
MAY 1979

FEDERAL RESERVE BULLETIN

Domestic Financial Developments in the First Quarter of 1979
Survey of Time and Savings Deposits, January 1979

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appeared to be significantly above or below the midpoints of the indicated ranges, the objective for the funds rate was to be raised or lowered in an orderly fashion within a range of 9¾ to 10½ percent. It was also agreed that in assessing the behavior of the aggregates, the Manager should give approximately equal weight to the behavior of M-1 and M-2.

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Domestic Financial Developments in the First Quarter of 1979

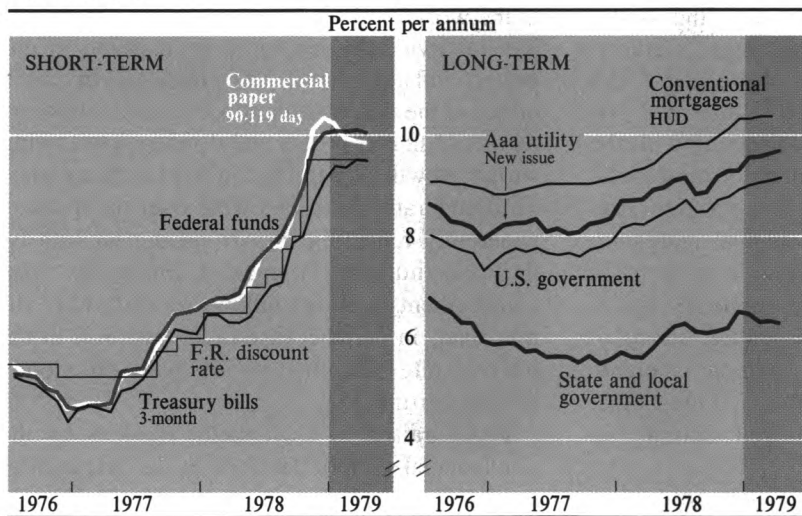
This report, which was sent to the Joint Economic Committee of the U.S. Congress, highlights the important developments in domestic financial markets during the winter and early spring.

The behavior of the monetary aggregates was weak in the first quarter, with M-1 (the narrow money supply) contracting and the broader aggregates growing only slowly. M-1 fell well short of the path suggested by the past relationship of this measure to changes in income and interest rates, even after allowance for shifts into savings accounts accessed by automatic transfer services (ATS) and into negotiable order of withdrawal (NOW) accounts in New York State. Meanwhile, outflows of savings deposits and small-denomination time deposits subject to fixed interest rate ceilings accelerated at commercial banks and remained substantial at thrift institutions during the first quarter. This overall pattern of weakness appears to reflect unusual

efforts by the public to minimize low-earning transactional and precautionary cash balances in order to take advantage of the historically high rates of return available on market instruments and on six-month money market certificates.

Growth of the major monetary aggregates in the first quarter fell below rates consistent with the long-run ranges set by the Federal Open Market Committee for the period from the fourth quarter of 1978 to the fourth quarter of 1979. Bank credit growth, on the other hand, exceeded the associated FOMC ranges for this measure. In light of the quickening pace of inflation, the strength of final demands in the economy in the fourth quarter of 1978, and the relatively small margin of unutilized labor and capital resources, the Federal Reserve maintained the firmer stance in money markets that it had adopted late last year. The federal funds rate remained virtually unchanged throughout the first three months of 1979 at just over 10 percent. Yields on short-dated Treasury bills

Interest rates



NOTES:

Monthly averages except for Federal Reserve discount rate and conventional mortgages (based on quotations for one day each month). Yields: U.S. Treasury bills, market yields on three-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 Department 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. government bonds, market yields adjusted to 20-year constant maturity by U.S. Treasury; state and local government bonds (20 issues, mixed quality), Bond Buyer.

Changes in selected monetary aggregates¹

Seasonally adjusted annual rate of change, in percent

Item	1976	1977	1978	1978				1979
				Q1	Q2	Q3	Q4	
<i>Member bank reserves</i> ²								
Total .....	.6	5.3	6.6	8.9	6.2	8.6	2.3	-2.9
Nonborrowed .....	.8	3.0	6.7	14.5	.6	6.6	4.6	-3.3
<i>Concepts of money</i> ³								
M-1	5.8	7.9	7.3	6.6	9.2	8.1	4.4	-2.4
M-2	10.9	9.8	8.5	7.0	8.4	9.9	7.7	1.6
M-3	12.7	11.7	9.4	8.1	8.4	10.4	9.3	4.6
M-4	7.1	10.1	10.5	10.2	10.6	10.1	9.4	4.4
M-5	10.2	11.7	10.5	10.0	9.8	10.5	10.2	6.1
<i>Time and savings deposits at commercial banks—Total (excluding large negotiable CDs)</i>	15.0	11.2	9.4	7.2	7.9	11.1	10.2	4.4
Savings	25.0	11.1	1.8	2.0	3.8	2.3	-.9	-10.2
Other time	7.5	11.4	16.1	11.7	11.4	18.5	19.2	15.9
Small time plus total savings ⁴	19.2	10.5	5.6	3.1	6.2	6.3	6.1	2.1
Deposits at thrift institutions ⁵	15.6	14.5	10.6	9.7	8.5	11.1	11.6	8.8
MEMO (change in billions of dollars, seasonally adjusted)								
Large negotiable CDs at large banks	-19.0	8.0	23.1	8.4	6.6	2.6	5.5	7.0
All other large time deposits ⁶	-.8	10.8	22.8	5.4	3.7	7.1	6.6	3.6
Small time deposits	16.4	14.5	17.3	1.8	3.8	5.1	6.6	7.8
Nondeposit sources of funds ⁷	14.8	12.3	15.9	5.2	.8	3.2	6.7	8.7

1. Changes are calculated from the average amounts outstanding in each quarter.

2. Annual rates of change in reserve measures have been adjusted for changes in reserve requirements.

3. M-1 is currency plus private demand deposits adjusted. M-2 is M-1 plus bank time and savings deposits other than large negotiable CDs. 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 CDs. M-5 is M-3 plus large negotiable CDs.

4. Interest-bearing deposits subject to Regulation Q.

5. Savings and loan associations, mutual savings banks, and credit unions.

6. Total large time deposits less negotiable CDs at weekly reporting banks.

7. 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 to own foreign branches (Eurodollar borrowings), loans sold to affiliates, loan repurchase agreements, borrowings from Federal Reserve Banks, and other minor items.

continued to move upward in the first quarter—although much less sharply than in other recent quarters—reflecting in part sales of such securities by foreign central banks as the dollar strengthened on foreign exchange markets. Many private short-term rates, by contrast, declined somewhat as a result of substantial private capital inflows from abroad along with the market's reaction to the stability of the federal funds rate and to information suggesting continued sluggishness of the monetary aggregates as well as a slowing in economic growth. In late April, however, when the monetary aggregates—particularly M-1—rebounded strongly, the federal funds rate moved up about an eighth to a quarter of a percentage point and most other short-term market rates showed similar increases.

Long-term bond yields edged up approximately 10 basis points during the first quarter and rose an additional 25 basis points in April, as the worsening performance of the major price indexes evidently led to some increase in expected inflation rates. An increase in stock prices in the first quarter accompanied corporate reports of higher profits and dividends following strong growth of earnings in the fourth quarter. Mortgage rates rose somewhat over the quarter, apparently reflecting in part greater caution by thrift institutions in making mortgage loan commitments; deposit inflows recently have diminished, in part because of a reduction in the interest rate permitted to be paid on money market certificates.

Funds raised in U.S. credit markets by the nonfinancial sectors declined in the first quarter

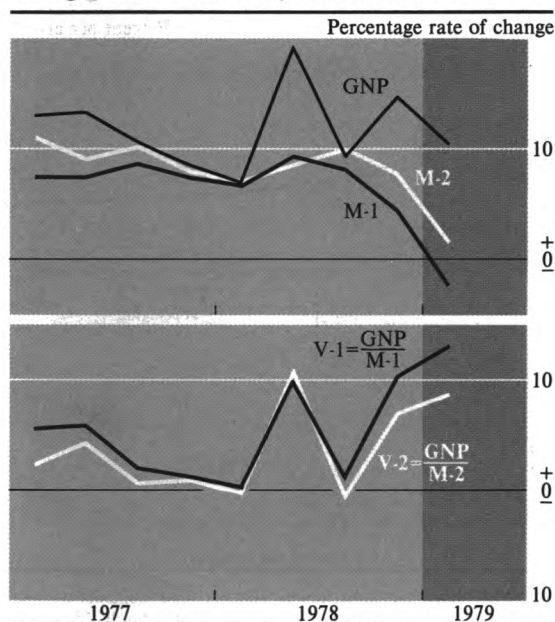
to a rate well below that of the last two years. Part of this decline reflected a reduction in borrowing by foreigners as dollar-denominated liabilities became less attractive with the strengthening of the currency's performance in international markets. In addition, the issuance of federal debt was substantially reduced, and the growth in household mortgage and consumer debt slowed. Net state and local borrowing was about unchanged at the low pace of the previous quarter. Nonfinancial businesses, however, stepped up their borrowing—primarily at commercial banks—as spending on inventories and plant and equipment increased more rapidly than flows of internal funds.

MONETARY AGGREGATES AND BANK CREDIT

M-1 contracted at an annual rate of 2½ percent in the first quarter, extending a period of flatness that began early last fall. The sluggishness of the narrow money stock reflected in part shifts from demand accounts into ATS savings deposits nationwide and NOW accounts in New York State, which are estimated to have reduced growth in M-1 in the first quarter by about 2¾ percentage points. First authorized in November, such accounts grew \$4¼ billion in the first three months of the year (quarterly average basis), with about 60 percent of the funds estimated to have come from demand deposits.

Even if an adjustment were made for the effects of such shifts, the stock of M-1 would have remained almost unchanged in the first quarter. The performance of M-1 partly reflects the normal lagged adjustment of money demand to the very rapid rise in short-term market interest rates late last year. However, M-1 fell further below the path suggested by the historical relationship among the money stock, income, and short-term interest rates. This second consecutive quarter of substantial shortfall appears to have been related to greater-than-usual efforts to economize on non-interest-bearing assets, especially on the part of smaller businesses and of households. It is likely that the high level of interest rates and recent regulatory changes have induced businesses and households to

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

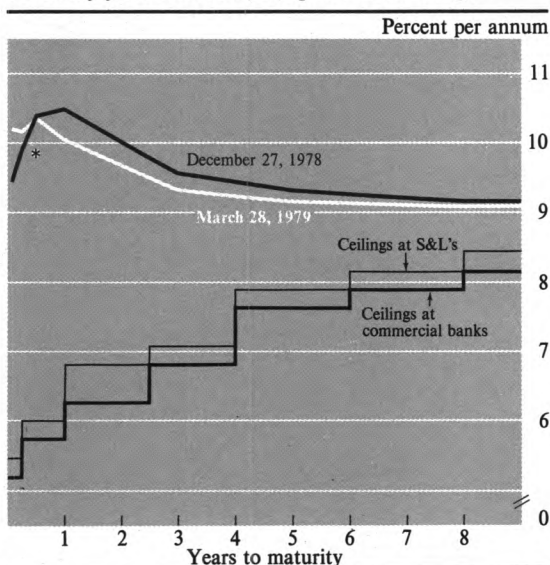


Seasonally adjusted annual rates. Money stock data are quarterly averages.

adopt more intensive cash management techniques. The sharp deceleration of M-1 exceeded the slowdown in growth of nominal gross national product; accordingly, growth in the velocity of M-1 picked up to an annual rate of 13 percent—the largest quarterly advance of velocity in more than two and a half decades.

The rate of expansion in M-2 also slowed markedly in the first quarter, due to a deceleration in its interest-bearing component as well as to the decline in M-1. The pattern of deposit flows among different types of interest-bearing instruments varied considerably, however, owing to large differences between interest rates fixed by regulation and market rates of return. The spread between yields on short-term Treasury bills and the maximum allowable rate payable on savings deposits widened another 1/2 of a percentage point in March to a near-record 5½ percentage points. Reflecting the size and duration of this spread, savings deposits at commercial banks declined at an annual rate of 10¼ percent in the first quarter, despite the substantial inflows to ATS and New York NOW accounts. Similarly, small-denomination time

Treasury yield curves and deposit rate ceilings



*Maximum yield on money market time deposits at commercial banks and thrift institutions for March 28, 1979, compounded semiannually.

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.

deposits subject to fixed-rate ceilings declined for the third consecutive quarter. However, the issuance of six-month money market certificates (MMCs), the ceiling yield on which is determined weekly by the six-month Treasury bill auction rate, continued at a rapid pace in the quarter.

By the end of March, outstanding MMCs had grown to \$131.5 billion, an increase of \$54.9 billion in the first quarter, and accounted for 10 percent of small-denomination time and savings deposits at commercial banks and more than 15 percent of deposits at thrift institutions. Effective March 15, regulations governing this instrument were changed, and its attractiveness—particularly to customers of thrift institutions—was reduced somewhat. The new regulations prohibited compounding of interest and, during periods when bill rates exceed 9 percent, eliminated the differential between the ceiling rates for commercial banks and thrift institutions. The rapid growth in MMCs has been accompanied by a record expansion of money market mutual funds. The total assets

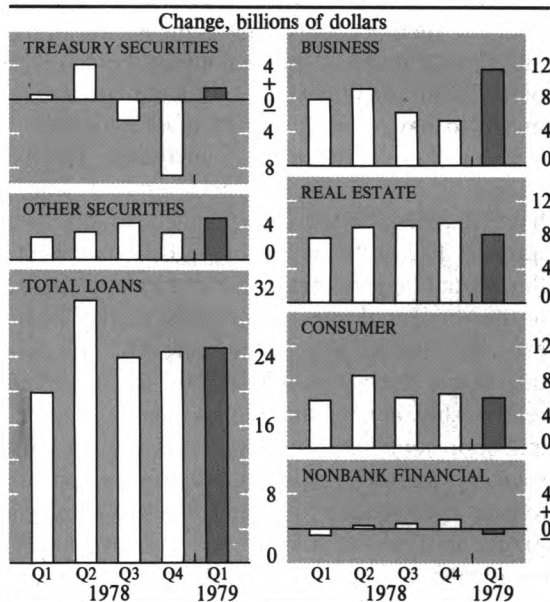
of these funds rose almost \$7 billion, not seasonally adjusted, from December to March, well over twice the increase of the previous quarter.

At mutual savings banks and savings and loan institutions, deposit expansion slowed somewhat in the first quarter, even with brisk net issuance of MMCs. At credit unions, where issuance of MMCs has been very limited, deposits were almost flat in the first quarter, the first time in more than 20 years that this financial intermediary has failed to show meaningful deposit growth. With expansion in all its major components slowing, growth in M-3 decelerated in the first quarter to an annual rate of 4½ percent, about half its growth last year.

Credit at commercial banks expanded more rapidly on average in the first quarter as banks reversed their recent policy of liquidating U.S. government securities and increased net acquisitions of other securities. Loan growth continued at a moderate pace, bolstered by a surge in business borrowing at banks as expansion in real estate and consumer loans slowed somewhat.

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.

With reduced inflows of deposits subject to rate ceilings, banks financed a large part of their credit expansion by acquiring \$8¾ billion in nondeposit sources of funds, largely through security repurchase agreements, federal funds purchased from nonbank sources, and Eurodollar borrowings. In addition, banks acquired substantial funds by liquidating claims on their foreign branches and through increases in Treasury note balances held at banks. These balances—acquired under the tax-and-loan account program that began last November 2—rose to an average of \$10½ billion during the first quarter, compared with an average of just over \$6 billion during November and December of last year. As banks increased their use of these sources of funds, they issued a smaller volume of large certificates of deposit, likely due to an increase in the relative cost of the latter funds.

BUSINESS FINANCE

Boosted by a pickup in inventory accumulation, capital expenditures expanded more rapidly than did internally generated funds of nonfinancial corporations in the first quarter. To meet the resulting rise in financing requirements, these firms increased considerably their reliance on short-term credit and continued to make substantial use of commercial mortgages as a source of long-term credit. Their net offerings of bonds and stocks declined. The increasing use of

Business loans and short- and intermediate-term business credit

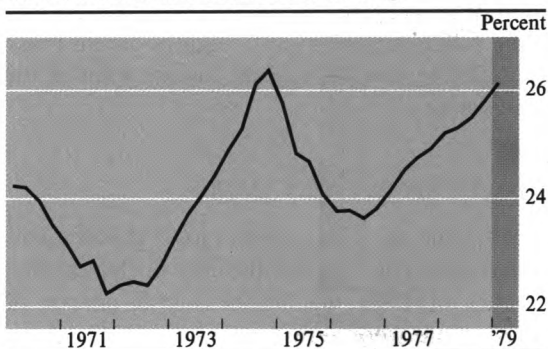
Seasonally adjusted annual rate of change, in percent

Period	Business loans at banks ¹		Total short- and intermediate-term business credit ²
	Total	Excluding bank holdings of bankers acceptances	
1975—Q1 ...	-5.2	-7.4	-4.2
Q2 ...	-8.7	-9.0	-9.1
Q3 ...	-2.4	-2.9	-.7
Q4 ...	...	-2.3	-3.7
1976—Q1 ...	-6.9	-6.6	-1.2
Q2 ...	1.6	2.1	5.7
Q3 ...	5.3	2.8	2.5
Q4 ...	10.6	9.7	12.8
1977—Q1 ...	11.2	13.3	14.6
Q2 ...	12.8	12.9	15.9
Q3 ...	11.2	10.4	10.7
Q4 ...	11.7	12.6	16.1
1978—Q1 ...	15.3	16.8	15.1
Q2 ...	17.4	17.9	16.8
Q3 ...	11.4	11.4	10.5
Q4 ...	9.3	11.3	17.0
1979—Q1 ...	21.8	21.0	19.9

1. Based on data for last Wednesday of month, 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 quarter to end of quarter.

Nonfinancial corporations
Ratio of short-term to total debt outstanding



Based on flow of funds data. 1979 Q1 estimated. Seasonally adjusted.

short-term financing has been reflected in a steady rise since mid-1976 in the ratio of short-term to long-term debt outstanding for nonfinancial corporations. At the end of the first quarter, this ratio once again stood near its 1974 peak of more than 26 percent.

Much of the growth in short-term credit in the first quarter of 1979 was due to an acceleration in the pace of business borrowing from commercial banks; data from large banks indicate that borrowing by public utilities and trade concerns was particularly heavy. The growth in bank loans to business more than offset the reduced—though still substantial—rate of increase of commercial paper outstanding. Despite the increased demand for business credit, interest rates on private short-term credit instruments moved downward in the first quarter, in part due to an increase in the supply of short-term private capital from abroad. Although the prime rate at the majority of banks remained un-

changed over this period at 11¾ percent (after a rise of 2 percentage points in the fourth quarter); the cost of credit at money center banks appears to have been affected by the downward movement of short-term market rates. A few banks posted reductions of 1/4 of a percentage point in their prime rates in early February; information as of midquarter indicates some easing in nonprice lending terms by large banks, including less restrictive qualifications for the prime rate and some reduction in compensating-balance requirements. Moreover, consistent with these reports, survey data from money center banks as of early February showed a substantial increase in loans made at rates below prime.

Nonfinancial corporations, in particular highly rated industrial firms, reduced their public offerings of bonds in the first quarter. The high level of long-term rates apparently discouraged the issuance of call-protected bonds by many of these firms. Nonetheless, the volume of private-placement takedowns, which serve predominantly as a source of credit for small or lower-rated firms, is estimated to have been well above its pace in the fourth quarter.

Public offerings of bonds by financial concerns increased in the first quarter, due mainly to a rise in issues of finance companies. These companies used much of the proceeds of the offerings to reduce outstanding commercial paper and other short-term indebtedness, which had grown sharply in recent quarters as the companies expanded their business- and consumer-lending activities.

Gross offerings of new security issues

Seasonally adjusted annual rates, in billions of dollars

Type of security	1978				1979
	Q1	Q2	Q3	Q4 ^e	Q1 ^e
Corporate, total	42	48	53	42	42
Bonds	35	37	41	30	35
Publicly offered	18	20	24	18	16
Privately placed	17	17	17	12	19
Stocks	7	11	12	12	7
Foreign	5	12	6	5	4
State and local government	44	50	53	47	40

^e Estimated.

Yields on corporate bonds edged up somewhat further during the first quarter, following substantial increases during the last three months of 1978. The index of yields on newly issued, Aaa-rated utility bonds increased about 5 to 10 basis points to reach 9.6 at the end of the quarter. In April the utility bond index jumped an additional 1/4 of a percentage point, although it still remained below its 1974 high.

Since the first of the year, all major indexes of stock prices have risen substantially. By late April, the New York Stock Exchange composite index had increased approximately 7 percent. The composite index of the American Stock Exchange and the over-the-counter composite index compiled by the National Association of Securities Dealers both reached record highs in late April, increasing 20 and 14 percent respectively. Although stock prices were generally higher for firms in most industry classes, much of the strength in the indexes was related to the anticipated effect of rising oil prices on the earnings of energy-related firms. The relatively larger increase in the American Stock Exchange composite index, for example, reflects in part the comparatively high proportion of smaller domestic and Canadian oil and gas exploration companies listed on this exchange, as well as companies engaged in the extraction of primary metals.

In spite of the increase in stock prices, stock offerings contracted substantially during the quarter. Public utilities accounted for most of the new issues. The reluctance of industrial corporations to issue new shares was related to the relatively high cost of equity capital. Conventional measures of price-earnings multiples have fallen to levels only slightly above those recorded in late 1974, their lowest point in the postwar era.

GOVERNMENT FINANCE

Gross bond sales by state and local governments continued to decline significantly during the first quarter of 1979. As in the fourth quarter of 1978, there were almost no advance refundings of outstanding issues, given the high level of interest rates and the Treasury's more restrictive

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

Item	1977			1978				1979
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Treasury financing								
Budget surplus, or deficit (—)	8.6	-12.2	-28.8	-25.8	14.0	-8.1	-23.8	-20.4
Off-budget deficit ¹	.1	-4.9	-1.3	-3.7	-2.2	-3.1	-.1	-3.0
Net cash borrowings, or repayments (—)	-1.1	19.5 ⁴	20.7	20.8	2.5	15.1	15.2	10.6
Other means of financing ²	-.4	.4	2.6	2.8	-3.2	1.0	2.6	4.2
Change in cash balance	7.2	2.8 ⁴	-6.8	-5.9	11.1	4.9	-6.1	-8.6
Federally sponsored credit agencies, net cash borrowings ³	3.0	1.8	2.0	4.5	6.5	6.1	5.2	7.4

1. Includes outlays of the Pension Benefit Guaranty Corporation, Postal Service Fund, Rural Electrification and Telephone Revolving Fund, Rural Telephone Bank, Housing for the Elderly or Handicapped Fund, and Federal Financing Bank. All data have been adjusted to reflect the return of the Export-Import Bank to the unified budget.

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 following enactment of a new debt ceiling bill.

rules governing these operations. Gross offerings would have been even smaller without a substantial increase in sales of mortgage revenue bonds, much of the proceeds of which were used to finance purchases of single-family housing at below-market interest rates.

In contrast to the slight increase in long-term corporate bond yields, the *Bond Buyer* index of yields on general obligation bonds declined appreciably over the first quarter. As in 1978, the demand for tax-exempt bonds by property-casualty insurance companies was reported to have been especially strong. Yields on mortgage revenue bonds rose, however, in part because of the heavy volume of such issues.

Treasury borrowing during the first quarter totaled about \$11 billion (not seasonally adjusted), compared with \$15 billion in each of the last two quarters of 1978. Even though the combined federal deficit—which includes the net outlays of off-budget agencies—remained large, a substantial portion of the deficit was financed by drawing down Treasury cash balances.

In sharp contrast with earlier quarters, lenders generally reduced their holdings of nonmarketable Treasury obligations during the first quarter. As the dollar strengthened in international exchange markets, foreign central banks were substantial net sellers of Treasury securities,

both marketable and nonmarketable. To a lesser extent, the decline in nonmarketable debt outstanding was caused by a reduction in holdings of savings notes and bonds—the first quarterly decline since 1970—and a small paydown in securities issued to state and local governments for earlier advance refundings. As a result, the Treasury's borrowing in the first quarter was accomplished through sales of marketable securities combined with the sale of a special nonmarketable issue to the Federal Reserve.

This special issue, necessitated by a congressional delay in raising the national debt ceiling at the end of the quarter, was repaid shortly thereafter. The delay also caused postponements of Treasury debt operations after mid-March. Some downward pressure on short-term Treasury yields resulted from the cancellation of these Treasury auctions, but the situation was quickly reversed after passage of the new debt ceiling legislation on April 2.

Net borrowing by federally sponsored credit agencies reached a record \$7.4 billion in the first quarter, based on offerings not seasonally adjusted. This increase reflected higher levels of borrowing by both the farm credit and the housing agencies: \$2.8 billion for the Farm Credit System and \$4.6 billion for the Federal National Mortgage Association (FNMA) and the Federal Home Loan Banks (FHLBs). Purchases

of mortgages by FNMA accounted for about two-thirds of the money raised by the housing agencies. The FHLBs increased their borrowing largely to improve their liquidity. Advances to savings and loans in the first quarter decreased much less than the normal seasonal decline for this period.

Movements in interest rates on Treasury securities were mixed over the first quarter. Yields on shorter-dated bills rose sharply relative to those on short-term private securities, largely because of sizable sales of bills by foreign central banks. Those on long-term government bonds edged up slightly over the quarter, in concert with rates paid on long-term corporate bonds and on new commitments for home mortgages in the primary market. In late April, interest rates on both short- and long-term Treasury issues increased along with the rise in private market rates.

MORTGAGE AND CONSUMER CREDIT

Net mortgage lending dropped substantially from its record level in the fourth quarter of 1978. Savings and loan associations and commercial banks greatly reduced their net lending in mortgage markets; most other major sources of mortgage credit continued to lend at roughly the same pace as during the previous quarter. Also, savings and loans in many areas decreased substantially their outstanding commitments to acquire mortgages.

The relatively large decline in net mortgage lending at savings and loan associations was partly a response to the reduced pace of deposit inflows during the two preceding quarters. Deposit growth has slowed despite comparatively high yields on six-month money market certificates, in part because of the competition provided by alternative short-term investment outlets such as money market mutual funds. In the first quarter, the slowing in deposit growth was offset only partially by the continued high rate of borrowing (seasonally adjusted) by savings and loans from FHLBs. Moreover, in contrast with past periods of reduced mortgage activity,

savings and loans chose not to draw down their liquidity to help sustain their mortgage lending. Although their accumulation of liquid assets slowed, average liquidity—measured as the ratio of cash and liquid assets to the sum of short-term borrowings and deposits—remained around the 9 percent level that had prevailed during the fourth quarter. Savings and loans may have been reluctant to commit high-cost, short-term funds to long-term mortgages in the face of uncertainty about the future course of interest rates and deposit flows. At the same time, however, some reduction in mortgage lending in the first quarter may have been due to the effects on housing demand of severe weather and record-high mortgage interest rates; in some states, the restrictive effect of usury ceilings on the supply of conventional home mortgage credit may have played a role. Moreover, originations of home mortgages insured by the Federal Housing Administration or guaranteed by the Veterans Administration reportedly were hindered by the below-market interest rate ceiling of 9½ percent on such government-underwritten loans. Toward late

Net change in mortgage debt outstanding

Seasonally adjusted annual rates, in billions of dollars

Mortgage debt	1978				1979
	Q1 ^r	Q2 ^r	Q3 ^r	Q4 ^r	Q1 ^e
Total	133	146	154	161	142
<i>Type of debt</i>					
Residential	105	114	116	125	113
Other ¹	28	32	38	36	29
<i>Type of holder</i>					
Commercial banks	27	36	39	37	28
Savings and loans	53	52	48	52	43
Mutual savings banks ..	7	6	7	6	6
Life insurance companies	6	9	10	12	10
FNMA and GNMA	5	12	9	9	11
Other ²	35	31	41	45	44

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.

^e Partially estimated.

^r Revised.

April, the Department of Housing and Urban Development and the Veterans Administration raised the maximum rate to 10 percent.

The average of interest rates on new commitments for 80 percent, 30-year conventional home mortgages at savings and loan associations has risen about 20 basis points since the beginning of 1979, to a record 10.6 percent in early May. A number of states with ceiling rates of 10 percent or less on conventional home

mortgages have moved to relax or abolish the ceilings, thereby relieving shortages of mortgage money in some areas.

The growth of outstanding consumer installment credit averaged 15 percent at a seasonally adjusted annual rate for the first quarter, down markedly from 20 percent for 1978. The effect of unusually harsh weather on consumer spending early in the quarter may have been partly responsible for the drop. □

Survey of Time and Savings Deposits at Commercial Banks, January 1979

David M. Lefever of the Board's Division of Research and Statistics prepared this article.

Total time and savings deposits at insured commercial banks, not adjusted for seasonal variation, expanded 3 percent during the period from October 26, 1978, to January 31, 1979, slightly less than the increase of $3\frac{1}{4}$ percent over the preceding survey quarter.¹ Net inflows of savings deposits and interest-bearing, small-denomination time deposits (less than \$100,000) totaled more than \$2½ billion during the October–January period; during the July–October survey period these deposits grew \$6½ billion. To help finance expansion of bank credit when flows into savings and small-denomination time deposits were moderating, banks raised \$16½ billion through the issuance of large-denomination (\$100,000 or more) time deposits. In the preceding survey period, net sales of large-de-

nomination time deposits, which are not subject to interest rate ceilings, had been \$12¼ billion.

The change in the composition of savings and small-denomination time deposits reflected further increases in market interest rates above fixed regulatory ceilings and continued rapid inflows of the six-month money market certificates (MMCs); the variable maximum legal rate on MMCs, which exceeded the allowable rate on all deposits subject to fixed-rate ceilings throughout the period, contributed to a net growth of MMCs totaling \$18 billion. Savings and small-denomination time deposits excluding MMCs fell \$15½ billion, compared with a decrease of \$5½ billion during the previous survey quarter. Although MMCs drew substantially from other types of bank deposits, they likely attracted some funds that otherwise would have been invested in market instruments.

SAVINGS DEPOSITS

During the October–January period, commercial banks experienced the largest quarterly net outflow of savings deposits, not seasonally adjusted, since the first of these surveys in late 1965. The decline in savings accounts of more than \$7¼ billion followed an increase of \$1½ billion during the July–October period and a decline of \$1½ billion during the April–July period. The decrease of savings deposits reflected continued high rates on alternative instruments, such as Treasury bills, shares of money market mutual funds, and MMCs. By the end of January, the maximum allowable yield on savings deposits was nearly $4\frac{1}{2}$ percentage points below rates on these alternative issues.

Each of the three major ownership sectors

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 the 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 issues of the FEDERAL RESERVE BULLETIN from 1966 to 1978, most recently February 1979.

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 BULLETIN, vol. 63 (December 1976), pp. 986–1000.

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

reduced their holdings of savings deposits. Accounts held by individuals and nonprofit organizations declined \$5¾ billion despite the growth of \$5 billion in automatic transfer service accounts nationwide and in negotiable order of withdrawal accounts in New York State. The net outflow from accounts issued to individuals during the recent survey period and during the April–July 1978 survey period were the only declines recorded since early 1970. Savings deposits of businesses fell more than \$800 million, after sluggish growth during the previous five survey quarters; savings accounts of domestic governmental units declined for the third straight quarter. The average rate of interest on savings deposits was 4.94 percent, essentially unchanged from the previous survey.

SMALL-DENOMINATION TIME DEPOSITS

The outstanding level of interest-earning, small-denomination time deposits—consisting of all maturity categories, including MMCs, individual retirement accounts (IRAs), and Keogh accounts—rose almost \$10 billion, not seasonally adjusted, during the October–January period to more than \$190 billion, following an increase of \$5 billion in the previous period. The outstanding level of MMCs jumped more than \$18 billion, compared with an increase of \$8½ billion during the July–October period. While most other categories of small-denomination time deposits decelerated or declined, IRAs and Keogh accounts continued to grow

1. Time and savings deposits held by insured commercial banks on recent survey dates

Type of deposit, denomination, and original maturity	Number of issuing banks			Deposits				
				Millions of dollars			Percentage change	
	July 26, 1978	Oct. 25, 1978	Jan. 31, 1979	July 26, 1978	Oct. 25, 1978	Jan. 31, 1979	July 26– Oct. 25	Oct. 25– Jan. 31
Total time and savings deposits.....	14,338	14,299	14,269	576,366	595,194	613,147	3.3	3.0
Savings.....	14,338	14,299	14,269	220,583	222,114	214,791	.7	–3.3
<i>Holder</i>								
Individuals and nonprofit organizations.....	14,338	14,299	14,269	204,847	205,863	200,193	.5	–2.8
Partnerships and corporations operated for profit (other than commercial banks)...	9,989	9,857	9,735	10,646	11,293	10,475	6.1	–7.2
Domestic governmental units.....	8,023	8,285	8,050	4,954	4,842	3,991	–2.3	–17.6
All other.....	1,268	1,228	1,244	137	116	133	–15.2	14.7
Interest-bearing time deposits, less than \$100,000.....	14,095	14,008	14,179	175,336	180,373	190,314	2.9	5.5
<i>Holder</i>								
Domestic governmental units ¹	10,873	10,646	10,539	4,006	3,725	3,252	–7.0	–12.7
30 up to 90 days.....	4,770	4,903	4,636	918	988	662	7.6	–33.1
90 up to 180 days.....	7,961	7,544	7,716	1,166	1,095	1,245	–6.1	13.7
180 days up to 1 year.....	5,539	5,438	4,752	666	620	367	–6.9	–40.9
1 year and over.....	8,867	8,175	8,379	1,256	1,022	979	–18.7	–4.1
Other than domestic governmental units ¹ ...	14,092	14,008	14,179	163,178	159,766	151,579	–2.1	–5.1
30 up to 90 days.....	6,125	5,510	5,104	5,413	4,385	3,758	–19.0	–14.3
90 up to 180 days.....	11,700	11,439	11,236	29,392	28,929	25,606	–1.6	–11.5
180 days up to 1 year.....	8,458	8,172	8,321	3,156	3,248	3,350	2.9	3.1
1 up to 2½ years.....	13,769	13,751	13,765	32,857	31,006	28,349	–5.6	–8.6
2½ up to 4 years.....	12,902	12,822	13,002	18,346	17,475	16,420	–4.7	–6.0
4 up to 6 years.....	13,044	12,920	13,416	50,850	49,571	48,273	–2.5	–2.6
6 up to 8 years.....	10,765	10,965	11,470	21,738	22,847	23,071	5.1	1.0
8 years and over.....	6,186	7,790	7,909	1,427	2,306	2,753	61.5	19.4
IRA and Keogh Plan time deposits, 3 years or more.....	9,364	9,329	10,015	2,770	3,005	3,533	8.5	17.6
Money market certificates, \$10,000 or more, exactly 6 months.....	9,102	10,428	12,228	5,381	13,877	31,949	157.9	130.2
Interest-bearing time deposits, \$100,000 or more.....	11,531	11,789	11,875	174,048	186,328	202,807	7.1	8.8
Non-interest-bearing time deposits.....	1,447	1,730	1,604	4,272	4,222	4,379	–1.2	3.7
Less than \$100,000.....	1,177	1,411	1,254	694	722	658	4.0	–8.9
\$100,000 or more.....	658	680	745	3,578	3,500	3,721	–2.2	6.3
Club accounts (Christmas savings, vacation, and the like).....	9,550	9,230	9,193	2,128	2,159	857	1.5	–60.3

1. Excludes all money market certificates, IRAs, and Keogh Plan accounts.

NOTE. All banks that had either discontinued offering or never offered certain types of deposits as of the survey date are not counted

as issuing banks. However, small amounts of deposits held at banks that had discontinued issuing certain types of deposits are included in the amounts outstanding.

Details may not add to totals because of rounding.

2. Small-denomination time and savings deposits held by insured commercial banks on January 31, 1979, compared with previous survey, by type of deposit, by most common rate paid on new deposits in each category, and by size of bank

Deposit group, original maturity, 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. 31, 1979	Oct. 25, 1978	Jan. 31, 1979	Oct. 25, 1978	Jan. 31, 1979	Oct. 25, 1978	Jan. 31, 1979	Oct. 25, 1978	Jan. 31, 1979	Oct. 25, 1978	Jan. 31, 1979	Oct. 25, 1978
	Number of banks, or percentage distribution						Amount of deposits (in millions of dollars), or percentage distribution					
Savings deposits												
<i>Individuals and nonprofit organizations</i>												
Issuing banks.....	14,269	14,299	13,160	13,226	1,109	1,073	200,193	205,863	76,208	79,535	123,985	126,328
Distribution, total.....	100	100	100	100	100	100	100	100	100	100	100	100
4.00 or less.....	4.3	4.0	4.3	4.1	4.0	2.8	3.2	2.9	3.6	3.7	2.9	2.5
4.01-4.50.....	6.7	8.3	6.9	8.5	4.3	5.8	5.1	7.0	7.0	8.6	3.9	6.0
4.51-5.00.....	89.0	87.6	88.8	87.3	91.7	91.4	91.7	90.0	89.3	87.7	93.1	91.5
Paying ceiling rate ¹	89.0	87.6	88.8	87.3	91.7	91.4	91.7	90.0	89.3	87.7	93.1	91.5
<i>Partnerships and corporations</i>												
Issuing banks.....	9,735	9,857	8,651	8,801	1,084	1,057	10,475	11,293	3,395	3,523	7,080	7,770
Distribution, total.....	100	100	100	100	100	100	100	100	100	100	100	100
4.00 or less.....	1.5	1.4	1.6	1.5	.8	.9	.4	.4	1.0	1.0	.1	.2
4.01-4.50.....	4.5	4.6	4.8	4.7	2.1	3.4	4.0	3.8	3.6	3.4	4.2	4.0
4.51-5.00.....	94.0	94.0	93.6	93.8	97.1	95.7	95.6	95.8	95.4	95.5	95.7	95.8
Paying ceiling rate ¹	93.7	93.7	93.3	93.5	97.1	95.7	95.6	95.7	95.2	95.5	95.7	95.8
<i>Domestic governmental units</i>												
Issuing banks.....	8,024	8,285	7,250	7,553	774	732	3,989	4,842	2,010	2,659	1,980	2,183
Distribution, total.....	100	100	100	100	100	100	100	100	100	100	100	100
4.00 or less.....	2.9	2.3	3.2	2.5	.3	.1	2.1	1.1	4.1	1.8	.2	.2
4.01-4.50.....	6.2	7.5	6.6	8.1	2.3	1.9	4.7	3.7	7.1	6.1	2.3	.8
4.51-5.00.....	90.9	90.2	90.2	89.4	97.4	97.9	93.2	95.3	88.9	92.1	97.6	99.1
Paying ceiling rate ¹	90.6	89.9	89.9	89.1	97.4	97.9	93.1	95.2	88.7	91.9	97.6	99.1
<i>All other</i>												
Issuing banks.....	1,241	1,228	1,081	1,102	160	126	133	116	43	36	90	80
Distribution, total.....	100	100	100	100	100	100	100	100	100	100	100	100
4.00 or less.....	3.1	12.8	3.3	13.9	2.1	2.6	.2	2.3	(2)	5.1	.2	1.0
4.01-4.50.....	.1	6.7	(2)	7.5	.7	(2)	(2)	(2)	(2)	(2)	(2)	(2)
4.51-5.00.....	96.8	80.5	96.7	78.6	97.2	97.4	99.8	97.7	100.0	94.9	99.8	99.0
Paying ceiling rate ¹	96.8	80.5	96.7	78.6	97.2	97.4	99.8	97.7	100.0	94.9	99.8	99.0
Time deposits less than \$100,000												
<i>Domestic governmental units</i>												
<i>30 up to 90 days</i>												
Issuing banks.....	4,610	4,903	3,947	4,229	663	674	658	988	457	685	201	303
Distribution, total.....	100	100	100	100	100	100	100	100	100	100	100	100
4.50 or less.....	.2	.1	(2)	(2)	1.3	.8	.1	.3	(2)	(2)	.3	.8
4.51-5.00.....	58.9	58.6	58.9	56.6	59.0	70.8	35.4	47.8	32.6	43.4	41.8	57.7
5.01-5.50.....	7.9	5.6	7.6	5.9	9.6	3.8	5.1	6.4	5.1	7.9	5.0	3.2
5.51-8.00.....	33.1	35.7	33.5	37.4	30.2	24.6	59.4	45.5	62.3	48.8	52.9	38.2
Paying ceiling rate ¹	20.2	11.6	20.8	10.8	16.7	16.4	41.4	15.6	40.3	9.3	43.8	30.0
<i>90 up to 180 days</i>												
Issuing banks.....	7,715	7,544	6,887	6,712	828	832	1,245	1,094	918	736	327	359
Distribution, total.....	100	100	100	100	100	100	100	100	100	100	100	100
4.50 or less.....	.1	.1	(2)	(2)	.6	.7	.2	.1	(2)	(2)	.8	.2
4.51-5.00.....	14.3	11.5	14.8	11.8	10.5	9.1	5.5	5.1	6.7	5.3	2.2	4.7
5.01-5.50.....	66.9	70.7	66.8	70.9	67.6	69.8	58.1	68.9	54.5	69.3	68.2	67.0
5.51-8.00.....	18.7	17.6	18.4	17.3	21.3	20.4	36.2	26.0	38.9	25.4	28.7	27.0
Paying ceiling rate ¹	10.0	3.4	9.9	2.5	11.3	10.3	27.7	7.6	32.2	3.2	15.0	16.7
<i>180 days up to 1 year</i>												
Issuing banks.....	4,704	5,415	4,063	4,799	640	616	362	620	208	437	154	183
Distribution, total.....	100	100	100	100	100	100	100	100	100	100	100	100
4.50 or less.....	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
4.51-5.00.....	8.4	6.8	8.8	7.0	5.5	5.0	.5	1.9	(2)	.7	1.2	5.0
5.01-5.50.....	60.1	67.2	60.1	67.2	60.1	66.7	63.5	63.8	66.1	66.0	60.1	58.6
5.51-8.00.....	31.6	26.1	31.1	25.8	34.4	28.4	36.0	34.2	33.9	33.3	38.7	36.4
Paying ceiling rate ¹	11.5	8.6	9.8	7.6	22.0	16.8	20.8	14.5	11.4	7.9	33.5	30.5
<i>1 year and over</i>												
Issuing banks.....	8,378	8,171	7,552	7,380	826	791	979	1,020	813	861	167	159
Distribution, total.....	100	100	100	100	100	100	100	100	100	100	100	100
5.00 or less.....	1.2	1.3	1.0	1.0	2.7	4.4	2.4	.6	.1	.1	13.4	3.2
5.01-5.50.....	2.6	3.9	2.4	4.0	4.6	3.3	.9	2.0	(2)	1.8	4.8	3.5
5.51-6.00.....	58.8	58.0	58.4	57.9	62.8	59.7	52.6	55.5	53.8	56.8	46.8	48.0
6.01-8.00.....	37.4	36.7	38.2	37.2	29.9	32.7	44.1	41.9	46.0	41.3	35.0	45.3
Paying ceiling rate ¹	4.9	3.7	4.4	3.0	9.2	9.8	10.7	10.8	9.0	8.4	19.0	24.1

For notes see end of table.

TABLE 2—Continued

Deposit group, original maturity, 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. 31, 1979	Oct. 25, 1978	Jan. 31, 1979	Oct. 25, 1978	Jan. 31, 1979	Oct. 25, 1978	Jan. 31, 1979	Oct. 25, 1978	Jan. 31, 1979	Oct. 25, 1978	Jan. 31, 1979	Oct. 25, 1978
	Number of banks, or percentage distribution						Amount of deposits (in millions of dollars), or percentage distribution					
Time deposits less than \$100,000 (cont.)												
Other than domestic governmental units												
30 up to 90 days												
Issuing banks.....	5,100	5,510	4,188	4,632	912	877	3,745	4,362	778	909	2,967	3,452
Distribution, total.....	100	100	100	100	100	100	100	100	100	100	100	100
4.50 or less.....	1.0	.8	.8	.7	1.6	1.3	1.5	1.3	(2)	(2)	1.9	1.7
4.51-5.00.....	99.0	99.2	99.2	99.3	98.4	98.7	98.5	98.7	100.0	100.0	98.1	98.3
Paying ceiling rate ¹	99.0	99.2	99.2	99.3	98.4	98.7	98.5	98.7	100.0	100.0	98.1	98.3
90 up to 180 days												
Issuing banks.....	11,236	11,439	10,134	10,384	1,102	1,055	25,606	28,929	10,331	11,543	15,274	17,386
Distribution, total.....	100	100	100	100	100	100	100	100	100	100	100	100
4.50 or less.....	(2)	.6	(2)	.7	.3	(2)	(2)	(2)	(2)	(2)	(2)	(2)
4.51-5.00.....	5.6	4.6	6.0	4.8	2.4	2.3	3.4	4.7	4.5	4.5	2.7	4.7
5.01-5.50.....	94.3	94.8	94.0	94.5	97.3	97.7	96.6	95.3	95.5	95.4	97.3	95.3
Paying ceiling rate ¹	93.6	94.2	93.3	93.9	96.3	97.6	95.1	94.9	95.5	95.4	94.8	94.6
180 days up to 1 year												
Issuing banks.....	8,292	8,172	7,407	7,294	885	878	3,343	3,238	1,720	1,638	1,622	1,600
Distribution, total.....	100	100	100	100	100	100	100	100	100	100	100	100
4.50 or less.....	.5	.6	.5	.5	.9	2.1	.1	.2	(2)	(2)	.3	.3
4.51-5.00.....	4.0	3.9	4.1	4.1	3.5	2.3	1.6	1.4	3.0	2.5	.1	.3
5.01-5.50.....	95.5	95.5	95.4	95.4	95.6	95.6	98.3	98.4	97.0	97.4	99.6	99.4
Paying ceiling rate ¹	95.5	95.5	95.4	95.4	95.6	95.6	98.3	98.4	97.0	97.4	99.6	99.4
1 up to 2½ years												
Issuing banks.....	13,762	13,751	12,659	12,684	1,102	1,066	28,348	31,004	18,198	19,733	10,150	11,271
Distribution, total.....	100	100	100	100	100	100	100	100	100	100	100	100
5.00 or less.....	.6	.5	.6	.6	.7	(2)	.2	.1	.2	.2	.2	(2)
5.01-5.50.....	1.9	2.0	2.1	2.2	.3	.4	.5	.6	.7	.7	.2	.4
5.51-6.00.....	97.4	97.4	97.3	97.2	99.0	99.6	99.2	99.3	99.1	99.1	99.6	99.6
Paying ceiling rate ¹	97.3	97.3	97.3	97.2	97.5	98.2	98.8	99.0	99.1	99.1	98.3	98.8
2½ up to 4 years												
Issuing banks.....	12,967	12,822	11,876	11,767	1,091	1,054	16,414	17,443	9,636	10,235	6,778	7,208
Distribution, total.....	100	100	100	100	100	100	100	100	100	100	100	100
6.00 or less.....	.9	2.1	.8	2.2	2.5	1.3	.7	1.7	.1	2.2	1.5	1.0
6.01-6.50.....	99.1	97.9	99.2	97.8	97.5	98.7	99.3	98.3	99.9	97.8	98.5	99.0
Paying ceiling rate ¹	98.8	97.7	99.0	97.8	96.8	96.8	99.1	98.0	99.8	97.8	98.2	98.2
4 up to 6 years												
Issuing banks.....	13,337	12,920	12,256	11,877	1,082	1,043	48,194	49,491	26,755	27,408	21,440	22,082
Distribution, total.....	100	100	100	100	100	100	100	100	100	100	100	100
6.50 or less.....	.4	1.6	.3	1.7	2.1	.3	.7	.8	(2)	1.2	1.7	.4
6.41-7.00.....	7.7	10.0	8.0	10.4	4.7	5.3	7.4	7.4	9.9	10.1	4.2	4.0
7.01-7.25.....	91.8	88.4	91.7	87.9	93.1	94.4	91.9	91.8	90.1	88.7	94.1	95.6
Paying ceiling rate ¹	91.6	88.2	91.5	87.7	92.4	93.8	91.5	91.4	89.6	88.3	94.0	95.3
6 up to 8 years												
Issuing banks.....	11,466	10,965	10,427	9,950	1,039	1,014	23,032	22,793	9,919	10,140	13,113	12,652
Distribution, total.....	100	100	100	100	100	100	100	100	100	100	100	100
7.00 or less.....	.5	1.5	.3	1.6	2.2	.4	1.1	.5	(2)	.6	2.0	.4
7.01-7.25.....	1.9	3.2	1.7	3.2	3.9	3.7	1.3	2.4	1.0	2.0	1.6	2.8
7.26-7.50.....	97.6	95.3	98.0	95.2	93.9	95.9	97.5	97.1	99.0	97.4	96.4	96.8
Paying ceiling rate ¹	97.6	95.3	98.0	95.2	93.9	95.3	97.5	96.9	99.0	97.4	96.4	96.5
8 years and over												
Issuing banks.....	7,909	7,790	6,995	6,955	914	835	2,753	2,306	932	739	1,821	1,566
Distribution, total.....	100	100	100	100	100	100	100	100	100	100	100	100
7.25 or less.....	1.4	1.7	.9	1.4	5.2	4.1	6.0	5.1	.3	.2	8.9	7.4
7.26-7.50.....	4.9	6.3	5.0	6.0	4.7	9.0	12.1	14.9	1.2	3.0	17.7	20.5
7.51-7.75.....	93.7	92.0	94.1	92.7	90.1	86.9	81.9	80.0	98.5	96.8	73.3	72.1
Paying ceiling rate ¹	93.2	92.0	93.6	92.7	90.1	86.9	81.5	80.0	97.6	96.8	73.3	72.1
IRA and Keogh Plan time deposits, 3 years or more												
Issuing banks.....	10,013	9,329	8,986	8,349	1,027	980	3,522	3,005	1,368	1,174	2,155	1,831
Distribution, total.....	100	100	100	100	100	100	100	100	100	100	100	100
6.00 or less.....	4.7	3.4	5.0	3.5	2.3	1.8	1.6	1.2	1.1	.9	1.8	1.3
6.01-7.00.....	3.7	7.0	3.7	7.5	3.1	2.8	1.8	2.6	1.3	3.6	2.1	1.9
7.01-7.50.....	33.0	31.3	34.3	31.9	22.0	26.1	21.4	24.1	31.6	28.6	14.9	21.3
7.51-7.75.....	58.6	58.4	57.0	57.1	72.6	69.3	75.2	72.1	66.0	66.9	81.1	75.5
Paying ceiling rate ¹	44.8	34.1	43.4	33.0	56.9	43.8	60.5	46.5	50.3	39.1	67.0	51.3

For notes see end of table.

TABLE 2—Continued

Deposit group, original maturity, 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. 31, 1979	Oct. 25, 1978	Jan. 31, 1979	Oct. 25, 1978	Jan. 31, 1979	Oct. 25, 1978	Jan. 31, 1979	Oct. 25, 1978	Jan. 31, 1979	Oct. 25, 1978	Jan. 31, 1979	Oct. 25, 1978
	Number of banks, or percentage distribution						Amount of deposits (in millions of dollars), or percentage distribution					
Time deposits less than \$100,000 (cont.)												
Money market certificates, \$10,000 or more, 6 months												
Issuing banks.....	12,228	10,183	11,147	9,128	1,081	1,055	31,949	13,844	13,480	5,355	18,469	8,489
Distribution, total.....	100	100	100	100	100	100	100	100	100	100	100	100
8.00 or less.....	2.0	13.9	2.1	14.8	1.4	5.9	.8	5.2	1.1	8.6	.5	3.0
8.01-8.74.....	3.2	86.1	3.4	85.2	.8	94.1	.3	94.8	.6	91.4	.1	97.0
8.75-9.00.....	5.6	(2)	6.1	(2)	1.1	(2)	2.5	(2)	4.2	(2)	1.3	(2)
9.01-9.49.....	89.2	(2)	88.4	(2)	96.8	(2)	96.4	(2)	94.1	(2)	98.2	(2)
Paying ceiling rate ¹ ...	87.5	67.2	86.9	65.1	93.7	85.3	95.2	85.0	93.3	75.5	96.7	91.0
Club accounts												
Issuing banks.....	9,193	9,230	8,423	8,437	770	794	838	2,127	378	907	460	1,220
Distribution, total.....	100	100	100	100	100	100	100	100	100	100	100	100
0.00.....	40.4	44.0	42.0	45.6	23.0	27.1	17.8	19.1	23.9	27.0	12.9	13.3
0.01-4.00.....	18.2	16.2	18.4	16.4	15.9	14.7	21.9	13.4	29.3	21.3	15.8	7.6
4.01-4.50.....	7.6	6.9	7.6	6.9	7.0	6.5	12.2	8.7	13.0	6.5	11.5	10.3
4.51-5.50.....	33.8	32.9	31.9	31.1	54.0	51.7	48.1	58.8	33.9	45.2	59.7	68.9

1. See table 1.16, 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 types of deposits 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.

Details may not add to totals because of rounding.

steadily over the period; they increased more than \$500 million to a level of about \$3½ billion.

Reflecting a diversion of deposits to MMCs, as well as the further rise in interest rates on alternative instruments above the fixed regulatory ceiling rates, the outstanding level of small-denomination time deposits subject to fixed ceilings declined sharply. Net outflows from such accounts totaled more than \$8 billion, almost twice as large as the drop during the previous survey quarter. Issues to depositors other than governmental units declined more than \$8 billion; net withdrawals were registered in all but one of the maturity categories under six years, and deposits with maturities of less than 180 days dropped almost \$4 billion. The decreases suggest that a large portion of MMC balances represents funds that were shifted from accounts in these deposit categories.

The consistently popular deposits with original maturities of six years or more continued to rise, although at a reduced pace. The net inflow to these accounts of \$650 million was about \$2 billion less than the increase in the previous survey period and represented the

smallest percentage increase for any survey quarter since introduction in 1974 of the six-year certificate with a higher ceiling. With large outflows from the lower-yielding, short-maturity accounts and with a slightly higher percentage of banks in January paying the ceiling rate on longer-term, small-denomination time deposits issued to nongovernmental units, the weighted-average rate paid on all nongovernmental small-denomination time deposits (excluding MMCs, IRAs, and Keogh accounts) rose slightly to 6.57 percent.

Outstanding levels of all maturities of small-denomination time deposits issued to governmental units, except those maturing from 90 up to 180 days, registered declines. Overall, such deposits declined nearly \$500 million compared with a decrease of about \$300 million during the previous survey period. Although banks may pay 8 percent on all time deposits issued to governments without regard to maturity, their offering rates are in general well below the ceiling because of the frequent requirement to pledge securities against such accounts. Nevertheless, in response to rising market rates of interest, a growing proportion of banks paid the

3. Average of most common interest rates paid on various categories of time and savings deposits at insured commercial banks, January 31, 1979

Type of deposit, holder, and original maturity	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.....	5.94	6.02	6.10	5.99	5.93	5.81	5.82
Savings, total.....	4.94	4.94	4.89	4.93	4.95	4.88	4.97
Individuals and nonprofit organizations.....	4.94	4.94	4.89	4.93	4.95	4.88	4.97
Partnerships and corporations.....	4.98	5.00	4.96	4.96	4.99	4.98	4.97
Domestic governmental units.....	4.95	4.93	4.92	4.91	4.98	4.99	4.99
All other.....	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Other time deposits in denominations of less than \$100,000, total.....	6.57	6.48	6.65	6.63	6.58	6.50	6.52
Domestic governmental units, total.....	6.40	6.42	6.51	6.38	5.98	6.42	6.73
30 up to 90 days.....	6.63	6.98	6.41	6.47	5.98	6.26	6.89
90 up to 180 days.....	6.27	6.34	6.47	5.80	5.86	6.19	6.78
180 days up to 1 year.....	6.14	5.72	6.06	6.96	5.89	6.62	6.99
1 year and over.....	6.52	6.39	6.67	6.69	6.44	6.84	6.24
Other than domestic governmental units, total.....	6.57	6.49	6.65	6.63	6.59	6.50	6.52
30 up to 90 days.....	4.97	5.00	5.00	5.00	4.86	4.93	5.00
90 up to 180 days.....	5.48	5.47	5.49	5.46	5.48	5.50	5.47
180 days up to 1 year.....	5.48	5.48	5.49	5.40	5.47	5.50	5.50
1 up to 2½ years.....	5.99	5.99	6.00	6.00	5.99	5.99	6.00
2½ up to 4 years.....	6.49	6.49	6.50	6.50	6.49	6.49	6.49
4 up to 6 years.....	7.22	7.23	7.21	7.24	7.22	7.24	7.22
6 up to 8 years.....	7.48	7.50	7.50	7.50	7.43	7.50	7.48
Over 8 years.....	7.66	7.73	7.75	7.73	7.68	7.59	7.60
IRA and Keogh Plan time deposits, 3 years or more.....	7.75	7.68	7.77	7.69	7.80	7.70	7.74
Money market certificates, exactly 6 months.....	9.44	9.33	9.45	9.45	9.43	9.42	9.47
Club accounts ¹	3.74	2.24	3.40	3.78	4.09	3.78	4.25

1. Club accounts are excluded from all of the other 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 types of deposit as of the survey date were excluded from the calculations for those specific types of deposits.

maximum allowable rate on all categories of time deposits issued to governmental units. The weighted-average rate paid on these accounts jumped 26 basis points to 6.40 percent.

The large increase of 98 basis points in the average rate paid on MMCs, the slight rise in the average rate paid on small-denomination issues to nongovernmental entities, and the jump in the average rate paid to governmental units combined to produce a rise of 37 basis points to 7.07 percent on all small-denomination time deposits. The weighted-average rate paid by banks on all small-denomination time and savings deposits was up 22 basis points to 5.94 percent.

OTHER TIME DEPOSITS

Continued growth of bank assets, coupled with modest growth in deposits subject to interest rate

ceilings, led to an increase of \$16½ billion—to a level of more than \$200 billion—in the outstanding volume of interest-bearing, large-denomination time deposits at banks; inflows of large-denomination time deposits had averaged \$11 billion per quarter in the six preceding survey periods. Large negotiable certificates of deposits at weekly reporting banks (not shown in the table) accounted for about 65 percent of the total advance.

Non-interest-bearing time deposits, principally escrow accounts and compensating balances held in conjunction with loans, increased \$150 million, following a decline of \$50 million in the preceding period. Reflecting the normal seasonal pattern of deposit flows, the level of club accounts dropped more than half, to less than \$1 billion. About 40 percent of the offering banks, holding one-fifth of outstanding deposits, paid no interest on club accounts. □

Staff Studies

The 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 professions 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 Studies” that lists the studies for which copies are currently available in mimeographed form.

STUDY SUMMARY

INNOVATIONS IN BANK LOAN CONTRACTING: RECENT EVIDENCE

Paul W. Boltz—Staff, Board of Governors, and

Tim S. Campbell—Assistant Professor of Finance, University of Utah

Prepared as a staff paper in late 1978

Business loans made by commercial banks have many different characteristics. Until recently, little evidence has been available on the various terms of bank lending other than the nominal interest rates charged at large banks. A new survey—the Survey of Terms of Bank Lending—first undertaken in 1977 by the Federal Reserve and the Federal Deposit Insurance Corporation substantially closes the gap in information by collecting detailed data on individual loans made at a stratified sample of about 340 banks from reports made during one week each quarter. Many characteristics of business loans can be distinguished by these data.

In this paper, reports in the quarterly surveys in 1977 by major regional and money center banks on short-term commercial and industrial loans are analyzed to determine the pricing

characteristics of such loans. The major issue examined is the relationship between the nominal interest rate charged on loans and other elements of the loan agreement, including such features as fixed or floating interest rates, commitments and commitment fees, collateral, and the maturity of the loan. The characteristics of loans made at less-than-prime interest rates at money center banks were of particular interest.

The authors find that commercial and industrial loans are not homogeneous products. Large banks have developed complex packages of loan terms that include specific pricing of various kinds of risks. In addition, it is shown that during 1977 a sizable volume of loans were made at below-prime rates at a relatively small number of money center banks. These loans

had, on average, distinctly different packages of nonrate terms than loans at prime lending rates, particularly vis-a-vis the maturity of the loans and whether the interest rates were fixed or floating. Somewhat more than half the dollar volume of short-term business loans made at major regional banks as reported in the quarterly surveys in 1977 and about two-thirds at money center banks were floating-rate contracts. Con-

siderable shifting by large banks to borrowers of the risks of changes in interest rates was also demonstrated by the short maturity of those loans made at fixed rates, almost all of which had maturities of two months or less. In addition, the study reviewed commitments use and collateral requirements and compared the profile of loans made at money center banks with loans at major regional banks. □

Industrial Production

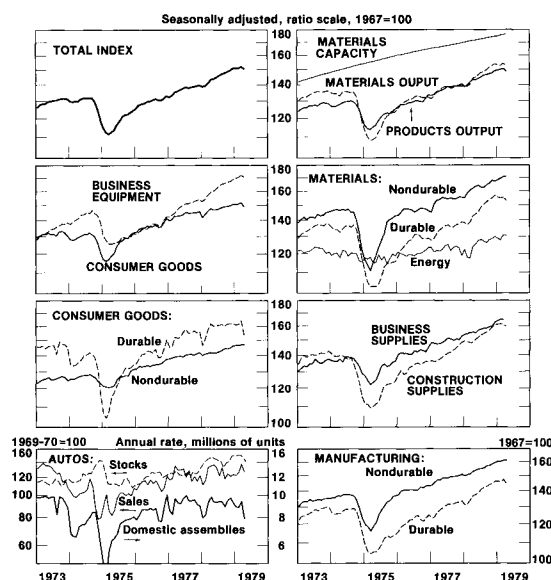
Released for publication May 16

Industrial production declined an estimated 1.0 percent in April, with the drop primarily the result of the strike and lockout in the trucking industry. Because of this labor dispute, production of consumer durable goods—particularly autos—and of durable goods materials was curtailed sharply; but some declines in output occurred in most market groupings of the index. At 150.5 percent of the 1967 average, the index for April is 5.1 percent higher than that of a year earlier.

Output of consumer durable goods fell 6.4 percent in April because of production curtailments in the auto and appliance industries, largely due to the work stoppage in the trucking industry. Auto assemblies, at an annual rate of 7.9 million units, declined about 16 percent from the March rate; this drop was much sharper than the cutback originally scheduled. Present auto assembly schedules indicate a rate of about 9.4 million units in May and a rate of 9.6 million units in June, and would only partially make up for output lost in April. Output of consumer nondurable goods was about unchanged in April. Production of business equipment fell 0.7 percent as the output of transit equipment, particularly business vehicles, was also affected by the labor dispute in trucking. Output of construction supplies declined for the second consecutive month.

Production of materials fell 0.7 percent in

April, after a rise of 0.9 percent in March. Output of durable goods materials declined 1.4 percent as the trucking dispute and the strike of the steel haulers disrupted the production of consumer durable goods parts, equipment parts, and basic metals, especially motor vehicle parts and finished steel. Production of nondurable goods materials continued to increase in April, reflecting gains in the output of chemical materials. Output of energy materials declined slightly in April because of a cutback in extraction of crude oil.



Federal Reserve indexes, seasonally adjusted. Latest figures: April. Auto sales and stocks include imports.

Industrial production	1967 = 100		Percentage change from preceding month to—						Percentage change 4/78 to 4/79
	1979		1978		1979				
	Mar. ^p	Apr. ^e	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	
Total	152.0	150.5	.6	.9	.0	.1	.7	-1.0	5.1
Products, total	150.6	148.9	.5	.9	.2	.3	.5	-1.1	4.1
Final products	147.3	145.3	.3	.8	.2	.3	.7	-1.4	3.4
Consumer goods.....	151.7	149.0	.3	.6	.0	.1	.7	-1.8	1.0
Durable	163.9	153.4	.1	.1	-6.6	.2	1.6	-6.4	-5.2
Nondurable	146.9	147.1	.3	1.0	.2	.0	.3	.1	3.7
Business equipment	172.0	170.8	.2	.9	.6	.5	.9	-.7	7.2
Intermediate products	162.7	162.1	.8	1.6	.5	.3	-.2	-.4	6.6
Construction supplies.....	160.7	159.6	1.3	1.1	.2	.1	-.4	-.7	7.5
Materials	154.1	153.0	.9	.7	-.5	-.3	.9	-.7	6.5

^aPreliminary.

^eEstimated.

NOTE. Indexes are seasonally adjusted.

Statements to Congress

Statement by Henry C. Wallich, Member, Board of Governors of the Federal Reserve System, before the Subcommittee on Oversight of the Committee on Ways and Means, U.S. House of Representatives, April 25, 1979.

Mr. Chairman, as requested in your letter inviting the Federal Reserve to participate in these hearings, I shall discuss the role of U.S. banks in offshore centers and will comment on the types and adequacy of the information the Federal Reserve obtains on bank activities in such locations.

Offshore financial centers, some of which are also tax havens, are nowadays a highly important part of the international financial system. No picture of international financial developments is complete without taking into account the transactions that are made or booked in these centers. It is for this reason that activities in these centers are of interest to the Federal Reserve as a central bank when monitoring international flows of money and credit in relation to domestic monetary conditions. Furthermore, U.S. banks occupy a prominent place in these offshore centers. The Federal Reserve as bank supervisor must therefore be concerned with monitoring the activities of U.S. banks in these centers to assure itself that they are conducting their affairs in a safe and sound manner.

While tax considerations are frequently an important element in the operations of offshore financial centers and the kinds of transactions that take place or are booked in them, these considerations are not prominent in the concerns of the Federal Reserve about these centers. Other authorities exercise oversight on tax aspects of transactions in these centers and have the specialized expertise to deal with such matters. As I have just indicated, our interests run to the broad economic implications of activities in these centers and to the bank supervisory

aspects of these activities. Therefore, in my statement I shall discuss first some general characteristics of offshore financial centers and of the operations of U.S. banks in them. I shall then turn to the role of the Federal Reserve in relation to these centers and I shall follow with a description of the kinds of information obtained by the Federal Reserve in the furtherance of its interests and responsibilities.

OFFSHORE FINANCIAL CENTERS

Offshore financial centers are easier to identify than to characterize. Broadly speaking, however, an offshore financial center is a location where funds are borrowed from nonresidents and lent to other nonresidents through the intermediation of banks and other financial institutions. These activities are recognized to have little effect on the domestic economy of the center or on domestic financial conditions. Some of these centers are fully operational, in the sense of actual dealings being conducted with customers with regard to obtaining funds and negotiating credits. Others are merely booking centers where deposits and loans are legally lodged, but where no transactions are physically made. The City of London is the preeminent example of an operational offshore financial center. The Bahamas and the Cayman Islands, on the other hand, are notable examples of booking centers.

What are the essential elements of offshore financial centers and what has spurred their growth? As for the former, tax considerations can of course have an important influence on a country's growth and appeal as an offshore financial center. Likewise very important, however, are factors such as exchange control laws, local reserve requirements, communication facilities, the country's time zone, its commercial laws, and its political and social stability. This

is illustrated by the fact that London, the largest "offshore center," is located in one of the world's most heavily taxed countries. Secrecy laws are frequently another important consideration, but, like liberal tax laws, they are generally more important to the customers of banks than to the banks themselves.

The growth of offshore financial centers has been prompted mainly by the needs and demands of multinational business. As business has become more and more internationalized, needs for international financial services have expanded and become more diverse. Companies operating in a variety of countries have required funding sources in different currencies, outlets for temporarily idle funds, access to different kinds of credit facilities, and the means for the transfer of monies across international frontiers. Tax laws and foreign exchange restrictions are, of course, among the crucial factors influencing the ways international business is transacted. For multinational companies, therefore, locations where international financial transactions can be effected free of most tax consequences and of foreign exchange controls have a great attraction. Since bankers traditionally follow their customers and adapt to their needs, banks have been quick to locate in and promote such offshore centers.

U.S. BANKS IN OFFSHORE CENTERS

U.S. banks have long been located in and played a prominent role in the major financial centers of the world, such as London, where "offshore banking" is an important part of their business. U.S. banks have also played an important part in the development and rapid growth of offshore financial centers outside the major financial markets that have occurred in recent years. As recently as December 1972, for example, member bank branches in six major offshore centers had total claims on third parties of only \$14 billion, or 20 percent of third-party claims at all their foreign branches. At the end of last year, those claims totaled more than \$95 billion and represented 46 percent of third-party claims at all foreign branches of member banks.

The Bahamas and the Cayman Islands are by far the most important of these offshore centers

to U.S. banks. At the end of last year, U.S. banks had 139 branches in these two locations, with claims on third parties exceeding \$70 billion. Details of the distribution of business among offshore centers and types of customers are shown in the accompanying tables.¹ As noted earlier, the Bahamas and the Cayman Islands are booking centers for financial transactions that have been negotiated elsewhere. Virtually all of the branches of U.S. banks in these centers are consequently "shell" branches—that is to say, they are a set of ledgers managed and kept by an agent rather than a physical location where business is transacted.

The growth of international banking is the underlying cause for the growth of these centers, but U.S. regulations were the initial catalyst for the establishment of branches of U.S. banks in these centers. The voluntary foreign credit restraint (VFCR) program and the interest equalization tax (IET), which were implemented in the mid-1960s to restrict the outflow of capital from the United States, limited the ability of U.S. banks to meet their customers' foreign needs and to otherwise engage in international banking. As a way of doing so, banks began to establish low-cost "shell" branches in these countries to obtain access to the Eurocurrency markets. Since foreign loans booked and funded in these branches did not affect the U.S. balance of payments, they were exempt from the restrictions on foreign credits that applied to domestic banking offices.

Although U.S. government programs to restrict capital outflows were ended in 1974, U.S. bank activity in the Bahamas and the Cayman Islands has continued to grow. For those banks that do not have full-service foreign branches in, say, London, these locations offer low-cost access to the Eurocurrency markets and, notably, the ability to raise funds for their international business free of domestic reserve requirements. For many bank customers, these locations provide advantages as tax havens, while for others secrecy laws are important in their decisions to place funds.

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

For the banks themselves, operations in the Bahamas and the Cayman Islands also have certain tax advantages. U.S. banks operate abroad mainly through branches, and the earnings of branches are not deferrable but are immediately subject to U.S. income taxes after allowable credits for foreign income taxes paid. Generally, therefore, when a foreign tax rate is higher than the U.S. tax rate, there are advantages to shifting the business from the foreign country to tax-free countries. Another reason for shifting business into a tax-haven country is to enable banks to avoid double taxation of foreign branch earnings, as can occur when both foreign and U.S. tax authorities tax the same income. It should be noted that in neither of these cases is there an avoidance of U.S. federal taxes; in fact, in some instances the shifting of business to tax-haven countries results in greater tax revenues accruing to the U.S. government. Income earned in these locations, as with other income earned abroad, is not subject to U.S. state and local taxation.

The tables attached to this statement provide a general indication of the types of business booked at branches of U.S. banks in the Bahamas and the Cayman Islands. A large amount of purely interbank activity is booked in these branches, some of which involves the rechanneling of funds within a bank's organization and some of which involves purely market transactions of buying funds from some banks and selling them to others. Loans booked in these branches are preponderantly to foreign companies, including foreign subsidiaries of U.S. companies, and totaled \$36 billion at the end of last year. Deposits from nonbank sources totaled \$25 billion, and were divided almost equally between foreign customers and U.S. addressees. The latter are primarily U.S. corporations.

FEDERAL RESERVE ROLE

The Federal Reserve is interested in and monitors activities of foreign branches of member banks both in its role as the nation's central bank and in its role as a bank supervisor. Our interests differ somewhat according to these roles. In our central banking role, we monitor activities of

foreign offices of U.S. banks in offshore centers and elsewhere as part of our general surveillance of international financial markets and international flows of funds. The growth of international lending through the Euromarkets and other markets has had important repercussions for capital flows throughout the world. Conditions and practices in those markets interact closely with conditions and operations in our domestic monetary and credit markets. In analyzing the condition of the U.S. economy and of its external position, as well as in assessing the consequences of various policy alternatives, much effort at the Federal Reserve is nowadays invested in following developments in international banking and financial markets and activities of U.S. banks in those markets.

As a bank supervisor, our interests are directed to the soundness of operations in these offices and to compliance with relevant banking laws and regulations. Most of our detailed knowledge of the operations of U.S. banks in offshore centers arises from our role as a bank supervisor. Since the branches in the Bahamas and the Cayman Islands are "shell" offices, virtually all of their records are maintained at the head office in the United States and thus are available for inspection at the time the bank is examined. Indeed, because of the special characteristics of these branches, the Board, when it authorized them, conditioned its approval on full records being maintained at the head office. Another condition attached to those authorizations was that these offices not be used to shift deposits and other business from the United States.

The supervisory interest in these operations runs, as I have already indicated, to their safety and soundness and their possible effects on the overall condition of the bank. They are scrutinized by bank examiners in connection with the overall examination of the bank and in the same fashion as other parts of the bank. The emphasis is accordingly on the quality of assets and the ability of borrowers to repay, in accordance with the terms and conditions of the credits. Virtually no attention is paid to the identity of depositors nor to depositor transactions. Thus, customer compliance with the tax laws of their various countries is not a consideration in the examina-

tion process. That compliance is covered by other authorities in this country and abroad. In any event, bank examiners are basically credit analysts and are not equipped to conduct tax audits.

INFORMATION ON OFFSHORE CENTER OPERATIONS

The Federal Reserve employs several sources of information on the activities of offshore offices that enable it to monitor compliance with sound banking practices and relevant U.S. regulations and that help in evaluating the impact of offshore offices on international financial flows. The information from these sources has been adapted to the Federal Reserve needs and interests that I have just discussed and are generally adequate for those purposes.

As I mentioned earlier, our most detailed information about the activities of U.S. banks in offshore centers is obtained from examination reports. These reports are the primary supervisory document. In addition, statistical reports are collected periodically on individual offices and are used mainly in our overall evaluation of banking activities in these centers. On a monthly basis, banks file reports for their major foreign branches showing their assets and liabilities by type of customer. Data compiled from

this report are published regularly in the FEDERAL RESERVE BULLETIN, including a separate section covering the Bahamas and the Cayman Islands. A second report is collected quarterly and shows foreign branch assets and liabilities by country.

Besides these reports on foreign branches, U.S. banking organizations also submit financial statements on their foreign subsidiaries on an annual basis. Subsidiaries of U.S. banks in the Bahamas and the Cayman Islands are much less important than their branch operations. At year-end 1977, total assets of these subsidiaries were only \$3 billion, about one-third of which represented intercorporate transactions. Some of these subsidiaries conduct a wide range of activities similar to those of branches; others serve mostly to channel funds among affiliated offices. While some conduct trust activities, the volume is relatively small and is directed to foreign parties.

CONCLUSION

In this statement, I have tried to provide some insight into the general workings of offshore centers and into the nature of the Federal Reserve's interest and attention to developments in these centers, both in general and in particular relation to offices of U.S. banks. □

Statement by Nancy H. Teeters, Member, Board of Governors of the Federal Reserve System, before the Subcommittee on Consumer Affairs of the Committee on Banking, Finance and Urban Affairs, U.S. House of Representatives, May 1, 1979.

It is a pleasure for me to make my first appearance before this subcommittee. I have been designated to chair the Board committee that has responsibility for consumer affairs, and I look forward to working with you on our common problems and objectives.

The subject of today's hearing is H.R. 3552, a bill that would amend the Electronic Fund Transfer (EFT) Act. Section 1 of H.R. 3552

would make a written notification of the loss or theft of an EFT card effective when mailed by the consumer. The Board's Regulation E currently takes a different position. The regulation provides that a written notification is effective upon receipt by the financial institution or at the expiration of the time it normally takes for mail delivery, whichever is earlier. This provision was modeled on an identical section in the Truth in Lending Act and in Regulation Z and was designed to encourage telephone notification.

Given the vagaries of the U.S. mail, it is likely that sending a written notice will create a "risk period" during which losses may continue to occur. The approach taken by H.R.

3552 would *shift* losses that occur during this period from the consumer to the financial institution. Neither the regulation nor the bill as presently drafted would reduce the losses—losses that ultimately will be passed on to consumers as higher costs. A better approach—one that could effectively reduce potential losses to everyone concerned—might be to allow financial institutions to require oral notice and to provide a 24-hour telephone line for this purpose. This could be followed by a written notice. This would coincide with the way consumers normally act, would speed up notification, and would reduce losses to everyone.

Section 2 of H.R. 3552 would change the effective date of most of the remaining provisions of the EFT Act from May 10, 1980, to September 10, 1979. The Board recommends against adoption of this amendment. While we recognize the need for prompt implementation of the act on a priority basis, changing the effective date to September 10 would not leave sufficient time to accomplish this task effectively. It would require the Board to issue regulations without the degree of public participation that is essential for orderly implementation of this important new law.

The Board's present schedule for implementing the remainder of the act is as follows: we have published a proposed regulation this week, with a 60-day comment period ending July 2 and public hearings on June 18 and 19; we are allowing 60 days for analyzing any complexities that may be uncovered by the comments and for redrafting the regulation; we plan to publish a revised regulation for a second 60-day period, running from September 1 through October 31; analysis of those comments and redrafting will be completed in mid-December. The final regulation should be published by the end of December, after which financial institutions will have some four months under the current schedule in which to gear up for its implementation.

We believe this is a realistic schedule that demonstrates the Board's commitment to speedy and responsible implementation of the act. Meeting the schedule will require considerable effort by the Board and its staff. Based on our experience in implementing consumer protec-

tion legislation, we believe that a shorter rulewriting timetable would not be in the public interest.

We could shorten the timetable by allowing 30 days instead of 60 days for public comment. We are concerned, however, that a 30-day period would not allow all interested parties to express their views adequately as has happened in the past. The Board has adopted a policy, in accordance with the spirit of Executive Order 12044, of allowing at least 60 days for public comment on regulations that implement a new law. We feel that adequate time for public comment is especially important in the case of a law, such as the EFT Act, that is highly technical and that confers significant consumer rights.

Our experience with implementation of other legislation also indicates that 60 days is essential for analysis of public comments, redrafting the regulations, and bringing them back for the Board's consideration. In 1976 when the amended Equal Credit Opportunity regulations were issued, the Board received about 650 comments on the first proposal and 500 comments on the second. More recently, the Board and the other financial supervisory agencies received almost 1,000 comments on the Community Reinvestment Act regulations. There is great public interest in the EFT Act. I think we can expect to receive at least several hundred comments on our proposed Regulation E.

The Board's timetable calls for two public comment periods. I wish I could forecast that one comment period will suffice, but, again, our experience indicates otherwise. When new regulations are drafted, the first proposal may overlook important issues and some of the provisions may not be workable. Indeed, that is the purpose of public comment—to expose regulations to the critical gaze of the financial institutions and consumers who must live with them. Having two comment periods allows the public to comment on significant changes before regulations go into effect and thereby reduces the possibility that the regulations will have to be amended later. As a result of the comments received, significant changes were made to the regulation implementing sections 909 and 911 of the EFT Act earlier this year. One of those

changes, concerning disclosure of consumers' liability for unauthorized transfers, was republished for public comment.

If the effective date for the balance of the act were now changed to September 1979, the Board's regular procedures could not be followed. Even if we were to have only one comment period, there is a real risk that the law would take effect before implementing regulations could be issued in final form.

I would like to point out that the EFT Act imposes major new responsibilities on financial institutions. They will be required to prepare and print new disclosures, establish new error-resolution and stop-payment procedures, program computers to generate periodic statements, and, of course, train their personnel. Our experience with other laws, including the Equal Credit Opportunity Act, suggests that the quality of compliance is enhanced and the cost of compliance reduced by providing a lead time of several months between the issuance of regulations in final form and the effective date of a statute.

I am also seriously concerned about making regulations effective before financial institutions have developed the procedures necessary to implement them. There is a real risk that consumers will be misled into thinking they have rights that, for all practical purposes, are not yet available to them.

I also want to express the Board's strong concern about some of the substantive provisions contained in the current EFT Act. In the course of drafting the regulations, it has become clear to us that, unless there are substantive changes, consumers and financial institutions will face rules under the EFT Act different from those under Truth in Lending. In the Board's view, these differences will create unnecessary confusion.

As things now stand, for example, rules regarding liability and dispute resolution procedures will differ depending on whether the plastic card issued to a consumer is a credit card or a debit card. Different rules may even apply to the same piece of plastic, in the case of a combined credit-debit card. In some cases, the rule will depend on whether a card is used to obtain credit by electronic or nonelectronic

means. In other words, when something goes wrong, both the consumer and the issuer of the card will have to figure out what category the transaction falls into, in order to know what rules apply and what has to be done.

The Board believes that, to minimize confusion, the EFT and Truth in Lending Acts should be amended to provide a single set of rules to govern credit and electronic fund transfer transactions, except when compelling policy considerations may dictate different treatment. We believe the rules should be simple and straightforward, so that both the industry and the consumers that use these services can understand them. The Board has a number of specific recommendations:

1. The Truth in Lending Act imposes a flat \$50 limit on the liability of a credit-card holder when a card is lost or stolen. The EFT Act has a \$50, \$500, and unlimited liability structure. A majority of the Board believes consumers' potential exposure under the EFT Act is too great, although there may be instances in which the consumer should bear some liability for carelessness. The structure of the liability provisions is unduly complicated, and the benefit to the industry of the escalating liability limits may ultimately be illusory rather than real. The Board favors the Truth in Lending approach of a single liability limit for unauthorized use. We also believe it will make electronic payment systems more acceptable to the public.

2. Under the Fair Credit Billing Act, a consumer must *write* to the creditor in order to take advantage of the dispute resolution rules of the act. The Electronic Fund Transfer Act permits consumers to give *oral* notice, although an institution can require written confirmation. It is estimated that fewer than 1 percent of consumers with questions about their bills follow the formal procedures of the Fair Credit Billing Act. Consumers usually telephone, and the lack of formality should not remove them from the protections of the act. The Board therefore recommends that the Fair Credit Billing Act be amended to incorporate an oral notice provision.

3. When an error is alleged under the Electronic Fund Transfer Act, the institution has 10 business days in which to complete its investigation. If it needs more time, it must provision-

ally re-credit the consumer's account within 10 business days. When an error allegation is received under the Fair Credit Billing Act, the creditor must either resolve the dispute or send an acknowledgment within 30 days. The Board recommends that the acts be amended to provide parallel timing requirements.

The maximum time limits for resolving disputes are 45 days under the Electronic Fund Transfer Act and two billing cycles (but not more than 90 days) under the Fair Credit Billing Act. The Board recommends that the Electronic Fund Transfer Act be amended to conform to the Fair Credit Billing Act, to require resolution within 90 calendar days. Lengthening the Electronic Fund Transfer Act limit will not harm consumers since an institution must have provisionally recredited within 10 business days in order to take advantage of the longer time period.

4. The Board recommends the elimination of the annual notice of rights under the Electronic Fund Transfer Act and the seminannual notice of rights under the Fair Credit Billing Act. Since it is normally information on periodic statements that triggers a dispute, we believe that consumers are better served by a summary notice on periodic statements than they are by a lengthy explanation once or twice a year.

5. Finally, the Board's staff has received a number of inquiries asking whether the Fair Credit Billing Act permits creditors to impose charges for providing documentation or for investigating errors. In some cases, these charges are quite substantial, and in others they are open ended—for example, \$5 per hour for an investigation. We anticipate that the same questions will arise regarding investigation of alleged errors in EFT transactions. The Board recommends that both the Fair Credit Billing Act and the Electronic Fund Transfer Act be amended to prohibit such charges. While Regulation Z already prohibits these charges when a customer's allegation of error proves correct, we believe that permitting these charges at all serves to discourage customers from exercising their right to assert errors.

It is essential that the legal relationship between electronic funds transfers and credit transactions be clarified. Both consumers and

the industry will benefit from a rational, common-sense framework. The Board and its staff will be glad to work with you in developing the statutory language to implement these recommendations.

Finally, there are two other issues on which we would like to consider legislative or other remedies after we have had a little more time to think them through. These issues arise because the consumer account used for EFT transactions will generally be the same account used for paper-check transactions, and the account statement will cover both. The act covers only transactions that are initiated electronically. But it is quite possible not only to have transactions that are wholly paper and others that are wholly carried out by means of EFT in the same account, but also to have transactions that involve both paper and electronic transfer elements, or that start as paper and finish electronically.

One issue has to do with how the consumer is to be given an adequate disclosure of account terms and conditions when the account can be accessed by both EFT and conventional paper means. It is essential for consumers to know the terms and conditions of the entire account. Balance requirements, fees, usage limitations, and availability of funds are important facts that should be provided to consumers so that they can make educated decisions on which type of transfer most suits their needs. Under the Board's proposed regulations (and under most current practices) electronic deposits are immediately available to the customer, while the availability of funds from check deposits may be delayed for several days or longer, awaiting check clearance.

While the EFT Act requires disclosure of essential terms and conditions of an electronic fund transfer, it does not provide the Board with specific authority to require disclosure of all important terms of any account from which electronic funds transfers as well as other transfers may be made. Although we believe the Board has the authority to require disclosure of account terms generally, broadening the disclosure authority under the EFT Act for accounts subject to electronic funds transfers may be appropriate.

The second issue has to do with paper truncation and with how the consumer is to obtain adequate proof of payment on a transaction that begins with a paper check but is translated into an electronic impulse. This is the case with many credit union share drafts today—the customer gets back only a printout and not the actual paper itself. The present EFT Act protects the consumer only when the transaction is begun electronically; by law, the statement finally received by the consumer is proof of payment. If the transaction begins with a paper check and the check is not returned to the consumer, there is no such protection. Our reluctance to recommend action at this time is based, in part, on the fact that check truncation is not yet widely

developed for consumer payments (except for share drafts in which the institution stands between the customer and the payee). Until we know more about the direction in which consumer check truncation is developing, we want to be cautious about suggesting consumer legislation.

In both of these situations, consumers may need protection. We would like to give some further study to the technical problems involved, and will report to you when we have been able to develop recommendations. For now, we simply want to alert you that these problems are on the horizon. We will be pleased to work with your staff in giving further consideration to these issues. □

Statement by J. Charles Partee, Member, Board of Governors of the Federal Reserve System, before the Subcommittee on Financial Institutions Supervision, Regulation and Insurance of the Committee on Banking, Finance and Urban Affairs, U.S. House of Representatives, May 7, 1979.

I am happy to appear today on behalf of the Federal Reserve Board to discuss the new savings instruments proposed last month by the financial regulatory agencies. I have also attached a supplement commenting on the questions contained in the chairman's letter of May 1, but these questions are not covered directly in my statement.¹

At the outset let me emphasize that the agencies' recent proposals were constrained by our responsibilities to consider and balance three conflicting needs: namely, to provide more equitable rates of return to depositors, particularly small savers; to ensure an adequate flow of funds to the savings institutions and hence to mortgage markets; and to protect the viability of the thrift industry. The last two of these

objectives were mandated by the Congress when it expanded the scope of deposit rate control authority in 1966, and they have been reaffirmed repeatedly in subsequent renewals of that legislation. The objective of providing equitable returns to small savers, while never specifically incorporated into legislation, has nonetheless emerged as an important factor. In view of the sharp increases in market interest rates and in the price level that have occurred over the past year or two, it is no wonder that small savers have become increasingly vocal about the disparities between market yields and the maximum rates available on deposits at thrift institutions and commercial banks.

Despite these developments, fundamental conflicts among the three regulatory goals persist and must be reckoned with in any responsible regulatory action. For example, policies designed to augment mortgage flows during periods of high market interest rates necessarily place pressure on the earnings of thrifts and may cause severe problems for some of the weaker institutions. Similarly, actions intended primarily to benefit small savers also squeeze the profitability of thrifts and may not generate any significant additional flow of funds for housing.

These conflicts and the agencies' attempts to resolve them are reflected in the three new account categories proposed for public comment

1. The supplement to this statement is available on request from Publications Services, Division of Support Services, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

last month. Consider, for example, the bonus savings account plan, which would authorize the payment of an extra 1/2 of a percentage point in interest on the minimum balance held in a savings account for one year or more. This plan is designed to provide some additional income to savers who prefer to keep their funds in very liquid deposits but nevertheless end up holding these deposits for a substantial period of time. Though the proposed bonus increase in yield is modest, it would raise costs significantly for depository institutions and, at present rates of interest, produce little or no new funds for investment in mortgages. It would be our hope, however, that the minimum maturity restriction would encourage depositors to maintain funds in their savings accounts for longer periods of time and, therefore, add stability to deposit flows, particularly for thrift institutions.

Creating an incentive to maintain funds on deposit was also an important consideration in developing the rising-rate certificate proposal. This plan would provide depositors with an instrument whose yield increases gradually with the passage of time. Specifically, commercial banks could pay interest according to a schedule that starts at 6 percent for the first year and rises in increments of 1/2 percent, reaching 8 percent for the sixth through the eighth year—the maximum specified maturity. Thrift institutions could pay 1/4 of a percentage point more throughout. Three months' forfeiture of interest would be required for withdrawals during the first year, after which no penalty would apply.

The main attraction of this instrument for depositors would not be a higher return, since the yield for most given holding periods is at or somewhat below that available on fixed-term certificates of the same maturity. But by eliminating the early withdrawal penalty after one year, the rising-rate certificate offers passbook-type liquidity and the prospect of increasing returns to those savers who believe that they will keep their funds on deposit for at least one year. Under the proposed rate schedule, this instrument should not affect earnings of thrift institutions materially, nor would we expect it to augment mortgage flows significantly. Instead, the proposed instrument would be intended to serve a particular need for those whose

plans are not sufficiently certain to warrant investment in fixed-maturity deposit instruments.

Of the three new account categories, we think that the five-year, floating-ceiling certificate probably has the greatest cost potential in the short run. It is certainly the most likely, in the Board's view, to augment deposit flows and mortgage credit availability. Patterned after the money market certificate, the instrument would provide a market-oriented rate of return to savers who are willing to commit as little as \$500 for five years; moreover, depositors who withdraw funds prematurely after a year or so would face a penalty less severe than the existing requirement. Maximum rates of interest would be changed once each month and would be 1 percentage point below the yield on five-year U.S. Treasury securities for thrift institutions and 1¼ percentage points below that yield for commercial banks.

In advancing this proposal, the agencies have recognized the desirability of permitting a deposit instrument offering a market-determined yield to small savers. We believe that the proposed five-year certificate meets this need without endangering the short-run viability of the thrift industry. The relatively large discount from market yields serves to reduce the cost to depository institutions and is warranted by the simplicity and convenience of dealing with local institutions rather than going into the market for the placement of small savings balances. During the interagency deliberations leading to this proposal, careful consideration was given to the much simpler steps of either reducing the minimum denomination of the existing 6-month money market certificates or creating a new short-term market certificate with a lower rate ceiling and a lower minimum denomination. However, these alternatives were rejected because of their potential for inducing substantial transfers of funds from low-cost passbook and short-term time deposits and the resultant institutional cost implications. The relatively long maturity of the proposed instrument, coupled with the still significant penalty for premature withdrawals, should reduce these risks considerably.

Individually the proposed instruments strike a balance among conflicting objectives in dif-

ferent ways. Taken as a group, we hope that they would provide for greater liquidity and moderately higher returns to small savers and lead to a somewhat larger flow of funds to mortgage markets, all at a cost to the depository institutions that is manageable. Although the considerations motivating each element of the package seem diverse, at least two features are common to all components. First, the differential between the maximum rates payable by thrift institutions and commercial banks that characterizes each new instrument continues the competitive advantage for thrift institutions that has clearly been the intent of the Congress in its legislative decisions on deposit rate ceilings. Second, all of the proposals, including the suggested reduction of the existing \$1,000 minimum denominations on fixed-rate certificates to \$500, enlarge the savings opportunities for depositors with moderate sums to invest.

It is too early to provide this subcommittee and the public with a detailed evaluation of the comments that have been received on the proposals. The 30-day comment period ended just last Friday, and we are still receiving letters that were transmitted to our regional Reserve Banks.

I understand, however, that very few of the 250 or so letters reviewed to date are receptive to the proposals. This is, of course, an inevitable consequence of the need to compromise between opposing interests. Depositors would be offered better rates of return, but these rates are still well below current market yields. The depository institutions would find their costs to be appreciably higher, but their savings inflows would likely be somewhat better than without the new instrument alternatives. Mortgage credit should be a little more plentiful as a result of the larger deposit inflows, but those interested in obtaining such credit would still be disappointed by the relatively small impact. And, finally, the already complicated regulations on deposit rate ceilings would become even more complex, adding to public confusion. Such complexity, I am afraid, is the heritage of congressional and regulatory efforts to compromise among competing objectives. The Board urges that this congressional mandate be given prompt review and reconsideration with a view to facilitating simplification and/or decontrol of the ceiling rate structure before it collapses of its own weight. □

Announcements

REGULATION B: AMENDMENT

The Federal Reserve Board has amended its Regulation B (Equal Credit Opportunity) to clarify the definition of creditor.

The amendment, effective May 21, 1979, makes it clear that the definition of creditor includes not only those who grant credit but also those who regularly refer customers to creditors. Automobile dealers, home improvement contractors, and real estate brokers who regularly direct customers to creditors are examples of those the amendment to Regulation B places under the definition of creditor. The Board's action bringing arrangers of credit within the scope of Regulation B was substantially as proposed in October 1978. The Board did not take action on other proposals made at that time concerning certain business credit exemptions in Regulation B.

PROPOSED ACTIONS

The Federal Reserve Board on April 13, 1979, invited public comment on a proposed restructuring of reserve requirements designed to establish more effective control over growth of bank credit. Comment was requested by May 18 on a proposal to apply a 3 percent reserve requirement on certain types of borrowings through repurchase agreements and federal funds that banks have used increasingly to help finance the expansion of their loans and investments.

The Board of Governors on April 19, 1979, asked for comment on how the antidiscrimination rules of Regulation B (Equal Credit Opportunity) should be applied to certain practices of creditors that use credit-scoring systems. The Board requested comment through June 20, 1979.

The Federal Reserve Board on April 23, 1979, requested public comment on possible

changes in Federal Reserve handling in its check collection system of checklike payment instruments drawn on savings accounts at mutual savings banks and savings and loan associations, to be part of Regulation J (Collection of Checks and Other Items and Transfers of Funds). The Board requested comment by June 1, 1979.

The Federal Reserve Board on April 30, 1979, issued for public comment proposals for completion of its rules necessary to carry out provisions of the Electronic Fund Transfer Act, which will be part of Regulation E (Electronic Fund Transfers). The Board asked for comment by July 2, 1979.

REVISION IN BANK EXAMINATION PROCEDURES

A revised statement on classification of bank assets and appraisal of securities in bank examinations, including amended rules for assessing bank holdings of municipal general obligations, was issued on May 7, 1979, by state and federal bank supervisors.

The statement is a revision of the "Uniform Agreement on the Classification of Assets and Appraisal of Securities Held by Banks" issued in 1938 and revised in 1949. The statement was issued jointly by the Comptroller of the Currency, the Federal Deposit Insurance Corporation, the Federal Reserve Board, and the Conference of State Bank Supervisors.

The revision clarifies definitions and eliminates practices duplicated elsewhere. It provides expanded definitions of "substandard," "doubtful," and "loss" categories used for criticizing bank assets.

The revised agreement sets forth guidelines for examiners to follow in distinguishing investment-quality from subinvestment-quality securities in bank portfolios and restates guide-

lines for examiners to use in computing a bank's net sound capital.

The revised uniform agreement provides an exception to the general rules for appraisal and classification of municipal general obligation securities in bank portfolios (obligations of states, cities, counties, or other political divisions that have general taxing authority). The revised agreement establishes these rules:

1. When municipal general obligations are not in default but are regarded as being of subinvestment quality, they are to be classified as substandard assets of the bank.

2. In the event of a default of a municipal general obligation, the book value of the securities in default are to be classified as doubtful until the issuer has taken budgetary, tax, or other actions to cure the default or until the market for the defaulted securities has stabilized. The regulators will review the market for the defaulted securities periodically. Upon determination that a functioning market has been reestablished, the book value of the securities in excess of market value will be classified as a loss to the holder.

Previously, any excess of book value above market value of a defaulted municipal general obligation was recognized as a loss at the time of the default and was eliminated from the bank's reported assets. Experience has shown, however, that general obligation municipal securities have generally not been disavowed and principal amounts have ultimately been paid.

The revised uniform agreement is as follows.

Uniform Agreement on the Classification of Assets and Appraisal of Securities Held by Banks¹

The Classification of Assets in Bank Examinations. Classification units are designated as "substandard," "doubtful," and "loss." A substandard asset is inadequately protected by the current sound worth and paying capacity of the obligor or of the collateral pledged, if any. Assets so classified must have a well-defined weakness or weaknesses that jeopardize the liq-

uidation of the debt. They are characterized by the distinct possibility that the bank will sustain some loss if the deficiencies are not corrected. An asset classified doubtful has all the weaknesses inherent in one classified substandard with the added characteristic that the weaknesses make collection or liquidation in full, on the basis of currently existing facts, conditions, and values, highly questionable and improbable. Assets classified loss are considered uncollectible and of such little value that their continuance as bankable assets is not warranted. This classification does not mean that the asset has absolutely no recovery or salvage value, but rather it is not practical or desirable to defer writing off this basically worthless asset even though partial recovery may be effected in the future.

Fifty percent of the total of "doubtful" and all of "loss" will be deducted in computing the net sound capital of the bank. Amounts classified "loss" should be promptly charged off.

The Appraisal of Securities in Bank Examinations. Investment quality securities are marketable obligations in which the investment characteristics are not distinctly or predominantly speculative. This group generally includes investment securities in the four highest rating grades and unrated securities of equivalent quality. Neither market appreciation nor depreciation in these securities will be taken into account in figuring net sound capital of the bank. This policy is intended to apply to recognized sound investment practices of banks and not to those situations where the portfolio requires special treatment by a supervisory agency.

Subinvestment quality securities are those in which the investment characteristics are distinctly or predominantly speculative. This group generally includes securities in grades below the four highest grades and unrated securities of equivalent quality, defaulted securities, and subinvestment quality stocks.

Securities in grades below the four highest rating grades and unrated securities of equivalent value will be valued at market price and the depreciation will be classified doubtful; remaining book value will be classified substandard. Depreciation in defaulted securities and subinvestment quality stocks will generally be

¹ Revises examination procedures established in 1938 and revised July 15, 1949.

classified loss; remaining book value will be classified substandard.

An exception to the above will be made in the case of municipal general obligations that are backed by the credit and taxing power of the issuer. The entire book value of subinvestment quality municipal general obligations, which are not in default, will be classified substandard.² In the event of a default of a municipal general obligation, a period of time is usually necessary to permit the market for these defaulted securities to stabilize or for the issuer to put in place budgetary, tax, or other actions that may eliminate the default, or otherwise improve the postdefault value of the securities. The market for the defaulted securities will be periodically reviewed by the regulatory authorities. Upon a determination that a functioning market has been reestablished, depreciation on defaulted municipal general obligations will be classified loss. During such interim, the book value of all defaulted municipal general obligation securities will be classified doubtful.²

AVAILABILITY OF REVISED BANKING DATA

Estimated data for January 1972 through December 1978 are now available for the large weekly reporting bank series (tables 1.27, 1.28, and 1.29 of the *FEDERAL RESERVE BULLETIN*). Data published since January 1979 have not been comparable with previously published data because of substantial changes in the reporting panel. The currently published and estimated back data represent assets and liabilities of about 170 large commercial banks that had total assets in domestic offices exceeding \$750 million as of December 31, 1977. Estimated back data are available from the Board's Banking Section,

2. The above exceptions will not apply in those instances when the supervisory authorities determine that there is no likelihood that the municipality will be able ultimately to repay or satisfactorily to restructure its obligations.

Division of Research and Statistics, for all items currently published that have comparable definitions before and after January 3, 1979.

Data on assets and liabilities of all commercial banks (table 1.24) have been revised to reflect adjustment to preliminary condition reports for December 31, 1978, and procedural changes in estimating data for domestic chartered banks and for U.S. branches of foreign banks.

Data on loans and investments at all commercial banks (table 1.23) for the period since June 1978 have also been revised. The revisions reflect adjustment to preliminary condition reports for December 31, 1978, and procedural changes in estimating data for domestic chartered banks and for U.S. branches of foreign banks. A new statistical release G.7 (407), which will make the loans and investments data available each month prior to publication of the *BULLETIN*, is now available on request from Publications Services, Division of Support Services, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

CHANGE IN BOARD STAFF

The Board of Governors has announced a change in the Division of Banking Supervision and Regulation, effective April 23, 1979.

William Taylor, Assistant Director, has been promoted to Associate Director.

SYSTEM MEMBERSHIP: ADMISSION OF STATE BANKS

The following banks were admitted to membership in the Federal Reserve System during the period April 16 through May 10, 1979:

Colorado

Black Hawk Gilpin County Bank
West Virginia
Green Valley Valley Bank and Trust
Company

Record of Policy Actions of the Federal Open Market Committee

MEETING HELD ON MARCH 20, 1979

1. Domestic Policy Directive

The information reviewed at this meeting suggested that growth in real output of goods and services had moderated in the current quarter after having accelerated to an annual rate of 6.9 percent in the fourth quarter of 1978. The rise in average prices, as measured by the fixed-weight price index for gross domestic business product, appeared to have been faster than the annual rate of 8.0 percent recorded in the third and fourth quarters of 1978.

Staff projections of growth in output over the four quarters of 1979 had been reduced somewhat from those prepared for the February meeting, in large part because of a reduction in the expected rate of expansion in the current quarter. The projections continued to suggest sluggish growth during the second half of the year. The rise in average prices was projected to remain rapid, and the rate of unemployment was expected to increase somewhat from its current level.

The dollar value of total retail sales rose slightly further in January and February, following several months of sizable gains, but sales in real terms apparently declined. Unit sales of new automobiles for the two months were just above the pace in the second half of 1978.

The index of industrial production was unchanged in January and increased 0.3 percent in February, following advances in the preceding three months that averaged about 0.7 percent. The slowdown appeared to be caused in part by adverse weather. Total nonfarm payroll employment, and also its manufacturing component, expanded appreciably further in the two months, although the increases were somewhat below the average monthly gains during the fourth quarter. The rate of unemployment was 5.7 percent in February, little changed from other recent months.

Total private housing starts fell sharply in January and declined further in February to an annual rate of 1.4 million units. In January total sales of new and existing single-family houses declined substantially.

The latest survey by the Department of Commerce of business plans, taken in late January and February, suggested that spending for plant and equipment would expand 11.3 percent in 1979, virtually the same as the gain that had been indicated by the December survey. The increase in 1978 was estimated to have been 13.3 percent. Manufacturers' new orders for nondefense capital goods advanced sharply in January after having risen considerably on balance during the fourth quarter.

The index of average hourly earnings of private nonfarm production workers rose at an annual rate of 4.3 percent in February, following increases averaging about 8.5 percent in the preceding four months. In some industries with relatively low wage rates, hourly earnings had increased sharply in January, when increased minimum wages became effective, and then changed little in February.

The trade-weighted value of the dollar against major foreign currencies had not changed on balance since the February 6 meeting of the Committee. The U.S. merchandise trade deficit rose sharply in January, but revised data suggested a smaller deficit for the fourth quarter of 1978 than had been published earlier. Imports, especially of oil, increased sharply in January, while exports declined slightly.

In January and February growth of total credit at U.S. commercial banks accelerated considerably from its reduced pace during late 1978. Expansion in business loans was unusually strong, and banks also added substantially to their holdings of securities.

M-1 declined in both January and February, M-2 changed little, and M-3 grew at a relatively slow rate. With interest rates remaining high, the behavior of all three monetary aggregates was affected by unusually large shifts of funds from deposits to money market mutual funds and other liquid assets. The weakness in M-1 also reflected the effects of continuing movements of funds from demand deposits to savings deposits associated with the recently authorized automatic transfer service (ATS) and negotiable orders of withdrawal (NOW) accounts in New York State.

Banks and thrift institutions financed credit expansion mainly through net additions to outstanding six-month money market certificates and large-denomination certificates of deposit, which are not subject to fixed ceilings on interest rates. Inflows of time and savings deposits subject to fixed rate ceilings continued to be inhibited by the availability of higher-yielding investment alternatives. Overall,

inflows of interest-bearing deposits included in M-2 and M-3 remained at reduced levels. During the two-month period, banks obtained a sizable volume of funds from nondeposit sources and from repayments by foreign branches of advances from domestic head offices.

At its February meeting, the Committee had decided that open market operations should be directed at maintaining the weekly average federal funds rate at its current level of about 10 percent or slightly higher, provided that over the February–March period the annual rates of growth of M-1 and M-2, given approximately equal weight, appeared to be within ranges of 3 to 7 percent and 5 to 9 percent, respectively. If the two-month growth rates appeared to be outside the indicated limits, the Manager of the System Open Market Account was to notify the Chairman promptly, who would then consult with the Committee to determine whether the situation called for supplementary instructions.

At the beginning of March, projections suggested that over the February–March period M-1 would grow at a rate moderately below the lower limit of the range established by the Committee and M-2 would grow at a rate just below the lower limit of its range. In a special telephone meeting on March 2, the Committee instructed the Manager to continue aiming for a weekly average federal funds rate of 10 percent or slightly higher.

Most market interest rates rose moderately on balance during the intermeeting period, after having declined in January. Yields on corporate bonds and on three-month Treasury bills moved up to their highest levels of the current economic expansion. Yields on most short-term instruments remained below levels reached around the turn of the year, however, and primary market rates on home mortgage loans were little changed from their year-end levels.

Effective March 15, 1979, regulations governing ceiling rates on six-month money market certificates issued by financial institutions were changed. The new rules prohibit the use of compounding in calculating allowable returns and eliminate the $\frac{1}{4}$ point interest differential between commercial banks and thrift institutions when the ceiling rate is 9 percent or higher. The full differential will be in effect when the ceiling rate is $8\frac{3}{4}$ percent or less. When the six-month bill rate is between $8\frac{3}{4}$ and 9 percent, thrift institutions may pay a maximum 9 percent while commercial banks may pay up to the actual discount rate for six-month bills. These changes were designed to

reduce somewhat the cost of money market certificates and to moderate the flow of funds into thrift institutions while permitting them to remain competitive over the longer run in attracting funds for housing.

In the Committee's discussion of the current economic situation, attention was drawn to the more rapid expansion in output of goods and services in the fourth quarter of 1978 than had been anticipated. The Commerce Department had just released a second upward revision in its estimate of growth in real gross national product in that quarter, and it was observed that the rate of resource utilization therefore was higher than had been thought earlier, accounting in part for the recent intensification of upward pressures on prices.

At the same time, it was noted, developments since the turn of the year were apparently mixed, contributing to increased uncertainty. Specifically, such indicators of business expenditures as new orders for capital goods, inventory investment, and short-term borrowing had been strong, and the demand for labor had remained buoyant. On the other hand, growth in personal income had weakened, retail sales had declined in real terms despite renewed strength in unit sales of new automobiles, and both the drop in housing starts and the sluggish performance of industrial output seemed to be attributable only in part to adverse weather.

Many members of the Committee thought that the staff was overly optimistic in projecting continued, if sluggish, growth in real GNP throughout the second half of 1979; they believed that the chances of a recession beginning before the end of the year or in early 1980 were fairly high. The recent increase in the price of oil, the acceleration of the overall rise in prices, and the sluggish growth of the monetary aggregates over the latest five months were cited among the factors that increased the probability of recession. The observation also was made that if a recession developed, it was likely to be moderate and short-lived.

Some concern was expressed that, in part because of the uncertain outlook for supplies and prices of some commodities, businesses might now be trying to raise their investment in both inventories and plant and equipment, thereby intensifying inflationary pressures currently and increasing both the chances and the probable severity of recession later. It was observed, however, that the current accumulation of inventories, to the extent that it reflected rebuilding of stocks drawn down in the fourth quarter and hedging against possible strikes,

represented prudent business behavior and not a major shift away from the cautious attitudes that had prevailed for some time. With respect to plant and equipment, expenditures would be spread over a period when overall activity was not expected to be expanding rapidly, and subsequently the expenditures would yield additions to capacity and gains in productivity.

The members expressed some differences of opinion concerning prospects for prices. A significant easing from the rapid rise of recent months was suggested, to the extent that recent increases in prices represented temporary factors or were made in anticipation of possible price and wage controls. Moreover, slackening of economic activity later in the year could be expected to slow the rise in prices generally. The view was also expressed, however, that inflation would remain rapid even during a recession. In any case, it was observed, a long lag could be expected in the response of prices to the additional measures of restraint imposed toward the end of 1978.

At its meeting on February 6, 1979, the Committee had agreed that from the fourth quarter of 1978 to the fourth quarter of 1979 average rates of growth in the monetary aggregates within the following ranges appeared to be consistent with broad economic aims: M-1, 1½ to 4½ percent; M-2, 5 to 8 percent; and M-3, 6 to 9 percent. The associated range for the rate of growth in commercial bank credit was 7½ to 10½ percent. It had also been agreed that the longer-run ranges, as well as the particular aggregates for which such ranges were specified, would be reconsidered in July or at any time that conditions might warrant.

In contemplating policy for the period immediately ahead, the Committee continued to face unusual uncertainties concerning the forces affecting monetary growth. A staff analysis had suggested that M-1 was likely to expand in March, contributing to a pickup in growth of M-2. Nevertheless, M-1 was expected to register a decline in the first quarter, on a quarterly average basis. It was estimated that shifts of funds from demand deposits to savings accounts with automatic transfer services and to the NOW accounts in New York had depressed growth of M-1 by about 3 percentage points in the quarter. Moreover, it appeared that growth of both M-1 and M-2 had been affected by a downward shift in the public's demand for money in relation to income, although the magnitude of that effect was uncertain.

In the Committee's discussion, several members stressed their

concern about the shortfall in monetary growth relative to the longer-run ranges that the Committee had adopted at its meeting on February 6, 1979, especially in view of the risks that a recession might develop in the period ahead. Supporting the goal of bringing growth of the monetary aggregates up into those ranges over a number of months, particularly because of the uncertainty about the outlook for economic activity, they favored directing operations in the period just after the meeting toward maintaining the money market conditions currently prevailing—as indicated by a federal funds rate of 10 percent or slightly higher—or toward a little less firmness in those conditions. The objective of operations later in the period before the next regular meeting of the Committee would be determined on the basis of the incoming evidence on the behavior of the monetary aggregates, although it was suggested that the Committee consult again before any change was made in the operational objective for the funds rate.

Other members of the Committee emphasized the recent acceleration of the rise in prices, and they believed that action should be taken to demonstrate that inflation represented the greatest risk to economic stability over a period of time. Accordingly, they advocated directing initial operations in the period ahead toward a slight firming in money market conditions, represented by an increase in the objective for the federal funds rate to about 10¼ percent. Their prescription for operations later in the period called for holding the objective for the funds rate within a relatively narrow range.

At the conclusion of the discussion the Committee decided that ranges of tolerance for the annual rates of growth in M-1 and M-2 over the March–April period should be 4 to 8 percent and 3½ to 7½ percent, respectively. The Manager was instructed to direct open market operations initially toward maintaining the federal funds rate at about the current level, represented by a rate of about 10 percent or slightly higher. Subsequently, if the two-month growth rates of M-1 and M-2 appeared to be significantly above or below the midpoints of the indicated ranges, the objective for the funds rate was to be raised or lowered in an orderly fashion within a range of 9¾ to 10½ percent. It was also agreed that in assessing the behavior of the aggregates, the Manager should give approximately equal weight to the behavior of M-1 and M-2.

As is customary, it was understood that the Chairman might call upon the Committee to consider the need for supplementary instruc-

tions before the next scheduled meeting if significant inconsistencies appeared to be developing among the Committee's various objectives.

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

The information reviewed at this meeting suggests that in the current quarter growth in real output of goods and services has moderated from the rapid rate in the last quarter of 1978, while the rise in prices has accelerated. In January and February the dollar value of total retail sales rose slightly further. Nonfarm payroll employment continued to expand over the two-month period, but in part because of severe weather, industrial production increased little. The unemployment rate in February, at 5.7 percent, was virtually unchanged from its level in January and in late 1978. Over recent months, on balance, the index of average hourly earnings has continued to rise rapidly.

The trade-weighted value of the dollar against major foreign currencies has shown no net change since early February. The U.S. trade deficit in January was larger than the monthly average in the fourth quarter of 1978, to some extent because of a bulge in imports of oil.

M-1 declined in both January and February, in part because of the continuing effects of the growth of the automatic transfer service. With market interest rates continuing high, inflows of the interest-bearing deposits included in M-2 and M-3 remained at reduced levels, despite substantial flows into money market certificates at both commercial banks and nonbank thrift institutions. Over the two months, consequently, M-2 changed little and M-3 grew at a relatively slow rate. The behavior of all three monetary aggregates was affected by shifts of funds from deposits to money market mutual funds and other liquid assets. Most market interest rates have risen in recent weeks, after having declined in January.

Taking account of past and prospective developments in employment, unemployment, production, investment, real income, productivity, international trade and payments, and prices, it is the policy of the Federal Open Market Committee to foster monetary and financial conditions that will resist inflationary pressures while encouraging moderate economic expansion and contributing to a sustainable pattern of international transactions. The Committee agreed that these objectives would be furthered by growth of M-1, M-2, and M-3 from the fourth quarter of 1978 to the fourth quarter of 1979 within ranges of 1½ to 4½ percent, 5 to 8 percent, and 6 to 9 percent, respectively. The associated range for bank credit is 7½ to 10½ percent. These ranges will be reconsidered in July or at any time as conditions warrant.

In the short run, the Committee seeks to achieve bank reserve and money market conditions that are broadly consistent with the longer-run ranges for monetary aggregates cited above, while giving due regard to the program for supporting the foreign exchange value of the dollar and to developing conditions in domestic financial markets. Early in the period

before the next regular meeting, System open market operations are to be directed at maintaining the weekly average federal funds rate at about the current level. Subsequently, operations shall be directed at maintaining the weekly average federal funds rate within the range of $9\frac{3}{4}$ to $10\frac{1}{2}$ percent. In deciding on the specific objective for the federal funds rate the Manager shall be guided mainly by the relationship between the latest estimates of annual rates of growth in the March–April period of M-1 and M-2 and the following ranges of tolerance: 4 to 8 percent for M-1 and $3\frac{1}{2}$ to $7\frac{1}{2}$ percent for M-2. If, with approximately equal weight given to M-1 and M-2, their rates of growth appear to be significantly above or below the midpoints of the indicated ranges, the objective for the funds rate is to be raised or lowered in an orderly fashion within its range.

If the rates of growth in the aggregates appear to be above the upper limit or below the lower limit of the indicated ranges at a time when the objective for the funds rate has already been moved to the corresponding limit of its range, the Manager will promptly notify the Chairman, who will then decide whether the situation calls for supplementary instructions from the Committee.

Votes for this action: Messrs. Miller, Balles, Black, Mayo, Partee, and Mrs. Teeters. Votes against this action: Messrs. Volcker, Coldwell, Kimbrel, and Wallich.

Messrs. Volcker, Coldwell, Kimbrel, and Wallich dissented from this action because they favored a somewhat more restrictive policy posture, in view of strong inflationary forces reinforced by pressure on capacity in some industries and in view of the near-term potential for excessive inventory demands. They believed that, despite uncertainty about prospects for economic activity later this year, some additional firming in money market conditions at this time was appropriate to help in containing inflationary pressures and maintaining renewed confidence in the dollar in foreign exchange markets.

2. 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, 1979, 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 special authorization

relating to System obligations in Swiss francs in the forms in which they were then outstanding.

Votes for these actions: Messrs. Miller, Volcker, Balles, Black, Coldwell, Kimbrel, Mayo, Partee, Mrs. Teeters, and Mr. Wallich.
 Votes against these actions: None.

In reviewing the authorization for domestic open market operations, the Committee took special note of paragraph 3, which authorizes the Reserve Banks to engage in the lending of U.S. government securities held in the System Open Market Account under such instructions as the Committee might specify from time to time. That paragraph had been added to the authorization on October 7, 1969, on the basis of a judgment by the Committee that in the existing circumstances such lending of securities was reasonably necessary to the effective conduct of open market operations and to the implementation 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 review in six months.

3. Foreign Currency Directive

The Committee reaffirmed the foreign currency directive, with a technical modification. In paragraphs 1 and 4(c), the word "proposed" was deleted preceding the references to International Monetary Fund (IMF) Article IV in recognition that Article IV had been put in place since the Committee had last conducted its annual review of all its continuing authorizations and directives. As amended paragraphs 1 and 4(c) read as follows:

1. System operations in foreign currencies shall generally be directed at countering disorderly market conditions, provided that market exchange rates for the U.S. dollar reflect actions and behavior consistent with the IMF Article IV, Section 1.

4. System foreign currency operations shall be conducted:

* * * * *

C. In a manner consistent with the obligations of the United States in the International Monetary Fund regarding exchange arrangements under the IMF Article IV.

Votes for this action: Messrs. Miller, Volcker, Balles, Black, Coldwell, Kimbrel, Mayo, Partee, Mrs. Teeters, and Mr. Wallich.
Votes against this action: None.

4. Procedural Instructions with Respect to Foreign Currency Operations

In December 1976 the Committee agreed upon procedural instructions intended to clarify the respective roles of the Committee, the Foreign Currency Subcommittee, and the Chairman in providing guidance to the Manager of the System Open Market Account with respect to proposed or ongoing foreign currency operations under the authorization for foreign currency operations and the foreign currency directive. Under paragraphs 1A and 1B of the procedural instructions, the Manager is required to obtain clearance from the Foreign Currency Subcommittee (or from the Chairman, if consultation with the Subcommittee is not feasible in the time available) for operations in excess of specified daily and intermeeting limits. Under paragraph 2A, the Manager is required to obtain clearance from the Committee (or from the Foreign Currency Subcommittee or from the Chairman, if consultation with the Committee is not feasible in the time available) for operations in excess of a specified intermeeting limit. In order to facilitate implementation of the broad Government program to strengthen the dollar in foreign markets announced on November 1, 1978, the daily and intermeeting limits were suspended.

At this meeting, in light of experience gained in conducting operations under procedural instructions, the Committee decided to reinstate limits under the procedural instructions and at the same time to modify them in order to provide more leeway for operations without formal consultations with the Foreign Currency Subcommittee or the Committee. In practice, the management of the System Open Market Account consults with members of the Subcommittee on a continuing basis.

The limit on daily changes in the System's overall open position in foreign currencies specified in paragraph 1A was raised from \$100 million to \$300 million, and the intermeeting limit was raised from \$300 million to \$600 million; the limit on daily changes in the System's net position in a single foreign currency specified in paragraph 1B was raised from \$100 million to \$150 million, or to \$300 million

when the operation is associated with repayment of swap drawings, and the intermeeting limit was eliminated. The Committee also raised from \$500 million to \$1.5 billion the intermeeting limit on changes in the System's overall open position in foreign currencies specified in paragraph 2A. The procedural instructions as amended read as follows:

In conducting operations pursuant to the authorization and direction of the Federal Open Market Committee as set forth in the Authorization for Foreign Currency Operations and the Foreign Currency Directive, the Federal Reserve Bank of New York, through the Manager of the System Open Market Account, shall be guided by the following procedural understandings with respect to consultations and clearance with the Committee, the Foreign Currency Subcommittee, and the Chairman of the Committee. All operations undertaken pursuant to such clearances shall be reported promptly to the Committee.

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):

A. Any operation that would result in a change in the System's overall open position in foreign currencies exceeding \$300 million on any day or \$600 million since the most recent regular meeting of the Committee.

B. Any operation that would result in a change on any day in the System's net position in a single foreign currency exceeding \$150 million, or \$300 million when the operation is associated with repayment of swap drawings.

C. Any operation that might generate a substantial volume of trading in a particular currency by the System, even though the change in the System's net position in that currency might be less than the limits specified in 1B.

D. Any swap drawing proposed by a foreign bank not exceeding the larger of (i) \$200 million, or (ii) 15 percent of the size of the swap arrangement.

2. The Manager shall clear with the Committee (or with the Subcommittee, if the Subcommittee believes that consultation with the full Committee is not feasible in the time available, or with the Chairman, if the Chairman believes that consultation with the Subcommittee is not feasible in the time available):

A. Any operation that would result in a change in the System's overall open position in foreign currencies exceeding \$1.5 billion since the most recent regular meeting of the Committee.

B. Any swap drawing proposed by a foreign bank exceeding the larger of (i) \$200 million or (ii) 15 percent of the size of the swap arrangement.

3. The Manager shall also consult with the Subcommittee or the Chairman about proposed swap drawings by the System, and about any operations that are not of a routine character.

Votes for this action: Messrs. Miller, Volcker, Balles, Black, Kimbrel, Mayo, Partee, Mrs. Teeters, and Mr. Wallich. Vote against this action: Mr. Coldwell.

Mr. Coldwell dissented from this action because he believed that the new limit of \$1.5 billion specified in paragraph 2A was too high. He preferred a limit of \$1 billion.

5. Authorization for Domestic Open Market Operations

Paragraph 2 of the authorization for domestic open market operations specified a limit of \$2 billion on Federal Reserve Bank holdings of special short-term certificates of indebtedness purchased directly from the Treasury. On March 29, 1979, the Committee voted to raise the limit to the statutory ceiling of \$5 billion, effective immediately, for the period ending with the close of business on April 17, 1979, the date of the next scheduled meeting.

Votes for this action: Messrs. Miller, Volcker, Balles, Black, Coldwell, Mayo, Partee, Mrs. Teeters, Messrs. Wallich, and Roos. Votes against this action: None. Absent: Mr. Kimbrel (Mr. Roos voted as alternate for Mr. Kimbrel).

The temporary debt ceiling of \$798 billion was scheduled to expire at midnight on March 31, 1979, and the Congress was not expected to act on debt ceiling legislation before April 2, 1979. The Treasury had postponed several auctions of securities designed to raise funds to repay maturing debt and to meet cash outlays in early April. The Committee's action was taken on recommendation of Chairman Miller to provide maximum operating flexibility for the Treasury.

On April 2, 1979, the Committee voted to modify paragraph 1C of the authorization, effective immediately, for the period until the close of business on April 6, 1979, to permit arrangement of one-day repurchase agreements with dealers, in connection with special Treasury financings, at the rate at which the securities were auctioned. Under paragraph 1C, rates on repurchase agreements with dealers must be determined by competitive bidding, unless otherwise expressly authorized by the Committee.

Votes for this action: Messrs. Miller, Volcker, Balles, Black, Coldwell, Kimbrel, Mayo, Partee, Mrs. Teeters, and Mr. Wallich.
Votes against this action: None.

This action was taken on the recommendation of the management of the System Open Market Account. The management had advised that delay in enactment of a new temporary debt ceiling had created a severe cash problem for the Treasury, which might persist for some days. The Treasury planned to deal with the problem through the sale of sizable amounts of securities for payment on the day of the auction. However, dealers might experience difficulty in bidding in the auction, because awards of the securities might be made too late in the day to allow the dealers to make normal financing arrangements. The Committee's action provided assistance in marketing such securities by assuring dealers that in the event financing proved to be difficult to obtain for the first day on which the securities were issued, financing could be made available for one day through repurchase agreements at the same rate at which the securities were sold.

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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

AMENDMENT TO EQUAL CREDIT OPPORTUNITY

The Board of Governors has amended its Regulation B, Equal Credit Opportunity, to clarify that it covers persons, such as real estate brokers, home builders, and automobile dealers, who regularly refer applicants or prospective applicants to creditors, or who select or offer to select creditors to whom requests for credit may be made.

Effective May 21, 1979, section 202.2(1) is amended to read as follows:

Section 202.2— Definitions and Rules of Construction

* * * * *

(1) *Creditor* means a person who, in the ordinary course of business, regularly participates in the decision of whether or not to extend credit. The term includes a creditor's assignee, transferee, or subrogee who so participates. For purposes of §§ 202.4 and 202.5(a), the term also includes a person who, in the ordinary course of business, regularly refers applicants or prospective applicants to creditors, or selects or offers to select creditors to whom requests for credit may be made. A person is not a creditor regarding any violation of the Act or this Part committed by another creditor unless the person knew or had reasonable notice of the act, policy, or practice that constituted the violation before its involvement with the credit transaction. The term does not include a person whose only participation in a credit transaction involves honoring a credit card.

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REVISION OF LOANS TO EXECUTIVE OFFICERS, DIRECTORS, AND PRINCIPAL SHAREHOLDERS OF MEMBER BANKS

The Board of Governors has amended its Regulation O, formerly entitled "Loans to Executive

Officers of Member Banks." Amended Regulation O implements new section 22(h) of the Federal Reserve Act, recently enacted by Congress as section 104 of the Financial Institutions Regulatory and Interest Rate Control Act of 1978 ("FIRA") (P.L. 95-630).

Effective March 10, 1979, Regulation O is amended as set forth below:

Part 215—Loans to Executive Officers, Directors, and Principal Shareholders of Member Banks

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Section	
215.1	Authority, Purpose, and Scope
215.2	Definitions
215.3	Extension of Credit
215.4	General Prohibitions
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215.7	Records of Member Banks
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215.10	Civil Penalties

Section 215.1—Authority, Purpose, and Scope

(a) *Authority*. This Part is issued pursuant to sections 11(i), 22(g), and 22(h) of the Federal Reserve Act (12 U.S.C. 248(i), 375a, and 375b(7)).

(b) *Purpose and Scope*. This Part governs any extension of credit by a member bank to an executive officer, director, or principal shareholder of (1) the member bank, (2) a bank holding company of which the member bank is a subsidiary, and (3) any other subsidiary of that bank holding company. It also applies to any extension of credit by a member bank to (1) a company controlled by such a person and (2) a political or campaign committee that benefits or is controlled by such a person.

Section 215.2—Definitions

For the purposes of this Part, the following definitions apply:

(a) “Company” means any corporation, partnership, trust (business or otherwise), association, joint venture, pool syndicate, sole proprietorship, unincorporated organization, or any other form of business entity not specifically listed herein. However, the term does not include (1) an insured bank (as defined in 12 U.S.C. 1813(h)) or (2) a corporation the majority of the shares of which are owned by the United States or by any State.

(b)(1) “Control of a company or bank” means that a person directly or indirectly, or acting through or in concert with one or more persons:

(i) owns, controls, or has the power to vote 25 per cent or more of any class of voting securities of the company or bank;

(ii) controls in any manner the election of a majority of the directors of the company or bank; or

(iii) has the power to exercise a controlling influence over the management or policies of the company or bank.

(2) A person is presumed to have control, including the power to exercise a controlling influence over the management or policies, of a company or bank if:

(i) the person is (A) an executive officer or director of the company or bank and (B) directly or indirectly owns, controls, or has the power to vote more than 10 per cent of any class of voting securities of the company or bank; or

(ii) (A) the person directly or indirectly owns, controls, or has the power to vote more than 10 per cent of any class of voting securities of the company or bank, and (B) no other person owns, controls, or has the power to vote a greater percentage of that class of voting securities.

(3) An individual is not considered to have control, including the power to exercise a controlling influence over the management or policies, of a company or bank solely by virtue of the individual’s position as an officer or director of the company or bank.

(4) A person may rebut a presumption established by paragraph (b)(2) of this section by submitting to the appropriate Federal banking agency (as defined in 12 U.S.C. 1813 (q)) written materials that, in the agency’s judgment, demonstrate an absence of control.

(c) “Director of a member bank” includes (1) any director of a member bank, whether or not receiving compensation, (2) any director of a bank

holding company (as defined in 12 U.S.C. 1841(a)) of which the member bank is a subsidiary, and (3) any director of any other subsidiary of that bank holding company. An advisory director is not considered a director if the advisory director (1) is not elected by the shareholders of the company or bank, (2) is not authorized to vote on matters before the board of directors, and (3) provides solely general policy advice to the board of directors.

(d) “Executive officer” of a company or bank means a person who participates or has authority to participate (other than in the capacity of a director) in major policymaking functions of the company or bank, whether or not: (1) the officer has an official title, (2) the title designates the officer an assistant, or (3) the officer is serving without salary or other compensation.¹ The chairman of the board, the president, every vice president, the cashier, the secretary, and the treasurer of a company or bank are considered executive officers, unless (1) the officer is excluded, by resolution of the board of directors or by the bylaws of the bank or company, from participation (other than in the capacity of a director) in major policymaking functions of the bank or company, and (2) the officer does not actually participate therein. For the purpose of sections 215.4 and 215.7 below, an executive officer of a member bank includes an executive officer of (1) a bank holding company (as defined in 12 U.S.C. 1841(a)) of which the member bank is a subsidiary and (2) any other subsidiary of that bank holding company, unless the executive officer of the subsidiary (i) is excluded (by name or by title) from participation in major policymaking functions of the member bank by resolutions of the boards of directors of both the subsidiary and the member bank, and (ii) does not actually participate in such major policymaking functions.

(e) “Immediate family” means the spouse of an individual, the individual’s minor children, and any of the individual’s children (including adults) residing in the individual’s home.

(f) The “lending limit” for a member bank is an amount equal to the limit on loans to a single

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

borrower established by section 5200 of the Revised Statutes, 12 U.S.C. 84. This amount is 10 per cent of the bank's capital stock and unimpaired surplus or any higher amount permitted by section 5200 of the Revised Statutes for the types of obligations listed therein as exceptions to the 10 per cent limit. A member bank's capital stock and unimpaired surplus equals the sum of (1) the "total equity capital" of the member bank reported on its most recent consolidated report of condition filed under 12 U.S.C. 1817(a)(3), (2) any subordinated notes and debentures approved as an addition to the member bank's capital structure by the appropriate Federal banking agency, and (3) any valuation reserves created by charges to the member bank's income.

(g) "Member bank" means any banking institution that is a member of the Federal Reserve System. The term does not include any foreign bank (as defined in 12 U.S.C. 3101(b)(7)) that maintains a branch in the United States, whether or not the branch is insured (within the meaning of 12 U.S.C. 1813(s)) and regardless of the operation of 12 U.S.C. 1813(h) and 12 U.S.C. 1828(j)(2).

(h) "Pay an overdraft on an account" means to pay an amount upon the order of an account holder in excess of funds on deposit in the account.

(i) "Person" means an individual or a company.

(j) "Principal shareholder" means an individual or a company (other than an insured bank) that directly or indirectly, or acting through or in concert with one or more persons, owns, controls, or has the power to vote more than 10 per cent of any class of voting securities of a member bank or company. However, for the purposes of section 215.4(c) below, this percentage shall be "more than 18 per cent" if the member bank is located in a city, town, or village with a population of less than 30,000. Shares owned or controlled by a member of an individual's immediate family are considered to be held by the individual. A principal shareholder of a member bank includes (1) a principal shareholder of a bank holding company (as defined in 12 U.S.C. 1841(a)) of which the member bank is a subsidiary and (2) a principal shareholder of any other subsidiary of that bank holding company.

(k) "Related interest" means (1) a company that is controlled by a person or (2) a political or campaign committee that is controlled by a person or the funds or services of which will benefit a person.

(l) "Subsidiary" has the meaning given in 12

U.S.C. 1841(d), but does not include a subsidiary of a member bank.

Section 215.3—Extension of Credit

(a) An extension of credit is a making or renewal of any loan, a granting of a line of credit, or an extending of credit in any manner whatsoever, and includes:

(1) a purchase under repurchase agreement of securities, other assets, or obligations;

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

(3) issuance of a standby letter of credit (or other similar arrangement regardless of name or description) or an ineligible acceptance, as those terms are defined in section 208.8(d) of this Chapter;

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

(5) a discount of promissory notes, bills of exchange, conditional sales contracts, or similar paper, whether with or without recourse; but the acquisition of such paper by a member bank from another bank, without recourse, shall not be considered a discount by the member bank for the other bank;

(6) an increase of an existing indebtedness, but not if the additional funds are advanced by the bank for its own protection for (i) accrued interest or (ii) taxes, insurance, or other expenses incidental to the existing indebtedness;

(7) an advance of unearned salary or other unearned compensation for a period in excess of 30 days; and

(8) any other transaction as a result of which a person becomes obligated to pay money (or its equivalent) to a bank, whether the obligation arises directly or indirectly, or because of an endorsement on an obligation or otherwise, or by any means whatsoever.

(b) An extension of credit does not include:

(1) an advance against accrued salary or other accrued compensation, or an advance for the payment of authorized travel or other expenses incurred or to be incurred on behalf of the bank;

(2) a receipt by a bank of a check deposited in or delivered to the bank in the usual course of business unless it results in the carrying of a cash item for or the granting of an overdraft (other than an inadvertent overdraft in a limited amount that is promptly repaid, as described in section 215.4(d) below);

(3) an acquisition of a note, draft, bill of exchange, or other evidence of indebtedness through (i) a merger or consolidation of banks or a similar transaction by which a bank acquires assets and assumes liabilities of another bank or similar organization or (ii) foreclosure on collateral or similar proceeding for the protection of the bank, provided that such indebtedness is not held for a period of more than three years from the date of the acquisition, subject to extension by the appropriate Federal banking agency for good cause;

(4) (i) an endorsement or guarantee for the protection of a bank of any loan or other asset previously acquired by the bank in good faith or (ii) any indebtedness to a bank for the purpose of protecting the bank against loss or of giving financial assistance to it; or

(5) indebtedness of \$5,000 or less arising by reason of any general arrangement by which a bank (i) acquires charge or time credit accounts or (ii) makes payments to or on behalf of participants in a bank credit card plan, check credit plan, interest bearing overdraft credit plan of the type specified in section 215.4(d) below, or similar open-end credit plan, provided: (A) the indebtedness does not involve prior individual clearance or approval by the bank other than for the purposes of determining authority to participate in the arrangement and compliance with any dollar limit under the arrangement, and (B) the indebtedness is incurred under terms that are not more favorable than those offered to the general public.

(c) Non-interest-bearing deposits to the credit of a bank are not considered loans, advances, or extensions of credit to the bank of deposit; nor is the giving of immediate credit to a bank upon uncollected items received in the ordinary course of business considered to be a loan, advance, or extension of credit to the depositing bank.

(d) For purposes of sections 215.4(b) and (c) below, an extension of credit by a member bank is considered to have been made at the time the bank enters into a binding commitment to make the extension of credit.

(e) A participation without recourse is considered to be an extension of credit by the participating bank, not by the originating bank.

(f) An extension of credit is considered made to a person covered by this Part to the extent that the proceeds of the extension of credit are used for the tangible economic benefit of, or are transferred to, such a person.

Section 215.4—General Prohibitions

(a) *Terms and Creditworthiness.* No member

bank may extend credit to any of its executive officers, directors, or principal shareholders or to any related interest of that person unless the extension of credit: (1) is made on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions by the bank with other persons that are not covered by this Part and who are not employed by the bank, and (2) does not involve more than the normal risk of repayment or present other unfavorable features.

(b) *Prior Approval.* (1) No member bank may extend credit or grant a line of credit to any of its executive officers, directors or principal shareholders or to any related interest of that person in an amount that, when aggregated with the amount of all other extensions of credit and lines of credit by the member bank to that person and to all related interests of that person, exceeds \$25,000, unless (i) the extension of credit or line of credit has been approved in advance by a majority of the entire board of directors of that bank and (ii) the interested party has abstained from participating directly or indirectly in the voting.

(2) Approval by the board of directors under paragraph (b)(1) of this section is not required for an extension of credit that is made pursuant to a line of credit that was approved under paragraph (b)(1) of this section within 14 months of the date of the extension of credit. The extension of credit must also be in compliance with the requirements of section 215.4(a) above.

(3) Participation in the discussion, or any attempt to influence the voting, by the board of directors regarding an extension of credit constitutes indirect participation in the voting by the board of directors on an extension of credit.

(c) *Aggregate Lending Limit.* No member bank may extend credit to any of its executive officers or principal shareholders or to any related interest of that person² in an amount that, when aggregated with the amount of all other extensions of credit by the member bank to that person and to all related interests of that person, exceeds the lending limit of the member bank specified in section 215.2(f) above. This prohibition does not apply to an extension of credit by a member bank to

2. This prohibition does not apply to member bank loans to a director of the member bank or to a related interest of the director, unless the director is also an executive officer or principal shareholder. See also the definition of principal shareholder in section 215.2(j) above, in the case of a member bank located in a city, town or village with a population of less than 30,000.

a bank holding company (as defined in 12 U.S.C. 1841(a)) of which the member bank is a subsidiary or to any other subsidiary of that bank holding company.

(d) *Overdrafts.* No member bank may pay an overdraft of an executive officer or director of the bank³ on an account at the bank, unless the payment of funds is made in accordance with (1) a written, preauthorized, interest-bearing extension of credit plan that specifies a method of repayment or (2) a written, preauthorized transfer of funds from another account of the account holder at the bank. This prohibition does not apply to payment of inadvertent overdrafts on an account in an aggregate amount of \$1,000 or less, provided (1) the account is not overdrawn for more than 5 business days, and (2) the member bank charges the executive officer or director the same fee charged any other customer of the bank in similar circumstances.

Section 215.5—Additional Restrictions on Loans to Executive Officers of Member Banks

(a) No member bank may extend credit to any of its executive officers,⁴ and no executive officer of a member bank shall borrow from or otherwise become indebted to the bank, except in the amounts, for the purposes, and upon the conditions specified in paragraphs (c) and (d) of this section.

(b) No member bank may extend credit in an aggregate amount greater than \$10,000 outstanding at any one time to a partnership in which one or more of the executive officers of the member bank are partners and, either individually or together, hold a majority interest. For the purposes of paragraph (c)(3) below, the total amount of credit extended by a member bank to such partnership is considered to be extended to each executive officer of the member bank who is a member of the partnership.

(c) A member bank is authorized to extend credit to an executive officer of the bank in an aggregate amount not to exceed:

(1) \$20,000 outstanding at any one time to finance the education of the executive officer's children;

(2) \$60,000 outstanding at any one time to finance the purchase, construction, maintenance, or improvement of a residence of the executive officer, if the extension of credit is secured by a first lien on the residence and the residence is owned (or expected to be owned after the extension of credit) by the executive officer; and

(3) \$10,000 outstanding at any one time for a purpose not otherwise specifically authorized under this paragraph.

(d) Any extension of credit by a member bank to any of its executive officers shall be: (1) promptly reported to the member bank's board of directors; (2) in compliance with the requirements of section 215.4(a) above; (3) preceded by the submission of a detailed current financial statement of the executive officer; and (4) made subject to the condition that the extension of credit will, at the option of the member bank, become due and payable at any time that the officer is indebted to any other bank or banks in an aggregate amount greater than the amount specified for a category of credit in paragraph (c) of this section.

Section 215.6—Extensions of Credit Outstanding on March 10, 1979

(a) Any extension of credit that was outstanding on March 10, 1979, and that would, if made on or after March 10, 1979, violate section 215.4(c) above, shall be reduced in amount by March 10, 1980, to be in compliance with the lending limit in section 215.4(c). Any renewal or extension of such an extension of credit on or after March 10, 1979, shall be made only on terms that will bring the extension of credit into compliance with the lending limit of section 215.4(c) by March 10, 1980. However, any extension of credit made before March 10, 1979, that bears a specific maturity date of March 10, 1980, or later, shall be repaid in accordance with its repayment schedule in existence on or before March 10, 1979.

(b) If a member bank is unable to bring all extensions of credit outstanding on March 10, 1979, into compliance as required by paragraph (a) of this section, the member bank shall promptly report that fact to the Comptroller of the Currency, in the case of a national bank, or to the appropriate Federal Reserve Bank, in the case of a State member bank, and explain the reasons why all the extensions of credit cannot be brought into compliance. The Comptroller or the Reserve Bank, as the case may be, is authorized, on the basis of

3. This prohibition does not apply to the payment by a member bank of an overdraft of a principal shareholder of the member bank, unless the principal shareholder is also an executive officer or director. This prohibition also does not apply to the payment by a member bank of an overdraft of a related interest of an executive officer, director, or principal shareholder of the member bank.

4. Sections 215.5, 215.8, and 215.9 of Regulation O implement section 22(g) of the Federal Reserve Act and do not apply to nonmember banks. For the purposes of these sections, an executive officer of a member bank does not include an executive officer of a bank holding company of which the member bank is a subsidiary or any other subsidiary of that bank holding company.

good cause shown, to extend the March 10, 1980, date for compliance for any extension of credit for not more than two additional one-year periods.

Section 215.7—Records of Member Banks

Each member bank shall maintain records necessary for compliance with the requirements of this Part. These records shall (a) identify all executive officers, directors, and principal shareholders of the member bank and the related interests of these persons and (b) specify the amount and terms of each extension of credit by the member bank to these persons and to their related interests. Each member bank shall request at least annually that each executive officer, director, or principal shareholder of the member bank identify the related interests of that person.

Section 215.8—Reports by Executive Officers

Each executive officer⁵ of a member bank who becomes indebted to any other bank or banks in an aggregate amount greater than the amount specified for a category of credit in section 215.5(c) above, shall, within 10 days of the date the indebtedness reaches such a level, make a written report to the board of directors of the officer's bank. The report shall state the lender's name, the date and amount of each extension of credit, any security for it, and the purposes for which the proceeds have been or are to be used.

Section 215.9—Reports by Member Banks

Each member bank shall include with (but not as part of) each report of condition (and copy thereof) filed pursuant to 12 U.S.C. 1817(a)(3) a report of all extensions of credit made by the member bank to its executive officers⁶ since the date of the bank's previous report of condition.

Section 215.10—Civil Penalties

As specified in section 29 of the Federal Reserve Act (12 U.S.C. 504), any member bank, or any officer, director, employee, agent, or other person participating in the conduct of the affairs of the bank, that violates any provision of this Part is subject to a civil penalty of not more than \$1,000 per day for each day during which the violation continues.

Appendix—Section 5200 of the Revised Statutes

The total obligations to any national banking

association of any person, copartnership, association, or corporation shall at no time exceed 10 per centum of the amount of the capital stock of such association actually paid in and unimpaired and 10 per centum of its unimpaired surplus fund. The term "obligations" shall mean the direct liability of the maker or acceptor of paper discounting with or sold to such association and the liability of the indorser, drawer, or guarantor who obtains a loan from or discounts paper with or sells paper under his guaranty to such association and shall include in the case of obligations of a copartnership or association the obligations of the several members thereof and shall include in the case of obligations of a corporation all obligations of all subsidiaries thereof in which such corporation owns or controls a majority interest. Such limitation of 10 per centum shall be subject to the following exceptions:

(1) Obligations in the form of drafts or bills of exchange drawn in good faith against actually existing values shall not be subject under this section to any limitation based upon such capital and surplus.

(2) Obligations arising out of the discount of commercial or business paper actually owned by the person, copartnership, association, or corporation negotiating the same shall not be subject under this section to any limitation based upon such capital and surplus.

(3) Obligations drawn in good faith against actually existing values and secured by goods or commodities in process of shipment shall not be subject under this section to any limitation based upon such capital and surplus.

(4) Obligations as indorser or guarantor of notes, other than commercial or business paper excepted under (2) hereof, having a maturity of not more than six months, and owned by the person, corporation, association, or copartnership indorsing and negotiating the same, shall be subject under this section to a limitation of 15 per centum of such capital and surplus in addition to such 10 per centum of such capital and surplus.

(5) Obligations in the form of banker's acceptances of other banks of the kind described in sections 372 and 373 of this title shall not be subject under this section to any limitation based upon such capital and surplus.

(6) Obligations of any person, copartnership, association or corporation, in the form of notes or drafts secured by shipping documents, warehouse receipts, or other such documents transferring or securing title covering readily marketable nonperishable staples when such property is fully

5. See note 4 above.

6. See note 4 above.

covered by insurance, if it is customary to insure such staples shall be subject under this section to a limitation of 15 per centum of such capital and surplus in addition to such 10 per centum of such capital and surplus when the market value of such staples securing such obligation is not at any time less than 115 per centum of the face amount of such obligation, and to an additional increase of limitation of 5 per centum of such capital and surplus in addition to such 25 per centum of such capital and surplus when the market value of such staples securing such additional obligation is not at any time less than 120 per centum of the face amount of such additional obligation, and to a further additional increase of limitation of 5 per centum of such capital and surplus in addition to such 30 per centum of such capital and surplus when the market value of such staples securing such additional obligation is not at any time less than 125 per centum of the face amount of such additional obligation, and to a further additional increase of limitation of 5 per centum of such capital and surplus when the market value of such staples securing such additional obligation is not at any time less than 130 per centum of the face amount of such additional obligation, and to a further additional increase of limitation of 5 per centum of such capital and surplus in addition to such 40 per centum of such capital and surplus when the market value of such staples securing such additional obligation is not at any time less than 135 per centum of the face amount of such additional obligation, and to a further additional increase of limitation of 5 per centum of such capital and surplus in addition to such 45 per centum of such capital and surplus when the market value of such staples securing such additional obligation is not at any time less than 140 per centum of the face amount of such additional obligation, but this exception shall not apply to obligations of any one person, copartnership, association, or corporation arising from the same transactions and/or secured by the identical staples for more than ten months. Obligations of any person, copartnership, association, or corporation in the form of notes or drafts secured by shipping documents, warehouse receipts, or other such documents transferring or securing title covering refrigerated or frozen readily marketable staples when such property is fully covered by insurance, shall be subject under this section to a limitation of 15 per centum of such capital and surplus in addition to such 10 per centum of such capital and surplus when the market value of such staples securing such obligation is not at any time less

than 115 per centum of the face amount of such additional obligation but this exception shall not apply to obligations of any one person, copartnership, association, or corporation arising from the same transactions and/or secured by the identical staples for more than six months.

(7) Obligations of any person, copartnership, association, or corporation in the form of notes or drafts secured by shipping documents or instruments transferring or securing title covering livestock or giving a lien on livestock when the market value of the livestock securing the obligation is not at any time less than 115 per centum of the face amount of the notes covered by such documents shall be subject under this section to a limitation of 15 per centum of such capital and surplus in addition to such 10 per centum of such capital and surplus. Obligations arising out of the discount by dealers in dairy cattle of paper given in payment for dairy cattle, which bear a full recourse endorsement or unconditional guarantee of the seller and are secured by the cattle being sold, shall be subject under this section to a limitation of 15 per centum of such capital and surplus in addition to such 10 per centum of such capital and surplus.

(8) Obligations of any person, copartnership, association, or corporation secured by not less than a like amount of bonds or notes of the United States issued since April 24, 1917, or certificates of indebtedness of the United States, treasury bills of the United States or obligations fully guaranteed both as to principal and interest by the United States, shall (except to the extent permitted by rules and regulations prescribed by the Comptroller of the Currency, with the approval of the Secretary of the Treasury) be subject under this section to a limitation of 15 per centum of such capital and surplus in addition to such 10 per centum of such capital and surplus.

(9) Obligations representing loans to any national banking association or to any banking institution organized under the laws of any State, or to any receiver, conservator, or superintendent of banks, or to any other agent, in charge of the business and property of any such association or banking institution, when such loans are approved by the Comptroller of the Currency, shall not be subject under this section to any limitation based upon such capital and surplus.

(10) Obligations shall not be subject under this section to any limitation based upon such capital and surplus to the extent that such obligations are secured or covered by guaranties, or by commitments or agreements to take over or to purchase,

made by any Federal Reserve bank or by the United States or any department, bureau, board, commission, or establishment of the United States, including any corporation wholly owned directly or indirectly by the United States: *Provided*, That such guaranties, agreements, or commitments are unconditional and must be performed by payment of cash or its equivalent within sixty days after demand. The Comptroller of the Currency is hereby authorized to define the terms herein used if and when he may deem it necessary.

(11) Obligations of a local public agency (as defined in section 1460(h) of Title 42) or of a public housing agency (as defined in the United States Housing Act of 1937, as amended); which have a maturity of not more than eighteen months shall not be subject under this section to any limitation, if such obligations are secured by an agreement between the obligor agency and the Secretary of Housing and Urban Development in which the agency agrees to borrow from the Secretary, and the Secretary agrees to lend to the agency, prior to the maturity of such obligations, monies in an amount which (together with any other monies irrevocably committed to the payment of interest on such obligations) will suffice to pay the principal of such obligations with interest to maturity, which monies under the terms of said agreement are required to be used for that purpose.

(12) Obligations insured by the Secretary of Agriculture pursuant to the Bankhead-Jones Farm Tenant Act, as amended, or the Act of August 28, 1937, as amended (relating to the conservation of water resources), or sections 1471-1485 of Title 42, shall be subject under this section to a limitation of 15 per centum of such capital and surplus in addition to such 10 per centum of such capital and surplus.

(13) Obligations as endorser or guarantor of negotiable or non-negotiable installment consumer paper which carries a full recourse endorsement or unconditional guarantee by the person, copartnership, association, or corporation transferring the same, shall be subject under this section to a limitation of 15 per centum of such capital and surplus in addition to such 10 per centum of such capital and surplus: *Provided, however*, That if the bank's files or the knowledge of its officers of the financial condition of each maker of such obligations is reasonably adequate, and upon certification by an officer of the bank designated for that purpose by the board of directors of the bank, that the responsibility of each maker of such obligations has been evaluated and the bank is relying

primarily upon each such maker for the payment of such obligations, the limitations of this section as to the obligations of each such maker shall be the sole applicable loan limitation: *Provided further*, That such certification shall be in writing and shall be retained as part of the records of such bank.

(14) Obligations of the Student Loan Marketing Association shall not be subject to any limitation based upon such capital and surplus.

AMENDMENTS TO RULES REGARDING DELEGATION OF AUTHORITY

The Board of Governors has delegated authority for certain Federal Reserve Bank matters to the Board's General Counsel, the Staff Director for Federal Reserve Bank Activities, and to the Federal Reserve Banks.

Effective March 21, 1979, section 265.2 is amended as follows:

1. 12 CFR § 265.2(b) is amended by adding a new paragraph (8) to read as follows:

Section 265.2—Specific functions delegated to Board employees and Federal Reserve Banks.

* * * * *

(b) The General Counsel of the Board (or in the General Counsel's absence, the acting General Counsel) is authorized:

* * * * *

(8) to approve provisions of Federal Reserve Bank operating circulars related to uniform services.

2. 12 CFR § 265.(e) is deleted and reserved.

3. 12 CFR § 265.2(d) is amended by revising paragraphs (1), (2), and (5) and adding new paragraphs (6)–(8) to read as follows:

Section 265.2—Specific functions delegated to Board employees and to Federal Reserve Banks.

* * * * *

(d) The Staff Director for Federal Reserve Bank Activities or the Staff Director's designee is authorized;

(1) to approve

(i) requests of up to \$500,000 for each Reserve Bank for the purchase or lease of computer mainframes, if the acquisition is consistent with the long-range automation plan approved by the Board of Governors, and

(ii) requests of up to \$500,000 for each Reserve

Bank for purchase or lease of automation or communications equipment not specifically included in the long-range automation plan approved by the Board of Governors, except computer mainframes.

(2) to approve proposed remodeling or renovation of or additions to Reserve Bank or Branch buildings if the cost is over \$500,000, but not over \$1,000,000, and if the project has been included in the capital or operating budget approved by the Board of Governors.

* * * * *

(5) to review Reserve Bank agreements with architects and other consultants for new construction or renovation projects over \$100,000, but not over \$1,000,000.

* * * * *

(6) within the contingency allowance for a new building project, to approve individual construction change orders over \$500,000, but not over \$1,000,000.

(7) to exercise supervision over the following matters relating to Federal Reserve notes:

- (i) printing orders and
- (ii) contracts for shipment, giving consideration to:

(a) the desirability of maintaining a two-year reserve supply of \$5 and \$100 notes and a one-year supply of \$1 notes, and

(b) awarding contracts to the lowest bidder determined to be qualified.

(8) to modify the Reserve Bank Accounting Manual (after considering the views of the Subcommittee on Accounting Systems, Budgets and Expenditures of the Committee on Management Systems and Support Services of the Conference of First Vice Presidents) in accordance with generally accepted accounting practices for banks, except that the following will not be authorized:

- (i) reserves for contingencies,
- (ii) charge-off of land to below estimated market value,
- (iii) charge-offs of buildings, or special allowances for depreciation that would result in full depreciation before 40 years after the date of completion of the structure, and
- (iv) write-down of Government securities below cost, including establishment of a valuation reserve.

4. 12 CFR 265.2(f) is amended by revising paragraphs (25) and (34) and adding new paragraphs (39)–(50) to read as follows:

Section 265.2—Specific Functions Delegated to

Board Employees and to Federal Reserve Banks.

(f) Each Federal Reserve Bank is authorized:

* * * * *

(25) to set the salaries of its officers below the level of First Vice President (including the General Auditor) within guidelines issued by the Board of Governors.

* * * * *

(34) under the provisions of sections 3 and 11j of the Federal Reserve Act (12 U.S.C. § 521 and 248 (j)) to undertake remodeling, renovation of or addition to its existing buildings or those of its branches if the expenditure for any completed project is not over \$500,000, and if it has been included in the capital or operating budget approved by the Board of Governors.

* * * * *

(39) under the provisions of the twenty-first paragraph of section 4 of the Federal Reserve Act (12 U.S.C. 306), to approve the appointment of assistant Federal Reserve agents (including representatives or alternate representatives of such agents).

(40) under the provisions of the sixteenth paragraph of section 4 of the Federal Reserve Act (12 U.S.C. 304), to classify member banks for the purposes of electing Federal Reserve Bank class A and class B directors, giving consideration to:

- (i) the statutory requirement that each of the three groups shall consist as nearly as may be of banks of similar capitalization, and
- (ii) the desirability that every member bank have the opportunity to vote for a class A or a class B director at least once every three years.

(41) to increase its operating budget up to 1 per cent of the annual operating budget.

(42) to purchase or lease new automation or communications equipment, except computer mainframes, at a cost of up to \$1,000,000, if included in long-range automation plans and capital or operating budgets approved by the Board of Governors.

(43) to set the salary structure for nonofficial employees within guidelines issued by the Board of Governors, and to approve payment of salary above or below established salary ranges for one year.

(44) to approve payment of separation allowances upon the involuntary termination of employment of officers below the level of First Vice

President (separation payments made to the General Auditor may be approved by the Chairman of the Board of Directors).

(45) in connection with building projects:

(i) to enter into agreements with architects and other consultants up to \$100,000;

(ii) to administer the contingency allowance;

(iii) within the contingency allowance for a new building, to approve construction change orders up to \$500,000;

(iv) to approve exceptions to Buy American Policy for construction materials within authorized dollar limits; and

(v) to award contracts to other than the lowest bidder within authorized dollar limits.

(46) to sell real property (prior consultation with the Director of the Division of Federal Reserve Bank Operations is required for any property appraised at more than \$1,000,000).

(47) to purchase or lease new fixed or operating equipment, other than automation or communications equipment, costing up to \$250,000, if identified in capital or operating budgets approved by the Board.

(48) to make changes in territories served by offices within its district for specific functions.

(49) to extend the employment of officers and employees, except the President and First Vice President, for one year beyond mandatory retirement age.

(50) to grant performance cash awards.

(i) to Senior Vice Presidents, if approved by the President, and

(ii) to the General Auditor, if approved by the Chairman of the Board of Directors.

The Board of Governors has delegated to the Secretary of the Board authority to permit member banks to waive the penalty for early withdrawal of a time deposit in § 217.4(d) of Regulation Q for depositors suffering emergency-related losses in areas declared an emergency area by the President.

Effective April 26, 1979, paragraph 265.2 (a)(18) is amended to read as follows:

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

* * * * *

(2) The Secretary of the Board (or, in the Secretary's absence, the Acting Secretary) is authorized:

* * * * *

(18) Under the provisions of section 19(j) of

the Federal Reserve Act (12 U.S.C. § 371b) and §§ 217.4(a) and (d) of Regulation Q (12 C.F.R. §§ 217.4(a) and (d)) to permit member banks to waive the penalty for early withdrawal of a time deposit in § 217.4(d) (Regulation Q), if all of the following conditions are met:

(i) The President of the United States declares an area a major disaster area or an emergency area pursuant to section 301 of the Disaster Relief Act of 1974 (42 U.S.C. § 5141) and Executive Order No. 11795 of July 11, 1974.

(ii) A waiver is limited in effectiveness to depositors suffering disaster or emergency-related losses in the officially designated disaster or emergency area.

(iii) The appropriate Reserve Bank recommends approval.

(iv) All relevant divisions of the Board's staff recommend approval.

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

**Orders Under Section 3
of Bank Holding Company Act**

Minneapolis Holding Company,
Minneapolis, Minnesota

**Order Approving
Formation of a Bank Holding Company**

Minneapolis Holding Company, Minneapolis, Minnesota, 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 97 percent of the voting shares of Bank of Minneapolis and Trust Company, Minneapolis, Minnesota ("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 is a nonoperating Minnesota corporation organized for the purpose of becoming a bank holding company by acquiring Bank. Bank has total deposits of \$28.0 million, representing approximately 0.2 percent of total commercial bank

deposits in Minnesota.¹ Upon consummation of the proposal, Applicant would control the 62nd largest bank in the state. Bank is the 30th largest of 115 banking organizations within the Minneapolis-St. Paul banking market (the relevant market) and holds 0.3 percent of total commercial bank deposits in the market.² The subject proposal is essentially a reorganization that places current individual ownership interests in a corporation owned by the same individuals, and it does not appear that consummation of the proposal would eliminate any existing competition, increase the concentration of banking resources, or have an adverse effect on the development of future competition in the market. Therefore, the Board finds that competitive considerations are consistent with approval.

The financial and managerial resources of Applicant are largely dependent upon those of Bank.³ It appears from the facts of record that Bank's condition has improved since the current owners acquired Bank and that income to be derived from Bank would provide Applicant with sufficient revenue to service its acquisition debt while maintaining acceptable capital levels at Bank. It appears from these and other facts of record that the financial and managerial resources of Bank and Applicant are satisfactory and that their future prospects appear favorable. Therefore, the Board concludes that banking factors are consistent with approval.

Although consummation of the proposal would not change the banking services offered by Bank, considerations relating to the convenience and needs of the community to be served are consistent with approval. It has been determined that consummation of the transaction would be in the public interest and that the application should be approved.

1. All banking data are as of June 30, 1978.

2. The relevant banking market is approximated by the Minneapolis-St. Paul RMA adjusted to include all of Carver County.

3. Title II of the Financial Institutions Regulatory and Interest Rate Control Act of 1978 ("FIRA") sets forth prohibitions against certain interlocks between management officials of depository institutions, including commercial banks and "depository holding companies," and further provides that these prohibitions will not apply until 1988 to certain interlocks that existed on the date of its enactment. Upon acquisition of Bank, an interlock might exist between Applicant and Midwest Federal Savings and Loan, a mutual savings association located in Minneapolis, which would not qualify for the grandfather exemption in FIRA. If the relationship proves to be inconsistent with forthcoming regulations implementing Title II of FIRA, Applicant will be expected to conform its management structure to the requirements of the regulations adopted by the board.

On the basis of the record, the application is approved for the reasons summarized above. The transaction shall not be consummated (a) before the thirtieth 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 Minneapolis pursuant to delegated authority.

By order of the Board of Governors, effective April 27, 1979.

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

(Signed) GRIFFITH L. GARWOOD,
Deputy Secretary of the Board.

[SEAL]

Northwest Bancorporation,
Minneapolis, Minnesota

Order Approving Acquisition of Bank

Northwest Bancorporation, Minneapolis, Minnesota, 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 95 percent or more of the voting shares (less directors' qualifying shares) of First National Bank, Cedar Falls, 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, including those of The National Bank of Waterloo, Waterloo, Iowa ("Protestant"), in light of the factors set forth in section 3(c) of the Act (12 U.S.C. § 1842(c)).

Applicant controls 84 banks located in seven midwestern states,¹ including Iowa, with total deposits of \$7.8 billion.² Applicant is the largest banking organization in Iowa, controlling nine banks with total deposits of \$997.8 million, representing approximately 6.8 percent of the total deposits in commercial banks in Iowa. Acquisition of Bank (\$41.0 million in deposits) would increase Applicant's share of deposits in the state by only 0.3 percent and would have no appreciable effect

1. These seven states are Minnesota, Montana, North Dakota, South Dakota, Wisconsin, Nebraska, and Iowa.

2. All banking data are as of June 30, 1978.

upon the concentration of banking resources in Iowa.

Bank is the fourth largest of thirteen banking organizations operating in the Waterloo banking market,³ controlling approximately 9.3 percent of market deposits. Applicant's two closest banking subsidiaries are located in Mason City and Marion, 70 miles northwest and southeast, respectively, of Bank in separate banking markets. In view of the distances between Bank and Applicant's banking subsidiaries and other facts of record, it appears that no significant existing competition would be eliminated between Bank and any of Applicant's subsidiary banks by consummation of this proposal.

As part of its analysis of this application, the Board has considered the comments in opposition to the proposal submitted by Protestant, the largest banking organization in the relevant banking market, with deposits of \$136.4 million and 30.8 percent of market deposits. In summary, Protestant contends that Applicant is capable of entering the market on a *de novo* basis; competition between Applicant's mortgage banking subsidiary, Banco Mortgage Company, St. Paul, Minnesota ("Banco"), and Bank will be eliminated upon consummation of this proposal; and convenience and needs factors are not sufficient to outweigh what it believes to be the adverse competitive effects of the proposal.

While the Applicant has the resources to enter the market *de novo*, based upon the facts of record the market appears only moderately attractive to *de novo* entry by Applicant. Furthermore, the Board does not view the acquisition of Bank, which is not one of the market's largest banks, as raising such a significant competitive issue to warrant denial of this application. Moreover, upon consummation of this proposal, numerous independent banking alternatives would remain as potential entry vehicles into the market.

Protestant contends that competition between Applicant's mortgage banking subsidiary, Banco, and Bank will be eliminated upon consummation of the proposal. However, it appears from the facts of record that no significant competitive effects will result from approval of this application. Banco operates an office in Waterloo that serves both as Banco's national loan servicing center and one of 38 residential mortgage loan origination offices. Banco's Waterloo office extends residential mort-

gage loans in Bank's market area; since Bank also originates such loans, Applicant and Bank are direct competitors. As of year-end 1977, Banco was servicing loans on residential properties located in Black Hawk County with a total outstanding balance of \$26.8 million. Banco's Waterloo office accounted for 3.2 and 6.2 percent of the total mortgage recordings in Black Hawk County in 1976 and 1977, respectively, while Bank's originations represented less than 1.0 percent of the County total in each of these years. However, the proposed acquisition of Bank would not significantly reduce the number of organizations in the markets offering mortgage loans, since nine other commercial banks and six savings and loan associations originate such loans in the market, as do a number of the 31 credit unions located in the area. Moreover, the proposal may have a procompetitive effect upon mortgage lending in the market, since upon consummation of this proposal Applicant intends to enable Bank to offer FHA-insured and VA-guaranteed mortgage loans and graduated payment mortgage services not previously offered by Bank. Based upon these and other facts of record, the Board concludes that consummation of the proposal would not result in any significant adverse effects upon competition in any relevant area. Thus, competitive considerations, when viewed in light of other aspects of the proposal, are regarded as being consistent with approval of the application.

The financial and managerial resources and future prospects of Applicant, its subsidiary banks and Bank are regarded as satisfactory. Accordingly, banking factors are consistent with approval of this application.

Protestant asserts that the convenience and needs factors are insufficient to outweigh what Protestant believes to be the adverse competitive effects of the proposal. As noted above, the Board does not view consummation of the proposal as resulting in any significant adverse effects upon competition in any relevant area.

With respect to convenience and needs considerations, the Board believes that such considerations lend weight toward approval of the application and outweigh any anticompetitive effects that may be associated with the proposal. For example, Applicant plans to introduce some new services to the customers of Bank, including lease financing, and a full range of trust and international services, as well as the mortgage lending services previously discussed. In addition, Applicant intends to cause Bank to offer increased returns on savings deposits and certificates through daily

3. The Waterloo banking market is approximated by Black Hawk County and that portion of the Waterloo Rannally Metropolitan Area ("RMA") extending into Bremer County, in Iowa.

compounding on accounts and expand its lending. These considerations relating to the convenience and needs of the community to be served lend weight toward approval of the application and outweigh any adverse competitive effects that might result from consummation of this proposal. Based upon the foregoing and other considerations reflected in the record, it is the Board's judgment that the proposed application is 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 consummated (a) before the thirtieth calendar day following the effective date of this Order, or (b) later than three months after the effective date of this Order unless such period is extended for good cause by the Board, or by the Federal Reserve Bank of Chicago pursuant to delegated authority.

By order of the Board of Governors, effective April 20, 1979.

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

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

The Wyoming National Corporation,
Casper, Wyoming

Order Denying Acquisition of Bank

The Wyoming National Corporation, Casper, Wyoming, 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 80 percent or more of the voting shares of First National Bank of Glenrock, Glenrock, Wyoming ("Bank").

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

Applicant, the third largest banking organization and bank holding company in Wyoming, controls three bank subsidiaries¹ with aggregate deposits

of \$208.8 million, representing 9.5 percent of total deposits in commercial banks in Wyoming.² Acquisition of Bank, (\$8.7 million in deposits) would increase Applicant's share of commercial bank deposits in Wyoming by 0.4 percent and would not have an appreciable effect upon the concentration of banking resources in the state.

Bank is the only bank in Glenrock, located approximately 20 miles east of Casper, and is in the Casper banking market, which is defined to include Natrona County and western Converse County, Wyoming.³ The definition of the Casper market includes the town of Glenrock, which is located in western Converse County.

While Casper and Glenrock are located 20 miles apart, evidence of record indicates that Casper and Glenrock are in fact an economically integrated area. For example, Glenrock residents commute to Casper for employment and shopping purposes; Casper's newspaper is the only daily newspaper of general circulation in Glenrock, and Glenrock is served by Casper's television station; and Casper and Glenrock are linked by a major interstate highway.

Also, the record shows significant deposit and loan overlap between Applicant's lead bank, The Wyoming National Bank of Casper, Casper, Wyoming ("Casper Bank"), and Bank, which is another indicator that the two banks are located in the same market.⁴ In addition, the facts of record indicate that Bank's management is sensitive to the business strategies of banks in Casper and that Bank is responsive to the prices charged and the services offered by banks in Casper. Ac-

BULLETIN 69 (1979)), but this proposal has not yet been consummated.

2. All banking data are as of June 30, 1978, and reflect bank holding company formations and acquisitions approved as of January 31, 1979.

3. In the Board's Order approving Applicant's proposal to acquire Wyoming National Bank of East Casper, the Board noted that it was reviewing the definition of the Casper banking market, which was then approximated by the Ranelly Metropolitan Area including the City of Casper and the towns of Mills, Evansville, and Paradise Valley, all in Natrona County, Wyoming. (65 FEDERAL RESERVE BULLETIN 69, 70 n.3 (1979)).

4. Applicant, in contending that Casper Bank and Bank do not compete in the same market, states that the percentages of total loans and total deposits that each bank derives from the other bank's Primary Service Area ("PSA") are small enough to be insignificant. However, the Board feels that the more relevant measure of deposit and loan overlap is the total deposits (loans) that one bank derives from the other bank's PSA divided by the total deposits (loans) that the other bank derives from its PSA. Measured on this basis, even taking into account that many of the commercial loans made by Casper Bank in the Glenrock area are to businesses whose principals live in Casper, the deposit and loan overlap ratio between Casper Bank and Bank reflect that a substantial amount of competition exists between Casper Bank and Bank.

1. On December 28, 1978, the Board approved Applicant's proposal to acquire Wyoming National Bank of East Casper, Casper, Wyoming, a *de novo* bank (65 FEDERAL RESERVE

cordingly, it is the Board's opinion that the Casper banking market is appropriately defined as Natrona County and western Converse County, including the town of Glenrock.

Applicant is the largest of nine banking organizations located in the Casper banking market and controls deposits of \$192.2 million, representing 42.3 percent of total deposits in commercial banks in the relevant market. Bank is the sixth largest bank in the relevant market and holds deposits of \$8.7 million, representing 1.9 percent of total deposits in commercial banks in the market. The acquisition of Bank would raise Applicant's share of market deposits to 44.2 percent and further increase concentration in an already highly concentrated market. The four largest banking organizations in the Casper banking market, which include the two largest banking organizations in Wyoming, control 93.9 percent of market deposits. Accordingly, the Board views the effects of the proposal upon the concentration of banking resources in the Casper banking market as an adverse factor in its consideration of this application. The facts of record indicate that consummation of the proposal would also eliminate substantial existing competition between Casper Bank and Bank. Accordingly, the Board finds on the basis of the foregoing and other facts of the record that consummation of this proposal would have substantially adverse competitive effects and that the proposal should not be approved unless the anti-competitive effects are clearly outweighed by benefits to the public in meeting the convenience and needs of the community to be served.

The financial and managerial resources and future prospects of Applicant, its banking subsidiaries and Bank are regarded as satisfactory. Accordingly, considerations relating to banking factors are consistent with approval of the application. While some benefits relating to the convenience and needs of the community to be served might result from consummation of the proposal, the Board is of the view that such benefits do not clearly outweigh the substantially adverse competitive effects that would result from Applicant's acquisition of Bank.

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

By order of the Board of Governors, effective April 2, 1979.

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

(Signed) GRIFFITH L. GARWOOD,
Deputy Secretary of the Board.

[SEAL]

Orders Under Section 4 of Bank Holding Company Act

Citizens Bancorporation,
Sheboygan, Wisconsin

Order Approving Acquisition of Citizens Management Services Corporation

Citizens Bancorporation, Sheboygan, Wisconsin, 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)(9)) and section 225.4(b)(2) of the Board's Regulation Y (12 C.F.R. § 225.4(b)(2)), to acquire all of the voting shares of Citizens Management Services Corporation, Sheboygan, Wisconsin ("Company"), a proposed new company formed to engage in the activities of furnishing management consulting advice on an explicit fee basis to nonaffiliated banks, including advice with respect to auditing, investments, data processing, marketing personnel establishment of branches, credit policies and administration and trust operations. Such activities have been determined by the Board to be closely related to banking (12 C.F.R. § 225.4(a)(12)).

Notice of the application, affording opportunity for interested persons to submit comments on the public interest factors, has been duly published (43 *Federal Register* 1220). The time for filing comments 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 ninth largest banking organization in Wisconsin, controls 5 banks with aggregate deposits of \$298 million,¹ representing 1.6² percent of the total deposits in commercial banks in the state. Applicant also engages through non-banking subsidiaries in mortgage banking and leasing activities.

Company proposes to provide its management consulting to nonaffiliated banks located in Eastern Wisconsin. Applicant's entry into the field *de novo* would provide an additional competitor that offers

1. As of June 30, 1978.

2. As of December 31, 1977.

this specialized financial and consulting advice and would have no adverse effects on existing or potential competition in any relevant area. Moreover, availability of this advice on an explicit fee basis, rather than as part of a correspondent banking service, will enable client banks to more accurately analyze the cost of such services and such banks may be able to more efficiently allocate their funds.

There is no evidence in the record indicating that consummation of the proposed transaction would result in any undue concentration of resources, unfair competition, conflicts of interests, unsound banking practices, or other adverse effects on the public interest. Furthermore, Applicant states that it is aware of the prohibitions concerning tie-ins contained in section 106 of the Act (12 U.S.C. § 1972) and the Board's Regulation Y (12 C.F.R. § 225.4(c)) and will comply with those prohibitions.

Based upon the foregoing and other considerations reflected in the record, the Board has determined, in accordance with the provisions of § 4(c)(8), that consummation of this proposal can reasonably be expected to produce benefits to the public that outweigh possible adverse effects. Accordingly, the application is hereby approved. This determination is 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 Chicago.

By order of the Board of Governors, April 16, 1979.

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

(Signed) GRIFFITH L. GARWOOD,
Deputy Secretary of the Board.

[SEAL]

Deutsche Bank AG,
Frankfurt, Federal Republic of Germany

Order Approving Acquisition of Fiat Credit Services, Inc., and Fiat Credit Corporation

Deutsche Bank AG, Frankfurt, Federal Republic of Germany, a foreign bank subject to certain provisions of the Bank Holding Company Act of 1956 ("the Act"),¹ has applied for the Board's approval, pursuant to 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 C.F.R. § 225.4(b)(2)), to acquire, through Applicant's subsidiary, Deutsche Bank Compagnie Financiere Luxembourg, Luxembourg, 50 percent of the voting shares of Fiat Credit Services, Inc. ("Services"), Deerfield, Illinois, a *de novo* corporation. The remaining shares of Services would be held by a subsidiary of Fiat S.p.A. ("Fiat"), Turin, Italy. Services would engage, through its wholly owned subsidiary, Fiat Credit Corporation ("Corporation"), Deerfield, Illinois, in the activities of dealer inventory financing for dealers of affiliates of Fiat in the United States and retail financing for purchasers and lessees of products from such dealers. These activities have been determined by the Board to be closely related to banking (12 C.F.R. § 225.4(a)(1)).

Notice of the application, affording opportunity for interested persons to submit comments and views, has been duly published (44 *Federal Register* 10548). The time for filing comments and views has expired, and the Board has considered the application and all comments in light of the public interest factors set forth in section 4(c)(8) of the Act.

Applicant is the largest bank in Germany and the third largest bank in the Free World, with consolidated assets equivalent to approximately \$66.1 billion.² Since the proposed initial investment of \$5 million and anticipated later investments represent a minimal percentage of Applicant's consolidated assets, the proposal would not appear to have any significant effect upon Applicant's financial condition.

Fiat is a major diversified industrial corporation based in Italy, with consolidated assets equivalent to approximately \$4.7 billion. Fiat manufactures automobiles, trucks, agricultural equipment, aircraft parts, and construction equipment; it also

1. Applicant, a foreign bank operating a branch in New York, New York, is subject to certain provisions of the Act by operation of section 8(a) of the International Banking Act of 1978, Pub. L. No. 95-369, § 8(a), 92 Stat. 622.

2. All financial data are as of December 31, 1977.

operates in other industries, including steel and energy production, civil engineering projects, and tourist services.

Applicant proposes to acquire 50 percent of the shares of Services, a nonoperating corporation formed to hold all the shares of Corporation. Through Corporation, Applicant and Fiat propose to engage *de novo* in providing dealer financing for dealers of affiliates of Fiat in the United States and retail financing for purchasers and lessees of products from such dealers. Fiat's affiliates now include Fiat Motors of North America, Inc., Fiat-Allis Construction Machinery, Inc., Hesston Corporation, and Iveco Trucks of North America Incorporated. Corporation will engage in these finance activities from an office in Deerfield, Illinois. Since this acquisition represents *de novo* entry, no existing competition would be eliminated between Services and the subsidiaries of either Applicant or Fiat,³ and independent entry into this activity by Applicant or Fiat appears unlikely.

On the other hand, in the circumstances of this proposal, the Board finds that consummation of the proposal would result in public benefits. Applicant's proposal would provide dealers in the United States in products manufactured by Fiat an additional source of inventory financing and provide customers of those dealers an additional source of retail financing. Furthermore, 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 section 4(c)(8) of the Act is favorable. Accord-

ingly, the application is approved. This determination is 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 such activities 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 New York pursuant to authority hereby delegated.

By order of the Board of Governors, effective April 13, 1979.

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

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

First National Holding Corp.
Atlanta, Georgia

Order Approving Acquisition of First Grand Junction Industrial Bank

First National Holding Corp., Atlanta, Georgia, 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 C.F.R. § 225.4(b)(2)), to acquire First Grand Junction Industrial Bank ("Industrial Bank"), Grand Junction, Colorado, a *de novo* corporation, through its subsidiary, Gulf Finance Corp. ("Gulf Finance"), Atlanta, Georgia. Industrial Bank would operate as an industrial bank pursuant to the laws of Colorado and act as agent for the sale of life and accident and health insurance directly related to its extensions of credit. The Board has determined these activities to be closely related to banking (12 C.F.R. § 225.4(a)(2) and (9)(ii)).

Notice of the application, affording opportunity for interested persons to submit comments and views, has been duly published (44 *Federal Register* 6517). 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 section 4(c)(8) of the Act (12 U.S.C. § 1843(c)(8)).

3. Applicant's New York branch is engaged primarily in wholesale banking and is not engaged in the proposed finance activities. Applicant owns indirectly through its subsidiary, German American Capital Corporation, 20.1 percent of the shares of European-American Bancorp, which controls European-American Bank and Trust Company ("EAB&T"), both of New York, New York. The Board noted in its Order dated May 10, 1977, approving the acquisition of EAB&T that Applicant was not a bank holding company with respect to EAB&T. EAB&T engages in wholesale and retail sales finance in the New York Metropolitan banking market (which consists of New York City, Nassau, Westchester, Putnam, and Rockland Counties and western Suffolk County in New York, the northern two-thirds of Bergen County and eastern Hudson County in New Jersey, and southwestern Fairfield County in Connecticut). However, even if Applicant were considered to engage indirectly through EAB&T in such finance activities, EAB&T's existing business is confined to a limited area and the combined market shares of EAB&T and Corporation would not represent a significant presence in any relevant market.

Applicant, the third largest banking organization in Georgia, controls four banks with aggregate deposits of approximately \$1.55 billion, representing 10.3 percent of the total deposits in commercial banks in the state.¹ Through Industrial Bank, Applicant proposes to engage in industrial loan activities,² including accepting savings deposits, issuing certificates of deposit, engaging in general consumer lending and limited amounts of commercial lending. Industrial Bank would also engage in the sale of credit-related insurance, but the institution would not accept demand deposits. Since the acquisition of Industrial Bank involves *de novo* entry in an area served by none of Applicant's subsidiaries, consummation of the proposal would not have an adverse effect on competition in any relevant area. Accordingly, the Board finds competitive factors to be consistent with approval of the application.

The Board also finds that consummation of the proposal is likely to result in public benefits. Industrial Bank would provide the relevant market, approximated by the town of Grand Junction, both an additional savings facility 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. The Board believes furthermore that Applicant's financial resources are generally consistent with approval of this application.

Based upon the foregoing and other considerations reflected in the record, the Board has determined that the balance of public interest factors the board is required to consider under section 4(c)(8) is favorable. Accordingly, the application is approved. 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 Atlanta pursuant to authority hereby delegated. This determination is 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.

By order of the Board of Governors, effective April 9, 1979.

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

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

Memphis Trust Company,
Memphis, Tennessee

Order Denying Request for Reconsideration

Memphis Trust Company, Memphis, Tennessee ("Memphis Trust"), has requested that the Board of Governors reconsider its Order, published on April 10, 1975, in which the Board denied the application of Memphis Trust filed pursuant to section 4(c)(8) of the Bank Holding Company Act (12 U.S.C. § 1843(c)(8)) (the "Act"), for Board approval to acquire shares of Homeowners Savings and Loan Association, Collierville, Tennessee ("Homeowners"), and thereby to engage *de novo* in the activity of operating a savings and loan association.

At its meeting on April 9, 1975, the Board voted to deny the application of Memphis Trust to acquire Homeowners, approved an Order reflecting that action, and authorized the entry of the Order. The Order was printed, signed by the Board's Secretary, and released to the public and Memphis Trust on April 10, 1975. The Board found that, while operating a savings and loan association is closely related to banking, the performance of the activity by Memphis Trust was not a "proper incident" to banking because of adverse financial factors.¹ Memphis Trust did not request the Board to reconsider its action, nor did Memphis Trust petition for review of the Board's Order in the court of appeals within 30 days of the entry of the Order as provided in section 9 of the Act.²

1. All banking data are as of June 30, 1978. One of Applicant's subsidiary banks, The Bank of Dalton, Dalton, Georgia, (deposits of \$23.7 million) must be divested in accordance with a previous Board Order (63 FEDERAL RESERVE BULLETIN 929 (1977)).

2. Under Colorado law, an industrial bank is subject to examination twice each year by the Colorado State Bank Commissioner and must be a member of the Industrial Bank Savings Guaranty Corporation, a self-insuring entity, if it is not a member of the Federal Deposit Insurance Corporation.

1. The Board has subsequently determined that operating a savings and loan association is not a permissible activity for bank holding companies because the potential for adverse effects of generally allowing affiliations of banks and savings and loan associations is sufficiently strong to outweigh any public benefits that might result in individual cases. (*D. H. Baldwin Company*, 63 FEDERAL RESERVE BULLETIN 280 (1977)).

2. 12 U.S.C. § 1848.

On February 19, 1976, Memphis Trust filed an action in the United States District Court for the Western District of Tennessee seeking a determination that Memphis Trust's application should be deemed approved as a matter of law since, according to Memphis Trust, the Board's denial Order was issued more than 91 days after submission to the Board of the complete record of the application.³ The District Court granted the relief requested by Memphis Trust. On appeal, the United States Court of Appeals for the Sixth Circuit reversed the District Court judgment and remanded the case to the District Court with instructions to dismiss the complaint for lack of subject matter jurisdiction. *Memphis Trust Company v. Board of Governors*, 584 F.2d 921 (1978). In its decision, the Sixth Circuit indicated that the dismissal of the District Court judgment was "without prejudice to [Memphis Trust's] right to request the Board to reconsider its order of April 10, 1975."

Consistent with the Supreme Court's decision in *Whitney National Bank v. Bank of New Orleans & Trust Co.*, 379 U.S. 411 (1965), the Court of Appeals held that the exclusive means by which an aggrieved party may obtain judicial review of an order of the Board under the Act is by a timely petition to an appropriate Court of Appeals. In order to be timely, the petition must be filed within 30 days after entry of the order.⁴ Accordingly, any right of reconsideration is implicitly limited by the 30-day appeal period⁵ provided in section 9 of the Act.⁶ The Board believes that strict adherence to the 30-day limitation for seeking review of a

Board order under the Act is necessary in the interest of administrative efficiency, judicial economy, and the implementation of Congressional intent.⁷

It is undisputed that Memphis Trust did not file a petition for review of the Board's denial Order within 30 days of entry of that Order.⁸ Nor did Memphis Trust file a timely petition for reconsideration of that Order. Accordingly, the Board believes that the instant petition for reconsideration, filed more than three years after entry of the Board's Order, is untimely, and, for this reason, reconsideration is not warranted.

Memphis Trust has neither alleged nor presented evidence of any extraordinary circumstances as might lead the Board to exercise its discretion to grant reconsideration of its 1975 Order. Memphis Trust attempts to explain its failure to seek timely review or reconsideration of the Order by claiming that it relied on a 1972 Board interpretation that the 91 day period does not begin to run until the Board's staff has submitted all necessary information (including staff memoranda) to the members of the Board. The Board finds this explanation unpersuasive since Memphis Trust could have challenged the Board's 1972 analysis and the Board's 1975 Order by seeking judicial review of the Order within 30 days of its entry.⁹ Such a challenge to the Board's interpretation of the 91-day rule was filed by Tri-State Bancorporation in 1975 and upheld by the Court of Appeals for the Seventh Circuit.¹⁰ The same procedure was available to Memphis Trust.

Accordingly, the Board does not believe that reconsideration of its 1975 Order is appropriate or warranted. The petition for reconsideration is therefore denied for untimeliness. However, because of the suggestion in *Memphis Trust, supra*, that the Board should address the 91-day issue, the Board believes it appropriate to set forth its

3. Section 4(c) of the Act provides:

In the event of the failure of the Board to act on any application for an order under paragraph (8) of this subsection within the ninety-one-day period which begins on the date of submission to the Board of the complete record on that application, the application shall be deemed to have been granted. 12 U.S.C. § 1843(c).

4. Time limits for judicial review are "jurisdictional and unalterable." *Microwave Communications, Inc. v. Federal Communications Commission*, 515 F.2d 385, 389 (D.C. Cir. 1974).

5. On October 19, 1978, the Board amended its Rules of Procedure to require that a petition for reconsideration of a Board order be filed within 15 days of entry of the order. (43 *Federal Register* 49973 (1978)).

6. However, in *Investment Company Institute v. Board of Governors*, 551 F.2d 1270 (D.C. Cir. 1977), the court held that an untimely request for reconsideration of a Board regulation under the Act might be appropriate in extraordinary circumstances, where the petitioner had a "legitimate excuse" for failing to file within the 30-day appeal period. In this connection, the court stated that the agency "must be strict in determining what constitutes a 'legitimate' excuse; otherwise, the policy of finality underlying the 30-day limit will not be achieved." *Id.* at 1282. The court found a legitimate excuse for untimely filing because of the uncertainty as to the

appropriate method of obtaining judicial review of a regulation and the "ripeness" of a regulation for review. In *Memphis Trust's* case, there was no such uncertainty because the challenged action was an order, not a regulation, and the order was unquestionably ripe for review upon its entry.

7. In *Memphis Trust, supra* at 927, the Sixth Circuit stated that "[T]he 30-day limit [of section 9] promotes finality of Board determinations, conserves administrative resources, and protects the reliance interests of holding companies whose applications to engage in nonbanking activity have been approved."

8. Indeed, Memphis Trust's first challenge to the Board's Order was not made until February 19, 1976, more than ten months after entry of the Order.

9. The United States Court of Appeals for the Sixth Circuit also appears to question the persuasiveness of Memphis Trust's explanation. *Memphis Trust Company, supra* at 924, n.7.

10. *Tri-State Bancorporation, Inc. v. Board of Governors*, 524 F.2d 562 (7th Cir. 1975).

view on the lack of merit in Memphis Trust's claim under the 91-day rule in § 4(c) of the Act.

Section 4(c) of the Act requires that the Board "act" on an application within the 91-day period that begins on the date of the submission to the Board of the complete record on the application.¹¹ The record shows that the Board acted on Memphis Trust's application to acquire Homeowners on April 9, 1975, within 91 days of receipt by the Board on January 8, 1975, of the information submitted to the Board by Memphis Trust regarding its financial condition. Accordingly, the Board's action was timely under the Act.

The Board considered Memphis Trust's application at its meeting on April 9, 1975, which date Memphis Trust acknowledges was within 91 days of the date the record on its application was complete.¹² At the meeting, the Board discussed the various recommendations concerning action on the application proposed by its staff. On that same date, the Board took final action on the application by voting to deny the application. The Board also authorized issuance of the denial Order that was published on April 10, 1975.¹³

Memphis Trust claims that the entry of the

11. The Board believes that the 91-day rule is inapplicable to applications to engage in prohibited activities (such as ownership of a savings and loan association, which the Board has found to be not so "closely related to banking" as to be "a proper incident thereto"). At the time of Memphis Trust's application, the Board had not determined that, as a general matter, savings and loan activities were a proper incident to banking, nor had the Board added the activity to the Board's list of permissible activities for bank holding companies (12 C.F.R. § 225.4(a)). The Board had found that the activity was "closely related" but not that it was a "proper incident." *American Fletcher Corporation*, (60 FEDERAL RESERVE BULLETIN, 868 (1974)).

Memphis Trust's attempt to apply the 91-day rule to Board determinations concerning a prohibited activity is inconsistent with the fundamental legislative intent of the Bank Holding Company Act to separate banking and nonbanking. There is no reason to believe that Congress intended that an application to engage in a prohibited activity (*i.e.*, to operate a steel mill) would be approved in 91 days if the Board failed to act on such application.

12. "The Board's jurisdiction [to act on the application] expired [on] April 9, 1975" p. 10, Brief for the Appellee, *Memphis Trust*, *supra*.

The Board believes that Board action on the 91st day after the record is complete fulfills the Act's requirement that the Board act within the 91-day period that begins on the date of submission of the complete record. This method of computation is consistent with common usage and accepted practice in other areas. *See, e.g.*, Rule 34, U.S. Supreme Court Rules; *Burnet v. Willingham Loan & Trust Co.*, 282 U.S. 434 (1931); *United States v. Besase*, 319 F. Supp. 1064 (N.D. Ohio, 1970).

13. Entry of the Order on April 10, 1975, marks the start of Memphis Trust's 30-day time limit for judicial review since section 9 of the Act expressly provides that the appeal period starts upon "entry of the order." However, the 91-day rule in section 4(c) is in terms of "failure of the Board to act," and is not, as in the case of the appeal period of section 9, measured from "entry of the order."

Order on April 10 marks the date the Board acted¹⁴ on its application and that April 10 is 92 days from January 8, 1975, the date the record on the application was complete. Memphis Trust therefore concludes that the Board's failure to enter an Order on April 9, 1975, resulted in approval of the application under the 91-day rule. However, the Board's action on April 9, 1975, plainly constituted action under section 4(c)(8) of the Act and within the meaning of the 91-day rule. Since the Board's action on April 9 was within the 91-day period specified in the Act, the 91-day rule does not apply to Memphis Trust's application. The "entry" of the Board's Order, a purely ministerial function assigned by the Board's rules to the Board's Secretary, did not occur until the following day as a result of the time required to duplicate, address and distribute copies of the Board's Order to Memphis Trust, other agencies and the press.¹⁵ Having acted on the application in a timely manner on April 9, 1975, there is no doubt that the Board was authorized to publish an Order on April 10 explaining the reasons for its earlier action.

On the basis of the foregoing, Memphis Trust's request for reconsideration of the Board's Order denying Memphis Trust's application to acquire Homeowners is hereby denied.

By order of the Board of Governors, effective April 25, 1979.

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

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

CERTIFICATIONS PURSUANT TO THE BANK HOLDING COMPANY TAX ACT OF 1976

C.I.T. Financial Corporation,
New York, New York

*Prior Certification Pursuant to the Bank
Holding Company Tax Act of 1976*

14. The Board did not meet on April 10, 1975, and therefore could not possibly have acted on that date within the meaning of section 4(c) of the Act.

15. At the time of the Board's action, section 3(b) of the Board's Rules of Organization (12 C.F.R. § 262.3(b)) provided that the Office of the Secretary "... prepares documents for the Board's agenda and implements actions taken." In 1976 these Rules were amended to state that the Office of the Secretary "... implements action taken at Board meetings." Similarly, the Board's Rules of Procedure, 12 C.F.R. §§ 262.3(d) and 262.3(g)(4) distinguish between the Board's actions and the documents or orders that embody such action.

[Docket No. TCR 76-167]

C.I.T. Financial Corporation, New York, New York ("C.I.T."), 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 of 100 percent of the outstanding voting shares of National Bank of North America, Jamaica, New York ("NBNA"), to NatWest Holdings Inc., Wilmington, Delaware ("Holdings"), a wholly owned subsidiary of National Westminster Bank Limited, London, England ("NatWest"), is necessary or appropriate to effectuate the policies of the Bank Holding Company Act (12 U.S.C. § 1841 *et seq.*) ("BHC Act").¹

In connection with this request for a prior certification, the following information is deemed relevant for purposes of issuing the requested certification:²

1. C.I.T. is a corporation organized under the laws of Delaware on January 24, 1924.

2. C.I.T. owned 3,522,297, representing 92.88 percent, of the outstanding voting shares of NBNA on December 31, 1965, and has owned such shares continuously since that date.³ On July 7, 1970, C.I.T. owned and controlled 5,660,130, representing 97.49 percent, of the outstanding voting shares of NBNA. Since 1972, C.I.T. has owned and controlled 100 percent (less directors' qualifying shares) of the outstanding voting shares of NBNA.

3. C.I.T. 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 percent of the outstanding voting shares of NBNA, and it registered as such with the Board on October 4, 1971. C.I.T. would have been a

bank holding company on July 7, 1970, if the 1970 Amendments of the BHC Act had been in effect on such date, by virtue of its direct ownership and control on that date of more than 25 percent of the outstanding voting shares of NBNA.

4. C.I.T. holds 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 C.I.T. were to continue to be a bank holding company beyond December 31, 1980. This property is "prohibited property" within the meaning of section 1103(c) of the Code.

5. C.I.T. has represented to the Board that after the sale of the shares of NBNA to Holdings, no person holding an office or position (including an advisory or honorary position) as a director or officer of C.I.T. will hold any such office or position with NatWest or any of its subsidiaries, including NBNA and Holdings. In its prior certification of March 16, 1979, the Board indicated that C.I.T.'s proposed retention of 24.9 percent of the shares of NBNA would not terminate C.I.T.'s status as a bank holding company, and noted that the sale of such shares would be necessary or appropriate to effectuate the purposes of the Act. In light of the foregoing and inasmuch as C.I.T. has represented that after the proposed sale, C.I.T. will not exercise a controlling influence over the management or policies of NBNA, and C.I.T. will not own or control, either directly or indirectly, more than 5 percent of the outstanding shares of any other bank, it presently appears that upon consummation of the sale by C.I.T. of all of its shares of NBNA, C.I.T. would cease to be a bank holding company.⁴

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

(A) C.I.T. 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 5,660,130 shares, representing 97.49 percent of the outstanding voting shares, of NBNA that C.I.T. proposes to sell to Holdings are all or part of the property by reason of which C.I.T. controls within the meaning of section 2(a) of the BHC Act a bank or bank holding company; and

(C) the sale of such shares of NBNA is necessary or appropriate to effectuate the policies of the BHC Act.

1. On March 16, 1979, the Board issued a prior certification pursuant to the Tax Act relating to the proposed sale by C.I.T. of 75.1 percent of the shares of NBNA. C.I.T. now proposes to sell the additional 24.9 percent of NBNA's shares. Accordingly, this certification amends the Board's certification of March 16, 1979, and provides prior certification for the sale of a portion of the additional shares.

2. This information derives from C.I.T.'s correspondence with the Board concerning its request for this certification, C.I.T.'s Registration Statement filed with the Board pursuant to the BHC Act, and other records of the Board.

3. C.I.T. presently owns 6,215,494 of the outstanding voting shares of NBNA, including 555,364 shares acquired by C.I.T. after July 7, 1970. Under section 6158 of the Code, shares of NBNA acquired by C.I.T. after July 7, 1970, generally do not qualify for the tax benefits of section 6158(a) of the Code when sold by an otherwise qualified bank holding company.

4. Under section 6158 of the Code, C.I.T. must obtain a final certification from the Board after it has consummated the proposal that it has ceased to be a bank holding company.

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

By order of the Board of Governors, acting through its General Counsel pursuant to delegated authority (12 C.F.R. § 265.2(6)(3)), effective April 9, 1979.

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

Frank J. Eicher Company, Inc.,
Coralville, Iowa

*Prior Certification Pursuant to the Bank
Holding Company Tax Act of 1976*

[Docket No. TCR 76-169]

Frank J. Eicher Company, Inc., Coralville, Iowa ("Company"), has requested a prior certification pursuant to section 1101(a)(1) 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 1,010 voting shares of Eicher's, Inc., Iowa City, Iowa, and 19,750 voting shares of Seville Corporation, Iowa, City, Iowa, currently held by Company, through the *pro rata* distribution of such shares to the two shareholders of Company who are husband and wife, 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 the purpose of issuing the requested certification:¹

1. Company is a corporation organized under the laws of the state of Iowa on October 1, 1968.

2. On January 1, 1969, Company acquired 2,306 voting shares, representing approximately 55 percent of the outstanding voting shares, of uniBank and Trust Company, Coralville, Iowa ("Bank") (formerly Coralville Bank and Trust Company).

3. Company became a bank holding company

on December 31, 1970, as a result of the enactment of the 1970 Amendments to the BHC Act, by virtue of its ownership and control at that time of more than 25 percent of the outstanding voting shares of Bank, and it registered as such with the Board on July 29, 1971. Company would have been a bank holding company on July 7, 1970, if the 1970 Amendments to the BHC Act had been in effect on such date by virtue of its direct ownership and control on that date of more than 25 percent of the outstanding voting shares of Bank. Company presently owns and controls approximately 80.3 percent of the outstanding voting shares of Bank.

4. Company acquired 100 percent of the outstanding voting shares of Eicher's, Inc., a retail floral business, and Seville Corporation, a business that owns and operates apartment complexes, on October 1, 1968, and has owned such shares continuously since that date.

5. Following the proposed divestiture, Company will not engage in any nonbanking activities other than indirectly holding through Bank First (1st) Coralville Company, Coralville, Iowa, a real estate holding company, the sole asset of which is the building occupied by Bank.

6. Company acquired the shares of Eicher's, Inc., and Seville Corporation before July 7, 1970. The disposition of the shares of these companies would be necessary or appropriate to effectuate section 4 of the BHC Act if Company were to continue to be a bank holding company beyond December 31, 1980.

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

A. Company 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 shares of Eicher's, Inc., and Seville Corporation are "prohibited property" within the meaning of section 1103(c) of the Code;

C. The distribution of the shares of Eicher's, Inc., and Seville Corporation is necessary or appropriate to effectuate the policies of the BHC Act.

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

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

1. This information derives from Company's communications with the Board concerning its request for this certification, Company's registration statement filed with the Board pursuant to the BHC Act, and other records of the Board.

authority (12 C.F.R. § 265.2(b)(3)), effective
April 26, 1979.

[SEAL]

(Signed) GRIFFITH L. GARWOOD,
Deputy Secretary of the Board.

ORDERS APPROVED UNDER BANK HOLDING COMPANY ACT

By the Board of Governors

During April 1979 the Board of Governors approved the applications listed below. Copies are available upon request to Publications Services, Division of Support Services, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

Section 3

Applicant	Bank(s)	Board action (effective date)
American National Bancorp, Inc., South Bend, Indiana	American Affiliates, Inc., South Bend, Indiana	April 13, 1979
Fairmont Bancorporation, Inc., Fairmont, Minnesota	The Fairmont National Bank, Fairmont, Minnesota	April 20, 1979
First Bankshares of Wyoming, Cheyenne, Wyoming	The First National Bank and Trust Company of Wyoming, Cheyenne, Wyoming	April 27, 1979
First Dover Investment Company, Inc., Elgin, Minnesota	First Dover Investment Company, Inc., Elgin, Minnesota	April 27, 1979
Ford Financial Corporation, Kempton, Illinois	Kempton State Bank & Trust Company, Kempton, Illinois	April 17, 1979
Presque Isle Bancorporation, Rogers City, Michigan	Presque Isle Bank, Rogers City, Michigan	April 6, 1979
St. Joseph Agency, Inc., South Bend, Indiana	St. Joseph Bank and Trust Company, South Bend, Indiana	April 16, 1979
Southwest Bancshares, Inc., Houston, Texas	Lewisville National Bank, Lewisville, Texas	April 18, 1979
Taylor Bancor, Inc., Emington, Illinois	The Taylor State Bank, Emington, Illinois	April 17, 1979

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
Alabama Bancorporation, Birmingham, Alabama	Citizens National Bank of Limestone County, Athens, Alabama	Atlanta	April 27, 1979
Ellis Banking Corporation, Bradenton, Florida	Pan American Bank of Alta- monte Springs, Altamonte Springs, Florida	Atlanta	April 2, 1979

Section 3 (Continued)

Applicant	Bank(s)	Reserve Bank	Effective date
Mid-America Bancshares, Inc., Pleasant Hill, Missouri	Goppert Bancshares, Inc., Kansas City, Missouri	Kansas City	April 6, 1979
Toledo Trustcorp, Inc., Toledo, Ohio	Peoples National Bank of Delphos, Delphos, Ohio	Cleveland	April 26, 1979

Section 4

Applicant	Nonbanking Company (or activity)	Reserve Bank	Effective date
Mercantile Bankshares Corpora- tion, Baltimore, Maryland	Reinsuring credit life and credit accident and health insurance	Richmond	April 24, 1979
Tennessee Valley Bancorp, Inc., Nashville, Tennessee	Expansion of the insurance underwriting activities	Atlanta	April 18, 1979

ORDERS APPROVED UNDER BANK MERGER ACT

Applicant	Bank(s)	Reserve Bank	Effective date
Commercial Trust Company of New Jersey, Jersey City, New Jersey	Community State Bank and Trust Company, Linden, New Jersey	New York	April 6, 1979

PENDING CASES INVOLVING THE BOARD OF GOVERNORS

Does not include suits against the Federal Reserve Banks in which the Board of Governors is not named a party.

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| <p><i>Independent Insurance Agents of America, et al. v. Board of Governors</i> filed March 1979, U.S.C.A. for the District of Columbia.</p> <p><i>Gibraltar Financial Corp. of California v. Board of Governors</i>, filed March 1979, U.S.C.A. for the District of Columbia.</p> <p><i>Credit and Commerce American Investment, et al., v. Board of Governors</i>, filed March 1979, U.S.C.A. for the District of Columbia.</p> <p><i>California Life Corporation v. Board of Governors</i>, filed January 1979, U.S.C.A. for the District of Columbia.</p> <p><i>Consumers Union of the United States v. G. William Miller, et al.</i>, filed December 1978, U.S.D.C. for the District of Columbia.</p> | <p><i>Ella Jackson et al., v. Board of Governors</i>, filed November 1978, U.S.C.A. for the Fifth Circuit.</p> <p><i>Manchester-Tower Grove Community Organization/ACORN v. Board of Governors</i>, filed September 1978, U.S.C.A. for the District of Columbia.</p> <p><i>Beckley v. Board of Governors</i>, filed July 1978, U.S.D.C. for the Northern District of Illinois.</p> <p><i>Independent Bankers Association of Texas v. First National Bank in Dallas, et al.</i>, filed July 1978, U.S.C.A. for the Northern District of Texas.</p> <p><i>Mid-Nebraska Bancshares, Inc. v. Board of Governors</i>, filed July 1978, U.S.C.A. for the District of Columbia.</p> <p><i>NCNB Corporation v. Board of Governors</i>, filed</p> |
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- June 1978, U.S.C.A. for the Fourth Circuit.
- United States League of Savings Associations v. Board of Governors*, filed May 1978, U.S.D.C. for the District of Columbia.
- Citicorp v. Board of Governors*, filed March 1979, 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.
- 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 for the Eastern District of Wisconsin.
- 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.D.C. 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.
- 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.

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	Q2	Q3	Q4	Q1	Nov.	Dec.	Jan.	Feb.	Mar.
Monetary and credit aggregates (annual rates of change, seasonally adjusted in per cent) ^{1,3}									
Member bank reserves									
1 Total.....	6.2	8.6	2.3	-2.9	-3.6	-0.1	6.0	*-21.0	1.8
2 Required.....	6.7	8.6	2.1	-2.8	-5.4	-0.4	6.6	-20.9	3.3
3 Nonborrowed.....	0.6	6.6	4.6	-3.3	13.4	-4.9	2.2	-20.6	1.3
4 Monetary base ¹	7.6	9.3	8.4	5.7	*5.9	*6.5	*9.5	*-1.0	5.5
Concepts of money²									
5 M-1.....	9.2	8.1	4.4	-2.4	-2.0	1.7	-5.3	-3.7	0.7
6 M-1+.....	7.2	6.0	2.4	-5.4	-5.1	-1.6	-8.4	-7.0	-1.7
7 M-2.....	8.4	9.9	7.7	1.6	4.7	2.7	-1.2	*2.3	3.7
8 M-3.....	8.4	10.4	9.3	4.6	6.7	5.5	2.8	4.7	6.0
Time and savings deposits									
Commercial banks:									
9 Total.....	11.5	11.3	12.4	8.4	21.9	5.1	9.0	8.6	-1.4
10 Savings.....	3.8	2.3	-0.9	-10.2	-9.6	-7.5	-13.0	-12.0	-6.1
11 Other time.....	11.4	18.5	19.2	15.9	24.5	12.0	12.7	20.3	14.0
12 Thrift institutions ³	8.5	11.1	11.6	8.8	9.6	9.3	8.5	*8.2	9.1
13 Total loans and investments at commercial banks ⁴	14.9	*11.8	*10.7	11.0	*12.7	*0.4	*25.3	*10.9	2.0
Interest rates (levels, per cent per annum)									
Short-term rates									
14 Federal funds ⁵	7.28	8.09	9.58	10.07	10.03	10.07	10.06	10.09	10.01
15 Federal Reserve discount ⁶	6.78	7.50	9.09	9.50	9.50	9.50	9.50	9.50	9.50
16 Treasury bills (3-month market yield) ⁷	6.48	7.31	8.57	9.38	9.08	9.35	9.32	9.48	9.46
17 Commercial paper (90- to 119-day) ^{7,8}	7.16	8.03	9.83	10.04	10.37	10.25	9.95	9.90	9.85
Long-term rates									
Bonds:									
18 U.S. Government ⁹	8.43	8.53	8.78	9.03	8.90	8.98	9.03	9.08	9.12
19 State and local government ¹⁰	6.02	6.16	6.28	6.37	6.51	6.47	6.31	6.33	6.29
20 Aaa utility (new issue) ¹¹	8.98	8.94	9.23	9.58	9.28	9.54	9.53	9.62	9.70
21 Conventional mortgages ¹²	9.58	9.80	10.12	10.33	10.30	10.30	10.35	10.35	10.35

¹ Includes total reserves (member bank reserve balances in the current week plus vault cash held two weeks earlier); currency outside the U.S. Treasury, Federal Reserve Banks and the vaults of commercial banks; and vault cash of nonmember banks.

² M-1 equals currency plus private demand deposits adjusted.

M-1+ equals M-1 plus savings deposits at commercial banks, NOW accounts at banks and thrift institutions, credit union share draft accounts, and demand deposits at mutual savings banks.

M-2 equals M-1 plus bank time and savings deposits other than large negotiable certificates of deposit (CDs).

M-3 equals M-2 plus deposits at mutual savings banks, savings and loan associations, and credit union shares.

³ Savings and loan associations, mutual savings banks, and credit unions.

⁴ Quarterly changes calculated from figures shown in table 1.23.

⁵ Seven-day averages of daily effective rates (average of the rates on a given date weighted by the volume of transactions at those rates).

⁶ Rate for the Federal Reserve Bank of New York.

⁷ Quoted on a bank-discount basis.

⁸ Beginning Nov. 1977, unweighted average of offering rates quoted by at least five dealers. Previously, most representative rate quoted by these dealers.

⁹ Market yields adjusted to a 20-year maturity by the U.S. Treasury.

¹⁰ Bond Buyer series for 20 issues of mixed quality.

¹¹ 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.

¹² 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.

¹³ 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—						
	1979			1979						
	Feb.	Mar.	Apr. ^p	Mar. 14	Mar. 21	Mar. 28	Apr. 4	Apr. 11	Apr. 18 ^p	Apr. 25 ^p
SUPPLYING RESERVE FUNDS										
1 Reserve Bank credit outstanding	125,953	126,356	127,579	124,911	127,043	125,959	126,417	125,560	128,433	129,448
2 U.S. government securities ¹	103,335	105,359	105,618	104,111	106,041	105,979	105,732	104,230	105,648	107,267
3 Bought outright	103,087	104,707	105,369	103,142	104,905	105,979	105,006	104,230	105,648	106,632
4 Held under repurchase agree- ments	248	652	249	969	1,136	0	726	0	0	635
5 Federal agency securities	7,528	7,633	7,515	7,683	7,856	7,464	7,622	7,464	7,464	7,610
6 Bought outright	7,487	7,468	7,464	7,464	7,464	7,464	7,464	7,464	7,464	7,464
7 Held under repurchase agree- ments	41	165	51	219	392	0	158	0	0	146
8 Acceptances	88	152	61	261	260	0	87	0	0	195
9 Loans	973	999	897	882	1,024	1,082	867	628	950	990
10 Float	8,955	5,933	6,635	5,841	5,455	5,024	5,675	6,429	7,460	6,513
11 Other Federal Reserve assets	5,074	6,280	6,853	6,133	6,407	6,410	6,434	6,810	6,911	6,874
12 Gold stock	11,553	11,514	11,435	11,540	11,506	11,481	11,478	11,456	11,418	11,418
13 Special Drawing Rights certificate account	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300
14 Treasury currency outstanding	11,949	12,050	12,161	12,025	12,062	12,076	12,135	12,128	12,167	12,180
ABSORBING RESERVE FUNDS										
15 Currency in circulation	110,951	111,764	113,367	111,970	111,888	111,747	112,349	113,332	113,976	113,492
16 Treasury cash holdings	303	358	393	357	362	362	377	386	394	401
Deposits, other than member bank reserves, with Federal Reserve Banks										
17 Treasury	3,502	3,204	2,623	2,717	2,873	3,102	2,707	2,474	2,072	3,617
18 Foreign	276	276	286	292	279	262	292	268	323	250
19 Other	867	785	673	717	852	694	690	637	678	649
20 Other Federal Reserve liabilities and capital	4,371	4,434	4,340	4,309	4,440	4,611	4,394	4,104	4,302	4,506
21 Member bank reserves with Federal Reserve Banks	30,485	30,399	30,792	29,415	31,217	30,040	30,519	29,243	31,571	31,430
End-of-month figures										
Wednesday figures										
1979										
1979										
SUPPLYING RESERVE FUNDS										
22 Reserve bank credit outstanding	125,778	130,681	131,713	132,654	119,555	126,751	117,607	125,614	130,270	132,447
23 U.S. government securities ¹	103,486	110,940	108,588	106,492	97,142	104,705	95,822	103,225	104,465	108,016
24 Bought outright	103,486	109,260	107,287	103,803	97,142	104,705	95,822	103,225	104,465	105,821
25 Held under repurchase agree- ments	0	1,680	1,301	2,689	0	0	0	0	0	2,195
26 Federal agency securities	7,487	7,832	7,613	8,354	7,464	7,464	7,464	7,464	7,464	8,095
27 Bought outright	7,487	7,464	7,464	7,464	7,464	7,464	7,464	7,464	7,464	7,464
28 Held under repurchase agree- ments	0	368	149	890	0	0	0	0	0	631
29 Acceptances	0	204	252	757	0	0	0	0	0	575
30 Loans	1,603	963	1,255	1,438	1,839	1,498	721	476	3,171	1,527
31 Float	8,631	4,337	6,900	9,408	6,601	6,575	7,208	7,927	8,152	7,195
32 Other Federal Reserve assets	4,571	6,405	7,105	6,205	6,509	6,509	6,392	6,522	7,018	7,039
33 Gold stock	11,544	11,479	11,416	11,532	11,481	11,481	11,476	11,434	11,418	11,418
34 Special Drawing Rights certificate account	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300
35 Treasury currency outstanding	12,018	12,114	12,205	12,025	12,070	12,085	12,128	12,128	12,177	12,183
ABSORBING RESERVE FUNDS										
36 Currency in circulation	111,334	111,988	113,182	112,265	112,020	112,228	113,029	114,088	114,177	113,671
37 Treasury cash holdings	339	385	385	350	369	374	368	371	394	387
Deposits, other than member bank reserves, with Federal Reserve Banks										
38 Treasury	3,443	5,726	3,100	3,318	2,106	3,178	756	865	4,868	4,067
39 Foreign	343	303	388	262	225	271	244	225	252	275
40 Other	779	708	813	746	677	661	545	669	682	692
41 Other Federal Reserve liabilities and capital	4,679	4,750	4,641	4,482	4,304	4,775	3,707	4,215	4,364	4,632
42 Member bank reserves with Federal Reserve Banks	29,723	31,714	34,125	36,088	24,706	30,131	23,862	30,043	30,427	33,623

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

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									
	1977	1978					1979			
	Dec.	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr. ^p
All member banks										
Reserves										
1 At Federal Reserve Banks.....	27,057	28,079	28,010	28,701	29,853	31,158	31,935	30,485	30,399	30,792
2 Currency and coin.....	9,351	9,512	9,605	9,654	9,794	10,330	11,093	10,074	9,776	9,741
3 Total held ¹	36,471	37,666	37,689	38,434	39,728	41,572	43,167	40,703	40,316	40,661
4 Required.....	36,297	37,404	37,614	38,222	39,423	41,447	42,865	40,494	40,059	40,549
5 Excess ¹	174	262	75	212	305	125	302	209	257	112
Borrowings at Federal Reserve Banks ²										
6 Total.....	558	1,147	1,068	1,261	722	874	994	973	999	897
7 Seasonal.....	54	188	191	221	185	134	112	114	121	133
Large banks in New York City										
8 Reserves held.....	6,244	6,334	6,182	6,428	6,682	7,120	7,808	6,995	6,892	6,821
9 Required.....	6,279	6,290	6,251	6,349	6,658	7,243	7,690	6,976	6,845	6,837
10 Excess.....	-35	44	-69	79	24	-123	118	19	47	-16
11 Borrowings ²	48	58	78	157	48	99	117	.....	45	61
Large banks in Chicago										
12 Reserves held.....	1,593	1,648	1,655	1,672	1,791	1,907	2,011	1,824	1,822	1,776
13 Required.....	1,613	1,646	1,650	1,649	1,765	1,900	2,010	1,823	1,809	1,824
14 Excess.....	-20	2	5	23	26	7	1	1	13	-48
15 Borrowings ²	26	3	35	14	4	10	23	10	26	16
Other large banks										
16 Reserves held.....	13,993	14,502	14,564	14,862	15,547	16,446	16,942	16,055	15,844	15,813
17 Required.....	13,931	14,423	14,541	14,867	15,447	16,342	16,923	16,018	15,802	16,013
18 Excess.....	62	79	23	-5	100	104	19	37	42	-200
19 Borrowings ²	243	417	363	408	194	276	269	275	215	268
All other banks										
20 Reserves held.....	14,641	15,182	15,288	15,472	15,708	16,099	16,406	15,829	15,758	15,943
21 Required.....	14,474	15,045	15,172	15,357	15,553	15,962	16,242	15,677	15,603	15,875
22 Excess.....	167	137	116	115	155	137	164	152	155	68
23 Borrowings ²	241	669	592	682	476	489	585	688	713	552
Weekly averages of daily figures for weeks ending—										
1979										
	Feb. 21	Feb. 28	Mar. 7	Mar. 14	Mar. 21	Mar. 28	Apr. 4	Apr. 11	Apr. 18 ^p	Apr. 25 ^p
All member banks										
Reserves										
24 At Federal Reserve Banks.....	31,414	29,846	30,434	29,415	31,217	30,040	30,519	29,243	31,571	31,430
25 Currency and coin.....	9,321	9,737	9,818	10,394	9,133	9,760	9,776	10,071	9,655	9,317
26 Total held ¹	40,878	39,726	40,394	39,950	40,491	39,941	40,430	39,448	41,351	40,872
27 Required.....	40,521	39,637	40,190	39,849	40,345	39,858	40,042	39,292	41,140	40,716
28 Excess ¹	357	89	204	101	146	83	388	156	211	156
Borrowings at Federal Reserve Banks ²										
29 Total.....	938	1,083	1,027	882	1,024	1,082	867	628	950	990
30 Seasonal.....	123	123	108	109	123	134	130	119	126	143
Large banks in New York City										
31 Reserves held.....	7,126	6,441	6,844	6,887	7,014	6,617	7,035	6,597	7,226	6,562
32 Required.....	7,051	6,497	6,849	6,871	6,962	6,648	6,959	6,601	7,130	6,710
33 Excess.....	75	-56	-5	16	52	-31	76	-4	96	-148
34 Borrowings ².....	.....	.....	70	36	40	55	0	0	175	11
Large banks in Chicago										
35 Reserves held.....	1,832	1,741	1,808	1,804	1,847	1,779	1,819	1,768	1,954	1,688
36 Required.....	1,827	1,735	1,805	1,815	1,836	1,783	1,804	1,778	1,977	1,732
37 Excess.....	5	6	3	-11	11	-4	15	-10	-23	-44
38 Borrowings ²	2	4	43	2	69	0	0	0	69	0
Other large banks										
39 Reserves held.....	16,102	15,737	15,992	15,672	15,863	15,740	15,795	15,459	15,702	16,197
40 Required.....	16,006	15,736	15,948	15,688	15,902	15,730	15,660	15,474	16,241	16,118
41 Excess.....	96	1	44	-16	-39	10	135	-15	-539	79
42 Borrowings ²	196	309	267	247	151	213	164	199	241	381
All other banks										
43 Reserves held.....	15,818	15,807	15,750	15,587	15,767	15,805	15,781	15,624	15,894	16,210
44 Required.....	15,637	15,669	15,588	15,475	15,645	15,697	15,619	15,439	15,792	16,156
45 Excess.....	181	138	162	112	122	108	162	185	102	54
46 Borrowings ²	740	770	647	597	764	814	703	429	465	598

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	1979, week ending Wednesday								
	Feb. 28	Mar. 7	Mar. 14	Mar. 21	Mar. 28	Apr. 4	Apr. 11	Apr. 18	Apr. 25
Total, 46 banks									
Basic reserve position									
1 Excess reserves ¹	1	14	23	.....	-182	136	80	60	48
LESS:									
2 Borrowings at Federal Reserve Banks.....	75	186	78	135	73	26	25	307	169
3 Net interbank federal funds transactions.....	15,586	17,468	18,228	15,340	14,936	16,732	22,233	21,461	18,974
EQUALS: Net surplus, or deficit (-)									
4 Amount.....	-15,660	-17,641	-18,283	-15,474	-15,191	-16,622	-22,179	-21,707	-19,095
5 Percent of average required reserves.....	93.8	102.3	106.9	89.2	89.8	96.6	132.7	121.3	111.6
Interbank federal funds transactions									
Gross transactions									
6 Purchases.....	22,337	24,736	25,264	23,226	22,687	24,440	28,231	27,904	25,501
7 Sales.....	6,751	7,268	7,036	7,887	7,751	7,707	5,997	6,443	6,527
8 Two-way transactions ²	5,799	5,952	5,564	5,727	5,702	6,147	5,643	5,976	4,993
Net transactions									
9 Purchases of net buying banks.....	16,538	18,784	19,700	17,499	16,985	18,293	22,588	21,929	20,509
10 Sales of net selling banks.....	952	1,316	1,472	2,159	2,050	1,561	354	467	1,534
Related transactions with U.S. government securities dealers									
11 Loans to dealers ³	4,654	3,899	3,723	3,557	3,242	4,182	5,657	4,186	3,578
12 Borrowing from dealers ⁴	1,516	1,077	1,486	2,097	1,284	1,700	1,402	1,498	1,978
13 Net loans.....	3,138	2,822	2,237	1,461	1,958	2,482	4,257	2,688	1,600
8 banks in New York City									
Basic reserve position									
14 Excess reserves ¹	-5	-12	3	40	-12	65	40	52	-5
LESS:									
15 Borrowings at Federal Reserve Banks.....	.....	70	36	33	55	.....	.....	172	11
16 Net interbank federal funds transactions.....	2,227	4,002	4,566	2,768	3,056	3,987	6,274	5,344	5,090
EQUALS: Net surplus, or deficit (-)									
17 Amount.....	-2,232	-4,084	-4,600	-2,760	3,123	-3,923	-6,234	-5,463	-5,105
18 Percent of average required reserves.....	37.9	65.7	73.9	43.8	51.9	62.0	104.2	84.9	84.4
Interbank federal funds transactions									
Gross transactions									
19 Purchases.....	3,616	5,064	5,574	4,613	4,456	5,057	7,086	6,653	6,071
20 Sales.....	1,389	1,062	1,008	1,845	1,399	1,070	812	1,309	981
21 Two-way transactions ²	1,262	1,062	1,008	1,295	1,399	1,070	812	1,310	981
Net transactions									
22 Purchases of net buying banks.....	2,354	4,002	4,566	3,317	3,056	3,987	6,274	5,344	5,090
23 Sales of net selling banks.....	128	.....	.....	549	.....	.....	.....	.....	.....
Related transactions with U.S. government securities dealers									
24 Loans to dealers ³	2,855	2,146	2,126	1,806	1,415	2,159	3,179	1,872	1,753
25 Borrowing from dealers ⁴	444	516	561	801	677	606	589	539	678
26 Net loans.....	2,411	1,631	1,566	1,005	738	1,553	2,590	1,333	1,076
38 banks outside New York City									
Basic reserve position									
27 Excess reserves ¹	6	26	21	-39	-170	71	40	8	53
LESS:									
28 Borrowings at Federal Reserve Banks.....	75	116	42	102	18	26	25	135	159
29 Net interbank federal funds transactions.....	13,359	13,466	13,663	12,572	11,880	12,745	15,960	16,117	13,884
EQUALS: Net surplus, or deficit (-)									
30 Amount.....	-13,427	-13,557	-13,684	-12,714	-12,068	-12,700	-15,945	-16,245	-13,990
31 Percent of average required reserves.....	124.2	122.9	125.9	115.2	110.8	116.8	148.6	141.8	126.4
Interbank federal funds transactions									
Gross transactions									
32 Purchases.....	18,721	19,672	19,690	18,614	18,231	19,383	21,145	21,251	19,431
33 Sales.....	5,362	6,206	6,028	6,042	6,352	6,638	5,185	5,134	5,546
34 Two-way transactions ²	4,537	4,890	4,556	4,432	4,302	5,077	4,831	4,667	4,012
Net transactions									
35 Purchases of net buying banks.....	14,184	14,782	15,134	14,182	13,929	14,306	16,314	16,584	15,419
36 Sales of net selling banks.....	825	1,316	1,472	1,610	2,050	1,561	354	467	1,534
Related transactions with U.S. government securities dealers									
37 Loans to dealers ³	1,799	1,753	1,597	1,751	1,826	2,023	2,480	2,314	1,825
38 Borrowing from dealers ⁴	1,072	561	925	1,296	607	1,094	813	959	1,301
39 Net loans.....	727	1,192	671	456	1,219	929	1,667	1,355	524

For notes see end of table.

1.13 Continued

Type	1979, week ending Wednesday								
	Feb. 28	Mar. 7	Mar. 14	Mar. 21	Mar. 28	Apr. 4	Apr. 11	Apr. 18	Apr. 25
5 banks in City of Chicago									
Basic reserve position									
40 Excess reserves ¹	7	5	-8	2	-3	10	1	7	.....
LESS:									
41 Borrowings at Federal Reserve Banks.....		43		69				64	.....
42 Net interbank federal funds transactions.....	5,258	5,617	5,629	5,262	4,947	5,501	6,210	7,073	5,926
EQUALS: Net surplus, or deficit (-)...									
43 Amount.....	-5,251	-5,655	-5,636	-5,329	-4,950	-5,491	-6,210	-7,130	-5,926
44 Percent of average required reserves.....	324.6	335.9	332.7	310.3	297.2	325.4	373.6	383.9	366.8
Interbank federal funds transactions									
Gross transactions									
45 Purchases.....	6,756	7,096	6,921	6,776	6,349	6,711	7,407	6,711	7,124
46 Sales.....	1,498	1,478	1,293	1,514	1,402	1,211	1,197	1,211	1,198
47 Two-way transactions ²	1,470	1,478	1,281	1,496	1,356	1,188	1,170	1,188	1,167
Net transactions									
48 Purchases of net buying banks.....	5,286	5,617	5,640	5,280	4,994	5,524	6,237	5,524	5,957
49 Sales of net selling banks.....	28	.....	11	18	47	23	27	23	31
Related transactions with U.S. government securities dealers									
50 Loans to dealers ³	364	553	368	474	586	608	647	608	387
51 Borrowing from dealers ⁴	81	8	135	226	54	26	2	26	15
52 Net loans.....	283	545	233	247	532	583	645	583	327
33 other banks									
Basic reserve position									
53 Excess reserves ¹	-1	21	28	-41	-167	62	39	1	53
LESS:									
54 Borrowings at Federal Reserve Banks.....	75	74	42	34	18	26	25	71	159
55 Net interbank federal funds transactions.....	8,101	7,849	8,034	7,310	6,933	7,245	9,749	9,044	7,959
EQUALS: Net surplus, or deficit (-)									
56 Amount.....	-8,177	-7,902	-8,048	-7,385	-7,118	-7,209	-9,735	-9,114	-8,064
57 Percent of average required reserves.....	88.9	84.6	87.7	79.3	77.2	78.5	107.4	95.0	85.4
Interbank federal funds transactions									
Gross transactions									
58 Purchases.....	11,965	12,576	12,769	11,838	11,882	12,672	13,737	12,672	12,307
59 Sales.....	3,864	4,727	4,735	4,528	4,949	5,427	3,988	5,427	4,348
60 Two-way transactions ²	3,067	3,411	3,275	2,936	2,947	3,889	3,661	3,889	2,846
Net transactions									
61 Purchases of net buying banks.....	8,898	9,165	9,495	8,902	8,935	8,782	10,077	8,782	9,461
62 Sales of net selling banks.....	797	1,316	1,461	1,591	2,003	1,538	327	1,538	1,502
Related transactions with U.S. government securities dealers									
63 Loans to dealers ³	1,435	1,201	1,229	1,278	1,241	1,415	1,833	1,415	1,438
64 Borrowing from dealers ⁴	992	553	790	1,069	553	1,068	811	1,068	1,286
65 Net loans.....	444	647	438	209	687	347	1,022	347	152

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. government 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									Loans to all others under sec. 13, last par. ⁴		
	Under secs. 13 and 13a ¹			Under sec. 10(b) ²								
				Regular rate			Special rate ³					
	Rate on 4/30/79	Effective date	Previous rate	Rate on 4/30/79	Effective date	Previous rate	Rate on 4/30/79	Effective date	Previous rate	Rate on 4/30/79	Effective date	Previous rate
Boston.....	9½	11/2/78	8½	10	11/2/78	9	10½	11/2/78	9½	12½	11/2/78	11½
New York.....	9½	11/1/78	8½	10	11/1/78	9	10½	11/1/78	9½	12½	11/1/78	11½
Philadelphia.....	9½	11/2/78	8½	10	11/2/78	9	10½	11/2/78	9½	12½	11/2/78	11½
Cleveland.....	9½	11/2/78	8½	10	11/2/78	9	10½	11/2/78	9½	12½	11/2/78	11½
Richmond.....	9½	11/2/78	8½	10	11/2/78	9	10½	11/2/78	9½	12½	11/2/78	11½
Atlanta.....	9½	11/3/78	8½	10	11/3/78	9	10½	11/3/78	9½	12½	11/3/78	11½
Chicago.....	9½	11/2/78	8½	10	11/2/78	9	10½	11/2/78	9½	12½	11/2/78	11½
St. Louis.....	9½	11/2/78	8½	10	11/2/78	9	10½	11/2/78	9½	12½	11/2/78	11½
Minneapolis.....	9½	11/1/78	8½	10	11/1/78	9	10½	11/1/78	9½	12½	11/1/78	11½
Kansas City.....	9½	11/2/78	8½	10	11/2/78	9	10½	11/2/78	9½	12½	11/2/78	11½
Dallas.....	9½	11/2/78	8½	10	11/2/78	9	10½	11/2/78	9½	12½	11/2/78	11½
San Francisco.....	9½	11/2/78	8½	10	11/2/78	9	10½	11/2/78	9½	12½	11/2/78	11½

Range of rates in recent years⁵

Effective date	Range (or level)—All F.R. Banks	F.R. Bank of N.Y.	Effective date	Range (or level)—All F.R. Banks	F.R. Bank of N.Y.	Effective date	Range (or level)—All F.R. Banks	F.R. Bank of N.Y.
In effect Dec. 31, 1970.....	5½	5½	1973—May 4.....	5¾	5¾	1976—Jan. 19.....	5½-6	5½
1971—Jan. 8.....	5¼-5½	5¼	18.....	5¾-6	6	23.....	5½	5½
15.....	5¼	5¼	June 11.....	6	6	Nov. 22.....	5¼-5½	5½
19.....	5-5¼	5¼	15.....	6-6½	6½	26.....	5¼	5¼
22.....	5-5¼	5	July 2.....	6½	6½			
29.....	5-5¼	5	Aug. 14.....	7	7	1977—Aug. 30.....	5¼-5½	5¼
Feb. 13.....	4¾-5	5	23.....	7-7½	7½	31.....	5¼-5¾	5¾
19.....	4¾	4¾	1974—Apr. 25.....	7½-8	8	Sept. 2.....	5¾	5¾
July 16.....	4¾-5	5	30.....	8	8	Oct. 26.....	6	6
23.....	5	5	Dec. 9.....	7¾-8	7¾	1978—Jan. 9.....	6-6½	6½
Nov 11.....	4¾-5	5	16.....	7¾	7¾	20.....	6½-7	6½
19.....	4¾	4¾	1975—Jan. 6.....	7¼-7¾	7¾	May 12.....	7	7
Dec. 13.....	4½-4¾	4¾	10.....	7¼-7¾	7¼	July 3.....	7-7¼	7¼
17.....	4½-4¾	4½	24.....	7¼	7¼	10.....	7¼	7¼
24.....	4½	4½	Feb. 5.....	6¾-7¼	6¾	Aug. 21.....	7¾	7¾
1973—Jan. 15.....	5	5	7.....	6¾	6¾	Sept. 22.....	8	8
Feb. 26.....	5-5½	5½	Mar. 10.....	6¼-6¾	6¼	Oct. 16.....	8-8½	8½
Mar. 2.....	5½	5½	14.....	6¼	6¼	20.....	8½	8½
Apr. 23.....	5¼-5¾	5½	May 16.....	6-6¼	6	Nov. 1.....	8½-9½	9½
			23.....	6	6	3.....	9½	9½
						In effect Apr. 30, 1979. ...	9½	9½

¹ Discounts of eligible paper and advances secured by such paper or by U.S. government obligations or any other obligations eligible for Federal Reserve Bank purchase.

² Advances secured to the satisfaction of the Federal Reserve 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. government 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*, *1972-76*, and *1973-77*.

1.15 MEMBER BANK RESERVE REQUIREMENTS¹

Percent of deposits

Type of deposit, and deposit interval in millions of dollars	Requirements in effect April 30, 1979		Previous requirements	
	Percent	Effective date	Percent	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 and savings ^{2,3,4}				
Savings.....	3	3/16/67	3½	3/2/67
Time ⁵				
0-5 by maturity				
30-179 days.....	3	3/16/67	3½	3/2/67
180 days to 4 years.....	2½	1/8/76	3	3/16/67
4 years or more.....	1	10/30/75	3	3/16/67
Over 5, by maturity				
30-179 days.....	6	12/12/74	5	10/1/70
180 days to 4 years.....	2½	1/8/76	3	12/12/74
4 years or more.....	1	10/30/75	3	12/12/74
Legal limits				
	Minimum		Maximum	
Net demand				
Reserve city banks.....	10		22	
Other banks.....	7		14	
Time.....	3		10	
Borrowings from foreign banks.....	0		22	

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 Federal Reserve 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) Effective August 24, 1978, the Regulation M reserve requirements

on net balances due from domestic banks to their foreign branches and on deposits that foreign branches lend to U.S. residents were reduced to zero from 4 percent and 1 percent, respectively. The Regulation D reserve requirement on borrowings from unrelated banks abroad was also reduced to zero from 4 percent.

(d) Effective with the reserve computation period beginning Nov. 16, 1978, domestic deposits of Edge Corporations are subject to the same reserve requirements as deposits of member banks.

³ Negotiable order 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 reserve requirement on savings and other time deposits must be at least 3 percent, the minimum specified by law.

⁵ Effective November 2, 1978, a supplementary reserve requirement of 2 percent was imposed on time deposits of \$100,000 or more, obligations of affiliates, and ineligible acceptances.

NOTE. Required reserves must be held in the form of deposits with Federal Reserve Banks or vault cash.

1.16 MAXIMUM INTEREST RATES PAYABLE on Time and Savings Deposits at Federally Insured Institutions

Percent per annum

Type and maturity of deposit	Commercial banks				Savings and loan associations and mutual savings banks			
	In effect Apr. 30, 1979		Previous maximum		In effect Apr. 30, 1979		Previous maximum	
	Percent	Effective date	Percent	Effective date	Percent	Effective date	Percent	Effective date
1 Savings.....	5	7/1/73	4½	1/21/70	5¼	(7)	5	(8)
2 Negotiable order of withdrawal accounts ¹	5	1/1/74	(10)	.....	5	1/1/74	(10)	.....
3 Money market time deposits of less than \$100,000 ²	(9)	(9)	(9)	(9)	(9)	(9)	(9)	(9)
Time (multiple- and single-maturity unless otherwise indicated) ³								
30-89 days								
4 Multiple-maturity.....	5	7/1/73	4¼	1/21/70	(10)	.....	(10)	.....
5 Single-maturity.....			5	9/26/66				
90 days to 1 year								
6 Multiple-maturity.....	5½	7/1/73	5	7/20/66	45¾	(7)	5¼	1/21/70
7 Single-maturity.....				9/26/66				
8 1 to 2 years ⁴	6	7/1/73	5½	1/21/70	6½	(7)	5¾	1/21/70
9 2 to 2½ years ⁴			5¾	1/21/70			6	1/21/70
10 2½ to 4 years ⁴	6½	7/1/73	5¾	1/21/70	6¾	(7)	6	1/21/70
11 4 to 6 years ⁵	7¼	11/1/73	(11)	.....	7½	11/1/73	(11)	.....
12 6 to 8 years ⁵	7½	12/23/74	7¼	11/1/73	7¾	12/23/74	7½	11/1/73
13 8 years or more ⁵	7¾	6/1/78	(10)	.....	8	6/1/78	(10)	.....
14 Issued to governmental units (all maturities).....	8	6/1/78	7¾	12/23/74	8	6/1/78	7¾	12/23/74
15 Individual retirement accounts and Keogh (H.R. 10) plans ⁶	8	6/1/78	7¾	7/6/77	8	6/1/78	7¾	7/6/77

¹ For authorized states only. Federally insured commercial banks, savings and loan associations, cooperative banks, and mutual savings banks in Massachusetts and New Hampshire were first permitted to offer negotiable order of withdrawal (NOW) accounts on Jan. 1, 1974. Authorization to issue NOW accounts was extended to similar institutions throughout New England on Feb. 27, 1976, and in New York State on Nov. 10, 1978.

² Must have a maturity of exactly 26 weeks and a minimum denomination of \$10,000, and must be nonnegotiable.

³ 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).

⁴ 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.

⁵ \$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.

⁶ 3-year minimum maturity.

⁷ July 1, 1973, for mutual savings banks; July 6, 1973, for savings and loan associations.

⁸ Oct. 1, 1966, for mutual savings banks; Jan. 21, 1970, for savings and loan associations.

⁹ Commercial banks, savings and loan associations, and mutual savings banks were authorized to offer money market time deposits effective June 1, 1978. The ceiling rate for commercial banks is the discount rate on most recently issued 6-month U.S. Treasury bills. Until March 15, 1979, the ceiling rate for savings and loan associations and mutual savings banks was ¼ percentage point higher than the rate for commercial banks.

Beginning March 15, 1979, the ¼ percentage point interest differential is removed when the 6-month Treasury bill rate is 9 percent or more. The full differential is in effect when the 6-month bill rate is 8¾ percent or less. Thrift institutions may pay a maximum 9 percent when the 6-month bill rate is between 8¾ and 9 percent. Also effective March 15, 1979, interest compounding was prohibited on money market time deposits at all offering institutions. For both commercial banks and thrift institutions, the maximum allowable rates in April were as follows: April 5, 9.496; April 12, 9.572; April 19, 9.627; April 26, 9.295.

¹⁰ No separate account category.

¹¹ 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 percent 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 percent ceiling on time deposits maturing in 2½ years or more.

Effective Nov. 1, 1973, ceilings were reimposed 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.

1.17 FEDERAL RESERVE OPEN MARKET TRANSACTIONS

Millions of dollars

Type of transaction	1976	1977	1978	1978				1979		
				Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
U.S. GOVERNMENT SECURITIES										
Outright transactions (excluding matched sale-purchase transactions)										
Treasury bills										
1 Gross purchases.....	14,343	13,738	16,628	2,635	1,978	2,039	0	0	0	2,012
2 Gross sales.....	8,462	7,241	13,725	0	2,148	3,587	2,751	3,758	228	475
3 Redemptions.....	2 5,017	2,136	2,033	0	0	603	0	500	400	400
Others within 1 year ¹										
4 Gross purchases.....	472	3,017	1,184	168	73	139	0	0	48	2,600
5 Gross sales.....	0	0	0	0	0	0	0	0	0	0
6 Exchange, or maturity shift.....	792	4,499	-5,170	563	-385	-778	705	-673	-30	724
7 Redemptions.....	0	2,500	0	0	0	0	0	0	0	0
1 to 5 years										
8 Gross purchases.....	2 3,202	2,833	4,188	350	507	628	0	0	426	0
9 Gross sales.....	177	0	0	0	0	0	0	0	0	0
10 Exchange, or maturity shift.....	-2,588	-6,649	-178	-563	385	-657	-705	673	2,205	-724
5 to 10 years										
11 Gross purchases.....	1,048	758	1,526	110	87	163	0	0	134	0
12 Gross sales.....	0	0	0	0	0	0	0	0	0	0
13 Exchange, or maturity shift.....	1,572	584	2,803	0	0	835	0	0	-2,975	0
Over 10 years										
14 Gross purchases.....	642	553	1,063	122	139	108	0	0	93	0
15 Gross sales.....	0	0	0	0	0	0	0	0	0	0
16 Exchange, or maturity shift.....	225	1,565	2,545	0	0	600	0	0	800	0
All maturities ¹										
17 Gross purchases.....	2 19,707	20,898	24,591	3,386	2,785	3,075	0	0	700	4,612
18 Gross sales.....	8,639	7,241	13,725	0	2,148	3,587	2,751	3,758	228	475
19 Redemptions.....	2 5,017	4,636	2,033	0	0	603	0	500	400	400
Matched sale-purchase transactions										
20 Gross sales.....	196,078	425,214	511,126	33,346	35,112	40,785	52,661	64,691	56,291	61,669
21 Gross purchases.....	196,579	423,841	510,854	33,130	36,106	40,546	51,586	60,750	58,426	63,707
Repurchase agreements										
22 Gross purchases.....	232,891	178,683	151,618	10,724	18,976	7,719	8,133	3,117	6,931	11,817
23 Gross sales.....	230,355	180,535	152,436	10,353	20,565	8,383	7,049	4,201	6,931	10,137
24 Net change in U.S. government securities.....	9,087	5,798	7,743	3,540	43	-2,017	-2,743	-9,283	2,207	7,454
FEDERAL AGENCY OBLIGATIONS										
Outright transactions										
25 Gross purchases.....	891	1,433	301	0	0	0	0	0	0	0
26 Gross sales.....	0	0	173	0	0	0	0	379	20	0
27 Redemptions.....	169	223	235	28	12	39	3	10	*	23
Repurchase agreements										
28 Gross purchases.....	10,520	13,811	40,567	3,877	6,675	2,544	4,307	713	1,152	2,851
29 Gross sales.....	10,360	13,638	40,885	3,348	7,196	2,670	4,174	846	1,152	2,482
30 Net change in federal agency obligations.....	882	1,383	-426	501	-533	-165	130	-522	-20	345
BANKERS ACCEPTANCES										
31 Outright transactions, net.....	-545	-196	0	0	0	0	0	0	0	0
32 Repurchase agreements, net.....	410	159	-366	419	-479	-236	587	-587	0	204
33 Net change in bankers acceptances.....	-135	-37	-366	419	-479	-236	587	-587	0	204
34 Total net change in System Open Market Account.....	9,833	7,143	6,951	4,460	-969	-2,419	-2,026	-10,392	2,187	8,003

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; Mar. 1979, 2,600.

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					End of month		
	1979					1979		
	Mar. 28	Apr. 4	Apr. 11	Apr. 18 ^p	Apr. 25 ^p	Feb.	Mar.	Apr. ^p
Consolidated condition statement								
ASSETS								
1 Gold certificate account.....	11,481	11,476	11,434	11,418	11,418	11,544	11,479	11,416
2 Special Drawing Rights certificate account.....	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300
3 Coin.....	380	385	377	381	393	344	395	405
<i>Loans</i>								
4 Member bank borrowings.....	1,498	721	476	3,171	1,527	1,603	963	1,255
5 Other.....	0	0	0	0	0	0	0	0
<i>Acceptances</i>								
6 Bought outright.....	0	0	0	0	0	0	0	0
7 Held under repurchase agreements.....	0	0	0	0	575	0	204	252
<i>Federal agency obligations</i>								
8 Bought outright.....	7,464	7,464	7,464	7,464	7,464	7,487	7,464	7,464
9 Held under repurchase agreements.....	0	0	0	0	631	0	368	149
<i>U.S. government securities</i>								
Bought outright								
10 Bills.....	36,686	28,442	35,206	36,446	37,802	35,467	38,641	39,268
11 Certificates—Special.....	0	0	0	0	0	0	2,600	0
12 Other.....	0	0	0	0	0	0	0	0
13 Notes.....	54,662	54,023	54,662	54,662	54,662	54,662	54,662	54,662
14 Bonds.....	13,357	13,357	13,357	13,357	13,357	13,357	13,357	13,357
15 Total ¹	104,705	95,822	103,225	104,465	105,821	103,486	109,260	107,287
16 Held under repurchase agreements.....	0	0	0	0	2,195	0	1,680	1,301
17 Total U.S. government securities.....	104,705	95,822	103,225	104,465	108,016	103,486	110,940	108,588
18 Total loans and securities.....	113,667	104,007	111,165	115,100	118,213	112,576	119,939	117,708
19 Cash items in process of collection.....	12,594	14,183	14,785	16,419	14,240	15,229	10,271	12,805
20 Bank premises.....	396	396	395	397	397	395	396	397
<i>Other assets</i>								
21 Denominated in foreign currencies ²	3,774	3,777	3,812	3,814	3,814	2,266	3,754	3,745
22 All other.....	2,339	2,219	2,315	2,807	2,828	1,910	2,255	2,963
23 Total assets.....	145,931	137,743	145,583	151,636	152,603	145,564	149,789	150,739
LIABILITIES								
24 Federal Reserve notes.....	100,896	101,654	102,708	102,776	102,269	99,999	100,654	101,767
<i>Deposits</i>								
25 Member bank reserves.....	30,131	23,862	30,043	30,427	33,623	29,723	31,714	34,125
26 U.S. Treasury—General account.....	3,178	756	865	4,868	4,067	3,443	5,726	3,100
27 Foreign.....	271	244	225	252	275	343	303	388
28 Other.....	661	545	669	682	692	779	708	813
29 Total deposits.....	34,241	25,407	31,802	36,229	38,657	34,288	38,451	38,426
30 Deferred availability cash items.....	6,019	6,975	6,858	8,267	7,045	6,598	5,934	5,905
31 Other liabilities and accrued dividends ³	1,902	1,384	1,714	1,692	1,783	1,859	1,795	1,663
32 Total liabilities.....	143,058	135,420	143,082	148,964	149,754	142,744	146,834	147,761
CAPITAL ACCOUNTS								
33 Capital paid in.....	1,110	1,112	1,113	1,113	1,116	1,088	1,113	1,117
34 Surplus.....	1,078	1,078	1,078	1,078	1,078	1,078	1,078	1,078
35 Other capital accounts.....	685	133	310	481	655	654	764	783
36 Total liabilities and capital accounts.....	145,931	137,743	145,583	151,636	152,603	145,564	149,789	150,739
37 MEMO: Marketable U.S. government securities held in custody for foreign and international account.....	90,623	86,900	86,412	85,999	85,957	94,611	89,184	84,423
Federal Reserve note statement								
38 Federal Reserve notes outstanding (issued to Bank).....	114,098	114,432	114,435	114,957	115,490	113,160	114,135	115,604
<i>Collateral held against notes outstanding</i>								
39 Gold certificate account.....	11,481	11,476	11,434	11,418	11,418	11,544	11,479	11,416
40 Special Drawing Rights certificate account.....	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300
41 Eligible paper.....	1,225	647	414	2,512	1,117	1,424	845	986
42 U.S. government securities.....	100,092	101,009	101,287	99,727	101,655	98,892	100,511	101,902
43 Total collateral.....	114,098	114,432	114,435	114,957	115,490	113,160	114,135	115,604

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

² Beginning December 29, 1978, such assets are revalued monthly at market exchange rates.

³ Includes exchange-translation account reflecting, beginning December 29, 1978, the monthly revaluation at market exchange rates of foreign-exchange commitments.

1.19 FEDERAL RESERVE BANKS Maturity Distribution of Loan and Security Holdings

Millions of dollars

Type and maturity	Wednesday					End of month		
	1979					1979		
	Mar. 28	Apr. 4	Apr. 11	Apr. 18	Apr. 25	Feb. 28	Mar. 31	Apr. 30
1 Loans.....	1,495	721	476	3,171	1,527	1,604	964	1,255
2 Within 15 days.....	1,463	664	412	3,140	1,492	1,577	905	1,211
3 16 days to 90 days.....	32	57	64	31	35	27	59	44
4 91 days to 1 year.....	0	0	0	0	0	0	0	0
5 Acceptances.....	0	0	0	0	575	0	204	252
6 Within 15 days.....	0	0	0	0	575	0	204	252
7 16 days to 90 days.....	0	0	0	0	0	0	0	0
8 91 days to 1 year.....	0	0	0	0	0	0	0	0
9 U.S. government securities.....	104,705	95,822	103,225	104,465	108,016	103,486	110,940	108,588
10 Within 15 days ¹	4,998	4,384	4,105	4,214	5,534	3,084	7,663	5,284
11 16 days to 90 days.....	16,550	8,645	14,776	15,494	18,444	16,546	20,031	18,905
12 91 days to 1 year.....	25,506	25,866	26,777	27,190	26,471	25,864	25,595	27,113
13 Over 1 year to 5 years.....	34,208	33,484	34,124	34,124	34,124	34,549	34,208	33,843
14 Over 5 years to 10 years.....	11,875	11,875	11,875	11,875	11,875	11,875	11,875	11,875
15 Over 10 years.....	11,568	11,568	11,568	11,568	11,568	11,568	11,568	11,568
16 Federal agency obligations.....	7,464	7,464	7,464	7,464	8,095	7,487	7,832	7,613
17 Within 15 days ¹	25	0	55	117	693	114	393	211
18 16 days to 90 days.....	553	611	591	529	604	344	553	604
19 91 days to 1 year.....	994	961	986	986	945	1,098	994	945
20 Over 1 year to 5 years.....	3,509	3,509	3,486	3,486	3,507	3,553	3,509	3,507
21 Over 5 years to 10 years.....	1,573	1,573	1,536	1,536	1,571	1,568	1,573	1,571
22 Over 10 years.....	810	810	810	810	775	810	810	775

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, turnover as ratio of debits to deposit. Monthly data are at annual rates.

Bank group, or type of customer	1975	1976	1977	1978			1979	
				Oct.	Nov.	Dec. *	Jan.	Feb.
	Debits to demand deposits ² (seasonally adjusted)							
1 All commercial banks.....	25,028.5	29,180.4	34,322.8	42,942.5	42,941.5	41,781.8	44,683.3	43,818.6
2 Major New York City banks..	9,670.7	11,467.2	13,860.6	15,437.8	15,673.6	14,661.8	16,345.5	15,433.7
3 Other banks.....	15,357.8	17,713.2	20,462.2	27,504.7	27,267.9	27,120.0	28,337.8	28,384.9
	Debits to savings deposits ³ (not seasonally adjusted)							
4 All customers.....			174.0	467.6	446.0	443.1	578.7	445.9
5 Business ¹			21.7	67.2	66.8	69.9	76.2	55.6
6 Others.....			152.3	400.4	379.1	373.3	502.6	390.3
	Demand deposit turnover ² (seasonally adjusted)							
7 All commercial banks.....	105.3	116.8	129.2	144.1	145.1	139.8	151.7	150.5
8 Major New York City banks..	356.9	411.6	503.0	530.1	559.8	520.4	584.2	565.1
9 Other banks.....	72.9	79.8	85.9	102.3	101.8	100.2	106.3	107.5
	Savings deposit turnover ³ (not seasonally adjusted)							
10 All customers.....			1.6	2.1	2.0	2.0	2.7	2.1
11 Business ¹			4.1	5.8	5.8	6.0	6.9	5.3
12 Others.....			1.5	1.9	1.8	1.8	2.5	1.9

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 order 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 SMSAs, 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	1975 Dec.	1976 Dec.	1977 Dec.	1978 Dec.	1978			1979		
					Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
Seasonally adjusted										
MEASURES ¹										
1 M-1.....	295.4	313.8	338.7	361.5	361.6	361.0	361.5	359.9	358.8	359.0
2 M-1+.....	456.8	517.2	560.6	586.4	589.7	587.2	586.4	582.3	578.9	578.1
3 M-2.....	664.8	740.6	809.4	876.3	870.9	874.3	876.3	875.4	877.1	879.8
4 M-3.....	1,092.4	1,235.6	1,374.3	1,500.6	1,485.5	1,493.8	1,500.6	1,504.1	1,510.0	1,517.6
5 M-4.....	745.8	803.0	883.1	972.9	959.6	969.7	972.9	975.9	979.2	978.8
6 M-5.....	1,173.5	1,298.0	1,448.0	1,597.3	1,574.1	1,589.2	1,597.3	1,604.6	1,612.2	1,616.6
COMPONENTS										
7 Currency.....	73.8	80.8	88.6	97.5	95.8	96.6	97.5	98.2	98.9	99.4
Commercial bank deposits										
8 Demand.....	221.7	233.0	250.1	264.1	265.8	264.4	264.1	261.7	259.9	259.6
9 Time and savings.....	450.3	489.2	544.4	611.4	597.9	608.8	611.4	616.0	620.4	619.7
10 Savings.....	160.7	202.1	219.7	222.0	225.2	223.4	222.0	219.6	217.4	216.3
11 Negotiable CDs ²	81.0	62.4	73.7	96.6	88.6	95.4	96.6	100.5	102.1	99.0
12 Other time.....	208.6	224.7	251.0	292.8	284.1	289.9	292.8	295.9	300.9	304.4
13 Nonbank thrift institutions ³	427.7	495.0	564.9	624.3	614.6	619.5	624.3	628.7	633.0	637.8
Not seasonally adjusted										
MEASURES ¹										
14 M-1.....	303.9	322.6	348.2	371.6	361.4	363.0	371.6	365.7	352.0	353.8
15 M-1+.....	463.6	524.2	568.0	594.4	587.8	587.4	594.4	587.3	571.5	574.1
16 M-2.....	670.0	745.8	814.9	882.0	868.2	871.6	882.0	880.1	871.4	878.5
17 M-3.....	1,095.0	1,238.3	1,377.2	1,503.3	1,481.6	1,487.8	1,503.3	1,507.2	1,502.5	1,517.5
18 M-4.....	753.5	810.0	890.8	981.6	959.0	968.0	981.6	981.2	970.9	976.0
19 M-5.....	1,178.4	1,302.6	1,453.2	1,602.9	1,572.4	1,584.2	1,602.9	1,608.3	1,602.0	1,615.0
COMPONENTS										
20 Currency.....	75.1	82.1	90.1	99.1	95.6	97.2	99.1	97.4	97.6	98.6
Commercial bank deposits										
21 Demand.....	228.8	240.5	258.1	272.5	265.8	265.7	272.5	268.3	254.4	255.2
Member.....	162.8	169.4	177.5	182.9	179.3	178.3	182.9	179.2	169.5	170.3
Domestic nonmember.....	62.6	67.5	76.2	85.6	82.7	83.7	85.6	84.9	81.0	80.8
24 Time and savings.....	449.6	487.4	542.6	609.9	597.6	605.0	609.9	615.5	618.9	622.2
25 Savings.....	159.1	200.2	217.7	219.9	223.5	221.5	219.9	218.8	216.7	217.5
26 Negotiable CDs ²	83.5	64.3	75.9	99.5	90.8	96.4	99.5	101.1	99.6	97.5
27 Other time.....	207.1	222.9	249.0	290.5	283.3	287.1	290.5	295.6	302.6	307.2
28 Other checkable deposits ⁴	0.7	1.4	2.1	2.9	2.8	2.9	2.9	2.8	2.8	2.8
29 Nonbank thrift institutions ³	424.9	492.5	562.3	621.3	613.4	616.2	621.3	627.1	631.1	639.0
30 U.S. government deposits (all commercial banks).....	4.1	4.4	5.1	10.2	4.3	8.0	10.2	12.0	8.3	6.5

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. government, less cash items in process of collection and Federal Reserve float; (2) foreign demand balances at Federal Reserve Banks; and (3) currency outside the Treasury, Federal Reserve Banks, and vaults of commercial banks.

M-1+: M-1 plus savings deposits at commercial banks, NOW accounts at banks and thrift institutions, credit union share draft accounts, and demand deposits at mutual savings banks.

M-2: M-1 plus savings deposits, time deposits open account, and time certificates of deposit (CDs) other than negotiable CDs 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 CDs.

M-5: M-3 plus large negotiable CDs.

² Negotiable time CDs 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.

⁴ Includes NOW accounts at thrift institutions, credit union share draft accounts, and demand deposits at mutual savings banks.

NOTE. Latest monthly and weekly figures are available from the board's (H.6) 508 release. Back data are available from the Banking Section, Division of Research and Statistics.

NOTES TO TABLE 1.23:

¹ Adjusted to exclude domestic commercial interbank loans and Federal funds sold to domestic commercial banks.

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.

³ As of Mar. 31, 1976, reclassification of loans reduced these loans by about \$1.2 billion.

⁴ As of Dec. 31, 1977, reclassification of loans at one large bank reduced these loans by about \$200 million.

⁵ As of Dec. 31, 1978, total loans and investments were reduced by \$0.1 billion. Total loans were reduced by \$1.6 billion, and "Other invest-

ments" were increased by \$1.5 billion largely as the result of reclassifications of certain tax-exempt obligations.

⁶ As of Dec. 31, 1978, commercial and industrial loans were reduced by \$0.1 billion as a result of reclassifications.

⁷ As of Dec. 31, 1978, commercial and industrial loans sold outright were increased by \$0.7 billion as the result of reclassifications, but \$0.1 billion of this amount was offset by a balance sheet reduction of \$0.1 billion as noted above.

NOTE. Data are for last Wednesday of month except for June 30 and December 31 call report data. Data revised beginning July 1978 to reflect adjustments to preliminary December 31, 1978, Call Report data.

1.22 AGGREGATE RESERVES AND DEPOSITS Member Banks

Billions of dollars, averages of daily figures

Item	1975 Dec.	1976 Dec.	1977 Dec.	1978					1979			
				Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	
	Seasonally adjusted											
1 Reserves ¹	34.67	34.89	36.10	37.93	38.21	38.38	39.75	41.27	41.48	40.75	40.81	
2 Nonborrowed.....	34.54	34.84	35.53	36.79	37.15	37.10	39.05	40.40	40.48	39.78	39.82	
3 Required.....	34.40	34.61	35.91	37.77	38.02	38.22	39.53	41.04	41.26	40.54	40.66	
4 Monetary base ²	106.7	118.4	127.8	135.4	136.8	137.8	140.0	142.3	143.4	143.3	143.9	
5 Deposits subject to reserve requirements ³	504.2	528.6	568.6	602.7	607.0	608.9	616.9	616.7	621.1	619.7	616.4	
6 Time and savings.....	336.8	354.1	386.7	413.0	416.8	418.3	427.5	429.4	433.5	436.1	434.1	
Demand												
7 Private.....	164.5	171.5	178.5	186.5	186.2	187.2	187.0	185.1	185.6	181.9	180.5	
8 U.S. government.....	2.9	3.0	3.5	3.3	4.0	3.5	2.3	2.3	1.9	1.8	1.8	
	Not seasonally adjusted											
9 Monetary base ²	108.3	120.3	129.8	135.2	136.2	137.5	140.5	144.6	144.4	141.9	142.3	
10 Deposits subject to reserve requirements ³	510.9	534.8	575.3	599.2	605.9	608.4	615.1	624.0	627.1	614.3	614.3	
11 Time and savings.....	337.2	353.6	386.4	412.8	416.6	418.5	425.2	429.6	433.8	434.2	434.9	
Demand												
12 Private.....	170.7	177.9	185.1	183.9	184.7	186.9	188.0	191.9	191.5	178.2	177.5	
13 U.S. government.....	3.1	3.3	3.8	2.5	4.6	3.0	2.0	2.5	1.9	1.8	1.9	

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 reserves (member bank reserve balances in the current week plus vault cash held two weeks earlier); currency outside the U.S. Treasury, Federal Reserve Banks and the vaults of commercial banks; and vault cash of nonmember banks.

³ 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. government, 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	1975 Dec. 31	1976 Dec. 31	1977 Dec. 31	1978			1979			
				Oct. 25 ^p	Nov. 29 ^p	Dec. 31 ^p	Jan. 31 ^p	Feb. 28 ^p	Mar. 28 ^p	Apr. 25 ^p
Seasonally adjusted										
1 Loans and investments ¹	721.8	785.1	870.6	967.3	977.6	977.7	998.6	1,007.7	1,012.6	1,024.0
2 Including loans sold outright ²	726.2	788.9	875.5	971.0	981.3	981.5	1,002.2	1,011.3	1,016.2	1,027.7
Loans										
3 Total ¹	496.9	538.9	617.0	700.9	715.1	715.4	732.4	738.3	743.4	752.9
4 Including loans sold outright ²	501.3	542.7	621.9	704.8	718.8	719.2	736.0	741.9	747.0	756.6
5 Commercial and industrial.....	176.2	179.7	201.4	227.6	230.7	230.9	237.8	240.6	243.5	247.6
6 Including loans sold outright ²	178.7	182.1	204.2	229.5	232.6	233.4	240.3	243.1	246.1	250.2
Investments										
7 U.S. Treasury.....	80.1	98.0	95.6	96.0	91.4	88.8	89.4	92.1	90.5	91.8
8 Other.....	144.8	148.2	158.0	170.4	171.1	173.5	176.8	177.3	178.7	179.3
Not seasonally adjusted										
9 Loans and investments ¹	737.0	801.6	888.9	964.8	980.4	998.2	994.6	1,000.0	1,009.5	1,022.7
10 Including loans sold outright ²	741.4	805.4	893.8	968.7	984.1	1,002.0	998.2	1,003.6	1,013.1	1,026.4
Loans										
11 Total ¹	507.4	550.2	629.9	700.7	715.5	730.4	726.0	730.3	737.5	748.0
12 Including loans sold outright ²	511.8	554.0	634.8	704.6	719.2	734.2	729.6	733.9	741.1	751.7
13 Commercial and industrial.....	179.3	182.9	205.0	227.1	230.7	235.1	235.3	238.6	243.0	248.3
14 Including loans sold outright ²	181.8	185.3	207.8	229.0	232.6	237.6	237.8	241.1	245.6	250.9
Investments										
15 U.S. Treasury.....	84.1	102.5	100.2	94.4	93.7	93.6	92.2	93.3	93.9	94.4
16 Other.....	145.5	148.9	158.8	169.7	171.2	174.3	176.4	176.5	178.2	180.4

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	1978							1979			
	June	July ^p	Aug. ^p	Sept. ^p	Oct. ^p	Nov. ^p	Dec. ^p	Jan. ^p	Feb. ^p	Mar. ^p	Apr. ^p
All commercial ¹											
1 Loans and investments.....	985.0	979.4	986.2	1,002.2	1,010.8	1,029.2	1,051.3	1,041.6	1,048.1	1,059.8	1,074.4
2 Loans, gross.....	722.1	718.0	724.3	738.0	746.7	764.3	782.6	773.0	778.3	787.7	799.7
3 Interbank.....	46.3	43.5	42.9	45.1	46.0	48.8	56.0	47.0	48.1	50.2	51.7
4 Commercial and industrial.....	221.6	221.0	222.0	224.5	227.1	230.7	232.8	235.3	238.6	243.0	248.3
5 Other.....	454.2	453.5	459.4	468.4	473.6	484.8	493.8	490.7	491.6	494.5	499.7
6 U.S. Treasury securities.....	97.9	96.3	95.2	95.6	94.4	93.7	94.0	92.2	93.3	93.9	94.4
7 Other securities.....	165.1	165.2	166.7	168.5	169.7	171.2	174.7	176.4	176.5	178.2	180.4
8 Cash assets, total.....	166.8	131.8	140.3	146.8	148.5	150.7	174.7	150.5	158.8	148.1	152.0
9 Currency and coin.....	12.0	14.9	15.2	15.2	15.1	16.7	17.2	15.3	15.1	15.3	15.7
10 Reserves with Federal Reserve Banks.....	29.6	23.6	29.7	32.6	34.6	32.6	37.7	29.6	29.4	29.9	33.7
11 Balances with depository institutions.....	56.0	46.0	45.9	49.4	47.1	48.0	56.3	50.8	54.1	48.8	50.9
12 Cash items in process of collection.....	69.3	47.3	49.6	49.7	51.7	53.5	63.5	54.7	60.2	54.1	51.7
13 Other assets.....	63.2	67.3	68.6	70.5	69.9	74.0	77.9	77.3	76.1	72.9	70.1
14 Total assets/total liabilities and capital.....	1,215.0	1,178.6	1,195.1	1,219.5	1,229.2	1,254.0	1,303.9	1,269.5	1,283.0	1,280.8	1,296.5
15 Deposits.....	965.7	931.5	939.8	956.0	957.2	968.1	1,005.8	979.9	988.2	979.4	986.4
16 Demand.....	374.8	339.0	340.5	351.9	348.7	349.0	382.1	350.8	355.7	343.1	353.8
17 Time and savings.....	591.0	592.5	599.3	604.1	608.5	619.1	623.7	629.1	632.5	635.2	632.7
18 Savings.....	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	216.5	216.6	218.6	217.5
19 Time.....	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	412.7	415.9	417.7	415.2
20 Borrowings.....	106.8	102.6	108.5	112.1	117.8	126.9	136.8	122.3	122.1	125.1	133.8
MEMO ITEMS:											
21 U.S. Treasury note balances included in borrowing.....						7.5	12.4	11.6	3.7	4.7	5.7
22 Number of banks.....	14,698	14,709	14,718	14,723	14,712	14,724	14,712	14,701	14,711	14,716	14,720
Member											
23 Loans and investments.....	699.7	695.8	698.9	706.9	713.4	724.3	739.5	732.5	736.9	741.2	753.1
24 Loans, gross.....	519.6	517.6	520.3	527.0	533.9	544.6	558.3	549.6	553.2	555.5	565.1
25 Interbank.....	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	30.3	30.6	30.7	31.1
26 Other.....	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	519.3	522.6	524.8	534.0
27 U.S. Treasury securities.....	67.4	65.7	65.3	65.4	64.1	63.5	63.6	62.3	63.4	64.1	64.7
28 Other securities.....	112.7	112.5	113.3	114.5	115.3	116.2	117.6	120.4	120.2	121.5	123.2
29 Cash assets, total.....	133.8	104.2	111.2	115.4	118.6	121.3	140.2	119.1	125.4	115.5	119.0
30 Currency and coin.....	8.7	10.8	11.1	11.1	11.1	12.3	12.7	11.2	11.1	11.2	11.5
31 Reserves with Federal Reserve Banks.....	29.6	23.6	29.7	32.6	34.6	32.6	37.7	29.6	29.4	29.9	33.7
32 Balances with depository institutions.....	29.1	24.3	22.9	24.0	23.2	25.1	28.6	25.8	27.0	22.3	24.1
33 Cash items in process of collection.....	66.5	45.4	47.6	47.7	49.7	51.4	61.2	52.5	57.9	52.1	49.7
34 Other assets.....	55.2	57.3	58.4	60.0	59.3	62.9	65.5	65.5	64.2	61.3	58.1
35 Total assets/total liabilities and capital.....	888.7	857.3	868.5	882.2	891.2	908.5	945.2	917.1	926.5	918.0	930.1
36 Deposits.....	694.3	666.1	670.6	679.6	682.5	688.6	716.3	696.6	701.7	687.9	691.8
37 Demand.....	282.7	255.0	256.1	262.3	262.6	262.3	286.8	263.5	267.6	253.2	262.0
38 Time and savings.....	411.5	411.1	414.5	417.2	420.0	426.4	429.5	433.1	434.1	434.5	429.8
39 Savings.....	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	146.5	146.4	147.7	147.1
40 Time.....	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	286.6	287.7	286.8	282.7
41 Borrowings.....	92.1	88.0	93.9	97.2	101.4	108.1	115.9	102.3	104.0	107.1	115.3
MEMO ITEMS:											
42 U.S. Treasury note balances included in borrowing.....						6.3	11.1	9.3	3.0	3.7	4.5
43 Number of banks.....	5,622	5,613	5,610	5,593	5,585	5,586	5,565	5,544	5,532	5,531	5,532

¹ 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.

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: 1977—December, 12; 1979—March, 13.

1.25 COMMERCIAL BANK ASSETS AND LIABILITIES Call-Date Series

Millions of dollars, except for number of banks

Account	1976	1977		1978	1976	1977		1978
	Dec. 31	June 30	Dec. 31	June 30	Dec. 31	June 30	Dec. 31	June 30
	Total insured				National (all insured)			
1 Loans and investments, gross.....	827,696	854,733	914,779	956,431	476,610	488,240	523,000	542,218
Loans								
Gross.....	578,734	601,122	657,509	695,443	340,691	351,311	384,722	403,812
Net.....	560,077	581,143	636,318	672,207	329,971	339,955	372,702	390,630
Investments								
U.S. Treasury securities.....	101,461	100,568	99,333	97,001	55,727	53,345	52,244	50,519
Other.....	147,500	153,042	157,936	163,986	80,191	83,583	86,033	87,886
6 Cash assets.....	129,562	130,726	159,264	157,393	76,072	74,641	92,050	90,728
7 Total assets/total liabilities ¹	1,003,970	1,040,945	1,129,712	1,172,772	583,304	599,743	651,360	671,166
8 Deposits.....	825,003	847,372	922,657	945,874	469,377	476,381	520,167	526,932
Demand								
U.S. government.....	3,022	2,817	7,310	7,956	1,676	1,632	4,172	4,483
Interbank.....	44,064	44,965	49,843	47,203	23,149	22,876	25,646	22,416
Other.....	285,200	284,544	319,873	312,707	163,346	161,358	181,821	176,025
Time and savings								
Interbank.....	8,248	7,721	8,731	8,987	4,907	4,599	5,730	5,791
Other.....	484,467	507,324	536,899	569,020	276,296	285,915	302,795	318,215
14 Borrowings.....	75,291	81,137	89,339	98,351	54,421	57,283	63,218	68,948
15 Total capital accounts.....	72,061	75,502	79,082	83,074	41,319	43,142	44,994	47,019
16 MEMO: Number of banks.....	14,397	14,425	14,397	14,381	4,735	4,701	4,654	4,616
	State member (all insured)				Insured nonmember			
17 Loans and investments, gross.....	144,000	144,597	152,514	157,464	207,085	221,896	239,265	256,749
Loans								
Gross.....	102,277	102,117	110,243	115,736	135,766	147,694	162,543	175,894
Net.....	99,474	99,173	107,205	112,470	130,630	142,015	156,411	169,106
Investments								
U.S. Treasury securities.....	18,849	19,296	18,179	16,886	26,884	27,926	28,909	29,595
Other.....	22,874	23,183	24,091	24,841	44,434	46,275	47,812	51,259
22 Cash assets.....	32,859	35,918	42,305	43,057	20,631	20,166	24,908	23,606
23 Total assets/total liabilities ¹	189,579	195,452	210,442	217,384	231,086	245,748	267,910	284,221
24 Deposits.....	149,491	152,472	163,436	167,403	206,134	218,519	239,053	251,539
Demand								
U.S. government.....	429	371	1,241	1,158	917	813	1,896	2,315
Interbank.....	19,295	20,568	22,346	23,117	1,619	1,520	1,849	1,669
Other.....	52,204	52,570	57,605	55,550	69,648	70,615	80,445	81,131
Time and savings								
Interbank.....	2,384	2,134	2,026	2,275	956	988	973	920
Other.....	75,178	76,827	80,216	85,301	132,993	144,581	153,887	165,502
30 Borrowings.....	17,310	19,697	21,736	23,167	3,559	4,155	4,384	6,235
31 Total capital accounts.....	13,199	13,441	14,182	14,670	17,542	18,919	19,905	21,384
32 MEMO: Number of banks.....	1,023	1,019	1,014	1,005	8,639	8,705	8,729	8,760
	Noninsured nonmember				Total nonmember			
33 Loans and investments, gross.....	18,819	22,940	24,415	28,699	225,904	244,837	263,681	285,448
Loans								
Gross.....	16,336	20,865	22,686	26,747	152,103	168,559	185,230	202,641
Net.....	16,209	20,679	22,484	26,548	146,840	162,694	178,896	195,655
Investments								
U.S. Treasury securities.....	1,054	993	879	869	27,938	28,919	29,788	30,465
Other.....	1,428	1,081	849	1,082	45,863	47,357	48,662	52,341
38 Cash assets.....	6,496	8,330	9,458	9,360	27,127	28,497	34,367	32,967
39 Total assets/total liabilities ¹	26,790	33,390	36,433	42,279	257,877	279,139	304,343	326,501
40 Deposits.....	13,325	14,658	16,844	19,924	219,460	233,177	255,898	271,463
Demand								
U.S. government.....	4	8	10	8	921	822	1,907	2,323
Interbank.....	1,277	1,504	1,868	2,067	2,896	3,025	3,718	3,736
Other.....	3,236	3,588	4,073	4,814	72,884	74,203	84,518	85,946
Time and savings								
Interbank.....	1,041	1,164	1,089	1,203	1,997	2,152	2,063	2,123
Other.....	7,766	8,392	9,802	11,831	140,760	152,974	163,690	177,334
46 Borrowings.....	4,842	7,056	6,908	8,413	8,401	11,212	11,293	14,649
47 Total capital accounts.....	818	893	917	962	18,360	19,812	20,823	22,346
48 MEMO: Number of banks.....	275	293	310	317	8,914	8,998	9,039	9,077

¹ Includes items not shown separately.

For Note see table 1.24.

1.26 COMMERCIAL BANK ASSETS AND LIABILITIES Detailed Balance Sheet, September 30, 1978

Millions of dollars, except for number of banks.

Asset account	Insured commercial banks	Member banks ¹					Non-member banks ¹
		Total	Large banks			All other	
			New York City	City of Chicago	Other large		
1 Cash bank balances, items in process.....	158,380	134,955	43,758	5,298	47,914	37,986	23,482
2 Currency and coin.....	12,135	8,866	867	180	2,918	4,901	3,268
3 Reserves with Federal Reserve Banks.....	28,043	28,041	3,621	1,152	12,200	11,067	3
4 Demand balances with banks in United States.....	41,104	25,982	12,821	543	3,672	8,945	15,177
5 Other balances with banks in United States.....	4,648	2,582	601	15	648	1,319	2,066
6 Balances with banks in foreign countries.....	3,295	2,832	331	288	1,507	705	463
7 Cash items in process of collection.....	69,156	66,652	25,516	3,119	26,969	11,049	2,504
8 Total securities held—Book value.....	262,199	179,877	20,808	7,918	58,271	92,881	82,336
9 U.S. Treasury.....	95,068	65,764	9,524	2,690	22,051	31,499	29,315
10 Other U.S. government agencies.....	40,078	25,457	1,828	1,284	7,730	14,616	14,622
11 States and political subdivisions.....	121,260	85,125	9,166	3,705	27,423	44,831	36,136
12 All other securities.....	5,698	3,465	291	240	1,048	1,887	2,234
13 Unclassified total.....	94	66			19	47	28
14 Trading-account securities.....	6,833	6,681	3,238	708	2,446	290	151
15 U.S. Treasury.....	4,125	4,103	2,407	408	1,210	78	23
16 Other U.S. government agencies.....	825	816	401	82	278	55	9
17 States and political subdivisions.....	1,395	1,381	363	117	794	107	14
18 All other trading account securities.....	394	316	67	101	145	3	78
19 Unclassified.....	94	66			19	47	28
20 Bank investment portfolios.....	255,366	173,196	17,570	7,210	55,825	92,591	82,185
21 U.S. Treasury.....	90,943	61,661	7,117	2,282	20,840	31,422	29,293
22 Other U.S. government agencies.....	39,253	24,641	1,426	1,201	7,452	14,561	14,613
23 States and political subdivisions.....	119,865	83,745	8,803	3,588	26,629	44,724	36,123
24 All other portfolio securities.....	5,305	3,149	224	138	903	1,884	2,156
25 Federal Reserve stock and corporate stock.....	1,656	1,403	311	111	507	475	253
26 Federal funds sold and securities resale agreement.....	41,258	31,999	3,290	1,784	16,498	10,427	9,365
27 Commercial banks.....	34,256	25,272	1,987	1,294	12,274	9,717	9,090
28 Brokers and dealers.....	4,259	4,119	821	396	2,361	541	140
29 Others.....	2,743	2,608	482	94	1,863	169	135
30 Other loans, gross.....	675,915	500,802	79,996	26,172	190,565	204,069	175,113
31 Less: Unearned income on loans.....	17,019	11,355	675	107	3,765	6,809	5,664
32 Reserves for loan loss.....	7,431	5,894	1,347	341	2,256	1,949	1,537
33 Other loans, net.....	651,465	483,553	77,974	25,724	184,544	195,311	167,912
Other loans, gross, by category							
34 Real estate loans.....	203,386	138,730	10,241	2,938	52,687	72,863	64,656
35 Construction and land development.....	25,621	19,100	2,598	685	9,236	6,581	6,521
36 Secured by farmland.....	8,418	3,655	23	34	453	3,146	4,763
37 Secured by residential properties.....	117,176	81,370	5,362	1,559	31,212	43,236	35,806
38 1- to 4-family residences.....	111,674	77,422	4,617	1,460	29,774	41,570	34,252
39 FHA-insured or VA-guaranteed.....	7,503	6,500	508	44	3,446	2,502	1,003
40 Conventional.....	104,171	70,922	4,109	1,417	26,328	39,068	33,249
41 Multifamily residences.....	5,502	3,948	746	99	1,438	1,665	1,554
42 FHA-insured.....	399	340	132	27	88	92	59
43 Conventional.....	5,103	3,609	613	72	1,350	1,573	1,495
44 Secured by other properties.....	52,171	34,605	2,258	660	11,786	19,901	17,566
45 Loans to financial institutions.....	37,072	34,843	12,434	4,342	15,137	2,930	2,228
46 REITs and mortgage companies.....	8,574	8,162	2,066	801	4,616	680	412
47 Domestic commercial banks.....	3,362	2,618	966	165	1,206	281	744
48 Banks in foreign countries.....	7,359	7,187	3,464	268	2,820	635	171
49 Other depository institutions.....	1,579	1,411	290	76	785	261	167
50 Other financial institutions.....	16,198	15,465	5,649	3,033	5,710	1,073	733
51 Loans to security brokers and dealers.....	11,042	10,834	6,465	1,324	2,846	199	207
52 Other loans to purchase or carry securities.....	4,280	3,532	410	276	1,860	985	747
53 Loans to farmers—except real estate.....	28,054	15,296	168	150	3,781	11,196	12,758
54 Commercial and industrial loans.....	213,123	171,815	39,633	13,290	67,833	51,059	41,309
55 Loans to individuals.....	161,599	110,974	7,100	2,562	40,320	60,993	50,624
56 Installment loans.....	131,571	90,568	5,405	1,711	33,640	49,811	41,003
57 Passenger automobiles.....	58,908	37,494	1,077	209	11,626	24,582	21,414
58 Residential repair and modernization.....	8,526	5,543	331	60	2,088	3,064	2,983
59 Credit cards and related plans.....	21,938	19,333	2,268	1,267	9,736	6,062	2,605
60 Charge-account credit cards.....	17,900	16,037	1,573	1,219	8,192	5,053	1,863
61 Check and revolving credit plans.....	4,038	3,296	695	47	1,545	1,009	742
62 Other retail consumer goods.....	19,689	13,296	427	57	5,242	7,570	6,393
63 Mobile homes.....	9,642	6,667	179	19	2,563	3,905	2,976
64 Other.....	10,047	6,629	249	38	2,678	3,664	3,417
65 Other installment loans.....	22,510	14,902	1,302	119	4,948	8,533	7,608
66 Single-payment loans to individuals.....	30,027	20,406	1,694	851	6,680	11,182	9,621
67 All other loans.....	17,360	14,778	3,545	1,290	6,100	3,844	2,582
68 Total loans and securities, net.....	956,579	696,833	102,383	35,536	259,820	299,094	259,867
69 Direct lease financing.....	6,717	6,212	1,145	96	3,931	1,041	505
70 Fixed assets—Buildings, furniture, real estate.....	22,448	16,529	2,332	795	6,268	7,133	5,926
71 Investment in unconsolidated subsidiaries.....	3,255	3,209	1,642	188	1,282	96	46
72 Customer acceptances outstanding.....	16,557	16,036	8,315	1,258	6,054	409	521
73 Other assets.....	34,559	30,408	11,323	1,000	12,810	5,275	4,249
74 Total assets.....	1,198,495	904,182	170,899	44,170	338,079	351,034	294,595

For notes see opposite page.

1.26 Continued

Liability or capital account	Insured commercial banks	Member banks ¹					Non-member banks ¹
		Total	Large banks			All other	
			New York City	City of Chicago	Other large		
75 Demand deposits.....	369,030	282,450	66,035	10,690	100,737	104,988	86,591
76 Mutual savings banks.....	1,282	1,089	527	1	256	305	194
77 Other individuals, partnerships, and corporations.....	279,651	205,591	31,422	7,864	79,429	86,876	74,061
78 U.S. government.....	7,942	5,720	569	188	1,987	2,977	2,222
79 States and political subdivisions.....	17,122	11,577	764	252	3,446	7,116	5,545
80 Foreign governments, central banks, etc.....	1,805	1,728	1,436	19	211	62	77
81 Commercial banks in United States.....	39,596	38,213	21,414	1,807	10,803	4,189	1,393
82 Banks in foreign countries.....	7,379	7,217	5,461	207	1,251	298	162
83 Certified and officers' checks, etc.....	14,253	11,315	4,443	352	3,354	3,166	2,937
84 Time deposits.....	368,562	266,496	38,086	15,954	98,525	113,931	102,066
85 Accumulated for personal loan payments.....	79	66	177	1	1	65	13
86 Mutual savings banks.....	399	392	40	40	148	27	7
87 Other individuals, partnerships, and corporations.....	292,120	210,439	29,209	12,074	76,333	92,824	81,680
88 U.S. government.....	864	689	61	40	356	232	175
89 States and political subdivisions.....	59,087	40,010	1,952	1,554	16,483	20,020	19,077
90 Foreign governments, central banks, etc.....	6,672	6,450	3,780	1,145	1,401	124	222
91 Commercial banks in United States.....	7,961	7,289	2,077	999	3,585	629	672
92 Banks in foreign countries.....	1,381	1,161	829	103	219	9	220
93 Savings deposits.....	223,326	152,249	10,632	2,604	54,825	84,188	71,077
94 Individuals and nonprofit organizations.....	207,701	141,803	9,878	2,448	51,161	78,316	65,897
95 Corporations and other profit organizations.....	11,216	7,672	519	148	3,195	3,809	3,544
96 U.S. government.....	82	65	2	3	24	35	17
97 States and political subdivisions.....	4,298	2,682	215	4	437	2,025	1,616
98 All other.....	30	27	18	*	8	2	3
99 Total deposits.....	960,918	701,195	114,753	29,248	254,087	303,107	259,733
100 Federal funds purchased and securities sold under agreements to repurchase.....	91,981	85,582	21,149	8,777	41,799	13,857	6,398
101 Commercial banks.....	42,174	39,607	6,991	5,235	21,609	5,773	2,566
102 Brokers and dealers.....	12,787	11,849	2,130	1,616	6,381	1,722	939
103 Others.....	37,020	34,126	12,028	1,926	13,809	6,362	2,894
104 Other liabilities for borrowed money.....	8,738	8,352	3,631	306	3,191	1,225	386
105 Mortgage indebtedness.....	1,767	1,455	234	27	701	491	316
106 Bank acceptances outstanding.....	16,661	16,140	8,398	1,260	6,070	412	521
107 Other liabilities.....	27,124	23,883	8,860	1,525	9,020	4,477	3,494
108 Total liabilities.....	1,107,188	836,607	157,026	41,144	314,868	323,569	270,849
109 Subordinated notes and debentures.....	5,767	4,401	1,001	79	2,033	1,287	1,366
110 Equity capital.....	85,540	63,174	12,871	2,947	21,177	26,178	22,380
111 Preferred stock.....	88	36	.....	.....	5	31	52
112 Common stock.....	17,875	12,816	2,645	570	4,007	5,594	5,064
113 Surplus.....	32,341	23,127	4,541	1,404	8,148	9,034	9,217
114 Undivided profits.....	33,517	26,013	5,554	921	8,680	10,858	7,509
115 Other capital reserves.....	1,719	1,182	132	52	337	661	538
116 Total liabilities and equity capital.....	1,198,495	904,182	170,899	44,170	338,079	351,034	294,595
MEMO ITEMS:							
117 Demand deposits adjusted ²	252,337	171,864	18,537	5,576	60,978	86,774	80,472
Average for last 15 or 30 days:							
118 Cash and due from bank.....	146,283	124,916	36,862	6,030	45,731	36,293	21,379
119 Federal funds sold and securities purchased under agreements to resell.....	43,873	33,682	4,272	1,887	16,007	11,517	10,307
120 Total loans.....	651,874	483,316	76,750	25,722	184,790	196,054	168,558
121 Time deposits of \$100,000 or more.....	183,614	150,160	32,196	13,216	65,776	38,972	33,454
122 Total deposits.....	944,593	687,543	107,028	28,922	250,804	300,789	257,062
123 Federal funds purchased and securities sold under agreements to repurchase.....	92,685	86,635	22,896	9,473	40,541	13,725	6,053
124 Other liabilities for borrowed money.....	8,716	8,326	3,679	370	3,211	1,067	390
125 Standby letters of credit outstanding.....	18,820	17,658	10,063	1,477	4,820	1,297	1,162
126 Time deposits of \$100,000 or more.....	186,837	152,553	32,654	13,486	66,684	39,728	34,284
127 Certificates of deposit.....	160,227	129,667	27,950	11,590	56,383	33,743	30,560
128 Other time deposits.....	26,610	22,886	4,704	1,896	10,301	5,985	3,724
129 Number of banks.....	14,390	5,593	12	9	153	5,419	8,810

¹ Member banks exclude and nonmember banks include 13 noninsured trust companies that are members of the Federal Reserve System.

² Demand deposits adjusted are demand deposits other than domestic commercial interbank and U.S. government, 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. Bank data in lesser detail were shown in previous issues of the BULLETIN.

1.27 ALL LARGE WEEKLY REPORTING COMMERCIAL BANKS with Domestic Assets of \$750 Million or More on
December 31, 1977, Assets and Liabilities▲
Millions of dollars, Wednesday figures

Account	1979									
	Feb. 28	Mar. 7	Mar. 14	Mar. 21	Mar. 28	Apr. 4 ^p	Apr. 11 ^p	Apr. 18 ^p	Apr. 25 ^p	
1 Cash items in process of collection.....	49,082	42,944	44,596	40,658	44,700	47,148	46,235	47,102	41,974	
2 Demand deposits due from banks in the United States.....	15,544	12,285	12,534	13,823	12,475	13,764	13,634	13,126	13,602	
3 All other cash and due from depository institutions.....	28,921	24,686	35,290	24,739	28,920	24,409	29,193	30,363	32,555	
4 Total loans and securities.....	455,176	460,266	455,966	461,963	457,323	470,234	465,754	471,328	465,670	
<i>Securities</i>										
5 U.S. Treasury securities.....	36,132	38,380	37,132	37,283	36,939	40,378	40,148	39,958	37,472	
6 Trading account.....	4,410	5,328	4,302	4,438	4,130	7,333	6,446	6,339	5,458	
7 Investment account, by maturity.....	31,722	33,052	32,830	32,845	32,809	33,045	33,702	33,619	32,014	
8 One year or less.....	8,588	9,679	9,651	9,718	9,717	10,760	11,261	11,097	9,788	
9 Over one through five years.....	18,682	19,002	18,890	18,854	18,826	18,025	18,212	18,258	17,936	
10 Over five years.....	4,451	4,371	4,288	4,272	4,267	4,260	4,229	4,264	4,290	
11 Other securities.....	64,617	64,661	65,488	65,121	65,343	64,701	65,371	67,280	66,962	
12 Trading account.....	2,596	2,594	3,133	2,760	2,863	2,891	3,263	3,770	3,194	
13 Investment account.....	62,021	62,067	62,355	62,361	62,480	61,810	62,108	63,510	63,767	
14 U.S. government agencies.....	12,287	12,189	12,436	12,467	12,430	11,957	12,029	12,150	12,349	
15 States and political subdivision, by maturity.....	46,982	47,109	47,153	47,134	47,284	47,066	47,319	48,616	48,672	
16 One year or less.....	7,269	7,578	7,577	7,579	7,625	7,235	7,214	8,371	8,356	
17 Over one year.....	39,713	39,531	39,576	39,555	39,659	39,831	40,105	40,246	40,316	
18 Other bonds, corporate stocks and securities.....	2,752	2,769	2,765	2,759	2,766	2,786	2,760	2,744	2,746	
<i>Loans</i>										
19 Federal funds sold ¹	25,821	28,821	25,736	30,715	25,549	30,690	25,820	27,935	25,656	
20 To commercial banks.....	17,992	17,649	18,195	20,633	17,800	19,159	17,016	18,104	17,320	
21 To nonbank brokers and dealers in securities.....	5,184	7,528	5,093	6,997	5,425	8,393	6,304	6,816	5,693	
22 To others.....	2,645	3,644	2,449	3,085	2,324	3,138	2,500	3,015	2,642	
23 Other loans, gross.....	338,804	338,676	337,923	339,219	339,905	344,844	344,883	346,682	346,171	
24 Commercial and industrial.....	134,097	133,975	134,074	135,071	135,905	137,321	137,706	138,843	138,822	
25 Bankers' acceptances and commercial paper.....	3,678	3,425	3,308	3,159	3,405	3,368	3,135	3,376	2,997	
26 All other.....	130,419	130,550	130,766	131,912	132,500	133,953	134,570	135,467	135,825	
27 U.S. addresses.....	124,194	124,362	124,632	125,710	126,305	127,704	128,328	129,306	129,653	
28 Non-U.S. addressees.....	6,225	6,188	6,134	6,202	6,195	6,248	6,243	6,161	6,172	
29 Real estate.....	82,372	82,582	82,915	83,082	83,289	83,415	83,844	84,151	84,334	
30 To individuals for personal expenditures.....	60,843	60,885	61,007	61,185	61,440	61,745	61,906	62,357	62,807	
31 To financial institutions.....	2,851	2,633	2,886	2,709	2,744	2,937	2,913	2,908	2,679	
32 Commercial banks in the U.S.....	8,073	7,723	8,019	7,670	7,040	7,383	7,601	6,826	6,778	
33 Banks in foreign countries.....										
34 Sales finance, personal finance companies, etc.....	7,934	8,184	8,047	8,057	8,084	8,372	8,712	8,381	8,322	
35 Other financial institutions.....	14,952	15,042	14,782	14,676	14,611	14,881	14,799	14,827	14,778	
36 To nonbank brokers and dealers in securities.....	7,924	8,266	6,982	7,603	7,405	8,935	8,039	8,600	8,443	
37 To others for purchasing and carrying securities ²	2,364	2,380	2,388	2,318	2,326	2,306	2,313	2,308	2,326	
38 To finance agricultural production.....	4,424	4,464	4,507	4,544	4,578	4,600	4,620	4,665	4,667	
39 All other.....	12,971	12,541	12,315	12,303	12,481	12,948	12,431	12,816	12,215	
40 Less: Unearned income.....	5,647	5,684	5,739	5,791	5,834	5,809	5,889	5,941	5,983	
41 Loan loss reserve.....	4,551	4,588	4,574	4,584	4,578	4,569	4,579	4,586	4,607	
42 Other loans, net.....	328,606	328,403	327,610	328,844	329,492	334,465	334,415	336,155	335,580	
43 Lease financing receivables.....	5,554	5,572	5,630	5,654	5,681	5,722	5,720	5,741	5,761	
44 All other assets.....	63,546	62,338	63,075	62,382	60,801	59,697	60,242	58,417	58,272	
44 Total assets.....	617,823	608,090	617,092	609,219	609,900	620,974	620,778	626,078	617,835	
<i>Deposits</i>										
45 Demand deposits.....	180,205	167,876	172,469	168,171	169,110	182,147	181,070	181,112	173,984	
46 Mutual savings banks.....	698	766	692	651	611	892	837	770	715	
47 Individuals, partnerships, and corporations.....	125,848	120,399	124,087	119,885	120,176	126,623	127,663	129,598	124,462	
48 States and political subdivisions.....	5,228	4,303	4,384	4,736	4,355	4,330	4,686	4,628	4,764	
49 U.S. government.....	858	775	886	918	763	3,227	1,656	2,631	1,965	
50 Commercial banks in United States.....	31,659	26,375	28,332	27,662	26,546	30,633	30,159	27,633	26,800	
51 Banks in foreign countries.....	6,565	6,796	6,498	6,742	6,549	6,600	6,452	6,509	6,734	
52 Foreign governments and official institutions.....	1,496	1,168	1,138	1,131	1,182	1,413	1,236	1,245	1,250	
53 Certified and officers' checks.....	7,852	7,293	6,452	6,444	8,927	8,428	8,380	7,739	7,294	
54 Time and savings deposits.....	257,725	257,676	257,564	256,893	256,756	256,047	254,426	251,881	251,506	
55 Savings.....	76,032	76,413	76,254	76,565	76,831	77,784	77,674	77,115	76,680	
56 Individuals and nonprofit organizations.....	70,998	71,331	71,198	71,498	71,745	72,682	72,611	72,084	71,659	
57 Partnerships and corporations operated for profit.....	4,167	4,202	4,178	4,176	4,231	4,215	4,202	4,118	4,142	
58 Domestic governmental units.....	845	856	859	859	833	865	834	891	863	
59 All other.....	23	25	20	32	23	22	27	22	17	
60 Time.....	181,693	181,263	181,309	180,328	179,925	178,263	176,752	174,766	174,825	
61 Individuals, partnerships, and corporations.....	142,704	142,458	142,494	141,580	141,430	140,501	139,639	138,269	138,416	
62 States and political subdivisions.....	24,302	24,070	24,116	24,062	23,887	23,475	23,245	23,066	23,178	
63 U.S. government.....	487	492	510	488	476	474	480	478	496	
64 Commercial banks in United States.....	7,394	7,438	7,379	7,389	7,270	7,006	6,736	6,534	6,408	
65 Foreign governments, official institutions, and banks.....	6,806	6,805	6,810	6,808	6,862	6,806	6,652	6,418	6,327	
66 Federal funds purchased ³	77,056	81,379	86,598	79,081	81,065	82,423	86,344	87,770	87,648	
<i>Other liabilities for borrowed money</i>										
67 Borrowings from Federal Reserve Banks.....	816	1,490	731	1,104	838	220	87	2,597	940	
68 Treasury tax-and-loan notes.....	1,954	1,253	314	5,016	2,224	492	214	4,214	3,208	
69 All other liabilities for borrowed money.....	11,571	9,639	10,996	9,848	9,664	10,051	10,165	9,793	10,189	
70 Other liabilities and subordinated note and debentures.....	46,502	46,869	46,378	47,279	48,241	47,390	46,162	46,495	48,147	
71 Total liabilities.....	575,828	566,183	575,050	567,392	567,900	578,770	578,468	583,863	575,623	
72 Residual (total assets minus total liabilities) ⁴	41,995	41,908	42,042	41,827	42,000	42,204	42,311	42,215	42,212	

¹ Includes securities purchased under agreements to resell.

² Other than financial institutions and brokers and dealers.

³ Includes securities sold under agreements to repurchase.

⁴ This is not a measure of equity capital for use in capital adequacy analysis or for other analytic uses.

▲ See "Announcements," p. 408, for information on availability of revised back data.

1.28 LARGE WEEKLY REPORTING COMMERCIAL BANKS with Domestic Assets of \$1 Billion or More on
December 31, 1977 Assets and Liabilities▲
Millions of dollars, Wednesday figures

Account	1979								
	Feb. 28	Mar. 7	Mar. 14	Mar. 21	Mar. 28	Apr. 4 ^p	Apr. 11 ^p	Apr. 18 ^p	Apr. 25 ^p
1 Cash items in process of collection.....	46,746	40,846	42,498	38,606	42,734	44,831	44,110	44,699	39,607
2 Demand deposits due from banks in the United States.....	14,779	11,669	11,917	13,154	11,821	12,927	12,894	12,526	12,929
3 All other cash and due from depository institutions.....	27,024	23,211	33,417	23,235	27,158	23,002	27,513	28,797	30,673
4 Total loans and securities.....	425,920	430,578	426,347	431,982	427,846	440,205	435,700	440,857	435,780
<i>Securities</i>									
5 U.S. Treasury securities.....	33,725	35,943	34,708	34,834	34,488	37,901	37,615	37,389	34,995
6 Trading account.....	4,355	5,266	4,264	4,388	4,076	7,271	6,376	6,249	5,425
7 Investment account, by maturity.....	29,370	30,677	30,443	30,446	30,411	30,629	31,239	31,140	29,570
8 One year or less.....	7,975	9,049	9,013	9,092	9,099	10,106	10,603	10,440	9,154
9 Over one through five years.....	17,275	17,588	17,463	17,402	17,368	16,574	16,718	16,750	16,444
10 Over five years.....	4,119	4,040	3,968	3,952	3,944	3,949	3,918	3,950	3,973
11 Other securities.....	59,693	59,757	60,553	60,190	60,393	59,838	60,510	62,314	61,962
12 Trading account.....	2,547	2,547	3,076	2,702	2,808	2,807	3,193	3,703	3,130
13 Investment account.....	57,145	57,210	57,477	57,488	57,585	57,032	57,317	58,611	58,832
14 U.S. government agencies.....	11,434	11,348	11,589	11,613	11,576	11,128	11,190	11,300	11,487
15 States and political subdivisions, by maturity.....	43,188	43,321	43,352	43,333	43,460	43,335	43,587	44,784	44,820
16 One year or less.....	6,683	6,902	6,890	6,884	6,926	6,650	6,629	7,702	7,674
17 Over one year.....	36,505	36,419	36,462	36,449	36,535	36,685	36,958	37,083	37,146
18 Other bonds, corporate stocks and securities.....	2,523	2,540	2,536	2,541	2,548	2,568	2,540	2,527	2,524
<i>Loans</i>									
19 Federal funds sold ¹	24,058	26,634	23,664	28,421	23,750	28,346	23,541	25,544	23,808
20 To commercial banks.....	16,468	15,716	16,371	18,656	16,228	17,103	15,072	15,954	15,738
21 To nonbank brokers and dealers in securities.....	4,977	7,297	4,867	6,783	5,229	8,126	5,989	6,602	5,449
22 To others.....	2,613	3,621	2,426	2,982	2,294	3,118	2,479	2,988	2,622
23 Other loans, gross.....	317,888	317,757	316,969	318,144	318,856	323,728	323,726	325,353	324,819
24 Commercial and industrial.....	127,175	127,076	127,137	128,028	128,876	130,301	130,618	131,660	131,631
25 Bankers' acceptances and commercial paper.....	3,609	3,360	3,246	3,088	3,340	3,312	3,080	3,317	2,941
26 All other.....	123,566	123,716	123,891	124,940	125,536	126,989	127,537	128,342	128,690
27 U.S. addresses.....	117,390	117,578	117,810	118,792	119,394	120,795	121,348	122,235	122,571
28 Non-U.S. addressees.....	6,175	6,138	6,081	6,148	6,142	6,194	6,189	6,107	6,119
29 Real estate.....	77,175	77,384	77,700	77,858	78,048	78,184	78,887	79,075	79,075
30 To individuals for personal expenditures.....	54,179	54,210	54,309	54,465	54,716	54,964	55,105	55,510	55,937
31 To financial institutions.....	2,749	2,544	2,796	2,625	2,657	2,854	2,833	2,824	2,602
32 Commercial banks in the U.S.....	7,989	7,650	7,935	7,597	6,972	7,323	7,530	6,766	6,728
33 Banks in foreign countries.....	7,782	8,031	7,903	7,902	7,918	8,197	8,520	8,187	8,127
34 Sales finance, personal finance companies, etc.....	14,445	14,528	14,284	14,212	14,167	14,428	14,358	14,389	14,332
35 To nonbank brokers and dealers in securities.....	7,836	8,172	6,897	7,513	7,310	8,842	7,959	8,514	8,358
36 To others for purchasing and carrying securities ²	2,069	2,090	2,107	2,045	2,045	2,064	2,076	2,075	2,093
37 To finance agricultural production.....	4,281	4,321	4,362	4,396	4,430	4,449	4,470	4,516	4,514
38 All other.....	12,209	11,751	11,541	11,502	11,718	12,120	11,649	12,026	11,422
39 Less: Unearned income.....	5,162	5,196	5,245	5,293	5,334	5,310	5,384	5,430	5,469
40 Loan loss reserve.....	4,281	4,317	4,302	4,313	4,307	4,298	4,307	4,314	4,336
41 Other loans, net.....	308,444	308,245	307,422	308,537	309,215	314,120	314,034	315,610	315,015
42 Lease financing receivables.....	5,396	5,411	5,469	5,493	5,519	5,559	5,557	5,578	5,597
43 All other assets.....	62,011	60,864	61,607	60,919	59,309	58,213	58,730	56,928	56,769
44 Total assets.....	581,877	572,579	581,256	573,391	574,385	584,738	584,504	589,384	581,355
<i>Deposits</i>									
45 Demand deposits.....	169,524	157,567	161,946	157,911	159,015	171,164	170,228	169,821	163,002
46 Mutual savings banks.....	665	712	666	628	584	854	811	748	692
47 Individuals, partnerships, and corporations.....	117,655	112,470	115,773	112,038	112,297	118,270	119,193	121,140	115,993
48 States and political subdivisions.....	4,594	3,784	3,812	3,969	3,688	3,782	4,146	4,076	4,126
49 U.S. government.....	748	592	808	819	688	2,983	1,513	2,324	1,655
50 Commercial banks in United States.....	30,281	25,072	27,101	26,425	25,389	29,190	28,826	26,383	25,584
51 Banks in foreign countries.....	6,489	6,738	6,434	6,687	6,491	6,543	6,386	6,444	6,678
52 Foreign governments and official institutions.....	1,494	1,154	1,134	1,130	1,180	1,411	1,233	1,243	1,232
53 Certified and officers' checks.....	7,599	7,045	6,216	6,215	8,698	8,131	8,120	7,462	7,043
54 Time and savings deposits.....	240,754	240,672	240,477	239,790	239,714	239,027	237,376	234,934	234,566
55 Savings.....	70,479	70,818	70,652	70,942	71,226	72,134	72,026	71,508	71,102
56 Individuals and nonprofit organizations.....	65,831	66,147	66,022	66,293	66,548	67,422	67,369	66,864	66,467
57 Partnerships and corporations operated for profit.....	3,855	3,886	3,865	3,868	3,920	3,905	3,891	3,816	3,835
58 Domestic governmental units.....	771	760	746	750	736	786	740	806	784
59 All other.....	22	24	19	31	22	20	26	21	16
60 Time.....	170,275	169,854	169,825	168,848	168,489	166,894	165,350	163,426	163,464
61 Individuals, partnerships, and corporations.....	133,766	133,511	133,494	132,575	132,436	131,589	130,693	129,355	129,476
62 States and political subdivisions.....	22,135	21,917	21,940	21,880	21,738	21,307	21,071	20,921	21,037
63 U.S. government.....	482	487	505	483	470	468	475	472	491
64 Commercial banks in United States.....	7,103	7,151	7,092	7,116	6,997	6,736	6,474	6,272	6,147
65 Foreign governments, official institutions, and banks.....	6,790	6,788	6,794	6,794	6,847	6,793	6,638	6,405	6,313
66 Federal funds purchased ³	73,042	77,354	82,574	75,106	76,971	78,300	82,103	83,703	83,428
67 Other liabilities for borrowed money.....	703	1,478	675	1,066	767	195	87	2,589	934
68 Treasury tax-and-loan notes.....	1,816	1,154	273	4,667	2,066	463	189	3,969	2,925
69 All other liabilities for borrowed money.....	11,276	9,272	10,653	9,497	9,346	9,712	9,826	9,340	9,828
70 Other liabilities and subordinated note and debentures.....	45,346	45,774	45,226	46,123	47,129	46,286	45,020	45,442	47,079
71 Total liabilities.....	542,460	533,271	541,824	534,161	535,009	545,148	544,829	549,797	541,763
72 Residual (total assets minus total liabilities) ⁴	39,416	39,308	39,432	39,230	39,376	39,590	39,675	39,587	39,592

¹ Includes securities purchased under agreements to resell.

² Other than financial institutions and brokers and dealers.

³ Includes securities sold under agreements to repurchase.

⁴ This is not a measure of equity capital for use in capital adequacy analysis or for other analytic uses.

▲ See "Announcements," p. 408, for information on availability of revised back data.

1.29 LARGE WEEKLY REPORTING COMMERCIAL BANKS IN NEW YORK CITY Assets and Liabilities▲

Millions of dollars, Wednesday figures

Account	1979								
	Feb. 28	Mar. 7	Mar. 14	Mar. 21	Mar. 28	Apr. 4 ^p	Apr. 11 ^p	Apr. 18 ^p	Apr. 25 ^p
1 Cash items in process of collection.....	18,084	15,648	15,851	13,768	18,038	17,040	17,205	15,841	14,443
2 Demand deposits due from banks in the United States.....	9,662	7,609	7,737	9,008	7,824	8,342	8,575	7,909	8,652
3 All other cash and due from depository institutions.....	5,999	5,921	8,164	5,618	6,503	4,716	7,046	6,450	5,405
4 Total loans and securities ¹	97,452	98,095	97,209	100,060	97,294	100,950	98,916	100,291	99,152
Securities									
5 U.S. Treasury securities ²									
6 Trading account ²									
7 Investment account, by maturity.....	6,604	7,233	6,956	7,003	7,004	7,077	7,157	7,035	6,611
8 One year or less.....	932	1,121	1,059	1,135	1,117	1,584	1,563	1,401	1,189
9 Over one through five years.....	4,659	5,149	4,969	4,939	4,970	4,556	4,660	4,682	4,463
10 Over five years.....	1,013	963	928	928	917	937	934	952	958
11 Other securities ²									
12 Trading account ²									
13 Investment account.....	11,012	11,145	11,031	11,021	11,066	10,895	10,891	11,335	11,272
14 U.S. government agencies.....	1,413	1,513	1,453	1,396	1,390	1,343	1,353	1,388	1,372
15 States and political subdivisions, by maturity.....	9,037	9,078	9,030	9,079	9,126	9,001	8,995	9,421	9,373
16 One year or less.....	1,464	1,492	1,470	1,528	1,558	1,461	1,432	1,879	1,820
17 Over one year.....	7,573	7,587	7,561	7,551	7,568	7,540	7,562	7,542	7,552
18 Other bonds, corporate stocks and securities	561	553	548	546	549	551	543	526	527
Loans									
19 Federal funds sold ³	6,483	6,348	6,458	9,367	6,618	7,549	5,626	6,881	6,518
20 To commercial banks.....	3,922	2,476	3,790	6,420	3,976	3,783	2,965	4,169	3,252
21 To nonbank brokers and dealers in securities.....	1,689	2,763	1,818	2,245	1,995	3,044	1,987	2,140	2,192
22 To others.....	872	1,109	850	701	647	721	674	572	1,074
23 Other loans, gross.....	75,423	75,459	74,854	74,763	74,713	77,525	77,348	77,152	76,878
24 Commercial and industrial.....	38,287	38,340	38,273	38,279	38,460	39,267	39,285	39,476	39,505
25 Bankers' acceptances and commercial paper.....	950	925	908	822	900	1,109	960	970	883
26 All other.....	37,337	37,415	37,364	37,457	37,560	38,158	38,326	38,506	38,622
27 U.S. addressees.....	35,076	35,168	35,128	35,224	35,331	35,909	36,070	36,279	36,396
28 Non-U.S. addressees.....	2,261	2,247	2,237	2,233	2,229	2,249	2,256	2,227	2,225
29 Real estate.....	10,377	10,404	10,464	10,477	10,504	10,508	10,545	10,576	10,591
30 To individuals for personal expenditures.....	7,264	7,290	7,305	7,319	7,344	7,372	7,394	7,433	7,481
To financial institutions									
31 Commercial banks in the U.S.....	953	965	1,219	964	974	974	1,002	956	885
32 Banks in foreign countries.....	3,548	3,421	3,732	3,517	3,147	3,641	3,909	3,213	3,268
33 Sales finance, personal finance companies, etc.....	3,064	3,230	3,160	3,117	3,081	3,238	3,416	3,232	3,067
34 Other financial institutions.....	4,373	4,315	4,096	4,119	4,130	4,232	4,143	4,181	4,167
35 To nonbank brokers and dealers in securities.....	4,221	4,354	3,477	3,888	3,915	4,983	4,505	4,838	4,844
36 To others for purchasing and carrying securities ⁴	432	430	421	353	355	353	354	357	356
37 To finance agricultural production.....	206	209	223	236	227	236	230	244	242
38 All other.....	2,695	2,500	2,485	2,492	2,575	2,722	2,564	2,646	2,472
39 Less: Unearned income.....	660	667	674	679	689	684	691	696	705
40 Loan loss reserve.....	1,410	1,423	1,417	1,414	1,417	1,412	1,415	1,415	1,422
41 Other loans, net.....	73,354	73,369	72,764	72,669	72,607	75,429	75,241	75,040	74,751
42 Lease financing receivables.....	499	500	529	529	531	530	536	537	533
43 All other assets ⁵	32,157	32,012	33,071	32,482	31,261	32,742	32,263	31,257	31,895
44 Total assets.....	163,854	159,784	162,561	161,465	161,451	164,320	164,541	162,286	160,080
Deposits									
45 Demand deposits.....	58,556	51,369	53,254	53,823	53,955	56,728	57,037	53,396	52,646
46 Mutual savings banks.....	381	399	392	352	313	509	497	409	392
47 Individuals, partnerships, and corporations.....	29,600	26,755	27,885	28,302	27,799	28,602	28,632	28,090	27,187
48 States and political subdivisions.....	412	365	384	508	382	385	422	441	376
49 U.S. government.....	102	92	134	113	102	794	401	559	491
50 Commercial banks in United States.....	18,552	14,188	16,295	15,782	14,490	16,496	17,116	14,450	14,791
51 Banks in foreign countries.....	4,662	5,035	4,653	5,056	4,872	4,866	4,677	4,906	5,037
52 Foreign governments and official institutions.....	1,255	870	832	890	933	1,205	982	1,014	1,021
53 Certified and officers' checks.....	3,593	3,664	2,679	2,820	5,064	3,871	4,309	3,485	3,351
54 Time and savings deposits.....	49,881	49,672	49,677	49,306	48,447	47,830	47,054	46,200	45,563
55 Savings.....	9,548	9,617	9,617	9,686	9,767	9,952	9,963	9,988	9,964
56 Individuals and nonprofit organizations.....	8,913	8,983	8,993	9,042	9,129	9,308	9,334	9,328	9,309
57 Partnerships and corporations operated for profit.....	440	440	435	446	448	447	443	443	444
58 Domestic governmental units.....	184	178	178	174	178	185	169	204	203
59 All other.....	12	16	10	23	12	12	17	14	7
60 Time.....	40,333	40,055	40,061	39,621	38,680	37,878	37,091	36,212	35,599
61 Individuals, partnerships, and corporations.....	31,071	30,813	30,861	30,460	29,738	29,179	28,703	28,164	27,728
62 States and political subdivisions.....	1,877	1,868	1,844	1,852	1,765	1,670	1,640	1,633	1,638
63 U.S. government.....	23	28	40	43	43	48	52	48	46
64 Commercial banks in U.S.....	3,274	3,274	3,194	3,179	3,060	2,876	2,729	2,584	2,456
65 Foreign governments, official institutions, and banks.....	4,087	4,072	4,121	4,087	4,074	4,105	3,967	3,783	3,731
66 Federal funds purchased ⁶	19,291	22,385	24,328	21,342	22,398	23,610	24,615	24,780	25,205
Other liabilities for borrowed money									
67 Borrowings from Federal Reserve Banks.....		490	155	279	386			1,225	75
68 Treasury tax-and-loan notes.....	411	210	2	1,264	498		2	991	486
69 All other liabilities for borrowed money.....	4,049	3,990	3,985	3,869	3,766	4,063	4,309	4,226	4,388
70 Other liabilities and subordinated note and debentures.....	18,777	18,890	18,217	18,776	19,248	19,250	18,653	18,655	18,936
71 Total liabilities.....	150,966	147,006	149,619	148,660	148,698	151,482	151,670	149,472	147,300
72 Residual (total assets minus total liabilities) ⁷ ..	12,889	12,779	12,943	12,806	12,752	12,839	12,871	12,814	12,780

¹ Excludes trading account securities.² Not available due to confidentiality.³ Includes securities purchased under agreements to resell.⁴ Other than financial institutions and brokers and dealers.⁵ Includes trading account securities.⁶ Includes securities sold under agreements to repurchase.⁷ This is not a measure of equity capital for use in capital adequacy analysis or for other analytic uses.

▲ See "Announcements," p. 408, for information on availability of revised back data.

1.30 LARGE WEEKLY REPORTING COMMERCIAL BANKS Balance Sheet Memoranda

Millions of dollars, Wednesday figures

Account	1979								
	Feb. 28	Mar. 7	Mar. 14	Mar. 21	Mar. 28	Apr. 4 ^p	Apr. 11 ^p	Apr. 18 ^p	Apr. 25 ^p
Large weekly reporting banks with assets of \$750 million or more									
1 Total loans (gross) and investments adjusted ¹ ...	444,532	450,256	445,198	448,996	447,191	458,516	456,293	460,843	456,261
2 Total loans (gross) adjusted ¹	343,782	347,215	342,578	346,592	344,909	353,438	350,774	353,605	351,827
3 Demand deposits adjusted ²	98,606	97,782	98,654	98,932	97,101	101,139	103,020	103,746	103,244
4 Time deposits in accounts of \$100,000 or more.	130,790	130,190	129,947	128,710	128,274	126,393	124,608	122,207	121,796
5 Negotiable CDs.....	94,714	94,244	93,767	92,697	92,361	90,979	89,576	87,503	86,870
6 Other time deposits.....	36,076	35,946	36,180	36,013	35,913	35,413	35,032	34,704	34,926
7 Loans sold outright to affiliates ³	3,540	3,491	3,474	3,504	3,631	3,587	3,632	3,594	3,648
8 Commercial and industrial.....	2,489	2,496	2,467	2,498	2,594	2,550	2,618	2,586	2,638
9 Other.....	1,050	995	1,007	1,006	1,037	1,036	1,014	1,008	1,010
Large weekly reporting banks with assets of \$1 billion or more									
10 Total loans (gross) and investments adjusted ¹ ...	416,147	421,831	416,727	420,308	418,603	429,857	427,486	431,822	427,245
11 Total loans (gross) adjusted ¹	322,729	326,132	321,466	325,284	323,722	332,117	329,361	332,120	330,288
12 Demand deposits adjusted ²	91,749	91,056	91,538	92,061	90,205	94,160	95,779	96,414	96,155
13 Time deposits in accounts of \$100,000 or more.	123,119	122,558	122,258	121,036	120,638	118,877	117,074	114,765	114,437
14 Negotiable CDs.....	89,983	89,519	89,015	87,952	87,608	86,294	84,735	82,712	82,099
15 Other time deposits.....	33,136	33,039	33,244	33,084	33,029	32,583	32,339	32,053	32,338
16 Loans sold outright to affiliates ³	3,498	3,453	3,435	3,463	3,590	3,546	3,583	3,544	3,599
17 Commercial and industrial.....	2,471	2,480	2,452	2,482	2,577	2,535	2,595	2,565	2,617
18 Other.....	1,027	973	983	981	1,013	1,011	988	980	982
Large weekly reporting banks in New York City									
19 Total loans (gross) and investments adjusted ^{1,4} .	94,646	96,745	94,292	94,768	94,450	98,289	97,055	97,278	97,142
20 Total loans (gross) adjusted ¹	77,030	78,366	76,305	76,744	76,381	80,317	79,007	78,908	79,259
21 Demand deposits adjusted ²	21,817	21,440	20,974	24,160	21,326	22,398	22,314	22,505	22,922
22 Time deposits in accounts of \$100,000 or more.	35,191	34,886	34,810	34,351	33,438	32,512	31,674	30,731	30,100
23 Negotiable CDs.....	27,683	27,373	27,248	26,874	26,062	25,202	24,425	23,548	22,906
24 Other time deposits.....	7,508	7,513	7,562	7,477	7,376	7,310	7,249	7,184	7,194

¹ Exclusive of loans and federal funds transactions with domestic commercial banks.² All demand deposits except U.S. government and domestic banks less cash items in process of collection.³ 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.⁴ Excludes trading account securities.

1.31 LARGE WEEKLY REPORTING COMMERCIAL BANKS Domestic Classified Commercial and Industrial Loans

Millions of dollars

Industry classification	Outstanding					Net change during—				
	1978	1979				1978	1979	1979		
	Dec. 27	Jan. 31	Feb. 28*	Mar. 28*	Apr. 25	Q4	Q1*	Feb.	Mar.	Apr.
1 Durable goods manufacturing	18,004	17,786	18,814	19,479	20,600	365	1,475	1,028	665	1,121
2 Nondurable goods manufacturing	17,216	16,474	16,814	17,452	17,570	213	236	339	638	118
3 Food, liquor, and tobacco	4,936	4,620	4,685	4,812	4,766	686	-124	64	127	-46
4 Textiles, apparel, and leather	3,726	3,788	3,943	4,189	4,323	-624	463	156	246	134
5 Petroleum refining	2,643	2,370	2,352	2,273	2,112	153	-370	-18	-79	-160
6 Chemicals and rubber	3,540	3,285	3,383	3,506	3,603	88	-34	98	124	97
7 Other nondurable goods	2,371	2,411	2,451	2,671	2,766	-89	300	40	220	94
8 Mining (including crude petroleum and natural gas)	10,652	10,038	9,982	10,143	10,376	200	-509	-56	160	233
9 Trade	19,964	21,136	21,484	22,476	22,961	817	2,512	347	992	485
10 Commodity dealers	1,963	1,982	1,946	1,892	1,815	227	-71	-36	-54	-78
11 Other wholesale	9,436	10,157	10,399	10,966	11,265	277	1,530	242	566	300
12 Retail	8,565	8,997	9,138	9,618	9,881	312	1,053	141	480	263
13 Transportation, communication, and other public utilities	13,411	13,543	13,834	13,986	14,397	1,086	575	292	151	411
14 Transportation	5,641	5,798	6,031	6,203	6,255	74	562	232	172	53
15 Communication	1,797	1,753	1,830	1,845	1,881	83	48	76	16	35
16 Other public utilities	5,973	5,991	5,974	5,938	6,261	930	-35	-17	-36	323
17 Construction	5,207	5,113	5,077	5,399	5,503	-25	192	-36	322	104
18 Services	14,957	15,478	15,610	15,914	16,344	982	957	132	304	431
19 All other ¹	16,908	15,592	15,775	14,545	14,818	-409	-2,363	183	-1,230	273
20 Total domestic loans	116,319	115,161	117,390	119,394	122,570	3,229	3,075	2,229	2,003	3,176
21 MEMO: Term loans (original maturity more than 1 year) included in domestic loans	55,273	57,709	58,700	60,014	61,389	1,718	4,741	991	1,314	1,375

¹ Includes commercial and industrial loans at a few banks with assets of \$1 billion or more that do not classify their loans.

with domestic assets of \$1 billion or more as of December 31, 1977 are included in this series. The revised series is on a last-Wednesday-of-the-month basis.

NOTE. New series. The 134 large weekly reporting commercial banks

1.32 GROSS DEMAND DEPOSITS of Individuals, Partnerships, and Corporations

Billions of dollars, estimated daily-average balances

Type of holder	At commercial banks									
	1974 Dec.	1975 Dec.	1976 Dec.	1977			1978			
				June	Sept.	Dec.	Mar.	June	Sept.	Dec.
1 All holders, individuals, partnerships, and corporations.....	225.0	236.9	250.1	253.8	252.7	274.4	262.5	271.2	278.8	294.6
2 Financial business.....	19.0	20.1	22.3	25.9	23.7	25.0	24.5	25.7	25.9	27.8
3 Nonfinancial business.....	118.8	125.1	130.2	129.2	128.5	142.9	131.5	137.7	142.5	152.7
4 Consumer.....	73.3	78.0	82.6	84.1	86.2	91.0	91.8	92.9	95.0	97.4
5 Foreign.....	2.3	2.4	2.7	2.5	2.5	2.5	2.4	2.4	2.5	2.7
6 Other.....	11.7	11.3	12.4	12.2	11.8	12.9	12.3	12.4	13.1	14.1
	At weekly reporting banks									
	1975 Dec.	1976 Dec.	1977 Dec.	1978						
				June	July	Aug.	Sept.	Oct.	Nov.	Dec.
7 All holders, individuals, partnerships, and corporations.....	124.4	128.5	139.1	136.9	139.9	137.7	139.7	141.3	142.7	147.0
8 Financial business.....	15.6	17.5	18.5	19.0	19.4	19.4	18.9	19.1	19.3	19.8
9 Nonfinancial business.....	69.9	69.7	76.3	71.9	73.7	72.0	74.1	75.0	75.7	79.0
10 Consumer.....	29.9	31.7	34.6	36.6	37.1	36.8	37.1	37.5	37.7	38.2
11 Foreign.....	2.3	2.6	2.4	2.3	2.3	2.4	2.4	2.5	2.5	2.5
12 Other.....	6.6	7.1	7.4	7.1	7.3	7.1	7.3	7.2	7.5	7.5

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.	1978				1979		
				Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
Commercial paper (seasonally adjusted)										
1 All issuers.....	48,471	52,971	65,101	77,021	77,734	80,679	83,665	85,226	87,358	90,796
Financial companies ¹										
Dealer-placed paper ²										
2 Total.....	6,212	7,261	8,884	11,429	10,949	11,487	12,296	12,915	13,419	14,247
3 Bank-related.....	1,762	1,900	2,132	2,622	2,868	3,231	3,521	4,413	3,969	3,793
Directly-placed paper ³										
4 Total.....	31,404	32,511	40,484	47,760	48,460	50,093	51,630	52,880	54,586	55,653
5 Bank-related.....	6,892	5,959	7,102	10,383	10,925	11,478	12,314	12,191	12,166	12,642
6 Nonfinancial companies ⁴	10,855	13,199	15,733	17,832	18,325	19,099	19,739	19,431	19,353	20,896
Dollar acceptances (not seasonally adjusted)										
7 Total.....	18,727	22,523	25,450	27,952	30,579	32,145	33,700	33,749	34,337	34,617
Held by										
8 Accepting banks.....	7,333	10,442	10,434	7,647	8,379	8,082	8,579	7,339	7,715	7,645
9 Own bills.....	5,899	8,769	8,915	6,461	7,012	6,840	7,653	6,214	6,708	6,535
10 Bills bought.....	1,435	1,673	1,519	1,186	1,366	1,243	927	1,125	1,007	1,110
Federal Reserve Banks										
11 Own account.....	1,126	991	954	1	.....	.....	1	.....	.....	.....
12 Foreign correspondents.....	293	375	362	556	557	585	664	765	750	743
13 Others.....	9,975	10,715	13,904	19,748	21,644	23,478	24,456	25,646	25,829	26,179
Based on										
14 Imports into United States.....	3,726	4,992	6,378	7,957	8,575	8,675	8,574	8,869	9,114	9,281
15 Exports from United States.....	4,001	4,818	5,863	6,350	6,665	7,224	7,586	7,762	7,858	8,104
16 All other.....	11,000	12,713	13,209	13,644	15,339	16,245	17,540	17,118	17,365	17,232

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

Percent per annum

Effective date	Rate	Effective date	Rate	Month	Average rate	Month	Average rate
1978—Jan. 10.....	8	1978—Sept. 15.....	9½	1977—Aug.....	6.83	1978—July.....	9.00
May 5.....	8¼	28.....	9¾	Sept.....	7.13	Aug.....	9.01
26.....	8½	Oct. 13.....	10	Oct.....	7.52	Sept.....	9.41
June 16.....	8¾	27.....	10¼	Nov.....	7.75	Oct.....	9.94
30.....	9	Nov. 1.....	10½	Dec.....	7.75	Nov.....	10.94
Aug. 31.....	9¼	6.....	10¾	1978—Jan.....	7.93	Dec.....	11.55
		17.....	11	Feb.....	8.00	1979—Jan.....	11.75
		24.....	11½	Mar.....	8.00	Feb.....	11.75
		Dec. 26.....	11¾	Apr.....	8.00	Mar.....	11.75
				May.....	8.27	Apr.....	11.75
				June.....	8.63		

1.35 TERMS OF LENDING AT COMMERCIAL BANKS Survey of Loans Made, February 5–10, 1979

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).....	6,849,553	764,236	572,350	582,423	1,571,248	639,108	2,720,187
2 Number of loans.....	144,174	106,536	17,073	9,420	8,982	1,025	1,137
3 Weighted-average maturity (months).....	3.2	3.3	3.3	3.7	3.3	3.3	2.8
4 Weighted-average interest rate (percent per annum).....	12.27	12.14	12.01	12.83	12.55	12.63	11.99
5 Interquartile range ¹	11.51-13.10	10.47-13.52	10.75-13.25	11.75-14.20	11.89-13.37	12.00-13.28	11.50-12.45
Percentage of amount of loans:							
6 With floating rate.....	50.1	29.0	39.6	36.8	45.9	56.9	61.8
7 Made under commitment.....	46.4	20.3	24.1	37.5	47.6	55.3	57.5
Long-term commercial and industrial loans							
8 Amount of loans (thousands of dollars).....	1,081,529	242,097		205,214		96,688	537,530
9 Number of loans.....	16,416	14,943		1,111		154	207
10 Weighted-average maturity (months).....	47.6	36.7		51.0		57.2	49.6
11 Weighted-average interest rate (percent per annum).....	12.01	11.83		12.25		11.93	12.02
12 Interquartile range ¹	11.50-13.15	10.47-13.16		11.57-13.15		11.75-12.50	11.50-13.25
Percentage of amount of loans:							
13 With floating rate.....	61.7	25.8		52.5		71.4	79.6
14 Made under commitment.....	55.4	29.3		41.9		61.0	71.2
Construction and land development loans							
15 Amount of loans (thousands of dollars).....	591,415	94,199	63,486	93,408	122,193	218,129	
16 Number of loans.....	15,222	11,013	1,918	1,520	639	133	
17 Weighted-average maturity (months).....	7.8	8.4	5.4	2.8	7.8	10.4	
18 Weighted-average interest rate (percent per annum).....	11.79	11.22	12.15	12.00	12.43	11.48	
19 Interquartile range ¹	10.21-13.37	10.00-12.55	10.16-13.69	10.50-12.68	11.05-13.75	9.95-13.00	
Percentage of amount of loans:							
20 With floating rate.....	44.2	22.6	24.8	20.2	53.8	64.1	
21 Secured by real estate.....	92.4	84.1	92.9	97.4	93.8	92.9	
22 Made under commitment.....	59.3	49.1	48.1	71.7	56.3	63.2	
23 Type of construction: 1- to 4-family.....	40.9	62.0	80.1	82.3	38.4	4.1	
24 Multifamily.....	15.8	2.9	3.3	4.0	16.7	29.6	
25 Nonresidential.....	43.2	35.2	16.5	13.7	44.9	66.2	
	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).....	968,124	154,312	159,679	154,817	166,626	137,522	195,168
27 Number of loans.....	62,545	43,081	11,189	4,553	2,411	996	315
28 Weighted-average maturity (months).....	7.8	8.4	10.7	8.0	8.0	6.1	5.1
29 Weighted-average interest rate (percent per annum).....	11.01	10.34	10.40	10.37	10.69	11.69	12.33
30 Interquartile range ¹	10.00-11.83	9.50-11.00	9.73-11.00	9.61-11.00	10.00-11.00	11.00-12.49	11.00-13.50
By purpose of loan:							
31 Feeder livestock.....	11.10	10.35	10.18	10.54	10.60	11.33	12.86
32 Other livestock.....	11.23	10.47	10.87	10.53	10.71	(2)	(2)
33 Other current operating expenses.....	10.88	10.31	10.42	10.33	10.78	11.65	12.07
34 Farm machinery and equipment.....	10.28	10.23	10.25	10.10	(2)	(2)	(2)
35 Other.....	11.23	10.42	10.83	10.28	10.66	12.61	11.81

¹ Interest rate range that covers the middle 50 percent of the total dollar amount of loans made.² Fewer than 10 sample loans.

NOTE. For more detail, see the board's 416 (G.14) statistical release.

1.36 INTEREST RATES Money and Capital Markets

Averages, per cent per annum

Instrument	1976	1977	1978	1979				1979, week ending—				
				Jan.	Feb.	Mar.	Apr.	Mar. 31	Apr. 7	Apr. 14	Apr. 21	Apr. 28
Money market rates												
1 Federal funds ¹	5.05	5.54	7.94	10.07	10.06	10.09	10.01	10.00	9.95	9.93	9.96	10.09
Prime commercial paper ^{2,3}												
2 90- to 119-day.....	5.24	5.54	7.94	10.25	9.95	9.90	9.85	9.76	9.83	10.04	9.90	9.65
3 4- to 6-month.....	5.35	5.60	7.99	10.32	10.01	9.96	10.39	9.81	9.85	10.05	9.94	9.68
4 Finance company paper, directly placed, 3- to 6-month ^{3,4}	5.22	5.49	7.78	10.10	9.85	9.73	10.15	9.51	9.66	9.77	9.64	9.51
5 Prime bankers acceptances, 90-day ^{3,5}	5.19	5.59	8.11	10.29	10.01	9.94	10.42	9.82	9.90	10.05	9.90	9.75
Large negotiable certificates of deposit												
6 3-month, secondary market ⁶	5.26	5.58	8.20	10.51	10.18	10.13	10.05	9.99	10.09	10.27	9.94	9.94
7 Eurodollar deposits, 3-month ⁷	5.57	6.05	8.74	11.16	10.79	10.64	10.60	10.54	10.53	10.81	10.49	10.71
U.S. government securities												
Bills ^{3,8}												
Market yields:												
8 3-month.....	4.98	5.27	7.19	9.35	9.32	9.48	9.46	9.46	9.53	9.70	9.41	9.23
9 6-month.....	5.26	5.53	7.58	9.47	9.41	9.47	9.49	9.43	9.46	9.65	9.45	9.40
10 1-year.....	5.52	5.71	7.74	9.54	9.39	9.38	9.28	9.29	9.26	9.37	9.22	9.27
Rates on new issue: ⁹												
11 3-month.....	4.989	5.265	7.221	9.351	9.265	9.457	9.493	9.498	9.593	9.649	9.613	9.115
12 6-month.....	5.266	5.510	7.572	9.501	9.349	9.458	9.498	9.437	9.496	9.572	9.627	9.295
Capital market rates												
Government notes and bonds												
U.S. Treasury												
Constant maturities ¹⁰												
13 1-year.....	5.88	6.09	8.34	10.41	10.24	10.25	10.12	10.11	10.09	10.24	10.04	10.12
14 2-year.....		6.45	8.34	9.86	9.72	9.79	9.78	9.72	9.72	9.83	9.75	9.80
15 3-year.....	6.77	6.69	8.29	9.50	9.29	9.38	9.43	9.33	9.34	9.46	9.44	9.47
16 5-year.....	7.18	6.99	8.32	9.20	9.13	9.20	9.25	9.18	9.18	9.28	9.24	9.28
17 7-year.....	7.42	7.23	8.36	9.14	9.11	9.15	9.21	9.13	9.12	9.23	9.20	9.26
18 10-year.....	7.61	7.42	8.41	9.10	9.10	9.12	9.18	9.09	9.09	9.18	9.17	9.25
19 20-year.....	7.86	7.67	8.48	8.98	9.03	9.08	9.12	9.05	9.05	9.11	9.12	9.20
20 30-year.....			8.49	8.94	9.00	9.03	9.08	9.01	9.01	9.07	9.08	9.15
Notes and bonds maturing in— ¹¹												
21 3 to 5 years.....	6.94	6.85	8.30	9.36	9.16	9.25	9.32	9.23	9.24	9.34	9.32	9.35
22 Over 10 years (long-term).....	6.78	7.06	7.89	8.43	8.43	8.45	8.44	8.43	8.40	8.43	8.43	8.47
State and local												
Moody's series ¹²												
23 Aaa.....	5.66	5.20	5.52	5.95	5.66	5.82	5.80	5.90	5.85	5.85	5.75	5.75
24 Baa.....	7.49	6.12	6.27	7.14	6.75	6.41	6.25	6.40	6.20	6.30	6.20	6.30
25 Bond Buyer series ¹³	6.64	5.68	6.03	6.47	6.31	6.33	6.29	6.28	6.25	6.33	6.30	6.26
Corporate bonds												
Seasoned issues ¹⁴												
26 All industries.....	9.01	8.43	9.07	9.65	9.63	9.76	9.81	9.77	9.76	9.79	9.82	9.86
By rating groups:												
27 Aaa.....	8.43	8.02	8.73	9.25	9.26	9.37	9.38	9.35	9.31	9.37	9.39	9.44
28 Aa.....	8.75	8.24	8.92	9.48	9.50	9.61	9.65	9.61	9.61	9.59	9.65	9.72
29 A.....	9.09	8.49	9.12	9.72	9.68	9.81	9.88	9.84	9.84	9.87	9.89	9.90
30 Baa.....	9.75	8.97	9.45	10.13	10.08	10.26	10.33	10.28	10.29	10.33	10.36	10.36
Aaa utility bonds ¹⁵												
31 New issue.....	8.48	8.19	8.96	9.54	9.53	9.62	9.70	9.60	9.59	9.68	9.66	9.87
32 Recently offered issues.....	8.49	8.19	8.97	9.51	9.56	9.62	9.74	9.62	9.61	9.68	9.70	9.88
Dividend/price ratio												
33 Preferred stocks.....	7.97	7.60	8.25	8.79	8.77	8.77	8.29	8.78	8.31	8.29	8.24	8.31
34 Common stocks.....	3.77	4.56	5.28	5.29	5.43	5.39	5.35	5.28	5.31	5.35	5.38	5.36

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 at least five dealers. Previously, most representative rate quoted by those dealers.

³ Yields are quoted on a bank-discount basis.

⁴ Averages of the most representative daily offering rates published by finance companies for varying maturities in this range.

⁵ Average of the midpoint of the range of daily dealer closing rates offered for domestic issues.

⁶ Weekly figures (week ending Wednesday) are 7-day averages of the daily midpoints as determined from the range of offering rates; monthly figures are averages of total days in the month. Beginning Apr. 5, 1978, weekly figures are simple averages of offering rates.

⁷ Averages of daily quotations for the week ending Wednesday.

⁸ Except for new bill issues, yields are computed from daily closing bid prices.

⁹ Rates are recorded in the week in which bills are issued.

¹⁰ Yields on the more actively traded issues adjusted to constant maturities by the U.S. Treasury, based on daily closing bid prices.

¹¹ 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.

¹² General obligations only, based on figures for Thursday, from Moody's Investors Service.

¹³ Twenty issues of mixed quality.

¹⁴ Averages of daily figures from Moody's Investors Service.

¹⁵ 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	1976	1977	1978	1978			1979			
				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) .	54.45	53.67	53.76	56.40	52.74	53.69	55.76	55.06	56.18	57.50
2 Industrial	60.44	57.84	58.30	61.60	57.50	58.72	61.31	60.42	61.89	63.64
3 Transportation	39.57	41.07	43.25	46.70	41.80	42.49	43.69	42.27	43.22	45.92
4 Utility	36.97	40.91	39.23	39.44	37.88	38.09	38.79	39.22	38.94	38.63
5 Finance	52.94	55.23	56.74	60.42	54.95	55.73	57.59	56.09	57.65	59.50
6 Standard & Poor's Corporation (1941-43 = 10) ¹ .	102.01	98.18	96.11	100.58	94.71	96.10	99.70	98.23	100.11	102.10
7 American Stock Exchange (Aug. 31, 1973 = 100) .	101.63	116.18	144.56	160.14	144.17	149.94	159.26	160.92	171.51	181.14
Volume of trading (thousands of shares)										
8 New York Stock Exchange	21,189	20,936	28,591	31,020	24,505	24,622	27,988	25,037	29,536	31,033
9 American Stock Exchange	2,565	2,514	3,922	4,544	3,304	3,430	3,150	2,944	4,105	4,262
Customer financing (end-of-period balances, in millions of dollars)										
10 Regulated margin credit at brokers/dealers ²	8,166	9,993	11,035	12,307	11,209	11,035	10,955	10,989	11,056	↑ n.a. ↓
11 Margin stock ³	7,960	9,740	10,830	12,090	11,000	10,830	10,750	10,790	10,870	
12 Convertible bonds	204	250	205	216	209	205	204	195	185	
13 Subscription issues	2	3	1	1	.....	1	1	4	1	
Free credit balances at brokers ⁴										
14 Margin-account	585	640	835	885	790	835	810	775	830	
15 Cash-account	1,855	2,060	2,510	2,465	2,305	2,510	2,565	2,430	2,490	
Margin-account debt at brokers (percentage distribution, end of period)										
16 Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	↑ n.a. ↓
By equity class (in percent) ⁵										
17 Under 40	12.0	18.0	33.0	47.0	32.0	33.0	21.0	29.0	18.0	
18 40-49	23.0	36.0	28.0	20.0	27.0	28.0	32.0	31.0	30.0	
19 50-59	35.0	23.0	18.0	15.0	20.0	18.0	22.0	18.0	25.0	
20 60-69	15.0	11.0	10.0	8.0	10.0	10.0	12.0	11.0	13.0	
21 70-79	8.7	6.0	6.0	5.0	6.0	6.0	7.0	6.0	8.0	
22 80 or more	6.0	5.0	5.0	5.0	5.0	5.0	6.0	5.0	6.0	
Special miscellaneous-account balances at brokers (end of period)										
23 Total balances (millions of dollars) ⁶	8,776	9,910	.....	.....	.....	.....	.....	.....	.....	.....
Distribution by equity status (percent)										
24 Net credit status	41.3	43.4	.....	.....	.....	.....	.....	.....	.....	.....
25 Debit status, equity of—										
60 percent or more	47.8	44.9	.....	.....	.....	.....	.....	.....	.....	.....
26 Less than 60 percent	10.9	11.7	.....	.....	.....	.....	.....	.....	.....	.....
Margin requirements (percent of market value) ⁷										
Effective date										
	Mar. 11, 1968	June 8, 1968	May 6, 1970	Dec. 6, 1971	Nov. 24, 1972	Jan. 3, 1974				
27 Margin stocks	70	80	65	55	65	50				
28 Convertible bonds	50	60	50	50	50	50				
29 Short sales	70	80	65	55	65	50				

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 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 is end-of-month data for member firms of the New York Stock Exchange.

In addition to assigning a current loan value to margin stock generally, Regulations T and U permit special loan values for convertible bonds and stock acquired through exercise of subscription rights.

³ A distribution of this total by equity class is shown on lines 17-22.

⁴ Free credit balances are in accounts with no unfulfilled commitments to the brokers and are subject to withdrawal by customers on demand.

⁵ Each customer's equity in his collateral (market value of collateral less net debit balance) is expressed as a percentage of current collateral values.

⁶ 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.

⁷ 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 percent) and the maximum loan value. The term "margin stocks" is defined in the corresponding regulation.

1.38 SAVINGS INSTITUTIONS Selected Assets and Liabilities

Millions of dollars, end of period

Account	1975	1976	1977	1978						1979		
				July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar. ^p
Savings and loan associations ⁹												
1 Assets	338,233	391,907	459,241	498,301	504,298	508,977	515,352	520,677	523,649	529,820	534,168	539,663
2 Mortgages	278,590	323,005	381,163	411,956	416,677	420,971	425,236	429,420	432,858	435,460	437,905	441,347
3 Cash and investment securities ¹	30,853	35,724	39,150	43,627	44,188	43,987	45,577	45,869	44,855	47,653	49,018	50,161
4 Other	28,790	33,178	38,928	42,718	43,433	44,019	44,539	45,388	45,936	46,707	47,245	48,155
5 Liabilities and net worth	338,233	391,907	459,241	498,301	504,298	508,977	515,352	520,677	523,649	529,820	534,168	539,663
6 Savings capital	285,743	335,912	386,800	411,660	413,972	420,405	423,050	425,207	431,009	435,752	438,633	446,955
7 Borrowed money	20,634	19,083	27,840	35,730	37,219	38,593	39,873	40,981	42,960	42,368	41,368	41,637
8 FHLBB	17,524	15,708	19,945	26,151	27,363	28,632	29,456	30,322	31,990	31,758	31,004	31,177
9 Other	3,110	3,375	7,895	9,579	9,856	9,963	10,417	10,659	10,970	10,610	10,364	10,460
10 Loans in process	5,128	6,840	9,911	11,540	11,422	11,222	11,165	11,315	10,737	10,445	10,287	10,299
11 Other	6,949	8,074	9,506	11,972	13,906	10,676	12,832	14,666	9,918	11,971	14,250	10,901
12 Net worth ²	19,779	21,998	25,184	27,399	27,779	28,079	28,432	28,808	29,025	29,284	29,630	29,871
13 MEMO: Mortgage loan commitments outstanding ³	10,673	14,826	19,875	22,393	22,047	21,648	21,503	20,738	18,911	18,053	19,038	21,062
Mutual savings banks ¹⁰												
14 Assets	121,056	134,812	147,287	154,315	155,210	156,110	156,843	157,436	158,185	158,910	160,097	↑
Loans:												
15 Mortgage	77,221	81,630	88,195	92,230	92,866	93,403	93,903	94,497	95,205	95,582	95,857	↑
16 Other	4,023	5,183	6,210	8,207	8,379	8,418	8,272	7,921	7,176	7,729	8,426	
Securities:												↑
17 U.S. government	4,740	5,840	5,895	5,269	5,210	5,172	5,105	5,035	4,950	4,811	4,775	
18 State and local government	1,545	2,417	2,828	3,025	3,098	3,180	3,190	3,307	3,335	3,328	3,167	
19 Corporate and other ⁴	27,992	33,793	37,918	39,639	39,592	39,639	39,651	39,679	39,759	40,044	40,353	
20 Cash	2,330	2,355	2,401	2,029	2,080	2,293	2,735	3,033	3,730	3,332	3,368	
21 Other assets	3,205	3,593	3,839	3,915	3,985	4,006	3,988	3,962	4,031	4,085	4,151	
22 Liabilities	121,056	134,812	147,287	154,315	155,210	156,110	156,843	157,436	158,185	158,910	160,097	n.a.
23 Deposits	109,873	122,877	134,017	139,128	139,308	140,816	141,026	141,155	142,629	142,854	143,496	↑
24 Regular ⁵	109,291	121,961	132,744	137,430	137,690	139,068	139,422	139,853	141,089	141,355	142,022	
25 Ordinary savings	69,653	74,535	78,005	76,116	75,578	75,423	74,124	72,398	71,702	70,540	68,685	
26 Time and other	39,639	47,426	54,739	61,313	62,112	63,645	65,298	67,299	69,387	70,815	73,338	
27 Other	582	916	1,272	1,698	1,619	1,747	1,604	1,458	1,540	1,499	1,474	
28 Other liabilities	2,755	2,884	3,292	4,636	5,246	4,570	5,040	5,411	4,666	5,090	5,561	
29 General reserve accounts	8,428	9,052	9,978	10,551	10,654	10,725	10,777	10,870	10,891	10,967	11,040	
30 MEMO: Mortgage loan commitments outstanding ⁶	1,803	2,439	4,066	4,872	4,789	4,561	4,843	4,823	4,400	4,366	4,453	↓
Life insurance companies ¹¹												
31 Assets	289,304	321,552	351,722	374,415	378,124	381,050	382,446	385,562	389,021	393,402	395,553	↑
Securities:												
32 Government	13,758	17,942	19,553	19,447	19,563	19,638	19,757	19,711	19,579	19,829	19,922	↑
33 United States ⁷	4,736	5,368	5,315	5,006	5,155	5,156	5,183	4,934	4,795	5,049	5,209	
34 State and local	4,508	5,594	6,051	5,925	5,884	6,001	6,035	6,235	6,250	6,236	6,132	
35 Foreign ⁸	4,514	6,980	8,187	8,516	8,524	8,481	8,539	8,542	8,534	8,544	8,581	
36 Business	135,317	157,246	175,654	192,112	194,620	196,152	195,883	197,615	197,342	201,061	201,869	↑
37 Bonds	107,256	122,984	141,891	156,207	157,888	159,972	161,347	162,835	161,923	165,552	166,693	
38 Stocks	28,061	34,262	33,763	35,905	36,732	36,180	34,536	34,780	35,419	35,509	35,176	
39 Mortgages	89,167	91,552	96,848	100,596	101,602	102,365	103,161	104,106	105,932	106,397	107,137	↑
40 Real estate	9,621	10,476	11,060	11,562	11,538	11,583	11,693	11,707	11,776	11,841	11,919	
41 Policy loans	24,467	25,834	27,556	28,843	29,067	29,290	29,521	29,818	30,202	30,506	30,835	
42 Other assets	16,971	18,502	21,051	21,855	21,734	22,022	22,431	22,605	24,190	23,768	23,871	↓
Credit unions												
43 Total assets/liabilities and capital	38,037	45,225	54,084	59,152	60,141	61,277	60,909	61,465	62,595	61,756	62,319	63,883
44 Federal	20,209	24,396	29,574	32,679	33,315	34,058	33,718	34,093	34,681	34,165	34,419	35,289
45 State	17,828	20,829	24,510	26,473	26,826	27,219	27,191	27,372	27,914	27,591	27,900	28,594
46 Loans outstanding	28,169	34,384	42,055	47,620	49,103	50,121	50,549	51,264	51,807	51,526	51,716	52,480
47 Federal	14,869	18,311	22,717	25,970	26,840	27,510	27,697	28,176	28,583	28,340	28,427	28,918
48 State	13,300	16,073	19,338	21,650	22,263	22,611	22,852	23,088	23,224	23,186	23,289	23,562
49 Savings	33,013	39,173	46,832	51,551	51,772	52,867	52,468	52,600	53,048	51,916	52,484	54,243
50 Federal (shares)	17,530	21,130	25,849	28,627	28,779	29,429	29,086	29,163	29,326	28,427	28,743	29,741
51 State (shares and deposits)	15,483	18,043	20,983	22,924	22,993	23,438	23,382	23,437	23,722	23,489	23,741	24,502

For notes see bottom of page A30.

1.39 FEDERAL FISCAL AND FINANCING OPERATIONS

Millions of dollars

Type of account or operation	Transition quarter (July- Sept. 1976)	Fiscal year 1977	Fiscal year 1978	Calendar year					
				1977	1978		1979		
				H2	H1	H2	Jan.	Feb.	Mar.
U.S. budget									
1 Receipts ¹	81,772	357,762	401,997	175,820	210,650	206,275	38,364	32,639	31,144
2 Outlays ¹	94,729	402,725	450,836	216,781	222,518	238,150	41,095	37,739	43,725
3 Surplus, or deficit (-).....	-12,956	-44,963	-48,839	-40,961	-11,870	-31,875	-2,731	-5,100	-12,581
4 Trust funds.....	-1,952	7,833	12,693	4,293	4,334	11,755	-3,971	2,188	-1,155
5 Federal funds ²	-11,004	-52,796	-61,532	-45,254	-16,204	-43,630	1,240	-7,288	-11,426
Off-budget entities surplus, or deficit (-)									
6 Federal Financing Bank outlays...	-2,564	-8,201	-10,614	-6,663	-5,105	-5,082	-693	-995	-1,639
7 Other ³	779	-483	287	428	-790	1,841	-272	62	498
U.S. budget plus off-budget, including Federal Financing Bank									
8 Surplus, or deficit (-).....	-14,741	-53,647	-59,166	-47,196	-17,765	-35,117	-3,696	-6,033	-13,722
Financed by:									
9 Borrowing from the public.....	18,027	53,516	59,106	40,284	23,374	30,308	3,312	-668	8,012
10 Cash and monetary assets (decrease, or increase (-)).....	-2,899	-2,238	-3,023	4,317	-5,098	3,381	-227	8,179	-779
11 Other ⁴	-387	2,369	3,083	2,597	-511	1,428	611	-1,478	6,489
MEMO ITEMS:									
12 Treasury operating balance (level, end of period).....	17,418	19,104	22,444	12,274	17,526	16,291	15,146	6,887	7,685
13 Federal Reserve Banks.....	13,299	15,740	16,647	7,114	11,614	4,196	3,522	3,443	5,726
14 Tax and loan accounts.....	4,119	3,364	5,797	5,160	5,912	12,095	11,624	3,444	1,959

¹ Effective June 1978, earned income credit payments in excess of an individual's tax liability, formerly treated as income tax refunds, are classified as outlays retroactive to January 1976.

² Half years calculated as a residual of total surplus/deficit and trust fund surplus/deficit.

³ Includes Pension Benefit Guaranty Corp.; Postal Service Fund; Rural Electrification and Telephone Revolving Fund; and Rural Telephone Bank.

⁴ Includes accrued interest payable to the public; deposit funds; mis-

cellaneous 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; and profit on the sale of gold.

SOURCE: "Monthly Treasury Statement of Receipts and Outlays of the U.S. Government," *Treasury Bulletin*, and the *Budget of the United States Government, Fiscal Year 1980*.

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. government 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 Association 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.

⁹ Data reflect benchmark revisions back to 1977.

¹⁰ Data for June, July, and August 1978 have been revised.

¹¹ Data for 1977 and the first 6 months of 1978 have been revised by the American Council of Life Insurance.

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 American Council 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 percent 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	Transition quarter (July- Sept. 1976)	Fiscal year 1977	Fiscal year 1978	Calendar year					
				1977	1978		1979		
				H2	H1	H2	Jan.	Feb.	Mar.
Receipts									
1 All sources ¹	81,772	357,762	401,997	175,820	210,650	206,275	38,364	32,639	31,144
2 Individual income taxes, net	38,800	157,626	180,988	82,911	90,336	98,854	23,667	14,509	8,255
3 Withheld	32,949	144,820	165,215	75,480	82,784	90,148	15,843	16,292	16,194
4 Presidential Election Campaign Fund	1	37	39	1	36	3	.....	5	10
5 Nonwithheld	6,809	42,062	47,804	9,397	37,584	10,777	7,866	1,037	3,119
6 Refunds ¹	958	29,293	32,070	1,967	30,068	2,075	42	2,825	11,068
7 Corporation income taxes Gross receipts	9,808	60,057	65,380	25,121	38,496	28,536	2,539	1,706	9,879
8 Refunds	1,348	5,164	5,428	2,819	2,782	2,757	392	424	578
10 Social insurance taxes and contribu- tions, net	25,760	108,683	123,410	52,347	66,191	61,064	9,429	13,614	10,373
11 Payroll employment taxes and contributions ²	21,534	88,196	99,626	44,384	51,668	51,052	8,098	11,528	9,315
12 Self-employment taxes and contributions ³	269	4,014	4,267	316	3,892	369	341	322	321
13 Unemployment insurance	2,698	11,312	13,850	4,936	7,800	6,727	478	1,286	198
14 Other net receipts ⁴	1,259	5,162	5,668	2,711	2,831	2,917	512	478	540
15 Excise taxes	4,473	17,548	18,376	9,284	8,835	9,879	1,520	1,436	1,434
16 Customs deposits	1,212	5,150	6,573	2,848	3,320	3,748	630	527	621
17 Estate and gift taxes	1,455	7,327	5,285	2,837	2,587	2,691	485	426	449
18 Miscellaneous receipts ⁵	1,612	6,536	7,413	3,292	3,667	4,260	486	846	712
Outlays ⁸									
19 All types ¹	94,729	402,725	450,836	216,781	222,518	238,150	41,095	37,739	43,725
20 National defense	22,307	97,501	105,186	50,873	52,979	55,129	9,304	8,803	10,159
21 International affairs	2,197	4,813	5,922	2,896	2,904	2,221	550	460	896
22 General science, space, and technology	1,161	4,677	4,742	2,318	2,395	2,362	421	422	459
23 Energy	794	4,172	5,861	.....	2,487	4,461	622	904	700
24 Natural resources and environment	2,532	10,000	10,925	.....	4,959	6,119	953	1,030	855
25 Agriculture	581	5,532	7,731	5,477	2,353	4,854	1,755	762	457
26 Commerce and housing credit	1,392	-44	3,325	.....	-946	3,291	109	-553	173
27 Transportation	3,304	14,636	15,444	.....	7,723	8,758	1,419	1,095	1,257
28 Community and regional development	1,340	6,286	11,000	4,924	5,928	6,108	800	625	773
29 Education, training, employment, and social services	5,162	20,985	26,463	10,800	12,792	13,676	2,467	2,075	2,578
30 Health	8,721	38,785	43,676	19,422	21,391	23,942	4,149	3,894	4,231
31 Income security ¹	32,797	137,915	146,212	71,081	75,201	73,305	12,959	13,300	14,415
32 Veterans benefits and services	3,962	18,038	18,974	9,864	9,603	9,545	757	1,622	2,717
33 Administration of justice	859	3,600	3,802	1,723	1,946	1,973	341	352	347
34 General government	883	3,374	3,777	1,749	1,803	2,111	392	300	435
35 General-purpose fiscal assistance	2,092	9,499	9,601	4,926	4,665	4,385	1,754	81	67
36 Interest ⁶	7,216	38,009	43,966	19,962	22,280	24,110	2,860	4,099	3,807
37 Undistributed offsetting receipts ^{6,7}	-2,567	-15,053	-15,772	-8,506	-7,945	-8,200	-516	-1,530	-603

¹ Effective June 1978, earned income credit payments in excess of an individual's tax liability, formerly treated as income tax refunds, are classified as outlays 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 Federal Reserve Banks and other miscellaneous receipts.

⁶ Effective September 1976, "Interest" and "Undistributed Offsetting

Receipts" reflect the accounting conversion for the interest on special issues for U.S. government accounts from an accrual basis to a cash basis.

⁷ Consists of interest received by trust funds, rents and royalties on the Outer Continental Shelf, and U.S. government contributions for employee retirement.

⁸ 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 1980*; data are not available for half-years prior to 1978.

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	1976		1977			1978			
	Sept. 30	Dec. 31	June 30	Sept. 30	Dec. 31	Mar. 31	June 30	Sept. 30	Dec. 31
1 Federal debt outstanding.....	² 646.4	665.5	685.2	709.1	729.2	747.8	758.8	780.4	797.7
2 Public debt securities.....	634.7	653.5	674.4	698.8	718.9	738.0	749.0	771.5	789.2
3 Held by public.....	488.6	506.4	523.2	543.4	564.1	585.2	587.9	603.6	619.2
4 Held by agencies.....	146.1	147.1	151.2	155.5	154.8	152.7	161.1	168.0	170.0
5 Agency securities.....	11.6	12.0	10.8	10.3	10.2	9.9	9.8	8.9	8.5
6 Held by public.....	29.7	10.0	9.0	8.5	8.4	8.1	8.0	7.4	7.0
7 Held by agencies.....	1.9	1.9	1.8	1.8	1.8	1.8	1.8	1.5	1.5
8 Debt subject to statutory limit.....	635.8	654.7	675.6	700.0	720.1	739.1	750.2	772.7	790.3
9 Public debt securities.....	634.1	652.9	673.8	698.2	718.3	737.3	748.4	770.9	788.6
10 Other debt ¹	1.7	1.7	1.7	1.7	1.7	1.8	1.8	1.8	1.7
11 MEMO: Statutory debt limit.....	636.0	682.0	700.0	700.0	752.0	752.0	752.0	798.0	798.0

¹ Includes guaranteed debt of government 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 Department).

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

Billions of dollars, end of period

Type and holder	1974	1975	1976	1977	1978	1979			
					Dec.	Jan.	Feb.	Mar.	Apr.
1 Total gross public debt.....	492.7	576.6	653.5	718.9	789.2	790.5	792.2	796.8	796.4
By type									
2 Interest-bearing debt.....	491.6	575.7	652.5	715.2	782.4	789.5	791.2	792.3	795.4
3 Marketable.....	282.9	363.2	421.3	459.9	487.5	496.5	498.0	500.4	504.6
4 Bills.....	119.7	157.5	164.0	161.1	161.7	162.3	162.4	165.5	163.7
5 Notes.....	129.8	167.1	216.7	251.8	265.8	272.8	271.4	270.8	275.3
6 Bonds.....	33.4	38.6	40.6	47.0	60.0	61.4	64.2	64.1	65.5
7 Nonmarketable ¹	208.7	212.5	231.2	255.3	294.8	293.0	293.3	⁸ 291.9	290.8
8 Convertible bonds ²	2.3	2.3	2.3	2.2	2.2	2.2	2.2	2.2	2.2
9 State and local government series.....	.6	1.2	4.5	13.9	24.3	24.2	24.2	24.2	24.0
10 Foreign issues ³	22.8	21.6	22.3	22.2	29.6	30.3	28.2	28.2	25.4
11 Government.....	22.8	21.6	22.3	22.2	28.0	27.5	25.4	24.0	21.3
12 Public.....	0	0	0	0	1.6	2.8	2.8	4.2	4.2
13 Savings bonds and notes.....	63.8	67.9	72.3	77.0	80.9	80.8	80.8	80.8	80.8
14 Government account series ⁴	119.1	119.4	129.7	139.8	157.5	155.2	157.6	153.8	158.2
15 Non-interest-bearing debt.....	1.1	1.0	1.1	3.7	6.8	1.0	1.0	4.4	.9
By holder ⁵									
16 U.S. government agencies and trust funds.....	138.2	139.1	147.1	154.8	170.0	167.7	170.1	↑	↑
17 Federal Reserve Banks.....	80.5	89.8	97.0	102.5	109.6	101.3	103.5	↑	↑
18 Private investors.....	271.0	349.4	409.5	461.3	508.6	521.4	518.6	↑	↑
19 Commercial banks.....	55.6	85.1	103.8	101.4	93.4	95.0	94.0	↑	↑
20 Mutual savings banks.....	2.5	4.5	5.9	5.9	5.2	5.2	5.2	↑	↑
21 Insurance companies.....	6.2	9.5	12.7	15.1	15.0	15.1	15.1	↑	↑
22 Other corporations.....	11.0	20.2	27.7	22.7	20.6	22.5	23.5	n.a.	n.a.
23 State and local governments.....	29.2	34.2	41.6	55.2	68.6	67.9	68.6	↑	↑
Individuals									
24 Savings bonds.....	63.4	67.3	72.0	76.7	80.7	80.6	80.6	↑	↑
25 Other securities.....	21.5	24.0	28.8	28.6	30.0	30.4	30.8	↑	↑
26 Foreign and international ⁶	58.8	66.5	78.1	109.6	137.8	142.2	137.0	↑	↑
27 Other miscellaneous investors ⁷	22.8	38.0	38.9	46.1	57.4	62.5	63.8	↑	↑

¹ Includes (not shown separately): Securities issued to the Rural Electrification Administration, depository 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 percent, 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 dollar-denominated and foreign currency denominated series held by foreigners.

⁴ Held almost entirely by U.S. government agencies and trust funds.

⁵ Data for Federal Reserve Banks and U.S. government 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 government deposit accounts, and government sponsored agencies.

⁸ Includes a nonmarketable Federal Reserve special certificate for \$2.6 billion.

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 Department); 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	1977	1978	1979		1977	1978	1979	
			Jan.	Feb.			Jan.	Feb.
	All maturities				1 to 5 years			
1 All holders	459,927	487,546	496,529	497,976	151,264	162,886	168,879	169,352
2 U.S. government agencies and trust funds	14,420	12,695	12,694	12,693	4,788	3,310	3,310	2,710
3 Federal Reserve Banks	101,191	109,616	101,279	103,486	27,012	31,283	31,577	34,208
4 Private investors	344,315	365,235	382,556	381,797	119,464	128,293	133,992	132,435
5 Commercial banks	75,363	68,890	67,445	68,344	38,691	38,390	38,191	38,252
6 Mutual savings banks	4,379	3,499	3,457	3,408	2,112	1,918	1,905	1,752
7 Insurance companies	12,378	11,635	11,838	11,844	4,729	4,664	4,764	5,033
8 Nonfinancial corporations	9,474	8,272	8,700	9,048	3,183	3,635	3,667	3,112
9 Savings and loan associations	4,817	3,835	3,983	3,923	2,368	2,255	2,279	2,149
10 State and local governments	15,495	18,815	18,418	18,589	3,875	3,997	3,906	3,791
11 All others	222,409	250,288	268,716	266,641	64,505	73,433	79,281	78,246
	Total, within 1 year				5 to 10 years			
12 All holders	230,691	228,516	230,075	233,525	45,328	50,400	50,396	45,163
13 U.S. government agencies and trust funds	1,906	1,488	1,488	2,088	2,129	1,989	1,989	1,989
14 Federal Reserve Banks	56,702	52,801	44,310	45,835	10,404	14,809	14,717	11,875
15 Private investors	172,084	174,227	184,277	185,602	32,795	33,601	33,690	31,299
16 Commercial banks	29,477	20,608	19,284	20,220	6,162	7,490	7,508	7,299
17 Mutual savings banks	1,400	817	778	820	584	496	496	450
18 Insurance companies	2,398	1,838	1,856	1,962	3,204	2,899	2,962	2,571
19 Nonfinancial corporations	5,770	4,048	4,385	5,249	307	369	345	320
20 Savings and loan associations	2,236	1,414	1,537	1,608	143	89	90	89
21 State and local governments	7,917	8,194	7,801	8,009	1,283	1,588	1,605	1,511
22 All others	122,885	137,309	148,637	147,735	21,112	20,671	20,683	19,058
	Bills, within 1 year				10 to 20 years			
23 All holders	161,081	161,747	162,286	162,416	12,906	19,800	21,234	21,190
24 U.S. government agencies and trust funds	32	2	2	1	3,102	3,876	3,876	3,876
25 Federal Reserve Banks	42,004	42,397	33,959	35,467	1,510	2,088	2,077	2,119
26 Private investors	119,035	119,348	138,325	126,948	8,295	13,836	15,282	15,195
27 Commercial banks	11,996	5,707	4,490	4,877	456	956	1,117	1,045
28 Mutual savings banks	484	150	123	100	137	143	153	153
29 Insurance companies	1,187	753	770	695	1,245	1,460	1,478	1,478
30 Nonfinancial corporations	4,329	1,792	2,123	2,522	133	86	159	160
31 Savings and loan associations	806	262	303	294	54	60	61	61
32 State and local governments	6,092	5,524	5,161	5,133	890	1,420	1,459	1,587
33 All others	94,152	105,161	115,354	113,326	5,380	9,711	10,855	10,712
	Other, within 1 year				Over 20 years			
34 All holders	69,610	66,769	67,789	71,109	19,738	25,944	25,944	28,746
35 U.S. government agencies and trust funds	1,874	1,487	1,487	2,087	2,495	2,031	2,031	2,030
36 Federal Reserve Banks	14,698	10,404	10,350	10,368	5,564	8,635	8,599	9,449
37 Private investors	53,039	54,879	55,952	58,654	11,679	15,278	15,315	17,267
38 Commercial banks	15,482	14,901	14,794	15,343	578	1,446	1,346	1,528
39 Mutual savings banks	916	667	655	720	146	126	125	133
40 Insurance companies	1,211	1,084	1,086	1,267	802	774	777	800
41 Nonfinancial corporations	1,441	2,256	2,262	2,727	81	135	144	208
42 Savings and loan associations	1,430	1,152	1,234	1,313	16	17	16	16
43 State and local governments	1,825	2,670	2,640	2,876	1,530	3,616	3,647	3,692
44 All others	28,733	32,149	33,282	34,409	8,526	9,164	9,260	10,890

NOTE. Direct public issues only. Based on Treasury Survey of Ownership from *Treasury Bulletin* (U.S. Treasury Department).

Data complete for U.S. government agencies and trust funds and Federal Reserve 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 Feb. 28, 1979:

(1) 5,461 commercial banks, 463 mutual savings banks, and 728 insurance companies, each about 80 percent; (2) 435 nonfinancial corporations and 485 savings and loan associations, each about 50 percent; and (3) 491 state and local governments, about 40 percent.

"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	1976	1977	1978	1979			1979, week ending Wednesday					
				Jan.	Feb.	Mar.	Jan. 31	Feb. 7	Feb. 14	Feb. 21	Feb. 28	Mar. 7
1 U.S. government securities...	10,449	10,838	10,285	10,778	11,612	9,882	13,874	13,331	12,677	8,861	11,240	11,664
<i>By maturity</i>												
2 Bills.....	6,676	6,746	6,173	6,016	6,261	6,204	7,010	7,437	6,330	5,143	5,925	7,116
3 Other within 1 year.....	210	237	392	464	344	320	630	284	261	316	492	344
4 1-5 years.....	2,317	2,320	1,889	2,344	2,595	1,744	3,820	3,009	2,422	1,768	2,982	2,191
5 5-10 years.....	1,019	1,148	965	813	1,185	825	1,102	1,446	1,665	798	849	985
6 Over 10 years.....	229	388	866	1,140	1,227	789	1,312	1,155	2,000	836	992	1,028
<i>By type of customer</i>												
7 U.S. government securities dealers.....	1,360	1,267	1,135	1,037	1,235	1,170	1,361	1,267	1,283	989	1,360	1,505
8 U.S. government securities brokers.....	3,407	3,709	3,838	4,526	4,750	3,651	5,900	5,845	5,182	3,483	4,323	4,322
9 Commercial banks.....	2,426	2,295	1,804	1,599	1,764	1,565	2,031	2,196	1,758	1,270	1,731	1,880
10 All others ¹	3,257	3,568	3,508	3,616	3,863	3,496	4,582	4,023	4,455	3,119	3,826	3,957
11 Federal agency securities....	1,548	1,729	1,894	2,477	2,351	2,099	3,016	2,383	2,185	2,235	2,544	2,466

¹ Includes, among others, all other dealers and brokers in commodities and securities, foreign banking agencies, and the Federal Reserve System.

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

Transactions are market purchases and sales of U.S. government securities dealers reporting to the Federal Reserve Bank of New York. The figures exclude allotments of, and exchanges for, new U.S. government 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	1976	1977	1978	1979			1979, week ending Wednesday					
				Jan.	Feb.	Mar.	Jan. 10	Jan. 17	Jan. 24	Jan. 31	Feb. 7	Feb. 14
	Positions ²											
1 U.S. government securities...	7,592	5,172	2,656	3,549	3,077	1,849	3,254	3,583	4,144	4,238	4,419	3,639
2 Bills.....	6,290	4,772	2,452	3,045	3,060	2,471	2,420	3,143	3,691	3,874	4,382	2,990
3 Other within 1 year.....	188	99	260	239	-72	-262	247	251	282	201	153	77
4 1-5 years.....	515	60	-92	115	-355	-471	159	-50	122	158	-60	-426
5 5-10 years.....	402	92	40	15	152	-20	87	41	-64	-36	71	410
6 Over 10 years.....	198	149	-4	134	293	131	341	198	113	40	-126	589
7 Federal agency securities....	729	693	606	609	761	734	379	417	486	1,234	1,220	861
	Sources of financing ³											
8 All sources.....	8,715	9,877	10,204	13,157	13,370	12,378	11,837	13,141	14,174	14,361	14,174	13,407
Commercial banks												
9 New York City.....	1,896	1,313	599	2,136	2,189	874	1,912	1,881	2,459	2,444	2,376	2,161
10 Outside New York City.....	1,660	1,987	2,174	2,367	2,402	2,453	2,062	2,425	2,367	2,914	2,592	2,318
11 Corporations ¹	1,479	2,423	2,370	2,756	2,602	2,748	2,818	2,713	2,824	2,775	2,695	2,535
12 All others.....	3,681	4,155	5,052	5,898	6,176	6,304	5,045	6,121	6,525	6,228	6,511	6,392

¹ All business corporations except commercial banks and insurance companies.

² New 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. government 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	1976	1977	1978	1978				1979	
				Sept.	Oct.	Nov.	Dec.	Jan.	Feb.
1 Federal and federally sponsored agencies.....	103,325	109,924	131,982	125,397	127,468	129,139	131,982	129,849	129,865
2 Federal agencies.....	21,896	22,760	23,488	23,139	23,279	23,073	23,488	23,431	23,485
3 Defense Department ¹	1,113	983	868	897	897	876	868	864	859
4 Export-Import Bank ^{2,3}	7,801	8,671	8,711	8,709	8,704	8,392	8,711	8,515	8,499
5 Federal Housing Administration ⁴	575	581	588	601	598	594	588	582	586
6 Government National Mortgage Association participation certificates ⁵	4,120	3,743	3,141	3,166	3,166	3,166	3,141	3,141	3,141
7 Postal Service ⁶	2,998	2,431	2,364	2,364	2,364	2,364	2,364	2,364	2,364
8 Tennessee Valley Authority.....	5,185	6,015	7,460	7,045	7,195	7,325	7,460	7,620	7,690
9 United States Railway Association ⁶	104	336	356	357	355	356	356	345	346
10 Federally sponsored agencies.....	81,429	87,164	108,494	102,258	104,189	106,066	108,494	106,418	106,380
11 Federal Home Loan Banks.....	16,811	18,345	27,563	25,025	25,395	26,777	27,563	27,677	28,447
12 Federal Home Loan Mortgage Corporation.....	1,690	1,686	2,262	2,063	2,063	2,062	2,262	2,262	2,461
13 Federal National Mortgage Association.....	30,565	31,890	41,080	38,353	39,776	39,814	41,080	41,917	42,405
14 Federal Land Banks.....	17,127	19,118	20,360	20,198	20,360	20,360	20,360	19,275	19,275
15 Federal Intermediate Credit Banks.....	10,494	11,174	11,469	11,555	11,554	11,548	11,469	9,978	8,958
16 Banks for Cooperatives.....	4,330	4,434	4,843	4,317	4,264	4,668	4,843	4,392	3,852
17 Student Loan Marketing Association ⁷	410	515	915	745	775	835	915	915	980
18 Other.....	2	2	2	2	2	2	2	2	2
MEMO ITEMS:									
19 Federal Financing Bank debt^{6,8}.....	28,711	38,580	51,298	48,078	49,212	49,645	51,298	52,154	53,221
<i>Leading to federal and federally sponsored agencies</i>									
20 Export-Import Bank ³	5,208	5,834	6,898	6,568	6,568	6,568	6,898	6,898	6,898
21 Postal Service ⁶	2,748	2,181	2,114	2,114	2,114	2,114	2,114	2,114	2,114
22 Student Loan Marketing Association ⁷	410	515	915	745	775	835	915	915	980
23 Tennessee Valley Authority.....	3,110	4,190	5,635	5,220	5,370	5,500	5,635	5,795	5,865
24 United States Railway Association ⁶	104	336	356	357	355	356	356	345	346
<i>Other lending⁹</i>									
25 Farmers Home Administration.....	10,750	16,095	23,825	22,275	23,050	23,050	23,825	24,445	25,160
26 Rural Electrification Administration.....	1,415	2,647	4,604	4,192	4,407	4,489	4,604	4,680	4,735
27 Other.....	4,966	6,782	6,951	6,607	6,573	6,733	6,951	6,962	7,123

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	1976	1977	1978	1978			1979		
				Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
1 All issues, new and refunding ¹	35,313	46,769	48,607	3,244	4,328	3,694	2,823	2,589	4,495
<i>Type of issue</i>									
2 General obligation.....	18,040	18,042	17,854	1,148	1,168	1,698	1,301	934	1,030
3 Revenue.....	17,140	28,655	30,658	2,083	3,152	1,992	1,501	1,651	3,457
4 Housing Assistance Administration ²									
5 U.S. government loans.....	133	72	95	13	8	4	21	4	8
<i>Type of issuer</i>									
6 State.....	7,054	6,354	6,632	552	343	497	467	580	436
7 Special district and statutory authority.....	15,304	21,717	24,156	1,616	2,848	2,148	953	1,190	2,873
8 Municipalities, counties, townships, school districts.....	12,845	18,623	17,718	1,061	1,129	1,043	1,382	813	1,179
9 Issues for new capital, total.....	32,108	36,189	37,629	3,160	4,216	3,379	2,794	2,562	4,484
<i>Use of proceeds</i>									
10 Education.....	4,900	5,076	5,003	314	463	319	483	411	267
11 Transportation.....	2,586	2,951	3,460	422	259	337	248	209	202
12 Utilities and conservation.....	9,594	8,119	9,026	831	1,241	705	541	729	1,146
13 Social welfare.....	6,566	8,274	10,494	1,169	817	1,126	765	791	2,021
14 Industrial aid.....	483	4,676	3,526	249	323	276	265	171	217
15 Other purposes.....	7,979	7,093	6,120	175	1,113	616	492	251	631

¹ Par amounts of long-term issues based on date of sale.

SOURCE: Public Securities Association.

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.

1.48 NEW SECURITY ISSUES of Corporations

Millions of dollars

Type of issue or issuer, or use	1976	1977	1978	1978					
				July	Aug.	Sept.	Oct.	Nov.	Dec.
1 All issues ¹	53,488	54,205	45,309	4,226	3,311	3,832	3,685	3,207	4,401
2 Bonds.....	42,380	42,193	35,178	3,718	2,529	2,905	2,516	2,481	3,281
<i>Type of offering</i>									
3 Public.....	26,453	24,186	19,939	2,177	1,497	1,610	1,651	1,608	1,227
4 Private placement.....	15,927	18,007	15,239	1,541	1,032	1,295	865	873	2,054
<i>Industry group</i>									
5 Manufacturing.....	13,264	12,510	8,839	675	485	823	405	805	1,031
6 Commercial and miscellaneous.....	4,372	5,887	4,670	417	414	454	487	112	694
7 Transportation.....	4,387	2,033	1,972	235	115	135	67	96	123
8 Public utility.....	8,297	8,261	7,112	768	521	912	819	384	383
9 Communication.....	2,787	3,059	3,306	326	546	205	290	456	285
10 Real estate and financial.....	9,274	10,438	9,276	1,296	448	375	446	627	765
11 Stocks.....	11,108	12,013	10,131	508	782	927	1,169	726	1,120
<i>Type</i>									
12 Preferred.....	2,803	3,878	2,629	57	157	127	47	149	424
13 Common.....	8,305	8,135	7,502	451	625	800	1,122	577	696
<i>Industry group</i>									
14 Manufacturing.....	2,237	1,265	1,219	167	236	148	90	35	42
15 Commercial and miscellaneous.....	1,183	1,838	1,812	167	110	168	112	111	303
16 Transportation.....	24	418	263	40	0	12	0	12	113
17 Public utility.....	6,121	6,058	4,973	31	354	426	800	377	271
18 Communication.....	776	1,379	249	27	6	10	0	1	175
19 Real estate and financial.....	771	1,054	1,614	76	75	164	167	190	216

¹ Figures, which represent gross proceeds of issues maturing in more than one 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		1977	1978	1978				1979		
				Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
INVESTMENT COMPANIES excluding money market funds										
1	Sales of own shares ¹	6,401	6,645	519	463	587	602	648	451	523
2	Redemptions of own shares ²	6,027	7,231	673	607	439	545	607	548	646
3	Net sales.....	357	—586	—154	—144	148	57	41	—97	—123
4	Assets ³	45,049	44,980	48,151	43,462	44,242	44,980	46,591	45,016	47,051
5	Cash position ⁴	3,274	4,507	3,703	3,793	4,299	4,507	4,624	4,851	4,746
6	Other.....	41,775	40,473	44,448	39,669	39,943	40,473	41,967	40,165	42,305

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. government 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	1976	1977	1978	1977			1978			
				Q2	Q3	Q4	Q1	Q2	Q3	Q4
1 Profits before tax.....	155.9	173.9	202.1	175.1	177.5	178.3	172.1	205.5	205.4	225.3
2 Profits tax liability.....	64.3	71.8	83.9	72.3	72.8	73.9	70.0	85.0	86.2	94.5
3 Profits after tax.....	91.6	102.1	118.2	102.8	104.7	104.4	102.1	120.5	119.2	130.8
4 Dividends.....	37.9	43.7	49.3	42.7	44.1	46.3	47.0	48.1	50.1	51.9
5 Undistributed profits.....	53.7	58.4	68.9	60.1	60.6	58.1	55.1	72.4	69.1	78.9
6 Capital consumption allowances.....	97.1	106.0	114.4	105.0	107.6	109.3	111.3	113.3	115.4	117.5
7 Net cash flow.....	150.8	164.4	183.3	165.1	168.2	167.4	166.4	185.7	184.5	196.4

SOURCE. *Survey of Current Business* (U.S. Department of Commerce.)

1.51 NONFINANCIAL CORPORATIONS Current Assets and Liabilities

Billions of dollars, except for ratio

Account	1974	1975	1976	1977				1978		
			Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
1 Current assets.....	734.6	756.3	823.1	842.0	856.4	880.3	900.1	924.2	953.5	992.4
2 Cash.....	73.0	80.0	86.8	80.8	83.1	83.4	94.2	88.5	90.9	91.4
3 U.S. government securities.....	11.3	19.6	26.0	26.8	22.1	21.5	20.9	20.9	19.7	18.6
4 Notes and accounts receivable.....	265.5	272.1	292.4	304.1	312.8	326.9	325.7	338.3	356.8	377.8
5 Inventories.....	318.9	314.7	341.4	352.1	358.8	367.5	375.0	389.7	399.1	415.5
6 Other.....	65.9	69.9	76.4	78.3	79.6	81.0	84.3	86.8	87.0	89.0
7 Current liabilities.....	451.8	446.9	487.5	502.6	509.5	528.9	543.2	570.4	590.8	624.5
8 Notes and accounts payable.....	272.3	261.2	273.2	280.2	286.8	297.8	306.8	317.2	331.3	349.9
9 Other.....	179.5	185.7	214.2	222.4	222.7	231.1	236.3	253.2	259.4	274.6
10 Net working capital.....	282.8	309.5	335.6	339.5	346.9	351.4	357.0	353.8	362.7	367.9
11 MEMO: Current ratio ¹	1.626	1.693	1.688	1.675	1.681	1.664	1.657	1.620	1.614	1.589

¹ Ratio of total current assets to total current liabilities.

SOURCE: Federal Trade Commission.

NOTE: For a description of this series see "Working Capital of Non-financial Corporations" in the July 1978 BULLETIN, pp. 533-37.

1.52 BUSINESS EXPENDITURES on New Plant and Equipment

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

Industry	1977	1978	1977		1978				1979	
			Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2 ²
1 All industries.....	135.72	153.60	140.38	138.11	144.25	150.76	155.41	163.96	164.23	167.52
Manufacturing										
2 Durable goods industries.....	27.75	31.59	29.23	28.19	28.72	31.40	32.25	33.99	34.18	37.09
3 Nondurable goods industries.....	32.33	35.86	33.79	33.22	32.86	35.80	35.50	39.26	37.78	38.81
Nonmanufacturing										
4 Mining.....	4.49	4.81	4.74	4.50	4.45	4.81	4.99	4.98	5.35	4.89
Transportation:										
5 Railroad.....	2.82	3.33	3.20	2.80	3.35	3.09	3.38	3.49	3.77	3.11
6 Air.....	1.63	2.34	1.69	1.76	2.67	2.08	2.20	2.39	3.28	2.36
7 Other.....	2.55	2.42	1.96	2.32	2.44	2.23	2.47	2.55	3.01	2.89
Public utilities:										
8 Electric.....	21.57	24.71	21.90	22.05	23.15	23.83	24.92	26.95	27.06	26.92
9 Gas and other.....	4.21	4.72	4.32	4.18	4.78	4.62	4.70	4.78	5.24	4.98
10 Communication.....	15.43	18.15	16.40	15.82	17.07	18.18	18.90	18.46	44.54	46.46
11 Commercial and other ¹	22.95	25.67	23.14	23.27	24.76	24.71	26.09	27.12		

¹ Includes trade, service, construction, finance, and insurance.

agriculture; real estate operators; medical, legal, educational, and cultural service; and nonprofit organizations.

NOTE: Estimates for corporate and noncorporate business, excluding

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	1973	1974	1975	1976	1977		1978			
					Q3	Q4	Q1	Q2	Q3	Q4
ASSETS										
Accounts receivable, gross										
1 Consumer.....	35.4	36.1	36.0	38.6	42.3	44.0	44.5	47.1	49.7	52.6
2 Business.....	32.3	37.2	39.3	44.7	50.6	55.2	57.6	59.5	58.3	63.3
3 Total.....	67.7	73.3	75.3	83.4	92.9	99.2	102.1	106.6	108.0	116.0
4 Less: Reserves for unearned income and losses	8.4	9.0	9.4	10.5	11.7	12.7	12.8	14.1	14.3	15.6
5 Accounts receivable, net.....	59.3	64.2	65.9	72.9	81.2	86.5	89.3	92.6	93.7	100.4
6 Cash and bank deposits.....	2.6	3.0	2.9	2.6	2.5	2.6	2.2	2.9	2.7	3.5
7 Securities.....	.8	.4	1.0	1.1	1.8	.9	1.2	1.3	1.8	1.3
8 All other.....	10.6	12.0	11.8	12.6	14.2	14.3	15.0	16.2	17.1	17.3
9 Total assets.....	73.2	79.6	81.6	89.2	99.6	104.3	107.7	112.9	115.3	122.4
LIABILITIES										
10 Bank loans.....	7.2	9.7	8.0	6.3	5.4	5.9	5.8	5.4	5.4	6.5
11 Commercial paper.....	19.7	20.7	22.2	23.7	25.7	29.6	29.9	31.3	29.3	34.5
Debt:										
12 Short-term, n.e.c.....	4.6	4.9	4.5	5.4	5.4	6.2	5.3	6.6	6.8	8.1
13 Long-term, n.e.c.....	24.6	26.5	27.6	32.3	34.8	36.0	38.0	40.1	41.3	43.6
14 Other.....	5.6	5.5	6.8	8.1	13.7	11.5	12.9	13.6	15.2	12.6
15 Capital, surplus, and undivided profits.....	11.5	12.4	12.5	13.4	14.6	15.1	15.7	16.0	17.3	17.2
16 Total liabilities and capital.....	73.2	79.6	81.6	89.2	99.6	104.3	107.7	112.9	115.3	122.4

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, 1979 ¹	Changes in accounts receivable			Extensions			Repayments		
		1978	1979		1978	1979		1978	1979	
		Dec.	Jan.	Feb.	Dec.	Jan.	Feb.	Dec.	Jan.	Feb.
1 Total.....	65,248	1,271	860	756	17,680	16,160	16,858	16,409	15,300	16,102
2 Retail automotive (commercial vehicles).....	14,681	245	145	183	1,308	1,231	1,283	1,063	1,086	1,100
3 Wholesale automotive.....	14,493	551	1,156	655	6,967	6,723	7,080	6,416	5,567	6,425
4 Retail paper on business, industrial, and farm equipment.....	16,162	20	-425	-84	1,790	1,012	1,123	1,770	1,437	1,207
5 Loans on commercial accounts receivable.....	6,693	262	27	-108	4,110	5,261	5,375	3,848	5,234	5,483
6 Factored commercial accounts receivable.....	13,219	161	-43	110	1,550	1,933	1,997	1,518	1,976	1,887
7 All other business credit.....					1,955			1,794		

¹ Not seasonally adjusted.² Beginning January 1979 the categories "Loans on commercial accounts receivable" and "Factored commercial accounts receivable" are combined.

1.53 MORTGAGE MARKETS

Millions of dollars; exceptions noted.

Item		1976	1977	1978	1978			1979		
					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).....	48.4	54.3	62.6	66.8	65.1	68.1	71.9	68.3	68.1
2	Amount of loan (thous. dollars).....	35.9	40.5	45.9	48.6	47.5	49.6	52.0	49.5	49.9
3	Loan/price ratio (percent).....	74.2	76.3	75.3	74.4	74.4	75.1	74.7	74.5	75.4
4	Maturity (years).....	27.2	27.9	28.0	28.0	27.9	28.1	28.6	28.6	28.5
5	Fees and charges (percent of loan amount) ²	1.44	1.33	1.39	1.37	1.40	1.49	1.56	1.56	1.63
6	Contract rate (percent per annum).....	8.76	8.80	9.30	9.60	9.63	9.76	9.92	9.94	10.02
Yield (percent per annum)										
7	FHLBB series ³	8.99	9.01	9.54	9.83	9.87	10.02	10.18	10.20	10.30
8	HUD series ⁴	8.99	8.95	9.68	9.95	10.10	10.30	10.30	10.35	10.35
SECONDARY MARKETS										
Yields (percent per annum)										
9	FHA mortgages (HUD series) ⁵	8.82	8.68	9.70	9.93	9.99	10.16	10.17	10.17	10.19
10	GNMA securities ⁶	8.17	8.04	8.98	9.25	9.39	9.54	9.67	9.67	9.70
FNMA auctions ⁷										
11	Government-underwritten loans.....	8.99	8.73	9.77	10.03	10.30	10.50	10.70	10.54	10.54
12	Conventional loans.....	9.11	8.98	10.01	10.19	10.56	10.85	11.07	11.04	10.94
Activity in secondary markets										
FEDERAL NATIONAL MORTGAGE ASSOCIATION										
Mortgage holdings (end of period)										
13	Total.....	32,904	34,370	43,311	41,957	42,590	43,311	44,329	45,155	46,140
14	FHA-insured.....	18,916	18,457	21,243	20,625	20,929	21,243	21,704	21,967	22,601
15	VA-guaranteed.....	9,212	9,315	10,544	10,565	10,535	10,544	10,578	10,606	10,616
16	Conventional.....	4,776	6,597	11,524	10,767	11,126	11,524	12,046	12,582	13,193
Mortgage transactions (during period)										
17	Purchases.....	3,606	4,780	12,303	1,053	920	974	1,280	1,173	1,291
18	Sales.....	86	67	5	0	0	0	0	0	0
Mortgage commitments ⁸										
19	Contracted (during period).....	6,247	9,729	18,960	1,900	1,275	1,051	479	388	565
20	Outstanding (end of period).....	3,398	4,698	9,201	9,547	9,525	9,201	8,161	7,381	6,573
Auction of 4-month commitments to buy—										
Government-underwritten loans										
21	Offered ⁹	4,929.8	7,974.1	12,978	1,964.8	788.0	627.0	304.9	210.6	508
22	Accepted.....	2,787.2	4,846.2	6,747.2	832.4	321.8	319.6	155.4	161.2	284.4
Conventional loans										
23	Offered ⁹	2,595.7	5,675.2	9,933.0	1,156.8	861.4	417.4	113.5	63.0	144.9
24	Accepted.....	1,879.2	3,917.8	5,110.9	495.6	386.8	220.9	58.1	45.4	113.5
FEDERAL HOME LOAN MORTGAGE CORPORATION										
Mortgage holdings (end of period) ¹⁰										
25	Total.....	4,269	3,276	3,064	2,867	3,022	3,064	3,263	3,207	3,510
26	FHA/VA.....	1,618	1,395	1,243	1,594	1,257	1,243	1,231	1,220	1,260
27	Conventional.....	2,651	1,881	1,822	1,273	1,766	1,822	2,033	1,989	2,250
Mortgage transactions (during period)										
28	Purchases.....	1,175	3,900	6,524	791	763	596	498	300	350
29	Sales.....	1,396	4,131	6,211	369	581	540	317	494	116
Mortgage commitments ¹¹										
30	Contracted (during period).....	1,477	5,546	7,451	547	706	455	374	357	547
31	Outstanding (end of period).....	333	1,063	1,410	1,716	1,617	1,410	1,248	1,177	1,342

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 yields 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	1974	1975	1976	1977	1978			
					Q1	Q2	Q3	Q4 ^p
1 All holders.....	742,512	801,537	889,327	1,023,505	1,051,908	1,092,451	1,133,122	1,169,522
2 1- to 4-family.....	449,371	490,761	556,557	656,566	676,573	706,230	734,097	759,617
3 Multifamily.....	99,976	100,601	104,516	111,841	113,915	116,419	119,207	121,928
4 Commercial.....	146,877	159,298	171,223	189,274	193,355	198,926	206,045	211,810
5 Farm.....	46,288	50,877	57,031	65,824	68,065	70,876	73,773	76,167
6 Major financial institutions.....	542,560	581,193	647,650	745,011	764,614	794,009	822,184	846,788
7 Commercial banks ¹	132,105	136,186	151,326	178,979	184,423	194,469	205,445	213,845
8 1- to 4-family.....	74,758	77,018	86,234	105,115	108,699	115,389	121,911	126,896
9 Multifamily.....	7,619	5,915	8,082	9,215	9,387	9,925	10,478	10,906
10 Commercial.....	43,679	46,882	50,289	56,898	58,407	60,950	64,386	67,019
11 Farm.....	6,049	6,371	6,721	7,751	7,930	8,205	8,670	9,024
12 Mutual savings banks.....	74,920	77,249	81,639	88,104	89,800	91,535	93,403	95,044
13 1- to 4-family.....	49,213	50,025	53,089	57,637	58,747	59,882	61,104	62,178
14 Multifamily.....	12,923	13,792	14,177	15,304	15,598	15,900	16,224	16,509
15 Commercial.....	12,722	13,373	14,313	15,110	15,401	15,698	16,019	16,300
16 Farm.....	62	59	60	53	54	55	56	57
17 Savings and loan associations.....	249,301	278,590	323,130	381,163	392,428	407,965	420,971	432,922
18 1- to 4-family.....	200,987	223,903	260,895	310,686	320,064	334,164	345,232	355,291
19 Multifamily.....	23,808	25,547	28,436	32,513	33,592	34,351	35,446	36,452
20 Commercial.....	24,506	29,140	33,799	37,964	38,772	39,450	40,293	41,179
21 Life insurance companies.....	86,234	89,168	91,555	96,765	97,963	100,040	102,365	104,971
22 1- to 4-family.....	19,026	17,590	16,088	14,727	14,476	14,129	14,189	14,550
23 Multifamily.....	19,625	19,629	19,178	18,807	18,851	18,745	18,803	19,284
24 Commercial.....	41,256	45,196	48,864	54,388	55,426	57,463	59,268	60,782
25 Farm.....	6,327	6,753	7,425	8,843	9,210	9,703	10,105	10,361
26 Federal and related agencies.....	58,320	66,891	66,753	70,006	72,014	73,991	78,672	82,086
27 Government National Mortgage Assn.....	4,846	7,438	4,241	3,660	3,291	3,283	3,560	3,610
28 1- to 4-family.....	2,248	4,728	1,970	1,548	948	922	897	910
29 Multifamily.....	2,598	2,710	2,271	2,112	2,343	2,361	2,663	2,700
30 Farmers Home Admin.....	1,432	1,109	1,064	1,353	1,179	618	1,384	1,084
31 1- to 4-family.....	759	208	454	626	202	124	460	360
32 Multifamily.....	167	215	218	275	408	102	240	188
33 Commercial.....	156	190	72	149	218	104	251	197
34 Farm.....	350	496	320	303	351	288	433	339
35 Federal Housing and Veterans admin.....	4,015	4,970	5,150	5,212	5,219	5,225	5,295	5,365
36 1- to 4-family.....	2,009	1,990	1,676	1,627	1,585	1,543	1,565	1,587
37 Multifamily.....	2,006	2,980	3,474	3,585	3,634	3,682	3,730	3,778
38 Federal National Mortgage Assn.....	29,578	31,824	32,904	34,369	36,029	38,753	41,189	43,311
39 1- to 4-family.....	23,778	25,813	26,934	28,504	30,208	32,974	35,437	37,579
40 Multifamily.....	5,800	6,011	5,970	5,865	5,821	5,779	5,752	5,732
41 Federal Land Banks.....	13,863	16,563	19,125	22,136	22,925	23,857	24,758	25,658
42 1- to 4-family.....	406	549	601	670	691	727	819	849
43 Farm.....	13,457	16,014	18,524	21,466	22,234	23,130	23,939	24,809
44 Federal Home Loan Mortgage Corp....	4,586	4,987	4,269	3,276	3,371	2,255	2,486	3,058
45 1- to 4-family.....	4,217	4,588	3,889	2,738	2,785	1,856	1,994	2,453
46 Multifamily.....	369	399	380	538	586	399	492	605
47 Mortgage pools or trusts ²	23,799	34,138	49,801	70,289	74,080	78,602	82,153	86,747
48 Government National Mortgage Assn.....	11,769	18,257	30,572	44,896	46,357	48,032	50,844	54,347
49 1- to 4-family.....	11,249	17,538	29,583	43,555	44,906	46,515	49,276	52,732
50 Multifamily.....	520	719	989	1,341	1,451	1,517	1,568	1,615
51 Federal Home Loan Mortgage Corp....	757	1,598	2,671	6,610	7,471	9,423	9,934	10,125
52 1- to 4-family.....	608	1,349	2,282	5,621	6,286	7,797	8,358	8,519
53 Multifamily.....	149	249	389	989	1,185	1,626	1,576	1,606
54 Farmers Home Admin.....	11,273	14,283	16,558	18,783	20,252	21,147	1,084	22,275
55 1- to 4-family.....	6,782	9,194	10,219	11,379	12,235	12,742	360	13,392
56 Multifamily.....	116	295	532	759	732	1,128	188	1,163
57 Commercial.....	1,473	1,948	2,440	2,945	3,528	3,301	197	3,510
58 Farm.....	2,902	2,846	3,367	3,682	3,757	3,976	339	4,210
59 Individuals and others ³	117,833	119,315	125,123	138,199	141,200	145,849	150,113	153,901
60 1- to 4-family.....	53,331	56,268	62,643	72,115	74,741	77,466	80,004	82,321
61 Multifamily.....	24,276	22,140	20,420	20,538	20,327	20,904	21,119	21,390
62 Commercial.....	23,085	22,569	21,446	21,820	21,603	21,960	22,459	22,823
63 Farm.....	17,141	18,338	20,614	23,726	24,529	25,519	26,531	27,367

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 government sources, with some quarters estimated in part by Federal Reserve in conjunction with the Federal Home Loan Bank Board and the Department 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 five or more units.

1.55 CONSUMER INSTALLMENT CREDIT¹ Total Outstanding, and Net Change▲

Millions of dollars

Holder, and type of credit	1976	1977	1978	1978				1979		
				Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
Amounts outstanding (end of period)										
1 Total.....	193,977	230,829	275,640	263,387	265,821	269,445	275,640	275,346	275,818	278,347
By major holder										
2 Commercial banks.....	93,728	112,373	136,189	131,403	132,702	133,908	136,189	136,452	136,671	137,445
3 Finance companies.....	38,919	44,868	54,309	51,280	51,984	53,099	54,309	55,004	55,728	56,885
4 Credit unions.....	31,169	37,605	45,939	44,325	44,635	45,305	45,939	45,526	45,661	46,301
5 Retailers ²	19,260	23,490	24,876	22,302	22,464	23,006	24,876	23,962	23,246	22,929
6 Savings and loans.....	6,246	7,354	8,394	8,055	8,177	8,291	8,394	8,427	8,488	8,671
7 Gasoline companies.....	2,830	2,963	3,240	3,416	3,276	3,173	3,240	3,338	3,274	3,292
8 Mutual savings banks.....	1,825	2,176	2,693	2,606	2,583	2,663	2,693	2,637	2,750	2,824
By major type of credit										
9 Automobile.....	67,707	82,911	102,468	99,062	100,159	101,565	102,468	102,890	103,780	105,426
10 Commercial banks.....	39,621	49,577	60,564	59,085	59,778	60,347	60,564	60,682	61,053	61,742
11 Indirect paper.....	22,072	27,379	33,850	33,067	33,415	33,709	33,850	33,928	34,261	34,592
12 Direct loans.....	17,549	22,198	26,714	26,018	26,363	26,638	26,714	26,754	26,792	27,150
13 Credit unions.....	15,238	18,099	21,976	21,196	21,344	21,664	21,967	21,769	21,834	22,140
14 Finance companies.....	12,848	15,235	19,937	18,781	19,037	19,554	19,937	20,439	20,893	21,544
15 Revolving.....	17,189	39,274	47,051	42,420	42,579	43,523	47,051	46,516	45,586	45,240
16 Commercial banks.....	14,359	18,374	24,434	21,935	22,165	22,724	24,434	24,677	24,502	24,442
17 Retailers.....	17,937	19,377	19,377	17,069	17,138	17,626	19,377	18,501	17,810	17,506
18 Gasoline companies.....	2,830	2,963	3,240	3,416	3,276	3,173	3,240	3,338	3,274	3,292
19 Mobile home.....	14,573	15,141	16,042	15,910	15,925	16,017	16,042	16,004	16,008	16,092
20 Commercial banks.....	8,737	9,124	9,553	9,591	9,548	9,572	9,553	9,511	9,495	9,509
21 Finance companies.....	3,263	3,077	3,152	3,114	3,127	3,150	3,152	3,149	3,147	3,148
22 Savings and loans.....	2,241	2,538	2,848	2,733	2,775	2,813	2,848	2,859	2,880	2,942
23 Credit unions.....	332	402	489	472	475	482	489	485	486	493
24 Other.....	94,508	93,503	110,079	105,995	107,158	108,340	110,079	109,936	110,444	111,589
25 Commercial banks.....	31,011	35,298	41,638	40,792	41,211	41,265	41,638	41,582	41,621	41,752
26 Finance companies.....	22,808	26,556	31,220	29,385	29,820	30,395	31,220	31,416	31,688	32,193
27 Credit unions.....	15,599	19,104	23,483	22,657	22,816	23,159	23,483	23,272	23,341	23,668
28 Retailers.....	19,260	5,553	5,499	5,233	5,326	5,380	5,499	5,461	5,436	5,423
29 Savings and loans.....	4,005	4,816	5,546	5,322	5,402	5,478	5,546	5,568	5,608	5,729
30 Mutual savings banks.....	1,825	2,176	2,693	2,606	2,583	2,663	2,693	2,637	2,750	2,824
Net change (during period) ³										
31 Total.....	21,647	35,278	45,066	3,680	3,382	4,104	4,400	3,061	3,308	3,731
By major holder										
32 Commercial banks.....	10,792	18,645	24,058	1,714	1,617	1,925	2,080	1,330	1,630	1,465
33 Finance companies.....	2,946	5,948	9,441	847	863	1,018	1,098	1,341	1,205	1,334
34 Credit unions.....	5,503	6,436	8,334	639	644	779	773	360	402	528
35 Retailers ¹	1,059	2,654	1,386	328	115	186	196	-90	-221	143
36 Savings and loans.....	1,085	1,111	1,041	94	127	88	115	67	86	173
37 Gasoline companies.....	124	132	276	9	16	-1	96	100	68	20
38 Mutual savings banks.....	138	352	530	49	-8	104	42	-47	138	68
By major type of credit										
39 Automobile.....	10,465	15,204	19,557	1,532	1,375	1,755	1,780	1,680	1,565	1,486
40 Commercial banks.....	6,334	9,956	10,987	848	759	839	845	633	739	617
41 Indirect paper.....	2,742	5,307	6,471	517	354	440	530	387	530	290
42 Direct loans.....	3,592	4,649	4,516	331	405	399	315	246	209	327
43 Credit unions.....	2,497	2,861	3,868	313	301	364	391	187	190	245
44 Finance companies.....	1,634	2,387	4,702	371	315	552	544	860	636	624
45 Revolving.....	2,170	6,248	7,776	622	346	665	869	433	317	742
46 Commercial banks.....	2,046	4,015	6,060	380	337	556	610	375	492	588
47 Retailers.....	124	2,101	1,440	233	-7	110	163	-42	-243	134
48 Gasoline companies.....	124	132	276	9	16	-1	96	100	68	20
49 Mobile home.....	140	565	897	72	25	75	71	40	56	108
50 Commercial banks.....	70	387	426	31	-25	19	21	12	15	31
51 Finance companies.....	-182	-189	74	6	-2	15	11	7	9	11
52 Savings and loans.....	192	297	310	27	46	34	30	19	28	59
53 Credit unions.....	60	70	87	8	6	7	9	2	4	7
54 Other.....	8,872	13,261	16,836	1,454	1,636	1,609	1,680	908	1,370	1,395
55 Commercial banks.....	2,342	4,287	6,585	455	554	516	604	310	384	229
56 Finance companies.....	1,494	3,750	4,665	470	550	451	543	474	560	699
57 Credit unions.....	2,946	3,505	4,379	318	337	408	373	171	208	276
58 Retailers.....	1,059	553	-54	95	122	76	33	-48	22	9
59 Savings and loans.....	893	814	731	67	81	54	85	48	58	114
60 Mutual savings banks.....	138	352	530	49	-8	104	42	-47	138	68

¹ The Board's series cover most short- and intermediate-term credit extended to individuals through regular business channels, usually to finance the purchase of consumer goods and services or to refinance debts incurred for such purposes, and scheduled to be repaid (or with the option of repayment) in two or more installments.

² Includes auto dealers and excludes 30-day charge credit held by travel and entertainment companies.

³ Net change equals extensions minus liquidations (repayments, charge-offs, and other credits); figures for all months are seasonally adjusted.

NOTE. Total consumer noninstallment credit outstanding—credit scheduled to be repaid in a lump sum, including single-payment loans, charge accounts, and service credit—amounted to \$64.3 billion at the end of 1978, \$58.6 billion at the end of 1977, \$54.8 billion at the end of 1976, and \$50.9 billion at the end of 1975. Comparable data for Dec. 31, 1979 will be published in the February 1980 BULLETIN.

▲ Consumer installment credit series have been revised from 1943, effective Dec. 7, 1978. Information is available from Mortgage and Consumer Finance Section, Division of Research and Statistics.

1.56 CONSUMER INSTALLMENT CREDIT Extensions and Liquidations▲

Millions of dollars

Holder, and type of credit	1976	1977	1978	1978				1979		
				Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
Extensions ²										
1 Total.....	211,028	254,071	298,574	25,537	25,766	26,219	26,500	25,544	26,202	26,698
By major holder										
2 Commercial banks.....	97,397	117,896	142,965	12,123	12,190	12,481	12,521	12,153	12,430	12,412
3 Finance companies.....	36,129	41,989	50,483	4,372	4,605	4,512	4,679	4,547	4,822	5,123
4 Credit unions.....	29,259	34,028	40,023	3,360	3,401	3,530	3,526	3,241	3,238	3,250
5 Retailers ¹	29,447	39,133	41,619	3,718	3,518	3,571	3,612	3,565	3,460	3,611
6 Savings and loans.....	3,898	4,485	5,050	403	566	489	516	481	468	583
7 Gasoline companies.....	13,387	14,617	16,125	1,346	1,335	1,376	1,451	1,440	1,486	1,493
8 Mutual savings banks.....	1,511	1,923	2,309	215	151	260	195	117	298	226
By major type of credit										
9 Automobile.....	63,743	75,641	88,986	7,542	7,501	7,787	7,833	7,545	7,756	7,797
10 Commercial banks.....	37,886	46,363	53,028	4,479	4,345	4,503	4,443	4,286	4,430	4,424
11 Indirect paper.....	20,576	25,149	29,336	2,519	2,384	2,422	2,451	2,318	2,472	2,449
12 Direct loans.....	17,310	21,214	23,692	1,960	1,961	2,081	1,992	1,968	1,958	1,975
13 Credit unions.....	14,688	16,616	19,486	1,641	1,643	1,718	1,738	1,635	1,624	1,587
14 Finance companies.....	11,169	12,662	16,472	1,422	1,513	1,566	1,652	1,624	1,702	1,786
15 Revolving.....	43,934	86,756	104,587	9,006	8,846	9,176	9,424	9,417	9,357	9,714
16 Commercial banks.....	30,547	38,256	51,531	4,457	4,475	4,702	4,814	4,799	4,860	5,024
17 Retailers.....	13,387	33,883	36,931	3,203	3,036	3,098	3,159	3,178	3,011	3,197
18 Gasoline companies.....	4,859	5,425	6,067	494	604	486	502	369	454	516
19 Mobile home.....	3,064	3,466	3,704	297	352	280	295	235	295	296
20 Commercial banks.....	702	643	886	77	73	77	74	33	60	61
21 Finance companies.....	929	1,120	1,239	100	154	108	111	88	81	139
22 Savings and loans.....	164	196	238	20	25	21	22	13	18	20
23 Credit unions.....	98,492	86,249	98,934	8,495	8,815	8,870	8,741	8,213	8,635	8,671
24 Other.....	25,900	29,811	34,702	2,890	3,018	2,996	2,969	2,833	2,845	2,668
25 Commercial banks.....	24,258	28,684	33,125	2,873	3,019	2,869	2,953	2,890	3,060	3,276
26 Finance companies.....	14,407	17,216	20,299	1,699	1,733	1,791	1,766	1,593	1,596	1,643
27 Credit unions.....	29,447	5,250	4,688	515	482	473	453	387	449	414
28 Retailers.....	2,969	3,365	3,811	303	412	381	405	393	387	444
29 Savings and loans.....	1,511	1,923	2,309	215	151	260	195	117	298	226
30 Mutual savings banks.....										
Liquidations ²										
31 Total.....	189,381	218,793	253,508	21,857	22,384	22,115	22,100	22,483	22,894	22,967
By major holder										
32 Commercial banks.....	86,605	99,251	118,907	10,409	10,565	10,551	10,441	10,823	10,800	10,947
33 Finance companies.....	33,183	36,041	41,042	3,525	3,742	3,494	3,581	3,206	3,617	3,789
34 Credit unions.....	23,756	27,592	31,689	2,721	2,757	2,751	2,753	2,881	2,836	2,722
35 Retailers ¹	28,388	36,479	40,233	3,390	3,403	3,385	3,416	3,655	3,681	3,468
36 Savings and loans.....	2,813	3,374	4,009	309	439	401	401	414	382	410
37 Gasoline companies.....	13,263	14,485	15,849	1,337	1,319	1,377	1,355	1,340	1,418	1,473
38 Mutual savings banks.....	1,373	1,571	1,779	166	159	156	153	164	160	158
By major type of credit										
39 Automobile.....	53,278	60,437	69,429	6,010	6,126	6,032	6,053	5,865	6,191	6,311
40 Commercial banks.....	31,552	36,407	42,041	3,631	3,586	3,664	3,598	3,653	3,691	3,807
41 Indirect paper.....	17,834	19,842	22,865	2,002	2,030	1,982	1,921	1,931	1,942	2,159
42 Direct loans.....	13,718	16,565	19,176	1,629	1,556	1,682	1,677	1,722	1,749	1,648
43 Credit unions.....	12,191	13,755	15,618	1,328	1,342	1,354	1,347	1,448	1,434	1,342
44 Finance companies.....	9,535	10,275	11,770	1,051	1,198	1,014	1,108	764	1,066	1,162
45 Revolving.....	41,764	80,508	96,811	8,384	8,500	8,511	8,555	8,984	9,040	8,972
46 Commercial banks.....	28,501	34,241	45,471	4,077	4,138	4,146	4,204	4,424	4,368	4,436
47 Retailers.....	13,263	31,782	35,491	2,970	3,043	2,988	2,996	3,220	3,254	3,063
48 Gasoline companies.....		14,485	15,849	1,337	1,319	1,377	1,355	1,340	1,418	1,473
49 Mobile home.....	4,719	4,860	5,170	422	579	411	431	329	398	408
50 Commercial banks.....	2,994	3,079	3,278	266	377	261	274	223	280	265
51 Finance companies.....	884	832	812	71	75	62	63	26	51	50
52 Savings and loans.....	737	823	929	73	108	74	81	69	53	80
53 Credit unions.....	104	126	151	12	19	14	13	11	14	13
54 Other.....	89,620	72,988	82,098	7,041	7,179	7,161	7,061	7,305	7,265	7,276
55 Commercial banks.....	23,558	25,524	28,117	2,435	2,464	2,480	2,365	2,523	2,461	2,439
56 Finance companies.....	22,764	24,934	28,460	2,403	2,469	2,418	2,410	2,416	2,500	2,577
57 Credit unions.....	11,461	13,711	15,920	1,381	1,396	1,383	1,393	1,422	1,388	1,367
58 Retailers.....	28,388	4,697	4,742	420	360	397	420	435	427	405
59 Savings and loans.....	2,076	2,551	3,080	236	331	327	320	345	329	330
60 Mutual savings banks.....	1,373	1,571	1,779	166	159	156	153	164	160	158

¹ Includes auto dealers and excludes 30-day charge credit held by travel and entertainment companies.

² Monthly figures are seasonally adjusted.

▲ Consumer installment credit series have been revised from 1943, effective Dec. 7, 1978. Information is available from Mortgage and Consumer Finance Section, Division of Research and Statistics.

1.57 FUNDS RAISED IN U.S. CREDIT MARKETS

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

Transaction category, or sector	1973	1974	1975	1976	1977	1978	1976		1977		1978	
							H1	H2	H1	H2	H1	H2
Nonfinancial sectors												
1 Total funds raised.....	203.8	188.8	208.1	272.5	340.5	389.4	259.6	285.6	302.2	378.9	378.2	400.7
2 Excluding equities.....	196.1	184.9	198.0	261.7	337.4	387.4	245.9	277.5	301.0	373.8	376.8	398.0
By sector and instrument												
3 U.S. government.....	8.3	11.8	85.4	69.0	56.8	53.7	73.5	64.5	42.6	71.0	58.7	48.6
4 Public debt securities.....	7.9	12.0	85.8	69.1	57.6	55.1	73.4	64.9	43.1	72.2	59.7	50.5
5 Agency issues and mortgages.....	.4	—	—	—	—	—	—	—	—	—	—	—
6 All other nonfinancial sectors.....	195.5	177.0	122.7	203.5	283.8	335.8	186.0	221.0	259.6	307.9	319.4	352.1
7 Corporate equities.....	7.7	3.8	10.1	10.8	3.1	2.1	13.6	8.1	1.2	5.1	1.4	2.7
8 Debt instruments.....	187.9	173.1	112.6	192.6	280.6	333.7	172.4	213.0	258.5	302.8	318.0	349.3
9 Private domestic nonfinancial sectors.....	189.3	161.6	109.5	182.8	271.4	310.1	168.5	197.2	252.1	290.7	302.2	318.0
10 Corporate equities.....	7.9	4.1	9.9	10.5	2.7	2.6	13.3	7.7	.5	4.9	2.2	3.0
11 Debt instruments.....	181.4	157.5	99.6	172.3	268.7	307.5	155.2	189.5	251.6	285.8	300.0	314.9
12 Debt capital instruments.....	105.0	98.0	97.8	126.8	181.1	194.8	117.8	135.9	163.4	198.9	185.6	204.0
13 State and local obligations.....	14.7	16.5	15.6	19.0	29.2	29.6	19.3	18.7	29.3	29.0	28.5	30.8
14 Corporate bonds.....	9.2	19.7	27.2	22.8	21.0	20.1	22.2	23.5	16.0	26.0	19.0	21.2
Mortgages												
15 Home.....	46.4	34.8	39.5	63.7	96.4	101.4	56.9	70.5	88.5	104.2	99.3	103.6
16 Multifamily residential.....	10.4	6.9	*	1.8	7.4	10.1	.6	3.1	6.4	8.4	9.2	11.1
17 Commercial.....	18.9	15.1	11.0	13.4	18.4	23.1	13.8	12.9	14.2	22.6	20.3	26.0
18 Farm.....	5.5	5.0	4.6	6.1	8.8	10.3	4.9	7.3	8.9	8.7	9.3	11.4
19 Other debt instruments.....	76.4	59.6	1.8	45.5	87.6	112.7	37.4	53.6	88.2	86.9	114.5	110.9
20 Consumer credit.....	23.8	10.2	9.4	23.6	35.0	50.5	22.9	24.3	35.7	34.4	49.8	51.3
21 Bank loans n.e.c.....	39.8	29.0	—14.0	3.5	30.6	37.1	—2.7	9.6	34.0	27.2	41.4	32.7
22 Open market paper.....	2.5	6.6	—2.6	4.0	2.9	4.9	5.6	2.4	3.5	2.4	5.2	4.5
23 Other.....	10.3	13.7	9.0	14.4	19.0	20.2	11.6	17.3	15.0	23.0	18.0	22.4
24 By borrowing sector.....	189.3	161.6	109.5	182.8	271.4	310.1	168.5	197.2	252.1	290.7	302.2	318.0
25 State and local governments.....	13.2	15.5	13.2	18.5	25.9	24.9	17.6	19.5	22.7	29.0	21.7	28.1
26 Households.....	80.9	49.2	48.6	89.9	139.6	161.3	82.7	97.1	131.2	148.0	155.0	167.5
27 Farm.....	9.7	7.9	8.7	11.0	14.7	17.2	9.9	12.1	15.5	13.8	14.6	19.9
28 Nonfarm noncorporate.....	12.8	7.4	2.0	5.2	12.6	17.2	4.0	6.4	12.8	12.3	20.3	14.2
29 Corporate.....	72.7	81.8	37.0	58.2	78.7	89.5	54.3	62.2	69.8	87.6	90.6	88.2
30 Foreign.....	6.2	15.3	13.2	20.7	12.3	25.7	17.5	23.8	7.5	17.2	17.2	34.1
31 Corporate equities.....	—2	—2	.2	.3	.4	—	.3	.3	.6	.2	—	.3
32 Debt instruments.....	6.4	15.6	13.0	20.4	11.9	26.2	17.2	23.5	6.9	17.0	18.0	34.4
33 Bonds.....	1.0	2.1	6.2	8.5	5.0	4.3	7.4	9.7	4.4	5.6	4.9	3.7
34 Bank loans n.e.c.....	2.8	4.7	3.7	6.6	1.6	12.0	5.4	7.9	—3.2	6.4	6.2	17.7
35 Open market paper.....	.9	7.3	.3	1.9	2.4	6.6	1.5	2.4	2.7	2.2	3.6	9.6
36 U.S. government loans.....	1.7	1.5	2.8	3.3	3.0	3.3	2.9	3.6	3.1	2.9	3.3	3.4
Financial sectors												
37 Total funds raised.....	57.6	36.4	11.7	29.2	58.8	93.8	27.9	30.5	61.5	56.2	102.9	84.6
By instrument												
38 U.S. government related.....	19.9	23.1	13.5	18.6	26.3	39.0	18.2	19.0	25.0	27.5	41.5	36.5
39 Sponsored credit agency securities.....	16.3	16.6	2.3	3.3	7.0	22.6	4.1	2.6	9.5	4.4	24.9	20.2
40 Mortgage pool securities.....	3.6	5.8	10.3	15.7	20.5	16.5	14.2	17.2	17.9	23.1	16.6	16.3
41 Loans from U.S. government.....	—	.7	.9	—	—	—	*	—	—	—	0	0
42 Private financial sectors.....	37.7	13.3	—1.9	10.6	32.6	54.7	9.7	11.5	36.5	28.7	61.4	48.0
43 Corporate equities.....	1.5	.3	.6	1.0	.6	1.1	—	2.3	.5	.7	1.1	1.0
44 Debt instruments.....	36.2	13.0	—2.5	9.6	32.0	53.7	10.0	9.2	36.0	28.0	60.3	47.0
45 Corporate bonds.....	3.5	2.1	2.9	5.8	10.1	7.7	6.4	5.2	10.1	10.1	8.4	6.9
46 Mortgages.....	—1.2	—1.3	2.3	2.1	3.1	.9	1.5	2.7	3.3	2.9	2.4	—
47 Bank loans n.e.c.....	8.9	4.6	—3.6	—3.7	*	1.2	—2.6	—4.8	—2.3	2.3	.5	1.9
48 Open market paper and RPs.....	17.8	.9	—1	7.3	14.4	31.3	6.2	8.5	21.4	7.4	34.9	27.8
49 Loans from FHLBs.....	7.2	6.7	—4.0	—2.0	4.3	12.5	—1.5	—2.5	3.4	5.2	14.1	10.9
By sector												
50 Sponsored credit agencies.....	57.6	36.4	11.7	29.2	58.8	93.8	27.9	30.5	61.5	56.2	102.9	84.6
51 Mortgage pools.....	16.3	17.3	3.2	2.9	5.8	22.6	4.0	1.8	7.1	4.4	24.9	20.2
52 Other financial sectors.....	3.6	5.8	10.3	15.7	20.5	16.5	14.2	17.2	17.9	23.1	16.6	16.3
53 Private financial sectors.....	37.7	13.3	—1.9	10.6	32.6	54.7	9.7	11.5	36.5	28.7	61.4	48.0
54 Commercial banks.....	14.1	—5.6	—1.4	7.5	4.8	8.2	9.0	6.0	10.0	—4	12.2	4.2
55 Bank affiliates.....	2.2	3.5	.3	—	1.3	4.3	—1.3	—	1.3	1.2	5.8	2.8
56 Savings and loan associations.....	6.0	6.3	—2.2	*	11.9	16.4	.1	—	10.6	13.1	19.7	13.1
57 Other insurance companies.....	.5	.9	1.0	.9	.9	1.1	.9	.9	.9	1.0	1.0	1.1
58 Finance companies.....	9.4	6.0	.6	6.4	16.9	19.7	6.0	6.9	17.4	16.4	18.7	20.6
59 REITs.....	6.5	.6	—1.4	—2.4	—2.4	—1.3	—2.1	—2.7	—2.5	—2.2	—1.3	—1.3
60 Open-end investment companies.....	—1.2	—7	—1	—1.0	—1.0	—5	—2.4	.4	—	—1.2	—6	—4
61 Money market funds.....	2.4	1.3	*		.2	6.9	—5	.5	—5	.9	5.9	8.0
All sectors												
61 Total funds raised, by instrument.....	261.4	225.1	219.8	301.7	399.4	483.2	287.5	316.0	363.7	435.0	481.1	485.3
62 Investment company shares.....	—1.2	—7	—1	—1.0	—1.0	—5	—2.4	.4	—8	—1.2	—6	—4
63 Other corporate equities.....	10.4	4.8	10.8	12.9	4.8	3.6	15.8	9.9	2.5	7.0	3.1	4.2
64 Debt instruments.....	252.3	221.0	209.1	289.8	395.6	480.1	274.1	305.7	362.0	429.2	478.6	481.5
65 U.S. government securities.....	28.3	34.3	98.2	88.1	84.3	92.8	91.9	84.3	70.0	98.6	100.4	85.2
66 State and local obligations.....	14.7	16.5	15.6	19.0	29.2	29.8	19.3	18.7	29.3	29.0	28.5	30.8
67 Corporate and foreign bonds.....	13.6	23.9	36.4	37.2	36.1	32.1	36.1	38.4	30.5	41.7	32.3	31.8
68 Mortgages.....	79.9	60.5	57.2	87.1	134.0	145.9	77.7	96.4	121.2	146.7	140.3	151.5
69 Consumer credit.....	23.8	10.2	9.4	23.6	35.0	50.5	22.9	24.3	35.7	34.4	49.8	51.3
70 Bank loans n.e.c.....	51.6	38.3	—13.9	6.4	32.2	50.2	.1	12.6	28.4	35.9	48.2	52.2
71 Open market paper and RPs.....	21.2	14.8	—2.4	13.3	19.8	42.8	13.3	13.3	27.6	11.9	43.7	41.9
72 Other loans.....	19.1	22.6	8.7	15.3	25.1	36.1	12.9	17.7	19.2	31.0	35.4	36.8

1.58 DIRECT AND INDIRECT SOURCES OF FUNDS TO CREDIT MARKETS

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

Transaction category, or sector	1973	1974	1975	1976	1977	1978	1976		1977		1978	
							H1	H2	H1	H2	H1	H2
1 Total funds advanced in credit markets to nonfinancial sectors.....	196.1	184.9	198.0	261.7	337.4	387.4	245.9	277.5	301.0	373.8	376.8	398.0
<i>By public agencies and foreign</i>												
2 Total net advances.....	34.1	52.6	44.3	54.5	85.4	102.8	49.7	59.3	69.3	101.6	103.5	102.0
3 U.S. government securities.....	9.5	11.9	22.5	26.8	40.2	43.1	24.4	29.3	27.2	53.2	42.7	43.6
4 Residential mortgages.....	8.2	14.7	16.2	12.8	20.4	24.6	11.8	13.7	20.0	20.9	23.5	25.7
5 FHLB advances to S&Ls.....	7.2	6.7	-4.0	-2.0	4.3	12.5	-1.5	-2.5	3.4	5.2	14.1	10.9
6 Other loans and securities.....	9.2	19.4	9.5	16.9	20.5	22.6	15.0	18.8	18.6	22.4	23.3	21.8
<i>Totals advanced, by sector</i>												
7 U.S. government.....	2.8	9.7	15.1	8.9	11.8	18.3	6.3	11.5	6.1	17.6	19.2	17.4
8 Sponsored credit agencies.....	21.4	25.6	14.5	20.6	26.9	44.0	20.0	21.2	26.7	27.2	44.9	43.2
9 Monetary authorities.....	9.2	6.2	8.5	9.8	7.1	7.0	13.7	6.0	10.2	4.1	12.9	1.0
10 Foreign.....	.6	11.2	6.1	15.2	39.5	33.5	9.7	20.6	26.4	52.7	26.4	40.5
11 Agency borrowing not included in line 1.....	19.9	23.1	13.5	18.6	26.3	39.0	18.2	19.0	25.0	27.5	41.5	36.5
Private domestic funds advanced												
12 Total net advances.....	182.0	155.3	167.3	225.7	278.2	323.6	214.4	237.1	256.8	299.7	314.8	332.5
13 U.S. government securities.....	18.8	22.4	75.7	61.3	44.1	49.7	67.5	55.1	42.8	45.4	57.7	41.6
14 State and local obligations.....	14.7	16.5	15.6	19.0	29.2	29.6	19.3	18.7	29.3	29.0	28.5	30.8
15 Corporate and foreign bonds.....	10.0	20.9	32.8	30.5	22.3	23.4	28.6	32.3	17.2	27.3	22.4	24.3
16 Residential mortgages.....	48.4	26.9	23.2	52.7	83.2	86.9	45.6	59.7	74.9	91.6	84.9	88.9
17 Other mortgages and loans.....	97.2	75.4	16.1	60.4	103.7	146.6	51.9	68.9	96.0	111.5	135.4	157.8
18 Less: FHLB advances.....	7.2	6.7	-4.0	-2.0	4.3	12.5	-1.5	-2.5	3.4	5.2	14.1	10.9
Private financial intermediation												
19 Credit market funds advanced by private financial institutions.....	165.4	126.2	119.9	191.2	249.6	289.6	174.4	207.9	241.1	258.0	283.7	295.5
20 Commercial banking.....	86.5	64.5	27.6	58.0	85.8	119.2	46.6	69.4	81.1	90.5	120.4	117.9
21 Savings institutions.....	36.9	26.9	52.0	71.4	84.8	79.1	70.5	72.4	85.3	84.3	77.2	81.0
22 Insurance and pension funds.....	23.9	30.0	41.5	51.7	62.0	71.4	53.2	50.2	60.3	63.7	69.4	73.4
23 Other finance.....	18.0	4.7	-1.1	10.1	16.9	19.9	4.2	15.9	14.5	19.4	16.6	23.2
24 Sources of funds.....	165.4	126.2	119.9	191.2	249.6	289.6	174.4	207.9	241.1	258.0	283.7	295.5
25 Private domestic deposits.....	86.6	69.4	90.6	121.5	136.0	124.5	108.3	134.6	127.0	145.0	119.4	129.6
26 Credit market borrowing.....	36.2	13.0	-2.5	9.6	32.0	53.7	10.0	9.2	36.0	28.0	60.3	47.0
27 Other sources.....	42.5	43.8	31.9	60.1	81.6	111.4	56.1	64.1	78.2	85.1	104.0	118.9
28 Foreign funds.....	5.8	16.8	.9	5.1	11.6	15.7	.7	9.5	.7	22.4	4.0	27.5
29 Treasury balances.....	-1.0	-5.1	-1.7	-1.1	4.3	9.7	2.3	-2.5	-1.8	10.4	-7.7	20.1
30 Insurance and pension reserves.....	18.4	26.0	29.6	34.8	48.0	57.0	35.8	33.8	45.5	50.4	55.9	58.2
31 Other, net.....	19.4	6.0	3.1	20.3	17.8	29.0	17.2	23.4	33.7	1.9	44.9	13.1
Private domestic nonfinancial investors												
32 Direct lending in credit markets.....	52.8	42.2	44.9	44.1	60.6	87.7	50.0	38.4	51.6	69.6	91.4	84.0
33 U.S. government securities.....	19.2	17.5	23.0	19.6	24.6	33.1	25.0	14.1	14.1	35.2	36.3	30.0
34 State and local obligations.....	5.4	9.3	8.3	6.8	9.1	8.8	7.6	6.0	8.2	10.1	10.8	6.8
35 Corporate and foreign bonds.....	1.3	4.7	8.0	2.1	1.1	-9	2.9	1.3	-4	1.8	-2.6	.8
36 Commercial paper.....	18.3	2.4	-8	4.1	9.5	27.8	4.8	3.4	13.0	6.0	28.8	26.9
37 Other.....	8.6	8.2	6.4	11.5	16.2	18.8	9.7	13.5	15.9	16.5	18.2	19.5
38 Deposits and currency.....	90.6	75.7	96.8	128.8	144.3	133.8	114.3	143.3	132.6	156.0	129.5	138.0
39 Time and savings accounts.....	76.1	66.7	84.8	112.2	120.1	117.8	99.5	125.0	110.5	129.7	110.2	125.5
40 Large negotiable CDs.....	18.1	18.8	-14.1	-14.4	9.3	13.8	-19.8	-9.1	-4.4	22.9	10.3	17.3
41 Other at commercial banks.....	29.6	26.1	39.4	58.1	41.7	42.8	52.0	64.3	45.3	38.2	45.0	40.5
42 At savings institutions.....	28.5	21.8	59.4	68.5	69.1	61.3	67.3	69.8	69.6	68.7	54.9	67.7
43 Money.....	14.4	8.9	12.0	16.6	24.2	15.9	14.8	18.3	22.1	26.3	19.3	12.5
44 Demand deposits.....	10.5	2.6	5.8	9.3	15.9	6.6	8.9	9.6	16.5	15.3	9.2	4.1
45 Currency.....	3.9	6.3	6.2	7.3	8.3	9.3	6.0	8.6	5.6	11.0	10.1	8.5
46 Total of credit market instruments, deposits and currency.....	143.4	117.8	141.6	172.9	204.9	221.5	164.3	181.6	184.2	225.6	220.9	222.0
47 Public support rate (in percent).....	17.4	28.5	22.4	20.8	25.3	26.5	20.2	21.4	23.0	27.2	27.5	25.6
48 Private financial intermediation (in percent).....	90.9	81.3	71.7	84.7	89.7	89.5	81.3	87.7	93.9	86.1	90.1	88.9
49 Total foreign funds.....	6.4	28.0	7.1	20.3	51.1	49.2	10.4	30.1	27.1	75.1	30.4	68.0
MEMO: Corporate equities not included above												
50 Total net issues.....	9.2	4.1	10.7	11.9	3.8	3.1	13.4	10.4	1.7	5.8	2.5	3.8
51 Mutual fund shares.....	-1.2	-7	-1	-1.0	-1.0	-5	-2.4	.4	-8	-1.2	-6	-4
52 Other equities.....	10.4	4.8	10.8	12.9	4.8	3.6	15.8	9.9	2.5	7.0	3.1	4.2
53 Acquisitions by financial institutions.....	13.3	5.8	9.7	12.5	6.2	4.9	13.1	12.0	6.1	6.3	1.7	8.0
54 Other net purchases.....	-4.1	-1.6	1.0	-7	-2.4	-1.7	.3	-1.6	-4.4	-5	.8	-4.2

NOTES BY LINE NUMBER.

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. Sum of lines 39 and 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. Sum of lines 10 and 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	1976	1977	1978	1978				1979			
				Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar. ^p	Apr. ^e
1 Industrial production.....	129.8	137.1	145.2	147.8	148.7	149.6	150.9	150.9	151.0	152.0	150.5
Market groupings											
2 Products, total.....	129.3	137.1	144.3	146.5	147.0	147.7	149.1	149.4	149.9	150.6	148.9
3 Final, total.....	127.2	134.9	141.4	143.7	144.1	144.5	145.6	145.9	146.3	147.3	145.3
4 Consumer goods.....	136.2	143.4	147.4	149.0	149.2	149.7	150.6	150.6	150.7	151.7	149.0
5 Equipment.....	114.6	123.2	133.1	136.4	137.0	137.3	138.7	139.5	140.1	141.3	140.5
6 Intermediate.....	137.2	145.1	155.3	157.0	158.0	159.3	161.8	162.6	163.1	162.7	162.1
7 Materials.....	130.6	136.9	146.5	149.7	151.4	152.7	153.8	153.1	152.7	154.1	153.0
Industry groupings											
8 Manufacturing.....	129.5	137.1	145.6	148.7	149.5	150.4	151.8	151.9	152.0	152.9	151.3
Capacity utilization (percent) ¹											
9 Manufacturing.....	80.2	82.4	84.2	85.3	85.5	85.8	86.3	86.0	85.8	86.1	84.9
10 Industrial materials industries.....	80.4	81.9	84.9	86.3	87.1	87.6	86.1	87.4	86.9	87.5	86.7
11 Construction contracts ²	190.2	160.5	174.3	182.0	193.0	173.0	184.0	181.0	231.0	186.0	n.a.
12 Nonagricultural employment, total ³	120.7	125.0	130.3	131.0	131.6	132.3	133.5	133.0	133.5	134.1	134.2
13 Goods-producing, total.....	100.2	104.2	108.9	109.3	110.1	111.0	111.7	112.0	112.4	113.3	113.3
14 Manufacturing, total.....	97.7	101.0	104.5	104.3	105.1	105.9	106.6	107.1	107.4	107.8	107.7
15 Manufacturing, production-worker.....	95.3	98.6	102.1	101.6	102.4	103.5	104.3	104.8	105.2	105.5	105.4
16 Service-producing.....	131.9	136.4	142.1	142.9	143.4	144.0	144.2	144.5	145.0	145.5	145.7
17 Personal income, total ⁴	220.4	244.0	272.5	278.4	282.2	285.0	288.5	290.3	292.6	296.2	297.1
18 Wages and salary disbursements.....	189.3	230.1	257.5	262.0	266.1	268.8	271.5	274.4	276.9	280.6	281.1
19 Manufacturing.....	177.1	198.6	223.6	226.4	230.3	234.8	238.0	238.0	244.1	246.7	245.6
20 Disposable personal income.....	176.8	194.5	216.7	.....	.....	226.0	.....	.....	233.4	.....	.....
21 Retail sales ⁵	203.5	224.4	248.0	253.5	257.5	262.0	265.3	270.7	271.8	274.5	275.9
Prices ⁶											
22 Consumer ⁷	170.5	181.5	195.4	199.3	200.9	202.0	202.9	204.7	207.1	209.6	n.a.
23 Producer finished goods ⁸	170.3	180.6	194.6	196.9	199.7	200.6	202.4	205.2	207.4	208.8	211.2

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 Information Systems Company, F. W. Dodge Division.

³ Based on data in *Employment and Earnings* (U.S. Department of Labor). Series covers employees only, excluding personnel in the Armed Forces.

⁴ Based on data in *Survey of Current Business* (U.S. Department of Commerce). Series for disposable income is quarterly.

⁵ Based on Bureau of Census data published in *Survey of Current Business* (U.S. Department of Commerce).

⁶ Data without seasonal adjustment, as published in *Monthly Labor*

Review (U.S. Department of Labor). Seasonally adjusted data for changes in the price indexes may be obtained from the Bureau of Labor Statistics, U.S. Department of Labor.

⁷ Beginning Jan. 1978, based on new index for all urban consumers.

⁸ Beginning with the November 1978 BULLETIN, producer price data in this table have been changed to the BLS series for producer finished goods. The previous data were producer prices for all commodities.

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. Department of Commerce). Figures for industrial production for the last two months are preliminary and estimated, respectively.

2.11 OUTPUT, CAPACITY, AND CAPACITY UTILIZATION

Seasonally adjusted

Series	1978			1979	1978				1979	1978				1979
	Q2	Q3	Q4	Q1 ^r	Q2	Q3	Q4	Q1		Q2	Q3	Q4	Q1 ^r	
	Output (1967 = 100)				Capacity (percent of 1967 output)					Utilization rate (percent)				
1 Manufacturing.....	144.4	147.7	150.6	152.3	172.0	173.7	175.4	177.1		84.0	85.0	85.9	86.0	
2 Primary processing.....	154.1	158.2	161.9	162.0	178.5	180.2	181.9	183.8		86.3	87.8	89.0	88.1	
3 Advanced processing.....	139.3	142.1	144.5	147.1	168.5	170.2	171.8	173.4		82.7	83.5	84.1	84.8	
4 Materials.....	145.1	148.7	152.6	153.3	171.7	173.0	174.2	175.6		84.5	86.0	87.6	87.3	
5 Durable goods.....	144.0	150.4	155.2	155.1	175.2	176.3	177.4	178.4		82.2	85.3	87.5	87.0	
6 Basic metal.....	117.5	124.6	129.4	124.3	146.1	146.5	146.8	147.1		80.4	85.1	88.1	84.5	
7 Nondurable goods.....	163.2	163.2	166.9	169.4	184.4	186.5	188.5	190.7		88.5	87.5	88.5	88.8	
8 Textile, paper, and chemical.....	167.7	168.4	172.2	175.0	193.1	195.4	197.5	199.8		86.8	86.2	87.2	87.6	
9 Textile.....	117.1	117.3	119.4	117.8	144.1	144.7	145.2	145.8		81.2	81.0	82.2	80.8	
10 Paper.....	139.7	134.8	137.2	137.4	154.8	155.8	156.9	158.0		90.3	86.5	87.4	87.0	
11 Chemical.....	201.4	204.4	209.5	215.3	230.1	233.5	236.8	240.2		87.5	87.5	88.5	89.6	
12 Energy.....	125.5	127.0	128.7	129.0	147.8	148.4	148.9	150.2		84.9	85.6	86.4	85.9	

2.12 LABOR FORCE, EMPLOYMENT, AND UNEMPLOYMENT

Thousands of persons; monthly data are seasonally adjusted. Exceptions noted.

Category	1976	1977	1978	1978			1979			
				Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.
	Household survey data									
1 Noninstitutional population ¹	156,048	158,559	161,058	161,829	162,033	162,250	162,448	162,633	162,909	163,008
2 Labor force (including Armed Forces) ¹	96,917	99,534	102,537	103,199	103,745	103,975	104,277	104,621	104,804	104,193
3 Civilian labor force.....	94,773	97,401	100,420	101,077	101,628	101,867	102,183	102,527	102,714	102,111
4 Nonagricultural industries ²	84,188	87,302	91,031	91,867	92,476	92,468	93,068	93,335	93,499	92,987
5 Agriculture.....	3,297	3,244	3,342	3,374	3,275	3,387	3,232	3,311	3,343	3,186
6 Unemployment.....										
7 Number.....	7,288	6,855	6,047	5,836	5,877	6,012	5,883	5,881	5,871	5,937
7 Rate (percent of civilian labor force).....	7.7	7.0	6.0	5.8	5.8	5.9	5.8	5.7	5.7	5.8
8 Not in labor force.....	59,130	59,025	58,521	58,630	58,288	58,275	58,170	58,012	58,105	58,815
	Establishment survey data ⁴									
9 Nonagricultural payroll employment ³	79,382	82,256	85,760	86,573	87,036	87,281	87,524	*87,818	*88,240	88,312
10 Manufacturing.....	18,997	19,647	20,331	20,436	20,601	20,729	20,825	*20,895	*20,960	20,941
11 Mining.....	779	809	837	893	903	904	905	*26,199	*26,413	26,397
12 Contract construction.....	3,576	3,833	4,213	4,341	4,368	4,397	4,381	*4,385	*4,532	4,534
13 Transportation and public utilities.....	4,582	4,696	4,858	4,922	4,947	4,967	4,974	*5,001	*5,024	4,958
14 Trade.....	17,755	18,492	19,392	19,632	19,701	19,697	19,817	*19,883	*19,949	19,992
15 Finance.....	4,271	4,452	4,676	4,737	4,774	4,789	4,809	*4,829	*4,842	4,860
16 Service.....	14,551	15,249	15,976	16,169	16,270	16,327	16,352	*16,438	*16,512	16,569
17 Government.....	14,871	15,079	15,478	15,443	15,472	15,471	15,461	*15,468	*15,500	15,536

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).

⁴ The establishment survey data in this table have been revised to conform to the industry definitions of the 1972 Standard Industrial Classification (SIC) Manual and to reflect employment benchmark levels for March 1977. In addition, seasonal factors for these data have been revised, based on experience through May 1978.

2.13 INDUSTRIAL PRODUCTION Indexes and Gross Value

Monthly data are seasonally adjusted.

Grouping	1967 pro- portion	1978 aver- age ^p	1978								1979			
			Feb.	Mar.	Apr.	Aug.	Sept.	Oct.	Nov.	Dec.	Jan. ^r	Feb. ^r	Mar. ^p	Apr. ^e
Index (1967 = 100)														
MAJOR MARKET														
1 Total index.....	100.00	145.2	139.2	140.9	143.2	147.1	147.8	148.7	149.6	150.9	150.9	151.0	152.0	150.5
2 Products.....	60.71	144.3	139.6	141.6	143.0	146.2	146.5	147.0	147.7	149.1	149.4	149.9	150.6	148.9
3 Final products.....	47.82	141.4	136.4	138.9	140.5	143.3	143.7	144.1	144.5	145.6	145.9	146.3	147.3	145.3
4 Consumer goods.....	27.68	147.4	143.8	145.9	147.5	148.4	149.0	149.2	149.7	150.6	150.6	150.7	151.7	149.5
5 Equipment.....	20.14	133.1	126.2	129.1	130.8	136.3	136.4	137.0	137.3	138.7	139.5	140.1	141.3	140.5
6 Intermediate products.....	12.89	155.3	151.4	151.4	152.1	156.4	157.0	158.0	159.3	161.8	162.6	163.1	162.7	162.1
7 Materials.....	39.29	146.5	138.6	139.9	143.7	148.6	149.7	151.4	152.7	153.8	153.1	152.7	154.1	153.0
Consumer goods														
8 Durable consumer goods.....	7.89	158.9	151.2	157.5	161.8	161.5	160.3	161.6	161.8	161.9	160.9	161.3	163.9	153.4
9 Automotive products.....	2.83	178.6	162.8	175.8	184.3	182.1	178.3	185.6	189.0	185.1	181.3	179.1	186.0	161.3
10 Autos and utility vehicles.....	2.03	172.5	153.9	171.0	182.7	175.6	170.0	180.5	185.0	179.3	173.4	170.7	180.1	147.4
11 Autos.....	1.90	148.5	131.5	149.7	159.1	151.1	144.4	154.2	159.7	151.8	145.9	144.9	153.7	128.6
12 Auto parts and allied goods.....	80	194.0	185.3	188.5	188.2	198.0	199.8	199.1	199.0	200.1	201.8	200.7	200.8	197.0
13 Home goods.....	5.06	147.8	144.6	147.2	149.2	150.0	150.2	148.2	146.5	148.9	149.5	151.3	151.6	149.0
14 Appliances, A/C, and TV.....	1.40	132.5	133.3	135.4	142.2	133.9	134.4	128.7	123.4	129.1	125.9	130.4	128.5	120.0
15 Appliances and TV.....	1.33	134.5	135.7	137.9	144.7	135.6	136.9	129.9	124.4	129.8	126.8	131.5	129.9	.....
16 Carpeting and furniture.....	1.07	164.3	160.2	159.3	158.9	167.9	169.0	168.0	164.9	166.8	170.8	172.9	174.8	.....
17 Miscellaneous home goods.....	2.59	149.3	144.3	148.7	149.0	151.3	150.8	150.6	151.3	152.0	153.6	153.7	154.5	154.5
18 Nondurable consumer goods.....	19.79	142.8	148.8	141.3	141.8	143.1	144.4	144.3	144.8	146.2	146.5	146.5	146.9	147.1
19 Clothing.....	4.29	125.5	121.1	122.4	124.9	126.6	128.9	128.3	.....	130.1	130.1	129.5	.....	.....
20 Consumer staples.....	15.50	147.6	146.3	146.4	146.6	147.8	148.8	148.8	149.2	150.6	151.0	151.2	151.7	152.1
21 Consumer foods and tobacco.....	8.33	140.1	138.3	138.7	140.8	140.8	141.2	140.4	141.0	143.0	142.1	142.6	143.7	.....
22 Nonfood staples.....	7.17	156.2	155.8	155.3	153.3	155.9	157.4	158.5	158.8	159.6	161.3	161.2	160.9	162.0
23 Consumer chemical products.....	2.63	187.1	184.3	182.1	182.5	188.0	191.9	191.9	190.7	193.2	196.5	196.3	195.9	.....
24 Consumer paper products.....	1.92	118.1	118.8	118.9	117.7	117.3	118.2	117.6	117.6	116.9	120.1	121.6	121.6	.....
25 Consumer energy products.....	2.62	153.2	154.5	155.0	149.9	152.0	153.3	155.4	156.7	156.9	156.6	155.1	154.7	.....
26 Residential utilities.....	1.45	161.5	167.6	166.9	159.0	160.1	160.9	162.8	162.1	161.1	165.3	.....	.....	.....
Equipment														
27 Business.....	12.63	162.0	154.2	157.4	159.3	165.4	165.8	166.9	167.2	168.7	169.7	170.5	172.0	170.8
28 Industrial.....	6.77	149.9	144.6	146.9	147.8	152.8	152.7	152.9	151.8	152.2	154.7	155.7	156.5	155.9
29 Building and mining.....	1.44	223.4	214.9	221.7	225.1	228.1	226.3	226.5	223.8	222.3	222.3	223.6	223.6	223.6
30 Manufacturing.....	3.85	121.9	117.7	118.3	119.0	123.9	124.4	125.0	124.2	124.7	127.9	128.9	129.4	129.0
31 Power.....	1.47	151.0	145.8	148.8	147.3	154.6	154.8	154.0	153.4	155.6	158.5	158.9	161.0	160.0
32 Commercial transit, farm.....	5.86	176.0	165.5	169.4	172.6	179.9	180.8	182.9	184.9	187.8	187.1	187.4	190.0	187.9
33 Commercial.....	3.26	208.6	200.9	202.0	203.8	212.2	214.1	215.1	214.9	217.1	218.1	218.8	220.8	221.1
34 Transit.....	1.93	133.8	115.9	126.1	133.7	138.5	138.6	142.6	147.5	151.0	148.2	146.2	149.4	142.6
35 Farm.....	67	138.9	134.8	137.0	132.9	141.3	142.0	143.2	145.8	151.5	149.5	154.1	157.0	.....
36 Defense and space.....	7.51	84.5	79.2	81.9	82.9	87.1	87.1	86.7	87.2	87.9	88.7	89.1	89.7	89.4
Intermediate products														
37 Construction supplies.....	6.42	153.3	148.6	147.9	148.5	154.7	155.6	157.0	159.0	160.8	161.2	161.4	160.7	159.6
38 Business supplies.....	6.47	157.3	154.2	155.0	155.6	158.2	158.4	159.2	159.9	162.7	163.8	164.7	164.6	.....
39 Commercial energy products.....	1.14	166.5	165.6	164.3	163.5	167.4	169.9	168.8	168.8	170.0	172.2	172.5	172.8	.....
Materials														
40 Durable goods materials.....	20.35	146.9	137.0	138.6	142.7	150.4	152.1	154.0	154.9	156.8	155.4	154.6	155.4	153.2
41 Durable consumer parts.....	4.58	140.3	131.1	133.1	136.8	142.2	144.8	147.3	147.4	148.4	147.8	144.6	145.2	135.8
42 Equipment parts.....	5.44	159.1	146.6	151.3	154.8	162.9	164.6	166.0	167.6	170.5	170.5	171.6	173.0	172.4
43 Durable materials n.e.c.....	10.34	143.4	134.6	134.5	138.9	147.6	148.7	150.5	151.6	153.6	150.8	150.2	150.8	150.6
44 Basic metal materials.....	5.57	120.4	111.0	110.4	116.7	125.4	126.7	128.2	129.1	130.9	124.6	123.6	124.8	.....
45 Nondurable goods materials.....	10.47	162.9	158.5	160.5	162.0	162.7	164.4	165.7	167.8	167.1	168.3	169.4	170.5	171.1
46 Textile, paper, and chemical materials.....	7.62	167.9	162.8	165.7	166.4	167.0	170.0	171.0	173.3	172.3	173.7	175.1	176.2	177.2
47 Textile materials.....	1.85	117.2	115.8	115.1	116.5	116.0	118.7	118.7	120.4	119.0	118.1	116.9	118.3	.....
48 Paper materials.....	1.62	137.1	136.8	137.8	139.2	131.5	137.7	137.3	137.6	136.6	133.5	138.5	140.3	.....
49 Chemical materials.....	4.15	202.6	194.2	199.2	199.5	203.7	205.5	207.6	210.7	210.3	214.3	215.6	216.1	.....
50 Containers, nondurable.....	1.70	160.5	158.7	158.1	160.5	161.8	161.1	163.4	165.6	165.5	167.6	167.2	168.3	.....
51 Nondurable materials n.e.c.....	1.14	133.2	128.9	129.3	134.6	134.8	131.8	134.5	134.5	135.4	133.4	134.3	135.9	.....
52 Energy materials.....	8.48	125.2	117.7	117.5	123.9	127.0	126.0	128.0	128.4	129.6	128.7	127.6	130.7	130.3
53 Primary energy.....	4.65	112.7	101.0	104.5	115.5	115.4	111.8	115.9	117.4	116.9	113.5	112.2	115.1	.....
54 Converted fuel materials.....	3.82	140.5	138.0	133.3	134.1	141.3	143.4	142.7	141.8	145.1	147.3	146.6	149.6	.....
Supplementary groups														
55 Home goods and clothing.....	9.35	137.6	133.8	135.9	138.0	139.2	140.3	139.1	138.5	140.2	140.6	141.4	141.5	140.0
56 Energy, total.....	12.23	135.1	130.0	129.8	133.1	136.1	135.9	137.6	138.2	139.3	138.7	137.7	139.8	139.7
57 Products.....	3.76	157.2	157.9	157.9	154.1	156.7	158.3	159.3	160.4	161.0	161.3	160.5	160.2	.....
58 Materials.....	8.48	125.2	117.7	117.5	123.9	127.0	126.0	128.0	128.4	129.6	128.7	127.6	130.7	130.3

For NOTE see opposite page.

2.13 Continued

Grouping	SIC code	1967 proportion	1978 average ^p	1978								1979			
				Feb.	Mar.	Apr.	Aug.	Sept.	Oct.	Nov.	Dec.	Jan. ^r	Feb. ^r	Mar. ^p	Apr. ^e
Index (1967 = 100)															
MAJOR INDUSTRY															
1 Mining and utilities		12.05	141.6	137.7	138.2	140.9	142.5	142.1	144.1	144.5	145.0	144.2	143.6	145.0	144.9
2 Mining		6.36	124.2	114.4	119.3	127.2	126.0	124.1	127.6	128.1	127.6	124.0	121.8	124.1	123.8
3 Utilities		5.69	161.0	163.5	159.5	156.0	160.8	162.3	162.4	162.9	164.3	166.8	167.8	168.1	168.4
4 Electric		3.88	182.2	184.3	178.8	175.0	183.2	184.4	184.1	185.0	186.6	189.4	.....	.....	.....
5 Manufacturing		87.95	145.7	139.4	141.4	143.5	147.6	148.7	149.5	150.4	151.8	151.9	152.0	152.9	151.3
6 Nondurable		35.97	154.8	150.6	151.4	153.2	155.6	157.1	157.4	158.5	159.6	160.4	160.4	161.2	161.2
7 Durable		51.98	139.3	131.5	134.4	136.9	142.2	142.8	144.0	144.8	146.4	146.0	146.1	147.4	144.4
Mining															
8 Metal	10	.51	121.0	119.9	127.6	122.3	117.9	115.6	122.1	125.3	123.9	123.5	124.1	126.4	.....
9 Coal	11, 12	.69	115.7	56.5	78.4	129.5	124.9	114.7	114.7	145.1	146.8	116.0	104.0	124.0	129.3
10 Oil and gas extraction	13	4.40	124.7	120.4	123.3	127.3	126.2	124.9	124.5	124.9	123.8	123.2	121.7	121.7	120.7
11 Stone and earth minerals	14	.75	131.1	129.1	128.2	128.9	131.6	133.8	134.0	132.9	134.2	136.7	137.0	136.8	.....
Nondurable manufactures															
12 Foods	20	8.75	142.9	140.8	141.1	143.1	144.0	144.4	143.2	144.2	145.7	145.5	146.5	147.1	.....
13 Tobacco products	21	.67	119.2	117.7	115.6	121.0	118.6	120.6	119.0	121.5	122.0	120.0	118.8	.....	.....
14 Textile mill products	22	2.68	140.0	136.4	135.1	138.1	139.5	142.2	142.1	143.9	144.9	143.5	141.3	143.2	.....
15 Apparel products	23	3.31	126.3	121.1	122.8	126.1	127.2	130.9	130.6	.....	131.4	132.3	130.2	.....	.....
16 Paper and products	26	3.21	144.5	143.9	144.9	145.7	141.9	142.3	145.8	145.3	147.8	144.9	148.0	149.1	148.9
17 Printing and publishing	27	4.72	129.9	128.3	129.1	128.6	129.5	131.0	130.5	132.1	133.0	135.8	137.1	136.8	137.0
18 Chemicals and products	28	7.74	190.7	183.7	185.2	185.5	192.2	194.2	195.9	197.6	197.9	200.8	201.4	201.3	.....
19 Petroleum products	29	1.79	144.2	139.0	140.1	141.7	144.1	147.1	147.1	148.9	149.9	147.9	145.5	145.0	146.1
20 Rubber and plastic products	30	2.24	254.8	240.0	243.1	249.1	261.1	263.1	264.1	264.2	267.0	268.1	266.9	269.4	.....
21 Leather and products	31	.86	74.1	73.0	72.1	76.0	74.0	74.1	73.8	74.1	74.0	75.1	73.3	73.0	.....
Durable manufactures															
22 Ordnance, private and government	19, 91	3.64	73.7	71.2	72.7	73.0	75.2	74.3	73.9	73.6	74.2	73.4	73.5	75.4	74.1
23 Lumber and products	24	1.64	138.9	135.5	136.5	136.9	136.9	139.2	141.2	142.5	146.0	142.0	141.1	140.0	.....
24 Furniture and fixtures	25	1.37	154.7	150.1	149.5	148.9	159.0	160.7	160.9	157.6	156.7	161.7	163.6	165.0	.....
25 Clay, glass, stone products	32	2.74	159.2	152.6	154.2	156.7	159.5	160.9	162.1	166.3	167.7	168.6	166.9	165.0	.....
26 Primary metals	33	6.57	119.0	106.2	106.1	114.3	126.0	127.9	128.6	129.0	130.4	122.0	121.4	121.9	121.1
27 Iron and steel	331, 2	4.21	113.2	96.3	96.4	109.0	120.9	123.2	123.8	124.1	124.5	112.7	112.8	114.5	.....
28 Fabricated metal products	34	5.93	142.6	136.9	138.1	139.5	145.8	146.3	146.0	146.9	149.0	151.0	152.2	152.3	151.0
29 Nonelectrical machinery	35	9.15	155.6	150.1	151.5	152.2	157.3	158.7	160.3	160.3	161.8	163.6	164.6	166.0	165.3
30 Electrical machinery	36	8.05	154.3	146.4	149.5	152.3	156.9	158.3	157.9	159.0	161.9	163.9	164.9	166.1	165.2
31 Transportation equipment	37	9.27	130.5	118.4	126.5	130.5	133.4	132.8	137.0	139.3	139.5	137.7	136.3	140.3	127.3
32 Motor vehicles and parts	371	4.50	168.3	153.1	165.1	171.7	171.0	168.9	176.8	180.8	179.7	174.5	171.4	177.9	153.8
33 Aerospace and miscellaneous transportation equipment	372-9	4.77	94.9	85.8	90.1	91.8	98.3	98.9	99.6	100.2	101.7	103.0	103.2	104.8	102.5
34 Instruments	38	2.11	171.6	163.5	168.7	170.5	175.4	174.6	175.3	172.2	179.5	180.4	181.0	182.3	182.5
35 Miscellaneous manufactures	39	1.51	153.3	151.8	153.7	152.9	153.8	154.1	153.9	152.1	153.7	154.8	157.0	157.3	155.7
MAJOR MARKET															
Gross value (billions of 1972 dollars, annual rates)															
36 Products, total		1507.4	609.6	591.2	601.1	608.8	613.3	613.6	621.3	625.3	632.0	628.0	630.7	654.6	624.1
37 Final		1390.9	469.3	454.4	463.5	470.7	472.2	471.8	478.8	481.6	486.6	481.8	484.3	487.6	477.9
38 Consumer goods		1277.5	324.0	318.6	321.6	326.3	324.7	324.4	328.1	330.8	332.3	329.0	329.9	331.5	324.6
39 Equipment		1113.4	145.3	135.8	142.0	144.4	147.5	147.7	150.6	150.9	154.3	152.9	154.2	156.2	153.1
40 Intermediate		1116.6	140.4	137.0	137.5	138.3	141.4	141.9	142.6	144.0	145.6	146.3	146.8	147.2	146.4

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.), December 1977.

2.14 HOUSING AND CONSTRUCTION

Monthly figures are at seasonally adjusted annual rates except as noted.

Item	1976	1977	1978	1978				1979		
				Sept.	Oct.	Nov.	Dec.	Jan. ^r	Feb.	Mar.
	Private residential real estate activity (thousands of units)									
NEW UNITS										
1 <i>Permits authorized</i>	1,296	1,677	1,658	1,731	1,729	1,724	1,664	1,324	1,321	1,579
2 1-family.....	894	1,126	1,078	1,092	1,135	1,114	1,149	841	787	978
3 2-or-more-family.....	402	551	581	639	592	610	515	483	534	601
4 <i>Started</i>	1,538	1,986	2,019	2,024	2,054	2,107	2,074	1,679	^r 1,384	1,793
5 1-family.....	1,163	1,451	1,433	1,432	1,436	1,502	1,539	1,139	^r 946	1,263
6 2-or-more-family.....	377	535	586	^r 592	^r 618	^r 605	535	540	^r 438	530
7 <i>Under construction, end of period</i> ¹	1,147	1,442	1,355	1,311	1,320	1,337	1,345	1,365	1,352	n.a.
8 1-family.....	655	829	1,378	784	781	791	799	815	799	n.a.
9 2-or-more-family.....	492	613	553	526	539	545	546	550	553	n.a.
10 <i>Completed</i>	1,362	1,652	1,866	1,900	1,883	1,885	1,888	1,416	472	n.a.
11 1-family.....	1,026	1,254	1,368	1,370	1,414	1,375	1,805	1,321	484	n.a.
12 2-or-more-family.....	336	398	498	530	468	510	1,892	1,367	525	n.a.
13 Mobile homes shipped.....	246	277	276	272	286	280	303	311	^r 272	268
Merchant builder activity in 1-family units:										
14 Number sold.....	639	819	817	796	900	803	802	774	^r 697	811
15 Number for sale, end of period ¹	433	407	423	417	407	412	413	412	^r 410	407
Price (thous. of dollars) ²										
Median:										
16 Units sold.....	44.2	48.9	55.9	57.3	58.3	58.8	59.9	60.3	^r 61.2	60.4
17 Units for sale.....	41.6	48.2	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Average:										
18 Units sold.....	48.1	54.4	62.7	64.4	65.7	66.3	67.4	67.7	^r 68.7	68.5
EXISTING UNITS (1-family)										
19 Number sold.....	3,002	3,572	3,905	3,950	4,290	4,350	4,160	3,710	3,620	3,650
Price of units sold (thous. of dollars): ²										
20 Median.....	38.1	42.9	48.7	50.2	50.1	50.7	50.9	52.0	51.9	53.8
21 Average.....	42.2	47.9	55.1	57.7	57.3	57.4	58.1	59.8	59.5	61.8
Value of new construction ⁴ (millions of dollars)										
CONSTRUCTION										
22 Total put in place.....	148,778	172,552	202,219	209,833	211,984	215,827	218,529	208,595	205,593	211,582
23 <i>Private</i>	110,416	134,723	157,455	161,863	164,096	167,931	170,966	162,260	163,830	168,555
24 Residential.....	60,519	80,957	93,088	94,682	95,162	97,594	98,793	92,188	94,070	94,646
25 Nonresidential, total.....	49,897	53,766	64,367	67,181	68,934	70,337	72,173	70,072	69,760	73,909
Buildings:										
26 Industrial.....	7,182	7,713	10,762	12,634	12,627	12,529	13,273	12,512	13,022	14,754
27 Commercial.....	12,757	14,789	18,280	18,926	19,410	20,294	20,049	19,272	18,767	20,930
28 Other.....	6,155	6,200	6,659	6,686	6,667	6,877	6,922	6,598	6,431	6,900
29 Public utilities and other.....	23,803	25,064	28,666	28,935	30,230	30,637	31,929	31,688	31,540	31,326
30 <i>Public</i>	38,312	37,828	44,762	47,970	47,888	47,897	47,563	46,335	41,763	43,027
31 Military.....	1,521	1,517	1,462	1,615	1,409	1,415	1,442	1,621	1,438	1,737
32 Highway.....	9,439	9,280	8,627	10,862	11,428	10,956	11,176	n.a.	n.a.	n.a.
33 Conservation and development.....	3,751	3,882	3,697	5,660	3,851	4,593	4,357	n.a.	n.a.	n.a.
34 Other ³	23,601	23,149	23,503	29,833	31,200	30,933	30,588	n.a.	n.a.	n.a.

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 PRODUCER 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. 1979 (1967 = 100) ²
	1978 Mar.	1979 Mar.	1978			1979	1978		1979			
			June	Sept.	Dec.	Mar.	Nov.	Dec.	Jan.	Feb.	Mar.	
Consumer prices ³												
1 All items.....	6.5	10.2	10.7	8.5	8.5	13.0	.6	.6	.9	1.2	1.0	209.1
2 Commodities.....	5.7	10.4	10.5	7.3	9.6	14.5	.7	.8	1.1	1.2	1.1	200.5
3 Food.....	18.3	12.8	18.3	4.8	10.2	17.7	.6	1.0	1.4	1.6	1.1	230.4
4 Commodities less food.....	4.6	9.4	7.2	8.3	9.6	12.9	.7	.8	.9	1.0	1.1	185.9
5 Durable.....	4.7	9.9	9.0	9.1	11.3	10.0	1.0	.8	.9	1.0	.5	184.9
6 Nondurable.....	4.1	8.8	5.5	6.9	6.7	16.5	.5	.6	1.1	.8	1.9	185.7
7 Services.....	7.8	9.9	11.0	10.3	7.2	10.6	.5	.4	.5	1.1	.9	225.1
8 Rent.....	6.4	6.7	8.2	7.3	7.7	3.6	.7	.6	.3	.4	.2	171.3
9 Services less rent.....	8.1	10.3	11.3	10.8	7.1	11.7	.4	.4	.6	1.1	1.0	235.0
Other groupings												
10 All items less food.....	6.2	9.6	8.9	9.3	8.5	12.0	.6	.6	.8	1.0	1.0	203.8
11 All items less food and energy.....	6.3	9.3	10.4	9.7	7.7	9.3	.7	.4	.5	.9	.8	200.4
12 Homeownership.....	9.5	13.7	13.2	14.6	10.9	16.7	.8	.4	.8	1.8	1.3	248.2
Producer prices ⁴												
13 Finished goods.....	6.5	10.4	10.3	7.4	*10.5	13.7	*.7	*1.0	*1.2	1.0	1.0	208.8
14 Consumer.....	6.1	11.1	10.6	7.5	*11.1	15.6	.6	1.2	*1.3	1.2	1.1	207.6
15 Foods.....	7.3	12.8	11.4	4.9	*15.3	20.1	.8	1.2	1.8	1.6	1.2	225.9
16 Excluding foods.....	5.4	10.2	10.5	8.8	*8.8	12.9	.6	*1.2	*1.1	.9	1.1	196.5
17 Capital equipment.....	7.7	8.6	9.1	7.0	8.8	9.8	.8	.6	1.0	.8	.6	211.4
18 Materials.....	5.8	11.8	9.9	7.5	13.0	17.3	.9	.7	1.4	1.6	1.0	240.0
19 Intermediate ¹	6.4	9.6	7.2	6.9	*11.2	13.2	.9	*.7	*1.1	.9	1.1	231.9
Crude												
20 Nonfood.....	5.0	20.1	14.9	16.9	*19.8	29.5	1.7	1.2	*1.6	2.8	2.1	331.8
21 Food.....	4.7	19.8	26.6	2.8	*21.2	30.6	.9	.3	2.8	*3.8	.2	247.2

¹ Excludes intermediate materials for food manufacturing and manufactured animal feeds.² Not seasonally adjusted.³ Figures for consumer prices are those for all urban consumers.⁴ Formerly wholesale prices.

SOURCE: Bureau of Labor Statistics.

2.16 GROSS NATIONAL PRODUCT AND INCOME

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

Account	1976	1977	1978	1977	1978					1979
				Q4	Q1	Q2	Q3	Q4	Q1 ^p	
Gross national product										
1 Total.....	1,700.1	1,887.2	2,107.6	1,958.1	1,992.0	2,087.5	2,136.1	2,214.8	2,265.6	
By source										
2 Personal consumption expenditures.....	1,090.2	1,206.5	1,340.1	1,255.2	1,276.7	1,322.9	1,356.9	1,403.9	1,444.7	
3 Durable goods.....	156.6	178.4	197.5	187.2	183.5	197.8	199.5	209.1	213.4	
4 Nondurable goods.....	442.6	479.0	526.5	496.9	501.4	519.3	531.7	553.4	569.7	
5 Services.....	491.0	549.2	616.2	571.1	591.8	605.8	625.8	641.4	661.6	
6 Gross private domestic investment.....	243.0	297.8	345.6	313.5	322.7	345.4	350.1	364.0	371.6	
7 Fixed investment.....	232.8	282.3	329.6	300.5	306.0	325.3	336.5	350.5	353.5	
8 Nonresidential.....	164.6	190.4	222.6	200.3	205.6	220.1	227.5	237.1	242.6	
9 Structures.....	57.3	63.9	77.8	67.4	68.5	76.6	80.9	85.1	85.0	
10 Producers' durable equipment.....	107.3	126.5	144.8	132.8	137.1	143.5	146.6	152.0	157.6	
11 Residential structures.....	68.2	91.9	107.0	100.2	100.3	105.3	109.0	113.4	110.9	
12 Nonfarm.....	65.8	88.9	103.8	97.5	97.3	102.1	105.7	110.2	107.8	
13 Change in business inventories.....	10.2	15.6	16.0	13.1	16.7	20.1	13.6	13.5	18.1	
14 Nonfarm.....	12.2	15.0	16.7	10.4	16.9	22.1	14.6	13.4	19.6	
15 Net exports of goods and services.....	7.4	-11.1	-12.0	-23.2	-24.1	-5.5	-10.7	-7.6	-10.3	
16 Exports.....	163.2	175.5	204.8	172.1	181.7	205.4	210.1	221.9	229.0	
17 Imports.....	155.7	186.6	216.8	195.2	205.8	210.9	220.8	229.5	239.2	
18 Government purchases of goods and services....	359.5	394.0	433.9	412.5	416.7	424.7	439.8	454.5	459.4	
19 Federal.....	129.9	145.1	153.8	152.2	151.5	147.2	154.0	162.5	164.7	
20 State and local.....	229.6	248.9	280.2	260.3	265.2	277.6	285.8	292.0	294.8	
By major type of product										
21 Final sales, total.....	1,689.9	1,871.6	2,091.6	1,945.0	1,975.3	2,067.4	2,122.5	2,201.3	2,247.4	
22 Goods.....	760.3	832.6	918.4	859.6	861.8	912.2	927.3	972.5	1,000.7	
23 Durable.....	304.6	341.3	376.8	347.4	351.2	375.8	380.1	400.1	421.8	
24 Nondurable.....	455.7	491.3	541.7	512.2	510.6	536.4	547.2	572.4	579.0	
25 Services.....	778.0	862.8	962.5	893.6	926.4	952.0	973.7	997.7	1,025.2	
26 Structures.....	161.9	191.8	226.7	204.9	203.8	223.4	235.0	244.7	239.6	
27 Change in business inventories.....	10.2	15.6	16.0	13.1	16.7	20.1	13.6	13.5	18.1	
28 Durable goods.....	5.3	8.4	11.7	6.3	14.8	10.8	10.2	10.8	22.4	
29 Nondurable goods.....	4.9	7.2	4.3	6.8	1.9	9.3	3.4	2.7	-4.3	
30 MEMO: Total GNP in 1972 dollars.....	1,271.0	1,332.7	1,385.7	1,354.5	1,354.2	1,382.6	1,391.4	1,414.7	1,417.3	
National income										
31 Total.....	1,359.2	1,515.3	1,703.7	1,576.9	1,603.1	1,688.1	1,728.4	1,795.2	n.a.	
32 Compensation of employees.....	1,036.8	1,153.4	1,301.4	1,199.7	1,241.0	1,287.8	1,317.1	1,359.8	1,405.9	
33 Wages and salaries.....	890.1	983.6	1,101.0	1,021.2	1,050.8	1,090.2	1,113.4	1,149.4	1,184.5	
34 Government and government enterprises.....	187.6	200.8	216.1	208.1	211.4	213.9	216.8	222.3	225.1	
35 Other.....	702.5	782.9	884.8	813.1	839.3	876.3	896.6	927.1	959.5	
36 Supplement to wages and salaries.....	146.7	169.8	200.5	178.4	190.2	197.6	203.6	210.4	221.4	
37 Employer contributions for social insurance.....	69.7	79.4	94.5	82.4	90.2	93.6	95.7	98.6	105.5	
38 Other labor income.....	77.0	90.4	105.9	96.1	100.0	104.0	107.9	111.8	115.9	
39 Proprietors' income ¹	88.6	99.8	113.2	107.3	105.0	110.1	114.5	123.0	123.7	
40 Business and professional ¹	70.2	79.5	87.8	82.3	83.1	86.1	89.6	92.6	93.1	
41 Farm ¹	18.4	20.3	25.3	25.1	21.9	24.0	25.0	30.4	30.6	
42 Rental income of persons ²	22.5	22.5	23.4	22.7	22.8	22.2	24.3	24.4	24.7	
43 Corporate profits ¹	127.0	144.2	159.5	148.2	132.6	163.4	165.2	176.6	n.a.	
44 Profits before tax ³	155.9	173.9	202.0	178.3	172.1	205.5	205.4	224.9	n.a.	
45 Inventory valuation adjustment.....	-14.5	-14.8	-24.4	-14.8	-23.5	-24.9	-20.9	-28.4	-40.3	
46 Capital consumption adjustment.....	-14.4	-14.9	-18.1	-15.3	-16.1	-17.2	-19.3	-19.9	-20.7	
47 Net interest.....	84.3	95.4	106.3	99.0	101.7	104.6	107.4	111.4	114.2	

¹ With inventory valuation and capital consumption adjustments.² With capital consumption adjustments.³ For after-tax profits, dividends, and the like, see table 1.50.

SOURCE: Survey of Current Business (U.S. Dept. of Commerce).

2.17 PERSONAL INCOME AND SAVING

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

Account	1976	1977	1978	1977	1978				1979
				Q4	Q1	Q2	Q3	Q4	Q1 ^P
Personal income and saving									
1 Total personal income.....	1,380.9	1,529.0	1,708.0	1,593.0	1,628.9	1,682.4	1,731.7	1,789.0	1,834.1
2 Wage and salary disbursements.....	890.1	983.6	1,100.9	1,021.2	1,050.8	1,090.2	1,113.2	1,149.4	1,184.7
3 Commodity-producing industries.....	307.5	343.7	390.2	357.1	365.9	387.0	396.4	411.3	426.4
4 Manufacturing.....	237.5	266.3	299.9	277.3	286.9	296.1	302.0	314.4	327.3
5 Distributive industries.....	216.4	239.1	268.9	247.5	257.0	266.4	271.6	280.4	290.4
6 Service industries.....	178.6	200.1	225.8	208.5	216.5	222.8	228.5	235.4	242.6
7 Government and government enterprises.....	187.6	200.8	216.1	208.1	211.4	213.9	216.7	222.3	225.3
8 Other labor income.....	77.0	90.4	105.9	96.1	100.0	104.0	107.9	111.8	115.9
9 Proprietors' income ¹	88.6	99.8	113.2	107.3	105.0	110.1	114.5	123.0	123.7
10 Business and professional ¹	70.2	79.5	87.8	82.3	83.1	86.1	89.6	92.6	93.1
11 Farm ¹	18.4	20.3	25.3	25.1	21.9	24.0	25.0	30.4	30.6
12 Rental income of persons ²	22.5	22.5	23.4	22.7	22.8	22.2	24.3	24.4	24.7
13 Dividends.....	37.9	43.7	49.3	46.3	47.0	48.1	50.1	51.9	54.0
14 Personal interest income.....	126.3	141.2	159.0	146.0	151.4	156.3	161.7	166.6	171.8
15 Transfer payments.....	193.9	208.8	226.0	215.9	219.2	220.6	230.4	233.9	238.1
16 Old-age survivors, disability, and health insurance benefits.....	92.9	105.0	117.4	110.1	112.1	113.7	121.1	122.7	124.5
17 LESS: Personal contributions for social insurance.....	55.5	61.0	69.7	62.6	67.2	69.2	70.5	72.1	78.8
18 EQUALS: Personal income.....	1,380.9	1,529.0	1,708.0	1,593.0	1,628.9	1,682.4	1,731.7	1,789.0	1,834.1
19 LESS: Personal tax and nontax payments.....	196.5	226.0	256.2	233.3	237.3	249.1	263.2	275.1	270.6
20 EQUALS: Disposable personal income.....	1,184.4	1,303.0	1,451.8	1,359.6	1,391.6	1,433.3	1,468.4	1,513.9	1,563.5
21 LESS: Personal outlays.....	1,116.3	1,236.1	1,374.9	1,285.9	1,309.2	1,357.0	1,392.5	1,440.9	1,482.6
22 EQUALS: Personal saving.....	68.0	66.9	76.9	73.7	82.4	76.3	76.0	73.0	80.9
MEMO ITEMS:									
Per capita (1972 dollars):									
23 Gross national product.....	5,906	6,144	6,340	6,226	6,215	6,334	6,360	6,452	6,454
24 Personal consumption expenditures.....	3,808	3,954	4,080	4,030	4,009	4,060	4,092	4,159	4,170
25 Disposable personal income.....	4,136	4,271	4,421	4,365	4,370	4,399	4,428	4,485	4,512
26 Saving rate (percent).....	5.7	5.1	5.3	5.4	5.9	5.3	5.2	4.8	5.2
Gross saving									
27 Gross private saving.....	270.7	290.8	320.1	304.3	305.4	319.9	325.7	329.6	n.a.
28 Personal saving.....	68.0	66.9	76.9	73.7	82.4	76.3	76.0	73.0	80.9
29 Undistributed corporate profits ¹	24.8	28.7	26.3	28.0	15.6	30.3	29.0	30.3	n.a.
30 Corporate inventory valuation adjustment.....	-14.5	-14.8	-24.4	-14.8	-23.5	-24.9	-20.9	-28.4	-40.3
Capital consumption allowances:									
31 Corporate.....	111.5	120.9	132.5	124.6	127.4	130.5	134.7	137.4	140.3
32 Noncorporate.....	66.3	74.3	84.4	77.9	79.9	82.8	86.1	89.0	91.4
33 Wage accruals less disbursements.....									
34 Government surplus, or deficit (-), national income and product accounts.....	-33.2	-18.6	-1.6	-29.6	-21.1	6.2	.6	8.0	n.a.
35 Federal.....	-53.8	-48.1	-29.9	-58.6	-52.6	-23.6	-22.8	-20.8	n.a.
36 State and local.....	20.7	29.6	28.3	29.0	31.5	29.8	23.4	28.8	n.a.
37 Capital grants received by the United States, net.....									1.1
38 Investment.....	241.7	276.9	320.4	279.5	286.4	326.6	326.6	342.0	346.7
39 Gross private domestic.....	243.0	297.8	345.6	313.5	322.7	345.4	350.1	364.0	371.6
40 Net foreign.....	-1.2	-20.9	-25.2	-34.1	-36.3	-18.9	-23.5	-22.1	-25.0
41 Statistical discrepancy.....	4.2	4.7	1.8	4.8	2.2	.5	.4	4.3	n.a.

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	1976	1977	1978	1977	1978				
				Q4	Q1	Q2	Q3	Q4	
1 Merchandise exports.....	114,694	120,576	141,844	29,637	30,787	35,256	36,486	39,315	
2 Merchandise imports.....	124,047	151,706	175,988	39,009	42,707	43,125	44,478	45,678	
3 Merchandise trade balance ²	-9,353	-31,130	-34,144	-9,372	-11,920	-7,869	-7,992	-6,363	
4 Military transactions, net.....	312	1,334	531	5	210	444	12	-136	
5 Investment income, net ³	15,933	17,507	19,915	3,812	4,877	4,581	4,878	5,580	
6 Other service transactions, net.....	2,469	1,705	2,814	482	532	835	666	781	
7 Balance on goods and services ^{3,4}	9,361	-10,585	-10,885	-5,072	-6,302	-2,009	-2,436	-138	
8 Remittances, pensions, and other transfers.....	-1,878	-1,932	-2,048	-473	-504	-536	-496	-513	
9 U.S. government grants (excluding military).....	-3,145	-2,776	-3,028	-591	-778	-781	-779	-691	
10 Balance on current account ³	4,339	-15,292	-15,961	-6,136	-7,584	-3,326	-3,711	-1,342	
11 Not seasonally adjusted ³				-5,245	-6,382	-2,803	-6,326	-449	
12 Change in U.S. government assets, other than official reserve assets, net (increase, -).....	-4,213	-3,679	-4,657	-838	-896	-1,176	-1,498	-1,086	
13 Change in U.S. official reserve assets (increase, -).....	-2,530	-231	872		246	329	115	182	
14 Gold.....		-118	-65	-60				-65	
15 Special Drawing Rights (SDRs).....	-78	-121	1,249	-29	-16	-104	-43	1,412	
16 Reserve position in International Monetary Fund (IMF).....	-2,212	-294	4,231	42	324	437	195	3,275	
17 Foreign currencies.....	-240	302	-4,543	47	-62	-4	-37	-4,440	
18 Change in U.S. private assets abroad (increase, -) ³	-43,865	-30,740	-54,963	-13,862	-14,417	-5,320	-8,833	-26,394	
19 Bank-reported claims.....	-21,368	-11,427	-33,957	-8,750	-6,270	-503	-5,622	-21,562	
20 Nonbank-reported claims.....	-2,030	-1,700	-2,256	-1,184	-2,222	267	-36	-265	
21 Long-term.....	5	25	33	-279	-57	80	62	-52	
22 Short-term.....	-2,035	-1,725	-2,289	-905	-2,165	187	-98	-213	
23 U.S. purchase of foreign securities, net.....	-8,852	-5,398	-3,389	-731	-949	-1,103	-467	-870	
24 U.S. direct investments abroad, net ³	-11,614	-12,215	-15,361	-3,197	-4,976	-3,981	-2,708	-3,697	
25 Change in foreign official assets in the United States (increase, +).....	18,073	37,124	33,967	15,543	15,760	-5,685	4,852	19,040	
26 U.S. Treasury securities.....	9,333	30,294	24,063	12,900	12,965	-5,728	3,029	13,797	
27 Other U.S. government obligations.....	573	2,308	656	973	117	211	443	-115	
28 Other U.S. government liabilities ⁵	4,993	1,644	2,810	390	804	-312	350	1,968	
29 Other U.S. liabilities reported by U.S. banks.....	969	773	5,043	909	1,456	-493	946	3,134	
30 Other foreign official assets ⁶	2,205	2,105	1,395	371	418	637	84	256	
31 Change in foreign private assets in the United States (increase, +) ³	18,897	13,746	29,293	4,522	2,336	6,090	10,637	10,230	
32 U.S. bank-reported liabilities.....	10,990	6,719	16,860	3,143	-314	1,836	7,965	7,373	
33 U.S. nonbank-reported liabilities.....	-507	257	1,676	425	495	248	986	-53	
34 Long-term.....	-958	-620	-49	-242	38	-68	106	-125	
35 Short-term.....	451	877	1,725	667	457	316	880	72	
36 Foreign private purchases of U.S. Treasury securities, net.....	2,783	563	2,248	-299	881	847	-1,053	1,573	
37 Foreign purchases of other U.S. securities, net.....	1,284	2,869	2,899	803	462	1,308	533	596	
38 Foreign direct investments in the United States, net ³	4,347	3,338	5,611	450	812	1,852	2,206	741	
39 Allocation of SDRs.....									
40 Discrepancy.....	9,300	-927	11,449	771	4,555	9,087	-1,562	-630	
41 Owing to seasonal adjustments.....				1,445	917	108	-2,455	1,431	
42 Statistical discrepancy in recorded data before seasonal adjustment.....	9,300	-927	11,449	-674	3,638	8,979	893	-2,061	
MEMO ITEMS:									
Changes in official assets:									
43 U.S. official reserve assets (increase, -).....	-2,530	-231	872		246	329	115	182	
44 Foreign official assets in the United States (increase, +).....	13,080	35,480	31,157	15,153	14,956	-5,373	4,502	17,072	
45 Changes in Organization of Petroleum Exporting Countries (OPEC) official assets in the United States (part of line 25 above).....	9,581	6,733	-570	1,024	1,963	-2,838	-1,592	1,897	
46 Transfers under military grant programs (excluded from lines 1, 4, and 9 above).....	373	194	274	71	75	57	69	73	

¹ Seasonal factors are no longer calculated for lines 13 through 46.² 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 Includes reinvested earnings of incorporated affiliates.⁴ 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. government interest payments from imports.

⁵ Primarily associated with military sales contracts and other transactions arranged with or through foreign official agencies.⁶ 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	1976	1977	1978	1978				1979		
				Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
1 EXPORTS of domestic and foreign merchandise excluding grant-aid shipments.....	115,156	121,150	143,575	13,274	12,901	13,451	13,282	13,132	13,507	14,452
2 GENERAL IMPORTS including merchandise for immediate consumption plus entries into bonded warehouses.....	121,009	147,685	172,026	14,820	14,852	14,825	15,032	16,231	14,806	15,273
3 Trade balance.....	-5,853	-26,535	-28,451	-1,545	-1,950	-1,374	-1,749	-3,099	-1,299	-821

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. The international-accounts-basis 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. Department of Commerce, Bureau of the Census).

3.12 U.S. RESERVE ASSETS

Millions of dollars, end of period

Type	1976	1977	1978	1978			1979			
				Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr. ²
1 Total.....	18,747	19,312	18,650	18,935	17,967	18,650	20,468	20,292	21,658	21,403
2 Gold stock, including Exchange Stabilization Fund ¹	11,598	11,719	11,671	11,655	11,642	11,671	11,592	11,544	11,479	11,418
3 Special Drawing Rights ²	2,395	2,629	4,374	3,097	1,522	1,558	2,661	2,672	2,667	2,602
4 Reserve position in International Monetary Fund.....	4,434	4,946	1,047	4,147	1,099	1,047	1,017	1,120	1,121	1,097
5 Convertible foreign currencies ⁴	320	18	1,558	36	3,704	4,374	5,198	4,956	6,391	6,286

¹ Gold held under earmark at Federal Reserve Banks for foreign and international accounts is not included in the gold stock of the United States; see table 3.24.

² Includes allocations by the International Monetary Fund of SDRs as follows: \$867 million on Jan. 1, 1970; \$717 million on Jan. 1, 1971; \$710 million on Jan. 1, 1972; and \$1,139 million on Jan. 1, 1979; plus net transactions in SDRs.

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.

⁴ Beginning November 1978, valued at current market exchange rates.

3.13 FOREIGN BRANCHES OF U.S. BANKS Balance Sheet Data

Millions of dollars, end of period

Asset account	1975	1976	1977	1978 ²					1979	
				Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb. ^p
All foreign countries										
1 Total, all currencies	176,493	219,420	258,897	274,929	287,369	292,305	*295,643	*305,777	294,774	295,017
2 Claims on United States	6,743	7,889	11,623	10,024	14,976	12,169	*13,426	*16,690	15,340	15,065
3 Parent bank	3,665	4,323	7,806	5,818	10,693	7,879	*9,046	*12,161	10,789	10,188
4 Other	3,078	3,566	3,817	4,206	4,283	4,290	*4,380	4,529	4,551	4,877
5 Claims on foreigners	163,391	204,486	238,848	254,782	262,063	269,121	271,131	*277,767	267,772	267,728
6 Other branches of parent bank	34,508	45,955	55,772	58,746	63,493	67,748	*68,403	*70,340	66,653	64,249
7 Banks	69,206	83,765	91,883	92,811	95,222	98,104	101,043	*102,805	97,696	99,147
8 Public borrowers ¹	5,792	10,613	14,634	23,354	23,896	23,936	22,993	23,679	23,716	24,550
9 Nonbank foreigners	53,886	64,153	76,560	79,871	79,452	79,333	*78,692	*80,943	79,707	79,782
10 Other assets	6,359	7,045	8,425	10,123	10,330	11,015	*11,086	*11,320	11,662	12,224
11 Total payable in U.S. dollars	132,901	167,695	193,764	200,779	212,063	210,939	*218,289	*224,290	214,313	213,097
12 Claims on United States	6,408	7,595	11,049	9,219	14,168	11,328	*12,530	*15,732	14,506	14,127
13 Parent bank	3,628	4,264	7,692	5,628	10,535	7,688	*8,877	*11,975	10,596	9,958
14 Other	2,780	3,332	3,357	3,591	3,633	3,640	*3,653	*3,757	3,910	4,169
15 Claims on foreigners	123,496	156,896	178,896	187,041	193,457	194,882	*200,777	*203,498	194,417	193,269
16 Other branches of parent bank	28,478	37,909	44,256	46,326	50,880	52,887	*54,721	*55,410	51,799	49,615
17 Banks	55,319	66,331	70,786	69,560	71,892	72,644	76,473	*78,389	73,459	74,393
18 Public borrowers ¹	4,864	9,022	12,632	20,255	20,505	20,301	19,618	19,868	20,092	20,613
19 Nonbank foreigners	34,835	43,634	51,222	50,900	50,180	49,050	49,965	*49,831	49,067	48,648
20 Other assets	2,997	3,204	3,820	4,519	4,438	4,729	*4,982	5,060	5,390	5,701
United Kingdom										
21 Total, all currencies	74,883	81,466	90,933	93,333	99,084	101,887	102,032	106,593	100,786	101,179
22 Claims on United States	2,392	3,354	4,341	2,624	2,940	3,119	3,706	5,370	3,960	3,912
23 Parent bank	1,449	2,376	3,518	1,595	2,014	2,230	2,779	4,448	2,930	2,689
24 Other	943	978	823	1,029	926	889	927	922	1,030	1,223
25 Claims on foreigners	70,331	75,859	84,016	87,772	93,364	95,774	95,220	98,137	93,690	94,032
26 Other branches of parent bank	17,557	19,753	22,017	21,661	24,691	26,516	25,802	27,830	25,911	24,474
27 Banks	35,904	38,089	39,899	40,350	42,677	43,926	44,353	45,013	42,531	44,032
28 Public borrowers ¹	881	1,274	2,206	4,583	4,549	4,692	4,526	4,522	4,549	4,548
29 Nonbank foreigners	15,990	16,743	19,895	21,178	21,447	20,640	20,539	20,772	20,699	20,978
30 Other assets	2,159	2,253	2,576	2,937	2,780	2,994	3,106	3,086	3,136	3,235
31 Total payable in U.S. dollars	57,361	61,587	66,635	64,449	70,008	70,209	71,761	75,860	70,502	70,525
32 Claims on United States	2,273	3,275	4,100	2,335	2,598	2,877	3,475	5,113	3,738	3,618
33 Parent bank	1,445	2,374	3,431	1,481	1,895	2,187	2,727	4,386	2,878	2,610
34 Other	828	902	669	854	703	690	748	727	860	1,008
35 Claims on foreigners	54,121	57,488	61,408	60,910	66,242	66,132	67,031	69,416	65,364	65,416
36 Other branches of parent bank	15,645	17,249	18,947	18,305	20,934	21,377	21,197	22,838	21,171	19,884
37 Banks	28,224	28,983	28,530	27,268	29,859	29,680	30,565	31,482	29,113	30,185
38 Public borrowers ¹	648	846	1,669	3,544	3,471	3,595	3,467	3,317	3,342	3,414
39 Nonbank foreigners	9,604	10,410	12,263	11,793	11,978	11,480	11,802	11,779	11,738	11,933
40 Other assets	967	824	1,126	1,204	1,168	1,200	1,255	1,331	1,400	1,491
Bahamas and Caymans										
41 Total, all currencies	45,203	66,774	79,052	85,654	88,755	86,291	*89,720	*91,085	87,899	87,993
42 Claims on United States	3,229	3,508	5,782	5,620	10,053	7,247	*7,501	*8,985	9,753	8,994
43 Parent bank	1,477	1,141	3,051	2,751	7,090	4,255	*4,437	*5,779	6,646	5,780
44 Other	1,752	2,367	2,731	2,869	2,963	2,992	*3,064	*3,206	3,107	3,214
45 Claims on foreigners	41,040	62,048	71,671	77,949	76,651	76,868	*80,006	*79,774	75,792	76,507
46 Other branches of parent bank	5,411	8,144	11,120	12,134	12,348	12,618	*13,526	*12,906	11,477	11,841
47 Banks	16,298	25,354	27,939	29,749	29,472	30,317	*33,060	*33,675	31,638	31,534
48 Public borrowers ¹	3,576	7,105	9,109	12,461	12,362	12,094	11,535	11,520	11,392	12,125
49 Nonbank foreigners	15,756	21,445	23,503	23,605	22,469	21,839	*21,885	21,673	21,285	21,007
50 Other assets	933	1,217	1,599	2,085	2,051	2,176	*2,213	*2,326	2,354	2,492
51 Total payable in U.S. dollars	41,887	62,705	73,987	79,701	83,007	80,223	*83,710	*84,767	81,669	81,736

For notes see opposite page.

3.13 Continued

Liability account	1975	1976	1977	1978 ²					1979	
				Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb. ²
All foreign countries										
52 Total, all currencies	176,493	219,420	258,897	274,929	287,369	292,305	*295,643	*305,777	294,774	295,017
53 To United States	20,221	32,719	44,154	52,441	49,325	51,506	*57,102	*58,650	52,366	53,717
54 Parent bank	12,165	19,773	24,542	*27,004	*22,930	*25,486	*30,032	*28,843	24,026	23,583
55 Other banks in United States	8,057	12,946	19,613	7,659	10,064	8,362	9,084	*12,467	8,221	9,162
56 Nonbanks				*17,778	*16,331	*17,658	*17,986	*17,340	20,119	20,972
57 To foreigners	149,815	179,954	206,579	213,974	228,733	231,152	*228,876	*236,935	232,155	231,038
58 Other branches of parent bank	34,111	44,370	53,244	56,955	61,599	65,010	65,903	68,064	65,318	62,612
59 Banks	72,259	83,880	94,140	89,234	97,629	95,956	93,759	*97,556	92,795	94,306
60 Official institutions	22,773	25,829	28,110	31,461	33,086	32,246	30,922	30,650	31,087	31,667
61 Nonbank foreigners	20,672	25,877	31,085	36,324	36,419	37,940	*38,292	*40,665	42,955	42,453
62 Other liabilities	6,456	6,747	8,163	8,514	9,311	9,647	*9,665	*10,192	10,253	10,262
63 Total payable in U.S. dollars	135,907	173,071	198,572	204,938	215,496	215,518	*222,873	*230,160	220,210	219,734
64 To United States	19,503	31,932	42,881	50,325	47,171	49,273	*55,148	*56,514	50,336	51,527
65 Parent bank	11,939	19,559	24,213	*26,112	*21,980	*24,551	*29,202	*27,818	23,088	22,522
66 Other banks in United States	7,564	12,373	18,669	7,286	9,724	8,008	8,813	*12,213	7,960	8,856
67 Nonbanks				*16,927	*15,467	*16,714	*17,133	*16,483	19,288	20,149
68 To foreigners	112,879	137,612	151,363	150,478	163,626	161,542	*162,756	*168,380	164,299	162,474
69 Other branches of parent bank	28,217	37,098	43,268	45,620	49,978	52,052	53,409	53,950	51,356	48,697
70 Banks	51,583	60,619	64,872	55,285	63,271	58,912	*58,663	*62,849	58,491	59,392
71 Official institutions	19,982	22,878	23,972	26,184	27,367	26,341	25,377	25,118	25,517	26,096
72 Nonbank foreigners	13,097	17,017	19,251	23,389	23,010	24,237	*25,307	*26,463	28,935	28,289
73 Other liabilities	3,526	3,527	4,328	4,135	4,699	4,703	4,969	*5,266	5,575	5,733
United Kingdom										
74 Total, all currencies	74,883	81,466	90,933	93,333	99,084	101,887	102,032	106,593	100,786	101,179
75 To United States	5,646	5,997	7,753	6,978	8,033	8,347	9,053	*10,675	8,118	9,538
76 Parent bank	2,122	1,198	1,451	1,905	1,872	2,176	2,367	2,669	1,585	2,055
77 Other banks in United States	3,523	4,798	6,302	2,290	3,150	2,949	3,234	4,395	2,693	3,216
78 Nonbanks				2,783	3,011	3,222	3,452	*3,611	3,840	4,267
79 To foreigners	67,240	73,228	80,736	82,991	87,678	89,979	89,347	*92,257	88,942	87,789
80 Other branches of parent bank	6,494	7,092	9,376	11,708	12,006	12,175	13,153	12,928	12,856	11,303
81 Banks	32,964	36,259	37,893	35,293	37,677	39,277	38,167	*40,252	36,558	37,221
82 Official institutions	16,553	17,273	18,318	19,863	21,493	21,193	20,182	20,181	19,700	20,313
83 Nonbank foreigners	11,229	12,605	15,149	16,127	16,502	17,334	17,845	18,896	19,828	18,961
84 Other liabilities	1,997	2,241	2,445	3,364	3,373	3,561	3,632	3,661	3,726	3,843
85 Total payable in U.S. dollars	57,820	63,174	67,573	64,918	70,227	71,158	72,812	77,030	72,048	72,293
86 To United States	5,415	5,849	7,480	6,606	7,650	7,985	8,666	*10,273	7,736	9,179
87 Parent bank	2,083	1,182	1,416	1,852	1,805	2,116	2,321	2,618	1,539	2,018
88 Other banks in United States	3,332	4,667	6,064	2,209	3,092	2,902	3,178	4,307	2,601	3,122
89 Nonbanks				2,545	2,753	2,967	3,167	*3,348	3,596	4,039
90 To foreigners	51,447	56,372	58,977	57,015	61,231	61,802	62,631	*65,271	62,629	61,405
91 Other branches of parent bank	5,442	5,874	7,505	9,163	9,317	9,301	10,302	9,764	10,014	8,393
92 Banks	23,330	25,527	25,608	20,601	22,936	23,260	23,044	*25,622	22,058	22,477
93 Official institutions	14,498	15,423	15,482	16,113	17,659	17,106	16,317	16,309	15,834	16,544
94 Nonbank foreigners	8,176	9,547	10,382	11,138	11,319	12,135	12,968	13,576	14,723	13,991
95 Other liabilities	959	953	1,116	1,297	1,346	1,371	1,515	1,486	1,683	1,709
Bahamas and Caymans										
96 Total, all currencies	45,203	66,774	79,052	85,654	88,755	86,291	*89,720	*91,085	87,899	87,993
97 To United States	11,147	22,721	32,176	39,532	34,378	35,676	*40,629	*38,781	36,927	36,447
98 Parent bank	7,628	16,161	20,956	*21,268	*16,750	*18,046	*22,252	19,806	17,021	15,613
99 Other banks in United States	3,520	6,560	11,220	4,509	5,511	4,415	4,852	*6,199	4,308	4,888
100 Nonbanks				*13,755	*12,117	*13,215	*13,525	*12,776	15,598	15,946
101 To foreigners	32,949	42,899	45,292	44,597	52,574	48,955	*47,402	*50,447	49,153	49,545
102 Other branches of parent bank	10,569	13,801	12,816	11,436	14,762	15,635	14,715	16,115	14,266	13,697
103 Banks	16,825	21,760	24,717	21,884	27,372	22,471	*21,932	*23,082	22,290	23,310
104 Official institutions	3,308	3,573	3,000	4,604	4,477	4,449	4,354	4,208	4,602	4,429
105 Nonbank foreigners	2,248	3,765	4,759	6,673	5,963	6,400	*6,401	*7,042	7,995	8,109
106 Other liabilities	1,106	1,154	1,584	1,525	1,803	1,660	*1,689	*1,857	1,819	2,001
107 Total payable in U.S. dollars	42,197	63,417	74,463	81,314	84,317	81,324	*85,012	*86,364	83,152	83,332

¹ In May 1978 a broader category of claims on foreign public borrowers, including corporations that are majority owned by foreign governments, replaced the previous, more narrowly defined claims on foreign official institutions.

² In May 1978 the exemption level for branches required to report was increased, which reduced the number of reporting branches.

3.14 SELECTED U.S. LIABILITIES TO FOREIGN OFFICIAL INSTITUTIONS

Millions of dollars, end of period

Item	1976	1977	1978	1978				1979		
				Sept. ^r	Oct. ^r	Nov. ^r	Dec. ^r	Jan.	Feb. ^p	Mar. ^p
	A. By type									
1 Total ¹	95,634	131,097	162,303	145,401	152,203	156,285	162,303	162,656	159,770	154,195
2 Liabilities reported by banks in the United States ²	17,231	18,003	23,086	19,930	22,040	21,719	23,086	22,600	23,120	23,126
3 U.S. Treasury bills and certificates ³	37,725	47,820	67,650	55,014	57,967	62,635	67,650	68,415	65,558	59,652
U.S. Treasury bonds and notes										
4 Marketable.....	11,788	32,164	35,877	35,577	36,153	36,222	35,877	36,026	35,509	36,033
5 Nonmarketable ⁴	20,648	20,443	20,970	20,304	21,426	20,993	20,970	20,952	20,912	20,471
6 U.S. securities other than U.S. Treasury securities ⁵	8,242	12,667	14,720	14,576	14,617	14,716	14,720	14,663	14,671	14,913
	B. By area									
7 Total.....	95,634	131,097	162,303	145,401	152,203	156,285	162,303	162,656	159,770	154,195
8 Western Europe ¹	45,882	70,748	92,946	80,387	85,118	88,412	92,946	94,397	92,565	90,112
9 Canada.....	3,406	2,334	2,486	1,497	2,619	2,446	2,486	2,150	1,911	3,088
10 Latin America and Caribbean.....	4,926	4,649	5,029	3,902	4,615	4,499	5,029	4,330	4,407	4,193
11 Asia.....	37,767	50,693	58,656	56,870	56,928	57,834	58,656	58,962	57,727	53,995
12 Africa.....	1,893	1,742	2,443	2,006	2,184	2,301	2,443	2,299	2,371	2,135
13 Other countries ⁶	1,760	931	743	739	741	793	743	518	789	672

¹ Includes the Bank for International Settlements.² Principally demand deposits, time deposits, bankers acceptances, commercial paper, negotiable time certificates of deposit, and borrowings under repurchase agreements.³ Includes nonmarketable certificates of indebtedness (including those payable in foreign currencies through 1974) and Treasury bills issued to official institutions of foreign countries.⁴ Excludes notes issued to foreign official nonreserve agencies. Includes bonds and notes payable in foreign currencies.⁵ Debt securities of U.S. government corporations and federally sponsored agencies, and U.S. corporate stocks and bonds.⁶ Includes countries in Oceania and Eastern Europe.

NOTE. Based on Treasury Department data and on data reported to the Treasury Department by banks (including Federal Reserve Banks) and securities dealers in the United States.

For a description of the changes in the International Statistics tables, see July 1978 BULLETIN, p. 612.

3.15 LIABILITIES TO FOREIGNERS Reported by Banks in the United States

Payable in U.S. dollars

Millions of dollars, end of period

Item	1975	1976	1977	1978				1979		
				Sept.	Oct.	Nov.	Dec.	Jan.	Feb. ²	Mar. ²
A. By holder and type of liability										
1 All foreigners.....	95,590	110,657	126,168	144,251	150,296	158,231	166,011	163,824	163,069	165,946
2 Banks' own liabilities.....				68,623	71,087	75,265	77,711	74,210	76,106	84,185
3 Demand deposits.....	13,564	16,803	18,996	17,204	17,553	18,264	19,199	17,785	17,201	16,640
4 Time deposits ¹	10,267	11,347	11,521	12,154	12,279	12,514	12,298	12,120	11,967	12,404
5 Other ²				6,695	9,652	8,641	9,527	8,889	9,194	8,301
6 Own foreign offices ³				32,570	31,603	35,847	36,687	35,416	37,744	46,839
7 Banks' custody liabilities ⁴				75,628	79,209	82,966	88,300	89,614	86,964	81,761
8 U.S. Treasury bills and certificates ⁵	37,414	40,744	48,906	56,665	59,068	63,130	68,178	68,999	66,352	60,587
9 Other negotiable and readily transferable instruments ⁶				16,598	17,355	17,439	17,581	18,197	18,304	19,011
10 Other.....				2,366	2,786	2,397	2,541	2,418	2,307	2,163
11 Nonmonetary international and regional organizations ⁷	5,699	5,714	3,274	3,406	2,929	2,225	2,617	2,317	2,095	2,364
12 Banks' own liabilities.....				767	336	417	916	762	506	769
13 Demand deposits.....	139	290	231	144	133	153	330	333	272	279
14 Time deposits ¹	148	205	139	99	116	102	94	88	102	96
15 Other ²				523	87	161	492	340	131	394
16 Banks' custody liabilities ⁴				2,639	2,593	1,809	1,701	1,555	1,589	1,595
17 U.S. Treasury bills and certificates.....	2,554	2,701	706	1,036	403	183	201	183	193	211
18 Other negotiable and readily transferable instruments ⁶				1,603	2,189	1,625	1,499	1,367	1,393	1,382
19 Other.....				1	1	1	1	5	3	2
20 Official institutions ⁸	50,461	54,956	65,822	74,944	79,999	84,050	90,481	90,828	88,522	82,779
21 Banks' own liabilities.....				9,458	11,479	10,829	11,732	10,504	11,071	10,392
22 Demand deposits.....	2,644	3,394	3,528	3,310	3,050	3,416	3,389	2,699	2,759	2,857
23 Time deposits ¹	3,423	2,321	1,797	2,563	2,399	2,345	2,334	2,288	2,169	2,529
24 Other ²				3,585	6,030	5,068	6,008	5,517	6,143	5,006
25 Banks' custody liabilities ⁴				65,486	68,520	73,221	78,749	80,324	77,451	72,387
26 U.S. Treasury bills and certificates ⁵	34,199	37,725	47,820	55,014	57,958	62,331	67,394	68,228	65,402	59,652
27 Other negotiable and readily transferable instruments ⁶				10,227	10,352	10,783	11,185	11,905	11,861	12,692
28 Other.....				245	210	107	170	191	188	43
29 Banks ⁹	29,330	37,174	42,335	50,542	51,372	55,363	56,861	54,683	55,800	64,993
30 Banks' own liabilities.....				45,771	46,417	50,529	52,035	49,932	51,042	60,012
31 Unaffiliated foreign banks.....				13,201	14,814	14,682	15,349	14,517	13,299	13,172
32 Demand deposits.....	7,534	9,104	10,933	9,710	10,148	10,066	11,239	10,425	9,426	9,344
33 Time deposits ¹	1,873	2,297	2,040	1,269	1,564	1,735	1,489	1,479	1,322	1,261
34 Other ²				2,222	3,102	2,881	2,621	2,612	2,551	2,567
35 Own foreign offices ³				32,570	31,603	35,847	36,687	35,416	37,744	46,839
36 Banks' custody liabilities ⁴				4,771	4,955	4,834	4,826	4,751	4,757	4,981
37 U.S. Treasury bills and certificates.....	335	119	141	307	381	371	300	302	399	425
38 Other negotiable and readily transferable instruments ⁶				2,536	2,447	2,561	2,417	2,422	2,384	2,496
39 Other.....				1,928	2,126	1,902	2,109	2,027	1,973	2,060
40 Other foreigners.....	10,100	12,814	14,736	15,359	15,996	16,593	16,052	15,995	16,653	15,810
41 Banks' own liabilities.....				12,627	12,855	13,490	13,028	13,012	13,487	13,012
42 Demand deposits.....	3,248	4,015	4,304	4,039	4,222	4,628	4,242	4,328	4,744	4,161
43 Time deposits ¹	4,823	6,524	7,546	8,222	8,201	8,331	8,380	8,264	8,374	8,518
44 Other ²				365	432	531	406	420	368	333
45 Banks' custody liabilities ⁴				2,732	3,141	3,103	3,024	2,983	3,166	2,798
46 U.S. Treasury bills and certificates.....	325	198	240	308	326	245	282	285	357	299
47 Other negotiable and readily transferable instruments ⁶				2,231	2,367	2,471	2,480	2,503	2,665	2,440
48 Other.....				193	448	387	262	195	143	59
49 MEMO: Negotiable time certificates of deposit held in custody for foreigners.....				10,058	10,992	10,821	10,926	11,080	10,988	11,187

¹ Excludes negotiable time certificates of deposit, which are included in "Other negotiable and readily transferable instruments."

² Includes borrowings under repurchase agreements.

³ U.S. banks: includes amounts due to own foreign branches and foreign subsidiaries consolidated in "Consolidated Report of Condition" filed with bank regulatory agencies. Agencies, branches, and majority-owned subsidiaries of foreign banks: principally amounts due to head office or parent foreign bank, and foreign branches, agencies or wholly-owned subsidiaries of head office or parent foreign bank.

⁴ Financial claims on residents of the United States, other than long-term securities, held by or through reporting banks.

⁵ Includes nonmarketable certificates of indebtedness (including those payable in foreign currencies through 1974) and Treasury bills issued to official institutions of foreign countries.

⁶ Principally bankers acceptances, commercial paper, and negotiable time certificates of deposit.

⁷ Principally the International Bank for Reconstruction and Development, and the Inter-American and Asian Development Banks.

⁸ Foreign central banks and foreign central governments and the Bank for International Settlements.

⁹ Excludes central banks, which are included in "Official institutions."

NOTE. Data for time deposits prior to April 1978 represent short-term only.

For a description of the changes in the International Statistics tables, see July 1978 BULLETIN, p. 612.

3.15 Continued

Item	1975	1976	1977	1978				1979		
				Sept.	Oct.	Nov.	Dec.	Jan.	Feb. ²	Mar. ²
B. By area and country										
1 Total.....	95,590	110,657	126,168	144,251	150,296	158,231	166,011	163,824	163,069	165,946
2 Foreign countries.....	89,891	104,943	122,893	140,845	147,367	156,006	163,394	161,507	160,975	163,581
3 Europe.....	44,072	47,076	60,295	69,275	73,171	78,129	84,605	83,774	81,310	81,078
4 Austria.....	759	346	318	431	473	514	506	555	498	524
5 Belgium-Luxembourg.....	2,893	2,187	2,531	2,353	2,449	2,471	2,546	2,481	2,177	2,125
6 Denmark.....	329	356	770	1,673	1,734	1,827	1,946	2,036	2,074	2,131
7 Finland.....	391	416	323	415	424	388	346	379	357	361
8 France.....	7,726	4,876	5,269	8,060	8,421	8,817	8,631	8,377	8,153	8,613
9 Germany.....	4,543	6,241	7,239	11,206	13,345	15,652	17,286	15,770	13,867	12,995
10 Greece.....	284	403	603	865	887	907	826	683	761	671
11 Italy.....	1,059	3,182	6,857	7,394	7,346	7,761	7,674	8,723	8,056	8,145
12 Netherlands.....	3,407	3,003	2,869	2,743	2,501	2,518	2,402	2,536	2,786	2,765
13 Norway.....	994	782	944	1,208	1,210	1,102	1,271	1,411	1,445	1,531
14 Portugal.....	193	239	273	521	386	379	330	254	246	279
15 Spain.....	423	559	619	765	702	885	778	759	704	731
16 Sweden.....	2,277	1,692	2,712	3,341	3,187	3,216	3,131	2,955	2,656	2,520
17 Switzerland.....	8,476	9,460	12,343	12,898	14,195	15,463	18,564	19,864	19,641	18,457
18 Turkey.....	118	166	130	226	164	163	157	141	141	132
19 United Kingdom.....	6,867	10,018	14,125	11,938	12,232	12,826	14,214	13,080	13,639	15,348
20 Yugoslavia.....	126	189	232	167	158	190	254	174	184	176
21 Other Western Europe ¹	2,970	2,673	1,804	2,745	3,012	2,777	3,334	3,296	3,691	3,258
22 U.S.S.R.....	40	51	98	65	82	73	82	150	62	59
23 Other Eastern Europe ²	197	236	236	262	262	198	325	150	171	257
24 Canada.....	2,919	4,659	4,607	5,131	7,465	8,073	6,963	6,622	7,036	8,043
25 Latin America and Caribbean.....	15,028	19,132	23,670	29,216	28,461	31,111	31,470	30,909	32,241	37,810
26 Argentina.....	1,146	1,534	1,416	1,393	1,650	1,504	1,498	1,682	1,789	1,734
27 Bahamas.....	1,874	2,770	3,596	7,251	4,870	6,309	6,615	7,391	7,276	13,087
28 Bermuda.....	184	218	321	409	387	425	428	386	463	374
29 Brazil.....	1,219	1,438	1,396	1,275	1,441	1,234	1,130	1,099	1,150	1,134
30 British West Indies.....	1,311	1,877	3,998	5,380	5,921	6,692	5,978	5,715	6,844	6,765
31 Chile.....	319	337	360	351	333	341	399	376	358	549
32 Colombia.....	417	1,021	1,221	1,431	1,483	1,612	1,756	1,769	1,867	1,925
33 Cuba.....	6	6	6	7	7	7	13	7	13	6
34 Ecuador.....	120	320	330	405	369	348	322	321	274	330
35 Guatemala ³				347	368	357	416	352	386	339
36 Jamaica ³				78	57	43	52	72	43	75
37 Mexico.....	2,070	2,870	2,876	3,112	3,101	3,413	3,397	3,178	3,158	3,178
38 Netherlands Antilles ⁴	129	158	196	317	352	368	308	321	361	318
39 Panama.....	1,115	1,167	2,331	2,741	2,396	2,808	2,992	2,818	2,486	2,501
40 Peru.....	243	257	287	321	323	337	363	320	347	404
41 Uruguay.....	172	245	243	197	210	211	233	222	220	234
42 Venezuela.....	3,309	3,118	2,929	2,562	3,696	3,550	3,809	3,336	3,705	3,168
43 Other Latin America and Caribbean.....	1,393	1,797	2,167	1,639	1,494	1,553	1,760	1,544	1,500	1,691
44 Asia.....	22,384	29,766	30,488	33,488	34,542	34,843	36,394	36,650	36,452	32,929
45 China (Mainland).....	123	48	53	46	49	57	67	65	105	273
46 China (Taiwan).....	1,025	990	1,013	1,280	1,319	1,247	499	546	488	605
47 Hong Kong.....	605	894	1,094	1,250	1,368	1,189	1,256	1,400	1,436	1,252
48 India.....	115	638	961	833	899	843	790	804	838	857
49 Indonesia.....	369	340	410	348	575	439	449	575	357	479
50 Israel.....	387	392	559	432	453	469	674	669	625	635
51 Japan.....	10,207	14,363	14,616	19,933	19,937	21,355	21,969	21,428	21,764	18,108
52 Korea.....	390	438	602	776	790	750	795	771	827	748
53 Philippines.....	700	628	687	623	594	578	639	612	544	642
54 Thailand.....	252	277	264	290	352	279	427	379	307	277
55 Middle East oil-exporting countries ⁵	7,355	9,360	8,979	7,337	7,823	6,381	7,420	8,120	7,864	7,816
56 Other Asia.....	856	1,398	1,250	1,341	1,384	1,256	1,411	1,283	1,297	1,236
57 Africa.....	3,369	2,298	2,535	2,645	2,540	2,636	2,886	2,693	2,804	2,650
58 Egypt.....	342	333	404	417	322	312	404	337	278	329
59 Morocco.....	68	87	66	74	84	30	32	29	32	43
60 South Africa.....	166	141	174	238	266	294	168	179	207	242
61 Zaire.....	62	36	39	45	39	43	43	48	42	50
62 Oil-exporting countries ⁶	2,240	1,116	1,155	1,270	1,230	1,335	1,525	1,379	1,549	1,256
63 Other Africa.....	491	585	698	601	600	622	715	721	697	729
64 Other countries.....	2,119	2,012	1,297	1,090	1,189	1,214	1,076	860	1,131	1,072
65 Australia.....	2,006	1,905	1,140	899	975	977	838	655	933	862
66 All other.....	113	107	158	191	213	236	239	204	198	211
67 Nonmonetary international and regional organizations.....	5,699	5,714	3,274	3,406	2,929	2,225	2,617	2,317	2,095	2,364
68 International.....	5,415	5,157	2,752	2,339	1,789	1,033	1,485	1,210	919	1,189
69 Latin American regional.....	188	267	278	799	856	870	808	809	865	872
70 Other regional ⁷	96	290	245	269	284	323	324	299	311	303

¹ Includes the Bank for International Settlements. Beginning April 1978, also includes Eastern European countries not listed in line 23.

² Beginning April 1978 comprises Bulgaria, Czechoslovakia, German Democratic Republic, Hungary, Poland, and Romania.

³ Included in "Other Latin America and Caribbean" through March 1978.

⁴ Includes Surinam through December 1975.

⁵ Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).

⁶ Comprises Algeria, Gabon, Libya, and Nigeria.

⁷ Asian, African, Middle Eastern, and European regional organizations, except the Bank for International Settlements, which is included in "Other Western Europe."

NOTE. For a description of the changes in the International Statistics tables, see July 1978 BULLETIN, p. 612.

3.16 BANKS' OWN CLAIMS ON FOREIGNERS Reported by Banks in the United States

Payable in U.S. Dollars

Millions of dollars, end of period

Area and country	1975	1976	1977	1978				1979		
				Sept.	Oct.	Nov.	Dec.	Jan.	Feb. ^p	Mar. ^p
1 Total.....	58,308	79,301	90,206	*95,101	*97,097	*105,425	114,606	105,406	103,799	108,443
2 Foreign countries.....	58,275	79,261	90,163	*95,062	*97,057	*105,379	114,550	105,366	103,759	108,404
3 Europe.....	11,109	14,776	18,114	*18,469	*19,345	*20,565	24,181	20,743	20,454	21,199
4 Austria.....	35	63	65	95	111	142	140	147	115	177
5 Belgium-Luxembourg.....	286	482	561	*969	*1,061	1,232	1,200	1,504	1,376	1,798
6 Denmark.....	104	133	173	147	160	193	254	172	170	166
7 Finland.....	180	199	172	221	232	260	305	281	264	295
8 France.....	1,565	1,549	2,082	*2,832	2,752	2,716	3,737	2,629	2,275	2,864
9 Germany.....	380	509	644	742	808	838	900	840	717	887
10 Greece.....	290	279	206	126	161	134	164	162	169	191
11 Italy.....	443	993	1,334	*1,019	*1,358	1,453	1,504	1,402	1,395	1,308
12 Netherlands.....	305	315	338	380	494	602	680	681	619	581
13 Norway.....	131	136	162	263	238	282	299	251	252	203
14 Portugal.....	30	88	175	99	106	180	171	169	173	209
15 Spain.....	424	745	722	735	*893	980	1,110	905	1,103	908
16 Sweden.....	198	206	218	325	348	465	537	449	388	313
17 Switzerland.....	199	379	564	871	781	1,045	1,283	1,051	970	1,069
18 Turkey.....	164	249	360	305	293	283	283	179	132	143
19 United Kingdom.....	5,170	7,033	8,964	*7,958	*8,115	*8,417	10,124	8,444	8,886	8,564
20 Yugoslavia.....	210	234	311	307	293	302	363	400	409	448
21 Other Western Europe ¹	76	85	86	129	*138	107	122	135	110	124
22 U.S.S.R.....	406	485	413	370	387	321	366	327	309	319
23 Other Eastern Europe ²	513	613	566	575	617	612	638	617	621	630
24 Canada.....	2,834	3,319	3,355	*3,453	*3,610	*4,522	5,142	4,961	5,049	5,185
25 Latin America and Caribbean.....	23,863	38,879	45,850	*49,721	*49,295	*54,346	56,507	52,372	50,250	54,133
26 Argentina.....	1,377	1,192	1,478	1,690	*1,461	1,698	2,266	2,134	2,360	2,534
27 Bahamas.....	7,583	15,464	19,858	*19,272	*19,210	*23,546	21,118	20,873	18,640	20,000
28 Bermuda.....	104	150	232	141	352	141	189	175	155	150
29 Brazil.....	3,385	4,901	4,629	5,252	5,596	6,137	6,251	6,259	6,119	6,574
30 British West Indies.....	1,464	5,082	6,481	8,397	*7,178	6,432	9,173	5,368	5,122	7,297
31 Chile.....	494	597	675	742	832	862	968	1,012	939	964
32 Colombia.....	751	675	671	727	793	936	1,012	1,054	1,019	1,004
33 Cuba.....	14	13	10	1	*	4	*	*	*	4
34 Ecuador.....	252	375	517	646	621	680	705	700	768	839
35 Guatemala ³				79	85	89	94	87	109	89
36 Jamaica ³				46	45	49	40	37	48	61
37 Mexico.....	3,745	4,822	4,909	*5,011	4,927	5,255	5,417	5,449	5,398	5,561
38 Netherlands Antilles ⁴	72	140	224	230	212	242	268	259	222	282
39 Panama.....	1,138	1,372	1,410	*2,301	*2,485	2,531	3,074	3,179	3,493	2,850
40 Peru.....	805	933	962	967	945	931	918	873	846	835
41 Uruguay.....	57	42	80	51	63	58	52	50	44	46
42 Venezuela.....	1,319	1,828	2,318	*2,747	3,105	3,367	3,474	3,324	3,481	3,525
43 Other Latin America and Caribbean.....	1,302	1,293	1,394	*1,421	1,386	1,388	1,487	1,538	1,487	1,519
44 Asia.....	17,706	19,204	19,236	*20,195	*21,565	*22,743	25,511	24,232	25,103	24,957
45 China (Mainland).....	22	3	10	8	10	6	4	15	13	16
46 China (Taiwan).....	1,053	1,344	1,719	*1,242	1,285	1,356	1,499	1,457	1,767	1,841
47 Hong Kong.....	289	316	543	*1,017	*1,484	1,385	1,573	1,620	1,952	1,891
48 India.....	57	69	53	76	66	46	54	61	60	52
49 Indonesia.....	246	218	232	152	144	188	143	141	123	124
50 Israel.....	721	755	584	544	555	719	872	996	896	909
51 Japan.....	10,944	11,040	9,839	*10,303	*10,629	11,997	12,734	12,566	12,220	12,783
52 Korea.....	1,791	1,978	2,336	1,933	1,788	*1,792	2,277	2,239	2,478	2,545
53 Philippines.....	534	719	594	730	732	717	680	607	692	660
54 Thailand.....	520	442	633	633	734	758	753	753	830	774
55 Middle East oil-exporting countries ⁵	744	1,459	1,746	2,200	*2,127	2,188	3,118	2,333	2,487	1,945
56 Other Asia.....	785	863	947	1,357	2,012	1,592	1,804	1,446	1,585	1,417
57 Africa.....	1,933	2,311	2,518	*2,161	2,219	2,163	2,221	2,145	2,092	1,969
58 Egypt.....	123	126	119	67	56	68	107	82	83	73
59 Morocco.....	8	27	43	38	40	36	82	97	88	66
60 South Africa.....	657	957	1,066	1,022	990	906	860	838	760	701
61 Zaire.....	181	112	98	82	161	162	164	156	155	155
62 Oil-exporting countries ⁶	382	524	510	406	438	439	452	438	456	455
63 Other.....	581	565	682	*547	534	551	556	533	551	519
64 Other countries.....	830	772	1,090	1,063	1,023	1,041	988	914	812	961
65 Australia.....	700	597	905	*895	879	894	877	792	704	830
66 All other.....	130	175	186	*169	145	147	111	122	108	131
67 Nonmonetary international and regional organizations ⁷	33	40	43	39	41	45	56	40	39	39

¹ Includes the Bank for International Settlements. Beginning April 1978, also includes Eastern European countries not listed in line 23.

² Beginning April 1978 comprises Bulgaria, Czechoslovakia, German Democratic Republic, Hungary, Poland, and Romania.

³ Included in "Other Latin America and Caribbean" through March 1978.

⁴ Includes Surinam through December 1975.

⁵ Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).

⁶ Comprises Algeria, Gabon, Libya, and Nigeria.

⁷ Excludes the Bank for International Settlements, which is included in "Other Western Europe."

NOTE. Data for period prior to April 1978 include claims of banks' domestic customers on foreigners. For a description of the changes in the International Statistics tables, see July 1978 BULLETIN, p. 612.

3.17 BANKS' OWN AND DOMESTIC CUSTOMERS' CLAIMS ON FOREIGNERS Reported by Banks in the United States

Payable in U.S. Dollars

Millions of dollars, end of period

Type of claim	1975	1976	1977	1978				1979		
				Sept. ^r	Oct. ^r	Nov. ^r	Dec.	Jan.	Feb. ^p	Mar. ^p
1 Total.....	58,308	79,301	90,206	104,157	.....	.....	125,616	.....	.....	.....
2 Banks' own claims on foreigners.....	95,101	97,097	105,425	114,606	105,406	103,799	108,443
3 Foreign public borrowers.....	8,053	8,378	9,235	10,047	10,304	10,499	10,632
4 Own foreign offices ¹	35,005	36,581	40,403	40,882	37,933	35,581	36,845
5 Unaffiliated foreign banks.....	31,539	30,912	33,552	40,379	34,494	34,649	37,487
6 Deposits.....	4,463	4,002	4,396	5,506	4,670	5,146	6,113
7 Other.....	27,076	26,910	29,157	34,873	29,824	29,503	31,374
8 All other foreigners.....	20,504	21,225	22,234	23,298	22,674	23,070	23,479
9 Claims of banks' domestic customers ²	9,056	.....	.....	11,009	.....	.....	.....
10 Deposits.....	500	.....	.....	972	.....	.....	.....
11 Negotiable and readily transferable instruments ³	3,724	.....	.....	4,762	.....	.....	.....
12 Outstanding collections and other claims ⁴	5,467	5,756	6,176	4,832	.....	.....	5,275	.....	.....	.....
13 MEMO: Customer liability on acceptances...	12,723	.....	.....	14,837	.....	.....	.....

¹ U.S. banks: includes amounts due from own foreign branches and foreign subsidiaries consolidated in "Consolidated Report of Condition" filed with bank regulatory agencies. Agencies, branches, and majority-owned subsidiaries of foreign banks: principally amounts due from head office or parent foreign bank, and foreign branches, agencies, or wholly-owned subsidiaries of head office or parent foreign bank.

² Assets owned by customers of the reporting bank located in the United States that represent claims on foreigners held by reporting banks for the account of their domestic customers.

³ Principally negotiable time certificates of deposit and bankers acceptances.

⁴ Data for March 1978 and for period prior to that are outstanding collections only.

NOTE. Beginning April 1978, data for banks' own claims are given on a monthly basis, but the data for claims of banks' domestic customers are available on a quarterly basis only.

For a description of the changes in the International Statistics tables, see July 1978 BULLETIN, p. 612.

3.18 BANKS' OWN CLAIMS ON UNAFFILIATED FOREIGNERS Reported by Banks in the United States
Payable in U.S. Dollars
Millions of dollars, end of period

Maturity; by borrower and area	1978	1979	1978			1979		
			June ^r	Sept.	Dec. ^p	Mar.	June	Sept.
1 Total.....			55,433	59,907	73,250			
By borrower								
2 Maturity of 1 year or less ¹			44,103	47,055	57,982			
3 Foreign public borrowers.....			3,067	3,702	4,497			
4 All other foreigners.....			41,036	43,353	53,486			
5 Maturity of over 1 year ¹			11,330	12,852	15,268			
6 Foreign public borrowers.....			2,931	3,925	5,315			
7 All other foreigners.....			8,399	8,927	9,952			
By area								
8 Maturity of 1 year or less ¹								
9 Europe.....			9,627	10,454	14,934			
10 Canada.....			1,598	1,948	2,662			
11 Latin America and Caribbean.....			17,203	18,759	20,813			
12 Asia.....			13,695	13,769	17,500			
13 Africa.....			1,457	1,535	1,512			
14 All other ²			523	591	562			
Maturity of over 1 year ¹								
15 Europe.....			2,920	3,104	3,163			
16 Canada.....			344	794	1,426			
17 Latin America and Caribbean.....			5,886	6,859	8,444			
18 Asia.....			1,298	1,305	1,393			
19 Africa.....			631	580	629			
20 All other ²			252	211	214			

¹ Remaining time to maturity.

² Includes nonmonetary international and regional organizations.

NOTE. The first available data are for June 1978. For a description of the changes in the International Statistics tables, see July 1978 BULLETIN, p. 612.

3.19 LIABILITIES TO AND CLAIMS ON FOREIGNERS Reported by Banks in the United States
Payable in Foreign Currencies
Millions of dollars, end of period

Item	1975	1976	1977	1978			
				Mar.	June	Sept.	Dec. ^p
1 Banks' own liabilities.....	560	781	925	986	1,464	1,768	2,055
2 Banks' own claims ¹	1,459	1,834	2,356	2,383	2,622	2,989	3,612
3 Deposits.....	656	1,103	941	948	1,084	1,400	1,797
4 Other claims.....	802	731	1,415	1,435	1,538	1,589	1,815
5 Claims of banks' domestic customers ²					809	446	400

¹ Includes claims of banks' domestic customers through March 1978.

² Assets owned by customers of the reporting bank located in the United States that represent claims on foreigners held by reporting banks for the accounts of their domestic customers.

NOTE. Data on claims exclude foreign currencies held by U.S. monetary authorities.

For a description of the changes in the International Statistics tables, see July 1978 BULLETIN, p. 612.

3.20 MARKETABLE U.S. TREASURY BONDS AND NOTES Foreign Holdings and Transactions

Millions of dollars

Country or area	1977	1978	1979	1978				1979		
			Jan.- Mar. ^p	Sept.	Oct.	Nov.	Dec.	Jan.	Feb. ^p	Mar. ^p
Holdings (end of period) ⁴										
1 Estimated total ¹	38,640	44,933	.....	42,217	43,627	43,852	44,933	46,205	45,662	47,524
2 Foreign countries ¹	33,894	39,812	.....	37,830	38,476	38,474	39,812	41,336	40,958	42,926
3 Europe ¹	13,936	17,072	.....	14,689	15,260	15,654	17,072	18,360	18,501	20,171
4 Belgium-Luxembourg.....	19	19	.....	19	19	19	19	19	19	19
5 Germany ¹	3,168	8,705	.....	6,157	6,645	7,102	8,705	8,864	8,860	10,216
6 Netherlands.....	911	1,358	.....	1,306	1,356	1,351	1,358	1,433	1,517	1,587
7 Sweden.....	100	285	.....	211	231	266	285	320	355	360
8 Switzerland.....	497	977	.....	694	731	915	977	1,818	1,508	1,537
9 United Kingdom.....	8,888	5,373	.....	5,909	5,915	5,674	5,373	5,489	5,823	5,991
10 Other Western Europe.....	349	354	.....	393	365	327	354	417	420	461
11 Eastern Europe.....	4	.....	.....	.....	.....	.....	.....	.....	.....	.....
12 Canada.....	288	152	.....	276	151	151	152	150	146	166
13 Latin America and Caribbean.....	551	416	.....	445	426	416	416	433	417	418
14 Venezuela.....	199	144	.....	144	144	144	144	183	183	183
15 Other Latin American and Caribbean.....	183	110	.....	139	119	109	110	88	72	72
16 Netherlands Antilles.....	170	162	.....	162	162	162	162	162	162	162
17 Asia.....	18,745	21,483	.....	21,924	21,942	21,565	21,483	21,704	21,205	21,483
18 Japan.....	6,860	11,528	.....	11,096	11,560	11,483	11,528	12,226	12,422	12,729
19 Africa.....	362	691	.....	491	691	691	691	691	691	691
20 All other.....	11	-3	.....	5	6	-3	-3	-3	-3	-3
21 Nonmonetary international and regional organizations.....	4,746	5,121	.....	4,387	5,151	5,378	5,121	4,869	4,704	4,598
22 International.....	4,646	5,089	.....	4,354	5,118	5,345	5,089	4,837	4,666	4,560
23 Latin American regional.....	100	33	.....	33	33	33	33	33	38	38
Transactions (net purchases, or sales (-), during period)										
24 Total ¹	22,843	6,292	2,591	639	1,410	225	1,081	1,272	-543	1,862
25 Foreign countries ¹	21,130	5,916	3,115	706	646	-3	1,338	1,524	-378	1,968
26 Official institutions.....	20,377	3,712	157	704	577	69	-346	150	-517	524
27 Other foreign ¹	753	2,205	2,959	3	69	-72	1,683	1,375	141	1,443
28 Nonmonetary international and regional organizations.....	1,713	375	-523	-67	764	227	-256	-252	-165	-106
MEMO: Oil-exporting countries										
29 Middle East ²	4,451	-1,785	-1,184	-31	-401	-241	-127	-461	-693	-31
30 Africa ³	-181	329	.....	.....	200	-1	.....	.....	*	.....

¹ Beginning December 1978, includes U.S. Treasury notes publicly issued to private foreign residents.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.

3.21 FOREIGN OFFICIAL ASSETS HELD AT FEDERAL RESERVE BANKS

Millions of dollars, end of period

Assets	1976	1977	1978	1978			1979			
				Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr. ^p
1 Deposits.....	352	424	367	305	379	367	338	343	303	388
Assets held in custody:										
2 U.S. Treasury securities ¹	66,532	91,962	117,126	107,934	112,434	117,126	116,961	114,005	107,854	99,674
3 Earmarked gold ²	16,414	15,988	15,463	15,548	15,525	15,463	15,448	15,432	15,426	15,406

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.

3.22 FOREIGN TRANSACTIONS IN SECURITIES

Millions of dollars

Transactions, and area or country	1977	1978	1979	1978				1979		
			Jan.- Mar. ^p	Sept.	Oct.	Nov.	Dec.	Jan.	Feb. ^p	Mar. ^p
U.S. corporate securities										
Stocks										
1 Foreign purchases.....	14,155	20,130	4,687	2,357	1,509	1,461	1,438	1,361	1,384	1,941
2 Foreign sales.....	11,479	17,723	4,002	2,115	1,523	1,359	1,102	1,301	1,264	1,437
3 Net purchases, or sales (-).....	2,676	2,408	685	241	-14	103	336	60	120	504
4 Foreign countries.....	2,661	2,454	666	244	-15	102	336	61	104	501
5 Europe.....	1,006	1,271	166	-33	-91	-10	264	-7	52	121
6 France.....	40	47	43	2	-4	1	-38	-6	16	33
7 Germany.....	291	620	1	24	-30	8	264	-18	20	-1
8 Netherlands.....	22	-22	-69	7	7	6	-9	-35	-15	-19
9 Switzerland.....	152	-585	-30	-115	-118	-88	-23	-30	12	-12
10 United Kingdom.....	613	1,218	230	54	58	67	74	85	19	126
11 Canada.....	65	74	58	117	22	6	38	7	-6	57
12 Latin America and Caribbean.....	127	151	44	1	13	-2	16	34	-25	36
13 Middle East ¹	1,390	781	255	120	42	109	4	-16	46	225
14 Other Asia.....	59	187	141	35	-4	1	15	49	30	61
15 Africa.....	5	-13	6	5	2	-2	-1	-2	6	1
16 Other countries.....	8	3	-3	-1	2	1	1	-4	1	1
17 Nonmonetary international and regional organizations.....	15	-46	18	-3	1	1	*	-1	16	3
Bonds ²										
18 Foreign purchases.....	7,739	7,955	1,675	610	727	437	884	641	453	581
19 Foreign sales.....	r3,560	r5,509	1,740	550	530	r439	r564	704	547	489
20 Net purchases, or sales (-).....	r4,179	r2,446	-65	60	197	r-2	r320	-63	-94	92
21 Foreign countries.....	r4,083	r2,037	162	62	137	r-12	r128	54	28	79
22 Europe.....	r1,850	r915	149	80	89	r-25	r146	39	110	1
23 France.....	-34	30	30	-2	-10	3	17	18	*	13
24 Germany.....	-20	r68	59	-5	-12	r-45	10	42	13	4
25 Netherlands.....	72	19	-41	19	-4	-1	-6	-4	-10	-27
26 Switzerland.....	94	-100	27	43	9	9	39	8	6	12
27 United Kingdom.....	r1,690	r930	66	*	110	9	r109	-54	93	27
28 Canada.....	141	102	53	16	-5	*	6	11	10	33
29 Latin America and Caribbean.....	64	78	55	11	13	-1	5	23	9	24
30 Middle East ¹	1,695	810	-116	-73	-19	-8	-21	-34	-106	24
31 Other Asia.....	338	131	17	28	60	23	-5	16	4	-3
32 Africa.....	-6	-1	1	*	*	*	*	*	1	*
33 Other countries.....	*	1	1	*	*	*	-3	*	*	1
34 Nonmonetary international and regional organizations.....	96	409	-227	-3	60	10	192	-118	-122	13
Foreign securities										
35 Stocks, net purchases, or sales (-).....	-410	527	-4	-69	-19	163	-12	11	-28	14
36 Foreign purchases.....	2,255	3,666	828	261	299	360	232	265	232	331
37 Foreign sales.....	2,665	3,139	831	330	318	197	244	254	260	318
38 Bonds, net purchases, or sales (-).....	-5,096	-4,017	-914	36	-677	-446	73	-550	-322	-42
39 Foreign purchases.....	8,040	11,044	2,906	762	941	856	1,020	783	942	1,182
40 Foreign sales.....	13,136	15,061	3,820	726	1,618	1,302	948	1,333	1,264	1,223
41 Net purchases, or sales (-) of stocks and bonds..	-5,506	-3,490	-917	-33	-696	-283	61	-540	-349	-28
42 Foreign countries.....	-3,949	-3,313	-665	-67	-507	-303	19	-513	-141	-11
43 Europe.....	-1,100	-40	-167	-86	13	-102	53	-124	-42	-1
44 Canada.....	-2,404	-3,237	-706	-41	-747	-246	-24	-305	-184	-216
45 Latin America and Caribbean.....	-82	201	184	-12	-17	18	*	60	70	54
46 Asia.....	-97	350	30	72	236	21	-15	-141	19	153
47 Africa.....	2	-441	-16	-1	1	1	*	-3	-5	-8
48 Other countries.....	-267	-146	10	1	6	4	5	1	2	7
49 Nonmonetary international and regional organizations.....	-1,557	-177	-253	34	-189	20	41	-27	-209	-17

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. government agencies and corporations. Also includes issues of new debt securities sold abroad by U.S. corporations organized to finance direct investments abroad.

3.23 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	1977	1978				1977	1978			
	Dec.	Mar.	June	Sept.	Dec.	Dec.	Mar.	June	Sept.	Dec.
	Liabilities to foreigners					Claims on foreigners				
1 Total	7,910	8,361	8,792	*9,683	9,817	16,221	18,399	18,162	*18,252	20,021
By type										
2 Payable in dollars	7,109	7,477	7,967	*8,853	8,829	14,803	16,636	16,598	*16,284	18,257
3 Payable in foreign currencies	801	884	825	*831	988	1,418	1,763	1,564	*1,968	1,764
4 Deposits with banks abroad in reporter's name						613	783	673	*803	937
5 Other						805	980	890	1,165	827
By area or country										
6 Foreign countries	7,695	8,214	8,661	*9,559	9,692	16,220	18,397	18,160	*18,250	20,020
7 Europe	2,491	2,820	2,993	*3,173	3,394	5,764	5,508	5,273	*5,884	7,007
8 Austria	21	26	26	33	45	24	21	28	25	26
9 Belgium-Luxembourg	116	171	167	165	240	211	187	155	172	167
10 Denmark	14	23	22	17	17	56	47	40	34	51
11 Finland	9	12	3	*3	9	13	13	53	50	19
12 France	238	273	302	*266	336	513	545	533	622	688
13 Germany	284	335	356	391	399	450	420	436	*535	808
14 Greece	85	108	82	71	37	41	42	40	44	99
15 Italy	128	104	156	188	162	387	381	451	400	446
16 Netherlands	232	253	220	*219	216	166	184	192	*174	222
17 Norway	7	9	18	23	23	40	40	45	42	66
18 Portugal	11	7	25	11	8	69	27	54	34	42
19 Spain	77	94	105	110	141	387	408	376	351	317
20 Sweden	28	37	38	51	70	117	117	78	80	102
21 Switzerland	263	211	282	308	338	220	202	285	346	253
22 Turkey	108	93	92	102	55	39	35	29	31	30
23 United Kingdom	735	937	962	*1,070	1,188	2,795	2,619	2,338	*2,817	3,491
24 Yugoslavia	90	82	84	76	28	20	24	27	23	34
25 Other Western Europe	10	8	18	17	25	25	33	24	28	21
26 U.S.S.R.	24	15	19	27	29	55	44	37	33	67
27 Other Eastern Europe	12	23	17	25	28	135	121	51	*44	59
28 Canada	504	530	524	566	658	2,681	3,428	3,502	*3,722	3,259
29 Latin America	1,201	1,353	1,421	*1,536	1,521	4,467	5,943	6,001	*5,147	6,008
30 Argentina	40	53	74	131	124	53	53	61	65	65
31 Bahamas	329	327	321	353	312	2,019	3,122	3,081	*2,357	2,695
32 Brazil	49	62	63	87	74	493	482	479	418	618
33 Chile	17	14	23	14	11	45	40	37	40	57
34 Colombia	42	26	42	42	38	84	80	79	69	95
35 Cuba	*	*	*	*	*	*	*	*	*	*
36 Mexico	114	169	185	*238	142	314	312	331	382	436
37 Panama	22	12	71	59	44	91	175	97	76	107
38 Peru	15	22	17	19	50	32	30	30	25	27
39 Uruguay	3	5	9	7	15	5	6	4	5	7
40 Venezuela	216	264	185	232	318	269	306	309	284	264
41 Other Latin American republics	118	107	101	121	105	281	268	229	223	240
42 Netherlands Antilles	25	41	30	19	35	12	24	19	21	17
43 Other Latin America	209	250	299	213	255	768	1,045	1,245	*1,182	1,381
44 Asia	2,835	2,814	3,008	*3,534	3,324	2,777	2,970	2,810	*2,904	3,136
45 China, Mainland	8	1	1	*2	47	9	22	21	23	23
46 China, Taiwan	156	167	170	*178	150	157	144	173	157	269
47 Hong Kong	40	32	30	61	67	98	85	92	127	142
48 India	37	26	10	23	27	38	85	93	85	80
49 Indonesia	56	57	59	49	67	375	185	152	167	144
50 Israel	63	68	59	68	69	38	47	43	*85	64
51 Japan	695	761	807	865	898	1,068	1,379	1,142	1,157	1,239
52 Korea	103	99	107	103	42	171	133	168	161	177
53 Philippines	74	95	107	157	98	99	94	96	107	110
54 Thailand	17	11	27	43	55	23	32	30	29	37
55 Other Asia	1,588	1,498	1,631	*1,985	1,804	702	764	800	804	850
56 Africa	571	594	603	661	708	386	402	430	*439	452
57 Egypt	13	19	25	34	40	34	31	36	29	35
58 Morocco	112	130	148	145	166	21	22	16	16	15
59 South Africa	20	30	36	34	45	75	71	88	*73	79
60 Zaire	46	55	57	56	88	15	11	16	12	12
61 Other Africa	380	360	338	391	371	241	268	274	*309	311
62 Other countries	93	104	111	*89	86	146	145	143	*154	158
63 Australia	75	89	97	*75	75	111	111	109	*114	120
64 All other	18	14	14	14	11	35	34	34	40	38
65 Nonmonetary international and regional organizations	215	147	132	125	125	1	1	2	2	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.

3.24 SHORT-TERM CLAIMS ON FOREIGNERS Reported by Large Nonbanking Concerns in the United States

Millions of dollars, end of period

Type and country	1975	1976	1977	1978 ^r	1978					
					July ^r	Aug. ^r	Sept. ^r	Oct. ^r	Nov. ^r	Dec.
1 Total	3,799	5,720	7,136	9,604	8,957	10,107	8,644	10,533	11,288	9,604
By type										
2 Payable in dollars	3,042	4,984	6,121	8,301	7,643	8,820	7,410	9,262	9,979	8,301
3 Deposits	2,710	4,505	5,703	7,786	7,172	8,284	6,986	8,710	9,342	7,786
4 Short-term investments ¹	332	479	418	515	471	536	424	552	637	515
5 Payable in foreign currencies	757	735	1,015	1,302	1,314	1,288	1,234	1,271	1,309	1,302
6 Deposits	511	404	547	873	698	668	738	797	839	873
7 Short-term investments ¹	246	331	468	429	616	620	496	474	470	429
By country										
8 United Kingdom	1,306	1,838	2,120	2,754	1,878	1,869	2,245	2,981	3,168	2,754
9 Canada	1,156	1,698	1,777	2,151	2,537	3,013	2,452	2,858	2,851	2,151
10 Bahamas	546	1,355	1,896	2,519	3,217	3,543	2,247	2,819	3,038	2,519
11 Japan	343	133	153	246	279	276	253	226	249	246
12 All other	446	716	1,190	1,934	1,046	1,406	1,447	1,649	1,934	1,934

¹ Negotiable and other readily transferable foreign obligations payable on demand or having a contractual maturity of not more than 1 year from the date on which the obligation was incurred by the foreigner.

NOTE: Data represent the 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.

3.25 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	1977	1978				1977	1978			
	Dec.	Mar.	June	Sept.	Dec.	Dec.	Mar.	June	Sept.	Dec.
	Liabilities to foreigners					Claims on foreigners				
1 Total	3,175	3,149	3,077	3,102	2,985	5,077	5,143	5,067	5,008	5,139
2 Europe	2,425	2,498	2,422	2,460	2,347	864	937	943	927	1,081
3 Germany	255	295	282	290	265	74	75	71	76	73
4 Netherlands	287	292	266	275	258	82	81	76	74	71
5 Switzerland	241	241	236	246	162	49	48	55	58	52
6 United Kingdom	1,222	1,228	1,214	1,242	1,174	310	332	363	341	497
7 Canada	62	58	56	60	60	1,776	1,792	1,811	1,781	1,833
8 Latin America	284	248	248	230	226	1,402	1,387	1,298	1,283	1,233
9 Bahamas	148	142	141	138	143	40	42	2	2	2
10 Brazil	7	6	7	7	6	144	154	143	144	158
11 Chile	1	1	1	1	1	203	194	190	176	139
12 Mexico	30	27	26	26	23	177	183	188	217	212
13 Asia	342	284	290	289	292	817	810	803	812	762
14 Japan	305	250	255	254	261	66	83	78	70	66
15 Africa	2	2	2	3	3	161	156	154	149	170
16 All other ¹	60	60	60	61	57	59	60	59	56	59

¹ Includes nonmonetary international and regional organizations.

3.26 DISCOUNT RATES OF FOREIGN CENTRAL BANKS

Percent per annum

Country	Rate on Apr. 30, 1979		Country	Rate on Apr. 30, 1979		Country	Rate on Apr. 30, 1979	
	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.....	3.75	Jan. 1979	Germany, Fed. Rep. of.	4.0	Mar. 1979	Sweden.....	6.5	July 1978
Belgium.....	6.0	July 1978	Italy.....	10.5	Sept. 1978	Switzerland.....	1.0	Feb. 1978
Brazil.....	33.0	Nov. 1978	Japan.....	4.25	Apr. 1979	United Kingdom.....	12.0	Apr. 1979
Canada.....	11.25	Jan. 1979	Mexico.....	4.5	June 1942	Venezuela.....	5.0	Oct. 1970
Denmark.....	8.0	July 1977	Netherlands.....	6.5	Oct. 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.

3.27 FOREIGN SHORT-TERM INTEREST RATES

Percent per annum, averages of daily figures

Country, or type	1976	1977	1978	1978		1979			
				Nov.	Dec.	Jan.	Feb.	Mar.	Apr.
1 Eurodollars.....	5.58	6.03	8.74	11.51	11.62	11.16	10.79	10.64	10.60
2 United Kingdom.....	11.35	8.07	9.18	12.00	12.28	12.61	13.28	11.98	11.64
3 Canada.....	9.39	7.47	8.52	10.37	10.44	10.87	10.94	11.08	11.18
4 Germany.....	4.19	4.30	3.67	3.81	4.09	3.85	4.13	4.42	5.50
5 Switzerland.....	1.45	2.56	0.74	0.20	0.22	0.05	0.13	0.03	0.93
6 Netherlands.....	7.02	4.73	6.53	8.86	10.25	8.69	7.42	7.35	7.23
7 France.....	8.65	9.20	8.10	7.06	6.59	6.55	6.83	7.05	6.96
8 Italy.....	16.32	14.26	11.40	11.17	11.24	11.12	11.38	11.46	11.52
9 Belgium.....	10.25	6.95	7.14	9.19	9.28	8.93	8.23	7.63	7.63
10 Japan.....	7.70	6.22	4.75	4.78	4.76	4.52	4.50	4.54	5.13

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.

3.28 FOREIGN EXCHANGE RATES

Cents per unit of foreign currency

Country/currency	1976	1977	1978	1978		1979			
				Nov.	Dec.	Jan.	Feb.	Mar.	Apr.
1 Australia/dollar.....	122.15	110.82	114.41	114.53	114.15	114.04	113.12	112.15	110.85
2 Austria/schilling.....	5.5744	6.0494	6.8958	7.1808	7.2621	7.3821	7.3510	7.3312	7.1862
3 Belgium/franc.....	2.5921	2.7911	3.1809	3.3389	3.3637	3.4276	3.4153	3.3971	3.3271
4 Canada/dollar.....	101.41	94.112	87.729	85.244	84.763	84.041	83.638	85.187	87.235
5 Denmark/krone.....	16.546	16.658	18.156	19.025	19.063	19.487	19.423	19.269	18.958
6 Finland/markka.....	25.938	24.913	24.337	24.932	24.957	25.252	25.186	25.161	24.976
7 France/franc.....	20.942	20.344	22.218	22.958	23.178	23.570	23.395	23.328	22.967
8 Germany/deutsche mark.....	39.737	43.079	49.867	52.508	53.217	54.056	53.862	53.754	52.745
9 India/rupee.....	11.148	11.406	12.207	12.458	12.174	12.185	12.124	12.138	12.191
10 Ireland/pound.....	180.48	174.49	191.84	196.08	198.61	200.53	200.42	203.73	201.97
11 Italy/lira.....	.12044	.11328	.11782	.11857	.11863	.11955	.11899	.11888	.11858
12 Japan/yen.....	.33741	.37342	.47981	.52066	.51038	.50571	.49877	.48470	.46241
13 Malaysia/ringgit.....	39.340	40.620	43.210	45.415	45.524	45.487	45.488	45.440	45.023
14 Mexico/peso.....	6.9161	4.4239	4.3896	4.3881	4.3950	4.4038	4.3952	4.3835	4.3780
15 Netherlands/guilder.....	37.846	40.752	46.284	48.512	49.120	50.082	49.856	49.801	48.794
16 New Zealand/dollar.....	99.115	96.893	103.64	105.41	105.45	105.64	105.32	105.39	104.96
17 Norway/krone.....	18.327	18.789	19.079	19.736	19.574	19.730	19.610	19.619	19.444
18 Portugal/escudo.....	3.3159	2.6234	2.2782	2.1510	2.1472	2.1358	2.1065	2.0855	2.0482
19 South Africa/rand.....	114.85	114.99	115.01	115.04	115.01	114.96	116.76	118.40	117.94
20 Spain/peseta.....	1.4958	1.3287	1.3073	1.4015	1.4085	1.4293	1.4427	1.4490	1.4679
21 Sri Lanka/rupee.....	11.908	11.964	6.3834	6.4695	6.4700	6.4491	6.4439	6.4593	6.4455
22 Sweden/krona.....	22.957	22.383	22.139	22.856	22.808	22.987	22.898	22.901	22.772
23 Switzerland/franc.....	40.013	41.714	56.283	59.766	59.703	59.840	59.699	59.473	58.220
24 United Kingdom/pound.....	180.48	174.49	191.84	196.08	198.61	200.53	200.42	203.78	207.34
MEMO:									
25 United States/dollar ¹	105.57	103.31	.....	88.86	88.52	87.77	88.25	88.39	89.49

¹ Index of weighted average exchange value of U.S. dollar against currencies of other G-10 countries plus Switzerland. March 1973 = 100. Weights are 1972-76 global trade of each of the 10 countries. Series revised as of August 1978. For description and back data, see "Index of

the Weighted-Average Exchange Value of the U.S. Dollar: Revision" on page 700 of the August 1978 BULLETIN.

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

c	Corrected	0	Calculated to be zero
e	Estimated	n.a.	Not available
p	Preliminary	n.e.c.	Not elsewhere classified
r	Revised (Notation appears on column heading when more than half of figures in that column are changed.)	IPCs	Individuals, partnerships, and corporations
		REITs	Real estate investment trusts
		RP	Repurchase agreements
*	Amounts insignificant in terms of the last decimal place shown in the table (for example, less than 500,000 when the smallest unit given is millions)	SMSAs	Standard metropolitan statistical areas
		.....	Cell not applicable

General Information

Minus signs are used to indicate (1) a decrease, (2) a negative figure, or (3) an outflow.

"U.S. government securities" may include guaranteed issues of U.S. government agencies (the flow of funds figures also include not fully guaranteed issues)

as well as direct obligations of the Treasury. "State and local government" 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

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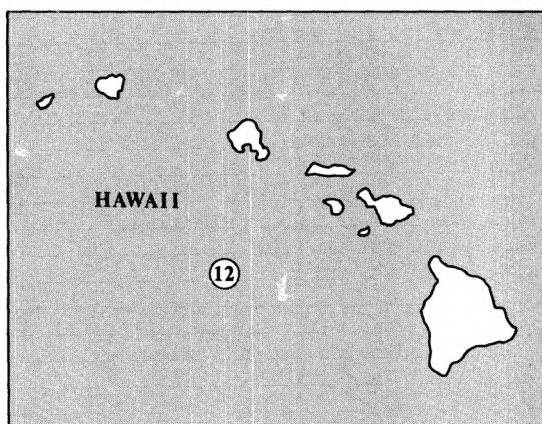
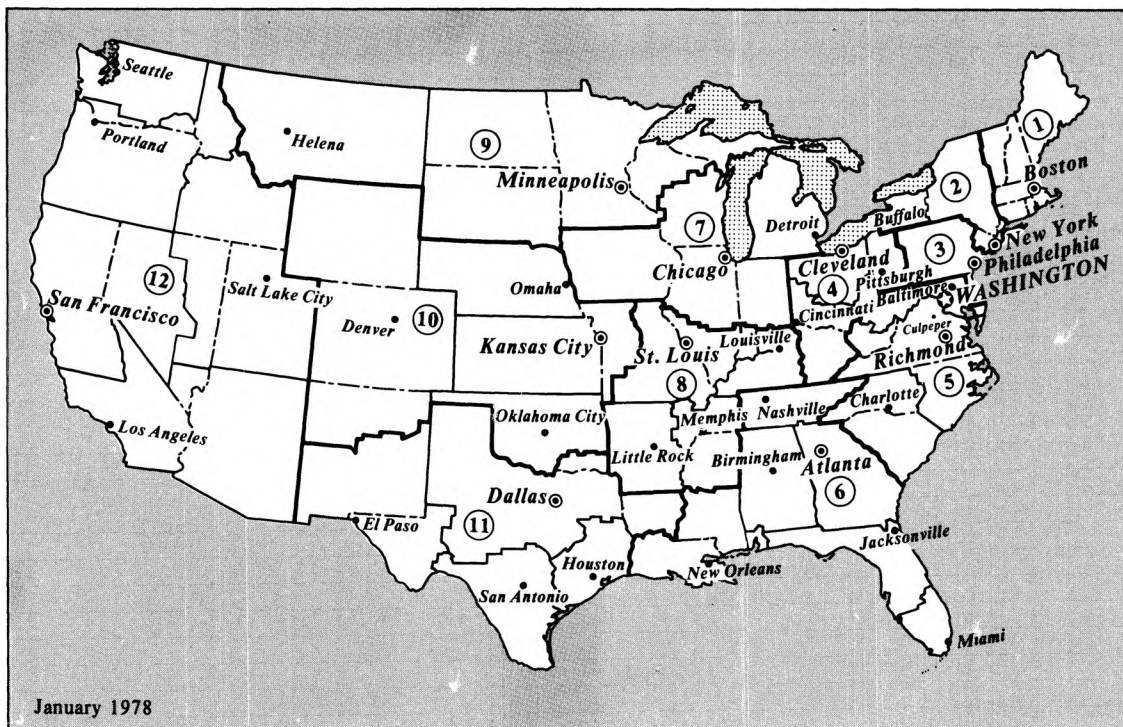
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