decline in the unemployment rate for adult men to an extremely low level and a rise in the index of help-wanted advertising. Against the background of tight labor markets and recent rapid increases in consumer prices, it appeared likely that settlements in current wage negotiations would be of a nature to maintain upward pressures on costs.

In the fourth quarter business inventories were expected to increase modestly—as they had in the third quarter—and further advances were anticipated in most major categories of final demand. Growth in consumer expenditures had been smaller than expected in the third quarter; estimates of retail sales for July and August, particularly at nondurable goods stores, had been

revised downward sharply, and the advance estimate for September showed little improvement. However, it appeared likely that consumer spending would increase considerably in the fourth quarter, when the rate of growth in disposable income was expected to rise further unless retarded by extended major strikes or restrained by enactment of a tax increase. Further advances also seemed to be in prospect for residential construction, which had risen substantially in the third quarter, and for business fixed investment, which had turned up after declining moderately in the first half of the year. Growth in defense spending had slowed markedly after midyear, but a sharp rise in total Federal outlays was anticipated in the final quarter largely because of expected increases in civilian and military pay.

With respect to the U.S. balance of payments, substantial deficits had been recorded in each of the first three quarters of 1967 on the "liquidity" basis of calculation, and another such deficit appeared likely in the fourth quarter. The balance on the "official reserve transactions" basis had swung widely in recent quarters as a result of wide fluctuations in liabilities of U.S. banks to their foreign branches, but for the first three quarters of 1967 as a whole there had been a sizable deficit on this basis also. Sterling continued under pressure in foreign exchange markets, and on October 19 the Bank of England raised its discount rate from 5½ to 6 per cent.

On October 3 the Treasury auctioned \$1.5 billion of tax-anticipation bills maturing in April and \$3.0 billion maturing in June at average issuing rates of 4.93 and 5.11 per cent, respectively. Commercial banks initially absorbed almost all of the new issues, which carried 75 per cent tax-and-loan-account privileges. Bids for the June tax bills exceeded the amount offered by an unusually small margin. An announcement was anticipated on the day following this meeting of the terms on which the Treasury would refund securities maturing in mid-November, of which

\$2.6 billion were held by the public. The Treasury was expected to raise some new cash in connection with that refunding.

System open market operations since the preceding meeting of the Committee had continued to be directed at maintaining steady conditions in the money market. Free reserves of member banks fluctuated widely in the 3 weeks ending October 18, but their average of about \$265 million was little changed from that of the preceding 3 weeks. Both excess reserves and borrowings of member banks increased; borrowings averaged about \$170 million, compared with \$85 million in the preceding period. Rates on Federal funds and on bank loans to Government securities dealers rose somewhat in the first half of October, but after that they moved down again.

Interest rates on most short-term market instruments had advanced further since the preceding meeting of the Committee. The market rate on 3-month Treasury bills, at 4.58 per cent on the day before this meeting, was 18 basis points higher than 3 weeks earlier. In part this increase reflected the shift in the maturity dates of 3-month bills to January from the December dates that are attractive to many investors. It also reflected the increased bill supplies resulting from the Treasury's tax-anticipation bill offering in early October and the continued \$100 million additions to the weekly bill offerings.

Bond yields had risen significantly further in recent weeks; yields on municipal bonds had advanced to their highest levels since the early 1930's, and those on corporate and long-term Treasury bonds to levels not reached since the early 1920's. These developments reflected diminishing confidence in financial markets that a tax increase would be enacted and a related heightening of expectations that monetary policy would become firmer. In this atmosphere investors were becoming more reluctant to acquire long-term securities and borrowers were increasingly tending to anticipate later needs. The volume of new corporate securities offered publicly in October was now expected

to be considerably larger than the reduced offerings of September, and the November calendar was growing rapidly. Flotations of municipal securities were expected to decline in October—partly because a number of issues had been postponed or reduced in size—but it appeared likely that the volume of such issues would increase again in November.

Interest rates on conventional mortgages on new homes remained at their advanced August level in September, and secondary-market yields on Federally underwritten mortgages rose for the fifth consecutive month. Although inflows of funds to nonbank depository institutions continued large, in the third quarter as a whole they were below the record volume of the second quarter, after allowance for seasonal influences.

At commercial banks, loans on securities and loans to nonbank financial institutions increased markedly in September and apparently also in early October. Growth in business loans appeared to have stepped up somewhat in recent weeks from its earlier slow pace, but to a large extent the increased demands for such loans probably reflected needs to finance payments to the Treasury of corporate income taxes in September and of withheld taxes in early October. As to total bank credit, estimates of recent and current growth rates had been revised upward somewhat since the preceding meeting of the Committee. The bank credit proxy—daily-average member bank deposits—now was estimated to have risen at about a 10½ per cent annual rate from August to September and was projected to rise at a rate in the range of 12 to 15 per cent from September to October. The money supply, which earlier had been expected to grow relatively little in October, was now projected to rise in that month at an annual rate in the 7 to 9 per cent range.

Growth in both the bank credit proxy and the money supply was expected to moderate somewhat in November—to annual rates in the ranges of 7 to 10 per cent and 4 to 6 per cent, respectively—if money market conditions were unchanged. Al-

though the outlook for business loan demands was particularly uncertain at present, on balance such demands appeared likely to remain moderate in both November and December.

The Committee decided that the forthcoming Treasury financing precluded any change in monetary policy at this time. Some members favored no policy change on other grounds also, including the continuing uncertainties regarding the probable outcome of the current congressional debate on fiscal policy measures. Also cited in this connection was the judgment that a considerable degree of restraint was already being imposed on potential borrowing and spending by the high levels to which long-term interest rates had risen. In addition, it was noted that further increases in market interest rates at this time might well have undesired effects on flows of funds to financial intermediaries and on the position of sterling in foreign exchange markets.

Other members indicated that in the absence of Treasury financing activity they would have been inclined to advocate some firming of monetary policy in an effort to slow the rapid growth of bank credit and the money supply. In their judgment, current and prospective inflationary pressures and the continued large deficits in the balance of payments argued strongly for such a course.

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

The economic and financial developments reviewed at this meeting indicate that, apart from the effects of strikes in the automobile and other industries, underlying economic conditions continue strong and prospects favor more rapid growth in the months ahead. Upward pressures on costs persist, average prices of industrial commodities have risen further, and the rate of increase in consumer prices remains high. While there recently have been large inflows of liquid funds from abroad through foreign branches of U.S. banks, the balance of payments continues to reflect a substantial underlying deficit. Bank credit expansion has continued large. The volume of new security issues is expanding again and interest rates

have risen further, reflecting in part increased uncertainties in financial markets concerning enactment of the President's fiscal program. In this situation, it is the policy of the Federal Open Market Committee to foster financial conditions, including bank credit growth, conducive to sustainable economic expansion, recognizing the need for reasonable price stability for both domestic and balance of payments purposes.

To implement this policy, while taking account of forthcoming Treasury financing activity, System open market operations until the next meeting of the Committee shall be conducted with a view to maintaining about the prevailing conditions in the money market; but operations shall be modified, to the extent permitted by Treasury financing, to moderate any apparent tendency for bank credit to expand significantly more than currently expected.

Votes for this action: Messrs. Martin, Brimmer, Maisel, Mitchell, Robertson, Scanlon, Sherrill, Swan, Wayne, and Treiber. Vote against this action: Mr. Francis.

Mr. Francis dissented from this action because he favored seeking whatever degree of firming in money market conditions would be required to moderate substantially the growth in bank credit and the money supply by the end of the year. He agreed that Treasury financing operations would have to be taken into account to some extent in implementing such a policy. Nevertheless, he thought that the national interest called for greater monetary restraint now to curb inflationary pressures and to protect the foreign trade component of the U.S. balance of payments.

MEETING HELD ON NOVEMBER 14, 1967**1. Authority to effect transactions in System Account.**

Although strikes recently had been retarding activity in some areas of the economy, real GNP was expected to increase more rapidly in the current quarter than it had in the third quarter. A still higher rate of economic growth and continued upward pressures on prices and costs appeared to be in prospect for early 1968, particularly if an income tax surcharge as proposed by the President were not enacted.

Recent weakness in various broad measures of business activity was largely a consequence, directly or indirectly, of work stoppages in the automobile industry and in some other industries. Industrial production was estimated to have declined slightly further in October. Retail sales decreased appreciably, according to the advance estimate, mainly because of a sharp reduction in automobile sales attributable to the limited availability of new cars. Total nonfarm employment rose relatively little; the net increase in manufacturing employment was held down by strikes, and Federal Government employment declined slightly because of a curb on hiring. With the labor force increasing more rapidly than usual, the unemployment rate rose further, to 4.3 per cent from 4.1 per cent in September. Residential construction activity, however, continued to rise strongly in October.

It appeared likely that final sales to both the private and Government sectors of the economy would increase more rapidly in the fourth quarter than in the third, but that the rate of business inventory accumulation would remain low. Growth in output, employment, and incomes was expected to be quickened in the early months of 1968 by business efforts to rebuild inventories depleted by strikes and by efforts of steel users to accumulate stocks as a hedge against a possible steel strike in the summer.

Moreover, it appeared that consumer spending would be stimulated in early 1968 by liberalization of social security benefits and by a Federal employee pay raise, as well as by continued sizable advances in industrial wage rates—including increases resulting from the rise in minimum wage rates on February 1, 1968, as provided by existing legislation.

Wholesale prices of industrial commodities increased further from mid-September to mid-October, according to preliminary estimates, but prices of farm products and foods declined, and the total wholesale price index edged down. The consumer price index rose somewhat less in September than it had in other recent months as food prices declined.

Further information confirmed earlier estimates that the deficit in the U.S. balance of payments on the “liquidity” basis of calculation was at a rate somewhat higher in the third quarter than in the first half of the year, and another large deficit appeared to be in prospect for the fourth quarter. The merchandise trade surplus declined in September from the high August rate, as imports increased while exports fell; in the third quarter as a whole the trade surplus was about the same as in the second quarter. On the “official reserve transactions” basis, a sizable surplus was recorded in the third quarter following substantial deficits in the first half of the year. This surplus was due primarily to large inflows of liquid funds to U.S. banks through their foreign branches. Net inflows of such funds continued after the end of September. Sterling was under heavy pressure in foreign exchange markets and on November 9, for the second time in 3 weeks, the Bank of England raised its discount rate by $\frac{1}{2}$ of a percentage point, to $6\frac{1}{2}$ per cent.

In its November financing—for which subscription books were open October 30—the Treasury refunded securities maturing November 15, including \$2.6 billion held by the public, and raised \$2.2 billion of new money. Two issues were offered—a 15-month, $5\frac{5}{8}$ per cent note, and a 7-year, $5\frac{3}{4}$ per cent note—

of which private investors were allotted \$3.2 billion and \$1.6 billion, respectively. While the two notes were well-received initially—with the longer maturity, in particular, heavily oversubscribed—selling pressures developed soon after the books had closed and on the day before this meeting prices of both were quoted at discounts. It was announced on November 10 that \$650 million of participation certificates of the Federal National Mortgage Association would be offered to the public on November 28. Apart from the continuing addition of \$100 million to each weekly and monthly bill auction, this was expected to be the Government's last new cash financing in the calendar year 1967.

Open market operations since the preceding meeting of the Committee had continued to be directed at maintaining steady conditions in the money market. Net free reserves of member banks averaged about \$200 million during the 3 weeks ending November 8, compared with a revised figure of about \$240 million for the preceding 3 weeks. Excess reserves of member banks declined, particularly at country banks; borrowings also declined, to an average of \$90 million from about \$170 million in the preceding period. Average rates on Federal funds and on bank loans to Government securities dealers were a little lower than in September and the early weeks of October. Interest rates on short-term market instruments remained generally unchanged or rose slightly from their levels at the time of the preceding meeting of the Committee. The market rate on 3-month Treasury bills was 4.62 per cent on the day before this meeting, up 4 basis points from its level 3 weeks earlier.

After a brief interruption in late October, bond yields resumed their advance in all sectors of the capital market. Yields on long-term Government bonds at the time of this meeting were significantly above both the levels prevailing 3 weeks earlier and the highs reached in 1966, and those on intermediate-term Government issues were up sharply. Yields on new corporate and

municipal issues also advanced, the former to levels exceeding the previous peaks reached in mid-October. The renewal of upward pressures on bond yields reflected in part a heavy prospective volume of new offerings of corporate and municipal securities in November and anticipations of the large FNMA offering. Also contributing to the pressures were prospects of inflationary developments and growing expectations in financial markets that a tax increase would not be enacted this year and that monetary policy would become firmer. On the day before this meeting, a major corporate bond offering was postponed as a result of congestion and uncertainties in the capital market.

The incomplete data available suggested that secondary-market yields on Federally underwritten mortgages rose further in October—approaching the record level reached toward the end of 1966. It appeared that net inflows of funds to nonbank depository institutions continued to moderate in October on a seasonally adjusted basis. By the end of September outstanding mortgage commitments of private lenders were virtually back to the post-war high of January 1966, but in recent weeks some individual lenders were reported to have reduced their new commitments.

Commercial bank holdings of Treasury and other securities rose considerably in October. Security loans and loans to nonbank financial institutions also increased relatively fast, but the advance in business loans was again quite moderate. The bank credit proxy—daily-average member bank deposits—increased at an annual rate of 12 per cent, a little faster than in the preceding month. Time and savings deposits expanded at an annual rate of 13 per cent in October, slightly above the September rate but well below the average rate of more than 17 per cent for the first 8 months of the year. The money supply, which had been virtually unchanged in September, increased at an annual rate of about 6.5 per cent in October.

The rate of expansion in bank credit was expected to slow in the last 2 months of the year if prevailing money market con-

ditions were maintained. It appeared likely that demands for business loans would remain moderate in view of prospects that changes in business spending on inventories and fixed capital would be small. The bank credit proxy was still projected to rise at an annual rate in the 7 to 10 per cent range in November, and a somewhat lower growth rate was anticipated for December. In November the money supply was expected to increase at an annual rate in the range of 6 to 8 per cent and time and savings deposits in the range of 9 to 11 per cent.

At this meeting the Committee heard reports on negotiations relating to international credit assistance to the United Kingdom in addition to reviewing conditions and prospects with respect to the domestic economy, the U.S. balance of payments, and the foreign exchange markets. After discussion the Committee agreed that no change should be made in monetary policy at this time, in view of the sensitive state of conditions in foreign exchange markets and of the international negotiations now under way. The following current economic policy directive was issued to the Federal Reserve Bank of New York:

The information reviewed at this meeting indicates that, while the direct and indirect effects of strikes have been retarding activity in some areas of the economy, prospects still favor more rapid economic growth in the months ahead. Although prices of farm products and foods have declined recently, upward pressures persist on industrial prices and costs. While there recently have been further inflows of liquid funds from abroad through foreign branches of U.S. banks, the balance of payments continues to reflect a substantial underlying deficit. Bank credit expansion has continued large. The volume of new private security issues has expanded further and interest rates remain under upward pressure, reflecting in part increased doubts in financial markets concerning enactment of the President's fiscal program. In this situation, it is the policy of the Federal Open Market Committee to foster financial conditions, including bank credit growth, conducive to sustainable economic expansion, recognizing the need for reasonable price stability for both domestic and balance of payments purposes.

To implement this policy, System open market operations until the next meeting of the Committee shall be conducted with a view to maintaining about the prevailing conditions in the money market, but operations shall be modified as necessary to moderate any apparent tendency for bank credit to expand significantly more than currently expected.

Votes for this action: Messrs. Martin, Hayes, Brimmer, Daane, Francis, Maisel, Mitchell, Robertson, Scanlon, Sherrill, Swan, and Wayne. Votes against this action: None.

2. Amendment to authorization for System foreign currency operations.

The Committee amended paragraphs 1B(3) and 1C(1) of the authorization for System foreign currency operations, in each case effective as of the date of a determination by Chairman Martin that such action was in accordance with the position of the United States in the current international negotiations concerning credit assistance to the United Kingdom. In the amendment to paragraph 1B(3) the limit on authorized System Account holdings of sterling purchased on a covered or guaranteed basis was increased from \$200 million to \$300 million equivalent. In the amendment to paragraph 1C(1) the limit on outstanding forward commitments to deliver foreign currencies to the Stabilization Fund was increased from \$200 million to \$350 million equivalent, and language restricting the foreign currencies covered by the paragraph to currencies "in which the U.S. Treasury has outstanding indebtedness" was deleted.

Chairman Martin made the indicated determination on November 21, 1967, for the amendment to paragraph 1B(3) and on November 22, 1967, for the amendment to paragraph 1C(1). Accordingly, the respective amendments became effective on those dates. With these two amendments, the first paragraph of the authorization read as follows:

The Federal Open Market Committee authorizes and directs the Federal Reserve Bank of New York, for System Open Market Account,

to the extent necessary to carry out the Committee's foreign currency directive:

A. To purchase and sell the following foreign currencies in the form of cable transfers through spot or forward transactions on the open market at home and abroad, including transactions with the U.S. Stabilization Fund established by Section 10 of the Gold Reserve Act of 1934, with foreign monetary authorities, and with the Bank for International Settlements:

Austrian schillings
Belgian francs
Canadian dollars
Danish kroner
Pounds sterling
French francs
German marks
Italian lire
Japanese yen
Mexican pesos
Netherlands guilders
Norwegian kroner
Swedish kronor
Swiss francs

B. To hold foreign currencies listed in paragraph A above, up to the following limits:

(1) Currencies held spot or purchased forward, up to the amounts necessary to fulfill outstanding forward commitments;

(2) Additional currencies held spot or purchased forward, up to the amount necessary for System operations to exert a market influence but not exceeding \$150 million equivalent; and

(3) Sterling purchased on a covered or guaranteed basis in terms of the dollar, under agreement with the Bank of England, up to \$300 million equivalent.

C. To have outstanding forward commitments undertaken under paragraph A above to deliver foreign currencies, up to the following limits:

(1) Commitments to deliver foreign currencies to the Stabilization Fund, up to \$350 million equivalent;

(2) Commitments to deliver Italian lire, under special arrangements with the Bank of Italy, up to \$500 million equivalent; and

(3) Other forward commitments to deliver foreign currencies, up to \$275 million equivalent.

D. To draw foreign currencies and to permit foreign banks to draw dollars under the reciprocal currency arrangements listed in paragraph 2 below, provided that drawings by either party to any such arrangement shall be fully liquidated within 12 months after any amount outstanding at that time was first drawn, unless the Committee, because of exceptional circumstances, specifically authorizes a delay.

Votes for this action: Messrs. Martin, Hayes, Brimmer, Daane, Francis, Maisel, Mitchell, Robertson, Scanlon, Sherrill, Swan, and Wayne. Votes against this action: None.

In his report on the negotiations now in process concerning international credit assistance to the United Kingdom, the Special Manager for foreign currency operations noted that one possible form of U.S. participation in such assistance was an undertaking by U.S. monetary authorities to acquire additional sterling. The previous authority to acquire sterling, including the authorization to acquire up to \$200 million for System Account, had proved useful at times in the past in market operations undertaken by the Special Manager for purposes specified in the Committee's foreign currency directive. The Special Manager indicated that in his judgment an increase of \$100 million in the limit on such holdings by the System was justified in light of possible future needs for similar market operations. Accordingly, he recommended that if in the current negotiations the United States were to undertake to acquire additional sterling, \$100 million should be acquired for System account and the remainder for Stabilization Fund account.

The Special Manager also indicated that if the arrangements were concluded on the basis he had suggested the resources of the Stabilization Fund might be inadequate to meet all demands upon them from time to time in the future. Accordingly, he recommended the amendments to paragraph 1C(1) of the authori-

zation described above to enable the System Account to “warehouse” part of the Treasury’s holdings of sterling if that should prove desirable. Past operations undertaken under the terms of paragraph 1C(1) had been limited to the purpose of facilitating repayment by the Treasury of maturing bonded debt denominated in foreign currencies.

After discussion, the Committee concurred in the recommendations of the Special Manager and took the actions indicated.

Law Department

Administrative interpretations, new regulations, and similar material

INTEREST ON CERTAIN FOREIGN DEPOSITS

The Board of Governors, effective January 18, 1968, amended Regulation Q—Payment of Interest on Deposits—to exempt time deposits of foreign governments, monetary and financial authorities of foreign governments when acting as such, or international financial institutions of which the United States is a member, from the limitations contained in the regulation as to the rate of interest that may be paid on time deposits. The text of the amendment reads as follows:

AMENDMENT TO REGULATION Q

Effective January 18, 1968, section 217.3(a) is amended to read as follows:

SECTION 217.3—MAXIMUM RATE OF INTEREST ON TIME AND SAVINGS DEPOSITS

(a) **Maximum rate prescribed from time to time.**—Except in accordance with the provision of this Part, no member bank shall pay interest on any time deposit or savings deposit in any manner, directly or indirectly, or by any method, practice, or device whatsoever. No member bank shall pay interest on any time deposit or savings deposit at a rate in excess of such applicable maximum rate as the Board of Governors of the Federal Reserve System shall prescribe from time to time; and any rate or rates which may be so prescribed by the Board will be set forth in Supplements to this Part, which will be issued in advance of the date upon which such rate or rates become effective. Under explicit provisions of the Federal Reserve Act, until October 15, 1968, the provisions of this paragraph do not apply to the rate of interest that may be paid by member banks on time deposits of foreign governments, monetary and financial authorities of foreign governments when acting as such, or international financial institutions of which the United States is a member. The provisions of this paragraph shall likewise not apply to the rate of interest that may be paid by a member bank after October 15, 1968, on such a deposit which is received, renewed, or extended, in the ordinary course of business and for a specified period not exceeding two years, prior to the expiration of the authority conferred upon the Board by the amendments to section 19(j) of the Federal Reserve Act enacted September 21, 1966.

CREDIT IN STOCK MARKET TRANSACTIONS

The Board of Governors, effective March 11, 1968, adopted a number of regulatory changes for the purpose of broadening the coverage of and tightening its control over the use of credit in stock market transactions. This was accomplished by amending Regulation T—Credit by Brokers, Dealers and Members of National Securities Exchanges, and Regulation U—Credit by Banks for the Purpose of Purchasing or Carrying Registered Stocks, and issuing a new Regulation G—Credit by Persons Other than Banks, Brokers, or Dealers for the Purpose of Purchasing or Carrying Registered Equity Securities.

The changes were adopted pursuant to the statutory mandate contained in section 7 of the Securities Exchange Act of 1934, directing the Board to regulate credit extended by brokers and dealers for the purpose of preventing the excessive flow of credit into the securities markets, and to control the extension of securities credit by others in circumvention of this regulation. The proposed changes were released to the public on October 20, 1967, and were published for comment in the Federal Register. Numerous comments were received, and the changes were adopted by the Board after consideration of all relevant material that was presented by interested persons.

In addition to bringing lenders other than banks, brokers and dealers within the ambit of margin regulation, through adoption of the new Regulation G, the changes relate in the main to three areas: (1) a new margin requirement is imposed on loans made by banks for the purpose of purchasing or carrying debt securities that are convertible into registered stocks. This requirement is set initially at 50 per cent. Brokers and dealers are permitted to lend on a similar basis for the purpose of purchasing or carrying registered convertible debt securities. (2) Subscription account loans, which have long been permitted on a 25 per cent initial margin, will have to be brought into a fully margined status within a year after the loans are made. (3) Non-convertible bonds and exempted (e.g. Government) securities will have to be segregated in a separate account, to close an existing avenue for evasion of the retention and withdrawal requirements of the regulations.

REGULATION T

(12 CFR 220)

As Amended effective March 11, 1968

**CREDIT BY BROKERS, DEALERS, AND MEMBERS
OF NATIONAL SECURITIES EXCHANGES *****SECTION 220.1—SCOPE OF PART**

This part is issued by the Board of Governors of the Federal Reserve System (hereinafter called the "Board") pursuant to the Securities Exchange Act of 1934 (called the "Act" in this Part),** particularly sections 7 and 8(a) thereof (15 U.S.C. 78g, 78h(a)), and applies to every member of a national securities exchange and to every broker or dealer who transacts a business in securities through the medium of any such member.

SECTION 220.2—DEFINITIONS

For the purposes of this part, unless the context otherwise requires:

(a) The terms "**person**", "**member**", "**broker**", "**dealer**", "**buy**", "**purchase**", "**sale**", "**sell**", "**security**", "**equity security**", and "**bank**" have the meanings given them in section (3a) of the Act (15 U.S.C. 78c(a)).

(b) The term "**creditor**" means any member of a national securities exchange or any broker or dealer who transacts a business in securities through the medium of any such member.

(c) The term "**customer**" includes any person, or any group of persons acting jointly, (1) to or for whom a creditor is extending or maintaining any credit, or (2) who, in accordance with the ordinary usage of the trade, would be considered a customer of the creditor. It includes, in case the creditor is a firm, any partner in the firm who would be considered a customer of the firm if he were not a partner, and includes any joint adventure in which a creditor participates and which would be considered a customer of the creditor if the creditor were not a participant.

(d) The term "**registered security**" means any security which (1) is registered on a national securities exchange; or (2) in

* This text corresponds to the Code of Federal Regulations, Title 12, Chapter II, Part 220, cited as 12 CFR 220. The words "this Part," as used herein, mean Regulation T.

** See Appendix.

consequence of its having unlisted trading privileges on a national securities exchange is deemed, under the provisions of section 12(f) of the Act (15 U.S.C. 78l), to be registered on a national securities exchange; or (3) is exempted by the Securities and Exchange Commission from the operation of section 7(c)(2) of the Act (15 U.S.C. 78g(c)(2)) only to the extent necessary to render lawful any direct or indirect extension or maintenance of credit on such security or any direct or indirect arrangement therefor which would not have been unlawful if such security had been a security (other than an exempted security) registered on a national securities exchange.

(e) The term “**exempted security**” has the meaning given it in section 3(a) of the Act (12 U.S.C. 78c(a)(12)), except that the term does not include a security which is exempted by the Securities and Exchange Commission from the operation of section 7(c)(2) of the Act (12 U.S.C. 78g(c)(2)) only to the extent described in paragraph (d)(3) of this section.

(f) The term “**non-equity security**” means any security other than an equity security or an exempted security.

SECTION 220.3—GENERAL ACCOUNTS

(a) **Contents of general account.**—All financial relations between a creditor and a customer, whether recorded in one record or in more than one record, shall be included in and be deemed to be parts of the customer's general account with the creditor, except that the relations which § 220.4 permits to be included in any special account provided for by that section may be included in the appropriate special account, and all transactions in commodities, and, except to the extent provided in paragraph (b)(2) of § 220.3, all transactions in non-equity securities, exempted securities, and in other securities having no loan value in a general account under the provisions of § 220.3(c) and § 220.8 (the Supplement to Regulation T) (except unissued securities, short sales, and purchases to cover short sales and contracts involving an endorsement or guarantee of any put, call, or other option), shall be included in the appropriate special account provided for by § 220.4. During any period when such § 220.8 specifies that registered equity securities shall have no loan value in a general account, any transaction consisting of a purchase of a security other than a purchase of a security to reduce or close out a short position shall be effected in the special cash account provided for by § 220.4(c) or in some other appropriate special account provided for by § 220.4.

(b) **General rule.**—(1) A creditor shall not effect for or with any customer in a general account, special bond account subject to § 220.4(i) or special convertible security account subject to § 220.4(j) any transaction which, in combination with the other transactions effected in such account on the same day, creates an excess of the adjusted debit balance of such account over the maximum loan value of the securities in such account, or increases any such excess, unless in connection therewith the creditor obtains, as promptly as possible and in any event before the expiration of five full business days following the date of such transaction, the deposit into such account of cash or securities in such amount that the cash deposited plus the maximum loan value of the securities deposited equals or exceeds the excess so created or the increase so caused.

(2) Except as permitted in this subparagraph, no withdrawal of cash or registered or exempted securities shall be permissible if the adjusted debit balance of the account (whether the general account, the special bond account subject to § 220.4(i) or the special convertible security account subject to § 220.4(j)) would exceed the maximum loan value of the securities in such account after such withdrawal. The exceptions are available only in the event no cash or securities need to be deposited in such account in connection with a transaction on a previous day and none would need to be deposited thereafter in connection with any withdrawal of cash or securities on the current day. The permissible exceptions are (i) registered non-equity or exempted securities held in the general account on March 11, 1968, and continuously thereafter may be withdrawn upon the deposit in the account of cash (or registered equity securities counted at their maximum loan value) at least equal to the "retention requirement" of such withdrawn securities, or (ii) except as provided in (i) of this subparagraph, securities having loan value in the general account, the special bond account subject to § 220.4(i), or the special convertible security account subject to § 220.4(j) may be withdrawn upon the deposit in such account of cash or securities having loan value in such account counted at the maximum loan value at least equal to the "retention requirement" of those securities, or (iii) cash may be withdrawn upon the deposit in the general account, the special bond account subject to § 220.4(i), or the special convertible security account subject to § 220.4(j) of securities having a maximum loan value in such account at least equal to the amount of cash

withdrawn, or (iv) upon the sale (other than the short sale) of securities having loan value in the general account, special bond account subject to § 220.4(*i*) or special convertible security account subject to § 220.4(*j*) there may be withdrawn in cash an amount equal to the difference between the current market value of the securities sold and the "retention requirement" of such securities, or (v) upon the sale (other than the short sale) of a registered non-equity security or an exempted security that was held in the general account on March 11, 1968 and continuously thereafter there may be withdrawn in cash an amount equal to the difference between the current market value of the securities sold and the "retention requirement" of those securities as prescribed in § 220.8 (the Supplement to Regulation T).

(3) Rules for computing the maximum loan value of the securities in a general account, special bond account subject to § 220.4(*i*) or special convertible security account subject to § 220.4(*j*) and the adjusted debit balance of such account are provided in paragraphs (*c*) and (*d*) of this section, and certain modifications of and exceptions to the general rule stated in this paragraph are provided in the subsequent paragraphs of this section and in § 220.6.

(*c*) **Maximum loan value and current market value.**—(1) The maximum loan value of the securities in a general account, special bond account subject to § 220.4(*i*), or special convertible security account subject to § 220.4(*j*) is the sum of the maximum loan values of the individual securities in such account, including securities (other than unissued securities) bought for such account but not yet debited thereto, but excluding securities sold for such account whether or not payment has been credited thereto.

(2) Except as otherwise provided in this paragraph, the maximum loan value of a security in a general account, special bond account subject to § 220.4(*i*), or special convertible security account subject to § 220.4(*j*) shall be such maximum loan value as the Board shall prescribe from time to time in § 220.8 (the Supplement to Regulation T). No collateral other than an exempted security or a registered non-equity security held in such account on March 11, 1968 and continuously thereafter, or registered equity security shall have any loan value in a general account except that a registered equity security eligible for a special convertible bond account pursuant to § 220.4(*j*) shall

have loan value in a general account only if held in the account on March 11, 1968 and continuously thereafter.

(3) A warrant or certificate which evidences only a right to subscribe to or otherwise acquire any security and which expires within ninety days of issuance shall have no loan value in a general account, special bond account subject to § 220.4(i), or special convertible security account subject to § 220.4(j); but, if the account contains the security to the holder of which such warrant or certificate has been issued and such warrant or certificate is held in an appropriate account maintained by the creditor for the customer the current market value of such security (if such security is a registered security) shall, for the purpose of calculating its maximum loan value, be increased by the current market value of such warrant or certificate.

(4) For the current market value of a security throughout the day of its purchase or sale, the creditor shall use its total cost or the net proceeds of its sale, as the case may be, and at any other time shall use the closing sale price of the security on the preceding business day as shown by any regularly published reporting or quotation service. In the absence of any such closing sale price, the creditor may use any reasonable estimate of the market value of such security as of the close of business on such preceding business day.

(d) **Adjusted debit balance.**—For the purpose of this Part, the adjusted debit balance of a general account, special bond account subject to § 220.4(i) or special convertible security account subject to § 220.4(j) shall be calculated by taking the sum of the following items:

- (1) the net debit balance, if any, of such account;
- (2) the total cost of any securities (other than unissued securities) bought for such account but not yet debited thereto;
- (3) the current market value of any securities (other than unissued securities) sold short in such account *plus*, for each such security (other than an exempted security), such amount as the Board shall prescribe from time to time in § 220.8 (the Supplement to Regulation T) as the margin required for such short sales, except that such amount so prescribed in such § 220.8 need not be included when there are held in such account securities exchangeable or convertible within 90 calendar days, without restriction other than the payment of money, into such securities sold short;
- (4) the amount of margin specified by paragraph (h) of this section for every net commitment in such account in un-

issued securities, *plus* all unrealized losses on each commitment in unissued securities and *minus* all unrealized gains (not exceeding the required margin) on each commitment in unissued securities; and

(5) the amount of any margin customarily required by the creditor in connection with his endorsement or guarantee of any put, call or other option;
and deducting therefrom the sum of the following items:

(6) the net credit balance, if any, of such account; and

(7) the net proceeds of sale of any securities (other than unissued securities) sold for such account but for which payment has not yet been credited thereto.

In case such account is the account of a partner of the creditor or the account of a joint adventure in which the creditor participates, the adjusted debit balance shall be computed according to the foregoing rule and the supplementary rules prescribed in § 220.6(a) and (b).

-(e) **Liquidation in lieu of deposit.***—In any case in which the deposit required by paragraph (b) of this section, or any portion thereof, is not obtained by the creditor within the five-day period specified therein, registered nonexempted securities shall be sold (or, to the extent that there are insufficient registered nonexempted securities in the general account, special bond account subject to § 220.4(i), or special convertible security account subject to § 220.4(j) other liquidating transactions shall be effected in such account), prior to the expiration of such five-day period, in such amount that the resulting decrease in the adjusted debit balance of such account exceeds, by an amount at least as great as such required deposit or the undeposited portion thereof, the "retention requirement" of any registered or exempted securities sold: *Provided*, That a creditor is not required to sell securities or to effect other liquidating transactions specified by this paragraph in an amount greater than necessary to eliminate the excess of the adjusted debit balance of such account over the maximum loan value of the securities remaining in such account after such liquidation.

(f) **Extensions of time.**—In exceptional cases, the five-day period specified in paragraph (b) of this section may, on appli-

* This requirement relates to the action to be taken when a customer fails to make the deposit required by § 220.3(b), and it is not intended to countenance on the part of customers the practice commonly known as "free-riding," to prevent which the principal national securities exchanges have adopted certain rules. See the rules of such exchanges and § 220.7(e).

cation of the creditor, be extended for one or more limited periods commensurate with the circumstances by any regularly constituted committee of a national securities exchange having jurisdiction over the business conduct of its members, of which exchange the creditor is a member or through which his transactions are effected, provided such committee is satisfied that the creditor is acting in good faith in making the application and that the circumstances are in fact exceptional and warrant such action.

(g) **Transactions on given day.**—For the purposes of paragraph (b) of this section, the question of whether or not an excess of the adjusted debit balance of a general account, special bond account subject to § 220.4(i), or special convertible bond account subject to § 220.4(j) over the maximum loan value of the securities in such account is created or increased on a given day shall be determined on the basis of all the transactions in the account on such day exclusive of any deposit of cash, deposit of securities, covering transaction or other liquidation that has been effected on such day, pursuant to the requirement of paragraphs (b) or (e) of this section, in connection with a transaction on a previous day. In any case in which an excess so created, or increased so caused, by transactions on a given day does not exceed \$100, the creditor need not obtain the deposit specified therefor in subparagraph (b)(1) of this section. Any transaction which serves to meet the requirements of paragraph (e) of this section or otherwise serves to permit any offsetting transaction in an account shall, to that extent, be unavailable to permit any other transaction in such account. For the purposes of this Part (Regulation T), if a security has maximum loan value under subparagraph (c)(1) of this section in a general account, special bond account subject to § 220.4(i), or special convertible security account subject to § 220.4(j) a sale of the same security (even though not the same certificate) in such account shall be deemed to be a long sale and shall not be deemed to be or treated as a short sale.

(h) **Unissued securities.**—(1) The amount to be included in the adjusted debit balance of a general account, special bond account subject to § 220.4(i), or special convertible security account subject to § 220.4(j) as the margin required for a net long commitment in unissued securities shall be the current market value of the net amount of unissued securities long *minus* the maximum loan value which such net amount of securities would have

if they were issued registered securities held in such account; and the amount to be so included as the margin required for a net short commitment in unissued securities shall be the amount which would be required as margin for the net amount of unissued securities short if such securities were issued securities and were sold short in such account: *Provided*, That no amount need be included as margin for a net short commitment in unissued securities when there are held in such account securities in respect of which the unissued securities are to be issued, nor for any net position in unissued securities that are exempted securities.

(2) Whenever a creditor, pursuant to a purchase of an unissued security for a customer, receives an issued security which is not a registered or exempted security, the creditor shall treat any payment by him for such issued security as a transaction (other than a withdrawal which increases the adjusted debit balance of a general account, special bond account subject to § 220.4(i), or special convertible security account subject to § 220.4(j) by the amount of the payment *minus* the amount required to be included in the adjusted debit balance of such account, at the time of and in connection with the purchase of the unissued security, as the margin required for such purchase.

SECTION 220.4—SPECIAL ACCOUNTS

(a) **General rule.**—(1) Pursuant to this section, a creditor may establish for any customer one or more special accounts.

(2) Each such special account shall be recorded separately and shall be confined to the transactions and relations specifically authorized for such account by the appropriate paragraph of this section and to transactions and relations incidental to those specifically authorized. An adequate record shall be maintained showing for each such account the full details of all transactions in the account.

(3) A special account established pursuant to this section shall not be used in any way for the purpose of evading or circumventing any of the provisions of this Part. If a customer has with a creditor both a general account and one or more such special accounts, the creditor shall treat each such special account as if the customer had with the creditor no general account, special bond account subject to § 220.4(i), or special convertible security account subject to § 220.4(j).

(4) The only other conditions to which transactions in such special accounts shall be subject under the provisions of this Part shall be such conditions as are specified in the appropriate paragraph of this section and in §§ 220.2, 220.6, or 220.7.

(b) **Special omnibus account.**—In a special omnibus account, a member of a national securities exchange may effect and finance transactions for a broker or dealer from whom the member accepts in good faith a signed statement to the effect that he is subject to the provisions of this Part (or that he does not extend or maintain credit to or for customers except in accordance therewith as if he were subject thereto) and from whom the member receives (1) written notice, pursuant to a rule of the Securities and Exchange Commission concerning the hypothecation of customers' securities by brokers or dealers (Rule 8c-1 (17 CFR § 240.8c-1) or Rule 15c2-1 (17 CFR § 240.15c2-1)), to the effect that all securities carried in the account will be carried for the account of the customers of the broker or dealer and (2) written notice that any short sales effect in the account will be short sales made in behalf of the customers of the broker or dealer other than his partners.

(c) **Special cash account.**—(1) In a special cash account, a creditor may effect for or with any customer *bona fide* cash transactions in securities in which the creditor may:

(i) Purchase any security for, or sell any security to, any customer, provided funds sufficient for the purpose are already held in the account or the purchase or sale is in reliance upon an agreement accepted by the creditor in good faith that the customer will promptly make full cash payment for the security and that the customer does not contemplate selling the security prior to making such payment.

(ii) Sell any security for, or purchase any security from, any customer, provided the security is held in the account or the creditor is informed that the customer or his principal owns the security and the purchase or sale is in reliance upon an agreement accepted by the creditor in good faith that the security is to be promptly deposited in the account.

(2) In case a customer purchases a security (other than an exempted security) in the special cash account and does not make full cash payment for the security within 7 days after the date on which the security is so purchased, the creditor shall, except as provided in subparagraphs (3)—(7) of this paragraph, promptly cancel or otherwise liquidate the transaction or the unsettled portion thereof.

(3) If the security when so purchased is an unissued security, the period applicable to the transaction under subparagraph (2) of this paragraph shall be 7 days after the date on which the security is made available by the issuer for delivery to purchasers. If the security when so purchased is a "when distributed" security which is to be distributed in accordance with a published plan, the period applicable to the transaction under subparagraph (2) of this paragraph shall be 7 days after the date on which the security is so distributed. If the security when so purchased is a new security issued or to be issued for the purpose of refunding outstanding securities which mature, or are to be payable upon presentation for redemption, within 35 days of the date on which the new security is made available by the issuer for delivery to purchasers, the period applicable to the transaction under subparagraph (2) of this paragraph shall be 7 days after such maturity or payment date: *Provided*, That this sentence shall apply only to the payment of that portion of the purchase price that does not exceed 103 per cent of the amount that will be payable to the purchaser of the new security upon such maturity of, or payment for, securities owned by him at the time of the purchase.

(4) If any shipment of securities is incidental to the consummation of the transaction, the period applicable to the transaction under subparagraph (2) of this paragraph shall be deemed to be extended by the number of days required for all such shipments, but not by more than 7 days.

(5) If the creditor, acting in good faith in accordance with subparagraph (1) of this paragraph, purchases a security for a customer, or sells a security to a customer, with the understanding that he is to deliver the security promptly to the customer, and the full cash payment to be made promptly by the customer is to be made against such delivery, the creditor may at his option treat the transaction as one to which the period applicable under subparagraph (2) of this paragraph is not the 7 days therein specified but 35 days after the date of such purchase or sale.

(6) If an appropriate committee of a national securities exchange or a national securities association is satisfied that the creditor is acting in good faith in making the application, that the application relates to a *bona fide* cash transaction, and that exceptional circumstances warrant such action, such committee, on application of the creditor, may (i) extend any period speci-

fied in subparagraphs (2), (3), (4) or (5) of this paragraph for one or more limited periods commensurate with the circumstances, or (ii), in case a security purchased by the customer in the special cash account is a registered or exempted security, authorize transfer of the transaction to a general account, special bond account subject to § 220.4(i), special convertible security account subject to § 220.4(j), or special omnibus account and completion of the transaction pursuant to the provisions of this Part relating to such an account.

(7) The 7-day periods specified in this paragraph refer to 7 full business days. The 35-day period and the 90-day period specified in this paragraph refer to calendar days, but if the last day of any such period is a Saturday, Sunday, or holiday, such period shall be considered to end on the next full business day. For the purposes of this paragraph, a creditor may, at his option, disregard any sum due by the customer not exceeding \$100.

(8) Unless funds sufficient for the purpose are already in the account, no security other than an exempted security shall be purchased for, or sold to, any customer in a special cash account with the creditor if any security other than an exempted security has been purchased by such customer in such an account during the preceding 90 days, and then, for any reason whatever, without having been previously paid for in full by the customer, the security has been sold in the account or delivered out to any broker or dealer: *Provided*, That an appropriate committee of a national securities exchange or a national securities association, on application of the creditor, may authorize the creditor to disregard for the purposes of this subparagraph any given instance of the type therein described if the committee is satisfied that both creditor and customer are acting in good faith and that circumstances warrant such authorization. For the purposes of this subparagraph, the cancellation of a transaction, otherwise than to correct an error, shall be deemed to constitute a sale. The creditor may disregard for the purposes of this subparagraph a sale without prior payment provided full cash payment is received within the period described by subparagraph (2) of this paragraph and the customer has not withdrawn the proceeds of sale on or before the day on which such payment (and also final payment of any check received in that connection) is received. The creditor may so disregard a delivery of a security to another broker or dealer provided such delivery was for

deposit into a special cash account which the latter broker or dealer maintains for the same customer and in which account there are already sufficient funds to pay for the security so purchased; and for the purpose of determining in that connection the status of a customer's account at another broker or dealer, a creditor may rely upon a written statement which he accepts in good faith from such other broker or dealer.

(d) **Special arbitrage account.**—In a special arbitrage account, a member of a national securities exchange may effect and finance for any customer *bona fide* arbitrage transactions in securities. For the purposes of this paragraph, the term "arbitrage" means (1) a purchase or sale of a security in one market together with an offsetting sale or purchase of the same security in a different market at as nearly the same time as practicable, for the purpose of taking advantage of a difference in prices in the two markets, or (2) a purchase of a security which is, without restriction other than the payment of money, exchangeable or convertible within 90 calendar days following the date of its purchase into a second security together with an offsetting sale at or about the same time of such second security, for the purpose of taking advantage of a disparity in the prices of the two securities.

(e) **Special commodity account.**—In a special commodity account, a creditor may effect and carry for any customer transactions in commodities.

(f) **Special miscellaneous account.**—In a special miscellaneous account, a creditor may:

(1) With the approval of any regularly constituted committee of a national securities exchange having jurisdiction over the business conduct of its members, extend and maintain credit to meet the emergency needs of any creditor;

(2) (i) Extend and maintain credit, (a) to or for any partner of a firm which is a member of a national securities exchange to enable such partner to make a contribution of capital to such firm, or to purchase stock in an affiliated corporation of such firm; or (b) to or for any person who is or will become the holder of stock of a corporation which is a member of a national securities exchange to enable such person to purchase stock in such corporation, or to purchase stock in an affiliated corporation of such corporation; provided the lender as well as the borrower is a partner in such member firm or a stockholder in such member corporation, or the lender is a firm or a stockholder in such member corporation, or the lender is a firm or

corporation which is a member of a national securities exchange and the borrower is a partner in such firm or a stockholder in such corporation;

(ii) Extend and maintain subordinated credit to another creditor for capital purposes: *Provided, That,*

(a) Either the lender or the borrower is a firm or corporation which is a member of a national securities exchange, the other party to the credit is an affiliated corporation of such member firm or corporation, and, in addition to the fact that an appropriate committee of the exchange is satisfied that the credit is not in contravention of any rule of the exchange, the credit has the approval of such committee, or

(b) The lender as well as the borrower is a member of such exchange, the credit has the approval of an appropriate committee of the exchange, and the committee, in addition to being satisfied that the credit is not in contravention of any rule of the exchange, is satisfied that the credit is outside the ordinary course of the lender's business, and that, if the borrower's firm or corporation or an affiliated corporation of such firm or corporation does any dealing in securities for its own account, the credit is not for the purpose of increasing the amount of such dealing.

(iii) For the purpose of subdivisions (i) and (ii) of this subparagraph, the term "affiliated corporation" means a corporation all the common stock of which is owned directly or indirectly by the member firm or general partners and employees of the firm, or by the member corporation or holders of voting stock and employees of the corporation and an appropriate committee of the exchange has approved the member firm's or member corporation's affiliation with such affiliated corporation.

(3) Purchase any security from any customer who is a broker or dealer, or sell any security to such customer: *Provided,* That the creditor acting in good faith purchases or sells the security for delivery, against full payment of the purchase price, as promptly as practicable in accordance with the ordinary usage of the trade;

(4) Effect and finance, for any member of a national securities exchange who is registered and acts as an odd-lot dealer in securities on the exchange, such member's transactions as an odd-lot dealer in such securities, or effect and finance, for any joint adventure in which the creditor participates, any transactions in any securities of an issue with respect to which all participants, or all participants other than the creditor, are

registered and act on a national securities exchange as odd-lot dealers;

(5) Effect transactions for and finance any joint adventure or group in which the creditor participates and in which all participants are dealers (whether such participants be acting jointly or severally), or any member thereof or participant therein, for the purpose of facilitating the underwriting or distributing of all or part of an issue of securities (i) not through medium of a national securities exchange, or (ii) the distribution of which has been approved by the appropriate committee of a national securities exchange;

(6) Effect for any customer the collection or exchange (other than by sale or purchase) of securities deposited by the customer specifically for such purposes, and (subject to any other applicable provisions of law) receive from or for any customer, and pay out or deliver to or for any customer, any money or securities;

(7) Effect and carry for any customer transactions in foreign exchange; and

(8) Extend and maintain credit to or for any customer without collateral or on any collateral whatever for any purpose other than purchasing or carrying or trading in securities.

(g) **Specialist's account.**—In a special account designated as a specialist's account, a creditor may effect and finance, for any member of a national securities exchange who is registered and acts as a specialist in securities on the exchange, such member's transactions as a specialist in such securities, or effect and finance, for any joint adventure in which the creditor participates, any transactions in any securities of an issue with respect to which all participants, or all participants other than the creditor, are registered and act on a national securities exchange as specialists. Such specialist's account shall be subject to the same conditions to which it would be subject if it were a general account except that if the specialist's exchange, in addition to the other requirements applicable to specialists, is designated by the Board of Governors of the Federal Reserve System as requiring reports suitable for supplying current information regarding specialists' use of credit pursuant to this paragraph, the requirements of § 220.6(b) regarding joint adventures shall not apply to such account and the maximum loan value of a registered security in such account shall be as determined by the creditor in good faith.

(h) **Special subscriptions account.**—In a special subscriptions

account a creditor may effect and finance the acquisition of a registered security for a customer through the exercise of a right to acquire such security which is evidenced by a warrant or certificate issued to stockholders and expiring within 90 days of issuance, and such special subscriptions account shall be subject to the same conditions to which it would be subject if it were a general account, except that:

(1) Each such acquisition shall be treated separately in the account, and prior to initiating the transaction the creditor shall obtain a deposit of cash in the account such that the cash deposited plus the maximum loan value of the securities so acquired equals or exceeds the subscription price, giving effect to a maximum loan value for the securities so acquired of 75 per cent of their current market value as determined by any reasonable method;

(2) After October 20, 1967, at the time when credit is extended pursuant to this paragraph, the creditor shall compute the amount by which the credit exceeds the maximum loan value of the collateral as prescribed by § 220.8 (the Supplement to Regulation T) and the customer shall reduce the credit by an amount equal to at least one-fourth of such sum by the end of each of the four succeeding three-calendar-month periods or until the credit does not exceed the current maximum loan value of the collateral, whichever shall occur first, and, if the creditor fails to obtain the required quarterly reduction or a portion thereof with respect to a particular acquisition within five full business days after such reduction is due, the creditor shall promptly liquidate a portion of the collateral so acquired and apply the proceeds of the sale to reduce the credit, in an amount equal to at least twice the required payment or portion thereof for the first two such liquidations, at least equal to the required payment or portion thereof for the third such liquidation, and at least sufficient so that the remaining credit does not exceed the current maximum loan value of the remaining collateral after the fourth such liquidation: *Provided*, That, no such liquidation need be in an amount greater than is necessary so that the remaining credit does not exceed the maximum loan value of the remaining collateral determined as of the date the credit was extended: *And provided further*, That as to loans made between October 20, 1967, and March 11, 1968 such four succeeding periods shall begin on March 11, 1968; and

(3) The creditor shall not permit any withdrawal of cash or securities from the account so long as the remaining credit

exceeds the maximum loan value of the remaining collateral in the account, except that when the remaining credit extended in connection with a given acquisition of securities in the account has become equal to or less than the maximum loan value of such securities as prescribed in § 220.8 (the Supplement to Regulation T) (or in connection with an acquisition after October 20, 1967, the requirements of subparagraph (2) of this section have been fulfilled), such securities shall be transferred to the general account (or, if eligible, to a special convertible security account pursuant to § 220.4(j)) together with any remaining portion of such credit. In order to facilitate the exercise of a right in accordance with the provisions of this paragraph, a creditor may permit the right to be transferred from a general account to the special subscriptions account without regard to any other requirement of this Part.

(i) **Special bond account.**—In a special bond account a creditor may effect and finance transactions in exempted securities and registered non-equity securities for any customer.

(j) **Special convertible security account.**—(1) In a special convertible security account a creditor may extend credit on any registered equity security consisting of a security convertible into stock or a security carrying a warrant or right to subscribe to or purchase stock.

(2) A special convertible security account shall be subject to the same conditions to which it would be subject if it were a general account except that the maximum loan value of the securities in the account shall be as prescribed from time to time in § 220.8 (the Supplement to Regulation T).

(3) Any security which ceases to be an equity security while held in this account shall continue to be treated as an equity security as long as it is continuously held in this account.

(4) In the event that any stock is substituted for security held in this account such stock shall thereupon be transferred to the customer's general account against a deposit of cash or registered equity securities eligible for an extension of credit in this account (counted at their maximum loan value) equal to at least the maximum loan value of the security for which such substitution is made.

SECTION 220.5—BORROWING BY MEMBERS, BROKERS, AND DEALERS

(a) **General rule.**—It is unlawful for any creditor, directly or indirectly, to borrow in the ordinary course of business as a

broker or dealer on any registered security (other than an exempted security) except:

(1) from or through a member bank of the Federal Reserve System; or

(2) from any nonmember bank which shall have filed with the Board an agreement which is still in force and which is in the form prescribed by this Part; or

(3) to the extent to which, under the provisions of this Part, loans are permitted between members of a national securities exchange and/or brokers and/or dealers, or loans are permitted to meet emergency needs.

(b) Agreements of nonmember banks.—An agreement filed pursuant to section 8(a) of the Act (15 U.S.C. 78h(a)) by a bank not a member of the Federal Reserve System shall be substantially in the form contained in Form F.R. T-2 if the bank has its principal place of business in a territory or insular possession of the United States, or if it has an office or agency in the United States and its principal place of business outside the United States. The agreement filed by any other nonmember bank shall be in substantially the form contained in Form F.R. T-1. Any nonmember bank which has executed any such agreement may terminate the agreement if it obtains the written consent of the Board. Blank forms of such agreements, information regarding their filing or termination, and information regarding the names of nonmember banks for which such agreements are in force, may be obtained from any Federal Reserve Bank.

(c) Borrowing from other creditors.—A creditor may borrow from another creditor in the ordinary course of business as a broker or dealer on any registered security to the extent and subject to the terms upon which the latter may extend credit to him in accordance with the provisions of this Part, and subject to any other applicable provisions of law.

SECTION 220.6—CERTAIN TECHNICAL DETAILS

(a) Accounts of partners.—In case a general account, special bond account subject to § 220.4(i), or special convertible security account subject to § 220.4(j) is the account of a partner of the creditor, the creditor, in calculating the adjusted debit balance of such account and the maximum loan value of the securities therein, shall disregard the partner's financial relations with the firm as reflected in his capital and ordinary drawing accounts.

(b) **Contribution to joint adventure.**—In case a general account, special bond account subject to § 220.4(i), or special convertible security account subject to § 220.4(j) is the account of a joint adventure in which the creditor participates, the adjusted debit balance of such account shall include, in addition to the items specified in § 220.3(d), any amount by which the creditor's contribution to the joint adventure exceeds the contribution which he would have made if he had contributed merely in proportion to his right to share in the profits of the joint adventure.

(c) **Guaranteed accounts.**—No guarantee of a customer's account shall be given any effect for purposes of this Part.

(d) **Transfer of accounts.**—(1) In the event of the transfer of a general account, special bond account subject to § 220.4(i), or special convertible security account subject to § 220.4(j) from one creditor to another, such account may be treated for the purposes of this Part as if it had been maintained by the transferee from the date of its origin: *Provided*, That, the transferee accepts in good faith a signed statement of the transferor that no cash or securities need be deposited in such account in connection with any transaction that has been effected in such account or, in case he finds that it is not practicable to obtain such a statement from the transferor, accepts in good faith such a signed statement from the customer.

(2) In the event of the transfer of a general account, special bond account subject to § 220.4(i), or special convertible security account subject to § 220.4(j), from one customer to another, or to others, as a *bona fide* incident to a transaction that is not undertaken for the purpose of avoiding the requirements of this Part, each such transferee account may be treated by the creditor for the purposes of this Part as if it had been maintained for the transferee from the date of its origin: *Provided*, That, the creditor accepts in good faith and keeps with such transferee account a signed statement of the transferor describing the circumstances giving rise to the transfer.

(e) **Reorganizations.**—A creditor may, without regard to the other provisions of this Part, effect for a customer the exchange of any registered or exempted security in a general account, special bond account subject to § 220.4(i), or special convertible security account subject to § 220.4(j), for the purpose of participating in a reorganization or recapitalization in which the security is involved: *Provided*, That if an unregistered non-exempted security is acquired in exchange, the creditor shall not, for a period of 60 days following such acquisition, permit

the withdrawal of such security or the proceeds of its sale from such account except to the extent that such security or proceeds could be withdrawn if the security were a registered security.

(f) **Time of receipt of funds or securities.**—For the purposes of this Part, a creditor may, at his option (1) treat the receipt in good faith of any check or draft drawn on a bank which in the ordinary course of business is payable on presentation, or any order on a savings bank with passbook attached which is so payable, as receipt of payment of the amount of such check, draft or order; (2) treat the shipment of securities in good faith with sight draft attached as receipt of payment of the amount of such sight draft; and (3) in the case of the receipt in good faith of written or telegraphic notice in connection with a special omnibus account of a customer not located in the same city that a specified security or a check or draft has been dispatched to the creditor, treat the receipt of such notice as receipt of such security, check or draft: *Provided, however,* That if the creditor receives notice that such check, draft, order, or sight draft described in subparagraphs (1), (2), or (3) if this paragraph is not paid on the day of presentation, or if such security, check or draft described in subparagraph (3) of this paragraph is not received by the creditor within a reasonable time, the creditor shall promptly take such action as he would have been required to take by the appropriate provisions of this Part if the provisions of this paragraph had not been utilized.

(g) **Interest, service charges, etc.**—(1) Interest on credit maintained in a general account, special bond account subject to § 220.4(i), or special convertible security account subject to § 220.4(j), communication charges with respect to transactions in such account, shipping charges, premiums on securities borrowed in connection with short sales or to effect delivery, dividends or other distributions due on borrowed securities, and any service charges (other than commissions) which the creditor may impose, may be debited to such account in accordance with the usual practice and without regard to the other provisions of this Part, but such items so debited shall be taken into consideration in calculating the net credit or net debit balance of such account.

(2) A creditor may permit interest, dividends or other distributions received by the creditor with respect to securities in a general account, special bond account subject to § 220.4(i), or special convertible security account subject to § 220.4(j), to be withdrawn from such account only on condition that the adjusted debit balance of such account does not exceed the

maximum loan value of the securities in such account after such withdrawal, or on condition that (i) such withdrawal is made within 35 days after the day on which, in accordance with the creditor's usual practice, such interest, dividends or other distributions are entered in such account, (ii) such entry in the account has not served in the meantime to permit in the account any transaction which could not otherwise have been effected in accordance with this Part, and (iii) any cash withdrawn does not represent any arrearage on the security with respect to which it was distributed, and the current market value of any securities withdrawn does not exceed 10 per cent of the current market value of the security with respect to which they were distributed. Failure by a creditor to obtain in a general account, special bond account subject to § 220.4(i), or special convertible security account subject to § 220.4(j), any cash or securities that are distributed with respect to any security in such account shall, except to the extent that withdrawal would be permitted under the preceding sentence, be deemed to be a transaction in such account which occurs on the day on which the distribution is payable and which requires the creditor to obtain in accordance with § 220.3(b) a deposit of cash or maximum loan value of securities at least as great as that of the distribution.

(h) **Borrowing and lending securities.**—Without regard to the other provisions of this Part, a creditor (1) may make a *bona fide* deposit of cash in order to borrow securities (whether registered or unregistered) for the purpose of making delivery of such securities in the case of short sales, failure to receive securities he is required to deliver, or other similar cases, and (2) may lend securities for such purpose against such a deposit.

(i) **Credit for clearance of securities.**—The extension or maintenance of any credit which is maintained for only a fraction of a day (that is, for only part of the time between the beginning of business and midnight on the same day) shall be disregarded for the purposes of this Part, if it is incidental to the clearance of transactions in securities directly between members of a national securities exchange or through an agency organized or employed by such members for the purpose of effecting such clearance.

(j) **Foreign currency.**—If foreign currency is capable of being converted without restriction into United States currency, a creditor acting in good faith may treat any such foreign currency in an account as a credit to the account in an amount determined in accordance with customary practice.

(k) **Innocent mistakes.**—If any failure to comply with this Part results from a mechanical mistake made in good faith in executing a transaction, recording, determining, or calculating any loan, balance, market price or loan value, or other similar matter, the creditor shall not be deemed guilty of a violation of this Part if promptly after the discovery of such mistake he takes whatever action may be practicable in the circumstances to remedy such mistake.

SECTION 220.7—MISCELLANEOUS PROVISIONS

(a) **Arranging for loans by others.**—A creditor may arrange for the extension or maintenance of credit to or for any customer of such creditor by any person upon the same terms and conditions as those upon which the creditor, under the provisions of this Part, may himself extend or maintain such credit to such customer, but only upon such terms and conditions, except that this limitation shall not apply with respect to the arranging by a creditor for a bank subject to Part 221 of this chapter (Regulation U) to extend or maintain credit on registered securities or exempted securities.

(b) **Maintenance of credit.**—Except as otherwise specifically forbidden by this Part, any credit initially extended without violation of this Part may be maintained regardless of (1) reductions in the customer's equity resulting from changes in market prices, (2) the fact that any security in an account ceases to be registered or exempted, and (3) any change in the maximum loan values or margin requirements prescribed by the Board under this Part. In maintaining any such credit, the creditor may accept or retain for his own protection additional collateral of any description, including unregistered securities.

(c) **Declaration as to purpose of loan.**—Every extension of credit on a registered security (other than an exempted security) shall be deemed to be for the purpose of purchasing or carrying or trading in securities, unless the creditor has accepted in good faith a written statement by the customer signed by the customer which shall state the use to be made of such credit and which shall state specifically that such credit is neither for the purpose of purchasing or carrying or trading in securities nor for the purpose of evading or circumventing the provisions of this Part. To accept the customer's statement in good faith, the creditor must (1) be alert to the circumstances surrounding the extension of credit and (2) if he has any information which would cause a prudent man not to accept the statement

without inquiry, have investigated and be satisfied that the customer's statement is truthful. A creditor may rely upon such a written statement if accepted in accordance with this paragraph.

(d) **Reports.**—Every creditor shall make such reports as the Board may require to enable the Board to perform the functions conferred upon it by the Act.

(e) **Additional requirements by exchanges and creditors.**—Nothing in this Part shall (1) prevent any exchange from adopting and enforcing any rule or regulation further restricting the time or manner in which its members must obtain initial or additional margin in customers' accounts because of transactions effected in such accounts, or requiring such members to secure or maintain higher margins, or further restricting the amount of credit which may be extended or maintained by them, or (2) modify or restrict the right of any creditor to require additional security for the maintenance of any credit, to refuse to extend credit, or to sell any securities or property held as collateral for any loan or credit extended by him.

(f) **Acting as agent.**—No creditor shall act as agent of any person extending credit which the creditor knows or should know is secured directly or indirectly by any registered security unless the creditor accepts in good faith a statement signed by such person that he does not extend or maintain credit to or for borrowers in violation of Parts 207, 220, or 221 of this Chapter (Regulations G, T or U). For this purpose, such activities of an "agent" include, for example, receiving securities to be used as collateral for such credit, determining whether the market value of the collateral for such credit is adequate, and requiring the deposit of additional collateral or the reduction of such credit. In determining whether there has been an extension of credit subject to the provisions of Parts 207, 220, or 221 of this Chapter, and whether he can rely in good faith on the statement described herein, the creditor must (1) be alert to the circumstances surrounding the extension of credit and (2) if he has any information that would cause a prudent man not to accept the statement without inquiry, must have investigated and be satisfied that the credit either is not subject to such Part or is extended or maintained in conformity with the provisions of such Part.

Section 220.8 (the Supplement to Regulation T), prescribing maximum loan values, margin required for short sales and retention requirements, which are changed from time to time, is printed separately.

SUPPLEMENT TO REGULATION T**Section 220.8—SUPPLEMENT**

ISSUED BY THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

Effective March 11, 1968

(a) **Maximum loan value for general accounts.**—The maximum loan value of securities in a general account subject to § 220.3 shall be:

(1) of a registered non-equity security held in the account on March 11, 1968 and continuously thereafter and of a registered equity security (except as provided in § 220.3(c) and § 220.8(b), 30 per cent of the current market value of such securities.

(2) of an exempted security held in the account on March 11, 1968, and continuously thereafter the maximum loan value of the security as determined by the creditor in good faith.

(b) **Maximum loan value for special convertible security account.**—The maximum loan value of a registered equity security eligible for a special convertible security account pursuant to § 220.4(j) shall be 50 per cent of the current market value of the security.

(c) **Margin required for short sales.**—The amount to be included in the adjusted debit balance of a general account, pursuant to § 220.3(d)(3), special bond account pursuant to § 220.4(i), or special convertible security account subject to § 220.4(j) as margin required for short sales of securities (other than exempted securities) shall be 70 per cent of the current market value of each such security.

(d) **Retention requirement.**—(1) In the case of a general account which would have an excess of the adjusted debit balance of the account over the maximum loan value of the securities in the account following a withdrawal of cash or securities from the account, pursuant to § 220.3(b)(2), the “retention requirement” of an exempted security held in the account on March 11, 1968, and continuously thereafter shall be equal to its maximum loan value as determined by the creditor in good faith, and the “retention requirement” of a registered non-equity security held in the account on March 11, 1968, and continuously

thereafter and of a registered equity security shall be 70 per cent of the current market value of the security.

(2) In the case of a special convertible security account subject to § 220.4(j) which would have an excess of the adjusted debit balance of the account over the maximum loan value of the securities in the account following a withdrawal of cash or securities from the account the retention requirement of a security having loan value in the account shall be 70 per cent of the current market value of the security.

(3) For the purpose of effecting a transfer from a general account to a special convertible security account subject to § 220.4(j), the retention requirement of a security described in § 220.4(j) shall be 70 per cent of its current market value.

(e) **Securities having no loan value in general account.**—No securities other than an exempted security or a registered non-equity security held in the account on March 11, 1968, and continuously thereafter, and a registered equity security shall have any loan value in a general account except that a registered equity security eligible for the special convertible security account pursuant to § 220.4(j) shall have loan value only if held in the account on March 11, 1968, and continuously thereafter.

REGULATION U

(12 CFR 221)

As Amended effective March 11, 1968

**CREDIT BY BANKS FOR THE PURPOSE OF
PURCHASING OR CARRYING REGISTERED
STOCKS**

SECTION 221.1—GENERAL RULE

(a) **Purpose credit secured by stock.**—No bank shall extend any credit secured directly or indirectly¹ by any stock² for the purpose of purchasing or carrying any stock registered on a national securities exchange³ (and no bank shall extend any credit described in § 221.3(q) regardless of whether or not such credit is secured by any stock) in an amount exceeding the maximum loan value of the collateral, as prescribed from time to time for stocks in § 221.4 (the Supplement to Regulation U) and as determined by the bank in good faith for credit subject to § 221.3(s) for any collateral other than stocks: *Provided*, That unless held as collateral for such credit on October 20, 1967, and continuously thereafter, any collateral other than stock shall have loan value for the purpose of this Part only as collateral for a credit which is not secured by stock, as described in § 221.3(s), and any collateral consisting of convertible securities described in § 221.3(t) shall have loan value only for the purpose of that section, and not for other credit subject to this Part.

(b) **Substitutions and withdrawals.**—Except as permitted in paragraph (c), of this section, while a bank maintains any credit subject to this Part, whenever extended, the bank shall not at any time permit any withdrawal or substitution of collateral unless either (1) the credit would not exceed the maximum loan value of the collateral after such withdrawal or substitution, or (2) the credit is reduced by at least the amount by which the maximum loan value of any collateral deposited is less than the “retention requirement” of any collateral withdrawn. The “retention requirement” of collateral other than stock is the same as its maximum loan value and the “retention requirement” of collateral consisting of stock is prescribed from time to time in § 221.4 (the Supplement to Regulation U).

(c) **Same-day transactions.** — Except as provided in § 221.3(r)(1), a bank may permit a substitution of stock

¹ As defined in § 221.3(c).

² As defined in § 221.3(l).

³ Sometimes referred to as a “purpose credit”. See § 221.3(b), § 221.3(l), and § 221.3(m).

whether registered or unregistered, effected by a purchase and sale on orders executed within the same day: *Provided*, That (1) if the proceeds of the sale exceed the total cost of the purchase, the credit is reduced by at least an amount equal to the "retention requirement" with respect to the sale less the "retention requirement" with respect to the purchase, or (2) if the total cost of the purchase exceeds the proceeds of the sale, the credit may be increased by an amount no greater than the maximum loan value of the stock purchased less the maximum loan value of the stock sold. If the maximum loan value of the collateral securing the credit has become less than the amount of the credit, the amount of the credit may nonetheless be increased if there is provided additional collateral having maximum loan value at least equal to the amount of the increase.

(d) **Single credit rule.**—For the purpose of this Part, except for credit subject to § 221.3(s) or (t), the entire amount of the credit extended to any customer by any bank at any time for the purpose of purchasing or carrying stocks registered on a national securities exchange shall be considered a single credit; and all the collateral securing such indebtedness shall be considered in determining whether or not the loan complies with this Part.

SECTION 221.2—EXCEPTIONS TO GENERAL RULE

Notwithstanding the provisions of § 221.1, a bank may extend and may maintain any credit for the purpose specified in § 221.1, without regard to the limitations prescribed therein, or in § 221.3(t) if the credit comes within any of the following descriptions:

(a) Any credit extended to a bank or to a foreign banking institution;

(b) Any credit extended to a "plan-lender" as defined in § 207.4(a) of Part 207 of this Chapter (Regulation G) to finance a plan described therein: *Provided*, That in no event does the bank have recourse to any stock purchased pursuant to such plan;

(c) Any credit extended to a dealer, or to two or more dealers, to aid in the financing of the distribution of securities to customers not through the medium of a national securities exchange;

(d) Any credit extended to a broker or dealer that is extended in exceptional circumstances in good faith to meet his emergency needs;

(e) Any credit extended to a broker or dealer secured by any securities which, according to written notice received by the bank from the broker or dealer pursuant to a rule of the Securities and

Exchange Commission concerning the hypothecation of customers' securities (Rule 8c-1 (17 CFR § 240.8c-1) or Rule 15c2-1 (17 CFR § 240.15c2-1)), are securities carried for the account of one or more customers: *Provided*, That the bank accepts in good faith⁴ from the broker or dealer a signed statement to the effect that he is subject to the provisions of Part 220 of this Chapter (Regulation T) (or that he does not extend or maintain credit to or for customers except in accordance therewith as if he were subject thereto);

(f) Any credit extended to finance the purchase or sale of securities for prompt delivery which is to be repaid in the ordinary course of business upon completion of the transaction: *Provided*, That the advance is not made to a person described in § 221.3(q): *And provided further*, That it is either (1) extended to a broker or dealer, or (2) extended for a purpose other than to enable the borrower to pay for stock purchased in an account subject to Part 220 of this Chapter (Regulation T);

(g) Any credit extended against securities in transit, or surrendered for transfer, which is payable in the ordinary course of business upon arrival of the securities or upon completion of the transfer: *Provided*, That the credit is not extended to a person described in § 221.3(q): *And provided further*, That it is either (1) extended to a broker or dealer, or (2) extended for other than to enable the customer to pay for stock purchased in an account subject to Part 220 of this Chapter (Regulation T);

(h) Any credit which is to be repaid on the calendar day on which it is extended: *Provided*, That the credit is not extended to a person described in § 221.3(q): *And provided further*, That it is either (1) extended to a broker or dealer, or (2) extended for a purpose other than to enable the customer to pay for stock purchase in an account subject to Part 220 of this Chapter (Regulation T);

(i) Any credit extended outside the States of the United States and the District of Columbia;

(j) Any credit extended to a member of a national securities exchange for the purpose of financing his or his customers' bona fide arbitrage transactions in securities. For the purposes of this paragraph, the term "arbitrage" means (1) a purchase or sale of a security in one market together with an offsetting sale or purchase of the same security in a different market at as nearly the same time as practicable, for the purpose of taking advantage of a difference in prices in the two markets, or (2)

⁴ As described in § 221.3(a).

a purchase of a security which is, without restriction other than the payment of money, exchangeable or convertible within 90 calendar days following the date of its purchase into a second security together with an offsetting sale at or about the same time of such second security, for the purpose of taking advantage of a disparity in the prices of the two securities; and

(k) Any credit extended to a member of a national securities exchange for the purpose of financing such members' transaction as an odd-lot dealer in securities with respect to which he is registered on such national securities exchange as an odd-lot dealer.

SECTION 221.3—MISCELLANEOUS PROVISIONS

(a) **Required statement as to stock-secured loan.**—In connection with an extension of credit secured directly or indirectly by any stock, the bank shall obtain and retain in its records for at least six years after such credit is extinguished a statement in conformity with the requirements of Federal Reserve Form U-1 executed by the recipient of such extension of credit (sometimes referred to as the "customer") and executed and accepted in good faith by a duly authorized officer of the bank prior to such extension. In determining whether or not an extension of credit is for the purpose specified in § 221.1 or for any of the purposes specified in § 221.2 the bank may rely on the statement executed by the customer if accepted in good faith. To accept the customer's statement in good faith, the officer must (1) be alert to the circumstances surrounding the credit and (2) if he has any information which would cause a prudent man not to accept the statement without inquiry, have investigated and be satisfied that the customer's statement is truthful.

(b) **Purpose of a credit.**—The "purpose of a credit" is determined by substance rather than form.

(1) Credit which is for the purpose, whether immediate, incidental, or ultimate, of purchasing or carrying a stock is "purpose credit", despite any temporary application of funds otherwise.

(2) Credit to enable the customer to reduce or retire indebtedness which was originally incurred to purchase a stock is for the purpose of "carrying" such a security.

(3) Credit for the purpose of purchasing or carrying a security issued by an investment company registered pursuant to section 8 of the Investment Company Act of 1940 (15 U.S.C. 80a-8), whose assets customarily include registered stocks, is for the purpose of purchasing or carrying such stocks.

(c) **Indirectly secured.**—The term “indirectly secured” includes any arrangement as to assets of the customer which (1) serves to protect the interest of the bank, (2) serves to make assets of the customer more readily available to the bank than to other creditors of the customer, or (3) under which the customer surrenders the right to dispose of assets so long as the credit remains outstanding: *Provided*, That the foregoing shall not apply to securities held by the bank only in the capacity of custodian, depositary or trustee, or under similar circumstances, if the bank in good faith has not relied upon such securities as collateral in the extension or maintenance of the particular credit.

(d) **List of registered stocks.**—In determining whether a security is a “stock registered on a national securities exchange” or a security described in paragraph (b) (3) of this section, a bank may rely upon any reasonably current record of such securities that is published or specified in a publication of the Board of Governors of the Federal Reserve System. A bank may also rely upon such a record to determine whether a stock into which a security, warrant, or right is convertible or exchangeable is a stock registered on a national securities exchange.

(e) **Renewals and extensions of maturity.**—The renewal or extension of maturity of a credit need not be treated as the extension of a credit if the amount of the credit is not increased except by the addition of interest or service charges in respect to the credit or of taxes on transactions in connection with the credit.

(f) **Transfers.**—A bank, without following the requirements of this Part as to the extension of a credit may:

(1) permit the transfer of a credit from one customer to another, or to others: *Provided*, That a statement by the transferor, describing the circumstances giving rise to the transfer, is accepted in good faith⁵ and signed by an officer of the bank as having been so accepted, and kept with each such transferee account, or

(2) accept the transfer of a credit originally extended in conformity with the requirements of this Part directly from another bank: *Provided*, That the statement of purpose, executed by the customer in connection with the original extension of credit and accepted in good faith and signed by an officer of the bank originally extending such credit in conformity with the requirements of § 221.3(a), is obtained and kept with each such transferee account,

⁵ As described in § 221.3(a).

And provided further, That any transfer pursuant to this paragraph is made as a bona fide incident to a transaction not undertaken for the purpose of avoiding the requirements of this Part, the amount of the credit is not increased and the collateral for the credit is not changed; and, after such transfer, a bank may permit such withdrawals and substitutions of collateral as are permitted in respect to a credit it extends subject to this Part.

(g) Reorganizations and recapitalizations.—Nothing in this Part shall be construed to prevent a bank from permitting withdrawals or substitutions of securities to enable a customer to participate in a reorganization or recapitalization.

(h) Mistakes in good faith.—No mistake made in good faith in connection with the extension or maintenance of a credit shall be deemed to be a violation of this Part.

(i) Action for bank's own protection.—Nothing in this Part shall be construed as preventing a bank from taking such action as it shall deem necessary in good faith for its own protection.

(j) Reports.—Every bank, and every person engaged in the business of extending credit who, in the ordinary course of business, extends credit for the purpose of purchasing or carrying securities registered on a national securities exchange, shall make such reports as the Board of Governors of the Federal Reserve System may require to enable it to perform the functions conferred upon it by the Securities Exchange Act of 1934 (15 U.S.C. 78).

(k) Definitions.—Except as otherwise provided in this Part, terms herein have the meanings assigned to them in section 3(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)), except that the term "bank" does not include a bank which is a member of a national securities exchange.

(l) Stock.—The term "stock" includes any security commonly known as a stock; any voting trust certificate or other instrument representing such a security; any security convertible with or without consideration into such security, certificate or other instrument, or carrying any warrant or right to subscribe to or purchase such a security; or any such warrant or right.

(m) Credit subject to § 221.1.—A "credit subject to § 221.1" is a credit which is (1) secured directly or indirectly by any stock (or made to a person described in paragraph (q) of this section), (2) extended for the purpose of purchasing or carrying any stock registered on a national securities exchange, or any

security convertible^a with or without consideration into such a stock or carrying any warrant or right to subscribe to or purchase or carry such a stock, or any such warrant or right (such security, warrant or right is sometimes referred to as a "security convertible into a stock registered on a national securities exchange"), and (3) not excepted by § 221.2.

(n) **Segregation of collateral.**—(1) The bank shall identify all the collateral used to meet the requirements of § 221.1 (the entire credit being considered a single credit and collateral being similarly considered, as required by § 221.1(d)) and shall not cancel the identification of any portion thereof except in circumstances that would permit the withdrawal of that portion. Such identification may be made by any reasonable method, and in the case of a credit outstanding at the opening of business on June 15, 1959, need not be made until immediately before some change in that or other indebtedness of the customer or in collateral therefore.

(2) Only the collateral required to be so identified shall have loan value for purposes of § 221.1 or be subject to the restrictions therein specified with respect to withdrawals and substitutions; and

(3) For any credit extended to the same customer that is not subject to § 221.1 (other than a credit described in § 221.2(b), (d), (f), (g), or (h)), the bank shall in good faith require as such collateral not so identified as the bank would require (if any) if it held neither the indebtedness subject to § 221.1 nor the identified collateral. This shall not be construed, however, to require the bank, after it has extended any credit, to obtain any collateral therefor because of any deficiency in collateral already existing at the opening of business on June 15, 1959, or any decline in the value or quality of the collateral or in the credit rating of the customer.

(4) Nothing in this Part shall require a bank to waive or forego any lien, and nothing in this Part shall apply to a credit extended to enable the customer to meet emergency expenses not reasonably foreseeable, provided the extension of credit is supported by a statement executed by the customer and accepted in good faith and signed by an officer of the bank as having been so accepted in conformity with the requirements of § 221.3(a). For this purpose, such emergency expenses shall include expenses arising from circumstances such as the death or disability of the customer, or some other change in his circumstances in-

^a See also § 221.3(r) and (t).

volving extreme hardship, not reasonably foreseeable at the time the credit was extended. The opportunity to realize monetary gain is not a "change in his circumstances" for this purpose.

(o) **Specialist.**—In the case of a credit extended to a member of a national securities exchange who is registered and acts as a specialist in securities on the exchange for the purpose of financing such member's transactions as a specialist in such securities, the maximum loan value of any stock shall be as determined by the bank in good faith: *Provided*, That the specialist's exchange, in addition to other requirements applicable to specialists, is designated by the Board of Governors of the Federal Reserve System as requiring reports suitable for supplying current information regarding specialists' use of credit pursuant to this section.

(p) **Subscriptions issued to stockholders.**—An extension of credit need not comply with the other requirements of this Part if it is to enable the customer to acquire a stock by exercising a right to acquire such stock which is evidenced by a warrant or certificate issued to stockholders and expiring within 90 days of issuance: *Provided*, That:

(1) each such acquisition under this paragraph shall be treated separately, and the credit when extended shall not exceed 75 per cent of the current market value of the stock so acquired as determined by any reasonable method;

(2) after October 20, 1967, at the time credit is extended pursuant to this paragraph, the bank shall compute the amount by which the credit exceeds the maximum loan value of the collateral as prescribed by § 221.4 and the customer shall reduce the credit by an amount at least equal to one-fourth of such sum by the end of each of the four succeeding three-calendar month periods or until the credit does not exceed the current maximum loan value of the stock, whichever shall occur first, and if the bank fails to obtain the required quarterly reduction or a portion thereof with respect to a particular acquisition within five full business days after such reduction is due, the bank shall promptly sell a portion of the collateral so acquired and apply the proceeds of the sale to reduce the credit, in an amount at least equal to twice the required payment or portion thereof for the first two such reductions, at least equal to the required payment or portion thereof for the third such reduction, and at least sufficient so that the remaining credit does not exceed the current maximum loan value of the remaining collateral after the fourth such reduction: *Provided*, That no such reduction need be in an

amount greater than is necessary so that the remaining credit does not exceed the maximum loan value of the remaining collateral determined as of the date when the credit was extended: *And provided further*, That as to credit extended between October 20, 1967, and March 11, 1968, such four succeeding periods shall begin on March 11, 1968; and

(3) while the customer has any credit outstanding at the bank under this paragraph no withdrawal of cash or substitution or withdrawal of stock used as collateral for such extension of credit shall be permissible, except that when the remaining credit has become equal to or less than the maximum loan value of the remaining stock as prescribed for § 221.1 or § 221.3(t) in § 221.4 (the Supplement to Regulation U) whichever is applicable (or with respect to credit extended after October 20, 1967, the requirements of the preceding clause have been fulfilled) the remaining stock and related indebtedness shall thereafter be treated as subject to § 221.1 or § 221.3(t), whichever is applicable, instead of this paragraph. In order to facilitate the exercise of a right under this paragraph, a bank may permit the right to be withdrawn from a credit subject to § 221.1 without regard to any other requirement of this Part.

(q) **Credit to certain lenders.**—Any credit extended to a customer not subject to this Part or to Part 220 of this Chapter (Regulation T) engaged principally, or as one of the customer's important activities, in the business of extending credit for the purpose of purchasing or carrying stocks registered on a national securities exchange, is a credit for the purpose of purchasing or carrying stocks so registered unless the credit and its purposes are effectively and unmistakably separated and disassociated from any financing or refinancing, for the customer or others, of any purchasing or carrying of stocks so registered. Any credit extended to any such customer, unless the credit is so separated and disassociated or is excepted by § 221.2, is a credit "subject to § 221.1" regardless of whether or not the credit is secured by any stock; and no bank shall extend any such credit subject to § 221.1 to any such customer on or after June 15, 1959, without collateral or without the credit being secured as would be required by this Part if it were secured by any stock. Any such credit subject to § 221.1 to any such customer, whether or not made after June 15, 1959, shall be subject to the other provisions of this Part applicable to credit subject to § 221.1, including provisions regarding withdrawal and substitution of collateral.

(r) **Convertible securities.**—(1) If, after June 15, 1959, and

prior to October 21, 1967, credit was extended for the purpose of purchasing or carrying a security convertible into a stock registered on a national securities exchange and the credit was secured by such a security, and after October 20, 1967, there is substituted any stock as direct or indirect collateral for such credit, the credit shall thereupon be treated as subject to § 221.1 or § 221.3(t), whichever is applicable. In any such case, the amount of the outstanding credit, or such amount plus any increase therein to enable the customer to acquire a stock so registered through the conversion of the security pursuant to its terms, shall not be permitted on the date of such substitution to exceed the maximum loan value of the collateral for the credit: *Provided*, That any reduction in the credit or deposit of collateral required on that date to meet this requirement may be brought about within 30 days of such substitution, or by April 10, 1968, whichever is later.

(2) Any credit extended after October 20, 1967, for the purpose of purchasing or carrying a security convertible into a stock registered on a national securities exchange, if the credit is secured, directly or indirectly, by any stock, is a credit subject to § 221.1 or § 221.3(t), whichever is applicable: *Provided*, That any reduction of the credit or deposit of collateral necessary to meet the requirements of § 221.4 (the Supplement to Regulation U) in respect to such credit extended before March 11, 1968, need not be brought about before April 10, 1968.

(s) Credit secured by collateral other than stocks.—A bank may extend credit for the purpose of purchasing or carrying a stock registered on a national securities exchange secured by collateral other than stock, and, in the case of such credit, the maximum loan value of the collateral shall be as determined by the bank in good faith.

(t) Credit on convertible securities.—(1) A bank may extend credit for the purpose specified in § 221.1 on collateral consisting of any security convertible into a stock registered on a national securities exchange or any security carrying a warrant or right to subscribe to or purchase a stock so registered.

(2) Credit extended under this paragraph shall be subject to the same conditions as if it were subject to § 221.1 except: (i) the entire amount of such credit shall be considered a single credit treated separately from the single credit specified in § 221.1(d) and all the collateral securing such credit shall be considered in determining whether or not the credit complies with this Part, and (ii) the maximum loan value of the collateral

shall be as prescribed from time to time in § 221.4 (the Supplement to Regulation U).

(3) Any convertible security originally eligible as collateral for a credit extended under this paragraph shall be treated as such as long as continuously held as collateral for such credit even though it ceases to be convertible or to carry warrants or rights.

(4) In the event that any stock is substituted for a convertible security held as collateral for a credit extended under this paragraph, the stock and any credit extended on it in compliance with this Part shall thereupon be treated as subject to § 221.1 and the credit extended under this paragraph shall be reduced by an amount equal to the maximum loan value of the security withdrawn less the maximum loan value of any convertible security described in subparagraph (1) of this paragraph deposited as collateral.

(u) **Bank acting as agent.**—No bank shall act as agent of any person extending credit which the bank knows or should know is secured directly or indirectly by any registered security unless the bank accepts in good faith⁷ a statement signed by such person that he does not extend or maintain credit to or for customers in violation of Part 207, 220, or 221 of this Chapter (Regulations G, T, or U). For this purpose, such activities of an “agent” include, for example, receiving securities to be used as collateral for such credit, determining whether the market value of the collateral for such credit is adequate, and requiring the deposit of additional collateral or the reduction of such credit. In determining whether there has been an extension of credit subject to the provisions of such Part, and whether it can rely in good faith on the statement described herein, the bank shall (1) be alert to the circumstances surrounding the extension of credit and (2) if it has information that would cause a prudent man not to accept the statement without inquiry, must have investigated and be satisfied that the credit either is not subject to such Part or is extended or maintained in conformity with the provisions of such Part.

(v) **Arranging for credit.**—No bank shall arrange for the extension or maintenance of any credit for the purpose of purchasing or carrying any stock registered on a national securities exchange, except upon the same terms and conditions on which the bank itself could extend or maintain such credit under the provisions of this Part.

⁷ As described in § 221.3(a).

SUPPLEMENT TO REGULATION U**Section 221.4—SUPPLEMENT**

ISSUED BY THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

Effective March 11, 1968

(a) **Maximum loan value of stocks.**—For the purpose of § 221.1, the maximum loan value of any stock, whether or not registered on a national securities exchange, shall be 30 per cent of its current market value, as determined by any reasonable method.

(b) **Maximum loan value of convertible securities subject to § 221.3(t).**—For the purpose of § 221.3(t), the maximum loan value of any security against which credit is extended pursuant to § 221.3(t) shall be 50 per cent of its current market value, as determined by any reasonable method.

(c) **Retention requirement.**—For the purpose of § 221.1, in the case of a loan which would exceed the maximum loan value of the collateral following a withdrawal of collateral, the “retention requirement” of a stock, whether or not registered on a national securities exchange, and of a convertible security subject to § 221.3(t), shall be 70 per cent of its current market value, as determined by any reasonable method.

REGULATION G

(12 CFR 207)

Effective March 11, 1968

**CREDIT BY PERSONS OTHER THAN BANKS,
BROKERS, OR DEALERS FOR PURPOSE OF
PURCHASING OR CARRYING REGISTERED
EQUITY SECURITIES****SECTION 207.1—GENERAL RULE**

(a) **Registration.**—Every person who, in the ordinary course of his business, during any calendar quarter ended after October 20, 1967, extends or arranges for the extension of a total of fifty thousand dollars (\$50,000) or more, or has outstanding at any time during the calendar quarter, a total of one hundred thousand dollars (\$100,000) or more, in credit, secured directly or indirectly, in whole or in part, by collateral that includes any registered equity securities, 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 the lender is located: *Provided*, That no such statement need be filed with respect to credit extended in the calendar quarter that ended December 31, 1967, until April 10, 1968.

(b) **Termination of registration.**—Any person so registered who has not, during the preceding six calendar months, extended or maintained or arranged for the extension or maintenance of any credit secured directly or indirectly, in whole or in part, by collateral that includes any registered equity 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 the lender is located.

(c) **Definition of lender and applicability of margin requirements.**—Any person subject to the registration requirements of paragraph (a) of this section who, in the ordinary course of his business, extends or maintains or arranges for the extension or maintenance of any credit for the purpose of purchasing or

carrying any registered equity security¹ (hereinafter called "**purpose credit**"), if such credit is secured directly or indirectly² in whole or in part by collateral that includes any such security, is a "**lender**" subject to this Part and shall not after February 1, 1968, except as provided in section 207.4(a), extend or arrange for the extension of any purpose credit in an amount exceeding the maximum loan value of the collateral, as prescribed from time to time for registered equity securities in section 207.5 (the Supplement to Regulation G), or as determined by the lender in good faith for any collateral other than registered equity securities: *Provided*, That any collateral consisting of convertible securities described in paragraph (d) of this section shall have loan value only as provided in that paragraph: *And provided further*, That in respect to a credit extended after February 1, 1968, and before March 11, 1968, any reduction in the credit or deposit of collateral required to meet this requirement shall be accomplished by April 10, 1968.

(d) **Credit on convertible securities.**—(1) A lender may extend credit for the purpose specified in paragraph (c) of this section on collateral consisting of any security convertible into a registered equity security or any security carrying a warrant or right to subscribe to or purchase such a security (sometimes herein referred to as a "convertible security").

(2) Credit extended under this paragraph shall be subject to the same conditions as any other credit subject to this section except: (A) the entire amount of such credit shall be considered a single credit treated separately from the single credit specified in paragraph (g) of this section and all the collateral securing such credit shall be considered in determining whether or not the credit complies with this Part, and (B) the maximum loan value of the collateral shall be as prescribed from time to time in section 207.5(b) (the Supplement to Regulation G).

(3) Any convertible security originally eligible as collateral for a credit extended under this paragraph shall be treated as such as long as continuously held as collateral for such credit even though it ceases to be convertible or to carry warrants or rights.

(4) In the event that any stock is substituted for a convertible security held as collateral for a credit extended under this section the stock and any credit extended on it in compliance with this Part shall thereupon be treated as subject to paragraph (c)

¹ See § 207.2(d).

² See § 207.2(g).

of this section and not to this paragraph and the credit extended under this paragraph shall be reduced by an amount equal to the maximum loan value of the convertible security withdrawn less the maximum loan value of any convertible security described in subparagraph (d) (1) deposited as collateral.

(e) **Statements as to purpose of credit.**—In connection with any extension of credit secured directly or indirectly, in whole or in part, by collateral that includes any registered equity security, the lender shall, prior to such extension, obtain a statement in conformity with the requirements of Federal Reserve Form G-3 executed by the customer and executed and accepted in good faith by the lender. The lender shall retain such statement in his records for at least six years after such credit is extinguished. In determining whether credit is "purpose credit", the lender may rely on the statement executed by the customer if accepted in good faith. To accept the customer's statement in good faith, the lender must (1) be alert to the circumstances surrounding the credit and (2) if he has any information which would cause a prudent man not to accept the statement without inquiry, have investigated and be satisfied that the customer's statement is truthful. Circumstances which could indicate that the lender has not exercised reasonable diligence in so acquainting himself and so investigating would include, but are not limited to, facts such as that (1) the proceeds of the credit were paid to a broker or to a bank in connection with contemporaneous delivery of registered equity securities, whether or not payment was made against delivery, (2) there were frequent substitutions of registered equity securities serving as collateral for the credit, or (3) the amount of the credit was disproportionate, or the terms inappropriate, to the stated purpose.

(f) **Credit extended to person subject to Regulation T.**—

(1) No lender shall extend or maintain any credit for the purpose of purchasing or carrying any registered equity security to any person who is subject to Part 220 of this Chapter (Regulation T) without collateral or on collateral consisting of registered securities (other than exempted securities³). Where the credit is to be used in the ordinary course of business of such person, such credit is presumed to be for the purpose of purchasing or carrying registered equity securities unless the lender has in his records statements obtained and executed in conformity with the requirements of paragraph (e) of this section.

³ As defined in 15 U.S.C. 78c(a) (12).

(2) The prohibition of this paragraph (f) shall not apply to a credit which is unsecured or secured by collateral other than registered equity securities, and which is (i) made to a dealer (as defined in section 220.2(a) of Regulation T) to aid in the distribution of securities to customers not through the medium of a national securities exchange, or (ii) subordinated to the claims of general creditors by a subordination agreement approved by an appropriate committee of a national securities exchange or by a "satisfactory subordination agreement" as defined in paragraph (e) (7) of Rule 240-15c3-1 of the Securities and Exchange Commission.

(g) Combining purpose credit extended to the same customer.—For the purpose of this Part, except for a credit subject to paragraph (d) of this section, the aggregate of all outstanding purpose credit extended to a person by a lender after February 1, 1968, shall be considered a single credit and, except as provided in paragraphs (d) and (i) of this section, all the collateral securing such a credit, whether directly or indirectly, in whole or in part, shall be considered in determining whether the credit complies with this Part.

(h) Purpose and nonpurpose credit extended to the same person.—No lender shall after February 1, 1968, extend or maintain or arrange for the extension of any purpose credit, or shall arrange for the maintenance of any purpose credit extended after February 1, 1968, if the credit is secured directly or indirectly, in whole or in part, by collateral that includes any registered equity security which also secures, directly or indirectly, in whole or in part, any other credit extended to the same customer; and no lender shall have outstanding at the same time to the same customer both purpose credit extended after February 1, 1968, and any other credit extended after February 1, 1968.

(i) Purpose credit secured both by registered equity securities and by other collateral.—No lender shall after February 1, 1968, extend or maintain or arrange for the extension of any purpose credit, or shall arrange for the maintenance of any purpose credit extended after February 1, 1968, which is secured directly or indirectly, in whole or in part, by collateral that includes any registered equity security, unless at the time such credit was extended, the lender thereof obtained collateral consisting of registered equity securities in an amount sufficient to meet the requirements of paragraph (c) of this section, and such credit was thereafter maintained in accordance with the re-

quirements of this Part, and where any such credit is so secured, no other collateral shall have any loan value in respect to such credit for the purposes of this Part.

(j) **Withdrawals and substitutions of collateral.**—(1) *General rule.* Except as permitted by the next subparagraph and by section 207.4(a), while a lender maintains any purpose credit extended after February 1, 1968, the lender shall not at any time permit any withdrawal or substitution of collateral unless either (i) the credit would not exceed the maximum loan value of the collateral after such withdrawal or substitution, or (ii) the credit is reduced by at least the amount by which the maximum loan value of any collateral deposited is less than the “retention requirement” of any collateral withdrawn. The retention requirement of collateral other than registered equity securities is the same as its maximum loan value and the retention requirement of collateral consisting of registered equity securities or securities convertible into registered equity securities is prescribed from time to time in section 207.5 (the Supplement to Regulation G).

(2) *Same-day substitution of collateral.* Except as prohibited by section 207.4(a) a lender may permit a substitution of registered equity securities effected by a purchase and sale on orders executed within the the same day: *Provided*, That (i) if the proceeds of the sale exceed the total cost of the purchase, the credit is reduced by at least an amount equal to the retention requirement in respect to the sale less the retention requirement in respect to the purchase, or (ii) if the total cost of the purchase exceeds the proceeds of the sale, the credit may be increased by an amount no greater than the maximum loan value of the securities purchased less the maximum loan value of the securities sold. If the maximum loan value of the collateral securing the credit has become less than the amount of the credit, the amount of the credit may nonetheless be increased if there is provided additional collateral having maximum loan value at least equal to the amount of increase, or the credit is extended pursuant to section 207.4(a).

SECTION 207.2—DEFINITIONS

For the purpose of this Part, unless the context otherwise requires:

(a) The term “**person**” means an individual, a corporation, a partnership, an association, a joint stock company, a business trust, or an unincorporated organization.

(b) The term **“in the ordinary course of his business”** means occurring or reasonably expected to occur from time to time in the course of any activity of the lender for profit or the management and preservation of property or in addition, in the case of a lender other than an individual, carrying out or in furtherance of any business purpose.

(c) The **“purpose”** of a credit is determined by substance rather than form.

(1) Credit which is for the purpose, whether immediate, incidental, or ultimate, of purchasing or carrying a registered equity security is **“purpose credit”**, despite any temporary application of funds otherwise.

(2) Credit to enable the customer to reduce or retire indebtedness which was originally incurred to purchase a registered equity security is for the purpose of **“carrying”** such a security.

(3) Credit for the purpose of purchasing or carrying a security issued by an investment company registered pursuant to section 8 of the Investment Company Act of 1940 (15 U.S.C. 80a-8), whose assets customarily include registered equity securities, is for the purpose of purchasing or carrying such registered equity securities.

(4) Credit for the purpose of purchasing or carrying any security convertible into a stock registered on a national securities exchange or any security carrying a warrant or right to subscribe to or purchase a stock registered on a national securities exchange is for the purpose of purchasing or carrying such registered equity securities.

(d) The term **“registered equity security”** means any equity security⁴ which (1) is registered on a national securities exchange; or (2) has unlisted trading privileges on a national securities exchange, or (3) is exempted by the Securities and Exchange Commission from the operation of section 7(c) (2) of the Securities Exchange Act of 1934 (15 U.S.C. 78g(c) (2)) only to the extent necessary to render lawful any direct or indirect extension or maintenance of credit on such security; or (4) any security convertible with or without consideration into such registered equity security or carrying any warrant or right to subscribe to or purchase such registered equity security, or any such warrant or right.

(e) (1) The term **“purchase”** includes any contract to buy, purchase, or otherwise acquire.

⁴ As defined in 15 U.S.C. 78c(a) (11).

(2) The term “**sale**” includes any contract to sell or otherwise dispose of.

(f) The term “**customer**” includes any recipient of the credit to whom credit is extended directly or indirectly for the use of the customer, and also includes any person engaged in a joint venture, or as a member of a syndicate or a group, with the customer with respect to a purpose loan.

(g) The term “**indirectly secured**” includes, except as provided in section 207.4(a)(3), any arrangement as to assets of the customer which (1) serves to protect the interests of the lender, (2) serves to make assets of the borrower more readily available to the lender than to other creditors of the borrower, or (3) under which the borrower surrenders the right to dispose of assets so long as the credit remains outstanding.

SECTION 207.3—REPORTS AND RECORDS

(a) Every person who is registered pursuant to section 207.1(a) of this Part shall within thirty (30) days following the end of each succeeding calendar quarter 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.

(b) Every person who has registered pursuant to section 207.1(a) of this Part shall maintain such records as shall be prescribed by the Board of Governors of the Federal Reserve System to enable it to perform the functions conferred upon it by the Securities Exchange Act of 1934. (15 U.S.C. 78).

SECTION 207.4—MISCELLANEOUS PROVISIONS

(a) **Stock option and employee stock purchase plans.**—In respect to any credit extended and maintained by a corporation or by a lender wholly controlled by such corporation (such corporations and such lenders are both sometimes referred to as “plan-lenders”), to an officer or employee of the corporation or subsidiary thereof to finance the exercise of rights granted such officer or employee under a stock option plan or employee stock purchase plan adopted by the corporation and approved by a majority of its stockholders to purchase registered equity securities of such corporation or subsidiary,

(1) Sections 207.1(c), (d), (f), (g), (h), and (i) of this Part shall not apply to any such credit extended to finance the exercise of such rights granted to any named officer or employee prior to February 1, 1968, and effectively exercised by such

officer or employee prior to February 1, 1969, nor to any credit extended, prior to February 1, 1969, to a plan-lender pursuant to a bona fide written commitment in existence on February 1, 1968, to finance the exercise of such rights;

(2) The restrictions imposed by section 207.1(c) and (d) and section 207.5 (the Supplement to this Part) on the maximum loan value of registered equity securities serving as collateral for purpose credit shall not apply to securities purchased, and serving as direct or indirect collateral for credit extended, pursuant to such a plan, *Provided, That*:

(i) The entire amount of credit extended to any officer or employee pursuant to this paragraph in connection with the exercise of rights under such plan or plans shall be considered a single credit;

(ii) At the time when credit is extended under a plan subject to this paragraph, (A) the plan-lender computes the amount by which the credit exceeds the maximum loan value of the collateral as prescribed by section 207.5 (the Supplement to Regulation G), (the "deficiency"), and (B) the agreement under which the credit is extended provides that except as permitted by the proviso in subparagraph (iii) the officer or employee shall, in respect to such deficiency, make equal repayments to the plan-lender at least quarterly and equivalent to at least 20 per cent of such deficiency per annum, or such lesser amount as the Board of Governors, upon application, may permit, for at least three years from the extension of the credit;

(iii) The officer or employee is not permitted under such plan or agreement to sell, withdraw, pledge, or otherwise dispose of all or any part of such collateral until (A) all repayments have been made for at least the three-year period provided in subparagraph (ii) and the deficiency has been repaid, or (B) the maximum loan value of the collateral, as prescribed by section 207.5 (the Supplement to Regulation G), is at least equal to the credit which remains owing from the officer or employee to the plan-lender, whichever shall occur first: *Provided, That* this restriction need not apply where such collateral is required to be sold to meet emergency expenses arising from circumstances not reasonably foreseeable at the time of the extension of the credit (for this purpose such emergency expenses shall include the death, disability, or involuntary termination of employment of the officer or employee or some other change in his circumstances, involving

extreme hardship, not reasonably foreseeable at the time the credit is extended. The opportunity to realize monetary gain is not a "change in his circumstances" for this purpose); and

(iv) At such time as either of the conditions with respect to sale, withdrawal, pledge, or other disposition of collateral specified in subparagraph (iii) are satisfied, the credit is thereafter treated as a credit subject to all the requirements of this Part.

(3) No extension of credit to a plan-lender to finance such a plan shall be deemed to be indirectly secured by a registered equity security purchased pursuant to the plan provided such security is not repledged by the plan-lender to secure such extension of credit to the plan-lender and the amount of the credit does not exceed the total amount of credit currently extended by such plan-lender pursuant to such plan.

(b) **List of securities.**—In determining whether a security is a registered equity security or a security convertible into such security, or a security of the kind described in section 207.2(c) (3), a lender may rely upon the latest list of equity securities registered on a national securities exchange and securities of the kind described in section 207.2(c) (3) issued by the Board of Governors of the Federal Reserve System.

(c) **Extensions and renewals.**—The renewal or extension of maturity of a credit need not be treated as the extension of a credit if the amount of the credit is not increased except by the addition of interest or service charges on the credit or of taxes on transactions in connection with the credit.

(d) **Reorganization or recapitalization.**—Nothing in this Part shall be construed to prohibit withdrawal or substitution of securities to enable a customer to participate in a reorganization or recapitalization.

(e) **Mistakes in good faith.**—Failure to comply with this Part due to a mechanical mistake made in good faith in determining, recording, or calculating any credit, balance, market price or loan value, or other similar mechanical mistake, shall not constitute a violation of this Part if promptly after discovery of the mistake the lender takes whatever action is practicable to remedy the noncompliance.

(f) **Acting as agent.**—No person shall act as agent for any lender, bank, or creditor subject to Parts 207, 220, or 221 of this Chapter (Regulation G, T, or U) extending, maintaining, or arranging for any credit which the agent knows, or should know,

is secured directly or indirectly by any registered security unless the agent obtains and accepts in good faith a statement signed by such lender, bank, or creditor that he does not extend or maintain credit to or for customers in violation of such Part. For this purpose such activities of an "agent" include, but are not limited to receiving securities to be used as collateral for such credit, determining whether the market value of the collateral for such credit is adequate, and requiring the deposit of additional collateral or the reduction of such credit. In determining whether there has been an extension of credit subject to the provisions of Parts 207, 220, or 221 of this Chapter, and whether he can rely in good faith on the statement described herein, the person shall (1) be alert to the circumstances surrounding the credit and (2) if he has any information which would cause a prudent man not to accept the statement without inquiry, must have investigated and be satisfied that the credit either is not subject to such Part, or is extended and maintained in conformity with such Part.

(g) **Arranging for credit.**—A lender may arrange for the extension or maintenance of credit by any person upon the same terms and conditions as those upon which the lender, under the provisions of this Part, may himself extend or maintain such credit, but only upon such terms and conditions, except that this limitation shall not apply with respect to the arranging by a lender for a bank subject to Part 221 of this Chapter (Regulation U) to extend or maintain credit on registered securities or exempted securities.

SUPPLEMENT TO REGULATION G**SECTION 207.5—SUPPLEMENT**

ISSUED BY THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

Effective March 11, 1968

(a) **Maximum loan value of registered equity securities.**—For the purpose of section 207.1, the maximum loan value of any registered equity security, except convertible securities subject to section 207.1(d), shall be 30 per cent of its current market value, as determined by any reasonable method.

(b) **Maximum loan value of convertible securities subject to section 207.1(d).**—For the purpose of section 207.1, the maximum loan value of any security against which credit is extended pursuant to section 207.1 (d) shall be 50 per cent of its current market value, as determined by any reasonable method.

(c) **Retention requirement.**—For the purpose of section 207.1, in the case of a loan which would exceed the maximum loan value of the collateral following a withdrawal of collateral, the “retention requirement” of a registered equity security and of a security against which credit is extended pursuant to section 207.1(d) shall be 70 per cent of its current market value, as determined by any reasonable method.

LOANS TO EXECUTIVE OFFICERS

The Board of Governors, effective March 15, 1968, revised Regulation O—Loans to Executive Officers of Member Banks—to conform the regulation to amendments made to section 22(g) of the Federal Reserve Act by the Act of July 3, 1967, and to redefine the term “executive officer” so as to exclude those persons (other than non-officer directors) who do not participate or are not authorized to participate in the major policy-making functions of a member bank and those whose decisions are strictly circumscribed by standards fixed by top management. As a result, many persons who have official titles and may exercise some discretion in the performance of their duties, including the making of loans, will not be subject to the loan limitations of the law and the regulation. The text of the revised regulation reads as follows:

REGULATION O

(12 CFR 215)

Revised effective March 15, 1968

**LOANS TO EXECUTIVE OFFICERS OF
MEMBER BANKS *****SECTION 215.1—BASIS AND SCOPE**

This Part is issued pursuant to sections 11(i) and 22(g) of the Federal Reserve Act, as amended (12 U.S.C. 248(i) and 375a), and relates to extensions of credit by member banks to their executive officers and reports of such indebtedness.

SECTION 215.2—DEFINITIONS

(a) **"Member bank"**.—The term **"member bank"** means any banking institution that is a member of the Federal Reserve System.

(b) **"Executive officer"**.—The term **"executive officer"** means every officer of a member bank who participates or has authority to participate, otherwise than in the capacity of a director, in major policy-making functions of the bank, regardless of whether he has an official title or whether his title contains a designation of assistant and regardless of whether he is serving without salary or other compensation.¹ The chairman of the board, the president, every vice president, the cashier, secretary, and treasurer of a member bank are assumed to be executive officers, unless, by resolution of the board of directors or by the bank's bylaws, any such officer is excluded from participation in major policy-making functions, otherwise than in the capacity of a director of the bank, and he does not actually participate therein.²

(c) **"Extension of credit" and "extend credit"**.—The terms **"extension of credit"** and **"extend credit"** mean the making of a

* The text corresponds to the Code of Federal Regulations, Title 12, Chapter II, Part 215; cited as 12 CFR 215.

¹ The term is not intended to include persons who may have official titles and may exercise a certain measure of discretion in the performance of their duties, including discretion in the making of loans but who do not participate in the determination of major policies of the bank and whose decisions are circumscribed by policy standards fixed by the top management of the bank. For example, the term would not include a manager or assistant manager of a branch of a bank unless he participates or is authorized to participate in major policy-making functions.

² Such resolutions may be particularly appropriate with respect to some officers of banks with a large number of vice presidents.

loan or the extending of credit in any manner whatsoever, and include:

(1) any advance by means of an overdraft, cash item, or otherwise;

(2) the acquisition by discount, purchase, exchange, or otherwise of any note, draft, bill of exchange, or other evidence of indebtedness upon which an executive officer may be liable as maker, drawer, endorser, guarantor, or surety;

(3) the increase of an existing indebtedness, except on account of accrued interest or on account of taxes, insurance, or other expenses incidental to the existing indebtedness and advanced by the bank for its own protection;

(4) any advance of unearned salary or other unearned compensation for periods in excess of 30 days; and

(5) any other transaction as a result of which an executive officer becomes obligated to a bank, directly or indirectly by any means whatsoever, by reason of an endorsement on an obligation or otherwise, to pay money or its equivalent.

Such terms, however, do not include:

(i) advances against accrued salary or other accrued compensation, or for the purpose of providing for the payment of authorized travel or other expenses incurred or to be incurred on behalf of the bank;

(ii) the acquisition by a bank of any check deposited in or delivered to the bank in the usual course of business unless it results in the carrying of a cash item for or the granting of an overdraft (other than an inadvertent overdraft in a nominal amount that is promptly repaid) to an executive officer;

(iii) the acquisition of any note, draft, bill of exchange, or other evidence of indebtedness, through a merger or consolidation of banks or a similar transaction by which a bank acquires assets and assumes liabilities of another bank or similar organization, or through foreclosure on collateral or similar proceeding for the protection of the bank; or

(iv) indebtedness arising by reason of general arrangements under which a bank (A) acquires charge or time credit accounts or (B) makes payments to or on behalf of participants in a bank credit card plan, check credit plan, or similar plan, except that this subdivision (iv) shall not apply to indebtedness of an executive officer to his own bank to the extent that the aggregate amount thereof exceeds

\$1,000 or to any such indebtedness to his own bank that involves prior individual clearance or approval by the bank other than for the purpose of determining whether his participation in the arrangement is authorized or whether any dollar limit under the arrangement has been or would be exceeded.

SECTION 215.3—GENERAL PROHIBITIONS

(a) **Extensions of credit to executive officers.**—Except as provided in § 215.4, no member bank shall extend credit to any of its own executive officers and no executive officer of a member bank shall borrow from or otherwise become indebted to such bank.

(b) **Extensions of credit to partnerships.**—Except as provided in subparagraph (3) of § 215.4 (b), no member bank shall extend credit to a partnership in which one or more executive officers of such bank are partners having either individually or together a majority interest in the partnership and no such partnership shall borrow from or otherwise become indebted to such member bank.

SECTION 215.4—EXCEPTIONS

(a) **Protection of member bank against loss.**—This Part shall not apply to the endorsing or guaranteeing for the protection of a member bank of any loan or other asset previously acquired by such bank in good faith or to any indebtedness for the purpose of protecting a member bank against loss or of giving financial assistance to it.

(b) **Particular exceptions.**—Subject to the requirements of § 215.5, the provisions of this Part shall not apply:

(1) to any loan not exceeding \$30,000 made by a member bank, with the specific prior approval of its board of directors, to any executive officer of such bank if, at the time the loan is made:

(i) it is secured by a first lien on a dwelling which is owned, or after the making of the loan is to be owned, by the officer solely or jointly with his spouse and used by him as his residence;

(ii) it is made for the purpose of purchasing, constructing, maintaining, or improving such residence; and

(iii) no other such loan by the bank to the officer is outstanding;

(2) to extensions of credit made by a member bank to any executive officer of the bank, not exceeding the aggregate amount of \$10,000 outstanding at any one time, to finance the education of the children of the executive officer; or

(3) to extensions of credit made by a member bank to any executive officer of the bank which are not otherwise specifically authorized under this paragraph (b), not exceeding the aggregate amount of \$5,000 outstanding at any one time. For purposes of this subparagraph, the full amount of any extension of credit authorized hereunder that may be made to a partnership in which one or more of the member bank's executive officers are partners and have either individually or together a majority interest shall be considered to have been extended to each executive officer of the bank who is a member of the partnership.

SECTION 215.5—REQUIREMENTS FOR EXTENSIONS OF CREDIT

Every extension of credit to an executive officer:

(a) shall be promptly reported to the board of directors of the bank;³

(b) shall be one that the bank is authorized to make to borrowers other than its officers;

(c) shall be on terms not more favorable than those afforded other borrowers with similar credit standing who are not associated with the bank;

(d) shall be preceded by submission of a detailed current financial statement of the borrowing officer, which shall include, but not be limited to, all data customarily associated with a personal financial statement including any obligations for which the officer may be personally liable; and

(e) shall be made subject to the condition that it shall, at the option of the bank, become due and payable at any time when the officer is indebted to any other bank or banks on account of extensions of credit of any one of the three categories respectively described in subparagraphs (1), (2), and (3), of § 215.4(b), in an aggregate amount greater than the amount of credit of the same category that could be extended him by the bank of which he is an officer.

³ Prior approval by the board of directors of an extension of credit made under § 215.4(b) shall be regarded as compliance with this requirement.

SECTION 215.6—REPORTS BY EXECUTIVE OFFICERS OF THEIR
INDEBTEDNESS TO OTHER BANKS

Any executive officer of a member bank who becomes indebted to any other bank or banks on or after July 3, 1967, on account of extensions of credit of any one of the three categories respectively described in subparagraphs (1), (2), and (3) of § 215.4 (b), in an aggregate amount greater than the amount of credit of the same category that could lawfully be extended to him by the bank of which he is an executive officer, shall within 10 days make a written report to the board of directors of the member bank, identifying the lender and stating the date and amount of each such extension of credit, the security therefor, if any, and the purposes for which the proceeds have been or are to be used.

SECTION 215.7—REPORTS OF MEMBER BANKS TO FEDERAL
SUPERVISORS

Each member bank shall include with (but not as part of) each report of condition and copy thereof filed pursuant to section 7(a)(3) of the Federal Deposit Insurance Act (12 U.S.C. 1817(a)(3)) a report of all loans under authority of this Part made by the bank since the date of its previous report of condition.

**ORDER UNDER SECTION 2(g)(3) OF
BANK HOLDING COMPANY ACT**

The Board of Governors issued the following Order granting a determination that a corporation has terminated ownership and control of the stock of a bank:

**THE MOODY FOUNDATION,
GALVESTON, TEXAS**

In the matter of the request by The Moody Foundation, Galveston, Texas, for a determination pursuant to section 2(g)(3) of the Bank Holding Company Act of 1956, as amended.

**ORDER GRANTING DETERMINATION UNDER
BANK HOLDING COMPANY ACT**

The Moody Foundation, Galveston, Texas, a bank holding company within the meaning of section 2(a) of the Bank Holding Company Act of 1956 (12 U.S.C. 1841(a)), on the basis of ownership of (1) 49.6 per cent of the voting shares of The Moody National Bank of Galveston, Galveston, Texas, and (2) a one-half partnership interest in W. L. Moody & Co. Bank, Galveston, Texas, seeks to terminate said bank holding company status by selling and transferring the Foundation's interest in W. L. Moody & Co. Bank to Mr. Shearn Moody, Jr. It is contemplated that Mr. Moody will also acquire the other one-half partnership interest and will thereby become the sole proprietor of W. L. Moody & Co. Bank.

Under the provisions of section 2(g)(3) of the Act (12 U.S.C. 1841(g)(3)), shares transferred after January 1, 1966 by any bank holding company to a transferee that has one or more officers, directors, trustees, or beneficiaries in common with or subject to control by the transferor are deemed to be owned or controlled by the transferor unless the Board of Governors of the Federal Reserve System, after opportunity for hearing, determines that the transferor is not in fact capable of controlling the transferee. The Board has taken the position that a presumption of control within the meaning of section 2(g)(3)

attaches where the transferor is a trust (as is the Foundation) and the transferee is one of its trustees.

On this basis, and because Mr. Shearn Moody, Jr., the proposed transferee of the Foundation's interest in W. L. Moody & Co. Bank, is a trustee of the Foundation, the Board advised the Foundation that, in the opinion of the Board, consummation of the proposed transfer would not terminate the Foundation's ownership and control of its one-half interest in W. L. Moody & Co. or the Foundation's bank holding company status, unless the Board, after opportunity for hearing, made a determination of the kind described in section 2(g)(3). The Foundation has requested such a determination, and it has submitted to the Board documentary evidence to support its contention that Mr. Shearn Moody, Jr. cannot in fact be controlled by the Foundation.

Notice of an opportunity for hearing with respect to the Foundation's request for a determination under section 2(g)(3) was published in the Federal Register on Tuesday, December 19, 1967 (32 F.R. 18126). The time provided for requesting a hearing expired on January 8, 1968. No such request has been received by the Board, nor has any evidence been received to show that the Foundation is in fact capable of controlling Mr. Shearn Moody, Jr.

IT IS HEREBY DETERMINED that The Moody Foundation is not in fact capable of controlling Mr. Shearn Moody, Jr. This determination is based upon the evidence of record in this matter, including (1) a copy of a Memorandum of Agreement executed October 23, 1967, between The Moody Foundation and The Moody National Bank, Trustee, as Sellers and Shearn Moody, Jr., as Buyer, covering the sale of both one-half partnership interests in W. L. Moody & Co. Bank, (2) an affidavit by Mr. Shearn Moody, Jr., dated December 6, 1967, (3) a certified copy of a resolution of the Board of Trustees of The Moody Foundation adopted December 5, 1967, and (4) a certified copy of a resolution of the Trust Committee of The Moody National Bank of Galveston adopted December 6, 1967.

Accordingly, IT IS ORDERED that The Moody Foundation's request for a determination pursuant to section 2(g)(3) be and hereby is granted.

Dated at Washington, D. C., this 16th day of January 1968.

By order of the Board of Governors, acting by its General Counsel pursuant to delegated authority (12 CFR 265.2).

(Signed) ROBERT P. FORRESTAL,
Assistant Secretary.

[SEAL]

ORDERS UNDER SECTION 3 OF BANK HOLDING COMPANY ACT

The Board of Governors issued the following Order and Statement approving an application by a bank holding company for acquisition of voting shares of an additional bank. The Board also issued the following Order and Statement affirming an earlier Order denying an application for permission to become a bank holding company:

NORTHWEST BANCORPORATION, MINNEAPOLIS, MINNESOTA

In the matter of the application of Northwest Bancorporation, Minneapolis, Minnesota, for approval of acquisition of 85 per cent or more of the voting shares of The First National Bank of Ely, Ely, Minnesota.

ORDER APPROVING APPLICATION UNDER BANK HOLDING COMPANY ACT

There has come before the Board of Governors, pursuant to section 3(a)(3) of the Bank Holding Company Act of 1956 (12 U.S.C. 1842(a)(3)), and section 222.4(a)(2) of Federal Reserve Regulation Y (12 CFR 222.4(a)(2)), an application by Northwest Bancorporation, Minneapolis, Minnesota, for the Board's prior approval of the acquisition of 85 per cent or more of the outstanding voting shares of The First National Bank of Ely, Ely, Minnesota.

In accordance with section 3(b) of the Act, the Board gave written notice of receipt of the application to the Comptroller of the Currency and requested his views and recommendation

thereon. The Comptroller recommended approval of the application. Notice of receipt of the application was published in the Federal Register on September 19, 1967 (32 Federal Register 13241), which provided an opportunity for interested persons to submit comments and views with respect to the proposed transaction. A copy of the application was forwarded to the Department of Justice for its consideration. Within the time provided, "comments and views" were filed by the Independent Bankers of Minnesota, urging denial of the application.

Acting in its discretion, the Board ordered that an oral presentation of views be conducted before the Board, in order that the Independent Bankers of Minnesota would have an opportunity to fully state and support its opposing views, and that Applicant would have the opportunity to respond thereto. Notice of oral presentation was published in the Federal Register (32 Federal Register 16452), and, in accordance therewith, an oral presentation was held at the Board's offices on December 6, 1967. Both parties were afforded full opportunity to support their positions by oral statement and documentary evidence, and were permitted an opportunity, following the oral presentation, for the filing of briefs.

Having considered all matters properly before the Board in this proceeding,

IT IS HEREBY ORDERED, for the reasons set forth in the Board's Statement of this date, that said application be and hereby is approved, provided that the acquisition so approved shall not be consummated (a) before the thirtieth calendar day following the date of this Order or (b) later than three months after the date of this Order unless such period is extended for good cause by the Board or by the Federal Reserve Bank of Minneapolis pursuant to delegated authority.

Dated at Washington, D. C., this 31st day of January, 1968.

By order of the Board of Governors.

Voting for this action: Chairman Martin, and Governors Robertson, Mitchell, Maisel, Brimmer, and Sherrill. Absent and not voting: Governor Daane.

(Signed) ROBERT P. FORRESTAL,
Assistant Secretary.

[SEAL]

STATEMENT

Northwest Bancorporation, Minneapolis, Minnesota ("Applicant"), a registered bank holding company, has applied to the Board of Governors, pursuant to section 3(a)(3) of the Bank Holding Company Act of 1956 (12 U.S.C. 1842(a)(3)), for prior approval of the acquisition of 85 per cent or more of the voting shares of The First National Bank of Ely, Ely, Minnesota ("Ely Bank").

Views and recommendation of supervisory authority. As required by section 3(b) of the Act, the Board notified the Comptroller of the Currency of receipt of the application and requested his views and recommendation thereon. The Comptroller recommended approval of the application.

Oral presentation. On September 19, 1967, there was published in the Federal Register (32 Federal Register 13241) a notice of receipt of the application by the Board. The notice provided that within 30 days of publication comments and views on the proposed acquisition could be filed with the Board. Opposition to the proposal was filed on behalf of the Independent Bankers of Minnesota ("Independent Bankers"), accompanied by a request for a public hearing.

In view of the fact that the Comptroller of the Currency did not recommend disapproval of the application, no hearing on the application was required by the Act, and no formal hearing was ordered by the Board. However, the Board found it appropriate in the public interest that an opportunity be provided for the Independent Bankers to fully state and support its opposing views, and for Applicant to respond thereto. Accordingly, the Board, acting in its discretion, ordered that an oral presentation of views be conducted before the Board. Notice of the oral presentation was published in the Federal Register (32 Federal Register 16452), and, in accordance therewith, an oral presentation was held at the Board's offices on December 6, 1967. Applicant and the Independent Bankers appeared and were afforded full opportunity to support their positions by oral statement and documentary evidence, and were permitted to file written briefs following the oral presentation.

Statutory considerations. Section 3(c) of the Act provides that the Board shall not approve

an acquisition that would result in a monopoly or would be in furtherance of any combination or conspiracy to monopolize or to attempt to monopolize the business of banking in any part of the United States. Nor may the Board approve any other proposed acquisition the effect of which, in any section of the country, may be substantially to lessen competition, or to tend to create a monopoly, or which in any other manner would be in restraint of trade, unless the Board finds that the anticompetitive effects of the proposed transaction are clearly outweighed in the public interest by the probable effect of the transaction in meeting the convenience and needs of the community to be served. In each case the Board is required to take into consideration the financial and managerial resources and future prospects of the bank holding company and the banks concerned, and the convenience and needs of the community to be served.

Competitive effect of proposed transaction. Two of the 609 banking organizations in the State of Minnesota (First Bank Stock Corporation and Applicant) control 54 per cent of commercial bank deposits in the State.¹ Applicant is slightly the smaller of the two organizations and controls 47 banks with total deposits of \$1.6 billion, or 25 per cent of the total deposits in the State.

Against this background of present concentration, any proposed acquisition by one of the largest organizations warrants careful consideration of the effect which consummation of the proposal would have in further expanding the size and scope of such organization, in addition to consideration of the probable effect of the proposal on competition in markets which presently are served or potentially could be served by the organization's subsidiary banks or by the bank involved.

Ely Bank has deposits of \$7 million, an amount equal to less than .1 per cent of the total deposits in the State. The proposed acquisition therefore postures no significant effect on Applicant's overall size, either in absolute or relative terms.

The town of Ely (population 7,000) is located in the northern section of St. Louis County, Minnesota, and represents the only concentration of

¹ As of June 30, 1967. All banking data are as of this date unless otherwise noted.

population in Superior National Forest, an area of about 5,000 square miles extending along the Canadian border. Ely is relatively isolated from other communities, the nearest towns being Babbitt, 18 miles to the south, and Tower, 22 miles to the southwest. It is approximately 115 miles north of the nearest major metropolitan center and the county seat, Duluth, and lies almost midway between two principal arterial highways, one about 65 miles to the east and the other about 40 miles to the west. There is no major arterial highway through the community, and public transportation service to and from Ely is rather limited. The economy of the town is dependent on mining, logging, forestry, and tourism. Ely Bank is the only commercial bank in Ely, and 92 per cent of its deposits of individuals, partnerships, and corporations ("IPC deposits") and 83 per cent of its loans originate therein.

Applicant's subsidiaries nearest to Ely Bank are the First National Bank of Hoyt Lakes (deposits of \$3 million) and the State Bank of Virginia (deposits of \$21 million), each located about 50 miles from Ely. The Virginia subsidiary has less than \$100 thousand of deposits that originate in Ely and the Hoyt Lakes subsidiary has none; neither derives meaningful loan business from Ely. Conversely, Ely Bank derives almost no business from Hoyt Lakes or Virginia. Further, it appears that the same locational factors which serve to thus limit present competition between Ely Bank and Applicant's subsidiaries likewise make improbable the development of significant competition between them in the future.

It does not appear that the proposed acquisition will have any significant immediate or prospective effect on the competitive position of the bank in Tower or the bank in Babbitt, each the only bank in its community. A small amount of business, principally time certificates of deposit, is derived by each bank from the Ely area. Consummation of Applicant's proposal raises the possibility that Ely Bank will compete more aggressively for such business, particularly for time deposits. Ely Bank's rates on such deposits are not presently competitive. Any increase in aggressiveness of Ely Bank, however, is unlikely to have any undue effect on the Babbitt Bank, which is a subsidiary of First Bank Stock Corporation, or on the Tower bank, most of whose business originating in Ely apparently results from relationships established by its

chief executive officer, a former employee of Ely Bank. These relationships are unlikely to be disturbed by the proposed change in ownership of Ely Bank.

The principal competitive issue posed at the oral presentation conducted by the Board centered upon the choice of the relevant geographic area, or "section of the country" within which the competitive effects of Applicant's proposal should be measured. It is the contention of the Independent Bankers that the relevant competitive area is the "Iron Range Area", which includes, at a minimum, the entirety of St. Louis County, Minnesota. It is argued that the city of Duluth, 115 miles from Ely, is the hub of banking activity in this area, and that, because of Applicant's presently extensive commercial banking holdings in this area, no further expansion through acquisition of area banks should be permitted it.

It is the Board's conclusion, however, based upon the geographic isolation of Ely, the relatively small size of Ely Bank, and the very small percentage of its loans and deposits presently originating outside of Ely, that the actual and potential market area of Ely Bank is much more limited than the area proposed by Independent Bankers as the relevant competitive area. Conceivably, the bank's trade area, which presently is limited to the area immediately surrounding the town of Ely, could be expanded to encompass Tower and Babbitt. It is highly unlikely, however, that Ely Bank would ever be regarded as a convenient alternative source of banking services by depositors or borrowers in areas served by any of Applicant's present subsidiaries, or that its acquisition by Applicant would have any significant effect on Applicant's competitive position in any area in which Applicant's subsidiaries presently compete or are likely to compete in the future.

In the Board's judgment, consummation of Applicant's proposal would not result in a monopoly or be in furtherance of any combination or conspiracy to monopolize the business of banking in any part of the United States. Further, in spite of the large share of Minnesota banking resources presently held by Applicant, it does not appear reasonably probable that consummation of the instant proposal would substantially lessen competition or tend to create a monopoly, or that it would in any other manner be in restraint of trade.

Financial and managerial resources and prospects. The financial condition, management, and prospects of Applicant and its present subsidiaries are regarded as satisfactory.

The Ely Bank is presently in sound financial condition but needs additional experienced management personnel. Illness has forced retirement of the bank's president from active management. The bank is presently subject to management by a committee of its board of directors.

The Ely Bank's president is also its majority shareholder, and his present physical incapacity has led to a desire to liquidate his interest. With a view toward protecting the bank's minority shareholders, he has stipulated that any prospective purchaser must be willing to extend an identical offer per share to all shareholders of the Ely Bank. Though conversations were held with several potential buyers, only Applicant and First Bank Stock Corporation were willing to purchase every shareholder's interest. It is possible that an indication of willingness to sell the controlling interest in the bank, without regard to the interests of minority shareholders, would have facilitated a sale to interests unrelated to either of the two large holding companies. However, the Board has recently had occasion to express its concern over the effect which such a sale may have on the future harmonious operations of the bank involved,² and therefore, in the absence of significant overriding competitive considerations, does not view as adverse to approval of the proposal the majority owner's requirement that an offer to purchase be extended to all stockholders of Ely Bank.

Applicant proposes to utilize its considerable personnel resources to strengthen the bank's management, and it is believed the infusion of additional experienced personnel will enhance the bank's future prospects. In addition, identical offers to majority and minority shareholders give greater assurance that the bank's future prospects will not be jeopardized by the disaffections of minority shareholders. These considerations lend weight toward approval of the proposed acquisition.

Convenience and needs of the community involved. The scope of services provided by the Ely Bank is fairly broad, and Applicant plans no

major expansion of services at present. However, there is evidence that the Ely Bank pursues a very conservative loan policy, failing to meet many reasonable loan requests from local individuals and businesses. The Ely Bank's gross loans range generally from 40 to 45 per cent of total deposits. Under Applicant's control the bank will likely accept the business now turned away and more actively solicit new business, thereby contributing significantly to the convenience of the Ely community. In addition, the prospective change in ownership offers the possibility of an adjustment in Ely Bank's time deposit rates toward more competitive levels. These considerations are consistent with, and lend some weight toward, approval of the application.

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

BT NEW YORK CORPORATION, SUFFERN, NEW YORK

In the matter of the application of BT New York Corporation, Suffern, New York, for approval of acquisition of 80 per cent or more of the voting shares of Liberty National Bank and Trust Company, Buffalo, New York.

ORDER ON PETITIONS FOR RECONSIDERATION

This matter comes before the Board of Governors on petitions of BT New York Corporation, Suffern, New York, and Liberty National Bank and Trust Company, Buffalo, New York, requesting that the Board reconsider its Order dated May 4, 1967, whereby the Board denied the application of BT New York Corporation, filed pursuant to section 3(a) of the Bank Holding Company Act of 1956, for prior approval of the acquisition of 80 per cent or more of the voting shares of Liberty National Bank and Trust Company.

A review of the material submitted in support of the petitions reveals that it includes certain evidence and factual assertions not earlier presented in support of the application. Although not wholly satisfied that good cause has been shown for the failure to include such evidence in the application, the Board (Governor Sherrill absent

² *Applications of The First National Bank of Tampa and Union Security & Investment Company*, 53 Federal Reserve BULLETIN 1567, 1570, (1967).

and not voting) finds it appropriate that reconsideration be granted, in order that the record may be supplemented thereby and a decision rendered on the basis of all evidence which the Applicant views as supporting its application.

The Board has reviewed the entire record in this matter, including its Order of May 4, 1967, its accompanying Statement of the same date, and the evidence, factual assertions, and arguments submitted in support of the petitions for reconsideration.

IT IS HEREBY ORDERED, upon reconsideration and upon the entire record now before the Board, for the reasons set forth in the Board's Statement of this date, that the Board's Order of May 4, 1967, be affirmed, and that said application be and hereby is denied.

Dated at Washington, D. C., this 25th day of January, 1968.

By order of the Board of Governors.

Voting for this action: Chairman Martin and Governors Robertson, Mitchell, Daane, and Brimmer. Not voting: Governor Maisel. Absent and not voting: Governor Sherrill.

(Signed) ROBERT P. FORRESTAL,
Assistant Secretary.

[SEAL]

STATEMENT

In an order dated May 4, 1967 (50 Federal Reserve BULLETIN 769), the Board denied the application of BT New York Corporation (Applicant)¹ for prior approval, pursuant to section 3(a) of the Bank Holding Company Act, of the acquisition of 80 per cent or more of the voting shares of Liberty National Bank and Trust Company, Buffalo, New York ("Liberty National"). The Board's decision was based on its finding that the probable anticompetitive effects of the proposed acquisition would be substantial and would not be clearly outweighed by any probable effect of the transaction in meeting the convenience and needs of the community to be served.

On June 2, 1967, Applicant and Liberty National (hereinafter sometimes jointly referred to as "Petitioners") both formally requested that the Board reconsider its decision. On the same

date, they filed separate appeals from that decision in the United States Court of Appeals in the District of Columbia. The Court proceedings have been suspended pending the Board's decision on the requests for reconsideration.

1. RECONSIDERATION

Rule 262.2(f)(6) of the Board's Rules of Procedure which were in effect at the time of the filing of the requests,² provides that:

"After action by the Board on an application, the Board will not grant any request for reconsideration of its action, unless the request presents relevant facts that, for good cause shown, were not previously presented to the Board, or unless it otherwise appears to the Board that reconsideration would be appropriate."

Both Petitioners have submitted extensive material in support of their requests for reconsideration. Part of these presentations consists of new factual material not presently of record, which the Petitioners view as providing additional support for assertions made in the application or as contradicting findings or conclusions arrived at by the Board in its decision. Although Petitioners have not fully justified their failure to earlier present such material for consideration, the Board has determined that it is appropriate and in the interest of justice to grant the requests for reconsideration in this matter, in order that Petitioners might be assured of a decision on the application which comprehends all facts believed by them to be relevant.

2. THE MERITS OF THE APPLICATION

Statutory considerations. As in the case of original consideration of an application, the Board's decision on reconsideration is governed by the provisions of section 3(c) of the Act, which provides that the Board shall not approve an acquisition that would result in a monopoly or would be in furtherance of any combination or conspiracy to monopolize or to attempt to monopolize the business of banking in any part of the United States. Nor may the Board approve any other proposed acquisition, the effect of which, in any section of the country, may be substantially to lessen competition, or to tend to create a monopoly, or which in any other manner

¹ Effective September 15, 1967, Applicant's name was changed to Bankers Trust New York Corporation.

² The same provision is contained in Rule 262.3(f)(6) of the Board's recently revised Rules.

would be in restraint of trade, unless the Board finds that the anticompetitive effects of the transaction are clearly outweighed in the public interest by the probable effect of the transaction in meeting the convenience and needs of the community to be served. In each case, the Board is required to take into consideration the financial and managerial resources and future prospects of the bank holding company and the banks concerned, and the convenience and needs of the community to be served.

Competitive effect of proposed transaction. Applicant's proposal would affiliate Liberty National, the third largest commercial bank in Buffalo (\$341 million deposits)³ with Applicant's four present subsidiary banks, Bankers Trust Company (\$4.5 billion deposits; the sixth largest commercial bank in New York City), First Trust Company of Albany (\$128 million deposits), First State Bank of Spring Valley (\$44 million deposits), and Fallkill Bank and Trust Company, Poughkeepsie (\$15 million deposits).⁴

Liberty National's primary service area consists of Erie and Niagara Counties (hereinafter referred to as the "Buffalo Metropolitan Area"), which lie in New York's Ninth Banking District. The City of Buffalo is the second largest in the State and the Buffalo Metropolitan Area ranks second among the seven metropolitan areas in the State in population and employment, being nearly twice as populous as the next ranking area. The area is the Nation's leading center for flour milling, an important producer of animal feed, and a significant manufacturing center. In the recent past, the economy of the area has been static. Presently, however, there are signs of a major economic resurgence of the area. The completion of the St. Lawrence Seaway and the recently completed deepening of the Buffalo Harbor place Buffalo in a position to become a major commercial center. Large expenditures have recently been made in the area in the educational field and for scientific research facilities. Many of the area's most im-

portant businesses have recently announced expansion and modernization projects. The Downtown Redevelopment Project in Buffalo is well into the construction phase. All of these are among the factors characterized by Liberty National as "indicating that the Niagara Frontier is about to break out of its stagnation and experience a major economic explosion."⁵ It is in this context of a presently significant and even more promising economic market that the probable competitive effects of Applicant's proposal must be examined.

Commercial banking in the Buffalo area is characterized by a very high degree of concentration, with 95 per cent of the area's deposits concentrated in its three largest banks. Neither Applicant nor Liberty National deny the existence of this high degree of concentration, but they do object to describing concentration in terms of the three largest banks (thus including Liberty National), preferring to concentrate on the 50 per cent held by Marine Midland Trust Company of Western New York ("Marine") and/or on the 80 per cent combined shares of Marine and Manufacturers and Traders Trust Company ("M&T").

Despite these protestations, however, it would appear that there is a particular relevance to the market share held by the three largest banks because of Applicant's claim that the acquisition will promote deconcentration through a redistribution of this market share among the three banks. Since one of the principal claims of public benefit advanced for the acquisition is that it will aid Liberty National in expanding its market share at the expense of its two larger rivals, it is important to note that Liberty National's present market share (15 per cent) is by no means of *de minimus* proportions. Moreover, the maximum effect which an equalization of the competitive capabilities of the three leading banks could have on concentration is to redistribute equally among the three banks the market share which they presently possess in combination.⁶ Such redistribution, however,

³ Supplementary Data and Materials Submitted by Liberty National, page 5.

³ As of June 30, 1966. All banking data are as of this date, unless otherwise noted. There is no contention by Petitioners that any change in circumstances since the filing of the application requires use of more current data.

⁴ Now pending is a proposal to merge the last-named bank (now Fallkill National Bank and Trust Company) with the \$32 million State of New York National Bank, Kingston, with the resulting bank to be a subsidiary of Applicant.

⁶ This fact, which would appear self-evident in any event, is conceded by Liberty National, which states: "No doubt it is true that granting the application would not significantly change the overall concentration of banking assets in the 9th District whether the reference be made to the top four or the top three. This concentration has remained approximately the same for many years. What would happen, however, is that within the newly opened area of competition, viz, that for national

would still leave each of them with a market share of 31.7 per cent, an amount in excess of that which the Supreme Court, in *United States v. Philadelphia National Bank*, 374 U.S. 321 (1963), found to be such "an undue percentage share of the relevant market" that a merger which produces a firm controlling such a share is inherently likely to lessen competition substantially and must be enjoined in the absence of evidence clearly indicating that the merger is not likely to have such anti-competitive effects. *Id* at 363. Such a market, therefore, can hardly be said to be a competitive ideal, even if it be assumed, *arguendo*, that it is preferable to the structure presently prevailing in Buffalo.

It would seem, therefore, that the long range goal of a supervisory agency concerned with improving the competitive climate of the Buffalo market must be to preserve the opportunity and incentive for the development of other institutions, thereby reducing the aggregate market share of the three leaders. Only insofar as the aggregate share is reduced is it possible that any redistribution of the aggregate will result in a market in which no institution possesses what the Courts have regarded as an undue or dominant market share.

Applicant's proposal is not to be condemned simply because it is not a cure-all for the competitive ills of Buffalo Banking. But its probable effect of inhibiting the development of other, more efficacious remedies must be regarded as a substantially adverse long-range competitive effect. If a competitive market is to be attained, it seems obvious that new and substantial competition must be introduced into the Buffalo market. Ordinarily, the prospect of a substantial increase in the commercial activity of the area, and the significance of the market to the economy of the State, would be sufficient to assure its attractiveness to those institutions which would benefit from their ability to serve the banking needs of the area. Militating against the prospect of new entry into the market, however, is the size and dominance of Marine and, to a lesser extent, M & T and Liberty National. Also, of course, there is a reg-

demand accounts, there would be substantial shifting of the competition away from the two leaders, simply because of the increased effectiveness of Liberty as a competitor with a formidable range of new services to be offered to potential customers." Liberty National Application for Reconsideration, page 30.

ulatory inhibition upon new entry deriving from the prohibition of inter-district branching in New York. What this means, simply, is that the legal and economic barriers to new entry are already high. That being the case, it must be of regulatory concern to preserve whatever incentive may exist for entry on the part of those potential competitors who possess both the legal and financial capacity to surmount the barriers. That concern dictates that entry through acquisition of Liberty National be limited to those organizations whose entry would otherwise be precluded, and denied to organizations whose potential for greater participation in the Buffalo market is not dependent upon acquisition of Liberty National and whose entry by that means would, by virtue of their pre-acquisition size, dominance, or activity, be likely to raise the entry barriers for others still higher. The Board views the proposed transaction as frustrating these objectives. First, Applicant's entry into the Buffalo market through acquisition of Liberty National would necessarily eliminate it as a potential fourth competitor. And the significance of its potential is clear, since only a holding company, among existing potential competitors, is capable of overcoming the legal barrier to entry and BT New York, as the State's largest holding company, is clearly able to overcome the financial barriers to entry. This therefore, is not simply a case where one of a score of possible competitors is seeking entry through acquisition rather than *de novo*,⁷ but rather a case where the most able of a probably very limited number is doing so by means of an acquisition which would eliminate the only route of entry available to smaller organizations. More, it is doing so in an important market in

⁷ This, it would appear, would answer Applicant's contention (Request for Reconsideration, page 11) that the Board's decision "would render illusory the elaborate statutory mechanism for the approval of mergers and bank holding company acquisitions because the theoretical possibility of acquiring or organizing some other bank almost *always* exists." It also serves to distinguish this case from the recent United States District Court decision involving *Crocker-Anglo National Bank*. In that case, the Court, while sustaining the validity of a merger attacked by the Justice Department on potential competition grounds, noted that: "This is not a situation where there are only four (*El Paso*) or six (*Penn-Olin*) actual and potential competitors. In such cases the court might properly concern itself with effect of mergers in stifling internal growth. In this case, however, there are more people knocking at the door than can possibly be admitted." *United States v. Crocker-Anglo National Bank*, — F. Supp. — (October 30, 1967).

which concentration is already so high as to require extraordinary care in preserving potential courses of deconcentration. "[I]f concentration is already great, the importance of . . . preserving the possibility of eventual deconcentration is correspondingly great." *United States v. Philadelphia National Bank*, *supra*, at 365, n. 42.

Not only would consummation of the proposal eliminate Applicant as a potential fourth competitor, but it would also have the effect of reducing the likelihood that any other competitor might attempt entry. For, if the size and dominance of Marine and M & T is a deterrent to new entry,⁸ the prospect of facing the competition of subsidiaries of both of New York State's two largest holding companies as well as M & T would be a much greater deterrent. (While this deterrent arguably would exist to some extent even if Applicant's entry were *de novo* or by means of a smaller acquisition, in that event Buffalo would at least be assured of the additional competition provided by such entry.)

Viewed as a part of the now-developing pattern of holding company expansion in the State of New York, the present application has other serious implications. If an organization of Applicant's size could lawfully acquire an institution of the size of Liberty National in the most highly concentrated major banking market in the State, it could by the same logic continue its expansion by acquisition of one of the largest institutions in every other banking market, with the only inhibition on expansion being that it could not acquire two major institutions in the same geographic market. The ultimate result of permitting such expansion by the few large holding companies presently in existence in the State would be that within a very short time every significant banking market in the State would be dominated by the same few banking organizations. In a 1962 decision denying an application to form a bank holding company which would have affiliated a large New York City bank with six of the largest banks in various banking markets in upstate New York, the Board had occasion to express its con-

cern over a single proposal which would tend toward that result.⁹ Obviously, however, statewide concentration can be spawned as surely by a series of major acquisitions—each asserted to add but a small increment to existing concentration, and each relying on prior approval of a similar proposal as precedent—as it could be by approval of a single application incorporating the total expansion plans of an applicant. The Board's responsibilities under the Act are not fulfilled by action calling a halt to further acquisitions by market leaders only when concentration has reached the danger point. The Board is required to arrest any significant trend in that direction. The proposal by Applicant, already in control of two banks which are among the leaders in their respective markets, to acquire the third largest bank in the Buffalo area must be viewed in the light of that responsibility, as well as in the context of its immediate effects in markets presently served by Applicant's subsidiaries and by Liberty National.

Not only is the acquisition of leading banks in significant banking markets by an organization of Applicant's size of concern because of its effect in expanding the size of such organization, but also because of its concurrent effect of eliminating an institution which could instead serve as a source of future competition for such organizations, either by remaining independent or by becoming a participant in affiliation with one or more other institutions. Much of the evidence submitted by Petitioners in support of their requests for reconsideration is directed toward this point, their contention being that Liberty National is not presently, and cannot, without assistance of the scope which affiliation with Applicant would provide, become in the future a significant competitive factor in the Buffalo market. A fortiori, it is argued, the bank is in no position to extend itself beyond the limits of its present market by becoming the lead bank or a significant participant in a new holding company which would offer competition to Applicant or other large banking organizations in other markets.

With respect to Liberty National's present competitive ability, the Board remains unconvinced of the existence of any inherent inability of this

⁸ Supplementary Data and Materials Submitted by Liberty National, page 24: "A New York bank, particularly a smaller New York City bank, could not reach a reasonable business judgment to enter a market so dominated by two banks with complete branch facilities and services in all areas, particularly one in which the statewide holding company is centered."

⁹ *Application of Morgan New York State Corporation*, 48 Federal Reserve BULLETIN 567 (1962). See also *Application of First Bancorporation of Florida, Inc.*, 48 Federal Reserve BULLETIN 978 (1962).

sizable institution to provide essential banking services within its present service area, and reasonably beyond. This is not to say that its past competitive efforts have met with unqualified success, that it presently offers promise of outstripping the growth of Marine and M & T, or even that it has succeeded in obtaining what it claims to be its share of the large account business. It is simply to say that Liberty National is presently capable of offering to customers in its market area, both large and small, an alternative source of the essential banking services, in the same manner and to the same extent as other banks of its size and smaller in banking markets throughout the country. The presence of Marine and M & T in the Buffalo market may, it is true, result in Liberty National's competitive efforts being less fruitful than if it were not faced with the pattern of established customer relations which those institutions have developed. But that condition will persist only for so long as the public chooses the services of Marine and M & T rather than those offered by Liberty National and does not detract from Liberty National's existence as an alternative source of such services. As the Supreme Court stated in *United States v. El Paso Natural Gas Co.*, 376 U.S. 651, 661 (1964): "Unsuccessful bidders are no less competitors than the successful one. The presence of two or more suppliers gives buyers a choice."

The fact that Buffalo area "buyers" of banking services, of the types offered by Liberty, choose, more often than not, to exercise their choice in favor of Marine or M & T rather than Liberty National does not justify the elimination of Liberty National's present competitive status, particularly in the absence of any indication that Liberty National's limited success is likely to have undue effect on its continued viability and effectiveness. Liberty National has no more of a vested right to a constantly increasing share of the Buffalo market than do Marine and M & T, and a conclusion that it lacks competitive effectiveness cannot be premised solely on its inability to substantially increase its 15 per cent market share. Between year-end 1960 and year-end 1966, Liberty National's deposits increased from \$161 million to \$376 million. Its growth efforts have met with considerable sympathy on the part of the supervisory authorities, who approved the merger into Liberty National of eight banks in the Ninth

Banking District during the period 1961-1965 in the belief that such mergers would place the bank in a position to offer more effective competition to its larger competitors. On the basis of a very limited and inconclusive experience since that time, the Board is asked, in effect, to find that all such efforts have been in vain; that the large increase in deposits, in number of offices, and in the lending limit of Liberty National resulting from those efforts have completely failed to make it competitive; that a commercial bank now approaching \$400 million in deposits, with good management and a reasonable earnings record, is incapable of competing for anything but "small individual accounts and such occasional industrial or commercial accounts where friendship or convenience outweighs the demand for multiple services";¹⁰ and that it therefore would be in the public interest if the resources which Liberty National accumulated with the announced intention of providing competition to a large holding company were placed at the disposal of an even larger holding company. Nothing in the record before this Board compels such conclusions and its entire supervisory experience informs it otherwise.

In attempted refutation of the Board's finding that Liberty National is presently an able competitor and particularly of that portion of the Board's earlier Statement which pointed to Liberty National's opening of seven *de novo* offices since 1956 as indicative of its competitive efforts, Petitioners direct the Board's attention to the fact that the bank, during the same period, was forced to close three unprofitable branches. To the extent that Petitioners underscore this fact in order to indicate a lack of competitiveness on the part of Liberty National, the Board rejects such a conclusion. The closing of unsuccessful offices indicates only a realization of a lack of sufficient customer demand in those areas to justify their existence; it does not detract from the point which the Board sought to make, namely, that where such a demand was seen to exist Liberty National has endeavored to satisfy it and has had the financial and management resources to permit it to do so. To the extent that the fact of the closing of these offices is pointed to for the purpose of denying any implication in the Board's Statement that Liberty National has reduced the competitive

¹⁰ Supplementary Data and Materials Submitted by Liberty National, page 19.

edge of Marine and M & T in branch office strength, the implication denied is not one which the Board intended to be drawn in any case. The growth record of the two larger banks does not provide a yardstick against which to measure the competitive ability of Liberty National. In a large and expanding market in which there are few competitors, it is entirely predictable that all banks will flourish, and to the probable greatest advantage, in absolute terms, of the largest. But Liberty National's present size and recent performance certainly provide no cause for pessimism concerning its future. Over the last 10 years, the bank's total deposits have increased by 138 per cent; the increase in its market share during that period was the greatest of any bank in the Ninth Banking District. This increase in its size and consequent improvement in its competitive position obviously provides a foundation for further expansion, even if it does not provide a basis for forecasting the amount of future growth likely to be accomplished.¹¹ Further even if no increase in Liberty National's present market share occurs, the anticipated growth of the market which it serves offers promise of good growth for the bank, and, as a corollary to such growth, and the increased demand of the market for banking services, an increase in its ability to provide services the profitability of which it now regards as marginal or less. In the Board's view, the anticipated needs of the expanding Buffalo market fail to provide support for Applicant's proposal. Rather, such anticipation suggests opportunity for natural growth of Liberty National, thus making

¹¹ Petitioners contend that in using past growth as an index of competitive ability or probable future growth, the portion of past growth attributable to mergers must be discounted, because such growth is not attributable to the competitive ability of the bank and because the potential for further growth by that route is restricted by the limited number of independent banks remaining in the Ninth District. While there may be limits on the implications that may be drawn from the *fact* of growth, the *effect* of Liberty National's total growth, regardless of source, has been to substantially increase the competitive ability of the bank and therefore is highly relevant to the issue of its present ability and future potential. Further, even accepting Applicant's assertion that Marine's market share has increased by a greater amount than Liberty National's over the last 10 years, if growth by merger is discounted (.5 per cent increase in market share for Marine, compared with a .1 per cent increase for Liberty National), the Board finds in those figures no justification for the proposed elimination of Liberty National as an independent competitor and as a potential source of increased competition on an even broader geographic scale.

consummation of the proposal unnecessary for the accomplishment of most of the beneficial results foreseen by Petitioners. Further, the anticipated expansion of the market argues even more strongly against the present concentration of banking resources, which Applicant's proposal would serve to perpetuate by making entry of new competitors more difficult and less likely.

Petitioners take issue with the Board's failure to follow the recommendation to the Board by the Comptroller of the Currency and the views reflected in the New York Superintendent of Banks' recommendation to the New York State Banking Board, both of which were favorable to the proposal. Liberty National also argues that some support for its position may be implied from the fact that the Department of Justice did not submit an adverse comment on the application to the Board.

The Board believes the latter argument to be disposed of by a letter which the Board has received from the Department of Justice (copies of which were sent by the Department to counsel for Applicant and Liberty National), which takes note of the argument which Liberty National has made and states that "no inferences as to the Department's views regarding the competitive effects of a holding company acquisition can be drawn from the fact that the Department did not submit to the Board comments or recommendations prior to Board action. . . ." The Department's letter concludes: "Moreover, as the Board is aware, the Department shares the Board's concern with the possible effects of acquisitions of this kind on potential competition in banking markets." The letter thus confirms the Board's view that no inference favorable to the subject proposal is to be drawn from the fact that the Department of Justice did not submit, prior to Board action, a written statement of the Department's views.

With regard to the opinions of the Comptroller of the Currency and the New York Superintendent, it is obviously appropriate for the Board to take such views into consideration in arriving at its decision on the merits of a holding company acquisition. Equally obvious, however, is the fact that such views are to be weighed as part of the entire record, leading to a Board determination premised upon the exercise of its experienced judgment. In making this determination, the reasoning underlying the recommendations submit-

ted is significant, particularly insofar as it encompasses those issues of particular concern to the Board.

There is nothing in the analysis of either the Comptroller or the New York Superintendent which alters in any way the conclusions expressed herein or in the Board's earlier Statement. The recommendation of the Comptroller discusses the issue of potential competition only in the context of the inter-district branching prohibitions in New York State, without reference to possible alternative avenues of expansion available to Applicant and Liberty National under the Bank Holding Company Act. Thus, the Comptroller's analysis, not treating with the implications that approval of the application would have as a precedent for future holding company expansion in the State, postures a recommendation which does not take into account those aspects of Applicant's proposal which are of greatest concern to the Board.

With respect to the recommendation of the New York Superintendent, there is a broad area of agreement with respect to the relevant issues involved and even as to the resolution of those issues. The Board's conclusions differ from those reflected in the recommendation of the New York Superintendent to the State Banking Board, essentially because of a difference in judgment as to the relative weight to be assigned to considerations which are, on the one hand, favorable to the application and those which are, on the other hand, adverse to it. This is best illustrated by quoting at some length from the recommendation made by the New York Superintendent:

"In the consideration of this application, there appear to be two significantly adverse factors: (i) Liberty's size relative to the other independent banks upstate, and (ii) BT's present ownership of First Trust Company of Albany.

"With respect to the first of these adverse factors, Liberty clearly has the potential to become either the lead bank in a regional bank holding company, as Security Trust Company of Rochester has become, or a participant with other banks among the thirteen in an upstate bank holding company, as the banks in Lincoln First Group have done.

"With respect to the second of these adverse factors, BT's acquisition of a second major upstate bank would eliminate the possibility that Liberty in the future, either as an independent bank in an enlarged Banking District or as an affiliate in another holding company, become an active competitor of the four BT banks, particularly First Trust Company of Albany and Bankers Trust Company. Furthermore, the acquisition of a second major upstate bank by any

large New York City bank in a holding company affiliation brings just so much closer the unhealthy concentration of commercial bank assets and offices which the dispersion policy is designed to avoid, particularly in view of the limited number of major unaffiliated banks remaining in the upstate area."

The Board is in agreement with the conclusions thus expressed by the Superintendent and with the expressed judgment that the factors discussed are "significantly adverse" to the application. Nor is there any disagreement with the facts stated in the succeeding paragraph of the Superintendent's recommendation:

"Liberty, however, is in a unique position upstate. It is the only bank over \$300 million in asset size which ranks a poor third to two much larger competitors, one of which is the largest Marine Midland bank upstate and one of which is the largest unaffiliated bank upstate. The Ninth Banking District, in which Liberty is headquartered, is the most heavily populated and most heavily industrialized of all the upstate Banking Districts, yet it has only two major banks offering medium to large business concerns a full range of specialized banking services. It is, moreover, the only Banking District upstate where the two leading banking systems control so large a percentage of the District's commercial bank assets and offices: 70.2% and 55.7%, respectively."

It is with respect to the implications to be drawn from the facts recited in the last-quoted portion of the Superintendent's recommendation, and in the weighing of any such implications favorable to the application against the significantly adverse factors found, that the Board's judgment departs from the views expressed by the Superintendent. It is the Superintendent's view, as it is the Petitioners, that the present concentration of banking resources in the two largest Buffalo banks provides justification for permitting the significantly adverse effects found likely to result from Applicant's proposal, in order to immediately provide locally "a third, meaningful bank alternative for the medium to large commercial and industrial concerns in the Ninth Banking District."

While recognizing that that view is not completely without merit, it is the Board's judgment that the cause of competition in the Buffalo market is better served by preserving the possibility that the market will, by virtue of its increasing attractiveness to potential entrants, evolve into a market in which no bank occupies a dominant position, than it would be by transforming Liberty National, which already is a large institution, into an arm of one of the nation's largest banking organizations, whose presence will operate to dis-

courage such entry. Further, even aside from its disagreement with the proposition that Applicant's proposal postures a competitive structure which would be significantly more desirable than that presently existing in Buffalo, the Board is of the view that the claimed benefits to competition from Applicant's proposal fall far short of offsetting the significantly adverse factors which the Board, in common with the New York Superintendent, finds inherent in Applicant's proposal.

For the reasons stated herein, the Board, on reconsideration and on the entire record now before it, reaffirms its earlier conclusion that the effect of Applicant's proposal, if consummated, may be to substantially lessen competition or to tend to create a monopoly in the Buffalo area, the Ninth Banking District of the State of New York, and other upstate areas.

Convenience and needs of the area involved. On reconsideration and on the entire record now before it, the Board reaffirms the conclusions of its earlier Statement regarding this factor. The record as now constituted does not present any considerations bearing on the convenience and needs of the communities to be served of such significance as to clearly outweigh, in the Board's judgment, the substantial anticompetitive effects likely to result from Liberty National's acquisition by Applicant.

Financial and managerial resources and prospects. On reconsideration and on the entire record now before it, the Board reaffirms its conclusions with respect to this factor, as reflected in its earlier Statement. Considerations bearing on this factor, while consistent with approval of the application, provide little or no affirmative support therefor.

Conclusion. On the basis of all relevant facts in the record as supplemented, and in the light of the factors set forth in section 3(c) of the Act, the Board, on reconsideration, reaffirms its judgment that Applicant's proposal may have the effect of substantially lessening competition or tending to create a monopoly, and that the probable anticompetitive effects of the transaction are not clearly outweighed in the public interest by any probable effect of the transaction in meeting the convenience and needs of the community to be served. Accordingly, the Board affirms its judgment originally expressed that the application should be denied.

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

The Board of Governors issued the following Order, accompanied by the Hearing Examiner's Report and Recommended Decision, approving the request by a bank holding company for determinations that the planned activities of its proposed nonbanking subsidiaries are not prohibited:

DENVER U.S. BANCORPORATION, INC. DENVER, COLORADO

In the matter of the application of Denver U.S. Bancorporation, Inc., Denver, Colorado, pursuant to section 4(c)(8) of the Bank Holding Company Act of 1956 for a determination re the proposed Lincoln Agency, Inc., and Fidelity National Life Insurance Company. Docket No. BHC-82.

ORDER GRANTING DETERMINATION

Denver U.S. Bancorporation, Inc., Denver, Colorado, a bank holding company within the meaning of section 2(a) of the Bank Holding Company Act of 1956 (12 U.S.C. 1841(a)), filed a request for a determination by the Board of Governors of the Federal Reserve System that the activities planned to be undertaken by its proposed subsidiaries, Lincoln Agency, Inc., and Fidelity National Life Insurance Company, are of the kind described in section 4(c)(8) of the Act (12 U.S.C. 1843(c)(8)) and section 222.5(b) of the Board's Regulation Y (12 CFR 222.5(b)) so as to make it unnecessary for the prohibitions of section 4(a) of the Act with respect to acquisition of shares in non-banking companies to apply in order to carry out the purposes of the Act.

Pursuant to the requirements of section 4(c)(8) of the Act and in accordance with the provisions of sections 222.5(b) and 222.7(a) of the Board's Regulation Y (12 CFR 222.5(b), 222.7(a)), a hearing was held on this matter on July 11, 1967. On December 28, 1967, the Hearing Examiner filed his Report and Recommended Decision, a copy of which is appended hereto, wherein he recommended that the request be granted. The time for filing exceptions to the aforesaid Report and Recommended Decision has expired, and none has been filed. The Board hereby adopts the findings of fact, conclusions of law, and recom-

mendations embodied therein, and on the basis thereof and of the entire record,

IT IS HEREBY ORDERED, that the activities planned to be undertaken by Lincoln Agency, Inc., and Fidelity National Life Insurance Company, all of which are of an insurance nature, are determined to be so closely related to the business of banking or of managing or controlling banks as to be a proper incident thereto and as to make it unnecessary for the prohibitions of section 4(a) of the Bank Holding Company Act to apply in order to carry out the purposes of the Act; provided, however, that this determination is subject to revocation if the facts upon which it is based should change in any material respect.

Dated at Washington, D. C., this 1st day of February, 1968.

By order of the Board of Governors, acting by its General Counsel pursuant to delegated authority (12 CFR 265.2(b)(2)).

(Signed) ROBERT P. FORRESTAL,
Assistant Secretary.

[SEAL]

HEARING EXAMINER'S REPORT AND RECOMMENDED DECISION

Denver U. S. Bancorporation (Applicant or Bancorporation), a bank holding company under section 2(a) of the Bank Holding Company Act of 1956, as amended,¹ seeks a determination by the Board of Governors of the Federal Reserve System (Board) that the activities of its proposed nonbanking subsidiaries, Lincoln Agency, Inc., (Agency) and Fidelity National Life Insurance Company² (Company) are of the kind described in section 4(c)(8) of the Act³ and section 222.5(b) of the Board's Regulation Y⁴ so as to make it unnecessary for the prohibitions of section 4(a) of the Act, with respect to nonbanking companies, to apply in order to carry out the purposes of the Act.

¹ 12 U.S.C. 1841(a) (1966).

² Name changed by First Amendment to Application from Western Fidelity Life Insurance Company to Fidelity National Life Insurance Company.

This matter was heard on July 11, 1967 by the undersigned, a duly designated Hearing Examiner (Board Exhibit 3), pursuant to Notice of Request and Order for Hearing published in the Federal Register on June 9, 1967.⁵

The following findings of fact and conclusions of law are based upon the evidence adduced at the hearing, both testimonial and documentary, the Applicant's proposed findings of fact and conclusions of law and supporting brief, and the written comments of Board counsel on the Applicant's proposed findings and conclusions:

1. Bancorporation is a registered bank holding company under the Act. Its banking subsidiaries are Denver United States National Bank, Denver, Colorado; Arapahoe Valley Bank (formerly Arapahoe Bank), Littleton, Colorado; First Bank of Aurora, Aurora, Colorado; the Mercantile Bank and Trust Company, Boulder, Colorado; and Weld County Bank, Greeley, Colorado. Bancorporation owns directly or through subsidiaries the real estate occupied by most of its subsidiary banks. (Application, p. 2) Each of the banks is engaged in the general banking business. (Bancorporation's Annual Report for 1966, Exhibit M to the application.)

2. The Bancorporation group of banks is the second largest in the State of Colorado, the largest being the group of affiliates headed by The First National Bank of Denver, Denver, Colorado. (Record, p. 9) At December 31, 1966, the Bancorporation banks had total deposits of \$438,427,595 and total loans of \$281,916,785. (Exhibit M to the application) Since that date Arapahoe Valley Bank acquired the assets and assumed the deposit liabilities of Valley National Bank, Littleton, Colorado.

3. All banks require that borrowers maintain insurance for the bank's benefit against the normal hazards on property which is mortgaged or pledged to the bank as collateral. Such collateral includes, for example, automobiles, major appliances, and buildings. Banks also require that borrowers insure against their tort liabilities in connection with automobile operations, and sometimes require key employees to be bonded.

³ 12 U.S.C. 1843(c)(8).

⁴ 12 CFR 222.5(b).

⁵ 32 F. R. 8324.

4. Bancorporation's Management believes that its present practices in obtaining such insurance are unsatisfactory. At Arapahoe Valley Bank, an officer who holds an insurance agent's license sells a very small amount of hazard insurance on property. Except at that bank, hazard insurance is available only from outside sources. (Application, pp. 2, 3; Record, pp. 11, 12) Therefore loan officers must continually check the files to make sure that policies have been delivered, that they are in proper companies, in proper form, and properly endorsed to the banks. This creates an unnecessary drain on the officers' time. Mistakes are inevitable and gaps in coverage result. An adequate audit of the present system is not possible because of the jumble of different policy forms and companies to be examined and weighed. Finally, a substantial amount of commission income which Bancorporation could be realizing is lost either to its own employees or to outside agencies. (Application, pp. 3, 6; Record, pp. 12, 13)

5. For these reasons, Bancorporation proposes to organize and operate the Agency. The Agency will issue fire, theft, general casualty insurance and insurance against tort liabilities, to customers of Bancorporation's subsidiary banks, chiefly in connection with collateral mortgaged or pledged to the banks. It may also write some of the casualty insurance, liability insurance, employees' fidelity insurance, bankers' blanket bonds and other types of insurance carried by Bancorporation and its subsidiaries. Under Bancorporation's present plans, however, it will not issue group credit life insurance policies or certificates. The Agency is not intended to serve as an insurance agency for the general public, but only for Bancorporation and its subsidiaries and their banking customers. Bancorporation does not plan to advertise the Agency's services to non-customers, or even to advertise extensively among the customers of the affiliated banks. (Application, p. 4; Record, pp. 18, 20)

6. At the outset, all of the personnel of the Agency will be employees of Bancorporation or its affiliated banks. Bancorporation will pay its employees and bill the Agency for its proportionate part of their salaries, rent and other expenses.

In the future, however, the Agency will probably have a few full time employees of its own. The main office of the Agency will be located in the same quarters as the offices of Bancorporation, and its other offices will be located in Bancorporation's affiliated banks. Directors and officers of the Agency will be directors and officers of Bancorporation or its banking subsidiaries. At least one of the officers of the Agency will have an insurance broker's license issued by the State of Colorado. This will probably be its manager, who is now the insurance officer for Denver United States National Bank. The manager appears to be well qualified, being a chartered life underwriter and a chartered property and casualty underwriter. He plans to operate a training program for all the employees who will participate in writing policies, and to develop a manual of procedures and forms. (Record, pp. 12, 20)

7. Although banks generally require that borrowers maintain insurance on collateral, using the Agency's services will not be made a condition of getting loans. The borrower will be free to endorse existing policies to the banks or to obtain new policies from other sources.

8. The ability to obtain the insurance at the bank's own premises is obviously an added convenience for those who desire it, however. This practice also simplifies greatly the problem of the lending officer, since he is able to control the form of the policy, and thus can assure himself that it is issued by a responsible carrier and properly endorsed to the bank. Moreover, the bank and its customer can obtain the policy immediately, without having to rely on the verbal binder of an outside agent. (Application, p. 7; Record pp. 18, 19)

9. There are additional advantages to the banks and their customers:

(a) Creation of the Agency will permit the Agent's commission, which is usually from 15 to 25 per cent of the premium paid, to be retained within the Bancorporation system. Bancorporation's costs of providing additional services to the banks will thus be offset by retention of the commission on all insurance written at the banks. (Application, p. 6; Record, p. 19) Bancorporation anticipates a modest profit in the second or

third year. (Record, p. 21, Ex. K to the Application)

(b) There is a potential conflict of interest for the loan officer who is permitted to keep insurance commissions. He may be tempted to insist on writing the coverage, and to restrict the customer's option of providing insurance obtained elsewhere. Bancorporation's plan appears to eliminate this possible conflict. (Application, p. 6; Record, pp. 13, 18, 19)

(c) Central accounting and data processing should provide current and accurate information on all insurance in force, including expiration and renewal data, and should prevent uncertainties as to the existence of adequate coverage on collateral. (Application, p. 6; Record, p. 18)

10. Although State banks in Colorado communities having a population greater than 7,500 persons may not act as insurance agents, the sharing of premises and personnel by banks and insurance agencies and the ownership of an insurance agency by officers of shareholders of banks in such communities are not prohibited. Such practices are considered legal by Colorado State insurance supervisory authorities and by the Federal and State banking supervisory authorities. Therefore Bancorporation, which is not a bank, may lawfully form and own an insurance agency subsidiary in Colorado, if approval of the Board is obtained under the 1956 Act. (Application, pp. 7, 8, 14, 15; Record, pp. 9, 10)

11. Bank-related insurance agencies are common in Colorado. Precise statistical data is not available, but a representative of the state bank supervisory agency has informally estimated that more than 90% of the commercial banks in Colorado are in some manner related to insurance agencies. The arrangements vary from bank to bank. The most usual practice is for an employee of the bank to hold an agent's license and issue policies written by an agency corporation which is owned by officers or shareholders of the bank. Therefore organization of the Agency will not confer upon Bancorporation any competitive advantage which is not available to owners of other Colorado banks.

12. Banks generally require that some borrowers insure their lives for the benefit of banks. Many other borrowers, who are not required to do so, desire such insurance in order to protect their estates from having to pay the debt after

the borrower's earning power is cut off. Such insurance may be provided by assigning an existing life insurance policy or by providing a policy of credit life insurance through the lender.

13. The purpose of credit life insurance is to protect both the borrower's estate and the lending institution from loss in the event of the borrower's death. Credit life is not written for an amount which exceeds the amount of the loan, and the amount of insurance in force declines exactly as the remaining balance of the loan declines. If the insured dies before his obligation to the lending institution has been paid, the balance due on the obligation is paid to the bank as creditor-beneficiary. Thus the estate of the borrower is free from liability for the obligation and any collateral held by the lending institution is released to the estate. In this way, both the lender and the borrower are spared the expense and embarrassment incident to collecting the obligation from the estate. (Record, pp. 55, 56)

14. While banks always permit borrowers to assign existing policies as collateral for loans, that practice has the effect of decreasing his estate. It can be argued that policies purchased for the purpose of leaving the borrower's family with spendable cash should be kept for that purposes.

15. Credit health and accident insurance is written for the actual amount of monthly installments on the loan, except that it may not exceed stated maximum monthly amounts. Such insurance is issued under riders which form part of the group credit life policies. If the insured borrower becomes totally disabled, as defined in the policy, the insurance company pays to the creditor the amount of each monthly installment which becomes due during the period the disability continues. Credit disability insurance does not usually require evidence of insurability, but liability for disabilities resulting from a pre-existing condition is generally excluded. There is no exclusion for hazardous occupations. (Record, pp. 56, 57)

16. Credit life insurance, health and accident insurance generally is not available except through lending institutions of agencies connected with them. The outside insurance agent usually cannot make it available. (Record, p. 57) The kind of decreasing term life insurance available through an ordinary agent generally cannot be tied closely to the amount of the loan outstanding at any particular time and such insurance is seldom

available in amounts small enough to make it feasible for use in connection with many installment loans. Moreover, the amount of the commission payable in connection with an installment loan is usually too small to warrant the time of a successful ordinary life agent. (Record pp. 57, 58)

17. Practically all banks are now making credit life insurance available to their customers. A growing number of such institutions are also making credit disability insurance available. Most banks do not issue policies, but certificates showing that the borrower's life is insured under a group policy issued to the bank. This practice does not require an agent's license under Colorado law. (Application, pp. 7, 8; Record, p. 10) The competition between lending institutions in offering such insurance is great, as is the competition between companies underwriting credit life and disability insurance. (Record, pp. 60, 61)

18. In order to meet the administrative costs of providing a full line of credit life and credit disability insurance, and in order to obtain a portion of the income produced by such business, many financial institutions, including banks, have formed affiliated reinsurance companies to act as reinsurers of the insurance written on loans made by them. Such affiliated reinsurance companies have been established by some financial institutions which are quite small. Life insurance companies actively assist in the organization of such companies, in order to obtain the credit life business. The advantages derived from such affiliated reinsurance companies can be obtained by the owners of most banks and other financial institutions, regardless of size. (Record, pp. 60, 61)

19. Practices at Bancorporation's banks vary considerably. Some offer only credit life; others also offer credit health and accident insurance. At two of the banks, including the largest one, if the underwriting experience is favorable, a partial return premium is paid to the banks. At two others, commissions are paid to bank officers as additional compensation. At the other two, the commissions are paid to insurance agencies owned by directors and officers of the banks. It does not appear that any are making a vigorous effort to advise customers that the coverage is available. (Application, pp. 8, 10; Record, p. 11)

20. Management considers that Bancorporation's present insurance practices are unsatisfactory for several reasons:

(a) Four different credit life companies are involved, each with slightly different policies and practices. There should be one best way of providing credit life insurance to customers and employees of the subsidiary banks.

(b) Only two of the five banks offer credit health and accident insurance under group plans. An officer at a third bank offers individual disability policies, but these are much less satisfactory. A borrower without this kind of insurance may be exposed to hardship if his health fails.

(c) Current practices at some of the banks result in a siphoning off of commission income to bank employees. This is considered when their salaries are fixed, but is an inexact method for determining compensation. Since most employees do not share in this income, it may contain the seeds of employee dissatisfaction.

(d) The insurance program in each of the five affiliate banks is devised by its own loan officers, who are bankers, not insurance experts. Management thinks that a product of better quality can be produced by a full time expert, which Bancorporation can afford to provide if it receives all the available commission income. Existing practice does not provide enough cash flow to offset the costs of the minimal programs now in effect. Bancorporation's affiliated banks could probably offer better service to their customers if their efforts in this field were better managed. (Record, pp. 12, 13, 14)

21. Based upon the experience of banks which regularly offer credit life insurance in connection with installment loans, Bancorporation estimates that as many as 75 per cent of the bank's direct installment loan customers would purchase such insurance if they were advised of its availability. Bancorporation also estimates that 60 to 70 per cent of the installment loan customers would like to acquire credit health and accident insurance if that too were made available on a regular basis. About 60 to 65 per cent of the consumer loans are acquired from dealers, and probably a lesser portion of the signers of paper which is acquired from dealers will want the insurance, but some will. Although there are no present plans for dealers to issue credit life policies, the subsidiary bank may solicit the customer by mail, after it acquires the paper, at a time when the customer has in fact become a bank customer. A substantial number of real estate borrowers might also purchase such insurance. (Record, pp. 14, 15)

22. At June 30, 1967, Bancorporation's banking affiliates had \$67,214,171 of consumer installment loans of the kind on which credit life and credit health and accident insurance is normally written. About 30 per cent of these loans were insured. In addition, a small amount of this kind of insurance is written on commercial loans, single payment loans, and real estate loans at Arapahoe Valley Bank. (Record, pp. 11, 12, 15) If Bancorporation's estimates are correct, it appears that there may be some demand for credit life insurance which is not being fully supplied by the Bancorporation banks.

23. Exhibit P to the application shows the premiums received by the affiliate banks for such kinds of insurance, the claims made and the losses paid during 1965 and 1966. The exhibit demonstrates that if Bancorporation's proposed reinsurance subsidiary had been operating during that period, a substantial profit would have been realized. Therefore it does not appear that organization of the subsidiary is likely to weaken Bancorporation financially.

24. Bancorporation proposes to organize the Company under the laws of Arizona, whose insurance department has given preliminary approval to its proposed articles of incorporation and bylaws. (Exhibit O to the Application) The Company will be a limited capital stock life insurance company, that is, the amount it may reinsure is limited by provisions of Arizona law. (Record, p. 15) The Company will be formed with an initial capitalization in the amount of \$37,500, representing \$25,000 in capital and \$12,500 of surplus. (Record, pp. 21, 58) This small capitalization does not impose any risk on the bank's customer, however, because his life will be directly insured by American National Insurance Company of Galveston, Texas (which has assets exceeding \$1,000,000,000) and the policy creates a direct claim against American National.

Until Bancorporation has satisfied the Board, in such manner as the Board may approve, that the Company has sufficient capital and experienced personnel to act as a direct insurer, the Company will act solely as a reinsurer of credit life and disability policies issued by American National. The maximum amounts reinsured will be \$3,000 on any one life and \$5,000 on any total disability claim. American National will retain amounts in excess of those figures, or reinsure them elsewhere. The policies will be issued only

to customers and employees of affiliated banks, not to the general public.

Under this plan, each bank will issue certificates of coverage under a group insurance policy. The Company and American National will enter into reinsurance treaties under which the Company will receive 80 to 85 per cent of the premiums paid for such insurance, while American National will retain the balance of the premiums as a "ceding commission." American National will perform the administrative services in connection with the operation of the Company. (Application, pp. 11, 12; Record, pp. 16, 17, 53)

25. The kinds of loan liabilities reinsured will include installment loans, single payment loans, mortgage loans, equipment loans and commercial loans. No bank customer will, however, be required to purchase such insurance through the bank. In some cases the borrower may be required to provide a policy, but he can always give the bank an existing policy of his own or acquire a conventional policy elsewhere.

26. Under this plan, life coverage may be obtained without an application or medical report if the borrower is between the ages of 18 and 65, if the loan does not exceed \$5,000, and if the term of the loan does not exceed 60 months. The group policy does not contain a suicide clause. Credit life insurance can also be written on an individual policy basis through a licensed agent of American National in connection with loans from \$5,000 to \$125,000 but such insurance requires an application, and, for the higher amounts, a medical report. (Record, pp. 56, 58) The premium rate to be charged for credit life insurance will be one per cent per year of the total contract of indebtedness, which includes interest and other charges, and that an additional one percent per year of the total contract of indebtedness will be charged for credit disability coverage. (Record, p. 63).

27. Since the Company will act only as a reinsurer, and will not operate in Colorado, it will not be necessary for the Company to become licensed in any state except Arizona, where it will be incorporated. In order to avoid the substantial expense involved in securing the trained personnel needed to operate a life insurance company efficiently, Bancorporation has arranged for American National to operate the Company. American National appears to be qualified to conduct such operations. It presently operates approximately 60 reinsurance companies which are affiliated with

banks and other kinds of lending institutions. American National has more than 9 billion dollars of insurance in force and assets exceeding 1 billion dollars. (Record, pp. 59, 60)

28. American National owns 50,000 shares of Bancorporation common stock. This is approximately two per cent of those outstanding. Bancorporation does not own any stock of American National. (Record, p. 44)

29. The proposed officers and directors of the Agency and five of the seven proposed officers and directors of the Company are presently officers, directors or employees of Bancorporation. The two non-Bancorporation officers and directors proposed for the Company are at present in the employ of American National Insurance Company. (Exhibits D and H to the Application)

30. Management believes that formation and operation of the Company in the manner contemplated by Bancorporation may reasonably be expected to result in certain direct benefits to the customers of the affiliated banks and to Bancorporation. These include:

(a) Credit life and credit health and accident insurance will be made more readily and promptly available to more of the customers at the time when and place where the loans themselves are negotiated. Information concerning this kind of insurance and its availability can be more widely disseminated among the customers, and a greater portion can be expected to buy it. (Application, p. 14; Record, pp. 15, 18)

(b) Insurance protection can be offered with respect to a greater number and wider variety of loans. The insurance itself should be more advantageous to the customers than ordinary life or term insurance, since group credit life and group credit disability insurance are tailor-made for the purposes they serve. Bancorporation will acquire a greater measure of control over rates and terms. (Application, p. 14; Record, pp. 15, 16, 17, 18, 55, 56, 57, 58)

(c) Income developed through the program and retained by Bancorporation should enable Bancorporation to assist its subsidiary banks in providing better service, a better product, and more expert advice. (Application, p. 14; Record, pp. 16, 17)

(d) An underwriting profit is anticipated from the Company's operations. In this way, the costs of administering an improved insurance program

should be met, as they have not been under present practice. (Application, p. 14; Record, p. 21)

(e) In addition to increasing Bancorporation's income and, ultimately, that of its shareholders, the increased use of credit life insurance and credit health and accident insurance which can be expected from the program may well increase the protection of the lending banks, thus improving their loss experience, especially with respect to installment loans. (Application, p. 14; Record, pp. 16, 56)

31. Organization and operation of the Agency and the Company should not confer any competitive advantage upon Bancorporation and its affiliated banks. Bank-related insurance agencies are common practice in Colorado. Group credit life and credit health and accident coverage is available to any bank desiring it, and the owners of many banks, including some small ones, organize affiliated reinsurance companies. Customers of Bancorporation's affiliated banks will therefore not be offered services which they cannot obtain at other well-managed Colorado banks. Similarly, neither the Agency nor the Company will afford Bancorporation a source of profit which is unavailable to the owners of any other Colorado banks. (Application, p. 15; Record, pp. 22, 60, 61)

APPLICABLE STATUTE AND REGULATION

Bank Holding Company Act of 1956, as amended.

Section 4(a): Except as otherwise provided in this Act, no bank holding company shall—

(1) . . . acquire direct or indirect ownership or control of any voting shares of any company which is not a bank, . . .

(c) The prohibitions in this section shall not apply to . . . (8) shares of any company all the activities of which are or are to be of a financial, fiduciary, or insurance nature and which the Board after due notice and hearing, and on the basis of the record made at such hearing, by order has determined to be so closely related to the business of banking or of managing or controlling banks as to be a proper incident thereto and as to make it unnecessary for the prohibitions of this section to apply in order to carry out the purposes of this Act;

Regulation Y (1960), Section 222.5(b):

Shares of financial, fiduciary, or insurance companies.

—Any bank holding company which is of the opinion that a company all the activities of which are of a financial, fiduciary, or insurance nature is so closely related to the business of banking or of managing or controlling banks, as conducted by such bank holding company or its banking subsidiaries, as to be a proper incident thereto and as to make it unnecessary for the prohibitions of section 4 of the act to apply in order to carry out the purposes of

the Act, may request the Board for such a determination pursuant to section 4(c)(6) (now 4(c)(8)) of the act. Any such request shall be filed in duplicate with the Federal Reserve Bank. After receipt of any such request, the Board will notify the bank holding company of the place and time fixed for a hearing on the requested determination; and, after the conclusion of such hearing and on the basis of the record made at the hearing, the Board will by order make or decline to make the requested determination.

DISCUSSION

Section 4(a) of the Act prohibits a bank holding company from acquiring, either directly or indirectly, ownership or control of any voting shares of any company which is not a bank. Excepted from this prohibition by section 4(c)(8) are "shares of any company all the activities of which are or are to be of a financial, fiduciary, or insurance nature if the Board determines after hearing and on the record such activities "to be so closely related to the business of banks or of managing or controlling banks as to be a proper incident thereto."

The potential dangers envisaged in permitting bank holding companies to own or control shares in companies whose activities are unrelated to banking were briefly outlined by the Senate Committee on Banking and Currency in Senate Report No. 1095, 84th Congress, 2nd Session as follows:

Your committee holds the opinion that bank holding companies should confine their activities to the control and management of banks and activities closely related to banking. They should not combine management and control of banking activities with management and control of nonbanking activities. The divestment requirements in this bill are designed to remove the danger that a bank holding company might misuse or abuse the resources of a bank it controls in order to gain an advantage in the operation of the nonbanking activities it controls.

No such danger was seen, however, in permitting holding companies to retain ownership or control of shares in nonbanking insurance agencies and insurance companies all of whose activities relate to, and could be said to be a proper incident of, the banking business.

For example, the operation of a credit-life insurance program in connection with bank loans is clearly within the scope of banking operations as presently conducted. So is the operation of an insurance program under which the insurance proceeds retire the outstanding balance of the mortgage upon the death of the mortgagor in cases where the bank holds the mortgage.⁶

The Lincoln Agency, Inc., will be operated as an insurance agency and serve only borrowers of

Applicant's subsidiary banks. The insurance to be issued as agent for one or more insurance companies on collateral given to secure the repayment of loans made by affiliated banks will include fire, automobile and hazard insurance. It will not hold itself out or serve as an insurance agency for the general public. The Board has consistently held that such activities satisfy the requirements of section 4(c)(8) of the Act.⁷

It is equally clear that the proposed activities of Fidelity National Life Insurance Company also satisfy the criteria of section 4(c)(8) of the Act under prior determinations of the Board. As described in the second amendment to the application, the Company will reinsure the first \$3,000 and \$5,000, respectively, of credit life insurance and credit disability insurance covering borrowers of applicant's subsidiary banks under group policies issued by American National Insurance Company.

Apart from the reinsurance feature, the proposed activities of the Company, for purposes of section 4(c)(8) of the Act, are generally indistinguishable from the activities proposed and found acceptable by the Board in *First Oklahoma Bancorporation*, 51 F. R. BULLETIN 676 (1965), and *The First Virginia Corporation*, 53 F. R. BULLETIN 373 (1967). In both of these cases, the Board held that a nonbanking subsidiary may properly act as a direct insurer. If a nonbanking subsidiary may insure directly, it follows it may insure indirectly. The difference is simply one of form and not substance for purposes of section 4(c)(8) of the Act, since the nature and quality of the activity is essentially the same in either case.⁸ This is not to say that the Company may lawfully expand its activities to include the writing of insurance for borrowers from its affiliated banks without a prior determination by the Board under section 4(c)(8) allowing the addition of that activity.

Although the proposed Agency and Company will be empowered by their respective charters to

⁶ Senate Report No. 1092, *supra*, at p. 13.

⁷ See *First Oklahoma Bancorporation*, 51 F. R. BULLETIN 676 (1965) and cases cited under Footnote 8.

⁸ One disturbing element of the reinsurance feature in this case is that American National will operate the Company, thus giving a nonbanking company operational control of a nonbanking subsidiary. This factor combined with its ownership interest in Bancorporation stock of 50,000 shares suggests violence to the spirit if not the letter of sections 4(a) and 4(c)(8) of the Act.

engage in a general life insurance business, the applicant has given its assurance that the Agency and Company will deal only with borrowers from its subsidiary banks to insure the repayment of their outstanding loans. A similar assurance was accepted by the Board in *First Oklahoma Bancorporation* and *The First Virginia Corporation* and may be accepted here. As was stated in the latter case—

If the Applicant, through its proposed subsidiar(ies), should conduct a general life insurance business, or even should it pursue the sale of credit life, health and accident insurance as an end in itself, or as a routine requirement for the use of money, the Board has adequate authority under section 222.5(b) of Regulation Y, which directs that insurance activities be in fact conducted in accordance with the criteria of section 4(c)(8) of the Act, to require divestiture. Thus, the caveat implicit in section 222.5(b) of Regulation Y should serve to deter any insurance activity not in accord with the purposes of the Act.

CONCLUSIONS OF LAW

For the foregoing reasons, it is concluded that the insurance activities to be conducted by Lincoln Agency, Inc., and Fidelity National Life In-

surance Company, proposed nonbanking subsidiaries of Denver U.S. Bancorporation, are so closely related to the business of banking or of managing or controlling banks as to be a proper incident thereto and as to make it unnecessary for the prohibitions of section 4(a) of the Bank Holding Act of 1956, as amended, to apply in order to carry out the purposes of the Act.

RECOMMENDATION

It is recommended that the Board of Governors of the Federal Reserve System:

1. Enter an order determining the issues in this proceeding in accordance with the above Findings of Fact and Conclusion of Law, and

2. Grant the request of Denver U.S. Bancorporation for an order pursuant to section 4(c)(8) of the Bank Holding Company Act of 1956, as amended.

(Signed) PHILIP J. LA MACCHIA,
Hearing Examiner.

Washington, D. C.
December 28, 1967

Announcements

REAPPOINTMENT OF WILLIAM W. SHERRILL AS A MEMBER OF THE BOARD

Mr. William W. Sherrill, a Member of the Board of Governors of the Federal Reserve System since May 1967, was nominated by the President for re-appointment to the Board for a term of 14 years beginning February 1, 1968. The nomination was confirmed by the Senate on January 23, 1968, and Mr. Sherrill took the oath of office on January 31, 1968.

CHANGES IN THE BOARD'S STAFF

The Board announced the appointment of Charles C. Walcutt as an Assistant Director in the Division of Examinations, effective February 1, 1968. Since joining the Board's staff in November, 1966, Mr. Walcutt has been serving as the Assistant Chief Federal Reserve Examiner.

James C. Smith, Assistant Director, Division of Examinations, and M. B. Daniels, Assistant Director, Division of Bank Operations, retired from the staff effective February 1, 1968.

APPOINTMENT OF DIRECTOR

The Board of Governors of the Federal Reserve System announced the appointment effective February 15, 1968, of Mr. John M. Fox of Boston, Massachusetts, as a Class C director of the Federal Reserve Bank of Boston for the unexpired portion of a term ending December 31, 1970. Mr. Fox is Chairman of the Board, United Fruit Company, Boston, Massachusetts. As a director of the Boston Bank he succeeds Erwin D. Canham, Editor in Chief, The Christian Science Monitor, Boston, Massachusetts, whose term expired December 31, 1967.

CAPACITY UTILIZATION IN MANUFACTURING

The quarterly index of capacity utilization has been added to the table of Selected Business Indexes. This table appears regularly on page A-56 in the Financial and Business Statistics section of each BULLETIN.

For a description of the index see the BULLETINS for November 1966, p. 1605, and July 1967, p. 1096.

National Summary of Business Conditions

Released for publication February 15

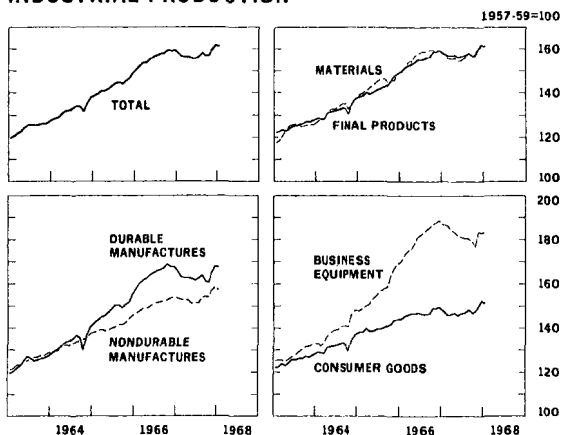
Industrial production decreased somewhat in January and the average workweek in manufacturing declined. Nonfarm employment rose slightly and the unemployment rate fell. Retail sales reached a new high. Prices of industrial commodities continued upward. Commercial bank credit and the money supply increased. Time and savings deposits declined slightly. Between mid-January and mid-February, yields on U.S. Government securities increased and those on corporate and municipal bonds declined on balance.

INDUSTRIAL PRODUCTION

Industrial production was 161.2 per cent of the 1957-59 average in January as compared with 161.8 in December and 158.2 a year earlier. Declines in output were mainly in consumer durable goods and industrial materials.

Auto assemblies, limited partly by work stoppages, decreased 7 per cent to an annual rate of 8.3 million units. Production of television sets was maintained but output of home radios was curtailed sharply. Output of business equipment changed little, as some further decline in industrial machinery was about offset by a recovery in output of farm equipment, following a strike settlement.

INDUSTRIAL PRODUCTION



F.R. indexes, seasonally adjusted. Latest figures shown are for January.

Iron and steel production declined in January but in early February raw steel output increased. In January, output of most other durable and nondurable industrial materials declined.

EMPLOYMENT

Nonfarm payroll employment rose slightly in January, following three months of marked increases. Strong gains continued in trade, services, and State and local government. Construction employment, however, dropped sharply, following a marked rise at the year end. Manufacturing employment rose by 43,000, with about two-fifths of the increase due to the return to work of strikers. The average workweek in manufacturing declined by 0.3 hours to 40.5 in January and was 0.5 hours below a year earlier. The unemployment rate fell by 0.2 percentage points to 3.5 per cent, as the decline in the number of adult women in the labor force was considerably greater than usual.

DISTRIBUTION

The value of retail sales rose 3 per cent in January, according to advance Census estimates. Sales at durable goods stores increased, reflecting largely a sharp rise in auto sales late in the month, which was followed by a decline in early February. Sales at nondurable goods stores also rose, with most lines contributing to the increase.

COMMODITY PRICES

The wholesale commodity price index increased by an estimated 0.3 per cent in January, as prices of farm products and foods as well as those of industrial commodities increased further. From July to early January, industrial prices rose at an annual rate of 3.2 per cent, and in recent weeks the rise has apparently continued as price increases have been effected for a variety of industrial materials and products. Prices of farm products and foods, which rose sharply in December and then slightly further in early January, appear to have increased seasonally since then.

BANK CREDIT, DEPOSITS, AND RESERVES

Commercial bank credit increased rapidly in January, following relatively moderate growth over other recent months. Substantial expansion in total loans and in holdings of municipal and agency securities was offset only in small part by further reductions in holdings of Treasury issues. Business loan growth moderated considerably from the rapid December pace.

The money supply increased \$1.2 billion in January, much faster than over the November-December period. U.S. Government deposits also rose. Time and savings deposits declined slightly on average in January following slackening growth in late 1967. In the latter part of the month, however, expansion resumed at a moderate rate.

Free reserves averaged about \$140 million over the five weeks ending January 31, little different from the average of the previous four weeks. While

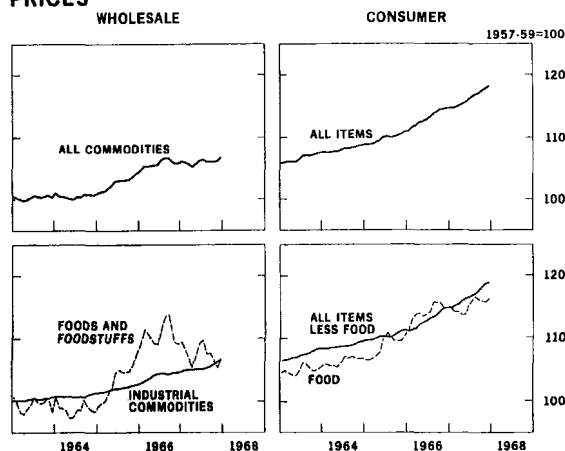
member bank borrowings averaged \$275 million, up from \$185 million, excess reserves also increased. Total and required reserves rose substantially, after declining in December.

SECURITY MARKETS

Treasury bill rates fluctuated considerably between mid-January and mid-February, with the longer maturities rising slightly on balance. The 3-month bill was bid at around 5.0 per cent in the middle of February. Yields on U.S. Government securities increased over the same period.

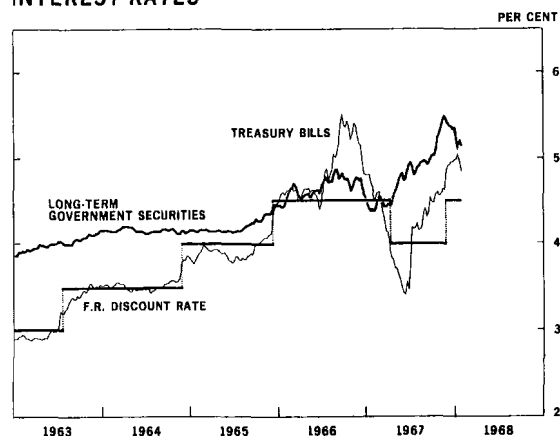
Yields on seasoned corporate and municipal bonds declined during the latter half of January, but the former leveled off and the latter turned up somewhat during the first half of February. Common stock prices and trading volume declined steadily over the entire period.

PRICES



Bureau of Labor Statistics indexes. Latest figures shown are for December.

INTEREST RATES



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

Financial and Business Statistics

Contents

A-3 GUIDE TO TABULAR PRESENTATION

U.S. STATISTICS:

- A-4 Member bank reserves, Federal Reserve Bank credit,
and related items
- A-8 Federal funds—Major reserve city banks
- A-9 Reserve Bank discount rates
- A-10 Reserve requirements
- A-10 Maximum interest rates
- A-10 Margin requirements
- A-11 Bank deposits
- A-11 Open market transactions
- A-12 Federal Reserve Banks
- A-14 Bank debits and deposit turnover
- A-15 Currency in circulation

- A-16 Money supply and bank reserves
- A-17 Banks and the monetary system
- A-18 Commercial and mutual savings banks, by classes
- A-21 Commercial banks
- A-24 Weekly reporting banks
- A-28 Business loans of banks
- A-28 Interest rates
- A-30 Security prices
- A-30 Stock market credit
- A-31 Open market paper

- A-31 Savings institutions
- A-33 Federally sponsored credit agencies
- A-34 Federal finance
- A-36 U.S. Government securities
- A-39 Security issues
- A-42 Business finance
- A-44 Real estate credit

Continued on next page

U.S. STATISTICS—Continued

- A-48 Consumer credit
- A-52 Industrial production
- A-56 Business activity
- A-56 Construction
- A-58 Labor force, employment, and earnings
- A-60 Consumer prices
- A-60 Wholesale prices
- A-62 National product and income
- A-64 Flow of funds (flows through Q III 1967;
assets and liabilities through 1966)

INTERNATIONAL STATISTICS:

- A-66 U.S. balance of payments
- A-67 Foreign trade
- A-68 U.S. gold transactions and reserve assets
- A-69 U.S. position in the IMF
- A-70 International capital transactions of the United States
- A-82 Gold reserves of central banks and governments
- A-83 Gold production
- A-84 Money rates in foreign countries
- A-85 Arbitrage on Treasury bills
- A-86 Foreign exchange rates

SPECIAL TABLES (other than flow of funds):

- A-88 Earnings and expenses of Federal Reserve Banks, 1967
- Number of banking offices:
 - A-90 Analysis of changes
 - A-91 On, and not on, Federal Reserve Par List

- A-98 INDEX TO STATISTICAL TABLES
-

Guide to Tabular Presentation

SYMBOLS AND ABBREVIATIONS

e	Estimated	N.S.A.	Monthly (or quarterly) figures not adjusted for seasonal variation
c	Corrected	IPC	Individuals, partnerships, and corporations
p	Preliminary	SMSA	Standard metropolitan statistical area
r	Revised	A	Assets
rp	Revised preliminary	L	Liabilities
I, II, III, IV	Quarters	S	Sources of funds
n.a.	Not available	U	Uses of funds
n.e.c.	Not elsewhere classified	*	Amounts insignificant in terms of the particular unit (e.g., less than 500,000 when the unit is millions)
S.A.	Monthly (or quarterly) figures adjusted for seasonal variation	....	(1) Zero, (2) no figure to be expected, or (3) figure delayed

GENERAL INFORMATION

Minus signs are used to indicate (1) a decrease, (2) a negative figure, or (3) an outflow.

A heavy vertical rule is used (1) to the right (to the left) of a total when the components shown to the right (left) of it add to that total (totals separated by ordinary rules include more components than those shown), (2) to the right (to the left) of items that are not part of a balance sheet, (3) to the left of memorandum items.

"U.S. Govt. securities" may include guaranteed issues of U.S. Govt. agencies (the flow of funds figures also include not fully guaranteed issues) as well as direct obligations of the Treasury. "State and local govt." also includes municipalities, special districts, and other political subdivisions.

In some of the tables details do not add to totals because of rounding.

The footnotes labeled NOTE (which always appear last) provide (1) the source or sources of data that do not originate in the System; (2) notice when figures are estimates; and (3) information on other characteristics of the data.

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

<i>Quarterly</i>	<i>Issue</i>	<i>Page</i>	<i>Annually—Continued</i>	<i>Issue</i>	<i>Page</i>
Flow of funds.....	Feb. 1968	A-64	Banking and monetary statistics, 1966	Mar. 1967	456-70
			Banks and branches, number, by class and State.....	July 1967	1236-39
				Apr. 1967	658-59
<i>Semiannually</i>					
Banking offices:			Flow of funds (assets and liabilities)...	Feb. 1968	A-65.10
Analysis of changes in number of...	Feb. 1968	A-90			
On, and not on, Federal Reserve			Income and expenses:		
Par List, number.....	Feb. 1968	A-91	Federal Reserve Banks.....	Feb. 1968	A-88
			Member banks:		
<i>Annually</i>			Calendar year.....	May 1967	862-70
Bank holding companies:			Operating ratios.....	Apr. 1967	660-62
List of, Dec. 31, 1966.....	June 1967	1042	Insured commercial banks.....	Sept. 1967	1646
Banking offices and deposits of			Stock exchange firms, detailed debit		
group banks, Dec. 31, 1966.....	Aug. 1967	1440	and credit balances.....	Sept. 1967	1647

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

(In millions of dollars)

Period or date	Factors supplying reserve funds										Factors absorbing reserve funds									
	F.R. Bank credit outstanding						Treasury currency out- stand- ing	Cur- rency in cir- cu- la- tion	Treas- ury cash hold- ings	Deposits, other than member bank reserves, with F.R. Banks			Other F.R. ac- counts	Member bank reserves						
	U.S. Govt. securities ¹			Dis- counts and ad- vances	Float ²	To- tal ³				Gold stock	Treas- ury	For- eign		Other ²	With F.R. Banks	Cur- rency and coin ⁴	Total			
	Total	Bought out- right	Repur- chase agree- ments																	
Averages of daily figures																				
1929—June.....	179	179	.....	978	61	1,317	4,024	2,018	4,400	210	30	30	376	2,314	.....	2,314	.....	2,314	.....	
1933—June.....	1,933	1,933	.....	250	12	2,208	4,030	2,295	5,455	272	81	164	350	2,211	.....	2,211	.....	2,211	.....	
1939—Dec.....	2,510	2,510	.....	8	83	2,612	17,518	2,956	7,609	2,402	616	739	248	11,473	.....	11,473	.....	11,473	.....	
1941—Dec.....	2,219	2,219	.....	5	170	2,404	22,759	3,239	10,985	2,189	592	1,531	292	12,812	.....	12,812	.....	12,812	.....	
1945—Dec.....	23,708	23,708	.....	381	652	24,744	20,047	4,322	28,452	2,269	625	1,247	493	16,027	.....	16,027	.....	16,027	.....	
1950—Dec.....	20,345	20,336	9	142	1,117	21,606	22,879	4,629	27,806	1,290	615	920	353	17,391	.....	17,391	.....	17,391	.....	
1957—Dec.....	23,982	23,615	367	716	1,443	26,186	22,769	5,144	31,932	768	385	345	186	1,063	19,420	.....	19,420	.....	19,420	
1958—Dec.....	26,312	26,216	96	564	1,496	28,412	20,563	5,230	32,371	691	470	262	337	1,174	18,899	.....	18,899	.....	18,899	
1959—Dec.....	27,036	26,993	43	911	1,426	29,435	19,482	5,311	32,775	396	524	361	348	1,195	18,628	304	.....	18,932	.....	
1960—Dec.....	27,248	27,170	78	94	1,665	29,060	17,954	5,396	33,019	408	522	250	495	1,029	16,688	2,595	.....	19,283	.....	
1961—Dec.....	29,098	29,061	37	152	1,921	31,217	16,929	5,587	33,954	422	514	229	244	1,112	17,259	2,859	.....	20,118	.....	
1962—Dec.....	30,546	30,474	72	305	2,298	33,218	15,978	5,561	35,281	398	587	222	290	1,048	16,932	3,108	.....	20,040	.....	
1963—Dec.....	33,729	33,626	103	360	2,434	36,610	15,562	5,583	37,603	389	879	160	206	1,215	17,303	3,443	.....	20,746	.....	
1964—Dec.....	37,126	36,895	231	266	2,423	39,873	15,388	5,401	39,698	595	944	181	186	1,093	17,964	3,645	.....	21,609	.....	
1965—Dec.....	40,885	40,772	113	490	2,349	43,853	13,799	5,565	42,206	808	683	154	231	1,389	18,747	3,972	.....	22,719	.....	
1966—Dec.....	43,760	43,274	486	570	2,383	46,864	13,158	6,284	44,579	1,191	291	164	429	83	19,568	4,262	.....	23,830	.....	
1967—Jan.....	44,066	43,847	219	389	2,215	46,802	13,158	6,350	43,957	1,225	566	153	442	203	19,765	4,310	.....	24,075	.....	
Feb.....	44,215	43,915	300	362	1,875	46,587	13,144	6,409	43,525	1,252	609	136	448	496	19,675	4,034	.....	23,709	.....	
Mar.....	44,620	44,351	269	200	1,606	46,524	13,108	6,473	43,673	1,297	505	136	443	647	19,404	4,001	.....	23,405	.....	
Apr.....	45,082	44,942	140	155	1,540	46,902	13,108	6,530	43,812	1,356	860	125	463	559	19,365	3,997	.....	23,362	.....	
May.....	45,699	45,481	218	126	1,374	47,323	13,108	6,576	44,083	1,392	990	137	450	692	19,263	4,021	.....	23,284	.....	
June.....	45,844	45,801	43	147	1,459	47,547	13,108	6,602	44,567	1,385	715	128	464	609	19,388	4,130	.....	23,518	.....	
July.....	46,807	46,784	23	91	1,584	48,590	13,109	6,615	44,997	1,480	1,123	128	482	373	19,730	4,177	.....	23,907	.....	
Aug.....	46,612	46,558	54	89	1,423	48,210	13,053	6,665	45,011	1,488	1,036	128	453	212	19,600	4,191	.....	23,791	.....	
Sept.....	46,398	46,377	21	90	1,571	48,147	13,007	6,737	45,189	1,491	566	127	472	65	19,980	4,220	.....	24,200	.....	
Oct.....	47,367	47,203	164	126	1,408	48,993	13,003	6,779	45,396	1,483	974	125	476	80	20,402	4,206	.....	24,608	.....	
Nov.....	48,010	47,885	125	133	1,555	49,752	12,907	6,781	45,969	1,462	1,167	146	449	211	20,458	4,282	.....	24,740	.....	
Dec.....	48,891	48,810	81	238	2,030	51,268	12,436	6,777	47,000	1,428	902	150	451	204	20,753	4,507	.....	25,260	.....	
1968—Jan.....	49,046	48,982	64	237	1,906	51,287	11,983	6,783	46,389	1,393	1,011	157	481	566	21,188	4,652	.....	25,840	.....	
Week ending—																				
1967																				
Jan. 4.....	44,230	43,697	533	566	2,493	47,491	13,159	6,311	44,670	1,194	375	167	529	92	20,116	4,546	.....	24,662	.....	
11.....	44,553	44,000	553	586	2,217	47,563	13,159	6,344	44,445	1,214	510	143	435	150	20,168	4,331	.....	24,499	.....	
18.....	43,937	43,797	140	218	2,111	46,384	13,158	6,348	44,004	1,221	565	149	445	209	19,298	4,363	.....	23,661	.....	
25.....	43,940	43,906	34	538	2,026	46,581	13,158	6,360	43,567	1,234	699	174	410	307	19,709	4,280	.....	23,989	.....	
Feb. 1.....	43,698	43,698	.....	176	2,267	46,216	13,159	6,375	43,343	1,242	598	138	431	344	19,654	4,255	.....	23,909	.....	
8.....	44,133	43,928	205	354	2,017	46,630	13,159	6,392	43,405	1,252	448	145	482	393	20,056	3,793	.....	23,829	.....	
15.....	44,244	43,987	257	456	1,920	46,747	13,159	6,402	43,614	1,260	704	141	436	423	19,729	3,997	.....	23,746	.....	
22.....	44,337	43,844	493	477	1,855	46,811	13,144	6,420	43,568	1,252	686	128	434	588	19,720	4,093	.....	23,813	.....	
Mar. 1.....	44,187	43,942	245	167	1,676	46,183	13,108	6,433	43,540	1,253	579	127	444	615	19,166	4,257	.....	23,423	.....	
8.....	44,550	44,276	274	202	1,553	46,461	13,109	6,447	43,571	1,271	451	132	435	720	19,427	3,760	.....	23,187	.....	
15.....	44,563	44,192	371	173	1,465	46,271	13,107	6,463	43,753	1,283	244	135	454	674	19,296	3,986	.....	23,282	.....	
22.....	44,717	44,378	339	302	1,858	46,947	13,108	6,483	43,718	1,304	592	137	436	604	19,747	3,945	.....	23,692	.....	
29.....	44,659	44,529	130	138	1,577	46,480	13,108	6,496	43,674	1,324	656	137	447	598	19,247	4,082	.....	23,329	.....	
Apr. 5.....	45,012	44,759	253	193	1,361	46,677	13,108	6,503	43,680	1,328	658	130	454	648	19,390	3,999	.....	23,389	.....	
12.....	45,013	44,840	173	165	1,463	46,763	13,108	6,517	43,914	1,340	612	135	465	634	19,289	3,873	.....	23,162	.....	
19.....	44,929	44,888	41	199	1,791	47,024	13,109	6,529	43,894	1,360	795	120	465	506	19,520	4,060	.....	23,580	.....	
26.....	45,142	45,098	44	123	1,493	46,888	13,108	6,553	43,754	1,382	1,087	119	469	511	19,227	4,158	.....	23,385	.....	
May 3.....	45,597	45,295	302	159	1,441	47,369	13,109	6,566	43,799	1,383	1,201	127	461	503	19,570	4,053	.....	23,623	.....	
10.....	45,929	45,469	460	88	1,384	47,567	13,109	6,567	44,015	1,396	1,050	143	463	539	19,636	3,777	.....	23,413	.....	
17.....	45,543	45,243	300	148	1,512	47,326	13,108	6,579	44,136	1,404	952	121	455	606	19,341	4,045	.....	23,386	.....	
24.....	45,530	45,530	.....	75	1,532	47,241	13,109	6,568	44,073	1,391	1,068	121	442	841	18,982	4,099	.....	23,081	.....	
31.....	45,726	45,657	69	127	1,150	47,081	13,109	6,592	44,198	1,378	872	158	439	854	18,883	4,176	.....	23,059	.....	
June 7.....	45,955	45,869	86	102	1,321	47,478	13,109	6,590	44,438	1,380	734	131	459	835	19,200	3,976	.....	23,176	.....	
14.....	45,596	45,596	.....	68	1,380	47,118	13,108	6,598	44,600	1,380	471	131	450	609	19,183	4,030	.....	23,213	.....	
21.....	45,654	45,587	67	116	1,708	47,552	13,108	6,608	44,598	1,393	520	121	450	525	19,661	4,106	.....	23,767	.....	
28.....	45,940	45,924	16	165	1,408	47,642	13,108	6,610	44,574	1,378	968	126	490	530	19,293	4,254	.....	23,547	.....	

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

(In millions of dollars)

Period or date	Factors supplying reserve funds										Factors absorbing reserve funds									
	F.R. Bank credit outstanding						Treasury currency out- stand- ing	Cur- rency in cir- cu- lation	Treas- ury cash hold- ings	Deposits, other than member bank reserves, with F.R. Banks			Other F.R. ac- counts	Member bank reserves						
	U.S. Govt. securities ¹			Dis- counts and ad- vances	Float ²	Tot- al ³				Gold stock	Treas- ury	For- eign		Other ²	With F.R. Banks	Cur- rency and coin ⁴	Total			
	Total	Bought out- right	Repur- chase agree- ments																	
Averages of daily figures																				
Week ending—																				
1967																				
July 5.....	46,809	46,755	54	366	1,231	48,543	13,110	6,614	44,856	1,464	1,088	148	508	360	19,841	4,043	23,884			
12.....	47,158	47,101	57	74	1,704	49,097	13,110	6,610	45,256	1,479	1,073	134	484	470	19,921	4,145	24,066			
19.....	46,471	46,471	.....	53	1,847	48,455	13,109	6,603	45,085	1,477	1,021	128	484	380	19,592	4,297	23,889			
26.....	46,715	46,715	.....	54	1,632	48,479	13,109	6,616	44,864	1,485	1,188	116	468	368	19,716	4,305	24,021			
Aug. 2.....	46,833	46,833	.....	119	1,439	48,470	13,094	6,632	44,849	1,473	1,390	115	464	250	19,655	4,319	23,974			
9.....	46,931	46,804	127	91	1,385	48,536	13,057	6,642	44,985	1,480	1,202	128	457	226	20,038	3,922	23,960			
16.....	46,716	46,604	112	129	1,367	48,292	13,057	6,656	45,135	1,486	1,007	126	471	198	19,583	4,180	23,763			
23.....	46,504	46,504	.....	47	1,614	48,238	13,058	6,674	45,020	1,497	1,021	133	442	257	19,602	4,171	23,773			
30.....	46,249	46,249	.....	46	1,290	47,651	13,044	6,693	44,918	1,495	1,076	121	443	183	19,151	4,324	23,475			
Sept. 6.....	46,693	46,600	93	79	1,410	48,247	13,008	6,714	45,131	1,495	697	133	471	110	19,932	3,993	23,925			
13.....	46,207	46,207	.....	70	1,544	47,880	13,007	6,726	45,398	1,483	202	126	491	103	19,810	4,229	24,039			
20.....	46,055	46,055	.....	106	1,754	47,971	13,007	6,739	45,223	1,487	362	126	473	24	20,021	4,295	24,316			
27.....	46,452	46,452	.....	74	1,530	48,193	13,006	6,759	45,044	1,502	927	129	454	37	19,865	4,347	24,212			
Oct. 4.....	46,976	46,976	.....	144	1,495	48,773	13,006	6,763	45,107	1,500	866	125	477	54	20,413	4,229	24,642			
11.....	47,563	47,319	244	145	1,418	49,247	13,007	6,767	45,407	1,473	1,002	127	502	93	20,419	3,980	24,399			
18.....	47,802	47,315	487	216	1,402	49,515	13,007	6,781	45,559	1,484	942	131	485	-93	20,795	4,234	25,029			
25.....	47,098	47,098	.....	58	1,564	48,773	13,007	6,792	45,429	1,482	1,087	119	455	-210	20,210	4,339	24,549			
Nov. 1.....	47,220	47,220	.....	80	1,289	48,643	12,978	6,787	45,341	1,483	929	124	462	-210	20,279	4,426	24,705			
8.....	47,865	47,710	155	132	1,407	49,458	12,907	6,777	45,363	1,474	928	127	470	-184	20,762	3,992	24,754			
15.....	47,868	47,713	155	162	1,487	49,570	12,907	6,782	45,878	1,470	1,096	133	451	-240	20,470	4,229	24,699			
22.....	47,837	47,712	125	127	1,777	49,796	12,906	6,782	46,089	1,451	1,051	148	442	-79	20,383	4,239	24,622			
29.....	48,396	48,347	49	119	1,548	50,117	12,908	6,785	46,347	1,457	1,570	175	432	-345	20,176	4,482	24,658			
Dec. 6.....	48,902	48,719	183	87	1,655	50,721	12,770	6,774	46,482	1,441	1,306	160	444	-65	20,498	4,342	24,840			
13.....	48,853	48,853	.....	121	1,652	50,769	12,432	6,773	46,918	1,445	787	140	427	-6	20,252	4,458	24,710			
20.....	48,708	48,708	.....	185	2,155	51,119	12,432	6,775	47,093	1,444	844	156	434	-245	20,600	4,603	25,203			
27.....	48,937	48,849	88	345	2,388	51,785	12,434	6,783	47,293	1,405	709	150	412	-251	21,285	4,402	25,687			
1968																				
Jan. 3.....	49,298	49,044	254	495	2,335	52,286	11,982	6,784	47,200	1,395	949	147	567	-685	21,480	4,968	26,448			
10.....	49,183	49,109	74	180	2,334	51,772	11,983	6,781	46,857	1,385	1,054	161	493	-679	21,265	4,659	25,924			
17.....	48,758	48,700	58	224	1,987	51,044	11,984	6,781	46,493	1,397	1,019	156	473	-625	20,896	4,676	25,572			
24.....	49,105	49,105	.....	233	1,726	51,186	11,982	6,784	46,117	1,390	939	149	471	-459	21,346	4,578	25,924			
31.....	48,970	48,936	34	241	1,449	50,751	11,983	6,786	45,758	1,396	1,096	161	467	-426	21,069	4,623	25,692			
End of month																				
1967																				
Nov.....	48,954	48,608	346	76	1,780	50,869	12,907	6,775	46,463	1,408	1,581	168	440	-161	20,648	5,148	25,796			
Dec.....	49,150	48,980	170	141	2,483	51,938	11,982	6,784	47,226	1,344	1,123	135	653	-773	20,999	4,631	25,630			
1968																				
Jan.....	49,092	48,855	237	843	1,416	51,434	11,984	6,788	45,782	1,374	1,153	160	463	-564	21,838	5,022	26,860			
Wednesday																				
1967																				
Dec. 6.....	48,853	48,853	.....	124	1,609	50,704	12,434	6,773	46,822	1,441	1,030	145	440	90	19,944	4,617	24,561			
13.....	48,853	48,853	.....	156	1,689	50,833	12,434	6,772	47,103	1,455	658	136	440	-214	20,461	5,131	25,592			
20.....	48,740	48,740	.....	419	2,282	51,515	12,434	6,783	47,301	1,434	724	168	417	-290	20,978	5,053	26,031			
27.....	49,205	48,983	222	341	2,105	51,804	12,434	6,784	47,538	1,386	352	131	428	-272	21,459	5,121	26,580			
1968																				
Jan. 3.....	49,547	49,251	296	199	2,606	52,516	11,984	6,787	47,154	1,389	730	161	503	-723	22,073	5,319	27,392			
10.....	48,515	48,515	.....	70	1,928	50,586	11,984	6,780	46,759	1,395	1,471	165	485	-665	19,740	5,100	24,840			
17.....	49,023	48,617	406	1,048	1,965	52,144	11,984	6,782	46,382	1,398	880	144	487	-523	22,142	5,007	27,149			
24.....	49,045	49,045	.....	308	1,388	50,856	11,984	6,785	46,005	1,397	1,008	160	462	-451	21,044	5,037	26,081			
31.....	49,092	48,855	237	843	1,416	51,434	11,984	6,788	45,782	1,374	1,153	160	463	-564	21,838	5,022	26,860			

¹ U.S. Govt. securities include Federal agency obligations.² Beginning with 1960 reflects a minor change in concept; see Feb. 1961 BULLETIN, p. 164.³ Includes industrial loans and acceptances, when held (industrial loan program discontinued Aug. 21, 1959). For holdings of acceptances

on Wed. and end-of-month dates, see subsequent tables on F.R. Banks. See also note 2.

⁴ Part allowed as reserves Dec. 1, 1959–Nov. 23, 1960; all allowed thereafter. Beginning with Jan. 1963, figures are estimated except for weekly averages.

RESERVES AND BORROWINGS OF MEMBER BANKS

(In millions of dollars)

Period	All member banks					Reserve city banks									
						New York City					City of Chicago				
	Reserves			Bor- row- ings at F.R. Banks	Free re- serves	Reserves			Bor- row- ings at F.R. Banks	Free re- serves	Reserves			Bor- row- ings at F.R. Banks	Free re- serves
	Total held	Re- quired	Excess			Total held	Re- quired	Excess			Total held	Re- quired	Excess		
1929—June.....	2,314	2,275	42	974	-932	762	755	7	174	-167	161	161	1	63	-62
1933—June.....	2,160	1,797	363	184	179	861	792	69	861	69	211	133	78	.....	78
1939—Dec.....	11,473	6,462	5,011	3	5,008	5,623	3,012	2,611	.....	2,611	1,141	601	540	.....	540
1941—Dec.....	12,812	9,422	3,390	5	3,385	5,142	4,153	989	.....	989	1,143	848	295	.....	295
1945—Dec.....	16,027	14,536	1,491	334	1,157	4,118	4,070	48	192	-144	939	924	14	.....	14
1947—Dec.....	17,261	16,275	986	224	762	4,404	4,299	105	18	67	1,024	1,011	13	6	7
1950—Dec.....	17,391	16,364	1,027	142	885	4,742	4,616	125	58	67	1,199	1,191	8	5	3
1957—Dec.....	19,420	18,843	577	710	-133	4,336	4,303	34	139	-105	1,136	1,127	8	85	-77
1958—Dec.....	18,899	18,383	516	557	-41	4,033	4,010	23	102	-81	1,077	1,070	7	39	-31
1959—Dec.....	18,932	18,450	482	906	-424	3,920	3,930	-10	99	-109	1,038	1,038	.....	104	-104
1960—Dec.....	19,283	18,527	756	87	669	3,687	3,658	29	19	10	958	953	4	8	-4
1961—Dec.....	20,118	19,550	568	149	419	3,834	3,826	7	57	-50	987	987	.....	22	-22
1962—Dec.....	20,040	19,468	572	304	268	3,863	3,817	46	108	-62	1,042	1,035	7	18	-11
1963—Dec.....	20,746	20,210	536	127	209	3,951	3,895	56	37	19	1,056	1,051	5	26	-21
1964—Dec.....	21,609	21,198	411	243	168	4,083	4,062	21	35	-14	1,083	1,086	3	28	-31
1965—Dec.....	22,719	22,267	452	454	-2	4,301	4,260	41	111	-70	1,143	1,128	15	23	-8
1966—Dec.....	23,830	23,438	392	557	-165	4,583	4,556	27	122	-95	1,119	1,115	4	54	-50
1967—Jan.....	24,075	23,702	373	389	-16	4,594	4,571	23	69	-46	1,164	1,136	28	151	-123
Feb.....	23,709	23,351	358	362	-4	4,557	4,511	46	113	-67	1,099	1,117	-18	46	-64
Mar.....	23,405	22,970	435	199	236	4,612	4,608	4	72	-68	1,133	1,122	11	26	-15
Apr.....	23,362	23,053	309	134	175	4,644	4,613	31	41	-10	1,131	1,140	-9	11	-20
May.....	23,284	22,914	370	101	269	4,614	4,583	31	19	12	1,133	1,127	6	5	1
June.....	23,518	23,098	420	123	297	4,701	4,664	37	30	7	1,150	1,138	12	15	-3
July.....	23,907	23,548	359	87	272	4,787	4,749	38	18	20	1,152	1,162	-10	5	-15
Aug.....	23,791	23,404	387	89	298	4,633	4,619	14	8	6	1,153	1,148	5	1	4
Sept.....	24,200	23,842	358	90	268	4,797	4,747	50	11	39	1,172	1,169	3	.....	3
Oct.....	24,608	24,322	286	126	160	4,888	4,871	17	27	-10	1,194	1,188	6	2	4
Nov.....	24,740	24,337	403	133	270	4,826	4,784	42	19	23	1,191	1,178	13	2	11
Dec.....	25,260	24,915	345	238	107	5,052	5,034	18	40	-22	1,225	1,217	8	13	-5
1968—Jan.....	25,840	25,465	375	237	118	5,170	5,131	39	48	-9	1,231	1,230	1	3	-2
Week ending—															
1967—Jan. 4....	24,662	24,267	395	565	-170	4,846	4,827	19	201	-182	1,224	1,220	4	141	-137
11....	24,499	23,872	627	585	42	4,618	4,579	39	254	-215	1,143	1,137	6	168	-162
18....	23,661	23,536	125	217	-92	4,470	4,451	19	3	16	1,084	1,086	-2	84	-86
25....	23,989	23,473	516	538	-22	4,544	4,521	23	1	22	1,107	1,108	-1	251	-252
July 5....	23,884	23,422	462	353	109	4,921	4,801	120	173	-53	1,191	1,185	6	77	-71
12....	24,066	23,423	643	69	574	4,780	4,719	61	.....	61	1,148	1,143	5	.....	5
19....	23,889	23,653	236	51	185	4,773	4,742	31	.....	31	1,141	1,138	3	.....	3
26....	24,021	23,589	432	54	378	4,735	4,727	8	.....	8	1,179	1,170	9	.....	9
Aug. 2....	23,974	23,679	295	116	179	4,800	4,778	22	28	-6	1,189	1,183	6	2	4
9....	23,960	23,589	371	91	280	4,699	4,684	15	1	14	1,177	1,173	4	.....	4
16....	23,763	23,381	382	129	253	4,593	4,578	15	6	9	1,135	1,134	1	3	-2
23....	23,773	23,300	473	47	426	4,590	4,577	13	.....	13	1,150	1,140	10	.....	10
30....	23,475	23,215	260	46	214	4,588	4,565	23	.....	23	1,130	1,129	1	.....	1
Sept. 6....	23,925	23,593	332	79	253	4,701	4,671	30	21	9	1,172	1,161	11	.....	11
13....	24,039	23,653	386	70	316	4,664	4,630	34	.....	34	1,147	1,132	15	.....	15
20....	24,316	23,908	408	106	302	4,782	4,756	26	21	5	1,171	1,171	.....	.....	.....
27....	24,212	24,001	211	74	137	4,858	4,839	19	.....	19	1,202	1,194	8	.....	8
Oct. 4....	24,642	24,229	413	144	269	4,955	4,929	26	4	22	1,206	1,204	2	.....	2
11....	24,399	24,150	249	145	104	4,804	4,771	33	21	12	1,177	1,178	-1	.....	-1
18....	25,029	24,468	561	216	345	4,925	4,890	35	98	-63	1,198	1,198	.....	7	-7
25....	24,549	24,359	190	58	132	4,977	4,893	84	.....	84	1,193	1,187	6	.....	6
Nov. 1....	24,705	24,414	291	80	211	4,942	4,919	23	5	18	1,179	1,180	1	.....	-1
8....	24,754	24,424	330	132	198	4,852	4,824	28	3	25	1,197	1,194	3	10	-7
15....	24,699	24,181	518	162	356	4,687	4,658	29	36	-7	1,166	1,159	7	.....	7
22....	24,622	24,401	221	127	94	4,816	4,797	19	29	-10	1,197	1,186	11	.....	11
29....	24,658	24,274	384	119	265	4,856	4,808	48	8	40	1,177	1,173	4	.....	4
Dec. 6....	24,840	24,552	288	87	201	4,920	4,885	35	.....	35	1,201	1,197	4	.....	4
13....	24,710	24,377	333	121	212	4,824	4,809	15	2	13	1,158	1,151	7	.....	7
20....	25,203	24,936	267	185	82	5,088	5,062	26	37	-11	1,217	1,219	-2	.....	-2
27....	25,687	25,245	442	345	97	5,236	5,179	57	27	30	1,264	1,249	15	2	13
1968—Jan. 3....	26,448	25,795	653	495	158	5,460	5,362	98	166	-68	1,313	1,299	14	54	-40
10....	25,924	25,339	585	180	405	5,110	5,097	13	69	-56	1,221	1,226	5	.....	-5
17....	25,572	25,418	154	224	-70	5,099	5,079	20	53	-33	1,220	1,214	7	9	-2
24....	25,924	25,565	359	233	126	5,149	5,130	19	.....	19	1,231	1,226	5	2	3
31....	25,692	25,370	322	241	81	5,130	5,108	22	32	-10	1,226	1,222	4	1	2

For notes see opposite page.

RESERVES AND BORROWINGS OF MEMBER BANKS—Continued

(In millions of dollars)

Other reserve city banks					Country banks					Period
Reserves			Borrowings at F.R. Banks	Free reserves	Reserves			Borrowings at F.R. Banks	Free reserves	
Total held	Required	Excess			Total held	Required	Excess			
761	749	12	409	-397	632	610	22	327	-305	1929—June
648	528	120	58	62	441	344	96	126	-30	1933—June
3,140	1,953	1,188	.....	1,188	1,568	897	671	3	668	1939—Dec.
4,317	3,014	1,303	1	1,302	2,210	1,406	804	4	800	1941—Dec.
6,394	5,976	418	96	322	4,576	3,566	1,011	46	965	1945—Dec.
6,861	6,589	271	123	148	4,972	4,375	597	57	540	1947—Dec.
6,689	6,458	232	50	182	4,761	4,099	663	29	634	1950—Dec.
8,042	7,956	86	314	-228	5,906	5,457	449	172	277	1957—Dec.
7,940	7,883	57	254	-198	5,849	5,419	430	162	268	1958—Dec.
7,954	7,912	41	490	-449	6,020	5,569	450	213	237	1959—Dec.
7,950	7,851	100	20	80	6,689	6,066	623	40	583	1960—Dec.
8,367	8,308	59	39	20	6,931	6,429	502	31	471	1961—Dec.
8,178	8,100	78	130	-52	6,956	6,515	442	48	394	1962—Dec.
8,393	8,325	68	190	-122	7,347	6,939	408	74	334	1963—Dec.
8,735	8,713	22	125	-103	7,707	7,337	370	55	315	1964—Dec.
9,056	8,989	67	228	-161	8,219	7,889	330	92	238	1965—Dec.
9,509	9,449	61	220	-159	8,619	8,318	301	161	140	1966—Dec.
9,584	9,567	17	97	-80	8,732	8,428	305	72	233	1967—Jan.
9,439	9,408	31	115	-84	8,614	8,315	299	88	211	Feb.
9,366	9,300	66	53	13	8,294	7,940	354	48	306	Mar.
9,397	9,382	15	53	-38	8,189	7,918	271	29	242	Apr.
9,319	9,282	37	46	-9	8,219	7,922	297	31	266	May
9,381	9,314	67	34	33	8,285	7,983	302	44	258	June
9,564	9,542	22	10	12	8,403	8,095	308	54	254	July
9,557	9,509	48	32	16	8,448	8,129	319	48	271	Aug.
9,649	9,623	26	32	-6	8,582	8,304	278	47	231	Sept.
9,878	9,860	18	42	-24	8,648	8,402	246	55	191	Oct.
9,900	9,835	65	51	14	8,823	8,540	283	61	222	Nov.
10,081	10,031	50	105	-55	8,901	8,634	267	80	187	Dec.
[#] 10,315	[#] 10,287	[#] 28	111	[#] -83	[#] 9,124	[#] 8,817	[#] 307	75	[#] 232	1968—Jan.
Week ending—										
9,832	9,773	59	159	-100	8,760	8,447	313	64	249	1967—Jan. 4
9,671	9,648	23	80	-57	9,068	8,507	561	83	478	11
9,562	9,539	23	52	-29	8,545	8,460	85	78	7	18
9,507	9,454	53	222	-169	8,830	8,390	440	64	376	25
9,537	9,456	81	28	53	8,235	7,980	255	75	180	July 5
9,506	9,460	46	11	35	8,632	8,108	524	58	474	12
9,674	9,607	67	2	65	8,302	8,165	137	49	88	19
9,608	9,582	26	11	15	8,499	8,110	389	43	346	26
9,626	9,598	28	36	-8	8,360	8,120	240	50	190	Aug. 2
9,623	9,579	44	52	-9	8,461	8,152	309	37	272	9
9,559	9,506	53	53	.....	8,476	8,163	313	67	246	16
9,492	9,467	25	3	22	8,540	8,117	423	44	379	23
9,482	9,444	38	.....	38	8,275	8,077	198	46	152	30
9,608	9,570	38	17	21	8,443	8,191	252	41	211	Sept. 6
9,592	9,560	32	19	13	8,636	8,331	305	51	254	13
9,627	9,616	11	50	-39	8,736	8,364	372	35	337	20
9,664	9,662	2	22	-20	8,487	8,307	180	52	128	27
9,827	9,783	44	68	-24	8,653	8,314	339	72	267	Oct. 4
9,840	9,796	44	60	-16	8,577	8,405	172	64	108	11
9,957	9,943	14	54	-40	8,949	8,436	513	57	456	18
9,924	9,866	58	10	48	8,456	8,413	43	48	-5	25
9,917	9,897	20	28	-8	8,667	8,418	249	47	202	Nov. 1
9,950	9,894	56	45	11	8,755	8,511	244	74	170	8
9,845	9,802	43	71	-28	9,000	8,562	438	55	383	15
9,910	9,861	49	34	15	8,699	8,557	142	64	78	22
9,812	9,755	57	63	-6	8,812	8,539	273	48	225	29
9,969	9,947	22	22	.....	8,749	8,523	226	65	161	Dec. 6
9,882	9,844	38	69	-31	8,847	8,572	275	50	225	13
10,049	10,018	31	52	-21	8,849	8,637	212	96	116	20
10,177	10,130	47	199	-152	9,010	8,687	323	117	206	27
10,491	10,331	160	216	-56	9,185	8,803	382	59	323	1968—Jan. 3
[#] 10,247	[#] 10,208	[#] 39	59	[#] -20	[#] 9,346	[#] 8,808	[#] 538	52	[#] 486	10
[#] 10,359	[#] 10,342	[#] 16	97	[#] -81	[#] 8,894	[#] 8,783	[#] 111	65	[#] 46	17
[#] 10,356	[#] 10,329	[#] 27	157	[#] -130	[#] 9,187	[#] 8,880	[#] 308	74	[#] 234	24
[#] 10,276	[#] 10,238	[#] 37	90	[#] -53	[#] 9,060	[#] 8,801	[#] 259	118	[#] 141	31

¹ This total excludes, and that in the preceding table includes, \$51 million in balances of unlicensed banks.

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

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

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

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

BASIC RESERVE POSITION, AND FEDERAL FUNDS AND RELATED TRANSACTIONS

(In millions of dollars unless otherwise noted)

Reporting banks and week ending—	Basic reserve position					Interbank Federal funds transactions					Related transactions with U.S. Govt. securities dealers		
	Excess re-serves ¹	Less—		Net—		Gross transactions		Total 2-way trans- actions ²	Net transactions		Loans to dealers ³	Bor- rowings from dealers ⁴	Net loans
		Bor- rowings at F.R. Banks	Net inter-bank Federal funds trans.	Surplus or deficit	Per cent of avg. required reserves	Pur- chases	Sales		Pur- chases of net buying banks	Sales of net selling banks			
Total—46 banks													
1967—Dec. 6.....	44	21	506	—484	4.4	2,780	2,273	1,513	1,267	760	1,611	77	1,534
13.....	26	56	491	—520	4.8	2,710	2,219	1,352	1,358	867	1,433	92	1,341
20.....	39	80	700	—741	6.6	3,030	2,330	1,534	1,496	796	1,699	89	1,610
27.....	86	131	671	—716	6.2	2,986	2,315	1,628	1,358	687	1,598	111	1,488
1968—Jan. 3.....	183	336	1,066	—1,219	10.3	2,758	1,692	1,317	1,441	376	1,786	98	1,688
10.....	21	75	1,672	—1,725	15.2	3,340	1,668	1,464	1,876	204	2,096	104	1,992
17.....	30	115	1,444	—1,529	13.4	3,227	1,783	1,525	1,702	258	1,985	97	1,889
24.....	36	77	406	—447	3.9	2,681	2,276	1,568	1,114	708	1,762	69	1,693
31.....	44	70	121	—147	1.3	2,504	2,384	1,508	997	876	2,070	72	1,998
8 in New York City													
1967—Dec. 6.....	30	.....	98	—68	1.5	1,052	954	693	359	261	963	77	885
13.....	10	2	—160	168	3.8	905	1,066	626	280	440	979	92	887
20.....	25	37	188	—200	4.3	1,147	959	691	456	268	1,204	85	1,119
27.....	52	27	250	—225	4.8	1,172	922	670	501	251	1,208	100	1,108
1968—Jan. 3.....	85	156	407	—478	9.7	1,127	720	520	608	200	1,377	93	1,284
10.....	7	55	831	—880	18.9	1,381	550	531	850	19	1,403	104	1,299
17.....	15	51	518	—554	12.0	1,246	728	693	553	35	1,249	97	1,152
24.....	15	.....	—126	140	3.0	883	1,009	809	74	200	1,037	63	974
31.....	16	27	—190	179	3.9	840	1,030	659	181	371	1,373	72	1,301
38 outside New York City													
1967—Dec. 6.....	14	21	408	—416	6.3	1,727	1,319	820	908	499	648	.....	648
13.....	16	54	651	—688	10.6	1,805	1,154	727	1,078	427	455	.....	455
20.....	14	43	512	—541	8.1	1,883	1,370	843	1,040	528	495	4	491
27.....	34	104	421	—491	7.3	1,814	1,394	958	856	436	390	11	379
1968—Jan. 3.....	99	181	659	—741	10.7	1,631	972	797	834	175	409	5	404
10.....	14	20	840	—846	12.6	1,958	1,118	933	1,026	185	693	.....	693
17.....	15	63	926	—975	14.4	1,981	1,055	832	1,150	224	737	.....	737
24.....	22	77	532	—587	8.6	1,798	1,267	759	1,040	508	724	6	719
31.....	28	43	311	—327	4.8	1,664	1,353	848	816	505	697	.....	697
5 in City of Chicago													
1967—Dec. 6.....	3	.....	—162	166	15.4	312	475	251	62	224	15	.....	15
13.....	3	.....	—143	146	14.1	280	423	254	27	170	1	.....	1
20.....	—2	.....	—277	274	24.9	278	555	252	27	303	1	.....	1
27.....	7	.....	—194	202	17.8	301	496	294	7	201	.....	.....	.....
1968—Jan. 3.....	11	54	—34	—9	7	270	304	209	61	95	47	.....	47
10.....	—3	.....	5	—8	7	338	332	273	65	59	61	.....	61
17.....	3	6	164	—167	15.3	405	241	222	183	19	29	.....	29
24.....	5	.....	—3	8	7	303	306	268	35	38	38	.....	38
31.....	2	.....	—16	17	1.6	306	321	268	38	54	33	.....	33
33 others													
1967—Dec. 6.....	11	21	571	—582	10.5	1,415	844	569	846	275	633	.....	633
13.....	13	54	794	—835	15.3	1,524	730	473	1,051	257	453	.....	453
20.....	17	43	789	—815	14.7	1,604	815	591	1,013	224	494	4	490
27.....	26	104	615	—693	12.3	1,513	898	663	849	234	390	11	379
1968—Jan. 3.....	87	126	693	—732	12.8	1,360	668	588	773	80	362	5	357
10.....	17	20	835	—838	14.9	1,621	786	660	961	126	632	.....	632
17.....	12	57	762	—807	14.2	1,577	814	610	967	205	708	.....	708
24.....	17	77	534	—595	10.4	1,495	961	491	1,004	470	687	6	681
31.....	26	43	327	—344	6.0	1,358	1,032	581	778	451	664	.....	664

¹ Based upon reserve balances, including all adjustments applicable to the reporting period. Carryover reserve deficiencies, if any, are deducted.

² Derived from averages for individual banks for entire week. Figure for each bank indicates extent to which its 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.

FEDERAL RESERVE BANK DISCOUNT RATES

(Per cent per annum)

Federal Reserve Bank	Discounts for and advances to member banks						Advances to all others under last par. Sec. 13 ³		
	Advances and discounts under Secs. 13 and 13a ¹			Advances under Sec. 10(b) ²					
	Rate on Jan. 31	Effective date	Previous rate	Rate on Jan. 31	Effective date	Previous rate	Rate on Jan. 31	Effective date	Previous rate
Boston.....	4½	Nov. 20, 1967	4	5	Nov. 20, 1967	4½	5½	Nov. 20, 1967	5
New York.....	4½	Nov. 20, 1967	4	5	Nov. 20, 1967	4½	6	Nov. 20, 1967	5½
Philadelphia.....	4½	Nov. 21, 1967	4	5	Nov. 21, 1967	4½	5½	Nov. 21, 1967	5
Cleveland.....	4½	Nov. 20, 1967	4	5	Nov. 20, 1967	4½	6	Nov. 20, 1967	5½
Richmond.....	4½	Nov. 20, 1967	4	5	Nov. 20, 1967	4½	5½	Nov. 20, 1967	5
Atlanta.....	4½	Nov. 20, 1967	4	5	Nov. 20, 1967	4½	6½	Nov. 20, 1967	6
Chicago.....	4½	Nov. 20, 1967	4	5	Nov. 20, 1967	4½	5½	Nov. 20, 1967	5
St. Louis.....	4½	Nov. 27, 1967	4	5	Nov. 27, 1967	4½	5½	Nov. 27, 1967	5
Minneapolis.....	4½	Nov. 20, 1967	4	5	Nov. 20, 1967	4½	5½	Nov. 20, 1967	5
Kansas City.....	4½	Nov. 20, 1967	4	5	Nov. 20, 1967	4½	5½	Nov. 20, 1967	5
Dallas.....	4½	Nov. 20, 1967	4	5	Nov. 20, 1967	4½	5½	Nov. 20, 1967	5
San Francisco.....	4½	Nov. 20, 1967	4	5	Nov. 20, 1967	4½	5½	Nov. 20, 1967	5

¹ Discounts of eligible paper and advances secured by such paper or by U.S. Govt. obligations. Rates shown also apply to advances secured by obligations of Federal intermediate credit banks maturing within 6 months. Maximum maturity: 90 days except that discounts of certain bankers' acceptances and of agricultural paper may have maturities not over 6 months and 9 months, respectively, and advances secured by FICB obligations are limited to 15 days.

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

³ Advances to individuals, partnerships, or corporations other than member banks secured by U.S. Govt. direct obligations. Maximum maturity: 90 days.

FEDERAL RESERVE BANK DISCOUNT RATES

(Per cent per annum)

Effective date	Range (or level)—all F.R. Banks	F.R. Bank of N.Y.	Effective date	Range (or level)—all F.R. Banks	F.R. Bank of N.Y.	Effective date	Range (or level)—all F.R. Banks	F.R. Bank of N.Y.
In effect Dec. 31, 1941.....	1 -1½	1	Apr. 14, 1955.....	1½-1¾	1½	Mar. 6, 1959.....	2½-3	3
1942.....			May 15.....	1½-1¾	1¾	May 16.....	3	3
Apr. 11.....	1	1	May 2.....	1¾	1¾	May 29.....	3 -3½	3½
Oct. 15.....	1 ½-1	1	Aug. 4.....	1¾-2¼	1¾	June 12.....	3½	3½
Oct. 30.....	1 ½	1 ½	5.....	1¾-2¼	2	Sept. 11.....	3½-4	4
1946.....			12.....	2 -2¼	2	Sept. 18.....	4	4
Apr. 25.....	1 ½-1	1	Sept. 9.....	2 -2¼	2¼	1960.....		
May 10.....	1	1	13.....	2¼	2¼	June 3.....	3½-4	4
1948.....			Nov. 18.....	2¼-2½	2½	10.....	3½-4	3½
Jan. 12.....	1 -1¼	1¼	23.....	2½	2½	14.....	3½	3½
Aug. 19.....	1¼	1¼	Apr. 13, 1956.....	2½-3	2¾	Aug. 12.....	3 -3½	3
Aug. 13.....	1¼-1½	1½	Aug. 20.....	2¾-3	2¾	Sept. 9.....	3	3
Aug. 23.....	1½	1½	Aug. 24.....	2¾-3	3	1963.....		
1950.....			31.....	3	3	July 17.....	3 -3½	3½
Aug. 21.....	1½-1¾	1¾	Aug. 9, 1957.....	3 -3½	3	26.....	3½	3½
Aug. 25.....	1¾	1¾	23.....	3½	3½	1964.....		
1953.....			Nov. 15.....	3 -3½	3	Nov. 24.....	3½-4	4
Jan. 16.....	1¾-2	2	Dec. 2.....	3	3	30.....	4	4
Jan. 23.....	2	2	1958.....			1965.....		
1954.....			Jan. 22.....	2¾-3	3	Dec. 6.....	4 -4½	4½
Feb. 5.....	1¾-2	1¾	24.....	2¾-3	2¾	13.....	4½	4½
15.....	1¾	1¾	Mar. 7.....	2¾-3	2¾	1967.....		
Apr. 14.....	1½-1¾	1¾	13.....	2¾-2¾	2¾	Apr. 7.....	4 -4½	4
Apr. 16.....	1½-1¾	1½	21.....	2¾	2¾	14.....	4	4
May 21.....	1½	1½	Apr. 18.....	1¾-2¼	1¾	Nov. 20.....	4 -4½	4½
			May 9.....	1¾	1¾	27.....	4½	4½
			Aug. 15.....	1¾-2	1¾	1968.....		
			Sept. 12.....	1¾-2	2	In effect Jan. 31.....	4½	4½
			23.....	2	2			
			Oct. 24.....	2 -2½	2			
			Nov. 7.....	2½	2½			

† Preferential rate of one-half of 1 per cent for advances secured by U.S. Govt. obligations maturing in 1 year or less. The rate of 1 per cent was continued for discounts of eligible paper and advances secured by such paper or by U.S. Govt. obligations with maturities beyond 1 year.

NOTE.—Discount rates under Secs. 13 and 13a (as described in table above). For data before 1942, see *Banking and Monetary Statistics*, 1943, pp. 439-42.

The rate charged by the F.R. Bank of N.Y. on repurchase contracts

against U.S. Govt. obligations was the same as its discount rate except in the following periods (rates in percentages): 1955—May 4-6, 1.65; Aug. 4, 1.85; Sept. 1-2, 2.10; Sept. 8, 2.15; Nov. 10, 2.375; 1956—Aug. 24-29, 2.75; 1957—Aug. 22, 3.50; 1960—Oct. 31—Nov. 17, Dec. 28-29, 2.75; 1961—Jan. 9, Feb. 6-7, 2.75; Apr. 3-4, 2.50; June 29, 2.75; July 20, 31, Aug. 1-3, 2.50; Sept. 28-29, 2.75; Oct. 5, 2.50; Oct. 23, Nov. 3, 2.75; 1962—Mar. 20-21, 2.75; 1964—Dec. 10, 3.85; Dec. 15, 17, 22, 24, 28, 30, 31, 3.875; 1965—Jan. 4-8, 3.875.

RESERVE REQUIREMENTS OF MEMBER BANKS

(Per cent of deposits)

Dec. 31, 1949, through July 13, 1966					Beginning July 14, 1966							
Effective date ¹	Net demand deposits ²			Time deposits (all classes of banks)	Effective date ¹	Net demand deposits ²				Time deposits ⁴ (all classes of banks)		
	Central reserve city banks ³	Re-reserve city banks	Country banks			Reserve city banks		Country banks		Savings deposits	Other time deposits	
						Under \$5 million	Over \$5 million	Under \$5 million	Over \$5 million		Under \$5 million	Over \$5 million
In effect Dec. 31, 1949, ...	22	18	12	5	1966—July 14, 21, ... Sept. 8, 15, ...	5 16½		5 12		5 4	5 4	5 6
1951—Jan. 11, 16, ...	23	19	13	6	1967—Mar. 2, ... Mar. 16, ...					3½ 3	3½ 3	
1953—July 9, 1, ...	24	20	14		1968—Jan. 11, 18, ...	16½	17	12	12½			
1954—June 24, 16, ...	22	19	13		In effect Jan. 31, 1968..	16½	17	12	12½	3	3	6
July 29, Aug. 1, ...	21			5								
1958—Feb. 27, Mar. 1, ...	20	18	12		Present legal requirement:							
Mar. 20, Apr. 1, ...	19½	17½	11½		Minimum	10		7		3	3	3
Apr. 17, ...	19	17	11		Maximum	22		14		10	10	10
Apr. 24, ...	18½											
1960—Sept. 1, ...	18	16½										
Nov. 24, ...	17½		12									
Dec. 1, ...												
1962—July 28, ...	16½											
Oct. 25, Nov. 1, ...	(3)			4								

¹ When two dates are shown, the first applies to the change at central reserve or reserve city banks and the second to the change at country banks. For changes prior to 1950 see Board's Annual Reports.

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

³ Authority of the Board of Governors to classify or reclassify cities as central reserve cities was terminated effective July 28, 1962.

⁴ Effective Jan. 5, 1967, time deposits such as Christmas and vacation club accounts became subject to same requirements as savings deposits.

⁵ See preceding columns for earliest effective date of this rate.

NOTE.—All required reserves were held on deposit with F.R. Banks June 21, 1917, until Dec. 1959. From Dec. 1959 to Nov. 1960, member banks were allowed to count part of their currency and coin as reserves; effective Nov. 24, 1960, they were allowed to count all as reserves. For further details, see Board's Annual Reports.

MAXIMUM INTEREST RATES PAYABLE ON TIME AND SAVINGS DEPOSITS

(Per cent per annum)

Rates Nov. 1, 1933—July 19, 1966									Rates beginning July 20, 1966		
Type and maturity of deposit	Effective date								Type of deposit	Effective date	
	Nov. 1, 1933	Feb. 1, 1935	Jan. 1, 1936	Jan. 1, 1957	Jan. 1, 1962	July 17, 1963	Nov. 24, 1964	Dec. 6, 1965		July 20, 1966	Sept. 26, 1966
Savings deposits:									Savings deposits.....	4	4
12 months or more.....	3	2½	2½	3	4	4	4	4	Other time deposits: ¹		
Less than 12 months.....	3	2½	2½	3	3½	3½	4	4	Multiple-maturity:		
Other time deposits: ¹									90 days or more.....	5	5
12 months or more.....	3	2½	2½	3	4	4	4½	5½	Less than 90 days.....	4	4
6 months to 12 months.....	3	2½	2½	3	3½	4	4½	5½	(30–89 days)		
90 days to 6 months.....	3	2½	2	2½	2½	4	4½	5½	Single-maturity:		
Less than 90 days.....	3	2½	1	1	1	1	4	5½	\$100,000 or more.....	5½	5½
(30–89 days)									Less than \$100,000....	5½	5

¹ For exceptions with respect to foreign time deposits, see Oct. 1962 BULLETIN, p. 1279, and Aug. 1965 BULLETIN, p. 1084. For rates for postal savings deposits, see Board's Annual Reports.

NOTE.—Maximum rates that may be paid by member banks as established by the Board of Governors under provisions of Regulation Q.

Under this regulation the rate payable by a member bank may not in any event exceed 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. Effective Feb. 1, 1936, maximum rates that may be paid by insured nonmember commercial banks, as established by the FDIC, have been the same as those in effect for member banks.

MARGIN REQUIREMENTS, EFFECTIVE DATE OF CHANGE

(Per cent of market value)

Regulation	Jan. 4, 1955	Apr. 23, 1955	Jan. 16, 1958	Aug. 5, 1958	Oct. 16, 1958	July 28, 1960	July 10, 1962	Nov. 6, 1963
Regulation T:								
For extensions of credit by brokers and dealers on listed securities.....	60	70	50	70	90	70	50	70
For short sales.....	60	70	50	70	90	70	50	70
Regulation U:								
For loans by banks on stocks.....	60	70	50	70	90	70	50	70

NOTE.—Regulations T and U, prescribed in accordance with Securities Exchange Act of 1934, limit the amount of credit that may be extended on a security by prescribing a maximum loan value, which is a specified per-

centage of its market value at the time of extension; margin requirements are the difference between the market value (100 per cent) and the maximum loan value.

DEPOSITS, CASH, AND RESERVES OF MEMBER BANKS

(In millions of dollars)

Item	All member banks	Reserve city banks			Country banks	Item	All member banks	Reserve city banks			Country banks
		New York City	City of Chicago	Other				New York City	City of Chicago	Other	
Four weeks ending Dec. 6, 1967						Four weeks ending Jan. 3, 1968					
Gross demand—Total....	158,076	32,197	6,886	57,579	61,415	Gross demand—Total....	165,182	34,911	7,292	60,129	62,851
Interbank.....	17,427	5,806	1,239	8,151	2,231	Interbank.....	18,189	6,125	1,285	8,432	2,348
U.S. Govt.....	4,348	752	204	1,671	1,722	U.S. Govt.....	4,568	1,208	273	1,652	1,437
Other.....	136,302	25,641	5,444	47,756	57,462	Other.....	142,425	27,579	5,735	50,045	59,068
Net demand ¹	124,296	22,359	5,411	44,710	51,816	Net demand ¹	128,882	24,333	5,719	46,059	52,772
Time.....	147,732	21,076	6,028	55,651	64,978	Time.....	148,197	20,924	6,034	55,915	65,324
Demand balances due from dom. banks.....	8,383	297	165	1,970	5,952	Demand balances due from dom. banks.....	8,842	353	179	2,126	6,183
Currency and coin.....	4,323	369	82	1,325	2,549	Currency and coin.....	4,608	414	88	1,423	2,683
Balances with F.R. Banks.....	20,382	4,451	1,104	8,560	6,267	Balances with F.R. Banks.....	20,904	4,739	1,151	8,726	6,290
Total reserves held.....	24,705	4,820	1,186	9,885	8,816	Total reserves held.....	25,512	5,153	1,239	10,149	8,973
Required.....	24,352	4,787	1,179	9,841	8,546	Required.....	25,089	5,104	1,230	10,081	8,675
Excess.....	353	33	7	44	270	Excess.....	423	49	9	68	298

¹ Demand deposits subject to reserve requirements are gross demand deposits minus cash items in process of collection and demand balances due from domestic banks.

NOTE.—Averages of daily figures. Balances with F.R. Banks are as of close of business; all other items (excluding total reserves held and excess reserves) are as of opening of business.

TRANSACTIONS OF THE SYSTEM OPEN MARKET ACCOUNT

(In millions of dollars)

Month	Outright transactions in U.S. Govt. securities by maturity											
	Total			Treasury bills			Others within 1 year			1-5 years		
	Gross purchases	Gross sales	Redemptions	Gross purchases	Gross sales	Redemptions	Gross purchases	Gross sales	Exch., maturity shifts, or redemptions	Gross purchases	Gross sales	Exch. or maturity shifts
1966—Dec.....	771	.....	405	736	.....	405	15	.....	.....	12	.....	.....
1967—Jan.....	904	656	439	904	656	439	.....	.....	.....	.....	.....	.....
Feb.....	812	.....	305	812	.....	305	.....	.....	-2,457	.....	.....	2,595
Mar.....	1,496	.....	704	1,395	.....	704	.....	.....	.....	80	.....	.....
Apr.....	975	206	415	859	206	415	10	.....	.....	50	.....	.....
May.....	1,146	107	412	936	107	412	.....	.....	-2,879	107	.....	2,879
June.....	1,681	567	223	1,332	567	223	17	.....	.....	185	.....	55
July.....	1,221	956	94	1,221	956	94	.....	.....	.....	.....	.....	.....
Aug.....	591	440	400	591	440	400	.....	.....	-1,225	.....	.....	1,338
Sept.....	1,110	623	127	919	623	127	24	.....	.....	121	.....	44
Oct.....	700	27	200	700	27	200	.....	.....	.....	.....	.....	.....
Nov.....	1,386	.....	168	1,200	.....	168	.....	.....	-1,227	121	.....	1,227
Dec.....	622	.....	250	622	.....	250	.....	.....	169	.....	.....	-73

Month	Outright transactions in U.S. Govt. securities—Continued						Repurchase agreements (U.S. Govt. securities)		Net change in U.S. Govt. securities	Federal agency obligations (net repurchase agreements)	Bankers' acceptances		Net change ¹
	5-10 years			Over 10 years			Gross purchases	Gross sales			Outright, net	Under repurchase agreements, net	
	Gross purchases	Gross sales	Exch. or maturity shifts	Gross purchases	Gross sales	Exch. or maturity shifts							
1966—Dec....	3	.....	.....	5	.....	.....	3,751	3,746	370	34	15	47	466
1967—Jan.....	.....	.....	.....	.....	.....	.....	1,693	2,320	-818	-34	4	-124	-972
Feb.....	.....	.....	-138	.....	.....	.....	3,253	3,253	507	.....	3	37	546
Mar.....	14	.....	.....	8	.....	.....	3,399	3,253	938	13	-7	4	948
Apr.....	32	.....	.....	25	.....	.....	1,727	1,529	552	-3	-1	57	606
May.....	62	.....	.....	42	.....	.....	1,438	1,459	606	-10	2	-98	499
June.....	109	.....	-55	39	.....	.....	753	992	652	1	21	45	719
July.....	.....	.....	.....	.....	.....	.....	286	370	87	-1	-13	-45	28
Aug.....	.....	.....	-113	.....	.....	.....	450	450	-249	.....	-14	.....	-263
Sept.....	27	.....	-44	19	.....	.....	453	453	361	.....	-12	104	453
Oct.....	.....	.....	.....	.....	.....	.....	1,427	1,427	474	.....	1	-104	370
Nov.....	45	.....	.....	20	.....	.....	1,369	1,046	1,541	23	5	.....	1,570
Dec.....	.....	.....	-96	.....	.....	.....	545	736	182	15	16	89	302

¹ Net change in U.S. Govt. securities, Federal agency obligations, and bankers' acceptances.

NOTE.—Sales, redemptions, and negative figures reduce System holdings; all other figures increase such holdings.

CONSOLIDATED STATEMENT OF CONDITION OF ALL FEDERAL RESERVE BANKS

(In millions of dollars)

Item	Wednesday					End of month		
	1968					1968	1967	
	Jan. 31	Jan. 24	Jan. 17	Jan. 10	Jan. 3	Jan. 31	Dec. 31	Jan. 31
Assets								
Gold certificate account.....	9,547	9,527	9,527	9,527	9,527	9,547	9,550	10,838
Redemption fund for F.R. notes.....	1,937	1,940	1,943	1,950	1,953	1,937	1,931	1,840
Total gold certificate reserves.....	11,484	11,467	11,470	11,477	11,480	11,484	11,481	12,678
Cash.....	409	403	392	370	362	409	360	346
Discounts and advances:								
Member bank borrowings.....	843	308	1,048	70	199	843	141	71
Other.....								
Acceptances:								
Bought outright.....	63	68	68	73	74	63	75	73
Held under repurchase agreements.....	20	47	40		90	20	89	
Federal agency obligations—Held under repurchase agreements.....			4		41		38	
U.S. Govt. securities:								
Bought outright:								
Bills.....	15,773	15,963	15,612	15,510	16,246	15,773	15,975	11,612
Certificates—Special.....								4,351
Other.....								
Notes.....	26,952	26,952	26,918	26,918	26,918	26,952	26,918	21,302
Bonds.....	6,130	6,130	6,087	6,087	6,087	6,130	6,087	6,199
Total bought outright.....	48,855	49,045	48,617	48,515	49,251	48,855	48,980	43,464
Held under repurchase agreements.....	237		402		255	237	132	
Total U.S. Govt. securities.....	49,092	49,045	49,019	48,515	49,506	49,092	49,112	43,464
Total loans and securities.....	50,018	49,468	50,179	48,658	49,910	50,018	49,455	43,608
Cash items in process of collection.....	7,105	7,545	8,842	7,806	9,542	7,105	8,465	6,833
Bank premises.....	112	112	112	112	112	112	112	107
Other assets:								
Denominated in foreign currencies.....	1,470	1,326	1,387	1,524	1,587	1,470	1,604	397
IMF gold deposited ¹	233	233	233	233	233	233	233	212
All other.....	462	428	398	362	328	462	316	455
Total assets.....	71,293	70,982	73,013	70,542	73,554	71,293	72,026	64,636
Liabilities								
F.R. notes.....	40,277	40,503	40,876	41,237	41,614	40,277	41,642	38,098
Deposits:								
Member bank reserves.....	21,838	21,044	22,142	19,740	22,073	21,838	20,999	18,773
U.S. Treasurer—General account.....	1,153	1,008	880	1,471	730	1,153	1,123	813
Foreign.....	160	160	144	165	161	160	135	148
Other:								
IMF gold deposit ¹	233	233	233	233	233	233	233	212
All other.....	230	229	254	252	270	230	430	225
Total deposits.....	23,614	22,674	23,653	21,861	23,467	23,614	22,920	20,171
Deferred availability cash items.....	5,689	6,157	6,877	5,878	6,936	5,689	5,972	4,839
Other liabilities and accrued dividends.....	318	297	302	306	317	318	296	222
Total liabilities.....	69,898	69,631	71,708	69,282	72,334	69,898	70,830	63,330
Capital accounts								
Capital paid in.....	606	606	603	602	601	606	598	573
Surplus.....	598	598	598	598	598	598	598	570
Other capital accounts.....	191	147	104	60	21	191		163
Total liabilities and capital accounts.....	71,293	70,982	73,013	70,542	73,554	71,293	72,026	64,636
Ratio of gold certificate reserves to F.R. note liability (per cent) ²	27.8	27.6	27.4	27.3	27.1	27.8	27.1	32.3
Contingent liability on acceptances purchased for foreign correspondents.....	141	150	158	164	155	141	156	173
U.S. Govt. securities held in custody for foreign account.....	8,861	8,601	8,829	8,915	9,112	8,861	9,223	7,141

Federal Reserve Notes—Federal Reserve Agents' Accounts

F.R. notes outstanding (issued to Bank).....	43,597	43,794	43,912	44,044	44,306	43,597	44,311	41,584
Collateral held against notes outstanding:								
Gold certificate account.....	6,663	6,663	6,663	6,663	6,663	6,663	6,663	6,750
Eligible paper.....								3
U.S. Govt. securities.....	38,566	38,566	38,606	38,606	38,606	38,566	38,606	36,376
Total collateral.....	45,229	45,229	45,269	45,269	45,269	45,229	45,269	43,129

¹ See note 1(b) to table at bottom of p. A-68.² Computed from statements for all Federal Reserve Banks combined.

STATEMENT OF CONDITION OF EACH FEDERAL RESERVE BANK ON JANUARY 31, 1968

(In millions of dollars)

Item	Total	Boston	New York	Phila- del- phia	Cleve- land	Rich- mond	Atlan- ta	Chi- cago	St. Louis	Minne- apolis	Kan- sas City	Dallas	San Fran- cisco
Assets													
Gold certificate account.....	9,547	568	2,222	545	737	903	541	1,713	360	163	335	311	1,149
Redemption fund for F.R. notes.....	1,937	110	472	101	156	176	107	328	67	32	75	70	243
Total gold certificate reserves.....	11,484	678	2,694	646	893	1,079	648	2,041	427	195	410	381	1,392
F.R. notes of other Banks.....	1,088	96	284	62	87	68	131	81	43	19	38	40	139
Other cash.....	409	25	48	10	56	28	49	75	36	6	20	16	40
Discounts and advances:													
Secured by U.S. Govt. securities...	843	7	285	4	29	41	10	60	16	5	43	41	302
Other.....													
Acceptances:													
Bought outright.....	63		63										
Held under repurchase agreements.....	20		20										
Federal agency obligations—Held under repurchase agreements.....													
U.S. Govt. securities:													
Bought outright.....	48,855	2,539	12,516	2,499	3,572	3,533	2,566	8,027	1,690	975	1,896	2,010	7,032
Held under repurchase agreements.....	237		237										
Total loans and securities.....	50,018	2,546	13,121	2,503	3,601	3,574	2,576	8,087	1,706	980	1,939	2,051	7,334
Cash items in process of collection...	9,043	604	1,707	545	665	690	791	1,478	446	274	596	512	735
Bank premises.....	112	3	10	2	5	7	20	18	9	3	17	9	9
Other assets:													
Denominated in foreign currencies.....	1,470	72	1,377	78	132	76	93	215	50	34	65	84	194
IMF gold deposited ²	233		233										
All other.....	462	23	118	25	35	34	23	76	17	9	18	19	65
Total assets.....	74,319	4,047	18,592	3,871	5,474	5,556	4,331	12,071	2,734	1,520	3,103	3,112	9,908
Liabilities													
F.R. notes.....	41,365	2,442	9,668	2,388	3,333	3,808	2,329	7,220	1,538	704	1,533	1,389	5,013
Deposits:													
Member bank reserves.....	21,838	902	6,349	888	1,338	959	1,130	3,207	729	485	909	1,149	3,793
U.S. Treasurer—General account...	1,153	35	262	59	58	87	71	131	48	57	107	67	171
Foreign.....	160	7	349	8	13	8	9	22	5	3	7	9	20
Other:													
IMF gold deposit ²	233		233										
All other.....	230	1	196	1	1	7	2	2	1	1	2	1	15
Total deposits.....	23,614	945	7,089	956	1,410	1,061	1,212	3,362	783	546	1,025	1,226	3,999
Deferred availability cash items.....	7,627	576	1,387	438	586	589	688	1,231	355	231	473	407	666
Other liabilities and accrued dividends	318	16	88	15	23	22	16	51	11	7	12	13	44
Total liabilities.....	72,924	3,979	18,232	3,797	5,352	5,480	4,245	11,864	2,687	1,488	3,043	3,035	9,722
Capital accounts													
Capital paid in.....	606	29	157	32	54	31	38	89	21	14	27	35	79
Surplus.....	598	29	154	32	54	31	38	87	20	14	26	34	79
Other capital accounts.....	191	10	49	10	14	14	10	31	6	4	7	8	28
Total liabilities and capital accounts..	74,319	4,047	18,592	3,871	5,474	5,556	4,331	12,071	2,734	1,520	3,103	3,112	9,908
Ratio of gold certificate reserves to F.R. note liability (per cent):													
Jan. 31, 1968.....	27.8	27.8	27.9	27.1	26.8	28.3	27.8	28.3	27.8	27.7	26.7	27.4	27.8
Dec. 31, 1967.....	27.1	28.0	28.3	27.1	27.1	26.0	27.1	27.1	27.9	27.2	25.1	27.1	25.6
Jan. 31, 1967.....	32.3	34.9	32.3	33.5	32.3	32.3	31.5	32.3	33.5	25.0	31.4	30.6	32.4
Contingent liability on acceptances purchased for foreign correspond- ents.....	141	7	436	7	13	7	9	21	5	3	6	8	19

FEDERAL RESERVE NOTES—FEDERAL RESERVE AGENTS' ACCOUNTS

F.R. notes outstanding (issued to Bank).....	43,597	2,555	10,244	2,456	3,595	3,931	2,475	7,539	1,610	730	1,608	1,506	5,348
Collateral held against notes out- standing:													
Gold certificate account.....	6,663	450	1,000	525	600	640	450	1,400	331	127	225	180	735
Eligible paper.....	38,566	2,176	9,400	2,100	3,100	3,355	2,150	6,450	1,370	635	1,450	1,380	5,000
U.S. Govt. securities.....													
Total collateral.....	45,229	2,626	10,400	2,625	3,700	3,995	2,600	7,850	1,701	762	1,675	1,560	5,735

¹ After deducting \$1,093 million participations of other F.R. Banks.² See note 2 to table at bottom of p. A-68.³ After deducting \$111 million participations of other F.R. Banks.⁴ After deducting \$105 million participations of other F.R. Banks.

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

(In millions of dollars)

Item	Wednesday					End of month		
	1968					1968	1967	
	Jan. 31	Jan. 24	Jan. 17	Jan. 10	Jan. 3	Jan. 31	Dec. 31	Jan. 31
Discounts and advances—Total.....	843	308	1,048	70	199	843	141	71
Within 15 days.....	818	307	1,047	69	197	818	139	66
16 days to 90 days.....	25	1	1	1	2	25	2	5
91 days to 1 year.....								
Acceptances—Total.....	83	115	108	73	164	83	164	73
Within 15 days.....	32	56	48	10	101	32	101	16
16 days to 90 days.....	51	59	60	63	63	51	63	57
91 days to 1 year.....								
U.S. Government securities—Total.....	49,092	49,045	49,023	48,515	49,547	49,092	49,150	43,464
Within 15 days ¹	2,718	2,263	2,686	1,294	2,126	2,718	1,365	4,108
16 days to 90 days.....	7,662	8,007	7,720	8,412	8,346	7,662	8,331	6,000
91 days to 1 year.....	21,062	21,125	21,045	21,237	21,303	21,062	21,662	24,505
Over 1 year to 5 years.....	16,237	16,237	16,185	16,185	16,185	16,237	16,185	7,458
Over 5 years to 10 years.....	853	853	832	832	832	853	832	991
Over 10 years.....	560	560	555	555	555	560	555	402

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

CONVERTIBLE FOREIGN CURRENCIES HELD BY FEDERAL RESERVE BANKS

(In millions of U.S. dollar equivalent)

End of period	Total	Pounds sterling	Belgian francs	Canadian dollars	French francs	German marks	Italian lire	Japanese yen	Netherlands guilders	Swiss francs
1966—Dec.....	875	594	55	2	1	216	3	1	*	3
1967—Mar.....	160	96	55	3	1	1	1	1	*	3
Apr.....	184	121	55	3	1	1	1	1	*	2
May.....	149	115	25	3	1	1	1	1	*	2
June.....	578	399	29	3	1	144	1	1	*	2
July.....	579	566	4	3	1	2	1	1	*	2
Aug.....	866	761	3	3	1	94	1	1	*	3
Sept.....	788	754	13	3	1	13	1	1	*	3
Oct.....	953	898	*	3	1	46	1	1	*	3

BANK DEBITS AND DEPOSIT TURNOVER

(Seasonally adjusted annual rates)

Period	Debits to demand deposit accounts ¹ (in 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		
1966—Dec.....	6,406.5	2,844.6	1,405.1	3,561.9	2,156.8	56.9	121.8	53.2	40.0	34.2
1967—Jan.....	6,409.1	2,847.3	1,362.2	3,561.8	2,199.6	57.2	124.7	50.9	39.4	34.8
Feb.....	6,294.9	2,724.7	1,389.5	3,570.2	2,180.7	55.6	119.4	52.6	39.4	34.2
Mar.....	6,315.9	2,756.6	1,386.8	3,559.3	2,172.5	54.8	117.2	51.2	39.1	33.9
Apr.....	6,553.5	2,864.0	1,451.4	3,689.5	2,238.1	57.7	123.0	54.2	40.8	35.1
May.....	6,348.2	2,734.5	1,409.2	3,613.7	2,204.5	54.8	115.2	52.0	39.2	33.9
June.....	6,637.2	2,904.1	1,476.4	3,733.1	2,256.7	56.5	120.0	53.4	40.1	34.4
July.....	6,688.7	2,857.1	1,560.5	3,831.6	2,271.1	56.8	119.8	55.5	40.7	34.5
Aug.....	7,067.8	3,185.7	1,575.0	3,882.1	2,307.1	59.0	128.5	56.6	41.1	34.6
Sept.....	6,799.4	2,952.4	1,513.6	3,847.0	2,332.4	57.4	120.6	55.4	40.8	35.1
Oct.....	6,993.0	3,102.4	1,537.7	3,890.6	2,352.9	58.3	125.5	54.6	40.8	35.1
Nov.....	6,997.7	3,100.8	1,557.8	3,896.9	2,339.1	58.4	130.2	55.7	41.2	34.8
Dec.....	7,047.0	3,149.7	1,515.4	3,897.3	2,381.9	58.5	122.1	54.6	41.1	35.3
1968—Jan.....	7,369.4	3,323.4	1,584.8	4,046.0	2,461.2	60.2	128.5	55.6	41.6	36.0

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

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

For a description of series, see Mar. 1965 BULLETIN, p. 390.

All data shown here are revised. For description of revision, see Mar. 1967 BULLETIN, p. 389.

DENOMINATIONS IN CIRCULATION

(In millions of dollars)

End of period	Total in circulation ¹	Coin and small denomination currency							Large denomination currency						
		Total	Coin	\$1 ²	\$2	\$5	\$10	\$20	Total	\$50	\$100	\$500	\$1,000	\$5,000	\$10,000
1939	7,598	5,553	590	559	36	1,019	1,772	1,576	2,048	460	919	191	425	20	32
1941	11,160	8,120	751	695	44	1,355	2,731	2,545	3,044	724	1,433	261	556	24	46
1945	28,515	20,683	1,274	1,039	73	2,313	6,782	9,201	7,834	2,327	4,220	454	801	7	24
1947	28,868	20,020	1,404	1,048	65	2,110	6,275	9,119	8,850	2,548	5,070	428	782	5	17
1950	27,741	19,305	1,554	1,113	64	2,049	5,998	8,529	8,438	2,422	5,043	368	588	4	12
1955	31,158	22,021	1,927	1,312	75	2,151	6,617	9,940	9,136	2,736	5,641	307	438	3	12
1958	32,193	22,856	2,182	1,494	83	2,186	6,624	10,288	9,337	2,792	5,886	275	373	3	9
1959	32,591	23,264	2,304	1,511	85	2,216	6,672	10,476	9,326	2,803	5,913	261	341	3	5
1960	32,869	23,521	2,427	1,533	88	2,246	6,691	10,536	9,348	2,815	5,954	249	316	3	10
1961	33,918	24,388	2,582	1,588	92	2,313	6,878	10,935	9,531	2,869	6,106	242	300	3	10
1962	35,338	25,356	2,782	1,636	97	2,375	7,071	11,395	9,983	2,990	6,448	240	293	3	10
1963	37,692	26,807	3,030	1,722	103	2,469	7,373	12,109	10,885	3,221	7,110	249	298	3	4
1964	39,619	28,100	3,405	1,806	111	2,517	7,543	12,717	11,519	3,381	7,590	248	293	2	4
1965	42,056	29,842	4,027	1,908	127	2,618	7,794	13,369	12,214	3,540	8,135	245	288	3	4
1966—Dec.	44,663	31,695	4,480	2,051	137	2,756	8,070	14,201	12,969	3,700	8,735	241	286	3	4
1967—Jan.	43,363	30,532	4,461	1,939	137	2,599	7,730	13,667	12,831	3,629	8,673	239	283	3	4
Feb.	43,585	30,758	4,481	1,933	137	2,612	7,840	13,755	12,827	3,622	8,677	239	282	3	4
Mar.	43,583	30,753	4,518	1,939	137	2,599	7,801	13,759	12,831	3,621	8,683	239	281	3	4
Apr.	43,730	30,887	4,551	1,948	137	2,607	7,817	13,827	12,844	3,625	8,692	238	282	3	4
May.	44,443	31,509	4,600	1,984	137	2,671	7,979	14,138	12,935	3,660	8,743	238	282	6	6
June.	44,712	31,684	4,641	1,879	137	2,635	8,035	14,357	13,029	3,699	8,805	238	280	3	4
July.	44,866	31,774	4,674	1,873	137	2,625	7,989	14,476	13,094	3,724	8,844	238	281	3	4
Aug.	45,071	31,884	4,720	1,878	136	2,628	8,001	14,521	13,186	3,749	8,911	238	281	3	4
Sept.	45,031	31,795	4,752	1,886	136	2,621	7,949	14,451	13,236	3,751	8,959	238	281	3	4
Oct.	45,421	32,095	4,803	1,913	136	2,658	8,013	14,572	13,325	3,766	9,031	238	283	3	4
Nov.	46,463	32,937	4,865	1,965	136	2,748	8,266	14,957	13,524	3,832	9,163	239	283	3	4
Dec.	46,226	33,468	4,918	2,035	136	2,850	8,366	15,162	13,758	3,915	9,311	240	285	3	4

¹ Outside Treasury and F.R. Banks. Before 1955 details are slightly overstated because they include small amounts of paper currency held by the Treasury and the F.R. Banks for which a denominational breakdown is not available.

² Paper currency only; \$1 silver coins reported under coin.

NOTE.—Condensed from Statement of United States Currency and Coin, issued by the Treasury.

KINDS OUTSTANDING AND IN CIRCULATION

(In millions of dollars)

Kind of currency	Total outstanding Dec. 31, 1967	Held in the Treasury			Held by F.R. Banks and Agents	Currency in circulation ¹		
		As security against gold and silver certificates	Treasury cash	For F.R. Banks and Agents		1967		1966
						Dec. 31	Nov. 30	Dec. 31
Gold.....	11,982	(11,480)	2,501					
Gold certificates.....	(11,480)			3,117,479	1			
Federal Reserve notes.....	44,311		98		2,668	41,545	40,831	39,231
Treasury currency—Total.....	6,784	(374)	744		359	5,681	5,631	5,432
Standard silver dollars.....	485	3				482	482	481
Silver bullion.....	450	371	80					
Silver certificates.....	(374)				2	371	376	558
Fractional coin.....	5,441		653		351	4,436	4,383	3,998
United States notes.....	323		11		6	306	304	305
In process of retirement ⁴	86					86	86	89
Total—Dec. 31, 1967.....	⁵ 63,077	(11,854)	1,344	11,479	3,028	47,226		
Nov. 30, 1967.....	⁵ 62,960	(12,770)	1,408	12,391	2,698		46,463	
Dec. 31, 1966.....	⁵ 61,693	(13,243)	1,174	12,672	3,181			44,663

¹ Outside Treasury and F.R. Banks. Includes any paper currency held outside the United States and currency and coin held by banks. Estimated totals for Nov. and Dec. shown in table on p. A-5.

² Includes \$156 million reserve against United States notes and \$233 million gold deposited by and held for the International Monetary Fund.

³ Consists of credits payable in gold certificates: (1) the Gold Certificate Fund—Board of Governors, FRS; and (2) the Redemption Fund for F.R. notes.

⁴ Redeemable from the general fund of the Treasury.

⁵ Does not include all items shown, as some items represent the security for other items; gold certificates are secured by gold, and silver certificates by standard silver dollars and monetized silver bullion. Duplications are shown in parentheses.

NOTE.—Prepared from Statement of United States Currency and Coin and other data furnished by the Treasury. For explanation of currency reserves and security features, see the Circulation Statement or the Aug. 1961 BULLETIN, p. 936.

MONEY SUPPLY AND RELATED DATA

(In billions of dollars)

Period	Seasonally adjusted				Not seasonally adjusted				
	Money supply			Time deposits adjusted ¹	Money supply			Time deposits adjusted ¹	U.S. Govt. demand deposits ¹
	Total	Currency component	Demand deposit component		Total	Currency component	Demand deposit component		
1965—Dec.....	166.8	36.3	130.5	146.9	172.0	37.1	134.9	145.2	4.6
1966—Dec.....	170.4	38.3	132.1	158.6	175.8	39.1	136.7	156.9	3.4
1967—Jan.....	170.3	38.5	131.8	160.8	175.3	38.5	136.8	160.7	4.1
Feb.....	171.5	38.7	132.8	163.5	170.6	38.3	132.3	164.0	5.0
Mar.....	173.1	38.9	134.2	166.1	171.9	38.5	133.4	166.7	4.9
Apr.....	172.7	39.1	133.6	168.1	173.6	38.7	134.9	168.8	4.8
May.....	174.5	39.2	135.3	170.0	171.1	38.9	132.2	170.8	6.5
June.....	176.2	39.3	136.8	172.4	174.3	39.3	135.1	173.0	3.9
July.....	177.9	39.5	138.4	174.6	175.8	39.6	136.2	175.1	5.6
Aug.....	179.1	39.6	139.6	177.2	175.9	39.6	136.2	177.7	4.3
Sept.....	179.2	39.8	139.5	178.9	178.4	39.8	138.6	178.9	5.0
Oct.....	180.3	39.9	140.3	180.8	180.6	40.0	140.6	180.3	6.2
Nov.....	181.3	40.0	141.2	182.5	182.5	40.4	142.1	181.1	5.2
Dec.....	181.5	40.4	141.1	183.8	187.2	41.2	146.0	181.8	5.0
1968—Jan. ^p	182.7	40.5	142.1	183.7	188.0	40.5	147.6	183.5	4.9
Week ending—									
1967—Dec. 6.....	181.5	40.1	141.4	183.8	185.0	40.9	144.1	181.6	4.8
13.....	181.0	40.3	140.8	184.1	185.5	41.2	144.4	181.9	3.2
20.....	180.8	40.3	140.5	184.0	187.9	41.2	146.7	181.6	4.7
27.....	181.8	40.5	141.3	183.6	187.8	41.6	146.2	181.7	7.1
1968—Jan. 3.....	183.1	40.4	142.7	183.3	191.8	40.9	150.9	182.4	5.5
10 ^p	182.4	40.5	141.9	183.4	189.7	40.9	148.7	182.7	4.7
17 ^p	183.2	40.5	142.6	183.6	189.6	40.6	149.1	183.4	3.2
24 ^p	182.4	40.6	141.8	183.5	185.9	40.3	145.6	183.7	5.9
31 ^p	181.7	40.5	141.3	184.2	184.5	39.9	144.7	184.6	5.8

¹ At all commercial banks.

NOTE.—Revised data. For description of revision of series and for back data beginning Jan. 1959, see Aug. 1967 BULLETIN, pp. 1303-16; for monthly data 1947-58, see June 1964 BULLETIN, pp. 679-89.

Averages of daily figures. Money supply consists of (1) demand deposits at all commercial banks other than those due to domestic commercial banks and the U.S. Govt., less cash items in process of collection

and F.R. float; (2) foreign demand balances at F.R. Banks; and (3) currency outside the Treasury, F.R. Banks, and vaults of all commercial banks. Time deposits adjusted are time deposits at all commercial banks other than those due to domestic commercial banks and the U.S. Govt. Effective June 9, 1966, balances accumulated for payment of personal loans were reclassified for reserve purposes and are excluded from time deposits reported by member banks.

AGGREGATE RESERVES AND MEMBER BANK DEPOSITS

(In billions of dollars)

Period	Seasonally adjusted							Not seasonally adjusted						
	Member bank reserves ¹			Deposits subject to reserve requirements ²				Member bank reserves ¹			Deposits subject to reserve requirements ²			
	Total	Non-borrowed	Required	Total	Time and savings	Private demand	U.S. Govt. demand	Total	Non-borrowed	Required	Total	Time and savings	Private demand	U.S. Govt. demand
1965—Dec.....	22.19	21.72	21.86	236.4	121.2	111.0	4.2	22.76	22.31	22.32	239.0	119.8	115.2	4.0
1966—Dec.....	22.42	21.85	22.14	244.4	129.4	111.7	3.2	23.00	22.44	22.61	247.1	127.9	116.1	3.0
1967—Jan.....	22.77	22.33	22.41	247.7	131.4	111.4	4.9	23.23	22.84	22.86	250.9	131.1	116.1	3.7
Feb.....	22.99	22.65	22.63	251.0	133.6	112.4	5.0	22.85	22.49	22.50	250.2	134.0	111.8	4.5
Mar.....	23.41	23.21	22.92	254.0	135.6	113.6	4.8	23.17	22.97	22.74	253.2	136.3	112.6	4.3
Apr.....	23.46	23.30	23.08	256.0	137.2	113.1	5.8	23.36	23.23	23.05	256.3	137.9	114.2	4.3
May.....	23.45	23.39	23.05	257.2	138.6	114.5	4.1	23.28	23.18	22.91	256.5	139.4	111.2	5.8
June.....	23.61	23.49	23.14	259.2	140.8	116.1	2.2	23.52	23.40	23.10	258.9	141.3	114.2	3.4
July.....	23.84	23.80	23.45	262.4	142.5	116.7	3.2	23.91	23.82	23.55	263.2	143.1	115.1	5.1
Aug.....	24.10	24.09	23.76	266.1	144.8	117.6	3.7	23.79	23.70	23.40	263.7	145.2	114.8	3.7
Sept.....	24.30	24.18	23.94	268.4	146.3	117.6	4.5	24.20	24.11	23.84	267.3	146.0	116.9	4.4
Oct.....	24.61	24.43	24.30	271.1	147.4	118.1	5.6	24.61	24.48	24.32	271.1	147.0	118.5	5.7
Nov.....	24.77	24.66	24.41	272.9	148.9	118.7	5.3	24.74	24.61	24.34	271.9	147.6	119.7	4.6
Dec.....	24.62	24.36	24.40	272.9	149.9	118.6	4.4	25.26	25.02	24.92	275.9	148.1	123.3	4.5
1968—Jan. ^p	25.01	24.71	24.70	274.8	149.9	119.5	5.3	25.51	25.28	25.14	278.3	149.5	124.5	4.4

¹ Averages of daily figures. Data for 1968 adjusted to eliminate effect of increase in reserve requirements made effective Jan. 22, 1968. Data prior to 1968 reflect percentage reserve requirements made effective Mar. 16, 1967.² Averages of daily figures. Deposits subject to reserve requirements include total time and savings deposits and net demand deposits as defined by Regulation D. Private demand deposits include all demand deposits except those due to the U.S. Govt., less cash items in process of collection

and demand balances due from domestic commercial banks. Effective June 9, 1966, balances accumulated for repayment of personal loans were eliminated from time deposits for reserve purposes.

NOTE.—Back data for the period 1947 to date may be obtained from the Banking Section, Division of Research and Statistics, Board of Governors of the Federal Reserve System, Washington, D. C. 20551.

CONSOLIDATED CONDITION STATEMENT

(In millions of dollars)

Date	Assets									Total assets, net— Total liabilities and capital, net	Liabilities and capital	
	Gold	Treasury currency outstanding	Bank credit								Total deposits and currency	Capital and misc. acc- ounts, net
			Total	Loans, net ^{1, 2}	U.S. Government securities				Other securities ²			
					Total	Coml. and savings banks	Federal Reserve Banks	Other ³				
1947—Dec. 31	22,754	4,562	160,832	43,023	107,086	81,199	22,559	3,328	10,723	188,148	175,348	12,800
1950—Dec. 30	22,706	4,636	171,667	60,366	96,560	72,894	20,778	2,888	14,741	199,008	184,384	14,624
1963—Dec. 20	15,582	5,586	333,203	189,433	103,273	69,068	33,552	653	40,497	354,371	323,251	31,118
1966—Dec. 31	13,159	6,317	422,676	261,459	106,472	60,916	44,316	1,240	54,745	442,152	400,999	41,150
1967—Feb. 22	13,100	6,400	420,700	256,300	107,300	61,300	44,700	1,400	57,200	440,300	396,900	43,400
Mar. 29	13,100	6,500	426,100	259,700	107,700	62,500	44,500	700	58,700	445,700	403,500	42,200
Apr. 26	13,100	6,600	430,600	262,100	107,600	60,600	45,400	1,500	61,000	450,300	406,900	43,400
May 31	13,100	6,600	432,800	263,000	107,800	60,300	46,100	1,400	62,000	452,500	408,300	44,200
June 30	13,110	6,612	439,966	268,967	106,752	58,537	46,718	1,497	64,247	459,688	416,122	43,567
July 26	13,100	6,600	442,600	268,200	109,800	61,500	46,900	1,400	64,600	462,300	417,800	44,500
Aug. 30	13,000	6,700	445,600	268,500	111,200	63,500	46,200	1,500	65,900	465,300	418,600	46,700
Sept. 27	13,000	6,800	451,200	272,000	112,600	64,500	46,700	1,400	66,600	470,900	424,400	46,600
Oct. 25 ^p	13,000	6,800	454,700	272,400	115,000	66,600	47,100	1,200	67,300	474,500	428,300	46,200
Nov. 29 ^p	12,900	6,800	458,000	273,000	117,100	67,300	48,500	1,300	68,000	477,800	431,300	46,500
Dec. 27 ^{rp}	12,400	6,800	465,100	279,200	117,200	66,900	49,200	1,200	68,700	484,300	438,600	45,700
1968—Jan. 31 ^p	12,000	6,800	465,300	278,600	116,700	66,400	49,100	1,200	70,000	484,100	438,600	45,500

DETAILS OF DEPOSITS AND CURRENCY

Date	Money supply						Related deposits (not seasonally adjusted)							
	Seasonally adjusted ⁴			Not seasonally adjusted			Time				For- eign, net ⁷	U.S. Government		
	Total	Cur- rency outside banks	De- mand deposits ad- justed ⁵	Total	Cur- rency outside banks	De- mand deposits ad- justed ⁵	Total	Com- mercial banks ¹	Mutual savings banks ⁶	Postal Savings Sys- tem ³		Treas- ury cash hold- ings	At coml. and savings banks	At F.R. Banks
1947—Dec. 31....	110,500	26,100	84,400	113,597	26,476	87,121	56,411	35,249	17,746	3,416	1,682	1,336	1,452	870
1950—Dec. 30....	114,600	24,600	90,000	117,670	25,398	92,272	59,246	36,314	20,009	2,923	2,518	1,293	2,989	668
1963—Dec. 20....	153,100	31,700	121,400	158,104	33,468	124,636	155,713	110,794	44,467	452	1,206	392	6,986	850
1966—Dec. 31....	170,400	37,600	132,800	178,304	39,003	139,301	213,961	158,568	55,271	122	1,904	1,176	5,238	416
1967—Feb. 22....	167,700	38,300	129,400	166,800	37,800	129,000	220,200	164,200	55,900	100	1,800	1,200	6,400	400
Mar. 29....	172,200	38,000	134,200	169,700	37,600	132,100	224,300	167,500	56,700	100	1,800	1,300	5,800	700
Apr. 26....	170,600	38,000	132,600	170,600	37,700	132,900	225,600	168,600	56,900	100	1,700	1,400	6,700	800
May 31....	173,300	38,600	134,700	171,200	38,500	132,700	228,900	171,500	57,300	100	1,900	1,400	4,400	600
June 30....	174,100	38,400	135,700	174,328	39,681	134,647	231,780	173,566	58,161	53	1,804	1,472	5,427	1,311
July 26....	173,500	38,500	135,000	173,300	38,600	134,700	233,600	175,300	58,300	.....	1,800	1,500	6,200	1,300
Aug. 30....	175,100	38,400	136,700	173,500	38,600	134,900	236,500	177,900	58,600	.....	1,900	1,500	3,900	1,300
Sept. 27....	176,600	38,600	138,000	175,500	38,700	136,800	237,500	178,300	59,200	.....	1,900	1,500	7,300	711
Oct. 25 ^p	177,200	39,100	138,100	177,900	39,000	138,900	239,100	179,800	59,300	.....	1,900	1,500	6,900	900
Nov. 29 ^p	178,300	39,000	139,300	180,700	39,700	141,000	240,300	180,800	59,600	.....	1,900	1,500	5,200	1,800
Dec. 27 ^p	181,000	39,500	141,500	186,600	40,400	146,200	241,300	181,100	60,200	.....	2,100	1,400	6,900	400
1968—Jan. 31 ^p	180,200	39,900	140,300	182,500	39,300	143,200	244,500	183,800	60,600	.....	1,900	1,400	7,200	1,200

¹ Beginning with data for June 30, 1966, about \$1.1 billion in "Deposits accumulated for payment of personal loans" were excluded from "Time deposits" and deducted from "Loans" at all commercial banks. These changes resulted from a change in Federal Reserve regulations. These hypothecated deposits are shown in a table on p. A-21.

² See note 2 at bottom of p. A-21.

³ After June 30, 1967, Postal Savings System accounts were eliminated from this Statement.

⁴ Series begin in 1946; data are available only last Wed. of month.

⁵ Other than interbank and U.S. Govt., less cash items in process of collection.

⁶ Includes relatively small amounts of demand deposits. Beginning with

June 1961, also includes certain accounts previously classified as other liabilities.

⁷ Reclassification of deposits of foreign central banks in May 1961 reduced this item by \$1,900 million (\$1,500 million to time deposits and \$400 million to demand deposits).

NOTE.—For back figures and descriptions of the consolidated condition statement and the seasonally adjusted series on currency outside banks and demand deposits adjusted, see "Banks and the Monetary System," Section I of *Supplement to Banking and Monetary Statistics*, 1962, and BULLETINS for Jan. 1948 and Feb. 1960. Except on call dates, figures are partly estimated and are rounded to the nearest \$100 million.

PRINCIPAL ASSETS AND LIABILITIES AND NUMBER, BY CLASS OF BANK

(Amounts in millions of dollars)

Class of bank and date	Loans and investments				Cash assets ³	Total assets—Total liabilities and capital accounts ⁴	Deposits							Borrowings	Total capital accounts	Number of banks
	Total	Loans ^{1, 2}	Securities				Total ³	Interbank ³		Other						
			U.S. Govt.	Other ²				Demand	Time	Demand		Time ^{1, 5}				
										U.S. Govt.	Other					
All banks:																
1941—Dec. 31.....	61,126	26,615	25,511	8,999	27,344	90,908	81,816	10,982			44,355		26,479	23	8,414	14,826
1945—Dec. 31.....	140,227	30,361	101,288	8,577	35,415	177,332	165,612	14,065			105,935		45,613	227	10,542	14,555
1947—Dec. 31 ⁶	134,924	43,002	81,199	10,723	38,388	175,091	161,865	12,793	240		1,346	94,381	53,105	66	11,948	14,714
1966—Dec. 31.....	381,684	266,022	60,916	54,745	70,085	464,376	407,637	19,770	968		4,999	167,821	214,078	4,929	36,926	14,271
1967—Jan. 25.....	379,860	263,530	60,680	55,650	59,570	451,390	392,970	16,050	1,110		4,680	153,470	217,660	7,010	36,910	14,266
Feb. 22.....	380,920	262,430	61,300	57,190	61,260	454,340	394,860	16,640	1,180		6,200	150,490	220,350	6,740	37,140	14,260
Mar. 29.....	387,050	265,860	62,470	58,720	58,500	457,800	399,140	16,350	1,350		5,520	151,510	224,410	6,270	37,380	14,264
Apr. 26.....	389,660	268,040	60,630	60,990	61,450	463,590	404,530	16,560	1,350		6,440	154,430	225,750	6,640	37,440	14,262
May 31.....	391,880	269,630	60,260	61,990	64,810	469,530	409,520	17,520	1,370		4,160	157,450	229,020	7,080	37,800	14,246
June 30.....	396,754	273,970	58,537	64,247	66,210	476,268	417,790	18,030	1,469		5,159	161,138	231,995	5,208	38,217	14,247
July 26.....	401,010	274,930	61,510	64,570	63,150	477,020	416,120	17,020	1,480		5,920	157,800	233,900	6,910	37,940	14,247
Aug. 30.....	404,280	274,870	63,510	65,900	59,840	476,930	414,950	16,750	1,550		3,640	156,220	236,790	6,520	38,330	14,245
Sept. 27.....	409,200	278,140	64,500	66,560	62,300	484,480	422,660	17,040	1,530		7,020	159,300	237,770	6,470	38,160	14,244
Oct. 25 ^p	412,380	278,430	66,630	67,320	62,300	487,590	425,670	17,170	1,430		6,680	161,030	239,360	6,140	38,650	14,236
Nov. 29 ^p	414,960	279,740	67,250	67,970	62,650	490,560	427,610	16,970	1,340		4,980	163,730	240,590	6,920	38,890	14,240
Dec. 27 ^p	422,760	287,210	66,860	68,690	72,840	509,010	444,150	19,500	1,320		6,630	175,120	241,580	8,500	38,890	14,222
1968—Jan. 31 ^p	420,950	284,530	66,440	69,980	67,440	502,310	438,740	17,530	1,320		6,960	168,210	244,720	6,820	39,330	14,219
Commercial banks:																
1941—Dec. 31.....	50,746	21,714	21,808	7,225	26,551	79,104	71,283	10,982			44,349		15,952	23	7,173	14,278
1945—Dec. 31.....	124,019	26,083	90,606	7,331	34,806	160,312	150,227	14,065			105,921		30,241	219	8,950	14,011
1947—Dec. 31 ⁶	116,284	38,057	69,221	9,006	37,502	155,377	144,103	12,792	240		1,343	94,367	35,360	65	10,059	14,181
1966—Dec. 31.....	322,661	217,726	56,163	48,772	69,119	403,368	352,287	19,770	967		4,992	167,751	158,806	4,859	32,054	13,767
1967—Jan. 25.....	320,320	214,970	56,000	49,350	58,600	389,820	337,320	16,050	1,110		4,680	153,410	162,070	7,010	32,050	13,762
Feb. 22.....	320,890	213,600	56,600	50,690	60,220	392,220	338,870	16,640	1,180		6,200	150,430	164,420	6,740	32,240	13,756
Mar. 29.....	326,570	216,750	57,830	51,990	57,360	395,100	342,400	16,350	1,350		5,520	151,450	167,730	6,270	32,470	13,760
Apr. 26.....	328,830	218,730	56,150	53,950	60,380	400,610	347,590	16,560	1,350		6,440	154,370	168,870	6,640	32,580	13,758
May 31.....	330,400	219,880	55,830	54,690	63,710	405,880	352,140	17,520	1,370		4,160	157,380	171,710	7,080	32,880	13,743
June 30.....	334,857	223,952	54,233	56,671	65,059	412,118	359,531	18,029	1,468		5,152	161,048	173,833	5,166	33,285	13,744
July 26.....	338,570	224,780	57,110	56,680	62,070	412,380	357,750	17,020	1,480		5,920	157,730	175,600	6,910	33,030	13,746
Aug. 30.....	341,230	224,340	59,140	57,750	58,810	411,730	356,250	16,750	1,550		3,640	156,150	178,160	6,520	33,360	13,744
Sept. 27.....	345,780	227,430	60,090	58,260	61,300	418,910	366,390	17,040	1,530		7,020	159,230	178,570	6,470	33,190	13,743
Oct. 25 ^p	348,810	227,420	62,370	59,020	61,300	421,870	366,250	17,170	1,430		6,680	160,940	180,030	6,140	33,680	13,735
Nov. 29 ^p	350,950	228,460	62,850	59,400	61,730	424,300	367,950	16,970	1,340		4,980	163,640	181,020	6,920	33,890	13,739
Dec. 27 ^p	358,560	235,720	62,540	60,300	71,840	442,670	383,840	19,500	1,320		6,630	175,030	181,360	8,500	33,910	13,721
1968—Jan. 31 ^p	356,370	232,690	62,220	61,460	66,420	435,570	378,030	17,530	1,320		6,960	168,120	184,100	6,820	34,350	13,717
Member banks:																
1941—Dec. 31.....	43,521	18,021	19,539	5,961	23,123	68,121	61,717	10,385	140		1,709	37,136	12,347	4	5,886	6,619
1945—Dec. 31.....	107,183	22,775	78,338	6,070	29,845	138,304	129,670	13,576	64		22,179	69,640	24,210	208	7,589	6,884
1947—Dec. 31.....	97,846	32,628	57,914	7,304	32,845	132,060	122,528	12,353	50		1,176	80,609	28,340	54	8,464	6,923
1966—Dec. 31.....	263,687	182,802	41,924	38,960	60,738	334,359	291,063	18,788	794		4,432	138,218	128,831	4,618	26,278	6,150
1967—Jan. 25.....	261,583	180,244	41,773	39,566	51,387	322,412	277,460	15,228	937		4,161	125,481	131,653	6,638	26,285	6,137
Feb. 22.....	262,135	178,958	42,404	40,773	52,973	324,753	279,014	15,828	1,006		5,506	123,124	133,550	6,426	26,453	6,130
Mar. 29.....	267,086	181,604	43,545	41,937	50,276	327,040	281,903	15,547	1,172		4,857	124,096	136,231	6,044	26,639	6,129
Apr. 26.....	268,466	182,821	42,001	43,644	53,487	331,864	286,486	15,742	1,172		5,899	126,642	137,031	6,400	26,749	6,127
May 31.....	269,634	183,480	41,900	44,274	56,487	336,422	290,441	16,716	1,194		3,629	129,570	139,332	6,765	27,009	6,113
June 30.....	273,266	186,814	40,636	45,816	57,391	341,290	296,548	17,167	1,314		4,580	132,546	140,942	4,920	27,237	6,108
July 26.....	276,381	187,536	42,957	45,888	55,166	341,784	294,976	16,187	1,326		5,286	129,674	142,503	6,625	27,061	6,108
Aug. 30.....	278,259	187,130	44,416	46,713	52,060	340,576	293,115	15,891	1,393		3,128	128,086	144,617	6,209	27,318	6,100
Sept. 27.....	281,993	189,870	45,003	47,120	54,477	346,853	299,334	16,162	1,377		6,318	130,683	144,794	6,141	27,233	6,095
Oct. 25.....	284,341	189,676	46,967	47,698	54,470	349,107	301,584	16,284	1,275		6,051	132,075	145,899	5,808	27,575	6,086
Nov. 29.....	285,700	190,515	47,091	48,094	54,809	350,888	302,689	16,082	1,189		4,356	134,283	146,779	6,456	27,734	6,083
Dec. 27.....	292,480	196,949	46,855	48,676	63,931	367,197	316,793	18,541	1,164		5,916	144,159	147,013	7,991	27,760	6,071
1968—Jan. 31 ^p	290,389	194,262	46,579	49,548	59,102	360,773	311,534	16,668	1,170		6,313	138,263	149,120	6,427	28,142	6,066
Mutual savings banks:																
1941—Dec. 31.....	10,379	4,901	3,704	1,774	793	11,804	10,533				6		10,527		1,241	548
1945—Dec. 31.....	16,208	4,279	10,682	1,246	609	17,020	15,385				14		15,371		1,592	542
1947—Dec. 31 ⁶	18,641	4,944	11,978	1,718	886	19,714	17,763				3		17,745		1,889	533
1966—Dec. 31.....	59,023	48,296	4,753	5,973	966	61,008	55,350				1		55,271		4,871	504
1967—Feb. 22.....	60,030	48,830	4,700	6,500	1,040	62,120	55,990						60	55,930		4,900
Mar. 29.....	60,480	49,1,														

PRINCIPAL ASSETS AND LIABILITIES AND NUMBER, BY CLASS OF BANK—Continued

(Amounts in millions of dollars)

Class of bank and date	Loans and investments					Total assets—Total liabilities and capital accounts ⁴	Deposits							Borrowings	Total capital accounts	Number of banks
	Total	Loans ^{1,2}	Securities		Cash assets ³		Total ³	Interbank ³		Other						
			U.S. Govt.	Other ²				De-mand	Time	Demand		Time ¹				
										U.S. Govt.	Other					
Reserve city member banks:																
New York City: ^{7,8}																
1941—Dec. 31.....	12,896	4,072	7,265	1,559	6,637	19,862	17,932	4,202	6	866	12,051	807	.....	1,648	36	
1945—Dec. 31.....	26,143	7,334	17,574	1,235	6,439	32,887	30,121	4,640	17	6,940	17,287	1,236	195	2,120	37	
1947—Dec. 31.....	20,393	7,179	11,972	1,242	7,261	27,982	25,216	4,453	12	267	19,040	1,445	30	2,259	37	
1966—Dec. 31.....	46,536	35,941	4,920	5,674	14,869	64,424	51,837	6,370	467	1,016	26,535	17,449	1,874	5,298	12	
1967—Feb. 22.....	45,474	34,396	5,115	5,963	12,200	60,537	47,404	4,987	601	1,065	22,547	18,204	2,280	5,443	12	
Mar. 29.....	46,506	35,084	5,291	6,131	11,237	60,533	48,061	4,966	736	998	22,862	18,499	1,920	5,450	12	
Apr. 26.....	46,656	35,541	4,766	6,349	12,756	62,311	49,602	5,287	726	1,768	23,630	18,191	2,163	5,485	12	
May 31.....	46,240	35,151	5,130	5,959	15,394	64,794	51,682	5,954	733	695	25,594	18,706	2,416	5,598	12	
June 30.....	47,701	36,441	5,048	6,212	14,688	65,668	52,665	6,183	817	1,021	25,656	18,987	1,841	5,604	12	
July 26.....	48,380	36,683	5,408	6,289	14,431	65,964	51,953	5,495	836	1,190	24,754	19,678	2,536	5,600	12	
Aug. 30.....	48,521	36,360	5,634	6,527	12,940	64,698	50,639	5,102	867	574	24,011	20,085	2,140	5,663	12	
Sept. 27.....	49,435	36,981	5,599	6,855	13,206	65,951	52,050	5,311	816	1,686	24,506	19,731	1,688	5,680	12	
Oct. 25.....	49,718	36,480	6,443	6,795	13,672	66,592	52,552	5,252	757	1,719	24,802	20,022	1,695	5,708	12	
Nov. 29.....	49,805	36,799	6,257	6,749	13,106	66,251	52,163	5,254	752	828	24,836	20,493	1,946	5,729	12	
Dec. 27.....	51,975	38,977	5,930	7,068	16,512	71,971	57,246	6,553	737	1,624	28,211	20,121	2,360	5,720	12	
1968—Jan. 31 ⁹	50,898	38,303	5,607	6,988	15,642	70,187	55,544	5,826	719	1,562	27,530	19,907	1,979	5,774	12	
City of Chicago: ⁷																
1941—Dec. 31.....	2,760	954	1,430	376	1,566	4,363	4,057	1,035	.....	127	2,419	476	.....	288	13	
1945—Dec. 31.....	5,931	1,333	4,213	385	1,489	7,459	7,046	1,312	.....	1,552	3,462	719	.....	377	12	
1947—Dec. 31.....	5,088	1,801	2,890	397	1,739	6,866	6,402	1,217	.....	72	4,201	913	.....	426	14	
1966—Dec. 31.....	11,802	8,756	1,545	1,502	2,638	14,935	12,673	1,433	25	310	6,008	4,898	484	1,199	11	
1967—Feb. 22.....	11,816	8,428	1,730	1,658	2,609	14,879	11,978	1,268	14	285	5,192	5,219	559	1,194	11	
Mar. 29.....	12,266	8,584	2,039	1,643	2,733	15,452	12,223	1,244	11	283	5,184	5,501	951	1,193	11	
Apr. 26.....	12,127	8,475	1,886	1,766	2,576	15,176	12,345	1,182	11	370	5,264	5,518	702	1,202	11	
May 31.....	11,995	8,426	1,822	1,747	2,691	15,171	12,633	1,319	11	154	5,488	5,661	644	1,223	11	
June 30.....	12,133	8,924	1,576	1,633	2,432	15,073	12,814	1,270	20	299	5,537	5,686	359	1,224	11	
July 26.....	12,272	8,961	1,679	1,632	2,920	15,702	12,877	1,321	10	293	5,416	5,837	655	1,214	11	
Aug. 30.....	12,252	8,923	1,714	1,615	2,606	15,352	12,668	1,242	11	127	5,246	6,042	498	1,226	11	
Sept. 27.....	12,249	9,065	1,574	1,610	2,791	15,556	12,986	1,230	14	432	5,346	5,964	490	1,224	11	
Oct. 25.....	12,300	8,904	1,652	1,744	2,623	15,416	12,943	1,224	8	347	5,385	5,979	416	1,234	11	
Nov. 29.....	12,350	8,843	1,701	1,806	2,560	15,375	12,860	1,156	9	227	5,430	6,038	650	1,225	10	
Dec. 27.....	12,830	9,386	1,571	1,873	2,995	16,353	13,605	1,302	6	379	5,932	5,986	653	1,232	10	
1968—Jan. 31 ⁹	12,573	8,865	1,752	1,956	2,771	15,931	13,205	1,170	10	427	5,596	6,002	561	1,352	10	
Other reserve city: ^{7,8}																
1941—Dec. 31.....	15,347	7,105	6,467	1,776	8,518	24,430	22,313	4,356	104	491	12,557	4,806	.....	1,967	351	
1945—Dec. 31.....	40,108	8,514	29,552	2,042	11,286	51,898	49,085	6,418	30	8,221	24,655	9,760	2	2,566	359	
1947—Dec. 31.....	36,040	13,449	20,196	2,396	13,066	49,659	46,467	5,627	22	405	28,990	11,423	1	2,844	353	
1966—Dec. 31.....	95,831	69,464	13,040	13,326	24,228	123,863	108,804	8,593	233	1,633	49,004	49,341	1,952	9,471	169	
1967—Feb. 22.....	95,797	68,077	13,199	14,521	21,113	120,402	104,520	7,598	327	2,336	42,978	51,281	2,957	9,481	168	
Mar. 29.....	97,875	68,880	13,724	15,271	19,706	121,135	105,418	7,387	361	1,825	43,544	52,301	2,725	9,589	167	
Apr. 26.....	97,913	68,684	13,065	16,164	21,543	123,100	107,154	7,290	371	2,334	44,522	52,637	3,050	9,642	166	
May 31.....	98,906	69,174	12,938	16,794	21,164	123,823	107,604	7,477	386	1,375	45,114	53,252	3,072	9,701	166	
June 30.....	99,460	69,765	12,455	17,240	22,222	125,502	101,225	7,667	370	1,880	46,396	53,912	2,109	9,755	166	
July 26.....	100,800	69,989	13,437	17,374	21,178	125,666	109,736	7,390	411	2,280	45,456	54,199	2,862	9,739	165	
Aug. 30.....	101,242	70,004	13,733	17,505	20,084	125,091	108,768	7,514	446	1,198	44,751	54,859	2,959	9,792	165	
Sept. 27.....	102,633	71,321	13,926	17,386	21,617	128,028	111,366	7,532	478	2,499	45,834	55,023	3,304	9,840	164	
Oct. 25.....	103,434	71,515	14,409	17,510	21,311	128,525	112,050	7,705	404	2,474	46,278	55,189	3,037	9,887	162	
Nov. 29.....	103,221	71,628	14,127	17,466	21,957	128,973	112,429	7,555	322	1,803	47,335	55,414	2,937	9,931	163	
Dec. 27.....	105,703	73,834	14,405	17,464	25,083	134,702	116,989	8,397	315	2,189	50,430	55,658	3,952	9,956	163	
1968—Jan. 31 ⁹	105,141	73,002	14,340	17,799	22,782	132,083	115,168	7,609	335	2,751	47,681	56,792	3,104	10,069	163	
Country member banks: ^{7,8}																
1941—Dec. 31.....	12,518	5,890	4,377	2,250	6,402	19,466	17,415	792	30	225	10,109	6,258	4	1,982	6,219	
1945—Dec. 31.....	35,002	5,596	26,999	2,408	10,632	46,059	43,418	1,207	17	5,465	24,235	12,494	11	2,525	6,476	
1947—Dec. 31.....	36,324	10,199	22,857	3,268	10,778	47,553	44,443	1,056	17	432	28,378	14,560	23	2,934	6,519	
1966—Dec. 31.....	109,518	68,641	22,419	18,458	19,004	131,338	117,749	2,392	69	1,474	56,672	57,144	308	10,309	5,958	
1967—Feb. 22.....	109,048	68,057	22,360	18,631	17,051	128,935	115,112	1,975	64	1,820	52,407	58,846	630	10,335	5,939	
Mar. 29.....	110,439	69,056	22,491	18,892	16,600	129,920	116,201	1,950	64	1,751	52,506	59,930	448	10,407	5,939	
Apr. 26.....	111,770	70,121	22,284	19,365	16,612	131,277	117,385	1,983	64	1,427	53,226	60,685	485	10,420	5,938	
May 31.....	112,513	70,729	22,010	19,774	17,238	132,634	118,522	1,966	64	1,405	53,374	61,713	633	10,487	5,924	
June 30.....	113,972	71,684	21,557	20,731	18,049	135,047	120,845	2,047	106	1,380	54,956	62,356	611	10,655	5,919	
July 26.....	114,929	71,903	22,433	20,593	16,637	134,452	120,410	1,981	69	1,523	54,048	62,789	572	10,508	5,920	
Aug. 30.....	116,244	71,843	23,335	21,066	16,430	135,435	121,040	2,033	69	1,229	54,078	63,631	612	10,637	5,912	
Sept. 27.....	117,676	72,503	23,904	21,269	16,863	137,318	122,932	2,089	69	1,701	55,997	64,076	659	10,489	5,908	
Oct. 25.....	118,889	72,777	24,463	21,649	16,864	138,574	124,039	2,103	106	1,511	55,610	64,709	660	10,746	5,901	
Nov. 29.....	120,324	73,245	25,006	22,073	17,186	140,289	125,237	2,117	106	1,498	56,682	64,834	923	10,849	5,898	
Dec. 27.....	121,972	74,752	24,949	22,271	19,341	144,171	128,953	2,289	106	1,724	59,586	65,248	1,026	10,852	5,886	
1968—Jan. 31 ⁹	121,777	74,092	24,880	22,805	17,907	142,572	127,617	2,063	106	1,573	57,456	66,419	783	10,947	5,881	

PRINCIPAL ASSETS AND LIABILITIES AND NUMBER, BY CLASS OF BANK—Continued

(Amounts in millions of dollars)

Class of bank and call date	Loans and investments				Cash assets ³	Total assets—Total liabilities and capital accounts ²	Deposits						Borrowings	Total capital accounts	Number of banks
	Total	Loans ^{1, 2}	Securities				Total ³	Interbank ³		Other					
			U.S. Govt.	Other ²				Demand	Time	Demand		Time ^{1, 5}			
										U.S. Govt.	Other				
Insured commercial:															
1941—Dec. 31..	49,290	21,259	21,046	6,984	25,788	76,820	69,411	10,654	1,762	41,298	15,699	10	6,844	13,426	
1945—Dec. 31..	121,809	25,765	88,912	7,131	34,292	157,544	147,775	13,883	23,740	80,276	29,876	215	8,671	13,297	
1947—Dec. 31..	114,274	37,583	67,941	8,750	36,926	152,733	141,851	12,615	54	1,325	92,975	34,882	61	9,734	13,398
1964—Dec. 31..	275,053	174,234	62,499	38,320	59,911	343,876	305,113	17,664	733	6,487	154,043	126,185	2,580	27,377	13,486
1965—Dec. 31..	303,593	200,109	59,120	44,364	60,327	374,051	330,323	18,149	923	5,508	159,659	146,084	4,325	29,827	13,540
1966—Dec. 31..	321,473	217,379	55,788	48,307	68,515	401,409	351,438	19,497	881	4,975	166,689	150,398	4,717	31,609	13,533
1967—June 30..	333,742	223,707	53,871	56,164	64,545	410,308	358,745	17,778	1,399	5,135	159,991	174,441	5,050	32,843	13,525
National member:															
1941—Dec. 31..	27,571	11,725	12,039	3,806	14,977	43,433	39,458	6,786	1,088	23,262	8,322	4	3,640	5,117	
1945—Dec. 31..	69,312	13,925	51,250	4,137	20,114	90,220	84,939	9,229	14,013	45,473	16,224	78	4,644	5,017	
1947—Dec. 31..	65,280	21,428	38,674	5,178	22,024	88,182	82,023	8,375	35	795	53,541	19,278	45	5,409	5,005
1964—Dec. 31..	151,406	96,688	33,405	21,312	34,064	190,289	169,615	10,521	211	3,604	84,534	70,746	1,109	15,048	4,773
1965—Dec. 31..	176,605	118,537	32,347	25,720	36,880	219,744	193,860	12,064	458	3,284	92,533	85,522	2,627	17,434	4,815
1966—Dec. 31..	187,251	129,182	30,355	27,713	41,690	235,996	206,456	12,588	437	3,035	96,755	93,642	3,120	18,459	4,799
1967—June 30..	195,339	132,725	29,544	33,070	39,461	242,039	211,098	11,330	746	3,202	93,063	102,757	3,419	19,098	4,780
State member:															
1941—Dec. 31..	15,950	6,295	7,500	2,155	8,145	24,688	22,259	3,739	621	13,874	4,025	1	2,246	1,502	
1945—Dec. 31..	37,871	8,850	27,089	1,933	9,731	48,084	44,730	4,411	8,166	24,168	7,986	130	2,945	1,867	
1947—Dec. 31..	32,566	11,200	19,240	2,125	10,822	43,879	40,505	3,978	15	381	27,068	9,062	9	3,055	1,918
1964—Dec. 31..	77,091	51,002	15,312	10,777	18,673	98,852	86,108	6,486	453	2,234	44,005	32,931	1,372	7,853	1,452
1965—Dec. 31..	74,972	51,262	12,645	11,065	15,934	93,640	81,657	5,390	382	1,606	39,598	34,680	1,607	7,492	1,406
1966—Dec. 31..	77,377	54,560	11,569	11,247	19,049	99,504	85,547	6,200	357	1,397	41,464	36,129	1,498	7,819	1,351
1967—June 30..	78,908	55,070	11,091	12,747	17,931	100,232	86,432	5,837	567	1,379	39,482	39,166	1,501	8,140	1,328
Insured nonmember commercial:															
1941—Dec. 31..	5,776	3,241	1,509	1,025	2,668	8,708	7,702	129	53	4,162	3,360	6	959	6,810	
1945—Dec. 31..	14,639	2,992	10,584	1,063	4,448	19,256	18,119	244	1,560	10,635	5,680	7	1,083	6,416	
1947—Dec. 31..	16,444	4,958	10,039	1,448	4,083	20,691	19,340	262	4	149	12,366	6,558	7	1,271	6,478
1964—Dec. 31..	46,567	26,544	13,790	6,233	7,174	54,747	49,389	658	70	649	25,504	22,509	99	4,488	7,262
1965—Dec. 31..	52,028	30,310	14,137	7,581	7,513	60,679	54,806	695	83	618	27,528	25,882	91	4,912	7,320
1966—Dec. 31..	56,857	33,636	13,873	9,349	7,777	65,921	59,434	709	87	543	28,471	29,625	99	5,342	7,384
1967—June 30..	59,505	35,912	13,243	10,350	7,154	68,049	61,216	611	85	555	27,445	32,519	130	5,617	7,418
Noninsured nonmember commercial:															
1941—Dec. 31..	1,457	455	761	241	763	2,283	1,872	329	1,291		253	13	329	852	
1945—Dec. 31..	2,211	318	1,693	200	514	2,768	2,452	181	1,905		365	4	279	714	
1947—Dec. 31..	2,009	474	1,280	255	576	2,643	2,251	177	185	18	1,392	478	4	325	783
1964—Dec. 31..	2,312	1,355	483	474	578	3,033	2,057	273	86	23	1,141	534	99	406	274
1965—Dec. 31..	2,455	1,549	418	489	572	3,200	2,113	277	85	17	1,121	612	147	434	263
1966—Dec. 31..	2,400	1,570	367	463	604	3,171	2,073	274	86	17	1,062	633	142	434	233
1967—June 30..	2,376	1,517	354	506	513	3,071	2,058	251	69	16	1,057	664	116	430	218
Nonmember commercial:															
1941—Dec. 31..	7,233	3,696	2,270	1,266	3,431	10,992	9,573	437	5,504		3,613	18	1,288	7,662	
1945—Dec. 31..	16,849	3,310	12,277	1,262	4,962	22,024	20,571	425	14,101		6,045	11	1,362	7,130	
1947—Dec. 31..	18,454	5,432	11,318	1,703	4,659	23,334	21,591	439	167	13,758	7,036	12	1,596	7,261	
1964—Dec. 31..	48,879	27,899	14,273	6,707	7,752	57,780	51,447	931	672	26,645	23,043	198	4,894	7,536	
1965—Dec. 31..	54,483	31,858	14,555	8,070	8,085	63,879	56,919	972	635	28,649	26,495	238	5,345	7,583	
1966—Dec. 31..	59,257	35,206	14,239	9,812	8,381	69,092	61,506	983	560	29,532	30,258	241	5,776	7,617	
1967—June 30..	61,882	37,429	13,597	10,855	7,667	71,119	63,274	862	571	28,502	33,183	246	6,048	7,636	
Insured mutual savings:															
1941—Dec. 31..	1,693	642	629	421	151	1,958	1,789	.....	.....	.....	1,789	.....	.....	164	52
1945—Dec. 31..	10,846	3,081	7,160	606	429	11,424	10,363	.....	12	.....	10,351	.....	1	1,034	192
1947—Dec. 31..	12,683	3,560	8,165	958	675	13,499	12,207	.....	2	.....	12,192	.....	.....	1,252	194
1964—Dec. 31..	45,358	36,233	4,110	5,015	893	47,044	42,751	.....	7	326	42,416	20	3,731	327	
1965—Dec. 31..	48,735	39,964	3,760	5,010	904	50,500	45,887	.....	7	359	45,520	91	3,957	329	
1966—Dec. 31..	51,267	42,591	3,324	5,352	847	53,047	48,254	.....	6	381	47,865	69	4,140	330	
1967—June 30..	53,785	44,147	3,034	6,604	1,015	55,807	50,877	.....	6	445	50,424	42	4,191	332	
Noninsured mutual savings:															
1941—Dec. 31..	8,687	4,259	3,075	1,353	642	9,846	8,744	.....	6	.....	8,738	.....	.....	1,077	496
1945—Dec. 31..	5,361	1,198	3,522	641	180	5,596	5,022	.....	2	.....	5,020	.....	6	558	350
1947—Dec. 31..	5,957	1,384	3,813	760	211	6,215	5,556	.....	1	.....	5,553	.....	.....	637	339
1964—Dec. 31..	7,005	4,852	1,678	475	111	7,195	6,387	.....	6	.....	6,381	.....	.....	670	178
1965—Dec. 31..	7,526	5,325	1,710	491	113	7,720	6,874	.....	1	.....	6,865	.....	.....	706	177
1966—Dec. 31..	7,756	5,705	1,429	621	119	7,961	7,096	.....	1	19	7,076	.....	.....	732	174
1967—June 30..	8,113	5,871	1,269	972	136	8,343	7,383	.....	1	36	7,346	.....	.....	742	171

For notes see opposite page.

LOANS AND INVESTMENTS AT COMMERCIAL BANKS

(In billions of dollars)

Period	Seasonally adjusted				Not seasonally adjusted			
	Total ^{1, 2}	Loans ^{1, 2}	Securities		Total ^{1, 2}	Loans ^{1, 2}	Securities	
			U.S. Govt.	Other ²			U.S. Govt.	Other ²
1959—Dec. 31	185.9	107.5	57.9	20.5	189.5	110.0	58.9	20.5
1960—Dec. 31	194.5	113.8	59.8	20.8	198.5	116.7	61.0	20.9
1961—Dec. 30	209.6	120.5	65.2	23.9	214.4	123.9	66.6	23.9
1962—Dec. 31	227.9	134.1	64.5	29.2	233.6	137.9	66.4	29.3
1963—Dec. 31	246.2	149.7	61.5	35.0	252.4	153.9	63.4	35.1
1964—Dec. 31	267.2	167.7	60.7	38.7	273.9	172.1	63.0	38.8
1965—Dec. 31	294.4	192.4	57.3	44.8	301.8	197.4	59.5	44.9
1966—Dec. 31	310.2	207.8	53.7	48.7	317.9	213.0	56.2	48.8
1967—Jan. 25	314.4	210.4	54.2	49.9	313.8	208.5	56.0	49.4
Feb. 22	318.0	211.0	55.9	51.1	314.5	207.2	56.6	50.7
Mar. 29	321.4	211.3	57.8	52.3	320.1	210.3	57.8	52.0
Apr. 26	323.2	213.5	56.1	53.6	322.5	212.4	56.2	54.0
May 31	324.6	213.5	56.1	55.0	323.6	213.1	55.8	54.7
June 30	325.6	213.9	55.4	56.3	329.5	218.6	54.2	56.7
July 26	332.4	217.1	58.8	56.5	331.8	218.0	57.1	56.7
Aug. 30	337.3	218.2	61.8	57.3	334.2	217.3	59.1	57.8
Sept. 27 ³	339.5	220.2	61.6	57.7	338.8	220.4	60.1	58.3
Oct. 25 ⁴	342.6	221.8	62.3	58.6	341.6	220.2	62.4	59.0
Nov. 29 ⁵	344.3	222.3	61.8	60.2	344.0	221.5	62.9	59.6
Dec. 31 ⁶	344.4	224.0	60.0	60.4	353.1	229.6	62.9	60.5
1968—Jan. 31 ⁶	348.4	227.2	59.1	62.1	349.5	225.8	62.2	61.5

¹ Adjusted to exclude interbank loans.² Beginning June 9, 1966, about \$1.1 billion of balances accumulated for payment of personal loans were deducted as a result of a change in Federal Reserve regulations.

Beginning June 30, 1966, CCC certificates of interest and Export-Import Bank portfolio fund participation certificates totaling an estimated \$1 billion are included in "Other securities" rather than "Other loans."

NOTE.—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.

The data in this table are revised. For a description of the revision and for back data beginning with January 1959, see the Sept. 1967 BULLETIN, pp. 1511-17; for data for 1948-58 see the Aug. 1966 BULLETIN, pp. 952-55. For a description of the semiannually adjusted series, see the July 1962 BULLETIN, pp. 797-802.

DEPOSITS ACCUMULATED AT COMMERCIAL BANKS FOR PAYMENT OF PERSONAL LOANS

(In millions of dollars)

Class of bank	June 30, 1966	Dec. 31, 1966	June 30, 1967	Class of bank	June 30, 1966	Dec. 31, 1966	June 30, 1967
All commercial	1,150	1,223	1,272	All member (cont.)—			
Insured	1,150	1,223	1,271	Other reserve city	338	370	389
National member	678	729	764	Country	532	571	591
State member	193	212	217	All nonmember	280	283	291
All member	870	941	981	Insured	279	282	291
New York City				Noninsured	1		
City of Chicago							

NOTE.—These hypothecated deposits are excluded from "Time deposits" and "Loans" at all commercial banks beginning with June 30, 1966, as follows: in the tables on pp. A-17—A-19; in the table at the top of this page; and in the tables on pp. A-24—A-27 (consumer instalment loans). These changes resulted from a change in the Federal Reserve regulations. See June 1966 BULLETIN, p. 808.

These deposits have not been deducted from "Loans" and "Time deposits" in the table on p. A-20, or from "Loans" and "Time deposits, IPC" in the tables on pp. A-22—A-23.

Details may not add to totals because of rounding; also, mutual savings banks held \$166,000 of these deposits on June 30, 1966, \$268,000 on Dec. 31, 1966, and \$37,000 on June 30, 1967.

Notes to tables on pp. A-18—A-20.

¹ See table "Deposits Accumulated at Commercial Banks for Payment of Personal Loans" and its notes above.² Beginning June 30, 1966, loans to farmers directly guaranteed by CCC were reclassified as securities, and Export-Import Bank portfolio fund participations were reclassified from loans to securities. This reduced "Total loans" and increased "Other securities" by about \$1 billion. "Total loans" include Federal funds sold, and beginning with June 1967 securities purchased under resale agreements, figures for which are shown for commercial banks on the following two pages.³ Reciprocal balances excluded beginning with 1942.⁴ Includes other assets and liabilities not shown separately.⁵ Figures for mutual savings banks include relatively small amounts of demand deposits. Beginning with June 1961, also includes certain accounts previously classified as other liabilities.⁶ Beginning with Dec. 31, 1947, the series was revised; for description, see note 4, p. 587, May 1964 BULLETIN.⁷ Regarding reclassification of New York City and Chicago as reserve cities, see Aug. 1962 BULLETIN, p. 993. For various changes between reserve city and country status in 1960-63, see note 6, p. 587, May 1964 BULLETIN.⁸ Beginning with May 18, 1964, one New York City country bank with loans and investments of \$1,034 million and total deposits of \$982 million was reclassified as a reserve city bank. Beginning with May 13, 1965, Toledo, Ohio, reserve city banks with total loans and investments of \$530 million and total deposits of \$576 million were reclassified as country banks.

NOTE.—Data are for all commercial and mutual savings banks in the United States (including Alaska and Hawaii, beginning with 1959). For definition of "commercial banks" as used in this table, and for other banks that are included under member banks, see NOTE, p. 643, May 1964 BULLETIN.

Comparability of figures for classes of banks is affected somewhat by changes in F.R. membership, deposit insurance status, and the reserve classifications of cities and individual banks, and by mergers, etc.

Data for national banks for Dec. 31, 1964, have been adjusted to make them comparable with State bank data.

Figures are partly estimated except on call dates.

For revisions in series before June 30, 1947, see July 1947 BULLETIN, pp. 870-71.

LOANS AND INVESTMENTS BY CLASS OF BANK

(In millions of dollars)

Class of bank and call date	Total loans ¹ and investments	Federal funds sold, etc. ²	Other loans ¹										Investments							
			Total ^{3,4}	Com- mer- cial and in- dus- trial ⁵	Agricul- tural ⁵	For purchasing or carrying securities		To financial institutions		Real es- tate	Other, to in- di- vid- uals ³	Other ⁵	U.S. Government securities ⁶				State and local gov't securities	Other securities ⁵		
						To brokers and dealers	To others	Banks	Others				Total	Bills and certificates	Notes	Bonds				
Total: ²																				
1947—Dec. 31..	116,284	.....	38,057	18,167	1,660	830	1,220	115	.....	9,393	5,723	947	69,221	9,982	6,034	53,205	5,276	3,729		
1964—Dec. 31..	277,376	.....	175,589	60,217	7,505	5,542	2,843	3,491	10,913	43,675	39,809	5,152	62,991	13,377	19,039	30,574	33,533	5,263		
1965—Dec. 31..	306,060	2,103	199,555	71,437	8,212	5,258	3,231	2,158	13,291	49,300	45,468	5,215	59,547	n.a.	n.a.	n.a.	38,655	6,201		
1966—Dec. 31..	323,885	2,544	216,405	80,598	8,555	5,821	3,203	2,189	13,302	53,950	47,943	5,183	56,163	n.a.	n.a.	n.a.	41,003	7,769		
1967—June 30..	336,129	3,944	221,280	84,539	9,333	4,598	3,326	1,784	12,234	55,275	49,530	5,065	54,233	n.a.	n.a.	n.a.	46,873	9,799		
All insured:																				
1941—Dec. 31..	49,290	.....	21,259	9,214	1,450	614	662	40	.....	4,773	4,505		21,046	988	3,159	16,899	3,651	3,333		
1945—Dec. 31..	121,809	.....	25,765	9,461	1,314	3,164	3,606	49	.....	4,677	2,361	1,132	88,912	21,526	16,045	51,342	3,873	3,258		
1947—Dec. 31..	114,274	.....	37,583	18,012	1,610	823	1,190	114	.....	9,266	5,654	914	67,941	9,676	5,918	52,347	5,129	3,621		
1964—Dec. 31..	275,053	.....	174,234	59,746	7,482	5,355	2,794	3,419	10,812	43,436	39,627	5,112	62,499	13,275	18,939	30,285	33,294	5,026		
1965—Dec. 31..	303,593	2,064	198,045	70,887	8,191	5,088	3,172	2,093	13,148	49,026	45,290	5,155	59,120	13,134	13,233	33,858	38,419	5,945		
1966—Dec. 31..	321,473	2,461	214,918	80,060	8,536	5,643	3,148	2,131	13,148	53,686	47,770	5,127	55,788	12,080	13,439	31,536	40,761	7,545		
1967—June 30..	333,742	3,874	219,833	84,013	9,313	4,383	3,273	1,701	12,114	55,056	49,359	5,017	53,871	8,563	14,653	31,918	46,606	9,558		
Member, total:																				
1941—Dec. 31..	43,521	.....	18,021	8,671	972	594	598	39	.....	3,494	3,653		19,539	971	3,007	15,561	3,090	2,871		
1945—Dec. 31..	107,183	.....	22,775	8,949	855	3,133	3,378	47	.....	3,455	1,900	1,057	78,338	19,260	14,271	44,807	3,254	2,815		
1947—Dec. 31..	97,846	.....	32,628	16,962	1,046	811	1,065	113	.....	7,130	4,662	839	57,914	7,803	4,815	45,295	4,199	3,105		
1964—Dec. 31..	228,497	.....	147,690	53,717	4,643	5,142	2,411	3,250	10,179	34,587	32,024	4,824	48,717	9,932	15,238	23,548	28,374	3,715		
1965—Dec. 31..	251,577	1,861	167,939	63,979	5,099	4,915	2,714	2,008	12,475	38,988	36,418	4,832	44,992	9,441	10,106	26,367	32,588	4,198		
1966—Dec. 31..	264,627	2,119	181,624	72,553	5,318	5,389	2,660	2,047	12,349	42,384	37,925	4,757	41,924	8,567	9,789	24,609	33,800	5,160		
1967—June 30..	274,247	3,377	184,418	75,921	5,737	4,175	2,743	1,620	11,354	43,130	38,912	4,630	40,636	5,769	10,971	24,855	39,085	6,731		
New York City:																				
1941—Dec. 31..	12,896	.....	4,072	2,807	8	412	169	32	.....	123	522		7,265	311	1,623	5,331	729	830		
1945—Dec. 31..	26,143	.....	7,334	3,044	.....	2,453	1,172	26	.....	80	287	272	17,574	3,910	3,325	10,339	606	629		
1947—Dec. 31..	20,393	.....	7,179	5,361	.....	545	267	93	.....	111	564	238	11,972	1,642	558	9,772	638	604		
1964—Dec. 31..	39,507	.....	27,301	14,189	30	2,742	623	1,179	2,615	2,546	2,654	1,371	6,178	1,958	1,972	2,248	5,579	449		
1965—Dec. 31..	44,763	412	32,713	18,075	20	2,866	665	1,010	3,471	3,139	2,928	1,340	5,203	1,538	987	2,876	5,879	556		
1966—Dec. 31..	46,536	109	35,832	21,214	17	3,109	598	1,025	3,265	3,465	2,799	1,209	4,920	1,871	942	2,286	4,967	708		
1967—June 30..	47,701	423	36,018	22,352	14	2,579	644	791	3,084	3,364	2,889	1,169	5,048	1,216	1,753	2,274	5,485	728		
City of Chicago:																				
1941—Dec. 31..	2,760	.....	954	732	6	48	52	1	.....	22	95		1,430	256	153	1,022	182	193		
1945—Dec. 31..	5,931	.....	1,333	760	2	211	233	.....	.....	36	51	40	4,213	1,600	749	1,864	181	204		
1947—Dec. 31..	5,088	.....	1,801	1,418	3	73	87	.....	.....	46	149	26	2,890	367	248	2,274	213	185		
1964—Dec. 31..	10,562	.....	7,102	3,870	24	510	203	227	948	465	669	430	1,873	564	397	911	1,392	195		
1965—Dec. 31..	11,455	72	8,147	4,642	32	444	244	188	1,201	577	762	316	1,700	542	273	961	1,400	137		
1966—Dec. 31..	11,802	31	8,724	5,311	64	406	222	181	1,161	622	751	273	1,545	353	256	1,004	1,328	174		
1967—June 30..	12,133	192	8,732	5,562	41	309	205	174	1,019	671	741	281	1,576	308	385	951	1,434	199		
Other reserve city:																				
1941—Dec. 31..	15,347	.....	7,105	3,456	300	114	194	4	.....	1,527	1,508		6,467	295	751	5,421	956	820		
1945—Dec. 31..	40,108	.....	8,514	3,661	205	427	1,503	17	.....	1,459	855	387	29,552	8,016	5,653	15,883	1,126	916		
1947—Dec. 31..	36,040	.....	13,449	7,088	225	170	484	15	.....	3,147	1,969	351	20,196	2,731	1,901	15,563	1,342	1,053		
1964—Dec. 31..	84,670	.....	57,555	21,102	1,095	1,060	986	1,134	4,887	13,611	12,802	1,977	16,326	3,200	5,662	7,463	9,871	918		
1965—Dec. 31..	91,997	471	64,646	24,784	1,206	954	1,108	635	5,820	15,056	14,305	1,999	14,354	2,972	3,281	8,432	11,504	1,022		
1966—Dec. 31..	96,201	817	69,017	28,090	1,251	1,084	1,079	684	5,748	16,044	14,375	1,968	13,040	2,552	2,673	8,222	12,033	1,294		
1967—June 30..	99,850	1,168	68,987	28,887	1,360	695	1,064	539	5,323	16,098	14,548	1,798	12,455	1,539	2,918	8,360	15,240	2,000		
Country:																				
1941—Dec. 31..	12,518	.....	5,890	1,676	659	20	183	2	.....	1,823	1,528		4,377	110	481	3,787	1,222	1,028		
1945—Dec. 31..	35,002	.....	5,596	1,484	648	42	471	4	.....	1,881	707	359	26,999	5,732	4,544	16,722	1,342	1,067		
1947—Dec. 31..	36,324	.....	10,199	3,096	818	23	227	5	.....	3,827	1,979	224	22,857	3,063	2,108	17,687	2,006	1,262		
1964—Dec. 31..	93,759	.....	55,733	14,556	3,493	830	599	710	1,730	17,964	15,899	1,047	24,341	4,209	7,206	12,925	11,531	2,154		
1965—Dec. 31..	103,362	905	62,433	16,478	3,840	650	698	174	1,983	20,217	18,423	1,177	23,735	4,389	5,565	14,098	13,805	2,483		
1966—Dec. 31..	110,089	1,161	68,051	17,938	3,986	790	761	157	2,175	22,253	20,000	1,307	22,419	3,791	5,917	13,096	15,473	2,985		
1967—June 30..	114,563	1,594	70,681	19,120	4,323	591	830	116	1,928	22,996	20,735	1,383	21,557	2,706	5,915	13,270	16,926	3,804		
Nonmember:																				
1947—Dec. 31..	18,454	.....	5,432	1,205	614	20	156	2	.....	2,266	1,061	109	11,318	2,179	1,219	7,920	1,078	625		
1964—Dec. 31..	48,879	.....	27,899	6,500	2,862	400	432	241	733	9,088	7,786	328	14,273	3,445	3,801	7,026	5,159	1,548		
1965—Dec. 31..	54,483	242	31,616	7,458	3,113	343	516	151	817	10,312	9,050	383	14,555	n.a.	n.a.	n.a.	6,067	2,003		
1966—Dec. 31..	59,257	425	34,781	8,045	3,237	431	543	142	953	11,566	10,018	427	14,239	n.a.	n.a.	n.a.	7,203	2,609		
1967—June 30..	61,882	567	36,862	8,618	3,596	423	583	164	879	12,145	10,618	435	13,597	n.a.	n.a.	n.a.	7,787	3,068		

¹ Beginning with June 30, 1948, figures for various loan items are shown gross (i.e., before deduction of valuation reserves); they do not add to the total and are not entirely comparable with prior figures. Total loans continue to be shown net.

² Includes securities purchased under resale agreements prior to June 30, 1967—they were in loans, for the most part in loans to banks. Prior to Dec. 1965, Federal funds sold were included with total loans and loans to banks.

³ See table (and notes) entitled *Deposits Accumulated at Commercial Banks for Payment of Personal Loans*, p. A-21.

⁴ Breakdowns of loan investment and deposit classifications are not

available before 1947; summary figures for earlier dates appear in the preceding table.

⁵ Beginning with June 30, 1966, loans to farmers directly guaranteed by CCC were reclassified as "Other securities," and Export-Import Bank portfolio fund participations were reclassified from loans to "Other securities." This increased "Other securities" by about \$1 billion.

⁶ Beginning with Dec. 31, 1965, components shown at par rather than at book value; they do not add to the total (shown at book value) and are not entirely comparable with prior figures.

For other notes see opposite page.

RESERVES AND LIABILITIES BY CLASS OF BANK

(In millions of dollars)

Class of bank and call date	Re-serves with F.R. Banks	Cur-rency and coin	Bal-ances with do-mestic banks ⁷	De-mand de-posits ad-justed ⁸	Demand deposits						Time deposits					Bor-row-ings	Cap-ital ac-counts
					Interbank		U.S. Govt.	State and local govt.	Certi-fied and offi-cers' checks, etc.	IPC	Inter-bank	U.S. Govt. and Postal Sav-ings	State and local govt.	IPC ³			
					Do-mestic ⁷	For-ign ⁹											
Total: ³																	
1947—Dec. 31....	17,796	2,216	10,216	87,123	11,362	1,430	1,343	6,799	2,581	84,987	240	111	866	34,383	65	10,059	
1964—Dec. 31....	17,581	4,532	15,111	134,671	16,369	1,569	6,510	13,519	5,970	135,694	819	272	9,812	116,635	2,679	27,795	
1965—Dec. 31....	17,992	4,851	15,300	140,936	16,794	1,632	5,525	14,244	5,978	140,558	1,008	263	12,186	134,247	4,472	30,272	
1966—Dec. 31....	19,069	5,450	15,870	142,104	17,867	1,904	4,992	15,047	7,051	145,653	967	238	13,462	146,329	4,859	32,054	
1967—June 30....	18,999	4,854	14,524	137,267	16,338	1,691	5,152	15,207	7,527	138,314	1,468	267	15,669	159,170	5,166	33,285	
All insured:																	
1941—Dec. 31....	12,396	1,358	8,570	37,845	9,823	673	1,762	3,677	1,077	36,544	158	59	492	15,146	10	6,844	
1945—Dec. 31....	15,810	1,829	11,075	74,722	12,566	1,248	23,740	5,098	2,585	72,593	70	103	496	29,277	215	8,671	
1947—Dec. 31....	17,796	2,145	9,736	85,751	11,236	1,379	1,325	6,692	2,559	83,723	54	111	826	33,946	61	9,734	
1964—Dec. 31....	17,581	4,515	14,613	133,336	16,210	1,454	6,487	13,423	5,856	134,764	733	272	9,766	116,147	2,580	27,377	
1965—Dec. 31....	17,992	4,833	14,801	139,601	16,620	1,529	5,508	14,152	5,913	139,594	923	263	12,135	133,686	4,325	29,827	
1966—Dec. 31....	19,069	5,426	15,348	140,835	17,713	1,784	4,975	14,951	6,956	144,782	881	238	13,414	145,744	4,717	31,609	
1967—June 30....	18,999	4,839	14,094	136,024	16,185	1,593	5,135	15,108	7,420	137,463	1,399	267	15,614	158,560	5,050	32,843	
Member, total:																	
1941—Dec. 31....	12,396	1,087	6,246	33,754	9,714	671	1,709	3,066	1,009	33,061	140	50	418	11,878	4	5,886	
1945—Dec. 31....	15,811	1,438	7,117	64,184	12,333	1,243	22,179	4,240	2,450	62,950	64	99	399	23,712	208	7,589	
1947—Dec. 31....	17,797	1,672	6,270	73,528	10,978	1,375	1,176	5,504	2,401	72,704	50	105	693	27,542	54	8,464	
1964—Dec. 31....	17,581	3,490	9,057	108,324	15,604	1,403	5,838	10,293	5,368	112,878	664	239	8,012	95,425	2,481	22,901	
1965—Dec. 31....	17,992	3,757	8,957	112,569	15,977	1,477	4,890	10,840	5,386	115,905	840	236	10,041	109,925	4,234	24,926	
1966—Dec. 31....	19,069	4,249	9,400	112,920	17,051	1,736	4,432	11,406	6,396	120,417	794	213	10,983	118,576	4,618	26,278	
1967—June 30....	18,999	3,728	8,686	109,132	15,610	1,557	4,580	11,566	6,857	114,123	1,314	239	12,747	128,936	4,920	27,237	
New York City:																	
1941—Dec. 31....	5,105	93	141	10,761	3,595	607	866	319	450	11,282	6	.....	29	778	.....	1,648	
1945—Dec. 31....	4,015	111	78	15,065	3,535	1,105	6,940	237	1,338	15,712	17	10	20	1,206	195	2,120	
1947—Dec. 31....	4,639	151	70	16,653	3,236	1,217	267	290	1,105	17,646	12	12	14	1,418	30	2,259	
1964—Dec. 31....	3,730	278	180	17,729	4,112	976	1,486	441	2,940	20,515	436	74	677	13,534	1,224	4,471	
1965—Dec. 31....	3,788	310	122	18,190	4,191	1,034	1,271	620	2,937	20,708	522	84	807	17,097	1,987	5,114	
1966—Dec. 31....	4,062	326	201	18,013	5,105	1,265	1,016	608	3,814	22,113	467	83	918	16,447	1,874	5,298	
1967—June 30....	4,397	279	188	17,459	5,072	1,111	1,021	796	4,086	20,774	817	85	1,129	17,772	1,841	5,604	
City of Chicago:																	
1941—Dec. 31....	1,021	43	298	2,215	1,027	8	127	233	34	2,152	.....	.....	.....	476	.....	288	
1945—Dec. 31....	942	36	200	3,153	1,292	20	1,552	237	66	3,160	.....	.....	.....	719	.....	377	
1947—Dec. 31....	1,070	30	175	3,737	1,196	21	72	285	63	3,853	.....	.....	2	902	.....	426	
1964—Dec. 31....	1,006	55	150	4,294	1,389	59	396	312	122	4,929	22	5	213	4,361	204	1,056	
1965—Dec. 31....	1,042	73	151	4,571	1,377	59	345	328	126	5,202	39	4	210	4,785	355	1,132	
1966—Dec. 31....	815	92	136	4,502	1,362	71	310	286	146	5,575	25	1	356	4,541	484	1,199	
1967—June 30....	954	80	153	4,370	1,209	62	299	307	169	5,061	20	1	470	5,215	359	1,224	
Other reserve city:																	
1941—Dec. 31....	4,060	425	2,590	11,117	4,302	54	491	1,144	286	11,127	104	20	243	4,542	.....	1,967	
1945—Dec. 31....	6,326	494	2,174	22,372	6,307	110	8,221	1,763	611	22,281	30	38	160	9,563	2	2,566	
1947—Dec. 31....	7,095	562	2,125	25,714	5,497	131	405	2,282	705	26,003	22	45	332	11,045	1	2,844	
1964—Dec. 31....	7,680	1,065	2,433	37,047	7,962	326	2,195	3,508	1,238	42,137	134	77	3,840	35,728	841	8,488	
1965—Dec. 31....	7,700	1,139	2,341	37,703	8,091	330	1,773	3,532	1,180	42,380	206	71	4,960	40,510	1,548	9,007	
1966—Dec. 31....	8,353	1,326	2,517	37,572	8,249	343	1,633	3,708	1,274	44,022	233	57	5,450	44,204	1,952	9,472	
1967—June 30....	8,084	1,131	2,165	36,147	7,325	342	1,880	3,399	1,380	41,617	370	78	6,094	48,130	2,109	9,755	
Country:																	
1941—Dec. 31....	2,210	526	3,216	9,661	790	2	225	1,370	239	8,500	30	31	146	6,082	4	1,982	
1945—Dec. 31....	4,527	796	4,665	23,595	1,199	8	5,465	2,004	435	21,797	17	52	219	12,224	11	2,525	
1947—Dec. 31....	4,993	929	3,900	27,424	1,049	7	432	2,647	528	25,203	17	45	337	14,177	23	2,934	
1964—Dec. 31....	5,165	2,092	6,295	49,253	2,141	41	1,760	6,031	1,068	45,298	71	83	3,282	41,803	213	8,886	
1965—Dec. 31....	5,463	2,235	6,344	52,104	2,317	54	1,501	6,360	1,143	47,615	74	77	4,064	47,534	343	9,673	
1966—Dec. 31....	5,839	2,506	6,545	52,832	2,335	57	1,474	6,805	1,161	48,706	69	71	4,260	53,384	308	10,309	
1967—June 30....	5,565	2,237	6,180	51,156	2,005	42	1,380	7,064	1,222	46,670	106	75	5,054	57,819	611	10,655	
Nonmember: ³																	
1947—Dec. 31....	.....	544	3,947	13,595	385	55	167	1,295	180	12,284	190	6	172	6,858	12	1,596	
1964—Dec. 31....	.....	1,042	6,054	26,348	765	166	672	3,227	602	22,816	156	33	1,800	21,210	198	4,894	
1965—Dec. 31....	.....	1,093	6,343	28,367	817	155	635	3,404	592	24,653	168	27	2,145	24,322	238	5,345	
1966—Dec. 31....	.....	1,201	6,471	29,184	815	167	560	3,641	655	25,237	173	26	2,479	27,753	241	5,776	
1967—June 30....	.....	1,126	5,838	28,135	728	134	571	3,641	670	24,191	154	28	2,921	30,234	246	6,048	

⁷ Beginning with 1942, excludes reciprocal bank balances.⁸ Through 1960 demand deposits other than interbank and U.S. Govt., less cash items in process of collection; beginning with 1961, demand deposits other than domestic commercial interbank and U.S. Govt., less cash items in process of collection.⁹ For reclassification of certain deposits in 1961, see note 6, p. 589, May 1964 BULLETIN.

NOTE.—Data are for all commercial banks in the United States. (For definition of "commercial banks" as used in this table and for other banks

that are included under member banks, see NOTE, p. 589, May 1964 BULLETIN.) These figures exclude data for banks in U.S. possessions except for member banks. Comparability of figures for classes of banks is affected somewhat by changes in F.R. membership, deposit insurance status, and the reserve classifications of cities and individual banks, and by mergers, etc.

Data for national banks for Dec. 31, 1964, have been adjusted to make them comparable with State bank data.

For other notes see opposite page.

ASSETS AND LIABILITIES OF LARGE COMMERCIAL BANKS

(In millions of dollars)

Wednesday	Total loans and invest- ments ¹	Loans ¹ net of valuation re- serves	Loans ²														
			Com- mer- cial and indus- trial	Agi- cul- tural	For purchasing or carrying securities				To financial institutions				Real estate	Con- sumer instal- ment	For- eign govts.	All other	Valua- tion re- serves
					To brokers and dealers		To others		Banks		Nonbank						
					U.S. Govt. se- curi- ties	Other se- curi- ties	U.S. Govt. se- curi- ties	Other se- curi- ties	For- eign	Do- mes- tic com- mer- cial	Pers. and sales finan. cos., etc.	Other					
Large banks— Total																	
1967																	
Jan. 4.....	191,612	139,742	60,990	1,821	2,109	3,340	73	2,111	1,590	4,139	6,734	4,336	27,460	15,937	1,153	10,881	2,932
11.....	188,644	137,185	61,031	1,810	2,194	2,813	72	2,072	1,541	3,194	5,949	4,282	27,432	15,896	1,152	10,694	2,947
18.....	188,468	136,464	60,818	1,815	1,767	3,193	68	2,067	1,486	3,303	5,679	4,202	27,409	15,855	1,157	10,595	2,950
25.....	187,429	135,443	60,449	1,810	1,933	2,739	70	2,055	1,475	3,201	5,665	4,160	27,378	15,826	1,123	10,512	2,953
1967																	
Dec. 6.....	204,679	143,181	64,108	1,906	957	3,567	81	2,460	1,400	4,243	5,347	4,439	28,738	16,189	1,115	11,593	2,962
13.....	205,331	143,751	64,119	1,918	949	3,711	83	2,451	1,401	4,160	5,682	4,429	28,815	16,227	1,120	11,645	2,959
20.....	208,644	146,878	65,536	1,929	944	4,284	90	2,458	1,421	4,309	6,186	4,473	28,892	16,244	1,096	11,963	2,947
27.....	209,147	147,403	65,818	1,934	775	4,307	90	2,464	1,434	4,324	6,448	4,479	28,900	16,274	1,090	12,006	2,940
1968																	
Jan. 3.....	210,415	148,611	66,290	1,942	1,254	4,516	115	2,465	1,431	4,645	5,916	4,554	28,988	16,346	1,062	12,274	3,187
10.....	208,078	146,707	65,998	1,937	1,815	4,058	98	2,449	1,394	3,719	5,581	4,445	28,975	16,301	1,070	12,056	3,189
17.....	207,161	145,032	65,751	1,944	1,373	3,847	99	2,432	1,360	3,159	5,490	4,431	29,002	16,316	1,029	11,987	3,188
24.....	205,292	143,901	65,059	1,934	1,197	3,755	97	2,430	1,399	3,294	5,352	4,301	29,034	16,292	1,048	11,897	3,188
31.....	207,222	145,165	64,994	1,927	1,971	3,852	105	2,432	1,362	3,403	5,410	4,266	29,035	16,392	1,066	12,143	3,193
New York City																	
1967																	
Jan. 4.....	44,777	34,824	20,584	15	794	2,005	13	584	849	771	2,028	1,061	3,182	1,229	771	1,781	843
11.....	43,819	33,984	20,585	15	830	1,478	11	561	832	853	1,751	1,041	3,159	1,223	762	1,725	842
18.....	44,048	34,099	20,444	15	879	1,778	9	557	791	956	1,635	1,038	3,146	1,217	752	1,725	843
25.....	43,923	33,901	20,272	14	907	1,426	9	556	792	1,303	1,663	1,033	3,121	1,220	736	1,692	843
1967																	
Dec. 6.....	47,635	35,525	21,343	13	290	2,051	16	799	646	1,656	1,513	1,067	3,038	1,256	745	1,925	833
13.....	48,122	36,133	21,265	12	465	2,229	18	788	668	1,810	1,681	1,065	3,030	1,259	755	1,921	833
20.....	49,220	37,068	21,972	12	448	2,660	18	795	689	1,389	1,745	1,051	3,053	1,263	761	2,043	831
27.....	49,136	37,156	22,102	13	421	2,717	18	802	698	1,259	1,817	1,055	3,040	1,267	748	2,023	824
1968																	
Jan. 3.....	49,156	37,366	22,236	12	666	2,826	20	812	698	1,340	1,490	1,058	3,015	1,258	742	2,129	936
10.....	48,461	36,842	22,111	17	1,042	2,508	17	777	653	1,119	1,444	1,042	3,002	1,251	755	2,041	937
17.....	47,688	36,099	21,976	18	700	2,354	16	775	643	1,023	1,445	1,114	2,997	1,250	723	2,002	937
24.....	47,063	35,733	21,679	20	576	2,316	16	774	687	1,208	1,371	1,056	2,992	1,250	736	1,990	938
31.....	47,795	36,319	21,596	20	1,129	2,364	22	773	647	970	1,523	1,046	2,982	1,253	739	2,194	939
Outside New York City																	
1967																	
Jan. 4.....	146,835	104,918	40,406	1,806	1,315	1,335	60	1,527	741	3,368	4,706	3,275	24,278	14,708	382	9,100	2,089
11.....	144,825	103,201	40,446	1,795	1,364	1,335	61	1,511	709	2,341	4,198	3,241	24,273	14,673	390	8,969	2,105
18.....	144,420	102,365	40,374	1,800	888	1,415	59	1,510	695	2,347	4,044	3,164	24,263	14,638	405	8,870	2,107
25.....	143,506	101,542	40,177	1,796	1,026	1,313	61	1,499	683	1,898	4,002	3,127	24,257	14,606	387	8,820	2,110
1967																	
Dec. 6.....	157,044	107,656	42,765	1,893	667	1,516	65	1,661	754	2,587	3,834	3,372	25,700	14,933	370	9,668	2,129
13.....	157,209	107,618	42,854	1,906	484	1,482	65	1,663	733	2,350	4,001	3,364	25,785	14,968	365	9,724	2,126
20.....	159,424	109,810	43,564	1,917	496	1,624	72	1,663	732	2,920	4,441	3,422	25,839	14,981	335	9,920	2,116
27.....	160,011	110,247	43,716	1,921	354	1,590	72	1,662	736	3,065	4,631	3,424	25,860	15,007	342	9,983	2,116
1968																	
Jan. 3.....	161,259	111,245	44,054	1,930	588	1,690	95	1,653	733	3,305	4,426	3,496	25,973	15,088	320	10,145	2,251
10.....	159,617	109,865	43,887	1,920	773	1,550	81	1,672	741	2,600	4,137	3,403	25,973	15,050	315	10,015	2,252
17.....	159,473	108,933	43,775	1,926	673	1,493	83	1,657	717	2,136	4,045	3,317	26,005	15,066	306	9,985	2,251
24.....	158,229	108,168	43,380	1,914	621	1,439	81	1,656	712	2,086	3,981	3,245	26,042	15,042	312	9,907	2,250
31.....	159,427	108,846	43,398	1,907	842	1,488	83	1,659	715	2,433	3,887	3,220	26,053	15,139	327	9,949	2,254

For notes see p. A-27.

ASSETS AND LIABILITIES OF LARGE COMMERCIAL BANKS—Continued

(In millions of dollars)

Investments										Cash assets										All other assets	Wednesday
U.S. Government securities						Other securities				Total	Cash items in process of collection	Balances with—		Cur- rency and coin	Re- serves with F.R. Banks						
Total	Bills	Cer- tifi- cates	Notes and bonds maturing—			Obligations of States and political subdiv.		Other bonds, corp. stocks and securities				Domestic banks	For- eign banks								
			With- in 1 yr.	1 to 5 yrs.	After 5 yrs.	Tax war- rants ³	All other	Certif. of partici- pation ⁴	Other secu- rities												
Large banks— Total																					
1967																					
25,200	5,067	318	3,416	10,335	6,064	2,296	21,046	899	2,429	45,432	22,913	4,597	213	2,775	14,934	8,011	 Jan. 4				
24,728	4,536	317	3,441	10,304	6,130	2,300	21,114	922	2,395	41,178	20,072	4,126	221	2,835	13,924	7,709	 11				
25,002	4,639	329	3,489	10,411	6,134	2,502	21,146	920	2,434	42,870	21,099	4,179	209	2,726	14,657	7,660	 18				
24,879	4,533	330	3,490	10,403	6,123	2,542	21,078	996	2,491	39,800	17,975	3,900	198	2,680	15,047	7,641	 25				
1967																					
28,206	5,809	.....	3,817	13,700	4,880	4,044	25,103	1,553	2,592	45,934	23,485	4,355	228	2,795	15,071	8,989	 Dec. 6				
27,991	5,580	.....	3,863	13,728	4,820	4,168	25,247	1,552	2,622	47,019	23,695	4,245	229	3,076	15,774	9,144	 13				
28,173	5,819	.....	4,026	13,818	4,510	4,083	25,332	1,557	2,621	47,527	23,777	4,326	218	2,990	16,216	9,150	 20				
28,250	5,906	.....	4,036	13,831	4,477	4,085	25,285	1,509	2,615	50,983	26,304	4,441	250	3,289	16,699	9,049	 27				
1968																					
28,371	6,049	.....	4,142	13,869	4,311	3,953	25,285	1,544	2,651	51,111	25,859	4,738	254	3,074	17,186	9,284	 Jan. 3				
27,824	5,576	.....	4,018	13,825	4,405	3,990	25,374	1,540	2,643	44,729	22,442	4,165	230	2,990	14,902	9,107	 10				
28,653	6,555	.....	4,015	13,719	4,364	3,937	25,339	1,556	2,644	48,574	23,867	4,206	237	2,888	17,376	8,920	 17				
27,928	5,841	.....	4,064	13,677	4,346	3,901	25,326	1,567	2,669	44,076	20,676	3,981	233	2,913	16,272	8,955	 24				
28,080	6,023	.....	4,076	13,627	4,354	3,956	25,490	1,696	2,835	47,066	22,765	4,167	236	2,787	17,111	9,567	 31				
New York City																					
1967																					
4,585	1,521	62	505	1,234	1,263	557	3,921	205	685	12,606	7,589	218	77	362	4,360	2,899	 Jan. 4				
4,454	1,379	62	522	1,171	1,320	573	3,934	204	670	11,320	7,093	164	92	359	3,612	2,695	 11				
4,533	1,460	73	545	1,182	1,273	596	3,936	205	679	12,772	8,514	180	85	340	3,653	2,675	 18				
4,601	1,543	74	536	1,198	1,250	633	3,881	214	693	11,375	6,898	155	80	343	3,899	2,671	 25				
1967																					
5,742	2,013	.....	807	1,974	948	1,410	4,291	60	607	14,078	9,564	321	94	401	3,698	3,363	 Dec. 6				
5,505	1,752	.....	816	1,994	943	1,493	4,291	71	629	13,857	9,201	227	102	430	3,897	3,493	 13				
5,634	1,890	.....	848	2,007	889	1,482	4,350	65	621	14,206	8,929	301	87	402	4,487	3,562	 20				
5,510	1,789	.....	808	2,024	889	1,470	4,313	65	622	16,194	10,736	307	107	437	4,607	3,377	 27				
1968																					
5,441	1,769	.....	788	2,104	780	1,392	4,239	63	655	14,767	8,858	320	119	409	5,061	3,457	 Jan. 3				
5,360	1,776	.....	796	1,944	844	1,358	4,215	61	625	12,990	8,625	268	105	394	3,598	3,361	 10				
5,411	1,914	.....	776	1,858	863	1,315	4,220	58	585	14,693	9,507	289	104	374	4,419	3,186	 17				
5,193	1,714	.....	805	1,819	855	1,306	4,163	62	606	13,505	8,444	216	108	380	4,357	3,200	 24				
5,161	1,708	.....	818	1,774	861	1,327	4,241	88	659	15,251	9,682	259	109	367	4,834	3,525	 31				
Outside New York City																					
1967																					
20,615	3,546	256	2,911	9,101	4,801	1,739	17,125	694	1,744	32,826	15,324	4,379	136	2,413	10,574	5,112	 Jan. 4				
20,274	3,157	255	2,919	9,133	4,810	1,727	17,180	718	1,725	29,858	12,979	3,962	129	2,476	10,312	5,014	 11				
20,469	3,179	256	2,944	9,229	4,861	1,906	17,210	715	1,755	30,098	12,585	3,999	124	2,386	11,004	4,985	 18				
20,278	2,990	256	2,954	9,205	4,873	1,909	17,197	782	1,798	28,425	11,077	3,745	118	2,337	11,148	4,970	 25				
22,464	3,796	.....	3,010	11,726	3,932	2,634	20,812	1,493	1,985	31,856	13,921	4,034	134	2,394	11,373	5,626	 Dec. 6				
22,486	3,828	.....	3,047	11,734	3,877	2,675	20,956	1,481	1,993	33,162	14,494	4,018	127	2,646	11,877	5,651	 13				
22,539	3,929	.....	3,178	11,811	3,621	2,601	20,982	1,492	2,000	33,321	14,848	4,025	131	2,588	11,729	5,588	 20				
22,740	4,117	.....	3,228	11,807	3,588	2,615	20,972	1,444	1,993	34,789	15,568	4,134	143	2,852	12,092	5,672	 27				
1968																					
22,930	4,280	.....	3,354	11,765	3,531	2,561	21,046	1,481	1,996	36,344	17,001	4,418	135	2,665	12,125	5,827	 Jan. 3				
22,464	3,800	.....	3,222	11,881	3,561	2,632	21,159	1,479	2,018	31,739	13,817	3,897	125	2,596	11,304	5,746	 10				
23,242	4,641	.....	3,239	11,861	3,501	2,622	21,119	1,498	2,059	33,881	14,360	3,917	133	2,514	12,957	5,734	 17				
22,735	4,127	.....	3,259	11,858	3,491	2,595	21,163	1,505	2,063	30,571	12,232	3,765	125	2,533	11,915	5,755	 24				
22,919	4,315	.....	3,258	11,853	3,493	2,629	21,249	1,602	2,182	31,815	13,083	3,908	127	2,420	12,277	6,042	 31				

For notes see p. A-27.

ASSETS AND LIABILITIES OF LARGE COMMERCIAL BANKS—Continued

(In millions of dollars)

Wednesday		Total unad- justed	Deposits													
			Demand							Time						
			Total ⁵	IPC	States and polit- ical sub- divisions	U.S. Govt.	Do- mes- tic com- mer- cial banks	Foreign		Total ⁷	IPC		States and polit- ical sub- divisions	Do- mes- tic inter- bank	Foreign	
								Govt., etc. ⁶	Com- mer- cial banks		Sav- ings	Other			Govt., etc.	Com- mer- cial banks
Large banks— Total																
1967																
Jan.	4	207,333	117,181	84,444	6,293	3,779	14,839	748	1,507	90,152	47,105	29,606	8,330	504	4,222	205
	11	200,188	109,359	80,796	5,575	1,850	13,578	686	1,437	90,829	46,729	30,498	8,444	556	4,221	202
	18	202,182	110,622	80,833	5,572	2,603	13,111	762	1,439	91,560	46,556	31,329	8,362	661	4,289	190
	25	198,738	106,193	78,000	5,485	3,395	12,089	668	1,440	92,545	46,520	32,119	8,480	715	4,341	195
1967																
Dec.	6	218,856	115,829	83,800	5,872	2,091	14,646	711	1,555	103,027	48,505	38,847	9,326	843	5,065	261
	13	220,604	117,393	87,331	5,793	1,494	13,915	700	1,574	103,211	48,442	38,905	9,504	861	5,059	261
	20	224,628	122,123	88,304	5,833	5,559	14,053	698	1,683	102,505	48,437	38,264	9,497	858	4,980	288
	27	228,371	125,562	90,370	5,994	4,965	14,841	808	1,793	102,809	48,647	38,324	9,596	812	4,965	283
1968																
Jan.	3	230,198	127,277	92,380	6,231	3,818	15,752	764	1,816	102,921	48,864	38,273	9,509	769	5,035	290
	10	221,975	118,564	87,821	6,086	1,639	14,137	724	1,653	103,411	48,711	38,906	9,545	773	5,010	288
	17	224,395	120,711	87,888	5,787	3,675	14,260	822	1,617	103,684	48,591	39,321	9,528	821	4,950	278
	24	219,012	114,974	84,074	5,335	4,261	12,883	702	1,657	104,038	48,531	39,577	9,619	826	5,024	266
	31	224,306	120,128	86,053	6,301	5,467	13,298	695	1,605	104,178	48,516	39,639	9,635	832	5,064	298
New York City																
1967																
Jan.	4	46,889	30,348	19,872	389	1,115	3,999	612	1,040	16,541	4,616	7,727	726	309	2,974	92
	11	44,623	27,912	18,553	269	421	3,720	540	991	16,711	4,580	7,895	756	333	2,967	90
	18	46,955	29,889	19,065	332	679	3,787	606	998	17,066	4,560	8,234	683	421	2,987	90
	25	45,557	28,150	18,515	256	843	3,639	523	1,002	17,408	4,557	8,502	693	456	3,014	95
1967																
Dec.	6	50,719	31,313	19,499	372	418	4,440	568	1,057	19,406	4,744	9,572	934	591	3,350	150
	13	51,031	31,577	20,510	377	264	4,283	553	1,093	19,454	4,740	9,621	927	602	3,350	149
	20	52,530	33,489	21,347	513	1,947	4,138	541	1,183	19,041	4,740	9,316	882	596	3,265	176
	27	54,439	35,344	21,911	434	1,602	4,869	638	1,269	19,095	4,753	9,462	842	562	3,234	175
1968																
Jan.	3	52,745	34,004	22,404	425	1,138	4,253	606	1,285	18,741	4,708	9,214	759	523	3,290	177
	10	50,448	31,517	20,880	395	365	4,041	573	1,130	18,931	4,692	9,436	763	517	3,279	173
	17	51,498	32,653	20,792	388	854	4,364	663	1,118	18,845	4,688	9,433	717	558	3,197	173
	24	49,778	30,970	20,017	302	961	3,942	547	1,146	18,808	4,686	9,397	728	563	3,199	156
	31	52,362	33,677	21,246	468	1,377	4,347	545	1,097	18,685	4,690	9,221	749	565	3,227	154
Outside New York City																
1967																
Jan.	4	160,444	86,833	64,572	5,904	2,664	10,840	136	467	73,611	42,489	21,879	7,604	195	1,248	113
	11	155,565	81,447	62,243	5,306	1,429	9,858	146	446	74,118	42,149	22,603	7,688	223	1,254	112
	18	155,227	80,733	61,768	5,240	1,924	9,324	156	441	74,494	41,996	23,095	7,679	240	1,302	100
	25	153,181	78,043	59,485	5,229	2,552	8,450	145	438	75,137	41,963	23,617	7,787	259	1,327	100
1967																
Dec.	6	168,137	84,516	64,301	5,500	1,673	10,206	143	498	83,621	43,761	29,275	8,392	252	1,715	111
	13	169,573	85,816	66,821	5,416	1,230	9,632	147	481	83,757	43,702	29,284	8,577	259	1,709	112
	20	172,098	88,634	66,957	5,320	3,612	9,915	157	500	83,464	43,697	28,948	8,615	262	1,715	112
	27	173,932	90,218	68,459	5,560	3,363	9,972	170	524	83,714	43,894	28,862	8,754	250	1,731	108
1968																
Jan.	3	177,453	93,273	69,976	5,806	2,680	11,499	158	531	84,180	44,156	29,059	8,750	246	1,745	113
	10	171,527	87,047	66,941	5,691	1,274	10,096	151	523	84,480	44,019	29,470	8,782	256	1,731	115
	17	172,897	88,058	67,096	5,399	2,821	9,896	159	499	84,839	43,903	29,888	8,811	263	1,753	105
	24	169,234	84,004	64,057	5,033	3,300	8,941	155	511	85,230	43,845	30,180	8,891	263	1,825	110
	31	171,944	86,451	64,807	5,833	4,090	8,951	150	508	85,493	43,826	30,418	8,886	267	1,837	144

For notes see p. A-27.

ASSETS AND LIABILITIES OF LARGE COMMERCIAL BANKS—Continued

(In millions of dollars)

Borrowings		Other liabilities	Capital accounts	Total assets— Total liabilities and capital accounts	Memoranda						Wednesday
From F.R. Banks	From others				Total loans (net), adjusted ⁸	Total loans (net), adjusted, and investments ⁸	Demand deposits adjusted ⁹	Large certificates of deposit ¹⁰			
								Total issued	Issued to IPC's	Issued to others	
<i>Large banks—Total</i>											
1967											
126	7,691	10,686	19,219	245,055	135,603	187,473	75,650	16,010	10,722	5,288	Jan. 4
384	6,785	10,922	19,252	237,531	133,991	185,450	73,859	16,455	10,971	5,484	11
288	6,644	10,666	19,218	238,998	133,161	185,165	73,809	17,034	11,468	5,566	18
352	5,977	10,578	19,225	234,870	132,242	184,228	72,734	17,856	12,113	5,743	25
1967											
91	7,461	12,786	20,408	259,602	138,938	200,436	75,607	21,097	13,966	7,131	Dec. 6
109	7,270	13,109	20,402	261,494	139,587	201,167	78,289	21,115	13,984	7,131	13
356	7,018	12,986	20,333	265,321	142,569	204,335	78,734	20,384	13,266	7,118	20
262	7,453	12,753	20,340	269,179	143,079	204,823	79,452	20,330	13,285	7,045	27
1968											
151	7,631	12,371	20,459	270,810	143,966	205,770	81,848	20,094	13,118	6,976	Jan. 3
30	6,986	12,401	20,522	261,914	142,988	204,359	80,346	20,491	13,489	7,002	10
993	6,412	12,347	20,508	264,655	141,873	204,002	78,909	20,682	13,621	7,061	17
256	6,000	12,526	20,528	258,322	140,607	201,998	77,154	20,939	13,794	7,145	24
733	5,357	12,780	20,679	263,855	141,762	203,819	78,598	20,920	13,696	7,224	31
<i>New York City</i>											
1967											
.....	2,980	5,264	5,149	60,282	34,053	44,006	17,645	5,535	3,916	1,619	Jan. 4
.....	2,525	5,508	5,178	57,834	33,131	42,966	16,678	5,721	3,997	1,724	11
18	2,198	5,150	5,174	59,495	33,143	43,092	16,909	6,073	4,294	1,779	18
5	2,004	5,227	5,175	57,969	32,598	42,620	16,770	6,440	4,575	1,865	25
1967											
.....	2,154	6,664	5,539	65,076	33,869	45,979	16,891	7,460	5,138	2,322	Dec. 6
14	1,972	6,915	5,540	65,472	34,323	46,312	17,829	7,455	5,163	2,292	13
260	1,970	6,715	5,513	66,988	35,679	47,831	18,475	7,050	4,775	2,275	20
.....	2,214	6,541	5,513	68,707	35,897	47,877	18,137	7,121	4,929	2,192	27
1968											
.....	2,744	6,393	5,498	67,380	36,026	47,816	19,755	6,944	4,815	2,129	Jan. 3
13	2,199	6,669	5,483	64,812	35,723	47,342	18,486	7,139	5,036	2,103	10
380	1,827	6,386	5,476	65,567	35,076	46,665	17,928	7,113	4,979	2,134	17
.....	1,798	6,710	5,482	63,768	34,525	45,855	17,623	7,099	4,979	2,120	24
206	1,670	6,789	5,544	66,571	35,349	46,825	18,271	6,900	4,767	2,133	31
<i>Outside New York City</i>											
1967											
126	4,711	5,422	14,070	184,773	101,550	143,467	58,005	10,475	6,806	3,669	Jan. 4
384	4,260	5,414	14,074	179,697	100,860	142,484	57,181	10,734	6,974	3,760	11
270	4,446	5,516	14,044	179,503	100,018	142,073	56,900	10,961	7,174	3,787	18
347	3,973	5,351	14,050	176,901	99,644	141,608	55,964	11,416	7,538	3,878	25
1967											
91	5,307	6,122	14,869	194,526	105,069	154,457	58,716	13,637	8,828	4,809	Dec. 6
95	5,298	6,194	14,862	196,022	105,264	154,855	60,460	13,660	8,821	4,839	13
96	5,048	6,271	14,820	198,333	106,890	156,504	60,259	13,334	8,491	4,843	20
262	5,239	6,212	14,827	200,472	107,182	156,946	61,315	13,209	8,356	4,853	27
1968											
151	4,887	5,978	14,961	203,430	107,940	157,954	62,093	13,150	8,303	4,847	Jan. 3
17	4,787	5,732	15,039	197,102	107,265	157,017	61,860	13,352	8,453	4,899	10
613	4,585	5,961	15,032	199,088	106,797	157,337	60,981	13,569	8,642	4,927	17
256	4,202	5,816	15,046	194,554	106,082	156,143	59,531	13,840	8,815	5,025	24
527	3,687	5,991	15,135	197,284	106,413	156,994	60,327	14,020	8,929	5,091	31

¹ After deduction of valuation reserves. ² Individual items shown gross.³ Includes short-term notes and bills (less than 1 year to maturity) issued by States and political subdivisions. ⁴ Federal agencies only.⁵ Includes certified and officers' checks, not shown separately.⁶ Deposits of foreign governments and official institutions, central banks, and international institutions.⁷ Includes U.S. Government and postal savings not shown separately.⁸ Exclusive of loans to domestic commercial banks.⁹ All demand deposits except U.S. Government and domestic commercial banks, less cash items in process of collection.¹⁰ Certificates of deposit issued in denominations of \$100,000 or more.

NOTE.—Beginning June 29, 1966, coverage of series was changed from Weekly Reporting Member Banks to Weekly Reporting Large Commercial Banks (earlier figures for 1966 are comparable with the new series). Also beginning June 29, 1966, detailed breakdown is shown of "All other loans," of "Other securities," and of ownership of time certificates of deposit in denominations of \$100,000 or more. For description of revisions, see Aug. 1966 BULLETIN, pp. 1137-40.

COMMERCIAL AND INDUSTRIAL LOANS OF LARGE COMMERCIAL BANKS

(In millions of dollars)

Industry	Outstanding					Net change during—							
	1968					1967			1967			1967	
	Jan. 31	Jan. 24	Jan. 17	Jan. 10	Jan. 3	Jan.	Dec.	Nov.	IV	III	II	2nd half	1st half
Durable goods manufacturing:													
Primary metals.....	1,395	1,381	1,395	1,393	1,387	19	161	23	184	103	153	287	253
Machinery.....	4,311	4,278	4,345	4,314	4,365	21	-56	-5	-248	-382	285	-630	887
Transportation equipment.....	1,753	1,754	1,801	1,826	1,826	-59	-42	-47	-113	-23	-273	-136	-47
Other fabricated metal products.....	1,627	1,668	1,688	1,698	1,706	-69	14	-56	-103	-178	266	-281	409
Other durable goods.....	1,913	1,913	1,946	1,982	1,997	-83	5	-58	-152	10	118	-142	175
Nondurable goods manufacturing:													
Food, liquor, and tobacco.....	2,453	2,511	2,621	2,637	2,713	-305	227	219	587	28	-105	615	-577
Textiles, apparel, and leather.....	1,690	1,691	1,712	1,707	1,717	-59	-127	-123	-385	-25	86	-410	297
Petroleum refining.....	1,574	1,579	1,592	1,586	1,594	20	53	23	91	-204	180	-113	241
Chemicals and rubber.....	2,323	2,342	2,348	2,339	2,356	-18	65	-54	29	-112	1	-83	309
Other nondurable goods.....	1,682	1,724	1,723	1,738	1,729	-46	66	-54	-35	130	108	95	161
Mining, including crude petroleum and natural gas.....	4,515	4,517	4,534	4,494	4,470	331	466	-21	384	-220	1	164	195
Trade: Commodity dealers.....	1,542	1,588	1,619	1,626	1,619	-63	80	296	501	178	-334	679	-479
Other wholesale.....	3,015	3,039	3,057	3,056	3,066	-42	70	-2	162	-66	51	96	68
Retail.....	3,378	3,284	3,351	3,259	3,355	-148	-54	132	-11	17	157	6	-27
Transportation.....	4,442	4,422	4,410	4,428	4,431	35	244	33	333	95	185	428	273
Communication.....	885	896	911	921	931	-118	66	-32	9	-5	157	4	223
Other public utilities.....	2,298	2,352	2,476	2,505	2,517	-118	115	85	110	148	212	258	-109
Construction.....	2,500	2,507	2,527	2,535	2,526	-11	-18	-8	-58	-45	117	-103	10
Services.....	5,056	5,026	5,024	5,034	5,021	78	175	62	304	-83	89	221	-53
All other domestic loans.....	6,691	6,602	6,603	6,768	6,843	-10	305	9	224	132	273	356	558
Bankers' acceptances.....	1,071	1,072	1,161	1,185	1,125	-132	39	112	301	253	-122	554	114
Foreign commercial and industrial loans.....	2,710	2,717	2,702	2,716	2,728	-30	34	19	-15	-97	-113	-112	-20
Total classified loans.....	58,820	58,863	59,546	59,747	60,022	-807	1,888	553	2,099	-346	1,492	1,753	2,861
Total commercial and industrial loans	64,990	65,059	65,751	65,998	66,290	-828	2,085	650	2,446	-412	1,822	2,034	3,037

¹ Beginning with data for Dec. 28, 1966, this series was revised in format and coverage as described on p. 209 of the Feb. 1967 BULLETIN. Data for earlier dates are not strictly comparable.

NOTE.—About 161 weekly reporting banks are included in this series; these banks classify, by industry, commercial and industrial loans amounting to about 90 per cent of such loans held by all weekly reporting banks and about 70 per cent of those held by all commercial banks.

BANK RATES ON SHORT-TERM BUSINESS LOANS

Interest rate (per cent per annum)	All sizes		Size of loan (in thousands of dollars)									
			1-9		10-99		100-499		500-999		1,000 and over	
	Nov. 1967	Aug. 1967	Nov. 1967	Aug. 1967	Nov. 1967	Aug. 1967	Nov. 1967	Aug. 1967	Nov. 1967	Aug. 1967	Nov. 1967	Aug. 1967
Percentage distribution of dollar amount												
Less than 5.50.....	2.5	1.5	0.8	1.0	0.5	0.7	1.1	1.2	1.3	2.7	4.1	1.6
5.50.....	30.9	33.0	1.2	1.3	4.7	4.8	16.0	17.0	30.0	26.6	44.8	51.7
5.51-5.75.....	22.3	19.4	2.4	3.0	5.7	6.3	16.9	19.2	29.7	28.6	27.0	20.7
5.76-6.00.....	12.5	15.4	14.2	14.9	19.3	19.1	19.7	17.7	13.7	16.3	7.3	13.0
6.01-6.49.....	10.2	10.9	25.8	25.7	23.5	24.1	15.6	15.7	7.8	9.2	5.0	4.9
6.50.....	7.1	5.7	10.1	10.2	10.7	10.6	9.0	7.8	5.6	6.5	5.8	3.0
6.51-6.99.....	4.6	4.9	13.8	13.9	11.9	12.1	7.1	6.5	4.1	4.2	1.6	2.1
7.00.....	4.3	3.3	11.7	10.6	8.6	7.9	6.1	6.0	3.7	2.3	2.4	0.8
Over 7.00.....	5.5	5.8	20.0	19.5	15.0	14.5	8.5	8.9	4.1	3.6	2.0	2.2
Total.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Total loans:												
Dollars (millions).....	4,037.9	3,880.7	60.5	61.6	467.9	491.6	892.4	923.2	611.2	566.6	2,006.0	1,837.7
Number (thousands).....	37.8	38.9	15.9	16.1	15.4	16.3	4.7	4.8	1.0	.9	.9	.8
Weighted average rates (per cent per annum)												
35 centers.....	5.96	5.95	6.60	6.58	6.48	6.46	6.17	6.16	5.90	5.89	5.73	5.72
New York City.....	5.71	5.66	6.37	6.33	6.22	6.25	5.95	5.88	5.70	5.69	5.63	5.58
7 Other Northeast.....	6.29	6.29	6.59	6.61	6.69	6.70	6.42	6.42	6.19	6.08	5.95	5.99
8 North Central.....	5.91	5.92	6.67	6.65	6.46	6.41	6.18	6.16	5.87	5.89	5.74	5.76
7 Southeast.....	5.94	5.92	6.46	6.38	6.25	6.18	5.96	5.97	5.75	5.78	5.68	5.67
8 Southwest.....	6.03	6.01	6.61	6.54	6.36	6.32	6.09	6.10	5.95	5.95	5.82	5.78
4 West Coast.....	6.03	6.02	7.08	7.12	6.79	6.84	6.34	6.38	5.89	5.95	5.76	5.72

NOTE.—Beginning Feb. 1967 the Quarterly Survey of Interest Rates on Business Loans was revised. For description of revised series see pp. 721-27 of the May BULLETIN. The weights in computing weighted average interest rates on short-term business loans have been revised.

Bank prime rate was 5 per cent during the period Jan. 1, 1960-Aug. 22, 1960. Changes thereafter to new levels (in per cent) occurred on the following dates:

1960—Aug. 23	4½	1967—Jan. 26-27	5½-5¾
1965—Dec. 6	5	Mar. 27	5½
1966—Mar. 10	5½	Nov. 20	6
June 29	5¾		
Aug. 16	6		

MONEY MARKET RATES

(Per cent per annum)

Period	Prime coml. paper, 4- to 6- months ¹	Finance co. paper placed directly, 3- to 6- months ²	Prime bankers' accept- ances, 90 days ¹	Federal funds rate ³	U.S. Government securities (taxable) ⁴						
					3-month bills ⁵		6-month bills ⁵		9- to 12-month issues		3- to 5- year issues ⁷
					Rate on new issue	Market yield	Rate on new issue	Market yield	Bills (mar- ket yield) ⁵	Other ⁶	
1965.....	4.38	4.27	4.22	4.07	3.954	3.95	4.055	4.05	4.06	4.09	4.22
1966.....	5.55	5.42	5.36	5.11	4.881	4.85	5.082	5.06	5.07	5.17	5.16
1967.....	5.10	4.89	4.75	4.22	4.321	4.30	4.630	4.61	4.71	4.84	5.07
1967—Jan.....	5.73	5.50	5.23	4.94	4.759	4.72	4.787	4.74	4.61	4.71	4.71
Feb.....	5.38	5.19	4.88	5.00	4.554	4.56	4.565	4.59	4.57	4.64	4.73
Mar.....	5.24	5.01	4.68	4.53	4.288	4.26	4.243	4.22	4.18	4.35	4.52
Apr.....	4.83	4.57	4.29	4.05	3.852	3.84	3.894	3.90	3.90	4.03	4.46
May.....	4.67	4.41	4.27	3.94	3.640	3.60	3.808	3.80	3.88	4.09	4.68
June.....	4.65	4.40	4.40	3.98	3.480	3.53	3.816	3.88	4.16	4.40	4.96
July.....	4.92	4.70	4.58	3.79	4.308	4.20	4.798	4.72	4.90	4.98	5.17
Aug.....	5.00	4.75	4.77	3.89	4.275	4.26	4.821	4.82	5.04	5.10	5.28
Sept.....	5.00	4.77	4.76	4.00	4.451	4.42	4.964	4.96	5.10	5.21	5.40
Oct.....	5.07	4.96	4.88	3.88	4.588	4.55	5.100	5.06	5.21	5.32	5.52
Nov.....	5.28	5.17	4.98	4.12	4.762	4.72	5.286	5.24	5.38	5.55	5.73
Dec.....	5.56	5.43	5.43	4.51	5.012	4.96	5.562	5.49	5.58	5.69	5.72
1968—Jan.....	5.60	5.46	5.40	4.60	5.081	4.99	5.386	5.23	5.29	5.39	5.53
Week ending—											
1968—Jan. 6.....	5.63	5.50	5.63	4.54	5.103	4.99	5.593	5.39	5.50	5.62	5.61
13.....	5.63	5.50	5.43	4.63	5.080	5.06	5.376	5.30	5.28	5.44	5.48
20.....	5.63	5.50	5.38	4.61	5.072	5.02	5.238	5.25	5.22	5.32	5.52
27.....	5.60	5.48	5.35	4.73	5.068	4.97	5.335	5.16	5.26	5.33	5.55
Feb. 3.....	5.50	5.25	5.15	4.55	4.846	4.85	4.957	5.00	5.20	5.24	5.54

¹ Averages of daily offering rates of dealers.² Averages of daily rates, published by finance companies, for varying maturities in the 90-179 day range.³ Seven-day average for week ending Wednesday.⁴ Except for new bill issues, yields are averages computed from daily closing bid prices.⁵ Bills quoted on bank discount rate basis.⁶ Certificates and selected note and bond issues.⁷ Selected note and bond issues.

BOND AND STOCK YIELDS

(Per cent per annum)

Period	Government bonds				Corporate bonds						Stocks		
	United States (long- term)	State and local			Total ¹	By selected rating		By group			Dividend/ price ratio		Earnings/ price ratio
		Total ¹	Aaa	Baa		Aaa	Baa	Indus- trial	Rail- road	Public utility	Pre- ferred	Com- mon	Com- mon
1965.....	4.21	3.34	3.16	3.57	4.64	4.49	4.87	4.61	4.72	4.60	4.33	3.00	5.87
1966.....	4.66	3.90	3.67	4.21	5.34	5.13	5.67	5.30	5.37	5.36	4.97	3.40	6.72
1967.....	4.85	3.99	3.74	4.30	5.82	5.51	6.23	5.74	5.89	5.81	5.34	3.20	.....
1967—Jan.....	4.40	3.74	3.50	4.04	5.50	5.20	5.97	5.45	5.63	5.42	5.07	3.51	.....
Feb.....	4.47	3.62	3.38	3.90	5.35	5.03	5.82	5.33	5.48	5.25	4.98	3.36	.....
Mar.....	4.45	3.63	3.48	3.86	5.43	5.13	5.85	5.39	5.51	5.37	5.04	3.29	5.60
Apr.....	4.51	3.67	3.50	3.90	5.42	5.11	5.83	5.37	5.51	5.37	5.03	3.24	.....
May.....	4.76	3.94	3.71	4.23	5.56	5.24	5.96	5.46	5.62	5.59	5.17	3.19	.....
June.....	4.86	4.02	3.80	4.31	5.75	5.44	6.15	5.64	5.80	5.80	5.30	3.19	5.85
July.....	4.86	4.11	3.86	4.43	5.86	5.58	6.26	5.79	5.88	5.91	5.34	3.15	.....
Aug.....	4.95	4.07	3.78	4.37	5.91	5.62	6.33	5.84	5.94	5.96	5.35	3.11	.....
Sept.....	4.99	4.14	3.81	4.48	6.00	5.65	6.40	5.93	6.03	6.02	5.41	3.07	75.61
Oct.....	5.18	4.24	3.88	4.64	6.14	5.82	6.52	6.05	6.24	6.12	5.59	3.07	.....
Nov.....	5.44	4.34	3.99	4.66	6.36	6.07	6.72	6.28	6.42	6.39	5.79	3.18	.....
Dec.....	5.36	4.42	4.15	4.73	6.51	6.19	6.93	6.39	6.63	6.57	5.95	3.09	.....
1968—Jan.....	5.18	4.31	4.06	4.66	6.45	6.17	6.84	6.34	6.65	6.47	5.70	3.13	.....
Week ending—													
1968—Jan. 6.....	5.23	4.42	4.15	4.73	6.54	6.24	6.96	6.43	6.74	6.57	5.76	3.09	.....
13.....	5.12	4.31	4.08	4.65	6.48	6.20	6.86	6.35	6.66	6.54	5.63	3.06	.....
20.....	5.18	4.27	4.03	4.65	6.41	6.14	6.79	6.30	6.61	6.43	5.71	3.09	.....
27.....	5.20	4.23	3.98	4.62	6.40	6.12	6.80	6.30	6.63	6.39	5.69	3.19	.....
Feb. 3.....	5.15	4.18	3.90	4.60	6.40	6.12	6.80	6.31	6.66	6.38	5.69	3.22	.....
Number of issues.....	10-11	20	5	5	120	30	30	40	40	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, Aaa-rated railroad bonds are no longer a component of the railroad average or the Aaa composite series.

NOTE.—Annual yields are averages of monthly or quarterly data. Monthly and weekly yields are computed as follows: *U.S. Govt. bonds*: Averages of daily figures for bonds maturing or callable in 10 years or

more. *State and local govt. bonds*: General obligations only, based on Thurs. figures. *Corporate bonds*: Averages of daily figures. Both of these series are from Moody's Investors Service series.

Stocks: Standard and Poor's Corporate series. Dividend/price ratios are based on Wed. figures; earnings/price ratios are as of end of period. Preferred stock ratio is based on 8 median yields for a sample of non-callable 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.

MORTGAGES: NEW AND EXISTING HOMES

(Per cent)

Period	Yield on FHA-insured	Contract interest rate on conventional first mortgages			
		FHA series		FHLBB series	
		New	Existing	New	Existing
1961.....	5.69	5.97	6.04	.....	.....
1962.....	5.60	5.93	5.99	.....	.....
1963.....	5.46	5.81	5.87	5.84	5.98
1964.....	5.45	5.80	5.85	5.78	5.92
1965.....	5.47	5.83	5.89	5.76	5.89
1966.....	6.38	6.40	6.47	16.11	16.24
67.....	6.55	6.53	6.57	16.37	16.41
1966—Dec....	6.77	6.65	6.70	6.49	6.55
1967—Jan.....	6.62	6.60	6.65	6.47	6.54
Feb.....	6.46	6.50	6.55	6.44	6.50
Mar.....	6.35	6.45	6.50	6.41	6.44
Apr.....	6.29	6.40	6.45	6.37	6.36
May.....	6.44	6.45	6.50	6.28	6.31
June.....	6.51	6.50	6.50	6.29	6.30
July.....	6.53	6.50	6.55	6.34	6.33
Aug.....	6.60	6.55	6.55	6.34	6.38
Sept.....	6.63	6.55	6.60	6.37	6.37
Oct.....	6.65	6.55	6.60	6.37	6.42
Nov.....	6.77	6.65	6.70	6.37	6.43
Dec.....	6.81	6.70	6.75	16.45	16.51
1968—Jan.....	6.81	6.75	6.80	.....	.....

¹ New FHLBB series beginning July 1966.

NOTE.—Annual data are averages of monthly figures. The FHA data are based on opinion reports submitted by field offices on prevailing conditions in their localities as of the first of the succeeding month. The yields are derived from weighted averages of private secondary market prices for Sec. 203, 30-year mortgages with minimum downpayments and an assumed prepayment at the end of 15 years. Gaps in the data are due to periods of adjustment to changes in maximum permissible contract interest rates. The FHA series on average interest rates on conventional first mortgages are unweighted and are rounded to the nearest 5 basis points. For FHLBB series, see footnote to table on Conventional First Mortgages, p. A-47.

SECURITY PRICES

Period	Bond prices (per \$100 bond)			Common stock prices (1941-43=10)				Vol- ume of trad- ing (thous (shares)
	U.S. Govt. (long- term)	State and local	Cor- por- ate AAA	Total	In- dus- trial	Rail- road	Pub- lic util- ity	
1965.....	83.76	110.6	93.9	88.17	93.48	46.78	76.08	6,174
1966.....	78.63	102.6	86.1	85.26	91.09	46.34	68.21	7,538
1967.....	76.55	100.5	81.8	91.93	99.18	46.72	68.10	10,143
1967—Jan....	81.54	106.0	85.9	84.45	89.88	44.48	70.63	9,885
Feb.....	80.73	106.4	86.4	87.36	93.35	46.13	70.45	9,788
Mar.....	80.96	105.8	85.6	89.42	95.86	46.78	70.03	10,217
Apr.....	80.24	104.9	85.4	90.96	97.54	45.80	71.70	9,389
May.....	77.48	101.1	83.4	92.59	99.59	47.00	70.70	9,933
June.....	76.37	100.2	81.7	91.43	98.61	48.19	67.39	9,666
July.....	76.39	99.3	81.1	93.01	100.38	49.91	67.77	10,834
Aug.....	75.38	99.6	80.3	94.49	102.11	50.43	68.03	9,037
Sept.....	75.04	98.0	80.0	95.81	103.84	49.27	67.45	10,251
Oct.....	73.01	95.9	78.5	95.66	104.16	46.28	64.93	10,223
Nov.....	70.53	95.2	76.8	92.66	100.90	42.95	63.48	10,578
Dec.....	71.22	93.6	75.9	95.30	103.91	43.46	64.61	11,476
1968—Jan....	73.09	95.6	77.2	95.04	103.11	43.38	68.02	11,947
Week ending—								
1968								
Jan. 6.....	72.55	94.0	76.6	95.77	104.13	43.73	66.96	12,266
13.....	73.70	95.4	77.0	96.60	104.77	43.88	69.42	13,190
20.....	73.03	95.5	77.6	95.74	103.80	43.63	69.01	12,739
27.....	72.85	96.0	77.3	93.52	101.43	42.76	67.18	10,926
Feb. 3.....	73.35	96.9	77.6	92.66	100.45	42.85	66.75	10,045

NOTE.—Annual data are averages of monthly figures. Monthly and weekly data are averages of daily figures unless otherwise noted and are computed as follows: U.S. Govt. bonds, derived from average market yields in table at bottom of preceding page on basis of an assumed 3 per cent, 20-year bond. Municipal and corporate bonds, derived from average yields as computed by Standard and Poor's Corp., on basis of a 4 per cent, 20-year bond; Wed. closing prices. Common stocks, Standard and Poor's index. Volume of trading, average daily trading in stocks on the N.Y. Stock Exchange for a 3½-hour trading day.

STOCK MARKET CREDIT

(In millions of dollars)

Month	Customer credit					Broker and dealer credit				
	Total securities other than U.S. Govt.	Net debit balances with N.Y. Stock Exchange firms secured by—		Bank loans to others than brokers and dealers for purchasing or carrying—		Money borrowed on—				Customers' net free credit balances
		U.S. Govt. securities	Other securities	U.S. Govt. securities	Other securities	U.S. Govt. securities	Other securities			
							Total	Customer collateral	Other collateral	
1964—Dec.	7,053	21	5,079	72	1,974	222	3,910	3,393	517	1,169
1965—Dec.	7,705	22	5,521	101	2,184	130	3,576	2,889	687	1,666
1966—Dec.	7,443	58	5,329	76	2,114	240	3,472	2,673	799	1,637
1967—Jan.	7,345	84	5,290	70	2,055	267	2,920	2,291	629	1,914
Feb.	7,415	95	5,349	75	2,066	n.a.	n.a.	n.a.	n.a.	1,936
Mar.	7,808	86	5,718	68	2,090	n.a.	n.a.	n.a.	n.a.	2,135
Apr.	7,969	77	5,819	68	2,150	n.a.	n.a.	n.a.	n.a.	2,078
May	8,085	40	5,926	68	2,159	n.a.	n.a.	n.a.	n.a.	2,220
June	8,333	29	6,166	70	2,167	n.a.	n.a.	n.a.	n.a.	2,231
July	8,800	33	6,603	76	2,197	n.a.	n.a.	n.a.	n.a.	2,341
Aug.	8,869	70	6,607	77	2,256	n.a.	n.a.	n.a.	n.a.	2,281
Sept.	9,162	119	6,825	96	2,337	n.a.	n.a.	n.a.	n.a.	2,401
Oct.	9,433	101	7,010	77	2,423	n.a.	n.a.	n.a.	n.a.	2,513
Nov.	9,495	147	7,053	79	2,442	n.a.	n.a.	n.a.	n.a.	2,500
Dec.	10,347	65	7,883	90	2,464	n.a.	n.a.	n.a.	n.a.	2,763

NOTE.—Data in first 3 cols. and last col. are for end of month; in other cols. for last Wed.

Net debit balances and broker and dealer credit: Ledger balances of member firms of N.Y. Stock Exchange carrying margin accounts, as reported to the Exchange. Customers' debit and free credit balances exclude balances maintained with reporting firm by other member firms of national securities exchanges and balances of reporting firm and of general

partners of reporting firm. Balances are net for each customer—i.e., all accounts of one customer are consolidated. Money borrowed includes borrowings from banks and from other lenders except member firms of national securities exchanges.

Bank loans to others than brokers and dealers: Figures are for large commercial banks reporting weekly.

COMMERCIAL AND FINANCE COMPANY PAPER AND BANKERS' ACCEPTANCES OUTSTANDING

(In millions of dollars)

End of period	Commercial and finance company paper			Dollar acceptances											
				Held by—							Based on—				
	Total	Placed through dealers ¹	Placed direct- ly ²	Total	Accepting banks			F.R. Banks		Others	Im- ports into United States	Ex- ports from United States	Dollar ex- change	Goods stored in or shipped between points in—	
					Total	Own bills	Bills bought	Own acct.	For- eign corr.					United States	Foreign countries
1960.....	4,497	1,358	3,139	2,027	662	490	173	74	230	1,060	403	669	122	308	524
1961.....	4,686	1,711	2,975	2,683	1,272	896	376	51	126	1,234	485	969	117	293	819
1962.....	6,000	2,088	3,912	2,650	1,153	865	288	110	86	1,301	541	778	186	171	974
1963.....	6,747	1,928	4,819	2,890	1,291	1,031	260	162	92	1,345	567	908	56	41	1,317
1964.....	8,361	2,223	6,138	3,385	1,671	1,301	370	94	122	1,498	667	999	111	43	1,565
1965.....	9,058	1,903	7,155	3,392	1,223	1,094	129	187	144	1,837	792	974	27	35	1,564
1966.....	13,279	3,089	10,190	3,603	1,198	983	215	193	191	2,022	997	829	103	80	1,595
1967—Jan.....	14,718	3,449	11,269	3,601	1,359	1,028	331	73	173	1,996	936	829	78	90	1,668
Feb.....	15,199	3,781	11,418	3,575	1,266	1,004	262	113	201	1,995	918	851	65	82	1,659
Mar.....	16,034	4,360	11,674	3,704	1,366	1,077	290	110	232	1,996	962	921	60	71	1,691
Apr.....	16,249	4,356	11,893	3,830	1,356	1,128	229	166	272	2,035	971	971	55	59	1,773
May.....	17,067	4,713	12,354	3,964	1,339	1,147	192	70	348	2,207	949	998	38	46	1,933
June.....	16,150	4,934	11,216	4,131	1,361	1,191	170	136	379	2,254	1,001	1,007	45	39	2,038
July.....	17,044	4,976	12,068	4,115	1,549	1,252	297	78	324	2,165	974	1,040	65	41	1,996
Aug.....	16,816	4,979	11,837	4,103	1,584	1,195	389	65	252	2,203	1,020	989	70	75	1,949
Sept.....	16,220	5,124	11,096	4,146	1,635	1,239	396	52	205	2,254	1,037	991	68	91	1,958
Oct.....	16,777	5,186	11,591	4,136	1,822	1,298	524	54	163	2,096	1,085	956	51	83	1,961
Nov.....	17,147	5,136	12,011	4,218	1,878	1,376	501	59	151	2,130	1,095	975	52	124	1,971
Dec.....	17,084	4,901	12,183	4,317	1,906	1,447	459	164	156	2,090	1,086	989	37	162	2,042

¹ As reported by dealers; includes finance company paper as well as other commercial paper sold in the open market.² As reported by finance companies that place their paper directly with investors.

MUTUAL SAVINGS BANKS

(Amounts in millions of dollars)

End of period	Loans		Securities			Cash	Other assets	Total assets— Total liabilities and general reserve accts.	Depos- its ²	Other liabili- ties	General reserve ac- counts	Mortgage loan commitments ³	
	Mort- gage	Other	U.S. Govt.	State and local govt.	Corpo- rate and other ¹							Number	Amount
1941.....	4,787	89	3,592	1,786		829	689	11,772	10,503	38	1,231	.....	.....
1945.....	4,202	62	10,650	1,257		606	185	16,962	15,332	48	1,582	.....	.....
1960.....	26,702	416	6,243	672	5,076	874	589	40,571	36,343	678	3,550	58,350	1,200
1961.....	28,902	475	6,160	677	5,040	937	640	42,829	38,277	781	3,771	61,855	1,654
1962.....	32,056	602	6,107	527	5,177	956	695	46,121	41,336	828	3,957	114,985	2,548
1963.....	36,007	607	5,863	440	5,074	912	799	49,702	44,606	943	4,153	104,326	2,549
1964.....	40,328	739	5,791	391	5,099	1,004	886	54,238	48,849	989	4,400	135,992	2,820
1965.....	44,433	862	5,485	320	5,170	1,017	944	58,232	52,443	1,124	4,665	120,476	2,697
1966—Dec.....	47,193	1,078	4,764	251	5,719	953	1,024	60,982	55,006	1,114	4,863	88,808	2,010
1967—Jan.....	47,484	1,076	4,679	247	6,053	969	1,062	61,570	55,456	1,259	4,855	88,479	2,013
Feb.....	47,692	1,137	4,700	249	6,251	1,041	1,051	62,122	55,788	1,428	4,906	90,223	2,055
Mar.....	47,973	1,136	4,645	246	6,480	1,140	1,081	62,701	56,538	1,249	4,914	91,125	2,172
Apr.....	48,236	1,075	4,481	243	6,803	1,069	1,076	62,982	56,739	1,381	4,863	88,295	2,242
May.....	48,493	1,261	4,433	235	7,062	1,095	1,074	63,654	57,185	1,546	4,923	92,754	2,495
June.....	48,771	1,226	4,336	249	7,313	1,140	1,108	64,143	57,836	1,379	4,929	95,187	2,657
July.....	49,010	1,144	4,396	246	7,642	1,084	1,116	64,639	58,169	1,563	4,908	91,559	2,647
Aug.....	49,322	1,210	4,367	242	7,910	1,034	1,117	65,201	58,499	1,732	4,969	n.a.	2,592
Sept.....	49,557	1,152	4,406	243	8,054	999	1,147	65,559	59,066	1,525	4,967	n.a.	2,724
Oct.....	49,827	1,169	4,299	228	8,080	959	1,134	65,696	59,257	1,489	4,950	n.a.	2,710
Nov.....	50,046	1,243	4,397	222	8,107	915	1,130	66,061	59,462	1,597	5,002	n.a.	2,684
Dec.....	50,289	1,197	4,323	220	8,166	1,003	1,145	66,343	60,107	1,253	4,983	n.a.	2,523

¹ Also includes securities of foreign governments and international organizations and non-guaranteed issues of U.S. Govt. agencies.² See note 4, p. A-17.³ Commitments outstanding of banks in N.Y. State as reported to the Savings Bank Assn. of the State of N.Y. Data include building loans beginning with Aug. 1967.

NOTE.—National Assn. of Mutual Savings Banks data; figures are estimates for all savings banks in the United States and differ somewhat from those shown elsewhere in the BULLETIN; the latter are for call dates and are based on reports filed with U.S. Govt. and State bank supervisory agencies. Loans are shown net of valuation reserves.

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				
Statement value:												
1941.....	32,731	9,478	6,796	1,995	687	10,174	9,573	601	6,442	1,878	2,919	1,840
1945.....	44,797	22,545	20,583	722	1,240	11,059	10,060	999	6,636	857	1,962	1,738
1960.....	119,576	11,679	6,427	3,588	1,664	51,857	46,876	4,981	41,771	3,765	5,231	5,273
1961.....	126,816	11,896	6,134	3,888	1,874	55,294	49,036	6,258	44,203	4,007	5,733	5,683
1962.....	133,291	12,448	6,170	4,026	2,252	57,576	51,274	6,302	46,902	4,107	6,234	6,024
1963.....	141,121	12,438	5,813	3,852	2,773	60,780	53,645	7,135	50,544	4,319	6,655	6,385
1964.....	149,470	12,322	5,594	3,774	2,954	63,579	55,641	7,938	55,152	4,528	7,140	6,749
1965.....	158,884	11,679	5,119	3,530	3,030	67,599	58,473	9,126	60,013	4,681	7,678	7,234
Book value:												
1964—Dec.....	149,470	12,343	5,594	3,785	2,964	62,112	55,735	6,377	55,197	4,534	7,141	8,143
1965—Dec.....	158,884	11,703	5,119	3,546	3,038	65,801	58,532	7,269	60,057	4,686	7,679	8,958
1966—Nov. r.....	166,231	10,827	4,794	3,120	2,913	68,651	61,201	7,450	64,227	4,846	8,986	8,694
Dec.....	166,942	10,848	4,862	3,119	2,867	68,362	60,927	7,435	64,803	4,878	9,136	8,915
1967—Jan.....	168,210	10,850	4,847	3,122	2,881	68,994	61,490	7,504	65,193	4,885	9,250	9,038
Feb.....	168,933	10,793	4,821	3,081	2,891	69,373	61,795	7,578	65,503	4,890	9,341	9,033
Mar.....	169,865	10,738	4,789	3,053	2,896	69,878	62,071	7,807	65,798	4,925	9,444	9,082
Apr.....	170,570	10,622	4,700	3,026	2,896	70,271	62,360	7,911	66,024	4,940	9,537	9,176
May.....	171,238	10,655	4,746	3,015	2,894	70,610	62,607	8,003	66,253	4,952	9,615	9,153
June.....	171,881	10,487	4,620	2,994	2,873	71,108	62,990	8,118	66,414	4,987	9,695	9,190
July.....	173,129	10,516	4,605	3,001	2,910	72,194	63,856	8,338	66,324	5,026	9,735	9,334
Aug.....	173,839	10,557	4,665	2,980	2,912	72,666	64,205	8,461	66,506	5,050	9,808	9,252
Sept.....	174,664	10,501	4,616	2,966	2,919	73,075	64,456	8,619	66,701	5,080	9,875	9,432
Oct.....	175,390	10,551	4,655	2,981	2,915	73,546	64,822	8,724	66,884	5,100	9,933	9,376
Nov.....	176,184	10,537	4,642	2,982	2,913	73,934	65,089	8,845	67,097	5,165	9,996	9,455

¹ Issues of foreign governments and their subdivisions and bonds of the International Bank for Reconstruction and Development.

NOTE.—Institute of Life Insurance data; figures are estimates for all life insurance companies in the United States.

Year-end figures: Annual statement asset values, with bonds carried on an amortized basis and stocks at year-end market value. Month-end figures: Book value of ledger assets. 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 ² — Total liabilities	Liabilities					Mortgage loan commitments ⁴
	Mortgages	U.S. Govt. securities	Cash	Other ¹		Savings capital	Reserves and undivided profits	Borrowed money ³	Loans in process	Other	
1941.....	4,578	107	344	775	6,049	4,682	475	256	636	.....	.....
1945.....	5,376	2,420	450	356	8,747	7,365	644	336	402	.....	.....
1960.....	60,070	4,595	2,680	4,131	71,476	62,142	4,983	2,197	1,186	968	1,359
1961.....	68,834	5,211	3,315	4,775	82,135	70,885	5,708	2,856	1,550	1,136	1,908
1962.....	78,770	5,563	3,926	5,346	93,605	80,236	6,520	3,629	1,999	1,221	2,230
1963.....	90,944	6,445	3,979	6,191	107,559	91,308	7,209	5,015	2,528	1,499	2,614
1964.....	101,333	6,966	4,015	7,041	119,355	101,887	7,899	5,601	2,239	1,729	2,590
1965.....	110,306	7,414	3,900	7,960	129,580	110,385	8,704	6,444	2,198	1,849	2,751
1966—Dec.....	114,192	7,772	3,361	8,672	133,997	114,010	9,256	7,464	1,272	1,995	1,512
1967—Jan.....	114,229	7,883	3,170	8,442	133,724	114,194	9,084	6,708	1,189	2,549	1,661
Feb.....	114,395	8,079	3,364	8,554	134,392	114,957	9,073	6,107	1,217	3,038	1,925
Mar.....	114,797	8,058	3,544	8,754	135,153	116,414	9,064	5,441	1,365	2,869	2,269
Apr.....	115,233	7,950	3,638	8,936	135,757	116,911	9,062	5,027	1,503	3,254	2,699
May.....	115,909	8,072	3,859	9,376	137,216	118,041	9,055	4,630	1,710	3,780	3,081
June.....	116,944	7,987	3,997	9,232	138,160	119,976	9,268	4,559	1,918	2,439	3,250
July.....	117,676	8,378	3,412	9,169	138,635	120,031	9,270	4,456	2,019	2,859	3,420
Aug.....	118,674	8,857	3,127	9,221	139,879	120,677	9,265	4,399	2,130	3,408	3,443
Sept.....	119,529	9,017	3,078	9,158	140,782	121,870	9,255	4,382	2,158	3,117	3,337
Oct.....	120,362	9,171	3,040	9,217	141,790	122,365	9,256	4,373	2,213	3,583	3,310
Nov.....	121,127	9,424	3,068	9,352	142,971	122,947	9,248	4,455	2,241	4,070	3,287
Dec.....	121,905	9,323	3,416	9,117	143,761	124,559	9,559	4,863	2,280	2,500	3,035

¹ Includes other loans, stock in the Federal home loan banks, other investments, real estate owned and sold on contract, and office buildings and fixtures.

² Before 1958, mortgages are net of mortgage-pledged shares. Asset items will not add to total assets, which include gross mortgages with no deductions for mortgage-pledged shares. Beginning with Jan. 1958, no deduction is made for mortgage-pledged shares. These have declined consistently in recent years from a total of \$42 million at the end of 1957.

³ Consists of advances from FHLB and other borrowing.

⁴ Commitments data comparable with those shown for mutual savings banks (on preceding page) would include loans in process.

NOTE.—Federal Savings and Loan Insurance Corp. data; figures are estimates for all savings and loan assns. in the United States. Data beginning with 1954 are based on monthly reports of insured assns. and annual reports of noninsured assns. Data before 1954 are based entirely on annual reports. Data for current and preceding year are preliminary even when revised.

(In millions of dollars)

NOTE.—Data from Federal Home Loan Bank Board, Federal National Mortgage Assn., and Farm Credit Admin. Among the omitted balance sheet items are capital accounts of all agencies, except for stock of home loan banks. Bonds, debentures, and notes are valued at par. They include only publicly offered securities (excluding, for the home loan banks, bonds held within the FHLB System), and are not guaranteed by the U.S. Govt.; for a listing of these securities, see table below. Loans are gross of valuation reserves and represent cost for FNMA and unpaid principal for other agencies.

Agency, issue, and coupon rate	Amount (millions of dollars)	Agency, issue, and coupon rate	Amount (millions of dollars)	Agency, issue, and coupon rate	Amount (millions of dollars)
Federal home loan banks		Federal National Mortgage Association—Cont.		Federal land banks—Cont.	
Bonds:		Debentures:		Bonds:	
Jan. 25, 1968,.....5¾	250	June 12, 1973,.....4¼	146	Mar. 20, 1968,.....4¼	111
Feb. 26, 1968,.....5.35	535	Feb. 10, 1977,.....4½	198	May 20, 1968,.....5¼	242
Mar. 1, 1968,.....4¾	250			June 20, 1968,.....4	186
Mar. 25, 1968,.....5.35	400			Aug. 20, 1968,.....4¼	160
Apr. 25, 1968,.....5¾	625			Oct. 21, 1968,.....5.50	407
May 27, 1968,.....5½	300			Jan. 20, 1969,.....4¾	341
July 25, 1968,.....5.45	300			Mar. 20, 1969,.....4¾	100
Aug. 26, 1968,.....5¾	500	Banks for cooperatives		Apr. 21, 1969,.....5.60	250
Nov. 25, 1968,.....5¾	300	Debentures:		July 15, 1969,.....4¼	130
Jan. 27, 1969,.....5½	300	Feb. 1, 1968,.....5.20	213	July 15, 1969,.....4¾	60
Mar. 25, 1969,.....5¾	300	Apr. 1, 1968,.....5.35	283	Oct. 20, 1969,.....4¼	209
		May 1, 1968,.....5.65	304	Jan. 20, 1970,.....5¼	209
		June 3, 1968,.....5¾	352	Feb. 20, 1970,.....5¼	82
Federal National Mortgage Association—Secondary market operations				Apr. 1, 1970,.....3½	83
Discount notes.....	1,282			Apr. 20, 1970,.....6.20	362
		Federal intermediate credit banks		July 20, 1970,.....5¼	85
Debentures:		Debentures:		May 1, 1971,.....3½	60
Mar. 11, 1968,.....3¾	87	Jan. 2, 1968,.....4.45	401	Sept. 15, 1972,.....3¾	109
June 14, 1968,.....4¾	400	Feb. 1, 1968,.....4.40	397	Oct. 23, 1972,.....5¾	200
Sept. 10, 1968,.....5¾	350	Mar. 4, 1968,.....4.50	375	Feb. 20, 1973-78,.....4¾	148
Apr. 10, 1969,.....4½	88	Apr. 1, 1968,.....4.85	350	Feb. 20, 1974,.....4¾	155
May 12, 1969,.....4¾	300	May 1, 1968,.....5¼	345	Apr. 21, 1975,.....4¾	200
June 10, 1969,.....6.10	250	June 3, 1968,.....5.30	329	Feb. 24, 1976,.....5	123
July 10, 1969,.....5½	250	July 1, 1968,.....5.55	285	July 20, 1976,.....5¾	150
Dec. 12, 1969,.....6	550	Aug. 1, 1968,.....5¼	366	Apr. 20, 1978,.....5¾	150
Apr. 10, 1970,.....4¾	142	Sept. 3, 1968,.....5.80	366	Jan. 22, 1979,.....5	285
Sept. 10, 1970,.....4¼	119				
Oct. 13, 1970,.....5¼	400	Federal land banks		Tennessee Valley Authority	
Aug. 10, 1971,.....4¼	64	Bonds:		Short-term notes.....	200
Sept. 10, 1971,.....4½	96			Bonds:	
Feb. 10, 1972,.....5¼	98	Feb. 15, 1967-72,.....4¼	72	Nov. 15, 1985,.....4.40	50
June 12, 1972,.....4¾	100	Oct. 1, 1967-70,.....4½	75	July 1, 1986,.....4¾	50
		Jan. 22, 1968,.....5¾	161	Feb. 1, 1987,.....4½	45
				May 15, 1992,.....5.70	70
				Nov., 1992,.....6¾	60

NOTE.—These securities are not guaranteed by the U.S. Govt.; see also note to table above.

FEDERAL FISCAL OPERATIONS: SUMMARY

(In millions of dollars)

Period	Derivation of U.S. Government cash transactions												
	Receipts from the public, other than debt				Payments to the public, other than debt				Net rects. or payts.	Net cash borrowing or repayment			
	Budget net	Plus: Trust funds	Less: Intra- govt. ¹	Equals: Total rects. ²	Budget	Plus: Trust funds ³	Less: Adjust- ments ⁴	Equals: Total payts.		Change in debt (direct & agen.)	Less: Invest. by agen. & trusts	Less: Non- cash debt	Equals: Net
Cal. year—1965	96,679	31,384	4,449	123,376	101,379	31,014	4,473	127,919	-4,543	4,673	1,386	417	2,872
1966	110,802	40,011	4,792	145,137	118,077	36,791	4,003	150,867	-5,730	13,526	8,396	342	4,788
1967	117,708	45,861	6,581	156,300	131,698	38,654	6,779	163,572	-7,272	14,967	7,248	-103	7,822
Fiscal year—1964	89,459	30,331	4,190	115,530	97,684	28,885	6,237	120,332	-4,802	7,733	2,775	1,099	3,859
1965	93,072	31,047	4,303	119,699	96,507	29,637	3,749	122,395	-2,696	6,933	2,356	250	4,328
1966	104,727	34,853	4,451	134,480	106,978	34,864	4,026	137,817	-3,337	6,710	3,562	530	2,618
1967	115,849	44,640	6,056	153,596	125,718	34,510	5,085	155,142	-1,546	6,734	10,852	-314	-3,804
Half year:													
1966—Jan.—June	61,617	20,701	2,379	79,456	54,014	19,164	2,398	70,782	8,674	2,484	5,026	129	-2,671
July—Dec.	49,185	19,310	2,413	65,681	64,063	17,627	1,605	80,085	-14,404	11,042	3,370	213	7,459
1967—Jan.—June	66,664	25,330	3,643	87,915	61,655	16,883	3,480	75,057	12,858	-4,308	7,482	-527	-11,263
July—Dec.	51,044	20,531	2,938	68,385	70,043	21,771	3,299	88,515	-20,130	19,275	-234	424	19,085
Month:													
1966—Dec.	10,606	3,033	716	12,845	9,512	3,403	370	12,545	299	675	166	-267	776
1967—Jan.	9,386	2,612	684	11,251	9,987	2,673	1,019	11,641	-390	-374	-477	-249	351
Feb.	7,757	4,696	77	12,308	9,459	2,406	13	11,852	456	515	1,649	59	-1,194
Mar.	11,395	3,543	364	14,490	11,699	2,677	1,208	13,167	1,323	859	1,082	-127	-96
Apr.	13,534	3,850	233	17,070	9,464	2,789	1,063	11,189	5,881	-3,708	-329	-77	-3,302
May.	6,289	5,367	303	11,295	10,915	2,897	-634	14,445	-3,150	3,372	4,213	-25	-816
June.	18,304	5,262	1,982	21,501	10,131	3,443	812	12,762	8,739	-4,971	1,344	-110	-6,206
July.	6,371	3,029	424	8,938	11,502	3,660	624	14,538	-5,600	4,690	-465	-155	5,310
Aug.	7,301	4,995	459	11,766	12,730	3,472	-123	16,325	-4,559	5,147	1,723	76	3,348
Sept.	12,404	3,108	279	15,176	12,468	3,127	1,394	14,201	975	-338	-1,003	54	610
Oct.	6,823	2,329	373	8,739	11,530	3,889	604	14,815	-6,076	5,058	-432	264	5,225
Nov.	7,529	4,067	541	11,032	11,730	3,361	-111	15,202	-4,170	4,733	292	102	4,339
Dec.	10,616	3,003	861	12,734	10,084	4,262	912	13,434	-699	-14	-350	83	252
Effects of operations on Treasurer's account													
Period	Net operating transactions			Net financing transactions			Change in cash balances		Treasurer's account (end of period)				
	Budget surplus or deficit	Trust funds ³	Clearing accounts	Agencies & trusts		Change in gross direct public debt	Held outside Treasury	Treas- urer's account	Balance	Operating bal.			
				Market issuance of sec. ³	Invest. in U.S. Govt. sec. ³					F.R. Banks	Tax and loan accts.	Other net assets	
Fiscal year—1964	-8,226	1,446	948	1,880	-2,775	5,853	206	-1,080	11,036	939	9,180	917	
1965	-3,435	1,410	-804	1,372	-2,356	5,561	174	1,575	12,610	672	10,689	1,249	
1966	-2,251	-12	-956	4,077	-3,562	2,633	132	-203	12,407	766	10,050	1,591	
1967	-9,869	10,130	-657	420	-10,852	6,314	135	-4,648	7,759	1,311	4,272	2,176	
Half year:													
1966—Jan.—June	7,602	1,536	-111	3,481	-5,026	-997	660	5,825	12,407	766	10,050	1,591	
July—Dec.	-14,878	1,683	-1,021	1,630	-3,370	9,412	-149	-6,396	6,011	416	4,096	1,499	
1967—Jan.—June	5,009	8,447	364	-1,210	-7,482	-3,098	284	1,748	7,759	1,311	4,272	2,176	
July—Dec.	-19,000	-1,239	-63	833	234	18,442	-80	-713	7,046	1,123	4,329	1,594	
Month:													
1966—Dec.	1,093	-371	-78	767	-166	-92	-60	1,213	6,011	416	4,096	1,499	
1967—Jan.	-601	-60	583	76	477	-450	-134	158	6,170	813	3,687	1,670	
Feb.	-1,702	2,290	-123	-241	-1,649	756	89	-760	5,410	386	3,299	1,725	
Mar.	-304	866	970	-462	-1,082	1,321	-101	1,411	6,821	828	4,430	1,563	
Apr.	4,070	1,061	907	-563	329	-3,145	595	2,064	8,884	1,360	5,415	2,109	
May.	-4,626	2,471	-912	285	-4,213	3,087	-649	-3,259	5,626	574	3,469	1,583	
June.	8,173	1,819	-1,061	-304	-1,344	-4,667	483	2,133	7,759	1,311	4,272	2,176	
July.	-5,131	-631	355	274	465	4,416	-44	-208	7,551	1,340	4,552	1,659	
Aug.	-5,428	1,523	-658	-66	-1,723	5,213	-196	-944	6,607	1,051	3,937	1,619	
Sept.	-63	-19	1,060	-384	1,003	46	-87	1,729	8,336	778	5,808	1,750	
Oct.	-4,707	-1,559	-34	452	432	4,606	-16	-794	7,542	697	5,171	1,674	
Nov.	-4,201	706	-754	145	-292	4,588	133	59	7,601	1,581	4,407	1,613	
Dec.	532	-1,259	-33	413	350	-427	131	-555	7,046	1,123	4,329	1,594	

¹ Primarily interest payments by Treasury to trust accounts and accumulations to U.S. employee trust funds.

² Includes small adjustments not shown separately.

³ Includes net transactions of Govt.-sponsored enterprises.

⁴ Primarily (1) intragovt. transactions, (2) noncash debt, (3) clearing accounts.

⁵ Includes technical adjustments not allocated by functions.

⁶ Seasonally adjusted data include accelerated corporate tax payments of about \$3 billion in calendar year 1966 and \$5 billion in calendar year 1967.

NOTE.—Based on Treasury Dept. and Bureau of the Budget data.

FEDERAL FISCAL OPERATIONS: DETAIL

(In millions of dollars)

Period	Cash receipts from the public														
	Total	Income taxes			Excise taxes			Social ins. taxes			Estate and gift	Cus-toms	Int. and repay-ments	Re-funds	Other
		Individual		Corpo-rate	Total	Liquor and to-bacco	High-way	Total	FICA and R.R.	Un-empl.					
		With-held	Other												
Fiscal year—1964...	115,530	39,259	15,331	24,301	13,950	5,630	3,646	21,936	17,405	4,037	2,416	1,284	1,702	7,148	2,499
1965...	119,699	36,840	16,820	26,131	14,793	5,921	3,782	22,138	17,833	3,817	2,746	1,478	2,097	6,030	2,686
1966...	134,480	42,811	18,486	30,834	13,398	5,888	4,037	25,527	21,243	3,773	3,094	1,811	2,303	7,256	3,472
1967...	153,596	50,521	18,850	34,918	14,114	6,156	4,652	32,857	28,700	3,657	3,014	1,972	2,743	9,582	4,189
Half year:															
1966—Jan.—June..	79,456	22,847	14,680	19,942	6,352	2,825	1,969	15,926	13,500	2,166	1,820	913	1,007	6,194	2,163
July—Dec...	65,681	24,641	3,983	12,045	6,762	3,105	2,313	13,789	11,969	1,569	1,258	1,017	1,493	1,142	1,835
1967—Jan.—June..	87,915	25,880	14,867	22,873	7,352	3,051	2,339	19,068	16,731	2,088	1,756	955	1,250	8,440	2,354
July—Dec...	68,385	27,192	4,150	11,345	7,146	n.a.	2,253	14,629	13,056	1,333	1,350	1,034	1,363	1,263	1,439
Month:															
1966—Dec.....	12,845	3,791	427	4,636	1,110	492	356	1,761	1,673	52	204	161	536	168	387
1967—Jan.....	11,251	3,674	3,075	823	1,147	496	340	1,808	1,615	146	269	160	219	115	191
Feb.....	12,308	5,268	944	635	1,075	433	367	4,164	3,301	820	224	134	187	550	227
Mar.....	14,490	4,157	859	6,728	1,539	448	603	2,473	2,366	61	270	170	178	2,204	320
Apr.....	17,070	3,591	6,216	4,295	1,023	476	326	3,340	3,168	138	352	150	227	2,322	198
May.....	11,295	4,987	701	1,065	1,274	591	355	4,587	3,669	874	445	166	207	2,392	255
June.....	21,501	4,204	3,071	9,328	1,293	606	348	2,698	2,614	50	196	176	233	847	1,149
July.....	8,938	3,843	264	946	1,241	523	369	2,129	1,977	104	207	160	197	261	212
Aug.....	11,766	5,164	211	642	1,125	487	463	3,981	3,319	620	308	178	189	257	225
Sept.....	15,176	4,236	2,864	4,032	1,088	539	355	2,270	2,144	92	199	163	189	195	330
Oct.....	8,739	4,171	298	913	1,222	600	345	1,489	1,406	40	234	179	223	180	190
Nov.....	11,032	5,302	162	588	1,311	666	383	3,076	2,625	409	193	193	213	197	191
Dec.....	12,734	4,477	351	4,224	1,161	n.a.	339	1,682	1,583	67	210	160	353	172	288

Period	Cash payments to the public												
	Total ⁵	National de- fense	Intl. affairs	Space re- search	Agricul- ture	Natural re- sources	Com- merce and transp.	Hous- ing & coml. devel.	Health, labor, & welfare	Educa- tion	Vet- erans	Inter- est	Gen- eral govt.
Fiscal year—1964.....	120,332	54,514	3,837	4,171	5,416	2,774	6,545	1,674	27,191	1,299	6,107	8,011	2,221
1965.....	122,395	50,790	4,794	5,093	5,142	2,921	7,421	908	28,191	1,497	6,080	8,605	2,341
1966.....	137,817	58,464	4,463	5,933	4,114	3,229	6,784	3,425	33,249	2,780	5,556	9,215	2,404
1967.....	155,142	71,843	4,413	5,426	4,159	3,522	7,102	-1,723	39,002	3,286	6,978	10,371	2,641
Half year:													
1966—Jan.—Dec.....	70,781	31,377	2,235	3,094	803	1,464	2,829	2,271	16,873	2,072	2,968	4,856	1,146
July—Dec.....	80,086	33,850	2,457	2,855	3,630	2,002	4,372	1,801	18,192	1,755	3,475	4,627	1,386
1967—Jan.—June.....	75,056	37,996	1,955	2,570	523	1,518	2,731	-3,522	20,814	1,530	3,506	5,741	1,260
July—Dec.....	88,515	39,251	2,856	2,292	3,154	2,037	4,404	2,082	21,713	1,471	3,487	4,867	1,380
Month:													
1966—Dec.....	12,545	6,092	175	486	33	310	673	-33	3,175	264	664	598	210
1967—Jan.....	11,641	6,198	535	464	40	236	460	-895	3,398	87	548	415	200
Feb.....	11,852	5,806	-56	390	253	266	515	-635	3,433	302	645	1,571	175
Mar.....	13,167	7,025	389	468	159	251	562	-677	3,648	338	706	653	216
Apr.....	11,189	6,388	370	380	-191	224	336	-667	3,406	14	531	650	199
May.....	14,445	6,293	335	441	499	283	560	-534	3,522	496	614	1,752	239
June.....	12,762	6,286	381	427	-237	258	298	-114	3,407	293	462	700	231
July.....	14,538	6,440	468	351	648	349	716	524	3,731	229	585	222	270
Aug.....	16,325	6,864	374	410	945	387	862	326	3,583	328	592	1,516	198
Sept.....	14,201	6,627	502	377	802	326	733	329	3,456	356	580	437	198
Oct.....	14,815	6,728	558	386	418	347	819	280	3,620	312	639	310	243
Nov.....	15,202	6,462	546	377	83	336	680	314	3,680	298	626	1,861	233
Dec.....	13,434	6,130	408	391	258	292	594	309	3,643	-52	465	521	238

Item	1966 ⁶				1967 ⁶				1966				1967			
	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV
	Seasonally adjusted								Not seasonally adjusted							
Cash budget:																
Receipts.....	33.4	37.1	37.3	38.4	39.2	38.5	38.5	38.8	33.3	46.2	34.6	31.1	38.0	49.9	35.9	32.5
Payments.....	36.6	35.8	39.7	38.6	38.8	38.1	43.4	43.3	34.6	36.2	41.3	38.8	36.7	38.4	45.1	43.5
Net.....	-3.2	1.3	-2.5	-.2	.4	-.4	-4.9	-4.5	-1.3	10.0	-6.7	-7.7	1.4	11.5	-9.2	-10.9

For notes see opposite page.

TOTAL DEBT, BY TYPE OF SECURITY

(In billions of dollars)

End of period	Total gross debt ¹	Total gross direct debt ²	Public issues ³								Special issues ⁶	
			Total	Marketable					Con-vertible bonds	Nonmarketable		
				Total	Bills	Certifi-cates	Notes	Bonds ⁴		Total ⁵		Sav-ings bonds & notes
1941—Dec.....	64.3	57.9	50.5	41.6	2.0	.....	6.0	33.6	.....	8.9	6.1	7.0
1945—Dec.....	278.7	278.1	255.7	198.8	17.0	38.2	23.0	120.6	.....	56.9	48.2	20.0
1947—Dec.....	257.0	256.9	225.3	165.8	15.1	21.2	11.4	118.0	.....	59.5	52.1	29.0
1959—Dec.....	290.9	290.8	244.2	188.3	39.6	19.7	44.2	84.8	7.1	48.9	48.2	43.5
1960—Dec.....	290.4	290.2	242.5	189.0	39.4	18.4	51.3	79.8	5.7	47.8	47.2	44.3
1961—Dec.....	296.5	296.2	249.2	196.0	43.4	5.5	71.5	75.5	4.6	48.6	47.5	43.5
1962—Dec.....	304.0	303.5	255.8	203.0	48.3	22.7	53.7	78.4	4.0	48.8	47.5	43.4
1963—Dec.....	310.1	309.3	261.6	207.6	51.5	10.9	58.7	86.4	3.2	50.7	48.8	43.7
1964—Dec.....	318.7	317.9	267.5	212.5	56.5	.....	59.0	97.0	3.0	52.0	49.7	46.1
1965—Dec.....	321.4	320.9	270.3	214.6	60.2	.....	50.2	104.2	2.8	52.9	50.3	46.3
1966—Dec.....	329.8	329.3	273.0	218.0	64.7	5.9	48.3	99.2	2.7	52.3	50.8	52.0
1967—Jan.....	329.4	328.9	273.7	218.8	65.5	5.9	48.3	99.1	2.7	52.2	50.8	51.3
Feb.....	330.1	329.6	274.2	219.2	65.9	5.9	48.4	99.1	2.6	52.3	50.9	51.5
Mar.....	331.5	330.9	274.9	219.9	66.6	5.9	48.4	99.0	2.6	52.4	51.0	52.1
Apr.....	328.3	327.8	272.2	217.1	64.1	5.9	48.1	99.0	2.6	52.5	51.1	51.6
May.....	331.4	330.9	271.8	216.7	64.1	5.6	49.1	97.9	2.6	52.6	51.1	55.2
June.....	326.7	326.2	266.1	210.7	58.5	5.6	49.1	97.4	2.6	52.9	51.2	56.2
July.....	331.2	330.6	270.9	215.0	62.8	5.6	49.1	97.4	2.6	53.4	51.3	56.2
Aug.....	336.4	335.9	274.1	218.3	63.3	.....	57.5	97.4	2.6	53.3	51.4	58.3
Sept.....	336.4	335.9	274.7	218.6	63.7	.....	57.6	97.3	2.6	53.5	51.4	57.7
Oct.....	341.0	340.5	279.9	223.3	68.9	.....	57.1	97.3	2.6	54.0	51.6	57.2
Nov.....	345.6	345.1	284.2	226.1	69.5	.....	61.4	95.3	2.6	55.6	51.7	57.4
Dec.....	345.2	344.7	284.0	226.5	69.9	.....	61.4	95.2	2.6	54.9	51.7	57.2
1968—Jan.....	346.8	346.3	286.9	229.3	72.7	.....	61.4	95.2	2.6	55.0	51.7	55.9

¹ Includes non-interest-bearing debt (of which \$260 million on Jan. 31, 1968, was not subject to statutory debt limitation) and guaranteed securities not shown separately.

² Excludes guaranteed securities.

³ Includes amounts held by U.S. Govt. agencies and trust funds, which totaled \$18,775 million on Dec. 31, 1967.

⁴ Includes Treasury bonds and minor amounts of Panama Canal and postal savings bonds.

⁵ Includes (not shown separately): depository bonds, retirement plan bonds, foreign currency series, foreign series, and Rural Electrification Administration bonds; before 1954, armed forces leave bonds; before 1956, tax and savings notes; and before Oct. 1965, Series A investment bonds.

⁶ Held only by U.S. Govt. agencies and trust funds.

NOTE.—Based on Daily Statement of U.S. Treasury.

OWNERSHIP OF DIRECT AND FULLY GUARANTEED SECURITIES

(Par value in billions of dollars)

End of period	Total gross debt	Held by—		Held by the public									
		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		
1941—Dec.....	64.3	9.5	2.3	52.5	21.4	3.7	8.2	4.0	.7	5.4	8.2	.4	.5
1945—Dec.....	278.7	27.0	24.3	227.4	90.8	10.7	24.0	22.2	6.5	42.9	21.2	2.4	6.6
1947—Dec.....	257.0	34.4	22.6	200.1	68.7	12.0	23.9	14.1	7.3	46.2	19.4	2.7	5.7
1959—Dec.....	290.9	53.7	26.6	210.6	60.3	6.9	12.5	21.4	18.0	45.9	23.5	12.0	10.1
1960—Dec.....	290.4	55.1	27.4	207.9	62.1	6.3	11.9	18.7	18.7	45.6	20.5	13.0	11.2
1961—Dec.....	296.5	54.5	28.9	213.1	67.2	6.1	11.4	18.5	19.0	46.4	19.5	13.4	11.6
1962—Dec.....	304.0	55.6	30.8	217.6	67.2	6.1	11.5	18.6	20.1	46.9	19.2	15.3	12.7
1963—Dec.....	310.1	58.0	33.6	218.5	64.3	5.8	11.3	18.7	21.1	48.1	20.1	15.9	13.3
1964—Dec.....	318.7	60.6	37.0	221.1	64.0	5.7	11.1	18.2	21.2	48.9	20.8	16.7	14.5
1965—Dec.....	321.4	61.9	40.8	218.7	60.8	5.4	10.4	15.8	22.9	49.6	22.5	16.7	14.7
1966—Dec.....	329.8	68.8	44.3	216.7	57.5	4.7	9.6	14.9	25.0	50.2	24.5	14.5	16.0
1967—Jan.....	329.4	68.2	43.5	217.7	57.8	4.5	9.5	14.7	24.8	50.1	24.7	14.0	17.4
Feb.....	330.1	69.6	44.0	216.6	57.4	4.6	9.3	14.7	25.0	50.3	24.3	14.1	16.9
Mar.....	331.5	70.7	44.9	215.9	58.1	4.5	9.2	14.1	25.1	50.4	23.7	14.5	16.4
Apr.....	328.3	70.4	45.5	212.5	57.2	4.3	9.0	12.9	25.2	50.5	22.3	15.0	16.1
May.....	331.4	74.6	46.1	210.8	56.4	4.3	9.0	13.6	25.1	50.5	21.4	15.0	15.4
June.....	326.7	75.8	46.7	204.2	55.5	4.2	8.7	11.1	25.0	50.6	20.4	14.7	14.1
July.....	331.2	75.5	46.8	208.9	58.3	4.2	8.7	11.9	24.7	50.7	20.2	14.4	15.9
Aug.....	336.4	77.2	46.6	212.6	60.2	4.2	8.7	12.4	25.1	50.8	20.7	14.3	16.2
Sept.....	336.4	76.4	46.9	213.1	61.1	4.2	8.7	10.7	24.9	50.8	21.7	14.7	16.2
Oct.....	341.0	75.9	47.4	217.7	63.6	4.1	8.8	11.8	24.6	50.9	22.1	14.9	17.0
Nov.....	345.6	76.2	48.9	220.5	63.5	4.2	8.7	13.1	24.5	51.0	22.8	16.2	16.5
Dec.....	345.2	76.0	49.1	220.1	63.9	4.2	8.7	12.5	25.0	51.1	22.9	15.7	16.3

¹ Includes investments of foreign balances and international accounts in the United States.

² Includes savings and loan assns., dealers and brokers, nonprofit institutions, and corporate pension funds.

NOTE.—Reported data for F.R. Banks and U.S. Govt. agencies and trust funds; Treasury estimates for other groups.

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:								
1964—Dec. 31.....	212,454	88,451	56,476	31,974	64,007	36,421	6,108	17,467
1965—Dec. 31.....	214,604	93,396	60,177	33,219	60,602	35,013	8,445	17,148
1966—Dec. 31.....	218,025	105,218	64,684	40,534	59,446	28,005	8,433	16,923
1967—Nov. 30.....	226,081	102,158	69,453	32,705	77,320	21,487	8,418	16,697
Dec. 31.....	226,476	104,363	69,870	34,493	78,159	18,859	8,417	16,679
U.S. Govt. agencies and trust funds:								
1964—Dec. 31.....	12,146	1,731	1,308	424	2,422	3,147	1,563	3,282
1965—Dec. 31.....	13,406	1,356	968	388	3,161	3,350	2,073	3,466
1966—Dec. 31.....	14,591	2,786	1,573	1,213	3,721	2,512	2,093	3,479
1967—Nov. 30.....	16,704	3,712	2,615	1,097	5,058	2,306	2,115	3,513
Dec. 31.....	16,601	3,580	2,436	1,144	5,202	2,194	2,115	3,513
Federal Reserve Banks:								
1964—Dec. 31.....	37,044	21,388	6,487	14,901	13,564	1,797	58	237
1965—Dec. 31.....	40,768	24,842	9,346	15,496	14,092	1,449	147	238
1966—Dec. 31.....	44,282	35,360	12,296	23,064	7,502	1,007	153	260
1967—Nov. 30.....	48,931	31,180	15,900	15,280	16,267	928	178	377
Dec. 31.....	49,112	31,484	16,041	15,443	16,215	858	178	377
Held by public:								
1964—Dec. 31.....	163,264	65,331	48,682	16,650	48,021	31,477	4,487	13,948
1965—Dec. 31.....	160,430	67,198	49,863	17,335	43,349	30,214	6,225	13,444
1966—Dec. 31.....	159,152	67,072	50,815	16,257	48,224	24,485	6,187	13,184
1967—Nov. 30.....	160,446	67,266	50,938	16,328	55,995	18,425	6,125	12,807
Dec. 31.....	160,763	69,299	51,393	17,906	56,742	15,807	6,124	12,789
Commercial banks:								
1964—Dec. 31.....	53,752	18,509	10,969	7,540	23,507	11,049	187	501
1965—Dec. 31.....	50,325	18,003	10,156	7,847	19,676	11,640	334	671
1966—Dec. 31.....	47,182	15,838	8,771	7,067	21,112	9,343	435	454
1967—Nov. 30.....	51,895	17,601	10,125	7,476	26,274	7,022	474	524
Dec. 31.....	52,194	18,451	10,415	8,036	26,370	6,386	485	502
Mutual savings banks:								
1964—Dec. 31.....	5,434	608	344	263	1,536	1,765	260	1,266
1965—Dec. 31.....	5,241	768	445	323	1,386	1,602	335	1,151
1966—Dec. 31.....	4,532	645	399	246	1,482	1,139	276	990
1967—Nov. 30.....	4,084	658	397	261	1,499	780	268	880
Dec. 31.....	4,033	716	440	276	1,476	707	267	867
Insurance companies:								
1964—Dec. 31.....	9,160	1,002	480	522	2,045	2,406	818	2,890
1965—Dec. 31.....	8,824	993	548	445	1,938	2,094	1,096	2,703
1966—Dec. 31.....	8,158	847	339	508	1,978	1,581	1,074	2,678
1967—Nov. 30.....	7,399	660	377	283	2,068	1,065	1,164	2,442
Dec. 31.....	7,360	815	440	375	2,056	914	1,175	2,400
Nonfinancial corporations:								
1964—Dec. 31.....	9,136	6,748	5,043	1,705	2,001	272	3	112
1965—Dec. 31.....	8,014	5,911	4,657	1,254	1,755	225	35	89
1966—Dec. 31.....	6,323	4,729	3,396	1,333	1,339	200	6	49
1967—Nov. 30.....	5,307	4,186	3,566	620	1,018	89	3	11
Dec. 31.....	4,936	3,966	2,897	1,069	898	61	3	9
Savings and loan associations:								
1964—Dec. 31.....	3,418	490	343	148	1,055	1,297	129	447
1965—Dec. 31.....	3,644	597	394	203	948	1,374	252	473
1966—Dec. 31.....	3,883	782	583	199	1,251	1,104	271	475
1967—Nov. 30.....	4,762	1,343	832	511	1,775	895	270	480
Dec. 31.....	4,575	1,255	718	537	1,767	811	281	461
State and local governments:								
1964—Dec. 31.....	15,022	4,863	3,961	902	2,014	2,010	1,454	4,680
1965—Dec. 31.....	15,707	5,571	4,573	998	1,862	1,894	1,985	4,395
1966—Dec. 31.....	15,384	5,545	4,512	1,033	2,165	1,499	1,910	4,265
1967—Nov. 30.....	14,281	5,517	4,446	1,071	2,059	1,122	1,578	4,005
Dec. 31.....	14,689	5,975	4,855	1,120	2,224	937	1,557	3,995
All others:								
1964—Dec. 31.....	67,341	33,111	27,542	5,570	15,863	12,678	1,637	4,052
1965—Dec. 31.....	68,675	35,356	29,089	6,267	15,784	11,386	2,187	3,962
1966—Dec. 31.....	73,690	38,685	32,646	6,039	18,896	9,619	2,215	4,275
1967—Nov. 30.....	72,718	37,301	31,193	6,106	21,302	7,280	2,368	4,465
Dec. 31.....	72,976	38,121	31,628	6,493	21,951	5,991	2,356	4,555

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 for other groups are based on Treasury Survey data. Of total marketable issues held by groups, the proportion held on latest date by those reporting in the Survey and the number of owners surveyed were: (1)

about 90 per cent by the 5,868 commercial banks, 501 mutual savings banks, and 762 insurance companies combined; (2) about 50 per cent by the 469 nonfinancial corporations and 488 savings and loan assns.; and (3) about 70 per cent by 506 State and local govts.

"All others," a residual, includes holdings of all those not reporting in the Treasury Survey, including investor groups not listed separately.

DEALER TRANSACTIONS

(Par value, in millions of dollars)

Period	U.S. Government securities									U.S. Govt. agency securities
	Total	By maturity				By type of customer				
		Within 1 year	1-5 years	5-10 years	Over 10 years	Dealers and brokers		Com- mercial banks	All other	
U.S. Govt. securities	Other									
1966—Dec.....	2,712	2,059	427	160	66	1,114	121	978	500	232
1967—Jan.....	2,265	1,827	288	102	49	912	110	791	453	281
Feb.....	2,186	1,744	331	79	32	774	90	826	496	217
Mar.....	2,434	2,012	296	87	39	1,057	140	794	443	222
Apr.....	2,111	1,738	262	82	28	813	76	746	475	222
May.....	2,075	1,636	332	77	30	784	63	720	507	188
June.....	1,802	1,502	226	52	23	659	56	621	466	199
July.....	2,084	1,856	161	45	21	740	58	741	544	219
Aug.....	1,884	1,578	243	33	30	662	60	662	500	159
Sept.....	1,937	1,705	177	30	24	715	52	711	459	200
Oct.....	2,168	1,941	150	43	33	795	66	841	465	202
Nov.....	2,344	1,935	273	96	40	848	76	862	558	227
Dec.....	2,797	2,351	291	94	63	1,079	90	1,028	600	214
Week ending—										
1967—Dec. 6.....	2,388	2,071	193	62	62	997	74	815	503	177
13.....	2,355	1,927	298	63	67	889	73	833	560	220
20.....	2,900	2,402	301	132	65	1,206	106	1,016	571	241
27.....	2,245	2,737	335	116	58	1,026	98	1,402	719	194
1968—Jan. 3.....	3,613	3,177	313	83	41	1,414	125	1,324	750	241
10.....	3,128	2,656	323	108	40	1,271	84	1,194	579	193
17.....	2,883	2,463	276	72	72	1,151	96	1,019	616	433
24.....	2,568	2,271	208	32	56	990	75	857	645	298
31.....	2,808	2,506	236	37	28	1,150	87	995	496	297

NOTE.—The transactions data combine market purchases and sales of U.S. Govt. securities dealers reporting to the F.R. Bank of N.Y. 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 securi-

ties under repurchase agreement, reverse repurchase (resale), or similar contracts. Averages of daily figures based on the number of trading days in the period.

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	Over 5 years	
1966—Dec.....	4,158	3,447	530	181	502
1967—Jan.....	4,861	4,138	431	292	560
Feb.....	4,442	3,527	681	235	467
Mar.....	4,084	3,362	475	248	415
Apr.....	3,902	3,296	382	223	450
May.....	3,375	2,503	744	129	371
June.....	2,869	2,389	406	74	314
July.....	2,239	2,115	106	18	239
Aug.....	2,903	2,564	312	26	265
Sept.....	2,545	2,305	202	38	242
Oct.....	2,880	2,837	22	20	379
Nov.....	3,109	2,793	258	57	309
Dec.....	2,410	2,375	35	1	363
Week ending—					
1967—Nov. 1..	3,305	3,093	177	36	406
8..	3,167	2,488	556	123	283
15..	3,034	2,680	302	51	241
22..	2,812	2,669	112	31	365
29..	3,395	3,339	37	19	337
Dec. 6..	2,808	2,792	14	3	273
13..	2,386	2,373	11	3	279
20..	2,370	2,338	25	7	398
27..	2,269	2,213	60	5	473

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.

DEALER FINANCING

(In millions of dollars)

Period	All sources	Commercial banks		Corpora- tions ¹	All other
		New York City	Else- where		
1966—Dec.....	4,233	999	893	1,412	929
1967—Jan.....	4,925	1,565	1,678	983	700
Feb.....	4,530	1,391	1,331	1,069	740
Mar.....	4,298	1,289	1,461	825	723
Apr.....	4,162	1,093	1,576	829	664
May.....	3,612	935	1,156	764	757
June.....	3,262	1,121	984	665	492
July.....	2,147	649	622	598	276
Aug.....	2,717	835	734	868	280
Sept.....	2,669	1,010	873	582	204
Oct.....	2,660	844	688	744	383
Nov.....	2,863	650	640	1,176	397
Dec.....	2,551	556	481	1,144	370
Week ending—					
1967—Nov. 1..	3,055	1,142	766	879	269
8..	2,887	760	777	964	387
15..	2,699	543	591	1,142	422
22..	3,038	715	660	1,258	406
29..	2,728	511	515	1,337	364
Dec. 6..	3,111	552	591	1,503	466
13..	2,457	466	417	1,290	284
20..	2,560	736	518	1,041	265
27..	2,162	420	397	979	367

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 opposite table on this page.

U.S. GOVERNMENT MARKETABLE AND CONVERTIBLE SECURITIES, JANUARY 31, 1968

(In millions of dollars)

Issue and coupon rate	Amount	Issue and coupon rate	Amount	Issue and coupon rate	Amount	Issue and coupon rate	Amount
Treasury bills		Treasury bills—Cont.		Treasury notes—Cont.		Treasury bonds—Cont.	
Feb. 1, 1968.....	2,501	June 30, 1968.....	1,501	Feb. 15, 1971.....5½	2,509	Aug. 15, 1970.....4	4,129
Feb. 8, 1968.....	2,502	July 5, 1968.....	1,001	Apr. 1, 1971.....1½	35	Aug. 15, 1971.....4	2,806
Feb. 15, 1968.....	2,501	July 11, 1968.....	1,002	May 15, 1971.....5¼	4,265	Nov. 15, 1971.....3½	2,760
Feb. 23, 1968.....	2,501	July 18, 1968.....	1,001	Oct. 1, 1971.....1½	72	Feb. 15, 1972.....4	2,344
Feb. 29, 1968.....	3,905	July 25, 1968.....	1,002	Nov. 15, 1971.....5½	1,734	Aug. 15, 1972.....4	2,579
Mar. 7, 1968.....	2,501	July 31, 1968.....	1,501	Feb. 15, 1972.....4¾	2,006	Aug. 15, 1973.....4	3,894
Mar. 14, 1968.....	2,501	Aug. 31, 1968.....	1,501	Apr. 1, 1972.....1½	34	Nov. 15, 1973.....4½	4,353
Mar. 21, 1968.....	2,507	Sept. 30, 1968.....	1,500	May 15, 1972.....4¾	5,310	Feb. 15, 1974.....4½	3,129
Mar. 22, 1968†.....	2,003	Oct. 31, 1968.....	1,502	Oct. 1, 1972.....1½	10	May 15, 1974.....4½	3,589
Mar. 28, 1968.....	2,502	Nov. 30, 1968.....	1,000	Nov. 15, 1974.....5¾	1,652	Nov. 15, 1974.....3½	2,242
Mar. 31, 1968.....	1,400	Dec. 31, 1968.....	1,000			May 15, 1975-85.....4¼	1,216
Apr. 4, 1968.....	2,502	Jan. 31, 1969.....	1,000			June 15, 1978-83.....3¼	1,571
Apr. 11, 1968.....	2,503			Treasury bonds		Feb. 15, 1980.....4	2,602
Apr. 18, 1968.....	2,502			Dec. 15, 1963-68.....2½	1,788	Nov. 15, 1980.....3½	1,909
Apr. 22, 1968†.....	3,507			June 15, 1964-69.....2½	2,543	May 15, 1985.....1½	1,118
Apr. 25, 1968.....	2,504	Treasury notes		Dec. 15, 1964-69.....2½	2,490	Aug. 15, 1987-92.....4¼	3,817
Apr. 30, 1968.....	1,402	Feb. 15, 1968.....5½	2,635	Mar. 15, 1965-70.....2½	2,286	Feb. 15, 1988-93.....4	249
May 2, 1968.....	1,000	Apr. 1, 1968.....1½	212	Mar. 15, 1966-71.....2½	1,224	May 15, 1989-94.....4½	1,559
May 9, 1968.....	1,001	May 15, 1968.....4¾	5,587	June 15, 1967-72.....2½	1,255	Feb. 15, 1990.....3½	4,885
May 16, 1968.....	1,000	Aug. 15, 1968.....4¼	6,444	Sept. 15, 1967-72.....2½	1,952	Feb. 15, 1995.....3	1,781
May 23, 1968.....	1,000	Nov. 15, 1968.....5¼	9,913	Nov. 15, 1967.....3½	2,019	Nov. 15, 1998.....3½	4,363
May 31, 1968.....	2,403	Oct. 1, 1968.....1½	115	Dec. 15, 1967-72.....2½	2,625		
June 6, 1968.....	1,001	Apr. 1, 1969.....1½	61	May 15, 1968.....3½	2,460		
June 13, 1968.....	1,000	Oct. 1, 1969.....1½	159	Aug. 15, 1968.....3¾	3,747		
June 20, 1968.....	1,006	Nov. 15, 1969.....5¾	10,738	Nov. 15, 1968.....3¾	1,591	Convertible bonds	
June 24, 1968†.....	5,534	Apr. 1, 1970.....1½	88	Feb. 15, 1969.....4	3,728	Investment Series B	
June 27, 1968.....	1,003	Oct. 1, 1970.....1½	113	Oct. 1, 1969.....4	6,249	Apr. 1, 1975-80.....2¾	2,553
		Nov. 15, 1970.....5	7,675	Feb. 15, 1970.....4	4,381		

NOTE.—Direct public issues only. Based on Daily Statement of U.S. Treasury. † Tax anticipation series.

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						
	Total	Type of issue				Type of issuer				Total	Use of proceeds					
		General obligations	Revenue	HAA ¹	U.S. Govt. loans	State	Special district and stat. auth.	Other ²			Educational	Roads and bridges	Utilities ⁴	Housing ⁵	Veterans' aid	Other purposes
1960.....	7,292	4,771	2,095	302	125	1,110	1,984	4,198	7,102	7,247	2,405	1,007	1,316	426	201	1,891
1961.....	8,566	5,724	2,407	315	120	1,928	2,165	4,473	8,301	8,463	2,821	1,167	1,700	385	478	1,913
1962.....	8,845	5,582	2,681	437	145	1,419	2,600	4,825	8,732	8,568	2,963	1,114	1,668	521	125	2,177
1963.....	10,538	5,855	4,180	254	249	1,620	3,636	5,281	10,496	9,151	3,029	812	2,344	598	.....	2,369
1964.....	10,847	6,417	3,585	637	208	1,628	3,812	5,407	10,069	10,201	3,392	688	2,437	727	120	2,838
1965.....	11,329	7,177	3,517	464	170	2,401	3,784	5,144	11,538	10,471	3,619	900	1,965	626	50	3,311
1966.....	11,395	6,804	3,955	325	312	2,590	4,110	4,695	n.a.	11,294	3,738	1,476	1,880	533	.....	3,667
1966—Nov.....	976	598	364	.....	12	231	334	410	n.a.	969	381	108	226	40	.....	213
Dec.....	940	397	533	.....	11	100	568	272	n.a.	940	297	280	87	131	.....	164
1967—Jan.....	1,488	943	518	.....	27	397	331	759	n.a.	1,482	408	219	163	1	.....	691
Feb.....	1,230	933	287	.....	10	257	307	665	n.a.	1,196	468	133	117	*	.....	478
Mar.....	1,455	841	460	117	37	231	548	676	n.a.	1,438	427	123	339	126	.....	423
Apr.....	1,131	849	256	.....	26	182	246	703	n.a.	1,112	460	59	213	10	.....	370
May.....	1,244	760	454	.....	30	315	298	630	n.a.	1,218	486	116	102	11	.....	503
June.....	1,498	860	492	117	29	138	682	677	n.a.	1,497	597	26	228	148	.....	498
July.....	949	664	246	.....	39	186	260	503	n.a.	941	282	36	187	7	.....	429
Aug.....	854	585	251	.....	18	195	233	426	n.a.	852	208	141	208	52	.....	243
Sept.....	1,266	548	593	105	19	291	506	469	n.a.	1,256	303	134	234	110	.....	476
Oct.....	961	672	257	.....	32	207	255	499	n.a.	960	259	130	135	18	.....	418
Nov.....	1,354	744	570	.....	41	335	540	479	n.a.	1,353	210	41	314	10	.....	779

¹ Only bonds sold pursuant to 1949 Housing Act, which are secured by contract requiring the Housing Assistance Administration to make annual contributions to the local authority.

² Municipalities, counties, townships, school districts.

³ Excludes U.S. Govt. loans. Based on date of delivery to purchaser and payment to issuer, which occurs after date of sale.

⁴ Water, sewer, and other utilities.

⁵ Includes urban redevelopment loans.

Note.—The figures in the first column differ from those shown on the following page, which are based on *Bond Buyer* data. The principal difference is in the treatment of U.S. Govt. loans.

Investment Bankers Assn. data; par amounts of long-term issues based on date of sale unless otherwise indicated.

TOTAL NEW ISSUES

(In millions of dollars)

Period	Gross proceeds, all issues ¹										Proposed use of net proceeds, all corporate issues ⁶					
	Total	Noncorporate				Total	Corporate				Total	New capital			Retire-ment of securities	
		U.S. Govt. ²	U.S. Govt. agency ³	U.S. State and local ⁴	Other ⁵		Bonds			Stock		Total	New money ⁷	Other purposes		
							Total	Pub-licly offered	Privately placed	Pre-ferred	Com-mon					
1959.....	31,074	12,322	707	7,681	616	9,748	7,190	3,557	3,632	531	2,027	9,527	9,392	8,578	814	135
1960.....	27,541	7,906	1,672	7,230	579	10,154	8,081	4,806	3,275	409	1,664	9,924	9,653	8,758	895	271
1961.....	35,527	12,253	1,448	8,360	303	13,165	9,420	4,700	4,720	450	3,294	12,885	12,017	10,715	1,302	868
1962.....	29,956	8,590	1,188	8,558	915	10,705	8,969	4,440	4,529	422	1,314	10,501	9,747	8,240	1,507	754
1963.....	35,199	10,827	1,168	10,107	887	12,211	10,856	4,713	6,143	343	1,011	12,049	10,523	8,898	1,625	1,526
1964.....	37,122	10,656	1,205	10,544	760	13,957	10,865	3,623	7,243	412	2,679	13,792	13,038	11,233	1,805	754
1965.....	40,108	9,348	2,731	11,148	889	15,992	13,720	5,570	8,150	725	1,547	15,801	14,805	13,063	1,741	996
1966.....	45,015	8,231	6,806	11,089	815	18,074	15,561	8,018	7,542	574	1,939	17,841	17,601	15,806	1,795	241
1966—Nov.....	6,686	3,738	800	950	83	1,115	1,004	569	435	50	61	1,098	1,086	1,033	52	12
Dec.....	3,277	373	239	923	81	1,661	1,535	980	555	20	106	1,643	1,635	1,363	273	8
1967—Jan.....	5,091	494	1,251	1,450	211	1,684	1,593	745	848	51	40	1,669	1,648	1,522	125	21
Feb.....	7,523	4,154	783	1,159	10	1,418	1,262	900	362	17	139	1,400	1,399	1,375	24	1
Mar.....	5,253	459	750	1,437	245	2,362	2,219	1,618	601	24	119	2,334	2,317	2,178	139	17
Apr.....	4,229	393	650	1,129	41	2,015	1,778	1,368	410	144	94	1,985	1,973	1,891	82	12
May.....	4,002	438	810	1,209	26	1,518	1,361	965	396	47	111	1,493	1,474	1,418	56	19
June.....	5,373	410	650	1,461	179	2,674	2,343	1,684	659	17	313	2,631	2,611	2,363	248	20
July.....	4,371	415	407	925	34	2,590	2,376	1,889	487	85	130	2,546	2,457	2,181	275	89
Aug.....	10,625	6,458	250	840	596	2,481	2,231	1,813	418	105	144	2,440	2,406	2,184	222	34
Sept.....	4,218	362	599	1,273	220	1,763	1,549	902	647	41	173	1,732	1,723	1,581	142	10
Oct.....	4,618	422	708	991	78	2,417	1,948	1,375	572	231	239	2,375	2,296	2,128	168	79
Nov.....	2,564	391	710	1,320	143	1,494	1,188	645	543	81	225	1,463	1,461	1,296	164	3

Period	Proposed uses of net proceeds, major groups of corporate issuers											
	Manufacturing		Commercial and miscellaneous		Transportation		Public utility		Communication		Real estate and financial	
	New capital ^s	Retire-ment of secu-rities	New capital ^s	Retire-ment of secu-rities	New capital ^s	Retire-ment of secu-rities	New capital ^s	Retire-ment of secu-rities	New capital ^s	Retire-ment of secu-rities	New capital ^s	Retire-ment of secu-rities
1959.....	1,941	70	812	28	942	15	3,189	15	707	*	1,801	6
1960.....	1,997	79	794	30	672	39	2,754	51	1,036	1	2,401	71
1961.....	3,691	287	1,109	36	651	35	2,883	106	1,435	382	2,248	22
1962.....	2,958	228	803	32	543	16	2,341	444	1,276	11	1,825	23
1963.....	3,272	199	756	53	861	87	1,939	703	733	359	2,962	125
1964.....	2,772	243	1,024	82	941	32	2,445	280	2,133	36	3,723	80
1965.....	5,015	338	1,302	79	967	36	2,546	357	847	92	4,128	93
1966.....	6,855	125	1,356	44	1,939	9	3,570	46	1,978	4	1,902	14
1966—Nov.....	228	2	58	.....	204	.....	320	10	168	.....	107	.....
Dec.....	673	4	93	.....	266	4	409	.....	152	.....	42	.....
1967—Jan.....	624	20	103	.....	144	.....	220	.....	293	*	264	1
Feb.....	563	*	72	.....	140	.....	274	.....	105	.....	244	*
Mar.....	1,254	16	112	.....	214	.....	503	.....	145	.....	89	2
Apr.....	1,128	7	102	4	100	.....	394	1	107	.....	141	.....
May.....	588	1	94	*	199	1	403	17	91	.....	100	*
June.....	1,298	16	218	3	128	.....	471	.....	350	.....	146	.....
July.....	925	22	257	23	379	20	446	24	39	.....	409	.....
Aug.....	1,229	10	95	3	99	.....	509	19	356	.....	119	2
Sept.....	637	5	285	3	150	1	265	.....	200	.....	184	.....
Oct.....	918	6	120	7	170	.....	573	65	132	.....	383	.....
Nov.....	522	1	208	2	76	.....	404	.....	70	.....	181	73

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 opposite page.

⁵ Foreign governments, International Bank for Reconstruction and Development, and domestic nonprofit organizations.

⁶ Estimated gross proceeds less cost of flotation.

⁷ For plant and equipment and working capital.

⁸ All issues other than those for retirement of securities.

NOTE.—Securities and Exchange Commission estimates of new issues maturing in more than 1 year sold for cash in the United States.

NET CHANGE IN OUTSTANDING CORPORATE SECURITIES

(In millions of dollars)

Period	Derivation of change, all issuers											
	All securities			Bonds and notes			Common and preferred stocks					
	New issues	Retire-ments	Net change	New issues	Retire-ments	Net change	New issues		Retirements		Net change	
							Invest. cos. ¹	Other	Invest. cos. ¹	Other	Invest. cos. ¹	Other
1962.....	14,308	6,457	7,852	8,613	3,749	4,864	3,440	2,255	1,140	1,567	2,300	688
1963.....	15,641	8,711	6,930	10,556	4,979	5,577	3,138	1,948	1,536	2,197	1,602	-249
1964.....	18,826	8,290	10,536	10,715	4,077	6,637	4,363	3,748	1,895	2,317	2,468	1,431
1965.....	21,535	10,025	11,511	12,747	4,649	8,098	5,583	3,205	2,134	3,242	3,450	-37
1966.....	26,327	9,567	16,761	15,629	4,542	11,088	6,529	4,169	2,025	3,000	4,504	1,169
1966—III.....	5,534	1,756	3,777	3,732	943	2,789	1,271	531	490	323	781	207
IV.....	5,615	2,535	3,080	3,336	1,111	2,225	1,657	622	431	993	1,226	-371
1967—I.....	7,252	2,344	4,908	4,274	1,202	3,522	1,742	786	592	550	1,150	235
II.....	7,394	2,599	4,795	4,978	1,318	3,660	1,375	1,041	701	581	674	461
III.....	8,892	2,690	6,202	6,248	1,394	4,854	1,412	1,232	721	576	691	656

Period	Type of issuer											
	Manu-facturing		Commercial and other ²		Transpor-tation ³		Public utility		Communi-cation		Real estate and financial ⁴	
	Bonds & notes	Stocks	Bonds & notes	Stocks	Bonds & notes	Stocks	Bonds & notes	Stocks	Bonds & notes	Stocks	Bonds & notes	Stocks
1962.....	1,355	-242	294	-201	-85	-25	1,295	479	1,172	357	833	2,619
1963.....	1,804	-664	339	-352	316	-19	876	245	438	447	1,806	1,696
1964.....	1,303	-516	507	-483	317	-30	1,408	476	458	1,699	2,644	2,753
1965.....	2,606	-570	614	-70	185	-1	1,342	96	644	518	2,707	3,440
1966.....	4,324	32	616	-598	956	718	2,659	533	1,668	575	864	4,414
1966—III.....	1,198	58	143	-22	218	16	469	112	405	103	356	721
IV.....	736	-140	72	-553	224	26	755	136	465	147	-26	1,239
1967—I.....	1,489	52	130	-6	372	19	642	90	511	97	379	1,133
II.....	1,858	107	178	52	198	47	1,089	117	320	158	41	655
III.....	2,253	403	425	35	402	45	867	168	594	92	345	611

¹ Open-end and closed-end companies.² Extractive and commercial and misc. companies.³ Railroad and other transportation companies.⁴ Includes investment companies.

NOTE.—Securities and Exchange Commission estimates of cash transactions only. As contrasted with data shown on opposite page, new issues

exclude foreign and include offerings of open-end investment cos., sales of securities held by affiliated cos. or RFC, special offerings to employees, and also new stock issues and cash proceeds connected with conversions of bonds into stocks. Retirements include the same types of issues, and also securities retired with internal funds or with proceeds of issues for that purpose shown on opposite page.

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			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
1955.....	1,207	443	765	7,838	438	7,400	1966—Dec...	300	151	149	34,829	2,971	31,858
1956.....	1,347	433	914	9,046	492	8,554	1967—Jan...	391	183	209	37,230	2,869	34,361
1957.....	1,391	406	984	8,714	523	8,191	Feb...	298	179	120	38,034	2,866	35,168
1958.....	1,620	511	1,109	13,242	634	12,608	Mar...	389	226	163	39,443	2,682	36,761
1959.....	2,280	786	1,494	15,818	860	14,958	Apr...	358	214	144	41,191	2,666	38,525
1960.....	2,097	842	1,255	17,026	973	16,053	May...	357	258	99	39,847	2,608	37,239
1961.....	2,951	1,160	1,791	22,789	980	21,809	June...	375	225	150	40,795	2,503	38,292
1962.....	2,699	1,123	1,576	21,271	1,315	19,956	July...	425	222	203	43,064	2,515	40,549
1963.....	2,460	1,504	952	25,214	1,341	23,873	Aug...	347	249	98	42,663	2,370	40,293
1964.....	3,404	1,875	1,528	29,116	1,329	27,787	Sept...	352	246	106	43,585	2,244	41,341
1965.....	4,359	1,962	2,395	35,220	1,803	33,417	Oct...	409	270	139	42,652	2,218	40,434
1966.....	4,671	2,005	2,665	34,829	2,971	31,858	Nov...	468	231	237	43,262	2,653	40,609
							Dec...	501	242	259	44,701	2,566	42,135

¹ Includes contractual and regular single purchase sales, voluntary and contractual accumulation plan sales, and reinvestment of investment income dividends; excludes reinvestment of realized capital gains dividends.² Market value at end of period less current liabilities.³ Cash and deposits, receivables, all U.S. Govt. securities, and other short-term debt securities, less current liabilities.

NOTE.—Investment Company Institute data based on reports of members, which comprise substantially all open-end investment companies registered with the Securities and Exchange Commission. Data reflect newly formed companies after their initial offering of securities.

SALES, PROFITS, AND DIVIDENDS OF LARGE CORPORATIONS

(In millions of dollars)

Industry	1962	1963	1964	1965	1966	1965	1966				1967		
						IV	I	II	III	IV	I	II	III
Manufacturing													
Total (177 corps.):													
Sales.....	136,545	147,380	158,253	177,237	196,136	46,601	47,695	49,850	46,202	52,389	48,585	51,679	48,668
Profits before taxes.....	15,330	17,337	18,734	22,046	23,420	5,787	6,020	6,460	4,881	6,059	5,153	5,608	4,238
Profits after taxes.....	8,215	9,138	10,462	12,461	13,244	3,270	3,353	3,643	2,845	3,403	2,918	3,190	2,489
Dividends.....	5,048	5,444	5,933	6,527	6,920	2,062	1,570	1,754	1,631	1,965	1,670	1,701	1,721
Nondurable goods industries (78 corps.): ¹													
Sales.....	52,245	55,372	59,770	64,897	73,498	16,697	17,721	18,496	18,297	18,984	18,743	19,535	19,637
Profits before taxes.....	5,896	6,333	6,881	7,846	9,107	2,017	2,204	2,444	2,305	2,158	2,153	2,250	2,170
Profits after taxes.....	3,403	3,646	4,121	4,786	5,419	1,251	1,305	1,427	1,389	1,298	1,319	1,343	1,327
Dividends.....	2,150	2,265	2,408	2,527	2,729	707	651	682	673	723	720	756	770
Durable goods industries (99 corps.): ²													
Sales.....	84,300	92,008	98,482	112,341	122,638	29,904	29,974	31,354	27,905	33,405	29,842	32,144	29,051
Profits before taxes.....	9,434	11,004	11,853	14,200	14,313	3,770	3,815	4,020	2,577	3,901	3,000	3,358	2,068
Profits after taxes.....	4,812	5,492	6,341	7,675	7,824	2,019	2,047	2,216	1,456	2,105	1,599	1,847	1,162
Dividends.....	2,898	3,179	3,525	4,000	4,191	1,356	919	1,072	958	1,242	950	945	952
Selected industries:													
Foods and kindred products (25 corps.):													
Sales.....	13,457	14,301	15,284	16,427	18,932	4,217	4,595	4,673	4,759	4,905	4,963	5,060	5,173
Profits before taxes.....	1,460	1,546	1,579	1,710	1,912	439	439	488	504	481	447	482	527
Profits after taxes.....	698	747	802	896	1,006	237	230	257	262	257	236	253	275
Dividends.....	425	448	481	509	564	133	137	142	139	146	148	144	146
Chemical and allied products (20 corps.):													
Sales.....	13,759	14,623	16,469	18,158	19,998	4,656	4,885	5,216	4,824	5,063	4,998	5,163	5,116
Profits before taxes.....	2,162	2,286	2,597	2,891	3,073	707	760	874	789	650	694	700	641
Profits after taxes.....	1,126	1,182	1,400	1,630	1,737	409	428	480	443	386	396	404	370
Dividends.....	868	904	924	926	948	285	221	224	234	269	238	235	235
Petroleum refining (16 corps.):													
Sales.....	15,106	16,043	16,589	17,828	20,844	4,504	4,945	5,114	5,298	5,487	5,390	5,808	5,885
Profits before taxes.....	1,319	1,487	1,560	1,962	2,619	522	656	668	631	664	684	741	701
Profits after taxes.....	1,099	1,204	1,309	1,541	1,846	400	457	467	479	443	505	504	510
Dividends.....	566	608	672	737	817	196	200	204	204	209	232	280	286
Primary metals and products (34 corps.):													
Sales.....	21,260	22,116	24,195	26,548	28,572	6,167	6,567	7,457	7,309	7,239	6,801	7,040	6,975
Profits before taxes.....	1,838	2,178	2,556	2,931	3,277	623	682	928	857	810	693	670	518
Profits after taxes.....	1,013	1,183	1,475	1,689	1,903	373	402	537	490	474	395	411	309
Dividends.....	820	734	763	818	924	221	216	218	230	260	222	214	228
Machinery (24 corps.):													
Sales.....	19,057	21,144	22,558	25,364	30,141	6,785	6,985	6,889	7,538	8,729	7,704	7,933	8,090
Profits before taxes.....	1,924	2,394	2,704	3,107	3,613	788	894	915	851	953	868	807	837
Profits after taxes.....	966	1,177	1,372	1,626	1,880	410	456	480	444	500	421	417	438
Dividends.....	531	577	673	774	912	207	217	225	226	244	232	233	227
Automobiles and equipment (14 corps.):													
Sales.....	29,156	32,927	35,338	42,712	43,641	12,033	11,718	11,728	8,046	12,149	10,413	11,875	8,334
Profits before taxes.....	4,337	5,004	4,989	6,253	5,273	1,797	1,779	1,615	313	1,566	1,050	1,436	217
Profits after taxes.....	2,143	2,387	2,626	3,294	2,866	923	934	893	224	815	583	782	142
Dividends.....	1,151	1,447	1,629	1,890	1,775	759	360	503	361	551	363	365	362
Public utility													
Railroad:													
Operating revenue.....	9,440	9,560	9,778	10,208	10,654	2,668	2,518	2,728	2,690	2,718	2,536	2,628	2,529
Profits before taxes.....	729	816	829	980	1,088	328	213	327	280	268	145	163	n.a.
Profits after taxes.....	572	651	694	816	902	276	172	259	227	244	121	143	n.a.
Dividends.....	367	383	438	468	496	161	113	109	113	161	124	156	n.a.
Electric power:													
Operating revenue.....	13,489	14,294	15,156	15,816	16,908	3,997	4,401	4,026	4,236	4,246	4,697	4,280	4,406
Profits before taxes.....	3,583	3,735	3,926	4,213	4,395	1,000	1,215	987	1,153	1,041	1,279	1,026	1,161
Profits after taxes.....	2,062	2,187	2,375	2,586	2,764	637	758	632	702	673	799	666	717
Dividends.....	1,462	1,567	1,682	1,838	1,932	577	473	486	475	505	518	510	509
Telephone:													
Operating revenue.....	9,196	9,796	10,550	11,320	12,420	2,944	2,992	3,091	3,135	3,202	3,229	3,312	3,341
Profits before taxes.....	2,639	2,815	3,069	3,185	3,537	806	851	907	911	868	869	923	953
Profits after taxes.....	1,327	1,417	1,590	1,718	1,903	432	460	488	487	468	472	497	515
Dividends.....	935	988	1,065	1,153	1,248	296	302	309	317	320	334	337	341

¹ Includes 17 corporations in groups not shown separately.² Includes 27 corporations in groups not shown separately.

Note.—*Manufacturing corporations:* Data are obtained primarily from published reports of companies.

Railroads: Interstate Commerce Commission data for Class I line-haul railroads.

Electric power: Federal Power Commission data for Class A and B electric utilities, except that quarterly figures on operating revenue and profits before taxes are partly estimated by the Federal Reserve to include affiliated nonelectric operations.

Telephone: Data obtained from Federal Communications Commission on revenues and profits for telephone operations of the Bell System Consolidated (including the 20 operating subsidiaries and the Long Lines and General Depts. of American Telephone and Telegraph Co.), and for 2 affiliated telephone companies. Dividends are for the 20 operating subsidiaries and the 2 affiliates.

All series: Profits before taxes are income after all charges and before Federal income taxes and dividends.

Back data available from the Division of Research and Statistics.

CORPORATE PROFITS, TAXES, AND DIVIDENDS

(In billions of dollars)

Year	Profits before taxes	Income taxes	Profits after taxes	Cash dividends	Undistributed profits	Corporate capital consumption allowances ¹	Quarter	Profits before taxes	Income taxes	Profits after taxes	Cash dividends	Undistributed profits	Corporate capital consumption allowances ¹
1960.....	49.7	23.0	26.7	13.4	13.2	24.9	1966—I...	83.7	34.5	49.2	21.4	27.8	38.3
1961.....	50.3	23.1	27.2	13.8	13.5	26.2	II...	83.6	34.5	49.2	21.6	27.6	38.7
1962.....	55.4	24.2	31.2	15.2	16.0	30.1	III...	84.0	34.6	49.4	21.6	27.8	39.2
1963.....	59.4	26.3	33.1	16.5	16.6	31.8	IV...	83.9	34.6	49.3	21.2	28.2	39.8
1964.....	66.8	28.3	38.4	17.8	20.6	33.9	1967—I...	79.0	32.5	46.5	22.2	24.2	40.3
1965.....	76.6	31.4	45.2	19.8	25.4	36.5	II...	78.9	32.5	46.5	23.1	23.4	40.9
1966.....	83.8	34.5	49.3	21.5	27.8	39.0	III...	80.0	32.9	47.1	23.4	23.6	41.8
1967 ^p	80.1	33.0	47.2	22.8	24.4	41.4							

¹ Includes depreciation, capital outlays charged to current accounts, and accidental damages.

NOTE.—Dept. of Commerce estimates. Quarterly data are at seasonally adjusted annual rates.

CURRENT ASSETS AND LIABILITIES OF CORPORATIONS

(In billions of dollars)

End of period	Net working capital	Current assets							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		
1961.....	148.8	304.6	40.7	19.2	3.4	133.3	95.2	12.9	155.8	1.8	110.0	14.2	29.8
1962.....	155.6	326.5	43.7	19.6	3.7	144.2	100.7	14.7	170.9	2.0	119.1	15.2	34.5
1963.....	163.5	351.7	46.5	20.2	3.6	156.8	107.0	17.8	188.2	2.5	130.4	16.5	38.7
1964.....	170.0	372.2	47.3	18.6	3.4	169.9	113.5	19.6	202.2	2.7	140.3	17.0	42.2
1965.....	180.1	406.6	49.7	16.5	3.9	187.9	125.7	22.9	226.5	3.1	158.0	18.8	46.6
1966—I.....	182.7	412.1	47.3	16.7	3.9	190.8	129.2	24.3	229.3	3.3	158.3	18.9	48.8
II.....	187.1	421.8	48.1	15.0	4.0	196.7	133.4	24.6	234.7	3.5	164.0	16.5	50.8
III.....	188.0	429.5	47.3	14.3	4.2	201.1	138.3	24.4	241.5	4.0	167.8	17.7	52.1
IV.....	189.4	439.6	49.8	15.2	4.5	202.6	143.2	24.2	250.2	4.4	173.7	18.8	53.3
1967—I.....	191.7	440.2	46.9	14.1	4.4	202.6	146.8	25.4	248.5	4.9	171.2	18.4	54.1
II.....	192.8	441.1	47.4	11.3	4.6	204.9	147.9	24.9	248.2	5.4	174.6	12.5	55.7
III.....	196.3	448.9	48.8	10.6	4.7	208.9	149.9	26.0	252.6	5.7	176.1	13.3	57.4

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; excludes banks, savings and loan assns., insurance companies, and investment companies.

BUSINESS EXPENDITURES ON NEW PLANT AND EQUIPMENT

(In billions of dollars)

Period	Total	Manufacturing		Mining	Transportation		Public utilities	Communi- cations	Other ¹	Total (S.A. annual rate)
		Durable	Non- durable		Railroad	Other				
1960.....	35.68	7.18	7.30	.99	1.03	1.94	5.68	3.13	8.44	.....
1961.....	34.37	6.27	7.40	.98	.67	1.85	5.52	3.22	8.46	.....
1962.....	37.31	7.03	7.65	1.08	.85	2.07	5.48	3.63	9.52	.....
1963.....	39.22	7.85	7.84	1.04	1.10	1.92	5.65	3.79	10.03	.....
1964.....	44.90	9.43	9.16	1.19	1.41	2.38	6.22	4.30	10.83	.....
1965.....	51.96	11.40	11.05	1.30	1.73	2.81	6.94	4.94	11.79	.....
1966.....	60.63	13.99	13.00	1.47	1.98	3.44	8.41	5.62	12.74	.....
1967 ²	61.48	13.78	13.07	1.43	1.55	3.88	9.59	18.20	.....	.....
1966—I.....	12.77	2.87	2.74	.33	.40	.75	1.60	1.26	2.83	58.00
II.....	15.29	3.51	3.27	.40	.55	1.00	2.09	1.42	3.06	60.10
III.....	15.57	3.54	3.30	.37	.48	.82	2.36	1.36	3.33	61.25
IV.....	17.00	4.07	3.68	.38	.55	.86	2.36	1.58	3.52	62.80
1967—I.....	13.59	3.08	3.02	.32	.41	.70	1.84	1.35	2.87	61.65
II.....	15.61	3.46	3.34	.34	.41	1.12	2.46	1.49	2.99	61.50
III.....	15.40	3.33	3.15	.37	.35	.98	2.66	1.46	3.09	60.90
IV ²	16.87	3.90	3.55	.40	.37	1.08	2.63	4.95	.....	62.05
1968—I ²	14.32	3.17	2.90	.37	.34	1.10	2.22	4.22	.....	65.05

¹ Includes trade, service, finance, and construction.² Anticipated by business.

NOTE.—Dept. of Commerce and Securities and Exchange Commission estimates for corporate and noncorporate business, excluding agriculture.

MORTGAGE DEBT OUTSTANDING

(In billions of dollars)

End of period	All properties				Farm			Nonfarm									
	All holders	Financial institutions ¹	Other holders ²		All holders	Financial institutions ¹	Other holders ³	All holders	1- to 4-family houses ⁴			Multifamily and commercial properties ⁵			Mortgage type ⁶		
			U.S. agencies	Individuals and others					Total	Finan. institutions ¹	Other holders	Total	Finan. institutions ¹	Other holders	FHA-VA-underwritten	Conventional	
1941.....	37.6	20.7	4.7	12.2	6.4	1.5	4.9	31.2	18.4	11.2	7.2	12.9	8.1	4.8	3.0	28.2	
1945.....	35.5	21.0	2.4	12.1	4.8	1.3	3.4	30.8	18.6	12.2	6.4	12.2	7.4	4.7	4.3	26.5	
1961.....	226.3	172.6	11.8	41.9	13.9	5.0	8.9	212.4	153.1	128.2	24.9	59.3	39.4	19.9	65.5	146.9	
1962.....	248.6	192.5	12.2	44.0	15.2	5.5	9.7	233.4	166.5	140.4	26.0	66.9	46.6	20.4	69.4	164.1	
1963.....	274.3	217.1	11.2	45.9	16.8	6.2	10.7	257.4	182.2	156.0	26.2	75.3	54.9	20.3	73.4	184.0	
1964.....	300.1	241.0	11.4	47.7	18.9	7.0	11.9	281.2	197.6	170.4	27.2	83.6	63.7	19.9	77.2	204.0	
1965.....	362.3	264.6	12.4	49.3	21.2	7.8	13.4	305.1	213.7	185.1	28.6	91.4	71.7	19.7	81.2	223.9	
1966 ^p	347.3	280.8	15.7	50.8	23.3	8.4	14.9	324.0	224.1	192.6	31.4	99.9	79.7	20.2	84.0	240.0	
1965—III..	319.5	258.7	11.9	49.0	20.7	7.6	13.1	298.8	209.6	181.5	28.0	89.3	69.5	19.7	80.0	218.8	
IV...	326.3	264.6	12.4	49.3	21.2	7.8	13.4	305.1	213.7	185.1	28.6	91.4	71.7	19.7	81.2	223.9	
1966—I ^p ...	332.3	269.6	13.5	49.2	21.8	8.0	13.7	310.5	216.9	187.8	29.1	93.7	73.8	19.9	82.1	228.4	
II ^p ...	338.8	274.7	14.4	49.7	22.5	8.2	14.2	316.3	220.2	190.4	29.9	96.1	76.1	20.0	82.6	233.7	
III ^p ...	343.5	278.2	15.2	50.2	23.0	8.4	14.6	320.5	222.4	191.7	30.7	98.2	78.1	20.1	83.4	237.1	
IV ^p ...	347.3	280.8	15.7	50.8	23.3	8.4	14.9	324.0	224.1	192.6	31.4	99.9	79.7	20.2	84.0	240.0	
1967—I ^p ...	350.7	283.2	16.4	51.1	23.7	8.5	15.2	327.0	225.5	193.4	32.0	101.5	81.2	20.3	84.4	242.6	
II ^p ...	356.2	287.9	16.7	51.6	24.2	8.7	15.5	332.0	228.3	195.9	32.4	103.7	83.3	20.4	85.3	246.7	
III ^p ...	362.4	292.9	17.4	52.1	24.6	8.9	15.8	337.8	232.1	198.8	33.3	105.7	85.3	20.4	86.4	251.4	

¹ Commercial banks (including nondeposit trust companies but not trust depts.), mutual savings banks, life insurance companies, and savings and loan assns.

² U.S. agencies are FNMA, FHA, VA, PHA, Farmers Home Admin., and Federal land banks, and in earlier years, RFC, HOLC, and FPMC. Other U.S. agencies (amounts small or current separate data not readily available) included with "individuals and others."

³ Derived figures; includes debt held by Federal land banks and farm debt held by Farmers Home Admin.

⁴ For multifamily and total residential properties, see p. A-46.

⁵ Derived figures; includes small amounts of farm loans held by savings and loan assns.

⁶ Data by type of mortgage on nonfarm 1- to 4-family properties alone are shown on second page following.

NOTE.—Based on data from Federal Deposit Insurance Corp., Federal Home Loan Bank Board, Institute of Life Insurance, Depts. of Agriculture and Commerce, Federal National Mortgage Assn., Federal Housing Admin., Public Housing Admin., Veterans Admin., and Comptroller of the Currency.

Data shown have been adjusted to allow for recent revisions by Dept. of Commerce of end-of-year figures on multifamily and commercial properties back to 1962.

Figures for first 3 quarters of each year are F.R. estimates.

MORTGAGE LOANS HELD BY BANKS

(In millions of dollars)

End of period	Commercial bank holdings ¹							Mutual savings bank holdings ²						
	Total	Residential				Other non-farm	Farm	Total	Residential				Other non-farm	Farm
		Total	FHA-insured	VA-guaranteed	Conventional				Total	FHA-insured	VA-guaranteed	Conventional		
1941.....	4,906	3,292	.....	.....	.....	1,048	566	4,812	3,884	.....	.....	.....	900	28
1945.....	4,772	3,395	.....	.....	.....	856	521	4,208	3,387	.....	.....	.....	797	24
1961.....	30,442	21,225	5,975	2,627	12,623	7,470	1,747	29,145	26,341	8,045	9,267	9,029	2,753	51
1962.....	34,476	23,482	6,520	2,654	14,308	8,972	2,022	32,320	29,181	9,238	9,787	10,156	3,088	51
1963.....	39,414	26,476	7,105	2,862	16,509	10,611	2,327	36,224	32,718	10,684	10,490	11,544	3,454	52
1964.....	43,976	28,933	7,315	2,742	18,876	12,405	2,638	40,556	36,487	12,287	11,121	13,079	4,016	53
1965.....	49,675	32,387	7,702	2,688	21,997	14,377	2,911	44,617	40,096	13,791	11,408	14,897	4,469	52
1966.....	54,380	34,876	7,544	2,599	24,733	16,366	3,138	47,337	42,242	14,500	11,471	16,272	5,041	53
1965—III.....	48,353	31,574	7,641	2,700	21,233	13,926	2,853	43,539	39,153	13,412	11,368	14,373	4,334	52
1965—IV.....	49,675	32,387	7,702	2,688	21,997	14,377	2,911	44,617	40,096	13,791	11,408	14,897	4,469	52
1966—I.....	50,650	32,822	7,717	2,659	22,446	14,840	2,988	45,370	40,700	13,956	11,408	15,336	4,617	53
1966—II.....	52,306	33,800	7,769	2,654	23,377	15,478	3,028	45,883	41,083	14,047	11,346	15,690	4,747	53
1966—III.....	53,606	34,469	7,687	2,620	24,162	16,028	3,109	46,622	41,673	14,274	11,413	15,986	4,896	53
1966—IV.....	54,380	34,876	7,544	2,599	24,733	16,366	3,138	47,337	42,242	14,500	11,471	16,272	5,041	53
1967—I.....	54,531	34,890	7,444	2,547	24,899	16,468	3,173	48,107	42,879	14,723	11,619	16,537	5,176	52
1967—II.....	55,731	35,487	7,396	2,495	25,596	17,970	3,274	48,893	43,526	14,947	11,768	16,811	5,316	51

¹ Includes loans held by nondeposit trust companies, but not bank trust depts.

² Data for 1941 and 1945, except for totals, are special F.R. estimates.

NOTE.—Second and fourth quarters, Federal Deposit Insurance Corporation series for all commercial and mutual savings banks in the United

States and possessions. First and third quarters, estimates based on FDIC data for insured banks for 1962 and part of 1963 and on special F.R. interpolations thereafter. For earlier years, the basis for first- and third-quarter estimates included F.R. commercial bank call report data and data from the National Assn. of Mutual Savings Banks.

MORTGAGE ACTIVITY OF LIFE INSURANCE COMPANIES

(In millions of dollars)

Period	Loans acquired						Loans outstanding (end of period)					
	Total	Nonfarm				Farm ¹	Total	Nonfarm				Farm
		Total	FHA-insured	VA-guaranteed	Other ¹			Total	FHA-insured	VA-guaranteed	Other	
1945.....	976						6,637	5,860	1,394		4,466	766
1961.....	6,785	6,233	1,388	220	4,625	552	44,203	41,033	9,665	6,553	24,815	3,170
1962.....	7,478	6,859	1,355	469	5,035	619	46,902	43,502	10,176	6,395	26,931	3,400
1963.....	9,172	8,306	1,598	678	6,030	866	50,544	46,752	10,756	6,401	29,595	3,792
1964.....	10,433	9,386	1,812	674	6,900	1,047	55,152	50,848	11,484	6,403	32,961	4,304
1965.....	11,137	9,988	1,738	553	7,697	1,149	60,013	55,190	12,068	6,286	36,836	4,823
1966 ^p	10,202	9,210	1,311	458	7,441	992	64,609	59,369	12,351	6,201	40,817	5,240
1966—Nov. r.....	713	678	88	41	549	35	64,227	58,992	12,361	6,200	40,431	5,235
Dec.....	947	888	82	47	759	59	64,803	59,563	12,411	6,209	40,943	5,240
1967—Jan.....	766	699	89	47	563	67	65,193	59,965	12,441	6,222	41,302	5,228
Feb.....	684	617	75	32	510	67	65,503	60,259	12,459	6,211	41,589	5,244
Mar.....	721	632	80	44	508	89	65,798	60,525	12,468	6,217	41,840	5,273
Apr.....	603	536	50	25	461	67	66,024	60,721	12,449	6,202	42,070	5,303
May.....	641	582	57	31	494	59	66,253	60,924	12,434	6,183	42,307	5,329
June.....	643	569	60	31	478	74	66,414	61,038	12,397	6,163	42,478	5,376
July.....	563	506	36	27	443	57	66,324	60,920	12,311	6,161	42,448	5,404
Aug.....	676	618	68	32	518	58	66,506	61,073	12,289	6,144	42,640	5,433
Sept.....	688	631	62	36	533	57	66,701	61,239	12,263	6,131	42,845	5,462
Oct.....	675	623	68	40	515	52	66,884	61,401	12,236	6,124	43,041	5,483
Nov.....	662	603	50	30	523	59	67,097	61,595	12,214	6,112	43,269	5,502

¹ Certain mortgage loans secured by land on which oil drilling or extracting operations in process were classified with farm through June 1959 and with "other" nonfarm thereafter. These loans totaled \$38 million on July 31, 1959.

NOTE.—Institute of Life Insurance data. For loans acquired, the

monthly figures may not add to annual totals and for loans outstanding, the end-of-Dec. figures may differ from end-of-year figures, because (1) monthly figures represent book value of ledger assets whereas year-end figures represent annual statement asset values, and (2) data for year-end adjustments are more complete.

MORTGAGE ACTIVITY OF SAVINGS AND LOAN ASSOCIATIONS

(In millions of dollars)

Period	Loans made			Loans outstanding (end of period)			
	Total ¹	New home construction	Home purchase	Total ²	FHA-insured	VA-guaranteed	Conventional
1945.....	1,913	181	1,358	5,376			
1961.....	17,364	5,081	7,207	68,834	4,167	7,152	57,515
1962.....	20,754	5,979	8,524	78,770	4,476	7,010	67,284
1963.....	24,735	7,039	9,920	90,944	4,696	6,960	79,288
1964.....	24,505	6,515	10,397	101,333	4,894	6,683	89,756
1965.....	23,847	5,922	10,697	110,306	5,145	6,398	98,763
1966.....	16,720	3,606	7,746	114,447	5,270	6,158	103,019
1967 ^p	19,892	4,191	9,504	121,905	5,789	6,362	109,754
1966—Dec..	935	189	422	114,447	5,270	6,158	103,019
1967—Jan..	788	165	365	114,229	5,277	6,144	102,808
Feb.....	950	205	420	114,395	5,278	6,141	102,976
Mar.....	1,347	306	571	114,797	5,296	6,143	103,358
Apr.....	1,339	312	586	115,233	5,321	6,141	103,771
May.....	1,738	400	779	115,909	5,365	6,127	104,417
June.....	2,162	435	1,046	116,944	5,384	6,169	105,391
July.....	1,860	382	951	117,676	5,437	6,187	106,052
Aug.....	2,228	424	1,186	118,674	5,514	6,223	106,937
Sept.....	1,971	381	1,017	119,529	5,576	6,258	107,695
Oct.....	1,950	413	949	120,362	5,660	6,292	108,410
Nov. r	1,801	388	856	121,127	5,714	6,336	109,077
Dec. ^p	1,760	831	778	121,905	5,789	6,362	109,754

¹ Includes loans for repairs, additions and alterations, refinancing, etc., not shown separately.

² Beginning with 1958, includes shares pledged against mortgage loans; beginning with 1966, includes junior liens and real estate sold on contract; and beginning with 1967, includes downward structural adjustment for change in universe.

NOTE.—Federal Home Loan Bank Board data.

FEDERAL HOME LOAN BANKS

(In millions of dollars)

Period	Advances	Repayments	Advances outstanding (end of period)			Members' deposits
			Total	Short-term ¹	Long-term ²	
1945.....	278	213	195	176	19	46
1961.....	2,882	2,220	2,662	1,447	1,216	1,180
1962.....	4,111	3,294	3,479	2,005	1,474	1,213
1963.....	5,601	4,296	4,784	2,863	1,921	1,151
1964.....	5,565	5,025	5,325	2,846	2,479	1,199
1965.....	5,007	4,335	5,997	3,074	2,923	1,043
1966.....	3,804	2,866	6,935	5,006	1,929	1,036
1967.....	1,527	4,076	4,386	3,985	401	1,432
1966—Dec.....	68	217	6,935	5,006	1,929	1,036
1967—Jan.....	224	818	6,340	4,814	1,526	1,088
Feb.....	49	589	5,800	4,730	1,070	1,240
Mar.....	30	655	5,175	4,262	913	1,490
Apr.....	59	452	4,782	3,976	806	1,648
May.....	59	420	4,421	3,776	644	1,831
June.....	89	208	4,302	3,696	606	1,925
July.....	193	274	4,221	3,680	541	1,521
Aug.....	134	202	4,153	3,659	494	1,343
Sept.....	102	133	4,122	3,642	480	1,317
Oct.....	160	169	4,114	3,681	433	1,323
Nov.....	176	102	4,188	3,793	395	1,347
Dec.....	252	54	4,386	3,985	401	1,432

¹ Secured or unsecured loans maturing in 1 year or less.

² Secured loans, amortized quarterly, having maturities of more than 1 year but not more than 10 years.

NOTE.—Federal Home Loan Bank Board data.

GOVERNMENT-UNDERWRITTEN RESIDENTIAL LOANS MADE

(In millions of dollars)

Period	FHA-insured					VA-guaranteed		
	Total	Mortgages		Proj- ects ¹	Prop- erty im- prove- ments ²	Total ³	Mortgages	
		New homes	Ex- isting homes				New homes	Ex- isting homes
1945.....	665	257	217	20	171	192	.....	.....
1961.....	6,546	1,783	2,982	926	855	1,829	1,170	656
1962.....	7,184	1,849	3,421	1,079	834	2,652	1,357	1,292
1963.....	7,216	1,664	3,905	843	804	3,045	1,272	1,770
1964.....	8,130	1,608	4,965	895	663	2,846	1,023	1,821
1965.....	8,689	1,705	5,760	591	634	2,652	876	1,774
1966.....	7,320	1,729	4,366	583	641	2,600	980	1,618
1967.....	7,150	1,369	4,516	642	623	3,405	1,143	2,259
1966—Dec.....	409	113	214	35	46	226	104	121
1967—Jan.....	449	116	263	26	44	214	100	113
Feb.....	364	91	210	32	31	169	77	91
Mar.....	490	96	292	55	47	195	83	112
Apr.....	440	89	270	41	40	184	70	114
May.....	508	87	320	44	58	231	76	154
June.....	626	105	403	57	61	266	81	185
July.....	595	103	399	36	58	296	82	214
Aug.....	762	129	525	45	62	340	97	243
Sept.....	758	129	514	58	56	352	101	251
Oct.....	817	150	515	88	64	434	125	310
Nov.....	746	149	471	72	53	383	127	255
Dec.....	594	124	334	90	47	340	124	217

¹ Monthly figures do not reflect mortgage amendments included in annual totals.² Not ordinarily secured by mortgages.³ Includes a small amount of alteration and repair loans, not shown separately; only such loans in amounts of more than \$1,000 need be secured.

NOTE.—Federal Housing Admin. and Veterans Admin. data. FHA-insured loans represent gross amount of insurance written; VA-guaranteed loans, gross amounts of loans closed. Figures do not take into account principal repayments on previously insured or guaranteed loans. For VA-guaranteed loans, amounts by type are derived from data on number and average amount of loans closed.

MORTGAGE DEBT OUTSTANDING ON NON-FARM 1- to 4-FAMILY PROPERTIES

(In billions of dollars)

End of period	Total	Government- underwritten			Con- ven- tional
		Total	FHA- in- sured	VA- guar- anteed ¹	
1945.....	18.6	4.3	4.1	.2	14.3
1961.....	153.1	59.1	29.5	29.6	93.9
1962.....	166.5	62.2	32.3	29.9	104.3
1963.....	182.2	65.9	35.0	30.9	116.3
1964.....	197.6	69.2	38.3	30.9	128.3
1965.....	213.7	73.1	42.0	31.1	140.6
1966.....	224.1	76.0	44.8	31.2	148.1
1964—I.....	185.4	66.6	35.7	31.0	118.8
II.....	189.8	67.3	36.3	30.9	122.5
III.....	193.9	68.4	37.4	31.1	125.4
IV.....	197.6	69.2	38.3	30.9	128.3
1965—I.....	200.7	70.1	39.0	31.1	130.6
II.....	205.1	70.7	39.7	31.0	134.4
III.....	209.6	72.0	40.9	31.1	137.5
IV.....	213.7	73.1	42.0	31.1	140.6
1966—I.....	216.9	74.1	43.0	31.1	142.7
II.....	220.2	74.6	43.7	30.9	145.7
III.....	222.4	75.4	44.4	31.0	147.0
IV.....	224.1	76.0	44.8	31.2	148.1
1967—I ^p	225.5	76.4	45.2	31.2	149.0
II ^p	228.3	77.2	45.7	31.5	151.1
III ^p	232.1	78.3	46.6	31.7	153.8

¹ Includes outstanding amount of VA vendee accounts held by private investors under repurchase agreement.

NOTE.—For total debt outstanding, figures are FHLBB and F.R. estimates. For conventional, figures are derived.

Based on data from Federal Home Loan Bank Board, Federal Housing Admin., and Veterans Admin.

FEDERAL NATIONAL MORTGAGE ASSOCIATION ACTIVITY

(In millions of dollars)

End of period	Mortgage holdings			Mortgage transactions (during period)		Commitments undischursed
	Total	FHA-insured	VA-guaranteed	Purchases	Sales	
1961.....	6,093	3,490	2,603	815	541	631
1962.....	5,923	3,571	2,353	740	498	355
1963.....	4,650	3,017	1,634	290	1,114	191
1964.....	4,412	2,996	1,416	424	251	313
1965.....	4,731	3,404	1,327	913	200	793
1966.....	7,063	5,407	1,656	2,701	.....	705
1967.....	8,870	6,803	2,066	2,260	12	1,672
1966—Dec.....	7,063	5,407	1,656	202	.....	705
1967—Jan.....	7,216	5,522	1,694	181	.....	695
Feb.....	7,331	5,615	1,716	144	.....	641
Mar.....	7,415	5,692	1,723	119	.....	706
Apr.....	7,461	5,740	1,721	78	.....	744
May.....	7,484	5,767	1,717	65	.....	835
June.....	7,524	5,811	1,713	88	.....	1,104
July.....	7,624	5,890	1,734	136	.....	1,333
Aug.....	7,872	6,076	1,796	291	.....	1,447
Sept.....	8,105	6,249	1,856	272	.....	1,473
Oct.....	8,371	6,441	1,930	307	.....	1,535
Nov.....	8,610	6,615	1,995	279	.....	1,676
Dec.....	8,870	6,803	2,066	299	.....	1,672

NOTE.—Federal National Mortgage Assn. data, including mortgages subject to participation pool of Government Mortgage Liquidation Trust, but excluding conventional mortgage loans acquired by FNMA from the RFC Mortgage Co., the Defense Homes Corp., the Public Housing Admin., and Community Facilities Admin.

MORTGAGE DEBT OUTSTANDING ON RESIDENTIAL PROPERTIES

(In billions of dollars)

End of period	All residential			Multifamily ¹		
	Total	Finan- cial insti- tutions	Other holders	Total	Finan- cial insti- tutions	Other holders
1941.....	24.2	14.9	9.4	5.8	3.6	2.2
1945.....	24.3	15.7	8.6	5.7	3.5	2.2
1961.....	176.0	143.0	33.0	23.0	14.8	8.2
1962.....	192.5	157.9	34.6	25.8	17.5	8.3
1963.....	211.2	176.7	34.5	29.0	20.7	8.3
1964.....	230.8	195.2	35.6	33.2	24.8	8.4
1965.....	250.7	213.7	37.0	37.0	28.5	8.5
1966.....	263.6	223.5	40.1	39.5	30.9	8.6
1965—I.....	234.7	199.0	35.8	34.0	25.6	8.4
II.....	240.1	204.0	36.1	34.9	26.6	8.3
III.....	245.5	209.1	36.4	36.0	27.6	8.4
IV.....	250.7	213.7	37.0	37.0	28.5	8.5
1966—I ^p	254.7	217.0	37.7	37.8	29.3	8.5
II ^p	258.8	220.3	38.5	38.5	29.9	8.6
III ^p	261.5	222.1	39.4	39.1	30.5	8.6
IV ^p	263.6	223.5	40.1	39.5	30.9	8.6
1967—I ^p	265.7	224.9	40.8	40.2	31.5	8.7
II ^p	269.4	228.2	41.2	41.0	32.3	8.7
III ^p	273.9	231.8	42.1	41.8	33.0	8.8

¹ Structures of 5 or more units. For 1- to 4-family mortgage debt see second preceding page.

NOTE.—Based on data from same source as for "Mortgage Debt Outstanding" table (second preceding page).

TERMS ON CONVENTIONAL FIRST MORTGAGES

Period	New homes						Existing homes					
	Contract rate (per cent)	Fees & charges (per cent) ¹	Maturity (years)	Loan/price ratio (per cent)	Purchase price (thous. of dollars)	Loan amount (thous. of dollars)	Contract rate (per cent)	Fees & charges (per cent) ¹	Maturity (years)	Loan/price ratio (per cent)	Purchase price (thous. of dollars)	Loan amount (thous. of dollars)
1963.....	5.84	.64	24.0	73.3	22.5	16.3	5.98	.60	19.2	70.8	17.8	12.6
1964.....	5.78	.57	24.8	74.1	23.7	17.3	5.92	.55	20.0	71.3	18.9	13.4
1965.....	5.76	.54	24.8	74.1	24.7	18.1	5.89	.50	20.4	72.0	19.7	14.1
1966.....	6.11	.69	24.4	72.8	26.4	19.0	6.24	.59	20.0	65.1	20.4	14.4
1967 ^p	6.37	.94	24.0	73.9	26.7	19.7	6.41	.73	21.1	72.3	22.3	16.1
1966—Dec.....	6.49	1.25	23.3	72.4	25.5	18.5	6.55	.81	20.2	70.9	20.8	14.7
1967—Jan.....	6.47	1.16	23.8	73.3	26.3	19.3	6.54	.78	20.6	71.4	21.2	15.2
Feb.....	6.44	1.06	23.6	73.8	24.8	18.3	6.50	.75	20.3	71.6	21.3	15.3
Mar.....	6.41	1.05	23.6	74.1	25.6	19.0	6.44	.77	21.0	71.8	21.4	15.4
Apr.....	6.37	.99	23.6	73.3	25.8	18.9	6.36	.72	20.8	72.0	21.6	15.6
May.....	6.28	.96	24.2	74.8	26.2	19.6	6.31	.68	21.1	72.3	22.3	16.1
June.....	6.29	.93	24.0	73.6	26.3	19.4	6.30	.67	21.4	72.2	23.0	16.6
July.....	6.34	.89	24.2	74.4	27.0	20.1	6.33	.70	21.3	72.7	22.5	16.4
Aug.....	6.34	.83	24.0	74.3	27.3	20.3	6.38	.71	21.5	73.1	22.7	16.6
Sept.....	6.37	.83	24.2	73.6	27.5	20.2	6.37	.72	21.2	72.8	22.3	16.2
Oct.....	6.37	.89	24.3	74.0	27.5	20.4	6.42	.77	21.2	72.7	22.3	16.2
Nov.....	6.37	.81	24.2	73.6	27.7	20.4	6.43	.75	21.5	72.6	23.6	17.1
Dec ^p	6.45	.93	24.8	73.8	28.3	20.9	6.51	.77	21.7	72.7	23.5	17.1

¹ Fees and charges—related to principal mortgage amount—include loan commissions, fees, discounts, and other charges, which provide added income to the lender and are paid by the borrower. They exclude any closing costs related solely to transfer of property ownership.

NOTE.—Compiled by Federal Home Loan Bank Board in cooperation with Federal Deposit Insurance Corporation. Data are weighted averages based on probability sample survey of characteristics of mortgages

originated by major institutional lender groups (including mortgage companies) for purchase of single-family homes. Data exclude loans for refinancing, reconditioning, or modernization; construction loans to home-builders; and permanent loans that are coupled with construction loans to owner-builders. Series beginning July 1966, not strictly comparable with earlier data. See also the table on Mortgages: New and Existing Homes, p. A-30.

DELINQUENCY RATES ON HOME MORTGAGES

(Per 100 mortgages held or serviced)

End of period	Loans not in foreclosure but delinquent for—				Loans in foreclosure
	Total	30 days	60 days	90 days or more	
1961.....	3.10	2.27	.50	.33	.29
1962.....	3.04	2.26	.50	.29	.30
1963.....	3.30	2.32	.60	.38	.34
1964.....	3.21	2.35	.55	.31	.38
1965.....	3.29	2.40	.55	.34	.40
1966.....	3.40	2.54	.54	.32	.36
1965—I.....	2.94	2.06	.54	.34	.37
II.....	3.00	2.18	.52	.30	.38
III.....	3.20	2.30	.56	.34	.38
IV.....	3.29	2.40	.55	.34	.40
1966—I.....	3.02	2.13	.55	.34	.38
II.....	2.95	2.16	.49	.30	.38
III.....	3.09	2.25	.52	.32	.36
IV.....	3.40	2.54	.54	.32	.36
1967—I.....	3.04	2.17	.56	.31	.38
II.....	2.85	2.14	.45	.26	.34
III.....	3.15	2.36	.52	.27	.31

NOTE.—Mortgage Bankers Association of America data from reports on 1- to 4-family FHA-insured, VA-guaranteed, and conventional mortgages held by more than 400 respondents, including mortgage bankers (chiefly), commercial banks, savings banks, and savings and loan associations.

NONFARM MORTGAGE FORECLOSURES

Period	Number (thousands)	Rate (per cent of mortgaged structures)
1961.....	73.1	.37
1962.....	86.4	.42
1963.....	98.2	.45
1964.....	108.6	.48
1965.....	116.7	.49
1966.....	117.5	.48
1965—I.....	27.9	.48
II.....	30.1	.52
III.....	29.1	.50
IV.....	29.6	.50
1966—I.....	28.8	.48
II.....	30.8	.51
III.....	29.3	.48
IV.....	28.6	.46
1967—I.....	29.5	.48
II.....	29.7	.48
III.....	29.2	.47

NOTE.—Federal Home Loan Bank Board estimates of number of nonfarm mortgaged structures at end of period and of nonfarm properties acquired during period through foreclosure proceedings (excluding voluntary deeds in lieu of foreclosure and defaults on real estate contracts). Data exclude Alaska and Hawaii.

TOTAL CREDIT

(In millions of dollars)

End of period	Total	Instalment					Noninstalment			
		Total	Auto- mobile paper	Other consumer goods paper	Repair and mod- ernization loans ¹	Personal loans	Total	Single- payment loans	Charge accounts	Service credit
1939.....	7,222	4,503	1,497	1,620	298	1,088	2,719	787	1,414	518
1941.....	9,172	6,085	2,458	1,929	376	1,322	3,087	845	1,645	597
1945.....	5,665	2,462	455	816	182	1,009	3,203	746	1,612	845
1960.....	56,028	42,832	17,688	11,525	3,139	10,480	13,196	4,507	5,329	3,360
1961.....	57,678	43,527	17,223	11,857	3,191	11,256	14,151	5,136	5,324	3,691
1962.....	63,164	48,034	19,540	12,605	3,246	12,643	15,130	5,456	5,684	3,990
1963.....	70,461	54,158	22,433	13,856	3,405	14,464	16,303	6,117	5,871	4,315
1964.....	78,442	60,548	25,195	15,593	3,532	16,228	17,894	6,954	6,300	4,640
1965.....	87,884	68,565	28,843	17,693	3,675	18,354	19,319	7,682	6,746	4,891
1966.....	94,786	74,656	30,961	19,834	3,751	20,110	20,130	7,844	7,144	5,142
1967.....	99,228	77,946	31,197	21,328	3,731	21,690	21,282	8,267	7,595	5,420
1966—Dec.....	94,786	74,656	30,961	19,834	3,751	20,110	20,130	7,844	7,144	5,142
1967—Jan.....	93,479	74,015	30,689	19,649	3,703	19,974	19,464	7,779	6,472	5,213
Feb.....	92,517	73,598	30,530	19,426	3,666	19,976	18,919	7,754	5,824	5,341
Mar.....	92,519	73,591	30,527	19,369	3,648	20,047	18,928	7,769	5,809	5,350
Apr.....	93,089	73,840	30,635	19,376	3,636	20,193	19,249	7,890	5,923	5,436
May.....	93,917	74,290	30,852	19,442	3,670	20,326	19,627	8,017	6,231	5,379
June.....	94,813	75,051	31,208	19,580	3,696	20,567	19,762	8,077	6,334	5,351
July.....	95,115	75,348	31,364	19,607	3,711	20,666	19,767	8,100	6,346	5,321
Aug.....	95,684	75,889	31,455	19,755	3,743	20,936	19,795	8,136	6,368	5,291
Sept.....	95,886	76,039	31,296	19,914	3,742	21,087	19,847	8,179	6,387	5,281
Oct.....	96,094	76,223	31,237	20,042	3,746	21,198	19,871	8,189	6,471	5,211
Nov.....	96,802	76,680	31,217	20,340	3,748	21,375	20,122	8,237	6,614	5,271
Dec.....	99,228	77,946	31,197	21,328	3,731	21,690	21,282	8,267	7,595	5,420

¹ Holdings of financial institutions; holdings of retail outlets are included in "other consumer goods paper."

NOTE.—Consumer credit estimates cover loans to individuals for house-

hold, family, and other personal expenditures, except real estate mortgage loans. For back figures and description of the data, see "Consumer Credit," Section 16 (New) of *Supplement to Banking and Monetary Statistics*, 1965, and May 1966 BULLETIN.

INSTALMENT CREDIT

(In millions of dollars)

End of period	Total	Financial institutions						Retail outlets					
		Total	Com- mercial banks	Sales finance cos.	Credit unions	Con- sumer finance ¹	Other ¹	Total	Depart- ment stores ²	Furni- ture stores	Appli- ance stores	Auto- mobile dealers ³	Other
1939.....	4,503	3,065	1,079	1,197	132	.....	657	1,438	354	439	183	123	339
1941.....	6,085	4,480	1,726	1,797	198	.....	759	1,605	320	496	206	188	395
1945.....	2,462	1,776	745	300	102	.....	629	686	131	240	17	28	270
1960.....	42,832	37,218	16,672	11,472	3,923	3,670	1,481	5,615	2,414	1,107	333	359	1,402
1961.....	43,527	37,935	17,008	11,273	4,330	3,799	1,525	5,595	2,421	1,058	293	342	1,481
1962.....	48,034	41,782	19,005	12,194	4,902	4,131	1,550	6,252	3,013	1,073	294	345	1,527
1963.....	54,158	47,405	22,023	13,523	5,622	4,590	1,647	6,753	3,427	1,086	287	328	1,625
1964.....	60,548	53,141	25,094	14,762	6,458	5,078	1,749	7,407	3,922	1,152	286	370	1,677
1965.....	68,565	60,273	29,173	16,138	7,512	5,606	1,844	8,292	4,488	1,235	302	447	1,820
1966.....	74,656	65,565	32,155	16,936	8,549	6,014	1,911	9,091	n.a.	n.a.	n.a.	490	n.a.
1967.....	77,946	68,273	33,992	16,851	9,169	6,294	1,967	9,673	n.a.	n.a.	n.a.	506	n.a.
1966—Dec.....	74,656	65,565	32,155	16,936	8,549	6,014	1,911	9,091	n.a.	n.a.	n.a.	490	n.a.
1967—Jan.....	74,015	65,162	32,033	16,814	8,443	5,969	1,903	8,853	n.a.	n.a.	n.a.	488	n.a.
Feb.....	73,598	64,966	31,967	16,696	8,429	5,965	1,909	8,632	n.a.	n.a.	n.a.	485	n.a.
Mar.....	73,591	65,006	32,068	16,593	8,485	5,951	1,909	8,585	n.a.	n.a.	n.a.	486	n.a.
Apr.....	73,840	65,298	32,299	16,590	8,561	5,951	1,897	8,542	n.a.	n.a.	n.a.	490	n.a.
May.....	74,290	65,733	32,560	16,615	8,665	5,947	1,946	8,557	n.a.	n.a.	n.a.	494	n.a.
June.....	75,051	66,452	32,966	16,721	8,826	5,995	1,944	8,599	n.a.	n.a.	n.a.	502	n.a.
July.....	75,348	66,781	33,235	16,747	8,864	6,009	1,926	8,567	n.a.	n.a.	n.a.	506	n.a.
Aug.....	75,889	67,273	33,536	16,755	8,991	6,036	1,955	8,616	n.a.	n.a.	n.a.	508	n.a.
Sept.....	76,039	67,376	33,637	16,701	9,026	6,067	1,945	8,663	n.a.	n.a.	n.a.	507	n.a.
Oct.....	76,223	67,513	33,723	16,698	9,054	6,086	1,952	8,710	n.a.	n.a.	n.a.	506	n.a.
Nov.....	76,680	67,763	33,819	16,722	9,113	6,138	1,971	8,917	n.a.	n.a.	n.a.	506	n.a.
Dec.....	77,946	68,273	33,992	16,851	9,169	6,294	1,967	9,673	n.a.	n.a.	n.a.	506	n.a.

¹ Consumer finance companies included with "other" financial institutions until 1950.

² Includes mail-order houses.

³ Automobile paper only; other instalment credit held by automobile dealers is included with "other" retail outlets. See also NOTE to table above.

INSTALMENT CREDIT HELD BY COMMERCIAL BANKS

(In millions of dollars)

End of period	Total	Automobile paper		Other consumer goods paper	Repair and modernization loans	Personal loans
		Purchased	Direct			
1939.....	1,079	237	178	166	135	363
1941.....	1,726	447	338	309	161	471
1945.....	745	66	143	114	110	312
1960.....	16,672	5,316	2,820	2,759	2,200	3,577
1961.....	17,008	5,391	2,860	2,761	2,198	3,798
1962.....	19,005	6,184	3,451	2,824	2,261	4,285
1963.....	22,023	7,381	4,102	3,213	2,377	4,950
1964.....	25,094	8,691	4,734	3,670	2,457	5,542
1965.....	29,173	10,310	5,721	4,266	2,543	6,333
1966.....	32,155	11,370	6,165	5,101	2,567	6,952
1967.....	33,992	11,400	6,569	5,808	2,523	7,692
1966—Dec.....	32,155	11,370	6,165	5,101	2,567	6,952
1967—Jan.....	32,033	11,267	6,148	5,176	2,532	6,910
Feb.....	31,967	11,214	6,121	5,218	2,502	6,912
Mar.....	32,068	11,234	6,153	5,242	2,486	6,953
Apr.....	32,299	11,256	6,217	5,292	2,478	7,056
May.....	32,560	11,313	6,307	5,342	2,489	7,109
June.....	32,966	11,414	6,402	5,431	2,505	7,214
July.....	33,235	11,489	6,451	5,500	2,519	7,276
Aug.....	33,536	11,538	6,494	5,556	2,536	7,412
Sept.....	33,637	11,497	6,490	5,619	2,538	7,493
Oct.....	33,723	11,463	6,515	5,656	2,539	7,550
Nov.....	33,819	11,428	6,545	5,696	2,534	7,616
Dec.....	33,992	11,400	6,569	5,808	2,523	7,692

See NOTE to first table on previous page.

INSTALMENT CREDIT HELD BY SALES FINANCE COMPANIES

(In millions of dollars)

End of period	Total	Automobile paper	Other consumer goods paper	Repair and modernization loans	Personal loans
1939.....	1,197	878	115	148	56
1941.....	1,797	1,363	167	201	66
1945.....	300	164	24	58	54
1960.....	11,472	7,528	2,739	139	1,066
1961.....	11,273	6,811	3,100	161	1,201
1962.....	12,194	7,449	3,123	170	1,452
1963.....	13,523	8,228	3,383	158	1,754
1964.....	14,762	8,701	3,889	142	2,030
1965.....	16,138	9,241	4,429	123	2,345
1966.....	16,936	9,391	4,829	110	2,606
1967.....	16,851	8,959	5,017	103	2,772
1966—Dec.....	16,936	9,391	4,829	110	2,606
1967—Jan.....	16,814	9,285	4,817	109	2,603
Feb.....	16,696	9,215	4,773	107	2,601
Mar.....	16,593	9,139	4,744	105	2,605
Apr.....	16,590	9,128	4,749	104	2,609
May.....	16,615	9,150	4,751	105	2,609
June.....	16,721	9,238	4,761	106	2,616
July.....	16,747	9,252	4,752	108	2,635
Aug.....	16,755	9,200	4,781	107	2,667
Sept.....	16,701	9,079	4,824	107	2,691
Oct.....	16,698	9,024	4,863	107	2,704
Nov.....	16,722	8,990	4,907	105	2,720
Dec.....	16,851	8,959	5,017	103	2,772

See NOTE to first table on previous page.

INSTALMENT CREDIT HELD BY OTHER FINANCIAL INSTITUTIONS

(In millions of dollars)

End of period	Total	Automobile paper	Other consumer goods paper	Repair and modernization loans	Personal loans
1939.....	789	81	24	15	669
1941.....	957	122	36	14	785
1945.....	731	54	20	14	643
1960.....	9,074	1,665	771	800	5,837
1961.....	9,654	1,819	743	832	6,257
1962.....	10,583	2,111	751	815	6,906
1963.....	11,859	2,394	835	870	7,760
1964.....	13,285	2,699	997	933	8,656
1965.....	14,962	3,124	1,153	1,009	9,676
1966.....	16,474	3,545	1,303	1,074	10,552
1967.....	17,430	3,763	1,336	1,105	11,226
1966—Dec.....	16,474	3,545	1,303	1,074	10,552
1967—Jan.....	16,315	3,501	1,291	1,062	10,461
Feb.....	16,303	3,495	1,288	1,057	10,463
Mar.....	16,345	3,515	1,284	1,057	10,489
Apr.....	16,409	3,544	1,283	1,054	10,528
May.....	16,558	3,588	1,286	1,076	10,608
June.....	16,765	3,652	1,291	1,085	10,737
July.....	16,799	3,666	1,294	1,084	10,755
Aug.....	16,982	3,715	1,310	1,100	10,857
Sept.....	17,038	3,723	1,315	1,097	10,903
Oct.....	17,092	3,729	1,319	1,100	10,944
Nov.....	17,222	3,748	1,326	1,109	11,039
Dec.....	17,430	3,763	1,336	1,105	11,226

NOTE.—Institutions represented are consumer finance companies, credit unions, industrial loan companies, mutual savings banks, savings and loan assns., and other lending institutions holding consumer instalment loans.

See also NOTE to first table on previous page.

NONINSTALMENT CREDIT

(In millions of dollars)

End of period	Total	Single-payment loans		Charge accounts			Service credit
		Commercial banks	Other financial institutions	Department stores ¹	Other retail outlets	Credit cards ²	
1939.....	2,719	625	162	236	1,178	.....	518
1941.....	3,087	693	152	275	1,370	.....	597
1945.....	3,203	674	72	290	1,322	.....	845
1960.....	13,196	3,884	623	941	3,952	436	3,360
1961.....	14,151	4,413	723	948	3,907	469	3,691
1962.....	15,130	4,690	766	927	4,252	505	3,990
1963.....	16,303	5,205	912	895	4,456	520	4,315
1964.....	17,894	5,950	1,004	909	4,756	635	4,640
1965.....	19,319	6,587	1,095	968	5,055	723	4,891
1966.....	20,130	6,714	1,130	n.a.	n.a.	874	5,142
1967.....	21,282	7,064	1,203	n.a.	n.a.	1,054	5,420
1966—Dec....	20,130	6,714	1,130	n.a.	n.a.	874	5,142
1967—Jan....	19,464	6,659	1,120	n.a.	n.a.	908	5,213
Feb.....	18,919	6,634	1,120	n.a.	n.a.	895	5,341
Mar.....	18,928	6,647	1,122	n.a.	n.a.	898	5,350
Apr.....	19,249	6,758	1,132	n.a.	n.a.	922	5,436
May.....	19,627	6,848	1,169	n.a.	n.a.	939	5,379
June.....	19,762	6,902	1,175	n.a.	n.a.	965	5,351
July.....	19,767	6,927	1,173	n.a.	n.a.	1,024	5,321
Aug.....	19,795	6,950	1,186	n.a.	n.a.	1,057	5,291
Sept.....	19,847	6,994	1,185	n.a.	n.a.	1,083	5,281
Oct.....	19,871	7,001	1,188	n.a.	n.a.	1,056	5,211
Nov.....	20,122	7,034	1,203	n.a.	n.a.	1,046	5,271
Dec.....	21,282	7,064	1,203	n.a.	n.a.	1,054	5,420

¹ Includes mail-order houses.² Service station and miscellaneous credit-card accounts and home-heating-oil accounts.

See also NOTE to first table on previous page.

INSTALMENT CREDIT EXTENDED AND REPAID, BY TYPE OF CREDIT

(In millions of dollars)

Period	Total		Automobile paper		Other consumer goods paper		Repair and modernization loans		Personal loans	
	S.A. ¹	N.S.A.	S.A. ¹	N.S.A.	S.A. ¹	N.S.A.	S.A. ¹	N.S.A.	S.A. ¹	N.S.A.
Extensions										
1961.....		48,396		16,007		14,578		2,068		15,744
1962.....		55,126		19,796		15,685		2,051		17,594
1963.....		61,295		22,292		17,102		2,198		19,703
1964.....		67,505		24,435		19,473		2,204		21,393
1965.....		75,508		27,914		21,454		2,238		23,902
1966.....		78,896		28,491		23,502		2,136		24,767
1967.....		81,263		27,221		25,787		2,076		26,179
1966—Dec.....	6,433	7,442	2,297	2,178	1,928	2,720	159	140	2,049	2,404
1967—Jan.....	6,501	5,674	2,240	1,923	2,031	1,808	157	120	2,073	1,823
Feb.....	6,497	5,488	2,177	1,916	2,099	1,655	169	126	2,052	1,791
Mar.....	6,510	6,641	2,199	2,350	2,049	1,985	169	159	2,093	2,147
Apr.....	6,606	6,495	2,217	2,294	2,095	1,927	170	163	2,124	2,111
May.....	6,554	7,062	2,238	2,559	2,032	2,074	180	219	2,104	2,210
June.....	6,823	7,458	2,338	2,678	2,081	2,155	190	215	2,214	2,410
July.....	6,776	6,859	2,266	2,396	2,147	2,071	175	191	2,188	2,201
Aug.....	6,929	7,223	2,285	2,392	2,212	2,229	175	210	2,257	2,392
Sept.....	6,973	6,590	2,322	2,042	2,234	2,205	166	176	2,251	2,167
Oct.....	6,942	6,912	2,321	2,355	2,165	2,215	171	178	2,285	2,164
Nov.....	7,032	7,032	2,305	2,222	2,242	2,375	180	178	2,305	2,257
Dec.....	7,035	7,829	2,306	2,094	2,321	3,088	169	141	2,239	2,506
Repayments										
1961.....		47,700		16,472		14,246		2,015		14,967
1962.....		50,620		17,478		14,939		1,996		16,206
1963.....		55,171		19,400		15,850		2,038		17,883
1964.....		61,121		21,676		17,737		2,078		19,630
1965.....		67,495		24,267		19,355		2,096		21,777
1966.....		72,805		26,373		21,361		2,060		23,011
1967.....		77,973		26,985		24,293		2,096		24,599
1966—Dec.....	6,112	6,277	2,225	2,154	1,796	1,831	161	161	1,930	2,131
1967—Jan.....	6,221	6,315	2,202	2,195	1,882	1,993	167	168	1,970	1,959
Feb.....	6,281	5,905	2,217	2,075	1,915	1,878	176	163	1,973	1,789
Mar.....	6,246	6,648	2,193	2,353	1,899	2,042	170	177	1,984	2,076
Apr.....	6,393	6,246	2,235	2,186	1,968	1,920	179	175	2,011	1,965
May.....	6,361	6,612	2,219	2,342	1,948	2,008	178	185	2,016	2,077
June.....	6,531	6,697	2,281	2,322	1,995	2,017	184	189	2,071	2,169
July.....	6,551	6,562	2,228	2,240	2,074	2,044	175	176	2,074	2,102
Aug.....	6,585	6,682	2,240	2,301	2,079	2,081	171	178	2,095	2,122
Sept.....	6,689	6,440	2,280	2,201	2,106	2,046	178	177	2,125	2,016
Oct.....	6,631	6,728	2,301	2,414	2,093	2,087	170	174	2,067	2,053
Nov.....	6,614	6,575	2,240	2,242	2,105	2,077	177	176	2,092	2,080
Dec.....	6,652	6,563	2,250	2,114	2,167	2,100	167	158	2,068	2,191
Net change in credit outstanding ²										
1961.....		696		-465		332		53		777
1962.....		4,506		2,318		746		55		1,388
1963.....		6,124		2,892		1,252		160		1,820
1964.....		6,384		2,759		1,736		126		1,763
1965.....		8,013		3,647		2,099		142		2,125
1966.....		6,091		2,118		2,141		76		1,756
1967.....		3,290		236		1,494		-20		1,580
1966—Dec.....	321	1,165	72	24	132	889	-2	-21	119	273
1967—Jan.....	280	-641	38	-272	149	-185	-10	-48	103	-136
Feb.....	216	-417	-40	-159	184	-223	-7	-37	79	2
Mar.....	264	-7	6	-3	150	-57	-1	-18	109	71
Apr.....	213	249	-18	108	127	7	-9	-12	113	146
May.....	193	450	19	217	84	66	2	34	88	133
June.....	292	761	57	356	86	138	6	26	143	241
July.....	225	297	38	156	73	27	*	15	114	99
Aug.....	344	541	45	91	133	148	4	32	162	270
Sept.....	284	150	42	-159	128	159	-12	-1	126	151
Oct.....	311	184	20	-59	72	128	1	4	218	111
Nov.....	418	457	65	-20	137	298	3	2	213	177
Dec.....	383	1,266	56	-20	154	988	2	-17	171	315

¹ Includes adjustments for differences in trading days.² Net changes in credit outstanding are equal to extensions less repayments.

NOTE.—Estimates are based on accounting records and often include financing charges. Renewals and refinancing of loans, purchases and

sales of instalment paper, and certain other transactions may increase the amount of extensions and repayments without affecting the amount outstanding.

For back figures and description of the data, see "Consumer Credit," Section 16 (New) of *Supplement to Banking and Monetary Statistics*, 1965, and May 1966 BULLETIN.

INSTALMENT CREDIT EXTENDED AND REPAYED, BY HOLDER

(In millions of dollars)

Period	Total		Commercial banks		Sales finance companies		Other financial institutions		Retail outlets	
	S.A. ¹	N.S.A.	S.A. ¹	N.S.A.	S.A. ¹	N.S.A.	S.A. ¹	N.S.A.	S.A. ¹	N.S.A.
Extensions										
1961.....		48,396		17,711		10,667		12,282		7,736
1962.....		55,126		20,474		11,999		13,525		9,128
1963.....		61,295		23,344		12,664		14,894		10,393
1964.....		67,505		25,950		14,020		16,251		11,284
1965.....		75,508		29,738		15,075		18,120		12,575
1966.....		78,896		31,114		14,951		18,986		13,845
1967.....		81,263		32,314		14,675		19,633		14,641
1966—Dec.....	6,433	7,442	2,553	2,523	1,241	1,374	1,570	1,822	1,069	1,723
1967—Jan.....	6,501	5,674	2,588	2,348	1,190	1,033	1,563	1,333	1,160	960
Feb.....	6,497	5,488	2,537	2,231	1,215	1,032	1,577	1,349	1,168	876
Mar.....	6,510	6,641	2,558	2,662	1,199	1,229	1,598	1,649	1,155	1,101
Apr.....	6,606	6,495	2,631	2,688	1,212	1,168	1,589	1,559	1,174	1,080
May.....	6,554	7,062	2,577	2,891	1,193	1,278	1,614	1,728	1,170	1,165
June.....	6,823	7,458	2,698	3,004	1,235	1,367	1,697	1,875	1,193	1,212
July.....	6,776	6,859	2,738	2,857	1,200	1,223	1,601	1,627	1,237	1,152
Aug.....	6,929	7,223	2,796	2,945	1,203	1,260	1,677	1,775	1,253	1,243
Sept.....	6,973	6,590	2,828	2,636	1,206	1,142	1,675	1,588	1,264	1,224
Oct.....	6,942	6,912	2,767	2,769	1,263	1,284	1,686	1,606	1,226	1,253
Nov.....	7,032	7,032	2,785	2,633	1,283	1,283	1,698	1,707	1,266	1,409
Dec.....	7,035	7,829	2,814	2,650	1,275	1,376	1,656	1,837	1,290	1,966
Repayments										
1961.....		47,700		18,294		10,943		11,715		6,749
1962.....		50,620		18,468		11,434		12,593		8,125
1963.....		55,171		20,326		12,211		13,618		9,016
1964.....		61,121		22,971		13,161		14,825		10,164
1965.....		67,495		25,663		13,699		16,443		11,690
1966.....		72,805		28,132		14,153		17,474		13,046
1967.....		77,973		30,477		14,760		18,677		14,059
1966—Dec.....	6,112	6,277	2,418	2,346	1,198	1,228	1,467	1,626	1,029	1,077
1967—Jan.....	6,221	6,315	2,435	2,470	1,190	1,155	1,500	1,492	1,096	1,198
Feb.....	6,281	5,905	2,446	2,297	1,188	1,150	1,510	1,361	1,137	1,097
Mar.....	6,246	6,648	2,412	2,561	1,187	1,332	1,540	1,607	1,107	1,148
Apr.....	6,393	6,246	2,516	2,457	1,192	1,171	1,536	1,495	1,149	1,123
May.....	6,361	6,612	2,483	2,630	1,193	1,253	1,540	1,579	1,145	1,150
June.....	6,531	6,697	2,548	2,598	1,234	1,261	1,585	1,668	1,164	1,170
July.....	6,551	6,562	2,562	2,588	1,215	1,197	1,564	1,593	1,210	1,184
Aug.....	6,585	6,682	2,566	2,644	1,255	1,252	1,578	1,592	1,186	1,194
Sept.....	6,689	6,440	2,616	2,535	1,252	1,196	1,615	1,532	1,206	1,177
Oct.....	6,631	6,728	2,600	2,683	1,249	1,287	1,573	1,552	1,209	1,206
Nov.....	6,614	6,575	2,579	2,537	1,263	1,259	1,572	1,577	1,200	1,202
Dec.....	6,652	6,563	2,640	2,477	1,246	1,247	1,527	1,629	1,239	1,210
Net change in credit outstanding ²										
1961.....		696		335		-199		578		-20
1962.....		4,506		1,997		921		932		656
1963.....		6,124		3,018		1,329		1,276		501
1964.....		6,384		3,065		1,239		1,426		654
1965.....		8,013		4,075		1,376		1,677		885
1966.....		6,091		2,982		798		1,512		799
1967.....		3,290		1,837		-85		956		582
1966—Dec.....	321	1,165	135	177	43	146	103	196	40	646
1967—Jan.....	280	-641	153	-122	*	-122	63	-159	64	-238
Feb.....	216	-417	91	-66	27	-118	67	-12	31	-221
Mar.....	264	-7	146	101	12	-103	58	42	48	-47
Apr.....	213	249	115	231	20	-3	53	64	25	-43
May.....	193	450	94	261	*	25	74	149	25	15
June.....	292	761	150	406	1	106	112	207	29	42
July.....	225	297	176	269	-15	26	37	34	27	-32
Aug.....	344	541	230	301	-52	8	99	183	67	49
Sept.....	284	150	212	101	-46	-54	60	56	58	47
Oct.....	311	184	167	86	14	-3	113	54	17	47
Nov.....	418	457	206	96	20	24	126	130	66	207
Dec.....	383	1,266	174	173	29	129	129	208	51	756

¹ Includes adjustments for differences in trading days.² Net changes in credit outstanding are equal to extensions less repayments, except in certain months when data for extensions and repayments have been adjusted to eliminate duplication resulting from large transfers of paper. In those months the differences between extensions and re-

payments for some particular holders do not equal the changes in their outstanding credit. Such transfers do not affect total instalment credit extended, repaid, or outstanding.

See also NOTE to previous table.

MARKET GROUPINGS

(1957-59 = 100)

Grouping	1957-59 pro- por- tion	1966 aver- age	1967												
			Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct. ^r	Nov. ^r	Dec.
Total index.....	100.00	156.3	159.5	158.2	156.6	156.4	156.5	155.6	155.6	156.6	158.1	156.8	156.9	159.5	161.8
Final products, total.....	47.35	155.5	159.6	158.1	157.0	157.1	157.3	156.3	156.8	157.1	158.2	157.0	156.9	160.0	161.7
Consumer goods.....	32.31	147.5	149.8	148.0	146.1	146.6	147.1	146.0	146.9	147.1	148.6	147.0	147.9	150.0	152.4
Equipment, including defense.....	15.04	172.6	180.7	179.9	180.3	179.6	179.2	178.5	178.1	178.4	178.9	178.6	176.1	181.5	181.7
Materials.....	52.65	157.0	159.2	157.9	155.8	155.5	156.0	154.6	154.9	156.1	157.9	156.7	157.4	159.4	162.0
Consumer goods															
Automotive products.....	3.21	163.0	162.6	147.0	135.7	144.6	151.3	145.8	151.2	155.2	161.1	142.1	145.2	152.4	169.8
Autos.....	1.82	169.5	167.3	141.3	120.5	136.5	149.6	149.9	156.0	160.7	163.7	133.4	135.3	144.5	175.1
Auto parts and allied products.....	1.39	154.4	156.4	154.4	155.7	155.3	153.6	140.5	144.8	148.0	157.8	153.6	158.2	162.9	162.8
Home goods and apparel.....	10.00	153.0	153.3	152.8	149.5	147.9	145.9	144.1	143.9	144.0	147.9	148.7	149.9	152.9	152.7
Home goods.....	4.59	168.9	168.1	168.0	164.1	162.7	158.9	158.5	156.6	157.3	163.4	164.1	166.4	170.7	168.5
Appliances, TV, and radios.....	1.81	166.6	160.2	160.5	156.9	152.9	144.2	143.8	138.6	143.3	155.0	155.9	162.9	168.4	158.4
Appliances.....	1.33	166.7	151.9	158.9	154.8	151.3	149.4	147.0	149.7	152.2	151.9	151.7	164.2	168.7	160.4
TV and home radios.....	.47	166.3	183.7	164.8	162.9	157.2	129.6	135.0	107.3	118.0	158.3	162.0	159.2	167.6	152.7
Furniture and rugs.....	1.26	165.7	163.5	163.4	158.5	157.4	157.9	157.2	157.3	156.3	156.9	157.8	159.7	163.4	167.0
Miscellaneous home goods.....	1.52	174.3	181.4	180.7	177.3	178.6	177.1	177.1	177.3	174.8	178.8	179.0	176.1	179.5	181.7
Apparel, knit goods, and shoes.....	5.41	139.5	140.7	139.9	137.1	135.5	135.0	131.9	133.2	132.8	134.8	135.7	136.0	137.7	.....
Consumer staples.....	19.10	142.0	145.8	145.7	146.1	146.3	147.1	147.0	147.8	147.3	146.9	146.9	147.3	148.1	149.3
Processed foods.....	8.43	126.4	130.0	130.4	130.2	129.6	129.6	130.3	130.2	129.0	129.8	129.7	129.5	129.5	130.2
Beverages and tobacco.....	2.43	133.2	134.6	133.3	135.9	136.0	136.1	133.2	136.5	136.3	137.9	135.8	137.6	136.5	.....
Drugs, soap, and toiletries.....	2.97	173.5	180.1	179.2	180.5	181.2	182.4	182.3	182.7	184.0	178.0	179.8	181.6	183.0	184.5
Newspapers, magazines, and books.....	1.47	136.5	139.1	141.5	142.3	142.3	143.6	142.5	141.4	142.1	140.9	136.2	134.8	135.7	138.9
Consumer fuel and lighting.....	3.67	159.9	164.5	162.9	162.7	164.2	166.6	166.9	169.3	168.3	168.8	170.5	171.2	174.5	.....
Fuel oil and gasoline.....	1.20	128.5	129.2	125.5	125.7	128.0	131.9	130.5	135.9	131.3	130.7	138.5	138.1	136.8	138.3
Residential utilities.....	2.46	175.2	181.7	181.2	180.8	181.9	183.5	184.6	185.6	186.4	187.4	186.0	187.4	192.9	.....
Electricity.....	1.72	186.6	194.5	194.4	193.9	195.4	197.3	198.6	199.5	200.4	201.6	199.5	201.4	209.1	.....
Gas.....	.74	148.9	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Equipment															
Business equipment.....	11.63	181.2	188.9	186.9	186.6	184.4	183.5	182.1	181.3	180.8	180.6	179.8	176.9	183.8	183.2
Industrial equipment.....	6.85	172.3	179.1	177.3	176.8	174.1	172.1	169.1	169.0	166.8	166.6	166.3	162.3	170.5	169.2
Commercial equipment.....	2.42	190.1	196.0	196.7	199.8	199.1	201.7	200.8	200.5	201.1	201.9	200.3	199.0	200.9	204.5
Freight and passenger equipment.....	1.76	208.3	220.3	214.5	215.0	211.7	210.4	211.7	208.9	210.2	214.1	210.4	209.9	222.9	228.4
Farm equipment.....	.61	167.5	179.5	176.1	162.6	162.8	161.5	167.6	162.8	148.6	154.3	158.5	157.5	153.0	.....
Defense equipment.....	3.41	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Materials															
Durable goods materials.....	26.73	156.9	156.8	154.2	151.3	151.5	151.0	149.7	148.9	149.7	151.8	148.5	149.0	152.4	155.9
Consumer durable.....	3.43	166.5	158.3	148.6	142.8	139.5	137.5	143.7	143.3	141.8	142.7	134.9	133.1	143.8	161.2
Equipment.....	7.84	180.7	190.3	190.6	186.5	185.6	183.2	180.9	179.6	181.2	186.3	184.7	184.1	186.0	185.4
Construction.....	9.17	141.7	139.9	138.9	139.2	139.7	139.2	137.1	137.2	138.1	139.0	140.0	139.3	141.2	143.9
Metal materials n.e.c.....	6.29	144.3	139.7	139.7	140.3	135.6	133.9	130.0	130.1	132.4	129.8	125.1	128.6	132.1	138.7
Nondurable materials.....	25.92	157.2	161.6	161.6	160.4	159.7	161.1	159.6	161.1	162.6	164.2	165.2	166.0	166.7	168.2
Business supplies.....	9.11	149.0	152.8	152.6	151.0	150.0	153.4	150.1	151.3	150.9	151.7	153.1	152.5	152.9	153.4
Containers.....	3.03	145.6	151.1	146.6	147.1	144.6	148.5	146.2	145.1	141.7	143.0	150.4	151.7	152.6	153.2
General business supplies.....	6.07	150.6	153.7	155.6	153.0	152.7	155.8	152.0	154.4	155.5	156.0	154.5	151.9	153.0	153.5
Nondurable materials n.e.c.....	7.40	193.4	199.5	199.7	198.2	197.1	195.7	196.0	196.1	195.8	198.9	203.0	206.8	209.3	214.4
Business fuel and power.....	9.41	136.6	140.3	140.4	139.6	139.8	141.3	140.3	143.0	147.7	149.1	147.3	146.9	146.7	146.3
Mineral fuels.....	6.07	122.5	125.9	125.0	123.6	123.2	125.3	124.3	128.2	135.1	137.1	133.4	131.0	130.3	129.8
Nonresidential utilities.....	2.86	172.9	177.5	180.0	180.2	181.9	182.1	181.0	181.1	182.1	182.5	183.8	187.9	188.1	.....
Electricity.....	2.32	174.4	179.0	181.8	181.7	184.0	184.4	183.2	183.4	184.6	185.1	186.6	191.6	191.8	.....
General industrial.....	1.03	171.7	177.1	178.8	178.3	178.9	179.0	180.5	180.6	182.9	181.9	185.5	186.6	187.7	.....
Commercial and other.....	1.21	184.0	188.4	192.4	192.8	196.6	197.3	193.7	194.1	194.5	194.5	196.1	204.9	204.4	.....
Gas.....	.54	166.1	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Supplementary groups of consumer goods															
Automotive and home goods.....	7.80	166.5	165.8	159.3	152.4	155.2	155.8	153.3	154.3	156.4	162.5	155.0	157.7	163.2	169.0
Apparel and staples.....	24.51	141.4	144.7	144.4	144.1	143.9	144.4	143.7	144.6	144.1	144.2	144.4	144.8	145.8	.....

For footnotes see opposite page.

INDUSTRY GROUPINGS

(1957-59 = 100)

Grouping	1957-59 pro- por- tion	1966 aver- age	1967												
			Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct. ^r	Nov. ^r	Dec.
Total index.....	100.00	156.3	159.5	158.2	156.6	156.4	156.5	155.6	155.6	156.6	158.1	156.8	156.9	159.5	161.8
Manufacturing, total.....	86.45	158.6	161.7	160.1	158.5	158.2	158.2	157.2	157.0	157.6	159.4	158.1	158.3	160.9	163.7
Durable.....	48.07	164.8	167.7	165.5	162.9	162.6	162.5	162.2	161.5	162.5	163.6	161.1	160.7	164.2	168.0
Nondurable.....	38.38	150.8	154.1	153.4	152.9	152.6	152.8	151.1	151.4	151.5	154.0	154.2	155.2	156.8	158.3
Mining.....	8.23	120.5	123.8	123.2	122.4	121.5	122.0	120.2	123.8	128.0	127.8	124.3	122.4	123.6	123.1
Utilities.....	5.32	173.9	179.4	180.6	180.5	181.9	182.7	182.7	183.2	184.1	184.8	184.8	187.6	190.3	191.5
Durable manufactures															
Primary and fabricated metals.....	12.32	151.5	151.2	147.5	146.3	143.9	143.0	142.8	142.9	142.8	142.3	141.8	143.3	145.7	150.3
Primary metals.....	6.95	142.7	137.6	132.6	131.9	129.2	129.1	128.9	129.0	129.6	129.3	129.2	131.7	134.9	140.4
Iron and steel.....	5.45	136.2	130.1	124.9	124.8	123.7	122.7	122.9	121.2	122.3	124.3	125.6	127.7	133.3	140.6
Nonferrous metals and products.....	1.50	166.2	163.5	163.5	167.2	162.1	161.4	154.4	156.4	155.3	144.2	141.1	142.8	141.9	143.9
Fabricated metal products.....	5.37	163.0	168.7	166.7	165.0	162.9	161.0	160.8	160.8	159.8	159.1	158.1	158.2	159.7	163.0
Structural metal parts.....	2.86	158.8	161.4	160.7	160.9	160.1	158.1	156.4	156.9	156.1	156.8	156.0	156.4	158.8	160.2
Machinery and related products.....	27.98	176.1	181.5	179.5	175.8	176.7	176.5	176.5	175.5	177.5	179.6	175.0	173.4	178.0	181.8
Machinery.....	14.80	183.8	190.3	190.3	186.8	184.5	182.1	180.5	177.5	180.0	182.8	182.2	179.6	183.5	182.1
Nonelectrical machinery.....	8.43	181.9	190.4	190.7	187.3	185.2	183.5	181.7	181.3	182.2	182.6	182.1	177.2	181.3	179.5
Electrical machinery.....	6.37	186.4	190.2	189.7	186.2	183.6	180.3	178.9	172.4	177.1	183.2	182.4	182.8	186.3	185.7
Transportation equipment.....	10.19	166.9	169.1	162.6	157.5	162.6	165.7	167.5	169.3	170.8	171.9	159.2	159.2	165.6	177.4
Motor vehicles and parts.....	4.68	168.7	163.7	147.2	136.5	143.8	149.5	152.0	154.5	156.7	158.0	129.4	128.6	141.4	166.4
Aircraft and other equipment.....	5.26	165.0	173.7	176.0	175.6	178.8	179.8	181.4	181.8	182.6	183.6	184.3	185.2	186.0	186.8
Instruments and related products.....	1.71	176.5	184.6	186.2	183.4	185.8	185.2	185.3	184.1	182.9	183.2	183.1	183.2	185.4	186.5
Ordinance and accessories.....	1.28														
Clay, glass, and lumber.....	4.72	132.9	128.8	128.6	128.9	128.4	129.8	127.8	126.7	127.3	126.7	129.6	131.4	132.4	135.5
Clay, glass, and stone products.....	2.99	140.7	138.1	137.2	136.9	134.9	136.0	134.8	133.5	134.1	136.9	138.4	139.7	139.2	143.5
Lumber and products.....	1.73	119.4	112.8	113.7	115.2	117.3	119.1	115.6	114.9	115.5	109.2	114.3	117.0	120.6	121.8
Furniture and miscellaneous.....	3.05	165.0	168.1	166.3	163.9	162.4	162.9	162.3	161.5	159.1	159.9	161.4	160.9	161.5	164.1
Furniture and fixtures.....	1.54	171.9	175.2	172.1	170.6	166.5	166.5	166.5	166.3	162.7	164.8	166.3	166.6	167.8	171.3
Miscellaneous manufactures.....	1.51	157.9	160.9	160.3	157.1	158.2	159.2	158.1	156.7	155.4	154.9	156.4	155.0	155.1	156.8
Nondurable manufactures															
Textiles, apparel, and leather.....	7.60	141.6	142.2	140.3	137.6	135.5	135.5	135.3	134.8	135.3	137.6	139.1	140.4	143.2	146.5
Textile mill products.....	2.90	142.5	141.7	140.7	138.9	138.8	137.8	137.8	136.6	136.8	138.7	141.3	144.9	147.4	152.8
Apparel products.....	3.59	150.1	152.2	150.2	147.1	143.6	142.5	142.6	142.4	144.2	146.4	146.8	146.2	149.0	.....
Leather and products.....	1.11	111.7	111.1	107.7	103.7	101.0	107.1	105.0	105.4	103.0	106.5	108.4	109.7	113.4	.....
Paper and printing.....	8.17	146.4	147.4	148.4	148.7	149.5	149.9	149.1	149.4	148.6	150.3	148.5	148.6	149.9	150.0
Paper and products.....	3.43	152.1	152.6	152.5	152.4	152.4	152.1	151.4	151.6	149.0	152.8	152.9	154.5	156.1	157.9
Printing and publishing.....	4.74	142.1	143.7	145.5	146.1	147.4	148.3	147.4	147.8	148.3	148.6	145.4	144.3	145.5	144.3
Newspapers.....	1.53	134.2	133.2	133.7	134.8	132.8	133.8	133.1	134.3	136.1	137.0	135.7	134.0	134.4	129.9
Chemicals, petroleum, and rubber.....	11.54	181.9	188.6	187.1	186.5	186.8	186.4	182.2	183.0	184.0	189.5	191.2	192.8	194.9	197.4
Chemicals and products.....	7.58	191.2	201.0	200.3	200.6	201.1	200.1	199.6	199.9	201.0	200.7	202.3	205.5	206.7	209.8
Industrial chemicals.....	3.84	221.0	231.7	231.6	230.9	231.3	228.3	228.8	227.5	227.6	231.4	234.2	238.8	242.3	.....
Petroleum products.....	1.97	128.3	129.0	128.7	127.4	130.1	133.1	132.1	134.4	132.8	133.2	137.0	137.6	138.8	139.8
Rubber and plastics products.....	1.99	191.9	200.7	195.1	191.6	188.4	186.9	165.7	166.9	170.1	203.1	202.4	199.1	205.5	.....
Foods, beverages, and tobacco.....	11.07	128.1	131.2	131.0	131.5	131.1	131.8	130.9	131.3	130.9	131.0	130.4	131.1	131.5	131.9
Foods and beverages.....	10.25	128.7	132.1	132.0	132.4	132.3	133.1	132.0	131.9	131.5	131.7	131.2	132.2	132.8	133.2
Food manufactures.....	8.64	126.6	130.2	130.4	130.3	129.7	130.6	130.3	129.9	129.4	129.0	128.9	129.3	130.1	130.5
Beverages.....	1.61	139.9	142.4	140.8	143.9	146.1	146.3	141.2	142.9	142.8	146.3	143.8	147.5	147.1	.....
Tobacco products.....	.82	120.0	119.3	118.5	120.2	116.2	116.0	117.4	123.9	123.6	121.4	120.2	118.0	115.5	.....
Mining															
Coal, oil, and gas.....	6.80	117.8	120.8	119.8	119.0	117.6	118.5	118.0	121.7	128.0	128.8	125.4	123.7	124.5	123.2
Coal.....	1.16	117.0	127.6	120.7	115.7	115.1	125.5	120.1	122.5	122.6	117.2	115.5	112.3	115.3	116.1
Crude oil and natural gas.....	5.64	118.0	119.4	119.7	119.6	118.1	117.1	117.5	121.6	129.1	131.2	127.5	126.1	126.4	124.6
Oil and gas extraction.....	4.91	123.8	125.5	126.1	125.4	125.1	125.3	125.3	129.5	138.0	141.9	137.7	135.4	133.8	133.0
Crude oil.....	4.25	119.3	120.8	121.0	120.0	120.1	119.6	119.6	123.6	133.9	138.0	133.1	130.3	128.8	128.0
Gas and gas liquids.....	.66	152.0	155.4	158.4	160.0	156.7	161.5	161.3	167.3	.....	.....	.....	.....	.....	.....
Oil and gas drilling.....	.73	79.1	78.1	76.3	80.5	71.0	61.8	65.5	67.7	69.0	58.9	58.5	63.4	76.1	68.0
Metal, stone, and earth minerals.....	1.43	133.5	137.9	139.4	138.9	140.0	138.7	130.8	133.6	127.7	123.4	119.1	116.2	119.5	122.6
Metal mining.....	.61	133.4	136.1	140.3	142.1	143.7	149.5	132.9	133.9	119.7	105.7	95.6	93.8	93.2	94.9
Stone and earth minerals.....	.82	133.5	139.3	138.7	136.6	137.2	130.6	129.2	133.3	133.7	136.6	136.5	132.9	139.0	143.2
Utilities															
Electric.....	4.04	179.6	185.6	187.2	186.9	188.8	189.9	189.7	190.3	191.4	192.1	192.1	195.8	199.1	.....
Gas.....	1.28	156.1													

NOTE.—Published groupings include some series and subtotals not shown separately. A description and historical data are available in

Industrial Production—1957-59 Base. Figures for individual series and subtotals (N.S.A.) are published in the monthly Business Indexes release.

MARKET GROUPINGS

(1957-59 = 100)

Grouping	1957-59 pro- por- tion	1966 aver- age	1967												
			Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct. ^r	Nov. ^r	Dec.
Total index	100.00	156.3	156.9	156.4	156.6	157.0	157.9	156.0	159.0	150.5	157.9	161.1	161.5	161.2	160.4
Final products, total.	47.35	155.5	157.2	157.0	156.8	157.2	157.7	155.2	159.8	151.2	156.9	163.3	162.2	161.3	160.8
Consumer goods.	32.31	147.5	145.4	145.9	145.8	146.2	147.1	144.2	150.5	139.9	147.7	155.7	155.4	151.9	150.0
Equipment, including defense.	15.04	172.6	182.4	180.7	180.4	180.8	180.3	179.0	180.0	175.3	176.4	179.5	176.8	181.6	184.1
Materials.	52.65	157.0	156.6	155.9	156.5	156.7	158.1	156.6	158.3	150.0	158.9	159.1	160.8	161.0	160.1
Consumer goods															
Automotive products.	3.21	163.0	165.5	154.6	142.2	151.8	161.9	155.1	162.5	114.2	106.1	148.2	155.6	159.5	177.5
Autos.	1.82	169.5	175.7	155.4	132.6	151.5	167.6	166.4	177.1	94.8	62.2	140.1	148.8	159.0	192.6
Auto parts and allied products.	1.39	154.4	152.1	153.7	154.8	152.3	154.2	140.3	143.2	139.8	163.9	158.8	164.6	160.1	157.7
Home goods and apparel.	10.00	153.0	146.5	147.9	154.2	151.3	149.8	144.0	148.6	132.7	149.0	155.0	159.6	158.0	148.3
Home goods.	4.59	168.9	170.9	164.7	167.8	165.9	161.8	159.8	161.6	145.9	159.3	172.0	180.1	180.2	172.8
Appliances, TV, and radios.	1.81	166.6	163.1	159.3	171.2	164.0	157.0	152.0	152.8	128.0	140.4	165.1	182.2	181.4	160.4
Appliances.	1.33	166.7	155.2	161.8	171.1	167.0	169.8	159.7	169.9	141.8	134.5	160.4	180.1	178.2	163.1
TV and home radios.	.47	166.3	185.5	152.3	171.4	155.5	120.7	130.5	104.6	89.3	157.2	178.2	187.8	190.4	152.7
Furniture and rugs.	1.26	165.7	169.6	159.8	156.6	155.5	153.5	151.2	155.4	148.8	160.5	163.8	168.0	169.4	173.2
Miscellaneous home goods.	1.52	174.3	181.4	175.3	172.9	176.6	174.4	176.0	177.3	164.8	180.6	187.1	187.7	187.8	187.2
Apparel, knit goods, and shoes.	5.41	139.5	125.9	133.6	142.6	138.9	139.7	130.6	137.6	121.5	140.2	140.5	142.3	139.1	.....
Consumer staples.	19.10	142.0	141.4	143.4	142.0	142.6	143.3	142.4	149.4	148.0	154.1	157.4	153.2	147.4	146.2
Processed foods.	8.43	126.4	126.5	123.9	121.7	120.9	121.3	122.5	128.9	128.4	137.1	149.7	143.7	134.4	128.0
Beverages and tobacco.	2.43	133.2	116.3	117.3	124.3	133.0	141.8	143.0	156.2	142.8	149.3	139.3	141.6	129.4	.....
Drugs, soap, and toiletries.	2.97	173.5	176.0	179.2	178.7	179.4	185.1	180.7	189.1	179.4	183.9	185.2	186.0	184.0	185.4
Newspapers, magazines, and books.	1.47	136.5	138.8	140.2	141.7	144.4	144.2	142.1	140.8	140.7	142.6	137.4	134.7	133.9	138.6
Consumer fuel and lighting.	3.67	159.9	165.5	176.8	169.8	167.7	159.0	156.2	163.2	173.7	176.7	172.3	162.5	164.3	.....
Fuel oil and gasoline.	1.20	128.5	132.2	130.8	128.8	126.7	125.0	126.2	134.3	133.6	134.5	138.5	134.5	135.9	141.6
Residential utilities.	2.46	175.2	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Electricity.	1.72	186.6	194.5	220.2	206.7	203.6	186.1	178.8	187.5	210.4	215.7	203.5	185.3	188.0	.....
Gas.	.74	148.9	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Equipment															
Business equipment.	11.63	181.2	189.8	187.3	186.7	186.2	185.5	183.2	184.2	177.4	178.0	181.1	177.3	182.5	184.8
Industrial equipment.	6.85	172.3	180.2	177.7	175.9	174.3	172.1	169.3	170.7	167.3	166.3	168.1	161.3	169.0	171.1
Commercial equipment.	2.42	190.1	200.3	196.9	198.4	197.3	197.9	198.4	201.1	198.3	201.9	203.3	202.4	205.9	209.0
Freight and passenger equipment.	1.76	208.3	218.1	214.5	215.0	218.0	222.0	218.1	217.3	202.8	205.5	212.5	215.1	218.4	226.1
Farm equipment.	.61	167.5	174.9	179.3	180.6	183.8	181.6	178.0	173.3	134.9	135.8	148.6	147.9	137.3	.....
Defense equipment.	3.41	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Materials															
Durable goods materials.	26.73	156.9	154.5	152.2	151.5	151.9	152.5	152.5	154.3	145.0	152.5	152.0	152.6	153.8	154.6
Consumer durable.	3.43	166.5	166.2	153.8	144.9	143.7	141.6	148.0	146.2	123.4	147.0	133.6	135.3	148.1	169.3
Equipment.	7.84	180.7	193.2	192.3	188.2	187.6	185.2	182.2	181.4	175.6	180.7	182.9	183.5	186.2	188.2
Construction.	9.17	141.7	131.5	128.5	129.5	133.4	137.8	139.2	146.9	143.6	148.7	148.4	147.0	142.3	135.3
Metal materials n.e.c.	6.29	144.3	133.6	136.1	141.6	138.9	139.3	137.2	135.6	120.5	126.0	128.9	131.7	133.2	132.6
Nondurable materials.	25.92	157.2	158.7	159.7	161.7	161.7	163.9	160.9	162.4	155.2	165.4	166.4	169.3	168.5	165.9
Business supplies.	9.11	149.0	147.7	147.2	150.4	152.8	157.7	152.6	154.0	141.5	151.9	154.9	158.6	155.0	149.9
Containers.	3.03	145.6	134.0	139.3	145.3	145.3	153.8	147.7	153.1	138.2	153.0	155.5	161.5	148.3	141.0
General business supplies.	6.07	150.6	154.5	151.2	153.0	156.5	159.7	155.0	154.4	143.1	151.3	154.5	157.2	158.4	154.3
Nondurable materials n.e.c.	7.40	193.4	195.5	198.7	202.2	200.1	201.6	198.9	199.0	184.6	198.9	203.0	210.9	213.5	210.1
Business fuel and power.	9.41	136.6	140.4	141.1	140.6	140.1	140.2	139.0	141.9	145.3	152.1	148.7	146.9	146.1	146.5
Mineral fuels.	6.07	122.5	127.3	127.0	127.6	125.8	126.9	124.3	125.2	128.1	135.5	131.9	131.5	131.6	131.3
Nonresidential utilities.	2.86	172.9	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Electricity.	2.32	174.4	175.2	178.9	174.3	178.0	175.7	178.2	187.5	193.9	201.8	197.2	190.2	185.9	.....
General industrial.	1.03	171.7	175.3	177.9	172.8	178.0	176.7	181.4	184.2	182.0	189.4	188.3	187.0	187.7	.....
Commercial and other.	1.21	184.0	182.7	187.6	183.2	186.0	182.5	183.4	198.9	213.0	221.7	214.1	202.0	193.2	.....
Gas.	.54	166.1	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Supplementary groups of consumer goods															
Automotive and home goods.	7.80	166.5	168.7	160.6	157.2	160.1	161.8	157.8	162.0	132.9	137.4	162.2	170.0	171.7	174.7
Apparel and staples.	24.51	141.4	138.0	141.3	142.1	141.8	142.5	139.8	146.8	142.2	151.1	153.7	150.8	145.6	.....

For notes see opposite page.

INDUSTRY GROUPINGS

(1957-59=100)

Grouping	1957-59 pro- portion	1966 aver- age	1966												1967			
			Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct. ^r	Nov. ^r	Dec.			
Total index.....	100.00	156.3	156.9	156.4	156.6	157.0	157.9	156.0	159.0	150.5	157.9	161.1	161.5	161.2	160.4			
<i>Manufacturing, total.....</i>	<i>86.45</i>	<i>158.6</i>	<i>158.8</i>	<i>157.8</i>	<i>158.4</i>	<i>158.9</i>	<i>160.3</i>	<i>158.1</i>	<i>161.0</i>	<i>150.5</i>	<i>158.3</i>	<i>162.6</i>	<i>163.7</i>	<i>163.5</i>	<i>162.3</i>			
Durable.....	48.07	164.8	167.8	164.5	163.4	164.4	164.9	164.1	165.6	154.7	158.9	163.8	164.4	167.1	169.4			
Nondurable.....	38.38	150.8	147.6	149.4	152.1	152.1	154.4	150.6	155.3	145.1	157.4	161.2	162.9	158.9	153.3			
Mining.....	8.23	120.5	122.6	121.4	121.9	120.1	122.1	121.8	123.9	124.8	129.0	125.6	124.7	124.2	122.2			
Utilities.....	5.32	173.9																
Durable manufactures																		
<i>Primary and fabricated metals.....</i>	<i>12.32</i>	<i>151.5</i>	<i>147.7</i>	<i>146.9</i>	<i>148.2</i>	<i>146.7</i>	<i>146.5</i>	<i>145.0</i>	<i>145.3</i>	<i>135.1</i>	<i>142.2</i>	<i>145.1</i>	<i>146.0</i>	<i>147.9</i>	<i>149.4</i>			
Primary metals.....	6.95	142.7	132.1	134.6	139.4	137.2	136.5	133.4	130.9	117.9	125.4	129.2	133.0	136.2	136.2			
Iron and steel.....	5.45	136.2	126.8	127.4	131.0	129.9	127.6	125.4	121.2	111.9	120.6	125.6	129.6	134.6	137.1			
Nonferrous metals and products.....	1.50	166.2	151.1	160.7	169.7	163.9	168.5	162.6	166.1	139.8	142.8	142.1	145.5	141.9	133.0			
Fabricated metal products.....	5.37	163.0	167.9	162.7	159.6	159.0	159.4	160.0	164.0	157.4	163.9	165.7	162.9	162.9	166.3			
Structural metal parts.....	2.86	158.8	163.0	157.5	154.5	153.9	153.4	154.8	160.0	156.1	160.7	162.2	161.1	161.2	161.8			
<i>Machinery and related products.....</i>	<i>27.98</i>	<i>176.1</i>	<i>184.8</i>	<i>180.7</i>	<i>177.9</i>	<i>179.5</i>	<i>179.7</i>	<i>178.8</i>	<i>179.8</i>	<i>166.9</i>	<i>169.1</i>	<i>175.8</i>	<i>176.2</i>	<i>181.0</i>	<i>186.0</i>			
Machinery.....	14.80	183.8	192.2	189.8	188.9	187.2	185.4	182.5	182.2	173.7	177.2	182.6	181.4	185.4	183.9			
Nonelectrical machinery.....	8.43	181.9	191.7	190.7	189.9	190.4	189.0	186.2	186.4	177.6	175.8	179.7	174.0	180.8	180.8			
Electrical machinery.....	6.37	186.4	192.9	188.6	187.7	183.1	180.5	177.6	176.7	168.5	178.9	186.4	191.3	192.3	188.1			
Transportation equipment.....	10.19	166.9	174.7	166.8	160.4	166.4	169.8	171.4	174.0	151.4	150.8	160.8	163.6	170.5	185.8			
Motor vehicles and parts.....	4.68	168.7	169.2	155.0	142.4	151.0	157.0	160.4	165.2	119.5	116.0	134.0	137.2	149.1	177.4			
Aircraft and other equipment.....	5.26	165.0	179.8	177.8	176.0	179.7	180.7	180.7	180.9	178.2	180.3	183.6	186.1	188.8	193.3			
Instruments and related products.....	1.71	176.5	186.8	184.0	182.5	184.9	184.8	183.4	185.9	181.1	184.7	185.1	185.2	186.9	188.7			
Ordinance and accessories.....	1.28																	
<i>Clay, glass, and lumber.....</i>	<i>4.72</i>	<i>132.9</i>	<i>118.1</i>	<i>116.8</i>	<i>120.5</i>	<i>124.4</i>	<i>129.5</i>	<i>130.0</i>	<i>136.7</i>	<i>133.5</i>	<i>139.1</i>	<i>138.7</i>	<i>139.2</i>	<i>133.9</i>	<i>124.3</i>			
Clay, glass, and stone products.....	2.99	140.7	129.4	125.5	125.3	130.2	135.5	138.3	144.6	143.9	149.5	146.3	147.4	143.4	134.5			
Lumber and products.....	1.73	119.4	98.7	101.8	112.3	114.4	119.1	115.6	122.9	115.5	121.2	125.7	125.2	117.6	106.6			
<i>Furniture and miscellaneous.....</i>	<i>3.05</i>	<i>165.0</i>	<i>169.7</i>	<i>161.0</i>	<i>158.7</i>	<i>159.4</i>	<i>158.6</i>	<i>158.6</i>	<i>161.8</i>	<i>154.8</i>	<i>164.5</i>	<i>167.4</i>	<i>169.4</i>	<i>169.3</i>	<i>168.2</i>			
Furniture and fixtures.....	1.54	171.9	178.4	168.7	166.3	164.5	162.0	161.5	166.0	160.3	169.4	171.3	172.9	172.5	177.8			
Miscellaneous manufactures.....	1.51	157.9	160.9	153.1	150.8	154.2	155.2	155.7	157.5	149.2	159.5	163.4	165.8	166.0	158.4			
Nondurable manufactures																		
<i>Textiles, apparel, and leather.....</i>	<i>7.60</i>	<i>141.6</i>	<i>130.1</i>	<i>137.9</i>	<i>144.3</i>	<i>140.7</i>	<i>142.3</i>	<i>135.2</i>	<i>139.2</i>	<i>121.9</i>	<i>142.0</i>	<i>142.6</i>	<i>146.9</i>	<i>144.9</i>	<i>136.8</i>			
Textile mill products.....	2.90	142.5	131.8	140.0	141.7	138.8	144.0	141.9	140.7	124.2	142.2	144.1	152.1	151.1	145.2			
Apparel products.....	3.59	150.1	137.0	145.7	156.7	152.9	152.5	141.2	148.8	129.1	150.8	151.6	153.5	150.5	.....			
Leather and products.....	1.11	111.7	103.7	107.2	110.9	106.0	105.0	98.7	104.3	92.7	113.4	110.0	112.4	111.1	.....			
<i>Paper and printing.....</i>	<i>8.17</i>	<i>146.4</i>	<i>144.2</i>	<i>146.1</i>	<i>149.3</i>	<i>150.6</i>	<i>153.5</i>	<i>150.2</i>	<i>150.8</i>	<i>139.7</i>	<i>149.0</i>	<i>150.5</i>	<i>156.3</i>	<i>153.1</i>	<i>146.6</i>			
Paper and products.....	3.43	152.1	140.4	151.7	156.2	153.9	158.2	152.2	156.1	137.1	154.3	155.2	166.5	156.9	145.3			
Printing and publishing.....	4.74	142.1	146.9	142.0	144.4	148.3	150.2	148.7	147.1	141.6	145.2	147.2	149.0	150.3	147.5			
Newspapers.....	1.53	134.2	136.5	123.0	129.4	134.8	142.5	141.9	135.0	118.4	125.4	135.0	143.8	147.8	133.1			
<i>Chemicals, petroleum, and rubber.....</i>	<i>11.54</i>	<i>181.0</i>	<i>183.7</i>	<i>184.9</i>	<i>187.6</i>	<i>187.8</i>	<i>190.2</i>	<i>183.6</i>	<i>188.5</i>	<i>177.5</i>	<i>190.8</i>	<i>194.7</i>	<i>197.2</i>	<i>196.4</i>	<i>195.2</i>			
Chemicals and products.....	7.58	193.2	196.2	197.4	201.4	202.3	205.7	201.8	205.6	194.6	202.3	206.1	209.0	210.0	209.2			
Industrial chemicals.....	3.84	221.0	229.4	228.1	234.4	233.6	232.9	231.1	230.9	219.6	230.2	237.7	243.6	248.4	.....			
Petroleum products.....	1.97	128.3	125.9	124.8	124.9	125.5	127.8	130.8	138.4	139.8	140.3	142.5	139.0	137.0	136.4			
Rubber and plastics products.....	1.99	191.9	193.7	197.1	197.3	194.2	192.7	166.5	172.7	149.7	197.0	203.0	210.0	203.4	.....			
<i>Foods, beverages, and tobacco.....</i>	<i>11.07</i>	<i>128.1</i>	<i>124.6</i>	<i>122.9</i>	<i>122.7</i>	<i>123.9</i>	<i>126.1</i>	<i>127.1</i>	<i>135.0</i>	<i>131.3</i>	<i>139.5</i>	<i>146.9</i>	<i>143.1</i>	<i>133.5</i>	<i>126.0</i>			
Foods and beverages.....	10.25	128.7	126.8	123.4	122.9	124.6	125.9	127.6	135.2	133.1	140.1	148.6	144.2	134.8	128.6			
Food manufactures.....	8.64	126.6	126.9	124.5	122.2	121.3	121.7	122.6	129.0	128.1	136.7	149.0	143.5	134.7	128.2			
Beverages.....	1.61	139.9	126.0	117.4	126.6	142.4	148.6	153.9	168.1	159.7	158.4	146.7	148.2	135.3	.....			
Tobacco products.....	.82	120.0	97.1	117.2	119.6	114.5	128.5	121.6	132.6	109.4	131.4	124.9	128.5	117.8	.....			
Mining																		
<i>Coal, oil, and gas.....</i>	<i>6.80</i>	<i>117.8</i>	<i>122.0</i>	<i>121.7</i>	<i>122.4</i>	<i>119.5</i>	<i>119.6</i>	<i>117.8</i>	<i>118.9</i>	<i>121.9</i>	<i>127.7</i>	<i>124.4</i>	<i>124.4</i>	<i>125.6</i>	<i>124.5</i>			
Coal.....	1.16	117.0	125.3	118.3	117.1	116.0	126.4	121.3	116.5	99.9	123.3	122.2	122.4	120.0	114.0			
Crude oil and natural gas.....	5.64	118.0	121.4	122.4	123.5	120.3	118.2	117.0	119.4	126.4	128.6	124.9	124.8	126.7	126.7			
Oil and gas extraction.....	4.91	123.8	127.8	129.0	130.0	128.1	127.0	125.0	127.2	134.8	138.3	134.1	133.7	134.3	135.4			
Crude oil.....	4.25	119.3	122.0	122.8	123.6	122.5	121.5	120.2	122.4	131.2	135.2	130.4	129.0	128.8	129.3			
Gas and gas liquids.....	.66	152.0	164.9	168.7	171.0	163.9	162.0	155.7	157.9	.....	.....	.....	.....	.....	.....			
Oil and gas drilling.....	.73	79.1	77.9	77.4	79.4	67.2	58.6	63.3	66.3	69.5	62.6	62.1	65.0	75.7	67.9			
<i>Metal, stone, and earth minerals.....</i>	<i>1.43</i>	<i>133.5</i>	<i>125.0</i>	<i>119.9</i>	<i>119.4</i>	<i>122.9</i>	<i>134.2</i>	<i>140.9</i>	<i>147.6</i>	<i>139.1</i>	<i>135.3</i>	<i>131.4</i>	<i>126.3</i>	<i>117.6</i>	<i>111.1</i>			
Metal mining.....	.61	133.4	122.5	123.5	127.9	127.9	139.0	146.2	151.3	128.1	114.2	108.0	100.4	86.7	85.4			
Stone and earth minerals.....	.82	133.5	126.8	117.3	113.2	119.1	130.6	136.9	144.9	147.2	150.9	148.8	145.5	140.4	130.3			
Utilities																		
Electric.....	4.04	179.6	183.5	196.5	188.1	189.0	180.1	178.4	187.5	200.9	207.7	199.9	188.1	186.8	.....			
Gas.....	1.28	156.1	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....			

NOTE.—Published groupings include some series and subtotals not shown separately. A description and historical data are available in

Industrial Production—1957-59 Base. Figures for individual series and subtotals (N.S.A.) are published in the monthly Business Indexes release.

SELECTED BUSINESS INDEXES

(1957-59 = 100, unless otherwise noted)

Period	Industrial production								Capacity utilization ratio in mfg. (per cent)	Construction contracts	Nonagricultural employment—Total 1	Manufacturing 2		Total retail sales 3	Prices 4	
	Total	Major market groupings			Materials	Major industry groupings						Employment	Payrolls		Consumer	Wholesale commodity
		Final products				Mfg.	Mining	Utilities								
		Total	Consumer goods	Equipment												
1951.....	81.3	78.6	77.8	78.4	83.8	81.9	91.3	56.4	94.0	63	91.1	106.1	80.2	76	90.5	96.7
1952.....	84.3	84.3	79.5	94.1	84.3	85.2	90.5	61.2	91.3	67	93.0	106.1	84.5	79	92.5	94.0
1953.....	91.3	89.9	85.0	100.5	92.6	92.7	92.9	66.8	94.2	70	95.6	111.6	93.6	83	93.2	92.7
1954.....	85.8	85.7	84.3	88.9	85.9	86.3	90.2	71.8	83.5	76	93.3	101.8	85.4	82	93.6	92.9
1955.....	96.6	93.9	93.3	95.0	99.0	97.3	99.2	80.2	90.0	91	96.5	105.5	94.8	89	93.3	93.2
1956.....	99.9	98.1	95.5	103.7	101.6	100.2	104.8	87.9	87.7	92	99.8	106.7	100.2	92	94.7	96.2
1957.....	100.7	99.4	97.0	104.6	101.9	100.8	104.6	93.9	83.6	93	100.7	104.7	101.4	97	98.0	99.0
1958.....	93.7	94.8	96.4	91.3	92.7	93.2	95.6	98.1	74.0	102	97.8	95.2	93.5	98	100.7	100.4
1959.....	105.6	105.7	106.6	104.1	105.4	106.0	99.7	108.0	81.5	105	101.5	100.1	105.1	105	101.5	100.6
1960.....	108.7	109.9	111.0	107.6	107.6	108.9	101.6	115.6	80.6	105	103.3	99.9	106.7	106	103.1	100.7
1961.....	109.7	111.2	112.6	108.3	108.4	109.6	102.6	122.3	78.5	108	102.9	95.9	105.4	107	104.2	100.3
1962.....	118.3	119.7	119.7	119.6	117.0	118.7	105.0	131.4	82.1	120	105.9	99.1	113.8	115	105.4	100.6
1963.....	124.3	124.9	125.2	124.2	123.7	124.9	107.9	140.0	83.3	132	108.0	99.7	117.9	120	106.7	100.3
1964.....	132.3	131.8	131.7	132.0	132.8	133.1	111.5	151.3	85.7	137	111.1	101.5	124.3	127	108.1	100.5
1965.....	143.4	142.5	140.3	147.0	144.2	145.0	114.8	160.9	88.5	143	115.8	106.7	136.6	138	109.9	102.5
1966.....	156.3	155.5	147.5	172.6	157.0	158.6	120.5	173.9	90.5	145	121.8	113.3	151.4	148	113.1	105.9
1966—Dec.....	159.5	159.6	149.8	180.7	159.2	161.7	123.8	179.4	590.0	133	123.9	114.7	154.4	148	114.7	105.9
1967—Jan.....	158.2	158.1	148.0	179.9	157.9	160.1	123.2	180.6	87.1	126	124.5	114.7	156.2	150	114.7	106.2
Feb.....	156.6	157.0	146.1	180.3	155.8	158.5	122.4	180.5		143	124.7	114.1	153.2	149	114.8	106.0
Mar.....	156.4	157.1	146.6	179.6	155.5	158.2	121.5	181.9	84.9	149	124.9	113.5	152.9	151	115.0	105.7
Apr.....	156.5	157.3	147.1	179.2	156.0	158.2	122.0	182.7		138	124.7	112.4	151.0	152	115.3	105.3
May.....	155.6	156.3	146.0	178.5	154.6	157.2	120.2	182.7	84.1	154	124.6	111.7	150.1	151	115.6	105.8
June.....	155.6	156.8	146.9	178.1	154.9	157.0	123.8	183.2		164	125.5	112.5	151.7	155	116.0	106.3
July.....	156.6	157.1	147.1	178.4	156.1	157.6	128.0	184.1	84.1	149	125.5	111.6	151.4	155	116.5	106.5
Aug.....	158.1	158.2	148.6	178.9	157.9	159.4	127.8	184.8		165	126.0	112.7	155.0	155	116.9	106.1
Sept.....	156.8	157.0	147.0	178.6	156.7	158.1	124.3	184.8	84.3	168	125.8	111.2	154.5	156	117.1	106.2
Oct.....	156.9	156.9	147.9	176.1	157.4	158.3	122.4	187.6		171	126.1	111.4	154.3	153	117.5	106.1
Nov.....	159.5	160.0	150.0	181.5	159.4	160.9	123.6	190.3	84.3	168	127.4	113.4	157.9	154	117.8	106.2
Dec.....	161.8	161.7	152.4	181.7	162.0	163.7	123.1	191.5		166	127.8	113.8	160.8	154	118.2	106.8
1968—Jan.....	161.2	161.1	151.4	181.9	161.0	163.0	122.4	191.5	.....	.....	127.8	114.0	161.4	159	.....	107.1

1 Employees only; excludes personnel in the armed forces.

2 Production workers only.

3 F.R. index based on Census Bureau figures.

4 Prices are not seasonally adjusted.

5 Figure is for 4th quarter 1966.

NOTE.—Data are seasonally adjusted unless otherwise noted.

Construction contracts: F. W. Dodge Co. monthly index of dollar value of total construction contracts, including residential, nonresidential, and heavy engineering; does not include data for Alaska and Hawaii.

Employment and payrolls: Based on Bureau of Labor Statistics data; includes data for Alaska and Hawaii beginning with 1959.

Prices: Bureau of Labor Statistics data.

Capacity Utilization: Based on data from Federal Reserve, McGraw-Hill Economics Department, and Department of Commerce.

CONSTRUCTION CONTRACTS

(In millions of dollars)

Type of ownership and type of construction	1966	1967	1966	1967											
			Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
Total construction.....	50,150	52,895	3,189	2,838	3,300	4,424	4,389	5,095	5,414	4,879	5,104	4,695	5,053	4,258	3,996
By type of ownership:															
Public.....	18,152	19,039	1,287	1,113	1,188	1,509	1,498	1,820	2,169	1,989	1,824	1,677	1,526	1,435	1,507
Private.....	31,998	33,856	1,902	1,725	2,112	2,916	2,891	3,275	3,245	2,890	3,280	3,018	3,527	2,823	2,490
By type of construction:															
Residential building.....	17,827	19,536	903	937	1,056	1,584	1,627	2,002	2,000	1,829	1,912	1,741	1,887	1,717	.....
Nonresidential building.....	19,393	20,139	1,358	1,175	1,430	1,714	1,830	1,808	2,070	1,749	1,847	1,786	1,874	1,585	.....
Nonbuilding.....	12,930	13,220	928	726	814	1,127	931	1,285	1,344	1,302	1,345	1,169	1,292	956	.....

NOTE.—Dollar value of total contracts as reported by the F. W. Dodge Co. does not include data for Alaska or Hawaii. Totals of monthly

data exceed annual totals because adjustments—negative—are made to accumulated monthly data after original figures have been published.

VALUE OF NEW CONSTRUCTION ACTIVITY

(In millions of dollars)

Period	Total	Private							Public				
		Total	Non-farm resi- dential	Nonresidential				Other	Total	Mili- tary	High- way	Conser- vation & develop- ment	Other 2
				Total	Buildings								
					Indus- trial	Com- mercial	Other build- ings 1						
1956.....	47,601	34,869	20,178	14,691	3,084	3,631	2,103	5,873	12,732	1,360	4,415	826	6,131
1957.....	49,139	35,080	19,006	16,074	3,557	3,564	2,435	6,518	14,059	1,287	4,934	971	6,867
1958.....	50,153	34,696	19,789	14,907	2,382	3,589	2,704	6,232	15,457	1,402	5,545	1,019	7,491
1959 ³	55,305	39,235	24,251	14,984	2,106	3,930	2,823	6,125	16,070	1,465	5,761	1,121	7,723
1960.....	53,941	38,078	21,706	16,372	2,851	4,180	3,118	6,223	15,863	1,366	5,437	1,175	7,885
1961.....	55,447	38,299	21,680	16,619	2,780	4,674	3,280	5,885	17,148	1,371	5,854	1,384	8,539
1962 ⁴	59,667	41,798	24,292	17,506	2,842	5,144	3,631	5,889	17,869	1,266	6,365	1,524	8,714
1963 ⁵	63,423	44,057	26,187	17,870	2,906	4,995	3,745	6,224	19,366	1,189	7,084	1,690	9,403
1964.....	66,200	45,810	26,258	19,552	3,565	5,396	3,994	6,597	20,390	938	7,133	1,729	10,590
1965.....	71,912	49,840	26,266	23,574	5,128	6,745	4,711	6,990	22,072	852	7,554	2,017	11,649
1966.....	74,371	50,446	23,815	26,631	6,703	6,890	5,014	8,024	23,925	713	8,359	2,173	12,680
1967 ⁶	74,734	49,578	23,583	25,995	6,139	6,983	4,977	7,896	25,156	.....	.....	.....	.....
1966—Dec.....	72,169	46,410	19,844	26,566	6,469	7,027	5,011	8,059	25,759	755	9,058	2,309	13,637
1967—Jan.....	74,836	48,334	19,928	28,406	7,130	7,925	5,426	7,925	26,502	716	9,489	2,302	13,995
Feb.....	74,996	47,960	20,278	27,682	7,054	7,697	5,093	7,838	27,036	763	10,189	2,173	13,911
Mar.....	73,084	46,906	20,829	26,077	6,097	7,194	4,883	7,903	26,178	642	9,060	2,285	14,191
Apr.....	71,961	46,042	21,130	24,912	5,579	6,926	4,749	7,658	25,919	583	8,956	2,059	14,321
May.....	73,904	47,813	22,107	25,706	6,006	7,093	4,744	7,863	26,091	536	8,931	2,074	14,550
June.....	72,374	48,052	22,885	25,167	5,886	6,683	4,716	7,882	24,322	617	8,168	1,885	13,652
July.....	73,399	49,151	23,652	25,499	6,154	6,739	4,748	7,858	24,248	775	8,012	1,968	13,493
Aug.....	74,392	50,170	24,619	25,551	6,011	6,437	5,189	7,914	24,222	715	8,029	2,035	13,443
Sept.....	76,295	51,726	25,306	26,420	6,577	6,731	5,082	8,030	24,569	.....	.....	.....	.....
Oct.....	76,910	52,195	25,971	26,224	6,240	6,991	5,037	7,956	24,715	.....	.....	.....	.....
Nov.....	77,826	52,622	26,602	26,020	5,592	7,234	5,203	7,991	25,204	.....	.....	.....	.....
Dec. ⁷	77,842	52,316	26,948	25,368	5,736	6,589	5,032	8,011	25,526	.....	.....	.....	.....

¹ Includes religious, educational, hospital, institutional, and other buildings.² Sewer and water, formerly shown separately, now included in "Other."³ Beginning with 1959, includes data for Alaska and Hawaii.⁴ Beginning July 1962, reflects inclusion of new series affecting most private nonresidential groups.⁵ Beginning 1963, reflects inclusion of new series under "Public" (for State and local govt. activity only).

NOTE.—Monthly data are at seasonally adjusted annual rates. Beginning with 1959, figures are Census Bureau estimates. Data before 1959 are joint estimates of the Depts. of Commerce and Labor.

NEW HOUSING STARTS

(In thousands of units)

Period	Annual rate, S.A. (private only)		Total	By area		By type of ownership						Government- underwritten		
	Total	Non- farm		Metro- politan	Non- metro- politan	Private				Public	Total	FHA	VA	
						Total	1- family	2- family	Multi- family					
1956.....			1,349			1,325				24	465	195	271	
1957.....			1,224			1,175				49	322	193	128	
1958.....			1,382			1,314				68	439	337	102	
1959.....			1,554	1,077	477	1,517	1,234	56	227	37	458	349	109	
1960.....			1,296	889	407	1,252	995	44	213	44	336	261	75	
1961.....			1,365	948	417	1,313	974	44	295	52	328	244	83	
1962.....			1,492	1,054	439	1,463	991	49	422	30	339	261	78	
1963.....			1,642	1,152	490	1,610	1,021	53	536	32	292	221	71	
1964.....			1,563	1,093	470	1,529	972	54	505	32	264	205	59	
1965.....			1,510	1,035	475	1,473	964	51	458	37	246	197	49	
1966.....			1,196	808	388	1,165	779	35	351	31	195	158	37	
1967.....			1,322	920	402	1,291	843	41	407	30	233	180	53	
1966—Dec.....	931	910	62	44	19	60	38	2	20	2	12	10	3	
1967—Jan.....	1,111	1,079	62	43	19	59	40	2	17	3	13	10	3	
Feb.....	1,149	1,132	63	44	19	61	40	2	19	2	12	9	3	
Mar.....	1,094	1,067	93	63	30	92	67	2	23	1	18	14	4	
Apr.....	1,116	1,099	116	77	38	114	80	4	30	2	16	12	4	
May.....	1,274	1,224	134	92	42	132	87	5	40	2	23	18	5	
June.....	1,233	1,214	132	88	44	125	88	3	35	6	24	19	5	
July.....	1,369	1,356	126	88	39	125	82	5	38	1	20	15	5	
Aug.....	1,407	1,381	130	90	40	127	84	4	40	3	23	17	6	
Sept.....	1,445	1,415	126	88	37	122	78	4	40	4	20	16	5	
Oct.....	1,496	1,478	137	99	38	135	82	5	49	2	25	19	5	
Nov.....	1,587	1,564	120	85	35	118	69	3	46	2	20	15	4	
Dec.....	1,256	1,241	83	64	20	81	46	3	31	3	19	16	4	

NOTE.—Beginning with 1959, Census Bureau series includes both farm and nonfarm series developed initially by the Bureau of Labor Statistics. Series before 1959 reflect Census Bureau revisions that are not available

by area or type of structure. Data from Federal Housing Admin. and Veterans Admin. represent units started, based on field office reports of first compliance inspections.

LABOR FORCE, EMPLOYMENT, AND UNEMPLOYMENT

(In thousands of persons unless otherwise indicated)

Period	Total non-institutional population N.S.A.	Not in the labor force N.S.A.	Total labor force S.A.	Civilian labor force, S.A.					Unemploy- ment rate ² (per cent) S.A.
				Total	Employed ¹			Unem- ployed	
					Total	In nonagri- cultural industries	In agriculture		
1962.....	122,981	49,539	73,442	70,614	66,702	61,759	4,944	3,911	5.5
1963.....	125,154	50,583	74,571	71,833	67,762	63,076	4,687	4,070	5.7
1964.....	127,224	51,394	75,830	73,091	69,305	64,782	4,523	3,786	5.2
1965.....	129,236	52,058	77,178	74,455	71,088	66,726	4,361	3,366	4.5
1966.....	131,180	52,288	78,893	75,770	72,895	68,915	3,979	2,875	3.8
1967.....	133,319	52,527	80,793	77,347	74,371	70,527	3,844	2,975	3.8
1967 ³ —Jan.....	132,295	53,589	80,319	76,933	74,094	70,104	3,990	2,839	3.7
Feb.....	132,448	53,341	80,339	76,921	74,063	70,187	3,876	2,858	3.7
Mar.....	132,627	53,678	80,112	76,676	73,822	69,964	3,858	2,854	3.7
Apr.....	132,795	53,234	80,263	76,814	73,939	70,096	3,843	2,875	3.7
May.....	132,969	53,419	79,958	76,502	73,550	69,822	3,728	2,952	3.9
June.....	133,168	50,704	80,658	77,214	74,168	70,430	3,739	3,045	3.9
July.....	133,366	50,446	80,944	77,495	74,478	70,631	3,847	3,017	3.9
Aug.....	133,645	51,074	81,057	77,598	74,664	70,708	3,956	2,934	3.8
Sept.....	133,847	52,865	81,263	77,807	74,638	70,941	3,697	3,169	4.1
Oct.....	134,045	52,450	81,535	78,072	74,735	71,017	3,718	3,337	4.3
Nov.....	134,224	52,641	81,459	77,989	75,005	71,166	3,839	2,984	3.8
Dec.....	134,405	52,879	81,942	78,473	75,577	71,361	4,216	2,896	3.7
1968—Jan.....	134,576	54,765	81,386	77,923	75,167	71,164	4,003	2,756	3.5

¹ Includes self-employed, unpaid family, and domestic service workers.² Per cent of civilian labor force.³ Beginning Jan. 1967 data not strictly comparable with previous data. Description of changes available from Bureau of Labor Statistics.

NOTE.—Bureau of Labor Statistics. Information relating to persons 16 years of age and over is obtained on a sample basis. Monthly data relate to the calendar week that contains the 12th day; annual data are averages of monthly figures.

EMPLOYMENT IN NONAGRICULTURAL ESTABLISHMENTS, BY INDUSTRY DIVISION

(In thousands of persons)

Period	Total	Manufacturing	Mining	Contract construction	Transportation & public utilities	Trade	Finance	Service	Government
1962.....	55,596	16,853	650	2,902	3,906	11,566	2,800	8,028	8,890
1963.....	56,702	16,995	635	2,963	3,903	11,778	2,877	8,325	9,225
1964.....	58,332	17,274	634	3,050	3,951	12,160	2,957	8,709	9,596
1965.....	60,832	18,062	632	3,186	4,036	12,716	3,023	9,087	10,091
1966.....	63,982	19,186	625	3,292	4,151	13,211	3,102	9,545	10,871
1967 ^p	66,062	19,338	613	3,264	4,262	13,671	3,228	10,071	11,616
SEASONALLY ADJUSTED									
1967—Jan.....	65,564	19,558	625	3,311	4,242	13,515	3,152	9,840	11,321
Feb.....	65,692	19,507	624	3,352	4,247	13,541	3,165	9,883	11,373
Mar.....	65,749	19,445	624	3,313	4,246	13,557	3,179	9,946	11,439
Apr.....	65,653	19,331	620	3,276	4,212	13,572	3,194	9,973	11,475
May.....	65,639	19,238	617	3,192	4,267	13,609	3,205	9,987	11,524
June.....	65,903	19,285	619	3,187	4,266	13,648	3,227	10,035	11,636
July.....	65,939	19,169	623	3,231	4,292	13,647	3,234	10,074	11,669
Aug.....	66,190	19,318	606	3,223	4,283	13,664	3,253	10,130	11,713
Sept.....	66,055	19,142	601	3,238	4,262	13,719	3,264	10,161	11,668
Oct.....	66,243	19,169	597	3,236	4,251	13,776	3,270	10,199	11,745
Nov.....	66,918	19,422	597	3,289	4,287	13,900	3,290	10,297	11,836
Dec. ^p	67,110	19,490	599	3,346	4,290	13,864	3,303	10,333	11,885
1968—Jan. ^p	67,146	19,533	596	3,226	4,288	13,896	3,311	10,367	11,929
NOT SEASONALLY ADJUSTED									
1967—Jan.....	64,531	19,333	611	2,947	4,183	13,334	3,114	9,643	11,366
Feb.....	64,491	19,297	606	2,863	4,175	13,218	3,133	9,725	11,474
Mar.....	64,843	19,263	607	2,922	4,191	13,332	3,157	9,817	11,554
Apr.....	65,215	19,181	614	3,106	4,174	13,412	3,181	9,963	11,584
May.....	65,594	19,133	618	3,227	4,250	13,503	3,202	10,057	11,604
June.....	66,514	19,382	633	3,407	4,304	13,675	3,253	10,196	11,664
July.....	66,129	19,156	636	3,548	4,335	13,629	3,289	10,265	11,721
Aug.....	66,408	19,435	620	3,594	4,330	13,622	3,305	10,262	11,740
Sept.....	66,672	19,443	609	3,513	4,317	13,689	3,274	10,212	11,615
Oct.....	66,914	19,388	601	3,463	4,281	13,808	3,267	10,230	11,876
Nov.....	67,470	19,553	600	3,378	4,304	14,104	3,274	10,246	12,011
Dec. ^p	67,962	19,497	598	3,195	4,294	14,726	3,283	10,240	12,129
1968—Jan. ^p	66,111	19,310	583	2,871	4,228	13,709	3,271	10,160	11,979

NOTE.—Bureau of Labor Statistics; data include all full- and part-time employees who worked during, or received pay for, the pay period that includes the 12th of the month. Proprietors, self-employed persons,

domestic servants, unpaid family workers, and members of the armed forces are excluded.

PRODUCTION WORKER EMPLOYMENT IN MANUFACTURING INDUSTRIES

(In thousands of persons)

Industry group	Seasonally adjusted				Not seasonally adjusted			
	1967			1968	1967			1968
	Jan.	Nov.	Dec. ^a	Jan. ^a	Jan.	Nov.	Dec. ^a	Jan. ^a
Total	14,506	14,278	14,331	14,363	14,304	14,406	14,351	14,163
Durable goods	8,502	8,294	8,328	8,371	8,417	8,360	8,354	8,290
Ordnance and accessories.....	140	157	159	162	141	159	161	164
Lumber and wood products.....	530	515	519	520	501	516	508	492
Furniture and fixtures.....	385	377	384	387	382	382	386	383
Stone, clay, and glass products.....	512	505	514	511	489	508	503	488
Primary metal industries.....	1,106	1,031	1,032	1,023	1,094	1,012	1,018	1,012
Fabricated metal products.....	1,068	1,045	1,060	1,059	1,060	1,058	1,065	1,052
Machinery.....	1,398	1,372	1,333	1,361	1,398	1,356	1,334	1,361
Electrical equipment and supplies.....	1,348	1,289	1,295	1,302	1,352	1,311	1,314	1,306
Transportation equipment.....	1,373	1,380	1,405	1,410	1,387	1,412	1,442	1,424
Instruments and related products.....	289	285	287	288	288	287	287	287
Miscellaneous manufacturing industries.....	353	338	340	348	325	359	335	321
Nondurable goods	6,004	5,984	6,003	5,992	5,887	6,046	5,997	5,873
Food and kindred products.....	1,196	1,188	1,190	1,196	1,132	1,216	1,176	1,131
Tobacco manufactures.....	77	77	74	72	76	85	81	71
Textile-mill products.....	856	848	855	853	845	853	853	842
Apparel and related products.....	1,254	1,231	1,237	1,224	1,235	1,242	1,233	1,206
Paper and allied products.....	527	533	536	535	523	537	538	530
Printing, publishing, and allied industries.....	668	673	672	674	663	676	677	668
Chemicals and allied products.....	585	595	598	598	579	590	593	591
Petroleum refining and related industries.....	117	121	120	121	113	120	118	117
Rubber and misc. plastic products.....	411	412	414	413	411	419	419	413
Leather and leather products.....	313	306	307	306	310	308	309	304

NOTE.—Bureau of Labor Statistics; data cover production and related workers only (full- and part-time) who worked during, or received pay for, the pay period that includes the 12th of the month.

HOURS AND EARNINGS OF PRODUCTION WORKERS IN MANUFACTURING INDUSTRIES

Industry group	Average hours worked (per week; S.A.)				Average weekly earnings (dollars per hour; N.S.A.)				Average hourly earnings (dollars per week; N.S.A.)			
	1967			1968	1967			1968	1967			1968
	Jan.	Nov.	Dec. ^a	Jan. ^a	Jan.	Nov.	Dec. ^a	Jan. ^a	Jan.	Nov.	Dec. ^a	Jan. ^a
Total	41.0	40.8	40.8	40.5	113.42	117.50	119.60	118.08	2.78	2.88	2.91	2.93
Durable goods	41.7	41.2	41.5	41.5	122.84	126.07	129.89	128.86	2.96	3.06	3.10	3.12
Ordnance and accessories.....	42.0	41.9	41.7	41.5	136.63	139.35	140.01	138.36	3.23	3.31	3.31	3.31
Lumber and wood products.....	40.4	41.2	40.4	39.7	90.80	99.96	97.44	95.50	2.27	2.45	2.43	2.43
Furniture and fixtures.....	40.7	40.5	40.7	40.5	90.63	97.34	99.84	94.96	2.26	2.38	2.40	2.38
Stone, clay, and glass products.....	41.9	42.1	41.6	40.9	113.71	122.38	119.94	116.58	2.76	2.90	2.89	2.90
Primary metal industries.....	41.8	41.6	41.6	41.4	138.69	141.25	142.69	142.76	3.31	3.42	3.43	3.44
Fabricated metal products.....	42.2	41.4	41.6	41.9	122.89	124.92	128.52	127.82	2.94	3.01	3.06	3.08
Machinery.....	43.5	42.4	42.4	42.1	137.03	137.05	139.53	137.67	3.15	3.24	3.26	3.27
Electrical equipment and supplies.....	40.7	40.6	40.4	40.5	109.35	115.87	117.67	116.06	2.70	2.84	2.87	2.88
Transportation equipment.....	41.6	39.8	42.6	43.1	141.02	141.35	156.17	156.02	3.39	3.49	3.59	3.62
Instruments and related products.....	41.8	41.1	41.2	41.0	115.65	119.36	120.77	118.73	2.78	2.89	2.91	2.91
Miscellaneous manufacturing industries.....	40.0	39.6	39.4	39.3	91.87	94.56	96.47	94.92	2.32	2.37	2.43	2.44
Nondurable goods	40.0	40.1	39.8	39.3	99.65	105.06	105.60	103.74	2.51	2.62	2.64	2.66
Food and kindred products.....	41.1	40.8	40.7	40.5	106.08	109.47	110.70	109.34	2.60	2.67	2.70	2.72
Tobacco manufactures.....	38.7	38.8	36.8	38.1	83.16	83.42	85.41	86.54	2.20	2.15	2.23	2.32
Textile-mill products.....	40.9	41.5	41.7	41.1	81.61	89.03	89.88	87.31	2.01	2.13	2.14	2.14
Apparel and related products.....	36.6	36.3	36.2	34.9	70.40	74.93	74.88	72.24	1.95	2.07	2.08	2.10
Paper and allied products.....	43.2	42.8	43.0	42.6	119.84	125.99	127.44	124.91	2.80	2.93	2.95	2.96
Printing, publishing, and allied industries.....	38.8	38.2	38.0	37.7	123.97	127.64	129.75	125.29	3.22	3.35	3.37	3.35
Chemicals and allied products.....	41.8	41.9	41.7	41.4	126.16	132.40	132.51	130.70	3.04	3.16	3.17	3.18
Petroleum refining and related industries.....	42.0	43.1	42.0	43.0	144.90	156.52	150.12	153.91	3.50	3.64	3.60	3.63
Rubber and misc. plastic products.....	41.5	41.8	41.3	41.2	112.19	120.12	119.55	117.14	2.71	2.86	2.86	2.85
Leather and leather products.....	38.3	39.5	38.4	37.6	77.20	82.92	83.28	81.49	2.00	2.11	2.13	2.15

NOTE.—Bureau of Labor Statistics; data are for production and related workers only.

CONSUMER PRICES

(1957-59 = 100)

Period	All items	Food	Housing							Apparel and upkeep	Transportation	Health and recreation				
			Total	Rent	Home-ownership	Fuel oil and coal	Gas and electricity	Furnishings and operation	Total			Medical care	Personal care	Reading and recreation	Other goods and services	
1929.....	59.7	55.6	.....	85.4	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
1933.....	45.1	35.3	.....	60.8	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
1941.....	51.3	44.2	61.4	64.3	.....	45.2	88.3	.....	.....	51.2	.....	50.6	47.6	57.3	58.2	.....
1945.....	62.7	58.4	67.5	66.1	.....	53.6	86.4	.....	.....	55.4	.....	57.5	63.6	75.0	67.3	.....
1958.....	100.7	101.9	100.2	100.1	100.4	99.0	100.3	99.9	99.8	99.7	100.3	100.1	100.4	100.8	99.8	.....
1959.....	101.5	100.3	101.3	101.6	101.4	100.2	102.8	100.7	100.6	103.8	102.8	104.4	102.4	102.4	101.8	.....
1960.....	103.1	101.4	103.1	103.1	103.7	99.5	107.0	101.5	102.2	103.8	105.4	108.1	104.1	104.9	103.8	.....
1961.....	104.2	102.6	103.9	104.4	104.4	101.6	107.9	101.4	103.0	105.0	107.3	111.3	104.6	107.2	104.6	.....
1962.....	105.4	103.6	104.8	105.7	105.6	102.1	107.9	101.5	103.6	107.2	109.4	114.2	106.5	109.6	105.3	.....
1963.....	106.7	105.1	106.0	106.8	107.0	104.0	107.8	102.4	104.8	107.8	111.4	117.0	107.9	111.5	107.1	.....
1964.....	108.1	106.4	107.2	107.8	109.1	103.5	107.9	102.8	105.7	109.3	113.6	119.4	109.2	114.1	108.8	.....
1965.....	109.9	108.8	108.5	108.9	111.4	105.6	107.8	103.1	106.8	111.1	115.6	122.3	109.9	115.2	111.4	.....
1966.....	113.1	114.2	111.1	110.4	115.7	108.3	108.1	105.0	109.6	112.7	119.0	127.7	112.2	117.1	114.9	.....
1966—Dec.....	114.7	114.8	113.0	111.3	118.6	110.2	107.9	106.7	112.3	113.8	121.0	131.9	113.7	118.4	115.9	.....
1967—Jan.....	114.7	114.7	113.1	111.4	118.7	110.5	108.3	106.7	111.3	113.4	121.4	132.9	113.8	118.5	116.2	.....
Feb.....	114.8	114.2	113.3	111.7	118.9	111.1	108.3	107.0	111.9	113.8	121.8	133.6	114.1	118.6	116.3	.....
Mar.....	115.0	114.2	113.3	111.8	118.6	111.1	108.3	107.3	112.6	114.2	122.2	134.6	114.4	118.9	116.4	.....
Apr.....	115.3	113.7	113.6	111.9	119.0	111.0	108.4	107.7	113.0	115.1	122.6	135.1	114.9	119.4	116.6	.....
May.....	115.6	113.9	113.9	112.1	119.7	110.8	108.3	107.9	113.8	115.5	122.8	135.7	115.0	119.6	116.7	.....
June.....	116.0	115.1	114.1	112.2	119.9	110.5	108.2	108.1	113.9	115.7	123.2	136.3	115.3	119.7	116.9	.....
July.....	116.5	116.0	114.3	112.4	120.2	111.4	108.3	108.2	113.7	116.2	123.6	136.9	115.5	119.8	117.8	.....
Aug.....	116.9	116.6	114.7	112.6	120.8	111.7	108.5	108.3	113.8	116.4	124.2	137.5	116.1	120.0	118.8	.....
Sept.....	117.1	115.9	115.0	112.8	121.1	112.3	108.9	108.8	115.1	116.8	124.9	138.5	116.4	120.5	119.7	.....
Oct.....	117.5	115.7	115.3	113.0	121.5	112.5	108.9	109.1	116.0	117.7	125.5	139.0	116.5	121.4	120.3	.....
Nov.....	117.8	115.6	115.5	113.2	121.9	112.7	109.0	109.3	116.6	118.3	126.2	139.7	116.9	122.0	121.0	.....
Dec.....	118.2	116.2	116.0	113.5	122.6	113.1	108.7	109.7	116.8	117.9	126.6	140.4	117.2	122.2	121.4	.....

NOTE.—Bureau of Labor Statistics index for city wage-earners and clerical workers.

WHOLESALE PRICES: SUMMARY

(1957-59 = 100)

Period	All commodities	Farm products	Processed foods and feeds	Industrial commodities												
				Total	Textiles, etc.	Hides, etc.	Fuel, etc.	Chemicals, etc.	Rubber, etc.	Lumber, etc.	Paper, etc.	Metals, etc.	Machinery and equipment	Furniture, etc.	Non-metallic minerals	Miscellaneous
1958.....	100.4	103.6	102.5	99.5	98.9	96.0	98.7	100.4	100.1	97.4	100.1	99.1	100.0	100.2	99.9	n.a.
1959.....	100.6	97.2	99.9	101.3	100.4	109.1	98.7	100.0	99.7	104.1	101.0	101.2	102.1	100.4	101.2	n.a.
1960.....	100.7	96.9	100.0	101.3	101.5	105.2	99.6	100.2	99.9	100.4	101.8	101.3	102.9	100.1	101.4	n.a.
1961.....	100.3	96.0	101.6	100.8	99.7	106.2	100.7	99.1	96.1	95.9	98.8	100.7	102.9	99.5	101.8	n.a.
1962.....	100.6	97.7	102.7	100.8	100.6	107.4	100.2	97.5	93.3	96.5	100.0	100.0	102.9	98.8	101.8	n.a.
1963.....	100.3	95.7	103.3	100.7	100.5	104.2	99.8	96.3	93.8	98.6	99.2	100.1	103.1	98.1	101.3	n.a.
1964.....	100.5	94.3	103.1	101.2	101.2	104.6	97.1	96.7	92.5	100.6	99.0	102.8	103.8	98.5	101.5	n.a.
1965.....	102.5	98.4	106.7	102.5	101.8	109.2	98.9	97.4	92.9	101.1	99.9	105.7	105.0	98.0	101.7	n.a.
1966.....	105.9	105.6	113.0	104.7	102.1	119.7	101.3	97.8	94.8	105.6	102.6	108.3	108.2	99.1	102.6	n.a.
1966—Dec.....	105.9	101.8	112.8	105.5	101.8	117.3	102.0	98.2	95.0	102.5	103.0	109.0	110.7	100.4	103.3	n.a.
1967—Jan.....	106.2	102.6	112.8	105.8	102.0	117.9	102.6	98.4	95.6	102.6	103.1	109.4	111.1	100.4	103.6	n.a.
Feb.....	106.0	101.0	111.7	106.0	102.0	118.0	103.4	98.5	95.8	103.6	103.3	109.6	111.2	100.4	103.7	n.a.
Mar.....	105.7	99.6	110.6	106.0	101.8	117.0	103.7	98.5	95.9	103.6	103.6	109.4	111.5	100.6	103.8	n.a.
Apr.....	105.3	97.6	110.0	106.0	101.8	115.7	103.3	98.8	95.9	104.1	103.9	109.1	111.6	100.6	103.9	n.a.
May.....	105.8	100.7	110.7	106.0	101.6	115.2	104.4	98.8	95.8	104.2	103.9	108.9	111.6	100.8	103.8	n.a.
June.....	106.3	102.4	112.6	106.0	101.6	115.6	104.0	98.5	95.8	104.7	103.9	108.9	111.6	100.8	103.9	n.a.
July.....	106.5	102.8	113.1	106.0	101.5	115.2	103.9	98.3	95.8	105.3	104.1	109.0	111.6	100.9	104.2	n.a.
Aug.....	106.1	99.2	112.1	106.3	101.7	114.4	104.7	98.0	97.8	106.1	104.0	109.2	111.8	101.0	104.5	n.a.
Sept.....	106.2	98.4	112.7	106.5	102.0	114.4	104.5	97.9	98.2	108.7	104.1	109.6	112.9	101.2	104.7	n.a.
Oct.....	106.1	97.1	111.7	106.8	102.2	114.8	103.0	98.2	98.8	107.3	104.3	109.8	112.2	101.7	104.9	n.a.
Nov.....	106.2	96.4	110.9	107.1	103.0	115.4	102.8	98.2	99.1	106.7	104.6	110.5	112.6	102.0	105.1	n.a.
Dec.....	106.8	98.9	111.5	107.4	103.8	116.0	102.6	98.4	99.2	107.6	104.8	111.0	113.2	102.1	105.3	n.a.

WHOLESALE PRICES: DETAIL

(1957-59=100)

Group	1966	1967			Group	1966	1967		
	Dec.	Oct.	Nov.	Dec.		Dec.	Oct.	Nov.	Dec.
<i>Farm products:</i>					<i>Pulp, paper, and allied products:</i>				
Fresh and dried produce.....	101.3	91.6	102.9	105.0	Pulp, paper, and products, excluding building paper and board.....	103.4	104.8	105.1	105.3
Grains.....	101.5	86.6	81.3	85.4	Woodpulp.....	98.0	98.0	98.0	98.0
Livestock.....	97.9	101.8	96.2	97.6	Waste paper.....	90.5	76.6	76.5	78.1
Live poultry.....	77.2	73.8	65.6	68.2	Paper.....	108.5	111.2	111.2	111.2
Plant and animal fibers.....	71.0	72.4	74.9	80.8	Paperboard.....	97.2	97.3	97.3	97.3
Fluid milk.....	124.0	123.5	123.6	124.3	Converted paper and paperboard.....	103.2	104.9	105.5	105.8
Eggs.....	109.0	76.8	80.7	90.9	Building paper and board.....	92.7	92.1	92.0	92.1
Hay and seeds.....	124.5	108.5	109.9	112.7					
Other farm products.....	100.5	97.4	100.9	101.3					
<i>Processed foods and feeds:</i>					<i>Metals and metal products:</i>				
Cereal and bakery products.....	118.0	116.8	117.0	116.9	Iron and steel.....	102.9	103.9	104.3	104.7
Meat, poultry and fish.....	104.4	104.7	102.2	103.2	Steel mill products.....	105.3	106.5	106.8	107.0
Dairy products.....	122.3	123.0	123.0	124.1	Nonferrous metals.....	120.5	120.7	122.7	123.7
Processed fruits and vegetables.....	105.8	109.3	112.0	113.1	Metal containers.....	110.2	111.7	112.9	112.9
Sugar and confectionery.....	112.6	113.9	113.9	112.7	Hardware.....	111.9	115.4	115.7	116.1
Beverages and beverage materials.....	105.8	107.3	107.4	107.7	Plumbing equipment.....	110.5	110.2	110.2	110.6
Animal fats and oils.....	97.5	76.3	70.8	73.5	Heating equipment.....	93.4	92.9	93.3	93.4
Crude vegetable oils.....	98.1	83.3	82.7	83.9	Fabricated structural metal products.....	104.9	105.7	105.9	106.1
Refined vegetable oils.....	101.2	88.1	87.5	87.0	Miscellaneous metal products.....	113.2	114.1	114.1	114.4
Vegetable oil end products.....	106.3	101.8	101.5	100.2					
Miscellaneous processed foods.....	113.7	112.6	113.1	113.7	<i>Machinery and equipment:</i>				
Manufactured animal feeds.....	132.0	120.6	118.8	119.6	Agricultural machinery and equip....	120.8	122.3	123.8	124.9
<i>Textile products and apparel:</i>					Construction machinery and equip....	121.0	124.3	125.3	126.3
Cotton products.....	102.7	99.1	101.2	104.2	Metalworking machinery and equip....	121.8	124.6	125.4	125.8
Wool products.....	104.8	102.8	102.2	102.2	General purpose machinery and equipment.....	112.4	114.4	114.7	115.2
Man-made fiber textile products.....	86.9	86.9	88.1	88.6	Special industry machinery and equipment (Jan. 1961=100).....	114.3	118.2	118.3	118.3
Silk yarns.....	163.2	179.5	183.9	189.7	Electrical machinery and equip.....	101.5	101.5	101.6	102.3
Apparel.....	105.4	107.5	108.0	108.1	Miscellaneous machinery.....	108.1	109.9	110.4	110.8
Textile housefurnishings.....	105.3	107.4	107.3	109.8					
Miscellaneous textile products.....	119.7	115.9	114.5	114.0	<i>Furniture and household durables:</i>				
<i>Hides, skins, leather, and products:</i>					Household furniture.....	111.8	113.4	114.3	114.3
Hides and skins.....	109.2	86.8	90.4	89.7	Commercial furniture.....	108.7	112.0	112.3	112.6
Leather.....	116.2	104.7	106.5	109.1	Floor coverings.....	96.2	94.8	94.9	95.2
Footwear.....	120.3	123.6	123.7	124.3	Household appliances.....	89.2	90.5	90.8	90.9
Other leather products.....	114.2	111.9	111.9	111.5	Home electronic equipment.....	83.8	82.1	82.2	81.8
<i>Fuels and related products, and power:</i>					Other household durable goods.....	114.0	118.9	118.9	119.5
Coal.....	102.4	103.8	104.8	104.9	<i>Nonmetallic mineral products:</i>				
Coke.....	112.0	112.0	112.0	112.0	Flat glass.....	103.3	107.0	107.0	107.5
Gas fuels (Jan. 1958=100).....	132.0	132.7	132.8	133.1	Concrete ingredients.....	104.3	106.3	106.4	106.5
Electric power (Jan. 1958=100).....	100.8	100.8	100.9	100.9	Concrete products.....	103.9	105.9	105.6	105.8
Crude petroleum.....	98.1	99.0	99.0	99.0	Structural clay products excluding refractories.....	109.1	110.7	111.1	111.6
Petroleum products, refined.....	100.2	101.0	100.4	99.9	Refractories.....	104.2	104.9	106.0	106.0
<i>Chemicals and allied products:</i>					Asphalt roofing.....	95.7	95.1	99.4	99.3
Industrial chemicals.....	96.4	98.3	98.3	98.3	Gypsum products.....	103.5	103.9	103.9	103.9
Prepared paint.....	108.5	109.9	109.9	112.2	Glass containers.....	101.1	101.1	101.1	101.1
Paint materials.....	90.6	91.0	91.4	91.3	Other nonmetallic minerals.....	101.3	101.9	102.0	102.3
Drugs and pharmaceuticals.....	94.7	93.6	93.7	93.8					
Fats and oils, inedible.....	95.1	78.5	77.9	77.2	<i>Transportation equipment:</i>				
Agricultural chemicals and products.....	103.1	101.6	101.7	102.2	Motor vehicles and equipment.....	101.7	103.7	104.0	104.0
Plastic resins and materials.....	90.2	86.1	86.3	86.6	Railroad equipment (Jan. 1961=100).....	102.7	104.5	104.8	104.8
Other chemicals and products.....	107.0	108.8	108.6	108.5	<i>Miscellaneous products:</i>				
<i>Rubber and products:</i>					Toys, sporting goods, small arms, ammunition.....	104.8	106.3	106.3	106.4
Crude rubber.....	87.6	84.2	83.8	83.7	Tobacco products.....	110.3	114.8	114.8	114.8
Tires and tubes.....	93.9	98.7	98.7	98.7	Notions.....	100.8	100.8	102.1	102.2
Miscellaneous rubber products.....	99.3	104.8	105.6	105.9	Photographic equipment and supplies.....	109.9	113.6	113.6	113.6
<i>Lumber and wood products:</i>					Other miscellaneous products.....	106.1	108.7	108.9	109.2
Lumber.....	104.5	111.2	110.9	111.8					
Millwork.....	110.3	113.4	113.5	113.7					
Plywood.....	87.4	90.2	87.8	90.2					
Other wood products (Dec. 1966=100).....	100.0	101.5	101.5	101.5					

NOTE.—Bureau of Labor Statistics indexes as revised in Mar. 1967 to incorporate (1) new weights beginning with Jan. 1967 data and (2) various

classification changes. Back data not yet available for some new classifications.

GROSS NATIONAL PRODUCT

(In billions of dollars)

Item	1929	1933	1941	1950	1963	1964	1965	1966	1967 ^a	1966				
										IV	I	II	III	IV ^b
Gross national product.....	103.1	55.6	124.5	284.8	590.5	632.4	683.9	743.3	785.1	762.1	766.3	775.1	791.2	807.6
Final purchases.....	101.4	57.2	120.1	278.0	584.6	626.6	674.5	729.9	780.0	743.6	759.2	774.6	787.4	798.7
Personal consumption expenditures.....	77.2	45.8	80.6	191.0	375.0	401.2	433.1	465.9	491.6	473.8	480.2	489.7	495.3	501.4
Durable goods.....	9.2	3.5	9.6	30.5	53.9	59.2	66.0	70.3	72.1	70.6	69.4	72.5	72.7	73.7
Nondurable goods.....	37.7	22.3	42.9	98.1	168.6	178.7	191.2	207.5	217.5	210.3	214.2	217.2	218.5	220.2
Services.....	30.3	20.1	28.1	62.4	152.4	163.3	175.9	188.1	202.1	192.9	196.6	200.0	204.1	207.5
Gross private domestic investment.....	16.2	1.4	17.9	54.1	87.1	94.0	107.4	118.0	112.1	122.2	110.4	105.1	112.2	120.7
Fixed investment.....	14.5	3.0	13.4	47.3	81.3	88.2	98.0	104.6	107.0	103.7	103.3	104.6	108.4	111.7
Nonresidential.....	10.6	2.4	9.5	27.9	54.3	61.1	71.1	80.2	82.5	82.8	81.9	81.5	82.8	83.8
Structures.....	5.0	.9	2.9	9.2	19.5	21.2	25.1	27.9	26.8	27.7	27.7	26.3	26.6	26.5
Producers' durable equipment.....	5.6	1.5	6.6	18.7	34.8	39.9	46.0	52.3	55.7	55.1	54.2	55.2	56.2	57.3
Residential structures.....	4.0	.6	3.9	19.4	27.0	27.1	27.0	24.4	24.5	20.9	21.4	23.1	25.6	27.9
Nonfarm.....	3.8	.5	3.7	18.6	26.4	26.6	26.4	23.8	23.9	20.4	20.9	22.5	25.0	27.4
Change in business inventories.....	1.7	-1.6	4.5	6.8	5.9	5.8	9.4	13.4	5.1	18.5	7.1	0.5	3.8	9.0
Nonfarm.....	1.8	-1.4	4.0	6.0	5.1	6.4	8.4	13.7	4.7	19.0	7.3	0.6	3.4	7.5
Net exports of goods and services.....	1.1	.4	1.3	1.8	5.9	8.5	6.9	5.1	5.0	4.3	5.3	5.3	5.4	4.0
Exports.....	7.0	2.4	5.9	13.8	32.3	37.1	39.1	43.0	45.4	44.0	45.3	45.1	45.6	45.6
Imports.....	5.9	2.0	4.6	12.0	26.4	28.6	32.2	37.9	40.4	39.7	39.9	39.8	40.2	41.6
Government purchases of goods and services..	8.5	8.0	24.8	37.9	122.5	128.7	136.4	154.3	176.3	161.7	170.4	175.0	178.2	181.5
Federal.....	1.3	2.0	16.9	18.4	64.2	65.2	66.8	77.0	89.9	81.5	87.1	89.5	90.9	92.0
National defense.....			13.8	14.1	50.8	50.0	50.1	60.5	72.6	65.6	70.2	72.5	73.3	74.3
Other.....			3.1	4.3	13.5	15.2	16.7	16.5	17.3	15.9	16.8	17.0	17.6	17.7
State and local.....	7.2	6.0	7.9	19.5	58.2	63.5	69.6	77.2	86.4	80.2	83.3	85.4	87.4	89.5
Gross national product in constant (1958) dollars.....	203.6	141.5	263.7	355.3	551.0	581.1	616.7	652.6	669.2	661.1	660.7	664.7	672.0	679.4

NOTE.—Dept. of Commerce estimates. Quarterly data are seasonally adjusted totals at annual rates. For back data and explanation of series, see the *Survey of Current Business*, July 1967, and Supplement, Aug. 1966.

NATIONAL INCOME

(In billions of dollars)

Item	1929	1933	1941	1950	1963	1964	1965	1966	1967 ^a	1966				
										IV	I	II	III	IV ^b
National income.....	86.8	40.3	104.2	241.1	481.9	518.1	562.4	616.7	649.6	634.1	636.4	641.6	653.4	.....
Compensation of employees.....	51.1	29.5	64.8	154.6	341.0	365.7	393.9	435.7	469.6	450.2	459.1	463.4	472.6	483.2
Wages and salaries.....	50.4	29.0	62.1	146.8	311.1	333.7	359.1	394.6	423.7	407.4	414.7	418.3	426.2	435.6
Private.....	45.5	23.9	51.9	124.4	251.6	269.4	289.8	316.7	337.4	326.1	331.4	333.2	339.4	345.8
Military.....	.3	.3	1.9	5.0	10.8	11.7	12.1	14.7	16.4	15.8	16.1	16.2	16.3	17.3
Government civilian.....	4.6	4.9	8.3	17.4	48.6	52.6	57.1	63.2	69.8	65.6	67.3	68.9	70.6	72.5
Supplements to wages and salaries.....	.7	.5	2.7	7.8	29.9	32.0	34.9	41.1	45.9	42.7	44.4	45.2	46.4	47.6
Employer contributions for social insurance.....	.1	.1	2.0	4.0	15.0	15.4	16.2	20.3	22.6	21.1	22.2	22.3	22.8	23.3
Other labor income.....	.6	.4	.7	3.8	14.9	16.6	18.6	20.8	23.2	21.7	22.2	22.9	23.6	24.3
Proprietors' income.....	15.1	5.9	17.5	37.5	51.0	52.3	56.7	59.3	58.4	58.6	57.8	57.8	58.8	59.3
Business and professional.....	9.0	3.3	11.1	24.0	37.9	40.2	41.9	43.2	43.6	43.4	43.2	43.4	43.8	44.1
Farm.....	6.2	2.6	6.4	13.5	13.1	12.1	14.8	16.1	14.8	15.1	14.6	14.3	15.0	15.2
Rental income of persons.....	5.4	2.0	3.5	9.4	17.1	18.0	19.0	19.4	20.1	19.6	19.8	20.0	20.2	20.4
Corporate profits and inventory valuation adjustment.....	10.5	-1.2	15.2	37.7	58.9	66.3	74.9	82.2	79.1	84.6	78.1	78.3	79.2	.....
Profits before tax.....	10.0	1.0	17.7	42.6	59.4	66.8	76.6	83.8	80.1	83.9	79.0	78.9	80.0	.....
Profits tax liability.....	1.4	.5	7.6	17.8	26.3	28.3	31.4	34.5	33.0	34.6	32.5	32.5	32.9	.....
Profits after tax.....	8.6	.4	10.1	24.9	33.1	38.4	45.2	49.3	47.2	49.3	46.5	46.5	47.1	.....
Dividends.....	5.8	2.0	4.4	8.8	16.5	17.8	19.8	21.5	22.8	21.2	22.2	23.1	23.4	22.4
Undistributed profits.....	2.8	-1.6	5.7	16.0	16.6	20.6	25.4	27.8	24.4	28.2	24.2	23.4	23.6	.....
Inventory valuation adjustment.....	.5	-2.1	-2.5	-5.0	-.5	-.5	-1.7	-1.6	-1.0	.7	-.8	-.7	-.8	-1.8
Net interest.....	4.7	4.1	3.2	2.0	13.8	15.8	17.9	20.2	22.4	21.1	21.6	22.1	22.7	23.3

NOTE.—Dept. of Commerce estimates. Quarterly data are seasonally adjusted totals at annual rates. See also NOTE to table above.

RELATION OF GROSS NATIONAL PRODUCT, NATIONAL INCOME, AND PERSONAL INCOME SAVING

(In billions of dollars)

Item	1929	1933	1941	1950	1963	1964	1965	1966	1967 ^p	1966	1967			
										IV	I	II	III	IV ^p
Gross national product.....	103.1	55.6	124.5	284.8	590.5	632.4	683.9	743.3	785.1	762.1	766.3	775.1	791.2	807.6
Less: Capital consumption allowances.....	7.9	7.0	8.2	18.3	52.6	56.1	59.9	63.5	67.0	64.7	65.5	66.4	67.6	68.6
Indirect business tax and nontax liability.....	7.0	7.1	11.3	23.3	54.7	58.4	62.2	65.1	69.7	67.0	67.9	69.1	70.2	71.4
Business transfer payments.....	.6	.7	.5	.8	2.3	2.5	2.6	2.7	2.8	2.8	2.8	2.8	2.8	2.8
Statistical discrepancy.....	.7	.6	.4	1.5	-.3	-1.3	-2.0	-2.6	-2.2	-3.8	-4.0	-2.8	-1.2	.....
Plus: Subsidies less current surplus of government enterprises.....	-.1	.....	.1	.2	.8	1.3	1.2	2.2	1.8	2.6	2.3	2.0	1.6	1.5
Equals: National income.....	86.8	40.3	104.2	241.1	481.9	518.1	562.4	616.7	649.6	634.1	636.4	641.6	653.4	.....
Less: Corporate profits and inventory valuation adjustment.....	10.5	-1.2	15.2	37.7	58.9	66.3	74.9	82.2	79.1	84.6	78.1	78.3	79.2	.....
Contributions for social insurance.....	.2	.3	2.8	6.9	26.9	27.9	29.7	38.2	43.0	39.8	42.2	42.5	43.3	44.1
Excess of wage accruals over disbursements.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Plus: Government transfer payments.....	.9	1.5	2.6	14.3	33.0	34.2	37.2	41.2	49.1	44.7	48.1	48.6	49.6	50.1
Net interest paid by government and consumer.....	2.5	1.6	2.2	7.2	17.6	19.1	20.4	22.3	24.1	23.2	23.7	23.9	24.2	24.7
Dividends.....	5.8	2.0	4.4	8.8	16.5	17.8	19.8	21.5	22.8	21.2	22.2	23.1	23.4	22.4
Business transfer payments.....	.6	.7	.5	.8	2.3	2.5	2.6	2.7	2.8	2.8	2.8	2.8	2.8	2.8
Equals: Personal income.....	85.9	47.0	96.0	227.6	465.5	497.5	537.8	584.0	626.3	601.6	612.9	619.1	631.0	642.1
Less: Personal tax and nontax payments....	2.6	1.5	3.3	20.7	60.9	59.4	65.6	75.2	81.7	79.6	80.2	79.1	82.8	84.6
Equals: Disposable personal income.....	83.3	45.5	92.7	206.9	404.6	438.1	472.2	508.8	544.6	522.0	532.7	540.0	548.2	557.5
Less: Personal outlays.....	79.1	46.5	81.7	193.9	384.7	411.9	445.0	479.0	505.8	487.4	493.9	504.0	509.6	515.9
Personal consumption expenditures.....	77.2	45.8	80.6	191.0	375.0	401.2	433.1	465.9	491.6	473.8	480.2	489.7	495.3	501.4
Consumer interest payments.....	1.5	.5	.9	2.4	9.1	10.1	11.3	12.4	13.4	12.9	13.1	13.3	13.5	13.8
Personal transfer payments to foreigners.....	.3	.2	.2	.5	.6	.6	.7	.6	.8	.6	.7	1.0	.8	.7
Equals: Personal saving.....	4.2	-.9	11.0	13.1	19.9	26.2	27.2	29.8	38.7	34.6	38.8	36.0	38.5	41.6
Disposable personal income in constant (1958) dollars.....	150.6	112.2	190.3	249.6	381.3	407.9	434.4	456.3	476.0	463.2	470.6	474.9	477.5	481.8

NOTE.—Dept. of Commerce estimates. Quarterly data are seasonally adjusted quarterly totals at annual rates. See also NOTE to table opposite.

PERSONAL INCOME

(In billions of dollars)

Item	1966	1967 ^p	1966	1967											
			Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec. ^p
Total personal income.....	584.0	626.3	605.0	610.4	612.6	615.6	616.5	618.2	622.6	627.0	631.6	634.4	635.9	642.4	648.1
Wage and salary disbursements.....	394.6	423.7	410.0	413.8	414.2	416.2	416.7	417.2	420.9	423.4	426.7	428.5	429.4	435.3	442.0
Commodity-producing industries.....	159.3	167.1	164.9	166.2	165.2	165.6	165.0	164.3	165.2	166.1	168.0	168.2	167.9	171.2	172.5
Manufacturing only.....	128.1	134.3	132.8	133.7	132.7	132.9	132.5	132.2	133.0	133.2	135.3	135.4	134.9	137.5	138.4
Distributive industries.....	93.9	100.8	97.2	98.4	98.6	99.1	99.1	99.3	100.4	101.3	101.8	102.1	102.6	103.7	103.4
Service industries.....	63.5	69.5	65.9	66.4	66.9	67.6	68.2	68.6	69.5	69.6	70.1	70.8	71.1	71.9	72.9
Government.....	77.9	86.3	82.0	82.7	83.4	84.0	84.5	85.0	85.7	86.4	86.9	87.4	87.8	88.4	93.1
Other labor income.....	20.8	23.2	21.9	22.1	22.2	22.4	22.6	22.8	23.1	23.3	23.6	23.8	24.0	24.3	24.6
Proprietors' income.....	59.3	58.4	58.8	58.3	57.8	57.4	57.7	57.8	57.9	58.4	58.8	59.2	59.1	59.3	59.5
Business and professional.....	43.2	43.6	43.5	43.3	43.2	43.1	43.3	43.4	43.6	43.7	43.8	43.9	44.0	44.1	44.2
Farm.....	16.1	14.8	15.3	15.0	14.6	14.3	14.4	14.4	14.3	14.7	15.0	15.3	15.1	15.2	15.3
Rental income.....	19.4	20.1	19.7	19.7	19.8	19.9	20.0	20.0	20.1	20.2	20.2	20.3	20.3	20.4	20.4
Dividends.....	21.5	22.8	20.2	21.8	22.3	22.6	22.8	23.1	23.3	23.5	23.5	23.4	23.2	23.1	21.0
Personal interest income.....	42.4	46.5	44.8	45.0	45.2	45.5	45.8	46.0	46.1	46.4	46.9	47.3	47.6	48.0	48.4
Transfer payments.....	43.9	51.9	48.5	49.7	51.1	51.7	51.0	51.5	51.6	52.2	52.4	52.5	52.8	52.8	53.1
Less: Personal contributions for social insurance.....	17.9	20.4	18.8	20.0	20.0	20.1	20.1	20.1	20.3	20.4	20.6	20.6	20.6	20.8	21.0
Nonagricultural income.....	563.1	606.4	584.8	590.2	593.0	596.2	596.9	598.8	603.2	607.2	611.4	614.0	615.7	622.0	627.6
Agriculture income.....	20.9	19.9	20.3	20.2	19.6	19.5	19.5	19.5	19.4	19.8	20.2	20.4	20.2	20.4	20.5

NOTE.—Dept. of Commerce estimates. Quarterly data are seasonally adjusted totals at annual rates. See also NOTE to table opposite.

1. SUMMARY OF FLOW OF FUNDS ACCOUNTS FOR THIRD QUARTER, 1967—SEASONALLY ADJUSTED ANNUAL RATES

(In billions of dollars)

Transaction category	Sector	Private domestic nonfinancial sectors								U.S. Govt.		Financial sectors								Rest of the world		All sectors		Discrepancy	Natl. saving and investment
		Households		Business		State and local govts.		Total				Total		Monetary auth.		Coml. banks		Nonbank finance							
		U	S	U	S	U	S	U	S	U	S	U	S	U	S	U	S	U	S	U	S	U			
1	Gross saving	127.1		76.4		-4.3		199.2		-14.3		3.5		*		2.0		1.5		-2.0		186.4		188.4	
2	Capital consumption	68.8		57.3				126.1				1.1				.5		.6			127.2		127.2		
3	Net saving (1-2)	58.3		19.2		-4.3		73.1		-14.3		2.4		*		1.5		.9		-2.0		59.2		61.2	
4	Gross investment (5+10)	127.3		71.5		-5.5		193.4		-15.1		4.3		*		2.3		2.0		-2.5		180.0		187.5	
5	Private cap. expend., net	93.8		90.4				184.2				.8				.2		.6			185.0		185.0		
6	Consumer durables	72.7						72.7													72.7		72.7		
7	Residential constr.	16.7		8.9				25.6													25.6		25.6		
8	Plant and equipment	4.3		77.7				82.0				.8				.2		.6			82.8		82.8		
9	Inventory change			3.8				3.8													3.8		3.8		
10	Net financial invest. (11-12)	33.6		-18.9		-5.5		9.2		-15.1		3.5		*		2.0		1.4		-2.5		-5.0		2.5	
11	Financial uses, net	58.2		25.2		8.8		92.1		20.4		115.6		4.5		57.2		53.8		8.1		236.1		10.6	
12	Financial sources		24.6		44.1		14.3	82.9			35.5	112.1		4.5	4.5		55.2		52.4		10.6	241.1		8.1	
13	Gold & off. U.S. fgn. exch.									1.1		.4			.4				.4	1.9	1.9				
14	Treasury currency									.7		.5			.5						.7		.1		
15	Dem. dep. and currency											25.1		-2.7		27.8					19.3	25.1			
16	Private domestic	3.4		3.7		-3		6.9				-2	10.7		1.6		9.2		-2		6.7	10.7	4.1		
17	U.S. Govt.									11.7		13.3		-4.2		17.5					11.7	13.3	1.6		
18	Foreign											1.0		-1		1.1			1.0		1.0				
19	Time and svgs. accounts	36.5						40.9				.5	42.4				.5				42.4				
20	At coml. banks	18.7		3.7		.7		23.1		*			24.0				*		1.0		24.0				
21	At svgs. instit.	17.9						17.9				.5	18.3				.5	18.3			18.3				
22	Life insur. reserves	4.6						4.6		.1		4.5					4.5				4.6				
23	Pension fund reserves	14.7				4.2		14.7	4.2	1.1		9.4					9.4				14.7				
24	Consol. bank items ¹										7.2	7.2		-2	7.4	7.4	-2				7.2	7.2			
25	Credit mkt. instr.	3.2	20.3	.1	37.9	8.7	10.0	12.0	68.1	4.7	35.2	96.8	7.4	3.8		42.6	*	50.4	7.4	.9	3.7	114.4	114.4		
26	U.S. Govt. securities	.9		-1.6		2.8		2.1			35.2	34.4		3.8		21.5		9.2		-1.4		35.2			
27	State and local oblig.	6.3		.8		-4	9.8	6.7	9.8			3.2				3.2					9.8				
28	Corp. and foreign bonds	2.7			18.6	5.2		7.9	18.6			12.5	1.1			.7	.1	11.8	1.0	.9	1.7	21.4			
29	Corp. stocks	-6.4			3.1			-6.4	3.1			11.6	3.4			-2		11.6	3.6	1.2	-1	6.4			
30	1- to 4-family mortgages	-3	11.5		1.1	1.0		.8	12.6	2.3		10.8	1.3			1.9		8.8	1.3			13.9			
31	Other mortgages		1.0		8.2				9.2	.7		8.4				2.5		6.0				9.2			
32	Consumer credit		5.1	1.5				1.5	5.1			3.5				3.2		.4				5.1			
33	Bank loans n.e.c.		2.0		3.2				5.2			8.1	2.1	-1		8.1		2.1				8.1			
34	Other loans		.8	-6	3.7		.1	-6	4.7	1.7		4.3	-5	.1		1.5		2.7	-5	.1	1.3	5.4			
35	Open market paper			-6	-2			-6	-2			.3	.6	.1		1.5		-1.3	.6	.1	-5	-1			
36	Federal loans				.8		.1		1.0	1.6		-1.1						-1.1		1.8		1.6			
37	Security credit	.6	3.8					.6	3.8			12.1	9.0			8.8		3.3	9.0	.1	*	12.8			
38	To brkrs. and dealers	.6						.6				8.3	9.0			8.3		*	9.0	.1	*	9.0			
39	To others		3.8						3.8			3.9				.5		3.3		*		3.9			
40	Taxes payable			8.1	.1	-2		-2	.1	1.5			-4				-5		.1		1.3	-3	-1.6		
41	Trade credit		.1	6.4	4.4		.1	6.4	4.6	1.2	.3	.3						.3			7.9	4.9	-3.0		
42	Equity in noncorp. business	-6.4			-6.4			-6.4	-6.4												-6.4				
43	Misc. financial trans.	1.5	.4	11.2	8.1			12.7	8.5	.2	-1.9	-2.1	7.6		-2	-1.7	4.1	-4	3.8	4.7	5.0	15.5	19.3	3.8	
44	Sector discrepancies (1-4)	-2		5.0		1.1		5.8		.8		-7				-2		-5		.5		6.4		6.4	

¹ Claims between commercial banks and monetary authorities: member bank reserves, vault cash, F.R. loans to banks, F.R. float, and stock at F.R. Banks.

2. SAVING, INVESTMENT, AND FINANCIAL FLOWS

(In billions of dollars)

Transaction category, or sector	1962	1963	1964	1965	1966	1965		1966				1967		
						III	IV	I	II	III	IV	I	II	III
I. Saving and investment														
1 Gross national saving.....	134.5	144.5	160.3	179.5	193.1	179.4	184.8	190.3	191.3	192.2	198.4	186.2	182.7	188.4
2 Households.....	82.0	85.8	98.3	107.3	115.3	111.2	112.8	113.4	111.7	114.8	121.3	123.9	124.5	127.1
3 Farm and noncorp. business.....	13.1	13.5	14.5	15.3	16.0	15.3	15.5	15.7	15.9	16.1	16.3	16.5	16.6	16.9
4 Corporate nonfin. business.....	41.8	43.9	50.5	55.7	60.3	56.1	57.8	58.8	59.2	59.8	63.5	58.6	58.7	59.5
5 U.S. Government.....	-4.8	-6	-4.3	-1	-9	-4.7	-1.5	1.1	1.6	-1.8	-4.6	-13.2	-16.7	-14.3
6 State and local govt.....	-1.4	-1.5	-1.4	-2.2	-8	-1.9	-2.5	-1.2	-8	-5	-9	-3.0	-4.3	-4.3
7 Financial sectors.....	3.8	3.5	2.7	3.3	3.3	3.4	2.8	2.6	3.8	3.8	2.8	3.4	4.0	3.5
8 Gross national investment.....	133.9	143.8	158.0	177.1	190.1	177.5	183.7	188.4	188.3	190.0	193.7	181.2	177.2	187.5
9 Consumer durable goods.....	49.5	53.9	59.2	66.0	70.3	66.1	68.6	71.6	68.2	70.9	70.6	69.4	72.5	72.7
10 Business inventories.....	6.0	5.9	5.8	9.4	13.4	9.1	9.6	9.8	14.0	11.4	18.4	7.1	.5	3.8
11 Gross pvt. fixed investment.....	77.0	81.3	88.2	98.0	104.6	98.8	102.4	105.3	104.5	104.9	103.7	103.3	104.6	108.4
12 Households.....	21.9	22.4	23.0	23.2	22.8	23.2	23.6	23.9	23.6	22.8	20.7	18.7	19.0	21.0
13 Nonfinan. business.....	54.4	57.9	64.3	74.0	80.8	74.8	78.0	80.4	79.8	81.1	82.0	83.7	84.8	86.6
14 Financial sectors.....	.6	1.0	.9	.9	1.0	.8	.8	1.0	1.0	1.0	1.0	.8	.8	.8
15 Net financial investment.....	1.3	2.8	4.7	3.7	1.8	3.4	3.1	1.8	1.6	2.8	1.0	1.5	-.4	2.5
16 Discrepancy (1-8).....	.7	.6	2.3	2.4	3.0	1.9	1.1	1.9	3.0	2.1	4.7	5.0	5.5	1.0
II. Financial flows—Summary														
17 Net funds raised—Nonfinan. sectors.....	54.2	58.5	67.0	72.3	69.9	64.0	75.8	84.1	83.2	62.6	49.9	74.4	44.2	107.0
18 Loans and short-term securities.....	15.0	19.0	26.4	33.1	27.4	23.8	35.0	26.4	22.7	30.7	29.8	33.7	-16.3	48.2
19 Long-term securities and mtgs.....	39.2	39.5	40.6	39.2	42.5	40.2	40.8	57.6	60.5	31.9	20.0	40.7	60.4	58.8
By sector														
20 U.S. Government.....	7.9	5.0	7.1	3.6	6.3	-3.8	8.5	10.8	6.7	4.9	8.3	-21.1	35.2	20
21 Short-term mkt. securities.....	.7	1.4	4.0	3.5	2.2	-2.9	5.4	-1.5	-7.3	7.6	10.1	10.2	-35.7	31.2
22 Other securities.....	7.3	3.6	3.0	.2	4.1	-.9	3.2	12.3	14.1	-2.7	-7.2	1.8	14.5	4.0
23 Foreign borrowers.....	2.1	3.3	4.4	2.6	1.5	.7	2.7	2.7	2.5	-.4	1.2	5.5	3.7	3.7
24 Loans.....	1.1	2.2	3.7	1.9	1.0	-.1	1.9	1.3	2.3	-.4	1.0	4.5	2.7	2.1
25 Securities.....	1.0	1.1	.7	.8	.5	.8	.8	1.4	.2	*	.2	1.0	1.0	1.6
26 Pvt. domestic nonfin. sectors.....	44.2	50.2	55.5	66.0	62.0	67.1	64.6	70.5	73.9	58.0	45.7	60.6	61.6	68.1
27 Loans.....	13.3	15.5	18.7	27.7	24.1	26.8	27.8	26.6	27.8	23.4	18.7	19.1	16.7	14.9
28 Consumer credit.....	5.5	7.3	8.0	9.4	6.9	9.3	8.8	9.3	7.0	6.8	4.6	4.3	3.4	5.1
29 Bank loans n.e.c.....	4.8	5.4	6.5	13.6	9.8	12.4	14.0	9.5	15.5	9.0	5.2	6.6	12.1	5.2
30 Other loans.....	3.0	2.7	4.1	4.7	7.4	5.1	5.0	7.8	5.3	7.7	9.0	8.2	1.3	4.7
31 Securities and mortgages.....	31.0	34.7	36.9	38.3	37.9	40.2	36.8	43.9	46.1	34.6	27.0	41.5	44.9	53.2
32 State and local obligations.....	5.0	6.7	5.9	7.3	6.0	6.7	7.8	6.3	6.9	4.6	6.1	10.3	11.5	9.8
33 Corporate securities.....	5.1	3.6	5.4	5.4	11.4	7.1	2.8	12.2	15.5	11.3	6.6	14.3	15.8	21.7
34 1- to 4-family mortgages.....	13.0	15.2	15.7	16.2	11.0	16.7	16.9	14.2	12.5	9.1	8.1	8.7	8.0	12.6
35 Other mortgages.....	7.9	9.3	10.0	9.4	9.6	9.7	9.2	11.3	11.2	9.6	6.2	8.2	9.7	9.2
36 Net sources of credit (= line 17).....	54.2	58.5	67.0	72.3	69.9	64.0	75.8	84.1	83.2	62.6	49.9	74.4	44.2	107.0
37 Chg. in U.S. Govt. cash balance.....	1.3	-.4	-.2	-1.0	-.4	-8.9	2.1	-3.3	6.7	-6.2	1.2	-.6	-14.8	13.3
38 U.S. Govt. lending.....	3.3	2.7	3.8	4.7	7.9	3.2	4.6	11.1	10.0	7.8	2.8	6.1	-.8	4.7
39 Foreign funds.....	2.2	1.9	2.5	.8	-.9	-1.7	3.6	-1.5	4.4	-5.3	-1.2	3.7	8.2	3.0
40 Pvt. insur. & pension reserves.....	9.0	10.1	11.1	11.6	12.8	11.9	11.9	12.8	10.8	13.1	14.5	12.2	12.0	13.8
41 Sources n.e.c.....	4.0	4.7	5.7	7.1	7.6	6.0	4.9	11.6	6.0	13.9	-1.0	-1.1	3.1	11.5
42 Pvt. domestic nonfin. sectors.....	34.4	39.5	43.8	49.1	42.8	53.5	48.8	53.3	45.3	39.2	33.6	54.0	36.5	60.6
43 Liquid assets.....	31.4	37.4	33.0	43.4	23.9	52.5	43.1	33.3	21.8	18.5	22.1	55.3	38.8	54.6
44 Deposits.....	30.1	34.4	35.3	40.4	22.7	49.4	42.3	29.1	24.6	15.8	21.2	60.7	51.9	51.8
45 Demand dep. and currency.....	2.1	5.9	6.5	7.7	2.9	14.1	11.9	4.0	1.6	-.5	6.5	10.0	10.3	10.9
46 Time and svcs. accounts.....	28.1	28.5	28.8	32.7	19.8	35.3	30.4	25.1	23.0	16.4	14.6	50.7	41.6	40.9
47 At commercial banks.....	15.0	13.4	13.0	19.5	12.5	21.7	17.9	15.4	18.1	11.1	5.4	33.8	21.2	23.1
48 At savings instlt.....	13.0	15.1	15.8	13.2	7.3	13.6	12.5	9.8	4.9	5.3	9.3	16.9	20.4	17.9
49 Short-term U.S. Govt. sec.....	1.3	3.0	-2.3	3.0	1.2	3.2	.8	4.2	-2.9	2.7	.9	-5.4	-13.1	2.8
50 Other U.S. Govt. securities.....	.4	1.7	3.1	.2	6.7	-5.3	2.5	4.8	14.5	3.3	4.3	-11.1	-.4	-.7
51 Pvt. credit mkt. instruments.....	2.5	2.3	7.5	5.8	12.1	5.9	4.6	15.5	10.6	15.6	6.6	9.4	6	9.5
52 Less security debt.....	-.2	2.0	-.2	.3	-.2	-.3	1.3	.3	1.5	-1.9	-.6	-.5	2.5	3.2
III. Direct lending in credit markets														
53 Total funds raised.....	54.2	58.5	67.0	72.3	69.9	64.0	75.8	84.1	83.2	62.6	49.9	74.4	44.2	107.0
54 Less change in U.S. Govt. cash.....	1.3	-.3	-.2	-1.0	-.4	-8.8	2.1	-3.3	6.7	-6.1	1.2	-.7	-14.9	13.3
55 Total net of U.S. Govt. cash.....	52.9	58.8	66.8	73.3	70.3	72.8	73.7	87.3	76.4	68.7	48.7	75.1	59.1	93.7
56 Funds supplied directly to cr. mkt.....	52.9	58.8	66.8	73.3	70.3	72.8	73.7	87.3	76.4	68.7	48.7	75.1	59.1	93.7
57 Federal Reserve System.....	1.9	2.6	3.2	3.8	3.3	5.1	3.5	2.5	-.1	6.6	4.2	3.0	-.2	8.0
58 Total.....	2.0	2.9	3.4	3.8	3.5	5.1	3.0	2.5	2.1	5.0	4.3	5.3	3.1	3.8
59 Less change in U.S. Govt. cash.....	.1	.3	.2	*	.2	*	-.5	.1	2.1	-1.6	.1	2.4	3.2	-4.2
60 Commercial banks, net.....	18.2	19.7	21.8	29.2	18.0	33.7	32.2	23.0	28.0	14.1	6.8	40.9	37.8	34.0
61 Total.....	19.5	19.4	22.4	29.0	17.5	24.9	35.2	19.9	32.9	9.6	7.9	38.7	38.8	51.5
62 Less chg. in U.S. Govt. cash.....	1.2	-.6	*	-1.0	-.5	-8.9	2.6	-3.3	4.6	-4.5	1.1	-3.0	-18.1	17.5
63 Security issues.....	.1	.3	.6	.8	.1	.1	.4	.1	.3	*	*	.8	.1	*
64 Nonbank finance, net.....	23.8	28.0	29.1	27.0	22.4	29.5	24.3	27.9	16.6	20.9	24.1	27.7	34.3	37.3
65 Total.....	28.5	34.4	33.5	32.9	25.7	29.8	33.7	35.7	18.7	21.5	27.0	29.6	18.6	50.1
66 Less credit raised.....	4.7	6.4	4.4	5.9	3.3	.4	9.4	7.7	2.0	.7	2.9	1.9	-15.7	12.8
67 U.S. Government.....	3.3	2.7	3.8	4.7	7.9	3.2	4.6	11.1	10.0	7.8	2.8	6.1	-.8	4.7
68 Foreign.....	1.5	.9	.6	-.1	-1.4	-2.6	2.7	-1.3	1.2	-4.1	-1.6	4.1	3.4	1.0
69 Pvt. domestic nonfin.....	4.3	5.1	8.5	8.7	20.2	4.1	6.5	24.2	20.7	23.4	12.5	-6.6	-15.5	8.8
70 Households.....	-1.7	.4	3.2	2.2	10.6	-2.2	-.6	13.7	15.4	11.1	2.0	-9.9	-10.5	3.2
71 Business.....	2.3	3.1	1.5	1.0	3.2	3.8	2.1	5.7	1.4	3.4	2.5	1.0	-5.5	.1
72 State and local govt.....	3.6	3.5	3.7	5.8	6.2	2.2	6.3	5.0	5.4	7.0	7.3	1.7	3.1	8.7
73 Less net security credit.....	-.2	2.0	-.2	.3	-.2	-.3	1.3	.3	1.5	-1.9	-.6	-.5	2.5	3.2

NOTE.—Quarterly data are seasonally adjusted totals at annual rates.

See also notes on p. A-65.3.

3. PRINCIPAL FINANCIAL TRANSACTIONS

(In billions of dollars)

Transaction category, or sector	1962	1963	1964	1965	1966	1965		1966				1967		
						III	IV	I	II	III	IV	I	II	III
I. Demand deposits and currency														
1 Net incr. in banking system liability	4.5	5.8	7.4	7.6	2.6	7.2	15.2	-3	10.1	-8.0	8.8	8.8	-6	25.1
2 U.S. Govt. deposits	1.3	-3	2	-1.0	-4	-8.8	2.1	-3.3	6.7	-6.1	1.2	-7	-14.9	13.3
3 Other	3.2	6.1	7.3	8.6	3.0	16.1	13.1	3.0	3.3	-1.9	7.6	9.5	14.3	11.7
4 Domestic sectors	3.1	6.0	6.8	8.3	3.3	15.4	12.8	2.9	2.1	-1	8.2	11.1	11.9	10.7
5 Households	2.7	4.3	6.4	7.1	1.9	9.7	11.7	-2.2	1.4	.5	8.1	11.0	7.1	3.4
6 Nonfinancial business	-9	-8	-2.1	-1.7	.7	-2.6	.3	2.3	.2	1.5	-1.3	-3.8	-1.7	3.7
7 State and local govts.	.9	2.4	1.2	-2	.8	2.3	-2.1	2.7	1.3	-7	-1	3.3	4.4	-3.7
8 Financial sectors	1.1	.2	.3	.7	.4	1.3	.9	-1.1	.5	.5	1.6	1.1	1.6	-2.8
9 Mail float	-6	-1	.9	2.5	-5	4.7	2.0	1.2	-1.3	-1.8	-2	-4	.5	4.1
10 Rest of the world	.1	.1	.5	.3	-3	.7	.3	.1	1.2	-1.8	-6	-1.6	2.4	1.0
II. Time and savings accounts														
11 Net increase—Total	28.7	29.5	30.4	33.0	20.3	35.0	30.8	24.6	24.5	16.7	15.5	52.3	45.4	42.4
12 At commercial banks—Total	15.6	14.3	14.5	20.0	13.3	21.6	18.1	15.1	20.1	11.6	6.2	35.1	23.7	24.0
13 Corporate business	3.7	3.9	3.2	3.9	-7	2.5	.9	4.1	1.7	-3.9	-4.6	10.0	-9	3.7
14 State and local govts.	1.0	1.6	1.7	2.4	1.3	3.3	3.1	-4	2.1	1.9	1.5	5.7	3.4	.7
15 Foreign depositors	.6	1.0	1.4	.6	.8	.2	.5	-2	2.0	.6	1.0	1.2	2.4	1.0
16 Households	10.3	7.9	8.2	13.3	11.9	15.9	13.8	11.6	14.3	13.0	8.5	18.1	18.7	18.7
17 At savings institutions	13.1	15.2	15.9	13.0	7.1	13.4	12.7	9.5	4.4	5.1	9.3	17.2	21.7	18.3
18 Memo: Households total	23.4	23.0	23.9	26.5	19.2	29.4	26.3	21.4	19.2	18.3	17.8	35.0	39.1	36.5
III. U.S. Govt. securities														
19 Total net issues	7.9	5.0	7.1	3.6	6.3	-3.8	8.5	10.8	6.7	4.9	2.9	8.3	-21.1	35.2
20 Short-term marketable	.7	1.4	4.0	3.5	2.2	-2.9	5.4	-1.5	-7.3	7.6	10.1	10.2	-35.7	31.2
21 Other	7.3	3.6	3.0	.2	4.1	-.9	3.2	12.3	14.1	-2.7	-7.2	-1.8	14.5	4.0
22 Net acquisitions, by sector	7.2	5.9	7.1	3.6	6.3	-3.8	8.5	10.8	6.7	4.9	2.9	8.3	-21.1	35.2
23 Federal Reserve System	1.9	2.8	3.5	3.7	3.5	5.1	2.3	2.8	1.7	5.7	3.8	5.6	2.9	3.8
24 Short-term	2.0	4.9	2.1	3.7	5.4	.1	-3.4	2.8	-.3	6.7	12.4	*	-4.1	2.3
25 Commercial banks	1.4	-2.6	.4	-2.4	-3.4	-.9	1.0	-2.7	-.3	-5.7	-4.8	16.9	-3.4	21.5
26 Short-term marketable	-5.2	-3.5	3.9	-1.7	-4.5	-.1	4.6	-10.2	-.5	-2.8	-4.4	9.9	-7.2	19.0
27 Other direct	5.2	.5	-4.1	-1.5	1.2	-2.8	-4.1	7.6	-2.3	-.3	-.3	4.8	-.3	1.1
28 Nonguaranteed	1.4	.3	.6	.8	*	2.0	.4	*	2.6	-2.6	-.1	2.2	4.2	1.4
29 Nonbank finance	1.6	-.5	2.0	-.8	.9	-4.2	-.3	4.0	-4.6	3.4	-.8	-1.1	-8.9	9.2
30 Short-term marketable	.8	-1.3	1.2	-.4	1.5	-3.2	1.5	3.2	-2.6	3.8	1.4	3.4	-10.9	10.2
31 Other direct	.6	.6	.5	-.7	-1.0	-1.7	-1.6	-.2	-2.4	-.5	-.9	-5.2	.6	-.7
32 Nonguaranteed	.2	.3	.3	.3	.4	.7	-.2	.9	.4	.1	.4	.8	1.4	-.3
33 Foreign	1.3	.6	.5	-.1	-2.6	-1.7	2.2	-2.3	-1.6	-4.4	-2.1	3.3	1.8	-1.4
34 Short-term	2.2	-.6	.1	-.4	-.8	-2.4	2.6	-1.2	-.3	-2.4	-.7	3.2	.5	-2.1
35 Pvt. domestic nonfinan. sector	1.7	4.7	.8	3.2	7.9	-2.1	3.2	9.0	11.6	6.0	5.2	-16.5	-13.5	2.1
36 Short-term marketable	.9	1.8	-3.2	2.4	.7	2.7	*	3.8	-3.5	2.3	...	-6.3	-14.0	1.8
37 Other direct	-.1	1.0	2.8	-1.1	2.1	-6.3	1.8	.7	2	1.8	5.8	-9.5	.2	-.2
38 Nonguaranteed	.5	.7	.4	1.3	4.6	1.0	.7	4.1	14.3	.15	-1.4	-1.5	-.6	-.4
39 Savings bonds—Households	.4	1.2	.9	.6	.6	.5	.8	.3	.7	.3	.9	.8	.9	1.0
IV. Other securities														
40 Total net issues, by sector	11.5	13.1	14.6	16.2	18.7	15.7	14.8	21.7	23.4	17.2	12.5	28.1	28.1	34.0
41 State and local govts.	5.0	6.7	5.9	7.3	6.0	6.7	7.8	6.3	6.9	4.6	6.1	10.3	11.5	9.8
42 Nonfinancial corporations	5.1	3.6	5.4	5.4	11.4	7.1	2.8	12.2	15.5	11.3	6.6	14.3	15.8	21.7
43 Commercial banks	.1	.3	.6	.8	.1	.1	.4	.1	.3	*	*	.8	.1	*
44 Finance companies	.3	1.4	2.1	1.9	.8	1.0	3.0	1.7	.5	1.2	-.4	1.7	-.3	1.0
45 Rest of the world	1.0	1.1	.7	.8	.5	.8	.8	1.4	.2	*	.2	1.0	1.0	1.6
46 Net purchases	11.5	13.1	14.6	16.2	18.7	15.7	14.8	21.7	23.4	17.2	12.5	28.1	28.1	34.0
47 Households	-1.7	-2.9	1.5	.1	3.1	-.2	-2.4	7.4	4.7	3.6	-3.4	-3.9	-7.1	2.6
48 Nonfinancial corporations	-.4	.9	.2	.7	.8	.8	.8	.8	.8	.7	.8	.7	.7	.8
49 State and local govts.	2.0	2.5	2.8	2.8	4.1	3.5	3.4	3.5	2.4	5.6	5.0	7.0	6.9	4.8
50 Commercial banks	4.4	5.2	3.7	5.0	2.4	3.8	4.9	2.9	7.6	-.1	-.7	9.6	15.0	3.9
51 Insurance and pension funds	7.5	7.6	7.5	9.5	9.5	10.4	9.9	11.6	8.3	9.5	8.6	14.0	11.1	14.9
52 Finance n.e.c.	-.3	-.2	-.8	-.6	-2.3	-1.8	-1.7	-5.4	-2.3	-2.9	1.3	-2.1	-3.0	1.8
53 Security brokers and dealers	.4	.2	*	-.1	.1	.4	*	-.8	-.3	1.0	2.6	-1.9	-2.9	2.4
54 Investment cos., net	-.8	-.5	-.8	-1.5	-2.5	-2.2	-1.7	-2.6	-2.1	-4.0	-1.3	-.2	-.1	-.6
55 Portfolio purchases	1.1	.8	1.1	1.6	1.3	1.5	2.1	3.0	.8	-1.1	2.5	3.7	2.1	2.9
56 Net issues of own shares	1.9	1.2	1.9	3.0	3.8	3.7	3.8	5.6	2.9	2.9	3.8	3.9	2.3	3.6
57 Rest of the world	.1	.3	-.1	-.4	.9	-.9	.2	.7	2.1	.4	.4	.5	1.3	2.2
V. Mortgages														
58 Total net lending	21.3	25.0	25.3	25.5	19.6	26.2	26.0	25.7	22.6	17.0	13.2	17.3	19.0	23.0
59 1- to 4-family	13.4	15.7	15.4	16.1	10.0	16.5	16.8	14.4	11.4	7.4	6.9	9.2	9.3	13.9
60 In process	.4	.5	-.3	*	-.9	-.2	-.1	.3	-1.1	-1.7	-.2	.5	1.4	1.3
61 Disbursed	13.0	15.2	15.7	16.2	11.0	16.7	16.9	14.2	12.5	9.1	8.1	8.7	8.0	12.6
62 Other	7.9	9.3	10.0	9.4	9.6	9.7	9.2	11.3	11.2	9.6	6.2	8.2	9.7	9.2
63 Net acquisitions	21.3	25.0	25.3	25.5	19.6	26.2	26.0	25.7	22.6	17.0	13.2	17.3	19.0	23.0
64 Households	*	-.3	-.2	-.9	-.4	-1.2	-.3	-2.3	-.2	.6	.5	-.4	-1.7	-.3
65 U.S. Government	.3	-1.0	.2	1.0	3.4	.8	1.6	4.4	4.1	3.1	1.8	2.4	1.6	3.0
66 Commercial banks	4.0	4.9	4.5	5.6	4.6	6.3	5.8	5.4	5.3	4.3	3.6	2.0	3.5	4.4
67 Savings institutions	13.2	16.1	14.8	13.1	6.6	13.4	12.7	11.5	7.3	3.7	3.7	6.8	10.3	12.9
68 Insurance	3.0	4.0	5.1	5.5	5.1	5.3	5.4	5.7	5.9	5.3	3.6	5.2	2.9	2.0
69 Mortgage companies	.5	.8	.4	.5	-.6	.8	.1	.3	-.6	-.9	-1.1	.3	1.3	-.2
VI. Bank loans n.e.c.														
70 Total net borrowing	6.2	7.6	8.7	16.4	8.2	15.6	17.1	9.7	16.0	5.2	2.0	1.7	8.0	8.1
71 Nonfinancial business	4.3	5.0	5.1	12.2	9.9	11.0	12.4	10.1	15.2	9.6	4.7	5.7	11.3	3.2
72 Nonbank finance	1.0	1.7	.5	2.4	-1.4	3.1	3.5	.6	-.1	-3.5	-2.7	-4.3	-3.3	2.1
73 Households	.5	.4	1.4	1.3	-.1	1.4	1.6	-.6	.3	-.7	.5	.9	.7	2.0
74 Rest of the world	.4	.5	1.7	.4	-.2	.1	-.4	-.4	.5	-.3	-.5	-.6	-.8	.8

NOTE.—Quarterly data are seasonally adjusted totals at annual rates. See also notes on p. A-65.3.

Notes to Table 2

I. *Saving and investment.* Derived statistically from Commerce Dept. income and product accounts. Tables showing the relation to those accounts are in Nov. 1965 BULLETIN. Gross national saving (line 1) is the sum for domestic sectors of gross-saving entries in Table 4. It is before deduction of capital consumption allowances. Govt. saving is net of public outlays for capital goods as well as current operations. Gross national investment (line 8) is gross private domestic investment in income-and-product accounts plus consumer durables plus net foreign investment. Net foreign investment differs from corresponding income-and-product series by amount of errors and omissions in balance of payments statement.

Relation of saving-investment discrepancy to flow of funds matrix is described on p. 1536 of Nov. 1965 BULLETIN.

II. *Financial flows-Summary.* This table is described in Nov. 1962 BULLETIN, p. 1405. Total net funds raised (line 17) is borrowing through credit markets (line 25 of Table 1) by households, nonfinancial business, govts., and foreigners. Credit market funds raised by all sectors consists of line 17 plus financial-sector borrowing (Table 4(H), line 32, and Table 4(I), line 22).

U.S. Govt. short-term securities are direct marketable issues due in less than 1 year plus part of those due in less than 2 years. For further detail see Table 4(E), lines 26-30.

Demand deposits on lines 37 and 45 are on bank-record basis rather than holder records shown in Table 4. Line 37 includes time deposits. Difference is described in Aug. 1959 BULLETIN, p. 852 ff. Foreign funds consist of lines 9-12 of Table 4(J). Sources n.e.c. (line 41) is mainly financial institution net sources of funds other than deposits, insurance and pension reserves, security credit, and credit mkt. funds.

Private domestic nonfinancial sectors (line 42) consists of acquisition

of deposits and credit market instruments by households, nonfinancial business, and State and local govts. Line 49 includes household savings bonds as well as marketable issues; see Table 3, line 39. Line 51 includes consumer credit and open market paper in addition to private securities and mortgages. Line 52 is net of free credit balances at brokers.

III. *Direct lending in credit markets.* Federal Reserve total is Table 4(G), lines 5 less 14. Commercial-bank total, line 61, is Table 4(H), line 5; includes security credit. Nonbank finance totals include security credit both in lending and funds raised and exclude investment company shares on both sides; line 65 is lines 7 and 16 of Table 4(I), less line 5 of 4(I.8), and line 66 is line 22 of Table 4(I) plus line 5 of 4(I.7) less line 5 of 4(I.8). Line 69 is the net sum of lines 49-52 in Table 2-II.

Notes to Table 3

I. *Demand deposits and currency.* Lines 5-8 are holder record; line 9 is difference between holder and bank record.

III. *U.S. Govt. securities.* All holdings stated in par values; excludes special issues to International Monetary Fund and includes nonguaranteed issues of Govt. agencies and loan participation certificates. See note 7 to Table 4(E) below. Short-term category consists of direct marketable issues due in less than 1 year plus part of those due in less than 2 years.

IV. *Other securities.* Total excludes open-end investment co. shares; these are shown as a deduction on line 56, offsetting net purchases of such shares included in the other lines (mainly households) under "net purchases." Net purchases includes small amounts for mutual savings banks not shown separately.

V. *Mortgages.* Loans in process at savings and loan associations are included in totals outstanding and treated as savings and loan liability. Line 63 includes holdings by State and local govts. not shown separately.

4. SECTOR STATEMENTS OF SOURCES AND USES OF FUNDS

(In billions of dollars)

Category		1962	1963	1964	1965	1966	1965		1966				1967		
							III	IV	I	II	III	IV	I	II	III
(A) Households ¹															
1	Personal income.....	442.6	465.5	497.5	537.8	584.0	544.6	556.1	567.8	577.3	589.3	601.5	612.9	619.1	631.0
2	Less: Personal taxes & nontaxes.....	57.4	60.9	59.2	65.6	75.2	65.2	66.7	70.4	74.1	76.9	79.6	80.2	79.1	82.8
3	Personal outlays.....	363.7	384.6	411.9	445.0	479.0	448.5	460.1	470.9	474.6	483.2	487.4	493.9	504.0	509.6
4	Equals: Personal saving.....	21.6	19.9	26.2	27.2	29.8	30.9	29.7	26.6	28.7	29.2	34.6	38.8	36.0	38.5
5	Plus: Credits from Govt. insur. ²	3.5	4.0	4.4	4.8	5.1	5.0	4.7	4.9	5.4	5.0	5.2	5.4	6.2	5.5
6	Other adjustments ³	.5	.5	.6	.9	1.3	.8	1.7	.7	.9	2.0	1.4	.7	1.2	6
7	Net durables in consumpt. ⁴	6.7	8.9	11.2	14.6	14.9	14.3	15.8	17.7	13.3	15.0	13.6	11.4	13.5	13.1
8	Purchases.....	49.5	53.9	59.2	66.0	70.3	66.1	68.6	71.6	68.2	70.9	70.6	69.4	72.5	72.7
9	Less: Cap. consumpt. ⁵	42.9	45.0	48.0	51.4	55.4	51.9	52.8	53.8	54.9	55.9	57.0	58.0	59.1	59.6
10	Equals: Net saving.....	32.3	33.3	42.4	47.5	51.1	50.9	51.5	50.9	48.1	50.1	55.5	57.0	56.3	58.3
11	Plus: Capital consumpt. ⁶	49.8	52.4	55.9	59.8	64.1	60.3	61.3	62.5	63.6	64.7	65.8	67.0	68.1	68.8
12	Equals: Gross saving.....	82.0	85.8	98.3	107.3	115.3	111.2	112.8	113.4	111.7	114.8	121.3	123.9	124.5	127.1
13	Gross investment (14+18).....	83.5	87.2	97.8	107.6	114.5	109.4	111.1	113.2	111.3	116.5	117.0	119.9	123.9	127.3
14	Capital expend. (net of sales).....	71.5	76.3	82.2	89.2	93.1	89.4	92.2	95.5	91.8	93.8	91.3	88.1	91.6	93.8
15	Residential construction.....	18.7	19.0	19.3	19.1	18.4	19.1	19.3	19.4	19.2	18.5	16.3	14.3	14.7	16.7
16	Consumer durable goods.....	49.5	53.9	59.2	66.0	70.3	66.1	68.6	71.6	68.2	70.9	70.6	69.4	72.5	72.7
17	Plant and equip. (nonprofit).....	3.2	3.4	3.7	4.1	4.4	4.1	4.3	4.5	4.4	4.3	4.5	4.4	4.3	4.3
18	Net finan. investment (19-37).....	12.1	10.9	15.6	18.4	21.4	20.0	18.9	17.7	19.5	22.7	25.7	31.8	32.3	33.6
19	Net acqu. of finan. assets ⁷	32.6	37.2	42.9	48.3	43.4	49.7	50.9	44.4	43.7	41.8	43.8	49.1	49.0	58.2
20	Demand dep. and currency.....	2.7	4.3	6.4	7.1	1.9	9.7	11.7	-2.2	1.4	.5	8.1	11.0	7.1	3.4
21	Savings accounts.....	23.4	23.0	23.9	26.5	19.2	29.4	26.3	21.4	19.2	18.3	17.8	35.0	39.1	36.5
22	At commercial banks.....	10.3	7.9	8.2	13.3	11.9	15.9	13.8	11.6	14.3	13.0	8.5	18.1	18.7	18.7
23	At savings institutions.....	13.0	15.1	15.8	13.2	7.3	13.6	12.5	9.8	4.9	5.3	9.3	16.9	20.4	17.9
24	Life insurance reserves.....	3.7	4.2	4.3	4.8	4.7	5.1	4.8	4.7	4.7	4.6	4.6	5.3	3.9	4.6
25	Pension fund reserves.....	8.8	9.9	11.2	11.7	13.3	11.8	11.7	13.0	11.5	13.5	15.1	12.4	14.3	14.7
26	Cr. market instr.	-1.7	.4	3.2	2.2	10.6	-2.2	-.6	13.7	15.4	11.1	2.0	-9.9	-10.5	3.2
27	U.S. Govt. securities.....	*	3.5	1.9	3.0	7.9	-.8	2.1	8.7	11.0	7.0	4.9	-5.5	-1.7	.9
28	Savings bonds.....	.4	1.2	.9	.6	.6	.5	.8	.3	.7	.3	.9	.8	.9	1.0
29	Short-term mkt.....	.4	2.8	-1.8	3.2	1.8	5.1	-1.0	3.1	1.4	2.9	-.3	-3.3	-4.5	-7.5
30	Other direct.....	-1.1	-.9	2.0	-1.0	1.5	-5.8	2.1	3.3	-2.8	1.2	4.3	-2.9	.5	8.4
31	Nonguaranteed.....	.3	.4	.8	.2	4.1	-.6	.3	2.0	11.8	2.5	*	-.1	1.4	-1.0
32	State and local oblig.	.8	.7	2.2	2.1	2.2	2.9	3.0	2.7	-3.1	4.4	4.8	-.6	-3.0	6.3
33	Corporate and fgn. bonds.....	-.7	-1.0	-.8	-.3	1.2	-1.3	-2.1	3.5	3.4	.8	-2.8	-.4	.9	2.7
34	Corporate stock.....	-1.8	-2.5	.1	-1.7	-.4	-1.8	-3.4	1.2	4.3	-1.6	-5.3	-3.0	-.5	-6.4
35	Mortgages.....	*	-.3	-.2	-.9	-.4	-1.2	-.3	-2.3	-.2	.6	.5	-.4	-1.7	-.3
36	Net invest. in noncorp. bus.	-4.9	-5.3	-7.2	-5.7	-7.4	-5.7	-5.8	-8.2	-8.6	-7.0	-5.7	-8.1	-6.8	-6.4
37	Net increase in liabilities.....	20.5	26.3	27.2	29.9	22.0	29.7	31.9	26.6	24.2	19.1	18.1	17.3	16.7	24.6
38	Credit mkt. instruments.....	20.4	24.1	27.2	28.7	21.7	29.3	29.0	25.1	23.1	21.0	17.7	15.2	13.4	20.3
39	1- to 4-family mtgs.....	12.9	14.8	16.0	16.0	12.0	16.6	16.8	14.2	13.0	11.3	9.6	7.4	7.1	11.5
40	Other mortgages.....	.9	.9	1.0	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.0	1.0
41	Consumer credit.....	5.5	7.3	8.0	9.4	6.9	9.3	8.8	9.3	7.0	6.8	4.6	4.3	3.4	5.1
42	Bank loans n.e.c.....	.5	.4	1.4	1.3	-.1	1.4	1.6	-.6	.3	-.7	.5	.9	.7	2.0
43	Other loans ⁸	.7	.6	.8	.8	1.8	.9	.7	1.2	1.7	2.5	2.0	1.5	1.2	.8
44	Security credit.....	-.1	2.0	-.2	.8	-.2	*	2.6	.9	.8	-2.4	-.1	1.6	2.8	3.8
45	Discrepancy (12-13).....	-1.5	-1.5	.5	-.3	.8	1.8	1.7	.2	.3	-1.7	4.3	4.0	.6	-.2

For notes see p. A-65.9

4. SECTOR STATEMENTS OF SOURCES AND USES OF FUNDS—Continued

(In billions of dollars)

Category	1962	1963	1964	1965	1966	1965		1966				1967		
						III	IV	I	II	III	IV	I	II	III
(B) Nonfinancial business—Total ¹														
1 Income before taxes ²	102.4	106.9	115.3	128.2	137.2	128.8	133.1	137.3	136.5	136.6	138.4	131.6	132.1	133.3
2 Gross saving.....	55.0	57.3	65.0	71.0	76.3	71.4	73.2	74.4	75.1	75.9	79.8	75.1	75.4	76.4
3 Gross investment.....	53.3	57.2	59.5	69.7	71.9	69.7	71.1	69.5	70.0	71.7	76.7	73.1	70.8	71.5
4 Capital expenditures.....	60.4	63.8	70.2	83.4	94.2	83.9	87.7	90.2	93.8	92.5	100.4	90.9	85.3	90.4
5 Fixed investment.....	54.4	57.9	64.3	74.0	80.8	74.8	78.0	80.4	79.8	81.1	82.0	83.7	84.8	86.6
6 Business plant & equipment.....	47.8	49.9	56.5	66.1	74.8	67.0	70.6	72.8	73.3	75.9	77.3	76.6	76.4	77.7
7 1-4 family residential const. ³	.7	1.0	.1	.7	—	.9	.5	.5	—	—	—	1.0	2.5	2.4
8 Other residential.....	5.9	7.0	7.7	7.2	6.8	6.9	7.0	7.1	6.7	6.8	6.4	6.1	5.9	6.4
9 Change in inventories ⁴	6.0	5.9	5.8	9.4	13.4	9.1	9.6	9.8	14.0	11.4	18.4	7.1	.5	3.8
10 Net financial investment.....	-7.1	-6.5	-10.7	-13.7	-22.3	-14.2	-16.5	-20.7	-23.8	-20.8	-23.7	-17.8	-14.5	-18.9
11 Net acquis. of finan. assets.....	17.5	19.8	14.1	24.5	19.7	23.7	25.8	27.0	24.8	17.8	9.4	15.3	6.1	25.2
12 Net increase in liabilities ⁵	24.6	26.4	24.7	38.2	42.0	37.8	42.4	47.7	48.6	38.6	33.1	33.1	20.6	44.1
13 Credit mkt. instruments.....	18.2	19.1	22.1	29.6	33.5	30.6	27.4	38.7	43.3	30.9	21.1	34.9	36.5	37.9
14 Securities.....	5.1	3.6	5.4	5.4	11.4	7.1	2.8	12.2	15.5	11.3	6.6	14.3	15.8	21.7
15 1-4 family mortgages.....	.1	.4	—	.2	—	1.0	.1	—	—	—	—	1.3	.9	1.1
16 Other mortgages.....	7.0	8.4	9.0	8.3	8.5	8.6	8.1	10.2	10.0	8.4	5.1	7.1	8.7	8.2
17 Bank loans n.e.c.....	4.3	5.0	5.1	12.2	9.9	11.0	12.4	10.1	15.2	9.6	4.7	5.7	11.3	3.2
18 Other loans ⁵	1.7	1.8	3.0	3.4	4.8	3.8	4.0	6.3	3.0	3.6	6.2	6.5	—	3.7
19 Trade debt.....	5.5	7.0	5.8	8.2	9.1	7.8	9.1	8.6	14.9	5.3	7.6	4.8	5.9	4.4
20 Other liabilities.....	.9	.2	-3.2	.4	—	—	5.8	.4	-9.6	2.5	4.4	-6.7	-21.8	1.8
21 Discrepancy.....	1.6	.1	5.5	1.3	4.3	1.7	2.1	5.0	5.1	4.2	3.1	2.0	4.6	5.0
(C) Farm and noncorporate nonfinancial business ⁶														
1 Net income ²	57.5	58.4	60.1	65.0	67.7	65.6	66.3	68.4	67.8	67.7	67.1	66.5	66.6	67.7
2 Gross saving ⁷	13.1	13.5	14.5	15.3	16.0	15.3	15.5	15.7	15.9	16.1	16.3	16.5	16.6	16.9
3 Gross investment.....	13.1	13.5	14.5	15.3	16.0	15.3	15.5	15.7	15.9	16.1	16.3	16.5	16.6	16.9
4 Capital expenditures.....	15.7	17.1	16.6	19.9	19.1	19.8	21.0	19.7	19.6	17.2	19.7	17.1	18.9	20.8
5 Fixed investment.....	14.4	15.6	16.6	18.2	17.9	18.3	18.8	18.5	17.8	17.4	18.0	18.4	19.2	19.3
6 Change in inventories ⁴	1.3	1.5	*	1.7	1.1	1.5	2.1	1.2	1.8	—	1.8	-1.3	—	1.5
7 Net financial investment.....	-2.6	-3.6	-2.1	-4.6	-3.1	-4.5	-5.5	-4.0	-3.7	-1.1	-3.4	—	-2.2	-3.9
8 Net acquis. of finan. assets.....	.5	.7	1.0	.9	.9	.7	1.0	.8	.8	.8	1.1	1.2	.6	1.3
9 Net increase in liabilities ⁵	3.1	4.3	3.2	5.5	4.0	5.1	6.5	4.9	4.5	1.9	4.6	1.8	2.8	5.2
10 Credit mkt. instruments.....	7.0	8.6	8.6	10.5	10.1	10.0	11.2	13.1	9.9	7.2	10.2	6.3	8.9	9.4
11 Mortgages.....	4.2	5.2	5.4	5.4	4.8	5.5	5.3	6.2	5.9	4.3	2.8	4.8	5.5	5.6
12 Bank loans n.e.c.....	1.8	2.1	1.5	3.1	3.0	2.3	3.7	3.6	2.4	1.4	4.6	*	4.3	1.2
13 Other loans ⁵	1.0	1.3	1.7	2.1	2.3	2.2	2.2	3.3	1.6	1.6	2.8	1.4	—	2.6
14 Trade debt, net.....	1.0	1.1	1.8	.8	1.3	.9	1.1	*	3.3	1.6	.1	3.5	—	2.3
15 Proprietors' net investment ⁹	-4.9	-5.3	-7.2	-5.7	-7.4	-5.7	-5.8	-8.2	-8.6	-7.0	-5.7	-8.1	-6.8	-6.4
(D) Corporate nonfinancial business ¹⁰														
1 Profits + IVA.....	44.9	48.6	55.2	63.1	69.5	63.2	66.9	68.9	68.7	69.0	71.3	65.1	65.4	65.5
2 Profits tax accruals.....	20.8	22.8	24.2	27.6	30.2	27.3	29.2	30.3	30.2	30.2	30.1	28.0	28.1	28.2
3 Net dividend payments ¹¹	11.4	12.7	13.2	15.1	16.7	15.6	16.5	16.8	16.8	16.8	16.2	17.4	18.3	17.9
4 Net savings + IVA (1-2-3).....	12.6	13.1	17.8	20.5	22.6	20.4	21.2	21.8	21.7	21.9	25.0	19.7	19.1	19.2
5 Capital consumption.....	29.2	30.8	32.8	35.3	37.7	35.7	36.6	37.0	37.5	37.9	38.4	38.9	29.6	40.4
6 Current surp. = gross saving (4+5).....	41.8	43.9	50.5	55.7	60.3	56.1	57.8	58.8	59.2	59.8	63.5	58.6	58.7	59.5
7 Gross investment.....	40.2	43.8	45.0	54.4	56.0	54.4	55.6	53.8	54.1	55.6	60.4	56.6	54.1	54.6
8 Capital expenditures.....	44.7	46.7	53.6	63.5	75.2	64.1	66.7	70.5	74.2	75.8	80.6	73.8	66.4	69.6
9 Fixed investment.....	40.0	42.3	47.7	55.8	62.9	56.5	59.2	61.9	62.0	63.7	64.0	65.3	65.6	67.3
10 Plant and equipment.....	37.0	38.6	44.1	52.1	60.2	52.9	55.7	58.4	59.0	61.3	61.9	62.1	61.7	63.2
11 Residential construction.....	3.0	3.7	3.6	3.7	2.7	3.7	3.5	3.5	3.0	2.3	2.1	3.3	3.9	4.2
12 Change in inventories ⁴	4.7	4.3	5.9	7.7	12.3	7.6	7.5	8.6	12.2	11.7	16.6	8.4	.8	2.3
13 Net financial investment.....	-4.5	-2.9	-8.6	-9.1	-19.2	-9.7	-11.1	-16.7	-20.1	-19.8	-20.3	-17.2	-12.3	-15.0
14 Net acquis. of finan. assets.....	16.9	19.1	13.0	23.6	18.8	23.0	24.8	26.1	24.0	17.0	8.3	14.1	5.5	23.9
15 Liquid assets.....	4.1	4.3	.8	.8	1.0	1.6	.7	8.4	1.3	—	—	4.4	—	5.1
16 Demand dep. and curr.	—	—	-2.3	-1.8	.7	-2.6	.2	2.3	.2	1.5	—	-1.3	-3.9	3.6
17 Time deposits.....	3.7	3.9	3.2	3.9	.7	2.5	.9	4.1	1.7	-3.9	-4.6	10.0	—	3.7
18 U.S. Govt. securities.....	.5	.5	—	—	-1.2	.7	—	—	-1.6	-1.6	—	—	-4.8	1.6
19 Open market paper.....	.9	.7	1.4	.8	2.3	1.1	.7	2.5	1.0	3.2	2.4	3.0	—	—
20 State and local oblig.....	—	.9	.2	.7	.8	.8	.8	.8	.7	.8	.7	.7	.7	.8
21 Consumer credit.....	.9	.7	1.0	1.2	1.1	1.1	1.2	2.6	.9	.8	—	1.5	1.0	.9
22 Trade credit.....	8.2	8.5	8.3	12.8	10.8	10.7	15.2	10.5	17.1	9.6	6.0	4.2	9.7	6.4
23 Other financial assets ¹²	4.1	4.8	2.8	8.2	5.2	8.8	6.9	3.9	4.0	6.7	6.2	3.3	4.0	10.6
24 Net increase in liabilities.....	21.5	22.0	21.6	32.7	38.0	32.7	35.9	42.8	44.1	36.7	28.5	31.3	17.8	38.9
25 Credit mkt. instruments.....	11.2	10.5	13.5	19.1	23.4	20.6	25.6	33.4	33.4	23.6	11.0	28.6	27.6	28.5
26 Corporate bonds.....	4.6	3.9	4.0	5.4	10.2	7.6	3.8	12.7	9.6	10.5	8.1	13.3	13.9	18.6
27 Corporate stock.....	.6	—	1.4	*	1.2	—	—	—	—	.9	—	.9	1.9	3.1
28 Mortgages.....	2.9	3.5	3.3	3.1	2.6	3.2	2.9	3.9	3.7	2.0	.9	3.5	4.0	3.7
29 Bank loans n.e.c.....	2.5	2.9	1.6	9.2	6.9	8.7	8.8	6.5	12.8	8.2	.1	5.7	7.1	2.1
30 Other loans ¹³	.7	.5	1.3	1.3	2.5	1.6	1.8	3.0	1.4	2.1	3.3	5.0	.7	1.2
31 Profits tax liability ¹⁴	1.1	1.5	.7	1.9	.2	1.4	5.4	2.8	-6.7	2.7	1.8	1.3	-20.6	.1
32 Trade debt.....	4.4	6.0	4.0	7.4	7.8	7.0	8.1	8.6	11.6	3.7	7.4	1.3	5.2	2.1
33 Other liabilities.....	4.7	4.0	3.3	4.3	6.6	3.6	6.2	5.7	5.8	6.7	8.3	.1	5.6	8.1
34 Discrepancy.....	1.6	.1	5.5	1.3	4.3	1.7	2.1	5.0	5.1	4.2	3.1	2.0	4.6	5.0
35 Memo: Net trade credit.....	3.7	2.5	4.3	5.3	3.0	3.8	7.1	1.9	5.4	5.9	-1.4	2.9	4.5	4.3
36 Profits tax payments ¹⁴	20.0	20.8	23.4	25.6	30.6	26.2	25.4	27.8	38.7	28.6	27.2	27.3	49.8	26.7

For notes see p. A-65.9.

4. SECTOR STATEMENTS OF SOURCES AND USES OF FUNDS—Continued

(In billions of dollars)

Category	1962	1963	1964	1965	1966	1965		1966				1967			
						III	IV	I	II	III	IV	I	II	III	
(E) U.S. Government ¹															
1 Tax receipts (net of refunds).....	85.9	91.4	91.2	99.6	109.9	98.1	101.8	105.1	109.1	111.6	113.9	112.0	110.9	114.7	1
2 Individual income.....	48.6	51.5	48.6	53.8	61.7	53.3	54.6	57.7	60.9	63.1	65.2	65.5	64.0	67.5	2
3 Corp. profits tax accruals.....	22.7	24.6	26.4	29.3	32.3	29.0	30.9	32.2	32.2	32.4	32.3	30.3	30.3	30.6	3
4 Other.....	14.6	15.3	16.1	16.5	15.9	15.7	16.3	15.2	15.9	16.2	16.3	16.2	16.5	16.7	4
Social insurance programs ²															
5 Premiums received.....	18.5	21.0	21.6	22.8	30.8	22.9	23.4	29.4	30.0	31.4	32.2	34.4	34.6	35.3	5
6 Benefits paid.....	17.4	18.2	18.7	20.3	22.5	20.5	21.1	21.5	21.1	22.7	24.8	27.5	27.6	28.2	6
Life insur. & retirement programs ³															
7 Premiums received.....	2.1	2.1	2.2	2.3	2.5	2.4	2.4	2.5	2.5	2.5	2.6	2.6	2.6	2.6	7
8 Benefits paid.....	2.9	3.2	3.2	3.3	3.9	3.3	3.5	3.7	3.9	4.0	4.0	4.1	4.1	4.2	8
9 Net grants and donations paid ⁴ ...	19.4	20.5	22.8	24.2	29.8	26.5	24.7	28.4	29.0	30.5	31.5	31.9	31.2	32.1	9
10 Net interest paid.....	7.2	7.7	8.3	8.7	9.5	8.7	8.9	9.1	9.4	9.6	10.0	10.4	10.4	10.5	10
11 Net purchases of goods & services...	63.4	64.2	65.2	66.8	77.0	67.6	69.8	72.1	74.9	79.5	81.5	87.1	89.5	90.9	11
12 Net surplus.....	-3.8	.7	-3.0	1.4	.3	-3.2	-.5	2.2	3.2	-.7	-3.3	-11.9	-14.7	-13.2	12
13 Insurance and retirement credits ⁵ ...	1.1	1.3	1.4	1.4	1.4	1.6	1.1	1.3	1.7	1.2	1.3	1.4	2.1	1.3	13
14 Gross saving.....	-4.8	-.6	-4.3	.1	-.9	-4.7	-1.5	1.1	1.6	-1.8	-4.6	-13.2	-16.7	-14.3	14
15 Net finan. investment (16-23).....	-4.7	-1.3	-2.5	-.7	-.2	-5.0	-2.3	.3	1.7	-.5	-2.4	-8.5	-18.6	-15.1	15
16 Net acqis. of finan. assets.....	4.7	4.7	5.6	5.0	8.6	-6.0	9.0	12.1	10.7	6.8	4.8	5.3	-34.4	20.4	16
17 Demand deposits & currency.....	1.0	-.4	.6	-1.4	-.1	-.94	1.3	-2.5	9.1	-4.2	-2.7	-.8	-13.5	11.7	17
18 Credit market instruments.....	3.3	2.7	3.8	4.7	7.9	3.2	4.6	11.1	10.0	7.8	2.8	6.1	-.8	4.7	18
19 Mortgages.....	.3	-1.0	.2	1.0	3.4	.8	1.6	4.4	4.1	3.1	1.8	2.4	1.6	3.0	19
20 Other loans.....	3.0	3.7	3.5	3.7	4.6	2.4	2.9	6.7	5.9	4.7	.9	3.7	-2.5	1.7	20
21 Excess of tax accruals over receipts.....	.8	1.8	1.1	1.2	-.5	.5	2.9	2.6	-8.9	1.5	2.7	1.0	-23.0	1.5	21
22 Other financial assets ⁶	-.5	.6	.1	.5	1.3	-.3	.3	.9	.4	1.7	2.0	-1.0	3.0	2.5	22
23 Net increase in liabilities.....	9.3	6.0	8.1	5.7	8.8	-1.0	11.3	11.7	9.0	7.3	7.2	13.8	-15.8	35.5	23
24 Life insurance and retirement reserves.....	1.1	1.3	1.4	1.4	1.4	1.6	1.1	1.3	1.7	1.2	1.3	1.4	2.1	1.3	24
25 U.S. Govt. securities ⁷	7.9	5.0	7.1	3.6	6.3	-3.8	8.5	10.8	6.7	4.9	2.9	8.3	-21.1	35.2	25
26 Svgs. bonds ⁸	.4	1.2	.9	.6	.6	.5	.8	.3	.7	.3	.9	.8	.9	1.0	26
27 Short-term marketable ⁹	.7	1.4	4.0	3.5	2.2	-2.9	5.4	-1.5	-7.3	7.6	10.1	10.2	-35.7	31.2	27
28 Other direct.....	4.8	1.1	.9	-2.9	-1.4	-5.2	1.5	7.0	-3.8	-2.0	-6.9	-4.2	8.8	2.3	28
29 Nonguaranteed agency issues	1.6	1.5	.4	2.0	3.8	1.9	.9	3.4	10.3	1.2	.2	-4.2	-2.2	.8	29
30 Loan participations.....	.5	-.2	.8	.4	1.3	1.8	*	1.6	6.9	-2.2	-1.3	5.7	7.1	-.1	30
31 Other liabilities.....	.3	-.3	-.4	.6	1.1	1.2	1.6	-.3	.5	1.2	2.9	4.0	3.2	-1.0	31
32 Discrepancy (14-15).....	-.2	.7	-1.8	.8	-.7	.3	.7	.7	-.1	-1.3	-2.2	-4.7	1.9	.8	32
33 Memo: Corp. tax receipts, net.....	21.9	22.8	25.3	28.1	32.8	28.5	28.0	29.6	41.1	30.8	29.6	29.4	53.4	29.1	33
(F) State and local governments ¹⁰															
1 Tax receipts.....	47.1	50.5	54.9	59.5	64.9	60.4	61.0	62.6	64.1	65.8	67.2	68.5	69.9	71.2	1
2 Social ins. and grants rec.....	11.5	12.9	14.5	15.6	19.7	15.9	16.8	18.5	19.4	20.2	20.7	20.8	20.5	21.4	2
3 Purch. of goods and services.....	53.7	58.2	63.5	69.6	77.2	70.5	72.5	74.3	76.2	78.1	80.2	83.3	85.4	87.4	3
4 Net interest & transfers paid ¹¹ ...	3.9	4.0	4.3	4.3	4.5	4.3	4.3	4.4	4.4	4.6	4.7	4.9	5.2	5.3	4
5 Net surplus.....	.9	1.2	1.7	1.2	2.9	1.5	1.0	2.4	2.9	3.3	3.0	1.0	-.2	-.1	5
6 Less retirement credit to households	2.4	2.7	3.1	3.4	3.7	3.4	3.5	3.6	3.7	3.8	3.9	4.0	4.1	4.2	6
7 Equals: Gross saving.....	-1.4	-1.5	-1.4	-2.2	-.8	-1.9	-2.5	-1.2	-.8	-.5	-.9	-3.0	-4.3	-4.3	7
8 Net financial investment (9-17)...	-2.5	-2.1	-2.6	-3.1	-2.2	-2.7	-4.3	-2.8	-2.2	-1.6	-2.2	-4.0	-5.4	-5.5	8
9 Net acqis. of finan. assets.....	5.6	7.7	6.9	8.1	8.5	7.9	7.5	9.1	8.4	8.8	10.7	10.7	8.8	9	
10 Liquid assets.....	2.5	4.1	2.4	3.3	2.4	3.7	1.5	3.5	2.8	1.9	1.4	8.3	3.4	4.6	10
11 Demand deposits and cur.....	.9	2.4	1.2	-.2	.8	2.3	-2.1	2.7	1.3	-.7	-.1	3.3	4.4	-.3	11
12 Time deposits.....	1.0	1.6	1.7	2.4	1.3	3.3	3.1	-.4	2.1	1.9	1.5	5.7	3.4	.7	12
13 Short-term U.S. Govt. sec.....	.6	.1	-.5	1.1	.3	-1.9	.5	1.3	-.6	.7	.1	-.7	-4.4	4.2	13
14 Other U.S. Govt. securities.....	.6	.6	1.0	1.2	.9	-.1	1.8	-.5	2.9	-.1	1.4	-5.5	-.4	-1.3	14
15 State and local obligations.....	-.7	-.7	-.5	-.3	-.3	-.3	-.3	-.3	-.3	-.2	-.3	-.5	-.5	-.4	15
16 Other ¹²	3.1	3.5	3.7	3.8	5.2	4.5	4.5	4.6	3.5	6.7	6.2	8.4	8.4	6.2	16
17 Net increase in liabilities.....	8.1	9.8	9.4	11.2	10.7	10.7	11.8	10.3	11.3	10.0	10.9	14.6	16.0	14.3	17
18 Credit market borrowing.....	5.6	7.0	6.2	7.8	6.8	7.1	8.2	6.6	7.5	6.1	6.9	10.5	11.8	10.0	18
19 State and local obligations...	5.0	6.7	5.9	7.3	6.0	6.7	7.8	6.3	6.9	4.6	6.1	10.3	11.5	9.8	19
20 Short-term.....	.4	.5	.5	1.3	.4	2.3	.5	.6	1.1	-.3	.3	.1	-.4	2.5	20
21 Other.....	4.6	6.2	5.4	6.1	5.5	4.4	7.3	5.7	5.8	4.9	5.8	10.2	11.9	7.3	21
22 U.S. Govt. loans.....	.6	.3	.4	.4	.8	.4	.3	.4	.6	1.6	.9	.2	.3	.1	22
23 Employee retirement reserves...	2.4	2.7	3.1	3.4	3.7	3.4	3.5	3.6	3.7	3.8	3.9	4.0	4.1	4.2	23
24 Trade debt.....	.1	.1	.1	.1	.1	.1	.1	.1	.1	.1	.1	.1	.1	.1	24
25 Discrepancy.....	1.0	.6	1.1	1.0	1.3	.8	1.8	1.6	1.4	1.1	1.3	1.0	1.0	1.1	25
26 Memo: Total U.S. Govt. sec.....	1.2	.7	.5	2.3	1.3	-2.0	2.2	.7	2.3	.6	1.5	-6.2	-.48	2.8	26

For notes see p. A-65.9.

4. SECTOR STATEMENTS OF SOURCES AND USES OF FUNDS—Continued

(In billions of dollars)

Category	1962	1963	1964	1965	1966	1965		1966				1967			
						III	IV	I	II	III	IV	I	II	III	
(G) Monetary authorities ¹															
1 Current surplus.....	.1	.1	-.5	*	*	*	*	*	*	*	*	*	*	*	1
2 Net acquis. of financial assets.....	1.7	2.2	3.4	2.3	4.2	4.5	1.1	5.5	2.4	5.7	3.2	4.3	2.6	4.5	2
3 Gold and foreign exchange ²	-.8	-.4	*	-1.3	-.3	1.3	-1.4	-2.1	.2	.4	.1	-3.1	1.7	.4	3
4 Treasury currency.....	*	*	-.2	.2	.7	.3	.4	.7	1.0	.5	.8	.7	.5	.4	4
5 Credit mkt. instruments.....	2.0	2.9	3.4	3.8	3.5	5.1	3.0	2.5	2.1	5.0	4.3	5.3	3.1	3.8	5
6 U.S. Govt. securities.....	1.9	2.8	3.5	3.7	3.5	5.1	2.3	2.8	1.7	5.7	3.8	5.6	2.9	3.8	6
7 Short-term marketable.....	2.0	4.9	2.1	3.7	5.4	.1	-3.4	2.8	-.3	6.7	12.4	*	-4.1	2.3	7
8 Other.....	-.1	-2.2	1.3	.1	-1.9	5.0	5.7	*	2.0	-1.0	-8.6	5.7	7.0	1.4	8
9 F.R. float.....	.6	-.3	*	-.4	.3	.6	-1.2	3.6	-.5	-1.7	-.4	1.9	-2.3	.4	9
10 F.R. loans to domestic banks.....	-.1	*	.1	-1.1	.1	-2.8	.4	.8	-.3	1.5	-1.7	-.5	-.4	1.0	10
11 Net increase in liabilities.....	1.6	2.1	3.8	2.2	4.2	4.5	1.1	5.6	2.4	5.7	3.2	4.3	2.6	4.5	11
12 Member bank reserves.....	.1	-.4	1.0	.4	1.3	.8	.5	-.1	-.4	5.7	.2	-1.0	-1.5	6.4	12
13 Vault cash of coml. banks ³	.7	.6	-.4	.3	.6	*	-.1	.7	-.3	.2	1.7	-.4	-.8	1.0	13
14 Demand deposits and currency.....	.1	.3	.2	*	.2	*	-.5	.1	2.1	-1.6	.1	2.4	3.2	-4.2	14
15 Due to U.S. Govt.....	*	-.1	.1	-1.1	.2	.1	-.2	1.3	*	-.5	*	-.1	.1	1.5	15
16 Due to rest of the world ⁴	.8	1.7	2.4	2.1	2.0	3.8	2.3	3.7	1.2	2.0	1.1	3.3	1.5	1.6	16
17 Other.....	*	*	.6	-.5	-.1	-.3	-.8	-.1	-.1	-.1	*	.1	.1	-.2	17
(H) Commercial banks ⁵															
1 Current surplus.....	1.5	1.7	1.9	2.0	2.3	1.9	2.1	2.1	2.2	2.4	2.3	2.2	2.0	2.0	1
2 Net acquisition of financial assets.....	20.7	20.0	23.6	30.4	20.6	26.0	36.2	20.7	34.8	14.8	12.2	35.6	21.0	57.2	2
3 Member bank reserves ⁶	.1	-.4	1.0	.4	1.3	.8	.5	-.1	-.4	5.7	.2	-1.0	-1.5	6.4	3
4 Vault cash.....	.7	.6	-.4	.3	.6	*	-.1	.7	-.3	.2	1.7	-.4	-.8	1.0	4
5 Total loans and investments.....	19.5	19.4	22.4	29.0	17.5	24.9	35.2	19.9	32.9	9.6	7.9	38.7	19.8	51.5	5
6 Credit market instruments.....	18.4	18.8	21.9	28.9	17.0	30.2	31.9	20.6	32.3	8.1	7.0	36.7	26.5	42.6	6
7 U.S. Govt. securities ⁷	1.4	-2.6	.4	-2.4	-3.4	-.9	1.0	-2.7	-.3	-5.7	-4.8	16.9	-3.4	21.5	7
8 Short-term marketable.....	-5.2	-3.5	3.9	-1.7	-4.5	-.1	4.6	-10.2	-.5	-2.8	-4.4	9.9	-7.2	19.0	8
9 Other direct.....	5.2	.5	-4.1	-1.5	1.2	-2.8	-4.1	7.6	-2.3	-.3	-.3	4.8	-.3	1.1	9
10 Agency issues.....	.9	.5	*	1.1	*	1.7	1.5	-1.5	2.1	-1.2	.8	-.9	.3	.7	10
11 Loan participations.....	.5	-.2	.6	-.3	-.1	.3	-1.1	1.5	.5	-1.5	-.9	3.1	3.8	.7	11
12 Other securities & mortgages.....	8.3	10.1	8.2	10.6	7.1	10.1	10.7	8.2	12.9	4.2	2.9	11.6	18.5	8.3	12
13 State and local oblig.....	4.4	5.2	3.6	5.1	2.4	3.9	5.3	2.9	7.6	-.2	-.8	8.4	13.9	3.2	13
14 Corporate bonds.....	*	*	.1	-.1	.1	-.2	-.4	*	*	.1	.1	1.1	1.1	.7	14
15 1- to 4-family mortgages.....	2.0	2.7	2.3	3.1	2.4	3.7	3.3	2.7	3.0	1.9	1.9	1.0	1.4	1.9	15
16 Other mortgages.....	1.9	2.2	2.2	2.5	2.3	2.7	2.5	2.7	2.4	2.4	1.7	1.0	2.1	2.5	16
17 Other credit exc. security.....	8.7	11.3	13.4	20.7	13.3	21.0	20.2	15.0	19.7	9.7	8.9	8.1	11.3	12.8	17
18 Consumer credit.....	2.3	3.5	3.8	4.7	3.1	5.2	4.6	3.5	3.1	3.4	2.4	1.4	1.6	3.2	18
19 Bank loans n.e.c.....	6.2	7.6	8.7	16.4	8.2	15.6	16.9	9.8	16.0	5.2	2.0	1.6	8.0	8.1	19
20 Other loans ⁸	.2	.2	.8	-.5	2.0	-.2	-1.3	1.7	.5	1.1	4.5	5.1	1.7	1.5	20
21 Security credit.....	1.1	.6	.5	.1	.5	-5.3	3.3	-.7	.5	1.5	.9	2.1	-6.7	8.8	21
22 Misc. assets.....	.5	.4	.6	.7	1.1	.3	.7	.3	2.7	-.8	2.4	-1.8	3.5	-1.7	22
23 Net increase in liabilities.....	19.8	19.3	22.0	29.1	19.4	24.7	34.9	20.0	33.4	13.3	11.0	34.2	19.5	55.2	23
24 Demand deposits, net.....	3.7	3.8	4.8	5.6	.3	3.2	13.6	-5.4	6.8	-7.9	7.5	3.3	-5.4	27.8	24
25 U.S. Govt. ⁹	1.2	-.6	*	-1.0	-.5	-8.9	2.6	-3.3	4.6	-4.5	1.1	-3.0	-18.1	17.5	25
26 Foreign ¹⁰	.1	.1	.4	.4	-.5	.5	.5	-1.2	1.2	-1.4	-.6	-1.5	2.3	1.1	26
27 Other, net ¹¹	2.3	4.3	4.4	6.2	1.3	11.5	10.5	-.8	1.0	-2.0	7.1	7.8	10.4	9.2	27
28 Time deposits.....	15.6	14.3	14.5	20.0	13.3	21.6	18.1	15.1	20.1	11.6	6.2	35.1	23.7	24.0	28
29 F.R. float.....	.6	-.3	*	-.4	.3	.6	-1.2	3.6	-.5	-1.7	-.4	1.9	-.2	.4	29
30 Borrowing at F.R. Banks.....	-.1	*	.1	-.1	.1	-2.8	.4	.8	-.3	1.5	-1.7	-.5	-.4	-.6	30
31 Other liabilities.....	*	1.4	2.5	3.9	5.5	2.0	4.0	5.8	7.4	9.7	-.7	-5.5	3.8	3.6	31
32 Security issues.....	.1	.3	.6	.8	.1	.1	.4	.1	.3	*	*	.8	.1	*	32
33 Discrepancy.....	.4	.5	*	.3	.6	.3	.5	.9	.3	.4	.7	.6	.2	-.2	33
34 Memo: Total loans exc. mortgages..	9.8	11.9	13.9	20.8	13.9	15.7	23.5	14.3	20.2	11.1	9.8	10.2	4.7	21.7	34

For notes see p. A-65.9.

4. SECTOR STATEMENTS OF SOURCES AND USES OF FUNDS—Continued

(In billions of dollars)

Category	1962	1963	1964	1965	1966	1965		1966				1967		
						III	IV	I	II	III	IV	I	II	III
(I) Nonbank financial institutions ¹														
1 Current surplus.....	2.2	1.7	1.2	1.3	1.0	1.5	.7	.5	1.6	1.4	.4	1.1	2.0	1.5
2 Physical investment (Life ins.).....	.3	.5	.5	.5	.5	.4	.5	.5	.5	.5	.5	.6	.6	.6
3 Net acquis. of financial assets.....	32.6	37.0	37.2	37.7	31.0	36.0	39.5	40.9	23.1	26.5	33.6	40.1	25.4	53.8
4 Demand deposits and currency.....	1.1	.2	.3	.7	.4	1.3	.9	-1.1	.5	.5	1.6	1.1	1.6	-2.4
5 Time deposits (Mut. svgs. bks.).....	*	*	.1	*	*	-2	-2	*	*	-1	-1	*	*	5
6 Svgs. and loan shares (Cr. unions)	.1	*	.1	-2	-2	.1	-3	-5	-2	.....	.3	1.3	.5	6
7 Cr. mkt. instr.....	30.7	33.7	35.9	35.8	29.6	33.9	35.7	40.8	21.2	26.4	30.0	32.0	19.2	50.4
8 U.S. Govt. securities.....	1.6	-.5	2.0	-.8	.9	-4.2	-.3	4.0	-4.6	3.4	.8	-1.1	-8.9	9.2
9 State and local obligations.....	.9	.6	.4	-.2	1.0	-.6	-.9	.3	2.0	-.1	1.7	2.2	.4	*
10 Corporate bonds.....	3.8	4.4	4.4	5.7	4.9	6.9	5.9	7.9	2.5	4.7	4.6	7.9	4.6	11.8
11 Corporate stock.....	4.2	3.4	3.7	5.4	5.4	6.1	6.7	4.0	4.4	5.2	7.9	8.1	8.5	11.6
12 1- to 4-family mortgages.....	11.0	14.1	13.0	12.8	4.8	13.1	12.0	10.0	5.2	1.9	2.1	6.0	7.8	8.8
13 Other mortgages.....	5.7	6.9	7.3	6.3	6.4	6.5	6.2	7.5	7.5	6.4	4.2	6.3	6.7	6.0
14 Consumer credit.....	1.9	2.8	2.8	3.1	2.3	2.9	2.4	2.7	2.6	2.3	1.7	.9	.9	4
15 Other loans.....	1.6	2.1	2.4	3.3	4.0	3.1	3.6	4.4	1.7	2.7	7.1	1.6	-.8	2.7
16 Security credit.....	-.3	1.9	-.5	.2	-.1	-.3	1.7	.5	.4	-2.0	.7	1.5	1.7	3.3
17 Trade credit.....	.2	.2	.2	.2	.2	.2	.2	.2	.2	.3	.3	.3	.3	.3
18 Miscellaneous assets.....	.9	1.1	1.2	1.2	1.1	1.3	1.1	.7	1.3	1.6	1.0	5.0	1.5	-.4
19 Net increase in liabilities.....	30.5	35.5	36.3	36.3	29.8	33.8	39.3	40.0	21.5	24.5	33.3	40.1	23.8	52.4
20 Time and savings acct.....	13.1	15.2	15.9	13.0	7.1	13.4	12.7	9.5	4.4	5.1	9.3	17.2	21.7	18.3
21 Ins. and pension reserves.....	9.0	10.1	11.1	11.6	12.8	11.9	11.9	12.8	10.8	13.1	14.5	12.2	12.0	13.8
22 Cr. mkt. instr. ²	5.7	7.1	6.2	9.0	6.5	9.4	9.4	13.9	5.6	2.3	4.4	1.7	-5.9	7.4
23 Finance company bonds.....	.3	1.4	2.1	1.9	.8	1.0	3.0	1.7	.5	1.2	-.4	1.7	-.3	1.0
24 Investment company shares.....	1.9	1.2	1.9	3.0	3.8	3.7	3.8	5.6	2.9	2.9	3.8	3.9	2.3	3.6
25 Mtg. loans in process.....	.4	.5	-.3	*	-.9	-.2	-.1	.3	-1.1	-1.7	-1.2	.5	1.4	1.3
26 Bank loans n.e.c.....	1.0	1.7	.5	2.4	-1.4	3.1	3.5	.6	-.1	-3.5	-2.7	-4.3	-.3	2.1
27 Other loans.....	2.0	2.3	2.0	1.7	4.3	1.8	-.8	5.6	3.4	3.3	4.9	*	-.6	.5
28 Finance co. paper.....	1.2	1.0	1.5	1.0	3.4	1.3	-.4	2.8	1.6	2.2	6.9	2.9	.3	.6
29 FHLB loans.....	.8	1.3	.5	.7	.9	.4	-.3	2.8	1.8	1.1	-2.0	-2.8	-.6	-1.1
30 Security credit.....	.9	.5	.1	*	.6	-.5	3.7	-.5	-.7	1.3	2.3	4.1	-7.5	9.0
31 Taxes payable.....	.1	.1	*	.1	.1	.1	.1	.4	-.3	.2	*	.2	-.9	.1
32 Miscellaneous liabilities.....	1.7	2.5	3.1	2.6	2.8	4.2	1.7	3.9	1.7	2.6	2.8	4.6	4.6	3.8
33 Discrepancy.....	-.2	-.3	-.2	-.7	-.7	-1.2	*	-.9	-.5	-1.2	-.4	.5	-.2	-.5
(I.1) Savings and loan associations														
1 Net acquis. of financial assets.....	11.5	14.0	11.8	10.2	4.3	10.4	9.0	9.0	4.7	1.3	2.2	8.3	10.2	12.5
2 Demand deposits and currency ³	.6	.1	*	*	-.5	.5	-.2	-.6	-.4	-1.0	-.1	.1	-.1	-.5
3 Cr. mkt. instr. ⁴	10.3	13.3	11.1	9.6	4.3	9.2	8.8	9.6	4.5	1.5	1.8	4.2	9.5	14.0
4 U.S. Govt. securities.....	.4	1.0	.6	.5	.5	*	.4	1.1	-.8	.8	1.0	.6	2.2	4.2
5 1- to 4-family mortgages.....	7.4	9.3	8.0	7.7	2.7	7.8	7.6	6.6	3.4	.1	.6	2.9	4.9	7.5
6 Other mortgages.....	2.6	2.9	2.4	1.2	1.1	1.3	.8	1.9	1.7	.7	.2	.8	2.2	2.3
7 Misc. financial transactions.....	.6	.5	.7	.6	.5	.7	.4	*	.7	.9	.5	4.0	.6	-1.0
8 Net increase in liabilities.....	10.7	13.3	11.1	9.4	3.7	9.7	8.2	8.1	4.1	.8	1.9	7.7	9.8	12.1
9 Savings shares.....	9.4	11.1	10.6	8.5	3.6	9.0	8.1	5.9	2.6	1.4	4.6	10.7	14.0	12.4
10 Mtg. loans in process.....	.4	.5	-.3	*	-.9	-.2	-.1	.3	-1.1	-1.7	-1.2	.5	1.4	1.3
11 Borrowing from FHLB.....	.8	1.3	.5	.7	.9	.4	-.3	2.8	1.8	1.1	-2.0	-2.8	-.6	-1.1
12 Memo: FHLB loans less deposits...	.8	1.4	.5	.8	.9	.5	*	3.1	1.8	1.3	-2.5	-5.3	-7.1	.3
(I.2) Mutual savings banks														
1 Net acquis. of financial assets ⁵	3.3	3.6	4.5	4.0	2.8	4.4	3.4	2.8	1.5	3.7	3.0	5.6	6.6	5.7
2 U.S. Govt. securities.....	*	-.2	*	-.3	-.5	-.1	-.7	-.7	-.9	-.1	-.3	-1.6	-.3	*
3 Corporate bonds.....	-.1	-.3	-.2	-.1	.3	-.1	-.3	.3	.1	.4	.4	2.2	2.8	3
4 1- to 4-family mortgages.....	2.1	2.6	2.7	2.7	1.6	2.8	2.8	1.8	1.1	1.8	1.7	1.9	1.9	1.9
5 Other mortgages.....	1.0	1.3	1.7	1.4	1.1	1.5	1.5	1.2	.9	1.2	1.1	1.2	1.2	1.2
6 Savings deposits.....	3.1	3.3	4.2	3.6	2.6	3.5	3.5	2.7	1.0	3.0	3.5	5.5	6.1	4.9
(I.3) Life insurance companies														
1 Current surplus.....	1.1	1.1	1.1	1.1	1.3	1.1	1.2	1.2	1.3	1.4	1.5	1.5	1.5	1.5
2 Net acquis. of financial assets ⁵	6.8	7.0	7.8	8.7	8.3	8.6	9.0	9.4	8.2	7.7	7.7	11.3	8.2	9.1
3 Cr. mkt. instr.....	6.5	6.7	7.4	8.2	7.8	8.3	8.4	9.6	7.6	7.3	6.5	10.7	7.6	8.6
4 U.S. Govt. securities.....	.1	-.4	-.3	-.4	-.3	-.6	-.7	-.2	-.6	-.7	*	-.1	-.4	-.1
5 State and local obligations.....	.1	-.2	-.1	-.3	-.4	-.6	-.3	-.4	-.6	-.4	-.2	-.2	-.1	-.4
6 Corporate bonds.....	2.5	2.8	2.3	2.8	2.2	3.4	3.7	4.5	1.8	2.0	.4	4.0	2.0	5.2
7 Corporate stock.....	.4	.2	.5	.7	.2	.8	1.2	.1	.1	.3	.4	.8	.9	1.1
8 1- to 4-family mortgages.....	.6	.9	1.4	1.2	.5	1.2	1.2	.9	.7	.4	-.1	.5	-.3	-.8
9 Other mortgages.....	2.1	2.7	3.2	3.7	4.1	3.7	3.8	4.3	4.8	4.4	2.9	4.3	3.2	2.5
10 Other loans.....	.7	.5	.4	.5	1.5	.5	-.5	.4	1.3	1.3	3.1	1.5	2.4	1.1
11 Net increase in liabilities.....	6.0	6.4	7.1	7.9	7.2	8.1	7.7	8.2	7.1	7.0	6.4	10.0	6.8	7.5
12 Life insurance reserves.....	3.6	4.0	4.2	4.7	4.5	4.9	4.7	4.6	4.5	4.5	4.5	5.1	3.8	4.5
13 Pension fund reserves.....	1.4	1.7	2.0	2.1	2.1	1.9	2.0	2.1	2.1	2.1	2.1	2.2	2.2	2.2
14 Other.....	1.0	.7	.8	1.2	.4	1.2	1.0	1.5	.5	.1	-.4	2.6	1.4	.8

For notes see p. A-65.9.

4. SECTOR STATEMENTS OF SOURCES AND USES OF FUNDS—Continued

(In billions of dollars)

Category	1962	1963	1964	1965	1966	1965		1966				1967			
						III	IV	I	II	III	IV	I	II	III	
(I.4) Noninsured pension plans															
1 Net acquis. of financial assets ⁵	4.0	4.4	4.9	4.9	6.2	5.0	5.2	6.1	4.2	6.5	7.9	4.9	6.0	7.2	1
2 Credit mkt. instr. ⁶	4.0	4.3	4.8	4.9	6.2	4.9	4.4	6.1	4.8	6.8	7.1	4.9	5.8	6.8	2
3 U.S. Govt. securities.....	.2	.4	.4	-.3	.2	-.5	.2	.4	-.8	.7	.4	-1.9	-.1	*	3
4 Corporate bonds.....	1.2	1.5	1.6	1.5	1.9	1.6	.8	2.5	1.4	1.8	1.9	1.7	.4	1.6	4
5 Corporate stock.....	2.2	2.2	2.2	3.1	3.7	3.3	3.2	2.8	4.0	3.8	4.1	4.8	5.6	5.0	5
(I.5) Other insurance companies															
1 Net acquis. of financial assets ⁵	1.4	1.4	1.1	1.8	1.9	2.1	1.5	2.0	1.7	1.9	1.8	2.0	2.1	2.3	1
2 Demand deposits and currency.....	*	*	*	-.1	*	-.1	-.1	*	*	*	*	*	*	*	2
3 Credit mkt. instr. ⁶	1.2	1.3	1.0	1.7	1.6	2.0	1.4	1.8	1.4	1.6	1.6	1.7	1.8	2.1	3
4 U.S. Govt. securities.....	.1	.2	.1	*	-.4	.2	-.1	-.4	-.2	-.4	-.5	-1.3	-.6	-.3	4
5 State and local obligations.....	.7	.8	.4	.4	1.4	.3	.7	1.1	1.5	1.6	1.3	1.2	1.1	1.0	5
6 Corporate bonds.....	.1	.1	.3	1.1	.1	1.3	.8	1.0	-.3	-.1	*	1.0	.7	.7	6
7 Corporate stock.....	.2	.2	.2	.2	.5	.2	-.1	.1	.5	.6	.7	.8	.7	.7	7
(I.6) Finance companies															
1 Net acquis. of financial assets ⁵	2.7	4.0	4.0	5.4	3.2	5.3	5.8	5.9	1.4	.9	4.4	.8	-3.3	3.3	1
2 1- to 4-family mortgages.....	.5	.8	.4	.5	-.6	.8	.1	.3	-.6	-.9	-1.1	.3	1.3	-.2	2
3 Consumer credit.....	1.3	1.8	1.8	1.9	1.2	1.8	1.5	1.6	1.3	1.5	.6	.3	.3	-.2	3
4 Other loans.....	.8	1.6	1.8	2.7	2.3	2.5	4.1	3.9	.4	.1	4.7	-.1	-5.1	3.4	4
5 Net increase in liabilities.....	2.6	4.0	4.0	5.1	2.7	5.1	5.8	5.4	1.3	.1	3.8	1.1	-3.2	3.7	5
6 Corporate bonds.....	.3	1.4	2.1	1.9	.8	1.0	3.0	1.7	.5	1.2	-.4	1.7	-.3	1.0	6
7 Bank loans n.e.c.....	1.0	1.6	.4	2.2	-1.5	2.8	3.2	.9	-.8	-3.4	-2.7	-3.5	-3.2	2.1	7
8 Open mkt. paper.....	1.2	1.0	1.5	1.0	3.4	1.3	-.4	2.8	1.6	2.2	6.9	2.9	.3	.6	8
(I.7) Security brokers and dealers															
1 Net acquis. of financial assets.....	.9	.6	.2	.1	.7	-5.1	3.9	-.3	-.6	1.4	2.4	4.2	-7.5	9.1	1
2 U.S. Govt. securities.....	.7	-1.3	.7	-.3	.7	-5.1	1.5	1.8	-1.0	2.1	-.3	4.2	-6.4	3.2	2
3 Other securities.....	.4	.2	*	-.1	.1	.4	*	-2.8	-.3	1.0	2.6	-1.9	-2.9	2.4	3
4 Security credit.....	-.2	1.5	-.5	.5	-.2	-.5	2.3	.6	-.6	-1.8	-.1	1.8	1.7	3.3	4
5 Net incr. in liab.—Security credit.....	.9	.5	.1	*	.6	-5.3	3.7	-.5	-.7	1.3	2.3	4.1	-7.5	9.0	5
6 From banks.....	1.1	.2	.2	-.3	.6	-5.9	3.0	-1.1	.2	2.1	1.0	2.2	-8.0	8.3	6
7 From agencies of fgn. banks.....	-.2	.4	*	-.3	.1	.3	-.6	-.1	-.2	-.3	.8	-.3	*	*	7
8 Customer credit balances.....	*	*	*	.5	*	.3	1.3	.7	-.7	-.6	.5	2.2	.5	.7	8
(I.8) Open-end investment companies															
1 Net financial investment.....	-.4	-.4	-.8	-1.0	-1.3	-.9	-1.7	-1.7	-.7	-.9	-2.0	-1.4	-.7	-1.2	1
2 Net acquis. of financial assets ⁵	1.5	.8	1.1	2.0	2.5	2.9	2.0	3.9	2.2	2.0	1.8	2.5	1.6	2.4	2
3 Credit mkt. instr. ⁶	1.2	.8	1.1	1.6	1.9	2.6	1.7	4.0	1.3	.3	2.1	2.8	.9	2.6	3
4 Corporate stock.....	1.1	.6	.7	1.2	.9	1.3	1.8	2.2	.6	-.6	1.6	3.2	2.2	3.0	4
5 Net stock issues ⁷	1.9	1.2	1.9	3.0	3.8	3.7	3.8	5.6	2.9	2.9	3.8	3.9	2.3	3.6	5
(J) Rest of the world															
1 Net purch. of goods and serv. (2-3).....	5.1	5.9	8.5	6.9	5.1	7.4	6.1	6.1	5.4	4.6	4.3	5.4	5.3	5.5	1
2 Purch. of goods and services ¹	30.3	32.3	37.1	39.1	43.0	40.3	40.5	42.0	42.5	43.7	44.0	45.4	45.4	45.9	2
3 Sales of goods and services ¹	25.1	26.4	28.6	32.2	37.9	32.9	34.4	36.0	37.1	39.0	39.7	40.0	40.2	40.4	3
4 Net unilateral receipts from Govt. ¹	2.7	2.8	2.8	2.8	2.9	2.9	2.6	3.4	2.9	2.8	2.5	2.9	3.4	3.5	4
5 Current surplus (4-1) ²	-2.5	-3.1	-5.7	-4.1	-2.2	-4.5	-3.4	-2.7	-2.5	-1.8	-1.8	-2.5	-1.9	-2.0	5
6 Net financial investment (7-14).....	-1.3	-2.8	-4.7	-3.7	-1.8	-3.4	-3.1	-1.8	-1.6	-2.8	-1.0	-1.5	.4	-2.5	6
7 Net acquis. of finan. assets.....	2.6	3.4	3.4	2.7	3.9	1.4	1.0	2.0	6.2	2.6	4.7	2.7	8.3	8.7	7
8 Gold.....	.9	.5	.1	1.7	.6	.5	.5	.3	.8	.7	.5	.2	.1	.4	8
9 U.S. dem. dep. and currency.....	.1	.1	.5	.3	-.3	.7	.3	.1	1.2	-1.8	-.6	-1.6	2.4	1.0	9
10 Time deposits.....	.6	1.0	1.4	.6	.8	.2	.5	-.2	2.0	.6	1.0	1.2	2.4	1.0	10
11 U.S. Govt. securities.....	1.3	.6	.5	-.1	-2.6	-1.7	2.2	-2.3	-1.6	-4.4	-2.1	3.3	1.8	-1.4	11
12 Other credit market instr.	.2	.3	.1	*	1.2	-.9	.5	.9	2.9	.4	.4	.8	1.6	2.3	12
13 Misc. financial assets.....	-.4	1.1	.8	-.4	4.2	2.6	-3.1	3.3	.8	7.2	5.5	-1.3	-.2	4.7	13
14 Net increase in liabilities.....	3.9	6.2	8.2	5.8	5.7	4.8	4.1	3.8	7.8	5.4	5.7	4.2	7.9	10.6	14
15 Official U.S. foreign exchange ³	-.6	.1	*	.4	*	.3	-.6	-1.4	.6	.4	.5	-3.9	1.7	1.9	15
16 Securities.....	1.0	1.1	.7	.8	.5	.8	.8	1.4	.2	*	.2	1.0	1.0	1.6	16
17 Loans ⁴	1.1	2.2	3.7	1.9	1.0	-.1	1.9	1.3	2.3	-.4	1.0	4.5	2.7	2.1	17
18 Miscellaneous ⁵	2.5	2.8	3.9	2.6	4.1	3.7	2.0	2.5	4.6	5.4	4.1	2.5	2.3	5.0	18
19 Discrepancy (5-6) ⁶	-1.2	-.4	-.9	-.4	-.4	-1.0	-.3	-.9	-.8	1.0	-.8	-1.1	-2.3	.5	19
20 U.S. gold and fgn. exch. held by: Monetary auth.	-.8	-.4	*	-1.3	-.3	1.3	-1.4	-2.1	.2	.4	.1	-3.1	1.7	.4	20
21 U.S. Treasury.....	-.7	*	-.2	.1	-.2	-1.5	.4	.4	-.5	-.7	-.1	-1.0	*	1.1	21

For notes see following page.

Notes to Table 4

(A) Households

- ¹ Includes nonprofit organizations serving individuals.
² Imputed saving associated with growth of government life insurance and retirement reserves. From Tables 4(E), line 13, and 4(F), line 6.
³ Capital-gains dividends from open-end investments cos.

- ⁴ Line 9 plus capital consumption on owner-occupied houses and nonprofit plant and equipment.
⁵ Includes net free balances with security brokers and miscellaneous assets not shown separately.
⁶ Policy loans, hypothecated deposits, and U.S. Govt. loans to nonprofit organizations.

(B, C, D) Business

- ¹ Sum of Tables 4(C) and 4(D); for detail see below.
² Profits and noncorporate income as defined in national income. Excludes imputed rental income of owner-occupied houses, included in Table 4(A).
³ Change in work in process.
⁴ After inventory valuation adjustment.
⁵ Excludes C.C.C.-guaranteed loans, treated as Govt. borrowing and included in Table 4(E), line 30.
⁶ Includes corporate farms.
⁷ Noncorporate net income is treated as payment in full to proprietors in the household sector. Gross saving consists of capital consumption allowances plus corporate farm retained profits.

- ⁸ Loans from U.S. Govt. and commercial loans from finance cos.
⁹ Includes earnings retained in business; see note 7 above.
¹⁰ Excludes corporations in Tables 4(C), (G), (H), and (I).
¹¹ Includes branch profits paid to foreign parents less branch profits received from abroad.
¹² Direct investments abroad, foreign currency holdings, and unallocated current assets.
¹³ Mainly commercial paper and commercial loans from finance companies.
¹⁴ Includes State and local profit taxes.

(E, F) Govts.

- ¹ Lines 1 through 12 are derived from national-income data, while lines 15 through 31 are based on data behind Treasury cash budget. Line 21 is a link between the two accounting systems on treatment of corporate taxes, and the discrepancy (line 32) represents differences on other matters.
 Net cash borrowing in Treasury cash budget corresponds closely to line 25 less accrual of interest on savings bonds and Treasury bills. Cash surplus is closely indicated by line 17 less net cash borrowing. Lines 18, 22, 30, and 31 are in cash outgo in cash budget except for small amounts in receipts. Lines 13 and 24 are imputations reflected in neither national income nor cash budget.
² OASI, disability insurance, and unemployment programs. Line 5 includes U.S. Govt. employment taxes; line 6, U.S. Govt. benefit payments to households.
³ Veterans' life insurance and Govt. employee and R.R. retirement funds. Line 7 excludes Govt. contributions to these funds.
⁴ Transfers other than lines 6 and 8, grants-in-aid to State and local govts., subsidies less current surplus of Govt. enterprises.

- ⁵ Govt. life insurance, employee retirement, and R.R. retirement programs. Excludes social security, which is treated as nonfinancial operation. See Table 4(A), line 5.
⁶ Mainly nonconvertible foreign currencies and official foreign exchange position of Treasury.
⁷ Public debt held by public and Federal Reserve, plus non-guaranteed issues of Govt. agencies. Includes interest accruals on savings bonds and Treasury bills; excludes special notes to IMF. Loan participations consist of holdings by the domestic public of C.C.C., FNMA, Export-Import Bank, and all other certificates. In Table 3 they are grouped with nonguaranteed issues. Net movements in inventory under C.C.C. guarantee are included in line 11. Loans and mortgages securing other loan participations are included in U.S. Govt. financial assets.
⁸ E and H bonds held by households.
⁹ Marketable issues due in less than 1 year plus part of those due in less than 2 years.
¹⁰ Includes employee retirement funds.
¹¹ Net of current surplus of gov't. enterprises.
¹² Corporate bonds, mortgages, and tax receivables.

(G, H) Banking

- ¹ Federal Reserve System plus those Treasury accounts included in "Member Bank Reserves, Federal Reserve Bank Credit, and Related Items." Excludes Exchange Stabilization Fund, which is in U.S. Govt. accounts.
² Includes F.R. holdings of foreign currencies, which are net in other F.R. accounts in table mentioned in note 1.
³ Includes vault cash of nonmember banks.
⁴ Includes deposits of international organizations other than IMF; IMF deposits are net in line 3.
⁶ Based on balance sheet estimates for last day of quarter.

- Reported bank data, as on page A-18, are frequently for last Wednesday of month or other reporting date. Excludes banks in U.S. possessions.
⁶ Deposits with F.R. Banks; vault cash in reserves is in line 4.
⁷ Net change in par value of holdings.
⁸ Includes consumer loans secured by hypothecated deposits through II/1966, not shown separately.
⁹ Includes deposits held outside Treasury.
¹⁰ Bank and nonbank.
¹¹ Net of F.R. float, shown separately in line 29.

(I) Nonbank finance

- ¹ In addition to types shown, includes credit unions, agencies of foreign banks, and banks in possessions.
² Lines 10, 11 of I.1; lines 6, 7, and 8 of I.6; and line 5 of I.8.
³ Excludes deposits at FHLB, which are included in Miscellaneous, line 7.

- ⁴ Includes consumer credit, not shown separately.
⁵ Includes cash and other assets, not shown separately.
⁶ Includes mortgages, not shown separately.
⁷ Includes retained capital-gains dividends.

(J) Rest of the world

- ¹ Lines 2, 3, and 4 are exports, imports, and transfers to foreigners in income and product accounts.
² Net foreign investment in national income accounts with opposite sign.
³ Official foreign currency holdings and net IMF position of U.S. IMF position consists of U.S. capital subscription less IMF holdings of special U.S. Govt. notes, deposits with Federal Reserve, and letters of credit.

- ⁴ Bank loans, acceptances, loans from U.S. Govt., and security credit.
⁵ Direct investment abroad, foreign currencies held by other than in line 15, subscriptions to international organizations except IMF, and unidentified liabilities.
⁶ Errors and omissions in U.S. balance of payments statement.

NOTE.—Quarterly data are seasonally adjusted totals at annual rates.

5. FINANCIAL ASSETS AND LIABILITIES, DECEMBER 31, 1966

(Amounts outstanding in billions of dollars)

(A) All sectors

Transaction category	Sector	Private domestic nonfinancial sectors								U.S. Govt.	Financial sectors								Rest of the world		All sectors		Discrepancy		
		Households		Business		State and local govts.		Total			Total		Monetary auth.		Coml. banks		Nonbank finance								
		A	L	A	L	A	L	A	L		A	L	A	L	A	L	A	L	A	L					
1	Total financial assets	1414.1		339.5		91.2		1844.7		97.0	997.7		67.3		356.9		573.5		84.7		3021.0			1	
2	Total liabilities		363.6		504.7		151.8		1020.1	318.8		921.5		67.3		332.2		522.0		100.1		2360.5			2
3	Gold stock									.1	13.2		13.2					29.9		43.2					3
4	Official U.S. fgn. exch.									.4	.9		.9						1.3		1.3				4
5	IMF position ¹									4.1	13.7		1		1.1				.3		.3				5
6	Treasury currency									4.0	6.2		6.2							6.2	4.0		-2.2		6
7	Demand dep. and currency										185.7		41.2		144.5					170.9	185.7				7
8	Pvt. domestic	88.6		47.2		11.7		147.5			13.5	176.3		39.2		137.1	13.5			161.1	176.3	15.3			8
9	U.S. Govt.								7.0			6.6		1.6		5.0				7.0	6.6	- .4			9
10	Foreign										2.8		.4		2.4			2.8			2.8				10
11	Time and savings accounts	297.5						329.5			.4	338.3				.4					338.3				11
12	At coml. banks	118.7		18.6		13.5		150.7		.2	.2	159.3				159.3			8.2		159.3				12
13	At svgs. instit.	178.8						178.8			.3	179.0				.3	179.0				179.0				13
14	Life insur. reserves	110.8						110.8		7.1		103.7					103.7				110.8				14
15	Pension fund reserves	159.2				37.3		159.2	37.3	21.0		100.9					100.9				159.2				15
16	Consol. bank items ²										27.9	27.9	2.7	25.2	25.2	2.7					27.9	27.9			16
17	Credit mkt. instr.	738.2	348.5	50.1	306.4	63.8	111.5	852.0	766.4	60.3	278.7	895.4	83.4	44.5		315.3	1.7	535.6	81.7	27.2	39.3	1834.9	1167.7		17
18	U.S. Govt. securities ³	85.7		15.3		25.7		126.6			278.7	141.4		44.3		63.4		33.7		10.7		278.7			18
19	State and local oblig.	40.6		4.4		4.5	107.2	49.5	107.2			57.7				41.0		16.7				107.2			19
20	Corp. and fgn. bonds	5.7			108.0	29.2		34.9	108.0			99.2	18.6			.9	1.7	98.4	16.9	2.0	9.5	136.1			20
21	Corp. stocks ⁴	596.3			n.a.			596.3	n.a.			91.7	34.3			n.a.	91.7	34.3	12.6	n.a.	700.6	34.3			21
22	1-4 family mortgages	9.9	216.3		6.5	4.3		14.2	222.8	8.8		201.0	1.3			32.5		168.5	1.3			224.1			22
23	Other mortgages		14.8		80.5				95.2	6.9		88.3				21.5		66.8				95.2			23
24	Consumer credit		94.8	21.4				21.4	94.8			73.3				38.9		34.5				94.8			24
25	Bank loans n.e.c.		11.6		82.5				94.1			112.1	10.6			112.1		10.6		7.3		112.1			25
26	Other loans		11.0	9.0	29.0		4.4	9.0	44.3	44.5		30.7	18.6	.2		5.2		25.4	18.6	1.9	22.4	86.2	85.3	- .8	26
27	Open market paper			9.0	2.7			9.0	2.7			23.9	11.7	.2		5.2		.6	11.7	1.9	2.5		16.9		27
28	Federal loans		1.2		11.5	4.4			17.0	43.8			6.9					6.9		19.9		43.8			28
29	Security credit	1.6	9.0					1.6	9.0			15.8	8.5			9.0		6.8	8.5	.2	.1		17.6		29
30	To brkrs. and dealers	1.6						1.6				6.7	8.5			5.8		.9	8.5	.2			8.5		30
31	To others		9.0						9.0			9.1				3.2		5.9		.1		9.1			31
32	Taxes payable				20.6	2.3		2.3	20.6	20.1			1.8			.7					22.4	22.4			32
33	Trade credit ⁵		2.5	155.0	117.4		3.0	155.0	122.9	4.4	4.5	2.9						2.9			162.2	127.5	-34.8		33
34	Misc. financial trans.	18.2	3.7	68.7	60.2			86.9	63.9	4.1	3.5	21.6	71.4	.8		7.4	23.3	14.3	47.2	16.3	59.1	128.9	197.8	68.9	34

For notes see following page.

5. FINANCIAL ASSETS AND LIABILITIES, DECEMBER 31, 1966—Continued

(Amounts outstanding in billions of dollars)

(B) Nonbank financial sector

Transaction category	Sector	Total		Mutual savings banks		Savings and loan assns.		Credit unions		Life insurance		Nonlife insurance		Private pension funds		Finance cos.		Agencies of foreign banks		Banks in possessions		Investment cos.		Security brokers and dealers		
		A	L	A	L	A	L	A	L	A	L	A	L	A	L	A	L	A	L	A	L	A	L	A	L	
1	Total financial assets.....	573.5		61.0		134.0		10.0		161.7		40.0		71.5		44.8		3.8		1.7		34.3		10.6		1
2	Total liabilities.....		522.0		56.1		124.9		10.0		149.3		23.0		71.5		38.9		3.8		1.6		34.3		8.6	2
3	Demand dep. and currency.....																									3
4	Pvt. domestic.....	13.5		.8		2.3		.6		1.5		1.3		.9		2.7		.8		.2		1.5		1.0		4
5	Time and savings accounts.....	.4	179.0	.2				.3																		5
6	At coml. banks.....	.2		.2																						6
7	At svgs. instit.....	.3	179.0		55.0		114.0	.3	10.0																	7
8	Life insur. reserves.....		103.7								103.7															8
9	Pension fund reserves.....		100.9								29.4			71.5												9
10	Credit mkt. instr.....	535.6	81.7	59.1		124.6	8.7	9.2		154.0		35.8		70.6		42.1	38.7	2.2		1.6		32.8	34.3	3.7		10
11	U.S. Govt. securities.....	33.7		5.7		8.7				4.8		5.6		3.7				1.9		.2		1.4		1.7		11
12	State and local oblig.....	16.7		.3						3.1		12.7								.1				.5		12
13	Corp. and fgn. bonds.....	98.4	16.9	3.2						63.3		3.6		24.6			16.9					2.9		.7		13
14	Corp. stocks ⁴	91.7	34.3	1.5						8.8		13.8		38.5									28.4	34.3	.7	14
15	1-4 family mortgages.....	168.5	1.3	31.7		97.8	1.3	.6		30.4				3.8		3.9				.3						15
16	Other mortgages.....	66.8		15.7		16.7				34.2		.2								.1						16
17	Consumer credit.....	34.5		.4		1.5		8.5								24.0										17
18	Bank loans n.e.c.....		10.6				.5										10.1									18
19	Other loans.....	25.4	18.6	.6			6.9			9.4						14.2	11.7			.3		.8				19
20	Open market paper.....	.6	11.7							.3							11.7			.3						20
21	Federal loans.....		6.9				6.9																			21
22	Security credit.....	6.8	8.5																.9					5.9	8.5	22
23	To brkrs. and dealers.....	.9	8.5																.9						8.5	23
24	To others.....	5.9																						5.9		24
25	Taxes payable.....		1.1				*				.6		.1			.2									.1	25
26	Trade credit.....	2.9										2.9														26
27	Misc. financial trans.....	14.3	47.2	1.0	1.1	7.1	2.1			6.2	15.6		22.9						3.8		1.6					27

¹ IMF position liabilities of the U.S. Govt. (IMF notes) and monetary authorities (deposits of IMF at F.R. Bank of New York) are netted against assets in determining both the sector and transaction totals.

² Claims between commercial banks and monetary authorities: member bank reserves, vault cash, F.R. loans to banks, F.R. float, and stock at F.R. banks.

³ Includes savings bonds, other nonmarketable debt held by the public, nonguaranteed agency issues, and loan participation certificates sold through FNMA. Postal savings system deposits are included in line 34.

⁴ Assets shown at market value; nonbank finance liability is redemption value of shares of open-end investment companies. No specific liability is attributed to issuers of stocks other than open-end investment companies for amounts outstanding.

⁵ Business asset is corporate only. Noncorporate trade credit is deducted in liability total to conform to quarterly flow tables.

NOTE.—For description of sectors and transaction categories, see Aug. 1959 BULLETIN, pp. 846-57. Details may not add to totals because of rounding.

6. STRUCTURE AND FINANCING OF TOTAL DEBT¹

(Amounts outstanding at end of year; in billions of dollars)

	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	
Total credit market debt owed															
1 By nonfinancial sectors ¹	488.3	512.1	547.8	574.9	603.7	640.4	689.1	722.0	765.2	821.3	878.7	945.2	1016.8	1084.3	1
2 Loans and short-term secur.....	165.6	151.8	168.3	185.2	199.7	200.3	220.1	234.7	250.7	266.2	285.1	311.5	344.5	370.3	2
3 Long-term securities and mtgs.....	322.7	360.3	379.4	389.6	403.9	440.1	469.0	487.3	514.5	555.1	593.6	633.7	672.3	714.0	3
By Sector															
4 U.S. Government.....	229.5	231.6	231.6	226.0	225.2	234.0	242.9	241.0	248.7	256.6	261.6	268.7	272.3	278.7	4
5 Short-term mkt. securities.....	79.2	64.2	68.0	74.1	81.1	78.3	83.6	86.8	95.6	96.3	97.7	101.7	105.2	107.4	5
6 Other securities ²	148.1	165.1	162.6	151.1	143.7	154.9	159.2	153.6	152.1	158.9	162.8	165.0	164.7	167.6	6
7 Loan participations.....	2.3	2.3	1.0	.8	.3	.8	.2	.6	.9	1.4	1.2	2.0	2.4	3.7	7
8 Foreign.....	15.3	15.8	16.2	16.9	18.2	19.9	20.5	22.4	24.6	27.1	30.5	35.3	38.1	39.3	8
9 Loans.....	12.9	13.1	13.5	14.0	14.9	16.0	16.2	17.5	19.2	20.8	23.1	27.1	29.0	29.7	9
10 Securities.....	2.4	2.7	2.7	2.9	3.3	3.9	4.3	4.9	5.4	6.3	7.3	8.2	9.1	9.5	10
11 Pvt. domestic nonfin. sectors.....	243.5	264.6	300.0	332.0	360.3	386.4	425.7	458.6	491.9	537.5	586.6	641.2	706.4	766.4	11
12 Loans.....	73.5	74.4	86.8	97.1	103.7	106.0	120.3	130.5	135.9	149.1	164.3	182.6	210.3	233.2	12
13 Consumer credit.....	31.4	32.5	38.8	42.3	45.0	45.1	51.5	56.0	57.7	63.2	70.5	78.4	87.9	94.8	13
14 Bank loans n.e.c.....	29.8	29.8	35.1	41.1	42.9	43.9	49.6	52.5	54.6	59.4	64.6	70.8	84.3	94.1	14
15 Other loans.....	12.3	12.2	12.9	13.7	15.8	17.0	19.2	22.0	23.5	26.5	29.2	33.4	38.1	44.3	15
16 Securities and mortgages ¹	170.0	190.2	213.2	234.9	256.6	280.4	305.3	328.1	356.0	388.4	422.3	458.5	496.1	533.2	16
17 State and local obligations.....	34.2	39.7	44.8	49.4	53.9	58.8	63.7	68.7	75.5	82.5	88.0	94.6	101.2	107.2	17
18 Corporate bonds.....	47.0	50.4	53.3	56.9	63.2	68.9	71.9	75.3	80.0	84.5	88.4	92.4	97.8	108.0	18
19 1- to 4-family mortgages.....	65.6	74.9	87.3	98.1	106.8	116.5	129.6	140.1	151.5	164.5	179.7	195.3	211.5	222.8	19
20 Other mortgages.....	23.3	25.2	27.8	30.5	32.7	36.2	40.2	44.0	49.1	57.0	66.2	76.2	85.6	95.2	20
21 Assets financing total debt (= 1).....	488.3	512.1	547.8	574.9	603.7	640.4	689.1	722.0	765.2	821.3	878.7	945.2	1016.8	1084.3	21
22 U.S. Govt. cash bal.....	5.6	5.9	5.2	5.3	5.4	5.6	6.2	7.1	7.1	8.4	8.0	8.2	7.2	6.8	22
23 U.S. Govt. loans.....	23.0	22.7	24.1	25.2	27.6	29.3	33.2	35.4	38.0	41.8	44.3	48.1	52.7	60.3	23
24 Foreign funds.....	8.8	9.8	10.5	11.7	12.3	13.3	15.4	17.0	18.5	20.6	22.4	25.2	26.1	25.7	24
25 Pvt. insur. & pension reserves ³	72.4	77.2	82.7	88.7	94.9	100.5	107.1	112.9	118.0	124.8	132.0	140.2	147.5	157.3	25
26 Sources n.e.c.....	20.7	24.1	28.1	32.1	33.9	40.7	46.3	53.0	59.3	63.3	68.5	75.5	84.4	93.7	26
27 Pvt. domestic nonfin. sectors ¹	357.9	372.3	397.2	412.0	429.5	451.1	481.0	496.6	524.3	562.4	603.3	648.0	698.8	740.6	27
28 Liquid assets.....	286.0	297.6	316.2	326.6	338.8	356.1	377.2	382.5	407.1	438.5	476.0	508.9	552.5	575.2	28
29 Deposits.....	214.7	228.2	239.2	250.0	261.0	281.7	293.0	306.7	330.7	360.8	395.1	430.3	470.9	492.3	29
30 Demand dep. and currency.....	124.3	128.0	130.4	131.6	130.2	135.1	135.4	134.1	137.9	139.9	145.7	152.1	160.0	162.8	30
31 Time and svgs. accounts.....	90.4	100.2	108.9	118.4	130.8	146.5	157.5	172.6	192.8	220.8	249.4	278.2	310.9	329.5	31
32 At commercial banks.....	41.7	44.9	46.4	48.7	54.3	61.2	64.0	69.5	78.5	93.5	106.9	120.0	139.5	150.7	32
33 At savings institutions.....	48.7	55.3	62.4	69.7	76.6	85.3	93.5	103.1	114.3	127.3	142.5	158.3	171.5	178.8	33
34 Short-term U.S. Govt. sec.....	71.3	69.3	77.0	76.7	77.8	74.5	80.2	75.8	76.4	77.8	80.9	78.6	81.6	82.9	34
35 Other U.S. Govt. securities.....	28.6	28.7	28.6	26.6	25.4	26.1	33.5	32.9	31.5	31.9	33.6	36.8	37.0	43.7	35
36 Pvt. credit mkt. debt instr. ¹	45.6	49.2	56.2	62.6	68.7	73.2	78.8	85.5	91.2	97.3	101.1	109.5	116.8	129.1	36
37 Less net security debt.....	2.3	3.1	3.9	3.9	3.5	4.4	4.5	4.3	5.5	5.4	7.3	7.2	7.5	7.4	37

¹ Corporate stocks are excluded from this table as both liabilities and assets.² Includes agency issues not guaranteed by the U.S. Government.³ Net of market value of corporate stock holdings.

7. SUMMARY OF PRINCIPAL ASSETS AND LIABILITIES

(Amounts outstanding at end of year; in billions of dollars)

Transaction category, or sector	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	
I. Demand deposits and currency															
1 Net banking system liability.....	137.5	142.0	144.2	146.0	145.3	151.1	152.0	152.2	157.8	162.3	168.0	175.5	183.1	185.7	1
2 Monetary authorities.....	29.8	29.9	30.0	30.1	30.1	30.3	30.8	30.6	31.4	32.3	34.2	36.8	38.8	41.2	2
3 U.S. Govt. cash and dep.....	1.1	1.4	1.2	1.2	1.2	1.0	.9	.9	.9	1.0	1.2	1.4	1.4	1.6	3
4 Foreign deposits.....	.4	.5	.4	.3	.4	.3	.4	.2	.3	.3	.2	.3	.2	.4	4
5 Currency.....	28.3	28.0	28.5	28.5	28.5	28.9	29.6	29.5	30.2	31.0	32.7	35.1	37.2	39.2	5
6 Commercial banks.....	107.6	112.1	114.2	115.9	115.2	120.8	121.2	121.6	126.3	130.0	133.9	138.7	144.3	144.5	6
7 U.S. Government.....	4.1	4.2	3.7	3.7	3.9	4.3	5.1	5.9	5.9	7.2	6.5	6.5	5.5	5.0	7
8 Foreign.....	.3	.4	.4	.7	.9	.9	.9	1.1	1.8	1.9	2.2	2.7	2.8	2.4	8
9 Other.....	103.2	107.6	110.1	111.5	110.4	115.6	115.3	114.5	118.6	121.0	125.1	129.5	135.9	137.1	9
10 Total assets.....	137.5	142.0	144.2	146.0	145.3	151.1	152.0	152.2	157.8	162.3	168.0	175.5	183.1	185.7	10
11 U.S. Government.....	5.3	5.5	4.9	4.9	5.1	5.3	5.9	6.8	6.8	8.1	7.8	7.9	7.0	6.6	11
12 Private money supply.....	132.2	136.4	139.4	141.1	140.2	145.8	146.1	145.4	150.9	154.2	160.3	167.5	176.2	179.1	12
13 Domestic sectors.....	131.4	135.6	138.6	140.1	138.9	144.6	144.9	144.0	148.9	152.0	157.8	164.6	173.1	176.3	13
14 Households.....	61.8	63.2	63.7	64.7	63.5	65.2	66.7	65.9	66.6	69.4	73.5	79.5	86.7	88.6	14
15 Nonfinancial business.....	45.6	48.1	49.4	49.7	50.4	53.4	51.1	50.1	51.8	50.8	50.0	48.2	46.5	47.2	15
16 Corporate.....	28.9	31.0	32.0	32.2	32.1	33.6	32.6	32.1	33.8	32.8	32.0	29.8	28.0	28.7	16
17 Nonfarm noncorporate.....	10.4	10.9	11.2	11.5	12.4	13.6	12.7	12.4	12.5	12.5	12.5	12.5	12.5	12.5	17
18 Farm.....	7.0	6.9	6.9	6.7	6.6	6.9	6.2	5.8	5.8	5.9	5.7	5.9	6.0	6.0	18
19 State and local govts.....	8.0	7.6	7.4	7.0	7.2	7.1	7.2	6.1	6.4	7.3	9.7	11.1	10.9	11.7	19
20 Financial sectors.....	7.2	7.6	8.2	8.4	8.8	9.5	9.5	10.0	11.0	12.0	12.2	12.5	13.1	13.5	20
21 Mail float.....	8.9	9.1	9.9	10.2	9.1	9.4	10.4	12.1	13.1	12.5	12.4	13.3	15.8	15.3	21
22 Rest of the world.....	.8	.9	.8	1.0	1.2	1.2	1.2	1.3	2.1	2.2	2.4	2.9	3.0	2.8	22

7. SUMMARY OF PRINCIPAL ASSETS AND LIABILITIES—Continued

(Amounts outstanding at end of year; in billions of dollars)

Transaction category, or sector	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
II. Time and savings accounts														
1 Total held.....	94.1	104.6	113.0	122.4	134.8	151.6	161.5	176.8	197.5	226.2	255.7	286.1	319.2	338.3
2 At commercial banks.....	45.1	48.9	50.3	52.3	57.8	65.8	67.5	73.3	82.7	98.3	112.6	127.2	147.2	159.3
3 Corporate business.....	.9	1.1	1.0	1.0	1.0	1.9	1.5	2.8	4.6	8.3	12.2	15.4	19.2	18.6
4 State and local government.....	2.0	2.4	2.4	2.4	2.8	3.6	3.2	4.6	5.5	6.5	8.1	9.8	12.2	13.5
5 U.S. Government.....	.3	.4	.4	.3	.3	.3	.3	.3	.3	.3	.3	.3	.3	.2
6 Mut. svgs. banks.....	.2	.3	.2	.2	.1	.2	.1	.1	.2	.2	.1	.2	.2	.6
7 Foreign.....	2.8	3.4	3.2	3.1	3.1	4.0	3.1	3.5	3.8	4.3	5.3	6.7	7.3	8.2
8 Households.....	38.9	41.4	43.1	45.3	50.5	55.8	59.4	62.2	68.4	78.7	86.6	94.8	108.0	118.7
9 At savings institutions.....	48.9	55.6	62.8	70.1	77.0	85.9	94.0	103.5	114.8	127.9	143.1	159.0	172.0	179.0
Liability:														
10 Savings and loan assns.....	22.8	27.3	32.1	37.1	41.9	48.0	54.6	62.1	70.9	80.2	91.3	101.9	110.4	114.0
11 Mutual svgs. banks.....	24.4	26.4	28.2	30.0	31.7	34.0	35.0	36.3	38.3	41.3	44.6	48.8	52.4	55.0
12 Credit unions.....	1.7	2.0	2.4	2.9	3.4	3.9	4.4	5.0	5.6	6.3	7.2	8.2	9.1	10.0
Assets:														
13 Households.....	48.7	55.3	62.4	69.7	76.6	85.3	93.5	103.1	114.3	127.3	142.5	158.3	171.5	178.8
14 Cr. union dep. at S & L's.....	.3	.3	.4	.4	.4	.6	.5	.3	.5	.6	.6	.7	.5	.3
III. U.S. Govt. securities														
15 Total debt outstanding.....	229.5	231.6	231.6	226.0	225.2	234.0	242.9	241.0	248.7	256.6	261.6	268.7	272.3	278.7
16 Direct excl. savings bonds.....	175.8	177.3	176.8	171.1	170.4	179.8	188.9	186.9	192.8	198.2	200.7	205.6	206.2	207.0
17 Short-term marketable.....	79.2	64.2	68.0	74.1	81.1	78.3	83.6	86.8	95.6	96.3	97.7	101.7	105.2	107.4
18 Other.....	96.6	113.0	108.8	97.0	89.3	101.5	105.4	100.1	97.2	101.9	103.1	103.9	101.0	99.6
19 Nonguaranteed agency issues.....	2.1	2.1	3.6	4.0	6.2	5.7	7.9	7.9	8.5	10.1	11.7	12.1	14.1	17.9
20 CCC certificates.....	2.3	2.3	1.0	.8	.3	.8	.2	.6	.9	1.1	.7	.5	.5	.5
21 Export-import loan partic.....										.3	.5	1.2	.7	.20
22 Other loan participations.....												.3	1.2	3.2
23 Savings bonds—Households.....	49.4	50.0	50.2	50.1	48.2	47.7	45.9	45.6	46.4	46.9	48.0	49.0	49.6	50.1
24 Total holdings, by sector.....	229.5	231.6	231.6	226.0	225.2	234.0	242.9	241.0	248.7	256.6	261.6	268.7	272.3	278.7
25 Federal Reserve System.....	25.9	24.9	24.8	24.9	24.2	26.3	26.6	27.4	28.9	30.8	33.6	37.0	40.8	44.3
26 Short-term marketable.....	16.5	19.9	21.2	22.2	21.8	21.0	20.2	19.2	18.2	20.2	25.2	27.3	30.9	36.3
27 Other direct.....	9.4	5.1	3.6	2.7	2.4	5.4	6.5	8.1	10.7	10.6	8.4	9.8	9.8	7.9
28 Commercial banks.....	67.0	72.6	64.6	61.7	61.6	70.2	62.1	64.3	70.1	71.4	68.8	69.2	66.8	63.4
29 Short-term marketable.....	32.1	17.0	12.1	15.8	19.2	19.2	15.6	22.6	31.9	26.6	23.1	27.1	25.3	20.9
30 Other direct.....	31.4	51.9	49.6	43.5	40.0	48.0	44.6	39.3	35.2	40.4	41.0	36.8	35.3	36.5
31 Nonguaranteed issues.....	1.3	1.4	1.8	1.6	2.1	2.2	1.7	1.6	2.1	3.0	3.5	3.5	4.6	4.6
32 Loan participations.....	2.3	2.3	1.0	.8	.3	.8	.2	.6	.9	1.4	1.2	1.8	1.5	1.5
33 Nonbank finance.....	32.1	31.3	30.8	29.5	29.1	29.9	30.5	30.1	30.8	32.4	31.7	33.7	32.9	33.7
34 Short-term marketable.....	5.3	4.3	3.8	4.4	5.2	6.0	6.0	7.0	8.5	9.3	7.8	8.9	8.5	9.9
35 Other direct.....	26.6	26.9	26.7	24.6	23.0	23.0	23.2	21.5	20.7	21.3	21.9	22.4	21.6	20.6
36 Nonguaranteed.....	.2	.1	.3	.5	1.0	.9	1.3	1.6	1.6	1.8	2.1	2.4	2.7	3.2
37 Foreign.....	4.5	4.8	5.8	6.7	6.9	7.0	10.0	10.6	11.0	12.3	12.9	13.4	13.3	10.7
38 Short-term.....	3.4	3.7	4.2	5.2	5.4	5.4	7.5	7.7	7.1	9.2	8.7	8.8	8.4	7.5
39 Other.....	1.1	1.1	1.6	1.5	1.5	1.6	2.5	2.9	3.9	3.1	4.2	4.6	4.9	3.1
40 Pvt. domestic nonfin. sectors.....	99.9	98.0	105.6	103.2	103.3	100.6	113.7	108.7	108.0	109.7	114.6	115.4	118.6	126.6
41 Direct excl. svgs. bonds.....	50.0	47.5	54.0	51.2	52.0	50.3	63.0	58.4	56.7	57.5	60.5	60.0	61.3	64.2
42 Short-term marketable.....	21.9	19.4	26.8	26.5	29.6	26.8	34.3	30.2	30.0	30.9	32.9	29.7	32.0	32.8
43 Other direct.....	28.1	28.1	27.2	24.7	22.4	23.6	28.7	28.2	26.7	26.6	27.6	30.4	29.3	31.4
44 Nonguaranteed agency issues.....	.5	.5	1.4	1.9	3.1	2.6	4.9	4.6	4.9	5.3	6.1	6.2	7.0	10.5
45 Loan participations.....												.2	.7	1.8
46 Savings bonds—Households.....	49.4	50.0	50.2	50.1	48.2	47.7	45.9	45.6	46.4	46.9	48.0	49.0	49.6	50.1
IV. Other securities														
47 Total at market value.....	262.1	348.7	415.2	444.5	417.7	543.6	586.4	592.8	722.9	668.5	767.9	865.2	968.6	909.6
48 State and local obligations.....	34.2	39.7	44.8	49.4	53.9	58.8	63.7	68.7	75.5	82.5	88.0	94.6	101.2	107.2
49 Corporate and foreign bonds.....	53.0	57.2	61.3	66.1	73.5	80.1	84.5	90.1	95.8	101.6	108.1	115.7	124.7	136.1
50 Nonfinancial corporations.....	47.0	50.4	53.3	56.9	63.2	68.9	71.9	75.3	80.0	84.5	88.4	92.4	97.8	108.0
51 Finance companies.....	3.7	4.0	5.4	6.3	7.1	7.2	8.3	9.9	10.4	10.7	12.2	14.3	16.1	16.9
52 Commercial banks.....											.2	.8	1.6	1.7
53 Foreign.....	2.4	2.7	2.7	2.9	3.3	3.9	4.3	4.9	5.4	6.3	7.3	8.2	9.1	9.5
54 Corporate stocks ¹	174.9	251.9	309.2	329.0	290.3	404.8	438.2	434.0	551.7	484.4	571.8	655.0	742.8	666.3
55 Holdings, by sector.....	262.1	348.7	415.2	444.5	417.7	543.6	586.4	592.8	722.9	668.5	767.9	865.2	968.6	909.6
56 Households.....	178.2	252.3	308.3	330.7	295.8	403.0	433.2	429.7	538.2	475.9	551.3	627.7	709.3	642.6
57 Stocks ¹	160.9	233.3	284.9	303.6	266.0	372.3	400.8	394.3	500.0	435.9	512.6	586.4	666.3	596.3
58 Bonds.....	17.2	19.0	23.4	27.1	29.7	30.7	32.4	35.4	38.1	40.0	38.6	41.3	43.1	46.3
59 State and local government.....	7.1	8.1	9.2	10.3	11.9	13.7	15.2	17.4	19.8	22.1	24.4	27.0	29.6	33.7
60 Corporate business.....	.8	1.0	1.2	1.3	1.5	2.0	2.6	2.4	2.2	1.8	2.7	2.9	3.6	4.4
61 Commercial banks.....	12.9	14.5	14.4	14.2	15.3	17.8	18.2	18.6	21.2	21.6	30.8	34.4	39.4	41.9
62 Mutual savings banks.....	3.7	4.1	3.9	4.0	4.7	5.4	5.2	5.3	5.2	5.1	4.8	4.7	4.7	4.9
63 Insurance and pension funds.....	53.4	60.9	68.9	74.8	80.0	91.6	100.9	108.2	123.1	126.2	139.7	152.8	166.3	168.3
64 Stocks.....	9.4	12.4	16.6	17.8	17.5	24.0	28.2	30.9	40.9	39.3	47.8	56.2	64.1	61.0
65 Bonds.....	44.0	48.6	52.3	57.0	62.4	67.6	72.6	77.3	82.3	86.9	92.0	96.6	102.1	107.3
66 Finance n.e.c.....	2.3	2.3	2.5	1.9	2.1	1.4	1.3	1.2	.7	.8	1.0	.9	.2	.9
67 Security brokers and dealers.....	2.5	2.6	2.9	2.3	2.5	1.9	2.1	2.1	1.6	2.1	2.2	2.2	1.9	1.9
68 Investment companies—Net.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—
69 Portfolio securities ¹	3.9	5.8	7.4	8.6	8.2	12.6	15.0	16.1	21.8	20.0	23.9	27.8	33.4	31.4
70 Own shares outstanding ¹	4.1	6.1	7.8	9.0	8.7	13.2	15.8	17.0	22.8	21.3	25.2	29.1	35.2	34.3
71 Rest of the world.....	3.9	5.5	6.8	7.3	6.5	8.8	9.9	10.0	12.4	11.0	13.2	14.8	15.5	14.7

¹ Corporate stocks are included in this table at market value of holdings and investment company shares at current redemption value.

7. SUMMARY OF PRINCIPAL FINANCIAL ASSETS AND LIABILITIES—Continued

(Amounts outstanding at end of year; in billions of dollars)

Transaction category, or sector	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
V. Mortgages														
71 Total outstanding.....	89.4	100.9	116.1	129.5	140.4	153.9	171.0	185.2	202.2	223.5	248.4	273.8	299.3	319.3
72 1- to 4-family mortgages.....	66.1	75.7	88.2	99.0	107.6	117.7	130.9	141.3	153.1	166.5	182.2	197.6	213.7	224.1
73 In process.....	.6	.8	.9	.9	.9	1.2	1.3	1.2	1.6	2.0	2.5	2.2	2.2	1.3
74 Disbursed.....	65.6	74.9	87.3	98.1	106.8	116.5	129.6	140.1	151.5	164.5	179.7	195.3	211.5	222.8
75 Other mortgages.....	23.3	25.2	27.8	30.5	32.7	36.2	40.2	44.0	49.1	57.0	66.2	76.2	85.6	95.2
76 Holdings, by sector.....	89.4	100.9	116.1	129.5	140.4	153.9	171.0	185.2	202.2	223.5	248.4	273.8	299.3	319.3
77 Households.....	8.8	9.1	9.3	9.9	10.8	11.5	11.6	11.8	11.6	11.6	11.4	11.2	10.3	9.9
78 U.S. Government.....	4.4	4.6	5.2	6.0	7.5	7.8	10.0	11.2	11.8	12.2	11.2	11.4	12.4	15.8
79 Commercial banks.....	16.7	18.4	20.8	22.5	23.1	25.3	28.1	28.7	30.3	34.3	39.2	43.7	49.3	53.9
80 Savings institutions.....	35.0	41.3	49.0	55.7	61.4	69.2	78.5	87.4	98.4	111.5	127.7	142.4	155.5	162.4
81 Insurance sector.....	23.7	26.4	29.9	33.6	36.0	38.0	40.3	43.2	45.9	48.9	52.9	58.0	63.5	68.6
82 Mortgage companies.....	.6	.8	1.4	1.3	.9	1.4	1.6	1.6	2.2	2.7	3.5	3.9	4.5	3.9
VI. Bank loans n.e.c.														
83 Total outstanding.....	34.0	34.3	42.3	48.1	50.4	51.6	59.1	61.9	64.9	71.1	78.7	87.4	103.9	112.1
84 Nonfinancial business.....	26.1	25.7	30.7	36.3	38.0	38.2	42.9	45.2	46.5	50.8	55.5	60.3	72.6	82.5
85 Corporate.....	19.1	18.2	21.4	25.8	26.9	26.3	29.4	30.8	30.9	33.3	35.9	39.2	48.4	54.0
86 Nonfarm noncorporate.....	4.4	4.6	5.9	7.1	7.3	7.7	8.6	9.4	10.3	11.4	12.9	14.1	16.5	19.8
87 Farm.....	2.7	2.9	3.4	3.4	3.8	4.2	4.9	5.1	5.3	6.1	6.7	7.0	7.7	8.6
88 Households.....	3.7	4.1	4.4	4.8	5.0	5.7	6.7	7.2	8.1	8.6	9.1	10.5	11.8	11.6
89 Rest of the world.....	.7	1.0	1.4	1.8	2.1	2.6	2.9	3.0	3.7	4.1	4.9	6.9	7.5	7.3
90 Financial sectors.....	3.5	3.5	5.8	5.3	5.4	5.1	6.7	6.4	6.5	7.5	9.2	9.7	12.1	10.6

8. SECTOR STATEMENTS OF FINANCIAL ASSETS AND LIABILITIES

(Amounts outstanding at end of year; in billions of dollars)

Category	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
(A) Households														
1 Total financial assets.....	512.9	604.9	683.7	728.1	714.2	848.9	911.0	931.0	1073.6	1047.4	1171.8	1300.1	1438.9	1414.1
2 Demand deposits and currency.....	61.8	63.2	63.7	64.7	63.5	65.2	66.7	65.9	66.6	69.4	73.5	79.5	86.7	88.6
3 Savings accounts.....	87.6	96.7	105.5	115.0	127.0	141.1	152.8	165.3	182.7	206.0	229.1	253.0	279.5	297.5
4 At commercial banks.....	38.9	41.4	43.1	45.3	50.5	55.8	59.4	62.2	68.4	78.7	86.6	94.8	108.0	118.7
5 At savings institutions.....	48.7	55.3	62.4	69.7	76.6	85.3	93.5	103.1	114.3	127.3	142.5	158.3	171.5	178.8
6 Life insurance reserves.....	63.7	66.3	69.3	72.7	75.5	78.5	82.0	85.2	88.6	92.4	96.6	101.1	105.9	110.8
7 Pension fund reserves.....	37.0	41.9	49.6	55.6	61.6	71.6	81.1	89.4	102.1	107.7	121.3	136.1	150.8	159.2
8 Credit market instruments.....	252.7	325.7	384.4	408.5	374.5	479.8	515.1	511.3	618.9	556.6	635.4	713.5	797.3	738.2
9 U.S. Government securities.....	65.7	64.3	66.8	67.9	68.0	65.3	70.3	69.8	69.1	69.1	72.8	74.7	77.7	85.7
10 Short-term marketable.....	7.3	5.0	5.4	6.9	9.1	6.9	10.4	7.8	7.4	7.8	10.8	9.0	12.3	14.1
11 Other direct.....	8.6	9.1	10.3	9.7	8.8	9.2	11.0	13.6	12.6	11.5	10.6	12.9	11.8	13.3
12 Nonguaranteed.....	.4	.3	.9	1.2	1.9	1.5	3.0	2.7	2.6	2.9	3.3	3.8	4.0	8.1
13 Savings bonds.....	49.4	50.0	50.2	50.1	48.2	47.7	45.9	45.6	46.4	46.9	48.0	49.0	49.6	50.1
14 State and local obligations.....	13.5	15.2	18.6	21.6	23.6	23.8	25.7	28.7	31.6	34.2	33.8	36.9	38.4	40.6
15 Corporate and foreign bonds.....	3.7	3.7	4.8	5.5	6.2	6.9	6.7	6.7	6.5	5.8	4.8	4.4	4.6	5.7
16 Corporate stock, mkt. value.....	160.9	233.3	284.9	303.6	266.0	372.3	400.8	394.3	500.0	435.9	512.6	586.4	666.3	596.3
17 Mortgages.....	8.8	9.1	9.3	9.9	10.8	11.5	11.6	11.8	11.6	11.6	11.4	11.2	10.3	9.9
18 Security credit.....	.7	1.0	.9	.9	.9	1.2	1.0	1.1	1.2	1.2	1.2	1.2	1.7	1.6
19 Miscellaneous.....	9.6	9.9	10.4	10.7	11.2	11.6	12.2	12.8	13.5	14.1	14.7	15.7	17.0	18.2
20 Total liabilities.....	106.9	119.2	139.9	156.3	169.2	181.9	203.8	221.9	238.7	259.2	285.6	312.7	342.5	363.6
21 Credit market instruments.....	101.5	112.5	132.2	148.3	161.2	172.6	194.2	212.2	227.4	247.9	272.0	299.0	327.6	348.5
22 1- to 4-family mortgages.....	58.9	67.5	79.7	90.9	99.8	109.1	121.9	133.2	144.4	157.3	172.1	188.0	204.0	216.3
23 Other mortgages.....	3.9	4.6	5.2	5.9	6.6	7.4	8.2	9.0	9.8	10.7	11.6	12.6	13.6	14.8
24 Consumer credit.....	31.4	32.5	38.8	42.3	45.0	45.1	51.5	56.0	57.7	63.2	70.5	78.4	87.9	94.8
25 Bank loans n.e.c.....	3.7	4.1	4.4	4.8	5.0	5.7	6.7	7.2	8.1	8.6	9.1	10.5	11.8	11.6
26 Other loans.....	3.5	3.8	4.1	4.4	4.9	5.3	5.9	6.7	7.4	8.1	8.7	9.5	10.3	11.0
27 Security credit.....	3.0	4.1	4.8	4.8	4.4	5.5	5.5	5.4	6.7	6.6	8.6	8.4	9.2	9.0
28 Trade credit.....	1.2	1.3	1.4	1.6	1.7	1.8	1.9	2.0	2.1	2.1	2.2	2.3	2.4	2.5
29 Deferred and unpaid life insurance premiums.....	1.3	1.3	1.5	1.7	1.8	2.0	2.2	2.4	2.5	2.7	2.9	3.0	3.3	3.7

8. SECTOR STATEMENTS OF FINANCIAL ASSETS AND LIABILITIES—Continued

(Amounts outstanding at end of year; in billions of dollars)

Category	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	
(B) Nonfinancial business—Total															
1 Total financial assets.....	153.8	161.1	181.3	189.0	196.4	211.8	228.1	233.7	247.2	263.5	282.2	297.5	319.2	339.5	1
2 Demand dep. and currency.....	45.6	48.1	49.4	49.7	50.4	53.4	51.1	50.1	51.8	50.8	50.0	48.2	46.5	47.2	2
3 Time deposits.....	.9	1.1	1.0	1.0	1.0	1.9	1.5	2.8	4.6	8.3	12.2	15.4	19.2	18.6	3
4 Credit mkt. instruments.....	33.9	32.0	37.4	33.9	34.2	35.1	43.8	39.2	39.0	41.2	44.4	45.9	46.8	50.1	4
5 Trade credit.....	51.1	56.0	67.4	74.9	77.6	85.5	92.7	98.9	106.5	114.7	123.1	131.4	144.2	155.0	5
6 Miscellaneous.....	22.3	24.0	26.1	29.5	33.2	35.8	39.0	42.7	45.3	48.4	52.4	56.7	62.5	68.7	6
7 Total liabilities.....	190.1	198.4	226.3	244.9	257.5	272.0	296.4	312.1	318.5	347.5	379.5	411.9	456.2	504.7	7
8 Credit market instruments.....	107.1	112.0	122.6	133.7	144.4	154.1	166.5	176.2	187.2	204.8	223.9	244.5	274.1	306.4	8
9 Corporate bonds.....	47.0	50.4	53.3	56.9	63.2	68.9	71.9	75.3	80.0	84.5	88.4	92.4	97.8	108.0	9
10 1- to 4-family mortgages.....	6.6	7.4	7.6	7.2	6.9	7.4	7.6	6.9	7.1	7.2	7.5	7.3	7.5	6.5	10
11 Other mortgages.....	19.4	20.6	22.6	24.6	26.1	28.8	32.0	35.0	39.3	46.3	54.6	63.7	72.0	80.5	11
12 Bank loans n.e.c.....	26.1	25.7	30.7	36.3	38.0	38.2	42.9	45.2	46.5	50.8	55.5	60.3	72.6	82.5	12
13 Other loans.....	7.9	7.9	8.3	8.7	10.2	10.7	12.1	13.7	14.3	16.0	17.8	20.8	24.3	29.0	13
14 Trade debt, net.....	39.7	44.0	54.0	59.4	61.2	65.9	71.6	75.7	80.2	85.7	92.7	100.1	108.3	117.4	14
15 Other liabilities.....	43.2	42.4	49.7	51.8	51.9	52.0	58.3	60.2	51.1	57.0	62.9	67.3	73.9	80.8	15
(C.1) Farm business															
1 Total financial assets.....	7.5	7.4	7.5	7.4	7.3	7.7	7.4	7.2	7.2	7.2	7.4	7.9	8.2	8.3	1
2 Demand deposits and currency.....	7.0	6.9	6.9	6.7	6.6	6.9	6.2	5.8	5.8	5.9	5.7	5.9	6.0	6.0	2
3 Nonlife insurance claims.....	1.2	1.2	1.3	1.4	1.4	1.5	1.6	1.6	1.7	1.7	1.9	2.0	2.2	2.3	3
4 Total liabilities.....	13.5	14.4	15.9	16.8	18.2	20.0	22.3	23.8	25.4	28.3	31.4	34.3	38.3	42.6	4
5 Credit market instruments.....	11.4	12.2	13.6	14.4	15.6	16.9	18.8	20.1	21.5	23.8	26.3	28.9	32.2	35.7	5
6 Mortgages.....	7.7	8.2	9.0	9.8	10.4	11.1	12.1	13.1	13.9	15.2	16.8	18.9	21.2	23.3	6
7 Bank loans n.e.c.....	2.7	2.9	3.4	3.4	3.8	4.2	4.9	5.1	5.3	6.1	6.7	7.0	7.7	8.6	7
8 Other loans.....	1.0	1.1	1.1	1.2	1.4	1.6	1.9	2.0	2.2	2.5	2.8	3.0	3.3	3.7	8
9 Trade debt.....	2.1	2.2	2.3	2.4	2.6	3.1	3.5	3.7	3.9	4.5	5.1	5.5	6.1	7.0	9
(C.2) Noncorporate nonfinancial business															
1 Total financial assets.....	16.5	17.3	17.9	18.6	19.8	21.1	20.6	20.7	21.1	21.7	22.2	22.9	23.6	24.3	1
2 Demand deposits and currency.....	10.4	10.9	11.2	11.5	12.4	13.6	12.7	12.4	12.5	12.5	12.5	12.5	12.5	12.5	2
3 Consumer credit.....	4.2	4.3	4.4	4.7	4.8	4.8	5.0	5.3	5.5	5.9	6.3	6.7	7.1	7.5	3
4 Nonlife insurance claims.....	1.9	2.1	2.3	2.4	2.6	2.7	2.9	3.0	3.1	3.3	3.5	3.7	4.0	4.3	4
5 Total liabilities.....	16.4	19.4	23.0	24.5	26.7	28.5	32.0	34.8	37.9	43.1	49.6	58.8	66.0	73.1	5
6 Credit market instruments.....	19.5	20.5	23.0	24.9	26.0	27.9	30.7	32.7	35.5	40.2	46.2	52.3	59.5	67.4	6
7 1- to 4-family mortgages.....	5.1	5.5	5.6	5.4	5.3	5.5	5.6	5.3	5.4	5.4	5.6	5.5	5.5	5.0	7
8 Multifamily and coml. mtgs.....	5.8	6.2	6.8	7.4	7.9	8.9	10.0	10.9	12.7	15.5	18.9	22.4	25.4	28.6	8
9 Bank loans.....	4.4	4.6	5.9	7.1	7.3	7.7	8.6	9.4	10.3	11.4	12.9	14.1	16.5	19.8	9
10 Other loans.....	4.2	4.2	4.7	5.0	5.6	5.8	6.5	7.1	7.1	7.8	8.8	10.4	12.1	13.9	10
11 Trade debt, net.....	-3.1	-1.2	*	-4	7	6	1.3	2.1	2.5	3.0	3.4	6.5	6.5	5.7	11
12 Trade debt.....	9.0	11.0	12.2	13.2	13.7	14.8	15.2	15.7	16.4	16.9	17.0	20.8	21.1	20.6	12
13 Trade receivables.....	12.1	12.1	12.2	13.6	13.1	14.2	13.9	13.6	13.9	13.9	13.6	14.3	14.5	14.8	13
(D) Corporate nonfinancial business															
1 Total financial assets.....	129.8	136.4	155.9	163.0	169.3	183.0	200.1	205.8	218.9	234.6	252.6	266.6	287.4	306.8	1
2 Liquid assets.....	52.7	52.4	57.7	53.5	53.4	55.8	61.4	57.3	60.6	64.6	68.9	69.7	70.5	71.5	2
3 Demand deposits and currency.....	28.9	31.0	32.0	32.2	32.1	33.6	32.6	32.1	33.8	32.8	32.0	29.8	28.0	28.7	3
4 Time deposits.....	.9	1.1	1.0	1.0	1.0	1.9	1.5	2.8	4.6	8.3	12.2	15.4	19.2	18.6	4
5 U.S. Govt. securities.....	21.4	19.1	23.3	18.8	18.4	18.4	25.0	19.5	19.2	19.6	20.2	18.6	16.5	15.3	5
6 Open market paper.....	1.4	1.3	1.4	1.6	1.9	1.9	2.4	2.9	3.0	3.8	4.5	5.9	6.7	9.0	6
7 State and local obligations.....	.8	1.0	1.2	1.3	1.5	2.0	2.6	2.4	2.2	1.8	2.7	2.9	3.6	4.4	7
8 Consumer credit.....	6.1	6.4	7.1	7.5	7.6	8.1	8.9	9.1	9.2	10.1	10.8	11.7	12.9	14.0	8
9 Trade credit.....	51.1	56.0	67.4	74.9	77.6	85.5	92.7	98.9	106.5	114.7	123.1	131.4	144.2	155.0	9
10 Other financial assets.....	19.2	20.7	22.5	25.7	29.2	31.7	34.6	38.1	40.4	43.4	47.0	50.9	56.3	62.0	10
11 Total liabilities.....	160.2	164.7	187.4	203.5	212.6	223.5	242.1	253.5	255.2	276.2	298.5	318.8	351.9	388.9	11
12 Credit market instr.....	76.1	79.3	85.9	94.4	102.8	109.3	117.0	123.3	130.3	140.9	151.4	163.3	182.4	203.4	12
13 Corporate bonds.....	47.0	50.4	53.3	56.9	63.2	68.9	71.9	75.3	80.0	84.5	88.4	92.4	97.8	108.0	13
14 Mortgages.....	7.3	8.1	8.8	9.2	9.5	10.8	12.0	12.6	14.4	17.3	20.9	24.2	27.3	30.0	14
15 Bank loans n.e.c.....	19.1	18.2	21.4	25.8	26.9	26.3	29.4	30.8	30.9	33.3	35.9	39.2	48.4	54.0	15
16 Other loans.....	2.8	2.6	2.4	2.5	3.2	3.3	3.7	4.7	5.0	5.7	6.2	7.5	8.9	11.3	16
17 Profit taxes payable.....	19.3	16.0	20.1	18.1	16.0	13.4	15.6	13.6	14.9	15.9	17.5	18.5	20.4	20.6	17
18 Trade debt.....	40.8	43.0	51.7	57.4	57.9	62.2	66.9	70.0	73.8	78.2	84.2	88.2	95.6	104.7	18
19 Other liabilities.....	24.0	26.4	29.6	33.7	35.9	38.6	42.7	46.6	36.3	41.1	45.4	48.8	53.4	60.2	19

8. SECTOR STATEMENTS OF FINANCIAL ASSETS AND LIABILITIES—Continued

(Amounts outstanding at end of year; in billions of dollars)

Category	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	
(E) U.S. Government															
1 Total financial assets.....	54.3	50.4	55.1	55.3	56.8	56.1	62.9	65.2	68.3	74.4	78.8	84.1	88.9	97.0	1
2 Gold and official U.S. foreign exchange.....	1.5	1.3	1.2	1.8	2.1	2.0	2.1	1.7	1.9	1.2	1.2	1.0	1.1	.9	2
3 Demand deposits and currency.....	6.0	5.7	5.4	5.1	5.3	5.6	6.3	7.3	7.4	8.3	7.9	8.5	7.1	7.0	3
4 Credit market instruments.....	23.0	22.7	24.1	25.2	27.6	29.3	33.2	35.4	38.0	41.8	44.3	48.1	52.7	60.3	4
5 1- to 4-family mortgages.....	2.8	2.8	3.0	3.5	4.7	4.7	6.3	7.1	7.3	7.4	6.2	6.0	6.4	8.8	5
6 Other mortgages.....	1.7	1.8	2.2	2.5	2.8	3.1	3.7	4.1	4.5	4.8	5.0	5.4	6.0	6.9	6
7 Other loans.....	18.5	18.1	18.9	19.2	20.2	21.5	23.2	24.2	26.2	29.6	33.1	36.7	40.3	44.5	7
8 To svgs. and loan assns.....	1.0	.9	1.4	1.2	1.3	1.3	2.1	2.0	2.7	3.5	4.8	5.3	6.0	6.9	8
9 To rest of the world.....	12.0	11.8	11.8	11.8	12.2	12.8	12.8	13.3	13.8	14.9	16.0	17.5	19.0	19.9	9
10 To others.....	5.5	5.4	5.7	6.2	6.7	7.5	8.3	8.9	9.8	11.2	12.4	13.8	15.3	17.7	10
11 Time deposits.....	.3	.4	.4	.3	.3	.3	.3	.3	.3	.3	.3	.3	.3	.2	11
12 Taxes receivable.....	20.3	16.8	20.4	18.6	16.7	14.3	16.3	15.0	15.5	16.6	18.0	18.9	20.1	20.1	12
13 Trade credit.....	2.2	2.4	2.3	2.4	2.3	1.7	1.7	1.8	1.8	2.0	2.5	2.7	3.1	4.4	13
14 Miscellaneous.....	.9	1.0	1.4	1.9	2.5	2.8	3.1	3.7	3.5	4.2	4.6	4.6	4.5	4.1	14
15 Total liabilities.....	253.5	255.6	255.8	251.6	251.2	261.3	271.0	270.7	280.0	289.2	295.4	303.6	309.5	318.8	15
16 Life insurance reserves.....	6.3	6.0	5.8	6.1	6.2	6.2	6.4	6.4	6.5	6.6	6.8	6.9	7.0	7.1	16
17 Retirement fund reserves.....	8.9	9.4	10.0	10.9	11.3	12.3	13.2	14.1	15.0	16.0	17.2	18.4	19.7	21.0	17
18 Credit market instruments.....	229.5	231.6	231.6	226.0	225.2	234.0	242.9	241.0	248.7	256.6	261.6	268.7	272.3	278.7	18
19 U.S. Govt. securities.....	229.5	231.6	231.6	226.0	225.2	234.0	242.9	241.0	248.7	256.6	261.6	268.7	272.3	278.7	19
20 Savings bonds.....	49.4	50.0	50.2	50.1	48.2	47.7	45.9	45.6	46.4	46.9	48.0	49.0	49.6	50.1	20
21 Short-term mkt.....	79.2	64.2	68.0	74.1	81.1	78.3	83.6	86.8	95.6	96.3	97.7	101.7	105.2	107.4	21
22 Other direct.....	96.6	113.0	108.8	97.0	89.3	101.5	105.4	100.1	97.2	101.9	103.1	103.9	101.0	99.6	22
23 Nonguaranteed issues.....	2.1	2.1	3.6	4.0	6.2	5.7	7.9	7.9	8.5	10.1	11.7	12.1	14.1	17.9	23
24 Loan participations.....	2.3	2.3	1.0	.8	.3	.8	.2	.6	.9	1.4	1.2	2.0	2.4	3.7	24
25 Trade debt.....	2.6	2.4	2.3	2.6	2.8	2.8	2.9	3.1	3.4	3.7	3.6	3.4	3.9	4.5	25
26 Treasury currency liability.....	2.5	2.5	2.5	2.5	2.6	2.6	2.6	2.7	2.7	2.8	2.8	2.8	3.1	4.0	26
27 Miscellaneous liabilities.....	3.7	3.8	3.5	3.4	3.2	3.3	3.0	3.4	3.7	3.5	3.4	3.4	3.4	3.5	27
28 Dep. of svgs. and loan associations at FHLB.....	.6	.8	.7	.7	.7	.8	.6	.9	1.2	1.2	1.2	1.2	1.0	1.0	28
29 Other.....	3.2	3.0	2.8	2.7	2.6	2.5	2.5	2.5	2.5	2.3	2.3	2.3	2.4	2.5	29
(F) State and local governments															
1 Total financial assets.....	30.7	33.7	35.7	37.5	40.1	42.6	45.7	49.5	54.1	59.9	67.5	74.8	82.7	91.2	1
2 Liquid assets.....	13.0	13.0	13.1	13.8	15.3	15.4	17.0	17.9	18.9	21.5	25.6	28.2	31.5	33.9	2
3 Demand deposits and curr.....	8.0	7.6	7.4	7.0	7.2	7.1	7.2	6.1	6.4	7.3	9.7	11.1	10.9	11.7	3
4 Time deposits.....	2.0	2.4	2.4	2.4	2.8	3.6	3.2	4.6	5.5	6.5	8.1	9.8	12.2	13.5	4
5 Short-term U.S. Govt. securities.....	3.1	2.9	3.3	4.3	5.3	4.7	6.6	7.2	7.1	7.7	7.8	7.3	8.4	8.8	5
6 Other U.S. Govt. securities.....	9.8	11.7	12.2	12.2	11.6	12.2	11.8	12.1	12.6	13.2	13.9	14.8	16.0	16.9	6
7 State and local obligations.....	4.3	4.7	5.1	5.6	6.1	6.6	7.0	7.2	7.3	6.8	6.0	5.3	4.8	4.5	7
8 Corporate bonds.....	2.7	3.5	4.1	4.8	5.9	7.1	8.2	10.2	12.6	15.3	18.4	21.7	24.8	29.2	8
9 1- to 4-family mortgages.....	.1	.1	.2	.3	.4	.5	.8	1.2	1.7	2.1	2.4	2.9	3.5	4.3	9
10 Taxes receivable.....	.9	.8	1.0	1.0	.9	.8	.9	.9	1.0	1.1	1.3	1.9	2.1	2.3	10
11 Total liabilities.....	44.5	51.0	57.5	63.8	70.4	77.4	84.7	92.3	101.9	111.9	120.6	130.7	141.1	151.8	11
12 Credit market instruments.....	35.0	40.1	43.2	50.0	54.7	59.8	64.9	70.2	77.3	84.9	90.7	97.6	104.7	111.5	12
13 State and local obligations.....	34.2	39.7	44.8	49.4	53.9	58.8	63.7	68.7	75.5	82.5	88.0	94.6	101.2	107.2	13
14 Other loans (U.S. Govt.).....	.8	1.5	1.5	.6	.7	1.0	1.2	1.5	1.8	2.4	2.7	3.1	3.5	4.4	14
15 Trade debt.....	1.4	1.6	1.7	1.8	2.0	2.2	2.3	2.4	2.5	2.6	2.7	2.8	2.9	3.0	15
16 Retirement fund reserves.....	8.1	9.3	10.6	12.1	13.7	15.5	17.4	19.7	22.1	24.5	27.1	30.2	33.5	37.3	16

8. SECTOR STATEMENTS OF FINANCIAL ASSETS AND LIABILITIES

(Amounts outstanding at end of year; in billions of dollars)

Category	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	
(G) Monetary authorities															
1 Total financial assets.....	53.6	52.4	53.0	53.5	53.5	53.3	53.3	52.2	53.6	55.3	57.5	60.8	63.1	67.3	1
2 Gold and fgn. exchange ¹	22.0	21.7	21.6	21.9	22.8	20.5	19.4	17.7	16.8	16.0	15.6	15.6	14.3	14.0	2
3 Treasury currency.....	4.7	4.8	4.9	4.9	5.0	5.1	5.2	5.2	5.4	5.4	5.4	5.4	5.4	5.4	3
4 Credit market instruments.....	25.9	25.1	24.8	25.0	24.3	26.4	26.7	27.5	28.9	30.9	33.8	37.2	41.0	44.5	4
5 U.S. Govt. securities.....	25.9	24.9	24.8	24.9	24.2	26.3	26.6	27.4	28.9	30.8	33.6	37.0	40.8	44.3	5
6 Short-term mkt.....	16.5	19.9	21.2	22.2	21.8	21.0	20.2	19.2	18.2	20.2	25.2	27.3	30.9	36.3	6
7 Other.....	9.4	5.1	3.6	2.7	2.4	5.4	6.5	8.1	10.7	10.6	8.4	9.8	7.9	7.9	7
8 F.R. float.....	*	*	1.6	1.7	1.4	1.3	1.6	1.8	2.3	2.9	2.6	2.6	2.2	2.5	8
9 F.R. loans to domestic banks.....	*	*	1	*	1	*	5	*	1	*	*	2	1	2	9
10 Total liabilities.....	53.6	52.4	53.0	53.5	53.5	53.3	53.3	52.2	53.6	55.3	57.5	60.8	63.1	67.3	10
11 Vault cash.....	2.5	2.5	2.7	3.3	3.3	3.2	3.0	3.3	3.7	4.3	5.0	4.5	4.9	5.5	11
12 Member bank reserves.....	20.2	18.9	19.0	19.1	19.0	18.5	18.2	17.1	17.4	17.5	17.0	18.1	18.4	19.8	12
13 Demand deposits and currency.....	29.8	29.9	30.0	30.1	30.1	30.3	30.8	30.6	31.4	32.3	34.2	36.8	38.8	41.2	13
14 Due to U.S. Government.....	1.1	1.4	1.2	1.2	1.2	1.0	.9	.9	.9	1.0	1.2	1.4	1.4	1.6	14
15 Due to rest of the world.....	.4	.5	.4	.3	.4	.3	.2	.2	.3	.3	.2	.3	.2	.4	15
16 Currency outside banks.....	28.3	28.0	28.5	28.5	28.5	28.9	29.6	29.5	30.2	31.0	32.7	35.1	37.2	39.2	16
17 Other.....	1.1	1.2	1.2	1.1	1.1	1.3	1.0	1.2	1.2	1.3	1.3	.9	.9	.8	17
(H) Commercial banks ²															
1 Total financial assets.....	170.5	179.7	185.1	191.3	197.0	211.7	217.0	226.0	243.2	264.0	283.5	307.0	337.5	356.9	1
2 Member bank reserves.....	20.2	18.9	19.0	19.1	19.0	18.5	18.2	17.1	17.4	17.5	17.0	18.1	18.4	19.8	2
3 Vault cash.....	2.5	2.5	2.7	3.3	3.3	3.2	3.0	3.3	3.7	4.3	5.0	4.5	4.9	5.5	3
4 Total loans and investments ³	146.2	156.4	161.6	166.7	172.0	187.1	192.8	201.8	217.6	237.2	256.5	278.9	307.9	324.3	4
5 Credit market instruments.....	142.7	152.0	156.5	162.4	167.7	182.5	188.0	196.7	211.4	229.9	248.6	270.5	299.5	315.3	5
6 U.S. Govt. securities ⁴	67.0	72.6	64.6	61.7	61.6	70.2	62.1	64.3	70.1	71.4	68.8	69.2	66.8	63.4	6
7 Short-term mkt.....	32.1	17.0	12.1	15.8	19.2	19.2	15.6	22.6	31.9	26.6	23.1	27.1	25.3	20.9	7
8 Other direct.....	31.4	51.9	49.6	43.5	40.0	48.0	44.6	39.3	35.2	40.4	41.0	36.8	35.3	36.5	8
9 Agency issues.....	1.3	1.4	1.8	1.6	2.1	2.2	1.7	1.6	2.1	3.0	3.5	3.5	4.6	4.6	9
10 Loan participations.....	2.3	2.3	1.0	.8	.3	.8	.2	.6	.9	1.4	1.2	1.8	1.5	1.5	10
11 Other securities & mortgages.....	29.6	32.9	35.2	36.7	38.4	43.1	46.3	47.3	51.5	59.9	70.0	78.1	88.7	95.8	11
12 State and local obligations.....	10.8	12.6	12.7	12.9	13.9	16.5	17.0	17.6	20.3	24.8	30.0	33.5	38.6	41.0	12
13 Corporate bonds.....	2.1	1.9	1.7	1.3	1.4	1.3	1.2	1.0	.9	.8	.8	.9	.8	.9	13
14 1- to 4-family mortgages.....	11.9	13.2	14.9	16.1	16.2	17.4	19.1	19.2	20.0	22.0	24.7	27.0	30.1	32.5	14
15 Other mortgages.....	4.8	5.2	5.9	6.4	6.9	7.8	8.9	9.5	10.4	12.3	14.4	16.7	19.2	21.5	15
16 Other credit exc. security.....	46.0	46.4	56.7	64.0	67.7	69.2	79.6	85.1	89.8	98.6	109.9	123.2	143.9	156.1	16
17 Consumer credit.....	10.9	10.9	13.2	14.6	15.8	15.9	18.8	20.6	21.4	23.7	27.2	31.0	35.8	38.9	17
18 Bank loans n.e.c.....	34.0	34.2	42.3	48.1	50.4	51.5	59.1	61.9	64.8	71.1	78.7	87.4	103.8	112.1	18
19 Other loans.....	1.1	1.4	1.2	1.3	1.5	1.7	1.7	2.7	3.5	3.8	4.0	4.8	4.3	5.2	19
20 Open market paper.....	.7	.9	.7	.7	.9	1.1	1.0	1.9	2.8	3.0	3.1	3.8	3.3	5.2	20
21 Hypothecated deposits.....	.4	.5	.5	.6	.6	.6	.7	.7	.8	.8	.8	1.0	1.1	1.1	21
22 Security credit.....	3.6	4.5	5.0	4.3	4.2	4.7	4.9	5.1	6.2	7.3	7.9	8.4	8.5	9.0	22
23 Miscellaneous assets.....	1.6	1.9	1.9	2.3	2.7	2.8	3.0	3.8	4.5	5.0	4.9	5.5	6.2	7.4	23
24 Total liabilities.....	158.3	166.7	171.5	176.9	181.8	195.6	200.1	207.9	223.9	243.6	262.8	284.8	314.0	332.2	24
25 Demand deposits, net.....	107.6	112.1	114.2	115.9	115.2	120.8	121.2	121.6	126.3	130.0	133.9	138.7	144.3	144.5	25
26 U.S. Government.....	4.1	4.2	3.7	3.7	3.9	4.3	5.1	5.9	5.9	7.2	6.5	6.5	5.5	5.0	26
27 Foreign.....	.3	.4	.4	.7	.9	.9	.9	1.1	1.8	1.9	2.2	2.7	2.8	2.4	27
28 Other, net.....	103.2	107.6	110.1	111.5	110.4	115.6	115.3	114.5	118.6	121.0	125.1	129.5	135.9	137.1	28
29 Time deposits.....	45.1	48.9	50.3	52.3	57.8	65.8	67.5	73.3	82.7	98.3	112.6	127.2	147.2	159.3	29
30 Foreign.....	2.8	3.4	3.2	3.1	3.1	4.0	3.1	3.5	3.8	4.3	5.3	6.7	7.3	8.2	30
31 State and local govts.....	2.0	2.4	2.4	2.4	2.8	3.6	3.2	4.6	5.5	6.5	8.1	9.8	12.2	13.5	31
32 Nonfinancial corp.....	.9	1.1	1.0	1.0	1.0	1.9	1.5	2.8	4.6	8.3	12.2	15.4	19.2	18.6	32
33 Households.....	38.9	41.4	43.1	45.3	50.5	55.8	59.4	62.2	68.4	78.7	86.6	94.8	108.0	118.7	33
34 U.S. Government.....	.3	.4	.4	.3	.3	.3	.3	.3	.3	.3	.3	.3	.3	.2	34
35 Mutual savings banks.....	.2	.3	.2	.2	.1	.2	.1	.1	.2	.2	.1	.2	.2	.2	35
36 F.R. float.....	.9	.8	1.6	1.7	1.4	1.3	1.6	1.8	2.3	2.9	2.6	2.6	2.2	2.5	36
37 Borrowing at F.R. Banks.....	*	*	1	*	1	*	5	*	1	*	*	2	1	2	37
38 Miscellaneous.....	4.6	4.9	5.4	6.9	7.3	7.6	9.3	11.1	12.4	13.7	13.7	16.2	20.1	25.7	38
39 Memo: Total loans exc. mortgages.....	49.6	50.9	61.8	68.3	71.9	73.8	84.5	90.2	96.0	105.9	117.8	131.6	152.4	165.1	39

¹ Monetary gold stock and F.R. holdings of foreign currencies. Exchange Stabilization Fund holdings of gold and foreign exchange are in U.S. Govt. account, Table 8(E).

² Excludes banks in territories and possessions.

³ Gross of bad debt reserves. Excludes corporate stock holdings.

⁴ At par value.

8. SECTOR STATEMENTS OF FINANCIAL ASSETS AND LIABILITIES—Continued

(Amounts outstanding at end of year; in billions of dollars)

Category	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
(I) Nonbank financial institutions ¹														
1 Total financial assets	185.6	206.6	233.2	251.6	268.3	298.1	326.5	351.7	391.2	416.3	462.2	507.8	553.4	573.5
2 Demand deposits and currency	7.2	7.6	8.2	8.4	8.8	9.5	9.5	10.0	11.0	12.0	12.2	12.5	13.1	13.5
3 Time deposits (Mut. svgs. bks.)	.2	.3	.2	.2	.1	.2	.1	.1	.2	.2	.1	.2	.2	.3
4 Svgs. and loan shares (Cr. unions)	.3	.3	.4	.4	.4	.6	.5	.3	.5	.6	.7	.7	.5	.3
5 Credit mkt. instruments	171.0	189.9	215.1	232.3	248.3	275.3	303.2	327.1	362.9	386.1	428.7	473.0	516.6	535.6
6 U.S. Govt. securities	32.1	31.3	30.8	29.5	29.1	29.9	30.5	30.1	30.8	32.4	31.7	33.7	32.9	33.7
7 State and local obligations	4.8	6.2	7.2	8.0	8.9	10.0	11.5	12.8	14.0	14.9	15.5	15.9	15.7	16.7
8 Corporate bonds	44.3	47.8	50.4	54.3	59.7	64.3	67.8	71.5	75.2	79.0	83.4	87.8	93.5	98.4
9 Corporate stock	14.4	19.4	25.5	27.5	26.9	37.4	43.8	47.4	52.7	59.5	71.9	83.8	97.2	91.7
10 1- to 4-family mortgages	42.6	50.5	60.8	69.2	75.5	83.5	93.1	102.0	112.5	123.5	137.5	150.6	163.4	168.5
11 Other mortgages	16.8	18.1	19.7	21.6	23.1	25.3	27.5	30.3	34.2	39.9	46.8	54.1	60.4	66.8
12 Consumer credit	10.2	10.9	14.1	15.5	16.7	16.3	18.8	21.1	21.6	23.5	26.2	29.0	32.1	34.5
13 Other loans	5.8	5.6	6.5	6.7	8.4	8.6	10.2	11.8	12.0	13.6	15.7	18.1	21.4	25.4
14 Security credit	2.2	3.1	3.6	3.7	3.5	4.5	4.5	5.6	5.6	5.3	7.2	6.7	6.9	6.8
15 Trade credit	1.0	1.1	1.2	1.3	1.5	1.6	1.8	1.9	2.0	2.2	2.3	2.5	2.6	2.9
16 Miscellaneous assets	3.8	4.4	4.6	5.2	5.8	6.4	6.8	7.8	9.1	10.0	11.1	12.2	13.4	14.3
17 Total liabilities	164.4	182.1	206.1	223.2	239.9	266.4	292.7	316.4	351.2	375.1	416.8	458.9	501.3	522.0
18 Time and savings deposits	48.9	55.6	62.8	70.1	77.0	85.9	94.0	103.5	114.8	127.9	143.1	159.0	172.0	179.0
19 Ins. and pension reserves	77.3	83.7	92.4	99.3	105.8	116.1	126.1	134.4	147.2	153.0	166.8	181.6	196.4	204.6
20 Credit mkt. instruments	14.5	16.7	23.1	24.7	25.6	30.2	37.1	40.2	47.6	49.8	59.6	67.8	79.9	81.7
21 Finance company bonds	3.7	4.0	5.4	6.3	7.1	7.2	8.3	9.9	10.4	10.7	12.2	14.3	16.1	16.9
22 Investment company shares	4.1	6.1	7.8	9.0	8.7	13.2	15.8	17.0	22.8	21.3	25.2	29.1	35.2	34.3
23 Mtg. loans in process	.6	.8	.9	.9	.9	1.2	1.3	1.2	1.6	2.0	2.5	2.2	2.2	1.3
24 Bank loans n.e.c.	3.5	3.5	5.8	5.3	5.4	5.1	6.7	6.4	6.5	7.5	9.2	9.7	12.1	10.6
25 Other loans	2.6	2.4	3.1	3.1	3.6	3.5	5.0	5.7	6.3	8.3	10.6	12.6	14.3	18.6
26 Finance co. paper	1.6	1.5	1.7	1.9	2.3	2.2	2.9	3.7	3.6	4.8	5.8	7.2	8.3	11.7
27 FHLB loans	1.0	.9	1.4	1.2	1.3	1.3	2.1	2.0	2.7	3.5	4.8	5.3	6.0	6.9
28 Security credit	3.4	4.5	4.7	4.2	4.3	4.8	4.9	5.4	6.3	7.2	7.7	7.9	7.9	8.5
29 Taxes payable	.9	.7	.7	.6	.7	.8	.9	.9	.8	.9	.9	.9	1.0	1.1
30 Miscellaneous liabilities	19.3	20.9	22.5	24.5	26.5	28.6	29.6	32.1	34.5	36.3	38.6	41.6	44.2	47.2
(I.1) Savings and loan associations														
1 Total financial assets	26.7	31.6	37.7	42.9	48.1	55.1	63.5	71.5	82.1	93.6	107.6	119.4	129.6	134.0
2 Demand dep. and currency	.9	1.2	1.4	1.4	1.5	1.8	1.6	1.7	2.1	2.7	2.8	2.8	2.9	2.3
3 Credit market instruments	24.3	28.6	34.3	39.2	44.2	50.6	59.0	66.3	75.6	85.9	99.2	110.3	119.9	124.6
4 U.S. Govt. securities	1.9	2.0	2.5	2.9	3.6	4.2	4.9	5.2	5.7	6.0	7.0	7.6	8.2	8.7
5 1- to 4-family mortgages	21.0	25.0	30.0	34.0	38.0	42.9	49.5	55.4	62.4	69.8	79.1	87.0	94.8	97.8
6 Other mortgages	1.0	1.1	1.4	1.7	2.0	2.7	3.7	4.7	6.4	9.0	11.9	14.3	15.5	16.7
7 Consumer credit	.4	.4	.5	.6	.6	.8	.9	1.0	1.1	1.1	1.3	1.3	1.4	1.5
8 Miscellaneous	1.6	1.9	1.9	2.2	2.4	2.8	2.9	3.5	4.4	5.0	5.5	6.2	6.8	7.1
9 Total liabilities	24.8	29.4	35.1	39.9	44.8	51.3	59.1	66.5	76.4	87.1	100.4	111.5	120.9	124.9
10 Savings shares	22.8	27.3	32.1	37.1	41.9	48.0	54.6	62.1	70.9	80.2	91.3	101.9	110.4	114.0
11 Credit mkt. instruments	1.6	1.8	2.5	2.2	2.2	2.6	3.7	3.4	4.4	5.6	7.6	7.8	8.7	8.7
12 Mtg. loans in process	.6	.8	.9	.9	.9	1.2	1.3	1.2	1.6	2.0	2.5	2.2	2.2	1.3
13 Borrowing from FHLB	1.0	.9	1.4	1.2	1.3	1.3	2.1	2.0	2.7	3.5	4.8	5.3	6.0	6.9
14 Bank loans n.e.c.	.1	.1	.1	.1	.1	.1	.3	.2	.2	.2	.2	.3	.5	.5
15 Taxes payable	.4	.4	.5	.5	.6	.7	.9	1.0	1.1	1.2	1.4	1.6	1.7	2.1
16 Miscellaneous liabilities	.4	.4	.5	.5	.6	.7	.9	1.0	1.1	1.2	1.4	1.6	1.7	2.1
17 Memo: FHLB loans less deposits at FHLB	.4	.1	.7	.5	.6	.5	1.5	1.0	1.5	2.3	3.6	4.1	5.0	5.9
(I.2) Mutual savings banks														
1 Total financial assets	27.2	29.4	31.3	33.4	35.2	37.8	38.9	40.6	42.8	46.1	49.7	54.2	58.2	61.0
2 Demand dep. and currency	.7	.8	.7	.8	.8	.8	.7	.7	.8	.8	.8	.8	.8	.8
3 Time deposits	.2	.3	.2	.2	.1	.2	.1	.1	.2	.2	.1	.2	.2	.3
4 Credit mkt. instruments	26.1	28.1	30.2	32.2	34.1	36.5	37.8	39.4	41.5	44.7	48.1	52.5	56.4	59.1
5 U.S. Govt. securities	9.3	8.8	8.6	8.2	7.9	7.6	7.3	6.7	6.6	6.7	6.5	6.5	6.2	5.7
6 State and local oblig.	.4	.6	.6	.7	.7	.7	.7	.7	.7	.5	.4	.4	.3	.3
7 Corporate bonds	2.8	2.9	2.6	2.7	3.2	3.8	3.6	3.8	3.5	3.2	3.1	2.9	3.2	3.7
8 Corporate stock	.4	.6	.7	.7	.8	.9	.8	.8	.9	1.0	1.2	1.3	1.4	1.5
9 1- to 4-family mortgages	7.4	9.0	11.1	13.0	14.1	15.6	16.9	18.4	20.0	22.1	24.7	27.4	30.1	31.7
10 Other mortgages	5.6	6.0	6.4	6.8	7.1	7.6	8.1	8.6	9.1	10.2	11.5	13.2	14.6	15.7
11 Consumer credit	.1	.1	.1	.1	.1	.2	.2	.2	.3	.3	.3	.3	.4	.4
12 Other loans	.1	.1	.1	.1	.1	.2	.2	.2	.3	.4	.3	.4	.5	.6
13 Miscellaneous assets	.1	.2	.2	.2	.3	.3	.3	.3	.4	.5	.7	.7	.8	1.0
14 Savings deposits	24.4	26.4	28.2	30.0	31.7	34.0	35.0	36.3	38.3	41.3	44.6	48.8	52.4	55.0
15 Miscellaneous liabilities	.2	.3	.3	.3	.3	.5	.6	.7	.8	.8	.9	1.0	1.1	1.1

¹ In addition to types shown, includes banks in possessions.

8. SECTOR STATEMENTS OF FINANCIAL ASSETS AND LIABILITIES—Continued

(Amounts outstanding at end of year; billions of dollars)

Category	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	
(1.3) Credit Unions															
1 Total financial assets.....	1.7	2.0	2.4	2.9	3.4	3.9	4.4	5.0	5.6	6.3	7.2	8.2	9.1	10.0	1
2 Demand dep. and currency.....	.2	.2	.2	.3	.3	.3	.3	.3	.4	.4	.4	.5	.5	.6	2
3 Svgs. and loan shares.....	.3	.3	.4	.4	.4	.6	.5	.3	.5	.6	.6	.7	.5	.3	3
4 Credit mkt. instruments.....	1.3	1.5	1.9	2.2	2.7	3.0	3.6	4.3	4.7	5.4	6.1	7.0	8.1	9.2	4
5 Consumer credit.....	1.1	1.3	1.7	2.0	2.4	2.7	3.3	3.9	4.3	4.9	5.6	6.5	7.5	8.5	5
6 1- to 4-family mortgages.....	.1	.1	.2	.2	.3	.3	.3	.4	.4	.5	.5	.5	.6	.6	6
7 Credit union shares.....	1.7	2.0	2.4	2.9	3.4	3.9	4.4	5.0	5.6	6.3	7.2	8.2	9.1	10.0	7
(1.4) Life insurance companies															
1 Total financial assets.....	76.6	82.1	87.9	93.2	98.3	104.3	110.1	115.9	122.8	129.2	136.9	144.9	154.1	161.7	1
2 Demand dep. and currency.....	1.2	1.2	1.3	1.3	1.3	1.4	1.3	1.3	1.4	1.5	1.5	1.5	1.5	1.5	2
3 Credit mkt. instruments.....	73.3	78.6	84.1	89.1	94.0	99.7	105.2	110.6	117.2	123.2	130.5	138.1	146.8	154.0	3
4 U.S. Govt. securities.....	9.9	9.1	8.6	7.6	7.1	7.3	7.0	6.5	6.1	6.2	5.9	5.6	5.1	4.8	4
5 State and local obligations.....	1.3	1.8	2.0	2.2	2.4	2.7	3.2	3.6	3.9	4.0	3.9	3.8	3.5	3.1	5
6 Corporate bonds.....	33.3	35.3	37.0	39.2	41.8	44.3	46.5	48.2	50.7	53.2	56.0	58.3	61.1	63.3	6
7 Corporate stock.....	2.6	3.3	3.6	3.5	3.4	4.1	4.6	5.0	6.3	6.3	7.1	7.9	9.1	8.8	7
8 1- to 4-family mortgages.....	13.2	15.2	17.7	20.1	21.4	22.4	23.6	24.9	25.8	26.4	27.3	28.7	29.9	30.4	8
9 Other mortgages.....	10.1	10.8	11.8	12.9	13.8	14.7	15.6	16.9	18.4	20.5	23.2	26.4	30.1	34.2	9
10 Other loans.....	2.9	3.1	3.4	3.6	4.1	4.3	4.7	5.5	5.9	6.6	7.0	7.4	7.9	9.4	10
11 Miscellaneous assets.....	2.1	2.3	2.5	2.8	3.0	3.3	3.6	3.9	4.3	4.6	4.9	5.3	5.7	6.2	11
12 Total liabilities.....	72.5	77.3	82.4	87.4	92.3	97.5	103.1	108.5	114.2	120.3	126.8	134.0	141.9	149.3	12
13 Life insurance reserves.....	57.4	60.4	63.5	66.6	69.3	72.3	75.6	78.8	82.1	85.8	89.9	94.2	98.9	103.7	13
14 Pension fund reserves.....	8.8	10.0	11.3	12.5	14.1	15.6	17.6	18.9	20.3	21.6	23.3	25.3	27.3	29.4	14
15 Taxes payable.....	.2	.2	.2	.3	.3	.3	.4	.4	.4	.4	.4	.6	.5	.6	15
16 Miscellaneous liabilities.....	6.0	6.7	7.3	8.0	8.6	9.3	9.5	10.5	11.5	12.4	13.2	14.0	15.2	15.6	16
(1.5) Noninsured pension plans															
1 Total financial assets.....	11.1	13.3	17.6	20.1	22.4	28.2	33.0	36.8	44.8	45.7	53.7	62.2	70.2	71.5	1
2 Demand dep. and currency.....	.4	.4	.4	.4	.5	.5	.5	.5	.7	.7	.8	.9	.9	.9	2
3 Credit mkt. instruments.....	10.8	12.9	17.2	19.7	22.0	27.7	32.4	36.3	44.1	44.9	52.9	61.3	69.2	70.6	3
4 U.S. Govt. securities.....	2.5	2.6	2.9	2.7	2.5	2.6	2.8	2.7	3.1	3.1	3.4	3.8	3.5	3.7	4
5 Corporate bonds.....	5.6	6.9	7.9	9.5	11.3	12.8	14.1	15.7	16.9	18.1	19.6	21.2	22.7	24.6	5
6 Corporate stock.....	2.4	3.2	6.1	7.1	7.5	11.6	14.5	16.5	22.9	21.9	27.7	33.5	39.7	38.5	6
7 1- to 4-family mortgages.....	.2	.2	.3	.4	.6	.7	1.0	1.3	1.6	1.9	2.2	2.7	3.3	3.8	7
(1.6) Other insurance companies															
1 Total financial assets.....	16.8	19.2	21.0	21.8	22.1	24.8	27.1	28.2	31.6	32.1	35.2	38.1	40.2	40.0	1
2 Demand dep. and currency.....	1.4	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.4	1.4	1.4	1.4	1.3	1.3	2
3 Credit market instruments ¹	14.4	16.8	18.5	19.2	19.4	21.9	23.9	24.9	28.2	28.5	31.5	34.2	36.2	35.8	3
4 U.S. Govt. securities.....	6.1	6.2	6.1	5.7	5.6	5.5	5.8	5.6	5.6	5.7	5.9	6.0	6.0	5.6	4
5 State and local obligations.....	2.6	3.4	4.2	4.9	5.6	6.2	7.2	8.1	9.1	9.8	10.6	11.0	11.3	12.7	5
6 Corporate bonds.....	1.1	1.1	1.2	1.2	1.4	1.5	1.6	1.7	1.7	1.8	2.0	2.4	3.4	3.6	6
7 Corporate stock.....	4.5	5.9	6.9	7.2	6.7	8.4	9.1	9.4	11.8	11.1	13.0	14.7	15.3	13.8	7
8 Trade credit.....	1.0	1.1	1.2	1.3	1.5	1.6	1.8	1.9	2.0	2.2	2.3	2.5	2.6	2.9	8
9 Total liabilities.....	10.1	10.6	11.2	11.8	12.9	13.8	14.9	15.9	16.7	17.4	18.4	19.6	21.2	23.0	9
10 Policy payables.....	9.7	10.3	11.0	11.8	12.8	13.7	14.8	15.7	16.5	17.2	18.3	19.6	21.1	22.9	10
11 Taxes payable.....	.4	.2	.2	*	.1	.2	.1	.1	.1	.1	.1	*	.1	.1	11
(1.7) Finance companies															
1 Total financial assets.....	13.0	13.2	17.3	18.1	19.6	19.3	22.8	25.0	25.6	28.2	32.3	36.3	41.6	44.8	1
2 1- to 4-family mortgages.....	.6	.8	1.4	1.3	.9	1.4	1.6	1.6	2.2	2.7	3.5	3.9	4.5	3.9	2
3 Consumer credit.....	8.6	9.1	11.8	12.8	13.5	12.7	14.5	16.0	15.9	17.2	19.1	20.8	22.8	24.0	3
4 Other loans.....	2.6	2.1	2.6	2.5	3.5	3.4	4.6	5.3	5.0	5.8	7.4	9.2	11.9	14.2	4
5 Total liabilities.....	9.1	9.1	13.0	13.7	15.0	14.6	17.9	20.1	20.6	23.2	27.1	31.0	36.2	38.9	5
6 Corporate bonds.....	3.7	4.0	5.4	6.3	7.1	7.2	8.3	9.9	10.4	10.7	12.2	14.3	16.1	16.9	6
7 Bank loans n.e.c.....	3.4	3.4	5.7	5.2	5.3	4.9	6.4	6.2	6.3	7.4	8.9	9.4	11.6	10.1	7
8 Open-market paper.....	1.6	1.5	1.7	1.9	2.3	2.2	2.9	3.7	3.6	4.8	5.8	7.2	8.3	11.7	8
9 Taxes payable.....	.3	.2	.3	.3	.3	.2	.3	.3	.3	.3	.3	.2	.2	.2	9

¹ Includes mortgages not shown separately.

8. SECTOR STATEMENTS OF FINANCIAL ASSETS AND LIABILITIES—Continued

(Amounts outstanding at end of year; billions of dollars)

Category	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	
(I.8) Security brokers and dealers															
1 Total financial assets.....	5.5	6.5	6.8	6.2	6.3	6.9	6.9	7.4	8.4	9.2	9.8	9.9	10.0	10.6	1
2 U.S. Govt. securities.....	.6	.7	.3	.2	.4	.6	.4	1.0	1.3	2.0	.7	1.4	1.1	1.7	2
3 Other securities.....	2.5	2.6	2.9	2.3	2.5	1.9	2.1	2.1	1.6	2.1	2.2	2.2	1.9	1.9	3
4 Security credit.....	1.9	2.7	3.1	3.1	2.8	3.8	3.8	3.6	4.7	4.6	6.1	5.6	6.1	5.9	4
5 Total liabilities.....	3.5	4.5	4.8	4.2	4.3	4.9	4.9	5.4	6.4	7.2	7.8	7.9	8.0	8.6	5
6 Security credit liability.....	3.4	4.5	4.7	4.2	4.3	4.8	4.9	5.4	6.3	7.2	7.7	7.9	7.9	8.5	6
7 From banks.....	2.4	2.9	3.3	2.6	2.6	2.8	3.0	3.3	4.1	5.2	5.3	5.5	5.3	5.8	7
8 From agencies of fgn. banks.....	.3	.4	.5	.6	.7	.7	.8	.8	.9	.7	1.1	1.1	.8	.9	8
9 Customer credit balances.....	.8	1.1	1.0	1.0	1.0	1.3	1.1	1.2	1.3	1.3	1.3	1.3	1.8	1.8	9
10 Taxes payable.....	*	*	*	*	*	*	.1	*	.1	*	.1	.1	.1	.1	10
(I.9) Open-end investment companies															
1 Total financial assets.....	4.1	6.1	7.8	9.0	8.7	13.2	15.8	17.0	22.8	21.3	25.2	29.1	35.2	34.3	1
2 Demand dep. and currency.....	.2	.2	.2	.2	.2	.2	.3	.4	.3	.6	.6	.6	1.0	1.5	2
3 Credit mkt. instruments.....	4.0	6.0	7.7	8.8	8.5	13.0	15.5	16.7	22.5	20.7	24.6	28.6	34.2	32.8	3
4 U.S. Govt. securities.....	.1	.2	.3	.3	.3	.4	.6	.6	.6	.7	.7	.8	.8	1.4	4
5 Corporate bonds.....	.3	.4	.5	.7	.8	.9	1.1	1.2	1.6	1.6	1.8	2.1	2.6	2.9	5
6 Corporate stock.....	3.5	5.4	6.9	7.9	7.4	11.7	13.9	14.8	20.3	18.3	22.1	25.6	30.9	28.4	6
(I.10) Agencies of foreign banks															
1 Total financial assets.....	2.0	2.2	2.4	2.8	2.9	3.1	3.2	3.6	3.8	3.6	3.6	4.2	3.7	3.8	1
2 Demand dep. and currency.....	.4	.4	.5	.6	.6	.6	.6	.7	.8	.7	.7	.8	.7	.8	2
3 U.S. Govt. securities.....	1.3	1.4	1.3	1.5	1.4	1.5	1.5	1.7	1.8	1.8	1.5	1.9	1.8	1.9	3
4 Security credit.....	.3	.4	.5	.6	.7	.7	.8	.8	.9	.7	1.1	1.1	.8	.9	4
5 Deposit liabilities.....	2.0	2.2	2.4	2.8	2.9	3.1	3.2	3.6	3.8	3.6	3.6	4.2	3.7	3.8	5
(J) Rest of the world															
1 Total financial assets.....	33.5	37.7	41.0	43.6	43.4	50.1	55.9	60.5	66.9	68.5	74.3	80.4	84.2	84.7	1
2 Gold.....	14.2	15.1	15.9	16.0	15.9	18.9	20.7	22.7	24.2	25.4	26.7	27.6	29.5	29.9	2
3 U.S. demand deposits.....	.8	.9	.8	1.0	1.2	1.2	1.2	1.3	2.1	2.2	2.4	2.9	3.0	2.8	3
4 Time deposits.....	2.8	3.4	3.2	3.1	3.1	4.0	3.1	3.5	3.8	4.3	5.3	6.7	7.3	8.2	4
5 Credit market instruments.....	8.9	10.8	13.0	14.4	14.1	16.3	20.3	21.5	24.5	24.4	27.2	29.4	30.4	27.2	5
6 U.S. Govt. securities.....	4.5	4.8	5.8	6.7	6.9	7.0	10.0	10.6	11.0	12.3	12.9	13.4	13.3	10.7	6
7 Corporate bonds.....	.3	.2	.3	.3	.4	.5	.5	.6	.6	.7	.7	.9	.9	2.0	7
8 Corporate stock.....	3.7	5.3	6.6	7.0	6.1	8.3	9.4	9.3	11.8	10.3	12.5	13.8	14.6	12.6	8
9 Other loans.....	.4	.6	.3	.5	.7	.6	.5	1.0	1.0	1.0	1.1	1.3	1.6	1.9	9
10 Security credit.....	.1	.1	.1	.1	.1	.1	.1	.1	.1	.1	.1	.1	.2	.2	10
11 Miscellaneous assets.....	6.8	7.4	8.0	8.9	9.0	9.6	10.4	11.4	12.2	12.1	12.6	13.7	13.9	16.3	11
12 Direct investment in U.S.....	4.3	4.6	5.1	5.5	5.7	6.1	6.6	6.9	7.4	7.6	7.9	8.4	8.8	9.1	12
13 Dep. at agn. of fgn. banks.....	2.0	2.2	2.4	2.8	2.9	3.1	3.2	3.6	3.8	3.6	3.6	4.2	3.7	3.8	13
14 Fgn. branch claims on U.S. banks.....	.6	.5	.6	.6	.3	.3	.5	.9	1.0	.9	1.0	1.1	1.4	3.4	14
15 Total liabilities.....	34.1	36.1	38.2	42.9	48.2	52.3	55.7	60.8	65.2	70.4	77.6	86.1	94.2	100.1	15
16 Official U.S. foreign exchange and net IMF position.....	1.4	1.2	1.0	1.6	2.0	2.0	2.0	1.6	1.8	1.2	1.2	1.2	1.6	1.6	16
17 Credit market instruments.....	15.3	15.8	16.2	16.9	18.2	19.9	20.5	22.4	24.6	27.1	30.5	35.3	38.1	39.3	17
18 Bonds.....	2.4	2.7	2.7	2.9	3.3	3.9	4.3	4.9	5.4	6.3	7.3	8.2	9.1	n.a.	18
19 Bank loans n.e.c.....	.7	1.0	1.4	1.8	2.1	2.6	2.9	3.0	3.7	4.1	4.9	6.9	7.5	7.3	19
20 Other loans.....	12.2	12.1	12.1	12.3	12.8	13.4	13.4	14.5	15.5	16.7	18.2	20.2	21.5	22.4	20
21 Security debt.....	*	.1	.1	.1	.1	.1	.1	.1	.1	.1	.1	.1	.1	.1	21
22 Miscellaneous.....	17.4	19.0	20.9	24.3	28.0	30.3	33.0	36.8	38.6	42.0	45.8	49.5	54.3	59.1	22
23 U.S. capital subscription to IBRD, etc.....	.6	.6	.6	.7	.7	.7	.7	.8	1.0	1.1	1.2	1.2	1.3	1.3	23
24 U.S. direct invest. abroad.....	16.3	17.6	19.3	22.2	25.2	27.3	29.7	32.7	34.7	37.2	40.7	44.4	49.3	54.6	24
25 Fgn. currency held by U.S.....	.5	.7	1.0	1.5	2.1	2.4	2.6	3.2	3.0	3.6	3.9	3.9	3.7	3.2	25

For foreign tables see following page.

1. U.S. BALANCE OF PAYMENTS

(In millions of dollars)

Item	1964	1965	1966	1966			1967		
				II	III	IV	I	II	III ^p
Transactions other than changes in foreign liquid assets in U.S. and in U.S. monetary reserve assets—Seasonally adjusted									
Exports of goods and services—Total ¹	37,099	39,147	43,039	10,618	10,913	10,997	11,361	11,362	11,479
Merchandise.....	25,297	26,244	29,168	7,181	7,382	7,402	7,676	7,717	7,644
Military sales.....	747	844	847	222	206	210	339	336	205
Transportation.....	2,324	2,390	2,589	642	661	650	669	660	665
Travel.....	1,207	1,380	1,573	383	408	408	422	381	417
Investment income receipts, private.....	4,929	5,376	5,650	1,382	1,444	1,508	1,423	1,386	1,668
Investment income receipts, Govt.....	460	512	595	153	143	146	155	161	166
Other services.....	2,135	2,401	2,617	655	669	673	677	721	714
Imports of goods and services—Total.....	-28,637	-32,203	-37,937	-9,265	-9,762	-9,913	-10,004	-10,038	-10,110
Merchandise.....	-18,621	-21,472	-25,510	-6,225	-6,580	-6,680	-6,662	-6,558	-6,555
Military expenditures.....	-2,861	-2,921	-3,694	-911	-953	-969	-1,045	-1,070	-1,072
Transportation.....	-2,462	-2,674	-2,914	-709	-727	-756	-759	-729	-715
Travel.....	-2,211	-2,438	-2,657	-674	-672	-674	-685	-842	-903
Investment income payments.....	-1,455	-1,729	-2,074	-471	-565	-563	-557	-547	-583
Other services.....	-1,027	-969	-1,088	-275	-265	-271	-296	-292	-282
Balance on goods and services ¹	8,462	6,944	5,102	1,353	1,151	1,084	1,357	1,324	1,369
Remittances and pensions.....	-896	-1,024	-1,010	-245	-278	-246	-264	-395	-364
1. Balance on goods, services, remittances and pensions.....	7,566	5,920	4,092	1,108	873	838	1,093	929	1,005
2. U.S. Govt. grants and capital flow, net.....	-3,560	-3,375	-3,446	-988	-759	-724	-1,201	-1,013	-973
Grants, ² loans, and net change in foreign currency holdings, and short-term claims.....	-4,263	-4,277	-4,680	-1,194	-1,177	-1,124	-1,419	-1,297	-1,211
Scheduled repayments on U.S. Govt. loans.....	580	681	806	199	192	208	218	284	233
Nonscheduled repayments and selloffs.....	123	221	428	7	226	192	.....	*	5
3. U.S. private capital flow, net.....	-6,542	-3,743	-4,213	-1,135	-932	-1,165	-957	-1,137	-1,695
Direct investments.....	-2,435	-3,418	-3,543	-1,006	-900	-1,003	-622	-648	-894
Foreign securities.....	-677	-758	-482	9	-50	-83	-263	-170	-434
Other long-term claims:									
Reported by banks.....	-941	-232	337	-27	73	168	150	163	-107
Reported by others.....	-343	-88	-112	-51	-28	-16	-68	-165	36
Short-term claims:									
Reported by banks.....	-1,523	325	-84	-61	16	-124	-84	-389	-290
Reported by others.....	-623	428	-329	1	-43	-107	-70	72	-6
4. Foreign capital flow, net, excluding change in liquid assets in U.S.....	685	278	2,512	1,091	376	780	823	1,227	873
Long-term investments.....	109	-68	2,176	1,014	180	673	676	961	397
Short-term claims.....	113	149	269	63	112	55	59	114	170
Nonliquid claims on U.S. Govt. associated with—									
Military contracts.....	228	314	341	45	106	146	103	166	-28
U.S. Govt. grants and capital.....	50	-85	-213	-1	-12	-136	-36	-14	11
Other specific transactions.....	208	-25	-12	-4	13	-11	21	*	-12
Other nonconvertible, nonmarketable, medium-term U.S. Govt. securities ³	-23	-7	-49	-26	-23	53	*	*	335
5. Errors and unrecorded transactions.....	-949	-415	-302	-198	277	-148	-287	-553	154
Balances									
A. Balance on liquidity basis									
Seasonally adjusted (= 1+2+3+4+5).....	-2,800	-1,335	-1,357	-122	-165	-419	-529	-547	-636
Less: Net seasonal adjustments.....	.....	.....	.....	27	530	47	-291	-325	572
Before seasonal adjustment.....	-2,800	-1,335	-1,357	-149	-695	-466	-238	-222	-1,208
B. Balance on basis of official reserve transactions									
Balance A, seasonally adjusted.....	-2,800	-1,335	-1,357	-122	-165	-419	-529	-547	-636
Plus: Seasonally adjusted change in liquid assets in the U.S. of:									
Commercial banks abroad.....	1,454	116	2,697	492	1,062	989	-1,005	341	1,177
Other private residents of foreign countries..	343	306	212	66	91	-54	80	11	95
International and regional organizations other than IMF.....	-243	-291	-525	-355	-24	-108	-36	-78	-56
Less: Change in certain nonliquid liabilities to foreign central banks and govts.....	303	100	802	256	103	426	325	555	110
Balance B, seasonally adjusted.....	-1,549	-1,304	225	-175	861	-18	-1,815	-828	470
Less: Net seasonal adjustments.....	.....	.....	.....	210	456	180	-533	-138	494
Before seasonal adjustment.....	-1,549	-1,304	225	-385	405	-198	-1,282	-690	-24

1. U.S. BALANCE OF PAYMENTS—Continued

(In millions of dollars)

Item	1964	1965	1966	1966			1967		
				II	III	IV	I	II	III ¹
Transactions by which balances were settled—Not seasonally adjusted									
A. To settle balance on liquidity basis.....	2,800	1,335	1,357	149	695	466	238	222	1,208
Change in U.S. official reserve assets (increase, —).....	171	1,222	568	68	82	—6	1,027	—419	—375
Gold.....	125	41,665	571	209	173	121	51	15	92
Convertible currencies.....	—220	—349	—540	—163	—426	—173	1,007	—424	—462
IMF gold tranche position.....	266	4—94	537	22	335	46	—31	—10	—5
Change in liquid liabilities to all foreign accounts	2,629	113	789	81	613	472	—789	641	1,583
Foreign central banks and govts.:									
Convertible nonmarketable U.S. Govt. securities ⁵	376	122	—945	—176	—226	—176	72	46	125
Marketable U.S. Govt. bonds and notes ⁵	—58	—20	—245	6	—254	8	5	52	—6
Deposits, short-term U.S. Govt. securities, etc.....	757	—154	—582	206	—146	—31	—172	444	162
IMF (gold deposits).....		34	177	18	28		17	5	*
Commercial banks abroad.....	1,454	116	2,697	316	1,144	833	—755	161	1,263
Other private residents of foreign countries, International and regional organizations other than IMF.....	343	306	212	66	91	—54	80	11	95
	—243	—291	—525	—355	—24	—108	—36	—78	—56
B. Official reserve transactions.....	1,549	1,304	—225	385	—405	198	1,282	690	24
Change in U.S. official reserve assets (increase, —).....	171	1,222	568	68	82	—6	1,027	—419	—375
Change in liquid liabilities to foreign central banks and govts. and IMF (see detail above under A.).....	1,075	—18	—1,595	54	—598	—199	—78	547	281
Change in certain nonliquid liabilities to foreign central banks and govts.:									
Of U.S. private organizations.....	149	—38	788	284	88	373	304	584	—229
Of U.S. Govt.....	154	138	14	—21	23	30	29	—22	347

¹ Excludes transfers under military grants.⁵ With original maturities over 1 year.² Excludes military grants.³ Includes certificates sold abroad by Export-Import Bank.⁴ Reflects \$259 million payment of gold portion of increased U.S. subscription to IMF.

NOTE.—Dept. of Commerce data. Minus sign indicates net payments (debits); absence of sign indicates net receipts (credits).

2. MERCHANDISE EXPORTS AND IMPORTS

(In millions of dollars, seasonally adjusted)

Period	Exports ¹				Imports ²				Export surplus			
	1964	1965	1966 ³	1967 ³	1964	1965	1966 ³	1967 ³	1964	1965	1966 ³	1967 ³
Month:												
Jan.....	2,040	4 1,228	2,264	2,616	1,418	4 1,199	1,918	2,256	622	4 28	347	360
Feb.....	2,058	4 1,623	2,376	2,607	1,459	4 1,606	2,024	2,229	599	4 17	352	378
Mar.....	2,075	4 2,739	2,554	2,551	1,518	4 1,861	2,080	2,203	557	4 878	474	349
Apr.....	2,061	4 2,406	2,354	2,654	1,537	4 1,811	2,113	2,226	524	4 595	241	428
May.....	2,047	4 2,299	2,416	2,547	1,530	4 1,797	2,082	2,140	517	4 503	334	407
June.....	2,077	4 2,235	2,487	2,577	1,514	4 1,848	2,142	2,227	563	4 386	346	349
July.....	2,119	2,300	2,455	2,584	1,573	5 1,742	2,178	2,208	546	5 558	277	376
Aug.....	2,100	2,329	2,444	2,598	1,608	1,825	2,119	2,125	492	504	324	473
Sept.....	2,261	2,291	2,540	2,593	1,563	1,858	2,295	2,209	698	433	244	384
Oct.....	2,156	2,349	2,588	2,392	1,551	1,885	2,250	2,202	605	464	338	191
Nov.....	2,206	2,378	2,503	2,692	1,698	1,941	2,186	2,376	4 508	438	317	317
Dec.....	2,426	2,362	2,409	2,604	1,642	1,911	2,225	2,525	4 784	451	184	79
Quarter:												
I.....	6,173	4 5,589	7,195	7,775	4,395	4 4,666	6,021	6,688	1,778	4 923	1,173	1,087
II.....	6,185	4 6,940	7,257	7,777	4,581	4 5,456	6,336	6,593	1,604	4 1,484	921	1,184
III.....	6,480	6,920	7,439	7,775	4,744	5 5,425	6,592	6,542	1,736	5 1,495	846	1,233
IV.....	4 6,788	7,090	7,500	7,688	4 4,891	5,736	6,661	7,102	4 1,897	1,353	839	586
Year⁶.....	25,671	26,700	29,379	30,942	18,684	21,366	25,542	26,816	6,987	5,334	3,837	4,126

¹ Exports of domestic and foreign merchandise; excludes Dept. of Defense shipments of grant-aid military equipment and supplies under Mutual Security Program.² General imports including imports for immediate consumption plus entries into bonded warehouses.³ All data for 1966, and for 1967—except Dec., fourth-quarter, and the year total—are revised.⁴ Significantly affected by strikes.⁵ Significantly affected by strikes and by change in statistical procedures.⁶ Sum of unadjusted figures.

NOTE.—Bureau of the Census data.

3. U.S. NET MONETARY GOLD TRANSACTIONS WITH FOREIGN COUNTRIES AND INTERNATIONAL ORGANIZATIONS

(Net sales (-) or net acquisitions; in millions of dollars at \$35 per fine troy ounce)

Area and country	1958	1959	1960	1961	1962	1963	1964	1965	1966	1966		1967		
										III	IV	I	II	III
Western Europe:														
Austria.....	-84	-83	-1		-143	-82	-55	-100	-25					
Belgium.....	-329	-39	-141	-144	-63		-40	-83						
France.....		-266	-173		-456	-518	-405	-884	-601	-277				
Germany, Fed. Rep. of.....			-34	-23			-225							
Italy.....	-349			100			200	-80	-60		-60			
Netherlands.....	-261	-30	-249	-25			-60	-35						
Spain.....	32		-114	-156	-146	-130	-32	-180						
Switzerland.....	-215	20	-324	-125	102		-81	-50	-2	-20				
United Kingdom.....	-900	-350	-550	-306	-387	329	618	150	80	126	-20	3	-30	-77
Bank for Intl. Settlements.....	-178	-32	-36	-23										
Other.....	-41	-48	-96	-53	-12	1	-7	-37	-50	-1	-12	-18	20	19
Total.....	-2,326	-827	-1,718	-754	-1,105	-399	-88	-1,299	-659	-172	-92	-15	-44	-58
Canada.....					190				200	50			50	
Latin American republics:														
Argentina.....	67		-50	-90	85	-30			-39	-28	-11	*	*	*
Brazil.....		-11	-2	-2	57	72	54	25	-3	-1	*	*	*	*
Colombia.....			-6		38		10	29	7		*			
Venezuela.....		65						-25						
Other.....	2	-35	-42	-17	-5	-11	-9	-13	-6	-5	8	-2	13	6
Total.....	69	19	-100	-109	175	32	56	17	-41	-34	-3	-3	12	6
Asia:														
Japan.....	-30	-157	-15						-56					
Other.....	-4	-28	-97	-101	2-93	12	3	-24	-30	-12	10	-20	-1	-1
Total.....	-34	-186	-113	-101	-93	12	3	-24	-86	-12	10	-20	-1	-1
All other.....	-3	-5	-38	-6	-1	-36	-7	-16	-22	-4	*	2	-6	-1
Total foreign countries.....	-2,294	-998	-1,969	-970	-833	-392	-36	-1,322	-608	-172	-86	-36	12	-53
Intl. Monetary Fund.....		3-44	4-300	150				5-225	6-177	6-29		6-16	6-5	6*
Grand total.....	-2,294	-1,041	-1,669	-820	-833	-392	-36	-1,547	-431	-143	-86	-20	17	-53

¹ Includes sales of \$21 million to Lebanon and \$48 million to Saudi Arabia.² Includes sales of \$21 million to Burma, \$32 million to Lebanon, and \$13 million to Saudi Arabia.³ Payment to the IMF of \$344 million increase in U.S. gold subscription, less sale by the IMF of \$300 million (see note 4).⁴ IMF sold to the United States a total of \$800 million of gold (\$200

million in 1956, and \$300 million in 1959 and in 1960) with the right of repurchase; proceeds from these sales invested by IMF in U.S. Govt. securities.

⁵ Payment to the IMF of \$259 million increase in U.S. gold subscription, less gold deposits by the IMF.⁶ Represents gold deposit by the IMF; see note 1(b) to table below.

4. U.S. GOLD STOCK, HOLDINGS OF CONVERTIBLE FOREIGN CURRENCIES, AND RESERVE POSITION IN IMF

(In millions of dollars)

End of year	Total reserve assets	Gold stock ¹		Convertible foreign currencies	Reserve position in IMF ³	End of month	Total reserve assets	Gold stock ¹		Convertible foreign currencies ⁵	Reserve position in IMF ³
		Total ²	Treasury					Total ²	Treasury		
1958.....	22,540	20,582	20,514		1,958	1967-Jan.....	14,196	13,202	13,157	645	349
1959.....	21,504	19,507	19,456		1,997	Feb.....	13,998	13,161	13,107	480	357
						Mar.....	13,855	13,184	13,107	314	357
1960.....	19,359	17,804	17,767		1,555	Apr.....	13,906	13,234	13,109	315	357
1961.....	18,753	16,947	16,889	116	1,690	May.....	13,943	13,214	13,109	363	366
						June.....	14,274	13,169	13,110	738	367
1962.....	17,220	16,057	15,978	99	1,064	July.....	14,224	13,136	13,108	719	369
1963.....	16,843	15,596	15,513	212	1,035	Aug.....	14,605	13,075	13,008	1,162	368
						Sept.....	14,649	13,077	13,006	1,200	372
1964.....	16,672	15,471	15,388	432	769	Oct.....	14,927	13,039	12,905	1,509	379
1965.....	15,450	13,806	13,733	781	4,863	Nov.....	15,438	12,965	12,908	2,092	381
						Dec.....	14,830	12,065	11,982	2,345	420
1966.....	14,882	13,235	13,159	1,321	326	1968-Jan.....	14,620	12,003	11,984	2,176	441
1967.....	14,830	12,065	11,982	2,345	420						

¹ Includes (a) gold sold to the United States by the International Monetary Fund with the right of repurchase, and (b) gold deposited by the IMF to mitigate the impact on the U.S. gold stock of foreign purchases for the purpose of making gold subscriptions to the IMF under quota increases. For corresponding liabilities, see Table 6.² Includes gold in Exchange Stabilization Fund.³ In accordance with IMF policies the United States has the right to draw foreign currencies equivalent to its reserve position in the IMF virtually automatically if needed. Under appropriate conditions the United States could draw additional amounts equal to the U.S. quota. See Table 5.⁴ Reserve position includes, and gold stock excludes, \$259 million gold subscription to the IMF in June 1965 for a U.S. quota increase which became effective on Feb. 23, 1966. In figures published by the IMF from June 1965 through Jan. 1966, this gold subscription was included in the U.S. gold stock and excluded from the reserve position.⁵ For holdings of F.R. Banks only, see pp. A-12 and A-14.

NOTE.—See Table 18 for gold held under earmark at F.R. Banks for foreign and international accounts. Gold under earmark is not included in the gold stock of the United States.

5. U.S. POSITION IN THE INTERNATIONAL MONETARY FUND

(In millions of dollars)

Period	Transactions affecting IMF holdings of dollars (during period)							IMF holdings of dollars (end of period)		U.S. reserve position in IMF (end of period) ³
	U.S. transactions with IMF				Transactions by other countries with IMF		Total change	Amount	Per cent of U.S. quota	
	Payments of subscrip- tions in dollars	Net gold sales by IMF ¹	Drawings of foreign curren- cies ²	IMF net income in dollars	Drawings of dollars	Repay- ments in dollars				
1946—1957.....	2,063	4 594	.....	-45	-2,664	827	775	775	28	1,975
1958.....				-2	-252	271	17	792	29	1,958
1959.....	1,031	.....	.....	2	-139	442	1,336	2,128	52	1,997
1960.....				11	-149	580	442	2,570	62	1,555
1961.....		150	.....	16	-822	521	-135	2,435	59	1,690
1962.....				17	-110	719	626	3,061	74	1,064
1963.....				16	-194	207	29	3,090	75	1,035
1964.....			525	18	-282	5	266	3,356	81	769
1965.....			435	12	-282	.....	165	3,521	85	⁵ 863
1966.....	776	.....	680	15	-159	1	1,313	4,834	94	326
1967.....				20	-114	.....	-94	4,740	92	420
1967—Jan.....				3	-26	.....	-23	4,811	93	349
Feb.....				3	-10	.....	-7	4,804	93	357
Mar.....				1	-2	.....	-1	4,803	93	357
Apr.....								4,803	93	357
May.....				4	-13	.....	-9	4,794	93	366
June.....				2	-3	.....	-1	4,793	93	367
July.....				1	-3	.....	-2	4,791	93	369
Aug.....				2	-1	.....	1	4,792	93	368
Sept.....				-1	-3	.....	-4	4,788	93	372
Oct.....				3	-10	.....	-7	4,781	93	379
Nov.....				2	-4	.....	-2	4,779	93	381
Dec.....					-39	.....	-39	4,740	92	420
1968—Jan.....				3	-24	.....	-21	4,719	91	441

¹ Represents net IMF sales of gold to acquire U.S. dollars for use in IMF operations. Does not include transactions in gold relating to gold deposit or gold investment (see Table 6).

² Represents purchases from the IMF of currencies of other members for equivalent amounts of dollars. The United States has a commitment to repay drawings within 3 to 5 years, but only to the extent that the holdings of dollars of the IMF exceed 75 per cent of the U.S. quota. Drawings of dollars by other countries reduce the U.S. commitment to repay by an equivalent amount.

³ Represents the U.S. gold tranche position in the IMF (the U.S. quota minus the holdings of dollars of the IMF), which is the amount that the United States could draw in foreign currencies virtually automatically if needed. Under appropriate conditions, the United States could draw additional amounts equal to its quota.

⁴ Represents a \$600 million IMF gold sale to United States (1957), less \$6 million gold purchase by IMF from another member with U.S. dollars (1948).

⁵ Includes \$259 million gold subscription to the IMF in June 1965 for a U.S. quota increase, which became effective on Feb. 23, 1966. In figures published by the IMF from June 1965 through Jan. 1966, this gold subscription was included in the U.S. gold stock and excluded from the reserve position.

NOTE.—The initial U.S. quota in the IMF was \$2,750 million. The U.S. quota was increased to \$4,125 million in 1959 and to \$5,160 million in Feb. 1966. Under the Articles of Agreement, subscription payments equal to the quota have been made 25 per cent in gold and 75 per cent in dollars.

6. U.S. LIQUID LIABILITIES TO FOREIGNERS

(In millions of dollars)

End of period	Total	Liabilities to Intl. Monetary Fund arising from gold transactions			Liabilities to foreign countries						Liabilities to non-monetary intl. and regional organizations ⁵		
		Total	Gold deposit ¹	Gold investment ²	Official institutions ³			Banks and other foreigners			Total	Short-term liabilities reported by banks in U.S. ⁶	Marketable U.S. Govt. bonds and notes ⁴
					Total	Short-term liabilities reported by banks in U.S.	Marketable U.S. Govt. bonds and notes ⁴	Non-marketable convertible U.S. Treasury bonds and notes	Total	Short-term liabilities reported by banks in U.S.			
1957.....	715,825	200	.....	200	n.a.	7,917	n.a.	.....	n.a.	5,724	n.a.	542	n.a.
1958.....	716,845	200	.....	200	n.a.	8,665	n.a.	.....	n.a.	5,950	n.a.	552	n.a.
1959.....	19,428	500	.....	500	10,120	9,154	966	.....	7,618	7,077	541	1,190	530
1960 ⁸	20,994	800	.....	800	11,078	10,212	866	.....	7,591	7,048	543	1,525	750
1961 ⁸	21,027	800	.....	800	11,088	10,212	876	.....	7,598	7,048	550	1,541	750
1962 ⁸	22,853	800	.....	800	11,830	10,940	890	.....	8,275	7,759	516	1,948	703
1963 ⁸	22,936	800	.....	800	11,830	10,940	890	.....	8,357	7,841	516	1,949	704
1964 ⁸	24,068	800	.....	800	12,748	11,997	751	.....	8,359	7,911	448	2,161	911
1965.....	24,068	800	.....	800	12,714	11,963	751	.....	8,359	7,911	448	2,195	911
1966—Nov..	26,361	800	.....	800	14,387	12,467	1,217	703	9,214	8,863	351	1,960	808
Dec. 8.	26,322	800	.....	800	14,353	12,467	1,183	703	9,204	8,863	341	1,965	808
1967—Jan..	28,951	800	.....	800	15,428	13,224	1,125	1,079	11,001	10,625	376	1,722	818
Feb..	29,002	800	.....	800	15,424	13,220	1,125	1,079	11,056	10,680	376	1,722	818
Mar..	29,115	834	34	800	15,372	13,066	1,105	1,201	11,478	11,006	472	1,431	679
1966—Nov..	30,548	1,011	211	800	14,018	12,953	860	205	14,546	14,027	519	973	612
Dec. 8.	29,904	1,011	211	800	13,600	12,484	860	256	14,387	13,859	528	906	581
1967—Jan..	29,781	1,011	211	800	13,656	12,540	860	256	14,208	13,680	528	906	581
Feb..	28,963	1,012	212	800	13,338	12,150	860	328	13,658	13,130	528	955	651
Mar..	28,916	1,013	213	800	13,355	12,162	865	328	13,693	13,163	530	855	608
Apr..	28,992	1,028	228	800	13,561	12,368	865	328	13,533	13,003	530	870	638
May..	29,381	1,030	230	800	14,106	12,877	901	328	13,382	12,853	529	863	630
June..	29,613	1,030	230	800	14,383	13,118	917	348	13,359	12,830	529	841	607
July..	29,633	1,033	233	800	14,103	12,812	917	374	13,705	13,167	538	792	562
Aug..	30,099	1,033	233	800	14,174	12,883	917	374	14,056	13,515	541	836	609
Sept..	30,836	1,033	233	800	14,076	12,716	911	449	14,941	14,393	548	786	579
Oct..	31,219	1,033	233	800	14,381	12,971	911	499	15,068	14,516	552	737	529
Nov..	32,430	1,033	233	800	14,910	13,398	911	601	15,765	15,204	561	722	515
1968—Jan..	33,812	1,033	233	800	15,958	14,339	908	711	16,069	15,522	547	752	548

¹ Represents liability on gold deposited by the International Monetary Fund 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.

² U.S. Govt. obligations at cost value and funds awaiting investment obtained from proceeds of sales of gold by the IMF to the United States to acquire income-earning assets. Upon termination of investment, the same quantity of gold can be reacquired by the IMF.

³ Includes Bank for International Settlements and European Fund.

⁴ Derived by applying reported transactions to benchmark data; breakdown of transactions by type of holder estimated for 1960-63. Includes securities issued by corporations and other agencies of the U.S. Govt. that are guaranteed by the United States.

⁵ Principally the International Bank for Reconstruction and Development and the Inter-American Development Bank.

⁶ Includes difference between cost value and face value of securities in IMF gold investment account. Liabilities data reported to the Treasury include the face value of these securities, but in this table the cost value of the securities is included under "Gold investment." The difference, which amounted to \$32 million at the end of 1966, is included in this column.

⁷ Includes total foreign holdings of U.S. Govt. bonds and notes, for which breakdown by type of holder is not available.

⁸ Data on the two lines shown for this date differ because of changes in reporting coverage. Figures on the first line are comparable with those shown for the preceding date; figures on the second line are comparable with those shown for the following date.

NOTE.—Based on Treasury Dept. data and on data reported to the Treasury Dept. by banks and brokers in the United States. Data correspond to statistics following in this section, except for minor rounding differences. Table excludes IMF "holdings of dollars," and holdings of U.S. Treasury letters of credit and non-negotiable, non-interest-bearing special U.S. notes held by other international and regional organizations.

The liabilities figures are used by the Dept. of Commerce in the statistics measuring the U.S. balance of international payments on the liquidity basis; however, the balance of payments statistics include certain adjustments to Treasury data prior to 1963 and some rounding differences, and they may differ because revisions of Treasury data have been incorporated at varying times. The table does not include certain nonliquid liabilities to foreign official institutions that enter into the calculation of the official reserve transactions balance by the Dept. of Commerce.

7. U.S. LIQUID 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
1963.....	14,353	8,445	1,789	1,058	2,731	154	176
1964.....	15,424	9,220	1,608	1,238	3,020	160	178
1965.....	15,372	8,608	1,528	1,497	3,300	194	245
1966—Nov.....	14,018	7,758	1,212	1,101	3,430	293	224
Dec. ³	{13,600 13,656	{7,488 7,488	{1,189 1,189	{1,134 1,134	{3,284 3,340	{277 277	{228 228
1967—Jan.....	13,338	7,236	1,186	1,139	3,260	276	241
Feb.....	13,355	7,285	1,134	1,167	3,271	255	243
Mar.....	13,561	7,493	1,127	1,246	3,210	259	226
Apr.....	14,106	7,832	1,156	1,455	3,150	284	229
May.....	14,383	8,017	1,154	1,508	3,184	284	236
June.....	14,103	8,216	909	1,290	3,158	270	260
July.....	14,174	8,299	909	1,317	3,171	246	212
Aug.....	14,076	8,360	912	1,189	3,124	252	239
Sept.....	14,381	8,649	903	1,186	3,173	223	247
Oct.....	14,910	9,065	968	1,222	3,173	225	257
Nov. ^p	15,958	10,257	901	1,270	3,056	220	254

¹ Includes Bank for International Settlements and European Fund.² Includes countries in Oceania and Eastern Europe, and Western European dependencies in Latin America.³ Data on the two lines shown for this date differ because of changes in reporting coverage. Figures on the first line are comparable in coverage

with those shown for the preceding date; figures on the second line are comparable with those shown for the following date.

NOTE.—Data represent short-term liabilities to the official institutions of foreign countries, as reported by banks in the United States, and foreign official holdings of marketable and convertible nonmarketable U.S. Govt. securities with an original maturity of more than 1 year.

8. SHORT-TERM LIABILITIES TO FOREIGNERS REPORTED BY BANKS IN THE UNITED STATES, BY COUNTRY

(Amounts outstanding; in millions of dollars)

End of period	Grand total ¹	International and regional			Foreign			Europe	Canada	Latin America	Asia	Africa	Other countries
		Total ¹	Intl. ¹	Regional ²	Total	Official ³	Other						
1963.....	22,877	1,547	1,411	136	21,330	12,467	8,863	10,770	2,988	3,137	4,001	241	194
1964.....	25,518	1,618	1,447	171	23,900	13,220	10,680	12,236	2,984	3,563	4,687	238	192
1965.....	25,551	1,479	1,361	118	24,072	13,066	11,006	11,627	2,574	4,027	5,286	280	278
1966—Dec. ⁵	{27,724 27,601	{1,381 1,381	{1,270 1,270	{111 111	{26,343 26,220	{12,484 12,540	{13,859 13,680	{14,000 13,933	{2,509 2,502	{3,883 3,883	{5,299 5,252	{387 385	{266 266
1967—Jan.....	26,731	1,451	1,298	153	25,280	12,150	13,130	13,204	2,358	3,918	5,125	390	285
Feb.....	26,733	1,408	1,277	131	25,325	12,162	13,163	13,321	2,227	3,971	5,143	379	284
Mar.....	26,809	1,438	1,315	123	25,371	12,368	13,003	13,311	2,265	4,063	5,095	357	278
Apr.....	27,160	1,430	1,311	119	25,730	12,877	12,853	13,406	2,298	4,273	5,089	389	275
May.....	27,355	1,407	1,287	120	25,948	13,118	12,830	13,424	2,329	4,366	5,160	392	277
June.....	27,341	1,362	1,252	110	25,979	12,812	13,167	13,899	2,083	4,148	5,171	376	303
July.....	27,807	1,409	1,296	113	26,398	12,883	13,515	14,141	2,274	4,151	5,210	339	284
Aug.....	28,488	1,379	1,248	131	27,109	12,716	14,393	14,935	2,266	4,019	5,246	366	277
Sept.....	28,816	1,329	1,205	124	27,487	12,971	14,516	15,116	2,329	4,047	5,372	328	296
Oct.....	29,917	1,315	1,187	128	28,602	13,398	15,204	15,788	2,688	4,129	5,358	329	309
Nov. ^p	31,209	1,348	1,217	131	29,861	14,339	15,522	17,100	2,613	4,229	5,289	324	306
Dec. ^p	30,688	1,293	1,180	113	29,395	14,086	15,309	16,350	2,706	4,147	5,543	339	310

8a. Europe

End of period	Total	Austria	Belgium	Denmark	Finland	France	Germany, Fed. Rep. of	Greece	Italy	Netherlands	Norway	Portugal	Spain	Sweden
1963.....	10,770	365	420	161	99	1,478	3,041	188	803	360	133	191	205	409
1964.....	12,236	323	436	336	127	1,663	2,010	171	1,622	367	184	257	394	644
1965.....	11,627	250	398	305	108	997	1,429	151	1,620	339	323	322	183	647
1966—Dec. ⁵	{14,000 13,933	{196 196	{420 420	{305 305	{58 58	{1,071 1,070	{2,583 2,538	{129 129	{1,410 1,410	{364 364	{283 283	{358 358	{162 162	{656 656
1967—Jan.....	13,204	190	426	315	69	992	2,162	138	1,255	294	246	363	191	609
Feb.....	13,321	182	421	307	69	966	2,375	127	1,208	320	258	373	147	628
Mar.....	13,311	181	410	305	65	948	2,412	110	1,232	332	274	350	142	615
Apr.....	13,406	150	426	297	94	929	2,392	117	1,319	328	287	353	121	623
May.....	13,424	159	480	274	89	958	2,376	108	1,410	402	301	345	117	651
June.....	13,899	173	557	276	96	948	2,342	103	1,422	396	348	352	122	659
July.....	14,141	197	545	262	91	1,021	2,297	106	1,573	405	379	357	181	660
Aug.....	14,935	181	563	235	91	1,064	2,278	122	1,773	367	396	370	191	674
Sept.....	15,116	188	585	242	102	1,048	2,294	148	1,908	400	370	378	187	659
Oct.....	15,788	176	618	211	98	1,080	2,221	161	1,993	494	379	409	158	634
Nov. ^p	17,100	184	605	201	99	1,431	2,276	161	1,999	542	389	414	130	493
Dec. ^p	16,350	231	600	243	99	1,327	2,218	170	1,948	585	449	437	150	489

For notes see following two pages.

8. SHORT-TERM LIABILITIES TO FOREIGNERS REPORTED BY BANKS
IN THE UNITED STATES, BY COUNTRY—Continued

(Amounts outstanding; in millions of dollars)

End of period	8a. Europe—Continued							8b. Latin America						
	Switzer-land	Turkey	United King- dom	Yugo- slavia	Other Western Europe ⁶	U.S.S.R.	Other Eastern Europe	Total	Argen- tina	Brazil	Chile	Colom- bia	Cuba	Mexico
1963.....	906	21	1,483	16	465	2	24	3,137	375	179	143	169	11	669
1964.....	1,370	36	1,884	32	358	3	19	3,563	291	258	176	209	12	735
1965.....	1,369	34	2,714	36	369	4	30	4,027	432	383	219	214	10	703
1966—Dec. 5...	{1,805 1,805	43 43	3,839 3,817	37 37	235 234	8 8	40 40	3,883 3,883	418 418	299 299	261 261	178 178	8 8	632 632
1967—Jan.	1,699	38	3,754	35	386	6	36	3,918	414	297	242	170	8	636
Feb.	1,723	29	3,794	37	312	6	37	3,971	412	308	247	162	9	695
Mar.	1,686	30	3,833	36	320	3	27	4,063	459	319	248	174	9	699
Apr.	1,700	31	3,814	34	355	4	34	4,273	524	339	258	195	9	704
May.	1,735	25	3,531	41	386	4	30	4,366	645	331	252	158	9	762
June.	1,783	26	3,667	33	557	5	34	4,148	578	249	249	169	8	717
July.	1,714	23	3,641	27	630	4	30	4,151	603	219	233	153	8	748
Aug.	1,644	23	4,319	25	581	4	35	4,019	609	196	229	135	9	704
Sept.	1,701	29	4,221	26	592	5	32	4,047	606	216	224	166	9	696
Oct.	1,629	27	4,851	25	585	6	33	4,129	581	263	222	151	10	689
Nov.	1,643	44	5,931	26	491	4	37	4,229	594	273	230	158	9	707
Dec.	1,723	33	4,839	23	736	8	44	4,147	485	237	252	169	9	724

End of period	8b. Latin America—Continued							8c. Asia						
	Panama	Peru	Uru- guay	Vene- zuela	Other L.A. rep.	Bahamas & Bermuda	Neth. Antilles & Surinam	Other Latin America	Total	China Main- land	Hong Kong	India	In- do- nesia	Israel
1963.....	129	158	113	591	355	136	93	15	4,001	35	66	51	48	112
1964.....	99	206	111	734	416	189	114	14	4,687	35	95	59	38	133
1965.....	120	257	137	738	519	165	113	17	5,286	35	113	84	31	127
1966—Dec. 5...	{150 150	249 249	161 161	707 707	522 522	177 177	104 104	17 17	5,299 5,252	36 36	142 142	180 179	54 54	117 117
1967—Jan.	147	239	164	750	533	192	108	19	5,125	36	147	198	62	109
Feb.	147	234	167	718	550	198	107	18	5,143	36	140	206	51	113
Mar.	152	257	168	704	563	184	107	19	5,095	36	142	205	46	100
Apr.	160	245	156	776	578	204	107	18	5,089	36	150	217	51	104
May.	145	257	155	732	576	218	107	20	5,160	36	167	223	49	107
June.	145	265	133	691	567	236	121	19	5,171	36	158	216	47	166
July.	155	270	136	764	544	192	110	17	5,210	36	165	220	58	167
Aug.	157	257	128	725	520	209	116	24	5,246	36	181	242	50	149
Sept.	159	250	138	706	521	219	121	17	5,372	36	187	243	47	144
Oct.	164	250	131	778	515	234	123	18	5,358	36	194	233	59	150
Nov.	181	264	137	792	520	235	111	20	5,289	35	209	250	39	151
Dec.	170	274	147	795	520	233	112	22	5,543	35	215	354	34	140

End of period	8c. Asia—Continued						8d. Africa						8e. Other countries		
	Japan	Korea	Philip- pines	Tai- wan	Thai- land	Other Asia	Total	Congo (Kin- shasa)	Mo- rocco	South Africa	U.A.R. (Egypt)	Other Africa	Total	Aus- tralia	All other
1963.....	2,484	113	209	149	382	353	241	26	49	41	14	112	194	180	13
1964.....	2,767	104	233	221	458	543	238	26	7	47	24	135	192	176	15
1965.....	3,014	108	304	211	542	718	280	12	17	51	30	170	278	254	24
1966—Dec. 5...	{2,691 2,671	172 162	286 285	232 228	598 598	791 779	387 385	15 15	32 31	71 71	39 39	230 229	266 266	243 243	22 22
1967—Jan.	2,567	171	282	235	610	708	390	13	33	61	33	250	285	262	23
Feb.	2,512	181	271	232	635	766	379	13	31	62	22	251	284	258	26
Mar.	2,500	178	255	229	658	748	357	13	32	58	34	220	278	252	26
Apr.	2,455	175	267	227	655	753	389	11	30	56	26	266	275	249	25
May.	2,480	168	268	225	663	773	392	11	32	58	18	273	277	253	24
June.	2,516	171	260	227	617	755	376	10	31	67	18	250	303	276	27
July.	2,459	190	276	227	663	749	339	13	35	63	15	214	284	255	28
Aug.	2,443	185	269	230	685	775	366	17	33	73	21	223	277	252	25
Sept.	2,554	192	287	230	684	768	328	14	37	55	17	204	296	271	25
Oct.	2,523	193	273	229	663	805	329	16	32	59	15	208	309	284	25
Nov.	2,462	203	286	221	629	802	324	13	26	63	17	205	306	276	30
Dec.	2,567	191	291	227	630	858	339	33	18	60	16	213	310	283	27

¹ Data exclude the "holdings of dollars" of the International Monetary Fund.² Latin American, Asian, African, and European regional organizations, except Bank for International Settlements and European Fund which are included in "Europe."³ Foreign central banks and foreign central govts. and their agencies, and Bank for International Settlements and European Fund.⁴ Includes revisions arising from changes in reporting coverage as

follows (in millions of dollars): Total +50; Foreign other +50; Europe -17; Canada +1; Latin America +26; Asia +49; Africa -9.

⁵ Data on the two lines shown for this date differ because of changes in reporting coverage. Figures on the first line are comparable in coverage with those shown for the preceding date; figures on the second line are comparable with those shown for the following date.⁶ Includes Bank for International Settlements and European Fund.

For NOTE see end of Table 8.

8. SHORT-TERM LIABILITIES TO FOREIGNERS REPORTED BY BANKS IN THE UNITED STATES, BY COUNTRY—Continued

(Amounts outstanding; in millions of dollars)

8f. Supplementary data ⁷ (end of period)

Area or country	1965	1966		1967	Area or country	1965	1966		1967
	Dec.	Apr.	Dec.	Apr.		Dec.	Apr.	Dec.	Apr.
Other Western Europe:					Other Asia—Cont.:				
Iceland.....	5.8	4.0	6.6	5.7	Iraq.....	12.0	27.1	17.6	n.a.
Ireland, Rep. of.....	6.2	6.6	8.9	7.4	Jordan.....	16.0	16.0	39.7	45.2
Luxembourg.....	21.1	28.2	25.3	21.7	Kuwait.....	35.5	24.6	49.2	28.6
Other Latin American republics:					Laos.....	3.2	5.7	4.6	6.5
Bolivia.....	67.4	64.4	66.9	57.9	Lebanon.....	99.7	92.0	100.1	112.2
Costa Rica.....	34.2	32.9	34.6	41.9	Malaysia.....	25.9	31.2	38.3	34.9
Dominican Republic.....	72.3	54.3	53.2	53.9	Pakistan.....	19.4	21.0	49.2	45.3
Ecuador.....	69.6	62.3	86.3	92.4	Ryukyu Islands (incl. Okinawa).....	24.0	39.5	815.9	31.2
El Salvador.....	67.0	78.3	68.9	96.4	Saudi Arabia.....	283.6	291.0	176.1	96.4
Guatemala.....	68.1	86.9	64.2	83.9	Singapore.....	8.9	4.9	34.6	n.a.
Haiti.....	16.3	16.7	16.3	16.8	Syria.....	4.0	4.8	3.4	4.7
Honduras.....	31.4	43.2	26.8	28.6	Vietnam.....	39.0	123.8	132.0	146.3
Jamaica.....	8.6	11.5	11.7	19.3	Other Africa:				
Nicaragua.....	67.0	75.0	72.8	62.7	Algeria.....	7.6	13.6	11.3	n.a.
Paraguay.....	13.8	15.0	14.9	16.6	Ethiopia, (incl. Eritrea).....	44.1	58.9	53.5	40.2
Trinidad & Tobago.....	3.6	6.3	4.7	5.4	Ghana.....	2.6	2.9	6.9	5.3
Other Latin America:					Liberia.....	17.9	19.7	21.2	21.6
British West Indies.....	11.5	8.9	14.6	14.2	Libya.....	34.8	26.7	37.1	76.0
French West Indies & French Guiana.....	2.2	1.5	1.3	1.7	Mozambique.....	1.6	1.7	5.0	n.a.
Other Asia:					Nigeria.....	21.7	20.3	25.7	n.a.
Afghanistan.....	5.6	8.0	9.5	7.8	Somali Republic.....	.8	.9	.8	.8
Burma.....	49.1	34.6	34.4	n.a.	Southern Rhodesia.....	3.3	3.5	2.7	3.3
Cambodia.....	2.7	3.1	1.1	1.3	Sudan.....	3.7	3.3	3.4	6.7
Ceylon.....	2.4	3.3	3.2	2.7	Tunisia.....	1.8	1.0	1.1	1.0
Iran.....	66.9	79.2	36.6	44.0	Zambia.....	7.2	16.1	34.7	n.a.
					All other:				
					New Zealand.....	18.7	27.1	13.6	16.7

⁷ Represent a partial breakdown of the amounts shown in the "other" categories (except "Other Eastern Europe") in Tables 8a-8e.

⁸ Data exclude \$12 million resulting from changes in reporting coverage and classification.

NOTE.—Short-term liabilities are principally deposits (demand and time) and U.S. Govt. securities maturing in not more than 1 year from

their date of issue. Data exclude the "holdings of dollars" of the International Monetary Fund; for explanation see note following Tables 17 and 18. Data exclude also U.S. Treasury letters of credit and non-negotiable, non-interest-bearing special U.S. notes held by the Inter-American Development Bank and the International Development Association.

For data on long-term liabilities, see Table 14.

9. SHORT-TERM LIABILITIES TO 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
		To banks, official and international institutions ¹					To all other foreigners					
		Total	Deposits		U.S. Treasury bills and certificates	Other ³	Total	Deposits		U.S. Treasury bills and certificates	Other ³	
			Demand	Time ²				Demand	Time ²			
1963.....	22,877	19,696	5,575	3,673	8,571	1,878	3,047	1,493	966	119	469	134
1964 ⁴	25,518	22,051	6,684	3,990	8,727	2,650	3,377	1,531	1,271	72	503	90
1965.....	25,551	21,905	6,518	3,963	8,269	3,155	3,587	1,574	1,594	87	332	59
1966—Dec. ⁵	27,724	23,371	8,531	4,000	7,464	3,376	3,744	1,513	1,819	83	329	609
	27,601	23,267	8,371	4,050	7,464	3,382	3,744	1,513	1,819	83	329	589
1967—Jan.....	26,731	22,505	7,663	3,970	7,386	3,486	3,712	1,460	1,825	80	347	514
Feb.....	26,733	22,451	7,573	3,865	7,559	3,454	3,776	1,512	1,845	89	330	507
Mar.....	26,809	22,484	7,463	3,669	7,910	3,442	3,822	1,556	1,853	79	334	504
Apr.....	27,160	22,830	7,469	3,589	8,277	3,495	3,783	1,535	1,845	73	330	546
May.....	27,355	23,010	7,656	3,479	8,253	3,622	3,823	1,578	1,855	86	305	522
June.....	27,341	23,020	7,874	3,617	7,866	3,663	3,825	1,615	1,844	68	297	496
July.....	27,807	23,492	8,213	3,760	7,891	3,628	3,813	1,580	1,871	66	296	503
Aug.....	28,488	24,225	8,915	3,745	7,896	3,668	3,831	1,515	1,916	69	331	432
Sept.....	28,816	24,530	9,044	3,809	8,035	3,642	3,907	1,579	1,937	76	315	379
Oct.....	29,917	25,653	9,846	3,964	8,117	3,726	3,983	1,577	1,989	84	332	282
Nov. ^p	31,209	26,906	9,994	3,860	9,442	3,609	4,072	1,630	2,035	72	335	231
Dec. ^p	30,688	26,351	10,047	3,793	9,095	3,417	4,108	1,687	2,042	78	302	229

¹ Data exclude "holdings of dollars" of the International Monetary Fund.

² Excludes negotiable time certificates of deposit, which are included in "Other."

³ Principally bankers' acceptances, commercial paper, and negotiable time certificates of deposit.

⁴ Includes revisions arising from changes in reporting coverage as

follows (in millions of dollars): Total +50; foreign banks, etc. +55; other foreigners +23; payable in foreign currencies —28.

⁵ Data on the two lines shown for this date differ because of changes in reporting coverage. Figures on the first line are comparable in coverage with those shown for the preceding date; figures on the second line are comparable with those shown for the following date.

10. ESTIMATED FOREIGN HOLDINGS OF MARKETABLE U.S. GOVERNMENT BONDS AND NOTES

(End of period; in millions of dollars)

Area and country	1965	1966	1967											
		Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov. ^a	Dec. ^b
Europe:														
Austria.....	3	3	3	3	3	3	3	3	3	3	3	3	3	3
Denmark.....	14	13	13	13	12	12	12	12	12	12	12	12	12	12
France.....	7	7	7	7	7	7	7	7	6	6	6	7	7	7
Germany.....	1	1	1	1	1	1	1	1	1	1	1	1	1	2
Italy.....	1	2	2	2	2	2	2	9	9	9	9	9	9	9
Netherlands.....	6	5	5	5	5	5	5	4	4	4	4	5	5	5
Norway.....	49	51	51	51	51	51	51	51	51	51	51	51	51	51
Spain.....	2	2	2	2	2	2	2	2	2	2	2	2	2	2
Sweden.....	24	24	24	24	24	24	24	24	24	24	24	24	24	24
Switzerland.....	89	93	92	93	93	92	91	90	88	87	87	91	91	91
United Kingdom.....	553	348	350	353	353	355	359	364	368	375	379	383	371	380
Other Western Europe.....	51	49	49	49	50	50	50	50	50	51	51	51	51	51
Eastern Europe.....	7	7	7	7	7	7	7	7	7	7	7	7	7	7
Total.....	807	605	606	610	609	611	613	624	626	633	637	646	634	643
Canada.....	676	692	692	695	695	722	719	716	717	717	718	716	715	716
Latin America:														
Latin American republics..	6	8	8	8	8	7	7	6	6	6	6	6	6	6
Other Latin America.....	21	19	18	18	18	18	18	18	18	18	18	18	18	18
Total.....	27	25	24	24	24	24	24	24	24	24	24	24	24	24
Asia:														
Japan.....	9	9	9	9	9	9	9	9	9	9	9	9	9	9
Other Asia.....	42	42	42	42	42	42	53	53	54	54	54	54	54	54
Total.....	51	50	50	51	50	50	62	62	63	63	63	63	63	63
Africa.....	16	15	15	15	15	23	28	28	28	22	22	22	19	19
Other countries.....	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Total foreign countries.....	1,577	1,388	1,388	1,395	1,395	1,430	1,446	1,455	1,458	1,459	1,463	1,472	1,455	1,466
International and regional:														
International.....	679	250	228	187	172	172	172	172	169	169	169	169	169	168
Latin American regional..	74	75	76	60	60	60	61	57	58	38	38	38	35	35
Other regional.....							1	1	1	1	1	1	1	1
Total.....	752	325	304	247	232	233	234	230	227	207	207	207	204	204
Grand total.....	2,329	1,713	1,692	1,642	1,627	1,663	1,680	1,685	1,685	1,666	1,671	1,679	1,659	1,670

NOTE.—Data represent estimated official and private holdings of marketable U.S. Govt. securities with an original maturity of more than 1 year, and are based on a July 31, 1963 survey of holdings and regular monthly reports of securities transactions (see Table 15 for total transactions).

11. NONMARKETABLE U.S. TREASURY BONDS AND NOTES ISSUED TO OFFICIAL INSTITUTIONS OF FOREIGN COUNTRIES

(In millions of dollars or dollar equivalent)

End of period	Total	Payable in dollars				Payable in foreign currencies						
		Total	Canada ¹	Italy ²	Sweden	Total	Austria	Belgium	Germany	Italy	Switzerland	B.I.S.
1963.....	893	163	125	13	25	730	50	30	275	200	175	.....
1964.....	1,440	354	329	.....	25	1,086	50	30	679	.....	257	70
1965.....	1,692	484	299	160	25	1,208	101	30	602	125	257	93
1966.....	695	353	144	184	25	342	25	30	50	125	111	.....
1967—Jan.....	767	353	144	184	25	414	25	30	101	125	133	.....
Feb.....	767	353	144	184	25	414	25	30	101	125	133	.....
Mar.....	766	352	144	183	25	414	25	30	101	125	133	.....
Apr.....	766	352	144	183	25	414	25	30	101	125	133	.....
May.....	784	349	144	180	25	434	25	.....	151	125	133	.....
June.....	809	349	144	180	25	460	25	.....	151	125	159	.....
July.....	934	349	144	180	25	585	25	.....	276	125	159	.....
Aug.....	1,007	347	144	178	25	660	50	.....	326	125	159	.....
Sept.....	1,257	546	344	178	25	710	50	.....	376	125	159	.....
Oct.....	1,483	546	344	178	25	937	50	.....	551	125	211	.....
Nov.....	1,563	516	314	177	25	1,047	50	60	601	125	211	.....
Dec.....	1,563	516	314	177	25	1,047	50	60	601	125	211	.....
1968—Jan.....	1,484	312	114	173	25	1,172	50	60	726	125	211	.....

¹ Includes bonds issued to the Government of Canada in connection with transactions under the Columbia River treaty. Amounts outstanding were \$204 million, Sept. 1964 through Oct. 1965; \$174 million, Nov. 1965

through Oct. 1966; \$144 million, Nov. 1966 through Oct. 1967; and \$114 million, Nov. 1967 through latest date.

² Bonds issued to the Government of Italy in connection with military purchases in the United States.

12. SHORT-TERM CLAIMS ON FOREIGNERS REPORTED BY BANKS IN THE UNITED STATES, BY COUNTRY

(Amounts outstanding; in millions of dollars)

End of period	Grand total	Intl. and regional	Europe	Canada	Latin America	Asia	Africa	Other countries
1963.....	5,975	1	939	638	1,742	2,493	104	
1964.....	7,469	1	1,217	725	2,212	3,137	120	58
1964 ¹	7,957	*	1,230	1,004	2,235	3,294	131	58
1965 ²	7,632	*	1,201	593	2,288	3,343	139	64
	7,734	*	1,208	669	2,293	3,358	139	67
1966—Dec. ²	7,819	1	1,366	620	2,489	3,135	147	62
	7,841	1	1,367	608	2,452	3,206	147	62
1967—Jan.....	7,682	*	1,283	597	2,448	3,166	128	60
Feb.....	7,676	1	1,238	626	2,465	3,152	132	62
Mar.....	7,862	1	1,252	614	2,508	3,278	148	62
Apr.....	7,948	*	1,268	625	2,468	3,387	139	62
May.....	8,102	1	1,298	594	2,516	3,497	133	63
June.....	8,253	1	1,278	592	2,545	3,640	127	71
July.....	8,233	*	1,253	602	2,574	3,612	117	74
Aug.....	8,280	1	1,338	602	2,589	3,560	119	71
Sept.....	8,328	*	1,309	562	2,579	3,692	115	71
Oct.....	8,266	*	1,256	575	2,554	3,704	108	70
Nov. ^p	8,343	*	1,202	569	2,603	3,791	107	71
Dec. ^p	8,592	*	1,233	611	2,708	3,871	101	67

12a. Europe

End of period	Total	Austria	Belgium	Denmark	Finland	France	Germany, Fed. Rep. of	Greece	Italy	Netherlands	Norway	Portugal	Spain	Sweden
1963.....	939	8	26	13	52	70	121	9	97	33	40	14	26	30
1964.....	1,217	10	42	28	85	79	159	9	109	39	43	19	40	47
1964 ¹	1,230	11	48	26	84	81	152	10	114	36	43	23	40	49
1965 ²	1,201	8	52	37	87	72	190	13	110	38	51	26	50	52
	1,208	8	52	37	87	72	190	13	110	38	51	26	50	52
1966—Dec. ²	1,366	16	67	62	91	73	215	16	108	40	76	41	67	74
	1,367	16	67	62	91	74	227	16	108	40	76	41	67	75
1967—Jan.....	1,283	19	69	42	90	60	191	15	84	36	64	41	75	70
Feb.....	1,238	20	76	42	91	64	164	15	78	45	60	38	71	79
Mar.....	1,252	19	73	44	92	66	170	14	70	44	62	37	69	79
Apr.....	1,268	17	73	35	97	72	193	15	64	35	60	36	68	78
May.....	1,298	18	67	34	100	66	192	17	73	34	60	34	71	73
June.....	1,278	17	65	40	101	69	188	14	68	29	44	28	72	75
July.....	1,253	13	61	37	97	73	198	15	68	31	50	27	68	62
Aug.....	1,338	16	63	37	93	71	184	15	61	30	51	26	61	68
Sept.....	1,309	24	66	33	90	77	189	18	57	36	52	26	53	65
Oct.....	1,256	10	72	36	85	58	198	20	78	31	52	24	56	71
Nov. ^p	1,202	10	63	48	83	71	170	18	69	49	57	14	53	67
Dec. ^p	1,233	17	66	37	78	88	176	19	58	35	61	26	54	79

12a. Europe—Continued

End of period	Switzerland	Turkey	United Kingdom	Yugoslavia	Other Western Europe	U.S.S.R.	Other Eastern Europe	Total	Argentina	Brazil	Chile	Colombia	Cuba	Mexico
1963.....	70	48	237	7	23	*	16	1,742	188	163	187	208	18	465
1964.....	97	36	319	15	20	*	20	2,212	210	145	188	319	17	630
1964 ¹	111	37	310	16	20	*	20	2,235	203	126	176	338	17	644
1965 ²	73	42	210	28	28	6	27	2,288	232	94	174	270	16	669
	73	42	216	28	28	6	27	2,293	232	94	174	270	16	674
1966—Dec. ²	83	52	210	19	37	2	16	2,489	193	114	159	308	16	767
	88	52	191	19	37	2	16	2,452	187	112	158	305	16	757
1967—Jan.....	80	50	217	23	39	2	17	2,448	179	117	151	293	16	785
Feb.....	82	27	206	22	39	2	17	2,465	169	120	149	285	16	817
Mar.....	81	37	213	22	39	1	20	2,508	180	125	146	274	16	853
Apr.....	81	47	210	23	42	1	20	2,468	181	121	150	249	16	837
May.....	84	37	263	24	32	*	21	2,516	175	123	153	232	16	877
June.....	86	38	268	24	31	1	22	2,545	185	116	155	223	16	861
July.....	102	39	232	25	33	*	22	2,574	185	115	161	239	16	913
Aug.....	119	47	321	22	28	*	24	2,589	185	117	160	243	16	943
Sept.....	110	49	284	23	36	2	20	2,579	189	118	170	244	16	944
Oct.....	117	34	242	19	33	*	19	2,554	199	124	172	227	16	929
Nov. ^p	110	23	225	19	34	*	19	2,603	208	136	175	227	16	910
Dec. ^p	95	38	242	13	30	3	18	2,708	221	173	179	217	16	959

For notes see the following page.

12. SHORT-TERM CLAIMS ON FOREIGNERS REPORTED BY BANKS IN THE UNITED STATES, BY COUNTRY—Continued

(Amounts outstanding; in millions of dollars)

12b. Latin America—Continued									12c. Asia					
End of period	Panama	Peru	Uruguay	Venezuela	Other L.A. republics	Bahamas & Bermuda	Neth. Antilles & Surinam	Other Latin America	Total	China Mainland	Hong Kong	India	Indonesia	Israel
1963.....	35	99	65	114	135	42	9	16	2,493	2	11	17	*	22
1964.....	41	102	76	165	222	58	18	20	3,137	2	26	22	7	44
1964 ¹	49	108	78	168	224	65	18	21	3,294	2	28	21	7	47
1965 ²	59	170	45	220	250	53	14	23	3,343	1	29	17	2	86
	59	170	45	220	250	53	14	23	3,358	1	29	17	2	86
1966—Dec. 2....	84	211	45	226	272	61	18	17	3,135	1	31	16	6	98
	86	212	45	220	261	61	18	16	3,206	1	31	16	6	98
1967—Jan.	78	213	44	219	259	63	17	15	3,166	1	31	12	6	102
Feb.	77	225	39	213	262	62	17	16	3,152	1	31	12	6	106
Mar.	79	232	56	212	247	56	17	15	3,278	1	33	13	5	96
Apr.	75	238	59	200	248	61	17	16	3,387	1	31	14	5	89
May.	75	262	60	217	241	51	18	16	3,497	1	35	14	5	94
June.	69	285	64	210	248	78	17	18	3,640	1	36	17	5	88
July.	64	255	63	212	247	65	17	20	3,612	1	37	13	5	78
Aug.	62	244	60	214	249	59	18	19	3,560	1	35	11	5	69
Sept.	60	231	45	211	258	58	15	19	3,692	1	36	12	5	59
Oct.	53	236	43	211	266	49	9	19	3,704	1	36	11	6	59
Nov. ^p	55	248	46	211	284	54	10	24	3,791	2	29	11	6	58
Dec. ^p	47	249	42	226	289	63	10	18	3,871	1	27	10	5	57

12c. Asia—Continued							12d. Africa					12e. Other countries			
End of period	Japan	Korea	Philippines	Taiwan	Thailand	Other Asia	Total	Congo (Kinshasa)	Morocco	South Africa	U.A.R. (Egypt)	Other Africa	Total	Australia	All other
1963.....	2,171	25	113	8	52	71	104	1	1	15	28	59	58	48	9
1964.....	2,653	21	202	9	64	88	120	1	2	19	42	56	58	48	10
1964 ¹	2,810	21	203	9	65	82	131	1	2	20	42	67	64	48	16
1965 ²	2,751	22	231	15	82	108	139	1	2	34	43	60	67	52	15
	2,768	22	230	15	82	107	139	1	2	34	43	60	67	52	15
1966—Dec. 2....	2,502	31	220	14	81	134	147	1	2	50	25	69	62	52	10
	2,572	31	220	15	81	135	147	1	2	50	25	69	62	52	10
1967—Jan.	2,491	33	233	23	83	151	128	*	3	38	18	68	60	51	9
Feb.	2,486	34	228	26	86	137	132	*	4	43	15	71	62	53	8
Mar.	2,611	38	232	30	89	131	148	1	2	42	30	73	62	53	9
Apr.	2,716	52	245	33	84	116	139	*	2	37	26	74	62	53	9
May.	2,828	44	250	30	83	114	133	*	5	34	31	63	63	52	11
June.	2,939	49	270	27	87	122	127	1	2	30	27	66	71	60	12
July.	2,909	55	289	29	81	116	117	1	2	31	26	58	74	62	12
Aug.	2,864	46	299	23	88	119	119	*	2	33	25	59	71	59	13
Sept.	2,977	47	324	29	84	119	115	*	3	35	18	60	71	58	13
Oct.	2,986	48	323	27	84	124	108	*	2	35	18	53	70	57	13
Nov. ^p	3,062	46	326	31	90	131	107	1	2	37	14	54	71	58	13
Dec. ^p	3,147	59	294	37	99	135	101	1	2	37	11	50	67	54	13

¹ Differs from data in line above because of the exclusion as of Dec. 31, 1964, of \$58 million of short-term U.S. Govt. claims previously included; and because of the addition of \$546 million of short-term claims arising from the inclusion of claims previously held but first reported as of Dec. 31, 1964; and because of revision of preliminary data.

² Data on the two lines shown for this date differ because of changes in reporting coverage. Figures on the first line are comparable in coverage with those shown for the preceding date; figures on the second line are comparable with those shown for the following date.

NOTE.—Short-term claims are principally the following items payable on demand or with a contractual maturity of not more than 1 year: loans made to, and acceptances made for, foreigners; drafts drawn against foreigners, where collection is being made by banks and bankers for their own account or for account of their customers in the United States; and foreign currency balances held abroad by banks and bankers and their customers in the United States. Excludes foreign currencies held by U.S. monetary authorities.

13. 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 ¹	Banks								Others
1963.....	5,975	5,344	1,915	186	955	774	832	2,214	384	631	432	157	42
1964.....	7,469	6,810	2,652	223	1,374	1,055	1,007	2,600	552	659	400	182	77
1964 ²	7,957	7,333	2,773	221	1,403	1,150	1,135	2,621	803	624	336	187	102
1965 ³	7,632	7,158	2,967	271	1,566	1,130	1,268	2,501	422	474	325	54	95
	7,734	7,243	2,970	271	1,567	1,132	1,272	2,508	492	492	329	68	96
1966—Dec. 31.....	7,819	7,399	3,138	256	1,739	1,143	1,367	2,450	443	420	240	70	110
	7,841	7,421	3,140	256	1,739	1,145	1,288	2,540	452	420	241	70	110
1967—Jan.....	7,682	7,313	2,996	258	1,592	1,146	1,288	2,575	453	369	213	73	83
Feb.....	7,676	7,266	2,969	239	1,579	1,151	1,292	2,566	440	410	248	70	92
Mar.....	7,862	7,439	3,023	252	1,611	1,160	1,356	2,628	432	423	275	50	97
Apr.....	7,948	7,528	2,969	271	1,536	1,162	1,352	2,739	467	421	256	77	88
May.....	8,102	7,689	2,927	246	1,557	1,125	1,385	2,914	462	413	263	62	89
June.....	8,253	7,854	2,917	253	1,553	1,112	1,430	3,028	478	400	262	54	83
July.....	8,233	7,818	2,878	260	1,484	1,134	1,430	3,039	472	415	281	57	78
Aug.....	8,280	7,769	2,919	286	1,498	1,135	1,440	2,944	466	510	368	70	73
Sept.....	8,328	7,906	3,046	270	1,595	1,181	1,452	2,929	479	422	291	48	83
Oct.....	8,266	7,833	2,981	270	1,556	1,156	1,456	2,899	496	433	293	61	79
Nov. ³	8,343	7,933	3,034	264	1,566	1,204	1,508	2,942	450	410	269	71	70
Dec. ³	8,592	8,167	3,148	306	1,603	1,239	1,507	3,016	496	425	288	74	63

¹ Includes central banks.² Differs from data in line above because of the exclusion, as of Dec. 31, 1964, of \$58 million of short-term U.S. Govt. claims previously included; because of the addition of \$546 million of short-term claims arising from the inclusion of claims previously held, but first reported as

of Dec. 31, 1964; and because of revision of preliminary data.

³ Data on the two lines shown for this date differ because of changes in reporting coverage. Figures on the first line are comparable in coverage with those shown for the preceding date; figures on the second line are comparable with those shown for the following date.

14. LONG-TERM LIABILITIES TO AND CLAIMS ON FOREIGNERS REPORTED BY BANKS IN THE UNITED STATES

(Amounts outstanding; in millions of dollars)

End of period	Liabilities			Claims										
	Total	Foreign countries	International and regional	Total	Type			Country or area						
					Payable in dollars		Payable in foreign currencies	United Kingdom	Other Europe	Canada	Latin America	Japan	Other Asia	Other countries ¹
					Loans	All other								
1963.....	69	28	42	3,030	2,811	217	2	38	1,063	290	1,015	249	194	181
1964 ²	306	200	106	3,971	3,777	195	*	77	1,611	273	1,162	385	238	227
	310	204	106	4,285	3,995	288	1	87	1,632	327	1,275	430	255	278
1965.....	513	203	311	4,517	4,211	297	9	86	1,518	346	1,296	445	391	436
1966—Dec.....	1,493	987	506	4,180	3,915	247	18	70	1,155	314	1,346	326	408	562
1967—Jan.....	1,557	1,048	508	4,073	3,817	240	16	72	1,129	287	1,318	312	391	565
Feb.....	1,657	1,112	545	4,026	3,783	227	16	72	1,105	265	1,314	304	391	575
Mar.....	1,864	1,288	576	4,027	3,779	232	16	68	1,079	310	1,312	287	377	593
Apr.....	1,987	1,411	576	4,020	3,771	233	16	69	1,063	319	1,309	278	380	602
May.....	2,016	1,424	592	3,995	3,746	232	17	65	1,036	317	1,309	263	384	621
June.....	2,468	1,867	600	3,836	3,583	237	17	40	943	321	1,347	195	380	610
July.....	2,433	1,829	604	3,840	3,584	238	17	48	964	343	1,408	185	391	500
Aug.....	2,502	1,861	642	3,890	3,632	242	17	51	956	340	1,450	176	394	522
Sept.....	2,292	1,638	654	3,907	3,619	268	19	52	922	352	1,499	171	392	518
Oct.....	2,261	1,631	630	3,976	3,690	271	15	52	869	365	1,533	204	405	548
Nov. ³	2,256	1,596	659	3,958	3,674	267	17	51	837	365	1,554	193	412	546
Dec. ³	2,459	1,781	678	3,896	3,610	270	15	56	720	413	1,555	179	433	538

¹ Includes Africa.² Data on the two lines shown for this date differ because of changes in reporting coverage. Figures on the first line are comparable in coverage

with those shown for the preceding date; figures on the second line are comparable with those shown for the following date.

15. PURCHASES AND SALES BY FOREIGNERS OF LONG-TERM SECURITIES, BY TYPE

(In millions of dollars)

Period	Marketable U.S. Govt. bonds and notes ¹					U.S. corporate securities ²			Foreign bonds			Foreign stocks		
	Net purchases or sales					Pur- chases	Sales	Net pur- chases or sales	Pur- chases	Sales	Net pur- chases or sales	Pur- chases	Sales	Net pur- chases or sales
	Total	Intl. and regional	Foreign											
			Total	Official	Other									
1964.....	-338	-315	-23	-59	36	3,537	3,710	-173	915	1,843	-928	748	548	200
1965.....	-76	-151	75	-20	95	4,395	4,770	-375	1,198	2,440	-1,242	906	617	290
1966.....	-616	-427	-189	-245	56	6,318	5,616	703	1,778	2,692	-914	960	731	229
1967 ^p	-43	-121	78	45	33	10,169	9,121	1,048	2,025	3,170	-1,145	866	978	-112
1966—Dec.....	-27	-36	9	.....	9	563	542	21	152	151	1	85	53	31
1967—Jan.....	-21	-21	*	.....	*	571	527	44	112	264	-152	71	63	8
Feb.....	-50	-57	7	5	2	579	557	23	98	168	-69	66	55	11
Mar.....	-15	-14	*	1	-1	775	718	57	215	265	-50	75	68	7
Apr.....	35	*	35	35	*	700	563	137	154	259	-105	67	55	12
May.....	17	1	16	16	*	915	760	156	127	168	-41	68	65	3
June.....	5	-3	9	-3	12	926	821	105	248	305	-57	71	95	-24
July.....	*	-3	3	.....	3	943	740	203	145	314	-169	68	74	-6
Aug.....	-19	-20	1	-6	7	877	793	84	147	225	-78	67	106	-39
Sept.....	5	*	5	.....	5	1,108	858	250	350	481	-131	81	125	-44
Oct.....	9	*	8	.....	8	960	1,148	-188	195	326	-131	77	91	-14
Nov. ^p	-20	-4	-16	-3	-14	849	885	-36	112	146	-34	75	89	-14
Dec. ^p	10	*	10	.....	10	966	752	213	122	250	-128	80	91	-11

¹ Excludes nonmarketable U.S. Treasury bonds and notes issued to official institutions of foreign countries; see Table 11.

² Includes State and local govt. securities, and securities of U.S. Govt. agencies and corporations that are not guaranteed by the United States.

NOTE.—Statistics include transactions of international and regional organizations.

16. NET PURCHASES OR SALES BY FOREIGNERS OF U.S. CORPORATE SECURITIES, BY TYPE OF SECURITY AND BY COUNTRY

(In millions of dollars)

Period	Total	Type of security		Country or area										
		Stocks	Bonds	France	Swit- zer- land	United King- dom	Other Europe	Total Europe	Canada	Latin Amer- ica	Asia	Africa	Other coun- tries	Intl. and regional
1964.....	-173	-349	176	-37	-200	-4	14	-228	3	25	10	*	-1	18
1965.....	-375	-413	38	14	14	-522	47	-446	42	-13	24	-4	2	21
1966.....	703	-333	1,036	37	65	-80	116	140	224	65	18	1	4	251
1967 ^p	1,048	737	311	183	410	-451	217	359	308	115	79	34	17	136
1966—Dec...	21	-115	136	1	-32	6	*	-24	33	6	2	*	*	4
1967—Jan...	44	-6	50	1	19	-19	-4	-2	33	3	9	-1	*	2
Feb...	23	-28	50	7	4	-16	16	11	4	4	1	*	*	3
Mar...	57	-8	65	10	5	12	18	45	*	9	8	*	*	-5
Apr...	137	66	71	8	34	-3	13	51	8	5	*	*	1	72
May...	156	14	141	9	20	67	29	126	21	-4	3	10	-1	*
June...	105	64	41	6	21	8	3	37	63	5	-2	*	*	1
July...	203	87	115	61	56	-10	31	139	28	3	6	24	1	2
Aug...	84	71	13	11	29	5	-4	41	25	*	9	*	1	8
Sept...	250	142	108	37	49	15	24	125	42	15	8	*	1	60
Oct...	-188	58	-246	12	47	-302	28	-213	6	24	3	*	*	-8
Nov. ^p ...	-36	145	-182	9	62	-221	32	-118	49	8	11	*	11	3
Dec. ^p ...	213	130	83	12	63	13	29	117	30	44	23	*	3	-4

NOTE.—Statistics include State and local govt. securities, and securities of U.S. Govt. agencies and corporations that are not guaranteed by the United States.

17. NET PURCHASES OR SALES BY FOREIGNERS OF
LONG-TERM FOREIGN SECURITIES, BY AREA

(In millions of dollars)

Period	Total	Intl. and re- gional	Total for- eign coun- tries	Eu- rope	Can- ada	Latin Amer- ica	Asia	Af- rica	Other coun- tries
1964.....	-728	-140	-588	163	-670	-36	-77	7	25
1965.....	-953	-164	-788	108	-659	-55	-131	3	-54
1966.....	-685	-171	-514	214	-726	-9	-7	16	-2
1967 ¹	-1,257	-393	-864	53	-776	38	-138	-14	-27
1966-Dec.....	32	2	30	20	17	-12	-10	*	15
1967-Jan.....	-144	-52	-92	13	-80	2	-7	1	-21
Feb.....	-59	6	-65	-8	-62	6	-2	*	1
Mar.....	-43	-87	44	22	-51	29	28	6	11
Apr.....	-93	-94	1	2	1	13	-5	-12	1
May.....	-39	-1	-38	11	-23	-23	-5	1	2
June.....	-80	-9	-72	22	-45	5	-44	*	-10
July.....	-175	-14	-162	27	-117	3	-58	1	-18
Aug.....	-117	-43	-75	-23	-24	2	-31	-1	2
Sept.....	-175	-72	-103	-4	-101	3	5	-8	*
Oct.....	-144	13	-157	7	-151	-6	-9	*	2
Nov.....	-48	-37	-11	-4	2	*	-11	*	2
Dec.....	-139	-4	-135	-13	-126	2	1	*	*

18. DEPOSITS, U.S. GOVT. SECURITIES,
AND GOLD HELD AT F.R. BANKS FOR
FOREIGNERS

(In millions of dollars)

End of period	Deposits	Assets in custody	
		U.S. Govt. securities ¹	Earmarked gold
1964.....	229	8,389	12,698
1965.....	150	8,272	12,896
1966.....	174	7,036	12,946
1967-Jan....	148	7,141	12,961
Feb....	145	7,334	12,984
Mar....	131	7,547	12,972
Apr....	123	7,912	12,975
May....	193	7,799	12,972
June....	147	7,667	12,977
July....	117	7,665	12,976
Aug....	144	7,535	12,993
Sept....	117	7,558	12,992
Oct....	135	7,861	13,000
Nov....	168	9,456	13,032
Dec....	135	9,223	13,253
1968-Jan....	160	8,861	13,201

¹ U.S. Treasury bills, certificates of indebtedness, notes, and bonds; includes securities payable in foreign currencies.

NOTE.—Excludes deposits and U.S. Govt. securities held for international organizations. Earmarked gold is gold held for foreign and international accounts and is not included in the gold stock of the United States.

Notes to Tables 3-21

NOTE.—The tables in this section (Nos. 3-21) provide data on U.S. reserve assets and liabilities and other statistics related to the U.S. balance of payments; see Table 1. A number of changes were introduced in the May 1967 issue of the BULLETIN to increase the usefulness of this section.

At that time the table showing the U.S. gold stock and holdings of convertible foreign currencies (now Table 4) was revised to include in the reserve assets of the United States its reserve position in the International Monetary Fund. In accordance with IMF policies, the United States has the right to draw foreign currencies equivalent to this amount virtually automatically if needed. (Under appropriate conditions the United States could draw additional amounts equal to the U.S. quota of \$5,160 million.) This presentation corresponds to the treatment of U.S. monetary reserves in the U.S. balance of payments.

Table 5 shows the factors that affect the U.S. position in the IMF.

Table 6 brings together the various statistical components of the liabilities that enter into the U.S. balance of payments calculated on the liquidity basis. The inclusion of the U.S. reserve position in the IMF in Table 4 requires that the "holdings of dollars" of the IMF be excluded from the data on liabilities to foreigners, in order to avoid double counting. For further explanation of this change in the liabilities statistics, see next to last paragraph.

Table 7 (formerly Table 1), presenting an area breakdown of U.S. liquid liabilities to official institutions of foreign countries, was revised to include holdings of convertible nonmarketable U.S. Govt. securities with an original maturity of more than 1 year.

Data on short-term liabilities to foreigners shown in Tables 8 and 9 (formerly Tables 1 and 2) were revised to exclude the holdings of dollars by the IMF derived from payments of the U.S. subscription and from the exchange transactions and other operations of the IMF. (Liabilities representing the "gold investment" of the IMF continue to be included.) This change in the treatment of the "holdings of dollars" of the IMF is related to the revision of the table on U.S. monetary reserve assets (Table 4) to include the U.S. reserve position in the IMF. The "holdings of dollars" of the IMF do not represent liabilities to foreigners in the same sense as do other reported liabilities to foreigners. They are more accurately viewed as contingent liabilities, since they represent essentially the amount of dollars available for drawings from the IMF by other member countries. Changes in these holdings (arising from U.S. drawings and repayments of foreign currencies, from drawings and repayments of dollars by other countries, and from other dollar operations of the IMF) give rise to equal and opposite changes in the U.S. gold tranche position in the IMF. In the absence of U.S. lending to the IMF, the gold tranche position is equal to the U.S. reserve position in the IMF. Since the reserve position is included in U.S. reserve assets, it is necessary, in order to avoid double-counting, to exclude the "holdings of dollars" of the IMF from U.S. liabilities to foreigners. The revised presentation conforms to the treatment of these items in the U.S. balance of payments and the international investment position of the United States.

Table 10 shows estimated foreign holdings of marketable U.S. Govt. bonds and notes.

19. SHORT-TERM LIABILITIES TO AND CLAIMS ON FOREIGNERS REPORTED BY NONBANKING CONCERNS

(End of period; in millions of dollars)

Area and country	Liabilities to foreigners					Claims on foreigners				
	1966		1967			1966		1967		
	Sept.	Dec.	Mar.	June	Sept. ^a	Sept.	Dec.	Mar.	June	Sept. ^a
Europe:										
Austria.....	3	2	2	2	2	7	8	8	9	7
Belgium.....	30	32	34	28	32	42	53	63	39	45
Denmark.....	2	3	5	8	8	10	14	11	10	9
Finland.....	1	1	1	2	2	4	4	4	5	6
France.....	57	62	61	55	61	102	110	122	102	99
Germany, Fed. Rep. of.....	81	78	81	85	94	120	127	122	122	118
Greece.....	2	2	2	2	3	15	15	17	18	20
Italy.....	52	54	62	65	66	107	101	98	80	93
Netherlands.....	67	68	80	78	82	42	48	45	47	45
Norway.....	2	2	2	3	3	9	8	7	7	8
Portugal.....	6	9	7	5	6	6	7	6	7	6
Spain.....	25	27	30	36	35	51	61	76	62	78
Sweden.....	14	17	19	21	24	27	36	18	18	20
Switzerland.....	58	58	47	51	84	22	18	26	24	24
Turkey.....	4	2	2	2	2	6	6	7	9	8
United Kingdom.....	201	208	236	234	312	599	579	646	577	542
Yugoslavia.....	2	1	1	*	1	4	4	4	3	3
Other Western Europe.....	3	4	5	5	3	9	11	12	13	13
Eastern Europe.....	1	1	1	1	1	3	2	3	5	4
Total.....	611	631	678	682	820	1,185	1,212	1,296	1,158	1,147
Canada.....	138	146	173	199	190	509	489	482	494	460
Latin America:										
Argentina.....	6	6	3	4	4	37	39	39	35	29
Brazil.....	9	10	11	10	10	73	65	61	60	75
Chile.....	3	4	5	6	7	31	32	30	31	26
Colombia.....	5	7	5	9	13	21	25	24	24	20
Cuba.....	*	*	*	*	*	3	3	2	2	2
Mexico.....	10	11	16	16	12	78	95	96	125	118
Panama.....	9	10	4	3	2	12	12	11	10	13
Peru.....	6	7	6	5	7	28	31	31	29	32
Uruguay.....	1	1	1	1	1	6	7	7	9	6
Venezuela.....	25	36	38	37	36	49	62	56	53	54
Other L.A. republics.....	18	20	15	17	19	59	60	62	56	59
Bahamas and Bermuda.....	2	3	7	5	4	11	18	12	21	25
Neth. Antilles & Surinam.....	7	7	6	8	5	4	4	5	5	5
Other Latin America.....	2	1	1	1	1	11	10	9	10	7
Total.....	104	124	118	122	122	422	463	445	469	472
Asia:										
Hong Kong.....	2	3	4	4	4	6	7	7	9	11
India.....	17	17	13	15	12	32	34	33	35	39
Indonesia.....	2	2	2	4	5	3	7	5	5	3
Israel.....	2	2	*	1	1	5	5	5	4	5
Japan.....	23	27	30	38	44	146	164	163	179	195
Korea.....	4	3	2	2	1	5	5	7	6	8
Philippines.....	7	7	6	7	7	17	17	17	23	22
Taiwan.....	7	4	5	2	1	5	7	12	10	10
Thailand.....	1	4	4	4	5	11	11	10	8	10
Other Asia.....	35	31	41	39	45	69	75	88	79	78
Total.....	101	100	107	114	126	299	331	346	357	380
Africa:										
Congo (Kinshasa).....	1	1	1	1	1	2	2	2	2	2
South Africa.....	10	17	5	8	7	17	24	16	16	14
U.A.R. (Egypt).....	2	1	2	2	3	11	11	9	7	7
Other Africa.....	7	6	7	8	11	30	32	35	32	31
Total.....	19	24	15	19	21	59	69	62	58	54
Other countries:										
Australia.....	51	58	52	49	61	57	58	54	44	44
All other.....	4	6	6	7	8	7	8	8	6	7
Total.....	55	64	58	56	70	63	66	61	50	51
International and regional.....	*	*	*	*	*	1	*	*	*	1
Grand total.....	1,028	1,089	1,148	1,193	1,349	2,539	2,631	2,692	2,587	2,566

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.

20. SHORT-TERM LIABILITIES TO AND CLAIMS ON FOREIGNERS REPORTED BY NONBANKING CONCERNS, BY TYPE

(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
1963—Sept.	691	552	139	2,257	1,830	225	202
Dec.	626	478	148	2,131	1,739	201	191
Dec. ¹	626	479	148	2,188	1,778	199	211
1964—Mar.	631	475	156	2,407	1,887	239	282
June.	622	471	151	2,482	2,000	220	262
June ²	585	441	144	2,430	1,952	219	260
Sept.	650	498	152	2,719	2,168	249	302
Dec.	695	553	141	2,776	2,306	189	281
Dec. ³	700	556	144	2,853	2,338	205	310
1965—Mar.	695	531	165	2,612	2,147	189	277
June.	740	568	172	2,411	1,966	198	248
Sept.	779	585	195	2,406	1,949	190	267
Dec.	807	600	207	2,397	2,000	167	229
Dec. ³	810	600	210	2,299	1,911	166	222
1966—Mar.	849	614	235	2,473	2,033	211	229
June.	894	657	237	2,469	2,063	191	215
Sept.	1,028	785	243	2,539	2,146	166	227
Dec.	1,089	827	262	2,631	2,228	167	236
1967—Mar.	1,148	864	285	2,692	2,249	192	252
June.	1,193	906	287	2,587	2,112	199	275
Sept. ³	1,349	1,025	324	2,566	2,127	194	246

¹ Includes data from firms reporting for the first time and claims previously held but not reported.

² Includes reports from firms having \$500,000 or more of liabilities or

of claims; for previous series the exemption level was \$100,000.

³ Data differ from that shown for Dec. in line above because of changes in reporting coverage.

21. LONG-TERM LIABILITIES TO AND CLAIMS ON FOREIGNERS REPORTED BY NONBANKING CONCERNS

(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
1964—Sept.	112	832	64	102	90	68	74	142	90	96	93	13
Dec.	107	962	51	109	95	215	72	135	89	95	88	14
Dec. ¹	107	1,081	56	116	190	215	73	137	89	98	91	15
1965—Mar.	115	1,075	35	121	203	220	74	137	81	96	91	18
June.	110	1,081	31	118	208	221	70	144	85	96	91	17
Sept.	120	1,101	31	116	230	217	74	138	89	96	91	18
Dec.	136	1,169	31	112	233	209	69	196	98	114	89	17
Dec. ¹	147	1,139	31	112	236	209	65	198	98	87	85	18
1966—Mar.	176	1,156	27	124	239	208	61	206	98	87	87	19
June.	188	1,207	27	167	251	205	61	217	90	90	86	14
Sept.	249	1,235	23	174	267	202	64	207	102	91	90	14
Dec.	329	1,256	27	198	272	203	56	212	95	93	87	13
1967—Mar.	454	1,324	31	232	283	203	58	210	108	98	84	17
June.	430	1,494	27	263	303	214	88	290	110	98	85	15
Sept. ¹	440	1,459	40	218	310	212	84	283	109	103	87	13

¹ Data differ from that shown for Dec. in line above because of changes in reporting coverage.

GOLD RESERVES OF CENTRAL BANKS AND GOVERNMENTS

(In millions of dollars)

End of period	Estimated total world ¹	Intl. Monetary Fund	United States	Estimated rest of world	Afghanistan	Argentina	Australia	Austria	Belgium	Brazil	Burma	Canada	Chile
1960.....	40,540	2,439	17,804	20,295	n.a.	104	147	293	1,170	287	.....	885	45
1961.....	41,120	2,077	16,947	22,095	36	190	162	303	1,248	285	.....	946	48
1962.....	41,475	2,194	16,057	23,225	36	61	190	454	1,365	225	42	708	43
1963.....	42,305	2,312	15,596	24,395	36	78	208	536	1,371	150	42	817	43
1964.....	43,015	2,179	15,471	25,365	36	71	226	600	1,451	92	84	1,026	43
1965.....	243,225	31,869	13,806	27,280	35	66	223	700	1,558	63	84	1,151	44
1966—Dec.....	43,180	2,652	13,235	27,295	35	84	224	701	1,525	45	84	1,046	45
1967—Jan.....	.....	2,659	13,202	.....	35	84	227	701	1,524	45	84	1,056	45
Feb.....	.....	2,661	13,161	.....	35	84	227	701	1,523	45	84	1,070	45
Mar.....	43,115	2,652	13,184	27,280	35	84	228	701	1,524	45	84	1,084	46
Apr.....	.....	2,657	13,234	.....	35	84	228	701	1,525	45	84	1,042	46
May.....	.....	2,658	13,214	.....	35	84	228	701	1,524	45	84	1,053	47
June.....	42,980	2,669	13,169	27,140	35	84	229	701	1,522	45	84	1,066	47
July.....	.....	2,674	13,136	.....	35	84	229	701	1,520	45	84	1,074	47
Aug.....	.....	2,678	13,075	.....	35	84	229	701	1,516	45	84	1,086	46
Sept.....	242,950	2,679	13,077	27,195	33	84	228	701	1,514	45	84	1,099	46
Oct.....	.....	2,680	13,039	.....	33	84	230	701	1,512	45	84	1,104	46
Nov.....	.....	2,682	12,965	.....	33	84	229	701	1,510	45	84	1,110	45
Dec.....	.....	2,682	12,065	.....	33	.....	.....	701	1,480	.....	84	1,015	45

End of period	Colombia	Denmark	Finland	France	Germany, Fed. Rep. of	Greece	India	Indonesia	Iran	Iraq	Israel	Italy	Japan
1960.....	78	107	41	1,641	2,971	76	247	58	130	98	*	2,203	247
1961.....	88	107	47	2,121	3,664	87	247	43	130	84	10	2,225	287
1962.....	57	92	61	2,587	3,679	77	247	44	129	98	41	2,243	289
1963.....	62	92	61	3,175	3,843	77	247	35	142	98	60	2,343	289
1964.....	58	92	85	3,729	4,248	77	247	.....	141	112	56	2,107	304
1965.....	35	97	84	4,706	4,410	78	281	.....	146	110	56	2,404	328
1966—Dec.....	26	108	45	5,238	4,292	120	243	.....	130	106	46	2,414	329
1967—Jan.....	27	108	45	5,236	4,290	120	243	.....	130	106	46	2,412	.....
Feb.....	28	108	45	5,235	4,289	120	243	.....	130	106	46	2,411	.....
Mar.....	28	108	48	5,240	4,294	123	243	.....	145	106	46	2,416	330
Apr.....	28	108	48	5,241	4,296	127	243	.....	145	106	46	2,417	.....
May.....	29	108	47	5,235	4,292	149	243	.....	145	106	46	2,416	.....
June.....	29	108	47	5,235	4,292	149	243	.....	145	94	.....	2,412	330
July.....	29	108	47	5,233	4,285	150	243	.....	145	94	.....	2,406	.....
Aug.....	30	108	47	5,234	4,283	149	243	.....	145	94	46	2,400	.....
Sept.....	30	108	47	5,234	4,284	130	243	.....	145	94	46	2,401	.....
Oct.....	31	108	47	5,234	4,281	132	243	.....	145	94	46	2,398	.....
Nov.....	31	108	47	5,234	4,277	132	243	.....	145	94	46	2,394	.....
Dec.....	.....	107	45	5,234	4,228	.....	243	.....	144	115	46	2,400	.....

End of period	Kuwait	Lebanon	Libya	Mexico	Morocco	Netherlands	Nigeria	Norway	Pakistan	Peru	Philippines	Portugal	Saudi Arabia
1960.....	n.a.	119	.....	137	29	1,451	.....	30	52	42	15	552	18
1961.....	43	140	.....	112	29	1,581	20	30	53	47	27	443	65
1962.....	49	172	3	95	29	1,581	20	30	53	47	41	471	78
1963.....	48	172	7	139	29	1,601	20	31	53	57	28	497	78
1964.....	48	183	17	169	34	1,688	20	31	53	67	23	523	78
1965.....	52	182	68	158	21	1,756	20	31	53	67	38	576	73
1966—Dec.....	67	193	68	109	21	1,730	20	18	53	65	44	643	69
1967—Jan.....	71	193	68	116	21	1,730	20	18	53	65	45	646	69
Feb.....	71	193	68	114	21	1,731	20	18	53	65	47	647	69
Mar.....	73	193	68	112	21	1,731	20	18	53	55	47	650	69
Apr.....	73	193	68	120	21	1,731	20	18	53	55	49	651	69
May.....	73	193	68	149	21	1,731	20	18	53	45	51	654	69
June.....	89	193	68	160	21	1,731	20	18	53	30	53	661	69
July.....	89	193	68	159	21	1,731	20	18	53	25	54	668	69
Aug.....	89	193	68	157	21	1,731	20	18	53	20	56	686	69
Sept.....	89	193	68	155	21	1,731	20	18	53	20	57	690	69
Oct.....	89	193	68	155	21	1,731	20	18	53	20	58	692	69
Nov.....	.....	193	68	.....	21	1,731	20	18	53	20	59	698	69
Dec.....	.....	.....	.....	.....	21	1,711	20	18	53	.....	60	.....	69

For notes see end of table.

GOLD RESERVES OF CENTRAL BANKS AND GOVERNMENTS—Continued

(In millions of dollars)

End of period	South Africa	Spain	Sweden	Switzerland	Taiwan	Thailand	Turkey	U.A.R. (Egypt)	United Kingdom	Uruguay	Venezuela	Yugoslavia	Bank for Intl. Settlements ⁴
1960.....	178	178	170	2,185	41	104	134	174	2,800	180	401	4	-19
1961.....	298	316	180	2,560	43	104	139	174	2,268	180	401	6	115
1962.....	499	446	181	2,667	43	104	140	174	2,582	180	401	4	-50
1963.....	630	573	182	2,820	50	104	115	174	2,484	171	401	14	-279
1964.....	574	616	189	2,725	55	104	104	139	2,136	171	401	17	-50
1965.....	425	810	202	3,042	55	96	116	139	2,265	155	401	19	-558
1966—Dec.....	637	785	203	2,842	62	92	102	93	1,940	146	401	21	-424
1967—Sept.....	611	784	203	2,679	66	92	102	93	.....	146	401	21	-274
Feb.....	581	784	203	2,678	66	92	97	93	.....	146	401	21	-289
Mar.....	540	784	203	2,679	74	92	97	93	1,677	146	401	21	-15
Apr.....	519	784	203	2,643	74	92	97	93	.....	146	401	22	37
May.....	482	784	203	2,619	74	92	97	93	.....	146	401	22	-87
June.....	468	784	203	2,831	81	92	96	93	1,708	146	401	22	-266
July.....	493	784	203	2,844	81	92	96	93	.....	146	401	21	-271
Aug.....	487	784	203	2,843	81	92	96	93	.....	146	401	22	-375
Sept.....	489	785	203	2,841	81	92	97	93	1,831	146	401	22	-364
Oct.....	518	785	203	2,840	81	92	97	93	.....	146	401	22	-358
Nov.....	558	785	203	2,753	81	92	97	93	.....	140	401	22	-275
Dec.....	583	.....	203	3,089	.....	92	97	93	.....	.....	401	.....	-624

¹ Includes reported or estimated gold holdings of international and regional organizations, central banks and govts. of countries listed in this table and also of a number not shown separately here, and gold to be distributed by the Tripartite Commission for the Restitution of Monetary Gold; excludes holdings of the U.S.S.R., other Eastern European countries, and China Mainland.

The figures included for the Bank for International Settlements are the Bank's gold assets net of gold deposit liabilities. This procedure avoids the overstatement of total world gold reserves since most of the gold deposited with the BIS is included in the gold reserves of individual countries.

² Adjusted to include gold subscription payments to the IMF, except

those matched by gold mitigation deposits with the United States and United Kingdom; adjustment is \$270 million.

³ Excludes gold subscription payments made by some member countries in anticipation of increase in Fund quotas; for most of these countries the increased quotas became effective in Feb. 1966.

⁴ Net gold assets of BIS, i.e., gold in bars and coins and other gold assets minus gold deposit liabilities.

NOTE.—For back figures and description of the data in this and the following tables on gold (except production), see "Gold," Section 14 of *Supplement to Banking and Monetary Statistics*, 1962.

GOLD PRODUCTION

(In millions of dollars at \$35 per fine troy ounce)

Period	World production ¹	Africa				North and South America					Asia		Other	
		South Africa	Rhodesia	Ghana	Congo (Kinshasa)	United States	Canada	Mexico	Nicaragua	Colombia	India	Philippines	Australia	All other
1960.....	1,175.0	748.4	19.6	30.8	11.1	58.8	162.0	10.5	7.0	15.2	5.6	14.4	38.0	53.6
1961.....	1,215.0	803.0	20.1	29.2	8.1	54.8	156.6	9.4	7.9	14.0	5.5	14.8	37.7	53.9
1962.....	1,295.0	892.2	19.4	31.1	7.1	54.5	146.2	8.3	7.8	13.9	5.7	14.8	37.4	56.6
1963.....	1,355.0	960.1	19.8	32.2	7.5	51.4	139.0	8.3	7.2	11.4	4.8	13.2	35.8	64.3
1964.....	1,405.0	1,018.9	20.1	30.3	6.6	51.4	133.0	7.4	7.9	12.8	5.2	14.9	33.7	62.8
1965.....	1,440.0	1,069.4	19.0	26.4	3.2	58.6	125.6	7.6	6.9	11.2	4.6	15.3	30.7	61.5
1966.....	1,445.0	1,080.8	19.3	24.0	5.6	63.1	114.6	7.5	7.0	9.8	4.2	15.8	32.0	61.3
1966—Nov.....	.....	90.8	.....	2.1	.....	.....	8.7	.6	.....	.8	.3	1.4	2.4	.....
Dec.....	.....	87.7	.....	1.9	21.6	.....	9.6	.4	.....	.7	.3	1.5	2.7	.....
1967—Jan.....	.....	89.5	.....	.....	.....	.....	8.7	.6	.....	.9	.....	.....	2.4	.....
Feb.....	.....	87.8	.....	.....	.....	.....	8.9	.6	.....	.8	.....	.....	2.1	.....
Mar.....	.....	89.5	.....	.....	21.1	.....	9.1	.6	.....	.5	.....	.....	2.2	.....
Apr.....	.....	89.1	.....	.....	.....	.....	8.9	.6	.....	.8	.....	.....	2.6	.....
May.....	.....	91.2	.....	.....	.....	.....	8.9	.6	.....	.8	.....	.....	2.3	.....
June.....	.....	89.1	.....	.....	.....	.....	9.1	.4	.....	.8	31.7	.....	2.6	.....
July.....	.....	88.9	.....	.....	.....	.....	8.4	.....	.....	.7	.....	.....	2.4	.....
Aug.....	.....	90.5	.....	.....	.....	.....	8.3	.....	.....	.8	.....	.....	2.1	.....
Sept.....	.....	89.9	.....	.....	.....	.....	8.0	.....	.....	.8	.....	.....	.....	.....
Oct.....	.....	84.1	.....	.....	.....	.....	8.6	.....	.....	.7	.....	.....	.....	.....
Nov.....	.....	90.0	.....	.....	.....	.....	8.2	.....	.....	.....	.....	.....	.....	.....

¹ Estimated; excludes U.S.S.R., other Eastern European countries, China Mainland, and North Korea.

² Quarterly data.

³ Data for Jan.–June.

NOTE.—Estimated world production based on report of the U.S. Bureau of Mines. Country data based on reports from individual countries and Bureau of Mines. Data for the United States are from the Bureau of the Mint.

CENTRAL BANK RATES FOR DISCOUNTS AND ADVANCES TO COMMERCIAL BANKS

(Per cent per annum)

Country	Rate as of Jan. 31, 1967		Changes during the last 12 months												Rate as of Jan. 31, 1968	
	Per cent	Month effective	1967													1968
			Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.		
Argentina.....	6.0	Dec. 1957													6.0	
Austria.....	4.5	June 1963			4.25						3.75				3.75	
Belgium.....	5.25	June 1966	5.0	4.75		4.5				4.25	4.00				4.0	
Brazil.....	12.0	Jan. 1965													12.0	
Burma.....	4.0	Feb. 1962													4.0	
Canada ¹	5.0	Jan. 1967			4.5					5.0		6.0		7.0	7.0	
Ceylon.....	5.0	May 1965													5.0	
Chile ²	15.84	July 1966													15.84	
Colombia.....	8.0	May 1963													8.0	
Costa Rica.....	3.0	Apr. 1939													3.0	
Denmark.....	6.5	June 1964											7.5		7.5	
Ecuador.....	5.0	Nov. 1956													5.0	
El Salvador.....	4.0	Aug. 1964													4.0	
Finland.....	7.0	Apr. 1962													7.0	
France.....	3.5	Apr. 1965													3.5	
Germany, Fed. Rep. of.....	4.5	Jan. 1967	4.0		3.5	3.0									3.0	
Ghana.....	7.0	Jan. 1966				6.0									6.0	
Greece.....	5.5	Jan. 1963					4.5								4.5	
Honduras ³	3.0	Jan. 1962													3.0	
Iceland.....	9.0	Jan. 1966													9.0	
India.....	6.0	Feb. 1965													6.0	
Indonesia.....	9.0	Aug. 1963													9.0	
Iran.....	5.0	Aug. 1966													5.0	
Ireland.....	6.5	Jan. 1967	6.25	5.88	5.56	5.44	5.50	5.56	5.50	5.53	5.94	7.75	7.78		7.78	
Israel.....	6.0	Feb. 1955													6.0	
Italy.....	3.5	June 1958													3.5	
Jamaica.....	5.5	July 1966				5.0						6.0			6.0	
Japan.....	5.48	June 1965								5.84				6.21	6.21	
Korea.....	28.0	Dec. 1965													28.0	
Mexico.....	4.5	June 1942													4.5	
Netherlands.....	5.0	May 1966		4.5											4.5	
New Zealand.....	7.0	Mar. 1961													7.0	
Nicaragua.....	6.0	Apr. 1954													6.0	
Norway.....	3.5	Feb. 1955													3.5	
Pakistan.....	5.0	June 1965													5.0	
Peru.....	9.5	Nov. 1959					6.0								9.5	
Philippine Republic.....	4.75	Jan. 1966													6.0	
Portugal.....	2.5	Sept. 1965													2.5	
South Africa.....	6.0	July 1966													6.0	
Spain.....	4.0	June 1961													4.0	
Sweden.....	6.0	June 1966	5.5	5.0									6.0		6.0	
Switzerland.....	3.5	July 1966						3.0							3.0	
Taiwan ⁴	14.04	July 1963				13.3									13.3	
Thailand.....	5.0	Oct. 1959													5.0	
Tunisia.....	5.0	Sept. 1966													5.0	
Turkey.....	7.5	May 1961													7.5	
United Arab Rep. (Egypt).....	5.0	May 1962													5.0	
United Kingdom.....	6.5	Jan. 1967		6.0		5.5					6.0	58.0			8.0	
Venezuela.....	4.5	Dec. 1960													4.5	

¹ On June 24, 1962, the bank rate on advances to chartered banks was fixed at 6 per cent. Rates on loans to money market dealers will continue to be .25 of 1 per cent above latest weekly Treasury bill tender average rate, but will not be more than the bank rate.

² Beginning with Apr. 1, 1959, new rediscounts have been granted at the average rate charged by banks in the previous half year. Old rediscounts remain subject to old rates provided their amount is reduced by one-eighth each month beginning with May 1, 1959, but the rates are raised by 1.5 per cent for each month in which the reduction does not occur.

³ Rate shown is for advances only.

⁴ Rate shown is for call loans.

⁵ Effective Nov. 9 the rate was 6.5 per cent.

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;

Colombia—5 per cent for warehouse receipts covering approved lists of products, 6 and 7 per cent for agricultural bonds, and 12 and 18 per cent for rediscounts in excess of an individual bank's quota;

Costa Rica—5 per cent for paper related to commercial transactions (rate shown is for agricultural and industrial paper);

Ecuador—6 per cent for bank acceptances for commercial purposes; Indonesia—various rates depending on type of paper, collateral, commodity involved, etc.;

Japan—penalty rates (exceeding the basic rate shown) for borrowings from the central bank in excess of an individual bank's quota;

Peru—8 per cent for agricultural, industrial, and mining paper; Philippines—3 per cent for financing the production, importation, and distribution of rice and corn and 4.75 per cent for credits to enterprises engaged in export activities. Preferential rates are also granted on credits to rural banks;

Spain—4.6 per cent for financial paper rediscounted for banks (rate shown is for commercial bills); and

Venezuela—4 per cent for rediscounts of certain agricultural paper and for advances against govt. bonds or gold and 5 per cent on advances against securities of Venezuelan companies.

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	Bankers' acceptances, 3 months	Treasury bills, 3 months	Day-to-day money	Bankers' allowance on deposits	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
1964—Dec.....	3.85	3.84	6.84	6.62	5.87	5.00	4.16	2.63	2.88	3.68	2.09	2.68
1965—Dec.....	4.45	4.03	5.91	5.48	4.79	4.00	4.48	3.88	4.00	4.29	3.47	3.00
1966—Dec.....	5.05	4.71	6.94	6.64	6.00	5.00	5.68	4.75	5.81	4.90	3.68	4.00
1967—Jan.....	4.83	4.78	6.77	6.29	5.93	4.90	5.57	4.13	5.13	4.87	4.31	4.25
Feb.....	4.62	4.43	6.40	5.99	5.50	4.50	5.06	3.75	5.00	4.78	5.04	4.25
Mar.....	4.26	4.24	6.18	5.72	5.30	4.26	5.02	3.75	4.00	4.64	4.57	4.25
Apr.....	4.00	3.90	5.69	5.39	4.98	4.00	5.03	3.75	4.19	4.47	4.25	4.25
May.....	4.14	4.12	5.47	5.23	4.55	3.56	4.79	3.00	3.00	4.56	4.36	4.25
June.....	4.34	4.27	5.44	5.27	4.54	3.50	4.29	2.75	3.63	4.56	4.38	4.25
July.....	4.27	3.68	5.47	5.34	4.51	3.50	4.76	2.75	2.38	4.54	4.38	4.13
Aug.....	4.33	4.16	5.53	5.32	4.56	3.50	4.46	2.75	2.56	4.49	3.83	4.00
Sept.....	4.50	4.24	5.54	5.34	4.58	3.50	4.34	2.75	3.13	4.48	3.69	4.00
Oct.....	4.91	4.82	5.79	5.60	4.81	3.71	4.48	2.75	2.19	4.50	4.60	3.75
Nov.....	5.15	4.69	6.88	6.55	5.80	4.90	4.67	2.75	2.31	4.50	3.23	3.75
Dec.....	5.80	5.67	7.78	7.52	6.83	6.00	.....	2.75	2.44	4.51	4.05	3.75

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 Based on average of lowest and highest quotation during month.NOTE.—For description and back data, see "International Finance," Section 15 of *Supplement to Banking and Monetary Statistics*, 1962.

ARBITRAGE ON TREASURY BILLS

(Per cent per annum)

Date	United States and United Kingdom					United States and Canada					
	Treasury bill rates			Premium (+) or discount (-) on forward pound	Net incentive (favor of London)	Treasury bill rates				Premium (+) or discount (-) on forward Canadian dollars	Net incentive (favor of Canada)
	United Kingdom (adj. to U.S. quotation basis)	United States	Spread (favor of London)			Canada		United States	Spread (favor of Canada)		
						As quoted in Canada	Adj. to U.S. quotation basis				
1967											
Sept. 1.....	5.14	4.33	.81	-.80	+.01	4.33	4.22	4.33	-.11	-.97	-1.08
8.....	5.14	4.27	.87	-.81	+.06	4.37	4.26	4.27	-.01	-1.03	-1.04
15.....	5.14	4.36	.78	-.80	-.02	4.47	4.36	4.36	.00	-1.14	-1.14
22.....	5.24	4.55	.69	-.69	.00	4.51	4.39	4.55	-.16	-1.18	-1.34
29.....	5.33	4.37	.96	-.68	+.28	4.78	4.67	4.37	+.30	-1.22	-.92
Oct. 6.....	5.33	4.47	.86	-.69	+.17	4.76	4.65	4.47	+.18	-.90	-.72
13.....	5.33	4.58	.75	-.75	.00	4.91	4.79	4.58	+.21	-1.16	-.95
20.....	5.58	4.53	1.05	-.96	+.09	4.96	4.84	4.53	+.31	-1.44	-1.13
27.....	5.58	4.50	1.08	-.98	+.10	4.97	4.85	4.50	+.35	-1.44	-1.09
Nov. 3.....	5.73	4.56	1.17	-1.11	+.06	4.94	4.82	4.56	+.26	-1.01	-.75
9.....	6.10	4.62	1.48	-1.35	+.13	4.96	4.82	4.62	+.20	-.90	-.70
17.....	6.26	4.57	1.69	-1.64	+.05	4.97	4.85	4.57	+.28	-.90	-.62
24.....	7.40	4.76	2.64	-.99	+1.65	5.39	5.27	4.76	+.51	-.81	-.30
Dec. 1.....	7.33	4.93	2.40	-1.17	+1.23	5.46	5.33	4.93	+.40	-.17	+.23
8.....	7.32	4.89	2.43	-2.83	-.40	5.55	5.45	4.89	+.56	-.32	+.24
15.....	7.27	4.98	2.29	-4.72	-2.43	5.82	5.69	4.98	+.71	-.50	+.21
22.....	7.26	4.92	2.34	-4.67	-2.33	5.97	5.84	4.92	+.92	-.48	+.44
29.....	7.26	4.98	2.28	-2.83	-.55	5.95	5.82	4.98	+.84	-.49	+.35
1968											
Jan. 5.....	7.26	4.95	2.31	-2.50	-.19	5.92	5.79	4.95	+.84	-.32	+.52
12.....	7.21	5.03	2.18	-2.60	-.42	5.81	5.67	5.03	+.64	-.85	-.21
19.....	7.34	5.02	2.32	-2.72	-.40	5.80	5.66	5.02	+.64	-1.74	-1.10
26.....	7.34	4.87	2.47	-2.99	-.52	6.26	6.08	4.87	+1.21	-1.30	-.09
Feb. 2.....	7.38	4.81	2.57	-2.59	-.02	6.35	6.15	4.81	+1.34	-1.20	+.14

NOTE.—Treasury bills: All rates are on the latest issue of 91-day bills. U.S. and Canadian rates are market offer rates 11 a.m. Friday; U.K. rates are Friday opening market offer rates in London.

Premium or discount on forward pound and on forward Canadian dollar: Rates per annum computed on basis of midpoint quotations (between bid and offer) at 11 a.m. Friday in New York for both spot and forward pound sterling and for both spot and forward Canadian dollars.

All series: Based on quotations reported to F.R. Bank of New York by market sources.

For description of series and for back figures, see Oct. 1964 BULLETIN, pp. 1241-60. For description of adjustments to U.K. and Canadian Treasury bill rates, see notes to Table 1, p. 1257, and to Table 2, p. 1460, Oct. 1964 BULLETIN.

FOREIGN EXCHANGE RATES

(In cents per unit of foreign currency)

Period	Argentina (peso)	Australia		Austria (schilling)	Belgium (franc)	Canada (dollar)	Ceylon (rupee)	Denmark (krone)	Finland (markka)
		(pound)	(dollar)						
1963.....	.72447	223.10	.....	3.8690	2.0052	92.699	21.015	14.484	131.057
1964.....	.71786	222.48	.....	3.8698	2.0099	92.689	20.988	14.460	31.067
1965.....	.59517	222.78	.....	3.8704	2.0144	92.743	20.959	14.460	31.070
1966.....	.48690	223.41	3111.22	3.8686	2.0067	92.811	20.946	14.475	31.061
1967.....	.30545	.....	111.25	3.8688	2.0125	92.689	20.501	14.325	429.553
1967—Jan.....	.40348	.....	111.20	3.8648	2.0005	92.623	20.927	14.468	31.062
Feb.....	.39934	.....	111.32	3.8653	2.0100	92.529	20.932	14.444	31.062
Mar.....	.531033	.....	111.41	3.8679	2.0116	92.415	20.938	14.467	31.062
Apr.....	.28501	.....	111.52	3.8679	2.0121	92.378	20.954	14.472	31.063
May.....	.28505	.....	111.43	3.8686	2.0145	92.400	20.946	14.453	31.062
June.....	.28506	.....	111.20	3.8698	2.0143	92.544	20.917	14.439	31.062
July.....	.28501	.....	111.05	3.8714	2.0147	92.766	20.903	14.413	31.062
Aug.....	.28505	.....	110.97	3.8728	2.0148	92.937	20.900	14.403	31.062
Sept.....	.28507	.....	110.90	3.8720	2.0146	92.989	20.894	14.417	31.062
Oct.....	.28503	.....	110.88	3.8693	2.0147	93.149	20.889	14.416	426.672
Nov.....	.28488	.....	111.28	3.8656	2.0145	93.004	19.806	14.028	23.714
Dec.....	.28449	.....	111.85	3.8696	2.0138	92.559	16.660	13.404	23.716
1968—Jan.....	.28465	.....	111.98	3.8648	2.0123	92.181	16.688	13.409	23.745
Period	France (franc)	Germany (deutsche mark)	India (rupee)	Ireland (pound)	Italy (lira)	Japan (yen)	Malay- sia (dollar)	Mexico (peso)	Neth- erlands (guilder)
1963.....	720.404	25.084	20.966	280.00	.16087	.27663	32.664	8.0056	27.770
1964.....	20.404	25.157	20.923	279.21	.16014	.27625	32.566	8.0056	27.724
1965.....	20.401	25.036	20.938	279.59	.16004	.27662	32.609	8.0056	27.774
1966.....	20.352	25.007	16.596	279.30	.16014	.27598	32.538	8.0056	27.630
1967.....	20.323	25.084	13.255	275.04	.16022	.27613	32.519	8.0056	27.759
1967—Jan.....	20.199	25.140	13.257	279.10	.15996	.27577	32.473	8.0056	27.679
Feb.....	20.217	25.168	13.272	279.41	.15993	.27576	32.535	8.0056	27.694
Mar.....	20.203	25.165	13.280	279.63	.16006	.27607	32.556	8.0056	27.682
Apr.....	20.227	25.167	13.294	279.92	.16009	.27625	32.589	8.0056	27.683
May.....	20.319	25.147	13.267	279.69	.16008	.27628	32.572	8.0056	27.739
June.....	20.375	25.122	13.242	279.12	.16007	.27627	32.519	8.0056	27.756
July.....	20.395	24.996	13.224	278.73	.16020	.27620	32.478	8.0056	27.866
Aug.....	20.386	24.985	13.220	278.53	.16041	.27599	32.467	8.0056	27.797
Sept.....	20.382	24.988	13.217	278.37	.16049	.27618	32.441	8.0056	27.799
Oct.....	20.393	24.974	13.215	278.32	.16061	.27622	32.432	8.0056	27.809
Nov.....	20.401	25.072	13.236	266.18	.16059	.27621	32.472	8.0056	27.805
Dec.....	20.381	25.094	13.334	240.63	.16019	.27633	32.687	8.0056	27.804
1968—Jan.....	20.307	24.974	13.337	240.91	.16004	.27612	32.712	8.0056	27.747
Period	New Zealand		Norway (krone)	Portu- gal (escudo)	South Africa (rand)	Spain (peseta)	Sweden (krona)	Switz- erland (franc)	United King- dom (pound)
	(pound)	(dollar)							
1963.....	277.22	.....	13.987	3.4891	139.48	1.6664	19.272	23.139	280.00
1964.....	276.45	.....	13.972	3.4800	139.09	1.6663	19.414	23.152	279.21
1965.....	276.82	.....	13.985	3.4829	139.27	1.6662	19.386	23.106	279.59
1966.....	276.54	.....	13.984	3.4825	139.13	1.6651	19.358	23.114	279.30
1967.....	276.69	12131.97	13.985	3.4784	139.09	1.6383	19.373	23.104	275.04
1967—Jan.....	276.34	.....	13.978	3.4786	139.03	1.6636	19.337	23.089	279.10
Feb.....	276.65	.....	13.980	3.4783	139.18	1.6634	19.353	23.061	279.41
Mar.....	276.86	.....	13.984	3.4811	139.29	1.6633	19.367	23.079	279.63
Apr.....	277.15	.....	13.993	3.4858	139.44	1.6631	19.397	23.126	279.92
May.....	276.92	.....	13.990	3.4830	139.32	1.6631	19.399	23.169	279.69
June.....	276.35	.....	13.992	3.4810	139.04	1.6632	19.415	23.166	279.12
July.....	276.12	12137.97	13.986	3.4788	138.85	1.6634	19.412	23.128	278.73
Aug.....	137.89	.....	13.981	3.4766	138.75	1.6637	19.394	23.061	278.53
Sept.....	137.81	.....	13.978	3.4755	138.66	1.6640	19.381	23.027	278.37
Oct.....	137.78	.....	13.979	3.4736	138.64	1.6635	19.341	23.035	278.32
Nov.....	128.28	.....	13.985	3.4654	139.05	1.5831	19.326	23.146	266.18
Dec.....	111.95	.....	13.996	3.4817	139.84	1.4236	19.341	23.158	240.63
1968—Jan.....	.....	112.09	13.997	3.4861	140.00	1.4236	19.366	23.017	240.91

¹ A new markka, equal to 100 old markkaa, was introduced on Jan. 1, 1963.

² Based on quotations through Feb. 11, 1966.

³ Effective Feb. 14, 1966, Australia adopted the decimal currency system. The new unit, the dollar, replaces the pound and consists of 100 cents, equivalent to 10 shillings or one-half the former pound.

⁴ Effective Oct. 12, 1967, the Finnish markka was devalued from 3.2 to 4.2 markkaa per U. S. dollar. Quotation not available Oct. 12.

⁵ Quotations not available Mar. 7-14, 1967.

⁶ Quotations not available Nov. 21-24, 1967.

⁷ Effective Jan. 1, 1963, the franc again became the French monetary unit. It replaces, at a 1 to 1 ratio, the new franc introduced Jan. 1, 1960.

⁸ Effective June 6, 1966, the Indian rupee was devalued from 4.76 to 7.5 rupees per U. S. dollar.

⁹ Quotations not available Nov. 21, 1967.

¹⁰ Quotations not available Nov. 21-27, 1967.

¹¹ Based on quotations through July, 1967.

¹² Effective July 10, 1967, New Zealand adopted the decimal currency system. The new unit, the dollar, replaces the pound and consists of 100 cents, equivalent to 10 shillings or one-half the former pound.

NOTE.—After the devaluation of the pound sterling on Nov. 18, 1967, the following countries devalued their currency in relation to the U. S. dollar: Ceylon, Denmark, Ireland, New Zealand, and Spain. The averages for Nov. 1967 reflect the extent of the devaluation.

Averages of certified noon buying rates in New York for cable transfers. For description of rates and back data, see "International Finance," Section 15 of *Supplement to Banking and Monetary Statistics*, 1962.

For special tables see following page.

EARNINGS AND EXPENSES

(In

Item	Total	Boston	New York	Philadelphia	Cleveland	Richmond	Atlanta
Current earnings							
Discounts and advances.....	7,660,606	349,208	2,214,250	102,823	178,939	264,049	298,382
Acceptances.....	4,823,360		4,823,360				
U.S. Govt. securities.....	2,152,111,878	112,844,042	542,513,633	110,223,546	166,696,766	155,868,200	118,743,935
Foreign currencies.....	25,251,438	1,212,088	6,567,329	1,315,034	2,272,627	1,312,094	1,563,628
All other.....	556,468	18,544	101,393	21,996	36,963	23,314	58,451
Total.....	2,190,403,750	114,423,882	556,219,965	111,663,399	169,185,295	157,467,657	120,664,396
Current expenses							
Salaries:							
Officers.....	9,123,382	507,341	1,710,594	608,671	634,317	800,555	689,768
Employees.....	110,081,297	6,979,573	26,707,291	5,128,504	8,099,897	7,531,930	7,543,091
Retirement and other benefits.....	19,354,646	1,279,549	4,396,264	959,297	1,455,958	1,342,633	1,334,852
Fees—Directors and others.....	973,729	111,504	179,416	53,430	104,649	53,761	82,058
Traveling expenses.....	2,703,459	167,073	410,355	100,161	191,044	201,866	248,242
Postage and expressage.....	27,146,216	1,746,293	3,282,549	1,134,495	2,308,455	3,039,882	2,538,909
Telephone and telegraph.....	2,231,983	103,525	490,850	90,915	152,322	169,897	258,437
Printing and supplies.....	9,773,257	665,449	1,780,118	506,831	753,568	765,871	900,936
Insurance.....	343,274	22,645	37,595	14,889	38,938	31,377	21,558
Taxes on real estate.....	5,805,437	584,797	1,035,033	179,904	506,159	216,416	442,774
Depreciation (building).....	4,956,564	135,316	444,284	76,596	278,811	167,307	787,142
Light, heat, power, and water.....	2,163,112	138,671	310,774	92,297	247,861	169,976	199,548
Repairs and alterations.....	1,447,791	72,247	308,873	57,617	71,537	48,072	169,961
Rent.....	138,006	23,814	7,032	7,475	26,571	10,257	144
Furniture and equipment:							
Purchases.....	3,981,034	144,485	1,273,855	177,403	192,893	255,817	394,550
Rentals.....	8,650,932	537,694	891,778	281,060	632,179	885,219	489,677
All other.....	3,605,731	153,057	822,200	141,206	457,327	141,133	199,625
Inter-Bank expenses.....		73,608	-1,031,147	72,138	132,694	-1,650	97,700
Subtotal.....	212,479,845	13,446,641	43,057,714	9,682,889	16,285,180	15,830,319	16,398,972
F.R. currency.....	18,790,084	1,259,347	2,819,743	1,016,563	1,383,601	1,733,620	1,799,664
Assessment for expenses of Board of Governors.....	10,769,596	516,000	2,801,300	567,000	965,400	559,500	665,800
Total.....	242,039,525	15,221,988	48,678,757	11,266,452	18,634,181	18,123,439	18,864,436
Less: Reimbursement for certain fiscal agency and other expenses.....	21,918,681	1,208,718	4,286,972	940,730	2,299,407	1,168,716	1,503,785
Net expenses.....	220,120,844	14,013,270	44,391,785	10,325,722	16,334,774	16,954,723	17,360,651
Profit and loss							
Current net earnings.....	1,970,282,907	100,410,612	511,828,181	101,337,676	152,850,520	140,512,935	103,303,746
Additions to current net earnings:							
Profits on sales of U.S. Govt. securities....	761,553	39,336	189,510	39,600	59,194	55,331	42,770
Profits on foreign exchange transactions....	1,431,110	68,693	372,088	74,418	128,800	74,418	88,729
All other.....	168,012	12,169	9,278	3,081	13,288	3,444	2,080
Total additions.....	2,360,675	120,198	570,876	117,099	201,282	133,193	133,579
Deductions from current net earnings.....	266,798	13,064	3,267	1,638	685	77,560	116,730
Net addition to or deduction from (-) current net earnings.....	2,093,873	107,134	567,609	115,461	200,597	55,632	16,849
Net earnings before payments to U.S. Treasury.....	1,972,376,782	100,517,745	512,395,791	101,453,137	153,051,118	140,568,567	103,320,595
Dividends paid.....	35,027,312	1,680,897	9,092,988	1,853,711	3,130,507	1,823,438	2,195,732
Payments to U.S. Treasury (interest on F.R. notes).....	1,907,498,270	97,023,799	497,336,952	97,702,876	147,164,761	137,245,979	98,568,763
Transferred to surplus.....	29,851,200	1,813,050	5,965,850	1,896,550	2,755,850	1,499,150	2,556,100
Surplus, January 1.....	569,890,200	27,303,600	148,347,650	29,929,100	51,128,750	29,575,700	35,071,800
Surplus, December 31.....	599,741,400	29,116,650	154,313,500	31,825,650	53,884,600	31,074,850	37,627,900

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

OF FEDERAL RESERVE BANKS

(dollars)

Chicago	St. Louis	Minneapolis	Kansas City	Dallas	San Francisco	Item
						Current earnings
2,260,392	261,826	130,987	474,792	175,641	949,317	Discounts and advances
356,248,931	75,854,161	43,123,987	83,877,193	88,410,349	297,707,135	Acceptances
3,659,496	883,800	606,034	1,111,062	1,464,582	3,283,664	U.S. Govt. securities
89,113	24,567	25,174	59,448	35,223	62,282	Foreign currencies
						All other
362,257,932	77,024,354	43,886,182	85,522,495	90,085,795	302,002,398	Total
						Current expenses
						Salaries:
934,641	714,293	519,763	626,305	615,814	761,320	Officers
16,059,950	6,401,374	3,708,820	6,178,850	4,936,779	10,805,238	Employees
2,634,342	1,122,815	674,217	1,135,833	924,085	2,094,801	Retirement and other benefits
59,424	60,154	49,929	46,951	45,150	127,303	Fees—Directors and others
325,980	174,870	179,143	159,113	159,148	386,464	Traveling expenses
3,532,972	1,635,567	1,055,879	2,091,325	1,553,626	3,226,264	Postage and expressage
253,404	119,439	87,224	142,870	147,750	215,350	Telephone and telegraph
1,470,146	684,729	266,926	716,243	441,803	820,637	Printing and supplies
37,574	30,861	8,779	18,246	22,448	58,364	Insurance
1,043,614	238,617	359,517	327,633	312,864	558,109	Taxes on real estate
1,379,375	274,550	75,145	274,541	632,988	430,509	Depreciation (building)
313,748	150,143	96,822	161,730	129,337	152,205	Light, heat, power, and water
179,523	87,914	79,356	168,817	68,775	135,099	Repairs and alterations
51,996	1,581	1,393	4,492	1,665	1,586	Rent
335,390	407,235	108,402	302,546	128,731	259,727	Furniture and equipment:
1,714,087	603,270	354,306	703,536	678,899	879,227	Purchases
661,532	185,088	154,298	207,706	309,554	173,005	Rentals
215,613	54,971	38,846	67,511	88,478	191,233	All other
						Inter-Bank expenses
31,203,311	12,947,471	7,818,765	13,334,248	11,197,894	21,276,441	Subtotal
3,267,778	788,628	522,653	927,245	1,061,765	2,209,477	F.R. currency
1,562,600	372,700	256,100	479,500	625,596	1,398,100	Assessment for expenses of Board of Governors
36,033,689	14,108,799	8,597,518	14,740,993	12,885,255	24,884,018	Total
4,003,943	1,240,487	661,356	1,488,603	909,405	2,206,559	Less: Reimbursement for certain fiscal agency and other expenses
32,029,746	12,868,312	7,936,162	13,252,390	11,975,850	22,677,459	Net expenses
						Profit and loss
330,228,186	64,156,042	35,950,020	72,270,105	78,109,945	279,324,939	Current net earnings
126,148	27,269	15,390	29,395	30,855	106,755	Additions to current net earnings:
207,511	50,089	34,347	62,969	83,004	186,044	Profits on sales of U.S. Govt. securities
35,987	9,622	1,307	19,280	122	58,354	Profits on foreign exchange transactions
						All other
369,646	86,980	51,044	111,644	113,981	351,153	Total additions
2,896	30,605	624	4,615	5,424	9,690	Deductions from current net earnings
366,749	56,375	50,419	107,029	108,557	341,462	Net addition to or deduction from (—) current net earnings
330,594,936	64,212,417	36,000,439	72,377,133	78,218,502	279,666,402	Net earnings before payments to U.S. Treasury
5,104,198	1,208,564	833,048	1,563,480	2,027,224	4,513,525	Dividends paid
320,748,038	62,402,253	34,637,041	69,703,204	74,941,628	270,022,976	Payments to U.S. Treasury (interest on F.R. notes)
4,742,700	601,600	530,350	1,110,450	1,249,650	5,129,900	Transferred to surplus
82,617,100	19,748,700	13,554,950	25,344,250	33,214,000	74,054,600	Surplus, January 1
87,359,800	20,350,300	14,085,300	26,454,700	34,463,650	79,184,500	Surplus, December 31

NUMBER OF BANKING OFFICES IN THE UNITED STATES

Type of office and type of change	All banks	Commercial banks ¹							Mutual savings banks	
		Total	Member			Nonmember			Insured ¹	Non-insured
			Total	National	State ¹	Total	Insured	Non-insured		
Banks (head office):										
Dec. 31, 1934.....	16,063	15,484	6,442	5,462	980	9,042	7,699	1,343	68	511
Dec. 31, 1941.....	14,826	14,278	6,619	5,117	1,502	7,662	6,810	852	52	496
Dec. 31, 1947 ²	14,714	14,181	6,923	5,005	1,918	7,261	6,478	783	194	339
Dec. 31, 1951.....	14,618	14,089	6,840	4,939	1,901	7,252	6,602	650	202	327
Dec. 31, 1956.....	14,167	13,640	6,462	4,651	1,811	7,181	6,737	444	223	304
Dec. 31, 1957.....	14,090	13,568	6,393	4,620	1,773	7,178	6,753	425	239	283
Dec. 31, 1958.....	14,020	13,501	6,312	4,578	1,734	7,192	6,793	399	241	278
Dec. 31, 1959.....	13,991	13,474	6,233	4,542	1,691	7,244	6,878	366	268	249
Dec. 31, 1960.....	13,986	13,472	6,174	4,530	1,644	7,300	6,948	352	325	189
Dec. 31, 1961.....	13,946	13,432	6,113	4,513	1,600	7,320	6,997	323	330	184
Dec. 31, 1962.....	13,938	13,427	6,047	4,503	1,544	7,380	7,072	308	331	180
Dec. 31, 1963.....	14,078	13,569	6,108	4,615	1,493	7,461	7,177	284	330	179
Dec. 31, 1964.....	14,266	13,761	6,225	4,773	1,452	7,536	7,262	274	327	178
Dec. 31, 1965.....	14,309	13,804	6,221	4,815	1,406	7,583	7,320	263	328	177
Dec. 31, 1966.....	14,274	13,770	6,150	4,799	1,351	7,620	7,385	235	330	174
Dec. 31, 1967.....	14,222	13,721	6,071	4,758	1,313	7,650	7,439	211	331	170
Branches, additional offices, and facilities:										
Dec. 31, 1934.....	3,133	3,007	2,224	1,243	981	783	783	126	32	103
Dec. 31, 1941.....	3,699	3,564	2,580	1,565	1,015	984	932	52	124	47
Dec. 31, 1947 ²	4,332	4,161	3,051	1,870	1,181	1,110	1,043	67	165	65
Dec. 31, 1951.....	5,383	5,153	3,837	2,370	1,467	1,316	1,275	41	257	109
Dec. 31, 1956.....	7,955	7,589	5,886	3,809	2,077	1,703	1,666	37	257	109
Dec. 31, 1957.....	8,609	8,204	6,378	4,178	2,200	1,826	1,789	37	296	109
Dec. 31, 1958.....	9,286	8,861	6,924	4,534	2,390	1,937	1,898	39	305	120
Dec. 31, 1959.....	10,099	9,652	7,492	4,973	2,519	2,160	2,118	42	318	129
Dec. 31, 1960.....	10,969	10,483	8,133	5,509	2,624	2,350	2,303	47	381	105
Dec. 31, 1961.....	11,896	11,353	8,899	6,044	2,855	2,454	2,410	44	427	116
Dec. 31, 1962.....	12,932	12,345	9,649	6,640	3,009	2,696	2,646	50	466	121
Dec. 31, 1963.....	14,122	13,498	10,613	7,420	3,193	2,885	2,835	50	502	122
Dec. 31, 1964.....	15,275	14,601	11,457	8,156	3,301	3,144	3,094	50	549	125
Dec. 31, 1965.....	16,471	15,756	12,298	8,964	3,334	3,458	3,404	54	583	132
Dec. 31, 1966.....	17,665	16,908	13,129	9,611	3,518	3,779	3,717	62	614	143
Dec. 31, 1967.....	18,757	17,928	13,856	10,183	3,673	4,072	4,026	46	669	160
Changes Jan.-Dec. 31, 1967										
Banks:										
New banks ³	102	102	21	18	3	81	74	7		
Suspensions.....	-4	-4	-2	-1	-1	-2	-2			
Consolidations and absorptions:										
Banks converted into branches.....	-117	-114	-65	-53	-12	-49	-49		-1	-2
Other.....	-19	-19	-15	-11	-4	-4	-3		-1	
Voluntary liquidations ⁴	-11	-11				-11	-4		-7	
Other.....	-3	-3				-3			-3	
Interclass changes:										
Nonmember to national.....			7	7		-7	-7			
Nonmember to State member.....			1		1	-1	-1			
State member to national.....				4	-4					
State member to nonmember.....			-21		-21	21	21			
National to nonmember.....			-5	-5		5	5			
Noninsured to insured.....							20	-20	2	-2
Net change.....	-52	-49	-79	-41	-38	30	54	-24	1	-4
Number of banks, Dec. 31, 1967.....	14,222	13,721	6,071	4,758	1,313	7,650	7,439	211	331	170
Branches and additional offices:										
De novo.....	1,090	1,020	708	501	207	312	311	1	55	15
Other.....	4	4				4		4		
Banks converted.....	117	114	88	74	14	26	26		1	2
Discontinued.....	-81	-80	-69	-49	-20	-11	-11		-1	
Other.....	-22	-22	-1	-1		-21		-21		
Interclass changes:										
Nonmember to national.....			37	37		-37	-37			
Nonmember to State member.....			4		4	-4	-4			
State member to national.....				33	-33					
State member to nonmember.....			-17		-17	17	17			
National to State member.....			-6	-6	6					
National to nonmember.....			-7	-7		7	7			
Noninsured to insured.....										
Reclassified as facilities.....	-1	-1	-1	-1						
Reclassified as branches.....	7	7	7	3	4					
Net change.....	1,114	1,042	749	584	165	293	309	-16	55	17
Number of branches and additional offices, Dec. 31, 1967.....	18,757	17,928	13,856	10,183	3,673	4,072	4,026	46	669	160
Banking facilities: ⁵										
Established.....	8	8	7	7		1	1			
Discontinued.....	-24	-24	-23	-17	-6	-1	-1			
Branches reclassified as facilities.....	1	1	1	1						
Facilities reclassified as branches.....	-7	-7	-7	-3	-4					
Net change.....	-22	-22	-22	-12	-10					
Number of facilities, Dec. 31, 1967.....	238	238	207	192	15	31	31			

¹ State member banks and insured mutual savings banks figures both include 1 to 3 member mutual savings banks, 1941 to 1962 inclusive, not reflected in total commercial bank figures. State member bank figures also include 1 or 2 noninsured trust companies 1954 to date.

² Series revised as of June 30, 1947. The revision resulted in an addition of 115 banks and 9 branches.

³ Exclusive of new banks organized to succeed operating banks.

⁴ Exclusive of liquidations incident to succession, conversion, and absorption of banks.

⁵ Provided at military and other Govt. establishments through arrangements made by the Treasury Dept.

NOTE.—Beginning with 1959, figures include all banks in Alaska and Hawaii, but nonmember banks in territories and possessions are excluded.

NUMBER OF PAR AND NONPAR BANKING OFFICES

F.R. District, State, or other area	Total		Par						Nonpar (nonmember)	
			Total		Member		Nonmember			
	Banks	Branches and offices	Banks	Branches and offices	Banks	Branches and offices	Banks	Branches and offices	Banks	Branches and offices
Total includes Puerto Rico and Virgin Islands: ¹										
Dec. 31, 1966.....	13,687	17,034	12,238	16,720	6,149	13,152	6,089	3,568	1,449	314
Dec. 31, 1967.....	13,641	18,080	12,266	17,759	6,071	13,881	6,195	3,878	1,375	321
F.R. Districts, Dec. 31, 1967:										
Boston.....	384	1,325	384	1,325	247	1,011	137	314		
New York.....	499	2,969	499	2,969	384	2,624	115	345		
Philadelphia.....	501	1,217	501	1,217	370	912	131	305		
Cleveland.....	826	1,648	826	1,648	492	1,396	334	252		
Richmond.....	802	2,378	732	2,307	392	1,510	340	797	70	71
Atlanta.....	1,570	1,108	1,123	1,002	528	763	595	239	447	106
Chicago.....	2,545	1,893	2,545	1,893	987	1,265	1,558	628		
St. Louis.....	1,506	706	1,291	636	478	404	813	232	215	70
Minneapolis.....	1,356	227	780	164	493	103	287	61	576	63
Kansas City.....	1,924	227	1,924	227	836	145	1,088	82		
Dallas.....	1,290	258	1,224	247	667	150	557	97	66	11
San Francisco.....	438	4,124	437	4,124	197	3,598	240	526	1	
State or area, Dec. 31, 1967:										
Alabama.....	266	211	200	199	110	167	90	32	66	12
Alaska.....	12	54	11	54	5	46	6	8	1	
Arizona.....	17	265	17	265	5	207	12	58		
Arkansas.....	248	130	162	107	83	91	79	16	86	23
California.....	172	2,685	172	2,685	92	2,432	80	253		
Colorado.....	217	7	217	7	135	5	82	2		
Connecticut.....	65	357	65	357	36	288	29	69		
Delaware.....	19	74	19	74	7	35	12	39		
District of Columbia.....	14	96	14	96	12	90	2	6		
Florida.....	445	21	416	21	208	13	208	8	29	
Georgia.....	426	227	197	211	73	173	124	38	229	16
Hawaii.....	7	122	7	122	2	43	5	79		
Idaho.....	26	141	26	141	16	127	10	14		
Illinois.....	1,064	17	1,064	17	520	16	544	1		
Indiana.....	416	542	416	542	202	355	214	187		
Iowa.....	673	260	673	260	159	62	514	198		
Kansas.....	601	58	601	58	211	35	390	23		
Kentucky.....	346	268	346	268	94	166	252	102		
Louisiana.....	226	305	124	258	57	181	67	77	102	47
Maine.....	41	191	41	191	27	134	14	57		
Maryland.....	122	442	122	442	55	269	67	173		
Massachusetts.....	158	648	158	648	106	516	52	132		
Michigan.....	341	1,049	341	1,049	209	867	132	182		
Minnesota.....	722	9	333	8	223	6	110	2	389	1
Mississippi.....	188	281	85	208	42	123	43	85	103	73
Missouri.....	661	77	626	77	177	39	449	38	35	
Montana.....	132	5	132	5	90	5	42			
Nebraska.....	434	33	434	33	139	19	295	14		
Nevada.....	9	75	9	75	6	66	3	9		
New Hampshire.....	75	37	75	37	53	31	22	6		
New Jersey.....	225	757	225	757	184	667	41	90		
New Mexico.....	64	109	64	109	41	67	23	42		
New York.....	325	2,131	325	2,131	264	2,029	61	102		
North Carolina.....	123	856	82	788	29	413	53	375	41	68
North Dakota.....	168	64	75	28	46	13	29	15	93	36
Ohio.....	531	1,069	531	1,069	348	921	183	148		
Oklahoma.....	421	46	421	46	244	39	177	7		
Oregon.....	49	285	49	285	14	233	35	52		
Pennsylvania.....	517	1,421	517	1,421	372	1,115	145	306		
Rhode Island.....	14	149	14	149	5	85	9	64		
South Carolina.....	125	328	96	325	32	218	64	107	29	3
South Dakota.....	166	87	72	61	59	52	13	9	94	26
Tennessee.....	298	404	242	388	87	274	155	114	56	16
Texas.....	1,147	59	1,125	59	610	27	515	32	22	
Utah.....	55	112	55	112	22	87	33	25		
Vermont.....	45	67	45	67	27	38	18	29		
Virginia.....	250	656	250	656	161	520	89	136		
Washington.....	95	452	95	452	36	408	59	44		
West Virginia.....	194		194		114		80			
Wisconsin.....	598	172	598	172	168	39	430	133		
Wyoming.....	69	1	69	1	53	1	16			
Puerto Rico ¹	13	156	13	156		16	13	140		
Virgin Islands ¹	6	12	6	12	1	12	5			

¹ Puerto Rico and the Virgin Islands assigned to the N.Y. District for purposes of Regulation J, "Check Clearing and Collection." Member branches in Puerto Rico and all except 3 in the Virgin Islands are branches of N.Y.C. banks. Certain branches of Canadian banks (2 in Puerto Rico and 3 in Virgin Islands) are included above as nonmember banks; and nonmember branches in Puerto Rico include 7 other branches of Canadian banks.

² Includes 7 N.Y.C. branches of 2 insured nonmember Puerto Rican banks.

NOTE.—Includes all commercial banking offices in the United States, Puerto Rico, and the Virgin Islands on which checks are drawn, including 238 banking facilities. Number of banks and branches differs from that in the preceding table because this table includes banks in Puerto Rico and the Virgin Islands but excludes banks and trust cos. on which no checks are drawn.

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

WM. MCC. MARTIN, JR., *Chairman*

J. L. ROBERTSON, *Vice Chairman*

GEORGE W. MITCHELL

J. DEWEY DAANE

SHERMAN J. MAISEL

ANDREW F. BRIMMER

WILLIAM W. SHERRILL

ROBERT C. HOLLAND, *Secretary of the Board*

DANIEL H. BRILL, *Senior Adviser to the Board*

ROBERT SOLOMON, *Adviser to the Board*

MERRITT SHERMAN, *Assistant to the Board*

HOWARD H. HACKLEY, *Assistant to the Board*

CHARLES MOLONY, *Assistant to the Board*

ROBERT L. CARDON, *Assistant to the Board*

CLARKE L. FAUVER, *Assistant to the Board*

OFFICE OF THE SECRETARY

ROBERT C. HOLLAND, *Secretary*

KENNETH A. KENYON, *Deputy Secretary*

ELIZABETH L. CARMICHAEL, *Assistant Secretary*

ARTHUR L. BROIDA, *Assistant Secretary*

KARL E. BAKKE, *Assistant Secretary*

ROBERT P. FORRESTAL, *Assistant Secretary*

LEGAL DIVISION

DAVID B. HEXTER, *General Counsel*

THOMAS J. O'CONNELL, *Deputy General Counsel*

JEROME W. SHAY, *Assistant General Counsel*

WILSON L. HOOFF, *Assistant General Counsel*

DIVISION OF RESEARCH AND STATISTICS

DANIEL H. BRILL, *Director*

ALBERT R. KOCH, *Deputy Director*

J. CHARLES PARTEE, *Associate Director*

STEPHEN H. AXILROD, *Adviser*

LYLE E. GRAMLEY, *Adviser*

KENNETH B. WILLIAMS, *Adviser*

STANLEY J. SIGEL, *Associate Adviser*

TYNAN SMITH, *Associate Adviser*

MURRAY S. WERNICK, *Associate Adviser*

JAMES B. ECKERT, *Assistant Adviser*

PETER M. KEIR, *Assistant Adviser*

LOUIS WEINER, *Assistant Adviser*

DIVISION OF INTERNATIONAL FINANCE

ROBERT SOLOMON, *Director*

ROBERT L. SAMMONS, *Associate Director*

JOHN E. REYNOLDS, *Associate Director*

A. B. HERSEY, *Adviser*

REED J. IRVINE, *Adviser*

SAMUEL I. KATZ, *Adviser*

RALPH C. WOOD, *Adviser*

DIVISION OF BANK OPERATIONS

JOHN R. FARRELL, *Director*

JOHN N. KILEY, JR., *Associate Director*

JAMES A. MCINTOSH, *Assistant Director*

P. D. RING, *Assistant Director*

DIVISION OF EXAMINATIONS

FREDERIC SOLOMON, *Director*

BRENTON C. LEAVITT, *Deputy Director*

LLOYD M. SCHAEFFER, *Chief Federal Reserve Examiner*

FREDERICK R. DAHL, *Assistant Director*

JACK M. EGERTSON, *Assistant Director*

THOMAS A. SIDMAN, *Assistant Director*

CHARLES C. WALCUTT, *Assistant Director*

DIVISION OF PERSONNEL ADMINISTRATION

EDWIN J. JOHNSON, *Director*

JOHN J. HART, *Assistant Director*

DIVISION OF ADMINISTRATIVE SERVICES

JOSEPH E. KELLEHER, *Director*

HARRY E. KERN, *Assistant Director*

OFFICE OF THE CONTROLLER

JOHN KAKALEC, *Controller*

OFFICE OF DEFENSE PLANNING

INNIS D. HARRIS, *Coordinator*

DIVISION OF DATA PROCESSING

LAWRENCE H. BYRNE, JR., *Director*

LEE W. LANGHAM, *Assistant Director*

JOHN H. RHINEHART, *Assistant Director*

FEDERAL OPEN MARKET COMMITTEE

WM. MCC. MARTIN, JR., *Chairman*

ALFRED HAYES, *Vice Chairman*

ANDREW F. BRIMMER

SHERMAN J. MAISEL

WILLIAM W. SHERRILL

J. DEWEY DAANE

GEORGE W. MITCHELL

ELIOT J. SWAN

DARRYL R. FRANCIS

J. L. ROBERTSON

EDWARD A. WAYNE

CHARLES J. SCANLON

ROBERT C. HOLLAND, *Secretary*

MERRITT SHERMAN, *Assistant Secretary*

J. HOWARD CRAVEN, *Associate Economist*

KENNETH A. KENYON, *Assistant Secretary*

GEORGE GARVY, *Associate Economist*

ARTHUR L. BROIDA, *Assistant Secretary*

A. B. HERSEY, *Associate Economist*

CHARLES MOLONY, *Assistant Secretary*

HOMER JONES, *Associate Economist*

HOWARD H. HACKLEY, *General Counsel*

ALBERT R. KOCH, *Associate Economist*

DAVID B. HEXTER, *Assistant General Counsel*

J. CHARLES PARTEE, *Associate Economist*

DANIEL H. BRILL, *Economist*

JAMES PARTHEMOS, *Associate Economist*

ERNEST T. BAUGHMAN, *Associate Economist*

ROBERT SOLOMON, *Associate Economist*

ALAN R. HOLMES, *Manager, System Open Market Account*

CHARLES A. COOMBS, *Special Manager, System Open Market Account*

FEDERAL ADVISORY COUNCIL

JOHN SIMMEN, FIRST FEDERAL RESERVE
DISTRICT

DAVID M. KENNEDY, SEVENTH FEDERAL
RESERVE DISTRICT

GEORGE S. MOORE, SECOND FEDERAL
RESERVE DISTRICT

JOHN FOX, EIGHTH FEDERAL
RESERVE DISTRICT

HAROLD F. STILL, JR., THIRD FEDERAL
RESERVE DISTRICT

PHILIP H. NASON, NINTH FEDERAL
RESERVE DISTRICT

JOHN A. MAYER, FOURTH FEDERAL
RESERVE DISTRICT

JACK T. CONN, TENTH FEDERAL
RESERVE DISTRICT

J. HARVIE WILKINSON, JR., FIFTH FEDERAL
RESERVE DISTRICT

ROBERT H. STEWART, III, ELEVENTH FEDERAL
RESERVE DISTRICT

GEORGE S. CRAFT, SIXTH FEDERAL
RESERVE DISTRICT

FREDERICK G. LARKIN, JR., TWELFTH FEDERAL
RESERVE DISTRICT

HERBERT V. PROCHNOW, *Secretary*

WILLIAM J. KORSVIK, *Assistant Secretary*

FEDERAL RESERVE BANKS AND BRANCHES

Federal Reserve Bank or branch Zip code	Chairman	President	Vice President
	Deputy Chairman	First Vice President	in charge of branch
Boston 02106	Howard W. Johnson Charles W. Cole	George H. Ellis Earle O. Latham	
New York 10045	Everett N. Case Kenneth H. Hannan	Alfred Hayes William F. Treiber	A. A. MacInnes, Jr.
Buffalo 14240	Robert S. Bennett		
Philadelphia 19101	Willis J. Winn Bayard L. England	Karl R. Bopp Robert N. Hilkert	
Cleveland 44101	Albert G. Clay Logan T. Johnston	W. Braddock Hickman Walter H. MacDonald	Fred O. Kiel Clyde E. Harrell
Cincinnati 45201	Graham E. Marx		
Pittsburgh 15230	F. L. Byrom		
Richmond 23213	Wilson H. Elkins Robert W. Lawson, Jr.	Edward A. Wayne Aubrey N. Heflin	Donald F. Hagner Edmund F. MacDonald
Baltimore 21203	E. Wayne Corrin		
Charlotte 28201	James A. Morris		
Atlanta 30303	Edwin I. Hatch John C. Wilson	Monroe Kimbrel Robert E. Moody, Jr.	Edward C. Rainey Thomas C. Clark Jeffrey J. Wells Morgan L. Shaw
Birmingham 35202	Mays E. Montgomery		
Jacksonville 32201	Castle W. Jordan		
Nashville 37203	Alexander Heard		
New Orleans 70160	George B. Blair		
Chicago 60690	Franklin J. Lunding Elvis J. Stahr	Charles J. Scanlon Hugh J. Helmer	Russel A. Swaney
Detroit 48231	Max P. Heavenrich, Jr.		
St. Louis 63166	Frederic M. Peirce Smith D. Broadbent, Jr.	Darryl R. Francis Dale M. Lewis	John F. Breen Donald L. Henry Eugene A. Leonard
Little Rock 72203	Jake Hartz		
Louisville 40201	C. Hunter Green		
Memphis 38101	Sam Cooper		
Minneapolis 55440	Joyce A. Swan Robert F. Leach	Hugh D. Galusha, Jr. M. H. Strothman, Jr.	Clement A. Van Nice
Helena 59601	C. G. McClave		
Kansas City 64198	Dolph Simons Dean A. McGee	George H. Clay John T. Boysen	John W. Snider Howard W. Pritz George C. Rankin
Denver 80217	Cris Dobbins		
Oklahoma City 73125	C. W. Flint, Jr.		
Omaha 68102	Henry Y. Kleinkauf		
Dallas 75222	Carl J. Thomsen Max Levine	Philip E. Coldwell T. W. Plant	Fredric W. Reed J. Lee Cook Carl H. Moore
El Paso 79999	Joseph M. Ray		
Houston 77001	Geo. T. Morse, Jr.		
San Antonio 78206	Francis B. May		
San Francisco 94120	S. Alfred Halgren	Eliot J. Swan A. B. Merritt	Paul W. Cavan William M. Brown Arthur L. Price William R. Sandstrom
Los Angeles 90054	J. L. Atwood		
Portland 97208	Robert F. Dwyer		
Salt Lake City 84110	Peter E. Marble		
Seattle 98124	Robert D. O'Brien		

FEDERAL RESERVE BOARD PUBLICATIONS

Available from Publications Services, Division of Administrative Services, Board of Governors of the Federal Reserve System, Washington, D.C., 20551. Where a charge is indicated, remittance should accompany request and be made payable to the order of the Board of Governors of the Federal Reserve System in a form collectible at par in U.S. currency. For a more complete list, including periodic releases, see pp. 2166-69 of the December 1967 BULLETIN. (Stamps and coupons not accepted).

THE FEDERAL RESERVE SYSTEM—PURPOSES AND FUNCTIONS. 1963. 298 pp.

ANNUAL REPORT.

FEDERAL RESERVE BULLETIN. Monthly. \$6.00 per annum or \$.60 a copy in the United States and its possessions, Bolivia, Canada, Chile, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, Guatemala, Haiti, Republic of Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, El Salvador, Uruguay, and Venezuela; 10 or more of same issue sent to one address, \$5.00 per annum or \$.50 each. Elsewhere, \$7.00 per annum or \$.70 a copy.

FEDERAL RESERVE CHART BOOK ON FINANCIAL AND BUSINESS STATISTICS. Monthly. Annual subscription includes one issue of Historical Chart Book. \$6.00 per annum or \$.60 a copy in the United States and the countries listed above; 10 or more of same issue sent to one address, \$.50 each. Elsewhere, \$7.00 per annum or \$.70 a copy.

HISTORICAL CHART BOOK. Issued annually in Sept. Subscription to monthly chart book includes one issue. \$.60 a copy in the United States and countries listed above; 10 or more sent to one address, \$.50 each. Elsewhere, \$.70 a copy.

TREASURY-FEDERAL RESERVE STUDY OF THE GOVERNMENT SECURITIES MARKET. Pt. I. 1959. 108 pp. Pt. II. 1960. 159 pp. Pt. III. 1960. 112 pp. Set of 3, \$2.50; individual books \$1.00 each.

FLOW OF FUNDS IN THE UNITED STATES, 1939-53. 1955. 390 pp. \$2.75.

DEBITS AND CLEARING STATISTICS AND THEIR USE. 1959. 144 pp. \$1.00 a copy; 10 or more sent to one address, \$.85 each.

THE FEDERAL FUNDS MARKET. 1959. 111 pp. \$1.00 a copy; 10 or more sent to one address, \$.85 each.

ALL-BANK STATISTICS, 1896-1955. 1959. 1,299 pp. \$4.00.

INDUSTRIAL PRODUCTION—1957-59 Base. 1962. 172 pp. \$1.00 a copy; 10 or more sent to one address, \$.85 each.

THE FEDERAL RESERVE ACT, as amended through Nov. 5, 1966, with an appendix containing provisions of certain other statutes affecting the Federal Reserve System. 353 pp. \$1.25.

SUPPLEMENT TO BANKING AND MONETARY STATISTICS. Sec. 1. Banks and the Monetary System. 1962. 35 pp. \$.35. Sec. 2. Member Banks. 1967. 59 pp. \$.50. Sec. 5. Bank Debits. 1966. 36 pp. \$.35. Sec. 6. Bank Income, 1966. 29 pp. \$.35. Sec. 9. Federal Reserve Banks. 1965. 36 pp. \$.35. Sec. 10. Member Bank Reserves and Related Items. 1962. 64 pp. \$.50. Sec. 11. Currency. 1963. 11 pp. \$.35. Sec. 12. Money Rates and Securities Markets. 1966. 182 pp. \$.65. Sec. 14. Gold. 1963. 24 pp. \$.35. Sec. 15. International Finance. 1962. 92 pp. \$.65. Sec. 16 (New) Consumer Credit. 1965. 103 pp. \$.65.

BANK MERGERS & THE REGULATORY AGENCIES: APPLICATION OF THE BANK MERGER ACT OF 1960. 1964. 260 pp. \$1.00 a copy; 10 or more sent to one address, \$.85 each.

BANKING MARKET STRUCTURE & PERFORMANCE IN METROPOLITAN AREAS: A STATISTICAL STUDY OF FACTORS AFFECTING RATES ON BANK LOANS. 1965. 73 pp. \$.50 a copy; 10 or more sent to one address, \$.40 each.

FARM DEBT. Data from the 1960 Sample Survey of Agriculture. 1964. 221 pp. \$1.00 a copy; 10 or more sent to one address, \$.85 each.

MERCHANT AND DEALER CREDIT IN AGRICULTURE. 1966. 109 pp. \$1.00 a copy; 10 or more sent to one address, \$.85 each.

MONETARY THEORY AND POLICY: A BIBLIOGRAPHY. Part I—Domestic Aspects. 137 pp. \$1.00 a copy; 10 or more sent to one address, \$.85 each.

REGULATIONS OF THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM.

RULES OF ORGANIZATION AND PROCEDURE—BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM. 1967. 16 pp.

PUBLISHED INTERPRETATIONS OF THE BOARD OF GOVERNORS, as of June 30, 1967. \$2.50.

TRADING IN FEDERAL FUNDS. 1965. 116 pp. \$1.00 a copy; 10 or more sent to one address, \$.85 each.

U.S. TREASURY ADVANCE REFUNDING, JUNE 1960-JULY 1964. 1966. 65 pp. \$.50 a copy; 10 or more sent to one address, \$.40 each.

SURVEY OF FINANCIAL CHARACTERISTICS OF CONSUMERS. 1966. 166 pp. \$1.00 a copy; 10 or more sent to one address, \$.85 each.

THE PERFORMANCE OF BANK HOLDING COMPANIES. 1967. 29 pp. \$.25 a copy; 10 or more sent to one address, \$.20 each.

STAFF ECONOMIC STUDIES

Studies and papers on economic and financial subjects that are of general interest in the field of economic research.

Summaries only printed in the Bulletin.

(Limited supply of mimeographed copies of full text available upon request for single copies.)

MEASURES OF INDUSTRIAL PRODUCTION AND FINAL DEMAND, by Clayton Gehman and Cornelia Motheral. Jan. 1967.

FIRMS' DEMANDS FOR MONEY: THE EVIDENCE FROM THE CROSS-SECTION DATA, by William J. Frazer, Jr. Jan. 1967.

THE EFFECT OF CREDIT CONDITIONS ON STATE AND LOCAL BOND SALES AND CAPITAL OUTLAYS SINCE WORLD WAR II, by Paul F. McGouldrick. Feb. 1967.

INVESTMENT BY MANUFACTURING FIRMS: A QUARTERLY TIME SERIES ANALYSIS OF INDUSTRY DATA, by Robert W. Resek. Mar. 1967.

INDIVIDUALS AS A SOURCE OF LOAN FUNDS FOR STATE AND LOCAL GOVERNMENTS, by Helmut Wendel. Apr. 1967.

VARIABLE-RATE MORTGAGES, by Robert Moore Fisher. May 1967.

THE FINANCING OF CAPITAL INVESTMENT IN THE USSR, by Paul Gekker. June 1967.

FEDERAL FISCAL POLICY AND AGGREGATE DEMAND, 1956-1966, by Helen B. Junz. June 1967.

BUSINESSES VIEW BANKING SERVICES: A SURVEY OF CEDAR RAPIDS, IOWA, by Lynn A. Stiles. July 1967.

THE IMPACT OF MONETARY VARIABLES: A SELECTIVE SURVEY OF THE RECENT EMPIRICAL LITERATURE, by Michael J. Hamburger. July 1967.

EMPIRICAL LITERATURE ON THE U. S. BALANCE OF TRADE, by Charles K. Harley. July 1967.

THE BOOM IN OFFICE BUILDINGS, by Robert Moore Fisher. Aug. 1967.

CUSTOMERS VIEW BANK MARKETS AND SERVICES: A SURVEY OF ELKHART, INDIANA, by George G. Kaufman. Aug. 1967.

A TEST OF THE DEPOSIT RELATIONSHIP HYPOTHESIS, by Neil B. Murphy. Sept. 1967.

ECONOMIC TRENDS IN LATIN AMERICA IN THE 1960's, by Yves Maroni. Oct. 1967.

NONLOCAL COMPETITION FOR TIME DEPOSITS IN ISOLATED ONE- AND TWO-BANK TOWNS, by Bernard Shull. Nov. 1967.

INTEREST RATES AND THE DEMAND FOR CONSUMER DURABLE GOODS, by Michael J. Hamburger. Dec. 1967.

THE LAGS BETWEEN INVESTMENT DECISIONS AND THEIR CAUSES, by Shirley Almon. Feb. 1968.

Printed in full in the Bulletin.

(Reprints available as shown in following list.)

REPRINTS

(From Federal Reserve BULLETIN unless preceded by an asterisk.)

ADJUSTMENT FOR SEASONAL VARIATION. Description of method used by Board in adjusting economic data for seasonal variations. June 1941. 11 pp.

SEASONAL FACTORS AFFECTING BANK RESERVES. Feb. 1958. 12 pp.

LIQUIDITY AND PUBLIC POLICY, **Staff Paper** by Stephen H. Axilrod. Oct. 1961. 17 pp.

SEASONALLY ADJUSTED SERIES FOR BANK CREDIT. July 1962. 6 pp.

INTEREST RATES AND MONETARY POLICY, **Staff Paper** by Stephen H. Axilrod. Sept. 1962. 28 pp.

INDUSTRIAL PRODUCTION—1957-59 BASE. Oct. 1962. 10 pp.

FLOW OF FUNDS SEASONALLY ADJUSTED. Nov. 1962. 15 pp.

RECENT CHANGES IN LIQUIDITY, **Staff Paper** by Daniel H. Brill. June 1963. 10 pp.

MEASURES OF MEMBER BANK RESERVES. July 1963. 14 pp.

MEASURING AND ANALYZING ECONOMIC GROWTH, **Staff Paper** by Clayton Gehman. Aug. 1963. 14 pp.

CHANGES IN BANKING STRUCTURE, 1953-62. Sept. 1963. 8 pp.

ECONOMIC CHANGE AND ECONOMIC ANALYSIS, **Staff Paper** by Frank R. Garfield. Sept. 1963. 17 pp.

THE OPEN MARKET POLICY PROCESS. Oct. 1963. 11 pp.

NEW SERIES ON FEDERAL FUNDS. Aug. 1964. 31 pp.

YIELD DIFFERENTIALS IN TREASURY BILLS, 1959-64, **Staff Paper** by Samuel I. Katz. Oct. 1964. 20 pp.

RESEARCH INTO BANKING STRUCTURE AND COMPETITION. Nov. 1964. 17 pp.

BANK CREDITS TO FOREIGNERS. Mar. 1965. 10 pp.

- REVISION OF BANK DEBITS AND DEPOSIT TURN-OVER SERIES. Mar. 1965. 4 pp.
- MEASURES OF BANKING STRUCTURE AND COMPETITION. Sept. 1965. 11 pp.
- TIME DEPOSITS IN MONETARY ANALYSIS, **Staff Economic Study** by Lyle E. Gramley and Samuel B. Chase, Jr. Oct. 1965. 25 pp.
- CYCLES AND CYCLICAL IMBALANCES IN A CHANGING WORLD, **Staff Paper** by Frank R. Garfield. Nov. 1965. 15 pp.
- RESEARCH ON BANKING STRUCTURE AND PERFORMANCE, **Staff Economic Study** by Tynan Smith. Apr. 1966. 11 pp.
- COMMERCIAL BANK LIQUIDITY, **Staff Economic Study** by James Pierce. Aug. 1966. 9 pp.
- REVISION OF WEEKLY REPORTING MEMBER BANK SERIES. Aug. 1966. 4 pp.
- TOWARD UNDERSTANDING OF THE WHOLE DEVELOPING ECONOMIC SITUATION, **Staff Economic Study** by Frank R. Garfield. Nov. 1966. 14 pp.
- A REVISED INDEX OF MANUFACTURING CAPACITY, **Staff Economic Study** by Frank de Leeuw with Frank E. Hopkins and Michael D. Sherman. Nov. 1966. 11 pp.
- THE ROLE OF FINANCIAL INTERMEDIARIES IN U.S. CAPITAL MARKETS, **Staff Economic Study** by Daniel H. Brill, with Ann P. Ulrey. Jan. 1967. 14 pp.
- SIZE AND COMPOSITION OF CONSUMER SAVING. Jan. 1967. 19 pp.
- REVISED SERIES ON COMMERCIAL AND INDUSTRIAL LOANS BY INDUSTRY. Feb. 1967. 2 pp.
- AUTO LOAN CHARACTERISTICS AT MAJOR SALES FINANCE COMPANIES. Feb. 1967. 5 pp.
- CONSUMER INSTALMENT CREDIT. Mar. 1967. 12 pp.
- THE BALANCE OF PAYMENTS IN 1966. Apr. 1967. 16 pp.
- SURVEY OF FINANCE COMPANIES, MID-1965. Apr. 1967. 26 pp.
- MONETARY POLICY AND ECONOMIC ACTIVITY: A POSTWAR REVIEW. May 1967. 22 pp.
- REVISION IN QUARTERLY SURVEY OF INTEREST RATES ON BUSINESS LOANS. May 1967. 7 pp.
- MONETARY POLICY AND THE RESIDENTIAL MORTGAGE MARKET. May 1967. 13 pp.
- BANK FINANCING OF AGRICULTURE. June 1967. 23 pp.
- EVIDENCE ON CONCENTRATION IN BANKING MARKETS AND INTEREST RATES, **Staff Economic Study** by Almarin Phillips. June 1967. 11 pp.
- NEW BENCHMARK PRODUCTION MEASURES, 1958 AND 1963. June 1967. 4 pp.
- BANKING AND MONETARY STATISTICS, 1966. Selected series of banking and monetary statistics for 1966 only. Mar. and July 1967. 20 pp.
- RECENT CREDIT AND MONETARY DEVELOPMENTS. July 1967. 12 pp.
- REVISED INDEXES OF MANUFACTURING CAPACITY AND CAPACITY UTILIZATION. July 1967. 3 pp.
- THE PUBLIC INFORMATION ACT—ITS EFFECT ON MEMBER BANKS. July 1967. 6 pp.
- INTEREST COST EFFECTS OF COMMERCIAL BANK UNDERWRITING OF MUNICIPAL REVENUE BONDS. Aug. 1967. 16 pp.
- REVISION OF MONEY SUPPLY SERIES. Aug. 1967. 14 pp.
- REVISION OF BANK CREDIT SERIES. Sept. 1967. 7 pp.
- TREASURY AND FEDERAL RESERVE FOREIGN EXCHANGE OPERATIONS. Sept. 1967. 13 pp.
- COMMERCIAL BANKS AND THE SUPPLY OF MONEY: A MARKET-DETERMINED DEMAND DEPOSIT RATE, **Staff Economic Study** by John H. Kareken. Oct. 1967. 14 pp.
- THE ECONOMIC PAUSE IN WESTERN EUROPE. Oct. 1967. 17 pp.
- BALANCE OF PAYMENTS PROGRAM: REVISED GUIDELINES FOR BANKS AND NONBANK FINANCIAL INSTITUTIONS. Jan. 1968. 9 pp.
- THE FEDERAL RESERVE-MIT ECONOMETRIC MODEL, **Staff Economic Study** by Frank de Leeuw and Edward Gramlich. Jan. 1968. 30 pp.
- CHANGES IN TIME AND SAVINGS DEPOSITS, JULY-OCT. 1967. Jan. 1968. 20 pp.
- RECENT CREDIT AND MONETARY DEVELOPMENTS. Feb. 1968. 11 pp.
- THE PRICE OF GOLD IS NOT THE PROBLEM. Feb. 1968. 7 pp.

INDEX TO STATISTICAL TABLES

(For list of tables published periodically, but not monthly, see page A-3.)

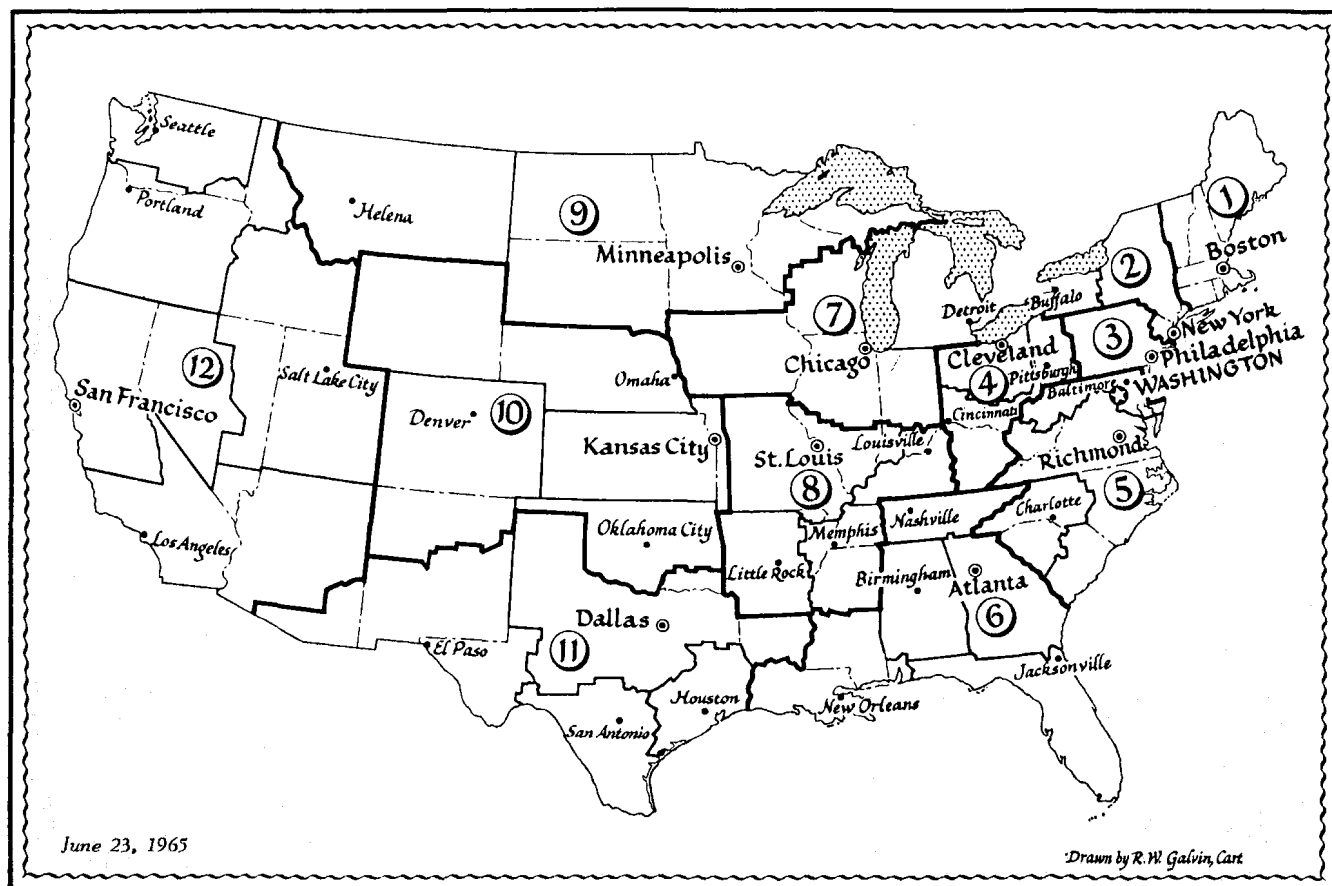
(References are to pages A-4 through A-91 although the prefix "A" is omitted in this index)

- Acceptances**, bankers', 11, 29, 31
- Agricultural loans of commercial banks, 22, 24
- Arbitrage, 85
- Assets and liabilities (*See also* Foreign liab. & claims):
 - Banks, by classes, 18, 22, 24, 31
 - Banks and the monetary system, 17
 - Corporate, current, 43
 - Federal Reserve Banks, 12
- Automobiles:
 - Consumer instalment credit, 48, 49, 50
 - Production index, 52, 53
- Bankers'** balances, 23, 25
(*See also* Foreign liabilities and claims)
- Banking offices:
 - Changes in number, 90
 - Par and nonpar offices, number, 91
- Banks and the monetary system, 17
- Banks for cooperatives, 33
- Bonds (*See also* U.S. Govt. securities):
 - New issues, 39, 40, 41
 - Yields and prices, 29, 30
- Business expenditures on new plant and equipment, 43
- Business indexes, 56
- Business loans (*See* Commercial and industrial loans)
- Capacity** utilization, 56
- Capital accounts:
 - Banks, by classes, 18, 23, 27
 - Federal Reserve Banks, 12
- Central banks, foreign, 82, 84
- Certificates of deposit, 27
- Coins, circulation, 15
- Commercial and industrial loans:
 - Commercial banks, 22
 - Weekly reporting banks, 24, 28
- Commercial banks:
 - Assets and liabilities, 18, 22, 24
 - Banking offices, changes in number, 90
 - Consumer loans held, by type, 49
 - Deposits at, for payment of personal loans, 21
 - Number, by classes, 18
 - Real estate mortgages held, by type, 44
- Commercial paper, 29, 31
- Condition statements (*See* Assets and liabilities)
- Construction, 56, 57
- Consumer credit:
 - Instalment credit, 48, 49, 50, 51
 - Noninstalment credit, by holder, 49
- Consumer price indexes, 56, 60
- Consumption expenditures, 62, 63
- Corporations:
 - Sales, profits, taxes, and dividends, 42, 43
 - Security issues, 40, 41
 - Security prices and yields, 29, 30
- Cost of living (*See* Consumer price indexes)
- Currency and coin, 4, 10, 23
- Currency in circulation, 4, 15, 16
- Customer credit, stock market, 30
- Debits** to deposit accounts, 14
- Debt (*See* specific types of debt or securities)
- Demand deposits:
 - Adjusted, banks and the monetary system, 17
 - Adjusted, commercial banks, 14, 16, 23
 - Banks, by classes, 11, 18, 23, 26
 - Subject to reserve requirements, 16
 - Turnover, 14
- Deposits (*See also* specific types of deposits):
 - Accumulated at commercial banks for payment of personal loans, 21
 - Adjusted, and currency, 17
 - Banks, by classes, 11, 18, 23, 26, 31
 - Federal Reserve Banks, 12, 79
 - Postal savings, 10, 17
 - Subject to reserve requirements, 16
- Discount rates, 9, 84
- Discounts and advances by Reserve Banks, 4, 12, 14
- Dividends, corporate, 42, 43
- Dollar assets, foreign, 69, 74
- Earnings** and expenses, Federal Reserve Banks, 88
- Earnings and hours, manufacturing industries, 59
- Employment, 56, 58, 59
- Farm** mortgage loans, 44, 45
- Federal finance:
 - Cash transactions, 34
 - Receipts and expenditures, 35
 - Treasurer's balance, 34
- Federal funds, 8, 22
- Federal home loan banks, 33, 45
- Federal Housing Administration, 30, 44, 45, 46
- Federal intermediate credit banks, 33
- Federal land banks, 33
- Federal National Mortgage Assn., 33, 46
- Federal Reserve Banks:
 - Condition statement, 12
 - Earnings and expenses, 88
 - U.S. Govt. securities held, 4, 12, 14, 36, 37
- Federal Reserve credit, 4, 12, 14
- Federal Reserve notes, 12, 15
- Federally sponsored credit agencies, 33
- Finance company paper, 29, 31
- Financial institutions, loans to, 22, 24
- Float, 4
- Flow of funds:
 - Financial assets and liabilities, 65.10
 - Saving and financial flows, 64
- Foreign currency operations, 12, 14, 68, 69, 74
- Foreign deposits in U.S. banks, 4, 12, 17, 23, 26, 79
- Foreign exchange rates, 86
- Foreign liabilities and claims:
 - Banks, 70, 71, 73, 75, 77, 79
 - Nonfinancial concerns, 80
- Foreign trade, 67
- Gold**:
 - Certificates, 12, 15
 - Earmarked, 79
 - Net purchases by U.S., 68
 - Production, 83
 - Reserves of central banks and govts., 82
 - Stock, 4, 17, 68
- Gross national product, 62, 63
- Hours** and earnings, manufacturing industries, 59
- Housing starts, 57
- Income**, national and personal, 62, 63
- Industrial production index, 52, 56
- Instalment loans, 48, 49, 50, 51
- Insurance companies, 32, 36, 37, 45
- Insured commercial banks, 20, 21, 22, 90
- Interbank deposits, 11, 18, 23
- Interest rates:
 - Business loans by banks, 28
 - Federal Reserve Bank discount rates, 9

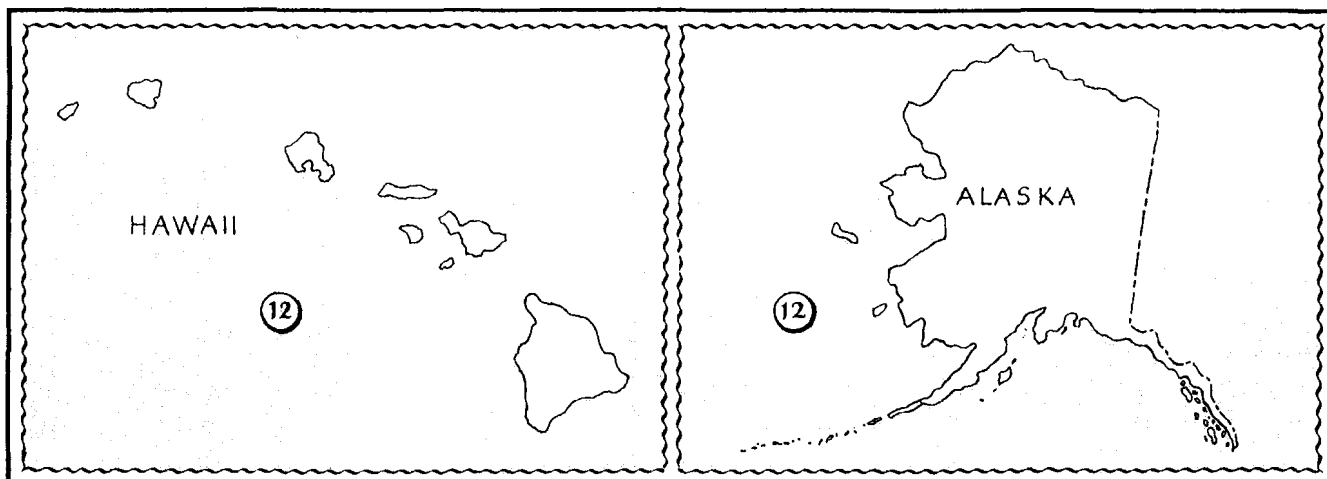
- Interest rates—Continued
 Foreign countries, 84, 85
 Money market rates, 29, 85
 Mortgage yields, 30, 47
 Time deposits, maximum rates, 10
 Yields, bond and stock, 29
- International capital transactions of the U.S., 70
- International institutions, 68, 69, 82, 84
- Inventories, 62
- Investment companies, issues and assets, 41
- Investments (*See also* specific types of investments):
 Banks, by classes, 18, 22, 25, 31
 Commercial banks, 21
 Federal Reserve Banks, 12, 14
 Life insurance companies, 32
 Savings and loan assns., 32
- Labor** force, 58
- Loans (*See also* specific types of loans):
 Banks, by classes, 18, 22, 24, 31
 Commercial banks, 21, 22, 28
 Federal Reserve Banks, 4, 12, 14
 Insurance companies, 32, 45
 Insured or guaranteed by U.S., 44, 45, 46
 Savings and loan assns., 32, 45
- Manufacturers:**
 Capacity utilization, 56
 Production index, 53, 56
- Margin requirements, 10
- Member banks:
 Assets and liabilities, by classes, 18, 22
 Banking offices, changes in number, 90
 Borrowings at Reserve Banks, 6, 12
 Deposits, by classes, 11
 Number, by classes, 18
 Reserve position, basic, 8
 Reserve requirements, 10
 Reserves and related items, 4, 16
- Mining, production index, 53, 56
- Money rates (*See* Interest rates)
- Money supply and related data, 16
- Mutual funds (*See* Investment companies)
- Mutual savings banks, 17, 18, 20, 31, 36, 37, 44, 90
- National** banks, 20, 21, 90
- National income, 62, 63
- National security expenditures, 35, 62
- Nonmember banks, 20, 21, 22, 39
- Open** market transactions, 11
- Par** and nonpar banking offices, number, 91
- Payrolls, manufacturing, index, 56
- Personal income, 63
- Postal Savings System, 10, 17
- Prices:
 Consumer and wholesale commodity, 56, 60
 Security, 30
- Production, 52, 56
- Profits, corporate, 42, 43
- Real** estate loans:
 Banks, by classes, 22, 24, 31, 44
 Delinquency rates on home mortgages, 47
 Mortgage yields, 30, 47
 Nonfarm mortgage foreclosures, 47
 Type of holder and property mortgaged, 44, 45, 46
- Reserve position, basic, member banks, 8
- Reserve requirements, member banks, 10
- Reserves:
 Central banks and govts., 82
 Commercial banks, 23, 25
 Federal Reserve Banks, 12
 Member banks, 4, 6, 11, 16, 23
- Residential mortgage loans, 44, 45, 46, 47
- Retail credit, 48
- Retail sales, 56
- Sales** finance companies, loans, 48, 49, 51
- Saving:
 Flow of funds series, 64
 National income series, 63
- Savings and loan assns., 32, 37, 45
- Savings deposits (*See* Time deposits)
- Savings institutions, principal assets, 31, 32
- Securities (*See also* U.S. Govt. securities):
 Federally sponsored agencies, 33
 International transactions, 78, 79
 New issues, 39, 40, 41
- Silver coin and silver certificates, 15
- State and local govts.:
 Deposits of, 23, 26
 Holdings of U.S. Govt. securities, 36, 37
 New security issues, 39, 40
 Ownership of securities of, 22, 25, 31, 32
 Prices and yields of securities, 29, 30
- State member banks, 20, 21, 90
- Stock market credit, 30
- Stocks:
 New issues, 40, 41
 Prices and yields, 29, 30
- Tax** receipts, Federal, 35
- Time deposits, 10, 11, 16, 17, 18, 23, 26
- Treasurer's account balance, 34
- Treasury cash, Treasury currency, 4, 15, 17
- Treasury deposits, 4, 12, 34
- Unemployment**, 58
- U.S. balance of payments, 66
- U.S. Govt. balances:
 Commercial bank holdings, 23, 26
 Consolidated monetary statement, 17
 Member bank holdings, 16
 Treasury deposits at Federal Reserve Banks, 4, 12, 34
- U.S. Govt. securities:
 Bank holdings, 17, 18, 22, 25, 31, 36, 37
 Dealer transactions, positions, and financing, 38
 Federal Reserve Bank holdings, 4, 12, 14, 36, 37
 Foreign and international holdings, 12, 74, 78, 79
 International transactions, 74, 78
 New issues, gross proceeds, 40
 Open market transactions, 11
 Outstanding, by type of security, 36, 37, 39
 Ownership of, 36, 37
 Prices and yields, 29, 30, 85
- United States notes, 15
- Utilities, production index, 53, 56
- Veterans** Administration, 44, 45, 46
- Weekly** reporting banks, 24
- Yields** (*See* Interest rates)

(References are to pages A-4 through A-91 although the prefix "A" is omitted in this index)

BOUNDARIES OF FEDERAL RESERVE DISTRICTS AND THEIR BRANCH TERRITORIES



★ THE FEDERAL RESERVE SYSTEM ★



Legend

- Boundaries of Federal Reserve Districts — Boundaries of Federal Reserve Branch Territories
- ★ Board of Governors of the Federal Reserve System
- ⊙ Federal Reserve Bank Cities • Federal Reserve Branch Cities