## FEDERAL RESERVE BULLETIN

Domestic Financial Developments in the First Quarter of 1977
Survey of Terms of Bank Lending-New Series

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# FEDERAL RESERVE BULLETIN 

# Board of Governors of the Federal Reserve System 

Washington, D.C.

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# Domestic Financial Developments in the First Quarter of 1977 

This report, which was sent to the Joint Economic Committee of the U.S. Congress, highlights the important developments in domestic financial markets during the winter and early spring.

Private sector credit demands in U.S. financial markets rose during the first quarter of 1977, as aggregate spending in the economy accelerated despite the severe winter conditions during part of the period. Household demands for mortgage and consumer credit expanded strongly, and total funds raised by nonfinancial corporations increased although there was some decline in the volume of bond and equity financing. In the public sector, credit demands remained at a high level as the Treasury raised funds in the credit markets to finance the continuing large Federal deficit. In addition, State
and local governments undertook a record volume of long-term bond financing, a sizable portion of which was used to refund in advance outstanding high-coupon obligations.

Most short- and long-term market interest rates moved higher over the first quarter, reversing the large decline that had been recorded between mid-November and early January. Although Federal funds-overnight loans of immediately available bank funds-continued to trade narrowly in a range of $45 / 8$ to $43 / 4$ per cent through year-end and beyond, many market participants apparently had been expecting a further easing in money market conditions. Indications of renewed strength in the economy and the prospect of a substantial enlargement in the Federal deficit as a result of the new administration's proposed fiscal policy program, however, caused interest rates to begin increas-

## Interest rates



[^0]ing in January. By early February, Treasury bill yields had moved up 25 to 40 basis points, and coupon yields had risen 20 to 60 basis points, with intermediate-term issues recording the largest increases. After these adjustments, interest rates in general showed little further variation over the remainder of the quarter.

Although market interest rates generally rose during the first quarter, the Federal funds rate changed very little as growth in the monetary aggregates was well within target ranges adopted by the Federal Open Market Committee at its monthly meetings. The narrowly defined money stock ( $M-1$ ) increased at a $43 / 4$ per cent annual rate in the first quarter, down from $63 / 4$ per cent in the previous quarter and $53 / 4$ per cent for the year 1976. Inflows of time and savings deposits also moderated in the first quarter, contributing to reductions in the rates of expansion of the broader measures of the money stock. M-2 growth was about $91 / 2$ per cent in the first quarter as compared with $121 / 4$ per cent in the previous quarter, and the rate of increase of M-3 slowed to 11 per cent from $141 / 4$ per
cent. The slower growth of interest-earning deposits reflected lower offering rates on some categories of savings and longer-term time deposits, higher short-term market rates of interest, and the expansion in consumption expenditures during the first quarter.

Growth in M-1 accelerated sharply in April. With the accompanying increased demand for bank reserves, the Federal funds rate rose in the latter part of April and early May, and member banks increased their borrowing from Federal Reserve Banks. Over all, market interest rates also increased in this period, as private credit demands, particularly in the short-term area, remained generally strong.

## MONETARY AGGREGATES AND BANK RESERVES

The slowing in $M-1$ growth in the first quarter relative to its pace in the previous quarter entirely reflected a reduction in the rate of growth of demand deposits, as the rate of increase of

Changes in selected monetary aggregates
Per cent, seasonally adjusted annual rates

| Item | 1975 | 1976 | 1976 |  |  | 1977 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  | H1 | Q3 | Q4 | Q1 |
| Member bank reserves: <br> Total | -3. 2 | 1.0 | -1.5 | 2.7 | 4.4 | 2.7 |
| Nonborrowed ...... | 3.2 | 1.2 | -1.3 | 2.6 | 4.8 | 2.6 |
| Concepts of money: ${ }^{1}$ $M-1$ | 4.4 | 5.7 | 5.6 | 4.4 | 6.8 | 4.8 |
| M-2 $\ldots \ldots \ldots \ldots$. | 8.3 | 10.8 | 10.8 | 9.1 | 12.2 | 9.4 |
| M-3 | 11.1 | 12.7 | 13.0 | 11.4 | 14.2 | 11.0 |
| M-4 | 6.5 | 7.0 | 6.0 | 6.0 | 9.6 | 8.4 |
| M-5 | 9.7 | 10.2 | 8.9 | 9.3 | 12.5 | 10.0 |
| Time and savings deposits at commercial banks: |  |  |  |  |  |  |
| Total (excluding large CD's).... | 11.7 | 15.0 | 14.1 | 12.8 | 16.3 |  |
| Savings | 17.0 | 24.5 | 25.8 | 13.4 | 26.9 | 20.5 |
| Other time ........ | 8.0 | 7.6 | 5.3 | 12.0 | 7.3 | 6.1 |
| Thrift institutions ${ }^{2}$ | 15.8 | 15.8 | 14.1 | 14.8 | 17.2 | 13.4 |
| Bank credit proxy ${ }^{3} \ldots$ Memo (change in bil- | 4.3 | 4.3 | 2.4 | 3.9 | 8.2 | 5.3 |
| Large CD's | $-5.3$ | $-19.2$ | $-11.8$ | $-4.3$ | $-3.1$ | . 3 |
| U.S. Govt. demand deposits at all member banks | $-.2$ | . 3 | -. 4 | . 6 | . 1 | $-.8$ |

## NOTES:

[^1]> Note.-Changes are calculated from the average amounts outstanding in each quarter. Annual rates of change in reserve measures have been adjusted for changes in reserve requirements.
currency remained unchanged. This moderation in $M-1$ growth during the first 3 months of 1977 occurred despite a pick-up in the pace of expansion in gross national product, and $M-1$ velocity-GNP divided by $M$-1-grew at a 6 per cent annual rate, a marked increase over the previous quarter and the largest quarterly advance in a year.

Inflows of time and savings deposits to banks and thrift institutions slowed in the first 3 months of 1977, following rapid growth in the fourth quarter of 1976. During the fourth quarter, market rates of interest fell to levels below regulatory ceilings and late in the year some depositary institutions moved to lower their cost of funds and to slow their very large time and savings deposit inflows by reducing promotional activity, by withdrawing some categories of deposits from their offering schedules, and by lowering offering rates on other categories of deposits. These actions, along with the firming of market rates of interest early in 1977, particularly on intermediate-term securities, reduced

## Changes in income velocity of $\mathrm{M}-1$ and $\mathrm{M}-2$



[^2]the attractiveness of interest-bearing bank and thrift deposits. Also serving to moderate the rate of growth of time and savings deposit flows in the first quarter may have been the sharp rise in consumption, as household spending on fuel and durable goods increased rapidly during the quarter. The growth of $M-2$ in the first quar-ter- $9^{1 / 2}$ per cent at an annual rate-was below that of the fourth quarter and also below the first-quarter rate of growth of GNP; consequently, $M-2$ velocity increased modestly after declining in each of the three previous quarters.

Despite reductions in the growth of commercial bank deposits included in the monetary aggregates, such flows continued to be large enough to support the bulk of the expansion of bank credit. In addition, some of the growth in bank loans and investments during the first quarter was financed by an increase in bank borrowing from nonbank sources through Federal funds and security repurchase transactions, while the amount of large negotiable certificates of deposit (CD's) outstanding remained essentially unchanged.

The first-quarter expansion in reserves available to member banks- $23 / 4$ per cent at an annual rate-was slower than that of the monetary aggregates. Accounting for some of the difference between growth in reserves and in the monetary aggregates were relatively large increases estimated for nonmember bank deposits and currency, which require no direct provision of reserves. In addition, a decline in U.S. Government and interbank demand deposits released reserves to support deposits included in money supply measures.

## BANK CREDIT AND COMMERCIAL PAPER

During the first 3 months of 1977 bank loans and investments expanded $\$ 221 / 2$ billion or at an $111 / 2$ per cent annual rate, the sharpest increase in $21 / 2$ years. Bank acquisitions of Treasury securities continued to be large-the $\$ 5.8$ billion increase exceeded the average quarterly growth during 1976-while other securities in bank portfolios (principally tax exempt and U.S. Government agency securities) declined for the
first time in a year. Total bank loans in the January-March period expanded at an annual rate of 13 per cent, well above the $73 / 4$ per cent rate of growth in the fourth quarter and the 6 per cent rate for all of 1976. Household credit demands accounted for an important part of bank credit expansion as consumer loans continued to grow at their relatively brisk pace of the second half of 1976 and real estate loans increased more rapidly than in any quarter of 1976. Bank lending to nonbank financial institutions also increased during the first quarter, for the first time in a year.

Business loans expanded at nearly a 10 per cent annual rate for the second consecutive quarter, after generally declining earlier in the business expansion. The growth of business loans over the last two quarters, however, has been distorted by changes in bank holdings of bankers acceptances, which are included in the business loan category. Some banks acquired sizable amounts of acceptances during the fourth quarter for tax purposes (in order to expand their asset bases used to calculate tax-deductible loan loss reserves) and subsequently reduced their acceptance holdings during the first quarter to levels near those of the preceding September.

## Components of Major categories of bank credit bank loans



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

Business loans and short-term business credit
Seasonally adjusted changes at annual percentage rates

| Period | Business loans |  | $\begin{gathered} \text { Column } 2 \\ \text { plus } \\ \text { nonfinancial } \\ \text { company } \\ \text { commercial } \\ \text { paper }^{2} \end{gathered}$ |
| :---: | :---: | :---: | :---: |
|  | Total ${ }^{1}$ | Excluding bank holdings of bankers acceptances |  |
|  | (1) | (2) | (3) |
| 1975-Q1 | -5.1 | -6.8 -9.0 | -5.0 |
| Q2 | -8.7 -3.1 | -9.0 -3.5 | -11.2 |
| Q4 | . 7 | -3.3 | -6.5 |
| 1976-Q1 | -6.7 | -4.8 | -2.9 |
| Q2 | 1.4 | 2.2 | 6.4 |
| Q4 | 4.6 | 1.8 5.9 | -1.1 7.4 |
| 1977-Q1 | 9.9 | 14.9 | 14.9 |

${ }^{1}$ At all commercial banks based on last-Wednesday-ofmonth data, adjusted for outstanding amounts of loans sold to affiliates
${ }^{2}$ Short-term business credit is business loans excluding bank holdings of bankers acceptances plus nonfinancial company commercial paper measured from end of month to end of month.

When an adjustment is made to exclude bank holdings of bankers acceptances, business loan growth picked up substantially in the first quarter from the final quarter of 1976.

Similarly, the pace of short-term business credit expansion-business loans at banks adjusted for bank holdings of bankers acceptances plus commercial paper-advanced strongly in the first quarter. Two factors appear to be contributing to the recent expansion of short-term business credit. First, balance-sheet restructuring by businesses, which was an important factor underlying the weakness in short-term credit demands during 1975 and during most of 1976, has abated in recent months. Second, the external financing needs of businesses apparently increased in the first quarter as capital expenditures expanded relative to internally generated funds.

## NONBANK INTERMEDIARIES AND THE MORTGAGE MARKET

The net increase in total mortgage debt outstanding in the first quarter of 1977 is estimated to have been about the same as the exceptionally large rise of the previous quarter. The residential
component again dominated total mortgage lending; it has accounted for more than threefourths of the net increase in total mortgage debt since the final quarter of 1974.

The deposits of savings and loan associations and mutual savings banks combined grew at a 13.3 per cent annual rate in the first 3 months of 1977. This was appreciably less than in other recent quarters, although still high by historical standards. Despite a slowing of inflows, savings and loan associations-the principal suppliers of residential mortgage credit-continued to acquire large amounts of mortgages in the first quarter, but at somewhat less than the record pace of the final quarter of 1976. Mortgage commitments outstanding, including loans in process, at savings and loan associations reached a record level of $\$ 26.3$ billion at the end of March, and liquid assets held by these institutions remained large.

Although net acquisitions of mortgages by savings and loan associations moderated somewhat in the first quarter of 1977, the estimated net increase in mortgage loans at commercial banks was the highest in almost 3 years. On the other hand, direct mortgage investment by other diversified lenders, including mutual sav-

Net change in mortgage debt outstanding
Billions of dollars, seasonally adjusted annual rates

| Change - | 1976 |  |  |  | 1977 |
| :---: | :---: | :---: | :---: | :---: | :---: |
|  | Q1 | Q2 | Q3 | Q4 | ${ }^{\circ} \mathrm{Q} 1$ |
| By type of debt: |  |  |  |  |  |
| Total ${ }_{\text {Residential }}$ | 79 | 74 56 | 69 | 74 | 73 |
| Other ' . | 18 | 18 | 23 | 24 | 24 |
| By type of holder: Commercial banks | 13 | 13 | 14 | 14 |  |
| Savings and loans | 37 | 43 | 47 | 52 | 48 |
| Mutual savings banks | 3 | 4 | 4 | 5 | 4 |
| Life insurance companies | 4 | (*) | 2 | 3 | 2 |
| FNMA-GNMA | 4 | -6 | -1 | -5 | -1 |
| Other ${ }^{2}$........ | 18 | 20 | 26 | 29 | 28 |

[^3]Deposits
Savings and loans and mutual savings banks


Seasonally adjusted. Quarterly averages at annual rates.
ings banks and life insurance companies, remained relatively weak. Commercial and multifamily mortgage lending, the sectors in which life insurance companies traditionally focus their activity, remained at low levels although outstanding commitments have risen substantially from their depressed total 1 year earlier.

In a lagged response to yield movements in other long-term markets, average interest rates on new commitments for home mortgages in the primary market moved about 15 basis points lower during January and February, and then backed up slightly in March. However, yields on Government-underwritten mortgages in the secondary markets, which move more closely with bond yields, increased by 35 to 50 basis points over the quarter.

## SECURITIES MARKETS

Gross long-term debt and equity financing by U.S. corporations totaled $\$ 49$ billion, at a seasonally adjusted annual rate, in the first quarter of 1977-the smallest quarterly total since the third quarter of 1975. In the bond market, private placements of corporate bonds are estimated to have continued at a near-record pace, but public bond offerings were at their lowest level in more than 2 years despite a large volume of bond refunding operations by telephone companies.

Industrial corporations, particularly higherrated concerns, publicly offered only a moderate amount of new long-term debt securities during the first quarter. Many of these companies

Gross offerings of new security issues
Billions of dollars, seasonally adjusted annual rates

| Type of issue | 1976 |  |  |  | 1977 |
| :---: | :---: | :---: | :---: | :---: | :---: |
|  | Q1 | Q2 | Q3 | Q4 | ${ }^{\text {e }}$ Q1 |
| Corporate securities-total | 53 | 52 | 56 | 53 | 49 |
| Bonds | 39 | 41 | 47 | 43 | 40 |
| Publicly offered | 27 | 27 | 26 | 26 | 24 |
| Privately placed Stocks | 12 | 14 | 21 | 17 | 16 9 |
| Foreign securities | 12 | 10 | 10 | 9 | 5 |
| State and local govt. bonds | 34 | 36 | 36 | 36 | 42 |

${ }^{\text {e Estimated. }}$
probably have completed the extensive balancesheet restructuring that had been begun in late 1974, so their immediate need for long-term external financing appears to have been reduced. Finance companies and other financial concerns, however, continued to raise a large volume of longer-term debt capital. The large volume of new debt offered by finance companies reflects both their continuing efforts to restructure and the recent strong growth in auto sales and consumer credit.

Public utilities accounted for about one-third of total public bond offerings in the first 3 months of 1977, as telephone company issues-mostly Bell System subsidiaries-were offered in near-record amounts. The unusually large volume of telephone company obligations is attributable in part to bond refunding operations by a number of companies. Without these refundings, seasonally adjusted public bond offerings in the first quarter of 1977 would have been at their lowest level in 3 years.

A smaller volume of foreign bonds was offered on domestic capital markets in early 1977. This decline is attributable in large part to the reduced pace of new public and private bond issues by Canadian provinces and corporations. Several sizable private placements of bonds for Canadian provinces swelled foreign offerings in 1976, but offerings by these issuers were much more modest in the first quarter.

Corporate bond yields declined to their lowest levels in 3 years in early January, but then rose sharply over the next few weeks. The Federal

Reserve index of new Aaa-rated utility bond yields climbed 40 basis points between early January and early March, but then retraced part of this increase in late March and ended the quarter at 8.26 per cent.

Stock prices as measured by major indexes closed 1976 at or near their highest levels of the year. However, indications of a quickening in the rate of inflation, the expected impact of the severe winter weather on profits, and uncertainty about the administration's still-to-be announced energy and anti-inflation proposals contributed to the general decline in equity prices over the first quarter. New stock offerings contracted somewhat during the quarter, due in large part to the over-all decline in share prices.

In the municipal securities market, State and local governments sold a record volume of long-term bond issues in the first quarter. The increase in offerings was due mostly to advance refundings of outstanding high coupon issues. Unlike taxable bond yields, however, the overall level of tax-exempt interest rates remained relatively unchanged over the quarter, although risk premiums narrowed substantially. Much of the increased volume of long-term municipal bonds reportedly was absorbed by property/casualty insurance companies, open-end and unit trust investment companies, and smaller commercial banks. The Bond Buyer index of tax-exempt yields closed the first quarter at 5.85 per cent, little changed from the level of 5.83 per cent at year-end 1976 .

The Treasury sold $\$ 14$ billion of marketable securities in the first quarter, substantially below its January estimate of $\$ 20$ billion to $\$ 23$ billion. The reduced pace of marketable security is-suance-almost all in coupon obligations-was due to several factors: (1) the combined Treasury deficit was smaller than expected, primarily because of a sizable shortfall in Federal outlays; (2) the Treasury issued an unexpectedly large amount, $\$ 3.7$ billion, of nonmarketable issues- $\$ 2.2$ billion of which was sold to State and local governments engaged in advance refunding operations; and (3) the Treasury reduced its cash balance between year-end 1976 and the end of March by almost $\$ 3$ billion.

Although households are estimated to have liquidated a modest amount of marketable

Federal Government borrowing and cash balance
Quarterly totals, in billions of dollars, not seasonally adjusted

| Item | 1975 | 1976 |  |  |  |  |
| :---: | :---: | ---: | ---: | ---: | ---: | ---: |

[^4]Treasury securities in the first quarter, purchases by commercial banks, foreigners, State and local governments (almost half of which were for advance refundings), and business corporations were relatively large. In addition, the Federal Reserve System purchased outright almost $\$ 1.2$ billion of Treasury bills and $\$ 1.7$ billion of Treasury coupon issues in the course of providing reserves to the banking system
during the quarter. The technical position of U.S. Government securities dealers strengthened over the quarter. Dealer inventories of Treasury bills were less than $\$ 3.5$ billion at the end of March-about $\$ 6$ billion below their mid-December level-and coupon positions also were quite modest. Total dealer holdings of Treasury securities at the end of the first quarter were at their lowest level in 2 years.

## 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 Federal Reserve System 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 Federal Reserve 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 the members of their staffs.

Single copies of the full text of each of the studies or papers summarized in the Bulletin 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

## RECENT TRENDS IN LOCAL BANKING MÁRKET STRUCTURE

Samuel H. Talley-Staff, Board of Governors
Prepared as a staff paper in early 1977

For a number of years trends in banking market structure have attracted wide interest on the part of many varied groups-the Congress, the bank regulators, and the general public. This interest stems from the belief that the structure of banking markets has an important effect on the competitive conduct of banks and on the quantity and quality of banking services received by the public and the prices paid for those services. The purpose of this study was to identify recent trends in the structure of 213 standard metropolitan statistical area (SMSA) banking markets and 233 county banking markets over the 1966-75 period. Trends in market structure were measured by changes in (1) the number
of banking organizations in the market; (2) the three-firm concentration ratio; and (3) the Herfindahl Index.

The results of the study indicate that most SMSA and county banking markets acquired a more competitive structure between 1966 and 1975, irrespective of which measure of market structure was used. Moreover, these pro-competitive changes tended to be quite sizable for a 9 -year period. The study made no attempt to determine whether these pro-competitive structural changes have resulted in the provision of better banking services at more favorable prices to the public. However, since recent empirical studies have indicated that a more competitive
banking structure does produce better services at lower prices, it is reasonable to assume that such desirable results have occurred.

This study also found that pro-competitive changes in banking market concentration occurred with greatest frequency and in largest magnitude in those SMSA and county banking markets that had a relatively high concentration ratio in 1966.

Finally, the study examined changes in bank-
ing market structure according to the branching laws of the States in which the markets were located. In all three branching classificationsunit banking, limited branching, and statewide branching-it was found that most markets experienced pro-competitive structural changes between 1966 and 1975. The most frequent and largest pro-competitive structural changes occurred in markets located in States with unit banking or with statewide branching.

# Survey of Terms of Bank Lending New Series 

Since as early as 1919 the Federal Reserve has been monitoring interest rates on loans at commercial banks through survey methods. Over the years, the interest rate surveys have been expanded and refined to reflect the growth and development of the banking industry. The Federal Reserve's principal interest rate survey of recent years, the Quarterly Interest Rate Survey (QIRS), has been revised to enlarge its coverage and scope. The new survey, now called the Survey of Terms of Bank Lending (STBL), was first taken in February 1977.

## OBJECTIVES OF <br> THE REDESIGNED SURVEY

The content and coverage of the STBL were designed to achieve certain objectives related to changing practices in banking and to provide better, more representative statistics on bank lending. The previous survey had been limited to collecting interest rate information on business loans made at 120 large commercial banks. The reporting panel was not representative of all commercial banks; it consisted of the largest banks, which accounted for slightly over 60 per cent of all business loans of commercial banks. While the banking sector has become more closely integrated in recent years through advances in communications and methods of transferring funds, the validity of a survey limited only to large banks came into question, as a large share of business lending was made at other banks. Moreover, issues affecting the entire banking system such as the cost or availability of funds to small business borrowers

Note.-This article was prepared by Paul W. Boltz of the Board's Division of Research and Statistics.
could not be addressed within the design of the old survey. This latter shortcoming prompted the Federal Reserve to initiate the monthly Survey of Selected Interest Rates in 1972 under the auspices of the then-Committee on Interest and Dividends.

The Survey of Selected Interest Rates asked approximately 350 responding banks to provide the "most common" interest rates charged on small ( $\$ 10,000$ to $\$ 25,000$ ) business loans and selected types of agricultural and consumer loans. The accuracy of this survey, however, was not comparable to that of the QIRS since data on lending rates on actual loans were not collected and the survey results could not be weighted by the volume of lending by respondents.

The new STBL replaces the Quarterly Interest Rate Survey and the small business and agricultural portions of the Survey of Selected Interest Rates. ${ }^{1}$ The STBL will gather information on actual loans made to businesses and farmers during the survey period. Construction loans secured by real estate, which are not included in the business loan category because of their collateral, were added to the survey.

Another objective in the redesign of the survey was to add information on nonprice terms of lending that might help explain movements and levels of interest rates charged on loans. The interest cost is the explicit cost of bank credit, but nonprice terms of lending-or price terms not directly associated with the loan such as commitment fees-also might justifiably be included in the total cost of borrowing. Economic theory and empirical analysis of bank

[^5]lending terms suggested the importance of compensating balances, collateral, loan insurance, and commitment fees. However, in considering the addition of such nonprice terms of lending to the interest rate survey, the availability of this information in bank records and the cost to respondents of reporting nonprice items acted as constraints.

A pretest of the survey was conducted in early 1976 to determine the feasibility of collecting nonprice terms of business and agricultural loans from banks of all sizes on a regular basis. It was found that amounts of compensating balances and commitment fees associated with individual loans presented the most difficulty to respondents, particularly large banks that have computerized data systems. Many respondents indicated that isolating compensating balances and commitments fees associated with a particular takedown could not be accomplished with their existing data systems. Still other institutions reported that they monitored the level of transactions balances maintained by borrowers and could not identify idle balances usually associated with the concept of compensating balances.

The inability of some banks to report on compensating balances and commitment fees was not inconsistent with results from occasional special surveys of bank lending that have been conducted by the Federal Reserve. Nevertheless, in the large majority of banks some nonprice terms of lending met the two criteria of availability and economic importance. These include information as to whether there was any commitment or commitment fee, whether there was Federal loan insurance or collateral, and for agricultural loans whether other lending institutions participated in the loans. ${ }^{2}$

Both the Quarterly Interest Rate Survey and the Survey of Selected Interest Rates were subject to a number of technical shortcomings that the new survey was designed to correct. The principal improvement in this area is the collection of information on the maturity of each loan reported. In compiling the results of the Quar-

[^6]terly Interest Rate Survey, the maturity of short-term business loans had to be assumed, and the results of the Survey of Selected Interest Rates reflected no adjustment for maturity on loans to small businesses. In addition, the new survey asks respondents to report on whether rates on loans are floating, that is, the interest rate charged is tied to a rate that may change over the life of the loan. Under floating rate agreements, interest rates typically are linked to the prime lending rate of the bank.

## DESCRIPTION OF <br> THE NEW SURVEY

The STBL will be conducted during the first full business week of the middle month of each quarter at about 340 member and nonmember banks, randomly selected to represent all size strata of insured commercial banks in the United States. ${ }^{3}$ About 100 of the respondents are nonmember banks; their reports are collected and processed by the Federal Deposit Insurance Corporation. Small- and intermediate-sized banks report on business, construction, and agricultural loans made during the 5 days of the survey week. Very large commercial banks report on their loans made over two or three randomly selected days of the survey week in order to reduce the absolute burden of participation in the survey to respondents and the editing and processing costs to the Federal Reserve. A monthly supplement to the quarterly survey is conducted during the first full business week of the first and last month of the quarter. The supplement is conducted at member banks only and is limited to price terms on business loans (excluding construction loans secured by real estate).

The three sets of forms and instructions used in the quarterly survey and monthly supplement are reproduced at the end of this article. ${ }^{4}$ The first form is used quarterly to collect data on individual loans made to businesses. Con-

[^7]struction loans secured by real estate are reported on this form as well, and the type of structure being financed by construction loans is reported by responding banks. The second form used in the quarterly survey covers loans to farmers. The purpose of agricultural loans (feeder livestock, machinery and equipment, and so forth) is also reported by respondents, and the classifications correspond to the categories in the Survey of Selected Interest Rates, the agricultural portion of which is replaced by the STBL.

The form for the monthly supplemental sur-
vey of business lending is also reproduced at the end of the article. About 250 member banks provide monthly information on business loans. Like the quarterly survey, the monthly supplement is conducted during the first full business week of the month.

The results of the quarterly surveys and the monthly supplements will be used to approximate the lending terms of the banking system as a whole. Respondents' loans are weighted by the relationship between the amount of loans in each category as reported on the call report and the total volume of such lending by banks

## 1. Survey of terms of bank lending

Short-term commercial and industrial loans (other than construction and land development) made during February 7-12, 1977


[^8]of similar size. ${ }^{5}$ Consequently, the survey provides estimates not only for the terms of bank lending but also for the gross volume of new lending. The reliability of estimates of the volume of lending, however, is high only for short-term business loans, which constitute a very high proportion of the loans reported in the survey. The estimates of the volume of construction, agricultural, and long-term business lending are based on much smaller samples of loans.
${ }^{5}$ The appendix on the sample design explains more
fully the blow-up procedures.

## SURVEY RESULTS

Tables 1 to 4 summarize the results of the first survey, taken in February 1977. They cover, in turn, short-term business loans other than construction loans, long-term (over 1 year in original maturity) business loans other than construction loans, construction loans secured and unsecured by real estate, and loans to farmers. The tables do not contain regional information on lending terms as did the QIRS because the sample is drawn on a national basis. A sample capable of producing regional data of comparable accuracy to those shown in the tables would require a much larger panel of banks.

## 2. Survey of terms of bank lending

Long-term commercial and industrial loans (other than construction and land development) made during February 7-12, 1977


The notes are the same as those to Table 1.

The tables contain summary statistics for all commercial banks, 48 large money center banks, and all other banks. Each table shows the volume and terms of lending for various size categories of loans at each class of bank. Nominal interest rates reported on loans are adjusted for the method of interest calculation, maturity,
and the number of payments over the life of the loan in calculating the average interest rates in the tables. The interquartile range is presented as a measure of the dispersion of lending rates. Along with the average interest rates appears the standard error of the estimated average, which provides a measure of the reliability of

## 3. Survey of terms of bank lending

Construction and land development loans (secured and unsecured by real estate) made during February 7-12, 1977


The notes are the same as those to Table 1.

## 4. Survey of terms of bank lending

Loans to farmers made during February 7-12, 1977

| Item | $\underset{\text { sizes }}{\text { Alt }}$ | Size of loan <br> (in thousands of dollars) |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | 1-9 | 10-24 | 25-49 | 50-99 | 100-249 | $\begin{gathered} 250 \\ \text { and over } \end{gathered}$ |
|  | All banks |  |  |  |  |  |  |
| Amount of loans (thousands of dollars) | 809,024 | 171,247 | 143,928 | 137,765 | 112,606 | 101,382 | 142,097 |
| Number of loans . . . . . . . . . . . . . . . . . | 66,285 | 49,541 | 9,805 | 4,387 | 1,674 | 715 | 162 |
| Weighted-average maturity (months) | 10.8 | 9.1 | 8.8 | 12.8 | 20.8 | 7.4 | 8.0 |
| Weighted-average interest rate (per cent). | 8.80 | 9.00 | 8.97 | 8.65 | 8.63 | 8.77 | 8.69 |
| Standard error ${ }^{1}$. . | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |  |
| Interquartile range ${ }^{2}$. | 8.27-9.20 | 8.53-9.25 | 8.37-9.25 | 8.03-9.11 | 8.25-9.01 | 8.24-9.20 | 8.25-9.50 |
| By purpose of loan: Feeder livestock.. | 8.49 | 8.82 | 8.63 | 8.77 | 8.51 | 8.52 | 7.85 |
| Feeder livestock. | 8.89 | 8.99 | 8.93 | 8.39 | 8.81 | 8.98 | 7.85 9.22 |
| Other current operating expenses | 8.78 | 8.91 | 8.89 | 8.71 | 8.51 | 8.76 | 8.73 |
| Farm machinery and equipment. | 9.06 | 9.14 | 8.80 | 9.15 | 8.97 | 8.84 | $\dagger$ |
| Other. . . . . . . . . . . . . . . . . . . . . . | 8.80 | 9.26 | 9.65 | 8.45 | 8.56 | 8.98 | 8.43 |
| Percentage of amount loans: |  |  |  |  |  |  |  |
| With foating rate....... | 15.6 | 4.9 | 7.1 | 4.0 | 8.3 | 13.1 | 56.0 |
| Made under commitment. | 37.3 | 24.0 | 22.9 | 32.8 | 47.4 | 45.2 | 58.7 |
| By purpose of loan: |  |  |  |  |  |  |  |
| Other livestock. | 14.7 | 12.9 | 10.6 | 19.2 | 13.7 | 8.2 | 22.0 |
| Other current operating expenses | 35.7 | 45.0 | 39.1 | 24.5 | 32.5 | 44.8 | 27.9 |
| Farm machinery and equipmentOther . . . . . . . . . . . . . . | 13.7 | 18.9 | 19.1 | 16.0 | 11.0 | 2.3 | $\dagger$ |
|  | 21.5 | 12.7 | 17.1 | 28.5 | 29.0 | 21.1 | 23.9 |
|  | 48 large banks |  |  |  |  |  |  |
| Amount of loans (thousands of dollars). | 98,226 | 3,163 | 4,144 | 4,653 | 7,802 | 11,471 | 66,994 |
| Number of loans. . . . . . . . . . . . . . . . . | 1,472 | 815 | 280 | 139 | 114 | 78 | 45 |
| Weighted-average maturity (months) | 5.4 | 7.8 | 7.6 | 8.3 | 8.1 | 7.4 | 4.3 |
| Weighted-average interest rate (per cent), | 8.37 | 8.70 | 8.43 | 8.33 | 8.02 | 7.98 | 8.46 |
| Standard error ${ }^{1}$... | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| By purpose of loan: |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
| Other livestock.. | 6.94 | 7.78 | 7.85 | 8.17 | 6.52 | 7.54 | 6.58 |
| Other current operating expenses | 8.61 | 8.76 | 8.52 | 8.27 | 8.36 | 8.39 | 8.70 |
| Farm machinery and equipment. | 8.77 | 9.31 | 9.06 | ( ${ }^{+}$) | 8.33 | (†) | ( $\dagger$ |
| Other. . . . . . . . . . . . . . . . . . . . . | 8.48 | 8.85 | 8.48 | 8.51 | 8.28 | 7.62 | 8.63 |
| Percentage of amount of loans: |  |  |  |  |  |  |  |
| Made under commitment. | 70.4 | 57.4 | 61.7 | 57.6 | 75.6 | 78.5 | 70.4 |
| By purpose of loan: 11.9 |  |  |  |  |  |  |  |
| Feeder livestock. | 11.9 | 5.8 | 8.2 | 8.8 | ( $\dagger$ | 14.2 | ( $\dagger$ ) |
| Other livestock. | 6.2 | 7.0 | 8.3 | 10.4 | 16.8 | 7.0 | 4.4 |
| Other current operating expenses | 49.8 | 61.4 | 54.7 | 64.4 | 54.3 | 42.4 | 48.6 |
| Farm machinery and equipmentOther . . . . . . . . . . . . . . . . | 1.5 30.4 | 5.1 | 4.1 | ${ }_{12}{ }^{+}$ | 8.6 | ${ }_{32}{ }^{\text {¢ }}$ | ${ }_{33}{ }^{\dagger}$ ) |
|  | 30.4 | 20.4 | 24.7 | 12.3 | 18.6 | 32.6 | 33.5 |
|  | Other banks |  |  |  |  |  |  |
| Amount of loans (thousands of dollars). | 710,798 | 168,084 | 139,784 | 133,112 | 104,804 | 89,911 | 75,103 |
| Number of loans. . . . . . . . . . . . . . . | 64,813 | 48,726 | 9,525 | 4,248 | 1,560 | 6937 | , 117 |
| Weighted-average maturity (months) | 11.6 | 9.2 | 8.8 | 12.9 | 21.8 | 7.4 | 13.3 |
| Weighted-average interest rate (per cent). | 8.86 | 9.01 | 8.99 | 8.66 | 8.68 | 8.87 | 8.89 |
| Standard error ${ }^{1}$. . . | . 06 | . 06 | . 12 | . 12 | . 16 | . 08 | . 36 |
| Interquartile range ${ }^{2}$. | 8.31-9.20 | 8.53-9.25 | 8.48-9.31 | 8.05-9.11 | 8.25-9.01 | 8.56-9.20 | 8.42-9.50 |
|  |  |  |  |  |  |  |  |
| Feeder livestock. | 8.57 | 8.83 | 8.64 | 8.79 | 8.52 | 8.59 | 7.89 |
| Other livestock. . . . . . . . . . . . . . | 8.99 | 9.00 | 8.96 | 8.39 | 8. $\dagger$ | 9.14 | $\dagger$ |
| Other current operating expenses | 8.82 | 8.92 | 8.91 | 8.75 | 8.53 | 8.81 | 8.86 |
| Farm machinery and equipment. | 9.06 | 9.14 | 8.80 | 9.15 | 9.01 | 8.82 | † |
| Other . . . . . . . . . . . . . . . . . . . . . . | 8.87 | 9.27 | 9.70 | 8.45 | 8.57 | 9.27 | 8.03 |
| Percentage of amount of loans: |  |  |  |  |  |  |  |
| With floating rate........ | 6.5 | 23.3 | 5.7 21.8 | 1.9 | 3.8 45 | 6.1 | 25.1 |
| Made under commitment. | 32.8 | 23.4 | 21.8 | 31.9 | 45.3 | 41.0 | 48.4 |
| By purpose of loan: |  |  |  |  |  |  |  |
| Other livestock. | 15.9 | 13.1 | 10.6 | 19.5 | $\dagger$ | 8.3 | + |
| Other current operating expenses. | 33.8 | 44.7 | 38.7 | 23.2 | 30.9 | 45.1 | 9.5 |
| Farm machinery and equipment. | 15.4 | 19.1 | 19.6 | 16.4 | 11.2 | 2.3 | $\dagger$ |
| Other . . . . . . . . . . . . . . . . . . . . . . | 20.2 | 12.6 | 16.9 | 29.0 | 29.8 | 19.7 | 15.2 |

the estimate. ${ }^{6}$ Although measures of the reliability of other figures in the tables are not shown, it must be emphasized that all the data in the tables are estimates. ${ }^{7}$

The results of the quarterly survey for all commercial banks will appear regularly in the Financial and Business Statistics section of the Federal Reserve Bulletin, replacing Table 1.35 "Interest Rates Charged by Banks on Business Loans." The results of the quarterly survey and the monthly supplement will also be published as the Board's G. 14 (formerly E.2) statistical release. ${ }^{8}$

Much of the information in the tables has not been previously available or was available only in occasional special surveys. Consequently,

[^9]interpretation of some parts of the survey findings may become useful only as an historical data base develops. But some of the new information made available through the STBL provides insights into bank lending practices that are of immediate interest. For example, the survey confirmed the view that a high proportion of lending by banks, particularly large banks, is being made at floating rates. Fully two-thirds of the dollar amount of short-term business loans made by large commercial banks carried floating rates in the February survey, and nearly one-third of such loans made by other banks had floating rate agreements.

In addition, the survey pointed out the wide extent to which bank borrowers are relying on prior commitments for loans. Commitments were associated with almost half of the business loans and about three-fourths of the construction loans reported on the survey. The widespread practice of arranging prior commitments was found at both the large banks and the other banks. The proportion of lending under prior commitments will likely rise and fall over the business cycle in response to changes in general credit conditions, and the survey will provide a guide to these developments.

## APPENDIX

## Sampling Procedures of the Survey of Terms of Bank Lending

The population to be sampled by the Survey of Terms of Bank Lending was defined to be all insured commercial banks in the United States. The banks were ranked by the volume of commercial and industrial loans in their portfolios as of June 30, 1974, and divided into six strata. The largest 48 banks were assigned to the top stratum with certainty, that is, all were included in the sample. Such banks accounted for about 50 per cent of all commercial and industrial loans of commercial banks. The remaining more than 14,000 banks in the United States were divided into five strata.

[^10]The method of stratification (the cumulative square root procedure) was to approximately equalize the products of the number of banks in the strata and the standard deviations of commercial and industrial loans about the mean of the strata. The number of banks in a stratum is inversely related to the size of the banks; the strata for larger banks contain relatively few banks, while the strata for smaller institutions contain many banks.
The two strata containing the banks with the smallest business loan portfolios were combined and re-ranked by agricultural loans and re-divided into two strata. These two lowest strata account for a substantial portion of commercial bank agricultural lending (more than 70 per cent of all loans to farmers), and the reliability of farm loan
information was thus improved. There would be little deterioration in the reliability of business loan information from this procedure, since the larger banks represented in the top four strata of the sample account for about 85 per cent of business lending.

Before selecting the reporting panel from the banking system so stratified, each stratum was divided into 10 zones containing equal numbers of banks. Six banks were then selected from each of the 50 zones ( 10 zones in each of the 5 strata) into which banks other than the 48 large banks were divided. Not all banks were able to participate in the voluntary survey, and the final sample design called for a panel of about 340 banks. As banks merge or otherwise are dropped from the panel, replacements will be selected to keep the sample representative of the population.

By dividing the strata into zones from which six banks were chosen, it became possible to identify six subsamples, each representative of the entire population of banks. The six banks chosen randomly within a zone were identified numerically as one to six in order of selection. The first bank selected from each zone in a stratum was assigned to subsample one of the stratum, the second was assigned to subsample two, and so forth. Consequently, in addition to the sample of 60 banks from each stratum, six subsamples of the 10 randomly selected banks were identified. Over the five sampled strata, the 300 respondent banks constitute six subsamples of 50 each. Including the certainty stratum of 48 banks, each complete subsample of the banking system is made up of about 98 banks.

Each of the six subsamples is a cross-section
of the population and is a replicate of the other five subsamples. By ratio-estimate procedures relating call report totals for a particular loan category at sample banks to call report totals at all banks, the reports of the 340 banks in the sample are blown up to population estimates. Likewise, the six subsamples are each separately blown up to the population. Thus, seven estimates of the characteristics of the population are calculated, one over-all estimate from the large sample and six from subsamples of the whole. According to the central limit theorem, samples of the same size tend to distribute themselves about the mean of the population in a normal distribution. Relying upon this characteristic of the replicated estimates of the population, estimates of the variance of the elements can be readily calculated, and the standard errors for interest rates will be published regularly.

The first survey collected information on 23 ,201 business and construction loans and 2,740 loans to farmers. These loans were estimated to represent about 150,000 business loans, 18,000 construction loans, and 66,000 farm loans made by the banking system during the survey period. The relative coverage of business lending is higher than in agricultural lending because the sampling method concentrated more heavily on banks with higher business loan volume. However, the standard error of the estimates of interest rates on agricultural loans at smaller banks, other than the 48 large banks in the first stratum, are comparable to those on short-term business loans. The underlying variability of lending rates to farmers appears to be less than the variability of commercial loan rates.

TERMS OF BANK LENDING TO BUSINESS
COMMERCIAL, INDUSTRIAL, AND CONSTRUCTION AND LAND DEVELOPMENT LOANS MADE ON
This report is authorized by taw [12 U.S.C. 248 (a) and 12
S.C. $248(\mathrm{i})$ ]. Your voluntary cooperation in submitting U.S.C. 248 (i)l. Your voluntary cooperation in submitting his report is needed to make the results comprehensive, accurate, and timely.

The Federal Reserve System regards the individual bank information provided bv each respondent as confidential If it should be determined subsequently that any informa
tion collected on this form must be reteased, respondents
will be nified

FR 2028
Approved by Federal Reserve Board -. July 1976

Page___ of ___
$\qquad$
(Please read instructions before completing form)


Return une copy to the Federal Reserve Bank of
Bank narre, branch number
Person to be contacted concerning inis repor
Rell

Office address

- Area code, telephone no. $\qquad$
- 


## INSTRUCTIONS

## FOR FR 2028A

This :eport covers loans classified in Schedule A of the Repor of Condition (Call Report) under Item 5. "Commercia! and In dustrial Loans", and tram 1a, "Construction and Land Develop ment Loars", secured primarily by real estate. Report toans to armers on FR 2028 B.

NCLUDE: New loans which are defined as advances of fund to borrowers during the report period, takedowns under revolving credit agreements, notes written under credit lines, and renewals.

You: bank's portion of loan participations.
Commercial and industrial loans made at all office of your bank in the States of the United States and the District of Columbia to any borrower domicile Columates of the United States, the District of隹ing or U.S. territories and possessions, in nesses. (C\&1 loans include construction and land development loans not secured primarily by rea estate to builders and developers in the States the United States, the District of Columbia, and S territories and possessions.)

Construction and land development toans secured primarily by real estate made to any borrower domiciled in the States of the United States, the Dis trict of Columbia, or U.S. territories and possessions

EXCLUDE: Purchased loans and open market paper such as commercial paper and acceptances.

Accounts receivable loans.
Loans made by an international division or an international operations subsidiary of your bank.

Loans made to business firms domiciled outside of the United States, the District of Columbia, and al U.S. territories and possessions (foreign loans)

Loans of less than $\$ 1,000$.
INFORMATION TO BE REPORTED
ON EACH LOAN

## COLUMN NUMBER

1. Date made. Enter the calendar date the loan or renewal was made. For a loan made on November 3, enter 1103
2. Face amount of lean. Enter the face amount of loan in Juilars. If the nete represents the first adverice of a loan agreement or an acdition to ar existing loan, enter the armount advanced on the date shown in column 1.
3. Stated rate of interest. Enter the stated initial rate of interest shown in the note or agreement in per cent to three decimal places. Report an $8-1 / 4$ per cent rate as 8.250 .
4. Method of calculation. Check the appropriate space.
"Discount" applies when the proceeds credited to the borrower are the face amount less the interest based on the face amount to be paid at maturity.
"Add-on" applies when the borrower repays the face amount plus interest calculated on the face amount for the full period until maturity.
"Remaining balance" applies when the interest for any period is charged on the outstanding balance of the loan during that period.
5. Rate over life of toan. Check the appropriate space.
"Floating" applies when the rate is tied to some other rate (such as the prime rate or a market interest rate) and neither the bank nor the borrower knows the exact rate of interest to be charged over the life of the loan.
"Predetermined" applies when both the bank and the borrower know the exact rate of interest to be charged over the life of the loan. Do not check "predetermined" if at any time during the life of the loan the rate is floating.
6.7. Maturity status. If the loan has a specific maturity, enter the month and year in column 6. Include due dates for notes with specific maturities written under revolving credit agreements. If the loan is an instalment loan, enter the date of the last payment. If the loan is a demand loan and has no stated maturity, enter " $\underline{0}$ " and skip column $\underline{7}$

For those loans with stated maturities, enter in column 7 the number of payments on the principal scheduled over the life of the loan. If the loan is a single payment note, enter " 1 ". If the payments are not explicitly scheduled, enter " 0 ".
8.9. Commitment status. For purposes of this survey, a commit ment is defined as an official promise to lend a specified amount that is expressly conveyed, orally or in writing, to the customer. Such commitments should include revolving credits and approved lines of credit. Authorizations (internal guidance lines) where the customer is not informed of the amount are not to be considered as commitments.

The un is mede under a comminnem so denthes, theak "We. :n wiums 8 and the appropriate response incoluring perticipation originated by another lender and your cank is unaware of the commitment status of the loan, check "no" in column 8 and skip column 9 .

Commitment fees are payments for access to credit under commitments and should exclude interest payments on individual loans under commitments. Fees may be based on the amount of the total commitment, the unused portion of the commitment, or both and may be charged once or periodically. If any fees have been levied on commitments associated with the loan, check "yes" in column 9, if not check 'no".
10. Federal insurance status. Check whether the loan is fully or partially insured or guaranteed either by the Small Business Administration or by any other agency or department of the U.S. Government, including wholly-owned government corporations. If the loan is not insured by an agency or epartment of the U.S. Government, check "not insured by U.S. agencies or departments."
11. Loan secured. Check whether the foan is secured by collateral of any kind.
12.13. Construction and land development toans. These columns apply only to those loans made for the purposes of financing construction of new structures, demolition of existing strucures to make way for new structures, or for limprovepriate space to indiction. In colurded principal use of the property involved if the utimate structure type is unknown, heck "nen-residential" Note that all loans classified as con. truction loans, regardless of collateral are limited to con with original marurities of 5 years or less. All such to loans ith original maturities of 5 years or less. All such loans of longer maturity are assumed to be permanent financings and

If the loan is primarily secured by real estate, check "yes" in column 13. Such loans would be classified on the Report of Condition in Schedule A as Item 1a.

Check "no" in column 13 if the construction toan is not primarily secured by real estate. Construction loans not secured by real estate would be classified in the Report of Con dition in Schedule $A$ as part of Item 5.

TERMS OF BANK LENDING TO FARMERS
LOANS MADE ON
This report is authorized by law [12 U.S.C. $248(a)$ and 12 U.S.C. 248 (i)]. Your voluntary cooperation in submitting this report is needed
accurate, and timely.

The Federal Reserve System regards the indivicual bank The Federal Reserve System regards the individual bank
information provided by each respondent as confidential.
If it should be determined subsequently that any informaIf it shoula be determined subsequentiy hat any informa-
tion collected on this form must be released, respondents tion collected on this form must be released, respondents
will be notified.

FR 2028 B
Approved by Federal Reserve Board .- July 1976 Approval Expires Feb. 1979
Page___of


Bank name; branch number

Person to be contacted concerning this report
Office address
Area code, telephone no.

## INSTRUCTIONS

## FOR FR 2028B

This report covers loans classified in Schedule A of the Report of Condition (Call Report) as Item 4, "Loans to Farmers." Report business loans on FR 2028A.

INCLUDE: New loans, which are defined as advances of fund to borrowers during the reporting period, take downs under revolving credit agreements, notes written under credit lines, and renewals.

Your bank's portion of loan participations.
Loans made to farmers at all offices of your bank in the States of the United States and the Distric of Columbia to any farm borrower domiciled in the States of the United States, the District of Columbia, or U.S. territories and possessions, including U.S, branches or subsidiaries of foreign businesses.

EXCLUDE: Purchased loans and open market paper such as commercial paper and acceptances.

Accounts receivable loans.
Loans made by an international division or an international operations subsidiary of your bank.

Loans made to farmers domiciled outside of the United States, the District of Columbia, and all U.S. territories and possessions (foreign loans).

Loans of less than $\$ 1,000$.

## INFORMATION TO BE REPORTED ON EACH LOAN

## COLUMN NUMBER

1. Date made. Enter the calendar date the loan or renewal was made. For a loan made on November 3, enter 1103.
2. Face amount of loan. Enter the face amount of the loan in dollars. If the note represents the first advance of a loan agree ment or an addition to an existing loan, enter only the amount advanced on the date shown.
3. Stated rate of interest. Enter the stated initial rate of interes shown in the note or agreement in per cent to three decima places. Report 8-1/4 per cent rate as 8.250 .
4. Method of calculation. Check the appropriate space
"Discount" applies when the proceeds credited to the borrower are the face amount less the interest based on the face amount to be paid at maturity.
"Add-on" applies when the borrower repays the face amoun plus interest calculated on the face amount for the full period until maturity.
"Remaining balance" applies when the interest for any period is charged on the outstanding balance of the toan during that period.
5. Rate over life of loan. Check the appropriate space.
"Floating" applies when the rate is tied to some other rate (such as the prime rate or a market interest rate) and neither the bank nor the borrower knows the exact rate of interest to be charged over the life of the loan.
"Predetermined" applies when both the bank and the borrower know the exact rate of interest to be charged over the life of the loan. Do not check "predetermined" if at any time during the life of the loan the rate is floating.

6-7. Maturity status. If the loan has a specific maturity, enter the month and the year in column 6. Include due dates for notes with specific maturities written under revolving credit agreements. If the loan is an instalment !oan, enter the date of the last payment. If the loan is a demand loan and has no stated maturity, enter " 0 " and skip column 7.
For those loans with stated maturities, enter in column 7 the number of payments on the principal scheduled over the life of the loan. If the loan is a single payment note, enter "1". If the payments are not explicitly scheduled, enter " 0 ".
8.9.Commitment status. For purposes of this survey, a commit ment is defined as an official promise to lend a specified amount that is expressly conveyed, orally or in writing, to the customer. Such commitments should include revolving credits and approved lines of credit. Authorizations linternal guidance lines) where the customer is not informed of the amount are not to be considered as commitments.

If the loan is made under a commitment so defined, check "yes"' in column 8 and the appropriate response in column 9 If the loan is not made under a commitment or if the loan is a participation originated by another lender and your bank is unaware of the commitment status of the loan, check "no" in column 8 and skip column 9.

Commitment fees are payments for access to credit under commitments and should exclude interest payments on indivigual loans under commitments. Fees may be based on the amount of the total commitment, the unused portion of the commitment, or both and may be charged once or period ically. If any fees have been levied on commitments associated with the loan, check "ves" in column 9, if not, check "no".
10. Federal insurance status. Check whether the loan is fully or partially insured or guaranteed by the Farmers Home Administration or any other agency or department of the U.S. Gov ernment including wholly-owned government corporations. If the loan is not insured by an agency or department of the U.S. Government, check 'Not insured by U.S. agencies or departments."
11. Loan secured. Check whether the Ioan is secured by collateral of any kind.
12. Participation status. If the loan is participated, check whethe it was originated by your bank or by other lenders. If the loan does not represent a participation with other lenders, chec 'Not participated.'
13. Purpose of loan. indicate which one of the following classifications best describes the borrower's primary use of the loan funds:

Feeder livestock. A loan used primarily to purchase feeder cattle, feeder pigs, or feeder lambs to be fattened for slaughter.

Other livestock: A loan used primarily to purchase poultry and livestock other than feeder livestock.

Other current operating expenses: A loan used primarily to finance such items as current crop production expenses and the care and feeding of livestock (including poultry).

Farm machinery and equipment: A loan used primarily to finance purchases of tractors, trucks, machinery, and other farm equipment, such as irrigation equipment and equipmen for structural facilities (e.g., automated feeding equipment)

All other loans: A loan used for purposes not listed above as well as loans for which the primary purpose is unknown.

## MONTHLY SUPPLEMENT TO TERMS OF BANK LENDING TO BUSINESS

COMMERCIAL AND INDUSTRIAL LOANS MADE ON $\qquad$

This report is authorized by \{aw \{12 U.S.C. 248(a) and 12 U.S.C. 248 (i)]. Your voluntary cooperation in submitting this report is needed to make the result: comprehensive, accurate, and timely.

The Federal Reserve System regards the individual bank information provided by each respondent as confidential. If it should be determined subsequently that any information collected on this form must be released, respondents will be notified.


Return one copy to the Federal Reserve Bank of $\qquad$ by $\qquad$

## INSTRUCTIONS

## FOR FR 2028C

This report covers loans classified in Schedule $A$ of the Report of Condition (Call Report) under Item 5. "Commercial and Industrial Loans."

INCLUDE New loans which are defined as advances of funds to borrowers during the report period, takedowns under revolving credit agreements, notes written under credit lines, and renewals.

Y'ou bank's Dorion of Ioan participations.
Cominercial and industrial loans made at all offices of your bank in the States of the United States and the District of Columbia to any borrower domiclied in the States of the United States, the District of Columbia, or U.S. territories and possessions, rncluding U.S. branches or subsidiaries of foreign businesses. (C\&l loans include construction and land development loans not secured primarily by real estate to builders and developers in the States of the United States, the District of Columbia, and all U.S territories and possessions.)

EXCLUDE: Alf loans secured prmarily by real estate, including all construction and land development loans se. cured primarily by real estate that are reported on the quarterly survev.

Purchased loans and open market paper such as commercial paper and acceptances.

Accounts receivable loans.

Loans made by an international division or an international operations subsidiary of your bank.

Loans made to business firms domiciled outside of the United States, the District of Columbia, and all U.S. territories and possessions (foreign loans).

Loans of less than $\$ \uparrow, 000$

## INFORMATION TO BE REPORTED ON EACH LOAN

## COLUMN NUMBER

1. Date made. Enter the calendar date the loan or renewal was made. For a toan made on November 3, enter 1103.
2. Face amount of loan. Enter the face amount of loan in dollars. If the note represents the first advance of a loan agreement or an addition to an existing loan, enter the amount advanced on the date shown in column 1 .
3. Stated rate of interest. Enter the stated initial rate of interest shown in the note or agreement in per cent to three decimal places. Report an $8-1 / 4$ per cent rate as 8.250 .
4. Method of Calculation. Check the appropriate space.
"Discount" applies when the proceeds credited to the borrower are the face amount less the interest based on the face amount to be paid at maturity.
"Add-on" applies when the borrower repays the face amount plus interest calculated on the face amount for the full period until maturity.
"Remaining balance" applies when the interest for any period is charged on the outstanding balance of the loan during that period.

5-6. Maturity status. If the loan has a specific maturity, enter the month and year in column 5. Include due dates for notes with specific maturities written under revolving credit agreements. If the loan is an instalment loan, enter the date of the last payment. If the toan is a demand loan and has no stated maturity, enter " 0 "' and skip column 6.

For those loans with stated maturities, enter in column 6 the number of payments on the principal scheduled over the life of the loan. If the loan is a single payment note, enter " 1 ". If the payments are not explicitly scheduled, enter " 0 ".

## The Need for Order in International Finance

I plan to comment tonight on the need for order in international finance. My choice of topic does not require lengthy justification. For more than a decade now, we have been besieged by problem after problem in the working of international financial mechanisms. Strain and turbulence have, in fact, been so constant a feature of the international financial scene in recent years that I suspect they are coming to be widely regarded as the normal state of affairs.

I do not share any such mood of resignation. In the first place, governments around the world now have a better understanding of the troubles caused by inflation-both in their own economies and in international dealings-than they had only a few years ago. As a result, not a few countries have been adjusting their economic policies with a view to curbing inflation. In the second place, financial institutions-particularly commercial banks-are now giving closer attention to the volume and character of their foreign lending. And in the third place, the International Monetary Fund (IMF) has been gaining in prestige and is already exercising a more constructive influence than seemed likely a year or two ago. These are promising trends, and if we build on them we can in time reattain the financial stability that is so vital to orderly expansion of the international economy.

Certainly, we all know of the great difficulties that plagued financial relationships among countries during the 1930's. Those difficulties generated pessimism about the capacity of nations ever again to achieve orderly arrangements for the conduct of international finances. And that pessimism was deepened by the frightful

[^11]disruption of the world economy during the war. Yet, it was the genius of that age to devise the structure of Bretton Woods and to strengthen that extraordinary structure with our own Marshall Plan. Within a framework of established financial rules, a great liberalization of the world economy occurred and world trade and output flourished. Although we tend to forget it now, the postwar period was a time of quite impressive stability in world finance until the early 1960's.

That experience should serve to remind us that difficulties do yield to determined effort. Our present problems in the sphere of international finance, while different from those of a generation ago, surely are no greater. They too can be dealt with effectively if once again we perceive the wisdom of some subordination of parochial interests and if nations marshal the will to live by new rules of responsible behavior.

Quite obviously, the overriding problem confronting us in world financial matters today is the massive and stubborn imbalance that prevails in payments relations among nations-a condition arising importantly, although by no means exclusively, from the action of the Organization of Petroleum Exporting Countries (OPEC) in raising the price of oil so abruptly and so steeply.
This year alone OPEC's revenues from international oil sales are likely to total something on the order of $\$ 130$ billion. What is most significant about that figure is that it represents an enormous explosion of revenues in such a short time. In 1972, before OPEC's aggressive pricing policy began, receipts of the OPEC group from international oil sales totaled less than $\$ 14$ billion, with most of the rise since then representing higher prices rather than enlarged volume. For the great majority of

OPEC's customers-both affluent and needy alike-it has been the rapidity of the massive change that has been so troublesome. To be sure, OPEC members have dispensed some aid to less-developed countries, but so far the grants have been very selective and quite small relative to the size of the international problems that OPEC has created.

The imposition of the enormous tax that the OPEC group has in effect levied on the world economy has been met, as you know, partly by transferring goods and services to OPEC members and partly by deferring such transfers through borrowing arrangements. OPEC's absorption of goods and services for both consumption and development purposes has been expanding, with the consequence that OPEC's collective current-account surplus has shrunk considerably from its peak level of more than $\$ 65$ billion in 1974 . Only 5 of the 13 OPEC nations in fact are currently running sizable payments surpluses. Contrary, however, to earlier widespread hopes that the aggregate OPEC surplus would continue to decline-perhaps nearing elimination by the end of this decade-it seems at present to be eroding slowly, if at all. This year it could easily run above $\$ 40$ billion, marking the fourth consecutive year that OPEC's trading partners as a group will have to seek substantial loans or grants to help meet their oil bills.

Continuation of a surplus for the OPEC group at such a high level reflects several influences: first, the further increase that occurred this January in OPEC oil prices; second, growing demand for oil as recovery of the world economy has proceeded; third, insufficient energy conservation by many non-OPEC countries, including most notably the United States; and fourth, a slowing of import absorption by the OPEC group-in some instances because bottleneck problems of one kind or another are being encountered, in other instances because development plans have come to be viewed as excessively ambitious. The apparent stickiness of the OPEC payments surplus at a high level, buttressed by what is now a significant stream of income from investments, implies large-scale financing requirements for OPEC customers for
a considerable period ahead. The prospect of such persistent financing needs, year after year, is especially worrisome.

Great as must be our attention to these OPEC-related problems, we dare not lose sight of the fact that our international payments mechanism is now under stress for reasons that go beyond the extraordinarily high price of oil. The payments deficits of various nations, both industrial and less developed, can be traced to extensive social-welfare and development programs undertaken in the early 1970's and financed by heavy governmental borrowing, often directly from central banks. Even when the internal stresses resulting from inflation were aggravated by the oil burden and by weaker exports, there was little or no adjustment of economic policies in numerous instances, thus causing external positions to deteriorate sharply. There were conspicuous exceptions, of course, particularly on the part of countries that historically have the greatest sensitivity either to inflation or to payments imbalance, or both. A wide diversity of payments imbalances thus developed around the globe, accentuated for a time by differences in the severity with which recession affected national economies and, more recently, by differing inflation and recovery trends.

The current pattern of international payments imbalances, in short, is something far more complex than an OPEC phenomenon alone. Essentially, what prevails is a problem within a problem. The non-OPEC group of countries collectively not only has a massive structural deficit vis-a-vis OPEC. In addition, serious payments imbalances exist within the nonOPEC sector itself, with a few nations experiencing sizable surpluses on their current account while many others suffer deficits that reflect many factors besides the way in which the burden of costly oil imports happens to be distributed around the globe.

A great deal of effort has been devoted by scholars to the task of trying to estimate how long the present severe imbalance of international payments accounts could persist in the absence of deliberate new policy actions. The results of these exercises generally are not reas-
suring. They point to the distinct possibility that huge borrowing needs-that is, needs that are uncomfortably large in relation to the debt-servicing capabilities of many countries-could persist at least through the remainder of this decade.

The potential trouble in this set of circumstances should be obvious. If OPEC surpluses on current account should continue on anything like the present scale, they would inevitably be matched by deficits of identical magnitude on the part of other nations. And if some countries outside OPEC should also have sizable and persistent surpluses, as now appears to be the case, the aggregate deficit of the remaining countries will be still larger. Under such circumstances, many countries will be forced to borrow heavily, and lending institutions may well be tempted to extend credit more generously than is prudent. A major risk in all this is that it would render the international credit structure especially vulnerable in the event that the world economy were again to experience recession on the scale of the one from which we are now emerging.

To minimize the risks that face us, there is a clear need for a strong effort involving all major parties at interest. In order to achieve relatively smooth expansion of the world economy, five conditions are essential: First, the aggregate of payments imbalances around the world needs to be reduced far more rapidly than currently observable trends imply; second, the divergences that now exist among countries with regard to their balance of payments status need to be narrowed; third, protectionism must be scrupulously avoided by governments; fourth, private financial institutions need to adhere to high standards of creditworthiness in providing whatever volume of international financing occurs during the next few years; and fifth, official credit facilities need to be significantly enlarged.

The realization of these conditions requires diligent pursuit of stabilization policies by countries that have been borrowing heavily in international markets. The obstacles to speedy adjustment on the part of these countries are well known. Resistance stems chiefly from the political difficulty of gaining broad acceptance
of the painful things that must be done to restrain inflation and to achieve energy conservation. Countries thus find it more attractive to borrow than to adjust their monetary and fiscal policies; and if they can do this without having lenders write restrictive covenants into loan agreements, so much the better. That is why countries typically prefer to tap foreign credit markets to the maximum extent possible rather than to borrow from the IMF, which, in aiding countries that experience significant payments disequilibrium, makes credit available only after the borrower has agreed to follow internal policies judged appropriate by the Fund. Commercial banks, as a practical matter, have neither the inclination nor the leverage to impose restrictive covenants on sovereign governments.

In these circumstances, admonition alone is likely to accomplish little in prodding countries with large payments deficits to take affirmative action. There are, however, limits dictated by financial prudence beyond which private lenders will be unwilling to go. More than one country has recently found that its ability to borrow in the private market has diminished. The fact is that commercial banks generally, and particularly those which have already made extensive loans abroad, are now evaluating country risks more closely and more methodically. Credit standards thus appear to be firming; and as information about borrowing countries improves, we can reasonably expect the market to perform its function of credit allocation more effectively.

As some of you may know, the Federal Reserve is currently engaged in a joint project with other central banks to obtain a much more complete size and maturity profile of bank credit extended to foreign borrowers, country by country. That information, which is being gathered under the auspices of the Bank for International Settlements, (BIS) will be shared with private lenders, but even so it will fill only a fraction of the existing informational gap.

What we need is a more forthcoming attitude on the part of borrowing countries in regularly supplying information to lenders on the full range of economic and financial matters relevant to creditworthiness. I realize that much of the needed information is not even collected in
some countries, but such a condition should not be tolerated indefinitely. Logically, the BIShaving links with the central banks of the principal lending countries-could take the lead in setting forth a list of informational items that all countries borrowing in the international market would be expected to make available to present or prospective lenders. Compliance could then become a significant factor in the ability of countries to secure private credit, particularly if-as I would judge essentialbank regulators in the various lending countries explicitly took account of compliance in their review of bank loan portfolios.

Imperfect or incomplete information, as I think we all recognize, makes for inefficient markets and heightens the risk of disruptive discontinuities if some previously unknown but pertinent fact suddenly comes to light. In the market for bank credit, a continuous flow of factual information will produce gradual, as distinct from abrupt, changes in assessments of creditworthiness. This should induce earlier recourse to the IMF by countries experiencing payments difficulties than has been usually the case in the past. Even now, as lenders are becoming better informed and somewhat more cautious in extending foreign credit, a tendency toward earlier recourse to the IMF appears to be emerging. It seems likely, therefore, that more countries that need to adjust their economic policies will henceforth do so sooner and probably also more effectively. By so doing, the unhappy alternative of resorting to protectionism will be more readily avoided.

Private banks-both in this country and else-where-played a very substantial role in "recycling" petrodollars between the OPEC group and other countries, especially those whose external payments position was weakened by the higher oil prices. Had the banks not done so, the recent recession would have been more severe than it was, since there was no official mechanism in place that could have coped with recycling of funds on the vast scale that became necessary in 1974. But with many countries now heavily burdened with debt, bankers generally recognize that prudence demands moderation on their part in providing additional financing for countries in deficit. For that reason, they under-
standably wish to see an increase in the relative volume of official financial support to countries that continue to have large borrowing needs.

Bankers are not alone in wanting to see countries in deficit pursue adjustment policies more diligently. This interest, in fact, is widely shared by economists and other thoughtful citizens who see an urgent need for healthier and more prosperous economic conditions around the world. The interests of the international economy and of private lenders thus converge and point to the need for a much more active role by the Fund.

The leverage of the Fund in speeding the process of adjustment would clearly be enhanced if its capacity to lend were greater than it is now. One reason why countries often are unwilling to submit to conditions imposed by the IMF is that the amount of credit available to them through the Fund's regular channels-as determined by established quotas-is in many instances small relative to their structural payments imbalance. That will be so even after the scheduled increase in IMF quotas becomes effective. To remedy this deficiency, the Fund is currently seeking resources of appreciable amount that could be superimposed on the framework of the quota system. Negotiations are in progress with several countries of the OPEC group as well as with the United States and other industrial nations whose payments position is comparatively strong. Such a supplementary Fund facility should induce more deficit countries to submit to Fund discipline. But in no case must it become a substitute for an adequate adjustment policy by borrowers or serve as a bailout for private banks. If negotiations for such a facility are completed soon, which appears possible, high priority should be given to prompt ratification by our Congress and the legislatures of other countries.

The ability of the Fund to act forcefully in speeding the adjustment process will be strengthened in still another way once the 5 -year effort of amending the IMF's Articles of Agreement is completed. At present the Fund normally immerses itself in urging appropriate policies on a country only when that country applies for financial assistance. Under the revised Articles, the Fund could take the initiative
in determining whether individual countries are complying with formally prescribed obligations to foster orderly economic growth and price stability. This authority, once available, will enable the IMF to broaden progressively its oversight role even when a country is not an applicant for a loan.

As the number of countries brought within the reach of the Fund's influence increases-either because of the enticement of enlarged lending facilities or because an IMF "certificate of good standing'" becomes essential to further borrowing from private lenders-the outlook for correction of balance of payments deficits would be considerably improved. But that outcome will also depend on full appreciation by private lenders of the need to avoid actions that tend to undercut Fund efforts.

This does not mean that Fund judgments are to replace those of private lenders in the determination of which countries should be accommodated with private credit. Nor do I even mean to suggest that the texts of the Fund's country evaluations are to be handed around in the private banking community. Were that to become a practice, I am sure the quality of such reports would suffer by becoming less explicit and less frank. But some sharing of Fund infor-mation-within the limits imposed by requirements of confidentiality-may still become feasible, the most logical conduits perhaps being the central banks of the countries in which the major private lending institutions are located.

Fund country reports are transmitted to central banks as a matter of routine, and-as I previously indicated-new factual information about individual countries is now being developed, and more may well be developed later, by the BIS. Private lenders might want to discuss with the staffs of central banks the flow of such information, and this could be done-as would surely be the Federal Reserve's prac-tice-without advising whether or on what scale a loan should be made to this or that country. Such a consultative process, especially if it also involved frequent interchange of information among the leading central banks, would go quite far in preventing any inadvertent circumvention by private banks of the efforts of the IMF to promote financial stability.

The suggestions I am exploring with you for improving the adjustment process obviously will not work unless broadly shared agreement develops that international financial affairs require a 'rule of law'" to guide us through the troubled circumstances that now exist. Such a rule cannot be codified in detail, but it is essential that there be broad agreement that parochial concerns will be subordinated to the vital objective of working our way back to more stable conditions in international finance. And if the IMF is to play a leadership role in pursuing this objective, it is not only private parties that must avoid weakening the IMF's efforts. Governments also-indeed governments especially-must be prepared to forego their own quite frequent inclination to do things inconsistent with the effective pursuit of Fund objectives. There have been too many instances in which the government of a country negotiating a stabilization program with the Fund's officials has attempted to circumvent the Fund by seeking instead a loan from another government or by exerting outside political pressure on Fund officials in an effort to make loan conditions as lenient as possible. If the rule of law in international monetary affairs is ultimately to prevail, all countries-there can be no exceptions-must fully respect the IMF's integrity.

Our first requisite, therefore, is for a new sense of commitment by governments as well as private parties to a responsible code of behavior. I believe that understanding of this need has been growing-certainly within our own government. And, of course, the working of the marketplace-tending now to make credit less readily available to some foreign borrowers-is helping to foster a new set of attitudes.

As I noted earlier, the payments difficulties of countries outside the OPEC group reflect many factors besides the way in which the burden of oil costs happens to have been distributed. It is important that adjustment proceed along several paths in this vast part of the world.

First, countries whose external position has been weakened by loose financial policies are going to have to practice some fiscal and monetary restraint, either of their own volition or because they find it obligatory to do so in order to maintain access to international credit facili-
ties, including those of the IMF. In individual instances, the adjustment process in such countries may at times also entail allowing some depreciation of the foreign exchange value of their currencies.

Second, since the burden of adjustment cannot and should not rest with deficit countries alone, those non-OPEC countries that are experiencing significant and persistent current-account surpluses must understand that they too have adjustment obligations. In saying this, I do not mean to imply that we should urge such countries to pursue expansionist policies that could undo or jeopardize the hard-won progress that some of them have made in curbing inflation. That would be both wrong and unwise. What I mean is simply that such countries should not actively resist tendencies toward appreciation in the value of their currencies in foreign exchange markets. Such appreciation will aid other countries by facilitating access to the markets of the countries in surplus; and at the same time it will make imported goods and services available at a lower cost to the citizens of the surplus countries, thus reinforcing their constructive efforts to control inflation.

Third, practically all non-OPEC countriesthe deficit and surplus countries alike-must treat energy conservation as a key element of their economic policy. This is something to which the United States in particular must give the closest attention. We are by far the largest single consumer of energy in the world, and we have so far been notably laggard in addressing the energy problem. This year imported oil will probably account for over 40 per cent of domestic consumption of petroleum, up from 22 per cent in 1970. Our passive approach to energy policy, besides endangering the Nation's future, has aggravated strains in the international financial system because we are directly responsible for a large part of the OPEC surplus. And, of course, our huge appetite for oil has added to the leverage of those OPEC members that have been most reckless in urging a still higher price of oil. The energy program being prepared by President Carter unquestionably will entail sacrifices by many of our citizens. It is essential, however, that we at long last recognize that a decisive conservation effort
must be a major part of our Nation's economic policy.

If, in fact, we can build momentum into payments adjustment by the non-OPEC group of countries along these three paths-that is, internal discipline by countries in deficit, nonresistance to exchange-rate appreciation by countries in surplus, and determined energy conservation by all-the favorable consequences will be enormous. To the extent that energy conservation is effective, the present serious imbalance of the non-OPEC group of nations vis-a-vis OPEC will be reduced. Beyond that, there will no longer be such extremely large differences in the balance of payments status of the non-OPEC nations. Consequently, the risk of disruption of the international financial system would be greatly reduced, and we could have greater confidence that progress will be realized around the world in reducing unemployment and otherwise improving economic conditions.

There is a critical proviso, however, to this optimistic assessment-namely, that the OPEC group, seeing their surplus decline as a result of foreign conservation efforts or their own increasing imports, will not seek to compensate for the decline by a new round of oil-price increases. Obviously, if they were to do soand if they could make the action stick-the whole exercise of trying to reduce the massive payments imbalances traceable to the oil shock would be rendered futile.

Effective oil conservation and the development of other sources of energy would, of course, militate against such an outcome to the extent that those efforts lessened OPEC's market leverage. That is important for the longer run, but particularly in the years immediately ahead it is vital that the members of OPEC recognize that their economic and political future cannot be divorced from that of the rest of the world. Besides practicing forbearance with regard to the price of oil, it would be very helpful if they made larger grants of assistance to the less-developed countries and also expanded the volume of loans and investments made directly abroad-so that the intermediation of American or European commercial banks may be substantially reduced. Fortunately, there are various
signs that the more influential members of OPEC are becoming increasingly aware that their self-interest requires a major contribution along these lines. The OPEC group has become a large factor in international finance, and there is some basis for confidence that they will play a constructive role in the re-establishment of order in the international financial structure.

In the course of my remarks tonight, I have touched on a number of actions that either need to be taken or avoided to achieve a new sense of order in international finance. Let me conclude by sketching or restating the responsibilities, as I see them, of the major participants in the international financial system.

First, in order to contribute to a more stable international system, the IMF must act with new assertiveness in monitoring the economic policies of its members. To give the Fund added leverage for such a role, its resources must be enlarged. But those resources must be used sparingly and dispensed only when applicant countries agree to pursue effective stabilization policies. In view of the clear need for better financial discipline around the world, this would be a poor time for a new allocation of special drawing rights - or, in plain language, printing up new international money.

Second, national governments must encourage and support the IMF, so that it can become an effective guardian of evolving law in the international monetary sphere. Governments need to resist the temptation to circumvent the Fund by seeking bilateral official loans or to embarrass the Fund by exerting political pressure on Fund officials. Commercial and investment bankers also need to recognize that their actions must not undercut IMF efforts to speed adjustment. The IMF, in its turn, will have to equip itself to handle appropriately its new and larger responsibilities.

Third, a better framework of knowledge for evaluating the creditworthiness of individual countries is badly needed. Among other things,
central banks could work together through the BIS and establish a common list of informational items that borrowing countries will be expected to supply to lenders.

Fourth, commercial and investment bankers need to monitor their foreign lending with great care, and bank examiners need to be alert to excessive concentration of loans in individual countries.

Fifth, protectionist policies need to be shunned by all countries.

Sixth, countries with persistent payments deficits need to adopt effective domestic stabilization policies.

Seventh, non-OPEC countries experiencing large and persistent payments surpluses also need to adjust their economic policies, and they can probably best do so by allowing some appreciation of their exchange rates.

Eighth, all countries, and especially the United States, need to adopt stringent oil conservation policies and, wherever possible, to speed the development of new sources of energy.

Ninth, the members of OPEC must avoid a new round of oil-price increases. They also need to play an increasingly constructive role in assisting the less-developed countries and in the evolution of the international financial system.

Observance of these do's and don'ts would go a significant distance, in my judgment, in meeting the formidable challenges that now confront us. But we shall undoubtedly need to be ready to improvise in the fluid and complex area of international finance. I have no illusions that the ideas that I have presented here tonight can serve as a rigid blueprint. I hope, however, that they will have some value in suggesting directions in which governments, private lenders, and official institutions need to move. By working together toward a rule of law in international finance, we shall be contributing to a stable prosperity for both our own citizens and those of our trading partners.

## Statements to Congress

Statement by Arthur F. Burns, Chairman, Board of Governors of the Federal Reserve System, before the Committee on Banking. Housing and Urban Affairs. U.S. Senate, May 3. 1977.

It is a pleasure to meet once again with this distinguished committee to present the report of the Board of Governors of the Federal Reserve System on the condition of the national economy and the course of monetary policy.

When we last met to discuss these subjects in November, the economy was beginning to emerge from a period of relatively slow growth. That fact was not widely recognized at the time. By concentrating unduly on comprehensive measures of economic activity, many people failed to see the gathering momentum of positive economic forces. Then, early this year, the disruptions caused by unusual weather obscured further the underlying strength of the economy.

It is quite apparent today, however, that a reacceleration of economic growth did get under way late last year and that expansion is again proceeding vigorously. As 1976 drew to a close, final sales of goods and services picked up, reflecting primarily a resurgence of consumer buying and a strong advance in homebuilding. The improvement in sales enabled business firms to work off a good part of the excess inventories that had accumulated over the preceding months when buying was sluggish. With sales and stocks coming into better balance, the pace of new orders and production began to quicken. The demand for labor strengthened, and personal income expanded more rapidly.

The inclement winter weather and shortages in fuel supplies disrupted this expansionary process only briefly, and not nearly so severely as was suggested by early reports. As the weather took a turn for the better in the second
half of February, industrial and commercial activities snapped back smartly in most parts of the country.

Even with the adverse effects of the weather, the Nation's total production of goods and services rose in the first quarter at about a $51 / 4$ per cent annual rate-twice the pace of the preceding quarter. Conditions in the labor market improved, as is evidenced by the sharp rise in hirings while layoffs remained at a low level. The unemployment rate fell by $1 / 2$ of a percentage point as sizable gains in employment more than offset the continued rapid growth of the labor force. At the same time, the rate of utilization of our Nation's industrial plant also edged higher during the first quarter and by March reached 82 per cent in manufacturing.

In all, the recent behavior of economic activity has been encouraging, and the prospects for further economic advance are good. Trends in the consumer sector certainly are favorable. The expansion of jobs and incomes during the past half year has served powerfully to improve consumer sentiment. During the final quarter of 1976 the percentage of disposable income devoted to consumer spending was the highest in several years, and in the first quarter of this year the spending percentage rose still further. Our households, viewed collectively, did not let higher fuel bills interfere with other expenditures. In fact, automobile sales rose to the highest level since 1973, as an increasing number of consumers displayed a willingness to incur additional instalment debt in order to finance the purchase of big-ticket items.

The strong pace of consumer buying late in 1976 caused inventories to fall below desired levels in many lines of activity. More recently, inventory investment has picked up as businessmen sought to keep larger stocks to accommodate their customers. The increasing volume
of work at manufacturing plants has had a similar effect. Nevertheless, inventories generally remain quite lean, and inventory investment can be expected to continue rising as sales move up in the months ahead.

Homebuilding has also shown strength in recent months-especially in the single-family sector where new starts apparently reached a record high in March. With credit readily available and consumer confidence improving, sales of new homes were brisk even during the harsh winter months. Activity in the multifamily sector, meanwhile, has recovered much more slowly from the depression brought on by overbuilding in the early 1970 's. But vacancy rates are now generally falling, and it is thus reasonable to expect the construction of apartment units to gather strength as time passes.

The pace of business investment in new plant and equipment, while still lagging relative to earlier business-cycle expansions, is also gaining strength. Business equipment posted the largest advance of any major category of industrial production during the first quarter. The most recent surveys of business plans point to a substantial further increase in spending on plant and equipment this year. So, too, does the trend of orders for business capital goods. which have risen more than 20 per cent over the past year. With corporate profits improving and with rates of utilization of industrial capacity rising, the potential clearly exists for good gains in business fixed investment.

Governmental demand for goods and services also appears to be an expansive influence in the economy at this time. Budget estimates suggest that Federal purchases of goods and services in calendar 1977 will increase at a faster rate in constant-dollar terms than they did last year. In addition, a quickening pace of spending by State and local governments is likely to take place in the months ahead. In the aggregate, State and local operating budgets have moved during the past 2 years from deficit to surplus, thanks to the combination of strongly rising tax receipts and relatively subdued expenditure growth. With this turnabout in their budgetary situation, State and local governments are likely to loosen their purse strings. And the tendency in that
direction may well be accelerated if the Congress follows through with present plans to enlarge, both this year and next, the flow of Federal grants-in-aid to States and localities.

The only major component of final demand that is not exhibiting strength at present is our foreign trade balance. The dollar value of oil imports increased sharply in the first quarter because of the cold weather, but other im-ports-including coffee and other consumer goods-also rose substantially. Meanwhile, the relatively slow recovery of many foreign economies kept down the expansion of our exports. Only strength of investment income and other nontrade items has held the over-all current-account deficit to moderate proportions. Although the deterioration in our trade balance may be behind us, it is hard to see significant improvement over the remainder of the year.

With the exception of foreign trade, however, demand factors generally seem to point to good growth in our Nation's output of goods and services this year. Buttressing that expectation is the fact that financial conditions provide a satisfactory foundation for further economic expansion.

The Federal Reserve has continued to pursue a course of monetary policy intended to promote conditions conducive to substantial expansion in economic activity, while guarding against the release of new inflationary forces. During the past 2 years the increases that have occurred in the stock of money have proved adequate to finance substantial gains in the physical volume of output and employment. This experience has demonstrated once again that consideration of the stock of money alone is not sufficient for assessment of the adequacy of the economy's liquidity. Money has a second dimension, namely, velocity, or-in common parlancethe intensity with which it is being used. Over short periods of time the truly dynamic factor is not so much the stock of money as the willingness of the public to use their money balances. Upswings in business and consumer confidence are commonly reflected in substantial increases of monetary velocity. Moreover, in the case of the narrowly defined money supply, intensity of use has been increasing with special
rapidity since 1975 , reflecting numerous innovations in financial technology that serve to reduce reliance on demand deposits for handling monetary transactions.

Supplies of credit have been ample-perhaps more than ample-during the past 6 months, and most rates of interest are near their lowest levels in several years. In this environment, many economic entities have been able to achieve a further strengthening of their financial condition.

Large business firms with high credit ratings issued a massive volume of long-term bonds during 1975 and the first half of 1976, and they used the proceeds largely to repay short-term debt and to acquire liquid assets. Such restructuring of balance sheets appears to have abated in the past half year or so, and many companies are now cautiously enlarging their borrowing from banks and through the commercial paper market. This expansion of short- and interme-diate-term liabilities has occurred unusually late in the current cyclical expansion and it has been moderate to date.

Meanwhile, some large corporations-especially utility and communications firms-have availed themselves of the attractive financing conditions by selling bonds to refund high coupon issues of earlier years. More important still, many smaller and lower-rated firms have found in the past several quarters a more receptive market for their long-term debt obligations, and they have thus been able to make progress in strengthening their balance sheets. Life insurance companies and other investors in the private placement market have been aggressively seeking lending opportunities and have recently supplied a record amount of credit to small- and medium-sized firms. Moreover, the spread between interest rates on prime- and lower-rated bond issues in the public market for securities-which had become unusually wide during the recent recession--has now narrowed to dimensions that are normal for business-cycle expansion.

The favorable condition of financial markets has been of help as well to State and local governments during the past half year. Particularly in the final quarter of 1976, the proceeds
of substantial issues of new long-term bonds were used to repay outstanding short-term debt, thus continuing a practice that has prevailed since mid-1975. This process of debt restructuring, together with the progress made in strengthening budgetary positions, has improved dramatically the standing of many States and municipalities with the investment community. Testifying to that is the fact that interest rates on municipal securities have declined more than interest rates on other fixed-income obligations. Not only that, the spread between yields on higher- and lower-quality bond issues has narrowed sharply in recent months. These developments have led to numerous advance refundings of existing debt, thereby lowering the future interest burden on taxpayers.

Despite larger loan demand from business and consumers since last fall, commercial banks have been able to maintain their sharply improved liquidity. Indeed, they have added further to their holdings of Treasury securities, which today are more than double what they were at the end of 1974. Many banks have strengthened their equity position during the past 6 months through earnings retention, and some have also augmented their capital by issuing new stock or subordinated long-term debt.

Savings banks and savings and loan associations too have been able to accommodate heavy credit demands without reducing liquidity. The relatively low level of market rates of interest has sustained good inflows of consumer time and savings deposits to those institutions. Against this background, outstanding mortgage commitments have risen to record levels and mortgage interest rates have declined. These developments have contributed to the brisk pace of home sales and to the upward thrust of housing construction.

In sum, both general financial conditions and the growth patterns that have been unfolding in key sectors of our economy justify considerable optimism about the immediate future. Even so, there are some uncertainties in the present situation that deserve serious attention. The most important of these relate to energy and inflation.

One of the reasons capital spending has lagged during this economic expansion has been
a reluctance of businessmen to undertake longterm investment projects without a clearer view of the future cost and availability of petrochemical feedstocks and various energy sources. The President's proposal of a broad energy program is a long-needed step toward creating a more certain environment for decision-making. However, with congressional action still to be taken and with the final shape of any program unknown, the situation at the moment is as uncertain as ever. Furthermore, in view of the prospect of significant tax or other incentives or disincentives in the not too distant future, there will be a tendency here and there to hold off on major expenditures a bit longer to see what develops. This could have the effect of retarding the advance not only of business capital outlays in the months ahead but also of spending by households-especially on automobiles and energy-saving home improvements.

Because of these possibilities, it obviously is important that the Congress lose no time in considering the President's energy recommendations. I fully realize the practical obstacles to quick action in matters so complex, but I also feel bound to observe that significant risks to economic performance will exist as long as businessmen and the general public remain uncertain of what to expect in the energy area.

The course of economic expansion may also be significantly affected by the pace of inflation. Inflation has accelerated in recent months. Both wholesale and consumer prices advanced at an annual rate of about 10 per cent in the first quarter, with the flare-up of food prices only part of the explanation. Particularly worrisome is the fact that we have now experienced three successive quarters of increase at about an 8 per cent annual rate in the critically important industrial commodities component of the wholesale price index. This development reflects an upward climb during the past year of close to 6 per cent in the labor cost per unit of output for private business firms; it also reflects an effort on the part of many companies to widen profit margins from the low level to which they had fallen during the recession. With wage increases now showing some tendency to
quicken and with the economy at a stage where productivity gains are likely to become smaller than they have been during the past 2 years, there is no relief in sight for the underlying cost pressures that businesses have been experiencing. This unhappy circumstance inevitably casts a cloud on our Nation's ability to maintain a satisfactory rate of economic growth into 1978 and beyond.

Experience teaches that when serious inflation persists, consumer confidence and purchasing power will ultimately erode. Continuing inflation at high rates likewise tends to work against sustained expansion in business investment activity, for it raises the risk premium that businessmen attach to new undertakings. Forward business planning becomes more hesitant in an environment in which managers are unable to assess cost and profit prospects with any confidence over the long time horizons that are frequently involved in new investment projects.

Recognizing these difficulties, President Carter has outlined a multifaceted program to fight inflation. I want to assure this committee that the members of the Federal Reserve Board fully support the President's determination to bring down the rate of inflation. All of the measures in his projected program can be helpful, but there is no doubt in our minds that the main key to success in the battle against inflation is prudent management of the Nation's finances.

The Federal Open Market Committee was well aware of its heavy responsibility to encourage economic expansion and yet help to curb inflation when it met last month to discuss the longer-run growth of the monetary aggregates. The Committee decided to leave unchanged over the year ending in the first quarter of 1978 the previous growth range of $41 / 2$ to $61 / 2$ per cent in M-1, which is a monetary measure confined to currency and demand deposits. For $M-2$, and likewise for $M-3$, the upper boundary of the growth range was reduced, however, by $1 / 2$ of a percentage point. Consequently, the growth ranges projected for the coming year are 7 to $91 / 2$ per cent for $M-2$ and $81 / 2$ to 11 per cent for $M-3$. As the committee may recall, $M-2$ includes savings and con-
sumer-type time deposits at commercial banks besides currency and demand deposits, while $M-3$ is a still more comprehensive aggregatesince it also includes the deposits at savings banks, savings and loan associations, and credit unions.

As you can see, the Federal Open Market Committee has again moved very cautiously in adjusting the projected monetary growth ranges. In addition to taking account of the usual uncertainties about the relationship between money and economic activity, we recognized that the impact of the as yet unsettled energy program on aggregate supply and demand in the period ahead cannot be foreseen with any precision. Nonetheless, we did feel it appropriate to take another small step toward bringing the long-run growth of the monetary aggregates down to rates compatible with general price stability.

Sustained progress in this direction will, I believe, be absolutely necessary if President Carter's publicly announced goal of reducing the pace of inflation by 2 percentage points by the end of 1979 is to be achieved. The trend of growth in monetary aggregates is still rapid, perhaps much too rapid. To be sure, the Federal Reserve has moved fairly steadily toward lower ranges for monetary expansion during the past 2 years. But that movement has been extremely gradual: indeed, at the current pace it would require nearly a decade to reach rates of growth that are consistent with a stable price level.

I must report, moreover, that despite the gradual reduction of projected growth ranges for the aggregates during the past 2 years, no meaningful reduction has as yet occurred in actual growth rates. That unintended consequence is partly the result of data deficiencies that complicate the already formidable task of adjusting or approximating monetary growth objectives. Initial estimates of the monetary aggregates sometimes differ considerably from estimates made later when fuller data became available.

A factor contributing to the measurement problem has been the inadequacy of deposit data for nonmember commercial banks. While our estimates of nonmember bank deposits-which
constitute a growing proportion of the money stock-have often been on the mark, on occasions there have been significant errors. Our most recent benchmark revision of $M-1$, based on nonmember bank data from the call report for last September, raised the estimate of growth over the year ended in the fourth quarter of 1976 from 5.4 to 5.7 per cent; and this figure is still subject to subsequent revision on the basis of the call report for December.

We at the Federal Reserve are diligently trying to improve the quality of the Nation's monetary data. Last year a committee of distinguished economists, whose aid we had sought, completed a study of the statistics on monetary aggregates. Some of the recommendations of the committee are being implemented with the aid of the Federal Deposit Insurance Corporation. Other recommendations of the consultant committee are being studied by our staff, and further changes are likely to be instituted in the near future. Nevertheless, experience suggests that monetary measurement will continue to lack the precision of science, and so too will the Federal Reserve's actions aiming to influence developments in financial markets.

Events during the past several months have again demonstrated quite clearly that the twists and turns that occur in financial markets often are dominated by developments unrelated to Federal Reserve actions. For instance, from late in 1976 to late April, the Federal funds rate-the one interest rate over which the Federal Reserve has close control-traded within a narrow range between $45 / 8$ per cent and $43 / 4$ per cent; yet, other market rates of interest in that period fluctuated over ranges as wide as a full percentage point. Those fluctuations in interest rates in large part reflected changing public perceptions of the outlook for the Federal budget. Thus, interest rates moved upward sharply when the administration proposed a new fiscal policy, including the so-called rebate program; and they fell markedly when the President announced that he had dropped the rebate plan.

What this demonstrates anew is that financial market participants have become acutely aware of the inflationary pressures created by Federal budget deficits and the resultant adverse impact
on credit conditions. The caution of the Congress with respect to the tax rebate proposal and the President's willingness to adjust his fiscal program in light of emerging economic developments have done much to enhance confidence that our Government is moving toward a more responsible financial posture.

In concluding this morning, I am obliged to observe that we have still a considerable distance to go in putting our financial house in order. Too often in the past, we have lacked
the courage or the patience to stay long enough on a monetary and fiscal path that will lead to noninflationary economic growth. We cannot afford to backslide once again. Unless we achieve a less inflationary environment, there will be little chance of sustaining the expansion that is now in progress or of significantly reducing the high level of unemployment that is blighting the lives of millions of Americans. That, in a sentence, is the Board's central message to the Congress.

Statement by David M. Lilly, Member, Board of Governors of the Federal Reserve System, before the Subcommittee on Employee Ethics and Utilization of the Committee on Post Office and Civil Service, U.S. House of Representatives, May 4, 1977.

I appreciate the opportunity to appear before this subcommittee to express the support of the Board of Governors of the Federal Reserve System for H.R. 2387-a bill that would raise to Level I of the Executive Schedule the positions of the Chairman of the Board of Governors and of the Director of the Office of Management and Budget, and to Level II the positions of the Board Members and the Deputy Director of the Office of Management and Budget.

Let me state at the outset my recognition that an appearance before a subcommittee by an individual who is a principal beneficiary of proposed legislation could possibly raise a question of objectivity. I am serving as a Member of the Board through January 31, 1978, having commenced service on June 1, 1976, after appointment to the unexpired portion of a 14-year term of office. As a consequence I have little to gain from the proposed legislation. However, my appearance before this subcommittee can, I believe, provide you with an informed viewpoint on issues related to the legislation being considered, since my background includes not only membership on the Board of Governors but also service as a mem-
ber of the Board of Directors of the Federal Reserve Bank of Minneapolis.

During my 5 years on the Bank's Board-2 years as Deputy Chairman and 3 years as Chairman-I endeavored to familiarize myself with System goals, responsibilities, and objectives. At that time, my perspective was that of a System director encountering the operating problems and responsibilities of a Reserve Bank. In my present capacity as a Member of the Board of Governors, I am required, in association with my colleagues on the Board, to deal with issues in the field of monetary policy, international finance, bank regulatory issues, and consumer protection. This experience enables me, I believe, to appraise the importance of the Board's responsibilities regarding the stability of this Nation's economic and banking systems and the corresponding justification for moving the positions of the Chairman and Board Members to higher levels within the Executive Schedule. The fact that I have recently transferred from a higher-paying business career to an Executive Schedule, Level III position as a Member of the Board of Governors perhaps lends a degree of emphasis to many of the comments that I will make regarding the proposed adjustment to the Executive Schedule.

Let me now address the issue under consideration by this committee; namely, the merits of the Executive Schedule levels proposed by H.R. 2387, with emphasis on the positions of
the Chairman and Members of the Board of Governors. A decision in this regard requires an historical review of past actions affecting Board Members' salaries, as well as a brief outline of the nature and expanding scope of Board Member duties.

There is clear historical evidence that these considerations have been uppermost in the mind of the Congress when similar legislation involving levels of Board Members' compensation has been considered. For example, in the 1913 Federal Reserve Act originally establishing the Board, the Congress recognized the importance of the new agency's responsibilities by providing compensation for Board Members at a level equal to that of Cabinet officers, which at that time was $\$ 12,000$ per annum. This equality prevailed until 1925, when the salaries of Cabinet officers were increased to $\$ 15,000$ without a similar increase for Board Members. However, in the Banking Act of 1935, compensation of Board Members was increased to $\$ 15,000$, thus re-establishing the parity that was contemplated by the original Federal Reserve Act.

In 1949 Cabinet officers' compensation was increased from $\$ 15,000$ to $\$ 22,500$ per annum. At the same time, compensation of Board Members, including the Chairman, was raised from $\$ 15,000$ to $\$ 16,000$ per annum.

In 1950 a Subcommittee of the Joint Committee on the Economic Report stated that "every effort should be made to build up the quality and prestige of Federal Reserve officials," and recommended that the salary of the Chairman of the Board be raised to Cabinet officer level (then $\$ 22,500$ ) and that the salaries of other Board Members be increased to $\$ 20$,000 per annum. In 1952 this judgment of the importance of an appropriate salary base was reaffirmed by another subcommittee of the Joint Committee on the Economic Report. That subcommittee's report stated '". . . it is of great importance that the Chairman and Members of the Board of Governors should be persons of the highest caliber." The subcommittee then repeated the 1950 salary recommendations for the Chairman and Board Members.

In 1956 the salaries of the Chairman and

Board Members were raised, respectively, to $\$ 20,500$ and $\$ 20,000$ per annum; but in the same year, the pay level of Cabinet officers was raised to $\$ 25,000$ per annum.

In 1962 President John F. Kennedy recommended that "the salary of the Chairman be fixed at $\$ 25,000$, equal to that of Department heads, and that the salary of other Governors be fixed at $\$ 22,000$.' In a special message to Congress on April 17, 1962, President Kennedy said in support of his recommendation:

The Board of Governors has immense responsibilities for the health of the United States economy. The performance of its tasks requires specialized knowledge and good judgment in exceedingly complex fields of domestic and international economics and finance. The salaries of the Governors should be commensurate with their grave responsibilities, sufficient to attract outstanding men and to give them the prestige and status necessary for effective performance of their duties. As I said in my Economic Report, "The United States is behind other countries in the status accorded, by this concrete symbol, to the leadership of its 'central bank,' and I urge that the Congress take corrective action."

In 1964 the Executive Pay Schedule was established, with the Chairman of the Board placed in Level II and the Board Members placed in Level III. The positions currently remain at these levels, still below that of Cabinet officers.

I believe that the original concept of Executive Pay Schedule parity between Board Members and Members of the Cabinet was a sound one. Over the years this equality of compensation has been lost, although there have been frequent calls for correction of the discrepancy, particularly with respect to the Chairman's salary. The December 1976 Report of the Commission on Executive, Legislative and Judicial Salaries, which was submitted to President Ford, concluded that "a significant number of Federal Government jobs, both in the super grades and Executive Levels, are evaluated erroneously," and cited as examples of "the classification problems," the Level II classifications of the Chairman of the Federal Reserve

Board and the Director of the Office of Management and Budget. With respect to the office of the Federal Reserve Board Chairman, the Commission's Report concluded:

By any standard, the Chairman of the Federal Reserve Board has responsibilities that one could argue are roughly equivalent to the Secretary of the Treasury. His position has many aspects of a career job-given the fourteen year tenure. Thus, it does not offer the prospect of a short government career.

I submit that the broad range of responsibilities faced by the Board, particularly as those duties have increased in recent years, offers ample justification for the Executive Schedule adjustments contemplated for the Chairman and Board Members in the bill before you.

The foremost responsibility of the Federal Reserve is the formulation and implementation of monetary policy that will ensure a sufficient availability of money and credit to facilitate the achievement of a rising standard of living within the United States. Toward that end, the Federal Reserve seeks to combat inflationary pressures, which have plagued the country in past years, while providing the financial basis for growing employment and output. The Federal Reserve has the additional responsibility, as a lender of last resort, to forestall national liquidity crises and financial panics. General monetary policy is carried out through the coordinated use of open market operations, the regulation of member bank discounting with the Federal Reserve Banks, and changes in member bank reserve requirements. The latter two activities are exercised pursuant to the direction or approval of the Board.

System open market operations (with transactions in Government securities last year averaging about $\$ 2.0$ billion per day, with a single day's high of $\$ 9.0$ billion) are achieved under the direction of the Federal Open Market Committee, which is composed of the seven Members of the Board and five Presidents of Reserve Banks. In addition, the Board determines the margin requirements applicable to stock market credit transactions and sets the maximum interest rates member banks may pay
on time and savings deposits. The foregoing responsibilities are of an imperative and unique nature.

One indication of the weight of Board responsibilities is the fact that as of year-end 1976, Federal Reserve System assets totaled $\$ 133.4$ billion. Government securities in the System's portfolio at year-end 1976 totaled $\$ 105$ billion and produced 1976 total income of $\$ 6.5$ billion. Ninety-eight per cent of the net System earnings, or $\$ 5.9$ billion, was turned over to the Treasury by the System at year-end 1976.

A second responsibility of the Federal Reserve System is that of banker for the Federal Government. In this capacity, the Federal Reserve issues, redeems, and exchanges Government securities; handles a major portion of the Government's cash balances; and, as fiscal agent of the Federal Government, processes and handles tax payments and food stamps. More than 2 billion food stamps were processed by the Federal Reserve System in 1976-a 58.2 per cent increase over the 1970 level.

The Federal Reserve, in close and continuous consultation and cooperation with the U.S. Treasury, engages in foreign currency operations, for the most part to counter disorderly conditions in foreign exchange markets. Such foreign currency transactions are the responsibility of the Federal Open Market Committee, acting through its Special Manager at the Federal Reserve Bank of New York.

By statute, the Federal Reserve has a general regulatory and supervisory responsibility over all member banks. As of June 30, 1976, there were approximately 5,800 member commercial banks in the Federal Reserve System, holding $\$ 586$ billion of deposits. The Federal Reserve is responsible for examining about 1,000 State member banks and, as to any unsatisfactory conditions found to exist with respect to such banks, for effecting appropriate corrective action. In recent years, correction of unsafe or unsound banking practices has involved the Federal Reserve System, under the Board's direction, in an increasing number of cease-anddesist proceedings under the Financial Institutions Supervisory Act.

The Federal Reserve System is also responsible for regulation of some 1,900 registered bank holding companies, which control banks holding roughly two-thirds of the banking deposits in the Nation. In the 14-year period, 1956 through 1970, the System acted upon 470 bank holding company applications. Between 1971 and 1976, the number of applications increased to 5,079.

In the field of foreign activities of domestic banks, the Federal Reserve is responsible for processing applications by member banks to establish foreign branches and to make investments in foreign subsidiaries. We must also supervise their activities on a continuing basis. Assets of foreign branches of U.S. banks at year-end 1976 totaled $\$ 180$ billion, an increase of $\$ 52$ billion over the 1970 level. As the operations of U.S. banks continue to expand abroad, regulatory and supervisory responsibilities of the Board will increase correspondingly.

The Federal Reserve also provides services to the banking system and the general public through the issuance of currency and coin and the processing of checks. Presently, 50 million checks are processed daily by the System, an increase of 85 per cent over the 1970 level. This has required the establishment of 11 new regional check processing facilities over the last 6 years.

With the enactment of the Truth in Lending Act in 1968, the Federal Reserve System has been assigned a major new area of responsibility in consumer credit protection. In increasing number and complexity, laws relating to some aspect of consumer protection have been enacted that require the Board's direct involvement in the issuance of regulations and interpretations, consumer education activities, and enforcement procedures. In the past 3 years alone, there have been enacted the Fair Credit Billing, Equal Credit Opportunity, Consumer Leasing, Home Mortgage Disclosure, Real Estate Settlement Procedures, and the Federal Trade Commission Improvement Acts.

I have taken the time to spell out the Board's major functions in the belief that this subcommittee, in considering the proposed adjustments
to the Executive Schedule, would wish to take into account the quantity and nature of responsibilities assigned to these positions; the extent of discretionary judgment involved in the Board's decision-making authority; and the over-all significance and impact of decisions made by the Board as a collegial body.

The Executive Schedule Level assigned to the Chairman and Members of the Board, as is the case with all Government officials, is indicative of the importance the Congress places on the responsibilities it has assigned to a particular office or agency. It is my belief that if the responsibilities of the Chairman and Members of the Board were purely of a regulatory, or enforcement nature, their present Levels would be appropriate. However, Board Members have been assigned primary responsibility for the determination of national monetary and credit policies. Certainly, the degree of importance assigned to this function has not diminished since 1913, when Board Members were paid at Cabinet officer level. Nor has there been a diminution in the complex issues confronting Board Members. Rather, the increasing complexities of both domestic monetary policy and international finance, and the leadership role now performed by this Nation in international monetary and economic matters, has added to the importance of the role played by the Chairman and Board Members as this Nation's central banking authority. The Congress, itself, has evidenced its increasing attention to monetary policy and other responsibilities of the Board in its adoption of House Concurrent Resolution 133 and by its increasing requests for testimony of the Chairman and other Board Members. The Chairman testified before congressional committees a total of 32 times in 1975 and 1976, and the other Members of the Board appeared an additional 47 times during the same period. Only yesterday, Chairman Burns appeared before the Committee on Banking, Housing and Urban Affairs of the Senate to report on the condition of the national economy and the course of monetary policy.

To attract individuals of the highest qualification to the Board and to permit the Chairman and other Members of the Board to be accorded
appropriate recognition status in international financial circles, it would appear only logical to place the positions of the Chairman and Board Members at the proposed Executive Schedule Levels. This is obviously the intent of H.R. 2387 and a step that I believe is long overdue.

I might also point out a characteristic that distinguishes Board Member positions from those of other Government officials. First, the statutory term of a Board Member is 14 years-a period certainly constituting a major portion of an individual's professional career. To attract an individual to Government service for this length of time, particularly an individual with acknowledged expertise in one or more of the areas of endeavor specified in the Federal Reserve Act, the Congress should compensate such individual at a realistic and equitable level. I have reviewed the service records of Board appointees for the 10 -year period 1966-76 and found that in that time, of the 12 individuals appointed to the Board, 5-all 50 years of age or younger-resigned prior to completion of their term of office. I am convinced that a primary factor contributing to the early departure of these individuals was the financial strain they faced as Board Members.

I would make a final observation regarding the treatment accorded the position of Chairman by this legislation. The Chairman's responsibilities as the Board's "active executive officer" (Section 10 of the Federal Reserve Act), his role as Alternate Governor to the International Monetary Fund, his position as Chairman of the Federal Open Market Committee, and other uniquely sensitive duties he performs, particularly warrant his classification at

Level I of the Executive Schedule. I wish to add, however, a word of qualification to this statement. While, on each occasion that Chairman Burns has expressed himself on this subject, he has strongly endorsed the principle of increased salaries for the Chairman and Members of the Board, he has also stated quite clearly that he did not wish to benefit personally from a higher salary for the Office of Chairman. Accordingly, he has requested that any new salary level established for the Office of Chairman become effective with his successor. The Chairman has asked that this point of personal reservation be placed on the record of this hearing.

My statement supporting favorable action on H.R. 2387 has stressed the substantial character and scope of responsibilities of the Chairman and Board Members and the increase in the volume and complexity of these responsibilities in recent years. The same rationale would. in my judgment, appropriately apply to the positions of Director and Deputy Director of the Office of Management and Budget. The responsibilities of these officials relating to preparation and administration of the annual budget, formulation of the Government's fiscal program, coordination of Executive Department views and recommendations on legislative matters, and development of improved coordinating and administrative procedures within the Executive Department, are highly significant in nature and greatly impact upon the performance of the entire Executive Branch. It would thus seem entirely appropriate to compensate the Director at Level I of the Executive Schedule, and his Deputy at Level II.

# Record of Policy Actions of the Federal Open Market Committee 

MEETING HELD ON MARCH 15, 1977

## 1. Domestic Policy Directive

The information reviewed at this meeting suggested that growth in real output of goods and services in the first quarter of 1977 had increased from the pace in the fourth quarter of 1976 - now indicated by revised estimates of the Commerce Department to have been at an annual rate of 2.4 per cent, compared with 3.9 per cent in the third quarter and 4.5 per cent in the second. The rise in average prices-as measured by the fixed-weighted index for gross domestic business product-appeared to have been faster than the annual rate of 4.9 per cent estimated for the fourth quarter of last year, in part because of the adverse effects of severe winter weather on prices of foods.

Staff projections suggested that real GNP would grow at a considerably better rate in the current quarter than had appeared likely a month earlier. The rate of inventory investment-which had fallen sharply in the fourth quarter of 1976, according to the revised estimates-was now expected to increase, whereas a month earlier it had been projected to decline further. Moreover, the gain in business fixed investment was now anticipated to be larger. On the other hand, the new projections suggested less growth in residential construction and in government purchases of goods and services.

The staff projections for subsequent quarters, like those of a month earlier, incorporated assumptions that rebates of Federal income taxes and one-time payments to recipients of social security would be disbursed in the second quarter; that both personal income taxes and corporate taxes would be reduced; and that Federal spending for job-creating programs would be expanded. Reflecting these assumptions as well as expectations of continuing recovery from the effects of the severe weather, real GNP was projected
to grow at a rapid rate in the second quarter and at a more moderate-but still rather substantial-pace in succeeding quarters. It was expected that the fixed-weighted price index for gross business product would rise less rapidly than in the first quarter.

During February economic activity rebounded following the disruptions caused by the severe winter weather and shortages of natural gas. The index of industrial production for the month as a whole rose 1 per cent and recovered to about the December level-reflecting widespread gains among consumer goods, business equipment, and industrial materials.

Retail sales also rebounded in February, recovering almost to the advanced level reached in December. The number of new automobiles sold was at an annual rate of about $103 / 4$ million, compared with $101 / 2$ million in January and about 11 million in December; during those 3 months sales were higher than for any other 3-month period in the current business expansion.

Payroll employment in nonfarm establishments expanded considerably further in February, even though plant shutdowns and energy-related layoffs were still numerous in the week ending February 12 -the reference week in the month for the labor market surveys. Increases in employment were reported by three-fifths of the industries in the establishment survey. Employment in manufacturing was unchanged, after having expanded appreciably over the month ending in early January, but the average workweek increased much more than it had declined in January. In the household survey, the unemployment rate rose from 7.3 to 7.5 per cent, as the civilian labor force more than recovered its decrease in January; however, the rate remained below the 7.8 per cent of December.

Personal income increased little in January, following 3 months of sizable gains. The slowing of growth was attributable to three main causes: a weather-related loss of wages and salaries; a drop in disbursements of corporate dividends from an unusually large December volume; and an increase in deductions for social security taxes levied on employees. For February, the labor market surveys and other information suggested a strong gain in over-all personal income.

Indicators of residential construction had been strong in the closing months of 1976 , but activity was curtailed in January by
the severe weather, especially in the Northeast and North Central regions of the country. In January private housing starts were more than one-fifth below the advanced average for the fourth quarter, and according to estimates of the Bureau of the Census, residential construction outlays were nearly one-tenth below the December level. At the same time, however, sales of new and existing houses remained strong, mortgage commitments outstanding at savings and loan associations at the end of January were close to the record high level of a month earlier, and through the end of 1976 rental markets continued to tighten in most areas.

Businesses were planning to spend 11.7 per cent more for plant and equipment in 1977 than in 1976-according to the latest Department of Commerce survey, conducted in late January and early February. The Department's first survey for 1977, conducted in December, had suggested a rise of 11.3 per cent. Current indicators suggested improvement in business demands for fixed capital. New orders for nondefense capital goods rose substantially more in December than had been estimated earlier, and a further modest increase was reported for January. Contract awards for commercial and industrial buildings-measured in terms of floor space-declined somewhat in January, but they were still slightly above the monthly average for the fourth quarter of 1976.

The index of average hourly earnings for private nonfarm production workers was essentially unchanged in February, after having risen sharply in January. Over the first 2 months of 1977, the index advanced at an annual rate of about $53 / 4$ per cent, compared with a rise of about 7 per cent over the 12 months of 1976.

The wholesale price index for all commodities rose 0.9 per cent in February, compared with an average increase of about 0.6 per cent in the preceding 5 months. Average prices of farm products and foods rose sharply in February, in part because of the effects of the cold weather on supplies of fresh fruits and vegetables and of drought on prospective supplies of grains and cotton. The price index for industrial commodities continued upward at about the average pace of recent months, reflecting mainly a sizable increase in the index for fuels and power following decreases in the preceding 2 months. The advance was especially large for natural gas; because of a 2 -month lag in reporting natural gas prices, the

February index reflected increases that had been effected last December.

The consumer price index rose 0.8 per cent in January, compared with 0.4 per cent in December and also with 0.4 per cent on the average during the second half of 1976. Retail prices of foods rose substantially, even though the prices in the index were recorded early in January and did not show in full the effects of the bad weather. Among nonfood items, increases were reported for used automobiles, fuel oil, medical care services, property taxes, and water and sewage rates.

The average value of the U.S. dollar against leading foreign currencies, on a trade-weighted basis, changed little over the period between the February and March meetings of the Committee, continuing the relative stability that dated from April 1976. In the latest 4 -week period it appreciated against the Canadian dollar, the Italian lira, and the Swiss franc and depreciated against the Japanese yen and the currencies associated in the European "snake" arrangement.

The U.S. foreign deficit increased further in January to a record rate. Exports declined a little from the rate in the fourth quarter of 1976 because shipments of coal and perhaps of other commodities were slowed by the weather, and exports of wheat were reduced by expectations of ample supplies; exports of other agricultural commodities expanded. Imports were up substantially from the fourth-quarter rate, reflecting increases for iron and steel products and a number of finished industrial products. Imports of foods also expanded, owing to price increases for coffee and cocoa.

Total credit at U.S. commercial banks rose more in February than in any other month since the summer of 1974. Acquisitions of U.S. Treasury securities were especially large, holdings of other securities rose somewhat for the first time since November, and total loans continued to expand.

Business demands for short-term credit strengthened further in February, both at banks and in the commercial paper market, but business financing in the capital market slowed. Over the Jan-uary-February period the combined total of business loans at banks (excluding bankers acceptances) and the outstanding volume of commercial paper issued by nonfinancial corporations expanded at an annual rate of about $16^{1 / 2}$ per cent, compared with a rate of

7 per cent in the fourth quarter of 1976 and a small decline over the preceding three quarters. In the most recent period, business demands for short-term credit may have been swelled temporarily by the weather-induced disruptions to production and distribution and by "bridge" financing associated with advance refundings of some high-yielding issues of corporate bonds.

Growth in the narrowly defined money stock ( $M-1$ ) slowed sharply to an annual rate of a little less than 1 per cent in February from the revised rate of about $51 / 2$ per cent in January. Nevertheless, $M-1$ had grown at an annual rate of about 5 per cent over the latest 6 months and by about $53 / 4$ per cent over the past year.

Expansion in M-2 and M-3 also slowed sharply in February-to annual rates of about $61 / 2$ and $83 / 4$ per cent, respectively, from rates of about $91 / 4$ and $11 \frac{1}{4}$ per cent in January. In addition to the weakness of growth of $M-1$, flows into savings and small-denomination time deposits at both banks and nonbank thrift institutions continued to moderate. Over the 6 months ending in February, $M-2$ and $M-3$ grew at annual rates of about 11 and 13 per cent, respectively.

The continuing slowdown in growth of savings and small-denomination time deposits at banks and other thrift institutions was attributable in part to reductions in interest rates offered on these deposits by some institutions and to the firming of market interest rates after the turn of the year. In addition, deposit inflows may have been adversely affected by the weather-related reductions in wage and salary payments and by increases in fuel bills of households.

At its February meeting the Committee had decided that growth in $M-1$ and $M-2$ over the February-March period at annual rates within ranges of 3 to 7 per cent and $61 / 2$ to $101 / 2$ per cent, respectively, would be appropriate, and it had judged that such growth rates were likely to be associated with a weekly-average Federal funds rate in the area of $45 / 8$ to $43 / 4$ per cent. The Committee also had agreed that if growth rates of the aggregates over the 2-month period appeared to be deviating significantly from the midpoints of the indicated ranges, the operational objective for the weekly-average Federal funds rate should be modified in an orderly fashion within a range of $41 / 4$ to 5 per cent.

Throughout the interval since the February meeting, the Manager
of the System Open Market Account had continued to aim for a Federal funds rate in the area of $45 / 8$ to $43 / 4$ per cent. In the early weeks of the interval, incoming data had suggested that growth in both $M-1$ and $M-2$ over the February-March period would be close to the midpoints of the specified ranges. Estimates of the 2 -month growth rates subsequently were revised downward, but they remained reasonably well within their specified ranges.

Short-term market interest rates in general changed little during the inter-meeting period, in part because of the continued relative stability in the Federal funds rate and in part because money market participants inferred-on the basis of the behavior of the aggre-gates-that a near-term rise in the funds rate was unlikely. However, yields on most longer-term bonds edged higher, apparently in response to signs that economic activity was rebounding from the weather-induced slowdown more vigorously than had been anticipated and also to greater apprehension about prospects for the rate of inflation engendered in part by the price indexes released during the period.

In February the U.S. Government borrowed $\$ 9.1$ billion of new money from the public, including $\$ 7.5$ billion through auctions of marketable notes and bonds. No additional market financing occurred during the first half of March, but a 2 -year note auction involving $\$ 450$ million of new money had been announced for later in the month. In congressional testimony Treasury officials reported a sizable downward revision in their estimate of near-term cash needs based on evidence of a continuing substantial shortfall of Federal spending from projected levels.

In the corporate bond market the volume of new securities offered publicly in February was less than half that in each of the two preceding months. Some potential issuers, particularly those with higher bond ratings, had apparently been discouraged by the January rise in bond yields. In addition, underwriters reported that some lesser-rated corporations were electing to place debt issues privately rather than publicly-an option that was apparently facilitated by the continued availability of a large supply of investable funds at life insurance companies.

Offerings of new long-term State and local government securities rose to an estimated volume of about $\$ 3$ billion in February-a record for the month and about 15 per cent above the volume sold
in February 1976. A significant part of this supply was attributable to the issuance of bonds in advance of refundings of issues bearing higher interest rates. To preserve the tax-exempt status of such new bonds under current Treasury regulations, many of the issuers place the proceeds in special Treasury obligations until the existing State and local issues are called. Accordingly, these financings accounted for a large proportion of the sales of nonmarketable securities by the Treasury.

Yields in secondary mortgage markets increased a little during February along with bond yields, but interest rates on new commitments for conventional home mortgages continued to edge down. Takedowns of mortgages by savings and loan associations slowed during January, probably due in part to the weather, but the volume was still relatively large.

It appeared likely that over-all credit demands would remain strong in the period immediately ahead. The forward calendars of new issues suggested that offerings of corporate bonds would rise substantially in March from the reduced level in February and that offerings of State and local government bonds would continue to be large. In addition, the Treasury was expected to raise a sizable amount of new money during the period up to the mid-April date for payment of taxes, although a significant share of the required funds was expected to be raised through short-term instruments. It appeared likely that business demands for bank credit would remain moderately strong but that the over-all expansion in outstanding business loans might be held down for a time by repayments with proceeds from capital market financings.

At its January meeting the Committee had agreed that from the fourth quarter of 1976 to the fourth quarter of 1977, average rates of growth in the monetary aggregates within the following ranges appeared to be consistent with broad economic aims: $M-1,41 / 2$ to $61 / 2$ per cent; $M-2,7$ to 10 per cent; and $M-3,8^{1 / 2}$ to $11^{1 / 2}$ per cent. The associated range for growth in the bank credit proxy was 7 to 10 per cent. It was agreed that the longer-term ranges, as well as the particular aggregates for which such ranges were specified, would be subject to review and modification at subsequent meetings. It also was understood that short-run factors might cause growth rates from month to month to fall outside the ranges contemplated for annual periods.

In the discussion of the economic situation at this meeting, members of the Committee were in general agreement with the staff projection that real GNP would expand at a rapid rate in the second quarter of 1977 and at a more moderate, but still rather substantial, rate in subsequent quarters. However, one member expressed the opinion that the strength in the outlook derived from factors other than the expected fiscal policy measures; in his view, the stimulative effects of those measures would be largely offset over the longer run by their tendency to raise interest rates and to increase inflationary expectations. Another member reported that in some parts of the West economic prospects were viewed with pessimism as a result not only of declines in prices of some farm products and increases in farm costs but also of the severe winter and drought.

One or two members expressed the belief that the behavior of real GNP during the second half might differ somewhat from that portrayed by the staff projections: specifically, expansion might be somewhat more rapid than that projected for the third quarter but then might taper off. Another member suggested that throughout the second half of the year the pace of economic activity might be stronger than projected by the staff, reflecting a larger rise in business investment in both fixed capital and inventories, stimulated in part by growing confidence in the economic outlook. Moreover, he thought that some of the shortfall in Federal expenditures that had developed in the first 2 months of 1977 might well be made up in the months ahead.

Several members expressed concern about the recent and prospective behavior of prices. It was noted that over the past few months price increases had been relatively large for a number of commodities, and that the extent to which increases seemed to be spreading among industrial materials might well be intensifying upward pressures on prices of industrial products in general. Moreover, businessmen appeared to have become more concerned about inflation within the past month or so.

One member noted that large increases over recent months in prices for some commodities-such as coffee, cocoa, and fuelsreflected special problems having little to do with more general influences on the behavior of prices. With respect to the influence of aggregate demand, he noted that the substantial margin of unused
capacity and the high rate of unemployment at this time should tend to limit the rate of increase in wage rates and in the broad measures of prices.

It was observed during the discussion that, given the longer-run ranges for growth in the monetary aggregates adopted at the January meeting, the projected rates of increase in nominal GNP implied a rise in the income velocity of money that was large for this stage of a business expansion. In that connection it was noted that significant upward pressures on interest rates might develop later in the year, particularly if prices should rise more rapidly than projected or if inflationary expectations should strengthen. On the other hand, one member remarked that, while interest rates played a role, the predominant determinant of velocity changes was the state of confidence. On the basis of his judgment that confidence was improving, he thought it was likely that the rate of increase in velocity would be quite high. Another member observed that in almost every business expansion since World War II, the rate of increase in velocity had reached a primary peak, then dropped back before reaccelerating to a secondary peak not quite so high as the first one.

As to policy for the period immediately ahead, members of the Committee did not differ greatly in their preferences for ranges of growth for the monetary aggregates over the March-April period. It was suggested that the forces that had contributed to particularly slow growth in the monetary aggregates in February might be reversed and might contribute to rapid growth in March, and that such a development should not necessarily cause concern. It was also observed that the upward momentum of economic activity in the weeks ahead would tend to expand demands for transactions balances and thus to exert some upward pressure on growth rates for the monetary aggregates. For $M-1$, most members favored a range of $41 / 2$ to $81 / 2$ per cent; some sentiment was expressed for ranges of 4 to 8 per cent and 4 to 9 per cent. For $M-2$, most members favored a range of 7 to 11 per cent, but some preferences were expressed for $61 / 2$ to $101 / 2$ per cent and 6 to 10 per cent.

The members in general favored directing initial operations during the coming inter-meeting interval toward the objective of maintaining the Federal funds rate in the area of $45 / 8$ to $43 / 4$ per cent. A few members suggested that the Federal funds rate should
be permitted to drift up over coming weeks to $43 / 4$ or $4 \frac{1}{8}$ per cent even if the aggregates appeared to be growing at rates near the midpoints of their specified ranges, but the majority did not favor this course. The members also differed somewhat with respect to the degree of leeway that should be provided for System operations during the inter-meeting period in the event that growth in the aggregates appeared to be deviating significantly from the midpoints of the specified ranges. The largest number of members preferred to specify an inter-meeting range for the Federal funds rate of $41 / 4$ to $5 \frac{1}{4}$ per cent; a few favored retaining the range of $41 / 4$ to 5 per cent that had been specified at the preceding two meetings; and some sentiment was expressed for a range of $4 \frac{1}{2}$ to $5^{1 / 4}$ per cent.

At the conclusion of the discussion the Committee decided that growth in $M-1$ and $M-2$ over the March-April period at annual rates within ranges of $41 / 2$ to $81 / 2$ per cent and 7 to 11 per cent, respectively, would be appropriate. It was understood that in assessing the behavior of the aggregates, the Manager should continue to give approximately equal weight to the behavior of M-1 and M-2.

In the judgment of the Committee, such growth rates of the aggregates were likely to be associated with a weekly-average Federal funds rate in the area of $45 / 8$ to $43 / 4$ per cent. The Committee agreed that if growth rates of the aggregates over the 2-month period appeared to be deviating significantly from the midpoints of the indicated ranges, the operational objective for the weekly-average Federal funds rate should be modified in an orderly fashion within a range of $4 \frac{1}{4}$ to $5^{1 / 4}$ per cent. As customary, it was understood that the Chairman might call upon the Committee to consider the need for supplementary instructions before the next scheduled meeting if significant inconsistencies appeared to be developing among the Committee's various objectives.

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

The information reviewed at this meeting suggests that growth in real output of goods and services has increased in the current quarter from the reduced pace in the fourth quarter of 1976. In February industrial output and retail sales expanded substantially after being held down for a time by the effects of unusually severe
weather. Employment rose considerably further; the unemployment rate increased somewhat to 7.5 per cent-as the labor force more than recovered the decline of January-but it remained below the 7.8 per cent of December. The wholesale price index for all commodities rose substantially in February, reflecting large increases for farm products and foods and for fuels and power. The index of average wage rates rose more moderately over the first 2 months of 1977 than it had on the average during 1976.

The average value of the dollar against leading foreign currencies has changed little over the past month. In January the U.S. foreign trade deficit increased further; exports were down a little from the fourth-quarter rate and imports were substantially higher.

Growth in $M-1$ slowed sharply in February from the moderate pace in January. At banks and thrift institutions, inflows of time and savings deposits other than large-denomination CD's continued to slacken. Business demands for short-term credit appear to have strengthened further in early 1977. Since mid-February short-term market interest rates have changed little on balance, but most longer-term rates have edged higher.

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

At its meeting on January 18, 1977, the Committee agreed that growth of $M-1, M-2$, and $M-3$ within ranges of $41 / 2$ to $61 / 2$ per cent, 7 to 10 per cent, and $81 / 2$ to $111 / 2$ per cent, respectively, from the fourth quarter of 1976 to the fourth quarter of 1977 appears to be consistent with these objectives. These ranges are subject to reconsideration at any time as conditions warrant.

The Committee seeks to encourage near-term rates of growth in $M-1$ and $M-2$ on a path believed to be reasonably consistent with the longer-run ranges for monetary aggregates cited in the preceding paragraph. Specifically, at present, it expects the annual growth rates over the March-April period to be within the ranges of $4^{1 / 2}$ to $8^{1 / 2}$ per cent for $M-1$ and 7 to 11 per cent for $M-2$. In the judgment of the Committee such growth rates are likely to be associated with a weekly-average Federal funds rate of about $45 / 8$ to $43 / 4$ per cent. If, giving approximately equal weight to $M-1$ and $M-2$, it appears that growth rates over the 2 -month period will deviate significantly from the midpoints of the indicated ranges, the operational objective for the Federal funds rate shall be modified in an orderly fashion within a range of $41 / 4$ to $5 \frac{1}{4}$ per cent.

If it appears during the period before the next meeting that the operating constraints specified above are proving to be significantly inconsistent, the Manager is promptly to notify the Chairman who will then decide whether the situation calls for supplementary instructions from the Committee.

Votes for this action: Messrs. Burns, Volcker, Coldwell, Gardner, Guffey, Jackson, Lilly, Mayo, Morris, Partee, Roos, and Wallich. Votes against this action: None.

## 2. Authorization for <br> Domestic Open Market Operations

At this meeting the Committee amended, effective immediately, paragraph 1(b) of the authorization for domestic open market operations, relating to outright purchases and sales of bankers acceptances. The words "when appropriate" were added at the beginning of the paragraph and the dollar limit on holdings of bankers acceptances specified at the end of the paragraph was reduced from $\$ 1$ billion to $\$ 100$ million.

As amended, paragraph 1(b) read as follows:
(b) When appropriate, to buy or sell in the open market, from or to acceptance dealers and foreign accounts maintained at the Federal Reserve Bank of New York, on a cash, regular, or deferred delivery basis, for the account of the Federal Reserve Bank of New York at market discount rates, prime bankers acceptances with maturities of up to nine months at the time of acceptance that (1) arise out of the current shipment of goods between countries or within the United States, or (2) arise out of the storage within the United States of goods under contract of sale or expected to move into the channels of trade within a reasonable time and that are secured throughout their life by a warehouse receipt or similar document conveying title to the underlying goods; provided that the aggregate amount of bankers acceptances held at any one time shall not exceed $\$ 100$ million;

Votes for this action: Messrs. Burns, Volcker, Coldwell, Gardner, Guffey, Jackson, Lilly, Mayo, Morris, Partee, Roos, and Wallich. Votes against this action: None.

This action reflected a decision by the Committee that the System should permit its existing holdings of bankers acceptances to mature and that it should no longer purchase these instruments outright under ordinary circumstances. It was noted that present System holdings were in excess of the newly established limit of $\$ 100$ million, but it was anticipated that maturities within the next 2 months would reduce holdings below that level. The Committee also agreed that the Federal Reserve should remain an active participant in the market for bankers acceptances by continuing to make with dealers repurchase agreements that are secured by bankers acceptances and by continuing to serve as agent in buying and selling acceptances for the accounts of foreign central banks.

In taking this action, the Committee noted that the market for bankers acceptances was well developed and efficient and no longer in need of support through Federal Reserve participation. Also, outright purchases and sales of acceptances had not been of sufficient size to contribute materially to the needed volume of open market operations in recent years. However, repurchase agreements in acceptances had been a useful tool in meeting short-term needs for bank reserves.

## 3. Review of Continuing Authorizations

This being the first meeting of the Federal Open Market Committee following the election of new members from the Federal Reserve Banks to serve for the year beginning March 1, 1977, the Committee followed its customary practice of reviewing all of its continuing authorizations and directives. The Committee reaffirmed the paragraphs of the authorization for domestic open market operations not affected by the preceding action, the authorization for foreign currency operations, and the foreign currency directive, in the forms in which they were presently outstanding. The Committee also reaffirmed the procedural instructions with respect to proposed or ongoing operations under the foreign currency documents and the special authorization relating to System obligations in Swiss francs, in the forms adopted effective December 28, 1976.

Votes for these actions: Messrs. Burns, Volcker, Coldwell, Gardner, Guffey, Jackson, Lilly, Mayo, Morris, Partee, Roos, and Wallich. Votes against these actions: None.

In reviewing the authorization for domestic open market operations, the Committee took special note of paragraph 3, which authorizes the Reserve Banks to engage in the lending of U.S. Government securities held in the System Open Market Account under such instructions as the Committee might specify from time to time. That paragraph had been added to the authorization on October 7, 1969, on the basis of a judgment by the Committee that in the existing circumstances such lending of securities was reasonably necessary to the effective conduct of open market operations and to the effectuation of open market policies, and on the understanding that the authorization would be reviewed periodically. At this meeting the Committee concurred in the judgment of the Manager that the lending activity in question remained reasonably necessary and that, accordingly, the authorization should remain in effect subject to periodic review.

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

## Law Department

Statutes, regulations, interpretations, and decisions

## MEMBERSHIP OF <br> STATE BANKING INSTITUTIONS IN THE FEDERAL RESERVE SYSTEM

The Board of Governors has amended its Regulation H to implement the exemptive provisions provided in Public Law 94-375 concerning certain real loans made by State member banks in identified flood hazard areas of communities that are not participating in the National Flood Insurance program.

Effective April 13, 1977. the last sentence of section 208.8(e)(5) of Regulation H is amended by deleting the language that follows ". . . Provided," and adding the following:

Section 208.8-Banking Practices
(e) LOANS BY STATE MEMBER BANKS IN IDENTIFIED FLOOD HAZARD AREAS.
(5) . . . that the prohibition contained in this section shall not apply to (i) any loan made to finance the acquisition of a residential dwelling occupied as a residence prior to March 1, 1976, or one year following identification of the area within which such dwelling is located as an area containing special flood hazards, whichever is later, or made to extend, renew, or increase the financing in connection with such a dwelling, (ii) any loan, which does not exceed an amount prescribed by the Secretary of Housing and Urban Development, to finance the acquisition of a building or structure completed and occupied by a small business concern, as defined by the Secretary, prior to January 1, 1976, (iii) any loan or loans, which in the aggregate do not exceed $\$ 5$,000 , to finance improvements to or rehabilitation of a building or structure occupied as a residence prior to January 1, 1976, or (iv) any loan or loans, which in the aggregate do not exceed an amount
prescribed by the Secretary, to finance nonresidential additions or improvements to be used solely for agricultural purposes on a farm.

## CREDIT BY BROKERS AND DEALERS

The Board of Governors has amended its Regulation T to (1) relax a rule to permit a put and a call on the same underlying security but with different exercise prices and different expiration dates to be combined for special margin treatment in the same manner as a "straddle" (a put and a call with identical terms) and (2) delete a reference in the existing "straddle" rule to the special bond account and the special convertible debt security account as it is impractical to use these accounts for the described transaction.

Effective June 1, 1977, section 220.3(i) is amended as follows:

## Section 220.3-General Account

(i) OPTIONS.
(4) When both a put and a call are issued, endorsed or guaranteed in a general account on the same number of shares of the same underlying security, the amount of margin required shall be the margin on either the put or the call, whichever is greater, plus any unrealized loss on the other option.

## INTERPRETATIONS OF REGULATION B

California law requiring delivery of notices to unmarried co-signers is not inconsistent with Equal Credit Opportunity Act. The Board has been asked to determine whether certain provisions of
the California Civil Code are inconsistent with the Federal Equal Credit Opportunity Act (the ECOA) and Regulation B. The ECOA preempts those State laws that are inconsistent with it, unless the State law provides greater protection to the applicant. Section 202.11(b)(1) of Regulation B further defines the statutory preemption standard by listing five types of State law that are deemed inconsistent and less protective of an applicant. The Board had determined, as more fully discussed below, that the notification and Spanish-language translation requirements of $\$ \S 1799.90-1799.96$ and 1632 of the California Civil Code are not inconsistent with the Act and Regulation B.

California Civil Code $\$ \S$ 1799.90-1799.96 require that whenever more than one person signs a consumer credit contract, each signer must receive a notice explaining the obligations imposed by the contract as well as a copy of all documents affecting the obligations to be undertaken. If the signers are married to each other, however, no notice need be delivered.

Section 202.11(b)(1)(i) of Regulation B provides that if a State law ". . . requires or permits a practice or act prohibited by the Act or [Regulation B]," it is preempted. In order to determine whether favoring unmarried applicants over married applicants when delivering notices is a practice intended to be prohibited by the ECOA, the scope and purpose of the Act must be identified.

The Act forbids discrimination in the granting of credit on several bases, but marital status is the only prohibited basis relevant to this discussion. The purpose of the Act as stated in § 502 is:
... to require that financial institutions and other firms engaged in the extension of credit make that credit equally available to all credit-worthy customers without regard to . . . marital status.
Although the State law in question clearly discriminates on the basis of marital status by requiring protections for unmarried co-signers not required for married ones, the Board has determined that the discrimination is not the type prohibited by the Act because the State law does not inhibit the equal availability of credit to all creditworthy customers. The Board believes that a law requiring the delivery of a notice affects neither the availability of credit nor the creditworthiness of the applicant to the extent that would render it inconsistent with the Act and Regulation B, unless: (1) the notice conveys information that is inconsistent with the intent of the Act or Regulation B; or (2)
the State law prohibits delivery of a notice required by the Act or Regulation B.

Accordingly, the Board had determined that $\S \S$ 1799.90-1799.96 of the California Civil Code requiring notifications for co-signers are not inconsistent with Regulation B. Creditors will not violate the Equal Credit Opportunity Act or Regulation B by complying with this State law.

California law requiring Spanish translation of credit documents is not inconsistent with Equal Credit Opportunity Act. California Civil Code § 1632 generally requires that any person who negotiates primarily in the Spanish language orally or in writing in the course of entering into certain transactions, including some consumer credit contracts, must display a Spanish-language notice advising customers that they may request an unexecuted Spanish-language contract or agreement. Section 1799.91 requires that where the notice to co-signers, discussed above, is required, a Spanish translation of the notice must also be provided.

The Board has been asked to determine whether the State law, by requiring creditors to give preferential treatment to Spanish-speaking credit applicants, requires discrimination against other credit applicants on the basis of their national origin, and, therefore, is preempted by $\S$ 202.11(b)(1)(i) of Regulation B.

The judgment must be made whether a translation requirement benefitting only one national group frustrates the intent of the Federal Act and regulation; that is, whether affording special protection to one group adversely affects the creditworthiness of other groups or makes credit less available to them. The Board has determined that in the case of $\$ \S 1632$ and 1799.91 of the California Civil Code, it does not.

The right to obtain a translation of documents relating to a consumer credit transaction does not affect an applicant's creditworthiness nor does it make credit more readily available. It aids consumers in understanding the obligation they are about to incur. The Federal Equal Credit Opportunity Act requires that creditors apply their standards of creditworthiness in a uniform manner without regard to national origin. A State requirement that contract terms be made more easily understandable for one group is therefore not inconsistent with the Act and Regulation B. Creditors may comply with the notification and translation requirements imposed by $\S \S 1632$ and 1799.91 of the California Civil Code without violating Regulation B .

This interpretation should not be construed to
condone a refusal to negotiate with certain groups or the discouraging of their applications because they are afforded special protection by State law. Such a practice may violate the Act and regulation.

## INTEREST ON DEPOSITS

The Board of Governors has amended its Regulation Q to establish a new category of time deposit for IRA and Keogh funds deposited with member banks. The rule permits member banks to pay interest on funds with a maturity of three years or longer deposited pursuant to IRA and Keogh Plans established with the bank at a rate of up to 7.75 per cent.

Effective July 6, 1977, section 217.7 is amended as follows:

Section 217.7-
Maximum Rates of
Interest Payable by Member
Banks on Time and Savings Deposits
(b) TIME DEPOSITS OF LESS THAN $\$ 100,000$. (1) Except as provided in paragraphs (a), (d), and (e) and subparts 2 and 3 of this paragraph, no member bank shall pay interest on any time deposit at a rate in excess of the applicable rate under the following schedule:
(e) INDIVIDUAL RETIREMENT ACCOUNT AND KEOGH (H.R. 10) PLAN DEPOSITS OF LESS THAN $\$ 100,000$. Except as provided in paragraph (a), a member bank may pay interest on any time deposit with a maturity of three years or more that consists of funds deposited to the credit of, or in which the entire beneficial interest is held by, an individual pursuant to an Individual Retirement Account agreement or Keogh (H.R. 10) Plan established pursuant to 26 U.S.C. (I.R.C. 1954) $\S \S 408,401$, at a rate not in excess of the highest of any of the permissible rates that can be paid on time deposits under $\$ 100,000$ by any Federally insured commercial bank, mutual savings bank, or savings and loan association. ${ }^{3}$

[^12]
## BANK HOLDING COMPANIES

## Deferral of Rulemaking Proposal

The Board of Governors on August 2, 1976, proposed an amendment to its Regulation Y (12 CFR § 225) that would add the activities of providing management consulting advice to nonaffiliated savings banks and possibly to other nonaffiliated, depositary-type financial institutions to the list of activities that the Board has previously determined to be permissible for bank holding companies, as specified in $\S 225.4(\mathrm{a})$ of Regulation $Y$. Notice of the proposed amendment was published in the Federal Register on August 9, 1976 (41 Fed. Reg. 33306 (1976)). The amendments were proposed in connection with an application by Worcester Bancorp, Inc., Worcester, Massachusetts, pursuant to §4(c)(8) of the Bank Holding Company Act (12 U.S.C. § 1843 (c)(8)) and § 225.4 of the Board's Regulation Y (12 CFR 225.4), for prior approval to engage de novo in providing management consulting advice to nonaffiliated savings banks.

By letter of March 3, 1977, to the Federal Reserve Bank of Boston, Worcester Bancorp, Inc. has withdrawn its application to engage in providing management consulting advice to nonaffiliated savings banks. In accord with its general policy, the Board, in the absence of a specific bank holding company proposal, has determined to defer further consideration of the proposed activity, and hereby suspends the rulemaking proceeding initiated on August 2, 1976.

## TRUTH IN LENDING

The Board of Governors has amended its Regulation $Z$ to require creditors to make certain additional disclosures when variable interest rate clauses are used in credit transactions. It requires disclosure of the fact that the annual percentage rate is subject to increase, the conditions under which an increase may occur, the manner in which an increase would be effected, and in some cases, information on the effect a rate increase would have on the payment amounts and/or maturity of the obligation.

Effective October 10, 197712 C.F.R. Part 226 is amended as follows:

1. Section $226.8(\mathrm{~b})$ is amended by the addition of subparagraph (8) as follows:

## Section 226.8-Credit Other Than open End-Specific Disclosures

(b) ***
(8) If the annual percentage rate as disclosed under § $226.8(\mathrm{~b})(2)$ is prospectively subject to increase ${ }^{10 a}$, the following additional disclosures shall be made:
(i) the fact that the annual percentage rate is subject to increase and the conditions under which such rate may increase, including: (A) identification of the index, if any, with respect to which such increase in annual percentage rate is tied; and (B) any limitation on such increase;
(ii) the manner(s) (such as an increase in payment amounts, number of scheduled periodic payments, or in the amount due at maturity) in which any increase in the annual percentage rate may be effected;
(iii) if the obligation is repayable in substantially equal instalments at substantially equal intervals (including those obligations providing for "balloon" payments) and the increase could be effected by an increase in the periodic payment amount, a statement of the estimated increase in the amount of the payment caused by a hypothetical immediate increase of one quarter of one percentage point, based upon the number of scheduled periodic payments and original amount financed disclosed at consummation;
(iv) if the obligation is repayable in substantially equal instalments at substantially equal intervals (including those obligations providing for "balloon" payments) and the increase could be effected by an increase in the number of periodic payments, a statement of the estimated increase in the number of periodic payments caused by a hypothetical immediate increase of one quarter of one percentage point, based upon the periodic payment amount and the original amount financed disclosed at consummation.

Any increase in the annual percentage rate within the conditions or limitations disclosed in accordance with this paragraph is a subsequent occurrence under $\S 226.6(\mathrm{~g})$ and is not a refinancing under $\S 226.8(\mathrm{j})$.

The disclosures required under $\S 226.8$ (b)(8)(iii)

[^13]and (iv) need be made only in transactions in which a security interest is taken in real property used or expected to be used as the customer's dwelling, and they need not be made in transactions primarily for agricultural purposes, transactions in which the obligation is repayable in substantially equal instalments which do not include repayments of principal, or transactions in which disclosures are made pursuant to $\S 226.814$.
2. Interpretation § 226.810 , previously issued by the Board, is rescinded effective October 10, 1977, since the amendment to § 226.8(b) of the Regulation makes this interpretation unnecessary.
3. The Board has also amended Regulation $Z$ to permit the use of Spanish rather than English language Truth in Lending disclosures in the commonwealth of Puerto Rico. English language disclosures must be provided to customers if they so request.

Effective April 11, 1977, 12 CFR Part 226 is amended by adding a new paragraph to $\$ 226.6$ (a) to read as follows:

## Section 226.6-

## General Disclosure requirements

(a) DISCLOSURES; GENERAL RULE.***

All disclosures required to be given by this Part shall be made in the English language except in the Commonwealth of Puerto Rico where disclosures may be made in the Spanish language with English language disclosures provided upon the customer's request, either in substitution for the Spanish disclosures or as additional information in accordance with § 226.6(c).

## INTERPRETATIONS OF REGULATION C

Treatment of Majority-Owned, Depository Subsidiaries of Depository Institutions. The Board has been asked whether a majority-owned, depository subsidiary of a depository institution should be treated in the same way as a non-depository subsidiary. The first sentence of § 203.2(c) defines a depository institution as "any commercial bank, savings bank, savings and loan association, building and loan association, homestead association (including cooperative banks), or credit union, which makes Federally-related mortgage loans." The second sentence deals with subsidiaries: "Any majority-owned subsidiary of a depository institution shall be deemed to be part of its parent depository institution for the purposes of this

Part." The purpose of the subsidiary provision is to provide a more complete picture of a parent's lending patterns by including information regarding the lending activities of any non-depository, majority-owned subsidiary.

A few depository institutions, however, have majority-owned subsidiaries that are themselves depository institutions. This raises the issue of how a depository institution as defined in the first part of $\S 203.2(\mathrm{c})$, which is also a majority-owned subsidiary of a depository institution, should be treated for Regulation C disclosure purposes. If, absent the second part of $\S$ 203.2(c), the depository subsidiary otherwise would make separate disclosures under Regulation C , then combining the subsidiary's loan data with the parent's into a single statement would reduce public disclosure, contrary to the intent of § 203.2 (c) and the purpose of the Home Mortgage Disclosure Act.

Therefore, to further the intent of the act and the regulation, a parent depository institution may draw a distinction for disclosure purposes between depository and non-depository, majority-owned subsidiaries. A majority-owned, non-depository subsidiary of a depository institution should be treated as an integral part of its parent, with no distinction made between them for reporting purposes, in accordance with the second sentence of § 203.2(c). On the other hand, at the parent's option, a majority-owned, depository subsidiary of a depository institution may be treated as a distinct, unaffiliated entity since it is a depository institution as defined in the first sentence of § $203.2(\mathrm{c})$.

Disclosure After Loss of Exemption. The Board has been requested to clarify the Regulation $C$ disclosure requirements that apply to a depository institution that ceases to be exempt from the Home Mortgage Disclosure Act.

Section 203.3(a) of Regulation C describes the three classes of depository institutions that are exempt from the regulation's disclosure requirements. They are: (1) institutions that have assets of $\$ 10,000,000$ or less as of the last day of their fiscal year; (2) institutions that do not have an office in a standard metropolitan statistical area; and (3) State-chartered institutions that are subject to a State disclosure law that the Board had determined imposes substantially similar requirements to those mandated by the Home Mortgage Disclosure Act.

Section 203.3(b) sets forth the initial disclosure requirements applicable to an exempt institution that subsequently loses its exemption. It states:

A depository institution that was exempt on or after the effective date of this Part on the basis of paragraph (a) of this section and that subsequently becomes no longer exempt shall compile the data described in section 203.4 of this Part for each fiscal year beginning with its last full fiscal year ending prior to the date it was no longer exempt, and that last full fiscal year shall be deemed to be a "full fiscal year ending prior to July 1, 1976'' for the purposes of section 203.4 of this Part.

The first point on which clarification has been sought is the meaning of the language "last full fiscal year ending prior to the date it was no longer exempt. . . ." For any depository institution that loses its exemption under § 203.3(a)(2) because of the re-definition of a standard metropolitan statistical area or loses its exemption under § 203.3(a)(3) because applicable State disclosure law is found not to be substantially similar to the Federal Act, "its last full fiscal year ending prior to the date it was no longer exempt'' is its fiscal year immediately preceding the fiscal year during which the exemption was lost. For example, a depository institution having a calendar fiscal year that ceases to be exempt during 1977 would have to disclose relevant 1976 data.

For any depository institution that loses its exemption under § 203.3(a)(1) because its assets exceed $\$ 10,000,000$ on the final day of its last fiscal year, the period to be covered by its initial disclosure statement is that last fiscal year. For example, a calendar fiscal year institution that has assets of more than $\$ 10,000,000$ on December 31, 1977 would have to disclose relevant 1977 loan information.

The Board also has been asked to explain the significance of the phrase " "full fiscal year ending prior to July 1, 1976. . . '"' The purpose in § 203.3(b) of equating an institution's "last full fiscal year ending prior to the date it was no longer exempt'" with a "'full fiscal year ending prior to July 1, $1976{ }^{\prime}$ '" is to make available to an institution that loses its exemption the same disclosure options that were available to institutions when Regulation C became effective. Thus, for the purposes of § 203.4, a depository institution that ceases to be exempt may compile the necessary mortgage and home improvement loan data by United States Postal Service ZIP codes, in lieu of Census Bureau census tracts, for its last full fiscal year and any portion of its current fiscal year ending prior to the loss of exemption. In addition, such an institution may exercise the options and
rely on the presumption contained in paragraphs (a)(4)(ii) and (c) of $\S 203.4$ as if it had lost its exemption and become subject to the regulation on July 1, 1976.

The following examples illustrate the points made in this interpretation. Assume that a depository institution having a calendar fiscal year ceases to be exempt under § 203.3(a)(2) on April 1, 1977 because of the enlargement of a standard metropolitan statistical area to include a county in which the institution has an office. Pursuant to § 203.5(a)(1)(iii), that institution would be required to prepare and make available publicly a disclosure statement by June 29, 1977, ninety days after its loss of exemption.

Under § 203.3(b), the disclosure statement would have to cover the institution's "last full fiscal year ending prior to the date it was no longer exempt," which, as indicated previously, would be 1976. Pursuant to $\S 203.4(\mathrm{a})(2)(\mathrm{i})$, read in view of §203.3(b), the institution could compile the necessary loan information for 1976 by ZIP code if it chose.

Also, under § 203.4(a)(2)(ii), it could elect to issue a separate disclosure statement, compiled on a ZIP-code basis, for the first three months of its current fiscal year-January, February, March 1977, if it also made that statement available on June 29, 1977. If it chose that option, then it would report on its relevant lending activities for the remainder of 1977 by census tract on March 31, 1978. The alternative to this latter option would be for the institution to report on all of its relevant lending activities during 1977 by census tract on March 31, 1978. Finally, the institution may exercise the reporting options and rely on the residence presumption set forth in §§ 203.4(a)(4)(ii) and 203.4(c) for its 1976 disclosure statement and the January through March 1977 statement if that option is chosen.

The second example assumes that a depository institution having a calendar fiscal year ceases to be exempt under $\S 203.3(\mathrm{a})(1)$ because its assets exceed $\$ 10,000,000$ as of December 31, 1977. Pursuant to the applicable provisions of the regulation as outlined in the preceding example, the institution would have to prepare a disclosure statement by March 31, 1978, covering its relevant lending activities during 1977 on a ZIP-code basis. Since the loss of exemption would not have occurred during the course of its fiscal year, no partial fiscal year report would be possible. The options and presumption contained in $\S \S$ 203.4(a)(4)(ii) and 203.4(c) respectively could be
used, however, in preparing the 1977 disclosure statement.

## INTERPRETATION OF REGULATION Z

Disclosure of dealer participation. Section $226.8(\mathrm{c})(8)(\mathrm{i})$ requires the itemization of each component of a finance charge consisting of more than one type of charge. Section 226.4(a)(3) lists among the types of charges to be included in the finance charge a "finder's fee or similar charge." In certain credit transactions, such as the sale of automobiles and other consumer goods, where the finance charge is determined by application of a percentage rate or rates to the amount financed, a portion of that charge may be allocated to the dealer by the financial institution as a dealer participation. The question arises whether such allocations must be itemized as a separate component of the total finance charge in the nature of a finder's fee.

The requirement for itemization of a finance charge which includes a finder's fee or other elements in addition to an interest component is intended to assure that the total finance charge disclosed to the customer properly reflects all components which must be included in that amount. Any component of the finance charge which is computed by the application of a percentage rate or rates to the amount financed constitutes a single charge of the type described in § 226.4(a(1). As such, it must be included in the finance charge calculation and disclosure. A portion of such single component of the finance charge which is distributed to a dealer is not considered a "finder's fee or similar charge" and need not be separately identified or disclosed. The concept of a "finder's fee," as that term is used in § 226.4(a)(3), is intended to cover certain charges in the nature of brokerage fees which are imposed in addition to that portion of the finance charge attributable to the application of a percentage rate or rates to the amount financed. Any such separate fee must, of course, be separately itemized. (Interprets and applies 12 C.F.R. 226.8)

## FEDERAL OPEN MARKET COMMITTEERULES REGARDING AVAILABILITY OF INFORMATION

The Federal Open Market Committee has amended its Rules Regarding Availability of Infor-
mation as required by section 5(b) of the Government in the Sunshine Act.
Effective March 12, 1977, consistent with section 5(b) of the Government in the Sunshine Act (Pub. L. No. 94-409, 5 U.S.C. §552b), the Federal Open Market Committee hereby amends section 271.6(a) of Title 12 of the Code of Federal Regulations. The amendment will revise the Committee's Rules with regard to exemption (3) of the Freedom of Information Act. and will read as follows:
Section 271.6 -Information Not Disclosed
Except as may be authorized by the Committee, information of the Committee that is not available to the public through other sources will not be published or made available for inspection, examination, or copying by any person if such information
(a) is specifically exempted from disclosure by statute (other than section 552b of Title 5 United States Code), provided that such statute (A) requires that the matters be withheld from
the public in such a manner as to leave no discretion on the issue, or (B) establishes particular criteria for withholding or refers to particular types of matters to be withheld; or is specifically authorized under criteria established by an executive order to be kept secret in the interest of national defense or foreign policy and is in fact properly classified pursuant to such executive order.

The requirements of section 553 of Title 5 United States Code with respect to notice, public participation, and deferred effective date were not followed in connection with this amendment because the amendment merely conforms the Committee's rules to the language of exemption 552(b)(3) of the Freedom of Information Act, as amended by section 5(b) of the Government in the Sunshine Act which will become effective on March 12, 1977, and thus such procedures were found to be unnecessary.

## BANK HOLDING COMPANY AND BANK MERGER ORDERS ISSUED BY THE BOARD OF GOVERNORS

## Orders Under Section 3 <br> of Bank Holding Company Act

Central Bancompany,
Jefferson City, Missouri

## Order for Oral Presentation

Central Bancompany, Jefferson City, Missouri, has filed an application pursuant to section 3(a)(3) of the Bank Holding Company Act of 1956 ( 12 U.S.C. § 1842(a)(3)) for prior approval by the Board of Governors to acquire not less than 57 per cent of the voting shares of The First National Bank of Mexico, Mexico, Missouri. Notice of receipt of this application was published in the Federal Register (41 F.R. 51462) on November 22, 1976. The published notice advised that the application was available for inspection at the offices of both the Board of Governors and the Federal Reserve Bank of St. Louis and designated a period within which comments and views on the proposed acquisition could be filed with the Board of Governors.

Having considered the numerous comments
submitted on the proposal, including a request, with accompanying statement of reasons, that an oral presentation be conducted on this application, the Board of Governors has concluded that the public interest would be served by the conduct of an oral presentation with respect to the application.
Accordingly, it is hereby ordered that pursuant to section $262.3(\mathrm{~g})(3)$ of the Board's Rules of Procedures [12 CFR § 262.3(g)(3) (1976)] a public oral presentation be held with respect to this application before Baldwin B. Tuttle, Deputy General Counsel of the Board of Governors, at the Federal Reserve Bank of St. Louis, 411 Locust Street, St. Louis, Missouri, in such manner and at such date and time as he shall designate after receipt of requests to appear.

It is further ordered that the proceeding will consist of presentations of statements in either oral or written form, together with any supporting or supplementary written submissions allowed by the presiding officer, all of which submissions are to be addressed to the factors set forth in Section 3(c) of the Bank Holding Company Act of 1956, as amended, with respect to this application.

It is further ordered that any person desiring
to give testimony, present evidence, or otherwise participate in the scheduled oral presentation, should file with the Secretary of the Board of Governors of the Federal Reserve System, Washington, D.C. 20551, on or before May 6, 1977, a written request to appear at said oral presentation, including a statement of the nature of the petitioner's interest in the proceedings, the extent of the participation desired, and a summary of the matters concerning which the petitioner desires to either give testimony or submit evidence. Requests to participate in the proceedings will be submitted to the presiding officer for his determination and petitioners submitting them will be notified of the decision as well as the date and time of the proceeding.

By order of the Board of Governors, effective April 11, 1977.

Voting for this action: Vice Chairman Gardner and Governors Wallich, Partee, and Lilly. Voting against this action: Governors Coldwell and Jackson. Absent and not voting: Chairman Burns.
(Signed) Ruth A. Reister, [seal] Assistant Secretary of the Board.

Commerce Bancshares, Inc.,
Kansas City, Missouri

## Order Denying Acquisition of Bank

Commerce Bancshares. Inc., Kansas City, Missouri, a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval under § 3(a)(3) of the Act ( 12 U.S.C. $\$ 1842(\mathrm{a})(3)$ ) to acquire 51.96 per cent of the voting shares of the Farmers State Bank, St. Joseph, Missouri, St. Joseph, Missouri ("Bank').

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

Applicant, the third largest banking organization in Missouri, ${ }^{1}$ controls 31 banks with aggregate

[^14]deposits of approximately $\$ 1.3$ billion, representing 7.7 per cent of the total commercial bank deposits in the State. Acquisition of Bank (\$13.3 million in deposits) would not significantly increase the concentration of banking resources in Missouri; however, it would have adverse effects upon concentration in the relevant market.

Bank, the fifth largest of 21 banks in the relevant market ${ }^{2}$ and the only remaining independent bank in the City of St . Joseph, has total deposits of $\$ 13.3$ million, representing 3 per cent of the total commercial bank deposits in the relevant market. Applicant is already represented in the St. Joseph market through its ownership of Commerce Bank of St. Joseph ('"Commerce Bank'"). Commerce Bank is the fourth largest bank in the market, with total deposits of $\$ 39.9$ million, representing 8.83 per cent of the total commercial bank deposits in the relevant market. The four largest banking organizations in the St. Joseph banking market hold in the aggregate about 85.6 per cent of total commercial bank deposits in the market. Consummation of this proposal would further increase that concentration level to 88.6 per cent and Applicant would enhance its position in the market by becoming the third largest banking organization.

In addition to having adverse effects on concentration in the St. Joseph market, it appears that consummation of this proposal would eliminate significant existing competition between Bank and Commerce Bank. Applicant maintains that Bank and Commerce Bank serve essentially different kinds of customers ${ }^{3}$ and that Bank's location and orientation toward farm lending make it unlikely that Bank would expand its operations in the primary service area of Commerce Bank. However, the record shows that each derives a significant amount of its deposits and loans from the service area of the other. Thus, the Board concludes that consummation of the proposal would eliminate significant existing competition between Applicant and Bank.

[^15]In acting on this application, the Board has also considered the comments of the Department of Justice and of the Missouri Commissioner of Fi nance ('"the Commissioner') and Applicant's responses thereto. Both the Department of Justice and the Commissioner indicated that, in their respective opinions, the proposed acquisition would eliminate existing competition and lead to a further concentration of banking resources in the City of St. Joseph. Both agencies noted that because Bank was the last independent bank in the City of St. Joseph, it was a likely candidate for acquisition as a vehicle for entry into the City of St. Joseph by a regional or Statewide banking organization not presently represented in the market.

While both the Department of Justice and the Commissioner placed emphasis on the effects of the proposal on the City of St. Joseph rather than the somewhat larger St. Joseph banking market, ${ }^{\text {' }}$ the Board is of the view that their general findings as to the adverse effects of the subject proposal are supported by the facts of record. In addition, the Board finds on the basis of the foregoing and other facts of record, that competitive considerations relating to this application weigh sufficiently against approval so that it should not be approved unless the anticompetitive effects are clearly outweighed by benefits to the public in meeting the convenience and needs of the community to be served.

The financial and managerial resources and prospects of Bank are regarded as satisfactory. The financial and managerial resources and prospects of Applicant and its subsidiaries are regarded as generally satisfactory. Although Applicant would incur some debt as a result of this acquisition, it appears that Applicant's earnings from normal operations are sufficient to retire that debt as projected. Accordingly, the Board finds that considerations relating to financial and managerial resources and future prospects are consistent with approval; however, such considerations do not lend significant weight for approval of the application.

Applicant states that upon acquisition of Bank it would expand Bank's services, including increasing Bank's lending capacity through loan participations and providing Bank with agricultural

[^16]lending advice. The Board notes that Bank has only a limited need for help in handling loans above its present legal lending limit. ${ }^{5}$ Furthermore, with respect to Applicant's proposal to provide Bank with agricultural lending advice, Applicant made a similar argument in its earlier application to the Board to acquire Commerce Bank some six years ago, and it appears that Commerce Bank has made no significant increases in its agricultural lending program since its acquisition by Applicant. Accordingly, the Board finds that little weight can be accorded such services and that considerations relating to the convenience and needs of the community to be served lend no significant weight toward approval of the application. In summary, therefore, the considerations relating to banking factors and the considerations relating to the convenience and needs of the community to be served do not outweigh the adverse competitive effects that would result from Applicant's acquisition of Bank.

On the basis of the facts in the record, and in light of the factors set forth in $\S 3(c)$ of the Act, it is the Board's judgment that approval of the proposal would not be in the public interest. Accordingly, the application is denied for the reasons summarized herein.

By order of the Board of Governors, effective April 1, 1977.

Voting for this action: Governors Wallich, Coldwell, Jackson, Partee, and Lilly. Absent and not voting: Chairman Burns and Governor Gardner.
(Signed) Griffith L. Garwood, [SEAL] Deputy Secretary of the Board.

Country Bank Shares Corporation, Janesville, Wisconsin

## Order Denying Acquisition of Bank

Country Bank Shares Corporation, Janesville, Wisconsin ("Applicant'), a bank holding company within the meaning of the Bank Holding Company Act ('Act'), has applied for the Board's approval under $\S 3$ (a)(3) of the Act (12 U.S.C. § 1842(a)(3)) to acquire 72.8 per cent of the voting shares of the State Bank of Argyle, Argyle, Wisconsin ('Bank').

[^17]Notice of the application, affording opportunity for interested persons to submit comments and views, has been given in accordance with §3(b) of the Act. The time for filing comments and views has expired, and the Board has considered the application and all comments received in light of the factors set forth in § 3(c) of the Act (12 U.S.C. § 1842(c)).

Applicant presently controls one bank, The Montello State Bank, Montello, Wisconsin, with deposits of $\$ 10.1$ million, representing .07 per cent of total commercial bank deposits in Wisconsin. ' Bank ( $\$ 9.5$ million in deposits) is the sixth largest of thirteen commercial banking organizations competing in the Darlington/Monroe banking market, ${ }^{2}$ controlling 5.0 per cent of market deposits. Bank is currently controlled by McGuire Wausau Agency and Management Operations, Inc., both of which are controlled by Applicant's principals. Several of Applicant's principals are affiliated with six other Wisconsin banks, each of which is located in a banking market separate from Bank. Inasmuch as the proposal involves essentially a restructuring of Bank's ownership, the proposed transfer would eliminate neither existing nor potential competition, and would not increase the concentration of banking resources in any relevant area. Therefore, competitive considerations are consistent with approval of the application.

The Board's inquiry, however, does not end here. As the Board has indicated on previous occasions, it believes a bank holding company should constitute a source of both financial and managerial strength to its subsidiary bank(s). Accordingly, in acting upon any application under the Act, the Board will closely examine the financial condition, managerial resources, and future prospects of an applicant and its subsidiary bank(s) with these factors in mind. Based upon an evaluation of such factors with respect to this application, the Board has determined that denial of this application is warranted.

With respect to the financial resources and future prospects associated with this application, the record indicates that the overall financial condition of Applicant does not permit it to be a source of strength to Bank. Based upon an examination of

[^18]all the facts of record, including the debt burden Applicant must bear and the flow of funds needed to service such debt, consummation of the proposal may cause Applicant to make demands upon Bank in the form of dividend payments which may serve to weaken the capital position of Bank. In view of the limited financial flexibility of Applicant, a strain may be placed upon Bank's capital position as a result of Applicant's debt servicing requirements. Furthermore, in light of Applicant's financial condition, it is not in a position to come to Bank's assistance in the event any unexpected problems arise at Bank. Accordingly, the Board concludes that financial considerations weigh against approval of this application.

With respect to managerial resources, the facts of record suggest that Applicant's principals have engaged in certain transactions involving other financial institutions with which they are affiliated which reflect unfavorably on the managerial resources of Applicant and lend weight for denial. In considering all the facts of record, the Board is unable to conclude that approval of the subject application would be consistent with the financial and managerial standards the Board is required to consider under Section 3(c) of the Act, or that the public interest would be served by such action.

In regard to considerations relating to the convenience and needs of the communities to be served, the record indicates that banking needs are currently being adequately served by Bank. While these considerations appear to be consistent with approval of the application, they are not sufficient, in the Board's view, to outweigh the adverse banking factors reflected in the record that are associated with this proposal. Accordingly, it is the Board's judgment that approval of the application would not be in the public interest and that the application should be denied. Accordingly, the application is hereby denied for the reasons summarized above.

By order of the Board of Governors, effective April 25, 1977.

[^19](Signed) Griffith L. Garwood,
[seal] Deputy Secretary of the Board.

NBC Corp.,
Jackson, Tennessee

## Order Approving <br> Formation of Bank Holding Company

NBC Corp., Jackson, Tennessee has applied for the Board's approval under $\S 3(\mathrm{a})(1)$ of the Bank Holding Company Act (12 U.S.C. 1842(a)(1)) of formation of a bank holding company through acquisition of 100 per cent ${ }^{1}$ of the voting shares of the successor by merger to The National Bank of Commerce of Jackson ('JJackson Bank'’), Jackson, Tennessee and 83.1 per cent of the voting shares of The First National Bank of Gibson County ('"Humboldt Bank'), Humboldt, Tennessee (hereinafter collectively referred to as '"Banks"). The bank into which Jackson Bank is to be merged has no significance except as a means to facilitate the acquisition of the voting shares of Jackson Bank. Accordingly, the proposed acquisition of the shares of the successor organization is treated herein as the proposed acquisition of shares of Jackson Bank.

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

Applicant is a non-operating corporation organized for the purpose of becoming a bank holding company. Jackson Bank and Humboldt Bank have aggregate deposits of $\$ 78.3$ million, representing .6 per cent of the total deposits in commercial banks in Tennessee and, upon consummation, Applicant would rank as the eleventh largest of twelve multibank holding companies in the State. ${ }^{2}$ Approval of the application would not increase significantly the concentration of banking resources in Tennessee.

Jackson Bank ( $\$ 66.2$ million in deposits as of June 30,1976 ) is the second largest of four banks operating in the Madison County banking market and holds approximately 29.1 per cent of total market deposits. Humboldt Bank ( $\$ 14.4$ million in deposits as of June 30,1976 ) is the fifth largest

[^20]of thirteen banks in the Gibson County banking market, with 9.7 per cent of total market deposits. Neither Jackson Bank nor Humboldt Bank derives substantial amounts of deposits or loans from the other's market area, and, accordingly, no significant competition between Jackson Bank and Humboldt Bank would be eliminated by consummation of the acquisitions. Moreover, potential competition would not be adversely affected by consummation of the acquisitions as neither banking market appears attractive for de novo entry. Accordingly, it is concluded that competitive considerations are consistent with approval of the application.

The financial and managerial resources and future prospects of Applicant, which are dependent upon those of Banks, are regarded as satisfactory. Although Applicant will incur debt in connection with its acquisition of shares of Humboldt Bank, its income from Banks should provide sufficient revenue to service the debt without impairing the financial condition of either proposed subsidiary bank. In addition to incurring debt, Applicant will fund the subject proposal through a special dividend from Jackson Bank that may equal or exceed Jackson Bank's income for 1977 but, in light of Jackson Bank's capital strength, satisfactory management and future prospects, the dividend should not adversely affect Jackson Bank's overall financial condition. ${ }^{3}$ Although the financial and managerial resources and future prospects of Jackson Bank are considered satisfactory, those of Humboldt Bank are not entirely satisfactory at the present time but are expected to show marked improvement as a result of Humboldt Bank's affiliation with Jackson Bank and Applicant. Therefore, considerations relating to banking factors are consistent with approval of the application, and considerations relating to convenience and needs are also regarded as being consistent with approval of the application. It is the Board's judgment that consummation of the proposal to form a bank holding company would be in the public interest and that the application should be approved.

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

[^21]of this Order, or (b) later than three months after the effective date of this Order, unless such period is extended for good cause by the Board or by the Federal Reserve Bank of St. Louis pursuant to delegated authority.

By order of the Board of Governors, effective April 6, 1977.

Voting for this action: Chairman Burns and Governors Wallich, Coldwell, Jackson, Partee, and Lilly. Absent and not voting: Governor Gardner.
(Signed) Griffith L. Garwood,
[seal]
Deputy Secretary of the Board.
The Royal Trust Company,
Montreal, Quebec, Canada

## Order Approving Acquisition of Bank

The Royal Trust Company, Montreal, Quebec, Canada, a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval under Section 3(a)(3) of the Act [12 U.S.C. § 1842(a)(3)] to acquire 80 per cent or more of the voting shares of Baymeadows Bank, Jacksonville, Florida ("Bank").

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

Applicant, with total assets of $\$ 4.1$ billion (as of September 30, 1976) is one of the largest financial institutions in Canada, and operates, through its subsidiaries and other interests, in both Europe and the Caribbean Islands. In the United States, Applicant controls five Florida banks ${ }^{1}$ and operates one nonbank subsidiary. ${ }^{2}$ Through its five subsidiary banks, Applicant controls aggregate

[^22]deposits of $\$ 148.8$ million, representing approximately six-tenths of one per cent of the total deposits held by commercial banks in Florida and ranks as the twenty-ninth largest commercial banking organization in that State. ${ }^{3}$ Consummation of the subject proposal would increase Applicant's share of State deposits by approximately one-hundredth of one per cent, and would not have a significant effect upon the concentration of banking resources in Florida.

Bank (with deposits of $\$ 7.4$ million as of September 30, 1976) is the twelfth largest of the 17 banking organizations in the Jacksonville banking market ${ }^{4}$ and holds approximately three-tenths of one per cent of the market's total commercial bank deposits. Applicant is not currently represented in the relevant banking market and its closest banking subsidiary to Bank is located approximately 185 miles southwest of Bank. There does not appear to be any existing competition between Bank and any of Applicant's present banking or nonbanking subsidiaries and, in view of the distances involved, it does not appear likely that any significant competition would develop in the future. While Applicant could enter the relevant market de novo, in view of Bank's relative size and its market position, the Board views the proposed acquisitipn of Bank as essentially a foothold entry by Applicant into the market. ${ }^{5}$ Such entry by Applicant should have a salutary effect upon competition among the banking organizations in the relevant market by enabling Bank to compete more effectively in that market. Therefore, on the basis of the facts of record, the Board concludes that consummation of the proposal would not have any significant adverse effects upon either existing or potential competition in any relevant area, and that competitive considerations are consistent with approval of the application.

[^23]The financial and managerial resources and future prospects of Applicant, its subsidiary banks and Bank are regarded as being generally satisfactory. Therefore, considerations relating to banking factors are consistent with approval of the application. Applicant will provide Bank with its expertise in the areas of international banking, trust services, investment management, accounts receivable financing, factoring, personal property and equipment leasing, and will be a source of capital to Bank as needed. Considerations relating to the convenience and needs of the community to be served lend some weight toward approval. It is the Board's judgment that the proposed acquisition would be in the public interest and that the application should be approved.

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

By order of the Board of Governors, effective April 8, 1977.

Voting for this action: Chairman Burns and Governors Coldwell, Jackson, Partee, and Lilly. Absent and not voting: Governors Gardner and Wallich.
(Signed) Griffith L. Garwood, [SEAL] Deputy Secretary of the Board.

Sibley Bancorporation, Sibley, Iowa

## Order Denying

## Formation of Bank Holding Company

Sibley Bancorporation, Sibley, Iowa, has applied for the Board's approval under § 3(a)(1) of the Bank Holding Company Act ( 12 U.S.C. § 1842(a)(1)) of formation of a bank holding company through acquisition of 93 per cent or more of the voting shares of The First National Bank of Sibley, Sibley, Iowa ("Bank").

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

Applicant, a nonoperating corporation with no subsidiaries, was organized for the purpose of becoming a bank holding company through the acquisition of Bank. Bank holds deposits of $\$ 9.6$ million ${ }^{1}$ and was, as of December 31, 1975, the second largest of five commercial banks in the relevant market, ${ }^{2}$ controlling 20.6 per cent of the total deposits in commercial banks in the relevant market. Upon acquisition of Bank, Applicant would control approximately .08 per cent of the total commercial bank deposits in lowa. Since the proposed transaction is essentially a reorganization of existing ownership interests whereby Bank's principal shareholders would substitute for their direct control of Bank indirect control of Bank through Applicant, consummation of the proposal would not eliminate any existing competition, nor would it appear to have any adverse effects on other banks or on the development of potential competition in the relevant market. Therefore, competitive considerations do not weigh against approval of the application.

The Board has indicated on previous occasions that it believes that a holding company should constitute a source of financial and managerial strength to its subsidiary bank(s), and that the Board will closely examine the condition of an applicant in each case with this consideration in mind. The record indicates that Bank is in need of additional capital. However, Applicant proposes to incur a substantial amount of debt to acquire shares of Bank. Applicant proposes to repay that debt over a period of twelve years solely with dividends from Bank. The dividend paygut that would be required of Bank under Applicant's proposal would serve to weaken the capital position of Bank. ${ }^{3}$ In view of the limited financial flexibility of Applicant, the strain that would be placed on Bank's capital position as a result of Applicant's debt servicing requirements, and other facts of record, the Board is of the opinion that considerations relating to the financial and managerial resources and future prospects of Applicant and Bank weigh against approval of the application.

[^24]Applicant proposes to make minor changes in Bank's services. However, the Board finds that the considerations relating to the convenience and needs of the community to be served do not outweigh the adverse findings with respect to the financial and managerial resources and future prospects of Applicant and Bank.

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

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

By order of the Board of Governors, effective April 8, 1977.

Voting for this action: Chairman Burns and Governors Coldwell, Jackson, Partee, and Lilly. Absent and not voting: Governors Gardner and Wallich.
(Signed) Griffith L. Garwood, [SEAL] Deputy Secretary of the Board.

Texas Commerce Bancshares, Inc., Houston, Texas

## Order Approving the Merger of Bank Holding Companies

Texas Commerce Bancshares, Inc., Houston, Texas ("Applicant'), a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval under § 3(a)(5) of the Act (12 U.S.C. § 1842(a)(5)) to merge with The BanCapital Financial Corporation, Austin, Texas ("Company"), a bank holding company, and thereby acquire 100 per cent (less directors' qualifying shares) of The Capital National Bank in Austin, Austin, Texas ("Bank"). In light of the facts that Company's only assets are the shares of Bank, and that Company does not engage in any activity other than controlling Bank, Applicant's proposed merger with Company is treated herein as the proposed acquisition of Bank.

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

Applicant, the third largest banking organization in Texas, controls 31 banks with aggregate deposits of approximately $\$ 3.3$ billion, representing 6.9 per cent of the total deposits in commercial banks in the State. ${ }^{1}$ As a result of the acquisition of Bank, Applicant's share of commercial bank deposits in Texas would increase by 0.7 per cent to a total of 7.6 per cent, and Applicant would become the largest banking organization in the State.

In recent years, the Board has denied certain applications submitted by some of the larger banking organizations in Texas to acquire leading banks in the State's secondary banking markets. In its orders relating to those applications, the Board found generally that approval of such proposals would result in an increase in the share of deposits held by the State's largest organizations, as well as an increase in the size disparity between those institutions and the State's smaller bank holding companies. ${ }^{2}$ The Board is now of the view that its previously stated concern relating to the level of concentration of banking resources involving the largest banking organizations in Texas is no longer entirely warranted and should be tempered in light of developments subsequent to 1974. In particular, since the time of those denials, the percentage of commercial banking resources in Texas controlled by the State's four largest banking organizations has not increased appreciably, thus indicating that the Board's earlier actions have had a salutary effect in retarding the rate at which increased concentration was occurring. Furthermore, the present level of concentration of banking resources in Texas is relatively low in comparison to the level of concentration in other States as evidenced by the fact that, based on the percentage of deposits held by the three largest

[^25]banking organizations, Texas ranks 43 rd out of the 50 States in terms of concentration levels. ${ }^{3}$ Accordingly, while the Board continues to be of the view that the effect of a proposal on concentration is a matter that deserves studied attention, the recent trend in the banking structure of Texas is such that the Board does not view the concentration increase that would follow upon consummation of this proposal as so adverse as to require denial thereof.

Bank holds deposits of approximately $\$ 356.5$ million, representing 21.4 per cent of total deposits in commercial banks in the Austin banking market, ${ }^{4}$ and ranks as the second largest of 23 banks operating in the market. Applicant is not presently represented in the Austin banking market; its subsidiary bank closest to Bank is located 48 miles away in the San Antonio banking market. It appears that no meaningful competition currently exists between the two organizations. Thus, consummation of Applicant's proposal would not have any significant adverse effects on existing competition within the relevant market.

This application represents Applicant's second attempt to enter the Austin banking market through acquisition of one of that market's leading banks. In January of 1975, the Board denied Applicant's proposed acquisition of The Austin National Bank, Austin, Texas ("Austin Bank'"). ${ }^{5}$ In denying that application, the Board stated that the acquisition of such a significant competitor as Austin Bank in a highly concentrated market by one of the State's leading competitors would significantly reduce the likelihood that the market would become less concentrated and more competitive in the future. At that time, Austin Bank was the largest commercial bank in the market and controlled approximately 23 per cent of the market's deposits. The four largest banking organizations in the Austin banking market controlled 79 per cent of

[^26]deposits. In that denial Order, the Board also stated that reasonable alternative means of entry into the Austin market were available to Applicant other than the acquisition of the market's largest bank. The Board concluded that Applicant's acquisition of Austin Bank would have significant adverse effects on the concentration of banking resources and on potential competition within the Austin banking market and that such anticompetitive effects were not outweighed by considerations relating to the convenience and needs of the communities to be served.

The Board has reexamined the Austin banking market in the context of the subject proposal. Upon such reexamination, the Board is of the view that its previous concerns, which it then believed were justified, regarding the structure of the Austin market and the likely adverse competitive effects within that market of Applicant's proposed acquisition, should not presently be given the weight that they were at that time. Although the level of concentration of banking resources in the Austin market has not changed appreciably since the Board's denial of Applicant's previous proposal, the Board does not now view Applicant's acquisition of Bank as significantly reducing the likelihood that the market would become less concentrated in the future. The Austin area has experienced exceptionally rapid growth in recent years. In view of this economic growth, it appears that the market is attractive for entry by other banking organizations and a number of the State's largest banking organizations are not presently represented in that market. The Board concludes that approval of this application would not foreclose the possibility of such other competitors entering the market either de novo or through acquisition of one of the many independent banks.

With respect to potential competition, while consummation of this proposal would eliminate the possibility of Applicant entering the Austin market de novo or through acquisition of one of the numerous smaller independent banks, the Board is now of the view that Applicant's entry into the Austin market should not be restricted to establishing a bank de novo or acquiring a foothold entry. Thus, the Board is presently unable to conclude that consummation of the proposed transaction would have such adverse effects upon the concentration of banking resources or upon potential competition within the Austin banking market as to justify denial of the subject application. On the other hand, approval of this application may have a positive effect on competition in
the market by introducing a new and aggressive competitor into the Austin banking market.
The financial and managerial resources of Applicant, its subsidiaries and Bank are considered generally satisfactory and the future prospects for each appear favorable. In commenting upon the subject proposal, the Comptroller of the Currency recommended conditioning approval of the application upon injection of $\$ 3$ million in capital into Bank within six months of its acquisition by Applicant. In response to the Comptroller of the Currency's comments, Applicant has committed to inject $\$ 5$ million of equity capital into Bank upon consummation of its proposal. Thus, the Board is of the view that the banking factors involved in the proposal lend weight toward approval of the application.

Information contained in the record indicates that banks within the Austin market are not presently fully meeting all of the banking needs of the area, especially the needs of large national and international corporations located in the Austin vicinity. Applicant proposes to provide Bank with its specialized expertise in international banking, trust operations and investments. In addition, affiliation with Applicant would expand Bank's credit capabilities. While the weight to be accorded to such improved services and increased convenience is somewhat uncertain, it is clear that the ready availability of Applicant's financial resources and expertise should benefit the Austin area by providing a climate for continued economic expansion. Accordingly, considerations relating to the convenience and needs of the communities to be served lend some weight toward approval of the application. In view of the foregoing, it is the Board's judgment that Applicant's acquisition of Bank would be in the public interest.

On the basis of the record, the application is approved for the reasons summarized above. ${ }^{6}$ The transaction shall not be made (a) before the thirtieth calendar day following the effective date of this Order, or (b), later than three months after the effective date of this Order unless such period is extended for good cause by the Board, or by the Federal Reserve Bank of Dallas pursuant to delegated authority.

[^27]By order of the Board of Governors, effective April 13, 1977.
Voting for this action: Chairman Burns and Gover-
nors Gardner, Coldwell, Jackson, Partee, and Lilly.
Voting against this action: Governor Wallich.
(Signed) Ruth A. Reister, [seal] Assistant Secretary of the Board.

## Dissenting Statement of Governor Wallich

I would deny the application of Texas Commerce Bancshares to acquire BanCapital Financial Corporation, Austin, Texas. I cannot agree with the majority in their conclusion that the proposed acquisition may have a positive effect on competition in the Austin banking market. In my view, this acquisition will have significantly adverse effects in reducing potential competition in the Austin banking market that are not outweighed by any projected convenience and needs. Additionally, I believe this acquisition will have an adverse effect on the structure of Texas banking markets in general by signaling a decrease in the Board's concern over increased concentration in Texas banking markets.

In a decision just two years ago, ${ }^{1}$ the Board denied an application by Texas Commerce to acquire the largest bank in the Austin banking market, a bank with approximately 23 per cent of the market's total deposits. The same Applicant now seeks to acquire a bank of almost identical size, the second largest in the Austin market, with approximately 21.4 per cent of the market. The prior denial was based upon the Board's concerns with concentration in the Austin market and the significantly adverse effect upon potential competition the acquisition would have, given the likelihood of either de novo or foothold entry.

Neither the factual situation nor the underlying adverse competitive effects have changed significantly in the two years since the first application was denied. Applicant has increased both its share of total State deposits ( 6.9 per cent as opposed to 6.3 per cent) and the number of banks it controls ( 31 from 25) since the 1975 denial. Approval of this acquisition will make Applicant the largest banking organization in Texas. Addi-

[^28]tionally, the Austin banking market remains very attractive to de novo entry and highly concentrated. The largest four banking organizations in the Austin market control approximately 78 per cent of total deposits, while the largest eight control approximately 91 per cent.

As to the underlying adverse competitive effects, I am somewhat concerned over the level of concentration in the Austin banking market itself. Approval will establish Applicant, the largest banking organization in Texas, as the second largest banking organization in the Austin market. I must also note that an application has been received by the Board from the second largest banking organization in Texas to acquire the third largest bank in the Austin market. If that application and the present one were both approved, the chances of the Austin market becoming less concentrated and more competitive in the future would be significantly reduced.

I am also concerned that the proposed acquisition will produce significant adverse effects on potential competition. The Austin market is highly concentrated and Applicant, as one of the largest organizations in Texas, is viewed as one of the most likely entrants into the Austin market given its past expansion history. This is especially true given Applicant's prior attempt to acquire the largest bank in Austin. Besides the possibility of entering the market de novo, which must be viewed as a strong probability given the attractiveness of the Austin market, there are numerous smaller banks in the Austin market, some of them in the city of Austin, suitable as foothold entry points. Given Applicant's history of increasing the market shares of its acquired banks, such foothold or de novo entry should have the pro-competitive effect of decreasing concentration in the Austin market. A smaller acquisition would also leave the Austin bank as a possible entry point for one of the State's smaller bank holding companies or independent banks wishing to form a holding company, or leave the Austin bank free to expand on its own.

Worth noting also is the fact that this acquisition is within the Justice Department's 'Merger Guidelines." Those guidelines state that the Department will ordinarily challenge a conglomerate merger (a market extension acquisition) between one of the most likely entrants into a market and 'one of the four largest firms in a market in which the shares of the eight largest firms amount to approximately 75 per cent or more, provided the merging firm's share of the market
amounts to approximately 10 per cent or more."
The Board, like the Department of Justice, must rely upon market shares and on concentration ratios, whether measured in the traditional form or through devices such as the '"Herfindahl'’ index or "Gini"' coefficient, as the principal means of detecting anticompetitive acquisitions and oligopolistic behavior. Contrary to the majority view, I do not believe this reliance is misplaced given the large number of studies which have found a direct relationship between the competitive structure of a given market and the pricing, conduct and economic performance of firms operating in that market. In my view, the analytical linkages between structure, conduct and performance produce economic predictions fully adequate for the Board's responsibilities under the Bank Holding Company Act and place the burden upon the applicant to come forward with an affirmative showing which would contradict these predictions. The Applicant in this case has not done so.

While my primary concern is the adverse effect this acquisition would have in the Austin market, I am also concerned about the implications this approval would have for market structure in Texas generally. During the early 1970's, bank holding companies in Texas engaged in an intensive round of consolidations and acquisitions. With the upswing in economic activity and improvement in market conditions, the major bank holding companies appear poised for another round of acquisition activity. While not rigidly adhering to the so-called "Tyler Doctrine" which would prevent any of the four first-tier holding companies from acquiring the largest banks in any of the secondary markets, I would look more favorably upon such acquisitions by the second-tier holding companies or the larger independent banks. Such activity by the smaller banking organizations in Texas would tend to decrease the absolute size disparity between the largest organizations and the rest of the State's organizations, thereby increasing the number of effective competitors in Texas and increasing competition within the State. Additionally, Austin is the largest of the secondary markets in Texas and would provide a key entry point for one of the smaller organizations in Texas not represented in that market. Such growth by the smaller Texas organizations would greatly increase the amount of financial expertise and capabilities available to meet the expanding banking needs of Texas.

For the foregoing reasons, I would deny this application.

Texas Commerce Bancshares, Inc., Houston, Texas

## Order Denying Acquisition of Bank

Texas Commerce Bancshares, Inc., Houston, Texas, a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval under § 3(a)(3) of the Act (12 U.S.C. $\S 1842$ (a)(3)) to acquire 100 per cent of the voting shares (less directors' qualifying shares) of Bexar County National Bank of San Antonio, San Antonio, Texas ("Bank').

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

Applicant, the largest banking organization in Texas, controls 32 banks with aggregate deposits of approximately $\$ 3.7$ billion, representing 7.6 per cent of the total commercial bank deposits in the State. ${ }^{1}$ Acquisition of Bank ( $\$ 126.7$ million in deposits) would increase Applicant's share of Statewide deposits by 0.2 per cent and would not result in a significant increase in the concentration of banking resources in Texas.

Bank is the fourth largest of 44 banking organizations operating in the San Antonio banking market, controlling 4.8 per cent of market deposits. ${ }^{2}$ Applicant operates two banks in the San Antonio market and is the eighth largest commercial banking organization therein, controlling 4.1 per cent of market deposits. Thus, consummation of the proposal would significantly increase Applicant's market share, to 8.9 per cent. Furthermore, the facts of record show that one of Applicant's San Antonio banking subsidiaries is located only 3.3 miles southeast of Bank and that approval would eliminate significant existing competition

[^29]between Bank and Applicant's banking subsidiaries in the market. ${ }^{3}$

Bank ranks among the top 5 per cent of all Texas banks in deposit size ${ }^{4}$ and is the largest independent bank in the San Antonio banking market, more than twice the size of the largest remaining independent bank in downtown San Antonio; thus, approval of the proposal would remove an attractive entry vehicle for a Texas bank holding company not currently represented in the growing San Antonio market. ${ }^{5}$ Approval would also lessen the possibility of future market deconcentration through the entry of another banking organization into the market. On the basis of the foregoing and other facts of record, the Board concludes that approval of the application would have significantly adverse competitive effects.

In acting upon this application, the Board has considered the comments of the Department of Justice and Applicant's responses thereto. The Justice Department indicated that, in its opinion, the proposed acquisition would have an adverse competitive effect since it would eliminate existing competition to a significant degree, eliminate the potential for increased competition between Applicant and Bank, and lead to a significant increase in the concentration of commercial banking in the San Antonio area, and, more specifically, within Bexar County. Applicant responded that existing competition between Applicant and Bank was de minimis since Applicant's closest banking subsidiary, Highland Park State Bank, is a suburban retail bank while Bank is a downtown commercial bank. Applicant further contended that the concentration ratio of the four largest banks in the San Antonio commercial banking market is the lowest in any principal city in Texas; that no significant increase in concentration will result from consummation of the proposal; and, moreover, the concentration ratio has decreased by 3.4 percentage points since 1970. Finally, Applicant indicated that consummation of the proposal would not eliminate the potential for increased competition by foreclosing

[^30]the possibility that Applicant would establish a de novo bank or that Bank would form a holding company, since Applicant, as a matter of management policy, has never formed a de novo bank outside the area of metropolitan Houston, and Bank's management had considered and rejected the possibility of forming its own bank holding company or becoming affiliated with a smaller regional bank holding company.

It is the Board's opinion, however, based on the foregoing and other facts of record, that competitive considerations relating to this application weigh sufficiently against approval so that it should not be approved unless the anticompetitive effects are clearly outweighed by benefits to the public in meeting the convenience and needs of the communities to be served.

The financial and managerial resources and prospects of Applicant, its subsidiary banks, and Bank are generally satisfactory. Thus, banking factors are consistent with approval of the application. Considerations relating to the convenience and needs of the communities to be served lend little, if any, weight toward approval. Applicant contends that by affiliation it would provide Bank with the capability of offering full-line wholesale banking services, consumer-sized certificates of deposit, and an extension of Bank's operating hours; however, the banking needs of the area are currently being met and an array of such services is already available in the San Antonio market. The Board finds that neither the considerations relating to banking factors, nor to convenience and needs, are sufficient to outweigh the significantly adverse competive effects of Applicant's proposal.

Based upon the foregoing and other considerations reflected in the record, and in light of the factors set forth in § 3(c) of the Act, it is the Board's judgment that approval of the proposal would not be in the public interest. Accordingly, the application should be, and hereby is, denied for the reasons summarized above.

By order of the Board of Governors, effective April 29, 1977.

[^31]Trust Company of Georgia, Atlanta, Georgia

## Order Approving Acquisition of Bank

Trust Company of Georgia ("Applicant"), Atlanta, Georgia, a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval under section 3(a)(3) of the Act (12 U.S.C. § 1842(a)(3)) to acquire all of the voting shares (except directors' qualifying shares) of the successor by merger to The First National Bank of Brunswick ('Bank'"), Brunswick, Georgia. The successor bank into which Bank is to be merged has no significance except as a means of facilitating the acquisition of the voting shares of Bank. Accordingly, the proposed transaction is treated in this Order as a proposed direct acquisition by Applicant of the shares of Bank.

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

Applicant, the third largest banking organization in Georgia, directly controls Trust Company Bank, Atlanta, Georgia, which has deposits of $\$ 796$ million, and indirectly controls five other banks with aggregate deposits of approximately $\$ 400$ million. ${ }^{1}$ The aggregate deposits of Applicant's existing and approved subsidiary banks represent about ten per cent of the total deposits in commercial banks in the State. Acquisition of Bank would increase Applicant's share of the commercial bank deposits in the State by 0.5 per cent, and the Board views this increase with a degree of concern because of the increasing trend toward further concentration in the State. ${ }^{2}$

[^32]Bank is the largest of three banking organizations in the relevant banking market ${ }^{3}$ and holds deposits of $\$ 57.2$ million, representing approximately 51 per cent of the total deposits in commercial banks in the market. The other two banks in the market hold about 36 and 13 per cent of the market's deposits, respectively. Applicant's nearest existing or proposed subsidiary bank is located almost 75 miles from Bank, and it appears that this acquisition will eliminate no significant existing competition between Bank and Applicant's bank and nonbank subsidiaries. Although Applicant has sufficient resources to enter the Brunswick banking market de novo, Georgia law prohibits Applicant from branching into or acquirring a de novo bank in the relevant banking market. In bypassing a small existing bank as a market entry vehicle, however, Applicant will add 0.5 per cent to a rising level of Statewide concentration, and will contribute to some extent to an imbalance of the financial resources among existing banks in the market by solidifying Bank's position in that market. For these reasons and based on the facts of record, the Board concludes that the proposed acquisition would have slightly adverse effects on competition.

The financial and managerial resources of Applicant and Bank, and their future prospects, are regarded as generally satisfactory, and considerations relating to banking factors are consistent with approval of the application. Applicant intends to offer services not now available to Bank's customers and to strengthen Bank's management and improve the services presently offered by Bank. Following consummation of the acquisition, Applicant will provide full-time executive personnel for Bank, and will provide Bank's customers with new services, including corporate trust, investment management, international banking, and factoring services. In addition, Bank may be expected to benefit from access to Applicant's specialized expertise in all areas of existing services. These considerations relating to convenience and needs of the community to be served lend weight toward approval of the application to acquire Bank, and in the Board's judgment outweigh the slightly adverse effects on competition that might result from consummation of this proposal. It is the Board's judgment that the proposed acquisition

[^33]would be in the public interest and that the application should be approved.

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

By order of the Board of Governors, effective April 1, 1977.

Voting for this action: Governors Wallich, Coldwell, Jackson, Partee, and Lilly. Absent and not voting: Chairman Burns and Governor Gardner.
(Signed) Griffith L. Garwood,
[SEAL] Deputy Secretary of the Board.

Western Michigan Corporation, Niles, Michigan

## Order Approving Acquisition of Bank

Western Michigan Corporation, Niles, Michigan, a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval under section 3(a)(3) of the Act [12 U.S.C. § 1842(a)(3)] to acquire 100 per cent of the voting shares (less directors' qualifying shares) of the successor by merger to The First National Bank of Cassopolis, Cassopolis, Michigan ("Bank"). The bank into which Bank is to be merged has no significance except as a means to facilitate the acquisition of the voting shares of Bank. Accordingly, the proposed acquisition of shares of the successor organization is treated herein as the proposed acquisition of the shares of Bank.

By Order dated June 30, 1976, the Board of Governors denied the application of Western Michigan Corporation to acquire Bank [41 Federal Register 28361 (1976); 62 Federal Reserve BulLetin 624 (1976)]. Thereafter, Applicant filed a Request for Reconsideration of the Board's Order pursuant to section $262.3(\mathrm{~g})(5)$ of the Board's Rules of Procedure [12 CFR § 262.3(g) (5)]. By Order dated November 26, 1976 [41 Federal Register 53118 (1976); 62 Federal Reserve Bulletin 1058 (1976)], the Board granted Applicant's request for reconsideration of the application.

Notice of the Board's action granting a reconsideration of the application and affording an opportunity for interested persons to submit com-
ments and views, has been given in accordance with section 3(b) of the Act [41 Federal Register 53118 (1976)]. The time for filing comments and views has expired, and the Board has considered the application and all comments received in light of the factors set forth in section 3(c) of the Act [12 U.S.C. § $1842(\mathrm{c})$ ].

Applicant is the 32 nd largest banking organization in Michigan and through its sole subsidiary bank, First National Bank of Southwestern Michigan, Niles, Michigan ('FNB'’), holds deposits of approximately $\$ 129.0$ million, representing 0.4 per cent of the total deposits held by commercial banks in the State. ${ }^{1}$ Acquisition of Bank would increase Applicant's share of Statewide deposits by approximately .05 per cent and would make Applicant the 29th largest banking organization in Michigan; however, consummation of the proposal would not significantly increase the concentration of banking resources in Michigan.

In its earlier denial Order, the Board determined that the relevant banking market for analyzing the competitive effects of the proposal was the Cass County banking market, which was found to be approximated by all of Cass County except the two extreme southwestern townships of Howard and Milton. Based upon such a market definition the Board concluded that acquisition of Bank (second largest of five banking organizations in the market) by Applicant (fourth largest of five in the market) would have significant adverse effects upon concentration in the relevant banking market because Applicant's share of market deposits would increase by 20.1 percentage points to 37.2 per cent and the two-firm concentration ratio would become 75.3 per cent. ${ }^{2}$ The Board also concluded that consummation of the transaction would have adverse effects upon existing competition within that market. In addition, approval of the proposed transaction would have adverse effects upon future competition because there would result a reduction in the number of banking alternatives operating in the market and the elimination of Bank as both a competitor of Applicant and a viable entry vehicle for a Michigan bank holding company not represented in the market. This latter factor was even more significant in light of the

[^34]fact that the Cass County banking market was regarded by the Board as not being particularly attractive for de novo entry by other banking organizations seeking to gain access thereto. Furthermore, although the Board found that considerations relating to convenience and needs did lend some weight toward approval, the Board concluded that neither of these considerations nor those relating to banking factors were sufficient to outweigh the adverse competitive effects of Applicant's proposal.

In requesting reconsideration, Applicant submitted evidence indicating that the relevant banking market is more appropriately a redefined South Bend/Elkhart, Indiana Ranally Metro Area ('RMA'). ${ }^{3}$ In the the redefined banking market, Applicant would rank as the sixth largest of twenty banking organizations and would control total market deposits of $\$ 107.9$ million, representing approximately 7.1 per cent of the total deposits held by commercial banks in the market. With $\$ 17.7$ million in deposits, Bank would rank as the thirteenth largest banking organization in the relevant banking market and would control approximately 1.2 per cent of total market deposits. Acquisition of Bank by Applicant would increase Applicant's share of total deposits in the relevant banking market to approximately 8.3 per cent while Applicant's rank therein would remain unchanged. Thus, consummation of the proposal would not have the significant adverse effects on concentration in the relevant banking market that were of concern to the Board in its original Order.

Consummation of the proposed transaction would continue to eliminate some existing competition because FNB operates its head office and eight branches within the relevant market and FNB's nearest office to Bank is located in Dowagiac, Michigan, 10 miles northwest of Bank. While consummation of the proposal would slightly increase the concentration of banking resources in the relevant market and eliminate Bank as both a competitor and a potential entry vehicle for a Michigan bank holding company not repre-

[^35]sented in the market, it now appears that any adverse effects upon the market's competitive structure are minimized by the existence of several other independent banking alternatives in the market, including the second largest banking organization in Michigan. In light of the revised definition of the relevant market, the competitive effects of Applicant's proposal are significantly lessened and are not as adverse as they were at the time the Board issued its denial Order. It is the Board's judgment that, on balance, consummation of Applicant's proposal would have only slightly adverse competitive effects.

The financial and managerial resources and future prospects of Applicant, its subsidiary bank, and Bank are regarded as satisfactory and consistent with approval of the application. Acquisition of Bank by Applicant would enhance Bank's ability to compete because Bank currently possesses limited capabilities in terms of the banking services that it is able to offer to the residents of the areas in which it is operating. As the Board previously indicated, affiliation with Applicant would enable Bank to expand its trust department, increase its lending capacity through loan participations, upgrade its agricultural loan services, and create new time deposit services and municipal and corporate savings programs. In the Board's view, these considerations relating to both the convenience and needs of the community to be served and the banking factors lend weight toward approval of the application and are sufficient to outweigh any slightly adverse competitive effects present in this proposal. Therefore, it is the Board's judgment that consummation of the proposed acquisition would be in the public interest and that the application should be approved.

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

By order of the Board of Governors, effective April 29, 1977.

Voting for this action: Governors Wallich, Coldwell, Partee, and Lilly. Voting against this action: Governor Jackson. Absent and not voting: Chairman Burns and Vice Chairman Gardner.
(Signed) Griffith L. Garwood,
[SEAL] Deputy Secretary of the Board.

## Dissenting Statement of Governor Jackson

I would deny the application of Western Michigan Corporation to acquire The First National Bank of Cassopolis. It appears from the facts of record that, although consummation of this transaction would not significantly increase the concentration of banking resources in Michigan, it would have significant adverse effects within the relevant banking market.

In the Board's previous consideration of this application, the facts of record indicated to the Board that acquisition of Bank by Applicant would have significantly increased Applicant's share of total deposits in the relevant banking market ${ }^{1}$ from approximately 17.1 per cent to approximately 37.2 per cent and would have resulted in Applicant becoming the market's second largest of five banking organizations. ${ }^{2}$ Thus, the two-bank concentration ratio in the relevant market would have become 75.3 per cent, a significant increase in the concentration of banking resources in that market. Furthermore, in addition to the significant adverse effects upon market concentration, the proposal would have had adverse effects upon existing competition within the Cass County market. It was the Board's judgment that approval of the transaction would have resulted in a reduction in the number of banking alternatives operating in the market and would have eliminated Bank as a viable entry vehicle for a bank holding company not represented in that market. The Board, on the basis of these and other facts of record, including the denial recommendation of the Department of Justice, concluded that approval of the application would have significant adverse effects upon existing competition. In addition, the Board concluded that the anticompetitive effects of the proposal were not clearly outweighed by benefits to the public in meeting the convenience and needs of the communities to be served. Accordingly, the application was denied.

The application is being reconsidered by the Board in light of a revised definition of the relevant banking market, which now will be the Niles, Michigan-South Bend/Elkhart, Indiana banking

[^36]market. This market has been expanded to include Cass County, including Cassopolis, formerly contained in the Cass County banking market. ${ }^{3}$ Even in light of this revised banking market, I would deny this application for reasons similar to those expressed above.

Applicant would rank as the sixth largest of twenty banking organizations in the new market and would control total market deposits of $\$ 107.9$ million, representing approximately 7.1 per cent of market deposits. Bank would be the thirteenth largest organization in the new market, with total deposits of $\$ 17.7$ million, representing approximately 1.2 per cent of total market deposits. Accordingly, upon consummation of this transaction, the resulting organization would rank sixth in the new market with 8.3 per cent of market deposits. It is my opinion that competitive factors relating to this application are significantly adverse inasmuch as consummation of the proposed transaction would (1) eliminate significant existing competition between Applicant's subsidiary bank and Bank; (2) eliminate a banking alternative in this market; (3) increase market concentration; and (4) remove Bank as a potential entry vehicle for other organizations not currently represented in the market. Of particular significance is the elimination of existing competition between Applicant and Bank in the market inasmuch as Applicant's subsidiary bank derives loans and deposits from Bank's service area that represent approximately 28 and 10 per cent, respectively, of Bank's total loans and deposits.

The application should be denied unless the anticompetitive effects of the proposal are clearly outweighed in the public interest by the probable effect of this transaction in meeting the convenience and needs of the community to be served. Applicant has indicated that it would provide trust services for Bank's customers, increase Bank's lending capacity through loan participations, upgrade its agricultural loan services, and create new time deposit services and municipal and corporate savings programs. The Board's majority has concluded that these public benefits outweigh the anticompetitive effects of this proposal. I disagree with that conclusion. The considerations relating to the convenience and needs of the community

[^37]to be served lend some weight toward approval of the application; however, in my view, they are not sufficient to outweigh the adverse competitive effects of Applicant's proposal.

Therefore, based upon the above reasons, I would deny this application.

Yoakum County Bancshares, Inc., Denver City, Texas

## Order Approving Formation of Bank Holding Company

Yoakum County Bancshares, Inc., Denver City, Texas, has applied for the Board's approval under $\S 3(\mathrm{a})(1)$ of the Bank Holding Company Act (12 U.S.C. $\$$ 1842(a)(1)) of formation of a bank holding company through acquisition of 96.04 per cent of the voting shares (less directors' qualifying shares) of Yoakum County State Bank, Denver City, Texas ('Bank'’).

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

Applicant, a nonoperating corporation with no subsidiaries, was formed for the purpose of becoming a bank holding company through the acquisition of Bank. Bank has total deposits of \$17.8 million, representing .04 per cent of total deposits in commercial banks in the State of Texas. ${ }^{1}$ Bank is the larger of two commercial banks in the relevant banking market, ${ }^{2}$ controlling 74.6 per cent of the deposits therein. The purpose of the proposed transaction is to facilitate the transfer of the ownership of shares of Bank from individuals to a corporation owned by the same individuals. Principals of Applicant are principals of West Texas Bancorporation, a one-bank holding company controlling The First National Bank of Post, Post, Texas. First National Bank is located ninety-three miles from Bank in a separate banking market. In view of the relatively small sizes of Bank and First National Bank and the distance

[^38]between them, consummation of the instant proposal will have no adverse effect upon existing or potential competition nor increase the concentration of banking resources in any relevant market. Accordingly, it is concluded that competitive considerations are consistent with approval of the application.

The Board applies multi-bank holding company standards in assessing the financial and managerial resources and future prospects both of an applicant seeking to become a one-bank holding company, and of its proposed subsidiary bank, where the principals of the Applicant are engaged in establishing a chain of one-bank holding companies. ${ }^{3}$ First National Bank appears to be in satisfactory condition, which suggests that Applicant's principals would conduct the operations of the proposed holding company and of Bank in a satisfactory manner. In addition, Applicant has committed that it will not declare dividends on its common stock unless the debt it will incur to purchase shares of Bank is amortized as projected in the application. Applicant has also committed that, in the event any such dividend is paid, certain capital ratios set forth in the application will be maintained. Applicant proposes to service the debt it will incur as a result of the proposed transaction through dividends from Bank over a 12 -year period. Based on Bank's past earnings, it appears that Applicant will be able to meet its annual debt-servicing requirements and maintain Bank's capital position. These commitments together with other commitments by Applicant and Applicant's shareholders, individually, which commitments are contained in the instant application, cause the considerations relating to banking factors to be consistent with approval of the application.

It does not appear that the convenience and needs of the community to be served are not being met currently. Although there will be no immediate change in the services offered by Bank upon consummation of the proposal, considerations relating to the convenience and needs of the community to be served are consistent with approval of the application. Consummation of the proposed transaction is in the public interest and it should be approved.

[^39]On the basis of the record, the application is approved for the reasons set forth above. The transaction shall not be made (a) before the thirtieth calendar day following the effective date of this Order or (b) later than three months after the effective date of this Order, unless such period is extended for good cause by the Board or by the Federal Reserve Bank of Dallas pursuant to delegated authority.

By order of the Secretary of the Board, acting pursuant to delegated authority from the Board of Governors, effective April 22, 1977.
(Signed) Theodore E. Allision,
[SEAL] Secretary of the Board.

## American General Insurance Company, Houston, Texas

Order Amending Prior Board Order with regard to Divestiture of Shares of Texas Commerce Bancshares, Inc., held by American General Insurance Company

By Order of April 11, 1972, ${ }^{1}$ the Board determined that American General Insurance Company ('American General'’), Houston, Texas, had ceased to be a bank holding company for purposes of the Bank Holding Company Act of 1956, as amended ('‘Act'"). The Board's determination was conditioned upon American General exchanging all voting shares of Texas Commerce Bancshares, Inc. ("TCB"'), Houston, Texas, then held by American General for a new class of shares of TCB that, while held by American General would be nonvoting. The determination was further conditioned upon American General's fulfilling four commitments enumerated in the Board's Order. American General committed to divest itself by January 1, 1981, of all nonvoting shares of TCB and to accomplish said divestiture through a public offering underwritten by investment bankers under an agreement that no purchaser either directly or indirectly would acquire at the sale shares aggregating more than 2 per cent of the then outstanding common stock of TCB. American General has exchanged its voting shares of TCB for nonvoting shares.

[^40]American General has now requested that the Board modify its Order to permit American General to divest itself of the nonvoting TCB shares through dividend distributions to American General's common stock shareholders at a rate of not less than one TCB share for every 100 shares of American General common stock held. American General has fulfilled the other conditions of the Board's Order and there is no evidence indicating that American General has sought to exercise a controlling influence over TCB. American General's common stock is widely held, and it appears that no shareholder of American General would receive shares of TCB aggregating more than 2 per cent of the outstanding common stock of TCB. ${ }^{2}$

On the basis of the facts of record, the Board concludes that approval of American General's request is consistent with the purposes of the Act the Board sought to accomplish in its Order of April 11, 1952. Accordingly, the Board's Order of April 11, 1972, is hereby amended to permit American General to divest its interest in TCB through dividend distributions to the common stock shareholders of American General. This amendment is subject to the following conditions:
(1) American General will not hold any vot-
ing or nonvoting TCB shares on January 1,
1981.
(2) American General will dispose of any TCB shares received by its subsidiaries or other shareholders directly or indirectly under its control within three months of receipt of said shares.
The Board's actions herein is subject to amendment, revocation, or nullification by the Board should it conclude that American General at any time exercises or has attempted to exercise control or a controlling influence over TCB or any of its subsidiaries.

By order of the Board of Governors, effective April 14, 1977.

Voting for this action: Vice Chairman Gardner and Governors Wallich, Coldwell, Jackson, and Partee. Absent and not voting: Chairman Burns and Governor Lilly.
(Signed) Ruth A. Reister, [seal] Assistant Secretary of the Board.

[^41]Ellis Banking Corporation,<br>Bradenton, Florida

Order Approving Acquisition of Bank and Granting a Requested Determination Pursuant to Section 2(g)(3)

Ellis Banking Corporation, Bradenton, Florida, a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval under § 3(a)(3) of the Act ( 12 U.S.C. $\S 1842(\mathrm{a})(3)$ ) to acquire 50.1 per cent or more of the voting shares of the Citizens Bank of Bunnell, Bunnell, Florida ("Bank'').

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

Applicant, the tenth largest banking organization in Florida, controls 25 banks with aggregate deposits of approximately $\$ 692.3$ million, representing approximately 2.8 per cent of total commercial bank deposits in Florida. ${ }^{1}$ Acquisition of Bank (approximately $\$ 11.8$ million in deposits) would increase Applicant's share of commercial bank deposits in Florida by .05 per cent and would have no appreciable effect upon the concentration of banking resources in Florida.

Bank, the larger of the two banks in the relevant market, ${ }^{2}$ controls total deposits of approximately $\$ 11.8$ million, representing about 63 per cent of the total deposits in commercial banking institutions in the market. The closest subsidiary bank of Applicant is located 150 miles south of Bank in a separate banking market. Approval of the proposal would eliminate no significant existing competition between Applicant's subsidiaries and Bank. Common ownership and control of Bank and the only other bank in the relevant market has led to common senior operating management and numerous director interlocks. Because of this relationship, the two banking institutions do not presently compete with each other to any meaningful extent. If the subject proposal is approved,

[^42]Applicant has indicated that the present relationship would be terminated and Bank would become independent and an alternative source of banking services in the relevant market. On the basis of the facts of record, the Board concludes that competitive considerations are consistent with, and lend some weight toward, approval of the application.

The financial and managerial resources and future prospects of Applicant and its subsidiaries are regarded as generally satisfactory. The financial and managerial resources and future prospects of Bank appear satisfactory. Considerations relating to banking factors are consistent with approval.

Applicant has indicated that it will provide Bank with specialized lending expertise and assist it in securing loan participations. Furthermore, affiliation with Applicant will provide Bank with access to Applicant's centralized auditing, accounting, investment counseling, and management training program. Considerations relating to the convenience and needs of the community to be served, therefore, lend some weight toward approval of the application. It is the Board's judgment that the proposed acquisition would be in the public interest and that the application should be approved.

In connection with this proposal, Applicant will offer two types of debt instruments in exchange for Bank's stock: a seven-year maturity convertible debenture and a ten-year maturity nonconvertible debenture. Florida National Banks of Florida, Inc. ('Florida National'’), Jacksonville, Florida, will exchange the 50.1 per cent of the voting shares it now holds in Bank for the ten-year maturity nonconvertible debentures Applicant is offering. ${ }^{3}$ Under $\S 2(\mathrm{~g})(3)$ of the Act, shares transferred after January 1, 1966, by a bank holding company directly or indirectly to any transferee that is indebted to the transferor are deemed to be indirectly owned or controlled by the transferor unless the Board, after opportunity for hearing, determines that the transferor is not in fact capable

[^43]of controlling the transferee. On the basis of the facts of record, including submissions from both Applicant and Florida National, the Board has determined, pursuant to $\S 2(\mathrm{~g})(3)$ of the Act $(12$ U.S.C. § $1841(\mathrm{~g})(3)$ ), that Florida National will not in fact be capable of controlling Applicant. ${ }^{4}$ Furthermore, upon consummation of this transaction, Florida National will terminate its interest in Bank, as required by the Board's Order of July 29, 1976.

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

By order of the Board of Governors, effective April 4, 1977.

[^44]
## Prior Certifications under the <br> Bank Holding Company Tax Act of 1976

Helmerich \& Payne, Inc.,
Tulsa, Oklahoma
Helmerich \& Payne, Inc., Tulsa, Oklahoma (''H\&P'’) has requested a prior certification pursuant to § 1101(b) of the Internal Revenue Code (the 'Code''), as amended by § 2(a) of the Bank Holding Company Tax Act of 1976, that its proposed divestiture of substantially all of the 85,510 shares of Utica Bankshares Corporation, Tulsa,

[^45]Oklahoma ("Bankshares'"), presently held by H\&P, through the pro rata distribution of such shares to the common shareholders of $\mathrm{H} \& \mathrm{P}$, is necessary or appropriate to effectuate the policies of the Bank Holding Company Act (12 U.S.C. § 1841 et. seq.) ("BHC Act"). H\&P proposes to distribute to its shareholders one share of Bankshares for each 50 shares of H\&P held by such shareholders. H\&P shareholders who would be entitled to fractional interests in Bankshares shares will receive cash in lieu of such fractional interests. H\&P anticipates that because it will not distribute fractional shares, it will, after the distribution, remain in possession of approximately 0.6 per cent of the total outstanding shares of Bankshares.
In connection with this request, the following information is deemed relevant, for purposes of issuing the requested certification: ${ }^{1}$

1. $\mathrm{H} \& \mathrm{P}$ is a corporation organized under the laws of the State of Delaware on February 3, 1940.
2. On July 7, 1970, H\&P controlled 36.6 per cent of the outstanding voting shares of Utica National Bank and Trust Company, Tulsa, Oklahoma ("Bank").
3. H\&P become a bank holding company on December 31, 1970, as a result of the 1970 Amendments to the BHC Act, by virtue of its control at that time of more than 25 per cent of the outstanding voting shares of Bank, and it registered as such with the Board in August 1971.
4. $\mathbf{H \& P}$ holds property acquired by it on or before July 7, 1970, the disposition of which would be necessary or appropriate to effectuate $\S 4$ of the BHC Act if H\&P were to continue to be a bank holding company beyond December 31, 1980, which property is "prohibited property" within the meaning of section 1103(c) of the Code.
5. On or about February 1, 1974, H\&P sold 12,500 shares of voting stock of Bank, thereby reducing to approximately 23 per cent of Bank's outstanding voting stock the number of shares of such stock controlled by H\&P. Subsequent to that date, $\mathrm{H} \& \mathrm{P}$ requested a determination by the Board that it was no longer a bank holding company. However, on July 11, 1974, H\&P was advised that the Legal Division of the Board and the Federal Reserve Bank of Kansas City had concluded that H\&P had not established that it no
${ }^{1}$ This information derives from H\&P's correspondence with the Board concerning its request for this certification, H\&P's Registration Statement filed with the Board pursuant to the BHC Act, and other records of the Board.
longer controlled or exercised a controlling influence over the management or policies of Bank. This conclusion was based in part upon the fact that H\&P still held approximately 23 per cent of the voting shares of Bank; that three persons who were officers or directors of H\&P served as directors of Bank; and that no other individual or organization controlled more than 9 per cent of Bank's voting stock. ${ }^{2}$
6. H\&P has, continuously since its registration as a bank holding company, remained subject to the BHC Act and has conducted its affairs as a bank holding company. Specifically, on January 14, 1975, it filed with the Board, and the Board accepted, an irrevocable declaration, pursuant to section 225.4(d) of the Board's Regulation Y, that it will cease to be a bank holding company by January 1, 1981; on March 3, 1975, the Board approved an application filed by H\&P as a bank holding company pursuant to section 3(a)(3) of the BHC Act to acquire control of 22.2 per cent of the voting shares of Bankshares in connection with the reorganization of Bank into a wholly-owned subsidiary of Bankshares; and during 1975 and 1976 H\&P filed with the Board all of the reports required of it under the BHC Act.
7. $\mathrm{H} \& \mathrm{P}$ has indicated that it will terminate all interlocking relationships between H\&P and its subsidiaries, on one hand, and Bankshares and its subsidiaries, including Bank, on the other hand, within six months following the distribution of H\&P's shares of Bankshares.

On the basis of the foregoing information, it is hereby certified that:
(A) H\&P is a qualified bank holding corporation, within the meaning of subsection (b) of section 1103 of the Code, and satisfies the requirements of that subsection;
(B) the shares of Bankshares that $\mathrm{H} \& \mathrm{P}$ proposes to distribute to its shareholders are all or part of the property by reason of which $\mathrm{H} \& \mathrm{P}$ controls (within the meaning of $\S 2(\mathrm{a})$ of the BHC Act) a bank or bank holding company; and
(C) the distribution of such shares is necessary or appropriate to effectuate the policies of the BHC Act.

This certification is based upon the representations made to the Board by H\&P and upon the facts set forth above. In the event the Board

[^46]should hereafter determine that facts material to this certification are otherwise than as represented by H\&P, or that H\&P has failed to disclose to the Board other material facts, it may revoke this certification. This certification is granted upon the condition that no later than six months after the distribution by $\mathrm{H} \& \mathrm{P}$ of its shares of Bankshares, no person who is an employee with management functions, officer or director (including an advisory or honorary director) of H\&P or any subsidiary of H\&P shall at the same time serve in any such capacity with Bankshares or any subsidiary of Bankshares, including Bank.

By order of the Board of Governors, acting through its General Counsel, pursuant to delegated authority, (12 C.F.R. 265.2(b)(3)), effective March 25, 1977.
(Signed) Theodore E. Allison,
[seal]

## Republic of Texas Corporation, Dallas, Texas

Republic of Texas Corporation, Dallas, Texas ("Republic') has requested a prior certification pursuant to $\$ \mathbf{6 1 5 8 ( a )}$ ) of the Internal Revenue Code (the "Code"), as amended by $\S 3$ (a) of the Bank Holding Company Tax Act of 1976 (the "Tax Act'"), that the proposed sale by The Howard Corporation ('Howard"), a subsidiary of Republic, of the Town \& Country Shopping Center, Midland, Texas ("'Town \& Country) is necessary or appropriate to effectuate § 4 of the Bank Holding Company Act ( 12 U.S.C. § 1843 et seq.) ("BHC Act"). Howard proposes to sell Town \& Country to Hotelmattschappij Duin \& Daal B.V., a corporation of Holland, for $\$ 1,025,000$ cash and assumption of the unpaid principal balance owed by Howard on a note dated March 1, 1966, to The Equitable Life Assurance Association of the United States.

In connection with this request, the following information is deemed relevant for purposes of issuing the requested certification: ${ }^{1}$

1. On July 7, 1970, Republic National Bank of Dallas ("Old Republic Bank"), a national banking association, indirectly controlled 29.9 per cent of the outstanding voting shares of Oak Cliff
[^47]Bank and Trust Company, Dallas, Texas ("Oak Cliff Bank' ').
2. On July 7, 1970, Old Republic Bank indirectly controlled, through Howard, a trusteed affiliate, property the disposition of which would be necessary or appropriate to effectuate $\S 4$ of the BHC Act if Old Republic Bank were to continue to be a bank holding company beyond December 31, 1980, which property is "prohibited property" within the meaning of $\$ 1103(\mathrm{c})$ of the Code.
3. Old Republic Bank became a bank holding company on December 31, 1970, as a result of the 1970 Amendments to the BHC Act, by virtue of its indirect control at that time of more than 25 per cent of the outstanding voting shares of Oak Cliff Bank, and it registered as such with the Board on September 24, 1971.
4. Republic is a corporation that was organized under the laws of the State of Delaware on July 12, 1972, for the purpose of effecting the reorganization of Old Republic Bank into a subsidiary of Republic.
5. On September 10, 1973, the Board ruled that in the event Republic were to become a bank holding company through the acquisition of the successor by merger to Old Republic Bank, Republic would not be regarded as a "successor" to Old Republic as defined in § 2(e) of the BHC Act for the purposes of $\$ 2(\mathrm{a})(6)$ of the BHC Act, or as a "company covered in 1970," as that term is defined in the BHC Act, and that Republic was not entitled to the benefit of any grandfather privileges that Old Republic Bank may have possessed pursuant to the proviso in $\$ 4(\mathrm{a})(2)$ of the BHC Act.
6. By Order dated October 25, 1973, the Board approved Republic's application under $\$ 3(\mathrm{a})(1)$ of the BHC Act to become a bank holding company through the acquisition of 100 per cent of the voting shares (less directors' qualifying shares) of the successor by merger to Old Republic Bank and the indirect acquisition of control of 29.9 per cent of the voting shares of Oak Cliff Bank. Pursuant to the provisions of $\S 4(\mathrm{a})(2)$ of the BHC Act, Republic was required by that order to divest itself, within two years from the date as of which it would become a bank holding company, of the impermissible nonbanking interests that would be directly or indirectly controlled by the successor by merger to Old Republic Bank, including such impermissible interests held by Howard.
7. On May 9, 1974, in a transaction described in $\$ 368(\mathrm{a})(1)(\mathrm{A})$ and $\S 368(\mathrm{a})(2)(\mathrm{D})$ of the Code, Old Republic Bank was merged into the present

Republic National Bank of Dallas ("New Republic Bank"), a national banking association which was a wholly-owned subsidiary (except for directors' qualifying shares) of Republic. New Republic Bank thereby acquired substantially all of the properties of Old Republic Bank and Republic thereupon became a bank holding company. By virtue of two one-year extensions granted by the Board, Republic presently has until May 9, 1978, to complete the divestitures required by the Board's Order of October 25, 1973.
8. As part of the same transaction by which Republic became a bank holding company, in a transaction to which $\S 351$ of the Code applied, Republic acquired beneficial interests in the shares of Howard held by trustees for the benefit of shareholders of New Republic Bank, which shares are shares described in $\S 2(\mathrm{~g})(2)$ of the BHC Act.
9. Town \& Country was acquired by Howard on November 2, 1965, and is a part of the property of Howard in which Republic acquired a beneficial interest pursuant to $\S 2(\mathrm{~g})(2)$ of the BHC Act.

On the basis of the foregoing information, it is hereby certified that:
(A) Prior to May 9, 1974, Old Republic Bank was a "qualified bank holding corporation," within the meaning of subsection (b) of § 1103 of the Code, and satisfied the requirements of that subsection.
(B) New Republic Bank is a corporation that acquired substantially all of the properties of a qualified bank holding corporation, and as such is treated as a qualified bank holding corporation for the purposes of $\S 6158$ of the Code, pursuant to § 3(d) of the Tax Act.
(C) Republic is a corporation in control (within the meaning of § 2(a)(2) of the BHC Act) of New Republic Bank, and as such is treated as a qualified bank holding corporation for the purposes of $\S$ 6158 of the Code, pursuant to $\S 3(\mathrm{~d})$ of the Tax Act.
(D) Howard is a subsidiary (within the meaning of $\S 2(\mathrm{~d})$ of the BHC Act) of Republic, and as such is treated as a qualified bank holding corporation for the purposes of $\S 6158$ of the Code, pursuant to § $3(\mathrm{~d})$ of the Tax Act.
(E) Town \& Country is "prohibited property" for the purposes of $\S 6158$ of the Code; and
(F) The sale of Town \& Country is necessary or appropriate to effectuate $\S 4$ of the BHC Act.

This certification is based upon the representations made to the Board by Republic and upon the facts set forth above. In the event the Board should hereafter determine that facts mate-
rial to this certification are otherwise than as represented by Republic, or that Republic has failed to disclose to the Board other material facts, it may revoke this certification.

By order of the Board of Governors acting through its General Counsel, pursuant to delegated authority (12 CFR § 265.2(b)(3)), effective March 30, 1977.
[seal]

> (Signed) Theodore E. Allison, Secretary of the Board.

Republic of Texas Corporation, Dallas, Texas

Republic of Texas Corporation, Dallas, Texas (''Republic') has requested a prior certification pursuant to §6158(a) of the Internal Revenue Code (the "Code"), as amended by § 3(a) of the Bank Holding Company Tax Act of 1976 (the "Tax Act'"), that the proposed sale by The Howard Corporation ('Howard'"), a subsidiary of Republic, of the Uptown Shopping Center, Shreveport, Louisiana ('Uptown') is necessary or appropriate to effectuate $\S 4$ of the Bank Holding Company Act ( 12 U.S.C. § 1843 et seq.) ("BHC Act'). Howard proposes to sell Uptown to Hexalon B.V., a Netherland corporation ('Hexalon'). As consideration, Hexalon will assume the payment of the unpaid balances totalling $\$ 3,075,000$ owed by Howard on two notes dated May 26, 1966, to Lincoln National Life Insurance Company.

In connection with this request, the following information is deemed relevant for purposes of issuing the requested certification: ${ }^{1}$

1. On July 7, 1970, Republic National Bank of Dallas ("Old Republic Bank"), a national banking association, indirectly controlled 29.9 per cent of the outstanding voting shares of Oak Cliff Bank and Trust Company, Dallas, Texas ("Oak Cliff Bank").
2. On July 7, 1970, Old Republic Bank indirectly controlled, through Howard, a trusteed affiliate, property the disposition of which would be necessary or appropriate to effectuate $\S 4$ of the BHC Act if Old Republic Bank were to continue to be a bank holding company beyond December 31, 1980, which property is "prohibited property" within the meaning of § 1103(c) of the Code.
3. Old Republic Bank became a bank holding

[^48]company on December 31, 1970, as a result of the 1970 Amendments to the BHC Act, by virtue of its indirect control at that time of more than 25 per cent of the outstanding voting shares of Oak Cliff Bank, and it registered as such with the Board on September 24, 1971.
4. Republic is a corporation that was organized under the laws of the State of Delaware on July 12, 1972, for the purpose of effecting the reorganization of Old Republic Bank into a subsidiary of Republic.
5. On September 10, 1973, the Board ruled that in the event Republic were to become a bank holding company through the acquisition of the successor by merger to Old Republic Bank, Republic would not be regarded as a "successor" to Old Republic as defined as § 2(e) of the BHC Act for the purpose of $\S 2(a)(6)$ of the BHC Act, or as a "company covered in 1970," as that term is defined in the BHC Act, and that Republic was not entitled to the benefit of any grandfather privileges that Old Republic Bank may have possessed pursuant to the proviso in $\S 4(\mathrm{a})(2)$ of the BHC Act.
6. By Order dated October 25, 1973, the Board approved Republic's application under § 3(a)(1) of the BHC Act to become a bank holding company through the acquisition of 100 per cent of the voting shares (less directors' qualifying shares) of the successor by merger to Old Republic Bank and the indirect acquisition of control of 29.9 per cent of the voting shares of Oak Cliff Bank. Pursuant the provisions of §4(a)(2) of the BHC Act, Republic was required by that order to divest itself, within two years from the date as of which it would become a bank holding company, of the impermissible nonbanking interests that would be directly or indirectly controlled by the successor by merger to Old Republic Bank, including such impermissible interests held by Howard.
7. On May 9, 1974, in a transaction described in $\S 368(\mathrm{a})(1)(\mathrm{A})$ and $\S 368(\mathrm{a})(2)(\mathrm{D})$ of the Code, Old Republic Bank was merged into the present Republic National Bank of Dallas ("New Republic Bank'"), a national banking association which was a wholly-owned subsidiary (except for directors' qualifying shares) of Republic. New Republic Bank thereby acquired substantially all of the properties of Old Republic Bank and Republic thereupon became a bank holding company. By virtue of two one-year extensions granted by the Board, Republic presently has until May 9, 1978, to complete the divestitures required by the Board's Order of October 25, 1973.
8. As part of the same transaction by which Republic became a bank holding company, in a transaction to which § 351 of the Code applied, Republic acquired beneficial interests in the shares of Howard held by trustees for the benefit of shareholders of new Republic Bank, which shares are shares described in $\S 2(\mathrm{~g})(2)$ of the BHC Act.
9. Uptown was acquired by Howard on May 26, 1966, and is a part of the property of Howard in which Republic acquired a beneficial interest pursuant to $\S 2(\mathrm{~g})(2)$ of the BHC Act.

On the basis of the foregoing information, it is hereby certified that:
(A) Prior to May 9, 1974, Old Republic Bank was a "qualified bank holding corporation," within the meaning of subsection (b) of § 1103 of the Code, and satisfied the requirements of that subsection.
(B) New Republic Bank is a corporation that acquired substantially all of the properties of a qualified bank holding corporation, and as such is treated as a qualified bank holding corporation for the purposes of $\S 6158$ of the Code, pursuant to $\S 3$ (d) of the Tax Act.
(C) Republic is a corporation in control (within the meaning of § 2(a)(2) of the BCH Act) of New Republic Bank, and as such is treated as a qualified bank holding corporation for the purposes of $\S$ 6158 of the Code, pursuant to § 3(d) of the Tax Act.
(D) Howard is a subsidiary (within the meaning of $\S 2$ (d) of the BHC Act ) of Republic, and as such is treated as a qualified bank holding corporation for the purposes of $\S 6158$ of the Code, pursuant to $\S 3(\mathrm{~d})$ of the Tax Act.
(E) Uptown is "prohibited property" for the purposes of $\S 6158$ of the Code; and
(F) The sale of Uptown is necessary or appropriate to effectuate $\S 4$ of the BHC Act.

This certification is based upon the representations made to the Board by Republic and upon the facts set forth above. In the event the Board should hereafter determine that facts material to this certification are otherwise than as represented by Republic, or that Republic has failed to disclose to the Board other material facts, it may revoke this certification.

By order of the Board of Governors acting through its General Counsel, pursuant to delegated authority (12 CFR § 265.2(B)(3)), effective April 15, 1977.
(Signed) Ruth A. Reister, [seal] Assistant Secretary of the Board.

## ORDERS APPROVED UNDER BANK HOLDING COMPANY ACT

## By the Board of Governors

During April 1977, the Board of Governors approved the applications listed below. The orders have been published in the Federal Register, and copies are available upon request to Publications Services, Division of Administration Services, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

Section 3

| Applicant | Bank(s) | Board action (effective date) | Federal Register citation |
| :---: | :---: | :---: | :---: |
| American Bankcorp, | The Muskegon Bank | 4/29/77 | 42 F.R. 23206 |
| Inc., Lansing, | \& Trust Company, |  | 5/6/77 |
| Michigan | Muskegon, Michigan |  |  |
| Banker Agency, Inc., | The Citizens State | 4/25/77 | 42 F.R. 22200 |
| Mohall, North | Bank at Mohall, |  | 5/2/77 |
| Dakota | Mohal, North |  |  |
|  | Dakota |  |  |
| Chemical Financial | Gladwin County | 4/14/77 | 42 F.R. 20663 |
| Corporation, | Bank, Gladwin, |  | 4/21/77 |
| Midland, | Michigan, Beaverton, |  |  |
| Michigan | Michigan |  |  |
| Clevetrust Corporation, Cleveland, Ohio | Columbus Trust Com- | 4/5/77 | 42 F.R. 18898 |
|  | pany, Columbus, |  | 4/11/77 |
|  | Ohio |  |  |
| Glen-An Corporation, Kanaranzi, Minnesota | Farmers State Bank | 4/15/77 | 42 F.R. 20663 |
|  | of Kanaranzi, |  | 4/21/77 |
|  | Kanaranzi, |  |  |
|  | Minnesota |  |  |
| Montbello Bankcorp, Inc., Denver, Colorado | Montbello State | 4/7/77 | 42 F.R. 19512 |
|  | Bank, Denver, |  | 4/14/77 |
|  | Colorado |  |  |
| Wilber Co., Wilber, Nebraska | Saline State Bank, | 4/21/77 | 42 F.R. 21662 |
|  | Wilber, Nebraska |  | 4/25/77 |
| Woodford Bancorporaation, Inc., El Paso, Illinois | Woodford County | 4/20/77 | 42 F.R. 21662 |
|  | Bank, El Paso, |  | 4/28/77 |
|  | Illinois |  |  |

## By Federal Reserve Banks

During April 1977, applications were approved by the Federal Reserve Banks as listed below. The orders have been published in the Federal Register, and copies are available upon request to the Reserve Banks.

Section 3

| Applicant | $\operatorname{Bank}(\mathrm{s})$ | Reserve Bank | Effective date | Federal Register citation |
| :---: | :---: | :---: | :---: | :---: |
| First Bankers Corporation of Florida, Pompano Beach, Florida | First National Bank of Winter Garden, Florida | Atlanta | 4/18/77 | $\begin{gathered} 42 \text { F.R. } 21663 \\ 4 / 28 / 77 \end{gathered}$ |
| Chemical Financial Corporation, Midland, Michigan | The Au Gres State Bank, Au Gres, Michigan | Chicago | 4/20/77 | $\begin{aligned} & 42 \text { F.R. } 22201 \\ & 5 / 2 / 77 \end{aligned}$ |
| Central Wisconsin Bankshares, Inc., Wausau, Wisconsin | Eagle River State Bank, Eagle River, Wisconsin | Chicago | 4/7/77 | $\begin{aligned} & 42 \text { F.R. } 20662 \\ & 4 / 21 / 77 \end{aligned}$ |
| Valley Bancorporation, Appleton, Wisconsin | The Brownsville State Bank. Brownsville, Wisconsin | Chicago | 4/19/77 | $\begin{gathered} 42 \text { F.R. } 22202 \\ 5 / 2 / 77 \end{gathered}$ |

## PENDING CASES INVOLVING THE BOARD OF GOVERNORS*

First Security Corporation v. Board of Governors, filed March 1977, U.S.C.A. for the Tenth Circuit.
Farmers State Bank of Crosby v. Board of Governors, filed January 1977, U.S.C.A. for the Eighth Circuit.
National Automobile Dealers Association, Inc. v. Board of Governors, filed November 1976, U.S.C.A. for the District of Columbia.

First Security Corporation v. Board of Governors, filed August 1976, U.S.C.A. for the Tenth Circuit.
First State Bank of Clute, Texas, et al.v. Board of Governors, filed July 1976, U.S.C.A. for the Fifth Circuit.
North Lawndale Economic Development Corporation v. Board of Governors, filed June 1976, U.S.C.A. for the Seventh Circuit.
Central Wisconsin Bankshares, Inc. v. Board

[^49]of Governors, filed June 1976, U.S.C.A. for the Seventh Circuit.
National Urban League, et al. v. Office of the Comptroller of the Currency, et al., filed April 1976, U.S.D.C. for the District of Columbia Circuit.
Farmers \& Merchants Bank of Las Cruces, New Mexico v. Board of Governors, filed April 1976, U.S.C.A. for the District of Columbia Circuit.
Grandview Bank \& Trust Company v. Board of Governors, filed March 1976, U.S.C.A. for the Eighth Circuit.
Association of Bank Travel Bureaus, Inc. v. Board of Governors, filed February 1976, U.S.C.A. for the Seventh Circuit.

Memphis Trust Company v. Board of Governors, filed February 1976, U.S.D.C. for the Western District of Tennessee.
First Lincolnwood Corporation v. Board of Governors, filed February 1976, U.S.C.A. for the Seventh Circuit.
Roberts Farms, Inc. v. Comptroller of the Currency, et al., filed November 1975, U.S.D.C. for the Southern District of California.

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

Florida Association of Insurance Agents, Inc. v. Board of Governors, and National Association of Insurance Agents, Inc. v. Board of Governors, filed August 1975, actions consolidated in U.S.C.A. for the Fifth Circuit.
$\dagger \ddagger$ David R. Merrill, et al. v. Federal Open Market Committee of the Federal Reserve System, filed May 1975, U.S.D.C. for the District of Columbia, appeal pending, U.S.D.A. for the District of Columbia.
Louis J. Roussel v. Board of Governors, filed April 1975, U.S.D.C. for the Eastern District of Louisiana.

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

Alabama Association of Insurance Agents, et al. v. Board of Governors, filed July 1974, U.S.C.A. for the Fifth Circuit.
$\dagger$ Consumers Union of the United States, et al. v. Board of Governors, filed September 1973, U.S.D.C. for the District of Columbia.
Bankers Trust New York Corporation v. Board of Governors, filed May 1973, U.S.C.A. for the Second Circuit.

[^50]
## Announcements

## REGULATION T: Amendment

The Board of Governors of the Federal Reserve System on April 28, 1977, adopted an amendment to Regulation $T$ (Credit by Brokers and Dealers) affecting the trading of stock options.

Such options may be a 'call',-an option to buy stock at a specified price within a given time, or a "put"'-a similar option to sell stock.

The Board amended Regulation $T$ to permit a minor easing of its rules for calculating the margin required on a "straddle'' transaction-when both a put and a call in the same stock are held in the customer's account.

The Board's rules at present provide special treatment when puts and calls are issued on the same security, with the same expiration date and the same exercise price. The revision deletes the requirement that both the put and the call must have the same expiration date and the same exercise price to qualify for the special margin requirement. The margin requirement remains the ( 30 per cent) ${ }^{1}$ requirement on either the put or the call, whichever is greater, plus any unrealized loss on the other option. Certain other technical requirements regarding straddles were adopted.

The new requirements for calculating the margin on straddles are effective June 1, 1977, to coincide with the beginning of exchange trading of put options recently approved by the Securities and Exchange Commission.

## INTERPRETATIONS

The Board of Governors on April 28, 1977, issued two interpretations of its Regulation $B$ (Equal Credit Opportunity) that: (1) clarify when notices to borrowers required by State law should be considered inconsistent with the requirements of the Equal Credit Opportunity Act (ECOA), and (2) state that the translation of notices and procedures under ECOA into Spanish (or other foreign

[^51]language) does not discriminate against borrowers who use another language.

The Board made its rulings in response to requests for determinations whether ECOA preempts two California laws. The act authorizes the Board to make such determinations if it finds that a State law is inconsistent with ECOA, but specifies that there may be no such pre-emption if the State law is more protective of credit applicants than the Federal law.

## REGULATION C: <br> Continued Exemption

The Board of Governors on May 9, 1977, approved continuance of the exemption that it had previously granted to most New York State lenders from the disclosure requirements of the Home Mortgage Disclosure Act.

The Board had granted the exemption last December under provisions of the act permitting exemptions when State law imposes home mortgage and home improvement loan disclosure requirements that are substantially similar to the requirements of the Federal law and contain adequate provisions for enforcement. The Federal law requires lenders covered by the act to disclose the geographic location of their loans. It is implemented by the Board's Regulation C.

## REGULATION Y: Deferral of Action

The Board of Governors on April 28, 1977, announced that it had deferred action on the question whether bank holding companies should be allowed to supply management consulting advice to depositary institutions other than commercial banks.

The Board deferred action in light of the withdrawal last month of an application from a bank holding company (Worcester Bancorp, Inc., Worcester, Mass.) to engage in the activity of supplying management consulting advice to nonaffiliated savings banks.

On the basis of the application the Board on August 2, 1976, had announced it would consider possible adoption of a rule to permit bank holding companies to provide management consulting advice to nonaffiliated savings banks and other nonaffiliated depositary institutions.

The Board in 1974 permitted bank holding companies to provide certain kinds of management consulting advice to nonaffiliated commercial banks.

## PROPOSED AMENDMENTS

The Board of Governors has proposed an amendment to Regulation T (Credit by Brokers and Dealers) affecting the trading of stock options. Comments will be received through May 31, 1977.

The Board has also proposed four simplifying revisions of its Regulation Z (Truth in Lending) to eliminate unnecessary information from the Truth in Lending disclosure statement. The Board will receive comments on these proposals through June 15, 1977.

## REVISIONS IN DATA AND NOMENCLATURE

Call report data for March 31 and June 30, 1976, which had been published in the Bulletin earlier in 1977, are shown in revised form on pages A70 and A71 and on pages A18 and A19, respectively, of this issue of the Bulletin. Henceforth, revised figures for a given call date will be shown in the Bulletin only if figures for the subsequent call have not become available. In the event that it does become necessary to revise the data, the revised figures will be made available. as will any extensive revisions in other series published by the Board, in the Board's Annual Statistical Digest, each issue of which will contain all revised data available at the time the Digest is published.

Readers' attention is called to the mislabeling, beginning with November 12, 1975, of the following weekly series for deposits of large weekly
reporting commercial banks as shown in the Federal Reserve Bulletin:

Figures shown for savings deposits of individuals, partnerships, and corporations (IPC's) represent total savings deposits, not just savings deposits of IPC's. Figures labeled 'Other'' deposits of IPC's actually are time deposits of this group. The figures for "States and political subdivisions," "Domestic interbank,'" and "Foreign governments, official institutions, etc." represent only time deposits of these groups. (Figures showing ownership categories of savings deposits have been shown correctly among the memoranda items.)

The correct nomenclature will be used in the Annual Statistical Digest, 1972-1976, which will include figures for all large weekly reporting banks. Similar information for large commercial banks in New York City and for large weekly reporting banks outside New York City may be obtained from the Banking Section, Division of Research and Statistics, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

## EQUAL CREDIT OPPORTUNITY PAMPHLETS

Two new consumer pamphlets-The Equal Credit Opportunity Act and . . . Women and The Equal Credit Opportunity Act and . . . Age-are now available for distribution.

The Equal Credit Opportunity Act forbids discrimination in credit transactions on the basis of sex, marital status, race, color, religion, national origin, age, receipt of income from public assistance programs, and good faith exercise of rights under the Consumer Protection Act of 1968 (Truth in Lending, Fair Credit Billing, Equal Credit Opportunity, Fair Credit Reporting, and Consumer Leasing Acts).

Copies of the new pamphlets may be obtained from any Federal Reserve Bank or from the Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

## Industrial Production

## Released for publication May 16

Industrial production in April increased by an estimated 0.8 per cent, following the 1.4 per cent gain in March. With the exception of automobiles, relatively large gains in output were widespread in April. Auto production declined, following the sharp surge in March. At a level of 136.1 per cent of the 1967 average, total industrial production in April was 6.0 per cent above a year ago and more than 3 per cent above the pre-recession high in June 1974.

Output of durable consumer goods declined slightly in April. Auto assemblies, at an annual rate of 9.3 million units, were 4 per cent below the March rate, reflecting strikes at some motor vehicle plants and production adjustments because of continued relatively large stocks of small-model cars. Production of other consumer durable goods continued to advance strongly, and output of nondurable consumer goods picked up. Production of business equipment increased 0.8 per cent, following a 1.1 per cent rise in March. Output of construction supplies also increased appreciably last month.

Production of materials increased 1.2 per cent in April, reflecting strong gains in both durable and nondurable goods materials. Among durable
goods materials, output of iron and steel rose sharply for the third successive month. The increase in production of nondurable materials was also large, particularly textiles, paper, and chemicals.


| Industrial production | Seasonally adjusted, $1967=100$ |  |  |  | Per cent changes from- |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | 1977 |  |  |  |  |  |  |
|  | Jan. | Feb. | Mar. ${ }^{\prime \prime}$ | Apr ${ }^{\text {c }}$ | Month ago | Year ago | Q4 to Q1 |
| Total | 132.1 | 133.2 | 135.0 | 136.1 | . 8 | 6.0 | 1.2 |
| Products, total | 133.1 | 133.8 | 135.2 | 135.8 | . 4 | 6.1 | 1.7 |
| Final products | 130.8 | 131.7 | 133.4 | 134.1 | . 5 | 6.2 | 1.7 |
| Consumer goods | 140.2 | 141.1 | 143.3 | 143.8 | . 3 | 5.7 | 1.6 |
| Durable goods | 145.1 | 146.1 | 153.8 | 153.4 | -. 3 | 8.7 | 2.4 |
| Nondurable goods | 138.3 | 139.0 | 139.1 | 140.0 | . 6 | 4.5 | 1.2 |
| Business equipment | 142.0 | 143.0 | 144.6 | 145.7 | . 8 | 8.7 | 2.4 |
| Intermediate products . | 141.8 | 141.7 | 141.4 | 142.1 | . 5 | 5.5 | 1.9 |
| Construction supplies | 136.1 130.7 | 135.7 132.6 | 136.0 134 | 136.9 136.3 | .7 1.2 | 7.0 5.5 | .6 .7 |
| Materials .............. | 130.7 | 132.6 | 134.7 | 136.3 | 1.2 | 5.5 | . 7 |

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${ }^{1} M-1$ equals currency plus private demand deposits adjusted. M-2 equals $M-1$ plus bank time and savings deposits other than large CD's.
M-3 equals $M-2$ plus deposits at mutual savings banks, savings and loan associations, and credit union shares.
2 Savings and loan associations, mutual savings banks, and credit unions.
${ }_{3}^{3}$ Quarterly changes calculated from figures shown in Table 1.23.
${ }^{3}$ Quarterly changes calculated from figures shown in Table 1.23 . a given date weighted by the volume of transactions at those rates).

5 Quoted on a bank-discount rate basis.
6 Most representative offering rate quoted by five dealers.

7 Rate for the Federal Reserve Bank of New York.
8 Market yields adjusted to a 20 -year maturity by the U.S. Treasury.
9 Weighted averages of new publicly offered bonds rated Aaa, Aa, and A by Moody's Investors Service and adjusted to an Aaa basis. Federal Reserve compilations.

10 Bond Buyer series for 20 issues of mixed quality

1. Average rates on new commitments for conventional first mortgages on new homes in primary markets, unweighted and rounded to nearest on new homes in primary markets, unweighted and rounded to
5 basis points, from Dept. of Housing and Urban Development.
12 Unless otherwise noted, rates of change are calculated from average amounts outstanding in preceding month or quarter.
1.11 FACTORS AFFECTING MEMBER BANK RESERVES

Millions of dollars

| Factors |  | Monthly averages of daily figures |  |  | Weekly averages of daily figures for weeks ending- |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | 1977 |  |  | 1977 |  |  |  |  |  |  |
|  |  | Feb. | Mar. | Apr. ${ }^{p}$ | Mar. 16 | Mar. 23 | Mar. 30 | Apr. 6 | Apr. 13 | Apr. $20^{p}$ | Apr. $27^{p}$ |
| SUPPLYING RESERVE FUNDS |  |  |  |  |  |  |  |  |  |  |  |
| 1 | Reserve Bank credit outstanding. | 109,021 | 108,085 | 108,589 | 105,067 | 110,019 | 109,366 | 105,962 | 105,822 | 109,011 | 111,314 |
| 2 | U.S. Govt. securities ${ }^{1}$. | 95,843 | 95,310 | 95,316 94,534 | 92,611 92,611 | 96,758 94,865 | 96,996 94,976 | 93,329 | 92,673 | 95,740 | 97,850 |
| 3 | Bought outright............... | 94,674 | 94,313 | 94,534 | 92,611 | 94,865 | 94,976 | 93,266 | 92,311 | 95,290 | 96,123 |
| 4 | Held under repurchase agreement. $\qquad$ | 1,169 | 997 | 782 |  | 1,893 | 2,020 | 63 | 362 | 450 | 1,727 |
| 5 | Federal agency securities, ......... | 6,846 | 6,782 | 6,813 | 6,744 | 6,778 | 6,815 | 6,739 | 6,752 | 6,748 | 6,846 |
| 67 | Bought outright.............. | 6,787 | 6,750 | 6,766 | 6,744 | 6,744 | 6,744 | 6,731 | 6,731 | 6,731 | 6,731 |
|  | Held under repurchase agreement $\qquad$ | 59 | 32 | 47 |  | 34 | 71 | 8 | 21 | 17 | 115 |
| 8 | Acceptances. | 330 | 289 | 284 | 174 | 341 | 444 | 167 | 165 | 164 | 419 |
| 9 | Loans. . . | 79 | 110 | 73 | 24 | 338 | 58 | 65 | 38 | 29 | 99 |
| 10 | Float. | 2,899 | 2,833 | 3,023 | 2,816 | 3,006 | 2,171 | 2,647 | 3,261 | 3,233 | 2,926 |
| 11 | Other Federal Reserve assets. . . . | 3,024 | 2,761 | 3,080 | 2,698 | 2,798 | 2,883 | 3,016 | 2,933 | 3,097 | 3,174 |
|  | Gold stock. | 11,658 | 11,646 | 11,636 | 11,651 | 11,647 | 11,636 | 11,636 | 11,636 | 11,636 | 11,636 |
|  | Special Drawing Rights certificate account. | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 |
| 14 | Treasury currency outstanding..... | 10,930 | 10,966 | 11,014 | 10,962 | 10,969 | 10,986 | 10,984 | 11,008 | 11,014 | 11,029 |
| ABSORBING RESERVE FUNDS |  |  |  |  |  |  |  |  |  |  |  |
| 15 | Currency in circulation............ | 91,753 | 92,831 | 94,298 | 93,084 | 93,086 | 93,013 | $\begin{array}{r}93,645 \\ \hline 466\end{array}$ | $\begin{array}{r}94,753 \\ \hline 450\end{array}$ | $\begin{array}{r}94,657 \\ \hline 448\end{array}$ | 94,108 |
|  | Treasury cash holdings. Deposits, other than member bank reserves with F.R. Banks: | , 499 | 494 | 452 | 504 | 492 | 470 | 466 | 450 | , 448 | 447 |
| 17 | Treasury........................ | 10,698 | 8,577 | 7,369 | 5,803 | 9,800 | 9,182 | 5,858 | 5,279 | 6,231 | 9,606 |
| 18 | Foreign. | 294 | 271 | 294 | 301 | 251 | 259 | 284 | 309 | 313 | 272 |
| 19 | Other ${ }^{2}$. | 616 | 669 | 633 | 676 | 649 | 592 | 637 | 650 | 622 | 634 |
| 20 | Other F.R. liabilities and capital. Member bank reserves with F.R. Banks. | 3,224 | 3,206 | 3,266 | 3,131 | 3,273 | 3,375 | 3,238 | 3,113 | 3,295 | 3,343 |
|  |  | 25,725 | 25,849 | 26,127 | 25,381 | 26,282 | 26,296 | 25,654 | 25,112 | 27,296 | 26,768 |
|  |  | End-of-month figures |  |  | Wednesday figures |  |  |  |  |  |  |
|  |  | 1977 |  |  | 1977 |  |  |  |  |  |  |
| SUPPLYING RESERVE FUNDS |  | Feb. | Mar. | Apr. ${ }^{p}$ | Mar. 16 | Mar. 23 | Mar. 30 | Apr. 6 | Apr. 13 | Apr. $20{ }^{p}$ | Apr. ${ }^{27}{ }^{p}$ |
| 22 Reserve Bank credit outstanding. . . . |  | 108,413 | 109,468 | 114,185 | 103,964 | 115,261 | 109,044 | 101,183 | 107,915 | 113,033 | 114,915 |
| 23 | U.S. Govt. securities ${ }^{1}$. | 95,837 | 95,987 | 99,967 | 90,359 | 99,864 | 96,112 | 86,819 | 94,329 | 98,440 | 100,240 |
| 2 | Bought outright. . . . . . . . . . . . | 94,905 | 95,547 | 97,993 | 90,359 | 94,855 | 96,112 | 86,819 | 91,794 | 95,292 | 97,045 |
| 25 | Held under repurchase agreement. | 932 | 440 | 1,974 |  | 5,009 |  |  | 2,535 | 3,148 | 3,195 |
| 2526228 | Federal agency securities. . . . . . . . | 6,844 | 6,785 | 7,201 | 6,744 | 6,903 | 6,744 | 6,731 | 6,880 | 6,849 | 6,900 |
|  | Bought outright. . . . . . . . . . . . | 6,767 | 6,731 | 7,077 | 6,744 | 6,744 | 6,744 | 6,731 | 6,731 | 6,731 | 6,731 |
|  | Held under repurchase agreement. | 77 | 54 | 124 |  | 159 |  |  | 149 | 118 | 169 |
| 29 | Acceptances. | 322 | 280 | 881 | 171 | 460 | 155 | 142 | 320 | 361 | 591 |
| 30 | Loans... | 24 | 271 | 377 | 29 | 2,195 | 149 | 36 | 42 | 58 | 486 |
| 31 | Float. | 2,595 | 3,286 | 2,516 | 3,858 | 2,918 | 2,913 | 4,440 | 3,204 | 4,112 | 3,477 |
| 32 | Other Federal Reserve assets | 2,791 | 2,859 | 3,243 | 2,803 | 2,921 | 2,971 | 3,015 | 3,140 | 3,213 | 3,221 |
| 3334 | Gold stock | 11,650 | 11,636 | 11,636 | 11,651 | 11,636 | 11,636 | 11,636 | 11,636 | 11,636 | 11,636 |
|  | Special Drawing Rights certificate account. | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 |
| 35 | Treasury currency outstanding..... | 10,884 | 10,939 | 11,034 | 10,962 | 10,979 | 10,990 | 10,995 | 11,012 | 11,017 | 11,029 |
|  | ABSORBING RESERVE FUNDS |  |  |  |  |  |  |  |  |  |  |
| 3637 | Currency in circulation. . . . . . . . . . | 91,697 | 93,383 | 94,008 | 93,382 | 93,219 | 93,469 | 94,538 | 95,119 | 94,548 | 94,345 |
|  | Treasury cash holdings........... | 506 | 451 | 443 | 493 | 491 | 471 | 446 | 452 | 443 | 444 |
|  | Deposits, other than member bank reserves with F.R. Banks: |  |  |  |  |  |  |  |  |  |  |
| 38 | Treasury........................ | 12,179 | 7,150 | 13,628 | 4,274 | 10,764 | 7,769 | 7,199 | 4,790 | 11,301 | 11,323 |
| 39 | Foreign. | 362 | 349 | 305 | 243 | 261 | 288 | 237 | 252 | 280 | 266 |
| 40 | Other ${ }^{2}$. | 856 | 637 | 591 | 781 | 525 | 563 | 666 | 631 | 740 | 662 |
| 41 | Other F.R. liabilities and capital... | 3,630 | 3,457 | 3,528 | 3,191 | 3,346 | 3,426 | 2,992 | 3,153 | 3,283 | 3,410 |
|  | Member bank reserves with F.R. Banks. | 22,916 | 27,814 | 25,552 | 25,413 | 30,470 | 26,883 | 18,936 | 27,367 | 26,291 | 28,329 |

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

2 Includes certain deposits of foreign-owned banking institutions
voluntarily held with member banks and redeposited in full with Federal Reserve Banks.
Note.-For amounts of currency and coin held as reserves, see Table 1.12.
1.12 RESERVES AND BORROWINGS Member Banks

Millions of dollars

${ }^{1}$ Adjusted to include waivers of penalties for reserve deficiencies in accordance with Board policy, effective Nov. 19,1975 , of permitting transitional relief on a graduated basis over a 24 -month period when a nonmember bank merges into an existing member bank, or when a
nonmember bank joins the Federal Reserve System. For weeks for which figures are preliminary, figures by class of bank do not add to total because adjusted data by class are not available.

2 Based on closing figures.

### 1.13 FEDERAL FUNDS TRANSACTIONS of Money Market Banks

Millions of dollars, except as noted

| Type |  | 1977, week ending- |  |  |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | Mar. 2 | Mar. 9 | Mar. 16 | Mar. 23 | Mar. $30^{r}$ | April 6 | April 13 | April 20 | April 27 |
|  |  | Total, 46 banks |  |  |  |  |  |  |  |  |
| Basic reserve position |  | 79 |  | 49 |  |  |  |  |  |  |
|  | Excess reserves ${ }^{1}$. . . |  | 124 |  | 19 | 126 | 187 | 112 | -13 | 3 |
| 2 | Less: |  |  |  | 241 | 14 | 29 | 11 | 4 | 49 |
| 3 | Net interbank Federal funds transactions. | 15,664 | 18,027 | 18,488 | 16,396 | 14,363 | 17,149 | 21,273 | 18,670 | 14,593 |
|  | Equals: Net surplus, or deficit ( - ): |  |  |  |  |  |  |  |  |  |
| 4 | Amount................. | -15,585 | -17,903 | -18,439 | -16,618 | -14,251 | - 16,990 | -21,172 | -18,688 | -14,639 |
| 5 | Per cent of average required reserves. $\qquad$ | 106.3 | 125.7 | 125.3 | 114.5 | 95.7 | 116.0 | 144.9 | 121.2 | 97.3 |
| Interbank Federal funds transactions Gross transactions: |  |  |  |  |  |  |  |  |  |  |
| 6 | Purchases. . . . . . . . . . . . . . . . . | $\begin{array}{r} 22,763 \\ 7,099 \\ 5,358 \end{array}$ | 24,478 | 25,1416,653 | 23,2636,868 | 22,8198,457 | 24,7287,580 | 27,2976,024 | 26,5727,902 | $\begin{array}{r} 23,441 \\ 8,848 \\ 5,463 \end{array}$ |
| 7 | Sales. . . . . |  | 6,451 |  |  |  |  |  |  |  |
| 8 | Two-way transactions ${ }^{2}$ |  | 4,864 | 4,620 | 4,574 | 5,338 | 5,268 | 5,074 | 5,282 |  |
| 9 | Net transactions: Purchases of net buying banks... | $\begin{array}{r} 17,405 \\ 1,741 \end{array}$ | $\begin{array}{r} 19,614 \\ 1,588 \end{array}$ | 20,5212,034 | $\begin{array}{r} 18,689 \\ 2,293 \end{array}$ | 17,4813,118 | 19,4602,311 | 22,223 | $\begin{array}{r} 21,290 \\ 2,260 \end{array}$ | $\begin{array}{r} 17,978 \\ 3,384 \end{array}$ |
| 10 | Sales of net selling banks........ |  |  |  |  |  |  |  |  |  |
| Related transactions with U.S. Govt. securities dealers |  |  |  |  |  |  |  |  |  |  |
| 11 | Loans to dealers ${ }^{3}$............... | $\begin{array}{r} 2,560 \\ 2,008 \\ 553 \end{array}$ | $\begin{aligned} & 3,489 \\ & 1,829 \\ & 1,660 \end{aligned}$ | $\begin{aligned} & 4,496 \\ & 1,671 \\ & 2,825 \end{aligned}$ | 2,8191,892 | 2,4691,895 | 4,2261,512 | 5,4971,273 |  | $\begin{array}{r}2,468 \\ 1,552 \\ \hline 915\end{array}$ |
| 12 | Borrowing from dealers ${ }^{4}$. . . . . . . . |  |  |  |  |  |  |  | 1,248 |  |
|  |  | 8 banks in New York City |  |  |  |  |  |  |  |  |
| $14 \begin{gathered}\text { Basic reserve position } \\ \text { Excess reserves }\end{gathered}$ |  | -7 | . . . . . . . | -18 | -24 | 51 | 101 | 62 | 15 | $-20$ |
|  | Less: |  |  |  |  |  |  |  |  |  |
| 15 | Borrowings at F.R. Banks . . . . . |  |  |  | 153 |  | 29 |  |  | 34 |
| 16 | Net interbank Federal funds transactions. | 4,709 | 6,353 | 6,894 | 4,901 | 4,984 | 5,724 | 7,508 | 7,135 | 5,464 |
|  | Equals: Net surplus, or deficit ( - ): |  |  |  |  |  |  |  |  |  |
| 17 | Amount............. | -4,716 | -6,353 | -6,912 | -5,079 | -4,933 | -5,652 | -7,445 | -7,119 | -5,518 |
| 18 | Per cent of average required reserves. $\qquad$ | 81.6 | 117.1 | 118.7 | 89.5 | 84.6 | 98.9 | 132.2 | 118.4 | 96.6 |
| Interbank Federal funds transactions Gross transactions: |  |  |  |  |  |  |  |  |  |  |
| 19 | Gross transactions: ${ }^{\text {Purchases.................. } \text {. }}$ | 5,807 | $\begin{array}{r}7,275 \\ \hline 922\end{array}$ | 6,503609 | 5,936 | 6,1721,188 | 6,515791 | 8,156648 | 8,028893 | 6,6631,199 |
| 20 | Sales. . . | 1,098 |  |  | 1,035 |  |  |  |  |  |
| 21 | Two-way transactions ${ }^{2}$. . . . . . . . . | 1,097 | 922 | 609 | 1,035 | 1,187 | 790 | 648 | 893 | 1,199 |
| 22 | Net transactions: Purchases of net buying banks... | 4,710 | 6,353 | 6,894 | 4,901 | 4,984 | 5,724 | 7,507 | 7,134 | 5,464 |
| 23 | Sales of net selling banks....... |  |  |  |  |  |  |  |  |  |
| Related transactions with U.S. <br> Govt. securities dealers |  |  |  |  |  |  |  |  |  |  |
| 24 | Loans to dealers ${ }^{3}$. ${ }^{\text {a }}$. . . . . . . . . . | $\begin{array}{r} 1,611 \\ 795 \\ 816 \end{array}$ | $\begin{array}{r} 2,040 \\ 822 \end{array}$ | 2,480788 | 1,593871 | 1,353804 | 1,964 | 2,482 364 | 2,240 | 1,427491936 |
| 25 26 | Net loans......................... |  |  |  |  |  |  | 2,118 | 1,854 |  |
|  |  | 38 banks outside New York City |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |
| 27 |  | 85 | 124 | 67 | 43 | 75 | 86 | 50 | -29 | 22 |
| 28 | Borrowings at F.R. Banks . . . . . |  |  |  | 88 | 14 |  | 11 | 4 | 14 |
| 29 | Net interbank Federal funds transactions. | 10,955 | 11,674 | 11,594 | 11,495 | 9,379 | 11,425 | 13,766 | 11,536 | 9,129 |
|  | Equals: Net surplus, or deficit ( - ): |  |  |  |  |  |  |  |  |  |
| 30 | Amount...................... | -10,869 | -11,550 | -11,527 | -11,539 | -9,318 | -11,339 | -13,727 | -11,568 | -9,122 |
| 31 | Per cent of average required reserves. $\qquad$ | 122.4 | 131.0 | 129.7 | 130.5 | 102.8 | 126.8 | 152.8 | 122.9 | 97.7 |
| Interbank Federal funds transactions Gross transactions: |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 33 | $\stackrel{\text { Purchases. }}{\text { Sales. }}$ | $\begin{array}{r} 16,956 \\ 6,001 \\ 4,260 \end{array}$ | $\begin{array}{r} 17,203 \\ 5,529 \\ 3,942 \end{array}$ | $\begin{array}{r} 17,638 \\ 6,044 \\ 4,011 \end{array}$ | 17,328 5,833 | 16,648 7,269 | 18,214 6,789 | 19,141 5,376 | 18,544 7,009 | 16,779 7,649 |
| 34 | Two-way transactions ${ }^{2}$. . . . . . . . . |  |  |  | 3,539 | 4,151 | 4,478 | 4,425 | 4,389 | 4,265 |
|  | Net transactions: |  |  |  |  |  |  |  |  |  |
|  | Purchases of net buying banks... | 12,696 | 13,262 | 13,627 | 13,788 | 12,497 | 13,736 | 14,716 | 14,156 | 12,514 |
| 36 | Sales of net selling banks....... | 1,741 | 1,588 | 2,034 | 2,293 | 3,118 | 2,311 | 951 | 2,620 | 3,384 |
| Related transactions with U.S. Govt. securities dealers |  |  |  |  |  |  |  |  |  |  |
| 37 | Loans to dealers ${ }^{3}$. . . . . . . | $\begin{array}{r} 950 \\ 1,213 \\ -264 \end{array}$ | 1,4491,007442 | $\begin{array}{r} 2,016 \\ 893 \\ 1,123 \end{array}$ | 1,226 | 1,117 | 2,263 | 3,015 | 1,392 | 1,041 |
| 38 | Borrowing from dealers ${ }^{4} . . . . . . . . .$. . |  |  |  |  |  |  | ,909 | 1,862 | 1,062-21 |
| 39 | Net loans......................... |  |  |  | 205 | 25 | 1,361 | 2,106 | 530 |  |

For notes see end of table.
1.13 Continued

| Type |  | 1977, week ending- |  |  |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | Mar. 2 | Mar. 9 | Mar. 16 | Mar. 23 | Mar. $30{ }^{r}$ | April 6 | April 13 | April 20 | April 27 |
|  |  | 5 banks in City of Chicago |  |  |  |  |  |  |  |  |
|  |  | 31 | 24 | 44 | -7 | 17 | 39 | 40 | -24 | -4 |
|  |  |  |  |  |  |  |  |  |  |  |
|  |  | 14 |  |  |  |  |  |  |  |  |
|  |  | 5,972 | 6,182 | 6,105 | 6,136 | 5,617 | 6,197 | 6,662 | 6,394 | 5,364 |
| Equals: Net surplus, or deficit (-): |  |  |  |  |  |  |  |  |  |  |
| 43 44 | Amount. . . . . . . . . . . . . . . . . |  | $\begin{array}{r} -5,941 \\ 399.3 \end{array}$ | -6,158 | -6,061 | -6,143 | -5,615 | -6,159 | -6,622 | -6,418 | -5,368 |
|  | Per reserves.............. | 408.0 |  | 401.6 | 419.1 | 367.4 | 414.0 | 445.1 | 404.0 | 354.1 |
| Interbank Federal funds transactions Gross transactions: |  |  |  |  |  |  |  |  |  |  |
| 45 | Purchases..................... . | $\begin{array}{r}6,893 \\ \hline 921\end{array}$ | 6,888706707 | 6,850745 | 6,794658658 | 6,575958958 | 7,155 | 7,528 | 7,206 | 6,4911,127 |
| 46 | Sales........................... |  |  |  |  |  |  |  |  |  |
| 47 | Two-way transactions ${ }^{2}$. . . . . . . . . | 921 | 707 | 745 |  |  | 958 | 866 | 812 | 1,127 |
| 48 | Net transactions: Purchases of net buying banks... | 5,972 | 6,182 | 6,105 | 6,136 | 5,617 | 6,197 | 6,662 | 6,394 | 5,364 |
| 49 | Sales of net selling banks....... |  |  |  |  |  |  |  |  |  |
| Related transactions with U.S. Govt. securities dealers |  |  |  |  |  |  |  |  |  |  |
| 51 | Borrowing from dealers ${ }^{4}$ | $\begin{array}{r} 205 \\ 525 \\ -320 \end{array}$ | 4134121 | 46039367 | 310493-183 | 226 481 | 816189627 | $\begin{aligned} & 611 \\ & 392 \\ & 220 \end{aligned}$ | 421444-23 | 171541-370 |
| 52 | Net loans. . . . . . . . . . |  |  |  |  | -255 |  |  |  |  |
|  |  | 33 other banks |  |  |  |  |  |  |  |  |
| Basic reserve position |  | 54 | 100 | 22 | 50 | 58 | 48 | 10 | -4 | 26 |
|  | Less: |  |  |  |  |  |  |  |  |  |
| 54 | Borrowings at F.R. Banks. |  |  |  | 88 |  |  | 11 | 4 | 14 |
| 55 | Net interbank Federal funds transactions.. | 4,982 | 5,492 | 5,489 | 5,359 | 3,762 | 5,227 | 7,103 | 5,142 | 3,766 |
|  | EQuals: Net surplus, or deficit ( - ): |  |  |  |  |  |  |  |  |  |
| 56 | Amount....................... | -4,928 | -5,392 | -5,466 | -5,396 | -3,704 | -5,180 | -7,105 | -5,150 | -3,754 |
| 57 | Per cent of average required reserves. $\qquad$ | 66.7 | 73.8 | 74.1 | 73.2 | 49.1 | 69.5 | 94.8 | 65.8 | 48.0 |
| Interbank Federal funds transactions Gross transactions: |  |  |  |  |  |  |  |  |  |  |
| 58 | Purchases..................... . . | $\begin{array}{r} 10,063 \\ 5,080 \\ 2,220 \end{array}$ | 10,3154,823 | 10,7885,299 | 10,5335,175 | 10,0736,311 | 11,0585,831 | 11,6144,510 | 11,3386,196 | 10,2886,522 |
| 59 | Sales. . . . . . . . . . . . . . . . . . . . . . . . |  |  |  |  |  |  |  |  |  |
| 60 | Two-way transactions ${ }^{2}$. . . . . . . . . . | 3,339 | 3,235 | 3,266 | 2,882 | 3,193 | 3,520 | 3,560 | 3,576 | 3,137 |
| 61 | Net transactions: Purchases of net buying banks... | $\begin{aligned} & 6,723 \\ & 1,741 \end{aligned}$ | $\begin{aligned} & 7,080 \\ & 1,588 \end{aligned}$ | $\begin{aligned} & 7,522 \\ & 2,034 \end{aligned}$ | $\begin{aligned} & 7,652 \\ & 2,293 \end{aligned}$ | $\begin{aligned} & 6,880 \\ & 3,118 \end{aligned}$ | $\begin{aligned} & 7,539 \\ & 2,311 \end{aligned}$ | $\begin{array}{r} 8,054 \\ 951 \end{array}$ | $\begin{aligned} & 7,762 \\ & 2,620 \end{aligned}$ | $\begin{aligned} & 7,150 \\ & 3,384 \end{aligned}$ |
| 62 | Sales of net selling banks....... |  |  |  |  |  |  |  |  |  |
| Related transactions with U.S. Govt. securities dealers |  |  |  |  |  |  |  |  |  |  |
| 63 | Loans to dealers ${ }^{3}$................ | $\begin{array}{r} 744 \\ 688 \\ \quad 57 \end{array}$ | $\begin{array}{r} 1,036 \\ 595 \\ 441 \end{array}$ | $\begin{aligned} & 1,555 \\ & 500 \\ & 1,056 \end{aligned}$ | 916 | 891 | 1,447713 | $\begin{aligned} & 517 \\ & 1,886 \end{aligned}$ | 971 | 870 |
| 64 | Borrowing from dealers ${ }^{4}$. . . . . . . . . |  |  |  | 528388 | 611 |  |  | 418554 | 520350 |
| 65 | Net loans... . . . . . . . . . . |  |  |  |  | 280 | 734 |  |  |  |

${ }^{1}$ Based on reserve balances, including adjustments to include waivers of penalties for reserve deficiencies in accordance with changes in Board policy effective Nov. 19, 1975.
2 Derived from averages for individual banks for entire week. Figure for each bank indicates extent to which the bank's average purchases and sales are offsetting.
${ }^{3}$ Federal funds loaned, net funds supplied to each dealer by clearing banks, repurchase agreements (purchases 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 U.S. Govt. or other securities.
Note.-Weekly averages of daily figures. For description of series, see Federal Reserve Bulletin for August 1964, pp. 944-53. Back data for 46 banks appear in the Board's Annual Statistical Digest, 1971-1975. Table 3.
1.14 FEDERAL RESERVE BANK INTEREST RATES

Per cent per annum


1 Discounts of eligible paper and advances secured by such paper or by U.S. Govt. obligations or any other obligations eligible for F.R. Bank purchase.
2 Advances secured to the satisfaction of the F.R. Bank. Advances secured by mortgages on 1 - to 4 -family residential property are made at the Section 13 rate.
${ }_{3}$ Applicable to special advances described in Section 201.2(e)(2) of Regulation A.

4 Advances to individuals, partnerships, or corporations other than member banks secured by direct obligations of, or obligations fully guaranteed as to principal and interest by, the U.S. Govt. or any agency hereof.
$s$ Rates under Secs. 13 and 13a (as described above). For description and earlier data, see the following publications of the Board of Governors: Banking and Monetary Statistics, 1914-1941, Banking and Monetary Statistics, 1941-1970, and Annual Statistical Digest, 1971-75.

### 1.15 MEMBER BANK RESERVE REQUIREMENTS ${ }^{1}$

Per cent of deposits

| Type of deposit, and deposit interval in millions of dollars | Requirements in effect Apr. 30, 1977 |  | Previous requirements |  |
| :---: | :---: | :---: | :---: | :---: |
|  | Per cent | Effective date | Per cent | Effective date |
| Net demand: ${ }^{2}$ |  |  |  |  |
| 0-2.. | 7 | 12/30/76 | $71 / 2$ | 2/13/75 |
| 2-10. | 91/2 | 12/30/76 | 10 | 2/13/75 |
| 10-100. | $113 / 4$ | 12/30/76 | 12 | 2/13/75 |
| 100-400. | 123/4 | 12/30/76 | 13 | 2/13/75 |
| Over 400. | 161/4 | 12/30/76 | 161/2 | 2/13/75 |
| Time: ${ }^{2,3}$ | 3 | 3/16/67 | 31/2 | 3/2/67 |
| Savings..... |  | 3/16/67 | 31/2 | 3/2/67 |
| $0-5$, maturing in -1. $30-179$ days. . . |  |  |  |  |
|  | $431 / 2$ | $3 / 16 / 67$ $1 / 8 / 76$ | $31 / 2$ | $3 / 2 / 67$ $3 / 16 / 67$ |
| 4 years or more. . | $4^{4}{ }^{1 / 2}$ | 10/30/75 | 3 | 3/16/67 |
| Over 5, maturing in- |  |  |  |  |
| 30-179 days..... | ${ }_{4}^{6}$ | 12/12/74 | 5 | 10/1/70 |
| 4 years or more. | $41{ }^{4}$ | 10/30/75 | 3 | 12/12/74 |

Legal limits, Apr. 30, 1977

|  | Minimum | Maximum |
| :---: | :---: | :---: |
| Net demand: |  |  |
| Reserve city banks. | 10 | 22 |
| Other banks. | 7 | 14 |
| Time.. | 3 | 10 |

${ }^{1}$ For changes in reserve requirements beginning 1963, see Board's Annual Statistical Digest, 1971-1975 and for prior changes, see Board's Annual Report for 1975, Table 13.

2 (a) Requirement schedules are graduated, and each deposit interval 2 (a) Requirement schedules are graduated, and each deposit interval
applies to that part of the deposits of each bank. Demand deposits applies to that part of the deposits of each bank. Demand deposits
subject to reserve requirements are gross demand deposits minus cash subject to reserve requirements are gross demand deposits minus cash
items in process of collection and demand balances due from domestic items i. banks.
(b) The Federal Reserve Act specifies different ranges of requirements for reserve city banks and for other banks. Reserve cities are designated under a criterion adopted effective Nov. 9, 1972, by which a bank having net demand deposits of more than $\$ 400$ million is considered to have the character of business of a reserve city bank. The presence of the head office of such a bank constitutes designation of that place as a reserve city. Cities in which there are F.R. Banks or branches are also reserve cities. Any banks having net demand deposits of $\$ 400$ million or less are considered to have the character of business of banks outside of reserve cities and are permitted to maintain reserves at ratios set for banks reserve cities and are permitted to maintain reserves at ratios set
not in reserve cities. For details, see the Board's Regulation $\mathbf{D}$.
(c) Member banks are required under the Board's Regulation M to maintain reserves against foreign branch deposits computed on the basis of net balances due from domestic offices to their foreign branches and against foreign branch loans to U.S. residents. Loans aggregating $\$ 100,000$ against foreign branch loans to U.S. residents. Loans aggregating $\$ 100,000$ or less to any U.S. resident are excluded from computations, as are total loans of a bank to U.S. residents if not exceeding $\$ 1$ million. Regulation $D$ imposes a similar reserve requirement on borrowings from foreign banks by domestic offices of a member bank. A reserve of 4 per cent is required for each of these classifications.
${ }^{3}$ Negotiable orders of withdrawal (NOW) accounts and time deposits such as Christmas and vacation club accounts are subject to the same requirements as savings deposits.
${ }^{4}$ The average of reserves on savings and other time deposits must be at least 3 per cent, the minimum specified by law.

Note.-Required reserves must be held in the form of deposits with F.R. Banks or vault cash.
1.16 MAXIMUM INTEREST RATES PAYABLE on Time and Savings Deposits at Federally Insured Institutions Per cent per annum

| Type and maturity of deposit | Commercial banks |  |  |  | Savings and loan associations and mutual savings banks |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | In effect Apr. 30, 1977 |  | Previous maximum |  | In effect Apr. 30, 1977 |  | Previous maximum |  |
|  | Per cent | Effective date | Per cent | Effective date | Per cent | Effective date | Per cent | $\begin{aligned} & \text { Effective } \\ & \text { date } \end{aligned}$ |
| 1 Savings....................... | 5 | 7/1/73 | 41/2 | 1/21/70 | 51/4 | $\left.{ }^{4}\right)$ | 5 | (5) |
| 2 Negotiable order of withdrawal (NOW) accounts ${ }^{1}$. | 5 | 1/1/74 |  |  | 5 | 1/1/74 |  |  |
| Time (multiple- and single-maturity unless otherwise indicated): $\mathbf{2}^{2}$ |  |  |  |  |  |  |  |  |
|  | 5 | 7/1/73 | ${ }_{5}^{41 / 2}$ | $\begin{aligned} & 1 / 21 / 70 \\ & 9 / 26 / 66 \end{aligned}$ | (6) |  | ${ }^{6}$ ) | ... |
|  | 51/2 | 7/1/73 | 5 | $\begin{aligned} & 7 / 20 / 66 \\ & 9 / 26 / 66 \end{aligned}$ | $353 / 4$ | (4) | 51/4 | 1/21/70 |
|  | 6 | 7/1/73 | $51 / 2$ | 1/21/70 | 61/2 | (4) | $53 / 4$ | 1/21/70 |
|  | 61/2 | 7/1/73 | 53/4 | $1 / 21 / 70$ $1 / 21 / 70$ | $63 / 4$ | (4) | 6 6 | $1 / 21 / 70$ $1 / 21 / 70$ |
| 104 to 6 years | $71 / 4$ | 11/1/73 | (7) |  | $71 / 2$ | 11/1/73 | (7) |  |
| 116 years or more. . . . . . . . . . . . . . . . . . . . | 71/2 | 12/23/74 | 71/4 | 11/1/73 | 73/4 | 12/23/74 | $71 / 2$ | 11/1/73 |
| 12 Governmental units (all maturities).... | $73 / 4$ | 12/23/74 | 71/2 | 11/27/74 | 73/4 | 12/23/74 | $71 / 2$ | 11/27/74 |

${ }^{1}$ For authorized States only. Federally insured commercial banks, savings and loan associations, cooperative banks, and mutual savings banks were first permitted to offer NOW accounts on Jan. 1, 1974. Authorization to issue NOW accounts was extended to similar institutions throughout New England on Feb. 27, 1976.
2 For exceptions with respect to certain foreign time deposits see the Federal Reserve Bulletin for October 1962 (p. 1279), August 1965 (p. 1094), and February 1968 (p. 167).
${ }^{3}$ A minimum of $\$ 1,000$ is required for savings and loan associations, except in areas where mutual savings banks permit lower minimum denominations. This restriction was removed for deposits maturing in less
than 1 year, effective Nov. 1, 1973.
${ }^{4}$ July 1, 1973 , for mutual'savings banks; July 6, 1973, for savings and loan associations.
${ }_{5}$ Oct. 1, 1966, for mutual savings banks; Jan. 21, 1970, for savings and loan associations.
${ }^{6}$ No separate account category.
7 Between July 1, 1973, and Oct. 31, 1973, there was no ceiling for certificates maturing in 4 years or more with minimum denominations of $\$ 1,000$; however, the amount of such certificates that an institution could issue was limited to 5 per cent of its total time and savings deposits. Sales in excess of that amount, as well as certificates of less than $\$ 1,000$,
were limited to the $61 / 2$ per cent ceiling on time deposits maturing in $21 / 2$ years or more.
Effective Nov. 1, 1973, the present ceilings were imposed on certificates maturing in 4 years or more with minimum denominations of $\$ 1,000$. There is no limitation on the amount of these certificates that banks can issue. In December 1975, the Federal regulatory agencies removed the minimum-denomination requirement on time deposits representing funds contributed to an individual retirement account (IRA) established pursuant to the Internal Revenue Code. Similar action was taken for Keogh (H.R. to the Internal Revenue Code
10) plans in November 1976.

Note--Maximum rates that can be paid by Federally insured commercial banks, mutual savings banks, and savings and loan associations are established by the Board of Governors of the Federal Reserve System, the Board of Directors of the Federal Deposit Insurance Corporation, and the Federal Home Loan Bank Board under the provisions of 12 CFR 217, 329, and 526, respectively. The maximum rates on time deposits in denominations of $\$ 100,000$ or more were suspended in mid1973. For information regarding previous interest rate ceilings on all types of accounts, see earlier issues of the Federal Reserve Bulletin, the Federal Home Loan Bank Board Journal, and the Annual Report of the Federal Deposit Insurance Corporation.

### 1.161 MARGIN REQUIREMENTS

Per cent of market value; effective dates shown.

| Type of security on sale | Mar. 11, 1968 | June 8, 1968 | May 6, 1970 | Dec. 6, 1971 | Nov. 24, 1972 | Jan. 3, 1974 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 1 Margin stocks. | 70 | 80 | 65 | 55 | 65 | 50 |
| 2 Convertible bonds. | 50 | 60 | 50 | 50 | 50 | 50 |
| 3 Short sales........ | 70 | 80 | 65 | 55 | 65 | 50 |

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

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

### 1.17 FEDERAL RESERVE OPEN MARKET TRANSACTIONS

Millions of dollars

${ }^{1}$ Both gross purchases and redemptions include special certificates created when the Treasury borrows directly from the Federal Reserve as follows (millions of dollars): 1973, 1,187; 1974, 131; and 1975, 3,549.
${ }^{2}$ In 1975, the System obtained $\$ 421$ million of 2-year Treasury notes in exchange for maturing bills. In 1976 there was a similar transaction
amounting to $\$ 189$ million. Acquisition of these notes is treated as a purchase; the run-off of bills, as a redemption.
Nore.-Sales, redemptions, and negative figures reduce holdings of the System Open Market Account; all other figures increase such holdings. Details may not add to totals because of rounding.
1.18 FEDERAL RESERVE BANKS Condition and F.R. Note Statements

Millions of dollars

| Account |  | Wednesday |  |  |  |  | End of Month |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | 1977 |  |  |  |  | 1977 |  |  |
|  |  | Mar. 30 | Apr. 6 | Apr. 13 | Apr. $20^{p}$ | Apr. $27{ }^{p}$ | Feb. | Mar. | Apr. ${ }^{p}$ |
|  |  | Consolidated condition statement |  |  |  |  |  |  |  |
| ASSETS |  |  |  |  |  |  |  |  |  |
|  | Gold certificate account. . . . . . . . . . . . . . . . . . . | 11,636 | 11,636 | 11,636 | 11,636 | 11,636 | 11,651 | 11,636 | 11,636 |
| 2 | Special Drawing Rights certificate account...... | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 |
| 3 | Coin ${ }^{1}$. | 359 | 340 | 322 | 328 | 327 | 388 | 360 | 340 |
| 4 | Loans: <br> Member bank borrowings | 149 | 36 | 42 | 58 | 486 | 24 | 271 | 377 |
| 5 | Other..................... |  |  |  |  |  |  |  |  |
| 6 | Acceptances: <br> Bought outright. . | 155 | 142 | 134 | 121 | 107 | 173 | 154 | 103 |
| 7 | Held under repurchase agreements............ |  |  | 186 | 240 | 484 | 149 | 126 | 778 |
|  | Federal agency obligations: |  |  |  |  |  |  |  |  |
| 8 9 | Bought outright.............................. | 6,744 | 6,731 | $\begin{array}{r}6,731 \\ \hline 149\end{array}$ | $\begin{array}{r}6,731 \\ \hline 118\end{array}$ | 6,731 169 | 6,767 77 | 6,731 54 | $\begin{array}{r}7,077 \\ \hline 124\end{array}$ |
|  | U.S. Govt. securities Bought outright: |  |  |  |  |  |  |  |  |
| 10 |  | 39,735 | 30,442 | 35,417 | 38,915 | 40,179 | 38,826 | 39,170 | 41,127 |
| 11 | Certificates-Special. . . . . . . . . . . . . . . . . . . . . |  |  |  |  |  |  |  |  |
| 13 | Notes............. | 49,181 | 49,181 | 49,181 | 49,181 | 49,632 | 48,920 | 49,18i | 49.632 |
| 14 | Bonds. | 7,196 | 7,196 | 7,196 | 7,196 | 7,234 | 7,159 | 7,196 | 7,234 |
| 15 | Total ${ }^{2}$. | 96,112 | 86,819 | 91,794 | 95,292 | 97,045 | 94,905 | 95,547 | 97,993 |
| 16 | Held under repurchase agreements........... |  |  | 2,535 | 3,148 | 3,195 | 932 | 440 | 1,974 |
| 17 | Total U.S. Govt. securities. | 96,112 | 86,819 | 94,329 | 98,440 | 100,240 | 95,837 | 95,987 | 99,967 |
| 18 | Total loans and securities. | 103,160 | 93,728 | 101,571 | 105,708 | 108,217 | 103, 027 | 103,323 | 108,426 |
| 19 | Cash items in process of collection............. | 8,519 | 10,544 | 9,414 | 10,509 | 9,661 | 6,378 | 8,045 | 8,015 |
| 20 | Bank premises | 373 | 374 | 365 | 366 | 366 | 371 | 372 | 366 |
| 21 | Denominated in foreign currencies..... . . . . . . | 58 | 59 | 59 | 99 | 64 | 62 | 61 | 56 |
| 22 | All other........................ . . . . . . . . . . . | 2,540 | 2,582 | 2,716 | 2,748 | 2,791 | 2,358 | 2,426 | 2,821 |
| 23 | Total assets. | 127,845 | 120,463 | 127,283 | 132,594 | 134,262 | 125,435 | 127,423 | 132,860 |
|  | LIABILITIES |  |  |  |  |  |  |  |  |
| 24 | F.R. notes.... . . . . . . . . . . . . . . . . . . . . . . . . . . . . | 83,310 | 84,329 | 84,880 | 84,302 | 84,088 | 81,709 | 83,257 | 83,757 |
| 25 | Deposits: Member bank reserves | 26,883 | 18,936 | 27,367 | 26,291 | 28,329 | 22,916 | 27,814 |  |
| 26 | U.S. Treasury-General account. | 7,769 | 7,199 | 4,790 | 11,301 | 11,323 | 12,179 | 7,150 | 13,628 |
| 27 | Foreign. . . . . | 288 | 237 | 252 | 280 | 266 | 362 | 349 | 305 |
| 28 | Other ${ }^{3}$. | 563 | 666 | 631 | 740 | 662 | 856 | 637 | 591 |
| 29 | Total deposits. | 35,503 | 27,038 | 33,040 | 38,612 | 40,580 | 36,313 | 35,950 | 40,076 |
| 30 | Deferred availability cash items... | 5,606 | 6,104 | 6,210 | 6,397 | 6,184 | 3,783 | 4,759 | 5,499 |
| 31 | Other liabilities and accrued dividends | 998 | 900 | 952 | 969 | 979 | 1,193 | 1,016 | 1,052 |
| 32 | Total liabilities. | 125,417 | 118,371 | 125,082 | 130,280 | 131,831 | 122,998 | 124,982 | 130,384 |
|  | CAPITAL ACCOUNTS |  |  |  |  |  |  |  |  |
| 33 | Capital paid in.... . . . . . . . . . . . . . . . . . . . . . . | 990 | 991 | 990 | 992 | 991 | 989 | 991 | 993 |
| 34 | Surplus. . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . | 983 | 983 | 983 | 983 | 983 | 983 | 983 | 983 |
| 35 | Other capital accounts. | 455 | 118 | 228 | 339 | 457 | 465 | 467 | 500 |
| 36 | Total liabilities and capital accounts............. | 127,845 | 120,463 | 127,283 | 132,594 | 134,262 | 125,435 | 127,423 | 132,860 |
| 37 | Memo: Marketable U.S. Govt. securities held in custody for foreign and intl. account. | 56,409 | 57,609 | 57,626 | 58,238 | 57,976 | 53,991 | 56,623 | 60,092 |

38 F.R. notes outstanding (issued to Bank)........ . Collateral held against notes outstanding: Gold certificate account.......................
Special Drawing Rights certificate account.
Acceptances ..................................... U.S. Govt. securities.

Total collateral
Federal Reserve note statement

| 88,563 | 88,805 | 89,250 | 89,503 | 89,565 | 88,205 | 88,664 | 89,630 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| $\begin{array}{r} 11,634 \\ 643 \end{array}$ | 11,633 643 | 11,634 643 | 11,634 643 | 11,631 643 | 11,645 643 | 11,633 643 | 11,631 643 |
| 78,130 | 78,073 | 78,543 | 78,693 | 78,833 | 78,030 | 78,130 | 78,933 |
| 90,407 | 90,349 | 90,820 | 90,970 | 91,107 | 90,318 | 90,406 | 91,207 |

${ }^{1}$ Effective Jan. 1, 1977 Federal Reserve notes of other Federal Reserve Banks were merged into the liability account for Federal Reserve notes.

2 Includes securities loaned-fully guaranteed by U.S. Govt. securities pledged with F.R. Banks-and excludes (if any) securities sold and scheduled to be bought back under matched sale-purchase transactions. ${ }^{3}$ Includes certain deposits of domestic nonmember banks and foreign-
owned banking institutions voluntarily held with member banks and redeposited in full with F.R. Banks.

Note.-Beginning Jan. 1, 1977 Operating equipment was transferred to Other assets.

### 1.19 FEDERAL RESERVE BANKS Maturity Distribution of Loan and Security Holdings

 Millions of dollars| Type and maturity | Wednesday |  |  |  |  | End of month |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | 1977 |  |  |  |  | 1977 |  |  |
|  | Mar. 30 | April 6 | April 13 | April 20 | April 27 | Feb. 28 | Mar. 31 | April 30 |
| 1 Loans. | 149 | 36 | 41 | 58 | 486 | 24 | 270 | 377 |
| 2 Within 15 days. | 145 | 31 | 29 | 55 | 481 | 19 | 267 | 371 |
| 316 days to 90 days | 4 | 5 | 12 | 3 | 5 | 5 | 3 | 6 |
|  |  |  |  |  |  |  |  |  |
| 5 Acceptances. . . . | 155 22 | 142 | 320 217 | 361 275 | 5916 | 322 | 280 | 881 |
| ${ }_{7}^{6}$ Within 15 days to 90 days. | 92 | 41 | 317 71 | - 61 | 516 | 106 | 147 90 | 81 |
| 891 days to 1 year.. | 43 | 23 | 32 | 25 | 19 | 47 | 43 | 18 |
| 9 U.S. Govt. securities. | 96,112 | 86,819 | 94,329 | 98,440 | 100,240 | 95,837 | 95,987 | 99,967 |
| 10 Within 15 days ${ }^{1}$.. | 5,595 | 2,525 | 4,809 | 7,717 | 8,483 | 3,994 | 3,494 | 6,259 |
| 1116 days to 90 days | 20,422 | 13,343 | 18,656 | 19,780 | 21,096 | 20,862 | 20,422 | 22,770 |
| 12 l 1 days to 1 year.. | 24,218 | 24,808 | 24,721 | 24,800 | 24,050 | 25,362 | 25,928 | 24,327 |
| 13 Over 1 year to 5 years. | 30,575 | 30,841 | 30,841 | 30,841 | 31,168 | 30,401 | 30,841 | 31,168 |
| 14 Over 5 years to 10 years | 9,888 | 9,888 | 9,888 | 9,888 | 9,991 | 9,841 | 9,888 | 9,991 |
| 15 Over 10 years..... | 5,414 | 5,414 | 5,414 | 5,414 | 5,452 | 5,377 | 5,414 | 5,452 |
| 16 Federal agency obligations. | 6,744 | 6,731 | 6,880 | 6,849 | 6,900 | 6,844 | 6,785 | 7,201 |
| 17 Within 15 days ${ }^{1}$. | 41 | 46 | 195 | 163 | 214 | 247 | 82 | 170 |
| 1816 days to 90 days | 268 | 282 | 282 | 238 | 289 | 171 | 268 | 289 |
| 19 91 days to 1 year..... | 1,178 | 1,137 | 1,137 | 1,143 | 1,092 | 1,091 | 1,178 | 1,091 |
| 20 Over 1 year to 5 years. | 3,291 | 3,300 | 3,300 | 3,317 | 3,317 | 3,358 | 3,291 | 3,490 |
| 21 Over 5 years to 10 years | 1,206 | 1,211 | 1,211 | 1,233 | 1,233 | 1,217 | 1,206 | 1,371 |
| 22 Over 10 years... | 760 | 755 | 755 | 755 | 755 | 760 | 760 | 790 |

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

### 1.20 DEMAND DEPOSIT ACCOUNTS Debits and Rate of Turnover Monthly data are at seasonally adjusted annual rates.

| Standard metropolitan statistical area | 1973 | 1974 | 1975 | 1976 |  | 1977 |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  |  | Nov. | Dec. | Jan. | Feb. | Mar. |
|  | Debits (billions of dollars) ${ }^{2}$ |  |  |  |  |  |  |  |
| 1 All 233 SMSA's. | 18,641.3 | 22,192.2 | 23,565.1 | '28,049.0 | r28,911.0 | '29,288.1 | r30,148.5 | 30,415.9 |
| 2 New York City | 8,097.7 | 9,931.8 | 10,970.9 | 13,495.5 | 13,835.0 | 14,411.8 | 14,898.0 | 14,612. 1 |
| 3232 SMSA's......................... | 10,543.6 | 12,260.6 | 12,594.2 | r14,553.5 | '15,076.1 | ${ }^{1} 14,876.3$ | r15,250.4 | 15,803.9 |
| ${ }_{5}^{4} 6$ leading SMSA's other than N.Y.C. ${ }^{1}$ | 4,462.8 $6,080.8$ | 5,152.7 $7,107.9$ | $4,937.5$ $7,661.8$ | $5,693.2$ $-8,860.4$ | $5,917.1$ $9,159.0$ | $5,864.3$ r9,012.0 | $5,887.1$ r9,363.3 | $6,155.7$ $9,648.1$ |
|  | 6,080.8 | 7,107.9 | 7,661.8 | -8,860.4 | '9,159.0 | -9,012.0 | r9,363.3 | 9,648.1 |
|  | Turnover of deposits (annual rate) |  |  |  |  |  |  |  |
| 6 All 233 SMSA's. | 110.2 | 128.0 | 131.0 | ${ }^{1} 147.3$ | ${ }^{\text {r }} 153.5$ | 154.3 | 153.3 | 155.1 |
| 7 New York City. | 269.8 | 312.8 | 351.8 | 395.1 | 419.8 | 443.5 | 437.3 | 436.0 |
| 8232 SMSA's. ${ }_{9}$ | 75.8 | 86.6 | 84.7 | r93.2 | r97.0 | 94.6 | 93.8 | 97.2 |
| 966 leading SMSA's other than N.Y.C. ${ }^{1}$ | 115.0 | 131.8 | 118.4 | 131.7 | 136.9 | 133.9 | 129.9 | 135.2 |
| 10226 others........................... | 60.6 | 69.3 | 71.6 | r78.4 | r81.7 | 79.4 | r79.9 | 82.4 |

[^52]Note.-Total SMSA's includes some cities and counties not designated as SMSA's.

### 1.21 MONEY STOCK MEASURES AND COMPONENTS

Billions of dollars, averages of daily figures

| Item |  | $1973$ <br> Dec. | 1974 <br> Dec. | 1975 <br> Dec. | 1976 |  |  |  | 1977 |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | Sept. ${ }^{r}$ |  |  | Oct. ${ }^{\text { }}$ | Nov. ${ }^{r}$ | Dec. ${ }^{*}$ | Jan. ${ }^{\text {r }}$ | Feb. ${ }^{\text {r }}$ | Mar. ${ }^{\text {r }}$ |
|  |  | Seasonally adjusted |  |  |
| MEASURES ${ }^{1}$ |  |  |  |  |  |  |  |  |  |  |  |
|  | M-1. |  | 270.5 | 283.1 | 294.8 | 306.9 | 310.5 | 310.6 | 312.8 | 314.3 | 314.5 | 316.1 |
|  | M-2. | 571.4 | 612.4 | 664.3 | 716.3 | 725.7 | 731.7 | 739.3 | 745.0 | 749.1 | 754.2 |
| 3 | M-3. | 919.6 | 981.5 | 「1,092.6 | 1,193.9 | 1,210.5 | 1,222.8 | 1,236.1 | 1,247.6 | 1,256.6 | 1,266.2 |
| 4 | M-4. | 634.4 | 701.4 | . 746.5 | + 779.4 | 1788.0 | + 794.0 | -802.6 | 1808.0 | + 812.3 | 816.3 |
| 5 |  | 982.5 | 1,070.5 | ${ }^{1} 1,174.7$ | 1,257.0 | 1,272.8 | 1,285.0 | 1,299.3 | 1,310.7 | 1,319.9 | 1,328.4 |
| COMPONENTS |  |  |  |  |  |  |  |  |  |  |  |
| 6 | Currency.. | 61.5 | 67.8 | 73.7 | 79.2 | 79.8 | 80.3 | 80.6 | 81.3 | 82.0 | 82.4 |
|  | Commercial bank deposits: Demand............. | 209.0 | 215.3 | 221.0 | 227.7 | 230.7 | 230.3 | 232.1 | 233.0 | 232.5 | 233.7 |
| 8 | Time and savings................... | 363.9 | 418.3 | 451.7 | 472.5 | 477.5 | 483.4 | 489.8 | 493.8 | 497.8 | 500.2 |
| 9 | Negotiable CD's ${ }^{2}$. ${ }^{\text {a }}$. . . . . . | 63.0 | 89.0 | 82.1 | 63.1 | 62.3 | 62.2 | 63.3 | 63.1 | 63.3 | 62.2 |
| 10 | Other............ | 300.9 | 329.3 | 369.6 | 409.4 | 415.2 | 421.2 | 426.5 | 430.7 | 434.5 | 438.0 |
| 11 Nonbank thrift institutions ${ }^{3}$. . . . . . . |  | 348.1 | 369.1 | ${ }^{\text {r }} 428.3$ | 477.6 | 484.8 | 491.0 | 496.8 | 502.6 | 507.5 | 512.0 |
|  |  | Not seasonally adjusted |  |  |  |  |  |  |  |  |  |
| MEASURES ${ }^{1}$ |  |  |  |  |  |  |  |  |  |  |  |
|  |  | 278.3 | 291.3 | 303.2 | 304.9 | 309.4 | 312.5 | 321.7 | 320.2 | 310.4 | 313.1 |
|  | M-2.................................. . | 576.5 | 617.5 | 669.3 | 712.6 | 722.8 | 729.4 | 744.3 | 749.9 | 745.6 | 754.3 |
| 14 | M-3................................ | 921.8 | 983.8 | r1,094.3 | 1,188.6 | 1,204.9 | 1,215.7 | 1,236.9 | 1,250.1 | 1,251.5 | 1,267.9 |
| 15 |  | 640.5 | 708.0 | r 752.8 | 1777.9 | 1786.9 | 1792.3 | 1, 808.6 | 1813.0 | + 806.9 | 1,815.1 |
| 16 | M-5. | 985.8 | 1,074.3 | ${ }^{\text {r } 1,177.7}$ | 1,253.9 | 1,269.0 | 1,278.6 | 1,301.2 | 1,313.2 | 1,312.7 | 1,328.7 |
| COMPONENTS |  |  |  |  |  |  |  |  |  |  |  |
|  | Currency.. . . . . . . . . . . . . . . . . . . | 62.7 | 69.0 | 75.1 | 79.0 | 79.6 | 80.8 | 82.1 | 80.7 | 80.9 | 81.7 |
|  | Commercial bank deposits: |  |  |  |  |  |  |  |  |  |  |
| 18 | Demand... | 215.7 156.5 | 222.2 159.7 | 228.1 | 225.9 158.9 | 229.8 161.7 | 231.7 | 239.5 168.4 | 239.5 | 229.5 161.0 |  |
| 19 20 | Member . . . . . . . . . Domestic | 156.5 56.3 | 159.7 58.5 | 162.1 62.6 | 158.9 63.8 | 161.7 64.9 | 162.5 65.9 | 168.4 67.5 | 168.1 67.9 | 161.0 65.0 | 162.1 |
| 21 | Time and savings..... | 362.2 | 416.7 | 449.6 | 473.0 | 477.5 | 479.8 | 486.9 | 492.8 | 496.4 | 502.0 |
| 22 | Negotiable CD's ${ }^{2}$ | 64.0 | 90.5 | 83.5 | 65.3 | 64.2 | 62.9 | 64.3 | 63.1 | 61.3 | 60.8 |
| 23 | Other . . . . . . . . . . . . . . . . . . . . . . | 298.2 | 326.3 | 366.2 | 407.8 | 413.4 | 416.9 | 422.6 | 429.7 | 435.1 | 441.2 |
|  | Nonbank thrift institutions ${ }^{3} \ldots \ldots$. | 345.3 | 366.3 | ${ }^{2} 424.9$ | 476.0 | 482.1 | 486.3 | 492.6 | 500.2 | 505.9 | 513.6 |
|  | U.S. Govt. deposits (all commercial banks). | 6.3 | 4.9 | 4.1 | 5.0 | 4.0 | 4.1 | 4.5 | 3.9 | 4.1 | 4.3 |

${ }^{1}$ Composition of the money stock measures is as follows:
M-1 : Averages of daily figures for (1) demand deposits of commercial banks other than domestic interbank and U.S. Govt., less cash items in process of collection and F.R. float; (2) foreign demand balances at F.R. process of collection and F.R. foat; (2) frereign demand balances at F.R. Banks; and (3) curre
fommercial banks. $M-2: M-1$ plus savings deposits, time deposits open account, and time
certificates of deposits (CD's) other than negotiable CD's of $\$ 100,000$ or more of large weekly reporting banks.
$M-3: M-2$ plus the average of the beginning and end-of-month deposits of mutual savings banks, savings and loan shares, and credit union shares (nonbank thrift).

## NOTES TO TABLE 1.23:

${ }^{1}$ Adjusted to exclude domestic commercial interbank loans.
${ }^{2}$ Loans sold are those sold outright to banks' own foreign branches, nonconsolidated nonbank affiliates of the bank, the banks' holding company (if not a bank), and nonconsolidated nonbank subsidiaries of the holding company. Prior to Aug. 28, 1974, the institutions included had been defined somewhat differently, and the reporting panel of banks was also different. On the new basis, both "Total loans" and "Commercial and industrial loans" were reduced by about $\$ 100$ million.

3 Reclassification of loans reduced these loans by about $\$ 1.2$ billion as of Mar. 31, 1976.
4 Data beginning. June 30, 1974, include one large mutual savings bank that merged with a nonmember commercial bank. As of that date there were increases of about $\$ 500$ million in loans, $\$ 100$ million in "Other securities," and $\$ 600$ million in "Total loans and investments."

M-4: M-2 plus large negotiable CD's.
M-5: M-3 plus large negotiable CD's.
For a description of the latest revisions in the money stock measures' see "Money Stock Measures Revisions" on pp. 305-306 of the March see "Money Sto
1977 Bulletin.

Latest monthly and weekly figures are available from the Board's H. 6 release. Back data are available from the Banking Section, Division of Research and Statistics.
${ }_{2}$ Negotiable time CD's issued in denominations of $\$ 100,000$ or more by large weekly reporting commercial banks.

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

As of Oct. 31, 1974, "Total loans and investments" of all commercial banks were reduced by $\$ 1.5$ billion in connection with the liquidation of one large bank. Reductions in other items were: "Total loans," $\$ 1.0$ billion (of which $\$ 0.6$ billion was in "Commercial and industrial loans"), and "Other securities," $\$ 0.5$ billion. In late November "Commercial and industrial loans" were increased by $\$ 0.1$ billion as a result of loan reclassifications at another large bank.
5 Data revised beginning Jan. 1976 to conform with June 1976 call report benchmarks. Complete revisions will be published in the Annual report benchmarks. Complete
Statistical Digest, 1972-1976.

Note.-Data are for last Wednesday of month except for June 30 and Dec. 31; data are partly or wholly estimated except when June 30 and Dec. 31 are call dates.

### 1.22 AGGREGATE RESERVES AND DEPOSITS Member Banks

Billions of dollars, averages of daily figures

| Item | $\begin{aligned} & 1973 \\ & \text { Dec. } \end{aligned}$ | 1974 <br> Dec. | $1975$ <br> Dec. | 1976 |  |  |  |  | 1977 |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  |  | Aug. | Sept. | Oct. | Nov. | Dec. | Jan. | Feb. | Mar. |
|  | Seasonally adjusted |  |  |  |  |  |  |  |  |  |  |
| 1 Reserves ${ }^{1}$ | 34.94 | 33.60 | 34.73 | 34.51 | 34.34 | 34.51 | 34.85 | 34.95 | 34.78 | 34.40 | 34.31 |
| 2 Nonborrowed. | 33.64 | 35.87 | 34.60 | 34.41 | 34.27 | 34.41 | 34.78 | 34.90 | 34.71 | 34.33 | 34,20 |
| 3 Required. | 34.64 | 36.34 | 34.46 | 34.31 | 34.14 | 34.29 | 34.59 | 34.68 | 34.51 | 34.20 | 34,09 |
| 4 Deposits subject to reserve requirements 2 | 442.3 | 486.2 | 505.4 337.9 | 514.2 | 515.6 | 520.0 | 524.9 350.2 | 529.6 355.0 | 532.5 | 532.0 | 535.2 |
| 5 Time and savings ........ | 279.2 | 322.1 | 337.9 | 341.7 | 343.3 | 346.2 | 350.2 | 355.0 | 357.3 | 360.1 | 361.3 |
| 6 Private. | 158.1 | 160.6 | 164.5 | 168.6 | 168.7 | 170.4 | 170.7 | 171.4 | 172.5 | 169.5 | 171.1 |
| 7 U.S. Govt. | 5.0 | 3.5 | 3.0 | 3.9 | 3.6 | 3.4 | 4.0 | 3.2 | 2.7 | 2.5 | 2.8 |
| 8 Deposits plus nondeposit items ${ }^{3}$. | 448.9 | ${ }^{\text {r }} 494.6$ | 513.8 | 523.1 | 523.8 | 529.0 | 534.0 | 538.8 | 540.8 | 539.5 | 542.9 |
|  | Not seasonally adjusted |  |  |  |  |  |  |  |  |  |  |
| 9 Deposits subject to reserve requirements 2 | 447.5 | 491.8 | 510.9 | 511.3 | 514.9 | 518.9 | 522.5 | 534.8 | 537.7 | 528.7 | 534.0 |
| 10 Time and savings. . . . . . . . . . . . . . . | 278.5 | 321.7 | 337.2 | 342.7 | 344.1 | 346.7 | 347.6 | 353.6 | 357.0 | 358.4 | 361.7 |
| 11 Demand: | 164.0 | 166.6 | 170.7 | 165.9 | 167.2 | 169.5 | 171.9 | 177.9 | 177.8 | 167.2 |  |
| 12 U.S. Govt. | 5.0 | 3.4 | 3.1 | 2.7 | 3.6 | 2.8 | 3.0 | 3.3 | 2.9 | 3.1 | 3.2 |
| 13 Deposits plus nondeposit items ${ }^{3}$. | 454.0 | 500.1 | 519.3 | 520.2 | 523.1 | 527.9 | 531.5 | 544.0 | 546.0 | 536.2 | 541.7 |

1 Series reflects actual reserve requirement percentages with no adjustment to eliminate the effect of changes in Regulations $D$ and $M$. There ment to eliminate the effect of changes in Regurations in series because of changes in reserve requirements effective are breaks in series because of changes in reserve requirements effective
Dec. 12, 1974; Feb. 13, May 22, and Oct. 30, 1975; and Jan. 8, 1976. Dec. 12, 1974; Feb. 13, May 22, and Oct. 30, 1975; and Jan. 8, 1976.
In addition, effective Jan. 1, 1976, statewide branching in New York In addition, effective Jan. 1, 1976, statewide branching in New York was institued. The subsequent merger of a number of because of higher reserve requirements on aggregate deposits at these banks.
2 Includes 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. collection and demand balances due from domestic commercial banks. Euro-dollar borrowings, loans sold to bank-related institutions, and certain other nondeposit items. This series for deposits is referred to as "the adjusted bank credit proxy."

Note.-Back data and estimates of the impact on required reserves and changes in reserve requirements are shown in Table 14 of the Board's Annual Statistical Digest, 1971-1975.

### 1.23 LOANS AND INVESTMENTS All Commercial Banks

Billions of dollars; last Wednesday of month except for June 30 and Dec. 31

| Category | $\begin{gathered} 1973 \\ \text { Dec. } 31 \end{gathered}$ | 19744 <br> Dec. 31 | $\begin{gathered} 1975 \\ \text { Dec. } 31 \end{gathered}$ | 1976 |  |  | 1977 |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  |  | $\underset{p}{\text { Oct. } 27}$ | $\underset{p}{\text { Nov. }} 24$ | $\underset{p}{\text { Dec. }} 31$ | $\mathrm{Jan}_{p} 26$ | $\underset{p}{\text { Feb. } 23}$ | $\underset{p}{\text { Mar. }} 30$ | Apr. 27 |
|  | Seasonally adjusted |  |  |  |  |  |  |  |  |  |
| 1 Loans and investments ${ }^{1}$. | 633.4 | 690.4 | 721.1 | 767.6 | 773.8 | 774.9 | 780.5 | 790.1 | 797.1 | 806.4 |
| 2 Including loans sold outright ${ }^{2}$ | 637.7 | 695.2 | 725.5 | 771.4 | 777.6 | 778.7 | 784.5 | 794.0 | 801.1 | 810.4 |
| ${ }_{3}$ Loans: |  |  |  |  |  |  |  |  |  |  |
| 3 Total. . . . . . . . . . . . . . . . . . . . ${ }_{4}$ | 449.0 453.3 | 500.2 505.0 | 496.9 501.3 | 525.8 529.6 | 528.4 532.2 | 528.1 531.9 | 535.0 539.0 | 539.3 543.2 | 545.3 549.3 | 551.9 555.9 |
| 5 Commercial and industrial ${ }^{3}$. . . | 156.4 | 183.3 | 176.0 | 177.2 | 179.3 | 178.8 | 179.9 | 181.4 | 183.0 | 184.8 |
| 6 Including loans sold outright ${ }^{2}, 3$. | 159.0 | 186.0 | 178.5 | 179.6 | 181.7 | 181.2 | 182.5 | 184.0 | 185.7 | 187.6 |
| Investments: |  |  |  |  |  |  |  |  |  |  |
| 7 U.S. Treasury | 54.5 | 50.4 | 79.4 | 93.8 | 94.7 | 96.9 | 96.1 | 100.7 | 102.7 | 101.9 |
| 8 Other. | 129.9 | 139.8 | 144.8 | 148.0 | 150.7 | 149.9 | 149.4 | 150.1 | 149.1 | 152.6 |
|  | Not seasonally adjusted |  |  |  |  |  |  |  |  |  |
| 9 Loans and investments ${ }^{1}$ | 647.3 | 705.6 | 737.0 | 765.9 | 773.5 | 792.0 | 778.8 | 783.8 | 795.2 | 803.7 |
| 10 Including loans sold outright | 651.6 | 710.4 | 741.4 | 769.7 | 777.3 | 795.8 | 782.8 | 787.7 | 799.2 | 807.7 |
|  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 12 Including loans sold outright ${ }^{2}$ | 462.8 | 515.5 | 511.8 | 528.5 | 531.0 | 543.0 | 534.1 | 536.8 | 546.0 | 551.7 |
| 13 Commercial and industrial ${ }^{3}$... | 159.4 | 186.8 | 179.3 | 176.6 | 178.6 | 182.2 | 177.9 | 179.6 | 182.9 | 185.0 |
| 14 Including loans sold outright ${ }^{2,3}$ | 162.0 | 189.5 | 181.8 | 179.0 | 181.0 | 184.6 | 180.5 | 182.2 | 185.6 | 187.8 |
| Investments: |  |  |  |  |  |  |  |  |  |  |
| 15 U.S. Treasury. | 58.3 | 54.5 | 84.1 | 93.8 | 97.3 | 102.1 | 100.2 | 101.7 | 103.8 | 102.2 |
| 16 Other. | 130.6 | 140.5 | 145.5 | 147.4 | 149.1 | 150.7 | 148.5 | 149.2 | 149.4 | 153.8 |

For notes see bottom of opposite page.
1.24 COMMERCIAL BANK ASSETS AND LIABILITIES Last-Wednesday-of-Month Series

Billions of dollars, except for number of banks

| Account |  | 1975 | 19763 |  |  |  |  |  | 1977 |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | Dec. 31 | July ${ }^{p}$ | Aug. ${ }^{p}$ | Sept. ${ }^{p}$ | Oct. ${ }^{p}$ | Nov. ${ }^{p}$ | Dec. ${ }^{p}$ | Jan. ${ }^{p}$ | Feb. ${ }^{p}$ | Mar. ${ }^{p}$ | Apr. ${ }^{p}$ |
|  |  | All commercial |  |  |  |  |  |  |  |  |  |  |
| 1 | Loans and investments. | 775.8 | 780.6 | 790.0 | 798.4 | 804.9 | 813.9 | 834.7 | 819.7 | 827.0 | 836.1 | 842.0 |
| 2 | Loans, gross . . . . . . . . . . . . . . . . . | 546.2 | 544.8 | 551.6 | 558.1 | 563.7 | 567.6 | 583.5 | 571.0 | 576.1 | 582.9 | 586.0 |
| 3 | Investments: U.S. Treasury securities . . . . . . . . | 84.1 | 89.9 | 92.2 | 93.0 | 93.8 | 97.3 | 101.6 | 100.2 | 101.7 | 103.8 | 102.2 |
| 4 | Other. . . . . . . . . . . . . . . . . . . . . . | 145.5 | 146.0 | 146.2 | 147.3 | 147.4 | 149.1 | 149.7 | 148.5 | 149.2 | 149.4 | 153.8 |
| 5 | Cash assets. | 133.6 | 110.8 | 108.6 | 118.0 | 114.5 | 123.8 | 128.0 | 117.0 | 123.5 | 119.3 | 120.4 |
| 6 | Currency and coin. | 12.3 | 12.2 | 12.0 | 12.3 | 12.6 | 11.8 | 13.9 | 12.6 | 12.3 | 12.8 | 13.2 |
| 7 | Reserves with F.R. Banks. | 26.8 | 28.0 | 25.4 | 29.8 | 26.4 | 29.1 | 29.9 | 28.6 | 28.6 | 26.9 | 28.2 |
| 8 | Balances with banks...... | 47.3 | 33.7 | 35.5 | 35.3 | 35.9 | 39.5 | 38.7 | 36.3 | 38.5 | 38.7 | 38.1 |
| 9 | Cash items in process of collection.. | 47.3 | 36.8 | 35.7 | 40.7 | 39.6 | 43.4 | 45.2 | 39.5 | 44.3 | 40.9 | 40.9 |
| 10 | Total assets/total liabilities and capital ${ }^{1}$. | 964.9 | 939.5 | 945.8 | 965.4 | 967.9 | 988.4 | 1,016.2 | 988.6 | 1,003.1 | 1,010.1 | 1,017.7 |
| 11 | Deposits. | 786.3 | 765.2 | 763.5 | 777.3 | 782.0 | 793.4 | 816.4 | 796.6 | 804.8 | 812.9 | 815.1 |
| 12 | Demand: |  |  | 33.1 | 34.9 | 34.4 | 39.6 | 38.8 |  |  |  |  |
| 13 | Interbank. | 41.8 | 32.5 | 3.6 | 5.7 | 3.6 | 3.2 | 3.8 | 3.4 | 36.6 | 37.6 | 33.9 |
| 14 | Other | 278.7 | 251.8 | 248.8 | 254.3 | 259.5 | 262.3 | 277.1 | 258.6 | 262.4 | 261.1 | 266.0 |
|  | Time: |  |  |  |  |  |  |  |  |  |  |  |
| 15 | Interbank. | 12.0 | 10.2 | 9.7 | 9.6 | 9.2 | 9.1 | 9.2 | 8.9 | 8.7 | 9.0 | 8.7 |
| 16 | Other. | 450.6 | 466.9 | 468.3 | 473.0 | 475.2 | 479.2 | 487.9 | 490.0 | 493.5 | 502.1 | 499.4 |
| 17 | Borrowings. | 60.2 | 66.7 | 72.2 | 77.4 | 75.9 | 83.5 | 87.9 | 81.1 | 86.0 | 83.1 | 86.6 |
| 18 | Total capital accounts ${ }^{2}$ | 69.1 | 72.5 | 72.9 | 73.5 | 74.0 | 74.4 | 75.4 | 75.9 | 76.3 | 76.7 | 77.0 |
| 1 | Memo: Number of banks. | 14,633 | 14,636 | 14,650 | 14,656 | 14,660 | 14,674 | 14,671 | 14,667 | 14,688 | 14,685 | 14,685 |
|  |  | Member |  |  |  |  |  |  |  |  |  |  |
| 20 | Loans and investments. | 578.6 | 572.3 | 580.3 | 585.7 | 590.7 | 597.6 | 614.9 | 600.9 | 605.9 | 611.8 | 614.8 |
| 21 | Loans, gross. | 416.4 | 407.5 | 412.9 | 417.2 | 421.6 | 424.1 | 437.5 | 426.3 | 429.9 | 434.6 | 435.9 |
| 22 | Investments: U.S. Treasury securitic | 61.5 | 64.5 | 66.7 | 67.0 | 67.7 | 70.8 | 74.3 | 72.6 | 73.7 | 74.9 | 73.0 |
| 23 | Other... | 100.7 | 100.3 | 100.7 | 101.5 | 101.4 | 102.7 | 103.1 | 102.0 | 102.3 | 102.3 | 105.8 |
| 4 | Cash assets, total. | 108.5 | 92.3 | 89.4 | 98.9 | 94.9 | 103.0 | 107.6 | 97.7 | 102.8 | 100.0 | 99.4 |
| 25 | Currency and coin. | 9.2 | 9.2 | 9.0 | 9.2 | 9.5 | 8.9 | 10.5 | 9.5 | 9.3 | 9.6 | 9.9 |
| 26 | Reserves with F.R. Banks | 26.8 | 28.0 | 25.4 | 29.8 | 26.4 | 29.1 | 29.9 | 28.6 | 28.6 | 26.9 | 28.2 |
| 27 | Balances with banks.. | 26.9 | 19.6 | 20.5 | 20.6 | 20.9 | 23.3 | 23.5 | 21.5 | 22.2 | 24.0 | 21.9 |
| 28 | Cash items in process of collection. . | 45.5 | 35.5 | 34.4 | 39.3 | 38.2 | 41.8 | 43.7 | 38.1 | 42.7 | 39.5 | 39.4 |
| 29 | Total assets/total liabilities and capital ${ }^{1}$ | 733.6 | 706.3 | 710.7 | 726.8 | 727.6 | 744.8 | 769.1 | 744.6 | 755.1 | 759.7 | 762.7 |
| 30 | Deposits | 590.8 | 565.2 | 562.3 | 573.9 | 576.1 | 584.8 | 604.6 | 587.0 | 592.0 | 598.1 | 597.8 |
| 31 | Demand: | 38.6 | 30.7 | 30.9 | 32.7 | 32.2 | 37.2 | 36.4 | 33.1 | 34.1 | 35.3 |  |
| 32 | U.S. Govt | 3.2 | 2.7 | 2.8 | 4.3 | 2.9 | 2.4 | 2.5 | 3.0 | 2.7 | 2.1 | 51.6 |
| 33 | Other. | 210.8 | 188.7 | 185.9 | 191.0 | 194.7 | 196.0 | 208.6 | 193.7 | 196.6 | 195.9 | 199.0 |
|  | Time: |  |  |  |  |  |  |  |  |  |  |  |
| 34 35 | Interbank. | 10.0 329.1 | 8.2 334.9 | 7.6 335.1 | 7.5 338.4 | 7.1 339.2 | 342.1 | 7.2 349.9 | 6.8 350.3 | 351.6 | 6.9 357.9 | 6.6 354.7 |
| 36 | Borrowings. | 53.6 | 60.3 | 65.9 | 70.6 | 69.1 | 76.4 | 80.4 | 73.6 | 78.0 | 75.3 | 78.1 |
| 37 | Total capital accounts ${ }^{2}$. ${ }^{\text {a }}$. . . . . . . . . | 52.1 | 55.1 | 55.4 | 55.7 | 56.2 | 56.6 | 57.3 | 57.7 | 57.9 | 58.1 | 58.3 |
| 38 | Мемо: Number of banks.......... | 5,788 | 5,768 | 5,772 | 5,774 | 5,769 | 5,767 | 5,759 | 5,739 | 5,740 | 5,739 | 5,739 |

[^53]Note.-Figures include all bank-premises subsidiaries and other significant majority-owned domestic subsidiaries.

Commercial banks: All such banks in the United States, including member and nonmember banks, stock savings banks, nondeposit trust companies, and U.S. branches of foreign banks, but excluding one national bank in Puerto Rico and one in the Virgin Islands.

Member banks: The following numbers of noninsured trust companies that are members of the Federal Reserve System are excluded from memthat are members of the Federal Reserve System are excluded from mem-
ber banks in Tables 1.24 and 1.25 and are included with noninsured banks ber banks in Tables 1.24 and 1.25 and are included with noninsured banks
in Table 1.25:1974-June, 2; December, 3; 1975-June and December, 4; 1976 (beginning month shown)-July, 5, December, 7; 1977-January 8.
1.25 COMMERCIAL BANK ASSETS AND LIABILITIES Call-Date Series Millions of dollars except for number of banks


[^54]For Note see Table 1.24.

### 1.26 COMMERCIAL BANK ASSETS AND LIABILITIES Detailed Balance Sheet, June 30, 1976

Asset and liability items are shown in millions of dollars

| Asset account |  | $\left\lvert\, \begin{gathered} \text { All } \\ \text { commercial } \\ \text { banks } \end{gathered}\right.$ | $\left\lvert\, \begin{gathered} \text { Insured } \\ \text { commercial } \\ \text { banks } \end{gathered}\right.$ | Member banks ${ }^{1}$ |  |  |  |  | $\begin{aligned} & \text { Non- } \\ & \text { member } \\ & \text { banks } 1 \end{aligned}$ |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | Total |  | Large banks |  |  | All other |  |
|  |  | New York City |  | City of Chicago | Other large |  |  |
|  | Cash bank balances, items in process. |  | 128,435 | 124,072 | 105,911 | 28,242 | 4,699 | 39,769 | 33,201 | 22,524 |
| 2 | Currency and coin...... | 11,984 28,212 | 11,972 28,212 | 28,212 | 5,194 | 2,174 | $\begin{array}{r}2,916 \\ 11,269 \\ \hline\end{array}$ |  | 2,997 |
|  | Demand balances with banks in United States. | 30,921 | 28,765 | 17,838 | 6,607 | 286 | 3,306 | 7,639 | 13,083 |
| 5 | Other balances with banks in United States... | 6,833 | 6,041 | 3,818 | , 95 | 7 | 1,476 | 2,240 | 3,015 |
|  | Balances with banks in foreign countries. | 4,948 | $\begin{array}{r}3,623 \\ \hline\end{array}$ | 3,179 | 327 | 33 | 1,767 | 1,052 | 1,769 |
| 7 | Cash items in process of collection. | 45,537 | 45,459 | 43,877 | 15,194 | 2,016 | 19,035 | 7,633 | 1,660 |
|  | Total securities held-Book value. | 235,836 | 233,184 | 165,113 | 19,743 | 7,553 | 51,970 | 85,847 | 70,723 |
| -9 | U.S. Treasury.......... | 91,420 34,264 | 90,948 33,729 | 66,013 20,706 | 9,810 1,153 | 3,766 | 21,562 5 5 | 30,875 13,482 | 25,408 |
| 11 | States and political subdivisi | 102,994 | 102,694 | 74,465 | 8,349 | 3,225 | 23,691 | 39,201 | -28,529 |
| 12 | All other securities. | 6,995 | 5,701 | 3,849 | 430 | 214 | 965 | 2,240 | 3,146 |
| 13 | Unclassified total. | 162 | 113 | 80 |  |  | 29 | 50 | 83 |
| 14 | Trading-account securities | 5,795 | 5,745 | 5,654 | 2,635 | 678 | 2,079 | 261 | 141 |
| 15 | U.S. Treasury . . | 3,535 | 3,535 | 3,507 | 1,950 |  | , 970 | 93 | 28 |
| 16 | Other U.S. Govt. agencies.: | , 665 | +665 | 659 | 248 3 | ${ }_{8}^{44}$ | 338 | $\stackrel{28}{73}$ | ${ }^{6}$ |
| 17 | States and political subdivisions | 1,043 | 1,043 | 1,025 | 335 | 80 | 538 | 73 | 17 |
| 18 | All other trading acct. securities | 391 | 391 | 383 | 103 | 60 | 204 | 17 | 8 |
| 19 | Unclassified. | 162 | 113 | 80 |  |  | 29 | 50 | 83 |
| 20 | Bank investment portfolios | 230,042 | 227,439 | 159,460 | 17,108 | 6,875 | 49,891 | 85,586 | 70,582 |
| 21 | U.S. Treasury. | 87,886 | 87,413 | 62,506 | 7,861 | 3,272 | 20,592 | 30,782 | 25,380 |
| 22 | Other U.S. Govt. agencies | 33,600 | 33,064 | 20,048 | 905 | 304 | 5,385 | 13,454 | 13,552 |
| $\stackrel{23}{24}$ | States and political subdivision All other portfolio securities.. | 101,952 6,605 | 101,651 5,310 | 73,440 3,466 | 8,014 | 3,145 | 23,153 | 39,128 | 28,512 |
| 24 | All other portfolio securities. | 6,605 | 5,310 | 3,466 | 328 | 155 | 761 | 2,223 | 3,138 |
| 25 | F.R. stock and corporate stock | 1,539 | 1,495 | 1,244 | 261 | 78 | 457 | 448 | 295 |
| 26 | Federal funds sold and securities resale agreement. | 36,120 | 34,262 | 26,819 | 1,957 | 1,150 | 14,082 | 9,630 | 9,300 |
| 27 | Commercial banks | 30,954 | 29,471 | 22,170 | 1,100 | 1,016 | 10,930 | 9,124 | 8,784 |
| 28 | Brokers and dealers | 2,658 | 2,439 | 2,376 | 200 | 108 | 1,683 | 384 | 283 |
| 29 | Others. | 2,507 | 2,333 | 2,273 | 656 | 26 | 1,469 | 123 | 234 |
| 30 | Other loans, gross | 516,107 | 504,755 | 387,695 | 71,856 | 20,802 | 142,307 | 152,699 | 128,412 |
| 31 | Less: Unearned income on | 12,000 | 11,941 | 8,286 | 560 | 81 | 2,736 | 4,909 | 3,714 |
| 32 | Reserves for loan loss |  |  |  |  | 331 |  |  | 1,248 |
| 33 | Other loans, net... | 497,944 | 486,709 | 374,494 | 70,136 | 20,390 | 137,820 | 146,148 | 123,451 |
| Other loans, gross, by category |  |  |  |  |  |  |  |  |  |
|  |  | 141,964 | 141,737 | 100,545 | 9,737 | 1,988 | 35,890 | 52,930 | 41,419 |
| $\begin{array}{r}35 \\ 36 \\ \hline\end{array}$ | Construction and land developm | 16,565 | 16,360 | 13,784 | 3,287 | 14 | 6,184 | 32,413 | 2,981 3,638 |
| 37 | Secured by farmland | 80,204 | 80,064 | 57,631 | 4,508 | 922 | 20,636 | 31,564 | 22,573 |
| 38 | 1- to 4 -family residences. | 75,830 | 75,696 | 54,454 | 4,082 | 821 | 19,515 | 30,036 | 21,376 |
| 39 | FHA-insured or VA-g Conventional | 8,298 67,532 | 8,263 67,432 | 7,151 | 3,454 | $\begin{array}{r}52 \\ 769 \\ \hline\end{array}$ | 3,863 15,652 | 2,608 27,428 | 1,147 20 2029 |
| 41 | Multifamily residences. | 4,374 | 4,368 | 3,177 | 426 | 101 | 1,122 | 1,528 | 1,197 |
| 42 | FHA-insured. | 412 | 411 | 321 | 126 | 25 |  | 77 | 90 |
| 43 | Conventional | 3,963 | 3,957 | 2,856 | 300 | 76 | 1,028 | 1,452 |  |
| 44 | Secured by other properties | 38,840 | 38,770 | 26,613 | 1,927 | 521 | 8,795 | 15,370 | 12,227 |
| 45 | Loans to financial institutions. | 41.667 | 36,703 | 34,742 | 12,757 | 4,548 | 14,488 | 2,949 | 6,925 |
| 46 | To REIT's and mortgage comp | 10,726 | 10,680 | 10,341 | 3,967 | 1,457 | 4,149 | 769 | 384 |
| 47 | To domestic commercial bank | 5,182 | 3,201 | ${ }^{2}, 527$ | 8388 | 138 | 1,183 | 369 | 2,655 |
| 48 | To banks in foreign countries. | 8,625 | 6,076 | 5,907 | 2,445 | 324 | 2,725 | 413 | 2,718 |
| 49 | To other depositary institutions. | 1,711 | 1,346 | 1,799 | 5194 | 25 |  | 151 | 212 |
| 50 | To other financial institutions. | 15,724 | 15,401 | 14,768 | 5,313 | 2,605 | 5,602 | 1,248 | 956 |
| 51 | Loans to security brokers and dealer | 7,743 | 7,521 | 7,390 | 4,807 | 987 | 1,462 | 134 | 353 |
| 5 | Other loans to purch.//arry securities | 4,032 | 4,018 | 3,373 | 435 | 314 | 1,712 | 911 | 659 |
| 5 | Loans to farmers-except real estate | 22,174 | 22,149 | 12,380 | 91 | 135 | 2,974 | 9,179 | 9,795 |
| S5 | Commercial and industrial loans | 174,325 | 169,286 | 140,028 | 35,648 | 10,435 | 53,707 | 40,238 | 34,297 |
| 55 | Loans to individuals. | 110,393 | 110,032 | 77,597 | 5,620 | 1,627 | 26,915 | 43,435 | 32,796 |
| 56 | Instalment loans. | 87,466 | 87, 141 | 61,239 | 4,149 | 916 | 21,557 | 34,617 | 26,227 |
| 57 | Passenger automobiles | 36,952 | 36,686 | 24,066 | 746 | 150 | 7,055 | 16,115 | 12,886 |
| 58 | Residential-repair/modernize. | 6,107 | 6,106 | 4,320 | 314 | -37 | 1,695 | 2,273 | 1,787 |
| 59 | Credit cards and related plans. | 12,196 | 12,193 | ${ }^{10,746}$ | 1,446 | 534 | 5,792 | 2,973 | 1,450 |
| 60 | Charge-account credit cards | 9,517 | 9,516 |  | 1,039 | $\begin{array}{r}504 \\ 30 \\ \hline 8\end{array}$ | 4,765 | 2,232 |  |
| 61 | Check and revolving credit pla | - $\begin{array}{r}2,680 \\ 15,57\end{array}$ | 15,527 | re, $\begin{array}{r}2,206 \\ 10,731\end{array}$ | 407 | 30 86 8 | 1,027 3,787 | $\begin{array}{r}741 \\ 6,558 \\ \hline\end{array}$ | 473 4.805 |
| 63 | Other retail consumer goods. Mobile homes.. . | 8,721 | 8,720 | 6,238 | 166 | 33 | 2,246 | 3,793 | 2,483 |
| 64 | Other. | 6,816 | 6,808 | 4,493 | 135 | 52 | 1,541 | 2,766 | 2,323 |
| 65 | Other instalment loans. | 16,674 | 16,629 | 11,376 | 1,341 | 109 | 3,228 | 6,697 | 5,299 |
| 66 | Single-payment loans to individual | 22,927 | 22,891 | 16,358 | 1,471 | 711 | 5,358 | 8,818 | 6,569 |
| 67 | All other loans.............. | 13,807 | 13,309 | 11,639 | 2,792 | 766 | 5,159 | 2,922 | 2,168 |
|  | Total loans and securities, | 771,439 | 755,650 | 567,670 | 92,096 | 29,171 | 204,329 | 242,074 | 203,769 |
|  | Direct lease financing | 4,675 | 4,675 | 4,455 | 1,042 | 128 | 2,655 | 630 | 221 |
| $\begin{aligned} & 70 \\ & 71 \end{aligned}$ | Fixed assets-Buildings, furniture, real estate | 18,585 | 18,485 | 13,902 | 1,745 | 611 | 5,486 | 6,060 | 4,683 |
| 71 | Investment in unconsolidated subsidiaries. | 2, 10,681 1 | 10,315 | 9,989 | 5,461 | 160 517 |  | 271 | 692 |
|  | Customer acceptances outstanding. Other assets. . . . . . . . . | 27,860 | 27,210 | 24,353 | 9,266 | 1,627 | 9,589 | 3,871 | 3,507 |
| 74 | Total asset | 963,782 | 942,510 | 728,343 | 138,705 | 36,912 | 266,549 | 286,177 | 235,440 |

For notes see opposite page.

| Liability or capital account | $\left\lvert\, \begin{gathered} \text { All } \\ \text { commercial } \\ \text { banks } \end{gathered}\right.$ | $\begin{gathered} \text { Insured } \\ \text { commercial } \\ \text { banks } \end{gathered}$ | Member banks ${ }^{1}$ |  |  |  |  | Nonmember banks ${ }^{1}$ |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  | Total | Large banks |  |  | All other |  |
|  |  |  |  | New York City | City of Chicago | Other large |  |  |
| 75 Demand deposits | 311,363 | 307,796 | 241,932 | 57,143 | 9,807 | 84,664 | 90,318 | 69,431 |
| 76 Mutual savings banks......................... | 1,299 | 1,113 | 1,014 | , 510 | 2 | 211 | '291 | , 286 |
| 77 Other individuals, partnerships, and corporations. | 236,613 | 235,546 | 179,037 | 31,574 | 7,268 | 65,745 | 74,449 | 57,577 |
| 78 U.S. Govt. . | 4,627 | 4,623 | 3,728 | 515 | 154 | 1,563 | 1,496 | 900 |
| 79 States and political subdivisions. . . . . . . . . . . . . | 17,336 | 17,216 | 12,278 | 810 | 155 | 3,543 | 7,770 | 5,058 |
| 80 Foreign governments, central banks, etc. . . . . . | 1,757 | 1,295 | 1,250 | 987 | 21 | 225 | 17 | 507 |
| 81 Commercial banks in United States. | 30,870 | 30,573 | 29,454 | 14,252 | 1,781 | 9,861 | 3,560 | 1,416 |
| 82 Banks in foreign countries. | 6,341 | 5,817 | 5,697 | 4,349 | 148 | 1,083 | 117 | 644 |
| 83 Certified and officers' checks, etc............... | 12,520 | 11,612 | 9,477 | 4,146 | 278 | 2,434 | 2,619 | 3,043 |
| 84 Time deposits. | 293,219 | 285,446 | 212,755 | 35,016 | 13,165 | 75,212 | 89,363 | 80,464 |
| 85 Accumulated for personal loan payments..... | 171 | 171 | 136 |  |  | 113 | 123 | 35 |
| 86 Mutual savings banks ...................... | 481 | 458 | 445 | 266 | 7 | 135 | 36 | 36 |
| 87 Other individuals, partnerships, and corporations. | 227,592 | 222,515 | 163,950 | 24,420 | 9,494 | 56,979 | 73,056 | 63,643 |
| 88 U.S. Govt. | 678 | 678 | 550 | 78 |  | 251 | 220 | 128 |
| 89 States and political subdivisions | 43,943 | 43,654 | 30,740 | 1,245 | 1,106 | 13,268 | 15,121 | 13,203 |
| 90 Foreign governments, central banks, | 10,143 | 9,029 | 8,778 | 5,381 | 1,295 | 2,061 | 41 | 1,366 |
| 91 Commercial banks in United States. | 8,082 | 7,522 | 6,797 | 2,642 | 1,162 | 2,309 | 685 | 1,285 |
| 92 Banks in foreign countries. | 2,129 | 1,419 | 1,360 | 984 | 100 | 196 | 80 | 769 |
| 93 Savings deposits. | 184,111 | 183,716 | 131,625 | 9,994 | 2,715 | 47,121 | 71,796 | 52,486 |
| 94 Individuals and nonprofit organizations | 175,366 | 174,981 | 125,255 | 9,530 | 2,611 | 44,794 | 68,320 | 50,111 |
| 95 Corporations and other profit organizatio | 6,049 | 6,043 | 4,521 | 302 | 95 | 1,943 | 2,182 | 1,529 |
| 96 U.S. Govt. . | 2,648 | 2,645 | 1,805 | 133 | 9 | 373 | 1,290 | 843 |
| 97 All other | 47 | 47 | 44 | 28 |  | 11 | 4 | 4 |
| 98 Total deposits. | 788,694 | 776,958 | 586,313 | 102,153 | 25,687 | 206,997 | 251,476 | 202,381 |
| 99 Federal funds purchased and securities sold under agreements to repurchase. | 60,719 | 58,944 | 55,906 | 11,539 | 7,215 | 28,994 | 8,158 | 4,813 |
| 100 Commercial banks. | 35,182 | 33,936 | 32,667 | 6,495 | 4,883 | 17,324 | 3,965 | 2,514 |
| 101 Brokers and dealers | 8,053 | 7,976 | 7,512 | 800 | 1,073 | 4,837 | 801 | 542 |
| 102 Others | 17,484 | 17,031 | 15,727 | 4,243 | 1,259 | 6,833 | 3,392 | 1,757 |
| 103 Other liabilities for borrowed money | 6,477 | 4,880 | 4,578 | 2,249 | 80 | 1,800 | 449 | 1,899 |
| 104 Mortgage indebtedness. | 11790 | 788 | - 578 | 57 | 16 | 312 | 193 | 212 |
| 105 Bank acceptances outstanding | 11,286 | 10,916 | 10,590 | 6,040 | 525 | 3,752 | 274 | 696 |
| 106 Other liabilities. | 21,264 | 16,199 | 14,150 | 4,825 | 892 | 5,487 | 2,946 | 7,114 |
| 107 Total liabilities. | 889,229 | 868,684 | 672,115 | 126,862 | 34,415 | 247,342 | 263,497 | 217,114 |
| 108 Subordinated notes and debentures. | 4,901 | 4,837 | 3,935 | 1,100 | 83 | 1,751 | 1,001 | 966 |
| 109 Equity capital... | 69,653 | 68,989 | 52,293 | 10,743 | 2,414 | 17,457 | 21,680 | 17,360 |
| 110 Preferred stock | +818 | 15,75 | , 34 |  |  | , 10 | 4, 24 | +47 |
| 111 Common st | 15,963 | 15,843 | 11,723 | 2,444 | 570 | 3,714 | 4,995 | 4,239 |
| 112 Surplus.... | 27,903 | 27,648 | 20,676 | 4,149 | 1,155 | 7,325 | 8,047 | 7,226 |
| 113 Undivided profits | 23,842 | 23,630 | 18,566 | 4,036 | 645 | 5,976 | 7,909 | 5,276 |
| 114 Other capital reserves | 1,865 | 1,793 | 1,294 | 114 | 44 | 431 | 705 | 571 |
| 115 Total liabilities and equity capita | 963,782 | 942,510 | 728,343 | 138,705 | 36,912 | 266,549 | 286,177 | 235,440 |
| 116 Memo: Demand deposits adjusted 2............ | 230,329 | 227, 142 | 164,874 | 27,182 | 5,857 | 54,206 | 77,629 | 65,455 |
| $117 \quad \begin{aligned} & \text { Average for last } 15 \text { or } 30 \text { days: } \\ & \text { Cash and due from bank................. }\end{aligned}$ | 123,702 | 119,245 | 102,290 | 27,714 | 4,360 | 38,225 | 31,992 | 1,412 |
| 118 Federal funds sold and securities purchased under agreements to resell. | 38,280 | 35,632 | 27,149 | 2,306 | 1,341 | 13,300 | 10,202 | 11,131 |
| 119 Total loans................. | 502,155 | 490,759 | 377,741 | 71,043 | 20,569 | 138,707 | 147,421 | 124,414 |
| 120 Time deposits of $\$ 100,000$ or more. | 144,736 | 138,861 | 115,899 | 30,462 | 10,747 | 47,240 | 27,450 | 28,838 |
| 121 Total deposits........................... | 775,140 | 763,837 | 574,789 | 96,456 | 25,003 | 203,331 | 249,999 | 200,350 |
| 122 Federal funds purchased and securities sold under agreements to repurchase. | 64,665 | 62,022 | 58,970 | 14,909 | 7,184 | 28,637 | 8,240 | 5,695 |
| 123 Other liabilities for borrowed money... | 6,485 | 4,782 | 4,474 | 2,078 | 87 | 1,943 | 367 | 2,011 |
| 124 Standby letters of credit outstanding. | 10,769 | 10,355 | 9,874 | 5,450 | 954 | 2,834 | 636 | 895 |
| 125 Time deposits of \$100,000 or more | 145,209 | 139,572 | 117,265 | 30,470 | 11,159 | 47,947 | 27,688 | 27,944 |
| 126 Certificates of deposit. | 120,619 | 117,020 | 97,457 | 25,724 | 8,937 | 38,645 | 24,150 | 23,162 |
| 127 Other time deposits................ . . . . . . . . . | 24,590 | 22,552 | 19,808 | 4,746 | 2,221 | 9,302 | 3,538 | 4,782 |
| 128 Number of banks | 14,643 | 14,373 | 5,776 | 12 | 9 | 154 | 5,601 | 8,867 |

[^55]commercial interbank and U.S. Govt., less cash items reported as in process of collection.
Note.-Data include consolidated reports, including figures for all bank-premises subsidiaries and other significant majority-owned domestic subsidiaries. Securities are reported on a gross basis before deductions of valuation reserves. Holdings by type of security will be reported as soon as they become available.
Back data in lesser detail were shown in previous Bulletins. Details may not add to totals because of rounding.

### 1.27 ALL LARGE WEEKLY REPORTING COMMERCIAL BANKS Assets and Liabilities

Millions of dollars, Wednesday figures


[^56][^57]1.28 LARGE WEEKLY REPORTING COMMERCIAL BANKS IN NEW YORK CITY Assets and Liabilities Millions of dollars, Wednesday figures


[^58][^59]
### 1.29 LARGE WEEKLY REPORTING COMMERCIAL BANKS OUTSIDE NEW YORK CITY Assets and Liabilities <br> Millions of dollars, Wednesday figures

| Account | 1977 |  |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Mar. 9 | Mar. 16 | Mar. 23 | Mar. 30 | Apr. 6 | Apr. 13 | Apr. 20 | Apr. 27 |
| 1 Total loans and investments. | 322,382 | 324,144 | 321,088 | 321,921 | 332,054 | 327,751 | 326,742 | 324,484 |
| Loans: <br> 2 Federal funds sold |  |  |  |  |  |  |  |  |
| 3 To commercial banks | 21,091 | 20,376 14,896 | 17,454 | 18,297 14,795 | 25,681 17,386 | 21,031 15,880 | $\begin{aligned} & 19,093 \\ & 15,691 \end{aligned}$ | 17,576 14,523 |
| To brokers and dealers involving-- U.S. Treasury securities . . . | $\begin{array}{r}2,438 \\ \hline 1616\end{array}$ |  |  |  |  | 2,557 |  | 1,768414 |
| Other securities. |  | , 623 | $\begin{array}{r}1,994 \\ \hline 451 \\ \hline 893\end{array}$ | 2,072 | 4,487 1,133 |  | 1,990 |  |
| To others. | 1,178 | 1,690 | 893 | 886 | 2,675 | 1,915 | 874 | 871 |
| Other, gross. | 218,95182,343 | 220,27382,890 | 221,07583,336 | 220,79082,852 | 222,09583,211 | 222,57683,569 | 223,28083,822 | 223,73683,884 |
| 8 Commercial and indus |  |  |  |  |  |  |  |  |
| $9 \quad$ Fgricultural.............................. | 4,108 | 4,125 | 4,130 | 4,138 | 4,180 | 4,213 | 4,226 | - ${ }_{\mathbf{4 , 2 4 1}}$ |
| To brokers and dealers: |  |  |  |  | 4023,583 | - 3 257 |  |  |
| 10 Other securities....... | $\begin{array}{r} 169 \\ 3,450 \end{array}$ | $\begin{array}{r} 362 \\ 3,215 \end{array}$ | $\begin{array}{r} 229 \\ 3,433 \end{array}$ | $\begin{array}{r} 209 \\ 3,505 \end{array}$ |  |  | 257 3,701 | 222$\mathbf{3 , 5 8 7}$ |
| 11 Other securities |  |  |  |  |  |  |  |  |
| 12 U.S. Treasury sec | $\begin{array}{r}\text {, } 58 \\ 2,140 \\ \hline, 70\end{array}$ | 2,159 | 2,147 | 63 2,158 | 2,125 | $\begin{array}{r} 71 \\ 2,167 \end{array}$ | $\begin{array}{r} 72 \\ 2,162 \end{array}$ | $\begin{array}{r} 72 \\ 2,148 \end{array}$ |
| 14 To nonbank financial institution |  | 4,755 |  |  |  |  |  |  |
| 15 Other... | $\begin{gathered} 4,70,62 \\ 10,652 \\ 55 \end{gathered}$ | 10,67955,845 | $\begin{gathered} \mathbf{4 0 , 5 9 3} \\ 55,939 \\ 55 \end{gathered}$ | 10,674 | 10,706 | $\begin{array}{r} 4,898 \\ 10,734 \\ 56,310 \end{array}$ | $\begin{array}{r} 4,896 \\ 10,749 \\ 56,487 \end{array}$ | $\begin{array}{r} 4,859 \\ 10,711 \\ 56,616 \end{array}$ |
| 16 Real estate. |  |  |  | 56,050 | 56,130 |  |  |  |
| To commercial banks: | ,230 | 1,3643,101 | $\begin{array}{r} 1,436 \\ 3,076 \end{array}$ | 1,379 | 1,551 | 1,372 1,356 |  |  |
| 17 Domestic. |  |  |  |  |  |  |  | 1,606 |
| 18 Foreign | $\begin{array}{r}35,447 \\ 1,394 \\ \hline\end{array}$ |  |  | $\begin{array}{r} 35,784 \\ 1,332 \end{array}$ | $\begin{array}{r} 3,041 \\ 35,831 \\ 1,313 \end{array}$ | 1,099 |  |  |
| 19 Consumer instalment |  | 35,4981,3541414,81 | $\begin{array}{r} 35,590 \\ 1,597 \\ 1,357 \end{array}$ |  |  | 1,35,9651,310 | $\begin{array}{r} 36,104 \\ 1,270 \end{array}$ | 36,3481,280 15,053 |
| 20 Foreign governments, official institutions, etc. |  |  |  |  |  |  |  |  |
| 21 All other loans........................ | 1,394 14,635 | 14,871 | $\begin{array}{r} 1,357 \\ 14,888 \end{array}$ | $\begin{array}{r} 1,332 \\ 14,839 \end{array}$ |  | 15,064 | $\begin{array}{r} 1,270 \\ 15,109 \end{array}$ |  |
| 22 Less: Loan reserve and unearned income on | 211,937 | $\begin{array}{r} 7,053 \\ 213,220 \end{array}$ | $\begin{array}{r} 7,087 \\ 213,988 \end{array}$ | $\begin{array}{r} 7,069 \\ 213,721 \end{array}$ | $\begin{array}{r} 7,029 \\ 215,066 \end{array}$ | $\begin{array}{r} 7,066 \\ 215,510 \end{array}$ | $\begin{array}{r} 7,111 \\ 216,169 \end{array}$ | $\begin{array}{r} 7,130 \\ 216,606 \end{array}$ |
| 23 Other loans, net. |  |  |  |  |  |  |  |  |
| Investments: |  |  |  |  |  |  |  |  |
| 24 U.S. Treasury securite | 37,8767,201 | $\begin{array}{r} 38,459 \\ 7,580 \end{array}$ | $\begin{array}{r} 37,995 \\ 7,378 \end{array}$ | $\begin{array}{r} 38,259 \\ 7,797 \end{array}$ | $\begin{array}{r} 39,393 \\ 8,556 \end{array}$ | $\begin{array}{r} 39,040 \\ 8,002 \end{array}$ | $\begin{array}{r} 38,456 \\ 7,058 \end{array}$ | 37,1795,959 |
| 25 Bills. |  |  |  |  |  |  |  |  |
| 26 Notes and bonds, | 7,22320,4133,039 | 7,178 | 7,212 | 7,067 | 7,550 | 7,533 | 7,604 | 7,485 |
| 271 to 5 years. |  | 20,635 | 20,463 | 20,476 | 20,180 | 20,304 | 20,476 | 2,4943,24153,123 |
| 28 After 5 years |  | 3,066 | 51,942 | 51,644 | 51,914 | - $\begin{array}{r}3,201 \\ 52,170\end{array}$ | 3,31853,024 |  |
| $29 \quad \begin{aligned} & \text { Other securities. } \\ & \text { Obligations of States and political }\end{aligned}$ | 51,478 | 52,089 |  |  |  |  |  |  |
| 30 Tax warrants, short-term notes, and bills.. | 5,36534,211 | $\begin{array}{r} 5,668 \\ 34,475 \end{array}$ | $\begin{array}{r} 5,370 \\ 34,351 \end{array}$ | $\begin{array}{r} 5,346 \\ 34,483 \end{array}$ | 5,35434,749 | 5,78634,589 | 6,44334,674 | $\begin{array}{r} 6,407 \\ 34,823 \end{array}$ |
| 31 All other..... |  |  |  |  |  |  |  |  |
| Other bonds, corporate stocks, and securities: |  |  |  |  |  |  |  |  |
| 32 Certificates of participation ${ }^{2}$. | 1,986 | 1,994 | 2,046 | 2,0679,748 | 1,9659,846 | 1,894 | 1,947 |  |
| 33 All other, including corporate stock |  |  |  |  |  | 1,901 | 9,960 | 9,933 |
| 34 Cash items in process of collection | 21,81012,853 | 25,42114 | 22,12717 | 22,266 | 24,652 | 25,847 | 25,765 | 24,393 |
| 35 Reserves with F. R. Ban |  |  |  | 15,048 |  | 15,047 |  |  |
| 36 Currency and coin. | 4,468 | 4,690 | 4,822 | 4,980 | 4,372 | 5,108 | 4,994 | 5,137 |
| 37 Balances with domestic banks | 6,796 | 7,147 | 6,387 | 7,811 | 7,112 | 6,679 | 6,851 | 6,808 |
| 38 Investments in subsidiaries not con | 1,365 | 1,389 | 1,349 | 1,359 | 1,375 | 1,371 | 1,367 | 1,367 |
| 39 Other assets. | 33,409 | 33,757 | 33,605 | 34,717 | 34,996 | 34,871 | 34,794 | 34,995 |
| 40 Total assets/total liabilitie | 403,083 | 410,838 | 407,116 | 408,102 | 414,938 | 416,674 | 415,682 | 414,321 |
| ${ }_{41} \begin{aligned} & \text { Deposits: } \\ & \text { Demand deposita }\end{aligned}$ |  | 126,94897,843 | 118,12094,0355,50 | 120,882 |  | 128,188 | 128,364 |  |
| 42 Individuals, partnerships, and corporations.. | 118,278 94,153 |  |  | -95,510 | 99,959 | 102,572 | 100,605 | 98,188 |
| 43 States and political subdivisions. | $\begin{array}{r} 4,159 \\ 5,092 \\ 1,171 \end{array}$ | 5,3124,862 | $\begin{array}{r} 5,582 \\ 968 \end{array}$ | 5,206 | 5,455 | 5,553 | 5,459 | 5,718 |
| 44 U.S. Govt. |  |  |  |  | 1,668 | 1,346 | 2,940 | 4,042 |
| 45 Domestic interbank: |  |  |  |  |  |  |  |  |
| 45 Commercial.. | 12,744 | 13,508 | 12,594 | 13,829 | 14,362 448 | 13,091 401 | 13,687 ${ }^{417}$ | 12,526 389 |
| $46 \quad$ Mutual saving |  |  |  |  |  |  |  |  |
| 47 Governments, official institutions, etc. | 235 | 211 | 219 | 236 | 225 | 218 | 244 | 389 |
| 48 Commercial banks. | 1,299 | ${ }_{1}^{1,384}$ | 1,292 | 1,372 | 1,429 | 1,445 | 1,283 |  |
| 49 Certified and officers' check | 3,182 | 3,422 |  | 3,411 | 3,826 | 3,562 | 3,729 | 3,562 |
| ${ }_{51} 5$ Time and savings deposits ${ }^{3}$. | 190,015 | 190,303 | 191,513 | 192,694 | 192,288 | 191,687 | 190,883 | 191,066 |
| 51 Savings ${ }^{4}$. | 82,598 | 82,956 | 83,346 | 84,077 | 84,474 | 84,142 | 83,780 | 83,757 |
| 52 Timee: Individuals, partnerships, and corporatio |  |  |  |  |  |  |  |  |
| 53 States and political subdivisions....... | 18,845 | 18,689 | 18,821 | 18,726 | 18,320 | 18,441 | 18,382 | 18,591 |
| 54 Domestic interbank | 3,092 | 3,243 | 3,308 | 3,291 | 3,080 | 2,902 | 2,762 | 2,736 |
| 55 Foreign govts, official institutions, etc.. | 2,923 | 2,953 | 2,966 | 2,993 | 3,189 | 3,220 | 3,387 | 3,380 |
| 56 Federal funds purchased, etc. 5 . | 49,018 | 47,712 | 50,614 | 48,906 | 49,385 | 51,261 | 51,084 | 51,009 |
| 57 Borrowings from: |  |  |  | 100 | 8 | 16 | 28 |  |
| 58 Others. |  |  | 2,216 |  | 2,202 | 2,000 | 1,985 | 189 |
| 59 Other liabilities, etc. 6 | 13,822 | 13,755 | 13,707 | 13,577 | 13,583 | 13,399 | 13,224 | 13,709 |
| 60 Total equity capital and subordinated | 30,041 | 29,961 | 29,952 | 29,878 | 30,100 | 30,123 | 30,114 | 30,149 |

[^60][^61]
### 1.30 LARGE WEEKLY REPORTING COMMERCIAL BANKS Balance Sheet Memoranda

Millions of dollars, Wednesday figures

|  |
| ---: | :--- | :--- | :--- | :--- | :--- | :--- | :--- | :--- | :--- | :--- |

[^62][^63]1.31 LARGE WEEKLY REPORTING COMMERCIAL BANKS Commercial and Industrial Loans Millions of dollars


[^64]all outstanding loans granted under a formal agreement-revolving credit or standby-on which the original maturity of the commitment was in excess of 1 year.

### 1.32 GROSS DEMAND DEPOSITS of Individuals, Partnerships, and Corporations Billions of dollars; estimated daily-average balances

| Type of holder |
| :--- |

NoTE.-Figures include cash items in process of collection. Estimates of
banks. Types of depositors in each category are described in the June 1971

Bulletin, p. 466.

### 1.33 COMMERCIAL PAPER AND BANKERS ACCEPTANCES OUTSTANDING

Millions of dollars, end of period

| Instrument |  | 1974 <br> Dec. | $1975$Dec. | $\begin{aligned} & 1976 \\ & \text { Dec. } \end{aligned}$ | 1976 |  |  |  | 1977 |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | Sept. |  |  | Oct. | Nov. | Dec. | Jan. | Feb. | Mar. |
|  |  |  | Commercial paper |  |  |  |  |  |  |  |  |  |
|  | All issuers. | 49,144 | 47,690 | 52,041 | 49,852 | ¢ ${ }_{\text {5 }}^{6}$, 370 | 53,116 | 52,041 | 53,905 | ז59,432 | 54,671 |
|  | Financial companies: ${ }^{1}$ Dealer-placed paper: ${ }^{2}$ |  |  |  |  |  |  |  |  |  |  |
| 2 | Total. | 4,611 | 6,239 | 7,294 | 6,347 | 6,674 | 7,113 | 7,294 | 7,347 | 7,291 | 7,271 |
| 3 | Bank-related........ ${ }^{\text {Birectly-placed paper: }}$ | 1,814 | 1,762 | 1,900 | 1,644 | 1,703 | 1,825 | 1,900 | 1,895 | 1,929 | 1,839 |
| 4 | Total........... | 31,839 | 31,276 | 32,416 | 31,476 | 31,880 | 32,691 | 32,416 | 32,753 | 「32,392 | 33,709 |
| 5 | Bank-related. | 6,518 | 6,892 | 5,959 | 6,250 | 5,864 | 5,944 | 5,959 | 5,637 | 5,502 | 6,126 |
| 6 | Nonfinancial companies ${ }^{4}$. | 12,694 | 10,175 | 12,331 | 12,029 | 12,816 | 13,312 | 12,331 | 13,805 | 14,749 | 13,691 |
|  |  | Dollar acceptances |  |  |  |  |  |  |  |  |  |
| 7 | Total. | 18,484 | 18,727 | 22,523 | 19,599 | 20,312 | 20,678 | 22,523 | 22,362 | 22,187 | 22,694 |
|  | Held by: |  |  |  |  |  |  |  |  |  |  |
| ${ }_{9}^{8}$ | Accepting banks. | 4,226 | 7,333 | 10,442 | 6,798 | 7,959 | 9,031 | 10,442 | 8,183 | 7,991 | 7,787 |
| 10 | Bills bought | 3,685 542 | 1,435 | 8,769 | $\begin{array}{r}\text { 5,865 } \\ \hline 933\end{array}$ | -1,170 | 1,325 | 8,769 1,673 | 1,172 | 1,337 | 1,421 |
|  | F.R. Banks: |  |  |  |  |  |  |  |  |  |  |
| 112 | Own account........... | 999 1,109 | $\begin{array}{r}1,126 \\ \hline 293\end{array}$ | 991 375 | 838 417 | 337 387 | 349 | 991 375 | 1914 | 440 | 435 |
| 13 | Others. | 12,150 | 9,975 | 13,447 | 11,545 | 11,629 | 11,111 | 10,715 | 13,615 | 13,434 | 14,182 |
| Based on: |  |  |  |  |  |  |  |  |  |  |  |
| 14 | Imports into United States | 4,023 | 3,726 | 4,992 | 4,498 | 4,737 | 4,667 | 4,992 | 4,992 | 5,138 | 4,983 |
| 15 | Exports from United States | 4,067 | 4,001 | 4,818 | 4,420 | 4,715 | 4,628 | 4,818 | 5,137 | 5,074 | 5,222 |
| 16 | All other....... | 10,394 | 11,000 | 12,713 | 10,680 | 10,860 | 11,383 | 12,713 | 12,233 | 11,974 | 12,489 |

[^65]
### 1.34 PRIME RATE CHARGED BY BANKS on Short-term Business Loans

 Per cent per annum| Effective date | Rate | Effective date | Rate | Month | Average rate |
| :---: | :---: | :---: | :---: | :---: | :---: |
| 1975-Jan. $\begin{gathered}9 \\ \\ \\ \\ 20 \\ \\ \\ 28\end{gathered}$ | 101/4 | 1975-Aug. 12.... | 73/4 | 1975-Aug.... | 7.66 |
|  | 10 |  |  | Sept..... | 7.88 |
|  | 931/4 | Sept. 15. | 8 | Oct. $\mathrm{Nov}$. | 7.96 7.53 |
|  |  | Oct. 27. | 73/4 | Dec.. | 7.26 |
| Feb. $\begin{array}{r}3 \\ \\ 10 \\ 18 \\ \\ \\ 24\end{array}$ | $9_{9}^{1 / 4}$ | Nov. 5. | 71/2 | 1976-Jan.. | 7.00 |
|  | $83 / 4$ |  | 72 | Feb. | 6.75 |
|  | $81 / 2$ | Dec. 2. | $71 / 4$ | Mar. | 6.75 |
| Mar. $\begin{array}{r}5 \\ 10 \\ 18 \\ 24\end{array}$ | $81 / 4$ | 1976-Jan. 12. | 7 | May. | 6.75 |
|  | 8 |  | 63/4 | June. | 7.20 |
|  | $73 / 4$ |  |  | July. | 7.25 |
|  | $71 / 2$ | June | 7 | Aug. | 7.01 |
|  |  |  | 71/4 | Sept. | 7.00 |
| May 20 | $71 / 4$ |  |  | Oct. | 6.78 |
| June | 7 | Aug. 2. | 7 | Nov. | 6.50 6.35 |
|  |  | Oct. 4. | 63/4 |  |  |
| July $\begin{aligned} & 18 \\ & \\ & 28\end{aligned}$ | $71 / 4$ |  |  | 1977-Jan.. | 6.25 |
|  | 71/2 | Nov. | 61/2 | Feb. | 6.25 |
|  |  | Dec. 13. | 61/4 | Apr. | 6.25 |

1.35 INTEREST RATES CHARGED BY BANKS on Business Loans

Per cent per annum

| Center |  | All sizes |  | Size of loan (in thousands of dollars) |  |  |  |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | 1-9 | 10-99 |  | 100-499 |  | 500-999 |  | 1,000 and over |  |
|  |  | $1976$ <br> Nov. | 1976 Aug. | 1976 Nov. | 1976 Aug. | 1976 Nov. | 1976 Aug. | 1976 Nov. | 1976 Aug. | 1976 | 1976 Aug. | $1976$ <br> Nov. | $\begin{aligned} & 1976 \\ & \text { Aug. } \end{aligned}$ |
| 1 All 35 centers. |  |  |  | Short-term rates |  |  |  |  |  |  |  |  |  |  |  |
|  |  | 7.28 | 7.80 | 8.83 | 9.06 | 8.18 | 8.58 | 7.66 | 7.99 | 7.31 | 7.84 | 7.02 | 7.61 |
| 2 | New York City . | 6.88 | 7.48 | 8.56 | 8.85 | 7.94 | 8.40 | 7.43 | 7.91 | 7.24 | 7.77 | 6.74 | 7.36 |
| 3 | 7 Other Northeast. | 7.62 | 8.18 | 9.22 | 9.41 | 8.34 | 8.84 | 7.88 | 8.25 | 7.49 | 8.16 | 7.34 | 7.98 |
| 4 | 8 North Central. . | 7.28 | 7.70 | 8.45 | 8.65 | 8.12 | 8.50 | 7.69 | 7.85 | 7.36 | 7.71 | 7.03 | 7.55 |
| 5 | 7 Southeast. | 7.51 | 7.95 | 9.13 | 9.33 | 8.48 | 8.76 | 7.71 | 8.00 | 7.04 | 7.85 | 7.07 | 7.54 |
| 6 | 8 Southwest. | 7.33 | 7.75 | 8.51 | 8.83 | 7.82 | 8.24 | 7.39 | 7.80 | 7.21 | 7.61 | 7.12 | 7.55 |
| 7 | 4 West Coast. | 7.52 | 8.15 | 8.69 | 9.26 | 8.46 | 8.79 | 7.88 | 8.28 | 7.44 | 8.06 | 7.34 | 8.05 |
|  |  | Revolving credit rates |  |  |  |  |  |  |  |  |  |  |  |
| 8 | All 35 centers. | 7.19 | 7.87 | 8.37 | 8.70 | 8.14 | 8.33 | 7.60 | 8.02 | 7.41 | 7.80 | 7.12 | 7.88 |
| 9 | New York City. | 7.18 | 8.14 | 7.23 | 7.25 | 7.86 | 8.26 | 7.21 | 7.70 | 6.97 | 7.56 | 7.19 | 8.19 |
| 10 | 7 Other Northeast. | 6.92 | 7.59 | 8.15 | 8.00 | 8.20 | 8.22 | 7.26 | 7.67 | 7.75 | 8.36 | 6.75 | 7.47 |
| 11 | 8 North Central. | 7.54 | 7.96 | 8.52 | 8.94 | 8.95 | 9.03 | 8.05 | 8.50 | 7.88 | 7.74 | 7.39 | 7.90 |
| 12 | 7 Southeast. | 7.05 | 7.48 | 8.31 | 8.75 | 8.09 | 8.40 | 7.56 | 8.16 | 6.77 |  | 6.83 | 7.13 |
| 13 | 8 Southwest.. | 7.45 | 7.81 | 8.19 | 8.74 | 7.96 | 8.09 | 7.74 | 8.20 | 7.24 | 7.47 | 7.39 | 7.80 |
| 14 | 4 West Coast. | 7.11 | 7.73 | 8.77 | 9.10 | 7.85 | 8.08 | 7.58 | 7.95 | 7.45 | 7.91 | 7.01 | 7.68 |
|  |  | Long-term rates |  |  |  |  |  |  |  |  |  |  |  |
| 15 | All 35 centers. | 7.48 | 8.45 | 9.39 | 9.61 | 8.88 | 9.02 | 8.14 | 8.55 | 8.13 | 8.60 | 7.24 | 8.40 |
| 16 | New York City. | 7.36 | 8.52 | 7.19 |  | 8.55 | 8.27 | 7.93 | 8.05 | 8.06 | 8.44 | 7.26 | 8.56 |
| 17 | 7 Other Northeast. | 6.64 | 8.62 | 9.22 | 9.40 | 8.84 | 9.43 | 7.95 | 8.93 | 7.92 | 7.50 | 5.73 | 8.70 |
| 18 | 8 North Central. | 7.66 | 8.05 | 9.20 | 8.83 | 9.03 | 9.07 | 8.35 | 8.26 | 8.99 | 8.36 | 7.32 | 7.92 |
| 19 | 7 Southeast. | 7.59 | 8.88 | 9.87 | 9.60 | 9.35 | 9.08 | 7.93 | 9.88 | 4.00 | 8.18 | 7.79 | 8.06 |
| 20 | 8 Southwest. | 7.73 | 8.42 | 10.54 | 10.85 | 9.05 | 9.04 | 8.28 | 8.23 | 8.44 | 8.69 | 7.20 | 8.30 |
| 21 | 4 West Coast. | 8.04 | 8.67 | 8.70 | 9.28 | 8.54 | 8.58 | 8.31 | 8.81 | 7.78 | 10.00 | 8.03 | 8.46 |

Note.-Weighted-average rates based on sample of loans made during first 7 days of the survey month.
1.36 INTEREST RATES Money and Capital Markets

Averages, per cent per annum

| Instrument |  | 1974 | 1975 | 1976 | 1977 |  |  |  | 1977, week ending- |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | Jan. |  |  | Feb. | Mar. | Apr. | Apr. 2 | Apr. 9 | Apr. 16 | Apr. 23 | Apr. 30 |
|  |  |  | Money market rates |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 1 | 90- to 119-day. . . . . . . | 10.05 9.87 | 6.26 6.33 | 5.24 5.35 | 4.72 4.74 | 4.76 4.82 | 4.75 4.87 | 4.75 4.87 | 4.75 4.88 | 4.75 4.88 | 4.75 4.88 | 4.75 4.86 | 4.75 4.86 |
|  | Finance company paper, directly placed, 3- to 6 - month 2 . | 8.62 | 6.16 | 5.22 | 4.64 | 4.75 | 4.77 | 4.81 | 4.85 | 4.88 | 4.85 | 4.75 | 4.75 |
|  | Prime bankers acceptances, 90-day ${ }^{3}$. . | 9.92 | 6.30 | 5.19 | 4.81 | 4.83 | 4.80 | 4.78 | 4.76 | 4.79 | 4.76 | 4.76 | 4.82 |
| 5 | Federal funds 4. | 10.51 | 5.82 | 5.05 | 4.61 | 4.68 | 4.69 | 4.73 | 4.74 | 4.60 | 4.65 | 4.71 | 4.82 |
| 6 | Large negotiable certificates of deposit 3-month, secondary market 5 ...... . | 10.27 | 6.43 | 5.26 | 4.82 | 4.65 | 4.83 | 4.81 | 4.83 | 4.86 | 4.78 | 4.79 | 4.79 |
| 7 | 3-month, primary market $6 . . . . . . . . . .$. |  |  | 5.15 | 4.68 | 4.69 | 4.74 | 4.72 | 4.75 | 4.71 | 4.75 | 4.68 | 4.74 |
| 8 | Euro-dollar deposits, 3-month 7. | 10.96 | 6.97 | 5.57 | 5.14 | 5.08 | 5.13 | 5.16 | 5.24 | 5.18 | 5.27 | 5.09 | 5.14 |
| U.S. Govt. securities Bills: ${ }^{3}$ |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 9 | M-month. . | 7.84 | 5.80 | 4.98 | 4.62 | 4.67 | 4.60 | 4.54 | 4.57 | 4.58 | 4.55 | 4.51 | 4.51 |
| 10 | 6 -month | 7.95 | 6.11 | 5.26 | 4.83 | 4.90 | 4.88 | 4.80 | 4.81 | 4.84 | 4.75 | 4.76 | 4.84 |
| 11 | 1-year. . | 7.71 | 6.30 | 5.52 | 5.00 | 5.16 | 5.19 | 5.10 | 5.15 | 5.14 | 5.03 | 5.04 | 5.18 |
|  | Rates on new issue: |  |  |  |  |  |  |  |  |  |  |  |  |
| 12 | 3-month. | 7.886 | 5.838 | 4.989 | 4.597 | 4.662 | 4.613 | 4.540 | 4.609 | 4.585 | 4.561 | 4.494 | 4.518 |
| 13 | 6-month. | 7.926 | 6.122 | 5.266 | 4.783 | 4.896 | 4.883 | 4.790 | 4.870 | 4.846 | 4.767 | 4.708 | 4.838 |
| 14 | Notes and bonds maturing in - 9 9 to 12 months . . . . . . . . . . | 8.25 | 6.70 | 5.84 | 5.34 | 5.50 | 5.50 | 5.37 | 5.45 | 5.42 | 5.32 | 5.31 | 5.41 |
| 15 | 3 to 5 years... | 7.81 | 7.55 | 6.94 | 6.49 | 6.69 | 6.73 | 6.58 | 6.70 | 6.70 | 6.52 | 6.49 | 6.61 |
|  | Constant maturities: ${ }^{10}$ |  |  |  |  |  |  |  |  |  |  |  |  |
| 16 | 1-year. | 8.18 | 6.76 | 5.88 | 5.29 | 5.47 | 5.50 | 5.44 | 5.45 | 5.43 | 5.39 | 5.41 | 5.54 |
| 17 | 2-year. |  |  | 6.31 | 5.90 | 6.09 | 6.09 | 5.97 | 6.05 | 6.03 | 5.88 | 5.92 | 6.04 |
| 18 | 3-year | 7.82 | 7.49 | 6.77 | 6.22 | 6.44 | 6.47 | 6.32 | 6.45 | 6.45 | 6.22 | 6.23 | 6.38 |
| 19 | 5 -year. | 7.80 | 7.77 | 7.18 | 6.58 | 6.83 | 6.93 | 6.79 | 6.94 | 6.94 | 6.73 | 6.70 | 6.80 |
|  |  | Capital market rates |  |  |  |  |  |  |  |  |  |  |  |
| Government notes and bonds U.S. Treasury: |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 20 | 7-year............. | 7.71 | 7.90 | 7.42 | 6.92 | 7.16 | 7.20 | 7.11 | 7.22 | 7.22 | 7.06 | 7.04 | 7.14 |
| 21 | 10-year. | 7.56 | 7.99 | 7.61 | 7.21 | 7.39 | 7.46 | 7.37 | 7.45 | 7.45 | 7.32 | 7.31 | 7.40 |
| 22 | 20-year. | 8.05 | 8.19 | 7.86 | 7.48 | 7.64 | 7.73 | 7.67 | 7.73 | 7.72 | 7.65 | 7.62 | 7.69 |
| 23 | 30-year. |  |  |  |  |  | 7.80 | 7.73 | 7.79 | 7.78 | 7.71 | 7.68 | 7.76 |
| 24 | Long-term ${ }^{\text {9 . . . . . . . . . . . . . . . . . . . . . }}$ | 6.99 | 6.98 | 6.78 | 6.68 | 7.15 | 7.20 | 7.14 | 7.19 | 7.19 | 7.11 | 7.09 | 7.15 |
|  | State and local. ${ }^{11}$ |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Moody's series: |  |  |  |  |  |  |  |  |  |  |  |  |
| 25 | Aaa. | 5.89 | 6.42 | 5.66 | 5.10 | 5.17 | 5.21 | 5.18 | 5.20 | 5.17 | 5.17 | 5.20 | 5.17 |
| 26 | Baa. | 6.53 | 7.62 | 7.49 | 6.58 | 6.50 | 6.41 | 6.27 | 6.35 | 6.31 | 6.25 | 6.27 | 6.25 |
| 27 | Bond Buyer series 12 | 6.17 | 7.05 | 6.64 | 5.87 | 5.89 | 5.89 | 5.73 | 5.85 | 5.79 | 5.70 | 5.73 | 5.68 |
| Corporate bonds Seasoned issues 13 |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 28 | All industries... | 9.03 | 9.57 | 9.01 | 8.41 | 8.48 | 8.51 | 8.49 | 8.53 | 8.52 | 8.50 | 8.46 | 8.46 |
| 29 | By rating groups: Aaa......... |  |  |  |  |  |  |  |  |  |  |  |  |
| 30 | Aas. | 8.84 | 9.17 | 8.75 | 8.16 | 8.04 | 8.18 | 8.04 8.28 | 88.10 | 8.810 | 8.05 | 7.99 | 8.01 |
| 31 | A. | 9.20 | 9.65 | 9.09 | 8.45 | 8.49 | 8.55 | 8.55 | 8.59 | 8.58 | 8.56 | 8.53 | 8.53 |
| 32 | Baa. | 9.50 | 10.61 | 9.75 | 9.08 | 9.12 | 9.12 | 9.07 | 9.11 | 9.11 | 9.10 | 9.05 | 9.03 |
|  | Aaa utility bonds: ${ }^{14}$ |  |  |  |  |  |  |  |  |  |  |  |  |
| 33 | New issue. | 9.33 | 9.40 | 8.48 | 8.08 | 8.22 | 8.25 | 8.26 | $r 8.26$ | 8.26 | 8.25 | 8.21 | 8.31 |
| 34 | Recently offered issues.............. | 9.34 | 9.41 | 8.49 | 8.09 | 8.19 | 8.29 | 8.22 | ${ }^{8} 8.28$ | 8.25 | 8.16 | 8.21 | 8.25 |
| Common stocks |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 35 | Preferred stocks... | 8.23 | 8.38 | 7.97 | 7.54 | 7.55 | 7.56 | 4.47 | 4.47 | 4.50 | 4.41 | 4.23 | 4.36 |
| 36 | Common stocks | 4.47 | 4.31 | 3.77 | 3.99 | 4.21 | 4.37 | 7.60 | 7.60 | 7.62 | 7.52 | 7.61 | 7.65 |

1 Averages of the most representative daily offering rate quoted by dealers.
${ }_{2}$ Averages of the most representative daily offering rates published by finance companies for varying maturities in this range.
${ }^{3}$ Beginning Aug. 15, 1974, the rate is the average of the midpoint of the range of daily dealer closing rates offered for domestic issues; prior data are averages of the most representative daily offering rate quoted by dealers.

Weekly figures are 7-day averages of daily effective rates for the week ending Wednesday; the daily effective rate is an average of the rates on a given day weighted by the volume of transactions at these rates,
${ }_{5}$ Averages of the daily midpoints as determined from the range of offering rates in the secondary market.

6 Posted rates, which are the annual interest rates most often quoted on new offerings of negotiable CD's in denominations of $\$ 100,000$ or more. Rates prior to 1976 not available. Weekly figures are for Wednesday dates.
${ }^{8}$ Except for new bill issues, yields are computed from daily closing bid prices. Yields for all bills are quoted on a bank-discount basis.

9 Unweighted averages for all outstanding notes and bonds in maturity ranges shown, based on daily closing bid prices. "Long-term" includes all bonds neither due nor callable in less than 10 years.
10 Yields on the more actively traded issues adjusted to constant maturities by the U.S. Treasury, based on daily closing bid prices.
${ }^{11}$ General obligations only, based on figures for Thursday, from Moody's Investors Service.

12 Twenty issues of mixed quality.
${ }^{3}$ Averages of daily figures from Moody's Investors Service.
14 Compilation of the Board of Governors of the Federal Reserve System.

Issues included are long-term ( 20 years or more). New-issue yields are based on quotations on date of offering; those on recently offered issues (included only for first 4 weeks after termination of underwriter price restrictions), on Friday close-of-business quotations.

| Indicator |  | 1974 | 1975 | 1976 | 1976 |  |  | 1977 |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | Oct. |  |  | Nov. | Dec. | Jan. | Feb. | Mar. | Apr. |
|  |  |  | Prices and trading (averages of daily figures) |  |  |  |  |  |  |  |  |  |
|  | Common stock prices |  |  |  |  |  |  |  |  |  |  |
|  | New York Stock Exchange (Dec. 31, $1965=50$ ). | 43.84 | 45.73 | 54.45 | 54.43 | 54.17 | 56.34 | 56.28 | 54.93 | 54.67 | 53.92 |
| 2 | Industrial........ . . . . . . . . . . . . . . . . . . . . . . . | 48.08 31.89 | 51.88 30.73 | 60.44 39 | 60.07 | 59.45 | 61.54 41.77 | 61.26 | 59.65 40.59 | 59.56 | 58.47 |
| 3 4 | Transportation Utility...... | 31.89 29.82 | 30.73 31.45 | 39.57 <br> 36.97 | 38.37 38.33 | 39.28 38.85 | 41.77 40.61 | 41.93 41.13 | 40.59 40.86 | 40.52 40.18 | 41.51 40.24 |
| 5 | Finance. | 49.67 | 46.62 | 52.94 | 52.74 | 53.25 | 57.45 | 57.86 | 55.65 | 54.84 | 54.30 |
| 6 | Standard and Poor's Corporation (1941-43 = 10) ${ }^{1}$ | 82.85 | 85.17. | 102.01 | 101.89 | 101.19 | 104.66 | 103.81 | 100.96 | 100.57 | 99.05 |
| 7 | American Stock Exchange (Aug. 31, $1973=100$ ). | 79.97 | 83.15 | 101.63 | 98.99 | 99.20 | 104.06 | 111.04 | 112.17 | 111.77 | 111.70 |
| 8 | Volume of trading (thousands of shares) ${ }^{2}$ New York Stock Exchange. | 13,883 | 18,568 | 21,189 | 17,397 | 19,370 | 23,621 | 23,562 | 19,310 | 17,814 | 17,380 |
| 9 | American Stock Exchange. | 1,908 | 2,150 | 2,565 | 1,700 | 2,211 | 3,095 | 3,268 | 2,830 | 2,580 | 2,500 |
|  |  | Customer financing (end-of-period balances, in millions of dollars) |  |  |  |  |  |  |  |  |  |
| 10 Regulated margin credit at brokers/dealers and banks ${ }^{3}$ |  |  |  |  |  |  |  |  |  |  |  |
|  |  | 4,836 | 6,500 | 8,995 | 8,772 | ${ }^{\mathbf{r} 8,640}$ | 8,995 | 9,289 |  |  |  |
| 11 | Brokers, total. | 3,980 | 5,540 | 8,166 | 7,704 | 7,790 | 8,166 | 8,469 | 8,679 | 8,891 |  |
| 12 | Margin stock ${ }^{\text {a }}$. | 3,840 | 5,390 | 7,960 | 7,530 | 7,610 | 7,960 | 8,270 | 8,480 | 8,690 |  |
| 13 | Convertible bonds. | 137 3 | 147 | 204 2 | r169 6 | 178 | 204 | 196 | 197 | 199 |  |
| 15 | Banks, total. . . . . . | 856 | 960 | 829 | 1,068 | r850 | 829 | 820 | 830 | 796 |  |
| 16 | Margin stocks. | 815 | 909 | 786 | 1,019 | r801 | 786 | 776 | 786 | 754 |  |
| 17 | Convertible bonds. | 30 | 36 | 29 | 34 | 35 | r29 | 27 | 27 | 25 |  |
| 18 | Subscription issues | 11 | 15 | 14 | 15 | 14 | 14 | 17 | 17 | 17 |  |
| 19 | Unregulated nonmargin stock credit at banks ${ }^{5}$ | 2,064 | 2,281 | 3,684 | 2,774 | 3,737 | 3,684 | 3,693 | 3,751 | 3,720 |  |
| Memo: Free credit balances at brokers ${ }^{6}$20Margin-account..................Cash-account..................... |  | 410 | 475 | 585 | 611 | 615 | 585 | 645 | 605 | 605 |  |
|  |  | 1,425 | 1,525 | 1,855 | 1,580 | 1,740 | 1,855 | 1,930 | 1,815 | 1,720 |  |
|  |  | Margin-account debt at brokers (percentage distribution, end of period) |  |  |  |  |  |  |  |  |  |
| 22 | Total. | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | ...... |
| $23 \begin{aligned} & \text { By equity class (in per cent) }:^{7} \\ & \text { Under } 40 . . . . . . . . . . . . . . . ~\end{aligned}$ |  | 45.4 | r24.0 | ${ }^{2} 12.0$ | 15.0 | 14.0 | r12.0 | 15.0 | 18.0 | 16 |  |
| 24 | 40-49... | 23.0 | 28.8 | ${ }^{2} 23.0$ | 34.0 | 32.0 | r23.0 | 23.0 | 18.0 | 12 |  |
| 25 | 50-59. | 13.9 | 22.3 | 35.0 | 25.6 | 27.0 | 35.0 | 35.0 | 35 | 37 |  |
| 26 | 60-69. | 8.8 | 11.6 | 15.0 | 12.7 | 13.0 | 15.0 | 13.0 | 12 | 12 |  |
| 27 | 70-79. | 4.6 | 6.9 | 8.7 | 7.2 | 8.0 | 8.7 | 8.0 | 7 | 7 |  |
| 28 | 80 or more | 4.3 | 5.3 | 6.0 | 5.7 | 6.0 | 6.0 | 6.0 | 5 | 5 |  |
|  |  | Special miscellaneous-account balances at brokers (end of period) |  |  |  |  |  |  |  |  |  |
| 29 Total balances (millions of dollars) ${ }^{8}$. . Distribution by equity status (per cent) |  | 7,010 | 7,290 | 8,776 | 8,560 | 8,576 | 8,776 | 9,073 | 9,172 | 9,355 |  |
|  |  | 41.1 | 43.8 | 41.3 | 42.7 | 41.1 | 41.3 | 42.3 | 42.8 | 42.3 |  |
|  | Debit status, equity of - |  |  |  |  |  |  |  |  |  |  |
| 31 | 60 per cent or more. | 32.4 | 40.8 | 47.8 | 45.3 | 46.8 | 47.8 | 46.7 | 45.6 | 46.0 |  |
| 32 | Less than 60 per cent | 26.5 | 15.4 | 10.9 | 12.0 | 12.1 | 10.9 | 11.0 | 11.6 | 11.7 |  |

1 Effective July 1976 includes a new financial group, banks and insurance companies. With this change the index includes 400 industrial stocks (formerly 425), 20 transportation (formerly 15 rail), 40 public utility (formerly 60), and 40 financial.

2 Based on trading for a $51 / 2$-hour day.
${ }^{3}$ Margin credit includes all credit extended to purchase or carry stocks or related equity instruments and secured at least in part by stock. Credit extended by brokers is end-of-month data for member firms of the New York Stock Exchange; June data for banks are universe totals; all other data for banks are estimates for all commercial banks based on all other data for banks are estimates
In addition to assigning a current loan value to margin stock generally, Regulations $T$ and $U$ permit special loan values for convertible bonds
and stock acquired through exercise of subscription rights.
${ }^{4}$ A distribution of this total by equity class is shown below.

5 Nonmargin stocks are those not listed on a national securities exchange and not included on the Federal Reserve System's list of over-thecounter margin stocks. At banks, loans to purchase or carry nonmargin stocks are unregulated; at brokers, such stocks have no loan value.
${ }^{6}$ Free credit balances are in accounts with no unfulfilled commitments to the brokers and are subject to withdrawal by customers on demand.
7 Each customer's equity in his collateral (market value of collateral less net debit balance) is expressed as a percentage of current collateral values.
8 Balances that may be used by customers as the margin deposit required for additional purchases. Balances may arise as transfers based on loan values of other collateral in the customer's margin account or deposits of cash (usually sales proceeds) occur.

Note.-For table on "Margin Requirements" see p. A-10, Table 1.161.
1.38 SAVINGS INSTITUTIONS Selected Assets and Liabilities

Millions of dollars, end of period

| Account | 1974 | 1975 | 1976 | 1976 |  |  |  |  |  | 1977 |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  |  | July | Aug. | Sept. | Oct. | Nov. | Dec. | Jan | Feb. | Mar. |
|  | Savings and loan associations |  |  |  |  |  |  |  |  |  |  |  |
| 1 Assets | 295,545 | 338,233 | 391,999 | 371,770 | 376,188 | 379,747 | 385,013 | 389,173 | 391,999 | 398,299 | 403,591 | 409,299 |
| 2 Mortgages | 249,301 | 278,590 | 323,130 | 303,527 | 307,766 | 311,847 | 315,742 | 319,273 | 323,130 | 326,056 | 329,086 | 333,623 |
| ash and inves securities 1 | 23,251 | 30,853 | 35,660 | 35,968 | 35,815 | 35,209 | 36,442 | 36,605 | 35,660 | 38,252 | 39,505 | 39,685 |
| 4 Other. | 22,993 | 28,790 | 33,209 | 32,275 | 32,607 | 32,691 | 32,829 | 33,295 | 33,209 | 33,991 | 35,000 | 35,991 |
| 5 Liabilities and net worth | 295,545 | 338,233 | 391,999 | 371,770 | 376,188 | 379,747 | 385,013 | 389,173 | 391,999 | 398,299 | 403,591 | 409,299 |
| ${ }_{7}^{6}$ Savings capital | 242,974 | 285,743 20,634 1 | 336,030 19,087 19, | 316,072 18,360 | $318,227$ | 323,800 19,083 | 327,252 18,810 | $329,833$ | $336,030$ | 341,211 18,455 | 344,616 18,256 | 352,131 18,291 |
| 8 FHLBB | 21,508 | 17,524 | 15,708 | 15,139 | 15,495 | 15,832 | 15,636 | 15,571 | 15,708 | 15,029 | 14,661 | 14,329 |
| 9 Other. | 3,272 | 3,110 | 3,379 | 3,221 | 3,361 | 3,251 | 3,174 | 3,144 | 3,379 | 3,426 | 3,595 | 3,962 |
| 10 Loans in process. | 3,244 | 5,128 $\mathbf{6 , 9 4 9}$ | 6,836 8,015 | 6,572 9,756 |  | 6,688 8,779 | 6,735 10,531 | 6,7,93 | 6,836 8,015 | 6,718 9,667 | 6,783 11,418 | 7,341 8,837 |
| 11 Other. | 6,105 | 6,949 | 8,015 | 9,756 | 11,197 | 8,779 | 10,531 | 11,918 | 8,015 | 9,667 | 11,418 | 8,837 |
| 12 Net worth ${ }^{2}$ | 18,442 | 19,779 | 22,031 | 21,010 | 21,280 | 21,398 | 21,685 | 21,954 | 22,031 | 22,248 | 22,518 | 22,699 |
| outstanding ${ }^{3}$.. | 7,454 | 10,673 | 14,828 | 16,301 | 15,773 | 15,449 | 15,319 | 15,467 | 14,828 | 15,079 | 16,796 | 19,257 |
|  | Mutual savings banks |  |  |  |  |  |  |  |  |  |  |  |
| 14 Assets. | 109,550 | 121,056 | 134,702 | 129,826 | 130,571 | 131,413 | 132,455 | 133,361 | 134,812 | 135,906 | 137,307 |  |
| $\begin{aligned} & \text { Loans: } \\ & \text { Mortgage } \end{aligned}$ | 74, 891 | 77,221 | 81,554 | 79,398 | 79,781 | 80,145 | 80,543 | 80,884 | 81,630 |  |  |  |
| 16 Other... | 3,812 | 4,023 | 5,192 | 5,341 | 5,210 | 5,478 | 5,549 | 5,801 | 5,183 | 5,956 | 6,254 |  |
| $17 \begin{aligned} & \text { Securities: } \\ & \text { U.S. Govt. }\end{aligned}$ | 2,555 | 4,740 | 5,911 | 5,640 | 5,733 | 5,851 | 5,796 | 5,836 | 5,840 | 5,917 | 6,096 |  |
| 18 State and local government. | 935 | 1,545 | 2,420 | 2,376 | 2, 339 | 2,359 | 2,429 | 23,466 | 2,417 | 2,295 | 2,366 |  |
| 19 Corporate and other ${ }^{4}$..... | 22,550 | 27,992 | 33,676 | 32,028 | 32,319 | 32,432 | 32,793 | 33,074 | 33,793 | 34,475 | 35,088 |  |
| 20 Cash. | 2,167 | 2, 3 , | 2,374 | 1,538 | 1,552 | 1,581 | 1,695 | 1,668 | - 3 3, 359 | 1,800 3 | 1,835 |  |
| 21 Other as | 2,645 | 3,205 | 3,574 |  | 3,576 | 3,567 | 3,649 | 3,632 | 3,593 | 3,637 | 3,686 |  |
| 22 Liabilities | 109,550 | 121,056 | 134,702 | 129,826 | 130,571 | 131,413 | 132,455 | 133,361 | 134,812 | 135,906 | 137,307 |  |
| 23 Deposits. | 98,701 | 109,873 | 122,802 | 117,883 | 118,225 | IIP,590 | 120,360 | I20,971 | 122,877 | 123,864 | 124,728 |  |
| 24 Regular: 5 | 98,221 | 109,291 | 121,874 | 116,895 | 117,203 | 118,510 | 119,346 | 120,125 | 121,961 | 122,874 | 123,721 |  |
| 25 Ordinary savings | -64,286 | 69,653 | 74,483 | 73, 423 | 72,872 | 73,484 | 73,610 <br> 45 | 73,857 | 74, 335 | 74,621 | 75,038 |  |
| ${ }_{27}^{26}$ Time and other | 33,935 | 39, 688 | 47,391 | 43,662 | 44,331 1,022 | 45,027 1 | 45,736 1,014 | 46, 848 | 47,426 | 48,293 | 48,683 1,007 |  |
| 28 Other liabilities | 2,888 | 2,755 | 2,853 | 3,161 | 3,490 | 2,898 | 3,140 | 3,376 | 2,884 | 2,940 | 3,368 |  |
| 29 General reserve account | 7,961 | 8,428 | 9,047 | 8,781 | 8,855 | 8,925 | 8,955 | 9,015 | 9,052 | 9,102 | 9,211 |  |
| 30 Mortgage loan commitments $\begin{gathered}\text { outstanding } 6 . . . . . . . . .\end{gathered}$ | 2,040 | 1,803 | 2,439 | 2,433 | 2,459 | 2,671 | 2,548 | 2,553 |  |  |  |  |
|  | Life insurance companies |  |  |  |  |  |  |  |  |  |  |  |
| 31 Assets. | 263,349 | 289,304 | 320,555 | 307,005 | 309,295 | 312,044 | 313,960 | 316,505 | 320,555 | 322,489 | 324,164 |  |
| Securities: <br> 32 Government | 10,900 | 13,758 | 17,270 | 16,672 | 16,902 | 16,862 | 17,329 | 17,565 | 17,270 | 17,549 | 17,817 |  |
| 33 United States ${ }^{\text {7 }}$ | 3,372 | 4,736 | 5, 551 | 5,150 | 5,922 | 5,150 | 5,448 | 5,606 | 5,156 | 5.291 | 5,382 |  |
| 34 State and local | 3,667 | 4,508 | 5,551 | 5,263 | 5,324 | 5,364 | 5,446 | 5,467 | 5,551 | 5,614 | 5,666 |  |
| 35 Foreign ${ }^{\text {8 }}$ |  | 4,514 | 6,563 | 6,259 | 6,286 | 62,348 | 6, 635 | 6,492 | 66,563 | 6,644 | 6,769 |  |
| 36 Business. | 119,637 | 1135,317 | 157,625 | 148,617 | 150,303 | 152,125 | 153,298 | 154,502 | 157,625 | 159,464 | 160,683 |  |
| $\begin{array}{ll}37 & \text { Bonds } \\ 38 & \text { Stocks. }\end{array}$ | - $\begin{array}{r}97,717 \\ 21,920\end{array}$ | 107,256 | $\xrightarrow{123,149}$ | 116,101 | \|r|re806 | 118,706 | 120,358 <br> 32,940 | 121,659 | 123,149 | -125,892 | 127,542 |  |
| 39 Mortgages | 86,234 | 89,167 | 91,581 | 89,753 | 89,891 | 90,217 | 90,323 | 90,808 | 91,581 | 91,615 | 91,646 |  |
| 40 Real estate |  | 9,621 | 10,526 | 10,050 | 10,146 | 10,175 | 10,285 | 10,310 | 10,526 | 10,550 | 10,632 |  |
| 41 Policy loans. | 22,862 | 24,467 | 25,849 | 25,257 | 25,383 | 25,505 | 25,607 | 25,710 | 25,849 | 25,921 | 26,051 |  |
| 42 Other assets. | 15,385 | 16,971 | 17,704 | 16,656 | 16,670 | 17,160 | 17,118 | 17,610 | 17,704 | 17,390 | 17,335 |  |
|  | Credit unions |  |  |  |  |  |  |  |  |  |  |  |
| 43 Total assets/liabilities and capital |  |  |  |  |  |  |  |  | 44,835 | 44,906 |  |  |
| 44 Federal... | 16,715 | 20,209 | 24,164 | 22,385 | 22,698 | 23,198 | 23,283 | 23,668 | 24,164 | 24,188 | 24,756 | 25,596 |
| 45 State. | 15,233 | 17,828 | 20,733 | 19,344 | 19,658 | 19,881 | 20,132 | 20,421 | 20,671 | 20,718 | 21,042 | 21,515 |
| 46 Loans outstandin | 24,432 | 28,169 | 34,033 | 31,555 | 32,300 | 33,093 | 33,275 | 33,732 | 34,293 | 34,188 | 34,549 | 35,411 |
| 47 Federal. | 12,730 | 14,869 | 18,022 | 16,614 | 17,065 | 17,458 | 17,522 | 17,786 | 18,202 | 18,081 | 18,275 | 18,776 |
| 48 State. | 11,702 | 13,300 | 16,011 | 14,941 | 15,235 | 15,635 | 15,753 | 15,946 | 16,091 | 16,107 | 16,274 | 16,635 |
| 49 Saving | 27,518 | 33,013 | 39,264 | 36,615 | 36,752 | 37,436 |  |  |  |  |  |  |
| 50 Federal (shares) | 14,370 | 17,530 | 21,149 | 19,663 | 19,783 | 20,167 | 20,358 | 20,597 | 20,980 | 21,165 | 21,559 | 22,346 |
| 51 State (shares and deposits). | 13,148 | 15,483 | 18,115 | 16,952 | 16,969 | 17,269 | 17,496 | 17,684 | 17,988 | 18,179 | 18,442 | 18,815 |

For notes see bottom of page A30.

### 1.39 FEDERAL FISCAL AND FINANCING OPERATIONS

Millions of dollars

${ }^{1}$ Outlay totals reflect the reclassification of the Export-Import Bank from off-budget status to unified budget status.
2 Export-Import Bank certificates of beneficial interest (effective July 1, 1975) and loans to Pefco are treated as debt rather than asset sales.
${ }^{3}$ Half years calculated as a residual of total surplus/deficit and trust fund surplus/deficit.
4 Includes Pension Benefit Guaranty Corp., Postal Service Fund, Rural Electrification and Telephone Revolving Fund, Rural Telephone Bank, and Housing for the Elderly or Handicapped Fund.
${ }^{5}$ Includes: Public debt accrued interest payable to the public; deposit
funds; miscellaneous liability (including checks outstanding) and asset
accounts; seignorage; increment on gold; net gain/loss for U.S. currency accounts; seignorage; increment on gold; net gain/loss for U.S. cu
valuation adjustment; net gain/loss for IMF valuation adjustment.
6 Excludes the gold balance but includes deposits in certain commercial depositories that have been converted from a time deposit to a dermand deposit basis to permit greater flexibility in Treasury cash management.
Source.-"Monthly Treasury Statement of Receipts and Outlays of the U.S. Government', Treasury Bulletin, and U.S. Budget, Fiscal Year 1978.

## NOTES TO TABLE 1.38

${ }^{1}$ "Stock of the Federal Home Loan Bank Board (FHLBB) is included in "other assets."
${ }^{2}$ Includes net undistributed income, which is accrued by most, but not all, associations.
${ }^{3}$ Excludes figures for loans in process, which are shown as a liability.
4 Includes securities of foreign governments and international organizations and nonguaranteed issues of U.S. Govt. agencies.

5 Excludes checking, club, and school accounts.
6 Commitments outstanding (including loans in process) of banks in New York State as reported to the Savings Banks Assn. of the State of New York.

7 Direct and guaranteed obligations. Excludes Federal agency issues not guaranteed, which are shown in this table under "business" securities. 8 Issues of foreign governments and their subdivisions and bonds of the International Bank for Reconstruction and Development.
Note.-Savings and loan associations: Estimates by the FHLBB for NoTE.-Savings and loan associations: Estimates by the FHLBB for
all associations in the United States. Data are based on monthly reports all associations in the United States. Data are based on monthly reports
of Federally insured associations and annual reports of other associations.

Even when revised, data for current and preceding year are subject to further revision.
Mutual savings banks: Estimates of National Association of Mutual Savings Banks for all savings banks in the United States. Data are reported on a gross-of-valuation-reserves basis.
Life insurance companies: Estimates of the Institute of Life Insurance for all life insurance companies in the United States. Annual figures are annual-statement asset values, with bonds carried on an amortized basis and stocks at year-end market value. Adjustments for interest due and accrued and for differences between market and book values are not made on each item separately but are included, in total, in "other assets."
Credit unions: Estimates by the National Credit Union Administration for a group of Federal and State-chartered credit unions that account for about 30 per cent of credit union assets. Figures are preliminary and revised annually to incorporate recent benchmark data.

### 1.40 <br> U.S. BUDGET RECEIPTS AND OUTLAYS <br> Millions of dollars

| Source or type |  | Fiscal year |  | Transition (July1976) | Calendar year |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | 1975 | 1976 |  | $\frac{1975}{\mathrm{H} 2}$ | 1976 |  | 1977 |  |  |
|  |  | H1 |  |  |  | H2 | Jan. | Feb. | Mar. |
|  |  |  | Receipts |  |  |  |  |  |  |  |  |
| All sources <br> Individual income taxes, net $\qquad$ Withheld <br> Presidential Election Campaign Fund. |  | 280,997 | 300,005 | 81,773 | 139,455 | 160,552 | 157,961 | 29,977 | 24,327 | 25,171 |
|  |  | 122,386 122,071 | $\begin{aligned} & 131,603 \\ & 123,408 \end{aligned}$ | $\begin{aligned} & 38,801 \\ & 32,949 \end{aligned}$ | 65,835 59 | $\begin{aligned} & 65,767 \\ & 63,859 \end{aligned}$ | $\begin{aligned} & 75,094 \\ & 68,023 \end{aligned}$ | 18,108 11,979 | 8,515 11,398 | $\begin{array}{r} 6,131 \\ 12,961 \end{array}$ |
|  |  | $\begin{array}{r} 32 \\ 34,296 \\ 34,013 \end{array}$ | $\begin{array}{r} 34 \\ 35,528 \\ 27,367 \end{array}$ |  |  | - 33 |  |  |  | 10 |
| 5 6 |  |  |  | 6,809 958 | 7,649 1,362 | 27,879 26,004 | 8,426 1,356 | 6,141 | 1,154 | 9,719 |
| 7 8 8 9 |  | 45,747 5,125 | 46,783 5,374 | 9,808 1,348 | 18,810 2,735 | 27,973 2,639 | 20,706 2,886 | 2,007 | 1,311 | 9,131 |
| 10 | Social insurance taxes and contributions, net. | 86,441 | 92,714 | 25,760 | 40,886 | 51,828 | 2,886 47,596 | 7,320 | 10,764 | 7,412 |
| 11 | Payroll employment taxes and contributions ${ }^{1}$. . . . . . . . . . . . . | 71,789 | 76,391 | 21,534 | 35,443 | 40,947 | 40,427 | 6,271 | 9,110 | 6,569 |
| 12 | Self-employment taxes and |  |  | 269$\mathbf{2}, 698$$\mathbf{1 , 2 5 9}$ | 268 | 3,250 | 286 | 240 | 247 | 290 |
| 13 | Unemployment insurance. | $\begin{aligned} & 3,417 \\ & 6,771 \\ & 4,466 \end{aligned}$ | $\begin{aligned} & 3,518 \\ & 8,054 \\ & 4,752 \end{aligned}$ |  | 2,861 | 5,193 | 4,379 | 347 | 997 | 128 |
| 14 | Other net receipts ${ }^{2} \ldots$ |  |  | 1,259 | 2,314 | 2,438 | 2,504 | 462 | 410 | 428 |
| 15 | Excise taxes. | $\begin{array}{r} 16,551 \\ 3,7676 \\ 4,611 \\ 6,711 \end{array}$ | $\begin{array}{r} 16,963 \\ 4,974 \\ 5,16 \\ 8,026 \end{array}$ | 4,473 | 8,761 | 8 8,204 | 8,910 | 1,447 | 1,294 | 1,283 |
| 17 | Customs.....i. |  |  | 1,212 | 1,927 $\mathbf{2 , 5 7 3}$ | 2,147 2,643 | 2,361 $\mathbf{2}, 943$ | 381 504 |  | 466 625 |
|  | Miscellaneous receipts ${ }^{\text {a }}$ |  |  | 1,612 | 3,397 | 4,630 | 3,236 | 521 | 1,568 | ${ }_{534}$ |
|  |  | Outlays |  |  |  |  |  |  |  |  |
| 19 | All types 4 | 326,105 | 366,466 | 94,746 | 185,097 | 181,369 | 193,719 | 32,640 | 30,880 | 34,646 |
| 20212223 | National defense... | 86,5855,862 | 89,9965,067 | 22,5181,997 | 46,2142,574 | 44,0522,668 | 3,028 | $\begin{array}{r}7,082 \\ \hline 39\end{array}$ | 8,131 | 8,572 |
|  |  |  |  |  |  |  |  |  |  |  |
|  | technology. ........... | 3,989 | 4,370 | 1,161 | 2,415 | 1,708 | 2,377 | 304 | 333 | 403 |
|  | Natural resources, environment, and energy. | 9,5371,660 | 11,2822,502 | 3,324 | 5,0181,489 | 6,900417 |  | 1,042 |  | 1,180 |
| 24 | Agriculture.... |  |  |  |  |  | 2,019 |  | 895 350 |  |
| 25 | Commerce and transportation. | 16,010 | 17,248 | 4,700 | 11,496 | 5,766 | 9,643 | 681 | -323 | 1,265 |
|  | Community and regienal | 4,431 | 5,300 | 1,530 | 2,548 | 2,411 | 3,192 | 397 | 480 | 496 |
| 27 | Education, training, employment, and social services. |  | 18,16733,448127,406 | $\begin{array}{r}1,013 \\ 8,720 \\ \hline 82,796\end{array}$ | 8,42316,68161,655 | $\begin{aligned} & 9,1166 \\ & 17,008 \\ & 65,336 \end{aligned}$ |  | 1,541$\mathbf{2}, 961$ | 1,585 | 1,6452,67413,045 |
| 28 | Health . ....................... | $\begin{array}{r} 27,647 \\ 108,605 \end{array}$ |  |  |  |  | $\begin{array}{r} 9,083 \\ 19,329 \\ 65 ; 456 \end{array}$ |  |  |  |
| 29 | Income security. . |  |  | 32,796 | 61,655 |  |  | 11,652 | 11,719 |  |
| 30 | Veterans benefits and services...... | $\begin{array}{r} 16,597 \\ 2,942 \\ 3,089 \end{array}$ | $\begin{array}{r} 18,432 \\ 3,320 \\ 2,927 \end{array}$ | 3,962 <br> 859 <br> 878 | 9,01011,5891,929 | $\begin{array}{r}9,450 \\ 1,784 \\ \hline 870\end{array}$ | $\begin{aligned} & 8,542 \\ & 1,839 \\ & 1,734 \end{aligned}$ | 1,63034093 | 1,606244285 | 1,611282284 |
| 31 | Law enforcement and justice....... |  |  |  |  |  |  |  |  |  |
| 32 | General government. |  |  |  |  |  |  |  |  |  |
| 33 | Revenue sharing and general | 7,00530,974$-14,075$ | 7,11934,589$-14,704$ | 2,0247,246$-2,567$ | 3,52815,180$-4,652$ | 3,66418,560$-8,340$ | 4,72918,409$-7,869$ | $\begin{aligned} & 2,062 \\ & 2,382 \\ & -460 \end{aligned}$ |  |  |
| 34 |  |  |  |  |  |  |  |  | $\begin{array}{r}2,64 \\ \hline-588\end{array}$ | 2,522-459 |
| 35 | Undistributed offetting receipts 5 ,6 |  |  |  |  |  |  |  |  |  |

1 Old-age, disability and hospital insurance, and Railroad Retirement accounts.

2 Supplementary medical insurance premiums, Federal employee retirement contributions and Civil Service retirement and disability fund.

3 Deposits of earnings by F.R. Banks and other miscellaneous receipts
4 Outlay totals reflect the reclassification of the Export-Import Bank from off-budget status to unified budget status. Export-Import Bank certificates of beneficial interest (effective July 1, 1975) and loans to Pefco are treated as debt rather than asset sales.

5 Effective September 1976, "Interest" and "Undistributed Offsetting Receipts" reflect the accounting conversion for the interest on special issues for U.S. Govt. accounts from an accrual basis to a cash basis.
6 Consists of interest received by trust funds, rents and royalties on the Outer Continental Shelf, and U.S. Govt. contributions for employee retirement.
1.41 FEDERAL DEBT SUBJECT TO STATUTORY LIMIT

Billions of dollars

| Item | 1973 |  | 1974 |  | 1975 |  | 1976 |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | June 30 | Dec. 31 | June 30 | Dec. 31 | June 30 | Dec. 31 | June 30 | Sept. 30 | Dec. 31 |
| 1 Federal debt outstanding. | 468.4 | 480.7 | 486.2 | 504.0 | 544.1 | 587.6 | 631.9 | 2646.4 | 665.5 |
| 2 Public debt securities. | 457.3 | 469.1 | 474.2 | 492.7 | 533.7 | 576.6 | 620.4 | 634.7 | 653.5 |
| 3 Held by public. | 333.9 | 339.4 | 336.0 | 351.5 | 387.9 | 437.3 | 470.8 | 488.6 | 506.4 |
| 4 Held by agencies. | 123.4 | 129.6 | 138.2 | 141.2 | 145.3 | 139.3 | 149.6 | 146.1 | 147.1 |
| 5 Agency securities. | 11.1 | 11.6 | 12.0 | 11.3 | 10.9 | 10.9 | 11.5 | 11.6 | 12.0 |
| 6 Held by public. | 9.1 | 9.6 | 10.0 | 9.3 | 9.0 | 8.9 | 9.5 | 29.7 | 10.0 |
| 7 Held by agencies. | 2.0 | 2.0 | 2.0 | 2.0 | 1.9 | 2.0 | 2.0 | 1.9 | 1.9 |
| 8 Debt subject to statutory limit. | 459.1 | 470.8 | 476.0 | 493.0 | 534.2 | 577.8 | 621.6 | 635.8 | 654.7 |
| 9 Public debt securities.. | 456.7 | 468.4 | 473.6 | 490.5 | 532.6 | 576.0 | 619.8 | 634.1 | 652.9 |
| 10 Other debt ${ }^{1}$. | 2.4 | 2.4 | 2.4 | 2.4 | 1.6 | 1.7 | 1.7 | 1.7 | 1.7 |
| 11 Memo: Statutory debt limit. | 465.0 | 475.7 | 495.0 | 495.0 | 577.0 | 595.0 | 636.0 | 636.0 | 682.0 |

${ }^{1}$ Includes guaranteed debt of Govt. agencies, specified participation certificates, notes to international lending organizations, and District of Columbia stadium bonds.

2 Gross Federal debt and Agency debt held by the public increased
$\$ 0.5$ billion due to a retroactive reclassification of the Export-Import Bank certificates of beneficial interest from loan asset sales to debt, effective July 1, 1975.
Source.-U.S. Treasury Bulletin.

### 1.42 GROSS PUBLIC DEBT OF U.S. TREASURY Types and Ownership

Billions of dollars, end of period

| Type and holder |  | 1973 | 1974 | 1975 | 1976 |  | 1977 |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | Nov. |  |  | Dec. | Jan. | Feb. | Mar. | Apr. |
|  | Total gross public debt ${ }^{1}$ |  | 469.9 | 492.7 | 576.6 | 644.6 | 653.5 | 653.9 | 663.3 | 669.2 | 671.0 |
|  | By type: |  |  |  |  |  |  |  |  |  |
| 2 | Interest-bearing debt Marketable. | 467.8 | 491.6 | 575.7 | 643.6 | 652.5 | 653.0 | 662.3 | 668.2 | 668.5 |
| 4 | Bills. |  |  |  | 415.4 | 421.3 | 424.0 | 431.6 | 435.4 | 434.1 |
|  | Bills. | 107.8 | 119.7 | 157.5 | 161.7 | 164.0 | 164.0 | 164.2 | 164.3 | 162.0 |
| 5 | Notes. | 124.6 | 129.8 | 167.1 | 213.0 | 216.7 | 219.5 | 225.9 | 229.6 | 230.7 |
| 6 | Bonds.. | 37.8 | 33.4 | 38.6 | 40.7 | 40.6 | 40.5 | 41.6 | 41.5 | 41.4 |
| 7 | Nonmarketable ${ }^{2}$. | 197.6 | 208.7 | 212.5 | 228.2 | 231.2 | 229.0 | 230.7 | 232.8 | 234.4 |
| 9 | Convertible bonds ${ }^{3}$ | 2.3 | 2.3 | 2.3 | 2.3 | 2.3 | 2.3 | 2.3 | 2.2 | 2.2 |
| 10 |  | 26.0 60.8 | 22.8 63.8 | 21.6 67.9 | 22.5 | 22.3 | 22.2 | 22.1 | 22.1 | 21.9 |
| 11 | Govt. account series ${ }^{5}$. | 108.0 | 119.1 | 119.4 | 127.4 | 129.7 | 126.8 | 127.8 | 128.2 | 73.9 129.0 |
| By holder: 6 |  |  |  |  |  |  |  |  |  |  |
| 12 | U.S. Govt. agencies and trust funds. | 129.6 | 141.2 | 139.3 | 144.9 | 147.1 | 144.0 | 144.4 |  |  |
| 13 | F.R. Banks | 78.5 | 80.5 | 87.9 | 91.7 | 97.0 | 94.1 | 95.8 |  |  |
| 14 | Private investors. | 261.7 | 271.0 | 349.4 | 408.1 | 409.5 | 415.8 | 423.1 |  |  |
| 15 | Commercial banks. | 60.3 | 55.6 | 85.1 | 99.8 | 102.5 | 101.0 | 104.5 |  |  |
| 16 | Mutual savings banks | 2.9 | 2.5 | 4.5 | 5.3 | 5.5 | 5.6 | 5.7 |  |  |
| 17 | Insurance companies. | 6.4 | 6.1 | 9.3 | 12.2 | 12.3 | 12.2 | 12.2 |  |  |
| 18 | Other corporations. | 10.9 | 11.0 | 20.2 | 24.2 | 25.5 | 27.8 | 27.9 |  |  |
| 19 | State and local governments | 29.2 | 29.2 | 33.8 | 42.1 | 41.6 | 44.4 | 42.3 |  |  |
|  | Individuals: |  |  |  |  |  |  |  |  |  |
| 20 | Savings bonds.. | 60.3 | 63.4 | 67.3 | 71.6 | 72.0 | 72,4 | 72.8 |  |  |
| 21 | Other securities. | 16.9 | 21.5 | 24.0 | 29.0 | 28.8 | 28.6 | 28.7 |  |  |
| 22 | Foreign and international ${ }^{\text {a }}$. | 55.5 | 58.4 | 66.5 | 76.0 | 78.1 | 80.3 | 82.3 |  |  |
| 23 | Other miscellaneous investors ${ }^{8}$. | 19.3 | 23.2 | 38.6 | 47.7 | 43.2 | 43.4 | 46.7 |  |  |

1 Includes $\$ 2.5$ billion of non-interest-bearing debt (of which $\$ 612$ million on Apr. 30, 1977, was not subject to statutory debt limitations)
${ }_{2}$ Includes (not shown separately): Securities issued to the Rural Electrification Administration and to State and local governments, depositary bonds, retirement plan bonds, and individual retirement bonds.
${ }^{3}$ These nonmarketable bonds, also known as Investment Series B Bonds, may be exchanged (or converted) at the owner's option for $11 / 2$ per cent, 5 -year marketable Treasury notes. Convertible bonds that have been so exchanged are removed from this category and recorded in the notes category above
${ }^{4}$ Nonmarketable certificates of indebtedness, notes, and bonds in the Treasury foreign series and foreign-currency series,

5 Held only by U.S. Govt. agencies and trust funds.
${ }^{6}$ Data for F.R. Banks and U.S. Govt. agencies and trust funds are actual holdings; data for other groups are Treasury estimates.
${ }^{7}$ Consists of the investments of foreign balances and international accounts in the United States. Beginning with 1974, the figures exclude non-interest-bearing notes issued to the International Monetary Fund.
${ }^{8}$ Includes savings and loan associations, nonprofit institutions, corporate pension trust funds, dealers and brokers, certain Govt. deposit accounts, and Govt.-sponsored agencies.

Note.-Gross public debt excludes guaranteed agency securities and, beginning in July 1974, includes Federal Financing Bank security issues, Source.-For data by type of security, Monthly Statement of the Public Debt of the United States, U.S. Treasury Department; for data by holder, Treasury Bulletin.
1.43 U.S. GOVERNMENT MARKETABLE SECURITIES Ownership, by maturity

Par value; millions of dollars; end of period

| Type of holder | 1975 | 1976 | 1977 |  | 1975 | 1976 | 1977 |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  | Feb. | Mar. |  |  | Feb. | Mar. |
|  | All maturities |  |  |  | 1 to 5 years |  |  |  |
| 1 All holders. | 363,191 | 421,276 | 431,607 | 435,379 | 112,270 | 141,132 | 143,927 | 43,204 |
| 2 U.S. Govt. agencies and trust funds. | 19,347 | 16,485 | 15,788 | 15,788 | 7,058 | 6,141 | 6,167 | 6,158 |
| 3 F. R. Banks...... . . . . . . . . . . . . . . . | 87,934 | 96,971 | 95,837 | 95,987 | 30,518 | 31,249 | 31,076 | 30,966 |
| 4 Private investors. | 255,860 | 307,820 | 319,982 | 323,604 | 74,694 | 103,742 | 106,684 | 109,984 |
| 5 Commercial banks... | 64,398 3,300 | 78,262 4,072 | 79,706 4,304 | 80,133 4,519 | 29,629 1,524 | 40,005 2,010 | 42,533 2,114 | 42,980 2,186 |
| 6 Mutual savings banks | 3,300 7,565 | 4,072 10,284 | 4,304 10,121 | 4,519 10,091 | 1,524 2,359 | 2,010 3,885 | 2,114 3,765 | 2,186 |
| 7 Insurance companies.... | 7,565 9,365 | 10,284 14,193 | 10,121 16,367 | 10,091 14,284 | 2,359 1,967 | 3,885 $\mathbf{2 , 6 1 8}$ | 3,784 | 3,827 |
| 9 Savings and loan associations | 2,793 | 4,576 | 5,138 | 5,605 | 1,558 | 2,360 | 2,475 | 2,734 |
| 10 State and local governments | 9,285 | 12,252 | 12,883 | 12,625 | 1,761 | 2,543 | 2,746 | 2,848 |
| 11 All others.................. | 159,154 | 184,182 | 191,463 | 196,347 | 35,894 | 50,321 | 49,168 | 51,701 |
|  | Total, within 1 year |  |  |  | 5 to 10 years |  |  |  |
| 12 All holders. | 199,692 | 211,035 | 217,404 | 218,080 | 26,436 | 43,045 | 43,223 | 43,204 |
| 13 U.S. Govt. agencies and trust funds. | 2,769 | 2,012 | 1,934 | 1,957 | 3,283 | 2,879 | 2,163 | 2,149 |
| 14 F. R. Banks. . . . . . . . . . | 46,845 | 51,569 | 49,528 | 49,695. | 6,463 | 9,148 | 9,856 | 9,901 |
| 15 Private investors. | 150,078 | 157,454 | 165,942 | 166,428 | 16,690 | 31,018 | 31,204 | 31,154 |
| 16 Commercial banks | 29,875 | 31,213 | 30,035 | 29,881 | 4,071 | 6,278 | 6,367 | 6,559 |
| 17 Mutual savings banks. | 983 | 1,214 | 1,262 | 1,333 | 448 | 567 | 649 | 703 |
| 18 Insurance companies. | 2,024 | 2,191 | 1,998 | 2,050 | 1,592 | 2,546 | 2,500 | 2,645 |
| 19 Nonfinancial corporations. | 7,105 | 11,009 | 11,942 | 9,959 | 175 | 370 | 295 | 337 |
| 20 Savings and loan associations. | -914 | 1,984 | 2,404 | 2,627 | 216 | 155 | 188 | 174 |
| 21 State and local governments | 5,288 | 6,622 | 6,997 | 6,557 | 782 | 1,465 | 1,466 | 1,416 |
| 22 All others. | 103,889 | 103,220 | 111,305 | 114,020 | 9,405 | 19,637 | 19,740 | 19,319 |
|  | Bills, within 1 year |  |  |  | 10 to 20 years |  |  |  |
| 23 All holders. | 157,483 | 163,992 | 164,175 | 164,264 | 14,264 | 11,865 | 11,764 | 11,718 |
| 24 U.S. Govt. agencies and trust funds. | 207 | 449 | 269 | 305 | 4,233 | 3, 102 | 3,102 | 3,102 |
| 25 F. R. Banks.. | 38,018 | 41,279 | 38,865 | 39,455 | 1,507 | 1,363 | 1,371 | 1,380 |
| 26 Private investors. | 119,258 | 122,264 | 125,041 | 124,504 | 8,524 | 7,400 | 7,291 | 7,236 |
| 27 Commercial banks | 17,481 | 17,303 | 14,314 | 13,974 | 552 | 339 | 322 | 322 |
| 28 Mutual savings banks | ' 554 | 454 | 426 | 436 | 232 | 139 | 136 | 136 |
| 29 Insurance companies. | 1,513 | 1,463 | 1,128 | 1,123 | 1,154 | 1,114 | 1,339 | 1,084 |
| 30 Nonfinancial corporations. | 5,829 | 9,939 | 10,628 | 8,745 | 61 | 142 | 169 | 191 |
| 31 Savings and loan associations. | 518 | 1,266 | 1,445 | 1,617 | 82 | 64 | 58 | 55 |
| 32 State and local governments. | 4,566 | 5,556 | 5,689 | 5,287 | 896 | 718 | 700 | 663 |
| 33 All others. | 88,797 | 86,282 | 91,410 | 93,322 | 5,546 | 4,884 | 4,567 | 4,785 |
|  | Other, within 1 year |  |  |  | Over 20 years |  |  |  |
| 34 All holders. | 42,209 | 47,043 | 53,229 | 53,816 | 10,530 | 14,200 | 15,288 | 15,269 |
| 35 U.S. Govt. agencies and trust funds. | 2,562 | 1,563 | 1,665 | 1,652 | 2,053 | 2,350 | 2,421 | 2,421 |
| 36 F. R. Banks................ | 8,827 | 10,290 | 10,663 | 10,240 | 2,601 | 3,642 | 4,006 | 4,045 |
| 37 Private investors... | 30,820 | 35,190 | 40,901 | 41,924 | 5,876 | 8,208 | 8,861 | 8,803 |
| 38 Commercial banks | 12,394 | 13,910 | 15,721 | 15,907 | 271 | 427 | 449 | 390 |
| 39 Mutual savings banks. | 12, 429 | -760 | ${ }^{1} 836$ | , 897 | 112 | 143 | 143 | 162 |
| 40 Insurance companies. | 511 | 728 | 870 | 927 | 436 | 548 | 519 | 485 |
| 41 Nonfinancial corporations. | 1,276 | 1,070 | 1,314 | 1,214 | 57 | 55 | 77 | 89 |
| 42 Savings and loan associations. | 396 | 718 | -959 | 1,010 | 22 | 13 | 14 | 15 |
| 43 State and local governments | 722 | 1,066 | 1,308 | 1,270 | 558 | 904 | 975 | 1,140 |
| 44 All others. | 15,092 | 16,938 | 19,895 | 20,698 | 4,420 | 6,120 | 6,684 | 6,522 |

Note.-Direct public issues only. Based on Treasury Survey of Ownership from Treasury Bulletin (U.S. Treasury Dept.)
Data complete for U.S. Govt. agencies and trust funds and F.R. Banks, but data for other groups include only holdings of those institutions that report. The following figures show, for each category, the number and proportion reporting as of March 31, 1977; (1) 5,498 commercial
banks, 467 mutual savings banks, and 725 insurance companies, each about 90 per cent; (2) 447 nonfinancial corporations and 486 savings and loan assns., each about 50 per cent; and (3) 500 State and local govts., about 40 per cent.
"All others," a residual, includes holdings of all those not reporting in the Treasury Survey, including investor groups not listed separately.
1.44 U.S. GOVERNMENT SECURITIES DEALERS Transactions

Par value; averages of daily figures, in millions of dollars

| Item | 1974 | 1975 | 1976 | 1977 |  |  | 1977 |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  |  | Jan. | Feb. | Mar. | Week ending Wednesday |  |  |  |  |  |
|  |  |  |  |  |  |  | Mar. 23 | Mar. 30 | Apr. 6 | Apr. 13 | Apr. 20 | Apr. 27 |
| 1 U.S. Govt. securities. | 3,579 | 6,027 | 10,449 | 12,502 | 12,871 | 11,128 | 10,517 | 10,738 | 11,057 | 11,306 | 15,260 | 14,798 |
| 2 By maturity: |  |  |  |  |  |  |  |  |  |  |  |  |
| 3 Other within 1 year | 2, 250 | - 223 | $\begin{array}{r}6,676 \\ \hline 210\end{array}$ | $\begin{array}{r}7,630 \\ \hline 156\end{array}$ | $\begin{array}{r}7,593 \\ \hline 283\end{array}$ | 7,445 | 7,048 | 7,094 | 7,690 175 | 7,111 | 9,502 | 9,302 |
| 4 1-5 years. | 465 | 1,414 | 2,317 | 2,805 | 3,262 | 2,373 | 2,351 | 2,088 | 1,628 | 2,283 | 3,366 | 3,365 |
| 5 5-10 years. | 256 | 363 | 1,019 | 1,604 | 1,388 | 883 | 697 | 1,122 | 1,401 | 1,502 | 1,905 | 1,606 |
| 6 Over 10 years | 58 | 138 | 229 | 307 | 346 | 193 | 187 | 189 | 162 | 204 | 325 | 240 |
| By type of customer: <br> 7 U.S. Govt. securities dealers. | 652 | 885 | 1,360 | 1,641 | 1,537 | 1,492 | 1,553 | 1,456 | 1,390 | 1,749 | 1,603 | 1,301 |
| 8 U.S. Govt. securities brokers. | 965 | 1,750 | 3,407 | 4,586 | 4,428 | 3,300 | 2,869 | 3,441 | 3,279 | 1,7491 | 5,478 | 5,742 |
| 9 Commercial banks. | 998 | 1,451 | 2,426 | 2,884 | 3,013 | 2,528 | 2,503 | 2,194 | 2,417 | 2,489 | 3,047 | 5,742 |
| 10 All others ${ }^{1}$..... | 964 | 1,941 | 3,257 | 3,392 | 3,893 | 3,808 | 3,592 | 3,647 | 3,971 | 3,577 | 5,132 | 4,872 |
| 11 Federal agency securities | 965 | 1,043 | 1,548 | 1,764 | 1,579 | 1,590 | 1,984 | 1,586 | 1,875 | 2,078 | 2,512 | 1,797 |

${ }^{1}$ Includes-among others-all other dealers and brokers in commodities and securities, foreign banking agencies, and the F.R. System.

Note.-Averages for transactions are based on number of trading days in the period.

Transactions are market purchases and sales of U.S. Govt. securities dealers reporting to the F.R. Bank of New York. The figures exclude allotments of, and exchanges for, new U.S. Govt. securities, redemptions of called or matured securities, or purchases or sales of securities under repurchase, reverse repurchase (resale), or similar contracts.
1.45 U.S. GOVERNMENT SECURITIES DEALERS Positions and Sources of Financing Par value; averages of daily figures, in millions of dollars

| Item | 1974 | 1975 | 1976 | 1977 |  |  | 1977 |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  |  | Jan. | Feb. | Mar. | Week ending Wednesday |  |  |  |  |  |
|  |  |  |  |  |  |  | Feb. 23 | Mar. 2 | Mar. 9 | Mar. 16 | Mar. 23 | Mar. 30 |
|  | Positions ${ }^{2}$ |  |  |  |  |  |  |  |  |  |  |  |
| 1 U.S. Govt. securities. | 2,580 | 5,884 | 7,592 | 8,914 | 6,251 | 5,266 | 6,295 | 5,431 | 5,791 | 5,828 | 5,273 | 3,770 |
| 2 Bills. . | 1,932 | 4,297 | 6,290 | 6,596 | 4,646 | 4,864 | 5,325 | 4,511 | 5,439 | 5,525 | 5,000 | 3,298 |
| 3 Other within 1 year. | -6 | 265 | 188 | +138 | 193 | 237 | 211 | 221 | 184 | 224 | 276 | 292 |
| 4 5 $5-10$ dears. | 265 | 886 300 | 515 | 1,270 | 587 417 | -14 | 247 178 | 347 126 | -38 | -46 -9 | -94 | 13 |
| 6 Over 10 years............. | 88 | 136 | 198 | 379 | 407 | 128 | 334 | 226 | 153 | 135 | 91 | 103 |
| 7 Federal agency securities.... | 1,212 | 943 | 729 | 923 | 466 | 383 | 482 | 421 | 394 | 468 | 394 | 216 |
|  | Sources of financing ${ }^{3}$ |  |  |  |  |  |  |  |  |  |  |  |
| 8 All sources. | 3,977 | 6,666 | 8,715 | 11,938 | 9,017 | 9,433 | 10,049 | 9,433 | 9,006 | 9,729 | 10,482 | 8,671 |
| Commercial banks: <br> 9 <br> New York City. | 1,032 | 1,621 | 1,896 | 2,362 | 1,360 | 1,552 | 1,383 | 1,451 | 1,635 | 1,864 | 1,581 | 1,183 |
| 10 Outside New York City... | 1,064 | 1,466 | 1,660 | 2,353 | 1,727 | 1,910 | 1,832 | 1,771 | 2,065 | 2,400 | 1,944 | 1,288 |
| 11 Corporations ${ }^{1} . . . . . . . . . . . . .$. | , 459 | , 842 | 1,479 | 2,141 | 2,038 | 2,131 | 2,187 | 2,173 | 2,301 | 2,372 | 2,050 | 1,851 |
| 12 All other. . . . . . . . . . . . . . . . | 1,423 | 2,738 | 3,681 | 5,082 | 3,892 | 3,839 | 4,648 | 4,038 | 3,004 | 3,093 | 4,908 | 4,350 |

${ }^{1}$ All business corporations except commercial banks and insurance companies.

2 Net amounts (in terms of par values) of securities owned by nonbank dealer firms and dealer departments of commercial banks on a commitment, that is, trade-date basis, including any such securities that have been sold under agreements to repurchase. The maturities of some repurchase agreements are sufficiently long, however, to suggest that the securities involved are not available for trading purposes. Securities owned, and hence dealer positions, do not include securities purchased under agreements to resell.
${ }^{3}$ Total amounts outstanding of funds borrowed by nonbank dealer
firms and dealer departments of commercial banks against U.S. Govt. and Federal agency securities (through both collateral loans and sales and Federal agency securities (through both collateral loans and sales under agreements to repurchase), plus internal funds used by bank dealer
departments to finance positions in such securities. Borrowings against securities held under agreement to resell are excluded where the borrowing contract and the agreement to resell are equal in amount and maturity, that is, a matched agreement.

Nore.-Averages for positions are based on number of trading days in the period; those for financing, on the number of calendar days in the period.
1.46 FEDERAL AND FEDERALLY SPONSORED CREDIT AGENCIES Debt Outstanding Millions of dollars, end of period

| Agency | 1973 | 1974 | 1975 | 1976 |  |  |  | 1977 |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  |  | Sept. | Oct. | Nov. | Dec. | Jan. | Feb. |
| 1 Federal and Federally sponsored agencies....... | 71,594 | 89,381 | 97,680 | 102,456 | 103,865 | 103,415 | 103,308 | 103,487 | 103,354 |
| 2 Federal agencies | 11,554 | 12,719 | 19,046 | 21,895 | 22,676 | 22,645 | 22,419 | 22,168 | 22,307 |
| 3 Defense Department 1 | 1,439 | 1,312 | 1,220 | 1,136 | 1,128 | 1,117 | 1,113 | 1,095 | 1,086 |
| 4 Export-Import Bank ${ }^{2}, 3 \ldots \ldots . . . . . . . . . . .$. | 2,625 | 2,893 | 7,188 | 7,728 | 8,353 | 8,336 | 8,574 | 8,557 | 8,580 |
| 5 Federal Housing Administration ${ }^{4}$. . . . . . . . . | 415 | 440 | 564 | 578 | 589 | 585 | 575 | 579 | 581 |
| Participation Certificates 5 ................. | 4,390 | 4,280 | 4,200 | 4,145 | 4,145 | 4,145 | 4,120 | 3,845 | 3,845 |
|  | 250 | 721 | 1,750 | 3,498 | 3,498 | 3,498 | 2,998 | 2,998 | 2,998 |
| 8 Tennessee Valley Authority | 2,435 | 3,070 | 3,915 | 4,713 | 4,865 | 4,865 | 4,935 | 4,985 | 5,005 |
| 9 United States Railway Association ${ }^{6}$ |  | 3 | 209 | 97 | 98 | 99 | 104 | 109 | 212 |
| 10 Federally sponsored agencies. | 60,040 | 76,662 | 78,634 | 80,561 | 81,189 | 80,770 | 80,889 | 81,321 | 81,047 |
| 11 Federal home loan banks. | 15,362 | 21,890 | 18,900 | 17,061 | 17,122 | 16,807 | 16,811 | 16,805 | 16,587 |
| 12 Federal Home Loan Mortgage Corporation. . | 1,784 | 1,551 | 1,550 | 1,150 | 1,150 | 1,150 | 1,150 | 1,350 | 1,350 |
| 13 Federal National Mortgage Association ..... | 23,002 | 28,167 | 29,963 | 30,685 | 30,656 | 30,413 | 30,565 | 30,394 | 30,143 |
| 14 Federal land banks. | 10,062 | 12,653 | 15,000 | 16,566 | 17,124 | 17,127 | 17,127 | 17,304 | 17,304 |
| 15 Federal intermediate credit banks. | 6,932 | 8,589 | 9,254 | 10,791 | 10,712 | 10,669 | 10,494 | 10,631 | 10,556 |
| 16 Banks for cooperatives. | 2,695 | 3,589 | 3,655 | 3,901 | 4,023 | 4,207 | 4,330 | 4,425 | 4,695 |
| 17 Student Loan Marketing Association ${ }^{\text {7 }}$. . . . . . | 200 | 220 | 310 | 405 | 400 | $r 395$ | 410 | 410 | 410 |
| 18 Other. | 3 | 3 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Memo: <br> 19 Federal Financing Bank debt ${ }^{6,8}$ |  | 4,474 | 17,154 | 25,888 | 26,636 | 27,028 | 28,711 | 29.848 | 30,328 |
| Lending to Federal and Federally sponsored agencies: |  |  |  |  |  |  |  |  |  |
| 20 Export-Import Bank ${ }^{3}$. . . . . . . |  |  | 4,595 | 4,768 | 4,768 | 4,768 | 5,208 | 5,208 | 5,237 |
| 21 Postal Service ${ }^{6}$ |  | 500 | 1,500 | 3,248 | 3,248 | 3,248 | 2,748 | 2,748 | 2,748 |
| 22 Student Loan Marketing Association ${ }^{7}$ |  | 220 | 310 | 405 | 400 | 395 | 410 | 410 | 410 |
| 23 Tennessee Valley Authority. |  | 895 | 1,840 | 2,738 | 2,810 | 2,890 | 3,110 | 3,160 | 3,180 |
| 24 United States Railway Association ${ }^{6}$. |  | 3 | 209 | 97 | 98 | 99 | 104 | 109 | 212 |
| Other lending:9 |  |  |  |  |  |  |  |  |  |
| 25 Farmers Home Administration. |  | 2,500 | 7,000 | 9,650 | 10,250 | 10,250 | 10,750 | 11,450 | 11,450 |
| 26 Rural Electrification Administration |  |  | 566 | 1,514 | 1,573 | 1,674 | 1,768 | 1,509 | 1,584 |
| 27 Others. |  | 356 | 1,134 | 3,468 | 3,489 | 3,704 | 4,613 | 5,254 | 5,507 |

1 Consists of mortgages assumed by the Defense Department between 1957 and 1963 under family housing and homeowners assistance programs. 2 Includes participation certificates reclassified as debt beginning Oct. 1, 1976.
${ }_{3}$ Off-budget Aug. 17, 1974 through Sept. 30, 1976 on-budget thereafter.
${ }_{4}$ Cot-budget Aug. 17, 1974 through Sept. 30, 1976 on-budget thereafter. ministration insurance claims. Once issued, these securities may be sold privately on the securities market.
5 Certificates of participation issued prior to fiscal 1969 by the Government National Mortgage Association acting as trustee for the Farmers Home Administration; Department of Health, Education, and Welfare; Department of Housing and Urban Development; Small Business Administration; and the Veterans Administration.
6 Off-budget.

7 Unlike other Federally sponsored agencies, the Student Loan Marketing Association may borrow from the Federal Financing Bank (FFB) since its obligations are guaranteed by the Department of Health, Education, and Welfare.
8 The FFB, which began operations in 1974, is authorized to purchase or sell obligations issued, sold, or guaranteed by other Federal agencies. Since FFB incurs debt solely for the purpose of lending to other agencies, its debt is not included in the main portion of the table in order to avoid double counting.
9 Includes FFB purchases of agency assets and guaranteed loans; the latter contain loans guaranteed by numerous agencies with the guarantees of any particular agency being generally small. The Farmers Home Administration item consists exclusively of agency assets, while the Rural Electrification Administration entry contains both agency assets and guaranteed loans.
1.47 NEW SECURITY ISSUES State and Local Government and Corporate

Millions of dollars

| Type of issue or issuer, or use |  | 1974 | 1975 | $1976{ }^{+}$ | 1976 |  |  |  |  | $\frac{1977}{\text { Jan. }}$ |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | Aug. ${ }^{\text {r }}$ |  |  | Sept. ${ }^{\text {F }}$ | Oct. ${ }^{r}$ | Nov. | Dec. |  |
|  |  |  | State and local government |  |  |  |  |  |  |  |  |
|  | All issues, new and refunding ${ }^{1}$. | 24,315 | 30,607 | 35,313 | 2,829 | 2,819 | 3,544 | 3,345 | 2,352 | 3,428 |
|  | By type of issue: |  |  |  |  |  |  |  |  |  |
| 2 | General obligation, . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . | 13,563 | 16,020 | 18,040 | 1,295 | 1,265 | 1,973 | 1,529 | 1,176 | 1,866 |
| 3 | Revenue........................... | 10,212 461 | 14,511 | 17,140 | 1,526 | 1,549 | 1,551 | 1,807 | 1,166 | 1,552 |
| 5 | U.S. Govt. loans. . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . | 79 | 76 | 133 | 8 | 5 | 20 | 9 | 10 | 10 |
| ${ }_{6}$ By type of issuer: |  | 4,784 | 7,438 | 7,054 | 669 | 470 | 499 | 537 | 361 | 468 |
| 7 | Special district and statutory authority............... | 8,638 | 12,441 | 15,304 | 1,213 | 1,238 | 1,470 | 1,725 | 1,251 | 1,786 |
| 8 | Municipalities, counties, townships, school districts. . . . | 10,817 | 10,660 | 12,845 | - 941 | 1,105 | 1,553 | 1,074 | , 732 | 1,165 |
| 9 | Issues for new capital, total. | 23,508 | 29,495 | 32,108 | 2,561 | 2,591 | 2,921 | 2,879 | 1,847 | 3,083 |
| 10 By use of procceds: |  | 4,730 | 4,689 | 4,900 | 373 | 356 | 428 |  |  |  |
| 11 | Transportation . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . | 1,712 | 2,208 | 2,586 | 170 | 251 | 332 | 221 | 334 107 | 489 104 |
| 12 | Utilities and conservation........................... . . . . . | 5,634 | 7,209 | 9,594 | 814 | 747 | 632 | 1,333 | 723 | 1,050 |
| 13 | Social welfare. | 3,820 | 4,392 | 6,566 | 714 | 767 | 676 | 574 | 233 | , 483 |
| 14 | Industrial aid. | 7 494 | 445 | 483 | 27 | 31 | 23 | 69 | 63 | 15 |
| 15 | Other purposes. | 7,118 | 10,552 | 7,979 | 463 | 439 | 830 | 331 | 387 | 942 |
|  |  |  |  |  |  | Corporat |  |  |  |  |
| 16 | All issues ${ }^{3}$. | 38,313 | 53,619 | 53,356 | 3,357 | 4,817 | 4,431 | 3,047 | 6,480 | 3,989 |
| 17 | Bonds. | 32,066 | 42,756 | 42,262 | 2,679 | 4,263 | 3,482 | 2,357 | 5,560 | 3,387 |
| 18 By type of offering: |  | 25,903 | 32,583 | 26,453 | 1,565 |  | 2,729 |  |  |  |
| 19 | Private placement. | 6,160 | 10,172 | 15,808 | 1,113 | 2,160 | $\begin{array}{r}2,729 \\ \hline 753\end{array}$ | 1,256 | 2,568 $\mathbf{2 , 9 9 2}$ | 2,786 601 |
| 20 By industry group: |  |  |  |  |  |  |  |  |  |  |
|  |  | 9,867 1,845 | 16,980 | 13,243 | 749 319 | 670 | 1,261 | 501 | 2,275 | 817 |
| 21 | Commercial and miscellaneous. | 1,845 | 2,750 | 4,361 | 319 | , 546 | 77 | 376 | 696 | 743 |
| 22 | Transportation . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . | 1,550 | 3,439 | 4,357 | 48 | 1,212 | 240 | 193 | 564 | 165 |
| 23 | Public utility.. | 8,873 | 9,658 | 8,297 | 663 | 1,118 | 803 | 795 | 560 | 634 |
| 24 | Communication. | 3,710 | 3,464 | 2,787 | 209 | 140 | 155 | 163 | 196 | 50 |
| 25 | Real estate and financial. | 6,218 | 6,469 | 9,222 | 692 | 577 | 946 | 328 | 1,271 | 979 |
| 26 | Stocks. | 6,247 | 10,863 | 11,094 | 678 | 554 | 949 | 690 | 920 | 602 |
| By type: |  |  |  |  |  |  |  |  |  |  |
| 28 | Preferred. | 2,253 | 3,458 | 2,789 | 214 | 136 | 276 | 282 | 308 | 103 |
|  | Common. | 3,994 | 7,405 | 8,305 | 464 | 418 | 673 | 408 | 612 | 499 |
| By industry group: |  |  |  |  |  |  |  |  |  |  |
| 29 | Manufacturing. . . . . . . . . . . . |  | 1,670 | 2,237 | 282 | 83 | 88 | 9 | 110 | 89 |
| 30 | Commercial and miscellaneous. | 940 | 1,470 | 1,183 | 69 | 33 | 73 | 34 | 198 | 136 |
| 31 | Transportation. | 22 | $6{ }^{1}$ | 624 | 13 | 7 |  |  |  |  |
| 32 | Public utility. | 3,964 | 6,235 | 6,101 | 257 | 347 | 611 | 532 | 596 | 352 |
| 33 | Communication . . . . | 217 | 1,002 | 776 | 53 |  |  | 27 |  |  |
| 34 | Real estate and financial. | 562 | 488 | 771 | 54 | 84 | 177 | 88 | 15 | 25 |

1 Par amounts of long-term issues based on date of sale.
2 Only bonds sold pursuant to the 1949 Housing Act, which are secured by contract requiring the Housing Assistance Administration to make annual contributions to the local authority.
${ }_{3}$ annual contributions to the local authority. than 1 year, sold for cash in the United States, are principal amount or number of units multiplied by offering price. Excludes offerings of less
than $\$ 100,000$, secondary offerings, undefined or exempted issues as defined in the Securities Act of 1933, employee stock plans, investment companies other than closed-end, intracorporate transactions, and sales to foreigners.

Sources.-State and local government securities, Securities Industry Association; corporate securities, Securities and Exchange Commission.

### 1.48 CORPORATE SECURITIES Net Change in Amounts Outstanding

Millions of dollars

| Source of change, or industry | 1974 | 1975 | 1976 | 1975 |  |  | 1976 |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  |  | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 |
| All issues ${ }^{1}$ |  |  |  |  |  |  |  |  |  |  |
| 1 New issues. | 39,344 | 53,255 | 53,123 | 15,602 | 9,079 | 13,363 | 13,671 | 14,229 | 11,385 | 13,838 |
| 2 Retirements. | 9,935 | 10,991 | 12,184 | 3,211 | 2,576 | 3,116 | 2,315 | 3,668 | 2,478 | 3,723 |
| 3 Net change. | 29,399 | 42,263 | 40,939 | 12,390 | 6,503 | 10,247 | 11,356 | 10,561 | 8,907 | 10,115 |
| Bonds and notes |  |  |  |  |  |  |  |  |  |  |
| 4 New issues. | 31,354 | 40,468 | 38,994 | 11,460 | 6,654 | 9,595 | 9,404 | 10,244 | 8,701 | 10,645 |
| 5 Retirements | 6,255 | 8,583 | 9,109 | 2,336 | 2,111 | 2,549 | 1,403 | 3,159 | 1,826 | 2,721 |
| 6 Net change: Total. | 25,098 | 31,886 | 29,884 | 9,124 | 4,543 | 7,047 | 8,001 | 7,084 | 6,875 | 7,924 |
| By industry: <br> 7 Manufacturing | 7,404 | 13,219 | 8,978 | 4,574 | 1,442 | 2,069 | 2,966 | 1,529 | 1,551 | 2,932 |
| 8 Commercial and other ${ }^{2}$ | 1,116 | 1,605 | 2,259 | +483 | , 221 | 2,528 | 2, 203 | 1,726 | 1,610 | 2,920 |
| 9 Transportation, including railroad | , 341 | 2,165 | 3,078 | 429 | 147 | 1,588 | 985 | 488 | 1,092 | 513 |
| 10 Public utility... | 7,308 | 7,236 | 6,829 | 1,977 | 1,395 | 1,211 | 1,820 | 1,260 | 2,109 | 1,640 |
| 11 Communication. | 3,499 | 2,980 | 1,687 | 810 | 472 | 429 | 498 | 953 | 335 | -99 |
| 12 Real estate and financial | 5,428 | 4,682 | 7,054 | 852 | 866 | 1,222 | 1,530 | 2,128 | 1,178 | 2,218 |
| Common and preferred stock |  |  |  |  |  |  |  |  |  |  |
| 13 New issues. | 7,980 | 12,787 | 14,129 | 4,142 | 2,425 | 3,768 | 4,267 | 3,985 | 2,684 | 3,193 |
| 14 Retirements. | 3,678 | 2,408 | 3,075 | 875 | 465 | 567 | 912 | 509 | 652 | 1,002 |
| 15 Net change: Total. | 4,302 | 10,377 | 11,055 | 3,266 | 1,960 | 3,200 | 3,355 | 3,477 | 2,032 | 2,191 |
| By industry: |  |  |  |  |  |  |  |  |  |  |
| 16 Manufacturing. | 17 | 1,607 | 2,634 | 500 | 412 | 433 | 838 | 1,120 | 744 | -68 |
| 17 Commercial and other ${ }^{2}$. | -135 | 1,137 | 762 | 490 | 108 | 462 | 88 | 318 | 117 | 239 |
| 18 Transportation, including railroad. | -20 | 6. 65 | -96 | $\begin{array}{r}7 \\ \hline\end{array}$ | 53 | 4 | ${ }_{17}^{5}$ | 25 | 17 | 49 |
| 19 Public utility. | 3,834 | 6,015 | 6,171 | 1,866 | 1,043 | 1,537 | 2,174 | 1,300 | 932 | 1,765 |
| 20 Communication...... | 398 | 1,084 | 854 | 359 | 97 | 604 | 47 | -735 | 19 | 1,73 |
| 21 Real estate and financial | 207 | 468 | 538 | 43 | 247 | 160 | 203 | -21 | 203 | 153 |

${ }^{1}$ Excludes issues of investment companies.
${ }^{2}$ Extractive and commercial and miscellaneous companies.
Note.-Securities and Exchange Commission estimates of cash transactions only, as published in the Commission's Statistical Bulletin.

New issues and retirements exclude foreign sales and include sales of securities held by affiliated companies, special offerings to employees, new stock issues and cash proceeds connected with conversions of bonds into stocks. Retirements, defined in the same way, include securities retired with internal funds or with proceeds of issues for that purpose.

### 1.49 OPEN-END INVESTMENT COMPANIES Net Sales and Asset Position

Millions of dollars

| Item |  | 1975 | 1976 | 1976 |  |  |  | 1977 |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | Sept. |  | Oct. | Nov. | Dec. | Jan. | Feb. | Mar. |
|  | INVESTMENT COMPANIES excluding money market funds |  |  |  |  |  |  |  |  |  |  |
| 1 | Sales of own shares ${ }^{1}$. | 3,302 | 4,226 | 338 | 378 | 446 | 661 | 655 | 423 | 463 |
| 2 | Redemptions of own shares ${ }^{2}$ | 3,686 | 6,802 | 573 | 450 | 419 | 628 | 628 | 463 | 553 |
| 3 | Net sales... . . . . . . . . . . . . . . | -384 | 2,496 | -235 | -72 | 27 | 33 | 141 | -40 | -90 |
| 4 | Assets ${ }^{3}$. | 42,179 | 47,537 | 46,138 | 44,858 | 45,369 | 47,537 | 45,760 | ${ }^{\text {r }} \mathbf{4 5 , 0 4 0}$ | 44,516 |
| 5 | Cash position ${ }^{4}$ | 3,748 | 2,747 | 2,507 | 2,434 | 2,635 | 2,747 | 2,958 | r3,260 $-41,780$ | 3,474 |
| 6 | Other. | 38,431 | 44,790 | 43,631 | 42,424 | 42,734 | 44,790 | 42,802 | ${ }^{\text {r }} 41,780$ | 41,042 |

${ }^{1}$ Includes reinvestment of investment income dividends. Excludes reinvestment of capital gains distributions and share issue of conversion from one fund to another in the same group.

2 Excludes share redemption resulting from conversions from one fund to another in the same group.
${ }^{3}$ Market value at end of period, less current liabilities.
${ }^{4}$ Also includes all U.S. Govt. securities and other short-term debt securities.

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.

### 1.50 CORPORATE PROFITS AND THEIR DISTRIBUTION

Billions of dollars; quarterly data are at seasonally adjusted annual rates.

| Account | 1974 | 1975 | 1976 | 1975 |  |  | 1976 |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  |  | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 ${ }^{\text {r }}$ |
| 1 Profits before tax. | 127.6 | 114.5 | $r 147.9$ | 105.8 | 126.9 | 131.3 | 141.1 | 146.2 | 150.2 | 154.2 |
| 2 Profits tax liability | 52.4 | 49.2 | 64.4 | 44.8 | 54.8 | 57.2 | 61.4 | 63.5 | 65.1 | 67.4 |
| 3 Profits after tax... | 75.2 | 65.3 | $r 83.5$ | 61.0 | 72.1 | r74.1 | 79.7 | 82.7 | 85.1 | 86.8 |
| 4 Dividends. | 30.8 | 32.1 | 35.2 | 31.9 | 32.6 | 32.2 | 33.1 | 34.4 | 35.4 | 37.7 |
| 5 Undistributed profits | 44.4 | 33.2 | ${ }^{\text {r }} 48.3$ | 29.1 | 39.5 | r41.9 | 46.6 | 48.3 | 49.7 | 49.1 |
| 6 Capital consumption allowances. | 81.6 | 89.4 | 97.3 | 87.9 | 90.5 | 92.9 | 94.3 | 96.2 | 98.2 | 100.5 |
| 7 Net cash flow................. | 126.0 | 122.6 | ${ }^{\text {r }} 145.6$ | 117.0 | 130.0 | ${ }^{r} 134.8$ | 140.9 | 144.5 | 147.9 | 149.6 |

Source.--U.S. Dept. of Commerce, Survey of Current Business.

### 1.51 NONFINANCIAL CORPORATIONS Current Assets and Liabilities <br> Billions of dollars, end of period


${ }^{1}$ Receivables from, and payables to, the U.S. Govt. exclude amounts offset against each other on corporations' books.

Source.-Securities and Exchange Commission estimates published in the Commission's Statistical Bulletin.

### 1.52 BUSINESS EXPENDITURES on New Plant and Equipment

Billions of dollars; quarterly data are at seasonally adjusted annual rates.

| Industry |  | 1975 | 1976 | 1975 |  | 1976 |  |  |  | 1977 |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | Q3 |  | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 ${ }^{2}$ |
|  | All industries . |  | 112.75 | 120.82 | 112.16 | 111.80 | 114.72 | 118.12 | 122.55 | 125.22 | 129.19 | 132.71 |
| 2 | Manufacturing Durable goods industries. | 21.88 | 23.50 | 21.01 | 21.07 | 21.63 | 22.54 | 24.59 | 25.50 | 25.33 | 26.77 |
| 3 | Nondurable goods industries. | 26.13 | 29.22 | 26.38 | 25.75 | 27.58 | 28.09 | 30.20 | 28.93 | 30.84 | 31.13 |
|  | Nonmanufacturing |  |  |  |  |  |  |  |  |  |  |
| 4 | Mining. ........ | 3.80 | 3.98 | 3.82 | 3.82 | 3.83 | 3.83 | 4.21 | 4.13 | 4.26 | 4.16 |
| 5 | Transportation: | 2.56 | 2.35 | 2.75 | 2.39 | 2.08 | 2.64 | 2.69 | 2.63 | 2.37 | 2.68 |
| 6 | Air... | 1.87 | 1.31 | 2.12 | 1.65 | 1.18 | 1.44 | 1.12 | 1.41 | 1.76 | 1.45 |
|  | Other. | 3.03 | 3.56 | 2.99 | 3.56 | 3.29 | 4.16 | 3.44 | 3.49 | 2.87 | 2.45 |
|  | Public utilities: |  |  |  |  |  |  |  |  |  |  |
| 8 | Electric. . | 16.99 | 18.90 | 16.58 | 17.92 | 18.56 | 18.82 | 18.22 | 19.49 | 20.44 | 21.96 |
| 9 | Gas and other | 3.14 | 3.47 | 3.21 | 3.00 | 3.36 | 3.03 | 3.45 | 3.96 | 4.08 | 4.24 |
| 10 | Communication. | 12.76 | 12.93 | 12.95 | 12.22 | 12.54 | 12.62 | 13.64 | 14.30 | \} 37.25 | 37.87 |
| 11 | Commercial and other | 20.61 | 20.87 | 20.34 | 20.44 | 20.68 | 20.94 | 20.99 | 21.36 |  | 37.87 |

${ }^{1}$ Includes trade, service, construction, finance, and insurance.
2 Anticipated by business.
Note.-Estimates for corporate and noncorporate business, excluding
agriculture; real estate operators; medical, legal, educational, and cultural service; and nonprofit organizations.

Source.-U.S. Dept. of Commerce, Survey of Current Business.

### 1.53 MORTGAGE MARKETS

Millions of dollars, except as noted

| Item |  | 1974 | 1975 | 1976 | 1976 |  |  | 1977 |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | Oct. |  |  | Nov. | Dec. | Jan. | Feb. | Mar. |
|  |  |  | Terms and yields in primary and secondary markets |  |  |  |  |  |  |  |  |
|  | PRIMARY MARKETS |  |  |  |  |  |  |  |  |  |
| Conventional mortgages on new homes Terms: 1 |  |  |  |  |  |  |  |  |  |  |
| 1 | Purchase price (thous. dollars)... | 40.1 | 44.6 | 48.4 | 49.0 | 48.6 | 51.0 | 52.5 | ${ }^{\text {r }} 53.1$ | 53.8 |
| 2 | Amount of loan (thous. dollars). . . . . . . . . . | 29.8 | 33.3 | 35.9 | 36.2 | 36.0 | 37.1 | 39.0 | r39.3 | 40.9 |
| 3 | Loan/price ratio (per cent). . . . | 74.3 | 74.7 | 74.2 | 75.3 | 75.6 | 74.7 | 76.3 | r 75.8 | 77.5 |
| 4 | Maturity (years).......... | 26.3 | 26.8 | 27.2 | 28.0 | 27.0 | 27.7 | 28.2 | r27.8 | 28.0 |
| 5 | Fees and charges (per cent of loan amount) ${ }^{\text {2 }}$. | 1.30 | 1.54 | 1.44 | 1.38 | 1.36 | 1.38 | 1.38 | $r 1.31$ | 1.34 |
| 6 | Contract rate (per cent per annum) . . . . . . | 8.71 | 8.75 | 8.76 | 8.85 | 8.83 | 8.87 | 8.82 | $r 8.78$ | 8.74 |
| 7 | Yield (per cent per annum): FHLBB series ${ }^{3}$. | 8.92 | 9.01 | 8.99 | 9.07 | 9.05 | 9.10 | 9.05 | r8.99 |  |
| 8 |  | 9.22 | 9.10 | 8.99 | 9.00 | 8.95 | 8.90 | 8.80 | 8.80 | 8.85 |
|  | SECONDARY MARKETS |  |  |  |  |  |  |  |  |  |
| 9 | Yields (per cent per annum) on- |  |  |  |  |  |  |  |  |  |
| 10 | GNMA securities ${ }^{6}$. ${ }^{\text {F }}$. | 8.75 | 8.19 | 8.82 | 8.85 | 8.45 | 8.25 | 8.85 | 8.50 | 8.58 |
|  | FNMA auctions: ${ }^{\circ}$ |  |  | 8.1 | 7.98 | 7.93 | 7.59 | 7.8 | 7.98 | 8.06 |
| $\begin{aligned} & 11 \\ & 12 \end{aligned}$ | Government-underwritten loans . . . . . . . | c9.55 | ${ }^{c 9} 9.26$ | 8.92 | 8.75 | 8.66 | 8.45 | 8.48 | 8.55 | 8.68 |
|  | Conventional loans. | c9.65 | c9.38 | 9.12 | 9.05 | 9.00 | 8.84 | 8.82 | 8.86 | 8.91 |
|  |  | Activity in secondary markets |  |  |  |  |  |  |  |  |
| FEDERAL NATIONAL MORTGAGE ASSOCIATION |  |  |  |  |  |  |  |  |  |  |
| Mortgage holdings at end of period: |  |  |  |  |  |  |  |  |  |  |
| 13 | Total.... . . . . . . . . . . . . . . . . . . | 29,578 | 31,824 | 32,904 | 32,019 | 32,929 | 32,904 | 32,848 | 32,792 | 32,830 |
| 14 | FHA-insured. | 19,189 | 19,732 | 18,916 | 19,077 | 18,986 | 18,916 | 18,854 | 18,771 | 18,739 |
| 15 | VA-guaranteed | 8,310 | 9,573 | 9,212 | 9,314 | 9,264 | 9,212 | 9,162 | 9,115 | 9.099 |
| 16 | Conventional. | 2,080 | 2,519 | 4,776 | 3,628 | 4,679 | 4,776 | 4,833 | 4,906 | 4.992 |
|  | Mortgage transactions during period: |  |  |  |  |  |  |  |  |  |
| 17 | Purchases. | 6,953 | 4,263 | 3,606 | 162 | 1,131 | 191 | 141 | 150 | 283 |
|  |  |  |  |  |  |  |  |  |  |  |
| 19 | Contracted during period... | 10,765 | 6,106 | 6,247 | 480 | 615 | 290 | 1,180 | 968 | 1,119 |
| 20 | Outstanding at end of period. | 7,960 | 4,126 | 3,398 | 3,672 | 3,649 | 3,398 | 4,142 | 4,707 | 5,184 |
| Auction of 4-month commitments to buy-Government-underwritten loans: |  |  |  |  |  |  |  |  |  |  |
| 21 | Offered 9 . | 5,492.7 | 7,042.8 | 4,929.8 | 235.5 | 494.1 | 56.9 | 747.4 | 868.4 | 1,138.2 |
|  | Accepted. | 2,371.4 | 3,848.3 | 2,787.2 | 107.1 | 221.1 | 41.5 | 549.1 | 484.7 | 612.0 |
| 23 | Conventional loans: Offered 9 . ${ }^{\text {a }}$..... | 1,206.8 | 1,401.1 | 2,595.7 | 297.5 | 353.3 | 150.2 | 326.8 | 300.0 | 373.9 |
| 24 | Accepted | 1,256.4 | 1,765.2 | 1,879.3 | 215.8 | 296.9 | 135.4 | 238.3 | 235.8 | 268.1 |
| FEDERAL HOME LOAN MORTGAGE CORPORATION |  |  |  |  |  |  |  |  |  |  |
| Mortgage holdings at end of period:10 |  |  |  |  |  |  |  |  |  |  |
| 25 | Total.. . . . . . . . . . . . . . | 4,586 | 4,987 | 4,269 | 4,190 | 4,162 | 4,269 | 3,896 | 3,672 | 3,557 |
| 26 | FHA/VA.... | 1,904 | 1,824 | 1,618 | 1,660 | 1,638 | 1,618 | 1,594 | 1,580 | 1,564 |
| 27 | Conventional. | 2,682 | 3,163 | 2,651 | 2,530 | 2,523 | 2,651 | 2,302 | 2,092 | 1,993 |
| Mortgage transactions during period: $\quad 1710$ |  |  |  |  |  |  |  |  |  |  |
| 28 | Purchases. | 2,191 | 1,716 | 1,175 | 78 | 101 | 208 | 16 | 98 | 200 |
| 29 | Sales. | 52 | 1,020 | 1,396 | 116 | 91 | 60 | 51 | 290 | 285 |
| Mortgage commitments: ${ }^{11}$ |  |  |  |  |  |  |  |  |  |  |
| 30 | Contracted during period.... | 4,553 | 982 | 1,477 | 171 | 245 | 105 | 250 | 170 | 459 |
| 31 | Outstanding at end of period. | 2,390 | 111 | 333 | 326 | 452 | 333 | 462 | 533 | 760 |

1 Weighted averages based on sample surveys of mortgages originated by major institutional lender groups. Compiled by the Federal Home Loan Bank Board in cooperation with the Federal Deposit Insurance Corporation.
${ }^{2}$ Includes all fees, commissions, discounts, and "points" paid (by the borrower or the seller) in order to obtain a loan.
${ }^{3}$ Average effective interest rates on loans closed, assuming prepayment at the end of 10 years.

4 Average contract rates on new commitments for conventional first mortgages, rounded to the nearest 5 basis points; from Dept. of Housing and Urban Development.
5 Average gross yields on 30 -year, minimum-downpayment, Federal Housing Administration-insured first mortgages for immediate delivery in the private secondary market. Any gaps in data are due to periods of adjustment to changes in maximum permissible contract rates.
${ }^{6}$ Average net yields to investors on Government National Mortgage Association-guaranteed, mortgage-backed, fully-modified pass-through
securities, assuming prepayment in 12 years on pools of 30-year FHA/VA mortgages carrying the prevailing ceiling rate. Monthly figures are unweighted averages of Monday quotations for the month.

7 Average gross yields (before deduction of 38 basis points for mortgage servicing) on accepted bids in Federal National Mortgage Association's auctions of 4-month commitments to purchase home mortgages, assuming prepayment in 12 years for 30 -year mortgages. No adjustments are made for FNMA commitment fees or stock related requirements. Monthly figures are unweighted averages for auctions conducted within the month.
${ }^{8}$ Includes some multifamily and nonprofit hospital loan commitments in addition to 1 - to 4 -family loan commitments accepted in FNMA's free market auction system, and through the FNMA-GNMA Tandem plans.

9 Mortgage amounts offered by bidders are total bids received
10 Includes participations as well as whole loans.
11 Includes conventional and Government-underwritten loans.

### 1.54 MORTGAGE DEBT OUTSTANDING

Millions of dollars

| Type of holder, and type of property |  | End of year |  |  |  | End of quarter |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | 1972 | 1973 | 1974 | 1975 | 1976 |  |  | 1977 |
|  |  | Q2 |  |  |  | Q3 | Q4 | Q4 |
| 1 | All holders. |  | 603,417 | 682,321 | 742,504 | r801,640 | r841,694 | -866,283 | r889,465 | 911,666 |
| 2 | 1- to 4-family | 372,793 | 416,883 | 449,937 | r491,568 | r 522,734 | r 542,170 | r559,255 | 575,318 |
| 3 | Multifamily.. | 82,572 | 92,877 | 99,851 | r 100,471 | r101,216 | r101,566 | r101,958 | 103,028 |
| 4 | Commercial | 112,294 | 131,308 | 146,428 | r158,724 | r163,616 | +166,695 | r170,753 | 174,049 |
| 5 | Farm.... | 35,758 | 41,253 | 46,288 | r50,877 | r54,128 | r55,852 | -57,499 | 59,271 |
| 6 | Major financial institutions. | 450,000 | 505,400 | 542,552 | 581,296 | r 611,802 $r$ | r630,241 | ${ }^{\text {r }} \mathbf{6 4 7 , 3 1 4}$ | 662,023 |
| 7 | Commercial banks ${ }^{1}$. . . . | 99,314 | 119,068 | 132,105 | 136,186 | r 143,699 | r/47,636 | r150,869 | 154,007 |
| 8 | 1- to 4-family... | 57,004 | 67,998 | 74,758 | 77,018 | r82,900 | r86,013 | r87,897 | 89,725 |
| 9 | Multifamily. | 5,778 | 6,932 | 7,619 | 5,915 | r6,107 | r6,201 | r6,336 | 6,468 |
| 10 | Commercial | 31,751 | 38,696 | 43,679 | 46,882 | ${ }^{r} 48,125$ | r48,749 | r 49,817 | 50,853 |
| 11 | Farm. . | 4,781 | 5,442 | 6,049 | 6,371 | r6,567 | '6,673 | r6,819 | 6,961 |
| 12 | Mutual savings banks | 67,556 | 73,230 | 74,920 | 77,249 | $r 78,838$ | r80,249 | r81,734 | 82,494 |
| 13 | 1-to 4-family.... | 46,229 | 48,811 | 49,213 | 50,025 | r51,326 | r52,250 | r53,217 | 53,712 |
| 14 | Multifamily. | 10,910 | 12,343 | 12,923 | 13,792 | r13,674 | r13,915 | r14,173 | 14,304 |
| 15 | Commercial | 10,355 | 12,012 | 12,722 | 13,373 | r13,780 | r14,028 | r14,287 | 14,420 |
| 16 | Farm. | 62 | 64 | 62 | , 59 | r58 | r56 | ${ }^{2} 57$ | 58 |
| 17 | Savings and loan associations. | 206,182 | 231,733 | 249,2933 | 278,693 | 299,574 | 312,139 | 323,130 | 333,623 |
| 18 | 1- to 4-family . . . . . . . | 167,049 | 187,750 | 201,553 | 224,710 | 241,996 | 252,521 | 261,732 | 270,235 |
| 19 | Multifamily. | 20,783 | 22,524 | 23,683 | 25,417 | 26,722 | 27,468 | 28,116 | 29,025 |
| 20 | Commercial | 18,350 | 21,459 | 24,057 | 28,566 | 30,856 | 32,150 | 33,282 | 34,363 |
| 21 22 |  | 76,948 22,315 | 81,369 20,426 | 86,234 19,026 | 89,168 17,590 | 89,691 | 90,217 | 91,581 | 91,899 15,708 |
| 23 | Multifamily | 17,347 | 18,451 | 19,625 | 19,629 | 19,374 | 16,458 | r16,108 r19,201 | 19,191 |
| 24 | Commercial | 31,608 | 36,496 | 41,256 | 45,196 | 46,456 | 47,322 | r48,854 | 49,362 |
| 25 | Farm. | 5,678 | 5,996 | 6,327 | 6,753 | 7,000 | 7,181 | r7,418 | 7,638 |
| 26 | Federal and related agencies. | 40,157 | 46,721 | 58,320 | 66,891 | 66,033 | 67,314 | '66,753 | 67,117 |
| 27 | Government National Mortgage Assn. | 5,113 | 4,029 | 4,846 | 7,438 | 5,557 | 5,068 | 4,241 | 4,004 |
| 28 | 1- to 4-family. . . . | 2,513 | 1,455 | 2,248 | 4,728 | 3,165 | 2,486 | 1,970 | 1,682 |
| 29 | Multifamily... | 2,600 | 2,574 | 2,598 | 2,710 | 2,392 | 2,582 | 2,271 | 2,322 |
| 30 | Farmers Home Admin. | 1,019 | 1,366 | 1,432 | 1,109 | 830 | 1,355 | 1,064 | 1,378 |
| 31 | 1- to 4 -family. | 279 | 743 | 759 | , 208 | 228 | 1,754 | , 454 | 657 |
| 32 | Multifamily. | 29 | 29 | 167 | 215 | 46 | 143 | 218 | 328 |
| 33 | Commercial | 320 | 218 | 156 | 190 | 151 | 133 | 72 | 92 |
| 34 | Farm. | 391 | 376 | 350 | 496 | 405 | 325 | 320 | 301 |
| 35 | Federal Housing and Veterans Admin. | 3,338 | 3,476 | 4,015 | 4,970 | 5,111 | 5,092 | 5,150 | 5,406 |
| 36 | 1- to 4-family. | 2,199 | 2,013 | 2,009 | 1,990 | 1,781 | 1,716 | 1,676 | 1,732 |
| 37 | Multifamily... | 1,139 | 1,463 | 2,006 | 2,980 | 3,330 | 3,376 | 3,474 | 3,674 |
| 38 | Federal National Mortgage Assn. | 19,791 | 24,175 | 29,578 | 31,824 | 32,028 | 32,962 | 32,904 | 32,830 |
| 39 | 1- to 4-family. . . . . . . . . . . . . | 17,697 | 20,370 | 23,778 | 25,813 | 26,112 | 27,030 | 26,934 | 26,836 |
| 40 | Multifamily. | 2,094 | 3,805 | 5,800 | 6,011 | 5,916 | 5,932 | 5,970 | 5,994 |
| 41 | Federal land banks. | 9,107 | 11,071 | 13,863 | 16,563 | 17,978 | 18,568 | r19,125 | 19,942 |
| 42 | 1- to 4-family. | 13 | , 123 | , 406 | , 549 | , 575 | 17586 | ${ }^{r} 601$ | 611 |
| 43 | Farm. . . . . | 9,094 | 10,948 | 13,457 | 16,014 | 17,403 | 17,982 | 18,524 | 19,331 |
| 44 | Federal Home Loan Mortgage Corp.. | 1,789 | 2,604 | 4,586 | 4,987 | 4,529 | 4,269 | 4,269 | 3,557 |
| 45 | 1- to 4-family. . . . . . . . | 1,754 | 2,446 | 4,217 | 4,588 | 4,166 | 3,917 | 3,889 | 3,200 |
| 46 | Multifamily. | 35 | 158 | 369 | 399 | 363 | 352 | 380 | 357 |
| 47 | Mortgage pools or trusts ${ }^{2}$. | 14,404 | 18,040 | 23,799 | 34,138 | 41,225 | 44,960 | 49,801 | 54,811 |
| 48 | Government National Mortgage Assn. | 5,504 | 7,890 | 11,769 | 18,257 | 23,634 | 26,725 | 30,572 | 34,260 |
| 49 | 1- to 4-family.. | 5,353 | 7,561 | 11,249 | 17,538 | 22,821 | 25,841 | 29,583 | 33,190 |
| 50 | Multifamily. | 151 | 329 | 520 | 719 | 813 | 884 | 989 | 1,070 |
| 51 | Federal Home Loan Mortgage Corp. | 441 | 766 | 757 | 1,598 | 2,153 | 2,506 | 2,671 | 3,570 |
| 52 | 1- to 4-family. . . . . . . . . . . . . . . | 331 | 617 | 608 | 1,349 | 1,831 | 2,141 | 2,282 | 3,112 |
| 53 | Multifamily.. | 110 | 149 | 149 | 249 | 322 | , 365 | 389 | 458 |
| 54 | Farmers Home Admin. | 8,459 | 9,384 | 11,273 | 14,283 | 15,438 | 15,729 | 16,558 | 16,981 |
| 55 | 1- to 4-family. | 5,017 | 5,458 | 6,782 | 9,194 | 9,670 | 9,587 | 10,219 | 10,423 |
| 56 | Multifamily. | 131 | 138 | 116 | 295 | 541 | . 535 | , 532 | -530 |
| 57 | Commercial. | 867 | 1,124 | 1,473 | 1,948 | 2,104 | 2,291 | 2,440 | 2,560 |
| 58 | Farm. | 2,444 | 2,664 | 2,902 | 2,846 | 3,123 | 3,316 | 3,367 | 3,468 |
| 59 | Individuals and others ${ }^{3}$. | 98,856 | 112,160 | 117,833 | r119,315 | ${ }^{r} 122,634$ | -123,768 | r125,597 | 127,715 |
| 60 | 1- to 4-family. | 45,040 | 51,112 | 53,331 | r56,268 | r59,302 | r60,870 | r62,693 | 64,495 |
| 61 | Multifamily. | 21,465 | 23,982 | 24,276 | r22,140 | r21,616 | r20,557 | r19,909 | 19,307 |
| 62 | Commercial. | 19,043 | 21, 303 | 23,085 | r22,569 | r22,144 | r22,022 | r22,001 | 22,399 |
| 63 | Farm. | 13,308 | 15,763 | 17,141 | r18,338 | r 19,572 | r20,319 | r20,994 | 21,514 |

[^66]1.55 CONSUMER INSTALMENT CREDIT Total Outstanding, and Net Change

Millions of dollars

${ }^{1}$ Excludes 30 -day charge credit held by retailers, oil and gas companies, and travel and entertainment companies.
2 Mutual savings banks, savings and loan associations, and auto dealers.
${ }^{3}$ Net change equals extensions minus liquidations (repayments, charge offs, and other credits); figures for all months are seasonally adjusted.

NoTE,-Total consumer noninstalment credit outstanding-credit scheduled to be repaid in a lump sum, including single-payment loans, charge accounts, and service credit-amounted to $\$ 39.0$ billion at the end of $1976, \$ 35.0$ billion at the end of 1975 , and $\$ 33.4$ billion at the end of 1974. Comparable data for Dec. 31, 1977, will be published in the Bulletin for February 1978.

### 1.56 CONSUMER INSTALMENT CREDIT Extensions and Liquidations

Millions of dollars


[^67]Billions of dollars; half-year data are at seasonally adjusted annual rates.


### 1.58 DIRECT AND INDIRECT SOURCES OF FUNDS TO CREDIT MARKETS

Billions of dollars, except as noted; half-year data are at seasonally adjusted annual rates.


Notes by line no.

1. Line 2 of p. A-44.
2. Sum of lines 3-6 or 7-10.
3. Includes farm and commercial mortgages.
4. Credit market funds raised by Federally sponsored credit agencies, and net issues of Federally related mortgage pool securities. Included below in lines 3,13 , and 33 .
5. Line 1 less line 2 plus line 11 . Also line 19 less line 26 plus line 32 . Also sum of lines $27,32,39$, and 44.
6. Includes farm and commercial mortgages.
7. Lines 39 plus 44 .
8. Excludes equity issues and investment company shares. Includes line 18.
9. Foreign deposits at commercial banks, bank borrowings from foreign branches, and liabilities of foreign banking agencies to foreign affiliates.
10. Demand deposits at commercial banks.
11. Excludes net investment of these reserves in corporate equities.
12. Mainly retained earnings and net miscellaneous liabilities.
13. Line 12 less line 19 plus line 26.

33-37. Lines 13-17 less amounts acquired by private finance. Line 37 includes mortgages.
45. Mainly an offset to line 9.
46. Lines 32 plus 38 or line 12 less line 27 plus line 45.
47. Line $2 /$ line 1.
48. Line $19 /$ line 12.
49. Lines 10 plus 28.

50, 52. Includes issues by financial institutions.
Note.-Full statements for sectors and transaction types quarterly and annually for flows and for amounts outstanding, may be obtained from Flow of Funds Section, Division of Research and Statistics, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

### 2.10 NONFINANCIAL BUSINESS ACTIVITY Selected Measures

$1967=100$; monthly and quarterly data are seasonally adjusted. Exceptions noted.

${ }^{1}$ Ratios of indexes of production to indexes of capacity. Based on data from Federal Reserve, McGraw-Hill Economics Department, and Department of Commerce.
2 Index of dollar value of total construction contracts, including residential, nonresidential, and heavy engineering, from McGraw-Hill Informations Systems Company, F. W. Dodge Division
${ }^{3}$ Based on data in Employment and Earnings (U.S. Dept. of Labor).
Series covers employees only, excluding personnel in the Armed Forces.
4 Based on data in Survey of Current Business (U.S. Dept. of Commerce). Series for disposable income is quarterly.
${ }^{5}$ Based on Bureau of Census data published in Survey of Current Business (U.S. Dept. of Commerce).
6 Data without seasonal adjustment, as published in Monthly Labor Review (U.S. Dept. of Labor). Seasonally adjusted data for changes in the price indexes may be obtained from the Bureau of Labor Statistics, U.S. Dept. of Labor.

Note.-Basic data (not index numbers) for series mentioned in notes 3,4 , and 5 , and indexes for series mentioned in notes 2 and 6 may also be found in the Survey of Current Business (U.S. Dept. of Commerce).

### 2.11 OUTPUT, CAPACITY, AND CAPACITY UTILIZATION

Seasonally adjusted


### 2.12 LABOR FORCE, EMPLOYMENT, AND UNEMPLOYMENT

Thousands of persons; monthly data are seasonally adjusted; except as noted.


[^68]
### 2.13 INDUSTRIAL PRODUCTION

(1967 $=100$ ) except as noted; monthly data are seasonally adjusted.

| Grouping |  | 1967 <br> pro-portion | 1976 average | 1976 |  |  |  |  | 1977 |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | Feb. |  | Mar. | Apr. | Nov. | Dec. | Jan. | Feb. | Mar. | Apr. |
|  |  |  | Major market groupings |  |  |  |  |  |  |  |  |  |  |
| 1 | Total index. | 100.00 | 129.8 | 127.3 | 128.1 | 128.4 | 131.8 | 133.1 | 132.1 | 133.2 | 135.0 | 136.1 |
| 2 | Products | 60.71 | 129.3 | 127.4 | 128.1 | 128.0 | 131.7 | 133.8 | 133.1 | 133.8 | 135.2 | 135.8 |
| 3 | Final products | 47.82 | 127.3 | 125.3 | 126.4 | 126.3 | 129.8 | 132.1 | 130.8 | 131.7 | 133.4 | 134.1 |
| 4 | Consumer goods | 27.68 | 136.8 | 134.9 | 136.1 | 136.1 | 139.1 | 142.0 | 140.2 | 141.1 | 143.3 | 143.8 |
| 5 | Equipment. | 20.14 | 114.3 | 112.1 | 112.9 | 112.9 | 116.9 | 118.6 | 117.8 | 118.6 | 119.5 | 120.8 |
| 6 | Intermediate products | 12.89 | 136.8 | 135.3 | 134.9 | 134.7 | 138.8 | 139.8 | 141.8 | 141.7 | 141.4 | 142.1 |
| 7 | Materials. . . . . . . | 39.29 | 130.5 | 127.3 | 128.2 | 129.2 | 131.9 | 131.9 | 130.7 | 132.6 | 134.7 | 136.3 |
| Consumer goods |  |  |  |  |  |  |  |  |  |  |  |  |
| 8 | Durable consumer goods. | 7.89 | 141.5 | 137.9 | 140.4 | 141.1 | 143.7 | 151.2 | 145.1 | 146.1 | 153.8 | 153.4 |
| 9 | Automotive products. | 2.83 | 154.8 | 148.9 | 155.1 | 155.2 | 161.6 | 180.4 | 164.0 | 161.6 | 180.0 | 176.3 |
| 10 | Autos and utility vehicles | 2.03 | 149.9 | 142.0 | 149.5 | 152.1 | 154.6 | 180.1 | 155.8 | 152.7 | 177.1 | 171.2 |
| 11 | Autos... | 1.90 | 132.0 | 125.8 | 133.6 | 134.3 | 139.1 | 159.8 | 136.9 | 132.8 | 155.8 | 150.6 |
| 12 | Auto parts and allied goods | . 80 | 167.2 | 166.5 | 169.5 | 163.1 | 179.3 | 181.7 | 184.9 | 184.0 | 187.5 | 189.0 |
| 13 | Home goods. | 5.06 | 134.1 | 131.7 | 132.0 | 133.1 | 133.8 | 134.9 | 134.6 | 137.4 | 139.1 | 140.5 |
| 14 | Appliances, A/C, and | 1.40 | 115.8 | 112.6 | 114.6 | 117.2 | 115.3 | 111.7 | 113.4 | 118.5 | 124.2 | 126.6 |
| 15 | Appliances and TV | 1.33 | 118.6 | 115.2 | 117.1 | 119.6 | 117.6 | 113.8 | 116.0 | 121.1 | 126.7 |  |
| 16 | Carpeting and furniture | 1.07 | 144.1 | 145.6 | 141.4 | 143.0 | 143.6 | 144.7 | 142.7 | 145.9 | 146.6 |  |
| 17 | Misc. home goods. . | 2.59 | 139.9 | 136.3 | 137.9 | 137.8 | 139.9 | 143.6 | 142.8 | 144.1 | 144.0 | 145.0 |
| 18 | Nondurable consumer goods. | 19.79 | 134.9 | 133.9 | 134.4 | 134.0 | 137.1 | 138.4 | 138.3 | 139.0 | 139.1 | 140.0 |
| 19 | Clothing...... | 4.29 | 126.9 | 127.6 | 130.1 | 129.6 | 126.4 | 126.4 | 124.2 | 125.2 |  |  |
| 20 | Consumer staples. | 15.50 | 137.2 | 135.7 | 135.5 | 135.2 | 140.0 | 141.7 | 142.2 | 142.7 | 143.0 | 144.0 |
| 21 | Consumer foods and toba | 8.33 | 130.8 | 129.9 | 129.1 | 128.4 | 132.5 | 132.8 | 132.9 | 134.8 | 135.9 |  |
| 22 | Nonfood staples. | 7.17 | 144.6 | 142.3 | 143.3 | 143.3 | 149.0 | 151.8 | 153.1 | 151.9 | 150.9 | 152.5 |
| 23 | Consumer chemical product | 2.63 | 166.6 | 161.1 | 163.6 | 162.1 | 174.4 | 177.9 | 178.5 | 175.7 | 176.4 |  |
| 24 | Consumer paper products | 1.92 | 113.3 | 113.9 | 113.4 | 114.2 | 113.8 | 117.7 | 117.0 | 113.3 | 115.1 |  |
| 25 | Consumer energy products | 2.62 | 145.4 | 144.3 | 145.0 | 145.9 | 149.0 | 150.9 | 154.1 | 155.9 | 151.5 |  |
| 26 | Residential utilities. | 1.45 |  | 153.7 | 153.7 | 154.5 |  |  |  |  |  |  |
| Equipment |  |  |  |  |  |  |  |  |  |  |  |  |
| 27 | Business equipment.. | 12.63 | 136.1 | 132.6 | 134.0 | 134.1 | 140.2 | 143.2 | 142.0 | 143.0 | 144.6 | 145.7 |
| 28 | Industrial equipment. | 6.77 | 127.9 | 124.0 | 125.6 | 125.3 | 131.3 | 133.5 | 131.4 | 132.6 | 134.6 | 135.8 |
| 29 | Building and mining equip | 1.44 | 177.4 | 171.5 | 172.1 | 170.7 | 181.5 | 187.4 | 187.9 | 191.4 | 195.9 | 198.0 |
| 30 | Manufacturing equipmen | 3.85 | 106.4 | 102.7 | 104.4 | 105.4 | 109.9 | 110.7 | 107.8 | 108.0 | 109.1 | 109.9 |
| 31 | Power equipment. | 1.47 | 135.3 | 133.1 | 135.6 | 132.7 | 138.0 | 140.0 | 137.5 | 139.3 | 141.6 | 142.5 |
| 32 | Commercial transit, farm equip. | 5.86 | 145.5 | 142.4 | 143.7 | 144.6 | 150.5 | 154.4 | 154.5 | 155.0 | 156.3 | 157.2 |
| 33 | Commercial equipment | 3.26 | 173.2 | 166.6 | 168.5 | 170.0 | 179.7 | 185.3 | 185.2 | 185.8 | 186.9 | 188.2 |
| 34 | Transit equipment | 1.93 | 103.8 | 103.7 | 104.7 | 105.6 | 107.6 | 109.1 | 108.4 | 108.7 | 110.6 | 111.5 |
| 35 | Farm equipment. | . 67 | 130.6 | 135.3 | 134.7 | 132.7 | 132.2 | 134.8 | 138.0 | 137.7 | 138.6 |  |
| 36 | Defense and space equipment. | 7.51 | 77.9 | 77.6 | 77.4 | 77.3 | 77.9 | 77.4 | 77.1 | 77.6 | 77.3 | 78.8 |
|  | Intermediate products |  |  |  |  |  |  |  |  |  |  |  |
| 37 | Construction supplies | 6.42 | 132.0 | 129.6 | 128.7 | 128.0 | 135.7 | 135.5 | 136.1 | 135.7 | 136.0 | 136.9 |
| 38 | Business supplies. | 6.47 | 141.5 | 140.9 | 141.2 | 141.3 | 141.7 | 144.2 | 147.3 | 147.4 | 146.7 |  |
| 39 | Commercial energy products. | 1.14 | 156.5 | 154.0 | 157.6 | 156.8 | 155.4 | 156.7 | 162.3 | 165.1 | 164.3 |  |
| Materials |  |  |  |  |  |  |  |  |  |  |  |  |
| 40 | Durable goods materials. | 20.35 | 126.6 | 121.6 | 122.4 | 124.5 | 128.5 | 128.3 | 126.8 | 128.5 | 131.2 | 133.0 |
| 41 | Durable consumer par | 4.58 | 121.6 | 116.7 | 118.5 | 119.2 | 126.2 | 124.7 | 121.5 | 124.2 | 127.6 | 128.7 |
| 42 | Equipment parts. | 5.44 | 133.9 | 127.5 | 128.5 | 130.5 | 137.2 | 138.8 | 135.1 | 137.3 | 137.7 | 138.9 |
| 43 | Durable materials n.e.c. | 10.34 | 125.0 | 120.7 | 121.0 | 123.5 | 124.9 | 124.2 | 124.8 | 125.6 | 129.3 | 131.7 |
| 44 | Basic metal materia | 5.57 | 109.8 | 105.1 | 104.0 | 107.8 | 106.3 | 104.7 | 104.7 | 105.8 | 112.3 |  |
| 45 | Nondurable goods materials. | 10.47 | 146.4 | 145.5 | 146.7 | 146.9 | 147.2 | 146.2 | 144.6 | 150.9 | 151.5 | 154.0 |
| 46 | Textile, paper, and chem. mat. | 7.62 | 151.2 | 150.5 | 152.7 | 152.2 | 151.3 | 150.6 | 148.8 | 155.0 | 156.7 | 159.2 |
| 47 | Textile materials. | 1.85 | 114.4 | 116.2 | 115.5 | 114.1 | 108.8 | 113.6 | 110.6 | 110.4 | 112.4 |  |
| 48 | Paper materials. | 1.62 | 131.1 | 130.0 | 130.1 | 132.1 | 131.0 | 127.6 | 127.6 | 133.5 | 136.8 |  |
| 49 | Chemical materials | 4.15 | 175.5 | 173.9 | 178.0 | 177.2 | 178.3 | 176.3 | 174.2 | 183.3 | 184.3 |  |
| 50 | Containers, nondurable. | 1.70 | 142.6 | 142.2 | 141.3 | 141.9 | 145.9 | 143.8 | 139.5 | 151.3 | 149.5 |  |
| 51 | Nondurable materials n.e.c | 1.14 | 120.0 | 117.3 | 115.1 | 120.4 | 122.2 | 119.7 | 122.6 | 122.4 | 120.8 |  |
| 52 | Energy materials . | 8.48 | 120.3 | 118.8 | 119.6 | 118.8 | 121.7 | 123.1 | 122.6 | 119.9 | 122.5 |  |
| 53 | Primary energy. | 4.65 | 107.0 | 105.4 | 106.2 | 105.0 | 107.1 | 106.6 | 102.9 | 100.1 | 104.9 |  |
| 54 | Converted fuel materials | 3.82 | 136.4 | 135.2 | 136.0 | 135.7 | 139.5 | 143.2 | 146.5 | 143.9 | 143.8 |  |
| Supplementary groups |  |  |  |  |  |  |  |  |  |  |  |  |
| 55 | Home goods and clothing | 9.35 | 130.8 | 129.8 | 131.1 | 131.5 | 130.4 | 131.0 | 129.8 | 131.8 | 132.8 | 133.5 |
| 56 | Energy, total. | 12.23 | 129.0 | 127.5 | 128.6 | 128.2 | 130.7 | 132.2 | 133.0 | 131.7 | 132.6 | 132.1 |
| 57 | Products | 3.76 | 148.8 | 147.1 | 148.8 | 149.3 | 150.9 | 152.7 | 156.5 | 158.7 | 155.4 |  |
| 58 | Materials | 8.48 | 120.3 | 118.8 | 119.6 | 118.8 | 121.7 | 123.1 | 122.6 | 119.9 | 122.5 |  |

For Note see opposite page.

| Grouping |  | SIC code | 1967 <br> pro- <br> por- <br> tion | $\begin{aligned} & 1976 \\ & \text { aver- } \\ & \text { age } \end{aligned}$ | 1976 |  |  |  |  | 1977 |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | Feb. |  |  | Mar. | Apr. | Nov. | Dec. | Jan. | Feb. | Mar. | Apr. |
|  |  |  | Gross value of products in market structure (annual rates, in billions of 1972 dollars) |  |  |  |  |  |  |  |  |  |  |  |
|  | Products, total. |  | 1507.4 | 550.6 | 544.3 | 546.2 | 545.0 | 588.3 | 570.6 | 564.2 | 570.5 | 577.6 | 579.4 |
| 2 | Final products. |  | 1390.9 | 426.2 | 421.7 | 422.9 | 421.8 | 432.2 | 443.9 | 436.5 | 441.6 | 448.6 | 449.6 |
| 3 | Consumer goods |  | 1277.5 | 302.9 | 300.6 | 299.8 | 299.9 | 307.4 | 315.7 | 309.3 | 313.5 | 317.6 | 318.1 |
| 4 | Equipment... |  | 1113.4 | 123.5 | 121.1 | 123.5 | 122.1 | 125.0 | 128.2 | 127.2 | 128.1 | 130.8 | 131.4 |
| 5 | Intermediate products |  | 1116.6 | 124.3 | 122.8 | 122.6 | 123.0 | 126.2 | 126.5 | 127.8 | 128.5 | 128.8 | 129.8 |
|  |  | Major industry groupings |  |  |  |  |  |  |  |  |  |  |  |
| 6 | Mining and utlities |  | 12.05 | 131.9 | 131.5 | 131.6 | 131.2 | 134.1 | 134.8 | 136.1 | 135.6 | 136.4 | 136.7 |
| 7 | Mining. . . . . . |  | 6.36 | 114.1 | 112.7 | 113.9 | 113.5 | 116.2 | 116.2 | 113.2 | 114.3 | 118.8 | 118.5 |
| 8 | Utilities. |  | 5.69 | 151.7 | 152.5 | 151.4 | 150.8 | 154.0 | 155.5 | 161.5 | 159.3 | 156.2 | 157.0 |
| 9 | Electric |  | 3.88 |  | 168.7 | 167.3 | 165.7 |  |  |  |  |  |  |
| 10 | Manufacturing |  | 87.95 | 129.4 | 127.0 | 127.9 | 128.5 | 131.9 | 132.8 | 131.5 | 132.9 | 134.8 | 135.9 |
| 11 | Nondurable |  | 35.97 | 141.0 | 140.2 | 140.7 | 140.7 | 143.5 | 143.7 | 143.7 | 145.7 | 146.8 | 147.9 |
| 12 | Durable |  | 51.98 | 121.4 | 117.9 | 119.0 | 120.1 | 123.8 | 125.2 | 123.0 | 123.9 | 126.4 | 127.5 |
| ${ }_{13}$ Mining |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  | 10 | . 51 | 122.8 | 124.2 | 122.3 | 124.3 | 128.1 | 130.4 | 135.6 | 135.5 | 135.1 |  |
| 14 | Coal. | 11, 12 | . 69 | 116.9 | 109.6 | 114.4 | 114.4 | 125.1 | 125.9 | 95.3 | 100.8 | 124.1 | 118.4 |
| 15 | Oil and gas extraction | 13 | 4.40 | 112.0 | 110.1 | 111.9 | 111.3 | 112.3 | 112.8 | 112.0 | 112.7 | 115.6 | 115.8 |
| 16 | Stone and earth minerals. | 14 | . 75 | 118.3 | 120.0 | 119.3 | 117.5 | 121.4 | 117.9 | 121.6 | 121.8 | 122.8 |  |
| 17 Nondurable manufactures |  |  | 8.75 | 132.0 | 130.8 | 128.3 | 129.2 | 134.7 | 134.3 | 135.5 | 137.6 | 138.8 |  |
| 18 | Tobacco products | 21 | . 67 | 117.2 | 118.8 | 122.4 | 115.4 | 119.7 | 119.1 | 114.8 | 110.3 | 138.8 |  |
| 19 | Textile mill product | 22 | 2.68 | 135.9 | 138.7 | 136.4 | 135.7 | 132.2 | 133.3 | 131.8 | 133.0 | 134.3 |  |
| 20 | Apparel products. | 23 | 3.31 | 126.1 | 128.0 | 126.3 | 126.1 | 125.9 | 128.0 | 123.6 | 125.3 |  |  |
| 21 | Paper and products | 26 | 3.21 | 133.1 | 133.0 | 132.2 | 133.9 | 132.5 | 131.8 | 130.6 | 136.5 | 137.0 | 138.1 |
| 22 | Printing and publishing. | 27 | 4.72 | 120.7 | 121.0 | 121.0 | 122.0 | 119.3 | 123.1 | 124.3 | 123.0 | 123.0 | 123.2 |
| 23 | Chemicals and products. | 28 | 7.74 | 169.4 | 167.6 | 170.6 | 168.7 | 174.2 | 173.6 | 172.0 | 175.0 | 176.8 |  |
| 24 | Petroleum products. | 29 | 1.79 | 132.7 | 129.1 | 131.8 | 131.6 | 135.8 | 138.9 | 141.0 | 145.4 | 144.9 | 145.5 |
| 25 | Rubber \& plastic products | 30 | 2.24 | 199.8 | 196.7 | 203.5 | 198.2 | 215.7 | 212.3 | 218.7 | 219.7 | 223.4 |  |
| 26 | Leather and products.. | 31 | . 86 | 82.0 | 86.1 | 86.0 | 87.7 | 75.8 | 73.4 | 74.8 | 75.0 | 75.4 |  |
| Durable manufactures |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 27 Ordnance, pvt. \& govt. |  | 19, 91 | 3.64 | 71.7 | 69.5 | 69.5 | 69.1 | 72.2 | 71.8 | 70.8 | 70.5 | 70.4 | 72.0 |
|  |  | 1.64 | 125.1 | 123.9 | 121.1 | 122.8 | 129.0 | 127.5 | 132.7 | 132.2 | 132.0 |  |
| 29 | Furniture and fixtures. Clay, glass, stone prod. |  | 2532 | 1.37 | 132.8 | 134.1 | 130.6 | 131.7 | 134.0 | 135.7 | 135.1 | 137.1 | 137.6 |  |
| 30 |  | 2.74 |  | 135.8 | 128.5 | 133.7 | 132.7 | 142.2 | 142.0 | 137.3 | 139.0 | 142.8 |  |
| 31 | Primary metals. | 33 | 6.57 | 108.0 | 103.9 | 101.4 | 105.4 | 107.3 | 102.7 | 100.0 | 100.6 | 106.2 | 109.8 |
| 32 |  | 331,2 | 4.21 | 104.4 | 100.9 | 97.7 | 103.5 | 103.1 | 95.6 | 89.8 | 91.8 | 98.0 | 102.1 |
| 33 | Fabricated metal prod | 34 | 5.93 | 123.3 | 120.9 | 120.2 | 121.5 | 126.7 | 128.2 | 125.7 | 125.9 | 127.6 | 129.6 |
| 3435 | Nonelectrical machine | 35 | 9.15 | 134.7 | 131.5 | 132.9 | 133.5 | 137.5 | 141.2 | 139.5 | 139.8 | 140.3 | 141.7 |
|  |  | 36 | 8.05 | 131.7 | 126.5 | 127.8 | 130.0 | 135.8 | 135.6 | 134.0 | 137.6 | 138.5 | 140.3 |
| 36 | Transportation equip. |  | 9.27 | 110.6 | 109.0 | 111.2 | 110.6 | 112.7 | 118.2 | 113.5 | 113.4 | 120.2 | 118.1 |
| 37 | Motor vehicles \& pts.... |  | 4.50 | 140.7 | 135.2 | 140.8 | 141.3 | 145.8 | 156.4 | 145.5 | 145.4 | 160.8 | 156.9 |
| 3839 |  | $\begin{array}{r} 371 \\ 372,9 \end{array}$ | 4.77 | 82.2 | 84.3 | 83.3 | 81.7 | 81.6 | 82.4 | 83.4 | 83.3 | 81.9 | 81.7 |
|  | Instruments. | 3839 | 2.11 | 148.2 | 141.8 | 144.4 | 145.4 | 150.3 | 155.7 | 153.7 | 157.0 | 155.8 | 157.6 |
| 40 | Miscellaneous n |  | 1.51 | 143.5 | 140.7 | 142.5 | 140.7 | 143.7 | 146.8 | 147.8 | 148.1 | 146.0 | 146.6 |

11972 dollars.
Nore--Published groupings include some series and subtotals not shown separately. For summary description and historical data, see Bulletin for June 1976, pp. 470-79. Availability of detailed descriptive and historical data will be announced in a forthcoming Bulletin.

### 2.14 HOUSING AND CONSTRUCTION

Monthly figures are at seasonally adjusted annual rates. Exceptions noted.

| Item | 1974 | 1975 | 1976 | 1976 |  |  |  | 1977 |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  |  | Sept. | Oct. | Nov. | Dec. | Jan. | Feb. ${ }^{\text { }}$ | Mar. |
|  | Private residential real estate activity (thousands of units) |  |  |  |  |  |  |  |  |  |
| NEW UNITS |  |  |  |  |  |  |  |  |  |  |
| 1 Permits authorized. | 1,074 | 927 | 1,281 | 1,504 | 1,492 | 1,590 | 1,514 | 1,307 | 1,529 | 1,708 |
| 2 1-family...... | 644 | 669 | 895 | '926 | - 998 | 1,072 | 1,053 | 1,927 | 1,064 | 1,205 |
| 3 2-or-more-family. | 431 | 278 | 386 | 578 | 494 | 518 | 461 | 380 | 465 | 503 |
| 4 Started. | 1,338 | 1,160 | 1,540 | 1,768 | 1,715 | 1,706 | 1,889 | ${ }^{r} 1$ 1,384 | 1,815 | 2,127 |
| 5 1-family ......... | 888 | - 892 | 1, 163 | 1,254 | 1,269 | 1,236 | 1,324 | r1,006 | 1,431 | 1,525 |
| 6 2-or-more-family. | 450 | 268 |  | 514 | 446 |  |  | 「378 | 384 | 602 |
| 7 Under construction, end of period 1 | 1,189 | 1,003 | 1,157 | 1,107 | 1,140 | 1,168 | 1,192 | ${ }^{1} 1,209$ | 1,231 |  |
| 8 1-family.. | 516 | 531 | ${ }^{7} 656$ | 641 | 662 | 671 | r 686 | $\checkmark 696$ | 717 |  |
| 9 2-or-more-family. | 673 | 472 | ${ }^{\text {r }} 501$ | 466 | 478 | 497 | ${ }^{5} 507$ | 514 | 514 | . $\cdot$. |
| 10 Completed. | 1,692 | 1,297 | ${ }^{1} 1,362$ | 1,387 | 1,326 | 1,399 | ${ }^{\text {r }} 1,444$ | ${ }^{\tau} 1,411$ | 1,615 |  |
| 11 1-family..... | 931 | 866 | ${ }^{\text {r }} 1,026$ | 1,017 | 989 | 1,068 | r1,078 | r1,099 | 1,210 |  |
| 12 2-or-more-family | 760 | 430 | r336 | 370 | 337 | 331 | r366 | r312 | 405 |  |
| 13 Mobile homes shipped. | 329 | 213 | 250 | ${ }^{2} 248$ | r263 | '247 | '248 | 258 | 275 | 265 |
| Merchant builder activity in 1-family units: |  |  |  |  |  |  |  |  |  |  |
| 14 Number sold. . . . . . . . . . . . . . | 501 | 544 | $\ulcorner 639$ | 714 | 728 | $\checkmark 694$ | ${ }^{7} 798$ | 7786 | 853 |  |
| 15 Number for sale, end of period ${ }^{1}$. Price (thous. of dollars) ${ }^{2}$ Median: | 407 | 383 | 433 | 415 | 420 | 「429 | 433 | ${ }^{4} 433$ | 436 |  |
| 16 Units sold. | 35.9 | 39.3 | 44.2 | 44.7 | 45.3 | ${ }^{\tau} 45.8$ | '46,0 | r45,6 | 47,5 |  |
| 17 Units for sale. | 36.2 | 38.9 | 41.6 | 41.0 | 41.0 | 41.2 | r41,6 | r41,8 | 42.0 |  |
| $\begin{aligned} & \text { Average: } \\ & 18 \text { Units sold. } \end{aligned}$ | 38.9 | 42.5 | 48.1 | 48.2 | 50.4 | 50.0 | r50,6 | r51,9 | 53,1 | 52.7 |
| EXISTING UNITS (1-family) |  |  |  |  |  |  |  |  |  |  |
| 19 Number sold. <br> Price of units sold (thous. of dollars): ${ }^{2}$ | 2,272 | 2,452 | 3,002 | 3,250 | 3,230 | 3,300 | 3,470 | 3,190 | 3,080 | 3,410 |
| 20 Median.................. | 32.0 | 35.3 | 38.1 | 38.7 | 38.5 | 38.8 | 39.0 | 39.6 | 40.7 | 41.0 |
| 21 Average. | 35.8 | 39.0 | 42.2 | 42.7 | 42.4 | 42.9 | 43.3 | 44.0 | 45.1 | 45.5 |


| CONSTRUCTION |  |
| :---: | :---: |
| 22 | Total put in place |
| 23 | Private. |
| 24 | Residential. |
| 25 | Nonresidential, total. |
|  | Buildings: |
| 26 | Industrial. |
| 27 | Commercial |
| 28 | Other. |
| 29 | Public utilities and other |
| 30 | Public. |
| 31 | Military. |
| 32 | Highway. |
| 33 | Conservation and develop |
| 34 | Other.. |


| 138,526 | 132,043 | 144,821 | 146,631 | 148,475 | 152,819 | 152,185 | ${ }^{\text {r 137,087 }}$ | 148,955 | 157,286 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 100,179 | 93,034 | 108,424 | 109,000 | 114,503 | 118,752 | 118,918 | 107,153 | 116,503 | 124,294 |
| 50,378 | 46,476 | 59,948 | 59,130 | 65,405 | 69,181 | 69,951 | 63,404 | 69,142 | 74,293 |
| 49,801 | 46,558 | 48,476 | 49,870 | 49,098 | 49,571 | 48,967 | 43,749 | 47,361 | 50,001 |
| 7,902 | 8,017 | 6,910 | 6,894 | 6,407 | 6,461 | 6,453 | 6,088 | 6,398 | 6,929 |
| 15,945 | 12,804 | 12,586 | 12,786 | 12,560 | 12,522 | 12,859 | 12,178 | 12,449 | 13,564 |
| 5,797 20,157 | 5,585 20,152 | 6,252 22,728 | 6,669 23,521 | 6,489 23,642 | 6,677 23,911 | 6,497 23,158 | 5,978 19,505 | 5,892 $\mathbf{2 2 , 6 2 2}$ | 6,099 23,409 |
| 20,157 | 20,152 | 22,728 | 23,521 | 23,642 | 23,911 | 23,158 | 19,505 | 22,622 | 23,409 |
| 38,347 | 39,009 | 36,397 | 37,631 | 33,972 | 34,067 | 33,267 | r29,934 | 32,452 | 32,992 |
| 12,188 | 1,391 | 1,479 | 1,352 | 1,467 | 1,622 | 1,567 | 1,509 $r 5$ | 1,597 | 1,444 |
| 12,069 | 10,345 | 9,112 | 8,856 | 8,738 | 7,843 | 7,508 | r5,975 | 7,497 |  |
| 2,741 | 3,227 | 3,659 | 4,281 | 2,949 | 4, 077 | 3,856 | r3,446 | 3,968 |  |
| 22,349 | 24,046 | 22,147 | 23,142 | 20,818 | 20,525 | 20,336 | ${ }^{\text {r }} 19,004$ | 19,390 |  |

[^69]Note.-Census Bureau estimates for all series except (a) mobile homes, which are private, domestic shipments as reported by the Manuhomes, which are private, domestic shipments as reported by the Manu-
factured Housing Institute and seasonally adjusted by the Census Bureau, factured Housing Institute and seasonally adjusted by the Census Bureau,
and (b) sales and prices of existing units, which are published by the National Association of Realtors. All back and current figures are available from originating agency. Permit authorizations are for 14,000 jurisdictions reporting to the Census Bureau.

### 2.15 CONSUMER AND WHOLESALE PRICES

Percentage changes based on seasonally adjusted data, except as noted.

| Item | 12 months to- |  | 3 months (at annual rate) to- |  |  |  | 1 month to- |  |  |  |  | $\begin{gathered} \text { Index } \\ \text { level } \\ \text { Mar. } \\ 1977 \\ (1967 \\ =(100)^{1} \end{gathered}$ |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | $\begin{aligned} & 1976 \\ & \text { Mar. } \end{aligned}$ | $1977$ <br> Mar. | 1976 |  |  | 1977 | 1976 |  | 1977 |  |  |  |
|  |  |  | June ${ }^{*}$ | Sept. ${ }^{\text {r }}$ | Dec. ${ }^{*}$ | Mar. | Nov. ${ }^{\text {r }}$ | Dec. | Jan. | Feb. | Mar. |  |
|  | Consumer prices |  |  |  |  |  |  |  |  |  |  |  |
| 1 All items. | 6.1 | 6.4 | 6.1 | 5.3 | 4.2 | 10.0 | . 3 | . 4 | . 8 | 1.0 | . 6 | 178.2 |
| 2 Commodities. | 4.7 | 5.9 | 6.0 | 3.9 | 3.4 | 10.4 | . 2 | . 4 | . 8 | 1.2 | . 5 | 171.8 |
| 3 Food.. | 4.3 | 5.5 | 6.2 | 1.6 | 0.0 | 14.6 | -. 3 | . 1 | . 9 | 2.0 | . 6 | 188.6 |
| 4 Commodities less food | 5.0 | 6.1 | 5.6 | 5.5 | 5.7 | 7.4 | . 4 | . 6 | . 7 | . 7 | . 4 | 162.6 |
| 5 Durable. | 5.8 | 6.9 | 6.5 | 5.0 | 6.0 | 10.5 | . 4 | . 7 | . 9 | . 9 | . 6 | 160.8 |
| 6 Nondurable | 4.4 | 5.5 | 5.0 | 6.0 | 5.4 | 10.1 | . 4 | . 4 | . 5 | 1.5 | . 5 | 175.9 |
| 7 Services. | 8.6 | 7.2 | 6.5 | 7.5 | 5.1 | 9.8 | . 4 | . 4 | . 9 | . 6 | . 8 | 190.0 |
| 8 Rent. | 5.3 | 5.7 | 5.4 | 5.4 | 5.3 | 6.3 | . 4 | . 5 | ${ }^{\text {r }} .8$ | . 3 | . 5 | 150.8 |
| 9 Services less rent. | 9.0 | 7.5 | 6.7 | 7.7 | 5.4 | 10.4 | . 4 | . 4 | . 9 | . 7 | . 8 | 197.1 |
| 10 Other groupings: |  |  |  |  |  |  |  |  |  |  |  |  |
| 10 All items less food 11 All items less shelter | 6.7 6.2 | 6.6 6.5 | 7.0 6.9 | 7.4 5.6 | 5.3 4.3 | 6.9 9.4 | .5 .4 | . 3 | . 4 | . 6 | . 6 | 175. 1 |
| 12 Homeownership ${ }^{1}$.. | 5.9 | 5.6 | 4.3 | 8.0 | 1.2 | 9.1 | 0.0 | . 1 | . 9 | . 7 | . 6 | 199.3 |
|  | Wholesale prices |  |  |  |  |  |  |  |  |  |  |  |
| 13 All commodities. | 5.5 | 6.8 | 6.6 | 3.5 | 7.1 | 10.2 | . 6 | . 6 | . 5 | . 9 | 1.1 | 191.9 |
| 14 Farm products, and processed foods and feeds. | 2.9 | 6.1 | 13.4 | -12.0 | 6.6 | 19.1 | . 1 | 2.1 | . 3 | 2.0 | 2.1 | 190.9 |
| 15 Farm products. . . . . . | 9.0 | 8.5 | 18.2 | -11.9 | 5.8 | 26.0 | $-.6$ | 2.6 | 1.1 | 2.2 | 2.5 | 202.4 |
| 16 Processed foods and feeds.. | $-.8$ | 4.6 | 10.3 | -11.8 | 6.5 | 15.6 | . 5 | 1.8 | $r-.1$ | 1.8 | 1.9 | 183.9 |
| 17 Industrial commodities.. . . . . . . . . . . . . . . . . Materials, supplies, and components of | 6.0 | 7.0 | 4.8 | 8.0 | 7.6 | 7.9 | . 6 | . 3 | . 5 | . 6 | . 8 | 191.6 |
| 18 Crude materials ${ }^{2}$. | 8.9 | 17.5 | 16.4 | 10.6 | 21.6 | 21.9 | 3.6 | -2.2 | -1.2 | 4.0 | 2.3 | 279.6 |
| 19 Intermediate materials ${ }^{3}$. | 5.5 | 6.7 | -3.5 | 8.3 | 7.1 | 8.0 | . 5 | . 5 | . 5 | . 6 | . 9 | 198.6 |
| 20 Finished goods, excluding foods: | 6.1 | 6.5 | 3.6 | 7.7 | 5.2 | 8.5 | 4 |  | 1.0 | . | . 8 | 169.1 |
| 21 Durable. . . . . . . . . . . . . . . . . . . . . . | 4.5 | 4.6 | 3.1 | 5.1 | 3.3 | 7.0 | .1 | .1 | 1.7 | .5 | .4 | 149.7 |
| 22 Nondurable | 6.9 | 7.2 | 3.8 | 9.1 | 6.5 | 9.5 | .7 | .3 | 1.1 | . 2 | 1.0 | 182.1 |
| 23 Producer.. | 6.8 | 5.9 | 4.3 | 4.7 | 9.5 | 5.3 | . 5 | .7 | . 4 | . 5 | . 4 | 180.7 |
| мемо: <br> 24 Consumer foods. | 3.5 | 4.5 | 13.2 | -13.1 | 8.4 | 12.7 | -. 3 | 2.8 | -. 1 | 2.0 | 1.1 | 186.6 |

1 Not seasonally adjusted.
2 Excludes crude foodstuffs and feedstuffs, plant and animal fibers, oilseeds, and leaf tobacco.
${ }^{3}$ Excludes intermediate materials for food manufacturing and manufactured animal feeds.
Source.-Bureau of Labor Statistics.

Note: Any revisions are for wholesale prices only.
2.16 GROSS NATIONAL PRODUCT AND INCOME

Billions of current dollars except as noted; quarterly data are at seasonally adjusted annual rates.

| Account |  | 1974 | 1975 | 1976 | 1975 | 1976 |  |  |  | 1977 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | Q4 |  |  | Q1 | Q2 | Q3 | Q4 | Q1 ${ }^{p}$ |
|  |  |  | Gross national product |  |  |  |  |  |  |  |  |
| 1 | Total. | 1,413.2 | 1,516.3 | 1,691.6 | 1,588.2 | 1,636.2 | 1,675.2 | 1,708.9 | 1,745.1 | 1,792.5 |
| 2 By source: |  | 887.5 | 973.2 | 1,079.7 | 1,012.0 | 1,043.6 | 1,064.7 | 1,088.5 | 1,122.0 | 1,156.8 |
| 3 | Durable goods.............. | 121.6 | 131.7 | 1, 156.5 | 1, 141.8 | 1,043.6 | +155.0 | 1,088.6 | -162.0 | 1,173.4 |
| 4 | Nondurable goods | 376.2 | 409.1 | 440.4 | 421.6 | 429.1 | 434.8 | 441.8 | 456.0 | 463.7 |
| 5 | Services. . . . . . . . | 389.6 | 432.4 | 482.8 | 448.6 | 463.2 | 474.9 | 489.1 | 504.0 | 519.6 |
| 6 | Gross private domestic investment. | 215.0 | 183.7 | 239.6 | 201.4 | 229.6 | 239.2 | 247.0 | 242.8 | 260.2 |
| 7 | Fixed investment. | 204.3 | 198.3 | 227.7 | 205.7 | 214.7 | 223.2 | 231.9 | 241.0 | 252.7 |
| 8 | Nonresidential. | 149.2 | 147.1 | 160.0 | 148.7 | 153.4 | 157.9 | 163.0 | 165.6 | 173.1 |
| 9 10 | Structures, . ${ }_{\text {Producers }}$ durable equipment. . . . . . . . . . . . . | 54.1 | 52.0 95.1 | 55.3 104.7 | 52.1 96.6 | 53.2 100.2 | 54.9 103.0 | 56.0 107.0 | 57.0 108.6 | 56.3 116.8 |
| 11 | Residential structures. . . . . . . | 55.1 | 51.2 | 67.7 | 57.0 | 61.3 | 65.3 | 68.9 | 75.5 | 79.7 |
| 12 | Nonfarm. . . . . . | 52.7 | 49.0 | 65.1 | 54.2 | 58.6 | 62.9 | 66.3 | 72.7 | 76.9 |
| 13 | Change in business inventories. | 10.7 | -14.6 | 11.9 | -4.3 | 14.8 | 16.0 | 15.1 | 1.7 | 7.5 |
| 14 | Nonfarm. . . . . . . . . . . . . . . | 12.2 | -17.6 | 11.9 | -9.5 | 12.7 | 17.3 | 15.6 | 2.2 | 7.5 |
| 15 | Net exports of goods and services. | 7.5 | 20.5 | 6.6 | 21.0 | 8.4 | 9.3 | 4.7 | 4.2 | -4.9 |
| 16 | Exports. | 144.4 | 148.1 | 162.7 | 153.7 | 154.1 | 160.3 | 167.7 | 168.5 | 170.5 |
| 17 | Imports. | 136.9 | 127.6 | 156.0 | 132.7 | 145.7 | 151.0 | 163.0 | 164.3 | 175.4 |
| 18 | Govt. purchases of goods and services. | 303.3 | 339.0 | 365.6 | 353.8 | 354.7 | 362.0 | 369.6 | 376.2 | 380.4 |
| 19 | Federal............. | 111.6 | 124.4 | 133.4 | 130.4 | 129.2 | 131.2 | 134.5 | 138.9 | 139.5 |
| 20 | State and local | 191.6 | 214.5 | 232.2 | 223.4 | 225.5 | 230.9 | 235.0 | 237.4 | 240.9 |
| 21 | By major type of product: |  | 1531.0 |  | 1592.5 | 1.621 .4 | 16592 | 1.694 .7 |  | 17850 |
| 22 | Final sales, total. Goods. | 1,439.7 | 1,681.7 | 1,760.2 | 1719.7 | 1,742.3 | $1,758.4$ | 1,766.1 | 1,774.3 | 1,789.0 |
| 23 | Durable goods................................. | 247.2 | 254.4 | 300.5 | 270.0 | 282.7 | 301.2 | 308.2 | 309.8 | 330.9 |
| 24 | Nondurable | 392.4 | 427.3 | 459.8 | 449.7 | 459.6 | 457.1 | 457.9 | 464.5 | 468.2 |
| 25 | Services. | 626.6 | 692.5 | 772.0 | 719.5 | 742.6 | 759.6 | 781.5 | 804.4 | 824.7 |
| 26 | Structures | 146.9 | 142.1 | 159.3 | 149.1 | 151.3 | 157.3 | 162.2 | 166.5 | 168.7 |
| 27 | Change in business inventories | 10.7 | -14.6 | 11.9 | -4.3 | 14.8 | 16.0 | 15.1 | 1.7 | 7.5 |
| 28 | Durable goods. . . . . . . . . . . . . . . . . . . . . . . . | 7.1 | -12.1 | 2.7 | -10.6 | -3.6 | 5.4 | 6.8 | 2.0 | 7.2 |
| 29 | Nondurable goods. . . . . . . . . . . . . . . . . . . . . | 3.6 | -2.6 | 9.2 | 6.3 | 18.5 | 10.6 | 8.3 | $-.3$ | . 3 |
| 30 | Мемо: <br> Total GNP in 1972 dollars. | 1,214.0 | 1,191.7 | 1,264.7 | 1,219.2 | 1,246.3 | 1,260.0 | 1,272.2 | 1,280.4 | 1,296.8 |
|  |  | National income |  |  |  |  |  |  |  |  |
| 31 | Total. | 1,135.7 | 1,207.6 | 1,348.4 | 1,264.6 | 1,304.7 | 1,337.4 | 1,362.5 | ${ }^{\text {r }}$ 1,389.3 | ...... |
| 32 | Compensation of employees................... | 875.8 | 928.8 | 1,028.4 | 963.1 | 994.4 | 1,017.2 | 1,037.5 | 1,064.5 | 1,096.6 |
| 33 | Wages and salaries. ........................ | 764.5 | 806.7 | 890.4 | 836.4 | 861.5 | 881.1 | 897.8 | 921.0 | 946.2 |
| 34 | Government and Government enterprises.. | 160.4 | 175.8 | 190.7 | 182.2 | 185.4 | 188.7 | 191.7 | 197.0 | 200.0 |
| 35 | Other. | 604.1 | 630.8 | 699.7 | 654.1 | 676.1 | 692.4 | 706.1 | 723.9 | 746.1 |
| 36 | Supplement to wages and salaries............ | 111.3 | 122.1 | 138.0 | 126.7 | 132.9 | 136.2 | 139.6 | 143.5 | 150.4 |
| 37 | Employer contributions for social insurance. | 55.8 | 59.7 | 67.9 | 61.6 | 65.9 | 67.1 | 68.6 | 70.2 | 74.7 |
| 38 | Other labor income. | 55.5 | 62.5 | 70.1 | 65.2 | 67.1 | 69.0 | 71.1 | 73.3 | 75.7 |
| 39 | Proprietors' income ${ }^{1}$. | 86.9 | 90.2 | 96.7 | 97.2 | 93.2 | 100.3 | 96.1 | 97.1 | 103.3 |
| 40 | Business and professional ${ }^{1}$. . . . . . . . . . . . . . . . . | 61.1 | 65.3 | 73.8 | 69.0 | 71.4 | 72.8 | 74.4 | 76.8 | 79.3 |
| 41 | Farm ${ }^{1}$. . . . . . . | 25.8 | 24.9 | 22.8 | 28.3 | 21.9 | 27.5 | 21.7 | 20.3 | 24.0 |
| 42 | Rental income of persons ${ }^{2}$. | 21.0 | 22.4 | 23.5 | 22.9 | 23.3 | 23.1 | 23.4 | 24.3 | 25.1 |
| 43 | Corporate profits ${ }^{1}$. | 84.8 | 91.6 | 117.8 | 105.6 | 115.1 | 116.4 | 122.0 | ${ }^{5} 117.8$ |  |
| 44 | Profits before tax ${ }^{3}$. | 127.6 | 114.5 | 147.9 | 131.3 | 141.1 | 146.2 | 150.2 | r154.2 |  |
| 45 | Inventory valuation adjustment.. | -39.8 | -11.4 | -14.6 | -12.3 | -11.5 | -14.4 | -12.6 | -20.0 | $-23.2$ |
| 46 | Capital consumption adjustment. . . . . . . . . . . | -3.0 | $-11.5$ | -15.5 | -13.5 | -14.5 | -15.4 | -15.7 | -16.4 | -17.0 |
| 47 | Net interest. | 67.1 | 74.6 | 82.0 | 75.8 | 78.6 | 80.3 | 83.5 | 85.6 | 88.6 |

[^70]
### 2.17 PERSONAL INCOME AND SAVING

Billions of current dollars; quarterly data are at seasonally adjusted annual rates. Exceptions noted.


[^71]3.10 U.S. INTERNATIONAL TRANSACTIONS Summary

Millions of dollars, quarterly data are seasonally adjusted except as noted. ${ }^{1}$

|  |  |  |  |  |  |
| ---: | ---: | ---: | ---: | ---: | ---: | ---: | ---: | ---: | ---: | ---: |
|  |  |  |  |  |  |

[^72]excludes certain military sales to Israel from exports and excludes U.S. Govt. interest payments from imports.
4 Primarily associated with military sales contracts and other transactions arranged with or through foreign official agencies.
${ }^{5}$ Consists of investments in U.S. corporate stocks and in debt securities of private corporations and state and local governments.

Note.-Data are from Bureau of Economic Analysis, Survey of Current Business (U.S. Department of Commerce).

### 3.11 U.S. FOREIGN TRADE

Millions of dollars, monthly data are seasonally adjusted.

| Item | 1974 | 1975 | 1976 | 1976 |  |  |  | 1977 |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  |  | Sept. | Oct. | Nov. | Dec. | Jan. | Feb. | Mar. |
| 1 EXPORTS of domestic and foreign merchandise excluding grant-aid shipments. | 97,908 | 107,130 | 114,807 | 9,788 | 9,699 | 9,589 | 10,410 | 9,599 | 9,808 | 10,072 |
| 2 GENERAL IMPORTS including merchandise for immediate consumption plus entries into bonded warchouses.. | 100,252 | 96,115 | 120,677 | 10,651 | 10,555 | 10,623 | 11,020 | 11,269 | 11,674 | 12,459 |
| 3 Trade balance. | -2,344 | +11,014 | -5,870 | -863 | -857 | -1,034 | -610 | -1,670 | -1,866 | -2,387 |

Note.-Bureau of Census data reported on a free-alongside-ship (f.a.s.) value basis. Before 1974 imports were reported on a customs import value basis. For calendar year 1974 the f.a.s. import value was $\$ 100.3$ billion, about 0.7 per cent less than the corresponding customs import value. The international-accounts-basis data shown in Table 3.10 adjust the Census basis data for reasons of coverage and timing. On the export side, the largest adjustments are: (a) the addition of exports to Canada not covered in Census statistics, and (b) the exclusion of military
exports (which are combined with other military transactions and are reported separately in the "service account"). On the import side, the largest single adjustment is the addition of imports into the Virgin Islands (largely oil for a refinery on St. Croix), which are not included in Census statistics.

Source.-U.S. Dept. of Commerce, Bureau of the Census, Summary of U.S. Export and Import Merchandise Trade (FT 900).

### 3.12 U.S. RESERVE ASSETS

Millions of dollars, end of period

| Type | 1973 | 1974 | 1975 | 1976 |  |  | 1977 |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  |  | Oct. | Nov. | Dec. | Jan. | Feb. | Mar. | Apr. |
| 1 Total... | ${ }^{3} 14,378$ | 15,883 | 16,226 | 19,013 | 19,416 | 18,747 | 19,087 | 19,122 | 19,120 | 418,868 |
| 2 Gold stock, including Exchange Stabilization Fund ${ }^{1}$ | 311,652 | 11,652 | 11,599 | 11,598 | 11,598 | 11,598 | 11,658 | 11,658 | 11,658 | 11,658 |
| 3 Special Drawing Rights ${ }^{2}$. . . . . . . . . | 32,166 | 2,374 | 2,335 | 2,352 | 2,365 | 2,395 | 2,375 | 2,383 | 2,389 | 42,384 |
| 4 Reserve position in International Monetary Fund. | 3552 | 1,852 | 2,212 | 3,997 | 4,307 | 4,434 | 4,682 | 4,819 | 4,812 | 44,720 |
| 5 Convertible foreign currencies . . . . . | 8 | 5 | 80 | 1,066 | 1,146 | 320 | 372 | 262 | 261 | 106 |

${ }^{1}$ Gold held under earmark at F.R. Banks for foreign and international accounts is not included in the gold stock of the United States; see Table 3.24.

2 Includes allocations by the International Monetary Fund of SDR's as follows: $\$ 867$ million on Jan. 1, 1970; $\$ 717$ million on Jan. 1, 1971; and $\$ 710$ million on Jan. 1, 1972; plus net transactions in SDR's.
${ }^{3}$ Change in par value of U.S. dollar on Oct. 18, 1973 increased total reserve assets by $\$ 1,436$ million, gold stock by $\$ 1,165$ million, SDR's by $\$ 217$ million, and reserve position in IMF by $\$ 54$ million.
${ }^{4}$ Beginning July 1974, the IMF adopted a technique for valuing the SDR based on a weighted average of exchange rates for the currencies of 16 member countries. The U.S. SDR holdings and reserve position in the IMF also are valued on this basis beginning July 1974. At valuation used prior to July 1974 (SDR1 $=\$ 1.20635$ ) total U.S. reserve assets at end of April amounted to $\$ 19,020$; SDR holdings, $\$ 2,475$, and reserve position in IMF, $\$ 4,781$.

### 3.13 SELECTED U.S. LIABILITIES TO FOREIGNERS

Millions of dollars, end of period

${ }_{1}$ Includes Bank for International Settlements.
2 Includes Treasury bills as shown in Table 3.15.
Derived by applying reported transactions to benchmark data
${ }_{4}$ Excludes notes issued to foreign official nonreserve agencies.
${ }^{5}$ Includes long-term liabilities reported by banks in the United States and debt securities of U.S. Federally sponsored agencies and U.S. corporations.
${ }_{6}$ Includes short-term liabilities payable in foreign currencies to commercial banks abroad and to other foreigners.
7 Includes marketable U.S. Treasury bonds and notes held by commercial banks abroad and other foreigners.
8 Principally the International Bank for Reconstruction and Development and the Inter-American and Asian Development Banks.
${ }^{9}$ Data in the two columns shown for this date differ because of changes in reporting coverage. Figures in the first column are comparable in coverin reporting coverage. Figures in the first column are comparable in covercomparable with those shown for the following date.

Note.-Based on Treasury Dept. data and on data reported to the Treasury Dept. by banks (including Federal Reserve banks) and brokers in the United States. Data exclude the holdings of dollars of the International Monetary Fund derived from payments of the U.S. subscription and from the exchange transactions and other operations of the IMF. Data also exclude U.S. Treasury letters of credit and nonnegotiable, non-interest-bearing special U.S. notes held by nonmonetary international and regional organizations.

### 3.14 SELECTED U.S. LIABILITIES TO FOREIGN OFFICIAL INSTITUTIONS



[^73]${ }^{3}$ See Note 9 to Table 3.13.
Note.-Data represent breakdown by area of line 3, Table 3.13.
3.15 SHORT-TERM LIABILITIES TO FOREIGNERS Reported by Banks in the United States

By Holder and by Type of Liability
Millions of dollars, end of period

| Holder, and type of liability |  | 1973 | 1974 |  | 1975 | 1976 |  |  | 1977 |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | Dec. ${ }^{8}$ | Oct. | Nov. |  | Dec. | Jan. | Feb. ${ }^{p}$ | Mar. ${ }^{p}$ |
|  | All foreigners, excluding the International Monetary Fund. |  | 69,074 | 94,847 | 94,771 | 94,338 | 102,458 | 102,474 | 108,949 | 105,091 | 104,943 | 106,092 |
| 2 | Payable in dollars Deposits: | 68,477 | 94,081 | 94,004 | 93,780 | 101,692 | 101,693 | 108, 225 | 104,359 | 104,128 | 105,231 |
| 3 | Demand. | 11,310 | 14,068 | 14,051 | 13,564 | 14,658 | 15,811 | 16,803 | 15,314 | 16,098 | 15,175 |
| 4 |  | 6,882 31,886 | 10,106 | 9,932 | 10,348 | 10,546 38,934 | 10,757 38 | 11,546 | 11,395 | 11,205 42,669 | 11,203 43,55 |
| 5 6 | U.S. Treasury bills and certificates ${ }^{2}$ Other short-term liabilities ${ }^{3} \ldots . .$. | 31,886 18,399 | 35,662 34,246 | 35,662 34,359 | 37,414 32,466 | 38,934 37,552 | 38,643 36,484 | 40,744 39,133 | 41,275 36,374 | 42,669 34,157 | $\begin{aligned} & 43,553 \\ & 35,299 \end{aligned}$ |
| 7 | Payable in foreign currenci | 597 | 766 | 766 | 558 | 766 | 781 | 724 | 732 | 815 | 861 |
|  | Nonmonetary international and regional organizations ${ }^{4}$ | 1,955 | 3,171 | 3,171 | 5,293 | 5,102 | 5,506 | 5,450 | 4,625 | 3,918 | 4,309 |
| 9 | Payable in dollars. <br> Deposits: | 1,955 | 3,171 | 3,171 | 5,284 | 5,098 | 5,502 | 5,445 | 4,621 | 3,912 | 4,306 |
| 10 | Demand. . . . . . . . . . . . . . . . . . . . . . . . . . | 101 | 139 | 139 | 139 | 256 | 287 | 290 | 166 | 216 | 229 |
| 11 | Time ${ }^{1}$ | 83 | 111 | 111 | 148 | 164 | 199 | 208 | 230 | 237 | 236 |
| 12 | U.S. Treasury bills and certifi | 296 | 497 | 497 | 2,554 | 3,196 | 3,604 | 2,701 | 2,890 | 2,779 | 2,743 |
| 13 | Other short-term liabilities ${ }^{5}$ | 1,474 | 2,424 | 2,424 | 2,443 | 1,482 | 1,412 | 2,247 | 1,335 | 680 | 1,098 |
| 14 | Payable in foreign currenci |  |  |  | 8 | 4 | 4 | 5 | 4 | 6 | 3 |
| 15 | Official institutions, banks, and other foreigners. | 67,119 | 91,676 | 91,600 | 89,046 | 97,356 | 96,969 | 103,499 | 100,466 | 101,025 | 101,783 |
| 16 | Payable in dollars. <br> Deposits: | 66,522 | 90,910 | 90,834 | 88,497 | 96,594 | 96,193 | 102,780 | 99,738 | 100,216 | 100,925 |
| 17 | Demand | 11,209 | 13,928 | 13,912 | 13,426 | 14,402 | 15,524 | 16,513 | 15,148 | 15,882 | 14,947 |
| 18 | Time ${ }^{1}$ | 6,799 | 9,995 | 9,821 | 10,200 | 10,383 | 10,558 | 11,338 | 11,166 | 10,968 | 10,967 |
| 19 | U.S. Treasury bills and certificates ${ }^{2}$ | 31,590 | 35, 165 | 35,165 | 34,860 | 35,736 | 35,039 | 38,042 | 38,386 | 39,889 | 40,811 |
| 20 | Other short-term liabilities ${ }^{3}$ | 16,925 | 31,822 | 31,935 | 30,023 | 36,070 | 35,072 | 36,886 | 35,039 | 33,476 | 34,201 |
| 21 | Payable in foreign | 597 | 766 | 766 | 549 | 762 | 776 | 719 | 728 | 809 | 858 |
| 22 | Official institutions ${ }^{6}$ | 43,923 | 53,057 | 53,079 | 49,513 | 49,017 | 49,273 | 53,478 | 54,515 | 54,796 | 55,913 |
| 23 | Payable in doll | 43,795 | 52,930 | 52,952 | 49,513 | 49,017 | 49,273 | 53,478 | 54,515 | 54,796 | 55,913 |
| 24 | Deposits: Demand | 2,125 | 2,951 | 2,951 | 2,644 | 2,706 | 2,685 |  |  |  |  |
| 25 | Time ${ }^{1}$ | 3,911 | 4,257 | 4,167 | 3,423 | 2,127 | 2,149 | 2,335 | 2,456 | 2,376 | 2,273 |
| 26 | U.S. Treasury bills and certificates ${ }^{2}$ | 31,511 | 34,656 | 34,656 | 34,182 | 35,241 | 34,656 | 37,675 | 38,081 | 39,559 | 40,454 |
| 27 | Other short-term liabilities ${ }^{5}$ | 6,248 | 11,066 | 11,178 | 9,264 | 8,943 | 9,783 | 10,075 | 11,047 | 10,457 | 10,580 |
| 28 | Payable in foreign currencie | 127 | 127 | 127 |  |  |  |  |  |  |  |
|  | Banks and other foreign | 23,196 | 38,619 | 38,520 | 39,533 | 48,339 | 47,696 | 50,021 | 45,951 | 46,229 | 45,870 |
| 30 | Payable in dollars | 22,727 | 37,980 | 37,881 | 38,984 | 47,577 | 46,920 | 49,302 | 45,223 | 45,420 | 45,012 |
| 31 | Banks ${ }^{\text { }}$ | 17,224 | 29,676 | 29,467 | 28,966 | 36,178 | 34,608 | 36,710 | 32,788 | 32,364 | 32,083 |
| 32 | Deposits: Demand | 6,941 | 8,248 | 8,231 | 7,534 | 8,361 | 8,897 | 9,104 | 8,475 | 9,387 | 8,477 |
| 33 | Time ${ }^{1}$ | 529 | 1,942 | 1,910 | 1,942 | 2,291 | 1,949 | 2,479 | 2,074 | 1,779 | 1,777 |
| 34 | U.S. Treasury bills and certificates | 11 | 232 | , 232 | 335 | , 223 | 1,174 | 169 | 2, 122 | 102 | 108 |
| 35 | Other short-term liabilities ${ }^{3}$. | 9,743 | 19,254 | 19,094 | 19,155 | 25,303 | 23,589 | 24,957 | 22,116 | 21,096 | 21,721 |
| 36 | Other foreigners | 5,502 | 8,304 | 8,414 | 10,017 | 11,399 | 12,312 | 12,592 | 12,436 | 13,056 | 12,929 |
| 37 | Deposits: | 2,143 | 2,729 | 2,730 | 3,248 | 3,335 | 3,943 | 4,015 | 3,741 | 4,091 | 3,864 |
| 38 | Time ${ }^{1}$. | 2,359 | 3,796 | 3,744 | 4,823 | 5,965 | 6,461 | 6,524 | 6,636 | 6,813 | 6,917 |
| 39 | U.S. Treasury bills and certificates | 68 | 277 | 277 | 342 | 274 | 209 | 198 | 183 | 229 | 248 |
| 40 | Other short-term liabilities ${ }^{5}$. | 933 | 1,502 | 1,664 | 1,605 | 1,824 | 1,700 | 1,854 | 1,876 | 1,924 | 1,900 |
| 41 | Payable in foreign currencies. | 469 | 639 | 639 | 549 | 762 | 776 | 719 | 728 | 809 | 858 |

${ }^{1}$ Excludes negotiable time certificates of deposit, which are included in "Other short-term liabilities."

2 Includes nonmarketable certificates of indebtedness and Treasury bills issued to official institutions of foreign countries.
${ }^{3}$ Includes liabilities of U.S. banks to their foreign branches, liabilities of U.S. agencies and branches of foreign banks to their head offices and foreign branches of their head offices, bankers acceptances, commercial paper, and negotiable time certificates of deposit.
4 Principally the International Bank for Reconstruction and Development, and the Inter-American and Asian Development Banks.
5 Principally bankers acceptances, commercial paper, and negotiable time certificates of deposit.

6 Foreign central banks and foreign central governments and their agencies, and Bank for International Settlements.

7 Excludes central banks, which are included in "Official institutions."
8 Data in the two columns shown for this date differ because of changes in reporting coverage. Figures in the first column are comparable with those for the preceding date; figures in the second column are comparable with those shown for the following date.

Note.--"Short-term obligations" are those payable on demand, or having an original maturity of 1 year or less.
3.16 SHORT-TERM LIABILITIES TO FOREIGNERS Reported by Banks in the United States By Country
Millions of dollars, end of period

| Area and country |  | 1973 | 1974 |  | 1975 | 1976 |  |  | 1977 |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | Dec. ${ }^{7}$ | Oct. | Nov. |  | Dec. | Jan. | Feb. ${ }^{p}$ | Mar. ${ }^{p}$ |
| 1 | Total. |  | 69,074 | 94,847 | 94,771 | 94,338 | 102,458 | 102,475 | 108,949 | 105,091 | 104,943 | 106,092 |
| 2 | Foreign countries. | 67,119 | 91,676 | 91,600 | 89,046 | 97,356 | 96,969 | 103,499 | 100,466 | 101,025 | 101,783 |
| 3 | Europe.... | 40,742 161 | 48,667 607 | 48,813 607 | 43,988 | 39,967 134 | 42,480 332 | 46,925 348 | 43,765 | 43,584 401 | 44,327 498 |
| 5 | Belgium-Luxembourg | 1,483 | 2,506 | 2,506 | 2,898 | 1,879 | 2,085 | 2,268 | 2,376 | 2,411 | 2,568 |
| 6 | Denmark. . . . . . . . | -659 | -369 | - 369 | - 332 | 1, 372 | - 416 | - 363 | - 419 | - 419 | - 569 |
| 7 | Finland. | 165 | 266 | 266 | 391 | 407 | 378 | 419 | 389 | 367 | 315 |
| 8 | France | 3,483 | 4,287 | 4,287 | 7,733 | 4,409 | 4,642 | 4,875 | 3,701 | 4,590 | 4,807 |
|  | Germany | 13,227 | 9,420 | 9,429 | 4,357 | 6,532 | 5,418 | 5,965 | 5,304 | 5,495 | 4,681 |
| 10 | Greece. | - 389 | , 248 | , 248 | +284 | 405 | , 378 | 5 403 | , 421 | S 346 | , 296 |
| 11 | Italy. | 1,404 | 2,617 | 2,577 | 1,072 | 1,583 | 2,884 | 3,206 | 2,858 | 2,703 | 2,401 |
| 12 | Netherland | 2,886 | 3,234 | 3,234 | 3,411 | 2,534 | 2,694 | 3,007 | 2,832 | 2,817 | 3,181 |
| 13 | Norway | - 965 | 1,040 | 1,040 | -996 | - 690 | -740 | -785 | -566 | -793 | ${ }^{7} 76$ |
| 14 | Portugal | 534 | 310 | 310 | 195 | 177 | 206 | 239 | 172 | 228 | 209 |
| 15 | Spain.. | 305 | 382 | 382 | 426 | 506 | 478 | 565 | 492 | 546 | 555 |
| 16 | Sweden | 1,885 | 1,138 | 1,138 | 2,286 | 1,295 | 1,420 | 1,693 | 1,613 | 1,593 | 1,717 |
| 17 | Switzerland | 3,377 | 9,986 | 10,139 | 8,514 | 8,331 | 8,846 | 9,453 | 9,571 | 9,619 | 8,931 |
| 18 | Turkey. | -98 | . 152 | 7152 | 118 | 74 | 88 | 166 | 85 | $8{ }^{82}$ | - 88 |
| 19 | United Kingdom | 6,148 | 7,559 183 | 7,584 183 | 6,886 | 7,953 | 8,401 | 10,001 188 | 8,996 | 8,711 | 10,338 |
| 21 | Other Western Europe ${ }^{\text {1 }}$. | 3,352 | 4,073 | 4,073 | 2,970 | 2,089 | 2,639 | 2,672 | 2,263 | 2,136 | 2,101 |
| 22 | U.S.S.R.. . . . . . . . . . . . | - 22 | +82 | +82 | 2, 40 | - 80 | 2,64 | 2,672 | 2, 47 | 2, 45 | 2, 50 |
| 23 | Other Eastern Europe | 110 | 206 | 206 | 200 | 184 | 203 | 255 | 172 | 162 | 178 |
| 24 | Canada. | 3,627 | 3,517 | 3,520 | 3,076 | 4,033 | 3,944 | 4,784 | 4,519 | 4,900 | 4,401 |
| 25 | Latin America. | 7,664 | 12,038 | 11,754 | 14,942 | 19,065 | 17,684 | 19,010 | 17,847 | 18,529 | 19,000 |
| 26 | Argentina. | 924 | , 886 | 886 | 1,147 | 1,374 | 1,293 | 1,538 | 1,648 | 1,820 | 1,889 |
| 27 | Bahamas | 852 | 1,448 | 1,054 | 1,827 | 4,817 | 2,654 | 2,789 | 1,979 | 2,439 | 2,200 |
| 28 | Brazil. | 860 | 1,034 | 1,034 | 1,227 | 1,323 | 1,168 | 1,432 | 1,292 | 1,272 | 1,108 |
| 29 | Chile. | 158 | 276 | 276 | 317 | 298 | 315 | . 335 | 325 | 302 | 403 |
| 30 | Colombia | 247 | 305 | 305 | 417 | 804 | 922 | 1,017 | 1,090 | 1,152 | 1,200 |
| 31 | Cuba. |  | 7 |  | 6 | 6 | 6 |  |  | ${ }^{6}$ | 6 |
| 32 | Mexico. | 1,296 | 1,770 | 1,770 | 2,066 | 2,475 | 2,860 | 2,848 | 2,710 | 2,782 | 2,750 |
| 33 | Panama | 282 | 488 | 510 | 1,099 | 866 | 1,188 | 1,140 | 909 | 1,002 | 1,001 |
| 34 | Peru. | 135 | 272 | 272 | 244 | 247 | 243 | 257 | 244 | 228 | 246 |
| 35 | Uruguay | 120 | 147 | 165 | 172 | 233 | 238 | 245 | 250 | 239 | 241 |
| 36 | Venezuela. | 1,468 | 3,413 | 3,413 | 3,289 | 2,644 | 3,009 | 3,060 | 2,986 | 2,909 | 2,833 |
| 37 38 | Other Latin American rep | 884 | 1,316 | 1,316 | 1,494 | 1,676 | 1,740 | 2,064 | 2,033 | 2,225 | 2,427 |
| 38 | Netherlands Antilles ${ }^{2}$. | 71 | 158 | 158 | 129 | 160 | 157 | 140 | 151 | 157 | 162 |
| 39 | Other Latin America | 359 | 519 | 589 | 1,507 | 2,142 | 1,890 | 2,139 | 2,223 | 1,995 | 2,533 |
| 40 | Asia............................. | 10,839 | 21,073 | 21,130 | 21,539 | 29,745 | 28,982 | 28,461 | 29,789 | 29,258 |  |
| 41 | China, People's Republic of (Mainla | 38 757 | - 50 | 50 | 1223 | - 48 | $59$ | 487 | + 47 | $47$ | $52$ |
| 42 | China, Republic of (Taiwan). . . | 757 | 818 | 818 | 1,025 | 1,182 | 1,092 | 985 892 | 1,058 | 1,158 | 1,052 |
| 43 | Hong Kong. | 372 85 8 | 530 261 | 530 261 | 623 126 | 1.887 1,048 | 859 910 | 892 648 | 941 510 | 1,039 | 1,018 |
| 44 | India.... | $\begin{array}{r}85 \\ 133 \\ \hline\end{array}$ | 1,261 | 1,261 | 126 369 | 1,048 | 910 314 | 648 340 | 510 695 | 559 546 | 538 480 |
| 46 | Israel. | 327 | , 386 | , 389 | 386 | , 310 | 325 | 385 | 430 | 547 | 496 |
| 47 | Japan | 6,967 | 10,897 | 10,931 | 10,218 | 14,663 | 14,736 | 14,380 | 14,481 | 13,358 | 13,269 |
| 48 | Korea | 195 | 384 | 384 | 390 | 366 | 324 | 437 | 448 | 483 | 381 |
| 49 | Philippines | 515 | 747 | 747 | 698 | 582 | 606 | 627 | 602 | 554 | 623 |
| 50 | Thailand. | 247 | 333 | 333 | 252 | 223 | 244 | 275 | 301 | 313 | 312 |
| 51 | Middle East oil-exporting countries ${ }^{3}$ |  | 4,633 | 4,623 | 6,461 | 7,741 | 8,124 | 8,073 | 9,029 | 9,276 | 9,968 |
| 52 |  | 1,202 | 813 | 844 | 867 | 1,539 | 1,388 | 1,373 | 1,245 | 1,378 | 1,350 |
| 53 | Africa. | 1,056 | 3,551 | 3,551 | 3,373 |  | 2,281 | 2,300 | 2,207 | 2,406 | 2,285 |
| 54 | Egypt | 35 | 3, 103 | -103 | , 343 | 213 | 171 | 333 | 209 | 244 | 250 |
| 55 | Morocco | 11 | 38 | 38 | 68 | 85 | 72 | 88 | 97 | 105 | 94 |
| 56 | South Africa | 114 | 130 | 130 | 169 | 183 | 132 | 143 | 211 | 155 | 136 |
| 57 | Zaire. | 87 | 84 | 84 | 63 | 45 | 64 | 35 | 48 | 41 | 39 |
| 58 | Oil-exporting countries ${ }^{5}$ |  | 2,814 | 2,814 | 2,239 | 1,732 | 1,321 | 1,116 | 1,033 | 1,125 | 965 |
| 59 | Other ${ }^{4}$. | 808 | 383 | 383 | 491 | 524 | 521 | 585 | 609 | 735 | 802 |
| 60 | Other countries. |  |  |  |  | 1,763 | 1,598 | 2,019 | 2,339 | 2,348 | 2,231 |
| 61 | Australia | 3,131 | 2,742 | 2,742 | 2,014 | 1,645 | 1,486 | 1,911 | 2,224 | 2,231 | 2,101 |
| 62 | All other. | 59 | 89 | 89 | 114 | 119 | 112 | 108 | 166 | 118 | 130 |
| 63 | Nonmonetary international and regional organizations. | 1,955 | 3,171 | 3,171 | 5,293 | 5,102 | 5,506 | 5,450 | 4;625 | 3,918 | 4,309 |
| 64 | International. | 1,627 | 2,900 | 2,900 | 5,064 | 4,717 | 5,109 | 5,091 | 4,275 | 3,599 | 3,991 |
| 65 | Latin American regional | 272 | 202 | 202 | 187 | 182 | 160 | 136 | 160 | 133 | 141 |
| 66 | Other regional ${ }^{6}$......... | 57 | 69 | 69 | 42 | 203 | 237 | 223 | 190 | 186 | 177 |

[^74]
### 3.17 SHORT-TERM LIABILITIES TO FOREIGNERS Reported by Banks in the United States Supplemental "Other'' Countries ${ }^{1}$ <br> Millions of dollars, end of period

| Area and country |  | 1974 | 1975 |  | 1976 |  | Area and country |  | 1974 | 1975 |  | 1976 |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | Dec. | Apr. | Dec. | Apr. | Dec. |  |  | Dec. | Apr. | Dec. | Apr. | Dec. |
|  | Other Western Europe: |  |  |  |  |  |  | Other Asia: |  |  |  |  |  |
| 1 | Cyprus. | ${ }^{7}$ | 17 | 6 | 38 | 69 | 25 | Afghanistan. | 18 | 19 | 41 | 54 | 57 |
| 2 | Iceland. | 21 | 20 | 33 | 43 | 40 | 26 | Bangladesh. | 21 | 50 | 54 | 41 |  |
| 3 Ireland, Republic of........... . <br> Other Eastern Europe: |  | 29 | 29 | 75 | 39 |  | 27 | Burma..... Cambodia | $\begin{array}{r}65 \\ 4 \\ \hline\end{array}$ | 49 | $\begin{array}{r}31 \\ 4 \\ \\ \hline\end{array}$ | 34 3 | 13 4 |
|  |  |  |  |  |  |  | 29 | Jordan. | 22 | 30 | 39 | 20 | 37 |
| 4 | Bulgaria. .......... | 36 | 13 | 19 | 13 | 34 | 30 | Laos.... | 13 | 5 | 2 | 2 |  |
| 5 | Czechoslovakia. | 34 | 11 | 32 | 10 | 21 | 31 | Lebanon. | 126 | 180 | 117 | 132 | 140 |
| 6 | German Democratic Republic. | 36 | 18 | 17 | 3 |  | 32 | Malaysia | 63 | 92 | 77 | 105 | 396 |
| 7 | Hungary...................... | 14 | 11 | 13 | 10 | 19 | 33 | Nepal. . | 25 | 22 | 28 | 34 | 33 |
| 8 | Poland. | 55 | 42 | 66 | 65 | 77 | 34 | Pakistan. | 91 | 118 | 74 | 89 | 189 |
| 9 | Rumania | 25 | 14 | 44 | 28 | 19 | 35 | Singapore. | 245 | 215 | 256 | 34 | 280 |
| Other Latin American republics: |  |  |  |  |  |  | 36 | Sri Lanka (Ceylon) | 14 | 13 | 13 | 9 | 23 |
|  |  |  |  |  |  |  | 37 | Vietnam... | 126 | 70 | 62 | 33 | 66 |
| 10 | Bolivia...................... | 96 | 123 | 110 | 104 | 133 |  |  |  |  |  |  |  |
| 11 | Costa Rica. ${ }^{\text {D }}$ Dominican Republic. . . . . . . . . . . , | 118 128 | 120 214 | 124 169 | 69 149 | 141 275 | 38 | Other Africa: Ethiopia (incl. Eritrea) | 95 | 76 | 60 | 70 |  |
| 13 | Ecuador. ..................... | 122 | 157 | 120 | 150 | 319 | 39 | Ghana....... . . . . . . | 18 | 13 | 23 | 45 | 41 |
| 14 | El Salvador. | 129 | 144 | 171 | 128 | 178 | 40 | Ivory Coast | 7 | 11 | 62 | 76 | 10 |
| 15 | Guatemala. | 219 | 255 | 260 | 177 | 397 | 41 | Kenya. | 31 | 32 | 19 | 37 | 46 |
| 16 | Haiti... | 35 | 34 | 38 | 33 | 47 | 42 | Liberia. | 39 | 33 | 53 | 63 | 77 |
| 17 | Honduras | 88 | 92 | 99 | 69 | 137 | 43 | Southern Rhodesia | 2 | 3 | 1 | 1 | 1 |
| 18 | Jamaica. | 69 | 62 | 41 | 49 | 35 | 44 | Sudan. | 4 | 14 | 12 | 17 | 22 |
| 19 | Nicaragua | 127 | 125 | 133 | 89 | 119 | 45 | Tanzania | 11 | 21 | 30 | 18 |  |
| 20 | Paraguay. | 46 | 38 | 43 | 43 | 49 | 46 | Tunisia. | 19 | 23 | 29 | 33 | 20 |
| 21 | Surinam ${ }^{2}$. |  |  |  | 12 |  | 47 | Uganda. | 13 | 38 | 22 | 50 | 43 |
| 22 | Trinidad and Tobago.......... | 107 | 31 | 131 | 44 | 167 | 48 | Zambia. | 22 | 18 | 78 | 14 | ..... |
| ${ }^{23}$ Other Latin America: |  |  |  |  |  |  |  | All Other: |  |  |  |  |  |
| 23 24 | Bermuda...................... British West Indies......... | 116 449 | 100 | 1, ${ }^{170}$ | 197 2,284 | 177 1,874 | 49 | New Zealand. | 47 | 36 | 42 | 29 | 45 |

1 Represents a partial breakdown of the amounts shown in the "Other" categories on Table 3.16.

2 Surinam included with Netherlands Antilles until January 1976.

### 3.18 LONG-TERM LIABILITIES TO FOREIGNERS Reported by Banks in the United States

Millions of dollars, end of period


1 Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).
${ }^{2}$ Includes Middle East oil-exporting countries until December 1974.
${ }^{3}$ Comprises Algeria, Gabon, Libya, and Nigeria.

4 Includes African oil-exporting countries until December 1974.
Note.-Long-term obligations are those having an original maturity of more than 1 year.

NOTES TO TABLE 3.16:
${ }^{1}$ Includes Bank for International Settlements.
${ }_{2}$ Surinam included with Netherlands Antilles until January 1976.
${ }^{3}$ Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia and United Arab Emirates (Trucial States).
${ }_{5}^{4}$ Includes oil-exporting countries until December 1974.
5 Comprises Algeria, Gabon, Libya, and Nigeria.

[^75]3.19 SHORT-TERM CLAIMS ON FOREIGNERS Reported by Banks in the United States

By Country
Millions of dollars, end of period


### 3.20 SHORT-TERM CLAIMS ON FOREIGNERS Reported by Banks in the United States By Type of Claim <br> Millions of dollars, end of period

| Type | 1973 | 1974 | 1975 | 1976 |  |  |  | 1977 |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  |  | Sept. | Oct. | Nov. | Dec. | Jan. | Feb. ${ }^{p}$ | Mar. ${ }^{p}$ |
| 1 Total. | 20,723 | 39,056 | 50,231 | 60,317 | 60,986 | 63,890 | 69,011 | 63,599 | 63,414 | 65,134 |
| 2 Payable in dollars. | 20,061 | 37,859 | 48,902 | 58,661 | 59,330 | 62,085 | 67,365 | 61,867 | 61,455 | 63,236 |
| 3 Loans, total .................................. | 7,660 284 | 11, 291 | 13,205 613 | 14,914 | 16,221 1,055 | 16,191 1,269 | 18,347 1,452 | 16,085 1,250 | 16,234 | 15,845 848 |
| 4 Official institutions, including central banks. | 7,284 4,538 | 7,382 | 7,665 | 781 9,003 | 10,015 | 1,269 $\mathbf{9 , 6 3 9}$ | 11,452 | 1,250 9,334 | 6,935 9,764 | ¢ $\mathbf{9 , 7 4 3}$ |
| 6 All other, including nonmonetary international and regional organizations........ . | 2,838 | 3,579 | 4,926 | 5,130 | 5,151 | 5,282 | 5,815 | 5,500 | 5,535 | 5,254 |
| 7 Collections oustanding. | 4,307 | 5,637 | 5,467 | 5,746 | 5,586 | 5,628 | 5,846 | 5,833 | 5,868 | 6,195 |
| 8 Acceptances made for accounts of foreigners.. . | 4,160 | 11,237 | 11,147 | 11,213 | 11,461 | 11,422 | 12,367 | 12,018 | 12,140 | 12,936 |
|  | 3,935 | 9,689 | 19,082 | 26,789 | 26,015 | 28,843 | 30,805 | 27,931 | 27,214 | 28,260 |
| 10 Payable in foreign currencies. | 662 | 1,196 | 1,329 | 1,656 | 1,704 | 1,805 | 1,645 | 1,732 | 1,959 | 1,898 |
| 11 Deposits with foreigners.... | 428 | 669 | 656 | 1,029 | 1,052 | 1,084 | 1,063 | 1,126 | 1,091 | 1,100 |
| 12 Foreign government securities, commercial and finance paper. | 119 | 289 | 301 | 120 | 102 | 85 | 84 | 145 | 272 | 323 |
| 13 Other claims........ | 115 | 238 | 372 | 507 | 550 | 635 | 498 | 460 | 596 | 474 |

${ }^{1}$ Includes claims of U.S. banks on their foreign branches and claims of U.S. agencies and branches of foreign banks on their head offices and of U.S. agencies and branches of fore
foreign branches of their head offices.

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.

### 3.21 LONG-TERM CLAIMS ON FOREIGNERS Reported by Banks in the United States

Millions of dollars, end of period

| Type, and area or country | 1973 | 1974 | 1975 | 1976 |  |  |  | 1977 |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  |  | Sept. | Oct. | Nov. | Dec. | Jan. | Feb. ${ }^{p}$ | Mar. ${ }^{p}$ |
| 1 Total. | 5,996 | 7,179 | 9,540 | 11,205 | 11,345 | 11,612 | 11,687 | 11,684 | 11,873 | 12,240 |
| 2 Payable in dollars. | 5,924 | 7,099 | 9,423 | 11,063 | 11,206 | 11,465 | 11,539 | 11,534 | 11,662 | 12,050 |
| 3 Loans, total. | 5,446 | 6,490 | 8,316 | 9,551 | 9,670 | 9,837 | 9,933 | 9,953 | 10,131 | 10,421 |
| 4 Official institutions, including central banks | 1,156 | 1,324 | 1,350 | 1,312 | 1,323 | 1,364 | 1,420 | 1,404 | 1,522 | 1,612 |
| 5 Banks, excluding central banks............. | 591 | '929 | 1,567 | 2,039 | 2,115 | 2,164 | 2,212 | 2,178 | 2,231 | 2,201 |
| 6 All other, including nonmonetary international and regional organizations......... | 3,698 | 4,237 | 5,399 | 6,201 | 6,232 | 6,308 | 6,298 | 6,371 | 6,377 | 6,607 |
| 7 Other long-term claims | 478 | 609 | 1,107 | 1,512 | 1,536 | 1,628 | 1,606 | 1,580 | 1,531 | 1,629 |
| 8 Payable in foreign currencies. | 72 | 80 | 116 | 142 | 139 | 147 | 148 | 150 | 211 | 190 |
| By area or country: |  |  |  |  |  |  |  |  |  |  |
| 9 Europe. | 1,271 | 1,908 | 2,708 | 3,133 | 3,191 | 3,285 | 3,246 | 3,309 | 3,362 | 3,616 |
| 10 Canada........ | . 490 | 501 | , 555 | +623 | +570 | 590 | 586 | 518 | 536 | 566 |
| 12 Asia. | 1,582 | 1,619 | 1,795 | 1,856 |  |  | 1,886 | I. 835 |  |  |
| 13 Japan | , 251 | 1,258 | 1,296 | 1,370 | 1,981 | 1,368 | 1,391 | 1,383 | , 363 | 1,8917 |
| 14 Middle East oil-exporting countries |  | 384 | 220 | 171 | 171 | 141 | 146 | 117 | 123 | 152 |
| 15 Other Asia ${ }^{2}$. | 1,331 | 977 | 1,279 | 1,315 | 1,349 | 1,376 | 1,349 | 1,334 | 1,356 | 1,322 |
| 16 Africa. | 355 | 366 | 747 | 800 | 839 | 888 | 883 | 856 | 876 | 890 |
| 17 Oil-exporting countries ${ }^{3}$ |  | 62 | 151 | 236 | 259 | 269 | 264 | 201 | 201 | 209 |
| 18 Other ${ }^{4}$ | 355 | 305 | 596 | 564 | 580 | 619 | 619 | 655 | 675 | 681 |
| 19 All other countries ${ }^{5}$. | 181 | 171 | 267 | 274 | 281 | 270 | 280 | 288 | 308 | 327 |

[^76]
### 3.22 FOREIGN BRANCHES OF U.S. BANKS Balance Sheet Data

Millions of dollars, end of period

| Asset account | 1973 | 1974 | 1975 | 1976 |  |  |  |  | 1977 |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  |  | Aug. | Sept. | Oct. | Nov. ${ }^{\text {r }}$ | Dec. ${ }^{\text {r }}$ | Jan. | Feb. ${ }^{p}$ |
|  | All foreign countries |  |  |  |  |  |  |  |  |  |
| 1 Total, all currencies | 121,866 | 151,905 | 176,493 | 196,174 | 199,843 | 206,383 | 207,424 | 219,859 | 213,094 | 216,407 |
| 2 Claims on United States. | 5,091 1,886 | 6,900 4,464 | 6,743 3,665 | 6,980 3,934 | 6,628 3,248 | 9,939 | 7,561 4,280 | 7,954 4,390 | 6,518 2,935 | 7,035 3,712 |
| 3 Parent bank. | 1,886 3,205 | 4,464 2,435 | 3,665 | 3,934 3,046 | 3,248 | 6,834 3,105 | 4,280 3,281 | 4,390 3,564 | 2,935 3,583 | 3,712 3,323 |
| 5 Claims on foreigners. . . . . . . . . . . . | 111,974 | 138,712 | 163,391 | 182,499 | 186,192 | 189,317 | 192,657 | 204,864 | 198,967 | 202,311 |
| 6 Other branches of parent bank | 19,177 | 27,559 | 34,508 | 41,000 | 41,174 | 41,812 | -42,729 | -46,585 | 47,141 | -49,084 |
| 7 Other banks. . . . . . . . . . . . . . . . | 56,368 | 60,283 | 69,206 | 71,802 | 74,796 | 76,152 | 77,216 | 83,576 | 77,136 | 77,236 |
| 8 Official institutions. | 2,693 | 4,077 | 5,792 | 8,766 | 9,208 | 9,205 | 9,550 | 10,608 | 10,835 | 11,168 |
| 9 Nonbank foreigners | 33,736 | 46,793 | 53,886 | 60,932 | 61,015 | 62,148 | 63,162 | 64,095 | 63,855 | 64,823 |
| 10 Other assets. | 4,802 | 6,294 | 6,359 | 6,695 | 7,022 | 7,128 | 7,207 | 7,041 | 7,609 | 7,060 |
| 11 Total payable in U.S. dollars | 79,445 | 105,969 | 132,901 | 147,245 | 150,434 | 156,031 | 156,416 | 168,270 | 163,855 | 166,453 |
| 12 Claims on United States | 4,599 | 6,603 | 6,408 | 6,666 | 6,269 | 9,595 | 7,218 | 7,660 | 6,239 | 6,748 |
| 13 Parent bank. | 1,848 | 4,428 | 3,628 | 3,895 | 3,184 | 6,790 | 4,218 | 4,330 | 2,896 | 3,667 |
| 14 Other. | 2,751 | 2,175 | 2,780 | 2,771 | 3,085 | 2,805 | 3,001 | 3,330 | 3,343 | 3,081 |
| 15 Claims on foreigners. | 73,018 | 96,209 | 123,496 | 137,374 | 140,919 | 143,083 | 145,884 | 157,407 | 153,705 | 156,085 |
| 16 Other branches of parent bank.. | 12,799 | 19,688 | 28,478 | 33,009 | 33,358 | 34,051 | 34,382 | 38,540 | 39,418 | 41,140 |
| 17 Other banks.. | 39,527 | 45,067 | 55,319 | 56,422 | 58,877 | 59,316 | 60,283 | 66,257 | 60,660 | 60,327 |
| 18 Official institutions | 1,777 | 3,289 | 4,864 | 7,606 | 7,906 | 7,885 | 8,298 | 9,017 | 9,468 | 9,833 |
| 19 Nonbank foreigners. | 18,915 | 28,164 | 34,835 | 40,337 | 40,779 | 41,831 | 42,920 | 43,593 | 44,159 | 44,785 |
| 20 Other assets . | 1,828 | 3,157 | 2,997 | 3,206 | 3,246 | 3,353 | 3,314 | 3,203 | 3,911 | 3,619 |
|  | United Kingdom |  |  |  |  |  |  |  |  |  |
| 21 Total, all currencies. | 61,732 | 69,804 | 74,883 | 73,229 | 73,589 | 76,854 | 77,249 | 81,466 | 76,482 | 78,335 |
| 22 Claims on United States. | 1,789 | 3,248 | 2,392 | 1,758 | 2,036 | 3,256 | 3,426 | 3,354 | 2,262 | 1,772 |
| 23 Parent bank | 738 | 2,472 | 1,449 | 938 | 1,081 | 2,413 | 2,538 | 2,376 | 1,357 | 991 |
| 24 Other. | 1,051 | 776 | 943 | 821 | 955 | 843 | 888 | 978 | 905 | 781 |
| 25 Claims of foreigners. | 57,761 | 64,111 | 70,331 | 69,298 | 69,217 | 71,162 | 71,477 | 75,859 | 71,995 | 74,713 |
| 26 Other branches of parent bank.. | 8,773 | 12,724 | 17,557 | 18,044 | 17,745 | 18,358 | 17,949 | 19,753 | 19,483 | 21,450 |
| 27 Other banks. . . . . . . . . . . . . . . . . | 34,442 | 32,701 | 35,904 | 34,135 | 34,405 | 35,336 | 35,846 | 38,089 | 34,827 | 35,517 |
| 28 Official institutions | 735 | , 788 | 881 | 1,007 | 1,138 | 1,211 | 1,168 | 1,274 | 1,377 | 1,595 |
| 29 Nonbank foreigners | 13,811 | 17,898 | 15,990 | 16,112 | 15,929 | 16,257 | 16,514 | 16,743 | 16,309 | 16,150 |
| 30 Other assets. | 2,183 | 2,445 | 2,159 | 2,173 | 2,335 | 2,436 | 2,345 | 2,253 | 2,225 | 1,851 |
| 31 Total payable in U.S. dollars | 40,323 | 49,211 | 57,361 | 54,522 | 54,547 | 57,161 | 57,699 | 61,587 | 57,758 | 60,036 |
| 32 Claims on United States. | 1,642 | 3,146 | 2,273 | 1,658 | 1,902 | 3,124 | 3,313 | 3,275 |  | 1,684 |
| 33 Parent bank. | - 730 | 2,468 | 1,445 | 1,934 | 1,064 | 2,406 | 2,523 | 2,374 | 1,352 | -988 |
| 34 Other.. | 912 | -678 | -828 | 724 | , 838 | 719 | 789 | 902 | 833 | 696 |
| 35 Claims on foreigners. . . . . . . . . . . | 37,817 | 44,694 | 54,121 | 52,006 | 51,782 | 53,112 | 53,541 | 57,488 | 54,735 |  |
| 36 Other branches of parent bank.. | 6,509 | 10,265 | 15,645 | 15,401 | 15,195 | 15,829 | 15,405 | 17,249 | 17,183 | 19,114 |
| 37 Other banks................... | 23,389 | 23,716 | 28,224 | 25,826 | 25,866 | 26,421 | 27,008 | 28,983 | 26,184 | 26,767 |
| 38 Official institutions. | 510 | 610 | 648 | 799 | 862 | 912 | 817 | 846 | 1,110 | 1,320 |
| 39 Nonbank foreigners. | 7,409 | 10,102 | 9,604 | 9,980 | 9,859 | 9,950 | 10,311 | 10,410 | 10,258 | 10,291 |
| 40 Other assets. | 865 | 1,372 | 967 | 858 | 863 | 925 | 845 | 824 | 838 | 860 |
|  | Bahamas and Caymans |  |  |  |  |  |  |  |  |  |
| 41 Total, all currencies. | 23,771 | 31,733 | 45,203 | 57,677 | 60,753 | 63,508 | 61,758 | 67,398 | 67,393 | 67,271 |
| 42 Claims on United States. | 2,210 | 2,464 | 3,229 | 3,554 | 3,330 | 5,464 | 2,892 | 3,461 | 3,148 | 3,696 |
| 43 Parent bank | 317 | 1,081 | 1,477 | 1,641 | 1,257 | 3,490 | 766 | 1,095 | 767 | 1,393 |
| 44 Other. | 1,893 | 1,383 | 1,752 | 1,913 | 2,072 | 1,973 | 2,126 | 2,365 | 2,381 | 2,303 |
| 45 Claims on foreigners. . . . . . . . . . . . | 21,041 | 28,453 | 41,040 | 52,933 | 56,255 | 56,806 | 57,634 | 62,720 | 62,498 | 62,163 |
| 46 Other branches of parent bank. . | 1,928 | 3,478 | 5,411 | 6,791 | 7,250 | 7,296 | 7,389 | 8,853 | 9,521 | 9,139 |
| 47 Other banks................... | 9,895 | 11,354 | 16,298 | 20,217 | 22,447 | 22,136 | 22,438 | 25,324 | 23,748 | 22,970 |
| 48 Official institutions. | 1,151 | 2,022 | 3,576 | 5,929 | 6,059 | 6,040 | 6,485 | 7,101 | 7,004 | 7,225 |
| 49 Nonbank foreigners. | 8,068 | 11,599 | 15,756 | 19,995 | 20,498 | 21,334 | 21,322 | 21,442 | 22,225 | 22,829 |
| 50 Other assets. | 520 | 815 | 933 | 1,190 | 1,169 | 1,239 | 1,232 | 1,217 | 1,747 | 1,413 |
| 51 Total payable in U.S. dollars. | 21,937 | 28,726 | 41,887 | 53,520 | 56,600 | 59,219 | 57,672 | 63,329 | 63,180 | 62,742 |



### 3.23 MARKETABLE U.S. TREASURY BONDS AND NOTES Foreign Holdings and Transactions Millions of dollars


${ }_{2}$ Includes Surinam until January 1976.
${ }_{2}$ Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States). Data not available until 1975 , ${ }_{3}$ Comprises Algeria, Gabon, Libya, and Nigeria. Data not available until 1975.
${ }^{4}$ Estimated official and private holdings of marketable U.S. Treasury securities with an original maturity of more than 1 year. Data are based on a benchmark survey of holdings as of Jan. 31, 1971, and monthly transactions reports. Excludes nonmarketable U.S.' Treasury bonds and notes held by official institutions of foreign countries.

### 3.24 FOREIGN OFFICIAL ASSETS HELD AT FEDERAL RESERVE BANKS

Millions of dollars, end of period

| Assets | 1973 | 1974 | 1975 | 1976 |  |  | 1977 |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  |  | Oct. | Nov. | Dec. | Jan. | Feb. | Mar. | Apr. |
| 1 Deposits. | 251 | 418 | 353 | 362 | 305 | 352 | 383 | 361 | 349 | 305 |
| Assets held in custody: U.S. Treasury securities 1 | 52,070 | 55,600 | 60,019 | 64,942 | 63,962 | 66,532 | 66,992 | 68,653 | 71,435 | 73,261 |
| 3 Earmarked gold ${ }^{2}$...... | 17,068 | 16,838 | 16,745 | 16,505 | 16,457 | 16,414 | 16,343 | 16,304 | 16,271 | 16,281 |

[^77]Note.-Excludes deposits and U.S. Treasury securities held for international and regional organizations. Earmarked gold is gold held for foreign and international accounts and is not included in the gold stock of the United States.
3.25 FOREIGN TRANSACTIONS IN SECURITIES

Millions of dollars

| Transactions, and area or country |  | 1975 | 1976 | 1977 | 1976 |  |  |  | 1977 |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | Jan.- <br> Mar. ${ }^{p}$ |  | Sept. | Oct. | Nov. | Dec. | Jan. | Feb. ${ }^{p}$ | Mar. ${ }^{p}$ |
|  |  |  | U.S. corporate securities |  |  |  |  |  |  |  |  |  |
| Stocks |  |  |  |  |  |  |  |  |  |  |  |
| 1 | Foreign purchases. | 15,347 | 18,227 | 3,688 | 1,124 | 1,226 | 977 | 1,562 | 1,425 | 1,162 | 1,101 |
| 2 | Foreign sales. . . . | 10,678 | 15,474 | 3,152 | 1,116 | 1,321 | 1,025 | 1,287 | 1,137 | 1,035 | 980 |
| 3 | Net purchases, or sales (-). | 4,669 | 2,752 | 536 | 9 | -95 | -49 | 274 | 288 | 127 | 121 |
| 4 | Foreign countries. | 4,651 | 2,740 | 531 | 7 | -98 | -50 | 281 | 290 | 125 | 116 |
| 5 | Europe. | 2,491 | 336 | 249 | -60 | -251 | -118 | 111 | 130 | 47 | 72 |
| 6 | France. | 262 | 256 | 21 | 23 | -12 | -25 | 37 | 27 | -10 | 4 |
| 7 | Germany | 251 | 68 | 10 | -6 | -16 | -13 | 24 | 1 | -7 | -4 |
| 8 | Netherlands | 359 | -199 | 9 | -26 | -37 | -29 | -35 | 24 | -5 | $-10$ |
| 9 | Switzerland. | 899 | -100 | 92 | -55 | -95 | -44 | -7 | 39 | 23 | 30 |
| 10 | United Kingdom. | 594 | 340 | 130 | 29 | -72 | -5 | 84 | 39 | 36 | 55 |
| 11 | Canada. | 361 | 325 | 47 | 5 | 18 | 1 | 60 | 8 | 30 | 9 |
| 12 | Latin America. | -7 | 155 | 32 | 10 | -17 | 25 | 1 | 4 | 14 | 14 |
| 13 | Middle East ${ }^{1}$. | 1,640 | 1,803 | 167 | 60 | 126 | 64 | 115 | 100 | 50 | 17 |
| 14 | Other Asia ${ }^{2}$. | 142 | 117 | 32 | -4 | 28 | -23 | 9 | 46 | -17 | 3 |
| 15 16 | Africa . | 10 | 7 | * | -4 | -3 | 1 | 2 | * | * | * |
| 16 | Other countries | 15 | -4 | 4 | * | 1 | * | -17 | 2 | 1 | 1 |
| 17 | Nonmonetary international and regional organizations | 18 | 12 | 4 | 2 | 4 | 2 | -6 | -2 | 1 | 5 |
| Bonds ${ }^{3}$ |  |  |  |  |  |  |  |  |  |  |  |
| 18 | Foreign purchases. | 5,408 | 5,529 | 1,276 | 361 | 625 | 355 | 533 | 400 | 534 | 342 |
| 19 | Foreign sales . . . . . . . . . . . . . . . . . . . . . . . . . . . | 4,642 | 4,322 | 744 | 375 | 386 | 364 | 524 | 322 | 214 | 208 |
| 20 | Net purchases, or sales ( - ) . | 766 | 1,207 | 532 | -14 | 239 | -9 | 9 | 78 | 320 | 134 |
| 21 | Foreign countries. | 1,795 | 1,248 | 509 | -9 | 203 | 110 | 6 | 73 | 329 | 107 |
| 22 | Europe | 113 | 92 | 359 | -16 | -10 | 24 | 53 | 8 | 281 | 70 |
| 23 | France... | 82 | 49 | -10 | -1 | -1 | 5 | 7 | -5 | -3 | -2 |
| 24 | Germany . ${ }^{\text {Netherlands }}$ | -6 -8 | -50 -29 | * | * | 5 -5 | 4 | 1 | -4 | 4 | * |
| 26 | Netherlands | -8 | -158 | -78 | -7 | -5 | 3 -3 | -20 | ${ }_{15}^{2}$ | -2 | -3 |
| 27 | United Kingdom, | -52 | 23 | 271 | 7 | * | 15 | 54 | 8 | 225 | 38 |
| 28 | Canada.. | 128 | 96 | 63 | 18 | -1 | 16 | 7 | 11 | 55 | -3 |
| 29 | Latin America | 31 | 94 | 4 | 5 | 29 | 6 | 27 | -5 | 8 | 1 |
| 30 | Middle East ${ }^{1}$ | 1,553 | 1,179 | 100 | 18 | 156 | 74 | -21 | 59 | -7 | 48 |
| 31 32 | Other Asia ${ }^{2}$ | -35 | -165 | -13 | -15 | 3 | -8 | -43 | 1 | -8 | -6 |
| 33 | Ather countries | 1 | -21 | -2 | - | -2 | - ${ }^{-}$ | -14 -2 | * | * | -2 |
| 34 | Nonmonetary international and regional organizations | -1,030 | -41 | 22 | -4 | 64 | -119 | 3 | 4 | -9 | 27 |
|  |  | Foreign securities |  |  |  |  |  |  |  |  |  |
| 35 | Stocks, net purchases, or sales ( - ) | -189 | -322 | -189 | -27 | -1 | -1 | 4 | -18 | -109 | -62 |
| 36 | Foreign purchases........... | 1,541 | 1,937 | 498 | 126 | 132 | 167 | 217 | 181 | 130 | 187 |
| 37 | Foreign sales . . | 1,730 | 2,259 | 686 | 153 | 133. | 168 | 213 | 199 | 238 | 249 |
| 38 | Bonds, net purchases, or sales ( - ). | -6,324 | -8,547 | -484 | -427 | -367 | -400 | -1,298 | -30 | -374 | -80 |
| 39 | Forcign purchases. . | 2,383 | 4,932 | 2,012 | 363 | 452 | 455 | , 670 | 818 | 581 | 613 |
| 40 | Foreign sales. . . . . . . . . . . . . . . . . . . . . . . . . . . | 8,707 | 13,479 | 2,496 | 790 | 819 | 855 | 1,968 | 848 | 955 | 693 |
|  | Net purchases, or sales ( ) of stocks and bonds. . | -6,514 | $-8,870$ | -674 | -454 | -369 | -402 | -1,294 | -49 | -483 | -142 |
| 42 | Foreign countries. | -4,323 | -6,972 | -985 | -471 | -282 | -270 | -765 | -338 | -488 | -159 |
| 43 | Europe. | -53 | -836 | -174 | -145 | -37 | $-10$ | -140 | -21 | -207 | 54 |
| 44 | Canada. | -3,202 | -5,129 | -656 | -331 | -301 | -26 | -643 | -298 | -265 | -93 |
| 45 | Latin America | -306 | 1 | 102 | 20 | 13 | -28 | 37 | 25 | 42 | 35 |
| 46 | Asia. . | -622 | -640 | -268 | -16 | 34 | -10 | -24 | -53 | -61 | -154 |
| 47 | Africa | 15 | 48 | 1 | * | 1 |  | 2 | -1 | 2 | * |
| 48 | Other countries | -155 | -416 | 10 | 2 | 9 | -197 | 3 | 9 | 1 | * |
|  | Nonmonetary international and regional organizations. | -2,192 | -1,898 | 312 | 17 | -87 | -132 | -529 | 290 | 5 | 17 |

${ }^{1}$ Comprises oil-exporting countries as follows: Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).
${ }^{2}$ Includes Middle East oil-exporting countries until 1975.
${ }^{3}$ Includes State and local government securities, and securities of U.S. Govt. agencies and corporations. Also includes issues of new debt securities sold abroad by U.S. corporations organized to finance direct investment abroad.
3.26 SHORT-TERM LIABILITIES TO AND CLAIMS ON FOREIGNERS Reported by Nonbanking Concerns in the United States
Millions of dollars, end of period


[^78]Note.-Reported by exporters, importers, and industrial and com-
mercial 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 affiliates.

### 3.27 SHORT-TERM CLAIMS ON FOREIGNERS Reported by Large Nonbanking Concerns in the United States

 Millions of dollars, end of period| Type and country | 1973 | 1974 | 1075 | 1976 |  |  |  |  | 1977 |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  |  | Aug. | Sept. | Oct. | Nov. | Dec. | Jan. | Feb. ${ }^{\text {p }}$ |
| 1 Total. | 3,164 | 3,357 | 3,792 | 5,140 | 4,725 | 4,897 | 5,123 | 5,419 | 5,358 | 5,575 |
| $2 \begin{gathered}\text { By type: } \\ \text { Payable in dollars. }\end{gathered}$ | 2,625 | 2,660 | 3,038 | 4,559 | 4,077 | 4,326 | 4,600 | 4,802 | 4,743 | 4,941 |
| 3 Deposits....... | 2,588 | 2,591 | 2,706 | 4,140 | 3,707 | 3,935 | 4,213 | 4,429 | 4,375 | 4,564 |
| 4 Short-term investments 1. | 37 | 69 | 332 | 419 | 370 | 391 | 387 | 373 | 368 | 377 |
| 5 Payable in foreign currencies. | 540 | 697 | 756 | 582 | 648 | 571 | 523 | 618 | 616 | 634 |
| 6 Deposits........... | 435 | 429 | 510 | 368 | 438 | 339 | 307 | 332 | 308 | 336 |
| 7 Short-term investments 1 | 105 | 268 | 246 | 214 | 210 | 232 | 216 | 286 | 308 | 298 |
| 8 By country: |  |  |  |  |  |  |  |  |  |  |
| 8 United Kingdom. | 1,118 | 1,350 | 1,304 | 2,077 | 1,709 | 1,640 | 1,693 | 1,835 | 1,851 | 1,844 |
| 9 Canada.. | 765 | 967 390 | 1,153 | 1,401 | 1,336 | 1,429 | 1,552 | 1,539 | 1,291 | 1,321 |
| 10 Bahamas. | 589 | 390 | 546 | 823 | 810 | 1,059 | 1,059 | 1,247 | 1,312 | 1,396 |
| 11 Japan.. | 306 | 398 | 343 | 137 | 146 | 116 | 135 | 110 | 127 | 164 |
| 12 All other. | 386 | 252 | 445 | 702 | 724 | 653 | 684 | 688 | 777 | 850 |

1 Negotiable and other readily transferable foreign obligations payable on demand or having a contractural maturity of not more than 1 year from the date on which the obligation was incurred by the foreigner.

Note.-Data represent the assets abroad of large nonbanking concerns in the United States. They are a portion of the total claims on foreigners reported by nonbanking concerns in the United States and are included in the figures shown in Table 3.26.

### 3.28 LONG-TERM LIABILITIES TO AND CLAIMS ON FOREIGNERS Reported by Nonbanking Concerns

 in the United StatesMillions of dollars, end of period

| Area and country | 1975 | 1976 |  |  |  | 1975 | 1976 |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Dec. ${ }^{r}$ | Mar. ${ }^{\text {r }}$ | June | Sept. | Dec. ${ }^{p}$ | Dec. ${ }^{\text {r }}$ | Mar. ${ }^{\text {r }}$ | June | Sept. | Dec. ${ }^{p}$ |
|  | Liabilities to foreigners |  |  |  |  | Claims on foreigners |  |  |  |  |
| 1 Total. | 4,256 | 4,069 | 3,935 | 3,725 | 3,507 | 4,977 | 5,177 | 5,034 | 4,971 | 4,910 |
| 2 Europe. . | 3,267 | 3,114 | 2,992 | 2,820 | 2,697 | 1,026 | 973 | 984 | 953 | 910 |
| 3 Germany. | 506 | 446 | 425 | 406 | 396 | 37 | 34 | 35 | 73 | 72 |
| 4 Netherlands. | 202 | 214 | 214 | 270 | 258 | 217 | 219 | 211 | 211 | 156 |
| 5 Switzerland...... | - 522 | - 484 | + 467 | 327 | 260 | 59 | 56 | 56 | 54 | 57 |
| 6 United Kingdom. | 1,604 | 1,577 | 1,493 | 1,445 | 1,407 | 396 | 349 | 365 | 298 | 297 |
| 7 Canada. | 155 | 144 | 166 | 111 | 86 | 1,426 | 1,473 | 1,516 | 1,511 | 1,534 |
| 8 Latin America. | 269 | 248 | 222 | 230 | 241 | 1,634 | 1,770 | 1,602 | 1,547 | 1,520 |
| 9 Bahamas. | 210 | 184 | 157 | 132 | 138 | ${ }_{8}^{8}$ | 7 | 37 | 37 | 36 |
| 10 Brazil. | 4 | 5 | 5 | 5 | 5 | 170 | 182 | 164 | 171 | 203 |
| 11 Chile. | 1 | 1 | 1 | 1 | 1 | 315 | 312 | 306 | 244 | 248 |
| 12 Mexico. | 3 | 6 | 6 | 7 | 15 | 216 | 209 | 187 | 219 | 195 |
| 13 Asia. | 496 | 495 | 489 | 498 | 423 | 669 | 685 | 710 | 737 | 771 |
| 14 Japan. | 397 | 394 | 388 | 402 | 397 | 90 | 91 | 85 | 80 | 80 |
| 15 Africa. | 2 | 2 | 2 | 2 | 2 | 168 | 214 | 163 | 165 | 189 |
| 16 All other ${ }^{1}$. | 66 | 65 | 64 | 64 | 58 | 55 | 61 | 59 | 58 | 58 |

[^79]
### 3.29 DISCOUNT RATES OF FOREIGN CENTRAL BANKS

Per cent per annum

| Country | Rate on Apr. 30, 1977 |  | Country | Rate on Apr. 30, 1977 |  | Country | Rate on Apr. 30, 1977 |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Per cent | Month effective |  | Per cent | Month effective |  | Per cent | Month effective |
| Argentina. | 18.0 | Feb. 1972 | France. . | 10.5 | Sept. 1976 | Norway . | 6.0 | Sept. 1976 |
| Austria... | 4.0 | June 1976 | Germany, Fed. Rep. of. | 3.5 | Sept. 1975 | Sweden.. | 8.0 | Oct. 1976 |
| Belgium | 7.0 | Feb. 1977 | Italy................. | 15.0 | Oct. 1976 | Switzerland. | 2.0 | June 1976 |
| Brazil. | 28.0 | May 1976 | Japan. . . . . . . . . . . . . | 5.0 | Apr. 1977 | United Kingdom | 8.25 | Apr. 1977 |
| Canada Denmark | 8.0 9.0 | Feb. 1977 Mar. 1977 | Mexico..... Netherlands | 4.5 4.5 | June 1942 Apr. 1977 | Venezuela.... | 5.0 | Oct. 1970 |

Note.-Rates shown are mainly those at which the central bank either discounts or makes advances against eligible commercial paper and/or government 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.

### 3.30 FOREIGN SHORT-TERM INTEREST RATES

Per cent per annum, averages of daily figures

| Country, or type |
| :--- |

NoTE.-Rates are for 3-month interbank loans except for-Canada,
over; and Japan, loans and discounts that can be called after being held finance company paper; Belgium, time deposits of 20 million francs and over a minimum of two month-ends.

### 3.31 FOREIGN EXCHANGE RATES

Cents per unit of foreign currency

| Country/currency | 1974 | 1975 | 1976 | 1976 |  | 1977 |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  |  | Nov. | Dec. | Jan. | Feb. | Mar. | Apr. |
| 1 Australia/dollar | 143.89 | 130.77 | 122.15 | 120.66 | 105.29 | 108.53 | 109.04 | 109.94 | 110.53 |
| 2 Austria/shilling. | 5.3564 | 5.7467 | 5.5744 | 5.8332 | 5.9061 | 5.8852 | 5.8453 | 5.8822 | 5.9252 |
| 3 Belgium/franc. | 2.5713 | 2.7253 | 2.5921 | 2.7047 | 2.7483 | 2.7249 | 2.7114 | 2.7258 | 2.7509 |
| 4 Canada/dollar. | 102.26 | 98.30 | 101.41 | 101.46 | 98.204 | 98.985 | 97.295 | 95.125 | 95.103 |
| 5 Denmark/krone | 16.442 | 17.437 | 16.546 | 16.934 | 17.145 | 16.967 | 16.891 | 17.038 | 16.710 |
| 6 Finland/markka, | 26.565 | 27.285 | 25.938 | 26.073 | 26.315 | 26.313 | 26.169 | 26.296 | 24.899 |
| 7 France/franc | 20.805 | 23.354 | 20.942 | 20.042 | 20.055 | 20.108 | 20.083 | 20.075 | 20.133 |
| 8 Germany/deutsche mark | 38.723 | 40.729 | 39.737 | 41.443 | 41.965 | 41.792 | 41.582 | 41.812 | 42.119 |
| 9 India/rupee . . . . . . . . | 12.460 | 11.926 | 11.148 | 11.155 | 11.296 | 11.231 | 11.285 | 11.313 | 11.310 |
| 10 Ireland/pound. | 234.03 | 222.16 | 180.48 | 163.81 | 167.84 | 171.24 | 171.03 | 171.74 | 171.90 |
| 11 Italy/lira. | . 15372 | . 15328 | . 12044 | . 11554 | . 11521 | . 11372 | . 11327 | . 11276 | . 11264 |
| 12 Japan/yen. | . 34302 | . 33705 | . 33741 | . 33879 | . 33933 | . 34359 | . 35087 | . 35687 | . 36339 |
| 13 Malaysia/ringgit | 41.682 | 41.753 | 39.340 | 39.513 | 39.550 | 39.718 | 40.011 | 40.152 | 40.305 |
| 14 Mexico/peso. . | 8.0000 | 8.0000 | 6.9161 | 4.0200 | 4.8626 | 4.8114 | 4.4084 | 4.3978 | 4.4076 |
| 15 Netherlands/guilder | 37.267 | 39.632 | 37.846 | 39.678 | 40.240 | 39.953 | 39.813 | 40.079 | 40.464 |
| 16 New Zealand/dollar. | 140.02 | 121.16 | 99.115 | 95.392 | 92.179 | 94.839 | 95.192 | 95.689 | 96.129 |
| 17 Norway/krone. | 18.119 | 19.180 | 18.327 | 18.954 | 19.193 | 18.946 | 18.904 | 19.035 | 18.909 |
| 18 Portugal/escudo. | 3.9506 | 3.9286 | 3.3159 | 3.1742 | 3.1674 | 3.1276 | 3.0717 | 2. 5778 | 2.5752 |
| 19 South Africa/rand | 146.98 | 136.47 | 114.85 | 114.88 | 114.95 | 114.94 | 115.00 | 115.00 | 114.93 |
| 20 Spain/peseta... | 1.7337 | 1.7424 | 1.4958 | 1.4626 | 1.4634 | 1.4577 | 1.4475 | 1.4530 | 1.4536 |
| 21 Sri Lanka/rupee | 14.978 | 14.385 | 11.908 | 11.479 | 11.246 | 11.421 | 11.442 | 12.820 | 13.676 |
| 22 Sweden/krona. | 22.563 | 24.141 | 22.957 | 23.699 | 24.051 | 23.734 | 23.543 | 23.726 | 23.004 |
| 23 Switzerland/franc. | 33.688 | 38.743 | 40.013 | 40.958 | 40.823 | 40.127 | 39.669 | 39.209 | 39.582 |
| 24 United Kingdom/pound | 234.03 | 222.16 | 180.48 | 163.81 | 167.84 | 171.24 | 171.03 | 171.74 | 171.90 |
| 25 Memod States/dollar $1 .$. | 84.11 | 82.20 | 89.68 | 91.06 | 90.55 | 90.35 | 90.55 | 90.45 | 90.13 |

1 Index of weighted-average exchange value of U.S. dollar against currencies of other G-10 countries plus Switzerland. May 1970 parities $=100$. Weights are 1972 global trade of each of the 10 countries.

## Guide to

## Tabular Presentation and Statistical Releases

## GUIDE TO TABULAR PRESENTATION

## Symbols and Abbreviations

| p | Preliminary | SMSA's | Standard metropolitan statistical areas |
| :--- | :--- | :--- | :--- |
| r | Revised | REIT's | Real estate investment trusts <br> rp |
| R | Revised preliminary |  | Amounts insignificant in terms of the partic- |
| e | Estimated | ular unit (e.g., less than 500,000 when |  |

## General Information

Minus signs are used to indicate (1) a decrease, (2) a negative figure, or (3) an outflow.
"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.

## STATISTICAL RELEASES

List Published Semiannually, with Latest Bulletin Reference

|  | Issue | Page |
| :---: | :---: | :---: |
| Anticipated schedule of release dates for individual releases | Dec. 1976 | A-82 |

Revised data for call report for March 31, 1976, appear on following two pages.
1.26 COMMERCIAL BANK ASSETS AND LIABILITIES Revised Detailed Balance Sheet, March 31, 19764

Asset and liability items are shown in millions of dollars


For notes see opposite page.

| Liability or capital account | Insured commercial banks | Member banks ${ }^{1}$ |  |  |  |  | $\underset{\substack{\text { Non- } \\ \text { member } \\ \text { banks }}}{ }$ banks ${ }^{1}$ |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | Total | Large banks |  |  | All other |  |
|  |  |  | New York City | City of Chicago | Other <br> large |  |  |
| 75 Demand deposits. | 295,012 | 231,681 | 55,009 | 9,057 | 81,115 | 86,500 | 63,331 |
| 76 Mutual savings banks | 1,034 | 941 | 450 |  | 204 | 285 | 92 |
| 77 Other individuals, partnerships, and corporations | 228,642 | 173,792 | 31,011 | 6,570 | 63,816 | 72,395 | 54,849 |
| 78 U.S. Govt.. | 2,474 | 1,798 | 136 | 25 | 646 | 990 | 676 |
| 79 States and political subdivisions. | 15,860 | 11,183 | . 634 | 191 | 3,339 | 7,019 | 4,677 |
| 80 Foreign governments, central banks, etc | 1,434 | 1,388 | 1,173 | 18 | , 166 | 30 | 47 |
| 81 Commercial banks in United States. | 29,640 | 28,582 | 13,835 | 1,823 | 9,511 | 3,413 | 1,058 |
| 82 Banks in foreign countries | 5,518 | 5,388 | 4,120 | 136 | 1,016 | 117 | 130 |
| 83 Certified and officers' checks, etc | 10,411 | 8,610 | 3,651 | 291 | 2,417 | 2,251 | 1,801 |
| 84 Time deposits. | 285,634 | 213,831 | 35,869 | 13,466 | 75,705 | 88,790 | 71,803 |
| 85 Accumulated for personal loan payments | 196 | , 150 |  |  | , 12 | 138 | 45 |
| 86 Mutual savings banks.................... | ${ }^{2} 556$ | 162540 | 24.297 | ${ }^{2}{ }^{2}$ | 56193 | - 48 | 16 |
| 87 Other individuals, partnerships, and corporations | 219,508 | 162,351 | 24,723 | 9,460 | 56,716 | 71,452 | 57,157 |
| 89 States and political subdivisions | 46,330 | 32,822 | 1,483 | 1,442 | 13,696 | 16,200 | 13,508 |
| 90 Foreign governments, central banks, etc | 8,551 | 8,338 | 5,278 | 1,136 | 1,892 | . 33 | 213 |
| 91 Commercial banks in United States | 8,525 | 7,864 | 3,016 | 1,340 | 2,792 | 716 | 661 |
| 92 Banks in foreign countries | 1,350 | 1,287 | 981 | 86 | 203 | 17 | 63 |
| 93 Savings deposits | 179,027 | 128,701 | 9,954 | 2,706 | 46,229 | 69,813 | 50,326 |
| 94 Individuals and nonprofit organizations. | 170,797 | 122,765 | 9,456 | 2,616 | 44,216 | 66,477 | 48,032 |
| 95 Corporations and other profit organizations | 5,233 | 3,880 | 225 | 66 | 1,645 | 1,944 | 1,353 |
| 96 U.S. Govt. | 2,930 | 1,992 | 222 | 23 | 360 | 1,387 | 938 |
| 97 All other. | 67 | 64 | 50 |  | 8 | 5 | 3 |
| 98 Total deposits. | 759,673 | 574,213 | 100,832 | 25,229 | 203,049 | 245,103 | 185,460 |
| 99 Federal funds purchased and securities sold under agreements to repurchase. | 57,248 | 54,654 | 12,057 | 7,536 | 27,495 | 7,566 | 2,594 |
| 100 Commercial banks. | 35,330 | 34,269 | 6,712 | 5,261 | 18,301 | 3,995 | 1,061 |
| 101 Brokers and dealers | 5,609 | 5,409 | 755 | 1,001 | 2,963 | 689 | 200 |
| 102 Others. | 16,309 | 14,976 | 4,591 | 1,273 | 6,231 | 2,881 | 1,333 |
| 103 Other liabilities for borrowed money | 4,469 | 4,165 | 1,919 | - 58 | 1,866 | 321 | 304 |
| 104 Mortgage indebtedness...... | 770 | 554 | 57 | 16 | 299 | 182 | 216 |
| 105 Bank acceptances outstanding | 10,405 | 10,114 | 5,634 | 374 | 3,822 | 285 | 291 |
| 106 Other liabilities. | 15,209 | 13,220 | 4,356 | 897 | 5,072 | 2,895 | 2,065 |
| 107 Total liabilities. | 847,774 | 656,920 | 124,856 | 34,110 | 241,603 | 256,351 | 190,930 |
| 108 Subordinated notes and debentures | 4,549 | 3,676 | 917 | 84 | 1,697 | 978 | 873 |
| 109 Equity capital. | 67,297 | 51,063 | 10,523 | 2,368 | 16,995 | 21,176 | 16,241 |
| 110 Preferred stock | 15, 53 | 11, 34 |  |  | 10 | 24 | 20 |
| 111 Common stoc | 15,699 | 11,631 | 2,439 | 570 | 3,695 | 4,928 | 4,070 |
| 112 Surplus. | 27,108 | 20,273 | 4,089 | 1,149 | 7,092 | 7,943 | 6,836 |
| 113 Undivided profits | 22,707 | 17,902 | 3,921 | 600 | 5,786 | 7,596 | 4,807 |
| 114 Other capital reserves. | 1,730 | 1,223 | 75 | 50 | 412 | 686 | 508 |
| 115 Total liabilities and equity capital | 919,620 | 711,659 | 136,296 | 36,562 | 260,295 | 278,505 | 208,043 |
| Memo: |  |  |  |  |  |  |  |
| 116 Demand deposits adjusted ${ }^{2}$. . . <br> Average for last 15 or 30 davs: | 220,779 | 160,538 | 25,986 | 5,405 | 53,716 | 75,430 | 60,241 |
| 117 Average cash and due from bank | 117,461 | 101,148 | 28,576 | 4,255 | 37,278 | 31,039 | 16,316 |
| 118 Average Federal funds sold and securities purchased under agreements to resell. | 36,702 | 27,391 | 1,900 | 1,379 | 12,723 | 11,389 | 9,340 |
| 119 Average total loans. | 486,169 | 371,806 | 72,794 | 20,828 | 136,099 | 142,085 | 114,363 |
| 120 Average time deposits of $\$ 100,000$ or more. | 144,211 | 120,666 | 31,643 | 11,156 | 49,255 | 28,612 | 23,545 |
| 121 Average total deposits. | 751,499 | 567,979 | 98,482 | 25,185 | 200,717 | 243,595 | 183,520 |
| 122 Average Federal funds purchased and securities sold under agreements to repurchase. | 59,309 | 56,744 | 14,858 | 7,312 | 26,869 | 7,706 | 2,565 |
| 123 Average other liabilities for borrowed money. | 4,094 | 3,814 | 1,677 | 47 | 1,803 | 287 | 280 |
| 124 Standby letters of credit outstanding. | 9,758 | 9,307 | 4,924 | 950 | 2,817 | 615 | 452 |
| 125 Time deposits of \$100,000 or more | 143,510 | 121,015 | 31,753 | 11,432 | 48,996 | 28,834 | 22,495 |
| 126 Certificates of deposit. . | 119,935 | 100,230 | 26,167 | 9,273 | 39,542 | 25,248 | 19,705 |
| 127 Other time deposits. | 23,575 | 20,785 | 5,586 | 2,159 | 9,454 | 3,586 | 2,790 |
| 128 Number of banks. | 14,368 | 5,778 | 12 | 9 | 154 | 5,603 | 8,595 |

[^80]${ }^{2}$ Demand deposits adjusted are demand deposits other than domestic commercial interbank and U.S. Govt., less cash items reported as in process of collection.

Note--Data include consolidated reports, including figures for all bank-premises subsidiaries and other significant majority-owned domestic subsidiaries. Securities are reported on a gross basis before deductions of valuation reserves. Holdings by type of security will be reported as soon as they become available.
Back data in lesser detail were shown in previous Bulletins. Details may not add to totals because of rounding.

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[^81]
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Banking and Monetary Statistics, 1941-1970. 1976. 1,168 pp. $\$ 15.00$.

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Published Interpretations of the Board of Governors, as of June 30, 1976. \$7.50.
Industrial Production-1971 Edition. 1972. 383 pp. $\$ 4.00$ each; 10 or more to one address, $\$ 3.50$ each.
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Reappraisal of the Federal Reserve Discount Mechanism. Vol. 1. 1971.276 pp. Vol. 2. 1971. 173 pp . Vol. 3. 1972.220 pp . Each volume $\$ 3.00$; 10 or more to one address, $\$ 2.50$ each.
The Econometrics of Price Determination Conference, October 30-31, 1970, Washington, D.C. 1972. 397 pp. Cloth ed. $\$ 5.00$ each; 10 or more to one address, $\$ 4.50$ each. Paper ed. $\$ 4.00$ each; 10 or more to one address, $\$ 3.60$ each.
Federal Reserve Staff Study: Ways to Moderate Fluctuations in Housing Construction. 1972. $487 \mathrm{pp} . \$ 4.00$ each; 10 or more to one address, $\$ 3.60$ each.
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Seasonal Adjustment of $M_{1}$-Currently Published and Alternative Methods, by Edward R. Fry. May 1976. 22 pp.

Effects of NOW Accounts on Costs and Earnings of Commercial Banks in 1974-75, by John D. Paulus. Sept. 1976. 49 pp.
Recent Trends in Local Banking Market Structure, by Samuel H. Talley. May 1977. 26 pp.

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Revised Measures of Manufacturing Capacity Utilization. 10/71.
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Assets and Liabilities of Foreign Branches of U.S. Banks. 2/72.

Bank Debits, Deposits, and Deposit TurnoverRevised Series. 7/72.
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Inflation and Stagnation in Major Foreign Industrial Countries. 10/74.
The Structure of Margin Credit. 4/75.
New Statistical Series on Loan Commitments at Selected Large Commercial Banks. 4/75.
Recent Trends in Federal Budget Policy. 7/75.
Recent Developments in International Financial Markets. 10/75.
MinNiE: A Small Version of the MIT-PENN-SSRC Econometric Model, Staff Economic Study by Douglas Battenberg, Jared J. Enzler, and Arthur M. Havenner. 11/75.
An Assessment of Bank Holding Companies, Staff Economic Study by Robert J. Lawrence and Samuel H. Talley, 1/76.
Industrial Electric Power Use. 1/76.
Revision of Money Stock Measures. 2/76.
Survey of Finance Companies, 1975. 3/76.
Revised Series for Member Bank Deposits and Aggregate Reserves. 4/76.
Industrial Production-1976 Revision. 6/76.
Federal Reserve Operations in Payment Mechanisms: A Summary. 6/76.
Recent Growth in Activities of U.S. Offices of Banks. 10/76.
New Estimates of Capacity Utilization: Manufacturing and Materials. 11/76.
U.S. International Transactions in a Recovering Economy. 4/77.
Bank Holding Company Financial Developments in 1976. 4/77.
Changes in Bank Lending Practices, 1976. 4/77.
Changes in Time and Savings Deposits at Commercial Banks, July-Oct. 1976. 4/77.
Survey of Terms of Bank Lending-New Series. 5/77.

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## The Federal Reserve System

Boundaries of Federal Reserve Districts and Their Branch Territories


## LEGEND

- Boundaries of Federal Reserve Districts
- Boundaries of Federal Reserve Branch Territories

3
Board of Governors of the Federal Reserve System
© Federal Reserve Bank Cities

- Federal Reserve Branch Cities
- Federal Reserve Bank Facility


[^0]:    NOTES:
    Monthly averages except for F.R. discount rate and conventional mortgages (based on quotations for one day each month). Yields: U.S. Treasury bills, market yields on 3-month issues; prime commercial paper, dealer offering rates; conventional mortgages, rates on first mortgages in primary markets, unweighted and rounded to nearest 5 basis points, from Dept. of Housing and Urban Development; Aaa utility bonds, weighted averages of new publicly offered bonds rated Aaa, Aa, and A by Moody's Investors Service and adjusted to Aaa basis; U.S. Govt. bonds, market yields adjusted to 20-year constant maturity by U.S. Treasury; State and local govt. bonds (20 issues, mixed quality), Bond Buyer.

[^1]:    ${ }^{1} M-1$ is currency plus private demand deposits adjusted.
    $M-2$ is $M-1$ plus bank time and savings deposits adjusted other than large CD's.
    $M-3$ is $M-2$ plus deposits at mutual savings banks and savings and loan associations and credit union shares.

    M-4 is M-2 plus large negotiable CD's.
    $M-5$ is $M-3$ plus large negotiable CD's.
    ${ }^{2}$ Savings and loan associations, mutual savings banks, and credit unions.
    ${ }^{3}$ Total member bank deposits plus funds provided by Euro-dollar borrowings and bank-related commercial paper.

[^2]:    Data are at seasonally adjusted annual rates of growth. Money stock data are quarterly averages.

[^3]:    ${ }^{1}$ Includes commercial and other nonresidential as well as farm properties.
    ${ }^{2}$ Includes net changes in mortgage-backed securities guaranteed by the Government National Mortgage Association, Federal Home Loan Mortgage Corporation, or Farmers Home Administration, some of which may have been purchased by the institutions shown separately.
    ${ }^{\text {e }}$ Estimated.

    * Less than $\$ 500$ million.

[^4]:    ${ }^{1}$ Includes outlays of the Pension Benefit Guaranty Corporation, Postal Service Fund, Rural Electrification and Telephone Revolving Fund, Rural Telephone Bank, Housing for the Elderly or Handicapped Fund, and Federal Financing Bank. All data have been adjusted to reflect the return of the Export-Import Bank to the unified budget.
    ${ }^{\text {" }}$ Checks issued less checks paid, accrued items, and other transactions.
    ${ }^{3}$ Includes debt of the Federal Home Loan Mortgage Corporation, Federal home loan banks, Federal land banks, Federal intermediate credit banks, banks for cooperatives, and Federal National Mortgage Association (including discount notes and securities guaranteed by the Government National Mortgage Association).

[^5]:    ${ }^{1}$ The consumer loan section of the Survey of Selected Interest Rates will be continued in the same form, and the results will continue to be published monthly in the modified G. 10 release.

[^6]:    ${ }^{2}$ Many banks that are heavily engaged in farm lending are small and therefore often need the participation of other lenders in their larger loans.

[^7]:    ${ }^{3}$ See the appendix, which describes the principles used in selecting the random sample.
    ${ }^{4}$ Some banks that have computerized data systems are reporting by magnetic tape or cards, obviating the need to fill out forms.

[^8]:    ${ }^{2}$ The interquartile range shows the interest rate range that encompasses the middle 50 per cent of the total dollar amount of loans compas
    n.a. Not available.

[^9]:    ${ }^{6}$ Additional programming is being performed to compute standard errors for interest rates on loans made at the 48 large banks; meanwhile, standard errors will be published for loans at other banks.
    ${ }^{7}$ Standard errors for all the estimates will be available later and may be obtained from the Banking Section of the Division of Research and Statistics.
    ${ }^{8}$ Copies may be obtained from Publications Services, Division of Administrative Services, Board of Governors of the Federal Reserve System, Washington. D.C. 20551.

[^10]:    Note. - The STBL sample was designed by Irving Gedanken, Senior Statistician in the Division of Research and Statistics until his recent retirement.

[^11]:    Note.-Address by Arthur F. Burns, Chairman, Board of Governors of the Federal Reserve System, at the annual dinner of the Columbia University Graduate School of Business. New York, New York, April 12. 1977.

[^12]:    ${ }^{3}$ The highest permissible rate is currently 7.75 per cent per annum ( 12 CFR 329.7 and 12 CFR 526.5).

[^13]:    ${ }^{10}$ For this purpose, the phrase "prospectively subject to increase" does not apply to increases in the annual percentage rate upon such occurrences as default, acceleration, late payment, assumption or transfer of property.

[^14]:    ${ }^{1}$ All banking data are as of December 31, 1975.

[^15]:    ${ }^{2}$ The relevant market is the St. Joseph banking market, which is approximated by Buchanan County (less Rush and Bloomington Townships), Andrew County, and western DeKalb County, all in Misouri, and northern Doniphan County in Kansas.
    ${ }^{3}$ Applicant characterizes Commerce Bank's customers as primarily a merchant and wage-earner clientele not associated with the south St. Joseph area. Applicant states that Bank primarily serves agriculturally oriented businesses in the south St. Joseph area. The Board does not view this as a legitimate distinction in defining the relevant product for purposes of competitive analysis.

[^16]:    'See the Board's Order approving the merger of Ameribanc, Inc., St. Joseph, Missouri, with First American Bancshares, Inc., St. Joseph, Missouri. 62 Federal Reserve Bulletin, p. 384.

[^17]:    ${ }^{5}$ Bank has no large business customers, and the farmers in its service area conduct small operations. The few loans for which Bank has needed assistance have been readily handled by its St. Joseph and Kansas City correspondents.

[^18]:    ${ }^{1}$ All deposit data are as of December 31, 1975.
    ${ }^{2}$ The Darlington/Monroe banking market is approximated by Green County, except Decatur township and the eastern three-fifths of Lafayette County.

[^19]:    Voting for this action: Chairman Burns and Governors Gardner, Wallich, Partee, and Lilly. Absent and not voting: Governors Coldwell and Jackson.

[^20]:    ${ }^{1}$ Applicant subsequently will resell qualifying shares to directors of The National Bank of Commerce of Jackson.
    ${ }^{2}$ All banking data are as of December 31, 1975, unless otherwise noted.

[^21]:    ${ }^{3}$ Payment of the special dividend will not be in an amount violative of section 5199 of the Revised Statutes.

[^22]:    ${ }^{1}$ Applicant currently controls these subsidiary banks through Royal Trust Bank Corp., Miami, Florida ('Corp.'"), itself a registered bank holding company. Corp. was formed in 1976 as a wholly owned subsidiary of Applicant in order to hold directly all of Applicant's banking interests in the United States.
    ${ }^{2}$ Information Systems Design of Florida, Inc., Miami, Florida ('ISD-Florida'), is a subsidiary of Information Systems Design, Inc., Santa Clara, California ("ISD-California"), which is owned by Computel Systems, Ltd. ('Computel'), a Canadian data processing company. By Orter of December 6, 1973, the Board denied Applicant's retention of ISD-California after Applicant's acquisition of Computel pursuant to

[^23]:    § 4(c)(9) of the Act [ 38 Federal Register 34514 (1973); 60 Federal Reserve Bulletin 58 (1974)]. ISD-California is engaged in nonpermissible data processing activities while ISDFlorida is engaged in permissible data processing activities. The Board granted Applicant a 2 -year period, after its acquisition of Computel, within which to divest itself of ISD-California. On January 31, 1977, the Board approved a plan of divestiture of ISD-California that had been submitted by Applicant. Immediately prior to consummation of the divestiture proposal, Applicant will retain ISD.Florida through a corporate reorganization by which ISD-Florida will be transferred to Applicant or to another subsidiary of Applicant.
    ${ }^{3}$ All banking data are as of December 31, 1975, unless otherwise indicated.
    ${ }^{4}$ The Jacksonville banking market encompasses Duval County and the Orange Park area in northern Clay County.
    ${ }^{5}$ Bank opened for business on May 15, 1975.

[^24]:    ${ }^{1}$ All banking data are as of December 31, 1975.
    ${ }^{2}$ The relevant banking market is Osceola County.
    ${ }^{3}$ Applicant proposes that Bank sell $\$ 150,000$ in long-term notes to be due two years after Applicant's acquisition debt matures. Proceeds of that note issue would not constitute permanent capital and repayment of those notes may well serve further to weaken Bank's capital.

[^25]:    ${ }^{1}$ Unless otherwise noted, all banking data are as of September 30,1976 , and reflect bank holding company formations and acquisitions approved through February 28, 1977.
    ${ }^{2}$ See the Board's Orders denying the applications of First International Bancshares, Inc., Dallas, Texas, to acquire Citizens First National Bank of Tyler, Tyler, Texas ( 60 Fed. Res. Bulletin 43 (1974)) and The First National Bank of Waco, Waco. Texas ( 60 Fed. Res. Bulletin 290 (1974)); and application of First City Bancorporation of Texas, Inc., Houston, Texas, to acquire The Lufkin National Bank, Lufkin, Texas ( 60 Fed. Res. Bulletin 450 (1974)).

[^26]:    ${ }^{3}$ Concentration data are as of December 31, 1975.
    ${ }^{4}$ The relevant geographic market for purposes of analyzing the competitive effects of the subject application is approximated by the Austin SMSA, which is comprised of Hays and Travis Counties, Texas.
    ${ }^{5}$ Board Order dated January 22, 1975, denying the applications of Texas Commerce Bancshares, Inc., Houston, Texas, to acquire The Austin National Bank, Austin, Texas, and Oak Hill National Bank, Oak Hill, Texas ( 61 Fed. Res. Bulletin 109 (1975)). In its Order, the Board approved the application to acquire Oak Hill National Bank, but under the terms of the agreement between Applicant and Austin Bancshares Corporation, the parent holding company of the two banks, Applicant could not acquire only the shares of Oak Hill National Bank.

[^27]:    ${ }^{6}$ A member of Applicant's board of directors is also a member of the board of directors of Austin Bancshares Corporation, the holding company which controls two banks in the Austin market including the largest bank in the market. Accordingly, the Board conditions its approval of this application upon a termination of this director interlock prior to consummation of the subject proposal.

[^28]:    ${ }^{1}$ Board Order denying the application of Texas Commerce Bancshares, Houston, Texas, to acquire Austin Bancshares Corporation, Austin, Texas (61 Fed. Res. Bulletin 109 (1975)).

[^29]:    ${ }^{1}$ Unless otherwise noted, all banking data are as of September 30 , 1976, and reflect bank holding company formations and acquisitions approved through April 15, 1977.
    ${ }^{2}$ The relevant banking market for analyzing the competitive effects of the subject proposal is the San Antonio banking market which is approximated by the San Antonio SMSA (standard metropolitan statistical area), comprised of Bexar, Comal, and Guadalupe Counties. All market data are as of December 31, 1975.

[^30]:    ${ }^{3}$ Bank derives 8.9 per cent of its deposits and 16.2 per cent of its loans from the service areas of Applicant's two market subsidiaries, Highland Park State Bank and The First National Bank of New Braunfels.
    ${ }^{4}$ Bank ranks 34 th out of the 1,144 banking organizations in Texas as of December 31, 1975.
    ${ }^{5}$ Between 1970 and 1975 the population of the San Antonio SMSA increased 10.7 per cent while the population of Texas increased 8.8 per cent over the same time period.

[^31]:    Voting for this action: Chairman Burns and Governors Jackson, Partee, and Lilly. Abstaining: Governor Coldwell. Absent and not voting: Vice Chairman Gardner and Governor Wallich.
    (Signed) Griffith L. Garwood,
    Deputy Secretary of the Board.
    [seal] Deputy Secretary of the Board.

[^32]:    ${ }^{1}$ All banking and market data are as of December 31, 1975, unless otherwise noted. Since that date, the Board has approved Applicant's acquisition of Security National Bank, Smyrna, Georgia, which has deposits of $\$ 17.4$ million, and its merger with Central Bankshares Corporation, Jonesboro, Georgia, the subsidiary bank of which has deposits of $\$ 13.7$ million. This expansion has occurred in part because of more permissive State bank holding company legislation that became effective in July 1976.
    ${ }^{2}$ Georgia's three largest banking organizations, including both existing and approved bank subsidiaries, presently control approximately 44 per cent of State deposits, and applications by those organizations now pending would add 1.7 per cent to that figure, if approved.

[^33]:    ${ }^{3}$ The relevant banking market is approximated by Glynn County.

[^34]:    'Unless otherwise indicated, all banking data are as of June 30, 1976, and reflect bank holding company formations and acquisitions approved through March 4, 1977.
    ${ }^{2}$ Banking data are as of June 30, 1975.

[^35]:    ${ }^{3}$ Board staff undertook a systematic review (township by township) of Cass County to determine the correct market and, as a result of this analysis, the Board has determined that the competitive effects of this proposal are more appropriately analyzed in the Niles, Michigan-South Bend/Elkhart, Indiana banking market, which is approximated by the South Bend/Elkhart, Indiana RMA, Cass County, Michigan, and Niles, Michigan.

[^36]:    ${ }^{1}$ The relevant market was approximated by all of Cass County except for the two extreme southwestern townships of Howard and Milton, which are part of the Niles, MichiganSouth Bend/Elkhart, Indiana, banking market.
    ${ }^{2}$ At that time, Michigan National Corporation, Bloomfield Hills, Michigan, controlled approximately 38.1 per cent of total market deposits and ranked as the largest banking organization therein.

[^37]:    ${ }^{3}$ Evidence in the record indicates that Rand McNally Corporation has redefined the South Bend/Elkhart, Indiana Ranally Metro Area based upon commuting and trade patterns between Cass County and the Niles, Michigan-South Bend/Elkhart, Indiana areas, to include Cass County.

[^38]:    ${ }^{1}$ All deposit data are as of December 31, 1975.
    ${ }^{2}$ The relevant banking market is approximated by Yoakum County.

[^39]:    ${ }^{3}$ See the Board's Order of June 14, 1976, denying the application of Nebraska Banco, Inc., Ord, Nebraska (62 Fed. Res. Bulletin 638 (1976)).

[^40]:    ${ }^{1} 58$ Federal Reserve Bulletin 487 (1972).

[^41]:    ${ }^{2}$ Certain American General subsidiaries and employee and agent benefit plans hold shares of American General's common stock. American General has indicated that those subsidiaries and benefit plans would promptly resell pursuant to Rule 144 of the Securities and Exchange Commission all shares of TCB stock received in connection with the dividend distributions.

[^42]:    ${ }^{1}$ All banking data are as of June 30, 1976.
    ${ }^{2}$ The relevant market is approximated by Flagler County.

[^43]:    ${ }^{3}$ Officers of Florida National acquired a controlling interest in Bank in 1974. In its Order of July 29, 1976, denying Florida National's application to acquire control of Bank from its officers, the Board found that Florida National had violated the prior approval requirements of $\S 3$ of the Act, and required Florida National to divest of all direct or indirect interest in Bank (62 Fed. Res. Bulletin 696). The subject application represents the means by which Florida National seeks to comply with the Board's Order.

[^44]:    Voting for this action: Governors Wallich, Coldwell, Jackson, Partee, and Lilly. Absent and not voting: Chairman Burns and Governor Gardner.
    (Signed) Griffith L. Garwood, [SEAL] Deputy Secretary of the Board.

[^45]:    ${ }^{4}$ Among the facts of record upon which the Board bases this determination, the Board notes, in particular, that Florida National has no directors or officers in common with Applicant. Florida National will hold nonconvertible debentures totalling less than 5 per cent of Applicant's total liabilities and Florida National's Board of Directors has resolved that it "will not exercise or attempt to exercise any degree or manner of control of Ellis Banking Corporation as long as Florida National is the owner or holder of the ten-year maturity nonconvertible debentures of Ellis." Furthermore, there are no agreements or understandings between Florida National and Ellis whereby Florida National would regain the shares of Bank's stock it has exchanged.

[^46]:    ${ }^{2}$ In fact, although members of one family owned approximately 9 per cent of Bank's voting stock at that time, no single individual or organization controlled more than 5 per cent of Bank's voting stock.

[^47]:    ${ }^{1}$ This information derives from Republic's correspondence with the Board concerning its request for this certification. Republic's Registration Statement filed with the Board pursuant to the BHC Act as well as the Registration Statement of Republic National Bank and other records of the Board.

[^48]:    ${ }^{1}$ This information derives from Republic's correspondence with the Board concerning its request for this certification, Republic's Registration Statement filed with the Board pursuant to the BHC Act as well as the Registration Statement of Republic National Bank and other records of the Board.

[^49]:    * This list of pending cases does not include suits against the Federal Reserve Banks in which the Board of Governors is not named a party

[^50]:    $\dagger$ Decision have been handed down in these cases, subject to appeals noted.
    $\ddagger$ The Board of Governors is not named as a party in this action.

[^51]:    ${ }^{1}$ The margin requirement generally applicable to purchases or sales of stock on credit is 50 per cent.

[^52]:    ${ }^{1}$ Boston, Philadelphia, Chicago, Detroit, San Francisco-Oakland, and
    Los Angeles-Long Beach.
    ${ }^{2}$ Excludes interbank and U.S. Govt. demand deposit accounts.

[^53]:    1 Includes items not shown separately.
    Effective Mar. 31, 1976, some of the item "reserve for loan losses" and all of the item "unearned income on loans" are no longer reported as liabilities. As of that date the "valuation" portion of "reserve for loan losses" and the "unearned income on loans" have been netted against "other assets," and against "total assets" as well.

    Total liabilities continue to include the deferred income tax portion of "reserve for loan losses."
    "reserve for loan losses." 2 Effective Mar. 31, 1976, includes "reserves for securities", and the contingency portion (which is small) of "reserve for loan losses."
    ${ }^{3}$ Figures partly estimated except on call dates.

[^54]:    ${ }^{1}$ Includes items not shown separately.

[^55]:    Revised data shown in this table reflect mainly changes for large banks in New York City and for other large banks.
    Similarly revised data for Mar. 31, 1977, appear on pp. A-70 and A-71.
    ${ }^{1}$ Member banks exclude and nonmember banks include 5 noninsured trust companies that are members of the Federal Reserve System, and member banks exclude 2 national banks outside the continental United States.

    2 Demand deposits adjusted are demand deposits other than domestic

[^56]:    1 Includes securities purchased under agreements to resell.
    2 Federal agencies only.
    ${ }^{2}$ Includes time deposits of U.S. Govt. and of foreign banks, which are
    not shown separately.
    ${ }_{4}$ For amounts of these deposits by ownership categories, see Table 1.30.

[^57]:    ${ }^{5}$ Includes securities sold under agreements to repurchase.
    6 Includes minority interest in consolidated subsidiaries and deferred tax portion of reserves for loans.
    ${ }_{7}$ Includes reserves for securities and contingency portion of reserves for loans.

[^58]:    ${ }_{2}^{1}$ Includes securities purchased under agreements to resell.
    2 Federal agencies only
    3 Includes time deposits of U.S. Govt. and of foreign banks, which
    are not shown separately.
    ${ }_{4}$ For amounts of these deposits by ownership categories, see Table 1.30.

[^59]:    5 Includes securities sold under agreements to repurchase.
    6 Includes minority interest in consolidated subsidiaries and deferred tax portion of reserves for loans.
    7 Includes reserves for securities and contingency portion of reserves for loans.

[^60]:    ${ }_{1}^{1}$ Includes securities purchased under agreements to resell.
    2 Federal agencies only.
    ${ }^{3}$ Includes time deposits of U.S. Govt. and of foreign banks, which are not shown separately.
    ${ }^{4}$ For amounts of these deposits by ownership categories, see Table 1.30.

[^61]:    ${ }_{6}^{5}$ Includes securities sold under agreements to repurchase.
    6 Includes minority interest in consolidated subsidiaries and deferred tax portion of reserves for loans.
    ${ }^{7}$ Includes reserves for securities and contingency portion of reserves for loans.

[^62]:    1 Exclusive of loans and Federal funds transactions with domestic ommercial banks.
    2 All demand deposits except U.S. Govt. and domestic commercia banks, less cash items in process of collection
    3 Certificates of deposit (CD's) issued in denominations of $\$ 100,000$ or more.
    ${ }^{4}$ All other time deposits issued in denominations of $\$ 100,000$ or more (not included in large negotiable CD's).

[^63]:    5 Other than commercial banks
    6 Domestic and foreign commercial banks, and official international organizations
    ${ }^{7}$ To bank's own foreign branches, nonconsolidated nonbank af filiates of the bank, the bank's holding company (if not a bank), and nonconsolidated nonbank subsidiaries of the holding company.

[^64]:    1 Reported for the last Wednesday of each month
    2 Includes "term" loans, shown below.
    3 Outstanding loans with an original maturity of more than 1 year and

[^65]:    ${ }^{1}$ Institutions engaged primarily in activities such as, but not limited to, commercial, savings, and mortgage banking; sales, personal, and mortgage financing; factoring, finance leasing, and other business lending; insurance underwriting; and other investment activities.
    ${ }^{2}$ Includes all financial company paper sold by dealers in the open market.
    ${ }^{3}$ As reported by financial companies that place their paper directly with investors.

    4 Includes public utilities and firms engaged primarily in activities such as communications, construction, manufacturing, mining, wholesale and retail trade, transportation, and services.

[^66]:    1 Includes loans held by nondeposit trust companies but not bank trust departments.
    2 Outstanding principal balances of mortgages backing securities insured or guaranteed by the agency indicated.

    3 Other holders include mortgage companies, real estate investment trusts, State and local credit agencies, State and local retirement funds, noninsured pension funds, credit unions, and U.S. agencies for which amounts are small or separate data are not readily available.

[^67]:    1 Monthly figures are seasonally adjusted.
    2 Excludes 30 -day charge credit held by retailers, oil and gas companies, and travel and entertainment companies.

[^68]:    ${ }^{1}$ Persons 16 years of age and over. Monthly figures, which are based on sample data, relate to the calendar week that contains the 12th day; annual data are averages of monthly figures. By definition, seasonality does not exist in population figures. Based on data from Employment and Earnings (U.S. Dept. of Labor).
    2 Includes self-employed, unpaid family, and domestic service workers.

[^69]:    1 Not at annual rates.
    2 Not seasonally adjusted.
    3 Value of new construction data in recent periods may not be strictly comparable with data in prior periods due to changes by the Bureau of the Census in its estimating techniques. For a description of these changes see Construction Reports (C-30-76-5), issued by the Bureau in July 1976.

[^70]:    1 With inventory valuation and capital consumption adjustments.
    2 With capital consumption adjustments.
    ${ }^{3}$ For after-tax profits, dividends, etc., see Table 1.50. Source.-Survey of Current Business (U.S. Dept. of Commerce).

[^71]:    1 With inventory valuation and capital consumption adjustments.
    2 With capital consumption adjustment.

[^72]:    ${ }^{1}$ Seasonal factors are no longer calculated for lines 13 through 50.
    ${ }^{2}$ Data are on an international accounts (IA) basis. Differs from the Census basis primarily because the IA basis includes imports into the Census basis primarily because the IA bingin Islands, and it excludes military exports, which are part of Line 4.
    ${ }^{3}$ Differs from the definition of "net exports of goods and services" in the national income and product (GNP) account. The GNP definition

[^73]:    ${ }^{1}$ Includes Bank for International Settlements.
    2 Includes countries in Oceania and Eastern Europe, and Western European dependencies in Latin America.

[^74]:    For notes see bottom of p. A59.

[^75]:    ${ }^{6}$ Asian, African, and European regional organizations, except BIS, which is included in "Other Western Europe."
    ${ }^{7}$ Data in the two columns shown for this date differ because of changes in reporting coverage. Figures in the first column are comparable with those shown for the preceding date; figures in the second column are comparable with those shown for the following date.

[^76]:    ${ }^{1}$ Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, ${ }^{3}$ Comprises Algeria, Gabon, Libya, and Nigeria
    and United Arab Emirates (Trucial States).
    ${ }^{2}$ Includes Middle East oil-exporting countries until December 1974

    3 Comprises Algeria, Gabon, Libya, and Nigeria.
    4 Includes oil-exporting countries until December 1974.
    ${ }_{5}$ Includes oil-exporting countries until December 1974 .

[^77]:    ${ }^{1}$ Marketable U.S. Treasury bills, certificates of indebtedness, notes, and bonds; and nonmarketable U.S. Treasury securities payable in dollars and in foreign currencies.
    2 The value of earmarked gold increased because of the changes in par value of the U.S. dollar in May 1972 and in October 1973.

[^78]:    ${ }^{1}$ Includes Surinam until 1976.

[^79]:    ${ }^{1}$ Includes nonmonetary international and regional organizations.

[^80]:    4 Revised data shown in this table reflect mainly changes for large banks in New York City and for other large banks.
    Similarly revised data for Mar. 31, 1977, appear on pp. A-18 and A-19.
    Henceforth the Board does not plan to include revised data for individual call reports in the Bulletin. Its journal of record will be the Annual Statistical Digest, each issue of which will contain all revised data available at the time of publication-for call report data as well as other series.

    1 Member banks exclude and nonmember banks include 5 noninsured trust companies that are members of the Federal Reserve System, and member banks exclude 2 national banks outside the continental United States.

[^81]:    * Additional offices of these Banks are located at Lewiston, Maine 04240; Windsor Locks, Connecticut 06096; Cranford, New Jersey 07016; Jericho, New York I1753; Columbus, Ohio 43216; Columbia, South Carolina 29210; Des Moines, Iowa 50306; Indianapolis, Indiana 46204; and Milwaukee, Wisconsin 53202.

