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JUNE 1971

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## Interest Rates, Credit Flows, and Monetary Aggregates Since 1964

SELECTED INTEREST RATES
In per cent

| Rates | Earlier highs ${ }^{1}$ | $\begin{aligned} & 1971 \\ & \text { lows } 1 \end{aligned}$ | $\begin{aligned} & \text { June } \\ & 15, \\ & 1971 \end{aligned}$ |
| :---: | :---: | :---: | :---: |
| Short-term: |  |  |  |
|  |  | $3.38$ | 4.95 |
| bills, <br> 3-mo. | (Jan. 70) | (Mar.) |  |
| Commercial | 8.84 | 4.19 | 5.50 |
| $\begin{aligned} & \text { paper, } 4 \text { to } \\ & 6 \mathrm{mos} . \end{aligned}$ | (Dec. <br> 69) | (Mar.) |  |
| Long-term: 7.91 |  |  |  |
|  |  |  |  |
| Govt. ${ }^{2}$ | (May | (Mar.) |  |
| Corporate | 9.12 |  | 37.90 |
| Aaa, new | (July | (Feb.) |  |
| issues ${ }^{3}$ | 70) |  |  |
| ${ }^{1}$ Monthly averages. |  |  |  |
| ${ }^{2}$ Estimated from yield curve. |  |  |  |
| ${ }^{3}$ Estimated | by Firs | Nationa | City |
| Bank, except latest figure which is |  |  |  |
| Federal Reserve estimate for week |  |  |  |
| ending June | 18, 1971. |  |  |

INTEREST RATES in securities markets have fluctuated very sharply over the past half-decade, although the trend in yields has generally been upward. In 1969 and early 1970, when inflationary expectations were strong and bank credit expansion was curtailed, market rates reached levels as high as any in U.S. history. Then during 1970 and early 1971, as economic activity slowed and monetary policy eased, interest rates dropped more sharply than in most earlier periods of decline.
Most recently, interest rates have tended up again, reversing some of their preceding decline. These recent yield increaseswhich occurred in the aftermath of a rapid expansion of gross national product during the first quarter of 1971-were accompanied by large credit demands in long-term financial markets. They also came during a time when a flow of private short-term investment funds into foreign money market centers-indicating in part expectations of upward revaluations of some European currencies-had exerted some pressures to bring short-term U.S. rates somewhat closer into alignment with higher interest rates in foreign centers.
The factors that account for the behavior of interest rates at any point in time are highly complex-reflecting, in addition to current developments, lagged responses to past events and expectations of future events. To try to sort out more persisting underlying relationships among interest rates, credit flows, and mone-
tary aggregates, this article reviews interest rate movements from 1964 to early 1971.

The review starts with the years just prior to the escalation of U.S. involvement in the Vietnamese conflict-that is, early 1964 to mid-1965. In those years, while short-term rates had risen appreciably from the lows reached in the 1960-61 recession, interest rates in general remained remarkably stable by present standards, particularly in long-term markets. Moreover, the levels of rates prevailing-with long-term bonds generally yielding somewhat above 4 per cent and rates in short-term markets running a bit lower-were not unusual in terms of previous U.S. financial history.

After mid-1965, however, interest rates began to trend sharply upward and to show much greater volatility. The 6 -year span since mid-1965 divides logically into several subperiods that represent fairly distinct patterns of increasing or decreasing yield movements.
Data in Chart 1 and Table 1 differentiate these various subperiods and show summary measures of interest rate changes and some other economic data. The interest rates selected for these exhibits are two relatively sensitive market series showing borrowing costs for major corporations-namely, the rate on 4- to 6 -month prime commercial paper and the average rate on newly issued corporate bonds of Aaa quality. These two series are broadly representative of yields in short- and long-term financial

TABLE 1
SUMMARY DATA FOR SEVEN PERIODS OF INTEREST RATE CHANGES End 1963 to Early 1971
In per cent unless otherwise indicated

| Item | $\begin{aligned} & \text { Q1 } 1964- \\ & \text { Q2 } 1965 \end{aligned}$ | $\left\lvert\, \begin{array}{\|l\|} \text { Q3 } 1965- \\ \text { Q4 } 1966 \end{array}\right.$ | $\begin{aligned} & \text { 1st H } \\ & 1967 \end{aligned}$ | $\begin{array}{\|c\|} \hline \text { Q3 1967- } \\ \hline \text { Q2 } 1968 \\ \hline \end{array}$ | $\underset{1968}{\text { 2nd } \mathbf{H}}$ | $\begin{aligned} & \text { Year } \\ & 1969 \end{aligned}$ | $\begin{array}{\|l\|} \text { Q1 1970- } \\ \text { Q1 } 1971 \end{array}$ |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Interest rate levels, end of period: |  |  |  |  |  |  |  |
| Commercial paper. . . . | 4.38 | 6.00 | 4.72 | 6.08 | 5.96 | 8.62 | 4.59 |
| Corporate Aaa, new issues. | 4.48 | 5.76 | 5.58 | 6.56 | 6.69 | 8.41 | 7.05 |
| Interest rate changes: <br> Commercial paper. ........... <br> Corporate bonds | . 47 | 1.62 | -1.28 -.18 | 1.36 .98 | -.12 .13 | 2.66 1.72 | -4.03 -1.36 |
| Annual rates of increase:      <br> Real GNP.............. 5.6 6.2 1.1 5.0  <br> G      |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
| GNP deflator | 1.8 | 2.8 | 2.4 | 4.2 | 4.3 | 5.0 | 5.4 |
| Current-dollar GNP | 7.4 | 9.2 | 3.6 | 9.4 | 7.9 | 6.8 | 5.8 |
| Money stock (M1). . . . . . . . . . | 4.1 | 3.5 | 6.8 | 7.2 | 7.7 | 3.1 | 6.2 |
| Average level during period: High-employment budget surplus (in billions of dollars at annual rates). | 3.9 | -5.4 | -13.0 | -15.5 | -4.4 | 3.9 | -. 4 |

[^1]
## SKETCH OF SUBPERIODS

## 1 SUBPERIODS showing different patterns of yield movement



Monthly averages. First National City Bank estimates of average investor yield on new issues of high-grade corporate bonds adjusted to Aaa basis; prime commercial paper, dealer offering rates.

The relevant subperiods of rising and falling interest rates can be readily identified on Chart 1 . The large extent of interest rate stability during the period from early 1964 to mid-1965 has already been mentioned, although on balance yields did tend to rise slowly during this period. Market yields rose sharply in the next period-from mid-1965 through the so-called "credit crunch" of 1966. As is usually the case, changes in long-term rates were in the same direction as short-term rates, but were smaller. Most yields reached their peaks at the height of the credit crunch in the fall of 1966. These interest rate increases partly reflected an unusually rapid pace of economic growth
during late 1965 and early 1966. Defense contracts and payrolls mounted quickly, on top of spending demands by private economic sectors that had been stimulated by the income tax cuts of 1964. While the growth rate of real economic activity became less rapid over the course of 1966, readily available manpower and capital resources had been absorbed by that time and inflationary pressures had set in. To deal with the thrust of these excess demands, monetary policy became restrictive.

The succeeding subperiod of declining interest rates covers the first half of 1967. In this period growth of economic activity slowed briefly, partly in reaction to the earlier credit crunch and a temporary suspension of investment tax credits that took place in late 1966. Interest rate declines were also encouraged by a shift to an expansive monetary policy. In short-term markets, the general rate decline continued through mid-1967, but in bond markets, rates reached their lows as early as February 1967 and then started moving up. This latter upturn was partly anticipatory; it reflected concern among market participants that the income surtax requested by the administration would not be enacted and this would lead to large Federal deficit spending on top of a renewal of strength already expected for the private economy. At the same time, the volume of long-term borrowing -in contrast to short-term financing-increased substantially (Table 2) as borrowers tried to make up for capital market financing foregone during the credit crunch and to anticipate possible future shortages of funds.

Expectations of rising interest rates were in fact confirmed after mid-1967, and rates continued to advance through the next subperiod. Excess demand in the domestic economy and adverse expectations engendered by events in the foreign exchange and gold markets-beginning with the devaluation of sterling in late 1967-were among the factors that encouraged interest rates to rise above the peaks reached earlier during the 1966 credit crunch.

The long-delayed passage of the Revenue and Expenditure Control Act in June 1968 -which provided for a 10 per cent surcharge on income taxes and a ceiling on Federal spending in the fiscal year 1969-considerably improved the outlook of credit market participants. A temporary decline in interest rates occurred during the summer and early fall of 1968 . As in the first half of 1967 , however, the rate decline in long-term markets was reversed sooner than that in short-term markets. With borrowers

TABLE 2
NET BORROWING IN SHORT- AND LONG-TERM MARKETS
Selected Periods, 1964 to 1971
In billions of dollars at seasonally adjusted annual rates unless otherwise indicated

| Item | $\begin{array}{\|l\|} \hline \text { Q1 } 1964 \\ \text { Q2 } 1965 \\ \hline \end{array}$ | $\begin{array}{\|l\|} \text { Q3 } \\ \text { Q4 } \\ \text { Q } \end{array}$ | $\begin{gathered} \text { 1st H } \\ 1967 \end{gathered}$ | $\begin{array}{\|l\|} \text { Q3 } 1967- \\ \text { Q2 } 1968 \end{array}$ | $\begin{gathered} \text { 2nd H } \\ 1968 \end{gathered}$ | $\begin{aligned} & \text { Year } \\ & 1969 \end{aligned}$ | $\begin{array}{\|l\|l} \text { Q1 1970- } \\ \text { Q1 } 1971^{p} \end{array}$ |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Total net borrowing ${ }^{1}$. . . . . . . . . | 61.4 | 62.9 | 62.8 | 84.8 | 96.5 | 73.4 | 83.3 |
| Less: Funds supplied by Federal Reserve | 3.4 | 3.7 | 6.0 | 5.5 | -. 4 | 4.2 | 7.1 |
| Equals: Funds supplied by private sectors: | 58.0 | 59.1 | 56.8 | 79.3 | 96.9 | 69.2 | 76.2 |
| In short-term markets ${ }^{2}$. . . . . . | 17.4 | 27.1 | 20.5 | 38.0 | 36.0 | 38.9 | 18.8 |
| In long-term markets-by type of instrument: | 40.6 | 32.0 | 36.3 | 41.3 | 60.9 | 30.3 | 57.4 |
| Corporate \& foreign bonds ${ }^{3}$. | 7.6 | 10.7 | 15.9 | 16.4 | 15.9 | 14.8 | 25.0 |
| Mortgages, net of Govt. housing-credit support.... | 24.7 | 20.1 | 20.9 | 21.7 | 25.9 | 18.7 | 20.7 |
| State and local bonds...... | 5.6 | 5.7 | 8.0 | 5.7 | 13.0 | 5.0 | 10.1 |
| U.S. Govt. and Govt.-sponsored agencies, over 5 years ${ }^{4}$. | 2.7 | -4.5 | -8.4 | -2.5 | 6.1 | -8.2 | 1.5 |
| Share (in per cent) of total supply by private sectors: |  |  |  |  |  |  |  |
| Short-term.................. . . | 30.0 | 45.9 | 36.1 | 47.9 | 37.2 | 56.2 | 24.7 |
| Long-term. | 70.0 | 54.1 | 63.9 | 52.1 | 62.8 | 43.8 | 75.3 |

${ }^{1}$ For derivation, see Table 3.
${ }^{2}$ Includes mainly nonfinancial borrowing in the form of bank loans, consumer credit, open market paper, State and local securities maturing within 1 year, and U.S. Government as well as Govt.-sponsored agency debt maturing within 5 years.
${ }^{3}$ In addition to bonds issued by nonfinancial sectors, includes bonds issued by sales finance companies and commercial banks. The proceeds of such bond sales by financial sectors are netted out in calculating short-term borrowing on the assumption that the proceeds are used to finance short-term debt.
${ }_{4}$ Abrupt shifts in maturity classification-that arise when securities pass from the over-5-year to the under-5-year category as a result of the passage of time-have been phased in gradually. The smoothing technique spreads the shift over a 2 -year period.

Source.-Federal Reserve flow of funds accounts.
${ }^{p}$ preliminary.
seeking to cover previously delayed financing as credit market conditions eased, the volume of long-term debt offerings expanded sharply (Table 2). In part, this enlarged volume of capital market financing also came about when borrowers sought funds in anticipation of future needs, once it became evident that the mid-1968 fiscal actions were not fully curbing excess spending demands.

During 1969, interest rates moved to new record highs as the sharp increases in rates that had begun in late 1968 continued throughout the year with only minor interruptions. The year 1969 had larger rate increases, both absolutely and in relative terms, than any of the other periods considered here. These rate increases were accompanied by a restrictive monetary policy that resulted in a marked slowdown in the growth rate of bank credit and the monetary aggregates. At the same time the high employment Federal budget moved into surplus-a process which had already begun after mid-1968. While initially this shift in fiscal policy had seemed to have little effect, it subsequently contributed to the dampening of aggregate demand, and its effect on interest rates was in the direction of moderating upward rate pressures.

Economic expansion came to a halt in late 1969, and the
following year was marked by recessive tendencies in output, sales, and employment. This slowdown was counteracted by measures that made fiscal policy more expansive-such as the expiration of the surtax-by a quickening of growth rates in monetary aggregates, and by substantial decreases in interest rates that continued until late winter 1971; all this helped to set the stage for the resumption of economic growth that has been observable in recent months. Although the most dramatic interest rate decreases occurred in the short-term sector, long-term rates also declined significantly during this last period, but only after first climbing further to reach new highs toward the middle of 1970 -as pressures to rebuild depleted corporate liquidity positions had mounted in the spring of 1970. Thus the declines in long-term rates started much later than those of short-term rates. Also, the levels of long-term rates were still unusually high relative to short-term rates in the spring of 1971.

INTEREST RATES AND CREDIT MARKET FLOWS

In explaining interest rate trends over long periods of time, economists usually stress the influence of expected rates of return on investment in physical capital and the willingness of the various economic sectors to supply savings. A consideration of these variables was implicit in some of the preceding discussion of GNP and Federal budget developments. However, for short cyclical periods analysts often relate interest rate movements to shifting demand and supply conditions in the credit markets or in the stock of liquid assets, such as money.

Evaluating the relationship of interest rate movements in the seven subperiods to changing demand and supply conditions in the credit markets is a complex undertaking. It is difficult to distinguish between shifts in the demand for and shifts in the supply of loanable funds in the ex post data on fund flows. For example, an increased volume of credit may at times signify an upward shift in demand for funds that would lead to higher interest rates, whereas at other times an expanded flow of credit may reflect an increased supply that would lead to lower interest rates. Even without a separate identification of demand and supply factors, however, an examination of developments in credit flows may still contribute to an understanding of interest rate behavior.

Total borrowing. Table 3 shows the major borrowing flows at annual rates during the seven subperiods under discussion. Total net borrowing (line F ) reflects major types of borrowing by nonfinancial sectors in the economy. Total credit expansion was sub-
stantial in all of the subperiods under review, ranging between 7.9 and 10.9 per cent of current-dollar GNP. The flows appear to be largest in the periods when the economy was in the early or middle phase of an upswing, as in 1964-early 1965 and the two periods from mid-1967 to the end of 1968. Relative to GNP, credit flows were smallest in 1969 and in the latter half of 1966 (Table 3, footnote 5), when the economy was nearing the end of an upswing and when monetary policy was most restrictive.

TABLE 3
BORROWING IN MAJOR CREDIT MARKETS
Selected Periods, 1964 to 1971
In billions of dollars at seasonally adjusted annual rates unless otherwise indicated

| Line | Item | $\text { Q1 } 1964-$ | $\left\lvert\, \begin{array}{l\|} \text { Q3 } \\ \text { Q4 } \\ \text { Q } \end{array}\right.$ | $\begin{gathered} \text { 1st H } \\ 1967 \end{gathered}$ | $\text { Q3 } 1967-$ | $\begin{gathered} \text { 2nd H } \\ 1968 \end{gathered}$ | $\begin{aligned} & \text { Year } \\ & 1969 \end{aligned}$ | $\begin{aligned} & \text { Q1 1970- } \\ & \text { Q1 } 1971{ }^{p} \end{aligned}$ |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| A | U.S. Govt. securities. | 5.0 | 2.8 | 4.0 | 20.5 | 7.2 | -3.6 | 9.2 |
| B | Sponsored credit agencies. . | 1.1 | 3.8 | -3.0 | 3.3 | 2.2 | 8.8 | 5.7 |
| C | Short-term non-Federal $1 .$. | 20.2 | 21.0 | 18.3 | 18.5 | 33.3 | 31.4 | 15.0 |
| D | Long-term non-Federal ${ }^{2} .$. | 36.2 | 38.7 | 40.7 | 47.0 | 56.3 | 46.0 | 58.6 |
| E | Less: Govt. housing-credit support ${ }^{3}$. | 1.1 | 3.5 | -2.9 | 4.5 | 2.4 | 9.2 | 5.2 |
| F | Equals: Total net borrowing by nonfinancial sectors and sponsored | 61.4 | 62.9 | 62.8 | 84.8 | 96.5 | 73.4 | 83.3 |
| G | Total borrowing as per cent of GNP 5 | 9.5 | 8.6 | 8.1 | 10.2 | 10.9 | 7.9 | 8.5 |

[^2]In the periods when tendencies of recession and incipient recovery were present, as in early 1967 and in the 1970-71 period, credit flows were slightly larger than in the immediately preceding phases of expansion. It may also be noted that the large increase in Federal borrowing in fiscal year 1968-at a time of substantial budget deficit at high employment-was reflected in an expansion of total credit flows and was succeeded by an unusually large expansion of non-Federal borrowing in the latter half of 1968.

Given the pattern of relatively small credit flows and rapidly rising interest rates found in the late expansion phase of the business cycle, and intermediate-size credit flows accompanied by falling interest rates in the two periods when the economy slowed substantially, it is apparent that no simple relation can be formulated between the size of total credit flows and movements in interest rates. The explanation would seem to lie in an interaction of supply and demand conditions.

Although total demands for credit tend to shrink when the economy weakens, monetary policy at such times has generally contributed to easier credit supply conditions. Hence total borrowing tended to expand even while the economy was still sluggish. Lagged policy effects and the upturn of economic activity have tended to lead to a more rapid increase in total credit flows once economic expansion was well under way. Finally, in the late expansion phases, total borrowing showed declines while interest rates reached high levels, and credit availability was most restricted in reaction to efforts by monetary policy to restrain excess demands.

Sectors supplying funds. There is a general association of interest rate movements with the sectoral composition of the supply of funds in credit markets, as discussed below and shown in Table 4. In periods when commercial banks, thrift institutions, and the Federal Reserve System supplied the predominant portion of total credit, interest rates eased or tended to be stable.

TABLE 4
SECTORS SUPPLYING FUNDS IN MAJOR CREDIT MARKETS Selected Periods, 1964 to 1971
In billions of dollars at seasonally adjusted annual rates unless otherwise indicated

| Item | $\begin{array}{\|l\|} \hline \text { Q1 } 1964 \\ \text { Q2 } 1965 \\ \hline \end{array}$ | $\left.\begin{array}{\|l\|} \hline \text { Q3 } 1965- \\ \text { Q4 } 1966 \end{array} \right\rvert\,$ | $\begin{gathered} \text { 1st H } \\ 1967 \end{gathered}$ | $\begin{aligned} & \text { Q3 } 1967- \\ & \text { Q2 } 1968 \end{aligned}$ | $\begin{gathered} \text { 2nd H } \\ 1968 \end{gathered}$ | $\begin{aligned} & \text { Year } \\ & 1969 \end{aligned}$ | $\begin{array}{\|l\|l} \text { Q1 1970- } \\ \text { Q1 1971p } \end{array}$ |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Total net lending (or borrowing) . . | 61.4 | 62.9 | 62.8 | 84.8 | 96.5 | 73.4 | 83.3 |
| Funds supplied directly by: Federal Reserve Banks.. | 3.4 | 3.7 | 6.0 | 5.5 | -. 4 | 4.2 | 7.1 |
| Commercial banks, net ${ }^{1}$. | 23.9 | 20.7 | 33.9 | 32.1 | 54.1 | 12.2 | 34.9 |
| Thrift institutions, net ${ }^{2}$. | 15.2 | 9.6 | 16.5 | 15.4 | 14.7 | 10.2 | 20.3 |
| Foreign ${ }^{3} \cdot \ldots \ldots \ldots \ldots \ldots$ | 18.4 | . 2 | 2.4 | -. 6 | 3.8 | - 3 | 10.9 |
| All other domestic sectors ${ }^{4}$. . | 18.5 | 28.6 | 4.0 | 32.4 | 24.3 | 47.1 | 10.1 |
| Share (in per cent) provided by: 5 Federal Reserve, commercial banks, and thrift institutions. | 69.2 | 54.1 | 89.8 | 62.5 | 70.9 | 36.2 | 74.8 |
|  | 30.1 | 45.5 | 6.4 | 38.2 | 25.2 | 64.2 | 12.1 |

${ }^{1}$ Net of bank borrowing in commercial paper market and securities market. Bank borrowing from foreign branches has not been deducted in evaluating funds supplied by commercial banks.
2 Credit market lending by mutual savings banks, savings and loan associations, and credit unions, net of borrowing from commercial banks and Federal home loan banks.
${ }^{3}$ Does not include funds lent to U.S. banks by foreign branches, which in the last two periods amounted to $\$ 7.0$ and $\$-8.0$ billion, respectively.
${ }_{4}$ Mainly reflects private domestic nonfinancial sectors (such as households, business, and State and local funds) and insurance companies as well as minor differences between funds lent and borrowed by finance companies, dealers and brokers, and Government-sponsored agencies.
${ }^{5}$ The percentages do not add to 100 because the share of foreign net lending has been omitted.
Source: Federal Reserve flow of funds accounts.
${ }^{p}$ preliminary.

But when other domestic sectors-especially households, nonfinancial business, and State and local governments-had to be attracted into the securities markets to meet borrowers' demands for funds, interest rates increased.

Major shifts of this type in the sources of lending may develop
initially from either the demand or the supply side of credit. For example, if demands for credit experience an autonomous increase, market interest rates would tend to rise. Such rate increases on market securities would need to be large enough to attract additional lending from the "other domestic sectors." These higher rate levels would tend to make market securities more attractive relative to holdings of deposits. Nominal interest rates on demand deposits are fixed at zero, while rates paid on savings accounts at commercial banks and thrift institutions tend to fluctuate much less than rates on market securities, as illustrated in Chart 2. Moreover, regulated rate ceilings on time and savings deposits have at times constrained the ability of banks and other depositary institutions to offer interest rates on such deposits that are competitive with the market. In the case of depositary institutions specializing in mortgage lending, such as savings and loan associations, competitive interest rates often could not be offered on savings accounts when market interest rates rose, since the earnings of these institutions reflected in large part the lower returns obtained on mortgages that had been acquired before the increase in market interest rates.
$2 \left\lvert\, \begin{aligned} & \text { Rates on SAVINGS ACCOUNTS respond } \\ & \text { very slowly to market rates }\end{aligned}\right.$


Quarterly data, except monthly for commercial paper and savings at commercial banks in April and May 1971. Weighted average offering rates on savings and loan accounts estimated by Federal Reserve from the FHLBB quarterly survey. Weighted average interest rates paid on savings deposits by commercial banks in the 7th District.

As a result, the more market interest rates rise, the more extensive the process of "disintermediation" becomes. The recent patterns of Euro-dollar borrowings by commercial banks from foreign branches can be viewed as an exception to this generalization. In this case, U.S. commercial banks were bidding aggressively for Euro-dollar loans when interest rates rose rapidly in 1969, thus offsetting some of the curtailment of bank credit. But
in 1970-71, when U.S. interest rates declined below the levels of foreign rates, banks were repaying large amounts of Euro-dollar borrowing.

The nonfinancial domestic sectors attracted to the securities markets in periods of rising rates typically acquire a different type of market instrument from those purchased by thrift institutions and banks; therefore, a particular scarcity of funds tends to develop for certain types of loans. Mortgage funds, especially, are not readily provided by the nonfinancial sectors; thus housing credit is curtailed when "disintermediation" occurs. Federal and federally sponsored credit programs have ameliorated some of this unevenness of credit flows, as is indicated by the offsetting fluctuations in the volume of housing-credit-support lending by the Government, particularly in periods of general credit restraint such as in 1969 (Table 3).

Major shifts in the share of lending being provided by different sectors can also be initiated from the supply side. For example, monetary policy can inject more reserves into the banking system, thus fostering more bank credit and in this way exerting downward pressures on interest rates, at least in the short run. The domestic nonfinancial sectors are then encouraged to part with securities and to channel their financial assets into deposits and shares at savings institutions.

SHORT-TERM INTEREST RATES AND MONETARY AGGREGATES

The process just described-in which the nonfinancial sectors become important direct lenders in credit markets when interest rates are rising and high, while banks and savings institutions become more predominant in supplying credit funds when rates are falling and low-is reflected for the most part in movements of the monetary aggregates that measure selected sets of liabilities of banks and thrift institutions.

A rough correspondence in movements between measures of credit supplied by banks and thrift institutions and the monetary aggregates is to be expected, since there is a considerable amount of overlap between data taken from the credit side of these institutions' balance sheets and data that represent their major liabilities. However, the monetary aggregates also measure particular types of liquid assets held by the public, and this is the major focus of the various concepts of money stock.

The narrowly defined money stock ( $M_{1}$ )—that is, currency and demand deposits (other than U.S. Government and interbank) -has the least direct correspondence to credit data on the
asset side of the balance sheet, since commercial bank time and savings deposits constitute a major share of the total liabilities of the banking system. However, since the narrowly defined money stock has the special characteristic of comprising the generally accepted medium of exchange, economists have been particularly interested in investigating the association between this type of liquid asset and other economic magnitudes.

Short-term market interest rates are frequently considered as the opportunity cost of holding or obtaining money, both for potential financial investors and for borrowers. Borrowers have to pay this rate as the price for money, and lenders can earn this rate if they are willing to give up money. Since short-term debt instruments are relatively free of market price risk, they are also considered "liquid" and hence are good money substitutes.

For some types of investors, however, savings accounts may be better substitutes for $M_{1}$ than are market securities. A 1968 FDIC survey showed that 35 per cent of the dollar amount of demand deposits held by individuals, partnerships, and corporations were in accounts smaller than $\$ 10,000$; for many of these holders savings accounts would tend to be a more realistic alternative to demand deposit holdings than short-term marketable instruments. Rates on savings accounts for these holders would be a better measure of the cost of holding money than the yields on short-term market securities.

The public's demand for money balances can be thought of as depending on transaction needs and interest rate levels as well as on a number of other specific influences, some of which are difficult to isolate and will not be considered here. Transaction needs can be represented in a very rough fashion by the currentdollar value of GNP on the simplifying assumption that financial and intermediate transactions that are not included in GNP would tend to grow at a similar rate to GNP. When GNP is divided by the current stock of money, the "income velocity" of money is obtained and this velocity ratio then provides some rough allowance for the volume of transactions for which money is used. Data for money velocity, as shown in Table 5, permit a direct examination of the relationship between money stock and interest rates.

When velocity increased substantially, during the subperiods in Table 5, short-term interest rates were tending to increase also. In periods when velocity increased only moderately, remained unchanged, or declined, short-term interest rates remained about

TABLE 5
CHANGES IN THE INCOME VELOCITY OF MONEY AND SHORT-TERM INTEREST RATE MOVEMENTS

| Time period | Velocity of $M_{1}{ }^{1}$ | Rate of increase in velocity ${ }^{2}$ | Movement in short-term interest rates |
| :---: | :---: | :---: | :---: |
| Q4 1963. | 3.95 |  |  |
| Q1 1964-Q2 1965.. | 4.16 | 3.5 | slightly increasing |
| Q3 1965-Q4 1966.. | 4.50 | 5.5 | increasing |
| 1st H 1967........ | 4.46 | -. 2 | decreasing |
| Q3 1967-Q2 1968.. | 4.55 | 2.0 | increasing |
| 2nd H 1968....... | 4.55 |  | about unchanged |
| Year 1969... ${ }^{\text {Q1 }} 1971 .$. | 4.68 4.70 | 2.9 .3 | increasing |
| Q4 1963-Q1 1971.. | 4.70 | 2.4 | slightly increasing |

${ }^{1}$ Terminal quarter GNP, at annual rates, divided by average stock of currency and demand deposits for that quarter.
${ }^{2}$ Percentage change at annual rate.
unchanged or tended to fall. During the entire period from the end of 1963 to the first quarter of 1971 , velocity increased at an annual rate of 2.4 per cent but short-term interest rates at their recent lows were only slightly higher than in late 1963. This may indicate, in a rough manner, that there were some economies in the use of money over this period so that some of the increasing trend in velocity could represent efficiencies in the management of cash balances. Alternatively, some of the increasing trend in velocity could also reflect the general rise in the interest rates paid on time and savings accounts.

It should be noted that the relationships among GNP, money stock, and short-term interest rates represent a complex interac-

## 3 <br> Broad conformity of movement appears despite diversities in SHORT-TERM RATES



[^3]tion. All of these three variables act on one another rather than having only bilateral relationships. Growth in the money stock has a short-run effect in reducing interest rates, making credit more easily available, and making the asset holdings of the public more liquid. These effects stimulate transactions and GNP. The larger GNP-whether in the form of additional product or higher prices-in turn increases interest rates and money demand.

Of course, the presentation in Table 5 has been oversimplified in many respects. Lagged relationships have been neglected, although most econometric work has found that actions by holders of money to adjust their balances lag behind growth in the volume of transactions as well as changes in interest rates. Table 5 thus is merely illustrative of a general approach taken in investigating the relationship between money stock and interest rates.

Expectations represent still other factors that influence the demand for money and short-term interest rates. For instance, expectations about economic developments or about monetary policy influence short-term rates. The strong reaction sometimes observable in short-term rates to changes in the Federal Reserve discount rate, for example, takes place largely because a discount rate change may at times be viewed by the market as an indicator of the likely future course of monetary policy.

Inflationary expectations, however, have a smaller impact on short-term rates than on long-term interest rates. To the extent

4 LONG-TERM RATES exhibit a common trend


Monthly averages. Seasoned State and local govt. bonds ( 20 issues, mixed quality), Bond Buyer; FHA series (new homes) on average contract interest rates on conventional first mortgages in primary markets; U.S. Govt. security yields as estimated from yield curve.
that large investors consider deposit holdings and short-term marketable instruments as their major alternatives for the placement of liquid reserves, neither of these alternative holdings offers protection against inflation. Thus the influence of inflation on short-term interest rates is exerted mainly by the expansion of the current dollar value of transactions, rather than by changing the incentives to substitute between deposits and short-term securities.

MOVEMENTS IN LONG- On the average, the level of long-term rates has been historically TERM INTEREST RATES somewhat higher than that of short-term rates due to a preference for liquidity by lenders. In general, long-term market rates have tended to move in the same direction as short-term rates, but their amplitude of change has been smaller. As a result of the greater volatility of short-term rates, long-term rates for instruments that are similar in all respects except maturity have frequently been below the corresponding short-term rates during periods when interest rates were at cyclical peaks, and they have been substantially higher than short-term rates when interest rates were unusually low.

This standard pattern of relationships between long- and shortterm rates prevailed in the period from 1963 to late 1966. As shown in Chart 5, the spreads between long- and short-term rates


Based on quarterly averages, except monthly for April and May 1971.
declined significantly during this period as short-term rates were rising. Thereafter, however, the standard relationship did not hold up well. Long-term yields remained higher than short-term interest rates in mid-1968, even though short-term rates had reached a new peak. In 1970 and early 1971, when short-term interest rates were falling, some of the large increase in yield spreads did conform to the usual relationships between longterm and short-term rates. However, the extent to which spreads have widened has been unusually large. In summary, it would seem that long-term rates have had an upward shift relative to short-term rates since early 1967 in comparison to their usual historical relationship.

The wider spread between short- and long-term rates in recent years is frequently attributed to changed expectations about the future course of prices of goods and services. When entering into financial contracts that terminate many years hence, lenders and borrowers must naturally make some evaluation of the range of possible alternatives over the life of the contract. In making such evaluations during the past few years, investors appear to have become more concerned about expected general price increases. When such concerns are strong, investors believe it to be unprofitable to advance funds to bond markets except at high yields.

The pattern of credit demands by borrowers is, of course, also influenced by expectations. In 1970 and early 1971 large demands for long-term funds by borrowers have contributed to the relatively high levels of long-term yields. As is shown in Table 2, the demand for long-term funds has been unusually large in the period from 1970 to early 1971, especially in comparison to the quantity of short-term funds demanded. As was noted earlier, demands in the long-term sectors of the credit market also had increased substantially in early 1967 and late 1968 when interest rates were declining from their preceding peaks. In these earlier periods the declines in interest rates became short-lived: markets had tightened initially in reaction to backlog and anticipatory borrowing demands in the long-term sector; somewhat later short-term borrowing demands also had increased due to vigorous expansion of the economy that provided full-potential activity and intensified inflationary pressures.
Recent yield behavior suggests that inflationary expectations are probably imbedded to a considerable extent in the yield spreads between long- and short-term maturities and to a lesser
extent in the level of all interest rates, as already indicated. Investors in short-term marketable assets frequently are anxious to maintain the liquidity of their investment, and there are no good outlets for investment of short-term funds that hedge against inflation. Some long-term investors, however, can find alternative inflation-hedged assets, such as corporate equities and real estate -and can also shift temporarily to short-term assets, when they become apprehensive about the risk of capital losses in the bond markets.


Based on quarterly averages, except monthly for April and May 1971. Composite averages of seasoned bonds compiled by Moody's Investors Service.

Another feature of current yield spreads is the large difference between the rates on prime- and lower-grade bonds. The yield spread between Baa-rated corporate bonds and Aaa-rated bonds, in the market for seasoned issues, increased since about the time of the filing for bankruptcy of a major railroad last year (see Chart 6). These spreads usually increase in periods of economic recession when uncertainty increases; during the most recent months-perhaps as a reaction to the signs of economic recovery -these spreads have narrowed.

## Staff Economic Studies

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

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

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

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

## Study Summaries

# THE RELATIVE IMPORTANCE OF MONETARY AND FISCAL VARIABLES IN DETERMINING PRICE LEVEL MOVEMENTS: A NOTE 

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One of the most perplexing problems of recent months has been the persistence of strong inflationary pressures. These pressures have continued despite restrictive monetary measures and a policy of fiscal restraint enforced by higher marginal income tax rates through mid-1970 and a substantial budget surplus during fiscal 1969. The persistence of inflationary pressures in the face of these restrictive conditions argues for further study of the importance of monetary and fiscal measures, as well as other factors, in explaining price level movements. Surprisingly little work has been done in this area, although considerable research in recent years has been devoted to measuring
the comparative impact of monetary and fiscal variables on gross national product and other measures of business activity.

In this paper a linear model is constructed with expectational, cost, monetary, and fiscal arguments to explain percentage changes in the consumer price index and the implicit GNP price deflator for the years 1952-68. The study was intentionally confined to the period following the Treasury-Federal Reserve accord in order to escape the constraints imposed on discretionary monetary policy by the pegging of interest rates in the earlier postwar years. The variables used to explain price level movements included labor costs per unit of output in
manufacturing, the monetary base, highemployment Federal expenditures, and a four-quarter weighted average of past rates of change in the price level. All were seasonally adjusted quarterly observations.

While the results varied somewhat with the price index used, the fiscal variable was consistently the most important policy variable for price level changes during 195268. Moreover, the initial impact of highemployment Federal expenditures was registered quickly and, in the case of consumer prices, its influence was reasserted in quar-
terly periods lagged more than 1 year. In contrast, the monetary variable displayed only a marginal effect. This result suggests that short-term changes in monetary growth may have only a mild direct impact on changes in prices. The expectations proxy exerted a significant influence when lagged at least a full year. This result implies that a lag of at least 1 year is required for consumers to adjust their expectations to current price level changes-a factor that tends to counteract stabilization efforts in the short run.

# ESTIMATION OF THE INVESTMENT AND PRICE EQUATIONS OF A MACROECONOMETRIC MODEL 

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This paper was prepared under a grant from the Social Science Research Council in connection with a continuing study of the impact of monetary policy directed by the SSRC Subcommittee on Monetary Research. This research effort is sponsored by the Board of Governors of the Federal Reserve System. The paper was presented at a conference of the Subcommittee, Washington, D.C., April 30, 1971.

Macroeconometric models have often included investment and price equations that involve either theoretical inconsistencies or contradictory assumptions. This paper discusses some of these problems. Then, a rigorous model is developed that, although it is based on conventional assumptions, is elaborated further than is usual in certain respects to point out some of the relationships that should obtain among different equations.

An investment function for producers' durables, a similar function for producers' structures, and a price equation are all derived from a single model of cost-minimizing behavior. The three equations share a number of parameters: Each equation contains implicitly all the production function parameters. Each equation involves rents of all three factors, which should be computed the same way for the different equa-
tions. The interest rate enters all three equations through a single expression for the cost of capital.

It is possible to change the investment equations to eliminate the production function parameters and rents of other factors only by adding assumptions beyond that of cost-minimizing behavior. For Jorgenson, this was the assumption of profit maximization with decreasing returns subject to a horizontal demand function; with Bischoff, the additional assumption was a strict mark-up hypothesis. After discussion, it is concluded that it would be best to avoid using these assumptions. There is no strictly correct way to simplify the price equation.

On the other hand, as long as one is willing to consider a joint estimation procedure for the three equations, there is no need to simplify the equations. In fact, since the production function parameters must be
estimated somewhere and are important to the model in simulations, the joint estimation procedure may be justified on efficiency grounds even if, for instance, the strict mark-up hypothesis is granted.

The model developed here was made to conform, in most respects, to the theoretical foundations of the M.I.T.-Penn-S.S.R.C. (MPS) econometric model of the United States, and the equations were estimated from data used in that model. The sample was quarterly, extending from 1953 to 1970. Since the assumptions made here are, except for details, less restrictive than those of the corresponding equations of the MPS model, the procedure here can also be viewed as providing estimates of the production function assumed by the MPS model-no such estimate is implicit in the present version of the MPS model. The results were for the
most part encouraging, since the production function estimates are quite reasonable.

The paper also includes a brief discussion of the estimation technique used. The joint estimation procedure is conventional, except that a simple and convenient way of implementing it-useful in large modelsis employed. The procedure has two stages. The first is ordinary least squares, from which appropriate columns of the variancecovariance matrix, as well as the coefficients and their standard errors, are saved. These single-equation results are then combined, equation by equation, to provide joint estimates and their standard errors. The distributed lag estimation procedure, which does not parametrize the lag curve, is based on first-degree smoothness priors. Such Bayesian priors reflect the coherence of the lag shapes that the theory suggests.

## Member Bank Income, 1970

Member bank net income after taxes increased substantially in 1970, although less rapidly than the record pace of 1969 . Despite the easing of monetary policy in 1970, the average rate of return on bank earnings assets increased somewhat as compared with the average in 1969. And with credit conditions easier, banks were able to expand their earning base; holdings of both loans and investments rose during the year. In this framework, total operating income of banks moved upward. Although operating expenses also showed a sizable increase during the year, the growth in revenue exceeded that in expenses, and net income of member banks rose to a level exceeding that in any previous year.

## SUMMARY

The largest single factor in the rise in total operating income at member banks in 1970 -as in other recent years-was earnings from loans, which accounted for about three-fifths of the total increase. In 1969 when growth in total bank credit was limited by monetary policy, loan income amounted to nearly nine-tenths of the increase in operating revenue. To meet the strong demand for loans by their customers, banks had liquidated investments, on balance, to provide funds for lending. With a slowing of economic activity and a weakening of loan demand in 1970, accompanied by some easing of monetary policy, banks vigorously expanded their holdings of securities of State and local governments and U.S. Govern-

[^4]ment agencies and corporations. Income from investment portfolios accounted for nearly 20 per cent of the increase in member bank operating revenue in 1970; when net income from trading account is included, the figure rises to 27 per cent. In 1969 income from these sources had accounted for only 6 per cent of the total increase in operating revenue. A major part of the improvement in income from investment account in 1970 was the higher average rate of return realized on these securities.

Operating expenses rose less in dollar amount but at a more rapid rate than revenue. All types of expenses registered some growth except interest on borrowed money. With the sharp decline in short-term interest rates in the United States in 1970, many of the largest banks shifted from high-cost Euro-dollar borrowing to domestic borrowing. By doing so these large banks in particular were able to moderate the growth in their over-all operating expenses.

The expense that ate most heavily into bank profits in 1970 was interest paid on time and savings deposits. Ceiling rates payable on all forms of time and savings deposits were raised in early 1970, and in midJune the ceiling rates were suspended on large-denomination time deposits with maturities of 30 to 89 days. Most member banks quickly responded by increasing their offering rates on these types of deposits. Because short-term market rates of interest were declining, commercial banks were able to attract huge inflows of deposits, particularly large negotiable certificates of deposit.

Bank profits were also dampened by much larger losses on loans. The provision for loan
losses-that portion of loan losses deducted as an expense from current operating income-rose by 40 per cent in 1970, compared with an increase of only 11 per cent in 1969. Actual net loan losses for all member banks in 1970 were more than double those in 1969.

Most of the remaining growth in operating costs in 1970 came from higher salaries and wages and employee benefits. These expanded at about the same rate as in 1969.

Taxes applicable to operating income were 2 per cent lower, and net security losses (after taxes) were nearly 50 per cent less, in 1970 than in 1969.

Net income (after security losses, extraordinary charges, and all taxes) of $\$ 3,823$ million was 10.8 per cent higher than in 1969. Relative to equity capital plus reserves, net income was 10.4 per cent-up somewhat from the preceding year. Net income as a percentage of total capital accounts, ${ }^{1}$ one of the standard bases for comparing net income in years prior to 1969 was 11.5 per cent-higher than in any previous year.

Cash dividends declared amounted to \$1,754 million in 1970-substantially above the preceding year. The ratio of dividends to equity capital and reserves was 4.79 per cent.

## OPERATING INCOME

Member bank operating income rose to \$27,913 million in 1970-\$2,922 million, or 12 per cent, above the 1969 level (Table 1). This compares with a growth of 20 per cent in 1969. As in other recent periods of monetary ease, the composition of bank revenue reflected an increased contribution of income from securities.

Both an increase in loans outstanding and a higher average rate of return helped to push income from loans (including Federal

[^5]funds sold and securities purchased under resale agreement) to a record level of $\$ 19,487$ million-10 per cent above 1969, but far below the 26 per cent increase registered in 1969. Loans to business, to agriculture, and to consumers (other loans to individuals) as well as real estate loans-rose by 3 to 5 per cent in 1970, whereas all other loans rose by nearly 10 per cent (Table 2 ). The last group, which includes the amount of Federal funds sold and of securities purchased under resale agreement, rose by 54 per cent in 1970, reflecting in part a shift in bank borrowing from Euro-dollars to Federal funds. Income from the sale of Federal funds (and securities purchased under resale agreement) rose to $\$ 781$ million- $\$ 132$ million, or 20 per cent above the level of 1969 .

The average rate of return on all loans (including Federal funds sold) rose 34 basis points to 7.91 per cent in 1970 (Table 3), despite five reductions that moved the prime rate from $81 / 2$ to $63 / 4$ per cent. During most of the first half of the year the prime rate remained well above the year-earlier level, and it was not until later in the year that there was a large dip below the year-earlier level. Moreover, there was some increase in the average rate of return on all loans as banks replaced low interest rate loans made prior to 1969 with new loans at 1970 interest rates and as the large volume of term loans-those with maturities over 1 yearmade in 1969 at the high prevailing rates remained in bank loan portfolios.

While income from loans was rising, losses sustained by banks on loans rose more rapidly than in any year since the 1930's. Actual net losses-derived from the data reported by banks-amounted to $\$ 802$ million in $1970 .{ }^{2}$ Such losses represented 0.33 per cent

[^6]of average loans outstanding in 1970-twice the comparable figure for 1969 and greater than for any other year since 1939. About two-thirds of these losses occurred at large reserve city banks and a significant portion of this total is believed to represent chargeoffs related to the reorganization of a major railroad under the bankruptcy act. Larger losses on credit cards also contributed to higher loan losses. A preliminary tabulation of figures for all member banks for 1970 indicated that the dollar amount of net charge-
offs on credit cards was about double that in the preceding year.

Banks also earned large sums from their expanded holdings of securities in 1970. Income from the investment portfolio amounted to $\$ 4,832$ million-up $\$ 569$ million, or 13 per cent. Supplementing this figure was net income derived from trading account transactions, which rose by $\$ 209$ million, or 153 per cent. On securities held in the investment portfolio the most rapid expansion in earnings was on U.S. Govern-

TABLE 1
CONSOLIDATED REPORT OF INCOME FOR 1970 AND 1969 FOR ALL MEMBER BANKS AND RESTATEMENT OF 1968 DATA TO REVISED 1969 CONCEPT

| Item | Amount, <br> in millions of dollars |  |  | Change,1969-70 |  |
| :---: | :---: | :---: | :---: | :---: | :---: |
|  | 1970 | $1969{ }^{\text {r }}$ | 1968 (Restated and partly estimated) |  | Per cent |
| Operating income-Total. | 27,913 | 24,991 | 20,819 | 2,922 | 11.7 |
| Loans: |  |  |  |  |  |
| Interest and fees................................................................ | 18,706 | 17,104 6 | 14,143 | 1,602 | 9.4 |
| Federal funds sold and securities purchased under resale agreement.............. | 781 | 649) | 14,143 | 132 | 20.3 |
| Excluding trading-account income-total. | 4,832 | 4,263 |  | 569 | 13.3 |
| U.S. Treasury securities . . . . . . . . . . | 2,208 | 2,041 | *2,208 | 167 | 8.2 |
| U.S. Govt. agencies and corporations | , 415 | , 322) |  | 93 | 28.9 |
| States and political subdivisions | 2,090 | 1,794 | *1,929 | 296 | 16.5 |
| Other securities. . | 118 | 106 |  | 12 | 11.3 |
| Trust department. . | 1,075 | 972 | 880 | 103 | 10.6 |
| Service charges on deposit accounts. | 868 | 835 | 803 | 33 | 4.0 |
| Other charges, fees, etc. | 681 | 557 | 371 | 124 | 22.3 |
| Other operating income: On trading account (net) | 346 | 137 |  | 209 | 152.6 |
| Other....... | 625 | 473 | 486 | 152 | 152.6 32.1 |
| Operating expenses-Total. | 22,193 | 19,525 | 16,189 | 2,668 | 13.7 |
|  | 5,282 | 4,690 749 | 4,097 633 | 592 127 | 12.6 17.0 |
| Interest on- |  | ,749 |  |  |  |
| Time and savings deposits. . . . . . . . . . . . . . . . . . . . . . | 8,139 | 17,059 | 16,803 | 1,080 | 15.3 |
| Federal funds purchased and securities sold under repurchase agreements. | 1,365 | 1,177 | 2,859 | 1,088 | 16.0 |
| Other borrowed money . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . | 444 | 562 \} | 2559 | -118 | -21.0 |
| Capital notes and debentures. | 90 | 89 | 95 | 1 | 1.1 |
| Net occupancy expense.. | 1,013 | 867 | 783 | 146 | 16.8 |
| Furniture, equipment, etc. | - 722 | 615 | 506 | 107 | 17.4 |
| Provision for loan losses. . | , 534 | 3 381 | ${ }_{2} 2343$ | 153 | 40.2 |
| Other operating expenses. | 3,728 | 3,336 | 2,370 | 392 | 11.8 |
| Income before income taxes and securities gains or losses. | 5,720 | 5,467 | 4,630 | 253 | 4.6 |
| Applicable income taxes.... | 1,775 | 1,813 | 2 1,479 | -38 | -2.1 |
| Income before securities gains or losses. | 3,945 | 3,653 | 3,151 | 292 | 8.0 |
| Net securities gains or losses ( - ) after tax. | -107 | -209 | $2-189$ | -102 | -48.8 |
| Extraordinary charges ( - ) or credits after taxes. | -15 | 5 | n.a. | -20 | 400.0 |
| Less minority interest in consolidated subsidiaries. | ${ }_{3}^{(3)}$ | (3) | n.a. ${ }^{\text {a }}$ |  |  |
| Net income. . . . . Cash dividends declared | 3,823 | 3,450 | 2 2,962 | 373 | 10.8 |
| Cash dividends declared 4 | 1,754 | 1,523 | 21,299 | 231 | 15.2 |

[^7]description of the 1969 changes in reporting, see Federal Reserve Bulletin for July 1970, pp. 564 ff .
${ }^{3}$ Less than $\$ 500,000$.
4 On common and preferred stock.
n.a. Not available.
${ }_{r}$ n.a. Not a

* Includes income from trading accounts shown in other operating income in 1969 and 1970.

Note.-Figures may not add to totals because of rounding.
table 2
CHANGES IN MEMBER BANK AVERAGE LOANS, INVESTMENTS, DEPOSITS, AND CAPITAL OUTSTANDING IN 1970

Amounts shown in millions of dollars

| Item | Average amount ${ }^{1}$ |  | Change |  |
| :---: | :---: | :---: | :---: | :---: |
|  | $1969{ }^{\text {r }}$ | 1970 | Amount | Percentage |
| Total loans and investments, gross ${ }^{2}$ | 332,879 | 346,800 | 13,921 | 4.2 |
| Federal funds sold and securities purchased under resale agreement . . . . . . . . | 6,116 | 9,433 | 3,317 | 54.2 |
| Other loans . . . . . . . . . . . . | 228,386 | 236,676 | 8,290 | 3.6 |
| Commercial and industrial. | 92,277 | 96,413 | 4,136 | 4.5 |
| Agricultural. . . . . . . . . . . . | 6,152 | 6,451 | 299 | 4.9 |
| Real estate. | 52,069 | 53,674 | 1,605 | 3.1 |
| For purchasing and carrying securities. | 8,905 | 8,118 | -787 | $-8.8$ |
| To financial institutions... | 15,436 | 16,335 | 899 | 5.8 |
| Other loans to individuals.. | 47,081 | 48,982 | 1,901 | 4.0 |
| All other.................. | 6,466 | 6,702 | , 236 | 3.7 |
| U.S. Treasury securities ${ }^{3}$. | 41,257 | 39,256 | -2,001 | -4.9 |
| U.S. Govt. agency and corporation securities ${ }^{3}$ | 5,541 | 6,324 | 783 | 14.1 |
| States and political subdivision securities ${ }^{3}$ | 46,419 | 49,348 | 2,929 | 6.3 |
| Other securities ${ }^{3}$. ${ }^{\text {a }}$. . . . . . | 1,892 | 1,877 | -15 | $-.8$ |
| Trading account securities ${ }^{4}$.. | 3,268 | 3,886 | 618 | 18.9 |
| Total deposits | 350,799 | 360,721 | 9,922 | 2.8 |
| Time deposits | 157,902 | 163,610 | 5,708 | 3.6 |
| Savings. | 74,828 | 74,254 | -574 | $-0.8$ |
| Other time I.P. | 64,035 | 68,526 | 4,491 | 7.0 |
| All other time | 19,039 | 20,830 | 1,791 | 9.4 |
| Equity capital ${ }^{5}$ | 29,314 | 31,310 | 1,996 | 6.8 |
| Total capital accounts ${ }^{6}$...... | 31,114 | 33,111 | 1,997 | 6.4 |
| Reserves on loans and securities. | 4,832 | 5,282 | 450 | 9.3 |
| Total equity capital and reserves. | 34,146 | 36,592 | 2,446 | 7.2 |

${ }^{7}$ Revised.
${ }_{1}$ Averages of figures for three call dates-the end of the preceding year and the June 30 and December 31 call dates for the calendar year. For 1969 the data for June 30 and December 31 were reported on a consolidated basis; data on a consolidated basis were not available for Dec. 31, 1968.
${ }_{2}$ Includes securities held in trading account.
${ }^{3}$ Excludes securities held in trading account.
4 Figures for securities held in trading account for Dec. 31, 1968, were estimated.
5 Includes common stock, preferred stock, surplus, undivided profits, and reserves for contingency and other capital reserves.
6 Includes equity capital plus capital notes and debentures.
ment agency securities and State and local obligations: $\$ 93$ million ( 29 per cent) and $\$ 296$ million (17 per cent), respectively. This reflects larger holdings and higher average rates of return than in 1969. For U.S. Government agency securities the average rate of return increased by 74 basis points to 6.55 per cent; for State and local obligations, by 36 basis points to 4.23 per cent. While average holdings of U.S. Treasury securities declined by nearly 5 per cent in 1970, this was more than offset by an in-
crease of 67 basis points in the average rate of return. Thus total income from Treasury issues rose by 8 per cent compared with a decline of about this proportion in 1969.

Earnings from other sources, which make up a little more than one-tenth of all the operating revenue of banks, expanded by 14 per cent in 1970. A sizable part of the increase reflected trust department income, which continued its steady upward movement to a total of $\$ 1,075$ million. This was 11 per cent greater than in 1969. Service charges on deposit accounts ( $\$ 868$ million) produced only a little more income than in 1969, but other charges, fees, and so forth rose by $\$ 124$ million, or 22 per cent. The latter category includes a wide variety of collection and exchange charges and commissions and fees; among these are income from equipment leasing and from certain types of loan servicing. Other operating income (excluding trading account income) totaled $\$ 625$ million- $\$ 152$ million, or 32 per cent, above the 1969 figure. About one-

TABLE 3
SELECTED MEMBER BANK INCOME RATIOS
In per cent

| Ratios | 1970 | $1969{ }^{\text {r }}$ | 19681 |
| :---: | :---: | :---: | :---: |
| Ratios to equity capital (including reserves): |  |  |  |
| Income before securities gains or | 10.75 | 10.70 |  |
| Net income................... | 10.44 | 10.10 | 9.43 |
| Cash dividends declared ${ }^{2}$ | 4.79 | 4.46 | 4.14 |
| Rates of return on- |  |  |  |
| Loans, gross...... | 7.91 | 7.57 | 6.66 |
| U.S. Treasury securities ${ }^{3} \ldots \ldots \ldots$ | 5.62 | 4.95 | 4.79 |
| U.S. Govt. agencies and corporations ${ }^{3}$ | 6.55 |  |  |
| State and local govt. obligations ${ }^{3}$ Other securities ${ }^{3}$ | 4.53 6.30 | 3.81 5.59 [ 4.13 | 3.67 |
| Interest on time deposits to total time deposits. | 4.98 | ${ }^{4} 4.47$ | r4.36 |

[^8]fifth of this increase represented larger net earnings from foreign branches, which expanded by nearly one-third in 1970.

## OPERATING EXPENSES

Operating expenses of member banks rose at a more rapid rate than revenue in 1970. Such expenses totaled $\$ 22,193$ million and were nearly 14 per cent above 1969.

A major part of the increase was the larger amount of interest paid on time and savings deposits. The increase in this item accounted for two-fifths of the growth in all operating expenses. After the early 1970 rise in the maximum permissible rates payable by commercial banks on savings and other time deposits, most member banks, particularly the larger ones, pushed their offering rates to ceiling levels. Shortly thereafter, savings and consumer-type time deposits began to expand at banks, and in general such deposits rose throughout the rest of the year. Even though ceiling rates on large CD's had been raised in January, banks could sell only a limited volume of such instruments because interest rates on competing money market instruments remained significantly above the rates that banks were permitted to offer. But after the suspension in late June of the Regulation Q ceiling on large-denomination time deposits maturing in 30 to 89 days, banks quickly raised their offering rates on such instruments to competitive levels. Net sales of these deposits jumped sharply in the latter part of 1970. Toward the end of the year bank offering rates on these large deposits were lowered to bring them more in line with declining market rates on competing instruments, but interest rates on passbook savings and con-sumer-type CD's generally remained at or near ceiling levels.

Reflecting these developments, the average interest rate paid on all time and savings deposits rose by 51 basis points to 4.98 per
cent in 1970. This, coupled with the increase in the volume of deposits, raised total interest payments on time and savings deposits to $\$ 8,139$ million- $\$ 1,080$ million, or 15 per cent, more than in 1969.

As funds became more plentiful at home and U.S. short-term interest rates dropped sharply, banks-mainly the largest institu-tions-began to substitute funds obtained from domestic sources for high-cost Eurodollar borrowing. They obtained some of these funds from Federal funds purchases and securities sold under repurchase agreements. Interest paid on such purchases at all member banks increased by $\$ 188$ million, or 16 per cent, in 1970. This was partly offset by a reduction of $\$ 118$ million in the cost of other borrowed money. ${ }^{3}$

Salaries and wages, the second largest expense item for banks, rose by $\$ 592$ million to $\$ 5,282$ million in 1970 . This was an increase of about 13 per cent and reflected a growth of 6 per cent in the number of officers and employees and about the same increase in average salaries and wages. Officer and employee benefits continued to expand faster than salaries. This item rose to $\$ 876$ million- 17 per cent above the 1969 total.

Provision for loan losses contributed heavily to bank expenses in 1970. The total was $\$ 534$ million, or 40 per cent more than in 1969. This compares with a growth in average loans of less than 5 per cent. For banks that operate on a reserve-accounting method-and most of them do-the provision for loan losses is an estimate of their average loan losses in recent years (determined by methods prescribed by supervisory

[^9]authorities); for these banks all losses on loans sustained during the year must be charged against the reserve for losses on loans. For the relatively few banks that do not operate on a reserve-accounting method -less than 300 small institutions-the provision for loan losses-shown as an operating expense-represents actual net loan losses for the year.

Other operating expenses amounted to $\$ 5,463$ million. Of this total, $\$ 1,735$ million represented net occupancy expenses and furniture, equipment, fixtures, and so forth. These were about 17 per cent higher than in 1969. All other operating expenses- $\$ 3,728$ million-were about 12 per cent above the year-earlier total.

## OTHER TRANSACTIONS

Net losses on securities (before taxes) amounted to $\$ 225$ million in 1970 -less than half as much as in 1969. Because these losses reduce net income from current operations for tax purposes, the after-tax effect of security losses was $\$ 107$ million, or about 3 per cent of net income before security gains or losses. Extraordinary charges and minority interest in consolidated subsidiaries were negligible in 1970, as in the preceding year.

## INCOME TAXES

Provision for all income taxes (including taxes related to security transactions and other nonoperating sources) amounted to \$1,480 million in 1970 -up $\$ 257$ million from 1969. Reflecting in part the expiration in mid-1970 of the Federal surtax on net income and in part the further growth in income from State and local government obligations, which is tax-exempt, income taxes applicable to operating income declined to $\$ 1,775$ million- 2 per cent less than in 1969. Losses sustained by banks on
securities transactions and tax-deductible transfers from capital accounts to reserves for losses on loans lowered the amount of bank tax liability by $\$ 295$ million. Tax reductions from these two sources had aggregated $\$ 590$ milion in 1969.

## NET INCOME AND CASH DIVIDENDS

The $\$ 3,823$ million in member bank net income after taxes in 1970 was $\$ 373$ million, or 10.8 per cent, higher than in 1969. This represented a rate of return on equity capital (including reserves) of 10.44 per cent- 34 basis points above the ratio for 1969.

Net income as a percentage of total capital accounts-a figure used in years prior to 1969 as a measure of bank profitabilitywas 11.5 per cent in 1970. This compares with 11.1 per cent in 1969 , and with the previous record of 10.9 per cent established in 1945. It should be noted, however, that the 1969 and 1970 figures are not entirely comparable with those for prior years because of the effects of consolidation of earnings of domestic subsidiaries and of shifts by some banks from cash to accrual accounting beginning in 1969 -for both of which no adjustments could be made.

## NET INCOME BY CLASS OF BANK

Profits at both large and small banks moved upward in 1970. Nevertheless, the rates of growth varied substantially by class of bank. Net income after taxes rose by 17 per cent for reserve city banks in New York City compared with increases of 8 and 7 per cent, respectively, for reserve city banks in Chicago and all other reserve cities and an increase of 12 per cent for the smallest banks -country members (Table 4).

One of the major factors in the superior performance of New York City banks was a smaller growth in expenses from 1969 to

1970 due in part to the reduced cost of borrowed money. As indicated earlier, money market banks shifted much of their borrowing from high-cost Euro-dollars in 1969 to lower-cost domestic funds in 1970. Since City banks accounted for a large part of all Euro-dollar borrowing, these banks benefited most from the shift. Lower income taxes on operating earnings and smaller security
losses also helped boost profits at many member banks in 1970. These factors were more important, however-in relation to earnings from current operations-for City banks than for other member banks. Only reserve city banks in Chicago, as a group, reported higher income taxes applicable to current earnings and larger security losses in 1970 than in 1969.

TABLE 4
CONSOLIDATED REPORT OF INCOME FOR 1970 AND 1969 FOR MEMBER BANKS GROUPED BY CLASS
In millions of dollars

| Item | $\begin{aligned} & \text { All member } \\ & \text { banks } \end{aligned}$ |  | Reserve city |  |  |  |  |  | Country |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  | New York City |  | City of Chicago |  | Other |  |  |  |
|  | 1970 | 1969 | 1970 | 1969 | 1970 | 1969 | 1970 | 1969 | 1970 | 1969 |
| Operating income-Total. <br> Loans: <br> Interest and fees. Federal funds sold and securities purchased under resale agreement. | 27,913 | 24,991 | 5,116 | 4,668 | 1,230 | 1,085 | 10,450 | 9,332 | 11,117 | 9,906 |
|  | 18,706 | 17,104 | 3,523 | 3,324 | 817 | 765 | 7,217 | 6,641 | 7,148 | 6,374 |
|  | 781 | 649 | 94 | 116 | 31 | 30 | 301 | 221 | 355 | 283 |
| Securities: <br> Excluding trading-account income: |  |  |  |  |  |  |  |  |  |  |
| U.S. Treasury securities.............. | 2.208 | 2,041 | 279 | 247 | 81 | 70 | 671 | 598 | 1,177 | 1,125 |
| U.S. Govt. agencies and corporations.. | . 415 | , 322 | 36 | 16 | 8 | 4 | 78 | 54 | 293 | 248 |
| States and political subdivisions....... | 2,090 | 1,794 | 296 | 258 | 80 | 71 | 721 | 635 | 994 | 830 |
| Other securities . . . . . . . . . . . . . . . . . . | 118 | 106 | 26 | 20 | 6 | 5 | 44 | 39 | 43 | 41 |
| Trust department . . . . . . . . . . . . . . . . . . . . . . | 1,075 | 972 | 336 | 309 | 79 | 71 | 421 | 374 | 238 | 218 |
| Service charges on deposit accounts........ | 868 | 835 557 | 66 105 | 61 | 6 | 5 | 326 | 313 | 469 | 457 |
| Other charges, fees, etc. . $\ldots$. $\ldots \ldots \ldots \ldots \ldots$. | 681 | 557 | 105 | 83 | 20 | 18 | 312 | 254 | 244 | 202 |
| On trading account (net) . . . . . . . . . . . . . . . . . . . . . . . | 346 625 | 137 473 | 160 | 56 178 | 23 | 27 20 | 150 208 | 50 152 | 13 143 | 123 |
| Operating expenses-Total. | 22,193 | 19,525 | 4,051 | 3,650 | 961 | 849 | 8,385 | 7,326 | 8,796 | 7,699 |
| Salaries and wages of officers and employees | 5,282 | 4,690 | 905 | 794 | 181 | 156 | 1,994 | 1,762 | 2,202 | 1,978 |
| Officer and employee benefits. . . . . . . . . . . . . | 876 | 749 | 175 | 145 | 38 | 30 | 327 | 283 | 335 | 290 |
| Time and savings deposits............ Federal funds purchased and securities | 8,139 | 7,059 | 995 | 826 | 288 | 249 | 3,085 | 2,738 | 3,770 | 3,245 |
| Federal funds purchased and securities sold under repurchase agreements... | 1,365 | 1,177 | 398 | 366 | 137 | 106 | 699 | 592 | 131 | 112 |
| Other borrowed money................ | 444 | 562 | 228 | 126 | 35 | 163 | 150 | 239 | 31 | 35 |
| Capital notes and debentures . . . . . . . . . | 90 | 89 | 26 | 29 | 2 | 27 | 40 | 39 | 22 | 19 |
| Net occupancy expense... | 1,013 | 867 | 195 | 160 | 41 | 27 | 361 | 311 | 415 | 369 |
| Furniture, equipment, etc | 722 | 615 | 90 | 73 | 21 | 19 | 280 | 239 | 331 | 285 |
| Provision for loan losses. | 534 | 381 | 82 | 48 | 30 | 13 | 199 | 132 | 224 | 187 |
| Other operating expenses. | 3,728 | 3,336 | 956 | 1,084 | 188 | 83 | 1,249 | 990 | 1,335 | 1,179 |
| Income before income taxes and securities gains or losses. | 5,720 | 5,467 | 1,065 | 1,018 | 269 | 236 | 2,065 | 2,005 | 2,321 | 2,207 |
| Applicable income taxes................... | 1,775 | 1,813 | + 370 | , 390 | 92 | 81 | 2,670 | 2,679 | 2,644 | 2,663 |
| Income before securities gains or losses..... | 3,945 | 3,653 | 695 | 628 | 178 | 156 | 1,395 | 1,326 | 1,677 | 1,544 |
| Net securities gains or losses (-) after taxes. | -107 | -209 | -55 | -78 | -13 | -7 | -32 | -75 | -7 | -49 |
| Extraordinary charges ( - ) or credits after taxes. | -15 | 5 | 3 | (1) | -2 | 2 | -20 | 2 | 4 | 2 |
| Less minority interest in consolidated sub sidiaries. | (1) |  |  |  |  |  |  |  |  |  |
| Net income. | 3,823 | 3,450 | 642 |  |  | 150 | 1,343 | 1,252 | 1,675 | 1,496 |
| Cash dividends declared. | 1,754 | 1,523 | 423 | 345 | 88 | 70 | 651 | 593 | 592 | 515 |
| Ratios (per cent): <br> To equity capital (incl. reserves): <br> Income (after taxes) before securities <br> gains or losses........................ <br> Net income. |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |
|  | 10.75 | 10.70 | 9.76 | 9.23 | 9.77 | 9.05 | 10.80 | 11.06 | 11.31 | 11.32 |
|  | 10.44 | 10.10 | 9.03 | 8.10 | 8.91 | 8.70 | 10.40 | 10.44 | 11.35 | 10.97 |

${ }^{1}$ Less than $\$ 500,000$.
Note.-Figures may not add to totals because of rounding.

## Two Key Issues of Monetary Policy

I intend to focus this morning on two problems that concern practically all of our countries. We have just experienced an international monetary crisis, the ultimate repercussions of which are not yet clear. We shall therefore need to exchange ideas on how to deal with large short-term capital flows in the future.

The other major problem that haunts industrialized countries is the power and persistence of cost-push inflation. Let us turn to this at once.

Virtually all industrialized countries are suffering from inflation at present. In some, aggregate demand for goods and services is still booming, so a rising price level can be expected. In others, however, costs and prices are continuing to advance in the face of substantial unemployment and increasing idle capacity of industrial plant.

We are living in an age in which costpush inflation has emerged as a major obstacle to economic stability. Unless we find workable solutions to this problem, our best efforts to promote economic progress and the general welfare may be thwarted.

Clearly, countries that are now experiencing demand-pull inflation must pursue monetary and fiscal policies that aim to eliminate excess demand. But they may well find, as others have, that elimination of excess demand does not assure a prompt return to price stability.

The recent experience of the United States is a case in point. During the past year and a half, our unemployment rate has risen from $31 / 2$ per cent to about 6 per cent. Labor

[^10]is now readily available across the range of skills and in most sections of the country. Virtually all industries have substantial amounts of excess capacity. In such circumstances, past experience would have led us to expect a substantial reduction in the rate of increase of costs and prices, if not actual declines. In fact, however, the improvement thus far has been modest.

True, we have made progress over this past year in regaining normal rates of growth in productivity. However, increases in average compensation per manhour have shown no sign of abatement, and the advance of unit labor costs has therefore moderated less than we had hoped. With profit margins remaining very low, businessmen have taken available opportunities to pass their cost increases through to higher prices.

The continuance of a rising price level in the midst of substantial unemployment thus stems, basically, from continuing rapid increase in wages. Understandably, workers are seeking to obtain wage gains large enough to offset the effects of past increases in prices on their real incomes and savings, but this development also reflects the weakening of competitive forces in both our labor and product markets. Wages and prices have not been responding as sensitively as they once did to shifts in the balance between supply and demand.

The American economy is not unique in this respect. The problem of cost-push inflation has been plaguing many nations in recent years. In Canada, for example, unemployment began rising in 1966 and has been increasing irregularly since then. New wage settlements under collective bargaining agreements, however, have yet to show any
appreciable sign of moderation. In the United Kingdom, the unemployment rate has been slowly rising over the past 5 years or so. Nonetheless, the upward movement of wages and prices appears to have accelerated in the past 18 months.

Cost-push inflation cannot be dealt with effectively by using monetary and fiscal tools alone. In today's environment, efforts to do so would inevitably reduce output and employment far beyond the limits that our governments can accept or their citizens tolerate. On the other hand, I fear that cost pressures may become so intractable in our countries that they will ultimately weaken democratic institutions, besides stifling economic progress.

Over a year ago, I reluctantly came to the conclusion that monetary and fiscal instruments needed to be supplemented for a time by incomes policies in the United Statesthat is, policies designed to enable labor and commodity markets to approximate more closely the competitive model. My conviction has been strengthened by developments during the past year.

I recognize that governmental involvement in the determination of wages and prices can give rise to inequities, to misallocation of resources, to the blunting of private initiative, and to an administrative morass, but I am also aware of the moral force of governmental leadership over private decisions in key industries, to say nothing of the capacity of a vigilant government to remove or reduce the special market power that privileged groups now have.

We need in the United States, and I believe also in other countries, greater reliance on policies that promise to change the structure and functioning of labor and product markets, so that upward pressures on costs and prices may be reduced. To cope with the inflationary bias presently at work in our economies, I see no acceptable
alternative to experimentation with incomes policies-including wage and price review boards that stop short of mandatory controls.

Let me turn next to the problem posed by massive short-term capital movements. Recently, as we all know, heavy speculation in favor of a few currencies has led to changes in the exchange-rate regimes of several countries. It may be helpful to say a few words about the background of these events, asking what we can learn from the crisis we have been through.

The heavy flow of short-term funds from Europe to the United States in 1968-69 and the return flow during the past year resulted from a disparity in the phasing of the business cycle in the two areas. The United States experienced serious demandpull inflation, and also moved to combat it, before Europe did. More recently, while demand conditions have remained strong in Europe, we in the United States have sought to prevent a sluggish economy from slipping into a cumulative recession.

Differences in economic and credit conditions thus account for the swings in shortterm capital flows of recent years. In particular, the flow across the Atlantic since early 1970 reflected not only a push from the United States but also a pull from Europe. The push from the United States resulted from the easing of our credit conditions. The pull from Europe was just as clearly the result of a continuing demand for Euro-dollars by corporations and governmental entities that sought to escape from tight credit within their domestic markets.

It was against this background of a massive return of short-term capital to Europe in 1970-71 that speculative fever broke out a few weeks ago. Oddly enough, there were good reasons to believe that we had already passed the peak of capital flow.

The U.S. Government issue of $\$ 3$ billion in special securities to foreign branches of American banks had served to check the flow of dollars to European central banks. After mid-March, a convergence of interest rates got under way, with short-term rates rising in the United States and declining in Europe. By April the repayment by U.S. banks to their foreign branches had slowed sharply. Not only that, steps were already being taken to check the creation of Eurodollars by European central banks which had inadvertently, but on a disconcertingly large scale, added to the dollar reserves that resulted from the balance of payments deficit of the United States. In addition, major plans were being developed by the U.S. Treasury to provide improved investment outlets for central bank reserves in the United States.

Unhappily, the calm that appeared to exist in these unfolding circumstances was disrupted by various events in Europe with which you are all-familiar.

The events of the past 2 weeks have left a residue of resentment among European countries and toward the United States. If some of you feel that the United States depended excessively on monetary ease in the past year, there are surely grounds for holding that European countries relied excessively on monetary stringency during this period.

I must remind you of two facts. First, the United States recently resorted to a far more restrictive policy to wring excess demand out of its economy than any country in the world, with the possible exception of Canada. Second, if a cumulative recession had been allowed to occur in the United States, it would almost certainly have brought serious economic and political trouble to other nations of the free world.

Let me turn briefly now to several lessons we can derive from recent events.

First, in a world of convertible currencies, with many business firms and financial institutions commanding large sums, differences in monetary conditions can induce sizable movements of short-term capital among nations. Let us recognize that such flows are the result of a pull from the receiving countries as well as a push from the capitalexporting countries.

Second, the amplitude of short-term capital movements will become smaller if we manage to reduce differences in monetary conditions. This would require, in all major countries, a more active use of fiscal policy for domestic stabilization purposes. The political obstacles here are formidable but, I hope, not insurmountable. We should keep this goal before our minds as we deal with day-to-day problems.

Third, the Euro-currency markets no doubt facilitate the international movement of short-term capital, but let us not deceive ourselves regarding cause and effect. The flow of funds through these markets is a response to differences in basic economic and monetary conditions among countries, not a cause of such differences.

Fourth, some industrialized countries lack the facilities to neutralize the disruptive effects of large capital inflows or outflows on their domestic money supply. It is important that we all press forward, individually and jointly with other nations, in devising institutions that may serve to reduce the destabilizing impact of short-term capital flows.

Fifth, we live in a world in which private citizens and businesses are expected to act in response to the profit motive. Central banks, on the other hand, have a stabilizing function that should not be influenced by considerations of profit or loss. If central banks are to respond to the same factors that motivate private entities, they are likely to aggravate their own problems, as happened during the past year when a sig-
nificant volume of central bank reserves was placed in the Euro-dollar market.

Sixth, there is a tendency in some quarters to identify the U.S. balance of payments as the common cause of inflation in other countries. I recognize that the flow of shortterm capital has had the effect, to some degree, of undermining monetary policies in some countries. But let us not exaggerate this effect. The wage explosions experienced by European countries in recent years cannot be attributed to the U.S. balance of payments.

Seventh, what I have just said represents in no sense an attitude of complacency about the U.S. balance of payments. In a recent appearance before a Senate committee, I stressed once again the overriding need to restore price stability at home and, in present circumstances, to maintain our governmental constraints on private capital outflows. I also took that occasion to note the need to develop more effective methods for recycling funds across national boundaries when substantial short-term capital flows occur, the need for some countries to relax their restrictions on commodity imports and capital outflows, and the need for America's allies to make a significantly larger contribution to the defense of the free world.

In closing, I would like to repeat what I told the Senate Banking Committee about the prospects for the U.S. balance of payments. I see no reason for gloom about these prospects.

Our price performance has recently been better than that of many other industrial
countries. This advantage is likely to continue and it should permit us to regain competitive strength that we probably lost in the second half of the 1960 's.

Our receipts of investment income from abroad have been rising rapidly. We expect this to continue even as rewards from investment at home, which affect both our capital and current accounts, loom larger.

We have seen in recent years a large increase of foreign investment in the U.S. stock market. This too should continue, provided we maintain a strong and healthy economy and take measures to prevent recurrences of the sort of speculative crisis that occurred recently.

The reduction of our troops in Vietnam is diminishing the military drain on our balance of payments. We expect this reduction to continue.

Finally, the bulk of the short-term capital outflow through our banks is now behind us. American banks have reduced the liabilities to their foreign branches from over $\$ 14$ billion in early 1970 to less than $\$ 2$ billion presently. Thus, even before our underlying payments position improves, our deficit on the official settlements basis should fall sharply from its rate of the last year or so.

These favorable prospects can be hastened if they are accommodated to by other countries. After all, the counterpart of the U.S. deficit is the rest of the world's surplus. We and our major trading partners need to respect, in a spirit of candor and understanding, the policy implications of this simple arithmetic truism.

# Survey of Demand Deposit Ownership 

Since June 1970 the Federal Reserve System has been conducting a survey on the ownership of demand deposits held at commercial banks in the United States. This new Survey-the last nationwide survey of this type was in January 1961-provides quarterly estimates of the ownership of gross demand deposits of individuals, partnerships, and corporations (IPC) at all commercial banks in the United States and monthly estimates for such deposits at large weekly reporting banks. Five depositor categories are identified in the Survey: financial business, nonfinancial business, consumer, foreign, and all other.

The data to date indicate that nonfinancial businesses hold somewhat more than half of the total IPC demand deposits in the United States and financial businesses about 10 per cent. Thus, in the aggregate, businesses hold more than three-fifths of the total. Consumers are the major remaining holder group, accounting for somewhat more than 30 per cent. The residual is divided between other domestic depositors ( 6 per cent) and foreign lenders ( 1 per cent). While the relative shares of the various owner categories do not fluctuate widely from month to month, the data indicate that the structure of deposit ownership has shifted moderately since June 1970. Balances of financial businesses and consumers have increased in relative importance while those of nonfinancial businesses have declined. In fact, consumer deposits account for nearly four-fifths of the $\$ 6.3$ billion rise in total IPC balances at all weekly reporting banks between June 1970 and April 1971. However, with less than a year's data, it is
difficult to determine whether-or to what extent-these changes in ownership structure reflect seasonal movements.

This article outlines the format of the Survey and presents estimates of deposit ownership based on data collected from June 1970 through April 1971. These estimates are presented in Tables 1 and 2. The results of subsequent surveys will appear regularly in future Bulletins. This article also describes the relationship of the deposits covered in the Survey to the concept and measures of the money stock published in the Bulletin (seasonally unadjusted $M_{1}$ ) and to the estimates of money stock ownership shown in the Federal Reserve flow of funds accounts. A detailed review of the survey format and a discussion of the statistical reliability of the survey estimates are presented in a Technical Appendix.

## OUTLINE OF SURVEY FORMAT

The Survey of Demand Deposit Ownership focuses on deposit balances that are classified on reports of condition submitted by banks to the supervisory authorities as being held by individuals, partnerships, and cor-porations-specifically, balances reported by banks under item 15 on the quarterly consolidated report of condition. Reporting banks have been asked to classify these accounts into five categories: financial business, nonfinancial business, consumer, foreign, and all other domestic depositors. ${ }^{1}$

The information is collected from a sample of banks- 413 banks of a total of about

[^11]14,000 . Somewhat more than half of the sample was selected from commercial banks that had total deposits in excess of $\$ 100$ million in mid-1968. On the basis of the reports from this part of the sample, it is possible to make monthly estimates of IPC deposit ownership at all large banks for which comprehensive weekly reports of condition are regularly published (Federal Reserve statistical releases and the Bulletin, pp. A26-A30). The remaining sample banks were selected from among smaller commercial banks; these banks were asked to report information on deposit ownership for the last month of each calendar quarter. The data for the combined sample make possible the construction of quarterly estimates (the last month of the quarter) of IPC demand deposit ownership at all commercial banks. For both parts of the Survey, the data are on a daily-average basis for the month.

## OWNERSHIP DISTRIBUTION OF IPC DEMAND DEPOSITS

In the months covered by the Survey so far, nonfinancial business firms owned somewhat more than half of the total IPC deposit balances, with the shares held by financial businesses and consumers accounting for about one-tenth and slightly less than onethird of the total, respectively, as shown in Table 1. Balances of foreigners and of
depositors in the all other category made up the remaining shares of about 1 per cent and 6 per cent, respectively. Deposit holdings of nonfinancial business firms, financial business firms, and foreigners account for somewhat greater proportions of total IPC demand deposits at weekly reporting banks than they do at all commercial banks (Table 2). Correspondingly, the relative shares of the total held by consumers and by all other domestic depositors at weekly reporting banks are smaller.

These differences in the relative ownership distribution of demand deposits among U.S. banks are highlighted in Table 3. It shows that financial and nonfinancial businesses together account for approximately 70 per cent of the total of IPC deposits at large commercial banks, whereas at smaller banks the balances of these depositors make up only slightly more than half of the total. ${ }^{2}$ Conversely, consumers are a decidedly less important source of demand deposit funds at large commercial banks than at smaller banks, with balances supplied by these depositors at large banks about one-fifth of

[^12]TABLE 1
IPC DEMAND DEPOSIT OWNERSHIP AT ALL COMMERCIAL BANKS Quarterly Estimates, June 1970-March 1971

| Category | Outstanding <br> (millions of dollars) |  |  |  | Percentage distribution |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | 1970 |  |  | 1971 | 1970 |  |  | 1971 <br> Mar. |
|  | June | Sept. | Dec. | Mar. | June | Sept. | Dec. |  |
| Financial business. | 16,649 | 17,029 | 17,315 | 18,222 | 10.2 | 10.1 | 9.9 | 10.7 |
| Nonfinancial business | 85,808 | 88,050 | 92,687 | 86,027 | 52.5 | 52.5 | 52.9 | 50.4 |
| Consumer.... | 49,888 | 51,392 | 53,564 | 54,700 | 30.5 | 30.6 | 30.6 | 32.0 |
| Foreign. | 1,425 | 1,371 | 1,285 | 1,387 | 5.9 | . 8 | 5.7 | . 8 |
| All other. | 9,595 | 10,018 | 10,271 | 10,473 | 5.9 | 6.0 | 5.9 | 6.1 |
| Total. | 163,364 | 167,860 | 175,122 | 170,810 | 100.0 | 100.0 | 100.0 | 100.0 |

Note.-Details may not add to totals because of rounding.

TABLE 2
IPC DEMAND DEPOSIT OWNERSHIP AT WEEKLY REPORTING BANKS
Monthly Estimates, June 1970-April 1971

| Category | 1970 |  |  |  |  |  |  | 1971 |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | June | July | Aug. | Sept. | Oct. | Nov. | Dec. | Jan. | Feb. | Mar. | Apr. |
|  | Outstanding (billions of dollars) |  |  |  |  |  |  |  |  |  |  |
| Financial business..... | 12,835 | 13,588 | 12,720 | 13,382 | 13,217 | 13,587 | 13,502 | 13,936 | 13,810 | 14,052 | 14,126 |
| Nonfinancial business.. | 52,980 | 52,813 | 52,821 | 53,850 | 53,708 | 53,910 | 56,138 | 54,446 | 52,267 | 52,401 | 53,413 |
| Consumer. . . . . . . . . . | 20,976 | 20,609 | 20,574 | 21,151 | 20,856 | 21,066 | 23,280 | 24,096 | 23,060 | 23,889 | 25,289 |
| Foreign.............. | 1,306 | 1,415 | 1,235 | 1,272 | 1,238 | 1,185 | 1,183 | 1,224 | 1,217 | 1,259 | 1,251 |
| All other. | 5,208 | 5,314 | 4,852 | 5,472 | 5,822 | 5,415 | 5,551 | 5,583 | 5,486 | 5,716 | 5,704 |
| Total. | 93,306 | 93,739 | 92,204 | 95,127 | 94,841 | 95,163 | 99,653 | 99,286 | 95,840 | 97,317 | 99,783 |
|  | Percentage distribution |  |  |  |  |  |  |  |  |  |  |
| Financial business..... | 13.8 | 14.5 | 13.8 | 14.1 | 13.9 | 14.3 | 13.6 | 14.0 | 14.4 | 14.4 | 14.2 |
| Nonfinancial business.. | 56.8 | 56.3 | 57.3 | 56.6 | 56.6 | 56.7 | 56.3 | 54.8 | 54.5 | 53.9 | 53.5 |
| Consumer. . . . . . . . . . . | 22.5 | 22.0 | 22.3 | 22.2 | 22.0 | 22.0 | 23.4 | 24.3 | 24.1 | 24.6 | 25.3 |
| Foreign.. | 1.4 | 1.5 | 1.3 | 1.3 | 1.3 | 1.2 | 1.2 | 1.2 | 1.3 | 1.3 | 1.3 |
| All other. . . . . . . . . . . . | 5.6 | 5.7 | 5.3 | 5.8 | 6.1 | 5.7 | 5.6 | 5.6 | 5.7 | 5.9 | 5.7 |
| Total. | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

Note.-Details may not add to totals because of rounding.
TABLE 3
PERCENTAGE DISTRIBUTION OF IPC DEMAND DEPOSITS AT SELECTED GROUPS OF BANKS, BY OWNERSHIP CATEGORY
Quarterly Estimates, June 1970-March 1971

| Category | June |  |  | September |  |  | December |  |  | March |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | All commercial banks | Weekly reporting banks | Other banks | All commercial banks | Weekly reporting banks | Other banks | All commercial banks | Weekly reporting banks | Other banks | All commercial banks | Weekly reporting banks | Other banks |
| Financial business.... | 10.2 | 13.8 | 5.4 | 10.1 | 14.1 | 5.0 | 9.9 | 13.6 | 5.1 | 10.7 | 14.4 | 5.7 |
| Nonfinancial business. | 52.5 | 56.8 | 46.9 | 52.5 | 56.6 | 47.0 | 52.9 | 56.3 | 48.4 | 50.4 | 53.9 | 45.9 |
| Consumer. . . . . . . . | 30.5 | 22.5 | 41.3 | 30.6 | 22.2 | 41.6 | 30.6 | 23.4 | 40.1 | 32.0 | 24.6 | 41.7 |
| Foreign............. | .9 5.9 | 1.4 5.6 | .2 6.3 | .8 6.0 | 1.3 5.8 | 6.3 | .7 5.9 | 1.2 5.6 | 6.3 | 6.8 | 1.3 5.9 | 6.5 |
| Total............ | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

Note.-Details may not add to totals because of rounding.
total IPC deposits compared with about two-fifths of the total at smaller banks. Also, deposits of foreign IPC customers are relatively much more important at weekly reporting banks than at smaller banks, and balances of customers in the all other category have less relative importance at the weekly reporting banks.

## COMPARISON WITH DATA FROM EARLIER SURVEYS

The estimates of the relative ownership distribution of IPC deposits at all commercial
banks obtained in the present Survey appear to differ only moderately from the distribution estimated in the 1961 survey. As shown in Table 4, the estimated percentages of total IPC demand deposits held by financial businesses, nonfinancial businesses, and foreigners in this Survey are somewhat below those measured in the 1961 survey. Conversely, the estimated shares of total IPC demand balances held by consumers and depositors in the all other category are somewhat higher now than in 1961.

Some caution is required in interpreting
these comparisons because the surveys differ in several significant respects. The estimates for 1961 and earlier were derived from reports reflecting balances outstanding on a single day late in January, while the 1970 71 data are based on estimates of dailyaverage balances held during the reporting

TABLE 4
PERCENTAGE DISTRIBUTION OF DEMAND DEPOSIT OWNERSHIP AT COMMERCIAL BANKS IN THE UNITED STATES, 1947-71

| Annual averages, or 1-month estimate | Financial business | Nonfinancial business | Consumer | Foreign | $\underset{\text { other }}{\text { All }}$ |
| :---: | :---: | :---: | :---: | :---: | :---: |
| 1947-49. | 8.8 | 57.3 | 27.5 | n.a. | 6.4 |
| 1952-55. | 9.9 | 55.1 | 28.6 | n.a. | 6.4 |
| 1957-60. | 11.5 | 53.6 | 29.6 | . 2 | 4.6 |
| 1961. | 11.2 | 53.4 | 29.7 | . 9 | 4.7 |
| 1970-June. | 10.2 | 52.5 | 30.5 | . 9 | 5.9 |
| Sept. | 10.1 | 52.5 | 30.6 | . 8 | 6.0 |
| Dec. | 9.9 | 52.9 | 30.6 | . 7 | 5.9 |
| 1971-Mar. | 10.7 | 50.4 | 32.0 | . 8 | 6.1 |

n.a. Not available.

Note.-Data for years 1947 through 1961 reflect estimates derived from previous surveys of deposit ownership distribution, which measured ownership distribution on a single day in late January of each year. In contrast, data for 1970 are estimates of the daily average for the month. Before 1957 foreign deposits and all deposits of bank trust departments were reported as part of "all other." In 1970, deposits of "own" trust departments are in all other; deposits of other banks' trust departments are in financial business. The earlier surveys showed a separate category for farm accounts. These are not sepshowed a separate category for farm accounts. These are not sepcombined with nonfinancial business in the earlier years.
months. While seasonal movements and the volatility of 1-day figures may account for part of the observed differences, it seems likely that some significant change did take place from 1961 to the present. Some of the observed shifts in ownership distribution between 1961 and the present continue trends observed in earlier years. Thus, the share of total IPC demand deposits held by nonfinancial business has been declining at least since the late 1940 's, whereas the share held by consumers has been rising over this period.

## SHORT-TERM CHANGES IN DEPOSIT OWNERSHIP

The Survey estimates indicate that the volume of balances held by each depositor category changed perceptibly during the period June 1970 to April 1971 and that these
shifts resulted in statistically significant changes in the percentage distribution of deposits among ownership categories. (For an evaluation of the statistical properties of the changes, see the Technical Appendix.) A longer run of the series will be required to separate out the seasonal component of these movements in deposit ownership.

As indicated in Table 5, total IPC demand deposits as measured in the Survey increased markedly in the third and fourth quarters of last year and then dropped during the first quarter of this year. Only nonfinancial business deposits showed the same general pattern as the quarterly variations in the total. Balances of all four domestic depositor groups increased at all commercial banks during the third and fourth quarters, but during the first quarter of this year, while balances of nonfinancial businesses declined sharply, balances of financial businesses, consumers, and all other domestic depositors increased further. Foreign deposit balances had a pattern the reverse of that of the total, declining in the third and fourth quarters and increasing in the first quarter. Although seasonal patterns of change in sector holdings as measured in the Survey are not yet known, it seems likely that the substantial decline in nonfinancial business balances during the first quarter of this year in part reflects seasonal influences, since business borrowing of banks tends to decline markedly early in the year. But given the magnitude of the decline, it also appears quite likely that nonfinancial business deposits would show a decline after seasonal adjustment.

As a cumulative result of these quarterly variations, deposit balances of all four domestic depositor groups show increases for the entire period that range from a high of 9.3 per cent for the consumer category to a low of 1.7 per cent for the nonfinancial business category. Foreign deposit balances

TABLE 5
QUARTERLY CHANGES IN THE PERCENTAGE OF IPC DEMAND DEPOSITS AT SELECTED GROUPS OF BANKS, BY OWNERSHIP CATEGORY

June 1970-March 1971

| Category | All commercial banks |  |  |  | Weekly reporting banks |  |  |  | Other commercial banks |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | 1970 |  | 1971 | Entire period | 1970 |  | 1971 | Entire period | 1970 |  | 1971 | Entire period |
|  | Q3 | Q4 | Q1 |  | Q3 | Q4 | Q1 |  | Q3 | Q4 | Q1 |  |
| Financial business. | 2.3 | 1.7 | 5.2 | 9.5 | 4.3 | . 9 | 4.1 | 9.5 | -4.4 | 4.6 | 9.4 | 10.7 |
| Nonfinancial business | 2.6 | 5.3 | -7.2 | . 3 | 1.6 | 4.3 | -6.7 | -1.1 | 4.2 | 6.9 | -8.0 | 2.7 |
| Consumer. . | 3.0 | 4.2 | 2.1 | 9.6 | . 8 | 10.1 | 2.6 | 13.9 | 4.6 | . 1 | 1.7 | 6.1 |
| Foreign. . | -3.8 | -6.3 | 7.9 | -2.7 | -2.6 | -7.0 | 6.4 | -3.6 | -16.7 | 3.4 | 25.4 | -2.9 |
| All other............ | 4.4 | 2.5 | 2.0 | 9.2 | 5.1 | 1.4 | 3.0 | 9.8 | 3.6 | 3.8 | . 8 | 8.3 |
| Total. | 2.8 | 4.3 | -2.5 | 4.6 | 2.0 | 4.8 | -2.3 | 4.3 | 3.8 | 3.8 | -2.6 | 4.9 |

show a net decline of 2.2 per cent for the 10 -month period.

The patterns of quarterly change in ownership balances at weekly reporting banks and at all other commercial banks generally conform to those displayed by the totals for all commercial banks (Table 5). With but one exception balances of financial businesses, consumers, and all other domestic depositors increased in all three quarters at both groups of banks. Quarterly changes in nonfinancial business balances and foreign balances at weekly reporting banks and other banks also generally matched the pattern established for all commercial banksthat is, nonfinancial business balances increased in both the third and fourth quarters
of last year and then declined in the first quarter of this year, whereas foreign deposit balances declined over the second half of last year and then increased during the first quarter of this year. The cumulative effect of these quarterly variations at weekly reporting banks was to substantially raise balances of financial businesses, consumers, and all other depositors and to slightly reduce balances of nonfinancial businesses and foreigners. At all other commercial banks, balances of all domestic depositor groups show an increase for the entire period and foreign balances display a slight decline.

The pattern of deposit ownership developments for the early part of 1971 was altered to some extent by developments in April,

TABLE 6
QUARTERLY CHANGES IN THE PERCENTAGE OF TOTAL IPC DEMAND DEPOSITS HELD BY EACH OWNERSHIP CATEGORY

June 1970-March 1971

| Category | All commercial banks |  |  |  | Weekly reporting banks |  |  |  | Other commercial banks |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | 1970 |  | 1971 | Entire period | 1970 |  | 1971 | Entire period | 1970 |  | 1971 | Entire period |
|  | Q3 | Q4 | Q1 |  | Q3 | Q4 | Q1 |  | Q3 | Q4 | Q1 |  |
| Financial business. | -. | -.2.4 | -2.8 | .5-2.1 | .3-.2 | -. 5 | -2.8 | -2.8 | -. 4 | 1.. | .4-2.9 | .3-1.0 |
| Nonfinancial busin | $\cdots$ |  |  |  |  | 1.2 |  |  |  |  |  |  |
| Consumer. . . . . |  | $\cdots$. | 1.4.1 | 1.5 | -. 3 |  | 1.2 | 2.1 | . 3 | -1.5 | 1.5 | . 5 |
| Foreign.......... | -. |  |  | -. 1 | -. 1 | -. | . 3 | -. 3 | ... | .... | $\cdots$ | $\cdots .2$ |

however, as nonfinancial business balances rose about $\$ 1$ billion for the month while holdings by financial businesses, consumers, and all other domestic depositors showed further increases of $\$ 600$ million, $\$ 2.0$ billion, and $\$ 200$ million, respectively, and foreign deposits remained essentially unchanged. With the sharp April advance, it now appears that nonfinancial business balances have risen somewhat more strongly since June of last year. This increase, however, remains well below the gains in financial business and consumer balances, whether the changes compared are measured in absolute or percentage terms.

The quarterly changes in balances held by the various ownership groups reviewed above resulted in some shifts in the percentage distribution of total IPC deposits among owner groups (Table 6). At all commercial banks, the percentage distribution of total

IPC deposits remained essentially stable during the second half of 1970, but then shifted noticeably in the first quarter of this year, as the relative shares held by the financial business and consumer categories rose appreciably and the share of the total held by nonfinancial business declined. The relative share of total IPC deposits held by depositors in the all other category rose over the $10-$ month period, whereas that held by foreigners declined slightly.

Developments in relative ownership distribution at weekly reporting banks and at other commercial banks differed to some degree from those recorded at all commercial banks. Quarter-to-quarter changes in the percentage of total IPC demand deposits held by each ownership group at these two groups of banks appear to have been slightly larger-especially in the latter half of last year-than at all commercial

TABLE 7
DEPOSIT OWNERSHIP BALANCES
In millions of dollars unless otherwise indicated

| Ownership category and bank group | 1970 |  |  | 1971 |
| :---: | :---: | :---: | :---: | :---: |
|  | June | Sept. | Dec. | Mar. |
| Financial business: <br> All commercial banks. <br> Weekly reporting banksAmount. . <br> Per cent of total. | 16,648 | 17,029 | 17,315 | 18,222 |
|  |  |  |  |  |
|  | ${ }^{12,835} 77.1$ | $\begin{gathered} 13,382 \\ 78.6 \end{gathered}$ | 13,502 78.0 | $\begin{array}{r} 77.14 \end{array}$ |
|  |  |  |  |  |
| Nonfinancial business: |  |  |  |  |
| All commercial banks.... | 85,808 | 88,050 | 92,687 | 86,027 |
| Amount............. | 52,980 61.7 | 53,850 61.2 | $56,138$ | $52,401$ |
| Consumers: | 49,888 | 51,392 | 53,563 | 54,700 |
|  |  |  |  |  |
| Weekly reporting banksAmount. | 20,97642.0 | 21,151 41.2 | $\begin{array}{r} 23,280 \\ 43.5 \end{array}$ | $\begin{array}{r} 23,889 \\ 43.7 \end{array}$ |
| Per cent of total. |  |  |  |  |
| Foreign: | 1,425 | 1,371 | 1,285 | 1,387 |
| All commercial banks.. |  |  |  |  |
| Weekly reporting bank | 1,306 91.6 | $\begin{gathered} 1,272 \\ 92.8 \end{gathered}$ | $\begin{aligned} & 1,183 \\ & 92.1 \end{aligned}$ | $\begin{aligned} & 1,259 \\ & \quad 90.8 \end{aligned}$ |
| Per cent of total. |  |  |  |  |
| All other: | 9,595 | 10,018 | 10,271 | 10,473 |
| All commercial banks..... |  |  |  |  |
| Weekly reporting banksAmount. | $\begin{gathered} 5,208 \\ 54.3 \end{gathered}$ | $\begin{array}{r} 5,472 \\ 54.6 \end{array}$ | $\begin{array}{r} 5,551 \\ 54.0 \end{array}$ | $\begin{array}{r} 54.6 \\ 5416 \\ \hline \end{array}$ |
| Per cent of total. |  |  |  |  |
| All categories: | 163,364 | 167,860 | 175,122 | 170,810 |
| All commercial banks.. |  |  |  |  |
| Weekly reporting banksAmount. | $\begin{array}{r} 93,306 \\ 57.1 \end{array}$ | $\begin{gathered} 95,127 \\ 56.7 \end{gathered}$ | $\begin{gathered} 99,653 \\ 56.9 \end{gathered}$ | $\begin{gathered} 97,317 \\ 57.0 \end{gathered}$ |
| Per cent of total. |  |  |  |  |

banks. In addition, in some instances the pattern of quarterly changes in relative ownership distribution also differed. For the entire period, however, the patterns of change in ownership distribution at both groups of banks appear to have been generally similar to those at all commercial banks-financial business, consumer, and all other domestic depositors increased their share of total IPC balances at both groups of banks while the shares held by nonfinancial business declined.

Although there are a number of differences in the relative size of growth rates and in quarterly patterns of change in the various deposit ownership categories at all commercial banks and weekly reporting banks, the monthly data for weekly reporting banks appear to provide a good indication of the course of deposit ownership developments at all commercial banks. It will be noted in Table 5, for example, that the direction of change in each owner category at weekly reporting banks accurately indicated the direction of change at all commercial banks in the three quarters for which data were collected. As previously noted, the size of the differences in percentage change between these two data series was quite large in some cases, so that the weekly reporting bank data do not serve as a precise gauge of the universe. More experience with the data should provide some insight on the extent to which this divergence may be due to differences in the seasonal patterns of deposit developments at the two groups of banks.

A fairly close correspondence between weekly reporting bank data and all commercial bank data is not surprising, of course, since balances at weekly reporting banks account for a large share of the total of balances maintained at all commercial banks. As may be seen in Table 7, deposits held by financial businesses at weekly re-
porting banks accounted for more than three-fourths of all such balances in the country in the final month of all four quarters. Nonfinancial business deposits at weekly reporting banks accounted for about three-fifths of all balances at commercial banks, foreign deposit balances more than nine-tenths, and all other deposits more than one-half. The proportion of consumer balances held at weekly reporting banks, on the other hand, is only a little more than two-fifths of all such balances in the United States. These weekly reporting bank percentage shares of total balances in the various categories appear to fluctuate within fairly narrow ranges.

## SURVEY DATA COMPARED WITH MONEY STOCK AND FLOW OF FUNDS ESTIMATES

With demand deposits making up about four-fifths of the total money stock-currency is the remaining one-fifth-demand deposit ownership data can provide important insight into the question of who owns the U.S. money stock and how money stock ownership changes over time. However, the deposits covered in the Survey differ from the demand deposit component of the money stock in a number of ways. The money stock includes several other types of demand deposits in addition to IPC demand deposits. Moreover, the Survey IPC demand deposit data are on a gross basis-that is, before deduction of bank float-whereas the money stock demand deposit component is net of bank float.

Lines 1 through 10 of the first (total) column of Table 8 illustrate the relationship with the money stock measure for December of last year. To approximate the demand deposit component of the money stock (line 8 ), it is necessary to add to gross IPC demand deposits as measured in the Survey (line 1) demand deposits that are not part of the IPC total-the demand deposits of

TABLE 8
RECONCILIATION BETWEEN SURVEY DATA AND SELECTED FINANCIAL SERIES, DECEMBER 1970
In billions of dollars without seasonal adjustment

| Line Item | Total | Holder sector |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | Financial business | Nonfinancial business | Consumer and other domestic depositors | Total foreign accounts | State and local govts. |
| 1 Total IPC demand deposits, gross, as measured in ownership survey. | 175.114.5 | 17.3 | 92.7 | 63.8 | 1.3 | 14.5 |
| 2 State and local government deposits.............. |  | . $\cdot$.... |  |  | ...... |  |
| 3 Demand deposits of foreign official institutions, ${ }^{1}$ international institutions, and foreign commercial banks | 3.7 |  |  |  | 3.7 |  |
| 4 Certified and officers' checks.......................** | 9.4 | 5.2 | 2.2 | 63.8 |  |  |
| 5 Sum of (1) through (4)............................... | 202.7 | 22.5 | 94.9 |  | 5.0 | 2.016.5-2.0 |
| $6{ }_{7} \begin{gathered}\text { Bank float } \\ \text { Statistical discrepancy........................................ }{ }^{\text {a }} \text { * }\end{gathered}$ | -31.8 | -4.6 | -25.8 | ..... |  |  |
| 8 Private demand deposit component of money stock... | 171.1 | 17.9 | 69.3 | $\begin{array}{r} 63.8 \\ 50.0 \\ 113.8 \end{array}$ | $\cdots 5.0$ | 14.5.5 |
| ${ }^{9}$ Currency holdings................................. * | 50.0 |  |  |  | $\cdots$ |  |
|  | 221.1 | 17.9 | 69.3 |  |  | 14.5 |
| 11 Demand deposit balances held by Edge Act corporations and agencies of foreign banks in U.S. ${ }^{3}$..... <br> 12 Mail float ${ }^{4}$ | 1.2-21.4 | 1.2-2.3 | -17.i | ....... | ....... | $-2.0$ |
| 12 Mail float ${ }^{4}$ Money holdings on holder-record basis-average for |  |  |  |  |  |  |
| 14 month.................................. | 200.9 | 16.8 | 52.2 | 113.8 | 5.0 | 12.5 |
| 14 Money holdings in flow of funds accounts on holderrecord basis-end-of-month balances. | $\begin{array}{r} 5204.3 \\ 3.4 \end{array}$ | 16.8 | $\begin{array}{r} 49.6 \\ 2.6 \end{array}$ | $\begin{array}{r} 6120.3 \\ -6.5 \end{array}$ | 65.0 | 12.5 |
|  |  |  |  |  |  |  |

[^13]State and local governments (line 2), foreign commercial banks, foreign official institutions, and international institutions (combined in line 3), and certified and officers' checks (line 4) -and to deduct bank float; that is, the sum of cash items in process of collection as shown on bank books and Federal Reserve float (line 6). The figure thus obtained differs slightly from the published figure for the deposit component of the money stock (line 8) because the amounts shown for each item are statistically independent of the published money stock figures. ${ }^{3}$ The difference is indicated in line 7. The addition of the currency component of the money stock (line 9) completes the reconciliation to the published money stock figure (line 10).

[^14][^15]The Board's flow of funds accounts present estimates of private sector holdings of the money stock (see pp. A 71 and A 71.2 of this Bulletin). The sum of these private sector holdings differs from the money stock measure mainly in that (1) the former is net of mail float and the latter gross, and (2) the former measures balances as of single points in time (for example, December 31) and the latter is on a daily-average basis. The remaining lines in column 1 of Table 8 provide the additional items required to complete the reconciliation with the flow of funds total of private sector holdings. The difference due to the flow of funds estimates being net of mail float-checks deducted from deposit owners' records but not yet entered on bank records-is shown on line 12. Line 11 reflects a difference in treatment, between the flow of funds and money stock series, of balances held by Edge Act corporations (subsidiaries of U.S. banks engaged mainly in international activities) and agen-
cies of foreign banks located in the United States. Line 13 shows an estimate on a dailyaverage basis of total sector holdings of the money stock; line 14 shows the sum of flow of funds estimates of private sector holdings of the money stock on a holder-record basis and measured as of the last day of the month. The difference in the estimates that is due to differences in timing between the daily average of balances for December and the balance on the last day of the month is shown on line 15.

The remaining columns of Table 8 present estimates of the sector allocation of the various totals of deposits and money stock just discussed, starting with the Survey estimates of sector distribution of gross IPC demand deposits (line 1), going to a derived estimate of the sector distribution of the published money stock (line 10), and ending with the flow of funds sector estimates (line 14). The sector distributions of the items needed for the derivations and reconciliations in these columns are on a weaker statistical basis than is the case for the total column. Thus, there is little firm information available that can serve as a reliable guide in determining how bank and mail float, currency, and certified and officers' checks are distributed among owner categories. In this circumstance, the principle utilized in the table for the sector distribution for such items was to bring the sector ownership estimates based on the Survey as close as possible to the flow of funds sector esti-mates-derived mainly from estimates of holder balance sheets-while at the same time making the allocation reasonably consistent with the few known facts about the distribution of these items. In this way, the statistical differences that remain highlight the minimum statistical problems in the flow of funds estimates.

In Table 8, the major items distributed on the basis of these criteria are marked by asterisks. In distributing certified and offi-
cers' checks (line 4), it was assumed that such checks are generated mainly in money market transactions and large payments among businesses and governments. For bank float (line 6), it was assumed that, because business and government deposits have much higher turnover rates than personal deposits, the volume of bank float attributable to personal deposits was sufficiently small to be omitted. An opposite assumption was made for currency holdings, it being assumed that business holdings are negligible. ${ }^{4}$

On the basis of these adjustments, rough measures of the ownership distribution of the published average money stock estimates are obtained (line 10 ). For the remaining items of reconciliation to the flow of funds sector estimates, deposit balances held by Edge Act corporations and agencies of foreign banks in the United States (line 11) were assigned to financial businesses, and the sector distribution of mail float (line 12) was made on the same basis as that used for distributing bank float.

The method of allocation described above resulted in estimates for financial business, foreign, and State and local government categories on line 13 equal to those currently in flow of funds accounts for December 31. The statistical differences appear only in the nonfinancial business and consumer sectors.

The estimates derived from the ownership

[^16]survey data and the assumed sector distribution of the adjustment items indicate larger balances for business and smaller holdings for consumers than are now in the flow of funds accounts. There is some possibility that timing is a source of the difference, resulting perhaps from large wage and dividend payments near the end of the month. The total private wage bill in December after withholding tax deductions was over $\$ 35$ billion, so there is scope in timing for the disparity of $\$ 4$ billion that
appears in the table. However, the distribution of float and currency made above was designed to bring the estimates close together and any reasonable alternative allocation would result in even wider disparity. Thus it seems likely from these early results that the flow of funds distribution of ownership should be shifted, increasing the estimated money holdings of businesses and reducing the holdings of consumers. This will be worked out when more experience is gained with Survey data.

## TECHNICAL APPENDIX

## DESIGN OF THE SURVEY

The design for the Demand Deposit Ownership Survey called for a sample of 413 commercial banks. Of these banks, 225 were chosen from banks that had IPC demand deposits in excess of $\$ 100$ million in mid-1968. All banks with deposits over $\$ 1$ billion were included as were about 43 per cent of the banks in the $\$ 100$ million to $\$ 1$ billion deposit size range. These banks were asked to report on a monthly basis. The remaining 188 banks in the sample were chosen on a stratified random basis from all other insured commercial banks. These smaller banks were asked to submit reports for the last month of each calendar quarter. From the sample so structured, it is possible to develop estimates of IPC demand deposit ownership for each month of the year at weekly reporting banks and for the last month of each quarter at all commercial banks.
Reporting banks were asked to classify their IPC accounts into five categories: financial business, nonfinancial business, consumer, foreign, and all other domestic depositors. The financial business category includes such businesses as mutual savings banks, insurance companies, securities and commodity brokers and dealers, finance companies, and holding and investment companies; ${ }^{1}$ deposits maintained at the reporting bank by the trust departments of other banks are also reported in this category. The nonfinancial business category covers such industries as manufacturing, mining, transportation, trade, farming, real estate, the pro-

[^17]fessions (such as medicine or law), and so forth. The consumer category includes all individual and family accounts and all personal trusts not under the control of the trust departments of banks. The foreign category encompasses all accounts classified as IPC deposits that are owned by business firms or persons domiciled outside the United States and its possessions. ${ }^{2}$ The all other category includes such depositors as nonprofit membership organizations and nonprofit religious, educational, and scientific organizations; accounts maintained by the trust departments of the reporting banks at their own banks are also placed in this category.

With respect to the reporting coverage of accounts within the sample banks, each bank was offered the option of reporting on the ownership status either for a sample of its IPC accounts or for all of its IPC accounts, whichever was more convenient. (About 80 per cent of the large sample banks and 70 per cent of the smaller ones chose to report on a full enumeration basis.)

In those cases in which banks decided to report on a sample basis, they were requested to identify and include all accounts with large balances-large accounts being defined either as those with balances exceeding $\$ 20,000$ or the top 2 per cent of the bank's accounts with the largest balances. In addition, those reporting banks maintaining

[^18]special ledgers of accounts that are homogeneous or nearly so were asked to supply information on these accounts. Finally, the banks reporting on a sample basis were asked to select a random 1 per cent sample of accounts from all remaining accounts not reported as large accounts or special ledger accounts. Thus in the case in which banks report on a sample of their accounts, this sample includes about 3 per cent of its IPC accounts. Of course, since all large accounts are included in the sample, the relative proportion of total IPC balances covered by this sample is substantially higher.

The Survey has been designed so that the estimates reflect an average of daily balances maintained during the reporting month. Banks were given the option of reporting the ownership classification of accounts on a daily basis (so that a true daily average for the month is reported) or of reporting as of each Wednesday of the month (which statistical analysis had indicated would yield an adequate estimate of the daily average). However, the smaller quarterly reporting banks (and some of the large monthly reporting banks with special reporting problems) were given the additional option of reporting as of the second and third Wednesdays of the month. (Of the large reporting banks, approximately 45 per cent chose
to report on a daily-average basis, about 20 per cent on an each-Wednesday basis, and the remainder on a second- and third-Wednesday basis. Of smaller reporters, nearly 80 per cent selected the second- and third-Wednesday basis and only 20 per cent chose the daily-average basis.)

When a reporting bank submits information on a sample of its accounts, these data are blown up to reach ownership estimates for all accounts maintained at the bank. And in the case of data received from banks reporting on either an eachWednesday basis or on a second- and thirdWednesday basis, the balances for these days are averaged to obtain proxy measures of balances maintained on average during each day of the month. All individual bank estimates are then used to obtain estimates for all weekly reporting banks and all commercial banks.

## STATISTICAL RELIABILITY OF THE ESTIMATES

An indication of the statistical properties of the estimates of deposit ownership at all commercial banks produced by the Survey can be obtained by referring to Appendix Table 1. The figures presented in the various cells of the table were calculated by doubling the standard errors of estimate for each ownership estimate, dividing this value by the value of the estimate itself, and expressing

## APPENDIX TABLE 1

MEASURES OF VARIATION ${ }^{1}$ FOR DEMAND DEPOSIT OWNERSHIP SURVEY ESTIMATES
In per cent

| Category | All commercial banks |  |  |  | Quarterly changes |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Outstandings, 1970-71 |  |  |  | 1970 |  | 1971 |
|  | June | Sept. | Dec. | Mar. | III | IV | I |
| Financial business. | 7.1 | 5.5 | 5.4 | 5.6 | 75.0 | * | 45.2 |
| Nonfinancial business. | 1.7 | 1.9 | 1.9 | 2.0 | 40.0 | 19.6 | 13.6 |
| Consumer. | 3.8 | 3.6 | 3.5 | 2.7 | 46.2 | 46.0 | 56.2 |
| Foreign. | 8.7 | 8.4 | 9.4 | 8.1 | 72.2 | 20.4 | 69.4 |
| All other. | 13.8 | 8.9 | 10.0 | 10.1 | * |  | * |
| Total. | 1.3 | . 7 | . 7 | 1.0 | 24.4 | 8.2 | 23.6 |
|  | Weekly reporting banks |  |  |  |  |  |  |
| Financial business. | 5.0 | 4.5 | 3.3 | 3.9 | 22.8 | * | 59.8 |
| Nonfinancial business | 2.2 | 1.3 | . 7 | 1.2 | 74.6 | 22.1 | 8.0 |
| Consumer. | 4.7 | 3.6 | 2.3 | 2.7 | * | 16.2 | 50.6 |
| Foreign. . | 6.9 | 7.1 | 7.7 | 7.8 | 19.8 | 15.6 | 18.8 |
| All other..... | 7.1 | 6.3 | 2.9 | 5.0 | 46.0 | * | * |
| Total. | . 9 | . 5 | . 3 | . 4 | 26.0 | 9.6 | 9.8 |

[^19]the resulting figure in percentage terms. As may be seen, the relative sampling variations of the estimates of outstanding balances at all commercial banks (upper left-hand portion of the table) are generally satisfactory. This is particularly the case for the nonfinancial business and consumer estimates where the measures of variation were quite small in all four quarter-ending months-less than 4 per cent in all instances. The measures of variation for the financial business estimates are somewhat higher, but they all indicate the strong ( 95 per cent) probability that a range plus or minus 7 per cent on either side of each estimate would include the actual volume of balances held by this category of owners. The measures of variation in the monthly estimates for the foreign and all other categories are somewhat larger but with only one exception they suggest that the true values for these balances lie within plus or minus 10 per cent of the estimates.

The measures of variation for the quarter-toquarter changes in ownership balances at all commercial banks (upper right-hand section of the table) are also quite encouraging. They suggest that all the estimated quarterly changes in nonfinancial business, consumer, and foreign balances were statistically significant-that is to say, two standard errors of the changes were smaller than the estimate of change itself. A similar statement can also be made about two out of the three
quarterly changes in financial business balances. It appears, however, that the estimated changes in balances held by depositors in the all other category may be attributable to sampling variation.

A similar picture of statistical reliability is presented by the measures of variation for the estimates of balances held by the various owner groups at weekly reporting banks ${ }^{3}$ in each quarterending month and for the quarterly changes in these estimates (bottom section of Table 1). The measures of variation indicate that the 95 per cent confidence range for the estimates of balances held by financial businesses, nonfinancial businesses, and consumers is 5 per cent or less on either side of the estimates in all 4 months. The range for the other two owner categories, while somewhat higher, is less than plus or minus 10 per cent of the estimate. The measures of variation for the estimated quarterly changes in ownership balances also suggest that the Survey is performing satisfactorily. All measured changes in nonfinancial business and foreign balances appear statistically significant, as do two out of three of the changes in consumer and financial business balances.

[^20]
## Bank Rates on Business LoansRevised Series

The Federal Reserve Quarterly Survey of Interest Rates Charged by Banks on Business Loans has been revised beginning with the February 1971 survey. The revision incorporates a number of technical changes in coverage, in sampling, and in methods of calculating average interest rates. Although the changes have resulted in some discontinuities in the series, the basic structure for collecting information is unchanged for the most part.

The survey data on short-term loans on the revised basis will be published regularly, as in the past, in both the Bulletin and the Board's E. 2 statistical release, which will also carry survéy data for rates on revolving credit and long-term loans, which had not previously been published. Back data for the added series, as well as the previously published data on short-term loans, for the period 1967-70 are provided in the table on pages 476 and 477.

## NATURE OF CHANGES

The most important aspect of the revised series is the elimination of accounts receivable loans. A recent study of the technical aspects of the survey indicated a number of problems of measuring rates on accounts receivable loans, which made it advisable to eliminate such loans from the survey: For one thing, the reporting of special fees and flat charges that often are collected on accounts receivable loans to cover the high cost

[^21]of administering such loans varied among banks in ways that made difficult the calculation of comparable effective rates. For example, in addition to a stated interest rate charged on these loans, approximately twofifths of the reporting banks imposed (1) a flat charge, or (2) a fee that varied with the line of credit available, or (3) a percentage fee applied to the line of credit. On the other hand, some banks excluded such charges altogether from reported interest rates on this category of loans and a few banks omitted reporting of accounts receivable loans entirely. Such data problems probably caused a significant understatement of the rates on these loans as they entered the survey calculations.

A second problem is that with certain types of fee arrangements, the effective rate of interest on accounts receivable loans varied with the maturity and daily-average size of the loans made under the line of credit. Because of the nature of this survey (which reflects terms and conditions at the time the loans are made) and of accounts receivable loans (for which the average maturity, loan size, and outstanding balance vary from day to day and cannot readily be measured), there is no practical way to determine the effective interest rate accurately.

A third problem of measuring interest rates on accounts receivable loans is the practice of some banks of requiring borrowers to make all repayments into hypothecated deposits that are credited to the borrower's loan account at fixed intervals. This practice increases the effective interest rate by an amount that cannot be measured with-
out adding unduly to the complexity of the survey.

A fourth problem was associated with the rapid rate of turnover of accounts receivable loans. Some new loans, for example, are made to individual customers for as little as one day. Since the survey calls for reporting of all new loans made during a specified period, the rapid turnover of these loans, which carry relatively high interest rates, gives them undue weight and causes an upward bias in average interest rates derived from the survey.

In view of all these measurement problems, it was felt that rates on accounts receivable loans could not be accurately measured in the survey and that if these loans were excluded, the survey would provide a more accurate measure of interest rates on other business loans. It should be noted, however, that the survey, excluding these loans, does not cover all business loans and that the loans excluded probably are highercost loans on the average than the loans covered. Thus, to the extent that there are systematic shifts, in periods of relatively different tightness of credit, between account receivable loans and other business loans, the results of the survey must be interpreted with care.

An important result of the changes in the survey has been to reduce the reporting burden on respondent banks. The exclusion of accounts receivable loans contributed to this as did a shortening of the period to be covered. For most banks the sample period was shortened from the first 15 days in the survey month to the first seven business days.

Refinements were also made in procedures for calculating the interest rates used in arriving at the survey averages. Formerly, interest rates for short-term discounted loans were calculated on an assumed maturity of 90 days. In conjunction with the February 1971 survey, the 12 Reserve

Banks surveyed the maturities of all discounted short-term loans made in the sample period. On the basis of this information, new average maturities were adopted, for this and future surveys, with the assumed maturity shortened to 68 days for the 35 reporting centers as a whole. In addition, the formula to calculate effective interest rates was modified to reflect annual compounding instead of the quarterly compounding previously used in the survey. Other changes in the formula used were minor.

With the elimination of accounts receivable loans and the shortening of the sample period, weights used for calculating average interest rates have been changed. A preliminary revision of these weights was derived from the size and area distributions of loans reported in the February survey. These preliminary weights will be used initially in the first three surveys this year. When data for all four surveys in 1971 are available, a further revision of weights will be made and data for the 1971 surveys will be revised on the basis of these new weights. The weights as revised will be used for the next 4 years, after which the weighting system will be reviewed again.

## EFFECTS OF REVISIONS

For some, but not all, of the changes embodied in the revision, it is possible to measure the impact of the revision on the published series. The degree of reduction in number and dollar volume of loans caused by shortening the sample period cannot be ascertained from the February survey. Nor can one determine the over-all effects of the revision on changes in short-term rates in the period between the November 1970 and February 1971 surveys. However, it is possible to determine the effects on rates of three of the changes made in the February survey-the exclusion of accounts receivable loans, the shift to annual compounding in

TABLE 1
EFFECTS OF SURVEY REVISIONS ON INTEREST RATES, BY TYPE OF LOAN FEBRUARY 1971
Per cent per annum


| Southeast |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Average rate, revised survey | 6.88 | 8.23 | 7.72 | 7.00 | 6.69 | 6.55 | 6.62 | 8.00 | 7.91 | 7.22 | 6.28 | 6.12 | 7.22 | 8.37 | 7.62 | 7.59 | 6.50 | 7.00 |
| Average rate on unrevised basis ${ }^{1}$... | 7.04 | 8.20 | 7.73 | 7.05 | 6.66 | 6.51 | 6.89 | 8.01 | 8.97 | 8.19 | 6.28 | 6.12 | 7.22 | 8.10 | 7.61 | 7.44 | 6.50 | 7.00 |
| Difference. . . . . . . . . . . . . . . . . . . | -. 16 | $+.03$ | $-.01$ | $-.05$ | +. 03 | +. 04 |  | -. 01 | $-1.06$ | -. 97 |  |  |  | $+.27$ | +. 01 | +. 15 |  |  |
| Accounted for by: <br> Change in rate calculation for: |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| able | $-.05$ | -. 05 | $-.08$ | $-.11$ | -. 02 | $\ldots$ | -. 59 | -. 03 | $-.58$ | -1.06 | $\ldots$ |  |  |  |  |  |  |  |
| Discounted loans (revised formula) | +. 06 | +. 08 | +. 08 | +. 07 | +. 05 | +. 04 |  |  |  |  |  |  |  | +. 24 |  |  |  |  |
| Change in weights.............. | -. 17 |  | $-.01$ | -. 01 |  |  | $\underline{+3.32}$ | +.02 | $-.48$ | 7.09 |  |  |  | +. 24 | +.01 | +. 15 |  |  |
| Southwest |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Average rate, revised survey........ | 6.59 | 7.83 | 7.22 | 6.82 | 6.63 | 6.25 | 6.74 | 7.26 | 7.03 | 7.63 | 6.65 | 6.47 | 6.99 | 6.90 | 7.84 | 8.06 | 6.82 | 6.71 |
| Average rate on unrevised basis ${ }^{1}$... | 6.72 | 7.89 | 7.38 | 6.83 | 6.64 | 6.26 | 6.90 | 7.54 | 7.30 | 7.59 | 6.87 | 6.47 | 7.04 | 6.96 | 7.66 | 7.90 | 6.84 | 6.71 |
| Difference......................... |  | $-.06$ | $-.16$ | $-.01$ | -. 01 | -. 01 | $-.16$ | $-.28$ | $-.27$ | $+.04$ | -. 22 |  | -. 05 | -. 06 | +. 18 | $+.16$ | $-.02$ |  |
| Accounted for by: |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Exclusion of accounts receivable. | -. 07 | $-.09$ |  | $-.03$ | -. 04 |  | $-.08$ | -. 27 | -. 21 |  |  |  |  |  |  |  |  |  |
| Discounted loans (revised |  |  | -. 17 | $-.03$ | $\pi .04$ | -. 02 | -. 08 | -. 27 | -. 21 | $+.04$ | -. 22 |  |  |  | +. 11 | $+.16$ | -. 02 |  |
| formula) | +. 02 | +. 03 | +. 01 | $+.02$ | +. 03 | +. 01 |  |  |  |  |  |  |  |  |  |  |  |  |
| Change in weights............ | -. 08 |  |  |  |  |  | -. 08 | $-.01$ | $-.06$ |  |  |  | $-.05$ | $-.06$ | +.07 |  |  |  |
| West Coast |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Average rate, revised survey. . . . . . . | 6.63 | 8.38 | 7.77 | 7.16 | 6.77 | 6.32 | 6.31 | 8.24 | 7.15 | 6.66 | 6.41 | 6.25 | 6.46 | 7.63 | 7.21 | 7.41 | 6.81 | 6.32 |
| Average rate on unrevised basis ${ }^{1}$... | 6.81 | 8.61 | 8.04 | 7.31 | 6.91 | 6.32 | 6.49 | 8.77 | 7.69 | 7.06 | 6.59 | 6.28 | 6.57 | 7.61 | 7.19 | 7.30 | 6.81 | 6.32 |
| Difference....................... | -. 18 | $-.23$ | -. 27 | $-.15$ | $-.14$ |  | $-.18$ | -. 53 | -. 54 | -. 40 | $-.18$ | -. 03 | -. 11 | +. 02 | +. 02 | +. 11 |  |  |
| Accounted for by: |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Change in rate calculation for: Exclusion of accounts receivable. | -. 12 | $-.21$ | -. 26 | $-.16$ | -. 14 |  | $-.10$ | $-.50$ | $-.49$ | $-.37$ | $-.18$ | -. 03 |  | +. 15 |  |  |  |  |
| Discounted loans (revised |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Change in weights. | -..06 | -. 0.0 | ${ }_{-}^{-\ldots .00}$ | +..oi |  |  | -..08 | $\underline{-.03}$ | -..05 | ${ }_{-}$ |  |  | -..ii | -..i3 | +.020 | +..ii |  |  |

1 The rates on an unrevised basis are those that would be obtained by processing the February survey data according to the procedures used in the previous survey. These averages are not
entirely comparable with those published for November and earlier periods because of the
exclusion of accounts receivable loans; a new method for calculating interest rates on discounted loans; a change of weights applied to each category of loans; and a reduced loan
sample from each reporting bank for which the rate effects cannot be ascertained.
calculations of rates on discounted loans, and the revision of weights for size of loan and geographic areas. For purposes of this comparison, separate data were collected in February on the accounts receivable loans that are excluded in the revised survey, and interest rate computations were made including and excluding such loans. Also, alternative interest rate calculations were made by applying the formula and weights used previously, so that the old series could be compared with the revised series. Table 1 summarizes the measurable effects of the revision on the three types of interest rates covered in the February survey-short-term, revolving credit, and long-term loans.

On short-term loans, as may be noted from Table 1, the average rate derived in the revised survey for the 35 centers as a group was 6.58 per cent, or 0.17 percentage point lower than the average rate of 6.75 per cent that would have resulted in the absence of the three revisions for which the impact can be measured. The amount of the difference varies by region from 0.01 percentage point for banks in New York City to 0.38 percentage point for those in other Northeast centers.

The most important factor reducing the measured average interest rate in most geo-
graphic areas was the elimination of accounts receivable loans. This change also accounted for most of the reduction in rates by size of loan. In the February survey, respondents reported separate data on 2,290 short-term accounts receivable loans; these loans accounted for 11 per cent of the total number of loans and for 6 per cent of the total dollar volume reported (Table 2). The smaller proportionate reduction in dollar volume resulting from exclusion of these loans reflects the relatively small average size of accounts receivable loans as compared with other short-term business loans.

Changes in weights reduced weighted average rates for all geographic areas, but effects varied by size-of-loan category. The small rate reduction for New York City reflected entirely the change in weights, as respondent banks in this area had not reported accounts receivable loans in the past. The change from quarterly to annual compounding of interest rates on discounted loans tended to raise average rates for all loan sizes in most geographic areas.

In general, the effects of the various survey changes on interest rates on revolving credit and long-term loans were similar to those for short-term rates, as Table 1 shows.

TABLE 2
EFFECT ON NEW SERIES OF EXCLUDING ACCOUNTS RECEIVABLE LOANS, FEBRUARY 1971

| Area | Amount of loans |  |  |  | Number |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | In thousands of dollars |  | Decrease |  | Including accounts receivable | Excluding accounts receivable | Decrease |  |
|  | Including accounts receivable | Excluding accounts receivable | In thousands of dollars | Per cent |  |  |  |  |
|  |  |  |  |  |  |  | Actual | Per cent |
| All centers. | 3,238,664 | 3,047,996 | 190,668 | 5.9 | 20,205 | 17,915 | 2,290 | 11.3 |
| New York City. | 798,323 | 798,323 |  |  | 1,543 | 1,543 |  |  |
| Other Northeast | 580,177 | 517,408 | 62,769 | 10.8 | 5,257 | 4,349 | . 908 | 17.3 |
| North Central. . | 858,489 | 788,020 | 70,469 | 8.2 | 4,263 | 3,870 | 393 | 9.2 |
| Southeast..... | 282,603 398,763 | 263,464 378,551 | 19,139 20,212 | 6.8 5.1 | 3,118 4,113 | 2,941 3,678 | 177 435 | 5.7 10.6 |
| Southwest. West Coast. | 388,763 320,309 | 378,551 302,230 | 20,212 18,079 | 5.1 5.6 | 4,113 1,911 | 3,678 1,534 | 435 377 | 10.6 19.7 |

## SURVEY RESULTS

Large banks typically report that they charge the prime rate on short-term loans to their most creditworthy customers and that they charge higher rates, bearing relatively fixed differentials above the prime rate, on loans to customers of lower credit rating. As the chart shows, average rates for the three categories of business loans covered in the survey move fairly closely with the prime rate, although relationships among rates appear to shift with cyclical changes in interest rates.

Over the past 4 years, short-term rates measured in the survey have moved in a band of 32 to 58 basis points above the prime rate. The differential-a maximum of 26 points-was relatively stable during this period compared with the 291-basis-point range over which short-term rates moved. The largest differentials occurred in periods of monetary ease when interest rates were relatively low, as in 1967, late 1970, and
early 1971, and the smallest in periods of restraint when rates were high, as in 1969.

In large part, the narrowing of the differential in periods of monetary restraint probably reflects the fact that an increased percentage of the loans made during survey periods are prime rate loans. Contributing to this has been the tendency for credit demands to expand more rapidly at large firms than at smaller ones during business upswings. Another factor tending to narrow the differential in periods of rising rates is the tendency for rates on small loans, which typically are high relative to those on large loans, to advance less rapidly than those on large loans.

In general, average rates on long-term loans have been fairly close to those on short-term loans. This relationship probably reflects the practice of gearing rates on both such maturities to the prime rate. However, major changes in the relationship between

BANK RATES on BUSINESS LOANS


Data for February 1971 as shown in the revised survey are indicated by dots. Point for February on thin line is the unrevised rate as calculated in Table 1.
long- and short-term rates do occur. These tend to show a fairly regular pattern, with rates on term loans rising above those on short-term loans during periods of declining rates, such as in late 1968 and in late 1970 and early 1971 , and falling appreciably below short-term rates during the rapid advance of rates in early 1969. These changing relationships are believed to reflect lags in disbursements that often occur under termloan and revolving-credit contracts, although banks recently are reported to be writing more term-loan contracts that gear the interest charges to the prime rate.

The marked shift from a sizable positive to a negative differential in 1969 resulted from a sharp rise in the term loan rate. At that time several banks reported that they had started to charge premium rates on term loans to some borrowers; in these instances the premium represented the higher cost to the bank of obtaining additional funds in the Euro-dollar market. The differentials between short- and long-term rates show random fluctuations that may reflect irregularities in term-loan rates attributable to relatively small samples of loans.

Average rates on revolving credits have shown an even closer and more consistent relationship to short-term rates than have those on term loans. This is probably attributable in part to the much larger volume of revolving credits reported, which would tend to reduce the impact of any unusual type of loan. On revolving credits, too-owing to the tendency noted above for rates on loans disbursed on older contracts to lag rates charged on new loans-the differential between revolving credit rates and shortterm rates tends to show some cyclical variation.

## SIZE-OF-LOAN DIFFERENTIALS

The most striking aspect of the size-of-loan data in the survey is the tendency for the dif-
ferentials between rates on small and large loans to decline in periods of rapid advance in the general level of rates. The decline was particularly large for loans of $\$ 1,000-$ $\$ 10,000$, as compared with loans of $\$ 1 \mathrm{mil}-$ lion and over. This may reflect less tendency among banks to gear their charges on smaller loans to the prime rate, with the result that such rates change less frequently than the prime rate. Moreover, there are additional institutional rigidities that influence the rates charged on small loans-including usury law ceilings (which generally apply on loans to unincorporated business only and thus would affect rates on small loans most heavily). In addition there may be public relations considerations. The gradations in spreads for loans in various size categories in each survey show the expected drop as the size of loan increases, and these relationships remain fairly consistent from survey to survey.

## GEOGRAPHIC DIFFERENTIALS

As the level of interest rates has continued to advance in recent years, there has been a pronounced diminution of the spreads between rates reported in the survey for New York City banks versus rates at banks in Southwest and West Coast cities. The differential between rates in New York City and the Chicago area remained relatively narrow and showed the least change for any area. Both areas are well supplied with capital and with financial institutions geared to the national money market. Hence the survey is dominated in both areas by banks with heavy concentrations of prime borrowers. The rate differential for New York City versus other Northeast cities tends to be the largest for any district, although in recent surveys the New York versus Southeast differential has increased significantly.

The change in relationship between rates for New York City and the Southeast that
appeared in data for the recent surveys is surprising. In 1967, rates in the Southeast exceeded those at New York City banks by as much as 26 basis points whereas in 1969, they were below rates in New York City (the
only district where this happened) by as much as 19 basis points. More recently, however, in the surveys for 1970 and 1971, rates in the Southeast have again exceeded those in New York City by widening margins.

## APPENDIX TABLE 1

geographic areas and reporting centers for revised quarterly interest rate survey

| Geographic area | Reporting center | Geographic area | Reporting center |
| :---: | :---: | :---: | :---: |
| New York City | New York City | Southeast | Baltimore |
| Other Northeast | Boston |  | Richmond ${ }_{\text {Washington }}$ |
|  | Hartford and Providence |  | Charlotte |
|  | Buffalo |  | Atlanta |
|  | Nassau County, N.Y. Rochester |  | New Orleans Nashville |
|  |  |  |  |
|  | Newark | Southwest | St. Louis |
|  | Philadelphia |  | Louisville |
| North Central | Cleveland |  | Memphis |
|  | Pittsburgh Cincinnati |  | Kansas City <br> Oklahoma City and Tulsa |
|  |  |  | Denver |
|  | Chicago |  | Dallas and Fort Worth |
|  | Detroit |  | Houston |
|  | Indianapolis <br> Milwaukee <br> Minneapolis and <br> St. Paul | West Coast | San Francisco |
|  |  |  | Los Angeles |
|  |  |  | Seattle |
|  |  |  | Portland |

## APPENDIX TABLE 2

BANK RATES ON BUSINESS LOANS, QUARTERLY 1967-70
Per cent per annum



Note．－All data are on the unrevised basis．

## Statements to Congress

Statement by Arthur F. Burns, Chairman, Board of Governors of the Federal Reserve System, before the Committee on Banking, Housing and Urban Affairs, U.S. Senate, May 19, 1971.

I appreciate this opportunity to appear before you on behalf of the Board of Governors to discuss recent developments in the international monetary system.

I should like to begin by sketching in the background of the events of the past few weeks. A careful look at the background will assist all of us in maintaining perspective on the dramatic happenings in the foreground.

The basic fact to keep in mind can be stated simply: on top of an underlying and long-lasting deficit in our balance of payments, there has been a massive flow of short-term funds from the United States to Europe within the past year.

I shall return later to a discussion of the underlying imbalance in our payments position. By itself, this imbalance is nowhere near large enough to have created a crisis. Let us first focus, therefore, on the substantial flow-perhaps I should say reflowof short-term capital across the Atlantic.

## SHORT-TERM CAPITAL FLOW

The short-term capital that has moved from the United States to Europe in the past year largely represents funds that had shifted from Europe to the United States during 1969 when monetary policy was much tighter here than in Europe. At that time, while both fiscal and monetary policies in our country were aimed at combating excess demand, Europe was in a more tran-
quil stage of economic expansion. American banks, finding their deposits running off as short-term market rates of interest rose above the Regulation Q ceilings, deemed it advantageous to borrow funds from their branches abroad in order to meet domestic demands for credit. The branches in turn bid for funds in the Euro-dollar market, and the interest rates they offered were attractive enough to induce foreigners, mostly in Europe, to shift out of assets in their own currencies into dollars. The result was that upward pressure was exerted on interest rates in some European countries and foreign central banks experienced a reduction in their dollar reserves.

It is this process that was reversed over the past year.

Once excess demand for goods and services was brought under control in the United States, the Federal Reserve shifted its policies progressively away from severe restraint and toward moderate ease, in order to assure that the desired cooling off of demand conditions did not go so far as to create a cumulative recession. Meanwhile, many European countries experienced an intensification of economic activity combined with a strong acceleration of wage costs. As a result, monetary policies were tightened in Europe in the latter part of 1969 and in 1970.

In these circumstances, short-term interest rates fell in the United States relative to Europe. American banks found that they could now attract funds at home at lower cost than what they were paying in the Eurodollar market, and they therefore started to repay what they had earlier borrowed from their branches. Meanwhile, European bor-
rowers-both private corporations and governmental entities-were finding that they could avoid domestic credit stringency and pay lower interest rates by borrowing in the Euro-dollar market. The massive repayments of liabilities by U.S. banks to their branches were the result not only of a push from the United States, where monetary policy was easing, but also of a pull from Europe, where credit conditions remained tight.

Thus, what we have been faced with in the past 2 years has been a disparity in the phasing of the business cycle in Europe and the United States. Given the existence of such a disparity, it is understandable that there has also been a disparity in monetary conditions, first one way and then the other. In a world of convertible currencies in which many business corporations and financial institutions command large sums, differences in monetary conditions can induce sizable movements of short-term capital. These swings in short-term capital have no doubt been facilitated by the existence of the Eurocurrency markets. But it would be a mistake to believe that the existence of these markets caused the flows. The cause lies in the difference in phasing of basic economic and monetary conditions.

The major pull on short-term funds came from Germany, where the central bank made especially strong efforts to restrain the availability of domestic credit but where private borrowers were quite free to seek loans abroad. There was thus a reciprocal interaction: decisions by U.S. banks to shift from more costly liabilities in the Eurodollar market to less costly liabilities at home released funds for lending to European companies; but the demand for funds by these companies put upward pressure on Eurodollar rates and increased the incentive for U.S. banks to repay their Euro-dollar liabilities. In the process, dollars moved in
large volume into foreign reserves and the efforts of foreign central banks to combat inflation were to some degree undermined.

One other aspect of this flow should be mentioned. The differential in interest rates between the United States and Europe, including the Euro-dollar market, led a number of central banks to shift dollar reserves held in the United States to higher yielding deposits in the Euro-dollar market. Whether they engaged in this practice directly or through the Bank for International Settlements, the result was to intensify the problem caused by the flow of short-term capital across the Atlantic. Such placements of central bank foreign exchange reserves in the Euro-dollar market made funds available to European borrowers-thus tending to undermine tight money policies in Europeand led to the creation of official dollar holdings abroad on top of the dollar reserves that originated in the U.S. balance of payments deficit.

## ACTIONS TO DEAL WITH THE CAPITAL FLOW

As I have already noted, the flow of shortterm funds abroad was a result of a U.S. push as well as a European pull. For our part, the U.S. monetary authorities took various actions designed to reduce or intercept the flow of short-term capital. The motivation for such actions was to moderate the U.S. balance of payments deficit and the attendant build-up of dollars in the hands of foreign central banks.

I shall merely identify, without discussing at length, the actions taken by the U.S. Government.
(1) The Federal Reserve's Euro-dollar regulations, first adopted in 1969 in order to check the inflow from Europe, contained a feature-automatic downward adjustment of the reserve-free base-that provided some
incentive for banks to hold on to their Eurodollar liabilities.
(2) In November 1970 the Federal Reserve raised the marginal reserve requirement on bank borrowings of Euro-dollars above the reserve-free base from 10 to 20 per cent. This measure reminded banks that preservation of the reserve-free base might be of value to them.
(3) The Federal Reserve extended the automatic downward adjustment to reservefree bases of banks on the so-called 3 per cent basis and gave these banks time to acquire Euro-dollar liabilities.
(4) Federal Reserve open market purchases were conducted, insofar as practicable, in coupon issues rather than Treasury bills, so as to moderate downward pressure on short-term interest rates without interfering with the basic objectives of monetary policy.
(5) Since mid-March, a moderate advance of short-term interest rates was tolerated by the Federal Reserve, mainly for domestic reasons, but partly also because it helped to narrow the gap between U.S. and European interest rates.
(6) The Treasury Department, in its debt management operations, placed more stress on issuing short-term securities, thereby avoiding upward pressure on long-term-but not on short-term-interest rates.
(7) The Export-Import Bank and the Treasury issued $\$ 3$ billion of securities to foreign branches of American banks. These special issues intercepted funds that would otherwise have probably landed in foreign central banks.

Meanwhile, European central banks acted constructively to narrow the differential in interest rates. The central bank in Germany and in a number of other countries, motivated by varying combinations of domestic and external considerations, reduced their
discount rates in early April. Short-term rates on market instruments also declined.

## THE SITUATION ON THE EVE OF THE CRISIS

By early April a convergence of interest rates was well under way, and we had reason to believe that we had passed the period of maximum capital flow from the United States to Europe. In fact, our statistics show that in April the flow of dollars from our banks to Europe subsided markedly. Not only that, but plans were well advanced to check further creation of Euro-dollars by foreign central banks and to assist, through the U.S. Treasury, the recycling of dollars from Europe to the United States.

Unhappily, this situation of relative calm in foreign exchange markets was disturbed by various news items, beginning with reports towards the end of April about a discussion among the Finance Ministers of the European Economic Communities concerning a proposal for the EEC currencies to float together against the dollar. A little later, five economic research institutes of Germany issued simultaneous reports recommending that the Deutsche mark be permitted to float or be revalued. And the German Economics Minister was reported to have characterized these recommendations as constructive. The background for these developments is quite clear: the intensification of inflationary pressures had given rise to a major political problem in Germany and exchange rate action came to be regarded by some prominent men of affairs as an appealing solution to this problem.

These events were sufficient to generate an enormous wave of speculation about a possible upward move of the D-mark and other currencies. Several European central banks ceased intervening in the exchange
markets and, after a Brussels meeting on May 8 and 9 of the Common Market authorities, Germany and the Netherlands decided to let their currencies fluctuate beyond the customary margin, while Switzerland and Austria revalued, and Belgium adapted its dual-exchange market system to the new situation. France and Italy decided to leave their exchange policies unchanged.

## THE PRESENT SITUATION

The options open to the German authorities appeared to be either to introduce controls on the inflow of capital or to take action in the exchange rate field. They chose the latter but agreed with their Common Market partners to deliberate by July 1 on appropriate measures to discourage inflows of capital and to neutralize their effects on the internal monetary situation.

How long the D-mark and the guilder will float is uncertain and is, of course, a matter for determination by the authorities of those countries in accordance with International Monetary Fund rules.

It is much too early to evaluate the effects of the crisis. We do know that it has generated strong resentments both among European governments and toward the United States. Whether or in what ways these sentiments will affect the future behavior of nations remains to be seen. We can, however, draw some lessons for our own policies.

## LESSONS FROM THE CRISIS

As I have already stressed, the flow of dollars to Europe in the past year has to a major extent taken the form of short-term funds responding to differences in monetary conditions, which in turn reflected differences in business cycle phasing. Nevertheless, this flow came on top of a persistent deficit in our underlying balance of payments. Had
such a persistent underlying deficit not existed, the recent crisis would not have been interpreted, as it was in some quarters, as a dollar crisis.

The underlying U.S. deficit, like the shortterm capital flow, is attributable to actions and policies of other countries as well as to those of our own country. The United States cannot restore equilibrium to its balance of payments without acceptance or complementary actions abroad. But we must do what it is in our power to do, while we make efforts to persuade other countries to complement our actions.

What then can we do to improve the international position of the dollar? I see no real conflict between our domestic and our balance of payments objectives. The frequently suggested prescription of raising interest rates would not meet our lasting needs at home or abroad.
(1) The overriding need is to restore price stability even as the present slack in our economy is taken up. I believe, with growing conviction, that a cogent incomes policy is a necessary part of the effort to restore price stability.
(2) Until a better price performance makes it possible for us to rebuild a healthy trade surplus, we must be prepared to maintain our restraints on private capital outflow. I can think of nothing that would arouse greater resentment abroad and weaken the dollar more than an attitude of neglect that included dismantling or even relaxing our existing programs to restrain the outflow of U.S. capital.
(3) We need to persuade other nations to relax promptly the restrictions on their imports and on investments abroad by their own citizens, besides undertaking a significantly larger contribution to the defense of the Free World.
(4) In the future, we must work with other nations to try to bring about smaller
divergences of monetary policies. While many Europeans feel that the United States depended excessively on monetary ease in the past year, there are surely grounds for holding that the Europeans relied excessively on monetary stringency during this period. A more active use of fiscal policy by each major country in the interest of its own economy could, if found feasible, materially reduce divergences in monetary policies and thereby limit short-term movements of funds and payments imbalances.
(5) At the same time, measures can be adopted to offset the effects of those shortterm capital flows that cannot be prevented. Such measures might include issues of securities by the U.S. Government abroad to absorb funds from the Euro-dollar market, and the provision of improved investment outlets in the United States for foreign central bank reserves.

## CONCLUSION

Let me say in closing that, despite recent events, I see no reason for gloom about our balance of payments as we look ahead.

First, our price performance is likely to be better than that of many other industrial countries, especially if we adopt a stronger incomes policy. This will permit us to regain competitive strength that we probably lost in the second half of the 1960's.

Second, our receipts of investment income from abroad have been rising rapidly. We expect this to continue even as rewards from investment at home, which affect both our capital and current accounts, loom larger.

Third, we have seen in recent years a large increase in foreign investment in the U.S. stock market. This too should continue, provided we maintain a strong and healthy economy and take measures to prevent recurrences of the sort of speculative crisis that has occurred recently.

Fourth, the continuing reduction of our troops in Vietnam is diminishing the military drain on our balance of payments.

Fifth, the bulk of the short-term capital outflow is now behind us. U.S. banks have reduced their liabilities to their branches from over $\$ 14$ billion in early 1970 to about $\$ 2$ billion presently. Thus even before our underlying payments position improves, our deficit on the official settlements basis should fall sharply from its rate of the last year or so.

These favorable prospects can be hastened, as I have suggested earlier, if they are accommodated to by other countries. The balance of payments is, by definition, a flow between countries or regions. The U.S. deficit is the rest of the world's surplus. The rest of the world must be prepared to see its surplus decrease if the U.S. deficit is to decrease. This simple arithmetic truism has important policy implications for our major trading partners as well as for us.

Statement of J. L. Robertson, Vice Chairman, Board of Governors of the Federal Reserve System, before the Subcommitee on International Trade of the Committee on Banking and Currency, House of Representatives, May 19, 1971.

Mr. Chairman, I am pleased to appear before your committee to discuss with you the views of the Board of Governors on H.R. 8181. The Board has a strong interest in this bill because two of its three titles would directly affect important aspects of our operations. Title I would require the Federal Reserve to grant credit, under certain specified interest rate spreads, to any federally insured bank seeking funds to finance the production or sale of goods for export from this country. Title II would require the Federal Reserve to exclude from the coverage
of its Voluntary Foreign Credit Restraint (VFCR) guidelines any credit extended by banks or other financial institutions to finance exports of U.S. goods.

Governor Brimmer and I would like to present the Federal Reserve position on these two sections of the bill in two parts. I will comment first on Title I. Although I was responsible for managing the Board's VFCR program in its early years, Governor Brimmer has had responsibility for its administration since mid-1968-and I might add that he has done an excellent job of it. It is, therefore, more appropriate for him to comment on that part of the bill.

Another topic of special interest to our Board, which I understand your subcommittee is also considering, is the question whether the Export-Import Bank should be placed outside Federal budget totals and ceilings on expenditures and net lending. While Title III of H.R. 8181 contains several amendments broadening the authority of the Export-Import Bank, it leaves the budgetary status of the Bank unchanged. H.R. 5846, on the other hand-which I understand is also on your subcommittee's agenda-would take the Bank out of the budget totals. Near the end of my remarks I would, therefore, like to reiterate briefly the Board's position, already communicated to other committees of Congress, supporting retention of the Bank in the budget.

## HOW TITLE I WOULD WORK

Title I of the proposed bill would, in effect, provide any federally insured bank automatic access to Federal Reserve credit in amounts limited only by the volume of export paper in the bank's portfolio. Such paper would be discounted by Federal Reserve Banks at the discount rate or 6 per cent, whichever was lower, for short-term paper. For 1- to 5 -year paper, the maximum rate would be 5 per cent; and for longer-
term paper, 4 per cent. Under this arrangement the spread to the commercial bank (i.e., the difference between the rate charged the customer and the rate at which the loan was discounted by the Reserve Bank) would be allowed to range from $3 / 4$ to $21 / 2$ percentage points, depending on the remaining maturity of the loan, whether the exports involved were destined for a developed or a developing country, and whether the loan was guaranteed or insured by the ExportImport Bank.

The extent to which U.S. banks would take advantage of such an opportunity to discount their export loans could be expected to vary with domestic interest rate conditions since banks would be limited as to the interest rate they could charge the exporter and still use the Federal Reserve facility. At times when banks were highly liquid and time deposits or other funds to finance their loans could be obtained in the market at rates below the prescribed Federal Reserve minimums, there would be little disposition to take advantage of the facility. But in periods when bank funds were more costly than the maximum 6,5 , and 4 per cent discounting rates specified, banks would be encouraged to use the facility both to make new export loans and to unload their holdings of outstanding export paper on the System.

The opportunity to obtain instant liquidity by unloading export loans on the Federal Reserve would, of course, be quite valuable to a bank in periods when monetary policy was in a posture of anti-inflationary restraint. It should be noted in passing, however, that this advantage would be available only to a relatively small number of institutions. The bulk of U.S. foreign lending is carried on by less than 200 banks, and most of the dollar volume of export financing is concentrated in a much smaller number of large city banks.

Where banks did unload outstanding export loans in periods of general monetary restraint, the reserve funds they so acquired would most likely be used to support additional lending to preferred customers for domestic purposes rather than to export customers. However, the combination of low maximum discount rates and fixed spreads would at the same time assure unusually favorable rates on new export loans. In these circumstances foreign customers who might normally finance their imports from the United States in their own countries would be perfectly free to seek and, so long as the bargain rate relationships were maintained, to obtain through their American bankers unlimited credit from the Federal Reserve to finance imports.

It is important to distinguish the basic difference between this proposed discount facility for export loans and the operation of the existing Federal Reserve discount window. As already noted, under the proposed facility a bank would have the right to obtain Federal Reserve credit, at its own option and at guaranteed maximum rates, so long as it possessed or could generate export loan collateral eligible for discounting. Such credit could be used in turn to finance a more or less permanent expansion of domestic lending.

The purpose of the Federal Reserve discount window, on the other hand, is simply to provide member commercial banks with temporary liquidity, as needed to adjust their reserve positions and help meet weekly average reserve requirements. The window is not designed to provide credit for the purpose of inducing an expansion in bank lending. Consequently, borrowings at the discount window are limited in maturity to 15 days or less. If any particular member bank returns to the discount window too frequently and appears to be becoming "a continuous borrower," its management is
brought under surveillance by the regional Federal Reserve Bank and advised to sell sufficient assets to repay the Federal Reserve borrowing. In short, the opportunity to borrow is a privilege provided only so long as a bank uses it to acquire temporary liquidity. If the bank attempts to stretch its use of Federal Reserve credit to finance asset holdings on a more permanent basis, the privilege is withdrawn.

## EVALUATION OF TITLE I

The preceding sketch of the way in which the proposed Title I facility would work raises serious doubts about the advisability of its enactment. Because the Title I arrangements would provide automatic liquidity to the export loans held by any insured bank, they could seriously inhibit general monetary policy at times when the Federal Reserve was seeking to restrain inflation. At such times, banks would be likely to unload their outstanding export loans on the Federal Reserve as a means of continuing to meet the heavy credit demands of their domestic customers.

In addition, banks would very likely continue making new export loans, despite the conditions of general monetary restraint. Foreign customers would be attracted by the bargain rates and U.S. banks could immediately unload any new loans made on the Federal Reserve. Not only would this provision of Federal Reserve credit be automatic, the large banks receiving it would gain a discount interest rate advantage over other banks whenever the maximum discounting rates on export loans were below the regular Federal Reserve discount rate and rates on other short-term sources of bank funds.

When banks transferred export loans to the Federal Reserve, high-powered central bank dollars would be released which could
serve as the basis for a multiple expansion of bank credit. In such circumstances, if the System's anti-inflation policy was not to be seriously eroded, this release of highpowered dollars would have to be offset through other System actions.

If the offsetting System actions could be made without too much lag, the total volume of bank credit expansion allowed by Federal Reserve policy would be no larger, but the share allocated to foreign lending would be. Thus, the effect of the selective expansion of export financing would be to reduce the amount and raise the costs of the credit supply remaining to finance such domestic needs as housing and State and local government programs.

In short, the Title I arrangement would at times have the inadvertent result of setting a higher priority on financing of export loans than on some domestic needs which might generally be regarded as socially more pressing. This is one of the difficulties of attempting to introduce a program of selective credit allocation within a framework of general monetary control. It also illustrates why the Board of Governors has consistently opposed the use of its discount facility for selective credit allocation purposes.

## BUDGETARY STATUS OF EX-IM BANK

Turning now to the question of the appropriate budgetary status for the ExportImport Bank, the Board continues to recommend against proposals that would exclude the Bank's receipts and disbursements from the totals of the Federal budget and exempt them from any limitations on annual expenditures and net lending imposed through the budget. These proposals would make possible an expansion of Export-Import Bank operations by freeing them from budget restraints imposed on other Federal programs. Such restraints are designed to
limit the demands of the Government on the real resources of the economy and to enable the Congress and the administration to establish priorities among Federal programs, so that the maximum benefit is derived from the total outlays of the Government.

If this exclusion from the budget is to have any effect, it will be to allow ExportImport Bank outlays to exceed those that it would make under present restraints. As a result, total Federal outlays will rise without being reflected in the budget totals. In addition, exclusion of the Export-Import Bank from the budget would set a precedent that undoubtedly would be invoked by other Government agencies seeking the same privilege. There are a number of agencies with this potential interest, and it would be hard to maintain that the Export-Import Bank is the only institution that merits such treatment.

## PROMOTION OF EXPORTS

The Board's reservations about the desirability of enacting Title I of H.R. 8181 should not be interpreted as a lack of interest in promoting U.S. exports. The Federal Reserve is second to no one in its desire to see an improvement in the U.S. balance of payments. Hence we are very much export minded.

We also fully recognize the importance of providing adequate financing to assist our export sales abroad and believe that the Export-Import Bank plays a positive role in achieving this goal. For this reason we favor the amendments in Title III of H.R. 8181 which would increase the loan, guarantee, and insurance authority of the Ex-Im Bank -and, among other things, would permit an expansion of the existing discounting facility for medium-term export loans. Of course, our support of these expanded financial activities carries with it the proviso that
they will be fully coordinated by the U.S. Treasury.

Finally, we believe that there is an important part to be played by such new organizations as the Private Export Funding Corporation. The Board, along with other Federal agencies, has helped in the establishment of that corporation. And we expect it to assume important responsibilities in marshalling financial resources in this country and abroad to support major U.S. exports. As a private venture operating with official guarantees and insurance paid for by users of the credits, PEFCO holds promise of providing substantial financial resources on competitive terms.

This completes my testimony, Mr. Chairman. At this point I would like to have Governor Brimmer testify on the VFCR program, if that meets with your wishes.

Statement by Andrew F. Brimmer, Member, Board of Governors of the Federal Reserve System, before the Subcommittee on International Trade, of the House Banking and Currency Committee, May 19, 1971.

Mr. Chairman, I appreciate the opportunity to present the Federal Reserve Board's views on Title II of H.R. 8181. This title would prohibit any restraint under the Voluntary Foreign Credit Restraint (VFCR) program on export credit granted to foreigners by U.S. banks or other financial institutions.

The Board does not believe that this title of the bill should be enacted.

## OVERVIEW OF THE VOLUNTARY FOREIGN CREDIT RESTRAINT PROGRAM

The Voluntary Foreign Credit Restraint pro-gram-the VFCR, as it is generally known -is part of an over-all U.S. Government
program to reduce the deficit in the U.S. balance of payments.

Each element of the over-all balance of payments program is aimed at restraining capital outflow from the United States. The VFCR restrains capital outflow through banks and other financial institutions; the Foreign Direct Investment Program does so through regulating outflow from U.S. corporations to their affiliates overseas; and the interest equalization tax limits outflow resulting from the purchase by Americans of foreign stocks, bonds, and other equity and debt securities.

Any appraisal of the VFCR should be made in the context of the over-all program of which it is a part and in the light of the reliance which the Government continues to place on the other programs to which the VFCR is intimately related.

In formulating and administering the VFCR program, all elements of our balance of payments have been kept in mind. In particular, careful attention has been given to the relationship between measures on capital transactions and our policy of aiding in the growth of our exports.

The VFCR program constitutes a request by the Federal Reserve System that all financial institutions exercise restraint in lending of all types to foreigners and in making any other investments abroad. The request is embodied in a set of guidelines. All U.S. banks and other U.S. nonbank financial institutions have been invited to volunteer their cooperation in observing specific ceilings and principles; all U.S. agencies and branches of foreign banks have been asked to act in accordance with the spirit of the guidelines.

Mr. Chairman, given the Board's assignment in the over-all U.S. Government balance of payments effort, I would like to note at the outset the unusual nature of the approach taken in Title II of H.R. 8181.

It is a proposal for statutory action to change a program which calls for a voluntary response by U.S. private institutions. As I will indicate below, the Board has always been ready to change the VFCR when the evidence demonstrated that a change was needed to enhance the program's contribution to our balance of payments objectives. The Board will continue to review the VFCR guidelines, and it will readily revise the program as the need arises.

Mr. Chairman, at this point, I will turn to the proposal. In doing so, I would like, first, to describe briefly how export credits are now treated under the VFCR guidelines. I will confine my remarks almost entirely to the guidelines as they apply to banks-principally because the issue of export credits and the Title II directive would have greater relevance to banks than to the nonbank financial institutions.

## TREATMENT OF EXPORT CREDIT UNDER VFCR GUIDELINES

All banks have two sets of ceilings within which they are to keep their outstanding loans to foreigners and their investments abroad: a General Ceiling and an Export Term-Loan Ceiling. The General Ceiling applies to all categories of foreign assetsby which is meant all types of loans or other credits extended to foreigners and all types of other foreign investments. The Export Term-Loan Ceiling applies to loans to foreigners with an original maturity of over 1 year and which finance the export of U.S. goods or the performance of U.S. services abroad. Within these two ceilings, there are a few subceilings and other supplementary restraints. For example, one of those supplemental restraints, in effect, asks banks not to channel their own funds into short-term assets abroad merely to obtain a financial return.

From the earliest days of the VFCR program, the guidelines have requested that, within their ceilings, institutions give priority to credits that finance U.S. exports. You will find that request stated specifically in the opening sentence of the guideline text.

Also from the inception of the program, bank credits in which the Export-Import Bank is involved were exempted from the guideline ceilings. As the exemption is expressed in the present guidelines, credits which are extended by banks or by nonbank financial institutions and which are guaranteed or participated in by the Eximbank, or insured by Eximbank's affiliated Foreign Credit Insurance Association, or guaranteed by the Department of Defense are not subject to guideline restraint. The exemption was created in the knowledge that the export financing activities of the Eximbank and the Department of Defense would be reviewed in the National Advisory Council on International Monetary and Financial Policy in which the Federal Reserve is represented.

Export credits have also been exempted from several special restraints in the guidelines. In particular, banks are not to make any new loans of a maturity of over 1 year to residents of the developed countries of continental Western Europe, except for loans which finance U.S. exports. Similarly, banks are to hold their short-term credits to such residents to 75 per cent of the end-of1967 level, except for credits which finance exports.

When the guidelines have been revised to increase ceilings or to establish procedures so that banks without ceilings might adopt them-and thereby be able to engage in foreign lending-special effort has been made to earmark the new lending latitude for export financing. This has occurred many times.

In the first revision of guidelines at the
end of 1965, a change in the ceiling formula gave some banks an increment in lending leeway. They were asked to use that latitude exclusively for export credits and credits for less developed countries.

In the spring of 1969 , banks were offered two alternative methods for calculating their ceilings. The formula was framed with the intent, and had the effect, of significantly increasing the ceilings of small and medium-sized banks. The increase in the aggregate amounted to almost $\$ 0.5$ billion. This was significant in relation to total ceilings of all banks-which amounted to about $\$ 9$ billion. It was even more significant for the banks which benefited most directly, since they accounted for only a minor fraction of the $\$ 9$ billion of existing ceilings. One of the most important reasons for the increase and for its allocation to the smaller banks was that it would improve their opportunity to finance exports.

In December 1969, each bank was given a second ceiling to be used exclusively for loans of over-1-year maturity that financed exports. Since that date, every bank has had a General Ceiling and an Export Term-Loan Ceiling. The creation of the second ceiling added about $\$ 11 / 4$ billion in lending latitude, all for exports, to the approximately $\$ 10$ billion of aggregate ceilings then in existence.

In drawing up provisions to guide banks which have had no ceilings but which have proposed to adopt them-and to guide the Federal Reserve Banks which consult with them to arrive at specific ceilings-the potential concentration on export financing has had top attention. The guidelines today permit new entrants into the foreign lending field to adopt ceilings up to a certain limit, but those ceilings-the General and Export Term-Loan Ceiling taken together-are to be employed "predominantly" for export financing.

Finally, a general exception in the guidelines has significance for export financing. That is the exemption of Canada from the program. Since early 1968, bank loans and all other types of credit extended to residents of Canada have been exempted from the guidelines. This exemption was adopted for the VFCR and for the other U.S. Government balance of payments programs, notably the Foreign Direct Investment Program, in light of the special relationship between the two economies and in light of safeguards the Canadians imposed to prevent Canada from becoming a "passthrough" for U.S. capital into other parts of the world. This geographic exemption serves as an important exemption for export financing, since Canada is the most important single foreign national market for U.S. exports.

## IMPACT OF THE VFCR PROGRAM ON EXPORT FINANCING

In keeping the administration of the program under constant review, the Board has watched closely for any evidence that the savings in capital outflow might be offset by a loss of exports or even by a shortfall in the increase in exports for which we are striving.

Last year, as we were moving toward the time when decisions would once again be made about the possible extension and revision of the several capital restraint programs, the Board undertook a separate inquiry into the possible effect in 1970 of the VFCR on export financing and on exports. That inquiry went to the heart of the question represented by this bill. The results gave us information valuable for the decisions the Board was to take-and that Congress, by virtue of H.R. 8181, is asked now to take.

With the cooperation of the Department of Commerce, the Board drew up questions
to be asked of banks and of U.S. exporters about efforts made in 1970 to obtain credit for foreign buyers of U.S. goods. The full report, including the content of the questions asked, was released by the Board on January 7 , when the revised guidelines were issued. I will present the highlights and submit a copy for the hearings record.

The key questions asked of banks which accounted for over nine-tenths of loans subject to the guidelines were: (1) had they turned down loans requested on behalf of foreign buyers of U.S. exports because of the guidelines and (2) if so, what then happened to the contemplated sale. An effort was then made to question the exporters involved. As a further check, inquiries were made of a sample of 100 exporters across the country to ascertain their experience in getting U.S. bank financing for foreign customers in the light of the VFCR.

The results of the inquiry were striking. It was reported that the VFCR had resulted in the denial of export credit in only a
handful of cases. Moreover, the VFCR had virtually no adverse effects on U.S. exports themselves. About a dozen exporters were purportedly denied credit initially because of the VFCR. However, in almost all cases, they found other sources of financing to complete their sales. (See Table 1.)

As a byproduct of the inquiry on possible effects of the VFCR on exports, our staff undertook another inquiry to ascertain the portion of total loans under VFCR ceilings that financed exports.

The results of this staff study, released March 3, 1971, and which also I submit for the committee's record, showed how banks have employed their lending leeway with respect to exports.

Of loans under VFCR ceilings late last year, 17 per cent were documented export credits. (See Table 2.) Of loans subject to ceilings plus loans exempted from ceilings because they were Eximbank-related or Department of Defense-related, 22 per cent were to finance exports. The staff paper noted many statistical and analytical qualifi-

TABLE 1
SUMMARY OF BANKS' AND EXPORTERS' RESPONSES TO INQUIRY ON THE EFFECTS OF THE VFCR PROGRAM ON EXPORT FINANCING AND ON EXPORTS

| Federal Reserve district | Number of banks |  | Loans rejected |  | Number of exporters |  | $\begin{gathered} \text { Export } \\ \text { sales } \\ \text { completed } \end{gathered}$ | Possible net loss of sales (thous. of dollars) | 2M-40 Number of exporters ${ }^{1}$ |  | Export sales completed | Net loss of export sales (thous. of dollars) |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | $\begin{gathered} \text { Re- } \\ \text { spond- } \\ \text { ing } \end{gathered}$ | Rejecting loan because of VFCR | Number | Value (thous. of dollars) | $\begin{gathered} \text { Identi- } \\ \text { fied } \end{gathered}$ | Acknowledging rejection |  |  | $\begin{aligned} & \text { Re-- } \\ & \text { spond- } \\ & \text { ing } \end{aligned}$ | Reporting rejections |  |  |
| 1 | 12 | 1 | 1 | 200 | 1 | 1 | Yes | 0 | 11 | 1 | Yes | 0 |
| 2 | 10 | 0 | 0 | 0 | 0 | 0 | n.a. | 0 | 73 | 4 | Not all | 18,000 |
| 3 | 8 | 0 | 0 | 0 | 0 | 0 | n.a. | 0 | 4 | 1 | No | 1,200 |
| 4 | 10 | 0 | 0 | 0 | 0 | 0 | n.a. | 0 | 4 | 0 | n.a. | n.a. |
| 5 | 7 | 1 | 1 | Unknown | 0 | 0 | Unknown | Unknown | ....... |  |  | . ...... |
|  |  |  | 3 | 900 |  | 0 | Yes | 0 | 1 | 0 | n.a. | n.a. |
| 7 | 20 | 0 | 0 | 0 | 0 | 0 | n.a. | 0 | 12 | 0 | n.a. | n.a. |
| 8,9 | 5 | 0 | 0 | 0 | 0 | 0 | n, a. | 0 | 6 | 1 | Unknown |  |
| 10 | 4 | 0 | 0 | 0 | 0 | 0 | n.a. | 0 |  |  |  |  |
| 11 | 13 | 2 | 4 | 1,450 | 2 | 0 | Yes | 0 | 9 | 1 | No | 2,000 |
| 12 | 14 | 2 | 22 | 300 | 0 | 0 | Unknown | 300 | 9 | 0 | n.a. | n.a. |
| Total | ${ }^{3} 109$ | 7 | 11 | 2,850 | 5 | 1 |  | 300 | 129 | 8 |  | 21,200 |

[^22]TABLE 2
EXPORT CREDIT UNDER VFCR CEILINGS AND UNDER EXPORT-IMPORT BANK, FOREIGN CREDIT INSURANCE ASSOCIATION, AND DEPARTMENT OF DEFENSE VFCR EXEMPTIONS

In millions of dollars

| Group | Credit subject to VFCR |  | Exempt credits of EX-IM, FCIA, Dept. of Defense (3) | $\begin{aligned} & \text { Col. (2) } \\ & \text { Col. (3) } \end{aligned}$ <br> (4) | Col. (2) as percentage of Col. (1) <br> (5) | Col. (4) as percentage of Cols. (1) $+(3)$ <br> (6) |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | Export credit (2) |  |  |  |  |
| All VFCR banks (167).... | 8,841 |  |  |  |  |  |
| All banks in inquiry (72): | 8,208 | 1,374 | 628 | 2,002 | 17 | 23 |
| 17 largest banks $1 . . . . . . .$. | 7,235 | 1,161 | 543 | 1,704 | 16 | 22 |
| All others (55)............ | 973 | 213 | 85 | 298 | 22 | 28 |
| By Federal Reserve district: Boston................ | 156 | 22 | 14 | 35 | 14 | 21 |
| New York | 4,970 | 926 | 397 | 1,323 | 19 | 25 |
| Philadelphia.............. | 203 | 33 | 11 | , 44 | 16 | 21 |
| Cleveland. | 179 | 12 | 21 | 33 | 7 | 17 |
| Richmond. | 65 | 30 | 1 | 31 | 46 | 47 |
| Atlanta. | 30 | 2 | 12 | 14 | 7 | 33 |
| Chicago.................. | 822 | 105 | 84 | 189 | 13 | 21 |
| St. Louis, Minneapolis, and Kansas City. | 46 | 12 | 7 | 19 | 26 | 36 |
| Dallas................... | 41 | 19 | 2 | 21 | 46 | 49 |
| San Francisco | 1,696 | 213 | 79 | 292 | 13 | 17 |

${ }^{1}$ Over $\$ 100$ million in foreign assets.
Note.-Sept. 30, 1970, data, except that Aug. 31 data for New York is projected to Sept. 30.
cations, and I stress here that the figures do not purport to be comprehensive or precise. But they are based on banks' records and evaluations. They suggest strongly that banks do have the capacity-within the ceilings-to finance exports.

We have also looked at the record of utilization of Export Term-Loan Ceilings as an indicator of the program's possible effect, if not on exports, on export financing. You will recall that these ceilings were created at the end of 1969 in the aggregate amount of $\$ 11 / 4$ billion to provide new leeway for export credits of over-1-year maturity-referred to as term loans. We realize that, in the financing of exports, short-term credits are of greater magnitude than term loans. However, we decided to provide additional lending leeway for term loans to meet the contention that credits of over 1 year were crucial if U.S. exporters were to match the financing terms being offered by exporters in foreign countries.

As of the end of March, 15 months after the Export Term-Loan Ceiling had been made available, banks had used only 17 per cent of it. Even this figure is an inflated indicator of its utilization. If we look also at the figures showing repayments of term loans for exports that banks had granted before the new ceiling became available and compare them with the figures showing new credits of this type placed on their books since that time, we find that outstanding export term loans subject to VFCR ceilings have grown by only $\$ 67$ million. Aggregating almost $\$ 11 / 2$ billion today, the Export Term-Loan Ceiling constitutes virtually an unused exemption.

## REASONS FOR NOT EXEMPTING EXPORT CREDITS FROM VFCR

If the VFCR has had little adverse effect on exports and if the restraints have not been substantially holding back export credits,
why should there be Federal Reserve opposition to the exemption proposed by Title II?

A complete exemption of export credits from the capital restraint effort would weaken-not improve-the over-all U.S. balance of payments program.

First, exemption would lead to an increase, possibly to a large increase, in credit but not to an equivalent increase in exports.

Second, exemption would undermine the effectiveness of the whole set of U.S. capital controls. For example, if export credit were removed from restraint, attention would have to be given to tightening up on other forms of credit to foreigners and other forms of investments overseas. It is highly questionable that we could successfully intensify restraints in various credit areas to compensate for the loss of restraint on export credits.

Finally, there is as much need todayperhaps even more need than ever--to restrain the outflow of funds from the United States. Particularly in the face of our continuing large balance of payments deficit and of the large short-run capital outflows, we should take the greatest care to avoid weakening the stand we have taken, in the common interest, to moderate the flow of U.S. capital into foreign markets. Any relaxation of our capital controls could jeopardize the international monetary cooperation which we have been helping to build.

There is today no shortage of capital to finance foreign purchase of U.S. goods. The Board at no point has denied that the restraints may limit the opportunities of an individual bank to provide export financing. But the fact remains that in the banking system of this country as a whole, including the network of foreign branches of U.S. banks that are outside the guidelines, and in the financing systems available in other countries-particularly in those which have strong balance of payments surpluses-there
is adequate credit to ensure the growth of U.S. exports.

For these reasons, Mr. Chairman, the Board does not believe that Title II of H.R. 8181 should be adopted.

Statement by Arthur F. Burns, Chairman, Board of Governors of the Federal Reserve System, before the Committee on Banking, Housing and Urban Affairs, U.S. Senate, June 16, 1971.

I appreciate your invitation to present the views of the Board of Governors on legislation to authorize Government guarantees of loans to business in emergencies.

The need for prudent provisions to deal with credit needs in emergency conditions has been newly underscored by developments over the past year or so. Last spring, within a few months after I assumed my present duties, financial markets suffered an erosion of confidence severe enough to cause widespread concern that the country might face a liquidity crisis-a situation in which even creditworthy firms might be unable to borrow the funds they needed to carry on their business.

The sharpest contraction of credit came in the commercial paper market, following the insolvency of the Penn Central Transportation Company, a prominent borrower in that market. Since commercial paper is wholly unsecured, investors backed away from issuers about which there was any question. Concern spread throughout the credit markets, fed by fears that some borrowers might be unable to obtain sufficient credit from alternative sources to refinance maturing commercial paper and thus be forced into bankruptcy. With investors generally becoming more cautious, companies with credit ratings less than Aaa experienced increased difficulty in borrowing through
the bond market, as was evidenced by the sharp widening of spreads in the structure of corporate bond yields. In short, there appeared to be a risk of bankruptcies spreading to firms that in other circumstances would be regarded as perfectly sound.

Confronted with an incipient crisis, the Federal Reserve System acted promptly to assure the availability of loanable funds to meet the credit needs of firms that were being squeezed by the contraction of the commercial paper market. First, the System made it clear to member banks that the discount window would be available to assist them in meeting such needs. Second, the Board suspended ceilings on the rates of interest member banks could pay on certificates of deposit of $\$ 100,000$ or more. In this way banks were placed in a much better position to attract funds to lend to their hard-pressed customers.

These two actions helped to restore confidence, and fear of a liquidity crisis abated. We can all take comfort from the fact that the money and credit markets met the tests of mid-1970 successfully. Looking ahead, however, we need better assurance that temporary liquidity problems of major corporations will not be allowed to damage the national economy.

Traditionally, this country has relied on private financial markets to determine whether credit should be granted or denied. I firmly believe that this is a sound principle, and I am concerned, as I know you are, about how we can preserve this principle and at the same time provide standby authority under which the Government might backstop the private financial markets in emergencies. In authorizing Federal credit assistance, the Congress has understandably concentrated largely on helping homebuyers, small businesses, farmers, and others who will, in ordinary circumstances, need such assistance far more than big businesses do.

In extraordinary circumstances, however, even a large, well-established, and creditworthy enterprise may experience difficulty in obtaining needed credit, and failure to provide that credit could be extremely costly to the general public-in terms of jobs destroyed, income lost, financial markets disrupted, or even essential goods not produced. We should be able to find a way to deal with this problem without injuring the free enterprise system.

In testifying today, it is certainly no part of my purpose to suggest that Congress delay its decision about Lockheed. My aim is rather to recommend that your committee, with Lockheed fresh in mind, address itself to the question of devising more general standards and procedures to govern credit guarantees in possible future emergencies.

The Board believes there are several guiding principles that should be followed in designing such assistance. First, assistance should be offered only to protect the economy against serious injury. I have mentioned the mid-1970 experience as just one example of conditions under which such a need could arise. Whatever the particuar circumstances, assistance should be reserved for those rare instances where it is needed to enable a sound enterprise to continue to furnish goods or services to the public, and where failure to meet that need could have serious consequences for the Nation's output, employment, and finances.

Second, since the assistance is designed to protect the public interest, it follows that it should not be used simply to protect large firms from failure, or to bail out bad management, or to shield creditors or shareholders from the consequences of unwise investments. Guarantees should be a last resort, issued ony when there is reasonable assurance of repayment of the guaranteed loan and when there is no other way to avoid serious injury to the economy. Since any such guarantee would be subject to condi-
tions assuring a preferential status for the Government relative to other creditors or shareholders in the event of insolvency, and since guarantees would be available only in emergencies, the existence of the authority should not in any real sense erode the disciplines of the private enterprise system. Rather, it should be regarded as a kind of insurance policy to protect the general public against a highly specialized risk.

Third, assistance should be provided through Federal guarantees of private loans rather than through outright advances of public funds. Aside from its obvious budget savings, this approach would have the advantage of assuring that experienced private lending officers will administer the loans in accordance with Federal guidelines and supervision.

Fourth, to assure thorough and wellbalanced consideration of the need for assistance, responsibility for passing on guarantees should be vested in top Federal officials concerned with over-all economic and financial policy. We suggest that this function be vested in a board chaired by the Secretary of the Treasury, with the Secretary of Commerce and the Chairman of the Board of Governors as members. No permanent staff would be required, since guarantees would be issued only under exceptional circumstances, and staff could be assigned as needed from the governmental units represented on the board. Thus no bureaucracy would be created with an interest in expanding the "program." There would be no "program"-only standby authority, ready for use in the event of need.

Fifth, Congress should be informed in advance of any proposed guarantee, so that it will have an opportunity to review the proposal to the fullest extent consistent with the need for prompt action. A possible model for such a procedure may be found in the Defense Production Act as amended last year. As you will recall, that Act now
prohibits guarantees of V-loans in amounts over $\$ 20$ million without approval of Congress. It also precludes the use of guarantees of loans under that amount to prevent insolvency except under certain conditions, including a certification by the President, transmitted to the Congress at least 10 days in advance. While a $\$ 20$ million limit would be impractical for purposes of emergency assistance, the certification procedure seems well suited for this purpose. Following that model, a guarantee would be authorized only if the President certifies that it is needed to avoid serious and adverse effects on the economy and a copy of that certification, with a detailed justification, is sent to the Congress and the two banking committees at least 10 days in advance.

These principles are embodied in a bill, S. 2016, submitted by the Board and introduced by your Chairman and Senator Tower. Guarantees outstanding under S. 2016 would be limited to a total of $\$ 2$ billion. In addition to the conditions I have already mentioned, guarantees could be issued only if the borrower furnished assurances that the loan is not otherwise available on reasonable terms and conditions, if the lender certified that he would not make the loan without the guarantee, and if the loan could not be guaranteed under the Defense Production Act. The bill also provides that fees shall be charged for guarantees and deposited in a fund from which payments required as a consequence of any guarantee are to be made. In the event that amounts in the fund proved insufficient to make such payments, the Secretary of the Treasury would be authorized to obtain the needed funds through public debt transactions.

Since the Federal Reserve System acts as a lender of last resort to financial institutions, principally its member banks, we are sometimes asked whether we could or should perform the same role for nonfinancial enter-
prises. This question merits at least a brief comment.

The Federal Reserve Act now includes a provision (paragraph 3 of Section 13) that empowers the Board of Governors, in "unusual and exigent circumstances" and by an affirmative vote of at least five members of the Board, to authorize the Federal Reserve Banks to make certain types of direct loans to individuals, partnerships, or corporations.

The purpose of this provision of law, which was enacted in 1932, was to permit Federal Reserve Banks to make short-term loans to enterprises that are creditworthy but are unable to secure adequate credit accommodations because of unfavorable conditions within the financial system. The only loans made under this provision were granted between 1932 and 1936, totaling 123 in number and about $\$ 1.5$ million in amount.

Paper discounted by Federal Reserve Banks under that paragraph must be of the "kinds and maturities made eligible for discount for member banks under other provisions" of the Federal Reserve Act. This means, among other things, that the paper may not have a maturity of more than 90 days at the time of discount. The paragraph further provides that the paper shall be "indorsed or otherwise secured to the satisfaction of the Federal Reserve Bank," which the Board has construed to mean that a Reserve Bank should ascertain to its satisfaction that the indorsement or the security offered is adequate to protect the Reserve Bank against loss.

In light of these restrictions in the law and the background as to the intent of the law, the Board concluded last year that it would not be appropriate to invoke this authority to authorize extension of Federal Reserve credit to Penn Central. Speaking more broadly, since legislation is needed in any event to assure that adequate authority is available to cope with possible future
emergencies, the Board believes that guarantee authority such as provided in S. 2016 would be preferable to direct provision of Federal Reserve credit. We make this recommendation not only because we believe assistance should take the form of a guarantee rather than direct lending, but also because we believe that the Congress, the President, and key administration officials should participate in any decision to extend such assistance.

These are the considerations that lead the Board to recommend enactment of S. 2016. Whatever your decision may be as to the need for immediate action in the case of Lockheed, the Board hopes that you will give the most serious consideration to a longer-range solution such as S. 2016. Experience has convinced the Board that legislation of this type is needed as a protective umbrella for our sensitive economic society.

Statement by Andrew F. Brimmer, Member, Board of Governors of the Federal Reserve System, before the Subcommittee on International Exchange and Payments, of the Joint Economic Committee, June 16, 1971.

Mr. Chairman and members of the subcommittee, I appreciate this opportunity to respond, on behalf of the Federal Reserve Board, to the invitation to report on the Voluntary Foreign Credit Restraint program. It has been almost $21 / 2$ years since I last appeared before this subcommittee to perform the same assignment.

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

## THE VOLUNTARY FOREIGN CREDIT RESTRAINT PROGRAM

The Voluntary Foreign Credit Restraint program is essentially a request that U.S. financial institutions restrain their capital outflow by limiting loans to foreigners and the acquisition of investments abroad. The VFCR is part of a Government-wide effort to strengthen the U.S. balance of payments, and it has been in effect since March 1965. The central feature of the program is a set of guidelines issued to U.S. banks and nonbank financial institutions by the Board of Governors. At the beginning of 1968, the Board received by Executive Order authority to make the program mandatory. However, the banks and other financial institutions have generally responded well to the Board's request for their cooperation, and the Board has chosen to keep the program on a voluntary basis.

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

VFCR must take into account these relationships.

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

In addition to observing the over-all ceilings, the institutions are asked to observe additional restraints on capital outflow to the developed countries of continental Western Europe and lesser restraints on outflows to developing countries. Exemptions are provided for outflow to Canada and for export credit related to Eximbank financing.

Changes have been made in the program from time to time, but its principal features are today the same as when it was established in early $1965 .^{1}$

## EFFECT OF THE VFCR PROGRAM ON THE U.S. BALANCE OF PAYMENTS

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

With these limitations in mind, we can focus initially on trends in assets subject to restraint. On December 31, 1964, the base date for calculating the guideline ceilings, total foreign assets held by banks were almost the same as they were on the most recent reporting date: $\$ 9,495$ million at the end of 1964 for 154 banks, compared to $\$ 9,536$ million on April 30, 1971, for 169 banks (Table 1, p. 500). As year-end

[^23]data show, foreign assets subject to VFCR ceilings have fluctuated within a narrow range throughout the period of the program.

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

The observed trends should not obscure the varying influence of a restrictive U.S. monetary policy on U.S. bank foreign lending. For example, in 1966, aggregate VFCR ceilings were raised, but monetary policy became restrictive. Bank foreign assets declined, and banks at the end of the year had large VFCR lending leeway. In 1967 monetary policy eased, and banks increased their foreign assets. During 1968 the impact of monetary policy varied greatly. However, at the beginning of 1968, there was a tightening of the VFCR and the Department of Commerce Foreign Direct Investment Program. By the end of the year, banks had reduced their foreign assets more than requested under the VFCR. The reduction was probably attributable both to the restraint program and to monetary policy changes. In 1969 and 1970 there were increases in foreign assets subject to restraint. The VFCR ceilings were increased twice during 1969, but a continued restrictive monetary policy and high domestic demand for money in 1969 held down the outflow of bank funds. As monetary policy eased in 1970, there was a
large change in the banking sector of the U.S. capital account and banks repaid a large part of their borrowings, but they did not increase their claims on foreigners.

## FURTHER IMPACT OF THE VFCR ON CAPITAL FLOWS

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

The VFCR program has been especially helpful in restraining bank lending to residents of the developed countries of continental Western Europe. Special VFCR restraints apply to these countries: Nonexport term loans are not to be made at all, and short-term nonexport credits are to be kept to within 75 per cent of their end-of1967 level. Nonexport term loans outstanding to these Western European countries when the subsidiary restraint was introduced in late 1967 have by now been repaid, and no new ones have been granted over the past $31 / 2$ years. Short-term, nonexport credits to these countries have been sharply restrained by the subceiling at a level of about one-half billion dollars.

## THE VFCR PROGRAM AND EXPORT FINANCING

As members of this subcommittee know, there has been considerable discussion of the treatment of export credits under the

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

In the fall of last year, the Board, with the assistance of the Department of Commerce and the Federal Reserve Banks, conducted a survey of commercial banks and of exporters to determine the possible effects in 1970 of the VFCR on exports and export financing. The survey obtained replies from banks accounting for over nine-tenths of bank foreign lending. The replies were checked in every possible case against the reports of exporters identified by the banks, and another sampling was taken of exporters across the country. The survey indicated that there was no significant loss of exports as the result of the VFCR. In virtually every instance, U.S. exporters were able to obtain adequate financing for their shipments-if not through financing from one U.S. bank, then from another, or from sources abroad.

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

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

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

However, it appeared that 16 per cent of banks' holdings of foreign loans subject to the VFCR ceilings are made up of export credits. The export credit figure is 22 per cent if we take both export credits subject to the VFCR ceilings and export credits that are exempt from the ceilings by reason of falling within the exemption that applies to Eximbank-related and Department of Defense-related commercial bank credit. The positions of individual banks vary greatly from these averages. In some cases, banks have no export credits among their loans to foreigners; in other cases, the overwhelming majority of their foreign assets are made up of export credits.

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

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

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

Since early 1968, when Canada was exempted from all U.S. balance of payments programs, there has been a modest increase in the outflow of U.S. bank credit to Canada. One factor tending to limit growth is the relatively low level, at present, of borrowing costs in Canada compared with those in this country. Another is the action taken by

Canadian authorities to prevent Americans from funneling money through Canada to other foreign areas.

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

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

## THE VFCR NONBANK PROGRAM

I will not endeavor in this statement to discuss the implication for our balance of payments of the nonbank portion of the VFCR program, since the bulk of the foreign assets held by nonbank financial institutions, being Canadian and international institution securities, are exempt from the restraints. However, I am submitting information on the nonbank portion of the program in the appendix to my statement.

## the Program's CONTRIBUTION TO THE balance of payments

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

The program has kept an over-all limit on capital outflow through these institutions, with leeway expanding and contracting as monetary conditions here and abroad have changed. U.S. credit has been restrained most with regard to foreign countries which are best able to rely on non-U.S. financial resources, principally the developed countries of continental Western Europe. Institutions have been asked throughout the period to give priority to export credit, and export sales have not been lost because of the partial inclusion of export credit in the program.
Banks have made adjustments compatible with the restraint program so that they can continue to service their customers abroad, particularly the foreign affiliates of American corporations. These adjustments have taken the form largely of new, or expanded, foreign bank branches and the use by those branches of Euro-dollars.

## POSSIBLE OFFSETTING "LEAKAGES"

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

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

Examination of this and other areas in our international accounts which might reflect offsets to the direct contributions of the VFCR to the balance of payments indicates that these offsets have not been of significant size compared to the balance of payments savings.

## ROLE OF U.S. COMMERCIAL BANKS IN RECENT SHORT-TERM CAPITAL FLOWS

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

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

Our special tabulation for May showed that the 49 largest banks increased their for-
eign assets by about $\$ 500$ million. The reports showed that only six banks had increases of more than $\$ 10$ million; most banks had little activity, and 16 reduced their foreign assets. In addition, these banks reported an increase of $\$ 70$ million in foreign claims held for account of their cus-tomers-which would include collections on exports-and this too was largely accounted for by a few banks.

Data on foreign assets of banks derived from weekly statistical reports are shown in Table 2 (p. 501 ). These data reflect a sharp increase in certain foreign assets in the week of May 12, the statement week during which the results of transactions undertaken at the height of market activity would appear in the reports. The increases were as follows (millions of dollars) :

$$
\begin{array}{lr}
\begin{array}{l}
\text { Balances with foreign banks } \\
\text { Loans to foreign commercial } \\
\text { banks }
\end{array} & 165 \\
\begin{array}{l}
\text { Foreign commercial and indus- } \\
\text { trial loans }
\end{array} & 331 \\
\begin{array}{l}
\text { Loans to foreign governments } \\
\text { and official institutions }
\end{array} & 201 \\
& \frac{41}{738}
\end{array}
$$

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

I believe these data help to delineate the role of the banks in the large international capital flows that occurred in late April and early May. However, this is only a limited part of the total flow of capital in that period. While we cannot measure this flow directly, it was evidently large. This conclusion is clearly suggested by changes in reserve assets of major foreign countries. These reserves-as recorded-increased by about $\$ 11 / 4$ billion in April and by some $\$ 4$ billion in May-mainly in the early part of the month.

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

## CONCLUDING COMMENT

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

TABLE 1
FOREIGN ASSETS OF U.S. BANKS SUBJECT TO VFCR CEILINGS
Dollar amounts in millions

| Item | End of year |  |  |  |  |  |  | End of month, 1971 |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | 1964 | 1965 | 1966 | 1967 | 1968 | 1969 | $1970{ }^{\circ}$ | Jan. ${ }^{\text {r }}$ | Feb. ${ }^{\text {r }}$ | Mar. ${ }^{\text {r }}$ | Apr. |
| Number of reporting banks. | 154 | 161 | 148 | 151 | 161 | 169 | 171 | 165 | 165 | 169 | 169 |
| General Ceiling: ${ }^{1}$ <br> Aggregate ceiling. |  | 9,973 | 10,407 | 11,069 | 9,729 | 10,092 | 9,968 | 9,947 | 9,914 | 9,908 | 9,905 |
| Assets under ceiling ${ }^{2}$. | 9,495 | 9,652 | 9,496 | 9,865 | 9,253 | 9,398 | 9,353 | 9,069 | 9,073 | 9,174 | 9,262 |
| Change from previous date |  | +157 | -156 | +369 | -612 | +145 | -45 | -284 | +4 | +101 | +88 |
| Apparent leeway......... | ....... | 321 | 911 | 1,204 | 476 | 694 | 615 | 878 | 841 | 734 | 643 |
| Export Term-Loan Ceiling: ${ }^{3}$ |  |  |  |  |  |  |  |  |  |  |  |
| Aggregate ceiling. |  |  |  |  |  | 1,264 | 1,423 | 1,431 | 1,425 | 1,442 | 1,442 |
| Assets under ceiling ${ }^{4}$. |  |  |  |  |  | 16 | +190 | , 210 | , 218 | , 248 | , 274 |
| Change from previous date |  |  |  |  |  |  | +174 | +20 | $+8$ | +30 | +26 |
| Apparent leeway. ......... |  |  |  |  |  | 1,248 | 1,234 | 1,221 | 1,206 | 1,194 | 1,168 |
| Total General and Export TermLoan Ceilings: |  |  |  |  |  |  |  |  |  |  |  |
| Aggregate ceilings. . . . . . . . . . |  | 9,973 | 10,407 | 11,069 | 9,729 | 11,356 | 11,391 | 11,378 | 11,339 | 11,350 | 11,347 |
| Assets under ceilings. | 9,495 | 9,652 | 9,496 | 9,865 | 9,253 | 9,414 | 9,543 | 9,288 | 9,291 | 9,422 | 9,536 |
| Change from previous date |  | +157 | -156 | +369 | -612 | +161 | +129 | -255 | +3 | +131 | +114 |
| Apparent leeway.......... |  | 321 | 911 | 1,204 | 476 | 1,942 | 1,942 | 1,849 | 2,099 | 1,928 | 1,811 |
| Total foreign assets held for own account ${ }^{5}$. | 9,719 | 9,958 | 9,844 | 10,202 | 9,844 | 10,158 | 10,614 | 10,262 | 10,285 | 10,509 | 10,634 |
| Change from previous date. |  | +239 | -114 | +358 | -358 | +314 | +456 | -352 | +23 | $+224$ | +125 |

[^24]1969, plus foreign assets held for own account but not reported on Forms B-2 and B-3
${ }^{3} 0.5$ per cent of reporting banks' total assets as of Dec. 31, 1968. ${ }^{4}$ See point (4) of footnote 2.
${ }^{5}$ Total foreign assets reported on Treasury Foreign Exchange Forms B-2 and B-3, plus foreign assets beld for own account not
reported on those forms, minus amounts held for account of customers. Note.-Data are latest available as of June 3, 1971.

TABLE 2
SELECTED FOREIGN ASSETS OF U.S. BANKS REPORTED WEEKLY, MARCH-JUNE 1971
In millions of dollars

| Item | March |  |  |  |  | April |  |  |  | May |  |  |  | June <br> 2 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | 3 | 10 | 17 | 24 | 31 | 7 | 14 | 21 | 28 | 5 | 12 | 19 | 26 |  |
| Loans to foreign commercial banks. $\qquad$ Amt. .Chg. | 1,504 | 1,507 +3 | 1,450 -57 | 1,395 -55 | 1,338 | 1,451 +113 | 1,474 +23 | 1,412 -62 | 1,488 +76 | 1,384 -104 | 1,715 +331 | 1,861 +146 | 1,866 +5 | 1,750 -116 |
| Foreign commercial and industrial loans. . . . . . . . . . . . . . Amt. Chg. | 2,420 | $\begin{array}{r} 2,462 \\ +42 \end{array}$ | 2,517 +55 | 2,525 +8 | $\begin{array}{r} 2,549 \\ +24 \end{array}$ | 2,475 -74 | 2,487 +12 | $\begin{array}{r} 2,464 \\ -23 \end{array}$ | $\begin{array}{r} 2,535 \\ +71 \end{array}$ | 2,480 -55 | 1 2,681 +201 | 2,665 -16 | 1,703 +38 +5 | 1,826 +123 |
| Balances with foreign banks.... Amt. | 381 | 464 +83 | + +12 +12 | + +38 +32 | +24 -78 -78 | 531 +101 | +12 +15 | -239 -7 | 585 +46 | -535 -50 | 700 +165 | -163 -137 | + -19 -19 | + +601 +57 |
| Total $\qquad$ Amt. <br> Chg. | 4,305 | 4,433 +128 | 4,443 +10 | 4,428 -15 | 4,317 -111 | 4,457 +140 | 4,507 +50 | $\begin{array}{r} 4,415 \\ -92 \end{array}$ | $\begin{aligned} & 4,608 \\ & +193 \end{aligned}$ | 4,399 -209 | $\begin{array}{r} 5,096 \\ +697 \end{array}$ | 5,089 -7 | 5,113 +24 | $\begin{array}{r} 5,177 \\ +64 \end{array}$ |
| Loans to foreign governments and official institutions. . . . . . . Amt. . . . . . . . Chg. | 760 | 762 +2 | 757 -5 | 789 +32 | 783 -6 | 770 -13 | 802 +32 | 786 -16 | 805 +19 | 767 -38 | 808 +41 | 800 -8 | 814 +14 | 836 +22 |
| Total. $\qquad$ Amt. Chg. | 5,065 | $\begin{aligned} & 5,195 \\ & +130 \end{aligned}$ | $\begin{array}{r} 5,200 \\ +5 \end{array}$ | $\begin{array}{r} 5,217 \\ +17 \end{array}$ | $\begin{array}{r} 5,100 \\ -117 \end{array}$ | $\begin{aligned} & 5,227 \\ & +127 \end{aligned}$ | $\begin{array}{r} 5,309 \\ +82 \end{array}$ | $\begin{array}{r} 5,201 \\ -108 \end{array}$ | $\begin{aligned} & 5,413 \\ & +212 \end{aligned}$ | 5,166 -247 | $\begin{array}{r} 5,904 \\ +738 \end{array}$ | $\begin{array}{r} 5,889 \\ -15 \end{array}$ | 5,927 +38 | $\begin{array}{r} 6,013 \\ +86 \end{array}$ | foreign governments and official institutions are Weekly Condition Report data; foreign commercial and industrial loans are from weekly

Federal Reserve) commercial and industrial loans series; data for May 26 and June 2 are preliminary.

# Record of Policy Actions of the Federal Open Market Committee 

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

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

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

Records of policy actions have been published regularly in the Bulletin beginning with the July 1967 issue, and such records have continued to be published in the Board's Annual Reports.

The records for the first two meetings held in 1971 were published in the Bulletins for April, pages 320-27, and May, pages 391-98. The record for the meeting held on March 9, 1971, follows:

## MEETING HELD ON MARCH 9, 1971

## 1. Authority to effect transactions in System Account.

Revised official estimates indicated that real output of goods and services had declined at an annual rate of 3.9 per cent in the fourth quarter of 1970 . It appeared that real GNP would rise substantially in the current quarter, largely as a result of the recovery of production in the automobile industry following settlement in late November of the strike at a major producer.

According to preliminary indications industrial production declined slightly in February, following 2 months of advance, as further increases in output of motor vehicles and steel were more than offset by continued reductions in output of business and defense equipment. Employment also declined in February, but because there was an even larger decline in the labor force the unemployment rate edged down to 5.8 from 6.0 per cent in January. Weekly data suggested that retail sales had risen in February at both automobile dealers and other types of stores. Apart from autos, however, it appeared that average retail sales in January and February were little changed from the fourth quarter. In January private housing starts fell sharplyreversing the unusually large increase of the previous month-but they remained at a high level.

Recent movements in major price indexes had been diverse. Average wholesale prices rose substantially from mid-January to mid-February, as a result of a marked increase in prices of farm products and foods; prices of industrial commodities rose less than in most other recent months. In January the advance in the consumer price index moderated from the sharp December increase. Meanwhile, wage rates continued to rise rapidly in most sectors of the economy.

Staff projections suggested that growth in real GNP would slow in the second quarter from its current high rate, mainly because the post-strike recovery in the automobile industry would no longer be providing unusual stimulus to consumer and business spending on autos and trucks. In addition, defense outlays were expected to decline. On the other hand, it seemed likely that residential construction expenditures and State and local government outlays would con-
tinue to rise at substantial rates, and that the stockpiling of steel in anticipation of a possible strike in that industry in August-which already was making an appreciable contribution to over-all business investment in inventories-would increase in importance. Also, it was expected that some strength would be imparted to consumer spending by payments late in the quarter of an anticipated increase in social security benefits retroactive to the beginning of the year.

The U.S. foreign trade surplus narrowed further in January, extending the trend begun in mid-1970. The chief factor in the deterioration was a sharp rise in the total value of imports. The over-all balance of payments in the January-February period continued very heavily in deficit on the official settlements basis. On the liquidity basis the deficit was at a rate much larger than in the second half of 1970, reflecting for the most part adverse capital flows stemming from the wide differentials between short-term interest rates in the United States and abroad.

Short-term interest rates in Britain had risen since the beginning of the year, and rates in Germany had fallen less than U.S. rates and Euro-dollar rates. Largely in consequence of interest rate differences, the dollar was at the floor against nearly all major currencies in the exchange markets in February. The Bank of Canada reduced its discount rate by $1 / 4$ percentage point in mid-February and by a further $1 / 2$ point, to $51 / 4$ per cent, effective February 24. On February 26, the Export-Import Bank offered an additional $\$ 1 / 2$ billion of special securities to overseas branches of U.S. banks, for payment March 3.

In domestic financial markets short-term interest rates had continued to decline in recent weeks. For example, the market rate on 3 -month Treasury bills, at 3.32 per cent on the day before this meeting, was 50 basis points below its level 4 weeks earlier. Discount rates at Federal Reserve Banks were reduced by another quarter of a percentage point, to $43 / 4$ per cent, effective February 13 (February 19 for the New York Reserve Bank), and commercial banks lowered their prime lending rate again, from 6 to $53 / 4$ per cent, effective February 16. Further declines also had been recorded recently in bank offering rates on large-denomination CD's and in rates on commercial and finance company paper.

In contrast, yields on new issues of corporate and municipal bonds
-which also had been declining earlier-turned up in early February and rose considerably over the course of the following weeks. These yield increases reflected the continuing very heavy calendar of new offerings-particularly of corporate bonds-and apparently also a growing belief among investors that long-term interest rates were at or near their cyclical lows. Yields rose only slightly on long-term Treasury bonds and they moved down on intermediate-term Treasury issues, in part because of sizable purchases of such securities by the Federal Reserve.

Interest rates on residential mortgages declined further in February in secondary markets for federally insured loans, and on February 18 the ceiling rate on such loans was reduced by administrative action from $71 / 2$ to 7 per cent-the third half-point cut in 3 months. Deposit inflows at nonbank thrift institutions, which had reached extraordinarily high rates in January, continued large in the first half of February.

At commercial banks the rate of growth in consumer-type time and savings deposits was exceptionally rapid in February, but the expansion in large-denomination CD's slowed somewhat further. The volume of business loans outstanding (including loans that had been sold to affiliates) increased substantially, following a moderate rise in January and declines in the four preceding months. Banks again made sizable additions to their holdings of securities.

Total bank credit, as measured by the adjusted proxy series-daily-average member bank deposits, adjusted to include funds from nondeposit sources-increased considerably further on the average in February. Sharp increases also were recorded for two key measures of the money stock- $M_{1}$, defined as private demand deposits plus currency in circulation, and $M_{2}$, defined as $M_{1}$ plus commercial bank time deposits other than large-denomination CD's. For all of these aggregates the growth rates in February exceeded those expected at the time of the preceding meeting of the Committee. For both of the money stock series, however, earlier estimates of the increase in January had been revised downward somewhat, and for $M_{1}$ the February expansion followed a number of months in which growth had fallen well short of Committee expectations. The strength of the aggregates in February appeared to be related to the step-up in the growth of business loans at banks and, more generally, to the first-
quarter bulge in economic activity in the aftermath of the auto strike.
System open market operations had been directed at achieving somewhat easier conditions in the money market shortly after the February 9 Committee meeting, when revised data for late January and tentative estimates for early February suggested that both $M_{1}$ and $M_{2}$ were growing less rapidly than desired. Subsequently, however, new data becoming available indicated that these aggregates were currently expanding at rates at or above those desired, and operations were directed at maintaining prevailing conditions. The Federal funds rate fluctuated rather widely during the period, but most recently it had averaged about $31 / 2$ per cent, compared with the average of about $33 / 4$ per cent that had prevailed shortly before the February 9 meeting. In recent weeks needs for reserves had been met to an important extent by System purchases of intermediate- and long-term Treasury securities.

Staff analysis suggested that, if prevailing money market conditions were maintained, both $M_{1}$ and $M_{2}$ would expand considerably less in March than they had in February, and that over the first quarter as a whole they would grow at annual rates of about 7 and 16 per cent, respectively. The adjusted bank credit proxy was projected to continue upward in March at a pace close to that of February, and to increase at about a 12 per cent annual rate over the first quarter. It was noted that, while the outlook for the monetary aggregates in the second quarter was highly uncertain at this juncture, present indications suggested that $M_{1}$ would grow more rapidly than in the first quarter if money market conditions remained unchanged, and that $M_{2}$ and the proxy series would grow a little less rapidly.

In the Committee's discussion considerable concern was expressed about the recent sharp increases in corporate and municipal bond yields, and the members agreed that it would be desirable to accommodate renewed declines in long-term interest rates generally. At the same time, there was widespread sentiment to the effect that further sizable declines in short-term interest rates would not serve a useful purpose. Indeed, in light of the expected growth rates in the monetary and credit aggregates and the recent large capital outflows, a number of members thought that some modest increase in short-term rates would be desirable if-as they considered likely-such a development would not be inconsistent with a downdrift in long-term rates. How-
ever, other members believed that any significant rise in short-term rates at this time would risk putting upward pressure on long-term rates.

The members also expressed diverse views about the emphasis that should be placed on the behavior of the monetary and credit aggregates in making open market operating decisions during coming weeks, and about the appropriate rates of growth in the aggregates over the months ahead. In the latter connection, some members expressed concern about the relatively high growth rates projected by the staff for the period through the second quarter on the assumption of unchanged money market conditions, and especially about the acceleration anticipated in $M_{1}$. Others, however, stressed the uncertainties attached to the projections for the later months of the period covered and indicated that they were not disturbed by the near-term outlook for the aggregates-particularly in light of the shortfalls in $M_{1}$ experienced in other recent months.

At the conclusion of the discussion the Committee decided that open market operations at present should be directed at maintaining prevailing money market conditions while accommodating any downward movements in long-term interest rates. A proviso was added calling for modification of money market conditions if during coming weeks the monetary and credit aggregates appeared to be deviating widely from the growth paths consistent with the first-quarter rates of expansion cited above. Specifically, money market rates were to be increased somewhat if the aggregates were rising considerably faster than expected, but in light of recent declines in such rates they were to be shaded down only slightly if growth were markedly below expectations. The Committee also agreed that its objectives for interest rates would be served if, to the extent feasible, needs to supply reserves continued to be met by purchases of longer-term Treasury securities.

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

The information reviewed at this meeting suggests that real output of goods and services, which declined in the fourth quarter of 1970, is rising in the current quarter primarily because of the resumption of higher automobile production. Although the unemployment rate has edged down recently, it remains high. Wage rates
in most sectors are continuing to rise at a rapid pace. Movements in major price measures have been diverse; most recently, the rate of advance moderated for consumer prices and wholesale prices of industrial commodities, but wholesale prices of farm products and foods rose sharply. Bank credit increased considerably further in February, as business loans strengthened substantially and banks again made sizable additions to their holdings of securities. The money stock both narrowly and broadly defined expanded sharply in February. Short-term interest rates and mortgage rates have fallen further in recent weeks but yields on new issues of corporate and municipal bonds have risen considerably, in part as a result of the very heavy calendar of offerings. The over-all balance of payments deficit in January and February was exceptionally large. Imports increased more rapidly than exports in January, and capital outflows have been stimulated by widened short-term interest rate differentials. In light of the foregoing developments, it is the policy of the Federal Open Market Committee to foster financial conditions conducive to the resumption of sustainable economic growth, while encouraging an orderly reduction in the rate of inflation and the attainment of reasonable equilibrium in the country's balance of payments.

To implement this policy, System open market operations until the next meeting of the Committee shall be conducted with a view to maintaining prevailing money market conditions while accommodating any downward movements in long-term rates; provided that money market conditions shall be modified if it appears that the monetary and credit aggregates are deviating significantly from the growth paths expected.

Votes for this action: Messrs. Burns, Hayes, Brimmer, Clay, Daane, Kimbrel, Maisel, Mayo, Mitchell, Morris, Robertson, and Sherrill. Votes against this action: None.

## 2. Amendment to authorization for System foreign currency operations.

On recommendation of the Special Manager of the System Open Market Account the Committee amended paragraph 3 of the authorization for System foreign currency operations to authorize the purchase of currencies to be used for the liquidation of System
swap commitments from the foreign central bank drawn on, at the same exchange rate as that employed in the drawing to be liquidated. Prior to this amendment, the paragraph had specified that unless otherwise expressly authorized by the Committee all transactions in foreign currencies undertaken under paragraph 1(A) of the authorization should be at prevailing market rates. As a result of this action, paragraph 3 read as follows:

## 3. Currencies to be used for liquidation of System swap commit-

 ments may be purchased from the foreign central bank drawn on, at the same exchange rate as that employed in the drawing to be liquidated. Apart from any such purchases at the rate of the drawing, all transactions in foreign currencies undertaken under paragraph 1(A) above shall, unless otherwise expressly authorized by the Committee, be at prevailing market rates and no attempt shall be made to establish rates that appear to be out of line with underlying market forces.Votes for this action: Messrs. Burns, Hayes, Brimmer, Clay, Daane, Kimbrel, Maisel, Mayo, Mitchell, Morris, Robertson, and Sherrill. Votes against this action: None.

Discussions had been under way recently with certain central banks in the System's swap network regarding the possibility of using new procedures in connection with the liquidation of System swap drawings in cases in which it was necessary to obtain the foreign currency required for liquidation by purchasing it directly from the central bank drawn on. It had been noted that both parties were exposed to a risk of loss if such transactions could be made only at the rate prevailing in the foreign exchange market at the time of repayment, and that such risks could be avoided if it were understood in advance that the currency could be purchased from the foreign central bank at the same exchange rate as that employed in the drawing to be liquidated. The Committee concurred in the judgment of the Special Manager that it would be appropriate to enter into such understandings with foreign central banks at the time a System drawing was made if the foreign bank were agreeable. It was specified that such understandings should not preclude Federal Reserve repayment of swap drawings on or before maturity
through purchase of the foreign currency required at market rates in the foreign exchange market or elsewhere.

## 3. Review of continuing authorizations.

This being the first meeting of the Federal Open Market Committee following the election of new members from the Federal Reserve Banks to serve for the year beginning March 1, 1971, and their assumption of duties, the Committee followed its customary practice of reviewing all of its continuing authorizations and directives. The action taken with respect to the authorization for System foreign currency operations has been described in the preceding portion of the record for this date. Except for the change resulting from that action, the Committee reaffirmed the authorization, and also the foreign currency directive and the continuing authority directive with respect to domestic open market operations, in the form in which they were outstanding at the beginning of the year 1971.

Votes for these actions: Messrs. Burns, Hayes, Brimmer, Clay, Daane, Kimbrel, Maisel, Mayo, Mitchell, Morris, Robertson, and Sherrill. Votes against these actions: None.

In connection with the review of the continuing authority directive for domestic operations, the Committee took special note of paragraph 3, which authorized the Reserve Banks to engage in 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 directive on October 7, 1969, on the basis of a judgment by the Committee that in the existing circumstances such lending of securities was reasonably necessary to the effective conduct of open market operations and to the effectuation of open market policies, and on the understanding that the authorization would be reviewed periodically. At this meeting the Committee concurred in the judgment of the Manager of the System Open Market Account that the lending activity in question remained necessary and, accordingly, that the authorization should remain in effect subject to periodic review.

# Law Department 

Statutes, regulations, interpretations, and decisions

## INTEREST ON DEPOSITS

By Act approved May 18, 1971 (Public Law 92-15), Congress extended until June 1, 1973, the flexible authority of the Board, the Federal Deposit Insurance Corporation, and the Federal Home Loan Bank Board in regulating the maximum rates of interest or dividends payable by insured banks and savings and loan associations on deposits or share accounts. Congress earlier this year had extended the authority until June 1, 1971 , by Joint Resolution approved March 31, 1971 (Public Law 92-8).

## BANK HOLDING COMPANIES

The Board of Governors has amended section 222.4(a), (b), and (c) of Regulation Y, "Bank Holding Companies", effective June 15, 1971, as the initial implementation of its regulatory authority with respect to nonbanking activities of bank holding companies under section 4(c) (8) of the Bank Holding Company Act, as amended by the 1970 Amendments. An accompanying interpretation was issued by the Board expressing its views on several questions that arose during the course of its consideration of this matter. Subparagraph (8) of section 222.4(a), added effective July 1, 1971, embodies the Board's determination regarding data processing as closely related to banking; a paragraph was added to the interpretation to clarify the Board's views on this matter. $\dagger$

The Board has also added section 222.4(e), effective July 1, 1971, with respect to acquisitions by holding companies under section $4(c)(5)$ of the Act of shares of the kinds eligible for invest-

[^25]ment by national banks. The text of the amendments and interpretation read as follows:

## AMENDMENTS TO REGULATION Y

Effective June 15, 1971, section 222.4(a), (b), and (c) is amended, and effective July 1, 1971, subparagraph (8) is added to section 222.4(a) and paragraph (e) is added to section 222.4 as set forth below:

## SECTION 222.4—NONBANKING ACTIVITIES

(a) Activities closely related to banking or managing or controlling banks. In accordance with the procedures set forth in paragraphs (b) and (c) of this section, any bank holding company may engage, or retain or acquire an interest in a company that engages, solely in one or more of the activities specified below, including such incidental activities as are necessary to carry on the activities so specified. Any bank holding company that is of the opinion that other activities in the circumstances surrounding a particular case are closely related to banking or managing or controlling banks may file an application in accordance with the procedures set forth in paragraph (b) (2). As to such an application, the Board will publish in the Federal Register a notice of opportunity for hearing only if it believes that there is a reasonable basis for the holding company's opinion. The following activities have been determined by the Board to be so closely related to banking or managing or controlling banks as to be a proper incident thereto:
(1) making or acquiring, for its own account or for the account of others, loans and other extensions of credit (including issuing letters of credit and accepting drafts), such as would be made, for example, by a mortgage, finance, credit card, or factoring company; *

[^26](2) operating as an industrial bank, Morris Plan bank, or industrial loan company, in the manner authorized by State law so long as the institution does not both accept demand deposits and make commercial loans;
(3) servicing loans and other extensions of credit for any person;
(4) performing or carrying on any one or more of the functions or activities that may be performed or carried on by a trust company (including activities of a fiduciary, agency, or custodian nature), in the manner authorized by State law so long as the institution does not both accept demand deposits and make commercial loans; **
(5) acting as investment or financial adviser, including (i) serving as the advisory company for a mortgage or a real estate investment trust and (ii) furnishing economic or financial information; **
(6) leasing personal property and equipment, or acting as agent, broker, or adviser in leasing of such property, where at the inception of the initial lease the expectation is that the effect of the transaction and reasonably anticipated future transactions with the same lessee as to the same property will be to compensate the lessor for not less than the lessor's full investment in the property;
(7) making equity and debt investments in corporations or projects designed primarily to promote community welfare, such as the economic rehabilitation and development of lowincome areas. ${ }^{* *}$
(8) (i) providing bookkeeping or data processing services for the internal operations of the holding company and its subsidiaries and (ii) storing and processing other banking, financial, or related economic data, such as performing payroll, accounts receivable or payable, or billing services.
(b) (1) De novo entry. A bank holding company may engage de novo (or continue to engage in an activity earlier commenced de novo) directly or indirectly, solely in activities described in paragraph (a), 45 days after the company has

[^27]furnished its Reserve Bank with a copy of a notice of the proposal (in substantially the same form as F.R. Y-4A) published within the preceding 30 days in a newspaper of general circulation in the communities to be served, unless the company is notified to the contrary within that time or unless it is permitted to consummate the transaction at an earlier date on the basis of exigent circumstances of a particular case. If adverse comments of a substantive nature are received by the Reserve Bank within 30 days after the company has so published its proposal, ${ }^{1}$ or if it otherwise appears appropriate in a particular case, the Reserve Bank may inform the company that (i) the proposal shall not be consummated until specifically authorized by the Reserve Bank or by the Board or (ii) the proposal should be processed in accordance with the procedures of subparagraph (2).
(2) Acquisition of going concern. A bank holding company may apply to the Board to acquire or retain the assets of or shares in a company engaged solely in activities described in paragraph (a) by filing an application with its Reserve Bank (Form F.R. Y-4). Every such application shall be accompanied by a copy of a notice of the proposal (in substantially the same form as F.R. Y-4B) published within the preceding 30 days in a newspaper of general circulation in the communities to be served. The Board will publish in the Federal Register notice of any such application and will give interested persons an opportunity to express their views (including, where appropriate, by means of a hearing) on the question whether performance of the activity proposed by the holding company can reasonably be expected to produce benefits to the public, such as greater convenience, increased competition, or gains in efficiency, that outweigh possible adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interests, or unsound banking practices.
(c) Tie-ins, alterations, relocations, consolidations. Except as otherwise provided in an order in a particular case, the following conditions shall apply with respect to every acquisition consummated or activity engaged in on the authority of $\S 4(c)(8)$ of the Act: (1) the provision of any

[^28]credit, property or services involved shall not be subject to any condition which, if imposed by a bank, would constitute an unlawful tie-in arrangement under section 106 of the Bank Holding Company Act Amendments of 1970; (2) the activities involved shall not be altered in any significant respect from those considered by the Board in making the determination, nor provided at any location other than those described in the notice published with respect to such determination, except upon compliance with the procedures of paragraph (b) (1); and (3) no merger, or acquisition of assets other than in the ordinary course of business, to which the acquired company is a party shall be consummated without prior Board approval, if thereafter the bank holding company will continue to own, directly or indirectly, more than five per cent of the voting shares of such company or its successor.
(e) Activities of companies in which national banks may invest. No bank holding company or subsidiary thereof that is not a bank or subsidiary of a bank may, after June 30, 1971, acquire shares on the basis of $\S 4(\mathrm{c})(5)$ of the Act unless such shares are of the kinds and amounts explicitly eligible by Federal statute for investment by a national bank. A national bank or a subsidiary thereof may acquire or retain shares on the basis of $\S 4(\mathrm{c})(5)$ in accordance with the rules and regulations of the Comptroller of the Currency. So far as Federal law is concerned, a Statechartered bank or a subsidiary thereof may (1) acquire or retain shares on the basis of §4(c)(5) if such shares are of the kinds and amounts explicitly eligible by Federal statute for investment by a national bank and (2) acquire or retain all (but, except for directors' qualifying shares, not less than all of the shares of a company that engages solely in activities in which the parent bank may engage, at locations at which the bank may engage in the activity, and subject to the same limitations as if the bank were engaging in the activity directly.

## INTERPRETATION OF REGULATION Y

## ACTIVITIES CLOSELY RELATED TO BANKING

Effective June 15, 1971, the Board of Governors has amended § 222.4(a) of Regulation Y to implement its regulatory authority under §4(c) (8) of the Bank Holding Company Act. In some respects activities determined by the Board to be
closely related to banking are described in general terms that will require interpretation from time to time. The Board's views on some questions that have arisen are set forth below.

Subsidiary engaging in activities on basis of more than one exemption. Section 222.4(a) states that a company whose ownership by a bank holding company is authorized on the basis of that section may engage solely in specified activities. That limitation refers only to activities the authority for which depends on $\S 4$ (c) (8) of the Act. It does not prevent a holding company from establishing one subsidiary to engage, for example, in activities specified in $\$ 222.4(\mathrm{a})$ and also in activities that fall within the scope of $\S 4$ (c)(1) (C) of the Act-the "servicing" exemption.

Activities approved prior to 1970 amendments. The amendments to $\$ 222.4$ (a) do not apply to restrict the activities of a company previously approved by the Board on the basis of $\S 4$ (c) (8) of the Act. Activities of a company authorized on the basis of $\S 4$ (c) (8) either before the 1970 Amendments or pursuant to the amended § 222.4(a) may be shifted in a corporate reorganization to another company within the holding company system without complying with the procedures of $\$ 222.4(\mathrm{~b})$, as long as all the activities of such company are permissible under one of the exemptions in $\S 4$ of the Act.

Leasing activities. Permissible leasing activities are limited to transactions where the lease is the functional equivalent of an extension of credit to the lessee. Accordingly, a company may engage in leasing under $\$ 222.4(\mathrm{a})$ if, at the time of the acquisition of the property by the lessor, there is a lease agreement that will yield a return from (1) rentals, (2) estimated salvage value at the end of the minimum useful life allowed by the Internal Revenue Service, and (3) estimated tax benefits (investment tax credit and tax deferral from accelerated depreciation) that would result in full recovery of the lessor's acquisition cost. The Board understands that by law some municipal corporations may not enter into a lease for a period in excess of one year. Such an impediment does not disqualify a company authorized under $\$ 222.4$ (a) from entering into a lease with the municipality if the company reasonably anticipates that the municipality will renew the lease annually until such time as the company is fully compensated for its investment in the leased property. A company authorized under § 222.4(a) may also engage in so-called "bridge" lease financing where the lease is short
term pending completion of long-term financing, by the same or another lender.

Community projects. The authority of holding companies under § 222.4(a) to invest in corporations designed to promote the welfare of their community is intended to permit holding companies to fulfill their civic responsibilities. Under that authority a holding company may invest in community development corporations established pursuant to Federal or State law. It may also participate in other civic projects, such as a municipal parking facility sponsored by a local civic organization as a means to promote greater use by the public of the community's facilities. It does not, however, authorize investments (for example, ownership of an apartment complex) that are entered into to a substantial extent for profit even though to some extent the investment will benefit the community.

Relocation of activities. Under the procedures in $\S 222.4$ (c), a holding company that wishes to change the location at which it engages in activities authorized pursuant to $\S 222.4$ (a) must publish notice in a newspaper of general circulation in the community to be served. The Board does not regard minor changes in location as within the coverage of that requirement. A move from one site to another within a one mile radius would constitute such a minor change if the new site is in the same State.

Data processing. The authority of holding companies under $\S 222.4(\mathrm{a})$ to engage in data processing activities is intended to permit holding companies to process, by means of a computer or otherwise, data for others of the kinds banks have processed, by one means or another, in conducting their internal operations and accommodating their customers. It is not intended to permit holding companies to engage in automated data processing activities by developing programs either upon their own initiative or upon request, unless the data involved are financially oriented. The Board regards as incidental activities necessary to carry on the permissible activities in this area the following: (i) making excess computer time available to anyone so long as the only involvement by the holding company system is furnishing the facility and necessary operating personnel; (ii) selling a byproduct of the development of a program for a permissible data processing activity; and (iii) furnishing any data processing service upon request of a customer if such data processing service is not otherwise reasonably available in the relevant market area.

## RULES REGARDING DELEGATION OF AUTHORITY

In connection with the recent amendments to Regulation $Y$, the Board of Governors has amended its Rules Regarding Delegation of Authority to delegate to the Reserve Banks (1) authority to determine when to delay, or permit expedition of, an acquisition under section 4(c) (12) of the Bank Holding Company Act and section 222.4(d) of Regulation Y, and (2) authority to permit holding companies to engage de novo in activities the Board has determined to be closely related to banking.

The delegation is reflected in subparagraphs (19), (20), and (21), of section 265.2(f) of the Board's Rules Regarding Delegation of Authority. The text of the amendments is set forth.

## AMENDMENTS

Section $265.2(\mathrm{f})$ is amended by adding subparagraph (19), effective May 21, 1971, and subparagraphs (20) and (21), effective June 15 , 1971, as set forth below:

## SECTION 265.2-SPECIFIC FUNCTIONS DELEGATED TO BOARD EMPLOYEES AND FEDERAL RESERVE BANKS

(f) Each Federal Reserve Bank is authorized, as to member banks or other indicated organizations headquartered in its district:
(19) Under $\S 222.4$ (d) of this Chapter (Regulation Y),
(i) to notify a bank holding company that has informed it of a proposed acquisition of a going concern that, because the circumstances surrounding the application indicate that additional information is required or that the acquisition should be considered by the Board, the acquisition should not be consummated until specifically authorized by the Reserve Bank or by the Board.
(ii) to permit a bank holding company that has informed it of a proposed acquisition of a going concern to make the acquisition before the expiration of the 45-day period referred to in that paragraph, because exigent circumstances justify consummation of the acquisition at an earlier time.
(20) Under § 222.4(b) (1) of this Chapter (Regulation Y), and subject to § 265.3 if a person submitting adverse comments that the Reserve Bank has decided are not substantive files a petition for review by the Board of that decision,
(i) to permit a bank holding company that has furnished it with a copy of a duly published notice of a proposal to engage de novo in activities specified in §222.4(a) (or retain shares in a company established de novo and engaging in such activities) if its evaluation of the considerations specified in §4(c) (8) of the Bank Holding Company Act leads it to conclude that the proposal can reasonably be expected to produce benefits to the public.
(ii) to notify a bank holding company that has furnished it with a duly published notice of the kind described in clause (i) that the proposal should not be consummated until specifically authorized by the Reserve Bank or by the Board or that the proposal should be processed in accordance with the procedures of $\S 222.4(\mathrm{~b})(2)$.
(iii) to permit a bank holding company that has furnished it with a duly published notice of the kind described in clause (i) to consummate the proposal before the expiration of the 45 -day period referred to in § 222.4 (b) (1), because exigent circumstances justify consummation at an earlier time.
(21) Under § 222.4(c)(2) of this Chapter (Regulation Y) to permit or stay a proposed de novo modification or relocation of activities engaged in by a bank holding company on the same basis as de novo proposals under the preceding subparagraph (20).

## ORDERS UNDER bank merger act

## COMMERCIAL TRUST COMPANY OF NEW JERSEY, JERSEY CITY, NEW JERSEY

In the matter of the application of Commercial Trust Company of New Jersey, Jersey City, New Jersey, for approval of acquisition of assets and assumption of liabilities of Bergen County National Bank of Hackensack, Hackensack, New Jersey.

Order Approving Application for Acquisition of Assets and Assumption of Liabilities Under Bank Merger Act

There has come before the Board of Governors, pursuant to the Bank Merger Act (12 U.S.C. 1828(c)), an application by Commercial Trust Company of New Jersey, Jersey City, New Jersey ("Commercial Trust"), a member State bank of the Federal Reserve System, for the

Board's prior approval of the merger of that bank with Bergen County National Bank of Hackensack, Hackensack, New Jersey ("Bergen Bank"), by means of the purchase of assets and assumption of liabilities of Bergen Bank; as an incident to the merger, the present office of Bergen Bank would become a branch of Commercial Trust. Notice of the proposed merger, in form approved by the Board, has been published as required by said Act.

In accordance with the Act, the Board requested reports on the competitive factors involved from the Attorney General, the Comptroller of the Currency, and the Federal Deposit Insurance Corporation. The Board has considered all relevant material contained in the record in the light of the factors set forth in the Act, including the effect of the proposal on competition, the financial and managerial resources and prospects of the banks concerned, and the convenience and needs of the communities to be served, and finds that:

Commercial Trust ( $\$ 175$ million deposits) operates six offices in Jersey City and five additional offices elsewhere in Hudson County. During 1970 Commercial Trust opened three branch offices in Bergen County. The principal area served by Commercial Trust is Jersey City and the southeastern part of Hudson County from which it derives over 90 per cent of its deposits, and wherein it ranks as the second largest of the 12 area banks, controlling approximately 17 per cent of area deposits. (All banking data are as of June 30, 1970.)

Bergen Bank ( $\$ 24$ million deposits) maintains its sole office, and is the smallest of four banks, in the City of Hackensack (Bergen County). Commercial Trust holds 5.5 per cent of the deposits in the combined Hudson-Bergen County area. Its share of such deposits would increase to 6.3 per cent upon consummation of the proposed merger. Approval of the proposed transaction would not increase substantially the concentration of banking resources in any area.

The competitive effect of this proposal would be confined principally to the City of Hackensack. Commercial Trust has recently opened three offices in Bergen County that are situated 9, 7, and 5 miles from Hackensack in areas which serve mainly as a base for those who commute to New York City for employment. Neither Bergen Bank nor Commercial Trust derives any significant portion of its business from the areas served by the other bank, and the banks serve
essentially separate banking markets. Consequently, there is no substantial existing competition between Commercial Trust and Bergen Bank. Moreover, it does not appear that significant potential competition would be eliminated by consummation of this proposal since under the home office protection afforded by State Law Commercial Trust could not be permitted to branch de novo into the City of Hackensack. Bergen Bank is not an aggressive competitor to the three larger Hackensack banks, and consummation of this merger could serve to enhance the ability of the resulting banking office to compete in the area.
On the basis of the foregoing, the Board concludes that consummation of the proposal would not eliminate significant existing or potential competition. Considerations pertaining to the financial and managerial resources and future prospects of the banks are consistent with approval of the application. Although the banking needs of the residents of Hackensack are being adequately served at the present time by many banking offices of large organizations, it appears that the proposed acquisition would replace a conservatively operated institution with a more aggressive competitor in the Hackensack area, enlarge present services offered to Bergen Bank's customers, and provide another source of specialized services now being offered only by the larger Hackensack banks. Therefore, convenience and needs considerations are consistent with and lend some support to approval of the application. It is the Board's judgment that consummation of the proposed merger would be in the public interest, and that the application should be approved.

It is hereby ordered, On the basis of the findings summarized above, that said application be and hereby is approved, provided that the merger so approved shall not be consummated (a) before the thirtieth calendar day following the date of this Order or (b) later than three months after the date of this Order, unless such period is extended for good cause by the Board, or by the Federal Reserve Bank of New York pursuant to delegated authority.
By order of the Board of Governors, May 13, 1971.

Voting for this action: Chairman Burns and Governors Robertson, Mitchell, Maisel, and Brimmer. Absent and not voting: Governors Daane and Sherrill.
(Signed) Elizabeth L. Carmicharl, Assistant Secretary.
[seal]

## TRUST COMPANY OF GEORGIA, ATLANTA, GEORGIA

In the matter of the application of Trust Company of Georgia, Atlanta, Georgia, for approval of acquisition of assets and assumption of liabilities of Peachtree Bank and Trust Company, Chamblee, Georgia.

## Order on Petition for Reconsideration

On February 22, 1971, the Board of Governors issued an Order pursuant to the Bank Merger Act (12 U.S.C. 1828(c)), approving an application by Trust Company of Georgia, Atlanta, Georgia, for prior approval of the merger of Trust Company with Peachtree Bank and Trust Company, Chamblee, Georgia, by means of Trust Company's purchase of assets and assumption of liabilities of Peachtree Bank.

In order to permit study of the complex procedural and substantive issues raised by a petition by the United States Department of Justice for reconsideration of that Order, the Board, on March 19, 1971, stayed its operation.

After study of those issues, the Board finds that reconsideration of its Order of February 22, 1971 would be appropriate and in the public interest.

It is hereby ordered, For the reasons set forth in the accompanying Statement and in the Board's Order of February 22, 1971, that the Orders of March 19 and February 22, 1971 be and hereby are vacated, and it is further ordered, That the application be and hereby is approved, provided that the merger so approved shall not be consummated (a) before the thirtieth calendar day following the date of this Order or (b) later than three months after the date of this Order, unless such period is extended for good cause by the Board, or by the Federal Reserve Bank of Atlanta pursuant to delegated authority.

By order of the Board of Governors, May 20, 1971.

Voting for this action: Chairman Burns and Governors Mitchell, Daane, Maisel, Brimmer and Sherrill. Voting against this action (on the merits of the application): Governor Robertson.
(Signed) Kenneth A. Kenyon,
Deputy Secretary
[seal]

## Statement

On February 22, 1971 the Board of Governors issued an Order pursuant to the Bank Merger Act (12 U.S.C. 1828(c)), approving an applica-
tion by Trust Company of Georgia, Atlanta, Georgia ("Trust Company"), for prior approval of the merger of Trust Company with Peachtree Bank and Trust Company, Chamblee, Georgia ("Peachtree Bank"), by means of Trust Company's purchase of assets and assumption of liabilities of Peachtree Bank. As an incident to the merger, the two offices of Peachtree Bank would become branches of Trust Company.

On March 2, 1971, the Department of Justice filed with the Board a petition requesting reconsideration of the Board's Order of February 22, 1971. The petition was brought pursuant to § 262.3 (f) (6) of the Board's Rules of Procedure, which provides that the Board will not grant any request for reconsideration unless "the request presents relevant facts that, for good cause shown, were not previously presented to the Board, or unless it otherwise appears to the Board that reconsideration would be appropriate." Opportunity was afforded Trust Company to reply to the allegations of the Department and the Board has given careful consideration to the briefs filed on behalf of Trust Company and the Department. On March 19, the Board stayed its February 22 Order to study the issues raised.

In its petition, the Department noted that, pursuant to the Bank Merger Act, the Board had requested from it a report on the competitive factors involved in the application, but had not been furnished the report within the statutorily prescribed period because of the illness of certain key personnel and incomplete information concerning the apparently unique banking relationships existing in the relevant Georgia markets. The Department urged that the Board consider certain additional information and arguments bearing on the relation between Trust Company and Peachtree Bank, and reconsider the competitive effects of the proposal in the light thereof.

Trust Company has urged that the Board deny the Department's request on the grounds, among others, that the Department is not an appropriate party to request reconsideration. Without deciding that question, or the question of whether the petition presents relevant facts which, for good cause shown, were not previously presented, the Board finds it appropriate and in the public interest to vacate and reconsider its Order of February 22, 1971 in the light of the issues raised by the Department.

In its Order approving the application, the Board indicated that its conclusions with respect to the competitive effects of the proposal took
account of the fact that Trust Company was instrumental in organizing Peachtree Bank in 1960, and that the banks had been closely associated since that time. The Department does not controvert those findings, but instead argues that, in attributing significance to them in assessing the competitive aspects of the transaction, the Board applied an incorrect standard. It states that "the mere existence of a 'close relationship' between the two merging banks should not serve to release the merger from the usual competitive considerations applied by the Board (or from the standards of Clayton Act §7)." It then proposes the following as a test of the relevance of any relationship between two merging banks:

[^29]At the outset, it should be clear that every bank merger before the Board is subject to scrutiny under the same standards, that is, whether its effect "in any section of the country may be substantially to lessen competition, or to tend to create a monopoly, or . . . in any other manner would be in restraint of trade." The existence of a factual situation, of whatever nature, which indicates that competition between two banks is not substantial and is unlikely to become such does not result in the application of different standards. However, it may lead to a different conclusion than would be reached if the same standards were applied to a different factual situation. A conclusion as to whether a particular proposal may have the effect of substantially lessening competition must be based on the facts of the particular case, and the Board is not authorized, much less required, to ignore facts which bear on that conclusion. A merger of two banks which are not significant competitors cannot be regarded as eliminating significant existing competition. And, similarly, if future competition is unlikely-even though possible-the merger cannot be regarded as reasonably likely to lessen future competition.

This does not mean that every proposed merger before the Board of two related banks receives
favorable consideration. First of all, consideration must be given to the question of whether the relationship was anticompetitive in its origins; if so, little weight should be attributed to such relationship, since to do so might encourage evasion of the law. Assuming, however, that the relationship was not anticompetitive when established or fashioned so as to avoid legal restrictions, its impact on competition-present and future-should be considered realistically in determining whether approval of the transaction would be in the public interest. If the effect of a relationship is to create and sustain cooperation, and not competition, between the banks, their merger cannot reasonably be said to eliminate presently existing competition between them. Insofar as the future effects of the proposal are concerned, that depends on whether it might reasonably be anticipated that the existing inhibitions on competition might be terminated, so that, if the banks were not merged, effective competition between the banks would be likely. It may be that, in a very highly concentrated market, elimination of even a relatively remote possibility of significant future competititon would mean that approval of the transaction would not be in the public interest. But in no case does the Board consider it appropriate to regard the elimination of a remote possibility of future competition as being the equivalent of the elimination of a reasonable probability of such competition. ${ }^{1}$

Reexamination of the facts of the present case, including those stressed by the Department, do not persuade the Board that its original decision was incorrect. Trust Company was largely responsible for the founding of Peachtree Bank, has supplied it with management (which continues to participate in Trust Company's retirement and profit-sharing plans), and has accorded it all the assistance and cooperation which this relationship implies. While it does not control the bank or its policies, the relationship between them is such that they cannot realistically be regarded as significant competitors to each other.

[^30]Moreover, while Trust Company apparently does not have the ability to force continuation of the relationship, the relationship appears to have been mutually beneficial and there is no reason to expect that either Trust Company or Peachtree Bank would voluntarily discontinue it if their merger were to be prohibited. The latter has advised that almost 40 per cent of its IPC demand deposits are in accounts whose size exceeds the insurance maximum, and that most of them would likely be moved elsewhere if the relationship were terminated.

Nor do the facts suggest that, if Peachtree Bank were to become truly independent of Trust Company, competition would be so much enhanced that the preservation of the mere possibility of such occurrence should be accorded unusual significance. Peachtree Bank, with $\$ 15$ million deposits, has the eighth largest share of deposits in DeKalb County ( 7 per cent) of the 19 banks operating there. As indicated above, it would likely be even smaller were its relationship with Trust Company to be terminated. It is doubtful that, as an independent, it would exert a significant competitive influence on Trust Company or other Atlanta banks.

Based on these facts, the Board concludes that consummation of the transaction would not have a substantially adverse effect on competition in any relevant area. As to other factors required to be considered by the Act, the Board incorporates its findings and conclusions as set forth in its Order of February 22, 1971.
On the basis of the record in this case, as supplemented by the petition and supporting documents filed by the Department of Justice and Applicant's response thereto, it is the Board's judgment that the proposed merger would be in the public interest and that the application should be approved.

## Dissenting Statement of Governor Robertson

At the time the Board first considered this application, I voted to approve on the grounds that the facts were such that no significant change in banking competition in the relevant area would result. However, I am now convinced by the Justice Department position that, since the relationship between Trust Company and Peachtree Bank does not constitute actual control, the banks should be treated as independent institutions in analyzing the competitive effects of the proposal.

Considering the facts in this context, I would reverse my prior decision and deny the application, the approval of which will permanently foreclose the possibility of future competition and constitute a precedent that could lead to additional anticompetitive mergers in areas where concentration of banking power is already great.

Moreover, I believe denial is called for even under the method of analysis adopted by the majority-which is to consider all facts bearing on the present and potential ability of the banks to compete, and to weigh the possibility of disaffiliation with the benefits that would result if the smaller bank became independent.

Admittedly the relationship between the banks is such as to inhibit competition between them; however, the possibility that Peachtree would become independent is far from remote. The record indicates that Trust Company's initial offer was rejected by Peachtree, that the two banks have no common officers and directors, that common stock ownership is minimal, and that the two banks have pursued different commercial strategies. Clearly the relationship between the banks is not so strong as to preclude the possibility of disaffiliation.

Peachtree Bank is located in DeKalb County (pop. 414,000 ). That county is situated to the east of Atlanta and, as part of the Atlanta SMSA, is one of the fastest growing areas in the country.

Although DeKalb County was once basically a "bedroom" suburb of Atlanta, the population increase has been accompanied by an even larger growth in the number and size of commercial and industrial firms. Banking in Atlanta is dominated by three banking organizations (including Trust Company). In Fulton County-where Atlanta is located-these three organizations control 73 per cent of deposits; in DeKalb County they control 53 per cent of deposits. Additionally, the three Atlanta banks have relationships with 12 banks in DeKalb County (including Peachtree), which, in the aggregate, control 28 per cent of that county's deposits. If mergers involving those 12 banks and their "affiliated" institutions were to be consummated, the three large Atlanta banks would control 82 per cent of the DeKalb County deposits, and 76 per cent of the deposits in the two-county area.

In my judgment, these "affiliated" banks represent a source of competition for the three Atlanta banks. By approving the present application, the Board has permitted Trust Company to increase its share of DeKalb County deposits from 14 to 20 per cent, and has adopted a policy of removing potential sources of deconcentration for the Atlanta area.

For these reasons, I would deny the application and preserve the realistic possibility that Peachtree might become independent.

# ORDERS UNDER SECTION 3 OF THE BANK HOLDING COMPANY ACT 

AMERICAN BANCSHARES, INCORPORATED, NORTH MIAMI, FLORIDA

In the matter of the application of American Bancshares, Incorporated, North Miami, Florida, for approval of action to become a bank holding company through the acquisition of 80 per cent or more of the voting shares of The Second National Bank of North Miami, North Miami; Second National Bank of North Miami Beach, North Miami Beach; and The National Bank of St. Petersburg, St. Petersburg, all in Florida.

## Order Approving Action to Become a Bank Holding Company

There has come before the Board of Governors, pursuant to section 3(a) (1) of the Bank Holding Company Act of 1956 (12 U.S.C. 1842(a)(1)) and section 222.3 (a) of Federal Reserve Regulation Y (12 CFR 222.3(a)), an application by American Bancshares, Incorporated, North Miami, Florida, for the Board's prior approval of action whereby Applicant would become a bank holding company through the acquisition of 80 per cent or more of the voting shares of each of three banks in Florida: The Second National Bank of North Miami, North Miami; Second National Bank of North Miami Beach, North Miami Beach; and The National Bank of St. Petersburg, St. Petersburg.

As required by section $3(\mathrm{~b})$ of the Act , the Board gave written notice to the Comptroller of the Currency of receipt of the application and requested his views and recommendation. The Acting Comptroller recommended approval of the application.

Notice of receipt of the application was published in the Federal Register on March 13, 1971 (36 Federal Register 4917), which provided an opportunity for interested persons to submit comments and views with respect to the proposed transaction. A copy of the application was forwarded to the United States Department of Justice for its consideration. The time for filing comments and views has expired and all those received have been considered by the Board.

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

By order of the Board of Governors, May 13, 1971.

$$
\begin{aligned}
& \text { Voting for this action: Chairman Burns and Gov- } \\
& \text { ernors Robertson, Mitchell, Maisel, and Brimmer. } \\
& \text { Absent and not voting: Governors Daane and Sher- } \\
& \text { rill. } \\
& \text { (Signed) Elizabeth L. CarmichaEl, } \\
& \text { Assistant Secretary. }
\end{aligned}
$$

[SEAL]

## Statement

American Bancshares, Incorporated, North Miami, Florida ("Applicant"), has filed with the Board, pursuant to section 3(a) (1) of the Bank Holding Company Act of 1956, an application for approval of action to become a bank holding company through the acquisition of 80 per cent or more of the voting shares of The Second National Bank of North Miami, North Miami ("North Miami Beach"); Second National Bank of North Miami Beach, North Miami Beach ("North Miami Beach Bank") ; and The National Bank of St. Petersburg, St. Petersburg ("St. Petersburg Bank"), all in Florida.

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

Statutory considerations. Section 3(c) of the Act provides that the Board shall not approve an acquisition that would result in a monopoly or would be in furtherance of any combination or conspiracy to monopolize or to attempt to monopolize the business of banking in any part of the United States. Nor may the Board approve a proposed acquisition, the effect of which, in any section of the country, may be substantially to lessen competition, or to tend to create a monopoly, or which in any other manner would be in restraint of trade, unless the Board finds that the anticompetitive effects of the proposed trans-
action are clearly outweighed in the public interest by the probable effect of the transaction in meeting the convenience and needs of the communities to be served. In each case, the Board is required to take into consideration the financial and managerial resources and future prospects of the bank holding company and the banks concerned, and the convenience and needs of the communities to be served.

Competitive effects of the proposed transaction. There are at the present time 19 registered bank holding companies operating in the State of Florida, which control 52 per cent of the deposits held by all commercial banks in the State. ${ }^{1}$ Through the acquisition of North Miami Bank ( $\$ 21$ million deposits), North Miami Beach Bank ( $\$ 3$ million deposits), and St. Petersburg Bank ( $\$ 28$ million deposits), Applicant would become the State's nineteenth largest holding company, with control of .4 per cent of the total State deposits, and State-wide banking concentration would not be significantly affected.

Two of the proposed subsidiary banks, North Miami Bank and North Miami Beach Bank, are located in the northeast portion of Dade County, approximately seven miles apart, and serve separate areas; whereas the other proposed subsidiary, St. Petersburg Bank, is located in Pinellas County, approximately 250 miles from the Miami area. North Miami Bank and North Miami Beach Bank hold 8 and 10 per cent, respectively, of total deposits in the areas they serve, rank as the thirty-fifth and sixty-sixth largest of Dade County's 69 banks, and together control 0.9 per cent of county deposits. St. Petersburg Bank holds 41 per cent of deposits in the area it serves, which encompasses the southwest portion of St. Petersburg, but only 2.4 per cent of Pinellas County deposits, and is the sixteenth largest of the 34 banks in the county.

North Miami Bank has been affiliated with St. Petersburg Bank since 1966 and has been affiliated with North Miami Beach Bank since it was organized as an affiliate in 1969. Common shareholders own 69 per cent of North Miami Bank, 61 per cent of North Miami Beach Bank, and over 43 per cent of the St. Petersburg Bank, and the same group would control approximately 56 per cent of Applicant's stock upon consumma-

[^31]tion of the proposal. The three banks are operated by the same executive management, and there is an interlocking of directorships. There is no significant present competition among the three proposed subsidiary banks, and due to their geographical separation, the number of intervening banks, Florida's laws prohibiting branching, and their common ownership it does not appear that future competition is likely to develop. Consummation of the proposed formation would effect a reorganization of the three affiliated banks under corporate control, and it does not appear that it would adversely affect any competing banks.

On the basis of the foregoing, the Board concludes that consummation of this proposal would not result in a monopoly or be in furtherance of any combination, conspiracy, or attempt to monopolize the business of banking in any part of the United States, and would not restrain trade, substantially lessen competition, or tend to create a monopoly in any part of the country.

Financial and managerial resources and future prospects. Applicant was organized in November 1970 and has not engaged in any business activities. Its financial condition and that of its proposed subsidiaries are generally satisfactory, the managements of each are considered competent, and the prospects of each are regarded as favorable.

Considerations relating to the banking factors are consistent with approval of the appplication.

Convenience and needs of the communities involved. The areas served by the two Miami banks in Dade County and by St. Petersburg Bank in Pinellas County have experienced substantial growth during the last ten years. Whereas these communities are well provided with banking services, Applicant's plans to broaden the range of services offered at each subsidiary bank would enable them to offer customers an additional alternative for these services. Applicant's planned services would include trust services and investment advice, payroll services for commercial and business accounts, and travel services.

Considerations relating to the convenience and needs of the areas involved are consistent with and lend some weight in favor of approval of the application.

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

## FIRST UNION, INCORPORATED, ST. LOUIS, MISSOURI

In the matter of the application of First Union, Incorporated, St. Louis, Missouri, for approval of the acquisition of 80 per cent or more of the voting shares of The First National Bank of Cape Girardeau, Cape Girardeau, Missouri.

## Order Approving Acquisition of Bank Stock by Bank Holding Company

There has come before the Board of Governors, pursuant to section 3(a) (3) of the Bank Holding Company Act of 1956 (12 U.S.C. 1842(a) (3)) and section 222.3(a) of Federal Reserve Regulation Y (12 CFR 222.3(a)), an application by First Union, Incorporated, St. Louis, Missouri ("Applicant"), a registered bank holding company, for the Board's prior approval of the acquisition of 80 per cent or more of the voting shares of The First National Bank of Cape Girardeau, Cape Girardeau, Missouri ("Bank").

As required by section 3(b) of the Act, the Board gave written notice of receipt of the application to the Comptroller of the Currency and requested his views and recommendation. The Comptroller recommended approval of the application.

Notice of receipt of the application was published in the Federal Register on March 18, 1971 (36 Federal Register 5259), providing an opportunity for interested persons to submit comments and views with respect to the proposal. A copy of the application was forwarded to the United States Department of Justice for its consideration. Time for filing comments and views has expired and all those received have been considered by the Board.

The Board has considered the application in the light of the factors set forth in section 3(c) of the Act, including the effect of the proposed acquisition on competition, the financial and managerial resources and future prospects of the Applicant and the banks concerned, and the convenience and needs of the communities to be served. Upon such consideration, the Board finds that:

Applicant, the third largest banking organiza-
tion and third largest bank holding company in Missouri, has six subsidiary banks with aggregate deposits of $\$ 778$ million, representing 7.6 per cent of the total commercial bank deposits in the State. (All banking data are as of June 30, 1970, adjusted to reflect holding company acquisitions and formations approved by the Board through April 30, 1971.) Consummation of the proposal herein would increase Applicant's share of commercial bank deposits in the State to 7.8 per cent, and Applicant would become the State's second largest banking organization and its second largest bank holding company.

Bank ( $\$ 24$ million deposits), located in the southeast portion of Cape Girardeau County, 125 miles south of St. Louis, is the second largest of the nine banks in the Cape Girardeau banking market, which is approximated by Cape Girardeau County and the northern half of Scott County, and holds 25.9 per cent of that market's deposits. It does not appear that Bank occupies a dominant position in its market; Bank's rate of deposit growth during the last five years has been the slowest of the nine banks in the market. Affiliation with Applicant should improve Bank's ability to compete more effectively. Applicant's subsidiary closest to Bank is located 90 miles northwest, and neither it nor any other of Applicant's subsidiaries compete with Bank to a significant extent. Moreover, in light of the distances separating Bank from Applicant's subsidiaries and Missouri's restrictive branching law, the development of such competition appears unlikely. Consequently, it does not appear that existing competition would be eliminated, or significant potential competition foreclosed, by consummation of Applicant's proposal, or that there would be undue adverse effects on any bank in the area involved.

Based upon the foregoing, the Board concludes that consummation of the proposed acquisition would not adversely affect competition in any relevant area. The financial and managerial resources and future prospects of Applicant, its subsidiaries, and Bank are regarded as consistent with approval of the application. Although the present banking needs of the Cape Girardeau area appear to be adequately served by the existing banking institutions, the area is expected to experience continued economic growth. In order to make Bank more responsive to the needs of the area, Applicant plans to expand and to improve many of Bank's services, including its lending
program. These considerations relating to the convenience and needs of the area lend some weight toward approval. It is the Board's judgment that consummation of the proposed acquisition would be in the public interest, and that the application should be approved.

It is hereby ordered, On the basis of the Board's findings summarized above, that said application be and hereby is approved, provided that the action so approved shall not be consummated (a) before the thirtieth calendar day following the date of this Order or (b) later than three months after the date of this Order, unless such period shall be extended for good cause by the Board, or by the Federal Reserve Bank of St. Louis pursuant to delegated authority.
By order of the Board of Governors, May 13, 1971.

Voting for this action: Chairman Burns and Governors Robertson, Mitchell, Maisel, and Brimmer. Absent and not voting: Governors Daane and Sherrill.
(Signed) Elizabeth L. Carmichael,
Assistant Secretary.
[seal]

## COMMERCE BANCSHARES, INC., KANSAS CITY, MISSOURI

In the matter of the application of Commerce Bancshares, Inc., Kansas City, Missouri, for approval of acquisition of more than 80 per cent of the voting shares of The Willard Bank, Willard, Missouri.

## Order Approving Acquisition of Bank Stock by Bank Holding Company

There has come before the Board of Governors, pursuant to section 3(a) (3) of the Bank Holding Company Act of 1956 (12 U.S.C. 1842(a) (3)) and section 222.3(a) of Federal Reserve Regulation Y (12 CFR 222.3(a)), an application by Commerce Bancshares, Inc., Kansas City, Missouri, a registered bank holding company, for the Board's prior approval of the acquisition of more than 80 per cent of the voting shares of The Willard Bank, Willard, Missouri.
As required by section 3(b) of the Act, the Board gave written notice of receipt of the application to the Commissioner of Finance of the State of Missouri, and requested his views and
recommendation. The Commissioner indicated that he had no objection to approval of the application.

Notice of receipt of the application was published in the Federal Register on March 13, 1971 (36 Federal Register 4917), providing an opportunity for interested persons to submit comments and views with respect to the proposal. A copy of the application was forwarded to the United States Department of Justice for its consideration. Time for filing comments and views has expired and all those received have been considered by the Board.
It is hereby ordered, for the reasons set forth in the Board's Statement of this date, that said application be and hereby is approved, provided that the action so approved shall not be consummated (a) before the thirtieth calendar day following the date of this Order or (b) later than three months after the date of this Order unless such time be extended for good cause by the Board, or by the Federal Reserve Bank of Kansas City pursuant to delegated authority.

By order of the Board of Governors, May 14, 1971.

Voting for this action: Chairman Burns and Governors Daane, Maisel, and Sherrill. Voting against this action: Governor Robertson. Absent and not voting: Governors Mitchell and Brimmer.
(Signed) Elizabeth L. Carmichael, Assistant Secretary.
[seal]

## Statement

Commerce Bancshares, Inc., Kansas City, Missouri ("Applicant"), a registered bank holding company, has applied to the Board of Governors, pursuant to section 3(a) (3) of the Bank Holding Company Act of 1956 (12 U.S.C. 1842(a) (3)), for prior approval of the acquisition of more than 80 per cent of the voting shares of The Willard Bank, Willard, Missouri ("Bank").

Views and recommendations of supervisory authority. As required by section 3(b) of the Act, notice of receipt of the application was given to the Commissioner of Finance of the State of Missouri, and his views and recommendation were requested. The Commissioner indicated that he had no objection to approval of the application.

Statutory considerations. Section 3(c) of the

Act provides that the Board shall not approve an acquisition that would result in a monopoly or would be in furtherance of any combination or conspiracy to monopolize or to attempt to monopolize the business of banking in any part of the United States. Nor may the Board approve a proposed acquisition the effect of which, in any section of the country, may be substantially to lessen competition, or to tend to create a monopoly, or which in any other manner would be in restraint of trade, unless the Board finds that the anticompetitive effects of the proposed transaction are clearly outweighed in the public interest by the probable effect of the transaction in meeting the convenience and needs of the communities to be served. In each case the Board is required to take into consideration the financial and managerial resources and future prospects of the bank holding company and the banks concerned, and the convenience and needs of the communities to be served.

Competitive effect of proposed transaction. The ten largest banking organizations in Missouri, seven of which are registered bank holding companies, control approximately 42 per cent of the commercial bank deposits in the State. ${ }^{1}$ Applicant, the second largest bank holding company and the second largest banking organization in the State, controls 17 subsidiary banks with aggregate deposits of $\$ 792$ million, representing 7.8 per cent of the deposits held by all commercial banks in the State. Upon acquisition of Bank ( $\$ 1.5$ million deposits), Applicant's position in relation to the State's other banking organizations and holding companies would remain unchanged and its share of deposits in the State would be increased only insignificantly.

Bank, located in Willard, ten miles northwest of downtown Springfield, serves a 170 square mile area of northwest Greene County. It is the smaller of the two banks in its service area and, with .5 per cent of the commercial bank deposits in the county, is the tenth largest of the 12 Greene County banks.

The city of Willard serves as a bedroom community to Springfield, with approximately 90 per cent of the Willard labor force commuting to Springfield. The population of the city has grown from 357 in 1960 to just over 1,000 in 1970, and

[^32]it is estimated that the 1980 population will be close to 6,000 .
Applicant's subsidiary located closest to Bank, the Citizens Bank of Springfield, also operates in Greene County. With 26 per cent of the deposits, Citizens Bank is the second largest bank in the county. There is some negligible existing competition between Bank and Citizens Bank which would be eliminated by the consummation of this proposal. However, the size of Bank and the conservative operating policies of its management appear to preclude it from being a significant competitor. An indication of this is the fact that Bank was chartered in 1966 and since then its deposits have grown slowly, even though the area has experienced substantial growth. In light of the circumstances described above and the facts of record, the Board views Applicant's acquisition of Bank as a somewhat unusual case.
On the basis of the foregoing, the Board concludes that consummation of the proposal would not result in a monopoly or be in furtherance of any combination, conspiracy or attempt to monopolize the business of banking in any part of the United States and would not restrain trade, substantially lessen competition, or tend to create a monopoly in any section of the country.
Financial and managerial resources and future prospects. The financial condition of Applicant is regarded as satisfactory, its management as competent, and its prospects as favorable. The same conclusions apply to Applicant's subsidiaries.

Bank is in good financial condition and its prospects are regarded as favorable. The present management of Bank is regarded as satisfactory; however, affiliation with Applicant should provide Bank with greater management depth and should assist Bank in meeting a management succession problem.

These considerations are consistent with, and provide some weight in favor of, approval of the application.

Convenience and needs of the communities involved. The major banking needs of the residents of Bank's service area appear to be adequately served at the present time by existing institutions.

Applicant proposes to establish new services at Bank, including estate planning and trust services, and to broaden Bank's lending policies in order to better meet the expanding needs of the rapidly growing Willard area. These additional services should facilitate the economic development of the area.

Considerations relating to the convenience and needs of the communities involved lend weight in support of approval of the application.

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

## Dissenting Statement of Governor Robertson

Although the majority has attempted to cushion the precedential impact of its decision by characterizing its approval of the application as "a somewhat unusual case," I disagree with such a characterization, and I would deny the application. Applicant's acquisition of The Willard Bank is clearly anticompetitive, and since there are no offsetting benefits to the communities which clearly outweigh those anticompetitive effects, the mandate of the Bank Holding Company Act requires denial of the application.
Commerce Bancshates, with its seventeen subsidiary banks, is already represented in every major banking market in the State of Missouri. The proposal herein represents an overt effort by Commerce to solidify its position in one of those markets, Greene County, by acquiring one of its competitors, The Willard Bank. That one of Applicant's subsidiaries, Citizens Bank of Springfield, and The Willard Bank are actual competitors is not in dispute; yet the majority has apparently determined that the elimination of competition between the two banks is not so significant so as to require denial of the application. To me, such a determination ignores the commercial realities which are present in this case.

Citizens Bank of Springfield and The Willard Bank both operate in the same market. Ninety per cent of Willard's work force commutes to Springfield for employment. There is substantial deposit and loan overlap between the two banks. In fact, the amount of loans and deposits which Citizens Bank derives from The Willard Bank's service area greatly exceeds the total loans and total deposits held by The Willard Bank. It is apparent that the effects of the consummation of Applicant's proposal will be an elimination of this meaningful competition between Citizens Bank and The Willard Bank and the elimination of an
alternative source of banking services for these residents of Willard who commute to Springfield. In light of the large number of commuters, such a prospect is clearly anticompetitive.

In addition to the above anticompetitive effects of the proposal, the majority has chosen to ignore the adverse effects of Applicant's proposal on potential competition. While admitting that the Willard service area has enjoyed rapid population expansion and that the prospects for future development are good, the majority has failed to recognize that its action today will foreclose the development of The Willard Bank as an effective competitor in the Greene County banking market. The Board's action today appears to authorize bank holding companies to intensify their control of the banking markets in which they are already represented simply by acquiring the smaller banks in those markets. To me, such action is unwarranted and contrary to the purposes of the Bank Holding Company Act.

The majority finds that the additional services to be provided by The Willard Bank as an affiliate of Commerce lend weight in favor of approval of the application. However, the record does not disclose that there is an actual need for such additional services. Trust services are easily available to the residents of Willard through the nearby Springfield banks, and it appears that The Willard Bank is fully capable of handling the loan demands which arise in its service area. Consequently, since there is no showing of benefits to the communities involved which outweigh the anticompetitive effects of the proposal herein, the application should be denied.

## SOUTHWEST BANCSHARES, INC., HOUSTON, TEXAS

In the matter of the application of Southwest Bancshares, Inc., Houston, Texas, for approval of acquisition of more than 51 per cent of the voting shares of The First National Bank of Longview, Longview, Texas.

## Order Approving Acquisition of Bank Stock by Bank Holding Company

There has come before the Board of Governors, pursuant to section 3(a) (3) of the Bank Holding Company Act of 1956 (12 U.S.C. 1842(a) (3)) and section 222.3(a) of Federal Reserve Regulation Y (12 CFR 222.3(a)), an application by

Southwest Bancshares, Inc., Houston, Texas, a registered bank holding company, for the Board's prior approval of the acquisition of more than 51 per cent of the voting shares of The First National Bank of Longview, Longview, Texas. Applicant, through a wholly-owned subsidiary, presently controls 22.1 per cent of the voting shares of The First National Bank of Longview.

As required by section 3(b) of the Act, the Board gave written notice of receipt of the application to the Comptroller of the Currency, and requested his views and recommendation. The Comptroller recommended approval of the application.

Notice of receipt of the application was published in the Federal Register on February 11, 1971 ( 36 Federal Register 2882) , providing an opportunity for interested persons to submit comments and views with respect to the proposed transaction. A copy of the application was forwarded to the United States Department of Justice for its consideration. Time for filing comments and views has expired and all those received have been considered by the Board.

It is hereby ordered, for the reasons set forth in the Board's Statement of this date, that said application be and hereby is approved, provided that the action so approved shall not be consummated (a) before the thirtieth calendar day following the date of this Order, or (b) later than three months after the date of this Order, unless such time shall be extended for good cause by the Board, or by the Federal Reserve Bank of Dallas pursuant to delegated authority, and provided further that (c) Applicant divest itself of its interest in voting shares of The Kilgore National Bank, Kilgore, Texas, within two years of the date of this Order.

By order of the Board of Governors, May 14, 1971.

Voting for this action: Chairman Burns and Goyernors Daane, Maisel, and Sherrill. Concurring in part and dissenting in part: Governor Robertson. Absent and not voting: Governors Mitchell and Brimmer.
(Signed) Elizabeth L. Carmichael, Assistant Secretary.
[SEAL]

## Statement

Southwest Bancshares, Inc., Houston, Texas ("Applicant"), a registered bank holding com-
pany, has applied to the Board of Governors, pursuant to section 3(a) (3) of the Bank Holding Company Act of 1956 (12 U.S.C. 1842(a) (3)), for prior approval of the acquisition of more than 51 per cent of the voting shares of The First National Bank of Longview, Longview, Texas ("Longview Bank"). Applicant, through a whollyowned subsidiary, presently controls 22.1 per cent of the voting shares of Longview Bank.

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

Statutory considerations. Section 3(c) of the Act provides that the Board shall not approve an acquisition that would result in a monopoly or would be in furtherance of any combination or conspiracy to monopolize or to attempt to monopolize the business of banking in any part of the United States. Nor may the Board approve a proposed acquisition, the effect of which, in any section of the country, may be substantially to lessen competition, or to tend to create a monopoly, or which in any other manner would be in restraint of trade, unless the Board finds that the anticompetitive effects of the proposed transaction are clearly outweighed in the public interest by the probable effect of the transaction in meeting the convenience and needs of the communities to be served. In each case, the Board is required to take into consideration the financial and managerial resources and future prospects of the bank holding company and the banks concerned, and the convenience and needs of the communities to be served.

Competitive effects of the proposed transaction. Applicant controls two banks with aggregate deposits of approximately $\$ 602$ million, representing 2.6 per cent of the total commercial bank deposits in Texas, and is the fifth largest banking organization in the State. ${ }^{1}$ In addition, Applicant controls more than 14 per cent (but less than 25 per cent) of the voting shares of each of six other Texas banks, including Longview Bank.

Longview Bank ( $\$ 32$ million of deposits) is the second largest of five banks in Longview

[^33]and the second largest of the 15 banks in the relevant market, which is defined as approximately Gregg County and portions of Harrison and Rusk Counties. Longview Bank controls 13.7 per cent of the deposits in the market. Applicant's two subsidiaries are located in the Houston area, more than 200 miles from Longview. Because of the distance between Houston and Longview, the number of banks in the intervening area, the prohibition against branch banking in Texas, and other relevant considerations, Longview Bank is not regarded as a competitor of either of Applicant's subsidiaries, nor is it likely to become such in the future. There is no indication in the record that the acquisition of Longview Bank by Applicant would adversely affect other banks in the relevant market.

Applicant, through a wholly-owned subsidiary, controls 24.7 per cent of the voting shares of The Kilgore National Bank, Kilgore, Texas ("Kilgore Bank"), located approximately 12 miles southwest of Longview Bank. Kilgore Bank competes in the same market with Longview Bank and ranks as the seventh largest bank in the market on the basis of its control of 5.9 per cent of market deposits.

Analysis of Applicant's relationships with Kilgore Bank and examination into Applicant's actual or potential influence over the policies or management of Kilgore Bank indicate that consummation of the proposal would have anticompetitive effects. Applicant is the largest shareholder of Kilgore Bank. In addition, Applicant, through its wholly-owned subsidiary, is party to an agreement with other shareholders of Kilgore Bank. The shareholders joining in the agreement control more than 50 per cent of the voting shares of Kilgore Bank and have provided in the agreement for all their shares to be voted as a unit. Under the terms of the agreement, Applicant has the right to be consulted before policy decisions of Kilgore Bank are made, the right to be fully informed about all matters concerning the bank, the right of unrestricted access to all books and records of the bank, and other significant rights. The Board has not made a determination that Applicant "controls" Kilgore Bank within the meaning of the Bank Holding Company Act of 1956, and it considers such a determination unnecessary in the circumstances. The position that Applicant enjoys with respect to Kilgore Bank compels the conclusion that consummation of the
proposal could result in a stifling of competition between Longview Bank and Kilgore Bank.

The anticompetitive dangers raised by the proposal could be eliminated if Applicant divested itself of its interest in Kilgore Bank. The Board's Order approving the proposal is conditioned upon such divestiture. On that basis, and after careful consideration of the entire record, the Board concludes that consummation of the proposal would not substantially lessen competition, tend close significant potential competition. Nor would it result in a monopoly nor be in furtherance of any combination, conspiracy, or attempt to monopolize the business of banking in any area, and would not substantially lessen competition, tend to create a monopoly, nor restrain trade in any section of the country.

Financial and managerial resources and future prospects. The financial and managerial resources and prospects of Applicant, its subsidiaries, and Longview Bank are regarded as satisfactory. Therefore, considerations regarding the banking factors are consistent with approval of the application.

Convenience and needs of the communities involved. There is no indication in the record of significant benefits to residents of the Houston area that would flow from consummation of the proposal. Affiliation with Applicant would enable Longview Bank to offer larger lending limits through loan participations and to initiate, improve or expand other services, particularly international and trust services. Therefore, considerations regarding the convenience and needs of the communities involved are consistent with approval of the application but lend little weight thereto.

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

## Statement of Governor Robertson

Concurring in Part and Dissenting in Part
I concur with the other members of the Board voting on this action that this application warrants approval provided that Applicant divest itself of its interest in Kilgore Bank. However, I do not agree that Applicant should be given up to two
years to effect the divestiture as provided in the Board's Order.
The Board finds that Applicant's acquisition of a controlling interest in Longview Bank while it continues to retain a substantial interest in Kilgore Bank would have an adverse effect on competition. In such circumstances, I believe that divestiture should be required as a condition precedent to consummation of the proposal. Adoption of a policy of allowing divestiture of a competing bank within a two-year period (or other extended period of time) indicates a willingness of the Board to disregard anticompetitive effects of a transaction for a significant period of time.

Whenever the Board is considering an appropriate date for divestiture, it must, of course, weigh the potential hardship to an Applicant caused by divestiture at an early date against the risks of adverse effects on competition. I believe that, in the present case, concern about the competitive factors should prevail. By virtue of an agreement with other shareholders of Kilgore Bank, Applicant enjoys unrestricted access to inside information concerning Kilgore Bank and, in addition, has the voting power, as member of the control group, to take maximum advantage of that information. By gaining control of Longview Bank, Applicant would be able to utilize its power in a manner detrimental to competition between Kilgore Bank and Longview Bank. The effects of such an anticompetitive situation could linger well beyond two years.

In my judgment, the anticompetitive considerations are not outweighed by any other considerations. In view of our conclusion that considerations regarding the convenience and needs of the communities involved lend little weight to approval of the application, the Longview community will not suffer if this transaction is not consummated at the earliest possible date. Nor is it likely that Applicant would suffer significant hardship if we required it to divest itself of its interest in Kilgore Bank prior to consummation of the proposal. The restricted nature of Applicant's Kilgore Bank stock, encumbered as it is with the shareholder agreement, means that only a limited market for the stock exists now and that the situation would be unaffected in the next two years. Therefore, I do not see what the two-year period is intended to accomplish. If there is a possible economic loss that Applicant would suffer by a requirement of
divestiture prior to consummation of the proposal, I consider it not significant relative to the serious and likely adverse effects on competition that could result if we permit Applicant to own substantial interests in two competing banks for two years.

For the reasons stated above, I would require Applicant to divest itself of its interest in Kilgore Bank prior to consummation of the proposal.

## BARNETT BANKS OF FLORIDA, INC., JACKSONVILLE, FLORIDA

In the matter of the application of Barnett Banks of Florida, Inc., Jacksonville, Florida, for approval of the acquisition of 80 per cent or more of the voting shares of Hollywood Bank and Trust Company, Hollywood, Florida.

## Order Approving Acquisition of Bank Stock by Bank Holding Company

There has come before the Board of Governors pursuant to section 3(a) (3) of the Bank Holding Company Act of 1956 (12 U.S.C. 1842(a) (3)) and section 222.3(a) of Federal Reserve Regulation Y (12 CFR 222.3(a)), an application by Barnett Banks of Florida, Inc., Jacksonville, Florida ("Applicant"), a registered bank holding company, for the Board's prior approval of the acquisition of 80 per cent or more of the voting shares of Hollywood Bank and Trust Company, Hollywood, Florida ("Hollywood Bank").

As required by section 3(b) of the Act, the Board gave written notice of receipt of the application to the Commissioner of Banking of the State of Florida, and requested his views and recommendation. The Commissioner recommended approval of the application.

Notice of receipt of the application was published in the Federal Register on March 30, 1971 (36 Federal Register 5877), providing an opportunity for interested persons to submit comments and views with respect to the proposed transaction. A copy of the application was forwarded to the United States Department of Justice for its consideration. The time for filing comments and views has expired and all those received have been considered by the Board.

The Board has considered the application in the light of the factors set forth in section 3(c) of the Act, including the effect of the proposed acquisition on competition, the financial and managerial
resources of the Applicant and the banks concerned, and the convenience and needs of the communities to be served and finds that:

Applicant presently controls 25 banks which hold deposits of $\$ 639$ million, representing 5.2 per cent of total deposits held by Florida's commercial banks, and is the State's third largest banking organization. (All banking data are as of June 30, 1970 and reflect holding company formations and acquisitions approved by the Board through April 30, 1971.) Applicant's acquisition of Hollywood Bank, with deposits of $\$ 58.8$ million, would increase its share of deposits in the State by a relatively slight amount.

Hollywood Bank operates one office, located in the city of Hollywood, Broward County, Florida, and primarily serves the Hollywood metropolitan area (southern portion of Broward County extending southward to the Dade County line). It is the third largest of seven banking organizations in the Hollywood area with 17.9 per cent of area deposits, and the sixth largest of 38 banks in the county with 5.5 per cent of total county deposits. [Four bank holding companies presently control fifteen of these 38 banks amounting to 48.9 per cent of the county's total deposits.] The two largest banking organizations in Hollywood control 21.8 and 19.5 per cent of that area's deposits respectively.

Applicant's nearest existing subsidiary to Bank is approximately 155 miles away, and Applicant's nearest approved subsidiary is located twenty miles away in the city of Miami and is separated from Bank by numerous intervening banks. There is no significant competition between Bank and Applicant's subsidiaries and, based on the facts of record, the potential for any meaningful competition between them appears remote. Based on the foregoing, the Board concludes that consummation of the proposal would not have a significantly adverse effect on competition in any relevant area and may have a procompetitive impact in the Hollywood area since Hollywood Bank has not been a particularly aggressive institution.

Considerations relating to financial and managerial resources and prospects as they relate to Applicant, its subsidiaries and Bank, are regarded as consistent with approval of the application. Affiliation with Applicant will enable Hollywood Bank to strengthen its management depth by drawing from Applicant's pool of management resources for successor management. The Hollywood area continues to experience an extremely
high rate of growth. While it appears that the banking needs of the area are being adequately served, Applicant proposes to institute more aggressive loan policies, and improve trust and other banking services to more effectively meet the needs of the community. It is the Board's judgment that consummation of the proposed acquisition would be in the public interest and that the application should be approved.

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

By order of the Board of Governors, May 18, 1971.

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

> (Signed) Kenneth A. Kenyon, Deputy Secretary.
[SEAL]

## VALLEY BANCORPORATION, APPLETON, WISCONSIN

In the matter of the application of Valley Bancorporation, Appleton, Wisconsin, for approval of acquisition of 80 per cent or more of the voting shares of Badger State Bank, Denmark, Wisconsin.

## Order Approving Acquisition of Bank Stock by Bank Holding Company

There has come before the Board of Governors, pursuant to section 3(a) (3) of the Bank Holding Company Act of 1956 (12 U.S.C. 1842(a) (3)) and section 222.3(a) of Federal Reserve Regulation Y (12 CFR 222.3(a)), an application by Valley Bancorporation, Appleton, Wisconsin ("Applicant"), a registered bank holding company, for the Board's prior approval of the acquisition of 80 per cent or more of the voting shares of Badger State Bank, Denmark, Wisconsin ("Bank").

As required by section 3(b) of the Act, the Board gave written notice of receipt of the application to the Commissioner of Banking of the State of Wisconsin and requested his views and recommendation. The Commissioner offered no objection to approval of the application.

Notice of receipt of the application was published in the Federal Register on April 6, 1971 ( 36 Federal Register 6543), providing an opportunity for interested persons to submit comments and views with respect to the proposal. A copy of the application was forwarded to the United States Department of Justice for its consideration. Time for filing comments and views has expired and all those received have been considered by the Board.

The Board has considered the application in the light of the factors set forth in section 3(c) of the Act, including the effect of the proposed acquisition on competition, the financial and managerial resources and future prospects of the Applicant and the banks concerned, and the convenience and needs of the communities to be served, and finds that:

Applicant, the seventh largest registered bank holding company and banking organization in Wisconsin, controls ten banks holding aggregate deposits of $\$ 123$ million which represent 1.4 per cent of commercial bank deposits in the State of Wisconsin. (All banking data are as of June 30, 1970, and reflect bank holding company acquisitions approved by the Board to date.) Upon acquisition of Bank ( $\$ 7.5$ million in deposits), Applicant's control of deposits in the State of Wisconsin would increase to 1.5 per cent.

Bank, located in the southeast section of Brown County, is the eleventh largest of 16 banking organizations in the Green Bay SMSA, holding 2.3 per cent of deposits in that area. Applicant's closest subsidiary is Reedsville State Bank which is located in Reedsville, Manitowoc County, 22 miles southwest of Denmark. There is no present competition between Bank and that bank or any other of Applicant's subsidiaries. In light of the low population of the area, and the fact that Wisconsin law prohibits branching into or within three miles of communities already having a bank or branch, the possibility of such competition arising in the future appears remote. No existing competition would be eliminated by consummation of the proposal, nor would significant potential competition be foreclosed. Neither would
there be any adverse effects on any bank in the area.

There is no evidence that significant banking needs of the community are going unserved; however, affiliation with Applicant would allow Bank to provide additional services such as data processing and trust services. Considerations relating to the convenience and needs of the communities to be served are thus consistent with approval. The prospects and financial condition of Bank are regarded as satisfactory. Bank's management is nearing retirement age and affiliation with Applicant would facilitate management succession; this factor lends some weight toward approval. It is the Board's judgment that consummation of the proposed acquisition would be in the public interest, and that the application should be approved.

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

By order of the Board of Governors, May 20, 1971.

Voting for this action: Chairman Burns and Governors Robertson, Mitchell, Daane, Maisel, Brimmer, and Sherrill.

## (Signed) Kenneth A. Kenyon, <br> Deputy Secretary.

[seal]

## FIRST UNION, INCORPORATED, ST. LOUIS, MISSOURI

In the matter of the application of First Union, Incorporated, St. Louis, Missouri, for approval of acquisition of 80 per cent or more of the voting shares of The First National Bank of West Plains, West Plains, Missouri.

## Order Approving Acquisition of Bank Stock by Bank Holding Company

There has come before the Board of Governors, pursuant to section 3(a) (3) of the Bank Holding Company Act of 1956 (12 U.S.C. 1842(a)(3)) and section 222.3(a) of Federal Reserve Regulation Y (12 CFR 222.3(a)), an application by

First Union, Incorporated, St. Louis, Missouri, a registered bank holding company, for the Board's prior approval of the acquisition of 80 per cent or more of the voting shares of The First National Bank of West Plains, West Plains, Missouri.

As required by section 3(b) of the Act, the Board gave written notice of receipt of the application to the Comptroller of the Currency and requested his views and recommendation. The Comptroller recommended approval of the application.

Notice of receipt of the application was published in the Federal Register on February 4, 1971 (36 Federal Register 2429), providing an opportunity for interested persons to submit comments and views with respect to the proposal. A copy of the application was forwarded to the United States Department of Justice for its consideration. Time for filing comments and views has expired and all those received have been considered by the Board.

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

By order of the Board of Governors, May 20, 1971.

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

> (Signed) Kenneth A. Kenyon, Deputy Secretary.
[seal]

## Statement

First Union, Incorporated, St. Louis, Missouri ("Applicant"), a registered bank holding company, has applied to the Board of Governors, pursuant to section 3(a) (3) of the Bank Holding Company Act of 1956 (12 U.S.C. 1842(a) (3)), for prior approval of the acquisition of 80 per cent or more of the voting shares of The First National Bank of West Plains, West Plains, Missouri ("Bank").

Views and recommendation of supervisory au-
thority. As required by section 3(b) of the Act, the Board gave written notice of receipt of the application to the Comptroller of the Currency and requested his views and recommendation. The Comptroller recommended approval of the application.

Statutory considerations. Section 3(c) of the Act provides that the Board shall not approve an acquisition that would result in a monopoly or would be in furtherance of any combination or conspiracy to monopolize or to attempt to monopolize the business of banking in any part of the United States. Nor may the Board approve a proposed acquisition the effect of which, in any section of the country, may be substantially to lessen competition, or to tend to create a monopoly, or which in any other manner would be in restraint of trade, unless the Board finds that the anticompetitive effects of the proposed transaction are clearly outweighed in the public interest by the probable effect of the transaction in meeting the convenience and needs of the communities to be served. In each case the Board is required to take into consideration the financial and managerial resources and future prospects of the bank holding company and the banks concerned, and the convenience and needs of the communities to be served.

Competitive effect of the proposed transaction. Applicant is the second largest banking organization and second largest bank holding company in Missouri by virtue of its control of seven banks with aggregate deposits of $\$ 802$ million, representing 7.8 per cent of the total commercial bank deposits in the State. ${ }^{1}$ As a result of this proposal, Applicant's share of deposits in the State would be increased to 8.1 per cent; however, Applicant would still rank second in relation to the State's other banking organizations and bank holding companies.

West Plains, the county seat of Howell County, is a rural community of about 7,000 located in south-central Missouri, approximately 210 miles southwest of St. Louis. The economy of Howell County has experienced only insignificant growth, and its population has increased only about 7 per cent during the last decade. The same depressed condition exists in the surrounding six county area, and the prospects for the entire area are, at best, only fair.

[^34]Bank ( $\$ 28$ million deposits), the largest of two banks in West Plains and the largest of four banks in Howell County, holds 60.9 per cent of the total commercial bank deposits in the county. Even though Bank is the largest bank in the county, the other Howell County banks appear to be effective competitors, especially the other West Plains bank which has new and aggressive management, and should not be adversely affected by Applicant's acquisition of Bank.

Applicant's subsidiary closest to Bank is located over 100 miles away. None of Applicant's subsidiaries derives any significant amount of business from Bank's service area. Nor does Bank compete in any of those areas served by Applicant's subsidiaries. Consequently, it does not appear that any existing competition would be eliminated by the consummation of this proposal.

In connection with its review of the application, the Board has considered a view expressed by the Department of Justice that the effect of the transaction on competition would be "significantly adverse." The principal arguments of the Department are that the acquisition would entrench Bank's dominant position and raise barriers to entry, and that alternative methods of entry into Howell County are open to Applicant. The Department believes it preferable that Applicant enter the area by either establishing a new bank or by acquiring one of the smaller banks in the county. The acquisition of a significant competitor by a large institution does raise, to a limited extent, barriers to entry into an area. However, the more significant objection raised by the Department relates to alternative methods of entry into the area. Based on the facts of record, Applicant's entry into Howell County through alternative means does not appear to be feasible.

The population-to-bank ratio in Howell County is approximately 5,900 per bank, considerably below the State average of about 7,000 per bank. Additionally, the high level of unemployment and the low per capita income are indicative of the depressed nature of the area's economy. The combination of these factors makes de novo entry most unattractive. Of course, it is conceivable that Applicant could attempt to acquire one of the smaller banks in the county. Applicant, however, indicates that the other West Plains bank does not appear to be available for acquisition because of a recent change in ownership, and that Applicant would not attempt to acquire either of the two Howell County banks, which are not located in

West Plains, the trade center for the region. Moreover, the area's economy appears to require a larger bank with sufficient resources to assist in the development of the area and only Bank is in a position to meet this need. In summary, the Board does not consider the possible alternatives described above to be so clearly preferable from a competitive standpoint or so likely to occur as to require the denial of a proposal which should provide immediate benefits to Howell County and the surrounding area.

In light of the above circumstances, the Board concludes that the consummation of the proposed transaction would not result in a monopoly, nor be in furtherance of any combination, conspiracy, or attempt to monopolize the business of banking in any part of the United States, and would not restrain trade, substantially lessen competition or tend to create a monopoly in any section of the country.

Financial and managerial resources and future prospects. The financial condition and management of Applicant and its subsidiaries are regarded as satisfactory, and their prospects appear favorable.

The financial condition of Bank is regarded as satisfactory. The present management of Bank is considered competent, but Bank lacks management depth, and affiliation with Applicant should strengthen the present management and assure Bank of competent management succession.

These considerations are consistent with, and lend some weight in favor of, approval of the application.

Convenience and needs of the communities involved. The major banking needs of the communities served by Applicant's present subsidiaries would not be affected by consummation of the present proposal.

Although the present banking needs of Howell County appear to be met by the existing banking institutions, the introduction of the State's second largest banking organization, with its full range of banking services, could provide some stimulus to the depressed economy of the area. Specifically, Applicant intends to assist Bank in expanding and improving its lending program in the areas of housing, agriculture, and industrial development. Applicant also proposes to establish data processing and trust services. The addition and expansion of these services should enhance Bank's capabilities in assisting in the development of the area.

These considerations relating to the convenience and needs of the communities involved lend strong weight in support of approval of the application.

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

## THE TORONTO-DOMINION BANK, TORONTO, ONTARIO, CANADA

In the matter of the application of The To-ronto-Dominion Bank, Toronto, Ontario, Canada, for approval to become a bank holding company through the acquisition of 100 per cent (less directors' qualifying shares) of the voting shares of Toronto Dominion Bank of California, San Francisco, California, a proposed new bank.

## Order Approving Action to Become a Bank Holding Company

There has come before the Board of Governors, pursuant to section 3(a) (1) of the Bank Holding Company Act of 1956 ( 12 U.S.C. 1842(a)(1)) and section 222.3(a) of Federal Reserve Regulation Y (12 CFR 222.3(a)), the application of The Toronto-Dominion Bank, Toronto, Ontario, Canada ("Applicant"), for the Board's prior approval to become a bank holding company through the acquisition of 100 per cent (less directors' qualifying shares) of the voting shares of Toronto Dominion Bank of California, San Francisco, California ("Bank"), a proposed new bank.

As required by section 3 (b) of the Act, the Board gave written notice of receipt of the application to the California Superintendent of Banks and requested his views and recommendation. The Superintendent recommended approval of the application.

Notice of receipt of the application was published in the Federal Register on March 25, 1971 (36 Federal Register 5641), providing an opportunity for interested persons to submit comments and views with respect to the proposal. A copy of the application was forwarded to the United States Department of Justice for its consideration. Time for filing comments and views has expired and all those received have been considered by the Board.

The Board has considered the application in the
light of the factors set forth in section 3 (c) of the Act, including the effect of the proposed acquisition on competition, the financial and managerial resources and future prospects of the Applicant and the Bank, and the convenience and needs of the community to be served, and finds that:

Applicant is a Canadian commercial bank with $\$ 5$ billion in deposits and 769 banking offices located throughout Canada. In the United States, Applicant has agencies in New York City and San Francisco and representative offices in Chicago, Los Angeles and Houston. Additionally, it owns a trust company in New York City which does not accept demand deposits.

Within the imrnediate area of Bank are head offices of three of the five largest banks in California as well as branch offices of the remaining two largest banks. Based on the record before it, the Board concludes that Bank's entry into this area will have no adverse effects on existing or potential competition. Rather, the addition of Bank will provide increased banking facilities and competition.

The financial and managerial resources and prospects of Applicant and Bank are satisfactory and consistent with approval of the application. Considerations rellating to the convenience and needs of the community to be served lend some weight toward approval, due to the addition to the area of a new bank and another international banking link to Canada.

It is hereby ordered, for the reasons set forth in the findings summarized above, that said application be and hereby is approved, provided that the acquisition so approved shall not be consummated (a) before the thirtieth calendar day following the date of this Order, or (b) later than three months after the date of this Order, and provided further that (c) Toronto Dominion Bank of California shall be open for business not later than six months after the date of this Order. The periods described in (b) and (c) hereof may be extended for good cause by the Board or by the Federal Reserve Bank of San Francisco pursuant to delegated authority.

By order of the Board of Governors, May 20, 1971.

Voting for this action: Chairman Burns and Governors Robertson, Mitchell, Daane, Maisel, Brimmer, and Sherrill.
(Signed) Kenneth A. Kenyon,
[SEAL]

## NJN BANCORPORATION, TRENTON, NEW JERSEY

In the matter of the application of NJN Bancorporation, Trenton, New Jersey, for approval of action to become a bank holding company through the acquisition of 100 per cent (less directors' qualifying shares) of the voting shares of New Jersey National Bank, Trenton, New Jersey.

## Order Approving Action to Become a Bank Holding Company

There has come before the Board of Governors, pursuant to section 3(a) (1) of the Bank Holding Company Act of 1956 ( 12 U.S.C. 1842(a)(1)), and section 222.3(a) of Federal Reserve Regulation Y (12 CFR 222.3(a)), an application by NJN Bancorporation, Trenton, New Jersey ("Applicant"), for the Board's prior approval of action whereby Applicant would become a bank holding company through the acquisition of 100 per cent (less directors' qualifying shares) of the voting shares of New Jersey National Bank, Trenton, New Jersey ("Bank").

As required by section $3(b)$ of the Act, the Board gave written notice of receipt of the application to the Comptroller of the Currency and requested his views and recommendation. The Comptroller offered no objection to approval of the application.

Notice of receipt of the application was published in the Federal Register on April 17, 1971 (36 Federal Register 7329), providing an opportunity for interested persons to submit comments and views with respect to the proposal. A copy of the application was forwarded to the United States Department of Justice for its consideration. Time for filing comments and views has expired and all those received have been considered by the Board.

The Board has considered the application in the light of the factors set forth in section 3(c) of the Act, including the effect of the proposed acquisition on competition, the financial and managerial resources and future prospects of the Applicant and the banks concerned, and the convenience and needs of the communities to be served, and finds that:

Applicant is a nonoperating corporation formed for the purpose of acquiring Bank (deposits $\$ 467.1$ million). As it has no present operations or subsidiaries, consummation of the proposal would eliminate neither existing nor potential
competition. Neither does it appear that there would be adverse effects on any bank in the area involved.

The financial and managerial resources and prospects of Bank are satisfactory, as would be those of Applicant upon consummation of the proposal, and are consistent with approval. Consummation of the proposal would have no immediate effect on the convenience and needs of the community involved. Considerations under these factors are consistent with approval. It is the Board's judgment that the proposed transaction would be in the public interest, and that the application should be approved.

It is Hereby ordered, for the reasons set forth above, that said application be and hereby is approved, provided that the acquisition so approved shall not be consummated (a) before the thirtieth calendar day following the date of this Order or (b) later than three months after the date of this Order, unless such period is extended for good cause by the Board, or by the Federal Reserve Bank of Philadelphia pursuant to delegated authority.

By order of the Board of Governors, May 20, 1971.

Voting for this action: Chairman Burns and Governors Robertson, Mitchell, Daane, Maisel, Brimmer, and Sherrill.
(Signed) Kenneth A. Kenyon,
Deputy Secretary.
[SEAL]

## FIRST FLORIDA BANCORPORATION, TAMPA, FLORIDA

In the matter of the application of First Florida Bancorporation, Tampa, Florida, for approval of the acquisition of 80 per cent or more of the voting shares of The State Bank of North Jacksonville, Jacksonville, Florida, a proposed new bank.

## Order Approving Acquisition of Bank Stock by Bank Holding Company

There has come before the Board of Governors, pursuant to section 3(a) (3) of the Bank Holding Company Act of 1956 (12 U.S.C. 1842(a) (3)) and section 222.3 (a) of Federal Reserve Regulation Y (12 CFR 222.3(a)), an application by

First Florida Bancorporation, Tampa, Florida ("Applicant"), a registered bank holding company, for the Board's prior approval of the acquisition of 80 per cent or more of the voting shares of The State Bank of North Jacksonville, Jacksonville, Florida ("Bank"), a proposed new bank.

As required by section 3(b) of the Act, the Board gave written notice of receipt of the application to the Florida State Commissioner of Banking and requested his views and recommendation. The Commissioner recommended approval of the application.

Notice of receipt of the application was published in the Federal Register on April 8, 1971 ( 36 Federal Register 6774), providing an opportunity for interested persons to submit comments and views with respect to the proposal. A copy of the application was forwarded to the United States Department of Justice for its consideration. Time for filing comments and views has expired and all those received have been considered by the Board.

The Board has considered the application in the light of the factors set forth in section 3(c) of the Act, including the effect of the proposed acquisition on competition, the financial and managerial resources and future prospects of the Applicant and the banks concerned, and the convenience and needs of the communities to be served. Upon such consideration, the Board finds that:

Applicant controls 19 banks with aggregate deposits of approximately $\$ 366$ million, representing 3.0 per cent of the total commercial bank deposits in the State, and is the sixth largest banking organization in Florida. (All banking data are as of June 30, 1970, and reflect holding company acquisitions approved through April 30, 1971.) Since Bank is a proposed new bank, no existing competition would be eliminated nor would concentration be increased in any relevant area.

Bank will be located in a growing residential area (est. population: 85,000 ) north of downtown Jacksonville. Its proposed site is in a large shopping center and across the street from another shopping complex. Applicant presently controls two banks in Jacksonville which are 6 and 12 miles from Bank and across the river.
Consummation of the proposal would not give Applicant a dominant position in the market which is defined as approximating Duval County. Three of the four largest bank holding companies in the State are headquartered in Jacksonville and
control 15 of the 29 banks in the market. These three companies control 77.6 per cent of market deposits, while Applicant controls only 4.3 per cent. In addition to Applicant and these three companies, the relevant market is comprised of five bank holding companies and banking groups, and four independent banks. Therefore, it appears that the effect of the proposal will be to enable Applicant to compete more effectively with the larger banking organizations in the relevant area.

Nor does it appear that the opening of Bank by Applicant would have an undue adverse effect on any competing bank. The bank nearest to the proposed site of Bank is located 2.1 miles away and is a subsidiary of the largest bank holding company in the State. The next closest bank is located 3.3 miles from the proposed site and is a subsidiary of the fourth largest bank holding company in the State.

On the basis of the record before it, the Board concludes that consummation of the proposed acquisition would not adversely affect competition in any relevant area. The financial condition, management, and prospects of Applicant and its subsidiary banks are regarded as generally satisfactory. Bank has no operating financial history. It will open with satisfactory capital, and it will be able to draw or Applicant for its management. Its prospects are satisfactory. The banking factors are consistent with approval. Bank's location in a major shopping center which presently has no banking facilities should provide a convenience to residents of the area; and the wide range of services that Bank proposes to offer should meet the banking needs of the customers. Therefore, considerations relating to the convenience and needs of the communities to be served lend some weight in support of approval of the application. It is the Board's judgment that consummation of the proposed acquisition would be in the public interest, and the application should be approved.

It is hereby ordered, for the reasons set forth in the findings summarized above, that said application be and hereby is approved, provided that the action so approved shall not be consummated (a) before the thirtieth calendar day following the date of this Order or (b) later than three months after the date of this Order, and provided further that (c) The State Bank of North Jacksonville shall be open for business not later than six months after the date of this Order. The periods described in (b) and (c) hereof may be extended for good cause by the Board, or by the Federal

Reserve Bank of Atlanta pursuant to delegated authority.

By order of the Board of Governors, May 21, 1971.

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

(Signed) Kenneth A. Kenyon, Deputy Secretary.

[seal]

## FIRST FLORIDA BANCORPORATION, TAMPA, FLORIDA

In the matter of the application of First Florida Bancorporation, Tampa, Florida, for approval of acquisition of 90 per cent or more of the voting shares of Peoples Bank of Crescent City, Crescent City, Florida.

## Order Approving Acquisition of Bank Stock by Bank Holding Company

There has come before the Board of Governors, pursuant to section 3(a) (3) of the Bank Holding Company Act of 1956 (12 U.S.C. 1842(a)(3) and section 222.3(a) of Federal Reserve Regulation Y (12 CFR 222.3(a)), an application by First Florida Bancorporation, Tampa, Florida ("Applicant"), a registered bank holding company, for the Board's prior approval of the acquisition of 90 per cent or more of the voting shares of Peoples Bank of Crescent City, Crescent City, Florida ("Peoples Bank").

As required by section $3(\mathrm{~b})$ of the Act, the Board gave written notice of receipt of the application to the Commissioner of Banking for the State of Florida, and requested his views and recommendation. The Commissioner recommended approval of the application.

Notice of receipt of the application was published in the Federal Register on April 8, 1971 (36 Federal Register 6773), providing an opportunity for interested persons to submit comments and views with respect to the proposed transaction. A copy of the application was forwarded to the United States Department of Justice for its consideration. The time for filing comments and views has expired and all those received have been considered by the Board.
The Board has considered the application in
the light of the factors set forth in section 3(c) of the Act, including the effect of the proposed acquisition on competition, the financial and managerial resources and prospects of the Applicant and the banks concerned, and the convenience and needs of the communities to be served and finds that:

Applicant presently controls 19 banks with aggregate deposits of approximately $\$ 366$ million, representing 3.0 per cent of all deposits of commercial banks in Florida. (All banking data are as of June 30, 1970, adjusted to reflect holding company acquisitions approved by the Board through April 30, 1971.) Upon acquisition of Peoples Bank ( $\$ 7$ million deposits), Applicant would increase its share of Statewide deposits by only 0.1 percentage points, leaving unchanged its present ranking as the sixth largest banking organization in Florida.

Peoples Bank is the only bank located in Crescent City. Its principal competitors are the two banks in Palatka, 25 miles north of Crescent City, and the three banks in Deland, 30 miles south of Crescent City. Four of these five competitors are subsidiaries of holding companies. On the basis of deposits, Peoples Bank ranks fifth among the six banking organizations in the market and controls only 7.8 per cent of market deposits.

It appears that there is no significant existing competition between Peoples Bank and any of Applicant's present subsidiary banks, of which the nearest to Peoples Bank is 50 miles south in Sanford. Nor would significant competition be likely to develop in the future, principally because of the distances involved, the number of banks located in each of the intervening areas, and the prohibition against branch banking in Florida. The market area of Peoples Bank is largely rural and growing slowly, and there appears to be little likelihood that Applicant would establish a de novo office there. Thus, it appears that consummation of this proposal would not eliminate significant existing competition nor foreclose potential competition. Affiliation with Applicant may enhance the ability of Peoples Bank to compete with the larger banks in its area.

On the basis of the record before it, the Board concludes that consummation of the proposed acquisition would not have an adverse effect on competition in any relevant market. The financial condition, management and prospects of Applicant, its subsidiaries, and Peoples Bank are regarded as generally satisfactory. Applicant states
that the specialized services of its subsidiaries would be made available to customers of Peoples Bank as the need arises. Thus, considerations concerning community convenience and needs are consistent with approval of the application. It is the Board's judgment that the proposed transaction would be in the public interest, and that the application should be approved.

It is hereby ordered, for the reasons in the findings summarized above, that said application be and hereby is approved, provided that the acquisition so approved shall not be consummated (a) before the thirtieth calendar day following the date of this Order or (b) later than three months after the date of this Order, unless such period is extended for good cause by the Board, or by the Federal Reserve Bank of Atlanta pursuant to delegated authority.

By order of the Board of Governors, May 21, 1971.

Voting for this action: Chairman Burns and Governors Robertson, Mitchell, Maisel, and Brimmer. Absent and not voting: Governors Daane and Sherrill.
(Signed) Kenneth A. Kenyon, Deputy Secretary.
[SEAL]

## MISSOURI BANCSHARES, INC., KANSAS CITY, MISSOURI

In the matter of the application of Missouri Bancshares, Inc., Kansas City, Missouri, for approval of acquisition of 83 per cent or more of the voting shares of The Arnold Savings Bank, Arnold, Missouri.

Order Approving Acquisition of Bank Stock by Bank Holding Company

There has come before the Board of Governors, pursuant to section 3(a) (3) of the Bank Holding Company Act of 1956 ( 12 U.S.C. 1842(a)(3)) and section 222.3 (a) of Federal Reserve Regulation Y (12 CFR 222.3(a), an application by Missouri Bancshares, Inc., Kansas City, Missouri ("Applicant"), a registered bank holding company, for the Board's prior approval of the acquisition of 83 per cent or more of the voting shares of The Arnold Savings Bank, Arnold, Missouri ("Bank").

As required by section $3(\mathrm{~b})$ of the Act, the

Board gave written notice of receipt of the application to the Missouri Commissioner of Finance and requested his views and recommendation. The Commissioner replied that the acquisition would be a very progressive step for banking in Missouri.

Notice of receipt of the application was published in the Federal Register on April 10, 1971 (36 Federal Register 6923), providing an opportunity for interested persons to submit comments and views with respect to the proposal. A copy of the application was forwarded to the United States Department of Justice for its consideration. Time for filing comments and views has expired and all those received have been considered.

The Board has considered the application in the light of the factors set forth in section 3 (c) of the Act, including the effect of the proposed acquisition on competition, the financial and managerial resources and future prospects of the Applicant and the banks concerned, and the convenience and needs of the communities to be served, and finds that:

Applicant, Missouri's fifth largest registered bank holding company and banking organization, controls six banks located throughout the State with approximately $\$ 382$ million in total deposits (approximately 3.7 per cent of total deposits in the State). Applicant's acquisition of Bank (\$12.6 million deposits) would increase its share of total deposits in the State by .1 per cent. (Banking data are as of June 30, 1970 and reflect holding company formations and acquisitions approved through April 30, 1971.) Although no subsidiary of Applicant competes in Bank's primary service area, both Bank and one of Applicant's subsidiaries, The First Security Bank, Kirkwood, Missouri, compete in the broad St. Louis banking market (the Missouri portion of the St. Louis SMSA), holding . 3 per cent and .5 per cent of total deposits in that area, respectively. However, existing competition between Bank and First Security Bank is minimal and substantial potential competition is unlikely due to the 20 -mile distance between the two and the location of five banks in the intervening area. Furthermore, Kirkwood is a suburban community, and its commuting residents avoid the most direct connecting route, heavily traveled by local traffic, in favor of the interstate highway which bypasses Bank. Based on the facts of record, it appears that no existing competition would be eliminated by consummation of the proposal, significant potential competition would not be foreclosed, and there
would not be adverse effects on any competing bank.

Financial and managerial resources and prospects of Applicant, its subsidiary banks, and Bank are satisfactory, in the light of Applicant's intention to improve the capital structure of Bank. Considerations concerning convenience and needs of the communities to be served lend weight toward approval, in that Applicant intends to provide operational service and advice to Bank. Although the banking needs of the area are being adequately served, Applicant intends to enable Bank to offer an additional competitive alternative for such services as trust services. It is the Board's judgment that the proposed transaction would be in the public interest and that the application should be approved.

It is hereby ordered, for the reasons set forth above, that said application be and hereby is approved, provided that the acquisition so approved shall not be consummated (a) before the thirtieth calendar day following the date of this Order or (b) later than three months after the date of this Order, unless such period is extended for good cause by the Board, or by the Federal Reserve Bank of Kansas City pursuant to delegated authority.

By order of the Board of Governors, May 21, 1971.

Voting for this action: Chairman Burns and Governors Robertson, Mitchell, Maisel, and Brimmer. Absent and not voting: Governors Daane and Sherrill.
(Signed) Kenneth A. Kenyon, Deputy Secretary.
[SEAL]

## TEXAS COMMERCE BANCSHARES, INC., HOUSTON, TEXAS

In the matter of the application of Texas Commerce Bancshares, Inc., Houston, Texas, for approval of action to become a bank holding company.

## Order Approving Action to Become a Bank Holding Company

There has come before the Board of Governors, pursuant to section 3(a) (1) of the Bank Holding Company Act of 1956 (12 U.S.C. 1842(a) (1)) and section 222.3(a) of Federal Reserve

Regulation Y (12 CFR 222.3(a)), an application by Texas Commerce Bancshares, Inc., Houston, Texas ("Applicant"), for the Board's prior approval of action whereby Applicant would become a bank holding company through the acquisition of the successor by merger to Texas Commerce Bank National Association, Houston, Texas ("Texas Commerce"). As an incident to the merger, Applicant would acquire the beneficial ownership of more than 20 but less than 25 per cent of the shares of each of the following six Texas banks: Airline National Bank of Houston (24.9 per cent); North Freeway Bank, Houston (24.9 per cent); Reagan State Bank of Houston (24.9 per cent) ; First National Bank of Stafford (24.7 per cent); Chemical Bank and Trust Company, Houston ( 21.1 per cent); and Lockwood National Bank of Houston ( 20.4 per cent).
The described shares of the six banks other than Texas Commerce are owned by Texas Commerce Shareholders Company, all the shares of which are held by trustees for the benefit of the shareholders of Texas Commerce. As a result of the merger, Applicant will succeed to beneficial ownership of all of the shares of Texas Commerce Shareholders Company, and, indirectly, of the described shares of the six banks.
As required by section 3(b) of the Act, the Board gave written notice of receipt of the application to the Comptroller of the Currency and the Texas Commissioner of Banking, and requested their views and recommendations. Both recommended approval of the application.
Notice of receipt of the application was published in the Federal Register on March 24, 1971 (36 Federal Register 5537), providing an opportunity for interested persons to submit comments and views with respect to the proposal. A copy of the application was forwarded to the United States Department of Justice for its consideration. Time for filing comments and views has expired and all those received have been considered by the Board.
The Board has considered the application in the light of the factors set forth in section 3(c) of the Act, including the effect of the proposed acquisition on competition, the financial and managerial resources and future prospects of the Applicant and the banks concerned, and the convenience and needs of the communities to be served, and finds that:

Applicant is a newly-formed organization and has no operating history. Upon acquisition of

Texas Commerce ( $\$ 865$ million of deposits), Applicant would become the fourth largest bank holding company in the State and would control about 4 per cent of the deposits in the State. (All banking data are as of June 30, 1970, and reflect holding company acquisitions approved through April 30, 1971.)

Texas Commerce is located in downtown Houston. It is the second largest banking organization in the Houston area with control of 16.3 per cent of the deposits in the Houston SMSA, which approximates the relevant market. (Texas Commerce will be merged into a nonoperating bank which has significance only as a vehicle to accomplish the acquisition of all the shares of Texas Commerce. Acquisition of the shares of the resulting bank is treated as an acquisition of the shares of Texas Commerce.)

Airline National Bank of Houston ( $\$ 24$ million of deposits), North Freeway Bank ( $\$ 3$ million of deposits), Reagan State Bank of Houston (\$54 million of deposits), First National Bank of Stafford ( $\$ 7$ million of deposits), Chemical Bank and Trust Company ( $\$ 19$ million of deposits), and Lockwood National Bank ( $\$ 26$ million of deposits) are all located in areas in or adjacent to the city of Houston.

Texas Commerce acquired its indirect interest in five of the six banks in 1968 in order to establish correspondent relationships with these retail banks and make it a stronger competitor of the other large Houston banks. In 1969 it participated in the organization of, and thereby acquired an interest in, North Freeway Bank. While Texas Commerce presently exerts some influence over the operations of these six banks, the Board notes Applicant's assertion that they "will not be controlled by Applicant [and] they will not be subsidiaries of Applicant within the meaning of the term 'subsidiaries' as defined in the Act." Since it appears that the proposed transaction is essentially a corporate reorganization of existing interests and reflects neither expansion of the group nor an increase in the banking resources controlled by it, consummation of Applicant's proposal is not expected to affect existing or potential banking competition.

On the basis of the record before it, the Board concludes that consummation of this proposal would not have a significant adverse effect on competition in any relevant area. Considerations relating to financial and managerial resources and prospects as they relate to Applicant, Texas Com-
merce and the six associated banks are consistent with approval of the application. Applicant will begin operations in a satisfactory financial condition and will be able to draw management expertise from Texas Commerce. Its prospects, which depend largely on those of Texas Commerce, are favorable. The convenience and needs of the Houston area will not be materially affected by consummation of Applicant's proposal. It is the Board's judgment that the proposed transaction would be in the public interest and that the application should be approved.

It is hereby ordered, for the reasons summarized above, that said application be and hereby is approved, provided that the acquisition so approved shall not be consummated (a) before the thirtieth calendar day following the date of this Order or (b) later than three months after the date of this Order, unless such period is extended for good cause by the Board, or by the Federal Reserve Bank of Dallas pursuant to delegated authority.
By order of the Board of Governors, May 27, 1971.

Voting for this action: Chairman Burns and Governors Robertson, Mitchell, Daane, Maisel, Brimmer, and Sherrill.
(Signed) Kenneth A. Kenyon, Deputy Secretary.
[seal]
THE CENTRAL BANCORPORATION, INC., CINCINNATI, OHIO

In the matter of the application of The Central Bancorporation, Inc., Cincinnati, Ohio, for approval of acquisition of 100 per cent of the voting shares (less directors' qualifying shares) of the successor by merger to The First Trust and Savings Bank, Zanesville, Ohio.

Order Approving Acquisition of Bank Stock by Bank Holding Company

There has come before the Board of Governors, pursuant to section 3(a) (3) of the Bank Holding Company Act of 1956 (12 U.S.C. 1842(a) (3)), and section 222.3(a) of Federal Reserve Regulation Y (12 CFR 222.3(a)), an application by The Central Bancorporation, Inc., Cincinnati, Ohio ("Applicant"), a registered bank holding company, for the Board's prior approval of the acqui-
sition of 100 per cent of the voting shares (less directors' qualifying shares) of the successor by merger to The First Trust and Savings Bank, Zanesville, Ohio ("Bank"). The new bank has significance only as a means of acquiring all of the shares of the bank to be merged into it; the proposal is therefore treated herein as one to acquire shares of The First Trust and Savings Bank.
As required by section 3 (b) of the Act, the Board gave written notice of receipt of the application to the Superintendent of Banks of the State of Ohio and requested his views and recommendation. The Superintendent recommended approval of the application.
Notice of receipt of the application was published in the Federal Register on April 15, 1971 ( 36 Federal Register 7160), providing an opportunity for interested persons to submit comments and views with respect to the proposed transaction. A copy of the application was forwarded to the United States Department of Justice for its consideration. Time for filing comments and views has expired and all those received have been considered by the Board.

The Board has considered the application in the light of the factors set forth in section 3(c) of the Act, including the effect of the proposed acquisition on competition, the financial and managerial resources and future prospects of Applicant and the banks concerned, and the convenience and needs of the communities to be served. Upon such consideration the Board finds that:

Applicant, the ninth largest banking organization in Ohio, controls two banks with deposits of approximately $\$ 501$ million, representing less than 3 per cent of total commercial bank deposits in the State. (All banking data are as of June 30, 1970, adjusted to reflect holding company formations and acquisitions approved by the Board through April 30, 1971). The acquisition of Bank, with deposits of $\$ 24$ million, would increase Applicant's control of deposits in the State by only 0.1 per cent, and its present ranking among banking organizations in the State would not change.

Bank has five offices and is the smallest of three banks located by Muskingum County, all of which are headquartered in Zanesville. The two larger banks control approximately 43 and 30 per cent of county deposits, respectively, and Bank controls 27 per cent of such deposits. Applicant's
subsidiary nearest to Bank is located in Marietta, 60 miles southeast of Zanesville, and the nearest offices of the two banks are separated by one county and five banking offices. It appears that there is no significant present competition between Applicant's subsidiaries and Bank; that consummation of the proposal could serve to stimulate additional competition in the Zanesville area by severing a present relationship between Bank and the largest bank in Zanesville. It further appears that the proposed acquisition would not foreclose significant potential competition because of Ohio's restrictive branching laws and of the distances involved; nor does it appear that any competing banks would be adversely affected by the proposed acquisition. Based upon the record, the Board concludes that consummation of the proposed acquisition would have no significant adverse effect on competition in any relevant area.
The banking factors and convenience and needs considerations involved in this proposal are consistent with and lend some weight in favor of approval of the application. Affiliation with Applicant would enhance Bank's prospects, and permit Bank to improve and enlarge present services in its trust department, and in its installment and mortgage lending. In addition, Applicant would assist Bank in researching the feasibility of establishing other branches in northern Muskingum County which is apparently in need of additional banking facilities. It is the Board's judgment that the proposed transaction would be in the public interest, and that the application should be approved.

It is hereby ordered, for the reasons set forth in the findings summarized above, that said application be and hereby is approved, provided that the action so approved shall not be consummated (a) before the thirtieth calendar day following the date of this Order, or (b) later than three months after the date of this Order, unless such period is extended for good cause by the Board, or by the Federal Reserve Bank of Cleveland pursuant to delegated authority.

By order of the Board of Governors, June 1, 1971.

Voting for this action: Vice Chairman Robertson and Governors Mitchell, Maisel, Brimmer, and Sherril. Absent and not voting: Chairman Burns and Governor Daane.
(Signed) Kenneth A. Kenyon, Deputy Secretary
[seal]

## FIRST AMERICAN NATIONAL CORPORATION NASHVILLE, TENNESSEE

In the matter of the application of First American National Corporation, Nashville, Tennessee, for approval of action to become a bank holding company.

## Order Approving Action to Become a Bank Holding Company

There has come before the Board of Governors, pursuant to section 3(a) (1) of the Bank Holding Company Act of 1956 ( 12 U.S.C. 1842(a)(1)) and section 222.3(a) of Federal Reserve Regulation Y (12 CFR 222.3(a)), an application by First American National Corporation, Nashville, Tennessee ("Applicant"), for the Board's prior approval of action whereby Applicant would become a bank holding company through the acquisition of 100 per cent of the voting shares (less directors' qualifying shares) of the successor by merger to First American National Bank of Nashville, Nashville, Tennessee ("Bank"), and a nonoperating bank. The nonoperating bank has significance only as a means of acquiring all of the shares of the bank to be merged into it; the proposal is therefore treated herein as one to acquire shares of Bank.

As required by section 3(b) of the Act, the Board gave written notice of receipt of the application to the Comptroller of the Currency and requested his views and recommendation. The Comptroller offered no objection to approval of the application.
Notice of receipt of the application was published in the Federal Register on April 20, 1971 (36 Federal Register 7487), providing an opportunity for interested persons to submit comments and views with respect to the proposal. A copy of the application was forwarded to the United States Department of Justice for its consideration. Time for filing comments and views has expired, and all those received have been considered by the Board.

The Board has considered the application in the light of the factors set forth in section 3(c) of the Act, including the effect of the proposed acquisition on competition, the financial and managerial resources and future prospects of the Applicant and the bank concerned, and the convenience and needs of the communities to be served, and finds that:

Applicant is a nonoperating corporation formed
for the purpose of acquiring Bank ( $\$ 565.9$ million deposits). (All banking data are as of June 30, 1970, and reflect holding company approvals and acquisitions to date). Upon consummation of the proposal, Applicant will assume Bank's present position as the State's third largest banking organization with 8.5 per cent of total deposits in the State. As Applicant has no present operations or subsidiaries, consummation of the proposal would eliminate neither existing nor potential competition. Neither does it appear that there would be adverse effects on any bank in the area involved.

The financial and managerial resources and prospects of Bank are generally satisfactory, as would be those of Applicant upon approval. Consummation of the proposal would have no immediate effect on the convenience and needs of the community involved. Considerations under these factors are consistent with approval. It is the Board's judgment that consummation of the proposal would be in the public interest and that the application should be approved.

It is hereby ordered, for the reasons summarized above, that said application be and hereby is approved, provided that the acquisition so approved shall not be consummated (a) before the thirtieth calendar day following the date of this Order or (b) later than three months after the date of this Order, unless such period is extended for good cause by the Board, or by the Federal Reserve Bank of Atlanta pursuant to delegated authority.

By order of the Board of Governors, June 3, 1971.

Voting for this action: Chairman Burns and Governors Robertson, Mitchell, Daane, Maisel, and Sherrill. Absent and not voting: Governor Brimmer.
(Signed) Kenneth A. Kenyon, [seal]

## MISSOURI BANCSHARES, INC., KANSAS CITY, MISSOURI

In the matter of the application of Missouri Bancshares, Inc., Kansas City, Missouri, for approval of acquisition of 90.65 per cent or more of the voting shares of Bank of Ferguson, Ferguson, Missouri.

Order Approving Acquisition of Bank Stock by Bank Holding Company
There has come before the Board of Governors, pursuant to section 3(a) (3) of the Bank Holding

Company Act of 1956 (12 U.S.C. 1842 (a) (3)) and section 222.3(a) of Federal Reserve Regulation Y (12 CFR 222.3(a)), an application by Missouri Bancshares, Inc., Kansas City, Missouri ("Applicant"), a registered bank holding company, for the Board's prior approval of the acquisition of 90.65 per cent or more of the voting shares of Bank of Ferguson, Ferguson, Missouri ("Bank").

As required by section 3(b) of the Act, the Board gave written notice of receipt of the application to the Missouri Commissioner of Finance and requested his views and recommendation. The Commissioner indicated that he had no objection to approval of the application.

Notice of receipt of the application was published in the Federal Register on April 17, 1971 ( 36 Federal Register 7328), providing an opportunity for interested persons to submit comments and views with respect to the proposal. A copy of the application was forwarded to the United States Department of Justice for its consideration. Time for filing comments and views has expired and all those received have been considered.

The Board has considered the application in the light of the factors set forth in section 3(c) of the Act, including the effect of the proposed acquisition on competition, the financial and managerial resources and future prospects of the Applicant and the banks concerned, and the convenience and needs of the communities to be served, and finds that:

Applicant, the fifth largest registered bank holding company and banking organization in Missouri, has 7 subsidiary banks with $\$ 395$ million in deposits, representing approximately 3.8 per cent of the total commercial bank deposits in the State. (All banking data are as of June 30, 1970, and reflect holding company formations and acquisitions approved by the Board to date.) Consummation of the proposal herein would increase Applicant's share of total deposits in the State to 4 per cent, and Applicant would become the State's fourth largest registered bank holding company and banking organization.

Bank ( $\$ 20.9$ million deposits) the only bank in Ferguson, is the seventh largest of the 12 banks in its service area, which is approximated by the northeast portion of St. Louis County, and holds 6.7 per cent of that area's deposits. Bank faces strong competition from the other area banks, three of which are affiliated with St. Louis-based holding companies. Applicant has two subsidiaries located 18 and 30 miles from Bank, but the amount of competition between these subsidiaries
and Bank appears to be minimal. None of Applicant's other subsidiary banks competes with Bank to any significant extent. Additionally, the development of such competition in the future is considered unlikely because of the distances separating Applicant's subsidiaries and Bank, the presence of numerous banking alternatives, and Missouri's restrictive branching law. Consummation of the proposal may enhance competition by making Bank a more effective competitor in its service area. It does not appear that existing competition would be eliminated, or significant potential competition foreclosed, by consummation of Applicant's proposal, or that there would be undue adverse effects on any bank in the area involved.
On the basis of the record before it, the Board concludes that consummation of the proposed acquisition would not adversely affect competition in any relevant area. Considerations relating to the financial and managerial resources as they relate to Applicant, its subsidiaries, and Bank are regarded as consistent with approval of the application. Unlike the other area banks, Bank has been operated conservatively and does not appear to have made a broad effort to meet the banking needs of area residents. Applicant proposes to change this conservative policy and to establish new services, including trust services, payroll accounting, and an expanding consumer loan program, which should enable Bank to better serve the expanding needs of the area. These considerations relating to convenience and needs lend weight in support of approval of the application. It is the Board's judgment that the proposed transaction would be in the public interest, and that the application should be approved.
It is hereby ordered, for the reasons set forth above, that said application be and hereby is approved, provided that the acquisition so approved shall not be consummated (a) before the thirtieth calendar day following the date of this Order or (b) later than three months after the date of this Order, unless such period is extended for good cause by the Board, or by the Federal Reserve Bank of Kansas City pursuant to delegated authority.

By order of the Board of Governors, June 7, 1971.

Voting for this action: Chairman Burns and Governors Robertson, Mitchell, Daane, Maisel, Brimmer, and Sherrill.

(Signed) Kenneth A. Kenyon, Deputy Secretary

[seal]

## SECURITY FINANCIAL SERVICES, INC., SHEBOYGAN, WISCONSIN

In the matter of the application of Security Financial Services, Inc., Sheboygan, Wisconsin, for approval of acquisition of 80 per cent or more of the voting shares of Farmers-Merchants Na tional Bank in Princeton, Princeton, Wisconsin.

## Order Approving Acquisition of Bank Stock by Bank Holding Company

There has come before the Board of Governors, pursuant to section 3(a) (3) of the Bank Holding Company Act of 1956 (12 U.S.C. 1842(a)(3)) and section 222.3(a) of Federal Reserve Regulation Y (12 CFR 222.3(a)), an application by Security Financial Services, Inc., Sheboygan, Wisconsin ("Applicant"), a registered bank holding company, for the Board's prior approval of the acquisition of 80 per cent or more of the voting shares of Farmers-Merchants National Bank in Princeton, Princeton, Wisconsin ("Bank").

As required by section 3(b) of the Act, the Board gave written notice of receipt of the application to the Comptroller of the Currency and requested his views and recommendation. The Comptroller offered no objection to approval of the application.

Notice of receipt of the application was published in the Federal Register on April 22, 1971 ( 36 Federal Register 7623), providing an opportunity for interested persons to submit comments and views with respect to the proposed transaction. A copy of the application was forwarded to the United States Department of Justice for its consideration. The time for filing comments and views has expired and all those received have been considered by the Board.

The Board has considered the application in the light of the factors set forth in section 3(c) of the Act, including the effect of the proposed acquisition on competition, the financial and managerial resources and future prospects of the Applicant and the banks concerned, and the convenience and needs of the communities to be served. Upon such consideration, the Board finds that:

Applicant, the thirteenth largest banking organization in Wisconsin, controls two banks with aggregate deposits of $\$ 73$ million, representing 0.8 per cent of the State's total deposits. (All banking data are as of June 30, 1970, adjusted to reflect bank holding company formations and
acquisitions approved by the Board through April 30, 1971). Upon acquisition of Bank ( $\$ 11$ million in deposits), Applicant would increase its share of State-wide deposits to 0.9 per cent and would become the eleventh largest banking organization in the State.

Bank, the only bank located in Princeton (est. population 1,500 ), serves the west-central part of Green Lake County. Applicant's two banking subsidiaries are approximately 80 miles east of Bank in Sheboygan.

Bank is the largest of eight banks competing in the Princeton area, holding 19.6 per cent of area deposits. The second and third largest banks in the area hold 17.6 per cent and 16.4 per cent of area deposits, respectively. All of the banks in the area primarily serve the towns in which they are located, and Bank is not regarded as dominating the area. Based upon the record before it, the Board concludes that consummation of the proposed acquisition would not eliminate significant existing or potential competition, nor would it have an adverse competitive effect on other area banks.

Considerations relating to the financial and managerial resources and future prospects, as they relate to Applicant, its subsidiaries, and Bank are regarded as consistent with approval of the application. Bank's affiliation with Applicant would make available trust, travel, and computer services to Bank's customers for the first time and existing services would be improved and broadened. Affiliation would also give Bank the expertise and capability to service certain loan requests that it has avoided in the past because of a lack of experience in handling the larger commercial and agricultural borrowers in the area. Considerations relating to the convenience and needs of the communities served by bank lend some support for approval of the application. It is the Board's judgment that consummation of the proposed acquisition would be in the public interest, and that the application should be approved.

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

By order of the Board of Governors, June 7, 1971.

Voting for this action: Chairman Burns and Governors Robertson, Mitchell, Daane, Maisel, Brimmer and Sherrill.
(Signed) Kenneth A. Kenyon,
Deputy Secretary
[seal]

## GREAT LAKES HOLDING COMPANY KALAMAZOO, MICHIGAN

In the matter of the application of Great Lakes Holding Company, Kalamazoo, Michigan, for approval of action to become a bank holding company through the acquisition of not less than 89 per cent, nor more than 92 per cent, of the voting shares of Industrial State Bank \& Trust Company, Ka'amazoo, Michigan.

## Order Approving Action to Become a Bank Holding Company

There has come before the Board of Governors, pursuant to section 3(a) (1) of the Bank Holding Company Act of 1956 (12 U.S.C. 1842(a)(1)), and section 222.3(a) of Federal Reserve Regulation Y (12 CFR 222.3(a)), an application by Great Lakes Holding Company, Kalamazoo, Michigan, for the Board's prior approval of action whereby Applicant would become a bank holding company through the acquisition of not less than 89 per cent, nor more than 92 per cent, of the voting shares of Industrial State Bank \& Trust Company, Kalamazoo, Michigan.

As required by section 3(b) of the Act, the Board gave written notice of receipt of the application to the Michigan Commissioner of Financial Institutions and requested his views and recommendation. The Commissioner recommended approval of the application.

Notice of receipt of the application was published in the Federal Register on June 2, 1971 ( 36 Federal Register 10756), providing an opportunity for interested persons to submit comments and views with respect to the proposal. A copy of the application was forwarded to the United States Department of Justice for its consideration. Time for filing comments and views has expired and all those received have been considered by the Board.

The Board has considered the application in the light of the factors set forth in section 3(c) of the Act, including the effect of the proposed acquisition on competition, the financial and managerial resources and future prospects of the Applicant
and the banks concerned, and the convenience and needs of the communities to be served, and finds that:

Applicant is a nonoperating Michigan corporation recently formed for the purpose of acquiring Bank with deposits of $\$ 106$ million as of December 31, 1970. As Applicant has no present operations or subsidiaries, consummation of the proposal would eliminate neither existing nor potential competition, and there would be no adverse effects on competing banks.

The acquisition proposed herein would result in Bank's becoming a stronger and more viable banking institution, and a more effective competitor in the relevant area. Banking factors involved weigh heavily in favor of approval of the application since Applicant will provide Bank with an additional $\$ 2$ million of needed capital and has formulated plans to improve Bank's present operating procedures. The Michigan Commissioner of Financial Institutions has recommended approval of the application based on the proposed improvement of Bank's capital position and management under Applicant's control. Whereas there is no indication that present banking needs of the area are not being adequately served at the present time, it is apparent that consummation of the proposal would strengthen the Bank and enable it to serve better the banking needs of its area. Therefore, considerations relating to the convenience and needs of the communities to be served also lend weight in favor of approval of the application. It is the Board's judgment that the proposed transaction would be in the public interest and that the application should be approved.
It is hereby ordered, For the reasons set forth above, that said application be and hereby is approved, provided that the acquisition so approved shall not be consummated (a) before the thirtieth calendar day following the date of this Order, or (b) later than three months after the date of this Order, unless such period is extended for good cause by the Board, or by the Federal Reserve Bank of Chicago pursuant to delegated authority.

By order of the Board of Governors, June 11, 1971.

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

> (Signed) Kenneth A. Kenyon,
> Deputy Secretary.
[SEAL]

## Announcements

## CHANGE IN BOARD STAFF

The Board of Governors of the Federal Reserve System has announced the promotion, effective May 31, 1971, of James B. Eckert to the position of Associate Adviser in the Division of Research and Statistics.

## APPOINTMENT OF RESERVE BANK OFFICERS

The Board of Governors has approved the appointment by the directors of the Federal Reserve Bank of Cleveland of Willis J. Winn as President of that Bank, effective September 1.

Mr. Winn has been Dean of the Wharton School of Finance and Commerce and Vice Provost of the University of Pennsylvania since 1958. From 1961 to 1970 he was a director of the Federal Reserve Bank of Philadelphia and served as its chairman from 1966 to 1970. He holds degrees from Central College, Fayette, Missouri (A.B. and LL.D.), the University of Pennsylvania (M.A. and Ph.D.), and Villanova University (LL.D.).

The directors of the Federal Reserve Bank of St. Louis have named Eugene A. Leonard as First Vice President, effective August 1, to succeed Dale M. Lewis. Mr. Leonard has been associated with the Federal Reserve Bank of St. Louis since 1961 and has been Senior Vice President since 1970. On loan to the Board of Governors since August of last year, he has been serving as an Assistant Secretary in the Office of the Secretary.

## STATEMENT OF POLICY ON PAYMENTS MECHANISM

The Board of Governors issued on June 17, 1971, a policy statement calling for basic changes in the Nation's system for handling money payments. These are, essentially, transitional steps toward replacing the use of checks with electronic transfer of funds. The Board's statement, which was directed to the Presidents of the 12 Federal Reserve Banks, is as follows:

Increasing the speed and efficiency with which the rapidly mounting volume of checks is handled is becoming a matter of urgency. Until electronic facilities begin to replace check transfer in sub-
stantial volume, the present system is vulnerable to serious transportation delays and manpower shortages. Structural changes in the present checkclearing system can effect significant savings in manpower and unnecessary handling of checks. These changes will result in faster, more convenient, and more economical banking services for the public. They will reduce the cost of operations. The Board therefore states as a matter of policy that it places high priority upon efforts by the Federal Reserve System to improve the Nation's means of making payments, initially along the following lines:

1. Extending present clearing arrangements, in cities with Federal Reserve offices, into larger zones of immediate payment, consistent with transportation possibilities, check volumes, and the location of check-processing centers.
2. Establishing other regional clearing facilities, in which settlements are made in immediately available funds, located wherever warranted by the need for more expeditious and economical check handling, or other operating and financial conditions.
3. (a) Encouraging banks and their customers to make greater use of the expanded capabilities of the Federal Reserve wire transfer system. (b) Removing restrictions on third-party transfers of demand deposits, and extending the time period in which the wire transfer system can be used. (c) Expanding facilities at Reserve Bank offices, where justified by traffic potentials, to include high-speed tape transmission, and computer-to-computer communications.

Plans for making these basic changes in the present money transfer system should be pursued actively, to achieve as soon as possible an accelerated flow of funds along more optimal routing patterns. These initiatives are generally intended to supplement those efficient direct check-exchange programs that are now in existence.

The first objective should be expanasion of the geographic area of existing immediate payment zones. This should be accomplished as soon as
necessary arrangements can be made. Meantime, studies looking to the establishment of new clearing centers, wherever warranted, should be undertaken promptly by each Federal Reserve Bank, and submitted to the Board for review. Expansion of facilities at Federal Reserve offices for increased access to the Reserve System's wire network should be concluded at the earliest practicable time, generally during the next 12 to 18 months.

## TRANSFER OF FEDERAL RESERVE BRANCH TERRITORY

The territory of the Denver Branch of the Federal Reserve Bank of Kansas City will be extended effective July 6, 1971, to include the State of Wyoming. Wyoming has been in the territory served by the Omaha Branch of the Federal Reserve Bank of Kansas City.

## PUBLICATION OF ANNUAL REPORT

The Fifty-Seventh Annual Report of the Board of Governors of the Federal Reserve System, covering operations for the calendar year 1970, is available for distribution. Copies may be obtained upon request to Publications Services, Division of Administrative Services, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

## INFORMATION ON FAIR CREDIT REPORTING ACT

The Board of Governors on May 24, 1971, issued a series of questions and answers to assist financial institutions in complying with the Fair Credit Reporting Act (a portion of Public Law 91-508). The general purpose of the Act, which became effective on April 25, is to assure fair and accurate reporting of information regarding consumers.

The questions and answers were prepared jointly by the staffs of the Board, the Comptroller of the Currency, the Federal Deposit Insurance Corporation, and the Federal Home Loan Bank Board, each of which will issue them to institutions under its supervision. The information is not a regulation of the Board and is merely designed to provide guidance to financial institutions. Institutions that act in accordance with the information, however, will be regarded by the Board's examiners as acting in compliance with the Act.

## MORTGAGE COMMITMENT DATA

Data for mortgage commitments of $\$ 100,000$ and over authorized by 15 life insurance companies to acquire loans on nonfarm multifamily and nonresidential properties-only for the period 1951 through 1970-may be obtained from Publications Services, Division of Administrative Services, Board of Governors of the Federal Reserve System, Washington, D.C. 20551. Included in the tabulations are monthly, quarterly, and annual statistics on total number of loans and total loan amount, and also averages for loan amount, contract interest rate, maturity, loan-to-value ratio, per cent constant, debt coverage ratio, and capitalization rate. Collection of these data was initiated as part of the broad study of interest rates conducted by the National Bureau of Economic Research, aided by grants from the Life Insurance Association of America. The Federal Reserve assisted in certain phases of collecting and tabulating the commitment data prior to mid1965 and is in the process of analyzing all of the statistics. Current data are collected by the Life Insurance Association of America.

## National Summary of Business Conditions

Released for publication June 14

Industrial production and nonfarm employment increased in May. The unemployment rate edged up further and retail sales declined. Wholesale prices continued to advance. Commercial bank credit, the money supply, and time and savings deposits increased in May. Between mid-May and mid-June, yields on short and intermediate U.S. Government securities rose and yields on municipal bonds declined.

## INDUSTRIAL PRODUCTION

Industrial production rose 0.7 per cent further in May and at 167.3 per cent of the 1957-59 average was 4.2 per cent below the mid- 1969 peak. Output of consumer goods and materials continued to rise and production of total equipment leveled off following earlier declines.

Auto assemblies rose 5 per cent and were at an annual rate of 8.5 million units. Production schedules for June indicate little change from the May rate. Output of furniture and consumer staples increased further in May, while production of appliances and television sets changed little. Output of business and defense equipment, which declined about one-fifth from the 1969 peak to April, rose 0.3 per cent in May. Production of iron and steel, textiles, rubber, and chemicals

INDUSTRIAL PRODUCTION

F.R. indexes, seasonally adjusted. Latest figures: May.
increased. Output of coal and petroleum products, however, declined.

## EMPLOYMENT

Nonfarm payroll employment rose moderately in May, reflecting increases in trade, durable goods manufacturing, and State and local governments. The average workweek of manufacturing production workers rose 0.2 hour, returning to the March level of 39.9 hours. The unemployment rate edged up further in May to 6.2 per cent, the same as in December 1970.

## RETAIL SALES

The value of retail sales declined nearly 1 per cent in May, according to the advance report, and was 6 per cent above a year earlier. Durable goods sales were 3 per cent lower and nondurable goods sales were unchanged.

## WHOLESALE AND CONSUMER PRICES

Wholesale prices, seasonally adjusted, increased 0.3 per cent between April and May. Industrial commodities rose 0.4 per cent, reflecting sharply higher prices for metals and metal products and fuels. Prices of farm and food products dropped 0.2 per cent with declines in fresh and dried fruits and vegetables, grains, and fluid milk.

The consumer price index rose 0.3 per cent in April, after seasonal adjustment, as food prices continued their rapid advance, but mortgage interest costs and gasoline prices declined.

## BANK CREDIT, DEPOSITS, AND RESERVES

Commercial bank credit, adjusted for transfers of loans between banks and their affiliates, increased $\$ 4.4$ billion in May. This increase followed a slight decline in April but was about the same as the average monthly increase over the first quarter. Growth in loans accounted for a major part of the May credit expansion and was associated principally with increases in loans to businesses and nonbank financial institutions. Holdings of municipal and Federal agency securities
increased substantially further but less rapidly than in other recent months while holdings of U.S. Treasury securities were unchanged.

The money stock rose sharply in May-at an annual rate of 16.3 per cent-considerably faster than in April and the first quarter. U.S. Government deposits declined somewhat. Growth in time and savings deposits-at an annual rate of 14.5 per cent-was larger than in April but well below the unusually rapid first quarter expansion. Inflows of time and savings deposits other than large negotiable CD's were about the same as in April but much smaller than earlier in the year. Commercial bank sales of large negotiable CD's increased in May.

Free reserves of member banks averaged about $\$ 10$ million over the 4 weeks ending May 26, little different from the average of the previous 4 weeks. Relatively high free reserves in the first half of the month were about offset by net borrowed reserves in the second half. Over May,

PRICES


Bureau of Labor Statistics. "Farm products and foods" is BLS "Farm products, and processed foods and feeds." Latest figures: Consumer, April; Wholesale, May.
excess reserves increased on average but member bank borrowings also rose.

## SECURITY MARKETS

Treasury bill yields rose about 50 to 60 basis points on balance between mid-May and midJune. The 3 -month bill was bid at about 4.70 per cent in the middle of June, compared with around 4.10 per cent a month earlier. Yields on inter-mediate-term Government notes and bonds rose by about 10 to 15 basis points over the same period, while rates on long-term bonds changed little on balance.

Yields on new corporate securities rose sharply early in the interval, but a subsequent improvement of market conditions brought rates down to month earlier levels by mid-June. Seasoned security rates, which tend to lag new issue yields, rose moderately. Yields on municipal bonds dropped about 10 basis points from mid-May to mid-June.

Common stock prices and volume remained steady on balance over the same period.

INTEREST RATES


Discount rate, range or level for all F.R. Banks. Weekly average market yields for U.S. Govt. bonds maturing in 10 years or more and for 90 -day Treasury bills. Latest figures: week ending June 5.

## Financial and Business Statistics

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## Guide to Tabular Presentation

## SYMBOLS AND ABBREVIATIONS

| e | Estimated |
| :--- | :--- |
| c | Corrected |
| p | Preliminary |
| r | Revised |
| rp | Revised preliminary |
| I, II, |  |
| III, IV | Quarters |
| n.e.c. | Not elsewhere classified |
| A.R. | Annual rate |
| S.A. | Monthly (or quarterly) figures adjusted for <br> seasonal variation |

## GENERAL INFORMATION

Minus signs are used to indicate (1) a decrease, (2) a negative figure, or (3) an outflow.

A heavy vertical rule is used in the following instances: (1) to the right (to the left) of a total when the components shown to the right (left) of it add to that total (totals separated by ordinary rules include more components than those shown), (2) to the right (to the left) of items that are not part of a balance sheet, (3) to the left of memorandum items.
"U.S. Govt. securities" may include guaranteed issues of U.S. Govt. agencies (the flow of funds figures also
include not fully guaranteed issues) as well as direct obligations of the Treasury. "State and local govt." also includes municipalities, special districts, and other political subdivisions.

In some of the tables details do not add to totals because of rounding.

The footnotes labeled Note (which always appear last) provide (1) the source or sources of data that do not originate in the System; (2) notice when figures are estimates; and (3) information on other characteristics of the data.

## TABLES PUBLISHED QUARTERLY, SEMIANNUALLY, OR ANNUALLY, WITH LATEST BULLETIN REFERENCE

| Quarterly | Issue | Page | Annually-Continued | Issue | Page |
| :---: | :---: | :---: | :---: | :---: | :---: |
| Flow of funds. | $\left\{\begin{array}{l} \text { Mar. } 1971 \\ \text { June } 1971 \end{array}\right.$ | $\begin{array}{r} \text { A-71.1-A-71.9 } \\ \text { A-70-A-71.1 } \end{array}$ | Banks and branches, number, by class and State. | Apr. 1971 | A.94-A-95 |
| Semiannually |  |  | Flow of funds: <br> Assets and liabilities: |  |  |
| Banking offices: |  |  | 1959-70.......... | $\text { Mar. } 1971$ | $\text { A- } 71.10-\mathrm{A}-71.21$ |
| Analysis of changes in number.... | Feb. 1971 | A-96 | Flows: |  |  |
| On, and not on, Federal Reserve Par List, number................. | Feb. 1971 | A-97 | $\begin{aligned} & 1966-70 . . . . . . . . . . . . . . . . . . . . . . . . . . ~ \\ & 1970 \text { selected data (revised). . . . } \end{aligned}$ | $\begin{aligned} & \text { Mar. } 1971 \\ & \text { June } 1971 \end{aligned}$ | $\begin{gathered} \mathrm{A}-70-\mathrm{A}-71.9 \\ \mathrm{~A}-70-\mathrm{A}-71.1 \end{gathered}$ |
| Annually |  |  | Income and expenses: |  |  |
|  |  |  | Federal Reserve Banks. | Feb. 1971 | A-94-A-95 |
| Bank holding companies: |  |  | Insured commercial banks | June 1971 | A-94 |
| List of, Dec. 31, $1970 . . . . . . . . . .$. of | June 1971 | A-110 | Member banks: |  |  |
| Banking offices and deposits of group banks, Dec. $31,1969 \ldots$ |  | A-95 | Calendar year. | June 1971 | A-94-A-103 A-104-A-109 |
| group banks, Dec. 31, 1969.... | Aug. 1970 | A-95 | Operating ratios. | Aug. 1970 | A-104-A-109 A-114-A-119 |
| Banking and monetary statistics, 1970. | Feb. 1971 <br> Mar. 1971 | $\begin{array}{r} \text { A-98-A-99 } \\ \text { A-94-A-106 } \end{array}$ | Stock exchange firms, detailed debit and credit balances. $\qquad$ | Sept. 1970 | A-94-A-95 |

## Statistical Releases

## LIST PUBLISHED SEMIANNUALLY, WITH LATEST BULLETIN REFERENCE

|  | Issue | Page |
| :---: | :---: | :---: |
| Anticipated schedule of release dates for individual relea | une 1971 | A-117 |


| Period or date | Factors supplying reserve funds |  |  |  |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Reserve Bank credit outstanding |  |  |  |  |  |  | Gold stock | Special Drawing Rights certificate account | Treasury currency out-standing |
|  | U.S. Govt. securities ${ }^{1}$ |  |  | Discounts and advances | Float ${ }^{2}$ | $\begin{aligned} & \text { Other } \\ & \text { F.R. } \end{aligned}$$\text { assets }{ }^{3}$ | Total 4 |  |  |  |
|  | Total | Bought outright | Held under repurchase agreement |  |  |  |  |  |  |  |
| Averages of daily figures |  |  |  |  |  |  |  |  |  |  |
| 1939-Dec. | 2,510 | $\begin{array}{r} 2,510 \\ 2,219 \\ 23,708 \\ 20,336 \end{array}$ | $9$ | 85381 | 83170 |  | 2,6122,404 | 17,518 | ........... | $\begin{aligned} & 2,956 \\ & 3,239 \\ & 4,322 \\ & 4,629 \end{aligned}$ |
| 1941-Dec. | 2,219 |  |  |  |  |  |  |  |  |  |
| 1945-Dec. | 23,708 |  |  |  | 652 |  | 24,744 | 20,047 |  |  |
| 1950-Dec. | 20,345 |  |  | 142 | 1,117 |  | 21,606 | 22,879 |  |  |
| 1960-Dec. | 27,248 | 27,17040,772 | 78113 | 94490 | 1,665 | ......... | 29,060 | 17,954 | ... | 5,3965,565 |
| 1965 -Dec. | 40,885 |  |  |  |  | ........... | 43,853 | 13,799 | …....... |  |
| 1966-Dec. | 43,760 | 43,274 | 486 | 570 | 2,383 |  | 46,864 | 13,158 |  | 6,284 |
| 1967-Dec.. | 48,891 | 48,81052,454 | 81 | 238 | 2,030 | .......... | 51,26856,610 | $\begin{aligned} & 12,436 \\ & 10,367 \end{aligned}$ | … | 6,7776,810 |
| 1968-Dec. | $\begin{aligned} & 52,529 \\ & 57,500 \end{aligned}$ |  | 75 | . 765 | 3,251 |  |  |  |  |  |
| 1969-Dec.. |  | 57,295 | 205 | 1,086 | 3,235 | 2,204 | 64,100 | 10,367 |  | 6,841 |
| 1970-May. | 57,265 | 57,17957,584 | 8646 | 1,066 | 2,985 | 1,708 | 63,087 | 11,367 | 400 | 6,9676,999 |
|  | 57,630 |  |  | 1,432 | 2,901 | 1,302 | 63,912 | $\begin{aligned} & 11,367 \\ & 11,367 \end{aligned}$ | $\begin{aligned} & 400 \\ & 400 \end{aligned}$ |  |
| July. | 58,219 | 58,003 | 216 |  |  |  |  |  |  | 6,999 6,994 |
| Aug. | 59,54459,903 | 59,25559,625 |  | 849 | 2,832 | 1,2481,216 | 64,13464,619 | $\begin{aligned} & 11,367 \\ & 11,367 \end{aligned}$ | $\begin{aligned} & 400 \\ & 400 \end{aligned}$ | 7,009 |
|  |  |  | 278 173 | $\begin{aligned} & 607 \\ & 462 \end{aligned}$ |  |  |  | 11,300 | 400 400 | 7,049 7,069 |
| Oct. | $\begin{aligned} & 59,903 \\ & 59,533 \\ & 60,393 \end{aligned}$ | 60,00461,310 | $\begin{aligned} & 173 \\ & 389 \end{aligned}$ | 4625 | 2,933 | 1,314 | $\begin{aligned} & 65,132 \\ & 66,708 \end{aligned}$ | 11,117 | 400 | $\begin{aligned} & 7,100 \\ & 7,145 \end{aligned}$ |
| Dec. | $\begin{aligned} & 60,393 \\ & 61,688 \end{aligned}$ |  | 378 | 425 321 | 3,570 |  |  | 11,105 |  |  |
|  | $\begin{aligned} & 62,068 \\ & 62,350 \\ & 62,719 \\ & 63,371 \\ & 64,714 \end{aligned}$ | $\begin{aligned} & 61,941 \\ & 62,051 \\ & 62,381 \\ & 63,153 \\ & 64,368 \end{aligned}$ | 127 | 370 | 3,636 | 1,216 | 67,363 | 10,732 | 400 | 7,157 |
|  |  |  | 299 | 328 | 2,974 | 1,065 | 66,797 | 10,732 | 400 | 7,188 |
|  |  |  | 338 | 319 | 2,671 | , 896 | 66,691 | 10,732 | 400 | 7,235 |
|  |  |  | 218 | 148 | 3,047 | 1,103 | 67,747 | 10,732 | 400 | 7,291 |
|  |  |  | 346 | 330 | 2,688 | 1,076 | 68,910 | 10,448 | 400 | 7,357 |
| Week ending- |  |  |  |  |  |  |  |  |  |  |
| 1971-Mar. 3 | $\begin{aligned} & 62,627 \\ & 62,206 \\ & 63,032 \\ & 62,510 \\ & 63,076 \end{aligned}$ | $\begin{aligned} & 62,479 \\ & 62,169 \\ & 62,301 \\ & 62,423 \\ & 62,581 \end{aligned}$ | $\begin{array}{r} 148 \\ 37 \\ 731 \\ 87 \\ 495 \end{array}$ | 258 | 2,723 | 844829 | 66,52066,414 | 10,732 | 400 | 7,210 |
|  |  |  |  | 421 |  |  |  | 10,732 | 400 |  |
|  |  |  |  | 290 | 2,549 | 879 | 66,867 | 10,732 | 400 | 7,230 |
|  |  |  |  | 333 | 2,853 | 922 | 66,699 | 10,732 | 400 | 7,242 |
|  |  |  |  | 257 | 2,482 | 966 | 66,874 | 10,732 | 400 | 7,255 |
| Apr. $\begin{array}{r}7 \\ 14 \\ 21\end{array}$ | 63,268 63,114 63,52663,476 | 62,709 62,921 63,39463,424 | $\begin{array}{r} 559 \\ 193 \\ 132 \\ 52 \end{array}$ | $\begin{array}{r} 197 \\ 150 \\ 84 \\ 176 \end{array}$ | $\begin{aligned} & 2,718 \\ & 2,958 \\ & 3,259 \\ & 3,252 \end{aligned}$ | $\begin{aligned} & 1,010 \\ & 1,053 \\ & 1,177 \\ & 1,152 \end{aligned}$ | 67,308 <br> 67,338 <br> 68,131 |  | 400400400400 | $\begin{aligned} & 7,268 \\ & 7,284 \\ & 7,296 \\ & 7,309 \end{aligned}$ |
|  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |
| May $\begin{array}{r}5 . \\ 12 . \\ 19 . \\ 26^{p}\end{array}$ | $\begin{aligned} & 64,238 \\ & 64,504 \\ & 64,804 \\ & 64,942 \end{aligned}$ | 63,808 63,981 <br> 64,452 <br> 64,764 | $\begin{aligned} & 430 \\ & 523 \\ & 352 \\ & 178 \end{aligned}$ | $\begin{array}{r} 174 \\ 99 \\ 306 \\ 269 \end{array}$ | 2,753 | 1,186 | 68,438 | 10,732 | 400 | 7,326 |
|  |  |  |  |  | 2,540 | 1,297 | 68,537 | 10,561 | 400 | 7,345 |
|  |  |  |  |  | 2,964 2,779 | 1,109 | 69,276 68,949 | 10,332 10,332 | 400 400 | 7,354 |
|  |  |  |  |  |  |  | 68,949 | 10,332 |  |  |
| End of month |  |  |  |  |  |  |  |  |  |  |
| $\begin{array}{r} \text { 1971-Mar. } \\ \text { Apr. } \\ \text { May } \end{array}$ | $\begin{aligned} & 64,345 \\ & 63,721 \\ & 64,764 \end{aligned}$ | $\begin{aligned} & 6 \\ & 6 \\ & 6 \\ & 63,84,721 \\ & 6 \\ & 64,764 \end{aligned}$ | 1,504$\ldots \ldots \ldots$ | $\begin{array}{r} 391 \\ 81 \\ 1,051 \end{array}$ | $\begin{aligned} & 2,550 \\ & 2,824 \\ & 2,409 \end{aligned}$ | $\begin{array}{r} 997 \\ 1,169 \\ 927 \end{array}$ | $\begin{aligned} & 68,421 \\ & 67,851 \\ & 69,263 \end{aligned}$ | $\begin{aligned} & 10,732 \\ & 10,732 \\ & 10,332 \end{aligned}$ | 400 | 7,270 |
|  |  |  |  |  |  |  |  |  | 400 | 7,329 |
|  |  |  |  |  |  |  |  |  | 400 | 7,390 |
| Wednesday |  |  |  |  |  |  |  |  |  |  |
| 1971-Mar. 3. | $\begin{aligned} & 62,767 \\ & 62,495 \end{aligned}$ | ${ }^{6} 62,490$ | $\begin{array}{r} 277 \\ 262 \\ 753 \\ 50 \\ 1,504 \end{array}$ | $\begin{array}{r} 262 \\ 1,521 \\ 567 \\ 820 \\ 391 \end{array}$ | 2,859 | 867 | 66,846 | 10,732 | 400 | 7,212 |
|  |  | 662,233662301 |  |  | 2,462 | 861 | 67,414 | 10,732 | 400 | 7,225 |
|  | $\begin{aligned} & 62,495 \\ & 63,054 \\ & 62,455 \end{aligned}$ |  |  |  | 2,752 | 921 | 67,442 | 10,732 | 400 | 7,238 |
|  |  | 662,405662,841 |  |  | 2,295 | 981 | 66,612 | 10,732 | 400 | 7,249 |
|  | 62,455 64,345 |  |  |  | 2,550 | 997 | 68,421 | 10,732 | 400 | 7,263 |
| Apr. 7. | 62,216 62,904 64,015 64,020 | 6762,2166762,904663,394663,659 | . ...... | 17621788 | 3,7312,7593,170 | 1,0261,0851,1641,197 | $\begin{aligned} & 67,249 \\ & 67,1049 \end{aligned}$ <br> 68,529 69,1018 |  | 400 | 7,274 |
| 14. |  |  |  |  |  |  |  |  | 400 | 7,290 |
| 21. |  |  | 621 |  |  |  |  |  | 400 | 7,297 |
| 28. |  |  | 361 | 718 | 2,995 |  |  |  | 400 | 7,310 |
| May $5^{p}$. | $\begin{aligned} & 65,316 \\ & 64,185 \\ & 65,148 \\ & 64,971 \end{aligned}$ | 664,043663,921664,530664,764 | 1,273 264 618207 20 | $\begin{array}{r} 802 \\ 25 \\ 985 \\ 1,274 \end{array}$ | $\begin{aligned} & 2,789 \\ & 2,305 \\ & 2,754 \\ & 2,488 \end{aligned}$ | $\begin{array}{r} 1,216 \\ 1,324 \\ 826 \\ 871 \end{array}$ | $\begin{aligned} & 70,262 \\ & 67,397 \\ & 69,361 \\ & 69,706 \end{aligned}$ | 10,732 | 400 | 7,331 |
| 12p. |  |  |  |  |  |  |  | $10,332$ | 400 | 7,350 |
| $19{ }^{p}$ |  |  |  |  |  |  |  | $10,332$ | 400 | 7,360 |
| $26^{p}$ |  |  |  |  |  |  |  | 10,332 | 400 | 7,381 |

For notes see opposite page.


[^35][^36](In millions of dollars)


For notes see opposite page.

RESERVES AND BORROWINGS OF MEMBER BANKS-Continued
(In millions of dollars)


[^37][^38]
## A 8 MAJOR RESERVE CITY BANKS ■ JUNE 1971

BASIC RESERVE POSITION, AND FEDERAL FUNDS AND RELATED TRANSACTIONS
(In millions of dollars, except as noted)

| Reporting banks and week ending- | Basic reserve position |  |  |  |  | Interbank Federal funds transactions |  |  |  |  | Related transactions with U.S. Govt. securities dealers |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Excess reserves ${ }^{1}$ | Less- |  | Net- |  | Gross transactions |  | Total two-way transactions ${ }^{2}$ | Net transactions |  | $\begin{gathered} \text { Loans } \\ \text { to } \\ \text { dealers }^{3} \end{gathered}$ | Bor- <br> row- <br> ings from dealers ${ }^{4}$ | Net loans |
|  |  | Borrowings at F.R. Banks | Net interbank Federal funds trans. | $\begin{gathered} \text { Surplus } \\ \text { or } \\ \text { deficit } \end{gathered}$ | Per cent of avg. required reserves | Purchases | Sales |  | Purchases of net buying banks | Sales of net selling banks |  |  |  |
| Total-46 banks |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 1971-Apr. $\begin{array}{r}\text { 7. . . . } \\ \text { 14. }\end{array}$ | 185 |  | 8,213 | -8,028 | 63.5 | 11,183 | 2,970 | 2,799 | 8,384 | 171 | 2,811 | 183 | 2,629 |
|  | 93 | 17 | 9,940 | -9,863 | 77.2 | 13,232 | 3,293 | 3,132 | 10,100 | 161 | 3,246 | 135 | 3,110 |
|  | 37 -62 | 65 | 9,343 | -9,307 | 71.8 | 12,759 | 3,417 | 3,186 | 9,573 | 231 | 2,174 | 255 | 1,919 |
|  |  | 65 | 6,200 | -6,328 | 48.8 | 9,817 | 3,617 | 3,083 | 6,735 | 534 | 1,543 | 275 | 1,268 |
| May $\begin{array}{r}5 \\ \mathbf{1 2} \\ 19 \\ 26\end{array}$ | 134 | 85 | 5,310 | -5,261 | 40.3 | 9,082 | 3,772 | 3,331 | 5,752 | 442 | 1,642 | 295 | 1,347 |
|  | 136 | 59 | 7,285 | -7,209 | 56.1 | 11,371 | 4,086 | 3,234 | 8,137 | 852 | 1,360 | 504 | 1,856 |
|  | -14 | 182 | 7,267 | -7,463 | 56.3 | 11,515 | 4,249 | 3,316 | 8,199 | 933 | 1,401 | 477 | 924 |
|  | 51 | 126 | 5,661 | $-5,737$ | 44.3 | 9,406 | 3,745 | 2,850 | 6,5515 | 895 | 1,264 | 284 | 980 |
| 8 in New York City |  |  |  |  |  |  |  |  |  |  |  |  |  |
| $\begin{array}{cc} \text { 1971-Apr. } & 7 \ldots \ldots . . \\ & 14 \ldots \ldots \\ & 21 \ldots \ldots . . \end{array}$ | 11 |  | 3,566 | -3,556 | 69.7 | 4,089 | 523 | 523 | 3,566 |  | 1,471 | 88 | 1,383 |
|  | 97 | 17 | 4,444 | -4,365 | 85.1 | 5,000 | 555 | 555 | 4,444 |  | 1,545 | 45 | 1,500 |
|  | 38 -34 |  | 4,752 | -4,714 | 89.6 | 5,208 | 456 | 456 | 4,752 |  | 1,436 | 90 | 1,346 |
|  | -34 | 42 | 2,760 | -2,837 | 55.0 | 3,546 | 786 | 786 | 2,760 |  | 986 | 117 | 869 |
|  | 53 | 46 | 2,248 | -2,240 | 42.4 | 3,014 | 767 | 767 | 2,248 |  | 1,157 | 155 | 1,002 |
|  |  | 39 | 3,747 | -3,786 | 73.0 | 4,335 | 588 | 588 | 3,747 |  | - 977 | 225 | - 751 |
|  | 21 3 | 134 92 | 4,408 | -4,522 | 83.1 | 4,962 | 554 | 554 | 4,408 |  | 986 | 160 | 826 |
|  | 3 | 92 | 3,080 | $-3,168$ |  | 3,601 | 522 | 522 | 3,080 |  | 879 | 141 | 737 |
| 38 outside <br> New York City |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 1971-Apr. $\begin{array}{r}7 \\ 14 \\ 21 \\ 28\end{array}$ | 174 |  | 4,647 | -4,473 | 59.3 | 7,094 | 2,447 | 2,276 | 4,817 | 171 | 1,340 | 95 | 1,246 |
|  | -4 |  | 5,495 | -5,499 | 72.0 59 | 8,233 | 2,737 | 2,577 | 5,656 | 161 | 1,700 | 90 | 1,610 |
|  | -1 |  |  | -4,593 | 59.7 | 7,552 | 2,961 | 2,730 | 4,822 | 231 | -738 | 165 | - 573 |
|  | -28 | 23 | 3,440 | -3,491 | 44.8 | 6,271 | 2,831 | 2,297 | 3,974 | 534 | 557 | 158 | 399 |
| May $\begin{array}{r}\text { 2 } \\ \\ 12 \\ 19 \\ \\ \\ 26\end{array}$ | 81 | 40 | 3,062 | -3,021 | 38.8 | 6,068 | 3,006 | 2,564 | 3,504 | 442 | 485 | 140 | 345 |
|  | 135 | 20 | 3,538 | -3,423 | 44.7 | 7,036 | 3,498 | 2,645 | 4,390 | 852 | 383 | 279 | 105 |
|  | -34 | 47 | 2,859 | -2,940 | 37.7 | 6,553 | 3,694 | 2,762 | 3,79 il | 933 | 415 | 316 | 98 |
|  | 48 | 35 | 2,581 | -2,569 | 33.4 | 5,804 | 3,223 | 2,328 | 3,476 | 895 | 385 | 143 | 243 |
| 5 in City of Chicago |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 1971-Apr. $\begin{array}{r}7 \\ 14 \\ 21\end{array}$ | 18 |  | 1,450 | -1,432 | 116.6 | 1,846 | 396 | 335 | 1,511 | 61 | 112 |  | 112 |
|  | -1 |  | 1,712 | -1,713 | 138.1 | 2,100 | 387 | 341 | 1,759 | 46 | 114 |  | 114 |
|  | -9 |  | 1,718 | -1,726 | 137.3 | 2,118 | 400 | 350 | 1,768 | 50 | 92 |  | 92 |
|  | 6 | 18 | 1,404 | -1,416 | 109.6 | 1,756 | 352 | 310 | 1,446 | 42 | 99 |  | 99 |
| May $\begin{array}{r}5 \\ \\ \\ 12 \\ \\ \\ 26\end{array}$ | -1 |  | 1,156 | -1,156 | 87.6 | 1,632 |  |  | 1,201 |  | 65 |  | 65 |
|  | 24 |  | 1,491 | -1,467 | 115.7 | 2,005 | 514 | 450 | 1,556 | 65 | 32 |  | 32 |
|  | -7 | 418 | 1,337 | $-1,385$ $-1,160$ | 104.3 89.9 | 1,916 | 580 527 | 523 480 | 1,393 | 57 47 | 48 |  | 48 |
|  | 12 | 18 | 1,154 | $-1,160$ | 89.9 | 1,681 | 527 | 480 | 1,201 | 47 | 45 |  | 45 |
| 33 others |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 1971-Apr. $\begin{gathered}7 \\ \\ \\ \\ 21 \\ 28 \\ 28\end{gathered}$ | 157 |  | 3,197 | $-3,040$ | 48.2 | 5,248 | 2,051 | 1,941 | 3,307 | 110 | 1,228 | 95 | 1,134 |
|  | -3 |  | 3,783 | -3,785 | 59.2 | 6,133 | 2,350 | 2,235 | 3,898 | 115 | 1,587 | 90 | 1,497 |
|  |  |  | 2,873 | -2,867 | 44.5 | 5,434 | 2,561 | 2,380 | 3,054 | 181 | . 6468 | 165 | 481 |
|  | -34 | 5 | 2,036 | -2,076 | 31.9 | 4,515 | 2,479 | 1,987 | 2,528 | 492 | 458 | 158 | 300 |
| May $\begin{array}{r} \\ \\ \\ 12 \\ \\ \\ \\ 26 \\ \\ \end{array}$ | 82 |  |  | -1,865 | 28.9 | 4,436 | 2,529 | 2,133 | 2,303 | 397 | 421 | 140 | 280 |
|  | 112 | 20 | 2,047 | -1,956 | 30.6 | 5,030 | 2,983 | 2,196 | 2,835; | 788 | 352 | 279 | 73 |
|  | -27 | 6 | 1,522 | -1,555 | 24.0 | 4,637 | 3,115 | 2,239 | 2,398 | 876 | 367 | 316 | 51 |
|  | 36 | 17 | 1,428 | -1,409 | 22.0 | 4,123 | 2,696 | 1,848 | 2,275 | 847 | 340 | 143 | 198 |

[^39]banks, repurchase agreements (purchases of securities from dealers subject to resale), or other lending arrangements.

4 Federal funds borrowed, net funds acquired from each dealer by clearing banks, reverse repurchase agreements (sales of securities to dealers subject to repurchase), resale agreements, and borrowings secured by Govt. or other issues.
Note.-Weekly averages of daily figures. For description of series and back data, see Aug. 1964 Bulletin, pp. 944-74.
(Per cent per annum)

| Federal Reserve Bank | Advances to and discounts for member banks |  |  |  |  |  | Advances to all others underlast par. Sec. 133 last par. Sec. $1^{3}{ }^{3}$ |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Advances and discounts under Secs. 13 and 13a 1 |  |  | Advances under Sec. 10(b) ${ }^{2}$ |  |  |  |  |  |
|  | Rate on <br> May 31, <br> 1971 | $\begin{aligned} & \text { Effective } \\ & \text { date } \end{aligned}$ | Previous rate | Rate on May 31, 1971 | Effective | Previous rate | Rate on May 31, 1971 | $\begin{gathered} \text { Effective } \\ \text { date } \end{gathered}$ | Previous rate |
| Boston. | 43/4 | Feb. 13, 1971 | 5 | $51 / 4$ | Feb. 13, 1971 | $51 / 2$ | 63/4 | Feb. 13, 1971 | 7 |
| New York |  | Feb. 19, 1971 |  |  |  |  | 63/4 |  |  |
| ${ }^{\text {Philadelphia }}$ | 43/4/ | Feb. 13, 1971 | 5 | $51 / 4$ $51 / 4$ | Feb. 13, 1971 | $51 / 2$ | 63/4/ | Feb. 13, 1971 | 7 |
| Richmond. | 43/4 | Feb. 13, 1971 | 5 | 51/4 | Feb. 13, 1971 | $51 / 2$ | 63/4 | Feb. 26, 1971 | 7 |
| Atlanta. | 43/4 | Feb. 13, 1971 | 5 | $51 / 4$ | Feb. 13, 1971 | 51/2 | $63 / 4$ | Feb. 13, 1971 | 7 |
| Chicago... |  | Feb. 131971 | 5 | S1/4 | Feb. 13, 1971 | $51 / 2$ | 63/4 |  | 7 |
| $\xrightarrow[\text { Stin }]{\text { Stinneapolis, }}$ | 43/4 | Feb. 13, 1971 | 5 | 51/4 | Feb. 13, 1971 Feb. 13, 1971 | 51/2 | 63/4 | Feb. 13, Feb. 13, 1971 | 7 |
| Kansas City. | $43 / 4$ | Feb. 13, 1971 | 5 | 51/4 | Feb. 13, 1971 | $51 / 2$ | $63 / 4$ | Feb. 13, 1971 | 7 |
| Dallas..... | $43 / 4$ $43 / 4$ | Feb. 13, Feb. 13, 1971 | 5 |  |  | 51/2 |  |  | 7 |
| San Francisco. | 43/4 | Feb. 13, 1971 |  | $51 / 4$ | Feb. 13, 1971 | 51/2 | 63/4 | Feb. 13, 1971 | 7 |
| ${ }^{1}$ Discounts of eligible paper and advances secured by such paper or by U.S. Govt. obligations or any other obligations eligible for F.R. Bank purchase. Maximum maturity: 90 days except that discounts of certain bankers' acceptances and of agricultural paper may have maturities not over 6 months and 9 months, respectively. |  |  |  | ${ }^{2}$ Advances secured to the satisfaction of the F.R. Bank. Maximum maturity: 4 months. <br> ${ }^{3}$ Advances to individuals, partnerships, or corporations other than member banks secured by direct obligations of, or obligations fully guaranteed as to principal and interest by, the U.S. Govt. or any agency thereof. Maximum maturity: 90 days. |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |

## SUMMARY OF EARLIER CHANGES



[^40]Note.-Rates under Secs. 13 and 13a (as described in table and notes above). For data before 1946, see Banking and Monetary Statistics, 1943, pp, 439-42 and Supplement to Section 12, p. 3.
The rate charged by the F.R. Bank of N.Y. on repurchase contracts against U.S. Govt. obligations was the same as its discount rate except in the following periods (rates in percentages): 1955-May 4-6, 1.65;

Aug. $4,1.85$; Sept. 1-2, 2.10 ; Sept. 8, 2.15 ; Nov. 10, 2.375; 1956-Aug. $24-29,2.75 ; 1957-A u g .22,3.50 ; 1960-$ Oct. $31-\mathrm{Nov.17}, \mathrm{Dec} .28-29$, 2.75; 1961-Jan. 9, Feb. 6-7, 2.75 ; Apr. 3-4, 2.50 ; June 29, 2.75 ; July 20, 31, Aug. 1-3, 2.50; Sept. 28-29, 2.75; Oct. 5, 2.50; Oct. 23, Nov. 3, 2.75; 1962-Mar. $20-21,2.75$; 1964-Dec. 10, 3.85; Dec. 15, 17, 22, 24 , 28, 30, 31, 3.875: 1965-Jan. 4-8, 3.875; 1968-Apr. 4, 5, 11, 15, 16, 5.125; Apr. 30, 5.75; May 1-3, 6, 9, 13-16, 5.75; June 7, $11-13,19,21,24,5.75$; Apr. 30, 5.75; May 1-3, 6, 9, 13-16, 5.75; June 7, 11-13, 19, 21, 24, 5.75;
July 5, 16, 5.625 ; Aug. 16, 19, $5.25 ; 1971$ Jan. 21, 27, 4.75; Feb. 1-2, July 5, 16, $5.625 ;$ Aug. $16,19,5.25 ; 1971-J a n . ~ 21, ~ 27, ~ 4.75 ; ~ F e b . ~ 1-2, ~$
$4.50 ; 4,11,4.25 ; 16-17,4.00 ; 18-19,3.75$. Mar. $1-2,10,12,15-18,24$, 29-31, 3.75 . Apr. 1-2, 5-6, 3.75; 13, 15, 21, 28, 4.125. May 3-6, 17, 4.125', 18-20, 4.375, 26-27, 4.50.
(Per cent of deposits)


1 When two dates are shown, the first applies to the change at central reserve or reserve city banks and the second to the change at country reserve or reserve city banks and the second to the change
${ }_{2}$ Demand deposits subject to reserve requirements are gross demand deposits minus cash items in process of collection and demand balances due from domestic banks.

3 Authority of the Board of Governors to classify or reclassify cities as central reserve cities was terminated effective July 28, 1962.
${ }^{4}$ Since Oct. 16, 1969, member banks have been required under Regulation M to maintain reserves against balances above a specified base due from domestic offices to their foreign branches. Effective Jan. 7, 1971, the applicable reserve percentage was increased from the original 10 per cent to 20 per cent. Regulation $D$ imposes a similar reserve requirement on bor-
rowings above a specified base from foreign banks by domestic offices of a member bank. For details concerning these requirements, see Regulations $\mathbf{D}$ and $\mathbf{M}$ and appropriate supplements and amendments thereto. tions D D and M and appropriate supplements and amendments thereto. club accounts became subject to same requirements as savings deposits. 6 See preceding columns for earliest effective date of this rate.

Note.-All required reserves were held on deposit with F.R. Banks June 21, 1917, until Dec. 1959. From Dec. 1959 to Nov. 1960, member banks were allowed to count part of their currency and coin as reserves; effective Nov. 24, 1960, they were allowed to count all as reserves. For further details, see Board's Annual Reports.

MARGIN REQUIREMENTS
(Per cent of market value)


Note- Regulations G, T, and U, 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 a specified percentage of the market value of the collateral at the time the credit is extended; margin requirements are the difference
between the market value ( 100 per cent) and the maximum loan value. The term margin stocks is defined in the corresponding regulation.
Regulation $G$ and special margin requirements for bonds convertible into stocks were adopted by the Board of Governors effective Mar. 11, 1968.

MAXIMUM INTEREST RATES PAYABLE ON TIME AND SAVINGS DEPOSITS
(Per cent per annum)

${ }^{1}$ Closing date for the Postal Savings System was Mar. 28, 1966. Maximum rates on postal savings accounts coincided with those on savings deposits.
${ }^{2}$ For exceptions with respect to certain foreign time deposits, see Bulletins for Oct. 1962, p. 1279; Aug. 1965, p. 1084; and Feb. 1968, p. 167 .
${ }_{3}$ Multiple-maturity time deposits include deposits that are automatically renewable at maturity without action by the depositor and deposits that are payable after written notice of withdrawal.
${ }^{4}$ The rates in effect beginning Jan. 21 through June 23, 1970, were 61/4 per cent on maturities of $30-59$ days and $61 / 2$ per cent on maturities of

60-89 days. Effective June 24, 1970, maximum interest rates on these maturities were suspended until further notice.

Note.-Maximum rates that may be paid by member banks are established by the Board of Governors under provisions of Regulation $\mathbf{Q}$; however, a member bank may not pay a rate in excess of the maximum however, a member bank may not pay a rate in excess of the maximum the laws of the State in which the member bank is located. Beginning Feb. 1, 1936, maximum rates that may be paid by nonmember insured commercial banks, as established by the FDIC, have been the same as those in effect for member banks.

DEPOSITS, CASH, AND RESERVES OF MEMBER BANKS

| (In millions of dollars) |  |  |  |  |  |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Item | $\underset{\substack{\text { member } \\ \text { banks }}}{\text { All }}$ | Reserve city banks |  |  | Country banks | Item | $\begin{array}{\|c\|} \substack{\text { All } \\ \text { member } \\ \text { banks }} \\ \hline \end{array}$ | Reserve city banks |  |  | Country banks |
|  |  | New York City | City $\begin{gathered}\text { of } \\ \text { Chicago }\end{gathered}$ | Other |  |  |  | New York City | City of Chicago | Other |  |
|  | Four weeks ending Mar. 24, 1971 |  |  |  |  |  | Four weeks ending Apr. 21, 1971 |  |  |  |  |
| Gross demand-Total. | 186,932 | 44,164 | 7,804 | 65,312 | 69,653 | Gross demand-Total. | 189,181 | 43,233 | 7,969 | 66,984 | 70,996 |
| Interbank. | 25,924 | 12,225 | 1,469 | 9,390 | 2,840 | Interbank. | 25,728 | 11,671 | 1,502 | 9,657 | 2,899 |
| U.S. Gov | 5,082 | 12,932 | 1,242 | 1,917 | 1,991 | U.S. Govt. | 3,911 | , 736 | , 284 | 1,462 | 1,429 |
| Other. . | 155,927 | 31,007 | 6,093 | 54,005 | 64,822 | Other... | 159,542 | 30, 825 | 6,184 | 55,866 | 66,668 |
| Net demand | 140,276 | 26,590 | 6,163 | 49,649 | 57,874 | Net demand 1..... | 142,802 | 26,762 | 6,283 | 50,731 | 59,026 |
| Time....... | 191,559 | 22,868 | 6,711 | 70,865 | 91,116 | Time..................... | 193,497 | 23,003 | 6,835 | 71,119 | 92,540 |
| Demand balances due from dom. banks. | 10,797 | 1,077 | 138 | 2,665 | 6,918 | Demand balances due from dom. banks. . . . . | 11,043 | 1,116 | 166 | 2,791 | 6,970 |
| Currency and coin...... | 5,066 | , 428 | 94 | 1,586 | 2,959 | Currency and coin....... | 5,073 | , 446 | 96 | 1,586 | 2,944 |
| Balances with F.R. Banks. | 24,530 | 5,246 | 1,292 | 10,042 | 7,950 | Balances with F.R. Banks. | 24,721 | 5,277 | 1,275 | 10,149 | 8,020 |
| Total reserves held....... | 29,596 | 5,674 | 1,386 | 11,628 | 10,909 | Total reserves held........ | 29,794 | 5,723 | 1,371 | 11,735 | 10,964 |
| Required........ Excess........ | 29,450 146 | 5,681 | 1,389 -3 | 11,641 -13 | 10,739 170 | Required. <br> Excess. | $\begin{array}{r}29,558 \\ \hline 236\end{array}$ | $\begin{array}{r}5,695 \\ \hline 28\end{array}$ | 1,370 1 | 11,714 21 | 10,778 186 |

${ }^{1}$ Demand deposits subject to reserve requirements are gross demand deposits minus cash items in process of collection and demand balances due from domestic banks.

Note.-Averages of daily figures. Balances with F.R. Banks are as of close of business; all other items (excluding total reserves held and excess reserves) are as of opening of business.
(In millions of dollars)


Federal Reserve Notes-Federal Reserve Agents' Accounts

| F.R. notes outstanding (issued to Bank) | 53,727 | 53,708 | 53,559 | 53,396 | 53,446 | 53,802 | 53,453 | 49,984 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Collateral held against notes outstanding: |  |  |  |  |  |  |  |  |
| Gold certificate account. | 53,250 | 3,250 | 53,250 | 51,250 | 31,250 | 3,250 | 51,250 | -3,327 |
| U.S. Govt. securities. | 52,025 | 51,975 | 51,975 | 51,955 | 51,955 | 52,025 | 51,955 | 48,025 |
| Total collateral. | 55,275 | 55,225 | 55,225 | 55,205 | 55,205 | 55,275 | 55,205 | 51,352 |

1 See note 6 on p. A-5.
2 See note 1 (b) at top of p. A-75.
${ }^{3}$ This caption valid beginning Sept. 16, 1970; figures prior to that date include both marketable and nonmarketable securities for foreign account only.

STATEMENT OF CONDITION OF EACH FEDERAL RESERVE BANK ON MAY 31, 1971

| Item | Total | Boston | New York | Phila-delphia | Cleveland | Richmond | $\underset{\text { ta }}{\text { Atlan- }}$ | $\begin{aligned} & \text { Chi- } \\ & \text { cago } \end{aligned}$ | St. Louis | Minneapolis | $\begin{gathered} \text { Kan- } \\ \text { sas } \\ \text { City } \end{gathered}$ | Dallas | San Francisco |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Assets |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Gold certificate account. . | 10,075 | 461 | 2,555 | 525 | 910 | 858 | 535 | 1,625 | 359 | 191 | 421 | 619 | 1,016 |
| Special Drawing Rights certif. acet. | 400 | 23 | 93 | 23 | 33 | 36 | 22 | 70 | 15 | 7 | 15 | 14 | 49 |
| F.R. notes of other banks....... . | 950 | 112 | 225 | 48 | 48 | 66 | 275 | 29 | 16 | 15 | 27 | 23 | 66 |
| Other cash. . . . . . . . . . . . . | 282 | 12 | 25 | 10 | 28 | 30 | 36 | 36 | 16 | 9 | 26 | 18 | 36 |
| Discounts and advances: |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Secured by U.S. Govt. securities.. | 477 574 | 126 | 133 | 34 | 2 | 63 | 43 | 34 |  | * | 3 | 6 | 33 |
| Other. . . . . . . . . . . . . . . . . . . . . . . | 574 | 50 | 293 | 100 |  |  | 30 | 88 |  |  |  | 5 | 8 |
| Acceptances: |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Bought outright. . . . . . . . . . . . . . | 64 |  | 64 |  |  |  |  |  |  |  |  |  |  |
| Held under repurchase agreements.. | 48 |  | 48 |  |  |  |  |  |  |  |  |  |  |
| Federal agency obligations-Held under repurchase agreements. |  |  |  |  |  |  |  |  |  |  |  |  |  |
| U.S. Govt. securities: |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Bought outright. . . . . . . . | 164,764 | 3,162 | 16,392 | 3,419 | 4,957 | 4,769 | 3,220 | 10,683 | 2,408 | 1,256 | 2,508 | 2,946 | 9,044 |
| Held under repurchase agreements.. |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Total loans and securities. . . . . . . . . . | 65,927 | 3,338 | 16,930 | 3,553 | 4,959 | 4,832 | 3,293 | 10,805 | 2,408 | 1,256 | 2,511 | 2,957 | 9,085 |
| Cash items in process of collection... | 12,649 | 628 | 1,996 | 628 | 818 | 870 | 1,517 | 2,060 | 593 | 458 | 799 | 1,223 | 1,059 |
| Bank premises. | 139 | 2 |  | 3 | 16 | 13 | 17 | 17 | 13 | 15 | 18 | 9 | 8 |
| Other assets: |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Denominated in foreign currencies.. IMF gold deposited | $\begin{array}{r}94 \\ 148 \\ \hline\end{array}$ | 4 | 2 148 148 | 5 | 9 | 5 | 6 | 14 | 3 | 2 | 4 | 5 | 12 |
| All other . | 546 | 39 | 120 | 25 | 37 | 38 | 52 | 75 | 17 | 10 | 48 | 21 | 64 |
| Total assets. | 91,210 | 4,619 | 22,125 | 4,820 | 6,858 | 6,748 | 5,753 | 14,731 | 3,440 | 1,963 | 3,869 | 4,889 | 11,395 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| F.R. notes | 51,485 | 2,873 | 12,284 | 2,997 | 4,164 | 4,575 | 2,538 | 9,015 | 1,982 | 893 | 1,927 | 1,991 | 6,246 |
| Deposits: Member bank reserves. | 25,494 | 1,014 | 6,966 | 1,128 | 1,738 | 1,293 | 1,541 | 3,666 | 883 | 626 | 1,143 | 1,612 | 3,884 |
| U.S. Treasurer-General account.. | , 805 | , 35 | 60 |  | 49 | - 54 | 102 | -33 | 24 | 27 | , 63 | 185 | 112 |
| Foreign. . . . . . . . . . . . . . . . . . . . . . | 208 | 7 | 493 | 8 | 14 | 8 | 10 | 23 | 5 | 4 | 7 | 9 | 20 |
| Other: |  |  | 148 |  |  |  |  |  |  |  |  |  |  |
| AMF gold deposit ${ }^{\text {a }}$ | 949 |  | 483 | 2 |  | 8 | 150 | 4 | 1 | 1 | 2 | 278 | 20 |
| Total deposits. | 27,604 | 1,056 | 7,750 | 1,199 | 1,801 | 1,363 | 1,803 | 3,726 | 913 | 658 | 1,215 | 2,084 | 4,036 |
| Deferred availability cash items...... Other liabilities and accrued dividends | 9,819 558 | 583 27 | 1,507 137 | 508 28 | 699 42 | 676 39 | 1,246 27 | 1,640 89 | 468 19 | 362 12 | 620 36 | 698 24 | 812 78 |
| Total liabilities. | 89,466 | 4,539 | 21,678 | 4,732 | 6,706 | 6,653 | 5,614 | 14,470 | 3,382 | 1,925 | 3,798 | 4,797 | 11,172 |
| Capital accounts |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Capital paid in. | 724 | 34 | 188 | 37 | 66 | 38 | 49 | 108 | 24 | 17 | 31 | 40 | 92 |
| Surplus. | 702 318 | 33 <br> 13 | 185 74 | 36 <br> 15 | 63 | 36 | 47 | 105 48 | 24 10 | 16 | 30 | 39 | 88 |
| Other capital accounts.. | 318 | 13 | 74 | 15 | 23 | 21 | 43 | 48 | 10 | 5 | 10 | 13 | 43 |
| Total liabilities and capital accounts. . | 91,210 | 4,619 | 22,125 | 4,820 | 6,858 | 6,748 | 5,753 | 14,731 | 3,440 | 1,963 | 3,869 | 4,889 | 11,395 |
| Contingent liability on acceptances purchased for foreign correspondents. $\qquad$ | 253 | 12 | 566 | 13 | 23 | 13 | 17 | 38 | 8 | 6 | 11 | 14 | 32 |

Federal Reserve Notes-Federal Reserve Agents' Accounts

| F.R. notes outstanding (issued to |  |  |  |  |  |  |  |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Bank). Collateral held against notes outstanding: | 53,802 | 3,034 | 12,991 | 3,092 | 4,325 | 4,701 | 2,726 | 9,283 | 2,066 | 930 | 1,996 | 2,137 | 6,521 |
| Gold certificate account. | 53,250 | 250 | [ 500 | 300 2900 | 510 3900 | 530 |  | 1,000 | 155 |  |  | 8 |  |
| U.S. Govt. securities | 52,025 | 2,840 | 12,600 | 2,900 | 3,900 | 4,250 | 2,900 | 8,450 | 1,980 | 950 | 2,075 | 2,180 | 7,000 |
| Total collateral, | 55,275 | 3,090 | 13,100 | 3,200 | 4,410 | 4,780 | 2,900 | 9,450 | 2,135 | 950 | 2,075 | 2,185 | 7,000 |

## ${ }^{1}$ See note 6 on p. A-5.

${ }^{2}$ After deducting $\$ 69$ million participations of other F.R. Banks.
${ }^{3}$ See note 1 (b) to table at top of p. A-75.
4 After deducting $\$ 115$ million participations of other F.R. Banks.
${ }^{5}$ After deducting $\$ 187$ million participations of other F.R. Banks.
Note.-Some figures for cash items in process of collection and for member bank reserves are preliminary.

A 14 OPEN MARKET ACCOUNT ■JUNE 1971
TRANSACTIONS OF THE SYSTEM OPEN MARKET ACCOUNT
(In millions of dollars)


CONVERTIBLE FOREIGN CURRENCIES HELD BY FEDERAL RESERVE BANKS
(In millions of U.S. dollar equivalent)

| End of period | Total | Pounds sterling | Austrian schillings | Belgian francs | Canadian dollars | Danish kroner | French francs | German marks | Italian lire | Japanese yen | Netherlands guilders | Swiss francs |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 1968-Dec.. | 2,061 | 1,444 |  | 8 | 3 |  | 433 | 165 | 1 | 1 | 4 | 3 |
| 1969-Dec.. | 1,967 | 1,575 |  | 1 | * |  | 199 | 60 | 125 | 1 | 3 | 4 |
| 1970-Feb.. | 1,179 | 215 | $\cdots$ | 1 | * |  |  | 159 | 801 | 1 | 3 | * |
| Mar.. | 1,169 | 207 | ......... | 1 | * |  |  | 157 | 801 | 1 | 3 | * |
| Apr.. | 1,101 | 199 |  | 1 | * |  |  | 93 | 805 | 1 | 3 | * |
| May. | 510 | 199 |  | * | * |  |  | 94 | 205 | 1 | * | 11 |
| June. | 690 | 180 |  | * | * |  |  | 94 | 400 | 1 | * | 15 |
| July. | 290 | 180 |  | * | * |  | , | 95 |  | 1 | * | 14 |
| Aug.. | 280 680 | 180 580 |  | * | * |  |  | 96 96 | $\cdots$ | 1 | * | 3 3 |
| Oct.. | 408 | 306 |  | * | * |  |  | 97 |  | 1 | * | 4 |
| Nov.. | 265 | 161 |  | * | * |  |  | 98 |  | 1 | * | 4 |
| Dec... | 257 | 154 |  | * | * |  |  | 98 |  | 1 | * | 4 |
| 1971-Jan.. | 186 | 80 |  | 1 | * |  |  | 9989 |  | 1 |  | 5 |
| Feb.. | 107 |  |  | 1 | * |  |  | 100 |  | 1 |  | 5 |

## MATURITY DISTRIBUTION OF LOANS AND U.S. GOVERNMENT SECURITIES

 HELD BY FEDERAL RESERVE BANKS(In millions of dollars)

| Item | Wednesday |  |  |  |  | End of month |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | 1971 |  |  |  |  | 1971 |  | $\qquad$ <br> May 31 |
|  | May 26 | May 19 | May 12 | May 5 | Apr. 28 | May 31 | Apr. 30 |  |
| Discounts and advances-TotalWithin 15 days...........16 days to 90 days........91 days to 1 year......... | $\begin{array}{r} 1,274 \\ 1,273 \\ 1 \end{array}$ | 9859841 | 25241 | 8028002 | 7151 | 1,051 | 817 | 1,454 |
|  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  | 3 | 2 | 102 |
|  |  |  |  |  |  |  |  |  |
|  | $\begin{array}{r} 102 \\ 54 \\ 48 \end{array}$ | 14810147 | 58 | 139 | 88 | 111 | 56 | 42 |
| Within 15 days... |  |  | 12 | 9544 | 47 | 49 | 12 | 12 |
| 16 days to 90 days. |  |  |  |  |  |  |  | 30 |
| 91 days to 1 year........ |  |  |  |  |  |  |  |  |
| U.S. Government securities-Total. | 64,9713,904 | 65,1484,509 | 64,1855,693 | 65,3166,712 | 64,0204,549 | 64,7641,944 | 63,7214,308 | 57,3071,623 |
|  |  |  |  |  |  |  |  |  |
| 16 days to 90 days. | 12,736 | 12,333 | 12, 153 | 12,097 | 13,457 | 13,760 | 12,579 | 10,532 |
| 91 days to 1 year.. | 17,910 |  |  | 15,749$\mathbf{2 3 , 7 3 6}$ | 15,256$\mathbf{2 3 , 7 3 6}$ | 18,639 | 16,07623,736 | 14,006 |
| Over 1 year to 5 years. |  | 17,893 23,641 | 15,581 |  |  |  |  |  |
| Over 5 years to 10 years | 5,896888 | $\begin{array}{r} 5,892 \\ 880 \end{array}$ | 6,142880 | $\begin{array}{r} 3,142 \\ 6,142 \\ 880 \end{array}$ | $\begin{array}{r} 6,142 \\ 880 \end{array}$ | 5,896880 | $\begin{array}{r}\text { 6,142 } \\ \hline 880\end{array}$ | 5,277 |
| Over 10 years.. |  |  |  |  |  |  |  |  |

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

## BANK DEBITS AND DEPOSIT TURNOVER

| Period | Debits to demand deposit accounts ${ }^{1}$ (billions of dollars) |  |  |  |  | Turnover of demand deposits |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | $\begin{gathered} \text { Total } \\ 233 \\ \text { SMSA's } \end{gathered}$ | Leading SMSA's |  | $\begin{gathered} \text { Total } 232 \\ \text { SMSA's } \\ \text { (excl. } \\ \text { N.Y.) } \end{gathered}$ | $\begin{gathered} 226 \\ \text { other } \\ \text { SMSA's } \end{gathered}$ | $\begin{gathered} \text { Total } \\ 233 \\ \text { SMSA's } \end{gathered}$ | Leading SMSA's |  | $\begin{aligned} & \text { Total } 232 \\ & \text { SMSA's } \\ & \text { (excl.) } \\ & \text { N.Y.) } \end{aligned}$ | $\begin{gathered} 226 \\ \text { other } \\ \text { SMSA's } \end{gathered}$ |
|  |  | N.Y. | 6 others $^{2}$ |  |  |  | N.Y. | 6 others $^{2}$ |  |  |
| 1970-Apr. | 10,164.2 | 4,422.0 | 2,417.9 | 5,742.3 | 3,324.4 | 72.8 | 149.7 | 75.8 | 52.1 | 42.5 |
| May. | 10,015.7 | 4,249.4 | 2,460.0 | 5,766.4 | 3,306.4 | 73.4 | 150.6 | 78.4 | 53.3 | 43.0 |
| June. | 10,136.3 | 4,366.0 | 2,443.3 | 5,770.3 | 3,327.0 | 73.1 | 149.3 | 77.5 | 52.7 | 42.7 |
| July. | 10,207.8 | 4,324.3 | 2,508.2 | 5,883.6 | 3,375.3 | 73.1 | 145.3 | 79.4 | 53.6 | 43.1 |
| Aug. | $10,550.5$ $10,552.0$ | $4,770.6$ $4,668.1$ | $2,478.8$ $2,502.9$ | 5,779.9 $5,883.9$ | 3,301.1 $3,381.0$ | 75.7 75.3 | 162.8 161.0 | 77.9 77.9 | 52.5 53.0 | 42.2 42.8 |
| Oct. | 10,780.2 | 4,899.8 | 2,497.4 | 5,880.5 | 3,383.0 | 78.1 | 175.9 | 78.4 | 53.4 | 43.2 |
| Nov. | 10,533.9 | 4,824.0 | 2,420.1 | 5,709.9 | 3,289.8 | 75.6 | 168.5 | 75.8 | 51.6 | 41.8 |
| Dec. | 10,896.5 | 5,016.1 | 2,480.1 | 5,880.3 | 3,400.2 | 77.0 | 170.6 | 76.7 | 52.4 | 42.6 |
| 1971-Jan.. | 10,710.1 | 4,825.9 | 2,475.2 | 5,884.2 | 3,409.0 | 76.4 | 168.3 | 77.3 | 52.8 | 42.9 |
| Feb. | 11,535.4 | 5,477.4 | 2,550.4 | 6,058.0 | 3,507.6 | 82.2 | 191.3 | 80.1 | 54.2 | 43.9 |
| Mar. | ${ }^{\text {r } 11,443.2 ~}$ | 5,309.7 | 2,522.6 | ${ }^{\top} 6,133.5$ | r3,610.9 | 79.6 | 183.5 | 76.8 | 53.4 | 44.1 |
| Apr. | 11,679.1 | 5,356.8 | 2,617.0 | 6,322.3 | 3,705.3 | 80.6 | 185.6 | 79.3 | 54.5 | 44.7 |

${ }_{1}$ Excludes interbank and U.S. Govt. demand deposit accounts.
${ }^{2}$ Boston, Philadelphia, Chicago, Detroit, San Francisco-Oakland, and Los Angeles-Long Beach.

For description of series, see Mar. 1965 Bulletin, p. 390.
The data shown here differ from those shown in the Mar. 1965 Bulletin because they have been revised, as described in the Mar. 1967 Bulletin, p. 389 .

Note.-Total SMSA's includes some cities and counties not designated as SMSA's.

## DENOMINATIONS IN CIRCULATION

(In millions of dollars)

| End of period | Total in cir-culation ${ }^{1}$ | Coin and small denomination currency |  |  |  |  |  |  | Large denomination currency |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | Total | Coin | \$12 | \$2 | \$5 | \$10 | \$20 | Total | \$50 | \$100 | \$500 | \$1,000 | \$5,000 | \$10,000 |
| 1939. | 7,598 | 5,553 | 590 | 559 | 36 | 1,019 | 1,772 | 1,576 | 2,048 | 460 | 919 | 191 | 425 | 20 | 32 |
| 1941 | 11,160 | 8,120 | 751 | 695 | 44 | 1,355 | 2,731 | 2,545 | 3,044 | 724 | 1,433 | 261 | 556 | 24 | 46 |
| 1945 | 28,515 | 20,683 | 1,274 | 1,039 | 73 | 2,313 | 6,782 | 9,201 | 7,834 | 2,327 | 4,220 | 454 | 801 | 7 | 24 |
| 1947 | 28,868 | 20,020 | 1,404 | 1,048 | 65 | 2,110 | 6,275 | 9,119 | 8,850 | 2,548 | 5,070 | 428 | 782 | 5 | 17 |
| 1950 | 27,741 | 19,305 | 1,554 | 1,113 | 64 | 2,049 | 5,998 | 8,529 | 8,438 | 2,422 | 5,043 | 368 | 588 | 4 | 12 |
| 1955 | 31,158 | 22,021 | 1,927 | 1,312 | 75 | 2,151 | 6,617 | 9,940 | 9,136 | 2,736 | 5,641 | 307 | 438 | 3 | 12 |
| 1958 | 32,193 | 22,856 | 2,182 | 1,494 | 83 | 2,186 | 6,624 | 10,288 | 9,337 | 2,792 | 5,886 | 275 | 373 | 3 | 9 |
| 1959 | 32,591 | 23,264 | 2,304 | 1,511 | 85 | 2,216 | 6,672 | 10,476 | 9,326 | 2,803 | 5,913 | 261 | 341 | 3 | 5 |
| 1960. | 32,869 | 23,521 | 2,427 | 1,533 | 88 | 2,246 | 6,691 | 10,536 | 9,348 | 2,815 | 5,954 | 249 | 316 | 3 | 10 |
| 1961 | 33,918 | 24,388 | 2,582 | 1,588 | 92 | 2,313 | 6,878 | 10,935 | 9,531 | 2,869 | 6,106 | 242 | 300 | 3 | 10 |
| 1962. | 35,338 | 25,356 | 2,782 | 1,636 | 97 | 2,375 | 7,071 | 11,395 | 9,983 | 2,990 | 6,448 | 240 | 293 | 3 | 10 |
| 1963 | 37,692 | 26,807 | 3,030 | 1,722 | 103 | 2,469 | 7,373 | 12,109 | 10,885 | 3,221 | 7,110 | 249 | 298 | 3 | 4 |
| 1964. | 39,619 | 28,100 | 3,405 | 1,806 | 111 | 2,517 | 7,543 | 12,717 | 11,519 | 3,381 | 7,590 | 248 | 293 | 2 | 4 |
| 1965 | 42,056 | 29,842 | 4,027 | 1,908 | 127 | 2,618 | 7,794 | 13,369 | 12,214 | 3,540 | 8,135 | 245 | 288 | 3 | 4 |
| 196 | 44,663 | 31,695 | 4,480 | 2,051 | 137 | 2,756 | 8,070 | 14,201 | 12,969 | 3,700 | 8,735 | 241 | 286 | 3 | 4 |
| 196 | 47,226 | 33,468 | 4,918 | 2,035 | 136 | 2,850 | 8,366 | 15,162 | 13,758 | 3,915 | 9,311 | 240 | 285 | 3 | 4 |
| 196 | 50,961 | 36,163 | 5,691 | 2,049 | 136 | 2,993 | 8,786 | 16,508 | 14,798 | 4,186 | 10,068 | 244 | 292 | 3 | 4 |
| 196 | 53,950 | 37,917 | 6,021 | 2,213 | 136 | 3,092 | 8,989 | 17,466 | 16,033 | 4,499 | 11,016 | 234 | 276 | 3 | 5 |
| 1970-Apr. | 53,034 | 37,012 | 6,053 | 2,105 | 136 | 2,920 | 8,646 | 17,152 | 16,022 | 4,446 | 11,075 | 226 | 266 | 3 | 4 |
| May | 53,665 | 37,509 | 6,084 | 2,134 | 136 | 2,953 | 8,744 | 17,458 | 16,157 | 4,488 | 11,173 | 225 | 264 | 3 | 4 |
| June | 54,351 | 37,994 | 6,128 | 2,157 | 136 | 2,983 | 8,837 | 17,753 | 16,357 | 4,567 | 11,298 | 223 | 262 | 3 | 4 |
| July. | 54,473 | 37,959 | 6,145 | 2,132 | 136 | 2,943 | 8,743 | 17,861 | 16,513 | 4,621 | 11,404 | 221 | 260 | 3 |  |
| Aug. | 54,669 | 38,042 | 6,170 | 2,142 | 136 | 2,942 | 8,743 | 17,909 | 16,627 | 4,654 | 11,487 | 220 | 259 | 3 | 4 |
| Sept. | 54,795 | 38,082 | 6,193 | 2,168 | 136 | 2,964 | 8,747 | 17,875 | 16,712 | 4,668 | 11,562 | 219 | 257 | 3 | 4 |
| Oct. | 55,021 | 38,192 | 6,213 | 2,181 | 136 | 2,975 | 8,761 | 17,926 | 16,829 | 4,694 | 11,656 | 217 | 255 | 3 | 4 |
| Nov | 56,381 | 39,284 | 6,251 | 2,242 | 136 | 3,068 | 9,090 | 18,497 | 17,097 | 4,781 | 11,839 | 216 | 254 | 3 | 4 |
| Dec. | 57,093 | 39,639 | 6,281 | 2,310 | 136 | 3,161 | 9,170 | 18,581 | 17,454 | 4,896 | 12,084 | 215 | 252 | 3 | 4 |
| 1971-Jan. | 55,345 | 38,081 | 6,254 | 2,190 | 136 | 2,971 | 8,673 | 17,857 | 17,264 | 4,809 | 11,983 | 214 | 251 | 3 | 4 |
| Feb. | 55,611 | 38,298 | 6,266 | 2,178 | 136 | 2,972 | 8,753 | 17,994 | 17,313 | 4,822 | 12,022 | 213 | 249 | 3 | 4 |
| Mar | 56,304 | 38,785 | 6,303 | 2,200 | 136 | 3,011 | 8,835 | 18,300 | 17,519 | 4,892 | 12,160 | 212 | 248 | 3 | 4 |
| Apr. | 56,592 | 38,917 | 6,360 | 2,206 | 136 | 3,001 | 8,826 | 18,388 | 17,675 | 4,917 | 12,294 | 210 | 246 | 3 | 4 |

1 Outside Treasury and F.R. Banks. Before 1955 details are slightly overstated because they include small amounts of paper currency held by the Treasury and the F.R. Banks for which a denominational breakdown is not available.

2 Paper currency only; $\$ 1$ silver coins reported under coin.
Note-Condensed from Statement of United States Currency and Coin, issued by the Treasury.

## KINDS OF UNITED STATES CURRENCY OUTSTANDING AND IN CIRCULATION

(Condensed from Circulation Statement of United States Money, issued by Treasury Department. In millions of dollars)

| Kind of currency | Total, outstanding, Apr. 30, 1971 | Held in the Treasury |  |  | Held by <br> F.R. <br> Banks and Agents | Currency in circulation ${ }^{1}$ |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  | $\begin{gathered} \text { Treasury } \\ \text { cash } \end{gathered}$ | For F.R. Banks and Agents |  | 1971 |  | 1970 |
|  |  | gold and silver certificates |  |  |  | Apr. | $\underset{31}{\operatorname{Mar}}$ | $\begin{gathered} \text { Apr. } \\ \mathbf{3 0} \end{gathered}$ |
| Gold. | 10,732 | $(10,475)$ | 2257 |  |  |  |  |  |
| Gold certificates. | $(10,475)$ |  |  | ${ }^{3} 10,474$ | 1 |  |  |  |
| Federal Reserve notes. | 53,453 |  | 162 |  | 3,673 | 49,618 | 49,389 | 46,386 |
| Treasury currency-Total | 7,329 |  | 91 |  | 264 | 6,974 | 6,914 | 6,648 |
| Standard silver dollars | 485 |  | 3 |  |  | 482 | 482 | 482 |
| Fractional coin. | 6,225 |  | 83 |  | 263 | 5,878 | 5,821 | 5,572 |
| United States notes. | 323 |  | 5 |  |  | 317 | 315 | 294 |
| In process of retirement | 297 |  |  |  |  | 297 | 297 | 301 |
| Total-Apr. 30, 1971. | ${ }^{5} 71,514$ | $(10,475)$ | 509 | 10,474 | 3,938 | 56,592 |  |  |
| Mar. 31, 1971. | 571,000 | $(10,464)$ | 483 | 10,463 | 3,751 | 56,592 | 56,304 |  |
| Apr. 30, 1970. | 567,544 | $(11,045)$ | 546 | 11,044 | 2,920 |  |  | 53,034 |
| ${ }^{1}$ Outside Treasury and F.R. Banks. Includes any paper currency held outside the United States and currency and coin held by banks. Estimated totals for Wed. dates shown in table on p. A-5. |  |  | ${ }^{5}$ Does not include all items shown, as gold certificates are secured by gold. Duplications are shown in parentheses. |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  | Note.-Prepared from Statement of United States Currency and Coin |  |  |  |  | and Coin |
| Monetary Fund. <br> ${ }^{3}$ Consists of credits payable in gold certificates, the Gold Certificate |  |  | other dat | furnished | $y$ the Tre | ry. For | planation | currency |
| Fund-Board of Governors, FRS. <br> 4 Redeemable from the general fund of the Treasury. |  |  | 1961 Bulletin, p. 936. |  | res, see th | irculati | tatement | the Aug. |

MEASURES OF THE MONEY STOCK
(In billions of dollars)

| Month or week | Seasonally adjusted |  |  | Not seasonally adjusted |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | $\begin{gathered} M_{1} \\ \text { (Currency plus } \\ \text { demand deposits) } \end{gathered}$ | $M_{2}$ <br> (M1 plus time deposits at coml. banks other tahn large time CD's) ${ }^{1}$ | $M_{3}$ <br> ( $M_{2}$ plus deposits at nonbank thrift institutions) ${ }^{2}$ | $\begin{gathered} M_{1} \\ \text { (Currency plus } \\ \text { demand deposits) } \end{gathered}$ | ( $M_{1}$ plus time deposits at coml. banks other than large time CD's) ${ }^{1}$ | ( $M_{2}$ plus deposits at nonbank thrift institutions) ${ }^{2}$ |
| 1967-Dec. | 183.1 | 345.6 | 528.5 | 188.6 | 350.1 | 533.3 |
| 1968-Dec. | 197.4 | 378.2 | 572.6 | 203.4 | 383.0 | 577.5 |
| 1969-Dec.. | 203.6 | 387.1 | 588.4 | 209.8 | 392.0 | 593.5 |
| 1970-May. | 209.2 | 396.4 | 600.8 | 205.3 | 393.4 | 597.6 |
| June. . | 209.6 | 398.6 | 604.1 | 207.8 | 396.9 | 602.8 |
| July. | 210.6 | 401.9 | 609.1 | 209.0 | 400.5 | 607.9 |
| Aug. | 211.8 | 406.1 | 614.7 | 208.7 | 403.1 | 611.3 |
| Sept. | 212.8 | 409.6 | 619.7 | 211.4 | 408.2 | 618.0 |
| Oct. | 213.0 | 412.1 | 623.9 | 213.0 | 412.3 | 624.0 |
| Nov. | 213.5 | 414.5 | 628.2 | 215.3 | 415.4 | 628.6 |
| Dec.. | 214.6 | 419.0 | 634.6 | 221.1 | 424.1 | 640.0 |
| 1971-Jan.. | 214.8 | 423.0 | 642.1 | 221.3 | 428.9 | 648.4 |
| Feb. | 217.3 | 430.8 | 654.0 | 215.5 | 428.4 | 651.3 |
| Mar. | 219.4 | 437.6 | 664.8 | 217.4 | 436.3 | 663.8 |
| Apr.. | 221.1 | 442.0 447.4 | 673.7 682.5 | 222.2 | 444.3 444.4 | 676.1 679.1 |
| May ${ }^{\text {a }}$. | 224.1 | 447.4 | 682.5 | 219.9 | 444.4 | 679.1 |
| $\begin{aligned} & \text { Week ending- } \\ & \text { 1971-Apr. } 28 . . . . \end{aligned}$ | 219.0 | 440.3 | .................. | 219.2 | 441.7 | .................... |
| May 5... | 220.6 | 442.9 | . | 220.0 | 443.1 | ................. |
| 12...... | 223.1 | 446.1 | ............. | 220.4 | 444.5 | ............... |
| 19.... | 224.6 225.4 | 448.0 449.4 | . . . . . . . . . . . | 219.2 218.3 | 443.7 443.3 | . ........... |
| June 2. | 225.4 | 450.4 |  | 221.7 | 447.4 |  |
|  |  |  |  |  |  |  |

COMPONENTS OF MONEY STOCK MEASURES AND RELATED ITEMS
(In billions of dollars)

| Month or week | Seasonally adjusted |  |  |  |  |  | Not seasonally adjusted |  |  |  |  |  | U.S. <br> Govt. <br> deposits ${ }^{5}$ |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Currency | Commercial banks |  |  |  | Nonbank thrift institutions 4 | Currency | Commercial banks |  |  |  | Nonbank thrift institutions ${ }^{4}$ |  |
|  |  | Demand deposits | Time and savings deposits |  |  |  |  | Demand deposits | Time and savings deposits |  |  |  |  |
|  |  |  | CD's ${ }^{3}$ | Other | Total |  |  |  | CD's ${ }^{3}$ | Other | Total |  |  |
| 1967-Dec. | 40.4 | 142.7 | 21.0 | 162.5 | 183.5 | 183.0 | 41.2 | 147.4 | 20.6 | 161.5 | 182.1 | 183.1 | 5.0 |
| 1968 -Dec. | 43.4 | 154.0 | 24.0 | 180.8 | 204.8 | 194.4 | 44.3 | 159.1 | 23.6 | 179.6 | 203.2 | 194.6 | 5.0 |
| 1969-Dec.. | 46.0 | 157.7 | 11.2 | 183.4 | 194.6 | 201.3 | 46.9 | 162.9 | 11.1 | 182.1 | 193.2 | 201.5 | 5.6 |
| 1970-May. | 47.7 | 161.6 | 13.2 | 187.1 | 200.3 | 204.4 | 47.3 | 158.0 | 13.0 | 188.1 | 201.1 | 204.2 | 6.4 |
| June. | 47.8 | 161.9 | 13.2 | 189.0 | 202.2 | 205.5 | 47.7 | 160.1 | 13.2 | 189.2 | 202.3 | 205.9 | 6.5 |
| July. | 48.1 | 162.5 | 16.9 | 191.3 | 208.2 | 207.2 | 48.3 | 160.7 | 16.6 | 191.5 | 208.1 | 207.5 | 6.8 |
| Aug. | 48.2 | 163.7 | 19.0 | 194.2 | 213.2 | 208.7 | 48.3 | 160.4 | 19.5 | 194.4 | 214.0 | 208.2 | 7.1 |
| Sept. | 48.2 | 164.6 | 21.7 | 196.8 | 218.5 | 210.1 | 48.2 | 163.1 | 21.6 | 196.8 | 218.4 | 209.8 | 6.8 |
| Oct.. | 48.5 | 164.5 | 23.2 | 199.1 | 222.2 | 211.9 | 48.5 | 164.5 | 23.2 | 199.3 | 222.5 | 211.7 | 6.1 |
| Nov. | 48.7 | 164.8 | 23.9 | 201.1 | 225.0 | 213.6 | 49.2 | 166.1 | 24.6 | 200.0 | 224.6 | 213.2 | 5.6 |
| Dec. | 48.9 | 165.7 | 26.0 | 204.4 | 230.4 | 215.6 | 50.0 | 171.1 | 25.8 | 203.0 | 228.7 | 215.9 | 7.1 |
| 1971-Jan.. | 49.2 | 165.5 | 27.1 | 208.2 | 235.3 | 219.2 | 49.1 | 172.1 | 27.0 | 207.6 | 234.5 | 219.6 | 6.6 |
| Feb.. | 49.6 | 167.7 | 27.4 | 213.5 | 240.9 | 223.2 | 49.2 | 166.3 | 27.4 | 212.9 | 240.3 | 223.0 | 8.3 |
| Mar. | 50.0 | 169.4 | 27.8 | 218.3 | 246.1 | 227.2 | 49.5 | 167.8 | 28.0 | 218.9 | 246.9 | 227.5 | 5.4 |
| Apr., | 50.5 | 170.5 | 27.3 | 221.0 | 248.3 | 231.6 | 50.1 | 172.1 | 27.1 | 222.1 | 249.2 | 231.9 | 5.5 |
| May ${ }^{p}$ | 50.9 | 173.2 | 28.0 | 223.4 | 251.3 | 235.0 | 50.5 | 169.4 | 27.6 | 224.5 | 252.1 | 234.8 | 7.8 |
| Week ending-1971-Apr. 28. | 50.6 | 168.4 | 27.4 | 221.3 | 248.7 |  | 49.6 | 169.6 | 27.2 | 222.4 | 249.6 |  | 6.5 |
| May 5. | 50.7 | 169.9 | 27.6 | 222.3 | 249.9 |  | 50.2 | 169.7 | 27.1 | 223.2 | 250.3 |  | 8.7 |
| 12. | 50.9 | 172.3 | 27.6 | 223.0 | 250.6 |  | 50.7 | 169.7 | 27.2 | 224.1 | 251.3 |  | 8.2 |
| 19. | 50.9 | 173.7 | 27.9 | 223.3 | 251.2 |  | 50.5 | 168.7 | 27.6 | 224.5 | 252.1 |  | 8.2 |
| 26. | 50.9 | 174.6 | 28.3 | 224.0 | 252.4 |  | 50.2 | 168.1 | 28.1 | 224.9 | 253.1 |  | 7.2 |
| June 2. | 50.9 | 174.4 | 28.2 | 225.1 | 253.3 |  | 50.7 | 170.9 | 28.0 | 225.8 | 253.7 |  | 6.4 |

${ }^{1}$ Includes, in addition to currency and demand deposits, savings deposits, time deposits open account, and time certificates of deposits other negotiable time certificates of deposit issued in denominations of $\$ 100,000$ or more by large weekly reporting commercial banks.
2 Includes $\mathbf{M}_{2}$, plus the average of the beginning and end of month deposits of mutual savings banks and savings and loan shares.
${ }^{3}$ Negotiable time certificates of deposit issued in denominations of $\$ 100,000$ or more by large weekly reporting commercial banks.
${ }_{4}$ Average of the beginning and end-of-month deposits of mutual savings banks and savings and loan shares.
${ }_{5}$ At all commercial banks.

AGGREGATE RESERVES AND MEMBER BANK DEPOSITS
(In billions of dollars)

| Period | Member bank reserves, S.A. ${ }^{1}$ |  |  | Deposits subject to reserve requirements ${ }^{2}$ |  |  |  |  |  |  |  | Total member bank deposits plus nondeposit items ${ }^{3}$ |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Total | Nonborrowed | Required | S.A. |  |  |  | N.S.A. |  |  |  |  |  |
|  |  |  |  | Total | Time and savings | Demand |  | Total | Time and savings | Demand |  | S.A. | N.S.A. |
|  |  |  |  |  |  | Private | U.S. Govt. |  |  | Private | U.S. Govt. |  |  |
| 1967-Dec. | 25.94 | 25.68 | 25.60 | 273.5 | 149.9 | 118.9 | 4.6 | 276.2 | 148.1 | 123.6 | 4.5 |  |  |
| 1968-Dec. | 27.96 | 27.22 | 27.61 | 298.2 | 165.8 | 128.2 | 4.2 | 301.2 | 163.8 | 133.3 | 4.1 |  |  |
| 1969-Dec. | 27.93 | 26.81 | 27.71 | 285.8 | 151.5 | 129.4 | 4.9 | 288.6 | 149.7 | 134.4 | 4.6 | 305.7 | 308.6 |
| 1970-May | 27.89 | 26.92 | 27.69 | 289.1 | 154.6 | 131.4 | 3.0 | 287.9 | 154.9 | 127.7 | 5.4 | 309.3 | 308.2 |
| June. | 27.90 | 27.06 | 27.71 | 290.5 | 155.7 | 129.9 | 4.8 | 289.6 | 155.7 | 128.5 | 5.4 | 311.1 | 310.3 |
| July. | 28.04 | 26.69 | 27.90 | 296.0 | 160.7 | 130.9 | 4.4 | 296.3 | 160.9 | 129.6 | 5.8 | 315.8 | 316.1 |
| Aug. | 28.59 | 27.78 | 28.41 | 303.2 | 164.9 | 131.9 | 6.4 | 301.0 | 166.0 | 129.1 | 5.9 | 321.9 | 319.8 |
| Sept. | 29.24 | 28.71 | 29.02 | 308.0 | 169.5 | 132.3 | 6.2 | 306.8 | 169.9 | 131.2 | 5.8 | 324.5 | 323.2 |
| Oct.. | 29.39 | 28.93 | 29.13 | 310.6 314.0 | 173.0 | 132.4 | 5.2 | 310.9 312.8 | 173.2 | 132.6 | 5.1 | 324.8 | 325.1 |
| Nov. | 29.47 29.93 | 29.03 29.58 | 29.23 29.70 | 314.0 319.6 | 175.7 179.9 | 132.3 133.5 | 6.0 6.2 | 312.8 322.8 | 174.9 178.2 | 133.4 138.7 | 4.6 | 326.7 | 325.6 334.4 |
| 1971-Jan. |  | 29.80 | 30.03 | 323.9 | 183.2 | 134.1 | 6.7 | 328.2 | 182.8 | 139.7 | 5.6 | 334.1 | 338.3 |
| Feb.. | 30.52 | 30.18 | 30.26 | 329.1 | 187.5 | 135.4 | 6.2 | 328.4 | 187.1 | 134.3 | 7.0 | 337.7 | 337.0 |
| Mar. | 30.75 | 30.40 | 30.53 | 333.2 | 191.7 | 136.7 | 4.8 | 332.2 | 192.3 | 135.4 | 4.5 | 340.2 | 339.2 |
| Apr. | 30.82 | 30.64 | 30.61 | 336.6 | 193.3 | 137.9 | 5.4 | 337.3 | 193.6 | 139.0 | 4.7 | 341.7 | 342.3 |
| May ${ }^{\text {p }}$ | 31.25 | 30.96 | 31.00 | 339.8 | 195.5 | 140.2 | 4.1 | 338.5 | 195.8 | 136.1 | 6.6 | 343.9 | 342.6 |

${ }^{1}$ Averages of daily figures. Data reflect percentages of reserve requirements made effective Apr. 17, 1969. Required reserves are based on average deposits with a 2 -week lag.

2 Averages of daily figures. Deposits subject to reserve requirements include total time and savings deposits and net demand deposits as defined by Regulation D. Private demand deposits include all demand deposits except those due to the U.S. Govt., less cash items in process of collection and demand balances due from domestic commercial banks. Effective June 9,1966 , balances accumulated for repayment of personal loans were eliminated from time deposits for reserve purposes. Jan. 1969 data are not comparable with earlier data due to the withdrawal from the System on Jan. 2, 1969, of a large member bank.
${ }^{3}$ Total member bank deposits subject to reserve requirements, plus Euro-dollar borrowings, bank-related commercial paper, and certain other nondeposit items. This series for deposits is referred to as "the adjusted bank credit proxy."

Note.-Due to changes in Regulations M and D, required reserves include increases of approximately $\$ 400$ million since Oct. $16,1969$. Back data may be obtained frorn the Banking Section, Division of Research and Statistics, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

## LOANS AND INVESTMENTS

(In billions of dollars)


[^41]are now reported gross, without valuation reserves deducted, rather than net of valuation reserves as was done previously. For a description of the revision, see Aug. 1969 Bulletin, pp. 642-46.
Note.-For monthly data 1948-68, see Aug. 1968 Bulletin, pp. A-94 -A-97. For a description of the seasonally adjusted series see the following Bulletins: July 1962, pp. 797-802; July 1966, pp. 950-55; and Sept. 1967, pp. 1511-17.

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

## CONSOLIDATED CONDITION STATEMENT

(In millions of dollats)

| Date | Assets |  |  |  |  |  |  |  |  | Total assets, netTotal liabilities and capital, net | Liabilities and capital |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Gold stock and SDR certificates ${ }^{1}$ | Treasury currency out-standing | Bank credit |  |  |  |  |  |  |  | Total deposits and currency | Capital and misc. accounts, net |
|  |  |  |  |  | U.S. Treasury securities |  |  |  | Other securities ${ }^{3}$ |  |  |  |
|  |  |  | Total | Loans, | Total | Coml. savings banks | Federal Reserve Banks | Other ${ }^{4}$ |  |  |  |  |
| 1947-Dec. 31. | 22,754 | 4,562 | 160,832 | 43,023 | 107,086 | 81,199 | 22,559 | 3,328 | 10,723 | 188,148 | 175,348 | 12,800 |
| 1950-Dec. 30. | 22,706 | 4,636 | 171,667 | 60,366 | 96,560 | 72,894 | 20,778 | 2,888 | 14,741 | 199,008 | 184,384 | 14,624 |
| 1967 -Dec. 30, | 11,982 | 6,784 | 468,943 | 282,040 | 117,064 | 66,752 | 49,112 | 1,200 | 69,839 | 487,709 | 444,043 | 43,670 |
| 1968-Dec. 31 | 10,367 | 6,795 | 514,427 | 311,334 | 121,273 | 68,285 | 52,937 | 51 | 81,820 | 531,589 | 484,212 | 47,379 |
| 1969-Dec. 315 | 10,367 | 6,849 | 532,663 | 335,127 | 115,129 | 57,952 | 57,154 | 23 | 82,407 | 549,879 | 485,545 | 64,337 |
| 1970-May 27. | 11,800 | 7,000 | 526,100 | 327,000 | 113,100 | 56,000 | 57,100 |  | 86,000 | 544,800 | 475,800 | 69,000 |
| June 30. | 11,767 | 6,986 | 536,845 | 336,860 | 112,475 | 54,742 | 57,714 | 19 | 87,510 | 555,596 | 487,093 | 68,501 |
| July 29. | 11,800 | 7,000 | 539,300 | 336,400 | 115,100 | 56,800 | 58,300 |  | 87,800 | 558,100 | 489,800 | 68,300 |
| Aug. 26. | 11,800 | 7,000 | 545,400 | 338,100 | 118,000 | 58,300 | 59,600 |  | 89,400 | 564,200 | 494,000 | 70,200 |
| Sept. 30. | 11,500 | 7,100 | 554,800 | 343,800 | 119,000 | 59,000 | 60,000 |  | 91,900 | 573,300 | 504,600 | 68,800 |
| Oct. 28. | 11,500 | 7,100 | 554,500 | 341, 400 | 119,700 | 60,400 | 59,300 |  | 93,400 | 573,100 | 505,500 | 67,600 |
| Nov. 25. | 11,500 | 7,100 | 559,300 | 341,600 | 122,600 | 61,500 | 61,100 |  | 95,100 | 578,000 | 510,400 | 67,600 |
| Dec. 31. | 11,132 | 7,149 | 580,899 | 354,447 | 127,207 | 64,814 | 62,142 | 251 | 99,245 | 599,180 | 535,157 | 64,020 |
| 1971-Jan. 27. | 11,100 | 7,200 | 574,100 | 346, 300 | 127,000 | 64,700 | 62,000 | 300 | 100,800 | 592,400 | 527,200 | 65,200 |
| Feb. 24. | 11,100 | 7,200 | 577,500 | 347,300 | 127,200 | 64,800 | 61,700 | 700 | 103,000 | 595,800 | 529,600 | 66,300 |
| Mar. $31{ }^{\text {p }}$. | 11,100 | 7,300 | 586,700 | 350, 100 | 129,900 | 65,000 | 64,200 | 800 | 106,600 | 605,100 | 539,100 | 66,000 |
| Apr. $28^{p}$. | 11,100 | 7,300 | 588,800 | 350,500 | 128,300 | 63,400 | 64,000 | 900 | 109,900 | 607,200 | 543,800 | 63,300 |
| May $26{ }^{\text {p }}$. | 10,700 | 7,400 | 593,300 | 354,100 | 128,100 | 62,200 | 64,900 | 900 | 111,100 | 611,400 | 549,100 | 62,300 |

DETAILS OF DEPOSITS AND CURRENCY

| Date | Money stock |  |  |  |  |  | Related deposits (not seasonally adjusted) |  |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Seasonally adjusted 6 |  |  | Not seasonally adjusted |  |  | Time |  |  |  | Foreign, net | U.S. Government |  |  |
|  | Total | Currency banks | $\begin{gathered} \text { De- } \\ \text { mand } \\ \text { deposits } \\ \text { ad-- } \\ \text { justed } 7 \end{gathered}$ | Total | Currency outside banks | Demand deposits adjusted ${ }^{7}$ | Total | Commercial banks 2 | Mutual savings banks ${ }^{8}$ | $\begin{gathered} \text { Postal } \\ \text { Saving } \\ \text { Sys- } \\ \text { tem } 4 \end{gathered}$ |  | Treasury cash holdings | At coml. and savings banks | $\begin{gathered} \text { At } \\ \text { F.R. } \end{gathered}$ Banks |
| 1947--Dec. 31. | 110,500 | 26,100 | 84,400 | 113,597 | 26,476 | 87,121 | 56,411 | 35,249 | 17,746 | 3,416 | 1,682 | 1,336 | 1,452 | 870 |
| 1950-Dec. 30 | 114,600 | 24,600 | 90,000 | 117,670 | 25,398 | 92,272 | 59,246 | 36,314 | 20,009 | 2,923 | 2,518 | 1,293 | 2,989 | 668 |
| 1967-Dec. 30. | 181,500 | 39,600 | 141,900 | 191,232 | 41,071 | 150,161 | 242,657 | 182,243 | 60,414 |  | 2,179 | 1,344 | 5,508 | 1,123 |
| 1968-Dec. 31... | 199,600 | 42,600 | 157,000 | 207,347 | 43,527 | 163,820 | 267,627 | 202,786 | 64,841 |  | 2,455 | 695 | 5,385 | , 703 |
| 1969-Dec. $315 .$. | 206,800 | 45,400 | 161,400 | 214,689 | 46,358 | 168,331 | 260,992 | 193,533 | 67,459 |  | 2,683 | 596 | 5,273 | 1,312 |
| 1970-May 27. | 198,600 | 46,500 | 152,100 | 196,200 | 46,400 | 149,800 | 269,300 | 201,000 | 68,300 |  | 2,400 | 500 | 6,200 | 1,300 |
| June 30. | 199,600 | 46,600 | 153,000 | 201,614 | 47,032 | 154,582 | 273,109 | 203,916 | 69,193 |  | 2,641 | 439 | 8,285 | 1,005 |
| July 29. | 199,300 | 46,800 | 152,500 | 199,100 | 46,900 | 152,200 | 279,200 | 210,000 | 69,200 |  | 2,600 | 500 | 7,400 | 1,000 |
| Aug. 26. | 199,900 | 46, 800 | 153,100 | 198,200 | 47, 100 | 151,100 | 283,400 | 214,100 | 69,300 |  | 2,400 | 500 400 | 8,600 | + 900 |
| Sept. 30. | 203,500 | 47,200 47,400 | 156,300 154,400 | 202,200 | 47,300 | 154,900 | 289,400 | 219,500 | 69,900 70,200 |  | 2,400 | 400 500 | 8,800 6,600 | 1,200 |
| Nov. 25 | 202,300 | 47,600 | 154,700 | 205,500 | 48,900 | 156,600 | 294,900 | 224,400 | 70,500 |  | 2,500 | 500 | 6,200 | 1,300 800 |
| Dec. 31. | 209,400 | 47, 800 | 161,600 | 219,422 | 49,779 | 169,643 | 302,591 | 230,622 | 71,969 |  | 3,148 | 431 | 8,409 | 1,156 |
| 1971-Jan. 27. | 203,300 | 48,300 | 155,000 | 205,900 | 47,600 | 158,300 | 307,600 | 235,000 | 72,600 |  | 2,500 | 500 | 9,500 | 1,200 |
| Feb. 24. | 204,900 | 48,500 | 156,400 | 203,800 | 47,900 | 155,900 | 313,900 | 240,400 | 73,500 |  | 2,500 | 500 | 7,500 | 1,400 |
| Mar. $31{ }^{p}$. | 214,100 | 49,300 | 164,800 | 208,200 | 48,800 | 159,400 | 322,100 | 247,000 | 75,100 |  | 2,500 | 500 | 5,000 | 900 |
| Apr. $28{ }^{p} \ldots$ | 207,100 | 48,900 | 158,200 | 207,200 | 48,500 | 158,700 | 323,800 | 247,900 | 75,900 |  | 2,300 | 500 | 8,600 | 1,400 |
| May $26{ }^{p} \ldots$ | 212,100 | 49,500 | 162,600 | 209,600 | 49,400 | 160,200 | 327,400 | 250,800 | 76,600 |  | 2,300 | 500 | 8,500 | 900 |

${ }_{2}$ Includes Special Drawing Rights certificates beginning January 1970.
2 Beginning with data for June 30, 1966, about $\$ 1.1$ billion in "Deposits accumulated for payment of personal loans" were excluded from "Time deposits" and deducted from "Loans" at all commercial banks. These changes resulted from a change in Federal Reserve regulations. See table (and notes), Deposits Accumulated for Payment of Personal Loans, p. A-23.
${ }^{3}$ See note 2 on p. A-22.
${ }_{4}^{3}$ Aee note 2 on p. A-22. from this Statement.
5 Figures for this and later dates take into account the following changes (beginning June 30, 1969) for commercial banks: (1) inclusion of consolidated reports (including figures for all bank-premises subsidiaries and other significant majority-owned domestic subsidiaries) and (2) reporting of figures for total loans and for individual categories of securities on a gross basis-that is, before deduction of valuation reserves. See also note 1.
${ }_{7}^{6}$ Series began in 1946; data are available only for last Wed. of month.
7 Other than interbank and U.S. Govt., less cash items in process of collection.
${ }^{8}$ Includes relatively small amounts of demand deposits. Beginning with June 1961, also includes certain accounts previously classified as other liabilities.
${ }^{9}$ Reclassification of deposits of foreign central banks in May 1961 reduced this item by $\$ 1,900$ million ( $\$ 1,500$ million to time deposits and $\$ 400$ million to demand deposits).

Note.-For back figures and descriptions of the consolidated condition statement and the seasonally adjusted series on currency outside banks and demand deposits adjusted, see "Banks and the Monetary System," Section 1 of Supplement to Banking and Monetary Statistics, 1962, and Bulletins for Jan. 1948 and Feb. 1960. Except on call dates, figures are partly estimated and are rounded to the nearest $\$ 100$ million.

For description of substantive changes in official call reports of condition beginning June 1969, see Bulletin for August 1969, pp. 642-46.

PRINCIPAL ASSETS AND LIABILITIES AND NUMBER, BY CLASS OF BANK
(Amounts in millions of dollars)

| Class of bank and date | Loans and investments |  |  |  | Cash assets ${ }^{3}$ | Total assetsTotal liabilities and capital accounts ${ }^{4}$ | Deposits |  |  |  |  |  | Bor-rowings | Total capital accounts | Number of banks |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Total | $\underset{1,2}{\text { Loans }}$ | Securities |  |  |  | Total ${ }^{3}$ | Interbank ${ }^{3}$ |  | Other |  |  |  |  |  |
|  |  |  | U.S. Treasury | Other ${ }^{2}$ |  |  |  |  |  | De | and | Time ${ }^{1}$ |  |  |  |
|  |  |  |  |  |  |  |  |  |  | U.S. Govt. | Other |  |  |  |  |
| All commercial banks: |  |  |  |  |  |  |  |  |  | 44,349 |  |  |  |  |  |
| $\text { 1941-Dec. } 31 \text {. }$ | 50,746 | 21,714 | 21,808 | 7,225 | 26,551 | 79, 104 | 71,283 |  |  | 15,952 | 23 | 7,173 | 14,278 |  |  |
| 1945-Dec. $31 \ldots$ | 124,019 | 26,083 | 90,606 | 7,331 | 34, 806 | 160,312 | 150,227 | 10,98214,065 |  |  |  |  | 94,367 | 35,360 | 219 | 8,950 | $14,011$ |
| 1947-Dec. 315. | 116,284 | 38,057 | 69,221 | 9,006 | 37,502 | 155,377 | 144,103 | 12,792 240 |  | 1,343 | 65 | 10,059 |  |  | 14,181 |
| 1966-Dec. 31 | 322,661 | 217,726 | 56,163 | 48,772 | 69,119 | 403,368 | 352,287 | 19,770 | 967 | 4,992 | 167,751 | 158,806 | 4,859 | 32,054 | 13,767 |
| 1967-Dec. 30 | 359,903 | 235,954 | 62,473 | 61,477 | 77,928 | 451,012 | 395,008 | 21,883 | 1,314 | 5,234 | 184,066 | 182,511 | 5,777 | 34,384 | 13,722 |
| 1968-Dec. 31. | 401,262 | 265,259 | 64,466 | 71,537 | 83,752 | 500,657 | 434,023 | 24,747 | 1,211 | 5,010 | 199,901 | 203, 154 | 8,899 | 37,006 | 13,679 |
| 1969 -Dec. 316. | 421,597 | 295,547 | 54,709 | 71,341 | 89,984 | 530,665 | 435,577 | 27,174 | 735 | 5,054 | 208,870 | 193,744 | 18,360 | 39,978 | 13,661 |
| 1970-May 27 | 417,340 | 290,370 | 52,640 | 74,330 | 78,930 | 516,630 | 413,720 | 22,180 | 690 | 5,960 | 183,740 | 201,150 | 23,080 | 40, 850 | 13,665 |
| June 30 | 423,240 | 296,091 | 51,569 | 75,579 | 85,631 | 529,679 | 432,429 | 26, 338 | 898 | 8,076 | 192,999 | 204,118 | 18,546 | 41,708 | 13,671 |
| July 29 | 425,530 | 296, 330 | 53,510 | 75,690 | 74,930 | 520,800 | 422,740 | 22,440 | 1,350 | 7,170 | 181,540 | 210,240 | 19,850 | 41,510 | 13,671 |
| Aug. 26 | 430,080 | 297,900 | 55,050 | 77, 130 | 78,820 | 529,640 | 429,680 | 22,890 | 1,630 | 8,270 | 182,520 | 214,370 | 20,160 | 41,720 | 13,675 |
| Sept. $30^{\circ}$ | 436,790 | 301,530 | 55,750 | 79,510 | 85,760 | 543,900 | 447, 320 | 26,480 | 1,710 | 8,470 | 190,810 | 219,850 | 18,170 | 42,040 | 13,678 |
| Oct. 28. | 439,590 | 301,460 | 57,180 | 80,950 | 78,310 | 539,190 | 440,030 | 24,780 | 1,740 | 6,250 | 185,030 | 222,230 | 20,200 | 42,080 | 13,684 |
| Nov. 25 | 442,970 | 302, 160 | 58,280 | 82,530 | 82,400 | 546,950 | 446,170 | 24,680 | 1,740 | 5,840 | 189,080 | 224,830 | 21,680 | 42,270 | 13,687 |
| Dec. 31 | 461,194 | 313,334 | 61,742 | 86,118 | 93,643 | 576,242 | 480,940 | 30,608 | 1,975 | 7,938 | 209,335 | 231,084 | 19,375 | 42,958 | 13,686 |
| 1971-Jan. 27. | 454,250 | 305,600 | 61,520 | 87,130 | 83,860 | 559,200 | 462,730 | 25,360 | 2,030 | 9,250 | 190,810 | 235,280 | 20,500 | 42,730 | 13,692 |
| Feb. 24. | 458,040 | 307,740 | 61,430 | 88,870 | 82,450 | 561,810 | 463,950 | 25,850 | 1,990 | 7,060 | 188,180 | 240,870 | 21,500 | 43,050 | 13,700 |
| Mar. $31{ }^{p}$ | 463,500 | 310,380 | 61,620 | 91,500 | 94,350 | 580,930 | 483,470 | 30,640 | 1,990 | 4,520 | 198,860 | 247, 460 | 22,130 | 43,530 | 13,713 |
| Apr. $28{ }^{p}$. | 466,450 | 312,280 | 60,060 | 94, 110 | 88,670 | 577,590 | 479,150 | 26,430 | 2,020 | 8,150 | 194,180 | 248, 370 | 24,070 | 43,740 | 13,717 |
| May $26^{p}$. | 468,070 | 314,380 | 58,900 | 94,790 | 84,510 | 575,700 | 477, 390 | 24,390 | 2,080 | 7,900 | 191,590 | 251,430 | 23,390 | 43,910 | 13,717 |
| Member of F.R. System: |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 1941 -Dec. 31 | 43,521 | 18,021 | 19,539 | 5,961 | 23,113 | 68,121 | 61,717 | 10,385 | 140 | 1,709 | 37,136 | 12,347 | 4 | 5,886 | 6,619 |
| 1945-Dec. 31 | 107,183 | 22,775 | 78,338 | 6,070 | 29, 845 | 138,304 | 129,670 | 13,576 | 64 | 22,179 | 69,640 | 24,210 | 208 | 7,589 | 6,884 |
| 1947-Dec. 31 | 97,846 | 32,628 | 57,914 | 7,304 | 32,845 | 132,060 | 122,528 | 12,353 | 50 | 1,176 | 80,609 | 28,340 | 54. | 8,464 | 6,923 |
| 1966-Dec. 31 | 263,687 | 182,802 | 41,924 | 38,960 | 60,738 | 334,559 | 291,063 | 18,788 | 794 | 4,432 | 138,218 | 128,831 | 4,618 | 26,278 | 6,150 |
| 1967-Dec. 30. | 293,120 | 196,849 | 46,956 | 49,315 | 68,946 | 373,584 | 326,033 | 20,811 | 1,169 | 4,631 | 151,980 | 147,442 | 5,370 | 28,098 | 6,071 |
| 1968-Dec. 31.. | 325,086 | 220,285 | 47,881 | 56,920 | 73,756 | 412,541 | 355,414 | 23,519 | 1,061 | 4,309 | 163,920 | 162,605 | 8,458 | 30,060 | 5,978 |
| 1969-Dec. 31 6. | 336,738 | 242,119 | 39,833 | 54,785 | 79,034 | 432,270 | 349,883 | 25,841 | 609 | 4,114 | 169,750 | 149,569 | 17,395 | 32,047 | 5,869 |
| 1970-May 27. | 331,389 | 235,805 | 38,259 | 57, 325 | 69,710 | 418,609 | 329,541 | 21,183 | 567 | 4,914 | 148,414 | 154,463 | 21,749 | 32,733 | 5,816 |
| June 30. | 335,551 | 240,100 | 37, 324 | 58,127 | 75,539 | 428,975 | 345,514 | 25,122 | 691 | 6,957 | 155,916 | 156,829 | 17,507 | 33,184 | 5,803 |
| July 29 | 337,377 | 240,309 | 38,950 | 58,118 | 65,971 | 420,844 | 336,818 | 21,371 | 1,139 | 6,181, | [46,003 | 162,124 | 18,675 | 33,047 | 5,795 |
| Aug. 26. | 341,096 | 241,594 | 40,305 | 59,197 | 69,769 | 428,607 | 342,995 | 21,825 | 1,423 | 7,054 | 146,996 | 165,697 | 19,059 | 33, 223 | 5,785 |
| Sept. 30. | 346,643 | 244, 769 | 40,779 | 61,095 | 75,853 | 440,724 | 358,433 | 25,339 | 1,500 | 7,258 | 153,951 | 170,385 | 17,169 | 33,479 | 5,784 |
| Oct. 28. | 348,424 | 244, 377 | 41,872 | 62,175 | 68,978 | 435,498 | 350,996 | 23,643 | 1,535 | 5,169 | [48,472 | 172,177 | 19,021 | 33,481 | 5,781 |
| Nov. 25. | 350,746 | 244,442 | 42,661 | 63,643 | 72,422 | 441,486 | 355,566 | 23,516 | 1,535 | 4,855 | 151,385 | 174,275 | 20,538. | 33,629 | 5,773 |
| Dec. 31. | 365,940 | 253,936 | 45,399 | 66,604 | 81,500 | 465,644 | 384,596 | 29,142 | 1,733 | 6,460 | 168,032 | 179,229 | 18,578 | 34,100 | 5,766 |
| 1971-Jan. 27 | 359,731 | 247,183 | 45,222 | 67,326 | 73,521 | 451,224 | 369,092 | 24,179 | 1,785 | 7,929 | 152,695 | 182,504 | 19,557 | 33,950 | 5,761 |
| Feb. 24 | 362,488 | 248,916 | 44,840 | 68,732 | 72,296 | 452,887 | 369,632 | 24,680 | 1,744 | 5,730 | 150,712 | 186,766 | 20,440 | 34,213 | 5,754 |
| Mar. 31. | 366,723 | 250,777 | 45,193 | 70,753 | 83,092 | 469,355 | 386,692 | 29,399 | 1,749 | 3,726 | 159,983 | 191,835 | 21,107 | 34,658 | 5,751 |
| Apr. 28. | 368,478 | 252,001 | 43,690 | 72,787 | 78,152 | 465,602 | 382,149 | 25,278 | 1,776 | 6,957 | 1.55,728 | 192,410 | 22,983. | 34,799 | 5,747 |
| May $26{ }^{p}$. | 369,202 | 253,533 | 42,601 | 73,068 | 73,880 | 462,630 | 379,755 | 23,230 | 2,080 | 6,662 | 153,165 | 194,860 | 22,237. | 34,944 | 5,747 |
| Reserve city member: New York City: 7 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 1941-Dec. 31.. | 12,896 | 4,072 | 7,265 | 1,559. | 6,637. | 19,862 | 17,932 | 4,202 | 6 | 866 | 12,051 | 807 |  | 1,648 | 36 |
| 1945-Dec. 31 | 26,143 | 7,334 | 17,574 | 1,235 | 6,439 | 32,887, | 30, 121 | 4,640 | 17 | 6,940 | 17,287 | 1,236 | 195 | 2,120 | 37 |
| 1947-Dec. 31 | 20,393 | 7,179 | 11,972 | 1,242 | 7,261 | 27,982 | 25,216 | 4,453 | 12 | 267 | 19,040 | 1,445 | 30 | 2,259 | 37 |
| 1966 -Dec. 31. | 46,536 | 35,941 | 4,920 | 5,674 | 14,869 | 64,424 | 51,837 | 6,370 | 467 | 1,016 | 26,535 | 17,449 | 1,874 | 5.298 | 12 |
| 1967-Dec. 30. | 52,141 | 39,059 | 6,027 | 7,055 | 18,797 | 74,609 | 60,407 | 7,238 | 741 | 1,084 | 31,282 | 20,062 | 1,880 | 5,715 | 12 |
| 1968-Dec. $31 .$. | 57,047 | 42,968 | 5,984 | 8,094 | 19,948 | 81,364 | 63,900 | 8,964 | 622 | 888 | 33,351 | 20,076 | 2,733 | 6,137 | 12 |
| 1969-Dec. 316. | 60,333 | 48,305 | 5,048 | 6,980 | 22,349 | 87,753 | 62,381 | 10,349 | 268 | 694 | 36,126 | 14,944 | 4,405 | 6,301 | 12 |
| 1970-May 27. | 57,288 | 44,819 | 4,981 | 7,488 | 22,007 | 84,604 | 57,147 | 9,356 | 280 | 882 | 31,742 | 14,887 | 5,821 | 6,335 | 12 |
| June 30. | 57,088 | 44,881 | 4,413 | 7,795 | 23,070 | 85,666 | 60,615 | 11,148 | 321 | 1,236 | 32,590 | 15,320 | 4,057 | 6,374 | 12 |
| July 29. | 58,720 | 45,917 | 5,142 | 7,661 | 18,322 | 82,356 | 57,063 | 9,322 | 592 | 1,382 | 28,927 | 16,840 | 4,855, | 6,340 | 12 |
| Aug. 26. | 58,468 | 45,208 | 5,458 | 7,802 | 20,982 | 84,893 | 58,959 | 9,668 | 729 | 1,214 | 29,943 | 17,405 | 5,243 | 6,405 | 12 |
| Sept. 30 | 59,484 | 46,265 | 5,144 | 8,075 | 23,057 | 88,026 | 64,019 | 12,161 | 719 | 1,355 | 31,072 | 18,712 | 4,184 | 6,439 | 12 |
| Oct. 28 | 59,215 | 45,990 | 5,337 | 7,888 | 19,175 | 83,785 | 59,297 | 10,738 | 776 | 658 | 28,024 | 19,101 | 5,038 | 6,385 | 12 |
| Nov. 25 | 59,657 | 45,717 | 5,463 | 8,477 | 20,151 | 85,368 | 59,654 | 10,276 | 814 | 749 | 28,552 | 19,263 | 6,224 | 6,424 | 12 |
| 1971-Jan. 27. .. | 62,347 | 47,161 | 6,009 | 9,177 | 21,715 | 89,384 | 67,186 | 12,508 | 956 | 1,039 | 32,235 | 20,448 | 4,500 | 6,486 | 12 |
|  | 60,658 | 45,791 | 6,011 | 8,856 | 21,274 | 87,437 | 64,712 | 11,270 | 950 | 1,985 | 29,761, | 20,746 | 4,997 | 6,449 | 12 |
| Feb. 24. | 60,791 | 46,610 | 5,378 | 8,803 | 20,393 | 86,749 | 63,848 | 11,367 | 919 | -879 | 29,352 | 21,331 | 5,855. | 6,510 | 12 |
| Mar. 31. | 59,912 | 45,457 | 5,683 | 8,772 | 27,111 | 93,161 | 71,345 | 14,672 | 846 | 573 | 33, 114 | 22,140 | 5,741 | 6,723 | 12 |
| Apr. 28... | 60,115 | 45,741 | 5,316 | 9,058 | 23,718 | 89,486 | 67,750 | 12,261 | 920 | 1,392. | 30,793 | 22,384 | 6,285 | 6,743 | 12 |
| May 26... | 59,029 | 45,441 | 5,007 | 8,581 | 19,816 | 84,885 | 63,973 | 10,254 | 846 | 1,388 | 28,552 | 22,933 | 6,072 | 6,797 | 12 |

For notes see p. A-23.

PRINCIPAL ASSETS AND LIABILITIES AND NUMBER, BY CLASS OF BANK—Continued

| Class of bank and date | Loans and investments |  |  |  | $\begin{gathered} \text { Cash } \\ \text { assets }^{3} \end{gathered}$ | Totalassets-Totallia-bilitiesandcapitalac--counts 4 | Deposits |  |  |  |  |  | Bor-rowings | Total capital accounts | Number of banks |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Total | $\underset{1,2}{\text { Loans }}$ | Securities |  |  |  | Total ${ }^{3}$ | Interbank ${ }^{3}$ |  | Other |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  | Den | and | Time ${ }^{1}$ |  |  |  |
|  |  |  |  | ${ }_{2} \text { te }$ |  |  |  | mand | Time | U.S. Govt. | Other |  |  |  |  |
| Reserve city member (cont.): City of Chicago: 7,8 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | 2,760 | 954 | 1,430 | 376 | 1,566 | 4,363 | 4,057 | 1,035 |  | 127 | 2,419 | 476 |  | 288 | 13 |
| 1945 -Dec. 31 | 5,931 | 1,333 | 4,213 | 385 | 1,489 | 7,459 | 7,046 | 1,312 |  | 1,552 | 3,462 | 719 |  | 377 | 12 |
| 1947-Dec. 31 | 5,088 | 1,801 | 2,890 | 397 | 1,739 | 6,866 | 6,402 | 1,217 |  | 72 | 4,201 | 913 |  | 426 | 14 |
| 1966-Dec. | 11,802 | 8,756 | 1,545 | 1,502 | 2,638 | 14,935 | 12,673 | 1,433 | 25 | 310 | 6,008 | 4,898 | 484 | 1,199 | 1 |
| 1967-Dec. 30 | 12,744 | 9,223 | 1,574 | 1,947 | 2,947 | 16,296 | 13,985 | 1,434 | 21 | 267 | 6,250 | 6,013 | 383 | 1,346 | 10 |
| 1968-Dec. 31 | 14,274 | 10,286 | 1, 863 | 2,125 | 3,008 | 18,099 | 14,526 | 1,535 | 21 | 257 | 6,542 | 6,171 | 682 | 1,433 | 9 |
| 1969-Dec. 31 6 | 14,365 | 10,771 | 1,564 | 2,030 | 2,802 | 17,927 | 13,264 | 1,677 | 15 | 175 | 6,770 | 4,626 | 1,290 | 1,517 | 9 |
| 1970-May 27 | 14,178 | 10,341 | 1,616 | 2,221 | 2,658 | 17,736 | 12,218 | 1,265 | 41 | 232 | 5,952 | 4,728 | 2,233 | 1,550 | 9 |
| June 30 | 14,648 | 10,986 | 1,540 | 2,121 | 2,622 | 18,291 | 13,266 | 1,682 | 16 | 347 | 6,102 | 5,119 | 1,507 | 1,566 | 9 |
| July 29 | 14,449 | 10,662 | 1,688 | 2,099 | 2,560 | 18,021 | 12,937 | 1,237 | 54 | 457 | 5,764 | 5,425 | 1,689 | 1,542 | 9 |
| Aug. 26. | 14,556 | 10,642 | 1,796 | 2,118 | 2,911 | 18,520 | 12,841 | 1,192 | 58 | 342 | 5,725 | 5,524 | 2,129 | 1,550 | 9 |
| Sept. 30 | 15,058 | 11,151 10 | 1,746 | 2,161 | 2,788 | 18,849 | 13,764 <br> 13,399 | 1,595 | 69 79 | 380 <br> 250 | 6,017 | 5,703 | 1,959 | 1,562 | 9 |
| Nov. 25 | 15,076 | 10,921 | 1,839 | 2,316 | 2,981 | 19,016 | 13,538 | 1,375 | 79 | 250 | 5,855 | 5,979 | 2,330 | 1,580 | 9 |
| Dec. 31 | 15,745 | 11,214 | 2,105 | 2,427 | 3,074 | 19,892 | 15,041 | 1,930 | 49 | 282 | 6,663 | 6,117 | 1,851 | 1,586 | 9 |
| 1971-Jan. 27. | 15,530 | 10,901 | 2,208 | 2,421 | 2,981 | 19,487 | 14,303 | 1,313 | 79 | 487 | 6,091 | 6,333 | 1,969 | 1,591 | 9 |
| Feb. 24 | 15,479 | 11,000 | 2,048 | 2,431 | 3,083 | 19,482 | 14,264 | 1,451 | 58 | 252 | 6,010 | 6,493 | 2,125 | 1,618 | 9 |
| Mar. 31 | 16,056 | 11,345 | 2,179 | 2,532 | 2,695 | 19,609 | 14,665 | 2,074 | 130 | 168 | 5,598 | 6,695 | 1,961 | 1,635 | 9 |
| Apr. 28. | 15,726 | 11,051 | 1,940 | 2,735 | 3,159 | 19,874 | 15,048 | 1,449 | 123 | 414 | 6,415 | 6,647 | 2,304 | 1,622 | 9 |
| May 26. | 15,853 | 11,293 | 1,677 | 2,883 | 3,011 | 19,741 | 14,951 | 1,300 | 143 | 419 | 6,181 | 7,051 | 2,180 | 1,616 | 9 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| $\begin{aligned} & \text { 1941-Dec. } 31 \ldots \ldots \\ & \text { 1945-Dec. } 31 \ldots . \end{aligned}$ | 15,347 40,108 | 7,105 | 6,467 29,552 | 1,776 | 8,518 11,286 | 24,430 51,898 | 22,313 49,085 | 4,356 6,418 | 104 | 8, 221 | 12,557 | 4,806 9,760 | 2 | 1,967 | $\begin{array}{r}351 \\ 359 \\ \hline\end{array}$ |
| 1947-Dec. | 36,040 | 13,449 | 20,196 | 2,396 | 13,066 | 49,659 | 46,467 | 5,627 | 22 | 405 | 28,990 | 11,423 | 1 | 2,844 | 353 |
| 1966-Dec. 31 | 95,831 | 69,464 | 13,040 | 13,326 | 24,228 | 123,863 | 108,804 | 8,593 | 233 | 1,633 | 49,004 | 49,341 | 1,952 | 9,471 | 169 |
| 1967-Dec. 30 | 105,724 | 73,571 | 14,667 | 17,487 | 26,867 | 136,626 | 120,485 | 9,374 | 310 | 1,715 | 53,288 | 55,798 | 2,555 | 10,032 | 163 |
| 1968-Dec. 31 | 119,006 | 83,634 | 15,036 | 20,337 | 28,136 | 151,957 | 132,305 | 10,181 | 307 | 1,884 | 57,449 | 62,484 | 4,239 | 10,684 | 161 |
| 1969-Dec. 31 | 121,324 | 90,896 | 11,944 | 18,484 | 29,954 | 157,512 | 126,232 | 10,663 | 242 | 1,575 | 58,923 | 54,829 | 9,881 | 11,464 | 157 |
| 1970-May 27 | 119,002 | 88,033 | 11,287 | 19,682 | 24,393 | 149,816 | 116,945 | 8,213 | 160 | 1,945 | 49,990 | 56,637 | 11, 025 | 11,780 | 157 |
| June 30 | 121,213 | 90,152 | 11,372 | 19,689 | 27,106 | 154,889 | 123,673 | 9,530 | 273 | 3,115 | 53,317 | 57,438 | 9,779 | 11,868 | 156 |
| July 29 | 120,894 | 89,581 | 11,665 | 19,648 | 24,422 | 151,834 | 120,708 | 8,374 | 409 | 2,349 | 50,046 | 59,530 | 9,777 | 11,885 | 156 |
| Aug. 26. | 123,418 | 91,106 | 12,341 | 19,971 | 25,008 | 154,765 | 123,746 | 8,544 | 552 | 3,049 | 50,085 | 61,516 | 9,485 | 11,934 | 156 |
| Sept. 30 | 125,582 | 91,955 | 12,859 | 20,768 | 27,368 | 159,587 | 129,246 | 8,992 | 628 | 3,082 | 53,139 | 63,405 | 9,019 | 12,040 | 156 |
| Oct. 28 | 126,646 | 91,973 | 13,299 | 21,374 | 25,157 | 158,316 | 127,238 | 9,032 | 599 | 2,138 | 51,709 | 63,760 | 9,380 | 12,032 | 156 |
| Nov. 25 | 126,943 | 91,301 | 13,789 | 21,853 | 26,774 | 160,182 | 129,249 | 9,213 | 561 | 1,977 | 52,625 | 64,873 | 9,711 | 12,053 | 156 |
| Dec. | 133,718 | 96,158 | 14,700 | 22,860 | 31,263 | 171,733 | 140,518 | 11,317 | 592 | 2,547 | 59,328 | 66,734 | 10,391 | 12,221 | 156 |
| 1971-Jan. 27. | 130,725 | 92,805 | 14,490 | 23,430 | 26,930 | 164,214 | 133,018 | 8,875 | 675 | 3,141 | 52,463 | 67,864 | 10,413 | 12,234 | 156 |
| Feb. 24. | 131,751 | 92,932 | 14,498 | 24,321 | 26,701 | 164,992 | 133,375 | 9,169 | 686 | 2,262 | 52,063 | 69,195 | 10,014 | 12,321 | 156 |
| Mar. 31. | 134,204 | 94,302 | 14,636 | 25,266 | 29,361 | 170,513 | 138,409 | 9,791 | 692 | 1,592 | 55,594 | 70,740 | 11,044 | 12,474 | 156 |
| Apr. 28. | 134,119 | 94,416 | 13,830 | 25,873 | 28,581 | 169,509 | 136,752 | 9,688 | 652 | 3,353 | 53,562 | 69,497 | 11, 889 | 12,502 | 156 |
| May 26. | 134,264 | 95,042 | 13,409 | 25,813 | 28,193 | 169,451 | 137,167 | 9,723 | 714 | 3,018 | 53,519 | 70,193 | 11,325 | 12,561 | 156 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 1945-Dec. 31. | 35,002 | 5,596 | 26,999 | 2,408 | 10,632 | 46,059 | 43,418 | 1,207 | 17 | 5,465 | 24,235 | 12,494 | 11 | 2,525 | 6,476 |
| 1947-Dec. 31 | 36,324 | 10,199 | 22,857 | 3,268 | 10,778 | 47,553 | 44,443 | 1,056 | 17 | 432 | 28,378 | 14,560 | 23 | 2,934 | 6,519 |
| 1966-Dec. 31 | 109,518 | 68,641 | 22,419 | 18,458 | 19,004 | 131,338 | 117,749 | 2,392 | 69 | 1,474 | 56,672 | 57,144 | 308 | 10,309 | 5,958 |
| 1967-Dec. 30 | 122,511 | 74,995 | 24,689 | 22,826 | 20,334 | 146,052 | 131,156 | 2,766 | 96 | 1,564 | 61,161 | 65,569 | 552 | 11,005 | 5,886 |
| 1968-Dec. 31. | 134,759 | 83,397 | 24,998 | 26,364 | 22,664 | 161,122 | 144,682 | 2,839 | 111 | 1,281 | 66,578 | 73,873 | 804 | 11,807 | 5,796 |
| 1969-Dec. 316 | 140,715 | 92,147 | 21,278 | 27,291 | 23,928 | 169,078 | 148,007 | 3,152 | 84 | 1,671 | 67,930 | 75,170 | 1,820 | 12,766 | 5,691 |
| 1970-May 27 | 140,921 | 92,612 | 20,375 | 27,934 | 20,652 | 166,453 | 143,231 | 2,349 | 86 | 1,855 | 60,730 | 78,211 | 2,670 | 13,068 | 5,638 |
| June 30 | 142,603 | 94,081 | 19,999 | 28,522 | 22,741 | 170,129 | 147,960 | 2,763 | 81 | 2,259 | 63,907 | 78,951 | 2,164 | 13,377 | 5,626 |
| July 29 | 143,314 | 94,149 | 20,455 | 28,710 | 20,667 | 168,633 | 146,110 | 2, 438 | 84 | 1,993 | 61,266 | 80,329 | 2,354 | 13,280 | 5,618 |
| Aug. 26 | 144,654 | 94,638 | 20,710 | 29,306 | 20,868 | 170,429 | 147,449 | 2,411 | 84 | 2,449 | 61,243 | 81,252 | 2,202 | 13,334 | 5,608 |
| Sept. 30. | 146,519 | 95,398 | 21,030 | 30,091 | 22,640 | 174,262 | 151,404 | 2,591 | 84 | 2,441 | 63,723 | 82,565 | 2,007 | 13,438 | 5,607 |
| Oct. 28 | 147,728 | 95,679 | 21,311, | 30,738 | 21,606 | 174,556 | 151,062 | 2,572 | 81 | 2,123 | 62,818 | 83,468 | 2,350 | 13,499 | 5,604 |
| Nov. 25 Dec. 31 | 149,070 | 96,503 | 21,570 | 30,997 | 22,516 | 176,920 | 153,125 | 2,652 | 81 135 | 1,879 | 64,353 | 84,160 | 2,273 | 13,572 | 5,596 |
| 1971-Jan. 27. | 152,818 | 97,686 | 22,513 | 32,619 | 22,336 | 180,086 | 157,059 | 2,721 | 81 | 2,316 | 64,380 | 87,561 | 2,178 | 13,676 | 5,584 |
| Feb. 24. | 154,467 | 98,374 | 22,916 | 33, 177 | 22,119 | 181,664 | 158,145 | 2,693 | 81 | 2,337 | 63,287 | 89,747 | 2,446 | 13,764 | 5,577 |
| Mar. 31. | 156,551 | 99,673 | 22,695 | 34,183 | 23,925 | 186,072 | 162,273 | 2,862 | 81 | 1,393 | 65,677 | 92,260 | 2,361 | 13,826 | 5,574 |
| Арг. 28. | 158,518 | 100,793 | 22,604 | 35,121 | 22,694 | 186,733 | 162,599 | 2,736 | 81 | 2,145 | 64,958 | 92,679 | 2,505 | 13,932 | 5,570 |
| May $26{ }^{p}$ | 160,056 | 101,757 | 22,508 | 35,791 | 22,860 | 188,553 | 163,664 | 2,802 | 135 | 2,296 | 64,913 | 93,518 | 2,660 | 13,970 | 5,570 |

For notes see p. A-23.
(Amounts in millions of dollars)

| Classification by FRS membership and FDIC insurance | Loans and investments |  |  |  | $\underset{\text { Cassets }{ }^{3}}{\text { Cash }}$ | Totalassets-Totallia-bilitiesandcapitalac-counts ${ }^{4}$ | Deposits |  |  |  |  |  | Bor-rowings | Total capital accounts | $\underset{\substack{\text { Num- } \\ \text { ber }}}{ }$ of <br> banks |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Total | $\underset{1,2}{\text { Loans }}$ | Securities |  |  |  | Total ${ }^{3}$ | Interbank ${ }^{3}$ |  | Other |  |  |  |  |  |
|  |  |  |  |  |  |  |  | Demand | Time | Demand |  | $\underset{1}{\text { Time }}$ |  |  |  |
|  |  |  | ry |  |  |  |  |  |  | U.S. Govt. | Other |  |  |  |  |
| Insured banks: Total: |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 1945-Dec. 31. | 121,809 | 25,765 | 88,912 | 7,131 | 34,292 | 157,544 | 147,775 |  |  | 23,740 | 80,276 | 29,876 | 215 | 8,844 | 13,297 |
| 1947-Dec. 31.. | 114,274 | 37, 583 | 67,941 | 8,750 | 36,926 | 152,733 | 141,851 | 12,615 | 54 | 1,325 | 92,975 | 34,882 | 61 | 9,734 | 13,398 |
| 1963-Dec. 20.. | 252,579 | 155,261 | 62,723 | 34,594 | 50,337 | 310,730 | 273,657 | 15,077 | 443 | 6,712 | 140,702 | 110,723 | 3,571 | 25.277 | 13,284 |
| 1964-Dec. 31.. | 275,053 | 174,234 | 62,499 | 38,320 | 59,911 | 343,876 | 305,113 | 17,664 | 733 | 6,487 | 154,043 | 126,185 | 2,580 | 27,377 | 13,486 |
| 1965-Dec. 31.. | 303,593 | 200,109 | 59,120 | 44,364 | 60,327 | 374,051 | 330,323 | 18,149 | 923 | 5,508 | 159,659 | 146,084 | 4,325 | 29,827 | 13,540 |
| 1966-Dec. 31. | 321,473 | 217,379 | 55,788 | 48,307 | 68,515 | 401,409 | 351,438 | 19,497 | 881 | 4,975 | 166,689 | 159,396 | 4,717 | 31,609 | 13,533 |
| 1967-Dec. 30.. | 358,536 | 235,502 | 62,094 | 60,941 | 77,348 | 448,878 | 394,118 | 21,598 | 1,258 | 5,219 | 182,984 | 183,060 | 5,531 | 33,916 | 13,510 |
| 1968-Dec. 31.. | 399,566 | 264,600 | 64,028 | 70,938 | 83,061 | 498,071 | 432,719 | 24,427 | 1,155 | 5,000 | 198,535 | 203,602 | 8,675 | 36,530 | 13,481 |
| 1969-June 306. | 408,620 | 283,199 | 53,723 | 71,697 | 87,311 | 513,960 | 423,957 | 24,889 | 800 | 5,624 | 192,357 | 200,287 | 14,450 | 38,321 | 13,464 |
| Dec. 31.. | 419,746 | 294,638 | 54,399 | 70,709 | 89,090 | 527,598 | 434,138 | 26,858 | 695 | 5,038 | 207,311 | 194,237 | 18,024 | 39,450 | 13,464 |
| 1970-June 30.. | 421,141 | 294,963 | 51,248 | 74,929 | 84,885 | 526,484 | 431,094 | 26,017 | 829 | 8,040 | 191,752 | 204,456 | 18,215 | 41,159 | 13,478 |
| Dec. 31.. | 458,919 | 312,006 | 61,438 | 85,475 | 92,708 | 572,682 | 479,174 | 30,233 | 1,874 | 7,898 | 208,037 | 231,132 | 19,149 | 42,427 | 13,502 |
| National member: |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 1941-Dec. 31. | 27,571 | 11,725 13,925 | 12,039 51,250 | 3,806 4,137 | 14,977 | 43,433 90,220 | 39,458 84,939 |  |  | 14,088 | 23,262 | r 8 , 3222 | 4 <br> 78 | 3,640 4,644 | 5,117 5,017 |
| 1947-Dec. 31. | 65,280 | 21,428 | 38,674 | 5,178 | 22,024 | 88,182 | 82,023 | 8,375 | 35 | 7,795 | 53,541 | 19,278 | 45 | 5,409 | 5,005 |
| 1963-Dec. 20.. | 137,447 | 84,845 | 33,384 | 19,218 | 28,635 | 170,233 | 150,823 | 8,863 | 146 | 3,691 | 76,836 | 61,288 | 1,704 | 13,548 | 4,615 |
| 1964-Dec. 31. | 151,406 | 96,688 | 33,405 | 21,312 | 34,064 | 190,289 | 169,615 | 10,521 | 211 | 3,604 | 84,534 | 70,746 | 1,109 | 15,048 | 4,773 |
| 1965-Dec. 31. | 176,605 | 118,537 | 32,347 | 25,720 | 36,880 | 219,744 | 193,860 | 12,064 | 458 | 3,284 | 92,533 | 85,522 | 2,627 | 17,434 | 4,815 |
| 1966--Dec. 31. | 187,251 | 129,182 | 30,355 | 27,713 | 41,690 | 235,996 | 206,456 | 12,588 | 437 | 3,035 | 96,755 | 93,642 | 3,120 | 18,459 | 4,799 |
| 1967-Dec. 30. | 208,971 | 139,315 | 34,308 | 35,348 | 46,634 | 263,375 | 231,374 | 13,877 | 652 | 3,142 | 106,019 | 107,684 | 3,478 | 19,730 | 4,758 |
| 1968-Dec. 31.. | 236,130 | 159,257 | 35,300 | 41,572 | 50,953 | 296,594 | 257,884 | 15,117 | 657 | 3,090 | 116,422 | 122,597 | 5,923 | 21,524 | 4,716 |
| 1969-June 306. | 242,241 | 170,834 | 29,481 | 41,927 | 52,271 | 305,800 | 251,489 | 14,324 | 437 | 3,534 | 113, 134 | 120,060 | 9,895 | 22,628 | 4,700 |
| Dec. $31 .$. | 247,526 | 177,435 | 29,576 | 40,514 | 54,721 | 313,927 | 256,314 | 16,299 | 361 | 3,049 | 121,719 | 114,885 | 12,279 | 23,248 | 4,668 |
| 1970-June 30.. | 247,862 | 176,376 | 28,191 | 43,295 | 51,942 | 312,480 | 254,261 | 14,947 | 393 | 5,066 | 113,296 | 120,559 | 13,051 | 24,106 | 4,637 |
| Dec. 31.. | 271,760 | 187,554 | 34,203 | 50,004 | 56,028 | 340,764 | 283,663 | 18,051 | 982 | 4,740 | 122,298 | 137,592 | 13,100 | 24,868 | 4,620 |
| State member: |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 1941 -Dec. 31. | 15,950 | 6,295 | 7,500 | 2,155 | 8,145 | 24,688 | 22,259 |  | 39 | 621. | 13,874 | 4,025 | 1 | 2,246 | 1,502 |
| 1945-Dec. 31.. | 37,871 | 8,850 | 27,089 | 1,933. | 9,731 | 48,084 | 44,730 |  | 11 | 8,166 | 24,168 | 7,986 | 130 | 2,945 | 1,867 |
| 1947-Dec. 31.. | 32,566 | 11,200 | 19,240 | 2,125 | 10,822 | 43,879 | 40,505 | 3,978 | 15 | 381 | 27,068 | 9,062 | - | 3,055 | 1,918 |
| 1963-Dec. 20. | 72,680 | 46,866 | 15,958 | 9,855 | 15,760 | 91,235 | 78,553 | 5,655 | 236 | 2,295 | 40,725 | 29,642 | 1,795 | 7,506 | 1,497 |
| 1964--Dec. 31.. | 77,091 | 51,002 | 15,312 | 10,777 | 18,673 | 98,852 | 86,108 | 6,486 | 453 | 2,234 | 44,005 | 32,931 | 1,372 | 7,853 | 1,452 |
| 1965-Dec. 31.. | 74,972 | 51,262 | 12,645 | 11,065 | 15,934 | 93,640 | 81,657 | 5,390 | 382 | 1,606 | 39,598 | 34,680 | 1,607 | 7,492 | 1,406 |
| 1966-Dec. 31.. | 77,377 | 54,560 | 11,569 | 11,247 | 19,049 | 99,504 | 85,547 | 6,200 | 357 | 1,397 | 41,464 | 36,129 | 1,498 | 7,819 | 1,351 |
| 1967-Dec. 30.. | 85,128 | 58,513 | 12,649 | 13,966 | 22,312 | 111,188 | 95,637 | 6,934 | 516 | 1,489 | 45,961 | 40,736 | 1,892 | 8,368 | 1,313 |
| 1968-Dec. 31.. | 89,894 | 61,965 | 12,581 | 15,348 | 22,803 | 116,885 | 98,467 | 8,402 | 404 | 1,219 | 47,498 | 40,945 | 2,535 | 8,536 | 1,262 |
| 1969-June 306. | 88,346 | 64,007 | 9,902 | 14,437 | 26,344 | 119,358 | 93,858 | 9,773 | 285 | 1,341 | 45,152 | 37,307 | 4,104 | 8,689 | 1,236 |
| Dec. $31 .$. | 90,088 | 65,560 | 10,257. | 14,271 | 24,313 | 119,219 | 94,445 | 9,541 | 24 | 1,065 | 48,030 | 35,560 | 5,116 | 8,800 | 1,201 |
| 1970-June 30. | 88,404 | 64,439 | 9,133 | 14,832 | 23,598 | 117,209 | 91,967 | 10,175 | 299 | 1,891 | 42,620 | 36,983 | 4,457 | 9,078 | 1,166 |
| Dec. 31.. | 94,760 | 66,963 | 11,196 | 16,600 | 25,472 | 125,460 | 101,512 | 11,091 | 750 | 1,720 | 45,734 | 42,218 | 5,478 | 9,232 | 1,147 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 1941-Dec. 31. | 5,776 | 3,241 | 1,509 | 1,025 | 2,668 | 8,708 | 7,702 |  | 29 | 53 | 4,162 | 3,360 | 6 | 959 | 6,810 |
| 1945-Dec. 31. | 14,639 | 2,992 | 10,584 | 1,063 | 4,448 | 19,256 | 18,119 |  | 24 | 1,560 | 10,635 | 5,680 | 7 | 1,083 | 6,416 |
| 1947-Dec. 31. | 16,444 | 4,958 | 10,039 | 1,448 | 4,083 | 20,691 | 19,340 | 262 | 4 | 149 | 12,366 | 6,558 | 7 | 1,271 | 6,478 |
| 1963-Dec. 20.. | 42,464 | 23,550 | 13,391 | 5,523 | 5,942 | 49,275 | 44,280 | 559 | 61 | 726 | 23,140 | 19,793 | 72 | 4,234 | 7,173 |
| 1964-Dec. 31.. | 46,567 | 26,544 | 13,790 | 6,233 | 7,174 | 54,747 | 49,389 | 658 | 70 | 649 | 25,504 | 22,509 | 99. | 4,488 | 7,262 |
| 1965-Dec. 31.. | 52,028 | 30,310 | 14,137 | 7,581 | 7,513 | 60,679 | 54,806 | 695 | 83 | 618 | 27,528 | 25,882 | 91 | 4,912 | 7,320 |
| 1966--Dec. 31. | 56,857 | 33,636 | 13,873 | 9,349 | 7,777 | 65,921 | 59,434 | 709 | 87 | 543 | 28,471 | 29,625 | 99 | 5,342 | 7,384 |
| 1967-Dec. 30. | 64,449 | 37,675 | 15,146 | 11,629 | 8,403 | 74,328 | 67,107 | 786 | 89 | 588 | 31,004 | 34,640 | 162 | 5,830 | 7,440 |
| 1968-Dec. 31.. | 73,553 | 43,378 | 16,155 | 14,020 | 9,305 | 84,605 | 76,368 | 908 | 94 | 691 | 34,615 | 40,060 | 217 | 6,482 | 7,504 |
| 1969-June 306. | 78,032 | 48,358 | 14,341 | 15,333 | 8,696 | 88,802 | 78,610 | 791 | 78 | 749 | 34,070 | 42,921 | 451 | 7,004 | 7,528 |
| Dec. 31.. | 82,133 | 51,643 | 14,565 | 15,925 | 10,056 | 94,453 | 83,380 | 1,017 | 85 | 924 | 37,561 | 43,792 | 629 | 7,403 | 7,595 |
| 1970-June 30.. | 84,875 | 54,149 | 13,924 | 16,802 | 9,346 | 96,794 | 84,865 | 894 | 137 | 1,083 | 35,837 | 46,913 | 708 | 7,975 | 7,675 |
| Dec. 31. | 92,399 | 57,489 | 16,039 | 18,871 | 11,208 | 106,457 | 93,998 | 1,091 | 141 | 1,438 | 40,005 | 51,322 | 571 | 8,326 | 7,735 |

For notes see p. A-23.

PRINCIPAL ASSETS AND LIABILITIES AND NUMBER, BY CLASS OF BANK-Continued
(Amounts in millions of dollars)

| Classification by <br> FRS membership and FDIC insurance | Loans and investments |  |  |  | Cash assets ${ }^{3}$ | Totalassets-Totallia-bilitiesandcapitalac-counts 4 | Deposits |  |  |  |  |  | Bor-rowings | Total capital accounts | Num-berofbanks |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Total | $\underset{1,2}{\text { Loans }_{1,2}}$ | Securities |  |  |  | Total ${ }^{3}$ | Interbank ${ }^{3}$ |  | Other |  |  |  |  |  |
|  |  |  | U.S. Treasury | Other |  |  |  | Demand | Time | Demand |  | $\underset{1}{\text { Time }}$ |  |  |  |
|  |  |  |  |  |  |  |  |  |  | U.S. Govt. | Other |  |  |  |  |
| Noninsured nonmember: |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 1941-Dec. 31. | 1,457 | 455 | 761 | 241 | 763 | 2,283 | 1,872 | 32 |  | 1,2 | 1 | 253 | 13 | 329 | 852 |
| 1945-Dec. 31. | 2,211 | 318 | 1,693 | 200 | 514 | 2,768 | 2,452 | 18 |  | 1,9 |  | 365 | 4 | 279 | 714 |
| 1947-Dec. 315. | 2,009 | 474 | 1,280 | 255 | 576 | 2,643 | 2,251 | 177. | 185 | 18 | 1,392 | 478 | 4 | 325 | 783 |
| 1963-Dec. 20. | 1,571 | 745 | 463 | 362 | 374 | 2,029 | 1,463 | 190 | 83 | 17 | 832 | 341 | 93 | 389 | 285 |
| 1964-Dec. 31. | 2,312 | 1,355 | 483 | 474 | 578 | 3,033 | 2,057 | 273 | 86 | 23 | 1,141 | 534 | 99 | 406 | 274 |
| 1965-Dec. 31. | 2,455 | 1,549 | 418 | 489 | 572 | 3,200 | 2,113 | 277 | 85 | 17 | 1,121 | 612 | 147 | 434 | 263 |
| 1967-Dec. 30 | 2,638 | 1,735 | 370 429 | 533 597 | 579 | 3,404 | 2,172 | 285 319 | 58 56 | 15 | 1,081 | 733 | 246 | 457 464 | 211 |
| 1968-Dec. 31 | 2,901 | 1,875 | 429 | 597 | 691 | 3,789 | 2,519 | 319 | 56 | 10 |  | 767 | 224 | 464 | 197 |
| 1969-June $30{ }^{6}$ | 2,809 | 1,800 | 321 | 688 | 898 | 3,942 | 2,556 | 298 | 81 | 15 | 1,430 | 731 | 290 | 502 | 209 |
| Dcc. 31. | 2,982 | 2,041 | 310 | 632 | 895 | 4,198 | 2,570 | 316 | 41 | 16 | 1,559 | 638 | 336 | 528 | 197 |
| 1970-June 30 | 3,043 | 2,073 | 321 | 650 | 746 | 4,140 | 2,280 | 321 | 69 | 36 | 1,247 | 606 | 331 | 549 | 193 |
| Dec. 31. | 3,079 | 2,132 | 304 | 642 | 934 | 4,365 | 2,570 | 375 | 101 | 40 | 1,298 | 756 | 226 | 532 | ${ }^{\text {r } 184}$ |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 1941-Dec. 31. | 7,233 | 3,696 | 2,270 | 1,266 | 3,431 | 10,992 | 9,573 | 45 |  | 5,504 |  | 3,613 | 18 | 1,288 | 7,662 |
| 1945-Dec. 31. | 16,849 | 3,310 | 12,277 | 1,262 | 4,962 | 22,024 | 20,571 | 42 |  | 14,1 |  | 6,045 | 11 | 1,362 | 7,130 |
| 1947-Dec. 31. | 18,454 | 5,432 | 11,318 | 1,703 | 4,659 | 23,334 | 21,591 | 4391 | 190 | 167 | 13,758 | 7,036 | 12 | 1,596 | 7,261 |
| 1963-Dec. 20. | 44,035 | 24,295 | 13,854 | 5,885 | 6,316 | 51,304 | 45,743 | 749 | 144 | 743 | 23,972 | 20,134 | 165 | 4,623 | 7,458 |
| 1964-Dec. 31. | 48,879 | 27,899 | 14,273 | 6,707 | 7,752 | 57,780 | 51,447 | 931 | 156 | 672 | 26,645 | 23,043 | 198 | 4,894 | 7,536 |
| 1965-Dec. 31. | 54,483 | 31,858 | 14,555 | 8,070 | 8,085 | 63,879 | 56,919 | 972 | 168 | 635 | 28,649 | 26,495 | 238 | 5,345 | 7,583 |
| 1967-Dec. 30. | 67,087 | 39,409 | 15,516 | 12,162 | 8,983 | 77,732 | 69,279 | 1,071 | 147 | 603 | 32,085 | 35,372 | 408 | 6,286 | 7,651 |
| 1968-Dec. 31. | 76,454 | 45,253 | 16,585 | 14,617 | 9,997 | 88,394 | 78,887 | 1,227 | 150 | 701 | 35,981 | 40,827 | 441 | 6,945 | 7,701 |
| 1969-June $30{ }^{6}$ | 80,841 | 50,159 | 14,662 | 16,021 | 9,594 | 92,743 | 81,166 | 1,090 | 160 | 765 | 35,500 | 43,652 | 741 | 7,506 | 7,737 |
| Dec. 31. | 85,115 | 53,683 | 14,875 | 16,556 | 10,950 | 98,651 | 85,949 | 1,333 | 126 | 940 | 39,120 | 44,430 | 965 | 7,931 | 7,792 |
| 1970-June 30. | 87,919 | 56,222 | 14,245 | 17,452 | 10,092 | 100,934 | 87,145 | 1,215 | 207 | 1,119 | 37,084 | 47,520 | 1,038 | 8,523 | 7,868 |
| Dec. 31. | 95,478 | 59,621 | 16,342 | 19,514 | 12,143 | 110,822 | 96,568 | 1,466 | 243 | 1,478 | 41,303 | 52,078 | 796 | 8,858 | -7,919 |

${ }^{1}$ See table (and notes) at the bottom of this page.
2 Beginning June 30, 1966, loans to farmers directly guaranteed by CCC were reclassified as securities, and Export-Import Bank portfolio fund participations were reclassified from loans to securities. This reduced Total loans and increased "Other securities" by about \$1 billion. Total loans include Federal funds sold, and beginning with June 1967 securities loans include Federal funds sold, and beginning with June 1967 securities
purchased under resale agreements, figures for which are included in "Federal funds sold, etc.,"" on p. A-24.
${ }^{3}$ Reciprocal balances excluded beginning with 1942.
${ }^{4}$ Includes items not shown separately. See also note 1.
5 Beginning with Dec. 31, 1947, the series was revised; for description, see note 4, p. 587, May 1964 Bulletin.
6 Figure takes into account the following changes beginning June 30, 1969: (1) inclusion of consolidated reports (including figures for all bankpremises subsidiaries and other significant majority-owned domestic subsidiaries) and (2) reporting of figures for total loans and for individual categories of securities on a gross basis-that is, before deduction of valuation reserves--rather than net as previously reported.
7 Regarding reclassification as a reserve city, see Aug. 1962 Bulletin, p. 993. For various changes between reserve city and country status in $1960-63$, see note 6 , p. 587 , May 1964 BULLETIN.

8 Beginning Jan. 4,1968 , a country bank with deposits of $\$ 321$ million was reclassified as a reserve city bank. Beginning Feb. 29, 1968, a reserve
city bank in Chicago with total deposits of $\$ 190$ million was reclassified as a country bank.

Note.-Data are for all commercial banks in the United States (including Alaska and Hawaii, beginning with 1959). Commercial banks represent all commercial banks, both member and nonmember; stock savings banks; and nondeposit trust companies
For the period June 1941-June 1962 member banks include mutua savings banks as follows: three before Jan. 1960; two through Dec. 1960, and one through June 1962. Those banks are not included in insured commercial banks.

Beginning June 30, 1969, commercial banks and member banks exclude a small national bank in the Virgin Islands; also, member banks exclude, and noninsured commercial banks include, through June 30, 1970, a small member bank engaged exclusively in trust business.

Comparability of figures for classes of banks is affected somewhat by changes in F.R. membership, deposit insurance status, and the reserve classifications of cities and individual banks, and by mergers, etc.

Data for national banks for Dec. 31, 1965, have been adjusted to make them comparable with State bank data.

Figures are partly estimated except on call dates.
Figures are partly estimated except on call dates.
For revisions in series before June 30 , 1947, see July 1947 Bulletin, pp. 870-71.

DEPOSITS ACCUMULATED FOR PAYMENT OF PERSONAL LOANS
(In millions of dollars)

| Class of bank | $\begin{gathered} \text { Dec. 31, } \\ 1968 \end{gathered}$ | $\begin{gathered} \text { Dec. } 31 \\ 1969 \end{gathered}$ | $\begin{gathered} \text { June } 30, \\ 1970 \end{gathered}$ | $\begin{gathered} \text { Dec. 31, } \\ 1970 \end{gathered}$ | Class of bank | $\begin{gathered} \text { Dec. 31, } \\ 1968 \end{gathered}$ | $\begin{gathered} \text { Dec. 31, } \\ 1969 \end{gathered}$ | $\begin{gathered} \text { June } 30, \\ 1970 \end{gathered}$ | $\begin{gathered} \text { Dec. 31, } \\ 1970 \end{gathered}$ |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| All commercial | 1,216 | 1,131 | 945 | 804 | All member-Cont. |  |  |  |  |
| Insured. . . . | 1,216 | 1,129 | 943 | 803 | Other reserve city, | 332 | 304 | 222 | 143 |
| National member. | 730 | 688 | 536 | 433 | Country. | 605 | 571 | 492 | 437 |
| State member. ... | 207 | 188 | 178 | 147 | All nonmember. | 278 | 255 | 230 | 224 |
| All member.... | 937 | 876 | 714 | 580 | Insured...... Noninsured. | 278 | 253 2 | 229 2 | 223 1 |

NoTE.-These hypothecated deposits are excluded from Time deposits and Loans at all commercial banks beginning with June 30, 1966, as and Loans at ables on pp. A-20, A-21, and A-26-A-30 (consumer instalShown in the tables on pp. A-20, A-21, and A-26-A-30 (consumer instal-
ment loans), and in the table at the bottom of p. A-18. These changes
resulted from a change in Federal Reserve regulations. See June 1966 Bulletin, p. 808.

These deposits have not been deducted from Time deposits and Loans for commercial banks as shown on pp. A-22 and A-23 and on pp. A-24 and A-25 (IPC only for time deposits).
(In millions of dollars)

${ }^{1}$ Beginning with June 30, 1948, figures for various loan items are shown gross (i.e., before deduction of valuation reserves); they do not add to the total and are not entirely comparable with prior figures. Total loans continue to be shown net. See also note 10 .
${ }_{2}$ Includes securities purchased under resale agreements. Prior to June 30, 1967, they were included in loans-for the most part in loans to "Banks." Prior to Dec. 1965, Federal funds sold were included with "Total" loans and loans to "Banks."
${ }^{3}$ See table (and notes), Deposits Accumulated for Payment of Personal Loans, p. A-23.

4 Breakdowns of loan, investment, and deposit classifications are not available before 1947; summary figures for 1941 and 1945 appear in the table on pp. A-20-A-23.
${ }^{5}$ Beginning with June 30,1966 , loans to farmers directly guaranteed by CCC were reclassified as "Other securities," and Export-Import Bank portfolio fund participations were reclassified from loans to "Other securities." This increased "Other securities" by about $\$ 1$ billion.

6 Beginning with Dec. 31, 1965, components shown at par rather than at book value; they do not add to the total (shown at book value) and are not entirely comparable with prior figures. See also note 10.

For other notes see opposite page.

## RESERVES AND LIABILITIES BY CLASS OF BANK

(In millions of dollars)

| Class of bank and call date | Reserves with F.R. Banks | Currency andcoin | Balances with domestic banks ${ }^{7}$ | Demand deposits adjusted ${ }^{8}$ | Demand deposits |  |  |  |  |  | Time deposits |  |  |  | Bor-rowings | Capital accounts |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  |  |  | Interbank |  | G.S. | State and local govt. | Certified and off: cers' checks, etc. | IPC | Interbank | U.S. Govt. and Postal Savings | State and local govt. | IPC ${ }^{3}$ |  |  |
|  |  |  |  |  | $\begin{array}{\|c\|c} \text { Do- } & \text { For- } \\ \text { mestic } 7 \end{array}{ }^{\text {eign }} 9$ |  |  |  |  |  |  |  |  |  |  |  |
| $\begin{aligned} & \text { Total: }{ }^{3} \\ & \text { 1947-Dec. } 31 \ldots . . . \end{aligned}$ | 17,796 | 2,216 | 10,216 | 87,123 | 11,362 | 1,430 | 1,343 | 6,799 | 2,581 | 84,987 | 240 | 111 |  | 34,383 | 65 | 10,059 |
| 1969-Dec. 311 |  |  | 20,314 | 172,079 | 24,553 |  | 5,054 |  |  | 179,413 | 735 |  |  |  |  |  |
| 1970-June 30. | 21,526 | 7,090 | 18,208 | 158,241 | 23,759 | 2,579 | 8,076 | 17,062 | 10,254 | 165,683 | 898 | 202 | 17,148 | 187,713 | 18,546 | 41,708 |
| Dec. 31. | 23,319 | 7,046 | 23,136 | 173,912 | 27,442 | 3,166 | 7,938 | 17,763 | 8,540 | 183,032 | 1,975 | 463 | 23,225 | 208,201 | 19,375 | 42,958 |
| All insured: |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 1941-Dec. 31 | 12,396 | 1,358 | 8,570 | 37,845 | 9,823 | 673 | 1,762 | 3,677 | 1,077 | 36,544 | 158 | 59 | 492 | 15,146 | 10 | 6,844 |
| 1945--Dec. 31. | 15,810 | 1,829 | 11,075 | 74,722 | 12,566 | 1,248 | 23,740 | 5,098 | 2,585 | 72,593 | 70 | 103 | 496 | 29,277 | 215 | 8,671 |
| 1947-Dec. 31 | 17,796 | 2,145 | 9,736 | 85,751 | [1,236 | 1,379 | 1,325. | 6,692 | 2,559 | 83,723 | 54 | 111 | 826 | 33,946 | 61 | 9,734 |
| 1969-Dec. $31{ }^{10}$. | 21,449 | 7,292 | 19,528 | 170,280 | 24,386 | 2,471 | 5,038 | 17,434 | 11,476 | 178,401 | 695 | 211 | 13,166 | 180,860 | 18,024 | 39,450 |
| 1970-June 30. | 21,526 | 7,061 | 17,577 | 156,743 | 23,624 | 2,393 | 8,040 | 16,955 | 10,073 | 164,725 | 829 | 202 | 17,088 | 187,166 | 18,215 | 41,159 |
| Dec. 31. | 23,319 | 7,028 | 22,332 | 172,351 | 27,235 | 2,998 | 7,898 | 17,636 | 8,352 | 182,048 | 1,874 | 462 | 23,150 | 207,519 | 19,149 | 42,427 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 1941--Dec. 31. | 12,396 | 1,087 1,438 | 6,246 | 33,754 | 9,714 | + 671 | 1,709 | 3,066 4,240 | 1,009 2 | 33,061 62,950 | 140 64 | 50 99 | 418 | 11,878 | 208 | 5,886 |
| 1945-Dec. 31. | 15,811 17,797 | 1,438 | 7,117 6,270 | 64,184 73,528 | 12,333 10,978 | 1,375 | 22,179 1,176 | 4,240 5,504 | 2,450 | 62,950 72,704 | 64 50 | 99 105 | 399 | 23,712 | 208 54 | 7,589 8,464 |
| 1969--Dec. 3110.. | 21,449 | 5,676 | 11,931 | 133,435 | 23,441 | 2,399 | 4,114 | 13,274 | 10,483 | 145,992 | 609 | 186 | 9,951 | 140,308 | 17,395 | 32,047 |
| 1970-June 30. | 21,526 | 5,476 | 10,617 | 121,562 | 22,809 | 2,313 | 6,957 | 12,930 | 9,179 | 133,807 | 691 | 168 | 13,142 | 144,233 | 17,507 | 33,184 |
| Dec. 31. | 23,319 | 5,445 | 13,744 | 133,169 | 26,260 | 2,882 | 6,460 | 13,250 | 7,309 | 147,473 | 1,733 | 406 | 18,406 | 160,998 | 18,578 | 34,100 |
| New York City: |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 1945-Dec. 31 | 4,015 | 111 | 78 | 15,065 | 3,535 | 1,105 | 6,940 | 237 | 1,338 | 15,712 | 17 | 10 | 20 | 1,206 | 195 | 2,120 |
| 1947-Dec. 31 | 4,639 | 151 | 70 | 16,653 | 3,236 | 1,217 | 267 | 290 | 1,105 | 17,646 | 12 | 12 | 14 | 1,418 | 30 | 2,259 |
| 1969-Dec. 3110 | 4,358 | 463 | 455 | 21,316 | 8,708 | 1,641 | 694 | 1,168 | 6,605 | 28,354 | 268 | 45 | 207 | 14,692 | 4,405 | 6,301 |
| 1970-June 30. | 4,621 | 429 | 606 | 17,479 | 9,474 | 1,673 | 1,236 | 1,136 | 5,628 | 25,825 | 321 | 40 | 572 | 14,708 | 4,057 | 6,374 |
| Dec. 31. | 4,683 | 436 | 1,308 | 19,770 | 10,283 | 2,225 | 1,039 | 1,171 | 3,286 | 27,779 | 956 | 71 | 1,464 | 18,913 | 4,500 | 6,486 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 1945--Dec. 31 | '942 | 36 | 200 | 3,153 | 1,292 | 20 | 1,552 | 237 | 66 | 3,160 |  |  |  | 719 |  | 377 |
| 1947-Dec. 31 | 1,070 | 30 | 175 | 3,737 | 1,196 | 21 | 72 | 285 | 63 | 3,853 |  | 2 | 9 | 902 |  | 426 |
| 1969--Dec. 3110. | 869 | 123 | 150 | 5,221 | 1,581 | 96 | 175 | 268 | 229 | 6,273 | 15 | 1 | 216 | 4,409 | 1,290 | 1,517 |
| 1970-June 30. | 885 | 96 | 135 | 4,683 | 1,607 | 75 | 347 | 326 | 178 | 5,597 | 16 | , | 390 | 4,729 | 1,507 | 1,566 |
| Dec. 31. | 1,148 | 126 | 160 | 5,120 | 1,853 | 77 | 282 | 240 | 210 | 6,213 | 49 |  | 568 | 5,549 | 1,851 | 1,586 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 1945-Dec. 31. | 6,326 | 494 | 2,174 | 22,372 | 6,307 | 110 | 8,221 | 1,763 | 611 | 22,281 | 30 | 38 | 160 | 9,563 | 2 | 2,566 |
| 1947-Dec. 31 | 7,095 | 562 | 2,125 | 25,714 | 5,497 | 131 | 405 | 2,282 | 705 | 26,003 | 22 | 45 | 332 | 11,045 | 1 | 2,844 |
| 1969-Dec. $31^{10}$. | 9,044 | 1,787 | 3,456 | 44,169 | 10,072 | 590 | 1,575 | 3,934 | 1,928 | 53,062 | 242 | 86 | 4,609 | 50,439 | 9,881 | 11,464 |
| 1970-June 30.. | 8,784 | 1,728 | 2,810 | 40,393 | 9,021 | 509 | 3,115 | 3,798 | 1,723 | 47,797 | 273 | 67 | 6,005 | 51,588 | 9,779 | 11,868 |
| Dec. 31. | 9,710 | 1,748 | 3,731 | 44,093 | 10,805 | 512 | 2,547 | 3,793 | 2,035 | 53,499 | 592 | 222 | 8,489 | 58,165 | 10,391 | 12,221 |
| Country: |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 1941 -Dec. 31 | 2,210 | 526 | 3,216 | 9,661 | 790 199 | 2 | 5 225 | 1,370 | 239 | 8,500 | 30 | 31 | 146 | 6,082 | 4 | 1,982 |
| 1945-Dec. 31 | 4,527 | 796 | 4,665 | 23,595 | 1,199 | 8 | 5,465 | 2,004 | 435 | 21,797 | 17 | 52 | 219 | 12,224 | 11 | 2,525 |
| 1947-Dec. 31 | 4,993 | 929 | 3,900 | 27,424 | 1,049 | 7 | 432 | 2,647 | 528 | 25,203 | 17 | 45 | 337 | 14,177 | 23 | 2,934 |
| 1969-Dec. $31^{10} .$. | 7,179 | 3,302 | 7,870 | 62,729 | 3,080 | 72 | 1,671 | 7,905 | 1,721 | 58,304 | 84 | 54 | 4,920 | 70,768 | I, 820 | 12,766 |
| 1970-June 30. | 7,236 | 3,222 | 7,066 | 59,008 | 2,707 | 56 | 2,259 | 7,670 | 1,650 | 54,587 | 81 | 60 | 6,176 | 73,207 | 2,164 | 13,377 |
| Dec. 31. | 7,778 | 3,135 | 8,544 | 64,185 | 3,319 | 68 | 2,592 | 8,045 | 1,779 | 59,982 | 135 | 112 | 7,885 | 78,370 | 1,836 | 13,807 |
| Nonmember: ${ }^{3}$ |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 1969-Dec. 3110.1970 -June $30 .$. |  | 1,644 | 8,383 | 38,644 | 1,112 | 222 | 940 | 4,284 | 1,416 | 33,420 | 126 | 25 | 3,269 | 41,135 | 965 | 7,931 |
|  |  | 1,614 | 7,592 | 36,678 | '949 | 266 | 1,119 | 4,132 | 1,075 | 31,877 | 207 | 34 | 4,005 | 43,480 | 1,038 | 8,523 |
| Dec. 31. |  | 1,602 | 9,392 | 40,743 | 1,182 | 284 | 1,478 | 4,513 | 1,230 | 35,560 | 243 | 57 | 4,819 | 47,200 | 796 | 8,858 |

7 Beginning with 1942, excludes reciprocal bank balances.
8 Through 1960 demand deposits other than interbank and U.S. Govt., less cash items in process of collection; beginning with 1961, demand deposits other than domestic commercial interbank and U.S.' Govt., less cash items in process of collection.
9 For reclassification of certain deposits in 1961, see note 6, p. 589, May 1964 Bulletin.

10 Beginning June 30,1969 , reflects ( 1 ) inclusion of consolidated reports (including figures for all bank-premises subsidiaries and other significant majority-owned domestic subsidiaries) and (2) reporting of figures for total loans and for individual categories of securities on a gross basis-that is, before deduction of valuation reserves. See also notes 1 and 6 .

Note.-Data are for all commercial banks in the United States; member banks in U.S. possessions were included through 1968 and then excluded. For the period June 1941-June 1962 member banks include mutual savings banks as follows: three before Jan. 1960, two through Dec. 1960, and one through June 1962. Those banks are not included in all insured or total banks.

A small noninsured member bank engaged exclusively in trust business is treated as a noninsured bank and not as a member bank for the period June 30, 1969-June 30, 1970.

Comparability of figures for classes of banks is affected somewhat by changes in F.R. membership, deposit insurance status, and the reserve classifications of cities and individual banks, and by mergers, etc.

For other notes see opposite page.
(In millions of dollars)


For notes see p. A-30.

JUNE 1971 - WEEKLY REPORTING BANKS
ASSETS AND LIABILITIES OF LARGE COMMERCIAL BANKS-Continued
(In millions of dollars)


For notes see p. A-30.

A 28 WEEKLY REPORTING BANKS - JUNE 1971
ASSETS AND LIABILITIES OF LARGE COMMERCIAL BANKS-Continued
(In millions of dollars)

| Wednesday |  | Investments (cont.) |  |  |  |  |  | Reserves with F.R. Banks | Currency and coin | Balances with domestic banks | Investments in subsidiar= ies not consolidated | Other assets | Total assets/ total liabilities |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | Other securities |  |  |  |  |  |  |  |  |  |  |  |
|  |  | Total | Obligations of State and political subdivisions |  | Other bonds, corp. stock, and securities |  |  |  |  |  |  |  |  |
|  |  | Tax warrants ${ }^{3}$ | $\begin{aligned} & \text { All } \\ & \text { other } \end{aligned}$ |  | $\underset{\text { others }}{\text { All }}$ |  |  |  |  |  |  |  |
| $\begin{gathered} \text { Large banks- } \\ \text { Total } \end{gathered}$ |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 1970 |  |  |  |  |  |  |  |  |  |  |  |  |  |
| May | 6. |  | 38,304 | 4,994 | 29,154 | 1,019 | 3,137 | 32,803 | 17,747 | 2,956 | 5,039 | 683 | 13,996 | 309,867 |
|  | 13. | 38,313 | 4,993 | 29,171 | 1,092 | 3,057 | 31,314 | 16,921 | 3,2,52 | 4,708 | 685 | 13,840 | 306,311 |
|  | 20. | 37,836 | 4,758 | 29,043 | 1,012 | 3,023 | 31,632 | 17,049 | 3,210 | 4,722 | 688 | 13,807 | 305,382 |
|  | 27. | 37,654 | 4,670 | 28,963 | 1,017 | 3,004 | 31,408 | 15,967 | 3,295 | 4,542 | 689 | 13,811 | 303,943 |
| 1971 |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Apr. $\begin{array}{r}7 \\ 14 \\ 21 \\ 28\end{array}$ |  | 48,496 | 7,294 | 34,256 | 1,180 | 5,766 | 31,817 | 17,959 | 3,158 | 7,101 | 736 | 15,257 | 340,349 |
|  |  | 49,010 | 7,347 | 34,611 | 1,190 | 5,862 | 36,811 | 18,041 | 3,528 | 7,066 | 737 | 15,287 | 346,577 |
|  |  | 49,634 | 7,947 | 34,570 | 1,192 | 5,925 | 34,084 | 18,648 | 3,486 | 6,397 | 741 | 15,220 | 342, 888 |
|  |  | 49,109 | 7,762 | 34,353 | 1,169 | 5,825 | 32,615 | 19,298 | 3,560 | 6,605 | 742 | 15,174 | 338,539 |
| May | $5{ }^{p}$. | 49,798 | 7,849 | 34,866 | 1,172 | 5,911 | 33,651 | 21,038 | 3,127 | 6,738 | 757 | 15,641 | 343,252 |
|  | $12^{p}$ | 49,467 | 7,709 | 34,666 | 1,201 | 5,891 | 32,277 | 17,961 | 3,436 | 7,268, | 757. | 15,734 | 341,949 |
|  | 19 p | 49,008 | 7,360 | 34,673 | 1,159 | 5,816 | 32,059 | 19,461 | 3,455 | 6,333 | 760 | 15,609 | 339,880 |
|  | $26^{p}$ | 48,866 | 7,389 | 34,593 | 1,175 | 5,709 | 28,466 | 19,688 | 3,569 | 5,958 | 757 | 15,566 | 333,813 |
| New York City |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 1970 |  |  |  |  |  |  |  |  |  |  |  |  |  |
| May | 6. | 6,875 | 1,369 | 4,575 | 94 | 837 | 17,020, | 4,841 | $4 \mathrm{Cl6}$ | 600 | 311 | 5,130 | 82,792 |
|  | 13. | 6,823 | 1,314 | 4,612 | 89 | 808 | 15,409 | 4,643 | 4313 | 542 | 311 | 4,948 | 79,714 |
|  | 20. | 6,671 | 1,259 | 4,544 | 81 | 787 | 15,625 | 4,633 | 414 | 536 | 311 | 5,005 | 79,793 |
|  | 27. | 6,632 | 1,200 | 4,569 | 83 | 780 | 16,353 | 4,115 | 43.1 | 615 | 311 | 4,920 | 80,677 |
| 1971 |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Apr. | 7. | 8,261 | 1,373 | 5,346 | 123 | 1,419 | 14,905 | 4,298 | 414 | 1,204 | 341 | 5,545 | 84,893 |
|  | 14. | 8,242 | 1,317 | 5,416 | 127 | 1,382 | 18,090 | 4,946 | 439 | 1,065 | 341 | 5,447 | 88,257 |
|  | 21. | 8,523 | 1,685 | 5,306 | 122 | 1,410 | 15,896 | 4,994 | 418 | 1,056 | 341 | 5,447 | 85,745 |
|  | 28. | 8,276 | 1,598 | 5,167 | 123 | 1,388 | 16,275 | 4,986 | 437 | 1,129 | 341 | 5,390 | 85,068 |
| May | $5{ }^{p}$ | 8,468 | 1,521 | 5,445 | 119 | 1,383 | 15,788 | 5,808 | 399 | 1,120 | 343 | 5,702 | 85,714 |
|  | $12^{p}$ | 8,203 | 1,538 | 5,240 | 111 | 1,314 | 14,580 | 4,418 | 425 | 1,338 | 343 | 5,727 | 84,235 |
|  | $19^{p}$ | 8,007 | 1,319 | 5,278 | 111 | 1,299 | 14,716 | 4,696 | 410 | 1,057 | 345 | 5,732 | 83,874 |
|  | $26^{p}$ | 7,787 | 1,338 | 5,130 | 128 | 1,191 | 12,530 | 5,199 | 429 | , 866 | 342 | 5,761 | 80,646 |
| Outside New York City |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 1970 |  |  |  |  |  |  |  |  |  |  |  |  |  |
| May | 6. | 31,429 | 3,625 | 24,579 | 925 | 2,300 | 15,783 | 12,906 | 2,550 | 4,439 | 372 | 8,866 | 227,075 |
|  | 13. | 31,490 | 3,679 | 24,559 | 1,003 | 2,249 | 15,905 | 12,278 | 2,819 | 4,166 | 374 | 8,892 | 226,597 |
|  | 20. | 31,165 | 3,499 | 24,499 | 931 | 2,236 | 16,007 | 12,416 | 2,806 | 4,186 | 377 | 8,802 | 225,589 |
|  | 27. | 31,022 | 3,470 | 24,394 | 934 | 2,224 | 15,055 | 11,852 | 2,864 | 3,927 | 378 | 8,891 | 223,266 |
| 1971 |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Apr. | 7. | 40,235 | 5,921 | 28,910 | 1,057 | 4,347 | 16,912 | 13,661 | 2,744 | 5,897 | 395 | 9,712 | 255,456 |
|  | 14. | 40,768 | 6,030 | 29,195 | 1,063 | 4,480 | 18,721 | 13,095 | 3,089 | 6,001 | 396 | 9,840 | 258,320 |
|  | 21. | 41,111 | 6,262 | 29,264 | 1,070 | 4,515 | 18,188 | 13,654 | 3,068 | 5,341 | 400 | 9,773 | 257,143 |
|  | 28. | 40,833 | 6,164 | 29,186 | 1,046 | 4,437 | 16,340 | 14,312 | 3,123 | 5,476 | 401 | 9,784 | 253,471 |
| May | $5{ }^{p}$ | 41,330 | 6,328 | 29,421 | 1,053 | 4,528 | 17,863 | 15,230 | 2,728 | 5,618 | 414 | 9,939 | 257,538 |
|  | $12^{p}$ | 41,264 | 6,171 | 29,426 | 1,090 | 4,577 | 17,697 | 13,543 | 3,011 | 5,930 | 414 | 10,007 | 257,714 |
|  | $19 p$ | 41,001 | 6,041 | 29,395 | 1,048 | 4,517 | 17,343 | 14,765 | 3,045 | 5,276 | 415 | 9,877 | 256,006 |
|  | $26^{p}$. | 41,079 | 6,051 | 29,463 | 1,047 | 4,518 | 15,936 | 14,489 | 3,140 | 5,092 | 415 | 9,805 | 253,167 |

For notes see p. A-30.
assets and liabilities of large commercial banks-Continued
(In millions of dollars)

| Deposits |  |  |  |  |  |  |  |  |  |  |  |  |  |  | Wednesday |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Demand |  |  |  |  |  |  |  |  | Time and savings |  |  |  |  |  |  |
| Total | IPC | States and political sub-divisions | U.S. Govt. | Domestic interbank |  | Foreign |  | Certified and officers' checks | Total ${ }^{6}$ | IPC |  | States and political sub-divisions | Do-mestic interbank | Foreign govts. ${ }^{2}$ |  |
|  |  |  |  | Com-mercial | Mutual savings | Govts., etc. ${ }^{2}$ | Com-mercial banks |  |  | Savings | Other |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | Large banksTotal 1970 |
| 134,258 | 90,088 | 6,923 | 4,471 | 19,034 | 623 | 826 | 2,159 | 10,134 | 99,221 | 45,964 | 36,753 | 8,983 | 338 | 6,912 | May 6 |
| 130,392 | 90,872 | 6,329 | 2,677 | 18,261 | 549 | 1,054 | 2,296 | 8,354 | 99,312 | 45,969 | 36,872 | 8,970 | 334 | 6,894 | ...... 13 |
| 132,140 | 90,000 | 6,371 | 6,136 | 17,825 | 528 | 767 | 2,120 | 8,393 | 99,513 | 46,058 | 36,831 | 8,985 | 350 | 7,020 | 20 |
| 130,554 | 91,017 | 6,353 | 3,760 | 17,108 | 536 | 718 | 2,171 | 8,891 | 99,470 | 46,066 | 36,919 | 8,972 | 353 | 6,889 | 27 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | 1971 |
| 140,699 | 97,896 | 6,409 | 1,971 | 22,668 | 829 | 763 | 2,324 | 7,839 | 128,846 | 53,083 | 55,192 | 14,421 | 1,520 | 4,085 | . . . . . . Apr. 7 |
| 146,283 | 101,985 | 6,419 | 2,717 | 21,467 | 725 | 861 | 2,225 | 9,884 | 128,724 | 53,026 | 54,945 | 14,557 | 1,507 | 4,152 | ................. 14 |
| 143,975 | 98,470 | 6,380 | 5,483 | 22,075 | 662 | 790 | 2,214 | 7,901 | 128,632 | 53,021 | 54,307 | 15,066 | 1,563 | 4,161 |  |
| 141,474 | 97,099 | 6,353 | 5,833 | 20,750 | 631 | 778 | 2,329 | 7,701 | 129,338 | 53,043 | 54,797 | 15,229 | 1,565 | 4,162 | 28 |
| 143,385 | 96,054 | 7,674 | 5,685 | 21,762 | 714 | 827 | 2,370 | 8,299 | 129,537 | 53,159 | 54,871 | 15,205 | 1,595 | 4,179 | .......... May ${ }^{5 p}$ |
| 142,093 | 96,567 | 6,654 | 6,653 | 21, 083 | 652 | 876 | 2,291 | 7,317 | 129,792 | 53,261 | 55,031 | 15,316 | 1,529 | 4,118 | . . . . . . . . . . . . . $12^{p}$ |
| 139,271 | 96,205 | 6,549 | 5,114 | 20,321 | 635 | 791 | 2,176 | 7,480 | 130,567 | 53,396 | 55,387 | 15,285 | 1,563 | 4,393 | .19p |
| 136,096 | 95,926 | 6,249 | 5,317 | 18,616 | 841 | 762 | 2,214 | 6,171 | 131,146 | 53,434 | 55,662 | 15,379 | 1,577 | 4,554 | New York City $1970$ |
| 42,146 | 21,577 | 732 | 1,052 | 8,432 | 331 | 661 | 1,510 | 7,851 | 13,900 | 4,386 | 4,477 | 359 | 198 | 4,375 | ......... May 6 |
| 39,759 | 21,556 | 514 | 1,465 | 8,085 | 286 | 877 | 1,644 | 6,332 | 13,801 | 4,381 | 4,473 | 362 | 196 | 4,283 | ..... 13 |
| 40,283 | 21,643 | 521 | 1,602 | 7,758 | 272 | 601 | 1,464 | 6,422 | 13,791 | 4,390 | 4,370 | 343 | 214 | 4,368 |  |
| 40,756 | 22,846 | 415 | , 853 | 7,477 | 288 | 557 | 1,511 | 6,809 | 13,760 | 4,385 | 4,426 | 343 | 214 | 4,287 | . 27 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | 1971 |
| 41,319 | 22,556 | 642 | 284 | 10,126 | 469 | 592 | 1,682 | 4,968 | 21,049 | 5,218 | 11,566 | 1,174 | 767 | 2,195 | . . . . . . . Apr. 7 |
| 44,392 | 23,695 | 552 | 628 | 9,807 | 398 | 687 | 1,562 | 7,063 | 21, 233 | 5,235 | 11,664 | 1,203 | 778 | 2,225 | ......... 14 |
| 42,552 | 22,739 | 477 | 1,316 | 10,322 | 349 | 608 | 1,553 | 5,188 | 21,044 | 5,270 | 11,292 | 1,256 | 848 | 2,268 | . 21 |
| 42,800 | 23,143 | 370 | 1,356 | 10,202 | 323 | 610 | 1,641 | 5,155 | 21,464 | 5,288 | 11,660 | 1,283 | 861 | 2,248 | 28 |
| 43,094 | 22,337 | 1,189 | 1,317 | 9,953 | 372 | 654 | 1,728 | 5,544 | 21,475 | 5,310 | 11,764 | 1,229 | 827 | 2,222 | . . . . . . . . May ${ }^{p}$ |
| 41,253 | 21,766 | - 442 | 1,654 | 9,844 | 334 | 703 | 1,654 | 4,856 | 21,437 | 5,323 | 11,740 | 1,272 | 766 | 2,208 | . . . . . . . . . . . . . $12^{p}$ |
| 40,735 | 22,150 | 587 | 1,140 | 9,346 | 332 | 601 | 1,528 | 5,051 | 21,635 | 5,342 | 11,789 | 1,286 | 767 | 2,320 | .19p |
| 38,695 | 22,345 | 417 | 1,356 | 8,066 | 556 | 560 | 1,540 | 3,855 | 21,932 | 5,337 | 11,878 | 1,313 | 784 | 2,491 | 26p |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | Outside <br> New York City |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | 1970 |
| 92,112 | 68,511 | 6,191 | 3,419 | 10,602 | 292 | 165 | 649 | 2,283 | 85,321 | 41,578 | 32,276 | 8,624 | 140 | 2,537 | .. May 6 |
| 90,633 | 69,316 | 5,815 | 2,212 | 10,176 | 263 | 177 | 652 | 2,022 | 85,511 | 41,588 | 32,399 | 8,608 | 138 | 2,611 | ...... 13 |
| 91,857 | 68,357 | 5,850 | 4,534 | 10,067 | 256 | 166 | 656 | 1,971 | 85,722 | 41,668 | 32,461 | 8,642 | 136 | 2,652 | . 20 |
| 89,798 | 68,171 | 5,938 | 2,907 | 9,631 | 248 | 161 | 660 | 2,082 | 85,710 | 41,681 | 32,493 | 8,629 | 139 | 2,602 | $1971$ |
| 99,380 | 75,340 | 5,767 | 1,687 | 12,542 | 360 | 171 | 642 | 2,871 | 107,797 | 47,865 | 43,626 | 13,247 | 753 | 1,890 | . . . . . . . Apr. 7 |
| 101,891 | 78,290 | 5,867 | 2,089 | 11,660 | 327 | 174 | 663 | 2,821 | 107,491 | 47,791 | 43,281 | 13,354 | 729 | 1,927 | . . . . . . . . . . . . . 14 |
| 101,423 | 75,731 | 5,903 | 4,167 | 11,753 | 313 | 182 | 661 | 2,713 | 107,588 | 47,751 | 43,015 | 13,810 | 715 | 1,893 |  |
| 98,674 | 73,956 | 5,983 | 4,477 | 10,548 | 308 | 168 | 688 | 2,546 | 107,874 | 47,755 | 43,137 | 13,946 | 704 | 1,914 | 28 |
| 100,291 | 73,717 | 6,485 | 4,368 | 11,809 | 342 | 173 | 642 | 2,755 | 108,062 | 47,849 | 43,107 | 13,976 | 768 | 1,957 | ..May 5D |
| 100,840 | 74,801 | 6,212 | 4,999 | 11,239 | 318 | 173 | 637 | 2,461 | 108,355 | 47,938 | 43,291 | 14,044 | 763 | 1,910 | $\ldots .12{ }^{p}$ |
| 98,536 | 74,055 | 5,962 | 3,974 | 10,975 | 303 | 190 | 648 | 2,429 | 108,932 | 48,054 | 43,598 | 13,999 | 796 | 2,073 | 19p |
| 97,401 | 73,581 | 5,832 | 3,961 | 10,550 | 285 | 202 | 674 | 2,316 | 109,214 | 48,097 | 43,784 | 14,066 | 793 | 2,063 | .26p |

For notes see p. A-30.

## ASSETS AND LIABILITIES OF LARGE COMMERCIAL BANKS-Continued

(In millions of dollars)


[^42]COMMERCIAL AND INDUSTRIAL LOANS OF LARGE COMMERCIAL BANKS
(In millions of dollars)

| Industry | Outstanding |  |  |  |  | Net change during- |  |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | 1971 |  |  |  |  | 1971 |  |  | 1971 | 1970 |  | 1970 |  |
|  | $\underset{26}{\text { May }}$ | $\underset{19}{\text { May }}$ | $\underset{12}{\text { May }^{2}}$ | $\underset{5}{\text { May }}$ | $\underset{28{ }^{\mathrm{A}}}{\substack{\text { apr }}}$ | May | Apr. ${ }^{r}$ | Mar. | I | IV | III | 2nd half | 1st half |
| Durable goods manufacturing: |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Primary metals... . . . . . . . | 2,321 | 2,311 | 2,297 | 2,316 | 2,318 | 3 | 3 | 141 | 169 | -169 | 149 | -20 | 81 |
| Machinery. | 5,304 | 5,359 | 5,390 | 5,307 | 5,295 | 9 | 113 | -168 | -247 | -595 | $-173$ | -768 | 271 |
| Transportation equipment | 2,627 | 2,616 | 2,633 | 2,625 | 2,632 | -5 | -205 | 41 | -92 | -69 | 238 | 169 | 127 |
| Other fabricated metal products. . . | 2,022 | 2,025 | 2,026 | 2,014 | 2,020 | 2 | 44 | 69 | 68 | -269 | -75 | -344 | 249 |
| Other durable goods. . . . . . . . . . . | 2,741 | 2,747 | 2,766 | 2,740 | 2,703 | 38 |  | 90 | 149 | -249 | 51 | -198 | 237 |
| Nondurable goods manufacturing: Food, liquor, and tobacco | 2,324 | 2,391 | 2,350 | 2,402 | 2,501 | -177 | -66 | -76 | -537 | 549 | -199 | 350 | -499 |
| Textiles, apparel, and leather | 2,478 | 2,498 | 2,517 | 2,499 | 2,448 | 30 | -36 | 82 | 166 | -522 | 127 | -395 | 376 |
| Petroleum refining. . . . . . . | 1,181 | 1,182 | 1,189 | 1,148 | 1,183 | -2 |  | -197 | -343 | -105 | -8 | -113 | -79 |
| Chemicals and rubber | 2,769 | 2,830 | 2,873 | 2,838 | 2,826 | -57 | 14 | 31 | 32 | -22 | 85 | 63 | -128 |
| Other nondurable goods. | 1,857 | 1,854 | 1,869 | 1,837 | 1,850 | 7 | -43 | 4 | -105 | -214 | 101 | -113 | 27 |
| Mining, including crude petroleum and natural gas. | 3,821 | 3,800 | 3,789 | 3,810 | 3,821 |  | -74 | -88 | -108 | -181 | -76 | -257 | -577 |
| Trade: Commodity dealers........... | 1,134 | 1,159 | 1,159 | 1,132 | 1,199 | -65 | -123 | 5 | -57 | 375 | 106 | 481 | -292 |
| Other wholesale... | 3,872 | 3,913 | 3,910 | 3,843 | 3,772 | 100 | 61 | 81 | 10 | 26 | 52 | 78 | 54 |
| Retail. | 4,402, | 4,424 | 4,275 | 4,394 | 4,264 | 138 | 57 | 135 | 162 | -201 | -107. | -308 | 173 |
| Transportation. | 6,076 | 6,036 | 6,000 | 6,024 | 6,076 |  | -210 | 141 | 286 | 119 | 247 | 366 | -96 |
| Communication. | 1,443 | 1,465 | 1,430 | 1,358 | 1,424 | 19 | 67 | -59 | 49 | 46 | $-27$ | 19 | -250 |
| Other public utilities | 1,966 | 1,958 | 1,985 | 2,037 | 2,000 | -34 | $-21$ | -365 | -327 | -240 | -146 | -386 | -831 |
| Construction. | 3,770 | 3,754 | 3,719 | 3,716 | 3,653 | 117 | 70 | 117 | ${ }^{r} 131$ | 146 | 51 | 197 | 66 |
| Services. | 7,387 | 7,415 | 7,400 | 7,481 | 7,439 | -52 | 241 | -35 | -200 | 300 | 225 | 525 | -147 |
| All other domestic loans. | 4,807 | 4,903 | 4,906 | 4,860 | 4,812 | -5 | 66 | +79 | -180 | -52 | 148 | -96 | -115 |
| Bankers' acceptances. . . . . . . . . . . . . . ${ }^{\text {a }}$ | 1,355 | 1,413 | 1,488 | 1,502 | 1,454 | -99 | -73 | -110 | -164 | 945 | 241 | 1,186 | -203 |
| loans | 2,703 | 2,665 | 2,681 | 2,480 | 2,535 | 168 | -14 | 145 | 140 | 198 | 57 | 255 | -84 |
| Total classified loans. | 68,360 | 68,718 | 68,652 | 68,363 | 68,225 | 135 | -129 | 63 | -998 | $-184$ | 1,068 | 884 | -1,640 |
| Total commercial and industrial loans. | 81,595 | 81,912 | 81,785 | 81,467 | 81,191 | 404 | -10 | 424 | $r-473$ | 372 | 1,607 | 1,979 | -1,940 |

See Note to table below.
"TERM" COMMERCIAL AND INDUSTRIAL LOANS OF LARGE COMMERCIAL BANKS
(In millions of dollars)

| Industry | Outstanding |  |  |  |  |  |  |  |  | Net change during- |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | 1971 |  |  |  |  | 1970 |  |  |  | 1971 | 1970 |  |  | 1970 |
|  | $\underset{26}{\text { May }}$ | $\underset{28}{\text { Apr. }}$ | $\underset{\mathbf{3 1}}{\text { Mar. }}$ | Feb. 24 | $\underset{27}{\text { Jan. }}$ | $\begin{gathered} \text { Dec. } \\ 30 \end{gathered}$ | Nov. 25 | $\begin{aligned} & \text { Oct. } \\ & 28 \end{aligned}$ | Sept. <br> 30 | I | IV | III | II | 2nd half |
| Durable goods manufacturing: |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | 1,668 | 1,622 | 1,630 | 1,564 | 1,544 | 1,527 | 1,535 | 1,548 | 1,677 | 103 | $-150$ | 157 | 68 | 7 |
| Machinery ............. | 2,595 | 2,735 | 2,591 | 2,634 | 2,666 | 2,681 | 2,690 | 2,826 | 2,924 | -90 | $-243$ | 140 | -16 | -103 |
| Transportation equipment. <br> Other fabricated metal products. | 1,442 804 | 1,515 769 | 1,613 733 | 1,633 747 | 1,647 750 | 1,633 742 | 1,621 801 | 1,627 781 | 1,655 807 | -20 -9 | -22 -65 | 91 45 | -11 3 | 69 -20 |
| Other durable gooods....... | 1,201 | 1,191 | 1,216 | 1,222 | 1,107 | 1,089 | 1,131 | 1,136 | 1,141 | 127 | $-52$ | 9 | -30 | -43 |
| Nondurable goods manufacturing: |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Food, liquor, and tobacco. | 919 | 982 | 974 | 971 | 949 | 985 | 932 | 984 | 1,008 | -11 | -23 | 1 | 47 | -22 |
| Textiles, apparel, and leather | 609 | 592 | 617 | 659 | 674 | 657 | 703 | 720 | 751 | -40 | -94 | -11 | 36 | -105 |
| Petroleum refining........ | 921 | 932 | 915 | 1,142 | 1,191 | 1,213 | 1,220 | 1,230 | 1,248 | -298 | -35 | -18 | 11 | -53 |
| Chemicals and rubber..... | 1,728 | 1,822 | 1,850 | 1,834 | 1,800 | 1,849 | 1,738 | 1,693 | 1,780 | 1 | 69 | 71 | -96 | 140 |
| Other nondurable goods.. | 1,058 | 1,062 | 1,100 | 1,116 | 1,116 | 1,171 | 1,159 | 1,171 | 1,183 | -71 | -12 | 112 | -75 | 100 |
| Mining, including crude petroleum and natural gas. | 3,058 | 3,089 | 3,123 | 3,270 | 3,354 | 3,326 | 3,329 | 3,419 | 3,461 | -203 | -135 | -121 | -127 | -256 |
| Trade: Commodity dealers. . | 87 | 81 | 80 782 | 79 754 | 79 | 79 | 83 739 | 73 | 827 | 16 | 53 | -6 | 10 | -9 |
| Other wholesale. | 810 | 813 | +782 | 754 | 783 | 756 | 739 | 727 | 697 | 26 | 59 | 5 | -4 | 64 |
| Retail... | 1,425 | 1,404 | 1,417 | 1,459 | 1,450 | 1,399 | 1,371 | 1,351 | 1,360 | 18 | 39 | 52 | 102 | 91 |
| Transportation.. | 4,689 439 | 4,757 | 4,867 402 | 4,763 | 4,731 | 4,564 | 4,453 | $\begin{array}{r}4,443 \\ \hline 386\end{array}$ | 4,417 4 | 303 | 147 | 141 | -55 | 288 |
| Other public utilities. | 1,038 <br> 1 | 426 991 | 973 | 1,3986 | 1,029. | 1,018 | 1,022 | 1,017 | 1,065 | -13 -45 | -33 <br> -47 | 32 | - 68 | -15 |
| Construction. | 1,177 | 1,164 | 1,107 | 1,063 | 1,048 | 1,044 | 1,005 | , 972 | , 957 | 63 | -87 | 46 | 8 | 189 |
| Services. . . . . . . . . . . . . | 3,197 | 3,249 | 3,142 | 3,154 | 3,186 | 3,209 | 3,208 | 3,069 | 3,132 | -67 | 77 | 115 | 22 | 192 |
| All other domestic loans.... | 1,353 | 1,223 | 1,268 | 1,319 | ${ }^{r} 1,346$ | 1,285 | 1,716 | 1,241 | 1,225 | -17 | 60 | -2 | 15 | 56 |
| Foreign commercial and industrial loans. | 1,788 | 1,840 | 1,792 | 1,716 | 1,723 | 1,716 | 1,283 | 1,612 | 1,604 | 76 | 112 | -16 | 21 | 96 |
| Total loans.. | 32,006 | 32,259 | 32,192 | 32,553 | r32,571 | 32,358 | 32,205 | 32,026 | 32,622 | -166 | -264 | 883 | -267 | 619 |

Nore.-About 160 weekly reporting banks are included in this series; these banks classify, by industry, commercial and industrial loans amountthese banks classify, by industry, commercial and industrial loans amount-
ing to about 90 per cent of such loans held by all weekly reporting banks and about 70 per cent of those held by all commercial banks.
For description of series see article "Revised Series on Commercial and Industrial Loans by Industry," Feb. 1967 Bulletin, p. 209.

## LOANS SOLD OUTRIGHT BY COMMERCIAL BANKS

(Amounts outstanding; in millions of dollars)

| Date | To own subsidiaries, foreign branches, holding companies, and other affiliates |  |  | To all others except banks |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Total | By type of loan |  | Total | By type of loan |  |
|  |  | Commercial and industrial | All other |  | Commercial and industrial | All other |
| Feb. $\begin{gathered}3 \\ 10 \\ 17 \\ 24 \\ \end{gathered}$ | 2,725 | 1,817 | 908 | 1,914 | 435 |  |
|  | 2,704 | 1,816 | 888 | 1,909 | 429 | 1,480 |
|  | 2,608 | 1,777 | 831 | 1,883 | 423 | 1,460 |
|  | 2,622 | 1,807 | 815 | 1,872 | 411 | 1,461 |
| Mar. $\begin{array}{r}3 \\ 10 \\ 17 \\ 24 \\ 31\end{array}$ | 2,610 | 1,713 | 897 | 1,875 | 412 |  |
|  | 2,562 | 1,701 | 861 | 1,885 | 417 | 1,468 |
|  | 2,472 | 1,636 | 836 | 1,868 | 421 | 1,447 |
|  | 2,416 | 1,614 | 802 | 1,872 | 415 | $\stackrel{r 1,457}{ }$ |
|  | 2,560 | 1,556 | 1,004 | 1,866 | 415 | ${ }^{\text {r }}$, ${ }^{1}$,451 |
| Apr. $\begin{array}{r}7 \\ 14 \\ 21 \\ 28\end{array}$ | 2,375 | 1,472 | 903 | 1,855 | 421 | 1,434 |
|  | 2,286 | 1,403 | 883 | 1,854 | 420 | 1,434 |
|  | 2,320 | 1,469 | 851 | 1,877 | 424 | 1,453 |
|  | 2,409 | 1,560 | 849 | r1,873 | 417 | $r 1,456$ |
| May $\begin{array}{r}5 \\ 12 \\ 19 \\ 26\end{array}$ | 2,574 | 1,619 | 955 | 1,892 | 417 | 1,475 |
|  | 2,525 | 1,607 | 918 | 1,894 | 420 | 1,474 |
|  | 2,520 | 1,626 | 894 | 1,890 | 410 | 1,480 |
|  | 2,528 | 1,627 | 901 | 1,911 | 413 | 1,498 |

Note.-Amounts sold under repurchase agreement are excluded. Figures include small amounts sold by banks other than large weekly reporting banks.

RATES ON SHORT-TERM BUSINESS LOANS OF BANKS

| Interest rate (per cent per annum) | All sizes |  | Size of loan (in thousands of dollars) |  |  |  |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  | 1-9 |  | 10-99 |  | 100-499 |  | 500-999 |  | 1,000 and over |  |
|  | $\begin{aligned} & \text { Nov. } \\ & 1970 \end{aligned}$ | $\begin{aligned} & \text { Aug. } \\ & 1970 \end{aligned}$ | $\begin{aligned} & \text { Nov. } \\ & 1970 \end{aligned}$ | $\begin{aligned} & \text { Aug. } \\ & 1970 \end{aligned}$ | Nov. <br> 1970 | $\begin{aligned} & \text { Aug. } \\ & 1970 \end{aligned}$ | $\begin{aligned} & \text { Nov. } \\ & 1970 \end{aligned}$ | $\begin{aligned} & \text { Aug. } \\ & 1970 \end{aligned}$ | Nov. 1970 | $\begin{aligned} & \text { Aug. } \\ & 1970 \end{aligned}$ | $\begin{aligned} & \text { Nov. } \\ & 1970 \end{aligned}$ | $\begin{aligned} & \text { Aug. } \\ & 1970 \end{aligned}$ |
|  | Percentage distribution of dollar amount |  |  |  |  |  |  |  |  |  |  |  |
| Less than 7.50 . | 9.7 | . 8 | 4.7 | 3.7 | 2.3 | 1.4 | 3.5 | 1.0 | 6.7 | . 5 | 13.6 | . 7 |
| 7.50........... | 35.1 | . 3 | 4.3 | . 7 | 5.9 | . .5 | 17.8 | . 5 | 27.5 | ... | 47.3 | . 2 |
| 7.51-7.99 | 16.6 | . 3 | 4.2 | 1.0 | 7.0 | . 6 | 18.0 | . 2 | 22.7 | . 15 | 16.4 | . 4 |
| $8.00 .$. | 8.9 | 41.9 | 10.7 | 8.7 | 11.0 | 8.2 | 11.5 | 19.5 | 11.3 | 36.5 | 7.2 | 57.3 |
| $8.01-8.49$ 8.50. | 6.8 5.8 | 20.1 7.9 | 7.3 8.0 | 6.0 6.3 | 11.3 10.8 | 8.8 11.0 | 10.8 8.0 | 19.2 11.6 | 7.6 6.6 | 25.0 10.0 | 4.7 4.1 | 21.4 5.6 |
| $8.51-8.99$ | 3.7 | 7.3 | 9.7 | 8.0 | 10.1 | 13.4 | 7.8 | 12.7 | 2.2 | 6.8 | 1.7 | 4.4 |
| 9.00 | 3.6 | 6.2 | 11.6 | 14.0 | 9.8 | 13.4 | 6.4 | 5.4 | 4.3 | 6.7 | 1.4 | 3.7 |
| 9.01-9.49 | 1.9 | 4.2 | 10.1 | 12.9 | 7.3 | 11.7 | 3.2 | 7.7 | 2.3 | 4.1 | . 5 | 1.6 |
| 9.50 | 2.5 | 3.4 | 7.9 | 11.2 | 7.4 | 9.3 | 4.1 | 5.7 | 2.0 | 3.9 | 1.2 | 1.3 |
| Over 9.50. | 5.4 | 7.4 | 21.6 | 27.3 | 17.1 | 21.6 | 8.9 | 12.4 | 6.9 | 6.3 | 1.9 | 3.4 |
| Total. | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| Total loans: Dollars (millions). | 4,208.6 | 4,193.4 | 39.6 | 38.7 | 378.4 | 402.6 | 777.0 | 815.1 | 566.3 | 574.3 | 2,447.3 | 2,362.7 |
| Number (thousands). | 27.8 | 28.6 | 9.9 | 9.7 | 12.0 | 12.7 | 4.0 | 4.2 | . 9 | . 9 | 1.0 | 1.1 |
| Center | Weighted average rates (per cent per annum) |  |  |  |  |  |  |  |  |  |  |  |
| 35 centers. | 8.07 | 8.50 | 8.89 | 9.15 |  | 9.07 | 8.34 | 8.75 | 8.09 | 8.46 | 7.74 | 8.25 |
| New York City. | 7.74 | 8.24 | 8.67 | 9.07 | 8.60 | 8.95 | 8.12 | 8.59 | 7.83 | 8.24 | 7.59 | 8.12 |
| 7 other Northeast | 8.47 | 8.89 | 9.00 | 9.41 | 9.09 | 9.42 | 8.60 | 9.01 | 8.30 | 8.68 | 7.99 | 8.49 |
| 8 North Central. | 8.05 | 8.47 | 8.71 | 8.90 | 8.72 | 8.99 | 8.36 | 8.79 | 8.26 | 8.46 | 7.78 | 8.27 |
| 7 Southeast. | 8.15 | 8.49 | 8.72 | 8.76 | 8.64 | 8.79 | 8.16 | 8.54 | 7.95 | 8.45 | 7.78 | 8.15 |
| 8 Southwest. | 8.08 | 8.53 | 8.85 | 9.08 | 8.53 | 8.84 | 8.26 | 8.59 | 7.99 | 8.48 | 7.69 | 8.33 |
| 4 West Coast. | 8.16 | 8.54 | 9.41 | 9.51 | 8.99 | 9.19 | 8.38 | 8.81 | 8.12 | 8.61 | 7.90 | 8.28 |

Note.-Beginning Feb. 1971 the Quarterly Survey of Interest Rates on
Business Loans was revised. For description of revised series see pp. 468-
77 of this Bulletin.

PRIME RATE CHARGED BY BANKS
(Per cent per annum)

| In effect during- | Rate | Effective date | Rate | Effective date | Rate | Effective date | Rate |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 1929. | 51/2-6 | 1951 -Jan. $8 \ldots \ldots$ <br> Oct. $17 \ldots \ldots$ <br> Dec. $19 \ldots \ldots$ | $\begin{aligned} & 21 / 2 \\ & 23 / 4 \\ & 3 \end{aligned}$ | 1959-May 18. | $5_{5}^{1 / 2}$ | $\begin{array}{rr} 1969-J a n . & 7 . \\ \text { Mar. } & 17 . \\ \text { June } & 9 . \end{array}$ | $\begin{aligned} & 7 \\ & 71 / 2 \\ & 81 / 2 \end{aligned}$ |
| 1930.. | $\begin{aligned} & 31 / 2-6 \\ & 23 / 4-5 \\ & 31 / 4-4 \\ & 11 / 2-4 \end{aligned}$ |  |  | 1960-Aug. 23.. | $41 / 2$ |  |  |
| 1932. |  | 1953-Apr. | $31 / 4$ | 1960-Aug. 23..... | 5 | 1970-Mar. 25..... | 8 |
| 1933. |  | 1954 Mar 17 |  | 1965-Dec. 6.. | 5 | Sept. $21 \ldots$ <br> Nov. $12 \ldots$ <br> Nov. $23 \ldots$ <br> Dec. 22. | $\begin{aligned} & 71 / 2 \\ & 71 / 4 \\ & 7 \\ & 63 / 4 \end{aligned}$ |
| $1934-1947 \text { (Nov.). . . . . . . }$ | $11 / 2$ | $\begin{aligned} & \text { 1955—Aug. } \quad 4 \ldots \ldots \\ & \text { Oct. } \\ & 14 \ldots \ldots \end{aligned}$ | 3 | $\begin{array}{rr} \text { 1966-Mar. } & 10 \ldots \ldots . \\ \text { June } & 29 \ldots \ldots . \\ \text { Aug. } & 16 \ldots \ldots . \end{array}$ | $\begin{aligned} & 51 / 2 \\ & 53 / 4 \\ & 6 \end{aligned}$ |  |  |
|  |  |  | $\begin{aligned} & 31 / 4 \\ & 31 / 2 \end{aligned}$ |  |  |  |  |
|  |  |  |  |  |  |  |  |
| Effective date |  | $\begin{aligned} & \text { 1956-Apr. } \\ & \text { Aug. } \end{aligned}$ | $33 / 4$ | $\begin{aligned} & \text { 1967-Jan. } \text { 26-27. } \\ & \text { Mar. } \\ & \text { Nov. } 20 . . . .\end{aligned}$ | $51 / 2-53 / 4$$51 / 2$6 | 1971-Jan. 6. | $\begin{aligned} & 61 / 2 \\ & 61 / 4 \\ & 6 \end{aligned}$ |
|  |  |  |  |  |  | Jan. 18. |  |
|  | $13 / 4$ | 1957-Aug. | 41/2 |  |  | Feb. 16. | $\begin{aligned} & 53 / 4 \\ & 51 / 4-51 / 2 \\ & 51 / 4 \\ & 51 / 4-51 / 2 \\ & 51 / 2 \end{aligned}$ |
| 1947-Dec. |  |  |  | 1968-Apr. 19. | 61/2 | Mar. 11. |  |
| 1948-Aug. ${ }^{1 .}$ | 2 | $\begin{array}{rr} \text { 1958-Jan. } & 22 \\ \text { Apr. } & 21 \\ \text { Sept. } & 11 \end{array}$ | $\begin{aligned} & 4 \\ & 31 / 2 \\ & 4 \end{aligned}$ | Nov. 13. | $61 / 4$$61 / 2$$63 / 4$ | Apr. 23. |  |
|  |  |  |  | Dec. ${ }_{1} 2$ |  | May 11. |  |
| 1950-Sept. 22. | 21/4 |  |  | Dec. 18 |  |  |  |

${ }^{1}$ Date of change not available.

## MONEY MARKET RATES

(Per cent per annum)

| Period | Prime coml. paper 4- to 6 months ${ }^{1}$ | Finance co. paper placed directly, 3- to 6months ${ }^{2}$ | Prime bankers' acceptances, 90 days $^{1}$ | Federal funds rate ${ }^{3}$ | U.S. Government secutities (taxable) ${ }^{4}$ |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  |  |  | 3-month bills ${ }^{5}$ |  | 6-month bills ${ }^{5}$ |  | 9-to 12-month issues |  | $\begin{aligned} & \text { 3- to } 5- \\ & \text { year } \\ & \text { issues } 7 \end{aligned}$ |
|  |  |  |  |  | Rate on new issue | Market yield | Rate on new issue | Market yield | Bills (market yield) ${ }^{5}$ | Other ${ }^{6}$ |  |
| 1963. | 3.55 | 3.40 | 3.36 | 3.18 | 3.157 | 3.16 | 3.253 | 3.25 | 3.30 | 3.28 | 3.72 |
| 1964. | 3.97 | 3.83 | 3.77 | 3.50 | 3.549 | 3.54 | 3.686 | 3.68 | 3.74 | 3.76 | 4.06 |
| 1965 | 4.38 | 4.27 | 4.22 | 4.07 | 3.954 | 3.95 | 4.055 | 4.05 | 4.06 | 4.09 | 4.22 |
| 1966 | 5.55 | 5.42 | 5.36 | 5.11 | 4.881 | 4.85 | 5.082 | 5.06 | 5.07 | 5.17 | 5.16 |
| 1967. | 5.10 | 4.89 | 4.75 | 4.22 | 4.321 | 4.30 | 4.630 | 4.61 | 4.71 | 4.84 | 5.07 |
| 1968 | 5.90 | 5.69 | 5.75 | 5.66 | 5.339 | 5.33 | 5.470 | 5.48 | 5.45 | 5.62 | 5.59 |
| 1969 | 7.83 | 7.16 | 7.61 | 8.22 | 6.677 | 6.64 | 6.853 | 6.84 | 6.77 | 7.06 | 6.85 |
| 1970 | 7.72 | 7.23 | 7.31 | 7.17 | 6.458 | 6.42 | 6.562 | 6.55 | 6.53 | 6.90 | 7.37 |
| 1970-May | 8.23 | 7.43 | 8.02 | 7.94 | 7.035 | 6.83 | 7.262 | 7.02 | 7.12 | 7.69 | 7.97 |
| June | 8.21 | 7.55 | 7.78 | 7.60 | 6.742 | 6.67 | 6.907 | 6.86 | 7.07 | 7.50 | 7.86 |
| July. | 8.29 | 7.64 | 7.61 | 7.21 | 6.468 | 6.45 | 6.555 | 6.51 | 6.63 | 7.00 | 7.58 |
| Aug. | 7.90 | 7.48 | 7.20 | 6.61 | 6.412 | 6.41 | 6.526 | 6.56 | 6.55 | 6.92 | 7.56 |
| Sept. | 7.32 | 7.12 | 7.03 | 6.29 | 6.244 | 6.12 | 6.450 | 6.47 | 6.40 | 6.68 | 7.24 |
| Oct. | 6.85 | 6.76 | 6.54 | 6.20 | 5.927 | 5.90 | 6.251 | 6.21 | 6.23 | 6.34 | 7.06 |
| Dec. | 6.33 | 6.16 5.48 | 5.79 | 4.90 | 4.860 | 4.87 | 4.848 | 4.89 | 4.87 | 4.94 | 6.37 5.86 |
| 1971-Jan.. | 5.11 | 5.07 | 4.77 | 4.14 | 4.494 | 4.44 | 4.510 | 4.47 | 4.39 | 4.29 | 5.72 |
| Feb. | 4.47 | 4.37 | 4.09 | 3.72 | 3.773 | 3.69 | 3.806 | 3.78 | 3.84 | 3.80 | 5.31 |
| Mar. | 4.19 | 4.05 | 3.80 | 3.71 | 3.323 | 3.38 | 3.431 | 3.50 | 3.61 | 3.66 | 4.74 |
| Apr. | 4.57 | 4.27 | 4.36 | 4.15 | 3.780 | 3.85 | 3.927 | 4.03 | 4.09 | 4.21 | 5.42 |
| May | 5.10 | 4.69 | 4.91 | 4.63 | 4.139 | 4.13 | 4.367 | 4.34 | 4.64 | 4.93 | 6.02 |
| Week ending- |  |  |  |  |  |  |  |  |  |  |  |
| 1971-Feb. 6. | 4.63 | 4.63 | 4.35 | 4.09 | 4.110 | 4.06 | 4.114 | 4.11 | 4.11 | 4.03 | 5.49 |
| 13. | 4.63 | 4.53 | 4.13 | 3.59 | 3.845 | 3.71 | 3.839 | 3.75 | 3.80 | 3.82 | 5.33 |
| 20. | 4.38 | 4.31 | 4.03 | 4.14 | 3.640 | 3.56 | 3.679 | 3.65 | 3.72 | 3.70 | 5.24 |
|  | 4.25 | 4.03 | 3.85 | 3.46 | 3.497 | 3.43 | 3.590 | 3.57 | 3.68 | 3.64 | 5.15 |
| Mar. 6 | 4.25 | 3.88 | 3.75 | 3.41 | 3.347 | 3.35 | 3.467 |  | 3.64 | 3.69 | 5.07 |
| 13. | 4.25 | 4.08 | 3.70 | 3.29 | 3.307 | 3.28 | 3.359 | 3.39 | 3.52 | 3.56 | 4.75 |
| 20. | 4.20 | 4.13 | 3.83 | 3.93 | 3.307 | 3.39 | 3.416 | 3.51 | 3.57 | 3.59 | 4.55 |
| 27. | 4.05 | 4.13 | 3.80 | 3.70 | 3.331 | 3.37 | 3.481 | 3.54 | 3.63 | 3.68 | 4.56 |
| Apr. 3. |  | 4.08 | 4.00 | 4.02 | 3.521 | 3.61 | 3.695 | 3.72 | 3.70 | 3.89 | 4.85 |
| Apr. 10. | 4.28 | 4.13 | 4.13 | 3.98 | 3.703 | 3.78 | 3.754 | 3.85 | 3.79 | 4.02 | 5.08 |
| 17. | 4.58 | 4.28 | 4.38 | 4.20 | 4.039 | 3.96 | 4.140 | 4.09 | 4.10 | 4.16 | 5.37 |
| 24. | 4.70 | 4.34 | 4.45 | 4.27 | 3.770 | 3.81 | 3.960 | 4.02 | 4.14 | 4.19 | 5.59 |
| May 1. | 4.80 | 4.39 | 4.60 | 4.14 | 3.865 | 3.93 | 4.087 | 4.22 | 4.44 | 4.53 | 5.77 |
|  | 5.00 | 4.50 | 4.83 | 4.41 | 3.865 | 3.84 | 4.182 | 4.20 | 4.46 | 4.69 | 5.92 |
| 15 | 5.00 | 4.51 | 4.88 | 4.59 | 3.861 | 3.96 | 4.178 | 4.23 | 4.58 | 4.75 | 5.98 |
| 22 | 5.15 | 4.79 | 4.95 | 4.55 | 4.352 | 4.36 | 4.530 | 4.49 | 4.79 | 5.20 | 6.20 |
| 29 | 5.25 | 4.98 | 5.00 | 4.68 | 4.478 | 4.38 | 4.578 | 4.46 | 4.73 | 5.08 | 5.97 |

[^43]${ }^{4}$ Except for new bill issues, yields are averages computed from daily
closing bid prices.
${ }_{5}$ Bills quoted on bank discount rate basis.
${ }^{6}$ Certificates and selected note and bond issues.
${ }^{7}$ Selected note and bond issues.

| Period | Government bonds |  |  |  | Corporate bonds |  |  |  |  |  | Stocks |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | United States (longterm) | State and local |  |  | Total ${ }^{1}$ | By selected rating |  | $\underset{\text { group }}{\text { By }}$ |  |  | Dividend/ price ratio |  | Earnings / price ratio |
|  |  | Total ${ }^{1}$ | Aas | Baa |  | Aaa | Baa | Industrial | Rail- <br> road | Public utility | Preferred | Common | Common |
| 1962. | 3.95 | 3.30 | 3.03 | 3.67 | 4.62 | 4.33 | 5.02 | 4.47 | 4.86 | 4.51 | 4.50 | 3.37 | 6.06 |
| 1963 | 4.00 | 3.28 | 3.06 | 3.58 | 4.50 | 4.26 | 4.86 | 4.42 | 4.65 | 4.41 | 4.30 | 3.17 | 5.68 |
| 1964. | 4.15 | 3.28 | 3.09 | 3.54 | 4.57 | 4.40 | 4.83 | 4.52 | 4.67 | 4.53 | 4.32 | 3.01 | 5.54 |
| 1965. | 4.21 | 3.34 | 3.16 | 3.57 | 4.64 | 4.49 | 4.87 | 4.61 | 4.72 | 4.60 | 4.33 | 3.00 | 5.87 |
| 1966 | 4.66 | 3.90 | 3.67 | 4.21 | 5.34 | 5.13 | 5.67 | 5.30 | 5.37 | 5.36 | 4.97 | 3.40 | 6.72 |
| 1967 | 4.85 | 3.99 | 3.74 | 4.30 | 5.82 | 5.51 | 6.23 | 5.74 | 5.89 | 5.81 | 5.34 | 3.20 | 5.71 |
| 1968 | 5.25 | 4.48 | 4.20 | 4.88 | 6.51 | 6.18 | 6.94 | 6.41 | 6.77 | 6.49 | 5.78 | 3.07 | 5.84 |
| 1969 | 6.10 | 5.73 | 5.45 | 6.07 | 7.36 | 7.03 | 7.81 | 7.22 | 7.46 | 7.49 | 6.41 | 3.24 | 6.05 |
| 1970 | 6.59 | 6.42 | 6.12 | 6.75 | 8.51 | 8.04 | 9.11 | 8.26 | 8.77 | 8.68 | 7.22 | 3.83 | 6.28 |
| 1970-May | 6.94 | 7.00 | 6.70 | 7.33 | 8.46 | 8.11 | 8.98 | 8.19 | 8.59 | 8.72 | 7.26 | 4.20 |  |
| June | 6.99 | 7.12 | 6.81 | 7.41 | 8.77 | 8.48 | 9.25 | 8.55 | 8.76 | 9.06 | 7.57 | 4.17 | 7.50 |
| July. | 6.57 | 6.68 | 6.40 | 7.02 | 8.85 | 8.44 | 9.40 | 8.61 | 9.11 | 9.01 | 7.62 | 4.20 |  |
| Aug. | 6.75 | 6.27 | 5.96 | 6.65 | 8.73 | 8.13 | 9.44 | 8.44 | 9.19 | 8.83 | 7.41 | 4.07 |  |
| Sept. | 6.63 | 6.18 | 5.90 | 6.49 | 8.68 | 8.09 | 9.39 | 8.40 | 9.10 | 8.80 | 7.31 | 3.82 | 6.34 |
| Oct. | 6.59 | 6.41 | 6.07 | 6.74 | 8.63 | 8.03 | 9.33 | 8.35 | 9.06 | 8.74 | 7.33 | 3.74 |  |
| Nov. | 6.24 | 6.04 | 5.79 | 6.33 | 8.65 | 8.05 | 9.38 | 8.37 | 9.06 | 8.77 | 7.30 | 3.72 |  |
| Dec. | 5.97 | 5.49 | 5.21 | 5.80 | 8.35 | 7.64 | 9.12 | 7.95 | 8.96 | 8.45 | 6.88 | 3.46 | 5.48 |
| 1971-Jan.. | 5.91 | 5.34 | 5.08 | 5.65 5.73 | 8.04 | 7.36 | 8.74 8.39 | 8.57 | 8.70 | 8.17 | 6.53 | 3.32 | …....... |
| Feb. | 5.84 5.71 | 5.28 5.26 | 4.92 5.00 | 5.73 5.56 | 7.75 7.84 | 7.08 7.21 | 8.39 8.46 | 7.24 | 8.39 8.39 | 7.94 8.08 | 6.32 6.48 | 3.18 3.10 | …....... |
| Apr. | 5.75 | 5.49 | 5.22 | 5.85 | 7.86 | 7.25 | 8.45 | 7.43 | 8.37 | 8.05 | 6.59 | 2.99 |  |
| May. | 5.96 | 5.99 | 5.71 | 6.36 | 8.03 | 7.53 | 8.62 | 7.68 | 8.40 | 8.23 | 6.82 | 3.04 |  |
| Week ending- |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 1971-Mar. 6 . | 5.94 | 5.46 | 5.15 | 5.85 | 7.78 | 7.13 | 8.40 | 7.27 | 8.37 | 8.00 | 6.43 | 3.18 |  |
| 13. | 5.77 | 5.24 | 4.95 | 5.60 | 7.84 | 7.20 | 8.47 | 7.32 | 8.40 | 8.11 | 6.53 | 3.11 |  |
| 20. | 5.65 | 5.14 | 4.90 | 5.40 | 7.88 | 7.26 | 8.50 | 7.38 | 8.40 | 8.13 | 6.44 | 3.05 |  |
| 27. | 5.54 | 5.18 | 5.00 | 5.40 | 7.86 | 7.25 | 8.47 | 7.42 | 8.38 | 8.07 | 6.46 | 3.10 |  |
| Apr. 3. | 5.64 | 5.24 | 5.00 | 5.60 | 7.85 | 7.22 | 8.46 | 7.42 | $8.38{ }^{\circ}$ | 8.03 | 6.53 | 3.07 |  |
| 10 | 5.66 | 5.33 | 5.10 | 5.70 | 7.84 | 7.23 | 8.45 | 7.42 | 8.35 | 8.02 | 6.54 | 3.02 |  |
| 17. | 5.73 | 5.45 | 5.20 | 5.80 | 7.85 | 7.24 | 8.45 | 7.42 | 8.38 | 8.03 | 6.54 | 2.98 |  |
| 24 | 5.82 | 5.61 | 5.30 | 6.00 | 7.86 | 7.24 | 8.42 | 7.43 | 8.37 | 8.05 | 6.62 | 2.99 |  |
| May. 1 | 5.81 | 5.80 | 5.50 | 6.15 | 7.89 | 7.30 | 8.47 | 7.46 | 8.38 | 8.10 | 6.64 | 2.95 |  |
|  | 5.92 | 5.96 | 5.65 | 6.25 | 7.95 | 7.43 | 8.52 | 7.57 | 8.37 | 8.14 | 6.69 | 2.98 |  |
| 15 | 5.96 | 6.08 | 5.80 | 6.40 | 7.99 | 7.48 | 8.59 | 7.64 | 8.38 | 8.17 | 6.74 | 3.01 |  |
| 22. | 6.04 | 6.00 | 5.70 | 6.40 | 8.08 | 7.57 | 8.69 | 7.75 | 8.44 | 8.28 | 6.82 | 3.06 |  |
| 29. | 5.90 | 6.00 | 5.70 | 6.40 | 8.12 | 7.66 | 8.66 | 7.77 | 8.43 | 8.35 | 7.03 | 3.11 |  |
| Number of issues ${ }^{2}$. | 7 | 20 | 5 | 5 | 119 | 20 | 30 | 40 | :29 | 40 | 14 | 500 | 500 |

1 Includes bonds rated Aa and A, data for which are not shown separately. Because of a limited number of suitable issues, the number of corporate bonds in some groups has varied somewhat. As of Dec. 23, 1967, Aaa-rated railroad bonds are no longer a component of the railroad average or the Aaa composite series.
${ }_{2}$ Number of issues varies over time; figures shown reflect most recent count.

Note.-Annual yields are averages of monthly or quarterly data.
Bonds: Monthly and weekly yields are computed as follows: (1) U.S.

Govt.: Averages of daily figures for bonds maturing or callable in 10 years or more. (2) State and local govt.: General obligations only, based on Thurs. figures. (3) Corporate: Averages of daily figures. (2) and (3) are from Moody's Investors Service series.
Stocks: Standard and Poor's corporate series. Dividend/price ratios are based on Wed. figures; earnings/price ratios are as of end of period. Preferred stock ratio is based on eight median yields for a sample of nonPreferred stock ratio is based on eight median yields for a sample of non-
callable issues- 12 industrial and two public utility; common stock ratios on the 500 stocks in the price index. Quarterly earnings are seasonally adjusted at annual rates.

SECURITY PRICES

| Period | $\begin{aligned} & \text { Bond prices } \\ & \text { (per cent of par) } \end{aligned}$ |  |  | Common stock prices |  |  |  |  |  |  |  |  |  | Volume of trading in stocks (thousands of shares) |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  |  | New York Stock Exchange |  |  |  |  |  |  |  |  | Àmerican Stoc Exchange total index 1 |  |  |
|  |  |  |  | Standard and Poor's index$(1941-43=10)$ |  |  |  | New York Stock Exchange index <br> (Dec. 31, 1965=50) |  |  |  |  |  |  |  |
|  | U.S. (longterm) | State and local | Corporate AAA | Total | Industrial | Railroad | Public utility | Total | Industrial | Trans-portation | Utility | $\begin{gathered} \text { Fi- } \\ \text { nance } \end{gathered}$ |  | NYSE | AMEX |
| 1967 | 76.55 | 100.5 | 81.8 | 91.93 | 99.18 | 46.72 | 68.10 | 50.77 | 51.97 | 53.51 | 45.43 | 49.82 | 19.67 | 10,143 | 4,508 |
| 1968 | 72.33 | 93.5 | 76.4 | 98.70 | 107.49 | 48.84 | 66.42 | 55.37 | 58.00 | 50.58 | 44.19 | 65.85 | 27.72 | 12,971 | 6,353 |
| 1969. | 64.49 | 79.0 | 68.5 | 97.84 | 106.30 | 45.95 | 62.64 | 54.67 | 57.45 | 46.96 | 42.80 | 70.49 | 28.73 | 11,403 | 5,001 |
| 1970 | 60.52 | 72.3 | 61.6 | 83.22 | 91.29 | 32.13 | 54.48 | 45.72 | 48.03 | 32.14 | 37.24 | 54.64 | 22.59 | 10,532 | 3,376 |
| 1970-May. | 57.78 <br> 57.37 | 67.8 | 61.2 | 76.06 75.59 | 83.16 | 31.10 | 51.15 | 41.65 41 | 43.33 43 | 29.85 | 35.48 | 54.58 | 20.92 | 12,299 | 3,908 |
| June | 57.37 60.59 | 67.5 70.6 | 59.5 59.0 | 75.59 | 82.96 83.00 | 28.94 26.59 | 49.22 50.91 | 41.28 41.15 | 43.40 43.04 | 28.51 26.46 | 33.74 34.90 | 54.21 54.00 | 20.81 | 10,294 10,358 | 3,189 2,202 |
| July. | 60.59 59.20 | 70.6 73.8 | 59.0 60.0 | 75.72 | 83.00 85.40 | 26.59 | 50.91 52.62 | 41.15 42.28 | 43.04 44.20 | 26.46 27.66 | 34.90 35.74 | 54.00 56.05 | 20.11 20.39 | 10,358 10,420 | 2,202 |
| Sept. | 60.10 | 72.3 | 60.8 | 82.58 | 90.66 | 29.14 | 54.44 | 45.10 | 47.43 | 30.43 | 36.74 | 60.13 | 21.72 | 14,423 | 4,438 |
| Oct. | 60.44 | 71.9 | 61.3 | 84.37 | 92.85 | 31.73 | 53.37 | 46.06 | 48.87 | 32.38 | 36.01 | 59.04 | 22.39 | 11,887 | 3,135 |
| Nov. | 63.27 | 75.1 | 61.9 | 84.28 | 92.58 | 30.80 | 54.86 | 45.84 | 48.54 | 31.23 | 36.71 | 57.40 | 21.73 | 11,519 | 2,677 |
| Dec. | 65.63 | 79.8 | 64.7 | 90.05 | 98.72 | 32.95 | 59.96 | 49.00 | 51.68 | 33.70 | 39.93 | 61.95 | 22.19 | 15,241 | 4,330 |
| 1971-Jan. | 66.10 | 79.9 | 66.5 | 93.49 | 102.22 | 36.64 38.78 | 63.43 62.49 | 51.29 53 | 53.72 56.45 | 37.76 40.37 | 42.52 | 66.41 68.19 | 23.56 | 17,429 | 4,493 |
| Feb. | 66.78 67.94 | 81.5 82.8 | 66.8 65.8 | 97.11 99.60 | 106.62 109.59 | 38.78 39.70 | 62.49 62.42 | 53.42 54.89 | 56.45 58.43 | 40.37 | 42.30 41.60 | 68.19 70.66 | 25.02 25.88 | 19,540 16,955 | 6,054 5,570 |
| Apr | 67.57 | 80.4 | 65.1 | 103.04 | 113.68 | 42.29 | 62.06 | 56.81 | 60.65 | 45.35 | 41.73 | 73.91 | 26.43 | 19,126 | 5,685 |
| May. | 65.72 | 75.6 | 63.7 | 101.64 | 112.41 | 42.05 | 59.20 | 56.00 | 60.21 | 45.48 | 39.70 | 70.89 | 26.03 | 15,157 | 4,157 |
| Week ending- |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 1971-May | 67.06 | 77.8 | 65.2 | 104.34 | 115.35 | 43.65 | 60.85 | 57.51 | 61.65 | 47.50 | 40.97 | 74.55 | 26.59 | 20,556 | 6,282 |
|  | 66.05 | 76.4 | 64.3 | 103.39 | 114.36 | 43.02 | 60.08 | 56.98 | 61.19 | 46.57 | 40.51 | 72.60 | 26.39 | 17.297 | 4,734 |
| 15. | 65.70 | 75.3 | 63.9 | 102.56 | 113.39 | 42.53 | 59.93 | 56.52 | 60.73 | 46.09 | 40.15 | 71.66 | 26.18 | 15,960 | 4,172 |
| 22. | 64.97 | 75.3 | 63.2 | 100.98 | 111.68 | 41.53 | 58.79 | 55.61 | 59.82 | 44.86 | 39.42 | 70.12 | 25.87 | 14,158 | 4,051 |
| 29. | 66.18 | 75.6 | 63.5 | 99.64 | 110.20 | 41.12 | 57.99 | 54.89 | 59.10 | 44.40 | 38.71 | 69.12 | 25.68 | 13,213 | 3,672 |

${ }^{1}$ Begins June 30, 1965, at 10.90. On that day the average price of a share of stock listed on the American Stock Exchange was $\$ 10.90$.

Note.-Annual data are averages of monthly figures. Monthly and weekly data are averages of daily figures unless otherwise noted and are computed as follows: U.S. Govt. bonds, derived from average market yields in table on preceding page on basis of an assumed 3 per cent, 20-year bond. Muntcipal and corporate bonds, derived from average
yields as computed by Standard and Poor's Corp., on basis of a 4 per cent, 20 -year bond; Wed. closing prices. Common stocks, derived from component common stock prices. A verage daily volume of trading, normally conducted 5 days per week for $51 / 2$ hours per day, or $271 / 2$ hours per week. In recent years shorter days and/or weeks have cut total weekly trading to the following number of hours: 1967-Aug. 8-20, 20; 1968-Jan. 22Mar. 1, 20; June 30-Dec. 31, 22; 1969-Jan. 3-July 3, 20; July 7-Dec. 3122.5; 1970-Jan. 2-May 1, 25.

TERMS ON CONVENTIONAL FIRST MORTGAGES

| Period | New homes |  |  |  |  |  | Existing homes |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Contract rate (per cent) | Fees \& charges (per cent) | Maturity (years) | Loan/ price ratio (per cent) | Purchase price (thous, of dollars) | Loan amount (thous. of dollars) | Contract rate (per cent) | Fees \& charges (per cent) | Maturity (years) | Loan/ price ratio (per cent) | Pur- chase price (thous. of donlars) | Loan amount (thous. of dollars) |
| 1964. | 5.78 | . 57 | 24.8 | 74.1 | 23.7 | 17.3 | 5.92 | . 55 | 20.0 | 71.3 | 18.9 | 13.4 |
| 1965. | 5.74 | . 49 | 25.0 | 73.9 | 25.1 | 18.3 | 5.87 | . 55 | 21.8 | 72.7 | 21.6 | 15.6 |
| 1966. | 6.14 | . 71 | 24.7 | 73.0 | 26.6 | 19.2 | 6.30 | . 72 | 21.7 | 72.0 | 22.2 | 15.9 |
| 1967. | 6.33 | . 81 | 25.2 | 73.6 | 28.0 | 20.4 | 6.40 | . 76 | 22.5 | 72.7 | 24.1 | 17.4 |
| 1968. | 6.83 | . 89 | 25.5 | 73.9 | 30.7 | 22.4 | 6.90 | . 83 | 22.7 | 73.0 | 25.6 | 18.5 |
| 1969. | 7.66 | . 91 | 25.5 | 72.8 | 34.1 | 24.5 | 7.68 | . 88 | 22.7 | 71.5 | 28.3 | 19.9 |
| 1970-Apr. | 8.24 | 1.02 | 24.8 | 71.3 | 34.9 | 24.5 | 8.19 | . 90 | 22.7 | 70.2 | 29.6 | 20.4 |
| May | 8.28 | . 98 | 25.3 | 71.7 | 35.8 | 25.3 | 8.18 | . 94 | 22.8 | 70.3 | 30.5 | 21.1 |
| June. | 8.31 | . 99 | 25.1 | 71.3 | 36.3 | 25.6 | 8.19 | . 98 | 23.0 | 71.5 | 30.5 | 21.5 |
| July. | 8.32 | 1.01 | 25.1 | 71.5 | 35.3 | 24.9 | 8.21 | . 95 | 23.1 | 71.5 | 31.0 | 21.7 |
| Aug.. | 8.35 | . 98 | 24.8 | 71.6 | 35.7 | 25.5 | 8.25 | . 89 | 23.1 | 71.7 | 30.4 | 21.4 |
| Sept. | 8.31 | 1.03 | 25.2 | 72.7 | 35.3 | 25.3 | 8.27 | . 88 | 22.8 | 71.7 | 29.7 | 21.0 |
| Oct. . | 8.33 | 1.05 | 25.1 | 72.4 | 34.6 | 24.8 | 8.20 | . 88 | 22.8 | 71.5 | 29.0 | 20.5 |
| Nov.. | 8.26 | . 99 | 25.3 | 72.1 | 35.8 | 25.2 | 8.18 | . 85 | 22.8 | 71.5 | 29.9 | 21.1 |
| Dec.. | 8.20 | 1.07 | 25.8 | 73.8 | 35.3 | 25.8 | 8.12 | . 85 | 23.3 | 71.9 | 30.7 | 21.7 |
| 1971-Jan. | 8.03 | . 92 | 25.8 | 73.3 | 36.2 | 26.4 | 7.94 | . 82 | 23.5 | 72.5 | 30.7 | 22.0 |
| Feb. | 7.74 | 1.00 | 26.2 | 73.9 | 37.0 | 26.2 | 7.67 | . 79 | 24.0 | 73.1 | 31.1 | 22.5 |
| Mar. ${ }^{\text {r }}$ | 7.52 | . 83 | 25.9 | 73.7 | 35.9 | 26.0 | 7.47 | . 77 | 24.1 | 73.5 | 31.7 | 23.0 |
| Apr.. | 7.36 | . 74 | 26.4 | 73.7 | 36.5 | 26.5 | 7.35 | . 74 | 24.1 | 73.5 | 31.7 | 23.0 |

1 Fees and charges-related to principal mortgage amount-include loan commissions, fees, discounts, and other charges, which provide added income to the lender and are paid by the borrower. They exclude any closing costs related solely to transfer of property ownership.

Note.-Compiled by Federal Home Loan Bank Board in cooperation with Federal Deposit Insurance Corporation. Data are weighted averages
based on probability sample survey of characteristics of mortgages originated by major institutional lender groups (including mortgage companies) for purchase of single-family homes. Data exclude loans for refinancing, reconditioning, or modernization; construction loans to homebuilders; and permanent loans that are coupled with construction loans to owner-builders. Series beginning 1965, not strictly comparable with earlier data. See also the table on Home-Mortgage Yields, p. A-53.

STOCK MARKET CREDIT
(In millions of dollars)

| End of period | Credit extended to margin customers by- |  |  | Customers' net debit balances | Cus. tomers' net free credit balances | Net credit extended by brokers |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | $\underset{1}{\text { Brokers }}$ | $\underset{2}{\operatorname{Banks}}$ | Total |  |  |  |
| 1970-Apr. | 4,360 | 2,330 | 6,690 | 5,985 | 2,248 | 3,724 |
| May | 4,160 | 2,290 | 6,450 | 5,433 | 2,222 | 3,211 |
| June | $\left.\begin{array}{l}4,150 \\ 3,860\end{array}\right\}$ | 2,290 | 6,150 | 5,281 | 2,009 | 3,272 |
| July | 3,800 | 2,290 | 6,090 | (4) | 52,180 | (4) |
| Aug. | 3,810 | 2,300 | 6,110 | (4) | 2,083 | (4) |
| Sept. | 3,920 | 2,330 | 6,250 | (4) | 2,236 | (4) |
| Oct. | 4,010 | 2,270 | 6,280 | (4) | 2,163 | (4) |
| Nov | 4,010 | 2,320 | 6,332 | (4) | 2,197 | (4) |
| Dec. | 4,030 | 2,330 | 6,360 | (4) | 2,286 | (4) |
| 1971-Jan. | 4,000 | 2,300 | 6,300 | (4) | 2,452 | (4) |
| Feb. | 4,090 | 2,330 | 6,420 | (4) | 2,743 | (4) |
| Mar | 4,300 | 2,360 | 6,660 | (4) | 2,798 | (4) |
| Apr. | 4,530 | 2,340 | 6,870 | (4) | 2,660 | (4) |

1 End-of-month data. Total amount of credit extended by member firms of the N.Y. Stock Exchange in margin accounts, excluding credit extended on convertible bonds and other debt instruments and in special subscription accounts.

2 Figures are for last Wed. of month for large commercial banks reporting weekly and represent loans made to others than brokers or dealers for the purpose of purchasing or carrying securities. Excludes loans collateralized by obligations of the U.S. Govt
${ }^{3}$ Change in series. From Jan. 1966 to June 1970 the total of brokerextended margin credit was estimated by expanding the total of such credit extended by a small sample of N.Y. Stock Exchange member firms according to the proportion of total Customers' net debit balances extended by these firms. Beginning with June 30, 1970, total broker-extended margin credit is derived from reports by the majority of N.Y. Stock Exchange member firms that carry margin accounts for customers; these firms, as a group, account for nearly all such credit extended by members of that exchange.
${ }^{4}$ Series discontinued
5 Change in series.
Note.-Customers' net debit and free credit balances are end-of-month ledger balances as reported to the New York Stock Exchange by all member firms that carry margin accounts. They exclude balances carried for other member firms of national securities exchanges as well as balances of the reporting firm and of its general partners. Net debit balances are total debt owed by those customers whose combined accounts net to a debit. Free credit balances are in accounts of customers with no unfulfilled commitments to the broker and are subject to withdrawal on demand. Net credit extended by brokers is the difference between customers' net debit and free credit balances since the latter are available for the brokers' use until withdrawn.

EQUITY STATUS OF MARGIN ACCOUNT DEBT AT BROKERS
(Per cent of total debt, except as noted)

${ }^{1}$ See note 1 to table above.
Note.-Each customer's equity in his collateral (market value of collateral less net debit balance) is expressed as a percentage of current collateral values.

REGULATORY STATUS OF MARGIN ACCOUNT DEBT AT BROKERS
(Per cent of total adjusted debt, except as noted)

| End of period | Adjusted debt/collateral value (per cent) |  |  |  |  |  | Total adjusted debt (millions of dollars) |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | $\begin{aligned} & \text { Under } \\ & 20 \end{aligned}$ | 20-29 | 30-39 | 40-49 | 50-59 | 60 or more |  |
|  | Unre-stricted | Restricted |  |  |  |  |  |
| 1970-Apr.. | 1.5 | 21.8 | 16.7 | 12.1 | 9.3 | 38.6 | 8,450 |
|  | Unrestricted |  | Restricted 1 |  |  |  |  |
| May. | 1.0 | 4.8 | 31.8 | 13.9 | 8.8 | 39.8 | 9,100 |
| June. | 1.3 | 1.0 | 23.3 | 24.9 | 9.4 | 40.1 | 8,490 |
| July.. | 1.1 | 1.0 | 32.7 | 16.7 | 9.0 | 39.5 | 8,610 |
| Aug. . | . 7 | 1.1 | 37.8 | 14.3 | 9.2 | 36.9 | 8,580 |
| Sept. | . 6 | 1.1 | 45.5 | 12.0 | 8.9 | 31.9 | 8,900 |
| Oct... | . 7 | 1.0 | 38.4 | 18.0 | 9.2 | 32.6 | 8,780 |
| Nov.. | 1.0 | 0.9 | 39.0 | 16.4 | 9.7 | 33.0 | 8,570 |
| Dec. . | . 0 | . 3 | 47.0 | 13.7 | 9.5 | 29.4 | 8,140 |
| 1971-Jan. . | . 0 | . 4 | 55.1 | 12.5 | 8.4 | 23.6 | 8,180 |
| Feb. | . 0 | . 4 | 56.2 | 13.2 | 7.7 | 22.5 | 8,410 |
| Mar.. | . 0 | . 5 | 58.4 | 12.7 | 6.7 | 21.6 | 8,820 |
| Apr. . | . 2 | .4 | 60.6 | 12.1 | 6.0 | 20.7 | 9,200 |

1 Debt representing more than 30 per cent but less than 35 per cent of collateral value is unrestricted as of May 6,1970 , but is not separable from the remainder of this category.

Note.-Adjusted debt is computed in accordance with requirements set forth in Regulation $T$ and often differs from the same customer's net debit balance mainly because of the inclusion of special miscellaneous accounts in adjusted debt. Collateral in the margin accounts covered by these data now consists exclusively of stocks listed on a national securities exchange. Unrestricted accounts are those in which adjusted debt does not exceed the Unrestricted accounts are those in which all classes with higher ratios are loan value

## SPECIAL MISCELLANEOUS ACCOUNT BALANCES AT BROKERS, BY EQUITY STATUS OF ACCOUNTS

(Per cent of total, except as noted)

| End of period | Net credit status | Equity class of accounts in debit status |  | Total balance (millions of dollars) |
| :---: | :---: | :---: | :---: | :---: |
|  |  | 60 per cent or more | Less than 60 per cent |  |
| 1970-Apr. | 54.0 | 35.9 | 10.2 | 4,140 |
| May. | 50.3 | 38.8 | 10.9 | 4,840 |
| June. . | 49.5 | 39.1 | 11.4 | 4,550 |
| July. | 47.5 | 40.5 | 11.9 | 4,390 |
| Aug. | 46.7 | 42.6 | 10.7 | 4,430 |
| Sept. | 46.6 | 44.5 | 9.0 | 4,480 |
| Oct. | 46.2 | 43.9 | 9.9 | 4,430 |
| Nov. | 45.5 | 43.9 | 10.6 | 4,240 |
| Dec. | 48.2 | 42.3 | 9.4 | 4,030 |
| 1971-Jan.. | 49.2 | 43.6 | 7.2 | 4,260 |
| Feb. | 49.1 | 44.2 | 6.7 | 4,380 |
| Mar. | 48.6 | 45.5 | 5.9 | 4,400 |
| Apr. | 46.8 | 48.1 | 5.1 | 4,500 |

Note.-Special miscellaneous accounts contain credit 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.

COMMERCIAL AND FINANCE COMPANY PAPER AND BANKERS' ACCEPTANCES OUTSTANDING
(In millions of dollars)

| End of period | Commercial and finance company paper |  |  |  |  | Dollar acceptances |  |  |  |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Total | Placed through dealers |  | Placed directly |  | Total | Held by- |  |  |  |  |  | Based on- |  |  |
|  |  |  |  | Accepting banks | F.R. Banks |  | Others | Imports into United States | Exports from United States | All other |
|  |  | Bank related | Other ${ }^{1}$ |  |  | Bank related |  |  |  |  | Other ${ }^{2}$ | Total | Own bills | Bills bought | Own acct. | Foreign corr. |
| 1964. | 8,361 |  | 2,223 |  | 6,138 |  | 3,385 | 1,671 | 1,301 | 370 | 94 | 122 | 1,498 | 667 | 999 | 1,719 |
| 1965 | 9,058 |  | 1,903 |  | 7,155 |  | 3,392 | 1,223 | 1,094 | 129 | 187 | 144 | 1,837 | 792 | 974 | 1,626 |
| 1966 | 13,279 |  | 3,089 |  | 10,190 | 3,603 | 1,198 | , 983 | 215 | 193 | 191 | 2,022 | 997 | 829 | 1,778 |
| 1967 | 16,535 |  | 4,901 |  | 11,634 | 4,317 | 1,906 | 1,447 | 459 | 164 | 156 | 2,090 | 1,086 | 989 | 2,241 |
| 1968 | 20,497 | 1,216 | 10,601 | 3,078 | 13,296 | 4,428 5,451 | 1,544 | 1,344 | 200 | 58 | 146 | 2,717 | 1,423 | $\begin{array}{r}\text { ¢ } \\ 1,153 \\ \hline 15\end{array}$ | 2,053 2,408 |
| 1970-Apr. | 38,011 | 1,088 | 12,647 | 5,584 | 18,692 | 5,614 | 1,577 | 1,314 | 263 | 106 | 194 | 3,737 | 2,034 | 1,137 | 2,444 |
| May | 39,724 | 1,126 | 12,826 | 6,474 | 19,298 | 5,801 | 1,539 | 1,287 | 252 | 42 | 231 | 3,989 | 2,139 | 1,189 | 2,472 |
| June. | 37,798 | 1,044 | 11,945 | 6,559 | 18,250 | 5,849 | 1,589 | 1,339 | 250 | 32 | 232 | 3,996 | 2,190 | 1,162 | 2,497 |
| July. | 36,961 | - 986 | 11,048 | 6,834 | 18,093 | 5,973 | 1,599 | 1,324 | 275 | 37 | 239 | 4,098 | 2,294 | 1,198 | 2,482 |
| Aug. | 36,570 | 802 | 11,242 | 6,501 | 18,025 | 5,979 | 1,911 | 1,541 | 370 | 63 | 253 | 3,752 | 2,354 | 1,294 | 2,331 |
| Sept. | 33,958 | 505 | 12,013 | 4,115 | 17,325 | 5,848 | 1,952 | 1,557 | 395 | 87 | 235 | 3,574 | 2,396 | 1,285 | 2,167 |
| Oct. | 34,401 | 520 | 12,564 | 3,179 | 18,138 | 6,167 | 2,125 | 1,737 | 388 | 73 | 238 | 3,731 | 2,553 | 1,323 | 2,292 |
| Nov | 33,966 | 526 | 12,775 | 2,600 | 18,065 | 6,267 | 2,368 | 1,875 | 493 | 87 | 243 | 3,569 | 2,490 | 1,388 | 2,390 |
| D | 31,765 | 409 | 12,262 | 1,940 | 17,154 | 7,058 | 2,694 | 1,960 | 735 | 57 | 250 | 4,057 | 2,601 | 1,561 | 2,895 |
| 1971-Feb.. | 32,506 | 383 | 13,538 | 1,518 | 17,067 | 6,984 | 3,089 | 2,306 | 784 | 54 | 266 | 3,575 | 2,618 | 1,520 | 2,847 |
| Mar. | 31,223 | 355 | 13,215 | 1,337 | 16,316 | 7,174 | 2,954 | 2,276 | 678 | 138 | 255 | 3,827 | 2,681 | 1,519 | 2,974 |
| Apr. ${ }^{\text {p }}$ | 31,367 | 431 | 13,058 | 1,363 | 16,515 | 7,301 | 2,893 | 2,320 | 573 | 56 | 236 | 4,115 | 2,748 | 1,510 | 3,043 |

${ }^{2}$ As reported by finance companies that place their paper directly with investors.

MUTUAL SAVINGS BANKS
(In millions of dollars)

| End of period | Loans |  | Securities |  |  | Cash | Other assets | Total assets- <br> Total <br> liabilities and general reserve accts. | Deposits ${ }^{2}$ | Other liabili-ties | General reserve accounts | Mortgage loan commitments ${ }^{3}$ classified by maturity (in months) |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Mortgage | Other | U.S. Govt. | State and local govt. | Corporate and other ${ }^{1}$ |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  | $\begin{aligned} & 3 \text { or } \\ & \text { less } \end{aligned}$ | 3-6 | 6-9 | Over <br> 9 | Total |
| 1960. | 26,702 | 416 | 6,243 | 672 | 5,076 | 874 | 589 | 40,571 | 36,343 | 678 | 3,550 |  |  |  |  | 1,200 |
| 1961. | 28,902 | 475 | 6,160 | 677 | 5,040 | 937 | 640 | 42,829 | 38,277 | 781 | 3,771 |  |  |  |  | 1,654 |
| 1962. | 32,056 | 602 | 6,107 | 527 | 5,177 | 956 | 695 | 46,121 | 41,336 | 828 | 3,957 |  |  |  |  | 2,548 |
| 1963. | 36,007 | 607 | 5,863 | 440 | 5,074 | 912 | 799 | 49,702 | 44,606 | 943 | 4,153 |  |  |  |  | 2,549 |
| 1964. | 40,328 | 739 | 5,791 | 391 | 5,099 | 1,004 | 886 | 54,238 | 48,849 | 989 | 4,400 |  |  |  |  | 2,820 |
| 1965. | 44,433 | 862 | 5,485 | 320 | 5,170 | 1,017 | 944 | 58,232 | 52,443 | 1,124 | 4,665 |  |  |  |  | 2,697 |
| 1966 | 47,193 | 1,078 | 4,764 | 251 | 5,719 | 953 | 1,024 | 60,982 | 55,006 | 1,114 | 4,863 |  |  |  |  | 2,010 |
| 1967. | 50,311 | 1,203 | 4,319 | 219 | 8,183 | 993 | 1,138 | 66,365 | 60,121 | 1,260 | 4,984 | 742 |  |  | 799 | 2,523 |
| 1968 | 53,286 | 1,407 | 3,834 | 194 | 10,180 | 996 | 1,256 | 71,152 | 64,507 | 1,372 | 5,273 | 811 | 1,03 |  | 1,166 | 3,011 |
| 1969. | 55,781 | 1,824 | 3,296 | 200 | 10,824 | 912 | 1,307 | 74,144 | 67,026 | 1,588 | 5,530 | 584 | 485 | 452 | 946 | 2,467 |
| 1970-Apr. | 56,279 | 2,048 | 3,294 | 188 | 11,319 | 853 | 1,385 | 75,366 | 67,861 | 1,906 | 5,599 | 603 | 500 | 455 | 801 | 2,360 |
| May. | 56,423 | 2,223 | 3,362 | 190 | 11,465 | 852 | 1,374 | 75,889 | 68,196 | 2,071 | 5,621 | 616 | 502 | 388 | 769 | 2,275 |
| June. | 56,644 | 2,131 | 3,214 | 197 | 11,766 | 956 | 1,404 | 76,312 | 68,724 | 1,957 | 5,631 | 646 | 474 | 363 | 707 | 2,190 |
| July. | 56,804 | 2,239 | 3,241 | 196 | 11,945 | 920 | 1,459 | 76,804 | 69,039 | 2,121 | 5,643 | 665 | 457 | 351 | 678 | 2,151 |
| Aug... | 56,986 | 2,249 | 3,271 | 197 | 12,099 | 972 | 1,464 | 77,238 | 69,222 | 2,327 | 5,689 | 603 | 406 | 332 | 715 | 2,057 |
| Sept. . | 57,202 | 2,240 | 3,281 | 197 | 12,222 | 1,001 | 1,459 | 77,602 | 69,817 | 2,087 | 5,698 | 635 | 334 | 266 | 691 | 1,926 |
| Oct... | 57,398 | 2,291 | 3,215 | 207 | 12,243 | 1,035 | 1,465 | 77,855 | 70,093 | 2,051 | 5,712 | 596 | 338 | 274 | 666 | 1,875 |
| Nov.... | 57,473 | 2,332 | 3,219 | 205 | 12,378 | 1,112 | 1,483 | 78,202 | 70,361 | 2,111 | 5,730 | 564 | 315 | 311 | 662 | 1,852 |
| Dec. ${ }^{r}$. | 57,775 | 2,255 | 3,151 | 197 | 12,876 | 1,270 | 1,471 | 78,995 | 71,580 | 1,690 | 5,726 | 619 | 322 | 302 | 688 | 1,931 |
| 1971-Jan. | 58,014 | 2,365 | 3,196 | 206 | 13,457 | 1,129 | 1,564 | 79,930 | 72,441 | 1,739 | 5,750 | 638 | 322 | 285 | 705 | 1,950 |
| Feb. | 58,194 | 2,592 | 3,328 | 222 | 13,919 | 1,270 | 1,575 | 81,100 | 73,366 | 1,926 | 5,809 | 723 | 352 | 283 | 790 | 2,148 |
| Mar. | 58,540 | 2,636 | 3,356 | 246 | 14,882 | 1,287 | 1,635 | 82,581 | 75,002 | 1,746 | 5,832 | 840 | 413 | 322 | 864 | 2,439 |
| Apr... | 58,796 | 2,727 | 3,340 | 278 | 15,519 | 1,254 | 1,656 | 83,570 | 75,824 | 1,882 | 5,863 |  | 993 | 445 | 360 | 2,804 |

${ }^{1}$ Also includes securities of foreign governments and international organizations and nonguaranteed issues of U.S. Govt. agencies.

2 See note 6, p. A-19.
${ }^{3}$ Commitments outstanding of banks in New York State as reported to the Savings Banks Assn. of the State of New York. Data include building loans beginning with Aug. 1967.

Note.-National Assn. of Mutual Savings Banks data; figures are estimates for all savings banks in the United States and differ somewhat from those shown eisewhere in the Bulletin; the latter are for call dates and are based on reports filed with U.S. Govt. and State bank supervisory agencies. Loans are shown net of valuation reserves.

## LIFE INSURANCE COMPANIES

(In millions of dollars)

| End of period | Total assets | Government securities |  |  |  | Business securities |  |  | Mortgages | Real estate | Policy loans | Other assets |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | Total | United States | State and local | Foreign ${ }^{1}$ | Total | Bonds | Stocks |  |  |  |  |
| Statement value: 126,816 |  |  |  |  |  |  |  |  |  |  |  |  |
| 1961. | 126,816 | 11,896 | 6,134 | 3,888 | 1,874 | 55,294 | 49,036 | 6,258 | 44,203 | 4,007 | 5,733 | 5,683 |
| 1962 | 133,291 | 12,448 | 6,170 | 4,026 | 2,252 | 57,576 | 51,274 | 6,302 | 46,902 | 4.107 | 6,234 | 6.024 |
| 1963 | 141,121 | 12,438 | 5,813 | 3,852 | 2,773 | 60,780 | 53,645 | 7,135 | 50,544 | 4,319 | 6,655 | 6,385 |
| 1964 | 149,470 | 12,322 | 5,594 | 3,774 | 2,954 | 63,579 | 55,641 | 7,938 | 55,152 | 4,528 | 7,140 | 6,749 |
| 1965 | 158,884 | 11,679 | 5,119 | 3,530 | 3,030 | 67,599 | 58,473 | 9,1:26 | 60,013 | 4,681 | 7,678 | 7,234 |
| 1966. | 167,022 | 10,837 10,573 | 4,823 4,683 | 3,114 3,145 | 2,900 2,754 | 69,816 76,070 | 61,061 65,193 | 8,755 10,877 | 64,609 67,516 | 4,883 5,187 | 9,117 10,059 | 7,760 |
| 1968 | 188,636 | 10,509 | 4,456 | 3,194 | 2,859 | 82,127 | 68,897 | 13,230 | 69,973 | 5,571 | 11,306 | 9,150 |
| Book value: |  |  |  |  |  |  |  |  |  |  |  |  |
| 1967 | 177,361 | 10,530 | 4,587 | 2,993 | 2,950 | 73,997 | 65,015 | 8,982 | 67,575 | 5,188 | 10,060 | 11,011 |
| 1968 | 187,695 | 10,483 | 4,365 | 3,036 | 3,082 | 79,403 | 68,575 | 10,828 | 70,071 | 5,573 | 11,284 | 10,881 |
| 1969 | 197,208 | 10,914 | 4,514 | 3,221 | 3,179 | 84,566 | 70.859 | 13,707 | 72,027 | 5,912 | 13,825 | 9,964 |
| 1970-Feb. ${ }^{\text {r }}$ | 198,808 | 10,991 | 4,563 | 3,232 | 3,196 | 85,390 | 71,734 | 13,656 | 72,448 | 5,975 | 14,302 | 9,702 |
| 19-Feb. | 199,403 | 10,941 | 4,505 | 3,242 | 3,194 | 85,344 | 71,532 | 13,812 | 72,616 | 5,990 | 14,535 | 9,977 |
| Apr. | 199,090 | 10,833 | 4,414 | 3,223 | 3,196 | 85,103 | 71,764 | 13,339 | 72,793 | 6,030 | 14,759 | 9,572 |
| May | 199,173 | 10,895 | 4,472 | 3,226 | 3,197 | 84,633 | 71.858 | 12,775 | 72,982 | 6,061 | 14,951 | 9,651 |
| June | 199,683 | 10,788 | 4,401 | 3,222 | 3,165 | 84,656 | 71.894 | 12,762 | 73,165 | 6,103 | 15,180 | 9,791 |
| July | 201,002 | 11,071 | 4,650 | 3,251 | 3,170 | 85,404 | 72,200 | 13,204 | 73,352 | 6,144 | 15,354 | 9,677 |
| Aug. | 201,918 | 11,090 | 4,653 | 3,255 | 3,182 | 85,841 | 72,497 | 13,344 | 73,427 | 6,158 | 15,517 | 9,885 |
| Sept | 203,148 | 11,004 | 4,561 | 3,265 | 3,178 | 86,675 | 72,915 | 13,760 | 73,540 | 6,202 | 15,674 | 10,053 |
| Oct | 203,922 | 11,029 | 4,565 | 3,277 | 3,187 | 87,099 | 73,389 | 13,710 | 73,728 | 6,255 | 15,813 | 9,998 |
| Nov | 205,064 | 11,049 | 4,588 | 3,281 | 3,180 | 87,755 | 73,644 | 14,111 | 73,848 | 6,311 | 15,918 | 10,183 |
| Dec. | 206,193 | 10,967 | 4,494 | 3,285 | 3,188 | 88,183 | 73,123 | 15,060 | 74,345 | 6,362 | 16,025 | 10,311 |
| 1971-Jan. | 208,206 | 11,027 | 4,557 | 3,298 | 3,172 | 90,127 | 74,326 | 15,801 | 74,370 | 6,341 | 16,109 | 10,232 |
| Feb. | 209,885 | 11,126 | 4,632 | 3,319 | 3,175 | 91,038 | 74,696 | 16,342 | 74,437 | 6,453 | 16,220 | 10,611 |

${ }^{1}$ Issues of foreign governments and their subdivisions and bonds of the International Bank for Reconstruction and Development.

Note.-Institute of Life Insurance data; figures are estimates for all life insurance companies in the United States.

Year-end figures: Annual statement asset values, with bonds carried on an amortized basis and stocks at year-end market value. Month-end figures: Book value of ledger assets. Adjustments for interest due and accrued and for differences between market and book values are not made on each item separately but are included in total, in "Other assets."

SAVINGS AND LOAN ASSOCIATIONS
(In millions of dollars)

| End of period | Assets |  |  |  | $\begin{gathered} \text { Total } \\ \text { assets- } \\ \text { Total } \\ \text { liabilities } \end{gathered}$ | Liabilities |  |  |  |  | Mortgage loan commitments ${ }^{4}$ |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Mortgages | Investment ities ${ }^{1}$ | Cash | Other ${ }^{2}$ |  | Savings capital | Reserves and undivided profits | Borrowed money ${ }^{3}$ | $\substack{\text { Loans } \\ \text { in } \\ \text { process }}$ | Other | Made during period | Outstanding at end of period |
| 1961. | 68,834 | 5,211 | 3,315 | 4,775 | 82,135 | 70,885 | 5,708 | 2,856 | 1,550 | 1,136 |  | 1,872 |
| 1962 | 78,770 | 5,563 | 3,926 | 5,346 | 93,605 | 80,236 | 6,520 | 3,629 | 1,999 | 1,221 |  | 2,193 |
| 1963. | 90,944 | 6,445 | 3,979 | 6,191 | 107,559 | 91,308 | 7,209 | 5,015 | 2,528 | 1,499 |  | 2,572 |
| 1964 | 101,333 | 6,966 | 4,015 | 7,041 | 119,355 | 101,887 | 7,899 | 5,601 | 2,239 | 1,729 |  | 2,549 |
| 1965. | 110,306 | 7,414 | 3,900 | 7,960 | 129,580 | 110,385 | 8,704 | 6,444 | 2,198 | 1,849 |  | 2,707 |
| 1966. | 114,427 | 7,762 | 3,366 | 8,378 | 133,933 | 113,969 | 9,096 | 7,462 | 1,270 | 2,136 |  | 1,482 |
| 1967 | 121,805 | 9,180 | 3,442 | 9,107 | 143,534 | 124,531 | 9,546 | 4,738 | 2,257 | 2,462 |  | 3,004 |
| 1968. | 130,802 | 1 11,116 | 2,962 | 9,571 | 152,890 | 131,618 | 10,315 | 5,705 | 2,449 | 2,803 |  | 3,584 |
| 1969 5. | 140,347 | 10,893 | 2,439 | 8,620 | 162,299 | 135,670 | 11,239 | 9,728 | 2,455 | 3,207 | 807 | 2,812 |
| 1970 5-Apr. | 141,390 | 11,554 | 2,359 | 8,852 | 164,155 | 136,260 | 11,252 | 10,056 | 2,224 | 4,363 | 1,391 | 3,487 |
| May. | 142,113 | 12,108 | 2,523 | 8,986 | 165,730 | 137,013 | 11,254 | 10,169 | 2,294 | 5,000 | 1,588 | 3,956 |
| June. | 143,241 | 12,097 | 2,643 | 9,052 | 167,033 | 138,814 | 11,620 | 10,480 | 2,461 | 3,658 | 1,544 | 4,038 |
| July.. | 144,320 | 12,742 | 2,404 | 8,999 | 168,465 | 139,357 | 11,617 | 10,555 | 2,530 | 4,406 | 1,700 | 4,333 |
| Aug. | 145,434 | 12,826 | 2,413 | 9,091 | 169,764 | 139,907 | 11,615 | 10,622 | 2,581 | 5,039 | 1,531 | 4,303 |
| Sept. | 146,556 | 12,850 | 2,455 | 9,182 | 171,043 | 141,734 | 11,609 | 10,705 | 2,679 | 4,316 | 1,628 | 4,354 |
| Oct. | 147,712 | 13,277 | 2,715 | 9,248 | 172,952 | 142,825 | 11,588 | 10,721 | 2,747 | 5,071 | 1,711 | 4,539 |
| Nov. | 148,896 | 13,340 | 3,155 | 9,356 | 174,747 | 143,928 | 11,592 | 10,691 | 2,838 | 5,698 | 1,628 | 4,633 |
| Dec. | 150,562 | 13,058 | 3,520 | 9,434 | 176,574 | 146,744 | 12,012 | 10,942 | 3,087 | 3,789 | 1,602 | 4,393 |
| 1971 -Jan. | 151,503 | 15,506 | 2,930 | 9,386 | 179,325 | 149,298 | 12,056 | 10,494 | 3,055 | 4,422 | 1,665 | 4,565 |
| Feb. | 152,665 | 16,805 | 3,249 | 9,524 | 182,243 | 151,742 | 12,062 | 10,097 | 3,161 | 5,181 | 2,069 | 5,225 |
| Mar. | 154,430 | 18,335 | 3,376 | 9,668 | 185,809 | 155,845 | 12,044 | 9,838 | 3,500 | 4,577 | 3,130 | 6,445 |
| Apr. ${ }^{\text {P }}$ | 156,564 | 18,331 | 3,139 | 9,822 | 187,856 | 158,062 | 12,025 | 8,645 | 3,875 | 5,249 | 3,350 | 7,340 |

[^44]ments are comparable with those shown for mutual savings banks (on preceding pagel except that figures for loans in process are not included above but are included in the figures for mutual savings banks.
. Balance sheet data for all operating savings and loan associations were revised by the Federal Home Loan Bank Board for 1969 and 1970

Note.-Federal Home Loan Bank Board data; figures are estimates for all savings and loan assns. in the United States. Data are based on monthly reports of insured assns. and annual reports of noninsured assns. Data for current and preceding year are preliminary even when revised.

MAJOR BALANCE SHEET ITEMS OF SELECTED FEDERALLY SPONSORED CREDIT AGENCIES
(In millions of dollars)

| End of period | Federal home loan banks |  |  |  |  |  | Federal National Mortgage Assn. (secondary market operations) |  | $\begin{gathered} \text { Banks } \\ \text { for } \\ \text { cooperatives } \end{gathered}$ |  | Federal intermediate credit banks |  | Federal land banks |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Assets |  |  | Liabilities and capital |  |  |  |  |  |  |  |  |  |  |
|  | Advances to members | Investments | Cash and deposits | Bonds and notes | Member deposits | Capital stock | Mortgage loans (A) | Debentures and notes (L) | Loans to cooperatives (A) | Debentures <br> (L) | Loans and discounts <br> (A) | Debentures (L) | Mortgage loans (A) | Bonds <br> (L) |
| 1967. | 4,386 | 2,598 | 127 | 4,060 | 1,432 | 1,395 | 5,348 | 4,919 | 1,506 | 1,253 | 3,411 | 3,214 | 5,609 | 4,904 |
| 1968. | 5,259 | 2,375 | 126 | 4,701 | 1,383 | 1,402 | 6,372 | 6,376 | 1,577 | 1,334 | 3,654 | 3,570 | 6,126 | 5,399 |
| 1969. | 9,289 | 1,862 | 124 | 8,422 | 1,041 | 1,478 | 10,541 | 10,511 | 1,732 | 1,473 | 4,275 | 4,116 | 6,714 | 5,949 |
| 1970. | 10,614 | 3,864 | 105 | 10,183 | 2,332 | 1,607 | 15,502 | 15,206 | 2,030 | 1,755 | 4,974 | 4,799 | 7,186 | 6,395 |
| 1970-Apr... | 9,860 10,008 | 3,090 2,964 | 89 78 | 9,993 <br> 9,888 | 1,110 | 1,574 1,579 | 12,456 | 12,411 | 1,828 | 1,594 1,539 | 4,810 4,942 | 4,591 4,739 | 6,890 | 6,113 |
| June.. | 10,236 | 2,964 | 78 106 | 9,888 | 1,1893 | 1,579 | 13,867 | 12,605 | 1,796 | 1,539 | 4,942 | 4,739 4,879 | 6,943 | 6,113 6,179 |
| July.. | 10,372 | 2,704 | 70 | 10,029 | 1,194 | 1,592 | 14,085 | 13,401 | 1,762 | 1,518 | 5,034 | 4,980 | 7,026 | 6,259 |
| Aug... | 10,445 | 2,729 | 99 | 10,091 | 1,244 | 1,595 | 14,452 | 13,976 | 1,778 | 1,537 | 5,015 | 4,918 | 7,061 | 6,339 |
| Sept... | 10,524 | 2,722 | 109 | 10,089 | 1,340 | 1,598 | 14,815 | 14,396 | 1,852 | 1,537 | 4,998 | 4,839 | 7,101 | 6,339 |
| Oct... | 10,539 | 2,658 | 84 | 10,090 | 1,499 | 1,598 | 14,702 | 14,702 | 1,973 | 1,601 | 4,972 | 4,818 | 7,137 | 6,395 |
| Nov... | 10,524 | 3,204 | 135 | 9,838 | 1,981 | 1,601 | 15,397 | 15,067 | 2,020 | 1,700 | 4,934 | 4,767 | 7,156 | 6,395 |
| Dec... | 10,614 | 3,864 | 105 | 10,183 | 2,332 | 1,607 | 15,502 | 15,206 | 2,030 | 1,755 | 4,974 | 4,799 | 7,186 | 6,395 |
| 1971-Jan. | 10,326 | 4,101 | 112 | 9,836 | 2,751 | 1,599 | 15,619 | 15,311 | 2,119 | 1,786 | 5,055 | 4,845 | 7,210 | 6,395 |
| Feb... | 9,926 | 4,187 | 105 | 9,182 | 3,094 | 1,619 | 15,552 | 15,111 | 2,164 | 1,819 | 5,177 | 4,959 | 7,258 | 6,645 |
| Mar. | 9,689 | 4,322 | 116 | 8,756 | 3,425 | 1,628 | 15,420 | 15,122 | 2,153 | 1,819 | 5,380 | 5,077 | 7,347 | 6,645 |
| Apr... | 8,269 | 4,235 | 192 | 7,876 | 2,828 | 1,627 | 15,308 | 15,477 | 2,113 | 1,900 | 5,568 | 5,336 | 7,426 | 6,700 |

Note.-Data from Federal Home Loan Bank Board, Federal National Mortgage Assn., and Farm Credit Admin. Among omitted balance sheet items are capital accounts of all agencies, except for stock of FHLB's. Bonds, debentures, and notes are valued at par. They include only publicly
offered securities (excluding, for FHLB's bonds held within the FHLB System) and are not guaranteed by the U.S. Govt.; for a listing of these securities, see table below. Loans are gross of valuation reserves and represent cost for FNMA and unpaid principal for other agencies.

OUTSTANDING ISSUES OF FEDERALLY SPONSORED AGENCIES, APRIL 30, 1971

| Agency, and date of issue and maturity | Coupon rate | Amount (millions of dollars) | Agency, and date of issue and maturity | Coupon rate | Amount (millions of dollars) | Agency, and date of issue and maturity | Cou- <br> pon <br> rate | Amount (millions of dollars) |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Federal home loan banks ${ }^{1}$ Notes: |  |  | Federal National Mortgage Association-Cont. Debentures-Cont: |  |  | Federal intermediate credit banks Debentures: |  |  |
| Bon |  |  | 4/10/70-8/10/71. | 7.38 | 200 | 8/3/70-5/3/71. | 7.25 | 472 |
| 5/26/69-5/25/71 | 7.00 | 350 | 7/10/70-8/10/71 | 8.05 | 250 | $9 / 1 / 70-6 / 1 / 71$ | 7.30 | 282 |
| 5/25/70-5/25/71 | 8.20 | 500 | 9/11/61-9/10/71 | 41/2 | 96 | 10/1/70-7/1/71 | 7.10 | 547 |
| 2/25/70-6/25/71 | 8.45 | 586 | 9/10/68-9/10/71 | 53/4 | 350 | 11/2/70-8/2/71 | 6.80 | 584 |
| 7/27/70-7/27/71. | 71/2 | 433 | 6/10/70-10/21/71 | 8.45 | 500 | 12/1/70-9/1/71 | 5.70 | 412 |
| 8/25/70-8/25/71 | 7.65 | 588 | 5/10/69-11/10/71 | 6.85 | 350 | 1/4/71-10/4/71 | 5.30 | 423 |
| 9/25/70-9/27/71 | 7.35 | 338 | 3/10/70-12/10/71 | 63/4 | 500 | 2/1/71-11/1/71 | 4.55 | 676 |
| 10/27/69-11/26/71 | 8.20 | 250 | 2/10/60-2/10/72. | 51/8 | 98 | 3/1/71-12/1/71. | 4.00 | 623 |
| 11/25/69-2/25/72 | 8.20 | 200 | 3/10/69-3/10/72 | 63/4 | 250 | 4/1/71-1/3/72. | 3.85 | 691 |
| 6/26/70-2/25/72. | 8.20 | 300 | 10/14/69-3/10/72 | 63/4 | 200 | 3/2/70-3/1/73 | 8.15 | 203 |
| $5 / 25 / 70-5 / 25 / 72$ | 8.15 | 200 | 12/11/61-6/12/72 | $43 / 8$ | 100 | 9/1/70-7/2/73. | 7.75 | 200 |
| 9/25/70-11/27/72 | 73/35 | 250 350 | 2/10/70-6/12/72 | 8.70 | 300 | 1/4/71-7/1/74. | 5.95 | 224 |
| 2/25/70-2/26/73. | 8.35 | 350 | 5/11/70-9/11/72. | 8.40 | 400 | 1/4/71 |  |  |
| 3/25/71-5/25/73. | 4.20 | 400 | 6/10/70-9/11/72 | 7.40 | 200 | Federal land banks |  |  |
| 10/27/70-8/27/73 | 7.20 | 450 | 11/10/69-12/11/72 | 8.00 | 200 | Bonds: |  |  |
| 1/26/70-1/25/74. | 8.40 | 300 | 10/13/70-12/11/72 | 7.20 | 400 | 2/15/57-2/15/67-72. | 41/8 | 72 |
| 6/26/70-2/25/74 | 8.40 | 250 | 11/10/70-3/12/73 | 7.30 | 450 | 5/1/56-5/1/71 | 31/2 | 60 |
| 8/25/69-8/25/74. | 7.65 | 183 | 12/12/69-3/12/73 | 8.30 | 250 | 7/15/69-7/20/7 | 8.15 | 270 |
| 11/25/69-11/25/74 | 8.05 | 234 | 6/12/61-6/12/73 | 41/4 | 146 | 10/20/69-7/20/71 | 8.45 | 232 |
| 1/26/71-2/25/75. | 6.10 | 250 | 7/10/70-6/12/73 | 8.35 | 350 | 10/20/68-10/20/71 | 6.00 | 447 |
| 8/25/70-5/26/75 | 8.00 | 265 | 3/10/70-9/10/73 | 8.10 | 300 | 8/20/68-2/15/72 | 5.70 | 230 |
| 7/27/70-8/25/75 | 7.95 | 300 | 12/10/70-12/10/73 | 5.75 | 500 | 2/23/71-4/20/72. | 4.45 | 300 |
| 12/18/70-11/25/75 | 6.50 | 350 | 4/10/70-3/11/74. | 7.75 | 350 | 6/22/70-7/20/72 | 8.20 | 442 |
| 3/25/70-2/25/80. | 7.75 | 350 | 8/5/70-6/10/74. | 7.90 | 400 | 9/14/56-9/15/72 | 37/8 | 109 |
| 10/15/70-10/15/80. | 7.80 | 200 | 9/10/69-9/10/74 | 7.85 | 250 | 9/22/69-9/15/72 | 8.35 | 337 |
|  |  |  | 2/10/71-9/10/74 | 5.65 | 300 | 10/23/72-10/23/72 | 57/8 | 200 |
|  |  |  | 5/10/71-12/10/74 | 6.10 | 250 | 7/20/70-1/22/73. | 7.95 | 407 |
| Association- |  |  | 11/10/70-3/10/75 | 7.55 | 300 | 2/20/63-2/20/73-78 | $41 / 8$ | 148 |
| Secondary market |  |  | 4/12/71-6/10/75. | 5.25 | 500 | 1/20/70-7/20/73... | 8.45 | 198 |
| operations |  |  | 10/13/70-9/10/75 | 7.50 | 350 | 8/20/73-7/20/73. | 7.95 | 350 |
| Discount notes... |  | 1,826 | 3/11/71-3/10/76...... | 5.65 | 500 | 4/20/70-10/22/73 | 7.80 | 300 |
| Capital debentures: |  |  | 2/13/62-2/10/77..... | $41 / 2$ | 198 | 2/20/72-2/20/74. | $41 / 2$ | 155 |
| 9/30/68-10/1/73. | 6.00 | 250 | 12/10/70-6/10/77 | 6.38 | 250 | 10/20/70-4/22/74 | 7.30 | 354 |
| 4/1/70-4/1/75. | 8.00 | 200 | 5/10/71-6/10/77. | 6.50 | 150 | 4/20/71-4/20/72. | 41/4 | 437 |
|  |  |  | 1/21/71-6/10/81 | 7.25 | 250 | 2/20/70-1/20/75. | 83,8 5.30 | 220 |
|  |  |  | 2/10/71-6/10/82. | 6.65 | 250 | 4/20/71-10/21/74 | 5.30 | 300 |
| $\begin{aligned} \text { ortgage-dackea oonas: } \\ 6 / 1 / 70-6 / 1 / 71 . . . . . \end{aligned}$ | 8.13 | 150 | 3/11/71-6/10/83. | 6.75 | 200 | 4/20/65-4/21/75 | $43 / 8$ | 200 |
| $9 / 9 / 70-10 / 2 / 72 . .$ | 7.50 | 400 | 4/12/71-6/11/84...... | 6.25 | 200 | 2/21/66-2/24/76 | 5.00 | 123 |
| 6/1/70-6/2/75. | 8.38 | 250 | Banks for cooperatives |  |  | 7/20/66-7/20/76 | $53 / 8$ | 150 150 |
| 9/29/70-10/1/90. | 8.63 | 200 | Debentures: $11 / 2 / 70-5 / 3 / 71$ |  |  | 5/2/66-4/20/78 | 518 5.00 | 150 285 |
|  |  |  | $\begin{aligned} & 11 / 2 / 70-5 / 3 / 71 \\ & 12 / 10 / 70-6 / 1 / 71 \end{aligned}$ | 6.70 5.70 | 343 <br> 371 | 2/23/71-4/20/81. | 6.70 | 224 |
| 11/10/69-5/10/71. | 8.20 | 400 | 1/4/71-7/1/71. | 5.25 | 335 |  |  |  |
| 4/10/69-6/10/71 | 6.85 | 250 | 2/1/71-8/2/71. | 4.50 | 420 |  |  |  |
| 12/12/69-7/12/71 | 8.60 | 400 | 4/1/71-10/4/71 | 3.70 | 331 |  |  |  |
| 8/23/60-8/10/71 | 41/8 | 63 | 10/1/70-10/1/73 | 7.30 | 100 |  |  |  |

[^45]
## FEDERAL FISCAL OPERATIONS: SUMMARY

(In millions of dollars)


[^46]International Monetary Fund and international lending organizations. New obligations to these agencies; are handled by letters of credit.

4 Includes accrued interest payable on public debt securities, deposit funds, miscellaneous liability and asset accounts, and seigniorage.
5 Includes debt of Federal home loan banks, Federal land banks, D.C. Stadium Fund, FNMA (beginning Sept. 1968), FICB, and banks for cooperatives (beginning Dec. 1968).

Note.-Half years may not add to fiscal year totals due to revisions in series which are not yet available on a monthly basis.

FEDERAL FISCAL OPERATIONS: DETAIL
(In millions of dollars)


1 Old-age, disability, and hospital insurance, and Railroad Retirement accounts.
${ }_{2}$ Supplementary medical insurance premiums and Federal employee retirement contributions.
${ }^{3}$ Deposits of earnings by Federal Reserve Banks and other miscellaneous receipts.

4 Outlays by functional categories are published in the Monthly Treasury Statement (beginning April 1969). Monthly back data (beginning July 1968) are published in the Treasury Bulletin of June 1969.

[^47]| End of period | Total gross public debt ${ }^{1}$ | Public issues |  |  |  |  |  |  |  |  | Special issues 4 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  | Marketable |  |  |  |  | Con- <br> vert- <br> ible <br> bonds | Nonmarketable |  |  |
|  |  | Total | Total | Bills | Certificates | Notes | Bonds ${ }^{2}$ |  | Total ${ }^{3}$ | Sayings bonds \& notes |  |
| 1941-Dec. | 57.9 | 50.5 | 41.6 | 2.0 |  | 6.0 | 33.6 |  | 8.9 | 6.1 | 7.0 |
| 1946-Dec. | 259.1 | 233.1 | 176.6 | 17.0 | 30.0 | 10.1 | 119.5 |  | 56.5 | 49.8 | 24.6 |
| 1962-Dec. | 303.5 | 255.8 | 203.0 | 48.3 | 22.7 | 53.7 | 78.4 | 4.0 | 48.8 | 47.5 | 43.4 |
| 1963-Dec. | 309.3 | 261.6 | 207.6 | 51.5 | 10.9 | 58.7 | 86.4 | 3.2 | 50.7 | 48.8 | 43.7 |
| 1964-Dec. | 317.9 | 267.5 | 212.5 | 56.5 |  | 59.0 | 97.0 | 3.0 | 52.0 | 49.7 | 46.1 |
| 1965-Dec. | 320.9 | 270.3 | 214.6 | 60.2 |  | 50.2 | 104.2 | 2.8 | 52.9 | 50.3 | 46.3 |
| 1966-Dec. | 329.3 | 273.0 | 218.0 | 64.7 | 5.9 | 48.3 | 99.2 | 2.7 | 52.3 | 50.8 | 52.0 |
| 1967-Dec. | 344.7 | 284.0 | 226.5 | 69.9 | . . . . . . | 61.4 | 95.2 | 2.6 | 54.9 | 51.7 | 57.2 |
| 1968-Dec. | 358.0 | 296.0 | 236.8 | 75.0 |  | 76.5 | 85.3 | 2.5 | 56.7 | 52.3 | 59.1 |
| 1969-Dec. | 368.2 | 295.2 | 235.9 | 80.6 |  | 85.4 | 69.9 | 2.4 | 56.9 | 52.2 | 71.0 |
| 1970-May. | 371.1 | 295.8 | 236.6 | 80.1 |  | 93.5 | 63.0 | 2.4 | 56.9 | 52.0 | 73.3 |
| June . | 370.9 | 292.7 | 232.6 | 76.2 |  | 93.5 | 63.10 | 2.4 | 57.7 | 52.0 | 76.3 |
| July. | 376.6 | 298.5 | 237.8 | 81.4 |  | 93.5 | 62.9 | 2.4 | 58.3 | 52.0 | 76.1 |
| Aug. | 380.9 | 301.4 | 240.5 | 81.9 |  | 99.9 | 58.7 | 2.4 | 58.5 | 52.1 | 77.5 |
| Sept. | 378.7 | 300.1 | 239.3 | 80.7 |  | 99.9 | 58.7 | 2.4 | 58.4 | 52.1 | 76.7 |
| Oct. | 380.2 | 302.9 | 242.2 | 83.7 | . . . . . . | 99.8 | 58.7 | 2.4 | 58.3 | 52.2 | 75.4 |
| Noy. | 383.6 | 306.0 | 244.4 | 84.6 |  | 101.2 | 58.6 | 2.4 | 59.2 | 52.4 | 75.6 |
| Dec. | 389.2 | 309.1 | 247.7 | 87.9 |  | 101.2 | 58.6 | 2.4 | 59.1 | 52.5 | 78.1 |
| 1971-Jan.. | 388.3 | 308.8 | 247.7 | 87.9 |  | 101.2 | 58.5 | 2.4 | 58.7 | 52.6 | 77.7 |
| Feb. | 390.7 | 309.8 | 248.1 | 89.3 |  | 104.3 | 54.5 | 2.4 | 59.3 | 52.8 | 78.9 |
| Mar. | 391.7 | 309.7 | 247.5 | 89.0 |  | 104.3 | 54.2 | 2.4 | 59.9 | 53.0 | 80.0 |
| Apr.. | 391.9 | 310.4 | 245.9 | 87.5 |  | 104.3 | 54.1 | 2.4 | 62.1 | 53.2 | 79.7 |
| May. | 396.8 | 313.2 | 245.6 | 89.1 |  | 102.5 | 54.0 | 2.3 | 65.2 | 53.4 | 81.7 |

1 Includes non-interest-bearing debt (of which $\$ 627$ million on May 31,
1971, was not subject to statutory debt limitation).
2 Includes Treasury bonds and minor amounts of Panama Canal and postal saving bonds.

3 Includes (not shown separately): depositary bonds, retirement plan bonds, foreign currency series, foreign series, and Rural Electrification Administration bonds; before 1954, Armed Forces leave bonds; before

1956, tax and savings notes; and before Oct. 1965, Series A investment bonds.
${ }^{4}$ Held only by U.S. Govt. agencies and trust funds and the Federal home loan banks.

Note.-Based on Daily Statement of U.S. Treasury. See also second paragraph in Note to table below.

OWNERSHIP OF PUBLIC DEBT
(Par value, in billions of dollars)

| End of period | Total gross public debt | Held by- |  | Held by private investors |  |  |  |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | $\begin{gathered} \text { U.S. } \\ \text { Govt. } \\ \text { agencies } \\ \text { and } \\ \text { trust } \\ \text { funds } \end{gathered}$ | F.R. Banks | Total | Commercial banks | Mutual savings banks | Insurance companies | Other corporations | State and local govts. | Individuals |  | $\begin{aligned} & \text { Foreign } \\ & \text { and } \\ & \text { inter- } \\ & \text { national }{ }^{1} \end{aligned}$ | Other misc. investors ${ }^{2}$ |
|  |  |  |  |  |  |  |  |  |  | Savings bonds | Other securities |  |  |
| 1939--Dec. | 41.9 | 6.1 | 2.5 | 33.4 | 12.7 | 2.7 | 5.7 | 2.0 | . 4 | 1.9 | 7.5 | 2 | 3 |
| 1946-Dec. | 259.1 | 27.4 | 23.4 | 208.3 | 74.5 | 11.8 | 24.9 | 15.3 | 6.3 | 44.2 | 20.0 | 2.1 | 9.3 |
| 1962-Dec. | 303.5 | 53.2 | 30.8 | 219.5 | 67.1 | 6.0 | 11.5 | 18.6 | 20.1 | 47.0 | 19.1 | 15.3 15.9 | 14.8 |
| 1963-Dec. | 309.3 317.9 | 55.3 58.4 | 33.6 37.0 | 220.5 222.5 | 64.2 63.9 | 5.6 5.5 | 11.2 | 18.7 18.2 | 21.1 | 48.2 | 20.0 20.7 | 15.9 16.7 | 15.6 |
| 1965-Dec. | 320.9 | 59.7 | 40.8 | 220.5 | 60.7 | 5.3 | 10.3 | 15.8 | 22.9 | 49.7 | 22.4 | 16.7 | 16.7 |
| 1966-Dec. | 329.3 | 65.9 | 44.3 | 219.2 | 57.4 | 4.6 | 9.5 | 14.9 | 24.3 | 50.3 | 24.3 | 14.5 | 19.4 |
| 1967-Dec. | 344.7 | 73.1 | 49.1 | 222.4 | 63.8 | 4.1 | 8.6 | 12.2 | 24.1 | 51.2 | 22.8 | 15.8 | 19.9 |
| 1968-Dec. | 358.0 | 76.6 | 52.9 | 228.5 | 66.0 | 3.6 | 8.0 | 14.2 | 24.4 | 51.9 | 23.9 | 14.3 | 22.4 |
| 1969-Dec. | 368.2 | 89.0 | 57.2 | 222.0 | 56.8 | 2.9 | 7.1 | 13.3 | 25.4 | 51.8 | 29.1 | 11.4 | 24.1 |
| 1970-Apr. | 367.2 | 90.2 | 56.5 | 220.5 | 54.5 | 2.8 | 7.1 | 11.9 | 24.7 | 51.6 | 31.1 | 13.2 | 23.6 |
| May. | 371.1 | 92.3 | 57.3 | 221.4 | 53.9 | 2.9 | 6.9 | 12.5 | 25.2 | 51.6 | 31.4 | 13.8 | 23.3 |
| June | 370.9 | 95.2 | 57.7 | 218.0 | 53.3 | 2.9 | 6.8 | 11.1 | 24.6 | 51.6 | 30.9 | 14.8 | 22.0 |
| July. | 376.6 | 94.8 | 58.6 | 223.2 | 55.1 | 2.8 | 7.1 | 12.0 | 24.2 | 51.6 | 31.2 | 15.9 | 23.4 |
| Aug. | 380.9 | 96.4 | 59.9 | 224.6 | 58.0 | 2.9 | 7.2 | 11.7 | 24.2 | 51.7 | 30.6 | 16.5 | 21.8 |
| Sept. | 378.7 | 95.5 | 60.0 | 223.2 | 56.9 | 2.9 | 7.1 | 10.3 | 24.0 | 51.7 | 31.0 | 17.4 | 22.1 |
| Oct. | 380.2 | 94.4 | 60.0 | 225.8 | 58.9 | 2.8 | 7.0 | 11.1 | 24.2 | 51.9 | 30.5 | 18.2 | 21.4 |
| Nov. | 383.6 | 94.6 | 61.2 | 227.9 | 59.8 | 2.7 | 6.9 | 10.8 | 23.2 | 51.9 | 30.4 | 20.0 | 22.1 |
| Dec. | 389.2 | 97.1 | 62.1 | 229.9 | 63.2 | 2.8 | 7.0 | 10.6 | 22.9 | 52.1 | 29.8 | 20.6 | 21.1 |
| 1971-Jan. | 388.3 | 96.7 | 61.8 | 229.9 | 62.1 | 2.7 | 7.3 | 11.1 | 23.0 | 52.1 | 29.5 | 20.9 | 21.1 |
| Feb. | 390.7 | 98.0 | 62.5 | 230.2 | 62.1 | 2.8 | 7.2 | 10.2 | 23.8 | 52.3 | 28.8 | 22.9 | 20.1 |
| Mar. | 391.7 | 98.8 | 64.2 | 228.7 | 61.2 | 2.8 | 6.8 | 11.0 | 22.6 | 52.5 | 27.5 | 25.4 | 18.9 |
| Apr. | 391.9 | 99.1 | 63.7 | 229.1 | 60.2 | 2.8 | 6.8 | 10.0 | 22.0 | 52.8 | 26.5 | 29.2 | 19.0 |

${ }^{1}$ Consists of investments of foreign and international accounts in the United States.
${ }^{2}$ Consists of savings and loan assns., nonprofit institutions, corporate pension trust funds, and dealers and brokers. Also included are certain Govt. deposit accounts and Govt.-sponsored agencies. Note-Reported data for F.R. Banks and U.S. Govt. agencies and trust funds; Treasury estimates for other groups.

The debt and ownership concepts were altered beginning with the Mar 1969 BULETIN The new concepts (1) exclude guaranteed securities and (2) remove from U.S. Govt. agencies and trust funds and add to other miscellaneous investors the holdings of certain Govt.-sponsored but privately-owned agencies and certain Govt. deposit accounts.
(Par value, in millions of dollars)

| Type of holder and date | Total | Within 1 year |  |  | $\begin{gathered} 1-5 \\ \text { years } \end{gathered}$ | $\begin{aligned} & 5-10 \\ & \text { years } \end{aligned}$ | $\begin{aligned} & 10-20 \\ & \text { years } \end{aligned}$ | Over 20 years |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | Total | Bills | Other |  |  |  |  |
| All holders: |  |  |  |  |  |  |  |  |
| 1968--Dec. 31. | 236,812 | 108,611 | 75,012 | 33,599 | 68,260 | 35,130 | 8,396 | 16,415 |
| 1969-Dec. 31. | 235, 863 | 118,124 | 80,571 | 37,553 | 73,301 | 20,026 | 8,358 | 16,054 |
| 1970-Dec. 31. | 247,713 | 123,423 | 87,923 | 35,500 | 82,318 | 22,554 | 8,556 | 10,863 |
| 1971-Mar. 31. | 247,457 | 114,940 | 88,977 | 25,963 | 86,024 | 27,199 | 8,513 | 10,780 |
| Apr. 30. | 245,888 | 113,466 | 87,504 | 25,962 | 85,990 | 27,199 | 8,491 | 10,742 |
| U.S. Govt. agencies and trust funds: |  |  |  |  |  |  |  |  |
| 1968-Dec. 31.............. | 15,402 | 2,438 | 1,034 | 1,404 | 4,503 | 2,964 | 2,060 | 3,438 |
| 1969-Dec. 31. | 16,295 | 2,321 | 812 | 1,509 | 6,006 | 2,472 | 2,059 | 3,437 |
| 1970-Dec. 31 | 17,092 | 3,005 | 708 | 2,297 | 6,075 | 3,877 | 1,748 | 2,387 |
| 1971-Mar. 31. | 17,379 | 2,654 | 847 | 1,807 | 6,217 | 4,289 | 1,774 | 2,445 |
| Apr. 30. | 17,409 | 2,603 | 862 | 1,741 | 6,248 | 4,339 | 1,775 | 2,445 |
| Federal Reserve Banks: |  |  |  |  |  |  |  |  |
| 1968-Dec. 31. | 52,937 | 28,503 | 18,756 | 9,747 | 12,880 | 10,943 | 203 | 408 |
| 1969-Dec. 31. | 57,154 | 36,023 | 22,265 | 13,758 | 12,810 | 7,642 | 224 | 453 |
| 1970-Dec. 31. | 62,142 | 36,338 | 25,965 | 10,373 | 19,089 | 6,046 | 229 | 440 |
| 1971-Mar. 31. | 64,160 | 33,416 | 26,709 | 6,707 | 23,699 | 6,178 | 312 | 555 |
| Apr. 30 | 63,721 | 32,964 | 26,321 | 6,643 | 23,735 | 6,141 | 316 | 564 |
| Held by private investors: 168,473 |  |  |  |  |  |  |  |  |
| 1968-Dec. 31..... | 168,473 | 77,670 | 55,222 | 22,448 | 50,877 | 21,223 | 6,133 | 12,569 |
| 1969-Dec. 31. | 162,414 | 79,780 | 57,494 | 22,286 | 54,485 | 9,912 | 6,075 | 12,164 |
| 1970-Dec. 31. | 168,479 | 84,080 | 61,250 | 22,830 | 57,154 | 12,631 | 6,579 | 8,036 |
| 1971-Mar. 31. | 165,918 | 78,870 | 61,421 | 17,449 | 56,108 | 16,732 | 6,427 | 7,780 |
| Apr. 30. | 164,758 | 77,899 | 60,321 | 17,578 | 56,007 | 16,719 | 6,400 | 7,733 |
|  |  |  |  |  |  |  |  |  |
| 1968-Dec. 31. | 53,174 | 18,894 | 9,040 | 9,854 | 23,157 | 10,035 | 611 | 477 |
| 1969-Dec. 31 | 45,173 | 15,104 | 6,727 | 8,377 | 24,692 | 4,399 | 564 | 414 |
| 1970-Dec. 31 | 50,917 | 19,208 | 10,314 | 8,894 | 26,609 | 4,474 | 367 | 260 |
| 1971-Mar. 31 | 49,836 | 15,966 | 9,239 | 6,727 | 26,684 | 6,553 | 354 | 279 |
| Apr. 30 | 48,713 | 14,697 | 8,146 | 6,551 | 26,914 | 6,495 | 355 | 252 |
|  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 1970-Dec. 31 | 2,745 | 525 | 171 | 354 | 1,168 | 339 | 329 | 385 |
| 1971-Mar. 31 | 2,813 | 442 | 201 | 241 | 1,149 | 519 | 322 | 381 |
| Apr. 30 | 2,815 | 438 | 197 | 241 | 1,131 | 534 | 332 | 380 |
|  |  |  |  |  |  |  |  |  |
| 1968-Dec. $31 .$. | 6,857 | 903 | 498 | 405 | 1,892 | 721 | 1,120 | 2,221 |
| 1969-Dec. 31 | 6,152 | 868 | 419 | 449 | 1,808 | 253 | 1,197 | 2,028 |
| 1970-Dec. 31 | 6,066 | 893 | 456 | 437 | 1,723 | 849 | 1,369 | 1,231 |
| 1971-Mar. 31. | 5,883 | 784 | 438 | 346 | 1,568 | 944 | 1,395 | 1,193 |
| Apr. 30 | 5,848 | 699 | 375 | 324 | 1,577 | 999 | 1,395 | 1,178 |
|  |  |  |  |  |  |  |  |  |
| 1968-Dec. 31...... | 5,915 | 4,146 | 2,848 | 1,298 | 1,163 | 568 | 12 | 27 |
| 1969-Dec. 31 | 5,007 | 3,157 | 2,082 | 1,075 | 1,766 | 63 | 12 | 8 |
| 1970-Dec. 31 | 3,057 | 1,547 | 1,194 | - 353 | 1,260 | 242 | 2 | 6 |
| 1971-Mar. 31. | 3,684 | 2,249 | 2,050 | 199 | 1,208 | 219 | 2 | 6 |
| Apr. 30. | 3,041 | 1,653 | 1,486 | 167 | 1,157 | 181 | 5 | 44 |
|  |  |  |  |  |  |  |  |  |
| 1968-Dec. $31 \ldots \ldots .$. | 4,724 | 1,184 808 | 680 269 | 504 539 | 1,675 | 1,069 | 346 | 450 |
| 1970-Dec. 31 | 3,263 | 583 | 220 | 363 | 1,899 | 281 | 243 | 258 |
| 1971-Mar. 31 | 3,400 | 717 | 449 | 268 | 1,750 | 487 | 216 | 232 |
| Apr. 30 | 3,321 | 679 | 450 | 229 | 1,692 | 519 | 205 | 226 |
| State and local governments: |  |  |  |  |  |  |  |  |
| 1968-Dec. 31........ | 13,426 | 5,323 | 4,231 | 1,092 | 2,347 | 805 | 1,404 | 3,546 |
| 1969-Dec. 31. | 13,909 | 6,416 | 5,200 | 1,216 | 2,853 | 524 | 1,225 | 2,893 |
| 1970-Dec. 31. | 11,204 | 5,184 | 3,803 | 1,381 | 2,458 | 774 | 1,191 | 1,598 |
| 1971-Mar. 31. | 11,649 | 5,629 | 4,562 | 1,067 | 2,427 | 958 | 1,138 | 1,497 |
| Apr. 30. | 11,353 | 5,635 | 4,621 | 1,014 | 2,280 | 910 | 1,067 | 1,461 |
| All others: |  |  |  |  |  |  |  |  |
| 1968 -Dec. 31. | 80,853 | 46,524 | 37,591 | 8,933 | 19,526 | 7,316 | 2,411 | 5,075 |
| 1969-Dec. 31. | 85,391 | 52,926 | 42,648 | 10,278 | 20,199 | 4,053 | 2,545 | 5,665 |
| 1970-Dec. 31. | 91,227 | 56,140 | 45,092 | 11,048 | 22,037 | 5,672 | 3,078 | 4,298 |
| 1971-Mar. 31. | 88,653 | 53,083 | 44,482 | 8,601 | 21,322 | 7,052 | 3,000 | 4,192 |
| Apr. 30 | 89,667 | 54,098 | 45,046 | 9,052 | 21,256 | 7,081 | 3,041 | 4,192 |

Note.-Direct public issues only. Based on Treasury Survey of Ownership.

Beginning with Dec. 1968, certain Govt.-sponsored but privately-owned agencies and certain Govt. deposit accounts have been removed from U.S. Govt. agencies and trust funds and added to "All others." Comparable data are not available for earlier periods.

Data complete for U.S. Govt. agencies and trust funds and F.R. Banks but for other groups are based on Treasury Survey data. Of total mar-
ketable issues held by groups, the proportion held on latest date by those reporting in the Survey and the number of owners surveyed were: (1) about 90 per cent by the 5,695 commercial banks, 491 mutual savings banks, and 743 insurance companies combined; (2) about 50 per cent by the 468 nonfinancial corporations and 487 savings and loan assns.; and
(3) about 70 per cent by 503 State and local govts.
"All others," a residual, includes holdings of all those not reporting in the Treasury Survey, including investor groups not listed separately.

DEALER TRANSACTIONS
(Par value, in millions of dollars)


Note.-The transactions data combine market purchases and sales of U.S. Govt. securities dealers reporting to the F.R. Bank of New York. They do not include allotments of, and exchanges for, new U.S. Govt. securities, redemptions of called or matured securities, or purchases or

DEALER POSITIONS
(Par value, in millions of dollars)

| Period | U.S. Government securities, by maturity |  |  |  |  | U.S. Govt. agency securities |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | $\underset{\substack{\text { maturi- } \\ \text { ties }}}{\text { All }}$ | $\begin{gathered} \text { Within } \\ 1 \\ \text { year } \end{gathered}$ | $\begin{gathered} 1-5 \\ \text { years } \end{gathered}$ | $\begin{aligned} & 5-10 \\ & \text { years } \end{aligned}$ | $\begin{aligned} & \text { Over } \\ & 10 \\ & \text { years } \end{aligned}$ |  |
| 1970-Apr. | 4,507 | 4,228 | 107 | 164 | 8 | 705 |
| May | 2,668 | 1,886 | 461 | 306 | 16 | 654 |
| June. | 2,199 | 1,859 | 111 | 227 | 2 | 615 |
| July. | 3,267 | 3,102 | -18 | 171 | 13 | 828 |
| Aug. | 4,474 | 3,389 | 454 | 604 | 27 | 819 |
| Sept. | 4,020 | 3,326 | 246 | 433 | 16 | 724 |
| Oct. | 3,963 | 3,449 | 103 | 379 | 33 | 1,001 |
| Nov. | 4,760 | 3,399 | 617 | 682 | 62 | 1,066 |
| Dec. | 5,571 | 4,399 | 612 | 485 | 76 | 1,049 |
| 1971-Jan. . | 5,634 | 4,626 | 525 | 403 | 80 | 966 |
| Feb. | 4,655 | 3,320 | 569 | 691 | 75 | 946 |
| Mar. | 4,421 | 3,511 | 437 | 404 | 70 | 981 |
| Apr | 4,870 | 4,019 | 415 | 416 | 20 | 1,118 |
| Week ending- |  |  |  |  |  |  |
| 1971-Mar. 3. | 4,532 | 3,714 | 336 | 431 | 51 | 927 |
| 10. | 4,487 | 3,626 | 361 | 443 | 58 | 820 |
| 17. | 4,201 | 3,307 | 389 | 430 | 75 | 913 |
| 24. | 3,617 | 2,613 | 539 | 375 | 89 | 1,076 |
| 31. | 5,300 | 4,357 | 515 | 362 | 65 | 1,161 |
| Apr. 7. | 6,478 | 5,465 | 536 | 432 | 44 | 1,247 |
| 14. | 5,123 | 4,310 | 417 | 385 | 13 | 1,141 |
| 21. | 4,567 | 3,757 | 394 | 404 | 13 | 1,050 |
| 28. | 3,878 | 3,060 | 382 | 424 | 12 | 1,108 |

Note.-The figures include all securities sold by dealers under repurchase contracts regardless of the maturity date of the contract, unless the contract is matched by a reverse repurchase (resale) agreement or delayed delivery sale with the same maturity and involving the same amount of securities. Included in the repurchase contracts are some that more clearly represent investments by the holders of the securities rather than dealer trading positions.

Average of daily figures based on number of trading days in the period.
sales of securities under repurchase agreement, reverse repurchase (resale), or similar contracts. Averages of daily figures based on the number of trading days in the period.

DEALER FINANCING
(In millions of dollars)

| Period | All sources | Commercial banks |  | Corporations ${ }^{1}$ | All other |
| :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | New York City | Elsewhere |  |  |
| 1970-Apr. | 4,922 | 1,293 | 1,373 | 546 | 1,710 |
| May | 2,898 | 637 | 830 | 466 | 964 |
| June. | 2,310 | 422 | 626 | 421 | 842 |
| July. | 3,214 | 855 | 770 | 518 | 1,071 |
| Aug. | 4,900 | 1,526 | 1,168 | 834 | 1,373 |
| Sept. | 4,220 | 1,164 | 1,456 | 449 | 1,152 |
| Oct........ | 4,233 | 1,370 | 1,232 | 392 | 1,240 |
| Nov.. . . . . . | 5,149 | 1,517 | 1,527 | 416 | 1,689 |
| Dec. | 5,949 | 1,868 | 1,960 | 379 | 1,742 |
| 1971 -Jan. | 6,198 | 1,888 | 1,695 | 527 | 2,088 |
| Feb.. | 5,684 | 1,673 | 1,318 | 369 | 2,324 |
| Mar. | 4,543 | 1,356 | . 926 | 399 | 1,862 |
| Apr....... | 5,700 | 1,759 | 1,415 | 724 | 1,802 |
| Week ending- |  |  |  |  |  |
| 1971-Mar. 3. | 4,721 | 1,567 | 1,210 | 240 | 1,704 |
| 10. | 4,839 | 1,599 | 1,287 | 458 | 1,494 |
| 17. | 4,599 | 1,143 | 784 | 371 | 2,300 |
| 24. | 4,111 | 1,297 | 728 | 415 | 1,670 |
| 31. | 4,547 | 1,293 | 803 | 414 | 2,038 |
| Apr. 7.. | 6,473 | 1,899 | 1,749 | 603 | 2,222 |
| 14. | 6,706 | 2,083 | 2,074 | 703 | 1,847 |
| 21. | 5,583 | 1,881 | 1,163 | 808 | 1,731 |
| 28.... | 4,347 | 1,178 | 831 | 810 | 1,529 |

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

Note.-Averages of daily figures based on the number of calendar days in the period. Both bank and nonbank dealers are included. See also Note to the table on the left.
U.S. GOVERNMENT MARKETABLE AND CONVERTIBLE SECURITIES, MAY 31, 1971
(In millions of dollars)

| Issue and coupon rate | Amount | Issue and coupon rate | Amount | Issue and coupon rate | Amount | Issue and coupon rate | Amount |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Treasury bills |  | Treasury bills-Cont. |  | Treasury notes-Cont. |  | Treasury bonds-Cont. |  |
| May 31, 1971 | 1,701 | Oct. 31, 1971... | 1,701 | Apr. 1, 1973.... $11 / 2$ | 34 | Sept. 15, 1967-72..21/2 | 1,951 |
| June 3, 1971 | 3,300 | Nov. 4, 1971 | 1,400 | May 15, 1973. . . . 73/4 | 5,843 | Dec. 15, 1967-72..21/2 | 2,562 |
| June 10, 1971 | 3,301 | Nov. 11, 1971 | 1,400 | Aug. 15, 1973. . . . 81/8 | 1,839 | Aug. 15, 1971.....4 ${ }^{\text {a }}$ | 2,806 |
| June 17, 1971 | 3,301 | Nov. 18, 1971. | 1,402 | Oct. 1, 1973.... . $11 / 2$ | , 30 | Nov. 15, 1971..... $37 / 8$ | 1,087 |
| June 22, 1971 | 2,515 | Nov. 26, 1971. | 1,400 | Feb. 15, 1974.... $73 / 4$ | 3,141 | Feb. 15, 1972. . . . 4 | +979 |
| June 24, 1971 | 3,303 | Nov. 30, 1971 | 1,702 | Apr. 1, 1974.... $11 / 2$ | , 34 | Aug. 15, 1972.... 4 | 2,579 |
| June 30, 1971 | 1,702 | Dec. 31, 1971 | 1,702 | May 15, 1974.... $71 / 4$ | 4,507 | Aug. 15, 1973.... 4 | 3,894 |
| July 1, 1971 | 3,302 | Jan. 31, 1972. | 1,700 | Aug. 15, 1974.... 5 5/8 | 10,284 | Nov. 15, 1973.....41/8 | 4,344 |
| July 8, 1971. | 3,402 | Feb. 29, 1972. | 1,201 | Oct. 1, 1974.... $11 / 2$ | - 42 | Feb. 15, 1974.....41/8 | 3,126 |
| July 15, 1971 | 3,408 | Mar. 31, 1972. | 1,200 | Nov. 15, 1974.... 5 53/4 | 7,211 | May 15, 1974.....41/4 | 3,579 |
| July 22, 1971 | 3,402 | Apr. 30, 1972. | 1,200 | Feb. 15, 1975.... $53 / 4$ | 5,148 | Nov. 15, 1974..... 378 | 2,238 |
| July 29, 1971. | 3,401 |  |  | Apr. 1, 1975.... $11 / 2$ | + 8 | May 15, 1975-85..41/4 | 1,212 |
| July 31, 1971 | 1,703 |  |  | May 15, 1975....6 6 | 6,760 | June 15, 1978-83. $31 / 4$ | 1,536 |
| Aug. 5, 1971. | 3,406 |  |  | Aug. 15, 1975. . . . 57/8 | 7,683 | Feb. 15, 1980.... 4 | 2,591 |
| Aug. 12, 1971. | 3,400 |  |  | Oct. 1, 1975.... 11/2 | - 31 | Nov. 15, 1980. . . . $31 / 2$ | 1,904 |
| Aug. 19, 1971. | 3,404 | Treasury notes |  | Feb. 15, 1976.....61/4 | 3,739 | May 15, 1985....31/4 | 1,057 |
| Aug. 26, 1971. | 3,503 | Aug. 15, 1971.... 81/4 | 2,257 | Apr. 1, 1976.....11/2 | , 2 | Aug. 15, 1987-92..41/4 | 3,805 |
| Aug. 31, 1971 | 1,704 | Oct. 1, 1971.... 11/2 | 72 | May 15, 1976. . . . 61/2 | 2,697 | Feb, 15, 1988-93..4 | +247 |
| Sept. 2, 1971. | 1,401 | Nov. 15, 1971.... 5 5 ${ }^{\text {3 }}$ | 963 | Aug. 15, 1976.... 71/2 | 4,194 | May 15, 1989-94..41/8 | 1,551 |
| Sept. 9, 1971. | 1,401 | Nov. 15, 1971.... $73 / 4$ | 5,836 | Feb. 15, 1977.... 8 | 5,163 | Feb. 15, 1990.... 31/2 | 4,668 |
| Sept. 16, 1971. | 1,401 | Feb. 15, 1972.... $43 / 4$ | , 797 | Aug. 15, 1977.... $73 / 4$ | 2,263 | Feb. 15, 1995.... 3 | 1,201 |
| Sept. 23, 1971. | 1,602 | Feb. 15, 1972.... $71 / 2$ | 2,684 | Feb, 15, 1978.... 61/4 | 8,387 | Nov. 15, 1998. . . . 31/2 | 3,894 |
| Sept. 30, 1971 | 3,303 | Apr. 1, 1972....11/2 | 5,34 |  |  |  |  |
| Oct. 7, 1971. | 1,601 | May 15, 1972. . . . 43/4 | 5,310 |  |  |  |  |
| Oct. 14, 1971 | 1,600 | May 15, 1972.... $63 / 4$ | 2,037 |  |  | Convertible bonds |  |
| Oct. 21, 1971 | 1,401 | Aug. 15, 1972..... 5 | 3,432 | Treasury bonds |  | Investment Series B |  |
| Oct. 28, 1971. | 1,401 | Oct. 1, 1972....11/2 | 33 | June 15, 1967-72. .21/2 | 1,232 | Apr. 1, 1975-80. .23/4 | 2,348 |

$\dagger$ Tax-anticipation series.
Note.-
Treasury.
NEW ISSUES OF STATE AND LOCAL GOVERNMENT SECURITIES


TOTAL NEW ISSUES
(In millions of dollars)

${ }^{1}$ Gross proceeds are derived by multiplying principal amounts or number of units by offering price.

2 Includes guaranteed issues.
${ }^{3}$ Issues not guaranteed.
4 See note to table at bottom of preceding page.

5 Foreign governments and their instrumentalities, International Bank for Reconstruction and Development, and domestic nonprofit organizations.

Note.-Securities and Exchange Commission estimates of new issues maturing in more than 1 year sold for cash in the United States.

NET CHANGE IN OUTSTANDING CORPORATE SECURITIES
(In millions of dollars)


1 Excludes investment companies.
2 Extractive and commercial and miscellaneous companies.
${ }^{3}$ Railroad and other transportation companies.
Note.-Securities and Exchange Commission estimates of cash transactions only. As contrasted with data shown on opposite page, new issues
exclude foreign sales and include sales of securities held by affiliated companies, special offerings to employees, and also new stock issues and cash proceeds connected with conversions of bonds into stocks. Retirements are defined in the same way and also include securities retired with internal funds or with proceeds of issues for that purpose.

## OPEN-END INVESTMENT COMPANIES

(In millions of dollars)

| Year | Sales and redemption of own shares |  |  | Assets (market value at end of period) |  |  | Month | Sales and redemption of own shares |  |  | Assets (market value at end of period) |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Sales 1 | Redemptions | Net sales | Total ${ }^{2}$ | Cash position ${ }^{3}$ | Other |  | Sales ${ }^{1}$ | Redemptions | Net sales | Total ${ }^{2}$ | Cash position ${ }^{3}$ | Other |
| 1958. | 1,620 | 511 | 1,109 | 13,242 | 634 | 12,608 | 1970-Apr... | 371 | 306 | 65 | 42,785 | 3,909 | 38,876 |
| 1959. | 2,280 | 786 | 1,494 | 15,818 | 860 | 14,958 | May.. | 304 | 300 | 4 | 39,824 | 4,042 | 35,782 |
| 1960. | 2,097 | 842 | 1,255 | 17,026 | 973 | 16,053 | June. | 364 | 197 | 167 | 38,459 | 4,396 | 34,230 |
|  |  |  |  |  |  |  | July.. | 306 | 193 | 113 | 40,714 | 4,817 | 35,897 |
| 1961. | 2,951 | 1,160 | 1,791 | 22,789 | 980 | 21,809 | Aug... | 311 | 167 | 144 | 42,452 | 4,794 | 37,658 |
| 1962 | 2,699 | 1,123 | 1,576 | 21,271 | 1,315 | 19,956 | Sept... | 357 | 218 | 139 | 44,353 | 4,593 | 39,760 |
| 1963. | 2,460 | 1,504 | -952 | 25,214 | 1,341 | 23,873 | Oct.. | 420 | 243 | 177 | 43,567 | 4,377 | 39,190 |
|  |  |  |  |  |  |  | Nov... | 343 | 215 | 128 | 45,223 | 4,126 | 41,097 |
| 1964 | 3,404 | 1,875 | 1,528 | 29,116 | 1,329 | 27,787 | Dec.. | 467 | 307 | 160 | 47,618 | 3,649 | 43,969 |
| 1965. | 4,359 | 1,962 | 2,395 | 35,220 | 1.803 | 33,417 |  |  |  |  |  |  |  |
| 1966 | 4,671 | 2,005 | 2,665 | 34,829 | 2,971 | 31,858 | 1971-Jan... | 487 | 242 | 245 | 50,251 | 3,663 | 46,588 |
| 1967 | 4,670 | 2,745 | 1,927 | 44,701 | 2,566 | 42,135 | Feb.. | 349 468 | 322 425 | 27 43 | 51,300 53,618 | 3,600 3,328 | 47,700 50,290 |
| 1968 | 6,820 | 3,841 | 2,979 | 52,677 | 3,187 | 49,490 | Apr... | 547 | 394 | 153 | 55,883 | 3,046 | 52,837 |
| 1969 | 6,717 | 3,661 | 3,056 | 48,291 | 3,846 | 44,445 |  |  |  |  |  |  |  |

1 Includes contractual and regular single purchase sales, voluntary and contractual accumulation plan sales, and reinvestment of investment income dividends; excludes reinvestment of realized capital gains dividends.
${ }^{2}$ Market value at end of period less current liabilities.
${ }^{3}$ Cash and deposits, receivables, all U.S. Govt. securities, and other short-term debt securities, less current liabilities.

Note.-Investment Company Institute data based on reports of members, which comprise substantially all open-end investment companies registered with the Securities and Exchange Commission. Data reflect newly formed companies after their initial offering of securities.
(In millions of dollars)


[^48]profits before taxes are partly estimated by the Federal Reserve to include affiliated nonelectric operations.

Telephone: Data obtained from Federal Communications Commission on revenues and profits for telephone operations of the Bell System Consolidated (including the 20 operating subsidiaries and the Long Lines and General Depts. of American Telephone and Telegraph Co.) and for two affiliated telephone companies. Dividends are for the 20 operating subsidiaries and the two affiliates.
All series: Profits before taxes are income after all charges and before Federal income taxes and dividends.

Back data available from the Division of Research and Statistics.

CORPORATE PROFITS, TAXES, AND DIVIDENDS
(In billions of dollars)

| Year | Profits before taxes | Income taxes | Profits after taxes | Cash dividends | Undistributed profits | Corporate capital consumption allowances ${ }^{1}$ | Quarter | Profits before taxes | $\begin{aligned} & \text { In- } \\ & \text { come } \end{aligned}$ | Profits after taxes | Cash dividends | Undistributed profits | Corporate capital consumption allowances 1 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 1963 | 59.4 | 26.3 | 33.1 | 16.5 | 16.6 | 31.8 | 1969-III. . . | 89.9 | 42.1 | 47.9 | 25.0 | 22.9 | 50.1 |
| 1964 | 66.8 | 28.3 | 38.4 | 17.8 | 20.6 | 33.9 | IV... | 88.5 | 41.4 | 47.1 | 25.2 | 21.9 | 51.0 |
| 1965 | 77.8 | 31.3 | 46.5 | 19.8 | 26.7 | 36.4 |  |  |  |  |  |  |  |
| 1966 | 84.2 | 34.3 | 49.9 | 20.8 | 29.1 | 39.5 | 1970 -I | 82.6 | 38.0 | 44.6 | 25.2 | 19.4 | 52.0 |
|  |  |  |  |  |  |  |  | 82.0 | 38.1 | 43.9 | 25.1 | 18.8 | 53.0 |
| 1967. | 79.8 | 33.2 | 46.6 | 21.4 | 25.3 | 43.0 | III... | 84.4 | 38.9 | 45.4 | 25.4 | 20.0 | 54.0 |
| 1968. | 88.7 | 40.6 | 48.2 | 23.3 | 24.9 | 46.5 | IV... | 76.3 | 34.8 | 41.4 | 25.1 | 16.3 | 55.0 |
| 1969. | 91.2 | 42.7 | 48.5 | 24.7 | 23.9 | 49.8 |  |  |  |  |  |  |  |
| 1970. | 81.3 | 37.5 | 43.8 | 25.2 | 18.6 | 53.5 | 1971-1p. | 86.4 | 38.9 | 47.5 | 25.8 | 21.7 | 56.2 |

1 Includes depreciation, capital outlays charged to current accounts, and accidental damages. adjusted annual rates.

## CURRENT ASSETS AND LIABILITIES OF CORPORATIONS

(In billions of dollars)

| End of period | Net working capital | Current assets |  |  |  |  |  |  | Current liabilities |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | Total | Cash | U.S. securities | Notes and accts. receivable |  | Inventories | Other | Total | Notes and accts. payable |  | Accrued Federal income taxes | Other |
|  |  |  |  |  | $\begin{aligned} & \text { U.S. } \\ & \text { Govt. } \end{aligned}$ | Other |  |  |  | U.S. Govt. ${ }^{1}$ | Other |  |  |
| 1963. | 163.5 | 351.7 | 46.5 | 20.2 | 3.6 | 156.8 | 107.0 | 17.8 | 188.2 | 2.5 | 130.4 | 16.5 | 38.7 |
| 1964. | 170.0 | 372.2 | 47.3 | 18.6 | 3.4 | 169.9 | 113.5 | 19.6 | 202.2 | 2.7 | 140.3 | 17.0 | 42.2 |
| 1965. | 180.7 | 410.2 | 49.9 | 17.0 | 3.9 | 190.2 | 126.9 | 22.3 | 229.6 | 3.1 | 160.4 | 19.1 | 46.9 |
| 1966. | 188.2 | 442.6 | 49.3 | 15.4 | 4.5 | 205.2 | 143.1 | 25.1 | 254.4 | 4.4 | 179.0 | 18.3 | 52.8 |
| 1967. | 198.9 | 470.4 | 54.1 | 12.7 | 5.1 | 216.0 | 153.4 | 29.0 | 271.4 | 5.8 | 190.6 | 14.1 | 60.8 |
| 1968. | 212.0 | 513.8 | 58.0 | 14.2 | 5.1 | 237.1 | 165.8 | 33.6 | 301.8 | 6.4 | 209.8 | 16.4 | 69.1 |
| 1969-II. | 215.6 | 534.5 | 55.4 | 13.5 | 4.8 | 248.6 | 175.2 | 36.9 | 318.9 | 7.2 | 220.1 | 15.0 | 76.5 |
| III. | 213.8 | 544.7 | 53.9 | 12.4 | 4.6 | 256.3 | 180.0 | 37.4 | 330.9 | 7.5 | 227.9 | 15.9 | 79.6 |
| IV. | 213.2 | 555.9 | 54.9 | 12.7 | 4.8 | 261.0 | 184.8 | 37.8 | 342.7 | 7.3 | 238.1 | 16.6 | 80.6 |
| 1970-I. | 213.3 | 561.0 | 52.9 | 12.5 | 4.7 | 264.5 | 188.0 | 38.5 | 347.7 | 7.2 | 238.4 | 18.0 | 84.2 |
| II. | 213.6 | 566.3 | 52.5 | 10.7 | 4.4 | 268.7 | 190.2 | 39.9 | 352.7 | 7.0 | 244.1 | 14.6 | 87.1 |
| III. | 214.0 | 567.6 | 53.7 | 9.3 | 4.2 | 270.0 | 191.8 | 38.5 | 353.6 | 6.8 | 243.0 | 15.4 | 88.3 |
| IV | 217.0 | 572.1 | 56.9 | 9.7 | 4.2 | 268.1 | 194.4 | 38.8 | 355.2 | 6.6 | 244.5 | 15.9 | 88.1 |

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

Note.-Securities and Exchange Commission estimates; excludes banks, savings and loan assns., insurance companies, and investment companies.

BUSINESS EXPENDITURES ON NEW PLANT AND EQUIPMENT

| (In billions of dollars) |  |  |  |  |  |  |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Period | Total | Manufacturing |  | Mining | Transportation |  |  | Public utilities |  | Communications | Other ${ }^{1}$ | $\begin{aligned} & \text { Total } \\ & \text { (S.A. } \\ & \text { A.R.) } \end{aligned}$ |
|  |  | Durable | Nondurable |  | Railroad | Air | Other | Electric | Gas and other |  |  |  |
| 1964. | 46.97 | 9.28 | 10.07 | 1.34 | 1.66 | 1.02 | 1.50 | 3.97 | 1.51 | 4.61 | 12.02 |  |
| 1965. | 54.42 | 11.50 | 11.94 | 1.46 | 1.99 | 1.22 | 1.68 | 4.43 | 1.70 | 5.30 | 13.19 | . . . |
| 1966. | 63.51 | 14.96 | 14.14 | 1.62 | 2.37 | 1.74 | 1.64 | 5.38 | 2.05 | 6.02 | 14.48 |  |
| 1967. | 65.47 | 14.06 | 14.45 | 1.65 | 1.86 | 2.29 | 1.48 | 6.75 | 2.00 | 6.34 | 14.59 |  |
| 1968. | 67.76 | 14.12 | 14.25 | 1.63 | 1.45 | 2.56 | 1.59 | 7.66 | 2.54 | 6.83 | 15.14 |  |
| 1969. | 75.56 | 15.96 | 15.72 | 1.86 | 1.86 | 2.51 | 1.68 | 8.94 | 2.67 | 8.30 | 16.05 |  |
| 1970. | 79.71 | 15.80 | 16.15 | 1.89 | 1.78 | 3.03 | 1.23 | 10.65 | 2.49 | 10.10 | 16.59 |  |
| $1971{ }^{2 r}$ | 81.85 | 14.67 | 15.93 | 1.99 | 1.73 | 1.82 | 1.45 | 12.89 | 2.43 | 11.23 | 17.71 |  |
| 1969-III. | 19.25 | 4.03 | 4.12 | . 47 | . 49 | . 53 | . 40 | 2.23 | . 80 | 2.11 | 4.07 | 77.84 |
| IV.. | 21.46 | 4.59 | 4.53 | . 49 | . 55 | . 64 | . 44 | 2.61 | . 62 | 2.39 | 4.60 | 77.84 |
| 1970-I. | 17.47 | 3.59 | 3.56 | . 45 | . 42 | . 73 | . 28 | 2.15 | . 39 | 2.14 | 3.76 | 78.22 |
| II. | 20.33 | 4.08 | 4.07 | . 47 | . 47 | . 80 | . 31 | 2.59 | .69 | 2.59 | 4.26 | 80.22 |
| III. | 20.26 | 3.87 | 4.12 | . 46 | . 46 | . 74 | . 30 | 2.79 | . 78 | 2.56 | 4.16 | 81.88 |
| IV. | 21.66 | 4.26 | 4.40 | . 50 | . 43 | . 76 | . 33 | 3.12 | . 63 | 2.81 | 4.42 | 78.63 |
| 1971-I. | 17.68 | 3.11 | 3.58 | . 49 | . 34 | . 34 | . 28 | 2.70 | . 41 | 2.50 | 3.94 | 79.32 |
| $\mathrm{II}^{2 r}$ | 20.80 | 3.68 | 3.98 | . 52 | . 50 | . 61 | . 41 | 3.30 | . 60 |  |  | 82.38 |
| III ${ }^{2}$ | 20.68 | 3.68 | 4.01 | . 49 | . 45 | . 36 | . 40 | 3.25 | . 77 |  |  | 82.83 |

${ }^{1}$ Includes trade, service, construction, finance, and insurance.
${ }_{2}$ Anticipated by business.

Note.-Dept. of Commerce and Securities and Exchange Commission estimates for corporate and noncorporate business; excludes agriculture real estate operators, medical, legal, educational, and cultural service, and nonprofit organizations.
(In billions of dollars)

| End of period | All properties |  |  |  | Farm |  |  | Nonfarm |  |  |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | $\begin{gathered} \text { All } \\ \text { hold- } \\ \text { ers } \end{gathered}$ | $\left\lvert\, \begin{gathered} \text { Finan- } \\ \text { cial } \\ \text { insti- } \\ \text { tutions } 1 \end{gathered}\right.$ | Other holders ${ }^{2}$ |  | All holders | $\begin{gathered} \text { Finan- } \\ \text { cial } \\ \text { insti- } \\ \text { tutions } 1 \end{gathered}$ | Other holders ${ }^{3}$ | All holders | 1- to 4-family houses ${ }^{4}$ |  |  | Multifamily and commercial properties ${ }^{5}$ |  |  | Mortgage type ${ }^{6}$ |  |
|  |  |  | U.S. agencies | Individuals and others |  |  |  |  | Total | Finan. institutions ${ }^{1}$ | Other holders | Total | Finan. institutions ${ }^{1}$ | Other holders | $\begin{gathered} \text { FHA- } \\ \text { VA- } \\ \text { under- } \\ \text { written } \end{gathered}$ | Con-ventional |
| 1941 | 37.6 | 20.7 | 4.7 | 12.2 | 6.4 | 1.5 | 4.9 | 31.2 | 18.4 | 11.2 | 7.2 | 12.9 | 8.1 | 4.8 | 3.0 | 28.2 |
| 1945 | 35.5 | 21.0 | 2.4 | 12.1 | 4.8 | 1.3 | 3.4 | 30.8 | 18.6 | 12.2 | 6.4 | 12.2 | 7.4 | 4.7 | 4.3 | 26.5 |
| 1964. | 300.1 | 241.0 | 11.4 | 47.7 | 18.9 | 7.0 | 11.9 | 281.2 | 197.6 | 170.3 | 27.3 | 83.6 | 63.7 | 19.9 | 77.2 | 204.0 |
| 1965. | 325.8 | 264.6 | 12.4 | 48.7 | 21.2 | 7.8 | 13.4 | 304.6 | 212.9 | 184.3 | 28.7 | 91.6 | 72.5 | 19.1 | 81.2 | 223.4 |
| 1966. | 347.4 | 280.8 | 15.8 | 50.9 | 23.3 | 8.4 | 14.9 | 324.1 | 223.6 | 192.1 | 31.5 | 100.5 | 80.2 | 20.3 | 84.1 | 240.0 |
| 1967 | 370.2 | 298.8 | 18.4 | 53.0 | 25.5 | 9.1 | 16.3 | 344.8 | 236.1 | 201.8 | 34.2 | 108.7 | 87.9 | 20.9 | 88.2 | 256.6 |
| 1968 | 397.5 | 319.9 | 21.7 | 55.8 | 27.5 | 9.7 | 17.8 | 370.0 | 251.2 | 213.1 | 38.1 | 118.7 | 97.1 | 21.6 | 92.8 | 277.2 |
| 1968-III. . | 389.8 | 313.5 | 21.1 | 55.1 | 27.2 | 9.6 | 17.5 | 362.6 | 247.0 | 209.7 | 37.3 | 115.6 | 94.1 | 21.5 | 92.0 | 270.6 |
| IV. . | 397.5 | 319.9 | 21.7 | 55.8 | 27.5 | 9.7 | 17.8 | 370.0 | 251.2 | 213.1 | 38.1 | 118.7 | 97.1 | 21.6 | 92.8 | 277.2 |
| 1969-I.... | 403.7 | 324.7 | 22.6 | 56.4 | 28.1 | 9.8 | 18.3 | 375.7 | 254.8 | 216.0 | 38.8 | 120.9 | 98.9 | 21.9 | 94.5 | 281.2 |
| II. . . | 411.7 | 331.0 | 23.4 | 57.1 | 28.8 | 10.1 | 18.7 | 382.9 | 259.5 | 219.9 | 39.5 | 123.4 | 101.0 | 22.4 | 96.6 | 286.3 |
| III. . | 418.7 | 335.7 | 24.9 | 58.1 | 29.2 | 10.1 | 19.1 | 389.5 | 263.4 | 222.5 | 40.9 | 126.0 | 103.1 | 22.9 | 98.5 | 291.0 |
| IV.. | 425.3 | 339.1 | 26.8 | 59.4 | 29.5 | 9.9 | 19.6 | 395.9 | 266.8 | 223.6 | 43.2 | 129.0 | 105.5 | 23.5 | 100.2 | 295.7 |
| 1970-1.... | 429.4 | 340.8 | 28.6 | 60.0 | 29.8 | 9.8 | 20.0 | 399.6 | 268.5 | 223.8 | 44.7 | 131.0 | 107.1 | 23.9 | 101.9 | 297.9 |
| IIr.. | 435.6 | 344.6 | 30.0 | 61.0 | 30.3 | 9.8 | 20.5 | 405.2 | 271.7 | 225.7 | 46.0 | 133.5 | 109.1 | 24.5 | 103.2 | 302.3 |
| III ${ }^{\text {r }}$. | 443.1 | 349.8 | 31.3 | 62.0 | 30.8 | 10.0 | 20.9 | 412.3 | 275.8 | 228.5 | 47.3 | 136.5 | 111.4 | 25.1 | 106.8 | 305.5 |
| IV ${ }^{\text {r. }}$ | 451.1 | 356.2 | 32.2 | 62.7 | 31.2 | 10.1 | 21.1 | 419.9 | 279.7 | 231.6 | 48.1 | 140.2 | 114.5 | 25.7 |  |  |

${ }^{1}$ Commercial banks (including nondeposit trust companies but not trust depts.), mutual savings banks, life insurance companies, and savings and loan assns.
2 U.S. agencies include former FNMA and, beginning fourth quarter 1968, new GNMA as well as FHA, VA, PHA, Farmers Home Admin., and in earlier years, RFC, HOLC, and FFMC. They also include U.S. sponsored agencies-new FNMA and Federal land banks. Other agencies (amounts small or current separate data not readily available) included with "individuals and others."
${ }^{3}$ Derived figures; includes debt held by Federal land banks and farm debt held by Farmers Home Admin.
4 For multifamily and total residential properties, see p. A-52.
$s$ Derived figures; includes small amounts of farm loans held by savings and loan assns.
6 Data by type of mortgage on nonfarm 1- to 4 -family properties alone are shown on p. A-52.

Note.-Based on data from Federal Deposit Insurance Corp., Federal Home Loan Bank Board, Institute of Life Insurance, Depts. of Agriculture and Commerce, Federal National Mortgage Assn., Federal Housing Admin., Public Housing Admin., Veterans Admin., and Comptroller of the Currency.
Figures for first three quarters of each year are F.R. estimates.

MORTGAGE LOANS HELD BY BANKS
(In millions of dollars)

| End of period | Commercial bank holdings 1 |  |  |  |  |  |  | Mutual savings bank holdings ${ }^{2}$ |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Total | Residential |  |  |  | Other nonfarm | Farm | Total | Residential |  |  |  | Other nonfarm | Farm |
|  |  | Total | FHA-insured | VA-guaranteed | Con-ventional |  |  |  | Total | FHA-insured | VA-guaranteed | Con-ventional |  |  |
| 1941. | 4,906 | 3,292 |  |  |  | 1,048 | 566 | 4,812 | 3,884 |  |  |  | 900 | 28 |
| 1945. | 4,772 | 3,395 |  |  |  | 856 | 521 | 4,208 | 3,387 |  |  |  | 797 | 24 |
| 1964. | 43,976 | 28,933 | 7,315 | 2,742 | 18,876 | 12,405 | 2,638 | 40,556 | 36,487 | 12,287 | 11,121 | 13,079 | 4,016 | 53 |
| 1965 | 49,675 | 32,387 | 7,702 | 2,688 | 21,997 | 14,377 | 2,911 | 44,617 | 40,096 | 13,791 | 11,408 | 14,897 | 4,469 | 52 |
| 1966 | 54,380 | 34,876 | 7,544 | 2,599. | 24,733 | 16,366 | 3,138 | 47,337 | 42,242 | 14,500 | 11,471 | 16,272 | 5,041 | 53 |
| 1967. | 59,019 | 37,642 | 7,709 | 2,696 | 27,237 | 17,931 | 3,446 | 50,490 | 44, 641 | 15,074 | 11,795 | 17,772 | 5,732 | 117 |
| 1968. | 65,696 | 41,433 | 7,926 | 2,708 | 30,800 | 20,505 | 3,758 | 53,456 | 46,748 | 15,569 | 12,033 | 19,146 | 6,592 | 117 |
| 1968-I. | 60,119 | 38,157 | 7,694 | 2,674 | 27,789 | 18,396 | 3,566 | 51,218 | 45,171 | 15,179 | 11,872 | 18,120 | 5,931 | 116 |
| II. | 61,967 | 39,113 | 7,678 | 2,648 | 28,787 | 19,098 | 3,756 | 51,793 | 45,570 | 15,246 | 11,918 | 18,406 | 6,108 | 115 |
| III. | 63,779 | 40,251 | 7,768 | 2,657 | 29,826 | 19,771 | 3,757 | 52,496 | 46,051 | 15,367 | 11,945 | 18,739 | 6,329 | 116 |
| IV. | 65,696 | 41,433 | 7,926 | 2,708 | 30,800 | 20,505 | 3,758 | 53,456 | 46,748 | 15,569 | 12,033 | 19,146 | 6,592 | 117 |
| 1969-I. | 67,146 | 42,302 | 7,953 | 2,711 | 31,638 | 20,950 | 3,894 | 54,178 | 47,305 | 15,678 | 12,097 | 19,530 | 6,756 | 117 |
| II. | 69,079 | 43,532 | 8,060 | 2,743 | 32,729 | 21,459 | 4,088 | 54,844 | 47,818 | 15,769 | 12,151 | 19,898 | 6,908 | 117 |
| III. | 70,336 | 44,331 | 8,065 | 2,793 | 33,470 | 21,924 | 4,081 | 55,359 | 48,189 | 15,813 | 12,169 | 20,207 | 7,053 | 117 |
| IV. | 70,705 | 44,573 | 7,960 | 2,663 | 33,950 | 22,113 | 4,019 | 56,138 | 48,682 | 15,862 | 12,166 | 20,654 | 7,342 | 114 |
| 1970-I. | 70,854 | 44,568 | 7,888 | 2,496 | 34,184 | 22,248 | 4,038 | 56,394 | 48,874 | 15,865 | 12,105 | 20,904 | 7,413 | 107 |
| II ${ }^{p}$ | 71,291 | 44,845 | 7,800 | 2,575 | 34,469 | 22,392 | 4,054 | 56,880 | 49,260 | 15,931 | 12,092 | 21,237 | 7,519 | 101 |
| III ${ }$ | 72, 393 | 45,318 | 7,885 | 2,583 | 34, 850 | 22, 825 | 4,250 | 57,402 | 49,628 | 16,017 | 12,127 | 21,654 | 7,671 | 103 |
| IV. | 73,275 | 45,640 | 7,919 | 2,589 | 35,131 | 23,284 | 4,351 | r57,948 | ${ }^{r} 49,937$ | 16,087 | 12,008 | 21,842 | 7,893 | 119 |

${ }^{1}$ Includes loans held by nondeposit trust companies, but not bank trust depts.
${ }^{2}$ Data for 1941 and 1945, except for totals, are special F.R. estimates.
Note.-Second and fourth quarters, Federal Deposit Insurance Corporation series for all commercial and mutual savings banks in the United

[^49](In millions of dollars)

| Period | Loans acquired |  |  |  |  |  | Loans outstanding (end of period) |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Total | Nonfarm |  |  |  | Farm | Total | Nonfarm |  |  |  | Farm |
|  |  | Total | FHA- | $\begin{aligned} & \text { VA- } \\ & \text { guar- } \\ & \text { anteed } \end{aligned}$ | Other 1 |  |  | Total | FHA- | $\begin{gathered} \text { VA- } \\ \text { guar- } \\ \text { anteed } \end{gathered}$ | Other |  |
| 1945. | 976 |  |  |  |  |  | 6,637 | 5,860 | 1,394 |  | 4,466 | 766 |
| 1962. | 7,478 | 6,859 | 1,355 | 469 | 5,035 | 619 | 46,902 | 43,502 | 10,176 | 6,395 | 26,931 | 3,400 |
| 1963 | 9,172 | 8,306 | 1,598 | 678 | 6,030 6,900 | 866 | 50,544 | 46,752 | 10,756 | 6,401 | 29,595 | 3,792 |
| 1965 | 11,137 | 9,988 | 1,812 | 674 553 | 6,900 7 | 1,047 1,149 | 55, 60,013 | 55, ${ }^{\text {548 }} 19$ | 11,484 12,068 | 6,403 | 32,961 36,836 | 4,304 |
| 1966. | 10,217 | 9,223 | 1,300 | 467 | 7,456 | 994 | 64,609 | 59,369 | 12,351 | 6,201 | 40,817 | 5,240 |
| 196 |  |  |  |  |  |  |  |  |  | 6,122 | 43,664 | 5,569 |
| 1968 |  | 7,153 | ${ }^{\text {r } 755}$ | 346 | -6,052 | r722 | 69,973 | 64,172 | r12,469 | 5,954 | -45,749 | 5,801 |
|  | 7,531 | 6,943 | 663 | 220 | 6,108 | 537 | 72,027 | 66,254 | 12,271 | 5,701 | 48,282 | 5,773 |
| 1970-Feb. ${ }^{\text {r }}$ |  |  |  |  |  |  |  |  |  |  |  |  |
| Mar... | 576 <br> 524 | 546 <br> 493 | 24 <br> 31 | 12 4 | 510 458 | 30 31 | 72,616 72 | 66,943 | [1,642 | 5,636 5,609 | 49, 665 | 5,673 5 5 |
| Apr. | 524 521 | 493 502 5 | 31 39 | $\stackrel{4}{9}$ | 458 454 4 | 31 19 | 72,793 | 67, 3220 | 11,660 | 5,583 | 49, 431 50,31 | 5,662 |
| June. | 549 | 522 | 25 | 5 | 492 | 27 | 73,165 | 67,498 | 11,569 | 5,556 | 50,373 | 5,667 |
| July. | 551 | 531 | 50 | 5 | 476 | 20 | 73,352 | 67,687 | 11,561 | 5,528 | 50,598 | 5,665 |
| Aug. | 472 | 458 | 31 31 | 8 | 419 | 14 | 73,427 | 67,767 | 11,526 | 5,499 | 50,742 | 5,660 |
| Oct. | 555 | 527 | 28 | 6 | 494 | 28 | 73,728 | 68,058 | 11,453 | 5,442 | 51,163 | 5,670 |
| Nov. | 553 | 533 | 37 | 6 | 490 | 20 | 73,848 | 68,189 | 11,436 | 5,416 | 51,337 | 5,659 |
| Dec. | 1,143 | 1,099 | 44 | 8 | 1,047 | 44 | 74,345 | 68,693 | 11,325 | 5,390 | 51,978 | 5,652 |

I Includes mortgage loans secured by land on which oil drilling or extracting operations are in process.

Note.-Institute of Life Insurance data. For loans acquired, the monthly figures may not add to annual totals; and for loans outstanding
the end-of-Dec. figures may differ from end-of-year figures because (1) monthly figures represent book value of ledger assets, whereas year-end figures represent annual statement asset values, and (2) data for year-end adjustnents are more complete. Beginning 1970 monthly and year-earlier data are on a statement balance basis.

## MORTGAGE ACTIVITY OF SAVINGS AND LOAN ASSOCIATIONS

(In millions of dollars)

| Period | Loans made |  |  | Loans outstanding (end of period) |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Total ${ }^{1}$ | New home con-struction | Home purchase | Total ${ }^{2}$ | FHA-insured | $\begin{aligned} & \text { VA- } \\ & \text { guar- } \end{aligned}$ anteed | Con-ventional |
| 1945 | 1,913 | 181 | 1,358 | 5,376 |  |  |  |
| 1963 | 25,173 | 7,185 | 10,055 | 90,944 | 4,696 | 6,960 | 79,288 |
| 196 | 24,913 | 6,638 | 10,538 | 101,333 | 4,894 | 6,683 | 89,756 |
| 1965 | 24,192 | 6,013 | 10,830 | 110,306 | 5,145 | 6,398 | 98,763 |
| 1966 | 16,924 | 3,653 | 7,828 | 114,427 | 5,269 | 6,157 | 103,001 |
| 1967 | 20,122 | 4,243 | 9,604 | 121,805 | 5,791 | 6,351 | 109,663 |
| 1968 | 21,983 | 4,916 | 11,215 | 130,802 | 6,658 | 7,012 | [17, 132 |
| 1969 | 21,847 | 4,757 | 11,254 | 140,347 | 7,917 | 7,658 | 124,772 |
| 1970 | 21,387 | 4,150 | 10,239 | 150,562 | 10,195 | 8,507 | 131,860 |
| 1970-Mar... | 1,262 | 284 325 | 585 | 140,766 | 8,092 | 7,677 | 124,997 |
| Apr... | 1,400 | 325 373 3 | 627 | 141,252 | 8,184 | 7,712 7,761 | 125,356 125,889 |
| June. | 2,086 | 398 | 1,017 | 143,103 | 8,579 | 7,862 | 126,662 |
| July... | 2,080 | 393 | 1,071 | 143, 103 | 8,579 | 7,862 | г127,403 |
| Aug... | 2,111 | 369 | 1,147 | 145,296 | 9,011 | 8,050 | -128,234 |
| Sept... | 2,183 | 388 | 1,100 | 146,418 | 9,224 | 8,115 | 129,079 |
| Oct. | 2,127 | 406 | 1,032 | 147,570 | 9,441 | 8,230 | 129,903 |
| Nov. | 1,972 | 355 | 919 | 148,896 | 9,226 | 8,336 | 130,794 |
| Dec.. | 2,474 | 416 | 968 | 150,560 | 10,195 | 8,507 | 131,860 |
| 1971-Jan. ${ }^{\text {r }}$. . | 1,667 | 307 | 752 | 151,503 | 10,473 | 8,673 | 132,357 |
| Feb. ${ }^{\text {r }}$. | 1,887 | 346 | 818 | 152,665 | 10,810 | 8,766 | 133,089 |
| Mar.. | 2,785 | 520 | 1,137 | 154,400 | 11,168 | 8,920 | 134,312 |

1 Includes loans for repairs, additions and alterations, refinancing, etc. not shown separately.

2 Beginning with 1958 , includes shares pledged against mortgage loans; beginning with 1966, includes junior liens and real estate sold on contract; and beginning with 1967, includes downward structural adjustment for change in universe.

FEDERAL HOME LOAN BANKS
(In millions of dollars)

| Period |
| ---: | ---: | ---: | ---: | ---: | ---: | ---: |

[^50]Note.-Federal Home Loan Bank Board data.
mORTGAGE DEBT OUTSTANDING ON RESIDENTIAL PROPERTIES
(In billions of dollars)

| End of period | All residential |  |  | Multifamily 1 |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Total | Financial institutions | Other holders | Total | Financial institutions | Other holders |
| 1941. | 24.2 | 14.9 | 9.4 | 5.9 | 3.6 | 2.2 |
| 1945. | 24.3 | 15.7 | 8.6 | 5.7 | 3.5 | 2.2 |
| 1963 | 211.2 | 176.7 | 34.5 | 29.0 | 20.7 | 8.3 |
| 1964. | 231.1 | 195.4 | 35.7 | 33.6 | 25.1 | 8.5 |
| 1965. | 250.1 | 213.2 | 36.9 | 37.2 | 29.0 | 8.2 |
| 1966. | 264.0 | 223.7 | 40.3 | 40.3 | 31.5 | 8.8 |
| 1967 p | 280.0 | 236.6 | 43.4 | 43.9 | 34.7 | 9.2 |
| 1968 p. | 298.6 | 250.8 | 47.8 | 47.3 | 37.7 | 9.6 |
| 1968-IV.. | 298.6 | 250.8 | 47.8 | 47.3 | 37.7 | 9.6 |
| 1969-I. | 303.0 | 254.4 | 48.6 | 48.3 | 38.4 | 9.9 |
| II. | 308.9 | 259.3 | 49.6 | 49.4 | 39.3 | 10.1 |
| IIII | 314.1 | 262.7 | 51.4 | 50.6 | 40.2 | 10.4 |
| IV. | 319.0 | 265.0 | 54.0 | 52.2 | 41.3 | 10.9 |
| 1970-I. | 321.7 | 265.9 | 55.8 | 53.2 | 42.9 | 10.3 |
| II. | 326.3 | 268.9 | 57.4 | 54.5 | 43.2 | 11.3 |
| III ${ }^{\text {p }}$ | 331.8 | 272.8 | 59.0 | 56.1 | 44.2 | 11.9 |
| $\mathrm{IV}^{p}$. | 337.6 | 277.3 | 60.3 | 57.9 | 45.7 | 12.2 |

1 Structures of five or more units.
Note.-Based on data from same source as for "Mortgage Debt Outstanding" table (second preceding page).

MORTGAGE DEBT OUTSTANDING ON NONFARM 1- to 4-FAMILY PROPERTIES
(In billions of dollars)

| End of period | Total | Governmentunderwritten |  |  | Con-ventional |
| :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | Total | FHA- in- sured | VA-guaranteed 1 |  |
| 1954 | 18.6 | 4.3 | 4.1 | 2 | 14.3 |
| 1963 | 182.2 | 65.9 | 35.0 | 30.9 | 116.3 |
| 1964 | 197.6 | 69.2 | 38.3 | 30.9 | 128.3 |
| 1965 | 212.9 | 73.1 | 42.0 | 31.1 | 139.8 |
| 1966 | 223.6 | 76.1 | 44.8 | 31.3 | 147.6 |
| $1967{ }^{\circ}$ | 236.1 | 79.9 | 47.4 | 32.5 | 156.1 |
| $1968{ }^{\text {p }}$. | 251.2 | 83.8 | 50.6 | 33.2 | 167.4 |
| 1968-I. | 239.1 | 81.0 | 48.1 | 32.9 | 158.1 |
| II. | 243.2 | 82.1 | 48.7 | 33.4 | 161.1 |
| III. | 247.0 | 83.2 | 49.6 | 33.6 | 163.8 |
| IV. | 251.2 | 84.4 | 50.6 | 33.8 | 166.8 |
| 1969-I. | 254.8 | 85.3 | 51.4 | 33.9 | 169.5 |
| II. | 259.5 | 87.1 | 52.2 | 34.9 | 172.3 |
| III. | 263.5 | 88.8 | 53.4 | 35.4 | 174.6 |
| IV. | 266.8 | 90.1 | 54.5 | 35.6 | 176.9 |
| 1970-I. | 268.5 | 91.6 | 55.6 | 36.0 | 177.1 |
| II. | 271.7 | 92.1 | 56.1 | 36.0 | 179.9 |
| III ${ }^{p}$. | 275.8 | 95.1 | 58.1 | 37.0 | 180.7 |
| IV ${ }^{p} . .$. | 279.7 | .... |  |  |  |

${ }^{1}$ Includes outstanding amount of VA vendee accounts held by private investors under repurchase agreement.

Note.-For total debt outstanding, figures are FHLBB and F.R. estimates. For conventional, figures are derived,
Based on data from FHLBB, Federal Housing Admin., and Veterans Admin.

GOVERNMENT-UNDERWRITTEN RESIDENTIAL LOANS MADE
(In millions of dollars)

| Period | FHA-insured |  |  |  |  | VA-guaranteed |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Total | Mortgages |  | Projects ${ }^{1}$ | Property im-provements ${ }^{2}$ | Total ${ }^{3}$ | Mortgages |  |
|  |  | New homes | Existing homes |  |  |  | ${ }_{\text {chew }}^{\text {New }}$ | $\begin{aligned} & \text { Ex- } \\ & \text { isting } \\ & \text { homes } \end{aligned}$ |
| 1945. | 665 | 257 | 217 | 20 | 171 | 192 |  |  |
| 1964. | 8,130 | 1,608 | 4,965 | 895 | 663 | 2,846 | 1,023 | 1,821 |
| 1965. | 8,689 | 1,705 | 5,760 | 591 | 634 | 2,652 | 876 | 1,774 |
| 1966 | 7,320 | 1,729 | 4,366 | 583 | 641 | 2,600 | 980 | 1,618 |
| 1967 | 7,150 | 1,369 | 4,516 | 642 | 623 | 3,405 | 1,143 | 2,259 |
| 1968 | 8,275 | 1,572 | 4,924 | 1,123 | 656 | 3,774 | 1,430 | 2,343 |
| 1969. | 9,129 | 1,551 | 5,570 | 1,316 | 693 | 4,072 | 1,493 | 2,579 |
| 1970. | 11,908 | 2,667 | 5,447 | 3,178 | 617 | 3,442 | 1,311 | 2,131 |
| 1970-May. | 943 | 176 | 351 | 367 | 48 | 238 | 98 | 140 |
| June. | 1,097 | 218 | 478 | 336 | 64 | 263 | 99 | 164 |
| July.. | 1,087 | 230 | 475 | 319 | 62 | 298 | 109 | 189 |
| Aug.. | 1,030 | 247 | 504 | 228 | 49 | 306 | 107 | 199 |
| Sept.. | 1,099 | 268 | 521 | 247 | 63 | 326 | 110 | 216 |
| Oct... | 1,218 | 304 | 564 | 292 | 57 | 341 | 117 | 224 |
| Nov.. | 1,055 | 273 | 497 | 240 | 45 | 318 | 106 | 212 |
| Dec. . | 1,286 | 280 | 472 | 484 | 50 | 316 | 109 | 207 |
| 1971-Jan. . | 1,015 | 295 | ${ }^{p} 476$ | 202 | 41 | 297 | 102 | 195 |
| Feb.. | , 951 | 284 | $p 450$ | 184 | 32 | 256 | 90 | 166 |
| Mar. | 1,095 | 318 | ${ }^{2} 531$ | 199 | 46 |  |  |  |
| Apr. ${ }^{p}$ | 1,136 | 293 | ${ }^{p} 467$ | 330 | 47 |  |  |  |

1 Monthly figures do not reflect mortgage amendments included in annual totals.
2 Not ordinarily secured by mortgages.
${ }^{3}$ Includes a small amount of alteration and repair loans, not shown separately; only such loans in amounts of more than $\$ 1,000$ need be secured.

Note.-Federal Housing Admin. and Veterans Admin. data. FHA-insured loans represent gross amount of insurance written; VA-guaranteed loans, gross amounts of loans closed. Figures do not take into account principal repayments on previously insured or guaranteed loans. For VA-guaranteed loans, amounts by type are derived from data on number and average amount of loans closed.

DELINQUENCY RATES ON HOME MORTGAGES
(Per 100 mortgages held or serviced)

| End of period | Loans not in foreclosure but delinquent for- |  |  |  | Loans in foreclosure |
| :---: | :---: | :---: | :---: | :---: | :---: |
|  | Total | 30 days | 60 days | 90 days or more |  |
| 1963. | 3.30 | 2.32 | . 60 | . 38 | . 34 |
| 1964. | 3.21 | 2.35 | . 55 | . 31 | . 38 |
| 1965. | 3.29 | 2.40 | . 55 | . 34 | . 40 |
| 1966. | 3.40 | 2.54 | . 54 | . 32 | . 36 |
| 1967. | 3.47 | 2.66 | . 54 | . 27 | . 32 |
| 1968. | 3.17 | 2.43 | . 51 | . 23 | . 26 |
| 1969. | 3.22 | 2.43 | . 52 | . 27 | . 27 |
| 1966-IV. | 3.40 | 2.54 | . 54 | . 32 | . 36 |
| 1967-I. | 3.04 | 2.17 | . 56 | . 31 | . 38 |
|  | 2.85 | 2.14 | . 45 | . 26 | . 34 |
| III. | 3.15 | 2.36 | . 52 | . 27 | . 31 |
| IV. | 3.47 | 2.66 | . 54 | . 27 | . 32 |
| 1968-I. | 2.84 | 2.11 | . 49 | . 24 | . 32 |
| II. | 2.89 | 2.23 | . 44 | . 22 | . 28 |
| III. | 2.93 | 2.23 | . 48 | . 22 | . 26 |
| IV. | 3.17 | 2.43 | . 51 | . 23 | . 26 |
| 1969--I. | 2.77 | 2.04 | . 49 | . 24 | . 26 |
| II | 2.68 | 2.06 | . 41 | . 21 | . 25 |
| III | 2.91 | 2.18 | . 47 | . 26 | . 25 |
| IV. | 3.22 | 2.43 | . 52 | . 27 | . 27 |
| 1970-I..... | 2.96 | 2.14 | . 52 | . 30 | .31 |
|  | 2.83 | 2.10 | . 45 | . 28 | . 31 |
| III. | 3.10 | 2.26 | . 53 | . 31 | . 25 |
| IV..... | 3.64 | 2.67 | . 61 | . 36 | . 33 |

Note.-Mortgage Bankers Association of America data from reports on 1- to 4-family FHA-insured, VA-guaranteed, and conventional mortgages held by more than 400 respondents, including mortgage bankers (chiefly), commercial banks, savings banks, and savings and loan associations.

## GOVERNMENT NATIONAL MORTGAGE ASSOCIATION ACTIVITY

(In millions of dollars)

| End of period | Mortgage holdings |  |  | Mortgage transactions (during period) |  | Mortgage commitments |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Total | $\begin{aligned} & \text { FHA- } \\ & \text { in- } \\ & \text { sured } \end{aligned}$ | VAanteed |  |  | Made during period | Out standing |
|  |  |  |  | Purchases | Sales |  |  |
| 1967 | 3,348 | 2,756 | 592 | 860 |  | 1,045 | 1,171 |
| 1968 | 4,220 | 3,569 | 651 | 1,089 | 1 | '867 | 1,266 |
| 1969. | 4,820 | 4,220 | 600 | 827 |  | 615 | 1,130 |
| 1970 | 5,184 | 4,634 | 550 | 621 |  | 897 | 738 |
| 1970-Feb... | 4,903 | 4,311 | 592 | 58 |  | 24 | 1,057 |
| Mar... | 4,938 | 4,350 | 588 | 53 |  | 95 | 1,014 |
| Apr... | 4,965 | 4,381 | 584 | 44 |  | 48 | 970 |
| May.. | 5,006 | 4,426 | 580 | 62 |  | 92 | 925 |
| June.. | 5,033 | 4,458 | 575 | 58 |  | 191 | 992 |
| Aug.. | 5,070 | 4,499 | 567 | 54 |  | 172 | 966 |
| Sept.. | 5,102 | 4,535 | 567 | 27 |  | 57 | 802 |
| Oct... | 5,132 | 4,573 | 559 | 46 |  | 42 | 775 |
| Nov.. | 5,141 | 4,587 | 554 | 35 |  | 42 | 776 |
| Dec. | 5,184 | 4,634 | 550 | 70 |  | 37 | 738 |
| 1971-Jan.... | 5,188 | 4,641 | 546 | 35 |  | 27 | 705 |
| Feb... | 5,213 | 4,670 | 543 | 38 |  | 21 | 682 |
| Mar... | 5,241 | 4,703 | 538 | 56 |  | 100 | 707 |

Note.-Government National Mortgage Assn. data. Data prior to Sept. 1968 relate to Special Assistance and Management and Liquidating portfolios of former FNMA and include mortgages subject to participation pool of Government Mortgage Liquidation Trust, but exclude conventional mortgage loans acquired by former FNMA from the RFC Mortgage Co., the Defense Homes Corp., the Public Housing Admin., and Com munity Facilities Admin.

FEDERAL NATIONAL MORTGAGE ASSOCIATION ACTIVITY
(In millions of dollars)

| End of period | Mortgage holdings |  |  | Mortgage transactions (during period) |  | Mortgage commitments |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Total | $\begin{aligned} & \text { FHA- } \\ & \text { in- } \\ & \text { sured } \end{aligned}$ | $\begin{gathered} \text { VA- } \\ \text { guar- } \end{gathered}$anteed |  |  | Made during period | Out standing |
|  |  |  |  | Purchases | Sales |  |  |
| 1967. | 5,522 | 4,048 | 1,474 | 1,400 | 12 | 1,736 | ${ }^{501}$ |
| 1968 | 7,167 | 5,121 | 2,046 | 1,944 |  | 2,697 | 1,287 |
| 1969 | 10,950 | 7,680 | 3,270 | 4,121 |  | 6,630 | 3,539 |
| 1970. | 15,502 | 11,071 | 4,431 | 5,078 |  | 8,047 | 5,202 |
| 1970-Mar... | 12,499 | 8,739 | 3,760 | 526 |  | 696 | 4,108 |
| Apr... | 12,949 | 9,069 | 3,880 | 485 |  | 592 | 4,152 |
| May.. | 13,287 | 9,324 | 3,962 | 374 |  | 817 | 4,510 |
| June.. | 13,658 | 9,610 | 4,047 | 434 |  | 712 | 4,709 |
| July... | 14,084 | 9,936 | 4,148 | 470 |  | 532 | 4,684 |
| Aug... | 14,452 | 10,218 | 4,234 | 413 |  | 718 | 4,834 |
| Sept... | 14,807 | 10,499 | 4,308 | 406 |  | 650 | 4,849 |
| Oct.... | 15,152 | 10,780 | 4,372 | 397 |  | 535 | 4,805 |
| Nov... | 15,396 | 10,981 | 4,416 | 294 |  | 541 | 4,930 |
| Dec. | 15,502 | 11,071 | 4,431 | 165 |  | 600 | 5,203 |
| 1971-Jan.... | 15,520 | 11,092 | 4,428 | 75 |  | 139 | 5,092 |
| Feb.. | 15,448 | 11,057 | 4,391 | 61 |  |  | 5,092 |
| Mar... | 15,420 |  |  |  |  |  |  |

Note.-Federal National Mortgage Assn. data. Data prior to Sept. 1968 relate to secondary market portfolio of former FNMA. Mortgage commitments made during the period include some multifamily and nonprofit hospital loan commitments in addition to 1- to 4 - family loan commitments accepted in FNMA's free market auction system.

HOME-MORTGAGE YIELDS
(In per cent)

| Period | Primary market (conventional loans) |  |  | Secondary market |
| :---: | :---: | :---: | :---: | :---: |
|  | FHLBB series (effective rate) |  | FHA series | Yield on FHAinsured new home loans |
|  |  |  | New homes |  |
|  | New homes | Existing homes |  |  |
| 1967. | 6.46 | 6.52 | 6.53 | 6.55 |
| 1968. | 6.97 | 7.03 | 7.12 | 7.21 |
| 1969. | 7.81 | 7.82 | 7.99 | 8.26 |
| 1970. | 8.44 | 8.35 | 8.52 | 9.05 |
| 1970-Apr.. | 8.41 | 8.34 | 8.55 | 9.10 |
| May. | 8.45 | 8.34 | 8.55 | 9.11 |
| June. | 8.48 | 8.36 | 8.55 | 9.16 |
| July. | 8.49 | 8.37 | 8.60 | 9.11 |
| Aug. | 8.52 | 8.41 | 8.60 | 9.07 |
| Sept. | 8.48 | 8.42 | 8.50 | 9.01 |
| Oct. | 8.51 | 8.35 | 8.50 | 8.97 |
| Nov. | 8.43 | 8.32 | 8.45 | 8.90 |
| Dec. | 8.38 | 8.26 | 8.30 | 8.40 |
| 1971-Jan. | 8.18 | 8.08 | 7.95 |  |
| Feb. | 7.91 | 7.80 | 7.75 |  |
| Mar. | 7.66 | 7.60 | 7.60 | 7.32 |
| Apr. | 7.48 | 7.47 | 7.55 | 7.37 |

Note.-Annual data are averages of monthly figures. The FHA data are based on opinion reports submitted by field offices on prevailing local conditions as of the first of the succeeding month. Yields on FHA-insured mortgages are derived from weighted averages of private secondary market prices for Sec. weighted averages of private secondary market prices for Sec.
203 , 30 -year mortgages with minimum downpayment and an assumed prepayment at the end of 15 years. Gaps in data are due to periods of adjustment to changes in maximum permissible contract interest rates. The FHA series on average contract interest rates on conventional first mortgages in primary markets are unweighted and are rounded to the nearest 5 basis points. The FHLBB effective rate series reflects fees and charges as well as contract rates (as shown in the table on conventional firstmortgage terms, p. A-35) and an assumed prepayment at end of 10 years

FEDERAL NATIONAL MORTGAGE ASSOCIATION ACTIVITY UNDER FREE MARKET SYSTEM

| $\begin{aligned} & \text { Date } \\ & \text { of } \\ & \text { auction } \end{aligned}$ | Mortgage amounts |  |  |  |  | Implicit yield, by commitment period (in months) |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Offered | Accepted |  |  |  | 3 | 6 | 12-18 |
|  |  | Total | By commitment period (in months) |  |  |  |  |  |
|  |  |  | 3 | 6 | 12-18 |  |  |  |
| 1970-Oct. ${ }_{19}^{5}$ | In millions of dotlars |  |  |  |  | In per cent |  |  |
|  | $\begin{aligned} & 267.5 \\ & 352.5 \end{aligned}$ | $\begin{aligned} & 149.8 \\ & 149.7 \end{aligned}$ | $\begin{aligned} & 62.2 \\ & 53.2 \end{aligned}$ | $\begin{aligned} & 73.1 \\ & 88.1 \end{aligned}$ | $\begin{array}{r} 14.5 \\ 8.4 \end{array}$ | $\begin{aligned} & 8.90 \\ & 8.89 \end{aligned}$ | $\begin{aligned} & 8.92 \\ & 8.90 \end{aligned}$ | $\begin{aligned} & 8.97 \\ & 8.95 \end{aligned}$ |
| Nov. 2.. | 341.5 | $\begin{aligned} & 181.2 \\ & 170.3 \end{aligned}$ | $\begin{array}{r} 100.0 \\ 75.8 \end{array}$ | $\begin{aligned} & 62.4 \\ & 79.4 \end{aligned}$ | $\begin{aligned} & 18.7 \\ & 15.1 \end{aligned}$ | $\begin{aligned} & 8.90 \\ & 8.89 \end{aligned}$ | $\begin{aligned} & 8.93 \\ & 8.90 \end{aligned}$ | $\begin{aligned} & 8.93 \\ & 8.92 \end{aligned}$ |
| 16.. | 222.4 |  |  |  |  |  |  |  |
| 1971-Jan. $\begin{array}{r}\text { Dec. } \\ \text { 14.. } \\ \text { 25.. }\end{array}$ | 166.5 | $\begin{aligned} & 127.8 \\ & 124.7 \end{aligned}$ | 54.742.1 | $\begin{aligned} & 60.9 \\ & 72.1 \end{aligned}$ | $\begin{aligned} & 12.2 \\ & 10.5 \end{aligned}$ | $\begin{aligned} & 8.56 \\ & 8.51 \end{aligned}$ | $\begin{aligned} & 8.54 \\ & 8.43 \end{aligned}$ | $\begin{aligned} & 8.57 \\ & 8.47 \end{aligned}$ |
|  | 165.1 |  |  |  |  |  |  |  |
|  | 44.1 | 35.5 | 9.9 | 25.6 | $\ldots$ | 7.82 | 7.96 | 8.40 |
| Feb. 8.. | 23.4 | 23.3 | 10.6 | 12.7 |  | 7.67 | 7.67 |  |
| Mar. 11. | 185.6 | 51.8 | 15.2 | 29.3 | 7.3 | 7.43 | 7.43 | 7.56 |
|  | 193.5 | 74.0 | 17.9 | 41.2 | 14.9 | 7.32 | 7.44 | 7.54 |
|  | 122.5 | 67.0 | 36.7 | 26.3 | 3.9 | 7.32 | 7.45 | 7.55 |
| $\text { Apr. } \begin{array}{r} 12 . . \\ 26 . . \end{array}$ | 126.9 | 54.6 | 39.8 | 9.4 | 5.4 | 7.32 | 7.45 | 7.53 |
|  | 687.2 | 313.9 | 154.0 | 126.6 | 33.4 | 7.43 | 7.54 | 7.57 |
| May $10 .$. | 1,168.0 | 236.8 | 145.7 | 71.3 | 19.7 | 7.57 | 7.68 | 7.74 |
|  | 785.7 | 151.6 | 44.6 | 84.4 | 22.5 | 7.95 | 7.97 | 8.03 |
| June 1.. | 322.4 | 146.6 | 77.1 | 57.8 | 11.6 | 8.05 | 8.18 | 8.16 |

Note.-Implicit secondary market yields are gross-before deduction of 38-basis-point fee paid for mortgage servicing. They reflect the average accepted bid yield for Govt,-underwritten mortgages after adjustment by Federal Reserve to allow for FNMA commitment fees and FNMA stock purchase and holding requirements, assuming a prepayment period of 15 years for 30 -year loans. Commitments for $12-18$ months are for new homes only.
total CREDIT
(In millions of dollars)

| End of period | Total | Instalment |  |  |  |  | Noninstalment |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | Total | Automobile paper |  | Repair and modernization loans ${ }^{1}$ | Personal loans | Total | Singlepayment loans | Charge accounts | Service credit |
| 1939. | 7,222 | 4,503 | 1,497 | 1,620 | 298 | 1,088 | 2,719 | 787 | 1,414 | 518 |
| 1941. | 9,172 | 6,085 | 2,458 | 1,929 | 376 | 1,322 | 3,087 | 845 | 1,645 | 597 |
| 1945. | 5,665 | 2,462 | 455 | 816 | 182 | 1,009 | 3,203 | 746 | 1,612 | 845 |
| 1950. | 21,471 | 14,703 | 6,074 | 4,799 | 1,016 | 2,814 | 6,768 | 1,821 | 3,367 | 1,580 |
| 1955. | 38,830 | 28,906 | 13,460 | 7,641 | 1,693 | 6,112 | 9,924 | 3,002 | 4,795 | 2,127 |
| 1960. | 56,141 | 42,968 | 17,658 | 11,545 | 3,148 | 10,617 | 13,173 | 4,507 | 5,329 | 3,337 |
| 1965. | 90,314 | 71,324 | 28,619 | 18,565 | 3,728 | 20,412 | 18,990 | 7,671 | 6,430 | 4,889 |
| 1966 | 97,543 | 77,539 | 30,556 | 20,978 | 3,818 | 22,187 | 20,004 | 7,972 | 6,686 | 5,346 |
| 1967. | 102,132 | 80,926 | 30,724 | 22,395 | 3,789 | 24,018 | 21,206 | 8,428 | 6,968 | 5,810 |
| 1968. | 113,191 | 89,890 | 34,130 | 24,899 | 3,925 | 26,936 | 23,301 | 9,138 | 7,755 | 6,408 |
| 1969 | 122,469 | 98,169 | 36,602 | 27,609 | 4,040 | 29,918 | 24,300 | 9,096 | 8,234 | 6,970 |
| 1970 | 126,802 | 101,161 | 35,490 | 29,949 | 4,110 | 31,612 | 25,641 | 9,484 | 8,850 | 7,307 |
| 1970-Apr. | 120,402 | 97,104 | 36,264 | 26,850 | 3,960 | 30,030 | 23,298 | 9,102 | 6,900 | 7,296 |
| May | 121,346 | 97,706 | 36,455 | 27,055 | 4,003 | 30,193 | 23,640 | 9,159 | 7,273 | 7,208 |
| June | 122,542 | 98,699 | 36,809 | 27,303 | 4,040 | 30,547 | 23,843 | 9,239 | 7,473 | 7,131 |
| July. | 123,092 | 99,302 | 36,918 | 27,538 | 4,081 | 30,765 | 23,790 | 9,254 | 7,509 | 7,027 |
| Aug. | 123,655 | 99,860 | 36,908 | 27,801 | 4,104 | 31,047 | 23,795 | 9,294 | 7,508 | 6,993 |
| Sept. | 123,907 | 100,142 | 36,738 | 28,055 | 4,123 | 31,226 | 23,765 | 9,316 | 7,489 | 6,960 |
| Oct. | 123,866 123,915 | 99,959 99 | 36,518 | 28,152 | 4,126 | 31,163 | 23,907 | 9,313 | 7,656 | 6,938 |
| Dec. | 126,802 | 101,161 | 35,490 | 29,949 | 4,110 | 31,612 | 25,641 | 9,484 | 8,850 | 7,307 |
| 1971-Jan. | 125,077 | 100,101 | 35,004 | 29,575 | 4,067 | 31,455 | 24,976 | 9,480 | 8,094 | 7,402 |
| Feb | 123,815 | 99,244 | 34,869 | 28,928 | 4,051 | 31,396 | 24,571 | 9,506 | 7,353 | 7,712 |
| Mar. | 123,604 | 99,168 | 35,028 | 28,591 | 4,045 | 31,504 | 24,436 | 9,557 | 7,207 | 7,672 |
| Apr | 125,047 | 100,028 | 35,496 | 28,682 | 4,077 | 31,773 | 25,019 | 9,676 | 7,689 | 7,654 |

${ }^{1}$ Holdings of financial institutions; holdings of retail outlets are included in "other consumer goods paper."

Note.-Consumer credit estimates cover loans to individuals for house-
hold, family, and other personal expenditures, except real estate mortgage loans. For back figures and description of the data, see "Consumer Credit," Section 16 (New) of Supplement to Banking and, Monetary Statistics, 1965, and pp. 983-1003 of the BuLletin for Dec. 1968.

## INSTALMENT CREDIT

(In millions of dollars)

| End of period | Total | Financial institutions |  |  |  |  | Retail outlets |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | Total | Commercial banks | Finance cos. 1 | Credit unions | Miscellaneous lenders 1 | Total | Automobile dealers ${ }^{2}$ | Other retail outlet |
| 1939. | 4,503 | 3,065 | 1,079 | 1,836 | 132 | 18 | 1,438 | 123 | 1,315 |
| 1941 | 6,085 | 4,480 | 1,726 | 2,541 | 198 | 15 | 1,605 | 188 | 1,417 |
| 1945. | 2,462 | 1,776 | '745 | 2,910 | 102 | 19 | 686 | 28 | 658 |
| 1950. | 14,703 | 11,805 | 5,798 | 5,315 | 590 | 102 | 2,898 | 287 | 2,611 |
| 1955. | 28,906 | 24,398 | 10,601 | 11,838 | 1,678 | 281 | 4,508 | 487 | 4,021 |
| 1960 | 42,968 | 36,673 | 16,672 | 15,435 | 3,923 | 643 | 6,295 | 359 | 5,936 |
| 1965. | 71,324 | 61,533 | 28,962 | 24,282 | 7,324 | 965 | 9,791 | 315 | 9,476 |
| 1966. | 77,539 | 66,724 | 31,319 | 26,091 | 8,255 | 1,059 | 10,815 | 277 | 10,538 |
| 1967. | 80,926 | 69,490 | 32,700 | 26,734 | 8,972 | 1,084 | 11,436 | 285 | 11,151 |
| 1968. | 89,890 | 77,457 | 36,952 | 29,098 | 10,178 | 1,229 | 12,433 | 320 | 12,113 |
| 1969. | 98,169 | 84,982 | 40,305 | 31,734 | 11,594 | 1,349 | 13,187 | 336 | 12,851 |
| 1970. | 101,161 | 87,064 | 41,895 | 31,123 | 12,500 | 1,546 | 14,097 | 327 | 13,770 |
| 1970-Apr. | 97,104 | 84, 802 | 40,245 | 31,537 | 11,644 | 1,376 | 12,302 | 332 | 11,970 |
| May. | 97,706 | 85,335 | 40,515 | 31,595 | 11,778 | 1,447 | 12,371 | 333 | 12,038 |
| June. | 98,699 | 86,311 | 40,979 | 31,862 | 12,030 | 1,440 | 12,388 | 336 | 12,052 |
| July. | 99,302 | 86,876 | 41,703 | 31,561 | 12,141 | 1,471 | 12,426 | 337 | 12,089 |
| Aug. | 99,860 | 87,315 | 41,934 | 31,588 | 12,292 | 1,501 | 12,545 | 337 | 12,208 |
| Sept. | 100,142 | 87,471 | 42,051 | 31,510 | 12,409 | 1,501 | 12,671 | 337 | 12,334 |
| Oct. | 99,959 | 87,243 | 42,010 | 31,309 | 12,422 | 1,502 | 12,716 | 335 | 12,381 |
| Nov. | 99,790 | 86,820 | 41,740 | 31,081 | 12,438 | 1,561 | 12,970 | 332 | 12,638 |
| Dec.. | 101,161 | 87,064 | 41,895 | 31,123 | 12,500 | 1,546 | 14,097 | 327 | 13,770 |
| 1971-Jan.. | 100,101 | 86,308 | 41,611 | 30,791 | 12,353 | 1,553 | 13,793 | 324 | 13,469 |
| Feb. | 99,244 | 85,910 | 41,446 | 30,511 | 12,351 | 1,602 | 13,334 | 323 | 13,011 |
| Mar. | 99,168 | 86,015 | 41,563 | 30,326 | 12,509 | 1,617 | 13,153 | 325 | 12,828 |
| Apr. | 100,028 | 86,805 | 42,094 | 30,369 | 12,686 | 1,656 | 13,223 | 330 | 12,893 |

${ }^{1}$ Finance companies consist of those institutions formerly classified as sales finance, consumer finance, and other finance companies. Miscellaneous lenders include savings and loan associations and mutual savings banks.
${ }^{2}$ Automobile paper only; other instalment credit held by automobile dealers is included with "other retail outlets."
See also Note to table above.

INSTALMENT CREDIT HELD BY COMMERCIAL BANKS
(In millions of dollars)

| End of period | Total | Automobile paper |  | Other consumer goods paper | Repair and modernization loans | Personal loans |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | Purchased | Direct |  |  |  |
| 1939. | 1,079 | 237 | 178 | 166 | 135 | 363 |
| 1941 | 1,726 | 447 | 338 | 309 | 161 | 471 |
| 1945 | 745 | 66 | 143 | 114 | 110 | 312 |
| 1950. | 5,798 | 1,177 | 1,294 | 1,456 | 834 | 1,037 |
| 1955. | 10,601 | 3,243 | 2,062 | 2,042 | 1,338 | 1,916 |
| 1960. | 16,672 | 5,316 | 2,820 | 2,759 | 2,200 | 3,577 |
| 1965 | 28,962 | 10,209 | 5,659 | 4,166 | 2,571 | 6,357 |
| 1966 | 31,319 | 11,024 | 5,956 | 4,681 | 2,647 | 7,011 |
| 1967. | 32,700 | 10,927 | 6,267 | 5,126 | 2,629 | 7,751 |
| 1968. | 36,952 | 12,213 | 7,105 | 6,060 | 2,719 | 8,855 |
| 1969. | 40,305 | 12,784 | 7,620 | 7,415 | 2,751 | 9,735 |
| 1970. | 41,895 | 12,433 | 7,587 | 8,633 | 2,760 | 10,482 |
| 1970-Apr | 40,245 | 12,550 | 7,598 | 7,568 | 2,685 | 9,844 |
| May. | 40,515 | 12,600 | 7,635 | 7,667 | 2,705 | 9,908 |
| June. | 40,979 | 12,680 | 7,722 | 7,828 | 2,731 | 10,018 |
| July . | 41,703 | 13,002 | 7,759 | 8,078 | 2,755 | 10,109 |
| Aug. | 41,934 | 12,981 | 7,748 | 8,183 | 2,770 | 10,252 |
| Sept. | 42,051 | 12,890 | 7,734 | 8,263 | 2,783 | 10,381 |
| Oct. | 42,010 | 12,824 | 7,730 | 8,286 | 2,785 | 10,385 |
| Nov | 41,740 | 12,628 | 7,654 | 8,299 | 2,779 | 10,380 |
| Dec. | 41,895 | 12,433 | 7,587 | 8,633 | 2,760 | 10,482 |
| 1971-Jan. | 41,611 | 12,253 | 7,530 | 8,613 | 2,727 | 10,488 |
| Feb. | 41,446 | 12,165 | 7,561 | 8,535 | 2,704 | 10,481 |
| Mar. | 41,563 | 12,147 | 7,667 | 8,499 | 2,692 | 10,558 |
| Apr. | 42,094 | 12,268 | 7,825 | 8,595 | 2,702 | 10,704 |

See Note to first table on preceding page.

INSTALMENT CREDIT HELD BY OTHER FINANCIAL LENDERS

| End of period | Total | Automobile paper | Other consumer goods paper | Repair and modernization loans | Personal loans |
| :---: | :---: | :---: | :---: | :---: | :---: |
| 1939. | 150 | 27 | 5 | 12 | 106 |
| 1941 | 213 | 47 | 9 | 11 | 146 |
| 1945 | 121 | 16 | 4 | 10 | 91 |
| 1950. | 692 | 159 | 40 | 102 | 391 |
| 1955 | 1,959 | 560 | 130 | 313 | 956 |
| 1960 | 4,566 | 1,460 | 297 | 775 | 2,034 |
| 1965. | 8,289 | 3,036 | 498 | 933 | 3,822 |
| 1966 | 9,314 | 3,410 | 588 | 980 | 4,336 |
| 1967 | 10,056 | 3,707 | 639 | 1,006 | 4,704 |
| 1968 | 11,407 | 4,213 | 727 | 1,093 | 5,374 |
| 1969 | 12,943 | 4,809 | 829 | 1,183 | 6,122 |
| 1970 | 14,046 | 5,202 | 898 | 1,256 | 6,690 |
| 1970-Apr. | 13,020 | 4,835 | 834 | 1,174 | 6,177 |
| May | 13,225 | 4,897 | 845 | 1,199 | 6,284 |
| June | 13,470 | 4,998 | 863 | 1,211 | 6,398 |
| July. | 13,612 | 5,049 | 872 | 1,230 | 6,461 |
| Aug. | 13,793 | 5,110 | 881 | 1,240 | 6,562 |
| Sept. | 13,910 | 5,158 | 890 | 1,246 | 6,616 |
| Oct. | 13,924 | 5,164 | 891 | 1,247 | 6,622 |
| Nov | 13,999 | 5,171 | 893 | 1,260 | 6,675 |
| Dec | 14,046 | 5,202 | 898 | 1,256 | 6,690 |
| 1971-Jan.. | 13,906 | 5,143 | 888 | 1,247 | 6,628 |
| Feb. | 13,953 | 5,148 | 889 | 1,254 | 6,662 |
| Mar. | 14,126 | 5,215 | 901 | 1,260 | 6,750 |
| Apr..... | 14,342 | 5,292 | 914 | 1,277 | 6,859 |

Note.-Other financial lenders consist of credit unions and miscellaneous lenders.

INSTALMENT CREDIT HELD BY FINANCE COMPANIES
(In millions of dollars)

| End of period | Total | Automobile paper | Other consumer goods paper | Repair and modernization loans | Personal loans |
| :---: | :---: | :---: | :---: | :---: | :---: |
| 1939 | 1,836 | 932 | 134 | 151 | 619 |
| 1941 | 2,541 | 1,438 | 194 | 204 | 705 |
| 1945 | 910 | 202 | 40 | 62 | 606 |
| 1950 | 5,315 | 3,157 | 692 | 80 | 1,386 |
| 1955 | 11,838 | 7,108 | 1,448 | 42 | 3,240 |
| 1960 | 15,435 | 7,703 | 2,553 | 173 | 5,006 |
| 1965 | 24,282 | 9,400 | 4,425 | 224 | 10,233 |
| 1966 | 26,091 | 9,889 | 5,171 | 191 | 10,840 |
| 1967 | 26,734 | 9,538 | 5,479 | 154 | 11,563 |
| 1968 | 29,098 | 10,279 | 5,999 | 113 | 12,707 |
| 1969 | 31,734 | 11,053 | 6,514 | 106 | 14,061 |
| 1970 | 31,123 | 9,941 | 6,648 | 94 | 14,440 |
| 1970-Apr. | 31,537 | 10,949 | 6,478 | 101 | 14,009 |
| May | 31,595 | 10,990 | 6,505 | 99 | 14,001 |
| June | 31, 862 | 11,073 | 6,560 | 98 | 14,131 |
| July. | 31,561 | 10,771 | 6,499 | 96 | 14,195 |
| Aug. | 31,588 | 10,732 | 6,529 | 94 | 14,233 |
| Sept. | 31,510 | 10,619 | 6,568 | 94 | 14,229 |
| Oct. | 31,309 | 10,465 | 6,594 | 94 | 14,156 |
| Nov. | 31,081 | 10,226 | 6,548 | 94 | 14,213 |
| Dec. | 31,123 | 9,941 | 6,648 | 94 | 14,440 |
| 1971-Jan. | 30,791 | 9,754 | 6,605 | 93 | 14,339 |
| Feb. | 30,511 | 9,672 | 6,493 | 93 | 14,253 |
| Mar. | 30,326 | 9,674 | 6,363 | 93 | 14,196 |
| Apr. | 30,369 | 9,781 | 6,280 | 98 | 14,210 |

Note.-Finance companies consist of those institutions formerly classified as sales finance, consumer finance, and other finance companies.

## NONINSTALMENT CREDIT

(In millions of dollars)

| End of period | Total | Singlepayment loans |  | Charge accounts |  | Service credit |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | Com-mercial banks | Other financial institutions | Retail outlets | Credit cards ${ }^{1}$ |  |
| 1939. | 2,719 | 625 | 162 | 1,414 |  | 518 |
| 1941 | 3,087 | 693 | 152 | 1,645 |  | 597 |
| 1945. | 3,203 | 674 | 72 | 1,612 |  | 845 |
| 1950 | 6,768 | 1,576 | 245 | 3,291 | 76 | 1,580 |
| 1955. | 9,924 | 2,635 | 367 | 4,579 | 216 | 2,127 |
| 1960. | 13,173 | 3,884 | 623 | 4,893 | 436 | 3,337 |
| 1965. | 18,990 | 6,690 | 981 | 5,724 | 706 | 4,889 |
| 1966. | 20,004 | 6,946 | 1,026 | 5,812 | 874 | 5,346 |
| 1967. | 21,206 | 7,340 | 1,088 | 5,939 | 1,029 | 5,810 |
| 1968. | 23,301 | 7,975 | 1,163 | 6,450 | 1,305 | 6,408 |
| 1969. | 24,300 | 7,900 | 1,196 | 6,650 | 1,584 | 6,970 |
| 1970. | 25,641 | 8,205 | 1,279 | 6,932 | 1,918 | 7,307 |
| 1970-Apr.... | 23,298 | 7,892 | 1,210 | 5,289 | 1,611 | 7,296 |
| May... | 23,640 | 7,925 | 1,234 | 5,633 | 1,640 | 7,208 |
| June... | 23,843 | 8,005 | 1,234 | 5,765 | 1,708 | 7,131 |
| July . | 23,790 | 8,005 | 1,249 | 5,727 | 1,782 | 7,027 |
| Aug... | 23,795 | 8,041 | 1,253 | 5,664 | 1,844 | 6,993 |
| Sept... | 23,765 | 8,062 | 1,254 | 5,617 | 1,872 | 6,960 |
| Oct. | 23,907 | 8,059 | 1,254 | 5,797 | 1,859 | 6,938 |
| Nov. | 24,125 | 8,071 | 1,274 | 5,884 | 1,873 | 7,023 |
| Dec.. | 25,641 | 8,205 | 1,279 | 6,932 | 1,918 | 7,307 |
| 1971-Jan. | 24,976 | 8,196 | 1,284 | 6,144 | 1,950 | 7,402 |
| Feb. | 24,571 | 8,205 | 1,301 | 5,435 | 1,918 | 7,712 |
| Mar.... | 24,436 | 8,249 | 1,308 | 5,316 | 1,891 | 7,672 |
| Apr.... | 25,019 | 8,350 | 1,326 | 5,774 | 1,915 | 7,654 |

[^51]INSTALMENT CREDIT EXTENDED AND REPAID, BY TYPE OF CREDIT
(In millions of dollars)

| Period | Total |  | Automobile paper |  | Other consumer goods paper |  | Repair and modernization loans |  | Personal loans |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | S.A. ${ }^{1}$ | N.S.A. | S.A. ${ }^{1}$ | N.S.A. | S.A. ${ }^{1}$ | N.S.A. | S.A. ${ }^{1}$ | N.S.A. | S.A. ${ }^{1}$ | N.S.A. |
|  | Extensions |  |  |  |  |  |  |  |  |  |
| 1965. |  | 78,586 | ..... | 27,227 | . . . . . | 22,750 | . . | 2,266 |  | 26,343 |
| 1966. |  | 82,335 |  | 27,341 |  | 25,591 | , | 2,200 |  | 27,203 |
| 1967. |  | 84,693 |  | 26,667 |  | 26,952 | . . . . . | 2,113 |  | 28,961 |
| 1968. |  | 97,053 | . $\cdot$. | 31,424 | , | 30,593 | . . . . . . | 2,268 | . | 32,768 |
| 1969. |  | 102,888 |  | 32,354 |  | 33,079 |  | 2,278 |  | 35,177 |
| 1970. |  | 104,130 |  | 29,831 |  | 36,781 |  | 2,145 |  | 35,373 |
| 1970-Apr.. | 8,491 | 8,773 8,857 | 2,571 | 2,776 2,696 | 2,843 | 2,792 | 183 180 | 185 | 2,894 | 3,020 |
| May. | 8,004 | 8,857 9,534 | 2,595 | 2,696 | 3,183 2,925 | 3,008 | 180 189 | 1813 220 | 3,046 2,982 | 2,940 |
| July. | 9,065 | 9,497 | 2,685 | 2,952 | 3,124 | 3,141 | 192 | 220 | 3,064 | 3,184 |
| Aug. | 8,809 | 8,915 | 2,537 | 2,540 | 3,168 | 3,152 | 173 | 197 | 2,931 | 3,026 |
| Sept. | 8,849 | 8,580 | 2,621 | 2,402 | 3,071 | 3,097 | 186 | 194 | 2,971 | 2,887 |
| Oct. | 8,580 | 8,670 | 2,349 | 2,463 | 3,113 | 3,200 | 182 | 184 | 2,936 | 2,823 |
| Nov. | 8,414 | 8,271 | 2,127 | 2,006 | 3,113 | 3,147 | 180 | 176 | 2,994 | 2,942 |
| Dec. | 8,536 | 10,194 | 2,170 | 2,045 | 3,281 | 4,562 | 177 | 149 | 2,908 | 3,438 |
| 1971-Jan.. | 8,916 | 7,545 | 2,461 | 1,997 | 3,252 | 2,868 | 177 | 122 | 3,026 | 2,558 |
| Feb. | 9,081 | 7,489 | 2,687 | 2,336 | 3,204 | 2,431 | 197 | 155 | 2,993 | 2,567 |
| Apr........ | 9,533 | 9,575 | 2,897 | 3,074 | 3,210 | 3,076 | 209 | 197 | 3,217 | 3,228 |
|  | 9,751 | 10,079 | 2,872 | 3,100 | 3,415 | 3,363 | 205 | 219 | 3,259 | 3,397 |
|  | Repayments |  |  |  |  |  |  |  |  |  |
| 1965. |  | 69,957 | ..... | 23,543 | . . . . | 20,518 |  | 2,116 |  | 23,780 |
| 1966 |  | 76,120 | . | 25,404 | . ..... | 23,178 | . . . . . . | 2,110 | . $\cdot$. ${ }^{\text {a }}$ | 25,428 |
| 1967 |  | 81,306 | , | 26,499 | , | 25,535 |  | 2,142 |  | 27,130 |
| 1968 |  | 88,089 |  | 28,018 |  | 28,089 |  | 2,132 |  | 29,850 |
| 1969 |  | 94,609 |  | 29,882 |  | 30,369 |  | 2,163 |  | 32,195 |
| 1970 |  | 101,138 |  | 30,943 |  | 34,441 |  | 2,075 |  | 33,679 |
| 1970-Apr. | 8,195 | 8,331 | 2,527 | 2,600 | 2,729 | 2,756 | 173 | 176 | 2,766 | 2,799 |
| May. | 8,589 | 8,255 | 2,600 | 2,505 | 2,888 | 2,803 | 174 | 170 | 2,927 | 2,777 |
| June. | 8,242 | 8,541 | 2,573 | 2,669 | 2,750 | 2,771 | 174 | 183 | 2,745 | 2,918 |
| July. | 8,622 | 8,894 | 2,752 | 2,843 | 2,874 | 2,906 | 170 | 179 | 2,826 | 2,966 |
| Aug. | 8,577 | 8,357 | 2,632 | 2,550 | 2,967 | 2,889 | 175 | 174 | 2,803 | 2,744 |
| Sept. | 8,490 | 8,298 | 2,599 | 2,572 | 2,913 | 2,843 | 174 | 175 | 2,804 | 2,708 |
| Oct. | 8,662 | 8,853 | 2,550 | 2,683 | 3,036 | 3,103 | 179 176 | 181 169 | 2,897 | 2,886 |
| Nec. | 8,716 | 8,440 8,823 | 2,577 2,618 | 2,513 2,566 | 3,082 | 2,921 | 176 175 | 169 172 | 2,881 2,777 | 2,837 3,094 |
| 1971-Jan.. | 8,829 | 8,605 | 2,623 | 2,483 | 3,145 | 3,242 | 175 | 165 | 2,886 | 2,715 |
| Feb. | 8,979 | 8,346 | 2,636 | 2,471 | 3,212 | 3,078 | 188 | 171 | 2,943 | 2,626 |
| Mar. | 9,038 | 9,651 | 2,696 | 2,915 | 3,164 | 3,413 | 196 | 203 | 2,982 | 3,120 |
| Apr......... | 9,088 | 9,219 | 2,566 | 2,632 | 3,249 | 3,272 | 184 | 187 | 3,089 | 3,128 |
|  | Net change in credit outstanding ${ }^{2}$ |  |  |  |  |  |  |  |  |  |
| 1965. |  | 8,629 |  | 3,684 | .... | 2,232 |  | 150 |  | 2,563 |
| 1966. |  | 6,215 |  | 1,937 |  | 2,413 |  | 90 |  | 1,775 |
| 1967. |  | 3,387 |  | , 168 |  | 1,417 |  | -29 |  | 1,831 |
| 1968. |  | 8,964 |  | 3,406 |  | 2,504 |  | 136 |  | 2,918 |
| 1969. |  | 8,279 |  | 2,472 |  | 2,710 |  | 115 |  | 2,982 |
| 1970. |  | 2,992 |  | -1,112 |  | 2,340 |  | 70 |  | 1,694 |
| 1970-Apr. | 296 | 442 | 44 | 176 | 114 | 36 | 10 | 9 | 128 | 221 |
| May | 415 | 602 | -5 | 191 | 295 | 205 | 6 | 43 | 119 | 163 |
| June | 441 | 993 | 14 | 354 | 175 | 248 | 15 | 37 | 237 | 354 |
| July. | 443 | 603 | -67 | 109 | 250 | 235 | 22 | 41 | 238 | 218 |
| Aug. | 232 | 558 | -95 | -10 | 201 | 263 | $-2$ | 23 | 128 | 282 |
| Sept. | 359 | 282 | 22 | -170 | 158 | 254 | 12 | 19 | 167 | 179 |
| Oct. | -82 | -183 | -201 | -220 | 77 | 97 | 3 | 3 | 39 | -63 |
| Nov. | -302 | -169 | -450 | -507 | 31 | 226 | 4 | 7 | 113 | 105 |
| Dec. | 21 | 1,371 | -448 | -521 | 336 | 1,571 | 2 | -23 | 131 | 344 |
| 1971-Jan. | 87 | -1,060 | -162 | -486 | 107 | -374 | 2 | -43 | 140 | -157 |
| Feb. | 102 | -857 | 51 | -135 | -8 | -647 | 9 | -16 | 50 | -59 |
| Mar. | 495 | -76 | 201 | 159 | 46 | -337 | 13 | -6 | 235 | 108 |
| Apr. | 663 | 860 | 306 | 468 | 166 | 91 | 21 | 32 | 170 | 269 |

[^52]purchases and sales of instalment paper, and certain other transactions may increase the amount of extensions and repayments without affecting the amount outstanding
For back figures and description of the data, see "Consumer Credit," Section 16 (New) of Supplement to Banking and Monetary Statistics, 1965, and pp. 983-1003 of the Bulletin for Dec. 1968.
(In millions of dollars)

| Period | Total |  | Commercial banks |  | Finance companies |  | Other financial lenders |  | Retail outlets |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | S.A. ${ }^{1}$ | N.S.A. | S.A. ${ }^{1}$ | N.S.A. | S.A. ${ }^{1}$ | N.S.A. | S.A. 1 | N.S.A. | S.A. 1 | N.S.A. |
|  | Extensions |  |  |  |  |  |  |  |  |  |
| 1965. |  | 78,586 |  | 29,528 |  | 25,192 |  | 9,436 |  | 14,430 |
| 1966 |  | 82,335 |  | 30,073 | . $\cdot \cdot$ | 25,406 |  | 10,362 |  | 16,494 |
| 1967. |  | 84,693 |  | 30,850 |  | 25,496 |  | 10,911 |  | 17,436 |
| 1968. |  | 97,053 |  | 36,332 |  | 28,836 |  | 12,850 |  | 19,035 |
| 1969 |  | 102,888 |  | 38,533 |  | 30,854 |  | 14,245 |  | 19,256 |
| 1970. |  | 104,130 |  | 39,136 |  | 29,662 |  | 14,619 |  | 20,713 |
| 1970-Apr. | 8,491 | 8,773 | 3,208 | 3,450 | 2,502 | 2,581 | 1,198 | 1,229 | 1,583 | 1,513 |
| May. | 9,004 | 8,857 | 3,291 | 3,341 | 2,639 | 2,503 | 1,252 | 1,309 | 1,822 | 1,704 |
| June. | 8,683 | 9,534 | 3,262 | 3,643 | 2,616 | 2,912 | 1,233 | 1,407 | 1,572 | 1,572 |
| July. | 9,065 | 9,497 | 3,382 | 3,697 | 2,590 | 2,731 | 1,365 | 1,418 | 1,728 | 1,651 |
| Aug. | 8,809 | 8,915 | 3,308 | 3,385 | 2,427 | 2,416 | 1,235 | 1,318 | 1,839 | 1,796 |
| Sept. | 8,849 | 8,580 | 3,417 | 3,352 | 2,441 | 2,300 | 1,265 | 1,212 | 1,726 | 1,716 |
| Oct. | 8,580 | 8,670 | 3,276 | 3,301 | 2,371 | 2,387 | 1,221 | 1,187 | 1,712 | 1,795 |
| Nov. | 8,414 | 8,271 | 3,159 | 2,885 | 2,300 | 2,342 | 1,184 | 1,150 | 1,771 | 1,894 |
| Dec. | 8,536 | 10,194 | 3,326 | 3,390 | 2,240 | 2,795 | 1,187 | 1,206 | 1,783 | 2,803 |
| 1971-Jan.. | 8,916 | 7,545 | 3,338 | 2,885 | 2,411 | 1,961 | 1,288 | 1,055 | 1,879 | 1,644 |
| Feb. | 9,081 | 7,489 | 3,478 | 2,988 | 2,513 | 2,121 | 1,282 | 1,117 | 1,808 | 1,263 |
| Mar........ | 9,533 | 19,575 | 3,646 | 3,783 | 2,681 | 2,686 | 1,394 | 1,418 | 1,812 | 1,688 |
| Apr. . . . . . . | 9,751 | 10,079 | 3,676 | 3,948 | 2,624 | 2,672 | 1,475 | 1,552 | 1,976 | 1,907 |
|  | Repayments |  |  |  |  |  |  |  |  |  |
| 1965 |  | 69,957 |  | 25,663 |  | 22,551 |  | 8,310 |  | 13,433 |
| 1966 |  | 76,120 |  | 27,716 | . . | 23,597 | . . . . | 9,337 | . . | 15,470 |
| 1967. |  | 81,306 |  | 29,469 |  | 24,853 |  | 10,169 |  | 16,815 |
| 1968. |  | 88,089 |  | 32,080 |  | 26,472 |  | 11,499 |  | 18,038 |
| 1969. |  | 94,609 |  | 35,180 |  | 28,218 |  | 12,709 |  | 18,502 |
| 1970. |  | 101,138 |  | 37,961 |  | 29,858 |  | 13,516 |  | 19,803 |
| 1970-Apr. | 8,195 | 8,331 | 3,081 | 3,161 | 2,415 | 2,477 | 1,117 | 1,128 | 1,582 | 1,565 |
| May. | 8,589 | 8,255 | 3,170 | 3,071 | 2,574 | 2,445 | 1,173 | 1,104 | 1,672 | 1,635 |
| June. | 8,242 | 8,541 | 3,041 | 3,179 | 2,548 | 2,645 | 1,087 | 1,162 | 1,566 | 1,555 |
| July. | 8,622 | 8,894 | 3,264 | 3,388 | 2,580 | 2,617 | 1,184 | 1,276 | 1,594 | 1,613 |
| Aug. | 8,577 | 8,357 | 3,185 | 3,154 | 2,507 | 2,389 | 1,158 | 1,137 | 1,727 | 1,677 |
| Sept. | 8,490 | 8,298 | 3,249 | 3,235 | 2,482 | 2,378 | 1,127 | 1,095 | 1,632 | 1,590 |
| Oct. | 8,662 | 8,853 | 3,258 | 3,342 | 2,551 | 2,588 | 1,165. | 1,173 | 1,688 | 1,750 |
| Nov. | 8,716 | 8,440 | 3,276 | 3,155 | 2,552 | 2,570 | 1,135 | 1,075 | 1,753 | 1,640 |
| Dec.. | 8,515 | 8,823 | 3,262 | 3,235 | 2,465 | 2,753 | 1,113 | 1,159 | 1,675 | 1,676 |
| 1971-Jan. | 8,829 | 8,605 | 3,385 | 3,169 | 2,486 | 2,293 | 1,199 | 1,195 | 1,759 | 1,948 |
| Feb. | 8,979 | 8,346 | 3,369 | 3,153 | 2,656 | 2,401 | 1,186 | 1,070 | 1,768 | 1,722 |
| Mar. | 9,038 | $9,651$ | 3,387 | 3,666 | 2,674 | 2,871 | 1,207 | 1,245 | 1,770 | 1,869 |
|  | 9,088 | 9,219 | 3,332 | 3,417 | 2,580 | 2,629 | 1,315 | 1,336 | 1,861 | 1,837 |
|  | Net change in credit outstanding 2 |  |  |  |  |  |  |  |  |  |
| 1965. |  | 8,629 |  | 3,865 |  | 2,641 |  | 1,126 |  | 997 |
| 1966. |  | 6,215 | . . . . . . | 2,357 |  | 1,809 |  | 1,025 | . . | 1,024 |
| 1967. |  | 3,387 |  | 1,381 |  | , 643 |  | , 742 |  | '621 |
| 1968. |  | 8,964 |  | 4,252 |  | 2,364 |  | 1,351 |  | 997 |
| 1969. |  | 8,279 |  | 3,353 |  | 2,636 |  | 1,536 |  | 754 |
| 1970. |  | 2,992 |  | 1,590 |  | -611 |  | 1,103 |  | 910 |
| 1970-Apr, | 296 | 442 | 127 | 289 | 87 | 104 | 81 | 101 | 1 | -52 |
| May. | 415 | 602 | 121 | 270 | 65 | 58 | 79 | 205 | 150 | 69 |
| June. | 441 | 993 | 221 | 464 | 68 | 267 | 146 | 245 | 6 | 17 |
| July . | 443 | 603 | 533 | 724 | -405 | $-301$ | 181 | 142 | 134 | 38 |
| Aug. | 232 | 558 | 123 | 231 | -80 | 27 | 77 | 181 | 112 | 119 |
| Sept. | 359 | 282 | 168 | 117 | -41 | -78 | 138 | 117 | 94 | 126 |
| Oct. | -82 | -183 | 18 | -41 | -180 | -201 | 56 | 14 | 24 | 45 |
| Nov.. | $-302$ | -169 | -117 | $-270$ | -252 | -228 | 49 | 75 | 18 | 254 |
| Dec. . | 21 | 1,371 | 64 | 155 | -225 | 42 | 74 | 47 | 108 | 1,127 |
| 1971-Jan.. | 87 | -1,060 | -47 | -284 | -75 | -332 | 89 | -140 | 120 | -304 |
| Feb. | 102 | -857 | 109 | -165 | -143 | -280 | 96 | 47 | 40 | -459 |
| Mar. | 495 | -76 | 259 | 117 | 7 | -185 | 187 | 173 | 42 | -181 |
| Apr. . . . . | 663 | 860 | 344 | 531 | 44 | 43 | 160 | 216 | 115 | 70 |

[^53]changes in their outstanding credit. Such transfers do not affect total instalment credit extended, repaid, or outstanding.
Note.-"Other financial lenders" include credit unions and miscellaneous lenders. See also Note to preceding table and Note 1 at bottom of p. A-54.

MARKET GROUPINGS
$(1957-59=100)$

| Grouping |  | 1969 average ${ }^{p}$ | 1970 |  |  |  |  |  |  |  |  | 1971 |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  | Apr. | May | June | July | Aug. | Sept. | Oct. | Nov. | Dec. | Jan. | Feb. ${ }^{r}$ | Mar. ${ }^{r}$ | Apr. |
| Total index | 100.00 | 172.8 | 170.2 | 169.0 | 168.8 | 169.2 | 168.8 | 165.8 | 162.3 | 161.5 | 164.4 | 165.6 | 165.2 | 165.5 | 166.2 |
| Final products, total | 47.35 | 170.8 | 168.5 | 167.7 | 167.1 | 166.8 | 166.5 | 163.1 | 159.8 | 159.4 | 162.9 | 163.4 | 163.0 | 163.4 | 163.4 |
| Consumer goods. | 32.31 | 162.5 | 163.2 | 163.2 | 162.8 | 163.5 | 163.5 | 160.1 | 157.0 | 157.0 | 162.4 | 164.5 | 164.6 | 166.2 | 167.1 |
| Equipment, including | 15.04 | 188.6 | 179.9 | 177.3 | 176.3 | 1731 | 173.0 | 169.6 | 165.9 | 164.5 | 164.2 | 161.3 | 159.4 | 157.3 | 155.6 |
| Materials. | 52.65 | 174.6 | 171.9 | 170.4 | 171.2 | 171.4 | 171.2 | 168.9 | 164.8 | 163.8 | 166.0 | 168.0 | 167.8 | 168.0 | 169.3 |
| Consumer goods |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Automotive product | 3.21 | 173.2 | 158.4 | 166.4 | 170.3 | 172.8 | 167.5 | 133.1 | 110.1 | 112.2 | 145.9 | 166.3 | 174.4 | 176.0 | 171.2 |
| Autos. | 1.82 | 162.8 | 136.1 | 156.0 | 163.0 | 163.8 | 163.3 | 108.5 | 76.5 | 78.1 | 131.9 | 155.1 | 168.1 | 167.3 | 153.9 |
| Auto parts and allied products. | 1.39 | 186.8 | 187.8 | 180.1 | 179.9 | 184.7 | 173.1 | 165.6 | 154.5 | 157.0 | 164.3 | 181.1 | 182.8 | 187.4 | 194.0 |
| Home goods and appar | 10.00 | 159.3 | 155.0 | 153.0 | 153.2 | 155.4 | 156.4 | 153.4 | 153.9 | 150.3 | 150.9 | 151.4 | 150.5 | 153.4 | 154.8 |
| Home goods. | 4.59 | 184.0 | 180.0 | 178.4 | 177.7 | 182.5 | 183.7 | 179.0 | 180.2 | 180.0 | 174.0 | 176.6 | 175.9 | 180.2 | 184.4 |
| Appliances, TV, and radios | 1.81 | 180.2 | 178.9 | 182.6 | 178.8 | 192.3 | 198.6 | 189.9 | 194.3 | 188.1 | 169.1 | 173.9 | 172.8 | 179.7 | 188.7 |
| Appliances. | 1.33 | 192.4 | 206.7 | 213.9 | 201.4 | 218.4 | 223.7 | 212.8 | 216.0 | 208.3 | 182.2 | 193.5 | 192.3 | 198.1 | 202.6 |
| TV and home radios | . 47 | 145.6 | 100.3 | 94.2 | 115.2 | 118.8 | 127.8 | 125.5 | 133.2 | 131.1 | 132.2 | 118.7 | 118.0 | 128.0 | 149.5 |
| Furniture and rugs. | 1.26 | 180.3 | 170.6 | 165.5 | 164.9 | 165.2 | 164.9 | 164.4 | 166.5 | 169.3 | 170.5 | 171.4 | 172.4 | 174.2 | 175.4 |
| Miscellaneous home goods | 1.52 | 191.5 | 189.0 | 184.1 | 186.9 | 185.0 | 181.6 | 178.0 | 174.8 | 179.3 | 182.8 | 184.2 | 182.6 | 185.6 | 186.9 |
| Apparel, knit goods, and shoes. | 5.41 | 138.5 | 133.8 | 131.4 | 132.4 | 132.4 | 133.2 | 131.7 | 131.6 | 125.2 | 131.3 | 130.0 | 129.0 | 130.7 |  |
| Consumer staples | 19.10 | 162.4 | 168.4 | 168.0 | 166.6 | 166.3 | 166.6 | 168.1 | 166.7 | 168.0 | 171.1 | 171.2 | 170.3 | 171.2 | 172.8 |
| Processed foods | 8.43 | 136.6 | 140.2 | 141.1 | 137.9 | 138.7 | 139.4 | 139.3 | 135.2 | 138.3 | 141.0 | 141.4 | 138.4 | 140.3 | 141.0 |
| Beverages and tobacco | 2.43 | 146.8 | 150.1 | 142.2 | 142.6 | 141.9 | 144.7 | 149.0 | 148.1 | 147.5 | 152.1 | 155.1 | 159.0 | 161.4 |  |
| Drugs, soap, and toiletries | 2.97 | 209.0 | 218.6 | 219.6 | 217.4 | 217.4 | 213.9 | 215.5 | 215.0 | 220.1 | 226.8 | 222.2 | 220.7 | 222.3 | 228.0 |
| Newspapers, magazines, and books. | 1.47 | 147.1 | 146.0 | 146.9 | 147.6 | 142.9 | 143.1 | 140.5 | 140.8 | 143.2 | 144.7 | 145.5 | 144.9 | 143.0 | 144.4 |
| Consumer fuel and lighting. | 3.67 | 199.6 | 212.6 | 212.3 | 213.7 | 212.8 | 213.5 | 219.2 | 221.7 | 217.2 | 218.0 | 218.1 | 219.6 | 218.4 |  |
| Fuel oil and gasoline. | 1.20 | 144.6 | 152.1 | 149.7 | 153.0 | 148.2 | 148.9 | 152.7 | 155.2 | 154.8 | 155.6 | 153.2 | 153.3 | 156.9 | 161.0 |
| Residential utilities. | 2.46 | 226.3 | 242.1 | 242.8 | 243.3 | 244.3 | 245.0 | 251.7 | 254.2 | 247.6 | 248.5 | 249.7 | 252.0 | 248.5 |  |
| Electricity. | 1.72 | 249.7 | 267.5 | 268.1 | 268.1 | 269.1 | 269.7 | 281.9 | 285.0 | 275.1 | 276.0 | 277.1 | 280.0 | 274.5 |  |
| Equipment |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Business equipment. | 11.63 | 195.6 | 193.0 | 188.7 | 188.0 | 186.1 | 185.9 | 182.3 | 178.9 | 177.8 | 177.9 | 174.3 | 173.0 | 170.5 | 169.5 |
| Industrial equipment | 6.85 | 179.1 | 182.1 | 175.8 | 175.2 | 174.6 | 173.3 | 170.5 | 169.7 | 167.9 | 166.8 | 164.4 | 162.3 | 160.3 | 159.3 |
| Commercial equipment. | 2.42 | 220.0 | 223.4 | 220.4 | 220.4 | 218.3 | 214.2 | 210.5 | 207.0 | 205.7 | 204.3 | 200.7 | 199.3 | 198.3 | 197.6 |
| Freight and passenger equipme | 1.76 | 246.7 | 215.4 | 216.8 | 213.8 | 207.3 | 214.3 | 206.5 | 193.7 | 194.6 | 202.3 | 203.6 | 196.4 | 191.1 | 188.9 |
| Farm equipment.......... | . 61 | 136.8 | 130.4 | 127.4 | 128.6 | 126.0 | 133.2 | 133.6 | 128.0 | 130.8 | 127.0 | 96.7 | 121.9 | 115.3 |  |
| Defense equipment. | 3.41 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Materials |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Durable goods mater | 26.73 | 165.5 | 159.6 | 157.5 | 157.8 | 158.4 | 157.4 | 151.9 | 144.3 | 141.9 | 147.0 | 149.7 | 150.3 | 151.4 | 152.8 |
| Consumer durabl | 3.43 | 163.9 | 143.6 | 146.0 | 155.4 | 156.0 | 161.3 | 143.6 | 110.9 | 111.2 | 139.0 | 151.3 | 153.0 | 150.6 | 148.5 |
| Equipment. | 7.84 | 191.9 | 183.8 | 177.5 | 176.6 | 178.4 | 175.9 | 173.1 | 166.7 | 164.1 | 163.6 | 162.9 | 160.9 | 161.2 | 156.8 |
| Construction. | 9.17 | 152.4 | 148.8 | 146.8 | 145.1 | 146.3 | 147.3 | 146.1 | 144.2 | 140.6 | 142.0 | 148.6 | 148.3 | 149.1 | 149.6 |
| Metal materials n.e. | 6.29 | 152.8 | 147.7 | 146.8 | 150.0 | 152.6 | 147.2 | 140.1 | 136.2 | 133.7 | 143.3 | 147.0 | 148.9 | 150.1 | 150.2 |
| Nondurable materials | 25.92 | 183.9 | 184.6 | 183.8 | 184.9 | 184.9 | 185.4 | 186.4 | 186.0 | 186.3 | 185.7 | 187.0 | 185.8 | 185.2 | 186.3 |
| Business supplies | 9.11 | 166.6 | 164.5 | 162.1 | 163.4 | 164.9 | 165.0 | 161.2 | 159.5 | 160.7 | 162.2 | 163.9 | 160.1 | 155.2 | 158.2 |
| Containers. | 3.03 | 168.6 | 166.2 | 168.2 | 166.0 | 161.9 | 167.5 | 163.1 | 164.1 | 164.2 | 166.5 | 174.4 | 166.2 | 153.1 | 157.1 |
| General business supplies | 6.07 | 165.5 | 163.7 | 159.1 | 162.1 | 166.4 | 163.7 | 160.3 | 157.2 | 158.9 | 160.0 | 158.7 | 157.1 | 156.3 | 158.8 |
| Nondurable materials n.e.c. | 7.40 | 237.8 | 236.1 | 233.1 | 234.7 | 234.2 | 233.4 | 235.8 | 236.0 | 238.5 | 235.3 | 238.4 | 238.2 | 240.5 | 238.9 |
| Business fuel and | 9.41 | 158.2 | 163.8 | 166.0 | 166.6 | 165.4 | 167.5 | 171.8 | 172.5 | 170.1 | 169.3 | 169.1 | 169.4 | 170.8 | 172.2 |
| Mineral fuels. | 6.07 | 134.9 | 139.1 | 142.0 | 142.4 | 140.2 | 144.4 | 147.5 | 148.0 | 146.6 | 145.0 | 143.5 | 141.8 | 144.9 | 146.8 |
| Nonresidential | 2.86 | 216.7 | 226.5 | 228.1 | 228.6 | 229.4 | 227.9 | 235.1 | 236.7 | 231.1 | 232.6 | 234.3 | 239.3 | 236.8 |  |
| Electricity | 2.32 | 220.6 | 232.0 | 233.8 | 234.3 | 235.0 | 233.0 | 238.7 | 240.8 | 233.9 | 235.8 | 237.9 | 243.7 | 240.4 |  |
| General industrial | 1.03 | 216.1 | 220.6 | 221.8 | 223.9 | 227.2 | 225.4 | 225.8 | 223.1 | 216.3 | 219.5 | 219.8 | 224.9 | 222.4 |  |
| Commercial and ot | 1.21 | 236.1 | 254.2 | 256.7 | 255.9 | 254.8 | 252.7 | 263.0 | 268.6 | 261.2 | 262.1 | 265.8 | 272.6 | 268.5 |  |
| Gas. | . 54 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Supplementary groups of consumer goods |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Automotive and home goods. | 7.80 | 179.5 | 171.1 | 173.5 | 172.7 | 178.5 | 177.0 | 160.1 | 151.4 | 152.1 | 162.5 | 172.4 | 175.3 | 178.4 | 179.0 |
| Apparel and staples. | 24.51 | 157.1 | 160.7 | 159.9 | 159.0 | 158.8 | 159.2 | 160.1 | 158.9 | 158.6 | 162.3 | 162.1 | 161.2 | 162. |  |

For Note see p. A-61.

INDUSTRY GROUPINGS
$(1957-59=100)$

| Grouping | $\left\lvert\, \begin{gathered} 1957-59 \\ \text { pro- } \\ \text { por- } \\ \text { tion } \end{gathered}\right.$ | 1969 average ${ }^{p}$ | 1970 |  |  |  |  |  |  |  |  | 1971 |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  | Apr. | May | June | July | Aug. | Sept. | Oct. | Nov. | Dec. | Jan. | Feb. ${ }^{\text { }}$ | Mar. ${ }^{\text {r }}$ | Apr. |
| Total index. | 100.00 | 172.8 | 170.2 | 169.0 | 168.8 | 169.2 | 168.8 | 165.8 | 162.3 | 161.5 | 164.4 | 165.6 | 165.2 | 165.5 | 166.2 |
| Manufacturing, | 86.45 | 173.9 | 170.0 | 168.1 | 168.0 | 168.5 | 167.7 | 163.7 | 159.4 | 159.0 | 162.1 | 163.6 | 163.1 | 163.5 | 163.9 |
| Durable | 48.07 | 176.5 | 168.4 | 167.6 | 167.3 | 167.4 | 166.7 | 160.4 | 153.5 | 151.4 | 156.1 | 157.8 | 157.6 | 157.7 | 157.4 |
| Nondura | 38.38 | 170.6 | 171.9 | 168.7 | 168.9 | 170.0 | 169.0 | 167.7 | 166.9 | 168.6 | 169.7 | 170.9 | 169.9 | 170.7 | 172.0 |
| Mining. | 8.83 | 130.2 | 133.9 | 134.8 | 135.5 | 133.8 | 137.1 | 138.9 | 139.9 | 139.4 | 138.8 | 137.9 | 136.3 | 138.7 | 138.8 |
| Utilities | 5.32 | 221.2 | 233.8 | 234.9 | 235.4 | 236.3 | 235.8 | 242.8 | 244.8 | 238.7 | 240.0 | 241.5 | 245.2 | 242.2 | 246.0 |
| Durable manufactures |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Primary and fabricated metals | 12.32 | 162.5 | 154.7 | 155.2 | 155.6 | 157.1 | 157.1 | 154.2 | 145.6 | 142.1 | 146.1 | 148.7 | 151.0 | 152.6 | 153.4 |
| Primary metals | 6.95 | 149.1 | 138.9 | 142.6 | 142.7 | 145.2 | 145.6 | 142.6 | 133.9 | 129.3 | 135.4 | 137.6 | 140.8 | 143.1 | 144.6 |
| Iron and steel | 5.45 | 140.3 | 133.0 | 136.7 | 138.8 | 136.8 | 134.1 | 129.5 | 121.5 | 117.2 | 122.3 | 130.0 | 132.9 | 138.3 | 141.9 |
| Nonferrous metals and produ | 1.50 | 181.1 | 175.4 | 174.4 | 169.2 | 172.6 | 169.7 | 172.1 | 161.5 | 162.9 | 177.1 | 171.7 | 173.4 | 174.9 | 169.7 |
| Fabricated metal products. | 5.37 | 179.8 | 175.2 | 171.4 | 172.3 | 172.5 | 171.9 | 169.2 | 160.6 | 158.7 | 160.0 | 163.0 | 164.1 | 164.8 | 164.8 |
| Structural metal parts | 2.86 | 173.3 | 170.2 | 164.2 | 164.4 | 162.9 | 164.0 | 162.7 | 158.0 | 158.2 | 158.9 | 163.3 | 165.1 | 168.5 | 165.5 |
| Machinery and related prod | 27.98 | 188.4 | 178.6 | 177.6 | 178.0 | 177.4 | 176.0 | 167.2 | 158.9 | 156.8 | 162.9 | 164.1 | 162.8 | 162.0 | 160.6 |
| Machinery. | 14.80 | 195.7 | 194.9 | 191.0 | 190.6 | 191.2 | 190.3 | 186.2 | 182.9 | 179.0 | 176.7 | 174.7 | 173.0 | 173.4 | 173.3 |
| Nonelectrical machiner | 8.43 | 194.6 | 191.7 | 187.1 | 185.2 | 185.2 | 183.0 | 180.0 | 176.1 | 172.7 | 170.4 | 166.2 | 165.5 | 165.0 | 162.4 |
| Electrical machinery. | 6.37 | 197.2 | 199.1 | 196.3 | 197.7 | 199.1 | 199.9 | 194.5 | 191.9 | 187.4 | 185.1 | 185.9 | 182.9 | 184.5 | 187.7 |
| Transportation equipment | 10.19 | 174.6 | 153.1 | 157.3 | 159.9 | 158.1 | 156.7 | 139.0 | 122.0 | 121.9 | 142.5 | 148.6 | 148.8 | 146.6 | 142.8 |
| Motor vehicles and parts | 4.68 | 166.9 | 148.0 | 158.5 | 164.4 | 164.8 | 164.7 | 127.3 | 95.4 | 96.9 | 142.0 | 158.8 | 166.5 | 164.8 | 157.9 |
| Aircraft and other equipmen | 5.26 | 177.8 | 154.1 | 153.0 | 153.3 | 149.7 | 147.1 | 145.7 | 141.1 | 139.5 | 139.3 | 136.1 | 129.5 | 126.1 | 124.5 |
| Instruments and related product | 1.71 | 194.4 | 195.4 | 191.3 | 187.9 | 187.0 | 183.3 | 181.8 | 181.3 | 181.7 | 180.5 | 181.4 | 179.5 | 176.2 | 178.7 |
| Ordnance and accessories. | 1.28 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Clay, glass, and lumber | 4.72 | 142.5 | 140.3 | 139.2 | 134.1 | 134.7 | 136.9 | 133.8 | 135.0 | 133.3 | 135.4 | 138.7 | 138.4 | 139.1 | 140.9 |
| Clay, glass, and stone pro | 2.99 | 156.0 | 154.6 | 152.6 | 149.4 | 148.8 | 150.1 | 148.7 | 149.4 | 148.5 | 152.6 | 151.3 | 150.9 | 152.3 | 154.5 |
| Lumber and products | 1.73 | 119.1 | 115.5 | 116.1 | 107.6 | 110.5 | 114.2 | 108.2 | 110.1 | 107.0 | 105.8 | 117.0 | 116.9 | 116.3 |  |
| Furniture and miscellan | 3.05 | 176.7 | 173.5 | 169.1 | 168.3 | 167.3 | 166.1 | 164.8 | 165.2 | 166.7 | 166.1 | 166.3 | 166.6 | 168.2 | 169.5 |
| Furniture and fixtures. | 1.54 | 186.9 | 179.5 | 174.4 | 173.8 | 172.5 | 172.9 | 171.7 | 173.9 | 174.7 | 174.5 | 174.5 | 173.9 | 175.0 | 177.4 |
| Miscellaneous manufactures | 1.51 | 166.4 | 167.4 | 163.6 | 162.6 | 162.0 | 159.1 | 157.7 | 156.3 | 158.5 | 157.5 | 158.0 | 159.1 | 161.2 | 161.5 |
| Nondurable manufactures |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Textiles, apparel, and | 7.60 | 144.2 | 138.9 | 136.7 | 135.8 | 135.9 | 135.9 | 135.2 | 135.7 | 133.0 | 135.6 | 137.0 | 135.1 | 136.5 | 138.8 |
| Textile mill products | 2.90 | 154.2 | 151.3 | 147.8 | 145.9 | 145.3 | 146.1 | 145.7 | 146.7 | 145.1 | 143.9 | 149.1 | 151.7 | 153.5 | 155.7 |
| Apparel products | 3.59 | 149.2 | 140.8 | 137.7 | 139.0 | 140.9 | 140.7 | 139.3 | 138.7 | 135.5 | 141.7 | 140.3 | 138.0 | 139.5 |  |
| Leather and produc | 1.11 | 101.9 | 100.2 | 104.5 | 99.3 | 95.6 | 93.6 | 94.6 | 97.2 | 93.1 | 94.2 | 94.7 | 82.2 | 82.3 |  |
| Paper and printing | 8.17 | 164.4 | 165.0 | 163.0 | 161.7 | 161.9 | 162.1 | 157.6 | 157.7 | 160.5 | 159.7 | 159.9 | 159.9 | 159.5 | 159.9 |
| Paper and products | 3.43 | 175.6 | 176.3 | 174.5 | 170.8 | 172.0 | 172.9 | 166.2 | 168.0 | 171.7 | 169.5 | 170.0 | 170.0 | 169.3 | 170.6 |
| Printing and publishir | 4.74 | 156.3 | 156.9 | 154.8 | 155.2 | 154.6 | 154.3 | 151.5 | 150.2 | 152.4 | 152.7 | 152.6 | 152.6 | 152.5 | 152.3 |
| Newspapers. | 1.53 | 142.7 | 139.3 | 136.9 | 137.5 | 140.0 | 138.7 | 137.4 | 134.5 | 137.2 | 136.6 | 134.9 | 139.3 | 135.5 | 134.0 |
| Chemicals, petroleum, an | 11.54 | 222.6 | 227.0 | 220.2 | 224.3 | 226.8 | 223.5 | 222.0 | 221.5 | 224.1 | 225.2 | 225.9 | 224.0 | 225.4 | 228.9 |
| Chemicals and products | 7.58 | 239.0 | 244.4 | 241.4 | 243.2 | 243.3 | 239.8 | 240.8 | 240.7 | 243.7 | 243.9 | 245.3 | 243.8 | 244.7 | 246.3 |
| Industrial chemicals | 3.84 | 283.0 | 289.2 | 281.3 | 285.8 | 285.7 | 280.7 | 282.0 | 282.9 | 285.4 | 281.7 | 283.5 | 283.9 | 285.0 |  |
| Petroleum products. | 1.97 | 143.8 | 147.9 | 146.5 | 147.8 | 145.5 | 147.5 | 150.3 | 150.1 | 154.2 | 156.0 | 152.7 | 152.1 | 153.0 | 155.2 |
| Rubber and plastics products. | 1.99 | 238.7 | 239.4 | 212.2 | 227.8 | 244.8 | 236.9 | 221.4 | 219.1 | 218.9 | 222.3 | 224.3 | 219.8 | 223.8 |  |
| Foods, beverages, and tobat | 11.07 | 139.0 | 142.3 | 141.3 | 139.2 | 140.0 | 140.1 | 141.0 | 138.4 | 141.2 | 142.7 | 144.9 | 145.0 | 145.5 | 144.3 |
| Foods and beverages. | 10.25 | 140.7 | 143.7 | 143.1 | 140.7 | 141.1 | 141.6 | 142.4 | 139.6 | 142.7 | 144.4 | 146.7 | 146.5 | 147.0 | 146.8 |
| Food manufactures | 8.64 | 136.7 | 140.1 | 141.0 | 138.3 | 139.5 | 138.8 | 138.7 | 135.7 | 139.4 | 140.1 | 140.9 | 141.0 | 141.0 | 141.4 |
| Beverages. | 1.61 | 161.9 | 162.8 | 154.6 | 153.7 | 149.6 | 156.4 | 162.2 | 160.3 | 160.7 | 167.6 | 178.1 | 175.9 | 179.3 |  |
| Tobacco product | . 82 | 117.3 | 125.1 | 117.8 | 120.7 | 126.6 | 121.8 | 122.9 | 124.1 | 121.6 | 121.7 | 121.9 | 125.7 | 126.1 |  |
| Mining |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Coal, oil, and gas | 6.80 | 127.4 | 129.8 | 132.3 | 133.3 | 131.0 | 135.1 | 138.2 | 139.2 | 137. 1 | 136.2 | 134.8 | 133.2 | 135.7 | 136.0 |
| Coal. | 1.16 | 117.7 | 123.0 | 134.2 | 124.3 | 127.5 | 128.5 | 127.9 | 128.1 | 127.3 | 130.1 | 136.3 | 129.5 | 138.1 | 142.5 |
| Crude oil and natural ga | 5.64 | 129.3 | 131.3 | 131.9 | 135.1 | 131.7 | 136.5 | 140.3 | 141.5 | 139.1 | 137.4 | 134.6 | 134.0 | 135.2 | 134.7 |
| Oil and gas ext | 4.91 | 139.0 | 142.9 | 143.9 | 146.7 | 143.2 | 148.2 | 152.1 | 152.6 | 151.2 | 148.5 | 145.3 | 144.8 | 146.5 | 147.8 |
| Crude oil. | 4.25 | 132.0 | 135.2 | 135.8 | 137.5 | 134.4 | 139.8 | 144.1 | 145.1 | 143.8 | 141.0 | 137.3 | 136.4 | 138.6 | 139.9 |
| Gas and gas liquids | . 66 | 184.0 |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Oil and gas drilling. | . 73 | 64.2 |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Metal, stone, and earth minerals | 1.43 | 143.5 | 153.1 | 146.6 | 146.1 | 146.8 | 146.6 | 142.2 | 143.3 | 150.1 | 151.4 | 152.5 | 151.0 | 153.0 | 152.0 |
| Metal mining. . . . . . . . . . . . . . | . 61 | 142.0 | 162.6 | 151.8 | 150.3 | 150.9 | 152.3 | 144.5 | 145.1 | 160.1 | 159.7 | 160.3 | 160.0 | 160.1 | 159.2 |
| Stone and earth minerals | . 82 | 144.7 | 146.1 | 142.8 | 143.0 | 143.8 | 142.3 | 140.5 | 142.0 | 142.7 | 145.2 | 146.7 | 144.4 | 147.8 | 146.7 |
| Utilities |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Electric | 4.04 | 233.0 | 247.1 | 248.4 | 248.7 | 249.5 | 248.6 | 257.1 | 259.6 | 251.5 | 253.0 | 254.6 | 259.1 | 254.9 |  |
| Gas. | 1.28 | 174.1 |  |  |  |  |  |  |  |  |  |  |  |  |  |

For Note see p. A-61.

## MARKET GROUPINGS

(1957-59=100)

| Grouping | $\|1957-59\|$ <br> pro-portion | 1969 <br> aver- <br> age $^{p}$ | 1970 |  |  |  |  |  |  |  |  | 1971 |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  | Apr. | May | June | July | Aug. | Sept. | Oct. | Nov. | Dec. | Jan. | Feb. ${ }^{\text {r }}$ | Mar. ${ }^{r}$ | Apr. |
| Total index | 100.00 | 172.8 | 170.6 | 169.1 | 172.1 | 163.6 | 169.1 | 0.2 | 166.5 | 162.9 | 162.5 | 164.2 | 165.9 | 167.1 | 166.6 |
| Final products, to | 47.35 | 170.8 | 166.9 | 165.8 | 169.9 | 161.8 | 167.1 | 168.8 | 164.7 | 160.2 | 160.0 | 162.7 | 163.4 | 164.0 | 161.7 |
| Consumer goods | 32.31 | 162.5 | 160.6 | 160.3 | 165.7 | 157.6 | 165.3 | 168.1 | 164.0 | 158.0 \| | 157.0 | 163.4 | 165.5 | 166.5 | 164.6 |
| Equipment, including defens | 15.04 | 188.6 | 180.3 | 177.7 | 179.0 | 170.9 | 170.9 | 170.4 | 166.1 | 164.8 | 166.4 | 161.2 | 159.1 | 158.4 | 155.7 |
| Materials. . | 52.65 | 174.6 | 174.3 | 172.1 | 174.1 | 165.3 | 170.9 | 171.5 | 168.5 | 165.4 | 164.7 | 165.2 | 168.6 | 170.2 | 171.2 |
| Consumer goods |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Automotive prodt | 3.21 | 173.2 | 167.0 | 173.8 | 182.9 | 131.6 | 116.6 | 135.2 | 118.9 | 117.5 | 148.4 | 174.8 | 183.5 | 184.3 | 178.3 |
| Autos. | 1.82 | 162.8 | 152.4 | 173.2 | 185.0 | 98.3 | 68.9 | 108.5 | 88.0 | 87.5 | 137.6 | 169.1 | 184.9 | 184.0 | 167.7 |
| Auto parts and allied prod | 1.39 | 186.8 | 186.3 | 174.4 | 180.1 | 175.6 | 179.5 | 170.3 | 159.7 | 157.0 | 162.5 | 182.3 | 181.8 | 184.7 | 192.2 |
| Home goods a | 10.00 | 159.3 | 157.1 | 154. 1 | 156.4 | 143.7 | 154.1 | 156.2 | 162.0 | 154.6 | 142.1 | 149.1 | 155.3 | 158.3 | 157.3 |
| Home goods | 4.59 | 184.0 | 181.4 | 177.5 | 180.0 | 168.7 | 174.1 | 182.9 | 190.9 | 184.5 | 171.2 | 174.0 | 180.3 | 186.3 | 185.9 |
| Appliances, TV, and | 1.81 | 180.2 | 188.3 | 185.7 | 186.0 | 172.3 | 170.1 | 189.9 | 205.7 | 188.2 | 156.1 | 176.1 | 187.5 | 198.5 | 198.0 |
| Appliances. | 1.33 | 192.4 | 223.0 | 219.8 | 213.0 | 200.6 | 182.8 | 208.3 | 223.0 | 202. 1 | 168.8 | 197.0 | 208.7 | 221.7 | 218.1 |
| TV and home radios | . 47 | 145.6 | 90.3 | 89.5 | 110.0 | 92.3 | 134.2 | 138.0 | 157.2 | 148.9 | 120.3 | 117.4 | 127.7 | 133.0 | 141.3 |
| Furniture and rugs. | 1.26 | 180.3 | 165.8 | 159.2 | 162.9 | 157.3 | 168.7 | 169.0 | 175.2 | 175.6 | 176.8 | 167.6 | 170.3 | 172.1 | 170.5 |
| Miscellaneous home goods. | 1.52 | 191.5 | 186.2 | 183.0 | 186.9 | 173.9 | 183.4 | 186.0 | 186.3 | 187.6 | 184.6 | 176.8 | 179.9 | 183.6 | 184.1 |
| Apparel, knit goods, and shoes... . . | 5.41 | 138.5 | 136.5 | 134.4 | 136.4 | 122.5 | 137.2 | 133.7 | 137.5 | 129.3 | 117.5 | 128.1 | 134.2 | 134.6 |  |
| Consumer staples | 19.10 | 162.4 | 161.4 | 161.2 | 167.7 | 169.2 | 179.4 | 179.8 | 172.6 | 166.6 | 166.3 | 168.9 | 167.8 | 167.8 | 166. 1 |
| Processed foods | 8.43 | 136.6 | 129.8 | 132.6 | 136.5 | 138.0 | 153.0 | 155.0 | 150.1 | 143.6 | 137.2 | 134.3 | 132.2 | 132.3 | 130.6 |
| Beverages and tobacco. | 2.43 | 146.8 | 151.7 | 152.8 | 163.3 | 148.7 | 156.7 | 152.7 | 152.4 | 139.8 | 131.7 | 138.6 | 144.8 | 157.7 |  |
| Drugs, soap, and toiletries | 2.97 | 209.0 | 216.4 | 215.2 | 225.0 | 216.3 | 218.2 | 222.0 | 220.2 | 221.2 | 221.6 | 217.8 | 222.9 | 222,3 | 225.7 |
| Newspapers, magazines, and books. | 1.47 | 147.1 | 146.6 | 146.5 | 145.5 | 142.9 | 144.8 | 141.8 | 140.7 | 141.3 | 144.4 | 144.2 | 144.3 | 145.1 | 145.0 |
| Consumer fuel and lighting . . . . . . . | 3.67 | 199.6 | 200.0 | 193.7 | 203.6 | 226.3 | 236.7 | 236.2 | 211.1 | 202.6 | 219.8 | 236.9 | 228.0 | 220.5 |  |
| Fuel oil and gasoline | 1.20 | 144.6 | 144.3 | 144.8 | 151.3 | 151.0 | 153.3 | 156.2 | 151.2 | 153.9 | 160.9 | 157.9 | 156.8 | 155.2 | 152.6 |
| Residential utilities. | 2.46 | 226.3 |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Electricity | 1.72 | 249.7 | 246.1 | 231.9 | 247.9 | 296.0 | 316.1 | 315.7 | 265.1 | 244.8 | 276.0 | 314.0 | 295.4 | 280.0 |  |
| Equipment |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Rusiness equipment. | 11.63 | 195.6 | 194.0 | 189.7 | 191.9 | 182.9 | 183.5 | 183.4 | 178.8 | 177.2 | 179.7 | 173.8 | 172.6 | 172.2 | 170.0 |
| Industrial equipment. | 6.85 | 179.1 | 182.1 | 176.0 | 178.7 | 172.9 | 172.8 | 172.0 | 168.7 | 167.9 | 169.3 | 164.7 | 161.5 | 160.5 | 159.3 |
| Commercial equipment. | 2.42 | 220.0 | 219.2 | 217.8 | 221.1 | 213.9 | 214.2 | 213.7 | 209.1 | 208.2 | 208.8 | 200.9 | 197.1 | 198.3 | 193.8 |
| Freight and passenger equipment | 1.76 | 246.7 | 224.0 | 223.3 | 222.4 | 203.2 | 207.9 | 204.4 | 193.7 | 190.7 | 200.3 | 197.5 | 196.4 | 196.8 | 194.6 |
| Farm equipment. . . . . . . . . . . . | . 61 | 136.8 | 140.1 | 134.4 | 135.6 | 114.1 | 110.9 | 131.0 | 127.8 | 119.4 | 122.0 | 98.4 | 130.5 | 127.8 |  |
| Defense equipment. | 3.41 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Materials |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Durable goods material | 26.73 | 165.5 | 160.4 | 159.5 | 162.0 | 153.2 | 156.0 | 154.9 | 147.1 | 143.6 | 146.9 | 146.6 | 150.5 | 153.4 | 153.6 |
| Consumer durable | 3.43 | 163.9 | 147.9 | 150.4 | 158.5 | 142.7 | 147.6 | 140.7 | 111.5 | 114.5 | 146.0 | 156.6 | 155.3 | 155.1 | 153.0 |
| Equipment. | 7.84 | 191.9 | 185.8 | 178.7 | 178.4 | 172.9 | 170.6 | 171.4 | 166.2 | 164.3 | 166.1 | 164.4 | 162.3 | 163.0 | 158.5 |
| Construction | 9.17 | 152.4 | 148.1 | 149.6 | 154.1 | 150.1 | 155.7 | 153.4 | 149.4 | 142.7 | 137.7 | 134.6 | 138.8 | 144.3 | 148.9 |
| Metal materials n.e.c. | 6.29 | 152.8 | 153.6 | 154.9 | 154.8 | 138.9 | 142.9 | 144.3 | 139.5 | 134.8 | 137.0 | 143.2 | 150.2 | 153.7 | 156.2 |
| Nondurable materi | 25.92 | 183.9 | 188.5 | 185. 1 | 186.6 | 177.8 | 186.2 | 188.6 | 190.5 | 188.0 | 182.9 | 184.4 | 187.3 | 187.6 | 189.4 |
| Business supplies | 9.11 | 166.6 | 169.3 | 164.8 | 165.1 | 154.7 | 165.0 | 165.2 | 167.4 | 164.4 | 156.6 | 158.1 | 159.4 | 158.1 | 162.8 |
| Containers. | 3.03 | 168.6 | 172.2 | 169.9 | 171.1 | 157.9 | 177.6 | 173.1 | 176.8 | 164.2 | 148.2 | 165.7 | 164.2 | 153.9 | 162.8 |
| General business supplies | 6.07 | 165.5 | 167.8 | 162.3 | 162.1 | 153.1 | 158.8 | 161.3 | 162.7 | 164.5 | 160.8 | 154.3 | 157.1 | 160.2 | 162.8 |
| Nondurable materials n.e.c. | 7.40 | 237.8 | 245.7 | 236.6 | 238.5 | 226.0 | 231.1 | 235.8 | 241.6 | 240.9 | 232.9 | 234.8 | 243.0 | 245.3 | 246.1 |
| Business fuel and pow | 9.41 | 158.2 | 162.1 | 164.3 | 166.5 | 162.3 | 171.3 | 174.0 | 172.7 | 169.2 | 169.1 | 170.1 | 170.4 | 170.8 | 170.4 |
| Mineral fuels.. | 6.07 | 134.9 | 140.9 | 142.0 | 140.8 | 131.1 | 142.6 | 145.7 | 148.5 | 148.0 | 146.8 | 145.9 | 146.5 | 148.0 | 148.6 |
| Nonresidential utilities | 2.86 | 216.7 |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Electricity. | 2.32 | 220.6 | 220.7 | 227.3 | 239.0 | 247.1 | 253.4 | 252.9 | 240.4 | 226.4 | 229.4 | 235.3 | 234.1 | 231.8 |  |
| General industrial | 1.03 | 216.1 | 217.7 | 222.9 | 228.4 | 226.1 | 229.9 | 229.2 | 223.5 | 216.3 | 217.3 | 218.7 | 219.3 | 220.0 |  |
| Commercial and other | 1.21 | 236.1 | 235.1 | 243.1 | 261.0 | 279.0 | 288.1 | 287.2 | 267.5 | 246.8 | 251.6 | 261.8 | 259.0 | 254.0 |  |
| Gas. | . 54 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Supplementary groups of consumer goods |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Automotive and home goods | 7.80 | 179.5 | 175.5 | 176.0 | 181.2 | 153.5 | 150.4 | 163.2 | 161.3 | 156.9 | 161.8 | 174.3 | 181.6 | 185.5 | 182.7 |
| Apparel and staples. | 24.51 | 157.1 | 155.9 | 155.3 | 160.8 | 158.9 | 170.0 | 169.6 | 164.9 | 158.4 | 155.5 | 159.9 | 160.4 | 160.5 |  |

For Note see p. A-61.

## INDUSTRY GROUPINGS

$(1957-59=100)$


NOTE.-Published groupings include some series and subtotals not shown separately. A description and historical data are available in

Industrial Production-1957-59 Base. Figures for individual series and subtotals (N.S.A.) are published in the monthly Business Indexes release.

SELECTED BUSINESS INDEXES
(1957-59 $=100$, except as noted)

| Period | Industrial production |  |  |  |  |  |  |  | $\mathrm{Ca}-$ pacity utilization in mfg . (per cent) | Con-struction contracts | Nonag-ricultural em-ployment $_{\text {Total }}{ }^{1}$ | Manufacturing 2 |  | Total retail sales ${ }^{3}$ | Prices 4 |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Total | Major market groupings |  |  |  | Major industry groupings |  |  |  |  |  | Em-ployment | Payrolls |  | Consumer $=100)$ | Wholesale commodity (1967 $=100$ ) |
|  |  | Final products |  |  | Materials |  |  |  |  |  |  |  |  |  |  |  |
|  |  | Total | Consumer goods | Equipment |  | Mfg. | $\begin{aligned} & \text { Min- } \\ & \text { ing } \end{aligned}$ | Utilities |  |  |  |  |  |  |  |  |
| 1952. | 84.3 | 84.3 | 79.5 | 94.1 | 84.3 | 85.2 | 90.5 | 61.2 | 91.3 |  | 93.0 | 106.1 | 84.5 | 79 | 79.5 | 88.6 |
| 1953 | 91.3 | 89.9 | 85.0 | 100.5 | 92.6 | 92.7 | 92.9 | 66.8 | 94.2 |  | 95.6 | 111.6 | 93.6 | 83 | 80.1 | 87.4 |
| 1954. | 85.8 | 85.7 | 84.3 | 88.9 | 85.9 | 86.3 | 90.2 | 71.8 | 83.5 |  | 93.3 | 101.8 | 85.4 | 82 | 80.5 | 87.6 |
| 1955. | 96.6 | 93.9 | 93.3 | 95.0 | 99.0 | 97.3 | 99.2 | 80.2 | 90.0 |  | 96.5 | 105.5 | 94.8 | 89 | 80.2 | 87.8 |
| 1956. | 99.9 | 98.1 | 95.5 | 103.7 | 101.6 | 100.2 | 104.8 | 87.9 | 87.7 |  | 99.8 | 106.7 | 100.2 | 92 | 81.4 | 90.7 |
| 1957. | 100.7 | 99.4 | 97.0 | 104.6 | 101.9 | 100.8 | 104.6 | 93.9 | 83.6 |  | 100.7 | 104.7 | 101.4 | 97 | 84.3 | 93.3 |
| 1958 | 93.7 | 94.8 | 96.4 | 91.3 | 92.7 | 93.2 | 95.6 | 98.1 | 74.0 |  | 97.8 | 95.2 | 93.5 | 98 | 86.6 | 94.6 |
| 1959. | 105.6 | 105.7 | 106.6 | 104.1 | 105.4 | 106.0 | 99.7 | 108.0 | 81.5 |  | 101.5 | 100.1 | 105.1 | 105 | 87.3 | 94.8 |
| 1960. | 108.7 | 109.9 | 111.0 | 107.6 | 107.6 | 108.9 | 101.6 | 115.6 | 80.6 |  | 103.3 | 99.9 | 106.7 | 106 | 88.7 | 94.9 |
| 1961 | 109.7 | 111.2 | 112.6 | 108.3 | 108.4 | 109.6 | 102.6 | 122.3 | 78.5 |  | 102.9 | 95.9 | 105.4 | 107 | 89.6 | 94.5 |
| 1962. | 118.3 | 119.7 | 119.7 | 119.6 | 117.0 | 118.7 | 105.0 | 131.4 | 82.1 |  | 105.9 | 99.1 | 113.8 | 115 | 90.6 | 94.8 |
| 1963. | 124.3 | 124.9 | 125.2 | 124.2 | 123.7 | 124.9 | 107.9 | 140.0 | 83.3 | 86.1 | 108.0 | 99.7 | 117.9 | 120 | 91.7 | 94.5 |
| 1964. | 132.3 | 131.8 | 131.7 | 132.0 | 132.8 | 133.1 | 111.5 | 151.3 | 85.7 | 89.4 | 111.1 | 101.5 | 124.3 | 128 | 92.9 | 94.7 |
| 1965. | 143.4 | 142.5 | 140.3 | 147.0 | 144.2 | 145.0 | 114.8 | 160.9 | 88.5 | 93.2 | 115.8 | 106.7 | 136.6 | 138 | 94.5 | 96.6 |
| 1966. | 156.3 | 155.5 | 147.5 | 172.6 | 157.0 | 158.6 | 120.5 | 173.9 | 90.5 | 94.8 | 121.8 | 113.5 | 151.7 | 148 | 97.2 | 99.8 |
| 1967. | 158.1 | 158.3 | 148.5 | 179.4 | 157.8 | 159.7 | 123.8 | 184.9 | 85.3 | 100.0 | 125.4 | 113.6 | 155.1 | 153 | 100.0 | 100.0 |
| 1968 | 165.5 | 165.1 | 156.9 | 182.6 | 165.8 | 166.9 | 126.6 | 202.5 | 84.5 | 113.2 | 129.3 | 115.2 | 167.9 | 165 | 104.2 | 102.5 |
| 1969 | 172.8 | 170.8 | 162.5 | 188.6 | 174.6 | 173.9 | 130.2 | 221.2 |  | 123.7 | 133.8 | 117.3 | 180.8 | 171 | 109.8 | 106.5 |
| 1970 |  |  |  |  |  |  |  |  |  |  | 134.5 | 111.5 | 177.4 |  | 116.3 | 110.4 |
| 1970-Apr. | 170.2 | 168.5 | 163.2 | 179.0 | 171.9 | 170.0 | 133.9 | 233.8 |  | 130.0 | 135.5 | 114.2 | 179.3 | 179 | 115.2 | 109.9 |
| May. | 169.0 | 167.7 | 163.2 | 177.3 | 170.4 | 168.1 | 134.8 | 234.9 | 78.0 | 110.0 | 134.9 | 112.6 | 176.7 | 178 | 115.7 | 110.1 |
| June. | 168.8 | 167.1 | 162.8 | 176.3 | 171.2 | 168.0 | 135.5 | 235.4 |  | 120.0 | 134.5 | 112.3 | 178.6 | 178 | 116.3 | 110.3 |
| July. | 169.2 | 166.8 | 163.5 | 173.7 | 171.4 | 168.5 | 133.8 | 233.3 |  | 116.0 | 134.4 | 111.9 | 178.1 | 180 | 116.7 | 110.9 |
| Aug. | 168.8 | 166.5 | 163.5 | 173.0 | 171.2 | 167.7 | 137.1 | 235.8 | 76.2 | 135.0 | 134.1 | 110.9 | 179.0 | 180 | 116.9 | 110.5 |
| Sept. | 165.8 | 163.1 | 160.1 | 169.6 | 1689 | 163.7 | 138.9 | 242.8 |  | 118.0 | 134.3 | 111.1 | 178.4 | 181 | 117.5 | 111.0 |
| Oct. | 162.3 | 159.8 | 157.0 | 165.9 | 164.8 | 159.4 | 139.9 | 244.8 |  | 115.0 | 133.6 | 106.4 | 168.8 | 179 | 118.1 | 111.0 |
| Nov. | 161.5 | 159.4 | 157.0 | 164.5 | 163.8 | 159.0 | 139.4 | 238.7 | 72.4 | 130.0 | 133.4 | 105.5 | 168.5 | 177 | 118.5 | 110.9 |
| Dec. | 164.4 | 162.9 | 162.4 | 164.2 | 166.0 | 162.1 | 138.8 | 240.0 |  | 132.0 | 133.9 | 108.1 | 176.8 | 179 | 119.1 | 111.0 |
| 1971-Jan. | 165.6 | 163.4 | 164.5 | 161.3 | 168.0 | 163.6 | 137.9 | 241.5 |  | 117.0 | 134.5 | 107.9 | 179.1 | 182 | 119.2 | 111.8 |
| Feb. | 165.2 | 163.0 | 164.6 | 159.4 | 167.8 | 163.1 | 136.3 | 245.2 | 773.2 | 126.0 | 134.4 | 107.5 | 177.6 | 185 | 119.4 | 112.8 |
| Mar | 165.5 | 163.4 | 166.2 | 157.3 | 168.0 | 163.5 | 138.7 | 242.2 |  | 141.0 | 134.5 | ${ }^{\text {r } 107.1}$ | ${ }^{r} 178.8$ | ${ }^{+189}$ | 119.8 | 113.0 |
| Apr. | r166.2 | r163.4 | ${ }^{\text {r167. }} 1$ | r155.6 | r169.3 | r163.9 | ${ }^{\text {r } 138.8}$ | r246.0 |  | 161.0 | 134.6 | ${ }^{\text {r107. }} 10$ | ${ }^{1788.2}$ | '191 | 120.2 | 113.3 |
| May ${ }^{p}$. | 167.3 | 164.3 | 168.3 | 156.0 | 170.3 | 165.1 | 137.1 | 248.0 |  |  | 134.8 | 107.5 | 180.0 | 189 |  |  |

1 Employees only: excludes personnel in the Armed Forces.
Production workers only.
${ }^{3}$ F.R. index based on Census Bureau figures.
4 Prices are not seasonally adjusted.
Note.-All series: Data are seasonally adjusted unless otherwise noted.

Capacity utilization: Based on data from Federal Reserve, McGrawHill Economics Department, and Department of Commerce.

Construction contracts: F. W. Dodge Co. monthly index of dollar value of total construction contracts, including residential, nonresidential, and heavy engineering; does not include data for Alaska and Hawaii.
Employment and payrolls: Based on Bureau of Labor Statistics data; includes data for Alaska and Hawaii beginning with 1959.

Prices: Bureau of Labor Statistics data.

CONSTRUCTION CONTRACTS AND PRIVATE HOUSING PERMITS
(In millions of dollars, except as noted)

| Type of ownership and type of construction | 1968 | 1969 | 1970 |  |  |  |  |  |  |  |  | 1971 |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  | Apr. | May | June | July | Aug. | Sept. | Oct. | Nov. | Dec. | Jan. | Feb. | Mar. | Apr. |
| Total construction ${ }^{1}$. | 61,732 | 67,425 | 6,757 | 5,417 | 6,552 | 6,177 | 6,229 | 5,398 | 5,453 | 5,144 | 4,974 | 4,383 | 4,993 | 6,386 | 7,743 |
| By type of ownership: Public. | 19,597 | 22,656 | 1,791 | 1,695 | 2,814 | 2,312 | 2,078 | 1,869 | 2,023 | 1,937 | 1,688 | 1,464 | 1,578 | 1,722 |  |
| Private 1..................... . | 42,135 | 44,769 | 4,966 | 3,722 | 3,738 | 3,865 | 4,151 | 3,529 | 3,430 | 3,208 | 3,286 | 2,919 | 3,415 | 4,663 | 5,669 |
| By type of construction: <br> Residential building | 24,838 | 25,219 | 2,466 | 2,122 | 2,347 | 2,347 | 2,349 | 2,176 | 2,301 | 1,947 | 2,045 | 1,631 | 1,819 | 2,729 |  |
| Nonresidential building. | 22,512 | 25,667 | 2,412 | 1,749 | 2,469 | 2,469 | 2,331 | 1,943 | 1,862 | 1,701 | 1,693 | 1,711 | 1,654 | 2,199 |  |
| Nonbuilding. . . . . . . | 14,382 | 16,539 | 1,877 | 1,544 | 1,361 | 1,361 | 1,549 | 1,278 | 1,289 | 1,497 | 1,235 | 1,041 | 1,520 | 1,458 |  |
| Private housing units authorized. . (In thousands, S.A., A.R.) | 1,330 | 1,299 | 1,263 | 1,321 | 1,306 | 1,275 | 1,326 | 1,371 | 1,521 | 1,487 | 1,768 | 1,635 | ${ }^{\text {r }} 1,563$ | 1,627 | 1,618 |

1 Because of improved collection procedures, data for 1 -family homes beginning Jan. 1968 are not strictly comparable with those for earlier periods. To improve comparability, earlier levels may be raised by approximately 3 per cent for total and private construction, in each case, and by 8 per cent for residential building.

Note.-Dollar value of construction contracts as reported by the F. W. Dodge Co. does not include data for Alaska or Hawaii. Totals of monthly data exceed annual totals because adjustments-negative-are made into accumulated monthly data after original figures have been published. Private housing units authorized are Census Bureau series for 13,000 reporting areas with local building permit systems.
(In millions of dollars)

| Period | Total | Private |  |  |  |  |  |  | Public |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | Total | Nonfarm residential | Nonresidential |  |  |  |  | Total | Military | $\underset{\text { way }}{\text { High- }}$ | Conservation \& development | Other ${ }^{2}$ |
|  |  |  |  | Total | Buildings |  |  | Other |  |  |  |  |  |
|  |  |  |  |  | Industrial | Commercial | Other buildings 1 |  |  |  |  |  |  |
| 1962 3. | 59,667 | 41,798 | 24,292 | 17,506 | 2,842 | 5,144 | 3,631 | 5,889 | 17,869 | 1,266 | 6,365 | 1,524 | 8,714 |
| 19634. | 63,423 | 44,057 | 26,187 | 17,870 | 2,906 | 4,995 | 3,745 | 6,224 | 19,366 | 1,189 | 7,084 | 1,690 | 9,403 |
| 1964. | 66,200 | 45,810 | 26,258 | 19,552 | 3,565 | 5,396 | 3,994 | 6,597 | 20,390 | 938 | 7,133 | 1,729 | 10,590 |
| 1965. | 72,319 | 50,253 | 26,268 | 23,985 | 5,118 | 6,739 | 4,735 | 7,393 | 22,066 | 852 | 7,550 | 2,019 | 11,645 |
| 1966. | 75,120 | 51,120 | 23,971 | 27,149 | 6,679 | 6,879 | 5,037 | 8,554 | 24,000 | 769 | 8,355 | 2,195 | 12,681 |
| 1967. | 76,160 | 50,587 | 23,736 | 26,851 | 6,131 | 6,982 | 4,993 | 8,745 | 25,573 | 721 | 8,538 | 2,196 | 14,511 |
| 1968 | 84,692 | 56,996 | 28,823 | 28,173 | 5,594 | 8,333 | 4,873 | 9,373 10 | 27,696 | 824 | 9,295 | 2,046 | 15,531 |
| 1969 | 90,866 | 62,806 | 30,603 | 32,203 | 6,373 | 10,136 | 5,521 | 10,170 | 28,060 | 949 | 9,276 | 1,796 | 16,039 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 1970-Apr. | 90,721 | 63,365 | 29,829 | 33,777 | 6,230 | 10,577 | 5,857 | 11,113 | 27,115 | 746 |  |  |  |
| May | 89,702 | 62,656 | 29,150 | 33,506 | 5,864 | 10,553 | 5,975 | 11,114 | 27,046 | 868 |  |  |  |
| June | 90,063 | 61,652 | 27,698 | 33,954 | 5,892 | 10,903 | 5,878 | 11,281 | 28,411 | 830 |  |  |  |
| July. | 89,084 | 60,675 | 27,014 | 33,661 | 5,915 | 10,027 | 5,932 | 11,787 | 28,409 | 592 |  |  |  |
| Aug. | 89,987 | 61,493 | 27,536 | 33,957 | 6,241 | 10,188 | 5,959 | 11,569 | 28,494 | 845 |  |  |  |
| Sept. | 91,012 | 62,725 | 28,768 | 33,957 | 5,741 | 10,375 | 5,686 | 12,155 | 28,287 | 738 |  |  |  |
| Nov | 92,891 | 64,549 | 31,791 | 32,758 | 5,752 | -9,278 | 5,575 | 12,153 | 27,860 | 866 701 |  |  |  |
| Dec. ${ }^{\text {r }}$. | r99,114 | 66,904 | 33,275 | 33,689 | 5,358 | 10,372 | 5,739 | 12,160 | r32,210 | 768 |  |  |  |
| 1971-Jan. | r99,956 | 69,858 | 34,377 | 35,481 | 5,904 | 11,558 | 6,083 | 11,936 | r30,098 | 1,016 |  |  |  |
| Feb. | 102,558 | 70,845 | 35,648 | 35,197 | 5,596 | 11,846 | 5,740 | 12,015 | 31,713 | 924 |  |  |  |
| Mar. | 102,238 | 72,197 | 36,923 | 35,274 | 5,244 | 12,169 | 5,637 | 12,224 | 30,041 | 882 |  |  |  |
| Apr. | 104,496 | 73,735 | 38,077 | 35,658 | 5,869 | 11,837 | 5,884 | 12,068 | 30,761 | 844 |  |  |  |

1 Includes religious, educational, hospital, institutional, and other build${ }^{i n g s}$.
${ }^{2}$ Sewer and water, formerly shown separately, now included in "Other."
3 Beginning July 1962, reflects inclusion of new series affecting most private nonresidential groups.
${ }^{4}$ Beginning 1963, reflects inclusion of new series under "Public" (for State and local govt. activity only).

Note.-Census Bureau data, monthly series at seasonally adjusted annual rates.

NEW HOUSING UNITS
(In thousands)

| Period | Units started |  |  |  |  |  |  |  |  |  |  |  |  |  | $\begin{aligned} & \text { Mobile } \\ & \text { home } \\ & \text { ship- } \\ & \text { ments } \\ & \text { (N.S.A.) } \end{aligned}$ |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Private (S.A., A.R.) |  |  |  |  |  |  |  | Private and public (N.S.A.) |  |  | Government underwritten (N.S.A.) |  |  |  |
|  | Total | Region |  |  |  | Type of structure |  |  |  |  |  |  |  |  |  |
|  |  | Northeast | North Central | South | West |  | $\begin{aligned} & 2-\text { to } 4- \\ & \text { family } \end{aligned}$ | 5- or morefamily | Total | Private | Public | Total | FHA | VA |  |
| 1962. | 1,463 | 264 | 290 | 531 | 378 | 991 |  |  | 1,492 | 1,463 | 30 | 339 | 261 | 78 | 118 |
| 1963. | 1,610 | 261 | 328 | 591 | 431 | 1,021 |  |  | 1,642 | 1,610 | 32 | 292 | 221 | 71 | 151 |
| 1964. | 1,529 | 253 | 339 | 582 | 355 | 972 | 108 | 450 | 1,562 | 1,529 | 32 | 264 | 205 | 59 | 191 |
| 1965 | 1,473 | 270 | 362 | 575 | 266 | 964 | 87 | 422 | 1,510 | 1,473 | 37 | 246 | 197 | 49 | 216 |
| 1966. | 1,165 | 207 | 288 | 473 | 198 | 779 | 61 | 325 | 1,196 | 1,165 | 31 | 195 | 158 | 37 | 217 |
| 1967. | 1,292 | 215 | 337 | 520 | 220 | 844 | 72 | 376 | 1,322 | 1,292 | 30 | 232 | 180 | 53 | 240 |
| 1968. | 1,508 | 227 | 369 | 619 | 294 | 900 | 81 | 527 | 1,548 | 1,508 | 40 | 283 | 227 | 56 | 318 |
| 1969 | 1,467 | 206 | 349 | 588 | 323 | 810 | 87 | 571 | 1,500 | 1,467 | 33 | ${ }^{\text {²8 }} 28$ | ${ }^{2} 237$ | r51 | 413 |
| 1970. | 1,429 | 217 | 291 | 611 | 310 | 811 | 84.7 | 534 | 1,467 | 1,434 | 33 | 479 | 418 | 61 | 401 |
| 1970-Apr. | 1,224 | 222 | 255 | 524 | 223 | 697 | 57 | 470 | 130 | 128 | 2 | 37 | 32 | 5 | 40 |
| May. | 1,242 | 190 | 228 | 566 | 258 | 728 | 81 | 433 | 127 | 125 | 2 | 42 | 37 | 5 | 33 |
| June. | 1,393 | 176 | 311 | 592 | 314 | 835 | 78 | 480 | 141 | 135 | 6 | 46 | 41 | 5 | 35 |
| July.. | 1,603 | 264 | 335 | 652 | 352 | 827 | 95 | 681 | 143 | 141 | 2 | 49 | 43 | 6 | 37 |
| Aug.. | 1,425 | 181 | 298 | 640 | 306 | 838 | 94 | 493 | 132 | 129 | 3 | 40 | 34 | 6 | 38 |
| Sept. | 1,509 | 198 | 262 | 673 | 376 | 881 | 122 | 506 | 133 | 131 | 2 | 40 | 34 | 6 | 41 |
| Oct. | 1,583 | 227 | 331 | 649 | 376 | 890 | 87 | 606 | 143 | 141 | 2 | 46 | 40 | 6 | 41 |
| Nov. | 1,693 | 262 | 355 | 737 | 339 | 934 | 111 | 648 | 128 | 127 | 1 | 39 | 34 | 5 | 30 |
| Dec.. | 2,054 | 234 | 427 | 916 | 477 | 1,240 | 102 | 712 | 124 | 121 | 3 | 69 | 63 | 6 | 27 |
| 1971-Jan. | 1,725 | 238 | 320 | 724 | 435 | 946 | 110 | 669 | 115 | 111 | 4 | 37 | 32 | 5 | 25 |
| Feb. ${ }^{r}$. | 1,754 | 238 | 292 | 745 | 479 | 985 | 110 | 659 | 105 | 102 | 3 | 32 | 27 | 5 | 28 |
| Mar.. | 1,950 | 255 | 439 | 800 | 456 | 1,045 | 121 | 784 | 168 | 167 | 1 | 41 | 33 | 8 | 36 |
| Apr.p. | 1,903 | 246 | 454 | 812 | 391 | 1,081 | 101 | 721 | 203 | 200 | 3 | 53 | 45 | 8 | 43 |

Note--Starts are Census Bureau series (including farm starts) except for Govt.-underwritten, which are from Federal Housing Admin. and Veterans Admin. and represent units started, including rehabilitation
units under FHA, based on field office reports of first compliance inspections. Data may not add to totals because of rounding. Mobile home shipments are as reported by Mobile Homes Manufacturers Assn.
(In thousands of persons, except as noted)

| Period | Total noninstitutional population (N.S.A.) | $\begin{aligned} & \text { Not in } \\ & \text { labor force } \\ & \text { (N.S.A.) } \end{aligned}$ | Total force (S.A.) | Civilian labor force (S.A.) |  |  |  |  | Unemploy-mentrate 1(per cent $;$S.A.)$\quad$. |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  |  | Total | Employed ${ }^{2}$ |  |  | Unem ployed |  |
|  |  |  |  |  | Total | In nonagricultural industries | $\underset{\text { agriculture }}{\text { In }}$ |  |  |
| 1965. | 129,236 | 52,058 | 77,178 | 74,455 | 71,088 | 66,726 | 4,361 | 3,366 | 4.5 |
| 196673 | 131,180 133,319 | 52,288 52,527 | 78,893 80,793 | 75,770 | 72,895 74,372 | 68,915 | 3,979 3,844 | 2,875 | 3.8 3.8 3.8 |
| 1968. | 135,562 | 53,291 | 82,272 | 78,737 | 75,920 | 72,103 | 3,817 | 2,817 | 3.6 |
| 1969 | 137,841 | 53,602 | 84,239 | 80,733 | 77,902 | 74,296 | 3,606 | 2,831 | 3.5 |
| 1970. | 140,182 | 54,280 | 85,903 | 82,715 | 78,627 | 75,165 | 3,462 | 4,088 | 4.9 |
| 1970-May. | 139,884 | 54,915 | 85,849 |  | 78,601 | 75,031 | 3,570 |  |  |
|  | 140,046 140,259 | 52,816 52,304 | 85,392 85,865 | 82,213 82,711 | 78,299 78,574 | 74,763 75,066 | 3,536 | 3,914 4,137 | 4.8 5.0 |
| Aug. | 140,468 | 53,220 | 85',904 | 82,770 | 78,508 | 75,073 | 3,435 | 4,262 | 5.1 |
| Sept. | 140,675 | 55,019 | 86,084 | 88,975 | 78,479 | 75,043 | 3,436 | 4,496 | 5.4 |
| Oct.. | 140,886 141,091 | 54,631 54,705 | 86,379 86,512 | 83,300 83,473 | 78,691 78,550 | 75,398 75,197 | 3,293 3,353 | 4,609 4,923 | 5.5 5.9 |
| Dec | 141,301 | 55,137 | 86,622 | 83,609 | 78,463 | 75,055 | 3,408 | 5,146 | 6.2 |
| 1971-Jan.. | 141,500 | 55,872 | 86,873 | 83,897 | 78,864 | 75,451 | 3,413 | 5,033 | 6.0 |
| Feb, | 141, 670 | 56,017 | 86,334 | 83,384 | 78,537 | 75,208 | 3,329 | 4,847 | 5.8 |
|  | 141,885 142,088 | 56,286 56,308 | 86,405 86,665 | 83,475 | 78,475 78,698 | 75,079 <br> 75 <br> 140 | 3,396 3,558 | 5,000 5,085 | 6.0 |
| May. | 142,285 | 56,331 | 87,028 | 84,178 | 78,961 | 75,503 | 3,458 | 5,217 | 6.2 |

${ }_{1}$ Per cent of civilian labor force
2 Includes self-employed, unpaid family, and domestic service workers.
${ }^{3}$ Beginning 1967, data not strictly comparable with previous data.
Description of changes available from Bureau of Labor Statistics.

Note.-Bureau of Labor Statistics. Information relating to persons 16 years of age and over is obtained on a sample basis. Monthly data relate to the calendar week that contains the 12th day; annual data are averages of monthly figures.

EMPLOYMENT IN NONAGRICULTURAL ESTABLISHMENTS, BY INDUSTRY DIVISION

| Period | Total | Manufacturing | Mining | Contract construction | Transportation \& public utilities | Trade | Finance | Service | Government |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 1965. | 60,815 | 18,062 | 632 | 3,186 | 4,036 | 12,716 | 3,023 | 9,087 | 10,074 |
| 1966. | 63,955 | 19,214 | 627 | 3,275 | 4,151 | 13,245 | 3,100 | 9,551 | 10,792 |
| 1967. | 65,857 | 19,447 | 613 | 3,208 | 4,261 | 13,606 | 3,225 | 10,099 | 11,398 |
| 1968 | 67,915 | 19,781 | 606 | 3,285 | 4,310 | 14,084 | 3,382 | 10,623 | 11,845 |
| 1969 | 70,274 | 20,169 | 619 | 3,437 | 4,431 | 14,645 | 3,557 | 11,211 | 12,204 |
| 1970. | 70,664 | 19,393 | 622 | 3,347 | 4,498 | 14,950 | 3,679 | 11,577 | 12,597 |
| Seasonally adjusted |  |  |  |  |  |  |  |  |  |
| 1970-Apr. | 71,149 | 19,795 | 622 | 3,426 | 4,468 | 14,991 | 3,673 | 11,564 | 12,610 |
| May. | 70,839 | 19,572 | 620 | 3,351 | 4,478 | 14,968 | 3,677 | 11,572 | 12,601 |
| June. | 70,629 | 19,477 | 620 | 3,324 | 4,511 | 14,927 | 3,679 | 11,532 | 12,559 |
| July. | 70,587 | 19,402 | 618 | 3,314 | 4,539 | 14,933 | 3,676 | 11,514 | 12,591 |
| Aug. | 70,414 | 19,271 | 619 | 3,305 | 4,520 | 14,912 | 3,670 | 11,521 | 12,596 |
| Sept. | 70,531 | 19,285 | 621 | 3,262 | 4,511 | 14,961 | 3,684 | 11,622 | 12,585 |
| Oct. | 70,182 | 18,684 | 621 | 3,278 | 4,509 | 15,011 | 3,696 | 11,665 | 12,718 |
| Nov. | 70,085 | 18,538 | 625 | 3,303 | 4,493 | 14,945 | 3,711 | 11,695 | 12,775 |
| Dec.. | 70,303 | 18,842 | 625 | 3,319 | 4,437 | 14,851 | 3,723 | 11,727 | 12,779 |
| 1971-Jan. . | 70,652 | 18,807 | 625 | 3,241 | 4,499 | 15,133 | 3,746 | 11,778 | 12,823 |
| Feb.. | 70,590 | 18,728 | 623 | 3,198 | 4,521 | 15,141 | 3,745 | 11,785 | 12,849 |
| Mar. | 70,659 | 18,672 | 624 | 3,254 | 4,516 | 15,151 | 3,753 | 11,803 | 12,886 |
| Apr ${ }^{p}$. | 70,696 | 18,668 | 623 | 3,291 | 4,486 | 15,155 | 3,766 | 11,798 | 12,909 |
| May ${ }^{p}$. | 70,826 | 18,698 | 625 | 3,271 | 4,498 | 15,232 | 3,784 | 11,785 | 12,933 |
| not seasonally adjusted |  |  |  |  |  |  |  |  |  |
| 1970-Apr. | 70,758 | 19,627 | 616 | 3,286 | 4,432 | 14,818 | 3,658 | 11,564 | 12,757 |
| May. | 70,780 | 19,432 | 620 | 3,344 | 4,469 | 14,878 | 3,670 | 11,641 | 12,726 |
| June. | 71,385 | 19,627 | 635 | 3,504 | 4,561 | 14,994 | 3,708 | 11,717 | 12,639 |
| July. | 70,602 | 19,325 | 635 | 3,572 | 4,593 | 14,924 | 3,738 | 11,698 | 12,117 |
| Aug. | 70,527 | 19,446 | 636 | 3,606 | 4,574 | 14,869 | 3,732 | 11,648 | 12,016 |
| Sept. | 70,922 | 19,512 | 628 | 3,500 | 4,561 | 14,936 | 3,695 | 11,634 | 12,456 |
| Oct. | 70,692 | 18,850 | 622 | 3,471 | 4,527 | 15,038 | 3,689 | 11,677 | 12,818 |
| Nov. | 70,644 | 18,645 | 623 | 3,379 | 4,515 | 15,191 | 3,697 | 1.1,660 | 12,934 |
| Dec.. | 71,234 | 18,864 | 621 | 3,226 | 4,446 | 15,744 | 3,704 | 11,645 | 12,984 |
| 1971-Jan. | 69,622 | 18,622 | 611 | 2,910 | 4,427 | 14,899 | 3,701 | 11,554 | 12,898 |
| Feb. | 69,533 | 18,568 | 606 | 2,833 | 4,444 | 14,757 | 3,708 | 11,608 | 13,009 |
| Mar. | 69,875 | 18,528 | 608 | 2,955 | 4,457 | 14,831 | 3,727 | 11,697 | 13,072 |
| Apr. ${ }^{p}$. | 70,356 | 18,506 | 617 | 3,156 | 4,450 | 15,015 | 3,751 | 11,798 | 13,063 |
| May ${ }^{p}$. | 70,775 | 18,562 | 625 | 3,264 | 4,489 | 15,140 | 3,776 | 11,856 | 13,063 |

Note.-Bureau of Labor Statistics; data include all full- and parttime employees who worked during, or received pay for, the pay period that includes the 12 th of the month. Proprietors, self-employed persons, domestic servants, unpaid family workers, and members of the Armed Forces are excluded.

Data on total and government employment have been revised back to 1964 due to adjustment of State and local government series to Oct. 1967 Census of Governments.
Beginning with 1968, series has been adjusted to Mar. 1969 benchmark.
(In thousands of persons)


1 Data adjusted to 1969 benchmark.
Note.-Bureau of Labor Statistics; data cover production and related workers only (full- and part-time) who worked during, or received pay for, the pay period that includes the 12 th of the month.

HOURS AND EARNINGS OF PRODUCTION WORKERS IN MANUFACTURING INDUSTRIES

| Industry group | Average hours worked ${ }^{1}$ (per week; S.A.) |  |  |  | Average weekly earnings ${ }^{1}$ (dollars per week; N.S.A.) |  |  |  | Average hourly earnings 1 <br> (dollars per hour; N.S.A.) |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | 1970 | 1971 |  |  | 1970 | 1971 |  |  | 1970 | 1971 |  |  |
|  | May | Mar. | Apr. ${ }^{p}$ | May ${ }^{p}$ | May | Mar. | Apr. ${ }^{p}$ | May ${ }^{p}$ | May | Mar. | Apr. ${ }^{p}$ | May ${ }^{\text {p }}$ |
| Total. | 39.8 | 39.9 | 39.7 | 39.9 | 132.93 | 139.74 | 139.08 | 141.65 | 3.34 | 3.52 | 3.53 | 3.55 |
| Durable goods. | 40.3 | 40.5 | 40.1 | 40.5 | 143.07 | 151.50 | 150.02 | 153.09 | 3.55 | 3.75 | 3.76 | 3.78 |
| Ordnance and accessories | 40.8 | 42.1 | 41.6 | 41.8 | 146.47 | 157.59 | 157.35 | 160.09 | 3.59 | 3.77 | 3.81 | 3.83 |
| Lumber and wood produc | 39.7 | 40.0 | 40.1 | 40.1 | 117.09 | 122.40 | 123.11 | 126.77 | 2.92 | 3.06 | 3.07 | 3.13 |
| Furniture and fixtures. | 38.8 | 39.7 | 39.5 | 40.1 | 105.88 | 112.29 | 111.25 | 114.34 | 2.75 | 2.85 | 2.86 | 2.88 |
| Stone, clay, and glass products | 41.3 | 41.8 | 41.2 | 41.4 | 140.27 | 147.44 | 147.55 | 151.01 | 3.38 | 3.57 | 3.59 | 3.63 |
| Primary metal industries. | 40.2 | 40.7 | 40.7 | 41.1 | 157.56 | 168.50 | 170.97 | 173.46 | 3.90 | 4.13 | 4.17 | 4.20 |
| Fabricated metal products | 40.6 | 40.3 | 40.0 | 40.4 | 143.26 | 146.40 | 146.89 | 156.26 | 3.52 | 3.66 | 3.70 | 3.71 |
| Machinery. ............. | 41.1 | 40.2 | 40.0 | 40.4 | 154.95 | 159.17 | 158.00 | 159.98 | 3.77 | 3.93 | 3.95 | 3.96 |
| Electrical equipment and supplies | 39.7 | 39.8 | 39.8 | 40.0 | 129.49 | 137.76 | 136.72 | 139.65 | 3.27 | 3.47 | 3.47 | 3.50 |
| Transportation equipment...... | 40.3 | 41.9 | 40.2 | 40.5 | 164.02 | 183.40 | 175.08 | 180.67 | 4.06 | 4.43 | 4.41 | 4.45 |
| Instruments and related products...... | 40.1 | 39.7 | 39.7 | 39.9 | 132.00 | 137.76 | 137.46 | 139.30 | 3.30 | 3.47 | 3.48 | 3.50 |
| Miscellaneous manufacturing industries... | 38.7 | 38.8 | 38.7 | 38.8 | 108.47 | 114.07 | 113.58 | 113.78 | 2.81 | 2.94 | 2.95 | 2.94 |
| Nondurable goods. | 39.1 | 39.1 | 39.2 | 39.3 | 118.95 | 124.87 | 125.32 | 127.01 | 3.05 | 3.21 | 3.23 | 3.24 |
| Food and kindred products | 40.7 | 40.4 | 40.4 | 40.4 | 127.98 | 133.27 | 134.19 | 135.07 | 3.16 | 3.34 | 3.38 | 3.36 |
| Tobacco manufactures.. | 37.1 | 37.9 | 38.9 | 39.0 | 110.03 | 114.45 | 120.64 | 125.39 | 2.99 | 3.11 | 3.20 | 3.24 |
| Textile-mill products. | 39.8 | 40.3 | 40.6 | 40.9 | 96.47 | 102.75 | 101.75 | 104.86 | 2.43 | 2.55 | 2.55 | 2.57 |
| Apparel and related product | 35.1 | 35.2 | 35.0 | 35.1 | 82.84 | 87.79 | 85.85 | 86.70 | 2.36 | 2.48 | 2.46 | 2.47 |
| Paper and allied products. | 41.8 | 41.8 | 42.2 | 42.1 | 142.12 | 149.76 | 150.90 | 152.82 | 3.40 | 3.60 | 3.61 | 3.63 |
| Printing, publishing, and allied industries. | 37.7 | 37.5 | 37.5 | 37.7 | 145.89 | 153.38 | 154.05 | 156.79 | 3.88 | 4.09 | 4.13 | 4.17 |
| Chemicals and allied products........... | 41.5 | 41.4 | 41.7 | 41.7 | 151.42 | 158.98 | 162.15 | 161.77 | 3.64 | 3.84 | 3.87 | 3.87 |
| Petroleum refining and related industries | 42.5 | 42.2 | 42.0 | 42.4 | 181.90 | 187.26 | 193.31 | 195.57 | 4.25 | 4.48 | 4.57 | 4.58 |
| Rubber and misc. plastic products...... | 40.0 | 40.2 | 40.3 | 40.4 | 123.29 | 132.47 | 133.27 | 135.41 | 3.09 | 3.32 | 3.34 | 3.36 |
| Leather and leather products.... | 37.7 | 37.4 | 38.3 | 38.1 | 93.38 | 96.09 | 95.98 | 98.16 | 2.49 | 2.59 | 2.58 | 2.59 |
| Data adjusted to 1969 benchmark. $\quad \begin{aligned} & \text { Note.-Bureau of Labor Statistics; data are for production and related } \\ & \text { workers only. }\end{aligned}$ |  |  |  |  |  |  |  |  |  |  |  |  |


| Period | $\underset{\text { items }}{\text { All }}$ | Food | Housing |  |  |  |  |  |  | Trans-portation | Health and recreation |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  | Total | Rent | Home-ownership | $\begin{aligned} & \text { Fuel } \\ & \text { oil } \\ & \text { and } \\ & \text { coal } \end{aligned}$ | Gas and electricity | Fur-nishings and operation |  |  | Total | Medical care | Personal care | Reading and recreation | Other goods and services |
| 1929 | 51.3 | 48.3 |  | 76.0 |  |  |  |  | 48.5 |  |  |  |  |  |  |
| 1933 | 38.8 | 30.6 |  | 54.1 |  |  |  |  | 36.9 |  |  |  |  |  |  |
| 1941 | 44.1 | 38.4 | 53.7 | 57.2 |  | 40.5 | 81.4 |  | 44.8 | 44.2 |  | 37.0 | 41.2 | 47.7 | 49.2 |
| 1945 | 53.9 | 50.7 | 59.1 | 58.8 |  | 48.0 | 79.6 |  | 61.5 | 47.8 |  | 42.1 | 55.1 | 62.4 | 56.9 |
| 1960. | 88.7 | 88.0 | 90.2 | 91.7 | 86.3 | 89.2 | 98.6 | 93.8 | 89.6 | 89.6 | 85.1 | 79.1 | 90.1 | 87.3 | 87.8 |
| 1961 | 89.6 | 89.1 | 90.9 | 92.9 | 86.9 | 91.0 | 99.4 | 93.7 | 90.4 | 90.6 | 86.7 | 81.4 | 90.6 | 89.3 | 88.5 |
| 1962 | 90.6 | 89.9 | 91.7 | 94.0 | 87.9 | 91.5 | 99.4 | 93.8 | 90.9 | 92.5 | 88.4 | 83.5 | 92.2 | 91.3 | 89.1 |
| 1963 | 91.7 | 91.2 | 92.7 | 95.0 | 89.0 | 93.2 | 99.4 | 94.6 | 91.9 | 93.0 | 90.0 | 85.6 | 93.4 | 92.8 | 90.6 |
| 1964 | 92.9 | 92.4 | 93.8 | 95.9 | 90.8 | 92.7 | 99.4 | 95.0 | 92.7 | 94.3 | 91.8 | 87.3 | 94.5 | 95.0 | 92.0 |
| 1965. | 94.5 | 94.4 | 94.9 | 96.9 | 92.7 | 94.6 | 99.4 | 95.3 | 93.7 | 95.9 | 93.4 | 89.5 | 95.2 | 95.9 | 94.2 |
| 1966 | 97.2 | 99.1 | 97.2 | 98.2 | 96.3 | 97.0 | 99.6 | 97.0 | 96.1 | 97.2 | 96.1 | 93.4 | 97.1 | 97.5 | 97.2 |
| 1967 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| 1968 | 104.2 | 103.6 | 104.2 | 102.4 | 105.7 | 103.1 | 100.9 | 104.4 | 105.4 | 103.2 | 105.0 | 106.1 | 104.2 | 104.7 | 104.6 |
| 1969 | 109.8 | 108.9 | 110.8 | 105.7 | 116.0 | 105.6 | 102.8 | 109.0 | 111.5 | 107.2 | 110.3 | 113.4 | 109.3 | 108.7 | 109.1 |
| 1970-Apr. | 115.2 | 114.6 | 117.6 | 109.1 | 126.5 | 108.3 | 106.6 | 112.8 | 115.0 | 111.2 | 114.9 | 119.1 | 112.4 | 111.9 | 114.7 |
| May | 115.7 | 114.9 | 118.2 | 109.4 | 127.5 | 108.4 | 106.7 | 113.2 | 115.7 | 112.1 | 115.4 | 119.7 | 112.8 | 112.6 | 115.1 |
| June | 116.3 | 115.2 | 118.6 | 109.8 | 128.5 | 108.6 | 106.3 | 113.5 | 116.0 | 112.7 | 116.1 | 120.5 | 112.7 | 113.3 | 115.7 |
| July | 116.7 | 115.8 | 119.2 | 110.1 | 129.0 | 109.6 | 106.6 | 113.7 | 115.3 | 113.4 | 116.6 | 121.3 | 113.1 | 113.7 | 116.2 |
| Aug. | 116.9 | 115.9 | 119.9 | 110.5 | 130.0 | 110.1 | 107.3 | 113.9 | 115.4 | 112.7 | 117.2 | 122.0 | 113.7 | 114.2 | 116.8 |
| Sept. | 117.5 | 115.7 | 120.6 | 110.9 | 131.3 | 111.4 | 107.6 | 114.2 | 117.2 | 113.0 | 117.7 | 122.6 | 114.0 | 114.7 | 117.4 |
| Oct. | 118.1 | 115.5 | 121.2 | 111.4 | 131.9 | 112.5 | 108.8 | 114.5 | 118.2 | 115.2 | 118.2 | 122.8 | 114.4 | 115.2 | 118.0 |
| Nov | 118.5 | 114.9 | 121.9 | 111.8 | 132.5 | 113.9 | 109.9 | 115.1 | 119.0 | 116.0 | 118.7 | 123.4 | 114.5 | 116.0 | 118.3 |
| Dec | 119.1 | 115.3 | 122.6 | 112.6 | 133.4 | 114.9 | 110.7 | 115.3 | 119.2 | 116.9 | 119.1 | 124.2 | 115.0 | 116.2 | 118.5 |
| 1971-Jan. | 119.2 | 115.5 | 122.7 | 112.9 | 133.4 | 116.7 | 111.5 | 115.4 | 117.6 | 117.5 | 119.8 | 124.9 | 115.3 | 117.3 | 118.9 |
| Feb | 119.4 | 115.9 | 122.6 | 113.6 | 132.3 | 117.2 | 112.8 | 115.9 | 118.1 | 117.5 | 120.2 | 125.8 | 115.4 | 117.5 | 119.1 |
| Mar | 119.8 | 117.0 | 122.4 | 113.9 | 131.2 | 117.4 | 113.3 | 116.4 | 118.6 | 117.8 | 120.6 | 126.8 | 115.8 | 117.7 | 119.4 |
| Apr | 120.2 | 117.8 | 122.5 | 114.4 | 130.9 | 117.3 | 113.9 | 117.0 | 119.1 | 118.1 | 121.2 | 127.5 | 116.3 | 118.4 | 119.7 |

Nore.-Bureau of Labor Statistics index for city wage-earners and clerical workers.

WHOLESALE PRICES: SUMMARY
$(1967=100)$

| Period |  | Farm products | Pro-cessedfoodsandfeeds | Industrial commodities |  |  |  |  |  |  |  |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  |  | Total | Textiles, etc. | Hides, etc. | Fuel, etc. | Chemicals, etc. | Rubber, etc. | $\begin{aligned} & \text { Lum- } \\ & \text { ber, } \\ & \text { etc. } \end{aligned}$ | Paper, etc. | Metals, etc. | Ma-chinery and equipment | Furniture, etc. | Non-metallic minerals | Trans- porta- tion equip- ment 1 | Mis-cellaneous |
| 1960. | 94.9 | 97.2 | 89.5 | 95.3 | 99.5 | 90.8 | 96.1 | 101.8 | 103.1 | 95.3 | 98.1 | 92.4 | 92.0 | 99.0 | 97.2 |  | 93.0 |
| 1961 | 94.5 | 96.3 | 91.0 | 94.8 | 97.7 | 91.7 | 97.2 | 100.7 | 99.2 | 91.0 | 95.2 | 91.9 | 91.9 | 98.4 | 97.6 |  | 93.3 |
| 1962 | 94.8 | 98.0 | 91.9 | 94.8 | 98.6 | 92.7 | 96.7 | 99.1 | 96.3 | 91.6 | 96.3 | 91.2 | 92.0 | 97.7 | 97.6 |  | 93.7 |
| 1963 | 94.5 | 96.0 | 92.5 | 94.7 | 98.5 | 90.0 | 96.3 | 97.9 | 96.8 | 93.5 | 95.6 | 91.3 | 92.2 | 97.0 | 97.1 |  | 94.5 |
| 1964 | 94.7 | 94.6 | 92.3 | 95.2 | 99.2 | 90.3 | 93.7 | 98.3 | 95.5 | 95.4 | 95.4 | 93.8 | 92.8 | 97.4 | 97.3 |  | 95.2 |
| 1965 | 96.6 | 98.7 | 95.5 | 96.4 | 99.8 | 94.3 | 95.5 | 99.0 | 95.9 | 95.9 | 96.2 | 96.4 | 93.9 | 96.9 | 97.5 |  | 95.9 |
| 1966 | 99.8 | 105.9 | 101.2 | 98.5 | 100.1 | 103.4 | 97.8 | 99.4 | 97.8 | 100.2 | 98.8 | 98.8 | 96.8 | 98.0 | 98.4 |  | 97.7 |
| 1967 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |  | 100.0 |
| 1968 | 102.5 | 102.5 | 102.2 | 102.5 | 103.7 | 103.2 | 98.9 | 99.8 | 103.4 | 113.3 | 101.1 | 102.6 | 103.2 | 102.8 | 103.7 |  | 102.2 |
| 1969 | 106.5 | 108.8 | 107.3 | 106.0 | 105.9 | 108.6 | 101.0 | 99.9 | 105.4 | 125.2 | 104.2 | 108.5 | 106.4 | 104.9 | 108.1 | 100.7 | 104.9 |
| 1970-May | 110.1 | 111.3 | 111.1 | 109.7 | 107.2 | 110.4 | 105.3 | 102.2 | 107.5 | 114.8 | 108.2 | 117.4 | 110.6 | 107.1 | 113.0 | 103.2 | 108.1 |
| June | 110.3 | 111.6 | 111.7 | 109.8 | 107.2 | 109.9 | 104.8 | 102.1 | 107.4 | 114.0 | 108.1 | 117.8 | 111.0 | 107.4 | 113.0 | 103.3 | 110.7 |
| July | 110.9 | 113.4 | 113.3 | 110.0 | 107.1 | 109.8 | 105.1 | 102.5 | 109.0 | 113.5 | 108.4 | 117.7 | 111.5 | 107.6 | 113.2 | 103.2 | 111.1 |
| Aug. | 110.5 | 108.5 | 112.9 | 110.2 | 107.4 | 109.8 | 105.8 | 102.7 | 109.7 | 114.0 | 108.2 | 117.5 | 111.6 | 107.7 | 113.6 | 103.3 | 111.2 |
| Sept. | 111.0 | 112.1 | 113.0 | 110.4 | 107.5 | 109.9 | 107.1 | 102.5 | 109.4 | 114.2 | 108.3 | 117.4 | 112.1 | 107.8 | 113.8 | 103.6 | 111.5 |
| Oct. | 111.0 | 107.8 | 111.8 | 111.3 | 107.3 | 110.4 | 108.7 | 103.0 | 109.5 | 113.1 | 108.9 | 117.7 | 112.7 | 108.0 | 114.2 | 108.2 | 111.6 |
| Nov. | 110.9 | 107.0 | 111.7 | 111.3 | 107. 1 | 110.9 | 109.7 | 103.3 | 109.1 | 111.9 | 108.7 | 116.8 | 113.1 | 108.4 | 114.6 | 108.5 | 111.8 |
| Dec. | 111.0 | 107.1 | 110.7 | 111.7 | 106.7 | 110.4 | 112.8 | 103.3 | 109.4 | 111.1 | 108.5 | 116.2 | 113.8 | 108.7 | 115.1 | 108.9 | 111.9 |
| 1971-Jan. | 111.8 | 108.9 | 111.8 | 112.2 | 106.9 | 111.7 | 113.5 | 103.8 | 108.4 | 112.2 | 109.0 | 116.5 | 114.2 | 109.3 | 118.8 | 109.5 | 112.3 |
| Feb. | 112.8 | 113.9 | 113.3 | 112.5 | 106.7 | 112.4 | 113.0 | 104.2 | 109.1 | 117.5 | 109.3 | 116.4 | 114.6 | 109.7 | 119.0 | 109.7 | 112.6 |
| Mar | 113.0 | 113.0 | 113.7 | 112.8 | 106.9 | 112.5 | 112.8 | 104.5 | 109.1 | 123.4 | 109.3 | 116.5 | 114.9 | 109.6 | 120.9 | 109.5 | 112.8 |
| Apr | 113.3 | 113.0 | 113.5 | 113.3 | 107.5 | 114.0 | 113.0 | 104.5 | 109.0 | 124.6 | 109.6 | 117.8 | 115.0 | 109.7 | 121.6 | 109.7 | 112.7 |
| May | 113.8 | 114.0 | 114.5 | 113.7 | 107.8 | 114.4 | 114.2 | 104.3 | 108.7 | 124.9 | 109.9 | 118.5 | 115.3 | 109.9 | 121.8 | 109.8 | 112.5 |

${ }^{1}$ For transportation equipment, Dec. $1968=100$.

WHOLESALE PRICES: DETAIL
$(1967=100)$

| Group | 1970 | 1971 |  |  | Group | 1970 | 1971 |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | May | Mar. | Apr. | May |  | May | Mar. | Apr. | May |
| Farm products: |  |  |  |  | Pulp, paper, and allied products: |  |  |  |  |
| Fresh and dried produce. | 121.6 | 125.3 | 120.8 | 127.5 | Pulp, paper and products, excluding |  |  |  |  |
| Grains.. | 95.9 | 108.4 | 106.8 | 107.2 | building paper and board........ | 108.4 | 109.6 | 109.9 | 110.2 |
| Livestock | 120.9 | 114.9 | 116.9 | 119.0 | Woodpulp.... | 107.1 | 112.2 | 112.2 | 112.4 |
| Live poultry. | 102.2 | 100.1 | 99.5 | 101.3 | Wastepaper | 133.4 | 104.8 | 107.7 | 107.6 |
| Plant and animal fi | 91.0 | 88.9 | 89.4 | 90.3 | Paper..... | 110.5 | 113.1 | 114.3 | 114.2 |
| Fluid milk. | 114.4 | 118.1 | 119.7 104.4 | 118.7 92 | Paperboard. . . . . . . . . . . . . . . . . . . | 101.8 108.1 | 102.5 109.0 | 103.0 108.8 | 102.6 109.4 |
| Eggs. . . . . . . | 94.5 96.3 | 101.2 107.6 | 104.4 104.8 | 92.4 106.8 | Converted paper and paperboard... Building paper and board. . . . . . | 108.1 101.5 | 109.0 101.4 | 108.8 101.7 | 109.4 |
| Hay and seeds. . . . . Other farm products | 96.3 115.5 | 107.6 116.1 | 104.8 114.4 | 106.8 113.6 | Building paper and board......... | 101.5 | 101.4 | 101.7 | 102.7 |
| Processed foods and feeds: |  |  |  |  | Metals and metal products: |  |  |  |  |
| Cereal and bakery products | 106.4 | 111.5 | 111.5 | 111.5 |  |  |  |  |  |
| Meat, poultry, and fish.... | 116.7 | 112.9 | 113.3 115.5 | 116.4 | Iron and steel.... | 114.8 113.8 | 118.2 118.0 | 118.4 | 120.1 |
| Dairy products. . . . . . . . . . . | 111.1 | 115.0 111.9 | 115.5 | 116.2 114.0 | Steclmill products. | 113.8 130.0 | 118.0 113.7 | 118.5 117.2 | 120.7 117.2 |
| Sugar and confectionery. .... | 114.5 | 119.2 | 118.6 | 119.2 | Metal containers. | 111.7 | 115.8 | 123.1 | 123.1 |
| Beverages and beverage ma | 113.0 | 115.3 | 115.6 | 115.7 | Hardware. | 110.2 | 115.5 | 115.6 | 115.6 |
| Animal fats and oils..... | 140.0 | 142.1 | 135.9 | 131.5 | Plumbing equipment | 112.2 | 113.2 | 114.9 | 115.8 |
| Crude vegetable oils. | 118.8 | 128.8 | 120.4 | 120.6 | Heating equipment. . . . . . . . . . . . | 109.7 | 114.5 | 114.7 | 115.1 |
| Refined vegetable oils. | 115.3 | 152.5 | 125.2 | 128.3 | Fabricated structural metal products | 111.4 | 116.6 | 116.8 | 117.3 |
| Vegetable oil end products | 110.9 | 119.4 | 119.4 | 118.5 | Miscellaneous metal products...... | 112.6 | 117.9 | 118.0 | 118.2 |
| Miscellaneous processed foods | 110.2 | 113.7 | 114.3 | 113.9 |  |  |  |  |  |
| Manufactured animal feeds. | 97.5 | 107.2 | 104.4 | 104.6 |  |  |  |  |  |
| Textile products and apparel: |  |  |  |  | Machinery and equipment: |  |  |  |  |
| Cotton products | 105.1 | 107.8 | 108.9 | 109.6 | Agricultural machinery and equip... | 112.3 | 116.5 | 116.7 | 116.6 |
| Wool products. | 100.5 | 94.5 | 94.4 | 93.5 | Construction machinery and equip.. | 114.4 | 120.8 | 120.9 | 121.1 |
| Manmade fiber textile products | 103.5 | 97.6 | 98.6 | 99.7 | Metalworking machinery and equip. | 114.1 | 116.0 | 116.6 | 117.4 |
| Apparel......... | 110.5 | 112.2 | 112.2 | 112.2 | General purpose machinery and |  |  |  |  |
| Textile housefurnishings | 102.5 | 103.5 | 103.5 | 104.3 | equipment..................... | 112.6 | 117.8 | 118.3 | 118.7 |
| Miscellaneous textile products | 106.7 | 106.7 | 118.7 | 113.6 | Special industry machinery and equipment. | 114.8 | 119.3 | 119.7 | 120.4 |
| Hides, skins, leather, and products: |  |  |  |  | Electrical machinery and equip. . | 105.6 | 109.7 | 109.5 | 109.4 |
|  |  |  |  |  | Miscellaneous machinery.......... | 112.4 | 116.3 | 117.0 | 117.2 |
| Hides and skins. | 108.1 | 105.5 | 121.1 | 121.4 |  |  |  |  |  |
| Leather. | 109.2 | 108.6 | 111.0 | 113.0 |  |  |  |  |  |
| Footwear. | 112.9 | 116.5 | 116.6 | 116.7 | Furniture and household durables: |  |  |  |  |
| Other leather produc | 106.3 | 107.5 | 107.7 | 107.9 |  |  |  |  |  |
| Fuels and related products, and power: |  |  |  |  | Household furniture. | 111.5 | 114.0 | 114.1 | 115.0 |
|  |  |  |  |  | Commercial furniture | 112.6 | 118.2 | 118.1 | 118.1 |
|  | 142.2 | 176.0 | 184.0 | 182.8 | Floor coverings...... | 99.3 | 100.2 | 99.8 | 99.8 |
| Coke. | 124.6 | 145.9 | 145.9 | 147.6 | Household appliances...... | 105.2 | 107.0 | 107.1 | 107.1 |
| Gas fuels. | 101.8 | 109.4 | 105.9 | 106.9 | Home electronic equipment. | 93.2 | 93.7 119.8 | 93.7 | 93.7 |
| Electric power | 103.5 | 111.1 | 112.3 | 112.6 | Other household durable gooder | 115.7 | 119.8 | 120.1 | 120.1 |
| Crude petroleum. | 106.0 | 113.2 | 113.2 | 113.2 |  |  |  |  |  |
| Petroleum products, refined | 102.0 | 105.9 | 105.3 | 107.4 |  |  |  |  |  |
| Chemicals and allied products: |  |  |  |  | Nonmetallic mineral products: |  |  |  |  |
|  |  |  |  |  | Flat glass. | 115.4 | 125.3 | 126.2 | 124.4 |
| Industrial chemicals | 100.8 | 102.2 | 101.9 | 101.5 | Concrete ingredients. | 115.3 | 120.6 | 121.0 | 121.2 |
| Prepared paint. | 112.4 102.5 | 115.1 | 115.9 | 115.9 103.5 | Concrete products................ | 111.4 | 118.5 | 119.4 | 119.6 |
| Drugs and pharmaceuticals | 103.7 | 102.6 | 102.0 | 101.9 | Structural clay products excluding refractories.................. |  |  |  |  |
| Fats and oils, inedible. . . | 131.4 | 144.3 | 143.0 | 138.8 |  | 109.8 | 113.6 | 114.5 | 114.5 |
| Agricultural chemicals and products. . | 88.5 | 93.9 | 94.1 | 93.8 | Resphalt roofing. | 120.1 | 123.6 | 123.6 | 123.6 |
| Plastic resins and materials.......... | 90.6 | 87.3 | 88.2 | 88.2 | Asphat roofing. | 101.2 | 123.6 98.9 | 123.6 | 123.6 |
| Other chemicals and products. | 108.7 | 111.5 | 111.8 | 112.1 | Glass containers. | 119.6 | 131.5 | 131.5 | 131.5 |
| Rubber and plastic products: ${ }^{1}$ |  |  |  |  | Other nonmetallic minerals | 111.5 | 121.4 | 122.0 | 124.8 |
| Crude rubber. | 102.2 | 99.1 | 99.8 | 100.6 |  |  |  |  |  |
| Tires and tubes. | 105.9 | 107.5 | 107.5 | 107.5 | Transportation equipment: |  |  |  |  |
| Miscellaneous rubber products.. | 112.7 | 117.2 | 116.3 | 116.3 | Tramsportaion equipment: |  |  |  |  |
| Plastic construction products (Dec. $1969=100 \text { ) }$ | 97.6 | 95.9 | 95.5 | 94.6 | Motor vehicles and equipment . . . . . Railroad equipment | 107.0 114.9 | 113.8 119.9 | 114.1 119.9 | 114.2 120.4 |
| Unsupported plastic film and sheeting | 97.6 | 95.9 | 95.5 | 94.6 | Railroad equipment. | 114.9 | 119.9 | 119.9 | 120.4 |
| (Dec. 1970 = 100) , . . . . . . . . . . . . |  | 102.7 | 102.6 | 102.2 |  |  |  |  |  |
| Laminated sheets, high pressure <br> (Dec. $1970=100$ ) . . . . . . . . . . . . . . . . |  | 99.5 | 101.0 | 99.1 | Miscellaneous products: |  |  |  |  |
| Lumber and wood products: |  |  |  |  | Toys, sporting goods, small arms, ammunition. | 108.8 | 113.1 | 112.5 | 112.4 |
| Lumber. | 114.7 | 129.0 | 131.5 | 132.8 | Tobacco products. | 169.9 | 116.9 | 116.5 | 116.5 |
| Millwork | 116.8 | 116.2 | 118.6 | 120.3 | Notions.. . . . . . . . . . . . . . . . . . . . . | 107.6 | 111.7 | 111.7 | 111.7 |
| Plywood. | 111.5 | 120.2 | 115.6 | 111.0 | Photographic equipment and supplies | 104.5 | 105.8 | 105.8 | 105.9 |
| Other wood product | 117.2 | 118.3 | 119.3 | 119.2 | Other miscellaneous products. . . . . | 107.9 | 111.8 | 112.2 | 111.6 |

[^54]
## GROSS NATIONAL PRODUCT

(In billions of dollars)

| Item | 1929 | 1933 | 1941 | 1950 | 1966 | 1967 | 1968 | 1969 | 1970 | 1970 |  |  |  | 1971 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  |  |  |  |  |  |  |  | I | II | III | IV | I |
| Gross national produc | 103.1 | 55.6 | 124.5 | 284.8 | 749.9 | 793.9 | 865.0 | 931.4 | 976.5 | 959.5 | 971.1 | 985.5 | 989.9 | 020.7 |
| Final purchases. | 101.4 | 57.2 | 120.1 | 278.0 | 735.1 | 785.7 | 857.4 | 922.9 | 973.1 | 957.9 | 968.1 | 980.0 | 986.3 | ,019.3 |
| Personal consumption expenditures. | 77.2 | 45.8 | 80.6 | 191.0 | 466.3 | 492.1 | 535.8 | 577.5 | 616.7 | 603.1 | 614.4 | 622.1 | 627.0 | 646.4 |
| Durable goods. | 9.2 | 3.5 | 9.6 | 30.5 | 70.8 | 73.1 | 84.0 | 90.0 | 89.4 | 89.1 | 91.9 | 91.2 | 85.3 | 97.5 |
| Nondurable goods | 37.7 | 22.3 | 42.9 | 98.1 | 206.9 | 215.0 | 230.2 | 245.8 | 264.7 | 258.8 | 262.6 | 265.8 | 271.5 | 272.8 |
| Services......... | 30.3 | 20.1 | 28.1 | 62.4 | 188.6 | 204.0 | 221.6 | 241.6 | 262.6 | 255.2 | 259.9 | 265.1 | 270.2 | 276.1 |
| Gross private domestic investment. | 16.2 | 1.4 | 17.9 | 54.1 | 121.4 | 116.6 | 126.5 | 139.8 | 135.7 | 133.2 | 134.3 | 138.3 | 137.1 | 142.4 |
| Fixed investment. . . . . . . . . . . . | 14.5 | 3.0 | 13.4 | 47.3 | 106.6 | 108.4 | 118.9 | 131.4 | 132.3 | 131.6 | 131.2 | 132.7 | 133.5 | 141.0 |
| Nonresidential | 10.6 | 2.4 | 9.5 | 27.9 | 81.6 | 83.3 | 88.7 | 99.3 | 102.6 | 102.6 | 102.8 | 103.6 | 101.3 | 105.1 |
| Structures, | 5.0 | . 95 | 2.9 | 9.2 | 28.5 | 28.0 | 29.6 | 33.8 | 35.2 | 35.7 | 35.3 | 35.0 | 34.7 | 36.1 |
| Producers' durable equipme | 5.6 | 1.5 | 6.6 | 18.7 | 53.1 | 55.3 | 59.1 | 65.5 | 67.4 | 66.9 | 67.5 | 68.6 | 66.6 | 69.0 |
| Residential structures. | 4.0 | .6 | 3.9 | 19.4 | 25.0 | 25.1 | 30.3 | 32.0 | 29.7 | 29.1 | 28.4 | 29.2 | 32.2 | 35.8 |
| Nonfarm..... | 3.8 | -1.5 | 3.7 | 18.6 | 24.5 | 24.5 | 29.7 | 31.5 | 29.1 | 28.4 | 27.8 | 28.6 | 31.6 | 35.2 |
| Change in business | 1.7 | $-1.6$ | 4.5 | 6.8 | 14.8 | 8.2 | 7.6 | 8.5 | 3.5 | 1.6 | 3.1 | 5.5 | 3.6 | 1.4 |
| Nonfarm. . . . . . | 1.8 | $-1.4$ | 4.0 | 6.0 | 15.0 | 7.5 | 7.5 | 8.0 | 2.9 | . 9 | 2.6 | 5.0 | 3.0 | 1.2 |
| Net exports of goods and servi | 1.1 | . 4 | 1.3 | 1.8 | 5.3 | 5.2 | 2.5 | 1.9 | 3.6 | 3.5 | 4.1 | 4.2 | 2.6 | 3.3 |
| Exports. . | 7.0 | 2.4 | 5.9 | 13.8 | 43.4 | 46.2 | 50.6 | 55.5 | 62.2 | 61.1 | 62.8 | 62.8 | 62.0 | 64.6 |
| Imports | 5.9 | 2.0 | 4.6 | 12.0 | 38.1 | 41.0 | 48.1 | 53.6 | 58.6 | 57.6 | 58.7 | 58.6 | 59.3 | 61.3 |
| Government purchases of goods and services.. | 8.5 | 8.0 | 24.8 | 37.9 | 156.8 | 180.1 | 200.2 | 212.2 | 220.5 | 219.6 | 218.4 | 221.0 | 223.2 | 228.7 |
| Federal. | 1.3 | 2.0 | 16.9 | 18.4 | 77.8 | 90.7 | 99.5 | 101.3 | 99.7 | 102.3 | 99.7 | 98.6 | 98.2 | 98.4 |
| National defense |  |  | 13.8 | 14.1 | 60.7 | 72.4 | 78.0 | 78.8 | 76.6 | 79.3 | 76.8 | 75.8 | 74.6 | 74.0 |
| Other....... |  |  | 3.1 | 4.3 | 17.1 | 18.4 | 21.5 | 22.6 | 23.1 | 23.0 | 22.9 | 22.9 | 23.5 | 24.5 |
| State and local. | 7.2 | 6.0 | 7.9 | 19.5 | 79.0 | 89.4 | 100.7 | 110.8 | 120.9 | 117.4 | 118.7 | 122.4 | 125.0 | 130.2 |
| Gross national product in constant (1958) dollars. | 203.6 | 141.5 | 263.7 | 355.3 | 658.1 | 675.2 | 707.2 | 727.1 | 724.1 | 723.8 | 724.9 | 727.4 | 720.3 | 732.7 |

Note--Dept. of Commerce estimates. Quarterly data are seasonally see the Survey of Current Business, July 1968, July 1969, July 1970, and adjusted totals at annual rates. For back data and explanation of series, Supplement, Aug. 1966.

NATIONAL INCOME
(In billions of dollars)

| Item | 1929 | 1933 | 1941 | 1950 | 1966 | 1967 | 1968 | 1969 | 1970 | 1970 |  |  |  | $\frac{1971}{\mathbf{I}^{p}}$ |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  |  |  |  |  |  |  |  | I | II | III | IV |  |
| National income. | 86.8 | 40.3 | 104.2 | 241.1 | 620.6 | 653.6 | 712.7 | 769.5 | 800.1 | 791.5 | 797.4 | 806.6 | 804.8 | 833.2 |
| Compensation of employees. | 51.1 | 29.5 | 64.8 | 154.6 | 435.5 | 467.2 | 514.1 | 564.2 | 599.8 | 592.2 | 596.4 | 603.8 | 606.7 | 625.2 |
| Wages and salaries | 50.4 | 29.0 | 62.1 | 146.8 | 394.5 | 423.1 | 464.8 | 509.0 | 540.1 | 534.4 | 537.4 | 543.4 | 545.2 | 560.6 |
| Private.. | 45.5 | 23.9 | 51.9 | 124.4 | 316.8 | 337.3 | 369.1 | 404.9 | 426.1 | 422.6 | 424.0 | 428.9 | 429.1 | 440.7 |
| Military............ | 4.3 | 4.3 | 1.9 | 5.0 | 14.6 | 16.2 | 17.9 | 19.0 | 19.3 | 20.1 | 19.5 | 19.1 | 18.6 | 19.2 |
| Government civilian | 4.6 | 4.9 | 8.3 | 17.4 | 63.1 | 69.5 | 77.8 | 85.1 | 94.6 | 91.7 | 93.9 | 95.4 | 97.5 | 100.6 |
| Supplements to wages and salaries......... . Employer contributions for social in- | . 7 | . 5 | 2.7 | 7.8 | 41.0 | 44.2 | 49.3 | 55.1 | 59.7 | 57.9 | 59.0 | 60.4 | 61.4 | 64.6 |
| surance. . . . . . . . . . . . . . . . . . . . . . . . | . 1 | . 1 | 2.0 | 4.0 | 20.3 | 21.9 | 24.3 | 27.5 | 29.3 | 28.6 | 29.0 | 29.6 | 29.9 | 32.5 |
| Other labor income. | . 6 | . 4 | . 7 | 3.8 | 20.7 | 22.3 | 24.9 | 27.6 | 30.4 | 29.3 | 30.0 | 30.8 | 31.5 | 32.1 |
| Proprietors' income | 15.1 | 5.9 | 17.5 | 37.5 | 61.3 | 62.1 | 64.1 | 66.8 | 67.6 | 67.6 | 67.8 | 67.8 | 67.4 | 67.0 |
| Business and profession | 9.0 | 3.3 | 11.1 | 24.0 | 45.2 | 47.3 | 49.1 | 50.5 | 51.4 | 50.6 | 51.2 | 51.7 | 52.0 | 52.2 |
| Farm. | 6.2 | 2.6 | 6.4 | 13.5 | 16.1 | 14.8 | 15.0 | 16.4 | 16.2 | 17.0 | 16.5 | 16.1 | 15.3 | 14.7 |
| Rental income of persons | 5.4 | 2.0 | 3.5 | 9.4 | 20.0 | 21.1 | 21.3 | 22.0 | 22.7 | 22.5 | 22.6 | 22.7 | 23.0 | 23.1 |
| Corporate profits and inventory valuation adjustment. | 10.5 | -1.2 | 15.2 | 37.7 | 82.4 | 78.7 | 85.4 | 85.8 | 76.5 | 76.7 | 77.5 | 78.4 | 73.3 | 82.7 |
| Profits before tax | 10.0 | 1.0 | 17.7 | 42.6 | 84.2 | 79.8 | 88.7 | 91.2 | 81.3 | 82.6 | 82.0 | 84.4 | 76.3 | 86.4 |
| Profits tax liability | 1.4 | , | 7.6 | 17.8 | 34.3 | 33.2 | 40.6 | 42.7 | 37.5 | 38.0 | 38.1 | 38.9 | 34.8 | 38.9 |
| Profits after tax. | 8.6 | 4 | 10.1 | 24.9 | 49.9 | 46.6 | 48.2 | 48.5 | 43.8 | 44.6 | 43.9 | 45.4 | 41.4 | 47.5 |
| Dividends. | 5.8 | 2.0 | 4.4 | 8.8 | 20.8 | 21.4 | 23.3 | 24.7 | 25.2 | 25.2 | 25.1 | 25.4 | 25.1 | 25.8 |
| Undistributed profits. | 2.8 | -1.6 | 5.7 | 16.0 | 29.1 | 25.3 | 24.9 | 23.9 | 18.6 | 19.4 | 18.8 | 20.0 | 16.3 | 21.7 |
| Inventory valuation adjustment | . 5 | -2.1 | -2.5 | -5.0 | -1.8 | $-1.1$ | -3.3 | -5.4 | -4.8 | $-5.8$ | -4.5 | -5.9 | $-3.0$ | -3.7 |
| Net interest. | 4.7 | 4.1 | 3.2 | 2.0 | 21.4 | 24.4 | 27.8 | 30.7 | 33.5 | 32.4 | 33.1 | 33.8 | 34.5 | 35.2 |

Note.-Dept. of Commerce estimates. Quarterly data are seasonally
adjusted totals at annual rates. See also Note to table above.

RELATION OF GROSS NATIONAL PRODUCT, NATIONAL INCOME, AND PERSONAL INCOME AND SAVING
(In billions of dollars)

| Item | 1929 | 1933 | 1941 | 1950 | 1966 | 1967 | 1968 | 1969 | 1970 | 1970 |  |  |  | 1971 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  |  |  |  |  |  |  |  | I | II | III | IV | $\mathrm{I}^{p}$ |
| Gross national product. . | 103.1 | 55.6 | 124.5 | 284.8 | 749.9 | 793.9 | 865.0 | 931.4 | 976.5 | 959.5 | 971.1 | 985.5 | 989.91,020.7 |  |
| Less: $\begin{aligned} \text { Capital } \\ \text { Indirect } \\ \text { bility } \\ \text { Business } \\ \text { Statistic }\end{aligned}$ | 7.9 | 7.0 | 8.2 | 18.3 | 63.9 | 68.9 | 74.0 | 78.9 | 84.3 | 82.1 | 83.6 | 85.0 | 86.5 | 88.4 |
|  | 7.0 | 7.1 | 11.3 | 23.3 | 65.7 | 70.4 | 78.1 | 85.2 | 92.1 | 89.3 | 91.1 | 93.3 | 94.5 | 97.9 |
|  | 6 | . 7 | . 5 | . 8 | 3.0 | 3.1 | 3.3 | 3.5 | 3.6 | 3.6 | 3.6 | 3.6 | 3.7 | 3.7 |
|  | . 7 | .6 | . 4 | 1.5 | $-1.0$ | -. 7 | $-2.4$ | -4.7 | $-1.8$ | $-5.4$ | $-3.1$ | -1.1 | 2.4 | $-.4$ |
| Plus: Subsidies less curr ernment enterpri |  |  |  | . 2 | 2.3 | 1.4 | . 7 |  |  | 1.6 |  | 1.8806.6 | $\begin{array}{r} 2.1 \\ 804.8 \end{array}$ | 2.0 |
| Equals: National income | 86.8 | 40.3 | 104.2 | 241.1 | 620.6 | 653.6 | 712.7 | 769.5 | 800.1 | 791.5 | 797.4 |  |  | 833.2 |
| Less: Corporate profits and inventory valuation adjustment | $\begin{array}{r} 10.5 \\ .2 \end{array}$ |  | $\begin{array}{r} 15.2 \\ 2.8 \end{array}$ |  |  |  |  | 85.8 | 76.5 | 76.7 | 77.5 | 78.4 | 73.3 |  |
| Contributions for social insurance.... |  | $\begin{array}{r} -1.2 \\ .3 \end{array}$ |  | $\begin{array}{r} 37.7 \\ 6.9 \end{array}$ | $\begin{aligned} & 82.4 \\ & 38.0 \end{aligned}$ | $\begin{aligned} & 78.7 \\ & 42.4 \end{aligned}$ | $\begin{aligned} & 85.4 \\ & 47.1 \end{aligned}$ | 53.6 | 57.1 | 56.0 | 56.7 | 57.6 | 58.1 | 82.7 63.2 |
| Excess of wage accruals over disbursements. |  |  |  |  |  |  |  |  |  | 2.5 | -2.1 | -. 4 |  |  |
| Plus: Government transfer payments....... | . 9 | 1.5 | 2.6 | 14.3 | 41.1 | 48.7 | 55.7 | 61.6 | 73.9 | 66.3 | 75.8 | 75.1 | 78.5 | 82.3 |
| Net interest paid by government and consumers. . ........................... |  | 1.6 | 2.2 | 7.2 | 22.2 | 23.6 | 26.3 | 29.0 | 31.8 | 31.0 | 31.4 | 32.2 | 32.5 | 32.5 |
| Dividends. . | $5.8$ | 2.0.7 | $\begin{array}{r} 4.4 \\ .5 \end{array}$ | $\begin{array}{r} 8.8 \\ .8 \end{array}$ | $\begin{array}{r} 20.8 \\ 3.0 \end{array}$ | 21.43.1 | 23.3 | 24.7 | 25.2 | 25.2 | 25.1 | 25.4 | 25.1 | 25.8 |
| Business transfer paym | . 6 |  |  |  |  |  | 3.3 | 3.5 | 3.6 | 3.6 | 3.6 | 3.6 | 3.7 | 3.7 |
| Equals: Personal incom | $85.9$ | 47.0 | 96.0 | 227.6 | 587.2 | 629.3 | 688.7 | 748.9 | 801.0 | 782.3 | 801.3 | 807.2 | 813.3 | 831.5 |
| Less: Personal tax and nontax paymen | 2.6 | 1.5 | 3.3 | 20.7 | 75.4 | 83.0 | 97.5 | 117.3 | 116.3 | 117.0 | 117.7 | 114.2 | 116.1 | 116.4 |
| Equals: Disposable personal income | 83.3 | 45.5 | 92.7 | 206.9 | 511.9 | 546.3 | 591.2 | 631.6 | 684.8 | 665.3 | 683.6 | 693.0 | 697.2 | 715.1 |
| Less: Personal outlays. | 79.1 | 46.5 | 81.7 | 193.9 | 479.3 | 506.0 | 550.8 | 593.9 | 634.6 | 620.5 | 632.1 | 640.2 | 645.5 | 665.3 |
| Personal consumption expenditures. | 77.2 | 45.8 | 80.6 | 191.0 | 466.3 | 492. 1 | 535.8 | 577.5 | 616.7 | 603.1 | 614.4 | 622.1 | 627.0 | 646.4 |
| Consumer interest payments. . . . . . | 1.5 | . | . 9 | 2.4 | 12.4 | 13.2 | 14.3 | 15.7 | 17.0 | 16.4 | 16.8 | 17.2 | 17.5 | 17.9 |
| Personal transfer payments to foreigners. |  |  |  |  |  |  |  |  |  | . 9 |  |  | $\begin{array}{r} .9 \\ 51.8 \end{array}$ |  |
| Equals: Personal saving . | 4.2 | - 2 | 11.0 | $\begin{array}{r} .5 \\ 13.1 \end{array}$ | $\begin{array}{r} \cdot 6 \\ 32.5 \end{array}$ | $40.4$ | $40.4$ | $37.6$ | $50.2$ | $\begin{array}{r} .9 \\ 44.8 \end{array}$ | $51.5$ | $52.7$ |  | 1.0 49.8 |
| Disposable personal income in constant (1958) dollars. | 150.6 112.2 190.3 249.6 458.9 477.5 499.0 511.5 529.8 522.9 532.0 534.2 530.0 |  |  |  |  |  |  |  |  |  |  |  |  | $538.3$ |

Note.-Dept. of Commerce estimates. Quarterly data are seasonally
adjusted totals at annual rates. See also Note to table opposite.

PERSONAL INCOME
(In billions of dollars)

| Item | 1969 | 1970 | 1970 |  |  |  |  |  |  |  |  | 1971 |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  | Apr. | May | June | July | Aug. | Sept. | Oct. | Nov. | Dec. | Jan. | Feb. | Mar. | Apr. ${ }^{p}$ |
| Total personal income | 748.9 | 801.0 | 806.0 | 799.7 | 798.2 | 803.3 | 806.4 | 811.9 | 809.9 | 812.6 | 817.5 | 827.4 | 830.4 | 836.8 | 841.3 |
| Wage and salary disbursements | 509.0 | 540.1 | 539.9 | 540.5 | 538.1 | 541.5 | 543.2 | 546.6 | 541.8 | 544.1 | 549.8 | 557.8 | 559.8 | 564.2 | 567.0 |
| Commodity-producing industries... | 197.5 | 201.2 | 202.3 | 200.9 | 201.3 | 202.1 | 202.0 | 201.5 | 196.8 | 196.8 | 202.3 | 203.0 | 202.5 | 204.5 | 205.1 |
| Manufacturing only. | 157.5 | 158.9 | 160.0 | 159.2 | 159.5 | 160.1 | 159.6 | 159.5 | 154.3 | 153.6 | 158.9 | 160.2 | 159.8 | 160.8 | 160.9 |
| Distributive industries. | 119.8 | 128.4 | 126.0 | 127.2 | 127.9 | 129.1 | 129.7 | 130.2 | 130.6 | 131.4 | 130.5 | 133.4 | 134.2 | 135.4 | 136.4 |
| Service industries. | 87.7 | 96.6 | 95.1 | 95.5 | 95.7 | 96.8 | 97.3 | 97.9 | 98.8 | 99.8 | 100.4 | 102.2 | 103.1 | 103.9 | 104.5 |
| Government. | 104.1 | 114.0 | 116.5 | 116.9 | 113.2 | 113.5 | 114.2 | 117.0 | 115.6 | 116.1 | 116.6 | 119.2 | 120.0 | 120.4 | 121.0 |
| Other labor income | 27.6 | 30.4 | 29.8 | 30.0 | 30.3 | 30.6 | 30.8 | 31.1 | 31.3 | 31.5 | 31.7 | 31.9 | 32.1 | 32.3 | 32.5 |
| Proprietors' income. | 66.8 | 67.6 | 67.9 | 67.8 | 67.7 | 67.8 | 67.8 | 67.8 | 67.6 | 67.3 | 67.1 | 67.1 | 66.8 | 67.0 | 67.0 |
| Business and professional | 50.5 | 51.4 | 51.0 | 51.3 | 51.5 | 51.6 | 51.7 | 51.8 | 51.9 | 52.0 | 52.1 | 52.2 | 52.1 | 52.3 | 52.4 |
| Farm. . . . . . . . . . . . . . . | 16.4 | 16.2 | 16.9 | 16.5 | 16.2 | 16.2 | 16.1 | 16.0 | 15.7 | 15.3 | 15.0 | 14.9 | 14.7 | 14.7 | 14.6 |
| Rental income. | 22.0 | 22.7 | 22.6 | 22.6 | 22.7 | 22.7 | 22.7 | 22.8 | 22.9 | 23.0 | 23.1 | 23.2 | 22.8 | 23.3 | 23.4 |
| Dividends | 24.7 | 25.2 | 25.2 | 25.3 | 24.7 | 25.2 | 25.3 | 25.5 | 25.6 | 25.7 | 24.1 | 25.9 | 25.9 | 25.7 | 25.7 |
| Personal interest income. | 59.7 | 65.2 | 64.2 | 64.5 | 64.8 | 65.3 | 66.0 | 66.8 | 67.0 | 67.1 | 67.1 | 67.5 | 67.7 | 67.7 | 67.9 |
| Transfer payments. | 65.1 | 77.6 | 84.1 | 76.6 | 77.6 | 78.1 | 78.6 | 79.6 | 81.7 | 81.9 | 82.9 | 84.5 | 86.0 | 87.6 | 88.8 |
| Less: Personal contributions for social insurance. | 26.0 | 27.8 | 27.7 | 27.7 | 27.6 | 27.8 | 28.0 | 28.2 | 28.0 | 28.1 | 28.4 | 30.6 | 30.7 | 30.9 | 31.1 |
| Nonagricultural income | 726.7 | 778.6 | 783.0 | 777.0 | 775.7 | 780.9 | 784.0 | 789.7 | 787.9 | 791.0 | 796.2 | 806.2 | 809.2 | 815.7 | 820.2 |
| Agriculture income. . | 22.2 | 22.4 | 23.0 | 22.7 | 22.4 | 22.4 | 22.3 | 22.2 | 21.9 | 21.6 | 21.3 | 21.2 | 21.2 | 21.1 | 21.1 |

Note.-Dept. of Commerce estimates. Monthly data are seasonally
adjusted totals at annual rates. See also Note to table opposite.
(Seasonally adjusted annual rates; in billions of dollars)

|  |  | 1966 | 1967 | 1968 | 1969 | $1970{ }^{\text {r }}$ | 1968 | 1969 |  |  |  | $1970{ }^{\text {r }}$ |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Transaction category, or sector |  |  |  |  |  | IV | I | II | III | IV | I | II | III | IV |  |
|  | Total funds raised by nonfinancial sectors | Funds raised, by type and sector |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 1 |  | 68.5 | 83.5 96.9 |  | 90.4 | 96.9 | 90.7 | 92.5 | 93.6 | 88.4 | 86.8 | 81.4 | 103.8 | 93.5 | 109.2 | 1 |
| 2 | U.S. Government | 3.5 | 13.0 | 13.4 | -3.6 | 12.8 | -7.0 | -5.4 | -9.5 | $-.7$ | 1.2 | 3.0 |  | 12.2 |  | 2 |
| 3 | Public debt securities | 2.3 | 8.9 | 10.3 | $-1.3$ | 12.9 | -8.4 | $-5.8$ | $-8.8$ | 4.9 | 4.9 | 3.5 | 18.1 | 11.4 | 18.5 | 3 |
| 4 | Budget agency issues............ | 1.2 | 4.1 | 3.1 | -2.4 | -. 1 | 1.4 | . 5 | $-.7$ | -5.6 | $-3.7$ | -. 5 | $-2.0$ | . 8 | 1.5 | 4 |
| 5 | All other nonfinancial sectors.. | 64.9 | 70.5 | 83.5 | 94.1 | 84.1 | 97.7 | 97.9 | 103.0 | 89.1 | 85.7 | 78.3 | 87.7 | 81.4 | 89.2 | 5 |
| 6 | Capital market instruments. . . . . | 39.9 | 48.9 | 50.2 | 53.9 | 65.0 | 58.3 | 57.6 | 55.1 | 51.2 | 51.7 | 51.6 | 60.7 | 64.3 | 83.2 | 6 |
| 7 | Corporate equity shares... | . 9 | 2.4 | 5.7 | 4.8 | 6.8 | $-2.1$ | 5.3 | 3.6 | 6.0 | 9.2 | 5.9 | 6.0 | 5.4 | 9.9 | 7 |
| 8 | Debt capital instruments. | 39.0 | 46.6 | 50.9 | 49.1 | 58.1 | 60.4 | 57.3 | 51.5 | 45.2 | 42.5 | 45.6 | 54.7 | 59.0 | 73.3 | 8 |
| 9 | State and local govt. sec. | 5.7 | 8.7 | 9.6 | 8.1 | 11.8 | 14.2 | 12.8 | 9.4 | 5.6 | 4.7 | 8.9 | 10.2 | 8.9 | 19.3 | 9 |
| 10 | Corporate and fgn. bonds. | 11.0 | 15.9 | 14.0 | 13.1 | 21.1 | 16.3 | 15.8 | 13.3 | 12.1 | 11.1 | 15.0 | 22.4 | 22.2 | 24.8 | 10 |
| 11 | Mortgages...... . . . . . . . | 22.3 | 22.0 | 27.3 | 27.9 | 25.2 | 29.9 | 28.7 | 28.8 | 27.5 | 26.7 | 21.7 | 22.1 | 27.8 | 29.3 | 11 |
| 12 | Home mortgages | 11.4 | 11.6 | 15.2 | 15.7 | 12.3 | 16.1 | 16.5 | 16.6 | 15.7 | 13.9 | 10.7 | 11.1 | 14.2 | 13.2 | 12 |
| 13 | Other residential. | 3.1 | 3.6 | 3.5 | 4.8 | 5.8 | 3.9 | 4.2 | 4.7 | 4.8 | 5.6 | 4.6 | 5.4 | 6.2 | 6.8 | 13 |
| 14 | Commercial. | 5.7 | 4.7 | 6.6 | 5.5 | 5.4 | 8.0 | 5.9 | 5.1 | 5.3 | 5.8 | 4.8 | 4.2 | 5.5 | 7.1 | 14 |
| 15 | Farm. | 2.1 | 2.1 | 2.1 | 1.9 | 1.8 | 1.9 | 2.2 | 2.3 | 1.8 | 1.5 | 1.5 | 1.4 | 2.0 | 2.2 | 15 |
| 16 | Other private credit | 25.0 | 21.6 | 33.3 | 40.2 | 19.2 | 39.4 | 40.3 | 47.9 | 38.0 | 33.9 | 26.7 | 27.0 | 17.0 | 6.0 | 16 |
| 17 | Bank loans n.e.c. | 10.3 | 9.6 | 13.4 | 15.7 | 2.7 | 20.9 | 17.0 | 19.1 | 11.7 | 14.2 | 7.6 | 9.0 | 1.9 | -7.6 | 17 |
| 18 | Consumer credit | 7.2 | 4.6 | 11.1 | 9.3 | 4.3 | 12.1 | 10.2 | 10.8 | 8.9 | 7.5 | 4.8 | 6.1 | 6.2 | 2 | 18 |
| 19 | Open market paper | 1.0 | 2.1 | 1.6 | 3.3 | 3.8 | . 7 | 4.9 | 4.7 | 2.7 | 1.0 | 5.0 | 2.2 | 5 | 7.5 | 19 |
| 20 | Other. | 6.4 | 5.2 | 7.3 | 11.8 | 8.4 | 5.7 | 8.1 | 13.3 | 14.6 | 11.2 | 9.4 | 9.8 | 8.4 | 5.9 | 20 |
| 21 | By borrowing sector | 64.9 | 70.5 | 83.5 | 94.1 | 84.1 | 97.7 | 97.9 | 103.0 | 89.1 | 85.7 | 78.3 | 87.7 | 81.4 | 89.2 | 21 |
| 22 | Foreign. | 1.5 | 4.1 | 3.0 | 3.7 | 2.6 | 2.8 | 4.0 | 6.0 | 2.3 | 2.4 | 2.6 | 1.7 | 2.2 | 4.0 | 22 |
| 23 | State and local governments | 6.4 | 8.8 | 9.9 | 8.5 | 12.2 | 14.6 | 13.4 | 9.7 | 5.8 | 5.1 | 9.4 | 10.4 | 9.7 | 19.5 | 23 |
| 24 | Households. | 23.2 | 19.7 | 31.8 | 32.2 | 21.1 | 34.7 | 33.0 | 36.0 | 31.5 | 28.2 | 22.9 | 21.4 | 23.8 | 16.4 | 24 |
| 25 | Nonfinancial business. | 33.8 | 37.9 | 38.8 | 49.7 | 48.1 | 45.6 | 47.4 | 51.3 | 49.4 | 49.9 | 43.4 | 54.3 | 45.6 | 49.4 | 25 |
| 26 | Corporate. | 24.9 | 29.3 | 30.3 | 39.1 | 38.7 | 35.0 | 37.1 | 41.1 | 37.4 | 41.0 | 35.8 | 45.1 | 34.3 | 39.4 | 26 |
| 28 | Farm......................... . | 5.5 | 5.0 3.5 | 5.8 2.7 | 7.4 | 6.2 3.2 | 8.0 2.6 | 7.1 | 6.6 3.6 | 8.7 3.3 | 6.4 | 4.6 3.0 | 5.4 | 8.1 | 6.9 | 27 |
|  |  | 3.5 | 3.5 | 2.7 | 3.2 | 3.2 | 2.6 | 3.3 | 3.6 | 3.3 | 2.5 | 3.0 | 3.8 | 3.2 | 3.1 | 28 |
|  |  | Funds advanced directly in credit markets |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 12345 | Total funds raised. | 68.5 | 83.5 | 96.9 | 90.4 | 96.9 | 90.7 | 92.5 | 93.61.7 | 88.4 | 86.82.3 | 81.4 | 103.8 | 93.5 | 109.2 | 1 |
|  | Advanced directly by- |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | U.S. Government . . . . . . | 4.9 | 4.6 | 4.9 -.2 | 2.5 | 3.2 | 3. 1 | 2.5 | 1.7 | 3.7 | 2.3 | 3.9 | 3.6 1.6 | 3.4 | 1.9 | 2 |
|  | Funds advanced........ | 5.1 | -. 1 | 3.2 | 9.0 | 9.4 | 2.3 | 4.0 | 7.6 | 10.5 | 14.1 | 13.7 | 6.9 | 7.1 | 9.8 | 4 |
|  | Less funds raised in cr. mkt.... | 4.8 | -. 6 | 3.5 | 8.8 | 8.2 | 3.1 | 3.6 | 8.4 | 10.6 | 12.5 | 14.4 | 5.4 | 6.3 | 6.9 | 5 |
| 6 | Federal Reserve Syst | 3.5 | 4.8 | 3.7 | 4.2 | 5.0 | -4.4 | 4.1 | 4.0 | -. 5 | 9.3 | 1.2 | 5.5 | 7.7 | 5.5 | 6 |
| 7 | Commercial banks, | 16.7 | 36.6 | 39.5 | 12.2 | 31.3 | 36.2 | 7.9 | 29.3 | $-.9$ | 12.1 | 1.0 | 23.3 | 63.6 | 37.3 | 7 |
| 8 | Funds advanced. | 16.8 | 36.9 | 39.7 | 16.5 | 29.5 | 36.1 | 8.8 | 33.8 | 4.2 | 18.9 | 10.1 | 27.4 | 52.1 | 28.4 | 8 |
| 9 | Less funds raised | 1 | . 2 | . 2 | 4.3 | $-1.8$ | -. 1 | . 9 | 4.5 | 5.0 | 6.8 | 9.1 | 4.1 | - 11.6 | $-8.9$ |  |
| 10 | Private nonbank finance. | 25.9 | 34.4 | 34.2 | 30.4 | 39.3 | 38.3 | 31.1 | 39.8 | 26.1 | 24.8 | 25.3 | 42.3 | 41.9 | 47.8 | 10 |
| 11 | Savings institutions, ne | 7.8 | 16.8 | 14.6 | 10.4 | 14.7 | 16.4 | 15.9 | 13.3 | 6.8 | 5.6 | 4.7 | 15.3 | 18.0 | 20.7 | 11 |
| 12 | Insurance. | 19.3 | 18.7 | 22.0 | 21.8 | 24.9 | 25.2 | 19.8 | 27.5 | 20.6 | 19.5 | 23.2 | 27.1 | 24.1 | 25.3 | 12 |
| 13 | Finance n.e.c., | $-1.3$ | -1.1 | $-2.4$ | $-1.8$ | . 3 | $-3.2$ | -4.6 | $-1.0$ | $-1.3$ | $-.2$ | -2.6 | . 1 | -. 1 | 1.7 | 13 |
| 14 | Foreign | $-1.8$ | 2.8 | 2.5 | 1.3 | 10.9 | 11.9 | . 2 | 1.0 | 5.1 | $-1.1$ | 9.4 | 9.5 | 4.9 | 19.6 | 14 |
| 15 | Private domestic nonfinancial. | 19.1 | -. 2 | 12.3 | 39.5 | 6.1 | 6.5 | 46.5 | 18.6 | 55.0 | 37.9 | 41.2 | 18.0 | $-28.9$ | $-5.8$ | 15 |
| 16 | Business. | 3.6 | $-.2$ | 7.4 | 13.8 | $-1.0$ | 2.0 | 15.8 | 14.1 | 18.1 | 7.0 | 15.1 | 12.3 | -28.5 | -2.9 | 16 |
| 17 | State and local governments | 3.4 | 2. ${ }^{\text {\% }}$ |  | 6.1 |  |  | 8.1 | 2.9 |  | 5.6 | $-2.5$ | $-5.3$ | $-7.8$ | . 4 | 17 |
| 18 | Households.. | 11.9 | * | 5.8 | 18.0 | 9.5 | 4.1 | 19.8 | 1.5 | 25.9 | 24.9 | 24.8 | 8.9 | 7.2 | -2.8 | 18 |
| 19 | Less net security credit. | $-.2$ | 2.2 | 1.4 | -1.6 | -1.4 | 3.3 | -2.7 | -. 2 | -3.2 | $-.4$ | -3.8 | -2.1 | $-.2$ | . 6 | 19 |
|  |  | Sources of funds supplied to credit markets |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Total borrowing <br> by nonfinancial sectors. Supplied directly and indirectly by pvt. domestic nonfin. sectors: | 68.5 | 83.5 | 96.9 | 90.4 | 96.9 | 90.758 | 92.5 | 93.6 | 88.4 | 86.8 | 81.4 | 103.8 | 93.5 | 109.2 | 1 |
| 1 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 2 | Total........................ | 42.8 | 51.3 | 60.8 | 44.2 | 67.2 | 58.1 | 58.9 | 26.8 | 47.1 | 43.8 | 55.1 | 72.1 | 68.3 | 73.6 | 2 |
| 3 | Deposits.................. | 23.7 | 51.5 | 48.5 | 4.7 | 61.1 | 51.6 | 12.5 | 8.2 | -7.9 | 5.9 | 13.9 | 54.1 | 97.1 | 79.4 | 3 |
| 4 | Demand dep. and currency. . | 4.0 | 12.4 | 14.8 | 7.1 | 6.2 | 13.1 | 5.9 | 6.6 | 7.6 | 8.2 | 2.0 | 7.0 | 7.3 | 8.6 | 4 |
| 5 | Time and svgs. accounts.... | 19.7 | 39.1 | 33.7 | -2.4 | 54.9 | 38.5 | 6.6 | 1.6 | -15.5 | $-2.3$ | 11.9 | 47.1 | 89.9 | 70.8 | 5 |
| 6 | At commercial banks... | 12.5 | 22.5 | 20.8 | -10.5 | 38.4 | 23.9 | $-6.8$ | -7.4 | -21.3 | -6.4 | 7.4 | 31.9 | 68.2 | 46.3 | 6 |
| 7 | At savings instit. | 7.2 | 16.6 | 12.9 | 8.1 | 16.5 | 14.6 | 13.4 | 9.0 | 5.8 | 4.2 | 4.4 | 15.2 | 21.7 | 24.5 | 7 |
| 8 | Credit mkt. instr., net. | 19.1 | -. 2 | 12.3 | 39.5 | 6.1 | 6.5 | 46.5 | 18.6 | 55.0 | 37,9 | 41.2 | 18.0 | -28.9 | $-5.8$ | 8 |
| 9 | U.S. Govt. securities | 8.5 | $-1.7$ | 7.7 | 15.0 | $-7.3$ | 3.0 | 21.8 | 23.9 | 23.2 | 14.1 | 6.5 | -8.2 | -8.3 | -19.3 | 9 |
| 10 | Pvt. credit market instr. . . . . | 11.4 | 7.8 | 13.4 | 26.9 | 14.9 | 15.9 | 27.2 | 23.6 | 29.4 | 27.3 | 37.4 | 23.8 | -21.8 | 20.2 | 10 |
| 11 | Less security debt. . . . . . . . . | $-.2$ | 2.2 | 1.4 | $-1.6$ | $-1.4$ | 3.3 | $-2.7$ | -. 2 | -3.2 | -. 4 | -3.8 | -2.1 | -. 2 | . 6 | 11 |
|  | Other sources: |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 12 | Foreign funds. | . 7 | 4.6 | 4.3 | 9.6 | 2.4 | 8.2 | 13.8 | 14.8 | 10.4 | -. 6 | 10.8 | 2.7 | -4.5 | . 7 | 12 |
| 13 | At banks. | 2.5 | 1.7 | 1.8 | 8.3 | -8.4 | -3.7 | 13.7 | 13.8 | 5.3 | . 5 | 1.3 | $-6.8$ | -9.4 | -18.9 | 13 |
| 14 | Direct. | -1.8 | 2.8 | 2.5 | 1.3 | 10.9 | 11.9 | . 2 | 1.0 | 5.1 | $-1.1$ | 9.4 | 9.5 | 4.9 | 19.6 | 14 |
| 15 | Chg. in U.S. Govt. cash bal. | $-.4$ | 1.2 | $-1.1$ | . 4 | 2.6 | $-6.8$ | $-5.8$ | 1.7 | 1.6 | 3.9 | 1.0 | 2.1 | 1.4 | 6.1 | 15 |
| 16 | U.S. Government loans. | 4.9 | 4.6 | 4.9 | 2.5 | 3.2 | 3.1 | 2.5 | 1.7 | 3.7 | 2.3 | 3.9 | 3.6 | 3.4 | 1.9 | 16 |
| 17 | Pvt. insur. and pension res....... | 16.7 | 17.5 | 18.5 | 18.7 | 21.0 | 20.0 | 14.9 | 22.4 | 18.7 | 18.9 | 18.7 | 22.7 | 19.8 | 22.8 | 17 |
| 18 | Sources n.e.c... | 3.8 | 4.3 | 9.5 | 15.0 | . 4 | 8.2 | 8.2 | 26.2 | 6.8 | 18.6 | -8.1 | . 6 | 5.2 | 4.1 | 18 |

PRINCIPAL FINANCIAL TRANSACTIONS
(Seasonally adjusted annual rates; in billions of dollars)

| Transaction category, or sector |  | 1966 | 1967 | 1968 | 1969 | $1970{ }^{r}$ | 1968 | 1969 |  |  |  | $1970{ }^{\text {r }}$ |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | IV |  |  |  |  | I | II | III | IV | I | II | III | IV |  |
|  |  |  | Demand deposits and currency |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 1 | Net incr. in banking system liability. . | 2.6 | 14.8 | 14.8 | 8.5 | 10.1 | 7.1 | -1.0 | 10.3 | 11.0 | 13.2 | 5.1 | 9.8 | 8.9 | 16.9 |  |
| 2 | U.S. Government deposits....... | $-.4$ | 1.1 | -1.2 | 6 | 2.5 | -6.9 | -5.7 | 1.7 | 1.9 | 4.2 | 1.1 | 2.0 | 7 | 6.0 |  |
| 3 | Money supply..... | 3.0 | 13.7 | 16.0 | 7.9 | 7.7 | 14.0 | 4.7 | 8.6 | 9.1 | 9.0 | 4.0 | 7.8 | 8.2 | 10.8 |  |
| 4 | Domestic sectors | 3.9 | 13.4 | 15.7 | 7.6 | 7.4 | 13.6 | 4.8 | 8.0 | 8.5 | 9.0 | 2.6 | 8.2 | 8.6 | 10.3 |  |
| 5 | Households. | 3.1 | 9.4 | 11.1 | 5.9 | 3.5 | 15.5 | -. 9 | 10.2 | 9.5 | 5.1 | 7.4 | 7.4 | 1.0 | $-1.8$ |  |
| 6 | Nonfinancial business | . 7 | . 8 | 1.8 | -. 8 | . 3 | -5.4 | 3.9 | -5.6 | -4.3 | 3.0 | -4.3 | -2.7 | 4.7 | 3.9 |  |
| 7 | State and local governments. | -. 1 | $-1.0$ | . 7 | 3.2 | 1.2 | . 6 | 2.5 | 3.4 | 3.9 | 2.9 | $-.3$ | 1.0 | 1.1 | 3.1 |  |
| 8 | Financial sectors. | $-.1$ | 1.0 | . 9 | . 5 | 1.2 | . 5 | -1.1 | 1.4 | . 9 | . 8 | . 5 | 1.2 | 1.4 | 1.7 | $8$ |
| 9 | Mail float. | 3. | 3.2 | 1.2 | -1.2 | 1.1 | 2.6 |  | -1.3 | -1.5 | -2.8 | $-.7$ | 1.3 | . 5 | 3.3 | 9 |
| 10 | Rest of the world | -1.0 | . 3 | . 3 |  | . 3 | , | -. 1 |  | . 6 |  | 1.4 | -. 4 | -. 5 | . 5 | 10 |
|  |  | Time and savings accounts |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 1 | Net increase-Total. | 20.2 | 40.8 | 33.3 | -1.6 | 53.9 | 38.0 | 5.9 |  | 15.4 | 3.4 | 16.8 | 44.3 | 87.5 | 67.1 |  |
| 2 | At commercial banks-Total | 13.3 | 23.8 | 20.6 | -9.7 | 36.7 | 24.2 | -7.6 | -9.0 | -21.2 | -1.1 | 11.6 | 28.5 | 65.6 | 41.3 | $2$ |
| 3 | Corporate business. | $-.7$ | 2.9 | 1.9 | $-9.8$ | 12.8 |  | -14.4 | -9.5 | -11.0 | -4.2 | . 5 | 6.1 | 32.3 | 12.2 | $\overline{3}$ |
| 4 | State and local governments | 1.3 | 2.4 | 3.2 | -5.9 | 9.9 | 3.5 | -3.7 | -5.0 | -10.3 | -4.6 | 6.4 | 10.3 | 13.4 | 9.6 |  |
| 5 | Foreign. | . 8 | 1.2 | -. 3 | 1.0 | $-1.9$ | 2 | -. 5 | $-1.4$ | 4 | 5.7 | 4.3 | -3.5 | -3.2 | -5.1 |  |
| 6 | Households | 11.9 | 17.1 | 15.7 | 5.2 | 15.8 | 16.5 | 11.3 | 7.1 | * | 2.4 | . 5 | 15.5 | 22.5 | 24.5 | $6$ |
| 7 | At savings institutions Liabilities- | 7.0 | 17.0 | 12.8 | 8.1 | 17.2 | 13.9 | 13.5 | 8.8 | 5.7 | 4.5 | 5.2 | 15.8 | 21.9 | 25.8 | $7$ |
| 8 | Savings and loan assns. | 3.6 | 10.6 | 7.5 | 4.1 | 11.1 | 8.1 | 8.0 | 4.8 | 2.9 | 7 | 2.0 | 9.8 | 15.6 | 16.9 | 8 |
| 9 | Mutual savings banks. | 2.6 | 5.1 | 4.2 | 2.6 | 4.4 | 4.5 | 3.8 | 2.7 | 1.5 | 2.2 | 1.6 | 4.4 | 4.7 | 7.0 | 9 |
| 10 | Credit unions. | . 8 | 1.2 | 1.1 | 1.4 | 1.7 | 1.3 | 1.6 | 1.2 | 1.3 | 1.5 | 1.6 | 1.7 | 1.5 | 1.9 | 10 |
| 11 | Assets | 7.2 | 16.6 | 12.9 | 8.1 | 16.5 | 14.6 | 13.4 | 9.0 | 5.8 | 4.2 | 4.4 | 15.2 | 21.7 | 24.5 | 11 |
| 12 | Cr. union deps. at S \& L's... | -. 2 | . 3 | -. 1 |  | 7 |  |  | -. 2 | $-.1$ | .3 | . 8 | . 6 | . 2 | 1.3 | 12 |
|  |  | U.S. Government securities |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 1 | Total net issues. | 8.7 | 12.5 | 16.7 | 5.5 | 21.1 | -4.2 | -. 5 | -1.0 | 10.0 | 13.8 | 17.5 | 21.5 | 18.6 | 26.9 | 1 |
| 2 | Household savings bonds | . 6 | 1.0 | . 4 | -. 4 | 3 |  | $-.4$ | $-.4$ | - . 8 | . 1 | $-.9$ | - ${ }^{18}$ | 1.5 | 1.7 | 2 |
| 3 | Direct excluding savings bonds... | 1.8 | 7.9 | 9.9 | -. 9 | 12.6 |  |  | -8.4 | 5.6 | 4.8 | 4.4 | 18.3 | 10.9 | 16.8 | 3 |
| 4 | Budget agency issues.... |  | - 6 | 1.5 | $-.4$ | 1.3 | 2.6 | 4.8 | $-1.3$ | $-.8$ | $-.2$ | 2.1 | 5.4 | 1.0 | 1.7 | 4 |
| 5 | Sponsored agency issues. . . . . . . . | 5.1 | $-.6$ | 3.2 | 9.1 -1.9 | 8.2 -1.3 | - 2.7 | 4.8 -3 | 8.4 | 10.6 | 12.5 | 14.4 | - 5.4 | 6.3 | 6.9 $-\quad 2$ | 5 |
| 6 | Loan participations............. | 1.3 | 4.0 | 1.7 | -1.9 | -1.3 | -1.2 | -. 3 |  | -4.8 | $-3.3$ | -2.6 | -2.2 | -. 1 | $-.2$ |  |
| 7 | Net acquisitions, by sector | 8.7 | 12.5 | 16.7 | 5.5 | 21.1 | -4.2 | $-.5$ | -1.0 | 10.0 | 13.8 | 17.5 | 21.5 | 18.6 | 26.9 | 7 |
| 8 | U.S. Government (agency sec.)... | 1.3 | $-.1$ | .1 | -1.3 | -. 1 | -1.0 | -1.1 | -2.2 | -. 8 | -1.0 |  |  |  | -. 6 | 8 |
| 9 | Sponsored credit agencies. | 1.0 | $\stackrel{*}{*}$ | -. 1 | -. 2 | 1.7 | .1 | $-2.0$ | .3 | -. 5 | 1.2 | 2.0 | -. 5 | 1.0 | 4.4 | 9 |
| 10 | Direct marketable. | 3 | .99 | . 1 | $-.5$ | 1.9 | . 1 | $-2.0$ | ${ }^{3}$ | -. 8 | . 4 | 2.8 | $-.8$ | 1.2 | 4.3 | 10 |
| 11 | FHLB special issue.. | 3.5 | - 4.9 |  | 4.3 | $-.2$ |  | 4.0 | 4.2 | .3 -4 | 9.8 | $\bigcirc .8$ | 5.2 | $\bigcirc 7$ |  | 11 |
| 12 | Federal Reserve System | 3.5 | 4.8 | 3.8 | 4.2 | 5.0 | -4.3 | 4.0 | 4.2 | -. 4 | 9.2 | 1.1 | 5.4 | 7.9 | 5.6 | 12 |
| 13 | Foreign. | -2.4 | 2.1 | $-.5$ | $-1.8$ | 9.1 | 6.8 | -4.5 | -1.8 | 2.7 | $-3.7$ | 8.0 | 8.2 | 4.7 | 15.5 | 13 |
| 14 | Commercial banks | -3.6 | 9.3 | 3.4 | -9.5 | 9.0 | -4.1 | -16.2 | -7.2 | -9.5 | -5.2 | . 5 | 6.8 | 11.0 | 17.6 | 14 |
| 15 | Direct. | -3.4 | 6.3 | 2.2 | -9.3 | 5.8 | -5.0 | -14.4 | -8.8 | -7.6 | -6.2 | $-.7$ | 6.8 | 8.9 | 8.0 | 15 |
| 16 | Agency issues. | -. 2 | 3.0 | 1.3 | -. 3 | 3.2 |  | $-1.8$ |  | -1.9 | 1.0 | 1.3 |  | 2.1 | 9.6 | 16 |
| 17 | Nonbank finance | 4 | $-1.9$ | 2.2 | -. 8 | 3.7 | -4.8 | -2.4 | 4.8 | -4.7 | $-.8$ | $-.7$ | 9.8 | 2.2 | 3.7 | 17 |
| 18 | Direct. | -. 2 | $-2.2$ | . 4 | -2.4 | 1.5 | -6.5 | -4.4 | 2.7 | $-7.3$ | -. 6 | -3.2 | 7.6 | $-.7$ | 2.5 | 18 |
| 19 | Agency issues. | 5 |  | 1.8 | 1.6 | 2.2 | 1.7 | 2.0 | 2.0 | 2.6 | -. 2 | 2.6 | 2.2 | 2.9 | 1.2 | 19 |
| 20 | Pvt. domestic nonfin. | 8.5 | $-1.7$ | 7.7 | 15.0 | $-7.3$ | 3.0 | 21.8 | . 9 | 23.2 | 14.1 | 6.5 | -8.2 | $-8.3$ | -19.3 | 20 |
| 21 | Savings bonds-Households | . 6 | - 1.0 | 4.4 |  |  |  |  |  |  |  |  |  |  | -197 | 21 |
| 23 | Direct excl. savings bonds. | 3.3 | $-3.0$ | 4.1 | 8.7 | - 10.5 |  | 16.1 | $-5.1$ | 18.8 |  | $-2.7$ | $-9.2$ |  | -19.2 | 22 |
|  | Agency issues | 4.7 | . 4 | 3.2 | 6.7 | 2.9 | 2.4 |  | 6.4 | 5.2 | 9.1 | 10.1 | 1.3 | 2.0 | $-1.8$ | 23 |
|  |  | Private securities |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 1 | Total net issues, by sector. | 18.5 | 28.2 | 23.9 | 27.7 | 42.3 | 29.3 | 30.4 | 28.8 | 25.1 | 26.3 | 31.3 | 41.0 | 39.3 | 57.7 |  |
| 2 | State and local governments | 5.7 | 8.7 | 9.6 | 8.1 | 11.8 | 14.2 | 12.8 | 9.4 | 5.6 | 4.7 | 8.9 | 10.2 | 8.9 | 19.3 |  |
| 3 | Nonfinancial corpora | 11.4 | 17.0 | 12.1 | 16.4 | 27.0 | 12.2 | 14.7 | 14.9 | 16.1 | 19.8 | 20.2 | 28.9 | 25.7 | 33.4 |  |
| 4 | Finance companies. | . 8 | 1.0 | . 8 | 1.6 | 2.5 | 1.0 | 1.4 | 2.2 | 1.4 | 1.3 | 1.3 | 2.3 | 2.8 | 3.8 |  |
| 5 | Commercial banks | ${ }^{1}$ | . 2 | . 2 | . 1 | . 1 | $-.1$ | . 1 | . 3 |  | . 1 | . 2 |  |  |  |  |
| 6 | Rest of the world | . 5 | 1.3 | 1.3 | 1.5 | . 9 | 2.0 | 1.5 | 2.0 | 2.0 | 5 | . 7 | -. 4 | 2.0 | 1.3 |  |
| 7 | Net purchases. | 18.5 | 28.2 | 23.9 | 27.7 | 42.3 | 29.3 | 30.4 | 28.8 | 25.1 | 26.3 | 31.3 | 41.0 | 39.3 | 57.7 |  |
| 8 | Households. | 3.2 | $-1.8$ | -1.2 | 2.7 | 7.7 | 3.8 | 3.4 | $-2.0$ | 4.7 | 4.8 | 6.9 | 9.9 | 2.6 | 11.3 |  |
| 9 | Nonfinancial corporations. | 1.0 | $-.2$ | -1.1 | 5.1 | 1.4 | -. 9 | 6.7 | 3.1 | 5.5 | 5.0 | . 6 | 2.0 | 1.6 | 1.2 |  |
| 10 | State and local gover | 1.1 | 1.9 | $-.4$ | 2.6 | ..$^{2}$ | $-1.8$ | 4.9 | 3.0 | . 9 | 1.4 | 5.4 | 8 | -14.8 | 14.6 | 10 |
| 11 | Commercial banks | 1.9 | 9.8 | 8.9 | . 3 | 10.8 | 13.6 | 1.6 | 2.4 | $-1.1$ | -1.7 | 5.0 | 8.9 | 14.5 | 14.7 | 11 |
| 12 | Mutual savings banks. | 3 | 2.3 | 1.6 | . 6 | 1.7 | 1.5 | 1.1 | 1.0 |  | . 2 | 1.2 | 2.0 | 1.2 | 2.5 | 12 |
| 13 | Insurance and pension fund | 12.9 | 16.6 | 17.6 | 16.8 | 18.7 | 19.8 | 16.3 | 20.5 | 15.0 | 15.4 | 17.0 | 20.6 | 13.9 | 23.2 | 13 |
| 14 | Finance n.e.c.... | -2.2 | $-.9$ | -3.6 | -2.5 | . 5 | -10.3 | $-7.6$ |  |  | -1.7 -2.2 | -. 3 | -3.6 | 4.2 5.6 | 1.8 -2.4 | 14 |
| 15 | Security brokers and dealers. |  |  |  | -3.5 | 1.1 | -9.2 |  | -1.1 | 2.8 -3.4 | $\begin{array}{r}-2.2 \\ \hline\end{array}$ | .5 -.8 | -4.6 | - 5.6 | -2.4 |  |
| 16 | Investment companies, net. Portfolio purchases..... | -2.4 1.4 | -1.1 | -2.8 1.9 | -3.0 2.7 | $-.6$ | -1.2 | -7.8 -.2 | -1.1 3.6 | -3.4 2.7 | .4 4.6 | -.8 1.3 | -4.2 -1.0 |  | 4.2 | 17 |
| 17 | Portfolio purchases..... Net issues of own shares | 1.4 3.7 | 1.5 | 1.9 | 2.7 5.6 | 1.8 2.4 | 4.3 5.5 | $\bigcirc$ | 3.6 | 2.7 6.1 | 4.6 | 1.3 | -1.0 3.2 | 2.4 3.9 | 4.5 | 17 |
| 19 | Net issues of own shares Rest of the world......... | $\begin{array}{r}\text {. } \\ \hline\end{array}$ | 2.6 | 2.3 | 2.1 | 1.4 | 3.7 | 3.9 | . 9 | . 7 | 2.9 | . 6 | . 5 | 2.1 | 2.3 | 19 |
|  | Rest of the world | 3 | . 6 | 2.3 | 2.1 | 1.4 | 3.7 | 3.9 |  |  |  |  |  |  |  |  |
|  |  | Bank loans n.e.c. |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 1 | Total net borrowing | 9.0 | 7.5 | 15.7 | 17.8 | 2.1 | 23.0 | 18.0 | 24.0 | 11.1 | 17.6 | 5.2 | 10.3 | 5.0 | -11.8 |  |
| 2 | Households...... | . 4 | 2.1 | 3.1 | 2.4 | . 8 | 4.3 | 2.9 | 4.2 | . 9 | 1.5 | 2.3 | -1.1 | 1.2 | 1.0 |  |
| 3 | Nonfinancial business | 10.1 | 7.7 | 10.6 | 13.5 | 2.3 | 17.5 | 13.9 | 14.4 | 12.3 | 12.8 | 4.6 | 10.4 | . 9 | -6.7 |  |
| 4 | Rest of the world. | $-.2$ | $-.2$ | $-.3$ | -. 2 | . 4 | -. 9 | . 2 | 4.6 | $-1.5$ | - 3 | -2.6 | $-.3$ | -. 2 | $-1.9$ |  |
|  | ASERENancial sectors. | -1.3 | -2.1 | 2.3 | 2.1 | -. 5 | 2.1 | . 9 | 4.9 | -. 6 | 3.4 | -2.3 | 1.2 | 3.0 | -4.1 |  |

FINANCIAL ASSETS AND LIABILITIES, DECEMBER 31, 1970
(Amounts outstanding in billions of dollars)
(A) All sectors

${ }^{1}$ Where no amount appears in total-asset column, total assets are identically equal to amount shown or total liabilities.
oans to banks F R commercial banks and monetary authorities: member bank reserves, vault cash, F.R 3 Assets shown at market value: at F.R. Banks.
investment companies. No specific; liability is attributed to issuers of stocks other than open-end investment companies for amounts outstanding.
${ }^{4}$ Includes savings bonds, other nonmarketable debt held by the public, issues by agencies in the budget (CCC, Export-Import Bank, GNMA, TVA, FHA) and by sponsored credit agencies in Financial sectors, and loan participation certificates. Postal savings system deposits are included in line 35

Business asset is corporate only. Noncorporate trade credit is deducted in liability total to conform
Note.-Data revised from the Mar. 1971 Bulletin

## FINANCIAL ASSETS AND LIABILITIES, December 31, 1970—Continued

(Amounts outstanding in billions of dollars)
(B) Private nonbank financial institution


For notes see facing page.

## 1. U.S. BALANCE OF PAYMENTS

(In millions of dollars)
Item

Transactions other than changes in foreign liquid assets in U.S. and in U.S. monetary reserve assets-Seasonally adjusted

| Exports of goods and services-Total ${ }^{1}$ | 50,622 | 55,514 | 62,962 | 14,767 | 15,364 | 15,798 | 15,969 | 15,831 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Merchandise. | 33,588 | 36,473 | 42,041 | 9,890 | 10,252 | 10,586 | 10,700 | 10,503 |
| Military sales | 1,395 | 1,515 | 1,479 | 352 | 256 | 430 | 339 | 454 |
| Transportation | 2,969 | 3,131 | 3,665 | 803 | 877 | 926 | 950 | 912 |
| Travel........ | 1,775 | 2,058 | 2,318 | 518 | 560 | 576 | 589 | 593 |
| Investment income receipts, private | 6,922 | 7,906 | 8,706 | 2,083 | 2,259 | 2,066 | 2,170 | 2,211 |
| Investment income receipts, Govt. | , 765 | 932 | 911 | 231 | 240 | 241 | 224 | 206 |
| Other services. | 3,208 | 3,498 | 3,844 | 890 | 920 | 973 | 997 | 952 |
| Imports of goods and services-Total | -48,129 | -53,564 | -59,291 | - 14,075 | -14,518 | -14,759 | -14,969 | -15,047 |
| Merchandise. | -32,964 | -35,835 | -39,856 | -9,404 | -9,729 | -9,829 | -9,987 | -10,311 |
| Military expendit | -4,535 | -4,850 | -4,837 | -1,245 | -1,178 | -1,255 | -1,210 | -1,195 |
| Transportation | -3,269 | -3,608 | -4,032 | -967 | -978 | -979 | -1,073 | -1,001 |
| Travel........ | -3,022 | -3,390 | -3,916 | -840 | -925 | -988 | -1,026 | -977 |
| Investment income payment | -2,933 | -4,463 | -5,109 | -1,247 | -1,343 | -1,320 | -1,287 | -1,160 |
| Other services. . . . . . . . . | -1,406 | -1,419 | -1,540 | -372 | -365 | -388 | -386 | -403 |
| Balance on goods and services ${ }^{1}$ | 2,493 | 1,949 | 3,672 | 692 | 846 | 1,039 | 1,000 | 784 |
| Remittances and pensions | -1,121 | -1,190 | $-1,387$ | -309 | -328 | -360 | -364 | -336 |
| 1. Balance on goods, services, remittances and pensions. | 1,372 | 759 | 2,285 | 383 | 518 | 679 | 636 | 448 |
| 2. U.S. Govt. grants and capital flow, net............. | -3,975 | -3,828 | -3,235 | -870 | -855 | -725 | -804 | -852 |
| Grants, ${ }^{2}$ loans, and net change in foreign currency holdings, and short-term claims......... | -5,359 | -5,032 | -4,954 | -1,183 | -1,278 | -1,237 | -1,192 | -1,248 |
| Scheduled repayments on U.S. Govt. loans. . . . . | 1,114 | 1,291 | 1,475 | , 324 | 335 | , 398 | 386 | 356 |
| Nonscheduled repayments and selloffs.......... | 269 | -87 | 244 | 3-11 | 88 | 114 | 2 | 40 |
| 3. U.S. private capital flow, net | -5,412 | -5,233 | -6,351 | -889 | -1,711 | -1,944 | -1,176 | -1,518 |
| Direct investments. | -3,209 | -3,070 | -3,967 | -276 | -1,411 | -1,434 | -711 | -410 |
| Foreign securities. ${ }^{\text {a }}$. $\ldots \ldots \ldots$. . | -1,254 | -1,494 | $-878$ | -69 | -133 | 66 | -549 | -261 |
| Other long-term claims reported by- Banks........................ | 358 | 330 |  |  |  |  |  |  |
| Others. | -220 | -424 | - 201 | 35 -249 | -381 | 61 -13 | - 23 | 93 -63 |
| Shori-term claims reported by- |  |  |  |  |  |  |  |  |
| Banks. | -105 | -871 | -1,084 | -371 | 108 | -538 | 118 | $-772$ |
| Others | -982 | 296 | $\xrightarrow{-34}$ | 41 | 82 | -86 | 75 | $-105$ |
| 4. Foreign capital flow, net, excluding change in liquid assets in the United States.. | 8,701 | 4,131 | 3,861 | 1,635 | 585 | 1,317 | 1,064 | 897 |
| Long-term investments. | 6,029 | 3,959 | 3,060 | 1,276 | 788 | 612 | 867 | 794 |
| Short-term claims. | 759 | 76 | 704 | -19 | 93 | 165 | 211 | 235 |
| Nonliquid claims on U.S. Govt. associated with- |  |  |  |  |  |  |  |  |
| Military contracts . . . . . . . . . | -105 | 156 | -583 | 229 | -20 | -254 | -66 | -244 |
| U.S. Govt. grants and capital | 2 | 16 -16 -2 | -30 -12 | * ${ }^{*}$ | -9 -25 | -17 -11 | -3 -20 | * |
| Other nonconvertible, nonmarketable, mediumterm U.S. Govt. securities ${ }^{4}$ | 2,010 | -41 | 723 | 150 | -242 | 800 | -20 75 | 90 |
| 5. Allocation of Special Drawing Rights. |  |  | 867 |  | 217 | 217 | 217 | 216 |
| 6. Errors and unrecorded transactions. | -514 | -2,841 | -1,274 | 162 | -205 | -779 | -535 | 245 |

Balances

| A. Balance on liquidity basis 5 <br> Seasonally adjusted (Equals sum of items 1-4+6.) Less: Net seasonal adjustments. Before seasonal adjustment. | 171 | $-7,012$ $\cdots 7,012$ | $-4,715$ $-4,715$ | 420 -624 1,044 | $-1,666$ -113 $-1,553$ | $-1,452$ $-1,432$ | -817 822 $-1,639$ | -780 -689 -91 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| B. Balance on basis of official reserve transactions ${ }^{5}$ Balance $\mathbf{A}$, seasonally adjusted.... Plus: Seasonally adjusted change in liquid assets in the United States of - | 171 | -7,012 | -4,715 | 420 | -1,666 | -1,452 | -817 | -780 |
| Commercial banks abroad. | 3,387 | 9,217 | -6,511 | 149 | -1,862 | -111 | -1,396 | -3,142 |
| Other private residents of foreign countries... | 375 | -441 | 92 | -131 | -152 | 192 | -148 | 200 |
| International and regional organizations other than IMF . | 48 | -60 | 177 | -66 | 142 | -125 | 83 | 77 |
| Less: Change in certain nonliquid liabilities to foreign central banks and govts. . . . . . . . . . . . . . | 2,340 | -996 | -271 | -142 | -420 | 501 | -246 | -106 |
| Balance B , seasonally adjust | 1,641 | 2,700 | -10,686 | 514 | -3,118 | -1,997 | -2,032 | -3,539 |
| Less: Net seasonal adjustments. |  |  |  | -311 | -285 | -1,72 | -2,580 | -367 |
| Before seasonal adjustment. | 1,641 | 2,700 | -10,686 | 825 | -2,833 | -2,069 | -2,612 | -3,172 |
|  |  |  |  |  |  |  |  |  |
| Balance A, Seasonally adjusted ${ }^{6}$. . . . . . . . . |  |  |  |  | -1,449 | -1,235 | -600 | -564 |
| Balance A, Before seasonal adjustment |  |  | -3,848 |  | -686 | -1,432 | -1,639 | -91 |
| Balance B, Seasonally adjusted. |  |  |  |  | -2,901 | -1,780 | -1,815 | -3,323 |
| Balance B, Before seasonal adjustment |  |  | -9,819 |  | -1,966 | -2,069 | -2,612 | -3,172 |

For notes see end of table.

## 1. U.S. BALANCE OF PAYMENTS-Continued

(In millions of dollars)

| Item |
| :--- |

1 Excludes transfers under military grants.
${ }_{2}$ Excludes military grants.
${ }^{3}$ Negative entry reflects repurchase of foreign obligations previously sold.
${ }_{4}$ Includes certificates sold abroad by Export-Import Bank.
${ }^{5}$ Excludes initial allocation by the IMF of $\$ 867$ million of SDR's on Jan. 1, 1970.

6 Equals sum of items 1-6.
7 With original maturities over 1 year.
Note.-Dept. of Commerce data. Minus sign indicates net payments (debits); absence of sign indicates net receipts (credits). Details may not add to totals because of rounding.

## 2. MERCHANDISE EXPORTS AND IMPORTS

(Seasonally adjusted; in millions of dollars)

| Period | Exports 1 |  |  |  | Imports 2 |  |  |  | Export surplus |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | 1968 | $1969{ }^{\text {r }}$ | 1970 | 1971 | 1968 | $1969{ }^{\text {r }}$ | 1970 | 1971 | 1968 | $1969{ }^{\text {r }}$ | 1970 | 1971 |
| Month: |  |  |  |  |  |  |  |  |  |  |  |  |
| Jan... | 2,814 | 32,161 | 3,406 | 3,735 | 2,687 | 3 2,002 | 3,223 | 3,686 | 127 | 159 | 183 | 49 |
| Feb. | 2,775 | 32,266 | 3,547 | 3,690 | 2,592 | 3 2,672 | 3,278 | 3,553 | 184 | -406 | 269 | 136 |
| Mar. | 3 2,439 | 3 3,188 | 3,376 | 3,815 | 3 2,589 | 3 2,982 | 3,218 | 3,569 | -150 | 206 | 158 | 245 |
| Apr. | 3 2,855 | 3 3,318 | 3,409 | 3,543 | 3 2,604 | 3 3,183 | 3,263 | 3,758 | 251 | 135 | 146 | -215 |
| May | 2,740 | 33,268 | 3,661 |  | 2,755 | 3 3,257 | 3,338 |  | -15 | 11 | 323 |  |
| June. | 2,870 | ${ }^{3} 3,179$ | 3,730 |  | 2,792 | 3 3,152 | 3,266 |  | 78 | 27 | 465 | . . |
| July . | 2,858 | 3,182 | 3,699 |  | 2,725 | 3,074 | 3,255 |  | 133 | 108 | 444 |  |
| Aug. | 32,950 | 3,366 | 3,592 |  | 2,872 | 3,163 | 3,346 |  | 78 | 203 | 246 | . |
| Sept. | 3 3,211 | 3,341 | 3,553 |  | 2,951 | 3,078 | 3,428 |  | 261 | 263 | 125 |  |
| Oct. | ${ }^{3} 2,631$ | 3,342 | 3,689 |  | 2,736 | 3,192 | 3,501 |  | -105 | 150 | 188 |  |
| Nov. | 2,972 | 3,398 | 3,499 3,570 |  | 2,883 | 3,180 | 3,428 |  | 89 | 218 | 71 |  |
| Dec. | 2,977 | 3,280 | 3,570 |  | 2,908 | 3,078 | 3,404 |  | 70 | 202 | 166 | . . |
| Quarter: |  |  |  |  |  |  |  |  |  |  |  |  |
| I. | 8,028 | 7,615 | 10,328 | 11,240 | 7,867 | 7,655 | 9,719 | 10,808 | 161 | -40 | 609 | 432 |
| II. | 8,465 | 9,765 | 10,800 | ........ | 8,151 | 9,591 | 9,867 |  | 314 | 174 | 933 |  |
| III. | 9,019 | 9,889 | 10,845 |  | 8,548 | 9,315 | 10,029 |  | 471 | 574 | 816 |  |
| IV. | 8,580 | 10,020 | 10,758 |  | 8,527 | 9,450 | 10,333 |  | 53 | 570 | 425 |  |
| Year ${ }^{4}$ | 34,063 | 37,332 | 42,662 ${ }^{r}$ |  | 33,226 | 36,043 | 39,963 ${ }$ r |  | 837 | 1,289 | 2,699 |  |

${ }^{1}$ Exports of domestic and foreign merchandise; excludes Dept. of Defense shipments of grant-aid military equipment and supplies under Mutual Security Program
2 General imports including imports for immediate consumption plus entrits into bonded warehouses.

3 Significantly affected by strikes.
4 Sum of unadjusted figures.
Note.-Bureau of the Census data. Details may not add to totals because of rounding.
(Net sales ( - ) or net acquisitions; in millions of dollars at $\$ 35$ per fine troy ounce)


1 Includes purchase from Denmark of $\$ 25$ million
${ }^{2}$ Includes purchase from Kuwait of $\$ 25$ million.
3 Includes sales to Algeria of $\$ 150$ million in 1967 and $\$ 50$ million in 1968.

4 Data for IMF include the U.S. payment of $\$ 385$ million increase in its gold subscription to the IMF and gold sold by the IMF to the United States in mitigation of U.S. sales to other countries making gold payments to the IMF. The country data include U.S. gold sales to various countries in connection with the IMF quota payments. Such U.S. sales to countries and resales to the United States by the IMF total $\$ 548$ million each.
${ }^{5}$ Includes IMF gold sales to and purchases from the United States, U.S. payment of increases in its gold subscription to IMF, gold deposits by the IMF (see note 1 (b) to Table 4), and withdrawal of deposits. The first withdrawal, amounting to $\$ 17$ million, was made in June 1968.

IMF sold to the United States a total of $\$ 800$ million of gold ( $\$ 200$ million in 1956 , and $\$ 300$ million in 1959 and in 1960 ) with the right of repurchase; proceeds from these sales invested by IMF in U.S. Govt. securities. In Sept. 1970 IMF repurchased $\$ 400$ million.

6 Payment to the IMF of $\$ 259$ million increase in U.S. gold subscription less gold deposits by the IMF.

## Notes to Table 5 on opposite page:

1 Represents net IMF sales of gold to acquire U.S. dollars for use in IMF operations. Does not include transactions in gold relating to gold deposit or gold investment (see Table 6).
${ }^{2}$ Positive figures represent purchases from the IMF of currencies of other members for equivalent amounts of dollars; negative figures represent repurchase of dollars, including dollars derived from charges on purchases and from other net dollar income of the IMF. The United States has a commitment to repurchase within 3 to 5 years, but only to the extent that the holdings of dollars of the IMF exceed 75 per cent of the U.S. quota. Purchases of dollars by other countries reduce the U.S. commitment to repurchase by an equivalent amount.
${ }^{3}$ Includes dollars obtained by countries other than the United States from sales of gold to the IMF.
${ }^{4}$ Represents the U.S. gold tranche position in the IMF (the U.S. quota minus the holdings of dollars of the IMF), which is the amount that the United States could purchase in foreign currencies automatically if needed. Under appropriate conditions, the United States could purchase additional amounts equal to its quota.
${ }^{5}$ Includes $\$ 259$ million gold subscription to the IMF in June 1965 for a U.S. quota increase, which became effective on Feb. 23, 1966. In figures published by the IMF from June 1965 through Jan. 1966, this gold subscription was included in the U.S. gold stock and excluded from the reserve position.

6 Includes $\$ 30$ million of special drawing rights.
Note.-The initial U.S. quota in the IMF was $\$ 2,750$ million. The U.S. quota was increased to $\$ 4,125$ million in 1959 , to $\$ 5,160$ million in Feb 1966, and to $\$ 6,700$ million in Dec. 1970. Under the Articles of Agreement, subscription payments equal to the quota have been made 25 per cent in gold and 75 per cent in dollars.

## 4. U.S. RESERVE ASSETS

(In millions of dollars)

| End of year | Total | Gold stock ${ }^{1}$ |  | Convertible foreign currencies | Reserve position $\underset{\text { IMF }^{3}}{\substack{\text { in }}}$ | SDR's ${ }^{4}$ | End of month | Total | Gold stock ${ }^{1}$ |  | Convertible foreign currencies 5 | Reserve position IMF $^{3}$ | SDR's ${ }^{4}$ |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | Total ${ }^{2}$ | Treasury |  |  |  |  |  | Total ${ }^{2}$ | Treasury |  |  |  |
| 1958. | 22,540 | 20,582 | 20,534 |  | 1,958 |  | 1970 |  |  |  |  |  |  |
| 1959 | 21,504 | 19,507 | 19,456 |  | 1,997 |  | May. | 16,165 | 11,900 | 11,367 | 980 | 2,360 | 925 |
| 1960. | 19,359 | 17,804 | 17,767 |  | 1,555 |  | June. . | 16,328 | 11,889 | 11,367 | 1,132 | 2,350 | 957 |
|  |  |  |  |  |  |  | July.. | 16,065 | 11,934 | 11,367 | 716 | 2,454 | 961 |
| 1961. | 18,753 | 16,947 | 16,889 | 116 | 1,690 |  | Aug.... | 15,796 | 11,817 | 11,367 | 695 | 2,323 | 961 |
| 1962. | 17,220 | 16,057 | 15,978 | 99 | 1,064 |  | Sept.... | 15,527 | 11,494 | 11,117 | 1,098 | 1,944 | 991 |
| 1963. | 16,843 | 15,596 | 15,513 | 212 | 1,035 |  | Oct. . | 15,120 | 11,495 | 11,117 | 811 | 1,823 | 991 |
| 1964. | 16,672 | 15,471 | 15,388 | 432 | 769 |  | Nov.. | 14,891 | 11,478 | 11,117 | 640 | 1,812 | 961 |
| 1965. | 15,450 | 613,806 | 613,733 | 781 | 6863 |  | Dec. | 14,487 | 11,072 | 10,732 | 629 | 1,935 | 851 |
| 1966. | 14,882 | 13,235 | 13,159 | 1,321 | 326 |  | 1971 |  |  |  |  |  |  |
| 1967. | 14,830 | 12,065 | 11,982 | 2,345 | 420 |  | Jan.. . | 14,699 | 11,040 | 10,732 | 491 | 1,700 | 1,468 |
| 1968 | 15,710 | 10,892 | 10,367 | 3,528 | 1,290 |  | Feb. . | 14,534 | 11,039 | 10,732 | 327 | 1,700 | 1,468 |
| 1969... | 716,964 | 11,859 | 10,367 | 72,781 | 2,324 |  | Mar. | 14,342 | 10,963 | 10,732 | 256 | 1,680 | 1,443 |
| 1970... | 14,487 | 11,072 | 10,732 | 629 | 1,935 | 851 | Apr... |  | 10,925 | 10,732 | 257 | 1,682 | 1,443 |
|  |  |  |  |  |  |  | May... | 13,802 | 10,568 | 10,332 | 318 | 1,678 | 1,238 |

1 Includes (a) gold sold to the United States by the International Monetary Fund with the right of repurchase, and (b) gold deposited by the IMF to mitigate the impact on the U.S. gold stock of foreign purchases for the purpose of making gold subscriptions to the IMF under quota increases. For corresponding liabilities, see Table 6.

2 Includes gold in Exchange Stabilization Fund.
${ }^{3}$ The United States has the right to purchase foreign currencies equivalent to its reserve position in the IMF automatically if needed. Under appropriate conditions the United States could purchase additional amounts equal to the U.S. quota. See Table 5.
4 Includes initial allocation by the IMF of $\$ 867$ million of Special Drawing Rights on Jan. 1, 1970, and second allocation of $\$ 717$ million of SDR's on Jan. 1, 1971, plus net transactions in SDR's.

5 For holdings of F.R. Banks only, see pp. A-12 and A-13
${ }^{6}$ Reserve position includes, and gold stock excludes, $\$ 259$ million gold subscription to the IMF in June 1965 for a U.S. quota increase which became effective on Feb. 23, 1966. In figures published by the IMF from June 1965 through Jan. 1966, this gold subscription was included in the U.S. gold stock and excluded from the reserve position.

7 Includes gain of $\$ 67$ million resulting from revaluation of the German mark in Oct. 1969, of which $\$ 13$ million represents gain on mark holdings at time of revaluation.

Note.-See Table 23 for gold held under earmark at F.R. Banks for foreign and international accounts. Gold under earmark is not included in the gold stock of the United States.

## 5. U.S. POSITION IN THE INTERNATIONAL MONETARY FUND

(In millions of dollars)

| Period | Transactions affecting IMF holdings of dollars (during period) |  |  |  |  |  |  | IMF holdings of dollars (end of period) |  | U.S. reserve position in IMF (end of period) ${ }^{4}$ |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | U.S. transactions with IMF |  |  |  | Transactions by other countries with IMF |  | Total change | Amount | Per cent of U.S. quota |  |
|  | Payments of subscriptions in dollars | $\begin{gathered} \text { Net } \\ \text { gold } \\ \text { sales } \\ \text { by IMF } 1 \end{gathered}$ | Transactions in foreign currencies 2 | IMF net income in dollars |  |  |  |  |  |  |
|  |  |  |  |  | $\begin{aligned} & \text { Purchases } \\ & \text { of } \\ & \text { dollars }{ }^{3} \end{aligned}$ | $\begin{aligned} & \text { Re- } \\ & \text { purchases } \\ & \text { in } \\ & \text { dollars } \end{aligned}$ |  |  |  |  |
| 1946-1957. | 2,063 | 600 |  | -45 | -2,670 | 827 | 775 | 775 | 28 | 1,975 |
| 1958-1963. | 1,031 | 150 |  | 60 45 | $-1,666$ -723 | 2,740 | 2,315 1,744 | 3,090 | 75 94 | 1,035 1,0326 |
| 1964-1966. | 776 |  | 1,640 | 45 | -723 | 6 | 1,744 | 4,834 | 94 | 5326 |
| 1967.. |  |  |  | 20 | -114 |  | -94 | 4,740 | 92 | 420 |
| 1968. |  |  | -84 | 20 | -806 |  | -870 | 3,870 | 75 | 1,290 |
| 1969. |  | 672 |  | 19 | -1,343 | 268 | -1,034 | 2,836 | 55 | 2,324 |
| 1970. | 1,155 | 6712 | 150 | 25 | -854 | 741 | 1,929 | 4,765 | 71 | 1,935 |
| 1970-May. |  |  | 150 |  |  |  | 150 | 2,800 | 54 | 2,360 |
| June. |  |  |  | 5 | -2 | 7 | 10 | 2,810 | 54 | 2,350 |
| July.. |  |  |  | 2 | -139 | 33 | -104 | 2,706 | 52 | 2,454 |
| Aug. |  |  |  | 1 | -20 | 150 | 131 | 2,837 | 55 | 2,323 |
| Sept. | ......... |  |  | 10 | -16 | 253 | 379 | 3,216 | 62 | 1,944 |
| Oct. |  | 129 104 |  | -3 | -34 | 29 | 121 | 3,337 | 65 | 1,823 |
| Nov... . |  | 104 315 |  | 1 -1 | -95 | 1 | -11 | 3,348 | 65 | 1,812 |
| Dec.. | 1,155 | 315 |  | -1 | -73 | 21 | 1,417 | 4,765 | 71 | 1,935 |
| 1971-Jan. |  |  | 250 | -3 | -23 | 11 | 235 | 5,000 | 75 | 1,700 |
| Feb. |  | * | . . . . . . . | * |  | * |  | 5,000 | 75 | 1,700 |
| Mar. |  |  |  | * |  | 20 | 20 | 5,020 | 75 | 1,680 |
| Apr. |  |  |  | -3 |  | 1 | -2 | 5,018 | 75 | 1,682 |
| May. |  |  |  | -2 | -1 | 7 | 4 | 5,022 | 75 | 1,678 |

For notes see opposite page.

## 6. U.S. LIQUID LIABILITIES TO FOREIGNERS

(In millions of dollars)

| $\begin{gathered} \text { End } \\ \text { of } \\ \text { period } \end{gathered}$ | Total | Liabilities to Intl. Monetary Fund arising from gold transactions |  |  | Liabilities to foreign countries |  |  |  |  |  |  | Liabilities to nonmonetary intl. and regional organizations 5 |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  |  |  | Official institutions ${ }^{3}$ |  |  |  | Banks and other foreigners |  |  |  |  |  |
|  |  | Total | $\begin{aligned} & \text { Gold } \\ & \text { de- } \\ & \text { posit } 1 \end{aligned}$ | Gold investment ${ }^{2}$ | Total | Short- term <br> liabil- <br> ities reported by banks in U.S. | Marketable U.S. Govt. bonds and notes 4 | Non-marketable convertible U.S. Treasury bonds and notes | Total | Shortterm <br> liabilities reported by banks in U.S. | Marketable U.S. Govt. bonds and notes 4 | Total |  | Marketable U.S. Govt. bonds and notes 4 |
| 1957. | 715,825 | 200 |  | 200 |  | 7,917 |  |  |  | 5,724 |  |  | 542 |  |
| 1958. | 716,845 | 200 |  | 200 |  | 8,665 |  |  |  | 5,950 |  |  | 552 |  |
| 1959. | 19,428 | 500 |  | 500 | 10,120 | 9,154 | 966 |  | 7,618 | 7,077 | 541 | 1,190 | 530 | 660 |
| 1960 8. | $\left\{\begin{array}{l}20,994 \\ 21,027\end{array}\right.$ | 800 800 |  | 800 800 | 11,078 11,088 | 10,212 10,212 | 866 876 |  | 7,591 | 7,048 7,048 | 543 550 | 1,525 | 750 750 | 775 |
| 1961 8..... | $\left\{\begin{array}{l}22,853 \\ 22,936\end{array}\right.$ | 800 800 |  | 800 800 | 11,830 11,830 | 10,940 10,940 | 8890 |  | 8,275 | 7,759 7,841 | 516 516 | 1,948 1,949 | 703 | 1,245 1,245 |
| 1962 8.... | $\left\{\begin{array}{l}24,068 \\ 24,068\end{array}\right.$ | 800 800 |  | 800 800 | 12,748 12,714 | 11,997 11,963 | 751 |  | 8,359 8,359 | 7,911 | 448 448 | 2,161 | 1,250 1,284 | 911 |
| 1963 8. | $\left\{\begin{array}{l}26,361 \\ 26,322\end{array}\right.$ | 800 800 |  | 800 800 | 14,387 14,353 | 12,467 12,467 | 1,217 1,183 | 703 703 | 9,214 9,204 | 8,863 8,863 | 351 341 | 1,960 1,965 | 808 808 | 1,152 1,157 |
| $1964{ }^{\text {8 }}$..... | $\left\{\begin{array}{l}28,951 \\ 29,002\end{array}\right.$ | 800 |  | 800 800 | 15,428 15,424 | 13,224 13,220 | 1,125 | 1,079 1,079 | 11,001 | 10,625 10,680 | 376 376 | 1,722 | 818 818 | $\begin{aligned} & 904 \\ & 904 \end{aligned}$ |
| 1965. | 29,115 | 834 | 34 | 800 | 15,372 | 13,066 | 1,105 | 1,201 | 11,478 | 11,006 | 472 | 1,431 | 679 | 752 |
| 1966 в. | $\left\{\begin{array}{l}29,904 \\ 29,779\end{array}\right.$ | 1,011 | 211 | 800 800 | 13,600 13,655 | 12,484 12,539 | 860 860 | 256 | 14,387 14,208 | 13,859 13,680 | 528 528 | 906 905 | 581 580 | 325 325 |
| 19678. | $\left\{\begin{array}{l}33,271 \\ 33,119\end{array}\right.$ | 1,033 1,033 | 233 233 | 800 800 | 15,653 | 14,034 14.027 | 908 908 | 711 | 15,894 15,763 | 15,336 15,205 | 558 558 | 691 | 487 | 204 204 |
| 19689. | $\left\{\begin{array}{l}33,828 \\ 33,614\end{array}\right.$ | 1,030 1,030 | 230 230 | 800 800 | 12,548 12,481 | 11,318 11,318 | 529 462 | 701 | 19,525 19,381 | 18,916 18,916 | 609 465 | 725 | 683 683 | 42 39 |
| 1969- |  |  |  |  |  | 11,054 | 383 | 555 | 28,106 | 27,577 | 529 | 659 | 609 |  |
| Dec. 8, ${ }^{10}$ | $\left\{\begin{array}{l}41,776 \\ 41,900\end{array}\right.$ | 1,019 | 219 219 | 800 | 11,994 | 11,056 | 383 383 | 555 | 28,106 | 27,695 | 529 | 663 | 613 | 50 |
| 1970-Mar... | 42,972 | 1,010 | 210 | 800 | 14,767 | 13,958 | 380 | 429 | 26,390 | 25,914 | 476 | 805 | 755 | 50 |
| Apr. ${ }^{\text {r }}$. | 43,359 | 1,010 | 210 | 800 | 14,414 | 13,605 | 380 | 429 | 27,170 | 26,685 | 485 | 765 | 714 | 51 |
| May ${ }^{\text {r }}$. | 43,223 | 1,010 | 210 | 800 | 14,797 | 13,986 | 382 | 429 | 26,713 | 26,212 | 501 | 703 | 652 | 51 |
| June $r$. | 43,380 | 1,010 | 210 | 800 | 15,306 | 14,480 | 397 | 429 | 26, 383 | 25,847 | 536 | 681 | 629 | 52 |
| July ${ }^{r} \times$ | 43,509 | 1,010 | 210 | 800 | 16,602 | 15,756 | 417 | 429 | 25,139 | 24,597 | 542 | 758 | 705 | 53 |
| Aug. ${ }^{\text {r }}$. | 44,008 | 1,010 | 210 | 800 | 16,622 | 15,776 | 417 | 429 | 25,533 | 24,971 | 562 | 843 | 798 | 45 |
| Sept.r. | 44,216 | 587 | 187 | 400 | 17,778 | 16,932 | 417 | 429 | 25,088 | 24,521 | 567 | 763 | 717 | 46 |
| Oct.r ${ }^{\text {r }}$ | 44,261 | 587 579 | 187 179 | 400 | 18,131 19 | 17,376 19,210 | 326 326 | 429 | 24,730 23,159 | 24,165 | 565 586 | 813 | 768 738 | 45 |
| Nov. ${ }^{\text {D }}$. | 44,488 | 579 566 | 179 166 | 400 400 | 19,965 20,066 | 19,210 19,293 | 326 344 | 429 | 23,159 | 22,573 21,164 | 586 639 | 785 842 | 738 817 | 47 |
| 1971-Jan. ${ }^{\text {r }}$. | 43,785 | 559 | 159 | 400 | 20,500 | 19,727 | 344 | 429 | 21,675 | 20,989 | 686 | 1,051 | 1,027 | 24 |
| Feb. | 44,110 | 559 | 159 | 400 | 22,287 | 21,509 | 349 | 429 | 20,288 | 19,604 | 684 | , 976 | 935 | 41 |
| Mar. ${ }^{p}$ | 45,529 | 559 | 159 | 400 | 24,832 | 24,054 | 349 | 429 | 19,028 | 18,355 | 673 | 1,110 | 970 | 140 |

${ }^{1}$ Represents liability on gold deposited by the International Monetary Fund to mitigate the impact on the U.S. gold stock of foreign purchases for the purpose of making gold subscriptions to the IMF under quota increases.

2 U.S. Govt. obligations at cost value and funds awaiting investment obtained from proceeds of sales of gold by the IMF to the United States to acquire income-earning assets. Upon termination of investment, the same quantity of gold can be reacquired by the IMF.
${ }^{3}$ Includes Bank for International Settlements and European Fund.
4 Derived by applying reported transactions to benchmark data; breakdown of transactions by type of holder estimated for 1960-63. Includes securities issued by corporations and other agencies of the U.S. Govt. that are guaranteed by the United States.

5 Principally the International Bank for Reconstruction and Development and the Inter-American Development Bank.
${ }^{6}$ Includes difference between cost value and face value of securities in IMF gold investment account. Liabilities data reported to the Treasury include the face value of these securities, but in this table the cost value of the securities is included under "Gold investment." The difference, which amounted to $\$ 19$ million at the end of 1970 , is included in this column.
${ }^{7}$ Includes total foreign holdings of U.S. Govt. bonds and notes, for which breakdown by type of holder is not available.

8 Data on the two lines shown for this date differ because of changes in reporting coverage. Figures on the first line are comparable with those shown for the preceding date; figures on the second line are comparable with those shown for the following date.

9 Data included on the first line for holdings of marketable U.S. Govt. securities are based on a July 31, 1963, benchmark survey of holdings and
regular monthly reports of securities transactions (see Table 16). Data included on the second line are based on a benchmark survey as of Nov. 30, 1968, and the monthly transactions reports. For statistical convenience, the new series is introduced as of Dec. 31, 1968, rather than as of the survey date.

The difference between the two series is believed to arise from errors in reporting during the period between the two benchmark surveys, from shifts in ownership not involving purchases or sales through U.S. banks and brokers, and from physical transfers of securities to and from abroad. It is not possible to reconcile the two series or to revise figures for earlier dates.
10 Includes $\$ 17$ million increase in dollar value of foreign currency liabilities resulting from revaluation of the German mark in Oct. 1969.

Note.-Based on Treasury Dept. data and on data reported to the Treasury Dept. by banks and brokers in the United States. Data correspond to statistics following in this section, except for minor rounding differences. Table excludes IMF "holdings of dollars," and holdings of U.S. Treasury Table excludes IMF "holdings of dollars," and holdings of U.S. Treasury States notes held by other international and regional organizations.

The liabilities figures are used by the Dept. of Commerce in the statistics measuring the U.S. balance of international payments on the liquidity basis; however, the balance of payments statistics include certain adjustments to Treasury data prior to 1963 and some rounding differences, and they may differ because revisions of Treasury data have been incorporated at varying times. The table does not include certain nonliquid liabilities to foreign official institutions that enter into the calculation of the official reserve transactions balance by the Dept. of Commerce.
7. U.S. LIQUID LIABILITIES TO OFFICIAL INSTITUTIONS OF FOREIGN COUNTRIES, BY AREA
(Amounts outstanding; in millions of dollars)

| End of period | Total foreign countries | Western Europe ${ }^{1}$ | Canada | Latin American republics | Asia | Africa | Other countries 2 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 1967. | 15,646 | 9,872 | 996 | 1,131 | 3,145 | 249 | 253 |
| $1968{ }^{3}$. | $\left\{\begin{array}{l}12,548\end{array}\right.$ | 7,009 | 533 | 1,354 | 3,168 | 259 | 225 |
| 1969-Dec.. | - 12,481 | 7,001 5,860 | 532 495 | 1,354 | 3,122 3,190 | 248 | 224 |
| 1970-Mar. | 14,767 | 7,394 | 590 | 2,094 | 3,780 | 705 | 204 |
| Apr.. | 14,414 | 6,942 | 733 | 2,101 | 3,668 | 725 | 245 |
| May. | 14,797 | 7,311 | 762 | 2,066 | 3,632 | 744 | 282 |
| June. | 15,306 | 8,064 | 500 | 2,109 | 3,571 | 710 | 352 |
| July. . | 16,602 | 9,569 | 527 | 2,102 | 3,331 | 691 | 382 |
| Aug.. | 16,622 | 9,674 | 690 | 1,987 | 3,189 | 692 | 390 |
| Sept. | 17,778 | 11,171 | 620 | 1,738 | 3,254 | 661 | 334 |
| Oct.. | 18,131 | 11,589 | 575 | 1,767 | 3,336 | 526 | 338 |
| Nov. ${ }^{\text {r }}$. | 19,965 | 13,254 | 637 | 1,646 | 3,639 | 449 | 340 |
| Dec.. | 20,066 | 13,046 | 662 | 1,536 | 4,060 | 407 | 355 |
| 1971-Jan. . | 20,500 | 13,702 | 678 | 1,370 | 4,046 | 381 | 323 |
| Feb. | 22,287 | 15,382 | 727 | 1,341 | 4,169 | 325 | 343 |
| Mar. ${ }^{p}$. | 24,832 | 17,149 | 801 | 1,218 | 5,004 | 242 | 418 |

${ }_{1}$ Includes Bank for International Settlements and European Fund. 2 Includes countries in Oceania and Eastern Europe, and Western European dependencies in Latin America.

4 Includes $\$ 17$ million increase in dollar value of foreign currency abilities resulting from revaluation of the German mark in Oct. 1969.

Note.-Data represent short-term liabilities to the official institutions of foreign countries, as reported by banks in the United States, and foreign official holdings of marketable and convertible nonmarketable U.S. Govt. securities with an original maturity of more than 1 year.

## 8. SHORT-TERM LIABILITIES TO FOREIGNERS REPORTED BY BANKS

 IN THE UNITED STATES, BY TYPE(Amounts outstanding; in millions of dollars)

| End of period | To all foreigners |  |  |  |  |  |  |  | To nonmonetary international and regional organizations ${ }^{5}$ |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Total 1 | Payable in dollars |  |  |  |  | Payable in foreign currencies |  | Total | Deposits |  | U.S. <br> Treasury bills and certificates | Other shortterm liab. ${ }^{3}$ |
|  |  | Total | Deposits |  | U.S. <br> Treasury bills and certificates | Other shortterm liab. ${ }^{3}$ |  |  |  |  |  |  |  |
|  |  |  | Demand | Time ${ }^{2}$ |  |  |  |  |  |  |  |  |  |
| 1968. | 31,717 | 31,081 | 14,387 | 5,484 | 6,797 | 4,413 | 636 | 800 | 683 | 68 | 113 | 394 | 108 |
| 19696 r. | /40,040 | 39,611 | 20,430 | 6,834 | 5,015 | 7,332 | 429 | 800 | 609 | 57 | 83 | 244 | 224 |
|  | (40,164 | 39,735 | 20,436 | 6,967 | 5,015 | 7,317 | 429 | 800 | 613 | 62 | 83 | 244 | 223 |
| 1970-Apr. ${ }^{\text {r }}$. | 41,804 | 41,442 | 18,724 | 7,031 | 7,164 | 8,523 | 362 | 800 | 714 | 92 | 128 | 237 | 258 |
| May ${ }^{r}$. | 41,650 | 41,299 | 18,139 | 7,287 | 7,564 | 8,309 | 351 | 800 | 652 | 70 | 132 | 226 | 224 |
| June ${ }^{r}$ | 41,756 | 41,418 | 18,091 | 7,278 | 8,159 | 7,890 | 338 | 800 | 629 | 83 | 119 | 194 | 232 |
| July ${ }^{\text {r }}$. | 41,858 | 41,514 | 17,220 | 7,187 | 9,103 | 8,004 | 344 | 800 | 705 | 73 | 131 | 218 | 284 |
| Aug. ${ }^{\text {r }}$ | 42,345 | 42,008 | 17,432 | 7,249 | 9,845 | 7,482 | 337 | 800 | 798 | 66 | 137 | 252 | 343 |
| Sept.r ${ }^{\text {r }}$ | 42,570 | 42,213 | 17,234 | 7,248 | 10,856 | 6,875 | 357 | 400 | 717 | 73 | 135 | 179 | 330 |
| Oct. ${ }^{\text {r }}$; | 42,709 | 42,359 | 17,041 | 7,082 | 11,665 | 6,571 | 350 | 400 | 768 | 68 | 144 | 188 | 368 |
| Nov. ${ }^{\text {r }}$ | 42,921 | 42,578 | 15,833 | 6,725 | 13,651 | 6,369 | 343 | 400 | 738 | 68 | 137 | 148 | 385 |
| Dec. ${ }^{\text {r }}$ | 41,674 | 41,306 | 15,793 | 5,897 | 14,110 | 5,506 | 368 | 400 | 817 | 69 | 156 | 211 | 381 |
| 1971-Jan. ${ }^{\text {r }}$. | 42,143 | 41,765 | 14,751 | 5,694 | 14,440 | 6,880 | 378 | 400 | 1,027 | 115 | 151 | 273 | 488 |
| Feb.. | 42,448 | 42,038 | 13,455 | 5,486 | 16,361 | 6,736 | 410 | 400 | -935 | 64 | 145 | 279 | 447 |
| Mar. ${ }^{p}$. | 43,779 | 43,127 | 11,803 | 5,165 | 18,664 | 7,495 | 652 | 400 | 970 | 73 | 164 | 242 | 491 |
| Apr. ${ }^{p}$. | 45,951 | 45,314 | 10,407 | 4,959 | 22,298 | 7,650 | 637 | 400 | 1,100 | 63 | 194 | 206 | 637 |

For notes see the following page.

## 8. SHORT-TERM LIABILITIES TO FOREIGNERS REPORTED BY BANKS IN THE UNITED STATES, BY TYPE-Continued

(Amounts outstanding; in millions of dollars)

| End of period | To residents of foreign countries |  |  |  |  |  | To official institutions ${ }^{7}$ |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Total | Payable in dollars |  |  |  | Payable in foreign currencies | Total | Payable in dollars |  |  |  | $\begin{gathered} \text { Payable } \\ \text { in } \\ \text { foreign } \\ \text { currencies } \end{gathered}$ |
|  |  | Deposits |  | U.S. Treasury bills and certificates | Other <br> short- <br> term <br> liab. ${ }^{3}$ |  |  | Deposits |  | U.S. <br> Treasury <br> bills and certifcates | Other shortliab. 3 |  |
|  |  | Demand | Time ${ }^{2}$ |  |  |  |  | Demand | Time ${ }^{2}$ |  |  |  |
| 1968... | 30,234 | $\begin{aligned} & 14,320 \\ & 20,372 \\ & 20,373 \end{aligned}$ | $\begin{aligned} & \mathbf{5}, 371 \\ & 6,751 \\ & \mathbf{6 , 8 8 4} \end{aligned}$ | $\begin{aligned} & 5,602 \\ & 3,971 \\ & 3,971 \end{aligned}$ | $\begin{aligned} & 4,304 \\ & 7,109 \\ & 7,094 \end{aligned}$ | $\begin{aligned} & 636 \\ & 429 \\ & 429 \end{aligned}$ | 11,318 | 2,1491,9181,919 | 1,899 | 5,486 | 1,321 | 463 |
| 19696r.......... | $\left\{\begin{array}{l}38,631 \\ 38,751\end{array}\right.$ |  |  |  |  |  | 11,054 11,056 |  | 1,899 2,951 2,951 | 3,844 | 1,321 | 202 |
|  |  |  |  |  |  |  | 11,056 |  |  |  |  | 202 |
|  | $\begin{aligned} & 40,198 \\ & 40,327 \end{aligned}$ | 18,069 | 6,902 | 6,127 6,538 | $\begin{aligned} & 8,266 \\ & 8,085 \end{aligned}$ | 362 351 | 13,605 13,986 | 1,300 | 3,372 3,426 | 6,035 | 2,750 | 148 148 |
|  |  |  |  | 7,166 | $\begin{aligned} & 8,085 \\ & 7,657 \end{aligned}$ | 338 | 14,480 | 1,421 | 3,426 3,475 | 7,020 | 2,416 | 148 |
|  | $\begin{aligned} & 40,327 \\ & 40,353 \end{aligned}$ | 17,147 | 7,056 | 8,086 | 7,720 | 344 | 15,756 | 1,576 | 3,502 | 7,946 | 2,584 | 148148 |
|  | 40,747 | 17,366 | 7,112 | 8,793 | 7,138 | 337 | 15,776 | 1,249 | 3,612 |  | 2,114 |  |
|  | 41,453 |  | 6,938 | 10,277 | 6,204 | 357 | 16,932 |  | 3,440 | 8,653 10,141 |  | 148148 |
|  | 41,54141,783 | 16,972 |  | 11,077 |  | 350 | 17,376 | 1,444 | 3,178 | 10,919 | 1,687 |  |
|  |  | 15,724 | 5,741 | $\begin{aligned} & 13,103 \\ & 13,498 \end{aligned}$ | 5,984 | 343 | 19,210 | 1,3671,629 | 2,851 | 12,967 | 1,877 | 148 |
|  | 41,783 40,457 |  |  |  | 5,126 | 368 | 19,293 |  |  | 13,354 | 1,594 | 148 |
| $\begin{array}{r} 1971 \text { Jan. }{ }^{r} \ldots \ldots \\ \text { Feb. } \ldots \ldots \\ \text { Mar. } .^{p} \ldots \\ \text { Apr. }{ }^{2} \ldots \end{array}$ | $\begin{aligned} & 40,716 \\ & 41,113 \\ & 42,409 \\ & 44,451 \end{aligned}$ | $\begin{aligned} & 14,635 \\ & 13,391 \\ & 11,730 \\ & 10,344 \end{aligned}$ | $\begin{aligned} & 5,543 \\ & 5,341 \\ & 5,000 \\ & 4,765 \end{aligned}$ | $\begin{aligned} & 13,768 \\ & 15,682 \\ & 18,022 \\ & 21,693 \end{aligned}$ | $\begin{aligned} & 6,393 \\ & 6,289 \\ & 7,004 \\ & 7,012 \end{aligned}$ | $\begin{aligned} & 378 \\ & 410 \\ & 652 \\ & 637 \end{aligned}$ | 19,727 | $\begin{aligned} & 1,729 \\ & 1,646 \\ & 1,560 \\ & 1,612 \end{aligned}$ | $\begin{aligned} & 2,503 \\ & 2,440 \\ & 2,247 \\ & 2,215 \end{aligned}$ | $\begin{aligned} & 13,609 \\ & 15,507 \\ & 17,869 \\ & 20,119 \end{aligned}$ | $\begin{aligned} & 1,738 \\ & 1,766 \\ & 1,978 \\ & 2,169 \end{aligned}$ | $\begin{aligned} & 148 \\ & 150 \\ & 400 \\ & 400 \end{aligned}$ |
|  |  |  |  |  |  |  | 21,509 |  |  |  |  |  |
|  |  |  |  |  |  |  | 24,054 |  |  |  |  |  |
|  |  |  |  |  |  |  | 26,515 |  |  |  |  |  |
| End of period | Total | To banks ${ }^{\text {8 }}$ |  |  |  |  | To other foreigners |  |  |  |  | To banks and other foreigners payable in foreign currencies |
|  |  | Payable in dollars |  |  |  |  |  |  |  |  |  |  |
|  |  | Total | Deposits |  | U.S. <br> Treasury bills and certificates | Other shortterm liab. 3 | Total | Deposits |  | U.S. <br> Treasury bills and certificates | Other shortterm liab. ${ }^{3}$ |  |
|  |  |  | Demand | Time ${ }^{2}$ |  |  |  | Demand | Time ${ }^{2}$ |  |  |  |
| 1968.. | 18,916 | 14,299 | 10,374 | 1,273 | 30 | 2,621 | 4,444 | 1,797 | 2,199 | 86 | 362 | 173 |
|  | 27,577 | 23,412 | 16,745 | 1,988 | 20 | 4,658 | 3,939 | 1,709 | 1,811 | 107 | 312 | 226 |
| 1969 or | 27,695 | 23,407 | 16,744 | 1,999 | 20 | 4,644 | 4,062 | 1,710 | 1,934 | 107 | 312 | 226 |
| 1970-Apr. ${ }^{\text {r }}$. | 26,685 | 22,499 | 15,547 | 1,790 | 19 | 5,143 | 3,972 | 1,785 | 1,740 | 74 | 373 | 214 |
| May ${ }_{\text {r }}$. | 26,212 | 22,025 | 15,020 | 1,951 | 20 | 5,035 | 3,985 | 1,710 | 1,779 | 102 | 395 | 202 |
| June $r$. | 25,847 | 21,564 | 14,817 | 1,859 | 26 | 4,862 | 4,093 | 1,770 | 1,824 | 120 | 380 | 190 |
| July $r$. | 24,597 | 20,434 | 13,909 | 1,742 | 24 | 4,759 | 3,967 | 1,662 | 1,812 | 116 | 377 | 196 |
| Aug. ${ }^{\text {r }}$. | 24,971 | 20,839 | 14,432 | 1,735 | 23 | 4,648 | 3,943 | 1,685 | 1,764 | 116 | 376 | 189 |
| Sept.r ${ }^{\text {r }}$ | 24,521 | 20,400 | 14,139 | 1,903 | 23 | 4,335 | 3,913 | 1,653 | 1,770 | 114 | 376 | 208 |
| Oct. ${ }^{\text {r }}$ | 24,165 | 20,055 | 13,921 | 1,964 | 32 | 4,139 | 3,908 | 1,607 | 1,796 | 127 | 378 | 202 |
| Nov. | 22,573 | 18,428 | 12,747 | 1,917 | 21 | 3,743 | 3,950 | 1,651 | 1,820 | 115 | 364 | 195 |
| Dec. ${ }^{\text {r }}$ | 21,164 | 16,906 | 12,360 | 1,335 | 14 | 3,197 | 4,038 | 1,734 | 1,839 | 131 | 334 | 220 |
| 1971-Jan. ${ }^{\text {r }}$. | 20,989 | 16,711 | 11,218 | 1,194 | 29 | 4,271 | 4,048 | 1,689 | 1,845 | 130 | 385 | 230 |
| Feb... | 19,604 | 15,232 | 10,021 | 1,025 | 26 | 4,161 | 4,112 | 1,724 | 1,877 | 148 | 362 | 260 |
| Mar.p | 18,355 | 14,029 | 8,447 | -889 | , 24 | 4,669 | 4,073 | 1,724 | 1,865 | 129 | 356 | 253 |
| Apr. ${ }^{p}$ | 17,936 | 13,565 | 6,931 | 661 | 1,458 | 4,516 | 4,133 | 1,801 | 1,890 | 116 | 326 | 238 |

${ }^{1}$ Data exclude "holdings of dollars" of the International Monetary Fund.
${ }^{2}$ Excludes negotiable time certificates of deposit, which are included in "Other.'
${ }^{3}$ Principally bankers' acceptances, commercial paper, and negotiable time certificates of deposit.

4 U.S. Treasury bills and certificates obtained from proceeds of sales of gold by the IMF to the United States to acquire income-earning assets. Upon termination of investment, the same quantity of gold can be reacquired by the IMF.
${ }_{5}$ Principally the International Bank for Reconstruction and Development and the Inter-American Development Bank.
Includes difference between cost value and face value of securities in IMF gold investment account.
${ }^{6}$ Data on the two lines shown for this date differ because of changes in reporting coverage. Figures on the first line are comparable in coverage
with those shown for the preceding date; figures on the second line are comparable with those shown for the following date.
7 Foreign central banks and foreign central govts. and their agencies, and Bank for International Settlements and European Fund.

8 Excludes central banks, which are included in "Official institutions."
Note.--'Short-term'" refers to obligations payable on demand or having an original maturity of 1 year or less. For data on long-term liabilities reported by banks, see Table 10. Data exclude the "holdings of dollars" of the International Monetary Fund; these obligations to the IMF constitute contingent liabilities, since they represent essentially the amount of dollars available for drawings from the IMF by other member countries. Data exclude also U.S. Treasury letters of credit and non-negotiable, non-interest-bearing special U.S. notes held by the Inter-American Development Bank and the International Development Association.

## 9. SHORT-TERM LIABILITIES TO FOREIGNERS REPORTED BY BANKS

## IN THE UNITED STATES, BY COUNTRY

(End of period. Amounts outstanding; in millions of dollars)

| Area and country | 1969 | 1970 |  |  |  |  |  | 1971 |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Dec. | July ${ }^{\text {r }}$ | Aug. ${ }^{\text {r }}$ | Sept. ${ }^{\text {r }}$ | Oct. ${ }^{\text {r }}$ | Nov. ${ }^{r}$ | Dec. ${ }^{\text {r }}$ | Jan. ${ }^{\text {r }}$ | Feb. | Mar. ${ }^{p}$ | Apr. ${ }^{p}$ |
|  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |
| Belgium-Luxembourg. | 530 | 582 | 581 | 614 | 742 | 709 | 596 | 760 | 766 | 769 | 779 |
| Denmark | 153 | 189 | 189 | 195 | 193 | 187 | 189 | 196 | 216 | 220 | 219 |
| Finland. | 120 | 134 | 140 | 137 | 134 | 139 | 117 | 117 | 112 | 114 | 115 |
| France | 1,581 | 2,030 | 2,282 | 2,286 | 2,311 | 2,417 | 2,267 | 2,354 | 2,263 | 2,344 | 2,297 |
| Germany | 1,381 | 4,241 | 4,505 | 5,439 | 5,977 | 7,543 | 7,520 | 7,795 | 8,518 | 9,568 | 10,316 |
| Greece | 207 | 198 | 199 | 204 | 212 | 198 | , 184 | . 162 | . 176 | 140 | 145 |
| Italy. | 627 | 902 | 839 | 909 | 1,104 | 1,162 | 1,317 | 1,579 | 1,629 | 1,766 | 1,903 |
| Netherlands | 463 | 469 | 631 | 626 | 800 | 748 | 762 | 584 | 654 | 744 | 620 |
| Norway | 341 | 272 | 309 | 287 | 315 | 291 | 324 | 317 | 313 | 364 | 403 |
| Portugal | 309 | 272 | 272 | 275 | 251 | 250 | 274 | 299 | 307 | 319 | 298 |
| Spain.. | 202 | 325 | 416 | 391 | 299 | 234 | 198 | 205 | 203 | 184 | 201 |
| Sweden. | 412 | 429 | 431 | 389 | 378 | 449 | 503 | 519 | 541 | 577 | 631 |
| Switzerland | 2,005 | 2,192 | 2,032 | 2,015 | 1,985 | 1,914 | 1,947 | 1,936 | 2,011 | 2,021 | 2,144 |
| Turkey. | , 28 | - 27 | , 28 | , 34 | 7, 34 | . 37 | - 46 | 1, 53 | - 51 | -32 | , 25 |
| United Kingdom | 11,349 | 8,339 | 8,600 | 9,113 | 7,865 | 6,659 | 5,508 | 5,637 | 5,210 | 4,778 | 5,086 |
| Yugoslavia........... | 1,37 1553 | 35 1,563 | 8, 27 | 33 850 | 31 747 | 49 | 37 594 | +36 | 46 | 41 | 33 339 |
| Other Western Europe ${ }^{1}$ | 1,553 | 1,563 | 1,154 | 850 | 747 | 828 | 594 | 460 | 377 | 368 | 339 |
| U.S.S.R.... | 11 |  | 7 | 3 | 13 | 13 | 15 | 11 | 9 | 12 | 22 |
| Other Eastern Europe | 50 | 53 | 41 | 46 | 43 | 48 | 54 | 63 | 56 | 53 | 45 |
| Total. | 21,674 | 22,534 | 22,971 | 24,118 | 23,694 | 24,112 | 22,637 | 23,284 | 23,656 | 24,608 | 25,812 |
| Canada. | 4,012 | 3,646 | 3,827 | 3,787 | 4,529 | 4,213 | 4,016 | 3,663 | 3,624 | 3,399 | 3,254 |
| Latin America: |  |  |  |  |  |  |  |  |  |  |  |
| Argentina.. | 416 | 588 | 581 | 533 | 605 | 560 | 539 305 | 508 | 517 | 522 | 506 |
| Crazil. | 425 | 544 444 | 427 429 | 398 325 | 415 359 | 353 | 305 | 344 <br> 256 | 326 | 291 | 301 |
| Colombia | 461 | 444 275 | 294 | 282 | 258 | 244 | 247 | 231 | 215 | 186 | 191 |
| Cuba. | 7 | 6 | 7 | 7 | 6 | 7 | 7 | 7 | 8 | 8 | 7 |
| Mexico. | 849 | 896 | 915 | 846 | 814 | 876 | 820 | 828 | 829 | 824 | 859 |
| Panama | 140 | 165 | 166 | 172 | 169 | 173 | 158 | 163 | 177 | 173 | 185 |
| Peru.. | 240 | 210 | 208 | 221 | 213 | 213 | 225 | 186 | 178 | 168 | 181 |
| Uruguay. | 111 | 113 | 108 | 107 | 104 | 108 | 117 | 125 | 125 | 119 | 120 |
| Venezuela. | 691 | 637 | 651 | 630 | 643 | 652 | 735 | 672 | 695 | 645 | 687 |
| Other Latin American republ | 576 | 653 | 638 | 633 | 619 | 604 | 620 | 617 | 614 | 609 | 601 |
| Bahamas and Bermuda. | 1,405 | 1,306 | 1,189 | 1,015 | 761 | 806 | 745 | 798 | 675 | 631 | 957 |
| Netherlands Antilles and Sur | - 80 | - 84 | - 88 | - 95 | 91 | 96 | 98 | 92 | 95 | 101 | 105 |
| Other Latin America. | 34 | 42 | 37 | 33 | 37 | 42 | 39 | 37 | 38 | 49 | 48 |
| Total. | 5,636 | 5,963 | 5,736 | 5,295 | 5,095 | 5,060 | 4,918 | 4,866 | 4,743 | 4,582 | 5,009 |
| Asia: |  |  |  |  |  |  |  |  |  |  |  |
| Hong Kong. . . . | 213 | 226 | 245 | 235 | 250 | 274 | 258 | 305 | 322 | 295 | 281 |
| India........ | 260 | 363 | 356 | 366 | 401 | 426 | 302 | 236 | 229 | 188 | 211 |
| Indonesia. | 86 | 59 | 61 | 53 | 50 | 85 | 73 | 60 | 65 | 52 | 73 |
| Israel. | 146 | 131 | 115 | 121 | 118 | 107 | 135 | 121 | 128 | 122 | 154 |
| Japan. | 3,809 | 3,942 | 3,996 | 4,149 | 4,274 | 4,557 | 5,147 | 5,166 | 5,452 | 6,325 | 6,815 |
| Korea. | 236 | 307 | 280 | 263 | 195 | 185 | 199 | 193 | 178 | 191 | 184 |
| Philippines | 201 | 264 | 275 | 242 | 282 | 279 | 297 | 294 | 309 | 341 | 356 |
| Taiwan. | 196 | 260 | 212 | 228 | 247 | 260 | 275 | 292 | 278 | 288 | 296 |
| Thailand | 628 | 603 | 591 | 585 | 549 | 511 | 508 | 489 | 469 | 443 | 381 |
| Other. | 606 | 746 | 780 | 769 | 728 | 680 | 708 | 722 | 735 | 674 | 601 |
| Total. | 6,417 | 6,942 | 6,952 | 7,053 | 7,134 | 7,401 | 7,936 | 7,913 | 8,201 | 8,951 | 9,384 |
| Africa: |  |  |  |  |  |  |  |  |  |  |  |
| Congo (Kinshasa). | 87 | 50 | 30 | 18 | 17 | 17 | 14 | 16 | 13 | 17 | 19 |
| Morocco..... | 21 | 33 | 21 | 14 | 14 | 10 | 11 | 7 | 7 | 8 | 9 |
| South Africa. | 66 | 47 | 49 | 47 | 53 | 55 | 83 | 71 | 71 | 56 | 74 |
| U.A.R. (Egypt) | 23 | 24 | 19 | 19 | 19 | 20 | 17 | 16 | 18 | 15 | 15 |
| Other. . | 505 | 663 | 684 | 677 | 566 | 471 | 395 | 469 | 334 | 278 | 268 |
| Total. | 701 | 816 | 802 | 776 | 668 | 573 | 521 | 580 | 443 | 373 | 384 |
| Other countries: |  |  |  |  |  |  |  |  |  |  |  |
| Australia. | 282 | 418 | 428 | 389 | 390 | 392 | 389 | 376 | 398 | 453 | 567 |
| All other. | 29 | 33 | 31 | 34 | 31 | 33 | 39 | 34 | 46 | 43 | 41 |
| Total. | 311 | 451 | 459 | 423 | 421 | 425 | 428 | 410 | 444 | 495 | 608 |
|  | 38,751 | 40,353 | 40,747 | 41,453 | 41,541 | 41,783 | 40,457 | 40,716 | 41,113 | 42,409 | 44,451 |
| International and regional: |  |  |  |  |  |  |  |  |  |  |  |
| Latin American regional. | 1,261 100 | 1,253 | 1,330 150 | 848 | 175 | 873 152 | 131 | 1,175 162 | 1,086 156 | 1,099 | 1,210 |
| Other regional ${ }^{\text {8 }}$. | 52 | 112 | 118 | 124 | 112 | 113 | 111 | 90 | 93 | 106 | 132 |
| Total. | 1,413 | 1,505 | 1,598 | 1,117 | 1,168 | 1,138 | 1,217 | 1,427 | 1,335 | 1,370 | 1,500 |
| Grand total. | 40,164 | 41,858 | 42,345 | 42,570 | 42,709 | 42,921 | 41,674 | 42,143 | 42,448 | 43,779 | 45,951 |

For notes see the following page.
9. SHORT-TERM LIABILITIES TO FOREIGNERS REPORTED BY BANKS IN THE UNITED STATES BY COUNTRY-Continued
(End of period. Amounts outstanding; in millions of dollars)
Supplementary data 4

| Area or country | 1968 | 1969 |  | 1970 |  | Area or country | 1968 | 1969 |  | 1970 |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Dec. | Apr. | Dec. | Apr. | Dec. |  | Dec. | Apr. | Dec. | Apr. | Dec. |
| Other Western Europe: | $\begin{array}{r} 8 \\ 6 \\ 24 \end{array}$ | 2420 | 119 | 15 | $\cdots \mathrm{io} \cdot$ | Other Asia-Cont.:Jordan. . . . . | 367 | 4 | 17 | 30 |  |
| Cyprus. |  |  |  |  |  |  |  |  |  |  |  |
| Ireland, Rep. of. |  |  | 38 | 32 | 41 | Laos........................... . | 3 | 4 | 3 | 4 | 5 |
|  |  |  |  |  |  | Lebanon | 78 | 82 | 83 | 82 | 54 |
| Other Latin American republics:Bolivia. . . . . . . . . . . . . . | 66 | 65 | 68 | 76 | 69 | Malaysia. | 52 | 41 | 30 | 48 | 22 |
|  |  |  |  |  |  |  | 60 | 24 | 35 | 34 | 38 |
| Costa Rica. | 51 | 61 | 52 | 43 | 41 | Ryukyu Islands (incl. Okinawa).Saudi A rabia. . | 1729 | 20 | 25106 | $\stackrel{26}{166}$ | 106 |
| Dominican Republic | 69 | 59 | 78 | 96 | 99 |  |  |  |  |  |  |
| Ecuador........... | 66 | 62 | 76 | 72 | 79 | Singapore | 672 | 40 | 17 | 25 | 577 |
| El Salvador | 82 | 8990 | 69 |  | 75 | Vietnam....................... |  | 40 | 94 | ${ }^{6}$ |  |
| Guatemala. | 86 |  | 8417 | 71019 | 100 16 |  | 51 |  |  | 91 | 179 |
| Haiti. . . | 17 | 18 |  |  | 16 |  |  |  |  |  |  |
| Honduras. | 33 | 37 | 29 | 29 | 34 19 | Other Africa: | 8 | 6 | 14 | 13 | 17 |
| Jamaica. | 42 67 | 29 78 | 17 63 | 17 7 | 19 59 | Ethiopia (incl, Eritrea).......... | 13 | 15 | 20 | 33 | 19 |
| Paraguay. | 16 | 18 | 138 | 17 | 16 | Ghana......................... | 3 | 8 | 10 | 7 | 8 |
| Trinidad \& Tobago. | 10 | 8 |  |  |  | Kenya. . . . . . . . . . . . . . . . . . . . | 29 | 34 | 43 | 47 | 38 |
|  |  |  |  |  |  | Liberia....... . . . . . . . . . . . . . . . | 25 69 | 28 | 23 288 | 41 | 22 195 |
| Other Latin America: | 25 | 25 | 30 | 38 | 33 | Libya............................ | 2015 | 102 | 288 11 | 430 11 | 195 |
| British West Indies. |  |  |  |  |  | Southern Rhodesia |  |  | 11 2 | 11 2 | $\cdots$$\cdots$11 |
|  |  |  |  |  |  | Sudan. |  | 3 | 3 | 1 |  |
| Other Asia: |  | 8 | 16 | 15 |  | Tanzania. . . . . . . . . . . . . . . . . . | 2176 | 232 | 10 | 18 | $\begin{array}{r} 7 \\ 8 \\ 8 \\ 10 \end{array}$ |
| Afghanistan. | 6 |  |  |  |  | Tunisia. . . . . . . . . . . . . . . . . . . . . |  |  | 6 | 7 |  |
| Burma. | 5 | 5 | 2 | 5 | 4 | Uganda |  | 9 | 5 | 7 |  |
| Cambodia | 2 | 2 | 1 | 1 | 2 | Zambia. | 25 | 19 | 20 | 38 |  |
| Ceylon. | 4 | 5 | 3 | 4 | 4 |  |  |  |  |  |  |
| Iran.. | 41 | 4477 | 3526 | 41 | 32 | All other: <br> New Zealand. | 17 | 20 | 16 | 18 | 25 |
| Iraq.. | 86 |  |  |  |  |  |  |  |  |  |  |

${ }^{1}$ Includes Bank for International Settlements and European Fund. ${ }^{2}$ Data exclude "holdings of dollars" of the International Monetary Fund but include IMF gold investment.
${ }^{3}$ Asian, African, and European regional organizations, except BIS and European Fund, which are included in "Europe.'
4 Represent a partial breakdown of the amounts shown in the "other" categories (except "Other Eastern Europe").
10. LONG-TERM LIABILITIES TO FOREIGNERS REPORTED BY BANKS IN THE UNITED STATES
(Amounts outstanding; in millions of dollars)

| End of period | Total |  | To foreign countries |  |  |  | Country or area |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  | Total | Official institutions | Banks 1 | Other foreigners | Argentina | Other Latin America | Israel | Japan | Thailand | Other Asia | $\underset{\text { All }}{\text { other }} \begin{gathered} \text { countries } \end{gathered}$ |
| 1967. | 2,560 | 698 | 1,863 | 1,807 | 15 | 40 | 251 | 234 | 126 | 443 | 218 | 502 | 89 |
| 1968. | 3,166 | 777 | 2,389 | 2,341 | -85 | 40 | 284 | 257 | 241 | 658 | 201 | 651 | 97 |
| 1969. | 2,490 | 889 | 1,601 | 1,505 | 55 | 41 | 64 | 175 | 41 | 655 | 70 | 472 | 124 |
| 1970-Apr. ${ }^{\text {r }}$. | 2,273 | 844 | 1,429 | 1,318 | 64 | 46 | 25 | 210 | 6 | 636 | 49 | 376 | 127 |
| May ${ }^{\text {r }}$. | 2,211 | 856 | 1,355 | 1,241 | 64 | 50 | 25 | 217 | 6 | 619 | 28 | 328 | 132 |
| Juner | 2,127 | 847 | 1,280 | 1,116 | 116 | 48 | 25 | 216 | 6 | 576 | 28 | 242 | 187 |
| July ${ }^{\text {r }}$.... | 2,033 | 826 | 1,208 | 1,036 | 118 | 54 | 25 | 198 | 7 | 523 | 28 | 237 | 191 |
| Aug. ${ }^{\text {a }}$. | 1,936 | 838 | 1,097 | 928 | 118 | 51 | 25 | 145 | 7 | 499 | 22 | 204 | 194 |
| Sept. ${ }^{\text {r }}$ | 1,916 | 862 | 1,054 | 883 | 119 | 53 | 25 | 147 | 7 | 477 | 11 | 190 | 197 |
| Oct. ${ }^{\text {r }}$. | 1,835 | 844 | -991 | 820 | 119 | 52 | 25 | 147 | 7 | 466 | 9 | 140 | 196 |
| Nov. ${ }^{\text {r }}$. | 1,733 | 814 | 919 | 749 | 118 | 52 | 13 | 143 | 7 | 416 | 8 | 138 | 193 |
| Dec. ${ }^{r}$. | 1,696 | 787 | 909 | 695 | 160 | 54 | 13 | 138 | 6 | 385 | 8 | 122 | 236 |
| 1971-Jan. ${ }^{\text {r }}$. | 1,569 | 717 | 852 | 635 | 157 | 60 | 13 | 144 | 6 | 340 | 8 | 107 | 233 |
| Feb... | 1,462 | 691 | 771 | 568 | 153 | 51 | 13 | 106 | 6 | 316 | 1 | 100 | 229 |
| Mar.p | 1,331 | 631 | 700 | 479 | 161 | 60 | 13 | 88 | 6 | 261 | 1 | 94 | 236 |
| Apr. ${ }^{p}$. ${ }^{\text {. }}$. | 1,205 | 602 | 604 | 404 | 142 | 57 | 13 | 90 | 7 | 186 | 1 | 86 | 220 |

[^55]
## 11. ESTIMATED FOREIGN HOLDINGS OF MARKETABLE U.S. GOVERNMENT BONDS AND NOTES

(End of period; in millions of dollars)

| Area and country | 1969 | 1970 |  |  |  |  |  |  |  |  | 1971 |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Dec. | Apr. | May | June | July | Aug. | Sept. | Oct. | Nov. | Dec. | Jan. | Feb. | Mar. ${ }^{\text {p }}$ | Apr. ${ }^{\text {D }}$ |
| Europe: |  | 6 | 6 |  | 6 | 6 | 6 |  | 5 | 3 | 3 |  | 3 |  |
| France. | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 7 | 7 | 7 |
| Netherlands | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Norway. | 37 | 37 | 37 | 37 | 37 | 37 | 37 | 37 | 37 | 37 | 37 | 37 | 37 | 37 |
| Sweden. | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Switzerland. | 42 | 46 | 45 | 45 | 44 | 47 | 49 | 49 | 49 | 49 | 48 | 49 | 48 | 45 |
| United Kingdom. | 407 | 359 | 369 | 396 | 401 | 411 | 423 | 424 | 447 | 499 | 546 | 544 | 537 | 545 |
| Other Western Europe | 24 | 24 | 24 | 24 | 24 | 24 | 24 | 24 | 24 | 24 | 25 | 30 | 30 | 30 |
| Eastern Europe.......... | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 6 | 6 | 6 | 6 | 6 | 6 |
| Total. | 538 | 492 | 501 | 529 | 532 | 545 | 560 | 559 | 582 | 632 | 679 | 683 | 675 | 680 |
| Canada..................... | 272 | 271 | 279 | 286 | 287 | 294 | 284 | 191 | 190 | 192 | 192 | 191 | 188 | 188 |
| Latin America: |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Latin American republics.. | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | ${ }^{2}$ | 2 |
| Neth. Antilles \& Surinam. | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 |
| Other Latin America...... | 2 | 2 | 2 | 2 | 3 | 4 | 4 | 5 | 4 | 4 | 4 | 4 | 4 | 4 |
| Total, | 15 | 15 | 15 | 15 | 16 | 17 | 17 | 18 | 18 | 18 | 18 | 18 | 17 | 17 |
| Asia: |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Japan..... | 61 18 | 62 18 | 61 19 | 61 19 | 61 19 | 61 19 | 61 19 | 61 19 | 61 18 | 61 | 61 38 | 61 38 | 61 38 | 61 38 |
| Total. | 79 | 80 | 81 | 81 | 81 | 81 | 80 | 80 | 80 | 99 | 99 | 99 | 99 | 99 |
| Other countries. | 7 | 7 | 7 | 22 | 42 | 42 | 42 | 42 | 42 | 42 | 42 | 42 | 42 | 42 |
| Total foreign countries. | 912 | 865 | 883 | 933 | 959 | 979 | 984 | 891 | 912 | 983 | 1,030 | 1,033 | 1,022 | 1,027 |
| International and regional: International. | 32 | 30 | 30 | 30 | 30 | 22 | 22 | 22 | 22 | * | * | 16 | 114 | 114 |
| Latin American regional.. | 18 | 20 | 21 | 21 | 22 | 23 | 23 | 23 | 24 | 24 | 25 | 25 | 114 | 114 |
| Asian regional........... |  |  |  |  |  |  |  |  |  |  |  |  | . | ... |
| Total. | 50 | 51 | 51 | 52 | 53 | 45 | 45 | 46 | 46 | 24 | 25 | 41 | 140 | 140 |
| Grand total. | 962 | 916 | 934 | 985 | 1,012 | 1,024 | 1,030 | 936 | 959 | 1,008 | 1,054 | 1,074 | 1,162 | 1,167 |

NoTE.-Data represent estimated official and private holdings of marketable U.S. Govt. securities with an original maturity of more than 1
year, and are based on a Nov. 30, 1968, benchmark survey of holdings and regular monthly reports of securities transactions (see Table 16).

# 12. NONMARKETABLE U.S. TREASURY BONDS AND NOTES ISSUED TO OFFICIAL INSTITUTIONS OF FOREIGN COUNTRIES 

(In millions of dollars or dollar equivalent)

| End of period | Total | Payable in dollars |  |  |  |  |  |  |  | Payable in foreign currencies |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | Total | Belgium | $\begin{aligned} & \text { Can- } \\ & \text { ada } 1 \end{aligned}$ | Denmark | Italy ${ }^{2}$ | Korea | Sweden | Taiwan | Thailand | Total | $\begin{aligned} & \text { Aus- } \\ & \text { tria } \end{aligned}$ | Belgium | Germany ${ }^{3}$ | Italy | Switzerland |
| 1968. | 3,330 | 1,692 | 32 | 1,334 | 20 | 146 | 15 | 25 | 20 | 100 | 1,638 | 50 |  | 1,051 | 226 | 311 |
| 1969 | 43,181 | 1,431 | 32 | 1,129 |  | 135 | 15 |  | 20 | 100 | 41,750 |  |  | 41,084 | 125 | 541 |
| 1970-May . | 3,096 | 2,013 | 32 | 1,729 |  | 117 | 15 |  | 20 | 100 | 1,083 |  |  | 542 |  | 541 |
| June. | 3,511 | 2, 223 | 32 | 2,229 |  | 32 | 15 |  | 20 | 100 | 1,083 |  |  | 542 |  | 541 |
| July . | 3,508 | 2, 2,425 | 32 | 2,229 |  | 29 | 15 |  | 20 | 100 | 1,083 |  |  | 542 |  | 541 |
| Aug. | 3,508 | 2,425 | 32 | 2,229 |  | 29 | 15 |  | 20 | 100 | 1,083 |  |  | 542 |  | 541 |
| Sept | 3,508 | 2,425 | 32 | 2,229 |  | 29 | 15 |  | 20 | 100 | 1,083 |  |  | 542 |  | 541 |
| Nov. | 3,564 | 2,484 | 32 | 2,289 |  | 25 | 15 |  | 20 | 100 | 1,083 |  |  | 542 |  | 541 |
| Dec. | 3,563 | 2,480 | 32 | 2,289 |  | 25 | 15 |  | 20 | 100 | 1,083 |  |  | 542 |  | 541 |
| 1971-Jan. | 3,563 | 2,480 | 32 | 2,289 |  | 25 | 15 |  | 20 | 100 | 1,083 |  |  | 542 |  | 541 |
| Feb. | 3,563 | 2,480 | 32 | 2,289 |  | 25 | 15 |  | 20 | 100 | 1,083 |  |  | 542 |  | 541 |
| Mar. | 3,563 | 2,480 | 32 | 2,289 |  | 25 | 15 |  | 20 | 100 | 1,083 |  |  | 542 |  | 541 |
| Apr. | 3,563 | 2,480 | 32 | 2,289 |  | 25 | 15 |  | 20 | 100 | 1,083 |  |  | 542 |  | 541 |
| May | 53,592 | 2,480 | 32 | 2,289 |  | 25 | 15 |  | 20 | 100 | 51,111 |  |  | 542 |  | ${ }_{5} 569$ |

1 Includes bonds issued in 1964 to the Government of Canada in connection with transactions under the Columbia River treaty. Amounts outstanding end of 1967 through Oct. 1968, \$114 million; Nov. 1968 through Sept. 1969, $\$ 84$ million; Oct. 1969 through Sept. 1970, $\$ 54$ million; and Oct. 1970 through latest date, $\$ 24$ million.
2 Bonds issued to the Government of Italy in connection with military purchases in the United States.
${ }_{3}{ }^{3}$ In addition, nonmarketable U.S. Treasury notes amounting to $\$ 125$ million equivalent were issued to a group of German commercial banks in

June 1968. The revaluation of the German mark in Oct. 1969 increased the dollar value of these notes by $\$ 10$ million.
4 Includes an increase in dollar value of $\$ 84$ million resulting from revaluation of the German mark in Oct. 1969.
${ }^{5}$ Increase in valuation resulted from redemption of outstanding Swiss franc securities at old exchange rate and reissue of securities at new exchange rate with same maturity dates, at time of revaluation of Swiss franc. The new issues include some certificates of indebtedness issued to replace notes which were within a year of maturity.
(End of period. Amounts outstanding; in millions of dollars)


Note.-Short-term claims are principally the following items payable on demand or with a contractual maturity of not more than 1 year: loans made to, and acceptances made for, foreigners; drafts drawn against foreigners, where collection is being made by banks and bankers for
their own account or for account of their customers in the United States; and foreign currency balances held abroad by banks and bankers and their customers in the United States. Excludes foreign currencies held by U.S. monetary authorities.
14. SHORT-TERM CLAIMS ON FOREIGNERS REPORTED BY BANKS IN THE UNITED STATES, BY TYPE
(Amounts outstanding; in millions of dollars)

| End of period | Total | Payable in dollars |  |  |  |  |  |  |  | Payable in foreign currencies |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | Total | Loans to- |  |  |  | Collections out-standing | Acceptances made for acct. of foreigners | Other | Total | Deposits with foreigners | Foreign govt. securities, coml. and finance paper | Other |
|  |  |  | Total | Official institutions | Banks ${ }^{1}$ | Others |  |  |  |  |  |  |  |
| 1968. | 8,711 | 8,261 | 3,165 | 247 | 1,697 | 1,221 | 1,733 | 2,854 | 509 | 450 | 336 | 40 | 73 |
| $1969{ }^{2}$. | $\left\{\begin{array}{l}9,578 \\ 9,667\end{array}\right.$ | 9,063 9,151 | 3,281 3,278 | 262 | 1,946 | 1,073 1,073 | 1,954 | 3,169 3,202 | 658 656 | 518 516 | 352 352 | 84 89 | 79 74 |
| 1970-Apr.. | 9,518 | 9,040 | 3,116 | 335 | 1,734 | 1,047 | 2,241 | 3,223 | 459 559 | 478 | 342 | 76 | 60 |
| May. | 9,806 | 9,308 | 3,193 | 315 | 1,825 | 1,053 | 2,312 | 3,244 | 559 | 498 | 338 | 93 | 66 |
| June. | 10,010 | 9,543 | 3,316 | 305 | 1,932 | 1,079 | 2,344 | 3,287 | 595 | 467 | 314 | 83 | 69 |
| July. | 9,727 | 9,306 | 3,191 | 256 | 1,873 | 1,063 | 2,350 | 3,234 | 531 | 421 | 296 | 66 | 59 |
| Aug. ${ }^{\text {r }}$ | 9,521 | 9,058 | 2,975 | 178 | 1,711 | 1,087 | 2,354 | 3,171 | 557 | 463 | 354 | 50 | 59 |
| Sept. ${ }^{\text {r }}$ | 9,741 | 9,261 | 3,231 | 186 | 1,936 | 1,109 | 2,381 | 3,056 | 593 | 479 | 366 | 40 | 74 |
| Oct. ${ }^{\text {r }}$ | 9,873 | 9,358 | 3,129 | 109 | 1,897 | 1,123 | 2,438 | 3,158 | 634 | 515 | 366 | 67 | 83 |
| Nov. ${ }^{\text {d }}$ | 10,129 | 9,574 | 3,132 | 95 | 1,894 | 1,143 | 2,429 | 3,330 | 683 | 555 | 354 | 112 | 89 |
| Dec ${ }^{\boldsymbol{r}}$. | 10,801 | 10,150 | 3,038 | 119 | 1,709 | 1,210 | 2,414 | 3,966 | 732 | 651 | 393 | 92 | 166 |
| 1971-Jan. ${ }^{\text {r }}$. | 10,410 | 9,903 | 2,850 | 110 | 1,561 | 1,178 | 2,396 | 3,950 | 708 | 506 | 308 | 79 | 120 |
| Feb. | 10,559 | 10,024 | 2,937 | 88 | 1,578 | 1,270 | 2,389 | 3,972 | 726 | 535 | 334 | 111 | 90 |
| Mar. ${ }^{p}$ | 10,683 | 10,119 | 2,996 | 100 | 1,589 | 1,307 | 2,376 | 4,026 | 721 | 564 | 365 | 102 | 96 |
| Apr. ${ }^{p}$. | 10,711 | 10,177 | 3,088 | 107 | 1,726 | 1,255 | 2,320 | 4,086 | 683 | 534 | 338 | 92 | 104 |

${ }^{1}$ Excludes central banks which are included with "Official institutions." with those shown for the preceding date; figures on the second line are ${ }^{2}$ Data on the two lines shown for this date differ because of changes in comparable with those shown for the following date. reporting coverage. Figures on the first line are comparable in coverage
15. LONG-TERM CLAIMS ON FOREIGNERS REPORTED BY BANKS IN THE UNITED STATES
(Amounts outstanding; in millions of dollars)

| End of period | Total | Type |  |  |  |  | Country or area |  |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | Payable in dollars |  |  |  |  | Payable in foreign currencies | United Kingdom | Other Europe | Canada | Latin America | Japan | Other Asia | $\underset{\substack{\text { All } \\ \text { other } \\ \text { countries }}}{ }$ |
|  |  | Loans to- |  |  |  | Other longclaims |  |  |  |  |  |  |  |  |
|  |  | Total | Official institutions | Banks ${ }^{1}$ | Other foreigners |  |  |  |  |  |  |  |  |  |
| 1968. | 3,567 | 3,158 | 528 | 237 | 2,393 | 394 | 16 | 68 | 479 | 428 | 1,375 | 122 | 617 | 479 |
| 1969 | 3,250 | 2,806 | 502 | 209 | 2,096 | 426 | 18 | 67 | 411 | 408 | 1,329 | 88 | 568 | 378 |
| 1970-Apr. | 3,248 | 2,815 | 508 | 220 | 2,087 | 401 | 32 | 74 | 413 | 420 | 1,363 | 89 | 546 | 343 |
| May. | 3,232 | 2,822 | 511 | 211 | 2,100 | 380 | 30 | 67 | 426 | 427 | 1,348 | 89 | 530 | 345 |
| Juner | 3,177 | 2,788 | 499 | 209 | 2,080 | 362 | 27 | 67 | 425 | 416 | 1,341 | 92 | 517 | 319 |
| July ${ }^{\text {r }}$ | 3,127 | 2,745 | 486 | 215 | 2,044 | 354 | 29 | 69 | 396 | 417 | 1,337 | 100 | 502 | 307 |
| Aug. ${ }^{\text {r }}$ | 3,131 | 2,719 | 470 | 225 | 2,023 | 383 | 29 | 64 | 398 | 411 | 1,324 | 106 | 515 | 312 |
| Sept.r | 3,155 | 2,750 | 460 | 244 | 2,046 | 377 | 28 | 65 | 395 | 416 | 1,357 | 108 | 499 | 314 |
| Oct. ${ }^{\text {r }}$. | 3,229 | 2,839 | 531 | 256 | 2,053 | 359 | 30 | 67 | 407 | 409 | 1,342 | 109 | 582 | 312 |
| Nov. ${ }^{\text {r }}$ | 3,216 | 2,825 | 515 | 247 | 2,064 | 364 | 26 | 66 | 387 | 398 | 1,362 | 113 | 583 | 307 |
| Dec. ${ }^{\text {r }}$ | 3,067 | 2,691 | 504 | 230 | 1,957 | 352 | 25 | 71 | 411 | 312 | 1,318 | 115 | 548 | 292 |
| 1971-Jan.. | 2,953 | 2,601 | 485 | 208 | 1,909 | 327 | 24 | 70 | 412 | 278 | 1,272 | 117 | 523 | 280 |
| Feb.. | 2,948 | 2,634 | 484 | 208 | 1,942 | 289 | 26 | 77 | 420 | 266 | 1,248 | 121 | 521 | 295 |
| Mar. ${ }^{\text {p }}$ | 3,032 | 2,725 | 498 | 221 | 2,006 | 277 | 30 | 111 | 423 | 268 | 1,259 | 125 | 548 | 298 |
| Apr. ${ }^{p}$ | 3,072 | 2,762 | 506 | 218 | 2,037 | 277 | 30 | 117 | 440 | 275 | 1,262 | 119 | 553 | 305 |

1 Excludes central banks, which are included with "Official institutions."

A 84 INTL. CAPITAL TRANSACTIONS OF THE U.S. $\quad$ JUNE 1971
16. PURCHASES AND SALES BY FOREIGNERS OF LONG-TERM SECURITIES, BY TYPE
(In millions of dollars)

| Period | Marketable U.S. Govt. bonds and notes ${ }^{1}$ |  |  |  |  | U.S. corporate securities 2 |  |  | Foreign bonds |  |  | Foreign stocks |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Net purchases or sales |  |  |  |  | Purchases | Sales | Net purchases or sales | Purchases | Sales | Net purchases or sales | Purchases | Sales | Net purchases or sales |
|  | Total | $\begin{gathered} \text { Intl. } \\ \text { and } \\ \text { regional } \end{gathered}$ | Foreign |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  | Total | Official | Other |  |  |  |  |  |  |  |  |  |
| 1969. | -4 | 11 | -15 | -79 | 64 | 15,476 | 12,795 | 2,681 | 1,552 | 2,578 | -1,026 | 1,519 | 2,037 | -517 |
| $1970{ }^{\text {r }}$. | 46 | -25 | 71 | -39 | 110 | 11,426 | 9,844 | 1,582 | 1,490 | 2,422 | -932 | 1,033 | 995 | 38 |
| 1971-Jan.-Apr. ${ }^{p}$. . . | 159 | 115 | 44 | 5 | 38 | 5,552 | 5,156 | 396 | 592 | 967 | -375 | 359 | 504 | -145 |
| 1970-Apr. ${ }^{\text {r. . . . . . . }}$. | 10 | 1 | 9 |  | 9 | 1,010 | 848 | 161 | 143 | 186 | -42 | 80 | 104 | -24 |
| May........... | 18 | 1 | 18 | 2 | 16 | '769 | 929 | -160 | 116 | 70 | 47 | 109 | 90 | 18 |
| June........... | 51 | * | 50 | 15 | 35 | 858 | 783 | 76 | 113 | 97 | 16 | 74 | 60 | 15 |
| July. . . . . . . . . | 27 | 1 | 26 | 20 | 6 | 783 | 649 | 134 | 126 | 263 | -136 | 62 | 58 | 4 |
| Aug. | 13 | -8 | 21 | * | 21 | 656 | 514 | 142 | 143 | 380 | -237 | 60 | 45 | 15 |
| Sept. ${ }^{r}$ | 5 | * | - 5 | $\cdots{ }^{\circ}$ | 5 | 1,034 | 703 | 331 | 110 | 93 256 | +17 | 76 | 90 | $-14$ |
| Oct. ${ }^{\text {r }}$. | -93 | 1 | -94 | -91 | -3 | 1,187 | 938 | 249 | 109 | 256 | -147 | 71 | 120 | -50 |
| Nov.. . . . . . . ${ }^{\text {Dec... }}$ | 49 | -22 | 71 | 18 | 53 | 1,321 | 1,030 | 291 | 97 140 | 87 263 | 10 -123 | 65 83 | 76 | $-11$ |
| 1971-Jan. | 46 | -1 | 47 |  | 47 | 1,242 | 1,022 | 220 | 116 | 425 | -308 | 90 | 95 | -5 |
| Feb............ | 20 | 17 | 3 | 5 | -2 | 1,516 | 1,411 | 105 | 126 | 107 | 19 | 68 | 108 | -41 |
| Mar. ${ }^{p} . . . . . . .$. | 88 | 99 | $-11$ |  | -11 | 1,411 | 1,315 | 97 | 176 | 196 | -20 | 85 | 121 | -36 |
|  | 5 | * | 5 |  | 4 | 1,383 | 1,408 | -25 | 174 | 241 | -67 | 117 | 179 | -63 |

${ }^{1}$ Excludes nonmarketable U.S. Treasury bonds and notes issued to official institutions of foreign countries; see Table 12.
${ }_{2}$ Includes State and local govt. securities, and securities of U.S. Govt. agencies and corporations that are not guaranteed by the United States.

Also includes issues of new debt securities sold abroad by U.S. corporations organized to finance direct investments abroad.
Note.-Statistics include transactions of international and regional organizations.
17. NET PURCHASES OR SALES BY FOREIGNERS OF U.S. CORPORATE STOCKS, BY COUNTRY
(In millions of dollars)

| Period | Total | France | Germany | Netherlands | Switzerland | United Kingdom | Other <br> Europe | Total Europe | Canada | Latin America | Asia | Africa | Other countries | Intl. \& regional |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 1969.. | 1,487 | 150 | 216 | 189 | 490 | -245 | 295 | 1,094 | 125 | 136 | 90 | 7 | -1 | 36 |
| 1970 ${ }^{\text {r........... }}$ | , 626 | 58 | 195 | 128 | 110 | -33 | 24 | 482 | -9 | 47 | 85 | -1 | 1 | 22 |
| 1971-Jan,-Apr. ${ }^{p}$. | 71 | -54 | 57 | 33 | -9 | -45 | 50 | 31 | -29 | 32 | 16 | * | -1 | 22 |
| 1970-Apr. ${ }^{\text {r }}$.... | 5 | -8 | 20 | -23 | 12 | -15 | 5 | -10 | 25 | -16 | 6 | * | * | 1 |
| May ${ }^{\text {r }}$..... | -200 | 1 | -2 | 33 | -46 | -102 | -32 | -149 | -30 | -25 | 3 | -1 | * | 1 |
| June...... | 63 | 16 | 3 | 18 | 23 | -23 | 14 | 41 | -8 | -2 | 15 | * | * | * |
| July....... | $\begin{array}{r}52 \\ 104 \\ \hline\end{array}$ | 16 | 18 | 16 16 | 13 40 | -14 -20 | 119 | $\begin{array}{r}58 \\ 113 \\ \hline\end{array}$ | -16 -6 | 3 -9 | 6 4 | * | * | 2 |
| Aug....... | 104 | 7 -4 | 18 36 | 16 37 | 40 | 20 29 | 11 | 113 154 | -6 | -9 -20 | $\begin{array}{r}4 \\ 2 \\ \hline\end{array}$ | * | * | 2 |
| Oct. . | 158 | -3 | 23 | 13 | -1 | 32 | 21 | 85 | 31 | 30 | 13 | -1 | * | -1 |
| Nov. | 98 | 7 | 13 | 18 | 11 | 3 | 31 | 84 | 6 | 1 | * | * | * | 7 |
| Dec.. | 216 | 39 | 27 | 8 | 39 | 14 | 11 | 137 | 40 | 32 | 4 | * | * | 3 |
| 1971 -Jan.. | 130 | -13 | 27 | 14 | 26 | 7 | 46 | 107 | 11 | 6 | -3 | * | -1 | 11 |
| Feb.. | -32 | -23 | 28 | 9 | -6 | -23 | 21 | 4 | -34 | -5 | * | * | * | * |
| Mar. ${ }^{p} . .$. | -26 | -26 | 11 | 2 | -26 | - 11 | -9 | -59 | I | 18 | 9 | * | * | 6 |
| Apr. ${ }^{p}$..... | -1 | 8 | -10 | 8 | -4 | -18 | -9 | -24 | -7 | 14 | 11 | * | -1 | 6 |

18. NET PURCHASES OR SALES BY FOREIGNERS OF U.S. CORPORATE BONDS, BY COUNTRY
(In millions of dollars)

| Period | Total | France | Germany | Netherlands | Switzerland | United Kingdom | Other Europe | Total Europe | Canada | Latin America | Asia | Africa | Other countries | Intl. and regional |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 1969. | 1,195 | 97 | 200 | 14 | 169 | 251 | 83 | 815 | 32 | 14 | -11 | -1 | 10 | 336 |
| $1970{ }^{\text {r . . . }}$ | 956 | 35 | 48 | 37 | 134 | 118 | 91 | 464 | 128 | 25 | 28 | 1 | $-12$ | 324 |
| 1971-Jan.-Apr.p | 325 | 18 | 7 | 2 | 70 | 63 | 49 | 209 | 34 | 8 | -1 | * | $-12$ | 89 |
| 1970-Apr....... | 156 | 7 | 4 | 16 | 32 | 10 | 7 | 76 | 7 | 6 | 1 | * | * | 65 |
| May...... | 40 | 3 | * | * | 14 | -14 | 5 | 9 | 2 | 2 | 2 | * | -1 | 26 |
| June...... | 13 | 4 | -6 | * | 4 | -12 | 3 | -8 | 13 | 2 | 10 | * | $-6$ | 3 |
| July ${ }^{\text {r }}$. . . . | 82 | 4 | -2 | -1 | 23 | 36 | 8 | 68 | 6 | 6 | 1 | * | -1 | 1 |
| Aug....... | 38 | -1 | -3 | * | -1 | -1 | 1 | $-4$ | 21 | 2 | * | * | -2 | 21 |
| Sept.r.... | 106 | 1 | 25 | * | 3 | -1 | 2 | 31 | 16 | -6 | 1 | * | * | 64 |
| Oct.r. . . . | 91 | -1 | * | 1 | 8 | -8 | 43 | 43 | 14 | 1 | 6 | * | -2 | 29 |
| Nov.. . . . . | 47 | 2 | 1 | * | 3 | 1 | 4 | 13 | 17 | 2 | 3 | * | * | 13 |
| Dec....... | 75 | 2 | 7 | -3 | 9 | 28 | 18 | 61 | 1 | 1 | 3 | * | 1 | 8 |
| 1971-Jan.. . . . . | 89 | * | $-6$ | * | 15 | 2 | * | 12 | 28 | -4 | * | * | * | 52 |
| Feb...... | 137 | 4 | 3 | 2 | 16 | 21 | 39 | 85 | -4 | 1 | 1 | * | $-12$ | 65 |
| Mar.p.... | 123 | 10 | 14 | -1 | 32 | 32 | 5 | 92 | 11 | 6 | 3 | * | * | 11 |
| Apr.p.... | -23 | 3 | -3 | * | 7 | 7 | 5 | 19 | -2 | 4 | -6 | * | * | -39 |

Note.- Statistics include State and local govt. securities, and securities the United States. Also includes issues of new debt securities sold abroad U.S. Govt. agencies and corporations that are not guaranteed by by U.S. corporations organized to finance direct investments abroad.

## 19. NET PURCHASES OR SALES BY FOREIGNERS OF LONG-TERM FOREIGN SECURITIES, BY AREA

(In millions of dollars)

| Period | Total | Intl. and regional | Total foreign countries | $\begin{gathered} \text { Eu- } \\ \text { rope } \end{gathered}$ | $\begin{aligned} & \text { Can- } \\ & \text { ada } \end{aligned}$ | Latin <br> America | Asia | Af- <br> rica | Other countries |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 1969 | -1,544 | 66 | -1,610 | 74 | -1,128 | -98 | -471 | -6 | 20 |
| $1970{ }^{\text {r }}$ | -894 | -254 | -641 | 50 | -569 | -11 | -125 | -6 | 20 |
| 1971-Jan.-Apr. ${ }^{p}$. . | -520 | -236 | -284 | -47 | -59 | -2 | -181 | -1 | 6 |
| 1970-Apr. | -66 | 9 | -75 | 17 | -82 | -2 | -9 | * | 1 |
| May | 65 | 11 | 54 | -1 | 42 | 3 | ${ }^{8}$ | * | 2 |
| June | 30 | 5 | 25 | 1 | 39 | $-1$ | -15 | * | 1 |
| July | -132 | -38 | -94 | 9 | -78 | -23 | -1 | * | * |
| Aug. | -222 | -158 | -64 | 4 | -127. | 56 | 2 | * | 1 |
| Sept. |  | 16 | -13 | 5 | 22 | -30 | -12 | * | 2 |
| Oct. | -197 | -91 | -106 | -33 | -51 | 3 | -27 | * | 2 |
| Nov. | -125 | 3 | $-129$ | -10 | 15 | -2 | -9 | -1 | 1 |
| Dec. | -125 | 4 | -129 | -22 | -74 | -5 | -31 | 1 | 4 |
| 1971-Jan. | -313 | -197 | -117 | 2 | -82 | $-10$ | -29 | * | 2 |
| Feb | -21 | -4 | -17 | -21 | 27 | 4 | -29 | * | 1 |
| Mar | -56 | 11 | -67 |  | -34 | 6 | -44 | -1 | 1 |
| Apr. | -129 | -46 | -83 | -34 | 29 | -2 | -79 | * | 1 |

## 20. FOREIGN CREDIT AND DEBIT BALANCES IN BROKERAGE ACCOUNTS

(Amounts outstanding; in millions of dollars)

| End of period | Credit balances (due to foreigners) | Debit balances (due from foreigners) |
| :---: | :---: | :---: |
| 1967. | 311 | 298 |
| 1968. | 636 | 508 |
| 1969-Mar. | 553 | 393 |
| June. | 566 | 397 |
| Sept. | 467 | 297 |
| Dec.. | 434 | 278 |
| 1970-Mar. | 368 | 220 |
| June. | 334 | 182 |
| Sept. | 291 | 203 |
| Dec. | 349 | 279 |
| 1971-Mar. ${ }^{p}$. | 511 | 314 |

NOTE.-Data represent the money credit balances and money debit balances appearing on the books of reporting money debit baleances appearing on the and dealers in the United States, in accounts of foreigners with them, and in their accounts carried by foreigners.
21. LIABILITIES OF U.S. BANKS TO THEIR FOREIGN BRANCHES AND FOREIGN BRANCH HOLDINGS OF SPECIAL U.S. GOVT. SECURITIES
(Amounts outstanding; in millions of dollars)

| Wednesday | Amount | Wednesday | Amount | Wednesday | Amount |
| :---: | :---: | :---: | :---: | :---: | :---: |
| 1966 |  | 1970 |  | $1971{ }^{\text {r }}$ |  |
| Mar. 30.......... | 1,879 | Jan. 28. | 13,605 | Jan. 6. | 7,424 |
| June 29........... | 1,951 | Feb. 25. | 13,086 | 13. | 7,863 |
| Sept. 28. | 3,472 | Mar. 25. | 11,885 | 27. | 7,823 |
| Dec. 28.......... | 4,036 | Apr. 29. | 11,944 12,346 |  | 7,536 |
| 1967 |  | June 24. | 12,172 |  |  |
|  |  | July 29. | $\begin{aligned} & 10,469 \\ & 10,629 \end{aligned}$ | Feb. ${ }^{3} 10$. | 7,432 |
| Mar. 29. | 3,412 | Sept. 2. | 10,332 | 17. | 6,872 |
| June 28. | 3,166 |  | 10,220 |  | 6,666 |
| Sept. 27........... | 4,059 |  | 10,525 |  |  |
| Dec. 27. | 4,241 |  | 10,126 9,663 | Mar. 3. | 6,516 6,306 |
| 1968 |  | Oct. $\begin{gathered}7 . \\ 14 \\ 21 . \\ \\ 28\end{gathered}$ | 9,830 | 17. | 5,680 |
|  |  |  | 9,589 | 34. | $\begin{aligned} & 5,838 \\ & 4,358 \end{aligned}$ |
|  |  |  | 9,595 |  |  |
| June 26. | 6,202 |  | 9,297 |  |  |
| Sept. $25.11 / 6 . .$. | 7,104 | Nov. 4. | 9,024 | Apr. 7. | 4,759 |
| Dec. 31 (1/1/69)... | 6,039 | Nov. 11. | 8,892 | 14. | 5,318 |
|  |  | 18. | 8,766 | 21. | 5,252 |
| 1969 |  |  | 8,435 | 28. | 5,166 |
|  |  | Dec. $\begin{array}{r}2 . \\ 9 . \\ 16 . \\ 23 . \\ \\ 30 .\end{array}$ | 8,252 |  |  |
| Mar. 26. | 9,621 |  | 8,215 | May 5. | 5,012 |
| June 25. . . . . . . . . | 13,269 |  | 8,305 | 12. | 4,606 |
| Sept. 24. | 14,349 |  | 7,902 | 19. | 4,636 |
| Dec. 31. | 12,805 |  | 7,676 |  | 4,587 |

Nore.-The data represent gross liabilities of reporting banks to their branches in foreign countries and special U.S. Govt, securities held by foreign branches as follows: Export-Import bank securities, $\$ 1,000$ million, Jan. 27, 1971-Feb. 24, 1971, and \$1,500 million, Mar. 3, 1971, through latest date; and $\$ 1,508$ million of Treasury Certificates Eurodollar Series beginning Apr. 14, 1971.

## 22. MATURITY OF EURO-DOLLAR DEPOSITS IN FOREIGN BRANCHES OF U.S. BANKS

(End of month; in billions of dollars)

| Maturity of liability | 1971 |  |  |
| :---: | :---: | :---: | :---: |
|  | Jan. | Feb. | Mar. |
| Overnight. | 1.51 | 1.67 | 1.62 |
| Call. | 1.77 | 2.02 | 1.96 |
| Other liabilities, maturing in following calendar months after report date: |  |  |  |
| $1 \mathrm{st}$. . | 8.85 | 9.13 | 10.03 |
| 2nd, | 5.00 | 4.93 | 3.70 |
| 3 rd . | 3.91 | 2.95 | 3.52 |
| 4th. | 1.51 | 1.84 | 2.08 |
| 5th.. | 1.59 | 1.78 | 1.57 |
| 6 th . | 1.48 | 1.42 | 1.32 |
| 7 th . | . 23 | . 28 | . 22 |
| 8 th. | . 20 | . 21 | . 30 |
| 9 th. | . 18 | . 29 | . 33 |
| 10th. | .23 | . 25 | . 20 |
| 11 th. | . 24 | .17 | . 20 |
| 12th................ | . 14 | .17 | . 26 |
| Maturities of more than 1 year. | . 54 | . 57 | . 70 |
| Total. | 27.39 | 27.66 | 28.01 |

Note.-Includes interest-bearing U.S. dollar deposits and direct borrowings of all branches in the Bahamas and of all other foreign branches for which such deposits and direct borrowings amount to $\$ 50$ milion or more.

Details may not add to totals due to rounding

## 23. DEPOSITS, U.S. GOVT. SECURITIES, AND GOLD HELD AT F.R. BANKS FOR FOREIGNERS

(In millions of dollars)

| End of period | Deposits | Assets in custody |  |
| :---: | :---: | :---: | :---: |
|  |  | U.S. Govt. securities 1 | Earmarked gold |
| 1968........ | 216 | 9,120 | 13,066 |
| 1969........ | 134 | 7,030 | 12,311 |
| 1970-May. . | 128 | 9,754 | 12,239 |
| June. . | 168 | 10,888 | 12,240 |
| July... | 199 | 11,803 | 12,217 |
| Aug... | 173 | 12,489 | 12,283 |
| Sept... | 136 | 13,983 | 12,611 |
| Oct.... | 142 | 14,458 | 12,617 |
| Nov... | 136 | 16,196 | 12,644 |
| Dec... | 148 | 16,226 | 12,926 |
| 1971-Jan... | 129 | 16,206 | 12,958 |
| Feb. . | 147 | 18,033 | 12,981 |
| Mar... | 201 | 20,534 | 13,057 |
| Apr... | 162 | 22,879 | 13,095 |
| May.. | 208 | 28,126 | 13,447 |

1 U.S. Treasury bills, certificates of indebtedness, notes, and bonds; includes securities payable in foreign currencies.

Note-Excludes deposits and U.S. Govt. securities held for international 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.

## 24. SHORT-TERM LIQUID CLAIMS ON FOREIGNERS REPORTED BY NONBANKING CONCERNS

(Amounts outstanding; in millions of dollars)

| End of period | Total | Payable in dollars |  | Payable in foreign currencies |  | United <br> Kingdom | Canada |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | Deposits | Shortterm investments ${ }^{1}$ | Deposits | Shortterm investments |  |  |
| 1968. | 1,638 | 1,219 | 87 | 272 | 60 | 979 | 280 |
|  | $\{1,319$ | 1,952 | 116 | 174 | 76 | 610 | 469 |
| $1969{ }^{2}$. | \{1,454 | 1,025 | 161 | 183 | 86 | 663 | 519 |
| 1970-Apr. | 1,438 | 1,053 | 178 | 142 | 66 | 892 | 270 |
| May. . | 1,459 | 1,011 | 200 | 138 | 109 | 837 | 331 |
| June. . | 1,476 | 1,041 | 174 | 148 | 112 | 754 | 359 |
| July. . | 1,423 | 1,009 | 181 | 159 | 74 | 752 | 309 |
| Aug. | 1,276 | 868 | 164 | 151 | 94 | 662 | 297 |
| Sept. | 1,375 | 889 | 183 | 177 | 126 | 668 | 382 |
| Oct. ${ }^{\text {r }}$ | 1,418 | 905 | 177 | 177 | 159 | 641 | 440 |
| Nov. ${ }^{\text {r }}$ | 1,436 | 924 | 171 | 175 | 166 | 628 | 472 |
| Dec. ${ }^{\text {r }}$ | 1,045 | 619 | 133 | 172 | 121 | 363 | 417 |
| 1971-Jan. ${ }^{\text {r }}$ | 1,211 | 795 | 124 | 180 | 114 | 511 | 363 |
| Feb. ${ }^{\text {r }}$ | 1,270 | 786 | 152 | 191 | 141 | 539 | 401 |
| Mar. | 1,325 | 865 | 142 | 176 | 143 | 586 | 372 |

[^56](End of period. Amounts outstanding; in millions of dollars)


Note.-Reported by exporters, importers, and industrial and commercial concerns and other nonbanking institutions in the United States.

Data exclude claims held through U.S. banks, and intercompany accounts between U.S. companies and their foreign affiliates.
26. SHORT-TERM LIABILITIES TO AND CLAIMS ON FOREIGNERS REPORTED BY NONBANKING CONCERNS, BY TYPE
(Amounts outstanding; in millions of dollars)

| End of period | Liabilities |  |  | Claims |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Total | Payable in dollars | Payable in foreign currencies | Total | Payable in dollars | Payable in foreign currencies |  |
|  |  |  |  |  |  | Deposits with banks abroad in reporter's name | Other |
| 1966-Dec........ | 1,089 | 827 | 262 | 2,628 | 2,225 | 167 | 236 |
| 1967-Mar. | 1,148 | 864 | 285 | 2,689 | 2,245 | 192 | 252 |
| June. | 1,203 | 916 | 287 | 2,585 | 2,110 | 199 | 275 |
| Sept. | 1,353 | 1,029 | 324 | 2,555 | 2,116 | 192 | 246 |
| Dec.. | $\left\{\begin{array}{l}1,371\end{array}\right.$ | 1,027 | 343 | 2,946 | 2,529 | 201 | 216 |
| Dec. ${ }^{1}$ | ( 1,386 | 1,039 | 347 | 3,011 | 2,599 | 203 | 209 |
| 1968-Mar. | 1,358 | 991 | 367 | 3,369 | 2,936 | 211 | 222 |
| June. | 1,473 | 1,056 | 417 | 3,855 | 3,415 | 210 | 229 |
| Sept. | 1,678 1,608 | 1,271 | 407 382 | 3,907 3,783 | 3,292 | 422 368 | 193 |
| Dec. | 1,608 | 1,225 | 382 | 3,783 | 3,173 | 368 | 241 |
| 1969-Mar. | 1,576 | 1,185 | 391 | 4,014 | 3,329 | 358 | 327 |
| June. | 1,613 | 1,263 | 350 | 4,023 | 3,316 | 429 | 278 |
| Sept.. | 1,797 | 1,450 | 346 | 3,874 | 3,222 | 386 | 267 |
| Dec. | $\left\{\begin{array}{l}1,786\end{array}\right.$ | 1,399 | 387 | 3,710 | 3,124 | 221 | 365 |
| Dec. ${ }^{\text {d }}$ | \{ 2,063 | 1,627 | 435 | 4,117 | 3,494 | 244 | 379 |
| 1970-Mar. | 2,166 | 1,687 | 479 | 4,227 | 3,695 | 219 | 313 |
| June | 2,317 | 1,801 | 516 | 4,350 | 3,765 | 234 | 351 |
| Sept. | 2,453 | 1,928 | 525 | 4,253 | 3,653 | 297 | 303 |
| Dec. ${ }^{p}$. | 2,535 | 2,114 | 421 | 4,079 | 3,507 | 231 | 342 |

${ }^{1}$ Data differ from that shown for Dec. in line above because of changes in reporting coverage.

## 27. LONG-TERM LIABILITIES TO AND CLAIMS ON FOREIGNERS REPORTED BY NONBANKING CONCERNS

(Amounts outstanding; in millions of dollars)

| End of period | Total liabilities | Claims |  |  |  |  |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | Total | Country or area |  |  |  |  |  |  |  |  |  |
|  |  |  | United Kingdom | Other Europe | Canada | Brazil | Mexico | $\begin{aligned} & \text { Other } \\ & \text { Latin } \\ & \text { America } \end{aligned}$ | Japan | Other Asia | Africa | $\begin{gathered} \text { All } \\ \text { other } \end{gathered}$ |
| 1966-Dec........ | 329 | 1,256 | 27 | 198 | 272 | 203 | 56 | 212 | 95 | 93 | 87 | 13 |
| 1967-Mar. | 454 | 1,324 | 31 | 232 | 283 | 203 | 58 | 210 | 108 | 98 | 84 | 17 |
| June. | 430 | 1,488 | 27 | 257 | 303 | 214 | 88 | 290 | 110 | 98 | 85 | 15 |
| Sept. | 411 | 1,452 | 40 | 212 | 309 | 212 | 84 | 283 | 109 | 103 | 87 | 13 |
| Dec. | 414 | 1,537 | 43 | 257 | 311 | 212 | 85 | 278 | 128 | 117 | 89 | 16 |
| Dec. ${ }^{1}$ | 428 | 1,570 | 43 | 263 | 322 | 212 | 91 | 274 | 128 | 132 | 89 | 16 |
| 1968-Mar. | 582 | 1,536 | 41 | 265 | 330 | 206 | 61 | 256 | 128 | 145 | 84 | 21 |
| June. | 747 | 1,568 | 32 | 288 | 345 | 205 | 67 | 251 | 129 | 134 | 83 | 33 |
| Sept. | 767 | 1,625 | 43 | 313 | 376 | 198 | 62 | 251 | 126 | 142 | 82 | 32 |
| Dec.. | 1,129 | 1,790 | 147 | 306 | 419 | 194 | 73 | 230 | 128 | 171 | 83 | 38 |
| 1969-Mar. | 1,285 | 1,872 | 175 | 342 | 432 | 194 | 75 | 222 | 126 | 191 | 72 | 43 |
| June. | 1,325 | 1,952 | 168 | 368 | 447 | 195 | 76 | 216 | 142 | 229 | 72 | 40 |
| Sept. | 1,418 | 1,965 | 167 | 369 | 465 | 179 | 70 | 213 | 143 | 246 | 71 | 42 |
| Dec. | $\left\{\begin{array}{l}1,725\end{array}\right.$ | 2,215 | 152 | 433 | 496 | 172 | 73 | 388 | 141 | 249 | 69 | 42 |
| Dec. 1. | 2,246 | 2,332 | 152 | 443 | 537 | 174 | 77 | 417 | 142 | 269 | 75 | 46 |
| 1970-Mar. | 2,307 | 2,714 | 159 | 735 | 549 | 178 | 74 | 455 | 158 | 286 | 71 | 47 |
| June. | 2,561 | 2,727 | 161 | 712 | 557 | 175 | 65 | 475 | 166 | 286 | 76 | 54 |
| Sept. | 2,746 | 2,856 | 157 | 720 | 597 | 177 | 63 | 584 | 144 | 283 | 73 | 58 |
| Dec. ${ }^{p}$. | 3,091 | 2,910 | 146 | 709 | 645 | 181 | 59 | 606 | 140 | 290 | 71 | 64 |

${ }^{1}$ Data differ from that shown for Dec. in line above because of changes in reporting coverage.
(In cents per unit of foreign currency)

| Period | Argentina (peso) | Australia |  | Austria (schilling) | Belgium (franc) | Canada <br> (dollar) | Ceylon (rupee) | $\underset{\text { (krone) }}{\text { Denmark }}$ | Finland (markka) |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | (pound) | (dollar) |  |  |  |  |  |  |
| 1966. | . 48690 | 223.41 | 1111.22 | 3.8686 | 2.0067 | 92.811 | 20.946 | 14.475 | 31.061 |
| 1967. | . 30545 |  | 111.25 | 3.8688 | 2.0125 | 92.689 | 20.501 | 14.325 | 229.553 |
| 1968 | . 28473 |  | 111.25 | 3.8675 | 2.0026 | 92.801 | 16.678 | 13.362 | 23.761 |
| 1969. | . 28492 |  | 111.10 | 3.8654 | 1.9942 | 92.855 | 16.741 | 13.299 | 23.774 |
| 1970 | 326.589 |  | 111.36 | 3.8659 | 2.0139 | 95.802 | 16.774 | 13.334 | 23.742 |
| 1970-May. | 28.500 | $\ldots$ | 111.73 | 3.8614 | 2.0140 | 93.195 496 | 16.770 | 13.324 | 23.748 |
| June. | 27.241 |  | 111.45 | 3.8618 | 2.0142 | 496.273 | 16.770 | 13.334 | 23.748 |
| July. | 24.934 |  | 111.12 | 3.8670 | 2.0146 | 96.872 | 16.770 | 13.330 | 23.748 |
| Aug. | 24.936 |  | 110.99 | 3.8638 | 2.0145 | 97.890 | 16.770 | 13.329 | 23.748 |
| Sept. | 24.888 |  | 110.87 | 3.8684 | 2.0145 | 98.422 | 16.770 | 13.331 | 23.748 |
| Oct. | 24.874 |  | 110.97 | 3.8698 | 2.0146 | 97.890 | 16.775 | 13.331 | 23.736 |
| Nov. | 24.864 |  | 111.11 | 3.8676 | 2.0147 | 98.014 | 16.792 | 13.336 | 23.722 |
| Dec. | 24.836 |  | 111.12 | 3.8681 | 2.0137 | 98.276 | 16.792 | 13.354 | 23.722 |
| 1971-Jan. | 24.829 |  | 111.82 | 3.8665 | 2.0145 | 98.831 | 16.792 | 13.361 | 23.722 |
| Feb. | 24.831 |  | 112.38 | 3.8651 | 2.0148 | 99.261 | 16.792 | 13.359 | 23.722 |
| Mar | 24.835 |  | 112.42 | 3.8670 | 2.0145 | 99.367 | 16.792 | 13.368 | 23.722 |
| Apr | 24.673 |  | 112.38 | 3.8696 | 2.0144 | 99.237 | 16.792 | 13.353 | 23.727 |
| May. | 24.156 |  | 112.42 | 53.9676 | 2.0164 | 99.138 | 16.792 | 13.334 | 23.735 |
| Period | France (franc) | Germany (Deutsche mark) | $\begin{gathered} \text { India } \\ \text { (rupee) } \end{gathered}$ | Ireland (pound) | $\begin{aligned} & \text { Italy } \\ & \text { (lira) } \end{aligned}$ | Japan (yen) | Malaysia (dollar) | Mexico (peso) | Netherlands (guilder) |
| 1966. | 20.352 | 25.007 | ${ }^{6} 16.596$ | 279.30 | . 16014 | . 27598 | 32.538 | 8.0056 | 27.630 |
| 1967 | 20.323 | 25.084 | 13.255 | 275.04 | . 16022 | . 27613 | 32.519 | 8.0056 | 27.759 |
| 1968. | 20.191 | 25.048 | 13.269 | 239.35 | . 16042 | . 27735 | 32.591 | 8.0056 | 27.626 |
| 1969 | 719.302 | 825.491 | 13.230 | 239.01 | . 15940 | . 27903 | 32.623 | 8.0056 | 27.592 |
| 1970. | 18.087 | 27.424 | 13.233 | 239.59 | . 15945 | . 27921 | 32.396 | 8.0056 | 27.651 |
| 1970-May. | 18.108 | 27.523 | 13.240 | 240.37 | . 15897 | . 27862 | 32.449 | 8.0056 | 27.565 |
| June. | 18.111 | 27.528 | 13.230 | 239.77 | . 15897 | . 27864 | 32.391 | 8.0056 | 27.588 |
| July. | 18.120 | 27.537 | 13.219 | 239.06 | . 15893 | . 27826 | 32.308 | 8.0056 | 27.694 |
| Aug. | 18.109 | 27.537 | 13.212 | 238.77 | . 15928 | . 27915 | 32.287 | 8.0056 | 27.775 |
| Sept. | 18.112 | 27.537 | 13.211 | 238.53 | . 16005 | . 27935 | 32.314 | 8.0056 | 27.785 |
| Oct. | 18.104 | 27.531 | 13.217 | 238.74 | . 16052 | . 27948 | 32.395 | 8.0056 | 27.781 |
| Nov. | 18.120 | 27.544 | 13.231 | 239.03 | . 16064 | . 27956 | 32.402 | 8.0056 | 27.793 |
| Dec. | 18.107 | 27.437 | 13.229 | 239.06 | . 16039 | . 27959 | 32.382 | 8.0056 | 27.763 |
| 1971-Jan. | 18.119 | 27.496 | 13.269 | 240.58 | . 16045 | . 27932 | 32.515 | 8.0056 | 27.820 |
| Feb | 18.122 | 27.594 | 13.311 | 241.78 | . 16036 | . 27969 | 32.615 | 8.0056 | 27.814 |
| Mar | 18.129 | 27.538 | 13.304 | 241.87 | . 16063 | . 27971 | 32.616 | 8.0056 | 27.816 |
| May | 18.094 | 928.144 | 13.330 | 241.87 | . 16059 | . 27979 | 32.642 | 8.0056 | 928.135 |
| Period | New Zealand |  | Norway <br> (krone) | Portugal (escudo) | South Africa (rand) | Spain (peseta) | Sweden <br> (krona) | Switzerland (franc) | United Kingdom (pound) |
|  |  |  |  |  |  |  |  |  |  |
|  | (pound) | (dollar) |  |  |  |  |  |  |  |
| 1966. | 276.54 |  | 13.984 | 3.4825 | 139.13 | 1.6651 | 19.358 | 23.114 | 279.30 |
| 1967. | 276.69 | 10131.97 | 13.985 | 3.4784 | 139.09 | 1.6383 | 19.373 | 23.104 | 275.04 |
| 1968 |  | 111.37 | 14.000 | 3.4864 | 139.10 | 1.4272 | 19.349 | 23.169 | 239.35 |
| 1969 |  | 111.21 | 13.997 | 3.5013 | 138.90 | 1.4266 | 19.342 | 23.186 | 239.01 |
| 1970. |  | 111.48 | 13.992 | 3.4978 | 139.24 | 1.4280 | 19.282 | 23.199 | 239.59 |
| 1970-May. |  | 111.84 | 13.987 | 3.5033 | 139.69 | 1. 4280 | 19.233 | 23.199 | 240.37 |
| June. |  | 111.56 | 13.985 | 3.4978 | 139.35 | 1. 42888 | 19.266 | 23.171 | 239.77 |
| July. |  | 111.23 | 13.951 | 3.4913 | 138.93 | 1.4290 | 19.282 | 23.235 | 239.06 |
| Aug. |  | 111.10 | 13.998 | 3.4898 | 138.76 | 1.4290 | 19.306 | 23.247 | 238.77 |
| Sept. |  | 110.98 | 13.994 | 3.4886 | 138.62 | 1.4287 | 19.225 | 23.219 | 238.53 |
| Oct. |  | 111.08 | 13.993 | 3.4893 | 138.74 | 1.4290 | 19.282 | 23.090 | 238.74 |
| Nov. |  | 111.22 | 13.996 | 3.4924 | 138.91 | 1.4290 | 19.324 | 23.155 | 239.03 |
| Dec. |  | 111.23 | 14.021 | 3.4919 | 138.93 | 1.4290 | 19.340 | 23.187 | 239.06 |
| 1971-Jan. |  | 111.94 | 14.003 | 3.5000 | 139.81 | 1.4290 | 19.365 | 23.227 | 240.58 |
| Feb |  | 112.50 | 14.001 | 3.5031 | 140.51 | 1.4290 | 19.332 | 23.266 | 241.78 |
| Mar |  | 112.54 | 14.010 | 3.5019 | 140.56 | 1.4290 | 19.369 | 23.254 | 241.87 |
| Apr. |  | 112.50 | 14.028 | 3.5000 | 140.51 | 1.4291 | 19.368 | 23.263 | 241.79 |
| May |  | 112.54 | 13.556 | 3.5013 | 140.56 | 1.4291 | 19.357 | 1124.253 | 241.87 |

[^57]${ }^{7}$ Effective Aug. 10, 1969, the French franc was devalued from 4.94 to 5.55 francs per U.S. dollar.
${ }^{8}$ Effective Oct. 26, 1969, the new par value of the German mark was set at 3.66 per U.S. dollar
9 Effective May 10, 1971, the German mark and Netherlands guilder have been floated.
10 Effective July 10,1967 , New Zealand adopted the decimal currency system. The new unit, the dollar, replaces the pound and consists of 100 cents, equivalent to 10 shillings or one-half the former pound.
11 Effective May 10, 1971, the Swiss franc was revalued to 4.08 per U.S. dollar.

Note.-After the devaluation of the pound sterling on Nov. 18, 1967, the following countries devalued their currency in relation to the U.S. dollar: Ceylon, Denmark, Ireland, New Zealand, and Spain.
Averages of certified noon buying rates in New York for cable transfers. For description of rates and back data, see "International Finance," Section 15 of Supplement to Banking and Monetary Statistics, 1962.
(Per cent per annum)


Note.-Rates shown are mainly those at which the central bank either discounts or makes advances against eligible commercial paper and/or govt. securities for commercial banks or brokers. For countries with more than one rate applicable to such ciscounts or advances, the rate shown is the one at which it is understood the central bank transacts the largest proportion of its credit operations. Other rates for some of these countries follow:
Argentina- $\mathbf{3}$ and 5 per cent for certain rural and industrial paper, de-Argentina-3 and 5 per cent for
Brazil-8 per cent for secured paper and 4 per cent for certain agricultural paper;
Chile-1 per cent for loans to consumer cooperatives and to handicraft and small- and medium-sized industries; 6 per cent for industrial trans formation loans; 8 per cent for preshipment loans, agricultural paper and loans to firms following prescribed policies; 17 per cent for construction paper beyond a basic rediscount period, personal loans, special rediscounts, and cash position loans; and 18 per cent for selective rediscounts. A fluctuating rate applies to paper covering the acquisition of capital goods.
Colombia- 5 per cent for warehouse receipts covering approved lists of colombia- 6 per cent for warehouse receipts covering approved lists of
products, 6 and 7 per cent for agricultural bonds, and 12 and 18 per cent products, 6 and 7 per cent for agricultural bonds, and
Costa Rica- 5 per cent for paper related to commercial transactions (rate shown is for agricultural and industrial paper);

Ecuador- 5 per cent for special advances and for bank acceptances for agricultural purposes, 7 per cent for bank acceptances for industrial purposes, and 10 per cent for advances to cover shortages in legal reserves; Honduras-Rate shown is for advances only.
Indonesia-Various rates depending on type of paper, collateral, commodity involved, etc.;
Japan-Penalty rates (exceeding the basic rate shown) for borrowings from the central bank in excess of an individual bank's quota;
Peru-3.5,5, and 7 per cent for small credits to agricultural or fish production, import substitution industries and manufacture of exports; 8 per cent for other agricultural, industrial and mining paper;
Philippines-6 per cent for financing the production, importation, and distribution of rice and corn and 7.75 per cent for credits to enterprises engaged in export activities. Preferential rates are also granted on credits to rural banks; and
Venezuela-2 per cent for rediscounts of certain agriculture paper, $41 / 2$ per cent for advances against government bonds, and $51 / 2$ per cent for rediscounts of certain industrial paper and on advances against promissory notes or securities of first-class Venezuelan companies.
Vietnam- 10 per cent for export paper; treasury bonds are rediscounted at a rate 4 percentage points above the rate carried by the bond; and there is a penalty rate of 24 per cent for banks whose loans exceed quantitative ceilings.

OPEN MARKET RATES
(Per cent per annum)

| Month | Canada |  | United Kingdom |  |  |  | France | Germany, Fed. Rep. of |  | Netherlands |  | $\xlongequal{$ Switzer-  <br>  land $}$ |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Treasury bills, 3 months | Day-today money ${ }^{2}$ | Bankers' acceptances, 3 months | Treasury bills, 3 months | Day-today money | Bankers' allowance on deposits | $\begin{aligned} & \text { Day-to- } \\ & \text { day } \\ & \text { money }{ }^{3} \end{aligned}$ | $\begin{aligned} & \text { Treasury } \\ & \text { bills, } \\ & 60-90 \\ & \text { days }{ }^{4} \end{aligned}$ | Day-to- day moneys | Treasury bills, 3 months | $\begin{gathered} \text { Day-to- } \\ \text { day } \\ \text { money } \end{gathered}$ |  |
| 1968-Dec. | 5.96 | 5.31 | 7.26 | 6.80 | 5.99 | 5.00 | 8.22 | 2.75 | 1.84 | 4.65 | 4.96 | 3.75 |
| 1969-Dec.. | 7.15 | 6.95 | 8.49 | 7.64 | 6.75 | 5.84 | 8.97 | 4.42 | 4.81 | 5.55 | 5.98 | 4.21 |
| 1969-Dec. | 7.78 | 7.78 | 8.88 | 7.70 | 6.90 | 6.00 | 10.38 | 5.75 | 8.35 | 6.00 | 7.11 | 4.75 |
| 1970-May. | 6.51 | 6.66 | 8.06 | 6.82 | 6.03 | 5.00 | 8.90 | 7.00 | 9.23 | 6.00 | 7.07 | 5.25 |
| June. | 5.90 | 5.98 | 8.06 | 6.87 | 6.03 | 5.00 | 9.35 | 7.00 | 8.76 | 6.00 | 6.92 | 5.25 |
| July . | 5.79 | 6.00 | 8.07 | 6.82 | 6.01 | 5.00 | 8.57 | 6.75 | 8.86 | 6.00 | 6.96 | 5.25 |
| Aug. | 5.66 | 5.74 | 8.06 | 6.81 | 6.08 | 5.00 | 8.13 | 6.75 | 7.85 | 6.00 | 6.03 | 5.25 |
| Sept. | 5.44 | 5.51 | 8.06 | 6.82 | 5.84 | 5.00 | 8.13 | 6.75 | 9.15 | 6.00 | 6.31 | 5.25 |
| Oct. | 5.25 | 5.24 | 8.06 | 6.81 | 5.93 | 5.00 | 7.82 | 6.75 | 7.43 | 6.00 | 6.89 | 5.25 |
| Nov. | 4.74 | 4.52 | 8.06 | 6.81 | 5.81 | 5.00 | 7.30 | 6.25 | 8.44 | 5.75 | 4.33 | 5.25 |
| Dec. | 4.47 | 5.07 | 8.06 | 6.82 | 5.95 | 5.00 | 7.46 | 5.75 | 7.52 | 5.91 | 6.73 | 5.25 |
| 1971-Jan. | 4.59 | 5.25 | 8.06 | 6.79 | 5.84 | 5.00 | 6.46 | 5.75 | 7.61 | 5.60 | 4.46 | 5.25 |
| Feb. | 4.51 | 4.90 | 8.06 | 6.75 | 6.08 | 5.00 | 6.00 | 5.75 | 7.32 | 5.05 | 5.41 | 5.25 |
| Mar. | 3.30 | 3.48 | 8.06 | 6.66 | 6.12 | 5.00 | 5.77 | 5.75 | 7.36 | 4.49 | 3.27 | 5.25 |
| Apr. | 3.04 | 2.65 | 7.06 | 5.75 | 5.15 | 4.00 |  | 4.75 | 4.23 | 3.59 | 1.13 | 5.25 |
| May. | 3.06 | 2.76 | 7.06 | 5.65 | 5.36 | 4.00 |  |  |  | 3.88 | 1.84 |  |

${ }^{1}$ Based on average yield of weekly tenders during month
${ }^{2}$ Based on weekly averages of daily closing rates.
${ }^{3}$ Rate shown is on private securities.
4 Rate in effect at end of month.

5 Monthly averages based on daily quotations.
Note.-For description and back data, see "International Finance," Section 15 of Supplement to Banking and Monetary Statistics, 1962.

## ARBITRAGE ON TREASURY BILLS

(Per cent per annum)

|  | Date | United States and United Kingdom |  |  |  |  | United States and Canada |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | Treasury bill rates |  |  | Premium ( + ) or discount ( - ) on forward pound | Net incentive (favor of London) | Treasury bill rates |  |  |  | Premium ( + ) or discount (一) on forward Canadian dollars | Net incentive (favor of Canada) |
|  |  | United Kingdom (adj. to U.S. quotation basis) | United States | Spread <br> (favor of <br> London) |  |  | Canada |  | United States | Spread (favor of Canada) |  |  |
|  |  |  |  |  |  |  | As quoted in Canada | Adj. to U.S. quotation basis |  |  |  |  |
| 1970 |  |  |  |  |  |  |  |  |  |  |  |  |
| Dec. | 4........ | 6.69 | 4.87 | 1.82 | $-.71$ | 1.11 | 4.46 | 4.36 | 4.87 | -. 51 | . 65 | . 14 |
|  |  | 6.69 | 4.80 | 1.89 | $-.80$ | 1.09 | 4.54 | 4.42 | 4.80 | -. 38 | .61 | .23 |
|  | 18........ | 6.69 | 4.68 | 2.01 | -. 68 | 1.33 | 4.51 | 4.35 | 4.68 | -. 33 | . 61 | . 28 |
|  | 24........ | 6.69 | 4.78 | 1.91 | -. 91 | 1.00 | 4.40 | 4.29 | 4.78 | -. 49 | . 00 | -. 49 |
|  | 31......... | 6.69 | 4.80 | 1.89 | -. 92 | . 97 | 4.44 | 4.33 | 4.80 | $-.47$ | $-.12$ | $-.59$ |
|  | 1971 |  |  |  |  |  |  |  |  |  |  |  |
| Jan. | 8. | 6.69 | 4.69 | 2.00 | -. 99 | 1.01 | 4.55 | 4.44 | 4.69 | $-.25$ | $-.30$ | $-.55$ |
|  | 15........ | 6.66 | 4.35 | 2.31 | -1.52 | . 79 | 4.65 | 4.53 | 4.35 | . 18 | $-.63$ | $-.45$ |
|  | 22........ | 6.66 | 4.06 | 2.60 | -2.28 | . 32 | 4.55 | 4.44 | 4.06 | . 38 | -. 83 | -. 45 |
|  | 29........ | 6.66 | 4.08 | 2.58 | -2.72 | $-.14$ | 4.72 | 4.60 | 4.08 | . 52 | -1.11 | $-.59$ |
| Feb. |  | 6.66 | 3.97 | 2.69 | $-2.70$ | $-.01$ | 4.83 | 4.71 | 3.97 | . 74 | -1.03 | -. 29 |
|  | 11........ | 6.66 | 3.62 | 3.04 | -3.17 | $-.13$ | 4.83 | 4.71 | 3.62 | 1.09 | -1.05 | . 04 |
|  | 19........ | 6.60 | 3.37 | 3.23 | -3.57 | -. 34 | 4.53 | 4.47 | 3.37 | 1.10 | -1.01 | . 09 |
|  | 26........ | 6.60 | 3.33 | 3.27 | -3.13 | . 14 | 4.03 | 3.94 | 3.33 | . 61 | -1.09 | $-.48$ |
| Mar. | 5....... | 6.70 | 3.28 | 3.42 | -3.61 | $-.19$ | 3.98 | 3.86 | 3.28 | . 58 | $-.88$ | $-.30$ |
|  | 12........ | 6.70 | 3.16 | 3.54 | -3.34 | . 20 | 3.30 | 3.23 | 3.16 | . 07 | -. 18 | $-.11$ |
|  | 19........ | 6.57 | 3.30 3.32 | 3.27 | -3.20 | . 07 | 3.01 | 2.95 | 3.30 | $-.35$ | . 38 | . 03 |
|  | 26........ | 6.57 | 3.32 | 3.25 | -2.85 | . 40 | 3.05 | 2.99 | 3.32 | $-.33$ | . 14 | $-.19$ |
| Apr. | 2....... | 5.64 | 3.58 | 2.06 | -2.25 | $-.19$ | 3.13 | 3.06 | 3.58 | $-.52$ | . 32 | $-.20$ |
|  | 9....... | 5.67 | 3.78 | 1.89 | -2.61 | $-.72$ | 3.03 | 2.98 | 3.78 | $-.80$ | . 40 | -. 40 |
|  | 16....... | 5.70 | 3.82 | 1.88 | -2.79 | -. 91 | 3.12 | 3.05 | 3.82 | -. 77 | . 52 | -. 25 |
|  | 23, ...... | 5.58 5.55 | 3.70 | 1.88 | -2.32 | -. 35 | 3.03 | 2.97 | 3.70 | -. 73 | . 93 | . 20 |
|  | 30........ | 5.55 | 3.93 | 1.62 | -2.13 | $-.51$ | 3.01 | 2.95 | 3.93 | -. 98 | . 81 | $-.17$ |
| May | 7....... | 5.55 | 3.74 | 1.81 | -1.14 | . 67 | 3.15 | 3.08 | 3.74 | -. 66 | 1.67 | . 61 |
|  | 14......... | 5.52 | 3.98 | 1.54 | -1.11 | . 43 | 3.05 | 2.99 | 3.98 | -. 99 | 1.31 | . 32 |
|  | $21 . \ldots \ldots$. | 5.52 | 4.28 | 1.24 | -1.17 | . 07 | 2.95 | 2.89 | 4.28 | -1.39 | 1.21 | -. 18 |
|  | 28........ | 5.66 | 4.26 | 1.40 | -. 91 | . 49 | 3.03 | 2.97 | 4.26 | -1.29 | 1.17 | $-.12$ |

Note--Treasury bills: All rates are on the latest issue of 91 -day bills. U.S. and Canadian rates are market offer rates 11 a.m. Friday; U.K. rates are Friday opening market offer rates in London

Premium or discount on forward pound and on forward Canadian dollar: Rates per annum computed on basis of midpoint quotations (between bid and offer) at 11 a.m. Friday in New York for both spot and forward pound sterling and for both spot and forward Canadian dollars.

All series: Based on quotations reported to F.R. Bank of New York by market sources.
For description of series and for back figures, see Oct. 1964 Bulletin, pp. 1241-60. For description of adjustments to UK. and Canadian Treasury bill rates, see notes to Table 1, p. 1257, and to Table 2, p. 1260, Oct. 1964 Bulletin.

GOLD RESERVES OF CENTRAL BANKS AND GOVERNMENTS
(In millions of dollars)


For notes see end of table.
(In millions of dollars)

| End of period | South Africa | Spain | Sweden | Switzerland | Taiwan | Thailand | Turkey | U.A.R. <br> (Egypt) | United <br> Kingdom | Uruguay | Venezucla | Yugoslavia | Bank for Intl. Settlements 4 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 1964. | 574 | 616 | 189 | 2,725 | 55 | 104 | 104 | 139 | 2,136 | 171 | 401 | 17 | -50 |
| 1965 | 425 | 810 | 202 | 3,042 | 55 | 96 | 116 | 139 | 2,265 | 155 | 401 | 19 | -558 |
| 1966 | 637 | 785 | 203 | 2,842 | 62 | 92 | 102 | 93 | 1,940 | 146 | 401 | 21 | -424 |
| 1967. | 583 | 785 | 203 | 3,089 | 81 | 92 | 97 | 93 | 1,291 | 140 | 401 | 22 | -624 |
| 1968 | 1,243 | 785 | 225 | 2,624 | 81 | 92 | 97 | 93 | 1,474 | 133 | 403 | 50 | -349 |
| 1969 | 1,115 | 784 | 226 | 2,642 | 82 | 92 | 117 | 93 | 1,471 | 165 | 403 | 51 | -480 |
| 1970-Apr. | 992 | 784 | 224 | 2,659 | 82 | 92 | 127 | 93 | ....... | 165 | 404 | 51 | -519 |
| May. | 978 | 784 | 225 | 2,659 | 82 | 92 | 127 | 93 |  | 165 | 404 | 51 | -530 |
| June. | 942 | 784 | 225 | 2,670 | 82 | 92 | 127 | 93 | 1,469 | 165 | 404 | 51 | - 516 |
| July. | 954 | 784 | 225 | 2,670 | 82 | 92 | 127 | 93 |  | 165 | 404 | 52 | -519 |
| Aug. | 920 | 534 | 225 | 2,720 | 82 | 92 | 126 | 93 |  | 165 | 404 | 52 | -311 |
| Sept. | 921 | 534 | 225 | 2,720 | 82 | 92 | 126 | 93 | 1,454 | 165 | 404 | 52 | -303 |
| Oct. | 879 | 534 | 225 | 2,720 | 82 | 92 | 126 | 93 |  | 165 | 404 | 52 | -308 |
| Nov. | 788 | 534 | 225 | 2,720 | 82 | 92 | 126 | 93 |  | 161 | 384 | 52 | -305 |
| Dec. | 666 | 498 | 200 | 2,732 | 82 | 92 | 126 | 85 | 1,349 | 162 | 384 | 52 | -282 |
| 1971-Jan.. | 632 | 498 | 200 | 2,731 | 82 | 92 | 126 | 85 |  | 162 | 384 | 32 | -173 |
| Feb. | 632 | 498 | 200 | 2,731 | 82 | 82 | 126 | 85 |  | 162 | 384 | 32 | -173 |
| Mar. | 634 | 498 | 200 | 2,806 | 82 | 82 | 127 | 85 | 1,123 | 162 | 384 | 32 | -73 |
| Apr. ${ }^{p}$. | 630 | 498 | 200 | 2,806 |  | 81 | 127 |  |  |  | 389 | 52 | 13 |

1 Includes reported or estimated gold holdings of international and regional organizations, central banks and govts. of countries listed in this table and also of a number not shown separately here, and gold to be distributed by the Tripartite Commission for the Restitution of Monetary Gold; excludes holdings of the U.S.S.R., other Eastern European countries, and China Mainland.
The figures included for the Bank for International Settlements are the Bank's gold assets net of gold deposit liabilities. This procedure avoids the overstatement of total world gold reserves since most of the gold deposited with the BIS is included in the gold reserves of individual countries.
${ }_{\mathbf{2}}$ Adjusted to include gold subscription payments to the IMF made by
some member countries in anticipation of increase in Fund quotas, except those matched by gold mitigation deposits with the United States and United Kingdom; adjustment is $\$ 270$ million.
${ }^{3}$ Excludes gold subscription payments made by some member countries in anticipation of increase in Fund quotas: for most of these countries the increased quotas became effective in Feb. 1966.

4 Net gold assets of BIS, i.e., gold in bars and coins and other gold assets minus gold deposit liabilities.

Note.-For back figures and description of the data in this and the following tables on gold (except production), see "Gold," Section 14 of Supplement to Banking and Monetary Statistics, 1962.

## GOLD PRODUCTION

(In millions of dollars at $\$ 35$ per fine troy ounce)

| Period | World production 1 | Africa |  |  | North and South America |  |  |  |  | Asia |  |  | Other |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | South Africa | Ghana | Congo (Kinshasa) | United States | $\begin{aligned} & \text { Can- } \\ & \text { ada } \end{aligned}$ | Mexico | Nicaragua | $\begin{gathered} \text { Colom- } \\ \text { bia } \end{gathered}$ | India | Japan | Philippines | Australia | All other |
| 1964. | 1,405.0 | 1,018.9 | 30.3 | 7.8 | 51.4 | 133.0 | 7.4 | 6.9 | 12.8 | 5.2 | 16.1 | 14.9 | 33.7 | 66.6 |
| 1965 | 1,440.0 | 1,069.4 | 26.4 | 2.3 | 58.6 | 125.6 | 7.6 | 5.4 | 11.2 | 4.6 | 18.1 | 15.3 | 30.7 | 64.8 |
| 1966. | 1,445.0 | 1,080.8 | 24.0 | 5.6 | 63.1 | 114.6 | 7.5 | 5.2 | 9.8 | 4.2 | 19.4 | 15.8 | 32.1 | 62.9 |
| 1967. | 1,410.0 | 1,068.7 | 26.7 | 5.4 | 53.4 | 103.7 | 5.8 | 5.2 | 9.0 | 3.4 | 23.7 | 17.2 | 28.4 | 59.4 |
| 1968. | 1,420.0 | 1,088.0 | 25.4 | 5.9 | 53.9 | 94.1 | 6.2 | 4.9 | 8.4 | 4.0 | 21.5 | 18.5 | 27.6 | 61.6 |
| $1969{ }^{\text {p }}$ | 1,420.0 | 1,090.7 | 24.8 | 6.0 | 60.1 | 89.1 | 6.3 | 3.7 | 7.7 | 3.4 | 23.7 | 20.0 | 24.5 | 60.0 |
| 1970-Mar. |  | 94.3 | ....... | ....... |  | 7.1 | . 6 |  | . 5 | . 3 | 2.1 |  | 2.6 | ..... |
| Apr. | .... | 92.8 |  |  |  | 6.6 | . 5 |  | . 6 | .3 | 1.8 |  | 1.7 | .... |
| May. |  | 94.5 |  |  |  | 7.0 |  |  | . 6 | . 3 | 2.2 |  | 1.7 |  |
| June. |  | 96.6 | 1.7 |  |  | 7.2 |  |  | . 6 | .3 | 2.0 |  | 1.7 | .... |
| July |  | 95.2 96.3 | 2.0 | .... |  | 6.8 6.3 |  |  | .6 | $\cdot 3$ |  |  | 1.6 | ....... |
| Sug. |  | 96.3 96.2 | 2.2 |  |  | 6.3 6.6 |  |  | . 7 | . 3 | ....... | ....... | 1.6 | ........ |
| Oct. |  | 96.6 |  |  |  | 6.9 |  |  | .6 | .3 |  |  |  |  |
| Nov. |  |  |  |  |  | 6.5 |  |  | . 6 | . 3 |  |  |  |  |
| Dec.. |  |  |  |  |  | 6.8 |  |  | . 5 |  |  |  |  |  |
| 1971-Jan. |  |  |  |  |  | 7.0 |  |  |  |  |  |  |  |  |
| Feb. |  |  |  |  |  | 6.6 |  |  |  |  |  |  |  |  |
| Mar. |  |  |  |  |  | 6.7 |  |  |  |  |  |  |  |  |

${ }^{1}$ Estimated; excludes U.S.S.R., other Eastern European countries, China Mainland, and North Korea.

INCOME, EXPENSES, AND DIVIDENDS OF INSURED COMMERCIAL BANKS, 1970
(Income, etc. in thousands, and asset and liability items in millions, of dollars)

| Item | $\underset{\substack{\text { ill } \\ \text { insured }}}{\text { banks }}$ banks | Insurednonmemberbanks | $\begin{gathered} \text { member } \\ \text { mall } \\ \text { banks } \end{gathered}$ | Reserve city |  |  |  | Country |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  |  | Total | New York City | City of Chicago | Other |  |
| Operating income-Total. . . . . . . . . . . . . . . . . . . . . . . . . . . . . | 34,565,598 | 6,652,889 | 27,912,709 | 16,795,569 | 5,115,670 | 1,229,997 | 10,449,903 | 11,117,140 |
| Loans: <br> Interest and fees. <br> Federal funds sold and securities purchased with resale agreement... | 22,852,957 | 4,147,202 | 18,705,755 | 11,557,260 | 3,522,705 | 817,190 | 7,217,366 | 7,148,496 |
|  |  | 222,648 | 781,019 | 426,056 | 93,744 | 31,274 | 301,038 | 354,963 |
| Securities-Interest and dividends: ${ }^{1}$ |  |  | $2,208,170$414,669 | 1,031,323 | 278,77736,273 | 81,4577,767 | 671,08977,674 | 1,176,847 |
| Other U.S. Govt. securities (agencies and corporations). | 3,067,375 |  |  |  |  |  |  |  |
| Obligations of States and political subdivisions.......... | 2,615,705 | 270,577 525,437 | 2,090,268 | $1,096,087$75,648 | 36,2732950726,424 | 79,6305,650 | 720,651 | 994,181 |
| All other securities. | 150,904 | 32,480 | 118,424 |  |  |  | 43,574 | 42,776 |
| Trust department income. | 1,132,077 | 57,454 | 1,074,623 | 836,978 | 336,384 | 79,220 | 421,374 | 237,645 |
| Service charges on deposit accounts | 1,172,845 | 305,284 | 867,561681,195 | 398,302 | 66,141 | 5,891 | 326,270 | 469,260243,615 |
| Other charges, fees, etc... |  | 157,365 |  |  | 105,238 | 20,012 | 312,331 |  |
| Other operating income: |  |  |  |  |  |  |  |  |
| Other................. | $\begin{aligned} & 347,802 \\ & 698,460 \end{aligned}$ | $\begin{array}{r} 1,944 \\ 73,294 \end{array}$ | $\begin{array}{r} 345,858 \\ 625,167 \end{array}$ | $\begin{aligned} & 332,472 \\ & 482,149 \end{aligned}$ | 159,586 194,592 | $\begin{array}{r} 22,986 \\ 78,920 \end{array}$ | $\begin{aligned} & 149,900 \\ & 208,637 \end{aligned}$ | $\begin{array}{r} 13,386 \\ 143,017 \end{array}$ |
| Operating expenses-Total. <br> Salaries and wages of officers and employees................. <br> Officer and employee benefits. <br> Interest paid on: <br> Time and savings deposits. <br> Federal funds purchased and securities sold with repurchase agreement. | $\begin{array}{r} \mathbf{2 7 , 4 5 8 , 1 4 2} \\ 6,625,658 \\ 1,054,511 \end{array}$ | 5,265,424 | $\begin{array}{r} 22,192,718 \\ 5,282,031 \end{array}$ | $13,396,430$$3,079,929$ | 4,050,936$\mathbf{9 0 5 , 3 8 9}$ | 960,724180,684 | $8,384,770$$1,993,855$ | 8,796,289$\mathbf{2 , 2 0 2 , 1 0 2}$ |
|  |  |  |  |  |  |  |  |  |
|  |  | 179,007 | 875,504 | 540,596 | 175,339 | 37,956 | 327,301 | 334,908 |
|  | 10,388,369 | 2,249,584 | 8,138,786 | 4,368,621 | 995,439 | 288,472 | 3,084,710 | 3,770,165 |
|  | $\begin{array}{r} 1,395,871 \\ 463,223 \end{array}$ | 30,421 | $\begin{array}{r} 1,365,450 \\ 443,993 \end{array}$ | $\begin{array}{r} 1,234,564 \\ 412,717 \end{array}$ | $\begin{aligned} & 397,947 \\ & 227,896 \end{aligned}$ | $\begin{array}{r} 137,468 \\ 34,600 \end{array}$ | $\begin{aligned} & 699,150 \\ & 150,221 \end{aligned}$ | $\begin{array}{r} 130,886 \\ 31,276 \end{array}$ |
| Other borrowed money . . . . . . . . . . . . . . . . . . . . . . . . . . . . |  | 19,23013,870 |  |  |  |  |  |  |
| Capital notes and debentures.. | 104,085 |  | $\begin{array}{r} 90,215 \\ 1017 \end{array}$ | $\begin{array}{r} 412,717 \\ 68,361 \end{array}$ | $\begin{array}{r} 227,896 \\ 25,897 \end{array}$ | $\begin{array}{r} 34,600 \\ 2,115 \end{array}$ | 40,348 | $\begin{aligned} & 31,276 \\ & 21,854 \end{aligned}$ |
| Occupancy expense of bank premises, net | 1,247,764 | 235,220 |  | $\begin{aligned} & 597,079 \\ & 390,883 \\ & 310,645 \end{aligned}$ | $\begin{array}{r} 195,228 \\ 89,788 \\ 81,685 \end{array}$ | $\begin{aligned} & 40,513 \\ & 21,418 \\ & 29.540 \end{aligned}$ | $\begin{aligned} & 361,338 \\ & 279,677 \\ & 199,420 \end{aligned}$ | $\begin{aligned} & 415,465 \\ & 331,142 \\ & 223,639 \end{aligned}$ |
| Furniture, equipment, etc. | $1,904,756$694,932 |  | 722,024534,283 |  |  |  |  |  |
| Provision for loan losses. |  | $\begin{aligned} & 160,648 \\ & 851,086 \end{aligned}$ |  |  |  |  |  |  |
| Other operating expenses. | 4,578,974 |  | 3,727,889 | $\begin{array}{r} 310,645 \\ 2,393,037 \end{array}$ | 956,329 | 187,958 | 1,248,750 | 1,334,852 |
| Income before income taxes and securities gains or losses Applicable income taxes. Income before securities gains or losses. Net securities gains or losses ( - ) after taxes.................. Extraordinary charges ( - ) or credits after taxes.............. Less minority interest in consolidated subsidiaries | $\begin{array}{r} 7,107,456 \\ 2,172,085 \\ 4,935,372 \\ -105,023 \\ -13,164 \\ 244 \end{array}$ | $\begin{array}{r} 1,387,465 \\ 396,711 \\ 990,754 \\ 2,038 \\ 1,740 \\ 206 \end{array}$ | $\begin{array}{r} \mathbf{5 , 7 1 9}, 991 \\ 1,775,373 \\ 3,944,618 \\ -107,061 \\ -14,904 \\ 38 \end{array}$ | $\begin{array}{r} 3,399,140 \\ 1,131,798 \\ 2,26,342 \\ -100,531 \\ -19,399 \\ -2 \end{array}$ | $\begin{array}{r} 1,064,734 \\ 370,085 \\ 694,649 \\ -55,291 \\ 2,991 \end{array}$ | $\begin{array}{r} 269,273 \\ 91,738 \\ 177,535 \\ -13,398 \\ -2,271 \end{array}$ | $\begin{array}{r} \mathbf{2 , 0 6 5}, 133 \\ 669,975 \\ 1,395,159 \\ -31,840 \\ -20,117 \\ -2 \end{array}$ | $\begin{array}{r} 2,320,851 \\ 643,576 \\ 1,67,275 \\ -6,529 \\ 4,495 \\ 41 \end{array}$ |
|  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
| Net income. | 4,816,939 | 994,326 | 3,822,613 | 2,147,413 | 642,347 | 161,864 | 1,343,202 | 1,675,200 |
| Cash dividends declared: | $\begin{array}{r} 2,029,012 \\ 6,739 \end{array}$ | 281,127 | $\begin{array}{r} 1,747,884 \\ 6,158 \end{array}$ | $\begin{array}{r} 1,156,776 \\ 5,273 \end{array}$ | $\begin{array}{r} 420,439 \\ 2,931 \end{array}$ |  |  |  |
| On common stock. |  |  |  |  |  | 87,701 | $\begin{array}{r} 648,636 \\ 2,341 \end{array}$ | 591,108 |
| Memoranda items: |  |  |  |  |  |  |  |  |
| Income taxes applicable to 1970 operating income. Tax effect of: | 2,172,085 | 396,711 | 1,775,373 | 1,131,798 | 370,085 | 91,738 | 669,975 | 643,576 |
| Net securities gains or losses ( - ), etc. | $\begin{aligned} & -143,684 \\ & -167,062 \end{aligned}$ | $\begin{array}{r} -3,559 \\ -11,774 \end{array}$ | $\begin{aligned} & -140,124 \\ & -155,288 \end{aligned}$ | -124,937 | -60,324 | -15,850 | -48,761 | $-15,186$ |
| Transfers-Capital accounts to IRS loan loss reserves ${ }^{2} .$. |  |  |  | $-124,937$ $-60,324$ $-15,850$ $-48,761$ $-15,186$ <br> $-112,390$ $-57,719$ $-6,258$ $-48,413$ $-42,898$ <br> 894,469 252,042 69,629 572,799 585,491 <br> 742,258 185,294 67,428 489,536 529,937 <br> 152,211 66,747 2,201 83,263 55 |  |  |  |  |
| Total provision for income taxes, 1970 | $\begin{aligned} & -167,062 \\ & 1,861,338 \\ & 1,61,589 \end{aligned}$ | $\begin{array}{r} -11,774 \\ 381,378 \\ 345,394 \end{array}$ | $\begin{aligned} & 155,288 \\ & 1,479,961 \\ & 1,272,195 \end{aligned}$ |  |  |  |  |  |  |  |  |  |
| Federal. |  |  |  |  |  |  |  |  |  |  |  |  |
| State and local. | $\begin{array}{r} 1,617,589 \\ 243,750 \end{array}$ | 345,394 35,984 | $\begin{array}{r} 1,272,195 \\ 207,765 \end{array}$ |  |  |  |  |  |  |  |  |  |



For notes see p. A-101.

INCOME, EXPENSES, AND DIVIDENDS, BY FEDERAL RESERVE DISTRICT
(Income, etc. in thousands, and asset and liability items in millions, of dollars)

| Item | Boston | New York | Philadelphia | Cleveland | Richmond | Atlanta | Chicago | St. Louis | Minneapolis | Kansas City | Dallas | San Francisco |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Operating income-Total | 1,288,607 | 7,110,027 | 1,304,570 | 2,035,605 | 1,438,936 | 1,828,539 | 4,162,979 | 877,377 | 716,760 | 1,139,852 | 1,408,333 | 4,601,124 |
| Loans: <br> Interest and fees | 858,631 | 4,860,057 | 895,472 | 1,331,900 | 971,074 | 1,167,511 | 2,724,257 | 559,906 | 473,507 | 726,330 | 936,572 | 3,200,541 |
| Fed. funds sold and securities purchased with resale agreement. | 838,631 33,369 | $1,860,057$ <br> 139,643 | 895,472 35,470 | $1,331,900$ 59,219 | 971,074 39,519 | $1,167,511$ 78,396 | $2,724,257$ 124,336 | 31,166 | 12,588 | 46,210 | 61,489 | 119,615 |
| Securities-Interest and dividends:1....................... <br> US Treasury securities | 84,916 | 432,120 | 107,213. | 209,916 | 126,690 | 160,897 | 405,133 | 103,563 | 70,726 | 120,557 | 111,654 | 274,785 |
| Other U.S. Govt. securities (agencies and corporations) | 11,128 | 63,407 | 18,200 | 24,352 | 29,664 | 41,393 | 82,132 | 21,040 | 17,387 | 19,774 | 28,866 | 57,325 |
| Obligations of States and political subdivisions | 94,056 | 514,758 | 97,399 | 200,225 | 107,683 | 143, 885 | 325,777 | 64,422 | 53,032 | 80,507 | 119,648 | 288,877 |
| All other securities. . . . . . . . . . . . . . . . . . . . . . | 3,768 | 34,909 | 7,136 | 8,736 | 3,559 | 7,142 | 20,587 | 3,246 | 17,5017 | 6,230 | 5,032 | 16,581 |
| Trust department income | 90,745 | 389,531 | 57,592 | 75,139 | 40,378 | 46,351 | 150,823 | 20,711 | 17,017 |  | 36,823 48,679 | 116,155 |
| Service charges on deposit | 40,190 40,318 | 148,954 134,423 | 35,609 26,242 | 52,886 40,686 | 56,540 | 81,803 <br> 55,530 | 96,687 82,040 | 19,983 | 26,309 | 46,194 | 31,146 | 156,332 |
| Other operating income: |  |  |  |  |  |  |  |  |  |  |  |  |
| On trading account (net) | 6,843 | 164,079 | 5,310 | 4,430 | 11,729 | 10,377 | 32,252 | 12,082 | 13,096 | 6,373 | 8,556 | 70,731 |
| Other............ . | 24,644 | 228,147 | 18,927 | 28,117 | 19,107 | 35,255 | 118,956 | 15,248 | 8,242 | 15,780 | 19,868 | 92,876 |
| Operating expenses-Total | 1,015,797 | 5,631,982 | 1,006,736 | 1,566,560 | 1,114,957 | 1,437,693 | 3,341,872 | 671,683 | 565,207 | 868,854 | 1,093,904 | 3,877,473 |
| Salaries and wages of officers and employe | 290,445 | 1,306,980 | 244,543 | 346,235 | 308,632 | 367,187 | 705, 100 | 159,402 | 121,564 | 227,605 | 244,486 | 959,852 |
| Officer and employee benefits............. | 49,694 | '245,892 | 47,576 | 50,913 | 47,269 | 55,772 | 119,602 | 25,091 | 20,058 | 30,389 | 34,168 | 149,080 |
| Interest paid on: | 262,215 | 1,651,685 | 409,795 | 667,119 | 402,725 | 497,607 | 1,408,600 | 261,993 | 250,233 | 313,755 | 416,773 | 1,596,286 |
| Federal funds purchased and securities sold with repurchase agreement. | 67,545 | 441,287 | 51,958 | 76,003 | 32,865 | 64,219 | 218,668 | 45,248 | 30,052 | 38,480 | 90,112 | 209,013 |
| Other borrowed money..................................... | 19,809 | 243,130 | 7,211 | 9,157 | 5,890 | 30,893 | 60,902 | 2,313 | 9,286 | 6,988 | 12,961 | 35,453 |
| Capital notes and debentur | 53,866 | $\begin{array}{r}32,575 \\ \hline 80 \\ \hline\end{array}$ | 56,582 | 3,492 | 5, ${ }_{5}, 813$ | 4,986 60 6089 | 143,238 | 2,554 | 1,745 | 2,484 34,956 | 1,821 39,021 | 185,720 |
| Occupancy expense of bank prem | 55,912 | 280,565 | 46,351 | 62,579 | -45,022 | 60,689 62,858 | 105,909 | 26,454 | 24,345 | 38,001 | 42,814 | 104,702 |
| Furniture, equipment, et | 41,739 | 114,579 | 18,136 | 31,545 | 23,302 | 51,439 | 87,955 | 18,336 | 8,693 | 27,904 | 41,469 | 86,622 |
| Other operating expenses | 200,237 | 1,174,479 | 140,545 | 266,970 | 188,665 | 242,042 | 478,974 | 101,663 | 80,058 | 148,291 | 170,280 | 535,686 |
| Income before income taxes and securities gains or losses. | 272,810 | 1,478,045 | 297,834 | 469,046 | 323,979 | 390,846 | 821,107 | 205,695 | 151,553 | 270,999 | 314,428 | 723,650 |
| Applicable income taxes. | 94,554 | 470,429 | 87,756 | 118,591 | 106,163 | 119,088 | 255,096 | 65,767 | 51,098 | 89,558 | 94,126 | 223,149 |
| Income before securities gains or losses | 178,257 | 1,007,616 | 210,078 | 350,455 | 217,816 | 271,758 | 566,011 | 139,927 | 100,455 | 181,441 | 220,302 | 500,502 |
| Net securities gains or losses ( - ) after taxes | -660 | -62, 798 | -3,692 | -13,320 | -3,326 | -1,150 | -19,470 | 1,261 | -1,124 | 630 504 | -80 | -2,283 |
| Extraordinary charges ( - ) or credits after ta | 268 | 3,754 | 620 | 602 | -727 |  | $-2,361$ 18 | 1,025 15 |  | 504 | -587 | -18,305 |
| Net income. | 177,326 | 948,371 | 207,004 | 337,736 | 213,761 | 270,612 | 544,160 | 141,198 | 100,169 | 182,570 | 219,794 | 479,912 |
| Cash dividends declared: On common stock | 87,989 | 550,484 | 96,724 | 136,772 | 84,959 | 96,659 | 219,583 | 48,186 | 38,289 | 80,157 | 80,181 | 227,903 |
| On preferred stock. | 878 | 2,939 | , 41 | , 362 | 638 | 140 | 1,607 |  | 25 | 315 | 32 | 22 |
| Memoranda items: |  |  |  |  |  |  |  |  |  |  |  |  |
| Income taxes applicable to 1970 operating | 94,554 | 470,429. | 87,756 | 118,591 | 106,163 | 119,088 | 255,096 | 65,767 | 51,098 | 89,558 | 94,126 | 223,149 |
| Net securities gains or losses ( - ), etc | -95 | -69,488 | -3,648 | -13,756 | -4,424 | -5,065 | -20,427 | 130 | $-1,006$ | -1,054 | 55 | -21,337 |
| Transfers-Capital accounts to IRS loan loss reserves ${ }^{2}$ | -8,412 | $-66,530$ | -6,610 | -9,932 | -8,006 | -9,347 | -17,638 | -4,885 | $-3,178$ | -4,499 | -6,479 | -9,773 |
| Total provision for income taxes, 1970 | 86,046 | 334,410 | 77,497 | 94,902 | 93,732 | 104,675 | 217,029 | 61,012 | 46,913 | 84,005 | 87,702 | 192,037 |
| Federal. | 63,886 | 251,971 | 76,613 | 94,866 | 87, 162 | 101,430 | 199,486 | 59,197 1,816 | 37,078 9,835 | 76,284 7,720 | 87,395 | 136,828 55,209 |


| Memoranda items (cont.) : |  |  |  |  |  |  |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Occupancy expense of bank premise | 64,831. | 327,438 | 53,312 | 82,873 | 64,392 | 88,918 | 187,240 | 32,640 | 27,238 | 50,806 | 72,980 | 222,901 |
| Rental income from bank premises | 8,920 | 46,873 | 6,961 | 20,295 | 9,370 | 28,229 | 43,313 | 4,011 | 8,064 | 15,850 | 33,959 | 37,181 |
| Net securities gains or losses ( - ) befo | -901 | -133,544 | -7,543 | -27,323 | -7,151 | -5,765 | -37,423 | 256 | -2,029 | 191 |  | -3,380 |
| Extraordinary charges ( - ) or credits before incom | -123 | 4,811 | 822 | 848 | -1,327 | -446 | -4,836 | 1,159 | 737 | -112 | -447 | -38,546 |
| Reserves for losses on loans: ${ }^{3}$ |  |  |  |  |  |  |  |  |  |  |  |  |
| Balance at beginning of year | 216,223 | 1,614,821 | 245,059 | 335,088 | 224,232 | 261,494 | 791,355 | 129,801 | 114,573 | 160,050 | 228,182 | 778,328 |
| Additions due to mergers and |  | 11,582 | 4,693 | 3,049 | 3,160 |  | 467 | 171 |  |  |  | 3,844 |
| Recoveries credited to reserves | 8,640 | 38,932 | 6,494 | 13,619 | 8,470 | 18,642 | 29,407 | 6,377 | 3,169 | 14,565 | 19,106 | 37,862 |
| Transfers to reserves | 40,681 | 238,370 | 34,423 | 53,982 | 39,236 | 76,917 | 127,810 | 36,688 | 16,019 | 40,333 | 62,540 | 108,642 |
| Losses charged to reserv | 44,891 | 266,377 | 32,072 | 62,585 | 45,524 | 88,769 | 139,652 | 34,813 | 14,321 | 49,874 | 76,313 | 147,682 |
| Transfers from reserves | 477 | 2,094 | 1,838 | 1,414 | 702 | 1,475 | 4,144 | 4,023 | 589 | 577 | 795 | 2,097 |
| Balance at end of year. | 221,025 | 1,635,235 | 256,759 | 341,741: | 228,871! | 266,843 | 805,244 | 134,202 | 119,016 | 164,609 | 232,718 | 778,898 |
| Net loan losses (-) or recoveries | -36,289 | -227,444 | -25,573 | -49,348 | -37,074 | -70,440 | -10,471 | -28,513 | - 11,179 | $-36,444$ | --58,745 | $\cdots 110,018$ |
| Reserves on securities: |  |  |  |  |  |  |  |  |  |  |  |  |
| Balance at beginning of yea | 2,077 | 5,237 | 1,105 | 36,391 | 6,059: | 10,746: | 21,520 | 14,072 | 1,893 | 2,927 | 22,136 | 4,047 |
| Additions due to mergers and Recoveries credited to reserves | 171 | 79 | ${ }^{8} 8$ | 32. | 1 | 12 | 78 | 110 | 15 | 46 | 100 36 | 75 |
| Transfers to reserves | 283 | 417 | 78 | 4,896 | 535 | 2.011 | 2,130 | 1,620 | 401 | 371 | 7,588 | 1,437 |
| Losses charged to reser | 16 | 258 | 2 | 423 | 161 | 9 | 153 | 75 | 19 | 34 | 665 | 165 |
| Transfers from reserves | 659 | 1,193 | 142 | 6,643 | 409 | 828 | 3,921 | 2,637 | 386 | 43 | 1,768 |  |
| Balance at end of year | 1,856 | 4,301 | 1,060 | 34,265 | 6,170 | 11,932. | 19,652 | 13,113 | 1,904 | 3,267 | 27,926 | 5,490 |
| Total net changes in capital account. | 95,365 | 398,336 | 182,40I | 226,256 | 162,870 | 217,881 | 340,240 | 96,706 | 68,856 | 106,273 | 132,795 | 272,195 |
| Net income transferred to undivided | 177,326 | 948,371 | 207,004 | 337,736: | 213,761 | 270,612: | 544, 160 | 141,198 | 100,169 | 182,570 | 219,794 | 479,912 |
| Common stock sold (net) | 1,385 | 4,232 | 5,659 | 4,511 | 3,781 | 10,376 | 5,423 |  | 1,170 | 1,770 | 6,824 | 2,820 |
| Preferred stock, capital notes, and debentures | 6,270 | 7,150 | 20,000 | 4,085 | 26,140 | 3,838 | 17,451 | 2,461 | 4,935 | 6,424 | 37,587 | 6,650 |
| Premium received on new capital stock sold | 2,988 | 9,365 | 12,987 | 9,514 | 5,602 | 42, 315 | 8,565 | 2,744 | 1,156 | 2,956 | 7,416 | 17,825 |
| Transfers from loan and securities reserves | 1,137 | 3,287 | 14,980 | 8,057 | 1.111 | 2,303 | 8,064 | 6,660 | 9 974 | ${ }^{6201}$ | 2,563 | 2,100 |
| Other increases. | 11,180 | 89,777 | 54,774 | 41,961. | 27,463 | 19,358 | 49,399 | 17,848 | 9,121 | 20,931 | 24,749 | 48,028 |
| Dividends declared | 88,027 | 553,423, | 96,764 | 137,134 | 85.596 | 96,799. | 221,190 | 48,186 | 38,314 | 80,471 | 80,213 | 227,925 |
| Transfers to loan and securities reserves | 8,247 | 57,678 | 9,755 | 17,402 | 8,463 | 18,142: | 24,695 | 15,088 | 4,548 | 8,302 | 22,180 | 13,684 |
| Other decreases. | 8,647 | 52,744 | 13,484 | 25,071 | 20,929 | 21,979; | 46,937. | 11,020 | 5,806 | 20,225 | 63,745 | 43,530 |
| Assets, deposits, and capital accounts: <br> Loans gross (including Federal funds sold and resale pur- |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
| U.S. Treasury securities | 1,457 | 7,556 | 1,922 | 3,708 | 2,164 | 2,887 | 7,182 | 1,802 | 1,326 | 2,126 | 2,056 | 5,071 |
| Other U.S. Govt securities (agencies and corporations) | 159 | 989 | 279 | 368 | 440 | 624 ! | 1,217 | 332 | 261 | 298 | 438 | 917 |
| Obligations of States and political subdivisions | 2,263 | 11,299 | 2,484 | 4.764 | 2.620 | 3.358 | 7.741 | 1,625 | 1,283 | 1,998 | 2,871 | 7,042 |
| All other securities ${ }^{1}$ |  | 481 | 119 | $138{ }^{\text {, }}$ | 71 | 100 | 352 |  | 28 | 120 | 91 | 245 |
| Cash assets | 3,184 | 26,280 | 3,076 | 4,645 | 3,540 | 5,196 | 10,139 | 2,668 | 1,712 | 3,471 | 4,618 | 10,163 |
| Total assets | 18,662 | 119,230 | 20,708 | 32,720 | 21,865 | 27,964, | 66,697 | 14,661 | 11,357 | 18,221 | 23,575 | 67,361 |
| Time and savings depos | 5,398 | 31,620 | 8,696 | 14,432 | 8,517 | 10,212 | 28,751 | 5,350 | 5,070 | 6,477 | 8,065 | 31,022 |
| Total deposits... | 14,724 | 90,384 | 17,388 | 27,317 | 18,655 | 23,741 | 55,115 | 12,492 | 9,661 | 15,616 | 19,720 | 55,907 |
| Total capital accounts plus total | 1,741 | 10,437 | 1,903 | 3,176 | 1,933 | 2,470 | 5,669 | 1,335 | 916 | 1,690 | 2,059 | 5,064 |
| Equity capital plus total reserv | 1,667 | 9,783 | 1,822 | 3,114 | 1,857 | 2,356 | 5,439 | 1,283 | 885 | 1,643 | 2,003 | 4,739 |
|  | 42,520 | 159,869 | 37,394 | 50.976: | 48.482 | 56,376 | 98,833 | 33,321 | 16,721 | 32,825 | 35,090 | 133,049 |
|  | 231 |  | 321 | 470 | 361 | 546 | 943 | 459 | 489 | 807 | 634 | 155 |

For notes see p. A-101.

INCOME, EXPENSES, AND DIVIDENDS OF RESERVE CITY MEMBER BANKS, BY FEDERAL RESERVE DISTRICT
(Income etc., in thousands, and asset and liability items in millions, of dollars)

| Iterm | Federal Reserve District |  |  |  |  |  |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Boston | New York | Philadelphia | Cleveland | Richmond | Atlanta | Chicago | St. Louis | Minneapolis | Kansas City | Dallas | San Francisco |
| Operating income--Total <br> Loans: <br> Interest and fees. <br> Federal funds sold and securities purchased with resale agreement. | 503,348 | 5,328,045 | 612,780 | 1,189, 223 | 729,601 | 696,994 | 2,226,694 | 413,654 | 229,383 | 389,999 | 625,406 | 3,850,443 |
|  | 324,218 | 3,679,962 | 444,427 | 802,065 | 501,905 | 479,018 |  | 281,095 | 159,293 | 261,448 | 429,297 | 2,686,107 |
|  | 14,996 | 94,810 | 10,878 | 31,223 | 16,746 | 27,102 | 60,196 | 15,535 | 2,890 | 16,210 | 31,792 | 103,680 |
| Securities-Interest and dividends: ${ }^{1}$ U.S. Treasury securities . | 32,472 | 292,717 | 31,655 |  | 57,760 | 43,392 | 159,951 | 32,408 |  |  |  |  |
| Other U.S. Govt. securities (agencies and corps). | 4,472 | 36,882 |  | 91,322 6,598 | $\begin{array}{r} 57,760 \\ 7,606 \end{array}$ | 43,392 3,604 | 159,951 14,490 | 1,419 | 9,678 581 | 25,483 1,276 | 34,572 2,886 | $\begin{array}{r} 219,915 \\ 41,793 \end{array}$ |
| Obligations of States and political subdivisions | 24,479 | 312,484 | 34,118 | 117,219 | 53,665 | 42,506 | 156,834 | 25,507 | 12,812 | 21,916 | 55,301 | 239,247 |
| All other securities......................... Trust department income. . . . . . . . . . | 53,243 | 26,737 340,807 | 2,116 | 5,782 58,539 | -1,667 | 4,312 24,279 | 9,464 114,575 | 13,345 | 12,830 | 4,541 23,790 | 27,632 | 15,452 102,860 |
| Service charges on deposit ac | 5,969 | 73,398 | 16,033 | 24,653 | 28,703 | 23,987 | 31,613 | 10,624 | 3,642 | 7,550 | 8,276 | 163,853 |
| Other charges, fees, etc..... | 23,801 | 107,328 | 17,578 | 27,191 | 14,352 | 21,684 | 43,655 | 10,636 | 10,411 | 15,644 | 15,500 | 129,799 |
| Other operating income: On trading account (net) | 4,441 | 161,975 | 5,310 | 4,389 | 8,367 | 8,369 | 32,145 | 11,644 | 13,095 | 5,431 | 8,379 | 68,927 |
| Other................... | 14,047 | 200,945 | 13,054 | 20,242 | 10,830 | 18,742 | 95,345 | 10,023 | 3,757 | 6,711 | 9,644 | 78,810 |
| Operating expenses-Total. | 397,327 | 4,227,888 | 472,658 | 902,391 | 560,069 | 547,098 | 1,777,737 | 314,714 | 170,475 | 298,028 | 475,432 | 3,252,616 |
| Salaries and wages of officers and employees | 106,501. | 943,396 | 118,930 | 192,978 | 159,867 | 139,528 | 351,107 | 72,731 | 36,670 | 77,216 | 91,273 | 789,731 |
| Officer and employee benefits.... | 17,051 | 181,701 | 27,482 | 28,510 | 25,641 | 24,159 | 66,173 | 13,063 | 6,236 | 10,728 | 14,301 | 125,553 |
| Interest paid on: <br> Time and savings deposits | 68,319 | 1,068,482 | 150,347 | 357,942 | 181,534 | 150,613 | 640,136 | 99,378 | 47,241 | 83,431 | 168,947 | 1,352,252 |
| Federal funds purchased and securities sold with repurchase agreement. | 51,714 | 408,829 | 49,854 | 70,900 | 25,258 | 45,983 | 202,985 | 43,011 | 26,581 | 30,074 | 80,963 | $1,352,252$ 198,413 |
| Other borrowed money........ | 14,380 | 237,603 | 6,614 | 8,343 | 4,258 | 28,598 | 55,307 | 1,596 | 8,660 | 4,179 | 11,479 | 31,700 |
| Capital notes and debentures. | 1,977 | 26,723 | 4,594 | 2,622 | 3,363 | 3,113 | 8,826 | 2,105 | 695 | 1,383 | 871 | 12,090 |
| Occupancy expense of bank premis | 18,700 | 203,193 | 22,659 | 34,958 | 29,973 | 22,482 | 75,994 | 12,986 | 4,644 | 10,087 | 9,530 | 151,873 |
| Furniture, equipment, etc. | 14,938 | 93,545 | 16,592 | 27,688 | 24,863 | 24,962 | 50,717 | 12,434 | 10,250 | 15,366 | 18,703 | 80,826 |
| Provision for loan losses. | 8,793 94955 | 85,874 | 10,764 | 16,994 | 10,127 | 20,989 | 54,360 | 8,905 | 2,532 | 9,569 | 11,802 | 69,937 |
| Other operating expenses | 94,955 | 978,543 | 64,824 | 161,456 | 95,185. | 86,672 | 272,132 | 48,505 | 26,967 | 55,996 | 67,563 | 440,240 |
| Income before income taxes and securities gains or losses Applicable income taxes. | 106,022 | 1,100,158 | $\begin{array}{r} 140,121 \\ 46,514 \end{array}$ | $\begin{array}{r} \mathbf{2 8 6}, 832 \\ 74,183 \end{array}$ | $\begin{array}{r} 169,532 \\ 58,876 \end{array}$ | $\begin{array}{r} 149,897 \\ 52,121 \end{array}$ | 448,958 | 98,941 | 58,908 | 91,971 | 149,974 | 597,827 |
|  | 42,870 | $\begin{array}{r}179,994 \\ 720,164 \\ \hline\end{array}$ |  |  |  |  | 153,069 | 35,417 | 24,635 | 32,847 | 47,686 | 183,586 |
| Income before securities gains or losses........ |  |  | 93,608 $-2,363$ |  | $\begin{array}{r} 10,030 \\ -1,070 \\ -293 \end{array}$ | 97,776 | 295,889 | 63,523 | 34,273-643 | 59,124 | 102,289 | 414,241 |
| Net securities gains or losses ( - ) after taxes... | -1 | $\begin{array}{r} -55,417 \\ 2,960 \end{array}$ | -2,363 | $\begin{array}{r} 212,049 \\ -13,455 \\ 369 \end{array}$ |  | $\begin{array}{r} 1,234 \\ -674 \end{array}$ | -22,061 | -1,179 |  | -77 | 102 | -3,124 |
| Extraordinary charges ( - ) or credits after taxes | -2 |  |  |  |  |  | -2,271 | 956 |  | -224 | -513 | -19,700 |
| Less minority interest in consolidated subsidiaries |  |  |  |  |  |  |  | -2 |  |  |  |  |
| Net income. | 63,147 | 667,706 | 91,244 | 199,562 | 109,291 | 95,867 | 271,554 | 63,302 | 33,629 | 58,821 | 101,877 | 391,415 |
| Cash dividends declared: On common stock. | 30,735 | 435,5631 | 48,664 | 91,345 | 45,916 | 44,720 | 135,310 | 26,300 | 14,875 | 41,011 | 43,695 | 198,643 |
| Memoranda items: |  |  |  |  |  |  |  |  |  |  |  |  |
| Income taxes applicable to 1970 operating income | 42,870 | 379,994 | 46,514 | 74,183 | 58,876 | 52,121 | 153,069 | 35,417 | 24,635 | 32,847 | 47,686 | 183,586 |
| Tax effect of: <br> Net securities gains or losses (-) etc |  | $-60,387$ | -2,232 | - 13,041 | -1,783 | -3,977 | -20,517 | -407 | -615 | -451 | -121 | -21,967 |
| Net securities gains or losses ( - ), etc. Transfers-Capital accounts to IRS loan loss | 569 |  |  |  |  |  |  |  |  |  |  |  |
| reserve ${ }^{2}$. . . . . . . . . . . . . . . . . . . . . . . . ${ }^{\text {a }}$ | $-3,553$ | -57,792 | -4,712 | -7,043 | -4,199 | -5,220 | -10,517 | -3,855 | -1,388 | -3,684 | -4,103 | $\begin{aligned} & -6,324 \\ & 155,294 \end{aligned}$ |
| Total provision for income taxes, 1970 | 39,885 | 261,813 | 39,570 | 54,099. | 52,894 | 42,923 | 122,034 | 31,154 | 22,631 | 28,711 | 43,461 |  |
| Federal...... | 30,362 | 192,919 | 39,49574 | 54,099 | $\begin{array}{r} 47,974 \\ 4,920 \end{array}$ | $\begin{array}{r} 41,925 \\ 998 \end{array}$ | $\begin{array}{r} 112,719 \\ 9,315 \end{array}$ | $\begin{array}{r} 30,377 \\ \hline 778 \end{array}$ | 17,7354,897 | $\begin{array}{r} 26,029 \\ 2,683 \end{array}$ | 43,461 | $\begin{array}{r} 105,165 \\ 50,130 \end{array}$ |
| State and local | 9,523 | 68,894 |  |  |  |  |  |  |  |  |  |  |


| Memoranda Items（cont．）： |  |  |  |  |  |  |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Occupancy expense of bank premises，gross | ， 108 | 243，196 | 26，778 | 49，804 | 34，359 | 39，849 | 103，715 | 15，262 | 9，580 | 20，352 | 33，152 | 183，259 |
| Rental income from bank premises．．．．．．．．． Net securities gains or losses（ - before income | ，408 |  |  |  |  |  |  | 2，275 | 4，937 | 10，264 | 23，622 | 31，386 |
| taxes． | 570 | －117，317 | －4，595 | －26，626 | $-2,473$ | －4，618 | －40，261 | －1，668 | －1，259 | －488 | $-28$ | －4，872 |
| Extraordinary charges（ - ）or credits before in－ come taxes．．． | －5 | 4，472 |  | 498 | －674 | －1，267 |  |  |  |  | －503 | －39，920 |
| Reserves for losses on loans：${ }^{3}$ |  |  |  |  |  |  |  |  |  |  |  |  |
| Balance at beginning of year．． | 88，684 | 1，303，038 | 127，489 | 213，557 | 120，947 | 109，242 | 470，226 | 65，846 | 36，656 | 64，239 | 109，356 | 676，572 |
| Additions due to mergers and absorptions．． |  | 58，541 |  | 1，764 | 1，935 |  |  |  |  |  | 5445 | 3，313 |
| Recoveries credited to reserves | 2，009 | 28，229 | 2，${ }^{2} 981$ | 6，192 | 2，710 | 6，018 | 13，360 | 2，889 | $\begin{array}{r}393 \\ 4853 \\ \hline\end{array}$ | 4，693 | 5，169 | 28，903 |
| Transfers to reserves． | 15，404 | 191，080 | 21，028 | 31，560 | 18，403 | 33，176 | 77，046 | 21，817 | 4，853 | 16，901 | 20，789 | 81，908 |
| Losses charged to reserves | 16，176 | 216，124 | 19，878 | 38，400 | 22，755 | 41，808 | 83，894 | 20，569 | 3，674 | 21，452 | 26，104 | 115，573 |
| Transfers from reserves． |  | － 1110 | 131，229 | 180 | 12785 | －60 | 1，322 | 3，363 |  |  |  | 496 |
| Balance at end of year．．．．．．．．． | 89,922 $-14,165$ | 1，311，753 | 131,134 $-16,896$ | 214,492 $-32,207$ | 120,785 $-20,045$ | 106,569 $-35,789$ | 475,416 $-70,533$ | 66,620 $-17,679$ | 38,227 $-3,281$ | 64,380 $-16,758$ | 109,655 $-20,934$ | 674,626 $-86,669$ |
| Net loan losses（－）or recoveries Reserves on securities： | －14，165 | －187，894 | －16，896 | －32，207 | $-20,045$ | $-35,789$ | $-70,533$ | $-17,679$ | －3，281 | －16，758 | －20，934 | $-86,669$ |
| Balance at beginning of year． | 486 | 1，294 |  | 28，112 | 791 | 3，819 | 8，257 | 9，827 |  | 171 | 11，220 | 626 |
| Additions due to mergers and absorptions |  |  |  |  |  |  |  |  |  |  |  |  |
| Recoveries credited to reserves |  |  |  |  |  |  |  |  |  |  |  | 118 |
| Transfers to reserves． |  |  |  | 3，642 | 14 | 379 | 838 | 653 |  |  | 2，876 | 40 |
| Losses charged to reserv |  |  |  | 248 |  |  |  |  |  |  |  | 165 |
| Transfers from reserves． | 458 | 925 |  | 5，648．． |  | 19 | 2，043 | 2，507 |  | 3 | 113 | 1 |
| Balance at end of year | 29 | 369 |  | 25，858 | 805 | 4，179 | 7，051 | 7，973 |  | 168 | 13，983 | 617 |
| Total net changes in capital accounts． | 28，660 | 186，527 | 63，032 | 111，917 | 84，273 | 70，998 | 127，457 | 40，045 | 20，816 | 14，616 | 48，247 | 197，467 |
| Net income transferred to undivided profits | 63，147 | 667，706 | 91，244 | 199，562 | 109，291． | 95，867， | 271，554 | 63，302 | 33，629 | 58，821 | 101，877 | 391，415 |
| Common stock sold（net）． |  |  |  | 118 | 540 | 197 |  | 104 | 18 |  | 121 |  |
| Preferred stock，capital notes，and debentures sold．．． |  | 1，958 | 20，000 | 2，916 | 25，000 |  | 6，200 | 446 | 1，333 | 3，000 | 35，019 |  |
| Premium received on new capital stock sold |  |  |  | 519 | 461 | 26，621， | 244 | 384 | 18 |  | 260 | 2，314 |
| Transfers from loan and securities reserve | 458 | 935 | 1，229 | 5，828 | 454 | 79 | 3，365 | 5，870 |  | ${ }^{3}$ | 113 | 497 |
| Other increases | 251 | 31，907 | 7，443 | 21，405 | 10，867 | 4，985 | 19，751 | 7，241 | 1，755 | 2，403 | 2，963 | 35，310 |
| Dividends declared． | 30，735 | 438，494 | 48，664 | 91，345 | 46，554 | 44，860 | 136，849 | 26，300 | 14，875 | 41，011 | 43，720 | 198，643 |
| Transfers to loan and securities reserves（net of tax effect） | 3，058 | 47，414 | 5，553 | 11，165 | 4，091 | 7，346 | 13，006 | 9，709 | 933 | 3，648 | 7，761 | 5，686 |
| Other decreases． | 1，402 | 30，071 | 2，667 | 15，920 | 11，695． | 4，544 | 23，856 | 1.292 | 128 | 4，952 | 40，626 | 27，740 |
| Assets，deposits，and capital accounts： |  |  |  |  |  |  |  |  |  |  |  |  |
| Loans gross（includes Federal funds sold and re－ sale purchases）． | 3，857 | 48，741 | 5，771 | 10，651 | 6，137 |  | 20，591 | 3，772 | 2，042 | ，495 | 5，982 |  |
| U．S．Treasury securities 1 ．．．．．．．．．．．．． | 553 | 4，875 | 552 | 1，588 | 947 | 797 | 2，754 | 551 | 186 | 454 | 681 | 4，063 |
| Other U．S．Govt．securities（agencies and corps）${ }^{1}$ | 61 | 538 | 6 | 113 | 105 | 54 | 213 | 28 | 13 | 21 | 54 | 671 |
| Obligations of States and political subdivisions ${ }^{1}$ | 622 | 6，581 | 877 | 2，739 | 1，293 | 961 | 3，654 | 644 | 292 | 552 | 1，273 | 5，850 |
| All other securities ${ }^{1}$ ． | 24 | 356 | 35 | 90 | 31 | 52 | 162 | 32 | 8 | 90 | 43 | 221 |
| Cash assets． | 1，435 | 22，763 | 1，770 | 2，946 | 2，078 | 2，312 | 6，294 | 1，531 | 775 | 1，562 | 2，366 | 8，820 |
| Total assets ${ }^{5}$ | 7，013 | 90，788 | 9，420 | 18，738 | 11，003 | 10，441 | 35，763 | 6，892 | 3，615 | 6，460 | 11，018 | 56，753 |
| Time and savings deposits | 1，216 | 18，853 | 2，913 | 7，288 | 3，766 | 3，024 | 12，397 | 1，908 | ， 902 | 1，692 | 3，103 | 25，932 |
| Total deposits． | 4，927 | 65，858 | 7，510 | 15，022 | 9，257 | 8，420 | 27，669 | 5，576 | 2，783 | 5，296 | 8，630 | 46，666 |
| Total capital accounts plus total reserves | 663 | 7，924 | 861 793 | 1，923 | $\begin{array}{r}982 \\ 915 \\ \hline\end{array}$ | 982 902 | 3，158 | 646 | 301 | 616 | 969 | 4，222 |
| Equity capital plus total reserves． | 623 | 7，380 | 793 | 1，876 | 915 | 902 | 2，983 | 603 | 289 | 584 | 929 | 3，957 |
| Number of officers and employees Number of banks． | 13，401 | 106，796 | 16，491 6 | 25，910 16 | 23,967 15 | 20,168 20 | 45,760 24 | $\begin{array}{r} 11,342 \\ 15 \end{array}$ | 3，934 8 | $\begin{array}{r} 10,736 \\ 18 \end{array}$ | $\begin{array}{r} 11,702 \\ 17 \end{array}$ | $\begin{array}{r} 108,827 \\ 19 \end{array}$ |

For numbered notes see p．A－101．

INCOME, EXPENSES, AND DIVIDENDS OF COUNTRY MEMBER BANKS, BY FEDERAL RESERVE DISTRICT

| Item | Boston | New York | Philadelphia | Cleveland | Richmond | Atlanta | Chicago | St. Louis | Minneapolis | $\underset{\text { City }}{\text { Kansas }}$ | Dallas | San Francisco |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Operating income-Total | 785,259 | 1,781,982 | 691,790 | 846.383 | 709.335 | 131,545 | 1,936,285 | 463,723 | 487,377 | 749,854 | 782,926 | 750,681 |
| Loans: <br> Interest and fees.. |  |  |  |  |  |  |  |  |  |  |  |  |
| Interest and fees. <br> Federal funds sold and securities purchased with resale agreement. | 534,413 ${ }^{18,373}$ | 1,180,094; | 451,045 24.592 | 529,835 27,996 | 469,169 22,774 | 51,294: | $1,215,832$ 64,141 | 278,811 15,632 | 314,214 9,698 | 464,882 30,000 | 507,275 29,697 | 514,434 15,936 |
| Securities-Interest and dividends: ${ }^{1}$ U.S. Treasury securities | 52,444 | 139,403 | 75,558 | 118,595 | 68.930 | 117,505: | 245,182 | 71,156 | 61,048 | 95,075 | 77,083 | 54,870 |
| Other U.S. Govt securities (agencies and corps) | 6,656 | 26,526 | 18,094 | 17,754 | 22,058. | 37,789 | 67,642 | 19,621 | 16,806 | 18,498 | 25,980. | 15,531 |
| Obligations of States and political subdivisions. | 69,577 | 202,275 | 63,281 | 83.006 | \$4.018 | 101,379. | 168,944 | 38,915 | 40,220 | 58,591. | 64,347 | 49,629 |
| All other securities. | 2,556 | 8,171 | 5,019 | 2,955 | 1,892: | 2.830 | 11,122 | 1,901 | 1,112 | 1,689\| | 2,400 | 1.129 |
| Trust department income | 37,502 | 48,723, | 20,089 | 16,599. | 12,378, | 22,072; | 36,249 | 7,291 | 4,183 | 9,569 | 9,695, | 13,295 |
| Service charges on deposit a | 34,221 | 75,555: | 19,576 | 28,233 | 27,837 | 57,810, | 65,073: | 15,388 | 22,715 | 38,988 | 40,403: | 43,454 |
| Other charges, fees, etc.: | 16,517 | 27,095 | 8,664 | 13,495 | 18,640 | 33,846 | 38.385 | 9,347 | 12,897 | 22,550 | 15,646 | 26,533 |
| Other operating income: On trading account (net | 2,402 |  |  | 41 |  | $2,008:$ | 107 | 438 | 1 | 942 | 178 |  |
| Other..... . . . . . . . . . | 10,597 | 27,203 | 5,873 | 7,875 | 8,278 | 16,513 | 23,611 | 5,225 | 4,484 | 9,069 | 10,224 | 14,066 |
| Operating expenses--Total | 618,470 | 1,404,094 | 534,078. | 664.169 | 554.888 | 890.595 | 1,564.136 | 356,969 | 394.732 | 570.826 | 618.472 | 624,858 |
| Salaries and wages of otticers and employee | 183,943 | 363,584 | 125,614 | 153,257 | 148,765 | 227,660 | 353,993 | 86,671 | 84,894 | 150,389 | 153,213 | 170,120 |
| Officer and employee benefits.. | 32,643 | 64,192 | 20,094 | 22,403 | 21,628: | 31,614 | 53,429 | 12,028 | 13,822 | 19,662 | 19,867 | 23,527 |
| Interest paid on: <br> Time and saving, deposits. | 193,896 | 583,203 | 259,449 | 309, 177 | 221,191 | 346,994 | 768,464 | 162,615 | 202,991 | 230,325 | 247,826 | 244,034 |
| Federal funds purchased and securities sold with repurchase agremen: | 15,831, | 32,458 | 2,104 | 5,103 | 7.607 | 18,236 | 15,683 | 2,237 | 3,472, | 8.406 | 9,150 | 10,600 |
| Other botrowcd muney | 5,429 | 5,527 | 597 | 814 | 1,032 | 2,246 | 5.594 | 718 | 626 | 2,809 | 1,482 | 3,753 |
| Capital notes and debentures | 1,889 | 5,852. | 988 | 870 | 450 | 1.873 | 3,412 | 450 | 1,050 | 1,102 | 950 | 2,970 |
| Occupancy expense of bank premises, net | 37,212 | 77,373: | 23,692 | 27.620 | 25,049 | 38.207: | 67.933 | 15,643 | 14,530 | 24,869 | 29,491: | 33,847 |
| Furniture, equipment, etc. | 26,832 | 47,266 | 18,448 | 24,860 | 21.912 | 37,896 | 55,191 | 14,020 | 14,095 | 22,635 | 24,111 | 23,877 |
| Provision for loan losses. | 105,513, | 28,705 | 7,372 | 14,551 | 13,175 | 30,449; | 33,594 | 9,430 | 6,161 | 18,336 | 29,667 | 16,684 |
| Other operating expenses | 105,282 | 195,937 | 75,721 | 105,514: | 93,480 | 155,371 | 206,842 | 53,157 | 53,091 | 92,295 | 102,717 | 95,446 |
| Income before income taxes and securities gains or losses | 166,789: | 377,888 | 157,712 | 182,214 | 154,447, | 240,949 | 372,149 | 106,754, | 92,645 | 179,027 | 164,454 | 125.824 |
| Applicable income taxes. | 51,684 | 90,436 | 41,242 | 44,407: | 47,287 | 66,967 | 102,027 | 30,350 | 26,463 | 56,710 | 46,441 | 39,562 |
| Income before securities gains or losses | 115,105: | 287,452 | 116,470 | 137,806 | 107,160 | 173,982 | 270, 122 | 76,404 | 66,182. | 122,317 | 118,013 | 86,261 |
| Net securities gains or losses ( - ) after taxes. | -658, | -7,580 | -1,329 | 135. | -2,255 | 83 | 2,591 | 1,441 | -480 | 708 | -21 | . 841 |
| Extraordinary charges ( - ) or credits after tax | -265 | 794 | -620 | 233 | -433 | 679 | -89 | 69 | 840 | 729 | -73 | 1,396 |
| Less minority interest in consolidated subsidiarie |  |  |  |  |  |  | 18 | 18 | , | , |  | 1 |
| Net income. | 114,180 | 280.665 | 115,760 | 138,175 | 104,471 | 174.745 | 272,606 | 77,896 | 66.540 | 123.750 | 117,917 | 88,497 |
| Cash dividends declared: |  |  |  |  |  |  |  |  |  |  |  |  |
| On common stock | 57,254 38 | 114,921 | 48,060 41 | 45,427, | 39,042 | 51, 939 | 84, 273 | 21,886, | $23,414$ | $\begin{array}{r} 39,146 \\ 315 \\ \hline \end{array}$ | 36,486 8 | $\begin{array}{r} 29,261 \\ 22 \end{array}$ |
| Memoranda items: |  |  |  |  |  |  |  |  |  |  |  |  |
| Income taxes applicable to 1970 operating income | 51,684 | 90,436: | 41,242 | 44,407 | 47,287 | 66,967 | 102,027 | 30,350 | 26,463 | 56,710 | 46,441 | 39,562 |
| Tax effect of: | -663! | -9,100 | -1,415. | -714 | -2,640 | -1,087 | 90 |  | -391 ${ }^{\text {1 }}$ | -602 | 177 | 630 |
| Transfers-Capital accounts to IRS loan loss reserves | -4,858 | -8,738 | -1,898 | 2,589, | -3,807 | 4,127. | 7,121 | - 1,029 | 1,790 | -814. | - 2 , 376 | $-3,450$ |
| Total provision for in orme taxes, 1970.......................... | 46,161 | 72,597) | 37,928 | 40, 8103 | 40, 838 | 61,752 | 94,996 | 29,858 | 24,282: | 55,293 | 44,241 | 36,742 |
| Federal. | 33,523 | 59,053 | 37,118 | 40,768 | 39,188 | 59,505: | 86,767 | 28,820 | 19,343 | 50,256 | 43,934 | 31,663 |
| State and local | 12,638. | 13,545: | 810 | 35 | 1,650 | 2,247. | 8,228 | 1,038 | 4,939 | 5,038: | 307 | 5,080 |



INCOME, EXPENSES, AND DIVIDENDS, BY SIZE OF BANK
(Amounts in thousands of dollars)

| Item | (Amounts in thousands of dollars) |  |  |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Total ${ }^{1}$ | Size group-Total deposits (in thousands of dollars) |  |  |  |  |  |  |  |
|  |  | $\begin{gathered} \text { Less than } \\ 2,000 \end{gathered}$ | $\begin{gathered} 2,000- \\ 5,000 \end{gathered}$ | $\begin{aligned} & 5,000- \\ & 10,000 \end{aligned}$ | $\begin{aligned} & 10,000- \\ & 25,000 \end{aligned}$ | $\begin{array}{r} 25,000- \\ 50,000 \end{array}$ | $\begin{aligned} & 50,000- \\ & 100,000 \end{aligned}$ | $\begin{aligned} & 100,000- \\ & 500,000 \end{aligned}$ | $500,000-$ or more |
| Operating income-Total. | 27,906,437 | 32,066 | 196,079 | 687,379 | 1,848,123 | 1,801,784 | 1,716,143 | 5,250,063 | 16,374,801 |
| Loans: |  |  |  |  |  |  |  |  |  |
| Interest and fees....................................... | 18,702,956 | 8,196 | 111,947 | 409,597 | 1,132,239 | 1,134,316 | 1,100,839 | 3,468,149 | 11,337,674 |
| Federal funds sold and securities purchased with resale | 780,353 | 784 | 9,692 | 31,955 | 81,124 | 66,431 | 55,242 | 161,826 | 373,300 |
| Securities-Interest and dividends: ${ }^{2}$ <br> U.S. Treasury securities . | 2,206,608 | 3,938 | 39,238 | 108,720 | 249,433 | 197,825 | 183,133 | 438,336 | 985,987 |
| Other U.S. Govt. securities (agencies and corporations). | 414,103 | -658 | 11,055 | 32,043 | 67,811 | 63,102 | 45,908 | 75,538 | 117,989 |
| Obligations of States and political subdivisions.. | 2,090,262 | 375 | 9,439 | 49,086 | 160,741 | 164,603 | 155,032 | 441,020 | 1,109,967 |
| All other securities... | 118,338 | 107 | 984 | 2,760 | 7,356 | 7,399 | 6,808 | 21,551 | 71,373 |
| Trust department income. | 1,074,623 | 16,791 | 188 | 904 | 8,429 | 25,316 | 36,706 | 202,964 | 783,325 |
| Service charges on deposit accounts........................... | 867,305 | 599 | 7,953 | 32,976 | 89,057 | 84,323 | 68,990 | 189,838 | 393,570 |
| Other charges, fees, etc. . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . | 681,094 | 297 | 3,529 | 12,601 | 33,149 | 37,595 | 40,244 | 149,785 | 403,894 |
| Other operating income: On trading account (net) | 345,858 |  |  |  | 88 | 67 | 584 | 18,425 | 326,693 |
| Other................. | 624,937 | 321 | 2,055 | 6,736 | 18,696 | 20,808 | 22,656 | 82,633 | 471,031 |
| Operating expenses-Total. . | 22,184,720 | 22,573 | 154,008 | 543,449 | 1,463,857 | 1,431, 789 | 1,369,245 | 4,138,321 | 13,061,478 |
| Salaries and wages of officers and employees. | 5,279,546 | 11,356 | 45,461 | 142,011 | 352,111 | 347,902 | 330,827 | 1,058,203 | 2,991,675 |
| Officer and employee benefits. | 875,289 | 1,304 | 4,330 | 16,620 | 46,862 | 51,177 | 49,332 | 171,085 | 534,579 |
| Interest paid on: | 8,187,539 | 3,268 | 63,404 | 238,524 | 670,744 | 638,060 | 608,071 | 1,577,213 | 4,388,256 |
| Federal funds purchased and securities sold with repurchase |  |  |  |  |  |  |  |  |  |
| agreement............................................. | 1,365,386 |  | 58 | 726 | 4,251 | 8,019 | 17,931 | 175,289 | 1,159,111 |
| Other borrowed money. | 443,972 | 8 | 239 | 779 | 2,426 | 3,234 | 3,268 | 26,652 | 407,366 |
| Capital notes and debentures | 90,215 |  | 38 | 204 | 1,449 | 2,862 | 3,413 | 14,558 | 67,689 |
| Occupancy expense of bank premises | 1,011,971 | 1,014 | 5,930 | 21,692 | 63,552 | 65,269 | 64,520 | 201,762 | 588,232 |
| Furniture, equipment, etc. | -721,716 | 502 | 4,568 | 17,335 | 48,881 | 52,843 | 52,763 | 180,760 | 364,065 |
| Provision for loan losses. | 534,062 | 505 | 5,291 | 19,216 | 43,443 | 35,243 | 31,699 | 101,831 | 296,834 |
| Other operating expenses. | 3,675,024 | 4,616 | 24,689 | 86,343 | 230,138 | 227,179 | 207,421 | 630,969 | 2,263,671 |
| Income before income taxes and securities gains or losses. | 5,721,718 | 9,493 | 42,072 | 143,929 | 384,266 | 369,996 | 346,898 | 1,111,742 | 3,313,323 |
| Applicable income taxes... | 1,775,526 | 4,146 | 11,376 | 39,813 | 105,692 | 100,745 | 94,729 | - 330,833 | 1,088,193 |
| Income before securities gains or losses. | 3,946,192 | 5,346 | 30,696 | 104,116 | 278,574 | 269,251 | 252,169 | 780,909 | 2,225,130 |
| Net securities gains or losses ( - ) after taxes. | -107,100 | -33 | , 2 | $\checkmark 616$ | -25 | -504 | 2,782 | -8,379 | -101,555 |
| Extraordinary charges ( - ) or credits after taxes. Less minority interest in consolidated subsidiarie | -14,813 | -23 | -4 1 | 318 1 | 148 38 | 1,270 | 2,700 | 278 1 | -19,498 |
| Net income. | 3,824,238 | 5,288 | 30,692 | 105,049 | 278,658 | 270,017 | 257,651 | 772,806 | 2,104,078 |
| Cash dividends declared: |  |  |  |  |  |  |  |  |  |
| On common stock. | 1,747,883 | 3,606 | 8,511 | 28,428 | 80,756 | 84,867 | 86,038 | 317,076 | 1,138,600 |
| On preferred stock | 6,158 |  |  | 72 | 103 | 91 | 277 | 507 | 5,108 |
| Memoranda items: |  |  |  |  |  |  |  |  |  |
| Income taxes applicable to 1970 operating income. Tax effect of: | 1,775,526 | 4,146 | 11,376 | 39,813 | 105,692 | 100,745 | 94,729 | 330,833 | 1,088,193 |
| Net securities gains or losses ( ) , etc | -140,141 | -42 | 26 | -47 | -1,453 | -2,110 | -33 | -10,661 | -125,815 |
| Transfers-Capital accounts to IRS loan loss reserves 3 | -155,278 | 216 | 256 | -685 | -5,782 | -6,357 | -6,019 | -23,683 | -113,224 |
| Total provision for income taxes, 1970................... | 1,480,106 | 4,320 | 11,658 | 39,080 | 98,456 | 92,276 | 88,675 | 296,488 | 849,153 |
| Federal. ${ }_{\text {State }}$ and local. | 1,272,344 | 3,637 | 10,854 | 36,205 | 90,615 | 85,051 | 81,842 | 270,831 | 693,311 |
| State and local. | 207,762 | 683 | 805 | 2,876 | 7,841 | 7,225 | 6,833 | 25,658 | 155,842 |



# INCOME RATIOS BY CLASS OF MEMBER BANK, AND FOR ALL MEMBER BANKS, BY FEDERAL RESERVE DISTRICT 

(Computed from aggregate dollar amounts; ratios expressed as percentages)

| Item | Class of bank |  |  |  | $\left\|\begin{array}{c} \text { All } \\ \text { member } \\ \text { banks } \end{array}\right\|$ | Federal Reserve district |  |  |  |  |  |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Reserve city |  |  | $\underset{\text { try }}{\text { Coun- }}$ |  | Boston | New York | Phila-delphia | Cleveland | Richmond | $\begin{aligned} & \text { At- } \\ & \text { lanta } \end{aligned}$ | $\begin{aligned} & \text { Chi- } \\ & \text { cago } \end{aligned}$ | $\mathrm{St} .$ | Min-neapolis | $\begin{aligned} & \text { Kan- } \\ & \text { sas } \\ & \text { City } \end{aligned}$ | $\underset{\text { Das- }}{\text { Das }}$ | San <br> Francisco |
|  | New York City | City of Chicago | Other |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Summary ratios: |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Percentage of equity capital plus all reserves: Income after taxes and before securities gains |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| ncome $^{(\text {losses })^{1}}$ | 9.76 | 9.77 | 10.80 | 11.31 | 10.75 | 10.68 | 10.29 | 11.52 | 11.25 | 11.71 | 11.46 | 10.36 | 10.87 | 11.27 | 11.03 | 10.92 | 10.56 |
| Net income. | 5.03 | 8.91 | 10.40 | 11.35 | 10.44 | 10.63 | 9.69 | 11.36 | 10.84 | 11.50 | 11.48 | 10.00 | 11.00 | 11.31 | 11.11 4.89 | 10.96 4.00 | 10.12 4.80 |
| Cash dividends paid | 5.95 | 4.82 | 5.04 | 4.01 | 4.79 | 5.27 | 5.65 | 5.31 | 4.40 | 4.60 | 4.10 | 4.06 | 3.75 | 4.32 | 4.89 | 4.00 | 4.80 |
| Percentage of net income: Cash dividends paid.. | 65.90 | 54.18 | 48.46 | 35.33 | 45.88 | 49.64 | 58.35 | 46.74 | 40.60 | 40.04 | 35.77 | 40.64 | 34.12 | 38.24 | 44.07 | 36.49 | 47.49 |
| Sources and disposition of income: Percentage of total assets: |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Percentage of total assets: Total operating expenses.... | 4.62 | 5.13 | 5.18 | 5.02 | 5.00 | 5.44 | 4.72 | 4.86 | 4.78 | 5.09 | 5.14 | 5.01 | 4.58 | 4.97 | 4.76 | 4.64 | 5.75 |
| Salaries, wages, and fringe benefits. | 1.23 | 1.16 | 1.43 | 1.44 | 1.38 | 1.82 | 1.30 | 1.41 | 1.21 | 1.62 | 1.51 | 1.23 | 1.25 | 1.24 | 1.41 | 1.18 | 1. 64 |
| Interest on time and savings deposits. | 1.19 | 1.54 | 1.90 | 2.15 | 1.84 | 1.40 | 1.42 | 1.97 | 2.03 | 1.84 | 1.77 | 2.11 | 1.78 | 2.20 | 1.72 | 1.76 | 2.36 |
| Occupancy expense of bank premises, net | . 228 | . 21 | . 22 | . 23 | . 222 | . 29 | . 23 | . 22 | . 19 | 1.25 | . 21 | . 2121 | 1.19 | 1.16 |  |  |  |
| All other operating expenses. | 1.98 5.83 | 2.22 6.57 | 1.63 6.46 | 1.20 | 1.56 | 1.93 | 1.77 | 1.26 | 1.35 | 1.38 6.58 | 1.65 6.53 | 1.46 6.24 | 1.36 5.98 | 1.37 6.31 | 1.44 6.25 | 1.54 5.97 | 1.48 |
| Total operating income ................... | 5.83 | 6.57 | 6.46 | 6.34 | 6.30 | 6.90 | 5.96 | 6.29 | 6.22 | 6.58 | 6.53 | 6.24 | 5.98 | 6.31 | 6.25 | 5.97 |  |
| Income after taxes and before securities gains (losses) ${ }^{1}$ | . 79 | . 94 | . 86 | . 95 | . 88 | . 95 | . 84 | 1.01 | 1.07 | . 99 | . 96 | . 84 | . 95 | . 87 | . 99 | . 92 | .74 |
| Net income. . . . . | . 73 | . 86 | . 83 | . 95 | . 86 | . 95 | . 79 | . 99 | 1.03 | .97 | . 96 | . 81 | . 96 | . 88 | 1.00 | . 93 | . 71 |
| Percentage of total operating income: |  |  |  |  |  |  |  |  |  |  |  |  |  | 67.81 | 67.77 | 70.86 | 72.15 |
| Interest, fees, and other loan income ${ }^{2} \ldots$ | 70.69 | 68.98 | 71.94 |  | 69.81 | 69.22 | 70.31 | 71.36 | 68.33 | 70.23 | 68.13 | 68.42 | 67.36 | 67.81 | 67.77 | 70.86 | 2.15 |
| U.S. Treasury securities .......... | 5.44 | 6.62 | 6.42 | 10.58 | 7.91 | 6.58 | 6.07 | 8.21 | 10.31 | 8.80 | 8.79 | 9.73 | 11.80 | 9.86 | 10.57 | 7.92 | 5.97 |
| Other U.S. Govt. securities (agencies and corporations) | . 70 |  | . 74 | 2.63 | 1.48 | . 86 | . 89 | 1.39 | 1.19 | 2.06 | 2.26 | 1.97 | 2.39 | 2.42 | 1.73 | 2.04 | 1.24 |
| Obligations of States and political subdivisions | 5.78 | 6.47 | 6.89 | 8.94 | 7.48 | 7.29 | 7.23 | 7.46 | 9.83 | 7.48 | 7.86 | 7.82 | 7.34 | 7.39 | 7.06 | 8.49 | 6.27 |
| All other securities... | 51 | . 45 | . 41 | . 38 | 42 | 29 | . 49 | . 54 | . 42 | . 24 | . 39 | . 49 | . 36 | . 20 | . 54 | . 35 | . 36 |
| Service charges on deposit accounts | 1.29 | . 47 | 3.12 | 4.22 | 3.10 | 3.11 | 2.09 | 2.72 | 2.59 | 3.92 | 4.47 | 2.32 | 2.96 | 3.67 | 4.08 | 3.45 2.61 | 4.50 2.52 |
| Trust department income. | 6.57 9.02 | 6.44 9.94 | 4.03 6.45 | 2.13 | 3.84 5.96 | 7.04 | 5.47 | 4.41 | 3.69 3.64 | 2.80 4.47 | 2.53 5.57 | 3.62 5.63 | 2.36 5.43 | 2.37 6.28 | 2.92 5.33 | 2.61 4.28 | 2.52 6.99 |
| All other operating income. | 9.02 | 9.94 | 6.45 | 3.63 | 5.96 | 5.61 | 7.45 | 3.91 | 3.64 | 4.47 | 5.57 | 5.63 | 5.43 | 6.28 | 5.33 | 4.28 | 6.99 |
| Total operating income. | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Salaries and wages | 17.69 | 14.68 | 19.08 | 19.80 | 18.92 | 22.53 | 18.38 | 18.74 | 17.00 | 21.44 | 20.08 | 16.93 | 18.16 | 16.96 | 19.96 | 17.35 | 20.86 |
| Officer and employee bene | 3.42 | 3.08 | 3.13 | 3.01 | 3.13 | 3.85 | 3.45 | 3.64 | 2.50 | 3.28 | 3.05 | 2.87 | 2.85 | 2.79 | 2.66 | 2.42 | 3.24 |
| Interest on: |  |  |  |  |  |  |  |  |  |  |  |  |  | 34.91 | 27.52 | 29.59 | 34.69 |
| Time and savings depos | 20.44 12.23 | 23.45 13.98 | 29.51 8.12 | 33.91 1.45 | 29.33 6.48 | 20.34 | 23.93 | 31.41 | 32.77 4.18 | 27.98 2.69 | 27.21 5.20 | 33.83 6.71 | 29.86 5.42 | 5.48 | 3.98 | 7.31 | 5.31 |
| Capital notes and debentures | 12.50 .50 | 13.98 .17 | 8. .38 | $\begin{array}{r}1.45 \\ \hline 19\end{array}$ | 6.48 .32 | 6.77 .29 | 9.62 .45 | 4.83 | 4.17 | 2.69 .26 | $\begin{array}{r}\text { 5 } \\ \hline .27\end{array}$ | .29 .29 | 5. 29 .3 | . 24 | . 21 | . 12 | . 32 |
| Occupancy expense of bank premises, net | 3.81 | 3.29 | 3.45 | 3.73 | 3.62 | 4.33 | 3.94 | 3.55 | 3.07 | 3.82 | 3.31 | 3.45 | 3.26 | 2.67 | 3.06 | 2.77 | 4.03 1.88 |
| Provision for loan losses.... | 1.59 | 2.40 | 1.90 | 2.01 | 1.91 | 1.88 | 1.61 | 1.39 | 15.54 | 1.61 | 2.81 16.70 | 14.11 | 2.08 14.64 | 1.21 14.60 | 2.44 16.40 | 2.94 15.18 | 13.85 |
| All other operating expenses. | 19.51 | 17.06 | 14.67 | 15.03 | 15.80 | 18.84 | 17.84 | 13.49 | 15.73 | 16.41 | 16.70 | 14.09 | 14.64 | 14.60 | 16.40 | 15.18 | 13.95 |
| Total operating expenses. | 79.19 | 78.11 | 80.24 | 79.13 | 79.51 | 78.83 | 79.22 | 77.17 | 76.96 | 77.49 | 78.63 | 80.28 | 76.56 | 78.86 | 76.23 | 77.68 | 84.28 |
| Income before taxes and securities gains (losses). | 20.81 | 21.89 | 19.76 | 20.87 | 20.49 | 21.17 | 20.78 | 22.83 | 23.04 | 22.51 | 21.37 | 19.72 | 23.44 | 21.14 | 23.77 | 22.32 | 15.72 |
| Income after taxes and before securities gains (losses) | 13.57 | 14.43 | 13.35 | 15.08 | 14.13 | 13.83 | 14.17 | 16.10 | 17.21 | 15.13 | 14.86 | 13.59 | 15.94 | 14.01 | 15.91 | 15.64 | 10.87 |
| Net securities gains or losses ( - ), atter taxes. | -1.07 | -1.10 | -. 31 | -. 06 | - 14.39 | $\underline{-.05}$ | 14.17 | $\underline{-.28}$ | -. 64 | -. 23 | -. 07 | -. 47 | 15.94 | -. 15 | . 06 | . 00 | -. 05 |
| All other income (net).. | 05 | 18 | -. 19 | 04 | -. 05 | $-.02$ | . 05 | . 04 | . 02 | $-.05$ | . 00 | $-.05$ | . 11 | . 11 | . 04 | $-.04$ | -. 39 |
| Net income. | 12.55 | 13.15 | 12.85 | 15.06 | 13.69 | 13.76 | 13.33 | 15.86 | 16.59 | 14.85 | 14.79 | 13.07 | 16.09 | 13.97 | 16.01 | 15.60 | 10.43 |


| Rates of return (per cent): <br> On securities-Interest and dividends: ${ }^{3}$ <br> U.S. Treasury securities. <br> Other U.S. Govt. securities (agencies and corporations). <br> Obligations of States and political subdivisions. . | 6.00 | 5.97 | 5.59 | 5.53 | 5.62 |  | 5.71 |  | 5.66 | 5.85 | 5.57 | 5.64 | 5.74 | 5.33 | 5.67 | 5.43 | 5.41 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  |  |  |  | 5.82 |  | 5.57 |  |  |  |  |  |  |  |  |  |
|  |  |  |  | 6.58 | 6.55 | 6.98 |  | 6.52 | 6.61 | 6.73 | 6.62 | 6.74 | 6.33 | 6.65 | 6.62 | 6.58 | 6.24 |
|  | 6.87 4.80 | 4.35 | 4.15 | 4.14 | 4.23 | 6.98 4.15 | 4.55 | 3.92 | 4.20 | 4.10 | 4.28 | 4.20 | 3.96 | 4.13 | 4.02 | 4.16 | 4.10 |
| All other securities. . . . . . . . . . . . . . . . . . . . . . . | 7.56 | 5.93 | 6.22 | 5.83 | 6.30 | 5.47 | 7.25 | 6.00 | 6.32 | 5.01 | 7.17 | 5.84 | 5.07 | 5.42 | 5.20 | 5.53 | 6.75 |
| On loans: ${ }^{2}$ | 7.73 | 7.71 | 8.11 | 7.83 | 7.91 | 8.32 | 7.69 | 7.65 | 7.65 | 8.24 | 8.46 | 7.66 | 7.72 | 7.75 | 8.03 | 7.98 | 8.31 |
| Interest, fees, and other loan inco Net loan losses ( - or recoveries | $\begin{array}{r}7.73 \\ -.39 \\ \hline\end{array}$ | -. 38 | - -32 | 7.83 -.28 | -. 32 | 8.32 | -. 35 | -. 21 | -. 26 | -.30 | -. 47 | -. 29 | $-.37$ | $-.17$ | $-.35$ | $-.44$ | -. 27 |
| Ratios on selected types of assets: Percentage of total assets: |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Securities: ${ }^{3}$ | 5.30 | 7.28 | 7.42 | 12.13 | 8.86 | 7.80 | 6.33 | 9.28 | 11.33 | 9.89 | 10.32 | 10.76 | 12.28 | 11.67 | 11.66 | 8.72 | 7.52 |
| Other U.S. Govt. securities (agencies and cor- |  |  |  |  | 1.42 |  | . 82 | 1.34 | 1.12 | 2.01 | 2.23 | 1.82 | 2.26 | 2.29 | 1.63 | 1.85 | 1.36 |
|  | 7.02 | 9.78 | 10.73 | 13.71 | 11.13 | 12.12 | 9.87 | 11.99 | 14.56 | 11.98 | 12.00 | 11.60 | 11.08 | 11.29 | 10.96 | 12.17 | 10.45 |
| Obligations of States and political subdivisions All other securities. | 7.02 .39 | 9.78 .50 | 10.73 57.43 | 13.41 | 1.42 | 12.36 | 9.40 | . 5.57 | 14.42 | . 32 | 5.35 | 1. 5.52 | . 43 | 55.24 | . 65 | . 38 | . 36 |
| Gross loans ${ }^{2}$. ${ }^{\text {All }}$. ${ }^{\text {a }}$. | 53.40 | 58.76 | 57.31 | 54.65 | 55.55 | 57.39 | 54.46 | 58.71 | 55.56 | 56.04 | 52.61 | 55.75 | 52.20 | 55.16 | 52.76 | 52.99 | 59.29 |
| Cash assets. | 25.54 | 15.14 | 18.21 | 13.72 | 17.76 | 17.05 | 22.04 | 14.85 | 14.19 | 16.18 | 18.58 | 15.20 | 18.19 | 15.07 | 19.04 | 19.58 | 15.08 2.11 |
| Real estate asset | . 99 | 1.64 | 1.79 | 1.79 | 1.63 | 1.76 | 1.12 | 1.49 | 1.35 | 1.91 | 2.40 | 1.51 | 1.50 | 1.59 | 1.82 | 2.28 | 2.11 |
| Percentage of gross loans: ${ }^{2}$ |  |  |  |  |  |  |  |  |  | 30.40 | 33.45 | 36.08 | 32.55 | 29.38 | 29.41 | 40.87 | 37.40 |
| Commercial and industria | 58.47 .03 | 59.38 .41 | 40.96 1.54 | 25.68 | 2.62 | 42.11 | $\begin{array}{r}49.83 \\ \hline .26\end{array}$ | 1.08 | 1.01 | 1.38 | 3.48 1.38 | 2.48 | 4.47 | 10.95 | 15.10 | 5.12 | 3.78 |
| Loans to farmers | 8.15 | 7.67 | 21.26 | 30.63 | 21.80 | 22.56 | 15.12 | 26.75 | 26.35 | 23.69 | 18.23 | 27.36 | 23.35 | 28.18 | 15.60 | 11.15 | 27.99 |
| Loans to individuals for personal expenditures | 8.03 | 8.54 | 18.73 | 28.14 | 19.90 | 22.36 | 13.11 | 21.92 | 24.65 | 31.20 | 31.58 15.36 | 17.88 | 24.76 14.87 | 22.09 9.40 | 23.74 16.15 | 22.20 20.66 | 18.67 12.16 |
| All other loans ${ }^{2}$. . . . . . . . . . | 25.32 | 24.00 | 17.51 | 10.37 | 16.51 | 12.68 | 21.68 | 16.81 | 13.86 |  | 15.36 | 16.20 | 14.87 | 9.40 |  | 20.66 |  |
| Other ratios (per cent): |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Interest on time and savings deposits to time and | 5.71 | 5.42 | 5.11 | 4.67 | 4.98 | 4.85 | 5.38 | 4.71 | 4.62 | 4.72 | 4.87 | 4.89 | 4.89 | 4.93 | 4.84 | 5.16 | 5.14 |
| Savings deposits. ${ }^{\text {a }}$ income plus income taxes | 28.18 | 30.07 | 29.89 | 25.89 | 27.91 | 32.67 | 26.06 | 27.23 | 21.93 | 30.48 | 27.89 | 28.51 | 30.17 | 31.89 | 31.51 | 28.52 | 28.57 |
| Time and savings deposits to total deposits.. | 27.47 | 38.35 | 46.22 | 52.65 | 45.35 | 36.66 | 34.98 | 50.01 | 52.83 | 45.65 | 43.01 | 52.16 | 42.82 | 52.48 | 41.47 | 40.89 | 55.48 |
| Total capital accounts and reserves to total assets ${ }^{5}$ | 8.72 | 9.92 | 8.51 | 8.64 | 8.66 | 9.33 | 8.75 | 9.18 | 9.70 | 8.83 | 8.83 | 8.49 | 9.10 | 8.06 | 9.27 | 8.73 | 7.51 |
| Number of banks 6 . | 12 | 9 | 157 | 5,589 | 5,767 | 231 | 351 | 321 | 470 | 361 | 546 | 943 | 459 | 489 | 807 | 634 | 155 |

INCOME RATIOS OF RESERVE CITY MEMBER BANKS, BY FEDERAL RESERVE DISTRICT
(Computed from aggregate dollar amounts; ratios expressed as percentages)

| Item | Federal Reserve district |  |  |  |  |  |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Boston | New York | Philadelphia | Cleveland | Richmond | Atlanta | Chicago | St. Louis | Minneapolis | Kansas City | Dallas | San Francisco |
| Summary ratios: <br> Percentage of equity capital plus all reserves: |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
| Income after taxes and before securities gains (losses) ${ }^{1}$. | 10.13 | 9.75 | 11.80 | 11.33 | 12.09 | 10.83 | 9.91 | 10.53 | 11.84 | 10.12 | 11.00 | 10.46 |
| Net income........ | 10.13 | 9.04 | 11.50 | 10.63 | 11.94 | 10.62 | 9.10 | 10.49 | 11.62 | 10.07 | 10.96 | 9.89 |
| Cash dividends paid | 4.93 | 5.94 | 6.13 | 4.86 | 5.08 | 4.97 | 4.58 | 4.36 | 5.14 | 7.02 | 4.70 | 5.01 |
| Percentage of net income: Cash dividends paid. | 48.67 | 65.67 | 53.33 | 45.77 | 42.59 | 46.79 | 50.39 | 41.54 | 44.23 | 69.72 | 42.91 | 50.74 |
| Sources and disposition of income: Percentage of total assets: |  |  |  |  |  |  |  |  |  |  |  |  |
| Total operating expenses..... | 5.66 | 4.65 | 5.01 | 4.81 | 5.09 | 5.23 | 4.97 | 4.56 | 4.71 | 4.61 | 4.31 | 5.73 |
| Salaries, wages, and fringe benefits. | 1.76 | 1.23 | 1.55 | 1.18 | 1.68 | 1.56 | 1.16 | 1.24 | 1.18 | 1.36 | . 95 | 1.61 |
| Interest on time and savings deposits.... | . 97 | 1.23 | 1.59 | 1.91 | 1.64 | 1.44 | 1.78 | 1.44 | 1.30 | 1.29 | 1.53 | 2.38 |
| Occupancy expense of bank premises, net | . 26 | . 227 | . 24 | 1.18 | . 27 | . 21 | . 21 | . 18 | . 12 | . 15 | . 08 | . 26 |
| All other operating expenses. | 2.67 | 1.97 | 1.63 | 1.54 | 1.50 | 2.02 | 1.82 | 1.70 | 2.11 | 1.81 | 1.75 | 1.48 |
| Total operating income . . . . . . . . . . . . . . . . . . . . | 7.17 | 5.86 | 6.50 | 6.34 | 6.63 | 6.67 | 6.22 | 6.00 | 6.34 | 6.03 | 5.67 | 6.78 |
| Income after taxes and before securities gains (losses) Net income. | . 90 | . 79 | . 99 | 1.13 | 1.00 | . 93 | . 82 | . 92 | . 94 | . 91 | . 92 | . 72 |
| Net income....... | . 90 | . 73 | . 96 | 1.06 | . 99 | . 91 | . 75 | . 91 | . 93 | . 91 | . 92 | . 68 |
| Percentage of total operating income: |  |  |  |  |  |  |  |  |  |  |  |  |
| Interest, fees, and other loan income ${ }^{\text {2 }}$ | 67.39 | 70.84 | 74.30 | 70.06 | 71.08 | 72.61 | 70.44 | 71.70 | 70.70 | 71.19 | 73.72 | 72.45 |
| U.S. Treasury securities. | 6.45 | 5.49 | 5.16 | 7.67 | 7.91 | 6.22 | 7.18 | 7.83 | 4.21 | 6.53 | 5.52 | 5.71 |
| Other U.S. Govt. securities (agencies and corporations) | . 88 | . 69 | . 01 | . 55 | 1.04 | . 51 | . 65 | . 34 | . 25 | . 32 | . 46 | 1.08 |
| Obligations of States and political subdivisions.... | 4.86 | 5.86 | 5.56 | 9.85 | 7.35 | 6.09 | 7.04 | 6.16 | 5.58 | 5.61 | 8.84 | 6.21 |
| All other securities............ | . 24 | .50 1.37 | . 34 | . 48 | 3.22 | . 61 | . 42 | . 32 | +.16 | 1.16 | . 42 | . 40 |
| Service charges on deposit accoun | 1.18 | 1.37 | 2.61 | 2.07 | 3.93 | 3.44 | 1.41 | 2.56 | ${ }_{5} 1.58$ | 1.93 | 1.32 | 4.25 |
| Trust department income.. | 10.57 8.43 | 6.39 | ${ }_{5}^{6.12}$ | 4.92 | 3.83 | 3.48 | 5.14 | 3.24 | 5.59 | 6.09 | 4.33 | 2.67 |
| Total operating income. | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Salaries and wages. | 21.15 | 17.70 | 19.40 | 16.22 | 21.91 | 20.01 | 15.76 | 17.58 | 15.98 | 19.79 | 14.59 | 20.51 |
| Officer and employee benefits | 3.38 | 3.41 | 4.48 | 2.39 | 3.51 | 3.46 | 2.97 | 3.15 | 2.71 | 2.75 | 2.28 | 3.26 |
| Interest on: Time and savings deposits. |  |  |  |  |  |  |  |  |  |  |  |  |
| Time and savings deposits. | 13.57 13.13 | 21.00 12.13 | 24.53 9.21 | 30.09 6.66 | 24.88 4.04 | 21.60 10.70 | 28.74 11.59 | 24.02 10.78 | 20.59 15.36 | 21.39 8.78 | 27.01 14.78 | 35.11 5.97 |
| Capital notes and debentures | 13.39 | 2.50 .50 | 9.21 | 6.66 .22 | 4.04 .46 | $\begin{array}{r}10.70 \\ \hline .44\end{array}$ | $\begin{array}{r}11.59 \\ \hline .39\end{array}$ | 10.78 .50 | 15.36 .30 | 8.78 | 14.78 .13 | 5.91 |
| Occupancy expense of bank premises, n | 3.71 | 3.81 | 3.69 | 2.93 | 4.10 | 3.22 | 3.41 | 3.13 | 2.02 | 2.58 | 1.52 | 3.94 |
| Provision for loan losses.... | 1.74 | 1.61 | 1.75 | 1.42 | 1.38 | 3.01 | 2.44 | 2.15 | 1.10 | 2.45 | 1.88 | 1.81 |
| All other operating expenses | 21.87 | 19.20 | 13.34 | 15.96 | 16.49 | 16.06 | 14.54 | 14.78 | 16.26 | 18.33 | 13.83 | 13.57 |
| Total operating expenses. | 78.94 | 79.36 | 77.14 | 75.89 | 76.77 | 78.50 | 79.84 | 76.09 | 74.32 | 76.42 | 76.02 | 84.48 |
| Income before taxes and securities gains (losses). | 21.06 | 20.64 | 22.86 | 24.11 | 23.23 | 21.50 | 20.16 | 23.91 | 25.68 | 23.58 | 23.98 | 15.52 |
| Income after taxes and before securities gains (losses) | 12.54 | 13.51 | 15.27 | 17.88 | 15.16 | 14.02 | 13.28 | 15.35 | 14.94 | 15.16 | 16.35 | 10.75 |
| Net securities gains or losses ( - ), after taxes.... |  | -1.03 | -. 38 | -1.13 | -. 15 | $-.18$ | -. 99 | -. 28 | $-.28$ | $-.03$ | . 01 | $-.08$ |
| All other income (net). |  | . 05 | . 00 | . 03 | -. 04 | $-.09$ | -. 10 | . 23 | . 00 | -. 05 | -. 08 | $-.51$ |
| Net income. | 12.54 | 12.53 | 14.89 | 16.78 | 14.97 | 13.75 | 12.19 | 15.30 | 14.66 | 15.08 | 16.28 | 10.16 |


| Rates of return: Interest and dividends: 3 |  |  |  |  |  |  |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | 6.00 | 5.73 | 5.74 | 6.09 | 5.44 | 5.80 | 5.88 | 5.19 | 5.60 | 5.07 | 5.41 |
| U.S. Treasury securities . . . . . . . . . . . . | 5.86 7.30 | 6.86 | 1.74 | 5.81 | 7.25 | 6.64 | 6.80 | 4.99 | 4.30 | 6.08 | 5.37 | 6.22 |
| Other U.S. Govt. securities of States and political subdivisions | 3.93 | 4.74 | 3.88 | 4.27 | 4.14 | 4.42 | 4.29 | 3.95 | 4.38 | 3.97 | 4.34 | 4.08 |
| All other securities.. . . . . . . . . . . . . . . . . . . . . | 5.05 | 7.50 | 6.12 | 6.44 | 5.31 | 8.23 | 5.83 | 4.19 | 4.96 | 5.03 | 6.13 | 7.00 |
| On loans: ${ }^{2}$ |  |  |  |  |  | 8.79 | 7.61 | 7.86 | 7.94 | 7.94 | 7.70 | 8.30 |
| Interest, fees, and other loan income Net loan losses ( | 8.79 | 7.74 -.38 | 7.89 -.29 | 7.82 -.30 | 8.45 -.32 | 8.79 -.62 | -. 34 | -. 46 | 7.94 -.16 | -. 47 | -. 34 | -. 25 |
| Ratios on selected types of assets: Percentage of total assets: |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
| Securities: ${ }^{3}$ <br> U.S. Treasury securities | 7.88 | 5.36 | 5.86 | 8.47 | 8.60 | 7.62 | 7.70 | 7.99 | 5.15 | 7.03 | 6.18 | 7.15 |
|  | . 87 | . 59 | . 06 | . 60 | 8.95 | . 51 | . 59 | . 41 | . 37 | . 32 | . 48 | 1.18 |
| Obligations of States and political subdivisions | 8.86 | 7.24 | 9.31 | 14.61 | 11.75 | 9.20 | 10.21 | 9.34 | 8.07 | 8.54 | 11.55 | 10.30 |
| All other securities. | 55.34 | 5.39 | $6{ }^{.36}$ | .47 568 | 55. 28 | 55.50 | 57.45 | +546 | 56. 21 | 54.39 | ${ }_{54} .38$ | ${ }_{59} .38$ |
| Gross loans ${ }^{2}$.... | 55.00 | 53.68 | 61.25 | 56.84 | 55.77 | 55.11 | 57.57 | 54.72 | 56.48 | 54.10 | 54.29 | 59.21 |
| Cash assets. | 20.45 | 25.07 1.01 | 18.78 1.33 | 15.72 1.20 | 18.88 1.59 | 22.14 | 17.59 1.46 | 22.21 1.39 | 21.43 1.57 | 24.17 2.01 | 21.47 2.48 |  |
| Real estate assets. | 1.47 | 1.01 | 1.33 | 1.20 | 1.59 | 2.65 | 1.46 |  | 1.57 |  | 2.48 | 2.07 |
| Percentage of gross loans: ${ }^{2}$ |  |  |  | 44.42 | 36.49 | 38.33 | 47.62 | 44.36 | 46.02 | 36.08 | 45.68 | 39.04 |
| Commercial and industrial loans | 60.74 .02 | 57.56 .06 | 47.06 | . 44.4 | 36.42 .42 | 38.37 | . 34 | . 57 | . 73 | 5.02 | . 91 | 3.15 |
| Loans to farmers. | 8.47 | 8.80 | 12.21 | 20.09 | 19.16 | 12.22 | 19.15 | 13.02 | 15.12 | 12.56 | 8.45 | 27.73 |
| Loans to individuals for personal expenditure | 12.32 | 8.59 | 16.28 | 18.42 | 28.19 | 30.12 | 11.46 | 21.53 | 20.15 | 20.98 | 15.95 | 17.09 |
| All other loans ${ }^{2}$ | 18.45 | 24.99 | 24.40 | 17.03 | 15.74 | 18.86 | 21.43 | 20.52 | 17.98 | 25.36 | 29.01 | 12.99 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
| Interest on time and sav. deposits to time and sav. dep | 38.71 | 28.16 | 30.24 | 21.32 | 32.61 | 30.92 | 31.00 | 32.98 | 40.22 | 32.80 | 29.90 | 28.40 |
| Income taxes to net income plus income taxes | 24.67 | 28.62 | 38.78 | 48.51 | 40.67 | 35.91 | 44.80 | 34.22 | 32.43 | 31.95 | 35.95 | 55.56 |
| Time and sapital accts. and reserves to total assets ${ }^{\text {T }}$ | 9.65 | 8.72 | 38.14 | 10.26 | 8.92 | 9.40 | 8.82 | 9.37 | 8.33 | 9.53 | 8.79 | 7.43 |
| Number of banks ${ }^{6}$. | 5 | 15 | 6 | 16 | 15 | 20 | 24 | 15 | 8 | 18 | 17 | 19 |

For notes see p. A-109.

INCOME RATIOS OF COUNTRY MEMBER BANKS, BY FEDERAL RESERVE DISTRICT
(Computed from aggregate dollar amounts; ratios expressed as percentages)

| Item | Federal Reserve district |  |  |  |  |  |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Boston | New York | Philadelphia | Cleveland | Richmond | Atlanta | Chicago | St. Louis | Minneapolis | Kansas City | Dallas | San <br> Francisco |
| Summary ratios: <br> Percentage of equity capital plus all reserves: |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
| Net income. . . . . . . . . . . . . . . . . . . . . . . . . . ${ }^{\text {a }}$. | 10.93 | 11.68 | 11.25 | 11.16 | 11.08 | 12.01 | 11.09 | 11.45 | 11.16 | 11.68 | 10.97 | 11.32 |
| Cash dividends paid. | 5.48 | +4.78 | 4.67 | 3.69 | 4.14 | 3.57 | 3.43 | 3.21 | 3.93 | 3.72 | 3.39 | 3.74 |
| Percentage of net income: Cash dividends paid... | 50.17 | 40.94 | 41.55 | 33.13 | 37.37 | 29.72 | 30.93 | 28.09 | 35.22 | 31.88 | 30.94 | 33.08 |
| Sources and disposition of income: Percentage of total assets: |  |  |  |  |  |  |  |  |  |  |  |  |
| Total operating expenses.... | 5.30 | 4.93 | 4.73 | 4.75 | 5.10 | 5.08 | 5.05 | 4.59 | 5.09 | 4.85 | 4.92 | 5.89 |
| Salaries, wages, and fringe benefits. | 1.85 | 1.50 | 1.29 | 1.25 | 1.56 | 1.47 | 1.31 | 1.27 | 1.27 | 1.44 | 1.37 | 1.82 |
| Interest on time and savings deposits. | 1.66 | 2.05 | 2.29 | 2.21 | 2.03 | 1.98 | 2.48 | 2.09 | 2.62 | 1.95 | 1.97 | 2.30 |
| Occupancy expense of bank premises, net | . 31 | . 27 | . 20 | . 19 | . 23 | . 21 | . 21 | . 20 | . 18 | . 21 | . 23 | . 31 |
| All other operating expenses.. . . . . | 1.48 6.74 | 1.11 6.26 | .95 6.12 | 1.10 6.05 | 1.28 6.53 | 1.42 6.45 | 1.05 6.25 | 1.03 5.96 | 1.02 6.29 | 1.25 6.37 | 1.35 6.23 | 1.46 7.07 |
| Income after taxes and before sec. gains (losses) ${ }^{1}$. | . 98 | 1.00 | 1.03 | . 98 | . 98 | . 98 | . 86 | . 97 | . 84 | 1.03 | . 92 | . 81 |
| Net income. . . . . . . . . . . . . . . . . . . . . . . . . . . . . . | . 98 | . 98 | 1.02 | . 98 | . 96 | . 99 | . 88 | 1.00 | . 85 | 1.05 | . 93 | . 83 |
| Percentage of total operating income: Interest, fees, |  |  |  |  |  |  |  |  |  |  | 68.58 | 70.65 |
| Interest, fees, and other loan income ${ }^{2}$. | 70.39 | 68.73 | 68.75 | 65.90 | 69.35 | 65.37 | 66.10 | 63.49 | 66.46 | 65.99 | 68.58 |  |
| U.S. Treasury securities. | 6.67 | 7.82 | 10.92 | 14.01 | 9.71 | 10.38 | 12.66 | 15.34 | 12.52 | 12.67 | 9.84 | 7.30 |
| Other U.S. Govt. securities (agencies and corps.) | . 84 | 1.48 | 2.61 | 2.09 | 3.10 | 3.33 | 3.49 | 4.23 | 3.44 | 2.46 | 3.31 | 2.06 |
| Obligations of States and poilitical subdivisions | 8.86 | 11.35 | 9.14 | 9.80 | 7.61 | 8.95 | 8.72 | 8.39 | 8.25 | 7.81 | 8.21 | 6.61 |
| Service charges on deposit accounts. | 4.35 | 4.23 | 2.82 | 3.33 | 3.92 | 5.10 | 3.36 | 3.31 | 4.66 | 5.19 | 5.16 | 5.78 |
| Trust department income. . | 4.77 | 2.73 | 2.90 | 1.96 | 1.74 | 1.95 | 1.87 | 1.57 | . 85 | 1.27 | 1.23 | 1.77 |
| All other operating income. | 3.80 | 3.21 | 2.14 | 2.57 | 4.31 | 4.67 | 3.23 | 3.27 | 3.60 | 4.39 | 3.37 | 5.68 |
| Total operating income. | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Salaries and wages.. | 23.42 | 20.40 | 18.15 | 18.10 | 20.97 | 20.11 | 18.28 | 18.69 | 17.41 | 20.05 | 19.56 | 22.66 |
| Officer and employee benefits. | 4.15 | 3.60 | 2.90 | 2.64 | 3.04 | 2.79 | 2.75 | 2.59 | 2.83 | 2.62 | 2.53 | 3.13 |
| Interest on: Time and savings deposits. | 24.69 | 32.72 | 37.50 | 36.52 | 31.18 | 30.66 | 39.68 | 35.06 | 41.64 | 30.71 | 31.65 | 32.50 |
| Borrowed money. ....... | 2.70 | 2.13 | . 39 | . 69 | 1.30 | 1.81 | 1.09 | . 63 | . 84 | 1.49 | 1.35 | 1.91 |
| Capital notes and debentures. | . 24 | . 32 | . 14 | . 10 | . 06 | . 16 | . 17 | . 09 | . 21 | . 14 | . 12 | + 39 |
| Occupancy expense of bank premises, net | 4.73 | 4.34 | 3.42 | 3.26 | 3.53 | 3.37 | 3.50 | 3.37 | 2.98 | 3.31 | 3.76 | 4.50 |
| Provision for loan losses................ | 1.97 16.87 | 1.61 13.68 | 1.06 13.65 | 1.71 15.46 | 1.85 16.30 | 2.69 17.12 | 1.73 13.59 | 2.03 14.52 | 1.26 13.83 | 2.44 15.37 | 3.78 16.25 | 2.22 15.93 |
| Total operating expenses. | 78.77 | 78.80 | 77.21 | 78.48 | 78.23 | 78.71 | 80.79 | 76.98 | 81.00 | 76.13 | 79.00 | 83.24 |
| Income before taxes and securities gains (losses). | 21.23 | 21.20 | 22.79 | 21.52 | 21.77 | 21.29 | 19.21 | 23.02 | 19.00 | 23.87 | 21.00 | 16.76 |
| Income after taxes and before securities gains (losses). | 14.65 | 16.13 | 16.83 | 16.28 | 15.10 | 15.37 | 13.95 | 16.47 | 13.57 | 16.31 | 15.07 | 11.49 |
| Net securities gains or losses ( - ), after taxes. | -. 08 | $-.42$ | -. 18 | . 02 | -. 32 | . 01 | . 12 | . 31 | -. 09 | . 10 | $-.01$ | . 11 |
| All other income (net).. | -. 03 | . 04 | . 08 | . 02 | -. 06 | . 06 | . 00 | . 01 | . 17 | . 09 | . 00 | . 18 |
| Net income. | 14.54 | 15.75 | 16.73 | 16.32 | 14.72 | 15.44 | 14.07 | 16.79 | 13.65 | 16.50 | 15.06 | 11.78 |


| Rates of return: |  |  |  |  |  |  |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| On securities-Interest and dividends: ${ }^{3}$ |  |  |  |  |  |  |  |  |  |  |  |  |
| U.S. Treasury securities ....... | 5.80 | 5.20 | 5.51 | 5.59 | 5.66 | 5.62 | 5.53 | 5.68 | 5.35 | 5.68 | 5.60 | 5.44 |
| Other U.S. Govt. securities (agencies and corps. | 6.78 | 5.87 | 6.63 | 6.96 | 6.57 | 6.62 | 6.73 | 6.45 | 6.78 | 6.66 | 6.75 | 6.30 |
| Obligations of States and political subdivisions | 4.24 | 4.28 | 3.93 5 | 4.09 | 4.07 | 4.23 | 4.13 | 3.96 | 4.05 | 4.05 | 4.02 | 4.16 |
| All other securities... | 5.70 | 6.53 | 5.95 | 6.10 | 4.77 | 5.99 | 5.84 | 5.95 | 5.60 | 5.73 | 4.99 | 4.55 |
| Interest, fees, and other loan income | 8.06 | 7.56 | 7.44 | 7.40 | 8.04 | 8.25 | 7.71 | 7.58 | 7.67 | 8.08 | 8.24 | 8.36 |
| Net loan losses ( - ) or recoveries ${ }^{4}$. | -. 32 | -. 24 | $-.13$ | -. 21 | -. 27 | -. 37 | -. 23 | -. 27 | -. 18 | -. 28 | -. 53 | -.36 |
| Ratios on selected types of assets: Percentage of total assets: |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
| Securities: ${ }^{3}$ |  |  |  |  |  |  |  |  |  |  |  |  |
| Other U.S. Govt. securities (agencies and corps.) | . 84 | 1.58 | 2.41 | 1.82 | 3.08 | 3.25 | 3.24 | 3.91 | 3.19 | 2.35 | 3.06 | 2.32 |
| Obligations of States and political subdivisions. | 14.08 | 16.58 | 14.23 | 14.48 | 12.21 | 13.67 | 13.21 | 12.62 | 12.80 | 12.29 | 12.72 | 11.24 |
| All other securities. | . 38 |  |  | 5.34 | 5.36 | 51.26 | ${ }_{5} .61$ | 49.41 | 5.25 | 5.25 | 51.38 | . 23 |
| Gross loans ${ }^{2}$ | 58.83 | 56.93 | 56.58 | 53.84 | 56.33 | 51.12 | 53.65 | 49.96 | 54.54 | 52.02 | 51.86 | 59.75 |
| Cash assets.. | 15.01 | 12.36 | 11.56 | 12.15 | 13.45 | 16.45 | 12.43 | 14.62 | 12.09 1.60 | 16.23 1.71 | 17.93 2.10 | 12.66 |
| Real estate assets | 1.93 | 1.49 | 1.61 | 1.57 | 2.23 | 2.25 | 1.57 | 1.60 | 1.60 | 1.71 | 2.10 | 2.32 |
| Percentage of gross loans: ${ }^{2}$ Commercial and industrial lo |  |  |  |  |  |  |  | 21.06 | 21.33 | 25.60 | 36.45 | 28.67 |
| Commercial and industrial lo | 31.44 | 26.87 | 2.00 | 2.39 | 2.35 | 1.97 | 5.14 | 8.25 | 15.90 | 20.86 | 9.00 | 7.08 |
| Real estate loans | 30.48 | 34.12 | 39.87 | 35.20 | 28.24 | 22.09 | 37.55 | 33.39 | 34.49 | 17.33 | 13.63 | 29.38 |
| Loans to individuals for personal exp | 28.01 | 26.72 | 27.02 | 33.47 | 34.22 | 32.53 | 25.85 | 27.90 | 23.03 | 25.32 | 27.94 | 27.09 |
| All other loans ${ }^{2}$......... | 9.44 | 11.73 | 9.97 | 9.38 | 10.90 | 13.10 | 9.69 | 9.40 | 5.25 | 10.89 | 12.98 | 7.78 |
| Other ratios (per cent): |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
| Income taxes to net income plus income taxes | 28.78 | 20.55 | 24.67 | 22.79 | 28.10 | 26.11 | 25.84 | 27.70 | 26.73 | 30.88 | 27.28 | 29.33 |
| Time and savings deposits to total deposits. | 42.68 | 52.05 | 58.54 | 58.10 | 50.55 | 46.91 | 59.58 | 49.76 | 60.59 | 46.36 | 44.74 | 55.08 |
| Total capital accts. and reserves to total assets 5 | 9.25 | 8.83 | 9.22 | 8.96 | 8.74 | 8.48 | 8.11 | 8.86 | 7.93 | 9.13 | 8.68 | 7.93 |
| Number of banks ${ }^{6}$. | 226 | 336 | 315 | 454 | 346 | 526 | 919 | 444 | 481 | 789 | 617 | 136 |

1 Excludes minority interest in operating income, if any. 2 Loans include Federal funds sold and securities purchase under agreements to resell

3 Excludes trading-account securities.
${ }^{4}$ Net losses on loans is the sum of the expense item "provision for loan losses for banks not on a reserve accountin losses on loans over recoveries credited to these reserves fo banks on a reserve accounting method.
${ }^{5}$ Includes capital notes and debentures and all valuation reserves.
${ }^{6}$ Excludes one member bank located outside the continenta United States. Note.- The ratios in this and the preceding two tables were tables. Many of these ratios vary substantially from the ave age of individual bank ratios, (which will be published in subsequent issue) in which each bank's figures -regardless of
equally important influence on the result. In the ratios base on aggregates presented here, the experience of those banks in each group whose figures are largest have a much greater in fluence than that of the many banks with smaller figures Ratios based on aggregates show combined results for the more significant for purposes of general analyses of credi and monetary problems, while averages of individual ratios are useful primarily to those interested in studying the financia results of operations of individual banks.
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MEASURES OF SECURITY CREDIT. Dec. 1970. 11 pp.
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SURVEY OF DEMAND DEPOSIT OWNERSHIP. June 1971.12 pp.

BANK RATES ON BUSINESS LOANS-REVISED SERIES. June 1971. 10 pp .

## ANTICIPATED SCHEDULE OF RELEASE DATES FOR PUBLIC PERIODIC RELEASES ${ }^{1}$ BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

| Weekly releases | $\begin{array}{c}\text { Approximate } \\ \text { release day }\end{array}$ |
| :--- | :--- |
| $\begin{array}{c}\text { Aggregate Reserves and Member Bank Deposits (H.3) } \\ \text { data refer }\end{array}$ |  |
| Tuesday | $\begin{array}{c}\text { Week ended previous } \\ \text { Wednesday }\end{array}$ |
| $\begin{array}{c}\text { Applications and Reports Received, or Acted on, by the } \\ \text { Board (H.2) }\end{array}$ | Tuesday | \(\left.\begin{array}{c}Week ended previous <br>

Saturday\end{array}\right]\) Wednesday, 2 weeks ear-

| Weekly releases (cont.) | Approximate release day | Date or period to which data refer |
| :---: | :---: | :---: |
| Deposits, Reserves, and Borrowings of Member Banks (H.7) | Wednesday | Week ended 3 Wednesdays earlier |
| Factors Affecting Bank Reserves and Condition Statement of Federal Reserve Banks (H.4.1) | Thursday | Week ended previous Wednesday |
| Money Stock Measures (H.6) | Thursday | Week ended Wednesday of previous week |
| Reserve Positions of Major Reserve City Banks (H.5) | Friday | Week ended Wednesday of previous week |
| Selected Interest and Exchange Rates for Major Countries and the United States (H.13) | Thursday | Week ended previous Saturday |
| Weekly Foreign Exchange Rates (H.10) | Monday | Week ended previous Friday |
| Weekly Summary of Banking and Credit Measures (H.9) | Thursday | Week ended previous Wednesday; and week ended Wednesday of previous week |
| Weekly U.S. Government Security Yields and Prices (H.15) | Monday | Week ended previous Saturday |
| Semimonthly releases |  |  |
| Research Library-Recent Acquisitions (J.2) | 1st and 16th of month | Period since last release |
| Monthly releases |  |  |
| Assets and Liabilities of All Member Banks by Districts (G.7.1) | 14th of month | Last Wednesday of previous month |
| Automobile Loans by Major Finance Companies (G.25) | 7th working day of month | 2nd month previous |
| Automobile Instalment Credit Developments (G.26) | 6th working day of month | 2nd month previous |
| Bank Debits, Deposits, and Deposit Turnover (G.6) | 25th of month | Previous month |
| Business Indexes (G.12.3) (Industrial Production Indexes also available annually, see p. A-126) | 15th of month | Previous month |
| Commercial and Industrial Term Loans Outstanding by Industry (H.12b) Available only as attachment to weekly H. 12 release | 2nd Wednesday of month | Last Wednesday of previous month |
| Consumer Credit (G.19) | 3rd working day of month | 2nd month previous |
| Consumer Instalment Credit at Commercial Banks (G.18) | 4th working day of month | 2nd month previous |
| Finance Companies (G.20) | 5th working day of month | 2nd month previous |
| Interdistrict Settlement Fund (G.15) | 15th of month | Previous month |
| Index Numbers of Wholesale Prices (G.8) | 20th of month | Previous month |

Monthly releases (cont.)
Maturity Distribution of Euro-Dollar Deposits in Foreign
Branches of U.S. Banks (G.17)
Maturity Distribution of Outstanding Negotiable Time Cer-
tificates of Deposit (G.9)
Monthly Foreign Exchange Rates (G.5)
National Summary of Business Conditions (G.12.2)
Open Market Money Rates and Bond Prices (G.13)
State Member Banks of Federal Reserve System and Non-
member Banks that Maintain Clearing Accounts with
Federal Reserve Banks (G.4)
(Also annual)

Summary of Equity Security Transactions (G.16)
U.S. Government Security Yields and Prices (G.14)

Quarterly releases
Bank Rates on Short-Term Business Loans (E.2)

Capacity Utilization in Manufacturing (E.5)

Flow of funds:
Seasonally adjusted and unadjusted (Z.1)
Seasonally adjusted only (Z.1a)
Volume and Composition of Individuals' Saving (flow of funds series) (E.8)

Sales, Profits, and Dividends of Large Corporations (E.6) *

## Semiannual releases

Assets and Liabilities of All Commercial Banks, by Class of Bank (E.3.4)

List of OTC Margin Stocks (E.7)
(Also monthly revisions)

Assets, Liabilities, and Capital Accounts of Commercial and Mutual Savings Banks-Reports of Call (Joint Release of Federal Deposit Insurance Corp., Board of Governors of Federal Reserve System, and Office of Comptroller of the Currency. Published and distributed by FDIC)

Approximate release day
1st of month

24th of month

1st of month
15 th of month
6th of month
1st week of month

1st week of February

Last week of month

4th of month

## 18th of March, June, September, December

21st of January, April, July, October
15th of February, May, August, and November

10th of April, June, September, December

## Approximate release day

May and November

June 30, December 31

Last week of Period since last release month

May and November

Date or period to which data refer

Last day of 3rd month previous
Last Wednesday of previous month

Previous month
Previous month
Previous month
Previous month

End of previous year

Release date

Previous month

1st 15 days of February, May, August, November

Previous quarter

Previous quarter

2nd quarter previous

## Date or period to which data refer

End of previous December and June

Release date

End of previous December and June

| Annual releases | Approximate release day | Date or period to which data refer |
| :---: | :---: | :---: |
| Bank Debits to Demand Deposit Accounts Except Interbank and U.S. Government Accounts (C.5) | March 25 | Previous year |
| End of Month Demand Deposits Except Interbank and U.S. Government Accounts (C.5a) | March 25 | Previous year |
| Federal Reserve Par List (G.3) | Early November | Previous September 30 |
| (Also monthly supplements) | 5 th of month | Period since last release |
| Industrial Production Indexes <br> (Available upon request, after being announced) | November | Previous year |
| Member Bank Income (C.4) | End of May | Previous year |
| ${ }^{1}$ Release dates are those anticipated or usually met. However, it should be noted that for some releases there is normally a certain variability because of reporting or processingprocedures. Moreover, for all series unusual circumstances may, from time to time, result in a release date being later than anticipated. <br> ${ }^{2}$ Contains monthly H.12b release on second Wednesday of month. <br> ${ }^{3}$ Contains revised H.4.3 data. <br> ${ }^{4}$ Publication temporarily suspended. |  |  |
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BOUNDARIES OF FEDERAL RESERVE DISTRICTS AND THEIR BRANCH TERRITORIES

$\star$ THE FEDERAL RESERVE SYSTEM 0 \&


- Boundaries of Federal Reserve Districts -Boundaries of Federal Reserve Branch Territories Board of Governors of the Federal Reserve System
© Federal Reserve Bank Cities
- Federal Reserve Branch Cities


[^0]:    in U.S. currency. (Stamps and coupons not accepted)

[^1]:    Note.-Based on quarterly data for terminal quarters in each period, except growth rate of $M_{1}$ which is calculated from averages for terminal months in the periods-and high-employment budget surplus-which shows average levels for the entire span of each period. Data for yields on Aaa newly issued corporate bonds are First National City Bank estimates and data for high-employment budget surplus (NIA basis) are unpublished estimates by the Division of Research and Statistics at the Federal Reserve.

[^2]:    ${ }^{1}$ Borrowing by nonfinancial sectors in the form of bank loans, consumer credit, open market paper, and State and local securities under 1 year.
    ${ }_{2}$ Borrowing by nonfinancial sectors in the form of State and local securities other than short-term, corporate and foreign bonds, and mortgages.
    ${ }^{3}$ Net mortgage purchases of U.S. budget agencies, Federal National Mortgage Association, and Federal land banks; and Federal home loan bank loans to savings and loan associations.

    4 Borrowing by Government-sponsored credit agencies is included as a component of total borrowing and is shown in line $\mathbf{B}$. However, to the extent that such borrowing finances home mortgage lending it is deducted in line $\mathbf{E}$, since total mortgage borrowing has been included in line $\mathbf{D}$.

    5 During the last half of 1966, total borrowing amounted to 6.7 per cent of GNP.
    Source.-Federal Reserve flow of funds accounts.
    $p$ preliminary.

[^3]:    Monthly averages except for bank prime rate.

[^4]:    Note.-This article was prepared by Caroline H. Cagle of the Board's Division of Research and Statistics.

[^5]:    ${ }^{1}$ Total capital accounts include equity capital and capital notes and debentures but exclude reserves on loans and securities.

[^6]:    ${ }^{2}$ This is the sum of (1) net losses charged to reserves for losses on loans for banks reporting on a reserve-accounting method (most banks report on this basis) and (2) the amount reported as current operating expense item "provision for loan losses" for all other banks.

[^7]:    ${ }^{1}$ This item excludes, and "interest on other borrowed money" and "other operating expenses" include, the following estimated amounts of interest on Euro-dollar borrowing incorrectly reported as interest on time and savings deposits: 1968- $\$ 305$ million; 1969$\$ 101$ million.

    2 Because of the substantial changes in reporting beginning in 1969 it was necessary to restate the 1968 figures to conform as closely as possible with 1969 and 1970 reporting procedures. Some figures were wholly or partly estimated. For the methods used in estimation and a

[^8]:    ${ }^{r}$ Revised.
    1 Data for 1968 are not entirely comparable with those for 1969 and 1970 because of changes in reporting procedures. See Bulletin for July 1970, pp. 571 and 572.
    ${ }^{2}$ On common and preferred stock.
    ${ }^{3}$ Ratios for 1969 and 1970 based on bank's own investment ac-count-excluding trading account. Ratios for 1968 include trading account.

    Note.-These ratios were computed from aggregate dollar amounts of income and expense items. The capital, deposits, loans, and securities items on which the ratios were based were averages for two call dates in the calendar year and the last call date in the preceding year. For Dec. 31, 1968, the amount of trading account securities was not reported separately, but such holdings were estimated.

[^9]:    ${ }^{3}$ These figures do not reflect the full extent of the decline in interest paid on borrowed money in 1970, since the cost of Euro-dollar borrowing-when such borrowing is from the bank's own foreign branchesis shown in "other operating expenses." For reserve city banks in New York City "other operating expenses" declined in 1970, as shown in Table 4, but this decline was offset by increases in this item at banks outside New York City.

[^10]:    Note.-Remarks of Arthur F. Burns, Chairman, Board of Governors of the Federal Reserve System, before the 1971 International Banking Conference, Munich, Germany, May 28, 1971.

[^11]:    ${ }^{1}$ See the Technical Appendix for a detailed description of the types of depositors in the various categories.

[^12]:    ${ }^{2}$ The estimates of deposit ownership at banks other than those reporting weekly were not based directly on data supplied in the Survey. These estimates were derived by deducting estimates of ownership holdings at weekly reporting banks from such estimates for all commercial banks. Thus the nonweekly reporting bank estimates are subject to the sampling errors found in the weekly reporting bank estimates, as well as those found in the all commercial bank estimates.

[^13]:    ${ }^{1}$ Figures include deposit balances maintained at Federal Reserve Banks.
    ${ }^{2}$ Bank float includes cash items in process of collection as indicated on bank balance sheets plus Federal Reserve float. The figure has also been adjusted for the volume of cash items generated by Edge Act corporations and agencies of foreign banks in the United States.
    ${ }^{3}$ These deposits are included in "due to commercial banks" in banking statistics and are excluded from money stock totals.

[^14]:    ${ }^{3}$ The IPC figure is based on Survey sample data. The data for other deposit categories were estimated using weekly reporting bank and semiannual call report data. The figure for bank float is also partially estimated in that nonmember banks do not report their cash items in process of collection on a dailyaverage basis.

[^15]:    4 Checks in transit that have been deducted from senders' records but not yet added to receivers' records.
    ${ }^{5}$ Reflects revision in flow of funds figures on foreign balances not yet incorporated in flow of funds BULLETIN tables.
    6 Equal to sum of lines 8 and 10 in total column (assets) of flow o funds table on p. A71.2 of this Bulletin.

    * No data available to guide distribution of these items. See text for explanation of basis used.

[^16]:    ${ }^{4}$ The principal business holding of currency presumably is in retail trade, and on an assumption that retail stores have on hand currency amounting to 1 day's cash sales, an estimate of holdings for retail trade for December 1970 comes to about $\$ 1$ billion. This was a small part of the $\$ 50$ billion of currency then outstanding.

    A substantial part of currency in circulation is probably overseas and therefore part of foreign holdings of the U.S. money stock. No data on such holdings exist and they are not included in the balance of payments data on international positions that are the basis for flow of funds foreign holdings. In the absence of factual information, the total of currency holdings is attributed residually to the consumer sector.

[^17]:    ${ }^{1}$ Demand deposits held by banks are not included in IPC deposits and are not covered in this Survey.

[^18]:    ${ }^{2}$ Not all foreign deposits are included in IPC deposits and thus not all are covered in this Survey. Moreover, because banks experience difficulties in identifying foreign accounts in some instances, the estimate of foreign balances derived from this Survey may understate the total volume of foreign IPC balances in the United States.

[^19]:    ${ }^{1}$ Data in the cells of the table have been obtained by doubling the standard errors of estimate (or the standard error of the estimated change), dividing this figure by the estimate of balances outstanding (or by the estimated change in balances), and expressing the resulting figure in percentage terms.

    * Indicates a figure greater than 100 per cent.

[^20]:    3 In order to simplify the table and to shorten discussion, data reflecting the measures of variation for estimates of ownership balances measured in months other than those shown in the table and the coefficients of variation for month-to-month changes in balances are not covered in the Appendix. These data will be made available upon request.

[^21]:    Note.-This article was prepared by Mary F. Weaver and Edward R. Fry of the Banking Section of the Board's Division of Research and Statistics.

[^22]:    n.a. Not applicable.
    i... No response or no figure to be expected.

    1 Exporters not identified initially by banks but drawn from separate sample.
    2 One bank said it rejected many loans, but that it kept no records. This case is listed here as one rejection.
    3 These 109 responses came from 113 commercial banks surveyed. The nonresponding banks all had very few outstanding foreign credits subject to the VFCR.

[^23]:    ${ }^{1}$ For the subcommittee's information, a fuller description of the program was submitted in an appendix.

[^24]:    ${ }^{1}$ Prior to December 1969, "Target Ceiling."
    ${ }^{2}$ Total foreign assets reported on Treasury Foreign Exchange Forms B-2 and B-3: minus (1) amounts held for accounts of customers (2) loans guaranteed or participated in by the Export-Import Bank, guaranteed by the Department of Defense, or insured by the FCIA; (3) beginning March 1968, changes after February 29, 1968, in claims on residents of Canada held for own account; and '(4) export term loans (maturity over 1 year) placed on banks' books after Nov. 30,

[^25]:    $\dagger$ In connection with these actions, the Board approved Form F.R. Y-4, Application for Prior Approval of an Acquisition Pursuant to Section 4(c) (8) of the Bank Holding Company Act; Form F.R. Y-4A, Form for Publication of Notice of Proposed Nonbanking Activities to be Engaged in by a Bank Holding Company De Novo; and Form F.R. Y-4B, Form for Publication of Notice of Proposed Acquisition of Shares by Bank Holding Company of Going Concern Engaged in Nonbanking Activities. Copies of these forms are available at all Federal Reserve Banks.

[^26]:    * Operating a savings and loan association is not regarded by the Board as within the description of this activity. Whether to propose expanding activity (2) to include operating that type of financial institution is under consideration by the Board.

[^27]:    ** Acting as investment adviser to an open-end investment company or as a management consultant is not regarded by the Board as within the description of this activity. Whether to propose expanding activity (5) to include acting in either or both of those capacities is under consideration by the Board.
    *** Investing in an industrial development corporation is not regarded by the Board as within the description of this activity. Whether to propose adding that and other activities to the list is under consideration.

[^28]:    ${ }^{1}$ If a Reserve Bank decides that adverse comments are not of a substantive nature, the person submitting the comments may request review by the Board of that decision in accordance with the provisions of $\S 265.3$ of the Board's Rules Regarding Delegation of Authority (12 CFR 265.3) by filing a petition for review with the Secretary of the Board.

[^29]:    "[W]here a metropolitan bank in reality establishes a new bank (rather than assisting others in establishing such a bank), the new bank may be in effect an extension or branch of the existing bank. This occurs where it, albeit indirectly, organizes, controls, and finances the new bank. In such circumstances, a subsequent merger of the 'affiliated' bank into the large Atlanta bank is not likely to have competitive significance. Absent this situation of original and continuing control, however, we believe that the new 'affiliated' bank should be considered an independent competitive factor and any subsequent acquisition or merger evaluated according to traditional standards."

[^30]:    ${ }^{1}$ It should be noted that Trust Company of Georgia, in addition to being a bank, is also a bank holding company. Had it established control over another bank sufficiently firm to meet the Justice Department's proposed standard, it would probably be regarded as violating the Bank Holding Company Act. In such case, the relationship between the two banks, being unlawful, would properly be regarded as less durable than the present relationship, not more so. It should also be stressed that, under recent amendments to the Bank Holding Company Act, the establishment of such control by any bank over another requires prior approval of the Board.

[^31]:    ${ }^{1}$ Banking data are as of June 30, 1970, adjusted to reflect holding company formations and acquisitions approved by the Board through April 30, 1971.

[^32]:    ${ }^{1}$ All banking data are as of June 30, 1970, adjusted to reflect bank holding company formations and acquisitions approved by the Board through March 31, 1971.

[^33]:    ${ }^{1}$ All banking data are as of June 30, 1970, and reflect holding company acquisitions approved through February $28,1971$.

[^34]:    ${ }^{1}$ All banking data are as of June 30, 1970, adjusted to reflect holding company acquisitions and formations approved by the Board to date.

[^35]:    1 Includes Federal agency obligations.
    ${ }^{2}$ Beginning with 1960 reflects a minor change in concept; see Feb. 1961 Bulletin, p. 164.
    ${ }^{3}$ Beginning Apr. 16, 1969, "Other F.R. assets" and "Other F.R. liabilities and capital" are shown separately; formerly, they were netted together and reported as "Other F.R. accounts."

    4 Includes industrial loans and acceptances, until Aug. 21, 1959, when industrial loan program was discontinued. For holdings of acceptances on Wed. and end-of-month dates, see tables on F.R. Banks on following pages. See also note 2 .

[^36]:    ${ }^{5}$ Part allowed as reserves Dec. 1, 1959-Nov. 23, 1960; all allowed thereafter. Beginning with Jan. 1963, figures are estimated except for weekly averages. Beginning Sept. 12, 1968, amount is based on close-of-business figures for reserve period 2 weeks previous to report date.
    6 Includes securities loaned-fully secured by U.S. Govt. securities pledged with F.R. Banks.

    7 Reflects securities sold, and scheduled to be bought back, under matched sale/purchase transactions.

[^37]:    ${ }^{1}$ Beginning Sept. 12, 1968, amount is based on close-of-business figures for reserve period 2 weeks previous to report date.

    Note.-Averages of daily figures. Monthly data are averages of daily figures within the calendar month; they are not averages of the 4 or 5 weeks ending on Wed. that fall within the month. Beginning with Jan. 1964, reserves are estimated except for weekly averages.

[^38]:    Total reserves held: Based on figures at close of business through Nov 1959 : thereafter on closing figures for balances with F.R. Banks and opening figures for allowable cash; see also note 3 to preceding table.

    Required reserves: Based on deposits as of opening of business each day. Borrowings at F.R. Banks: Based on closing figures.

[^39]:    ${ }^{1}$ Based upon reserve balances, including all adjustments applicable to the reporting period. Prior to Sept. 25, 1968, carryover reserve deficiencies, the reporting period. Prior to Sept. 25,1968 , carryover reserve deficiencies, if any, were deducted. Excess reserves for later periods are net of all carryover reserves.
    2 Derived from averages for individual banks for entire week. Figure for each bank indicates extent to which the bank's weekly average purchases and sales are offsetting.
    ${ }^{3}$ Federal funds loaned, net funds supplied to each dealer by clearing

[^40]:    $\dagger$ Preferential rate of $1 / 2$ of 1 per cent for advances secured by U.S. Govt. obligations maturing in 1 year or less. The rate of 1 per cent was continued for discounts of eligible paper and advances secured by such paper or by U.S. Govt. obligations with maturities beyond 1 year.

[^41]:    1 Adjusted to exclude interbank loans.
    ${ }^{2}$ Beginning June 9, 1966, about \$1.1 billion of balances accumulated for payment of personal loans were deducted as a result of a change in Federal Reserve regulations.
    Beginning June 30,1966 , CCC certificates of interest and ExportImport Bank portfolio fund participation certificates totaling an estimated $\$ 1$ billion are included in "Other securities" rather than "Loans."
    ${ }^{3}$ Beginning June 30, 1969, data revised to include all bank-premises subsidiaries and other significant majority-owned domestic subsidiaries; earlier data include commercial banks only. Also, loans and investments

[^42]:    1 Includes securities purchased under agreements to resell.
    2 Includes official institutions and so forth.
    3 Includes short-term notes and bills.
    4 Federal agencies only.
    5 Includes corporate stock,
    6 Includes U.S. Govt. and foreign bank deposits, not shown separately
    ${ }^{7}$ Includes securities sold under agreements to repurchase.

[^43]:    ${ }^{1}$ Averages of daily offering rates of dealers.
    ${ }^{2}$ Averages of daily rates, published by finance companies, for varying maturities in the 90-179 day range.
    ${ }^{3}$ Seven-day average for week ending Wednesday.

[^44]:    1 U.S. Govt. securities only through 1967. Beginning 1968 the total reflects liquid assets and other investment securities. Included are U.S. Govt. obligations, Federal agency securities, State and local govt. securities, time deposits at banks, and miscellaneous securities, except FHLBB stock. Compensating changes have been made in "Other assets."

    2 Includes other loans, stock in the Federal home loan banks, other investments, real estate owned and sold on contract, and office buildings and fixtures. See also note 1.
    ${ }^{3}$ Consists of advances from FHLBB and other borrowing.
    4 Insured savings and loan assns. only. Data on outstanding commit-

[^45]:    1 Data for changes in Oct. and Nov. 1970 not yet available.

[^46]:    ${ }_{2}^{1}$ Equals net expenditures plus net lending.
    2 The decrease in Federal securities resulting from conversion to private ownership of Govt.-sponsored corporations (totaling $\$ 9,853$ milion) not included here. In the bottom panel, however, these conversions decrease the outstanding amounts of Federal securites held by the public mainly by reductions in agency securities. The Federal National Mortgage Association (FNMA) was converted to private owership in Sept. 1968 and the Federal Intermediate Credit Banks (FICB) and Banks for Cooperatives in Dec. 1968
    ${ }^{3}$ Represents non-interest-bearing public debt securities issued to the

[^47]:    5 Consists of government contributions for employee retirement and interest received by trust funds.
    ${ }_{6}$ Estimates presented in the Jan. 1971 Budget Document. Breakdowns do not add to totals because special allowances for contingencies, Federal pay increase, and allowance for revenue sharing, totaling $\$ 800$ million for fiscal 1971 and $\$ 5,969$ million for fiscal 1972, are not included.
    Note.-Half years may not add to fiscal year totals due to revisions in series which are not yet available on a monthly basis.

[^48]:    ${ }^{1}$ Manufacturing figures reflect changes by a number of companies in
    accounting methods and other reporting procedures.
    ${ }_{3}^{2}$ Includes 17 corporations in groups not shown separately.
    ${ }^{3}$ Includes 27 corporations in groups not shown separately.
    Note.-Manufacturing corporations: Data are obtained primarily from published reports of companies.
    Railroad: Interstate Commerce Commission data for Class I linehaul railroads.

    Electric power: Federal Power Commission data for Class A and B electric utilities, except that quarterly figures on operating revenue and

[^49]:    States and possessions. First and third quarters, estimates based on special F.R. interpolations after 1963 or beginning 1964. For earlier years, the basis for first- and third-quarter estimates included F.R. commercial bank call report data and data from the National Assn. of Mutual Savings Banks.

[^50]:    ${ }^{1}$ Secured or unsecured loans maturing in 1 year or less.
    2 Secured loans, amortized quarterly, having maturities of more than 1 year but not more than 10 years.

[^51]:    ${ }^{1}$ Service station and miscellaneous credit-card accounts and home-heating-oil accounts. Bank credit card accounts outstanding are included in estimates of instalment credit outstanding.
    See also Note to first table on preceding page.

[^52]:    ${ }^{1}$ Includes adjustments for differences in trading days.
    ${ }^{2}$ Net changes in credit outstanding are equal to extensions less repayments.

    Note.-Estimates are based on accounting records and often include financing charges. Renewals and refinancing of loans,

[^53]:    ${ }^{1}$ Includes adjustments for differences in trading days.
    ${ }^{2}$ Net changes in credit outstanding are equal to extensions less repayments, except in certain months when data for extensions and repayments have been adjusted to eliminate duplication resulting from large transfers of paper. In those months the differences between extensions and repayments for some particular holders do not equal the

[^54]:    ${ }^{1}$ Retitled to include the direct pricing of plastic construction products; continuity of the group index is not affected.

    Note.-Bureau of Labor Statistics indexes.

[^55]:    ${ }^{1}$ Excludes central banks, which are included with "Official institutions."

[^56]:    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.
    ${ }^{2}$ Data on the two lines for this date differ because of changes in reporting coverage. Figures on the first line are comparable in coverage with those shown for the preceding date; figures on the second line are comparable with those shown for the following date.

    Note.-Data represent the liquid 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 26.

[^57]:    1 Effective Feb. 14, 1966, Australia adopted the decimal currency system. The new unit, the dollar, replaces the pound and consists of 100 cents, equivalent to 10 shillings or one-half the former pound.
    ${ }^{2}$ Effective Oct. 12, 1967, the Finnish markka was devalued from 3.2
    to 4.2 markkaa per U.S. dollar.
    ${ }^{3}$ A new Argentine peso, equal to 100 old pesos, was introduced on Jan. 1, 1970. Effective June 18, 1970, the peso was devalued from 3.50 to 4.00 pesos per U.S. dollar. Effective Apr. 6, 1971, the peso was devalued to 4.06 per U.S. dollar. Effective May 4, 1971, the peso was devalued to 4.12 per U.S. dollar.

    4 On June 1, 1970, the Canadian Government announced that, for the time being, Canada will not maintain the exchange rate of the Canadian dollar within the margins required by IMF rules.

    5 Effective May 9, 1971, the Austrian schilling was revalued to 24.75 per U.S. dollar.
    $7{ }^{6}$ Effective June 6, 1966, the Indian rupee was devalued from 4.76 to 7.5 rupees per U.S. dollar.

