MAY 1978

# FEDERAL RESERVE BULLETIN

Domestic Financial Developments in the First Quarter of 1978

Repurchase Agreements and Federal Funds

Exercise of Consumer Rights

Survey of Time and Savings Deposits, January 1978

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# FEDERAL RESERVE
# BULLETIN

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# Table of Contents

# Domestic Financial Developments in the First Quarter of 1978

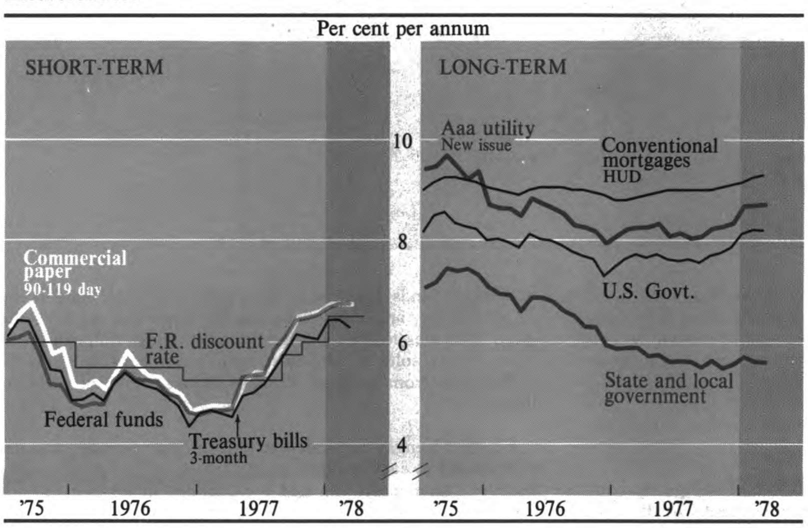
*This report, which was sent to the Joint Economic Committee of the U.S. Congress, highlights the important developments in domestic financial markets during the winter and early spring.*

Growth of the major monetary aggregates slowed during the first quarter of 1978, apparently reflecting in large measure the effects of the weather-induced lull in the growth of economic activity and a higher level of market interest rates. The rate of increase in *M*-1 for the quarter was well below the average for all of 1977. Inflows to commercial banks of interest-bearing deposits subject to regulatory ceilings also weakened, as did deposit flows into nonbank thrift institutions, thus contributing to slower growth of *M*-2 and *M*-3 for the quarter.

As flows into deposit accounts subject to regulatory ceilings abated in the first quarter, commercial banks continued to rely on managed liabilities to help support the expansion of their loan portfolios. Banks issued substantial amounts of large-denomination time deposits, which are not subject to regulatory ceilings, and increased their use of nondeposit sources of funds. Thrift institutions, especially savings and loan associations, were able to extend sizable amounts of mortgage credit, though at a pace below the record high levels of late 1977; they financed these extensions in part by stepping up their borrowing from Federal home loan banks.

The total volume of credit raised by nonfinancial sectors in the first quarter appears to have remained around the high level of the fourth quarter of 1977. Businesses increased their borrowing slightly as a rapid increase in their bank loans more than offset a reduction in their use of other forms of credit. In the household sector, mortgage financing slowed from the record pace of the fourth quarter, while consumer credit remained strong. Credit de-

Interest rates




*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*.

mands by the U.S. Treasury were again heavy, reflecting another sizable budget deficit. State and local governments maintained their borrowing close to the pace of the fourth quarter, as they continued to refund in advance debt obligations issued at higher interest rates.

In early January the Federal Reserve raised the discount rate on advances to member banks from 6 to 6½ per cent; this action was designed to help stabilize conditions prevailing in international exchange markets. Concurrently, the System became less accommodative in the provision of reserves to the banking system through open market operations, and the rate on Federal funds (overnight loans of immediately available bank funds) increased to about 6¾ per cent from 6½ per cent in December. The Federal funds rate remained at the 6¾ per cent level to mid-April, as growth of the monetary aggregates was generally within the longer-run ranges set by the Federal Open Market Committee. Most other short-term interest rates rose along with the Federal funds rate in early January. Over the rest of the quarter, however, many of these rates tended to edge lower; some of this decline stemmed from the substantial demand for Treasury bills by foreign central banks, which were investing dollars purchased in foreign exchange markets. As a result, many short-term market rates increased only about 5 to 10 basis points, on balance, over the quarter.

Increases in interest rates on many longer-term securities in the first quarter equaled or even exceeded somewhat the upward movement

Changes in selected monetary aggregates

**Per cent, seasonally adjusted annual rates**

| Item | 1975 | 1976 | 1977 | 1977 Q1 | 1977 Q2 | 1977 Q3 | 1977 Q4 | 1978 Q1 |
|---|---|---|---|---|---|---|---|---|
| Member bank reserves: | | | | | | | | |
| Total | -.3 | 1.0 | 5.2 | 4.1 | 2.9 | 7.3 | 6.1 | 8.5 |
| Nonborrowed | 3.2 | 1.2 | 2.7 | 4.0 | 1.8 | 1.7 | 3.5 | 14.5 |
| Concepts of money:[1] | | | | | | | | |
| *M*-1 | 4.4 | 5.7 | 7.8 | 6.9 | 8.1 | 8.1 | 7.2 | 5.0 |
| *M*-2 | 8.3 | 10.9 | 9.8 | 10.9 | 9.0 | 9.9 | 8.0 | 6.4 |
| *M*-3 | 11.1 | 12.8 | 11.7 | 12.2 | 10.2 | 11.9 | 10.6 | 7.4 |
| *M*-4 | 6.5 | 7.1 | 10.0 | 10.2 | 8.2 | 9.5 | 10.7 | 10.0 |
| *M*-5 | 9.6 | 10.3 | 11.7 | 11.7 | 9.6 | 11.6 | 12.1 | 9.5 |
| Time and savings deposits at commercial banks: | | | | | | | | |
| Total (excluding large CD's) | 11.7 | 15.0 | 11.2 | 13.7 | 9.7 | 11.2 | 8.5 | 7.5 |
| Savings | 17.5 | 25.0 | 11.1 | 21.3 | 8.8 | 7.3 | 5.4 | 2.2 |
| Other time | 7.8 | 7.4 | 11.4 | 7.2 | 10.5 | 14.6 | 11.4 | 12.0 |
| Thrift institutions[2] | 15.6 | 15.8 | 14.6 | 14.1 | 11.9 | 15.0 | 14.4 | 8.8 |
| MEMO (change in billions of dollars, seasonally adjusted): | | | | | | | | |
| Large negotiable CD's at large banks | -5.6 | -19.1 | 8.0 | .4 | -.2 | .7 | 7.1 | 8.8 |
| All other large time deposits[3] | -3.6 | -1.0 | 11.7 | .5 | -.4 | 5.2 | 6.4 | 6.4 |
| Small time deposits | 18.6 | 16.5 | 13.7 | 3.4 | 6.6 | 3.3 | .4 | 1.1 |
| Nondeposit sources of funds[4] | -5.9 | 14.9 | 11.9 | 0.0 | 2.1 | 4.3 | 3.9 | 5.8 |

[1] *M*-1 is currency plus private demand deposits adjusted. *M*-2 is *M*-1 plus bank time and savings deposits other than large negotiable 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] Included in *M*-2 and *M*-3.

[4] Nondeposit sources of funds include borrowings by commercial banks from other than commercial banks in the form of Federal funds purchased, securities sold under agreements to repurchase, and other liabilities for borrowed money, plus gross liabilities to own foreign branches (Euro-dollar borrowings), loans sold to affiliates, loan repurchase agreements, borrowings from Federal Reserve Banks, and other minor items.

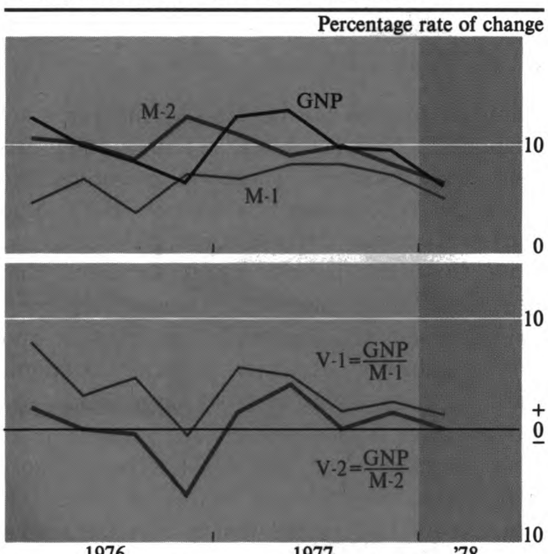
NOTE. Changes are calculated from the average amounts outstanding in each quarter. Annual rates of change in reserve measures have been adjusted for changes in reserve requirements.

of short-term rates over that period. Like short-term rates, yields on intermediate- and long-term instruments shifted upward with the rise in the Federal funds rate in January. This movement tended to reinforce a rising trend in long-term rates that had been evident through December as investors revised upward their expectations about the future strength of demands for money and credit. Long-term rates showed little change in February and early March but began to rise again in late March and early April, apparently reflecting market concern about indications of an acceleration in the rate of inflation and the possibility of a more restrictive policy stance by the Federal Reserve.

## MONETARY AGGREGATES AND BANK CREDIT

Largely because of the slower growth of economic activity, the pace of expansion of *M*-1—currency and privately held demand deposits at commercial banks—declined to an annual rate of 5 per cent in the first quarter, about 2¾ percentage points below the average rate for 1977. Special factors—including severe winter weather, the lengthy coal strike, and a slower-than-usual pace of tax refund disbursements by the Treasury—led to a slight decline in *M*-1 during February. By late March, however, these factors were no longer restricting money demand, and expansion in *M*-1 resumed.

Changes in income velocity of M-1 and M-2




Seasonally adjusted annual rates. Money stock data are quarterly averages.

*M*-1 grew at about the same rate as GNP during the first quarter, and as a result, velocity—the ratio of GNP to *M*-1—increased only very slightly. Apparently, the substantial rise in interest rates that occurred between April and October of 1977 was no longer prompting further efforts by the public to economize on cash balances, and the upward movements of rates in the first quarter had only a small effect on money demand. Moreover, in the first quarter, as in the previous five quarters, *M*-1 grew about in line with expectations based on historical relationships among money, income, and interest rates. Earlier in the current economic expansion, the effects of financial innovations on cash-management practices had given rise to extraordinarily large increases in velocity.

Growth of *M*-2 also slowed in the first quarter—to an annual rate of about 6½ per cent from 8 per cent in the fourth quarter. The reduction in *M*-2 growth resulted from a slowing of inflows of savings deposits to commercial banks as well as from a moderation in the rate of increase of *M*-1. The rate of expansion of savings deposits held by individuals declined sharply in the first quarter, and savings accounts of businesses and of State and local governments contracted for the third consecutive quarter.

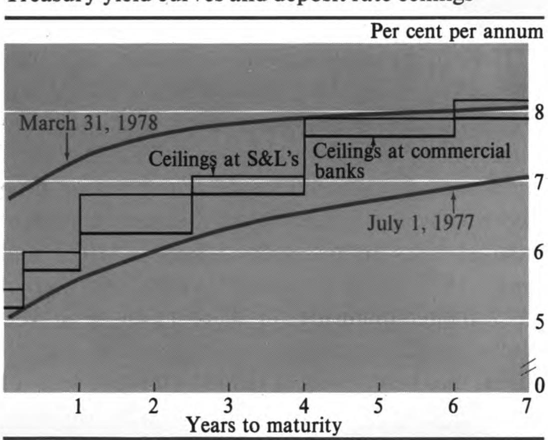
Flows into small-denomination time accounts at banks, which had slowed markedly in the fourth quarter, continued to expand at a reduced pace in the first 3 months of 1978. The slow growth of savings and small-denomination time deposits was attributable to the rise in market interest rates in the second half of 1977 and early 1978, which brought yields on market instruments maturing in 4 years or less well above regulatory ceilings on deposits of comparable maturity. The relative attractiveness of returns available in credit markets during the first quarter was reflected in a substantial rise in fund flows to money market mutual funds and in noncompetitive tenders in auctions of

Treasury securities. As in the two previous quarters, growth in *M*-2 was supported by the issuance of large time deposits (other than negotiable certificates of deposit (CD's) at weekly reporting banks), which are not subject to rate ceilings. Increases in these deposits accounted for more than three-fourths of the growth in the time and savings deposit component of *M*-2 in the first quarter.

Faced with weak inflows of deposits subject to regulatory ceilings, banks—especially large ones—again relied heavily on managed liabilities during the first quarter to finance the accumulation of earning assets. Total large-denomination time deposits, including both negotiable and nonnegotiable CD's, increased more than in the fourth quarter, and other borrowings—principally repurchase agreements and purchases of Federal funds from nonbanking institutions—also rose more strongly. The average level of borrowings by member banks at Federal Reserve discount windows fell substantially, however, as the spread between the discount and Federal funds rates generally narrowed.

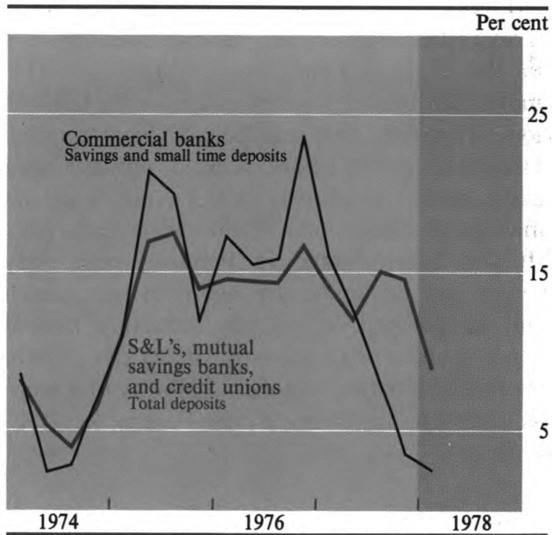
The use of managed liabilities enabled banks to expand total loans and investments at an annual rate of 10½ per cent in the first 3 months of 1978, the largest gain since the second quarter of 1977. The faster growth of bank credit was accounted for by an increase in holdings

Treasury yield curves and deposit rate ceilings




Data reflect annual effective yields. Ceiling rates are yields derived from continuous compounding of the nominal ceiling rates. Market yield data are on an investment yield basis.

Deposit growth




of Treasury securities in February, which reversed the pattern of disinvestment that had prevailed in the previous two quarters. Portfolios of other investment securities, which had risen throughout 1977, were essentially unchanged in the first quarter. The expansion in loans eased only slightly from the rapid pace of the fourth quarter, as real estate and business lending remained strong while net credit extensions to consumers slowed somewhat.

## BUSINESS CREDIT

Bank lending to businesses—as measured by changes in business loans net of holdings of bankers acceptances—surged to an annual rate of 20 per cent in the first quarter. Both large and small banks experienced rapid increases. Data from the largest banks indicated that growth was distributed widely across industries; loans to manufacturing, trade, construction, and service industries displayed particular strength. Term business loans at these large banks expanded more than $2 billion, the greatest quarterly increase since late 1974. These loans, which have maturities of 1 year or more, accounted for half of the first-quarter expansion in total business loans net of bankers acceptances at the largest banks. This acceleration in term lending apparently was related to height-

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

| Period | Business loans: Total[1] | Business loans: Excluding bank holdings of bankers acceptances | Total short- and intermediate-term business credit[2] |
|---|---|---|---|
| 1975—Q1 .. | -5.2 | -6.8 | -3.9 |
| Q2 .. | -8.7 | -9.0 | -8.9 |
| Q3 .. | -3.1 | -3.5 | -1.1 |
| Q4 .. | .7 | -3.2 | -4.4 |
| 1976—Q1 .. | -6.7 | -4.8 | . . . |
| Q2 .. | 1.4 | 2.2 | 6.1 |
| Q3 .. | 3.9 | 1.1 | 1.1 |
| Q4 .. | 12.0 | 8.2 | 11.6 |
| 1977—Q1 .. | 11.4 | 16.4 | 16.7 |
| Q2 .. | 12.6 | 13.3 | 16.4 |
| Q3 .. | 10.2 | 8.9 | 9.4 |
| Q4 .. | 16.0 | 14.9 | 18.0 |
| 1978—Q1 .. | 16.4 | 19.8 | 17.1 |

[1]At all commercial banks based on last-Wednesday-of-month data, adjusted for outstanding amounts of loans sold to affiliates.

[2]Short- and intermediate-term business credit is business loans at commercial banks excluding bank holdings of bankers acceptances plus nonfinancial company commercial paper and finance company loans to businesses measured from end of month to end of month.

ened demand for such loans by corporations. Survey data indicate that interest rates on term loans rose more than rates on similar market instruments in the first quarter, and that banks generally were no more willing to make fixed-rate term loans than they had been in other recent months.

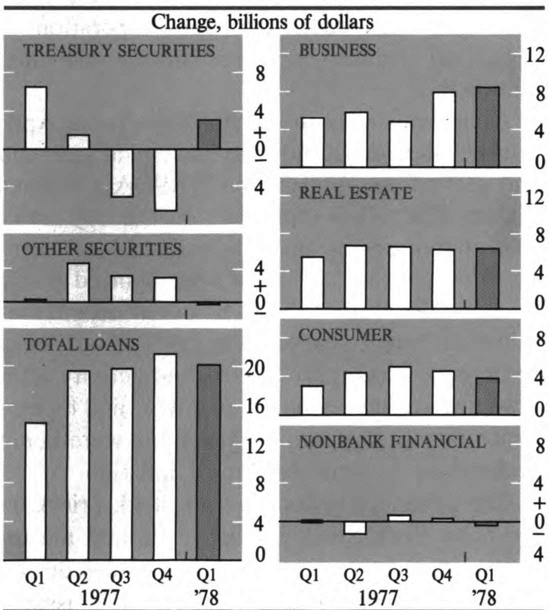
The volume of short- and intermediate-term funds raised by businesses from nonbank sources was a little lower during the quarter. On balance, commercial paper issued by nonfinancial corporations was about unchanged, with a sizable gain during March roughly offsetting declines in January and February. Those earlier declines had resulted mainly from repayments of paper issued by public utilities during December to cover temporarily inadequate cash flows. In March, however, commercial paper issued by utilities declined less than seasonally. Growth in business loans at finance companies abated somewhat from the very rapid pace of the fourth quarter, with automobile-related credit again accounting for most of the advance.

As businesses in general increased their reliance on bank borrowing during the first quarter, the volume of new long-term financing declined markedly. Gross bond and equity issuance by U.S. corporations fell to a seasonally adjusted annual rate of $34 billion, the slowest quarterly pace since 1974.

Public bond offerings by most categories of issuers dropped off sharply during January and February but recovered somewhat in March and April. The volume of industrial and public utility issues was particularly light. Offerings by financial concerns, however, picked up toward the end of the quarter, resuming the historically high pace of late 1977. Private placements of corporate debt are estimated to have moderated in the first quarter.

Yields on long-term corporate bonds continued to rise during the first quarter, partly in response to increased investor apprehension about an acceleration in the rate of inflation. The Federal Reserve index of yields on recently offered Aaa-rated utility bonds rose from 8.48 per cent at the end of 1977 to 8.75 per cent at the end of the first quarter of 1978. Rates climbed further during April, reaching their

Components of bank credit　　Major categories of bank loans




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

highest levels since mid-1976. The slower pace of new bond offerings and the concurrent rise in term loans at banks this year may reflect a reluctance of potential corporate borrowers to enter into long-term obligations at existing interest rates. Following the widespread strengthening of balance sheet positions during 1975–76, many corporations are capable of turning to short- and intermediate-term borrowing and of slowing their accumulation of liquid assets without reducing their liquidity positions to unacceptably low levels.

Stock prices were generally lower on the New York Stock Exchange (NYSE) during the first quarter of 1978, at least partly in response to conditions of uncertainty created by the decline of the U.S. dollar on international currency markets, a temporary slowing in domestic economic expansion, and a more rapid rate of inflation. Over the quarter, the NYSE composite index declined 5.0 per cent from its level at the end of 1977. As during 1977, however, stock prices of smaller firms generally outperformed those of the more highly capitalized corporations that dominate the NYSE index. Both the American Stock Exchange (AMEX) index and the National Association of Securities Dealers Automated Quotation (NASDAQ) over-the-counter index—which reflect the stock price performance of smaller corporations—registered further increases during the first quarter.

A vigorous rally in the stock market in April returned the NYSE index to its level at year-end and carried the AMEX and NASDAQ indexes higher. The rally—reportedly sparked by heavy stock purchases by institutional and foreign investors—appeared to have been spurred partly by a stabilization of the U.S. dollar on international currency markets, by indications of a resurgence in domestic economic activity after a weather-related winter slowdown, and by evidence that economic policy actions were being undertaken to slow the rate of inflation.

The generally lower level of stock prices on the New York Stock Exchange limited the incentive for new corporate equity issues during the first quarter. The volume of new issues, estimated at a seasonally adjusted annual rate of $7 billion, was the smallest since the trough in stock prices in late 1974. Public utilities, which tend to have less flexibility in adjusting their debt-to-equity ratios, continued to account for the bulk of new equity issues.

Gross offerings of new security issues

**Billions of dollars, seasonally adjusted annual rates**

| Type | 1977[r] | | | | 1978 |
|---|---|---|---|---|---|
| | Q1 | Q2 | Q3 | Q4 | Q1[e] |
| Corporate securities—Total | 48 | 50 | 61 | 59 | 34 |
| Bonds | 38 | 40 | 49 | 43 | 27 |
| Publicly offered | 22 | 20 | 33 | 24 | 15 |
| Privately placed | 16 | 20 | 16 | 19 | 12 |
| Stocks | 10 | 10 | 12 | 16 | 7 |
| Foreign securities | 4 | 13 | 13 | 5 | 4 |
| State and local govt. | 44 | 50 | 47 | 46 | 41 |

[r] Revised.
[e] Estimated.

## GOVERNMENT SECURITIES

In the municipal securities market, gross bond issuance proceeded at a $41 billion annual pace during the first quarter. Although down somewhat from the record quarterly levels of 1977, volume remained large by historical standards. Repeating the 1977 pattern, advance refundings of outstanding higher-coupon issues accounted for about one-fifth of new offerings. A sizable decline since late 1975 in interest rates on tax-exempt bonds—particularly lower-rated issues—remained a strong incentive for refunding, although a Treasury Department ruling in late 1977 placed tighter limits on the type of issues that may be refunded in advance.

The *Bond Buyer* index of long-term tax-exempt yields was about unchanged on balance over the first quarter. While net acquisitions of municipal bonds by commercial banks slowed during the first quarter in the face of the increased volume of business loans, continued strong demand for tax-exempt investment outlets by property-casualty insurance companies, investment companies, and individuals has helped keep rates on tax-exempt bonds in an historically low range relative to taxable yields.

The Treasury borrowed a total of $20.8 billion net (not seasonally adjusted) during the first

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

| Item | 1976 | | | 1977 | | | | 1978 |
|---|---|---|---|---|---|---|---|---|
| | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4[r] | Q1 |
| Treasury financing: | | | | | | | | |
| Budget surplus, or deficit (–) | 2.0 | –13.0 | –22.8 | –18.7 | 8.6 | –12.2 | –28.8 | –25.8 |
| Off-budget deficit[1] | –.6 | –1.8 | .4 | –4.3 | .1 | –4.9 | –1.3 | –3.7 |
| Net cash borrowings, or repayments (–) | 9.4 | 18.0 | 17.4 | 17.6 | –1.1 | [4]19.5 | 20.7 | 20.8 |
| Other means of financing[2] | –4.0 | –.7 | –.8 | 2.7 | –.4 | .4 | 2.6 | 1.3 |
| Change in cash balance | 6.8 | 2.6 | –5.7 | –2.6 | 7.2 | [4]2.8 | –6.8 | –5.9 |
| Federally sponsored credit agencies, net cash borrowings[3] | .5 | 1.7 | .4 | .7 | 3.0 | 1.8 | 2.0 | 4.5 |

[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.

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

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

[4]Includes $2.5 billion of borrowing from the Federal Reserve on September 30, which was repaid October 4 after the new debt ceiling bill became law.

[r]Revised.

quarter to help finance a $25.8 billion budget deficit and a $3.7 billion deficit of off-budget programs. Increases in outstanding marketable obligations accounted for $15.6 billion of the net borrowing, primarily in the form of notes and bonds. Net financing by Federally sponsored credit agencies jumped to $4.5 billion, the highest level since 1974, as the Federal Home Loan Bank System and the Federal National Mortgage Association (FNMA) borrowed to help finance their support of the residential mortgage market. FNMA acquired $2.1 billion of mortgages in the first quarter, and the Federal home loan banks advanced $1.1 billion (not seasonally adjusted) to savings and loan associations.

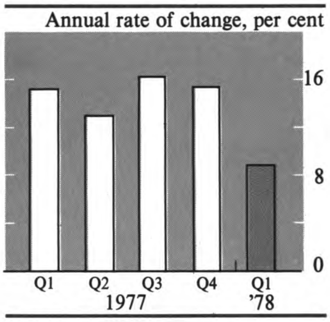
Continuing the pattern of late 1977, foreign official institutions and State and local governments remained major sources of demand for Treasury obligations during the first quarter. Foreign official institutions increased their holdings of marketable and nonmarketable securities by $13.7 billion, primarily investing dollar proceeds acquired from intervention in foreign exchange markets. State and local governments, using the proceeds of advance refunding operations, invested $2.5 billion in special nonmarketable Treasury obligations.

## MORTGAGE AND CONSUMER CREDIT

Net mortgage lending during the first quarter of 1978 was at an estimated annual rate of $126 billion, down sharply from the record pace of $142 billion during the final quarter of 1977. Reduced lending on residential properties accounted for the entire decline, as expansion of nonresidential mortgage credit continued at its pace in late 1977. Among major lenders, the slowdown was most pronounced at depositary institutions, where net mortgage acquisitions declined in the face of a weakening in deposit inflows. Delays in construction due to bad weather may have further disrupted mortgage flows during the early months of the year.

Largely because of their smaller cash flow, savings and loan associations, the largest suppliers of residential mortgage funds, reduced their net lending by more than 15 per cent from recent record levels. These associations also curtailed new mortgage commitments; the result was the first quarterly decline in outstanding commitments (seasonally adjusted) since 1974. The slackening in deposit growth also forced savings and loans to rely increasingly on advances from the Federal home loan banks, and

Deposits at savings and loans




Seasonally adjusted. Quarterly averages at annual rates.

Net change in mortgage debt outstanding

Billions of dollars, seasonally adjusted annual rates

| Change— | 1977[r] Q1 | Q2 | Q3 | Q4 | 1978 Q1[e] |
|---|---|---|---|---|---|
| By type of property: | | | | | |
| Total | 108 | 131 | 139 | 142 | 126 |
| Residential | 84 | 104 | 107 | 109 | 93 |
| Other[1] | 24 | 27 | 32 | 33 | 33 |
| By type of holder: | | | | | |
| Commercial banks | 20 | 27 | 29 | 26 | 22 |
| Savings and loans | 50 | 59 | 62 | 63 | 53 |
| Mutual savings banks | 4 | 6 | 8 | 8 | 7 |
| Life insurance companies | 2 | 4 | 5 | 8 | 7 |
| FNMA and GNMA | ([3]) | 6 | −3 | ([3]) | 6 |
| Other[2] | 32 | 29 | 38 | 37 | 31 |

[1]Includes commercial and other nonresidential as well as farm properties.

[2]Includes mortgage pools backing 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.

[3]Less than $500 million.

[r] Revised.

[e] Partially estimated.

on other borrowed funds, to help meet takedowns of mortgage commitments. Outstanding advances increased $3.6 billion on a seasonally adjusted basis, reaching a level above the 1974 peak. Savings and loans expanded their holdings of liquid assets (seasonally adjusted) during the first quarter at the greatly reduced pace of the previous quarter. The Federal Home Loan Bank Board, in an attempt to free additional funds for mortgage lending, reduced its minimum liquidity requirements for the associations, effective May 1.

Among other major lenders, commercial banks also slowed their net mortgage acquisitions significantly from the strong pace of late 1977, in part because of increased demand for business loans. Mortgage lending by life insurance companies, primarily on nonresidential properties, changed little. The flow of funds into markets for mortgages insured by the Federal Housing Administration or guaranteed by the Veterans Administration held up relatively well, as reductions in issues of mortgage-backed, pass-through securities guaranteed by the Government National Mortgage Association were roughly offset by increased mortgage purchases by FNMA. A general increase in home-mortgage interest rates since late 1977 made the purchase price on outstanding 4-month FNMA purchase commitments attractive to mortgage originators possessing such commitments.

The combination of slower deposit flows into thrift institutions, sustained demand for mortgages, and a rise in interest rates on other long-term instruments pushed home mortgage yields higher during the first quarter. Average rates on new commitments for conventional mortgages on new homes increased from 9.10 per cent at the end of 1977 to 9.30 per cent at the end of March, the highest since 1974. During the quarter, rate ceilings on Government-underwritten home mortgages were raised by 0.25 of a percentage point to 8.75 per cent. Nonrate terms and credit standards are also reported to have tightened somewhat in recent months; many lenders, for example, now are said to be insisting upon larger downpayments.

Consumer instalment credit, the other major source of household financing, expanded at a record seasonally adjusted annual rate of $37 billion during the first quarter. Automobile credit, buttressed by a sharp recovery in new-car sales in March, continued to account for more than 40 per cent of total growth in instalment credit. □

# Repurchase Agreements and Federal Funds

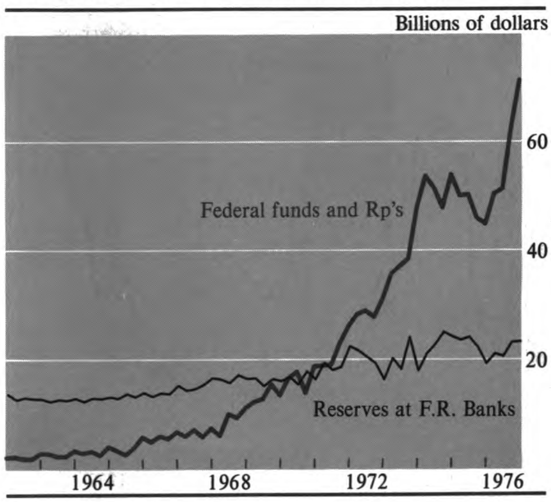
Over the past decade, large commercial banks have made significant fundamental changes in their management of assets and liabilities. Before the mid-1960's deposit liabilities had served as the traditional source of bank funds to support lending and investment activities. The introduction of the large-denomination negotiable certificate of deposit (CD) in the early 1960's, however, marked a change in attitude by banks. Rather than passively relying on growth in deposits, large banks began to focus more aggressively on discretionary sources of funds—funds that could be obtained as needed to supplement deposits during periods of heavy demand for credit.[1] This process, which has come to be known as liability management, has enabled large banks to exert greater direct control over the cost and supply of funds.

In addition to CD's, large banks have come to rely increasingly on Federal funds and repurchase agreements (Rp's) as important tools of liability management. These discretionary borrowings have increased rapidly in recent years. At large weekly reporting banks, for example, the amount of funds raised in the Federal funds and Rp markets jumped from $12 billion in 1969 to more than $80 billion in 1978. Moreover, such borrowings, which were once used almost exclusively to adjust reserve positions, are now more than twice as large as required reserves. Indeed, the ratio of gross purchases of Federal funds and Rp's to reserves maintained at Federal Reserve Banks for large banks had climbed from less than 20 per cent in 1962 to well over 200 per cent at year-end 1976 (Chart 1).

In a special survey of 46 large member banks conducted by the Federal Reserve System during the statement week ended December 7, 1977, the structure of borrowings of Federal funds and Rp's by banks was examined in detail. The banks were asked to indicate the volume of funds obtained through Rp's and, separately, the amounts obtained through Federal funds. Data on both the source and the maturities of these funds were also collected.

The findings of the survey suggest that bank transactions in Federal funds and Rp's are conducted with a wide variety of institutions and, although essentially short term in nature, over a wide range of maturities. When compared with a similar special survey conducted in April 1974, the results indicated that, although Federal funds have remained the principal source of borrowed funds to banks, they have grown at a much slower pace than have Rp's over the 3-year period.

1. Federal funds and reserves at F.R. Banks




NOTE—This article was prepared by Wayne J. Smith of the Financial Reports Section, Division of Research and Statistics.

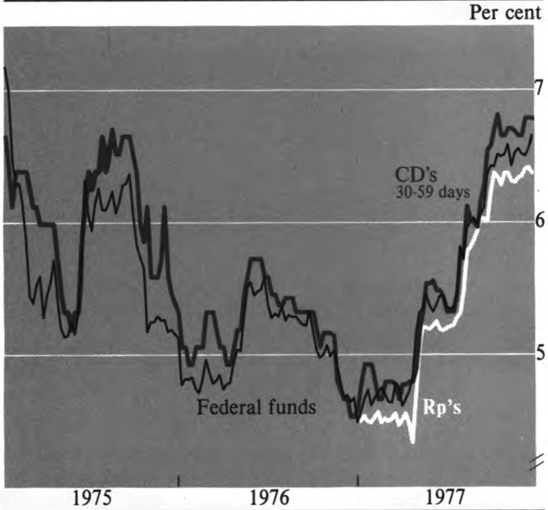
[1] Emphasis on discretionary sources of funds has also tended to reduce the need for banks to adjust their holdings of liquid assets to support credit demand, resulting in considerably more loan-oriented portfolios.

## NONRESERVABLE BORROWINGS

While the strategy of banks in liability management may dictate obtaining funds in a variety of markets, Federal funds and Rp's form a large share of banks' discretionary borrowings. In addition to the ease and convenience, borrowing tends to be relatively less costly in these markets than in alternative markets (Chart 2). Furthermore, unlike CD's or Euro-dollars, both Rp's collateralized by U.S. Treasury or Federal agency securities and borrowings of Federal funds are exempt from reserve requirements for banks that are members of the Federal Reserve System. Under the Board's Regulation D, member banks are required to maintain reserves in the form of vault cash or balances at a Federal Reserve Bank on all deposits, including certain other obligations issued to borrow funds.

The effective cost of such discretionary borrowings is considerably reduced by the exemption from reserve requirements. For example, the difference in effective interest rates between borrowing in Federal funds or Rp's and in obligations that are subject to reserve requirements can vary from 20 to more than 50 basis points, depending on the level of interest rates. This difference in effective rates reflects the opportunity cost of maintaining a portion of the proceeds of a reservable borrowing in a non-interest-earning capacity.

2. Selected commercial bank borrowing rates




Federal funds and Rp's have other features in common. Both are in general transacted for very short-term periods and both are settled in immediately available funds.[2] The funds are immediately available in the sense that a bank receives the proceeds from the borrowing on the same business day that the borrowing transaction is executed, usually by transfer over the Federal Reserve wire facilities. By contrast, settlement in clearinghouse funds resulting from payment by check would involve a delay in the availability of funds until the check had been cleared. Immediately available funds permit the bank more flexibility to make instant adjustments to its balance sheet in the event of unexpected changes in deposits and loans.

## REPURCHASE AGREEMENTS

Repurchase agreements involving U.S. Treasury and Federal agency securities have become the fastest growing source of discretionary funds to banks. Generally transacted in denominations of $5 million or more, these instruments are basically arrangements by which the bank sells government securities at a specified price under commitment to repurchase the same or similar securities at a later date. The securities are considered collateral for the transaction to protect the purchaser against default by the bank. Since the price of the security may be affected by market movements, purchasers may require that the value of the securities be greater than the amount of funds supplied, thus establishing an additional "margin" of protection. The transfer of collateral is usually effected by issuance of a nonnegotiable safekeeping receipt to the purchaser, stating whether the securities are to be held at the Federal Reserve under book entry or in the vault of the borrowing bank. Sometimes actual physical transfer of the collateral is also provided at the purchaser's request, although such transfers are not very common because of the relatively short maturi-

[2] In addition, Federal funds and Rp's are not restricted by Regulation Q interest rate ceilings; thus they compete more favorably with similar money market instruments.

1. Repurchase agreements on U.S. Treasury and Federal agency securities, for week ended December 7, 1977, 46 large banks

Seven-day average dollar volume in millions of dollars

| Buyers | Total | Maturity: 1 day | Continuing contract | 2–7 days | 8–30 days | More than 30 days |
|---|---|---|---|---|---|---|
| Member commercial banks | 2,803.5 | 1,541.1 | 170.1 | 358.7 | 427.8 | 305.8 |
| Nonmember domestic commercial banks | 255.8 | 147.2 | 23.2 | 27.7 | 26.2 | 31.5 |
| Branches and agencies of foreign banks operating in U.S. | 38.6 | 25.1 | ............ | 13.5 | ............ | ............ |
| Edge Act and Agreement Corporations | 40.6 | 29.4 | ............ | 10.1 | .4 | .7 |
| Other depositary institutions[1] | 77.8 | 59.1 | .1 | 12.4 | 1.4 | 4.8 |
| Agencies of the U.S.[2] | 403.5 | 385.1 | ............ | 7.8 | 7.1 | 3.5 |
| Securities dealers | 1,976.1 | 397.5 | 248.4 | 215.4 | 608.4 | 506.4 |
| Credit unions | 61.9 | 32.4 | .8 | 18.0 | ............ | 10.7 |
| Financial businesses | 1,701.7 | 1,042.0 | 155.2 | 303.4 | 160.0 | 41.1 |
| Nonfinancial businesses | 10,472.4 | 3,256.8 | 1,198.5 | 2,203.1 | 2,913.0 | 901.0 |
| State and local governments | 3,787.7 | 2,188.8 | 144.5 | 432.2 | 681.2 | 341.0 |
| Foreign banks and foreign official institutions | 323.0 | 225.7 | ............ | 58.1 | 37.4 | 1.8 |
| All others[3] | 248.4 | 150.8 | 16.7 | 37.4 | 33.5 | 10.0 |
| Total | 22,191.0 | 9,481.0 | 1,957.5 | 3,697.8 | 4,896.4 | 2,158.3 |

1 Includes mutual savings banks, savings and loan associations, and cooperative banks.
2 Includes Federal Home Loan Bank Board and other Federal agencies.
3 Includes nonprofit organizations, such as hospitals and educational institutions, and others.

ties of these agreements. The right of the purchaser to substitute securities at the maturity of the agreement is as a rule accepted by the bank, but very little substitution actually occurs.

Participation by banks in the Rp market developed largely as a competitive measure to maintain or regain funds that otherwise might have been invested in money market assets by large corporations. Securities dealers, however, were among the first institutions to offer Rp's. During the periods of monetary restraint that followed the Treasury–Federal Reserve accord of 1951, securities dealers frequently had difficulty in obtaining adequate financing of inventories through bank sources.[3] Rates on dealer loans ranged from 3½ to 4 per cent, whereas rates on U.S. Treasury securities rarely exceeded 3¼ per cent. As a result, dealers began to look elsewhere for cheaper sources of financing.

Expanding on corporate relationships that had already been established, the dealers began to encourage many of their customers to become lenders through Rp's as an alternative to the direct investment in securities. Corporate activity in repurchase agreements continued to grow throughout the 1950's and early 1960's as businesses became more aware of the opportunity cost of maintaining idle balances in demand deposit accounts at banks. Rather than placing temporary excess funds in demand deposits, corporate treasurers began to transact Rp's with both banks and securities dealers.

Today, many commercial banks regard Rp's as one of a number of alternative sources of funds that may be used to finance their securities portfolios or their lending activities. The rate paid by commercial banks generally ranges from 10 to 15 basis points below the Federal funds rate but may vary depending on the availability of securities. At large commercial banks, efforts are made each day to arrange Rp's on securities that are not being used as collateral for other purposes.

Current estimates of the volume of Rp's by banks suggest that nearly $40 billion is traded under this arrangement. The 46 banks that participated in the Federal Reserve System's special survey reported an average of $22.2 billion of these agreements each day during the survey week (Table 1), thus accounting for slightly more than half of the estimated total. Additional data obtained from the 1974 survey of 45 of the banks indicated that the volume of Rp's has grown by nearly $14 billion, or about 155 per cent, from the 1974 level of $8.7 billion (Table 2).

3 Securities dealers can earn profits by selling securities at a higher price than the original purchase price, or by borrowing funds to finance holdings of securities at rates lower than the rate obtained from the securities.

## 2. Repurchase agreements and Federal funds for week ended April 24, 1974, 45 large banks

Seven-day average dollar volume in millions of dollars

| Buyers | Type | | | Maturity | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Rp's on U.S. Govt. and agency securities | Federal funds | Total | 1 day | Continuing contract | 2–7 days | 8–29 days | 30–90 days | More than 90 days |
| Member commercial banks | 1,001.7 | 13,083.7 | 14,085.4 | 11,404.1 | 1,421.7 | 234.8 | 182.0 | 456.8 | 385.8 |
| Nonmember domestic commercial banks | 455.4 | 3,889.4 | 4,344.8 | 2,827.0 | 1,347.7 | 69.5 | 30.4 | 56.1 | 14.0 |
| Branches and agencies of foreign banks operating in United States | .1 | 3,183.1 | 3,183.2 | 2,347.0 | 72.8 | 44.0 | 209.2 | 350.1 | 160.0 |
| Edge Act and Agreement Corporations | 28.7 | 116.2 | 145.0 | 95.5 | 6.5 | .......... | 4.2 | 38.5 | .......... |
| Savings and loan associations and cooperative banks | 64.0 | 2,889.4 | 2,953.4 | 1,766.5 | 511.1 | 97.4 | 131.5 | 370.5 | 76.1 |
| Savings banks | 7.2 | 1,643.5 | 1,650.8 | 1,198.5 | 432.5 | 4.1 | .2 | 14.0 | 1.2 |
| Federal home loan banks | 6.8 | 1,173.0 | 1,179.8 | 680.0 | 5.8 | 6.4 | 147.5 | 240.4 | 99.5 |
| All other agencies of the United States | 235.8 | 483.1 | 719.0 | 367.8 | 6.0 | 100.1 | 59.2 | 50.7 | 135.0 |
| Securities dealers | 941.1 | 66.4 | 1,007.5 | 136.7 | 93.5 | 133.0 | 245.5 | 368.4 | 30.2 |
| Business corporations[1] | 2,110.4 | .......... | 2,110.4 | 1,013.8 | 190.5 | 452.7 | 349.7 | 88.8 | 14.7 |
| State and local governments | 3,033.2 | .......... | 3,033.2 | 1,240.0 | 181.1 | 429.7 | 482.5 | 490.7 | 209.0 |
| Foreign banks and foreign official institutions | 613.4 | .......... | 613.4 | 342.5 | 165.5 | 31.2 | 67.0 | 7.0 | .......... |
| All others[2] | 235.0 | .......... | 235.0 | 76.1 | 43.8 | 50.0 | 39.2 | 24.7 | 1.0 |
| Total | 8,733.2 | 26,528.1 | 35,261.4 | 23,496.0 | 4,479.1 | 1,653.4 | 1,948.8 | 2,557.1 | 1,126.8 |

[1] Includes both financial and nonfinancial corporations.
[2] Includes credit unions, nonprofit organizations, such as hospitals and educational institutions, and others.

### Buyers of Repurchase Agreements

The increasing use of Rp's by businesses—both financial and nonfinancial organizations—has accounted for much of the rapid growth in this source of funds to banks. In the 1977 survey, businesses contributed almost 55 per cent to total Rp's transacted with banks, while they accounted for only 24 per cent in 1974 (Table 3). Since 1974 the volume of Rp's by businesses has increased more than 400 per cent.

One of the reasons for the growing use of Rp's by businesses has been the recent development of sophisticated cash management techniques. Corporate cash management involves procedures designed to speed the receipt of income, delay disbursement of payments, and reduce the uncertainty about daily cash-flow patterns, thus permitting businesses to hold only a minimal amount of funds without explicit interest return. These procedures have resulted in a more efficient use of corporate funds and have served greatly to increase the availability of funds for investment in money market assets. Corporate treasurers have thus increasingly used Rp's as an attractive alternative to maintaining surplus funds in non-interest-earning demand deposits.

Because of their flexibility and security, Rp's are ideally suited to supplement cash management techniques. They may be tailored to any desired short-term maturity and are relatively free of risk. In addition, like money market assets in general, Rp's may be used not only to invest temporary excess cash but also to earn interest on funds being accumulated for tax or dividend payments and on the proceeds of long-term financing temporarily awaiting disbursement.

## 3. Buyers of repurchase agreements

Percentage distribution

| Buyers | Week ended Dec. 7, 1977 | Week ended Apr. 24, 1974 |
|---|---|---|
| Member commercial banks | 12.6 | 11.5 |
| Nonmember domestic commercial banks | 1.1 | 5.2 |
| Branches and agencies of foreign banks operating in the United States | .2 | ............ |
| Edge Act and Agreement Corporations | .2 | .3 |
| Other depositary institutions | .3 | .8 |
| Agencies of the United States | 1.8 | 2.8 |
| Securities dealers | 8.9 | 10.8 |
| Businesses | 54.9 | 24.2 |
| State and local governments | 17.1 | 34.7 |
| Foreign banks and foreign official institutions | 1.4 | 7.0 |
| All others | 1.5 | 2.7 |
| Total | 100.0 | 100.0 |

State and local governments, which were the primary source of Rp funds to the banks that were sampled in 1974, continued to supply a sizable amount of funds during the 1977 survey week. Despite having been displaced by businesses as the principal buyers of Rp's, they nevertheless accounted for 17 per cent of the total funds supplied to the banks.[4] Moreover, since 1974 the volume of Rp's transacted by these governmental bodies has grown nearly 25 per cent. State and local governments have found Rp's to be an attractive short-term investment for reasons similar to those of businesses. They have often been faced with maintaining sizable balances at times throughout the year because the timing patterns of tax receipts and of expenditures never exactly match. Repurchase agreements have provided the opportunity for converting these temporary balances into interest-earning assets.[5]

Other member commercial banks and securities dealers also represented important purchasers of Rp's in both the 1974 and the 1977 survey weeks. Unlike businesses or State and local governments, these institutions operate in the Rp market both to obtain funds and to supply funds. As mentioned earlier, banks and securities dealers obtain funds to finance securities inventories. In addition, these institutions often provide funds by purchasing Rp's when opportunities arise, enabling them to profit from differences in interest rates. For example, the bank or dealer may purchase securities under an Rp at one rate and then sell the securities at a slightly lower rate under another Rp, thus regaining the funds initially supplied plus a profit. Alternatively, banks may purchase securities under an Rp from other banks simply to obtain the collateral for a short time.

[4] The timing of the two surveys may have been partly responsible for the apparent shift in relative importance between State and local governments and businesses. The April 1974 survey was conducted immediately following a tax date, when State and local government funds were at their peak and corporate balances had been reduced by tax outlays. In contrast, the 1977 survey was conducted before a quarterly tax date.

[5] In addition, since November 1974 State and local governments have also been permitted to hold savings deposits at commercial banks. These deposits have increased sharply when market rates on Rp's have fallen below the Regulation Q ceiling rate on savings deposits. Such a situation occurred in December 1976, for example, when savings deposits held by these governments at large weekly reporting banks rose from $1.7 billion to $2.9 billion. In contrast, when market rates on Rp's have risen above the ceiling rate on savings, savings deposits have declined.

## Maturities of Repurchase Agreements

More than half of all Rp's reported in the 1977 survey were executed either for only 1 day or under continuing contract (Table 4). Continuing contract refers to any transaction that may remain in effect for more than 1 day but that has no specified maturity and does not require advance notice by the purchaser to terminate. In general, such arrangements consist of 1-day transactions that are automatically rolled over each day until the bank is notified by the purchaser to terminate the transaction.

Only 10 per cent of the maturities extended for periods beyond 30 days, while about 39 per cent ranged from 2 to 30 days. The relatively low level of activity in the longer maturities has probably reflected the existence of investment alternatives that may earn higher interest, such as certificates of deposit and commercial paper.

The very short maturities tended to be more prevalent among banking and financial buyers in the Rp market: 66 per cent of the Rp's purchased by these institutions had maturities of 1 day or were under continuing contract in contrast to 45 per cent for nonfinancial businesses, securities dealers, and State and local governments. Nevertheless, 64 per cent of all Rp's purchased by nonfinancial businesses, securities dealers, and State and local governments extended for periods of fewer than 8 days.

**4. Maturities of repurchase agreements**

Percentage distribution

| Maturity | Week ended Dec. 7, 1977 |
|---|---|
| 1 day | 42.7 |
| Continuing contract | 8.8 |
| 2–7 days | 16.7 |
| 8–30 days | 22.1 |
| Over 30 days | 9.7 |
| Total | 100.0 |

## FEDERAL FUNDS

Of the total volume of discretionary funds borrowed by the 46 banks that participated in the special 1977 survey, $35.8 billion, or about 62 per cent, was obtained through purchases of Federal funds. The term "Federal funds" historically has referred to the transfer of a deposit at a Federal Reserve Bank from one member bank to another. Such transactions represented the overnight borrowing and lending of excess reserve balances by member banks to adjust reserve positions. Today, Federal funds transactions need not involve a transfer at a Federal Reserve Bank nor necessarily involve two member banks. Indeed, Federal funds are currently traded by a variety of institutions that do not maintain accounts at Federal Reserve Banks, including nonmember banks, branches of foreign banks operating in the United States, mutual savings banks, and savings and loan associations.

To a large extent, the present-day Federal funds market has evolved as a result of Federal Reserve regulation. As trading in Federal funds became more widespread throughout the 1960's, the Federal Reserve issued several important rulings that had the effect of altering the structure of the market and the types of institutions from which member banks could borrow without the borrowings being subject to reserve requirements. In 1964 the Board noted that purchases of funds by member banks from other banking institutions did not differ fundamentally from traditional Federal funds purchases, even though these borrowings did not go through a Federal Reserve Bank. In effect, this ruling served to alter the concept of Federal funds by including transactions that resulted simply from bookkeeping entries at correspondent banks.[6] Later in 1964 the Board granted permission for Edge Act and Agreement corporations to participate in the market. In 1970 the Board ruled that member banks could borrow Federal funds free of reserve requirements from any member or nonmember commercial bank, savings bank, savings and loan association, cooperative bank, domestic office of a foreign bank, and the Export-Import Bank. As a result of these rulings, the term Federal funds has come to mean any borrowing or lending of immediately available funds by any of these participants.

In more recent years, immediately available funds have been transferred for periods of longer than 1 day. These transactions are basically similar to regular Federal funds in all aspects other than maturity and have been designated "term Federal funds." Term Federal funds generally command higher interest rates than do regular Federal funds and have not been extensively traded.

The Federal funds market contributes significantly to a more efficient utilization of bank resources. Through its redistribution of reserves within the banking system, excess reserves held by smaller banks are channeled to larger banks and converted to loanable funds. In addition, the market assists the Federal Reserve in the conduct of monetary policy. Since only minimal excess reserves are held by the banking system as a whole, the impact of policy actions tends to be felt more quickly by all sizes of banks. Finally, the rate on Federal funds serves as an important indicator of current credit conditions and generally forms the basis for other short-term rates.

### LENDERS OF FEDERAL FUNDS

Although basically an interbank market, the Federal funds market includes participants other than commercial banks, such as mutual savings banks, savings and loan associations, and Federal agencies (Table 5). Nevertheless, commercial banks are the primary suppliers of Federal funds. In both the 1974 and 1977 surveys, commercial banks, largely dominated by System members, accounted for about 65 per cent of the Federal funds supplied to the banks that were surveyed (Table 6).

Commercial bank participation in the interbank market tends to be characterized by well-established market patterns. Smaller banks act basically as sellers of funds, selling to larger correspondents and regional money center banks.

[6] Correspondent bookkeeping transfers of Federal funds consisted basically of reducing the correspondent bank's deposit balance at the member bank and crediting an account designated "Federal funds purchased" from the correspondent.

### 5. Federal funds for week ended December 7, 1977, 46 large banks

Seven-day average dollar volume in millions of dollars

| Lenders | Maturity | | | | | |
|---|---|---|---|---|---|---|
| | Total | 1 day | Continuing contract | 2–7 days | 8–30 days | More than 30 days |
| Member commercial banks | 17,908.0 | 16,982.2 | 512.2 | 79.1 | 143.7 | 190.8 |
| Nonmember domestic commercial banks | 5,529.2 | 4,726.2 | 558.8 | 18.4 | 162.7 | 63.1 |
| Branches and agencies of foreign banks operating in U.S. | 2,190.3 | 2,155.2 | 1.8 | 1.4 | 4.1 | 27.8 |
| Edge Act and Agreement Corporations | 210.0 | 181.5 | .......... | 1.0 | 5.5 | 22.0 |
| Other depository institutions[1] | 5,946.9 | 4,047.4 | 364.5 | 83.7 | 370.8 | 1,080.5 |
| Agencies of the U.S.[2] | 2,245.6 | 1,983.4 | .5 | 33.1 | 49.8 | 178.8 |
| Securities dealers | 1,689.2 | 1,689.2 | .......... | .......... | .......... | .......... |
| All other | 149.3 | 79.0 | 6.5 | 63.7 | .1 | .......... |
| Total | 35,868.5 | 31,844.1 | 1,444.3 | 280.4 | 736.7 | 1,563.0 |

[1] Includes mutual savings banks, savings and loan associations, and cooperative banks.
[2] Includes Federal Home Loan Bank Board and other Federal agencies.

The arrangement most often used is the continuing contract. The denomination of transactions ranges from $50,000 to $5 million or more. Larger regional banks tend to be sellers of funds but may often be borrowers. Rather than engage in continuing contracts, this group usually makes direct inquiries of potential purchasing banks, frequently through Federal funds brokers, to obtain the most attractive yield. Amounts provided by these banks range from $5 million to $40 million per transaction. Large money center banks tend to be basically purchasers of funds, although at times they may sell funds to accommodate smaller correspondents.

Other depositary institutions, consisting mainly of mutual savings banks and savings and loan associations, also provide substantial amounts of Federal funds to commercial banks. These institutions, which accounted for about 17 per cent of the funds supplied, operate in the Federal funds market as a means of earning interest on liquid balances that might otherwise remain temporarily idle. Offices of foreign banks and Federal agencies are other important lenders of Federal funds. Federal agencies participate in the market for reasons similar to those of other depository institutions, while participation by foreign-related banking organizations to some extent parallels participation by commercial banks.

### 6. Lenders of Federal funds

Percentage distribution

| Lender | Week ended Dec. 7, 1977 | Week ended Apr. 24, 1974 |
|---|---|---|
| Member commercial banks | 49.9 | 49.3 |
| Nonmember domestic commercial banks | 15.4 | 14.7 |
| Branches and agencies of foreign banks in the United States | 6.1 | 12.0 |
| Edge Act and Agreement Corporations | .6 | .4 |
| Other depositary institutions | 16.6 | 17.1 |
| Agencies of the United States | 6.3 | 6.2 |
| Securities dealers | 4.7 | .3 |
| All others | .4 | ............ |
| Total | 100.0 | 100.0 |

### 7. Maturities of Federal funds

Percentage distribution

| Maturity | Week ended Dec. 7, 1977 |
|---|---|
| 1 day | 88.7 |
| Continuing contract | 4.0 |
| 2–7 days | .9 |
| 8–30 days | 2.0 |
| Over 30 days | 4.4 |
| Total | 100.0 |

## Maturities of Federal Funds

The Federal funds market is essentially an overnight market. Almost 93 per cent of the total funds reported in the 1977 survey were supplied for 1 day or were under continuing contract (Table 7). Less than 3 per cent of the funds were transacted in maturities of 2 to 30 days, while slightly more than 4 per cent extended for periods of longer than 30 days.

Despite its very short-term nature, the Federal funds market is regarded by many banks as a permanent source of financing. Since funding requirements may vary considerably each day, participants are careful not to borrow in excess of their projected needs. To a large extent, the Federal funds market serves as a residual market for funds. Once financing requirements have been established for a particular day and other funds obtained, any deficit is generally met through purchases of Federal funds. This mechanism allows banks to match sources and uses of funds much more closely and contributes to a more efficient utilization of bank resources. □

# 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 papers prepared on these studies for which copies are currently available in mimeographed form.*

## STUDY SUMMARY

### MORTGAGE BORROWING AGAINST EQUITY IN EXISTING HOMES: MEASUREMENT, GENERATION, AND IMPLICATIONS FOR ECONOMIC ACTIVITY

DAVID F. SEIDERS—Staff, Board of Governors
*Prepared as a staff study in early 1978*

The relationship between home mortgage lending and homebuilding has changed dramatically in recent years. This shift has occurred as the household sector has raised unprecedented amounts of mortgage funds against inflated equity in the stock of existing homes and used these funds for a variety of purposes other than homebuilding. Mortgage borrowing on a large scale for such purposes may, of course, have significant implications for the efficiency of Federal housing support programs operating through the mortgage markets. In view of the well-known sensitivity of the supply and cost of home mortgage credit to changes in general financial conditions, such a development also may influence the impact of monetary policy on various sectors of the economy.

This study examines borrowing against housing equity within the context of other developments in the structure of income and wealth in the household sector and in an environment of general price inflation. It analyzes the volume of net funds borrowed against equity in existing homes and examines the various ways in which households have raised these funds. The extent to which the borrowed funds have been used to support personal consumption expenditures or to change the composition of household balance sheets is also considered as are possible implications for future economic activity.

The conclusion is that household borrowing against equity in existing homes has accounted for nearly half of total home mortgage debt formation during the past 2 years, about double the proportion during the previous 5 years. These funds have been raised primarily in connection with transactions in existing homes, rather than through junior mortgages or refinancings of outstanding first mortgages, both of which have received much attention in the press. Moreover, it appears that significant portions of the funds raised against housing equity have served to bolster personal consumption expenditures during much of the current economic expansion but that some portions have supported capital expenditures, substituted for other forms of household debt, or contributed to acquisitions of financial assets. It is argued that exogenous changes in household financial net worth, household expectations about future levels of income, and the spread between long- and short-term interest rates determine in part how funds raised in connection with transactions in existing homes are used. □

# Exercise of Consumer Rights Under the Equal Credit Opportunity and Fair Credit Billing Acts

In November 1977 the Board of Governors initiated a survey of selected large creditors to determine to what extent consumers were exercising their rights under the Equal Credit Opportunity Act and the Fair Credit Billing Act. The survey was also designed to determine the cost to creditors of complying with these laws.

An inquiry requesting information in connection with credit-card and other types of revolving-credit operations was sent to a group of nine creditors. Areas covered in the inquiry were the right to a separate credit history for married persons, notification by creditors of specific reasons for denial of credit, and customers' use of their rights under the law regarding the resolution of billing disputes.

The initial notices regarding the right to a separate credit history for married persons were enclosed with billing statements rather than mailed separately in order to hold down the cost. About 11 per cent of the customers requested that separate credit histories be maintained. The average cost to the creditors of printing and processing the notices was less than 1 cent per notice, and the average cost of processing the return requests and providing the necessary credit information was about 9 cents per request.

The survey showed that a substantial proportion of the applicants who were rejected for revolving credit accounts requested the reasons for the denial if such reasons had not been stated at the time of rejection; many of these applicants then provided sufficient additional information to warrant the granting of credit.

Although a large number of credit customers raised questions concerning their billing statements each month, relatively few followed the formal procedures provided by Regulation Z. Most of the companies, however, indicated that they had treated the informal questions the same as the formal ones.

In order to obtain information from a national cross-section of consumers with a minimum burden on the consumer credit industry, the Board selected nine large creditors that were believed to have readily available records. This group included four major retailers (Alden's, Inc.; Federated Department Stores, Inc.; J. C. Penney and Co., Inc.; and Sears, Roebuck and Co.); three banks (Bank of America, First National Bank of Chicago, and Maryland National Bank); one travel and entertainment card issuer (American Express Co.); and one oil company (Shell Oil Co.). Information was gathered from all companies except Alden's; the data reported by Federated Department Stores represent the combined answers of 13 of its 16 department and specialty store divisions.

## SEPARATE CREDIT HISTORY

Under Regulation B married persons have the right to a separate credit history. All creditors with open-end credit contracts were required to send a notice advising their married customers of this right by June 1, 1977, unless the company already had arranged to maintain access to the account records for each person entitled to use the account. American Express had such an arrangement for each person who had been issued a card on an account. The other seven reporting creditors, however, sent notices to each of their married customers informing them of their right to separate credit histories.

The total initial mailing of somewhat less than 48.5 million notices by the seven companies yielded more than 5 million returns (about 11

1. Separate credit history

| Creditor | Notices: Number sent | Number of return requests | Percentage resulting in requests | Total cost (dollars) | Average cost per notice sent (dollars) |
|---|---|---|---|---|---|
| Federated Department Stores | 5,600,536 | 471,875 | 8.4 | 64,880 | .012 |
| J. C. Penney | 10,252,692 | 818,659 | 8.0 | 64,556 | .006 |
| Sears | 23,000,000 | 3,000,000 | 13.0 | 68,095 | .003 |
| Bank of America | 3,130,529 | 326,783 | 10.4 | 88,697 | .028 |
| First National Bank of Chicago | 861,453 | 82,561 | 9.6 | 5,000 | .006 |
| Maryland National Bank | 1,056,365 | 77,501 | 7.3 | 23,940 | .023 |
| Shell Oil | 4,500,000 | 430,000 | 9.6 | 45,000 | .010 |
| American Express[1] | ... | ... | ... | ... | ... |

| Creditor | Cost of dual reporting of credit records, in dollars: Processing initial requests | Reporting new information | Total, for initial returns | Average initial cost per account | Cost of reporting new accounts per account | Annual maintenance cost of dual reporting per account |
|---|---|---|---|---|---|---|
| Federated Department Stores | 31,575 | [2]62,466 | 94,041 | .20 | .00 to 1.50 | [3]39,825 |
| J. C. Penney | 12,061 | 31,614 | 43,675 | .05 | Negligible | Negligible |
| Sears | [4]94,134 | 55,555 | 149,689 | .05 | .01 | 88,667 |
| Bank of America | 55,543 | 36,744 | 92,287 | .28 | .10 | 3,600 |
| First National Bank of Chicago | 6,571 | 13,571 | 20,142 | .24 | .14 | 23,880 |
| Maryland National Bank | 22,392 | 5,470 | 27,862 | .36 | .12 | 13,600 |
| Shell Oil | 19,700 | 9,900 | 29,600 | .07 | Negligible | 3,000 |
| American Express[1] | ... | ... | ... | ... | ... | ... |

[1]American Express provides separate access to its credit records for each credit-card holder and, therefore, was not required to send a special notice.
[2]Excludes two divisions that maintain manual operations and report to credit-reporting agencies only on demand.
[3]Represents estimates from only five divisions.
[4]Reported an additional cost, estimated at $900,000, of annotating history record cards to reflect the requested changes.

per cent) from customers who requested the maintenance of separate credit histories. The difference in the rate of return among the reporting companies was relatively small, ranging from about 7.3 per cent for Maryland National Bank to 13 per cent for Sears (Table 1).

Direct cost estimates for the nearly 50 million notices sent totaled $360,168; however, since some companies were unable to identify and include all administrative costs, this figure accounted for only a portion of the total cost. Furthermore, Penney's noted that the inclusion of the required notice with the billing statement displaced advertising inserts, which resulted in a loss of sales estimated at $665,000. Federated Department Stores also noted a loss of revenue due to the displacement of advertising inserts but did not estimate the amount. Although all of the reporting companies enclosed the required notice with the monthly billing statement, Bank of America noted that it had spent $68,000 to mail the notice separately to inactive BankAmericard accounts.

The identifiable costs of printing, processing, and mailing each notice averaged slightly less than 1 cent. There was considerable variation among the companies, however, with the average identifiable cost per notice ranging from a low of 0.3 cent to a high of 2.8 cents.

Processing the more than 5 million returns and initially reporting the new information to the credit-reporting agencies cost a little more than $450,000 for the seven companies, or an average of about 9 cents per request. Again the costs reported by the different companies varied sharply—from about 5 cents per request to 36 cents per request (Table 1).

Once the reporting of credit records on a dual basis for existing accounts had been completed, the cost of reporting new accounts on that basis ranged from "negligible" or "nominal" to about 14 cents per account. Federated Department Stores reported a range from "negligible" to $1.50 for its divisions. The cost of maintaining dual reporting varied widely, from "negligible" to nearly $89,000 a year. If the 3 million requests received by Sears had resulted in about the same number of dual-reporting accounts, the annual total cost would have amounted to 3 cents per account. The same calculation for the other companies suggests an average annual maintenance cost per account of about 1 cent for Bank of America and Shell, 9 cents for Federated Department Stores, 18 cents for Maryland National Bank, and 29 cents for First National Bank of Chicago. Each of the last two companies had less than 100,000 dual-reporting accounts, which suggests that maintaining any dual reporting system may involve a significant element of fixed cost or that the wide variation in reporting maintenance costs may be the result of the different approaches used in estimating costs.

## ADVERSE ACTION NOTICES

The revisions in Regulation B that became effective June 1, 1977, required creditors to inform rejected credit applicants of the reasons for the denial either initially or upon request. Sears, First National Bank of Chicago, Bank of America, and 1 of the 13 divisional respondents of Federated Department Stores furnished all rejected credit applicants with the reasons for the adverse action at the time of the denial. The other companies provided reasons for denial only upon request. Maryland National Bank received such requests from 12 per cent of rejected applicants; Federated Department Stores, from 20 per cent; and American Express, from 23 per cent. Shell stated that each month about 4,600 rejected applicants requested the specific reasons for the denial.

Many of the rejected credit applicants who were initially given reasons for credit denial supplied additional information, and a high proportion of these were then granted credit. Sears, which initially sent reasons for the credit denial to all rejected applicants, received additional credit information from 4 per cent of these, and in half of the cases the information was sufficient to warrant the granting of credit. These proportions were even larger for Bank of America, which received additional information from 8 per cent of its rejected applicants and which was then able to grant credit to three-fourths of them. First National Bank of Chicago, the third company that provided reasons initially to all rejected applicants, received requests for reconsideration from about 35 per cent of such applicants, and of those who provided additional information one-third were granted credit.

2. Adverse action on applications for credit

| Creditor | Applicants rejected for credit who | | | Average cost per account of providing reasons for credit denial (dollars) | |
|---|---|---|---|---|---|
| | Requested reasons for denial (per cent) | Were given reason, then provided more information (per cent of col. 1) | Provided more information and were given credit (per cent of col. 2) | Initially | Upon request |
| | (1) | (2) | (3) | (4) | (5) |
| Federated Department Stores | 20 | 34 | 26 | [1].43 | .22 to 5.25 |
| J. C. Penney | ([2]) | n.a. | n.a. | . . . | .56 |
| Sears | [3]100 | 4 | 50 | .59 | . . . |
| Bank of America | [3]100 | 8 | 75 | 1.07 | 2.20 |
| First National Bank of Chicago | [3]100 | ([4]) | 33 | .60 | . . . |
| Maryland National Bank | 12 | 45 | 35 | . . . | 4.14 |
| Shell Oil | ([5]) | 70 | 72 | .55 | .38 |
| American Express | 23 | 30 | 60 | 1.75 | 3.00 to 5.25 |

[1]Represents an estimate by one division only.
[2]Approximately 13.3 per cent wrote to J.C. Penney regarding their rejection, but it is not known how many asked for specific reasons.
[3]All rejected credit applicants were given the reasons initially.
[4]Approximately 3,000 of the 8,600 rejected applicants per month requested reconsideration, and some provided additional information.
[5]Approximately 4,600 rejected applicants per month requested specific reasons for denial.
n.a.—Not available.

3. Experience with fair credit billing

| Creditor | Average number of active accounts billed monthly | Average number of billing statement inquiries | Billing statement inquiries (per cent) | Number of formal inquiries asserted monthly | Annual cost of billing error statements (dollars) |
|---|---|---|---|---|---|
| Federated Department Stores | 3,366,000 | 86,000 | 2.55 | 4,400 | [1]47,447 |
| J. C. Penney | 12,082,395 | 113,575 | .94 | n.a. | [2]7,308 |
| Sears | 18,600,000 | n.a. | n.a. | 9,167 | ([3]) |
| Bank of America | 2,464,469 | 119,164 | 4.84 | 3,047 | ([3]) |
| First National Bank of Chicago | 901,000 | 57,000 | 6.33 | 5,000 | ([3]) |
| Maryland National Bank | 301,000 | 2,606 | .87 | 134 | ([3]) |
| Shell Oil | 3,500,000 | 37,000 | 1.06 | 1,150 | [4]67,300 |
| American Express | 3,800,000 | 86,000 | 2.26 | n.a. | [5]25,760 |

[1]Represents estimate of printing costs only for monthly mailing.
[2]The billing-error statement is printed on the back of the billing statement and the costs reported are those for printing the full billing statement provided to those persons who raise billing inquiries.
[3]The billing-error statement is printed on the back of the billing statement and no specific costs were reported.
[4]Mails the statement semiannually but estimates that mailing the shorter monthly statement would cost $247,600 per year.
[5]Represents estimate of printing costs only for mailing semiannual statements.
n.a.—Not available.

A similar pattern existed for those specifically requesting reasons for the denial of credit in that the additional information was often adequate to warrant the granting of credit. Federated Department Stores estimated that about one-third of those requesting reasons for credit denial during the first 7 months after the revised Regulation B went into effect provided additional information, and in one-fourth of these cases credit was granted. The highest proportions were shown by Shell; almost 70 per cent of those requesting specific reasons supplied additional information, and in three-fourths of those cases credit was granted (Table 2).

The cost of providing reasons for the denial of credit to the rejected applicants varied widely. For the three companies that provided reasons initially, the average cost per rejected account ranged from 59 cents to $1.07. For the other companies the average cost of responding to specific requests for reasons for credit denial varied from 22 cents to $5.25.

## BILLING INQUIRIES

A considerable number of credit customers raised questions concerning their billing statements each month (Table 3). The extent of the increase in the number of customer inquiries since the billing-error sections were incorporated into Regulation Z is not known, but the figures reported by the eight creditors for recent months showed that the proportion of monthly billing statements questioned ranged from about 1 per cent for Penney's, Maryland National Bank, and Shell to about 5 per cent for Bank of America and 6 per cent for the First National Bank of Chicago. Only a small proportion of these questions were submitted according to the formal procedures provided by Regulation Z, but most of the companies indicated that they had treated all questions alike, whether presented in a formal or informal manner.

Creditors are permitted to use either a semiannual billing-error statement, informing customers of their rights and the appropriate procedures, or a shorter monthly statement. Only Shell, American Express, and one division of Federated Department Stores used the semiannual statement. The other companies found the monthly statement, which in some cases could be printed on the back of the billing statement, to be less costly than a semiannual statement. Precise cost figures, however, could not be provided by most companies. □

# Survey of Time and Savings Deposits at Commercial Banks, January 1978

During the 3 months ended January 25, 1978, total time and savings deposits at insured commercial banks, not adjusted for seasonal variation, expanded at a quarterly rate of 3½ per cent compared with 2¼ per cent over the preceding survey quarter.[1] For the 6 months covering the two most recent survey periods, time and savings deposits subject to Regulation Q ceiling rates had grown only slightly, as banks experienced net outflows in the earlier period followed by small net inflows in the later period. In contrast, large-denomination ($100,000 or more) time deposits grew sharply in both periods, accounting for more than 90 per cent of the growth of total time and savings deposits between the end of July and the end of January.

Although total net inflows to savings and small-denomination (less than $100,000) time deposits registered growth of less than 1 per cent between the October and January surveys, expansion in the longest-maturity categories remained strong. Such growth reflects the higher interest rate ceilings on these accounts that encourage individuals to extend the maturity of their bank deposits. Since July 1973, when the ceilings on time deposits maturing in 4 years or more and with minimum denominations of $1,000 were temporarily suspended, growth in this category has totaled more than $70 billion.[2] By comparison shorter-maturity time deposits issued to households and businesses in small denominations declined about $10 billion over the same interval.

## SAVINGS DEPOSITS

Throughout the intersurvey period, yields on short-term market instruments, such as 90-day Treasury bills, exceeded by 1 to 1¼ percentage points the maximum return banks may legally offer on savings deposits. Expansion of savings deposits, not adjusted for seasonal variation, matched the slow pace of the preceding 3 months—a period when market yields had ranged from ½ to 1 percentage point above the passbook ceiling rate. All of the $1.6 billion growth was concentrated in accounts held by individuals, accounts that tend to be the least sensitive to movements of interest rates. Meanwhile, a small absolute decline in savings de-

NOTE.—John R. Williams of the Board's Division of Research and Statistics prepared this article.

1 Surveys of time and savings deposits (STSD) at all member banks were conducted by the Board of Governors in late 1965, in early 1966, and quarterly in 1967. In January and July 1967 the surveys also included data for all insured nonmember banks collected by the Federal Deposit Insurance Corporation (FDIC). Since the beginning of 1968 the Board of Governors and the FDIC have conducted joint quarterly surveys to provide estimates for all insured commercial banks based on a probability sample of banks. The results of all earlier surveys have appeared in previous BULLETINS from 1966 to 1978, the most recent being February 1978.

The current sample—designed to provide estimates of the composition of deposits—includes about 560 insured commercial banks. For details of the statistical methodology, see "Survey of Time and Savings Deposits, July 1976" in the BULLETIN for December 1976.

Detailed data for the current survey (formerly contained in appendix tables) are available on request from Publications Services, Division of Administrative Services, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

2 Prior to July 1973, the maximum rate payable was 5¾ per cent at commercial banks for all small-denomination deposits maturing in 2 years or more. At that time, an estimated $600 million was outstanding in commercial bank time accounts with original maturities of 4 years or more. Then, during the 4-month period when ceilings were suspended, about $9 billion flowed into these accounts. Effective November 1, 1973, a ceiling rate of 7.25 per cent at commercial banks was established for deposits of 4 years or more. Effective December 23, 1974, the ceiling was raised to 7.50 per cent for deposits of 6 years or more.

posits of businesses offset a slight rise in such holdings of governmental units within the United States.

The January survey provides evidence that a few large banks raised offering rates on savings deposits, in light of the continued sluggish inflows of such deposits. On new deposits issued to individuals in late January, the maximum offering rate of 5 per cent prevailed at 89 per cent of banks with total outstanding deposits greater than $100 million, up from 87 per cent in late October. Similarly, the proportion of large banks paying the ceiling interest rate on accounts of businesses rose to 95 per cent from 92 per cent, and on accounts of domestic governmental units the proportion rose to 95 per cent from 89 per cent. Taking all banks together, the average rate paid on all types of savings deposits, weighted by the amounts outstanding, rose over the period to 4.92 per cent from 4.90 per cent.

## SMALL-DENOMINATION TIME DEPOSITS

By the end of the survey period, yields on Treasury securities had moved above regulatory rate ceilings on bank time deposits issued to consumers and businesses for all comparable

1. Types of time and savings deposits held by insured commercial banks on survey dates, July 27 and October 26, 1977, and January 25, 1978

| Type of deposit | Number of issuing banks | | | Deposits: In millions of dollars | | | Deposits: Percentage change | |
|---|---|---|---|---|---|---|---|---|
| | July 27 | Oct. 26 | Jan. 25 | July 27 | Oct. 26 | Jan. 25 | July 27–Oct. 26 | Oct. 26–Jan. 25 |
| **Total time and savings deposits** | **14,405** | **14,409** | **14,333** | **518,117** | **529,862** | **548,293** | **2.3** | **3.5** |
| **Savings** | **14,405** | **14,409** | **14,333** | **215,391** | **216,896** | **218,539** | **.7** | **.8** |
| Issued to: | | | | | | | | |
| Individuals and nonprofit organizations | 14,405 | 14,409 | 14,333 | 199,629 | 201,011 | 202,653 | .7 | .8 |
| Partnerships and corporations operated for profit (other than commercial banks) | 8,986 | 9,141 | 9,463 | 10,310 | 10,808 | 10,568 | 4.8 | −2.2 |
| Domestic governmental units | 6,922 | 7,891 | 8,391 | 5,310 | 4,968 | 5,206 | −6.4 | 4.8 |
| All other | 704 | 724 | 1,251 | 142 | 108 | 112 | −24.0 | 3.5 |
| IRA and Keogh Plan time deposits with original maturities of 3 years or more | (1) | 8,808 | 9,088 | (1) | 1,546 | 2,084 | .......... | 34.8 |
| **Other interest-bearing time deposits in denominations of less than $100,000** | **14,173** | **14,166** | **14,090** | **167,363** | **165,097** | **166,717** | **−1.4** | **1.0** |
| Issued to: | | | | | | | | |
| *Domestic governmental units* | *10,789* | *10,838* | *10,688* | *4,688* | *4,334* | *4,118* | *−7.6* | *−5.0* |
| Accounts with original maturity of: | | | | | | | | |
| 30 up to 90 days | 4,812 | 5,147 | 5,201 | 1,068 | 949 | 862 | −11.1 | −9.1 |
| 90 up to 180 days | 8,321 | 8,008 | 7,367 | 1,622 | 1,396 | 1,243 | −13.9 | −10.9 |
| 180 days up to 1 year | 3,774 | 4,802 | 4,882 | 746 | 823 | 854 | 10.3 | 3.7 |
| 1 year and over | 8,345 | 8,431 | 8,680 | 1,253 | 1,166 | 1,159 | −6.9 | −.6 |
| *Other than domestic governmental units* | *14,173* | *14,166* | *14,090* | *162,674* | *160,764* | *162,598* | *−1.2* | *1.1* |
| Accounts with original maturity of: | | | | | | | | |
| 30 up to 90 days | 5,836 | 6,638 | 6,629 | 7,635 | 7,327 | 6,250 | −4.0 | −14.7 |
| 90 up to 180 days | 11,495 | 11,699 | 11,751 | 31,599 | 30,626 | 31,459 | −3.1 | 2.7 |
| 180 days up to 1 year | 8,264 | 8,999 | 8,808 | 4,661 | 3,539 | 3,587 | −24.1 | 1.4 |
| 1 up to 2½ years | 13,701 | 13,825 | 13,508 | 34,207 | 34,601 | 33,977 | 1.2 | −1.8 |
| 2½ up to 4 years[2] | 12,628 | 12,549 | 12,476 | 18,768 | 18,539 | 18,463 | −1.2 | −.4 |
| 4 up to 6 years[2] | 12,108 | 12,401 | 12,390 | 51,691 | 50,366 | 50,848 | −2.6 | 1.0 |
| 6 years and over[2] | 9,372 | 8,894 | 9,198 | 14,113 | 15,766 | 18,016 | 11.7 | 14.3 |
| **Interest-bearing time deposits in denominations of $100,000 or more** | **11,376** | **11,636** | **11,747** | **128,593** | **140,451** | **156,122** | **9.2** | **11.2** |
| Non-interest-bearing time deposits | 1,709 | 1,686 | 1,625 | 4,790 | 4,052 | 4,019 | −15.4 | −.8 |
| In denominations of: | | | | | | | | |
| Less than $100,000 | 1,378 | 1,381 | 1,379 | 1,396 | 862 | 692 | −38.2 | −19.8 |
| $100,000 or more | 740 | 720 | 623 | 3,394 | 3,190 | 3,327 | −6.0 | 4.3 |
| Club accounts (Christmas savings, vacation, or similar club accounts) | 9,155 | 8,929 | 9,212 | 1,981 | 1,820 | 813 | −8.1 | −55.3 |

1 Data not collected.
2 Excludes all IRA and Keogh Plan accounts with original maturity of 3 years or more.

NOTE.—All banks that had either discontinued offering or never offered certain deposit types as of the survey date are not counted as issuing banks. However, small amounts of deposits held at banks that had discontinued issuing certain deposit types are included in the amounts outstanding.
Figures may not add to totals because of rounding.

2. Small-denomination time and savings deposits held by insured commercial banks on January 25, 1978, compared with October 26, 1977, by type of deposit, by most common rate paid on new deposits in each category, and by size of bank

| Deposit group, and distribution of deposits by most common rate | All banks | | Size of bank (total deposits in millions of dollars) | | | | All banks | | Size of bank (total deposits in millions of dollars) | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Less than 100 | | 100 and over | | | | Less than 100 | | 100 and over | |
| | Jan. 25 | Oct. 26 | Jan. 25 | Oct. 26 | Jan. 25 | Oct. 26 | Jan. 25 | Oct. 26 | Jan. 25 | Oct. 26 | Jan. 25 | Oct. 26 |
| | Number of banks, or percentage distribution | | | | | | Amount of deposits (in millions of dollars), or percentage distribution | | | | | |
| **Savings deposits** | | | | | | | | | | | | |
| Individuals and nonprofit organizations | | | | | | | | | | | | |
| Issuing banks | 14,333 | 14,409 | 13,300 | 13,381 | 1,033 | 1,028 | 202,653 | 201,011 | 76,926 | 76,403 | 125,727 | 124,608 |
| Distribution, total | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| 4.00 or less | 4.4 | 4.6 | 4.4 | 4.6 | 4.1 | 5.1 | 3.1 | 3.6 | 3.4 | 3.4 | 3.0 | 3.8 |
| 4.01–4.50 | 9.5 | 9.3 | 9.7 | 9.4 | 6.7 | 7.5 | 9.5 | 9.7 | 9.6 | 9.5 | 9.4 | 9.9 |
| 4.51–5.00 | 86.1 | 86.1 | 85.9 | 86.0 | 89.1 | 87.4 | 87.4 | 86.6 | 87.1 | 87.1 | 87.5 | 86.3 |
| ***Paying ceiling rate*[1]** | **86.1** | **86.1** | **85.9** | **86.0** | **89.1** | **87.4** | **87.4** | **86.6** | **87.1** | **87.1** | **87.5** | **86.3** |
| Partnerships and corporations | | | | | | | | | | | | |
| Issuing banks | 9,463 | 9,141 | 8,444 | 8,124 | 1,019 | 1,017 | 10,568 | 10,808 | 3,205 | 3,340 | 7,363 | 7,469 |
| Distribution, total | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| 4.00 or less | 1.3 | 1.5 | 1.4 | 1.5 | .5 | 1.5 | .6 | 1.1 | 1.1 | 1.0 | .4 | 1.1 |
| 4.01–4.50 | 7.6 | 7.1 | 7.9 | 7.2 | 4.7 | 6.3 | 5.7 | 7.0 | 5.8 | 6.8 | 5.7 | 7.1 |
| 4.51–5.00 | 91.1 | 91.4 | 90.7 | 91.3 | 94.7 | 92.2 | 93.6 | 91.9 | 93.1 | 92.2 | 93.8 | 91.7 |
| ***Paying ceiling rate*[1]** | **90.9** | **91.2** | **90.4** | **91.0** | **94.7** | **92.2** | **93.6** | **91.9** | **93.1** | **92.1** | **93.8** | **91.7** |
| Domestic govt. units | | | | | | | | | | | | |
| Issuing banks | 8,391 | 7,891 | 7,690 | 7,178 | 701 | 714 | 5,206 | 4,968 | 2,760 | 2,544 | 2,447 | 2,424 |
| Distribution, total | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| 4.00 or less | 3.7 | 5.3 | 4.0 | 5.6 | .7 | 1.8 | 1.4 | 2.0 | 1.8 | 2.9 | .9 | 1.1 |
| 4.01–4.50 | 10.7 | 9.9 | 11.3 | 9.9 | 4.2 | 9.1 | 7.1 | 8.8 | 11.0 | 14.0 | 2.6 | 3.4 |
| 4.51–5.00 | 85.6 | 84.8 | 84.7 | 84.4 | 95.1 | 89.1 | 91.5 | 89.2 | 87.2 | 83.1 | 96.5 | 95.5 |
| ***Paying ceiling rate*[1]** | **85.3** | **84.5** | **84.4** | **84.1** | **95.1** | **89.1** | **91.5** | **89.1** | **87.1** | **82.9** | **96.5** | **95.5** |
| All other | | | | | | | | | | | | |
| Issuing banks | 1,251 | 724 | 1,104 | 558 | 147 | 166 | 112 | 108 | 37 | 24 | 75 | 84 |
| Distribution, total | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| 4.00 or less | 9.8 | 17.0 | 10.9 | 21.5 | 2.0 | 1.7 | 1.4 | 1.4 | 1.7 | 3.4 | 1.3 | .8 |
| 4.01–4.50 | 18.9 | 12.3 | 21.4 | 16.0 | (2) | (2) | .1 | (2) | .3 | (2) | (2) | (2) |
| 4.51–5.00 | 71.3 | 70.7 | 67.7 | 62.5 | 98.0 | 98.3 | 98.5 | 98.6 | 98.0 | 96.6 | 98.7 | 99.2 |
| ***Paying ceiling rate*[1]** | **71.3** | **70.7** | **67.7** | **62.5** | **98.0** | **98.3** | **98.5** | **98.6** | **98.0** | **96.6** | **98.7** | **99.2** |
| IRA and Keogh Plan time deposits with original maturities of 3 years or more | | | | | | | | | | | | |
| Issuing banks | 9,088 | 8,808 | 8,151 | 7,887 | 938 | 921 | 2,082 | 1,544 | 846 | 635 | 1,236 | 909 |
| Distribution, total | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| 6.00 or less | 7.9 | 9.3 | 8.2 | 9.7 | 4.5 | 6.7 | 2.5 | 4.8 | 2.0 | 4.4 | 2.8 | 5.0 |
| 6.01–7.00 | 5.5 | 8.1 | 5.7 | 8.2 | 3.9 | 7.1 | 2.7 | 4.1 | 4.1 | 4.7 | 1.7 | 3.7 |
| 7.01–7.50 | 48.1 | 57.9 | 49.2 | 59.7 | 37.7 | 43.2 | 39.0 | 49.0 | 52.1 | 58.6 | 30.1 | 42.3 |
| 7.51–7.75 | 38.6 | 24.6 | 36.9 | 22.5 | 53.9 | 43.0 | 55.8 | 42.1 | 41.8 | 32.3 | 65.3 | 49.0 |
| ***Paying ceiling rate*[1]** | **38.6** | **24.4** | **36.9** | **22.2** | **53.9** | **43.0** | **55.8** | **42.0** | **41.8** | **32.0** | **65.3** | **49.0** |
| **Time deposits in denominations of less than $100,000** | | | | | | | | | | | | |
| Domestic govt. units: | | | | | | | | | | | | |
| *Maturing in—* | | | | | | | | | | | | |
| 30 up to 90 days | | | | | | | | | | | | |
| Issuing banks | 5,201 | 5,147 | 4,540 | 4,460 | 661 | 686 | 862 | 949 | 532 | 563 | 330 | 386 |
| Distribution, total | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| 4.50 or less | 3.1 | 2.7 | 3.3 | 2.5 | 2.4 | 4.2 | .6 | .6 | (2) | .2 | 1.6 | 1.1 |
| 4.51–5.00 | 64.9 | 58.6 | 63.9 | 56.4 | 72.2 | 72.9 | 57.7 | 53.7 | 55.6 | 55.8 | 61.1 | 50.7 |
| 5.01–5.50 | 10.0 | 22.5 | 10.7 | 24.5 | 5.6 | 9.5 | 11.4 | 21.9 | 10.9 | 24.6 | 12.2 | 17.9 |
| 5.51–7.75 | 21.9 | 16.2 | 22.2 | 16.6 | 19.8 | 13.5 | 30.3 | 23.8 | 33.6 | 19.3 | 25.1 | 30.4 |
| ***Paying ceiling rate*[1]** | **1.2** | (2) | **1.4** | (2) | (2) | (2) | **3.2** | (2) | **5.2** | (2) | (2) | (2) |
| 90 up to 180 days | | | | | | | | | | | | |
| Issuing banks | 7,367 | 8,008 | 6,563 | 7,234 | 804 | 774 | 1,224 | 1,395 | 903 | 1,022 | 321 | 373 |
| Distribution, total | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| 4.50 or less | 1.0 | 1.3 | .9 | 1.2 | 1.6 | 1.6 | .1 | .3 | (2) | .3 | .2 | .2 |
| 4.51–5.00 | 11.4 | 13.1 | 11.9 | 13.5 | 6.6 | 9.9 | 9.4 | 11.7 | 10.4 | 13.4 | 6.7 | 6.9 |
| 5.01–5.50 | 76.4 | 74.7 | 76.1 | 74.5 | 78.6 | 76.8 | 69.2 | 76.5 | 67.9 | 76.9 | 73.0 | 75.2 |
| 5.51–7.75 | 11.3 | 10.9 | 11.0 | 10.8 | 13.3 | 11.7 | 21.3 | 11.6 | 21.7 | 9.4 | 20.1 | 17.7 |
| ***Paying ceiling rate*[1]** | (2) | (2) | (2) | (2) | (2) | (2) | (2) | (2) | (2) | (2) | (2) | (2) |
| 180 days up to 1 year | | | | | | | | | | | | |
| Issuing banks | 4,882 | 4,802 | 4,299 | 4,225 | 583 | 577 | 853 | 822 | 612 | 582 | 241 | 240 |
| Distribution, total | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| 4.50 or less | .1 | .7 | (2) | .7 | .7 | .2 | (2) | (2) | (2) | (2) | (2) | (2) |
| 4.51–5.00 | 7.7 | 8.1 | 7.8 | 7.7 | 6.8 | 11.4 | 19.1 | 20.4 | 10.2 | 12.2 | 41.6 | 40.2 |
| 5.01–5.50 | 67.0 | 65.5 | 66.7 | 65.1 | 69.6 | 68.6 | 40.8 | 47.2 | 41.9 | 50.1 | 37.8 | 40.3 |
| 5.51–7.75 | 25.2 | 25.7 | 25.5 | 26.5 | 22.9 | 19.8 | 40.1 | 32.4 | 47.8 | 37.7 | 20.6 | 19.4 |
| ***Paying ceiling rate*[1]** | (2) | (2) | (2) | (2) | (2) | (2) | (2) | (2) | (2) | (2) | (2) | (2) |

For notes see page 372.

TABLE 2—Continued

| Deposit group, and distribution of deposits by most common rate | All banks | | Size of bank (total deposits in millions of dollars) | | | | All banks | | Size of bank (total deposits in millions of dollars) | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Less than 100 | | 100 and over | | | | Less than 100 | | 100 and over | |
| | Jan. 25 | Oct. 26 | Jan. 25 | Oct. 26 | Jan. 25 | Oct. 26 | Jan. 25 | Oct. 26 | Jan. 25 | Oct. 26 | Jan. 25 | Oct. 26 |
| | Number of banks, or percentage distribution | | | | | | Amount of deposits (in millions of dollars), or percentage distribution | | | | | |
| **Time deposits in denominations of less than $100,000 (cont.)** | | | | | | | | | | | | |
| Domestic govt. units (cont.) | | | | | | | | | | | | |
| 1 year and over | | | | | | | | | | | | |
| Issuing banks | 8,680 | 8,431 | 7,875 | 7,619 | 805 | 812 | 1,152 | 1,160 | 945 | 931 | 207 | 228 |
| Distribution, total | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| 5.00 or less | 1.1 | 2.5 | .8 | 2.2 | 4.3 | 5.5 | .4 | .6 | .1 | .1 | 2.1 | 2.5 |
| 5.01–5.50 | 7.1 | 4.1 | 7.0 | 3.8 | 8.7 | 6.4 | 5.9 | 5.3 | 2.9 | .8 | 19.8 | 23.4 |
| 5.51–6.00 | 62.9 | 64.7 | 63.0 | 64.7 | 62.0 | 64.0 | 60.1 | 63.3 | 61.4 | 65.8 | 54.4 | 52.7 |
| 6.01–7.75 | 28.8 | 28.8 | 29.2 | 29.3 | 25.0 | 24.1 | 33.5 | 30.9 | 35.7 | 33.2 | 23.7 | 21.3 |
| ***Paying ceiling rate*[1]** | (2) | (2) | (2) | (2) | **.2** | (2) | (2) | (2) | (2) | (2) | (2) | (2) |
| Other than domestic govt. units: | | | | | | | | | | | | |
| *Maturing in—* | | | | | | | | | | | | |
| 30 up to 90 days | | | | | | | | | | | | |
| Issuing banks | 6,629 | 6,638 | 5,741 | 5,723 | 888 | 915 | 6,229 | 7,305 | 1,507 | 1,659 | 4,722 | 5,645 |
| Distribution, total | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| 4.50 or less | 2.5 | 1.6 | 2.6 | 1.3 | 1.7 | 3.0 | .8 | .8 | (2) | (2) | 1.1 | 1.0 |
| 4.51–5.00 | 97.5 | 98.4 | 97.4 | 98.7 | 98.3 | 97.0 | 99.2 | 99.2 | 100.0 | 100.0 | 98.9 | 99.0 |
| ***Paying ceiling rate*[1]** | **97.5** | **98.4** | **97.4** | **98.7** | **98.3** | **96.7** | **99.2** | **99.2** | **100.0** | **100.0** | **98.9** | **99.0** |
| 90 up to 180 days | | | | | | | | | | | | |
| Issuing banks | 11,751 | 11,699 | 10,733 | 10,688 | 1,018 | 1,011 | 31,459 | 30,527 | 12,356 | 12,185 | 19,103 | 18,342 |
| Distribution, total | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| 4.50 or less | .5 | .5 | .6 | .6 | (2) | (2) | (2) | (2) | (2) | (2) | (2) | (2) |
| 4.51–5.00 | 8.2 | 7.1 | 8.7 | 7.5 | 3.6 | 2.5 | 6.6 | 5.8 | 5.3 | 6.4 | 7.4 | 5.5 |
| 5.01–5.50 | 91.2 | 92.4 | 90.7 | 91.9 | 96.4 | 97.5 | 93.4 | 94.2 | 94.7 | 93.6 | 92.6 | 94.5 |
| ***Paying ceiling rate*[1]** | **91.1** | **92.2** | **90.7** | **91.9** | **95.4** | **95.8** | **92.5** | **90.1** | **94.7** | **93.6** | **91.2** | **87.7** |
| 180 days up to 1 year | | | | | | | | | | | | |
| Issuing banks | 8,808 | 8,999 | 7,933 | 8,112 | 875 | 886 | 3,579 | 3,520 | 2,158 | 1,907 | 1,421 | 1,613 |
| Distribution, total | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| 4.50 or less | .5 | .5 | .4 | .4 | 1.4 | 1.4 | (2) | .1 | (2) | (2) | .1 | .2 |
| 4.51–5.00 | 7.0 | 6.9 | 7.4 | 7.4 | 3.1 | 2.8 | 1.4 | 3.5 | 1.9 | 4.8 | .6 | 2.0 |
| 5.01–5.50 | 92.5 | 92.6 | 92.2 | 92.3 | 95.5 | 95.8 | 98.6 | 96.4 | 98.1 | 95.1 | 99.3 | 97.8 |
| ***Paying ceiling rate*[1]** | **91.1** | **92.2** | **90.7** | **92.0** | **94.5** | **94.6** | **97.8** | **96.3** | **96.9** | **95.1** | **99.3** | **97.8** |
| 1 up to 2½ years | | | | | | | | | | | | |
| Issuing banks | 13,508 | 13,825 | 12,485 | 12,807 | 1,023 | 1,018 | 33,973 | 34,600 | 20,984 | 21,611 | 12,990 | 12,989 |
| Distribution, total | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| 5.00 or less | .7 | .6 | .7 | .7 | .1 | .1 | .1 | .1 | .1 | .1 | .1 | .1 |
| 5.01–5.50 | 2.0 | 3.6 | 2.1 | 3.9 | 1.2 | .7 | .9 | 1.8 | 1.0 | 2.5 | .6 | .6 |
| 5.51–6.00 | 97.3 | 95.7 | 97.2 | 95.4 | 98.7 | 99.3 | 99.0 | 98.1 | 98.8 | 97.3 | 99.3 | 99.3 |
| ***Paying ceiling rate*[1]** | **96.9** | **95.4** | **96.9** | **95.2** | **97.3** | **97.7** | **98.7** | **97.9** | **98.8** | **97.3** | **98.7** | **98.8** |
| 2½ up to 4 years | | | | | | | | | | | | |
| Issuing banks | 12,476 | 12,549 | 11,474 | 11,552 | 1,002 | 997 | 18,428 | 18,506 | 10,637 | 10,612 | 7,791 | 7,894 |
| Distribution, total | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| 6.00 or less | 2.0 | 2.6 | 2.0 | 2.6 | 2.2 | 2.2 | 1.2 | 1.3 | .5 | 1.1 | 2.2 | 1.5 |
| 6.01–6.50 | 98.0 | 97.4 | 98.0 | 97.4 | 97.8 | 97.8 | 98.8 | 98.7 | 99.5 | 98.9 | 97.8 | 98.5 |
| ***Paying ceiling rate*[1]** | **97.5** | **97.2** | **97.6** | **97.2** | **96.8** | **97.0** | **97.9** | **98.2** | **98.7** | **98.4** | **96.8** | **98.0** |
| 4 up to 6 years | | | | | | | | | | | | |
| Issuing banks | 12,390 | 12,401 | 11,390 | 11,404 | 1,001 | 998 | 50,599 | 50,136 | 26,930 | 26,609 | 23,669 | 23,528 |
| Distribution, total | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| 6.50 or less | .9 | 2.3 | .7 | 2.0 | 2.9 | 4.8 | 1.3 | 2.5 | .4 | .7 | 2.4 | 4.5 |
| 6.51–7.00 | 13.0 | 15.9 | 13.6 | 16.6 | 6.0 | 7.7 | 9.0 | 13.8 | 12.9 | 18.4 | 4.6 | 8.7 |
| 7.01–7.25 | 86.1 | 81.9 | 85.7 | 81.4 | 91.1 | 87.5 | 89.7 | 83.6 | 86.7 | 80.9 | 93.0 | 86.8 |
| ***Paying ceiling rate*[1]** | **86.1** | **81.9** | **85.7** | **81.4** | **91.1** | **87.5** | **89.7** | **83.6** | **86.7** | **80.9** | **93.0** | **86.8** |
| 6 years and over | | | | | | | | | | | | |
| Issuing banks | 9,198 | 8,894 | 8,285 | 8,007 | 913 | 887 | 17,739 | 15,479 | 7,222 | 6,314 | 10,517 | 9,164 |
| Distribution, total | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| 5.00 or less | .6 | .6 | .6 | .7 | .2 | .2 | (2) | (2) | (2) | (2) | (2) | (2) |
| 5.01–7.25 | 6.1 | 7.6 | 5.8 | 7.3 | 8.7 | 9.6 | 4.4 | 6.8 | 1.0 | 1.6 | 6.7 | 10.5 |
| 7.26–7.50 | 93.3 | 91.8 | 93.6 | 92.0 | 91.1 | 90.2 | 95.6 | 93.1 | 99.0 | 98.4 | 93.3 | 89.5 |
| ***Paying ceiling rate*[1]** | **93.3** | **91.8** | **93.6** | **92.0** | **91.0** | **90.1** | **93.0** | **90.5** | **99.0** | **98.4** | **88.9** | **85.2** |
| Club accounts | | | | | | | | | | | | |
| Issuing banks | 9,212 | 8,929 | 8,428 | 8,190 | 784 | 739 | 810 | 1,776 | 356 | 767 | 453 | 1,008 |
| Distribution, total | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| 0.00 | 46.0 | 46.6 | 47.5 | 48.4 | 29.6 | 26.7 | 23.4 | 21.8 | 32.5 | 31.1 | 16.3 | 14.8 |
| 0.01–4.00 | 15.2 | 17.3 | 15.5 | 17.4 | 12.7 | 15.7 | 14.9 | 13.3 | 19.0 | 18.7 | 11.7 | 9.1 |
| 4.01–4.50 | 7.4 | 8.1 | 7.3 | 8.0 | 9.2 | 9.4 | 14.2 | 9.0 | 14.4 | 9.9 | 14.0 | 8.4 |
| 4.51–5.50 | **31.3** | **28.0** | **29.7** | **26.2** | **48.5** | **48.2** | **47.5** | **55.9** | **34.0** | **40.3** | **58.0** | **67.7** |

For notes see page 372.

**3. Average of most common interest rates paid on various categories of time and savings deposits at insured commercial banks on January 25, 1978**

| Type of deposit | Bank size (total deposits in millions of dollars) | | | | | | |
|---|---|---|---|---|---|---|---|
| | All size groups | Less than 20 | 20 up to 50 | 50 up to 100 | 100 up to 500 | 500 up to 1,000 | 1,000 and over |
| Savings and small-denomination time deposits | 5.58 | 5.77 | 5.73 | 5.62 | 5.54 | 5.50 | 5.44 |
| Savings, total | 4.92 | 4.95 | 4.91 | 4.92 | 4.93 | 4.90 | 4.92 |
| Individuals and nonprofit organizations | 4.92 | 4.94 | 4.90 | 4.92 | 4.93 | 4.89 | 4.92 |
| Partnerships and corporations | 4.96 | 5.00 | 4.94 | 4.97 | 4.98 | 4.99 | 4.95 |
| Domestic governmental units | 4.95 | 4.92 | 4.95 | 4.90 | 4.98 | 4.99 | 4.97 |
| All other | 4.98 | 4.70 | 5.00 | 5.00 | 4.98 | 5.00 | 5.00 |
| IRA and Keogh Plan time deposits with maturity of 3 years or more | 7.55 | 7.48 | 7.48 | 7.49 | 7.57 | 7.54 | 7.63 |
| Other time deposits in denominations of less than $100,000, total | 6.43 | 6.39 | 6.54 | 6.44 | 6.41 | 6.41 | 6.36 |
| Domestic governmental units, total | 5.84 | 5.94 | 5.99 | 5.60 | 5.56 | 6.20 | 5.71 |
| *Maturing in—* | | | | | | | |
| 30 up to 90 days | 5.54 | 5.97 | 5.40 | 5.30 | 5.31 | 5.99 | 5.33 |
| 90 up to 180 days | 5.69 | 5.50 | 5.94 | 5.56 | 5.63 | 6.03 | 5.80 |
| 180 days up to 1 year | 5.83 | 5.88 | 6.37 | 5.40 | 5.31 | 6.31 | 6.06 |
| 1 year and over | 6.23 | 6.29 | 6.13 | 6.39 | 5.99 | 6.70 | 6.32 |
| Other than domestic governmental units, total | 6.44 | 6.41 | 6.56 | 6.46 | 6.43 | 6.42 | 6.37 |
| *Maturing in—* | | | | | | | |
| 30 up to 90 days | 4.99 | 5.00 | 5.00 | 5.00 | 4.99 | 4.96 | 5.00 |
| 90 up to 180 days | 5.46 | 5.48 | 5.47 | 5.47 | 5.47 | 5.49 | 5.44 |
| 180 days up to 1 year | 5.49 | 5.48 | 5.50 | 5.48 | 5.49 | 5.50 | 5.50 |
| 1 up to 2½ years | 5.99 | 5.99 | 6.00 | 5.99 | 6.00 | 6.00 | 5.99 |
| 2½ up to 4 years | 6.49 | 6.50 | 6.50 | 6.49 | 6.49 | 6.48 | 6.48 |
| 4 up to 6 years | 7.22 | 7.23 | 7.21 | 7.22 | 7.21 | 7.24 | 7.21 |
| Over 6 years | 7.48 | 7.49 | 7.50 | 7.50 | 7.47 | 7.47 | 7.46 |
| MEMO: Club accounts[1] | 3.53 | 2.63 | 2.69 | 3.51 | 3.85 | 3.91 | 4.15 |

[1] Club accounts are excluded from all of the above categories.

NOTE.—The average rates were calculated by weighting the most common rate reported on each type of deposit at each bank by the amount of that type of deposit outstanding. All banks that had either discontinued offering or never offered particular deposit types as of the survey date were excluded from the calculations for those specific deposit types.

maturities except 6 years and over.[3] Although more than 90 per cent of banks were paying the ceiling rate for nearly all deposit categories, they still experienced a net outflow of nearly $½ billion of small time deposits maturing in less than 6 years, while attracting about $2¼ billion in deposits with longer maturities. Banks also acquired $½ billion of deposit inflows to a separate category of accounts—individual retirement accounts (IRA) and Keogh accounts with maturities of 3 years and more—on which the nominal ceiling rate is 7¾ per cent; the weighted-average rate paid on these accounts was 7.55 per cent in January.[4]

Banks continued to experience net outflows from time deposits issued to governmental units in the United States. On these time deposits banks may pay stated rates up to 7¾ per cent without regard to maturity. In fact, however, the average interest rates on various maturity categories exceeded the ceilings for issues to nongovernmental units by only ¼ to ½ of a percentage point; these spreads probably were limited by the fact that banks must pledge securities against government deposits. Moreover, with about three-quarters of such deposits ma-

[3] When comparing investment alternatives it is important to take account of the effects of interest compounding on the stated nominal rates. For a given stated rate, the effective rate is at a legal maximum when the bank employs continuous compounding of interest on the basis of a 360-day year. Therefore, given the current nominal rate ceilings (listed in BULLETIN Table 1.16 on page A10), the highest legal yields on small-denomination time deposits issued to consumers and businesses are as follows: savings deposits, 5.20 per cent; time deposits maturing in under 1 year, 5.73 per cent; 1 up to 2½ years, 6.27 per cent; 2½ up to 4 years, 6.81 per cent; 4 up to 6 years, 7.63 per cent; 6 years and over, 7.90 per cent. Since this survey records only the stated nominal rates of interest paid by banks and does not record the method of compounding, the number of banks offering maximum effective yields cannot be determined.

[4] Unknown amounts of individual retirement accounts and Keogh accounts are included in the savings deposits category and among categories of time deposits maturing in less than 3 years.

turing within 1 year, the average rate offered in January for all maturities was only 5¾ per cent, somewhat below the average rate of 6½ per cent on issues to individuals, partnerships, and corporations.

## OTHER TIME DEPOSITS

Given continued strength in loan demand between November and January, coupled with slow growth of deposits subject to interest rate ceilings, banks relied heavily on managed liabilities, including large-denomination time deposits that are not subject to rate ceilings. Banks obtained nearly $15¾ billion of such deposits—the largest inter-survey growth since July 1973. Based on comparable not-seasonally-adjusted data, which are not shown in the tables, large negotiable certificates of deposit at weekly reporting banks grew about $6¾ billion.

Non-interest-bearing time deposits were essentially unchanged over the period, as a slight decline in small-denomination accounts offset a small rise in large-denomination deposits. Finally, club accounts, which normally display a seasonal decline between October and January, fell $1 billion to a level of about $800 million. This is somewhat below the $1.1 billion level recorded a year earlier, suggesting a gradual attrition in these low-yielding deposits. □

NOTES TO TABLE 2:

1 See BULLETIN Table 1.16 on page A10 for the ceiling rates that existed at the time of each survey.

2 Less than .05 per cent.

NOTE.—All banks that either had discontinued offering or had never offered particular deposit types as of the survey date are not counted as issuing banks. Moreover, the small amounts of deposits held at banks that had discontinued issuing deposits are not included in the amounts outstanding. Therefore, the deposit amounts shown in Table 1 may exceed the deposit amounts shown in this table.

The most common interest rate for each instrument refers to the stated rate per annum (before compounding) that banks paid on the largest dollar volume of deposit inflows during the 2-week period immediately preceding the survey date.

Figures may not add to totals because of rounding.

# Statements to Congress

*Statement by G. William Miller, Chairman, Board of Governors of the Federal Reserve System, before the Committee on Banking, Housing and Urban Affairs, U.S. Senate, April 25, 1978.*

Mr. Chairman, members of the committee, it is a pleasure to meet with you and to report, on behalf of the Board of Governors of the Federal Reserve System, about the outlook for the national economy and about the course that the Federal Reserve has charted for monetary policy over the year ahead. I look forward to a continuing dialogue with you on these matters at this committee's regular monetary oversight hearings.

*Economic activity is rebounding*

The economy is currently rebounding from a slack period early in the year when economic activity was constrained by severe weather and the long coal strike. Retail sales and industrial production have risen sharply since midwinter. Auto sales have strengthened. Housing starts increased markedly in March from the relatively depressed levels of January and February.

Employment has grown steadily since the beginning of the year. Although the length of the average workweek declined in the first quarter, the number of people on the Nation's payrolls rose substantially between December and March, and the unemployment rate edged down from 6.4 to 6.2 per cent. These favorable trends in the labor market are depicted, along with the behavior of real gross national product, in the attached chart 1.[1] The continuing uptrend in employment suggests that businessmen have had sufficient confidence in the underlying strength of the economy to be positioning themselves for further increases in production.

Looking ahead, growth in economic activity is expected to be sustained over future months by expanding consumer and business demands. The near-term prospects for good gains in consumer spending appear favorable, as indexes of consumer sentiment have remained at high levels.

Business spending also should provide impetus to expansion. Inventories generally remain lean, and businesses are likely to be building their stocks in the next few quarters. Business investment in plant and equipment, after lagging early in the economic upswing, has increased at a good pace over the past 2 years. Surveys of capital spending plans and other advance indicators suggest at least moderate further growth in the year ahead.

Although State and local governments by and large continue to pursue cautious financial policies, they also may register significant increases in real expenditures in the period ahead. Residential construction should show sizable increases in the next few months before tapering off gradually in the second half of this year. And the foreign trade deficit, while remaining large, should moderate somewhat from the very high first-quarter rate.

*But inflation has worsened*

While the prospects for economic activity thus appear to remain favorable, there are other aspects of recent economic performance that reflect fundamental problems, which will not be put behind us quickly. Inflation undoubtedly is the most troubling of these to the American people. Even as growth in real GNP was interrupted in the first quarter, the rate of increase

[1] The attachments to this statement are available on request from Publications Services, Division of Administrative Services, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

in prices accelerated. Wholesale prices rose at a 9.6 per cent annual rate during the past 3 months—well above the already uncomfortably high rates experienced last year. Consumer price increases also accelerated. To be sure, a substantial spurt in volatile food prices contributed importantly to the advance in the broad price indexes, but prices of industrial commodities and of services also have continued to rise at a brisk pace. These unfavorable trends in prices are displayed in the charts.

*Upward cost pressures remain*

There is little reason to be optimistic about the likelihood of achieving a significant reduction in underlying inflationary forces in the near future. Cost pressures remain strong. In 1977, for example, total compensation per hour in the private business sector rose almost 9 per cent, while productivity increased only 2½ per cent; as a result, unit labor costs rose more than 6 per cent. There has been no sign of any abatement of the advance in wage rates, and at this stage of economic expansion there is little likelihood of a sustained pick-up in productivity growth. Therefore, rising unit labor costs can be expected to continue to exert considerable upward pressure on prices.

*Governmental programs have added to costs and inflation*

Price pressures have been exacerbated by governmental actions. Certain tax actions, while they have helped to reduce the budgetary deficit and in this way have worked to restrain one of the forces feeding inflation, simultaneously have added to labor costs. This has been the case, for instance, with increases in employer contributions for social security and unemployment insurance. Some other governmental actions also have added to inflationary forces without any compensating restraint. In this class are the increase in the minimum wage, agricultural price supports, and various import restrictions. In general, there has been a tendency by Government over the years to treat the problems of individual sectors without adequate regard to the cumulative inflationary bias that the programs have imparted to the economy.

*So too has the declining international value of the dollar*

Another disturbing aspect of economic performance in the opening months of this year has been the pronounced widening of the foreign trade deficit and the weakness of the international value of the dollar. The estimated trade deficit was greatly enlarged in the first quarter of 1978, as exports remained sluggish and imports in nearly all categories increased sharply. Against this backdrop, the dollar declined in foreign exchange markets, and by the end of March its trade-weighted value against other major currencies was 8½ per cent lower than early last fall. The depreciation of the dollar is tending to raise the domestic price structure in various ways: higher prices of imported finished goods raise directly the prices paid by consumers; higher prices of imported materials raise the costs of domestic manufacturers; and higher prices of foreign goods reduce the pressure to hold down prices of the domestically produced goods with which they compete in our markets.

In recent weeks, the dollar has risen relative to other major currencies. Such a trend, if continued, will help moderate inflationary pressures.

*The President's anti-inflation program offers hope of breaking inflationary psychology*

President Carter recently outlined a broad program to help deal with the problem of inflation. The Federal Reserve welcomes this initiative. Given the support of the Congress and of the general public, the program is a constructive step toward breaking the inflationary patterns and psychology that today are so firmly entrenched. The job of containing inflation requires a concerted effort on the part of all Americans. The Federal Reserve will play its part in supporting the President's initiative by exercising appropriate restraint in the provision of bank reserves, credit, and money.

The prospects for inflation will play a major role in shaping future financial developments. The strength of the dollar on foreign exchange markets is influenced by expectations about inflation. So, too, is the level of interest rates in domestic credit markets. The increase in interest rates during the past 12 months—especially the increase of ½ to ¾ of a percentage point in long-term bond rates—may be attributable in part to heightened inflationary expectations.

*Monetary policy has been adjusted to restrain unduly rapid monetary growth*

Yields on most short-term market instruments today are about 1¾ to 2 percentage points higher than a year ago. This rise has occurred gradually as the Federal Reserve adjusted its policies in light of the tendency for monetary expansion to exceed the growth ranges that had been established. The tendency was most pronounced in the case of the narrowly defined money stock, *M*-1, which includes only currency and demand deposits. Largely as a result of the rapid expansion of *M*-1, however, growth in the broader monetary aggregates—*M*-2 and *M*-3—also has remained near the upper ends of their ranges. *M*-2 is *M*-1 plus time and savings deposits at commercial banks (other than large negotiable certificates of deposit), while *M*-3 includes also time and savings deposits at thrift institutions.

For most of the current cyclical expansion, growth in *M*-1 has been well within the ranges established by the Federal Reserve. Indeed, early in the expansion, growth was near the low end of the range. In part, this was the result of actions by the public to shift funds from demand deposits to interest-bearing savings deposits and market instruments in response to financial innovations that made it easier to transfer funds in and out of savings deposits. In part, it seems to have reflected a lagged response to the unusually high level of interest rates reached during the 1973–74 inflation. And in part, it may also have reflected the return of confidence during economic recovery, which made the public more willing to spend out of existing cash balances and which thus reduced the need for the Federal Reserve to supply additional money to the economy.

By last year, the moderating impact on money growth of such factors had considerably lessened. Moreover, persisting upward cost and price pressures were making it difficult for the Federal Reserve to hold money growth within bounds while not risking undue interference with continued economic expansion. Finally, it is possible that the public earlier had reduced its cash balances to unsustainably low levels relative to income and that some part of the sizable expansion in money last year reflected a restoration of cash balances to more normal levels.

*Money growth has slowed*

Growth in the monetary aggregates slowed during the latter part of 1977 and in the early months of 1978. *M*-1 has moved back within the ranges of the Federal Open Market Committee, while *M*-2 has moved from the upper limits of the ranges toward the lower limits. *M*-3 has behaved about the same as *M*-2. This moderation of monetary expansion has reflected in part the cumulative impact of the restraining actions and rise of short-term interest rates that began in the spring of last year. The influence of interest rates has been most evident in the case of the interest-bearing components of the monetary aggregates. As market rates of interest rose relative to deposit rate ceilings, some savers shifted their funds from deposits at banks and nonbank thrift institutions into market instruments, in the process contributing to the slowing of growth of *M*-2 and *M*-3.

*With credit demands strong, liquidity of banks and thrifts has come under pressure*

The slowing of monetary expansion in recent months, in conjunction with strong credit demands, has been accompanied by some erosion in the liquidity of depositary institutions. To finance business, consumer, and mortgage credit demands, commercial banks have turned increasingly to the short-term credit markets as a source of funds. There has been marked growth in the outstanding volume of large-denomination time deposits, which are not subject to regulatory interest rate ceilings, and in the nondeposit interest-bearing liabilities of banks. At the same time, banks have appreciably reduced their holdings of Treasury securities. Despite these changes in bank portfolios, however, customary measures of bank liquidity still indicate more comfortable conditions than prevailed a few years ago.

Thrift institutions, with the exception of credit unions, have experienced much the same pressures as commercial banks since mortgage loan demand has remained strong. To accommodate that demand, institutions—in particular, savings and loan associations, which are the largest home mortgage lenders—have borrowed heavily from Federal home loan banks and curtailed their acquisitions of securities.

The savings and loans have also utilized other sources of funds, including the growing markets for private mortgage-backed bonds and mortgage pass-through securities, to sustain new mortgage lending. These markets promise ultimately to give thrift institutions greater flexibility in managing their portfolios and to make the residential mortgage market less dependent on thrift institutions' deposit flows. At present, however, with deposit flows running weaker and liquidity coming under pressure, savings and loans have cut back on the outstanding volume of loan commitments since the year-end. And mortgage interest rates have risen moderately in recent months.

*Credit remains generally ample, however*

Despite the greater pressures experienced by depositary institutions, credit generally remains in ample supply. Borrowers are experiencing little difficulty in raising needed funds at current interest rate levels. And while higher than a year ago, interest rates are at relatively modest levels after allowance is made for the effect of inflation.

*Monetary growth ranges for the year ahead are expected to support further economic expansion and a lower unemployment rate, but inflation may not decelerate until later*

The ranges of monetary expansion adopted by the Federal Open Market Committee for the year ending with the first quarter of 1979 reflect our belief that growth in the monetary aggregates should be moderate, with credit remaining in reasonably good supply. The Committee has specified a growth range for *M*-1 of 4 to 6½ per cent. For *M*-2, the range selected is 6½ to 9 per cent, and for *M*-3, 7½ to 10 per cent. These ranges are the same as the Committee had earlier specified for the year ending with the fourth quarter of 1978. Although the FOMC at this time has not made a further reduction in its monetary growth ranges, it remains firmly committed to a gradual reduction in monetary growth over time to rates more nearly consistent with reasonable price stability. The ranges just adopted in fact contemplate that actual monetary growth in 1978 and into early 1979 will be slower than last year. Because there have been signs of a resurgence in *M*-1 growth over the last few weeks, the Federal Reserve has recently been less accommodative in supplying reserves in order to keep monetary growth within reasonable bounds over the long run. The money market in consequence has tightened a bit over the past few days.

In addition to adopting ranges for the monetary aggregates, the FOMC also adopted an associated range for bank credit that projects an increase of between 7½ and 10½ per cent over the 1-year period ahead. Such a range would allow for continued expansion in bank credit at around its recent pace.

It was the consensus of the FOMC that expansion of monetary and credit aggregates within these ranges would be consistent with moderate growth in real GNP over the coming year and with some further decline in the unemployment rate. However, upward price pressures remain strong, and the rate of increase in the average price level, therefore, might be somewhat more rapid over the year ahead than it was in 1977. Full and effective public support of the administration's anti-inflation program, and success in keeping the budget deficit under control, would aid in restraining upward pressure on prices and would help create conditions whereby we could look forward to a gradual deceleration of the inflationary process.

Let me supplement this with my own views about the outlook for the economy in quantitative terms. My personal expectation is that, over the year ending with the first quarter of 1979, real GNP probably will increase in a range of 4¼ to 5 per cent, the unemployment rate probably will drop into the area of 5¾ to 6 per cent, and the GNP price deflator is likely to rise by 6¾ to 7¼ per cent. It is hardly necessary to add that quantitative projections, such as these, are subject to considerable margins of uncertainty. Necessarily they have to be re-evaluated on the basis of incoming economic data and changing conditions here and abroad.

Specifying growth rates for the monetary aggregates, too, is subject to considerable uncertainty. The growth in the narrowly defined money supply (*M*-1) needed to support economic expansion depends in part on changes in the velocity of money—that is, on the rate at which the public uses the existing stock of money to finance transactions. Velocity may rise rapidly or slowly, depending on shifting public preferences for demand deposits as compared with other assets and on the state of consumer and business confidence.

The behavior of the broader aggregates—*M*-2 and *M*-3—will be affected in the year ahead also by the constraint placed on the ability of depository institutions to attract funds under existing regulatory ceilings on deposit rates. If heavy demands for money and credit should place further upward pressure on market interest rates, deposits subject to regulatory rate ceilings will be placed at a substantial, competitive disadvantage. In such a circumstance, growth of *M*-2 and *M*-3 could fall short of the ranges set by the FOMC, unless there are upward adjustments in the ceiling rates on some or all categories of time and savings deposits.

*Federal Reserve should not be left to combat inflation alone. Effective anti-inflation program requires cooperative effort*

The Federal Reserve believes that its determination to hold monetary growth within the ranges just adopted will work to curb inflation over the longer run and at the same time provide adequate money and credit for continued economic growth. However, under current conditions—when inflationary pressures are to a great extent embodied in the structure of the economy—any deceleration in monetary growth rates has to be undertaken with caution. The pace of deceleration cannot proceed much more rapidly than the pace at which built-in inflationary pressures are wrung out of the economy if satisfactory economic growth is to be maintained. Thus, bringing inflation under control urgently requires the cooperative efforts of the administration, the Congress, the Federal Reserve, and the private sectors of the economy. The Federal Reserve should not be left to combat inflation alone. □

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*Statement by J. Charles Partee, Member, Board of Governors of the Federal Reserve System, before the Committee on Banking, Housing and Urban Affairs, U.S. Senate, May 9, 1978.*

I appreciate this opportunity to present the views of the Board of Governors of the Federal Reserve System on the Full Employment and Balanced Growth Act—known popularly as the Humphrey-Hawkins bill. This proposed legislation would amend the Employment Act of 1946 by setting forth specific economic goals and by providing explicit roles in the economic policy-planning process for the President, the Congress, and the Federal Reserve.

The several, somewhat different versions of the act now under discussion in the Congress contain substantial improvements over the earlier bill on which I testified before this committee in the spring of 1976. Particularly welcome is the increased emphasis of the current bills on the need to reduce inflation as well as unemployment. The Federal Reserve strongly supports this change, as the more specific recognition of the goal of price stability addresses a major inadequacy of both the 1946 Act and the amendments to it proposed in earlier versions of the Humphrey-Hawkins bill.

We are encouraged also by deletion of some of the major inflationary features of the previous bill. The Board had been especially concerned by the provisions that would have required the Federal Government to become the employer of last resort and by the very high wage standards mandated for such Federally funded jobs. The new versions of the bill require that all special programs that provide job opportunities to the hard-core unemployed be designed to avoid drawing workers from private employment, and the wage rate provisions appear to be more reasonable than those of the earlier bill.

The bills under discussion today also no longer contain those provisions that would have unduly restricted economic policy by requiring a comprehensive policy-planning process directed toward the achievement of an unemployment rate goal of 3 per cent, with no regard for any inflationary consequences until that goal was reached. That earlier structure would have stripped monetary policy of its ability to respond flexibly to changing economic conditions.

These improvements in the current bills are clearly all to the good. However, the Federal Reserve continues to have reservations about some of the provisions that still remain. I would emphasize in particular that the unemployment goals to be attained within 5 years are extremely ambitious. The goals established by the bill—3 per cent for workers aged 20 years and over and 4 per cent for workers aged 16 years and over—were last achieved only during the 1966–69 period, when the U.S. economy was suffering from demand–pull inflation stemming from the military manpower requirements and heavy spending pressures of the Vietnam war.

The historically low unemployment goals, moreover, tend to ignore the significant changes that have occurred in the composition of our labor force over the past decade or so. Due to changes in the age distribution of our population and to increases in the participation rate for certain groups, the numbers of teenagers and adult women in the labor force have grown dramatically. For example, in the last 10 years, total population has increased about 9 per cent, while the numbers of adult women and teenagers in the labor force have risen 42 and 40 per cent, respectively. If the unemployment rate for the first quarter of this year were to be adjusted to take account of this change in labor force composition, it would have been nearly 0.5 percentage point lower than the 6.2 per cent rate that was reported.

Efforts to keep our rapidly expanding labor force fully employed have been further complicated because those seeking work have often lacked the skills required to handle the jobs available. Also, the job markets in which opportunities occur have often been at locations far distant from the persons in search of work. These structural problems, I believe, can be attributed in part to the higher skills required by a technologically advancing society and in part to geographical shifts in population and in job opportunities—broadly from north to south and also from central cities to the suburbs. Moreover, in the case of unproved workers, such as unskilled teenagers, the unemployment problem has been aggravated by increases in the minimum wage. Such increases have tended to mean that marginally productive job applicants become unemployable on an economic basis at the going wage.

In our present circumstances, therefore, it is unlikely that macroeconomic policies alone can achieve the low unemployment goals of the Humphrey-Hawkins bill without running the grave risk of substantially exacerbating the inflation problem. If sole reliance were to be placed on general economic policies to reach these very ambitious unemployment rate objectives, certain critical labor skills could be expected to come into short supply and some industries would be pressed above practicable capacity limits, well before aggregate demands had risen sufficiently to absorb the more marginal types of workers.

It seems to me abundantly clear, therefore, that any hope of attaining the Humphrey-Hawkins unemployment targets without escalating price pressures will depend on a major effort to develop special employment programs. These are needed to make our unemployed more employable, to put the jobless in touch with available jobs, and to generate employer interest in taking on marginal workers—perhaps at an initially subsidized wage cost that makes their employment economically attractive. Moreover, although our structural employment problems are aggravated by business cycle downturns, they appear also to be growing over time, so their correction is likely to require more than the countercyclical programs contained in Title II of the proposed bill.

Apart from training and other programs for the hard-core unemployed, careful consideration also needs to be given to the recent shortfall in business investment spending and to the effects this is likely to have on the creation of new job opportunities. Unfortunately, during the past 5 years, growth in the Nation's stock of capital has been slowing relative to growth in our labor force. If this trend persists, it may mean a slower creation of new jobs relative to our employment needs as well as a slower increase in the general productivity of our economy. Thus, there is an important stake for all of us in finding effective means of encouraging more investment in productive plant and equipment, through stronger incentives for business and perhaps some structural revision in the tax laws.

In addition, the Board is deeply concerned that the emphasis and organization of the current bills still appear to place the objective of controlling inflation in a role distinctly subordinate to that of reducing unemployment. Although the reduction of inflation is mentioned in one way or another five or six separate times in the bills, the prescription for moderating inflation is quite vague. Moreover, in the House-passed version, the President is not even required to report on progress or plans for controlling inflation until the third year of the program.

The amendment introduced by Senator Proxmire seeks to redress this relative imbalance in objectives by adding an explicit goal for reducing inflation to 3 per cent or less, on the same timetable set forth for achieving the unemployment rate goals. The Federal Reserve supports the inclusion of a specific interim inflation rate objective, though we believe that greater flexibility for revision should be provided than the amendment contemplates. A possible approach would be to permit the President to recommend modification in the inflation rate goal and/or the timetable for attainment, starting with the third *Economic Report* after the law becomes effective. This alternative would provide parallel treatment for both the inflation and the unemployment goals.

The Board would urge also that every effort be made to reduce or eliminate the many inflationary biases that are at work in the economy, some of which are a result of longstanding Federal programs. We are encouraged by recognition in the Humphrey-Hawkins bill of the need for structural measures to combat inflation—including the removal or modification of governmental restrictions that have anticompetitive effects or add needlessly to costs, and the effective enforcement of the antitrust laws. But there is a need to re-examine the relative costs and benefits of other Federally mandated programs as well, such as the Davis-Bacon Act, the minimum wage for teenagers, extended unemployment insurance, and the full indexing of all public retirement benefits. Also, we would recommend that the inflationary costs as well as the potential benefits explicitly be taken into account in setting our environmental quality goals, particularly at the outer margins of the improvements specified. Meaningful progress in reducing the over-all inflation rate will require a comprehensive attack on the problem, program by program, in the public as well as the private sector.

Let me turn now to the specifics of the Humphrey-Hawkins bill that apply to monetary policy. The procedures currently contemplated for evaluating and monitoring the role of the Federal Reserve in economic policy planning and coordination have substantially improved upon the rigidity of the earlier bills. The Federal Reserve would now be required to provide an independent statement setting forth its intended policies for the year ahead, along with an explanation of their relationship to the economic goals presented in the *Economic Report* of the President.

In the House-passed version of the bill the role of reviewing the intended policies of the Federal Reserve remains appropriately with the banking committees of the Congress. The Board believes that this assignment is consistent with the quarterly oversight procedures now in place and that it would benefit from the accumulated experience and familiarity of these committees with the Federal Reserve and the major issues encountered in the formulation of monetary policy. And to the extent that the Congress determines that action may be called for in order to ensure the consistency of monetary policy with the purposes of the bill, the Board would favor a provision that assigns principal responsibility to the banking committees.

In order to provide further consistency with the current procedures for congressional review of monetary policy, the Board supports the inclusion of the last sentence of Section 2A of the Federal Reserve Act, as appears in H.R. 50. Section 2A provides that the Federal Reserve not be required to adhere strictly to its intended policies for the year ahead if the Board and the Federal Open Market Committee should determine that these policies, as reported to the Congress, cannot or should not be achieved because of changing conditions. That language was wisely included in the Federal Reserve Reform Act in order to preserve the flexibility essential to the proper conduct of monetary policy. Its inclusion in the Humphrey-Hawkins bill would avoid the statutory inconsistency that might otherwise occur.

One potential problem inherent in the planning for general economic policies designed to control both unemployment and inflation is that trends in employment tend to respond more quickly to changes in policy, including monetary policy, than do trends in prices. Actions that stimulate a general expansion in spending for goods and services tend to generate needs for additional workers fairly early in the process. While this step-up in demands for workers and the materials they use may exert some immediate upward pressure on wages and prices, the full impact of the stimulus is likely to be stretched out over a fairly extended period. Some wage and price adjustments are delayed until the expiration of existing contracts, or until the strengthening trend develops sufficient upward momentum. But when these contracts are eventually adjusted, they often generate additional catch-up demands for further adjustments in other sectors of the economy. Because of this long trail on inflation, public policies are in danger of giving insufficient weight to potential inflationary pressures unless they focus on a planning horizon that looks beyond the next year or two.

Thus, the inclusion of inflation as well as unemployment rate targets to be attained on the same timetable 3 to 5 years out would be a desirable addition to the Humphrey-Hawkins bill. Policy-makers would then be guided by both of these longer-range economic goals, and the undue focus on short-term objectives that can occur would tend to be moderated. It must be recognized, of course, that the linkages between current policy actions and the performance of the economy over a longer horizon are quite tenuous. Moreover, since current economic conditions can often change in abrupt and unexpected ways, appropriate adjustments in short-term policy goals may require revisions in longer-range policy plans as well. But so long as the longer-range unemployment and inflation rate goals are not considered rigid absolutes, it would be preferable to make adjustments in short-term policy with an eye to their implications for the timing and attainability of longer-run objectives, especially with respect to price developments.

In conclusion, I want to assure you that the Federal Reserve fully shares the desires of the Congress and the administration to achieve conditions that will foster the creation of jobs for all of our people who are able and willing to work. Since the passage of the Employment Act in 1946, this has been an explicit objective of national economic policy to which the Federal Reserve has subscribed. The economic history of this and other countries in the postwar period, however, has amply demonstrated that our performance with respect to inflation has a critical bearing on the chances for actually achieving meaningful and sustainable full employment. High and rising rates of inflation, quite aside from the inequitable consequences they bring to our people, tend to distort economic decisions, sap consumer purchasing power, and lead to conditions that are likely in time to reduce rather than enhance employment prospects. We must be on guard also to avoid the higher Federal expenditures and therefore larger budget deficits that might follow from mechanical efforts to achieve the employment objectives of this bill.

While the current versions of the Humphrey-Hawkins bill take more account than earlier versions of the threat that inflation poses to our economic health, they still do not acknowledge adequately the crucial need to reduce inflation, both as an integrated element in the process of achieving full employment and as a necessary condition for effective public and private planning. There is a real risk that the Humphrey-Hawkins bill, if enacted with the present lopsided emphasis, will accord by law a back seat to the need for more effective control over inflation. It seems paradoxical that this might take place at precisely the time when inflationary pressures are coming to represent the major threat to the stability of our economic process.

# Record of Policy Actions of the Federal Open Market Committee

MEETING HELD ON MARCH 21, 1978

## 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 1978 had been adversely affected by unusually severe weather and by the lengthy strike in coal mining but that the underlying economic situation had changed little. It now appeared that growth in the current quarter had slowed from the pace in the fourth quarter of 1977, estimated by the Commerce Department to have been at an annual rate of 3.8 per cent. Staff projections suggested, however, that the shortfall in growth from the rate expected at the time of the February meeting would be about made up over the next quarter or two and that on the average over the four quarters of 1978 output would grow at a good pace.

The rise in average prices—as measured by the fixed-weighted price index for gross domestic business product—appeared to have stepped up in the first quarter from the annual rate of 5.4 per cent estimated for the fourth quarter of 1977, mainly because of large increases in prices of farm products and foods. It was expected that over the remaining quarters of 1978 the rate of increase in prices would be below that of the first quarter but would remain above that of the fourth quarter of 1977. It was also anticipated that the unemployment rate would move downward gradually over the year.

In the first quarter, according to staff estimates, expansion in final sales in real terms had slowed much more than growth in output, and the rate of business inventory accumulation had picked up from the sharply reduced pace in the final quarter of 1977. Consumer expenditures for goods in real terms—which had grown at a rapid pace in the fourth quarter—apparently declined in the first quarter, at least in part because of the severe weather. Moreover, construction activity—public as well as private—was adversely affected by the weather.

The staff projections for the rest of 1978 suggested that consumer spending for goods in real terms would rebound in the second quarter and would continue to grow thereafter—particularly in the fourth quarter, following the reduction in personal income taxes assumed to take effect on October 1. It was anticipated that business fixed investment would expand moderately, owing in part to stimulative modifications of the investment tax credit that were assumed to be retroactive to the beginning of the year, but that residential construction would begin to edge down after midyear in response to the less favorable mortgage market conditions that appeared to be developing.

In February the index of industrial production rose 0.5 per cent, recovering more than half of the decline in January that was attributable in large part to the severe weather and to the coal strike. Unfavorable weather in some parts of the country continued to restrict output in February, and the ongoing strike held coal mining at a reduced level. Dwindling supplies of coal in some areas caused limitations on industrial use of electric power, but secondary effects of the strike appeared to have been small.

Nonfarm payroll employment increased considerably further between mid-January and mid-February. Employment in the service-producing industries continued to grow at about the average rate of the second half of 1977. In manufacturing the gain in employment was sizable for the third successive month, and the average workweek recovered part of the weather-induced decrease of January. As measured by the survey of households, total employment edged up in February while the labor force changed little, and the unemployment rate declined 0.2 of a percentage point to 6.1 per cent—1.5 percentage points below a year earlier and the lowest figure since late 1974.

According to the Census Bureau's advance estimate, total retail sales in February had recovered only a small portion of the substantial decline of the month before, at least in part because of continuing unfavorable weather. Unit sales of new automobiles—domestic and foreign combined—rose 5 per cent, retracing half of the January drop, and sales rose further in early March.

Private housing starts—which had declined from an annual rate of 2.20 million units in December to 1.55 million units in January—recovered only to 1.58 million units in February, as adverse weather apparently remained a significant inhibiting factor. Regionally, changes from January to February were quite diverse: Starts rose 43 per cent in the North Central States and 5 per cent in the West, while they declined 10 per cent in the South and 39 per cent in the Northeast.

The latest Department of Commerce survey of business spending plans, taken in late January and February, suggested that spending for plant and equipment would expand 10.9 per cent in 1978, whereas the survey taken in late November and December had suggested an increase of 10.1 per cent. However, the increment of 0.8 of a percentage point reflected a downward revision in the estimated level of spending for 1977. The expansion in 1977 now was indicated to have been 12.7 per cent, compared with the previous estimate of 13.7 per cent.

The index of average hourly earnings for private nonfarm production workers was unchanged in February, after having increased sharply in January when higher minimum wage rates became effective. Over the 2-month period the index rose at an annual rate of 7.6 per cent, about the same as the average rate of increase during 1977.

The wholesale price index for all commodities rose 1.1 per cent in February, compared with 0.9 per cent in January and an average rise of 0.6 per cent in the preceding 3 months. In February the increase in the index for prices of farm products and processed foods was more than twice as large as the average for the preceding 4 months. Average prices of industrial commodities continued to rise at a somewhat faster pace than in the latter part of 1977.

In foreign exchange markets the trade-weighted value of the dollar against major foreign currencies rose sharply on March 9 and 10 in anticipation of the conclusion of discussions between the governments of the United States and Germany. In a joint statement on March 13, 1978, U.S. and German authorities announced that continued forceful action would be taken to counter disorderly conditions in exchange markets and that close cooperation to that end would be maintained. Included in the cooperative effort were an increase of $2 billion in the System's swap arrangement with the German Federal Bank, an arrangement for the U.S. Treasury to sell SDR 600 million (approximately $740 million) to purchase German marks, and a willingness of the United States to draw on its reserve position in the IMF (automatically available in amounts up to approximately $5 billion) if and as necessary to acquire additional foreign exchange. The authorities also announced that developments during the first quarter of 1978 would be particularly important in determining the course of economic policies in Germany directed toward the objective of noninflationary growth and that in the United States high priority would be given to swift and resolute action to conserve energy and to develop new sources. Nevertheless, market participants apparently were disappointed by the announcements, and the value of the dollar receded to about its level in the last few days of February.

The U.S. foreign trade deficit remained very large in January. Interpretation of the data for recent months had been complicated by the 2-month dock strike that had ended on November 29 and by changes in the method for compiling the statistics, but it appeared that imports had continued to rise along with expansion in economic activity in the United States, while exports had shown no upward momentum.

At U.S. commercial banks growth in total credit during February was close to the sizable rate in January and about in line with the average for 1977. In February bank holdings of Treasury securities expanded substantially following a series of monthly declines. However, growth of total loans slowed, reflecting a sharp contraction in loans to finance holdings of securities. Growth in real estate and consumer loans apparently slowed a little, while expansion in business loans remained at about the average pace in 1977. Large banks significantly expanded their lending to manufacturing companies and to wholesale and retail trade concerns, but their lending to public utilities declined as the utilities drew down their inventories of coal.

For nonfinancial businesses the general pattern of short-term borrowing in February was little changed from that in January. Continued strong expansion in borrowings from banks was offset only in part by a further net run-off of outstanding commercial paper. Utilities accounted for much of the further decline in outstanding commercial paper issued by nonfinancial businesses.

At this meeting revised measures of the monetary aggregates incorporating the effects of new benchmark data for deposits at nonmember banks and revised seasonal factors were available to the Committee. These revised data, scheduled for publication on March 23, indicated that in February, *M*-1 had contracted at an annual rate of about 1 per cent. On the basis of the revised series, *M*-1 had grown at an annual rate of about 4¼ per cent during the first 2 months of 1978 and about 7¾ per cent during 1977. After revisions *M*-2 had grown at rates of about 4½ per cent in February, 6¾ per cent over the January–February period, and 9¼ per cent during 1977.

Inflows to commercial banks of the interest-bearing deposits included in *M*-2 were about maintained in February, but they consisted almost entirely of large-denomination time deposits (in amounts of $100,000 or more) exempt from Regulation Q ceilings on interest rates. Inflows of time and savings deposits subject to such ceilings slowed to a low rate, as yields on market instruments of comparable maturities remained above the ceiling rates throughout the month. To finance credit expansion in the face of the slowing in over-all inflows of deposits included in *M*-2, large banks issued a substantial volume of negotiable CD's and raised a sizable amount of funds from nondeposit sources.

Deposit growth at nonbank thrift institutions remained slow in February. Like the savings and smaller time accounts at commercial banks, deposits at the thrift institutions continued to be adversely affected by competition from market securities. Only the longest-term deposits at the thrift institutions provided effective yields above those available on competitive market securities.

At its February meeting the Committee had decided that operations in the period immediately ahead should be directed toward maintaining about the prevailing money market conditions, provided that the monetary aggregates appeared to be growing at approximately the rates then expected. Specifically, the Committee had sought to maintain the weekly-average Federal funds rate around 6¾ per cent, so long as *M*-1 and *M*-2 appeared to be growing over the February–March period at annual rates within ranges of 1 to 6 and 4½ to 8½ per cent, respectively. The members also agreed that if growth in the aggregates appeared to be approaching or moving beyond the limits of their specified ranges, the operational objective for the weekly-average Federal funds rate should be varied in an orderly fashion within a range of 6½ to 7 per cent. It was understood that in assessing the behavior of the aggregates, the Manager of the System Open Market Account should give approximately equal weight to the behavior of *M*-1 and *M*-2.

As the inter-meeting period progressed, it became evident that in February *M*-1 had contracted somewhat and *M*-2 had increased relatively little. Staff projections for the February–March period suggested that *M*-1 would grow at a rate below the lower limit of the range specified by the Committee and that *M*-2 would grow at a rate close to its lower limit. It also appeared, however, that the weakness in the aggregates might reflect the prolongation of the coal strike and the severe winter weather and thus would prove to be temporary. Against this background, and in view of recent developments in foreign exchange markets, the Committee voted on March 10 to instruct the Manager to continue aiming at a Federal funds rate of 6¾ per cent for the time being. For the full inter-meeting period, the funds rate averaged 6¾ per cent.

Market interest rates in general changed little over the inter-meeting period, reflecting the stability in the Federal funds rate and, apparently, more or less of a balance among developments affecting the public's expectations concerning monetary policy—namely, some slowing of the economic expansion and of growth in the monetary aggregates on one side, and some pick-up in the rate of increase in prices and continuing uncertainties in foreign exchange markets on the other. However, Treasury bill rates declined somewhat, in large part because of demands for bills from foreign central banks.

Borrowing by the U.S. Treasury remained relatively strong during the inter-meeting period. In addition to regular debt roll-overs, $3.3 billion of securities were auctioned to raise new money—$3.0 billion of short-term cash-management bills and $300 million of bills added to the regular weekly and monthly auctions. Incoming data on Treasury receipts and expenditures and on the cash balance implied, however, that Federal financing through the first quarter would be significantly smaller than had been suggested in late January. Borrowing by Federally sponsored credit agencies rose to $1.6 billion in February from the already expanded volume of $1.0 billion in January, in large part because of the midquarter financing of the Federal Home Loan Bank System.

Mortgage lending by private institutions apparently continued to slacken in February from the record pace of late 1977. At commercial banks the increase in mortgage loans was the smallest in about a year. In January, the latest month for which data were available, mortgage acquisitions by savings and loan associations slowed significantly. Also, mortgage lending commitments outstanding at these associations declined for the first time in 3 years.

In the Committee's discussion of the economic situation and prospects, the members agreed—as they had at other recent meetings—that the expansion in activity was likely to be sustained throughout 1978. The range of views with respect to the average rate of growth in real GNP over the four quarters of the year was not wide. Half of the members present believed that real output would grow at about the rate projected by the staff; of the remainder, some thought that output would grow somewhat less than projected, and some thought that it would grow somewhat more.

One of the members who thought that growth in real GNP would fall somewhat short of the rate projected by the staff believed that the shortfall would be concentrated in the second half of the year. In his view, the second-quarter rebound in growth from the weather-retarded pace in the first quarter might be greater than projected by the staff, and the magnitude of that rebound—in conjunction with some acceleration in the rate of inflation—might generate forces that would adversely affect construction activity and consumer spending in the second half.

Attention was drawn to the considerable improvement in the employment situation in recent months. The pace of growth in payroll employment over the past 6 months was regarded as indicative of near-term strength in the expansion of output. One member remarked that the unemployment rate had come close to the zone that he would characterize as reflecting full employment, suggesting that there was less time than he had anticipated earlier for growth in output to diminish toward a rate that could be sustained for the longer term. However, another member noted that the substantial decline in the unemployment rate in recent months—from 6.7 per cent in November to 6.1 per cent in February—reflected in part a sharp deceleration in growth of the civilian labor force. If, as he suspected, that deceleration proved to be an aberration in the statistics, the decline in the unemployment rate might well be reversed to some degree in coming months.

The Committee members agreed that the rate of price advance was likely to remain relatively rapid in 1978, and they expressed a great deal of concern about this prospect. The comment was made that the pace of increase in prices appeared to be accelerating in this country while decelerating in European countries. Several members observed that inflation led to recession, and it was suggested that the greater the inflation, the worse the ensuing recession. For that reason, it was suggested, special emphasis should be given to the Committee's long-standing objective of helping to resist inflationary pressures while simultaneously encouraging continued economic expansion. It was noted that an effective program to reduce the rate of inflation had to extend beyond monetary policy.

At its meeting in February the Committee had agreed that from the fourth quarter of 1977 to the fourth quarter of 1978 average rates of growth in the monetary aggregates within the following ranges appeared to be consistent with broad economic aims: *M*-1, 4 to 6½ per cent; *M*-2, 6½ to 9 per cent; and *M*-3, 7½ to 10 per cent. The associated range for the rate of growth in commercial bank credit was 7 to 10 per cent. It had also been agreed that the longer-run ranges, as well as the particular aggregates for which such ranges were specified, would be subject to review and modification at subsequent meetings.

In the Committee's discussion of policy for the period immediately ahead, it was suggested that an easing of money market conditions would be inappropriate in light of the outlook for prices, the recent behavior of the dollar in foreign exchange markets, and the likelihood that the demand for money would strengthen substantially again as growth of nominal GNP picked up. It was also suggested that a firming of money market conditions in the absence of actual evidence of excessive growth of the monetary aggregates would be premature, given the weakness of recent economic statistics, the still unsettled coal strike, and uncertainty about the strength of the prospective rebound in economic activity. However, a number of members favored some firming of money market conditions during the inter-meeting period with a view to keeping under control the anticipated pick-up in monetary growth, unless data for the first 2 weeks of the period suggested that monetary growth over the March–April period was likely to be significantly weaker than expected. There was also some sentiment for a slight easing if the incoming data suggested unexpected weakness in monetary growth.

These differences of emphasis notwithstanding, members of the Committee did not differ greatly in their preferences for operating specifications for the period immediately ahead, and all favored a return to basing decisions for open market operations between meeting dates primarily on the behavior of the monetary aggregates. In its previous five directives the Committee had called for giving greater weight than usual to money market conditions in conducting operations in the period until the next meeting.

For the annual rate of growth in *M*-1 over the March–April period most members favored ranges with an upper limit of 8 or 9 per cent and a lower limit of 4 or 4½ per cent; one member indicated a preference for a range of 2 to 7 per cent. For the growth rate in *M*-2 over the 2 months, the members' preferences for the upper limit ranged from 9 to 10 per cent and for the lower limit from 5 to 6 per cent.

All of the members favored directing open market operations during the coming inter-meeting period initially toward the objective of maintaining the Federal funds rate at about the prevailing level of 6¾ per cent. Views differed somewhat with respect to the degree of leeway for 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. Some members favored retaining the present range of 6½ to 7 per cent for the funds rate but others preferred 6¾ to 7¼ per cent and one advocated 6¾ to 7 per cent. Some who wished to retain the 6½ to 7 per cent range suggested an understanding to the effect that operations would not be directed toward a rate below 6¾ per cent before the Committee had had an opportunity for further consultation.

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 4 to 8 per cent and 5½ to 9 per cent, respectively, would be appropriate. It was understood that in assessing the behavior of these aggregates the Manager should continue to give approximately equal weight to the behavior of *M*-1 and *M*-2.

It was the Committee's judgment that such growth rates were likely to be associated with a weekly-average Federal funds rate of about 6¾ per cent. The members 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 6½ to 7 per cent. It was also agreed, however, that a reduction in the rate below 6¾ per cent would not be sought until the Committee had had an opportunity for further consultation.

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 members also agreed that in the conduct of day-to-day operations, account should be taken of emerging financial market conditions, including the conditions in foreign exchange markets.

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 been adversely affected in the current quarter by unusually severe weather and the lengthy strike in coal mining but that there has been little change in the underlying economic situation. In February industrial production recovered much of the decline of the preceding month, and nonfarm payroll employment increased considerably further. The unemployment rate declined from 6.3 to 6.1 per cent. Retail sales picked up somewhat from the sharply reduced level of January. The pace of the rise in prices stepped up in February, reflecting large increases in farm products and processed foods. The index of average hourly earnings was unchanged, after having advanced sharply in January when higher minimum wages became effective.
>
> The trade-weighted value of the dollar against major foreign currencies rose sharply in anticipation of the U.S.-German announcements on March 13. Subsequently, the dollar declined to about the level at the end of February. The U.S. trade statistics reported for January showed a continuing large deficit.
>
> *M*-1 declined and *M*-2 increased relatively little in February, apparently in part because of the economic effects of the coal strike

and the severe weather. Inflows to banks of the interest-bearing deposits included in *M*-2 were about maintained, but the inflows were almost entirely into large-denomination time deposits exempt from ceilings on interest rates. Inflows to nonbank thrift institutions remained slow. Market interest rates have changed little in recent weeks.

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 and help resist inflationary pressures, while contributing to a sustainable pattern of international transactions.

At its meeting on February 28, 1978, the Committee agreed that growth of *M*-1, *M*-2, and *M*-3 within ranges of 4 to 6½ per cent, 6½ to 9 per cent, and 7½ to 10 per cent, respectively, from the fourth quarter of 1977 to the fourth quarter of 1978 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 ranges of 4 to 8 per cent for *M*-1 and 5½ to 9 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 6¾ 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 6½ to 7 per cent. In the conduct of day-to-day operations, account shall be taken of emerging financial market conditions, including the conditions in foreign exchange markets.

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. Miller, Volcker, Baughman, Coldwell, Eastburn, Jackson, Partee, Wallich, Willes, and Winn. Votes against this action: None. Absent and not voting: Messrs. Burns and Gardner.

## 2. Authorization for Foreign Currency Operations

Paragraph 1D of the Committee's authorization for foreign currency operations authorizes the Federal Reserve Bank of New York, for the System Open Market Account, to maintain an over-all open position in all foreign currencies not to exceed $1.0 billion unless a larger position is expressly authorized by the Committee. On February 28, 1978, the Committee had authorized an open position of $2.0 billion.

At this meeting the Committee authorized an open position of $2.25 billion. This action was taken in view of the scale of recent and potential Federal Reserve operations in the foreign exchange markets undertaken pursuant to the Committee's foreign currency directive.

> Votes for this action: Messrs. Miller, Volcker, Baughman, Coldwell, Eastburn, Jackson, Partee, Wallich, Willes, and Winn. Votes against this action: None. Absent and not voting: Messrs. Burns and Gardner.

## 3. Procedural Instructions with Respect to Operations Under the Foreign Currency Documents

Paragraph 1B of the procedural instructions with respect to the conduct of operations under the Committee's foreign currency authorization and directive instructed the Manager to clear with the Foreign Currency Subcommittee or, under certain circumstances, with the Chairman of the Committee any transactions that would result in gross transactions (excluding swap drawings and repayments) in a single foreign currency exceeding $100 million on any day or $300 million since the most recent regular meeting of the Committee.

At this meeting the Committee amended paragraph 1B to raise the levels of gross transactions beyond which clearance is required to $200 million on any day and to $500 million since the most recent regular meeting, and to clarify its intention that the measure of gross transactions used for this purpose should exclude not only swap drawings and repayments but also purchases and sales of currencies incidental to such repayments. This action was taken to relax the dollar limits on gross transactions, which had on occasion hampered ongoing operations, and to remove an ambiguity in the language.

As amended, paragraph 1B read as follows:

> 1. The Manager shall clear with the Subcommittee (or with the Chairman, if the Chairman believes that consultation with the Subcommittee is not feasible in the time available):
>
> *  *  *  *  *
>
> B. Any transaction which would result in gross transactions (excluding swap drawings and repayments, and purchases and sales of any currencies incidental to such repayments), in a single foreign currency exceeding $200 million on any day or $500 million since the most recent regular meeting of the Committee.

> Votes for this action: Messrs. Miller, Volcker, Baughman, Coldwell, Eastburn, Jackson, Partee, Wallich, Willes, and Winn. Votes against this action: None. Absent and not voting: Messrs. Burns and Gardner.

## 4. Review of Continuing Authorizations

This being the first regular 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, 1978, the Committee followed its customary practice of reviewing all of its continuing authorizations and directives. The Committee reaffirmed the authorization for domestic open market operations, 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 operations under the foreign currency documents not affected by the action described in the preceding section.

> Votes for these actions: Messrs. Miller, Volcker, Baughman, Coldwell, Eastburn, Jackson, Partee, Wallich, Willes, and Winn. Votes against these actions: None. Absent and not voting: Messrs. Burns and Gardner.

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.

## 5. Agreement to "Warehouse" Currencies for the Exchange Stabilization Fund (ESF)

At its meeting of January 17–18, 1977, the Committee had agreed to a suggestion by the Treasury that the Federal Reserve undertake to "warehouse" foreign currencies held by the ESF—that is, to make spot purchases of foreign currencies from the ESF and simultaneously to make forward sales of the same currencies to the ESF—if that should prove necessary to enable the ESF to deal with potential liquidity strains. Specifically, the Committee had agreed that the Federal Reserve would be prepared, if requested by the Treasury, to warehouse up to $1½ billion of eligible foreign currencies, of which half would be for periods of up to 12 months and half for periods of up to 6 months. It was noted that the agreement to warehouse currencies would be subject to review by the Committee at its organizational meeting each March in connection with the regular review of all outstanding authorizations. At this meeting the Committee reaffirmed the agreement.

> Votes for this action: Messrs. Miller, Volcker, Baughman, Eastburn, Jackson, Partee, Wallich, Willes, and Winn. Vote against this action: Mr. Coldwell. Absent and not voting: Messrs. Burns and Gardner.

* * * * *

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

### EQUAL CREDIT OPPORTUNITY

### TRUTH IN LENDING

The Board of Governors has amended its regulations B and Z to revise the Board's procedures for issuing official staff interpretations.

Effective April 21, 1978, Section 202.1(d) is amended to read as follows:

SECTION 202.1—AUTHORITY, SCOPE, ENFORCEMENT PENALTIES AND LIABILITIES, INTERPRETATIONS

(d) ISSUANCE OF STAFF INTERPRETATIONS. (1) Unofficial staff interpretations will be issued at the staff's discretion where the protection of section 706(e) of the Act is neither requested nor required, or where a rapid response is necessary.

(2)(i) Official staff interpretations will be issued at the discretion of designated officials. No such interpretation will be issued approving creditors' forms or statements. Any request for an official staff interpretation of this Part must be in writing and addressed to the Director of the Division of Consumer Affairs, Board of Governors of the Federal Reserve System, Washington, D.C. 20551. The request must contain a complete statement of all relevant facts concerning the credit transaction or arrangement and must include copies of all pertinent documents.

(ii) Within 5 business days of receipt of the request, an acknowledgment will be sent to the person making the request. If, in the opinion of the designated officials, issuance of an official staff interpretation is appropriate, it will be published in the *Federal Register* to become effective 30 days after the publication date. If a request for public comment is received, the effective date will be suspended. The interpretation will then be republished in the *Federal Register* and the public given an opportunity to comment. Any official staff interpretation issued after opportunity for public comment shall become effective upon publication in the *Federal Register*.

(3) Any request for public comment on an official staff interpretation of this Part must be in writing and addressed to the Secretary, Board of Governors of the Federal Reserve System, Washington, D.C. 20551, and postmarked or received by the Secretary's office within 30 days of the interpretation's publication in the *Federal Register*. The request must contain a statement setting forth the reasons why the person making the request believes that public comment would be appropriate.

(4) Pursuant to section 706(e) of the Act, the Board has designated the Director and other officials of the Division of Consumer Affairs as officials "duly authorized" to issue, at their discretion, official staff interpretations of this Part.

Effective April 21, 1978, Section 226.1(d), is amended to read as follows:

SECTION 226.1—AUTHORITY, SCOPE, PURPOSE, ETC.

(d) ISSUANCE OF STAFF INTERPRETATIONS. (1) Unofficial staff interpretations will be issued at the staff's discretion where the protection of section 130(f) of the Act is neither requested nor required, or where a rapid response is necessary.

(2)(i) Official staff interpretations will be issued at the discretion of designated officials. No such interpretation will be issued approving creditors' or lessors' forms or statements. Any request for an official staff interpretation of this Part must be in writing and addressed to the Director of the Division of Consumer Affairs, Board of Governors of the Federal Reserve System, Washington, D.C. 20551. The request must contain a complete statement of all relevant facts concerning the credit or lease transaction or arrangement and must include copies of all pertinent documents.

(ii) Within 5 business days of receipt of the request, an acknowledgement will be sent to the person making the request. If, in the opinion of the designated officials, issuance of an official staff interpretation is appropriate, it will be published in the *Federal Register* to become effective 30 days after the publication date. If a request for public comment is received, the effective date will be suspended. The interpretation will then be republished in the *Federal Register* and the public given an opportunity to comment. Any official staff interpretation issued after opportunity for public comment shall become effective upon publication in the *Federal Register*.

(3) Any request for public comment on an official staff interpretation of this Part must be in writing and addressed to the Secretary, Board of Governors of the Federal Reserve System, Washington, D.C. 20551, and postmarked or received by the Secretary's office within 30 days of the interpretation's publication in the *Federal Register*. The request must contain a statement setting forth the reasons why the person making the request believes that public comment would be appropriate.

(4) Pursuant to section 130(f) of the Act, the Board has designated the Director and other officials of the Division of Consumer Affairs as officials "duly authorized" to issue, at their discretion, official staff interpretations of this Part.

## MEMBERSHIP OF STATE BANKING INSTITUTIONS IN THE FEDERAL RESERVE SYSTEM

The Board of Governors has amended its Regulation H to conform its treatment of State member bank loans secured by improved real estate or a mobile home located or to be located in a special flood-hazardous area in a community that does not participate in the National Flood Insurance Program with recent statutory changes contained in the Housing and Community Development Act of 1977 that remove the prohibitions against such loans and include a notice requirement for loans made in special flood-hazardous areas.

Effective April 20, 1978, Section 208.8(e) is amended by revoking Sections 208.8(e)(2), (5), renumbering Section 208.8(e)(3) as Section 208.8(e)(2) and Section 208.8(e)(4) as Section 208.8(e)(3), amending the renumbered Section 208.8(e)(3) to include the provision of notice to borrowers of the availability of Federal disaster relief assistance, and adding Appendix A. Section 208.8 is amended to read as follows:

### Section 208.8—Banking Practices

* * * * *

(e) LOANS BY STATE MEMBER BANKS IN SPECIAL FLOOD-HAZARDOUS AREAS.

(1) Property securing loan must be insured against flood.

(2) Records of compliance.

(3)(i) Notice of special flood hazards and availability of federal disaster relief assistance. Each State member bank shall, as a condition of making, increasing, extending or renewing any loan secured by improved real estate or a mobile home located or to be located in an area that has been identified by the Secretary of Housing and Urban Development as an area having special flood hazards, mail or deliver as soon as feasible but not less than 10 days in advance of closing of the transaction (or not later than the bank's commitment, if any, if the period between commitment and closing is less than 10 days) a written notice to the borrower stating: (1(a)) That the property securing the loan is or will be located in an area so identified, or in lieu of such notification a State member bank may obtain satisfactory written assurances from a seller or lessor stating that such seller or lessor has notified the borrower, prior to the execution of any agreement for sale or lease, that the property securing the loan is or will be located in an area so identified; and (2(b)) whether, in the event of damage to the property caused by flooding in a federally-declared disaster, Federal disaster relief assistance will be available for such property. Each State member bank shall require the borrower, prior to closing, to provide the bank with a written acknowledgment that the property securing the loan is or will be located in an area so identified and that the borrower has received the above-required notice regarding Federal disaster relief assistance.

(ii) Sample notices: A State member bank providing written notice containing the language presented in Appendix A within the time limits prescribed in paragraph (a) will be considered to be in compliance with the notice requirements of paragraph (a).

### Appendix A—Sample Notices

(1) Notice to borrower of special flood-hazards—Notice is hereby given to ________________ that the improved real estate or mobile home described in the attached instru-

ment is or will be located in an area designated by the Secretary of the Department of Housing and Urban Development as an area having special flood hazards. This area is delineated on ________________'s Flood Insurance Rate Map ("FIRM") or, if the FIRM is unavailable, on the community's Flood Hazard Boundary Map ("FHBM"). This area has a 1 per cent chance of being flooded within any given year. The risk of exceeding the 1 per cent chance increases with time periods longer than one year. For example, during the life of a 30-year mortgage, a structure located in a special flood-hazardous area has a 26 per cent chance of being flooded.

(2) Notice to borrower about federal disaster relief assistance—(a) Notice in participating communities. The improved real estate or mobile home securing your loan is or will be located in a community that is now participating in the National Flood Insurance Program. In the event such property is damaged by flooding in a federally-declared disaster, Federal disaster relief assistance may be available. However, such assistance will be unavailable if your community has been identified as a special flood-hazardous area for one year or longer and is not participating in the National Flood Insurance Program at the time assistance would be approved. This assistance, usually in the form of a loan with a favorable interest rate, may be available for damages incurred in excess of your flood insurance.

(b) Notice in non-participating communities. The improved real estate or mobile home securing your loan is or will be located in a community that is not participating in the National Flood Insurance Program. This means that such property is not eligible for Federal flood insurance. In the event such property is damaged by flooding in a federally-declared disaster, Federal disaster relief assistance will be unavailable if your community has been identified as a special flood-hazardous area for one year or longer. Such assistance may be available only if at the time assistance would be approved your community is participating in the National Flood Insurance Program or has been identified as a special flood-hazardous area for less than one year.

## RESERVES OF MEMBER BANKS
## INTEREST ON DEPOSITS

The Board of Governors of the Federal Reserve System has amended its Regulations D and Q to exempt from deposit treatment a member bank's liability on its promissory note that evidences an investment of funds by the United States Treasury. Consequently, these liabilities of member banks will not be subject to the reserve requirements and interest rate limitations imposed on member bank deposits.

Effective July 6, 1978, Section 204.1(f) of Regulation D and Section 217.1(f) of Regulation Q are amended to read as follows:

### SECTION 204.1—DEFINITIONS

* * * * *

(f) DEPOSITS AS INCLUDING CERTAIN PROMISSORY NOTES AND OTHER OBLIGATIONS. For the purposes of this Part, the term "deposits" also includes a member bank's liability on any promissory note, acknowledgment of advance, due bill, banker's acceptance, or similar obligation (written or oral) that is issued or undertaken by a member bank as a means of obtaining funds to be used in its banking business, except any such obligation that:

(1) Is issued to (or undertaken with respect to) and held for the account of (i) a domestic banking office[6] of another bank, or (ii) the United States or an agency thereof, or the Government Development Bank for Puerto Rico;

* * * *

### SECTION 217.1—DEFINITIONS

* * * * *

(f) DEPOSITS AS INCLUDING CERTAIN PROMISSORY NOTES AND OTHER OBLIGATIONS. For the purposes of this Part, the term "deposits" also includes any member bank's liability on any promissory note, acknowledgment of advance, due bill, or similar obligation (written or oral) that is issued or undertaken by a member bank principally as a means of obtaining funds to be used in its banking business, except any such obligation that:

(1) Is issued to (or undertaken with respect to) and held for the account of (i) a bank or an institution the time deposits of which are exempt from § 217.7 pursuant to § 217.3(g), or (ii) the United States or an agency thereof, or the Government Development Bank for Puerto Rico;

* * * * *

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

## Orders Under Section 3 of Bank Holding Company Act

Eicher Bancorporation,
Iowa City, Iowa

*Order Denying Formation of a Bank Holding Company*

EICHER BANCORPORATION, Iowa City, Iowa, has applied for the Board's approval under section 3(a)(1) of the Bank Holding Company Act (12 U.S.C. § 1842(a)(1)) of formation of a bank holding company by acquiring 98.5 per cent or more of the voting shares of Hawkeye State Bank, Iowa City, Iowa (''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, a nonoperating corporation with no subsidiaries, was organized for the purpose of becoming a bank holding company by acquiring Bank (deposits of $17.4 million).[1] Upon consummation of the proposed acquisition, Applicant would control the 223rd largest bank in Iowa, holding approximately 0.13 per cent of the total deposits in commercial banks in the State. Bank is the fifth largest of nine banks in the Iowa City banking market[2] and controls approximately 6.2 per cent of total deposits in commercial banks in the market. The proposal involves a restructuring of Bank's ownership from an individual to a corporation owned by the same individual. In analyzing the competitive effects of this proposal, it is necessary to consider the fact that Applicant's principal is also a principal in a corporation that controls uniBank and Trust, Coralville, Iowa (''uniBank''), which is three miles from Bank and is the fourth largest bank in the Iowa City banking market. UniBank, which holds deposits of $19.7 million, controls approximately 7.0 per cent of total market deposits. Consummation of the proposal would increase the market share controlled by Applicant's principal to 13.2 per cent.

As part of its analysis of the competitive effects of this proposal, the Board has taken into consideration the competitive effects of the original transaction by which a common share ownership relationship between Bank and uniBank was established.[3] In this case, the Board has considered the competitive effects of the purchase of Bank's shares by Applicant's principal in 1977. At that time Applicant's principal indirectly controlled uniBank. The Board finds that the effect of Bank's acquisition by Applicant's principal was to eliminate significant competition that existed at that time between Bank and uniBank. In the Board's view, the subject proposal involves the use of the holding company form to further an anticompetitive arrangement. On the basis of all the facts of record, including the structure of the Iowa City banking market and the market shares of the organizations involved, the Board concludes that approval of this proposal would perpetuate an adverse competitive situation. While denial of this proposal might not immediately alter the anticompetitive relationship existing between these two banking organizations, a denial would strengthen the possibility that Bank and uniBank could again become independent and competing organizations in the future. On the other hand, approval would solidify and strengthen the common ownership of the two banks and would eliminate or significantly diminish the likelihood of disaffiliation of the banks and deconcentration of the market.

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 banks and that the Board will closely examine the condition of an applicant in each case with this consideration in mind.[4] As

[1] All banking data are as of December 30, 1976.

[2] The Iowa City banking market is approximated by all except the north central portion of Johnson County plus the town of West Branch in Cedar County.

[3] See the Board's Order of May 11, 1977, denying the application by Mahaska Investment Company, Oskaloosa, Iowa, 63 Federal Reserve BULLETIN 579 (1977), and the Board's Order of November 18, 1977, denying the application by Citizens Bancorp, Inc., Hartford City, Indiana, 63 Federal Reserve BULLETIN 1083 (1977).

[4] The Bank Holding Company Act requires that the Board, in acting on an application to acquire a bank, inquire into the financial and managerial resources of an applicant. While this proposal involves the transfer of the ownership of Bank from individuals to a corporation owned by the same individuals,

(Footnote continued on following page)

part of the subject proposal, Applicant would assume a substantial portion of the debt incurred by Applicant's principal in acquiring his shares of Bank. Applicant proposes to service this debt over a 12-year period through dividends to be declared by Bank and tax benefits to be derived from filing consolidated tax returns. In the Board's view, Applicant's financial projections over the debt retirement period appear to be unduly optimistic and it does not appear that Applicant will possess the financial flexibility necessary to meet its annual debt service requirements while maintaining adequate capital at Bank. The Board is of the view that it would not be in the public interest to approve the formation of a bank holding company with an initial debt structure that could result in the weakening of Bank's overall financial condition. Furthermore, the Board concludes financial pressures on the other banking organization with which Applicant's principal is associated could place additional pressures on Applicant and Bank. In addition, based on certain policies and practices currently in evidence at uniBank, managerial considerations are viewed as somewhat less than satisfactory. Accordingly, the Board concludes that the considerations relating to banking factors weigh against approval of the application.

As stated previously, consummation of this proposal would result in a restructuring of Bank's present ownership. No significant changes in Bank's operations or in the services to be offered to Bank's customers are contemplated. Consequently, considerations relating to the convenience and needs of the community to be served lend no weight toward approval, and, in the Board's judgment, do not outweigh the adverse financial, managerial, and competitive considerations involved in the proposal.

On the basis of all of the facts of record, the Board concludes that the financial and managerial considerations involved in this proposal present adverse circumstances bearing upon the financial and managerial resources and future prospects of both Applicant and Bank. The Board also concludes that the proposal would have significant adverse competitive effects. Such adverse circumstances are not outweighed by any 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 25, 1978.

Voting for this action: Chairman Miller and Governors Gardner, Wallich, Coldwell, and Partee. Voting against this action: Governor Jackson.

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

(Footnote 4 continued)
the Act requires that before an organization is permitted to become a bank holding company and thus obtain the benefits associated with the holding company structure, it must secure the Board's approval. Section 3(c) of the Act provides that the Board must, in every case, consider, among other things, the financial and managerial resources of *both* the applicant company and the bank to be acquired. The Board's action in this case is based on a consideration of such factors.

Ellis Banking Corporation,
Bradenton, Florida

*Order Denying Acquisition of Banks*

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. § 1842(a)(3)) to acquire 51 per cent or more of the voting shares each of Madeira Beach Bank, Madeira Beach, Florida ("Madeira Bank"), and First Gulf Beach Bank and Trust Company, St. Petersburg Beach, Florida ("First Gulf Bank").

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

Applicant, the ninth largest banking organization in Florida, controls 26 banks with aggregate deposits of approximately $805.6 million, representing 2.9 per cent of total deposits in commercial banks in Florida.[1] Acquisition of Madeira Bank and First Gulf Bank, with deposits of $37.2 million and $52.7 million, respectively, would increase Applicant's share of commercial bank deposits in Florida by four-tenths of 1 per cent, and

[1] Unless otherwise indicated, banking data are as of August 31, 1977.

would not have an appreciable effect upon the concentration of banking resources in the State.

Madeira Bank is the fourteenth largest of 28 commercial banks in the relevant banking market,[2] and controls 2.6 per cent of deposits in commercial banks in the market. First Gulf Bank is the tenth largest bank in the market, and controls 3.6 per cent of deposits in commercial banks in the market. While consummation of the proposal would appear to eliminate some existing competition inasmuch as Madeira Bank and First Gulf Bank operate in the same market, the Board notes that both banks were organized by a group of four families who have held more than eighty per cent of the shares of both banks since their organization, and the nature of this relationship is such that little, if any, meaningful competition presently exists between Madeira Bank and First Gulf Bank. Viewed in light of this relationship, the effects of the proposed acquisition on existing competition between Madeira Bank and First Gulf Bank are not significant.

While there would be minimal effects on competition between the two Banks, consummation of this proposal would eliminate existing competition between Applicant and Madeira and First Gulf Banks. Applicant, with two subsidiary banks in the relevant banking market, controls deposits of $68.9 million, representing 4.7 per cent of market deposits, and ranks as the eighth largest of eighteen banking organizations in the market. Viewed as a single banking organization because of common ownership, Madeira Bank and First Gulf Bank together hold aggregate deposits of $89.9 million, representing 6.2 per cent of market deposits, and would rank as the sixth largest banking organization in the relevant banking market. Accordingly, the Board regards the elimination of existing competition between Applicant and Madeira and First Gulf Banks that would result from consummation of the proposal as an adverse factor in its consideration of the instant applications.

In addition to eliminating existing competition between Applicant and Madeira and First Gulf Banks, consummation of this proposal would have adverse effects upon the concentration of banking resources in the relevant banking market. The acquisition of both banks would increase Applicant's share of market deposits from 4.7 per cent to 10.9 per cent, thereby increasing Applicant's rank from the eighth to the fourth largest banking organization in the market. The proposed acquisitions would increase the deposits held by the four largest banking organizations from 55.4 per cent to 58.4 per cent of market deposits. The Board views the effects of the proposal on concentration of banking resources in the relevant banking market as an adverse factor in its consideration of these applications.

Accordingly, 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 outweighed by considerations relating to the convenience and needs of the community to be served.[3]

The financial and managerial resources of Applicant and its subsidiaries are regarded as satisfactory, and their future prospects appear favorable. The financial and managerial resources and future prospects of both Madeira Bank and First Gulf Bank are likewise regarded as satisfactory. Accordingly, considerations relating to banking factors are consistent with approval of the application.

Applicant proposes to assist both banks in improving their trust services, expanding their lending activities, and offering specialized lending and investment services to their customers. However, there is no indication that the needs of the customers of either Madeira Bank or First Gulf Bank are not currently being met, that the proposed services cannot be obtained elsewhere in the relevant banking market, or that Applicant could not offer such services through its present subsidiary banks in the market. Accordingly, the Board finds that considerations relating to convenience and needs of the community to be served do not outweigh the adverse competitive effects that would result from Applicant's acquisition of Madeira Bank and First Gulf Bank.

On the basis of the facts 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

[2] The relevant banking market is approximated by the southern portion of Pinellas County.

[3] In its official letter of comment concerning the instant applications, the United States Department of Justice found that the proposed acquisitions would have several adverse competitive effects on which it based its recommendation that the Board deny the applications. In particular, it noted that under recently-enacted Florida law, banks may establish branches within the county of the bank's main office, and that inasmuch as the immediate areas served by Madeira and First Gulf Banks are conducive to *de novo* entry, the Applicant has the resources to expand its operations in the market through branching rather than acquisition.

proposal would not be in the public interest. Accordingly, the applications are denied for the reasons summarized herein.

By Order of the Board of Governors, effective April 24, 1978.

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

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

First City Bancorporation of Texas, Inc., Houston, Texas

*Order Approving Acquisition of Bank*

First City Bancorporation of Texas, Inc., Houston, Texas, a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval under Section 3(a)(3) of the Act (12 U.S.C. § 1842(a)(3)) to acquire 100 per cent of the voting shares, less directors' qualifying shares, of the successor by merger to Lewisville State Bank, Lewisville, Texas ("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.

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

Applicant, the second largest banking organization in Texas, controls 28 banks with aggregate deposits of approximately $4.2 billion, representing 7.8 per cent of total commercial bank deposits in Texas.[1] Acquisition of Bank ($30.0 million in deposits) would increase Applicant's share of Statewide commercial bank deposits by less than 0.1 per cent and would have no appreciable effect upon the concentration of banking resources in the State.

Bank is the 38th largest of 108 banking organizations in the Dallas banking market, which is the relevant banking market,[2] and controls approximately 0.3 per cent of the total deposits in commercial banks in the market. Applicant is the fourth largest banking organization in the Dallas market, controlling five banking subsidiaries therein with aggregate deposits of approximately $498 million, representing 4.9 per cent of market deposits. Applicant's nearest subsidiary bank is approximately 15 miles south of Bank. While there is some existing competition between Applicant's subsidiary banks and Bank, the amount of such competition does not appear to be significant. Accordingly, on the basis of the above and other facts of record, it is concluded that consummation of the proposed transaction would have only a slightly adverse effect on competition in the Dallas banking market.

The financial and managerial resources and future prospects of Applicant, its subsidiaries, and Bank are regarded as generally satisfactory and consistent with approval. Affiliation with Applicant would enable Bank to draw upon Applicant's greater financial resources and expertise and thereby offer new and improved services to its customers. In this regard, Applicant has indicated that it intends to improve Bank's physical facilities and to offer a variety of additional banking services through Bank, including trust services not currently made available by Lewisville banks, and that reduced credit insurance rates will be made available at Bank for its loan customers. Considerations relating to the convenience and needs of the community to be served lend weight toward approval of the application and outweigh any slightly adverse effects on existing competition that might result from consummation of the proposal. Accordingly, it has been determined 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 the Board or by the Federal Reserve Bank of Dallas pursuant to delegated authority.

[1] All banking data are as of June 30, 1977, and reflect bank holding company formations and acquisitions approved as of February 28, 1978.

[2] The Dallas banking market is approximated by the Dallas RMA, which includes Dallas County and portions of six adjacent counties.

By order of the Secretary of the Board, acting pursuant to delegated authority from the Board of Governors, effective April 18, 1978.

(Signed) THEODORE E. ALLISON,
[SEAL] *Secretary of the Board.*

First International Bancshares, Inc.,
Dallas, Texas

*Order Approving Acquisition of Bank*

First International Bancshares, Inc., Dallas, Texas, a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval under § 3(a)(3) of the Bank Holding Company Act (12 U.S.C. § 1843(a)(3)) (the "Act") to acquire 100 per cent of the voting shares, less directors' qualifying shares, of the successor by merger to First State Bank & Trust Company of Houston, Houston, Texas ("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.

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 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, the third largest banking organization in Texas, controls 28 banking subsidiaries[1] with aggregate deposits of approximately $4.138 billion, representing 7.72 per cent of total commercial bank deposits in Texas.[2] Acquisition of Bank (approximately $58.7 million in deposits) would increase Applicant's share of Statewide commercial bank deposits by slightly over 0.1 per cent and would have no appreciable effect upon the concentration of banking resources in the State.

Bank is the twenty-ninth largest of 123 banking organizations in the Houston banking market, which is the relevant banking market,[3] and controls approximately 0.45 per cent of the total deposits in commercial banks in the market. Applicant is the fifth largest banking organization in the Houston market, controlling six banking subsidiaries therein with aggregate deposits of approximately $558.3 million, which represents 4.3 per cent of market deposits. Applicant has two subsidiary banks in the market within approximately 25 miles of Bank and the nearer of those is 12.5 miles west. While there is some existing competition between Applicant's subsidiary banks and Bank, the amount of such competition does not appear to be significant. Accordingly, on the basis of the above and other facts of record, it is concluded that consummation of the proposed transaction would have only a slightly adverse effect on competition in the Houston banking market.

Considerations relating to the financial and managerial resources and future prospects of Bank, Applicant, and its subsidiaries are regarded as generally satisfactory and consistent with approval, particularly in light of Bank's retention of $200,000 of interim capital. Applicant will provide Bank with necessary expertise and capability to develop Bank's loan administration and investment management techniques. Affiliation of Bank with Applicant will enable Bank to utilize the specialized lending divisions of Applicant's lead bank in expanding the types of lending services currently offered including international services. Also, Applicant has indicated that it intends to offer reduced credit insurance rates to Bank's loan customers through its two credit-related insurance underwriting subsidiaries. Considerations relating to the convenience and needs of the community to be served lend weight toward approval of the application and outweigh any slightly adverse effects on existing competition that might result from consummation of the proposal. Accordingly, it has been determined 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

[1] The number of subsidiaries includes the acquisition of City National Bank of Wichita Falls, Wichita Falls, Texas, on January 6, 1978 (64 Federal Reserve BULLETIN 116 (1978)), which has not yet been consummated.

[2] All banking data are as of June 30, 1977, and reflect bank holding company formations and acquisitions approved as of February 28, 1978.

[3] The Houston banking market is approximated by the Houston RMA, which includes Harris County and portions of five adjacent counties.

is extended for good cause by the Board or by the Federal Reserve Bank of Dallas acting pursuant to delegated authority.

By order of the Secretary of the Board, acting pursuant to delegated authority from the Board of Governors, effective April 20, 1978.

(Signed) THEODORE E. ALLISON,
[SEAL] *Secretary of the Board.*

The Royal Trust Company,
Montreal, Quebec, Canada

*Order Approving Acquisition of Bank*

The Royal Trust Company, Montreal, Quebec, Canada ("Applicant"), and its wholly-owned direct and indirect subsidiaries, Royal Trustco Limited, Ottawa, Ontario, Canada ("Trustco"), and Royal Trust Bank Corp., Miami, Florida ("Bank Corp."), each of which is a bank holding company within the meaning of the Bank Holding Company Act, have applied for the Board's approval under § 3(a)(3) of the Act (12 U.S.C. § 1842(a)(3)) to acquire 51 per cent or more of the voting shares of The American Bank of Orange County, Orlando, Florida ("Bank").

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

Applicant, with total assets of approximately $4.7 billion (as of September 30, 1977), 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 seven Florida banks[1] and operates one nonbank subsidiary. Through its seven subsidiary banks, Applicant controls aggregate deposits of approximately $197.2 million, representing 1.0 per cent of total deposits held by commercial banks in Florida and ranks as the twenty-third largest commercial banking organization in that State.[2] Consummation of the subject proposal would increase Applicant's share of Statewide commercial bank deposits by less than 0.1 per cent and would not have a significant effect upon the concentration of banking resources in Florida.

Bank ($9.7 million in deposits) is the 14th largest of 21 banking organizations (controlling 37 banks) in the Orlando banking market (the relevant market) and holds approximately 0.6 per cent of market deposits.[3] Applicant is not currently represented in the relevant market and its closest banking subsidiary to Bank is located approximately 75 miles southwest of Bank. There does not appear to be any existing competition between Bank and any of Applicant's banking and nonbanking subsidiaries and, in view of the distances involved, it does not appear likely that any significant competition would develop in the future. While it appears that Applicant could enter the Orlando banking market *de novo*, in view of Bank's size and its market position the Board regards the proposed acquisition of Bank as essentially a foothold entry by Applicant into the Orlando market and such entry by Applicant should enable Bank to become a more effective competitor in that market. In addition, approval of this proposal will result in the severance of ownership and director interlocks between Bank and another bank in the Orlando banking 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.

The financial and managerial resources and future prospects of Applicant, its subsidiaries and Bank are regarded as generally satisfactory, especially in light of recent improvements in Bank Corp.. Therefore, considerations relating to banking factors are consistent with approval of the applications. Applicant will provide Bank with its expertise in a wide area of banking services; accordingly, considerations relating to the convenience and needs of the community to be served are consistent with approval. It is the Board's judgment that the proposed acquisition would be

[1] Applicant currently controls six of these subsidiary banks through Bank Corp. which was formed in 1976 to hold directly all of Applicant's banking interests in the United States. By action of March 30, 1978, the Board approved Bank Corp.'s acquisition of a seventh bank, Baymeadows Bank, Jacksonville, Florida, held directly by Applicant.

[2] Unless otherwise indicated, all bank data are as of December 31, 1977, and reflect bank holding company formations and acquisitions approved through January 31, 1978.

[3] The Orlando banking market is approximated by Orange County and almost all of Seminole County, except for the most northern section which includes the towns of Oviedo and Sanford. Market data are as of June 30, 1977.

in the public interest and that the applications should be approved.

On the basis of the record, the applications are approved for the reasons summarized above. The 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 5, 1978.

Voting for this action: Chairman Miller and Governors Wallich, Coldwell, Jackson, and Partee. Absent and not voting: Governors Gardner and Burns. Governor Burns was a member of the Board at the time of its action on this application.

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

Security Bancorp,
Walnut Creek, California

*Order Denying*
*Formation of Bank Holding Company*

Security Bancorp, Walnut Creek, California, has applied for the Board's approval under section 3(a)(1) of the Bank Holding Company Act (12 U.S.C. § 1842(a)(1)) of formation of a bank holding company by acquiring all of the voting shares (less directors' qualifying shares) of the successor by merger to Security National Bank, Walnut Creek, California.

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)).

On the basis of the record, the application is denied for the reasons set forth in the Board's Statement, which will be released at a later date.

By order of the Board of Governors, effective April 14, 1978.

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

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

*Statement*

Security Bancorp, Walnut Creek, California, 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 by acquiring all of the voting shares (less directors' qualifying shares) of the successor by merger to Security National Bank, Walnut Creek, California ("Bank"). The proposed acquisition of shares of the successor organization is treated herein as the proposed acquisition of shares of Bank. By Order dated April 14, 1978, the Board denied this application for the reasons set forth below.

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, 12 U.S.C. § 1842(b). 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. § 1843(c).

Applicant is a nonoperating corporation organized for the purpose of becoming a bank holding company through the acquisition of Bank ($156.9 million in deposits).[1] Upon acquisition of Bank, Applicant would control the 31st largest banking organization in California and .2 per cent of total deposits in commercial banks in the State.

Bank is the 14th largest banking organization in the relevant banking market,[2] controlling .5 per cent of the deposits therein. The proposed transaction involves a transfer of ownership of Bank from an individual to a corporation owned by the same individual and consummation of the proposal would not have any adverse effect upon existing or potential competition nor would it increase the concentration of banking resources in the market. Thus, the Board concludes that competitive considerations are consistent with, but do not lend weight toward, approval of the application.

The financial resources and future prospects of Applicant and Bank are considered satisfactory and consistent with approval of the application. While there would be no immediate increase in the services offered by Bank as a result of the proposed transaction, the considerations relating to the convenience and needs of the community

[1] All banking data are as of June 30, 1977.

[2] The relevant banking market is approximated by the San Francisco SMSA.

to be served are consistent with approval of the application.

Applicant's principal shareholder is Adnan M. Khashoggi, a Saudi Arabian citizen. Mr. Khashoggi, primarily through his personal holding company, Triad Holding Corporation, S.A., Luxembourg, has worldwide investments in companies engaged in international trade, investment banking, and finance. He also serves as sales agent for various companies. Approximately 97 per cent of the voting shares of Bank are owned by Mr. Khashoggi and approximately the same proportion of the voting shares of Applicant would be owned by him after consummation of the proposed transaction.

The Board's analysis of the managerial resources of an Applicant or its proposed subsidiary bank does not customarily extend to shareholders who do not serve as officers, directors or policy-making employees of those organizations.[3] In the Board's view, however, where an individual exercises a pervasive or controlling influence, or has the power to exercise such influence, over an organization, whether by reason of stock ownership or control over officers, directors or employees, that individual may appropriately be regarded as part of the organization's managerial resources, and the Board may consider such an individual in its assessment of an organization's managerial resources.

Mr. Khashoggi's ownership of approximately 97 per cent of the voting shares of Bank enables him to elect all of Bank's directors and to control and direct Bank's management. In addition to electing Bank's board of directors, the record reflects that Mr. Khashoggi provides broad guidance to Bank in terms of his own objectives as principal shareholder. In view of the above and other facts of record, it is the Board's judgment that Mr. Khashoggi's ability to influence Bank is such that he should be considered as part of its management.

During the pendency of the subject application, the Board was aware that investigations were being conducted by United States law enforcement authorities into questionable payment practices by United States companies and that those investigations also involved Mr. Khashoggi. In view of the investigations and Mr. Khashoggi's important position with respect to Bank and the proposed bank holding company, the Board requested from the United States Department of Justice and the Securities and Exchange Commission any information concerning Mr. Khashoggi that may be relevant to the banking factors the Board is required to consider under the Act. In connection with their investigations, the Department of Justice and the SEC have sought Mr. Khashoggi's testimony. Mr. Khashoggi, however, has been unwilling to submit to questioning in a manner satisfactory to those agencies. As a result of Mr. Khashoggi's lack of cooperation in these matters, the agencies have been unable to respond adequately to the Board's requests for information.

On February 17, 1978, the Board considered the subject application and was advised of negotiations then in progress between the Department of Justice and representatives of Mr. Khashoggi whereby it was anticipated that an agreement might have been reached in the near future for Mr. Khashoggi to submit to questioning. In view of the incomplete record and the prospect that those negotiations might soon result in an agreement, the Board decided not to take final action on the application at that time. Rather, the Board acted to defer a final decision on the application for 60 days and informed Applicant that when the Board reconsidered the application a relevant factor would be the status of the above investigations and, in particular, Mr. Khashoggi's cooperation in those investigations. It was the Board's judgment that deferral of final consideration for a short period was reasonable under the circumstances.

Since it last considered the application, the Board has been informed that the negotiations with Mr. Khashoggi have been terminated and that he has not evidenced a willingness to cooperate with the agencies in their investigations. As a result, Mr. Khashoggi's lack of cooperation leaves unanswered the Board's original requests for information from the Department of Justice and the SEC. In addition, his lack of cooperation with formal investigations undertaken by United States law enforcement authorities raises some concern whether Mr. Khashoggi would be personally available and accountable to bank supervisory au-

[3] The Bank Holding Company Act requires that the Board, in acting on an application to acquire a bank, inquire into the financial and managerial resources of an applicant. While this proposal involves the transfer of the ownership of Bank from an individual to a corporation owned by the same individual, the Act requires that, before an organization is permitted to become a bank holding company, and thus obtain the benefits associated with the holding company structure, it must secure the Board's approval. Section 3(c) of the Act provides that the Board must, in every case, consider, among other things, the financial and managerial resources of both the applicant company and the bank to be acquired. The Board's action in this case is based on a consideration of such factors.

thorities should the need arise. In the Board's view, a requirement for a favorable finding with respect to an Applicant's managerial resources is that management will be accessible to and cooperate with supervisory personnel. Furthermore, Mr. Khashoggi's unwillingness thus far to cooperate with United States law enforcement authorities is not in keeping with what the Board regards as acceptable conduct for the management of a bank holding company.[4]

On the basis of the foregoing and the facts of record, the Board is unable to reach a favorable conclusion with respect to the managerial resources of Bank or Applicant. While the other factors the Board is required to consider in acting on the application are consistent with approval, they are not sufficient to outweigh the adverse managerial factors relating to the subject application. Accordingly, it is the Board's judgment that approval of the application would not be in the public interest and the application should be denied.

Board of Governors of the Federal Reserve System, effective May 2, 1978.

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

The Viking Corporation,
Denison, Iowa
*Order Approving*
*Formation of Bank Holding Company*

The Viking Corporation, Denison, Iowa, has applied for the Board's approval under section 3(a)(1) of the Bank Holding Company Act (12 U.S.C. § 1842(a)(1)) of formation of a bank holding company through acquisitions of 80 per cent or more of the voting shares of Crawford County Trust and Savings Bank, Denison, Iowa ("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 application and comments received, including those of Mr. Fred Koch, a shareholder of Bank, have been considered in light of the factors set forth in section 3(c) of the Act (12 U.S.C. § 1842 (c)).

Applicant was recently organized under the laws of the State of Iowa for the purpose of becoming a bank holding company with respect to Bank (aggregate deposits of approximately $22.0 million).[1] Upon acquisition of Bank, Applicant would control the 173rd largest bank in Iowa holding about 0.17 per cent of the total deposits in commercial banks in the State. Bank is the largest of nine banks competing in the Crawford County banking market [2] with approximately 25.7 per cent of the deposits in commercial banks therein. The proposal to form a bank holding company represents a restructuring of the existing ownership from individual to corporate form and a shift of control within the present directors group.

Two principals of Applicant are also principals in four other one-bank holding companies and one of Applicant's principals is an officer of seven other commercial banks. The closest of these is forty road miles from Bank and all are in separate banking markets. In light of the distances separating these banks, the chain banking relationship does not present adverse competitive effects. Consummation of the proposal would eliminate no existing or potential competition and it does not appear that there would be any adverse competitive effects on other banks in the market. Competitive factors are consistent with approval of the application.

The Board has received adverse comment on this application from Mr. Fred Koch, a minority shareholder of bank. Mr. Koch alleged certain discrepancies between this application and the offering circular by which Applicant offered to purchase minority shares of bank. Mr. Koch apparently believes that the offering circular was misleading to minority shareholders.[3] However, the offering circular does not appear to be misleading in any material respect. Moreover, there is no evidence in the record to indicate that principals of Applicant have acted in bad faith toward the minority shareholders of Bank. The condition of each of the other banks and bank holding companies with which principals of Applicant are associated is satisfactory, and the Board believes that Applicant will serve as a source of managerial strength to Bank. Although Applicant will incur debt in connection with this proposal,

[4] See also, *Florida National Banks of Florida, Inc.* 62 Federal Reserve BULLETIN.

[1] All deposit data are as of June 30, 1977.

[2] The Crawford County banking market is approximated by all of Crawford County.

[3] The Board has indicated that it views evidence that an Applicant has dealt fraudulently with minority shareholders of a proposed subsidiary bank as reflecting adversely on the Applicant's ability to be a source of managerial strength for the bank. See the Board's Order dated October 26, 1977, approving the formation of a bank holding company by Benson Bancshares, Inc., Benson, Minnesota, 63 Federal Reserve BULLETIN 1009 (1977).

Bank's projected income should provide sufficient funds to service this debt without unduly burdening Bank's capital position. Financial and managerial factors are consistent with approval of the application.

Applicant has proposed no new or expanded services upon approval of the application. Convenience and needs factors are consistent with, but lend no weight to, approval of the application.

On the basis of all the evidence in the record the Board concludes that all the relevant factors are consistent with approval. Consummation of the proposed transaction would be in the public interest and the application should be approved.

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 by the Board, or by the Federal Reserve Bank of Chicago pursuant to delegated authority.

By order of the Board of Governors effective April 24, 1978.

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

(Signed) CATHY E. MINEHAN,
[SEAL] *Assistant Secretary of the Board.*

The Wedge Holding Company,
Alton, Illinois

*Order Approving*
*Formation of Bank Holding Company*

The Wedge Holding Company, Alton, Illinois, has applied for the Board's approval under § 3(a)(1) of the Bank Holding Company Act (12 U.S.C. § 1842(a)(1)) of formation of a bank holding company by acquiring 81.885 per cent of the outstanding voting shares of Alton Banking and Trust Co., Alton, Illinois ("Bank").

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

Applicant, a nonoperating corporation with no subsidiaries, was formed for the purpose of becoming a bank holding company by acquiring shares of Bank. Bank has total deposits of $52.1 million, representing 0.08 per cent of total deposits in commercial banks in the State of Illinois.[1] Bank is the 40th largest of 162 commercial banks in the St. Louis banking market,[2] controlling 0.6 per cent of the deposits in commercial banks therein.

One of the principals of Applicant is also a principal of a one-bank holding company that owns Cedar Falls Trust and Savings Bank, Cedar Falls, Iowa ("Savings Bank"). Savings Bank does not operate in the St. Louis banking market. In light of that fact, the distance between the markets respectively served by Bank and Savings Bank, and the fact that the proposed transaction represents no more than the restructuring of the existing ownership of Bank, it appears that consummation of the proposal would not have an adverse effect on existing or potential competition. Accordingly, it is concluded that competitive considerations are consistent with approval of the application.

Where a principal of the applicant is engaged in establishing a chain of one-bank holding companies, the Board applies multi-bank holding company standards not only in its competitive analysis, but also 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.[3] The condition of Savings Bank suggests that Applicant's principals would conduct the operations of the proposed holding company and of Bank in a satisfactory manner. Further, the financial resources of Applicant, which are dependent upon those of Bank, are considered to be consistent with approval of the application, and their future prospects appear favorable. Although Applicant will incur some debt as a result of this proposal, it appears that income and dividends from Bank, as well as savings resulting from the filing of consolidated tax returns, should provide Applicant with sufficient revenues to meet its debt service requirements without adversely affecting the financial condition of Bank.[4] Therefore, considerations

[1] All banking data are as of June 30, 1977.

[2] The St. Louis banking market is defined as the St. Louis Ranally Metro Area.

[3] See e.g., the Board's Order of June 14, 1976, denying the application of Nebraska Banco, Inc., Ord, Nebraska, 62 Federal Reserve BULLETIN 638 (1976).

[4] In this connection, the Board notes that Applicant has made a commitment that Applicant's principals will pay or cause to be paid from other sources all principal and interest on the acquisition debt if payment of any such principal and interest with distributions from Bank would reduce Bank's gross capi-

(Footnote continued on following page)

relating to banking factors are consistent with approval of the application.

While no major changes are contemplated in Bank's services, considerations relating to the convenience and needs of the community to be served are consistent with approval of the application. Accordingly, it is the Board's judgment that consummation of the proposed transaction would be consistent with 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 St. Louis pursuant to delegated authority.

By order of the Board of Governors, effective April 19, 1978.

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

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

## ORDERS UNDER SECTION 4 OF BANK HOLDING COMPANY ACT

Bankshares of Nebraska,
Grand Island, Nebraska

Hastings State Company,
Hastings, Nebraska

*Order Approving Acquisition of First Savings Company of Hastings*

Bankshares of Nebraska, Inc., Grand Island, Nebraska ("Bankshares"), and Hastings State Company, Hastings, Nebraska ('HSC"), bank holding companies within the meaning of the Bank Holding Company Act, have each applied for the Board's approval, under § 4(c)(8) of the Act (12 U.S.C. § 1843(c)(8)) and § 225.4(b)(2) of the Board's Regulation Y (12 CFR § 225.4(b)(2)), to acquire, respectively, 80.4 per cent and 19.6 per cent of the voting shares of First Savings Company of Hastings, Hastings, Nebraska ("Company"), a *de novo* corporation. Company would engage in the activities of operating an industrial loan and investment company pursuant to the laws of Nebraska, and also of acting as insurance agent for the sale of credit life insurance directly related to extensions of credit by Company. Such activities have been determined by the Board to be closely related to banking (12 CFR § 225.4(a)(2) and (9)(ii)).

Notice of the applications, affording opportunity for interested persons to submit comments and views on the public interest factors, has been duly published (43 *Fed. Reg.* 2227 (1978)). The time for filing comments and views has expired, and the Board has considered the applications and all comments received in the light of the public interest factors set forth in § 4(c)(8) of the Act (12 U.S.C. § 1843(c)(8)).

Bankshares is the eighth largest banking organization in Nebraska by virtue of its control of The First National Bank of Grand Island, Grand Island, Nebraska ("FNB"), which has deposits of approximately $74.9 million, representing 1.1 per cent of total deposits in commercial banks in the State.[1] FNB is the largest of seven banks in the relevant market,[2] controlling 32.6 per cent of the total deposits in commercial banks in that market. Bankshares also controls First Savings Company, Grand Island, Nebraska ("First Savings"), an industrial bank with assets of approximately $6 million, located in the relevant market.

HSC ranks as the 102nd largest banking organization in Nebraska through its control of Hastings State Bank, Hastings, Nebraska ("Hastings Bank"). Hastings Bank has deposits of approximately $15.2 million, representing 0.23 per cent of total deposits in commercial banks in the State, and is the third largest of five banks in the relevant market,[3] controlling approximately 8.2 per cent of the total deposits in commercial banks in that market. Through Company, Bankshares and HSC

(Footnote 4 continued)
tal-to-average annual total assets ratio below eight per cent. In addition, Applicant has committed that no dividends on Applicant's common or preferred stock will be declared so long as Applicant's income is required to service its acquisition debt. Further, Applicant has agreed to forego its right to redeem its preferred stock at any time subsequent to five years from the date of issuance so long as funds are required to service and retire its acquisition debt.

[1] All banking data are as of December 31, 1976.

[2] The relevant banking market is approximated by Hall County, Nebraska.

[3] The relevant banking market is approximated by Adams County, Nebraska.

propose to engage in industrial loan activities,[4] including the making of consumer, commercial and real estate loans. Company would also engage in the sale of credit-related insurance. Since the acquisition of Company would be *de novo,* no existing competition would be eliminated between Company and the subsidiaries of either Bankshares or HSC. Also, since Bankshares' existing subsidiaries conduct business in a market separate and distinct from that of HSC's only subsidiary (Hastings Bank),[5] approval of the applications would not eliminate any existing competition between Bankshares and HSC.

Approval of this application would eliminate Bankshares as a potential entrant in the Adams County market. However, Nebraska law precludes FNB from branching, and the Nebraska bank holding company statutes preclude Bankshares from acquiring *de novo* commercial banks. It appears, however, that in the absence of this proposal, Bankshares would have the ability to establish Company on its own. Despite this fact, the association with HSC through this ownership arrangement is not considered adverse since HSC is not in a dominant market position. Indeed, Bankshares' financial strength and experience with its other industrial bank and HSC's knowledge of the Adams County market should contribute to Company's ability to compete with the larger institutions in the market.[6] On balance, therefore, the Board does not find the effects of this proposal on potential competition are sufficiently adverse to require denial of this application.

While the Board has previously expressed concern about the competitive effects of joint activity by bank holding companies,[7] given the facts of record in this case, including the structure of the Adams County banking market, the relatively small size of the two institutions, and the Nebraska laws prohibiting both multibank holding companies and branching, it is unlikely that any significant potential competition would be eliminated by approval of this application or that other significant adverse effects would result therefrom. On the other hand, in the circumstances of this proposal the Board finds that consummation of the proposal would result in public benefits. Company would provide the Hastings area with both an additional competitor and an additional source of loans and credit-related insurance, which results the Board regards as being in the public interest.

There is no evidence in the record indicating that consummation of this proposal would result in undue concentration of resources, unfair competition, conflicts of interests, unsound banking practices or other adverse effects.

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

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

By order of the Board of Governors, effective April 4, 1978.

Voting for this action: Chairman Miller and Governors Wallich and Jackson. Voting against this action: Governors Coldwell and Partee. Absent and not voting: Governors Gardner and Burns. Governor Burns was a member of the Board at the time of its action on this application.

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

[4] Under Nebraska law, an industrial loan and investment company is authorized to issue both paid-up and instalment certificates of indebtedness, and is subject to regulation and examination by the Nebraska Department of Banking and Finance.

[5] Company would serve Hastings Bank's market, Adams County, and although Adams and Hall Counties are contiguous they are defined as separate banking markets.

[6] HSC, through Hastings Bank, controls 5.22 per cent of the market savings deposits and ranks fourth of eight financial institutions in the Adams County Market. The three larger institutions, a savings and loan association and two commercial banks, have a combined market total of 84.7 per cent of market savings deposits.

[7] See the Board's Order dated April 15, 1974, approving the formation of a joint venture between The Fort Worth National Corporation, Fort Worth, Texas, and Shawmut Association, Inc., Boston, Massachusetts, by acquiring shares of American Cattle and Crop Services Corporation, Guymon, Oklahoma, a *de novo* corporation (60 Federal Reserve BULLETIN 382 (1974)). See also the Board's Order dated October 1, 1974, denying acquisition of a *de novo* bank by Southeast Banking Corporation, Miami, Florida (60 Federal Reserve BULLETIN 784 (1974)).

*Dissenting Statement of Governor Partee*

I am unable to concur with the majority in its decision since I do not find that the public benefits of this proposal outweigh the possible adverse effects of formation of a joint venture by two bank holding companies to engage in industrial banking and credit related insurance activities. The facts indicate that in the absence of a joint venture one of the two bank holding companies would in all likelihood apply on its own to form an industrial loan Company in Hastings. Since there do not appear to be any additional public benefits to be derived from having this activity carried out jointly rather than by one bank holding company alone, the joint venture should not be approved. Furthermore, since the State of Nebraska prohibits both multibank holding companies and branch banking, it would appear that the only vehicle for significant competition between these two holding companies would be through the establishment of competing industrial banks. By approving this joint venture, the Board has foreclosed this possibility in the Hastings area.

For the above reasons, I would deny these applications.

*Dissenting Statement of Governor Coldwell*

I join Governor Partee in his finding that the Board should not approve the formation of a joint venture to form an industrial bank when it appears more than likely that one of the two bank holding companies, in the absence of Board approval of the joint venture, would apply to engage in this activity on its own. In addition, it appears to me that the Board's approval in this case, like certain "chain banking" arrangements recently approved by the Board,[1] fosters evasion of state prohibitions on multi-bank holding companies. By permitting two bank holding companies to combine their resources by means of a joint venture, the Board is condoning a concentration of economic power that would otherwise be impermissible under State law. For these reasons, I would deny these applications.

[1] See, for example, the Dissenting Statement of Governor Coldwell to the Board's Order dated February 27, 1978, approving the formation of a bank holding company by Sueco, Inc., El Dorado, Kansas.

First Union Bancorporation,
St. Louis, Missouri

*Order Approving Retention of St. Louis Union Trust Company*

First Union Bancorporation, St. Louis, Missouri, a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval, under § 4(c)(8) of the Act (12 U.S.C. § 1843(c)(8)) and § 225.4(b)(2) of the Board's Regulation Y (12 CFR § 225.4(b)(2)), to retain shares of St. Louis Union Trust Company, St. Louis, Missouri ("Trust Company"), a company that engages in personal and group trust activities, probate activities, corporate fiduciary activities, and making investments in money market instruments for its own account. Such activities have been determined by the Board to be closely related to banking (12 CFR § 225.4(a)(4)). Trust Company also makes investments in equity securities for its own account within the limitation imposed by § 4(c)(6) of the Act.[1]

Notice of the application, affording opportunity for interested persons to submit comments and views on the public interest factors, has been duly published (43 *Fed. Reg.* 4679 (1978)). The time for filing comments and views has expired, and the Board has considered the application and all comments received in the light of the public interest factors set forth in § 4(c)(8) of the Act (12 U.S.C. § 1843(c)(8)).

Applicant, the second largest banking organization in Missouri, controls eighteen subsidiary banks in that State with aggregate deposits of $1.7 billion, representing approximately 9 per cent of the total deposits in commercial banks in Missouri.[2] Applicant also engages, through subsidiaries, in underwriting credit-related insurance, acting as agent in the sale of credit-related insurance, consumer finance, and holding properties used as bank premises by three of its subsidiary banks.

Trust Company is a state-chartered non-deposit trust company that operates, in effect, as the trust

[1] Section 4(c)(6) of the Act permits a bank holding company to acquire shares of any company that do not include more than 5 per centum of the outstanding voting shares of such company.

[2] As of June 30, 1977.

department of Applicant's lead bank, First National Bank in St. Louis, St. Louis, Missouri ("Bank").[3] Trust Company is the twenty-third largest trust organization in the United States and the largest in Missouri.[4] In 1976, Trust Company derived $13.8 million in gross income from its operations, representing approximately 51.5 per cent [5] of income from fiduciary services received by trust organizations in the St. Louis market.[6] This approximation is overstated because the aggregate figure upon which this percentage is based does not include income received by certain other nondepository trust companies in the St. Louis market, for which data is not readily available.

Trust Company was affiliated with Bank through common stockholders and directors before Applicant was formed as a holding company with respect to Bank in 1969, at which time both Bank and Trust Company became subsidiaries of Applicant.[7] It does not appear that the corporate reorganization by which Applicant acquired Company eliminated any competition. Currently, three of Applicant's subsidiary banks engage in certain business activities in which Trust Company engages. However, none of these banks compete in the St. Louis market, and it does not appear that any significant competition exists between them and Trust Company. Thus, approval of the proposed retention should have no adverse effect on competition.

Approval of the application would avoid disruption of Trust Company's service to customers of Bank and of Applicant's other subsidiary banks. The Board concludes that the benefits to the public that can reasonably be expected to result from Applicant's continued ownership of shares of Trust Company outweigh any possible adverse effects that might result from Applicant's retention of those shares.

There is no evidence in the record indicating that consummation of the proposal would result in undue concentration of resources, conflicts of interests, unsound banking practices, or other adverse effects.

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

By order of the Board of Governors, effective April 10, 1978.

Voting for this Action: Chairman Miller and Governors Wallich, Jackson, and Partee. Absent and not voting: Governors Gardner and Coldwell.

(Signed) CATHY E. MINEHAN,
[SEAL] *Assistant Secretary of the Board.*

Mercantile Bancorporation, Inc.,
St. Louis, Missouri

*Order Approving Acquisition of Thorp Credit Company of Charleston*

Mercantile Bancorporation, Inc., St. Louis, Missouri, a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval, under § 4(c)(8) of the Act (12 U.S.C. § 1843(c)(8)) and § 225.4(b)(2) of the Board's Regulation Y (12 CFR § 225.4(b)(2)), to acquire through its subsidiary, Franklin Finance Company, Clayton, Missouri ("Franklin"), the assets of Thorp Credit Company of Charleston, Charleston, West Virginia ("Thorp Charleston"), an industrial loan company that also acts as insurance agent for the sale of insurance that is directly related to extensions of credit by Thorp Charleston, including

[3] While Trust Company generally does not accept deposits, it does receive deposits under the circumstances permitted by § 225.4(a)(4) of the Board's Regulation Y.

[4] Based on market value of trust assets.

[5] The two largest of these control trust assets of approximately $125 million and $100 million respectively.

[6] The St. Louis market is defined as the City of St. Louis and St. Louis County, portions of St. Charles, Lincoln, Franklin, and Jefferson Counties in Missouri, and portions of Jersey, Macoupin, Madison, St. Clair, and Monroe Counties in Illinois.

[7] Applicant has held shares of Trust Company under the authority of § 4(c)(5) of the Act, which permits bank holding companies to hold shares of a kind that are eligible for investment by national banks. Applicant now proposes to relocate the main office of Bank and continue Trust Company's activities at the old location, which would become a branch facility of Bank. Under Missouri law, a State bank may not engage in trust activities at a branch facility, and, accordingly, Applicant seeks to retain Trust Company as a nonbank subsidiary under § 4(c)(8) of the Act.

credit life and disability insurance.[1] Such activities have been determined by the Board to be closely related to banking (12 CFR § 225.4(a)(2) and (9)).

Notice of the application, affording opportunity for interested persons to submit comments and views on the public interest factors, has been given in accordance with § 4 of the Act (43 *Fed. Reg.* 3437). The time for filing comments and views has expired, and the Board has considered the application and all comments received in the light of the public interest factors set forth in § 4(c)(8) of the Act (12 U.S.C. § 1843(c)(8)).

Applicant, the largest banking organization in Missouri, controls 28 banks with aggregate deposits of approximately $2 billion, representing 10.9 per cent of the total commercial bank deposits in the State.[2] Applicant also engages through subsidiaries in a variety of nonbanking activities, including mortgage banking, consumer finance, insurance agency and real and personal property leasing. Franklin directly and through subsidiaries presently operates 40 consumer finance and industrial loan offices in 12 States, including 10 offices in West Virginia.

Thorp Charleston operates a single industrial loan office in the Charleston personal loan market.[3] On December 31, 1976, Thorp Charleston had $1.9 million in personal loans outstanding. Franklin also operates a small loan office, and through a subsidiary, an industrial loan office in the Charleston market.[4] Franklin has indicated that it plans to close both of its present offices upon consummation of the proposed transaction.[5] The record indicates that on December 31, 1976, Franklin had an aggregate of $1.2 million in personal loans outstanding in the Charleston market, representing approximately 4 per cent of Franklin's total personal loans outstanding. Thus, upon acquisition of Thorp Charleston, Franklin would hold approximately $3.1 million in personal loans outstanding, representing 4.5 per cent of total personal loans outstanding in the market. However, the record indicates that 75 organizations having an aggregate of 81 offices, including banks, consumer finance companies and credit unions, originate personal loans in the Charleston market. Accordingly, the Board concludes that the acquisition of Thorp Charleston by Applicant would eliminate some existing competition between Thorp Charleston and Franklin. However, in light of the large number of competitors originating personal loans in the Charleston market, and the small amount of competition between the two firms, the Board does not view these effects on competition as significant.

Acquisition by Applicant of Thorp Charleston would ensure the continuation of the availability of personal loans and related credit life and credit disability insurance services to Thorp Charleston's customers at Thorp Charleston's present location. In addition, affiliation of the two firms may increase the availability of loanable funds to Franklin's customers, and may enable Franklin to become a more effective competitor in the Charleston market. While the benefits to the public that would result from Applicant's acquisition of Thorp Charleston are not substantial, based on these and other facts of record, the Board concludes that such benefits are sufficient to outweigh any adverse effects on competition that may result from the acquisition. Furthermore, there is no evidence in the record to indicate that consummation of the proposed transaction would result in undue concentration of resources, unfair competition, conflicts of interest, unsound banking practices or other effects that would be adverse to the public interest.

Based upon the foregoing and other considerations reflected in the record, the Board has determined that the balance of the public interest factors the Board is required to consider under § 4(c)(8) is favorable. Accordingly, the application is approved for the reasons summarized above. The acquisition shall be accomplished no later than three months after the effective date of this Order, unless such period is extended by the Board or

[1] Thorp Charleston's parent, ITT Thorp Corporation ("ITT"), intends to dispose of its two West Virginia offices and withdraw from the State, primarily because of the difficulty ITT has experienced in obtaining industrial loan licenses in West Virginia. Accordingly, on March 10, 1978, Applicant received approval from the Federal Reserve Bank of St. Louis, acting pursuant to delegated authority of its application to acquire the assets of Thorp Credit Company of Parkersburg, Parkersburg, West Virginia, ITT's other West Virginia office.

[2] All banking data are as of June 30, 1977.

[3] The Charleston personal loan market is approximated by the Charleston SMSA, which consists of Kanawha and Putnam Counties.

[4] Applicant's subsidiary banks, which also make personal loans, operate only in Missouri and do not compete in the Charleston market.

[5] Franklin has entered into an agreement with a finance company having offices in the Charleston market, to sell the shares of its industrial loan subsidiary, contingent upon its acquisition of Thorp Charleston. Under this agreement Franklin would transfer its subsidiary's industrial loan license, but not its personal loan receivables ($0.6 million outstanding on December 31, 1976). With respect to the small loan office, Franklin proposes to close it and liquidate its personal loan receivables ($0.6 million on December 31, 1976).

the Federal Reserve Bank of St. Louis. The approval of this application is subject to the conditions set forth in § 225.4(c) of Regulation Y and to the Board's authority to require such modification or termination of the activities of a holding company or any of its subsidiaries as the Board finds necessary to assure compliance with the provisions and purposes of the Act and the Board's regulations and orders issued thereunder, or to prevent evasion thereof.

By order of the Board of Governors, effective April 7, 1978.

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

(Signed) THEODORE E. ALLISON,
[SEAL] *Secretary of the Board.*

Omaha National Corporation,
Omaha, Nebraska

*Order Approving Acquisition of Wyoming Trust and Management Co.*

Omaha National Corporation, Omaha, Nebraska, a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval, under § 4(c)(8) of the Act (12 U.S.C. § 1843(c)(8)) and § 225.4(b)(2) of the Board's Regulation Y (12 CFR § 225.4(b)(2)), to acquire Wyoming Trust and Management Company, Gillette, Wyoming ("Trust Company"), a company that engages in the activity of generating trust accounts that are currently and would continue to be managed by itself and by Omaha National Bank, Omaha, Nebraska, a subsidiary of Applicant. Such activity has been determined by the Board to be closely related to banking (12 CFR § 225.4(a)(4)).

Notice of the application, affording opportunity for interested persons to submit comments and views on the public interest factors, has been duly published (42 *Fed. Reg.* 45954 (1977)). 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 Bank of Commerce, Sheridan, Wyoming ("Sheridan Bank"), and Wyoming National Bank, Casper, Wyoming ("Casper Bank"), in light of the public interest factors set forth in § 4(c)(8) of the Act (12 U.S.C. § 1843(c)(8)).

Applicant, a one-bank holding company, controls the largest bank in Nebraska with deposits of $453.9 million, representing 6.7 per cent of the total deposits in commercial banks in the State.[1] Through nonbank subsidiaries Applicant engages in lending and leasing activities pursuant to section 4(c)(8) of the Act.

Trust Company was organized in 1970 under the Wyoming Business Corporation Act. It operates one office in Gillette, Wyoming, that solicits passive trusts and has generated trust assets of $1 million that are managed by the Estate and Trust Division of Applicant's subsidiary bank. Through the acquisition of Trust Company, Applicant proposes to solicit trust business in the state of Wyoming. Applicant will continue Trust Company's solicitation of passive trusts that will require management in the future and will seek active trust business, including appointments under wills to manage estates and other appointments as trustee. The Estate and Trust Division of Applicant's subsidiary bank would provide Trust Company with all accounting and other support services for trusts as agent for Trust Company and manage the trust assets. Since 1975 Applicant's subsidiary bank has managed accounts for Trust Company on an agency basis. In view of this existing relationship between Applicant and Trust Company and the fact that Trust Company has been relatively inactive, functioning primarily to solicit trust accounts for Applicant's subsidiary bank, it appears that consummation of the proposal would not have any significant adverse effects on competition in any relevant area.

The letters of comments submitted in connection with this application by Sheridan Bank and Casper Bank make the contentions that Trust Company is not properly organized under Wyoming law, that its activities are not closely related to banking as required by § 4(c)(8) of the Act, that Applicant, being located in Nebraska, is barred by section 3(d) of the Bank Holding Company Act from acquiring a trust company in Wyoming, and that approval of the application would not be in the public interest. Since these comments were filed with the Board, Trust Company was granted a charter by the State Examiner of the State of Wyoming to operate as a trust company pursuant to the Wyoming law governing the organization of financial institutions, as amended in 1977.[2] The Board has determined that performing the activities that may be conducted by a trust company

[1] All banking data are as of June 30, 1977.

[2] Trust Company applied for such a charter on December 29, 1977, and the State Examiner held a hearing on the charter application on February 16, 1978. The charter application was

(Footnote continued on following page)

is closely related to banking, as set forth in section 225.4(a)(4) of the Board's Regulation Y. Furthermore, the acquisition of Trust Company by an out-of-state bank holding company is not barred by section 3(d) of the Bank Holding Company Act because Trust Company is not a "bank" within the meaning of the Act and neither accepts deposits nor makes loans of any kind. As discussed below, the Board has concluded that approval of the application would be in the public interest. In light of these considerations, the Board concludes that the objections to approval of the application submitted by Sheridan Bank and Casper Bank do not have a basis in fact and do not weight against approval of the application.

It is anticipated that Applicant's acquisition of Trust Company would result in benefits to the public by providing a fuller range of fiduciary services in Wyoming. Applicant proposes to staff Trust Company with a full-time representative to solicit business and counsel customers, thereby increasing the business expertise available to the public through Trust Company. Furthermore, there is no evidence in the record to indicate that consummation of the proposed transaction would result in any undue concentration of resources, unfair competition, conflicts of interest, unsound banking practices, or other effects that would be adverse to the public interest. The Board concludes that the benefits to the public can reasonably be expected to result from consummation of this proposal are consistent with approval of the application.

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

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

By order of the Board of Governors, effective April 28, 1978.

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

(Signed) THEODORE E. ALLISON,
[SEAL] *Secretary of the Board.*

(Footnote 2 Continued)
approved on March 7, 1978, subject to the condition that Trust Company meet the appropriate capital requirements. Applicant has stated that it will pay the necessary capital into Trust Company.

United Missouri Bancshares, Inc.,
Kansas City, Missouri

*Order Approving Acquisition of City Bond and Mortgage Company*

United Missouri 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 section 4(c)(8) of the Act (12 U.S.C. § 1843(c)(8)) and section 225.4(b)(2) of the Board's Regulation Y (12 CFR § 225.4(b)(2)) to acquire City Bond and Mortgage Company, Kansas City, Missouri ("City Bond"), a company that engages in the activity of originating and servicing residential, apartment, commercial and industrial loans.[1] City Bond also engages in the activity of acting as agent for the sale of credit life insurance, credit accident and health insurance, and mortgage protection life and mortgage protection disability insurance directly related to tis extensions of credit.[2] The Board has determined that such activities are so closely related to banking as to be a proper incident thereto (12 CFR § 225.4(a)(1) and (9)). Additionally, City Bond currently engages in certain other activities that the Board has not determined are closely related to banking.

[1] Applicant also originally applied to acquire indirectly 50 per cent of the shares of Central Management, Inc., ("CMI"), a subsidiary of City Bond that was engaged in acting as an investment adviser to a real estate investment trust. However, Applicant has stated that CMI's advisory contract has been terminated, and that City Bond will divest its interest in CMI on or before consummation of the proposed acquisition. Accordingly, Applicant has indicated that its application with respect to CMI should not be considered by the Board.

[2] City Bond also acts as agent for the sale of property and casualty insurance sold in connection with its extensions of credit. However, Applicant's proposal to acquire City Bond does not include an application for this activity and Applicant has stated that the sale of property and casualty insurance by City Bond will be terminated on or before acquisition by Applicant.

Notice of the application, affording opportunity for interested persons to submit comments and views on the public interest factors, has been duly published (42 *Fed. Reg.* 61084 (1977)). The time for filing comments and views has expired, and the Board has considered the application and all comments received in light of the public interest factors set forth in section 4(c)(8) of the Act (12 U.S.C. § 1843(c)(8)).

Applicant, the sixth largest banking organization in Missouri, controls nineteen subsidiary banks in that State with aggregate deposits of $919 million, representing approximately 4.83 per cent of the total deposits in commercial banks in Missouri.[3] With six subsidiary banks in the market, Applicant is the third largest banking organization in the Kansas City market having an aggregate of $604.2 million in deposits, representing approximately 10.9 per cent of commercial bank deposits in the market.[4] Applicant does not currently engage in any significant nonbanking activities.

City Bond operates a single mortgage banking office in Kansas City, Missouri. As of June 30, 1977, City Bond, with a real estate mortgage servicing portfolio of $138.6 million,[5] ranked 234th among all mortgage companies in the United States. City Bond engages principally in the origination and servicing of 1-4 family residential mortgage loans in the Kansas City market, as well as multifamily and commercial and industrial mortgage loans. It also makes construction loans, and engages in credit-related insurance agency activities. In 1976, City Bond originated $1.6 million 1-4 family residential mortgage loans, representing approximately less than one-half of one per cent of such loans in the Kansas City market. Applicant, through its subsidiary banks in the Kansas City market, is likewise engaged in originating commercial and industrial mortgage loans, as well as 1-4 family residential mortgage loans and construction loans. In 1976, Applicant originated $2.0 million of 1-4 family residential mortgage loans, representing approximately less than one-half per cent of such loans in the Kansas City market. In addition to City Bond and Applicant, there are numerous other financial organizations originating all types of mortgage loans in the Kansas City market.

While consummation of the proposal would appear to eliminate some existing competition inasmuch as Applicant and City Bond operate in the same market, the Board notes that City Bond was formed to assume the mortgage loans business of Applicant's lead bank when it became a national bank in 1934, that City Bond still maintains its office in the lead bank's main building, and that there is and has been significant common share ownership of Applicant and City Bond. Thus, it appears that the nature of this relationship is such that little, if any, meaningful competition presently exists between Applicant and City Bond. Viewed in light of the history of the established relationship between Applicant and City Bond, the effects of consummation of the proposed transaction on existing competition appear to be slight. Accordingly, the Board concludes that the proposed acquisition of City Bond by Applicant would not have significant adverse effects on competition.

The facts of record indicate that City Bond's market share has declined in recent years. Acquisition by Applicant of City Bond would provide City Bond with access to Applicant's substantial financial resources and widespread investor relationships. For example, the proposed transaction would result in an immediate injection of $300,000 into City Bond's capital accounts. Thus, it is anticipated that the proposed affiliation of City Bond with Applicant will enable City Bond to continue to better serve its existing customers, and to revitalize itself to become a more aggressive competitor in the mortgage banking business. On the basis of these and other facts of record, the Board concludes that the benefits to the public that would result from Applicant's acquisition of City Bond are sufficient to outweigh any possible adverse effects on the public interest that might result from the proposed acquisition. Furthermore, there is no evidence of record to indicate that consummation of the proposed acquisition would result in undue concentration of resources, conflicts of interest, unsound banking practices, or other adverse effects.

City Bond directly and through subsidiaries also holds investments in certain real property, an activity the Board has not determined to be permissible for bank holding companies. Therefore, City Bond must dispose of such real estate holdings

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[3] All banking data are as of December 31, 1976, unless otherwise noted, and reflect the acquisition by Applicant of the Cass County Bank, Peculiar, Missouri, approved by the Board by Order of December 23, 1977.

[4] The Kansas City market is defined as Johnson and Wyandotte Counties in Kansas, and Jackson, Clay, and Platte Counties and the northern half of Cass County in Missouri.

[5] *American Banker* of October 24, 1977. As of June 30, 1976, it had a real estate mortgage servicing portfolio of $151.8 million and was the nation's 202nd largest mortgage company.

no later than two years from the effective date of this Order.[6] City Bond also holds an interest in excess of five per cent and manages an uncompleted mobile home park, and is thereby engaged in real estate development and property managing, activities which the Board has determined are not permissible for bank holding companies. Applicant has stated that on or before consummation of the subject proposal, City Bond will reduce its interest in the mobile home park to 5 per cent or less and cease its management and development activities with respect to the mobile home park. Finally, in servicing loans for institutional investors, City Bond is obligated by contract to manage the property in the event of default by the borrower, and City Bond is currently managing several of such properties. However, Applicant has stated that upon consummation of the proposed acquisition, it will cause City Bond to obtain the services of a property manager to maintain and manage any such defaulted property.

Based upon the above and upon other facts of record, the Board has determined that the balance of the public interest factors the Board is required to consider under section 4(c)(8) is favorable. Accordingly, the application is hereby approved subject to the conditions that City Bond divest its interest in CMI and cease its advisory activities prior to consummation of the proposed acquisition, that it dispose of the real estate holdings no later than two years from the effective date of this Order, that it reduce its interest in the mobile home park to no more than 5 per cent on or before consummation of this proposal, and that it cease all impermissible property management activities on or before consummation of this proposal. This determination is also subject to the conditions set forth in section 225.4(c) of Regulation Y and to the Board's authority to require such modification or termination of the activities of a holding company or any of its subsidiaries as the Board finds necessary to assure compliance with the provisions and purposes of the Act and the Board's regulations and orders issued thereunder, or to prevent evasion thereof. The transaction shall be made not later than three months after the effective date of this Order, unless such period is extended for good cause by the Board or by the Federal Reserve Bank of Kansas City.

[6] In accomplishing a divestiture of such property, Applicant has indicated its willingness to transfer irrevocably the subject real estate to an independent trustee who shall have the duty of divesting the property within the applicable time period.

By Order of the Board of Governors, effective April 25, 1978.

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

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

## CERTIFICATIONS PURSUANT TO THE BANK HOLDING COMPANY TAX ACT OF 1976

The Brantley Company, Inc.,
Blackshear, Georgia

[Docket No. TCR 76-134]

The Brantley Company, Inc., Blackshear, Georgia ("Brantley") has requested a prior certification pursuant to section 1101(b) of the Internal Revenue Code ("Code"), as amended by section 2(a) of the Bank Holding Company Tax Act of 1976, that its proposed divestiture of 8,360 shares of The Blackshear Bank, Blackshear, Georgia ("Bank"), presently held by Brantley, through the *pro rata* distribution of such shares to the shareholders of Brantley, is necessary or appropriate to effectuate the policies of the Bank Holding Company Act (12 U.S.C. § 1841 *et seq.*) ("BHC Act").

In connection with this request, the following information is deemed relevant, for purposes of issuing the requested certification:[1]

1. Brantley is a corporation organized under the laws of the State of Georgia on April 6, 1891.

2. Brantley first acquired a substantial portion of Bank's outstanding voting shares in 1891. As of February 20, 1957, Brantley owned and controlled 428 shares, representing 42.8 per cent of the outstanding voting shares, of Bank. Additional shares of Bank were subsequently acquired through stock dividends and some Bank shares were sold such that on July 7, 1970, Brantley held 836 shares, representing 41.8 per cent of the outstanding voting shares of Bank. Brantley purchased 20 shares of Bank on July 27, 1970, and on July 19, 1971, one share of Bank was issued to Bank's shareholders for every one share of stock then outstanding. On July 30, 1976, five shares of Bank were issued to Bank's shareholders in

[1] This information derives from Brantley's correspondence with the Board concerning its request for this certification, Brantley's Registration Statement filed with the Board pursuant to the BHC Act, and other records of the Board.

exchange for every one share of stock then outstanding. Immediately thereafter, Bank issued 5,000 additional shares of stock in order to increase its capital. None of these shares were acquired by Brantley. Thus, Brantley now holds 8,560 shares, representing 34.24 per cent of the outstanding voting shares, of Bank.[2]

3. Brantley became a bank holding company on December 31, 1971, as a result of the 1970 Amendments to the BHC Act, by virtue of its ownership and 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 on May 21, 1971. Brantley would have been a bank holding company on July 7, 1970, if the BHC Act Amendments of 1970 had been in effect on such date, by virtue of its ownership and control on that date of more than 25 per cent of the outstanding voting shares of Bank.

4. Brantley holds property acquired by it on or before July 7, 1970, the disposition of which, but for clause (ii) of section 4(c) of the BHC Act and the proviso of section 4(a)(2) of that Act, would be necessary or appropriate to effectuate section 4 of the BHC Act, if Brantley were to continue to be a bank holding company beyond December 31, 1980, and which property, but for such clause and such proviso, would be "prohibited property" within the meaning of section 1103(c) of the Code. Sections 1103(g) and 1103(h) of the Code provide that any bank holding company may elect, for purposes of Part VIII of subchapter 0 of chapter 1 of the Code, to have the determination whether property is "prohibited property", or is property eligible to be distributed without recognition of gain under section 1101(b)(1) of the Code, made under the BHC Act as if that Act did not contain clause (ii) of section 4(c) or the proviso of section 4(a)(2). Brantley has represented that it will make such an election.[3]

5. Brantley has committed to the Board that it will terminate all interlocking relationships between Brantley and Bank by July 1, 1978.

On the basis of the foregoing information, it is hereby certified that:

(A) Brantley is a qualified bank holding corporation, within the meaning of section 1103(b) of the Code, and satisfies the requirements of that section;

(B) the 8,360 shares of Bank that Brantley proposes to distribute to its shareholders are all or part of the property by reason of which Brantley controls (within the meaning of section 2(a) of the BHC Act) a bank or bank holding company; and

(C) the distribution of such 8,360 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 Brantley 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 Brantley, or that Brantley has failed to disclose to the Board other material facts, it may revoke this certification. This certification is granted upon the condition that after July 1, 1978, no person holding an office or position (including an advisory or honorary position) with Brantley or any of its subsidiaries as a director, policymaking employee or consultant, or who performs (directly or through an agent, representative or nominee) functions comparable to those normally associated with such office or position, will hold any such office or position or perform any such function with Bank or any of its subsidiaries, and is also conditioned upon Brantley's making the elections required by sections 1103(g) and 1103(h) of the Code at such time and in such manner as the Secretary of the Treasury or his delegate may by regulation prescribe.

By order of the Board of Governors, acting through its Acting General Counsel, pursuant to

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[2] Under subsection (c) of section 1101 of the Code, property acquired after July 7, 1970, generally does not qualify for the tax benefits of section 1101(b) when distributed by an otherwise qualified bank holding company. However, where such property was acquired by a qualified bank holding company in a transaction in which gain was not recognized under section 305(a) of the Code or section 368(a)(1)(E) of the Code, then section 1101(b) is applicable. Brantley has indicated that the shares of Bank acquired on July 19, 1971, and June 30, 1976, were acquired in transactions in which gain was not recognized under section 305(a) and section 368(a)(1)(E), respectively, of the Code. Accordingly, even though such shares were acquired after July 7, 1970, those shares would nevertheless qualify as property eligible for the tax benefits provided in section 1101(b) of the Act, by virtue of section 1101(c), if the shares of Bank were in fact received in a transaction in which gain was not recognized under sections 305(a) or 368(a)(1)(E) of the Code.

Of the total 8,560 shares of Bank presently held by Brantley, 200 shares represent property acquired after July 7, 1970, for which none of the exemptions provided in section 1101(c) of the Code appears to be available. Brantley has represented that it will divest these shares of Bank through the sale of such shares.

[3] Sections 1103(g) and 1103(h) of the Code require that an election thereunder be made "at such time and in such manner as the Secretary [of the Treasury] or his delegate may by regulations prescribe." As of this date no such regulations have been promulgated.

delegated authority, (12 CFR § 265.2(b)(3)), effective April 3, 1978.

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

UniCapital Corporation,
Atlanta, Georgia

[Docket No. TCR 76-148]

UniCapital Corporation, Atlanta, Georgia ("UniCapital"), has requested a prior certification pursuant to section 6158(a) of the Internal Revenue Code ("Code"), as added by section 3(a) of the Bank Holding Company Tax Act of 1976 ("Tax Act"), that its sale on September 12, 1977, of 55,896 shares of The First National Bank of Cape Canaveral, Cape Canaveral, Florida ("Bank"), to First Bankers Corporation of Florida, Pompano Beach, Florida ("First Bankers"), was necessary or appropriate to effectuate the policies of the Bank Holding Company Act (12 U.S.C. § 1841 *et seq.*) ("BHC Act"). UniCapital has also requested a final certification pursuant to section 6158(c)(2) of the Code, as added by section 3(a) of the Tax Act, that it has (before the expiration of the period prohibited property is permitted under the BHC Act to be held by a bank holding company) ceased to be a bank holding company.

In connection with these requests, the following information is deemed relevant for purposes of issuing the prior and final certification:[1]

1. United Stated Finance Company, Inc., Atlanta, Georgia ("Finance"), was a corporation organized under the laws of the State of Georgia on February 19, 1958. UniCapital is a corporation organized under the laws of the State of Delaware on May 9, 1969.

2. On February 29, 1968, Finance, through its wholly-owned subsidiary Security Financial Corporation ("Security"), held indirect ownership and control of approximately 94 per cent of the outstanding voting shares of Bank. On June 13, 1969, Finance was merged into UniCapital, a corporation having no business or subsidiaries, and UniCapital thereby acquired indirect ownership and control of Bank.

3. UniCapital became a bank holding company on December 31, 1970, as a result of the 1970 Amendments to the BHC Act, by virtue of its direct ownership and control at that time of more than 25 per cent of the outstanding voting shares of Security, and by virtue of its indirect ownership and control at that time, through Security, of more than 25 per cent of the outstanding voting shares of Bank, and it registered as such with the Board on July 21, 1971.[2] UniCapital would have been a bank holding company on July 7, 1970, if the BHC Act Amendments of 1970 had been in effect on such date, by virtue of its direct and indirect ownership and control on that date of more than 25 per cent of the outstanding voting shares of Security and Bank respectively.

4. On September 12, 1977, UniCapital held property acquired by it on or before July 7, 1970, the disposition of which would be necessary or appropriate to effectuate section 4 of the BHC Act if UniCapital were to remain a bank holding company beyond December 31, 1980, and which property is "prohibited property" within the meaning of sections 6158(f)(2) and 1103(c) of the Code.

5. On September 12, 1977, UniCapital sold all of the 55,896 shares of Bank owned by it, representing 96.1 per cent of the outstanding voting shares of Bank, to First Bankers for $1,935,678 in cash.

6. Neither UniCapital nor any subsidiary of UniCapital holds any interest in First Bankers, Bank, or in any other bank or any company that controls a bank.

7. Neither First Bankers nor any subsidiary of First Bankers, including Bank, holds any interest in UniCapital or any subsidiary of UniCapital.

8. No officer, director (including honorary or advisory director) or employee with policy-making functions of UniCapital or any subsidiary of UniCapital also holds any such position with First Bankers, or any subsidiary of First Bankers, including Bank, or with any other bank or any company that controls a bank.

9. UniCapital does not control in any manner the election of a majority of directors, or exercise a controlling influence over the management or policies, of First Bankers or any subsidiary of First Bankers, incuding Bank, or of any other bank or company that controls a bank.

[1] This information derives from UniCapital's correspondence with the Board concerning its request for this certification, UniCapital's Registration Statement filed with the Board pursuant to the BHC Act, and other records of the Board.

[2] Security similarly became a bank holding company on December 31, 1970, as a result of the 1970 Amendments to the BHC Act, by virtue of its direct ownership and control of more than 25 per cent of the outstanding voting shares of Bank, and it registered as such with the Board on July 16, 1971.

On the basis of the foregoing information, it is hereby certified that:[3]

(A) at the time of its sale of 55,896 shares of Bank to First Bankers, UniCapital was a qualified bank holding company, within the meaning of section 6158(f)(1) and section 1103(b) of the Code, and satisfied the requirements of those sections;

(B) the shares of Bank that UniCapital sold to First Bankers were all or part of the property by reason of which UniCapital controlled (within the meaning of section 2(a) of the BHC Act) a bank or bank holding company;

(C) the sale of the shares of Bank was necessary or appropriate to effectuate the policies of the BHC Act;

(D) UniCapital has (before the expiration of the period prohibited property is permitted under the BHC Act to be held by a bank holding company) ceased to be a bank holding company.

This certification is based upon the representations made to the Board by UniCapital 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 UniCapital, or that UniCapital 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 Acting General Counsel pursuant to delegated authority (12 CFR § 265.2(b)(3)), effective March 31, 1978.

(Signed) GRIFFITH L. GARWOOD,

[SEAL] *Deputy Secretary of the Board.*

[3] Pursuant to section 6158(a) of the Code, with respect to the sale of bank property, the Board must certify before such sale that the sale is necessary or appropriate to effectuate the policies of the BHC Act. UniCapital requested such certification by letter dated August 9, 1977. On that date, the application of First Bankers to acquire UniCapital's interest in Bank was approved by the Federal Reserve Bank of Atlanta acting pursuant to delegated authority. At that time, UniCapital informed the Board of its intention to sell the shares of Bank in September 1977. UniCapital clearly met the requirements for a prior certification at the time it filed the request and at the time of the sale of the shares of Bank on September 21, 1977. The issuance of this certification is based, in part, upon such circumstances.

## ORDERS APPROVED UNDER BANK HOLDING COMPANY ACT

### BY THE BOARD OF GOVERNORS

During April 1978, the Board of Governors approved the applications listed below. Copies are available upon request to Publications Services, Division of Administrative Services, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

Section 3

| *Applicant* | *Bank(s)* | *Board action (effective date)* |
|---|---|---|
| Bank of Montana System, Great Falls, Montana | Midstate Bank of Montana, Lewistown, Montana | 4/17/78 |
| Central National Corporation, Richmond, Virginia | The Citizens National Bank of Emporia, Emporia, Virginia | 4/28/78 |
| First Bancorp, Inc., Corsicana, Texas | Clifton Bank, Clifton, Texas | 4/19/78 |
| First Gridley BanCorporation, Inc., Gridley, Illinois | First Bank & Trust Co. of Gridley, Gridley, Illinois | 4/19/78 |

Section 3—Continued

| *Applicant* | *Bank(s)* | *Board action (effective date)* |
|---|---|---|
| First Steuben Bancorp, Inc., Toronto, Ohio | Community National Bank, Flushing, Ohio | 4/26/78 |
| United Michigan Corporation, Flint, Michigan | Community State Bank of Fowlerville, Fowlerville, Michigan | 4/28/78 |

## Order Approved Under Bank Merger Act

| *Applicant* | *Bank(s)* | *Reserve Bank* | *Effective date* |
|---|---|---|---|
| Metropolitan Bank and Trust Company, Tampa, Florida | American Guaranty Bank, Tampa, Florida | Atlanta | 4/27/78 |

## By Federal Reserve Banks

Recent applications have been approved by the Federal Reserve Banks as listed below. Copies of the orders are available upon request to the Reserve Banks.

Section 3

| *Applicant* | *Bank(s)* | *Reserve Bank* | *Effective date* |
|---|---|---|---|
| First Missouri Banks, Inc., Creve Coeur, Missouri | Montgomery County Bank, Montgomery City, Missouri | St. Louis | 4/28/78 |

Section 4

| *Applicant Bank(s)* | *Nonbanking company (or activity)* | *Reserve Bank* | *Effective date* |
|---|---|---|---|
| BancOhio Corporation, Columbus, Ohio | Franklinton Assurance Company, Phoenix, Arizona | Cleveland | 4/6/78 |

## PENDING CASES INVOLVING THE BOARD OF GOVERNORS*

*Hawkeye Bancorporation* v. *Board of Governors*, filed April 1978, U.S.C.A. for the Eighth Circuit.

*Dakota Bankshares, Inc.* v. *Board of Governors*, filed April 1978, U.S.C.A. for the Eighth Circuit.

*Citicorp* v. *Board of Governors*, filed March 1978, U.S.C.A. for the Second Circuit.

*Security Bancorp and Security National Bank* v. *Board of Governors*, filed March 1978, U.S.C.A. for the Ninth Circuit.

*Michigan National Corporation* v. *Board of Governors*, filed January 1978, U.S.C.A. for the Sixth Circuit.

*Wisconsin Bankers Association* v. *Board of Governors*, filed January 1978, U.S.C.A. for the District of Columbia.

*Gelfand* v. *Board of Governors*, filed December 1977, U.S.C.A. for the Fifth Circuit.

*Vickars-Henry Corp.* v. *Board of Governors*, filed December 1977, U.S.C.A. for the Ninth Circuit.

*Emch* v. *The United States of America, et al.*, filed November 1977, U.S.D.C. for the Eastern District of Wisconsin.

*Corbin* v. *Federal Reserve Bank of New York*, Board of Governors, et al., filed October 1977, U.S.D.C. for the Southern District of New York.

*Central Bank* v. *Board of Governors*, filed October 1977, U.S.C.A. for the District of Columbia.

*Investment Company Institute* v. *Board of Governors*, filed September 1977. U.S.C.A. for the District of Columbia.

*Plaza Bank of West Port* v. *Board of Governors*, filed September 1977, U.S.C.A. for the Eighth Circuit.

*First State Bank of Abilene, Texas* v. *Board of Governors*, filed August 1977, U.S.C.A. for the District of Columbia.

*BankAmerica Corporation* v. *Board of Governors*, filed May 1977, U.S.D.C. for the Northern District of California.

*BankAmerica Corporation* v. *Board of Governors*, filed May 1977, U.S.C.A. for the Ninth Circuit.

*Central Wisconsin Bankshares, Inc.* v. *Board 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.

*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.

*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.

*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.

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

*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.

# Announcements

## CHANGE IN DISCOUNT RATE

The Board of Governors of the Federal Reserve System has announced its approval of actions by the directors of the 12 Federal Reserve Banks, increasing the discount rate of those Banks from 6½ per cent to 7 per cent.

Action was taken in recognition of increases that have already occurred in other short-term interest rates, and this action will bring the discount rate into closer alignment with short-term rates generally.

The discount rate is the interest rate that member banks are charged when they borrow from their district Federal Reserve Banks.

The new rate was effective at the Federal Reserve Banks of New York, Philadelphia, Cleveland, Richmond, Atlanta, Chicago, St. Louis, Minneapolis, Kansas City, and San Francisco on May 11, 1978, and at the Reserve Banks of Boston and Dallas on May 12, 1978.

## NEW TYPES OF TIME CERTIFICATES

Under action announced jointly by the Federal Home Loan Bank Board, the Federal Deposit Insurance Corporation, and the Federal Reserve Board, commercial banks, mutual savings banks, and savings and loan associations will be allowed to offer their customers two new types of time certificates at interest rates higher than those presently permitted.

The action, which is effective June 1, will provide more flexibility for financial institutions to compete for funds to assure an adequate flow of credit into housing and to meet other borrowing needs.

The two instruments are (1) a short-term money market certificate with a ceiling interest rate that changes weekly for new deposits with changes in the average yield on new issues of 6-month Treasury bills, and (2) an 8-year certificate with a fixed maximum rate of interest.

Interest rates available on Treasury securities in the open market now exceed the maximum rates that banks and savings and loan associations are permitted to pay on comparable deposit maturities. The two new certificates will provide these institutions with the tools to become more competitive with interest rates in the open market.

The action by the Federal Home Loan Bank Board applies to members of the Federal Home Loan Bank System, principally Federally insured savings and loan associations; that of the Federal Deposit Insurance Corporation to Federally insured mutual savings banks and commercial banks that are not members of the Federal Reserve System; and that of the Federal Reserve to commercial banks that are members of the Federal Reserve System, including all national banks.

The announcement was made after consultation among the three agencies and with the U.S. Treasury Department and the Comptroller of the Currency.

No change was made in the rates on passbook savings nor in the maximum permissible rates that may be paid by banks or savings and loan associations on time deposits ranging from 30 days to less than 8 years.

The main features of the two new instruments are:

1. *Money market certificates* will have many of the characteristics of a 6-month Treasury bill. They must be issued in minimum denominations of $10,000 with a 6-month (26-week) maturity. The maximum permissible rate of interest that may be paid will be tied to the average (auction) yield for the 6-month Treasury bill in the most recent weekly auction.

Treasury bills are auctioned weekly, normally on Monday, and are issued three business days later, normally on Thursday. The ceiling rate on the money market certificates—which are nonnegotiable—will be adjusted each week effective on the day the new 6-month bills are issued. Commercial banks may pay a rate not to exceed the auction average (auction average on a discount basis), and savings and loan associations and mutual savings banks may pay ¼ of 1 per cent more. If a holiday falls on Monday, the auction is held the previous Friday.

The average yield on Treasury bills is announced by the Treasury Department late in the day of the auction. The average yield on 6-month Treasury bills auctioned May 8, 1978, was 6.986 per cent. Since institutions may offer this new certificate for the first time beginning June 1, the ceiling rate will be pegged initially to the Treasury bill auction to be held Friday, May 26.

2. *Long-term certificates* may be issued in minimum denominations of $1,000 with maturities of 8 years or more at a maximum rate of 7¾ per cent for commercial banks and 8 per cent for savings and loan associations and mutual savings banks.

The introduction of an 8-year fixed-ceiling certificate will not only add to the ability of financial institutions to compete more effectively for funds but will also have the advantage of lengthening the deposit structure of institutions, thus contributing to greater stability in the cost and availability of funds.

Both the money market certificate and the new long-term certificate are subject to existing penalties for early withdrawal, namely a loss of 90 days' interest and the payment of any remaining interest at the passbook rate. All issuing institutions, however, are permitted to lend on the collateral of their time deposits, so long as the loan carries an interest rate at least 1 per cent higher than the rate being paid on the deposit pledged.

As a result of the joint action, the maximum permissible rate that may be paid by all depositary institutions on new deposits of governmental units and individual retirement and Keogh Plan accounts will move to 8 per cent. This ceiling rate is fixed at the highest rate a Federally insured bank or savings and loan may pay on time deposits with maturities of more than 6 months (26 weeks). Rates on existing governmental, individual retirement, and Keogh Plan accounts may not be increased until they mature.

## REGULATION Q: Amendment

The Board of Governors on May 1, 1978, approved a plan that will permit individual customers of member banks to transfer funds automatically from their savings to their checking accounts.

Member banks may offer the new service beginning November 1, 1978. It will increase the convenience and efficiency of savings accounts and can be used to cover checking overdrafts or to maintain a minimum level of funds in a checking account.

The Board said that it will closely monitor the flow of funds to thrift institutions and to banks after automatic transfer becomes effective, to determine what, if any, changes take place as a result of the action.

Automatic transfers will be possible only if arrangements are made in advance between the bank and the customer. Use of the service will be entirely voluntary on the part of the customer. Banks will be permitted, but not required, to offer the service.

The Board acted after extensive review of a record number of responses—1,380—to its proposal of the automatic transfer plan issued in early February. A majority of 721 (52 per cent) of the individuals, groups, governmental agencies, and institutions responding favored the proposal.

Customers making automatic transfer arrangements with their banks can avoid the substantial fees banks usually charge for overdraft checks. Similarly, customers using the service will be able to keep checking accounts at a pre-determined level to avoid check service charges. Participating depositors, as well as merchants and others to whom overdraft checks are written, can avoid the embarrassment of having such checks returned.

The automatic transfer service will be an alternative for depositors in member banks to two services already permitted under Board rules: transfers from savings by telephone and preauthorized bill payment. It will also be an alternative to plans under which banks automatically make loans to cover customers' checks.

The principal features of the automatic transfer service plan adopted by the Board are as follows:

1. Customers of banks offering arrangements for the automatic transfer of funds from savings to checking accounts may make an agreement with their bank for the transfer of funds to cover their checks or to maintain a pre-determined amount in their checking account. This means that without further instructions funds may be withdrawn from savings accounts and transferred to checking accounts to pay for checks for which there are insufficient funds in the customers' checking accounts.

2. No penalty—such as a forfeiture of interest or a service charge—will be required for automatic transfers, at least initially. The Board said, however, that competitive and other developments will remain under continuing review and will be considered again by the Board no later than November 1, 1979—a year after the effective date.

3. The service will be available only to individuals.

4. Automatic transfer service may be offered

beginning November 1, 1978. Banks will therefore have a reasonable period to evaluate the costs and benefits of the automatic transfer service and to prepare for an orderly introduction of the service, including possible service charges.

5. The service will be entirely voluntary on the part of both the bank and the customer and may be cancelled in accordance with the terms of the automatic transfer agreement between the bank and the customer. No transfers may be made without the customer's consent.

6. Participating banks are required to disclose prominently, and to call to the attention of depositors, the fact that the bank—as in the past—reserves the right in an automatic transfer plan to require not less than 30 days' notice of withdrawal from savings accounts.

7. Arrangements may be made between thrift institutions, such as savings and loan associations, and member banks for the automatic transfer of funds from the thrift institution to checking accounts in the commercial bank.

In addition to the expected benefits to individuals, there will be a saving that benefits the public at large through lower operational costs of the Federal Reserve System due to a reduction in the number of checks written on accounts with insufficient funds. Such checks must be returned to the bank on which they are written, and they involve costly hand processing and multiple handling.

Approval of the automatic transfer service as announced amends Regulation Q (Interest on Deposits). The Board has had the new service under consideration since it was first proposed in March 1976. The proposal was revised and issued for further comment in February of this year.

The proposal in February would have imposed on automatic transfers from savings a minimum forfeiture of interest equal to the amount of interest earned in the last 30 days on the sum transferred. Instead, the plan adopted by the Board imposes no penalty, at least initially.

In giving its approval to the automatic transfer plan, the Board said that in its view the service does not violate the prohibition against payment of interest on demand deposits since the key distinction between demand and savings deposits is preserved. This distinction, drawn in the Board's regulation, is that a bank must reserve the right to at least 30 days' notice prior to withdrawal of a savings deposit. Banks offering automatic transfer service are required to continue to reserve this right.

Further, the Board said that it has given serious consideration to competitive aspects, and it has concluded that the automatic transfer service will not seriously affect the flow of funds to thrift institutions since this service is likely to affect most the division of commercial bank deposits among savings and demand deposits and is similar to preauthorized bill payment and telephone withdrawal services that both banks and savings and loan associations are now permitted to offer.

## IMPROVED FUNDS TRANSFERS AND CLEARING SERVICES

The Board of Governors has authorized Federal Reserve Banks to provide services necessary to tie together facilities for a nationwide network for making payments electronically rather than by check.

The Board also approved other Federal Reserve services to facilitate transfers of funds among member banks over a privately operated wire network.

The Board said it expects these actions to enhance and improve financial services to individuals and to financial institutions; to encourage the use of electronic movement of funds as a more efficient and less costly alternative to check payments; and to stimulate the development of nongovernmental services that will lower the cost of banking services to the public.

The Board said that it intends to publish a proposed schedule of charges for automated clearinghouse (ACH) services as soon as such a schedule can reasonably be developed. It is contemplated that such charges for ACH services will be considered in the context of possible charges for other Reserve Bank services. To achieve equity under such a program allowance might be made for balances held by users at Reserve Banks.

The services approved by the Board were proposed for public comment—which has been favorable—last December 27. They are:

1. Providing Federal Reserve clearing and settlement services for electronic payments made through local or regional automated clearinghouse associations. This will permit the connection of these facilities into a national network for making funds transfers electronically rather than by check.

2. Providing Federal Reserve net settlement services to member banks to complete transfers of funds made over a communications network—known as Bankwire—owned by an association of banks.

*Bankwire* is operated by the Payment and Administrative Communications Corporation. It provides transfers of funds among some 200 banks throughout the country. Net settlement of Bankwire transfers by member banks will begin as soon as final arrangements are completed.

Under the terms of the arrangement with Bankwire, member banks will appoint Bankwire as their agent. Settlement for funds transfers over Bankwire will be made by crediting or debiting member bank reserve accounts. Bankwire is responsible for supplying the information needed to make settlement: net amounts to be credited or debited to the respective member banks.

Implementation of the nationwide exchange of payments among ACH's will begin in May and the program is expected to be operational by year-end.

*An automated clearinghouse association* is a local or regional association of banks and other depositories agreeing to initiate and receive among themselves electronic transfers of funds authorized by customers of member financial institutions. Such electronic transfers are made only on behalf of customers who request them. Depositors who prefer to use checks may continue to do so.

The Federal Reserve currently operates 32 automated clearinghouses. These consist of computers—used also for other Federal Reserve functions—where payment instructions recorded on magnetic tapes are sorted and cleared. The payment instructions are from customers of member banks and other financial institutions that are members of automated clearinghouse associations. At present, these electronic payments are generally cleared locally.

The planned nationwide connection of ACH's will make possible the interchange of electronic payments by some 9,000 banks and 1,000 thrift institutions that are members of the National Automated Clearing House Association. When the linkage has been made, a member bank or other financial institution that is a member of an automated clearinghouse association—for instance, in Dallas—will be able to present payment instructions on magnetic tape to the nearest Federal Reserve Bank's electronic clearinghouse. Such tapes bear instructions to make payments to financial institutions that are members of automated clearinghouse associations in other parts of the Nation. The Federal Reserve Bank that receives the electronically recorded payment instructions will sort them and forward them to their destinations.

This parallels the sorting and forwarding of payment instructions recorded on checks. But the electronically recorded payment instructions will be forwarded over the Federal Reserve's communications system rather than by mail or courier.

The Federal Reserve office serving the area where payments are destined to be made—for instance, the San Francisco Federal Reserve Bank—will sort and forward the payment instructions to the indicated depositories. The depositories involved—in this example, members of the Dallas and the San Francisco clearinghouse associations—will debit the accounts of the customers who are making payments and credit the accounts of customers receiving payments.

Two recently initiated programs paved the way for and demonstrated the feasibility of such interdistrict electronic payments. One is the ongoing Treasury program for direct deposit of recurring Federal payments. The other program was a pilot test of interregional electronic payment transfers conducted during most of last year by the Federal Reserve and the National Automated Clearing House Association.

The program approved by the Board does not alter the Treasury's direct deposit program.

## NEW CONSUMER PAMPHLET

*Truth in Leasing*, the latest in a series of consumer education pamphlets, is now available for public distribution.

The pamphlet gives a simplified explanation of the Consumer Leasing Act, which was intended to help consumers compare the cost of one lease with another or with the cost of buying for cash or on credit. It also covers the law's limits on balloon payments under open-end leases and the regulation of lease advertising.

Copies of *Truth in Leasing* may be obtained, singly or in bulk, free of charge from the Board of Governors in Washington or from any of the 12 Federal Reserve Banks. Requests should be addressed to the Board's Publications Services or to the Publication Departments at any of the Federal Reserve Banks.

## UNIFORM INTERAGENCY RATING SYSTEM FOR BANKS

The three Federal bank regulatory agencies have adopted a uniform interagency system for rating the condition and soundness of the Nation's commercial banks.

The new rating system is being implemented by the Federal Deposit Insurance Corporation (for insured State-chartered banks that are not members of the Federal Reserve System), by the Board of Governors of the Federal Reserve System (for State-chartered member banks), and by the Office of the Comptroller of the Currency (for national banks).

The new Uniform Interagency Bank Rating System has two main elements:

1. An assessment by Federal bank examiners of five critical aspects of a bank's operations and condition. These are: adequacy of the bank's capital; the quality of the bank's assets (its loans and investments); the ability of the bank's management and administration; the quantity and quality of the bank's earnings; and the level of its liquidity.

2. A combination of these basic factors into a composite—over-all—rating of the bank's condition and soundness. Banks will be placed in one of five groups, ranging from banks that are sound in almost every respect to those with excessive weaknesses requiring urgent aid.

The agencies agreed upon the qualitative characteristics that would place a bank in one or another of the five over-all groups, with composite rating group 1 being the best and group 5 being the weakest.

Until adoption of the uniform rating system the three agencies used systems with technical differences that made difficult meaningful reporting to the Congress on the over-all soundness of the Nation's banking system.

It is expected that agreement on what factors constitute the main characteristics of a bank's condition and soundness and on how these factors should be combined into an over-all rating will provide a basis for comparable judgments by supervisors about all Federally insured banks.

The Federal Deposit Insurance Corporation has indicated that it will continue to maintain its existing problem bank list for insurance exposure purposes.

## REGULATIONS D AND Q: Amendments

The Board of Governors has amended Regulation D (Reserves of Member Banks) and Regulation Q (Interest on Deposits) to facilitate the participation of member banks in a newly announced Treasury program for the handling of its funds in commercial banks and other depositories.

The new Treasury tax-and-loan investment program is designed to permit the Treasury to earn interest on its funds in commercial banks. Previously, these funds—which can be withdrawn at any time by the Treasury—have been treated as demand deposits, which may earn no interest.

The Treasury tax-and-loan investment program will enable the Treasury to invest its non-interest-bearing funds in interest-bearing notes of commercial banks.

The Board has amended its rules to provide that such notes will not be regarded as deposits subject to Regulation D or to Regulation Q.

The Board's action will be effective on July 6, 1978, as will the Treasury's tax-and-loan investment program.

## REGULATIONS G, T, AND U: Amendment

The Board of Governors has amended its requirements for inclusion of stocks in the Board's list of over-the-counter (OTC) stocks that are subject to margin requirements.

The amendments to Regulations G, T, and U (Securities Credit by Persons other than Banks, Brokers, or Dealers; Credit by Brokers and Dealers; and Credit by Banks for the Purpose of Purchasing or Carrying Margin Stocks) will affect the next list of OTC margin stocks that is expected to be published this fall by the Board.

The amendment requires that if a stock is to be included in the Board's OTC list, at least four dealers in it must regularly submit *bona fide* bids and offers for the stock to an automated quotation system, such as the National Association of Securities Dealers Automated Quotation System that links major brokers throughout the country. For the listing to be continued, three dealers must regularly submit such bids and offers.

Previously, stocks included on the list were those for which dealers regularly published *bona fide* bids and offers.

The Board had announced a proposal to make this change on March 14. Since comment was generally favorable, the proposal was adopted essentially unchanged.

## REGULATIONS D AND Q: Interpretation

The Board of Governors has announced adoption of an interpretation to Regulations D (Reserves of Member Banks) and Q (Interest on Deposits) that extends the kinds of bankers acceptances eligible for discount by Federal Reserve Banks.

The interpretation makes bankers acceptances secured by field warehouse receipts covering readily marketable goods eligible for discount. That is, such acceptances may be used as collateral for Federal Reserve loans to member banks.

The interpretation was adopted as proposed by the Board last December, with some technical changes based on comment received. Comment was generally favorable.

A 1933 interpretation by the Board had held that acceptances backed by field warehouse receipts were not eligible for discount and therefore could not be used as collateral for loans to member banks.

In reviewing the matter, the Board concluded that changes in commercial law and in commercial practices since 1933 had made revision of the interpretation desirable.

A bankers acceptance is primarily a time draft used to finance the shipment or storage of goods.

## REGULATION Z: Exemption of Consumer Leasing Laws

The Board of Governors had adopted criteria under which States may apply for exemption from the consumer leasing requirements of the Truth in Lending Act and the Board's Regulation Z (Truth in Lending).

A State may also apply to the Board for a determination that its law is not inconsistent with or pre-empted by the Federal consumer leasing law.

The main features of the criteria of State consumer leasing laws are the same as for exemptions for State laws from other provisions of the Truth in Lending Act and Regulation Z. These are:

—A determination by the Board that the State law imposes requirements substantially similar to, or is more protective and confers greater consumer benefits than, the relevant Federal law.

—A Board determination that the State law makes adequate provision for enforcement.

The Board may not determine that a State law is inconsistent with, or is pre-empted by, Federal law if the State law provides greater protection or benefits.

The Board also delegated authority to make these findings to the Director of the Board's Division of Consumer Affairs. The Director may not deny or revoke an exemption or make a finding of inconsistency.

## CHANGES IN BOARD STAFF

The Board of Governors has announced the following promotions in the Division of Federal Reserve Bank Examinations and Budgets, effective April 9, 1978.

Albert R. Hamilton from Associate Director to Director of the Division.

Clyde H. Farnsworth, Jr., from Assistant Director to Associate Director of the Division.

In addition, the Board has announced the retirement of Thomas E. Mead, Assistant Director, Division of Banking Supervision and Regulation on April 28, 1978.

## PROPOSED INTERPRETATION AND AMENDMENT

The Board of Governors has proposed a revised interpretation of its Regulation Z (Truth in Lending) to cover all cases in which a debt is repaid in payments of varying amounts. The Board asked for comment by May 24, 1978.

The Board has also proposed to amend its Regulation T (Credit by Brokers and Dealers) to permit a broker or dealer to extend and maintain credit on certain nonconvertible corporate bonds, with a 30 per cent margin requirement. The Board asked for comment by June 15, 1978.

## OFFICIAL STAFF INTERPRETATIONS: Revised Procedures

The Board of Governors has revised its procedure for issuing official staff interpretations of its Regulation B (Equal Credit Opportunity) and Regulation Z (Truth in Lending).

The Board said that it will issue all official staff interpretations of the regulations with an effective date 30 days after publication of the interpretation. Further, if an interpretation is challenged before the effective date, it will be reissued for public comment before final action is taken. The change in procedure was effective April 24, 1978.

The Board made the change after receiving a number of complaints about existing procedures, which has been to publish an official staff interpretation in the *Federal Register* within 2 weeks of issuance, to be effective upon publication. Those questioning this procedure have taken the view that an official staff interpretation is a "rule," as defined in the Administrative Procedures Act, calling for general notice and opportunity for comment before becoming effective.

An official staff interpretation provides a defense to any creditor acting in good faith in conformity with it. Official staff interpretations are limited to clarifications of technical points, or other matters not involving significant policy implications. They may be appealed to the Board.

## SYSTEM MEMBERSHIP: Admission of State Banks

The following banks were admitted to membership in the Federal Reserve System during the period April 16, 1978, through May 15, 1978:

*Oregon*

North Bend ......Northwest Commerce Bank

*Wyoming*

Rawlins ..........Wyoming Bank of Rawlins

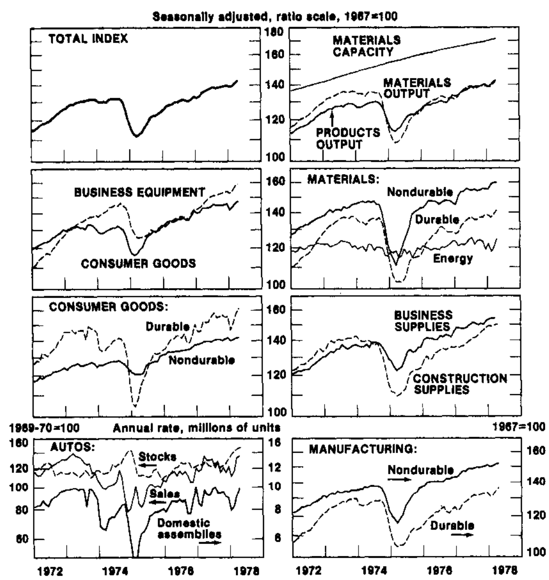
# Industrial Production

*Released for publication May 15*

Industrial production increased an estimated 1.1 per cent in April, following a rise of 1.3 per cent (revised) in March. About one-fourth of the April increase was due to further resumption of coal production following the end of the recent strike. Advances in output last month were widespread among most products and materials; particularly large gains occurred in automotive products, business equipment, and durable materials. At 142.5 per cent of the 1967 average, the April index is 2 per cent above the average for the first quarter when output was reduced by severe weather and strikes.

Output of consumer goods rose 0.8 per cent in April. Auto assemblies increased more than 6 per cent to an annual rate of 9.8 million units; production of other consumer goods increased only a little after large gains in the two preceding months. Output of business equipment advanced sharply for the third successive month, and production of construction supplies increased somewhat further in April.

Production of materials increased 1.6 per cent, following a sharp rise in March. Output of durable materials rose 1.7 per cent in April, reflecting increases in basic metal materials and parts for equipment and consumer durable goods. However, production of nondurable materials increased only slightly further. Output of energy materials surged 3.8 per cent, as coal production returned to about normal following the strike settlement.




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

| Industrial production | 1967 = 100* | | Percentage change from preceding month to— | | | | | | Percentage change 4/77 to 4/78 |
|---|---|---|---|---|---|---|---|---|---|
| | 1978 | | 1977 | | 1978 | | | | |
| | Mar.[p] | Apr.[e] | Nov. | Dec. | Jan. | Feb. | Mar. | Apr. | |
| **Total** | **141.0** | **142.5** | **.3** | **.3** | **−.6** | **.3** | **1.3** | **1.1** | **4.7** |
| Products, total | 141.5 | 142.6 | .4 | .6 | −1.3 | .8 | 1.4 | .8 | 5.0 |
| Final products | 138.8 | 140.0 | .4 | .4 | −2.0 | 1.1 | 1.8 | .9 | 4.4 |
| Consumer goods | 146.1 | 147.3 | .2 | .4 | −2.7 | 1.3 | 1.7 | .8 | 3.1 |
| Durable | 157.5 | 161.1 | −1.0 | .4 | −6.0 | 3.3 | 4.1 | 2.3 | 6.3 |
| Nondurable | 141.5 | 141.8 | .8 | .4 | −1.3 | .5 | .6 | .2 | 1.7 |
| Business equipment | 157.4 | 158.9 | .6 | .3 | −.9 | 1.0 | 2.1 | 1.0 | 8.0 |
| Intermediate products | 151.8 | 152.6 | .4 | 1.3 | .8 | −.1 | .2 | .5 | 7.2 |
| Construction supplies | 149.3 | 150.1 | 1.1 | 1.2 | .6 | −.3 | .4 | .5 | 9.4 |
| Materials | 140.1 | 142.4 | .1 | −.1 | .3 | −.4 | 1.1 | 1.6 | 4.3 |

*Seasonally adjusted. [p] Preliminary. [e] Estimated.

# Financial and Business Statistics

CONTENTS

## 1.10 MONETARY AGGREGATES AND INTEREST RATES

| | Item | 1977 | | | 1978 | 1977 | | 1978 | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Q2 | Q3 | Q4 | Q1 | Nov. | Dec. | Jan. | Feb. | Mar. |
| | | Monetary and credit aggregates (annual rates of change, seasonally adjusted in per cent)[12] | | | | | | | | |
| | **Member bank reserves** | | | | | | | | | |
| 1 | Total | r2.9 | r7.3 | r6.1 | 8.5 | r5.3 | r5.9 | r15.2 | r10.9 | −8.7 |
| 2 | Required | r3.5 | r6.8 | r6.3 | 8.3 | r3.9 | r8.0 | r12.7 | r11.8 | −7.4 |
| 3 | Nonborrowed | r1.8 | r1.7 | r3.5 | 14.5 | r20.9 | r16.1 | r18.3 | r13.7 | −6.2 |
| | **Concepts of money** [1] | | | | | | | | | |
| 4 | *M*-1 | 8.1 | 8.1 | 7.2 | 5.0 | 0.4 | 7.2 | 9.6 | −1.1 | 3.5 |
| 5 | *M*-2 | 9.0 | 9.9 | 8.0 | 6.4 | 5.4 | 5.7 | 8.9 | 4.4 | 5.3 |
| 6 | *M*-3 | 10.2 | 11.9 | 10.6 | 7.4 | 7.8 | 7.6 | 8.7 | 5.5 | 6.1 |
| | **Time and savings deposits** | | | | | | | | | |
| | Commercial banks: | | | | | | | | | |
| 7 | Total | 8.3 | 10.3 | 13.0 | 13.1 | 18.3 | 10.9 | 12.3 | r13.7 | 11.4 |
| 8 | Other than large CD's | 9.7 | 11.2 | 8.5 | 7.5 | 9.3 | 4.6 | 8.4 | 8.4 | 6.5 |
| 9 | Thrift institutions [2] | 11.9 | 15.0 | 14.4 | 8.8 | 11.2 | 10.3 | 8.5 | r6.9 | 7.5 |
| 10 | Total loans and investments at commercial banks [3] | 13.3 | 9.8 | 9.3 | 8.5 | 11.8 | −0.7 | 12.1 | 10.1 | 9.1 |

| | Item | 1977 | | | 1978 | 1977 | 1978 | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Q2 | Q3 | Q4 | Q1 | Dec. | Jan. | Feb. | Mar. | Apr. |
| | | Interest rates (levels, per cent per annum) | | | | | | | | |
| | **Short-term rates** | | | | | | | | | |
| 11 | Federal funds [4] | 5.16 | 5.82 | 6.51 | 6.76 | 6.56 | 6.70 | 6.78 | 6.79 | 6.89 |
| 12 | Federal Reserve discount [5] | 5.25 | 5.42 | 5.93 | 6.46 | 6.00 | 6.37 | 6.50 | 6.50 | 6.50 |
| 13 | Treasury bills (3-month market yield) [6] | 4.84 | 5.50 | 6.11 | 6.39 | 6.07 | 6.44 | 6.45 | 6.29 | 6.29 |
| 14 | Commercial paper (90- to 119-day) [7] | 5.15 | 5.74 | 6.56 | 6.76 | 6.61 | 6.75 | 6.76 | 6.75 | 6.82 |
| | **Long-term rates** | | | | | | | | | |
| | Bonds: | | | | | | | | | |
| 15 | U.S. Govt.[8] | 7.68 | 7.60 | 7.78 | 8.19 | 7.87 | 8.14 | 8.22 | 8.21 | 8.32 |
| 16 | State and local government [9] | 5.70 | 5.59 | 5.57 | 5.65 | 5.57 | 5.71 | 5.62 | 5.61 | 5.80 |
| 17 | Aaa utility (new issue) [10] | 8.21 | 8.09 | 8.27 | 8.70 | 8.34 | 8.68 | 8.69 | 8.71 | 8.90 |
| 18 | Conventional mortgages [11] | 8.95 | 9.00 | 9.05 | 9.23 | 9.10 | 9.15 | 9.25 | r9.30 | 9.40 |

1 *M*-1 equals currency plus private demand deposits adjusted.
*M*-2 equals *M*-1 plus bank time and savings deposits other than large negotiable certificates of deposit (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 Quarterly changes calculated from figures shown in Table 1.23.
4 Seven-day averages of daily effective rates (average of the rates on a given date weighted by the volume of transactions at those rates).
5 Rate for the Federal Reserve Bank of New York.
6 Quoted on a bank-discount rate basis.
7 Beginning Nov. 1977, unweighted average of offering rates quoted by five dealers. Previously, most representative rate quoted by these dealers.
8 Market yields adjusted to a 20-year maturity by the U.S. Treasury.
9 *Bond Buyer* series for 20 issues of mixed quality.
10 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.
11 Average rates on new commitments for conventional first mortgages on new homes in primary markets, unweighted and rounded to nearest 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— | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 1978 | | | 1978 | | | | | | |
| | Feb. | Mar. | Apr.p | Mar. 15 | Mar. 22 | Mar. 29 | Apr. 5 | Apr. 12 | Apr. 19p | Apr. 26p |
| SUPPLYING RESERVE FUNDS | | | | | | | | | | |
| 1 **Reserve Bank credit outstanding** | **115,227** | **114,848** | **116,841** | **112,254** | **116,460** | **117,211** | **116,520** | **114,241** | **116,467** | **118,551** |
| 2 *U.S. Govt. securities*[1] | *98,739* | *99,573* | *101,345* | *97,548* | *100,955* | *101,498* | *101,286* | *99,211* | *101,451* | *102,452* |
| 3 Bought outright | 98,032 | 98,436 | 100,851 | 97,548 | 99,585 | 99,058 | 99,195 | 99,211 | 101,451 | 102,228 |
| 4 Held under repurchase agreement | 707 | 1,137 | 494 | ........ | 1,370 | 2,440 | 2,091 | ........ | ........ | 224 |
| 5 *Federal agency securities* | *8,069* | *8,217* | *8,013* | *7,944* | *8,334* | *8,515* | *8,278* | *7,929* | *7,929* | *7,967* |
| 6 Bought outright | 7,982 | 7,948 | 7,929 | 7,944 | 7,935 | 7,929 | 7,929 | 7,929 | 7,929 | 7,929 |
| 7 Held under repurchase agreement | 87 | 269 | 84 | ........ | 399 | 586 | 349 | ........ | ........ | 38 |
| 8 Acceptances | 106 | 279 | 137 | ........ | 378 | 573 | 589 | ........ | ........ | 31 |
| 9 Loans | 405 | 344 | 539 | 248 | 280 | 385 | 304 | 171 | 239 | 809 |
| 10 Float | 5,347 | 4,261 | 4,054 | 4,482 | 4,101 | 3,993 | 3,701 | 4,339 | 4,111 | 4,296 |
| 11 Other Federal Reserve assets | 2,561 | 2,174 | 2,753 | 2,032 | 2,412 | 2,248 | 2,362 | 2,592 | 2,737 | 2,997 |
| 12 Gold stock | 11,718 | 11,718 | 11,718 | 11,718 | 11,718 | 11,718 | 11,718 | 11,718 | 11,718 | 11,718 |
| 13 Special Drawing Rights certificate account | 1,250 | 1,250 | 1,250 | 1,250 | 1,250 | 1,250 | 1,250 | 1,250 | 1,250 | 1,250 |
| 14 Treasury currency outstanding | 11,423 | 11,460 | 11,500 | 11,459 | 11,461 | 11,470 | 11,464 | 11,494 | 11,497 | 11,512 |
| ABSORBING RESERVE FUNDS | | | | | | | | | | |
| 15 Currency in circulation | 101,190 | 102,017 | 103,258 | 102,048 | 102,168 | 102,322 | 102,655 | 103,389 | 103,555 | 103,251 |
| 16 Treasury cash holdings | 389 | 394 | 393 | 393 | 395 | 396 | 395 | 397 | 390 | 388 |
| Deposits, other than member bank reserves with F.R. Banks: | | | | | | | | | | |
| 17 Treasury | 5,707 | 4,705 | 5,001 | 2,555 | 5,394 | 6,528 | 5,441 | 3,905 | 3,412 | 6,321 |
| 18 Foreign | 297 | 303 | 345 | 311 | 263 | 282 | 371 | 258 | 333 | 339 |
| 19 Other[2] | 772 | 740 | 738 | 830 | 797 | 676 | 773 | 741 | 701 | 772 |
| 20 Other F.R. liabilities and capital | 3,926 | 3,962 | 3,741 | 4,207 | 4,148 | 3,907 | 3,766 | 3,543 | 3,724 | 3,794 |
| 21 Member bank reserves with F.R. Banks | 27,337 | 27,155 | 27,833 | 26,338 | 27,725 | 27,539 | 27,552 | 26,471 | 28,817 | 28,167 |

| | End-of-month figures | | | Wednesday figures | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 1978 | | | 1978 | | | | | | |
| SUPPLYING RESERVE FUNDS | Feb. | Mar. | Apr.p | Mar. 15 | Mar. 22 | Mar. 29 | Apr. 5 | Apr. 12 | Apr. 19p | Apr. 26p |
| 22 **Reserve Bank credit outstanding** | **112,134** | **115,932** | **119,664** | **113,281** | **116,317** | **118,231** | **113,774** | **113,366** | **118,221** | **121,354** |
| 23 *U.S. Govt. securities*[1] | *98,450* | *101,577* | *103,500* | *96,777* | *100,747* | *102,443* | *96,941* | *97,977* | *101,168* | *103,923* |
| 24 Bought outright | 98,450 | 99,890 | 102,768 | 96,777 | 99,984 | 99,160 | 96,539 | 97,977 | 101,168 | 102,357 |
| 25 Held under repurchase agreement | ........ | 1,687 | 732 | ........ | 763 | 3,283 | 402 | ........ | ........ | 1,566 |
| 26 *Federal agency securities* | *7,982* | *8,193* | *8,064* | *7,938* | *8,189* | *8,761* | *8,028* | *7,929* | *7,929* | *8,192* |
| 27 Bought outright | 7,982 | 7,929 | 7,929 | 7,938 | 7,929 | 7,929 | 7,929 | 7,929 | 7,929 | 7,929 |
| 28 Held under repurchase agreement | ........ | 264 | 135 | ........ | 260 | 832 | 99 | ........ | ........ | 263 |
| 29 Acceptances | ........ | 770 | 290 | ........ | 181 | 607 | 193 | ........ | ........ | 216 |
| 30 Loans | 304 | 332 | 1,751 | 413 | 356 | 364 | 159 | 171 | 556 | 1,764 |
| 31 Float | 3,499 | 2,732 | 2,898 | 6,082 | 4,526 | 3,737 | 6,153 | 4,747 | 5,686 | 4,276 |
| 32 Other Federal Reserve assets | 1,899 | 2,328 | 3,161 | 2,071 | 2,318 | 2,319 | 2,300 | 2,542 | 2,882 | 2,983 |
| 33 Gold stock | 11,718 | 11,718 | 11,718 | 11,718 | 11,718 | 11,718 | 11,718 | 11,718 | 11,718 | 11,718 |
| 34 Special Drawing Rights certificate account | 1,250 | 1,250 | 1,250 | 1,250 | 1,250 | 1,250 | 1,250 | 1,250 | 1,250 | 1,250 |
| 35 Treasury currency outstanding | 11,396 | 11,441 | 11,516 | 11,461 | 11,464 | 11,480 | 11,483 | 11,497 | 11,497 | 11,516 |
| ABSORBING RESERVE FUNDS | | | | | | | | | | |
| 36 Currency in circulation | 101,369 | 102,392 | 103,133 | 102,406 | 102,471 | 102,728 | 103,213 | 103,858 | 103,649 | 103,520 |
| 37 Treasury cash holdings | 388 | 393 | 390 | 396 | 391 | 396 | 397 | 397 | 388 | 386 |
| Deposits, other than member bank reserves with F.R. Banks: | | | | | | | | | | |
| 38 Treasury | 3,615 | 4,705 | 7,177 | 1,582 | 6,689 | 4,389 | 4,938 | 2,595 | 6,625 | 8,729 |
| 39 Foreign | 445 | 352 | 481 | 300 | 248 | 276 | 585 | 268 | 249 | 460 |
| 40 Other[2] | 698 | 740 | 684 | 941 | 631 | 765 | 751 | 759 | 709 | 796 |
| 41 Other F.R. liabilities and capital | 3,933 | 3,860 | 4,080 | 4,578 | 3,901 | 3,889 | 3,457 | 3,654 | 3,760 | 3,879 |
| 42 Member bank reserves with F.R. Banks | 26,047 | 27,900 | 28,203 | 27,507 | 26,419 | 30,236 | 24,884 | 26,301 | 27,306 | 28,069 |

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

| | Reserve classification | Monthly averages of daily figures | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | 1976 | 1977 | | | | | 1978 | | | |
| | | Dec. | Aug. | Sept. | Oct. | Nov. | Dec. | Jan. | Feb. | Mar. | Apr.p |
| | **All member banks** | | | | | | | | | | |
| | Reserves: | | | | | | | | | | |
| 1 | At F.R. Banks | 26,430 | 26,373 | 26,152 | 26,933 | 26,783 | 27,057 | 28,129 | 27,337 | 27,155 | 27,833 |
| 2 | Currency and coin | 8,548 | 8,712 | 8,887 | 8,820 | 8,932 | 9,351 | 9,980 | 9,320 | 8,992 | 9,031 |
| 3 | *Total held*[1] | *35,136* | *35,186* | *35,156* | *35,860* | *35,782* | *36,471* | *38,185* | *36,738* | *36,231* | *36,944* |
| 4 | Required | 34,964 | 34,987 | 34,965 | 35,521 | 35,647 | 36,297 | 37,880 | 36,605 | 35,925 | 36,814 |
| 5 | Excess[1] | 172 | 199 | 191 | 339 | 135 | 174 | 305 | 133 | 306 | 130 |
| | Borrowings at F.R. Banks:[2] | | | | | | | | | | |
| 6 | Total | 62 | 1,071 | 634 | 1,319 | 840 | 558 | 481 | 405 | 344 | 539 |
| 7 | Seasonal | 12 | 101 | 112 | 114 | 83 | 54 | 32 | 52 | 47 | 43 |
| | **Large banks in New York City** | | | | | | | | | | |
| 8 | *Reserves held* | *6,520* | *6,272* | *6,025* | *6,175* | *6,181* | *6,244* | *6,804* | *6,563* | *6,276* | *6,184* |
| 9 | Required | 6,602 | 6,247 | 6,022 | 6,120 | 6,175 | 6,279 | 6,775 | 6,584 | 6,193 | 6,309 |
| 10 | Excess | −82 | 25 | 3 | 55 | 6 | −35 | 29 | −21 | 83 | −125 |
| 11 | Borrowings[2] | 15 | 157 | 75 | 133 | 132 | 48 | 77 | 12 | 21 | 61 |
| | **Large banks in Chicago** | | | | | | | | | | |
| 12 | *Reserves held* | *1,632* | *1,653* | *1,655* | *1,666* | *1,607* | *1,593* | *1,733* | *1,623* | *1,629* | *1,665* |
| 13 | Required | 1,641 | 1,622 | 1,634 | 1,656 | 1,609 | 1,613 | 1,684 | 1,633 | 1,620 | 1,695 |
| 14 | Excess | −9 | 31 | 21 | 10 | −2 | −20 | 49 | −10 | 9 | −30 |
| 15 | Borrowings[2] | 4 | 5 | 12 | 24 | 23 | 26 | 14 | ........ | 11 | 11 |
| | **Other large banks** | | | | | | | | | | |
| 16 | *Reserves held* | *13,117* | *13,290* | *13,362* | *13,711* | *13,607* | *13,993* | *14,487* | *13,867* | *13,729* | *14,143* |
| 17 | Required | 13,053 | 13,270 | 13,355 | 13,598 | 13,602 | 13,931 | 14,504 | 13,861 | 13,662 | 14,075 |
| 18 | Excess | 64 | 20 | 7 | 113 | 5 | 62 | −17 | 6 | 67 | 68 |
| 19 | Borrowings[2] | 14 | 530 | 183 | 681 | 355 | 243 | 164 | 150 | 92 | 249 |
| | **All other banks** | | | | | | | | | | |
| 20 | *Reserves held* | *13,867* | *13,971* | *14,114* | *14,308* | *14,387* | *14,641* | *15,161* | *14,685* | *14,597* | *14,799* |
| 21 | Required | 13,668 | 13,848 | 13,954 | 14,147 | 14,261 | 14,474 | 14,917 | 14,527 | 14,450 | 14,735 |
| 22 | Excess | 199 | 123 | 160 | 161 | 126 | 167 | 244 | 158 | 147 | 64 |
| 23 | Borrowings[2] | 29 | 379 | 364 | 481 | 330 | 241 | 226 | 243 | 220 | 218 |

| | Reserve classification | Weekly averages of daily figures for weeks ending— | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | 1978 | | | | | | | | | |
| | | Feb. 22 | Mar. 1 | Mar. 8 | Mar. 15 | Mar. 22 | Mar. 29 | Apr. 5 | Apr. 12 | Apr. 19p | Apr. 26p |
| | **All member banks** | | | | | | | | | | |
| | Reserves: | | | | | | | | | | |
| 24 | At F.R. Banks | 28,035 | 26,961 | 26,468 | 26,338 | 27,725 | 27,539 | 27,552 | 26,471 | 28,817 | 28,167 |
| 25 | Currency and coin | 8,554 | 9,085 | 9,111 | 9,558 | 8,458 | 8,842 | 8,935 | 9,356 | 8,887 | 8,797 |
| 26 | *Total held*[1] | *36,672* | *36,132* | *35,664* | *35,981* | *36,267* | *36,463* | *36,566* | *35,904* | *37,786* | *37,046* |
| 27 | Required | 36,380 | 36,012 | 35,400 | 35,850 | 36,119 | 36,215 | 36,291 | 35,916 | 37,437 | 37,011 |
| 28 | Excess[1] | 292 | 120 | 264 | 131 | 148 | 248 | 275 | −12 | 349 | 35 |
| | Borrowings at F.R. Banks:[2] | | | | | | | | | | |
| 29 | Total | 446 | 391 | 395 | 248 | 280 | 385 | 304 | 171 | 239 | 809 |
| 30 | Seasonal | 53 | 58 | 47 | 41 | 47 | 52 | 45 | 37 | 36 | 49 |
| | **Large banks in New York City** | | | | | | | | | | |
| 31 | *Reserves held* | *6,734* | *6,213* | *5,964* | *6,420* | *6,200* | *6,258* | *6,220* | *6,168* | *6,631* | *6,116* |
| 32 | Required | 6,692 | 6,233 | 5,990 | 6,334 | 6,229 | 6,199 | 6,241 | 6,114 | 6,657 | 6,172 |
| 33 | Excess | 42 | −20 | −26 | 86 | −29 | 59 | −21 | 54 | −26 | −56 |
| 34 | Borrowings[2] | ........ | 11 | 77 | 5 | ........ | ........ | ........ | ........ | ........ | 59 |
| | **Large banks in Chicago** | | | | | | | | | | |
| 35 | *Reserves held* | *1,591* | *1,550* | *1,573* | *1,628* | *1,641* | *1,712* | *1,683* | *1,638* | *1,797* | *1,639* |
| 36 | Required | 1,589 | 1,565 | 1,559 | 1,621 | 1,648 | 1,648 | 1,660 | 1,650 | 1,826 | 1,631 |
| 37 | Excess | 2 | −15 | 14 | 7 | −7 | 64 | 23 | −12 | −29 | 8 |
| 38 | Borrowings[2] | ........ | 49 | ........ | ........ | ........ | ........ | ........ | ........ | 41 | 1 |
| | **Other large banks** | | | | | | | | | | |
| 39 | *Reserves held* | *13,671* | *13,692* | *13,607* | *13,432* | *13,858* | *13,845* | *13,956* | *13,620* | *14,483* | *14,036* |
| 40 | Required | 13,595 | 13,719 | 13,476 | 13,537 | 13,748 | 13,830 | 13,827 | 13,766 | 14,284 | 14,173 |
| 41 | Excess | 76 | −27 | 131 | −105 | 110 | 15 | 129 | −146 | 199 | −137 |
| 42 | Borrowings[2] | 177 | 60 | 82 | 83 | 75 | 128 | 79 | 55 | 63 | 521 |
| | **All other banks** | | | | | | | | | | |
| 43 | *Reserves held* | *14,676* | *14,677* | *14,520* | *14,501* | *14,568* | *14,648* | *14,707* | *14,478* | *14,700* | *15,066* |
| 44 | Required | 14,504 | 14,495 | 14,375 | 14,358 | 14,494 | 14,538 | 14,563 | 14,386 | 14,670 | 15,035 |
| 45 | Excess | 172 | 182 | 145 | 143 | 74 | 110 | 144 | 92 | 30 | 31 |
| 46 | Borrowings[2] | 269 | 271 | 236 | 160 | 205 | 257 | 225 | 116 | 135 | 228 |

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 Money Market Banks

Millions of dollars, except as noted

| | Type | 1978, week ending— | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Mar. 1 | Mar. 8 | Mar. 15 | Mar. 22 | Mar. 29 | April 5 | April 12 | April 19 | April 26 |
| | | **Total, 46 banks** | | | | | | | | |
| | **Basic reserve position** | | | | | | | | | |
| 1 | Excess reserves[1] | 4 | 109 | 4 | 26 | 144 | 282 | 36 | 107 | −24 |
| | LESS: | | | | | | | | | |
| 2 | Borrowings at F.R. Banks | 50 | 77 | 4 | 6 | 42 | 16 | 7 | 41 | 300 |
| 3 | Net interbank Federal funds transactions | 16,450 | 18,764 | 19,309 | 19,027 | 14,849 | 17,322 | 22,855 | 20,233 | 17,699 |
| | EQUALS: Net surplus, or deficit (−): | | | | | | | | | |
| 4 | Amount | −16,496 | −18,732 | −19,309 | −19,007 | −14,748 | −17,056 | −22,826 | −20,167 | −18,023 |
| 5 | *Per cent of average required reserves* | *108.6* | *126.8* | *127.2* | *124.3* | *96.7* | *112.0* | *150.2* | *124.4* | *117.0* |
| | **Interbank Federal funds transactions** | | | | | | | | | |
| | Gross transactions: | | | | | | | | | |
| 6 | Purchases | 23,555 | 26,121 | 25,948 | 26,936 | 23,573 | 25,649 | 29,580 | 27,442 | 24,398 |
| 7 | Sales | 7,106 | 7,357 | 6,639 | 7,909 | 8,724 | 8,327 | 6,726 | 7,209 | 6,699 |
| 8 | Two-way transactions[2] | 5,364 | 5,531 | 4,673 | 4,920 | 5,419 | 6,011 | 5,734 | 5,547 | 5,310 |
| | Net transactions: | | | | | | | | | |
| 9 | Purchases of net buying banks | 18,191 | 20,590 | 21,275 | 22,016 | 18,155 | 19,638 | 23,846 | 21,895 | 19,088 |
| 10 | Sales of net selling banks | 1,741 | 1,827 | 1,967 | 2,989 | 3,306 | 2,316 | 992 | 1,662 | 1,389 |
| | **Related transactions with U.S. Govt. securities dealers** | | | | | | | | | |
| 11 | Loans to dealers[3] | 2,891 | 4,120 | 4,601 | 3,360 | 2,147 | 3,360 | 4,095 | 3,508 | 3,371 |
| 12 | Borrowing from dealers[4] | 1,899 | 1,787 | 1,757 | 2,184 | 2,780 | 2,428 | 2,014 | 2,049 | 2,575 |
| 13 | Net loans | 993 | 2,333 | 2,844 | 1,176 | −633 | 932 | 2,081 | 1,458 | 796 |
| | | **8 banks in New York City** | | | | | | | | |
| | **Basic reserve position** | | | | | | | | | |
| 14 | Excess reserves[1] | 14 | −6 | 30 | −20 | 43 | 16 | 72 | 8 | 37 |
| | LESS: | | | | | | | | | |
| 15 | Borrowings at F.R. Banks | ... | 77 | ... | ... | ... | ... | ... | ... | 59 |
| 16 | Net interbank Federal funds transactions | 4,849 | 6,848 | 7,567 | 7,505 | 5,552 | 6,399 | 8,296 | 6,343 | 5,334 |
| | EQUALS: Net surplus, or deficit (−): | | | | | | | | | |
| 17 | Amount | −4,836 | −6,932 | −7,537 | −7,525 | −5,510 | −6,383 | −8,224 | −6,336 | −5,356 |
| 18 | *Per cent of average required reserves* | *84.7* | *126.8* | *130.5* | *132.2* | *97.9* | *112.5* | *148.2* | *103.8* | *95.6* |
| | **Interbank Federal funds transactions** | | | | | | | | | |
| | Gross transactions: | | | | | | | | | |
| 19 | Purchases | 5,891 | 7,525 | 8,216 | 8,235 | 6,175 | 7,360 | 8,993 | 7,585 | 6,132 |
| 20 | Sales | 1,042 | 677 | 650 | 730 | 623 | 961 | 698 | 1,242 | 798 |
| 21 | Two-way transactions[2] | 830 | 677 | 649 | 730 | 623 | 953 | 698 | 673 | 798 |
| | Net transactions: | | | | | | | | | |
| 22 | Purchases of net buying banks | 5,061 | 6,848 | 7,567 | 7,505 | 5,552 | 6,408 | 8,296 | 6,912 | 5,334 |
| 23 | Sales of net selling banks | 212 | ... | ... | ... | ... | 8 | ... | 569 | ... |
| | **Related transactions with U.S. Govt. securities dealers** | | | | | | | | | |
| 24 | Loans to dealers[3] | 1,484 | 2,340 | 2,620 | 1,874 | 1,015 | 1,920 | 2,831 | 2,345 | 2,032 |
| 25 | Borrowing from dealers[4] | 926 | 966 | 971 | 1,003 | 1,228 | 1,198 | 1,419 | 1,496 | 1,514 |
| 26 | Net loans | 558 | 1,374 | 1,650 | 871 | −213 | 722 | 1,412 | 848 | 518 |
| | | **38 banks outside New York City** | | | | | | | | |
| | **Basic reserve position** | | | | | | | | | |
| 27 | Excess reserves[1] | −10 | 115 | −26 | 46 | 101 | 266 | −36 | 100 | −61 |
| | LESS: | | | | | | | | | |
| 28 | Borrowings at F.R. Banks | 50 | ... | 4 | 6 | 42 | 16 | 7 | 41 | 241 |
| 29 | Net interbank Federal funds transactions | 11,600 | 11,915 | 11,742 | 11,522 | 9,297 | 10,923 | 14,559 | 13,890 | 12,356 |
| | EQUALS: Net surplus, or deficit (−): | | | | | | | | | |
| 30 | Amount | −11,660 | r−11,801 | −11,772 | −11,482 | −9,238 | −10,673 | −14,602 | −13,831 | −12,667 |
| 31 | *Per cent of average required reserves* | *126.7* | *r126.7* | *125.2* | *119.6* | *96.0* | *111.6* | *151.4* | *136.9* | *129.2* |
| | **Interbank Federal funds transactions** | | | | | | | | | |
| | Gross transactions: | | | | | | | | | |
| 32 | Purchases | 17,664 | 18,596 | 17,732 | 18,701 | 17,399 | 18,289 | 20,587 | 19,857 | 18,266 |
| 33 | Sales | 6,064 | 6,680 | 5,990 | 7,179 | 8,012 | 7,366 | 6,028 | 5,967 | 5,901 |
| 34 | Two-way transactions[2] | 4,534 | 4,854 | 4,024 | 4,190 | 4,796 | 5,058 | 5,037 | 4,874 | 4,512 |
| | Net transactions: | | | | | | | | | |
| 35 | Purchases of net buying banks | 13,130 | 13,742 | 13,708 | 14,511 | 12,603 | 13,231 | 15,550 | 14,983 | 13,755 |
| 36 | Sales of net selling banks | 1,529 | 1,827 | 1,967 | 2,989 | 3,306 | 2,308 | 992 | 1,093 | 1,389 |
| | **Related transactions with U.S. Govt. securities dealers** | | | | | | | | | |
| 37 | Loans to dealers[3] | 1,407 | 1,780 | 1,981 | 1,487 | 1,132 | 1,439 | 1,264 | 1,163 | 1,339 |
| 38 | Borrowing from dealers[4] | 973 | 821 | 787 | 1,181 | 1,552 | 1,229 | 596 | 553 | 1,061 |
| 39 | Net loans | 435 | 959 | 1,194 | 306 | −420 | 210 | 668 | 610 | 278 |

For notes see end of table.

1.13 Continued

| | Type | Mar. 1 | Mar. 8 | Mar. 15 | Mar. 22 | Mar. 29 | April 5 | April 12 | April 19 | April 26 |
|---|---|---|---|---|---|---|---|---|---|---|
| | | 1978, week ending— | | | | | | | | |
| | | 5 banks in City of Chicago | | | | | | | | |
| | **Basic reserve position** | | | | | | | | | |
| 40 | Excess reserves[1] | −1 | 12 | 15 | 2 | 66 | 61 | .......... | 1 | 3 |
| | LESS: | | | | | | | | | |
| 41 | Borrowings at F.R. Banks | 49 | .......... | .......... | .......... | .......... | .......... | .......... | 41 | .......... |
| 42 | Net interbank Federal funds transactions | 5,377 | 5,433 | 5,172 | 5,806 | 5,053 | 5,658 | 6,815 | 6,425 | 5,654 |
| | EQUALS: Net surplus, or deficit (−): | | | | | | | | | |
| 43 | Amount | −5,427 | −5,421 | −5,157 | −5,804 | −4,988 | −5,597 | −6,814 | −6,464 | −5,651 |
| 44 | *Per cent of average required reserves* | *372.3* | *373.7* | *340.8* | *377.2* | *323.9* | *361.0* | *442.5* | *386.6* | *371.6* |
| | **Interbank Federal funds transactions** | | | | | | | | | |
| | Gross transactions: | | | | | | | | | |
| 45 | Purchases | 6,420 | 6,660 | 6,053 | 6,889 | 6,590 | 6,705 | 7,541 | 7,332 | 6,729 |
| 46 | Sales | 1,043 | 1,227 | 882 | 1,083 | 1,536 | 1,047 | 726 | 907 | 1,075 |
| 47 | Two-way transactions[2] | 1,043 | 1,227 | 882 | 1,083 | 1,536 | 1,047 | 726 | 907 | 1,075 |
| | Net transactions: | | | | | | | | | |
| 48 | Purchases of net buying banks | 5,377 | 5,433 | 5,171 | 5,806 | 5,054 | 5,658 | 6,815 | 6,425 | 5,654 |
| 49 | Sales of net selling banks | .......... | .......... | .......... | .......... | .......... | .......... | .......... | .......... | .......... |
| | **Related transactions with U.S. Govt. securities dealers** | | | | | | | | | |
| 50 | Loans to dealers[3] | 254 | 390 | 426 | 357 | 255 | 499 | 393 | 285 | 193 |
| 51 | Borrowing from dealers[4] | 333 | 256 | 242 | 313 | 596 | 159 | 58 | 61 | 220 |
| 52 | Net loans | −79 | 135 | 183 | 44 | −342 | 339 | 336 | 224 | −27 |
| | | 33 other banks | | | | | | | | |
| | **Basic reserve position** | | | | | | | | | |
| 53 | Excess reserves[1] | r−9 | r103 | r−41 | r44 | r35 | 206 | −37 | 98 | −64 |
| | LESS: | | | | | | | | | |
| 54 | Borrowings at F.R. Banks | 1 | .......... | 4 | 6 | 42 | 16 | 7 | .......... | 241 |
| 55 | Net interbank Federal funds transactions | 6,223 | 6,483 | 6,570 | 5,716 | 4,243 | 5,265 | 7,744 | 7,465 | 6,711 |
| | EQUALS: Net surplus, or deficit (−): | | | | | | | | | |
| 56 | Amount | r−6,232 | r−6,379 | r−6,615 | r−5,678 | r−4,251 | −5,075 | −7,788 | −7,367 | −7,016 |
| 57 | *Per cent of average required reserves* | *77.7* | *r81.2* | *83.8* | *r70.5* | *52.6* | *63.4* | *96.1* | *87.4* | *84.7* |
| | **Interbank Federal funds transactions** | | | | | | | | | |
| | Gross transactions: | | | | | | | | | |
| 58 | Purchases | 11,244 | 11,936 | 11,679 | 11,812 | 10,809 | 11,584 | 13,046 | 12,525 | 11,537 |
| 59 | Sales | 5,021 | 5,453 | 5,108 | 6,097 | 6,565 | 6,319 | 5,302 | 5,060 | 4,826 |
| 60 | Two-way transactions[2] | 3,491 | 3,627 | 3,143 | 3,108 | 3,260 | 4,011 | 4,311 | 2,967 | 3,436 |
| | Net transactions: | | | | | | | | | |
| 61 | Purchases of net buying banks | 7,752 | 8,309 | 8,536 | 8,705 | 7,549 | 7,573 | 8,736 | 8,558 | 8,101 |
| 62 | Sales of net selling banks | 1,529 | 1,827 | 1,967 | 2,989 | 3,306 | 2,308 | 992 | 1,093 | 1,389 |
| | **Related transactions with U.S. Govt. securities dealers** | | | | | | | | | |
| 63 | Loans to dealers[3] | 1,153 | 1,389 | 1,555 | 1,130 | 877 | 941 | 871 | 878 | 1,147 |
| 64 | Borrowing from dealers[4] | 640 | 565 | 544 | 868 | 956 | 1,070 | 538 | 492 | 841 |
| 65 | Net loans | 513 | 824 | 1,011 | 261 | −79 | −129 | 333 | 386 | 305 |

1 Based on reserve balances, including adjustments to include waivers of penalties for reserve deficiencies in accordance with changes in policy of the Board of Governors 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 August 1964 BULLETIN, 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

Current and previous levels

| Federal Reserve Bank | Loans to member banks— Under Secs. 13 and 13a[1] | | | Under Sec. 10(b)[2] Regular rate | | | Under Sec. 10(b)[2] Special rate[3] | | | Loans to all others under Sec. 13, last par.[4] | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Rate on 4/30/78 | Effective date | Previous rate | Rate on 4/30/78 | Effective date | Previous rate | Rate on 4/30/78 | Effective date | Previous rate | Rate on 4/30/78 | Effective date | Previous rate |
| Boston | 6½ | 1/10/78 | 6 | 7 | 1/10/78 | 6½ | 7½ | 1/10/78 | 7 | 9½ | 1/10/78 | 9 |
| New York | 6½ | 1/9/78 | 6 | 7 | 1/9/78 | 6½ | 7½ | 1/9/78 | 7 | 9½ | 1/9/78 | 9 |
| Philadelphia | 6½ | 1/20/78 | 6 | 7 | 1/20/78 | 6½ | 7½ | 1/20/78 | 7 | 9½ | 1/20/78 | 9 |
| Cleveland | 6½ | 1/20/78 | 6 | 7 | 1/20/78 | 6½ | 7½ | 1/20/78 | 7 | 9½ | 1/20/78 | 9 |
| Richmond | 6½ | 1/13/78 | 6 | 7 | 1/13/78 | 6½ | 7½ | 1/13/78 | 7 | 9½ | 1/13/78 | 9 |
| Atlanta | 6½ | 1/16/78 | 6 | 7 | 1/16/78 | 6½ | 7½ | 1/16/78 | 7 | 9½ | 1/16/78 | 9 |
| Chicago | 6½ | 1/9/78 | 6 | 7 | 1/9/78 | 6½ | 7½ | 1/9/78 | 7 | 9½ | 1/9/78 | 9 |
| St. Louis | 6½ | 1/13/78 | 6 | 7 | 1/13/78 | 6½ | 7½ | 1/13/78 | 7 | 9½ | 1/13/78 | 9 |
| Minneapolis | 6½ | 1/10/78 | 6 | 7 | 1/10/78 | 6½ | 7½ | 1/10/78 | 7 | 9½ | 1/10/78 | 9 |
| Kansas City | 6½ | 1/10/78 | 6 | 7 | 1/10/78 | 6½ | 7½ | 1/10/78 | 7 | 9½ | 1/10/78 | 9 |
| Dallas | 6½ | 1/13/78 | 6 | 7 | 1/13/78 | 6½ | 7½ | 1/13/78 | 7 | 9½ | 1/13/78 | 9 |
| San Francisco | 6½ | 1/13/78 | 6 | 7 | 1/13/78 | 6½ | 7½ | 1/13/78 | 7 | 9½ | 1/13/78 | 9 |

Range of rates in recent years[5]

| Effective date | Range (or level)—All F.R. Banks | F.R. Bank of N.Y. |
|---|---|---|
| In effect Dec. 31, 1970 | 5½ | 5½ |
| 1971—Jan. 8 | 5¼–5½ | 5¼ |
| 15 | 5¼ | 5¼ |
| 19 | 5 –5¼ | 5¼ |
| 22 | 5 –5¼ | 5 |
| 29 | 5 | 5 |
| Feb. 13 | 4¾–5 | 5 |
| 19 | 4¾ | 4¾ |
| July 16 | 4¾–5 | 5 |
| 23 | 5 | 5 |
| Nov. 11 | 4¾–5 | 5 |
| 19 | 4¾ | 4¾ |
| Dec. 13 | 4½–4¾ | 4¾ |
| 17 | 4½–4¾ | 4½ |
| 24 | 4½ | 4½ |

| Effective date | Range (or level)—All F.R. Banks | F.R. Bank of N.Y. |
|---|---|---|
| 1973—Jan. 15 | 5 | 5 |
| Feb. 26 | 5–5½ | 5½ |
| Mar. 2 | 5½ | 5½ |
| Apr. 23 | 5½–5¾ | 5½ |
| May 4 | 5¾ | 5¾ |
| 11 | 5¾–6 | 6 |
| 18 | 6 | 6 |
| June 11 | 6–6½ | 6½ |
| 15 | 6½ | 6½ |
| July 2 | 7 | 7 |
| Aug. 14 | 7–7½ | 7½ |
| 23 | 7½ | 7½ |
| 1974—Apr. 25 | 7½–8 | 8 |
| 30 | 8 | 8 |
| Dec. 9 | 7¾–8 | 7¾ |
| 16 | 7¾ | 7¾ |

| Effective date | Range (or level)—All F.R. Banks | F.R. Bank of N.Y. |
|---|---|---|
| 1975—Jan. 6 | 7¼–7¾ | 7¾ |
| 10 | 7¼–7¾ | 7¼ |
| 24 | 7¼ | 7¼ |
| Feb. 5 | 6¾–7¼ | 6¾ |
| 7 | 6¾ | 6¾ |
| Mar. 10 | 6¼–6¾ | 6¼ |
| 14 | 6¼ | 6¼ |
| May 16 | 6–6¼ | 6 |
| 23 | 6 | 6 |
| 1976—Jan. 19 | 5½–6 | 5½ |
| 23 | 5½ | 5½ |
| Nov. 22 | 5¼–5½ | 5¼ |
| 26 | 5¼ | 5¼ |
| 1977—Aug. 30 | 5¼–5¾ | 5¼ |
| 31 | 5¼–5¾ | 5¾ |
| Sept. 2 | 5¾ | 5¾ |
| Oct. 26 | 6 | 6 |
| 1978—Jan. 9 | 6–6½ | 6½ |
| 20 | 6½ | 6½ |
| In effect Apr. 30, 1978 | 6½ | 6½ |

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

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

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

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

5 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, Annual Statistical Digest, 1971–75,* and *Annual Statistical Digest, 1972–76.*

## 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, 1978 | | Previous requirements | |
|---|---|---|---|---|
| | Per cent | Effective date | Per cent | Effective date |
| Net demand:[2] | | | | |
| 0–2 | 7 | 12/30/76 | 7½ | 2/13/75 |
| 2–10 | 9½ | 12/30/76 | 10 | 2/13/75 |
| 10–100 | 11¾ | 12/30/76 | 12 | 2/13/75 |
| 100–400 | 12¾ | 12/30/76 | 13 | 2/13/75 |
| Over 400 | 16¼ | 12/30/76 | 16½ | 2/13/75 |
| Time:[2,3] | | | | |
| Savings | 3 | 3/16/67 | 3½ | 3/2/67 |
| Other time: | | | | |
| 0–5, maturing in— | | | | |
| 30–179 days | 3 | 3/16/67 | 3½ | 3/2/67 |
| 180 days to 4 years | [4] 2½ | 1/8/76 | 3 | 3/16/67 |
| 4 years or more | [4] 1 | 10/30/75 | 3 | 3/16/67 |
| Over 5, maturing in— | | | | |
| 30–179 days | 6 | 12/12/74 | 5 | 10/1/70 |
| 180 days to 4 years | [4] 2½ | 1/8/76 | 3 | 12/12/74 |
| 4 years or more | [4] 1 | 10/30/75 | 3 | 12/12/74 |

| | Legal limits, Apr. 30, 1978 | |
|---|---|---|
| | 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 1976, Table 13.

2 (a) Requirement schedules are graduated, and each deposit interval applies to that part of the deposits of each bank. Demand deposits subject to reserve requirements are gross demand deposits minus cash items in process of collection and demand balances due from domestic banks.

(b) 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 not in reserve cities. For details, see the Board's Regulation D.

(c) The Board's Regulation M requires a 4 per cent reserve against net balances due from domestic banks to their foreign branches and to foreign banks abroad. Effective Dec. 1, 1977, a 1 per cent reserve is required against deposits that foreign branches of U.S. banks use for lending 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.

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, 1978 | | Previous maximum | | In effect Apr. 30, 1978 | | Previous maximum | |
| | Per cent | Effective date | Per cent | Effective date | Per cent | Effective date | Per cent | Effective date |
| 1 Savings | 5 | 7/1/73 | 4½ | 1/21/70 | 5¼ | (6) | 5 | (7) |
| 2 Negotiable order of withdrawal (NOW) accounts[1] | 5 | 1/1/74 | ........ | ........ | 5 | 1/1/74 | ........ | ........ |
| Time (multiple- and single-maturity unless otherwise indicated):[2] | | | | | | | | |
| 30–89 days: | | | | | | | | |
| 3 Multiple-maturity | 5 | 7/1/73 | 4½ | 1/21/70 | (8) | ........ | (8) | ........ |
| 4 Single-maturity | | | 5 | 9/26/66 | | | | |
| 90 days to 1 year: | | | | | | | | |
| 5 Multiple-maturity | 5½ | 7/1/73 | 5 | 7/20/66 | [3] 5¾ | (6) | 5¼ | 1/21/70 |
| 6 Single-maturity | | | | 9/26/66 | | | | |
| 7 1 to 2 years[3] | 6 | 7/1/73 | 5½ | 1/21/70 | 6½ | (6) | 5¾ | 1/21/70 |
| 8 2 to 2½ years[3] | | | 5¾ | 1/21/70 | | | 6 | 1/21/70 |
| 9 2½ to 4 years[3] | 6½ | 7/1/73 | 5¾ | 1/21/70 | 6¾ | (6) | 6 | 1/21/70 |
| 10 4 to 6 years[4] | 7¼ | 11/1/73 | (9) | ........ | 7½ | 11/1/73 | (9) | ........ |
| 11 6 years or more[4] | 7½ | 12/23/74 | 7¼ | 11/1/73 | 7¾ | 12/23/74 | 7½ | 11/1/73 |
| 12 Governmental units (all maturities) | 7¾ | 12/23/74 | 7½ | 11/27/74 | 7¾ | 12/23/74 | 7½ | 11/27/74 |
| 13 Individual retirement accounts and Keogh (H.R. 10) plans[5] | 7¾ | 7/6/77 | (8) | ........ | 7¾ | 7/6/77 | (8) | ........ |

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 $1,000 minimum except for deposits representing funds contributed to an Individual Retirement Account (IRA) or a Keogh (H.R. 10) Plan established pursuant to the Internal Revenue Code. The $1,000 minimum requirement was removed for such accounts in December 1975 and November 1976, respectively.

5 3-year minimum maturity.

6 July 1, 1973, for mutual savings banks; July 6, 1973, for savings and loan associations.

7 Oct. 1, 1966, for mutual savings banks; Jan. 21, 1970, for savings and loan associations.

8 No separate account category.

9 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 6½ per cent ceiling on time deposits maturing in 2½ 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.

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 mid-1973. 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

| | Type of transaction | 1975 | 1976 | 1977 | 1977 Sept. | 1977 Oct. | 1977 Nov. | 1977 Dec. | 1978 Jan. | 1978 Feb. | 1978 Mar. |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | **U.S. GOVT. SECURITIES** | | | | | | | | | | |
| | **Outright transactions (excl. matched sale-purchase transactions)** | | | | | | | | | | |
| | Treasury bills: | | | | | | | | | | |
| 1 | Gross purchases | 11,562 | 14,343 | 13,738 | 2,005 | ........ | ........ | 3,109 | 696 | 379 | 748 |
| 2 | Gross sales | 5,599 | 8,462 | 7,241 | 303 | 1,877 | 436 | 311 | 1,323 | 1,974 | 50 |
| 3 | Redemptions | [2]6,431 | [2]5,017 | 2,136 | 317 | ........ | 300 | ........ | ........ | 1,100 | 31 |
| | Others within 1 year:[1] | | | | | | | | | | |
| 4 | Gross purchases | 3,886 | 472 | 3,017 | 2,616 | ........ | ........ | 99 | 56 | ........ | 288 |
| 5 | Gross sales | ........ | ........ | ........ | ........ | ........ | ........ | ........ | ........ | ........ | ........ |
| 6 | Exchange, or maturity shift | −4 | 792 | 4,499 | 320 | −45 | 1,352 | 623 | −511 | −653 | 261 |
| 7 | Redemptions | 3,549 | ........ | 2,500 | ........ | 2,500 | ........ | ........ | ........ | ........ | ........ |
| | 1 to 5 years: | | | | | | | | | | |
| 8 | Gross purchases | [2]3,284 | [2]3,202 | 2,833 | 681 | ........ | ........ | 628 | 311 | ........ | 813 |
| 9 | Gross sales | ........ | 177 | ........ | ........ | ........ | ........ | ........ | ........ | ........ | ........ |
| 10 | Exchange, or maturity shift | 3,854 | −2,588 | −6,649 | −320 | 45 | −1,267 | −623 | 511 | 1,109 | −261 |
| | 5 to 10 years: | | | | | | | | | | |
| 11 | Gross purchases | 1,510 | 1,048 | 758 | 96 | ........ | ........ | 166 | 89 | ........ | 370 |
| 12 | Gross sales | ........ | ........ | ........ | ........ | ........ | ........ | ........ | ........ | ........ | ........ |
| 13 | Exchange, or maturity shift | −4,697 | 1,572 | 584 | ........ | ........ | −325 | ........ | ........ | −906 | ........ |
| | Over 10 years: | | | | | | | | | | |
| 14 | Gross purchases | 1,070 | 642 | 553 | 128 | ........ | ........ | 108 | 100 | ........ | 147 |
| 15 | Gross sales | ........ | ........ | ........ | ........ | ........ | ........ | ........ | ........ | ........ | ........ |
| 16 | Exchange, or maturity shift | 848 | 225 | 1,565 | ........ | ........ | 240 | ........ | ........ | 450 | ........ |
| | All maturities:[1] | | | | | | | | | | |
| 17 | Gross purchases | [2]21,313 | [2]19,707 | 20,898 | 5,526 | ........ | ........ | 4,110 | 1,252 | 379 | 2,367 |
| 18 | Gross sales | 5,599 | 8,639 | 7,241 | 303 | 1,877 | 436 | 311 | 1,323 | 1,974 | 50 |
| 19 | Redemptions | [2]9,980 | [2]5,017 | 4,636 | 317 | 2,500 | 300 | ........ | ........ | 1,100 | 31 |
| | **Matched sale-purchase transactions** | | | | | | | | | | |
| 20 | Gross sales | 151,205 | 196,078 | 425,214 | 39,552 | 48,204 | 56,899 | 32,320 | 54,859 | 40,128 | 44,976 |
| 21 | Gross purchases | 152,132 | 196,579 | 423,841 | 39,694 | 44,772 | 57,477 | 35,001 | 51,016 | 44,270 | 44,129 |
| | **Repurchase agreements** | | | | | | | | | | |
| 22 | Gross purchases | 140,311 | 232,891 | 178,683 | 16,700 | 9,578 | 6,472 | 18,071 | 10,229 | 16,057 | 13,155 |
| 23 | Gross sales | 139,538 | 230,355 | 180,535 | 15,469 | 11,889 | 4,433 | 18,208 | 12,130 | 16,057 | 11,468 |
| 24 | Net change in U.S. Govt. securities | 7,434 | 9,087 | 5,798 | 6,279 | −10,118 | 1,880 | 6,342 | −5,815 | 1,447 | 3,127 |
| | **FEDERAL AGENCY OBLIGATIONS** | | | | | | | | | | |
| | Outright transactions: | | | | | | | | | | |
| 25 | Gross purchases | 1,616 | 891 | 1,433 | ........ | ........ | ........ | 707 | ........ | ........ | ........ |
| 26 | Gross sales | ........ | ........ | ........ | ........ | ........ | ........ | ........ | ........ | ........ | ........ |
| 27 | Redemptions | 246 | 169 | 223 | 25 | ........ | * | 32 | * | 22 | 53 |
| | Repurchase agreements: | | | | | | | | | | |
| 28 | Gross purchases | 15,179 | 10,520 | 13,811 | 1,136 | 741 | 615 | 2,712 | 1,680 | 1,966 | 2,638 |
| 29 | Gross sales | 15,566 | 10,360 | 13,638 | 978 | 1,051 | 484 | 2,392 | 2,131 | 1,966 | 2,374 |
| | **BANKERS ACCEPTANCES** | | | | | | | | | | |
| 30 | Outright transactions, net | 163 | −545 | −196 | * | −4 | ........ | ........ | ........ | ........ | ........ |
| 31 | Repurchase agreements, net | −35 | 410 | 159 | 351 | −478 | 248 | 705 | −954 | ........ | 770 |
| 32 | **Net change in total System Account** | **8,539** | **9,833** | **7,143** | **6,764** | **−10,910** | **2,260** | **8,042** | **−7,220** | **1,425** | **4,107** |

1 Both gross purchases and redemptions include special certificates created when the Treasury borrows directly from the Federal Reserve, as follows (millions of dollars): 1975, 3,549; 1976, none; Sept. 1977, 2,500.

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.

NOTE.—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 1978 | | | | | End of month 1978 | | |
|---|---|---|---|---|---|---|---|---|---|
| | | Mar. 29 | Apr. 5 | Apr. 12 | Apr. 19p | Apr. 26p | Feb. | Mar. | Apr.p |
| | | Consolidated condition statement | | | | | | | |
| | **ASSETS** | | | | | | | | |
| 1 | Gold certificate account | 11,718 | 11,718 | 11,718 | 11,718 | 11,718 | 11,718 | 11,718 | 11,718 |
| 2 | Special Drawing Rights certificate account | 1,250 | 1,250 | 1,250 | 1,250 | 1,250 | 1,250 | 1,250 | 1,250 |
| 3 | Coin[1] | 320 | 309 | 305 | 308 | 308 | 339 | 323 | 324 |
| | Loans: | | | | | | | | |
| 4 | Member bank borrowings | 364 | 159 | 171 | 556 | 1,764 | 304 | 332 | 1,751 |
| 5 | Other | ........ | ........ | ........ | ........ | ........ | ........ | ........ | ........ |
| | Acceptances: | | | | | | | | |
| 6 | Bought outright | ........ | ........ | ........ | ........ | ........ | ........ | ........ | ........ |
| 7 | Held under repurchase agreements | 607 | 193 | ........ | ........ | 216 | ........ | 770 | 290 |
| | Federal agency obligations: | | | | | | | | |
| 8 | Bought outright | 7,929 | 7,929 | 7,929 | 7,929 | 7,929 | 7,982 | 7,929 | 7,929 |
| 9 | Held under repurchase agreements | 832 | 99 | ........ | ........ | 263 | ........ | 264 | 135 |
| | U.S. Govt. securities | | | | | | | | |
| | Bought outright: | | | | | | | | |
| 10 | Bills | 38,222 | 35,007 | 36,445 | 38,965 | 40,154 | 38,536 | 38,358 | 40,565 |
| 11 | Certificates—Special | ........ | ........ | ........ | ........ | ........ | ........ | ........ | ........ |
| 12 | Other | ........ | ........ | ........ | ........ | ........ | ........ | ........ | ........ |
| 13 | Notes | 51,486 | 51,984 | 51,984 | 52,510 | 52,510 | 50,516 | 51,984 | 52,510 |
| 14 | Bonds | 9,452 | 9,548 | 9,548 | 9,693 | 9,693 | 9,398 | 9,548 | 9,693 |
| 15 | Total[2] | 99,160 | 96,539 | 97,977 | 101,168 | 102,357 | 98,450 | 99,890 | 102,768 |
| 16 | Held under repurchase agreements | 3,283 | 402 | ........ | ........ | 1,566 | ........ | 1,687 | 732 |
| 17 | **Total U.S. Govt. securities** | **102,443** | **96,941** | **97,977** | **101,168** | **103,923** | **98,450** | **101,577** | **103,500** |
| 18 | **Total loans and securities** | **112,175** | **105,321** | **106,077** | **109,653** | **114,095** | **106,736** | **110,872** | **113,605** |
| 19 | Cash items in process of collection | 9,513 | 13,400 | 11,163 | 12,571 | 11,111 | 10,489 | 8,354 | 9,087 |
| 20 | Bank premises | 385 | 384 | 383 | 385 | 386 | 380 | 385 | 387 |
| | Other assets: | | | | | | | | |
| 21 | Denominated in foreign currencies | 66 | 62 | 90 | 140 | 54 | r18 | 80 | 54 |
| 22 | All other | 1,868 | 1,854 | 2,069 | 2,357 | 2,543 | r1,501 | 1,863 | 2,720 |
| 23 | **Total assets** | **137,295** | **134,298** | **133,055** | **138,382** | **141,465** | **132,431** | **134,845** | **139,145** |
| | **LIABILITIES** | | | | | | | | |
| 24 | F.R. notes | 91,964 | 92,436 | 93,062 | 92,848 | 92,697 | 90,703 | 91,666 | 92,331 |
| | Deposits: | | | | | | | | |
| 25 | Member bank reserves | 30,236 | 24,884 | 26,301 | 27,306 | 28,069 | 26,047 | 27,900 | 28,203 |
| 26 | U.S. Treasury—General account | 4,389 | 4,938 | 2,595 | 6,625 | 8,729 | 3,615 | 4,705 | 7,177 |
| 27 | Foreign | 276 | 585 | 268 | 249 | 460 | 445 | 352 | 481 |
| 28 | Other[3] | 765 | 751 | 759 | 709 | 796 | 698 | 740 | 684 |
| 29 | **Total deposits** | **35,666** | **31,158** | **29,923** | **34,889** | **38,054** | **30,805** | **33,697** | **36,545** |
| 30 | Deferred availability cash items | 5,776 | 7,247 | 6,416 | 6,885 | 6,835 | 6,990 | 5,622 | 6,189 |
| 31 | Other liabilities and accrued dividends | 1,302 | 1,265 | 1,331 | 1,308 | 1,287 | 1,328 | 1,234 | 1,420 |
| 32 | **Total liabilities** | **134,708** | **132,106** | **130,732** | **135,930** | **138,873** | **129,826** | **132,219** | **136,485** |
| | **CAPITAL ACCOUNTS** | | | | | | | | |
| 33 | Capital paid in | 1,048 | 1,048 | 1,047 | 1,047 | 1,049 | 1,044 | 1,047 | 1,050 |
| 34 | Surplus | 1,029 | 1,029 | 1,029 | 1,029 | 1,029 | 1,029 | 1,029 | 1,029 |
| 35 | Other capital accounts | 510 | 115 | 247 | 376 | 514 | 532 | 550 | 581 |
| 36 | **Total liabilities and capital accounts** | **137,295** | **134,298** | **133,055** | **138,382** | **141,465** | **132,431** | **134,845** | **139,145** |
| 37 | MEMO: Marketable U.S. Govt. securities held in custody for foreign and intl. account | 88,336 | 88,898 | 89,038 | 88,218 | 86,590 | 83,261 | 88,965 | 85,141 |
| | | Federal Reserve note statement | | | | | | | |
| 38 | F.R. notes outstanding (issued to Bank) | 103,431 | 103,570 | 103,744 | 103,904 | 104,165 | 102,773 | 103,427 | 104,164 |
| | Collateral held against notes outstanding: | | | | | | | | |
| 39 | Gold certificate account | 11,718 | 11,718 | 11,718 | 11,718 | 11,717 | 11,718 | 11,718 | 11,717 |
| 40 | Special Drawing Rights certificate account | 1,250 | 1,250 | 1,250 | 1,250 | 1,250 | 1,250 | 1,250 | 1,250 |
| 41 | Eligible paper | 333 | 144 | 144 | 593 | 1,645 | 292 | 309 | 1,580 |
| 42 | U.S. Govt. securities | 90,130 | 90,458 | 90,632 | 90,343 | 89,553 | 89,513 | 90,150 | 89,617 |
| 43 | **Total collateral** | **103,431** | **103,570** | **103,744** | **103,904** | **104,165** | **102,773** | **103,427** | **104,164** |

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 1978 | | | | | End of month 1978 | | |
|---|---|---|---|---|---|---|---|---|
| | Mar. 29 | Apr. 5 | Apr. 12 | Apr. 19 | Apr. 26 | Feb. 28 | Mar. 31 | Apr. 30 |
| 1 **Loans** | 363 | 159 | 172 | 556 | 1,764 | 303 | 331 | 1,751 |
| 2 Within 15 days | 356 | 139 | 157 | 550 | 1,736 | 294 | 315 | 1,731 |
| 3 16 days to 90 days | 7 | 20 | 15 | 6 | 28 | 9 | 16 | 20 |
| 4 91 days to 1 year | ... | ... | ... | ... | ... | ... | ... | ... |
| 5 **Acceptances** | 607 | 193 | ... | ... | 216 | ... | 770 | 290 |
| 6 Within 15 days | 607 | 193 | ... | ... | 216 | ... | 770 | 290 |
| 7 16 days to 90 days | ... | ... | ... | ... | ... | ... | ... | ... |
| 8 91 days to 1 year | ... | ... | ... | ... | ... | ... | ... | ... |
| 9 **U.S. Govt. securities** | 102,443 | 96,941 | 97,977 | 101,168 | 103,923 | 98,450 | 101,577 | 103,500 |
| 10 Within 15 days[1] | 6,967 | 3,101 | 2,181 | 3,318 | 5,727 | 2,512 | 4,642 | 3,710 |
| 11 16 days to 90 days | 18,849 | 16,136 | 18,025 | 18,984 | 20,219 | 19,549 | 19,400 | 21,381 |
| 12 91 days to 1 year | 29,838 | 30,623 | 30,690 | 31,214 | 30,325 | 30,377 | 30,454 | 30,757 |
| 13 Over 1 year to 5 years | 29,272 | 29,376 | 29,376 | 29,611 | 29,611 | 28,824 | 29,376 | 29,611 |
| 14 Over 5 years to 10 years | 9,846 | 9,941 | 9,941 | 10,132 | 10,132 | 9,571 | 9,941 | 10,132 |
| 15 Over 10 years | 7,671 | 7,764 | 7,764 | 7,909 | 7,909 | 7,617 | 7,764 | 7,909 |
| 16 **Federal agency obligations** | 8,761 | 8,028 | 7,929 | 7,929 | 8,192 | 7,982 | 8,193 | 8,064 |
| 17 Within 15 days[1] | 873 | 105 | 6 | 26 | 283 | 222 | 305 | 189 |
| 18 16 days to 90 days | 233 | 257 | 258 | 238 | 265 | 140 | 233 | 231 |
| 19 91 days to 1 year | 1,110 | 1,121 | 1,121 | 1,121 | 1,152 | 1,127 | 1,110 | 1,152 |
| 20 Over 1 year to 5 years | 4,044 | 4,044 | 4,043 | 4,043 | 3,991 | 3,954 | 4,044 | 3,991 |
| 21 Over 5 years to 10 years | 1,624 | 1,624 | 1,644 | 1,644 | 1,644 | 1,659 | 1,624 | 1,644 |
| 22 Over 10 years | 877 | 877 | 857 | 857 | 857 | 880 | 877 | 857 |

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

## 1.20 BANK DEBITS AND DEPOSIT TURNOVER

Debits are shown in billions of dollars. Monthly data are at annual rates.

| Bank group, or type of customer | 1974 | 1975 | 1976 | 1977 | | 1978 | | |
|---|---|---|---|---|---|---|---|---|
| | | | | Nov. | Dec. | Jan. | Feb. | Mar. |
| | Debits to demand deposits [2] (seasonally adjusted) | | | | | | | |
| 1 All commercial banks | 22,937.8 | 25,028.5 | 29,180.4 | 36,253.5 | 36,427.2 | 36,923.3 | 36,156.1 | 36,883.0 |
| 2 Major New York City banks | 8,434.8 | 9,670.7 | 11,467.2 | 14,216.3 | 14,651.4 | 14,432.0 | 13,483.1 | 13,701.6 |
| 3 Other banks | 14,503.0 | 15,357.8 | 17,713.2 | 22,037.3 | 21,775.8 | 22,491.3 | 22,672.9 | 23,181.3 |
| | Debits to savings deposits [3] (not seasonally adjusted) | | | | | | | |
| 4 All customers | ... | ... | ... | 326.0 | 353.8 | 392.6 | 328.7 | 382.7 |
| 5 Business [1] | ... | ... | ... | 42.2 | 49.5 | 48.7 | [c]40.1 | 49.7 |
| 6 Others | ... | ... | ... | 283.8 | 304.3 | 343.8 | 288.6 | 333.0 |
| | Demand deposit turnover [2] (seasonally adjusted) | | | | | | | |
| 7 All commercial banks | 99.0 | 105.3 | 116.8 | 131.4 | 131.0 | 131.5 | 129.4 | 132.7 |
| 8 Major New York City banks | 321.6 | 356.9 | 411.6 | 524.4 | 539.9 | 512.2 | 496.4 | 521.5 |
| 9 Other banks | 70.6 | 72.9 | 79.8 | 88.6 | 86.8 | 89.0 | 89.9 | 92.1 |
| | Savings deposit turnover [3] (not seasonally adjusted) | | | | | | | |
| 10 All customers | ... | ... | ... | 1.5 | 1.6 | 1.8 | 1.5 | 1.7 |
| 11 Business [1] | ... | ... | ... | 3.9 | 4.6 | 4.7 | 3.9 | 4.8 |
| 12 Others | ... | ... | ... | 1.4 | 1.5 | 1.7 | 1.4 | 1.6 |

1 Represents corporations and other profit-seeking organizations (excluding commercial banks but including savings and loan associations, mutual savings banks, credit unions, the Export-Import Bank, and Federally sponsored lending agencies).
2 Represents accounts of individuals, partnerships, and corporations, and of States and political subdivisions.
3 Excludes negotiable orders of withdrawal (NOW) accounts and special club accounts, such as Christmas and vacation clubs.

NOTE.—Historical data—estimated for the period 1970 through June 1977, partly on the basis of the debits series for 233 SMSA's, which were available through June 1977 are available from Publications Services, Division of Administrative Services, Board of Governors of the Federal Reserve System, Washington, D.C. 20551. Debits and turnover data for savings deposits are not available prior to July 1977.

## 1.21 MONEY STOCK MEASURES AND COMPONENTS

Billions of dollars, averages of daily figures

| Item | 1974 Dec. | 1975 Dec. | 1976 Dec. | 1977 Dec. | 1977 Oct. | 1977 Nov. | 1977 Dec. | 1978 Jan. | 1978 Feb. | 1978 Mar. |
|---|---|---|---|---|---|---|---|---|---|---|
| | Seasonally adjusted | | | | | | | | | |
| MEASURES[1] | | | | | | | | | | |
| 1 *M*-1 | 282.8 | 294.5 | 312.6 | 336.7 | 334.6 | 334.7 | 336.7 | 339.4 | 339.1 | 340.1 |
| 2 *M*-2 | 612.1 | 664.1 | 739.6 | 807.6 | 800.2 | 803.8 | 807.6 | 813.6 | 816.6 | 820.2 |
| 3 *M*-3 | 981.2 | 1,091.8 | 1,235.6 | 1,374.1 | 1,356.7 | 1,365.5 | 1,374.1 | 1,384.1 | 1,390.5 | 1,397.6 |
| 4 *M*-4 | 701.1 | 745.4 | 802.3 | 881.6 | 866.5 | 874.6 | 881.6 | 889.9 | 896.0 | 902.2 |
| 5 *M*-5 | 1,070.2 | 1,173.2 | 1,298.3 | 1,448.1 | 1,423.0 | 1,436.4 | 1,448.1 | 1,460.4 | 1,469.8 | 1,479.6 |
| COMPONENTS | | | | | | | | | | |
| 6 Currency | 67.8 | 73.7 | 80.7 | 88.5 | 87.1 | 87.7 | 88.5 | 89.3 | 90.0 | 90.6 |
| Commercial bank deposits: | | | | | | | | | | |
| 7 Demand | 215.1 | 220.8 | 231.9 | 248.2 | 247.5 | 247.0 | 248.2 | 250.1 | 249.1 | 249.5 |
| 8 *Time and savings* | *418.3* | *450.9* | *489.7* | *544.9* | *531.9* | *540.0* | *544.9* | *550.5* | *r556.8* | *562.1* |
| 9 Negotiable CD's[2] | 89.0 | 81.3 | 62.7 | 74.0 | 66.4 | 70.9 | 74.0 | 76.3 | 79.4 | 82.0 |
| 10 Other | 329.3 | 369.6 | 427.0 | 470.9 | 465.5 | 469.1 | 470.9 | 474.2 | 477.5 | 480.1 |
| 11 Nonbank thrift institutions[3] | 369.1 | 427.8 | 496.0 | 566.5 | 556.5 | 561.7 | 566.5 | 570.5 | r573.8 | 577.4 |
| | Not seasonally adjusted | | | | | | | | | |
| MEASURES[1] | | | | | | | | | | |
| 12 *M*-1 | 291.2 | 303.2 | 321.7 | 346.4 | 334.0 | 336.8 | 346.4 | 345.2 | 333.3 | 335.4 |
| 13 *M*-2 | 617.5 | 669.3 | 744.8 | 813.0 | 797.5 | 801.2 | 813.0 | 818.3 | r811.4 | 818.7 |
| 14 *M*-3 | 983.8 | 1,094.3 | 1,237.5 | 1,375.5 | 1,351.7 | 1,358.5 | 1,375.5 | 1,386.5 | 1,383.4 | 1,397.5 |
| 15 *M*-4 | 707.9 | 752.8 | 809.1 | 888.9 | 865.8 | 872.8 | 888.9 | 894.6 | 888.3 | 899.0 |
| 16 *M*-5 | 1,074.2 | 1,177.7 | 1,301.8 | 1,451.4 | 1,420.0 | 1,430.1 | 1,451.4 | 1,462.9 | 1,460.3 | 1,477.7 |
| COMPONENTS | | | | | | | | | | |
| 17 Currency | 69.0 | 75.1 | 82.1 | 90.0 | 86.9 | 88.4 | 90.0 | 88.6 | 88.9 | 89.9 |
| Commercial bank deposits: | | | | | | | | | | |
| 18 *Demand* | *222.2* | *228.1* | *239.5* | *256.4* | *247.0* | *248.4* | *256.4* | *256.6* | *244.4* | *245.5* |
| 19 Member | 159.7 | 162.1 | 168.5 | 176.3 | 170.0 | 170.3 | 176.3 | 175.9 | 167.4 | 168.5 |
| 20 Domestic nonmember | 58.5 | 62.6 | 67.5 | 75.8 | 72.7 | 73.8 | 75.8 | 76.3 | 72.8 | 73.0 |
| 21 *Time and savings* | *416.7* | *449.6* | *487.4* | *542.5* | *531.8* | *536.0* | *542.5* | *549.4* | *555.0* | *563.6* |
| 22 Negotiable CD's[2] | 90.5 | 83.5 | 64.3 | 75.9 | 68.3 | 71.6 | 75.9 | 76.4 | 76.9 | 80.2 |
| 23 Other | 326.3 | 366.2 | 423.1 | 466.6 | 463.5 | 464.4 | 466.6 | 473.0 | 478.1 | 483.4 |
| 24 Nonbank thrift institutions[3] | 366.3 | 424.9 | 492.7 | 562.5 | 554.2 | 557.3 | 562.5 | 568.2 | 571.9 | 578.8 |
| 25 U.S. Govt. deposits (all commercial banks) | 4.9 | 4.1 | 4.4 | 5.1 | 3.7 | 3.5 | 5.1 | 4.2 | 4.2 | 4.6 |

1 Composition of the money stock measures is as follows:

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

*M*-2: *M*-1 plus savings deposits, time deposits open account, and time certificates of deposit (CD's) other than negotiable CD's of $100,000 or more at large weekly reporting banks.

*M*-3: *M*-2 plus the average of the beginning- and end-of-month deposits of mutual savings banks, savings and loan shares, and credit union shares (nonbank thrift).

*M*-4: *M*-2 plus large negotiable CD's.

*M*-5: *M*-3 plus large negotiable CD's.

For a description of the latest revisions in the money stock measures see "Money Stock Measures: Revision" in the April 1978 BULLETIN, pp. 338 and 339.

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.

NOTES TO TABLE 1.23:

1 Adjusted to exclude domestic commercial interbank loans.

2 Loans sold are those sold outright to a bank's own foreign branches, nonconsolidated nonbank affiliates of the bank, the bank's holding company (if not a bank), and nonconsolidated nonbank subsidiaries of the holding company. 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 Data beginning June 30, 1974, include one large mutual savings bank that merged with a nonmember commercial bank. As of that date there were increases of about $500 million in loans, $100 million in "Other" securities, and $600 million in "Total loans and investments."

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

4 Reclassification of loans reduced these loans by about $1.2 billion as of Mar. 31, 1976.

5 Reclassification of loans at one large bank reduced these loans by about $300 million as of Dec. 31, 1977.

6 As of April 26, 1976, total loans sold were increased by $400 million and business loans sold were reduced by $700 million as the result of reclassifications at one large bank.

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 | 1974 Dec. | 1975 Dec. | 1976 Dec. | 1977 July | 1977 Aug. | 1977 Sept. | 1977 Oct. | 1977 Nov. | 1977 Dec. | 1978 Jan. | 1978 Feb. | 1978 Mar. |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Seasonally adjusted | | | | | | | | | | | |
| 1 **Reserves**[1] | [r]36.57 | 34.68 | 34.93 | [r]35.27 | [r]35.50 | [r]35.52 | [r]35.81 | 35.96 | [r]36.14 | [r]36.60 | [r]36.93 | 36.67 |
| 2 Nonborrowed | [r]35.84 | 34.55 | [r]34.89 | [r]34.95 | [r]34.44 | [r]34.89 | [r]34.50 | 35.10 | [r]35.57 | [r]36.12 | [r]36.53 | 36.34 |
| 3 Required | [r]36.31 | [r]34.42 | [r]34.29 | [r]35.00 | [r]35.30 | [r]35.31 | [r]35.60 | 35.71 | [r]35.95 | [r]36.33 | [r]36.69 | 36.47 |
| 4 **Deposits subject to reserve requirements**[2] | 486.1 | 504.6 | 528.9 | 547.2 | 550.5 | 553.0 | 558.5 | 564.4 | 569.1 | 575.7 | 577.8 | 582.2 |
| 5 Time and savings | 322.1 | 337.1 | 354.3 | 368.9 | 370.8 | 373.0 | 377.1 | 383.5 | 387.0 | 390.5 | 395.4 | 399.2 |
| Demand: | | | | | | | | | | | | |
| 6 Private | 160.6 | 164.5 | 171.4 | 175.3 | 176.5 | 176.7 | 178.3 | 178.0 | 178.5 | 182.1 | 179.5 | 179.6 |
| 7 U.S. Govt | 3.3 | 2.9 | 3.2 | 3.0 | 3.2 | 3.3 | 3.1 | 3.0 | 3.6 | 3.1 | 3.0 | 3.4 |
| | Not seasonally adjusted | | | | | | | | | | | |
| 8 **Deposits subject to reserve requirements**[2] | 491.8 | 510.9 | 534.8 | 547.6 | 548.3 | 552.1 | 558.2 | 562.1 | 575.3 | 581.3 | 572.5 | 579.5 |
| 9 Time ans savings | 321.7 | 337.2 | 353.6 | 369.5 | 371.7 | 373.0 | 377.5 | 380.7 | 386.4 | 390.3 | 393.2 | 399.3 |
| Demand: | | | | | | | | | | | | |
| 10 Private | 166.6 | 170.7 | 177.9 | 175.6 | 174.1 | 175.2 | 178.0 | 178.7 | 185.1 | 187.9 | 176.1 | 176.7 |
| 11 U.S. Govt | 3.4 | 3.1 | 3.3 | 2.6 | 2.5 | 3.8 | 2.7 | 2.6 | 3.8 | 3.1 | 3.1 | 3.5 |

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

2 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.

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 | 1973 Dec. 31 | 1974 Dec. 31 [3] | 1975 Dec. 31 | 1976 Dec. 31 | 1977 Nov. 30 p | 1977 Dec. 31 p | 1978 Jan. 25 p | 1978 Feb. 22 p | 1978 Mar. 29 p | 1978 Apr. 26 p |
|---|---|---|---|---|---|---|---|---|---|---|
| | Seasonally adjusted | | | | | | | | | |
| 1 **Loans and investments**[1] | 633.4 | 690.4 | 721.1 | 784.4 | 866.1 | 865.4 | 874.3 | 881.9 | 888.8 | 904.8 |
| 2 Including loans sold outright[2] | 637.7 | 695.2 | 725.5 | 788.2 | 870.5 | 870.0 | 878.8 | 886.2 | 892.9 | [6]909.3 |
| Loans: | | | | | | | | | | |
| 3 Total | 449.0 | 500.2 | 496.9 | 538.9 | 611.2 | 612.9 | 622.4 | 625.4 | 633.5 | 645.0 |
| 4 Including loans sold outright[2] | 453.3 | 505.0 | 501.3 | 542.7 | 615.6 | 617.5 | 626.9 | 629.7 | 637.6 | [6]649.5 |
| 5 Commercial and industrial | 156.4 | 183.3 | 176.0 | [4]179.5 | 201.6 | [5]202.2 | 204.6 | 207.1 | 211.0 | 214.4 |
| 6 Including loans sold outright[2] | 159.0 | 186.0 | 178.5 | [4]181.9 | 204.7 | [5]205.5 | 207.7 | 210.1 | 213.9 | [6]216.7 |
| Investments: | | | | | | | | | | |
| 7 U.S. Treasury | 54.5 | 50.4 | 79.4 | 97.3 | 95.0 | 93.5 | 92.5 | 97.5 | 96.5 | 98.4 |
| 8 Other | 129.9 | 139.8 | 144.8 | 148.2 | 159.9 | 159.0 | 159.4 | 159.0 | 158.8 | 161.4 |
| | Not seasonally adjusted | | | | | | | | | |
| 9 **Loans and investments**[1] | 647.3 | 705.6 | 737.0 | 801.6 | 866.4 | 884.5 | 872.7 | 875.0 | 886.5 | 901.8 |
| 10 Including loans sold outright[2] | 651.6 | 710.4 | 741.4 | 805.4 | 870.8 | 889.1 | 877.2 | 879.3 | 890.6 | [6]906.3 |
| Loans: | | | | | | | | | | |
| 11 Total[1] | 458.5 | 510.7 | 507.4 | 550.2 | 610.1 | 625.7 | 617.0 | 617.9 | 629.4 | 640.2 |
| 12 Including loans sold outright[2] | 462.8 | 515.5 | 511.8 | 554.0 | 614.6 | 630.4 | 621.5 | 622.2 | 633.5 | [6]644.7 |
| 13 Commercial and industrial | 159.4 | 186.8 | 179.3 | [4]182.9 | 200.8 | [5]206.0 | 202.5 | 205.0 | 210.9 | 214.7 |
| 14 Including loans sold outright[2] | 162.0 | 189.5 | 181.8 | [4]185.3 | 203.9 | [5]209.3 | 205.6 | 208.0 | 213.8 | [6]217.0 |
| Investments: | | | | | | | | | | |
| 15 U.S. Treasury | 58.3 | 54.5 | 84.1 | 102.5 | 97.9 | 98.9 | 97.2 | 98.9 | 97.9 | 98.9 |
| 16 Other | 130.6 | 140.5 | 145.5 | 148.9 | 158.4 | 159.8 | 158.5 | 158.1 | 159.2 | 162.7 |

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 | 1976 | 1977[3] | | | | | | 1978[3] | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Dec.[3] | 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** | 846.4 | 875.0 | 886.8 | 891.4 | 897.7 | 915.0 | 931.6 | 919.9 | 924.4 | 934.4 | 946.1 |
| 2 | Loans, gross | 594.9 | 620.7 | 632.2 | 637.1 | 642.9 | 658.7 | 673.4 | 664.2 | 667.4 | 677.2 | 684.4 |
| | Investments: | | | | | | | | | | | |
| 3 | U.S. Treasury securities | 102.5 | 100.0 | 99.4 | 98.5 | 97.7 | 97.8 | 98.9 | 97.2 | 98.9 | 97.9 | 98.9 |
| 4 | Other | 148.9 | 154.3 | 155.2 | 155.9 | 157.1 | 158.4 | 159.3 | 158.5 | 158.1 | 159.2 | 162.7 |
| 5 | **Cash assets** | 136.1 | 126.9 | 135.5 | 128.7 | 129.4 | 138.8 | 150.1 | 128.0 | 146.5 | 131.4 | 134.0 |
| 6 | Currency and coin | 12.1 | 13.5 | 13.7 | 13.9 | 13.9 | 14.7 | 15.8 | 14.1 | 13.9 | 14.3 | 14.2 |
| 7 | Reserves with F.R. Banks | 26.1 | 27.2 | 28.2 | 30.0 | 28.3 | 26.3 | 32.1 | 26.6 | 31.0 | 30.2 | 27.6 |
| 8 | Balances with banks | 49.6 | 42.4 | 45.3 | 42.7 | 44.4 | 46.8 | 48.8 | 43.3 | 47.4 | 43.8 | 44.5 |
| 9 | Cash items in process of collection | 48.4 | 43.9 | 48.3 | 42.1 | 42.8 | 51.0 | 53.5 | 44.0 | 54.2 | 43.1 | 47.7 |
| 10 | **Total assets/total liabilities and capital**[1] | 1,030.7 | 1,059.3 | 1,079.7 | 1,076.7 | 1,083.9 | 1,117.5 | 1,145.4 | 1,112.8 | 1,136.7 | 1,134.6 | 1,149.1 |
| 11 | **Deposits** | 838.2 | 843.2 | 857.6 | 852.1 | 858.8 | 883.5 | 908.5 | 880.3 | 895.8 | 892.4 | 906.4 |
| | Demand: | | | | | | | | | | | |
| 12 | Interbank | 45.4 | 38.2 | 39.6 | 37.1 | 37.5 | 41.8 | 43.7 | 37.3 | 42.8 | 37.6 | 39.0 |
| 13 | U.S. Govt. | 3.0 | 3.8 | 2.5 | 8.0 | 3.6 | 4.7 | 7.2 | 4.5 | 5.8 | 4.8 | 6.0 |
| 14 | Other | 288.4 | 273.9 | 285.1 | 272.5 | 279.4 | 293.2 | 307.0 | 283.8 | 287.8 | 279.4 | 291.3 |
| | Time: | | | | | | | | | | | |
| 15 | Interbank | 9.2 | 8.3 | 8.0 | 8.3 | 8.5 | 9.0 | 9.6 | 9.2 | 8.8 | 9.1 | 9.1 |
| 16 | Other | 492.2 | 519.0 | 522.6 | 526.1 | 529.9 | 534.8 | 541.1 | 545.5 | 550.7 | 561.5 | 561.1 |
| 17 | Borrowings | 80.2 | 92.2 | 94.8 | 96.5 | 96.8 | 101.0 | 107.1 | 101.7 | 105.7 | 107.3 | 106.5 |
| 18 | **Total capital accounts**[2] | 78.1 | 79.0 | 79.6 | 80.1 | 80.5 | 81.4 | 81.6 | 82.2 | 82.6 | 83.2 | 83.6 |
| 19 | MEMO: Number of banks | 14,671 | 14,709 | 14,713 | 14,724 | 14,718 | 14,718 | 14,703 | 14,702 | 14,683 | 14,689 | 14,689 |
| | | Member | | | | | | | | | | |
| 20 | **Loans and investments** | 620.5 | 628.9 | 637.9 | 640.8 | 645.2 | 658.6 | 670.8 | 659.5 | 661.8 | 668.6 | 676.8 |
| 21 | Loans, gross | 442.9 | 451.3 | 459.9 | 463.0 | 467.1 | 479.0 | 489.9 | 481.8 | 483.1 | 490.5 | 495.3 |
| | Investments: | | | | | | | | | | | |
| 22 | U.S. Treasury securities | 74.6 | 70.8 | 70.5 | 69.6 | 68.9 | 69.2 | 69.9 | 67.7 | 69.2 | 68.2 | 68.8 |
| 23 | Other | 103.1 | 106.8 | 107.5 | 108.3 | 109.3 | 110.3 | 111.1 | 110.0 | 109.5 | 109.9 | 112.7 |
| 24 | **Cash assets, total** | 108.9 | 101.2 | 108.6 | 103.1 | 102.3 | 110.6 | 121.7 | 102.2 | 117.2 | 104.8 | 106.5 |
| 25 | Currency and coin | 9.1 | 9.9 | 10.0 | 10.2 | 10.2 | 10.8 | 11.7 | 10.4 | 10.2 | 10.6 | 10.5 |
| 26 | Reserves with F.R. Banks | 26.0 | 27.2 | 28.2 | 30.0 | 28.3 | 26.3 | 32.1 | 26.6 | 31.0 | 30.2 | 27.6 |
| 27 | Balances with banks | 27.4 | 22.0 | 24.0 | 22.5 | 22.8 | 24.7 | 26.6 | 23.0 | 24.6 | 22.9 | 22.7 |
| 28 | Cash items in process of collection | 46.5 | 42.1 | 46.4 | 40.4 | 41.0 | 48.9 | 51.3 | 42.2 | 51.4 | 41.2 | 45.7 |
| 29 | **Total assets/total liabilities and capital**[1] | 772.9 | 780.1 | 796.3 | 793.2 | 796.5 | 823.9 | 847.0 | 818.0 | 835.7 | 833.2 | 843.3 |
| 30 | **Deposits** | 618.7 | 611.0 | 622.2 | 617.0 | 620.9 | 641.8 | 660.8 | 636.8 | 649.2 | 645.1 | 655.1 |
| | Demand: | | | | | | | | | | | |
| 31 | Interbank | 42.4 | 35.3 | 36.6 | 34.3 | 34.6 | 38.7 | 40.4 | 34.4 | 39.5 | 34.7 | 36.0 |
| 32 | U.S. Govt. | 2.1 | 2.8 | 1.7 | 6.4 | 2.6 | 3.6 | 5.3 | 3.4 | 4.4 | 3.7 | 4.5 |
| 33 | Other | 215.5 | 202.2 | 211.0 | 200.3 | 205.3 | 216.4 | 226.3 | 208.4 | 211.8 | 205.1 | 213.4 |
| | Time: | | | | | | | | | | | |
| 34 | Interbank | 7.2 | 6.3 | 6.0 | 6.3 | 6.5 | 6.8 | 7.4 | 7.1 | 6.7 | 7.0 | 6.9 |
| 35 | Other | 351.5 | 364.4 | 366.9 | 369.6 | 372.0 | 376.2 | 381.4 | 383.5 | 386.9 | 394.7 | 394.3 |
| 36 | Borrowings | 71.7 | 80.4 | 82.5 | 84.0 | 83.8 | 87.8 | 93.4 | 88.0 | 90.8 | 91.8 | 91.1 |
| 37 | **Total capital accounts**[2] | 58.6 | 59.4 | 59.9 | 60.2 | 60.6 | 61.2 | 61.4 | 61.7 | 62.1 | 62.4 | 62.7 |
| 38 | MEMO: Number of banks | 5,759 | 5,701 | 5,676 | 5,692 | 5,686 | 5,686 | 5,668 | 5,658 | 5,658 | 5,652 | 5,652 |

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."

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.

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 member 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

| | Account | 1975 Dec. 31 | 1976 June 30 | 1976 Dec. 31 | 1977 June 30 | 1975 Dec. 31 | 1976 June 30 | 1976 Dec. 31 | 1977 June 30 |
|---|---|---|---|---|---|---|---|---|---|
| | | Total insured | | | | National (all insured) | | | |
| 1 | **Loans and investments, gross** | **762,400** | **773,701** | **827,692** | **854,736** | **441,135** | **443,959** | **476,602** | **488,240** |
| | Loans: | | | | | | | | |
| 2 | Gross | 535,170 | 539,021 | 578,710 | 601,141 | 315,738 | 315,628 | 340,679 | 351,311 |
| 3 | Net | (2) | 520,976 | 560,062 | 581,163 | (2) | 305,280 | 329,968 | 339,955 |
| | Investments: | | | | | | | | |
| 4 | U.S. Treasury securities | 83,629 | 90,947 | 101,463 | 100,566 | 46,799 | 49,688 | 55,729 | 53,346 |
| 5 | Other | 143,602 | 143,731 | 147,517 | 153,029 | 78,598 | 78,642 | 80,193 | 83,582 |
| 6 | Cash assets | 128,256 | 124,072 | 129,581 | 130,724 | 78,026 | 75,488 | 76,074 | 74,641 |
| 7 | **Total assets/total liabilities**[1] | **944,654** | **942,519** | **1,004,001** | **1,040,952** | **553,285** | **548,702** | **583,315** | **599,743** |
| 8 | **Deposits** | **775,209** | **776,957** | **825,010** | **847,373** | **447,590** | **444,251** | **469,378** | **476,381** |
| | Demand: | | | | | | | | |
| 9 | U.S. Govt | 3,108 | 4,622 | 3,020 | 2,817 | 1,788 | 2,858 | 1,674 | 1,632 |
| 10 | Interbank | 40,259 | 37,502 | 44,068 | 44,965 | 22,305 | 20,329 | 23,148 | 22,876 |
| 11 | Other | 276,384 | 265,671 | 285,201 | 284,544 | 159,840 | 152,383 | 163,347 | 161,358 |
| | Time: | | | | | | | | |
| 12 | Interbank | 10,733 | 9,406 | 8,249 | 7,721 | 7,302 | 5,532 | 4,909 | 4,599 |
| 13 | Other | 444,725 | 459,753 | 484,470 | 507,323 | 256,355 | 263,147 | 276,298 | 285,915 |
| 14 | Borrowings | 56,775 | 63,828 | 75,302 | 81,157 | 40,875 | 45,187 | 54,420 | 57,283 |
| 15 | **Total capital accounts** | **68,474** | **68,988** | **72,065** | **75,503** | **38,969** | **39,501** | **41,323** | **43,142** |
| 16 | MEMO: Number of banks | 14,372 | 14,373 | 14,397 | 14,425 | 4,741 | 4,747 | 4,735 | 4,701 |
| | | State member (all insured) | | | | Insured nonmember | | | |
| 17 | **Loans and investments, gross** | **137,620** | **136,915** | **144,000** | **144,597** | **183,645** | **192,825** | **207,089** | **221,898** |
| | Loans: | | | | | | | | |
| 18 | Gross | 100,823 | 98,889 | 102,277 | 102,144 | 118,609 | 124,503 | 135,753 | 147,685 |
| 19 | Net | (2) | 96,037 | 99,474 | 99,200 | (2) | 119,658 | 130,618 | 142,008 |
| | Investments: | | | | | | | | |
| 20 | U.S. Treasury securities | 14,720 | 16,323 | 18,849 | 19,296 | 22,109 | 24,934 | 26,884 | 27,923 |
| 21 | Other | 22,077 | 21,702 | 22,873 | 23,157 | 42,927 | 43,387 | 44,450 | 46,288 |
| 22 | Cash assets | 30,451 | 30,422 | 32,859 | 35,918 | 19,778 | 18,161 | 20,647 | 20,164 |
| 23 | **Total assets/total liabilities** | **180,495** | **179,649** | **189,578** | **195,455** | **210,874** | **214,167** | **231,106** | **245,753** |
| 24 | **Deposits** | **143,409** | **142,061** | **149,491** | **152,471** | **184,210** | **190,644** | **206,140** | **218,519** |
| | Demand: | | | | | | | | |
| 25 | U.S. Govt | 467 | 869 | 429 | 371 | 853 | 894 | 917 | 813 |
| 26 | Interbank | 16,265 | 15,833 | 19,295 | 20,568 | 1,689 | 1,339 | 1,624 | 1,520 |
| 27 | Other | 50,984 | 49,659 | 52,204 | 52,571 | 65,560 | 63,629 | 69,649 | 70,615 |
| | Time: | | | | | | | | |
| 28 | Interbank | 2,712 | 3,074 | 2,384 | 2,134 | 719 | 799 | 956 | 988 |
| 29 | Other | 72,981 | 72,624 | 75,178 | 76,826 | 115,389 | 123,980 | 132,993 | 144,581 |
| 30 | Borrowings | 12,771 | 15,300 | 17,310 | 19,718 | 3,128 | 3,339 | 3,571 | 4,155 |
| 31 | **Total capital accounts** | **13,105** | **12,791** | **13,199** | **13,441** | **16,400** | **16,696** | **17,543** | **18,919** |
| 32 | MEMO: Number of banks | 1,046 | 1,029 | 1,023 | 1,019 | 8,585 | 8,597 | 8,639 | 8,705 |
| | | Noninsured nonmember | | | | Total nonmember | | | |
| 33 | **Loans and investments, gross** | **13,674** | **15,905** | **18,819** | **22,940** | **197,319** | **208,730** | **225,909** | **244,839** |
| | Loans: | | | | | | | | |
| 34 | Gross | 11,283 | 13,209 | 16,336 | 20,865 | 129,892 | 137,712 | 152,090 | 168,551 |
| 35 | Net | (2) | 13,092 | 16,209 | 20,679 | (2) | 132,751 | 146,828 | 162,687 |
| | Investments: | | | | | | | | |
| 36 | U.S. Treasury securities | 490 | 472 | 1,054 | 993 | 22,599 | 25,407 | 27,939 | 28,917 |
| 37 | Other | 1,902 | 2,223 | 1,428 | 1,081 | 44,829 | 45,610 | 45,879 | 47,370 |
| 38 | Cash assets | 5,359 | 4,362 | 6,496 | 8,330 | 25,137 | 22,524 | 27,144 | 28,494 |
| 39 | **Total assets/total liabilities** | **20,544** | **21,271** | **26,790** | **33,390** | **231,418** | **235,439** | **257,897** | **279,143** |
| 40 | **Deposits** | **11,323** | **11,735** | **13,325** | **14,658** | **195,533** | **202,380** | **219,466** | **233,177** |
| | Demand: | | | | | | | | |
| 41 | U.S. Govt | 6 | 4 | 4 | 8 | 859 | 899 | 921 | 822 |
| 42 | Interbank | 1,552 | 1,006 | 1,277 | 1,504 | 3,241 | 2,346 | 2,901 | 3,025 |
| 43 | Other | 2,308 | 2,555 | 3,236 | 3,588 | 67,868 | 66,184 | 72,885 | 74,203 |
| | Time: | | | | | | | | |
| 44 | Interbank | 1,291 | 1,292 | 1,041 | 1,164 | 2,010 | 2,092 | 1,997 | 2,152 |
| 45 | Other | 6,167 | 6,876 | 7,766 | 8,392 | 121,556 | 130,857 | 140,760 | 152,974 |
| 46 | Borrowings | 3,449 | 3,372 | 4,842 | 7,056 | 6,577 | 6,711 | 8,413 | 11,212 |
| 47 | **Total capital accounts** | **651** | **663** | **818** | **893** | **17,051** | **17,359** | **18,361** | **19,813** |
| 48 | MEMO: Number of banks | 261 | 270 | 275 | 293 | 8,846 | 8,867 | 8,914 | 8,998 |

1 Includes items not shown separately.
2 Not available.

For Note see Table 1.24.

## 1.26 COMMERCIAL BANK ASSETS AND LIABILITIES Detailed Balance Sheet, September 30, 1977

Asset and liability items are shown in millions of dollars.

| Asset account | Insured commercial banks | Member banks[1] | | | | | Nonmember banks[1] |
|---|---|---|---|---|---|---|---|
| | | Total | Large banks | | | All other | |
| | | | New York City | City of Chicago | Other large | | |
| 1 **Cash bank balances, items in process** | **140,401** | **119,931** | **37,228** | **4,748** | **43,071** | **34,883** | **20,477** |
| 2 Currency and coin | 11,322 | 8,309 | 786 | 166 | 2,741 | 4,618 | 3,012 |
| 3 Reserves with F.R. Banks | 25,582 | 25,582 | 2,658 | 1,592 | 11,035 | 10,297 | ......... |
| 4 Demand balances with banks in United States | 34,233 | 21,301 | 9,956 | 242 | 2,979 | 8,124 | 12,939 |
| 5 Other balances with banks in United States | 4,544 | 2,559 | 50 | 8 | 948 | 1,552 | 1,986 |
| 6 Balances with banks in foreign countries | 3,570 | 3,206 | 346 | 174 | 1,785 | 900 | 365 |
| 7 Cash items in process of collection | 61,150 | 58,974 | 23,433 | 2,565 | 23,583 | 9,392 | 2,176 |
| 8 **Total securities held—Book value** | **253,100** | **178,314** | **22,398** | **8,518** | **57,243** | **90,155** | **74,798** |
| 9 U.S. Treasury | 98,633 | 70,747 | 11,319 | 3,700 | 23,234 | 32,494 | 27,897 |
| 10 Other U.S. Govt. agencies | 35,232 | 21,954 | 1,435 | 629 | 5,911 | 13,979 | 13,278 |
| 11 States and political subdivisions | 113,002 | 81,356 | 9,276 | 3,953 | 26,854 | 41,273 | 31,646 |
| 12 All other securities | 6,142 | 4,198 | 368 | 236 | 1,224 | 2,370 | 1,944 |
| 13 Unclassified total | 91 | 58 | ......... | ......... | 19 | 39 | 33 |
| 14 *Trading-account securities* | *6,524* | *6,399* | *2,912* | *762* | *2,465* | *260* | *125* |
| 15 U.S. Treasury | 3,824 | 3,815 | 2,019 | 458 | 1,232 | 105 | 9 |
| 16 Other U.S. Govt. agencies | 629 | 612 | 228 | 125 | 224 | 35 | 18 |
| 17 States and political subdivisions | 1,471 | 1,438 | 536 | 97 | 726 | 79 | 32 |
| 18 All other trading acct. securities | 510 | 477 | 129 | 82 | 264 | 2 | 33 |
| 19 Unclassified | 91 | 58 | ......... | ......... | 19 | 39 | 33 |
| 20 *Bank investment portfolios* | *246,575* | *171,914* | *19,486* | *7,756* | *54,777* | *89,895* | *74,673* |
| 21 U.S. Treasury | 94,810 | 66,932 | 9,300 | 3,242 | 22,002 | 32,389 | 27,887 |
| 22 Other U.S. Govt. agencies | 34,603 | 21,343 | 1,207 | 504 | 5,687 | 13,945 | 13,261 |
| 23 States and political subdivisions | 111,531 | 79,918 | 8,740 | 3,856 | 26,128 | 41,194 | 31,614 |
| 24 All other portfolio securities | 5,632 | 3,721 | 239 | 154 | 960 | 2,368 | 1,911 |
| 25 F.R. stock and corporate stock | 1,590 | 1,342 | 296 | 105 | 489 | 452 | 248 |
| 26 **Federal funds sold and securities resale agreement** | **42,200** | **33,672** | **3,450** | **1,366** | **17,721** | **11,135** | **8,623** |
| 27 Commercial banks | 34,701 | 26,484 | 1,461 | 1,180 | 13,524 | 10,319 | 8,311 |
| 28 Brokers and dealers | 5,104 | 4,960 | 1,337 | 143 | 2,828 | 652 | 144 |
| 29 Others | 2,396 | 2,228 | 652 | 43 | 1,369 | 163 | 168 |
| 30 **Other loans, gross** | **581,099** | **435,012** | **72,932** | **22,648** | **161,728** | **177,704** | **146,088** |
| 31 LESS: Unearned income on loans | 14,273 | 9,632 | 600 | 85 | 3,116 | 5,831 | 4,641 |
| 32 Reserves for loan loss | 6,549 | 5,216 | 1,225 | 326 | 1,923 | 1,742 | 1,333 |
| 33 Other loans, net | 560,277 | 420,164 | 71,107 | 22,237 | 156,689 | 170,130 | 140,113 |
| **Other loans, gross, by category** | | | | | | | |
| 34 *Real estate loans* | *169,334* | *117,012* | *9,227* | *2,172* | *42,901* | *62,713* | *52,322* |
| 35 Construction and land development | 19,606 | 14,940 | 2,327 | 429 | 7,169 | 5,014 | 4,666 |
| 36 Secured by farmland | 7,607 | 3,259 | 20 | 12 | 335 | 2,893 | 4,348 |
| 37 Secured by residential | 96,512 | 67,990 | 4,516 | 1,146 | 25,297 | 37,030 | 28,522 |
| 38 *1- to 4-family residences* | *91,776* | *64,582* | *4,038* | *1,041* | *24,008* | *35,496* | *27,194* |
| 39 FHA-insured or VA-guaranteed | 7,723 | 6,708 | 568 | 60 | 3,518 | 2,562 | 1,016 |
| 40 Conventional | 84,053 | 57,874 | 3,470 | 981 | 20,490 | 32,934 | 26,179 |
| 41 *Multifamily residences* | *4,736* | *3,408* | *479* | *105* | *1,289* | *1,535* | *1,328* |
| 42 FHA-insured | 367 | 306 | 106 | 22 | 107 | 71 | 61 |
| 43 Conventional | 4,369 | 3,102 | 373 | 83 | 1,183 | 1,463 | 1,267 |
| 44 Secured by other properties | 45,609 | 30,824 | 2,364 | 585 | 10,099 | 17,776 | 14,786 |
| 45 *Loans to financial institutions* | *33,962* | *32,105* | *11,365* | *4,050* | *13,800* | *2,890* | *1,858* |
| 46 To REIT's and mortgage companies | 9,039 | 8,690 | 2,813 | 1,009 | 4,180 | 688 | 350 |
| 47 To domestic commercial banks | 2,581 | 2,074 | 679 | 113 | 1,029 | 253 | 507 |
| 48 To banks in foreign countries | 6,621 | 6,446 | 3,008 | 286 | 2,624 | 528 | 175 |
| 49 To other depository institutions | 1,250 | 1,100 | 98 | 47 | 718 | 237 | 150 |
| 50 To other financial institutions | 14,472 | 13,795 | 4,768 | 2,595 | 5,249 | 1,183 | 677 |
| 51 Loans to security brokers and dealers | 11,478 | 11,239 | 6,508 | 1,693 | 2,808 | 231 | 239 |
| 52 Other loans to purch./carry securities | 4,257 | 3,542 | 418 | 342 | 1,819 | 964 | 715 |
| 53 Loans to farmers—except real estate | 26,271 | 14,434 | 154 | 127 | 3,392 | 10,760 | 11,836 |
| 54 Commercial and industrial loans | 186,730 | 151,470 | 36,443 | 11,083 | 58,955 | 44,989 | 35,260 |
| 55 Loans to individuals | 134,381 | 92,783 | 6,237 | 1,966 | 32,768 | 51,813 | 41,597 |
| 56 *Instalment loans* | *107,454* | *74,070* | *4,616* | *1,210* | *26,608* | *41,636* | *33,384* |
| 57 Passenger automobiles | 47,716 | 30,562 | 887 | 149 | 8,950 | 20,576 | 17,154 |
| 58 Residential-repair/modernize | 7,071 | 4,711 | 297 | 61 | 1,682 | 2,671 | 2,359 |
| 59 Credit cards and related plans | 16,348 | 14,377 | 1,929 | 815 | 7,932 | 3,701 | 1,971 |
| 60 Charge-account credit cards | 12,697 | 11,334 | 1,281 | 776 | 6,403 | 2,874 | 1,363 |
| 61 Check and revolving credit plans | 3,651 | 3,043 | 648 | 39 | 1,529 | 826 | 608 |
| 62 Other retail consumer goods | 17,214 | 11,737 | 365 | 60 | 4,263 | 7,049 | 5,477 |
| 63 Mobile homes | 9,051 | 6,365 | 183 | 24 | 2,283 | 3,875 | 2,686 |
| 64 Other | 8,163 | 5,372 | 182 | 36 | 1,980 | 3,175 | 2,791 |
| 65 Other instalment loans | 19,105 | 12,682 | 1,138 | 125 | 3,780 | 7,639 | 6,423 |
| 66 Single-payment loans to individuals | 26,927 | 18,714 | 1,621 | 757 | 6,160 | 10,177 | 8,213 |
| 67 All other loans | 14,687 | 12,426 | 2,581 | 1,214 | 5,286 | 3,345 | 2,261 |
| 68 **Total loans and securities, net** | **857,167** | **633,492** | **97,251** | **32,226** | **232,142** | **271,872** | **223,782** |
| 69 Direct lease financing | 5,433 | 5,094 | 964 | 136 | 3,125 | 871 | 339 |
| 70 Fixed assets—Buildings, furniture, real estate | 20,681 | 15,388 | 2,191 | 721 | 5,882 | 6,593 | 5,296 |
| 71 Investment in unconsolidated subsidiaries | 2,816 | 2,775 | 1,290 | 234 | 1,161 | 90 | 41 |
| 72 Customer acceptances outstanding | 11,822 | 11,357 | 5,459 | 794 | 4,800 | 303 | 465 |
| 73 Other assets | 28,438 | 24,850 | 8,359 | 1,246 | 10,811 | 4,434 | 3,653 |
| 74 **Total assets** | **1,066,758** | **812,886** | **152,743** | **40,105** | **300,993** | **319,045** | **254,052** |

For notes see opposite page.

1.26 Continued

| Liability or capital account | Insured commercial banks | Member banks[1] | | | | | Nonmember banks[1] |
|---|---|---|---|---|---|---|---|
| | | Total | Large banks | | | All other | |
| | | | New York City | City of Chicago | Other large | | |
| 75 **Demand deposits** | **334,879** | **260,255** | **60,788** | **10,020** | **93,342** | **96,105** | **74,633** |
| 76 Mutual savings banks | 1,355 | 1,180 | 596 | 1 | 258 | 325 | 175 |
| 77 Other individuals, partnerships, and corporations | 255,804 | 191,532 | 31,048 | 7,343 | 72,990 | 80,151 | 64,273 |
| 78 U.S. Govt | 5,279 | 4,095 | 356 | 138 | 1,815 | 1,787 | 1,184 |
| 79 States and political subdivisions | 16,719 | 11,572 | 773 | 264 | 3,498 | 7,037 | 5,147 |
| 80 Foreign governments, central banks, etc. | 1,478 | 1,444 | 1,192 | 16 | 214 | 22 | 34 |
| 81 Commercial banks in United States | 34,016 | 32,875 | 16,823 | 1,718 | 10,513 | 3,819 | 1,151 |
| 82 Banks in foreign countries | 6,713 | 6,571 | 5,203 | 199 | 1,013 | 157 | 142 |
| 83 Certified and officers' checks, etc. | 13,516 | 10,987 | 4,797 | 341 | 3,042 | 2,807 | 2,529 |
| 84 **Time deposits** | **309,412** | **223,635** | **32,640** | **13,458** | **77,932** | **99,605** | **85,777** |
| 85 Accumulated for personal loan payments | 122 | 98 | ... | ... | 11 | 87 | 24 |
| 86 Mutual savings banks | 307 | 295 | 122 | 69 | 88 | 17 | 12 |
| 87 Other individuals, partnerships, and corporations | 245,125 | 176,081 | 24,649 | 10,037 | 60,163 | 81,233 | 69,043 |
| 88 U.S. Govt | 811 | 660 | 50 | 46 | 356 | 208 | 151 |
| 89 States and political subdivisions | 48,847 | 33,495 | 1,517 | 1,309 | 13,623 | 17,046 | 15,352 |
| 90 Foreign governments, central banks, etc. | 7,189 | 6,883 | 3,999 | 1,308 | 1,522 | 54 | 306 |
| 91 Commercial banks in United States | 5,428 | 4,700 | 1,517 | 607 | 1,896 | 681 | 728 |
| 92 Banks in foreign countries | 1,583 | 1,422 | 787 | 82 | 274 | 280 | 161 |
| 93 **Savings deposits** | **217,555** | **152,871** | **11,515** | **3,027** | **55,808** | **82,521** | **64,684** |
| 94 Individuals and nonprofit organizations | 201,982 | 141,902 | 10,541 | 2,828 | 51,981 | 76,553 | 60,081 |
| 95 Corporations and other profit organizations | 10,618 | 7,618 | 596 | 179 | 3,182 | 3,661 | 3,000 |
| 96 U.S. Government | 57 | 49 | 4 | ... | 16 | 29 | 8 |
| 97 States and political subdivisions | 4,859 | 3,267 | 355 | 20 | 617 | 2,274 | 1,593 |
| 98 All other | 38 | 35 | 20 | ... | 11 | 5 | 3 |
| 99 **Total deposits** | **861,847** | **636,761** | **104,944** | **26,506** | **227,081** | **278,231** | **225,095** |
| 100 **Federal funds purchased and securities sold under agreements to repurchase** | **80,475** | **76,053** | **19,246** | **8,847** | **37,148** | **10,811** | **4,422** |
| 101 Commercial banks | 40,568 | 38,676 | 7,239 | 5,918 | 21,034 | 4,485 | 1,892 |
| 102 Brokers and dealers | 10,327 | 9,920 | 1,872 | 1,551 | 5,197 | 1,299 | 408 |
| 103 Others | 29,580 | 27,457 | 10,135 | 1,378 | 10,917 | 5,027 | 2,123 |
| 104 Other liabilities for borrowed money | 6,941 | 6,594 | 2,305 | 134 | 3,299 | 855 | 347 |
| 105 Mortgage indebtedness | 822 | 587 | 75 | 16 | 293 | 202 | 236 |
| 106 Bank acceptances outstanding | 12,448 | 11,983 | 6,063 | 802 | 4,813 | 305 | 465 |
| 107 Other liabilities | 21,082 | 18,543 | 6,979 | 980 | 6,972 | 3,612 | 2,701 |
| 108 **Total liabilities** | **983,615** | **750,520** | **139,612** | **37,285** | **279,697** | **294,016** | **233,266** |
| 109 Subordinated notes and debentures | 5,452 | 4,296 | 1,116 | 81 | 1,920 | 1,179 | 1,156 |
| 110 **Equity capital** | **77,691** | **58,070** | **12,014** | **2,740** | **19,466** | **23,850** | **19,630** |
| 111 Preferred stock | 76 | 31 | ... | ... | 2 | 29 | 45 |
| 112 Common stock | 16,800 | 12,196 | 2,534 | 570 | 3,869 | 5,223 | 4,608 |
| 113 Surplus | 30,310 | 22,243 | 4,550 | 1,325 | 7,901 | 8,467 | 8,070 |
| 114 Undivided profits | 28,784 | 22,414 | 4,891 | 791 | 7,289 | 9,442 | 6,373 |
| 115 Other capital reserves | 1,721 | 1,187 | 39 | 53 | 405 | 690 | 534 |
| 116 **Total liabilities and equity capital** | **1,066,758** | **812,866** | **152,743** | **40,105** | **300,993** | **319,045** | **254,052** |
| MEMO ITEMS: | | | | | | | |
| 117 Demand deposits adjusted[2] | 234,434 | 164,312 | 20,176 | 5,599 | 57,431 | 81,106 | 70,123 |
| Average for last 15 or 30 days: | | | | | | | |
| 118 Cash and due from bank | 130,354 | 111,396 | 32,164 | 4,734 | 41,131 | 33,367 | 18,964 |
| 119 Federal funds sold and securities purchased under agreements to resell | 45,457 | 35,524 | 4,308 | 1,467 | 17,459 | 12,290 | 9,997 |
| 120 Total loans | 562,308 | 421,470 | 71,435 | 22,100 | 157,150 | 170,785 | 140,838 |
| 121 Time deposits of $100,000 or more | 137,978 | 112,438 | 26,334 | 10,410 | 46,080 | 29,613 | 25,540 |
| 122 Total deposits | 845,729 | 622,100 | 96,770 | 25,565 | 233,052 | 276,712 | 223,636 |
| 123 Federal funds purchased and securities sold under agreements to repurchase | 85,514 | 81,480 | 23,101 | 10,134 | 37,645 | 10,600 | 4,034 |
| 124 Other liabilities for borrowed money | 6,792 | 6,436 | 2,125 | 110 | 3,470 | 732 | 356 |
| 125 Standby letters of credit outstanding | 13,068 | 12,223 | 6,744 | 1,036 | 3,515 | 928 | 845 |
| 126 Time deposits of $100,000 or more | 141,125 | 114,857 | 26,424 | 10,626 | 47,351 | 30,276 | 26,268 |
| 127 Certificates of deposit | 118,970 | 96,381 | 22,542 | 9,270 | 38,845 | 25,724 | 22,589 |
| 128 Other time deposits | 22,155 | 18,477 | 3,882 | 1,356 | 8,686 | 4,553 | 3,679 |
| 129 Number of banks | 14,420 | 5,691 | 12 | 9 | 154 | 5,516 | 8,739 |

1 Member banks exclude and nonmember banks include 10 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 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

| | Account | 1978 Mar. 1 | Mar. 8 | Mar. 15 | Mar. 22 | Mar. 29 | Apr. 5p | Apr. 12p | Apr. 19p | Apr. 26p |
|---|---|---|---|---|---|---|---|---|---|---|
| 1 | **Total loans and investments** | **445,432** | **449,801** | **452,846** | **448,017** | **447,645** | **459,338** | **455,098** | **460,972** | **453,529** |
| | Loans: | | | | | | | | | |
| 2 | *Federal funds sold*[1] | *23,635* | *25,878* | *26,925* | *24,929* | *25,271* | *30,143* | *25,933* | *28,076* | *23,969* |
| 3 | To commercial banks | 18,877 | 19,430 | 20,105 | 19,882 | 20,214 | 21,292 | 19,363 | 21,556 | 18,150 |
| | To brokers and dealers involving— | | | | | | | | | |
| 4 | U.S. Treasury securities | 2,261 | 3,511 | 3,790 | 2,426 | 2,274 | 4,944 | 3,703 | 3,856 | 3,076 |
| 5 | Other securities | 460 | 601 | 582 | 532 | 507 | 691 | 647 | 662 | 673 |
| 6 | To others | 2,037 | 2,336 | 2,448 | 2,089 | 2,276 | 3,216 | 2,220 | 2,002 | 2,070 |
| 7 | *Other, gross* | *320,578* | *320,891* | *322,828* | *321,675* | *322,096* | *326,445* | *325,344* | *327,749* | *326,523* |
| 8 | Commercial and industrial | 126,773 | 127,137 | 128,042 | 128,362 | 128,804 | 129,564 | 130,027 | 130,731 | 130,609 |
| 9 | Agricultural | 4,557 | 4,595 | 4,649 | 4,677 | 4,711 | 4,740 | 4,746 | 4,777 | 4,793 |
| | For purchasing or carrying securities: | | | | | | | | | |
| | To brokers and dealers: | | | | | | | | | |
| 10 | U.S. Treasury securities | 1,189 | 2,125 | 1,790 | 1,102 | 818 | 2,363 | 1,558 | 2,000 | 1,354 |
| 11 | Other securities | 8,757 | 8,685 | 9,557 | 8,716 | 8,044 | 9,176 | 8,905 | 9,446 | 8,645 |
| | To others: | | | | | | | | | |
| 12 | U.S. Treasury securities | 106 | 104 | 100 | 99 | 100 | 101 | 101 | 100 | 101 |
| 13 | Other securities | 2,612 | 2,579 | 2,584 | 2,544 | 2,559 | 2,584 | 2,583 | 2,597 | 2,609 |
| | To nonbank financial institutions: | | | | | | | | | |
| 14 | Personal and sales finance cos., etc. | 7,317 | 7,393 | 7,519 | 7,510 | 7,486 | 7,685 | 7,566 | 7,524 | 7,590 |
| 15 | Other | 15,094 | 15,097 | 15,046 | 15,010 | 15,104 | 15,282 | 15,156 | 15,055 | 15,029 |
| 16 | Real estate | 75,879 | 76,061 | 76,391 | 76,585 | 76,788 | 76,937 | 77,239 | 77,562 | 77,713 |
| | To commercial banks: | | | | | | | | | |
| 17 | Domestic | 2,278 | 2,030 | 1,880 | 2,002 | 1,990 | 2,098 | 1,969 | 1,956 | 2,054 |
| 18 | Foreign | 6,428 | 6,064 | 5,984 | 5,880 | 6,238 | 6,244 | 5,998 | 5,717 | 5,637 |
| 19 | Consumer instalment | 46,784 | 46,770 | 46,878 | 46,986 | 47,234 | 47,382 | 47,558 | 47,845 | 48,098 |
| 20 | Foreign govts., official institutions, etc. | 1,652 | 1,739 | 1,627 | 1,681 | 1,736 | 1,686 | 1,630 | 1,594 | 1,654 |
| 21 | All other loans | 21,152 | 20,512 | 20,781 | 20,521 | 20,484 | 20,603 | 20,308 | 20,845 | 20,637 |
| 22 | LESS: Loan loss reserve and unearned income on loans | 9,544 | 9,628 | 9,665 | 9,694 | 9,629 | 9,587 | 9,676 | 9,746 | 9,764 |
| 23 | *Other loans, net* | *311,034* | *311,263* | *313,163* | *311,981* | *312,467* | *316,858* | *315,668* | *318,003* | *316,759* |
| | Investments: | | | | | | | | | |
| 24 | *U.S. Treasury securities* | *44,969* | *46,786* | *46,297* | *44,754* | *44,038* | *46,405* | *46,698* | *46,071* | *44,524* |
| 25 | Bills | 6,589 | 7,750 | 7,454 | 6,706 | 6,328 | 7,743 | 7,726 | 7,385 | 5,659 |
| | Notes and bonds, by maturity: | | | | | | | | | |
| 26 | Within 1 year | 8,779 | 8,774 | 8,745 | 8,426 | 8,393 | 8,310 | 8,476 | 8,433 | 8,449 |
| 27 | 1 to 5 years | 25,081 | 25,804 | 25,889 | 25,509 | 25,221 | 25,746 | 25,556 | 25,505 | 25,614 |
| 28 | After 5 years | 4,520 | 4,458 | 4,209 | 4,113 | 4,096 | 4,606 | 4,940 | 4,748 | 4,802 |
| 29 | *Other securities* | *65,794* | *65,874* | *66,461* | *66,353* | *65,869* | *65,932* | *66,799* | *68,822* | *68,277* |
| | Obligations of States and political subdivisions: | | | | | | | | | |
| 30 | Tax warrants, short-term notes, and bills | 6,886 | 6,906 | 7,270 | 7,060 | 6,532 | 6,533 | 6,878 | 8,401 | 8,118 |
| 31 | All other | 43,169 | 43,271 | 43,541 | 43,444 | 43,469 | 43,424 | 43,773 | 44,325 | 44,362 |
| | Other bonds, corporate stocks, and securities: | | | | | | | | | |
| 32 | Certificates of participation[2] | 2,741 | 2,739 | 2,741 | 2,751 | 2,786 | 2,738 | 2,739 | 2,815 | 2,802 |
| 33 | All other, including corporate stocks | 12,998 | 12,958 | 12,909 | 13,098 | 13,082 | 13,237 | 13,409 | 13,281 | 12,995 |
| 34 | Cash items in process of collection | 47,423 | 37,616 | 45,353 | 39,643 | 37,316 | 46,461 | 42,153 | 42,055 | 41,647 |
| 35 | Reserves with F.R. Banks | 21,595 | 18,953 | 20,018 | 19,814 | 23,192 | 18,499 | 19,737 | 20,459 | 20,025 |
| 36 | Currency and coin | 6,057 | 5,783 | 6,018 | 6,149 | 6,572 | 5,659 | 6,285 | 6,314 | 6,454 |
| 37 | Balances with domestic banks | 14,967 | 13,484 | 13,878 | 14,247 | 13,399 | 15,290 | 13,204 | 14,043 | 13,478 |
| 38 | Investments in subsidiaries not consolidated | 3,072 | 3,118 | 3,110 | 3,056 | 3,069 | 3,109 | 3,142 | 3,132 | 3,173 |
| 39 | Other assets | 63,630 | 63,299 | 62,952 | 64,417 | 64,553 | 66,497 | 66,617 | 64,248 | 64,060 |
| 40 | **Total assets/total liabilities** | **602,176** | **592,054** | **604,175** | **595,343** | **595,746** | **614,853** | **606,236** | **611,223** | **602,366** |
| | Deposits: | | | | | | | | | |
| 41 | *Demand deposits* | *191,532* | *175,897* | *191,386* | *178,321* | *177,269* | *193,949* | *185,761* | *189,474* | *184,443* |
| 42 | Individuals, partnerships, and corps. | 136,346 | 128,210 | 135,366 | 128,802 | 128,408 | 135,717 | 136,595 | 135,453 | 132,836 |
| 43 | States and political subdivisions | 6,360 | 5,437 | 5,944 | 6,018 | 5,665 | 5,738 | 5,767 | 5,743 | 6,103 |
| 44 | U.S. Govt. | 2,745 | 1,052 | 5,730 | 1,829 | 2,702 | 3,281 | 1,783 | 4,662 | 2,853 |
| | Domestic interbank: | | | | | | | | | |
| 45 | Commercial | 29,172 | 26,028 | 28,036 | 25,858 | 24,482 | 29,496 | 25,450 | 27,114 | 25,959 |
| 46 | Mutual savings | 885 | 845 | 908 | 737 | 757 | 1,057 | 893 | 872 | 853 |
| | Foreign: | | | | | | | | | |
| 47 | Governments, official institutions, etc. | 1,238 | 1,227 | 1,149 | 1,167 | 1,359 | 1,652 | 1,629 | 1,198 | 1,382 |
| 48 | Commerial banks | 7,139 | 6,720 | 6,655 | 7,459 | 7,130 | 6,568 | 6,554 | 6,898 | 6,883 |
| 49 | Certified and officers' checks | 7,647 | 6,378 | 7,598 | 6,451 | 6,766 | 10,440 | 7,090 | 7,534 | 7,574 |
| 50 | *Time and savings deposits*[3] | *254,902* | *257,096* | *257,648* | *259,176* | *260,621* | *259,556* | *259,080* | *258,866* | *260,069* |
| 51 | Savings[4] | 92,642 | 93,089 | 93,265 | 93,524 | 94,014 | 94,494 | 94,057 | 93,351 | 93,156 |
| 52 | Time: | 162,260 | 164,007 | 164,383 | 165,652 | 166,607 | 165,062 | 165,023 | 165,515 | 166,913 |
| 53 | Individuals, partnerships, and corps. | 122,255 | 123,820 | 124,362 | 125,654 | 126,549 | 125,898 | 125,884 | 125,747 | 126,722 |
| 54 | States and political subdivisions | 24,891 | 24,968 | 24,827 | 24,954 | 24,916 | 24,648 | 24,804 | 25,363 | 25,657 |
| 55 | Domestic interbank | 5,233 | 5,464 | 5,495 | 5,435 | 5,524 | 5,218 | 5,143 | 5,201 | 5,317 |
| 56 | Foreign govts., official institutions, etc. | 8,461 | 8,272 | 8,241 | 8,162 | 8,160 | 7,841 | 7,690 | 7,618 | 7,556 |
| 57 | Federal funds purchased, etc.[5] | 76,734 | 79,137 | 76,753 | 78,878 | 78,930 | 81,651 | 81,389 | 82,974 | 76,451 |
| | Borrowings from: | | | | | | | | | |
| 58 | F.R. Banks | 574 | 651 | 232 | 165 | 119 | 29 | 68 | 435 | 1,450 |
| 59 | Others | 5,022 | 5,476 | 5,123 | 5,189 | 5,496 | 5,854 | 5,783 | 5,673 | 5,949 |
| 60 | Other liabilities, etc.[6] | 28,092 | 28,406 | 27,795 | 28,309 | 27,943 | 28,427 | 28,648 | 28,412 | 28,444 |
| 61 | Total equity capital and subordinated notes/debentures[7] | 45,320 | 45,391 | 45,238 | 45,305 | 45,368 | 45,387 | 45,507 | 45,389 | 45,560 |

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.
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.

## 1.28 LARGE WEEKLY REPORTING COMMERCIAL BANKS IN NEW YORK CITY Assets and Liabilities

Millions of dollars, Wednesday figures

| Account | 1978 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Mar. 1 | Mar. 8 | Mar. 15 | Mar. 22 | Mar. 29 | Apr. 5p | Apr. 12p | Apr. 19p | Apr. 26p |
| 1 **Total loans and investments** | **92,146** | **92,153** | **93,766** | **91,505** | **90,049** | **94,070** | **93,178** | **94,706** | **92,394** |
| Loans: | | | | | | | | | |
| 2 *Federal funds sold*[1] | *3,870* | *3,839* | *4,552* | *5,042* | *4,704* | *4,427* | *4,560* | *4,388* | *5,028* |
| 3 To commercial banks | 2,383 | 2,141 | 2,653 | 3,456 | 3,178 | 2,080 | 2,652 | 1,859 | 2,801 |
| To brokers and dealers involving— | | | | | | | | | |
| 4 U.S. treasury securities | 766 | 898 | 1,242 | 892 | 793 | 1,231 | 1,480 | 2,119 | 1,751 |
| 5 Other securities | ........ | ........ | ........ | 2 | 2 | 4 | 1 | 1 | 1 |
| 6 To others | 721 | 800 | 657 | 692 | 731 | 1,112 | 427 | 409 | 475 |
| 7 *Other gross* | *69,562* | *69,319* | *70,144* | *68,435* | *68,083* | *70,334* | *68,706* | *69,236* | *67,846* |
| 8 Commercial and industrial | 34,297 | 34,194 | 34,602 | 34,377 | 34,628 | 34,552 | 34,508 | 34,391 | 33,951 |
| 9 Agricultural | 161 | 165 | 167 | 171 | 166 | 164 | 156 | 155 | 157 |
| For purchasing or carrying securities: | | | | | | | | | |
| To brokers and dealers: | | | | | | | | | |
| 10 U.S. Treasury securities | 1,052 | 1,864 | 1,653 | 962 | 679 | 2,200 | 1,388 | 1,729 | 1,189 |
| 11 Other securities | 4,733 | 4,615 | 5,212 | 4,550 | 4,083 | 4,777 | 4,562 | 4,873 | 4,467 |
| To others: | | | | | | | | | |
| 12 U.S. Treasury securities | 26 | 26 | 25 | 25 | 25 | 25 | 25 | 25 | 25 |
| 13 Other securities | 351 | 345 | 342 | 339 | 339 | 342 | 344 | 355 | 356 |
| To nonbank financial institutions: | | | | | | | | | |
| 14 Personal and sales finance cos., etc. | 2,416 | 2,405 | 2,477 | 2,435 | 2,382 | 2,513 | 2,387 | 2,415 | 2,501 |
| 15 Other | 4,921 | 4,972 | 4,925 | 4,899 | 4,874 | 4,895 | 4,869 | 4,851 | 4,801 |
| 16 Real estate | 9,049 | 9,065 | 9,035 | 9,033 | 8,986 | 8,986 | 8,976 | 8,982 | 8,998 |
| To commercial banks: | | | | | | | | | |
| 17 Domestic | 832 | 590 | 555 | 610 | 523 | 669 | 571 | 589 | 637 |
| 18 Foreign | 2,911 | 2,720 | 2,663 | 2,630 | 2,922 | 2,765 | 2,645 | 2,461 | 2,456 |
| 19 Consumer instalment | 4,319 | 4,328 | 4,329 | 4,333 | 4,336 | 4,345 | 4,355 | 4,394 | 4,409 |
| 20 Foreign govts. official institutions, etc. | 234 | 265 | 236 | 258 | 244 | 323 | 289 | 223 | 294 |
| 21 All other loans | 4,260 | 3,765 | 3,923 | 3,813 | 3,896 | 3,778 | 3,631 | 3,793 | 3,605 |
| 22 LESS: Loan loss reserve and unearned income on loans | 1,709 | 1,720 | 1,718 | 1,718 | 1,677 | 1,645 | 1,685 | 1,686 | 1,686 |
| 23 *Other loans, net* | *67,853* | *67,599* | *68,426* | *66,717* | *66,406* | *68,689* | *67,021* | *67,550* | *66,160* |
| Investments: | | | | | | | | | |
| 24 *U.S. Treasury securities* | *10,365* | *10,669* | *10,547* | *9,591* | *9,162* | *11,106* | *11,481* | *11,240* | *10,178* |
| 25 Bills | 1,413 | 1,597 | 1,598 | 1,218 | 1,071 | 2,251 | 2,497 | 2,522 | 1,682 |
| Notes and bonds, by maturity: | | | | | | | | | |
| 26 Within 1 year | 1,593 | 1,590 | 1,560 | 1,292 | 1,251 | 1,199 | 1,239 | 1,206 | 1,178 |
| 27 1 to 5 years | 6,329 | 6,437 | 6,406 | 6,192 | 6,051 | 6,569 | 6,468 | 6,446 | 6,350 |
| 28 After 5 years | 1,030 | 1,045 | 983 | 889 | 789 | 1,087 | 1,277 | 1,066 | 968 |
| 29 *Other securities* | *10,058* | *10,046* | *10,241* | *10,155* | *9,777* | *9,848* | *10,116* | *11,528* | *11,028* |
| Obligations of States and political subdivisions: | | | | | | | | | |
| 30 Tax warrants, short-term notes, and bills | 1,154 | 1,118 | 1,157 | 1,137 | 744 | 745 | 940 | 2,238 | 1,967 |
| 31 All other | 6,809 | 6,831 | 6,961 | 6,884 | 6,930 | 6,996 | 7,074 | 7,271 | 7,208 |
| Other bonds, corporate stocks, and securities: | | | | | | | | | |
| 32 Certificates of participation[2] | 402 | 402 | 402 | 414 | 425 | 425 | 425 | 449 | 452 |
| 33 All other, including corporate stocks | 1,693 | 1,695 | 1,721 | 1,720 | 1,678 | 1,682 | 1,677 | 1,570 | 1,401 |
| 34 Cash items in process of collection | 15,674 | 12,191 | 15,149 | 13,206 | 12,688 | 16,670 | 13,100 | 13,032 | 14,144 |
| 35 Reserves with F.R. Banks | 5,829 | 3,955 | 5,520 | 3,838 | 5,361 | 4,154 | 5,023 | 5,454 | 3,755 |
| 36 Currency and coin | 918 | 913 | 916 | 969 | 1,025 | 955 | 972 | 960 | 952 |
| 37 Balances with domestic banks | 7,242 | 6,281 | 6,706 | 7,379 | 6,197 | 8,037 | 6,413 | 6,894 | 6,719 |
| 38 Investments in subsidiaries not consolidated | 1,549 | 1,557 | 1,556 | 1,561 | 1,571 | 1,591 | 1,602 | 1,613 | 1,619 |
| 39 Other assets | 26,243 | 25,635 | 24,550 | 26,541 | 25,964 | 27,228 | 26,841 | 25,766 | 25,198 |
| 40 **Total assets/total liabilities** | **149,601** | **142,685** | **148,163** | **144,999** | **142,855** | **152,705** | **147,129** | **148,425** | **144,781** |
| Deposits: | | | | | | | | | |
| 41 *Demand deposits* | *56,549* | *47,583* | *54,834* | *51,121* | *49,459* | *55,996* | *50,091* | *50,971* | *51,109* |
| 42 Individuals, partnerships, and corps. | 30,526 | 25,877 | 28,801 | 27,219 | 26,790 | 27,645 | 27,448 | 26,302 | 27,403 |
| 43 States and political subdivisions | 737 | 445 | 649 | 623 | 563 | 442 | 451 | 478 | 518 |
| 44 U.S. Govt. | 368 | 91 | 1,237 | 203 | 437 | 656 | 342 | 784 | 581 |
| Domestic interbank: | | | | | | | | | |
| 45 Commercial | 14,386 | 11,967 | 13,871 | 12,980 | 11,280 | 14,084 | 11,809 | 13,081 | 12,313 |
| 46 Mutual savings | 453 | 427 | 489 | 351 | 399 | 586 | 473 | 445 | 446 |
| Foreign: | | | | | | | | | |
| 47 Governments, official institutions, etc. | 1,012 | 972 | 936 | 937 | 1,140 | 1,401 | 1,416 | 999 | 1,151 |
| 48 Commercial banks | 5,638 | 5,142 | 5,107 | 5,947 | 5,625 | 5,040 | 5,049 | 5,398 | 5,230 |
| 49 Certified and officers' checks | 3,429 | 2,662 | 3,744 | 2,861 | 3,225 | 6,142 | 3,103 | 3,484 | 3,467 |
| 50 *Time and savings deposits*[3] | *45,400* | *45,309* | *44,955* | *45,013* | *45,478* | *45,289* | *45,416* | *45,641* | *45,702* |
| 51 Savings[4] | 9,910 | 9,926 | 9,917 | 9,908 | 9,973 | 10,012 | 10,000 | 9,947 | 9,934 |
| 52 Time | 35,490 | 35,383 | 35,038 | 35,105 | 35,505 | 35,277 | 35,416 | 35,694 | 35,768 |
| 53 Individuals, partnerships and corps. | 26,336 | 26,470 | 26,195 | 26,351 | 26,747 | 26,859 | 26,949 | 27,230 | 27,338 |
| 54 States and political subdivisions | 1,700 | 1,685 | 1,701 | 1,673 | 1,679 | 1,690 | 1,672 | 1,724 | 1,744 |
| 55 Domestic interbank | 1,600 | 1,557 | 1,532 | 1,492 | 1,533 | 1,444 | 1,496 | 1,543 | 1,572 |
| 56 Foreign govts., official institutions, etc. | 5,135 | 4,963 | 4,910 | 4,896 | 4,855 | 4,600 | 4,583 | 4,392 | 4,295 |
| 57 Federal funds purchased, etc.[5] | 20,042 | 21,812 | 21,260 | 21,613 | 20,497 | 23,335 | 23,472 | 23,780 | 19,485 |
| Borrowings from: | | | | | | | | | |
| 58 F.R. Banks | 80 | 540 | 35 | ........ | ........ | ........ | ........ | ........ | 410 |
| 59 Others | 2,213 | 2,401 | 2,244 | 2,242 | 2,505 | 2,893 | 2,943 | 2,910 | 2,836 |
| 60 Other liabilities, etc.[6] | 12,278 | 12,010 | 11,791 | 11,969 | 11,887 | 12,262 | 12,248 | 12,179 | 12,284 |
| 61 Total equity capital and subordinated notes/debentures[7] | 13,039 | 13,030 | 13,044 | 13,041 | 13,029 | 12,930 | 12,959 | 12,944 | 12,955 |

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.

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.

## 1.29 LARGE WEEKLY REPORTING COMMERCIAL BANKS OUTSIDE NEW YORK CITY
### Assets and Liabilities

Millions of dollars, Wednesday figures

| Account | 1978 Mar. 1 | Mar. 8 | Mar. 15 | Mar. 22 | Mar. 29 | Apr. 5p | Apr. 12p | Apr. 19p | Apr. 26p |
|---|---|---|---|---|---|---|---|---|---|
| 1 **Total loans and investments** | **353,286** | **357,648** | **359,080** | **356,512** | **357,596** | **365,268** | **361,920** | **366,266** | **361,135** |
| Loans: | | | | | | | | | |
| 2 *Federal funds sold*[1] | *19,765* | *22,039* | *22,373* | *19,887* | *20,567* | *25,716* | *21,373* | *23,688* | *18,941* |
| 3 To commercial banks | 16,494 | 17,289 | 17,452 | 16,426 | 17,036 | 19,212 | 16,711 | 19,697 | 15,349 |
| To brokers and dealers involving— | | | | | | | | | |
| 4 U.S. treasury securities | 1,495 | 2,613 | 2,548 | 1,534 | 1,481 | 3,713 | 2,223 | 1,737 | 1,325 |
| 5 Other securities | 460 | 601 | 582 | 530 | 505 | 687 | 646 | 661 | 672 |
| 6 To others | 1,316 | 1,536 | 1,791 | 1,397 | 1,545 | 2,104 | 1,793 | 1,593 | 1,595 |
| 7 *Other, gross* | *251,016* | *251,572* | *252,684* | *253,240* | *254,013* | *256,111* | *256,638* | *258,513* | *258,677* |
| 8 Commercial and industrial | 92,476 | 92,943 | 93,440 | 93,985 | 94,176 | 95,012 | 95,519 | 96,340 | 96,658 |
| 9 Agricultural | 4,396 | 4,430 | 4,482 | 4,506 | 4,545 | 4,576 | 4,590 | 4,622 | 4,636 |
| For purchasing or carrying securities: | | | | | | | | | |
| To brokers and dealers: | | | | | | | | | |
| 10 U.S. treasury securities | 137 | 261 | 137 | 140 | 139 | 163 | 170 | 271 | 165 |
| 11 Other securities | 4,024 | 4,070 | 4,345 | 4,166 | 3,961 | 4,399 | 4,343 | 4,573 | 4,178 |
| To others: | | | | | | | | | |
| 12 U.S. Treasury securities | 80 | 78 | 75 | 74 | 75 | 76 | 76 | 75 | 76 |
| 13 Other securities | 2,261 | 2,234 | 2,242 | 2,205 | 2,220 | 2,242 | 2,239 | 2,242 | 2,253 |
| To nonbank financial institutions: | | | | | | | | | |
| 14 Personal and sales finance cos., etc. | 4,901 | 4,988 | 5,042 | 5,075 | 5,104 | 5,172 | 5,179 | 5,109 | 5,089 |
| 15 Other | 10,173 | 10,125 | 10,121 | 10,111 | 10,230 | 10,387 | 10,287 | 10,204 | 10,228 |
| 16 Real estate | 66,830 | 66,996 | 67,356 | 67,552 | 67,802 | 67,951 | 68,263 | 68,580 | 68,715 |
| To commercial banks: | | | | | | | | | |
| 17 Domestic | 1,446 | 1,440 | 1,325 | 1,392 | 1,467 | 1,429 | 1,398 | 1,367 | 1,417 |
| 18 Foreign | 3,517 | 3,344 | 3,321 | 3,250 | 3,316 | 3,479 | 3,353 | 3,256 | 3,181 |
| 19 Consumer instalment | 42,465 | 42,442 | 42,549 | 42,653 | 42,898 | 43,037 | 43,203 | 43,451 | 43,689 |
| 20 Foreign govts., official institutions, etc. | 1,418 | 1,474 | 1,391 | 1,423 | 1,492 | 1,363 | 1,341 | 1,371 | 1,360 |
| 21 All other loans | 16,892 | 16,747 | 16,858 | 16,708 | 16,588 | 16,825 | 16,677 | 17,052 | 17,032 |
| 22 LESS: Loan reserve and unearned income on loans | 7,835 | 7,908 | 7,947 | 7,976 | 7,952 | 7,942 | 7,991 | 8,060 | 8,078 |
| 23 *Other loans, net* | *243,181* | *243,664* | *244,737* | *245,264* | *246,061* | *248,169* | *248,647* | *250,453* | *250,599* |
| Investments: | | | | | | | | | |
| 24 *U.S. Treasury securities* | *34,604* | *36,117* | *35,750* | *35,163* | *34,876* | *35,299* | *35,217* | *34,831* | *34,346* |
| 25 Bills | 5,176 | 6,153 | 5,856 | 5,488 | 5,257 | 5,492 | 5,229 | 4,863 | 3,977 |
| Notes and bonds, by maturity: | | | | | | | | | |
| 26 Within 1 year | 7,186 | 7,184 | 7,185 | 7,134 | 7,142 | 7,111 | 7,237 | 7,227 | 7,271 |
| 27 1 to 5 years | 18,752 | 19,367 | 19,483 | 19,317 | 19,170 | 19,177 | 19,088 | 19,059 | 19,264 |
| 28 After 5 years | 3,490 | 3,413 | 3,226 | 3,224 | 3,307 | 3,519 | 3,663 | 3,682 | 3,834 |
| 29 *Other securities* | *55,736* | *55,828* | *56,220* | *56,198* | *56,092* | *56,084* | *56,683* | *57,294* | *57,249* |
| Obligations of States and political subdivisions: | | | | | | | | | |
| 30 Tax warrants, short-term notes, and bills | 5,732 | 5,788 | 6,113 | 5,923 | 5,788 | 5,788 | 5,938 | 6,163 | 6,151 |
| 31 All other | 36,360 | 36,440 | 36,580 | 36,560 | 36,539 | 36,428 | 36,699 | 37,054 | 37,154 |
| Other bonds, corporate stocks, and securities: | | | | | | | | | |
| 32 Certificates of participation[2] | 2,339 | 2,337 | 2,339 | 2,337 | 2,361 | 2,313 | 2,314 | 2,366 | 2,350 |
| 33 All other, including corporate stocks | 11,305 | 11,263 | 11,188 | 11,378 | 11,404 | 11,555 | 11,732 | 11,711 | 11,594 |
| 34 Cash items in process of collection | 31,749 | 25,425 | 30,204 | 26,437 | 24,628 | 29,791 | 29,053 | 29,023 | 27,503 |
| 35 Reserves with F.R. Banks | 15,766 | 14,998 | 14,498 | 15,976 | 17,831 | 14,345 | 14,714 | 15,005 | 16,270 |
| 36 Currency and coin | 5,139 | 4,870 | 5,102 | 5,180 | 5,547 | 4,704 | 5,313 | 5,354 | 5,502 |
| 37 Balances with domestic banks | 7,725 | 7,203 | 7,172 | 6,868 | 7,202 | 7,253 | 6,791 | 7,149 | 6,759 |
| 38 Investments in subsidiaries not consolidated | 1,523 | 1,561 | 1,554 | 1,495 | 1,498 | 1,518 | 1,540 | 1,519 | 1,554 |
| 39 Other assets | 37,387 | 37,664 | 38,402 | 37,876 | 38,589 | 39,269 | 39,776 | 38,482 | 38,862 |
| 40 **Total assets/total liabilities** | **452,575** | **449,369** | **456,012** | **450,344** | **452,891** | **462,148** | **459,107** | **462,798** | **457,585** |
| Deposits: | | | | | | | | | |
| 41 *Demand deposits* | *134,983* | *128,314* | *136,552* | *127,200* | *127,810* | *137,953* | *135,670* | *138,503* | *133,334* |
| 42 Individuals, partnerships, and corps. | 105,820 | 102,333 | 106,565 | 101,583 | 101,618 | 108,072 | 109,147 | 109,151 | 105,433 |
| 43 States and political subdivisions | 5,623 | 4,992 | 5,295 | 5,395 | 5,102 | 5,296 | 5,316 | 5,265 | 5,585 |
| 44 U.S. Govt. | 2,377 | 961 | 4,493 | 1,626 | 2,265 | 2,625 | 1,441 | 3,878 | 2,272 |
| Domestic interbank: | | | | | | | | | |
| 45 Commercial | 14,786 | 14,061 | 14,165 | 12,878 | 13,202 | 15,412 | 13,641 | 14,033 | 13,646 |
| 46 Mutual savings | 432 | 418 | 419 | 386 | 358 | 471 | 420 | 427 | 407 |
| Foreign: | | | | | | | | | |
| 47 Governments, official institutions, etc. | 226 | 255 | 213 | 230 | 219 | 251 | 213 | 199 | 231 |
| 48 Commercial banks | 1,501 | 1,578 | 1,548 | 1,512 | 1,505 | 1,528 | 1,505 | 1,500 | 1,653 |
| 49 Certified and officers' checks | 4,218 | 3,716 | 3,854 | 3,590 | 3,541 | 4,298 | 3,987 | 4,050 | 4,107 |
| 50 *Time and savings deposits*[3] | *209,502* | *211,787* | *212,693* | *214,163* | *215,143* | *214,267* | *213,664* | *213,225* | *214,367* |
| 51 Savings[4] | 82,732 | 83,163 | 83,348 | 83,616 | 84,041 | 84,482 | 84,057 | 83,404 | 83,222 |
| 52 Time | 126,770 | 128,624 | 129,345 | 130,547 | 131,102 | 129,785 | 129,607 | 129,821 | 131,145 |
| 53 Individuals, partnerships, and corps. | 95,919 | 97,350 | 98,167 | 99,303 | 99,802 | 99,039 | 98,935 | 98,517 | 99,384 |
| 54 States and political subdivisions | 23,191 | 23,283 | 23,126 | 23,281 | 23,237 | 22,958 | 23,132 | 23,639 | 23,913 |
| 55 Domestic interbank | 3,633 | 3,907 | 3,963 | 3,943 | 3,991 | 3,774 | 3,647 | 3,658 | 3,745 |
| 56 Foreign govts., official institutions, etc. | 3,326 | 3,309 | 3,331 | 3,266 | 3,305 | 3,241 | 3,107 | 3,226 | 3,261 |
| 57 Federal funds purchased, etc.[5] | 56,692 | 57,325 | 55,493 | 57,265 | 58,433 | 58,316 | 57,917 | 59,194 | 56,966 |
| Borrowings from: | | | | | | | | | |
| 58 F.R. Banks | 494 | 111 | 197 | 165 | 119 | 29 | 68 | 435 | 1,040 |
| 59 Others | 2,809 | 3,075 | 2,879 | 2,947 | 2,991 | 2,961 | 2,840 | 2,763 | 3,113 |
| 60 Other liabilities, etc.[6] | 15,814 | 16,396 | 16,004 | 16,340 | 16,056 | 16,165 | 16,400 | 16,233 | 16,160 |
| 61 Total equity capital and subordinated notes/debentures[7] | 32,281 | 32,361 | 32,194 | 32,264 | 32,339 | 32,457 | 32,548 | 32,445 | 32,605 |

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.
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.

## 1.30 LARGE WEEKLY REPORTING COMMERCIAL BANKS Balance Sheet Memoranda

Millions of dollars, Wednesday figures

| | Account | 1978 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Mar. 1 | Mar. 8 | Mar. 15 | Mar. 22 | Mar. 29 | Apr. 5p | Apr. 12p | Apr. 19p | Apr. 26p |
| | **Total loans (gross) and investments adjusted**[1] | | | | | | | | | |
| 1 | *Large Banks* | *433,821* | *437,969* | *440,526* | *435,827* | *435,070* | *445,535* | *443,442* | *447,206* | *443,089* |
| 2 | New York City banks | 90,640 | 91,142 | 92,276 | 89,157 | 88,025 | 92,966 | 91,640 | 93,944 | 90,642 |
| 3 | Banks outside New York City | 343,181 | 346,827 | 348,250 | 346,670 | 347,045 | 352,569 | 351,802 | 353,262 | 352,447 |
| | **Total loans (gross), adjusted** | | | | | | | | | |
| 4 | *Large banks* | *323,058* | *325,309* | *327,768* | *324,720* | *325,163* | *333,198* | *329,945* | *332,313* | *330,288* |
| 5 | New York City banks | 70,217 | 70,427 | 71,488 | 69,411 | 69,086 | 72,012 | 70,043 | 71,176 | 69,436 |
| 6 | Banks outside New York City | 252,841 | 254,882 | 256,280 | 255,309 | 256,077 | 261,186 | 259,902 | 261,137 | 260,852 |
| | **Demand deposits, adjusted**[2] | | | | | | | | | |
| 7 | *Large Banks* | *112,192* | *111,201* | *112,267* | *110,991* | *112,769* | *114,711* | *116,375* | *115,643* | *113,984* |
| 8 | New York City banks | 26,121 | 23,334 | 24,577 | 24,732 | 25,054 | 24,586 | 24,840 | 24,074 | 24,071 |
| 9 | Banks outside New York City | 86,071 | 87,867 | 87,690 | 86,259 | 87,715 | 90,125 | 91,535 | 91,569 | 89,913 |
| | **Large negotiable time CD's included in time and savings deposits**[3] | | | | | | | | | |
| | Total: | | | | | | | | | |
| 10 | **Large banks** | **78,148** | **79,640** | **79,956** | **81,111** | **82,293** | **80,977** | **81,059** | **80,756** | **81,866** |
| 11 | New York City | 24,490 | 24,474 | 24,136 | 24,301 | 24,737 | 24,504 | 24,633 | 24,822 | 24,896 |
| 12 | Banks outside New York City | 53,658 | 55,166 | 55,820 | 56,810 | 57,556 | 56,473 | 56,426 | 55,934 | 56,970 |
| | Issued to IPC's: | | | | | | | | | |
| 13 | *Large banks* | *52,506* | *53,931* | *54,292* | *55,533* | *56,476* | *55,884* | *56,180* | *55,836* | *56,739* |
| 14 | New York City Banks | 16,817 | 17,029 | 16,729 | 16,960 | 17,380 | 17,444 | 17,576 | 17,855 | 17,992 |
| 15 | Banks outside New York City | 35,689 | 36,902 | 37,563 | 38,573 | 39,096 | 38,440 | 38,604 | 37,981 | 38,747 |
| | Issued to others: | | | | | | | | | |
| 16 | *Large banks* | *25,642* | *25,709* | *25,664* | *25,578* | *25,817* | *25,093* | *24,879* | *24,920* | *25,127* |
| 17 | New York City banks | 7,673 | 7,445 | 7,407 | 7,341 | 7,357 | 7,060 | 7,057 | 6,967 | 6,904 |
| 18 | Banks outside New York City | 17,969 | 18,264 | 18,257 | 18,237 | 18,460 | 18,033 | 17,822 | 17,953 | 18,223 |
| | **All other large time deposits**[4] | | | | | | | | | |
| | Total: | | | | | | | | | |
| 19 | **Large banks** | **31,660** | **31,722** | **31,716** | **31,727** | **31,477** | **31,290** | **31,497** | **32,050** | **32,317** |
| 20 | New York City banks | 6,118 | 6,018 | 6,001 | 5,920 | 5,829 | 5,828 | 5,906 | 5,970 | 5,977 |
| 21 | Banks outside New York City | 25,542 | 25,704 | 25,715 | 25,807 | 25,648 | 25,462 | 25,591 | 26,080 | 26,340 |
| | Issued to IPC's: | | | | | | | | | |
| 22 | *Large banks* | *18,035* | *17,978* | *18,079* | *18,062* | *18,001* | *17,979* | *18,019* | *17,983* | *18,053* |
| 23 | New York City banks | 4,782 | 4,694 | 4,705 | 4,644 | 4,576 | 4,625 | 4,648 | 4,642 | 4,627 |
| 24 | Banks outside New York City | 13,253 | 13,284 | 13,374 | 13,418 | 13,425 | 13,354 | 13,371 | 13,341 | 13,426 |
| | Issued to others: | | | | | | | | | |
| 25 | *Large banks* | *13,625* | *13,744* | *13,637* | *13,665* | *13,476* | *13,311* | *13,478* | *14,067* | *14,264* |
| 26 | New York City banks | 1,336 | 1,324 | 1,296 | 1,276 | 1,253 | 1,203 | 1,258 | 1,328 | 1,350 |
| 27 | Banks outside New York City | 12,289 | 12,420 | 12,341 | 12,389 | 12,223 | 12,108 | 12,220 | 12,739 | 12,914 |
| | **Savings deposits, by ownership category** | | | | | | | | | |
| | Individuals and nonprofit organizations: | | | | | | | | | |
| 28 | *Large banks* | *86,218* | *86,628* | *86,881* | *87,187* | *87,601* | *88,087* | *87,707* | *86,947* | *86,766* |
| 29 | New York City banks | 9,177 | 9,201 | 9,197 | 9,217 | 9,273 | 9,316 | 9,300 | 9,214 | 9,193 |
| 30 | Banks outside New York City | 77,041 | 77,427 | 77,684 | 77,970 | 78,328 | 78,771 | 78,407 | 77,733 | 77,573 |
| | Partnerships and corporations for profit:[5] | | | | | | | | | |
| 31 | *Large banks* | *4,897* | *4,923* | *4,875* | *4,898* | *4,968* | *4,976* | *4,942* | *4,900* | *4,920* |
| 32 | New York City banks | 484 | 480 | 473 | 470 | 478 | 485 | 478 | 470 | 473 |
| 33 | Banks outside New York City | 4,413 | 4,443 | 4,402 | 4,428 | 4,490 | 4,491 | 4,464 | 4,430 | 4,447 |
| | Domestic governmental units: | | | | | | | | | |
| 34 | *Large banks* | *1,495* | *1,499* | *1,477* | *1,412* | *1,414* | *1,405* | *1,375* | *1,477* | *1,441* |
| 35 | New York City banks | 230 | 218 | 225 | 201 | 205 | 200 | 205 | 252 | 254 |
| 36 | Banks outside New York City | 1,265 | 1,281 | 1,252 | 1,211 | 1,209 | 1,205 | 1,170 | 1,225 | 1,187 |
| | All other:[6] | | | | | | | | | |
| 37 | *Large banks* | *32* | *39* | *32* | *27* | *31* | *26* | *33* | *27* | *29* |
| 38 | New York City banks | 19 | 27 | 22 | 20 | 17 | 11 | 17 | 11 | 14 |
| 39 | Banks outside New Yotk City | 13 | 12 | 10 | 7 | 14 | 15 | 16 | 16 | 15 |
| | **Gross liabilities of banks to their foreign branches** | | | | | | | | | |
| 40 | *Large banks* | *4,765* | *4,958* | *5,887* | *4,645* | *4,494* | *4,145* | *4,202* | *4,443* | *4,249* |
| 41 | New York City banks | 2,424 | 2,521 | 3,573 | 2,239 | 2,619 | 2,195 | 2,253 | 2,435 | 2,290 |
| 42 | Banks outside New York City | 2,341 | 2,437 | 2,314 | 2,406 | 1,875 | 1,950 | 1,949 | 2,008 | 1,959 |
| | **Loans sold outright to selected institutions by all large banks**[7] | | | | | | | | | |
| 43 | Commercial and industrial[8] | 2,307 | 2,217 | 2,251 | 2,236 | 2,230 | 2,163 | 2,214 | 2,219 | 2,254 |
| 44 | Real estate[8] | 236 | 239 | 236 | 237 | 237 | 237 | 245 | 242 | 246 |
| 45 | All other[8] | 2,088 | 2,097 | 2,123 | 2,139 | 2,051 | 2,040 | 1,996 | 1,991 | 1,991 |

1 Exclusive of loans and Federal funds transactions with domestic commercial banks.

2 All demand deposits except U.S. Govt. and domestic commercial 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).

5 Other than commercial banks.

6 Domestic and foreign commercial banks, and official international organizations.

7 To bank's own foreign branches, nonconsolidated nonbank affiliates of the bank, the bank's holding company (if not a bank), and nonconsolidated nonbank subsidiaries of the holding company.

8 Data revised beginning July 7, 1977, due to reclassifications at one large bank.

## 1.31 LARGE WEEKLY REPORTING COMMERCIAL BANKS Commercial and Industrial Loans

Millions of dollars

| Industry classification | Outstanding 1978 Mar. 29 | Apr. 5 | Apr. 12 | Apr. 19 | Apr. 26p | Net change during— 1977 Q4 | 1978 Q1 | 1978 Feb. | Mar. | Apr.p | Adjustment bank ▲ |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Total loans classified[2] | | | | | | | | | | |
| 1 **Total** | **104,768** | **105,360** | **105,608** | **106,077** | **105,799** | **4,395** | **2,023** | **1,198** | **2,481** | **1,031** | **745** |
| Durable goods manufacturing: | | | | | | | | | | | |
| 2 Primary metals | 2,754 | 2,743 | 2,775 | 2,778 | 2,800 | 256 | −86 | 119 | 68 | 46 | 90 |
| 3 Machinery | 5,234 | 5,188 | 5,167 | 5,263 | 5,294 | −4 | 491 | 288 | 276 | 60 | 176 |
| 4 Transportation equipment | 2,723 | 2,686 | 2,649 | 2,717 | 2,644 | −89 | 447 | 155 | 168 | −79 | −21 |
| 5 Other fabricated metal products | 2,272 | 2,348 | 2,423 | 2,435 | 2,444 | −26 | 351 | 76 | 193 | 172 | −28 |
| 6 Other durable goods | 3,533 | 3,526 | 3,579 | 3,600 | 3,615 | −231 | 52 | 39 | 145 | 82 | −20 |
| Nondurable goods manufacturing: | | | | | | | | | | | |
| 7 Food, liquor, and tobacco | 3,853 | 3,815 | 3,799 | 3,851 | 3,845 | 324 | 52 | 11 | 76 | −8 | 21 |
| 8 Textiles, apparel, and leather | 3,572 | 3,649 | 3,720 | 3,652 | 3,686 | −663 | 280 | 165 | 231 | 114 | −65 |
| 9 Petroleum refining | 2,478 | 2,469 | 2,458 | 2,487 | 2,569 | 235 | −221 | −41 | −181 | 91 | −249 |
| 10 Chemicals and rubber | 3,415 | 3,527 | 3,534 | 3,504 | 3,475 | −37 | 532 | 244 | 270 | 60 | 39 |
| 11 Other nondurable goods | 2,206 | 2,220 | 2,234 | 2,225 | 2,183 | 74 | −62 | −17 | −33 | −23 | 26 |
| 12 Mining, including crude petroleum and natural gas | 9,526 | 9,648 | 9,703 | 9,843 | 9,853 | 537 | 451 | 88 | 395 | 327 | 306 |
| Trade: | | | | | | | | | | | |
| 13 Commodity dealers | 2,251 | 2,261 | 2,189 | 2,209 | 2,169 | 502 | 300 | −19 | 78 | −82 | 125 |
| 14 Other wholesale | 8,486 | 8,618 | 8,626 | 8,587 | 8,687 | 439 | 787 | 227 | 487 | 201 | 390 |
| 15 Retail | 7,626 | 7,764 | 7,740 | 7,815 | 7,806 | −235 | 565 | 284 | 297 | 180 | 96 |
| 16 Transportation | 5,602 | 5,499 | 5,539 | 5,307 | 5,298 | 17 | 378 | 54 | 326 | −304 | 239 |
| 17 Communication | 1,416 | 1,562 | 1,508 | 1,552 | 1,565 | 115 | 11 | 57 | −96 | 149 | 22 |
| 18 Other public utilities | 4,971 | 4,910 | 4,915 | 4,982 | 5,026 | 290 | −569 | −178 | −375 | 55 | 210 |
| 19 Construction | 4,634 | 4,702 | 4,704 | 4,739 | 4,771 | −31 | 200 | −14 | 170 | 137 | −39 |
| 20 Services | 12,304 | 12,406 | 12,535 | 12,638 | 12,664 | 286 | 675 | 179 | 263 | 360 | 330 |
| 21 All other domestic loans | 7,450 | 7,627 | 7,771 | 7,777 | 7,822 | 419 | −34 | 178 | −174 | 372 | −857 |
| 22 Bankers acceptances | 3,690 | 3,465 | 3,353 | 3,439 | 2,906 | 2,455 | −2,533 | −574 | −114 | −784 | 2 |
| 23 Foreign commercial and industrial loans | 4,772 | 4,727 | 4,687 | 4,677 | 4,677 | −238 | −54 | −123 | 11 | −95 | −48 |
| MEMO ITEMS: | | | | | | | | | | | |
| 24 Commercial paper included in total classified loans[1] | 131 | ........ | ........ | ........ | 124 | −75 | −27 | −11 | −5 | −7 | ........ |
| 25 Total commercial and industrial loans of all large weekly reporting banks | 128,804 | 129,564 | 130,027 | 130,731 | 130,609 | 5,622 | 2,975 | 1,633 | r3,195 | 1,805 | −13 |

| Industry classification | Outstanding 1977 Dec. 28 | 1978 Jan. 25 | Feb. 22 | Mar. 29 | Apr. 26p | Net change during— 1977 Q4 | 1978 Q1 | 1978 Feb. | Mar. | June | Adjustment bank ▲ |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | "Terms" loans classified[3] | | | | | | | | | | |
| 26 **Total** | **46,626** | **48,215** | **48,818** | **r49,369** | **49,989** | **352** | **r1,903** | **603** | **r551** | **620** | **840** |
| Durable goods manufacturing: | | | | | | | | | | | |
| 27 Primary metals | 1,546 | 1,559 | 1,564 | r1,579 | 1,671 | 120 | r−13 | 5 | r15 | 92 | 46 |
| 28 Machinery | 2,286 | 2,403 | 2,473 | 2,529 | 2,488 | −51 | 203 | 70 | 56 | −41 | 40 |
| 29 Transportation equipment | 1,317 | 1,432 | 1,466 | 1,489 | 1,449 | −112 | 152 | 34 | 23 | −40 | 20 |
| 30 Other fabricated metal products | 834 | 882 | 877 | 902 | 964 | 59 | 50 | −5 | 25 | 62 | 18 |
| 31 Other durable goods | 1,698 | 1,630 | 1,602 | 1,572 | 1,603 | −76 | −105 | −28 | −30 | 31 | −21 |
| Nondurable goods manufacturing: | | | | | | | | | | | |
| 32 Food, liquor, and tobacco | 1,498 | 1,436 | 1,492 | 1,522 | 1,638 | 98 | 69 | 56 | 30 | 116 | −45 |
| 33 Textiles, apparel, and leather | 1,058 | 973 | 983 | 1,038 | 1,068 | −96 | 40 | 10 | 55 | 30 | −60 |
| 34 Petroleum refining | 2,268 | 2,136 | 2,000 | 1,873 | 1,850 | 271 | −174 | −136 | −127 | −23 | −221 |
| 35 Chemicals and rubber | 1,727 | 1,926 | 2,017 | 2,116 | 2,127 | −18 | 215 | 91 | 99 | 11 | 174 |
| 36 Other nondurable goods | 1,147 | 1,198 | 1,182 | 1,169 | 1,083 | 53 | 2 | −16 | −13 | −86 | 20 |
| 37 Mining, including crude petroleum and natural gas | 6,501 | 6,569 | 6,811 | 7,084 | 7,429 | 217 | 530 | 242 | 273 | 345 | 53 |
| Trade: | | | | | | | | | | | |
| 38 Commodity dealers | 236 | 294 | 262 | 254 | 244 | 42 | −16 | −32 | −8 | −10 | 34 |
| 39 Other wholesale | 1,665 | 1,874 | 1,928 | 1,993 | 2,068 | 125 | 202 | 54 | 65 | 75 | 126 |
| 40 Retail | 2,448 | 2,476 | 2,539 | 2,554 | 2,689 | 48 | 54 | 63 | 15 | 135 | 52 |
| 41 Transportation | 3,484 | 3,726 | 3,747 | 3,885 | 3,623 | −141 | 233 | 21 | 138 | −262 | 168 |
| 42 Communication | 840 | 901 | 908 | 924 | 964 | 54 | 47 | 7 | 16 | 40 | 37 |
| 43 Other public utilities | 3,266 | 3,802 | 3,855 | 3,822 | 3,723 | −36 | −34 | 53 | −33 | −99 | 590 |
| 44 Construction | 1,990 | 2,002 | 1,973 | 2,066 | 2,081 | −21 | 165 | −29 | 93 | 15 | −89 |
| 45 Services | 5,366 | 5,746 | 5,807 | 5,880 | 6,031 | 85 | 307 | 61 | 73 | 151 | 207 |
| 46 All other domestic loans | 2,726 | 2,627 | 2,750 | 2,457 | 2,576 | 184 | −57 | 123 | −293 | 119 | −212 |
| 47 Foreign commercial and industrial loans | 2,725 | 2,623 | 2,582 | 2,661 | 2,620 | −453 | 33 | −41 | 79 | −41 | −97 |

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 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.

▲ These amounts represent accumulated adjustments originally made to offset the cumulative effects of mergers. A "positive" adjustment bank should be added to, and a "negative" adjustment bank substracted from, outstanding data for any date in the year to establish comparability with any date in the subsequent year. Changes shown have been adjusted for these amounts.

## 1.32 GROSS DEMAND DEPOSITS of Individuals, Partnerships, and Corporations

Billions of dollars, estimated daily-average balances

| Type of holder | At commercial banks | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 1973 Dec. | 1974 Dec. | 1975 Dec. | 1976 | | 1977 | | | | 1978 |
| | | | | Sept. | Dec. | Mar. | June | Sept. | Dec. | Mar. |
| 1 **All holders, IPC** | **220.1** | **225.0** | **236.9** | **236.1** | **250.1** | **242.3** | **253.8** | **252.7** | **274.4** | **262.5** |
| 2 Financial business | 19.1 | 19.0 | 20.1 | 19.7 | 22.3 | 21.6 | 25.9 | 23.7 | 25.0 | 24.5 |
| 3 Nonfinancial business | 116.2 | 118.8 | 125.1 | 122.6 | 130.2 | 125.1 | 129.2 | 128.5 | 142.9 | 131.5 |
| 4 Consumer | 70.1 | 73.3 | 78.0 | 80.0 | 82.6 | 81.6 | 84.1 | 86.2 | 91.0 | 91.8 |
| 5 Foreign | 2.4 | 2.3 | 2.4 | 2.3 | 2.7 | 2.4 | 2.5 | 2.5 | 2.5 | 2.4 |
| 6 Other | 12.4 | 11.7 | 11.3 | 11.5 | 12.4 | 11.6 | 12.2 | 11.8 | 12.9 | 12.3 |
| | At weekly reporting banks | | | | | | | | | |
| | 1974 Dec. | 1975 Dec. | 1976 Dec. | 1977 | | | | 1978 | | |
| | | | | Sept. | Oct. | Nov. | Dec. | Jan. | Feb. | Mar. |
| 7 **All holders, IPC** | **119.7** | **124.4** | **128.5** | **129.2** | **131.4** | **133.0** | **139.1** | **137.1** | **132.5** | **131.9** |
| 8 Financial business | 14.8 | 15.6 | 17.5 | 17.4 | 18.0 | 17.9 | 18.5 | 18.3 | 18.1 | 18.2 |
| 9 Nonfinancial business | 66.9 | 69.9 | 69.7 | 70.0 | 72.1 | 72.2 | 76.3 | 73.8 | 70.7 | 68.9 |
| 10 Consumer | 29.0 | 29.9 | 31.7 | 32.8 | 32.4 | 33.4 | 34.6 | 35.2 | 34.4 | 35.4 |
| 11 Foreign | 2.2 | 2.3 | 2.6 | 2.4 | 2.3 | 2.5 | 2.4 | 2.4 | 2.4 | 2.3 |
| 12 Other | 6.8 | 6.6 | 7.1 | 6.6 | 6.7 | 7.0 | 7.4 | 7.4 | 6.9 | 7.0 |

NOTE.—Figures include cash items in process of collection. Estimates of gross deposits are based on reports supplied by a sample of commercial 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 | 1975 Dec. | 1976 Dec. | 1977 Dec. | 1977 | | | | 1978 | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Sept. | Oct. | Nov. | Dec. | Jan. | Feb. | Mar. |
| | Commercial paper (seasonally adjusted) | | | | | | | | | |
| 1 **All issuers** | **48,459** | **53,025** | **65,112** | **61,542** | **62,724** | **62,753** | **65,112** | **65,488** | **65,477** | **67,354** |
| Financial companies:[1] | | | | | | | | | | |
| Dealer-placed paper:[2] | | | | | | | | | | |
| 2 Total | 6,202 | 7,250 | 8,871 | 8,471 | 8,540 | 8,497 | 8,871 | 9,018 | 8,918 | 8,889 |
| 3 Bank-related | 1,762 | 1,900 | 2,132 | 1,846 | 1,961 | 1,980 | 2,132 | 2,035 | 1,997 | 1,993 |
| Directly-placed paper:[3] | | | | | | | | | | |
| 4 Total | 31,374 | 32,500 | 40,399 | 37,850 | 38,803 | 38,954 | 40,399 | 41,586 | 42,137 | 42,781 |
| 5 Bank-related | 6,892 | 5,959 | 7,003 | 7,069 | 7,012 | 6,567 | 7,003 | 7,109 | 7,616 | 8,031 |
| 6 Nonfinancial companies[4] | 10,883 | 13,275 | 15,842 | 15,221 | 15,381 | 15,302 | 15,842 | 14,884 | 14,422 | 15,684 |
| | Dollar acceptances (not seasonally adjusted) | | | | | | | | | |
| 7 **Total** | **18,727** | **22,523** | **25,654** | **23,317** | **23,908** | **24,088** | **25,654** | **25,252** | **25,411** | **26,181** |
| Held by: | | | | | | | | | | |
| 8 *Accepting banks* | *7,333* | *10,442* | *10,434* | *7,473* | *8,673* | *8,952* | *10,434* | *7,785* | *7,513* | *7,375* |
| 9 Own bills | 5,899 | 8,769 | 8,915 | 6,566 | 7,248 | 7,702 | 8,915 | 6,772 | 6,583 | 6,375 |
| 10 Bills bought | 1,435 | 1,673 | 1,519 | 907 | 1,424 | 1,251 | 1,519 | 1,013 | 931 | 1,000 |
| F.R. Banks: | | | | | | | | | | |
| 11 Own account | 1,126 | 991 | 954 | 482 | ........ | 248 | 954 | ........ | ........ | 1 |
| 12 Foreign correspondents | 293 | 375 | 362 | 287 | 422 | 392 | 362 | 371 | 456 | 522 |
| 13 Others | 9,975 | 10,715 | 13,904 | 15,075 | 14,813 | 14,495 | 13,904 | 17,096 | 17,442 | 18,283 |
| Based on: | | | | | | | | | | |
| 14 Imports into United States | 3,726 | 4,992 | 6,532 | 5,654 | 5,886 | 5,973 | 6,532 | 6,637 | 6,842 | 6,979 |
| 15 Exports from United States | 4,001 | 4,818 | 5,895 | 5,544 | 5,584 | 5,803 | 5,895 | 5,840 | 5,739 | 6,034 |
| 16 All other | 11,000 | 12,713 | 13,227 | 12,119 | 12,438 | 12,312 | 13,227 | 12,774 | 13,026 | 13,168 |

[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.

## 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 | Month | Average rate |
|---|---|---|---|---|---|---|---|
| 1976—June 1 | 7 | 1977—May 13 | 6½ | 1976—Sept. | 7.00 | 1977—July | 6.75 |
| 7 | 7¼ | 31 | 6¾ | Oct. | 6.78 | Aug. | 6.83 |
| | | | | Nov. | 6.50 | Sept. | 7.13 |
| Aug. 2 | 7 | Aug. 22 | 7 | Dec. | 6.35 | Oct. | 7.52 |
| | | | | | | Nov. | 7.75 |
| Oct. 4 | 6¾ | Sept. 16 | 7¼ | 1977—Jan. | 6.25 | Dec. | 7.75 |
| | | | | Feb. | 6.25 | | |
| Nov. 1 | 6½ | Oct. 7 | 7½ | Mar. | 6.25 | 1978—Jan. | 7.93 |
| | | Oct. 24 | 7¾ | Apr. | 6.25 | Feb. | 8.00 |
| Dec. 13 | 6¼ | | | May | 6.41 | Mar. | 8.00 |
| | | 1978—Jan. 10 | 8 | June | 6.75 | Apr. | 8.00 |

## 1.35 TERMS OF LENDING AT COMMERCIAL BANKS Survey of Loans Made, Feb. 6–11, 1978

| Item | All sizes | Size of loan (in thousands of dollars): 1–24 | 25–49 | 50–99 | 100–499 | 500–999 | 1,000 and over |
|---|---|---|---|---|---|---|---|
| | | Short-term commercial and industrial loans | | | | | |
| 1 Amount of loans (thousands of dollars) | 7,401,695 | 1,095,609 | 689,553 | 729,562 | 1,984,349 | 530,499 | 2,372,123 |
| 2 Number of loans | 200,127 | 154,809 | 20,931 | 11,570 | 11,080 | 859 | 878 |
| 3 Weighted-average maturity (months) | 3.1 | 3.2 | 3.3 | 2.6 | 3.0 | 2.8 | 3.1 |
| 4 Weighted-average interest rate (per cent per annum) | 8.95 | 9.65 | 9.44 | 9.26 | 9.03 | 8.78 | 8.34 |
| 5 Interquartile range [1] | 8.24–9.60 | 8.77–10.47 | 8.50–10.01 | 8.50–10.00 | 8.27–9.84 | 8.24–9.25 | 8.00–8.75 |
| Percentage of amount of loans: | | | | | | | |
| 6 With floating rate | 51.5 | 34.9 | 40.8 | 40.6 | 60.3 | 46.9 | 59.3 |
| 7 Made under commitment | 37.9 | 14.9 | 20.3 | 25.9 | 38.0 | 59.1 | 52.7 |
| | | Long-term commercial and industrial loans | | | | | |
| 8 Amount of loans (thousands of dollars) | 1,311,928 | 361,327 | | | 420,109 | 69,872 | 460,620 |
| 9 Number of loans | 31,161 | 28,547 | | | 2,364 | 105 | 144 |
| 10 Weighted-average maturity (months) | 40.0 | 28.6 | | | 39.0 | 45.5 | 49.1 |
| 11 Weighted-average interest rate (per cent per annum) | 9.19 | 9.54 | | | 9.37 | 8.87 | 8.81 |
| 12 Interquartile range [1] | 8.50–9.92 | 8.50–10.47 | | | 9.00–9.92 | 8.00–9.61 | 8.00–9.20 |
| Percentage of amount of loans: | | | | | | | |
| 13 With floating rate | 42.3 | 15.6 | | | 30.2 | 72.4 | 69.6 |
| 14 Made under commitment | 54.7 | 18.6 | | | 74.1 | 53.5 | 65.6 |
| | | Construction and land development loans | | | | | |
| 15 Amount of loans (thousands of dollars) | 803,264 | 82,792 | 126,435 | 222,919 | 127,991 | 112,423 | |
| 16 Number of loans | 20,791 | 13,375 | 3,737 | 2,901 | 637 | 141 | |
| 17 Weighted-average maturity (months) | 10.6 | 6.5 | 20.5 | 3.2 | 10.6 | 13.8 | |
| 18 Weighted-average interest rate (per cent per annum) | 9.69 | 9.67 | 9.62 | 9.33 | 9.70 | 10.07 | |
| 19 Interquartile range [1] | 9.00–10.34 | 9.20–10.34 | 9.20–9.92 | 8.36–10.00 | 9.17–10.29 | 9.27–10.78 | |
| Percentage of amount of loans: | | | | | | | |
| 20 With floating rate | 38.7 | 18.4 | 11.3 | 8.0 | 53.8 | 80.2 | |
| 21 Secured by real estate | 92.1 | 85.7 | 87.3 | 97.3 | 87.8 | 94.3 | |
| 22 Made under commitment | 42.8 | 56.3 | 17.8 | 27.3 | 65.6 | 53.4 | |
| 23 Type of construction: 1- to 4-family | 38.7 | 61.6 | 54.6 | 55.1 | 31.7 | 11.5 | |
| 24 Multifamily | 6.4 | 5.8 | 2.1 | 2.2 | 12.0 | 9.6 | |
| 25 Nonresidential | 54.9 | 32.6 | 43.3 | 42.7 | 56.3 | 78.9 | |

| Item | All sizes | 1–9 | 10–24 | 25–49 | 50–99 | 100–249 | 250 and over |
|---|---|---|---|---|---|---|---|
| | | Loans to farmers | | | | | |
| 26 Amount of loans (thousands of dollars) | 796,500 | 162,130 | 168,848 | 135,149 | 83,650 | 117,118 | 129,604 |
| 27 Number of loans | 64,797 | 46,784 | 11,355 | 4,219 | 1,224 | 942 | 272 |
| 28 Weighted-average maturity (months) | 10.0 | 7.8 | 11.3 | 13.0 | 9.0 | 10.9 | 8.4 |
| 29 Weighted-average interest rate (per cent per annum) | 9.16 | 9.13 | 9.16 | 9.11 | 9.26 | 9.22 | 9.15 |
| 30 Interquartile range [1] | 8.75–9.50 | 8.68–9.40 | 8.68–9.50 | 8.75–9.46 | 9.00–9.50 | 8.91–9.38 | 8.50–9.69 |
| By purpose of loan: | | | | | | | |
| 31 Feeder livestock | 9.17 | 9.09 | 8.97 | 8.89 | 9.39 | 9.31 | 9.77 |
| 32 Other livestock | 9.07 | 9.07 | 9.37 | 8.73 | 9.53 | 9.12 | 8.92 |
| 33 Other current operating expenses | 9.14 | 9.03 | 9.26 | 9.24 | 9.17 | 9.15 | 9.06 |
| 34 Farm machinery and equipment | 9.31 | 9.40 | 9.35 | 9.47 | 9.44 | (2) | (2) |
| 35 Other | 9.16 | 9.29 | 9.01 | 9.20 | 9.27 | 9.43 | 8.96 |

1 Interest rate range that covers the middle 50 per cent of the total dollar amount of loans made.
2 Fewer than three sample loans.

NOTE.—For more detail, see the Board's G.14 statistical release.

## 1.36 INTEREST RATES Money and Capital Markets

Averages, per cent per annum

| | Instrument | 1975 | 1976 | 1977 | 1978 Jan. | 1978 Feb. | 1978 Mar. | 1978 Apr. | 1978, week ending— Apr. 1 | Apr. 8 | Apr. 15 | Apr. 22 | Apr. 29 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **Money market rates** | | | | | | | | | | | | |
| 1 | Federal funds [1] | 5.82 | 5.05 | 5.54 | 6.70 | 6.78 | 6.79 | 6.89 | 6.82 | 6.86 | 6.74 | 6.78 | 7.00 |
| | **Prime commercial paper** [2] | | | | | | | | | | | | |
| 2 | 90- to 119-day | 6.26 | 5.24 | 5.54 | 6.75 | 6.76 | 6.75 | 6.82 | 6.75 | 6.78 | 6.80 | 6.82 | 6.87 |
| 3 | 4- to 6-month | 6.33 | 5.35 | 5.60 | 6.79 | 6.80 | 6.80 | 6.86 | 6.80 | 6.83 | 6.85 | 6.86 | 6.91 |
| 4 | Finance company paper, directly placed, 3- to 6-month [3] | 6.16 | 5.22 | 5.49 | 6.69 | 6.74 | 6.73 | 6.74 | 6.75 | 6.75 | 6.75 | 6.72 | 6.74 |
| 5 | Prime bankers acceptances, 90-day [4] | 6.30 | 5.19 | 5.59 | 6.86 | 6.82 | 6.79 | 6.92 | 6.80 | 6.85 | 6.84 | 6.92 | 7.06 |
| | **Large negotiable certificates of deposit** | | | | | | | | | | | | |
| 6 | 3-month, secondary market [5] | 6.43 | 5.26 | 5.58 | 6.71 | 6.89 | 6.85 | 7.04 | 6.86 | 6.95 | 6.99 | 6.94 | 7.14 |
| 7 | 3-month, primary market [6] | ....... | 5.15 | 5.52 | 6.83 | 6.77 | 6.75 | 6.83 | 6.74 | 6.80 | 6.83 | 6.82 | 6.95 |
| 8 | Euro-dollar deposits, 3-month [7] | 6.97 | 5.57 | 6.05 | 7.32 | 7.28 | 7.27 | 7.38 | 7.34 | 7.40 | 7.35 | 7.30 | 7.43 |
| | **U.S. Govt. securities** | | | | | | | | | | | | |
| | Bills: [8] | | | | | | | | | | | | |
| | Market yields: | | | | | | | | | | | | |
| 9 | 3-month | 5.80 | 4.98 | 5.27 | 6.44 | 6.45 | 6.29 | 6.29 | 6.34 | 6.37 | 6.29 | 6.22 | 6.26 |
| 10 | 6-month | 6.11 | 5.26 | 5.53 | 6.70 | 6.74 | 6.63 | 6.73 | 6.66 | 6.73 | 6.70 | 6.70 | 6.80 |
| 11 | 1-year | 6.30 | 5.52 | 5.71 | 6.80 | 6.86 | 6.82 | 6.96 | 6.89 | 6.94 | 6.91 | 6.93 | 7.06 |
| | Rates on new issue: | | | | | | | | | | | | |
| 12 | 3-month | 5.838 | 4.989 | 5.265 | 6.448 | 6.457 | 6.319 | 6.306 | 6.310 | 6.417 | 6.373 | 6.140 | 6.294 |
| 13 | 6-month | 6.122 | 5.266 | 5.510 | 6.685 | 6.740 | 6.644 | 6.700 | 6.666 | 6.717 | 6.743 | 6.563 | 6.777 |
| | Constant maturities: [9] | | | | | | | | | | | | |
| 14 | 1-year | 6.76 | 5.88 | 6.09 | 7.28 | 7.34 | 7.31 | 7.45 | 7.39 | 7.43 | 7.40 | 7.42 | 7.57 |
| | **Capital market rates** | | | | | | | | | | | | |
| | **Government notes and bonds** | | | | | | | | | | | | |
| | U.S. Treasury | | | | | | | | | | | | |
| | Constant maturities: [9] | | | | | | | | | | | | |
| 15 | 2-year | ....... | ....... | 6.45 | 7.49 | 7.57 | 7.58 | 7.74 | 7.65 | 7.71 | 7.68 | 7.72 | 7.87 |
| 16 | 3-year | 7.49 | 6.77 | 6.69 | 7.61 | 7.67 | 7.70 | 7.85 | 7.79 | 7.82 | 7.81 | 7.83 | 7.95 |
| 17 | 5-year | 7.77 | 7.18 | 6.99 | 7.77 | 7.83 | 7.86 | 7.98 | 7.94 | 7.97 | 7.95 | 7.96 | 8.05 |
| 18 | 7-year | 7.90 | 7.42 | 7.23 | 7.86 | 7.94 | 7.95 | 8.06 | 8.02 | 8.04 | 8.04 | 8.04 | 8.13 |
| 19 | 10-year | 7.99 | 7.61 | 7.42 | 7.96 | 8.03 | 8.04 | 8.15 | 8.12 | 8.14 | 8.15 | 8.12 | 8.21 |
| 20 | 20-year | 8.19 | 7.86 | 7.67 | 8.14 | 8.22 | 8.21 | 8.32 | 8.27 | 8.31 | 8.33 | 8.30 | 8.36 |
| 21 | 30-year | ....... | ....... | ....... | 8.18 | 8.25 | 8.23 | 8.34 | 8.30 | 8.32 | 8.35 | 8.31 | 8.38 |
| | Notes and bonds maturing in [10]— | | | | | | | | | | | | |
| 22 | 3 to 5 years | 7.55 | 6.94 | 6.85 | 7.71 | 7.76 | 7.76 | 7.90 | 7.83 | 7.87 | 7.87 | 7.87 | 7.98 |
| 23 | Over 10 years (long-term) | 6.98 | 6.78 | 7.06 | 7.50 | 7.60 | 7.63 | 7.74 | 7.68 | 7.72 | 7.74 | 7.72 | 7.78 |
| | State and local: | | | | | | | | | | | | |
| | Moody's series: [11] | | | | | | | | | | | | |
| 24 | Aaa | 6.42 | 5.66 | 5.20 | 5.20 | 5.24 | 5.11 | 5.41 | 5.10 | 5.40 | 5.40 | 5.40 | 5.45 |
| 25 | Baa | 7.62 | 7.49 | 6.12 | 5.91 | 5.82 | 5.85 | 5.88 | 5.75 | 5.75 | 5.80 | 5.90 | 6.05 |
| 26 | *Bond Buyer* series [12] | 7.05 | 6.64 | 5.68 | 5.71 | 5.62 | 5.61 | 5.80 | 5.69 | 5.76 | 5.74 | 5.79 | 5.89 |
| | **Corporate bonds** | | | | | | | | | | | | |
| | Seasoned issues [13] | | | | | | | | | | | | |
| 27 | All industries | 9.57 | 9.01 | 8.43 | 8.74 | 8.78 | 8.80 | 8.88 | 8.81 | 8.85 | 8.87 | 8.89 | 8.93 |
| | By rating groups: | | | | | | | | | | | | |
| 28 | Aaa | 8.83 | 8.43 | 8.02 | 8.41 | 8.47 | 8.47 | 8.56 | 8.48 | 8.53 | 8.56 | 8.57 | 8.59 |
| 29 | Aa | 9.17 | 8.75 | 8.24 | 8.59 | 8.65 | 8.66 | 8.73 | 8.67 | 8.70 | 8.72 | 8.72 | 8.77 |
| 30 | A | 9.65 | 9.09 | 8.49 | 8.76 | 8.79 | 8.83 | 8.93 | 8.85 | 8.88 | 8.91 | 8.93 | 8.98 |
| 31 | Baa | 10.61 | 9.75 | 8.97 | 9.17 | 9.20 | 9.22 | 9.32 | 9.25 | 9.27 | 9.30 | 9.33 | 9.38 |
| | Aaa utility bonds: [14] | | | | | | | | | | | | |
| 32 | New issue | 9.40 | 8.48 | 8.19 | 8.68 | 8.69 | 8.71 | 8.90 | 8.83 | 8.88 | 8.88 | 8.93 | 8.92 |
| 33 | Recently offered issues | 9.41 | 8.49 | 8.19 | 8.60 | 8.67 | 8.67 | 8.85 | 8.75 | 8.82 | 8.84 | 8.84 | 8.91 |
| | **Dividend/price ratio** | | | | | | | | | | | | |
| 34 | Preferred stocks | 8.38 | 7.97 | 7.60 | 7.93 | 7.99 | 8.07 | 8.06 | 8.13 | 8.13 | 8.07 | 8.04 | 7.99 |
| 35 | Common stocks | 4.31 | 3.77 | 4.56 | 5.32 | 5.49 | 5.68 | 5.42 | 5.63 | 5.58 | 5.55 | 5.34 | 5.19 |

1 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.

2 Beginning Nov. 1977, unweighted average of offering rates quoted by five dealers. Previously, most representative rate quoted by those dealers.

3 Averages of the most representative daily offering rates published by finance companies for varying maturities in this range.

4 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.

5 Weekly figures (week ending Wednesday) are 7-day averages of the daily midpoints as determined from the range of offering rates at large New York City banks; monthly figures are averages of total days in the month.

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 by large New York City banks. Rates prior to 1976 not available. Weekly figures are for Wednesday dates.

7 Averages of daily quotations for the week ending Wednesday.

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 Yields on the more actively traded issues adjusted to constant maturities by the U.S. Treasury, based on daily closing bid prices.

10 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, including a number of very low yielding "flower" bonds.

11 General obligations only, based on figures for Thursday, from Moody's Investors Service.

12 Twenty issues of mixed quality.

13 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.

## 1.37 STOCK MARKET Selected Statistics

| | Indicator | 1975 | 1976 | 1977 | 1977 | | | 1978 | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Oct. | Nov. | Dec. | Jan. | Feb. | Mar. | Apr. |
| | | Prices and trading (averages of daily figures) | | | | | | | | | |
| | **Common stock prices** | | | | | | | | | | |
| 1 | **New York Stock Exchange (Dec. 31, 1965 = 50)** | **45.73** | **54.45** | **53.67** | **51.37** | **51.87** | **51.83** | **49.89** | **49.41** | **49.50** | **51.75** |
| 2 | Industrial | 51.88 | 60.44 | 57.84 | 54.99 | 55.62 | 55.55 | 53.45 | 52.80 | 52.77 | 55.48 |
| 3 | Transportation | 30.73 | 39.57 | 41.07 | 38.33 | 39.30 | 39.75 | 39.15 | 38.90 | 38.95 | 41.19 |
| 4 | Utility | 31.45 | 36.97 | 40.91 | 40.38 | 40.33 | 40.36 | 39.09 | 39.02 | 39.26 | 39.69 |
| 5 | Finance | 46.62 | 52.94 | 55.23 | 53.24 | 54.04 | 53.85 | 50.91 | 50.60 | 51.44 | 55.04 |
| 6 | **Standard & Poor's Corporation (1941–43 = 10)**[1] | **85.17** | **102.01** | **98.18** | **93.78** | **94.28** | **93.82** | **90.28** | **88.98** | **88.82** | **92.71** |
| 7 | **American Stock Exchange (Aug. 31, 1973 = 100)** | **83.15** | **101.63** | **116.18** | **115.41** | **117.80** | **124.88** | **121.73** | **123.35** | **126.11** | **133.67** |
| | **Volume of trading** (thousands of shares)[2] | | | | | | | | | | |
| 8 | New York Stock Exchange | 18,568 | 21,189 | 20,936 | 19,689 | 23,557 | 21,475 | 20,388 | 19,400 | 22,617 | 34,780 |
| 9 | American Stock Exchange | 2,150 | 2,565 | 2,514 | 2,080 | 2,061 | 3,008 | 2,254 | 2,300 | 2,940 | 4,151 |
| | | Customer financing (end-of-period balances, in millions of dollars) | | | | | | | | | |
| 10 | **Regulated margin credit at brokers/dealers and banks**[3] | **6,500** | **9,011** | **10,866** | **10,583** | **10,680** | **10,866** | **10.690** | **10,901** | **11,027** | ........ |
| 11 | *Brokers, total* | *5,540* | *8,166* | *9,993* | *9,756* | *9,859* | *9,993* | *9,839* | *10,024* | *10,172* | ........ |
| 12 | Margin stock[4] | 5,390 | 7,960 | 9,740 | 9,560 | 9,610 | 9,740 | 9,590 | 9,780 | 9,920 | ........ |
| 13 | Convertible bonds | 147 | 204 | 250 | 192 | 246 | 250 | 246 | 242 | 250 | ........ |
| 14 | Subscription issues | 3 | 2 | 3 | 4 | 3 | 3 | 3 | 2 | 2 | ........ |
| 15 | *Banks, total* | *960* | *845* | *873* | *827* | *822* | *873* | *851* | *877* | *855* | ........ |
| 16 | Margin stocks | 909 | 800 | 827 | 783 | 778 | 827 | 809 | 838 | 824 | ........ |
| 17 | Convertible bonds | 36 | 30 | 30 | 27 | 28 | 30 | 27 | 25 | 24 | ........ |
| 18 | Subscription issues | 15 | 15 | 16 | 17 | 16 | 16 | 15 | 14 | 7 | ........ |
| 19 | **Unregulated nonmargin stock credit at banks**[5] | **2,281** | **2,817** | **2,568** | **2,579** | **2,604** | **2,568** | **2,565** | **2,544** | **2,544** | ........ |
| | MEMO: Free credit balances at brokers[6] | | | | | | | | | | |
| 20 | Margin-account | 475 | 585 | 640 | 615 | 630 | 640 | 660 | 635 | 630 | ........ |
| 21 | Cash-account | 1,525 | 1,855 | 2,060 | 1,850 | 1,845 | 2,060 | 1,925 | 1,875 | 1,790 | ........ |
| | | 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** | ........ |
| | By equity class (in per cent):[7] | | | | | | | | | | |
| 23 | Under 40 | 24.0 | 12.0 | 18.0 | 27.0 | 17.0 | 19.0 | 25.0 | 25.0 | 21.0 | ........ |
| 24 | 40–49 | 28.8 | 23.0 | 36.0 | 35.0 | 33.0 | 34.0 | 34.0 | 34.0 | 33.0 | ........ |
| 25 | 50–59 | 22.3 | 35.0 | 23.0 | 18.0 | 26.0 | 24.0 | 20.0 | 20.0 | 24.0 | ........ |
| 26 | 60–69 | 11.6 | 15.0 | 11.0 | 9.8 | 12.0 | 11.0 | 10.0 | 10.0 | 11.0 | ........ |
| 27 | 70–79 | 6.9 | 8.7 | 6.0 | 6.0 | 7.0 | 7.0 | 6.0 | 6.0 | 6.0 | ........ |
| 28 | 80 or more | 5.3 | 6.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | ........ |
| | | Special miscellaneous-account balances at brokers (end of period) | | | | | | | | | |
| 29 | Total balances (millions of dollars)[8] | 7,290 | 8,776 | 9,910 | 9,640 | 9,710 | 9,910 | 9,880 | 10,150 | 10,190 | ........ |
| | Distribution by equity status (per cent) | | | | | | | | | | |
| 30 | Net credit status | 43.8 | 41.3 | 43.4 | 42.8 | 41.8 | 43.4 | 42.4 | 42.0 | 42.6 | ........ |
| | Debit status, equity of— | | | | | | | | | | |
| 31 | 60 per cent or more | 40.8 | 47.8 | 44.9 | 43.8 | 45.5 | 44.9 | 43.6 | 43.0 | 43.7 | ........ |
| 32 | Less than 60 per cent | 15.4 | 10.9 | 11.7 | 13.4 | 12.7 | 11.7 | 14.0 | 14.0 | 13.5 | ........ |

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 5½-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 data from a sample of reporting banks.

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 on lines 23–28.

5 Nonmargin stocks are those not listed on a national securities exchange and not included on the Federal Reserve System's list of over-the-counter margin stocks. At banks, loans to purchase or carry nonmargin stocks are unregulated; at brokers, such stocks have no loan value.

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 | 1977 July | 1977 Aug. | 1977 Sept. | 1977 Oct. | 1977 Nov. | 1977 Dec. | 1978 Jan. | 1978 Feb.[r] | 1978 Mar.[p] |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **Savings and loan associations** | | | | | | | | | | | |
| 1 **Assets** | **295,545** | **338,233** | **391,907** | **433,728** | **440,101** | **444,383** | **450,563** | **455,644** | **459,282** | **464,279** | **469,726** | **475,315** |
| 2 Mortgages | 249,301 | 278,590 | 323,005 | 355,856 | 361,582 | 366,838 | 371,714 | 376,468 | 381,216 | 384,235 | 387,644 | 392,438 |
| 3 Cash and investment securities[1] | 23,251 | 30,853 | 35,724 | 41,057 | 41,069 | 39,709 | 40,642 | 40,522 | 39,197 | 40,356 | 41,646 | 41,904 |
| 4 Other | 22,993 | 28,790 | 33,178 | 36,815 | 37,450 | 37,836 | 38,207 | 38,654 | 38,869 | 39,688 | 40,436 | 40,973 |
| 5 **Liabilities and net worth** | **295,545** | **338,233** | **391,907** | **433,728** | **440,101** | **444,383** | **450,563** | **455,644** | **459,282** | **464,279** | **469,726** | **475,315** |
| 6 Savings capital | 242,974 | 285,743 | 335,912 | 368,385 | 371,247 | 377,208 | 379,604 | 381,333 | 386,875 | 389,620 | 391,917 | 399,032 |
| 7 *Borrowed money* | *24,780* | *20,634* | *19,083* | *20,960* | *22,026* | *22,920* | *24,206* | *25,547* | *27,803* | *27,906* | *28,673* | *29,319* |
| 8 FHLBB | 21,508 | 17,524 | 15,708 | 15,724 | 16,255 | 16,908 | 17,546 | 18,282 | 19,952 | 20,136 | 20,609 | 21,076 |
| 9 Other | 3,272 | 3,110 | 3,375 | 5,236 | 5,771 | 6,012 | 6,660 | 7,265 | 7,851 | 7,770 | 8,064 | 8,243 |
| 10 Loans in process | 3,244 | 5,128 | 6,840 | 9,338 | 9,662 | 9,741 | 9,856 | 9,924 | 9,932 | 9,849 | 9,924 | 10,437 |
| 11 Other | 6,105 | 6,949 | 8,074 | 11,280 | 13,053 | 10,176 | 12,226 | 13,839 | 9,491 | 11,464 | 13,449 | 10,495 |
| 12 Net worth[2] | 18,442 | 19,779 | 21,998 | 23,765 | 24,113 | 24,338 | 24,671 | 25,001 | 25,181 | 25,440 | 25,763 | 26,032 |
| 13 MEMO: Mortgage loan commitments outstanding[3] | 7,454 | 10,673 | 14,826 | 21,907 | 21,901 | 21,631 | 21,555 | 21,270 | 19,886 | 19,534 | 20,625 | 22,233 |
| | **Mutual savings banks** | | | | | | | | | | | |
| 14 **Assets** | **109,550** | **121,056** | **134,812** | **143,036** | **143,815** | **144,666** | **145,651** | **146,346** | **147,190** | **148,415** | **149,437** | ........ |
| Loans: | | | | | | | | | | | | |
| 15 Mortgage | 74,891 | 77,221 | 81,630 | 84,700 | 85,419 | 86,079 | 86,769 | 87,333 | 88,104 | 88,815 | 89,159 | ........ |
| 16 Other | 3,812 | 4,023 | 5,183 | 7,176 | 7,119 | 6,878 | 7,115 | 7,241 | 6,240 | 6,843 | 7,448 | ........ |
| Securities: | | | | | | | | | | | | |
| 17 U.S. Govt. | 2,555 | 4,740 | 5,840 | 6,101 | 6,019 | 6,192 | 6,101 | 6,071 | 5,901 | 5,883 | 5,939 | ........ |
| 18 State and local government | 930 | 1,545 | 2,417 | 2,594 | 2,762 | 2,777 | 2,808 | 2,809 | 2,828 | 2,887 | 2,809 | ........ |
| 19 Corporate and other[4] | 22,550 | 27,992 | 33,793 | 36,674 | 36,878 | 36,927 | 37,073 | 37,221 | 37,909 | 38,260 | 38,421 | ........ |
| 20 Cash | 2,167 | 2,330 | 2,355 | 2,001 | 1,857 | 1,992 | 2,011 | 1,887 | 2,416 | 1,896 | 1,845 | ........ |
| 21 Other assets | 2,645 | 3,205 | 3,593 | 3,789 | 3,760 | 3,821 | 3,773 | 3,783 | 3,792 | 3,832 | 3,817 | ........ |
| 22 **Liabilities** | **109,550** | **121,056** | **134,812** | **143,036** | **143,815** | **144,666** | **145,651** | **146,346** | **147,190** | **148,415** | **149,437** | ........ |
| 23 *Deposits* | *98,701* | *109,873* | *122,877* | *130,111* | *130,381* | *131,688* | *132,250* | *132,537* | *133,892* | *134,685* | *135,084* | ........ |
| 24 Regular:[5] | 98,221 | 109,291 | 121,961 | 128,748 | 129,030 | 130,230 | 130,913 | 131,319 | 132,608 | 133,236 | 133,716 | ........ |
| 25 Ordinary savings | 64,286 | 69,653 | 74,535 | 77,069 | 77,163 | 77,640 | 77,503 | 77,460 | 77,930 | 77,680 | 77,767 | ........ |
| 26 Time and other | 33,935 | 39,639 | 47,426 | 51,679 | 51,867 | 52,590 | 53,410 | 53,859 | 54,678 | 55,556 | 55,949 | ........ |
| 27 Other | 480 | 582 | 916 | 1,363 | 1,351 | 1,458 | 1,337 | 1,208 | 1,284 | 1,450 | 1,386 | ........ |
| 28 Other liabilities | 2,888 | 2,755 | 2,884 | 3,379 | 3,779 | 3,254 | 3,632 | 3,938 | 3,319 | 3,665 | 4,177 | ........ |
| 29 General reserve accounts | 7,961 | 8,428 | 9,052 | 9,546 | 9,654 | 9,723 | 9,769 | 9,882 | 9,980 | 10,065 | 10,175 | ........ |
| 30 MEMO: Mortgage loan commitments outstanding[6] | 2,040 | 1,803 | 2,439 | 4,049 | 4,198 | 4,254 | 4,423 | 4,458 | 4,066 | 3,998 | 4,027 | ........ |
| | **Life insurance companies** | | | | | | | | | | | |
| 31 **Assets** | **263,349** | **289,304** | **321,552** | **336,651** | **338,964** | **341,382** | **343,738** | **347,182** | **350,506** | **352,914** | **355,068** | ........ |
| Securities: | | | | | | | | | | | | |
| 32 *Government* | *10,900* | *13,758* | *17,942* | *18,916* | *19,174* | *19,515* | *19,519* | *19,681* | *19,508* | *19,579* | *19,677* | ........ |
| 33 United States[7] | 3,372 | 4,736 | 5,368 | 5,628 | 5,831 | 5,883 | 5,810 | 5,993 | 5,693 | 5,717 | 5,748 | ........ |
| 34 State and local | 3,667 | 4,508 | 5,594 | 5,847 | 5,881 | 5,994 | 5,979 | 5,967 | 6,016 | 6,009 | 6,073 | ........ |
| 35 Foreign[8] | 3,861 | 4,514 | 6,980 | 7,441 | 7,462 | 7,638 | 7,730 | 7,721 | 7,799 | 7,853 | 7,856 | ........ |
| 36 *Business* | *119,637* | *135,317* | *157,246* | *168,498* | *169,747* | *170,606* | *172,005* | *174,109* | *175,204* | *177,134* | *178,718* | ........ |
| 37 Bonds | 97,717 | 107,256 | 122,984 | 135,262 | 136,752 | 138,046 | 139,909 | 141,354 | 142,095 | 145,244 | 147,202 | ........ |
| 38 Stocks | 21,920 | 28,061 | 34,262 | 33,236 | 32,995 | 32,560 | 32,096 | 32,755 | 33,109 | 31,890 | 31,516 | ........ |
| 39 Mortgages | 86,234 | 89,167 | 91,552 | 93,106 | 93,326 | 94,070 | 94,684 | 95,110 | 96,765 | 97,171 | 97,475 | ........ |
| 40 Real estate | 8,331 | 9,621 | 10,476 | 10,901 | 10,926 | 10,930 | 11,024 | 11,113 | 11,201 | 11,252 | 11,318 | ........ |
| 41 Policy loans | 22,862 | 24,467 | 25,834 | 26,780 | 26,946 | 27,087 | 27,220 | 27,355 | 27,508 | 27,628 | 27,762 | ........ |
| 42 Other assets | 15,385 | 16,971 | 18,502 | 18,450 | 18,845 | 19,174 | 19,286 | 19,814 | 20,320 | 20,150 | 20,118 | ........ |
| | **Credit unions** | | | | | | | | | | | |
| 43 **Total assets/liabilities and capital** | **31,948** | **38,037** | **45,225** | **50,218** | **50,904** | **52,136** | **52,412** | **53,141** | **54,084** | **[r]53,982** | **54,989** | **56,703** |
| 44 Federal | 16,715 | 20,209 | 24,396 | 27,290 | 27,632 | 28,384 | 28,463 | 28,954 | 29,574 | [r]29,579 | 30,236 | 31,274 |
| 45 State | 15,233 | 17,828 | 20,829 | 22,928 | 23,272 | 23,752 | 23,949 | 24,187 | 24,510 | [r]24,403 | 24,753 | 25,429 |
| 46 *Loans outstanding* | *24,432* | *28,169* | *34,384* | *38,657* | *39,711* | *40,573* | *40,865* | *41,427* | *42,055* | *[r]41,876* | *42,331* | *43,379* |
| 47 Federal | 12,730 | 14,869 | 18,311 | 20,591 | 21,194 | 21,692 | 21,814 | 22,224 | 22,717 | [r]22,590 | 22,865 | 23,555 |
| 48 State | 11,702 | 13,300 | 16,073 | 18,066 | 18,517 | 18,881 | 19,051 | 19,203 | 19,338 | [r]19,286 | 19,466 | 19,824 |
| 49 *Savings* | *27,518* | *33,013* | *39,173* | *43,658* | *43,982* | *45,103* | *45,441* | *45,977* | *46,832* | *[r]47,317* | *48,093* | *49,706* |
| 50 Federal (shares) | 14,370 | 17,530 | 21,130 | 23,873 | 24,080 | 24,775 | 24,945 | 25,303 | 25,849 | [r]26,076 | 26,569 | 27,514 |
| 51 State (shares and deposits) | 13,148 | 15,483 | 18,043 | 19,785 | 19,902 | 20,328 | 20,496 | 20,674 | 20,983 | [r]21,241 | 21,524 | 22,192 |

For notes see bottom of page A30.

## 1.39 FEDERAL FISCAL AND FINANCING OPERATIONS

Millions of dollars

| | Type of account or operation | Fiscal year 1976 | Transition quarter (July–Sept. 1976) | Fiscal year 1977 | Calendar year | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | 1976 | 1977 | | 1978 | | |
| | | | | | H2 | H1 | H2 | Jan. | Feb. | Mar. |
| | U.S. Budget | | | | | | | | | |
| 1 | Receipts [1] | 299,197 | 81,687 | 356,861 | 157.868 | 189,410 | 175,787 | 33,201 | 26,795 | 24,879 |
| 2 | Outlays [1,2,3] | 365,643 | 94,657 | 401,902 | 193,629 | 199,482 | 216,747 | 36,918 | 33,787 | 40,004 |
| 3 | *Surplus, or deficit* (−) | *−66,446* | *−12,970* | *−45,041* | *−35,761* | *−10,072* | *−40,961* | *−3,717* | *−6,992* | *−15,125* |
| 4 | Trust funds | 2,409 | −1,952 | 7,833 | −4,621 | 7,332 | 4,293 | −3,946 | 2,850 | −1,147 |
| 5 | Federal funds [4] | −68,855 | −11,018 | −52,874 | −31,140 | −17,405 | −45,254 | 230 | −9,843 | −13,978 |
| | Off-budget entities surplus, or deficit (−) | | | | | | | | | |
| 6 | Federal Financing Bank outlays | −5,915 | −2,575 | −8,415 | −5,176 | −2,075 | −6,663 | −907 | −1,084 | −1,149 |
| 7 | Other [2,5] | −1,355 | 793 | −269 | 3,809 | −2,086 | 428 | −267 | −209 | −16 |
| | U.S. Budget plus off-budget, including Federal Financing Bank | | | | | | | | | |
| 8 | *Surplus, or deficit* (−) | *−73,716* | *−14,752* | *−53,725* | *−37,125* | *−14,233* | *−47,196* | *−4,891* | *−8,285* | *−16,290* |
| | Financed by: | | | | | | | | | |
| 9 | Borrowing from the public [3] | 82,922 | 18,027 | 53,516 | 35,457 | 16,480 | 40,284 | 6,027 | 5,108 | 9,656 |
| 10 | Cash and monetary assets (decrease, or increase (−)) | −7,796 | −2,899 | −2,238 | 2,153 | −4,666 | 4,317 | −229 | 5,171 | 993 |
| 11 | Other [6] | −1,396 | −373 | 2,440 | −485 | 2,420 | 2,597 | −907 | −1,993 | 5,640 |
| | MEMO ITEMS: | | | | | | | | | |
| 12 | **Treasury operating balance (level, end of period)** | **14,836** | **17,418** | **19,104** | **11,670** | **16,255** | **12,274** | **12,481** | **7,391** | **6,407** |
| 13 | F.R. Banks | 11,975 | 13,299 | 15,740 | 10,393 | 15,183 | 7,114 | 11,228 | 3,615 | 4,705 |
| 14 | Tax and loan accounts | 2,854 | 4,119 | 3,364 | 1,277 | 1,072 | 5,160 | 1,253 | 3,776 | 1,702 |
| 15 | Other demand accounts [7] | 7 | ........ | ........ | ........ | ........ | ........ | ........ | ........ | ........ |

1 Effective June 1977, earned income credit payments in excess of an individual's tax liability formerly treated as outlays, are classified as income tax refunds retroactive to January 1976.

2 Outlay totals reflect the reclassification of the Export-Import Bank, and the Housing for the Elderly and Handicapped Fund effective October 1978, from off-budget status to unified budget status.

3 Export-Import Bank certificates of beneficial interest (effective July 1, 1975) and loans to the Private Export Funding Corp. (PEFCO), a wholly owned subsidiary of the Export-Import Bank, are treated as debt rather than asset sales.

4 Half years calculated as a residual of total surplus/deficit and trust fund surplus/deficit.

5 Includes Pension Benefit Guaranty Corp.; Postal Service Fund, Rural Electrification; Telephone Revolving Fund, Rural Telephone Bank; and Housing for the Elderly or Handicapped Fund until October 1978.

6 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 valuation adjustment; net gain/loss for IMF valuation adjustment.

7 Excludes the gold balance but includes deposits in certain commercial depositories that have been converted from a time deposit to a demand 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 Holdings of stock of the Federal home loan banks are 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 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 U.S. BUDGET RECEIPTS AND OUTLAYS

Millions of dollars

| | Source or type | Fiscal year 1976 | Transition quarter (July–Sept. 1976) | Fiscal year 1977 | Calendar year 1976 H2 | Calendar year 1977 H1 | Calendar year 1977 H2 | Calendar year 1978 Jan. | Calendar year 1978 Feb. | Calendar year 1978 Mar. |
|---|---|---|---|---|---|---|---|---|---|---|
| | **Receipts** | | | | | | | | | |
| 1 | **All sources** [1] | **299,197** | **81,687** | **356,861** | **157,868** | **189,410** | **175,787** | **33,201** | **26,795** | **24,879** |
| 2 | *Individual income taxes, net* | *130,794* | *38,715* | *156,725* | *75,899* | *77,948* | *82,877* | *20,217* | *10,620* | *5,258* |
| 3 | Withheld | 123,408 | 32,949 | 144,820 | 68,023 | 73,303 | 75,480 | 13,111 | 12,811 | 14,469 |
| 4 | Presidential Election Campaign Fund | 34 | 1 | 37 | 1 | 37 | 1 | 1 | 6 | 9 |
| 5 | Nonwithheld | 35,528 | 6,809 | 42,062 | 8,426 | 32,959 | 9,397 | 7,154 | 905 | 2,537 |
| 6 | Refunds [1] | 28,175 | 1,043 | 30,194 | 1,541 | 28,350 | 2,001 | 48 | 3,102 | 11,756 |
| 7 | *Corporation income taxes:* | | | | | | | | | |
| 8 | Gross receipts | 46,783 | 9,808 | 60,057 | 20,706 | 37,133 | 25,121 | 2,273 | 1,521 | 8,682 |
| 9 | Refunds | 5,374 | 1,348 | 5,164 | 2,886 | 2,324 | 2,819 | 282 | 508 | 659 |
| 10 | *Social insurance taxes and contributions, net* | *92,714* | *25,760* | *108,683* | *47,596* | *58,099* | *52,347* | *7,997* | *12,427* | *8,560* |
| 11 | Payroll employment taxes and contributions [2] | 76,391 | 21,534 | 88,196 | 40,427 | 45,242 | 44,384 | 6,898 | 10,479 | 7,616 |
| 12 | Self-employment taxes and contributions [3] | 3,518 | 269 | 4,014 | 286 | 3,687 | 316 | 259 | 266 | 322 |
| 13 | Unemployment insurance | 8,054 | 2,698 | 11,312 | 4,379 | 6,575 | 4,936 | 403 | 1,192 | 144 |
| 14 | Other net receipts [4] | 4,752 | 1,259 | 5,162 | 2,504 | 2,595 | 2,711 | 437 | 490 | 478 |
| 15 | Excise taxes | 16,963 | 4,473 | 17,548 | 8,910 | 8,432 | 9,284 | 1,492 | 1,259 | 1,395 |
| 16 | Customs | 4,074 | 1,212 | 5,150 | 2,361 | 2,519 | 2,848 | 494 | 441 | 603 |
| 17 | Estate and gift | 5,216 | 1,455 | 7,327 | 2,943 | 4,332 | 2,837 | 447 | 434 | 462 |
| 18 | Miscellaneous receipts [5] | 8,026 | 1,612 | 6,536 | 3,236 | 3,269 | 3,292 | 563 | 602 | 577 |
| | **Outlays** [9] | | | | | | | | | |
| 19 | **All types** [1,6] | **365,643** | **94,657** | **401,902** | **193,629** | **199,482** | **216,747** | **36,918** | **33,787** | **40,004** |
| 20 | National defense | 89,430 | 22,307 | 97,501 | 45,002 | 48,721 | 50,873 | 7,974 | 8,676 | 10,701 |
| 21 | International affairs [6] | 5,567 | 2,180 | 4,831 | 3,028 | 2,522 | 2,896 | 300 | −110 | −795 |
| 22 | General science, space, and technology | 4,370 | 1,161 | 4,677 | 2,377 | 2,108 | 2,318 | 370 | 392 | 433 |
| 23 | Energy | 3,127 | 794 | 4,172 | ........ | ........ | ........ | ........ | 319 | 542 |
| 24 | Natural resources and environment | 8,124 | 2,532 | 10,000 | ........ | ........ | ........ | ........ | 641 | 841 |
| 25 | Agriculture | 2,502 | 584 | 5,526 | 2,019 | 2,628 | 5,477 | 1,790 | −57 | 680 |
| 26 | Commerce and housing credit | 3,795 | 1,391 | −31 | ........ | ........ | ........ | ........ | −626 | 52 |
| 27 | Transportation | 13,438 | 3,306 | 14,636 | ........ | ........ | ........ | ........ | 1,076 | 991 |
| 28 | Community and regional development | 4,709 | 1,340 | 6,283 | 3,192 | 3,149 | 4,924 | 755 | 773 | 1,461 |
| 29 | Education, training, employment, and social services | 18,737 | 5,162 | 20,985 | 9,083 | 9,775 | 10,800 | 1,996 | 2,058 | 2,214 |
| 30 | Health | 33,448 | 8,720 | 38,785 | 19,329 | 18,654 | 19,422 | 2,680 | 3,635 | 3,895 |
| 31 | Income security [1] | 126,598 | 32,710 | 137,004 | 65,367 | 69,917 | 71,047 | 12,912 | 12,073 | 13,109 |
| 32 | Veterans benefits and services | 18,432 | 3,962 | 18,038 | 8,542 | 9,382 | 9,864 | 686 | 1,529 | 2,662 |
| 33 | Administration of justice | 3,320 | 859 | 3,600 | 1,839 | 1,783 | 1,723 | 307 | 326 | 290 |
| 34 | General government | 2,927 | 878 | 3,357 | 1,734 | 1,587 | 1,749 | 166 | 355 | 374 |
| 35 | General-purpose fiscal assistance | 7,235 | 2,092 | 9,499 | 4,729 | 4,333 | 4,926 | 2,317 | 52 | 43 |
| 36 | Interest [7] | 34,589 | 7,246 | 38,092 | 18,409 | 18,927 | 19,962 | 2,628 | 3,353 | 3,091 |
| 37 | Undistributed offsetting receipts [7,8] | −14,704 | −2,567 | −15,053 | −7,869 | −6,803 | −8,506 | −475 | −677 | −581 |

1 Effective June 1977, earned income credit payments in excess of an individual's tax liability, formerly treated as outlays, are classified as income tax refunds retroactive to January 1976.

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

3 Old-age, disability, and hospital insurance.

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

5 Deposits of earnings by F.R. Banks and other miscellaneous receipts.

6 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 the Private Export Funding Corp. (PEFCO), a wholly owned subsidiary of the Export-Import Bank, are treated as debt rather than asset sales.

7 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.

8 Consists of interest received by trust funds, rents and royalties on the Outer Continental Shelf, and U.S. Govt. contributions for employee retirement.

9 For some types of outlays the categories are new or represent regroupings; data for these categories are from the *Budget of the United States Government, Fiscal Year 1979*; data are not available for half years or for months prior to February 1978.

Two categories have been renamed: "Law enforcement and justice" has become "Administration of justice" and "Revenue sharing and general purpose fiscal assistance" has become "General purpose fiscal assistance."

In addition, for some categories the table includes revisions in figures published earlier.

## 1.41 FEDERAL DEBT SUBJECT TO STATUTORY LIMITATION

Billions of dollars

| Item | 1974 | 1975 | | 1976 | | | 1977 | | |
|---|---|---|---|---|---|---|---|---|---|
| | Dec. 31 | June 30 | Dec. 31 | June 30 | Sept. 30 | Dec. 31 | June 30 | Sept. 30 | Dec. 31 |
| 1 **Federal debt outstanding** | **504.0** | **544.1** | **587.6** | **631.9** | **[2]646.4** | **665.5** | **685.2** | **709.1** | **729.2** |
| 2 *Public debt securities* | *492.7* | *533.7* | *576.6* | *620.4* | *634.7* | *653.5* | *674.4* | *698.8* | *718.9* |
| 3 Held by public | 351.5 | 387.9 | 437.3 | 470.8 | 488.6 | 506.4 | 523.2 | 543.4 | 564.1 |
| 4 Held by agencies | 141.2 | 145.3 | 139.3 | 149.6 | 146.1 | 147.1 | 151.2 | 155.5 | 154.8 |
| 5 *Agency securities* | *11.3* | *10.9* | *10.9* | *11.5* | *11.6* | *12.0* | *10.8* | *10.3* | *10.2* |
| 6 Held by public | 9.3 | 9.0 | 8.9 | 9.5 | [2]9.7 | 10.0 | 9.0 | 8.5 | 8.4 |
| 7 Held by agencies | 2.0 | 1.9 | 2.0 | 2.0 | 1.9 | 1.9 | 1.8 | 1.8 | 1.8 |
| 8 **Debt subject to statutory limit** | **493.0** | **534.2** | **577.8** | **621.6** | **635.8** | **654.7** | **675.6** | **700.0** | **720.1** |
| 9 Public debt securities | 490.5 | 532.6 | 576.0 | 619.8 | 634.1 | 652.9 | 673.8 | 698.2 | 718.3 |
| 10 Other debt[1] | 2.4 | 1.6 | 1.7 | 1.7 | 1.7 | 1.7 | 1.7 | 1.7 | 1.7 |
| 11 MEMO: Statutory debt limit | 495.0 | 577.0 | 595.0 | 636.0 | 636.0 | 682.0 | 700.0 | 700.0 | 752.0 |

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.

NOTE.—Data from *Treasury Bulletin* (U.S. Treasury Dept.).

## 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 | 1978 | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | Dec. | Jan. | Feb. | Mar. | Apr. |
| 1 **Total gross public debt** | **469.1** | **492.7** | **576.6** | **653.5** | **718.9** | **721.6** | **729.8** | **738.0** | **736.6** |
| By type: | | | | | | | | | |
| 2 **Interest-bearing debt** | **467.8** | **491.6** | **575.7** | **652.5** | **715.2** | **720.6** | **728.5** | **736.9** | **733.1** |
| 3 *Marketable* | *270.2* | *282.9* | *363.2* | *421.3* | *459.9* | *466.8* | *470.8* | *478.3* | *472.2* |
| 4 Bills | 107.8 | 119.7 | 157.5 | 164.0 | 161.1 | 161.2 | 161.8 | 165.7 | 159.6 |
| 5 Notes | 124.6 | 129.8 | 167.1 | 216.7 | 251.8 | 257.1 | 258.5 | 262.2 | 262.2 |
| 6 Bonds | 37.8 | 33.4 | 38.6 | 40.6 | 47.0 | 48.5 | 50.5 | 50.4 | 50.4 |
| 7 *Nonmarketable*[1] | *197.6* | *208.7* | *212.5* | *231.2* | *255.3* | *253.8* | *257.7* | *258.7* | *260.9* |
| 8 Convertible bonds[2] | 2.3 | 2.3 | 2.3 | 2.3 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 |
| 9 State and local govt. series | * | .6 | 1.2 | 4.5 | 13.9 | 14.8 | 15.4 | 16.4 | 17.6 |
| 10 Foreign issues[3] | 26.0 | 22.8 | 21.6 | 22.3 | 22.2 | 22.8 | 22.6 | 23.6 | 23.4 |
| 11 Savings bonds and notes | 60.8 | 63.8 | 67.9 | 72.3 | 77.0 | 77.4 | 77.8 | 78.2 | 78.6 |
| 12 Govt. account series[4] | 108.0 | 119.1 | 119.4 | 129.7 | 139.8 | 136.4 | 139.4 | 138.0 | 138.8 |
| 13 Non-interest-bearing debt | 1.2 | 1.1 | 1.0 | 1.1 | 3.7 | 1.0 | 1.3 | 1.0 | 3.5 |
| By holder:[5] | | | | | | | | | |
| 14 U.S. Govt. agencies and trust funds | 123.4 | 138.2 | 145.3 | 149.6 | 154.8 | 151.5 | 154.2 | ......... | ......... |
| 15 F.R. Banks | 75.0 | 80.5 | 84.7 | 94.4 | 102.5 | 97.0 | 95.5 | ......... | ......... |
| 16 **Private investors** | **260.9** | **271.0** | **349.4** | **409.5** | **461.3** | **473.1** | **477.1** | ......... | ......... |
| 17 Commercial banks | 60.3 | 55.6 | 85.1 | 103.8 | 102.4 | 102.2 | 103.5 | ......... | ......... |
| 18 Mutual savings banks | 2.9 | 2.5 | 4.5 | 5.7 | 6.0 | 5.9 | 5.9 | ......... | ......... |
| 19 Insurance companies | 6.4 | 6.2 | 9.5 | 12.5 | 15.6 | 15.3 | 15.3 | ......... | ......... |
| 20 Other corporations | 10.9 | 11.0 | 20.2 | 26.5 | 22.2 | 22.9 | 21.8 | ......... | ......... |
| 21 State and local governments | 29.2 | 29.2 | 34.2 | 41.6 | 55.1 | 56.4 | 58.3 | ......... | ......... |
| Individuals: | | | | | | | | | |
| 22 Savings bonds | 60.3 | 63.4 | 67.3 | 72.0 | 76.7 | 77.1 | 77.6 | ......... | ......... |
| 23 Other securities | 16.9 | 21.5 | 24.0 | 28.8 | 28.6 | 29.0 | 29.1 | ......... | ......... |
| 24 Foreign and international[6] | 54.7 | 58.8 | 66.5 | 78.1 | 109.6 | 112.5 | 115.5 | ......... | ......... |
| 25 Other miscellaneous investors[7] | 19.3 | 22.8 | 38.0 | 40.5 | 45.0 | 51.7 | 50.3 | ......... | ......... |

1 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.

2 These nonmarketable bonds, also known as Investment Series B Bonds, may be exchanged (or converted) at the owner's option for 1½ 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.

3 Nonmarketable foreign government dollar-denominated and foreign currency denominated series.

4 Held almost entirely by U.S. Govt. agencies and trust funds.

5 Data for F.R. Banks and U.S. Govt. agencies and trust funds are actual holdings; data for other groups are Treasury estimates.

6 Consists of the investments of foreign balances and international accounts in the United States. Beginning with July 1974, the figures exclude non-interest-bearing notes issued to the International Monetary Fund.

7 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.

Data by type of security from *Monthly Statement of the Public Debt of the United States* (U.S. Treasury Dept.); data by holder from *Treasury Bulletin.*

## 1.43 U.S. GOVERNMENT MARKETABLE SECURITIES Ownership, by maturity

Par value; millions of dollars, end of period

| Type of holder | 1976 | 1977 | 1978 Feb. | 1978 Mar. | 1976 | 1977 | 1978 Feb. | 1978 Mar. |
|---|---|---|---|---|---|---|---|---|
| | All maturities | | | | 1 to 5 years | | | |
| 1 **All holders** | **421,276** | **459,927** | **470,766** | **478,252** | **141,132** | **151,264** | **164,317** | **167,661** |
| 2 U.S. Govt. agencies and trust funds | 16,485 | 14,420 | 13,996 | 13,982 | 6,141 | 4,788 | 4,779 | 4,774 |
| 3 F. R. Banks | 96,971 | 101,191 | 98,450 | 101,576 | 31,249 | 27,012 | 28,824 | 30,386 |
| 4 *Private investors* | *307,820* | *344,315* | *358,320* | *362,693* | *103,742* | *119,464* | *130,715* | *132,581* |
| 5 Commercial banks | 78,262 | 75,363 | 74,761 | 73,852 | 40,005 | 38,691 | 40,583 | 41,251 |
| 6 Mutual savings banks | 4,072 | 4,379 | 4,251 | 4,200 | 2,010 | 2,112 | 2,218 | 2,243 |
| 7 Insurance companies | 10,284 | 12,378 | 12,146 | 11,902 | 3,885 | 4,729 | 5,126 | 5,063 |
| 8 Nonfinancial corporations | 14,193 | 9,474 | 9,297 | 8,197 | 2,618 | 3,183 | 3,430 | 3,537 |
| 9 Savings and loan associations | 4,576 | 4,817 | 4,954 | 5,014 | 2,360 | 2,368 | 2,438 | 2,495 |
| 10 State and local governments | 12,252 | 15,495 | 15,883 | 16,564 | 2,543 | 3,875 | 4,023 | 4,911 |
| 11 All others | 184,182 | 222,409 | 237,028 | 242,963 | 50,321 | 64,505 | 72,796 | 72,991 |
| | Total, within 1 year | | | | 5 to 10 years | | | |
| 12 **All holders** | **211,035** | **230,691** | **228,805** | **232,997** | **43,045** | **45,328** | **41,554** | **41,554** |
| 13 U.S. Govt. agencies and trust funds | 2,012 | 1,906 | 1,171 | 1,163 | 2,879 | 2,129 | 2,129 | 2,129 |
| 14 F. R. Banks | 51,569 | 56,702 | 52,438 | 53,360 | 9,148 | 10,404 | 9,571 | 10,010 |
| 15 *Private investors* | *157,454* | *172,084* | *175,195* | *178,474* | *31,018* | *32,795* | *29,853* | *29,414* |
| 16 Commercial banks | 31,213 | 29,477 | 26,553 | 25,237 | 6,278 | 6,162 | 6,149 | 5,957 |
| 17 Mutual savings banks | 1,214 | 1,400 | 1,233 | 1,162 | 567 | 584 | 507 | 507 |
| 18 Insurance companies | 2,191 | 2,398 | 2,096 | 1,905 | 2,546 | 3,204 | 2,906 | 2,909 |
| 19 Nonfinancial corporations | 11,009 | 5,770 | 5,239 | 4,168 | 370 | 307 | 299 | 267 |
| 20 Savings and loan associations | 1,984 | 2,236 | 2,313 | 2,267 | 155 | 143 | 130 | 171 |
| 21 State and local governments | 6,622 | 7,917 | 8,190 | 7,587 | 1,465 | 1,283 | 1,272 | 1,253 |
| 22 All others | 103,220 | 122,885 | 129,572 | 136,148 | 19,637 | 21,112 | 18,589 | 18,350 |
| | Bills, within 1 year | | | | 10 to 20 years | | | |
| 23 **All holders** | **163,992** | **161,081** | **161,817** | **165,652** | **11,865** | **12,906** | **14,356** | **14,325** |
| 24 U.S. Govt. agencies and trust funds | 449 | 32 | 12 | 2 | 3,102 | 3,102 | 3,102 | 3,102 |
| 25 F. R. Banks | 41,279 | 42,004 | 38,537 | 38,809 | 1,363 | 1,510 | 1,536 | 1,588 |
| 26 *Private investors* | *122,264* | *119,035* | *123,269* | *126,842* | *7,400* | *8,295* | *9,719* | *9,635* |
| 27 Commercial banks | 17,303 | 11,996 | 9,479 | 9,236 | 339 | 456 | 732 | 611 |
| 28 Mutual savings banks | 454 | 484 | 343 | 327 | 139 | 137 | 139 | 135 |
| 29 Insurance companies | 1,463 | 1,187 | 990 | 900 | 1,114 | 1,245 | 1,172 | 1,163 |
| 30 Nonfinancial corporations | 9,939 | 4,329 | 3,625 | 2,628 | 142 | 133 | 130 | 148 |
| 31 Savings and loan associations | 1,266 | 806 | 876 | 889 | 64 | 54 | 56 | 63 |
| 32 State and local governments | 5,556 | 6,092 | 6,189 | 5,414 | 718 | 890 | 995 | 1,296 |
| 33 All others | 86,282 | 94,152 | 101,766 | 107,448 | 4,884 | 5,380 | 6,494 | 6,217 |
| | Other, within 1 year | | | | Over 20 years | | | |
| 34 **All holders** | **47,043** | **69,610** | **66,988** | **67,344** | **14,200** | **19,738** | **21,734** | **21,715** |
| 35 U.S. Govt. agencies and trust funds | 1,563 | 1,874 | 1,159 | 1,161 | 2,350 | 2,495 | 2,814 | 2,814 |
| 36 F. R. Banks | 10,290 | 14,698 | 13,901 | 14,551 | 3,642 | 5,564 | 6,081 | 6,233 |
| 37 *Private investors* | *35,190* | *53,039* | *51,927* | *51,632* | *8,208* | *11,679* | *12,838* | *12,669* |
| 38 Commercial banks | 13,910 | 15,482 | 17,074 | 16,001 | 427 | 578 | 744 | 797 |
| 39 Mutual savings banks | 760 | 916 | 890 | 835 | 143 | 146 | 153 | 152 |
| 40 Insurance companies | 728 | 1,211 | 1,106 | 1,005 | 548 | 802 | 844 | 862 |
| 41 Nonfinancial corporations | 1,070 | 1,441 | 1,613 | 1,540 | 55 | 81 | 99 | 76 |
| 42 Savings and loan associations | 718 | 1,430 | 1,437 | 1,378 | 13 | 16 | 17 | 17 |
| 43 State and local governments | 1,066 | 3,875 | 2,001 | 2,173 | 904 | 1,530 | 1,404 | 1,516 |
| 44 All others | 16,938 | 28,733 | 27,806 | 28,700 | 6,120 | 8,526 | 9,576 | 9,248 |

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 Mar. 31, 1978: (1) 5,480 commercial banks, 465 mutual savings banks, and 728 insurance companies, each about 90 per cent; (2) 436 nonfinancial corporations and 485 savings and loan assns., each about 50 per cent; and (3) 495 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 | 1975 | 1976 | 1977 | 1978 | | | 1978, week ending Wednesday— | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Jan. | Feb. | Mar. | Mar. 1 | Mar. 8 | Mar. 15 | Mar. 22 | Mar. 29 | Apr. 5 |
| 1 U.S. Govt. securities | 6,027 | 10,449 | 10,838 | 10,740 | 10,200 | 10,620 | 11,895 | 10,463 | 9,180 | 8,876 | 12,186 | 12,968 |
| By maturity: | | | | | | | | | | | | |
| 2 Bills | 3,889 | 6,676 | 6,746 | 6,956 | 5,835 | 6,678 | 6,833 | 7,244 | 5,322 | 5,697 | 7,187 | 8,600 |
| 3 Other within 1 year | 223 | 210 | 237 | 400 | 317 | 345 | 503 | 328 | 391 | 332 | 249 | 377 |
| 4 1–5 years | 1,414 | 2,317 | 2,318 | 1,923 | 2,240 | 1,923 | 2,911 | 1,736 | 1,810 | 1,462 | 2,531 | 1,984 |
| 5 5–10 years | 363 | 1,019 | 1,148 | 720 | 1,169 | 1,027 | 1,007 | 670 | 915 | 739 | 1,507 | 1,337 |
| 6 Over 10 years | 138 | 229 | 388 | 741 | 640 | 648 | 641 | 486 | 741 | 646 | 712 | 669 |
| By type of customer: | | | | | | | | | | | | |
| 7 U.S. Govt. securities dealers | 885 | 1,360 | 1,267 | 1,358 | 1,509 | 1,320 | 1,835 | 1,400 | 1,119 | 1,163 | 1,402 | 1,666 |
| 8 U.S. Govt. securities brokers | 1,750 | 3,407 | 3,709 | 3,663 | 2,962 | 3,324 | 3,578 | 3,069 | 2,829 | 2,688 | 4,029 | 4,119 |
| 9 Commercial banks | 1,451 | 2,426 | 2,295 | 2,180 | 2,069 | 2,134 | 2,248 | 2,125 | 1,882 | 1,731 | 2,553 | 2,413 |
| 10 All others[1] | 1,941 | 3,257 | 3,567 | 3,540 | 3,661 | 3,842 | 4,234 | 3,869 | 3,350 | 3,293 | 4,202 | 4,770 |
| 11 Federal agency securities | 1,043 | 1,548 | 693 | 1,460 | 1,668 | 1,847 | 2,697 | r1,782 | 1,805 | 1,545 | 1,862 | 1,732 |

[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 | 1975 | 1976 | 1977 | 1978 | | | 1978, week ending Wednesday— | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Jan. | Feb. | Mar. | Feb. 8 | Feb. 15 | Feb. 22 | Mar. 1 | Mar. 8 | Mar. 15 |
| | Positions[2] | | | | | | | | | | | |
| 1 U.S. Govt. securities | 5,884 | 7,592 | 5,172 | 4,373 | 4,845 | 3,519 | 5,728 | 5,457 | 4,194 | 3,896 | 4,244 | 3,916 |
| 2 Bills | 4,297 | 6,290 | 4,772 | 4,052 | 3,351 | 2,773 | 3,682 | 4,193 | 3,185 | 2,317 | 2,923 | 2,923 |
| 3 Other within 1 year | 265 | 188 | 99 | 91 | 68 | 226 | 165 | 86 | 21 | −14 | 193 | 221 |
| 4 1–5 years | 886 | 515 | 60 | 120 | 792 | 460 | 744 | 358 | 594 | 1,330 | 975 | 597 |
| 5 5–10 years | 300 | 402 | 92 | −117 | 387 | 67 | 725 | 495 | 198 | 155 | 133 | 53 |
| 6 Over 10 years | 136 | 198 | 149 | 227 | 248 | −7 | 412 | 325 | 155 | 107 | 21 | 20 |
| 7 Federal agency securities | 943 | 729 | 693 | 504 | 622 | 794 | 576 | 619 | 519 | 765 | 801 | 867 |
| | Sources of financing[3] | | | | | | | | | | | |
| 8 All sources | 6,666 | 8,715 | 9,877 | 9,976 | 9,695 | 9,586 | 9,197 | 10,558 | 9,929 | 8,862 | 9,366 | 10,431 |
| Commercial banks: | | | | | | | | | | | | |
| 9 New York City | 1,621 | 1,896 | 1,313 | 926 | 533 | 777 | 857 | 458 | 534 | 360 | 1,010 | 1,189 |
| 10 Outside New York City | 1,466 | 1,660 | 1,987 | 2,342 | 2,377 | 2,067 | 2,396 | 2,644 | 2,426 | 2,075 | 2,005 | 2,522 |
| 11 Corporations[1] | 842 | 1,479 | 2,358 | 2,492 | 2,299 | 2,406 | 2,134 | 2,303 | 2,316 | 2,407 | 2,334 | 2,565 |
| 12 All others | 2,738 | 3,681 | 4,170 | 4,216 | 4,485 | 4,335 | 3,810 | 5,153 | 4,653 | 4,021 | 4,018 | 4,155 |

[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 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.

NOTE.—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 | 1974 | 1975 | 1976 | 1977 | | | | 1978 | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | Sept. | Oct. | Nov. | Dec. | Jan. | Feb. |
| 1 **Federal and Federally sponsored agencies** | **89,381** | **97,680** | **103,325** | **108,379** | **109,046** | **109,427** | **110,409** | **111,520** | **112,945** |
| 2 *Federal agencies* | *12,719* | *19,046* | *21,896* | *23,055* | *23,143* | *23,257* | *23,245* | *23,293* | *23,284* |
| 3 Defense Department[1] | 1,312 | 1,220 | 1,113 | 1,016 | 1,006 | 991 | 983 | 974 | 963 |
| 4 Export-Import Bank[2,3] | 2,893 | 7,188 | 7,801 | 9,246 | 9,246 | 9,246 | 9,156 | 9,156 | 9,156 |
| 5 Federal Housing Administration[4] | 440 | 564 | 575 | 579 | 583 | 585 | 581 | 599 | 602 |
| 6 Government National Mortgage Association participation certificates[5] | 4,280 | 4,200 | 4,120 | 3,768 | 3,768 | 3,768 | 3,743 | 3,743 | 3,743 |
| 7 Postal Service[6] | 721 | 1,750 | 2,998 | 2,431 | 2,431 | 2,431 | 2,431 | 2,431 | 2,431 |
| 8 Tennessee Valley Authority | 3,070 | 3,915 | 5,185 | 5,705 | 5,785 | 5,905 | 6,015 | 6,045 | 6,045 |
| 9 United States Railway Association[6] | 3 | 209 | 104 | 310 | 324 | 331 | 336 | 345 | 344 |
| 10 *Federally sponsored agencies* | *76,662* | *78,634* | *81,429* | *85,324* | *85,903* | *86,170* | *87,164* | *88,227* | *89,661* |
| 11 Federal home loan banks | 21,890 | 18,900 | 16,811 | 17,162 | 17,325 | 17,867 | 18,345 | 18,692 | 19,893 |
| 12 Federal Home Loan Mortgage Corporation | 1,551 | 1,550 | 1,690 | 1,686 | 1,686 | 1,686 | 1,686 | 1,768 | 1,768 |
| 13 Federal National Mortgage Association | 28,167 | 29,963 | 30,565 | 31,491 | 31,572 | 31,333 | 31,890 | 32,024 | 32,553 |
| 14 Federal land banks | 12,653 | 15,000 | 17,127 | 18,719 | 19,118 | 19,118 | 19,118 | 19,498 | 19,350 |
| 15 Federal intermediate credit banks | 8,589 | 9,254 | 10,494 | 11,693 | 11,623 | 11,421 | 11,174 | 11,103 | 10,958 |
| 16 Banks for cooperatives | 3,589 | 3,655 | 4,330 | 4,061 | 4,052 | 4,208 | 4,434 | 4,625 | 4,622 |
| 17 Student Loan Marketing Association[7] | 220 | 310 | 410 | 510 | 525 | 535 | 515 | 515 | 515 |
| 18 Other | 3 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| MEMO ITEMS: | | | | | | | | | |
| 19 **Federal Financing Bank debt[6,8]** | **4,474** | **17,154** | **28,711** | **35,418** | **36,722** | **37,095** | **38,580** | **39,522** | **40,605** |
| Lending to Federal and Federally sponsored agencies: | | | | | | | | | |
| 20 Export-Import Bank[3] | | 4,595 | 5,208 | 5,924 | 5,924 | 5,924 | 5,834 | 5,834 | 5,834 |
| 21 Postal Service[6] | 500 | 1,500 | 2,748 | 2,181 | 2,181 | 2,181 | 2,181 | 2,181 | 2,181 |
| 22 Student Loan Marketing Association[7] | 220 | 310 | 410 | 510 | 525 | 535 | 515 | 515 | 515 |
| 23 Tennessee Valley Authority | 895 | 1,840 | 3,110 | 3,880 | 3,960 | 4,080 | 4,190 | 4,220 | 4,220 |
| 24 United States Railway Association[6] | 3 | 209 | 104 | 310 | 324 | 331 | 336 | 345 | 344 |
| Other lending:[9] | | | | | | | | | |
| 25 Farmers Home Administration | 2,500 | 7,000 | 10,750 | 14,615 | 15,295 | 15,295 | 16,095 | 16,760 | 17,545 |
| 26 Rural Electrification Administration | | 566 | 1,415 | 2,382 | 2,467 | 2,535 | 2,647 | 2,809 | 2,947 |
| 27 Other | 356 | 1,134 | 4,966 | 5,616 | 6,046 | 6,214 | 6,782 | 6,858 | 7,019 |

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 Consists of debentures issued in payment of Federal Housing Administration 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 of State and Local Governments

Millions of dollars

| Type of issue or issuer, or use | 1975 | 1976 | 1977 | 1977 Sept. | 1977 Oct. | 1977 Nov. | 1977 Dec. | 1978 Jan. | 1978 Feb. |
|---|---|---|---|---|---|---|---|---|---|
| 1 **All issues, new and refunding** [1] | **30,607** | **35,313** | **46,769** | **4,022** | **3,816** | **3,338** | **3,655** | **3,283** | **2,716** |
| By type of issue: | | | | | | | | | |
| 2 General obligation | 16,020 | 18,040 | 18,042 | 1,267 | 1,521 | 982 | 1,372 | 1,875 | 1,128 |
| 3 Revenue | 14,511 | 17,140 | 28,655 | 2,746 | 2,286 | 2,350 | 2,274 | 1,408 | 1,588 |
| 4 Housing Assistance Administration [2] | ........ | ........ | ........ | ........ | ........ | ........ | ........ | ........ | ........ |
| 5 U.S. Govt. loans | 76 | 133 | 72 | 9 | 9 | 6 | 9 | ........ | ........ |
| By type of issuer: | | | | | | | | | |
| 6 State | 7,438 | 7,054 | 6,354 | 401 | 837 | 299 | 517 | 833 | 311 |
| 7 Special district and statutory authority | 12,441 | 15,304 | 21,717 | 2,364 | 1,607 | 1,592 | 1,846 | 1,122 | 1,264 |
| 8 Municipalities, counties, townships, school districts | 10,660 | 12,845 | 18,623 | 1,247 | 1,363 | 1,441 | 1,283 | 1,328 | 1,140 |
| 9 **Issues for new capital, total** | **29,495** | **32,108** | **36,189** | **2,376** | **3,082** | **2,514** | **2,343** | **2,904** | **1,990** |
| By use of proceeds: | | | | | | | | | |
| 10 Education | 4,689 | 4,900 | 5,076 | 356 | 352 | 381 | 348 | 560 | 414 |
| 11 Transportation | 2,208 | 2,586 | 2,951 | 176 | 327 | 113 | 184 | 224 | 56 |
| 12 Utilities and conservation | 7,209 | 9,594 | 8,119 | 659 | 402 | 474 | 525 | 481 | 377 |
| 13 Social welfare | 4,392 | 6,566 | 8,274 | 672 | 1,069 | 691 | 659 | 855 | 509 |
| 14 Industrial aid | 445 | 483 | 4,676 | 313 | 455 | 589 | 282 | 245 | 304 |
| 15 Other purposes | 10,552 | 7,979 | 7,093 | 200 | 477 | 266 | 345 | 539 | 330 |

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.

SOURCE.—Public Securities Association.

## 1.48 NEW SECURITY ISSUES of Corporations

Millions of dollars

| Type of issue or issuer, or use | 1975 | 1976r | 1977r | 1977r Sept. | 1977r Oct. | 1977r Nov. | 1977r Dec. | 1978 Jan. | 1978 Feb. |
|---|---|---|---|---|---|---|---|---|---|
| 1 **All issues** [1] | **53,619** | **53,488** | **54,205** | **4,177** | **4,221** | **5,331** | **6,531** | **3,013** | ........ |
| 2 **Bonds** | **42,756** | **42,380** | **42,193** | **3,477** | **3,093** | **3,411** | **5,362** | **2,380** | ........ |
| By type of offering: | | | | | | | | | |
| 3 Public | 32,583 | 26,453 | 24,186 | 1,908 | 2,114 | 2,211 | 1,542 | 1,382 | ........ |
| 4 Private placement | 10,172 | 15,927 | 18,007 | 1,569 | 979 | 1,200 | 3,820 | 998 | ........ |
| By industry group: | | | | | | | | | |
| 5 Manufacturing | 16,980 | 13,264 | 12,510 | 795 | 648 | 726 | 2,375 | 268 | ........ |
| 6 Commercial and miscellaneous | 2,750 | 4,372 | 5,887 | 672 | 571 | 546 | 753 | 280 | ........ |
| 7 Transportation | 3,439 | 4,387 | 2,033 | 138 | 120 | 178 | 345 | 123 | ........ |
| 8 Public utility | 9,658 | 8,297 | 8,261 | 1,023 | 854 | 851 | 476 | 284 | ........ |
| 9 Communication | 3,464 | 2,787 | 3,059 | 319 | 8 | 288 | 189 | 519 | ........ |
| 10 Real estate and financial | 6,469 | 9,274 | 10,438 | 530 | 892 | 821 | 1,223 | 907 | ........ |
| 11 **Stocks** | **10,863** | **11,108** | **12,013** | **700** | **1,128** | **1,920** | **1,169** | **633** | ........ |
| By type: | | | | | | | | | |
| 12 Preferred | 3,458 | 2,803 | 3,878 | 421 | 304 | 364 | 473 | 171 | ........ |
| 13 Common | 7,405 | 8,305 | 8,135 | 279 | 824 | 1,556 | 696 | 462 | ........ |
| By industry group: | | | | | | | | | |
| 14 Manufacturing | 1,670 | 2,237 | 1,265 | 38 | 83 | 56 | 166 | 5 | ........ |
| 15 Commercial and miscellaneous | 1,470 | 1,183 | 1,838 | 86 | 325 | 122 | 124 | 138 | ........ |
| 16 Transportation | 1 | 24 | 418 | 40 | ........ | 50 | ........ | ........ | ........ |
| 17 Public utility | 6,235 | 6,121 | 6,058 | 478 | 583 | 878 | 604 | 360 | ........ |
| 18 Communication | 1,002 | 776 | 1,379 | 3 | ........ | 725 | 110 | ........ | ........ |
| 19 Real estate and financial | 488 | 771 | 1,054 | 55 | 137 | 88 | 165 | 130 | ........ |

1 Figures, which represent gross proceeds of issues maturing in more 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.

SOURCE.—Securities and Exchange Commission.

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

Millions of dollars

| Item | 1976 | 1977 | 1977 Sept. | 1977 Oct. | 1977 Nov. | 1977 Dec. | 1978 Jan. | 1978 Feb. | 1978 Mar. |
|---|---|---|---|---|---|---|---|---|---|
| INVESTMENT COMPANIES excluding money market funds | | | | | | | | | |
| 1 Sales of own shares[1] | 4,226 | 6,401 | 558 | 542 | 511 | 557 | 638 | 451 | 613 |
| 2 Redemptions of own shares[2] | 6,802 | 6,027 | 469 | 519 | 430 | 562 | 465 | 348 | 459 |
| 3 Net sales | −2,496 | 357 | 89 | 23 | 81 | 5 | 173 | 103 | 154 |
| 4 Assets[3] | 47,537 | 45,049 | 45,046 | 43,435 | 45,050 | 45,049 | 43,000 | r42,747 | 43,984 |
| 5 Cash position[4] | 2,747 | 3,274 | 3,403 | 3,481 | 3,487 | 3,274 | 3,608 | 4,258 | 4,331 |
| 6 Other | 44,790 | 41,775 | 41,643 | 39,954 | 41,563 | 41,775 | 39,392 | r38,489 | 39,653 |

1 Includes reinvestment of investment income dividends. Excludes reinvestment of capital gains distributions and share issue of conversions 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 | 1975 | 1976 | 1977 | 1976 Q2 | 1976 Q3 | 1976 Q4 | 1977 Q1 | 1977 Q2 | 1977 Q3 | 1977 Q4 |
|---|---|---|---|---|---|---|---|---|---|---|
| **1 Profits before tax** | **123.5** | **156.9** | **171.7** | **159.2** | **159.9** | **154.8** | **161.7** | **174.0** | **172.8** | **178.3** |
| 2 Profits tax liability | 50.2 | 64.7 | 69.2 | 66.1 | 65.9 | 63.9 | 64.4 | 69.7 | 69.3 | 73.3 |
| 3 Profits after tax | 73.3 | 92.2 | 102.5 | 93.1 | 94.0 | 90.9 | 97.3 | 104.3 | 103.5 | 105.0 |
| 4 Dividends | 32.4 | 35.8 | 41.2 | 35.0 | 36.0 | 38.4 | 38.5 | 40.3 | 42.3 | 43.6 |
| 5 Undistributed profits | 40.9 | 56.4 | 61.3 | 58.1 | 58.0 | 52.5 | 58.8 | 64.0 | 61.2 | 61.4 |
| 6 Capital consumption allowances | 89.5 | 97.2 | 104.7 | 95.9 | 98.2 | 100.4 | 102.0 | 103.5 | 105.8 | 107.6 |
| 7 Net cash flow | 130.4 | 153.6 | 166.0 | 154.0 | 156.2 | 152.9 | 160.8 | 167.5 | 167.0 | 169.0 |

SOURCE.—*Survey of Current Business* (U.S. Dept. of Commerce).

## 1.51 NONFINANCIAL CORPORATIONS Current Assets and Liabilities

Billions of dollars, end of period

| Account | 1972 | 1973 | 1974 | 1975 | 1976 Q2 | 1976 Q3 | 1976 Q4 | 1977 Q1 | 1977 Q2 | 1977 Q3 |
|---|---|---|---|---|---|---|---|---|---|---|
| 1 **Current assets** | **574.4** | **643.2** | **712.2** | **731.6** | **775.4** | **791.8** | **816.8** | **845.3** | **874.7** | **909.8** |
| 2 Cash | 57.5 | 61.6 | 62.7 | 68.1 | 70.8 | 71.1 | 77.0 | 75.0 | 77.9 | 79.1 |
| 3 U.S. Govt. securities | 10.2 | 11.0 | 11.7 | 19.4 | 23.3 | 23.9 | 26.4 | 27.3 | 24.1 | 24.1 |
| 4 *Notes and accounts receivable* | *243.4* | *269.6* | *293.2* | *298.2* | *321.8* | *328.5* | *328.2* | *346.6* | *361.4* | *379.1* |
| 5 U.S. Govt.[1] | 3.4 | 3.5 | 3.5 | 3.6 | 3.7 | 4.3 | 4.3 | 4.7 | 4.8 | 5.3 |
| 6 Other | 240.0 | 266.1 | 289.7 | 294.6 | 318.1 | 324.2 | 323.9 | 342.0 | 356.6 | 373.8 |
| 7 Inventories | 215.2 | 246.7 | 288.0 | 285.8 | 295.6 | 302.1 | 315.4 | 322.1 | 332.5 | 343.1 |
| 8 Other | 48.1 | 54.4 | 56.6 | 60.0 | 63.9 | 66.3 | 69.8 | 74.3 | 78.8 | 84.5 |
| 9 **Current liabilities** | **352.2** | **401.0** | **450.6** | **457.5** | **475.9** | **484.1** | **499.9** | **516.6** | **532.0** | **556.3** |
| 10 *Notes and accounts payable* | *234.4* | *265.9* | *292.7* | *288.0* | *293.8* | *291.7* | *302.9* | *309.0* | *318.9* | *329.7* |
| 11 U.S. Govt.[1] | 4.0 | 4.3 | 5.2 | 6.4 | 6.8 | 7.0 | 7.0 | 6.8 | 5.7 | 6.2 |
| 12 Other | 230.4 | 261.6 | 287.5 | 281.6 | 287.0 | 284.7 | 295.9 | 302.2 | 313.2 | 323.5 |
| 13 Accrued Federal income taxes | 15.1 | 18.1 | 23.2 | 20.7 | 22.0 | 24.9 | 26.8 | 28.6 | 24.5 | 26.9 |
| 14 Other | 102.6 | 117.0 | 134.8 | 148.8 | 160.1 | 167.5 | 170.2 | 179.0 | 188.6 | 199.7 |
| 15 **Net working capital** | **222.2** | **242.3** | **261.5** | **274.1** | **299.5** | **307.7** | **316.9** | **328.7** | **342.8** | **353.5** |

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

SOURCE.—Securities and Exchange Commission.

## 1.52 BUSINESS EXPENDITURES on New Plant and Equipment

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

| Industry | 1976 r | 1977 r | 1976 Q2 | 1976 Q3 | 1976 Q4 | 1977 Q1 | 1977 Q2 | 1977 Q3 | 1977 Q4 r | 1978 Q1[2] |
|---|---|---|---|---|---|---|---|---|---|---|
| 1 **All industries** | **120.15** | **135.72** | **118.12** | **122.55** | **125.22** | **130.16** | **134.24** | **140.38** | **138.11** | **146.25** |
| Manufacturing | | | | | | | | | | |
| 2 Durable goods industries | 23.57 | 27.75 | 22.54 | 24.59 | 25.50 | 26.30 | 27.26 | 29.23 | 28.19 | 29.81 |
| 3 Nondurable goods industries | 28.70 | 32.33 | 28.09 | 30.20 | 28.93 | 30.13 | 32.19 | 33.79 | 33.22 | 33.18 |
| Nonmanufacturing | | | | | | | | | | |
| 4 Mining | 4.00 | 4.49 | 3.83 | 4.21 | 4.13 | 4.24 | 4.49 | 4.74 | 4.50 | 5.24 |
| Transportation: | | | | | | | | | | |
| 5 Railroad | 2.51 | 2.82 | 2.64 | 2.69 | 2.63 | 2.71 | 2.57 | 3.20 | 2.80 | 3.38 |
| 6 Air | 1.29 | 1.63 | 1.44 | 1.12 | 1.41 | 1.62 | 1.43 | 1.69 | 1.76 | 2.42 |
| 7 Other | 3.60 | 2.55 | 4.16 | 3.44 | 3.49 | 2.96 | 2.96 | 1.96 | 2.32 | 2.32 |
| Public utilities: | | | | | | | | | | |
| 8 Electric | 18.77 | 21.57 | 18.82 | 18.22 | 19.49 | 21.19 | 21.14 | 21.90 | 22.05 | 23.70 |
| 9 Gas and other | 3.45 | 4.21 | 3.03 | 3.45 | 3.96 | 4.16 | 4.16 | 4.32 | 4.18 | 4.99 |
| 10 Communication | 13.28 | 15.43 | 12.62 | 13.64 | 14.30 | 14.19 | 15.32 | 16.40 | 15.82 | } 41.21 |
| 11 Commercial and other[1] | 20.99 | 22.95 | 20.94 | 20.99 | 21.36 | 22.67 | 22.73 | 23.14 | 23.27 | |

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.—*Survey of Current Business* (U.S. Dept. of Commerce).

## 1.521 DOMESTIC FINANCE COMPANIES Assets and Liabilities

Billions of dollars, end of period

| Account | 1972 | 1973 | 1974 | 1975 | 1976 | | 1977 | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 |
| **ASSETS** | | | | | | | | | | |
| Accounts receivable, gross | | | | | | | | | | |
| 1 Consumer | 31.9 | 35.4 | 36.1 | 36.0 | 37.6 | 38.6 | 39.2 | 40.7 | 42.3 | 44.0 |
| 2 Business | 27.4 | 32.3 | 37.2 | 39.3 | 42.4 | 44.7 | 47.5 | 50.4 | 50.6 | 55.2 |
| 3 *Total* | *59.3* | *67.7* | *73.3* | *75.3* | *80.0* | *83.4* | *86.7* | *91.2* | *92.9* | *99.2* |
| 4 LESS: Reserves for unearned income and losses | 7.4 | 8.4 | 9.0 | 9.4 | 10.2 | 10.5 | 10.6 | 11.1 | 11.7 | 12.7 |
| 5 Accounts receivable, net | 51.9 | 59.3 | 64.2 | 65.9 | 69.9 | 72.9 | 76.1 | 80.1 | 81.2 | 86.5 |
| 6 Cash and bank deposits | 2.8 | 2.6 | 3.0 | 2.9 | 2.6 | 2.6 | 2.7 | 2.5 | 2.5 | 2.6 |
| 7 Securities | .9 | .8 | .4 | 1.0 | 1.2 | 1.1 | 1.0 | 1.2 | 1.8 | .9 |
| 8 All other | 10.0 | 10.6 | 12.0 | 11.8 | 12.7 | 12.6 | 13.0 | 13.7 | 14.2 | 14.3 |
| 9 **Total assets** | **65.6** | **73.2** | **79.6** | **81.6** | **86.4** | **89.2** | **92.8** | **97.5** | **99.6** | **104.3** |
| **LIABILITIES** | | | | | | | | | | |
| 10 Bank loans | 5.6 | 7.2 | 9.7 | 8.0 | 5.5 | 6.3 | 6.1 | 5.7 | 5.4 | 5.9 |
| 11 Commercial paper | 17.3 | 19.7 | 20.7 | 22.2 | 21.7 | 23.7 | 24.8 | 27.5 | 25.7 | 29.6 |
| Debt: | | | | | | | | | | |
| 12 Short-term, n.e.c. | 4.3 | 4.6 | 4.9 | 4.5 | 5.2 | 5.4 | 4.5 | 5.5 | 5.4 | 6.2 |
| 13 Long-term, n.e.c. | 22.7 | 24.6 | 26.5 | 27.6 | 31.0 | 32.3 | 34.0 | 35.0 | 34.8 | 36.0 |
| 14 Other | 4.8 | 5.6 | 5.5 | 6.8 | 9.5 | 8.1 | 9.5 | 9.4 | 13.7 | 11.5 |
| 15 Capital, surplus, and undivided profits | 10.9 | 11.5 | 12.4 | 12.5 | 13.4 | 13.4 | 13.9 | 14.4 | 14.6 | 15.1 |
| 16 **Total liabilities and capital** | 65.6 | 73.2 | 79.6 | 81.6 | 86.4 | 89.2 | 92.8 | 97.5 | 99.6 | 104.3 |

NOTE.—Components may not add to totals due to rounding.

## 1.522 DOMESTIC FINANCE COMPANIES Business Credit

Millions of dollars, seasonally adjusted except as noted

| Type | Accounts receivable outstanding Feb. 28, 1978[1] | Changes in accounts receivable during— | | | Extensions | | | Repayments | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | 1977 | 1978 | | 1977 | 1978 | | 1977 | 1978 | |
| | | Dec. | Jan. | Feb. | Dec. | Jan. | Feb. | Dec. | Jan. | Feb. |
| 1 **Total** | **56,564** | **906** | **777** | **461** | **13,386** | **12,707** | **13,468** | **12,480** | **11,930** | **13,007** |
| 2 Retail automotive (commercial vehicles) | 12,123 | 332 | 161 | 161 | 1,156 | 1,023 | 1,038 | 824 | 862 | 877 |
| 3 Wholesale automotive | 12,620 | 294 | 285 | 86 | 5,731 | 5,141 | 5,436 | 5,437 | 4,856 | 5,350 |
| 4 Retail paper on business, industrial, and farm equipment | 14,588 | 96 | 311 | 72 | 1,003 | 1,004 | 1,258 | 907 | 693 | 1,186 |
| 5 Loans on commercial accounts receivable | 3,899 | 53 | −35 | 75 | 2,334 | 2,411 | 2,508 | 2,281 | 2,446 | 2,433 |
| 6 Factored commercial accounts receivable | 2,206 | −43 | −7 | −2 | 1,599 | 1,591 | 1,694 | 1,642 | 1,598 | 1,696 |
| 7 All other business credit | 11,128 | 174 | 62 | 69 | 1,563 | 1,537 | 1,534 | 1,389 | 1,475 | 1,465 |

1 Not seasonally adjusted.

## 1.53 MORTGAGE MARKETS

Millions of dollars; exceptions noted.

| | Item | 1975 | 1976 | 1977 | 1977 | | | 1978 | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | 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) | 44.6 | 48.4 | 54.3 | 54.0 | 56.4 | 57.7 | 58.0 | r59.9 | 58.8 |
| 2 | Amount of loan (thous. dollars) | 33.3 | 35.9 | 40.5 | 40.2 | 42.0 | 42.6 | 43.3 | r44.0 | 43.5 |
| 3 | Loan/price ratio (per cent) | 74.7 | 74.2 | 76.3 | 76.1 | 76.5 | 75.5 | 76.4 | r75.3 | 75.5 |
| 4 | Maturity (years) | 26.8 | 27.2 | 27.9 | 27.6 | 28.2 | 28.0 | 28.3 | r27.3 | 27.4 |
| 5 | Fees and charges (per cent of loan amount)[2] | 1.54 | 1.44 | 1.33 | 1.35 | 1.38 | 1.32 | 1.41 | r1.32 | 1.37 |
| 6 | Contract rate (per cent per annum) | 8.75 | 8.76 | 8.80 | 8.84 | 8.85 | 8.87 | 8.93 | 8.96 | 9.03 |
| | Yield (per cent per annum): | | | | | | | | | |
| 7 | FHLBB series[3] | 9.01 | 8.99 | 9.01 | 9.07 | 9.07 | 9.09 | 9.15 | 9.18 | 9.26 |
| 8 | HUD series[4] | 9.10 | 8.99 | 8.95 | 9.00 | 9.05 | 9.10 | 9.15 | 9.25 | 9.30 |
| | **SECONDARY MARKETS** | | | | | | | | | |
| | Yields (per cent per annum) on— | | | | | | | | | |
| 9 | FHA mortgages (HUD series)[5] | 9.19 | 8.82 | 7.96 | 8.78 | 8.78 | 8.91 | 9.11 | ........ | 9.29 |
| 10 | GNMA securities[6] | 8.52 | 8.17 | 8.04 | 8.16 | 8.19 | 8.29 | 8.56 | 8.64 | 8.60 |
| | FNMA auctions:[7] | | | | | | | | | |
| 11 | Government-underwritten loans | 9.26 | 8.99 | 8.73 | 8.74 | 8.85 | 8.94 | 9.17 | 9.31 | 9.35 |
| 12 | Conventional loans | 9.37 | 9.11 | 8.98 | 9.05 | 9.16 | 9.19 | 9.32 | 9.49 | 9.61 |
| | | Activity in secondary markets | | | | | | | | |
| | **FEDERAL NATIONAL MORTGAGE ASSOCIATION** | | | | | | | | | |
| | Mortgage holdings (end of period) | | | | | | | | | |
| 13 | **Total** | **31,824** | **32,904** | **34,370** | **34,123** | **34,192** | **34,370** | **34,756** | **35,408** | **36,030** |
| 14 | FHA-insured | 19,732 | 18,916 | 18,457 | 18,602 | 18,535 | 18,457 | 18,500 | 18,664 | 18,759 |
| 15 | VA-guaranteed | 9,573 | 9,212 | 9,315 | 9,287 | 9,267 | 9,315 | 9,398 | 9,599 | 9,727 |
| 16 | Conventional | 2,519 | 4,776 | 6,597 | 6,234 | 6,389 | 6,597 | 6,858 | 7,146 | 7,543 |
| | Mortgage transactions (during period) | | | | | | | | | |
| 17 | Purchases | 4,263 | 3,606 | 4,780 | 251 | 352 | 497 | 636 | 879 | 891 |
| 18 | Sales | 2 | 86 | 67 | ........ | ........ | ........ | 5 | ........ | 4 |
| | Mortgage commitments:[8] | | | | | | | | | |
| 19 | Contracted (during period) | 6,106 | 6,247 | 9,729 | 897 | 975 | 1,333 | 1,810 | 1,942 | 1,563 |
| 20 | Outstanding (end of period) | 4,126 | 3,398 | 4,698 | 3,702 | 4,192 | 4,698 | 5,781 | 6,851 | 7,445 |
| | Auction of 4-month commitments to buy— | | | | | | | | | |
| | Government-underwritten loans: | | | | | | | | | |
| 21 | Offered[9] | 7,042.6 | 4,929.8 | 7,974.1 | 613.2 | 105.2 | 1,184.5 | 1,779.8 | 1,199.1 | 523.7 |
| 22 | Accepted | 3,848.3 | 2,787.2 | 4,846.2 | 400.5 | 152.7 | 794.0 | 970.9 | 623.1 | 334.9 |
| | Conventional loans: | | | | | | | | | |
| 23 | Offered[9] | 1,401.3 | 2,595.7 | 5,675.2 | 758.1 | 537.6 | 591.6 | 949.9 | 1,214.1 | 823.5 |
| 24 | Accepted | 765.0 | 1,879.2 | 3,917.8 | 529.0 | 386.3 | 359.4 | 449.6 | 566.0 | 512.5 |
| | **FEDERAL HOME LOAN MORTGAGE CORPORATION** | | | | | | | | | |
| | Mortgage holdings (end of period)[10] | | | | | | | | | |
| 25 | **Total** | **4,987** | **4,269** | 3,276 | **3,402** | 3,266 | 3,276 | 3,163 | 3,044 | 3,372 |
| 26 | FHA/VA | 1,824 | 1,618 | 1,395 | 1,424 | 1,406 | 1,395 | 1,382 | 1,381 | 1,388 |
| 27 | Conventional | 3,163 | 2,651 | 1,881 | 1,978 | 1,860 | 1,881 | 1,782 | 1,663 | 1,985 |
| | Mortgage transactions (during period) | | | | | | | | | |
| 28 | Purchases | 1,716 | 1,175 | 3,900 | 428 | 576 | 489 | 401 | 363 | 344 |
| 29 | Sales | 1,020 | 1,396 | 4,131 | 354 | 677 | 477 | 503 | 470 | 120 |
| | Mortgage commitments:[11] | | | | | | | | | |
| 30 | Contracted (during period) | 982 | 1,477 | 5,546 | 465 | 574 | 361 | 367 | 363 | 593 |
| 31 | Outstanding (end of period) | 111 | 333 | 1,063 | 1,329 | 1,233 | 1,063 | 961 | 1,021 | 1,233 |

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, end of period

| | Type of holder, and type of property | 1973 | 1974 | 1975 | 1976 | 1977 | | | 1978 |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | | Q2 | Q3 | Q4 | Q1p |
| 1 | **All holders** | **682,321** | **742,512** | **801,537** | **889,327** | **r948,826** | **r985,607** | **1,021,169** | **1,048,380** |
| 2 | 1- to 4-family | 416,211 | 449,371 | 490,761 | 556,557 | r600,262 | r627,770 | 652,405 | 671,050 |
| 3 | Multifamily | 93,132 | 99,976 | 100,601 | 104,516 | r107,094 | r108,957 | 111,286 | 113,137 |
| 4 | Commercial | 131,725 | 146,877 | 159,298 | 171,223 | r179,578 | r184,815 | 191,593 | 195,899 |
| 5 | Farm | 41,253 | 46,288 | 50,877 | 57,031 | 61,892 | 64,080 | 65,885 | 68,294 |
| 6 | **Major financial institutions** | **505,400** | **542,560** | **581,193** | **647,650** | **r690,340** | **r717,365** | **742,763** | **761,276** |
| 7 | *Commercial banks*[1] | *119,068* | *132,105* | *136,186* | *151,326* | *162,778* | *170,378* | *176,678* | *181,178* |
| 8 | 1- to 4-family | 67,998 | 74,758 | 77,018 | 86,234 | 93,393 | 97,746 | 101,361 | 103,942 |
| 9 | Multifamily | 6,932 | 7,619 | 5,915 | 8,082 | 8,003 | 8,383 | 8,692 | 8,914 |
| 10 | Commercial | 38,696 | 43,679 | 46,882 | 50,289 | 54,038 | 56,565 | 58,657 | 60,151 |
| 11 | Farm | 5,442 | 6,049 | 6,371 | 6,721 | 7,344 | 7,684 | 7,968 | 8,171 |
| 12 | *Mutual savings banks* | *73,230* | *74,920* | *77,249* | *81,639* | *84,076* | *86,079* | *88,104* | *89,687* |
| 13 | 1- to 4-family | 48,811 | 49,213 | 50,025 | 53,089 | 55,000 | 56,313 | 57,637 | 58,673 |
| 14 | Multifamily | 12,343 | 12,923 | 13,792 | 14,177 | 14,602 | 14,952 | 15,304 | 15,579 |
| 15 | Commercial | 12,012 | 12,722 | 13,373 | 14,313 | 14,422 | 14,762 | 15,110 | 15,381 |
| 16 | Farm | 64 | 62 | 59 | 60 | 52 | 52 | 53 | 54 |
| 17 | *Savings and loan associations* | *231,733* | *249,301* | *278,590* | *323,130* | *r350,632* | *r366,838* | *381,216* | *392,438* |
| 18 | 1- to 4-family | 187,078 | 200,987 | 223,903 | 260,895 | r284,433 | r298,459 | 310,729 | 319,876 |
| 19 | Multifamily | 22,779 | 23,808 | 25,547 | 28,436 | r30,505 | r31,585 | 32,518 | 33,475 |
| 20 | Commercial | 21,876 | 24,506 | 29,140 | 33,799 | r35,694 | r36,794 | 37,969 | 39,087 |
| 21 | *Life insurance companies* | *81,369* | *86,234* | *89,168* | *91,555* | *92,854* | *94,070* | *96,765* | *97,973* |
| 22 | 1- to 4-family | 20,426 | 19,026 | 17,590 | 16,088 | 15,418 | 15,022 | 14,727 | 14,427 |
| 23 | Multifamily | 18,451 | 19,625 | 19,629 | 19,178 | 18,891 | 18,831 | 18,807 | 18,857 |
| 24 | Commercial | 36,496 | 41,256 | 45,196 | 48,864 | 50,405 | 51,742 | 54,388 | 55,546 |
| 25 | Farm | 5,996 | 6,327 | 6,753 | 7,425 | 8,140 | 8,475 | 8,843 | 9,143 |
| 26 | **Federal and related agencies** | **46,721** | **58,320** | **66,891** | **66,753** | **68,338** | **69,068** | **70,006** | **71,849** |
| 27 | *Government National Mortgage Assn.* | *4,029* | *4,846* | *7,438* | *4,241* | *3,912* | *3,599* | *3,660* | *3,342* |
| 28 | 1- to 4-family | 1,455 | 2,248 | 4,728 | 1,970 | 1,654 | 1,522 | 1,548 | 1,414 |
| 29 | Multifamily | 2,574 | 2,598 | 2,710 | 2,271 | 2,258 | 2,077 | 2,112 | 1,928 |
| 30 | *Farmers Home Admin.* | *1,366* | *1,432* | *1,109* | *1,064* | *1,043* | *1,292* | *1,353* | *1,413* |
| 31 | 1- to 4-family | 743 | 759 | 208 | 454 | 410 | 548 | 626 | 654 |
| 32 | Multifamily | 29 | 167 | 215 | 218 | 97 | 192 | 275 | 287 |
| 33 | Commercial | 218 | 156 | 190 | 72 | 126 | 142 | 149 | 156 |
| 34 | Farm | 376 | 350 | 496 | 320 | 410 | 410 | 303 | 316 |
| 35 | *Federal Housing and Veterans Admin.* | *3,476* | *4,015* | *4,970* | *5,150* | *5,259* | *5,130* | *5,212* | *5,212* |
| 36 | 1- to 4-family | 2,013 | 2,009 | 1,990 | 1,676 | 1,711 | 1,566 | 1,627 | 1,578 |
| 37 | Multifamily | 1,463 | 2,006 | 2,980 | 3,474 | 3,548 | 3,564 | 3,585 | 3,634 |
| 38 | *Federal National Mortgage Assn.* | *24,175* | *29,578* | *31,824* | *32,904* | *33,918* | *34,148* | *34,369* | *36,029* |
| 39 | 1- to 4-family | 20,370 | 23,778 | 25,813 | 26,934 | 27,933 | 28,178 | 28,504 | 30,208 |
| 40 | Multifamily | 3,805 | 5,800 | 6,011 | 5,970 | 5,985 | 5,970 | 5,865 | 5,821 |
| 41 | *Federal land banks* | *11,071* | *13,863* | *16,563* | *19,125* | *20,818* | *21,523* | *22,136* | *22,925* |
| 42 | 1- to 4-family | 123 | 406 | 549 | 601 | 628 | 649 | 670 | 691 |
| 43 | Farm | 10,948 | 13,457 | 16,014 | 18,524 | 20,190 | 20,874 | 21,466 | 22,234 |
| 44 | *Federal Home Loan Mortgage Corp.* | *2,604* | *4,586* | *4,987* | *4,269* | *3,388* | *3,376* | *3,276* | *2,928* |
| 45 | 1- to 4-family | 2,446 | 4,217 | 4,588 | 3,889 | 2,901 | 2,818 | 2,738 | 2,447 |
| 46 | Multifamily | 158 | 369 | 399 | 380 | 487 | 558 | 538 | 481 |
| 47 | **Mortgage pools or trusts**[2] | **18,040** | **23,799** | **34,138** | **49,801** | **58,748** | **64,667** | **70,289** | **73,557** |
| 48 | *Government National Mortgage Assn.* | *7,890* | *11,769* | *18,257* | *30,572* | *36,573* | *41,089* | *44,896* | *46,357* |
| 49 | 1- to 4-family | 7,561 | 11,249 | 17,538 | 29,583 | 35,467 | 39,865 | 43,555 | 44,906 |
| 50 | Multifamily | 329 | 520 | 719 | 989 | 1,106 | 1,224 | 1,341 | 1,451 |
| 51 | *Federal Home Loan Mortgage Corp.* | *766* | *757* | *1,598* | *2,671* | *4,460* | *5,332* | *6,610* | *7,917* |
| 52 | 1- to 4-family | 617 | 608 | 1,349 | 2,282 | 3,938 | 4,642 | 5,621 | 6,733 |
| 53 | Multifamily | 149 | 149 | 249 | 389 | 522 | 690 | 989 | 1,184 |
| 54 | *Farmers Home Admin.* | *9,384* | *11,273* | *14,283* | *16,558* | *17,715* | *18,426* | *18,783* | *19,283* |
| 55 | 1- to 4-family | 5,458 | 6,782 | 9,194 | 10,219 | 10,814 | 11,127 | 11,379 | 11,700 |
| 56 | Multifamily | 138 | 116 | 295 | 532 | 777 | 768 | 759 | 780 |
| 57 | Commercial | 1,124 | 1,473 | 1,948 | 2,440 | 2,680 | 2,824 | 2,945 | 3,024 |
| 58 | Farm | 2,664 | 2,902 | 2,846 | 3,367 | 3,444 | 3,527 | 3,682 | 3,779 |
| 59 | **Individuals and others**[3] | **112,160** | **117,833** | **119,315** | **125,123** | **131,400** | **r134,507** | **138,111** | **141,698** |
| 60 | 1- to 4-family | 51,112 | 53,331 | 56,268 | 62,643 | 66,592 | r69,315 | 71,665 | 73,801 |
| 61 | Multifamily | 23,982 | 24,276 | 22,140 | 20,420 | 20,313 | r20,163 | 20,501 | 20,746 |
| 62 | Commercial | 21,303 | 23,085 | 22,569 | 21,446 | 22,213 | r21,986 | 22,375 | 22,554 |
| 63 | Farm | 15,763 | 17,141 | 18,338 | 20,614 | 22,312 | r23,043 | 23,570 | 24,597 |

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.

NOTE.—Based on data from various institutional and Govt. sources, with some quarters estimated in part by Federal Reserve in conjunction with the Federal Home Loan Bank Board and the Dept. of Commerce. Separation of nonfarm mortgage debt by type of property, if not reported directly, and interpolations and extrapolations where required, are estimated mainly by Federal Reserve. Multifamily debt refers to loans on structures of 5 or more units.

## 1.55 CONSUMER INSTALMENT CREDIT Total Outstanding, and Net Change

Millions of dollars

| Holder, and type of credit | 1975 | 1976 | 1977 | 1977 Sept. | 1977 Oct. | 1977 Nov. | 1977 Dec. | 1978 Jan. | 1978 Feb. | 1978 Mar. |
|---|---|---|---|---|---|---|---|---|---|---|
| | **Amounts outstanding (end of period)** | | | | | | | | | |
| 1 **Total** | **164,955** | **185,489** | **216,572** | **207,294** | **209,141** | **212,074** | **216,572** | **215,925** | **216,297** | **219,203** |
| By holder: | | | | | | | | | | |
| 2 Commercial banks | 78,667 | 89,511 | 105,291 | 101,564 | 102,504 | 103,469 | 105,291 | 105,466 | 105,663 | 107,166 |
| 3 Finance companies | 35,994 | 38,639 | 44,015 | 42,333 | 42,704 | 43,322 | 44,015 | 43,970 | 44,107 | 44,486 |
| 4 Credit unions | 25,666 | 30,546 | 37,036 | 35,779 | 35,993 | 36,488 | 37,036 | 36,851 | 37,217 | 38,185 |
| 5 Retailers[1] | 18,002 | 19,052 | 21,082 | 18,725 | 18,961 | 19,629 | 21,082 | 20,525 | 20,060 | 19,920 |
| 6 Others[2] | 6,626 | 7,741 | 9,149 | 8,894 | 8,978 | 9,166 | 9,149 | 9,114 | 9,250 | 9,446 |
| By type of credit: | | | | | | | | | | |
| 7 *Automobile* | *55,879* | *66,116* | *79,352* | *77,207* | *77,845* | *78,757* | *79,352* | *79,376* | *79,984* | *81,666* |
| 8 Commercial banks | 31,553 | 37,984 | 46,119 | 44,933 | 45,399 | 45,845 | 46,119 | 46,247 | 46,547 | 47,534 |
| 9 Indirect | 18,353 | 21,176 | 25,370 | 24,717 | 24,972 | 25,228 | 25,370 | 25,476 | 25,696 | 26,327 |
| 10 Direct | 13,200 | 16,808 | 20,749 | 20,216 | 20,427 | 20,616 | 20,749 | 20,771 | 20,851 | 21,207 |
| 11 Finance companies | 11,155 | 12,489 | 14,263 | 13,930 | 13,998 | 14,205 | 14,263 | 14,260 | 14,374 | 14,577 |
| 12 Credit unions | 12,741 | 15,163 | 18,385 | 17,761 | 17,867 | 18,113 | 18,385 | 18,293 | 18,475 | 18,955 |
| 13 Others | 430 | 480 | 585 | 584 | 581 | 594 | 585 | 576 | 588 | 600 |
| 14 *Mobile homes* | *14,423* | *14,572* | *15,014* | *14,880* | *14,929* | *14,999* | *15,014* | *14,978* | *14,973* | *15,062* |
| 15 Commercial banks | 8,649 | 8,734 | 8,862 | 8,828 | 8,839 | 8,856 | 8,862 | 8,819 | 8,807 | 8,845 |
| 16 Finance companies | 3,451 | 3,273 | 3,109 | 3,119 | 3,116 | 3,123 | 3,109 | 3,115 | 3,098 | 3,085 |
| 17 *Home improvement* | *9,405* | *10,990* | *12,952* | *12,532* | *12,703* | *12,879* | *12,952* | *12,904* | *12,968* | *13,162* |
| 18 Commercial banks | 4,965 | 5,554 | 6,473 | 6,265 | 6,377 | 6,447 | 6,473 | 6,445 | 6,436 | 6,479 |
| *Revolving credit:* | | | | | | | | | | |
| 19 Bank credit cards | 9,501 | 11,351 | 14,262 | 12,651 | 12,829 | 13,096 | 14,262 | 14,369 | 14,174 | 14,142 |
| 20 Bank check credit | 2,810 | 3,041 | 3,724 | 3,504 | 3,551 | 3,601 | 3,724 | 3,776 | 3,822 | 3,844 |
| 21 *All other* | *72,937* | *79,418* | *91,269* | *86,519* | *87,283* | *88,743* | *91,269* | *90,522* | *90,376* | *91,327* |
| 22 Commercial banks, total | 21,188 | 22,847 | 25,850 | 25,383 | 25,510 | 25,626 | 25,850 | 25,809 | 25,877 | 26,322 |
| 23 Personal loans | 14,629 | 15,669 | 17,740 | 17,373 | 17,452 | 17,555 | 17,740 | 17,708 | 17,769 | 18,002 |
| 24 Finance companies, total | 21,238 | 22,749 | 26,498 | 25,143 | 25,448 | 25,850 | 26,498 | 26,452 | 26,489 | 26,675 |
| 25 Personal loans | 17,263 | 18,554 | 21,302 | 20,256 | 20,498 | 20,852 | 21,302 | 21,248 | 21,283 | 21,416 |
| 26 Credit unions | 10,754 | 12,799 | 15,518 | 14,991 | 15,081 | 15,289 | 15,518 | 15,440 | 15,594 | 15,999 |
| 27 Retailers | 18,002 | 19,052 | 21,082 | 18,725 | 18,961 | 19,629 | 21,082 | 20,525 | 20,060 | 19,920 |
| 28 Others | 1,755 | 1,971 | 2,321 | 2,277 | 2,283 | 2,350 | 2,321 | 2,296 | 2,356 | 2,411 |
| | **Net change (during period)[3]** | | | | | | | | | |
| 29 **Total** | **7,504** | **20,533** | **31,090** | **2,351** | **2,626** | **2,853** | **2,736** | **2,424** | **2,661** | **4,068** |
| By holder: | | | | | | | | | | |
| 30 Commercial banks | 2,821 | 10,845 | 15,779 | 1,228 | 1,315 | 1,384 | 1,611 | 1,115 | 1,280 | 2,021 |
| 31 Finance companies | −90 | 2,644 | 5,376 | 378 | 487 | 543 | 500 | 460 | 418 | 662 |
| 32 Credit unions | 3,771 | 4,880 | 6,490 | 458 | 469 | 566 | 641 | 495 | 603 | 836 |
| 33 Retailers[1] | 69 | 1,050 | 2,032 | 144 | 280 | 184 | −12 | 309 | 202 | 367 |
| 34 Others[2] | 933 | 1,115 | 1,413 | 143 | 75 | 177 | −3 | 44 | 158 | 182 |
| By type of credit: | | | | | | | | | | |
| 35 *Automobile* | *3,007* | *10,238* | *13,235* | *1,105* | *850* | *1,241* | *1,297* | *1,185* | *1,104* | *1,522* |
| 36 Commercial banks | 559 | 6,431 | 8,135 | 714 | 587 | 725 | 835 | 637 | 599 | 882 |
| 37 Indirect | −334 | 2,823 | 4,194 | 466 | 295 | 444 | 486 | 407 | 389 | 564 |
| 38 Direct | 894 | 3,608 | 3,941 | 248 | 292 | 281 | 349 | 230 | 210 | 318 |
| 39 Finance companies | 532 | 1,334 | 1,774 | 128 | 52 | 242 | 127 | 247 | 201 | 238 |
| 40 Credit unions | 1,872 | 2,422 | 3,222 | 228 | 222 | 263 | 328 | 244 | 300 | 406 |
| 41 Other | 44 | 50 | 105 | 34 | −11 | 10 | 7 | 56 | 4 | −4 |
| 42 *Mobile homes* | *−195* | *150* | *441* | *32* | *44* | *74* | *76* | *52* | *23* | *108* |
| 43 Commercial banks | −323 | 85 | 128 | 10 | 15 | 23 | 60 | 2 | 2 | 46 |
| 44 Finance companies | −73 | −177 | −164 | −3 | −11 | 4 | −8 | 36 | −9 | 2 |
| 45 *Home improvement* | *881* | *1,585* | *1,967* | *143* | *201* | *211* | *173* | *105* | *171* | *217* |
| 46 Commercial banks | 271 | 588 | 920 | 77 | 115 | 99 | 110 | 70 | 69 | 74 |
| *Revolving credit:* | | | | | | | | | | |
| 47 Bank credit cards | 1,220 | 1,850 | 2,911 | 279 | 287 | 243 | 250 | 160 | 285 | 448 |
| 48 Bank check credit | 14 | 231 | 683 | 49 | 57 | 27 | 46 | 65 | 87 | 120 |
| 49 *All other* | *2,577* | *6,479* | *11,853* | *743* | *1,188* | *1,057* | *895* | *857* | *991* | *1,653* |
| 50 Commercial banks, total | 1,080 | 1,659 | 3,003 | 99 | 254 | 267 | 310 | 180 | 238 | 451 |
| 51 Personal loans | 858 | 1,040 | 2,070 | 56 | 142 | 183 | 235 | 81 | 167 | 263 |
| 52 Finance companies, total | −348 | 1,509 | 3,749 | 251 | 448 | 293 | 378 | 177 | 223 | 419 |
| 53 Personal loans | 279 | 1,290 | 2,748 | 223 | 353 | 235 | 254 | 162 | 183 | 309 |
| 54 Credit unions | 1,580 | 2,045 | 2,719 | 197 | 204 | 252 | 252 | 205 | 252 | 358 |
| 55 Retailers | 69 | 1,050 | 2,032 | 144 | 280 | 184 | −12 | 309 | 202 | 367 |
| 56 Others | 196 | 217 | 350 | 52 | 2 | 61 | −33 | −15 | 76 | 58 |

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 \$44.2 billion at the end of 1977, \$38.7 billion at the end of 1976, \$35.7 billion at the end of 1975, and \$33.8 billion at the end of 1974. Comparable data for Dec. 31, 1978, will be published in the February 1979 BULLETIN.

## 1.56 CONSUMER INSTALMENT CREDIT Extensions and Liquidations

Millions of dollars

| | Holder, and type of credit | 1975 | 1976 | 1977 | 1977 | | | | 1978 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Sept. | Oct. | Nov. | Dec. | Jan. | Feb. | Mar. |
| | | | | | Extensions[3] | | | | | | |
| 1 | **Total** | **164,169** | **193,328** | **225,645** | **19,164** | **19,787** | **19,680** | **20,138** | **19,586** | **20,179** | **21,595** |
| | By holder: | | | | | | | | | | |
| 2 | Commercial banks | 77,312 | 94,220 | 110,777 | 9,442 | 9,802 | 9,688 | 10,226 | 9,625 | 9,905 | 10,608 |
| 3 | Finance companies | 31,173 | 36,028 | 41,770 | 3,514 | 3,653 | 3,602 | 3,743 | 3,575 | 3,691 | 3,914 |
| 4 | Credit unions | 24,096 | 28,587 | 33,592 | 2,773 | 2,858 | 2,920 | 3,093 | 2,820 | 3,028 | 3,309 |
| 5 | Retailers[1] | 27,049 | 29,188 | 33,202 | 2,860 | 2,961 | 2,857 | 2,647 | 3,102 | 2,976 | 3,148 |
| 6 | Others[2] | 4,539 | 5,305 | 6,303 | 575 | 512 | 612 | 428 | 464 | 579 | 616 |
| | By type of credit: | | | | | | | | | | |
| 7 | *Automobile* | *51,413* | *62,988* | *72,888* | *6,109* | *6,083* | *6,330* | *6,721* | *6,263* | *6,400* | *6,822* |
| 8 | Commercial banks | 28,573 | 36,585 | 42,570 | 3,640 | 3,642 | 3,717 | 3,941 | 3,650 | 3,700 | 3,924 |
| 9 | Indirect | 15,766 | 19,882 | 22,904 | 2,028 | 1,976 | 2,076 | 2,153 | 2,026 | 2,065 | 2,173 |
| 10 | Direct | 12,807 | 16,704 | 19,666 | 1,612 | 1,666 | 1,641 | 1,788 | 1,624 | 1,635 | 1,751 |
| 11 | Finance companies | 9,674 | 11,209 | 12,635 | 1,013 | 989 | 1,097 | 1,143 | 1,088 | 1,080 | 1,173 |
| 12 | Credit unions | 12,683 | 14,675 | 17,041 | 1,376 | 1,414 | 1,458 | 1,581 | 1,421 | 1,565 | 1,679 |
| 13 | Others | 483 | 518 | 642 | 80 | 38 | 58 | 55 | 105 | 55 | 46 |
| 14 | *Mobile homes* | *4,323* | *4,841* | *5,244* | *424* | *457* | *464* | *460* | *449* | *406* | *502* |
| 15 | Commercial banks | 2,622 | 3,071 | 3,153 | 261 | 270 | 280 | 300 | 250 | 236 | 284 |
| 16 | Finance companies | 764 | 690 | 615 | 51 | 61 | 54 | 60 | 101 | 62 | 74 |
| 17 | *Home improvement* | *5,556* | *6,736* | *8,066* | *679* | *718* | *761* | *722* | *618* | *710* | *770* |
| 18 | Commercial banks | 2,722 | 3,245 | 3,968 | 340 | 373 | 370 | 384 | 327 | 338 | 352 |
| | *Revolving credit:* | | | | | | | | | | |
| 19 | Bank credit cards | 20,428 | 25,862 | 31,761 | 2,847 | 2,973 | 2,828 | 2,973 | 2,948 | 3,143 | 3,231 |
| 20 | Bank check credit | 4,024 | 4,783 | 5,886 | 485 | 487 | 492 | 531 | 556 | 535 | 608 |
| 21 | *All other* | *78,425* | *88,117* | *101,754* | *8,620* | *9,067* | *8,804* | *8,731* | *8,751* | *8,985* | *9,662* |
| 22 | Commercial banks, total | 18,944 | 20,673 | 23,439 | 1,870 | 2,056 | 2,001 | 2,096 | 1,893 | 1,953 | 2,209 |
| 23 | Personal loans | 13,386 | 14,480 | 16,828 | 1,346 | 1,463 | 1,434 | 1,518 | 1,338 | 1,405 | 1,537 |
| 24 | Finance companies, total | 20,657 | 24,087 | 28,349 | 2,440 | 2,596 | 2,441 | 2,530 | 2,380 | 2,541 | 2,659 |
| 25 | Personal loans | 16,944 | 19,579 | 22,323 | 1,938 | 2,044 | 1,914 | 1,975 | 1,851 | 1,989 | 2,105 |
| 26 | Credit unions | 10,134 | 12,340 | 14,604 | 1,240 | 1,282 | 1,285 | 1,326 | 1,236 | 1,288 | 1,429 |
| 27 | Retailers | 27,049 | 29,188 | 33,202 | 2,860 | 2,961 | 2,857 | 2,647 | 3,102 | 2,976 | 3,148 |
| 28 | Others | 1,642 | 1,830 | 2,160 | 211 | 172 | 221 | 131 | 138 | 227 | 217 |
| | | | | | Liquidations[3] | | | | | | |
| 29 | **Total** | **156,665** | **172,795** | **194,533** | **16,814** | **17,160** | **16,826** | **17,402** | **17,162** | **17,518** | **17,527** |
| | By holder: | | | | | | | | | | |
| 30 | Commercial banks | 74,491 | 83,376 | 94,998 | 8,214 | 8,487 | 8,305 | 8,615 | 8,509 | 8,625 | 8,587 |
| 31 | Finance companies | 31,263 | 33,384 | 36,372 | 3,135 | 3,166 | 3,059 | 3,244 | 3,114 | 3,273 | 3,252 |
| 32 | Credit unions | 20,325 | 23,707 | 27,103 | 2,316 | 2,389 | 2,354 | 2,452 | 2,325 | 2,425 | 2,473 |
| 33 | Retailers[1] | 26,980 | 28,138 | 31,170 | 2,716 | 2,681 | 2,673 | 2,659 | 2,793 | 2,774 | 2,781 |
| 34 | Others[2] | 3,606 | 4,191 | 4,890 | 432 | 437 | 435 | 432 | 420 | 421 | 434 |
| | By type of credit: | | | | | | | | | | |
| 35 | *Automobile* | *48,406* | *52,750* | *59,610* | *5,005* | *5,234* | *5,089* | *5,424* | *5,078* | *5,296* | *5,300* |
| 36 | Commercial banks | 28,014 | 30,154 | 34,435 | 2,926 | 3,055 | 2,991 | 3,106 | 3,013 | 3,101 | 3,042 |
| 37 | Indirect | 16,101 | 17,059 | 18,710 | 1,562 | 1,681 | 1,632 | 1,667 | 1,619 | 1,676 | 1,609 |
| 38 | Direct | 11,913 | 13,095 | 15,726 | 1,364 | 1,374 | 1,360 | 1,439 | 1,394 | 1,425 | 1,433 |
| 39 | Finance companies | 9,142 | 9,875 | 10,819 | 885 | 937 | 855 | 1,017 | 841 | 879 | 935 |
| 40 | Credit unions | 10,811 | 12,253 | 13,819 | 1,148 | 1,193 | 1,195 | 1,253 | 1,177 | 1,265 | 1,273 |
| 41 | Others | 439 | 468 | 536 | 46 | 49 | 48 | 48 | 48 | 51 | 50 |
| 42 | *Mobile homes* | *4,517* | *4,691* | *4,793* | *392* | *413* | *390* | *384* | *398* | *383* | *394* |
| 43 | Commercial banks | 2,944 | 2,986 | 3,025 | 251 | 255 | 257 | 240 | 248 | 234 | 238 |
| 44 | Finance companies | 837 | 867 | 806 | 54 | 72 | 50 | 68 | 65 | 71 | 72 |
| 45 | *Home improvement* | *4,675* | *5,151* | *6,098* | *536* | *517* | *550* | *549* | *514* | *539* | *553* |
| 46 | Commercial banks | 2,451 | 2,657 | 3,048 | 263 | 257 | 272 | 274 | 257 | 269 | 278 |
| | *Revolving credit:* | | | | | | | | | | |
| 47 | Bank credit cards | 19,208 | 24,012 | 28,851 | 2,567 | 2,687 | 2,585 | 2,723 | 2,788 | 2,858 | 2,783 |
| 48 | Bank check credit | 4,010 | 4,552 | 5,202 | 436 | 430 | 466 | 485 | 491 | 448 | 488 |
| 49 | *All other* | *75,849* | *81,638* | *89,977* | *7,877* | *7,880* | *7,747* | *7,836* | *7,894* | *7,994* | *8,009* |
| 50 | Commercial banks, total | 17,864 | 19,014 | 20,436 | 1,771 | 1,802 | 1,734 | 1,786 | 1,713 | 1,715 | 1,758 |
| 51 | Personal loans | 12,528 | 13,439 | 14,757 | 1,291 | 1,321 | 1,250 | 1,284 | 1,258 | 1,238 | 1,274 |
| 52 | Finance companies, total | 21,005 | 22,578 | 24,676 | 2,189 | 2,148 | 2,148 | 2,152 | 2,203 | 2,318 | 2,240 |
| 53 | Personal loans | 16,665 | 18,289 | 19,596 | 1,714 | 1,692 | 1,678 | 1,722 | 1,688 | 1,806 | 1,796 |
| 54 | Credit unions | 8,554 | 10,295 | 11,884 | 1,043 | 1,078 | 1,033 | 1,075 | 1,031 | 1,036 | 1,071 |
| 55 | Retailers | 26,980 | 28,138 | 31,170 | 2,716 | 2,681 | 2,673 | 2,659 | 2,793 | 2,774 | 2,781 |
| 56 | Others | 1,446 | 1,613 | 1,811 | 158 | 170 | 159 | 165 | 153 | 151 | 159 |

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 Monthly figures are seasonally adjusted.

## 1.57 FUNDS RAISED IN U.S. CREDIT MARKETS

Billions of dollars; half-year data are at seasonally adjusted annual rates.

| | Transaction category, or sector | 1974 | 1975 | 1976 | 1977 | 1975 H1 | 1975 H2 | 1976 H1 | 1976 H2 | 1977 H1 | 1977 H2 | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Nonfinancial sectors | | | | | | | |
| 1 | **Total funds raised** | **189.6** | **205.6** | **268.3** | **335.9** | **180.8** | **230.4** | **254.5** | **282.1** | **306.2** | **365.6** | 1 |
| 2 | *Excluding equities* | *185.8* | *195.5* | *257.8* | *327.4* | *170.3* | *220.8* | *241.1* | *274.4* | *297.3* | *357.5* | 2 |
| | By sector and instrument: | | | | | | | | | | | |
| 3 | **U.S. Govt** | **11.8** | **85.4** | **69.0** | **56.8** | **79.6** | **91.2** | **73.1** | **64.9** | **40.3** | **73.2** | 3 |
| 4 | Public debt securities | 12.0 | 85.8 | 69.1 | 57.6 | 80.4 | 91.3 | 73.0 | 65.3 | 40.9 | 74.4 | 4 |
| 5 | Agency issues and mortgages | −.2 | −.4 | −.1 | −.9 | −.8 | −.1 | .1 | −.3 | −.6 | −1.2 | 5 |
| 6 | **All other nonfinancial sectors** | **177.8** | **120.2** | **199.2** | **279.1** | **101.1** | **139.2** | **181.4** | **217.1** | **265.9** | **292.4** | 6 |
| 7 | Corporate equities | 3.8 | 10.0 | 10.5 | 8.5 | 10.5 | 9.6 | 13.3 | 7.6 | 8.9 | 8.1 | 7 |
| 8 | Debt instruments | 174.0 | 110.1 | 188.8 | 270.6 | 90.7 | 129.6 | 168.0 | 209.5 | 257.0 | 284.3 | 8 |
| 9 | **Private domestic nonfinancial sectors** | **162.4** | **107.0** | **179.0** | **266.9** | **93.1** | **120.9** | **166.2** | **191.7** | **260.9** | **272.9** | 9 |
| 10 | Corporate equities | 4.1 | 9.9 | 10.5 | 8.1 | 10.3 | 9.5 | 13.3 | 7.7 | 8.2 | 8.0 | 10 |
| 11 | *Debt instruments* | *158.3* | *97.1* | *168.4* | *258.8* | *82.8* | *111.4* | *152.9* | *184.0* | *252.7* | *265.0* | 11 |
| 12 | *Debt capital instruments* | *98.7* | *95.8* | *122.7* | *172.8* | *93.8* | *97.8* | *111.7* | *133.7* | *159.3* | *186.2* | 12 |
| 13 | State and local obligations | 17.1 | 13.6 | 15.1 | 28.1 | 12.3 | 14.9 | 14.7 | 15.5 | 28.3 | 27.9 | 13 |
| 14 | Corporate bonds | 19.7 | 27.2 | 22.8 | 18.0 | 33.4 | 21.1 | 20.4 | 25.3 | 14.4 | 21.6 | 14 |
| | Mortgages: | | | | | | | | | | | |
| 15 | Home | 34.8 | 39.5 | 63.6 | 90.0 | 33.4 | 45.6 | 57.1 | 70.2 | 85.5 | 94.5 | 15 |
| 16 | Multifamily residential | 6.9 | * | 1.6 | 7.0 | .4 | −.4 | .6 | 2.6 | 5.3 | 8.8 | 16 |
| 17 | Commercial | 15.1 | 11.0 | 13.4 | 20.9 | 9.4 | 12.6 | 13.9 | 12.9 | 16.7 | 25.0 | 17 |
| 18 | Farm | 5.0 | 4.6 | 6.1 | 8.7 | 5.1 | 4.0 | 5.0 | 7.3 | 9.0 | 8.5 | 18 |
| 19 | *Other debt instruments* | *59.6* | *1.3* | *45.7* | *86.1* | *−11.0* | *13.6* | *41.2* | *50.3* | *93.4* | *78.7* | 19 |
| 20 | Consumer credit | 10.2 | 9.4 | 23.6 | 35.6 | 2.2 | 16.6 | 22.9 | 24.2 | 35.5 | 35.7 | 20 |
| 21 | Bank loans n.e.c. | 29.1 | −14.5 | 3.7 | 30.0 | −20.9 | −8.2 | −.3 | 7.8 | 37.4 | 22.5 | 21 |
| 22 | Open market paper | 6.6 | −2.6 | 4.0 | 2.5 | −1.4 | −3.8 | 6.4 | 1.6 | 4.4 | .6 | 22 |
| 23 | Other | 13.7 | 9.0 | 14.4 | 18.0 | 9.0 | 9.0 | 12.2 | 16.7 | 16.0 | 19.9 | 23 |
| 24 | *By borrowing sector* | *162.4* | *107.0* | *179.0* | *266.9* | *93.1* | *120.9* | *166.2* | *191.7* | *260.9* | *272.9* | 24 |
| 25 | State and local governments | 16.2 | 11.2 | 14.6 | 24.8 | 10.0 | 12.3 | 13.0 | 16.3 | 21.7 | 27.9 | 25 |
| 26 | Households | 49.2 | 48.6 | 89.8 | 130.9 | 37.3 | 59.9 | 83.9 | 95.6 | 129.6 | 132.2 | 26 |
| 27 | Farm | 7.9 | 8.7 | 11.0 | 15.1 | 8.7 | 8.8 | 10.6 | 11.6 | 16.6 | 13.6 | 27 |
| 28 | Nonfarm noncorporate | 7.4 | 2.0 | 5.2 | 10.8 | −1.1 | 5.1 | 2.7 | 7.6 | 10.9 | 10.7 | 28 |
| 29 | Corporate | 81.8 | 36.6 | 58.3 | 85.3 | 38.3 | 34.8 | 56.1 | 60.5 | 82.1 | 88.4 | 29 |
| 30 | **Foreign** | **15.4** | **13.2** | **20.3** | **12.2** | **8.0** | **18.3** | **15.2** | **25.4** | **5.0** | **19.5** | 30 |
| 31 | Corporate equities | −.2 | .1 | * | .4 | .1 | .1 | * | −.1 | .6 | .2 | 31 |
| 32 | *Debt instruments* | *15.7* | *13.0* | *20.3* | *11.8* | *7.9* | *18.2* | *15.1* | *25.5* | *4.3* | *19.3* | 32 |
| 33 | Bonds | 2.1 | 6.2 | 8.4 | 5.0 | 5.7 | 6.8 | 7.3 | 9.5 | 4.3 | 5.7 | 33 |
| 34 | Bank loans n.e.c. | 4.7 | 3.7 | 6.7 | .6 | −.4 | 7.8 | 3.4 | 10.0 | −5.8 | 7.0 | 34 |
| 35 | Open market paper | 7.3 | .3 | 1.9 | 2.8 | −.8 | 1.4 | 1.5 | 2.4 | 2.7 | 3.0 | 35 |
| 36 | U.S. Govt. loans | 1.6 | 2.8 | 3.3 | 3.4 | 3.4 | 2.2 | 2.9 | 3.6 | 3.1 | 3.6 | 36 |
| | | | | | Financial sectors | | | | | | | |
| 37 | **Total funds raised** | **39.4** | **14.0** | **28.6** | **62.7** | **15.1** | **12.8** | **27.8** | **29.4** | **63.1** | **62.3** | 37 |
| | By instrument: | | | | | | | | | | | |
| 38 | *U.S. Govt. related* | *23.1* | *13.5* | *18.6* | *26.1* | *14.5* | *12.6* | *18.6* | *18.6* | *25.7* | *26.6* | 38 |
| 39 | Sponsored credit agency securities | 16.6 | 2.3 | 3.3 | 6.9 | 1.9 | 2.8 | 4.5 | 2.1 | 10.1 | 3.7 | 39 |
| 40 | Mortgage pool securities | 5.8 | 10.3 | 15.7 | 20.4 | 11.5 | 9.2 | 14.2 | 17.2 | 17.9 | 22.9 | 40 |
| 41 | Loans from U.S. Govt | .7 | .9 | −.4 | −1.2 | 1.1 | .6 | * | −.7 | −2.3 | ........ | 41 |
| 42 | *Private financial sectors* | *16.3* | *.4* | *10.0* | *36.5* | *.6* | *.2* | *9.1* | *10.8* | *37.4* | *35.7* | 42 |
| 43 | Corporate equities | .3 | * | .7 | −.1 | .1 | −.1 | −.7 | 2.2 | −.3 | .1 | 43 |
| 44 | *Debt instruments* | *16.0* | *.4* | *9.2* | *36.6* | *.6* | *.3* | *9.8* | *8.6* | *37.7* | *35.6* | 44 |
| 45 | Corporate bonds | 2.1 | 2.9 | 5.8 | 8.7 | 2.3 | 3.5 | 7.0 | 4.5 | 8.1 | 9.2 | 45 |
| 46 | Mortgages | −1.3 | 2.3 | 2.1 | 3.1 | 1.4 | 3.2 | 1.4 | 2.8 | 3.1 | 3.1 | 46 |
| 47 | Bank loans n.e.c. | 4.6 | −3.6 | −3.7 | −.2 | −4.7 | −2.5 | −3.0 | −4.4 | −2.7 | 2.3 | 47 |
| 48 | Open market paper and Rp's | 3.9 | 2.8 | 7.1 | 20.8 | 8.2 | −2.6 | 6.1 | 8.1 | 25.8 | 15.7 | 48 |
| 49 | Loans from FHLB's | 6.7 | −4.0 | −2.0 | 4.3 | −6.6 | −1.3 | −1.6 | −2.4 | 3.5 | 5.2 | 49 |
| | By sector: | | | | | | | | | | | |
| 50 | Sponsored credit agencies | 17.3 | 3.2 | 2.9 | 5.7 | 3.0 | 3.4 | 4.5 | 1.4 | 7.8 | 3.7 | 50 |
| 51 | Mortgage pools | 5.8 | 10.3 | 15.7 | 20.4 | 11.5 | 9.2 | 14.2 | 17.2 | 17.9 | 22.9 | 51 |
| 52 | *Private financial sectors* | *16.3* | *.4* | *10.0* | *36.5* | *.6* | *.2* | *9.1* | *10.8* | *37.4* | *35.7* | 52 |
| 53 | Commercial banks | −1.1 | 1.7 | 7.4 | 11.1 | 5.7 | −2.3 | 9.0 | 5.9 | 14.7 | 7.5 | 53 |
| 54 | Bank affiliates | 3.5 | .3 | −.8 | 1.3 | .9 | −.3 | −1.3 | −.3 | 1.3 | 1.2 | 54 |
| 55 | Savings and loan associations | 6.3 | −2.2 | * | 11.9 | −6.8 | 2.3 | .5 | −.5 | 11.0 | 12.8 | 55 |
| 56 | Other insurance companies | .9 | 1.0 | 1.0 | 1.0 | .9 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 56 |
| 57 | Finance companies | 4.5 | .5 | 6.4 | 15.1 | −1.4 | 2.4 | 5.7 | 7.1 | 14.3 | 15.9 | 57 |
| 58 | REIT's | .6 | −2.0 | −2.8 | −2.4 | −2.0 | −1.9 | −2.5 | −3.0 | −2.9 | −1.8 | 58 |
| 59 | Open-end investment companies | −.7 | −.1 | −1.0 | −1.5 | .7 | −.9 | −2.5 | .5 | −1.4 | −1.6 | 59 |
| 60 | Money market funds | 2.4 | 1.3 | −.3 | .1 | 2.6 | * | −.7 | .2 | −.5 | .8 | 60 |
| | | | | | All sectors | | | | | | | |
| 61 | **Total funds raised, by instrument** | **229.0** | **219.5** | **296.8** | **398.6** | **195.9** | **243.2** | **282.2** | **311.4** | **369.2** | **427.9** | 61 |
| 62 | Investment company shares | −.7 | −.1 | −1.0 | −1.5 | .7 | −.9 | −2.5 | .5 | −1.4 | −1.6 | 62 |
| 63 | Other corporate equities | 4.8 | 10.2 | 12.2 | 9.9 | 9.8 | 10.5 | 15.1 | 9.3 | 10.0 | 9.8 | 63 |
| 64 | *Debt instruments* | *224.9* | *209.5* | *285.6* | *390.2* | *185.4* | *233.6* | *269.6* | *301.6* | *360.7* | *419.7* | 64 |
| 65 | U.S. Govt. securities | 34.3 | 98.2 | 88.1 | 84.2 | 93.1 | 103.2 | 91.9 | 84.3 | 68.4 | 99.9 | 65 |
| 66 | State and local obligations | 17.1 | 13.6 | 15.1 | 28.1 | 12.3 | 14.9 | 14.7 | 15.5 | 28.3 | 27.9 | 66 |
| 67 | Corporate and foreign bonds | 23.9 | 36.3 | 37.0 | 31.7 | 41.3 | 31.3 | 34.7 | 39.3 | 26.8 | 36.5 | 67 |
| 68 | Mortgages | 60.5 | 57.2 | 86.8 | 129.7 | 49.5 | 65.0 | 77.9 | 95.7 | 119.5 | 139.8 | 68 |
| 69 | Consumer credit | 10.2 | 9.4 | 23.6 | 35.6 | 2.2 | 16.6 | 22.9 | 24.2 | 35.5 | 35.7 | 69 |
| 70 | Bank loans n.e.c. | 38.4 | −14.4 | 6.7 | 30.4 | −25.9 | −2.9 | .1 | 13.4 | 28.9 | 31.8 | 70 |
| 71 | Open market paper and Rp's | 17.8 | .5 | 13.0 | 26.1 | 6.1 | −5.0 | 14.0 | 12.0 | 32.9 | 19.3 | 71 |
| 72 | Other loans | 22.7 | 8.7 | 15.3 | 24.5 | 6.9 | 10.5 | 13.4 | 17.2 | 20.2 | 28.7 | 72 |

## 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.

| | Transaction category, or sector | 1974 | 1975 | 1976 | 1977 | 1975 H1 | 1975 H2 | 1976 H1 | 1976 H2 | 1977 H1 | 1977 H2 | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | **Total funds advanced in credit markets to nonfinancial sectors** | **185.8** | **195.5** | **257.8** | **327.4** | **170.3** | **220.8** | **241.1** | **274.4** | **297.3** | **357.5** | 1 |
| | By public agencies and foreign: | | | | | | | | | | | |
| 2 | *Total net advances* | *52.7* | *44.3* | *54.6* | *84.6* | *55.0* | *33.6* | *53.2* | *56.0* | *73.6* | *95.5* | 2 |
| 3 | U.S. Govt. securities | 11.9 | 22.5 | 26.8 | 39.7 | 33.4 | 11.6 | 27.1 | 26.5 | 30.6 | 48.8 | 3 |
| 4 | Residential mortgages | 14.7 | 16.2 | 12.8 | 20.4 | 16.9 | 15.5 | 12.1 | 13.5 | 20.1 | 20.8 | 4 |
| 5 | FHLB advances to S&L's | 6.7 | −4.0 | −2.0 | 4.3 | −6.6 | −1.3 | −1.6 | −2.4 | 3.5 | 5.2 | 5 |
| 6 | Other loans and securities | 19.5 | 9.5 | 16.9 | 20.2 | 11.3 | 7.8 | 15.6 | 18.3 | 19.5 | 20.8 | 6 |
| | Totals advanced, by sector | | | | | | | | | | | |
| 7 | U.S. Govt. | 9.8 | 15.1 | 8.9 | 10.9 | 15.9 | 14.3 | 6.4 | 11.4 | 6.0 | 15.8 | 7 |
| 8 | Sponsored credit agencies | 25.6 | 14.5 | 20.6 | 26.8 | 16.5 | 12.6 | 20.7 | 20.6 | 27.5 | 26.1 | 8 |
| 9 | Monetary authorities | 6.2 | 8.5 | 9.8 | 7.1 | 7.6 | 9.5 | 14.5 | 5.2 | 11.6 | 2.7 | 9 |
| 10 | Foreign | 11.2 | 6.1 | 15.2 | 39.7 | 15.0 | −2.7 | 11.6 | 18.8 | 28.5 | 50.9 | 10 |
| 11 | Agency borrowing not included in line 1 | 23.1 | 13.5 | 18.6 | 26.1 | 14.5 | 12.6 | 18.6 | 18.6 | 25.7 | 26.6 | 11 |
| | **Private domestic funds advanced** | | | | | | | | | | | |
| 12 | *Total net advances* | *156.1* | *164.8* | *221.8* | *269.0* | *129.8* | *199.7* | *206.6* | *237.0* | *249.4* | *288.6* | 12 |
| 13 | U.S. Govt. securities | 22.4 | 75.7 | 61.3 | 44.5 | 59.7 | 91.6 | 64.8 | 57.8 | 37.9 | 51.2 | 13 |
| 14 | State and local obligations | 17.1 | 13.6 | 15.1 | 28.1 | 12.3 | 14.9 | 14.7 | 15.5 | 28.3 | 27.9 | 14 |
| 15 | Corporate and foreign bonds | 20.9 | 32.8 | 30.3 | 19.2 | 38.8 | 26.8 | 26.8 | 33.9 | 15.6 | 22.7 | 15 |
| 16 | Residential mortgages | 26.9 | 23.2 | 52.4 | 76.5 | 16.7 | 29.6 | 45.5 | 59.2 | 70.7 | 82.4 | 16 |
| 17 | Other mortgages and loans | 75.4 | 15.6 | 60.8 | 105.0 | −4.3 | 35.5 | 53.2 | 68.3 | 100.3 | 109.7 | 17 |
| 18 | LESS: FHLB advances | 6.7 | −4.0 | −2.0 | 4.3 | −6.6 | −1.3 | −1.6 | −2.4 | 3.5 | 5.2 | 18 |
| | **Private financial intermediation** | | | | | | | | | | | |
| 19 | *Credit market funds advanced by private financial institutions* | *126.3* | *119.9* | *187.2* | *242.7* | *99.8* | *140.0* | *167.6* | *206.8* | *235.5* | *250.0* | 19 |
| 20 | Commercial banking | 64.6 | 27.6 | 58.0 | 79.8 | 14.4 | 40.7 | 44.5 | 71.5 | 80.6 | 79.1 | 20 |
| 21 | Savings institutions | 26.9 | 52.0 | 71.7 | 86.4 | 48.5 | 55.4 | 71.8 | 71.7 | 84.7 | 88.0 | 21 |
| 22 | Insurance and pension funds | 30.0 | 41.5 | 47.6 | 61.1 | 38.3 | 44.7 | 47.8 | 47.3 | 58.2 | 63.9 | 22 |
| 23 | Other finance | 4.7 | −1.1 | 9.9 | 15.5 | −1.4 | −.7 | 3.4 | 16.3 | 11.9 | 19.0 | 23 |
| 24 | *Sources of funds* | *126.3* | *119.9* | *187.2* | *242.7* | *99.8* | *140.0* | *167.6* | *206.8* | *235.5* | *250.0* | 24 |
| 25 | Private domestic deposits | 69.4 | 90.9 | 122.8 | 135.4 | 90.3 | 91.5 | 106.1 | 139.5 | 122.9 | 147.8 | 25 |
| 26 | Credit market borrowing | 16.0 | .4 | 9.2 | 36.6 | .6 | .3 | 9.8 | 8.6 | 37.7 | 35.6 | 26 |
| 27 | *Other sources* | *40.9* | *28.6* | *55.1* | *70.7* | *9.0* | *48.2* | *51.7* | *58.7* | *74.9* | *66.6* | 27 |
| 28 | Foreign funds | 14.5 | −.4 | 3.1 | 1.3 | −5.6 | 4.8 | −2.6 | 8.8 | −2.9 | 5.5 | 28 |
| 29 | Treasury balances | −5.1 | −1.7 | −.1 | 4.2 | −3.5 | .1 | 2.9 | −3.1 | −1.1 | 9.5 | 29 |
| 30 | Insurance and pension reserves | 26.0 | 29.0 | 35.8 | 48.6 | 26.4 | 31.5 | 35.1 | 36.5 | 47.2 | 50.0 | 30 |
| 31 | Other, net | 5.4 | 1.7 | 16.4 | 16.6 | −8.3 | 11.7 | 16.2 | 16.6 | 31.7 | 1.5 | 31 |
| | **Private domestic nonfinancial investors** | | | | | | | | | | | |
| 32 | *Direct lending in credit markets* | *45.9* | *45.3* | *43.8* | *62.9* | *30.6* | *60.0* | *48.8* | *38.8* | *51.6* | *74.2* | 32 |
| 33 | U.S. Govt. securities | 18.2 | 22.2 | 19.4 | 23.8 | 6.0 | 38.4 | 22.6 | 16.1 | 11.3 | 36.3 | 33 |
| 34 | State and local obligations | 10.0 | 6.3 | 4.7 | 5.6 | 7.2 | 5.5 | 3.9 | 5.5 | 7.0 | 4.3 | 34 |
| 35 | Corporate and foreign bonds | 4.7 | 8.2 | 4.0 | .2 | 10.8 | 5.6 | 4.9 | 3.1 | −1.9 | 2.2 | 35 |
| 36 | Commercial paper | 4.8 | 3.1 | 4.0 | 16.6 | 1.5 | 4.7 | 6.7 | 1.3 | 18.8 | 14.4 | 36 |
| 37 | Other | 8.2 | 5.5 | 11.8 | 16.6 | 5.1 | 6.0 | 10.8 | 12.8 | 16.4 | 16.9 | 37 |
| 38 | *Deposits and currency* | *75.7* | *97.1* | *130.1* | *143.6* | *96.0* | *98.2* | *111.0* | *149.3* | *127.2* | *160.0* | 38 |
| 39 | *Time and savings accounts* | 66.7 | 84.8 | 113.0 | 120.9 | 73.0 | 96.5 | 98.3 | 127.6 | 106.7 | 135.1 | 39 |
| 40 | Large negotiable CD's | 18.8 | −14.0 | −14.2 | 10.8 | −27.8 | −.2 | −18.0 | −10.4 | −2.7 | 24.2 | 40 |
| 41 | Other at commercial banks | 26.1 | 39.4 | 58.1 | 40.4 | 39.3 | 39.4 | 50.2 | 66.0 | 41.9 | 38.9 | 41 |
| 42 | At savings institutions | 21.8 | 59.4 | 69.1 | 69.7 | 61.5 | 57.4 | 66.1 | 72.1 | 67.4 | 72.0 | 42 |
| 43 | *Money* | *8.9* | *12.3* | *17.2* | *22.7* | *23.0* | *1.7* | *12.7* | *21.6* | *20.5* | *25.0* | 43 |
| 44 | Demand deposits | 2.6 | 6.1 | 9.9 | 14.5 | 17.3 | −5.0 | 7.8 | 11.9 | 16.2 | 12.8 | 44 |
| 45 | Currency | 6.3 | 6.2 | 7.3 | 8.2 | 5.7 | 6.7 | 4.9 | 9.8 | 4.3 | 12.2 | 45 |
| 46 | **Total of credit market instruments, deposits and currency** | **121.5** | **142.4** | **174.0** | **206.5** | **126.6** | **158.2** | **159.8** | **188.1** | **178.8** | **234.2** | 46 |
| 47 | Public support rate (in per cent) | 28.4 | 22.7 | 21.2 | 25.8 | 32.3 | 15.2 | 22.1 | 20.4 | 24.8 | 26.7 | 47 |
| 48 | Private financial intermediation (in per cent) | 80.9 | 72.8 | 84.4 | 90.2 | 76.9 | 70.1 | 81.1 | 87.3 | 94.4 | 86.6 | 48 |
| 49 | Total foreign funds | 25.7 | 5.8 | 18.3 | 41.0 | 9.4 | 2.1 | 9.0 | 27.6 | 25.6 | 56.4 | 49 |
| | MEMO: Corporate equities not included above | | | | | | | | | | | |
| 50 | **Total net issues** | 4.1 | 10.0 | 11.2 | 8.4 | 10.5 | 9.5 | 12.6 | 9.8 | 8.5 | 8.2 | 50 |
| 51 | Mutual fund shares | −.7 | −.1 | −1.0 | −1.5 | .7 | −.9 | −2.5 | .5 | −1.4 | −1.6 | 51 |
| 52 | Other equities | 4.8 | 10.2 | 12.2 | 9.9 | 9.8 | 10.5 | 15.1 | 9.3 | 10.0 | 9.8 | 52 |
| 53 | Acquisitions by financial institutions | 5.8 | 9.4 | 12.3 | 6.7 | 10.7 | 8.1 | 12.6 | 12.0 | 4.4 | 9.1 | 53 |
| 54 | Other net purchases | −1.6 | .6 | −1.1 | 1.6 | −.2 | 1.4 | * | −2.2 | 4.1 | −.9 | 54 |

NOTES BY LINE NO.

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

33–37. Lines 13–17 less amounts acquired by private finance. Line 37 includes mortgages.

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.

| Measure | 1975 | 1976 | 1977 | 1977 | | | | 1978 | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Sept. | Oct. | Nov. | Dec. | Jan. | Feb. | Mar.[p] | Apr.[e] |
| 1 **Industrial production** | **117.8** | **129.8** | 137.0 | 138.5 | 138.9 | **139.3** | **139.7** | 138.8 | **139.2** | **141.0** | 142.5 |
| Market groupings: | | | | | | | | | | | |
| 2 *Products, total* | *119.3* | *129.3* | *137.1* | *138.8* | *138.9* | *139.5* | *140.3* | *138.5* | *139.6* | *141.5* | *142.6* |
| 3 Final, total | 118.2 | 127.2 | 134.9 | 136.8 | 136.5 | 137.0 | 137.6 | 134.9 | 136.4 | 138.8 | 140.0 |
| 4 Consumer goods | 124.0 | 136.2 | 143.4 | 144.9 | 144.9 | 145.2 | 145.8 | 141.8 | 143.7 | 146.1 | 147.3 |
| 5 Equipment | 110.2 | 114.6 | 123.2 | 125.6 | 125.0 | 125.8 | 126.2 | 125.4 | 126.3 | 128.8 | 129.9 |
| 6 Intermediate | 123.1 | 137.2 | 145.1 | 146.5 | 147.8 | 148.4 | 150.4 | 151.6 | 151.5 | 151.8 | 152.6 |
| 7 Materials | 115.5 | 130.6 | 136.9 | 137.9 | 138.9 | 139.0 | 138.8 | 139.2 | 138.6 | 140.1 | 142.4 |
| Industry groupings: | | | | | | | | | | | |
| 8 Manufacturing | 116.3 | 129.5 | 137.1 | 139.0 | 139.4 | 139.9 | 140.5 | 138.7 | 139.3 | 141.3 | 142.7 |
| Capacity utilization (per cent)[1] in— | | | | | | | | | | | |
| 9 Manufacturing | 73.6 | 80.2 | 82.4 | 82.9 | 82.9 | 82.9 | 83.0 | 81.7 | 81.8 | 82.7 | 84.6 |
| 10 Industrial materials industries | 73.6 | 80.4 | 81.9 | 82.0 | 82.4 | 82.3 | 81.9 | 81.9 | 81.4 | 82.0 | 83.2 |
| 11 Construction contracts[2] | 162.3 | 190.2 | 253.0 | 279.0 | 244.0 | 258.0 | 299.0 | 270.0 | 266.0 | 254.0 | ....... |
| 12 **Nonagricultural employment, total**[3] | **117.0** | 120.6 | 124.7 | 125.7 | 125.9 | 126.4 | 126.7 | 127.1 | 127.6 | 128.4 | 129.3 |
| 13 Goods-producing, total | 97.1 | 100.3 | 104.1 | 104.7 | 105.0 | 105.4 | 105.4 | 105.7 | 106.3 | 107.1 | 108.9 |
| 14 Manufacturing, total | 94.3 | 97.5 | 100.6 | 100.8 | 101.1 | 101.4 | 102.2 | 102.7 | 103.2 | 103.7 | 104.0 |
| 15 Manufacturing, production-worker | 91.3 | 95.2 | 98.3 | 98.5 | 98.8 | 99.1 | 100.0 | 100.7 | 101.3 | 101.7 | 101.9 |
| 16 Service-producing | 127.8 | 131.7 | 136.0 | 137.1 | 137.3 | 137.9 | 138.3 | 138.8 | 139.3 | 140.0 | 140.5 |
| 17 **Personal income, total**[4] | **200.0** | **220.7** | 245.1 | 249.2 | 252.8 | 255.7 | 259.0 | 259.4 | 260.9 | 263.7 | ....... |
| 18 Wages and salary disbursements | 188.5 | 208.6 | 231.5 | 235.2 | 239.1 | 240.9 | 242.2 | 244.7 | 246.8 | 250.5 | ....... |
| 19 Manufacturing | 157.3 | 177.7 | 199.3 | 202.2 | 205.3 | 206.9 | 209.7 | 211.3 | 214.5 | 219.4 | ....... |
| 20 Disposable personal income | 199.2 | 217.8 | 239.0 | ....... | ....... | 245.3 | ....... | ....... | ....... | ....... | ....... |
| 21 Retail sales[5] | 184.6 | 203.5 | 224.4 | 225.4 | 232.2 | 235.3 | 237.1 | 228.8 | 235.6 | 238.2 | 242.9 |
| Prices:[6] | | | | | | | | | | | |
| 22 Consumer[7] | 161.2 | 170.5 | 181.6 | 184.0 | 184.5 | 185.4 | 186.1 | 187.2 | 188.4 | 189.8 | ....... |
| 23 Wholesale | 174.9 | 183.0 | 194.2 | 195.8 | 196.3 | 197.0 | 198.2 | 199.9 | 202.0 | 203.8 | ....... |

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.

7 Beginning Jan. 1978, based on new index for all urban consumers.

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).

Figures for industrial production for the last 2 months are preliminary and estimated, respectively.

## 2.11 OUTPUT, CAPACITY, AND CAPACITY UTILIZATION

Seasonally adjusted

| Series | 1977 | | | 1978 | 1977 | | | 1978 | 1977 | | | 1978 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Q2 | Q3 | Q4 | Q1[r] | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1[r] |
| | Output (1967 = 100) | | | | Capacity (per cent of 1967 output) | | | | Utilization rate (per cent) | | | |
| 1 **Manufacturing** | **136.9** | **138.7** | **139.9** | **139.8** | **165.6** | **167.1** | **168.7** | **170.3** | **82.7** | **83.0** | **82.9** | **82.1** |
| 2 Primary processing | 146.3 | 147.3 | 148.2 | 148.1 | 171.8 | 173.5 | 175.1 | 176.8 | 85.1 | 84.9 | 84.6 | 83.8 |
| 3 Advanced processing | 132.0 | 129.3 | 135.6 | 135.4 | 162.2 | 163.8 | 165.3 | 166.9 | 81.4 | 81.9 | 82.0 | 81.1 |
| 4 **Materials** | **137.7** | **138.1** | **138.9** | **139.3** | **166.6** | **167.8** | **168.9** | **170.4** | **82.6** | 82.3 | **82.2** | **81.7** |
| 5 Durable goods | 135.1 | 136.0 | 137.7 | 138.0 | 170.3 | 171.6 | 172.8 | 174.0 | 79.4 | 79.2 | 79.6 | 79.3 |
| 6 Basic metal | 116.4 | 109.4 | 109.4 | 110.7 | 145.1 | 145.3 | 145.5 | 145.8 | 80.2 | 75.3 | 75.2 | 75.9 |
| 7 Nondurable goods | 154.6 | 154.4 | 155.0 | 157.6 | 177.2 | 178.8 | 180.4 | 182.3 | 87.2 | 86.3 | 85.9 | 86.5 |
| 8 Textile, paper, and chemical | 159.9 | 159.2 | 159.5 | 162.5 | 185.4 | 187.1 | 188.9 | 190.8 | 86.3 | 85.1 | 84.5 | 85.2 |
| 9 Textile | 110.9 | 112.3 | 117.9 | 115.5 | 141.9 | 142.5 | 143.0 | 143.5 | 78.1 | 78.8 | 82.4 | 80.5 |
| 10 Paper | 134.3 | 135.1 | 132.3 | 137.1 | 150.1 | 151.3 | 152.5 | 153.6 | 89.5 | 89.3 | 86.7 | 89.3 |
| 11 Chemical | 191.8 | 189.5 | 188.9 | 193.7 | 218.7 | 221.2 | 223.6 | 226.6 | 87.7 | 85.7 | 84.5 | 85.5 |
| 12 Energy | 122.6 | 123.4 | 121.9 | 119.9 | 144.7 | 145.2 | 145.7 | 147.2 | 84.8 | 85.0 | 83.7 | 81.4 |

## 2.12 LABOR FORCE, EMPLOYMENT, AND UNEMPLOYMENT

Thousands of persons; monthly data are seasonally adjusted. Exceptions noted.

| Category | 1975 | 1976 | 1977 | 1977 | | | 1978 | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Oct. | Nov. | Dec. | Jan. | Feb. r | Mar. r | Apr. p |
| | Household survey data | | | | | | | | | |
| 1 **Noninstitutional population**[1] | **153,449** | **156,048** | **158,559** | **159,334** | **159,522** | **159,736** | **159,937** | **160,128** | **160,313** | **160,504** |
| 2 **Labor force (including Armed Forces)**[1] | **94,793** | **96,917** | **99,534** | **100,205** | **101,009** | **101,048** | **101,228** | **101,217** | **101,536** | **101,902** |
| 3 Civilian labor force | 92,613 | 94,773 | 97,401 | 98,071 | 98,877 | 98,919 | 99,107 | 99,093 | 99,414 | 99,784 |
| Employment: | | | | | | | | | | |
| 4 Nonagricultural industries[2] | 81,403 | 84,188 | 87,302 | 88,140 | 88,857 | 89,286 | 89,527 | 89,761 | 89,956 | 90,526 |
| 5 Agriculture | 3,380 | 3,297 | 3,244 | 3,243 | 3,357 | 3,323 | 3,354 | 3,242 | 3,310 | 3,526 |
| Unemployment: | | | | | | | | | | |
| 6 Number | 7,830 | 7,288 | 6,855 | 6,688 | 6,663 | 6,310 | 6,226 | 6,090 | 6,148 | 5,983 |
| 7 *Rate (per cent of civilian labor force)* | *8.5* | *7.7* | *7.0* | *6.8* | *6.7* | *6.4* | *6.3* | *6.1* | *6.2* | *6.0* |
| 8 **Not in labor force** | **58,655** | **59,130** | **59,025** | **59,130** | **58,512** | **58,688** | **58,709** | **58,911** | **58,776** | **58,602** |
| | Establishment survey data | | | | | | | | | |
| 9 **Nonagricultural payroll employment**[3] | **17,051** | **79,443** | **82,142** | **82,902** | **83,245** | **83,429** | **83,719** | **84,046** | **84,537** | **85,156** |
| 10 Manufacturing | 18,347 | 18,956 | 19,555 | 19,666 | 19,715 | 19,868 | 19,972 | 20,075 | 20,164 | 20,224 |
| 11 Mining | 745 | 783 | 831 | 859 | 863 | 711 | 705 | 24,733 | 24,933 | 25,334 |
| 12 Contract construction | 3,512 | 3,594 | 3,845 | 3,911 | 3,950 | 3,947 | 3,916 | 711 | 725 | 893 |
| 13 Transportation and public utilities | 4,498 | 4,509 | 4,589 | 4,610 | 4,634 | 4,652 | 4,628 | 4,651 | 4,674 | 4,700 |
| 14 Trade | 17,000 | 17,694 | 18,291 | 18,414 | 18,512 | 18,610 | 18,744 | 18,744 | 18,843 | 18,902 |
| 15 Finance | 4,223 | 4,316 | 4,508 | 4,572 | 4,597 | 4,611 | 4,630 | 4,647 | 4,672 | 4,696 |
| 16 Service | 14,006 | 14,644 | 15,333 | 15,533 | 15,608 | 15,663 | 15,693 | 15,791 | 15,882 | 15,953 |
| 17 Government | 14,720 | 14,948 | 15,190 | 15,337 | 15,366 | 15,367 | 15,431 | 15,480 | 15,533 | 15,571 |

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.

3 Data include all full- and part-time employees who worked during, or received pay for, the pay period that includes the 12th day of the month, and exclude proprietors, self-employed persons, domestic servants, unpaid family workers, and members of the Armed Forces. Data are adjusted to the February 1977 benchmark. Based on data from *Employment and Earnings* (U.S. Dept. of Labor).

## 2.13 INDUSTRIAL PRODUCTION Indexes and Gross Value

Monthly data are seasonally adjusted.

| Grouping | 1967 proportion | 1977 average | 1977 Feb. | 1977 Mar. | 1977 Apr. | 1977 Sept. | 1977 Oct. | 1977 Nov. | 1977 Dec. | 1978 Jan.[r] | 1978 Feb. | 1978 Mar.[p] | 1978 Apr.[e] |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Index (1967 = 100) | | | | | | | | | | | | |
| **MAJOR MARKET** | | | | | | | | | | | | | |
| 1 **Total index** | **100.00** | **137.1** | **133.2** | **135.3** | **136.1** | **138.5** | **138.9** | **139.3** | **139.7** | **138.8** | **139.2** | **141.0** | **142.5** |
| 2 **Products** | 60.71 | 137.1 | 133.6 | 135.1 | 135.8 | 138.8 | 138.9 | 139.5 | 140.3 | 138.5 | 139.6 | 141.5 | 142.6 |
| 3 *Final products* | *47.82* | *134.9* | *131.6* | *133.3* | *134.1* | *136.8* | *136.5* | *137.0* | *137.6* | *134.9* | *136.4* | *138.8* | *140.0* |
| 4 Consumer goods | 27.68 | 143.4 | 140.5 | 142.9 | 142.9 | 144.9 | 144.9 | 145.2 | 145.8 | 141.8 | 143.7 | 146.1 | 147.3 |
| 5 Equipment | 20.14 | 123.2 | 119.2 | 120.0 | 122.1 | 125.6 | 125.0 | 125.8 | 126.2 | 125.4 | 126.3 | 128.8 | 129.9 |
| 6 Intermediate products | 12.89 | 145.1 | 141.6 | 141.8 | 142.3 | 146.5 | 147.8 | 148.4 | 150.4 | 151.6 | 151.5 | 151.8 | 152.6 |
| 7 **Materials** | 39.29 | 136.9 | 132.7 | 135.5 | 136.5 | 137.9 | 138.9 | 139.0 | 138.8 | 139.2 | 138.6 | 140.1 | 142.4 |
| **Consumer goods** | | | | | | | | | | | | | |
| 8 *Durable consumer goods* | *7.89* | *153.1* | *146.1* | *152.4* | *151.5* | *155.6* | *156.8* | *155.2* | *155.8* | *146.5* | *151.3* | *157.5* | *161.1* |
| 9 Automotive products | 2.83 | 174.2 | 161.7 | 178.3 | 173.9 | 177.0 | 179.4 | 173.6 | 172.4 | 157.5 | 162.7 | 176.2 | 185.1 |
| 10 Autos and utility vehicles | 2.03 | 169.2 | 152.7 | 176.1 | 171.2 | 172.6 | 176.1 | 167.6 | 165.5 | 145.5 | 153.9 | 171.0 | 183.5 |
| 11 Autos | 1.90 | 148.4 | 132.8 | 155.8 | 150.6 | 151.6 | 154.3 | 147.5 | 143.6 | 127.4 | 131.5 | 149.7 | 159.1 |
| 12 Auto parts and allied goods | .80 | 186.8 | 184.3 | 184.1 | 181.3 | 188.1 | 187.6 | 188.7 | 190.4 | 187.8 | 185.3 | 189.1 | 189.0 |
| 13 Home goods | 5.06 | 141.3 | 137.3 | 137.9 | 138.8 | 143.6 | 144.2 | 145.0 | 146.6 | 140.3 | 144.7 | 147.2 | 147.7 |
| 14 Appliances, A/C, and TV | 1.40 | 127.3 | 118.5 | 124.1 | 126.4 | 129.4 | 128.6 | 131.4 | 132.8 | 116.1 | 133.3 | 135.4 | 136.1 |
| 15 Appliances and TV | 1.33 | 130.5 | 121.1 | 126.5 | 129.9 | 134.1 | 131.6 | 133.0 | 134.6 | 117.4 | 135.7 | 138.0 | ...... |
| 16 Carpeting and furniture | 1.07 | 152.2 | 146.0 | 144.6 | 145.0 | 159.0 | 160.5 | 160.0 | 161.5 | 159.1 | 160.2 | 161.5 | ...... |
| 17 Misc. home goods | 2.59 | 144.3 | 144.0 | 142.7 | 143.0 | 144.9 | 145.8 | 146.3 | 147.7 | 145.9 | 144.6 | 147.8 | 148.5 |
| 18 *Nondurable consumer goods* | *19.79* | *139.6* | *138.3* | *139.1* | *139.4* | *140.7* | *140.1* | *141.2* | *141.8* | *139.9* | *140.6* | *141.5* | *141.8* |
| 19 Clothing | 4.29 | 125.2 | 123.6 | 123.9 | 124.4 | 128.3 | 128.0 | 126.4 | 126.9 | 118.3 | 121.9 | ...... | ...... |
| 20 Consumer staples | 15.50 | 143.6 | 142.2 | 143.3 | 143.6 | 144.1 | 143.5 | 145.3 | 145.9 | 145.9 | 145.7 | 146.3 | 146.5 |
| 21 Consumer foods and tobacco | 8.33 | 135.5 | 133.3 | 136.0 | 136.1 | 137.1 | 135.2 | 136.7 | 137.9 | 136.5 | 138.1 | 139.1 | ...... |
| 22 Nonfood staples | 7.17 | 152.9 | 152.6 | 151.8 | 152.5 | 152.4 | 153.4 | 155.1 | 155.2 | 156.6 | 154.6 | 154.6 | 155.1 |
| 23 Consumer chemical products | 2.63 | 180.5 | 175.7 | 175.9 | 178.1 | 182.5 | 183.7 | 186.9 | 186.5 | 187.4 | 184.3 | 184.9 | ...... |
| 24 Consumer paper products | 1.92 | 117.1 | 113.3 | 117.4 | 116.6 | 116.4 | 117.6 | 118.5 | 119.8 | 121.4 | 118.9 | 119.7 | ...... |
| 25 Consumer energy products | 2.62 | 151.4 | 158.3 | 152.8 | 153.0 | 148.6 | 149.1 | 149.9 | 149.7 | 151.5 | 151.2 | 149.8 | ...... |
| 26 Residential utilities | 1.45 | 159.0 | 161.8 | 157.4 | 158.5 | 153.8 | 155.8 | 155.6 | 158.5 | 161.7 | ...... | ...... | ...... |
| **Equipment** | | | | | | | | | | | | | |
| 27 *Business equipment* | *12.63* | *149.2* | *143.5* | *144.8* | *147.1* | *152.1* | *152.6* | *153.5* | *154.0* | *152.6* | *154.2* | *157.4* | *158.9* |
| 28 Industrial equipment | 6.77 | 138.5 | 133.2 | 134.4 | 136.3 | 141.4 | 141.8 | 142.6 | 143.0 | 144.3 | 144.8 | 146.8 | 148.0 |
| 29 Building and mining equipment | 1.44 | 202.5 | 192.9 | 197.9 | 200.5 | 204.5 | 205.7 | 206.7 | 208.3 | 211.1 | 214.9 | 221.2 | 224.6 |
| 30 Manufacturing equipment | 3.85 | 113.9 | 108.5 | 109.0 | 112.0 | 117.6 | 118.5 | 118.7 | 118.2 | 118.8 | 118.0 | 118.5 | 119.0 |
| 31 Power equipment | 1.47 | 140.2 | 139.3 | 138.3 | 136.7 | 141.4 | 139.8 | 142.1 | 143.7 | 146.1 | 145.7 | 148.0 | 148.9 |
| 32 Commercial transit, farm equipment | 5.86 | 161.6 | 155.3 | 156.9 | 159.5 | 164.4 | 165.1 | 165.9 | 166.9 | 162.2 | 165.3 | 169.8 | 171.5 |
| 33 Commerical equipment | 3.26 | 191.6 | 185.6 | 186.1 | 189.7 | 193.7 | 195.4 | 197.4 | 198.8 | 198.5 | 200.9 | 203.3 | 205.1 |
| 34 Transit equipment | 1.93 | 117.8 | 108.7 | 113.0 | 115.2 | 125.1 | 122.3 | 118.9 | 121.1 | 111.1 | 115.8 | 124.4 | 126.5 |
| 35 Farm equipment | .67 | 142.3 | 142.5 | 141.8 | 141.0 | 134.9 | 142.1 | 147.8 | 144.5 | 131.4 | 134.4 | 137.0 | ...... |
| 36 *Defense and space equipment* | *7.51* | *79.6* | *78.5* | *78.5* | *79.9* | *80.9* | *78.9* | *79.3* | *79.5* | *79.7* | *79.1* | *80.6* | *81.2* |
| **Intermediate products** | | | | | | | | | | | | | |
| 37 Construction supplies | 6.42 | 140.8 | 135.6 | 136.4 | 137.2 | 143.2 | 144.9 | 146.5 | 148.3 | 149.2 | 148.7 | 149.3 | 150.1 |
| 38 Business supplies | 6.47 | 149.5 | 147.6 | 147.3 | 147.5 | 149.7 | 150.5 | 150.1 | 152.6 | 153.8 | 154.2 | 154.2 | ...... |
| 39 Commercial energy products | 1.14 | 164.6 | 164.9 | 163.6 | 164.6 | 162.7 | 163.0 | 160.9 | 165.6 | 165.5 | 164.9 | 164.5 | ...... |
| **Materials** | | | | | | | | | | | | | |
| 40 *Durable goods materials* | *20.35* | *134.5* | *128.4* | *131.9* | *133.8* | *135.7* | *137.1* | *137.2* | *138.7* | *138.2* | *137.0* | *138.7* | *141.1* |
| 41 Durable consumer parts | 4.58 | 132.0 | 124.1 | 126.8 | 129.4 | 135.8 | 135.4 | 136.5 | 135.7 | 133.0 | 131.0 | 133.9 | 136.5 |
| 42 Equipment parts | 5.44 | 143.1 | 137.3 | 137.8 | 140.7 | 146.8 | 147.6 | 147.2 | 149.2 | 148.7 | 146.6 | 151.0 | 152.3 |
| 43 Durable materials n.e.c. | 10.34 | 131.1 | 125.5 | 131.1 | 132.2 | 129.8 | 132.4 | 132.3 | 134.3 | 134.9 | 134.7 | 134.6 | 137.4 |
| 44 Basic metal materials | 5.57 | 110.9 | 105.5 | 113.6 | 115.0 | 106.8 | 110.0 | 107.9 | 110.3 | 110.2 | 111.0 | 110.9 | ...... |
| 45 *Nondurable goods materials* | *10.47* | *153.5* | *150.4* | *153.3* | *153.7* | *153.9* | *154.4* | *155.4* | *155.3* | *155.0* | *158.5* | *159.3* | *159.5* |
| 46 Textile, paper, and chem. mat | 7.62 | 158.3 | 153.9 | 158.4 | 159.0 | 159.0 | 160.0 | 159.3 | 159.3 | 160.7 | 162.9 | 164.0 | 163.9 |
| 47 Textile materials | 1.85 | 113.0 | 109.8 | 113.2 | 111.8 | 114.5 | 118.5 | 117.8 | 117.3 | 114.9 | 115.8 | 115.7 | ...... |
| 48 Paper materials | 1.62 | 133.5 | 133.5 | 133.9 | 132.2 | 135.2 | 134.4 | 132.2 | 130.2 | 135.0 | 137.8 | 138.5 | ...... |
| 49 Chemical materials | 4.15 | 188.2 | 181.6 | 188.0 | 190.6 | 188.2 | 188.5 | 188.6 | 189.5 | 191.4 | 193.9 | 195.8 | ...... |
| 50 Containers, nondurable | 1.70 | 150.9 | 150.2 | 148.9 | 148.5 | 151.2 | 148.9 | 156.7 | 154.4 | 150.4 | 158.7 | 158.2 | ...... |
| 51 Nondurable materials n.e.c | 1.14 | 125.3 | 126.8 | 126.1 | 125.6 | 124.1 | 125.4 | 128.5 | 129.9 | 123.6 | 128.9 | 129.3 | ...... |
| 52 Energy materials | 8.48 | 122.4 | 120.8 | 121.8 | 121.3 | 123.5 | 124.0 | 123.0 | 118.7 | 122.2 | 117.7 | 119.7 | 124.3 |
| 53 Primary energy | 4.65 | 107.3 | 103.1 | 107.0 | 106.0 | 110.0 | 112.2 | 111.6 | 103.0 | 105.2 | 101.6 | 107.4 | ...... |
| 54 Converted fuel materials | 3.82 | 140.7 | 142.4 | 139.9 | 140.1 | 140.0 | 138.4 | 136.9 | 137.7 | 142.8 | 137.3 | 134.7 | ...... |
| **Supplementary groups** | | | | | | | | | | | | | |
| 55 Home goods and clothing | 9.35 | 133.9 | 131.0 | 131.5 | 132.2 | 136.5 | 136.8 | 136.5 | 137.5 | 130.2 | 134.3 | 136.8 | 137.2 |
| 56 Energy, total | 12.23 | 132.5 | 132.9 | 132.3 | 132.1 | 132.5 | 133.0 | 132.3 | 129.7 | 132.5 | 129.3 | 130.4 | 133.5 |
| 57 Products | 3.76 | 155.4 | 160.3 | 156.0 | 156.5 | 153.0 | 153.3 | 153.2 | 154.5 | 155.8 | 155.3 | 154.2 | ...... |
| 58 Materials | 8.48 | 122.4 | 120.8 | 121.8 | 121.3 | 123.5 | 124.0 | 123.0 | 118.7 | 122.2 | 117.7 | 119.7 | 124.3 |

For NOTE see opposite page.

## 2.13 Continued

| | Grouping | SIC code | 1967 proportion | 1977 average | 1977 Feb. | 1977 Mar. | 1977 Apr. | 1977 Sept. | 1977 Oct. | 1977 Nov. | 1977 Dec. | 1978 Jan.[r] | 1978 Feb. | 1978 Mar.[p] | 1978 Apr.[e] |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Index (1967 = 100) | | | | | | | | | | | | |
| | **MAJOR INDUSTRY** | | | | | | | | | | | | | | |
| 1 | *Mining and utilities* | ...... | *12.05* | *136.2* | *137.1* | *136.6* | *135.7* | *135.1* | *135.8* | *135.5* | *133.9* | *137.4* | *136.9* | *138.6* | *141.6* |
| 2 | Mining | ...... | 6.36 | 117.8 | 116.3 | 120.6 | 119.2 | 118.0 | 119.6 | 118.8 | 113.4 | 115.0 | 114.9 | 121.0 | 127.3 |
| 3 | Utilities | ...... | 5.69 | 156.5 | 160.3 | 154.8 | 154.0 | 154.1 | 154.0 | 154.2 | 156.7 | 162.3 | 161.3 | 158.1 | 157.6 |
| 4 | Electric | ...... | 3.88 | 175.5 | 179.1 | 175.8 | 170.4 | 173.7 | 173.6 | 173.3 | 175.9 | 183.6 | ...... | ...... | ...... |
| 5 | *Manufacturing* | ...... | *87.95* | *137.1* | *132.6* | *135.1* | *135.8* | *139.0* | *139.4* | *139.9* | *140.5* | *138.7* | *139.3* | *141.3* | *142.7* |
| 6 | Nondurable | ...... | 35.97 | 148.1 | 145.3 | 147.0 | 147.0 | 149.5 | 149.6 | 150.1 | 150.9 | 149.8 | 150.5 | 151.5 | 152.0 |
| 7 | Durable | ...... | 51.98 | 129.5 | 124.0 | 126.8 | 128.0 | 131.7 | 132.4 | 132.7 | 133.4 | 131.1 | 131.6 | 134.3 | 136.2 |
| | **Mining** | | | | | | | | | | | | | | |
| 8 | Metal mining | 10 | .51 | 105.4 | 128.5 | 133.8 | 126.1 | 71.4 | 80.0 | 84.8 | 104.3 | 121.4 | 119.9 | 127.9 | ...... |
| 9 | Coal | 11,12 | .69 | 118.0 | 100.8 | 124.1 | 118.4 | 133.0 | 141.4 | 140.6 | 74.6 | 54.8 | 56.5 | 78.6 | 129.0 |
| 10 | Oil and gas extraction | 13 | 4.40 | 118.0 | 115.8 | 117.5 | 117.5 | 119.6 | 119.4 | 117.8 | 118.4 | 121.1 | 121.1 | 125.3 | 126.6 |
| 11 | Stone and earth minerals | 14 | .75 | 124.9 | 124.9 | 126.1 | 124.0 | 126.7 | 128.1 | 127.2 | 126.5 | 130.0 | 128.9 | 127.8 | ...... |
| | **Nondurable manufactures** | | | | | | | | | | | | | | |
| 12 | Foods | 20 | 8.75 | 137.9 | 136.4 | 138.7 | 138.0 | 138.3 | 137.3 | 139.4 | 140.4 | 139.3 | 140.6 | 141.1 | ...... |
| 13 | Tobacco products | 21 | .67 | 114.3 | 116.8 | 104.3 | 112.1 | 113.5 | 113.8 | 117.5 | 120.6 | 113.4 | 118.7 | ...... | ...... |
| 14 | Textile mill products | 22 | 2.68 | 137.1 | 132.3 | 134.4 | 134.6 | 140.7 | 142.4 | 141.6 | 143.7 | 137.1 | 137.0 | 137.8 | ...... |
| 15 | Apparel products | 23 | 3.31 | 124.2 | 124.4 | 122.2 | 121.4 | 127.7 | 129.0 | 125.1 | 125.8 | 118.6 | 121.1 | ...... | ...... |
| 16 | Paper and products | 26 | 3.21 | 137.4 | 136.5 | 135.5 | 136.3 | 139.1 | 137.9 | 137.8 | 138.6 | 139.9 | 143.7 | 144.6 | 145.3 |
| 17 | Printing and publishing | 27 | 4.72 | 124.7 | 122.4 | 124.8 | 123.4 | 124.2 | 125.7 | 126.2 | 127.5 | 129.9 | 127.8 | 128.3 | 129.1 |
| 18 | Chemicals and products | 28 | 7.74 | 180.7 | 174.9 | 180.0 | 180.6 | 181.3 | 182.3 | 183.1 | 183.0 | 184.4 | 183.5 | 184.5 | ...... |
| 19 | Petroleum products | 29 | 1.79 | 141.0 | 145.2 | 143.3 | 143.4 | 141.9 | 141.4 | 140.5 | 139.3 | 139.7 | 139.0 | 140.4 | 141.4 |
| 20 | Rubber & plastic products | 30 | 2.24 | 232.2 | 220.3 | 225.6 | 226.0 | 239.5 | 236.3 | 238.5 | 240.1 | 238.7 | 240.0 | 243.5 | ...... |
| 21 | Leather and products | 31 | .86 | 75.3 | 75.0 | 73.8 | 74.7 | 74.0 | 77.0 | 78.1 | 77.3 | 74.5 | 73.0 | 75.2 | ...... |
| | **Durable manufactures** | | | | | | | | | | | | | | |
| 22 | Ordnance, pvt. & govt | 19,91 | 3.64 | 73.9 | 72.6 | 72.8 | 74.6 | 75.1 | 74.4 | 74.1 | 73.8 | 72.3 | 71.2 | 72.5 | 73.0 |
| 23 | Lumber and products | 24 | 1.64 | 133.4 | 132.2 | 132.1 | 130.6 | 137.1 | 135.7 | 137.5 | 138.1 | 138.5 | 135.5 | 137.3 | ...... |
| 24 | Furniture and fixtures | 25 | 1.37 | 140.9 | 137.1 | 135.1 | 135.4 | 145.6 | 146.6 | 146.0 | 146.6 | 146.4 | 150.6 | 151.0 | ...... |
| 25 | Clay, glass, stone products | 32 | 2.74 | 146.1 | 139.0 | 143.7 | 145.0 | 145.5 | 148.0 | 152.8 | 152.1 | 152.2 | 152.5 | 152.8 | ...... |
| 26 | Primary metals | 33 | 6.57 | 110.2 | 100.2 | 108.3 | 112.2 | 109.0 | 113.5 | 111.2 | 111.0 | 107.4 | 106.2 | 106.6 | 110.6 |
| 27 | Iron and steel | 331,2 | 4.21 | 103.4 | 91.3 | 97.9 | 103.9 | 104.6 | 107.7 | 104.3 | 103.8 | 99.5 | 96.3 | 96.8 | ...... |
| 28 | Fabricated metal products | 34 | 5.93 | 130.9 | 125.8 | 127.5 | 127.6 | 133.6 | 133.8 | 135.8 | 136.4 | 136.9 | 136.7 | 138.3 | 139.5 |
| 29 | Nonelectrical machinery | 35 | 9.15 | 144.8 | 139.8 | 139.8 | 142.9 | 147.4 | 148.9 | 149.7 | 151.7 | 150.1 | 150.2 | 151.5 | 152.8 |
| 30 | Electrical machinery | 36 | 8.05 | 141.9 | 137.6 | 137.6 | 139.6 | 144.6 | 144.2 | 146.0 | 147.3 | 144.0 | 146.4 | 149.2 | 150.4 |
| 31 | Transportation equipment | 37 | 9.27 | 121.1 | 120.5 | 120.5 | 119.8 | 125.5 | 124.3 | 122.0 | 122.2 | 116.2 | 118.4 | 127.5 | 130.7 |
| 32 | Motor vehicles & parts | 371 | 4.50 | 159.7 | 161.2 | 161.2 | 158.1 | 165.6 | 168.4 | 163.0 | 161.8 | 146.6 | 153.0 | 167.0 | 173.2 |
| 33 | Aerospace & misc. tr. eq | 372–9 | 4.77 | 84.7 | 82.3 | 82.3 | 83.8 | 87.7 | 82.8 | 83.3 | 84.9 | 87.6 | 85.8 | 90.5 | 90.7 |
| 34 | Instruments | 38 | 2.11 | 159.1 | 157.0 | 156.9 | 157.8 | 160.3 | 162.2 | 163.1 | 164.7 | 163.4 | 163.5 | 166.5 | 167.3 |
| 35 | Miscellaneous mfrs | 39 | 1.51 | 149.1 | 147.9 | 147.4 | 145.6 | 150.7 | 151.0 | 151.8 | 152.5 | 153.0 | 151.8 | 153.5 | 154.4 |
| | | | Gross value (billions of 1972 dollars, annual rates) | | | | | | | | | | | | |
| | **MAJOR MARKET** | | | | | | | | | | | | | | |
| 36 | **Products, total** | ...... | **[1]507.4** | **583.9** | **569.4** | **578.2** | **578.3** | **590.1** | **591.3** | **591.3** | **594.7** | **582.0** | **590.4** | **601.2** | **605.9** |
| 37 | *Final products* | ...... | *[1]390.9* | *452.1* | *441.1* | *449.0* | *448.5* | *456.8* | *457.8* | *457.3* | *458.7* | *445.1* | *453.7* | *463.4* | *467.6* |
| 38 | Consumer goods | ...... | [1]277.5 | 317.5 | 312.2 | 316.8 | 316.1 | 319.1 | 319.5 | 320.0 | 320.4 | 311.2 | 318.1 | 321.9 | 325.4 |
| 39 | Equipment | ...... | [1]113.4 | 134.6 | 128.9 | 132.1 | 132.6 | 137.6 | 138.1 | 137.3 | 138.2 | 133.9 | 135.8 | 141.4 | 142.0 |
| 40 | Intermediate products | ...... | [1]116.6 | 131.9 | 128.4 | 129.1 | 130.1 | 133.5 | 133.8 | 134.1 | 135.9 | 136.7 | 136.9 | 137.8 | 138.8 |

[1] 1972 dollars.

NOTE.—Published groupings include some series and subtotals not shown separately. For description and historical data, see *Industrial Production—1976 Revision* (Board of Governors of the Federal Reserve System: Washington, D.C.), Dec. 1977.

## 2.14 HOUSING AND CONSTRUCTION

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

| Item | 1975 | 1976 | 1977 | 1977 Sept. | 1977 Oct. | 1977 Nov. | 1977 Dec. | 1978 Jan. | 1978 Feb. | 1978 Mar. |
|---|---|---|---|---|---|---|---|---|---|---|
| | Private residential real estate activity (thousands of units) | | | | | | | | | |
| NEW UNITS | | | | | | | | | | |
| 1 *Permits authorized* | *927* | *1,296* | *18,133* | *1,695* | *1,850* | *1,893* | *1,811* | *1,496* | *r1,511* | *1,715* |
| 2 1-family | 669 | 894 | 12,265 | 1,135 | 1,216 | 1,257 | 1,210 | 1,027 | r954 | 1,075 |
| 3 2-or-more-family | 278 | 402 | 5,861 | 560 | 634 | 636 | 601 | 469 | r557 | 640 |
| 4 *Started* | *1,160* | *1,540* | *1,986* | *2,012* | *2,139* | *2,096* | *2,203* | *r1,548* | *r1,574* | *2,074* |
| 5 1-family | 892 | 1,163 | 1,451 | 1,508 | 1,532 | 1,544 | 1,574 | r1,156 | r1,100 | 1,439 |
| 6 2-or-more-family | 268 | 377 | 535 | 504 | 607 | 552 | 629 | 392 | r474 | 635 |
| 7 *Under construction, end of period* [1] | *1,003* | *1,147* | *1,442* | *1,149* | *1,189* | *1,211* | *r1,249* | *r1,263* | *1,266* | ........ |
| 8 1-family | 531 | 655 | 829 | 708 | 729 | 746 | r770 | r786 | 790 | ........ |
| 9 2-or-more-family | 472 | 492 | 613 | 442 | 460 | 466 | r479 | r478 | 476 | ........ |
| 10 *Completed* | *1,297* | *1,362* | *1,652* | *1,875* | *1,665* | *1,769* | *r1,641* | *r1,759* | *1,677* | ........ |
| 11 1-family | 866 | 1,026 | 1,254 | 1,458 | 1,249 | 1,280 | r1,299 | r1,296 | 1,218 | ........ |
| 12 2-or-more-family | 430 | 336 | 398 | 417 | 416 | 489 | 342 | r463 | 459 | ........ |
| 13 Mobile homes shipped | 213 | 250 | 613 | 300 | 319 | 318 | 324 | 322 | 269 | 276 |
| Merchant builder activity in 1-family units: | | | | | | | | | | |
| 14 Number sold | 544 | 639 | 819 | 845 | 870 | 819 | r857 | r806 | r754 | 794 |
| 15 Number for sale, end of period [1] | 383 | 433 | 407 | 389 | 398 | 401 | 403 | r404 | r407 | 406 |
| Price (thous. of dollars) [2] | | | | | | | | | | |
| Median: | | | | | | | | | | |
| 16 Units sold | 39.3 | 44.2 | 48.9 | 48.5 | 51.4 | 51.8 | r52.9 | r51.1 | r53.4 | 53.7 |
| 17 Units for sale | 38.9 | 41.6 | 48.2 | 45.9 | 46.7 | 46.7 | 47.7 | 48.2 | ........ | ........ |
| Average: | | | | | | | | | | |
| 18 Units sold | 42.5 | 48.1 | 54.4 | 53.9 | 57.2 | 57.8 | 57.6 | 58.5 | r59.4 | 60.3 |
| EXISTING UNITS (1-family) | | | | | | | | | | |
| 19 Number sold | 2,452 | 3,002 | 3,572 | 3,880 | 3,930 | 4,160 | 4,140 | 3,780 | 3,460 | 3,770 |
| Price of units sold (thous. of dollars): [2] | | | | | | | | | | |
| 20 Median | 35.3 | 38.1 | 42.9 | 43.8 | 44.0 | 44.5 | 44.2 | 45.5 | 46.3 | 46.5 |
| 21 Average | 39.0 | 42.2 | 47.9 | 47.9 | 48.2 | 48.5 | 48.3 | 50.3 | 51.3 | 51.1 |
| | Value of new construction [4] (millions of dollars) | | | | | | | | | |
| CONSTRUCTION | | | | | | | | | | |
| **22 Total put in place** | **134,293** | **147,481** | **170,685** | **175,065** | **174,409** | **173,104** | **176,734** | **171,249** | **178,204** | **184,478** |
| 23 *Private* | *93,624* | *109,499* | *133,652* | *135,812* | *136,710* | *137,464* | *140,468* | *137,312* | *143,600* | *148,860* |
| 24 Residential | 46,472 | 60,519 | 81,067 | 81,677 | 83,022 | 84,005 | 87,246 | 81,111 | 86,922 | 89,954 |
| 25 Nonresidential, total | 47,152 | 48,980 | 52,585 | 54,135 | 53,688 | 53,459 | 53,222 | 56,201 | 56,678 | 58,906 |
| Buildings: | | | | | | | | | | |
| 26 Industrial | 8,017 | 7,182 | 7,182 | 7,484 | 7,579 | 7,716 | 7,132 | 7,484 | 7,563 | 9,094 |
| 27 Commercial | 12,804 | 12,757 | 14,604 | 16,054 | 15,846 | 15,404 | 14,627 | 14,986 | 15,043 | 15,940 |
| 28 Other | 5,585 | 6,155 | 6,226 | 6,370 | 6,337 | 6,437 | 6,200 | 6,065 | 5,806 | 6,316 |
| 29 Public utilities and other | 20,746 | 22,886 | 24,573 | 24,227 | 23,926 | 23,902 | 25,263 | 27,666 | 28,266 | 27,556 |
| 30 *Public* | *40,669* | *37,982* | *37,033* | *39,253* | *37,699* | *35,641* | *36,266* | *33,937* | *34,603* | *35,618* |
| 31 Military | 1,392 | 1,508 | 1,478 | 1,493 | 1,381 | 1,286 | 1,370 | 1,410 | 1,474 | 1,424 |
| 32 Highway | 10,861 | 9,756 | 9,170 | 8,915 | 9,507 | 8,281 | 7,877 | 7,006 | ........ | ........ |
| 33 Conservation and development | 3,256 | 3,722 | 3,765 | 4,910 | 3,141 | 3,464 | 3,851 | 3,900 | ........ | ........ |
| 34 Other [3] | 25,160 | 22,996 | 22,620 | 23,925 | 23,670 | 22,610 | 23,168 | 21,621 | ........ | ........ |

1 Not at annual rates.
2 Not seasonally adjusted.
3 Beginning Jan. 1977 Highway imputations are included in Other.
4 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.

NOTE.—Census Bureau estimates for all series except (a) mobile homes, which are private, domestic shipments as reported by the Manufactured 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— | | | | | Index level Mar. 1978 (1967 = 100)[3] |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1977 Mar. | 1978 Mar. | 1977 r | | | 1978 | 1977 | | 1978 | | | |
| | | | June | Sept. | Dec. | Mar. | Nov. | Dec. | Jan. | Feb. | Mar. | |
| | Consumer prices[4] | | | | | | | | | | | |
| 1 **All items** | **6.4** | **6.5** | **7.8** | **4.5** | **4.9** | **9.3** | **.4** | **.4** | **.8** | **.6** | **.8** | **189.8** |
| 2 *Commodities* | *5.9* | *5.7* | *6.7* | *2.5* | *4.9* | *9.3* | *.5* | *.5* | *.9* | *.5* | *.8* | *181.6* |
| 3 Food | 5.5 | 8.3 | 11.5 | 1.9 | 4.2 | 16.4 | .5 | .4 | 1.3 | 1.2 | 1.3 | 204.2 |
| 4 Commodities less food | 6.1 | 4.6 | 4.2 | 2.7 | 5.4 | 6.1 | .5 | .5 | .7 | .2 | .6 | 170.0 |
| 5 Durable | 6.9 | 4.7 | 3.5 | 1.5 | 5.2 | 8.7 | .4 | .5 | 1.0 | .7 | .5 | 168.3 |
| 6 Nondurable | 5.4 | 4.1 | 4.7 | 3.4 | 5.1 | 3.1 | .5 | .3 | .4 | −.3 | .6 | 170.7 |
| 7 *Services* | *7.2* | *7.8* | *9.4* | *7.6* | *4.9* | *9.1* | *.4* | *.4* | *.6* | *.7* | *.8* | *204.9* |
| 8 Rent | 5.7 | 6.4 | 6.2 | 6.7 | 6.3 | 6.2 | .6 | .5 | .6 | .4 | .6 | 160.5 |
| 9 Services less rent | 7.4 | 8.1 | 9.9 | 8.0 | 4.8 | 9.6 | .4 | .4 | .6 | .8 | .9 | 213.0 |
| Other groupings: | | | | | | | | | | | | |
| 10 All items less food | 6.6 | 6.2 | 6.8 | 5.3 | 5.0 | 8.1 | .4 | .4 | .8 | .5 | .7 | 185.9 |
| 11 All items less food and energy | 6.3 | 6.3 | 6.9 | 5.1 | 5.3 | 8.0 | .4 | .5 | .9 | .4 | .7 | 183.4 |
| 12 Homeownership | 5.6 | 9.5 | 10.4 | 8.5 | 7.1 | 12.2 | .7 | .7 | 1.0 | .7 | 1.2 | 218.3 |
| | Wholesale prices | | | | | | | | | | | |
| 13 **All commodities** | **6.8** | **6.1** | **4.0** | **2.1** | **6.7** | **12.0** | **r.8** | **.4** | **.9** | **1.0** | **1.0** | **203.8** |
| 14 *Farm products, and processed foods and feeds* | *6.1* | *4.9* | *−3.1* | *−14.8* | *14.5* | *28.8* | *2.3* | *.3* | *1.1* | *2.5* | *2.9* | *200.3* |
| 15 Farm products | 8.6 | 1.4 | −20.3 | −21.3 | 17.9 | 44.0 | r3.3 | −.3 | 1.7 | 2.8 | 4.7 | 205.3 |
| 16 Processed foods and feeds | 4.6 | 7.0 | 8.2 | −10.9 | 12.5 | 21.1 | 1.8 | .6 | .8 | 2.3 | 1.7 | 196.8 |
| 17 *Industrial commodities* | *7.1* | *6.5* | *6.4* | *6.7* | *4.9* | *8.0* | *.3* | *.5* | *.7* | *.7* | *.5* | *204.1* |
| Materials, supplies, and components of which: | | | | | | | | | | | | |
| 18 Crude nonfood materials[1] | 19.8 | 4.9 | −8.1 | −5.3 | 18.5 | 17.3 | r2.3 | 1.8 | r1.5 | 1.0 | 1.5 | 275.9 |
| 19 Intermediate materials[2] | 6.8 | 6.4 | 5.5 | 7.1 | 4.0 | 9.2 | r.1 | .4 | .9 | .8 | .5 | 211.5 |
| Finished goods, excluding foods: | | | | | | | | | | | | |
| 20 Consumer | 6.2 | 5.3 | 7.8 | 4.0 | 4.4 | 5.3 | .3 | .3 | .5 | .3 | .5 | 178.2 |
| 21 Durable | 4.6 | 6.1 | 6.9 | 5.6 | 5.3 | 6.8 | .3 | .4 | .7 | .3 | .6 | 158.9 |
| 22 Nondurable | 7.3 | 4.8 | 7.7 | 3.0 | 4.3 | 4.1 | r.3 | .4 | .4 | .3 | .3 | 191.0 |
| 23 Producer | 5.9 | 7.6 | 6.8 | 6.0 | 10.5 | 7.3 | .5 | .6 | .5 | .7 | .6 | 194.5 |
| MEMO: | | | | | | | | | | | | |
| 24 Consumer foods | 4.5 | 7.2 | 4.3 | −2.3 | 7.4 | 21.0 | 1.2 | .5 | 1.1 | 2.9 | .8 | 200.1 |

1 Excludes crude foodstuffs and feedstuffs.
2 Excludes intermediate materials for food manufacturing and manufactured animal feeds.
3 Not seasonally adjusted.
4 Beginning Jan. 1978 figures for consumer prices are those for all urban consumers.

SOURCE.—Bureau of Labor Statistics.

▲ NOTE.—The index level reported for Jan. 1978 (1967 = 100) for all commodities (line 13) in the March BULLETIN was incorrect. The figure should have been 199.9, rather than 199.1.

## 2.17 PERSONAL INCOME AND SAVING

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

| Account | 1975 | 1976 | 1977 | 1976 | 1977 | | | | 1978 |
|---|---|---|---|---|---|---|---|---|---|
| | | | | Q4 | Q1 | Q2 | Q3 | Q4 | Q1[p] |
| | Personal income and saving | | | | | | | | |
| 1 **Total personal income** | **1,253.4** | **1,382.7** | **1,536.7** | **1,432.2** | **1,476.8** | **1,517.2** | **1,549.8** | **1,603.0** | **1,636.7** |
| 2 *Wage and salary disbursements* | *805.7* | *891.8* | *990.0* | *923.2* | *951.3* | *980.9* | *998.9* | *1,029.1* | *1,057.4* |
| 3 Commodity-producing industries | 275.0 | 308.4 | 346.4 | 317.7 | 328.9 | 345.4 | 351.0 | 360.2 | 370.1 |
| 4 Manufacturing | 211.0 | 238.2 | 267.3 | 245.1 | 255.4 | 265.9 | 270.0 | 278.0 | 288.5 |
| 5 Distributive industries | 195.4 | 217.1 | 242.8 | 226.4 | 234.5 | 240.5 | 244.4 | 251.8 | 260.6 |
| 6 Service industries | 159.9 | 179.0 | 200.9 | 186.7 | 193.0 | 197.7 | 202.8 | 210.2 | 216.8 |
| 7 Government and government enterprises | 175.4 | 187.2 | 199.9 | 192.5 | 194.8 | 197.2 | 200.6 | 206.9 | 209.9 |
| 8 Other labor income | 64.9 | 75.9 | 88.6 | 80.0 | 83.2 | 86.7 | 90.3 | 94.0 | 97.8 |
| 9 *Proprietors' income*[1] | *86.0* | *88.0* | *98.2* | *88.7* | *95.1* | *97.0* | *95.5* | *105.0* | *102.4* |
| 10 Business and professional[1] | 62.8 | 69.4 | 78.5 | 72.0 | 74.3 | 77.3 | 80.0 | 82.4 | 82.8 |
| 11 Farm[1] | 23.2 | 18.6 | 19.7 | 16.6 | 20.7 | 19.7 | 15.5 | 22.7 | 19.7 |
| 12 Rental income of persons[2] | 22.3 | 23.3 | 25.3 | 24.1 | 24.5 | 24.9 | 25.5 | 26.4 | 26.9 |
| 13 Dividends | 32.4 | 35.8 | 41.2 | 38.4 | 38.5 | 40.3 | 42.3 | 43.6 | 43.8 |
| 14 Personal interest income | 115.6 | 130.3 | 147.8 | 136.4 | 140.3 | 145.4 | 150.3 | 155.2 | 159.8 |
| 15 Transfer payments | 176.8 | 192.8 | 206.9 | 198.0 | 203.5 | 203.0 | 208.7 | 212.6 | 216.1 |
| 16 Old-age survivors, disability, and health insurance benefits | 81.4 | 92.9 | 105.0 | 98.4 | 99.9 | 101.8 | 108.5 | r110.0 | 111.7 |
| 17 LESS: Personal contributions for social insurance | 50.4 | 55.2 | 61.3 | 56.6 | 59.6 | 60.8 | 61.7 | 62.9 | 67.5 |
| 18 EQUALS: Personal income | 1,253.4 | 1,382.7 | 1,536.7 | 1,432.2 | 1,476.8 | 1,517.2 | 1,549.8 | 1,603.0 | 1,636.7 |
| 19 LESS: Personal tax and nontax payments | 169.0 | 196.9 | 227.5 | 209.5 | 224.4 | 224.8 | 226.1 | 234.7 | 236.3 |
| 20 EQUALS: Disposable personal income | 1,084.4 | 1,185.8 | 1,309.2 | 1,222.6 | 1,252.4 | 1,292.5 | 1,323.8 | 1,368.3 | 1,400.5 |
| 21 LESS: Personal outlays | 1,004.2 | 1,119.9 | 1,241.9 | 1,166.3 | 1,201.0 | 1,223.9 | 1,250.5 | 1,292.2 | 1,317.9 |
| 22 EQUALS: Personal saving | 80.2 | 65.9 | 67.3 | 56.3 | 51.4 | 68.5 | 73.3 | 76.1 | 82.6 |
| MEMO ITEMS: Per capita (1972 dollars): | | | | | | | | | |
| 23 Gross national product | 5,629 | 5,924 | 6,167 | 5,966 | 6,064 | 6,143 | 6,206 | 6,254 | 6,234 |
| 24 Personal consumption expenditures | 3,629 | 3,817 | 3,971 | 3,892 | 3,934 | 3,943 | 3,963 | 4,045 | 4,035 |
| 25 Disposable personal income | 4,014 | 4,137 | 4,293 | 4,177 | 4,202 | 4,268 | 4,305 | 4,394 | 4,401 |
| 26 Saving rate (per cent) | 7.4 | 5.6 | 5.1 | 4.6 | 4.1 | 5.3 | 5.5 | 5.6 | 5.9 |
| | Gross saving | | | | | | | | |
| 27 **Gross private saving** | **259.4** | **272.5** | **r293.9** | **261.6** | **262.9** | **292.1** | **310.5** | **r309.9** | ......... |
| 28 Personal saving | 80.2 | 65.9 | 67.3 | 56.3 | 51.4 | 68.5 | 73.3 | 76.1 | 82.6 |
| 29 Undistributed corporate profits[1] | 16.7 | 27.6 | 29.5 | 20.8 | 22.5 | 30.3 | 37.4 | r27.9 | ......... |
| 30 Corporate inventory valuation adjustment | −12.0 | −14.1 | −14.6 | −16.9 | −20.6 | −17.8 | −5.9 | −14.1 | −24.6 |
| Capital consumption allowances: | | | | | | | | | |
| 31 Corporate | 101.7 | 111.8 | 121.9 | 115.2 | 117.6 | 119.4 | 123.7 | 127.0 | 130.1 |
| 32 Noncorporate | 60.8 | 67.2 | 75.1 | 69.2 | 71.4 | 73.8 | 76.2 | 78.9 | 80.7 |
| 33 Wage accruals less disbursements | ......... | ......... | ......... | ......... | ......... | ......... | ......... | ......... | ......... |
| 34 *Government surplus, or deficit (−), national income and product accounts* | *−64.3* | *−35.6* | *−20.3* | *−29.4* | *−11.5* | *−14.9* | *−26.0* | *r−28.9* | ......... |
| 35 Federal | −70.2 | −54.0 | −49.5 | −55.9 | −38.8 | −40.3 | −58.9 | r−60.0 | ......... |
| 36 State and local | 5.9 | 18.4 | 29.2 | 26.5 | 27.3 | 25.4 | 32.9 | 31.1 | ......... |
| 37 Capital grants received by the United States, net | ......... | ......... | ......... | ......... | ......... | ......... | ......... | ......... | ......... |
| 38 *Investment* | *201.0* | *242.5* | *273.3* | *237.5* | *254.7* | *276.1* | *285.4* | *277.2* | *278.5* |
| 39 Gross private domestic | 189.1 | 243.3 | 294.2 | 243.3 | 271.8 | 294.9 | 303.6 | 306.7 | 314.4 |
| 40 Net foreign | 11.8 | −.9 | −20.9 | −5.9 | −17.1 | −18.8 | −18.2 | −29.5 | −35.8 |
| 41 Statistical discrepancy | 5.9 | 5.5 | −.2 | 5.3 | 3.3 | −1.2 | .9 | r−3.9 | ......... |

1 With inventory valuation and capital consumption adjustments.
2 With capital consumption adjustment.

SOURCE.—*Survey of Current Business* (U.S. Dept. of Commerce).

## 3.10 U.S. INTERNATIONAL TRANSACTIONS Summary

Millions of dollars; quarterly data are seasonally adjusted except as noted.[1]

| Item credits or debits | 1975 | 1976 | 1977 | 1976 | | 1977 | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 |
| 1 Merchandise exports | 107,088 | 114,694 | 120,472 | 29,603 | 29,711 | 29,457 | 30,655 | 30,870 | 29,490 |
| 2 Merchandise imports | 98,043 | 124,014 | 151,713 | 32,411 | 33,305 | 36,606 | 38,309 | 38,429 | 38,369 |
| 3 Merchandise trade balance [2] | 9,045 | −9,320 | −31,241 | −2,808 | −3,594 | −7,149 | −7,654 | −7,559 | −8,879 |
| 4 Military transactions, net | −876 | 366 | 1,432 | 235 | 235 | 514 | 309 | 559 | 50 |
| 5 Investment income, net | 5,954 | 9,808 | 11,935 | 2,667 | 2,424 | 3,187 | 3,439 | 3,166 | 2,143 |
| 6 Other service transactions, net | 2,042 | 2,743 | 2,460 | 781 | 598 | 330 | 546 | 845 | 740 |
| 7 **Balance on goods and services** [3] | **16,164** | **3,596** | **−15,414** | **875** | **−337** | **−3,118** | **−3,360** | **−2,989** | **−5,946** |
| 8 Remittances, pensions, and other transfers | −1,719 | −1,878 | −2,008 | −461 | −473 | −526 | −492 | −510 | −480 |
| 9 U.S. Govt. grants (excluding military) | −2,893 | −3,146 | −2,787 | −1,475 | −572 | −637 | −723 | −824 | −604 |
| 10 **Balance on current account** | **11,552** | **−1,427** | **−20,209** | **−1,061** | **−1,382** | **−4,281** | **−4,575** | **−4,323** | **−7,030** |
| 11 *Not seasonally adjusted* | ........ | ........ | ........ | *−3,809* | *303* | *−3,404* | *−4,667* | *−6,844* | *−5,294* |
| 12 Change in U.S. Govt. assets, other than official reserve assets, net (increase, −) | −3,463 | −4,213 | −3,666 | −1,405 | −1,142 | −909 | −825 | −1,169 | −763 |
| 13 *Change in U.S. official reserve assets (increase, −)* | *−607* | *−2,530* | −231 | *−407* | *228* | *−388* | *6* | *151* | ........ |
| 14 Gold | ........ | ........ | −118 | ........ | ........ | −58 | ........ | ........ | −60 |
| 15 Special Drawing Rights (SDR's) | −66 | −78 | −121 | −18 | −29 | ........ | −83 | −9 | −29 |
| 16 Reserve position in International Monetary Fund (IMF) | −466 | −2,212 | −294 | −716 | −461 | −389 | −80 | 133 | 42 |
| 17 Foreign currencies | −75 | −240 | 302 | 327 | 718 | 59 | 169 | 27 | 47 |
| 18 **Change in U.S. private assets abroad (increase, −)** | **−27,478** | **−36,216** | **−22,162** | **−6,597** | **−13,108** | **1,627** | **−9,464** | **−3,405** | **−10,921** |
| 19 *Bank-reported claims* | *−13,532* | *−20,904* | *−11,694* | *−3,372* | *−9,148* | *3,446* | *−4,553* | *−1,709* | *−8,878* |
| 20 Long-term | −2,357 | −2,124 | −741 | −978 | −480 | −306 | 23 | −445 | −13 |
| 21 Short-term | −11,175 | −18,780 | −10,953 | −2,394 | −8,668 | 3,752 | −4,576 | −1,264 | −8,865 |
| 22 *Nonbank-reported claims* | *−1,447* | *−1,986* | *−96* | *723* | *−967* | *−722* | *−1,129* | *1,518* | *237* |
| 23 Long-term | −432 | 10 | 350 | 66 | −10 | 45 | 68 | 240 | −3 |
| 24 Short-term | −1,015 | −1,996 | −446 | 657 | −957 | −767 | −1,197 | 1,278 | 240 |
| 25 U.S. purchase of foreign securities, net | −6,235 | −8,730 | −5,362 | −2,743 | −2,171 | −692 | −1,784 | −2,156 | −731 |
| 26 U.S. direct investments abroad, net | −6,264 | −4,596 | −5,009 | −1,205 | −822 | −404 | −1,998 | −1,058 | −1,549 |
| 27 *Change in foreign official assets in the United States (increase, +)* | *6,960* | *17,945* | *37,419* | *3,070* | *6,977* | *5,719* | *7,908* | *8,249* | *15,542* |
| 28 U.S. Treasury securities | 4,408 | 9,333 | 30,091 | 1,260 | 3,909 | 5,149 | 5,124 | 6,950 | 12,868 |
| 29 Other U.S. Govt. obligations | 905 | 566 | 2,310 | 66 | 116 | 100 | 609 | 627 | 974 |
| 30 Other U.S. Govt. liabilities [4] | 1,701 | 4,938 | 1,874 | 1,819 | 852 | 712 | 456 | 321 | 385 |
| 31 Other U.S. liabilities reported by U.S. banks | −2,158 | 893 | 1,126 | −599 | 1,769 | −420 | 752 | −150 | 944 |
| 32 Other foreign official assets [5] | 2,104 | 2,215 | 2,018 | 524 | 331 | 178 | 967 | 501 | 372 |
| 33 **Change in foreign private assets in the United States (increase, +)** | **7,376** | **16,575** | **11,842** | **5,131** | **5,102** | **−3,209** | **5,873** | **5,671** | **3,508** |
| 34 *U.S. bank-reported liabilities* | *628* | *10,982* | *6,751* | *1,774* | *5,008* | *−5,298* | *6,344* | *2,656* | *3,049* |
| 35 Long-term | −280 | 175 | 366 | 75 | 221 | 47 | 105 | 194 | 20 |
| 36 Short-term | 908 | 10,807 | 6,385 | 1,699 | 4,787 | −5,345 | 6,239 | 2,462 | 3,029 |
| 37 *U.S. nonbank-reported liabilities* | *240* | *−616* | *2* | *−297* | *−242* | *−374* | *−405* | *629* | *152* |
| 38 Long-term | 334 | −947 | −448 | −241 | −311 | −229 | −183 | 56 | −92 |
| 39 Short-term | −94 | 331 | 450 | −56 | 69 | −145 | −222 | 573 | 244 |
| 40 Foreign private purchases of U.S. Treasury securities, net | 2,590 | 2,783 | 628 | 3,026 | −88 | 1,047 | −1,370 | 1,250 | −299 |
| 41 Foreign purchases of other U.S. securities, net | 2,503 | 1,250 | 2,934 | 68 | 21 | 879 | 736 | 516 | 803 |
| 42 Foreign direct investments in the United States, net | 1,414 | 2,176 | 1,527 | 561 | 403 | 537 | 568 | 619 | −197 |
| 43 Allocation of SDR's | ........ | ........ | ........ | ........ | ........ | ........ | ........ | ........ | ........ |
| 44 *Discrepancy* | *5,660* | *9,866* | *−2,993* | *1,268* | *3,325* | *1,440* | *1,077* | *−5,173* | *−337* |
| 45 Owing to seasonal adjustments | ........ | ........ | ........ | −2,622 | 1,780 | 652 | −90 | −2,388 | 1,826 |
| 46 Statistical discrepancy in recorded data before seasonal adjustment | 5,660 | 9,866 | −2,993 | 3,890 | 1,545 | 788 | 1,167 | −2,785 | −2,163 |
| MEMO ITEMS: | ........ | ........ | ........ | ........ | ........ | ........ | ........ | ........ | ........ |
| Changes in official assets: | | | | | | | | | |
| 47 U.S. official reserve assets (increase, −) | −607 | −2,530 | −231 | −407 | 228 | −388 | 6 | 151 | ........ |
| 48 Foreign official assets in the United States (increase, +) | 5,259 | 13,007 | 35,545 | 1,251 | 6,125 | 5,007 | 7,452 | 7,928 | 15,157 |
| 49 Changes in Organization of Petroleum Exporting Countries (OPEC) official assets in the United States (part of line 27 above) | 7,092 | 9,324 | 6,758 | 1,774 | 805 | 3,249 | 1,073 | 1,438 | 998 |
| 50 Transfers under military grant programs (excluded from lines 1, 4, and 9 above) | 2,217 | 386 | 195 | 156 | 94 | 46 | 27 | 32 | 90 |

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 U.S. Virgin 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 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 | 1975 | 1976 | 1977 | 1977 Sept. | Oct. | Nov. | Dec. | 1978 Jan. | Feb. | Mar. |
|---|---|---|---|---|---|---|---|---|---|---|
| 1 EXPORTS of domestic and foreign merchandise excluding grant-aid shipments | 107,130 | 114,802 | 121,144 | 11,037 | 9,375 | 9,475 | 11,007 | 10,014 | 9,922 | 10,912 |
| 2 GENERAL IMPORTS including merchandise for immediate consumption plus entries into bonded warehouses | 96,115 | 120,678 | 147,696 | 12,605 | 12,996 | 11,833 | 13,123 | 12,393 | 14,439 | 13,693 |
| 3 Trade balance | **11,014** | **−5,876** | **−26,552** | **−1,569** | **−3,621** | **−2,358** | **−2,116** | **−2,379** | **−4,516** | **−2,781** |

NOTE.—Bureau of Census data reported on a free-alongside-ship (f.a.s.) value basis. Effective January 1978, major changes were made in coverage, reporting, and compiling procedures. Data for 1977 reflect these changes. However, the quarterly international-accounts-basis data in Table 3.10 will not incorporate the 1977 revisions until June. The latter data 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.—FT 900 "Summary of U.S. Export and Import Merchandise Trade" (U.S. Dept. of Commerce, Bureau of the Census).

## 3.12 U.S. RESERVE ASSETS

Millions of dollars, end of period

| Type | 1974 | 1975 | 1976 | 1977 Oct. | Nov. | Dec. | 1978 Jan. | Feb. | Mar. | Apr. |
|---|---|---|---|---|---|---|---|---|---|---|
| 1 Total | **15,883** | **16,226** | **18,747** | **19,048** | **19,155** | **19,317** | **19,454** | **19,373** | **19,192** | [3] **18,842** |
| 2 Gold stock, including Exchange Stabilization Fund[1] | 11,652 | 11,599 | 11,598 | 11,658 | 11,658 | 11,719 | 11,718 | 11,718 | 11,718 | 11,718 |
| 3 Special Drawing Rights[2] | 2,374 | 2,335 | 2,395 | 2,530 | 2,548 | 2,629 | 2,629 | 2,671 | 2,693 | [3] 2,669 |
| 4 Reserve position in International Monetary Fund | 1,852 | 2,212 | 4,434 | 4,842 | 4,933 | 4,951 | 4,934 | 4,966 | 4,701 | [3] 4,388 |
| 5 Convertible foreign currencies | 5 | 80 | 320 | 18 | 16 | 18 | 173 | 18 | 80 | 67 |

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 (IMF) 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 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 Apr. amounted to $18,604; SDR holdings, $2,626, and reserve position in IMF, $4,193.

## 3.13 SELECTED U.S. LIABILITIES TO FOREIGNERS

Millions of dollars, end of period

| Holder, and type of liability | 1974 | 1975 | 1976 | 1977 Sept. | 1977 Oct. | 1977 Nov. | 1977 Dec. | 1978 Jan. | 1978 Feb.[p] | 1978 Mar.[p] |
|---|---|---|---|---|---|---|---|---|---|---|
| 1 **Total** | **119,164** | **126,552** | **151,356** | **174,709** | **178,937** | **184,720** | **192,270** | **194,021** | **197,280** | **207,070** |
| 2 **Foreign countries** | **115,842** | **120,929** | **142,873** | **167,295** | **171,541** | **177,087** | **184,625** | **186,320** | **189,682** | **199,155** |
| 3 *Official institutions*[1] | *76,823* | *80,712* | *91,975* | *111,208* | *117,057* | *123,142* | *126,032* | *129,782* | *132,651* | *140,545* |
| 4 Short-term, reported by banks in the United States.[2] | 53,079 | 49,530 | 53,619 | 56,805 | 59,835 | 62,214 | 64,527 | 66,514 | 70,471 | 77,512 |
| U.S. Treasury bonds and notes: | | | | | | | | | | |
| 5 Marketable[3] | 5,059 | 6,671 | 11,788 | 25,581 | 28,633 | 31,519 | 32,116 | 33,830 | 33,554 | 34,538 |
| 6 Nonmarketable[4] | 16,339 | 19,976 | 20,648 | 21,128 | 20,351 | 20,462 | 20,443 | 20,473 | 19,602 | 19,513 |
| 7 Other readily marketable liabilities[5] | 2,346 | 4,535 | 5,920 | 7,694 | 8,238 | 8,947 | 8,946 | 8,965 | 9,024 | 8,982 |
| Commercial banks abroad: | | | | | | | | | | |
| 8 Short-term, reported by banks in the United States[2,6] | 30,106 | 29,516 | 37,329 | 40,414 | 38,755 | 37,981 | 42,510 | 40,329 | 40,758 | 42,280 |
| 9 *Other foreigners* | *8,913* | *10,701* | *13,569* | *15,673* | *15,729* | *15,964* | *16,083* | *16,209* | *16,273* | *16,330* |
| 10 Short-term, reported by banks in the United States[2] | 8,415 | 10,000 | 12,592 | 14,046 | 14,038 | 14,196 | 14,325 | 14,391 | 14,347 | 14,383 |
| 11 Marketable U.S. Treasury bonds and notes[3,7] | 498 | 701 | 977 | 1,627 | 1,691 | 1,768 | 1,758 | 1,818 | 1,926 | 1,947 |
| 12 **Nonmonetary international and regional organization**[8] | **3,322** | **5,623** | **8,483** | **7,414** | **7,396** | **7,633** | **7,645** | **7,701** | **7,598** | **7,915** |
| 13 Short-term, reported by banks in the United States[2] | 3,171 | 5,292 | 5,450 | 3,555 | 3,396 | 3,258 | 2,898 | 3,248 | 2,697 | 3,160 |
| 14 Marketable U.S. Treasury bonds and notes[3] | 151 | 331 | 3,033 | 3,859 | 4,000 | 4,375 | 4,746 | 4,453 | 4,901 | 4,755 |

1 Includes Bank for International Settlements.
2 Includes Treasury bills as shown in Table 3.15.
3 Derived by applying reported transactions to benchmark data.
4 Excludes notes issued to foreign official nonreserve agencies.
5 Includes long-term liabilities reported by banks in the United States and debt securities of U.S. Federally sponsored agencies and U.S. corporations.
6 Includes short-term liabilities payable in 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.

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, noninterest-bearing special U.S. notes held by nonmonetary international and regional organizations.

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

Millions of dollars, end of period

| Area | 1974 | 1975 | 1976 | 1977 Sept. | 1977 Oct. | 1977 Nov | 1977 Dec. | 1978 Jan. | 1978 Feb.[p] | 1978 Mar.[p] |
|---|---|---|---|---|---|---|---|---|---|---|
| 1 **Total** | **76,823** | **80,712** | **91,975** | **111,208** | **117,057** | **123,142** | **126,032** | **129,782** | **132,651** | **140,545** |
| 2 Western Europe[1] | 44,328 | 45,701 | 45,882 | 60,724 | 65.039 | 68,147 | 70,707 | 72,557 | 74,401 | 76,219 |
| 3 Canada | 3,662 | 3,132 | 3,406 | 2,508 | 1,863 | 1,919 | 2,334 | 2,078 | 1,389 | 1,633 |
| 4 Latin American republics | 4,419 | 4,450 | 4,906 | 4,466 | 4,269 | 4,843 | 4,633 | 4,562 | 5,103 | 5,709 |
| 5 Asia | 18,627 | 22,551 | 34,108 | 40,333 | 42,700 | 45,450 | 45,676 | 48,084 | 49,154 | 54,187 |
| 6 Africa | 3,160 | 2,983 | 1,893 | 2,144 | 2,027 | 1,792 | 1,742 | 1,706 | 1,899 | 1,769 |
| 7 Other countries[2] | 2,627 | 1,895 | 1,780 | 1,033 | 1,159 | 991 | 940 | 795 | 705 | 1,028 |

1 Includes Bank for International Settlements.
2 Includes countries in Oceania and Eastern Europe, and Western European dependencies in Latin America.

NOTE.—Data represent breakdown by area of line 3, Table 3.13.

## 2.16 GROSS NATIONAL PRODUCT AND INCOME

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

| | Account | 1975 | 1976 | 1977 | 1976 | 1977 | | | | 1978 |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Q4 | Q1 | Q2 | Q3 | Q4 | Q1[p] |
| | | Gross national product | | | | | | | | |
| 1 | **Total** | **1,528.8** | **1,706.5** | **1,889.6** | **1,755.4** | **1,810.8** | **1,869.9** | **1,915.9** | **1,961.8** | **1,992.9** |
| | By source: | | | | | | | | | |
| 2 | *Personal consumption expenditures* | *980.4* | *1,094.0* | *1,211.2* | *1,139.0* | *1,172.4* | *1,194.0* | *1,218.9* | *1,259.5* | *1,284.0* |
| 3 | Durable goods | 132.9 | 158.9 | 179.8 | 166.3 | 177.0 | 178.6 | 177.6 | 186.0 | 184.0 |
| 4 | Nondurable goods | 409.3 | 442.7 | 480.7 | 458.8 | 466.6 | 474.4 | 481.8 | 499.9 | 505.8 |
| 5 | Services | 438.2 | 492.3 | 550.7 | 513.9 | 528.8 | 541.1 | 559.5 | 573.7 | 594.3 |
| 6 | *Gross private domestic investment* | *189.1* | *243.3* | *294.2* | *243.4* | *271.8* | *294.9* | *303.6* | *306.7* | *314.4* |
| 7 | Fixed investment | 200.6 | 230.0 | 276.1 | 244.3 | 258.0 | 273.2 | 280.0 | 293.2 | 297.9 |
| 8 | *Nonresidential* | *149.1* | *161.9* | *185.1* | *167.6* | *177.0* | *182.4* | *187.5* | *193.5* | *197.7* |
| 9 | Structures | 52.9 | 55.8 | 61.5 | 57.0 | 57.9 | 61.0 | 62.6 | 64.5 | 65.1 |
| 10 | Producers' durable equipment | 96.3 | 106.1 | 123.6 | 110.6 | 119.2 | 121.4 | 124.9 | 129.0 | 132.6 |
| 11 | Residential structures | 51.5 | 68.0 | 91.0 | 76.7 | 81.0 | 90.8 | 92.5 | 99.7 | 100.2 |
| 12 | Nonfarm | 49.5 | 65.7 | 88.4 | 74.3 | 78.5 | 88.2 | 89.9 | 97.1 | 97.4 |
| 13 | Change in business inventories | −11.5 | 13.3 | 18.2 | −.9 | 13.8 | 21.7 | 23.6 | 13.5 | 16.5 |
| 14 | Nonfarm | −15.1 | 14.9 | 17.1 | 1.4 | 14.1 | 22.4 | 23.1 | 9.0 | 15.5 |
| 15 | *Net exports of goods and services* | *[c]20.4* | *7.8* | *−10.9* | *3.0* | *−8.2* | *−9.7* | *−7.5* | *−18.2* | *−22.6* |
| 16 | Exports | 147.3 | 162.9 | 174.7 | 168.5 | 170.4 | 178.1 | 179.9 | 170.6 | 178.3 |
| 17 | Imports | 126.9 | 155.1 | 185.6 | 165.6 | 178.6 | 187.7 | 187.4 | 188.8 | 200.8 |
| 18 | *Govt. purchases of goods and services* | *338.9* | *361.4* | *395.0* | *370.0* | *374.9* | *390.6* | *400.9* | *413.8* | *417.1* |
| 19 | Federal | 123.3 | 130.1 | 145.4 | 134.2 | 136.3 | 143.6 | 148.1 | 153.8 | 153.1 |
| 20 | State and local | 215.6 | 231.2 | 249.6 | 235.8 | 238.5 | 247.0 | 252.9 | 260.0 | 264.1 |
| | By major type of product: | | | | | | | | | |
| 21 | Final sales, total | 1,540.3 | 1,693.1 | 1,871.4 | 1,756.3 | 1,797.0 | 1,848.2 | 1,892.2 | 1,948.2 | 1,976.4 |
| 22 | *Goods* | *686.2* | *764.2* | *834.7* | *774.7* | *805.9* | *827.1* | *843.5* | *862.5* | *864.9* |
| 23 | Durable goods | 258.2 | 303.4 | 341.3 | 312.6 | 334.4 | 341.0 | 342.3 | 347.6 | 352.2 |
| 24 | Nondurable | 428.0 | 460.9 | 493.4 | 460.6 | 471.5 | 486.1 | 501.2 | 514.9 | 512.6 |
| 25 | Services | 699.2 | 782.0 | 867.4 | 813.8 | 833.7 | 855.3 | 881.6 | 898.8 | 929.2 |
| 26 | Structures | 143.5 | 160.2 | 187.5 | 166.9 | 171.2 | 187.5 | 190.7 | 200.4 | 198.9 |
| 27 | Change in business inventories | −11.5 | 13.3 | 18.2 | −.9 | 13.8 | 21.7 | 23.6 | 13.5 | 16.5 |
| 28 | Durable goods | −9.2 | 4.1 | 9.1 | .6 | 7.8 | 11.5 | 10.3 | 6.8 | 13.9 |
| 29 | Nondurable goods | −2.2 | 9.3 | 9.1 | −3.1 | 6.0 | 10.2 | 13.4 | 6.8 | 2.6 |
| 30 | **MEMO: Total GNP in 1972 dollars** | **1,202.1** | **1,274.7** | **1,337.3** | **1,287.4** | **1,311.0** | **1,330.7** | **1,347.4** | **1,360.2** | **1,358.3** |
| | | National income | | | | | | | | |
| 31 | **Total** | **1,217.0** | **1,364.1** | **1,520.5** | **1,402.1** | **1,450.2** | **1,505.7** | **1,540.5** | **[r]1,585.7** | ......... |
| 32 | Compensation of employees | 930.3 | 1,036.3 | 1,156.3 | 1,074.2 | 1,109.9 | 1,144.7 | 1,167.4 | 1,203.3 | 1,242.5 |
| 33 | *Wages and salaries* | *805.7* | *891.8* | *990.0* | *923.2* | *951.3* | *980.9* | *998.9* | *1,029.1* | *1,057.4* |
| 34 | Government and Government enterprises | 175.4 | 187.2 | 199.9 | 192.5 | 194.8 | 197.2 | 200.6 | 206.9 | 209.9 |
| 35 | Other | 630.3 | 704.6 | 790.1 | 730.7 | 756.4 | 783.6 | 798.3 | 822.2 | 847.5 |
| 36 | *Supplement to wages and salaries* | *124.6* | *144.5* | *166.3* | *150.9* | *158.6* | *163.8* | *168.5* | *174.3* | *185.1* |
| 37 | Employer contributions for social insurance | 59.8 | 68.6 | 77.7 | 70.9 | 75.4 | 77.1 | 78.2 | 80.2 | 87.4 |
| 38 | Other labor income | 64.9 | 75.9 | 88.6 | 80.0 | 83.2 | 86.7 | 90.3 | 94.0 | 97.8 |
| 39 | *Proprietors' income*[1] | *86.0* | *88.0* | *98.2* | *88.7* | *95.1* | *97.0* | *95.5* | *105.0* | *102.4* |
| 40 | Business and professional[1] | 62.8 | 69.4 | 78.5 | 72.0 | 74.3 | 77.3 | 80.0 | 82.4 | 82.8 |
| 41 | Farm[1] | 23.2 | 18.6 | 19.7 | 16.6 | 20.7 | 19.7 | 15.5 | 22.7 | 19.7 |
| 42 | Rental income of persons[2] | 22.3 | 23.3 | 25.3 | 24.1 | 24.5 | 24.9 | 25.5 | 26.4 | 26.9 |
| 43 | Corporate profits[1] | 99.3 | 128.1 | [r]139.9 | 123.1 | 125.4 | 140.2 | 149.0 | [r]144.8 | ......... |
| 44 | Profits before tax[3] | 123.5 | 156.9 | [r]171.7 | 154.8 | 161.7 | 174.0 | 172.8 | [r]178.3 | ......... |
| 45 | Inventory valuation adjustment | −12.0 | −14.1 | −14.6 | −16.9 | −20.6 | −17.8 | −5.9 | −14.1 | −24.6 |
| 46 | Capital consumption adjustment | −12.2 | −14.7 | −17.2 | −14.8 | −15.6 | −15.9 | −17.9 | −19.4 | −20.6 |
| 47 | Net interest | 79.1 | 88.4 | 100.9 | 92.0 | 95.3 | 98.9 | 103.1 | 106.1 | 109.4 |

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).

## 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 | 1974 | 1975 | 1976 | 1977 | | | | 1978 | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Sept. | Oct. | Nov. | Dec. | Jan. | Feb.p | Mar.p |
| 1 **All foreigners, excluding the International Monetary Fund** | **94,771** | **94,338** | **108,990** | **114,820** | **116,024** | **117,649** | **124,260** | **124,482** | **128,273** | **137,335** |
| 2 *Payable in dollars* | *94,004* | *93,781* | *108,266* | *114,075* | *115,260* | *116,817* | *123,449* | *123,765* | *127,500* | *136,480* |
| Deposits: | | | | | | | | | | |
| 3 Demand | 14,051 | 13,564 | 16,803 | 16,893 | 16,895 | 16,461 | 18,967 | 17,377 | 17,675 | 17,167 |
| 4 Time[1] | 9,907 | 10,250 | 11,316 | 11,601 | 11,515 | 11,372 | 11,521 | 11,518 | 12,054 | 11,297 |
| 5 U.S. Treasury bills and certificates[2] | 35,662 | 37,414 | 40,744 | 43,207 | 44,700 | 47,130 | 48,906 | 51,094 | 54,233 | 61,077 |
| 6 Other short-term liabilities[3] | 34,384 | 32,552 | 39,403 | 42,373 | 42,150 | 41,854 | 44,054 | 43,776 | 43,539 | 46,939 |
| 7 *Payable in foreign currencies* | *766* | *558* | *724* | *745* | *764* | *832* | *812* | *717* | *772* | *854* |
| 8 **Nonmonetary international and regional organizations[4]** | **3,171** | **5,293** | **5,450** | **3,555** | **3,396** | **3,258** | **2,899** | **3,248** | **2,696** | **3,159** |
| 9 *Payable in dollars* | *3,171* | *5,284* | *5,445* | *3,523* | *3,376* | *3,237* | *2,889* | *3,237* | *2,687* | *3,155* |
| Deposits: | | | | | | | | | | |
| 10 Demand | 139 | 139 | 290 | 214 | 173 | 173 | 231 | 186 | 180 | 245 |
| 11 Time[1] | 111 | 148 | 205 | 134 | 140 | 142 | 139 | 129 | 120 | 129 |
| 12 U.S. Treasury bills and certificates | 497 | 2,554 | 2,701 | 1,875 | 802 | 767 | 706 | 959 | 1,111 | 1,317 |
| 13 Other short-term liabilities[5] | 2,424 | 2,443 | 2,250 | 1,300 | 2,261 | 2,155 | 1,813 | 1,963 | 1,277 | 1,464 |
| 14 *Payable in foreign currencies* | ....... | *8* | *5* | *32* | *20* | *20* | *11* | *11* | *9* | *4* |
| 15 **Official institutions, banks, and other foreigners** | **91,600** | **89,046** | **103,540** | **111,265** | **112,628** | **114,391** | **121,361** | **121,234** | **125,576** | **134,175** |
| 16 *Payable in dollars* | *90,834* | *88,496* | *102,821* | *110,552* | *111,884* | *113,579* | *120,560* | *120,528* | *124,813* | *133,325* |
| Deposits: | | | | | | | | | | |
| 17 Demand | 13,912 | 13,426 | 16,513 | 16,679 | 16,722 | 16,288 | 18,736 | 17,191 | 17,495 | 16,922 |
| 18 Time[1] | 9,796 | 10,119 | 11,142 | 11,468 | 11,375 | 11,229 | 11,382 | 11,390 | 11,934 | 11,168 |
| 19 U.S. Treasury bills and certificates[2] | 35,165 | 34,860 | 38,042 | 41,331 | 43,898 | 46,364 | 48,200 | 50,135 | 53,122 | 59,759 |
| 20 Other short-term liabilities[3] | 31,961 | 30,092 | 37,123 | 41,073 | 39,889 | 39,699 | 42,242 | 41,813 | 42,262 | 45,475 |
| 21 *Payable in foreign currencies* | *766* | *549* | *719* | *713* | *744* | *812* | *801* | *706* | *763* | *850* |
| 22 **Official institutions[6]** | **53,079** | **49,530** | **53,619** | **56,805** | **59,835** | **62,214** | **64,527** | **66,514** | **70,471** | **77,512** |
| 23 *Payable in dollars* | *52,952* | *49,530* | *53,619* | *56,805* | *59,835* | *62,214* | *64,527* | *66,514* | *70,471* | *77,512* |
| Deposits: | | | | | | | | | | |
| 24 Demand | 2,951 | 2,644 | 3,394 | 3,133 | 2,990 | 2,557 | 3,528 | 2,673 | 2,782 | 2,804 |
| 25 Time[1] | 4,167 | 3,423 | 2,321 | 1,987 | 1,903 | 1,848 | 1,797 | 1,788 | 2,532 | 1,718 |
| 26 U.S. Treasury bills and certificates[2] | 34,656 | 34,199 | 37,725 | 40,802 | 43,424 | 45,849 | 47,820 | 49,752 | 52,689 | 59,307 |
| 27 Other short-term liabilities[5] | 11,178 | 9,264 | 10,179 | 10,882 | 11,518 | 11,960 | 11,382 | 12,301 | 12,468 | 13,682 |
| 28 *Payable in foreign currencies* | *127* | ....... | ....... | ....... | ....... | ....... | ....... | ....... | ....... | ....... |
| 29 **Banks and other foreigners** | **38,520** | **39,515** | **49,921** | **54,461** | **52,793** | **52,177** | **56,834** | **54,721** | **55,105** | **56,663** |
| 30 *Payable in dollars* | *37,881* | *38,966* | *49,202* | *53,747* | *52,049* | *51,365* | *56,033* | *54,014* | *54,342* | *55,813* |
| 31 Banks[7] | 29,467 | 28,966 | 36,610 | 39,701 | 38,011 | 37,169 | 41,708 | 39,622 | 39,994 | 41,430 |
| Deposits: | | | | | | | | | | |
| 32 Demand | 8,231 | 7,534 | 9,104 | 9,676 | 9,677 | 9,666 | 10,933 | 10,274 | 10,570 | 10,118 |
| 33 Time[1] | 1,885 | 1,873 | 2,297 | 1,842 | 1,858 | 1,805 | 2,040 | 1,995 | 1,876 | 1,796 |
| 34 U.S. Treasury bills and certificates | 232 | 335 | 119 | 125 | 127 | 141 | 141 | 152 | 165 | 161 |
| 35 Other short-term liabilities[3] | 19,119 | 19,224 | 25,089 | 28,057 | 26,349 | 25,557 | 28,595 | 27,202 | 27,383 | 29,354 |
| 36 Other foreigners | 8,414 | 10,000 | 12,592 | 14,046 | 14,037 | 14,196 | 14,325 | 14,392 | 14,348 | 14,383 |
| Deposits: | | | | | | | | | | |
| 37 Demand | 2,729 | 3,248 | 4,015 | 3,870 | 4,055 | 4,065 | 4,275 | 4,245 | 4,143 | 4,000 |
| 38 Time[1] | 3,744 | 4,823 | 6,524 | 7,638 | 7,614 | 7,576 | 7,546 | 7,606 | 7,526 | 7,654 |
| 39 U.S. Treasury bills and certificates | 277 | 325 | 198 | 404 | 346 | 373 | 240 | 231 | 268 | 291 |
| 40 Other short-term liabilities[5] | 1,664 | 1,604 | 1,854 | 2,133 | 2,022 | 2,182 | 2,265 | 2,310 | 2,411 | 2,438 |
| 41 *Payable in foreign currencies* | *639* | *549* | *719* | *713* | *744* | *812* | *801* | *706* | *763* | *850* |

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."

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 | 1974 | 1975 | 1976 | 1977 | | | | 1978 | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Sept. | Oct. | Nov. | Dec. | Jan. | Feb.p | Mar.p |
| 1 **Total** | **94,771** | **94,338** | **108,990** | **114,820** | **116,024** | **117,649** | **124,260** | **124,482** | **128,273** | **137,335** |
| 2 **Foreign countries** | **91,600** | **89,046** | **103,540** | **111,265** | **112,628** | **114,391** | **121,361** | **121,234** | **125,576** | **134,175** |
| 3 *Europe* | *48,813* | *43,988* | *46,938* | *51,457* | *52,910* | *54,369* | *60,052* | *59,407* | *60,798* | *63,586* |
| 4 Austria | 607 | 754 | 348 | 448 | 410 | 375 | 319 | 302 | 302 | 420 |
| 5 Belgium-Luxembourg | 2,506 | 2,898 | 2,275 | 2,667 | 2,736 | 2,662 | 2,547 | 2,680 | 2,796 | 3,041 |
| 6 Denmark | 369 | 332 | 363 | 1,172 | 1,250 | 1,264 | 771 | 1,045 | 1,051 | 1,046 |
| 7 Finland | 266 | 391 | 422 | 248 | 232 | 263 | 330 | 302 | 315 | 363 |
| 8 France | 4,287 | 7,733 | 4,875 | 4,799 | 5,006 | 4,683 | 5,248 | 5,141 | 4,660 | 5,026 |
| 9 Germany | 9,429 | 4,357 | 5,965 | 4,289 | 5,280 | 5,580 | 7,030 | 8,599 | 10,366 | 11,313 |
| 10 Greece | 248 | 284 | 403 | 629 | 648 | 643 | 603 | 538 | 547 | 570 |
| 11 Italy | 2,577 | 1,072 | 3,206 | 5,792 | 6,320 | 6,778 | 6,862 | 6,207 | 5,952 | 5,637 |
| 12 Netherlands | 3,234 | 3,411 | 3,007 | 3,216 | 3,088 | 2,996 | 2,876 | 2,951 | 3,050 | 3,139 |
| 13 Norway | 1,040 | 996 | 785 | 1,190 | 1,023 | 641 | 949 | 988 | 890 | 1,212 |
| 14 Portugal | 310 | 195 | 239 | 173 | 191 | 266 | 273 | 205 | 188 | 174 |
| 15 Spain | 382 | 426 | 561 | 723 | 724 | 647 | 609 | 703 | 645 | 714 |
| 16 Sweden | 1,138 | 2,286 | 1,693 | 2,483 | 2,734 | 3,136 | 2,718 | 2,718 | 2,832 | 2,817 |
| 17 Switzerland | 10,139 | 8,514 | 9,458 | 9,923 | 9,757 | 9,884 | 12,390 | 12,106 | 12,748 | 13,617 |
| 18 Turkey | 152 | 118 | 166 | 93 | 106 | 118 | 130 | 187 | 172 | 130 |
| 19 United Kingdom | 7,584 | 6,886 | 10,004 | 11,427 | 11,096 | 12,119 | 14,035 | 12,484 | 11,856 | 12,104 |
| 20 Yugoslavia | 183 | 126 | 188 | 119 | 130 | 171 | 232 | 219 | 195 | 138 |
| 21 Other Western Europe[1] | 4,073 | 2,970 | 2,672 | 1,839 | 1,948 | 1,910 | 1,799 | 1,781 | 1,960 | 1,865 |
| 22 U.S.S.R. | 82 | 40 | 51 | 53 | 68 | 66 | 99 | 68 | 98 | 72 |
| 23 Other Eastern Europe | 206 | 200 | 255 | 173 | 162 | 167 | 234 | 184 | 173 | 191 |
| 24 *Canada* | *3,520* | *3,076* | *4,784* | *4,492* | *4,913* | *4,686* | *4,668* | *5,351* | *4,788* | *4,595* |
| 25 *Latin America* | *11,754* | *14,942* | *19,026* | *24,478* | *22,354* | *22,417* | *23,575* | *23,149* | *24,167* | *25,223* |
| 26 Argentina | 886 | 1,147 | 1,538 | 2,187 | 2,421 | 2,594 | 1,466 | 1,796 | 1,978 | 1,860 |
| 27 Bahamas | 1,054 | 1,827 | 2,750 | 5,940 | 3,769 | 3,409 | 3,534 | 3,082 | 3,689 | 4,132 |
| 28 Brazil | 1,034 | 1,227 | 1,432 | 1,101 | 1,055 | 935 | 1,389 | 1,106 | 970 | 1,320 |
| 29 Chile | 276 | 317 | 335 | 342 | 340 | 322 | 359 | 386 | 411 | 415 |
| 30 Colombia | 305 | 417 | 1,017 | 1,156 | 1,182 | 1,152 | 1,213 | 1,218 | 1,199 | 1,282 |
| 31 Cuba | 7 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 7 | 8 |
| 32 Mexico | 1,770 | 2,066 | 2,848 | 2,823 | 2,741 | 2,850 | 2,802 | 2,906 | 3,002 | 2,706 |
| 33 Panama | 510 | 1,099 | 1,140 | 947 | 946 | 986 | 2,302 | 2,170 | 2,101 | 2,113 |
| 34 Peru | 272 | 244 | 257 | 288 | 259 | 235 | 286 | 264 | 266 | 261 |
| 35 Uruguay | 165 | 172 | 245 | 245 | 226 | 258 | 242 | 229 | 279 | 227 |
| 36 Venezuela | 3,413 | 3,289 | 3,095 | 3,037 | 3,212 | 3,780 | 2,913 | 3,001 | 3,231 | 3,422 |
| 37 Other Latin American republics | 1,316 | 1,494 | 2,081 | 2,320 | 2,199 | 2,140 | 2,473 | 2,369 | 2,493 | 2,813 |
| 38 Netherlands Antilles[2] | 158 | 129 | 140 | 169 | 156 | 184 | 188 | 187 | 185 | 189 |
| 39 Other Latin America | 589 | 1,507 | 2,142 | 3,916 | 3,840 | 3,566 | 4,401 | 4,428 | 4,357 | 4,476 |
| 40 *Asia* | *21,130* | *21,539* | *28,472* | *26,463* | *28,165* | *28,948* | *29,219* | *29,697* | *32,159* | *36,854* |
| 41 China, People's Republic of (Mainland) | 50 | 123 | 47 | 44 | 48 | 52 | 53 | 54 | 48 | 56 |
| 42 China, Republic of (Taiwan) | 818 | 1,025 | 989 | 924 | 899 | 926 | 1,012 | 1,040 | 994 | 1,026 |
| 43 Hong Kong | 530 | 623 | 892 | 1,153 | 993 | 971 | 1,091 | 1,033 | 1,118 | 1,157 |
| 44 India | 261 | 126 | 648 | 850 | 886 | 980 | 975 | 1,025 | 1,011 | 957 |
| 45 Indonesia | 1,221 | 369 | 340 | 453 | 905 | 739 | 406 | 892 | 502 | 487 |
| 46 Israel | 389 | 386 | 391 | 416 | 465 | 490 | 558 | 460 | 453 | 484 |
| 47 Japan | 10,931 | 10,218 | 14,380 | 11,444 | 13,272 | 14,835 | 14,634 | 14,507 | 17,044 | 21,756 |
| 48 Korea | 384 | 390 | 437 | 600 | 596 | 572 | 601 | 605 | 737 | 681 |
| 49 Philippines | 747 | 698 | 627 | 559 | 630 | 603 | 696 | 668 | 616 | 643 |
| 50 Thailand | 333 | 252 | 275 | 264 | 271 | 251 | 262 | 256 | 307 | 314 |
| 51 Middle East oil-exporting countries[3] | 4,623 | 6,461 | 8,073 | 8,527 | 7,933 | 7,365 | 7,679 | 7,978 | 8,142 | 8,000 |
| 52 Other | 845 | 867 | 1,372 | 1,230 | 1,267 | 1,164 | 1,252 | 1,178 | 1,187 | 1,292 |
| 53 *Africa* | *3,551* | *3,373* | *2,300* | *3,023* | *2,786* | *2,560* | *2,532* | *2,503* | *2,643* | *2,469* |
| 54 Egypt | 103 | 343 | 333 | 484 | 393 | 331 | 404 | 346 | 357 | 341 |
| 55 Morocco | 38 | 68 | 88 | 68 | 61 | 31 | 66 | 100 | 79 | 51 |
| 56 South Africa | 130 | 169 | 143 | 208 | 232 | 240 | 175 | 192 | 252 | 185 |
| 57 Zaire | 84 | 63 | 35 | 36 | 33 | 30 | 39 | 41 | 50 | 45 |
| 58 Oil-exporting countries[4] | 2,814 | 2,239 | 1,116 | 1,564 | 1,403 | 1,214 | 1,154 | 1,178 | 1,264 | 1,225 |
| 59 Other | 383 | 491 | 585 | 664 | 664 | 715 | 694 | 645 | 640 | 621 |
| 60 *Other countries* | *2,831* | *2,128* | *2,019* | *1,352* | *1,500* | *1,411* | *1,314* | *1,128* | *1,022* | *1,449* |
| 61 Australia | 2,742 | 2,014 | 1,911 | 1,206 | 1,348 | 1,269 | 1,154 | 937 | 875 | 1,243 |
| 62 All other | 89 | 114 | 108 | 146 | 152 | 142 | 161 | 190 | 147 | 205 |
| 63 **Nonmonetary international and regional organizations** | **3,171** | **5,293** | **5,450** | **3,555** | **3,396** | **3,258** | **2,899** | **3,248** | **2,696** | **3,159** |
| 64 International | 2,900 | 5,064 | 5,091 | 3,186 | 3,079 | 2,922 | 2,636 | 2,998 | 2,435 | 2,966 |
| 65 Latin American regional | 202 | 187 | 136 | 157 | 134 | 128 | 98 | 79 | 73 | 63 |
| 66 Other regional[5] | 69 | 42 | 223 | 212 | 183 | 208 | 165 | 171 | 189 | 130 |

For notes see bottom of p. A59.

## 3.17 SHORT-TERM LIABILITIES TO FOREIGNERS Reported by Banks in the United States
Supplemental "Other" Countries [1]

Millions of dollars, end of period

| | Area and country | 1975 | 1976 | | 1977 | |
|---|---|---|---|---|---|---|
| | | Dec. | Apr. | Dec. | Apr. | Dec. |
| | **Other Western Europe** | | | | | |
| 1 | Cyprus | 6 | 38 | 69 | 58 | 62 |
| 2 | Iceland | 33 | 30 | 40 | 32 | 19 |
| 3 | Ireland, Republic of | 75 | 43 | 237 | 131 | ...... |
| | **Other Eastern Europe** | | | | | |
| 4 | Bulgaria | 19 | 14 | 34 | 11 | 34 |
| 5 | Czechoslovakia | 32 | 11 | 21 | 31 | 46 |
| 6 | German Democratic Republic | 17 | 3 | 11 | 24 | 15 |
| 7 | Hungary | 13 | 11 | 19 | 16 | 17 |
| 8 | Poland | 66 | 74 | 77 | 64 | 65 |
| 9 | Rumania | 44 | 29 | 19 | 23 | 51 |
| | **Other Latin American republics** | | | | | |
| 10 | Bolivia | 110 | 117 | 133 | 135 | 157 |
| 11 | Costa Rica | 124 | 134 | 146 | 170 | 175 |
| 12 | Dominican Republic | 169 | 170 | 275 | 280 | 326 |
| 13 | Ecuador | 120 | 150 | 319 | 311 | 329 |
| 14 | El Salvador | 171 | 212 | 178 | 214 | 227 |
| 15 | Guatemala | 260 | 368 | 409 | 392 | 513 |
| 16 | Haiti | 38 | 48 | 47 | 68 | 57 |
| 17 | Honduras | 99 | 137 | 137 | 210 | 152 |
| 18 | Jamaica | 41 | 59 | 35 | 43 | 32 |
| 19 | Nicaragua | 133 | 158 | 120 | 133 | 165 |
| 20 | Paraguay | 43 | 50 | 49 | 60 | 59 |
| 21 | Surinam [2] | ...... | 13 | 30 | 17 | 14 |
| 22 | Trinidad and Tobago | 131 | 44 | 167 | 85 | 202 |
| | **Other Latin America:** | | | | | |
| 23 | Bermuda | 170 | 197 | 177 | 199 | 237 |
| 24 | British West Indies | 1,311 | 2,284 | 1,874 | 2,434 | 4,142 |

| | Area and country | 1975 | 1976 | | 1977 | |
|---|---|---|---|---|---|---|
| | | Dec. | Apr. | Dec. | Apr. | Dec. |
| | **Other Asia** | | | | | |
| 25 | Afghanistan | 41 | 57 | 57 | 90 | 112 |
| 26 | Bangladesh | 54 | 44 | 54 | 55 | 51 |
| 27 | Burma | 31 | 34 | 13 | 9 | ...... |
| 28 | Cambodia | 4 | 3 | 4 | 12 | ...... |
| 29 | Jordan | 39 | 23 | 37 | 23 | 31 |
| 30 | Laos | 2 | 2 | 1 | 3 | 1 |
| 31 | Lebanon | 117 | 132 | 140 | 133 | 143 |
| 32 | Malaysia | 77 | 130 | 396 | 511 | 157 |
| 33 | Nepal | 28 | 34 | 33 | 35 | 49 |
| 34 | Pakistan | 74 | 92 | 189 | 135 | 253 |
| 35 | Singapore | 256 | 344 | 280 | 300 | 295 |
| 36 | Sri Lanka (Ceylon) | 13 | 10 | 23 | 27 | 26 |
| 37 | Vietnam | 62 | 66 | 66 | 50 | 59 |
| | **Other Africa** | | | | | |
| 38 | Ethiopia (incl. Eritrea) | 60 | 72 | 41 | 48 | 42 |
| 39 | Ghana | 23 | 45 | 27 | 37 | 35 |
| 40 | Ivory Coast | 18 | 17 | 10 | 26 | 65 |
| 41 | Kenya | 19 | 39 | 46 | 185 | 46 |
| 42 | Liberia | 53 | 63 | 77 | 95 | 82 |
| 43 | Southern Rhodesia | 1 | 1 | 1 | 1 | 1 |
| 44 | Sudan | 12 | 17 | 22 | 30 | 30 |
| 45 | Tanzania | 30 | 20 | 48 | 57 | 46 |
| 46 | Tunisia | 29 | 34 | 20 | 15 | 29 |
| 47 | Uganda | 22 | 50 | 43 | 117 | 30 |
| 48 | Zambia | 78 | 14 | 35 | 55 | 22 |
| | **All Other** | | | | | |
| 49 | New Zealand | 42 | 48 | 45 | 75 | 80 |

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

| | Holder, and area or country | 1974 | 1975 | 1976 | 1977 | | | | 1978 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Sept. | Oct. | Nov. | Dec. | Jan. | Feb.p | Mar.p |
| 1 | **Total** | **1,285** | **1,812** | **2,449** | **2,526** | **2,579** | **2,747** | **2,781** | **2,726** | **2,721** | **2,910** |
| 2 | **Nonmonetary international and regional organizations** | **822** | **415** | **269** | **330** | **352** | **352** | **386** | **388** | **418** | **432** |
| 3 | **Foreign countries** | 464 | 1,397 | 2,180 | 2,196 | 2,227 | 2,396 | 2,395 | 2,338 | 2,303 | 2,479 |
| 4 | Official institutions, including central banks | 124 | 931 | 1,337 | 1,074 | 1,089 | 1,313 | 1,296 | 1,226 | 1,201 | 1,176 |
| 5 | Banks, excluding central banks | 261 | 366 | 621 | 713 | 715 | 707 | 716 | 719 | 705 | 749 |
| 6 | Other foreigners | 79 | 100 | 222 | 409 | 422 | 376 | 384 | 393 | 397 | 553 |
| | *Area or country:* | | | | | | | | | | |
| 7 | Europe | 226 | 330 | 570 | 708 | 719 | 704 | 696 | 701 | 679 | 845 |
| 8 | Germany | 146 | 214 | 346 | 307 | 308 | 309 | 307 | 313 | 310 | 321 |
| 9 | United Kingdom | 59 | 66 | 124 | 200 | 205 | 200 | 180 | 176 | 177 | 199 |
| 10 | Canada | 19 | 23 | 29 | 27 | 27 | 26 | 35 | 45 | 44 | 45 |
| 11 | Latin America | 115 | 140 | 248 | 341 | 339 | 330 | 343 | 342 | 351 | 394 |
| 12 | Middle East oil-exporting countries [1] | 94 | 894 | 1,286 | 1,056 | 1,064 | 1,285 | 1,285 | 1,216 | 1,191 | 1,156 |
| 13 | Other Asia | 7 | 8 | 46 | 38 | 53 | 42 | 29 | 29 | 32 | 33 |
| 14 | African oil-exporting countries [2] | * | * | * | * | 1 | 1 | * | * | * | * |
| 15 | Other Africa | 1 | 1 | * | 23 | 22 | 6 | 5 | 5 | 5 | 5 |
| 16 | All other countries | * | * | 1 | 1 | 2 | 1 | 1 | * | * | * |

1 Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).

2 Comprises Algeria, Gabon, Libya, and Nigeria.

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).

4 Comprises Algeria, Gabon, Libya, and Nigeria.

5 Asian, African, and European regional organizations, except BIS, which is included in "Other Western Europe."

## 3.19 SHORT-TERM CLAIMS ON FOREIGNERS Reported by Banks in the United States
### By Country

Millions of dollars, end of period

| | Area and country | 1974 | 1975 | 1976 | 1977 Sept. | 1977 Oct. | 1977 Nov. | 1977 Dec. | 1978 Jan. | 1978 Feb.p | 1978 Mar.p |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | **Total** | **39,056** | **50,231** | **69,237** | **69,125** | **75,104** | **74,726** | **79,915** | **81,492** | **80,512** | **85,542** |
| 2 | **Foreign countries** | **39,055** | **50,229** | **69,232** | **69,114** | **75,094** | **74,714** | **79,906** | **81,482** | **80,510** | **85,533** |
| 3 | *Europe* | *6,255* | *8,987* | *12,220* | *13,352* | *13,767* | *13,019* | *15,458* | *14,594* | *14,775* | *16,057* |
| 4 | Austria | 21 | 15 | 44 | 117 | 75 | 52 | 52 | 95 | 98 | 72 |
| 5 | Belgium-Luxembourg | 384 | 352 | 662 | 558 | 782 | 751 | 793 | 897 | 787 | 812 |
| 6 | Denmark | 46 | 49 | 85 | 140 | 126 | 107 | 130 | 140 | 127 | 121 |
| 7 | Finland | 122 | 128 | 139 | 95 | 111 | 106 | 101 | 104 | 108 | 115 |
| 8 | France | 673 | 1,471 | 1,445 | 1,356 | 1,341 | 1,320 | 1,616 | 1,367 | 1,598 | 1,852 |
| 9 | Germany | 589 | 416 | 517 | 615 | 768 | 645 | 655 | 687 | 663 | 794 |
| 10 | Greece | 64 | 49 | 79 | 103 | 98 | 107 | 94 | 86 | 112 | 119 |
| 11 | Italy | 345 | 370 | 929 | 1,065 | 1,104 | 1,157 | 1,284 | 1,130 | 1,121 | 1,118 |
| 12 | Netherlands | 348 | 300 | 304 | 447 | 304 | 352 | 352 | 373 | 379 | 468 |
| 13 | Norway | 119 | 71 | 98 | 109 | 120 | 122 | 131 | 141 | 162 | 140 |
| 14 | Portugal | 20 | 16 | 65 | 148 | 138 | 120 | 138 | 103 | 117 | 116 |
| 15 | Spain | 196 | 249 | 373 | 346 | 471 | 401 | 414 | 425 | 424 | 416 |
| 16 | Sweden | 180 | 167 | 180 | 139 | 172 | 143 | 169 | 182 | 158 | 127 |
| 17 | Switzerland | 335 | 237 | 485 | 700 | 681 | 614 | 633 | 719 | 840 | 803 |
| 18 | Turkey | 15 | 86 | 176 | 337 | 329 | 344 | 312 | 286 | 272 | 276 |
| 19 | United Kingdom | 2,580 | 4,718 | 6,277 | 6,766 | 6,623 | 6,369 | 8,167 | 7,416 | 7,451 | 8,397 |
| 20 | Yugoslavia | 22 | 38 | 41 | 34 | 28 | 29 | 56 | 42 | 36 | 34 |
| 21 | Other Western Europe | 22 | 27 | 52 | 43 | 259 | 50 | 89 | 127 | 61 | 33 |
| 22 | U.S.S.R. | 46 | 103 | 99 | 89 | 82 | 81 | 100 | 112 | 90 | 77 |
| 23 | Other Eastern Europe | 131 | 127 | 171 | 146 | 155 | 150 | 173 | 162 | 170 | 168 |
| 24 | *Canada* | *2,776* | *2,817* | *3,049* | *3,400* | *3,626* | *3,803* | *3,716* | *4,052* | *4,216* | *4,407* |
| 25 | *Latin America* | *12,377* | *20,532* | *34,270* | *33,142* | *38,051* | *37,890* | *40,377* | *42,975* | *41,425* | *43,762* |
| 26 | Argentina | 720 | 1,203 | 964 | 939 | 1,076 | 1,085 | 1,180 | 1,214 | 1,131 | 1,181 |
| 27 | Bahamas | 3,405 | 7,570 | 15,336 | 13,593 | 18,930 | 18,115 | 19,678 | 22,131 | 21,310 | 22,529 |
| 28 | Brazil | 1,418 | 2,221 | 3,322 | 3,011 | 3,121 | 2,962 | 3,084 | 2,938 | 2,967 | 3,148 |
| 29 | Chile | 290 | 360 | 387 | 431 | 435 | 443 | 507 | 507 | 502 | 502 |
| 30 | Colombia | 713 | 689 | 586 | 528 | 570 | 554 | 573 | 548 | 541 | 480 |
| 31 | Cuba | 14 | 13 | 13 | 13 | 10 | 15 | 10 | 14 | 4 | 3 |
| 32 | Mexico | 1,972 | 2,802 | 3,432 | 3,488 | 3,261 | 3,201 | 2,997 | 2,993 | 2,791 | 2,851 |
| 33 | Panama | 505 | 1,052 | 1,257 | 1,063 | 1,431 | 1,652 | 1,262 | 1,801 | 1,673 | 1,544 |
| 34 | Peru | 518 | 583 | 704 | 785 | 737 | 735 | 769 | 774 | 760 | 767 |
| 35 | Uruguay | 63 | 51 | 38 | 42 | 47 | 60 | 71 | 59 | 56 | 55 |
| 36 | Venezuela | 704 | 1,086 | 1,564 | 1,656 | 1,654 | 1,714 | 1,840 | 1,736 | 1,891 | 1,823 |
| 37 | Other Latin American republics | 852 | 967 | 1,125 | 1,224 | 1,290 | 1,316 | 1,466 | 1,491 | 1,461 | 1,472 |
| 38 | Netherlands Antilles[1] | 62 | 49 | 40 | 75 | 61 | 139 | 86 | 92 | 80 | 106 |
| 39 | Other Latin America | 1,142 | 1,885 | 5,503 | 6,293 | 5,426 | 5,898 | 6,854 | 6,678 | 6,259 | 7,301 |
| 40 | *Asia* | *16,226* | *16,057* | *17,672* | *16,566* | *16,856* | *17,315* | *17,766* | *17,289* | *17,524* | *18,594* |
| 41 | China, People's Republic of (Mainland) | 4 | 22 | 3 | 27 | 20 | 22 | 12 | 14 | 15 | 12 |
| 42 | China, Republic of (Taiwan) | 500 | 736 | 991 | 1,303 | 1,321 | 1,275 | 1,371 | 1,265 | 1,308 | 1,302 |
| 43 | Hong Kong | 223 | 258 | 271 | 360 | 357 | 466 | 465 | 435 | 420 | 497 |
| 44 | India | 14 | 21 | 41 | 59 | 48 | 54 | 35 | 47 | 54 | 80 |
| 45 | Indonesia | 157 | 102 | 76 | 67 | 97 | 60 | 77 | 54 | 64 | 45 |
| 46 | Israel | 255 | 491 | 551 | 304 | 348 | 347 | 441 | 368 | 362 | 351 |
| 47 | Japan | 12,518 | 10,776 | 10,997 | 9,303 | 9,341 | 9,578 | 9,778 | 9,476 | 9,708 | 10,252 |
| 48 | Korea | 955 | 1,561 | 1,714 | 2,001 | 1,998 | 1,876 | 2,070 | 2,208 | 2,066 | 1,844 |
| 49 | Philippines | 372 | 384 | 559 | 477 | 489 | 508 | 470 | 476 | 528 | 554 |
| 50 | Thailand | 458 | 499 | 422 | 617 | 612 | 594 | 616 | 618 | 630 | 641 |
| 51 | Middle East oil-exporting countries[2] | 330 | 524 | 1,312 | 1,340 | 1,531 | 1,783 | 1,583 | 1,525 | 1,570 | 2,035 |
| 52 | Other | 441 | 684 | 735 | 708 | 695 | 752 | 849 | 803 | 795 | 982 |
| 53 | *Africa* | *855* | *1,228* | *1,481* | *1,656* | *1,828* | *1,749* | *1,728* | *1,757* | *1,768* | *1,826* |
| 54 | Egypt | 111 | 101 | 127 | 134 | 155 | 130 | 114 | 122 | 111 | 103 |
| 55 | Morocco | 18 | 9 | 13 | 48 | 44 | 31 | 30 | 48 | 34 | 29 |
| 56 | South Africa | 329 | 545 | 763 | 802 | 881 | 823 | 840 | 868 | 882 | 944 |
| 57 | Zaire | 98 | 34 | 29 | 15 | 7 | 7 | 7 | 8 | 8 | 7 |
| 58 | Oil-exporting countries[3] | 115 | 231 | 253 | 306 | 378 | 358 | 321 | 312 | 360 | 318 |
| 59 | Other | 185 | 308 | 296 | 350 | 362 | 399 | 416 | 400 | 373 | 424 |
| 60 | *Other countries* | *565* | *609* | *540* | *998* | *966* | *939* | *861* | *814* | *802* | *887* |
| 61 | Australia | 466 | 535 | 441 | 863 | 839 | 815 | 743 | 687 | 661 | 725 |
| 62 | All other | 99 | 73 | 99 | 135 | 127 | 124 | 117 | 127 | 141 | 162 |
| 63 | **Nonmonetary international and regional organizations** | * | **1** | **5** | **10** | **9** | **12** | **9** | **10** | **2** | **9** |

1 Includes Surinam until January 1976.
2 Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).
3 Comprises Algeria, Gabon, Libya, and Nigeria.

## 3.20 SHORT-TERM CLAIMS ON FOREIGNERS Reported by Banks in the United States

### By Type of Claim

Millions of dollars, end of period

| | Type | 1974 | 1975 | 1976 | 1977 Sept. | 1977 Oct. | 1977 Nov. | 1977 Dec. | 1978 Jan. | 1978 Feb.[p] | 1978 Mar.[p] |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | **Total** | **39,056** | **50,231** | **69,237** | **69,125** | **75,104** | **74,726** | **79,915** | **81,492** | **80,512** | **85,542** |
| 2 | *Payable in dollars* | *37,859* | *48,888* | *67,592* | *67,375* | *73,104* | *72,849* | *77,813* | *79,361* | *78,442* | *83,470* |
| 3 | *Loans, total* | *11,287* | *13,200* | *18,016* | *18,135* | *18,040* | *17,486* | *19,962* | *18,484* | *18,603* | *21,230* |
| 4 | Official institutions, including central banks | 381 | 613 | 1,448 | 1,007 | 1,085 | 1,048 | 1,019 | 1,101 | 1,093 | 1,023 |
| 5 | Banks, excluding central banks | 7,332 | 7,635 | 10,974 | 11,736 | 11,305 | 11,103 | 12,979 | 11,517 | 11,773 | 14,211 |
| 6 | All other, including nonmonetary international and regional organizations | 3,574 | 4,951 | 5,594 | 5,392 | 5,649 | 5,335 | 5,964 | 5,866 | 5,737 | 5,995 |
| 7 | Collections outstanding | 5,637 | 5,467 | 5,756 | 6,025 | 6,005 | 6,045 | 6,184 | 6,342 | 6,365 | 6,680 |
| 8 | Acceptances made for accounts of foreigners | 11,237 | 11,147 | 12,358 | 13,645 | 13,735 | 13,462 | 14,212 | 13,592 | 13,689 | 13,888 |
| 9 | Other claims[1] | 9,698 | 19,075 | 31,462 | 29,569 | 35,324 | 35,856 | 37,456 | 40,943 | 39,785 | 41,672 |
| 10 | *Payable in foreign currencies* | *1,196* | *1,342* | *1,645* | *1,750* | *2,000* | *1,876* | *2,101* | *2,131* | *2,070* | *2,072* |
| 11 | Deposits with foreigners | 669 | 656 | 1,063 | 840 | 922 | 879 | 941 | 940 | 895 | 902 |
| 12 | Foreign government securities, commercial and finance paper | 289 | 314 | 89 | 265 | 356 | 405 | 454 | 370 | 338 | 407 |
| 13 | Other claims | 238 | 372 | 493 | 645 | 722 | 593 | 707 | 822 | 837 | 764 |

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 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 | 1974 | 1975 | 1976 | 1977 Sept. | 1977 Oct. | 1977 Nov. | 1977 Dec. | 1978 Jan. | 1978 Feb.[p] | 1978 Mar.[p] |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | **Total** | **7,179** | **9,536** | **11,898** | **12,631** | **12,716** | **12,338** | **12,644** | **12,754** | **12,840** | **12,946** |
| | By type: | | | | | | | | | | |
| 2 | *Payable in dollars* | *7,099* | *9,419* | *11,750* | *12,416* | *12,486* | *12,106* | *12,389* | *12,513* | *12,593* | *12,692* |
| 3 | *Loans, total* | *6,490* | *8,316* | *10,093* | *10,609* | *10,760* | *10,421* | *10,671* | *10,822* | *10,870* | *11,055* |
| 4 | Official institutions, including central banks | 1,324 | 1,351 | 1,407 | 1,761 | 1,777 | 1,794 | 1,918 | 1,911 | 1,961 | 1,956 |
| 5 | Banks, excluding central banks | 929 | 1,567 | 2,232 | 2,321 | 2,419 | 2,289 | 2,385 | 2,405 | 2,385 | 2,466 |
| 6 | All other, including nonmonetary international and regional organizations | 4,237 | 5,399 | 6,454 | 6,527 | 6,564 | 6,338 | 6,368 | 6,506 | 6,524 | 6,633 |
| 7 | Other long-term claims | 609 | 1,103 | 1,656 | 1,807 | 1,726 | 1,685 | 1,718 | 1,691 | 1,723 | 1,637 |
| 8 | *Payable in foreign currencies* | *80* | *116* | *148* | *216* | *229* | *232* | *254* | *240* | *247* | *254* |
| | By area or country: | | | | | | | | | | |
| 9 | Europe | 1,908 | 2,704 | 3,328 | 3,707 | 3,664 | 3,402 | 3,484 | 3,436 | 3,429 | 3,370 |
| 10 | Canada | 501 | 555 | 637 | 456 | 461 | 424 | 434 | 425 | 414 | 407 |
| 11 | Latin America | 2,614 | 3,468 | 4,856 | 5,381 | 5,542 | 5,572 | 5,776 | 5,915 | 6,076 | 6,270 |
| 12 | *Asia* | *1,619* | *1,795* | *1,904* | *1,872* | *1,768* | *1,742* | *1,776* | *1,800* | *1,760* | *1,738* |
| 13 | Japan | 258 | 296 | 382 | 359 | 339 | 320 | 317 | 337 | 297 | 304 |
| 14 | Middle East oil-exporting countries[1] | 384 | 220 | 146 | 161 | 173 | 154 | 181 | 193 | 211 | 195 |
| 15 | Other Asia | 977 | 1,279 | 1,376 | 1,353 | 1,257 | 1,268 | 1,277 | 1,270 | 1,251 | 1,239 |
| 16 | *Africa* | *366* | *747* | *890* | *873* | *857* | *850* | *855* | *863* | *848* | *862* |
| 17 | Oil-exporting countries[2] | 62 | 151 | 271 | 221 | 201 | 176 | 190 | 188 | 172 | 177 |
| 18 | Other | 305 | 596 | 619 | 651 | 657 | 674 | 664 | 675 | 677 | 685 |
| 19 | All other countries[3] | 171 | 267 | 282 | 343 | 423 | 348 | 319 | 316 | 313 | 301 |

1 Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).

2 Comprises Algeria, Gabon, Libya, and Nigeria.

3 Includes nonmonetary international and regional organizations.

## 3.22 FOREIGN BRANCHES OF U.S. BANKS Balance Sheet Data

Millions of dollars, end of period

| Asset account | 1974 | 1975 | 1976 Dec. | 1977 Aug. | 1977 Sept. | 1977 Oct. | 1977 Nov. | 1977 Dec.[r] | 1978 Jan. | 1978 Feb.[p] |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | All foreign countries | | | | | |
| 1 **Total, all currencies** | **151,905** | **176,493** | **219,420** | **234,592** | **[r]244,998** | **[r]247,023** | **[r]249,414** | **259,399** | **258,969** | **257,142** |
| 2 *Claims on United States* | *6,900* | *6,743* | *7,889* | *8,192* | *11,914* | *[r]8,233* | *9,074* | *11,764* | *10,012* | *9,530* |
| 3 Parent bank | 4,464 | 3,665 | 4,323 | 4,630 | 8,231 | 4,535 | 5,238 | 7,810 | 5,932 | 5,410 |
| 4 Other | 2,435 | 3,078 | 3,566 | 3,562 | 3,683 | 3,698 | 3,836 | 3,953 | 4,080 | 4,119 |
| 5 *Claims on foreigners* | *138,712* | *163,391* | *204,486* | *218,869* | *[r]225,165* | *[r]230,333* | *[r]231,826* | *238,999* | *239,753* | *238,676* |
| 6 Other branches of parent bank | 27,559 | 34,508 | 45,955 | 48,317 | [r]52,074 | [r]51,903 | [r]54,285 | 56,058 | 55,359 | 54,501 |
| 7 Other banks | 60,283 | 69,206 | 83,765 | 85,533 | [r]87,746 | [r]91,871 | [r]89,213 | 91,884 | 92,214 | 92,278 |
| 8 Official institutions | 4,077 | 5,792 | 10,613 | 13,829 | 14,193 | 14,456 | 14,854 | 14,634 | 15,255 | 15,035 |
| 9 Nonbank foreigners | 46,793 | 53,886 | 64,153 | 71,190 | [r]71,152 | [r]72,103 | [r]73,474 | 76,422 | 76,926 | 76,862 |
| 10 Other assets | 6,294 | 6,359 | 7,045 | 7,530 | 7,919 | [r]8,457 | [r]8,514 | 8,637 | 9,204 | 8,937 |
| 11 **Total payable in U.S. dollars** | **105,969** | **132,901** | **167,695** | **179,034** | **[r]188,181** | **[r]187,511** | **[r]188,405** | **194,279** | **193,284** | **189,777** |
| 12 *Claims on United States* | *6,603* | *6,408* | *7,595* | *7,748* | *11,434* | *7,690* | *[r]8,504* | *11,172* | *9,390* | *8,768* |
| 13 Parent bank | 4,428 | 3,628 | 4,264 | 4,560 | 8,177 | 4,448 | 5,145 | 7,679 | 5,781 | 5,162 |
| 14 Other | 2,175 | 2,780 | 3,332 | 3,188 | 3,257 | [r]3,243 | 3,358 | 3,493 | 3,609 | 3,606 |
| 15 *Claims on foreigners* | *96,209* | *123,496* | *156,896* | *167,716* | *[r]173,212* | *[r]175,858* | *[r]175,785* | *179,103* | *179,417* | *176,854* |
| 16 Other branches of parent bank | 19,688 | 28,478 | 37,909 | 39,995 | 42,983 | 42,963 | [r]44,338 | 44,560 | 43,924 | 42,965 |
| 17 Other banks | 45,067 | 55,319 | 66,331 | 66,826 | [r]68,790 | [r]71,592 | [r]68,925 | 70,787 | 70,520 | 69,657 |
| 18 Official institutions | 3,289 | 4,864 | 9,022 | 12,232 | 12,705 | 12,779 | 12,887 | 12,621 | 13,078 | 13,029 |
| 19 Nonbank foreigners | 28,164 | 34,835 | 43,634 | 48,663 | [r]48,734 | [r]48,794 | [r]49,634 | 51,135 | 51,895 | 51,204 |
| 20 Other assets | 3,157 | 2,997 | 3,204 | 3,570 | 3,535 | 3,963 | 4,117 | 4,004 | 4,478 | 4,155 |
| | | | | | United Kingdom | | | | | |
| 21 **Total, all currencies** | **69,804** | **74,883** | **81,466** | **83,270** | **88,033** | **90,154** | **88,748** | **90,933** | **90,789** | **89,626** |
| 22 *Claims on United States* | *3,248* | *2,392* | *3,354* | *2,307* | *3,422* | *2,729* | *2,955* | *4,341* | *3,701* | *2,577* |
| 23 Parent bank | 2,472 | 1,449 | 2,376 | 1,397 | 2,556 | 1,789 | 2,123 | 3,518 | 2,928 | 1,775 |
| 24 Other | 776 | 943 | 978 | 910 | 866 | 940 | 833 | 823 | 773 | 801 |
| 25 *Claims on foreigners* | *64,111* | *70,331* | *75,859* | *78,607* | *82,154* | *84,766* | *83,331* | *84,016* | *84,346* | *84,393* |
| 26 Other branches of parent bank | 12,724 | 17,557 | 19,753 | 20,015 | 22,363 | 22,178 | 21,476 | 22,017 | 21,427 | 21,114 |
| 27 Other banks | 32,701 | 35,904 | 38,089 | 38,784 | 39,576 | 41,923 | 40,530 | 39,899 | 40,605 | 40,996 |
| 28 Official institutions | 788 | 881 | 1,274 | 1,983 | 1,955 | 2,052 | 2,145 | 2,206 | 2,303 | 2,100 |
| 29 Nonbank foreigners | 17,898 | 15,990 | 16,743 | 17,826 | 18,259 | 18,613 | 19,180 | 19,895 | 20,010 | 20,183 |
| 30 Other assets | 2,445 | 2,159 | 2,253 | 2,355 | 2,458 | 2,659 | 2,462 | 2,576 | 2,742 | 2,656 |
| 31 **Total payable in U.S. dollars** | **49,211** | **57,361** | **61,587** | **62,686** | **66,895** | **67,243** | **65,369** | **66,635** | **65,744** | **63,870** |
| 32 *Claims on United States* | *3,146* | *2,273* | *3,275* | *2,130* | *3,259* | *2,545* | *2,744* | *4,100* | *3,443* | *2,186* |
| 33 Parent bank | 2,468 | 1,445 | 2,374 | 1,348 | 2,527 | 1,748 | 2,062 | 3,431 | 2,815 | 1,558 |
| 34 Other | 678 | 828 | 902 | 781 | 732 | 797 | 682 | 669 | 628 | 628 |
| 35 *Claims on foreigners* | *44,694* | *54,121* | *57,488* | *59,419* | *62,584* | *63,596* | *61,587* | *61,408* | *61,094* | *60,521* |
| 36 Other branches of parent bank | 10,265 | 15,645 | 17,249 | 17,550 | 19,865 | 19,497 | 18,539 | 18,947 | 18,102 | 17,782 |
| 37 Other banks | 23,716 | 28,224 | 28,983 | 29,199 | 29,808 | 31,134 | 29,560 | 28,530 | 28,661 | 28,641 |
| 38 Official institutions | 610 | 648 | 846 | 1,574 | 1,555 | 1,595 | 1,639 | 1,669 | 1,770 | 1,640 |
| 39 Nonbank foreigners | 10,102 | 9,604 | 10,410 | 11,095 | 11,355 | 11,370 | 11,849 | 12,263 | 12,560 | 12,457 |
| 40 Other assets | 1,372 | 967 | 824 | 1,138 | 1,052 | 1,103 | 1,038 | 1,126 | 1,208 | 1,163 |
| | | | | | Bahamas and Caymans | | | | | |
| 41 **Total, all currencies** | **31,733** | **45,203** | **66,774** | **73,284** | **78,430** | **75,962** | **76,769** | **79,053** | **80,040** | **79,662** |
| 42 *Claims on United States* | *2,464* | *3,229* | *3,508* | *4,875* | *7,455* | *4,687* | *5,259* | *5,765* | *4,994* | *5,837* |
| 43 Parent bank | 1,081 | 1,477 | 1,141 | 2,465 | 4,861 | 2,104 | 2,552 | 3,038 | 2,097 | 2,918 |
| 44 Other | 1,383 | 1,752 | 2,367 | 2,410 | 2,595 | 2,583 | 2,707 | 2,728 | 2,897 | 2,919 |
| 45 *Claims on foreigners* | *28,453* | *41,040* | *62,048* | *67,124* | *69,680* | *69,685* | *69,839* | *71,672* | *73,431* | *72,224* |
| 46 Other branches of parent bank | 3,478 | 5,411 | 8,144 | 8,259 | 9,828 | 9,266 | 10,611 | 11,120 | 11,272 | 11,025 |
| 47 Other banks | 11,354 | 16,298 | 25,354 | 25,482 | 26,368 | 27,131 | 25,912 | 27,940 | 28,795 | 28,156 |
| 48 Official institutions | 2,022 | 3,576 | 7,105 | 8,599 | 9,203 | 9,207 | 9,198 | 9,109 | 9,303 | 9,428 |
| 49 Nonbank foreigners | 11,599 | 15,756 | 21,445 | 24,783 | 24,281 | 24,082 | 24,119 | 23,503 | 24,061 | 23,615 |
| 50 Other assets | 815 | 933 | 1,217 | 1,285 | 1,294 | 1,589 | 1,670 | 1,616 | 1,615 | 1,601 |
| 51 **Total payable in U.S. dollars** | **28,726** | **41,887** | **62,705** | **68,192** | **72,932** | **70,415** | **71,728** | **73,988** | **74,790** | **74,233** |

3.22 Continued

| Liability account | 1974 | 1975 | 1976 Dec. | 1977 Aug. | 1977 Sept. | 1977 Oct. | 1977 Nov. | 1977 Dec.r | 1978 Jan. | 1978 Feb.p |
|---|---|---|---|---|---|---|---|---|---|---|
| | All foreign countries | | | | | | | | | |
| 52 **Total, all currencies** | **151,905** | **176,493** | **219,420** | **234,592** | **r244,998** | **r247,023** | **r249,414** | **259,399** | **258,969** | **257,142** |
| 53 *To United States* | *11,982* | *20,221* | *32,719* | *36,360* | *40,328* | *39,952* | *r42,572* | *44,495* | *46,113* | *46,101* |
| 54 Parent bank | 5,809 | 12,165 | 19,773 | 19,438 | 20,073 | 22,706 | 25,037 | 24,882 | 28,636 | 27,304 |
| 55 Other | 6,173 | 8,057 | 12,946 | 16,922 | 20,255 | 17,246 | 17,535 | 19,613 | 17,477 | 18,798 |
| 56 *To foreigners* | *132,990* | *149,815* | *179,954* | *189,743* | *r197,151* | *r198,771* | *r198,866* | *206,496* | *204,435* | *202,935* |
| 57 Other branches of parent bank | 26,941 | 34,111 | 44,370 | 47,221 | r49,963 | r49,903 | 51,511 | 53,157 | 51,882 | 50,861 |
| 58 Other banks | 65,675 | 72,259 | 83,880 | 86,457 | 91,124 | r89,542 | 89,649 | 94,140 | 90,735 | 90,710 |
| 59 Official institutions | 20,185 | 22,773 | 25,829 | 27,776 | 28,014 | 29,888 | 28,667 | 28,110 | 28,677 | 28,840 |
| 60 Nonbank foreigners | 20,189 | 20,672 | 25,877 | 28,289 | r28,050 | r29,437 | r29,038 | 31,088 | 33,140 | 32,524 |
| 61 Other liabilities | 6,933 | 6,456 | 6,747 | 8,488 | r7,519 | r8,300 | r7,977 | 8,408 | 8,421 | 8,106 |
| 62 **Total payable in U.S. dollars** | **107,890** | **135,907** | **173,071** | **183,263** | **r192,943** | **r192,723** | **r193,246** | **199,047** | **198,199** | **194,871** |
| 63 *To United States* | *11,437* | *19,503* | *31,932* | *35,482* | *39,403* | *38,915* | *41,476* | *43,230* | *44,895* | *44,763* |
| 64 Parent bank | 5,641 | 11,939 | 19,559 | 19,168 | 19,759 | 22,398 | 24,745 | 24,562 | 28,333 | 26,993 |
| 65 Other | 5,795 | 7,564 | 12,373 | 16,314 | 19,644 | 16,517 | 16,731 | 18,669 | 16,562 | 17,771 |
| 66 *To foreigners* | *92,503* | *112,879* | *137,612* | *142,684* | *r149,461* | *r149,417* | *r147,566* | *151,285* | *148,851* | *145,852* |
| 67 Other branches of parent bank | 19,330 | 28,217 | 37,098 | 39,483 | r41,793 | r41,543 | r42,681 | 43,191 | 41,802 | 40,684 |
| 68 Other banks | 43,656 | 51,583 | 60,619 | 61,117 | 65,547 | 62,892 | 62,094 | 64,872 | 61,562 | 60,621 |
| 69 Official institutions | 17,444 | 19,982 | 22,878 | 24,481 | 24,695 | 26,366 | 25,113 | 23,972 | 24,546 | 24,443 |
| 70 Nonbank foreigners | 12,072 | 13,097 | 17,017 | 17,604 | r17,427 | r18,616 | r17,679 | 19,250 | 20,940 | 20,103 |
| 71 Other liabilities | 3,951 | 3,526 | 3,527 | 5,097 | 4,079 | 4,391 | 4,204 | 4,532 | 4,454 | 4,256 |
| | United Kingdom | | | | | | | | | |
| 72 **Total, all currencies** | **69,804** | **74,883** | **81,466** | **83,270** | **88,033** | **90,154** | **88,748** | **90,933** | **90,789** | **89,626** |
| 73 *To United States* | *3,978* | *5,646* | *5,997* | *7,933* | *7,922* | *7,310* | *7,237* | *7,753* | *6,008* | *6,785* |
| 74 Parent bank | 510 | 2,122 | 1,198 | 1,611 | 1,425 | 1,364 | 1,375 | 1,451 | 1,253 | 1,550 |
| 75 Other | 3,468 | 3,523 | 4,798 | 6,322 | 6,496 | 5,946 | 5,862 | 6,302 | 4,755 | 5,236 |
| 76 *To foreigners* | *63,409* | *67,240* | *73,228* | *72,848* | *77,580* | *79,837* | *79,087* | *80,736* | *82,160* | *80,331* |
| 77 Other branches of parent bank | 4,762 | 6,494 | 7,092 | 8,395 | 8,934 | 9,187 | 9,491 | 9,376 | 9,999 | 9,037 |
| 78 Other banks | 32,040 | 32,964 | 36,259 | 34,163 | 37,024 | 36,676 | 36,974 | 37,893 | 36,915 | 36,764 |
| 79 Official institutions | 15,258 | 16,553 | 17,273 | 17,366 | 18,553 | 20,366 | 19,555 | 18,318 | 19,309 | 19,580 |
| 80 Nonbank foreigners | 11,349 | 11,229 | 12,605 | 12,923 | 13,070 | 13,608 | 13,066 | 15,149 | 15,937 | 14,950 |
| 81 Other liabilities | 2,418 | 1,997 | 2,241 | 2,488 | 2,532 | 3,007 | 2,424 | 2,445 | 2,621 | 2,509 |
| 82 **Total payable in U.S. dollars** | **49,666** | **57,820** | **63,174** | **63,334** | **67,689** | **68,594** | **66,289** | **67,573** | **66,619** | **65,021** |
| 83 *To United States* | *3,744* | *5,415* | *5,849* | *7,676* | *7,622* | *7,004* | *7,012* | *7,480* | *5,737* | *6,479* |
| 84 Parent bank | 484 | 2,083 | 1,182 | 1,563 | 1,363 | 1,288 | 1,339 | 1,416 | 1,222 | 1,524 |
| 85 Other | 3,261 | 3,332 | 4,666 | 6,113 | 6,259 | 5,716 | 5,673 | 6,063 | 4,515 | 4,955 |
| 86 *To foreigners* | *44,594* | *51,447* | *56,372* | *54,539* | *58,962* | *60,304* | *58,285* | *58,977* | *59,671* | *57,386* |
| 87 Other branches of parent bank | 3,256 | 5,442 | 5,874 | 7,131 | 7,535 | 7,724 | 7,871 | 7,505 | 8,164 | 7,211 |
| 88 Other banks | 20,526 | 23,330 | 25,527 | 23,254 | 25,984 | 25,306 | 24,605 | 25,608 | 24,015 | 23,352 |
| 89 Official institutions | 13,225 | 14,498 | 15,423 | 15,252 | 16,430 | 18,053 | 17,171 | 15,482 | 16,459 | 16,541 |
| 90 Nonbank foreigners | 7,587 | 8,176 | 9,547 | 8,902 | 9,013 | 9,221 | 8,638 | 10,382 | 11,033 | 10,282 |
| 91 Other liabilities | 1,328 | 959 | 953 | 1,119 | 1,105 | 1,286 | 991 | 1,116 | 1,210 | 1,156 |
| | Bahamas and Caymans | | | | | | | | | |
| 92 **Total, all currencies** | **31,733** | **45,203** | **66,774** | **73,284** | **78,430** | **75,962** | **76,769** | **79,053** | **80,040** | **79,662** |
| 93 *To United States* | *4,815* | *11,147* | *22,721* | *24,487* | *28,741* | *28,442* | *30,641* | *32,140* | *35,772* | *35,044* |
| 94 Parent bank | 2,636 | 7,628 | 16,161 | 15,288 | 16,524 | 18,538 | 20,572 | 20,921 | 24,713 | 23,372 |
| 95 Other | 2,180 | 3,520 | 6,560 | 9,198 | 12,218 | 9,905 | 10,069 | 11,219 | 11,060 | 11,672 |
| 96 *To foreigners* | *26,140* | *32,949* | *42,899* | *46,468* | *48,328* | *46,034* | *44,571* | *45,294* | *42,912* | *43,262* |
| 97 Other branches of parent bank | 7,702 | 10,569 | 13,801 | 13,206 | 13,756 | 13,844 | 13,308 | 12,818 | 11,642 | 11,598 |
| 98 Other banks | 14,050 | 16,825 | 21,760 | 23,881 | 26,933 | 23,678 | 23,374 | 24,717 | 22,256 | 22,707 |
| 99 Official institutions | 2,377 | 3,308 | 3,573 | 4,592 | 3,184 | 3,357 | 3,053 | 3,000 | 3,183 | 3,197 |
| 100 Nonbank foreigners | 2,011 | 2,248 | 3,765 | 4,789 | 4,455 | 5,155 | 4,836 | 4,759 | 5,831 | 5,761 |
| 101 Other liabilities | 778 | 1,106 | 1,154 | 2,330 | 1,361 | 1,485 | 1,557 | 1,619 | 1,356 | 1,356 |
| 102 **Total payable in U.S. dollars** | **28,840** | **42,197** | **63,417** | **68,627** | **73,733** | **71,187** | **72,286** | **74,464** | **75,438** | **75,204** |

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

Millions of dollars

| Country or area | 1976 | 1977 | 1978 | 1977 | | | | 1978 | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | Jan.–Mar.p | Sept. | Oct. | Nov. | Dec. | Jan. | Feb.p | Mar.p |
| | Holdings (end of period) 4 | | | | | | | | | |
| 1 **Estimated total** | **15,799** | **38,620** | ........ | **31,066** | **34,324** | **37,661** | **38,620** | **40,101** | **40,380** | **41,240** |
| 2 **Foreign countries** | **12,765** | **33,874** | ........ | **27,207** | **30,323** | **33,285** | **33,874** | **35,648** | **35,479** | **36,485** |
| 3 *Europe* | *2,330* | *13,916* | ........ | *10,163* | *12,603* | *14,003* | *13,916* | *15,044* | *14,895* | *15,206* |
| 4 Belgium-Luxembourg | 14 | 19 | ........ | 19 | 20 | 20 | 19 | 19 | 19 | 19 |
| 5 Germany | 764 | 3,168 | ........ | 1,957 | 2,165 | 2,742 | 3,168 | 3,373 | 3,494 | 3,816 |
| 6 Netherlands | 288 | 911 | ........ | 719 | 821 | 911 | 911 | 930 | 954 | 1,029 |
| 7 Sweden | 191 | 100 | ........ | 125 | 125 | 100 | 100 | 125 | 125 | 155 |
| 8 Switzerland | 261 | 477 | ........ | 488 | 474 | 476 | 477 | 391 | 401 | 400 |
| 9 United Kingdom | 485 | 8,888 | ........ | 6,506 | 8,640 | 9,419 | 8,888 | 9,839 | 9,513 | 9,418 |
| 10 Other Western Europe | 323 | 349 | ........ | 343 | 353 | 331 | 349 | 362 | 384 | 363 |
| 11 Eastern Europe | 4 | 4 | ........ | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| 12 Canada | 256 | 288 | ........ | 292 | 294 | 293 | 288 | 285 | 250 | 251 |
| 13 Latin America | 313 | 551 | ........ | 516 | 519 | 533 | 551 | 543 | 587 | 551 |
| 14 Venezuela | 149 | 199 | ........ | 183 | 183 | 199 | 199 | 201 | 241 | 200 |
| 15 Other Latin America republics | 36 | 17 | ........ | 18 | 21 | 11 | 17 | 10 | 14 | 8 |
| 16 Netherlands Antilles 1 | 118 | 170 | ........ | 158 | 158 | 167 | 170 | 162 | 162 | 162 |
| 17 Asia | 9,323 | 18,745 | ........ | 15,941 | 16,611 | 18,104 | 18,745 | 19,413 | 19,378 | 20,120 |
| 18 Japan | 2,687 | 6,860 | ........ | 5,635 | 5,958 | 6,547 | 6,860 | 7,463 | 7,617 | 8,313 |
| 19 Africa | 543 | 362 | ........ | 279 | 279 | 348 | 362 | 362 | 362 | 351 |
| 20 All other | * | 11 | ........ | 16 | 18 | 5 | 11 | 2 | 7 | 6 |
| 21 **Nonmonetary international and regional organizations** | **3,034** | **4,746** | ........ | **3,859** | **4,001** | **4,376** | **4,746** | **4,453** | **4,901** | **4,755** |
| 22 International | 2,906 | 4,646 | ........ | 3,759 | 3,900 | 4,276 | 4,646 | 4,358 | 4,781 | 4,640 |
| 23 Latin American regional | 128 | 100 | ........ | 100 | 100 | 100 | 100 | 95 | 120 | 115 |
| | Transactions (net purchases, or sales (−), during period) | | | | | | | | | |
| 24 **Total** | **8,096** | **22,823** | **2,260** | **3,483** | **3,257** | **3,337** | **959** | **1,481** | **278** | **861** |
| 25 **Foreign countries** | **5,393** | **21,110** | **2,611** | **2,564** | **3,116** | **2,962** | **589** | **1,774** | **−169** | **1,006** |
| 26 Official institutions | 5,116 | 20,328 | 2,424 | 2,493 | 3,052 | 2,885 | 598 | 1,714 | −277 | 986 |
| 27 Other foreign | 276 | 782 | 189 | 71 | 65 | 76 | −9 | 59 | 108 | 22 |
| 28 **Nonmonetary international and regional organizations** | **2,704** | **1,713** | **10** | **919** | **141** | **376** | **370** | **−292** | **447** | **−145** |
| MEMO: Oil-exporting countries | | | | | | | | | | |
| 29 Middle East 2 | 3,887 | 4,451 | −55 | 161 | 284 | 869 | 324 | 56 | −184 | 72 |
| 30 Africa 3 | 221 | −181 | −10 | ........ | ........ | 69 | 13 | ........ | ........ | −10 |

1 Includes Surinam until January 1976.
2 Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).
3 Comprises Algeria, Gabon, Libya, and Nigeria.
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 | 1974 | 1975 | 1976 | 1977 | | | 1978 | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Oct. | Nov. | Dec. | Jan. | Feb. | Mar. | Apr. |
| 1 Deposits | 418 | 353 | 352 | 425 | 416 | 424 | 422 | 445 | 352 | 481 |
| Assets held in custody: | | | | | | | | | | |
| 2 U.S. Treasury securities 1 | 55,600 | 60,019 | 66,532 | 83,832 | 89,497 | 91,962 | 95,945 | 98,465 | 105,362 | 102,044 |
| 3 Earmarked gold 2 | 16,838 | 16,745 | 16,414 | 15,988 | 15,872 | 15,988 | 15,726 | 15,735 | 15,727 | 15,686 |

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.

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 | 1976 | 1977 | 1978 Jan.–Mar.p | 1977 Sept. | 1977 Oct. | 1977 Nov. | 1977 Dec. | 1978 Jan. | 1978 Feb.p | 1978 Mar.p |
|---|---|---|---|---|---|---|---|---|---|---|
| | **U.S. corporate securities** | | | | | | | | | |
| **Stocks** | | | | | | | | | | |
| 1 Foreign purchases | 18,227 | 14,154 | 3,262 | 1,012 | 973 | 1,282 | 1,235 | 1,024 | 825 | 1,413 |
| 2 Foreign sales | 15,485 | 11,479 | 2,593 | 847 | 752 | 899 | 945 | 909 | 762 | 921 |
| 3 **Net purchases, or sales (−)** | 2,743 | 2,676 | 670 | 165 | 222 | 383 | 290 | 115 | 63 | 492 |
| 4 **Foreign countries** | 2,730 | 2,661 | 689 | 170 | 223 | 385 | 286 | 116 | 63 | 510 |
| 5 Europe | 329 | 1,006 | 391 | 57 | 109 | 200 | 156 | 30 | 41 | 319 |
| 6 France | 256 | 40 | 55 | 5 | 27 | 1 | −3 | −12 | −2 | 68 |
| 7 Germany | 68 | 291 | 130 | 14 | 37 | 64 | 58 | 45 | 33 | 52 |
| 8 Netherlands | −199 | 22 | −27 | −18 | 5 | 10 | 9 | −4 | −13 | −9 |
| 9 Switzerland | −100 | 152 | −58 | 6 | 2 | 34 | −3 | −54 | −16 | 12 |
| 10 United Kingdom | 333 | 613 | 311 | 80 | 52 | 106 | 109 | 60 | 57 | 194 |
| 11 Canada | 324 | 65 | −48 | −3 | 20 | 21 | 14 | −19 | −26 | −3 |
| 12 Latin America | 152 | 127 | 3 | −3 | −4 | 27 | 15 | −9 | −4 | 17 |
| 13 Middle East[1] | 1,803 | 1,389 | 325 | 108 | 93 | 128 | 100 | 107 | 48 | 170 |
| 14 Other Asia | 119 | 59 | 12 | 8 | 2 | 8 | 1 | 6 | 1 | 5 |
| 15 Africa | 7 | 5 | 3 | 2 | 2 | * | * | * | 2 | 1 |
| 16 Other countries | −4 | 8 | 2 | 1 | 2 | 2 | * | 1 | 1 | * |
| 17 **Nonmonetary international and regional organizations** | 13 | 15 | −19 | −5 | −1 | −2 | 4 | −1 | 1 | −19 |
| **Bonds**[2] | | | | | | | | | | |
| 18 Foreign purchases | 5,529 | 7,766 | 1,577 | 503 | 942 | 743 | 354 | 459 | 524 | 593 |
| 19 Foreign sales | 4,322 | 3,432 | 1,303 | 383 | 292 | 226 | 267 | 377 | 348 | 579 |
| 20 **Net purchases, or sales (−)** | 1,207 | 4,334 | 273 | 120 | 650 | 517 | 87 | 83 | 176 | 15 |
| 21 **Foreign countries** | 1,248 | 4,238 | 267 | 123 | 650 | 507 | 41 | 101 | 131 | 35 |
| 22 Europe | 91 | 2,005 | 38 | 33 | 376 | 320 | 19 | 133 | 32 | −127 |
| 23 France | 39 | −39 | 3 | 1 | * | −5 | −11 | −4 | 1 | 5 |
| 24 Germany | −49 | 59 | 27 | 3 | 5 | 4 | 9 | 1 | 7 | 19 |
| 25 Netherlands | −29 | 72 | −12 | 21 | 2 | 20 | * | 7 | 1 | −20 |
| 26 Switzerland | 158 | 158 | 1 | 12 | −7 | −7 | −6 | −7 | 3 | 5 |
| 27 United Kingdom | 23 | 1,702 | 18 | 6 | 324 | 324 | 28 | 125 | 22 | −129 |
| 28 Canada | 96 | 141 | 19 | 15 | 4 | 1 | −1 | 7 | 7 | 5 |
| 29 Latin America | 94 | 64 | 27 | 13 | 11 | −1 | 3 | 11 | 6 | 11 |
| 30 Middle East[1] | 1,179 | 1,695 | 153 | 79 | 124 | 159 | 4 | −59 | 75 | 137 |
| 31 Other Asia | −165 | 338 | 29 | −14 | 135 | 27 | 16 | 9 | 11 | 9 |
| 32 Africa | −25 | −6 | −1 | −3 | * | * | * | * | −1 | * |
| 33 Other countries | −21 | * | * | * | * | * | * | * | * | * |
| 34 **Nonmonetary international and regional organizations** | −41 | 96 | 7 | −2 | * | 10 | 46 | −18 | 45 | −20 |
| | **Foreign securities** | | | | | | | | | |
| 35 **Stocks, net purchases, or sales (−)** | −323 | −404 | 330 | 30 | 106 | 34 | 59 | 103 | 113 | 114 |
| 36 Foreign purchases | 1,937 | 2,265 | 872 | 168 | 247 | 214 | 291 | 255 | 280 | 337 |
| 37 Foreign sales | 2,259 | 2,669 | 542 | 138 | 141 | 180 | 232 | 152 | 167 | 223 |
| 38 **Bonds, net purchases, or sales (−)** | −8,730 | −5,005 | −1,243 | −650 | −281 | −320 | −330 | −569 | −176 | −497 |
| 39 Foreign purchases | 4,932 | 8,420 | 2,015 | 695 | 786 | 593 | 885 | 691 | 522 | 802 |
| 40 Foreign sales | 13,662 | 13,424 | 3,258 | 1,345 | 1,066 | 913 | 1,215 | 1,260 | 698 | 1,300 |
| 41 **Net purchases, or sales (−) of stocks and bonds** | −9,053 | −5,409 | −913 | −620 | −175 | −285 | −271 | −466 | −64 | −383 |
| 42 **Foreign countries** | −7,155 | −3,852 | −691 | −613 | −24 | −308 | −293 | −473 | 17 | −235 |
| 43 Europe | −843 | −1,099 | 330 | −24 | −33 | −260 | 108 | 98 | 95 | 137 |
| 44 Canada | −5,245 | −2,402 | −627 | −573 | 45 | 9 | −175 | −446 | −4 | −177 |
| 45 Latin America | * | −80 | 100 | 35 | −170 | −2 | −68 | −6 | 37 | 69 |
| 46 Asia | −699 | −5 | −498 | 29 | 136 | −57 | 51 | −114 | −113 | −270 |
| 47 Africa | 48 | 2 | −2 | 1 | −2 | * | 1 | −2 | * | * |
| 48 Other countries | −416 | −267 | 6 | −81 | 1 | 2 | −210 | −3 | 2 | 6 |
| 49 **Nonmonetary international and regional organizations** | −1,898 | −1,557 | −221 | −6 | −151 | 23 | 22 | 7 | −80 | −148 |

1 Comprises oil-exporting countries as follows: Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).

2 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 investments 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

| Type, and area or country | 1976 | 1977 | | | | 1976 | 1977 | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Dec. | Mar. | June | Sept. | Dec.p | Dec. | Mar. | June | Sept. | Dec.p |
| | Liabilities to foreigners | | | | | Claims on foreigners | | | | |
| 1 **Total** | **r6,606** | **r6,604** | **r6,424** | **7,122** | **7,822** | **r14,162** | **r14,963** | **r16,166** | **14,983** | **15,887** |
| By type: | | | | | | | | | | |
| 2 *Payable in dollars* | *r5,894* | *r5,837* | *r5,772* | *6,329* | *7,078* | *r13,163* | *r13,947* | *r15,054* | *13,936* | *14,517* |
| 3 *Payable in foreign currencies* | *712* | *767* | *652* | *792* | *745* | *999* | *1,016* | *1,113* | *1,047* | *1,370* |
| 4 Deposits with banks abroad in reporter's name | ... | ... | ... | ... | ... | *442* | *431* | *448* | *414* | *620* |
| 5 Other | ... | ... | ... | ... | ... | *557* | *585* | *665* | *632* | *750* |
| By area or country: | | | | | | | | | | |
| 6 **Foreign countries** | **r6,398** | **r6,412** | **r6,254** | **6,968** | **7,611** | **r14,161** | **14,961** | **r16,165** | **14,981** | **15,885** |
| 7 *Europe* | *r2,235* | *r2,144* | *2,208* | *2,314* | *2,526* | *5,282* | *5,232* | *5,820* | *5,057* | *5,653* |
| 8 Austria | 10 | 9 | 10 | 12 | 21 | 21 | 23 | 26 | 24 | 24 |
| 9 Belgium-Luxembourg | r169 | r177 | 138 | 119 | 107 | 162 | 170 | 218 | 232 | 218 |
| 10 Denmark | 7 | 15 | 14 | 16 | 14 | 56 | 48 | 40 | 44 | 56 |
| 11 Finland | 2 | 2 | 10 | 11 | 9 | 77 | 40 | 90 | 59 | 13 |
| 12 France | 200 | 163 | 157 | 171 | 236 | 438 | 436 | 413 | 430 | 513 |
| 13 Germany | 174 | 175 | 163 | 226 | 284 | 378 | 367 | 377 | 393 | 452 |
| 14 Greece | 48 | 80 | 73 | 78 | 85 | 51 | 90 | 86 | 52 | 41 |
| 15 Italy | 131 | 135 | 154 | 139 | 161 | 384 | 473 | 440 | 342 | 387 |
| 16 Netherlands | 141 | 168 | 205 | 176 | 230 | 166 | 172 | 182 | 161 | 166 |
| 17 Norway | 29 | 37 | 33 | 35 | 30 | 51 | 42 | 42 | 38 | 42 |
| 18 Portugal | 13 | 23 | 20 | 12 | 11 | 40 | 35 | 30 | 34 | 69 |
| 19 Spain | 40 | 52 | 68 | 74 | 77 | 369 | 325 | 322 | 307 | 387 |
| 20 Sweden | 34 | 36 | 36 | 41 | 28 | 90 | 93 | 92 | 91 | 118 |
| 21 Switzerland | 190 | 214 | 236 | 245 | 257 | 241 | 154 | 179 | 146 | 221 |
| 22 Turkey | 13 | 12 | 21 | 97 | 108 | 25 | 32 | 37 | 32 | 39 |
| 23 United Kingdom | r883 | r698 | 730 | 736 | 733 | 2,446 | 2,475 | 3,027 | 2,469 | 2,674 |
| 24 Yugoslavia | 123 | 113 | 110 | 92 | 90 | 26 | 30 | 28 | 20 | 20 |
| 25 Other Western Europe | 7 | 6 | 6 | 9 | 9 | 20 | 18 | 15 | 15 | 25 |
| 26 U.S.S.R. | 9 | 15 | 16 | 11 | 24 | 156 | 105 | 76 | 62 | 55 |
| 27 Other Eastern Europe | 13 | 13 | 10 | 14 | 12 | 85 | 103 | 102 | 96 | 134 |
| 28 *Canada* | *400* | *427* | *r448* | *454* | *503* | *2,458* | *2,426* | *r2,573* | *2,501* | *2,612* |
| 29 *Latin America* | *r1,040* | *r1,121* | *r1,020* | *1,027* | *1,189* | *r3,582* | *r4,408* | *4,938* | *4,535* | *4,333* |
| 30 Argentina | 44 | 42 | 50 | 50 | 42 | 44 | 46 | 51 | 53 | 53 |
| 31 Bahamas | 260 | 256 | 216 | 222 | 300 | r1,391 | r1,881 | r2,244 | 1,873 | 1,906 |
| 32 Brazil | 72 | 49 | 37 | 76 | 49 | 682 | 535 | 457 | 414 | 517 |
| 33 Chile | 17 | 16 | 24 | 13 | 17 | 34 | 35 | 28 | 40 | 45 |
| 34 Colombia | 13 | 18 | 22 | 24 | 42 | 59 | 75 | 72 | 85 | 84 |
| 35 Cuba | * | * | * | * | * | 1 | 1 | 1 | * | * |
| 36 Mexico | r102 | r121 | r120 | 103 | 115 | 332 | 317 | 301 | 304 | 316 |
| 37 Panama | 34 | 12 | 11 | 12 | 22 | 74 | 105 | 121 | 221 | 88 |
| 38 Peru | 25 | 24 | 21 | 13 | 15 | 42 | 32 | 28 | 30 | 33 |
| 39 Uruguay | 4 | 4 | 3 | 4 | 3 | 5 | 6 | 5 | 5 | 5 |
| 40 Venezuela | 219 | 260 | 208 | 225 | 222 | 190 | 210 | 240 | 256 | 275 |
| 41 Other Latin American republics | 141 | 148 | 141 | 122 | 126 | 276 | 237 | 237 | 257 | 280 |
| 42 Netherlands Antilles | 10 | 11 | 17 | 9 | 25 | 9 | 14 | 8 | 8 | 12 |
| 43 Other Latin America | 100 | 160 | 151 | 154 | 210 | 441 | 914 | 1,146 | 987 | 718 |
| 44 *Asia* | *2,040* | *2,057* | *1,890* | *2,492* | *2,737* | *2,276* | *2,316* | *r2,315* | *2,388* | *2,746* |
| 45 China, People's Republic of (Mainland) | 1 | 3 | 2 | 1 | 8 | 3 | 7 | 7 | 12 | 9 |
| 46 China, Republic of (Taiwan) | 110 | 113 | 138 | 152 | 156 | 197 | 130 | 131 | 139 | 157 |
| 47 Hong Kong | 40 | 42 | 27 | 25 | 40 | 96 | 107 | 93 | 73 | 98 |
| 48 India | 23 | 39 | 41 | 44 | 37 | 55 | 35 | 51 | 42 | 37 |
| 49 Indonesia | 98 | 94 | 80 | 60 | 60 | 179 | 206 | 184 | 185 | 378 |
| 50 Israel | 37 | 37 | 45 | 58 | 63 | 41 | 51 | 70 | 46 | 38 |
| 51 Japan | 193 | 172 | 183 | 604 | 695 | 912 | 969 | r927 | 1,023 | 1,057 |
| 52 Korea | 76 | 96 | 95 | 81 | 108 | 117 | 130 | 158 | 153 | 173 |
| 53 Philippines | 53 | 59 | 73 | 78 | 74 | 86 | 86 | 90 | 111 | 99 |
| 54 Thailand | 24 | 19 | 11 | 17 | 17 | 22 | 27 | 22 | 24 | 23 |
| 55 Other Asia | 1,385 | 1,383 | 1,196 | 1,372 | 1,480 | 568 | 569 | r582 | 579 | 679 |
| 56 *Africa* | *606* | *591* | *589* | *568* | *563* | *393* | *429* | *370* | *346* | *397* |
| 57 Egypt | 27 | 29 | 33 | 45 | 13 | 28 | 70 | 24 | 22 | 38 |
| 58 Morocco | 45 | 30 | 72 | 105 | 112 | 11 | 12 | 11 | 10 | 21 |
| 59 South Africa | 54 | 33 | 27 | 29 | 20 | 87 | 80 | 69 | 75 | 75 |
| 60 Zaire | 36 | 39 | 39 | 48 | 46 | 21 | 19 | 17 | 19 | 15 |
| 61 Other Africa | 444 | 460 | 418 | 341 | 372 | 247 | 248 | 248 | 221 | 248 |
| 62 *Other countries* | *77* | *72* | *98* | *111* | *93* | *170* | *150* | *149* | *153* | *144* |
| 63 Australia | 59 | 53 | 78 | 93 | 75 | 105 | 114 | 110 | 113 | 110 |
| 64 All other | 19 | 19 | 20 | 18 | 18 | 65 | 36 | 40 | 41 | 34 |
| 65 **Nonmonetary international and regional organizations** | **208** | **192** | **170** | **154** | **212** | **1** | **2** | **1** | **1** | **1** |

NOTE.—Reported by exporters, importers, and industrial and commercial concerns and other nonbanking institutions in the United States. Data exclude claims held through U.S. banks and intercompany accounts between U.S. companies and their 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 | 1975 | 1976 | 1977 | | | | 1978 | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Sept.$^{r}$ | Oct.$^{r}$ | Nov.$^{r}$ | Dec.$^{r}$ | Jan. | Feb.$^{p}$ |
| 1 **Total** | **3,185** | **3,357** | **3,799** | **5,468** | **6,921** | **7,694** | **7,575** | **6,769** | **7,324** | **7,937** |
| By type: | | | | | | | | | | |
| 2 *Payable in dollars* | *2,641* | *2,660* | *3,042* | *4,788* | *6,225* | *6,972* | *6,652* | *5,804* | *6,310* | *6,947* |
| 3 Deposits | 2,604 | 2,591 | 2,710 | 4,415 | 5,783 | 6,468 | 6,207 | 5,402 | 5,856 | 6,462 |
| 4 Short-term investments [1] | 37 | 69 | 332 | 373 | 442 | 504 | 445 | 402 | 454 | 485 |
| 5 *Payable in foreign currencies* | *544* | *697* | *757* | *680* | *695* | *722* | *924* | *965* | *1,014* | *990* |
| 6 Deposits | 431 | 429 | 511 | 373 | 358 | 374 | 489 | 552 | 561 | 541 |
| 7 Short-term investments [1] | 113 | 268 | 246 | 302 | 337 | 348 | 435 | 413 | 453 | 449 |
| By country: | | | | | | | | | | |
| 8 United Kingdom | 1,128 | 1,350 | 1,306 | 1,837 | 1,799 | 1,882 | 2,098 | 1,989 | 1,680 | 1,787 |
| 9 Canada | 775 | 967 | 1,156 | 1,539 | 1,627 | 1,956 | 1,863 | 1,706 | 2,108 | 2,228 |
| 10 Bahamas | 597 | 391 | 546 | 1,264 | 1,784 | 2,383 | 2,086 | 1,781 | 2,217 | 2,507 |
| 11 Japan | 336 | 398 | 343 | 113 | 143 | 150 | 220 | 139 | 197 | 258 |
| 12 All other | 349 | 252 | 446 | 715 | 1,568 | 1,323 | 1,308 | 1,154 | 1,122 | 1,157 |

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 States

Millions of dollars, end of period

| Area and country | 1976 | 1977 | | | | 1976 | 1977 | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Dec. | Mar. | June | Sept. | Dec.$^{p}$ | Dec. | Mar. | June | Sept. | Dec.$^{p}$ |
| | Liabilities to foreigners | | | | | Claims on foreigners | | | | |
| 1 **Total** | **$^{r}$3,564** | **$^{r}$3,501** | **$^{r}$3,336** | **3,327** | **3,119** | **4,922** | **4,891** | **$^{r}$4,827** | **4,625** | **4,631** |
| 2 Europe | $^{r}$2,723 | $^{r}$2,653 | $^{r}$2,497 | 2,555 | 2,385 | 851 | 844 | 827 | 754 | 742 |
| 3 Germany | 396 | 391 | 370 | 407 | 255 | 72 | 84 | 76 | 76 | 70 |
| 4 Netherlands | 277 | 272 | 262 | 272 | 288 | 156 | 154 | 147 | 81 | 82 |
| 5 Switzerland | 260 | 178 | 177 | 224 | 241 | 57 | 53 | 43 | 42 | 49 |
| 6 United Kingdom | $^{r}$1,418 | $^{r}$1,386 | $^{r}$1,273 | 1,251 | 1,229 | $^{r}$238 | 204 | 219 | 215 | 204 |
| 7 Canada | $^{r}$87 | $^{r}$80 | $^{r}$79 | 76 | 71 | 1,530 | 1,475 | 1,486 | 1,462 | 1,473 |
| 8 Latin America | $^{r}$271 | $^{r}$274 | $^{r}$283 | 276 | 261 | 1,521 | 1,489 | 1,457 | 1,371 | 1,404 |
| 9 Bahamas | 163 | 163 | 167 | 159 | 156 | 36 | 34 | 34 | 36 | 40 |
| 10 Brazil | 5 | 5 | 7 | 7 | 7 | 133 | 125 | 125 | 134 | 144 |
| 11 Chile | 1 | 1 | 1 | 1 | 1 | 248 | 210 | 208 | 201 | 203 |
| 12 Mexico | $^{r}$18 | $^{r}$23 | $^{r}$26 | 30 | 30 | 195 | 180 | 178 | 187 | 176 |
| 13 Asia | 423 | 432 | 408 | 358 | 338 | 775 | 817 | $^{r}$833 | 809 | 797 |
| 14 Japan | 397 | 413 | 386 | 319 | 305 | 77 | 96 | $^{r}$111 | 94 | 66 |
| 15 Africa | 2 | 2 | 3 | 3 | 2 | 187 | 199 | 158 | 165 | 157 |
| 16 All other [1] | 58 | 59 | 67 | 59 | 60 | 58 | 67 | 67 | 63 | 59 |

1 Includes nonmonetary international and regional organizations.

## 3.29 DISCOUNT RATES OF FOREIGN CENTRAL BANKS

Per cent per annum

| Country | Rate on Apr. 30, 1978 | | Country | Rate on Apr. 30, 1978 | | Country | Rate on Apr. 30, 1978 | |
|---|---|---|---|---|---|---|---|---|
| | Per cent | Month effective | | Per cent | Month effective | | Per cent | Month effective |
| Argentina | 18.0 | Feb. 1972 | France | 9.5 | Aug. 1977 | Norway | 7.0 | Feb. 1978 |
| Austria | 5.5 | June 1977 | Germany, Fed. Rep. of. | 3.0 | Dec. 1977 | Sweden | 7.0 | Apr. 1978 |
| Belgium | 5.5 | Mar. 1978 | Italy | 11.5 | Aug. 1977 | Switzerland | 1.0 | Feb. 1978 |
| Brazil | 28.0 | May 1976 | Japan | 3.5 | Mar. 1978 | United Kingdom | 7.5 | Apr. 1978 |
| Canada | 8.5 | Apr. 1978 | Mexico | 4.5 | June 1942 | Venezuela | 5.0 | Oct. 1970 |
| Denmark | 9.0 | Mar. 1977 | Netherlands | 4.0 | Apr. 1978 | | | |

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 | 1975 | 1976 | 1977 | 1977 | | 1978 | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | Nov. | Dec. | Jan. | Feb. | Mar. | Apr. |
| 1 Euro-dollars | 7.02 | 5.58 | 6.03 | 7.09 | 7.12 | 7.32 | 7.28 | 7.27 | 7.38 |
| 2 United Kingdom | 10.63 | 11.35 | 8.07 | 5.32 | 6.76 | 6.23 | 6.82 | 6.72 | 7.47 |
| 3 Canada | 8.00 | 9.39 | 7.47 | 7.34 | 7.20 | 7.08 | 7.14 | 7.44 | 8.14 |
| 4 Germany | 4.87 | 4.19 | 4.30 | 4.09 | 3.94 | 3.52 | 3.45 | 3.49 | 3.54 |
| 5 Switzerland | 3.01 | 1.45 | 2.56 | 2.32 | 2.20 | .92 | .50 | .46 | .40 |
| 6 Netherlands | 5.17 | 7.02 | 4.73 | 5.94 | 6.65 | 5.01 | 5.28 | 5.35 | 4.62 |
| 7 France | 7.91 | 8.65 | 9.20 | 9.28 | 9.88 | 9.25 | 10.45 | 9.86 | 8.35 |
| 8 Italy | 10.37 | 16.32 | 14.26 | 11.74 | 11.38 | 10.99 | (1) | (1) | 11.75 |
| 9 Belgium | 6.63 | 10.25 | 6.95 | 6.38 | 7.75 | 8.29 | 6.75 | 6.41 | 5.55 |
| 10 Japan | 11.64 | 7.70 | 6.22 | 5.37 | 5.75 | 5.33 | 5.25 | 4.86 | 4.50 |

1 Unquoted.

NOTE.—Rates are for 3-month interbank loans except for—Canada, finance company paper; Belgium, time deposits of 20 million francs and over; and Japan, loans and discounts that can be called after being held over a minimum of two month-ends.

## 3.31 FOREIGN EXCHANGE RATES

Cents per unit of foreign currency

| Country/currency | 1975 | 1976 | 1977 | 1977 | | 1978 | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | Nov. | Dec. | Jan. | Feb. | Mar. | Apr. |
| 1 Australia/dollar | 130.77 | 122.15 | 110.82 | 112.70 | 113.36 | 113.82 | 113.56 | 113.83 | 113.97 |
| 2 Austria/shilling | 5.7467 | 5.5744 | 6.0494 | 6.2551 | 6.4734 | 6.5698 | 6.6893 | 6.8221 | 6.8081 |
| 3 Belgium/franc | 2.7253 | 2.5921 | 2.7911 | 2.8396 | 2.9608 | 3.0425 | 3.0930 | 3.1589 | 3.1419 |
| 4 Canada/dollar | 98.30 | 101.41 | 94.112 | 90.145 | 91.132 | 90.810 | 89.850 | 88.823 | 87.592 |
| 5 Denmark/krone | 17.437 | 16.546 | 16.658 | 16.327 | 16.833 | 17.324 | 17.610 | 17.839 | 17.807 |
| 6 Finland/markka | 27.285 | 25.938 | 24.913 | 23.986 | 24.299 | 24.816 | 24.527 | 24.013 | 23.900 |
| 7 France/franc | 23.354 | 20.942 | 20.344 | 20.614 | 20.844 | 21.196 | 20.628 | 21.256 | 21.803 |
| 8 Germany/deutsche mark | 40.729 | 39.737 | 43.079 | 44.633 | 46.499 | 47.220 | 48.142 | 49.181 | 48.964 |
| 9 India/rupee | 11.926 | 11.148 | 11.406 | 11.576 | 11.712 | 12.195 | 12.331 | 12.185 | 11.815 |
| 10 Ireland/pound | 222.16 | 180.48 | 174.49 | 181.78 | 185.46 | 193.53 | 193.96 | 190.55 | 184.97 |
| 11 Italy/lira | .15328 | .12044 | .11328 | .11388 | .11416 | .11469 | .11619 | .11692 | .11644 |
| 12 Japan/yen | .33705 | .33741 | .37342 | .40872 | .41491 | .41481 | .41603 | .43148 | .45084 |
| 13 Malaysia/ringgit | 41.753 | 39.340 | 40.620 | 41.910 | 42.201 | 42.230 | 42.374 | 42.428 | 42.057 |
| 14 Mexico/peso | 8.0000 | 6.9161 | 4.4239 | 4.4096 | 4.4059 | 4.3963 | 4.3972 | 4.3928 | 4.3945 |
| 15 Netherlands/guilder | 39.632 | 37.846 | 40.752 | 41.366 | 42.955 | 44.084 | 44.880 | 45.994 | 45.865 |
| 16 New Zealand/dollar | 121.16 | 99.115 | 96.893 | 99.392 | 100.59 | 101.95 | 102.07 | 102.20 | 101.92 |
| 17 Norway/krone | 19.180 | 18.327 | 18.789 | 18.328 | 19.056 | 19.401 | 19.025 | 18.775 | 18.621 |
| 18 Portugal/escudo | 3.9286 | 3.3159 | 2.6234 | 2.4575 | 2.4755 | 2.4840 | 2.4806 | 2.4483 | 2.4075 |
| 19 South Africa/rand | 136.47 | 114.85 | 114.99 | 115.04 | 115.04 | 115.02 | 115.05 | 115.05 | 115.05 |
| 20 Spain/peseta | 1.7424 | 1.4958 | 1.3287 | 1.2060 | 1.2237 | 1.2397 | 1.2394 | 1.2497 | 1.2475 |
| 21 Sri Lanka/rupee | 14.385 | 11.908 | 11.964 | 8.7721 | 6.2000 | 6.2167 | 6.4028 | 6.5000 | 6.4950 |
| 22 Sweden/krona | 24.141 | 22.957 | 22.383 | 20.848 | 21.044 | 21.413 | 21.554 | 21.693 | 21.731 |
| 23 Switzerland/franc | 38.743 | 40.013 | 41.714 | 45.507 | 48.168 | 50.353 | 52.422 | 52.693 | 52.511 |
| 24 United Kingdom/pound | 222.16 | 180.48 | 174.49 | 181.78 | 185.46 | 193.53 | 193.96 | 190.55 | 184.97 |
| MEMO: | | | | | | | | | |
| 25 United States/dollar [1] | 82.20 | 89.68 | 89.10 | 87.29 | 85.52 | 84.05 | 83.74 | 82.94 | 83.10 |

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.

NOTE.—Averages of certified noon buying rates in New York for cable transfers.

# Guide to Tabular Presentation and Statistical Releases

## GUIDE TO TABULAR PRESENTATION

### Symbols and Abbreviations

| | |
|---|---|
| p | Preliminary |
| r | Revised (Notation appears on column heading when more than half of figures in that column are changed.) |
| e | Estimated |
| c | Corrected |
| n.e.c. | Not elsewhere classified |
| Rp's | Repurchase agreements |
| IPC's | Individuals, partnerships, and corporations |
| SMSA's | Standard metropolitan statistical areas |
| REIT's | Real estate investment trusts |
| * | Amounts insignificant in terms of the particular unit (e.g., less than 500,000 when the unit is millions) |
| | (1) Zero, (2) no figure to be expected, or (3) figure delayed or, (4) no change (when figures are expected in percentages). |

### 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

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ANNUAL STATISTICAL DIGEST, 1971–75. 1976. 339 pp. $4.00 per copy for each paid subscription to Federal Reserve *Bulletin*. All others, $5.00 each.

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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.

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*Studies and papers on economic and financial subjects that are of general interest in the field of economic research.*

SUMMARIES ONLY PRINTED IN THE BULLETIN

*(Limited supply of mimeographed copies of full text available upon request for single copies.)*

THE PERFORMANCE OF BANK HOLDING COMPANY-AFFILIATED FINANCE COMPANIES, by Stephen A. Rhoades and Gregory E. Boczar. Aug. 1977. 19 pp.
GREELEY IN PERSPECTIVE, by Paul Schweitzer and Joshua Greene. Sept. 1977. 17 pp.
STRUCTURE AND PERFORMANCE STUDIES IN BANKING: A SUMMARY AND EVALUATION, by Stephen A. Rhoades. Dec. 1977. 45 pp.
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MORTGAGE BORROWING AGAINST EQUITY IN EXISTING HOMES: MEASUREMENT, GENERATION, AND IMPLICATIONS FOR ECONOMIC ACTIVITY, by David F. Seiders. May 1978. 42 pp.

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*Staff Economic Studies shown in list below.*

## REPRINTS

*(Except for Staff Papers, Staff Economic Studies, and some leading articles, most of the articles reprinted do not exceed 12 pages.)*

A REVISED INDEX OF MANUFACTURING CAPACITY, **Staff Economic Study** by Frank de Leeuw with Frank E. Hopkins and Michael D. Sherman. 11/66.
U.S. INTERNATIONAL TRANSACTIONS: TRENDS IN 1960–67. 4/68.
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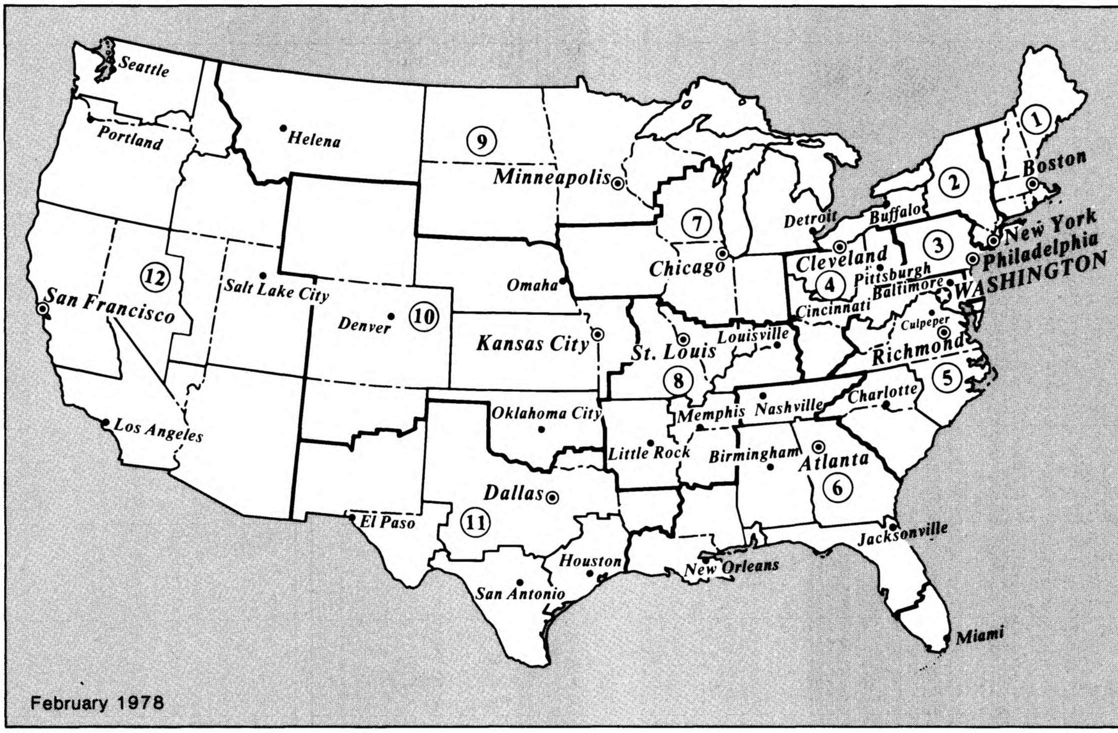
RECENT DEVELOPMENTS IN U.S. INTERNATIONAL TRANSACTIONS. 4/78.
SURVEY OF TIME AND SAVINGS DEPOSITS AT ALL COMMERCIAL BANKS, January 1978. 5/78.

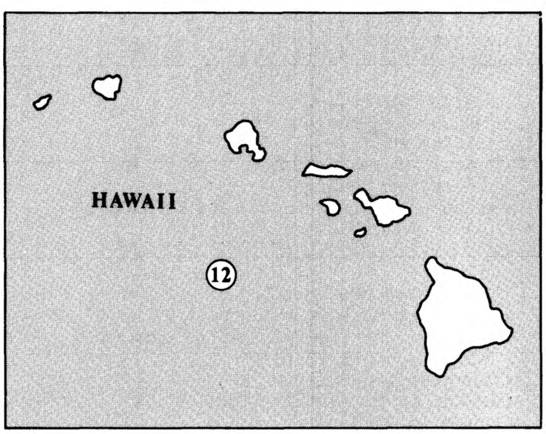
# Index to Statistical Tables

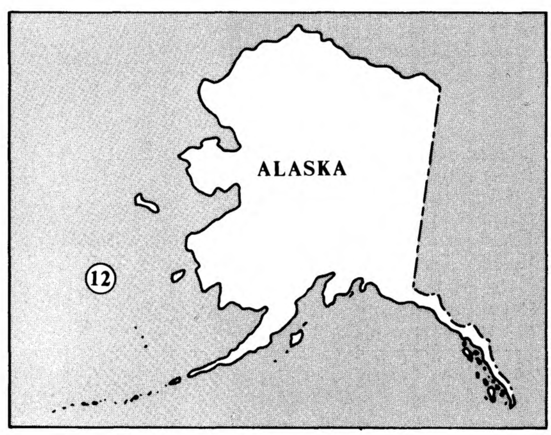
**References are to pages A-3 through A-68 although the prefix "A" is omitted in this index**

# 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
- Board of Governors of the Federal Reserve System
- Federal Reserve Bank Cities
- Federal Reserve Branch Cities
- Federal Reserve Bank Facility