JUNE 1977

FEDERAL RESERVE BULLETIN

The Commercial Paper Market

Changes in Time and Savings Deposits, October 1976–January 1977

Foreign Exchange Operations: Interim Report

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NUMBER 6 □ VOLUME 63 □ JUNE 1977

FEDERAL RESERVE BULLETIN

Board of Governors of the Federal Reserve System

Washington, D.C.

The Federal Reserve BULLETIN is issued monthly under the direction of the staff publications committee. This committee is responsible for opinions expressed except in official statements and signed articles. Direction for the art work is provided by Mack R. Rowe. Editorial support is furnished by the Economic Editing Unit headed by Elizabeth B. Sette.

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The Commercial Paper Market

This article was prepared by Evelyn M. Hurley of the Capital Markets Section of the Board's Division of Research and Statistics. All notes and/or references cited appear at the end of the article.

Over the past decade, an increasing number of large corporations have met part of their credit needs through the sale of commercial paper—unsecured short-term promissory notes that are offered to investors either through dealers or directly by the issuer.[1] Most commercial paper carries an initial maturity of 60 days or less, and only financially strong, highly rated borrowers have access to this market. To insure payment at maturity, issuers generally maintain back-up lines of credit at banks. The predominant investors in commercial paper are large institutions—such as insurance companies, nonfinancial corporations, and bank trust departments—which use these obligations as a relatively low-risk outlet for short-term funds.

The volume of commercial paper outstanding has increased fivefold during the past 10 years. At the end of 1976 about 700 firms had $52.6 billion, seasonally adjusted, of such paper outstanding (Table 1). More than 60 per cent of that total had been placed directly with investors—mostly by large finance and bank holding companies that have continuing, substantial needs for short-term credit. The remainder, all of which had been offered through dealers, represented issues primarily of nonfinancial corporations and of smaller finance and bank holding companies. These issuers typically have irregular and relatively smaller financing requirements.

For the firms that issue it, commercial paper is an important substitute for bank credit. Such substitution is especially prevalent among those offering paper through dealers. These issuers do not maintain a special staff to market their paper, and they have less incentive to stay in the market on a continuous basis to maintain investor contacts and acceptance. As a result, growth in dealer placed paper often accelerates or decelerates in response to changes in the relative cost and availability of bank credit.

For the many investors that buy it, commercial paper—because of its relatively low risk and short maturity—is a close substitute for money market instruments such as Treasury bills and large-denomination certificates of deposit (CD's). As a consequence, yields on commercial paper move in concert with yields on these other short-term market instruments. Due to the lack of a well-developed secondary market, however, commercial paper ordinarily requires a small premium above rates on other, more liquid short-term instruments.

The following discussion presents a more detailed examination of commercial paper issuers and of the distribution mechanism. The review includes a description of ratings and the rating agencies, together with further information on investors in commercial paper. There

1. Commercial paper outstanding

Seasonally adjusted, in billions of dollars

Type	Jan. 31, 1966	Dec. 31, 1976
Total	**10.1**	**52.6**
Financial firms	10.0	39.7
Dealer placed	1.7	7.3
Bank-related	...	1.9
Other	1.7	5.4
Directly placed	8.3	32.4
Bank-related	...	6.0
Other	8.3	26.4
Nonfinancial firms	.1	13.0

NOTE.—Monthly data for total commercial paper and its major components for the period 1966–76 will be published in the Board's forthcoming *Annual Statistical Digest, 1972–1976.*

Components may not add to totals due to rounding.

is also an exploration of yield structure, redemption procedures, and practices regarding maturities and back-up lines of credit. The discussion concludes with a short analysis of the growth of the market, particularly since World War II.

ISSUERS OF DIRECTLY PLACED PAPER

Of the total volume of commercial paper outstanding at the end of 1976, $32.4 billion, or more than 60 per cent, had been placed directly by the borrowing firm with the investor without the use of a dealer as intermediary (Table 2). Currently, only about 75 companies offer their paper in this way. For the most part, these are very large finance companies and bank holding companies that have top credit ratings, extensive banking and money market relationships, and a continuous need for large amounts of short-term funds.

A considerable amount of borrowing is required to justify the substantial fixed costs of distributing paper without dealer assistance. As a result, issuers seldom find it economical to place paper directly unless the average monthly volume of their paper outstanding exceeds $100 million; in fact, average amounts outstanding of such paper at the end of 1976 were around $650 million per issuer. Purchases of new issues of directly placed paper also are large, usually about $500,000 per investor. Furthermore, in the case of one or two issuers that sell to large institutions, sales of new paper average as much as $1 million per investor.

By distributing commercial paper on their own, issuers save the dealer's fee of ⅛ of a percentage point, or $125,000 per $100 million of paper offered. Direct placement also allows greater flexibility in adjusting interest rates and maturities to meet an investor's preferences.

Offsetting these advantages to some extent is the need to set up and maintain a marketing department. Another offsetting factor is that direct issuers typically accommodate customers by accepting all orders at quoted interest rates, even if the issuer's need for funds is already satisfied.[2] As a result, there are times when excess funds may have to be reinvested in money market instruments, perhaps on unfavorable terms.

2. Directly placed commercial paper outstanding, by type

End-of-year figures, seasonally adjusted; in billions of dollars

Year	Total	Nonbank	Bank-related
1966	11.1	11.1	...
1967	12.7	12.7	...
1968	14.6	14.6	...
1969	20.8	17.7	3.1
1970	20.5	18.5	2.0
1971	20.6	19.2	1.4
1972	22.1	20.7	1.4
1973	27.2	24.3	2.9
1974	31.8	25.3	6.5
1975	31.2	24.3	6.9
1976	32.4	26.4	6.0

Other costs, incurred by both direct placers and those distributing paper through dealers, include: (1) reimbursement of banks for back-up lines of credit—usually with compensating balances of 10 per cent of total lines extended to the issuer, plus an additional 10 per cent of lines actually used; (2) fees to a money market bank that acts as the issuer's agent in the collection and payment of notes; and (3) fees to rating services for evaluating commercial paper.

Finance companies are the major issuers of directly placed paper, accounting for more than 80 per cent of the total of such paper outstanding at the end of 1976. These issues have been an important and growing source of funds for finance companies. By mid-1975—the latest period for which data are available—directly placed paper represented 65 per cent of the total short-term debt of these companies, up from nearly 50 per cent 10 years earlier.[3] By comparison, over the same period, the bank loan portion of short-term obligations of finance companies fell from 36 to 22 per cent.

It must be noted, however, that only a small number of very large finance companies have access to the directly placed commercial paper market. According to the 1975 Federal Reserve survey of finance companies—which covered nearly 3,400 firms—46 companies, each reporting combined business and consumer accounts receivable of $100 million or more, accounted for 99 per cent of all commercial paper placed directly by finance companies and outstanding at the time of the survey.

About one-fifth of all finance company commercial paper outstanding is issued via "master notes," which are sold to large, steady suppliers of funds such as bank trust departments. Under these master note agreements, bank trust departments make daily purchases of commercial paper, payable on demand, up to some predetermined amount. Each day the trust department informs the issuer of the amount of paper it will take under the master note. Though the amount outstanding may fluctuate from day to day, interest is usually payable on the average daily balance for the month, at the 180-day commercial paper rate.

Bank holding companies represent the second largest group of issuers of directly placed commercial paper. These firms did not begin to tap this market until 1969, but by the end of 1976 they accounted for about 18 per cent of all such paper outstanding. Although the paper itself is an obligation of the bank holding company or its nonbank affiliates or subsidiaries, the proceeds from such sales may be channeled to the subsidiary bank or to other affiliates and subsidiaries. If the proceeds are channeled to a Federal Reserve member bank, they are subject to reserve requirements.

ISSUERS OF DEALER PLACED PAPER

More than $20 billion of the commercial paper outstanding at the end of 1976, or about 38 per cent of the total, had been sold through dealers (Table 3). Borrowers market their paper through dealers for several reasons: they may not be well enough known to issue paper without dealer contacts; their needs may be temporary; or their financing requirements may be too small to justify an in-house marketing department. More than 650 corporations currently sell or guarantee paper in the dealer market.[4] Of these, about 300 are industrial companies and 170 are public utilities (Table 4). Smaller finance companies and bank holding companies, as well as mortgage companies and firms engaged in transportation, insurance, and leasing, plus a few real estate investment trusts (REIT's), account for the remainder.

3. Dealer placed commercial paper outstanding, by type

End-of-year figures, seasonally adjusted; in billions of dollars

Year	Total	Nonfinancial	Financial		
			Total	Nonbank	Bank-related
1966	3.2	.8	2.4	2.4	...
1967	5.2	2.3	2.8	2.8	...
1968	7.5	3.0	4.5	4.5	...
1969	12.2	5.7	6.5	5.3	1.2
1970	13.0	7.6	5.5	5.1	.4
1971	11.9	6.6	5.3	4.8	.5
1972	13.0	7.4	5.6	4.4	1.2
1973	14.3	8.8	5.5	3.5	1.9
1974	17.9	13.3	4.6	2.8	1.8
1975	16.9	10.7	6.2	4.5	1.8
1976	20.3	13.0	7.3	5.4	1.9

NOTE.—Components may not add to totals due to rounding.

In view of the prevalence of industrial companies and the utilities among issuers, it is not surprising to find that nonfinancial corporations account for more than 60 per cent of the outstanding paper issued through dealers. These corporations typically use paper to meet seasonal needs, or as a substitute for bank credit because of relative cost, or at times to delay longer-term financing because of unfavorable market conditions. Although most of these firms have a net worth of $100 million or more, a few have a net worth as low as $50 million. The smaller companies, however, are not heavily leveraged, and they have very good financial records or the guarantee of a well-established parent company. Many oil pipeline companies, for example, are able to sell paper backed by their parent oil companies, although they have considerably lower net worth than other issuers.

At the end of 1976 about 160 financial firms were using the dealer market, and their paper outstanding amounted to $7.3 billion (Table 3), of which one-fourth was bank related. These firms, which include smaller and less well-known bank holding companies and finance companies (primarily finance subsidiaries of manufacturers and retailers), usually have a net

4. Companies having commercial paper ratings, by industry, October 1976[1]

Industry grouping	Number of companies
Industrial	316
Public utility	173
Finance company	91
Bank holding company	80
REIT	10
Insurance	18
Transportation	4
Leasing	21
Government	1
Total	**714**

[1] Based on listings of Moody's Investors Service, Standard & Poor's Corporation, and Fitch Investors Service.

worth on the order of $40 million to $50 million—smaller than the nonfinancial companies. As a result, financial companies in the dealer market often have lower commercial paper ratings and pay somewhat higher interest rates than other borrowers.

Some even smaller or less well-known financial and nonfinancial firms use a bank "standby letter of credit" to gain access to the dealer market. The letter of credit guarantees that a particular bank, if necessary, will repay the issuer's commercial paper at maturity. The issuer usually obtains the standby letter by paying the bank a fee and obtaining a line of credit, ordinarily supported by compensating balances. The promissory note of the issuer, with the attached standby letter of credit, is referred to as a "documented discount note."[5]

At the end of 1976 about $600 million, or 3 per cent, of dealer placed commercial paper outstanding represented documented discount notes. The largest portion had been issued by companies that supply nuclear fuel or the energy derived from it to electric utilities. Other issuers of documented discount notes included leasing companies, REIT's, and mortgage companies.[6]

COMMERCIAL PAPER DEALERS

At the end of 1976 there were 10 dealers actively engaged in placing commercial paper. In purchasing paper from issuers, dealers generally charge ⅛ of a percentage point as their fee. Paper not sold immediately to investors is added to dealer inventories; paper in inventory usually is turned over within 10 days. During periods of market stress, however, some dealers will take new paper only on a "best efforts to sell" basis.

Inventories are financed either by overnight repurchase agreements (Rp's) or by secured call loans from banks, in both cases with financing costs closely tied to the Federal funds rate. Rates on commercial paper Rp's are usually ⅛ to ¼ of a percentage point above the Rp rate on Treasury securities, which fluctuates around the Federal funds rate.

Unlike direct placers, who accept all reasonable offers from investors, dealers may not be able to accept all of the money that investors wish to place in obligations of a particular company on any given day, nor do they have direct control over maturities; they sell only the paper that they have purchased that day or the paper from their inventory. To satisfy investors' demands, dealers may relay to issuers any special orders or requests they receive specifying the quantity and maturity of paper, but the issuer makes the final decision on these matters and makes no commitment to issue regularly.

The average size of note placed by the major dealers with an investor on a single day currently varies between $1.5 million and $2.5 million. The minimum amount of a given issue usually is $100,000, but some dealers occasionally handle smaller denominations at the request of issuers that are exceptionally good customers. Dealers also accommodate requests from money market banks to purchase smaller amounts because of the role of these banks as major purchasers of paper for the accounts of their trust departments and other customers.

RATING OF ISSUES

Three services currently evaluate commercial paper; for such an evaluation the issuing company pays a fee. Moody's Investors Service rates the paper of more than 550 issuers. Standard & Poor's Corporation rates the paper of some of these same companies, plus 150 others. Fitch Investors Service rates 54 companies, but most of these are also rated by one of the other two services. Thus, about 700 issuers are rated by one or more of the three services (Table 4).[7] Paper is rated Prime-1 (P-1), Prime-2 (P-2), or Prime-3 (P-3) by Moody's; A-1, A-2, or A-3 by Standard & Poor's; F-1, F-2, or F-3 by Fitch. Each service gives the "1" rating to the highest quality paper and the "3" to the lowest.

Unrated or lower-rated paper cannot be sold easily in today's market. Only paper with the two highest ratings by Moody's or Standard & Poor's is readily accepted. However, P-3 or A-3 paper does sell occasionally, depending on the reputation of the issuer and the interest rate premium.

Commercial paper with a given rating will pay a higher or a lower yield depending on the ratings assigned to the issuer's bonds—the better the bond rating, the lower the yield on commercial paper. In general, issuers or guarantors of paper in the present market have bonds outstanding that are rated as being of minimum investment grade or better.[8]

Since the default of the Penn Central Transportation Company in mid-1970, ratings on commercial paper have affected the acceptability of an offering, but as of mid-1977 they will also affect the net capital requirements of the dealer who handles such paper. According to a ruling by the Securities and Exchange Commission (SEC), scheduled to become effective July 1, 1977, a dealer who takes into inventory the paper of an issuer that does not have ratings from two rating services must protect his solvency by "writing down" the value of this paper taken into inventory—the write-down varying from 15 to 30 per cent. In view of this requirement, most dealers are now advising issuers that they will handle any paper without two ratings only on a "best efforts" basis.

INVESTORS

Both direct issuers of, and dealers in, commercial paper have indicated that their principal customers are large money market banks (purchasing mainly on behalf of their trust departments or bank customers), nonfinancial corporations, insurance companies, private pension funds, State and local governments, investment companies, and foundations. But there is relatively little documented information on the amounts of such paper held by these various groups. As of year-end 1976 there was $52.0 billion of commercial paper outstanding, not seasonally adjusted. Of this total, $11.3 billion was held by corporations engaged in manufacturing, mining, and wholesale or retail trade.[9] At the same time, life insurance companies accounted for about $5.3 billion.[10] Although money market banks apparently make substantial purchases for their own trust departments or for customers, they appear to purchase little for their own accounts. As of December 29, 1976, less than $500 million of commercial paper was included in commercial and industrial loans outstanding at large commercial banks.

Though individuals do not play a major role in the market, there is reason to believe that they have acquired larger amounts of directly placed paper over the past several years. This is indicated by the fact that some finance companies selling paper directly have greatly reduced the minimum amount of paper they will sell to any investor. Whereas previously most companies had offered paper in minimum denominations of $50,000 or $100,000, today at least nine companies have published minimums of $25,000 for paper maturing in 30 days or more. And other companies, although they still post minimums of $50,000 or $100,000, will attempt to accommodate an order of any size given by a large money market bank in order to maintain good working relationships with the institution.

REDEMPTIONS AND MATURITIES OF PAPER, AND BACK-UP LINES OF CREDIT

There are no established secondary markets for either dealer or directly placed paper. Hence, if an investor becomes hard pressed, it is customary for a dealer to contact an issuer to ascertain if the issuer is willing to redeem the obligation before the due date. Most issuers accommodate a hard-pressed investor if they can. Among direct placers, finance companies redeem on a similar basis.

In general, however, the need to repurchase paper before maturity is lessened by the fact that the maturities on a large part of this paper are very short. Most of these obligations have an original maturity of less than 60 days, and for a large portion the initial maturity is less than 1 month. The average maturity on directly placed paper ranges for the most part from 20 to 40 days, and that on dealer placed paper from 30 to 45 days. Maturities vary among dealers, depending upon the needs of the issuers and the quality of the obligations. Paper of lower quality tends to have a shorter average maturity, as issuers attempt to tailor the maturity to appeal to the cautiousness of investors. Short maturities enable investors to reduce their positions quickly if signs of significant financial difficulties for the issuer appear, but this correspondingly implies that commercial paper may represent a volatile source of funds for weak borrowers.

To provide both an alternative means of financing in case of reduced access to the market and an additional assurance that they can repay outstanding paper at maturity, issuers maintain back-up lines of credit. Dealers and investors often insist on formal contractual arrangements between the issuer and a bank to provide 100 per cent coverage if a company's paper is rated below A-1 or P-1 or if an issuer is thought to be in potential financial difficulty. The backing may be less complete in the case of larger, better regarded issuers.

STRUCTURE OF INTEREST RATES AND THE CYCLICAL BEHAVIOR OF COMMERCIAL PAPER

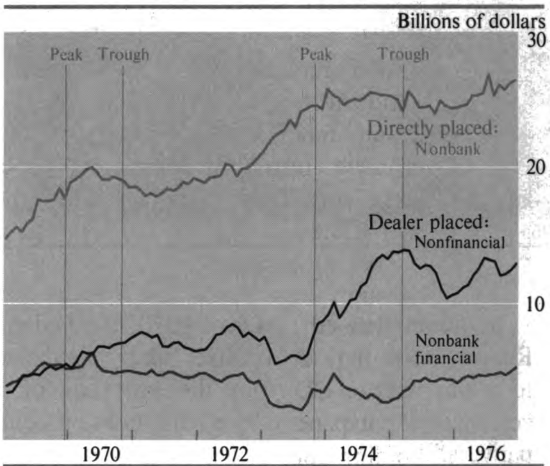
As might be expected, yields on commercial paper are strongly affected by ratings, by maturities, by interest rates on alternative investments, and by the national reputation of the issuer. Interest rates differ little between, on the one hand, paper placed directly by large nationally known finance companies and, on the other hand, dealer placed paper of companies with both Aaa bond ratings and A-1 and/or P-1 commercial paper ratings. Nevertheless, since most dealer paper—even though rated A-1 or P-1—is issued by companies with Aa bond ratings, most of it yields at least ⅛ of a percentage point more than directly placed paper.

Yields on commercial paper tend to move in concert with yields on other short-term market instruments, with any differences reflecting special considerations or investor preferences. Two instruments in particular may be mentioned—Treasury bills and large-denomination CD's of banks. Rates on the highest quality commercial paper tend to move with, but at levels ⅛ to ¼ of a percentage point higher than, those on Treasury bills of comparable maturity; the difference between the two reflects the lack of a well-established secondary market for commercial paper and the fact that such paper carries a risk premium relative to obligations of the U.S. Government. Insofar as commercial paper and CD's are concerned, both investors and banks issuing CD's treat the two as close substitutes. Yields on the two tend to move in concert, although commercial paper rates may be either higher or lower than CD rates. The relative costs may be of special importance to banks. If rates on CD's are high relative to those on commercial paper, banks may, if they are part of a holding company group, obtain funds for lending and investment from the proceeds of commercial paper channeled to the bank from the parent holding company or other members of the group.

Relative costs may also make it worthwhile for nonbank issuers of paper to seek funds from sources other than the commercial paper market. For such issuers, bank loans often constitute an important alternative. Bank rates tend to move more sluggishly than new-issue commercial paper rates, which adjust in step with more sensitive money market yields.[11] In periods of rising open market rates the prime rate usually moves up less rapidly than commercial paper rates, and in periods of falling open market yields the prime edges down more slowly. Accordingly, many commercial paper issuers use bank credit relatively more in the upswing of the business cycle when this source of funds is relatively less expensive. Similarly, they use bank credit relatively less in the downswing of the cycle when commercial paper becomes comparatively more attractive.

Issuers in the dealer market are in a better position than direct placers to switch between bank credit and commercial paper since they have little need to maintain investor contacts and acceptance by continuously offering these obligations. Thus, dealer placed paper, especially by nonfinancial issuers, may tend to grow contracyclically (Chart 1).

1. Business-cycle comparisons of commercial paper outstanding



Seasonally adjusted data. Peaks and troughs are those established by the National Bureau of Economic Research, Inc.

GROWTH OF THE COMMERCIAL PAPER MARKET

Although commercial paper was issued in limited amounts in the 1800's, it was not until the first decade of the 1900's that dealers began to sell commercial paper in the open market. After that, the market grew rapidly, and by 1920 there were between 4,000 and 5,000 corporations issuing commercial paper on a fairly regular basis, with more than 30 commercial paper houses acting as intermediaries. In the early 1920's General Motors Acceptance Corporation (GMAC) became the first major company to place paper directly. In the 1930's two other finance companies—CIT Financial Corporation and Commercial Credit Corporation—joined GMAC as direct placers.

Late 1940's to Mid-1960's

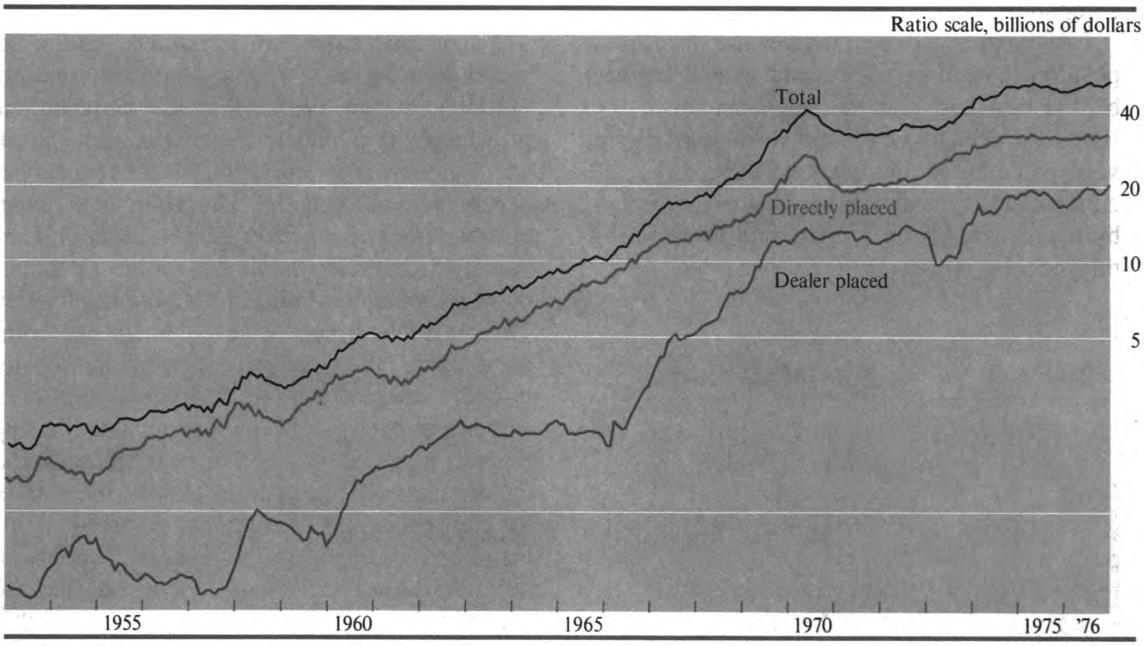
The economic conditions characterizing the depression of the 1930's, and the excess liquidity available during World War II, curtailed the growth of the commercial paper market, and it was not until the late 1940's that the market began to expand again. The volume of paper outstanding was less than $200 million at year-end 1945, but after that it grew almost continuously to about $3.7 billion by the end of 1959. This growth—which occurred in finance company paper, both directly placed and dealer placed—reflected the general expansion of consumer and business needs for credit during the postwar years. In order to meet these demands, finance companies sought to expand the market for their paper and increasingly tailored denominations and maturities to appeal to nonbank investors. As a result, this group became the major investors in commercial paper, a role that had been played by commercial banks during the prewar periods. Commercial banks, on the other hand, began to use Treasury bills more extensively as a secondary reserve asset.

The volume of commercial paper outstanding—both dealer and directly placed—continued to expand in the early 1960's. This growth reflected in large part the over-all expansion in consumer and business loans of finance companies that accompanied the rise in economic activity.

Mid-1960's to 1970

In the latter part of the 1960's activity in the dealer market expanded sharply as increased numbers of nonfinancial corporations began issuing paper (Chart 2). The initial impetus for growth during the second half of the 1960's occurred in 1966, when the relatively high cost of borrowing in the capital market encouraged companies to place greater reliance on short-term funds for their external financing. In the final three quarters of that year many companies found it difficult to obtain bank credit as loans were being stringently rationed. In this period the interest rate ceilings allowed under Regulation Q constrained banks from obtaining a larger

2. Commercial paper outstanding



Seasonally adjusted data.

volume of funds through the sale of large-denomination CD's. Since banks did not have the funds to lend, many nonfinancial companies were forced to seek new sources of funds.

Under these circumstances commercial paper became an important source of financing for large, well-known firms, and a substantial number of companies—especially utilities and industrial concerns—began to issue such paper. Although bank credit became readily available in 1967, many companies that had turned to the commercial paper market as a temporary alternative in 1966 continued to issue paper regularly—and at a cost less than that of bank credit.

When demands for credit intensified again in 1969, banks sought to develop new sources of funds to lend. One source was through bank holding companies and their affiliates and subsidiaries, which sold commercial paper and used the proceeds to purchase part of the bank's loan portfolio. This marked the beginning of a sharp build-up in the volume of paper issued through holding companies. By the end of 1969 bank-related paper outstanding amounted to $4.3 billion, and 7 months later—in July 1970—had reached $7.8 billion.

In the next month, August 1970, the Federal Reserve took action to make funds channeled to a member bank from the proceeds of a commercial paper issue by a bank holding company, affiliate, or subsidiary subject to reserve requirements. This action, coupled with the Board's earlier liberalization of Regulation Q interest rate ceilings on short-term, large-denomination CD's, contributed to a rapid drop in bank-related paper during the fall and winter of 1970. By the end of the year bank-related paper outstanding had declined to $2.3 billion.

Effect of Penn Central Bankruptcy

Despite the sharp growth in the reliance on commercial paper in the period between 1946 and early 1970 only two major defaults occurred among commercial paper issuers, and these involved rather small companies that were not too well known.[12] As a result of these defaults investors did become wary of the smaller and weaker companies, but they showed no lack of confidence in the large, well-known companies.

On June 21, 1970, the Penn Central Transportation Company filed for bankruptcy, leaving $82 million of commercial paper outstanding. The company's default caused investors to become concerned about the liquidity and ability of many other corporations to meet their commercial paper obligations. Because investors became extremely conscious of quality, many companies encountered trouble in refinancing their paper as it matured.

The Federal Reserve System immediately moved to make funds available for creditworthy customers by temporarily liberalizing its discount policy for member banks. It also suspended Regulation Q interest rate ceilings on large-denomination, 30- to 89-day CD's to ensure that commercial banks would be able to accommodate creditworthy customers.

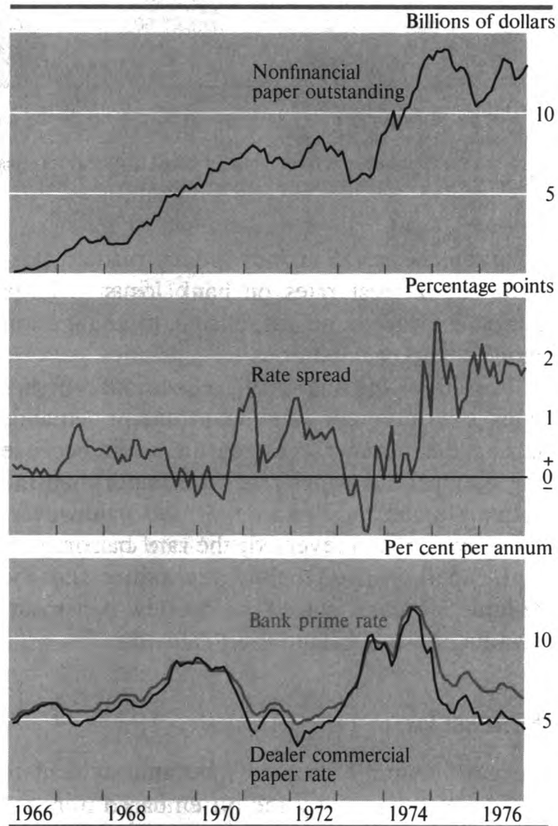
Within a short period of time, the crisis had passed and investors began to return to the market. They were much more selective, however, as is indicated by the fact that a sizable rate spread developed between paper issued by the highest rated companies and that of the lowest rated companies. Many lower-rated companies were unable or unwilling to pay such high premiums, and those that needed credit during the summer and fall of 1970 obtained it from their banks.

Voluntary Restraints In Interest Rates, 1971–73

In 1971, with inflationary pressures accompanying the limited recovery from the previous recession, wage and price controls were imposed on most sectors. As part of this program, the Committee on Interest and Dividends (CID) was created on October 15, 1971, to establish voluntary restraints on rates of return from certain types of financial transactions. The CID made no attempt to control open market interest rates but concentrated instead on institutional or "administered" rates. In 1972, for example, as the economy expanded further and both market rates and the prime rate began to move upward after some months of decline (Chart 3), the CID strongly urged banks to limit their prime rate increases.

In the early months of 1973, as inflationary pressures intensified and open market rates continued to rise, the commercial paper rate moved above the prime rate. This led large nonfinancial companies to begin paying off their maturing commercial paper and to use long-established bank lines of credit instead. Bank loans outstanding to nonfinancial businesses rose by nearly $12 billion[13] during the first quarter of the year, whereas nonfinancial commercial paper actually declined $1.7 billion. Largely as a result of this shifting of short-term credit demands to banks, the CID recommended a dual prime rate in April 1973. Under this system, one rate was applicable to large businesses and was more reflective of market interest rates. The other, limited in movement, was applicable to

3. Interest rates, and growth of nonfinancial commercial paper



Data for nonfinancial paper outstanding is seasonally adjusted. Rate spread is monthly-average difference between the bank prime rate and the rate on 4- to 6-month dealer commercial paper through March 1971 and on 30- to 59-day paper thereafter.

5. Bank prime rate and rate on commercial paper

Monthly-average rates, per cent per annum; spread, percentage points

Rate	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
1971												
Prime rate	6.29	5.88	5.44	5.28	5.46	5.50	5.91	6.00	6.00	5.90	5.51	5.49
Dealer rate	4.97	4.38	4.10	4.48	4.94	5.27	5.61	5.61	5.57	5.27	4.75	4.47
Spread	1.32	1.50	1.34	.80	.52	.23	.30	.39	.43	.63	.76	1.02
1972												
Prime rate	5.17	4.75	4.75	4.98	5.00	5.06	5.25	5.28	5.50	5.73	5.75	5.79
Dealer rate	3.84	3.41	3.74	4.35	4.20	4.42	4.58	4.54	4.87	4.98	4.93	5.27
Spread	1.33	1.34	1.01	.63	.80	.64	.67	.74	.63	.75	.82	.52
1973												
Prime rate	6.00	6.03	6.30	6.61	7.01	7.49	8.29	9.22	9.88	9.94	9.76	9.75
Dealer rate	5.63	6.02	6.61	6.90	7.06	7.90	9.19	10.15	10.28	9.42	9.38	9.79
Spread	.37	.01	−.31	−.29	−.05	−.41	−.90	−.93	−.40	.52	.38	−.04
1974												
Prime rate	9.73	9.21	8.83	10.02	11.25	11.54	11.98	12.00	12.00	11.68	10.83	10.50
Dealer rate	9.31	8.36	8.92	10.10	10.86	11.16	11.94	11.78	11.46	9.73	9.15	9.47
Spread	.42	.85	−.09	−.08	.39	.38	.04	.22	.54	1.95	1.68	1.03
1975												
Prime rate	10.05	8.96	7.93	7.50	7.40	7.07	7.15	7.66	7.88	7.96	7.53	7.26
Dealer rate	7.45	6.37	6.02	5.93	5.48	5.45	6.15	6.40	6.53	6.05	5.43	5.51
Spread	2.60	2.59	1.90	1.57	1.92	1.62	1.00	1.29	1.35	1.91	2.10	1.75
1976												
Prime rate	7.00	6.75	6.75	6.75	6.75	7.20	7.25	7.01	7.00	6.78	6.50	6.35
Dealer rate	4.76	4.86	5.05	4.81	5.18	5.58	5.29	5.10	5.09	4.89	4.78	4.51
Spread	2.24	1.89	1.70	1.94	1.58	1.62	1.96	1.91	1.91	1.89	1.72	1.84

NOTE.—Rate for commercial paper is for 30- to 59-day paper placed by dealers. Prime rate is the predominant rate charged by banks on short-term business loans.

Source for prime rate, Banking Section, Division of Research and Statistics, Board of Governors of the Federal Reserve System; for dealer commercial paper rate, Federal Reserve Bank of New York.

small businesses. This new policy made it possible for interest rates on bank loans to large national firms to be responsive to changes in money market conditions.

In spite of the dual prime rate and the higher rates it permitted on large loans, credit demands during the summer centered on banks because the commercial paper rate rose faster than the prime. In the final quarter of 1973, however, the situation was reversed; the rate on commercial paper dropped below the prime and the volume of dealer placed commercial paper outstanding rose substantially (Table 5).

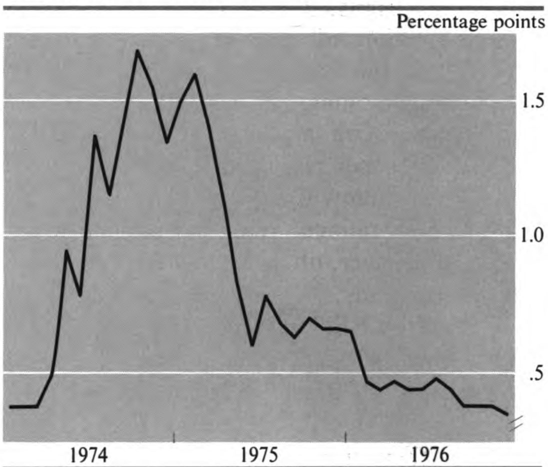
STRESSES ON THE MARKET, 1973–74

Severe economic problems became evident in 1974, exacerbated by the oil embargo imposed in late 1973. Many utility companies, for example, experienced serious difficulty in selling commercial paper in 1974. Although fuel costs soared for these companies as a result of the oil crisis, many utility rate regulations prevented a complete pass-through of the higher costs. Customers also reduced their consumption of energy in response to higher rates and conservation campaigns. As utility earnings and liquidity deteriorated, the rating services downgraded both the long-term debt and the commercial paper ratings of the utilities. In 1974, for example, one major service lowered the commercial paper ratings of 13 utilities, while 14 others withdrew from the service rather than receive lower ratings. Finding it difficult to sell commercial paper, utilities turned to their banks for needed funds.

In addition, REIT's, which had begun to tap the commercial paper market for short-term funds during 1972 and 1973, began to experience problems in selling commercial paper early in 1974. Their problems stemmed from a sharp increase in loan defaults and foreclosure proceedings in late 1973 and early 1974 mainly in sectors not associated with "home building"—that is, multifamily and commercial properties—and a number of the trusts ceased paying dividends. As a result, rating services began downgrading REIT commercial paper, and many investors refused to purchase new issues of REIT paper as the existing paper matured. At the beginning of 1974, REIT's had nearly $1.8 billion in commercial paper outstanding, but by the end of the year this total had been reduced to $175 million. Much of the reduction was accomplished by borrowing from banks. Since 1974 the volume of REIT paper has edged up only slightly.

In the spring of 1974 the publicity surrounding the problems of Franklin National Bank and its parent holding company caused investors to become concerned about commercial paper of bank holding companies. Major bank holding companies in New York and Chicago and on the West Coast found that they had to pay premiums to investors, and sales of paper by a few smaller holding companies came to a virtual halt. These difficulties were clearly reflected in a sharp drop in the amount of dealer-distributed bank-related paper, which is issued primarily by the less well-known holding companies. From April 30 to July 31, the volume of such paper outstanding declined from $2.3 billion to $1.5 billion, then revived somewhat. Rate spreads between the highest quality commercial paper and medium-quality paper rose from 38 basis points earlier in the year to a peak of 169 basis points in October when Franklin National Bank was declared insolvent (Chart 4).

4. Quality rate spread



Rate spread is medium-grade less high-grade commercial paper calculated from rates charged by two major dealers for dealer placed 30- to 59-day paper; ratings for medium-grade, A-2 or P-2; for high-grade, A-1 or P-1.

Several large finance company subsidiaries of manufacturing and retailing firms also found that investors had become very "quality conscious." As in the case of the REIT's and utilities, these subsidiaries were forced to turn to their banks for funds. The finance company subsidiary of W.T. Grant Co. paid off most of its commercial paper during the first half of 1974 through the use of bank loans.

It may be noted, however, that throughout 1974 firms with Aaa or Aa bond ratings and the highest commercial paper ratings found a ready market for their paper. Reflecting strong demands for short-term credit, total commercial paper increased appreciably over the year, despite the problems of weaker borrowers.

Post-1974 Experience

Since 1974 the extreme selectivity of investors in commercial paper has receded. The rate spread between highest quality and medium-quality paper, which was well over a full percentage point in early 1975, had narrowed to ⅝ of a percentage point by the end of that year and by the end of 1976 had returned to the ⅜ of a percentage point that had prevailed before the disturbances in the market in 1974 (Chart 4).

Throughout most of 1975 total demands for short-term financing were weak as businesses liquidated excess inventories and restructured their balance sheets by relying on long-term debt markets. Over the year total commercial paper declined somewhat. But during 1976, as short-term credit demands in total ceased declining and then rose, and as the cost of commercial paper remained low relative to the cost of bank loans, commercial paper outstanding rose sharply. By year-end 1976, commercial paper outstanding totaled $52.6 billion, seasonally adjusted—a new record. □

FOOTNOTES

[1] Section 3(a)(3) of the Securities Act of 1933 exempts commercial paper from registration by the Securities and Exchange Commission (SEC) providing these are notes "which arise out of a current transaction or the proceeds of which have been or are to be used for current transactions, and which have a maturity at time of issuance of not exceeding nine months . . . or any renewal thereof . . . ."

[2] Issuers, though, may often change their quotes throughout the day.

[3] See "Survey of Finance Companies, 1975," Federal Reserve BULLETIN, Mar. 1976, p. 205.

[4] Of these, 16—mainly bank holding companies—also issue some directly placed paper, and 24 do not issue paper themselves but serve merely as guarantors of affiliates' paper.

[5] The three Federal regulatory agencies that have jurisdiction over commercial banks—Board of Governors of the Federal Reserve System, Federal Deposit Insurance Corporation, and Office of the Comptroller of the Currency—adopted rules in 1974 specifying that banks issuing these standby letters of credit must: (a) aggregate the amount of all letters of credit, ineligible acceptances, and loans in determining whether the bank would exceed applicable statutory limits on loans to any one borrower; (b) subject the customer for whose account this standby letter of credit is issued to the same credit analysis as that applicable to a potential borrower in an ordinary loan situation; and (c) adequately disclose in the bank's published financial statements the amount of all outstanding standby letters of credit and maintain records making it possible to determine the total amount of potential liability of the bank from issuance of all its standby letters of credit.

[6] Under Section 3(a)(2) of the Securities Act of 1933, any security issued or guaranteed by a bank is exempt from registration and prospectus requirements of Section 5 of the act, and the use of the proceeds from the sale of such security need not be restricted to financing current transactions in order to keep the exemption.

[7] Twenty-four companies do not issue paper themselves, but serve merely as guarantors of affiliates' paper. With this guarantee the affiliates' paper obtains a higher rating.

[8] The major exception is paper guaranteed by commercial banks, which often do not have any rated long-term debt.

[9] Federal Trade Commission, *Quarterly Financial Report for Manufacturing, Mining, and Trade Corporations,* 4th quarter, 1976.

[10] American Council of Life Insurance, *Monthly Statistical Services Report,* Mar. 1977.

[11] The few money market banks that establish prime rates by use of a formula base those rates on an average of past and present commercial paper rates. The best known of these, adopted by Citibank, currently sets the prime rate at 125 basis points above the average rate of 90-day commercial paper over the three previous weeks.

[12] Atlantic Acceptance Corporation, a Canada-based finance company, defaulted in 1965. In 1969, Mill Factors Corporation, a long-established but smaller commercial finance company with a "desirable" rather than "prime" paper rating, defaulted on $7 million of commercial paper.

[13] Monthly figures for this series may be found in the Board's *Annual Statistical Digest, 1971-75,* and in the forthcoming *Digest* for 1972–76.

Changes in Time and Savings Deposits at Commercial Banks, October 1976–January 1977

Results of the most recent survey of time and savings deposits[1] conducted jointly by the Federal Reserve System and the Federal Deposit Insurance Corporation indicate that growth in total time and savings deposits at all insured commercial banks accelerated moderately in the 3-month period from October 1976 to January 1977.[2] It is estimated that total time and savings deposits rose by $15 billion, or at a quarterly rate of more than 3 per cent, not seasonally adjusted. Savings deposits—which represent about two-fifths of the outstanding time and savings deposits—accounted for more than four-fifths of the total increase. Inflows to small-denomination (less than $100,000) time deposits remained strong, but growth in total time deposits—continuing the pattern that had begun in early 1975—was slowed by further declines in large-denomination ($100,000 and over) time deposits.

SAVINGS DEPOSITS

Savings deposit inflows to commercial banks maintained an extremely rapid pace throughout the period from October to January as yields on alternative market instruments, such as Treasury bills, remained below the 5 per cent ceiling rate on savings deposits. During the 3-month period growth of these deposits totaled $12.2 billion, or 6.4 per cent at a quarterly rate, not seasonally adjusted, compared with the 4.0 per cent rate registered in the previous 3-month period.

Among the ownership classes, savings deposits issued to domestic governmental units and to businesses grew most rapidly, reflecting continued adjustment by these entities to the opportunity of converting other financial assets (including demand balances) to savings deposits coupled with their normal adjustment in portfolios induced by the low market yields. Domestic governmental units, which had become eligible to hold savings deposits in November 1974, expanded their deposit balances by more than 50 per cent—about $2 billion, not seasonally adjusted. Similarly, savings deposits of profit-making organizations, permitted at banks since November 1975, increased by about $1.5 billion to a level of $9 billion. Meanwhile, individuals and nonprofit organizations, whose share of all savings balances still exceeds 90 per cent, maintained rapid inflows by historical standards, increasing their holdings at a quarterly rate of nearly 5 per cent.

Despite the large inflows of savings deposits and the low yields on alternative short-term money market securities, the January survey found only a modest decline in offering rates paid on new issues of savings deposits. The rate cutting that did occur was most prevalent on deposits issued to domestic governmental units, particularly at large banks. Among banks with total deposits of $100 million and over, the proportion paying the ceiling rate fell to 84 per cent in January from 94 per cent in October. By comparison, at smaller banks the proportion

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

[1] Surveys of time and savings deposits (STSD) at all member banks were conducted by the Board of Governors in late 1965, in early 1966, and quarterly in 1967. In January and July 1967 the surveys also included data for all insured nonmember banks collected by the Federal Deposit Insurance Corporation (FDIC). Since the beginning of 1968 the Board of Governors and the FDIC have jointly conducted quarterly surveys to provide estimates for all insured commercial banks based on a probability sample of banks. The results of all earlier surveys have appeared in previous BULLETINS from 1966 to 1976, the most recent being April 1977.

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

1. Types of time and savings deposits held by insured commercial banks on survey dates, July 28, 1976, October 27, 1976, and January 26, 1977

Type of deposit	Number of issuing banks			Deposits				
				In millions of dollars			Percentage change	
	July 28, 1976	Oct. 27, 1976	Jan. 26, 1977	July 28, 1976	Oct. 27, 1976	Jan. 26, 1977	July 28– Oct. 27	Oct. 27– Jan. 26
Total time and savings deposits	14,365	14,384	14,340	469,811	477,722	492,645	1.7	3.1
Savings	14,332	14,384	14,340	183,946	191,386	203,572	4.0	6.4
Issued to:								
Individuals and nonprofit organizations	14,332	14,384	14,337	174,349	179,702	188,299	3.1	4.8
Partnerships and corporations operated for profit (other than commercial banks)	7,958	8,120	8,461	6,210	7,550	9,004	21.6	19.3
Domestic governmental units	6,183	6,047	6,882	3,248	3,880	5,947	19.5	53.3
All other	1,046	742	698	139	254	322	82.9	26.9
Interest-bearing time deposits in denominations of less than $100,000	14,058	14,080	14,036	145,173	152,427	159,616	5.0	4.7
Issued to:								
Domestic governmental units	*10,592*	*10,401*	*10,627*	*4,422*	*4,145*	*4,349*	*−6.3*	*4.9*
Accounts with original maturity of:								
30 up to 90 days	4,865	4,315	4,290	1,499	1,099	935	−26.7	−14.9
90 up to 180 days	7,412	7,530	7,931	1,170	1,174	1,464	.4	24.7
180 days up to 1 year	4,168	4,384	4,200	756	689	670	−8.9	−2.8
1 year and over	7,773	7,763	8,141	997	1,182	1,280	18.6	8.3
Other than domestic governmental units	*13,974*	*14,049*	*14,008*	*140,751*	*148,282*	*155,267*	*5.4*	*4.7*
Accounts with original maturity of:								
30 up to 90 days	6,153	6,337	5,653	7,855	7,246	7,082	−7.8	−2.3
90 up to 180 days	11,574	11,525	11,064	27,064	30,086	31,510	11.2	4.7
180 days up to 1 year	8,697	8,938	8,618	4,854	4,375	4,605	−9.9	5.2
1 up to 2½ years	13,195	13,547	13,587	33,008	34,054	34,403	3.2	1.0
2½ up to 4 years	12,056	12,191	12,082	18,690	18,426	18,011	−1.4	−2.3
4 up to 6 years	11,762	11,758	11,929	41,372	44,785	48,566	8.2	8.4
6 years and over	7,992	8,133	8,433	7,909	9,310	11,091	17.7	19.1
Interest-bearing time deposits in denominations of $100,000 or more	11,154	11,171	10,937	133,733	127,158	123,566	−4.9	−2.8
Non-interest-bearing time deposits in denominations of	1,609	1,672	1,620	4,802	4,863	4,823	1.3	−.8
Less than $100,000	1,315	1,419	1,396	1,556	1,587	1,640	2.0	3.3
$100,000 or more	628	677	657	3,246	3,275	3,183	.9	−2.8
Club accounts (Christmas savings, vacation, or similar club accounts)	8,962	8,993	8,849	2,158	1,889	1,067	−12.4	−43.5

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

Figures may not add to totals because of rounding.

fell from 86 to 82 per cent. At all banks the average interest rate paid on savings held by domestic governmental units, weighted by the amount of deposits, declined to 4.90 per cent from 4.97 per cent.

For savings accounts of businesses the proportion of banks paying the ceiling rate also declined appreciably, but it remained above 90 per cent. In contrast, survey data indicated that the proportion of banks paying the legal limit on savings to individuals and nonprofit organizations declined only 1 percentage point to 84 per cent. But because the reductions were concentrated among large banks, the proportion of balances at banks paying the ceiling fell somewhat more—by 2½ percentage points, also to 84 per cent. For all savings deposits, the weighted-average rate was essentially unchanged at 4.90 per cent.

SMALL-DENOMINATION TIME DEPOSITS

Holdings of interest-bearing, small-denomination time deposits expanded sharply in the October to January period, continuing the strong growth of such deposits in the previous 3-month period. Unlike the July to October period—when governmental units had reduced their holdings of small-denomination time deposits—both governmental and nongovernmental units increased such balances at a quarterly rate of nearly 5 per cent. In each ownership category growth was most rapid in the long maturity deposit classes, on which legal maximum rates set by Regulation Q are highest;[3] growth in nongovernmental time deposits maturing in 4

[3] Of course, on issues to governmental units banks are currently permitted to pay interest of 7.75 per cent on all time deposits without regard to maturity.

2. Small-denomination time and savings deposits held by insured commercial banks on October 27, 1976, and January 26, 1977, by type of deposit, by most common rate paid on new deposits in each category, and by size of bank

Deposit group, and distribution of deposits by most common rate	All banks		Size of bank (total deposits in millions of dollars)				All banks		Size of bank (total deposits in millions of dollars)			
			Less than 100		100 and over				Less than 100		100 and over	
	Jan. 26	Oct. 27	Jan. 26	Oct. 27	Jan. 26	Oct. 27	Jan. 26	Oct. 27	Jan. 26	Oct. 27	Jan. 26	Oct. 27
	Number of banks, or percentage distribution						Amount of deposits (in millions of dollars), or percentage distribution					
Savings deposits												
Individuals and nonprofit organizations												
Issuing banks	14,337	14,384	13,425	13,466	912	918	188,299	179,702	72,029	69,473	116,270	110,230
Distribution, total	100	100	100	100	100	100	100	100	100	100	100	100
4.00 or less	4.8	4.7	4.6	4.6	6.8	6.3	3.9	4.0	3.5	3.6	4.2	4.3
4.01–4.50	11.1	10.4	11.1	10.6	9.9	7.2	11.4	9.6	9.6	10.1	12.6	9.3
4.51–5.00	84.2	84.9	84.2	84.8	83.4	86.5	84.7	86.4	87.0	86.3	83.2	86.5
Paying ceiling rate [1]	**83.9**	**84.7**	**84.0**	**84.6**	**82.5**	**86.4**	**83.7**	**86.2**	**86.8**	**86.1**	**81.8**	**86.3**
Partnerships and corporations												
Issuing banks	8,461	8,120	7,561	7,222	900	898	9,004	7,550	2,694	2,267	6,310	5,283
Distribution, total	100	100	100	100	100	100	100	100	100	100	100	100
4.00 or less	1.6	1.7	1.5	1.6	2.2	2.2	1.4	1.6	1.3	2.2	1.5	1.4
4.01–4.50	7.7	5.7	7.5	5.7	9.3	5.2	8.7	4.3	5.3	6.2	10.1	3.5
4.51–5.00	90.7	92.6	91.0	92.6	88.5	92.5	89.9	94.0	93.4	91.6	88.4	95.1
Paying ceiling rate [1]	**90.3**	**92.3**	**90.6**	**92.3**	**87.5**	**92.4**	**88.0**	**93.6**	**93.4**	**91.5**	**85.7**	**94.5**
Domestic governmental units												
Issuing banks	6,882	6,047	6,313	5,507	569	540	5,947	3,880	2,265	1,661	3,682	2,219
Distribution, total	100	100	100	100	100	100	100	100	100	100	100	100
4.00 or less	5,1	2,9	5,3	3,0	2,5	1,9	1,1	1,2	1,2	1,0	1,0	1,3
4.01–4.50	12.5	8.5	12.5	8.9	12.4	3.9	16.0	4.2	12.7	7.6	18.0	1.6
4.51–5.00	82.5	88.7	82.3	88.1	85.1	94.2	83.0	94.6	86.2	91.4	81.0	97.0
Paying ceiling rate [1]	**82.0**	**86.8**	**81.8**	**86.1**	**84.1**	**93.8**	**81.4**	**94.2**	**86.1**	**91.0**	**78.5**	**96.5**
All other												
Issuing banks	698	742	619	668	79	73	322	254	28	178	294	76
Distribution, total	100	100	100	100	100	100	100	100	100	100	100	100
4.00 or less	12.4	.3	13.6	(2)	3.2	3.4	.5	.3	2.5	(2)	.4	.9
4.01–4.50	(2)	.3	(2)	(2)	(2)	2.8	(2)	(2)	(2)	(2)	(2)	(2)
4.51–5.00	87.6	99.4	86.4	100.0	96.8	93.8	99.5	99.7	97.5	100.0	99.6	99.1
Paying ceiling rate [1]	**87.6**	**99.4**	**86.4**	**100.0**	**96.8**	**93.8**	**99.5**	**99.7**	**97.5**	**100.0**	**99.6**	**99.1**
Time deposits in denominations of less than $100,000												
Domestic governmental units:												
Maturing in—												
30 up to 90 days												
Issuing banks	4,290	4,315	3,655	3,702	635	613	935	1,099	580	490	356	609
Distribution, total	100	100	100	100	100	100	100	100	100	100	100	100
4.50 or less	6.5	1.7	4.6	1.7	17.5	1.6	13.2	1.3	4.7	.9	27.1	1.6
4.51–5.00	74.6	73.6	75.3	72.2	70.5	81.6	61.7	66.6	73.6	75.2	42.4	59.7
5.01–5.50	14.5	19.7	15.4	20.6	9.3	14.3	17.5	28.2	11.7	15.2	27.0	38.6
5.51–7.75	4.5	5.1	4.8	5.5	2.7	2.5	7.6	3.9	10.0	8.6	3.6	.1
Paying ceiling rate [1]	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
90 up to 180 days												
Issuing banks	7,931	7,530	7,250	6,892	681	638	1,464	1,174	941	780	523	394
Distribution, total	100	100	100	100	100	100	100	100	100	100	100	100
4.50 or less	5.1	.8	5.1	.8	5.0	(2)	3.3	.5	3.7	.8	2.5	(2)
4.51–5.00	14.6	8.6	13.6	8.2	25.8	13.4	15.2	10.7	10.4	10.3	23.9	11.4
5.01–5.50	74.7	81.1	75.4	80.9	67.9	83.6	76.6	81.9	78.9	82.6	72.4	80.5
5.51–7.75	5.6	9.5	6.0	10.1	1.2	2.9	4.9	6.9	7.0	6.3	1.2	8.1
Paying ceiling rate [1]	(2)	**.4**	(2)	**.5**	(2)	(2)	(2)	**.2**	(2)	**.3**	(2)	(2)
180 days up to 1 year												
Issuing banks	4.200	4.384	3.685	3.884	515	500	670	689	410	430	260	259
Distribution, total	100	100	100	100	100	100	100	100	100	100	100	100
4.50 or less	5.1	(2)	5.2	(2)	3.9	(2)	7.3	(2)	4.1	(2)	12.2	(2)
4.51–5.00	9.2	8.3	7.1	8.5	24.3	6.9	13.7	8.6	1.9	4.8	32.2	15.0
5.01–5.50	66.3	69.9	66.6	69.2	64.2	75.6	61.2	69.2	67.2	64.1	51.6	77.6
5.51–7.75	19.5	21.8	21.1	22.3	7.7	17.5	17.9	22.2	26.7	31.2	4.0	7.4
Paying ceiling rate [1]	(2)	**.8**	(2)	**.9**	(2)	(2)	(2)	**.1**	(2)	**.1**	(2)	(2)
1 year and over												
Issuing banks	8,141	7,763	7,518	7,159	623	605	1,276	1,181	1,048	989	228	192
Distribution, total	100	100	100	100	100	100	100	100	100	100	100	100
5.00 or less	5.1	2.8	4.7	2.7	10.3	4.3	2.9	.5	2.2	.3	6.1	1.3
5.01–5.50	4.6	5.5	3.4	5.0	19.6	11.2	12.7	4.3	4.4	3.9	51.2	6.2
5.51–6.00	67.9	66.2	69.1	66.6	52.9	62.0	69.0	63.4	76.3	60.1	35.2	79.9
6.01–7.75	22.4	25.5	22.8	25.7	17.2	22.5	15.4	31.9	17.1	35.6	7.5	12.7
Paying ceiling rate [1]	(2)	**.4**	(2)	**.5**	**.4**	(2)	(2)	**.1**	(2)	**.1**	**.2**	(2)

TABLE 2—Continued

Deposit group, and distribution of deposits by most common rate	All banks		Size of bank (total deposits in millions of dollars)				All banks		Size of bank (total deposits in millions of dollars)			
			Less than 100		100 and over				Less than 100		100 and over	
	Jan. 26	Oct. 27	Jan. 26	Oct. 27	Jan. 26	Oct. 27	Jan. 26	Oct. 27	Jan. 26	Oct. 27	Jan. 26	Oct. 27
	Number of banks, or percentage distribution						Amount of deposits (in millions of dollars), or percentage distribution					
Time deposits in denominations of less than $100,000 (cont.)												
Other than domestic governmental units:												
Maturing in—												
30 up to 90 days												
Issuing banks	5,653	6,337	4,852	5,543	801	794	7,056	7,245	1,390	1,926	5,666	5,320
Distribution, total	100	100	100	100	100	100	100	100	100	100	100	100
4.50 or less	4.1	.2	2.9	(2)	11.6	1.4	17.5	1.2	9.5	(2)	19.5	1.6
4.51–5.00	95.9	99.8	97.1	100.0	88.4	98.6	82.5	98.8	90.5	100.0	80.5	98.4
Paying ceiling rate [1]	**92.8**	**94.2**	**95.3**	**94.4**	**78.3**	**92.8**	**76.2**	**92.0**	**86.6**	**93.4**	**73.7**	**91.5**
90 up to 180 days												
Issuing banks	11,064	11,525	10,169	10,623	894	902	31,445	30,086	13,003	12,626	18,442	17,460
Distribution, total	100	100	100	100	100	100	100	100	100	100	100	100
4.50 or less	1.0	.5	.9	.5	1.9	(2)	.2	(2)	(2)	(2)	.4	(2)
4.51–5.00	10.5	12.7	10.3	13.3	12.4	5.3	16.4	6.0	9.8	7.3	21.1	5.0
5.01–5.50	88.6	86.8	88.8	86.1	85.7	94.7	83.4	94.0	90.2	92.6	78.6	95.0
Paying ceiling rate [1]	**88.3**	**86.1**	**88.8**	**85.6**	**82.3**	**92.0**	**80.8**	**92.8**	**90.2**	**92.6**	**74.2**	**92.9**
180 days up to 1 year												
Issuing banks	8,618	8,938	7,831	8,147	788	791	4,564	4,338	2,609	2,653	1,956	1,685
Distribution, total	100	100	100	100	100	100	100	100	100	100	100	100
4.50 or less	.6	.4	.4	.3	3.0	.4	.2	.1	(2)	(2)	.5	.3
4.51–5.00	8.7	5.4	8.2	5.5	13.3	4.6	9.9	2.2	4.2	2.7	17.5	1.5
5.01–5.50	90.7	94.2	91.4	94.2	83.7	95.0	89.9	97.6	95.8	97.3	82.0	98.2
Paying ceiling rate [1]	**89.4**	**91.6**	**90.7**	**91.6**	**76.3**	**91.4**	**84.8**	**91.0**	**95.8**	**93.8**	**70.3**	**86.6**
1 up to 2½ years												
Issuing banks	13,587	13,547	12,685	12,644	903	903	34,402	34,054	21,981	22,175	12,420	11,880
Distribution, total	100	100	100	100	100	100	100	100	100	100	100	100
5.00 or less	.4	(2)	.4	(2)	.9	.2	1.7	(2)	.3	(2)	4.1	(2)
5.01–5.50	2.8	1.8	2.5	1.8	7.0	1.2	2.9	1.3	2.1	1.8	4.2	.5
5.51–6.00	96.8	98.2	97.1	98.2	92.1	98.6	95.5	98.7	97.6	98.2	91.7	99.5
Paying ceiling rate [1]	**94.5**	**96.3**	**95.1**	**96.3**	**86.4**	**96.2**	**89.4**	**96.6**	**96.4**	**97.3**	**77.0**	**95.1**
2½ up to 4 years												
Issuing banks	12,082	12,191	11,205	11,311	877	880	17,930	18,402	10,746	11,283	7,184	7,120
Distribution, total	100	100	100	100	100	100	100	100	100	100	100	100
6.00 or less	2.6	1.8	1.9	1.9	10.7	.9	5.8	1.6	1.9	1.4	11.6	1.8
6.01–6.50	97.4	98.2	98.1	98.1	89.3	99.1	94.2	98.4	98.1	98.6	88.4	98.2
Paying ceiling rate [1]	**97.2**	**97.1**	**98.1**	**97.0**	**85.7**	**98.4**	**93.1**	**96.6**	**98.1**	**97.0**	**85.6**	**95.8**
4 up to 6 years												
Issuing banks	11,929	11,758	11,058	10,886	871	871	48,109	44,362	24,763	22,349	23,346	22,013
Distribution, total	100	100	100	100	100	100	100	100	100	100	100	100
6.50 or less	2.2	.9	1.2	.8	15.0	1.9	6.7	1.8	1.0	.6	12.8	3.0
6.51–7.00	17.4	14.8	17.6	15.5	15.3	6.7	15.1	9.8	16.0	13.0	14.2	6.6
7.01–7.25	80.4	84.3	81.2	83.7	69.7	91.4	78.1	88.4	83.0	86.4	73.0	90.4
Paying ceiling rate [1]	**80.1**	**84.3**	**81.0**	**83.7**	**69.2**	**91.4**	**78.0**	**88.4**	**82.9**	**86.4**	**72.8**	**90.4**
6 years and over												
Issuing banks	8,433	8,133	7,673	7,379	760	754	10,933	9,175	4,737	4,020	6,196	5,155
Distribution, total	100	100	100	100	100	100	100	100	100	100	100	100
5.00 or less	.1	(2)	(2)	(2)	.9	(2)	.1	(2)	(2)	(2)	.2	(2)
5.01–7.25	8.3	4.8	7.2	4.8	19.4	4.9	14.5	6.8	3.7	3.9	22.7	9.1
7.26–7.50	91.6	95.2	92.8	95.2	79.7	95.1	85.4	93.2	96.3	96.1	77.1	90.9
Paying ceiling rate [1]	**91.6**	**95.2**	**92.8**	**95.2**	**79.7**	**95.1**	**85.4**	**93.2**	**96.3**	**96.1**	**77.1**	**90.9**
Club accounts												
Issuing banks	8,849	8,993	8,172	8,358	676	634	1,033	1,839	644	914	389	925
Distribution, total	100	100	100	100	100	100	100	100	100	100	100	100
0.00	49.5	55.3	51.3	57.4	28.1	27.5	13.3	22.9	13.0	31.8	13.8	14.0
0.01–4.00	12.1	13.6	11.9	13.5	13.9	15.3	10.2	11.0	8.3	11.9	13.3	10.2
4.01–4.50	6.8	7.3	6.6	7.1	9.6	10.3	9.8	10.9	5.8	6.4	16.5	15.2
4.51–5.50	31.6	23.8	30.2	22.0	48.4	46.9	66.7	55.3	73.0	49.8	56.4	60.7

[1] See p. A-10 for maximum interest rates payable on time and savings deposits at the time of each survey. The ceiling rate is included in the rate interval in the line above.

[2] Less than .05 per cent.

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

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

Figures may not add to totals because of rounding.

years or more accounted for nearly 80 per cent of the total expansion in small-denomination time deposits. Deposits maturing in 90 up to 180 days also increased in both ownership classes, perhaps as some customers acquired temporary investments in anticipation of rising market rates.

Although average rates paid by banks declined for all maturity categories of small-denomination time deposits between October and January, the general lengthening of the maturity structure offset to some extent the impact of the declines on the total weighted-average interest cost of these deposits. The weighted-average rate paid on new time deposits issued to domestic governmental units fell 9 basis points to 5.49

3. Average of most common interest rates paid on various categories of time and savings deposits at insured commercial banks on October 27, 1976, and January 26, 1977

Type of deposit	Bank size (total deposits in millions of dollars)						
	All size groups	Less than 20	20 up to 50	50 up to 100	100 up to 500	500 up to 1,000	1,000 and over
	January 26, 1977						
Savings and small-denomination time deposits	5.51	5.72	5.67	5.60	5.46	5.37	5.33
Savings, total	4.90	4.94	4.89	4.94	4.90	4.82	4.91
Individuals and nonprofit organizations	4.90	4.94	4.88	4.94	4.89	4.82	4.91
Partnerships and corporations	4.94	4.99	4.94	4.97	4.93	4.90	4.93
Domestic governmental units	4.90	4.93	4.98	4.85	4.94	4.91	4.85
All other	4.98	4.84	5.00	5.00	4.98	....	5.00
Time deposits in denominations of less than $100,000, total	6.28	6.28	6.44	6.38	6.25	6.22	6.12
Domestic governmental units, total	5.49	5.61	5.65	5.44	5.34	5.12	5.11
Maturing in—							
30 up to 90 days	5.05	5.22	4.98	4.94	5.12	4.85	4.77
90 up to 180 days	5.37	5.44	5.36	5.42	5.41	5.13	5.15
180 days up to 1 year	5.37	5.38	5.62	5.34	5.12	5.26	5.14
1 year and over	6.01	6.05	6.13	6.10	5.74	5.64	5.66
Other than domestic governmental units, total	6.30	6.32	6.46	6.39	6.28	6.23	6.13
Maturing in—							
30 up to 90 days	4.88	4.89	5.00	4.92	4.95	4.90	4.81
90 up to 180 days	5.40	5.47	5.46	5.41	5.45	5.37	5.27
180 days up to 1 year	5.43	5.48	5.49	5.48	5.44	5.39	5.29
1 up to 2½ years	5.95	5.99	5.99	5.95	5.97	5.87	5.84
2½ up to 4 years	6.46	6.49	6.49	6.46	6.42	6.39	6.43
4 up to 6 years	7.13	7.19	7.17	7.22	7.07	7.10	7.06
Over 6 years	7.41	7.49	7.50	7.48	7.36	7.41	7.29
MEMO: Club accounts[1]	4.20	2.71	4.30	4.75	3.91	3.72	4.29
	October 27, 1976						
Savings and small-denomination time deposits	5.54	5.71	5.66	5.58	5.49	5.42	5.39
Savings, total	4.91	4.93	4.88	4.94	4.91	4.86	4.93
Individuals and nonprofit organizations	4.91	4.93	4.88	4.93	4.91	4.85	4.93
Partnerships and corporations	4.96	5.00	4.90	4.97	4.96	4.96	4.98
Domestic governmental units	4.97	4.96	4.98	4.90	4.98	5.00	4.97
All other	4.99	5.00	5.00	5.00	4.86	....	5.00
Time deposits in denominations of less than $100,000, total	6.32	6.24	6.43	6.36	6.33	6.29	6.25
Domestic governmental units, total	5.58	5.75	5.67	5.55	5.35	5.39	5.35
Maturing in—							
30 up to 90 days	5.13	5.35	5.03	4.99	5.10	5.13	4.99
90 up to 180 days	5.44	5.46	5.48	5.23	5.46	5.42	5.41
180 days up to 1 year	5.53	5.59	5.60	5.59	5.41	5.59	5.35
1 year and over	6.17	6.24	6.06	6.36	6.05	5.98	5.92
Other than domestic governmental units, total	6.34	6.27	6.45	6.38	6.36	6.30	6.27
Maturing in—							
30 up to 90 days	4.98	5.00	4.99	4.98	4.99	4.95	4.98
90 up to 180 days	5.47	5.47	5.48	5.44	5.49	5.47	5.45
180 days up to 1 year	5.47	5.48	5.50	5.47	5.49	5.47	5.43
1 up to 2½ years	5.99	5.98	6.00	5.98	5.99	5.98	5.98
2½ up to 4 years	6.49	6.48	6.50	6.48	6.49	6.45	6.49
4 up to 6 years	7.21	7.22	7.19	7.24	7.21	7.23	7.19
Over 6 years	7.47	7.49	7.50	7.48	7.48	7.46	7.43
MEMO: Club accounts[1]	3.68	2.11	2.17	4.53	3.74	3.70	4.52

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

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

per cent, while the average rate on such deposits issued to nongovernmental entities declined 4 basis points to 6.30 per cent. Like savings deposits, rate cutting on time deposits was concentrated primarily among large banks. For issues to nongovernmental holders in all original maturity categories under 2½ years, the proportion of large banks paying maximum allowable rates fell 10 or more percentage points, but at small banks the proportions were about unchanged. The proportion of large banks paying the ceiling rate on time deposits maturing in 4 up to 6 years was 69 per cent in January, down from 91 per cent in October, but at other banks the percentage declined only to 81 per cent from 84 per cent. In the 6-year-and-over maturity category the proportion of banks offering maximum rates, which had been 95 per cent at all banks in October, fell to 80 per cent at large banks but only to 93 per cent at other banks.

OTHER TIME DEPOSITS

Banks continued to allow interest-bearing, large-denomination time deposits to run off during the October to January interval. However, the decline in such deposits was less than in the previous 3 months, and the reduction may have reflected the fact that business demands for credit began to show a general rise late in 1976. Since the end of 1974 the total volume of large-denomination deposits has declined by more than $40 billion, to a level of $124 billion.

Remaining time deposits are distributed between non-interest-bearing time deposits and club accounts. Such non-interest-bearing deposits, most of which are likely to be escrow accounts or compensating balances held against loans, declined slightly to a level of $4.8 billion; club account deposits declined seasonally to a level of $1.1 billion. □

Revised data for the appendix tables for the October survey are available on request from Publications Services, Division of Administrative Services, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

APPENDIX TABLES

A1. Savings deposits issued to individuals and nonprofit organizations

Most common interest rates paid by insured commercial banks on new deposits, January 26, 1977

Group	Total	Most common rate (per cent)			Paying ceiling rate [1] (5.00 per cent)	Total	Most common rate (per cent)			Paying ceiling rate [1] (5.00 per cent)
		4.00 or less	4.01 to 4.50	4.51 to 5.00			4.00 or less	4.01 to 4.50	4.51 to 5.00	
	NUMBER OF BANKS					MILLIONS OF DOLLARS				
All banks	**14,337**	**681**	**1,587**	**12,070**	**12,034**	**188,299**	**7,369**	**21,486**	**159,444**	**157,578**
Size of bank (total deposits in millions of dollars):										
Less than 20	8,862	498	963	7,402	7,373	20,256	497	1,303	18,456	18,295
20–50	3,477	66	495	2,916	2,916	30,279	967	4,935	24,376	24,376
50–100	1,086	55	39	992	992	21,494	1,023	652	19,819	19,819
100–500	725	50	56	620	617	40,063	2,324	3,502	34,238	34,127
500–1,000	103	8	23	73	70	19,087	1,413	4,008	13,666	13,432
1,000 and over	84	4	12	68	66	57,120	1,146	7,086	48,888	47,528

NOTES TO APPENDIX TABLES 1–16:

1 See page A10 for maximum interest rates payable on time and saving deposits at the time of each survey. The ceiling rate is the top of the rate interval immediately to the left.
2 Omitted to avoid individual bank disclosure.
3 Less than $500,000.

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

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

Figures may not add to totals because of rounding.

A2. Savings deposits issued to partnerships and corporations operated for profit

Most common interest rates paid by insured commercial banks on new deposits, January 26, 1977

Group	Total	Most common rate (per cent)			Paying ceiling rate [1] (5.00 per cent)	Total	Most common rate (per cent)			Paying ceiling rate [1] (5.00 per cent)
		4.00 or less	4.01 to 4.50	4.51 to 5.00			4.00 or less	4.01 to 4.50	4.51 to 5.00	
	NUMBER OF BANKS					MILLIONS OF DOLLARS				
All banks	**8,461**	**135**	**648**	**7,678**	**7,641**	**9,004**	**130**	**781**	**8,093**	**7,923**
Size of bank (total deposits in millions of dollars):										
Less than 20	3,657	....	114	3,543	3,515	512	....	7	505	503
20–50	2,866	100	395	2,371	2,371	1,155	28	90	1,037	1,037
50–100	1,038	16	55	967	967	1,027	7	45	975	975
100–500	713	17	47	649	647	2,081	60	149	1,873	1,864
500–1,000	103	2	23	78	75	1,107	(2)	(2)	918	874
1,000 and over	84	1	14	69	66	3,122	(2)	(2)	2,786	2,670

A3. Savings deposits issued to domestic governmental units

Most common interest rates paid by insured commercial banks on new deposits, January 26, 1977

Group	Total	Most common rate (per cent)			Paying ceiling rate [1] (5.00 per cent)	Total	Most common rate (per cent)			Paying ceiling rate [1] (5.00 per cent)
		4.00 or less	4.01 to 4.50	4.51 to 5.00			4.00 or less	4.01 to 4.50	4.51 to 5.00	
	NUMBER OF BANKS					MILLIONS OF DOLLARS				
All banks	**6,882**	**348**	**858**	**5,677**	**5,643**	**5,947**	**63**	**950**	**4,934**	**4,842**
Size of bank (total deposits in millions of dollars):										
Less than 20	4,141	300	412	3,429	3,401	699	19	57	624	622
20–50	1,642	33	336	1,272	1,272	901	7	31	864	864
50–100	530	....	39	491	491	665	....	200	465	465
100–500	433	9	41	382	382	1,272	2	139	1,131	1,131
500–1,000	75	2	14	59	53	534	(2)	(2)	476	386
1,000 and over	62	3	15	44	44	1,876	(2)	(2)	1,374	1,374

A4. Savings deposits issued to all others

Most common interest rates paid by insured commercial banks on new deposits, January 26, 1977

Group	Total	Most common rate (per cent)			Paying ceiling rate [1] (5.00 per cent)	Total	Most common rate (per cent)			Paying ceiling rate [1] (5.00 per cent)
		4.00 or less	4.01 to 4.50	4.51 to 5.00			4.00 or less	4.01 to 4.50	4.51 to 5.00	
	NUMBER OF BANKS					MILLIONS OF DOLLARS				
All banks	**698**	**87**	....	**612**	**612**	**322**	**2**	....	**320**	**320**
Size of bank (total deposits in millions of dollars):										
Less than 20	277	84	....	193	193	11	1	....	10	10
20–50	303	....	....	303	303	2	....	....	2	2
50–100	39	....	....	39	39	15	....	....	15	15
100–500	64	3	....	62	62	181	1	....	180	180
500–1,000	2	....	....	2	2	(2)	....	....	(2)	(2)
1,000 and over	13	....	....	13	13	(2)	....	....	(2)	(2)

For notes, see p. 542.

A5. Government time deposits in denominations of less than $100,000—Maturities of 30 up to 90 days

Most common interest rates paid by insured commercial banks on new deposits, January 26, 1977

Group	Total	Most common rate (per cent)			Paying ceiling rate [1] (7.75 per cent)	Total	Most common rate (per cent)			Paying ceiling rate [1] (7.75 per cent)
		5.00 or less	5.01 to 5.50	5.51 to 7.75			5.00 or less	5.01 to 5.50	5.51 to 7.75	
	NUMBER OF BANKS					MILLIONS OF DOLLARS				
All banks	**4,290**	**3,477**	**622**	**191**	....	**935**	**701**	**164**	**71**	....
Size of bank (total deposits in millions of dollars):										
Less than 20	2,238	1,573	524	141	....	337	215	65	57	....
20–50	1,034	977	23	33	....	127	124	2	1	....
50–100	384	368	16	....	....	116	115	1	....	....
100–500	485	430	41	15	....	175	91	71	(2)	....
500–1,000	87	73	12	2	....	85	66	(2)	(2)	....
1,000 and over	63	57	6	....	....	95	90	(2)	....	....

A6. Government time deposits in denominations of less than $100,000—Maturities of 90 up to 180 days

Most common interest rates paid by insured commercial banks on new deposits, January 26, 1977

Group	Total	Most common rate (per cent)			Paying ceiling rate [1] (7.75 per cent)	Total	Most common rate (per cent)			Paying ceiling rate [1] (7.75 per cent)
		5.00 or less	5.01 to 5.50	5.51 to 7.75			5.00 or less	5.01 to 5.50	5.51 to 7.75	
	NUMBER OF BANKS					MILLIONS OF DOLLARS				
All banks	**7,931**	**1,560**	**5,926**	**445**	....	**1,464**	**271**	**1,121**	**72**	....
Size of bank (total deposits in millions of dollars):										
Less than 20	4,715	667	3,801	248	....	582	52	473	56	....
20–50	2,129	628	1,328	173	....	252	73	170	9	....
50–100	405	55	335	16	....	107	8	99	(3)	....
100–500	530	126	399	5	....	285	34	245	6	....
500–1,000	88	47	39	2	....	47	18	(2)	(2)	....
1,000 and over	63	38	24	1	....	192	86	(2)	(2)	....

A7. Government time deposits in denominations of less than $100,000—Maturities of 180 days up to 1 year

Most common interest rates paid by insured commercial banks on new deposits, January 26, 1977

Group	Total	Most common rate (per cent)			Paying ceiling rate [1] (7.75 per cent)	Total	Most common rate (per cent)			Paying ceiling rate [1] (7.75 per cent)
		5.00 or less	5.01 to 5.50	5.51 to 7.75			5.00 or less	5.01 to 5.50	5.51 to 7.75	
	NUMBER OF BANKS					MILLIONS OF DOLLARS				
All banks	**4,200**	**598**	**2,785**	**818**	....	**670**	**140**	**410**	**120**	....
Size of bank (total deposits in millions of dollars):										
Less than 20	2,159	414	1,361	384	....	161	21	131	10	....
20–50	1,238	....	906	332	....	236	....	137	99	....
50–100	288	39	187	62	....	13	4	8	1	....
100–500	380	87	263	29	....	182	76	105	2	....
500–1,000	79	33	39	6	....	31	13	10	8	....
1,000 and over	57	25	28	4	....	47	27	19	(3)	....

For notes, see p. 542.

A8. Government time deposits in denominations of less than $100,000— Maturities of 1 year or more

Most common interest rates paid by insured commercial banks on new deposits, January 26, 1977

Group	Total	Most common rate (per cent)				Paying ceiling rate [1] (7.75 per cent)	Total	Most common rate (per cent)				Paying ceiling rate [1] (7.75 per cent)
		5.00 or less	5.01 to 5.50	5.51 to 6.00	6.01 to 7.75			5.00 or less	5.01 to 5.50	5.51 to 6.00	6.01 to 7.75	
	NUMBER OF BANKS						MILLIONS OF DOLLARS					
All banks	**8,141**	**415**	**376**	**5,526**	**1,824**	**3**	**1,276**	**37**	**163**	**880**	**196**	(3)
Size of bank (total deposits in millions of dollars):												
Less than 20	4,499	278	221	2,779	1,221	....	614	18	46	455	95	....
20–50	2,440	33	33	2,027	347	....	341	1	(3)	271	69	....
50–100	579	39	....	391	149	....	93	4	....	74	15	....
100–500	490	46	69	283	92	3	152	5	84	53	10	(3)
500–1,000	78	11	36	25	6	....	35	3	17	12	3	....
1,000 and over	55	7	17	22	9	....	41	6	15	16	4	....

A9. Other time deposits in denominations of less than $100,000— Maturities of 30 up to 90 days

Most common interest rates paid by insured commercial banks on new deposits, January 26, 1977

Group	Total	Most common rate (per cent)		Paying ceiling rate [1] (5.00 per cent)	Total	Most common rate (per cent)		Paying ceiling rate [1] (5.00 per cent)
		4.50 or less	4.51 to 5.00			4.50 or less	4.51 to 5.00	
	NUMBER OF BANKS				MILLIONS OF DOLLARS			
All banks	**5,653**	**234**	**5,419**	**5,249**	**7,056**	**1,236**	**5,820**	**5,378**
Size of bank (total deposits in millions of dollars):								
Less than 20	2,341	85	2,256	2,199	202	20	182	178
20–50	1,786	33	1,752	1,752	359	1	358	358
50–100	725	23	702	670	829	111	717	667
100–500	626	52	575	523	1,591	153	1,438	1,399
500–1,000	98	24	74	58	1,500	190	1,310	1,208
1,000 and over	77	17	60	46	2,575	761	1,814	1,569

A10. Other time deposits in denominations of less than $100,000— Maturities of 90 up to 180 days

Most common interest rates paid by insured commercial banks on new deposits, January 26, 1977

Group	Total	Most common rate (per cent)			Paying ceiling rate [1] (5.50 per cent)	Total	Most common rate (per cent)			Paying ceiling rate [1] (5.50 per cent)
		4.50 or less	4.51 to 5.00	5.01 to 5.50			4.50 or less	4.51 to 5.00	5.01 to 5.50	
	NUMBER OF BANKS					MILLIONS OF DOLLARS				
All banks	**11,064**	**107**	**1,157**	**9,800**	**9,769**	**31,445**	**66**	**5,162**	**26,217**	**25,418**
Size of bank (total deposits in millions of dollars):										
Less than 20	6,322	57	469	5,796	5,796	3,949	(3)	225	3,723	3,723
20–50	2,856	33	420	2,402	2,402	5,056	(3)	382	4,674	4,674
50–100	992	....	156	836	836	3,999	....	669	3,330	3,330
100–500	711	4	67	639	621	7,813	(2)	(2)	7,119	7,064
500–1,000	100	10	23	67	62	2,747	20	516	2,212	2,034
1,000 and over	84	2	21	61	54	7,882	(2)	(2)	5,159	4,593

For notes, see p. 542.

A11. Other time deposits in denominations of less than $100,000— Maturities of 180 days up to 1 year

Most common interest rates paid by insured commercial banks on new deposits, January 26, 1977

Group	Total	Most common rate (per cent)			Paying ceiling rate[1] (5.50 per cent)	Total	Most common rate (per cent)			Paying ceiling rate[1] (5.50 per cent)
		4.50 or less	4.51 to 5.00	5.01 to 5.50			4.50 or less	4.51 to 5.00	5.01 to 5.50	
	NUMBER OF BANKS					MILLIONS OF DOLLARS				
All banks	**8,618**	**52**	**749**	**7,818**	**7,704**	**4,564**	**11**	**451**	**4,103**	**3,873**
Size of bank (total deposits in millions of dollars):										
Less than 20	4,736	28	527	4,181	4,181	1,474	(3)	68	1,406	1,406
20–50	2,330	....	69	2,261	2,228	558	....	14	544	543
50–100	765	....	48	717	694	577	....	27	550	550
100–500	611	15	70	525	491	689	4	69	616	601
500–1,000	98	7	14	77	65	398	(2)	(2)	357	325
1,000 and over	79	2	20	57	45	869	(2)	(2)	631	448

A12. Other time deposits in denominations of less than $100,000— Maturities of 1 up to 2½ years

Most common interest rates paid by insured commercial banks on new deposits, January 26, 1977

Group	Total	Most common rate (per cent)			Paying ceiling rate[1] (6.00 per cent)	Total	Most common rate (per cent)			Paying ceiling rate[1] (6.00 per cent)
		5.00 or less	5.01 to 5.50	5.51 to 6.00			5.00 or less	5.01 to 5.50	5.51 to 6.00	
	NUMBER OF BANKS					MILLIONS OF DOLLARS				
All banks	**13,587**	**57**	**378**	**13,152**	**12,840**	**34,402**	**576**	**982**	**32,843**	**30,762**
Size of bank (total deposits in millions of dollars):										
Less than 20	8,168	....	221	7,947	7,726	10,400	....	183	10,217	9,973
20–50	3,454	33	23	3,398	3,375	7,960	10	53	7,897	7,879
50–100	1,063	16	71	976	960	3,622	56	222	3,344	3,342
100–500	719	....	42	677	636	4,988	....	219	4,769	4,532
500–1000	100	4	12	84	79	1,879	122	138	1,619	1,450
1,000 and over	84	4	9	71	65	5,554	389	168	4,997	3,584

A13. Other time deposits in denominations of less than $100,000— Maturities of 2½ up to 4 years

Most common interest rates paid by insured commercial banks on new deposits, January 26, 1977

Group	Total	Most common rate (per cent)		Paying ceiling rate[1] (6.50 per cent)	Total	Most common rate (per cent)		Paying ceiling rate[1] (6.50 per cent)
		6.00 or less	6.01 to 6.50			6.00 or less	6.01 to 6.50	
	NUMBER OF BANKS				MILLIONS OF DOLLARS			
All banks	**12,082**	**310**	**11,772**	**11,740**	**17,930**	**1,042**	**16,888**	**16,690**
Size of bank (total deposits in millions of dollars):								
Less than 20	6,798	113	6,685	6,685	3,855	60	3,795	3,795
20–50	3,431	56	3,375	3,375	4,726	51	4,675	4,675
50–100	976	46	930	930	2,165	96	2,069	2,069
100–500	701	67	634	608	2,778	426	2,352	2,297
500–1,000	96	19	77	73	1,079	158	921	833
1,000 and over	80	9	71	70	3,327	250	3,077	3,022

For notes, see p. 542.

A14. Other time deposits in denominations of less than $100,000— Maturities of 4 up to 6 years

Most common interest rates paid by insured commercial banks on new deposits, January 26, 1977

Group	Total	Most common rate (per cent)			Paying ceiling rate [1] (7.25 per cent)	Total	Most common rate (per cent)			Paying ceiling rate [1] (7.25 per cent)
		6.50 or less	6.51 to 7.00	7.01 to 7.25			6.50 or less	6.51 to 7.00	7.01 to 7.25	
	NUMBER OF BANKS					MILLIONS OF DOLLARS				
All banks	**11,929**	**262**	**2,079**	**9,589**	**9,557**	**48,109**	**3,233**	**7,281**	**37,595**	**37,531**
Size of bank (total deposits in millions of dollars):										
Less than 20	6,980	85	1,216	5,679	5,651	7,551	133	1,286	6,132	6,111
20–50	3,103	46	635	2,422	2,422	10,840	117	2,055	8,668	8,668
50–100	976	....	94	882	882	6,372	....	625	5,747	5,747
100–500	693	107	108	478	473	9,720	1,457	1,951	6,312	6,269
500–1,000	98	12	17	68	68	4,496	481	599	3,416	3,416
1,000 and over	80	11	8	61	61	9,130	1,045	765	7,321	7,321

A15. Other time deposits in denominations of less than $100,000— Maturities of 6 years or more

Most common interest rates paid by insured commercial banks on new deposits, January 26, 1977

Group	Total	Most common rate (per cent)			Paying ceiling rate [1] (7.50 per cent)	Total	Most common rate (per cent)			Paying ceiling rate [1] (7.50 per cent)
		5.00 or less	5.01 to 7.25	7.26 to 7.50			5.00 or less	5.01 to 7.25	7.26 to 7.50	
	NUMBER OF BANKS					MILLIONS OF DOLLARS				
All banks	**8,433**	**7**	**698**	**7,728**	**7,728**	**10,933**	**11**	**1,587**	**9,335**	**9,335**
Size of bank (total deposits in millions of dollars):										
Less than 20	4,529	....	386	4,143	4,143	906	....	36	870	870
20–50	2,277	....	79	2,198	2,198	2,115	....	28	2,086	2,086
50–100	867	....	85	782	782	1,716	....	113	1,603	1,603
100–500	590	4	111	475	475	2,363	([3])	496	1,866	1,866
500–1,000	90	2	19	69	69	1,129	([2])	([2])	943	943
1,000 and over	79	1	17	61	61	2,704	([2])	([2])	1,966	1,966

A16. Club accounts—Christmas savings, vacation, or similar club accounts

Most common interest rates paid by insured commercial banks on new deposits, January 26, 1977

Group	Total	Most common rate (per cent)				Paying ceiling rate [1] (5.50 per cent)	Total	Most common rate (per cent)				Paying ceiling rate [1] (5.50 per cent)
		0.00	.01 to 4.00	4.01 to 4.50	4.51 to 5.50			0.00	.01 to 4.00	4.01 to 4.50	4.51 to 5.50	
	NUMBER OF BANKS						MILLIONS OF DOLLARS					
All banks	**8,849**	**4,381**	**1,070**	**601**	**2,796**	**161**	**1,033**	**137**	**105**	**101**	**689**	**165**
Size of bank (total deposits in millions of dollars):												
Less than 20	4,725	2,897	390	333	1,106	....	81	33	8	9	31	....
20–50	2,556	1,021	478	149	909	122	286	27	29	14	217	3
50–100	891	274	109	55	453	23	277	24	16	15	222	161
100–500	543	153	76	40	273	16	178	27	35	20	95	2
500–1,000	72	19	12	12	29	....	52	10	9	11	23	....
1,000 and over	62	18	6	12	26	....	159	17	8	33	101	....

For notes, see p. 542.

Treasury and Federal Reserve Foreign Exchange Operations: Interim Report

This interim report, covering the period February through April 1977, is the ninth of a series providing information on Treasury and System foreign exchange operations to supplement the regular series of semiannual reports that are usually issued each March and September. It was prepared by Alan R. Holmes, Manager, System Open Market Account, and Executive Vice President in charge of the Foreign Function of the Federal Reserve Bank of New York, and Scott E. Pardee, Deputy Manager for Foreign Operations of the System Open Market Account and Vice President in the Foreign Function of the Federal Reserve Bank of New York.

In contrast to much of last year, the markets for most foreign currencies were fairly free of strain during the February–April period under review. In part, the over-all improvement in trading conditions reflected the greater stability of several currencies—mainly the pound sterling, the Italian lira, and the French franc—which had come under varying degrees of selling pressure in 1976. In those countries, many of the policy measures that had been taken by the respective governments to restore internal and external balance in their economies were beginning to take effect. These signs of progress helped to bolster market confidence, stimulating reversals of earlier capital outflows and of previously adverse leads and lags in commercial payments.

With their currencies now in demand, the respective central banks took the opportunity to buy dollars in the market and to rebuild their international reserves. In part, also, the improvement reflected the fact that participants in the European Community (EC) snake were able to avoid the kinds of tensions that had beset their exchange markets during the months preceding the October 1976 realignment of parities. On April 1 before any significant speculative pressures had re-emerged, the member countries agreed to a further realignment in which the parities of the three Scandinavian currencies within the arrangement were adjusted downward by 3 to 6 per cent against the German mark, the Dutch guilder, and the Belgian franc.

Under these more settled trading conditions, the German mark stayed at the bottom of the EC snake. Meanwhile, the continuing reversal of earlier hot money inflows to Switzerland contributed to a further easing of the Swiss franc. By contrast, the Japanese yen remained in heavy demand through mid-April, largely in reaction to a further widening of the Japanese current-account surplus. The yen rate advanced 6¾ per cent, for a total rise of 10 per cent since last December's low, before settling back some 2½ per cent by the end of April.

At times during the 3-month period the dollar came on offer against continental currencies. By February the severe winter weather in much of the United States had contributed to highly publicized reductions in industrial and agricultural output, higher prices, and a larger trade deficit. As these developments revived market

1. Federal Reserve System repayments under special swap arrangement with the Swiss National Bank

In millions of dollars equivalent

Commitments, Jan. 31, 1977	992.5
Repayments, Feb.–Apr. 30, 1977	−132.3
Commitments, Apr. 30, 1977	860.2

NOTE.—Data are on a transaction-date basis.

2. Drawings and repayments by foreign central banks and the Bank for International Settlements (BIS) under reciprocal currency arrangements

In millions of dollars; drawings, or repayments (−)

Banks drawing on System	Outstanding Jan. 31, 1977	Feb. 1 through Apr. 30, 1977	Outstanding Apr. 30, 1977
Bank of Mexico	150.0	−150.0	...
BIS (against German marks)	...	35.0 −35.0	·
Total	150.0	35.0 −185.0	...

uncertainties about our near-term economic prospects, the dollar was marked down against the German mark and other European currencies linked directly or indirectly to the mark. On occasion, the German Federal Bank bought modest amounts of dollars in Frankfurt. In New York the Federal Reserve offered marks when trading became unsettled, selling $20.9 million equivalent from existing balances on 3 days during February 14–28.

As the weather improved and the broad expansion of the U.S. economy resumed, trading came into somewhat better balance through most of March. Nevertheless, the market remained concerned over indications of a quickening of inflationary pressures in the United States and of an even sharper widening in the trade deficit than could be explained by adverse weather. For a while the dollar held steady amid widespread expectations that interest rates would soon firm in the United States relative to rates abroad.

As time passed, however, these expectations faded, and the dollar began to lose resiliency in the market. After the European close on Friday, April 1, when incomplete reports of an EC snake realignment reached the New York market ahead of the official announcement, trading became confused and the dollar suddenly came on offer. The Federal Reserve intervened with modest offers of marks, selling $15.3 million equivalent.

This nervousness quickly passed, but the dollar's generally easier tone persisted. Over subsequent weeks, press reports that industrial countries with current-account surpluses were being urged to let their currencies appreciate generated expectations that further exchange rate adjustments might occur in the near term.

Consequently, even as U.S. interest rates were beginning to firm in late April, dealers were by then offering dollars virtually across the board against the possibility that an exchange rate realignment might emerge during the weekend of the London summit meeting, May 7–8. In this atmosphere the New York market became unsettled on several occasions, and the Federal Reserve intervened on 3 days during April 15–29, selling a total of $30.6 million of marks. By the end of the period, the dollar had declined by some 2 per cent against the mark.

In sum, the Federal Reserve sold a total of $66.8 million of German marks during the February–April period. These sales were all financed from System balances, which were replenished in part—$49.6 million equivalent—by occasional purchases of marks from correspondents and in the market.

During the period, the Federal Reserve and the U.S. Treasury made further progress in repaying debts in Swiss francs outstanding since August 1971. Pursuant to an agreement in October 1976 between the U.S. authorities and the Swiss National Bank for orderly liquidation of these obligations over a 3-year period, the Federal Reserve paid $132.3 million equivalent of special swap indebtedness and the Treasury redeemed $79.3 million equivalent of Swiss franc-denominated securities by the end of April.

Most of the francs for these repayments were purchased directly from the Swiss National Bank against dollars. But the Federal Reserve

3. U.S. Treasury securities, foreign currency series, issued to the Swiss National Bank

In millions of dollars equivalent; issues, or redemptions (−)

Commitments, Jan. 31, 1977	1,513.1
Redemptions, Feb.–Apr. 30, 1977	−79.3
Commitments, Apr. 30, 1977	1,433.8

NOTE.—Data are on a transaction-date basis.

also bought francs from the Swiss central bank against the sale of $29.2 million equivalent of marks and $26.1 million of French francs, which in turn were either acquired in the market or drawn from existing balances. In addition, the System purchased $23.2 million equivalent of Swiss francs in the market or from other correspondents in late February–early March, when the franc was weakening in the exchanges. By the end of April the Federal Reserve's special swap debt to the Swiss National Bank had been reduced to $860.2 million equivalent, while the Treasury's Swiss franc-denominated obligations had been lowered to $1,433.8 million equivalent.

During the February–April period the Bank of Mexico repaid the remainder of last year's borrowings from the Federal Reserve and the U.S. Treasury. In February the Mexican central bank liquidated at maturity the $150 million drawn under the swap line with the Federal Reserve. In April it prepaid the $150 million in drawings under the Exchange Stabilization Agreement with the Treasury.

Finally, in February, the U.S. Treasury established short-term credit facilities for Portugal totaling $300 million. During the period the Bank of Portugal drew a total of $125 million on these facilities and subsequently arranged to repay $50 million in early May. □

Statements to Congress

Statement by Stephen S. Gardner, Vice Chairman, Board of Governors of the Federal Reserve System, before the Committee on Banking, Housing and Urban Affairs, U.S. Senate, May 24, 1977.

I appreciate the opportunity to testify before this Committee for the Board of Governors of the Federal Reserve System on S. 71, S. 73, S. 895, and S. 1433. These bills contain many needed and appropriate measures. Their timely enactment in this Congress will aid the regulatory agencies in carrying out supervisory responsibilities. As you know, many of the provisions contained in the bills parallel recommendations made by the Board and result from the experience gained by the regulatory agencies in recent years.

S. 71, a bill similar to S. 2304, which your committee dealt with in the 94th Congress, proposes that violations of various banking laws be subject to civil penalties in some circumstances when present law carries no penalty provisions at all or requires a finding of criminal intent, a difficult procedure. S. 71 also restricts insiders in their dealings with banks and improves the regulatory agencies' power to take remedial action.

To both emphasize and summarize the Board's support of S. 71, I am attaching a bibliography of testimony and recommendations previously submitted to this committee and to the Congress.[1] My detailed comments today will address only those measures that the Board recommends that the committee incorporate in the bill as now drawn. While all of these proposals for legislative improvement were an outgrowth of reviews by the Board and the other banking agencies undertaken to determine if there were some practicable new measures that could increase the effectiveness of remedial supervisory action, the Board has been very conscious of the need to achieve this result without unduly interfering with the effective conduct of banking business.

For example, in limiting insider transactions, the Board believes that its amended proposal contained in Section 203 of the revised recommendations submitted to the committee on January 31 is preferable to the amendment to Section 22 contained in Section 3 of S. 71. The Board concluded, as explained in our letter to the Chairman of June 2, 1976, that the original suggestion for restrictions on insider transactions could have adverse effects on the availability of qualified directors for banks in smaller communities and also on the availability of credit in such communities. These adverse effects could be avoided if the revised restrictions on loans to one borrower in Section 22 were not made applicable to outside directors who do not hold more than 10 per cent of the voting stock of a bank. It is unlikely that such outside directors would be in a position to induce the bank to make questionable loans, particularly in view of the liability to which the other directors would become subject. The revised amendment would continue to require the aggregation of loans to officers and also of loans to 10 per cent stockholders and companies controlled by them in applying the limit on loans to a single borrower.

At the same time the Board recommended other changes that we believe would serve to strengthen the authorities' control over transactions that are more susceptible to insider abuses. We propose that specific approval of two-thirds of the entire Board of Directors be required, with the interested party abstaining, before a

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[1] The bibliography may be obtained from Publications Services, Division of Administrative Services, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

loan could be made to a director or to a more-than-10-per-cent stockholder or to any company controlled by such person when the amount of all such loans exceeds $25,000. In the case of officers and companies controlled by an officer, approval of two-thirds of the directors also would be required for amounts aggregating more than $15,000. We also recommend that Section 22 provide that any such loan be made on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with other persons.

The Board believes that these revised provisions, coupled with the proposal in S. 71 to provide civil penalties for violations of Section 22 of the Federal Reserve Act, will effectively contain the risk of insider abuse.

Certain other changes in the provisions of S. 71 suggested in the Board's revised proposal were not included in Senator Proxmire's amendment no. 196. I would like to call attention to those that are of particular importance to the Board and to urge their inclusion in S. 71.

The Board believes that the requirements for the issuance of a temporary cease-and-desist order should be broadened enough to include circumstances when the perceived violations of law and unsafe and unsound practices threaten not only insolvency or substantial dissipation of the assets or earnings of a bank or bank holding company but also a serious weakening of the condition of the bank or bank holding company. We also believe that the standard for judicial review of such orders should be made clear so that a court may enjoin a temporary cease-and-desist order only when the agency's issuance of such order was arbitrary and capricious. A similar clarification should be made to Section 8(f), the judicial review provisions for suspension of officers or directors from office pending administrative removal action under Section 8(e).

The Board also believes that a need exists for extension of the Board's removal powers under the act to officers and directors of bank holding companies and their nonbank subsidiaries and Edge Act and Agreement Corporations. The Federal Reserve should have explicit authority to issue subpoenas in connection with hearings and investigations under the Bank Holding Company Act and the authority to assess civil money penalties for failure of bank holding companies to file reports required under the act. I want to stress that the Board's ability to investigate possible violations or evasions of the Bank Holding Company Act and to police effectively the requirements of the act is seriously hampered by the lack of this explicit subpoena authority.

Although not suggested in our revised proposal, we believe that it would be desirable to make the divestiture authority in Section 4 of S. 71 applicable to bank as well as nonbank subsidiaries as originally suggested. In many instances, the subsidiary bank represents only a small part of the holding company's interests. In such cases, divestiture of the bank would be the most efficient and simplest method of preventing the unsatisfactory condition of the holding company's nonbank subsidiaries from impairing the condition of the bank.

I also want to comment on amendment no. 155, which has been proposed by Senator Tower. The Board has carefully studied this amendment, which would institute certain additional due process requirements when supervising agencies exercise removal authority over officers and directors of insured banks. We believe that the Board's revised proposal already satisfies the requirements of due process.

Personal dishonesty must now be proven in a removal action. Senator Tower's amendment would to a large extent continue this requirement. Experience has shown that it is extremely difficult to establish evidence of dishonesty. More importantly, it is too narrow a criterion because the abuse of banks more frequently occurs through the gross negligence or the continuing disregard for sound operations. Thus, we believe the authority for suspension and removal should be broadened as we proposed to include serious charges such as these, whether or not such conduct stems from a violation of a cease-and-desist order.

Further, S. 71 and the Board's revised proposal provide for the assessment (after notice and opportunity for submission of views) of civil money penalties for violations of various provisions of the Bank Holding Company Act, and orders issued under the Financial Institutions Supervisory Act and the Federal Reserve Act. The assessment of penalties would be subject to *de novo* review in an appropriate U.S. district court, and the Board believes that its proposals should be altered to include a formal hearing held in accordance with the Administrative Procedure Act. Such an amendment would result in less burden on the judiciary (which would review the administrative decision on the substantial evidence test rather than by a trial *de novo*) and would avoid the delays and other difficulties associated with a collection suit by the U.S. Department of Justice, especially in those cases where the assessment is not of substantial size. The administrative imposition system proposed by the Board would conform to the recommendation of the Administrative Conference of the United States.

The Board also suggests that the committee consider as additions to S. 71 some other provisions in the draft bill submitted to the committee last January. Title 1 of that proposal would provide for a Federal Bank Examination Council along the lines of S. 3494, introduced by Senator Stevenson in the 94th Congress, and consistent with suggestions made by the Board in testimony before your committee in December 1975. The Council would establish uniform standards, procedures, and reporting forms for the examination of banks to be employed by each of the Federal banking agencies; establish and conduct schools for bank examiners; and develop uniform reporting systems for banks, bank holding companies, and nonbank subsidiaries. It seems particularly appropriate to establish such a Council now in a period of improving liquidity and general strengthening of banking institutions and coordinate the advances in procedure and technology that have been developed by the individual banking agencies as a result of the experience of the last few years.

The existing informal nonstatutory coordinating committee has provided an effective forum for consultation primarily on interest rate ceilings applicable to savings and time accounts of banks and savings and loan associations and on related policy issues. However, we do not believe that it is desirable to use the coordinating committee mechanism for a Federal Bank Examination Council because both the membership and subjects to be considered would be different. The Federal Home Loan Bank Board is now a member of the Coordinating Committee, and the Administrator of Federal Credit Unions may be added to its membership. The Bank Examination Council should be limited to the Federal banking agencies and should include some degree of participation by the State banking departments so that attention can be concentrated on the unique problems of bank examinations, bank reports, and the training of bank examiners. A new undertaking of this kind would be significantly assisted by statutory authorization.

The Board also suggests that this period of strengthening in the banking system affords the opportunity for an objective assessment of the need for emergency takeover provisions such as those contained in S. 890, introduced at the Board's request in the 94th Congress and contained in Section 301(b) to (d) of the Board's attached draft bill. In the last Congress your committee approved the elimination of the 30-day notice requirement in Section 3(b) of the Bank Holding Company Act when the Board finds that an emergency situation exists or that immediate action is necessary to prevent the probable failure of the bank or bank holding company involved in the proposed acquisition. We urge you to take similar action this year. The Board also recommends serious consideration be given to the provisions in Section 301(d) to allow a large failing bank to be acquired in carefully controlled circumstances by an out-of-State holding company. In the last several years, there have been some instances requiring sales of a failing bank when the communities involved might have been better served if an emergency interstate acquisition procedure of this kind had been available.

Turning to S. 73, a bill to prohibit interlocking management and director relationships between depositary institutions, the Board continues to urge enactment of this proposal with the technical modification noted in our report of February 4, 1977.

Let me briefly comment on the Board's involvement in this subject. In 1970 as a result of a request from the Congress, the Board made a special review of interlocking personnel relationships in all of the Federal Reserve districts and also considered the adequacy of the present provisions of Section 8 of the Clayton Act affecting interlocking relationships. As a result of this extensive review the Board concluded that it would be desirable to make several changes in the existing interlock provisions.

The Board communicated the results of its study to the Congress in 1970, and in each of its annual reports thereafter has included a recommendation that these interlocking relationship prohibitions should be revised. Last year Chairman Proxmire requested the Board to draft appropriate amendments to implement these recommendations. This resulted in our proposal of a bill substantively the same as S. 73.

Although interlocking directorates are not necessarily harmful, such relationships between institutions that compete for the funds of the public involve a risk of abuse that the Board believes outweighs any reasonable expectation of benefits. We believe this reasoning applies equally to relationships between all institutions engaged in the business of receiving deposits that may be in competition with each other, including member banks, nonmember banks, savings and loan associations, savings banks, industrial banks, credit unions, or other similar institutions, whether or not their deposits are insured by a Federal agency. Accordingly, the provisions of S. 73 would extend the interlock prohibitions to all such depositary institutions.

In order to simplify the test of determining which institutions are to be covered by the prohibition, now specified as being institutions in the same or adjacent communities, the bill would provide that interlocks would be prohibited between institutions located in either the same standard metropolitan statistical area or within 50 miles of each other. Since there is also a likelihood of nationwide competition for large commercial accounts between very large institutions, this limitation would be supplemented by a nationwide prohibition against an interlock between an institution exceeding $1 billion in total assets and another exceeding $500 million in total assets.

Provisions are also included in S. 73, Section 2(c)(ii), to continue the exemption for institutions under common control but in such a form as to prevent evasion of the prohibitions by such a device as the exchange of a few shares of stock between majority shareholders of two separate institutions.

In one instance, the draft would make the present law less restrictive by prohibiting interlocking service by an employee or officer only if he performs management functions for one of the institutions. Employee interlocks involving those who do not perform management functions do not present a significant potential for diminishing competition.

Although we do not believe that detailed regulations will be necessary, general regulatory authority is proposed to be given to the Board as a precautionary matter to prevent evasions of the statute. The Board would also be given the authority to authorize some interlocks. We believe there are circumstances such as an interlock between an established institution and a small or newly established depositary institution or a minority bank that for a limited period of time might result in an increase rather than an inhibition of competition.

Depositary institutions would have 5 years after the date of enactment to find replacements for individuals who would be prohibited from service under the new legislation. It would seem needlessly disruptive to concentrate the search for qualified individuals in a shorter period of time.

S. 895, amendments to the Federal Deposit Insurance Act, has been introduced by Chairman Proxmire at the request of the Federal Deposit Insurance Corporation. The Board has no comment to make on the proposals in this bill that are of a housekeeping nature and that extend to the Federal Deposit Insurance Corporation (FDIC) authority over foreign branches and investments of nonmember banks comparable to that the Board exercises for member banks.

However, the provisions that would extend FDIC examination and subpoena authority to bank holding companies and subsidiaries of bank holding companies, of which nonmember banks are subsidiaries, amount to a substantive change in the law. The Congress, in enacting the Bank Holding Company Act of 1956, placed the jurisdiction and examination authority over bank holding companies in the Board. In connection with the Bank Holding Company Act Amendments of 1970, the Congress again gave extensive consideration to various proposals for a change in jurisdiction over bank holding companies and reconfirmed the Board's authority. We believe that giving this authority to the FDIC introduces an undesirable duplication in the bank regulatory structure. We see no need for two Federal agencies to examine and supervise the same institution.

Finally, I would like to comment on S. 1433, the "Depository Institutions Conflict of Interest Act." This bill would revise the conflict of interest prohibitions applicable to members of the Board of Directors of the Federal Deposit Insurance Corporation, which includes the Comptroller of the Currency, and the Board of Governors of the Federal Reserve System and prohibits employment by or investment in a holding company or holding company affiliate of an institution supervised by the agency.

Present law covers only supervised institutions. The revisions would extend such prohibitions to affiliates of supervised institutions. It would also apply similar prohibitions to the members of the Federal Home Loan Bank Board and the Administrator of Federal Credit Unions. These prohibitions would be applicable for a period of 2 years after leaving Government service, whether or not the individual had completed his term of office.

The Board is in complete agreement with the desirability of a specific provision that the employment and investment prohibitions are applicable to affiliates of the supervised institution, as well as the supervised institution itself. This is consistent with the spirit and purpose of the conflict of interest prohibitions.

However, we question whether it is fair to those now in office, or necessary or desirable, in the case of new appointees, to apply these prohibitions against both employment and investment to officials who have served their full terms. With respect to conflicts of interest, under the provisions of Section 207 of the U.S. Criminal Code (18 U.S.C. § 207) it is a criminal offense for any officer or employee of the executive branch to appear at any time in connection with any judicial or other proceeding in which he participated personally and substantially as an officer or employee. That section also prohibits any such officer or employee for 1 year after the end of his employment from appearing in connection with any such proceeding that was under his official responsibility within a period of 1 year prior to the termination of such responsibility. In the case of the Board of Governors, these limitations are also contained in Board regulations on limitations on activities of former members and employees of the Board.

In view of these provisions, we doubt the need for the application of new limitations against officials who serve their full term. With respect to these officials, if any additional limitation is imposed we suggest that it should be limited to no more than 6 months after the end of their terms.

The Board supports Section 7 of the bill to raise to Level I of the executive schedule the position of Chairman of the Board of Governors of the Federal Reserve System, and to Level II the position of the Board Members. The Board's position on this matter was presented in testimony earlier this month by Governor Lilly before the Subcommittee on Employee Ethics and Utilization of the Committee on Post Office and Civil Service of the U.S. House of Representatives, and I ask that his testimony be made a part of the record of this hearing.

Mr. Chairman, the Board would be pleased to provide any further information or assistance to you and to the Committee in your consideration of these bills. □

Additional statements follow.

Statement by J. Charles Partee, Member, Board of Governors of the Federal Reserve System, before the Subcommittee on Intergovernmental Relations of the Committee on Governmental Affairs, U.S. Senate, May 25, 1977.

It is a pleasure to appear before this distinguished committee today to present the views of the Board of Governors of the Federal Reserve System on S. 600. This bill sets out specific procedures for the periodic review of the myriad of regulations issued by our many Federal agencies, with consequent revision and restructuring where appropriate. In testimony before the full committee on a similar bill 1 year ago, Vice Chairman Gardner indicated the Board's strong sympathy and support for the basic objectives of the proposed legislation. I am happy to note that the Board's suggestions with respect to the need to consider the interrelated nature of separate industry regulations and the greater time required for a truly comprehensive review process have been addressed in S. 600.

The Board continues to support the broad goals expressed in the Regulatory Reform Act. By virtue of our continuing evaluation of economic developments in connection with the formulation and conduct of monetary policy, the Board is acutely aware that government regulation of various aspects of economic activity may introduce distortions and inequities into the economy. Despite laudable objectives, there is little doubt that both Federal legislation and the regulations implementing that legislation have often had the unintended effects of introducing rigidities and imperfections into the functioning and evolution of industries and their related markets. All too frequently the results have been a lessening in competition, a reduced resilience to deal with economic change, and a higher and more rigid structure of costs and prices that the consuming public must inevitably bear.

It is clear also that regulation has contributed to the inefficient use of real resources in the economy. When regulated businesses are precluded from competing directly on a price basis, for example, they are likely to spend more on advertising, or elaborate office furnishings, or an unnecessary proliferation of facilities. Banks and other depositary institutions, which are not unknown for resorting to such devices, also frequently offer free services and give away free merchandise in their efforts to attract new funds when price competition is limited by interest rate ceilings on deposits.

In addition, the costs of compliance with regulation can be quite high. In banking, numerous reports must be filed with Federal bank regulatory agencies or filled out and kept accessible for enforcement purposes. The cost of this paperwork to the institution constitutes a hidden tax imposed by the regulators on the regulated that must ultimately be passed on to the bank's customers. The Board has been quite aware of these costs and has embarked upon a Systemwide effort to cut back on the reporting burden. I am happy to say that, in the last year and a half, we have been able to reduce the over-all volume of reports received by around 7 per cent.

Worst of all, Federal law and regulation have sometimes had the effect of fostering monopolistic and cartel-like behavior on the part of ostensibly competing firms by insulating these firms from the discipline of effective competition. On other occasions, regulatory action may preserve the inefficient marginal firm, or divert resources to less than the most productive uses through the offering of special advantages to certain industries. Moreover, promotion of the special interests of individual industries via the legislative and regulatory process, in the name of the public interest, may have the effect of advancing those special interests at the expense of consumers. The danger that such regulation can be anticonsumer in nature has been enhanced because, until recently, the economic impact on consumers often was omitted from the factors considered in evaluating net public benefits.

In fairness, it needs to be recognized that some Federal regulation does promote the public interest and contribute to the performance of the economy. For example, regulation designed to maintain the safety and soundness of individual banks is critical to the strength of the financial system and the efficient functioning of the economy as a whole. Another example appears in the area of securities regulation where the SEC disclosure requirements help make needed information available to aid investor decision-making and increase the efficiency of securities markets. But there is a critical need to review and evaluate outstanding regulations on a periodic basis to see whether they are still justified, can be simplified, or need to be modernized in light of recent developments.

It is important to recognize, I believe, that regulation *per se* is never costless. As noted, there are always certain compliance and administrative costs incurred by both the regulator and the regulated. Moreover, there are usually indirect and more subtle costs associated with reduced freedom of choice for the regulated and the consuming public. The goal of the regulator in implementing regulations should be to minimize both these costs and their distributional effects and to assure that there are always public benefits that outweigh these costs. As I understand it, the principal purpose of the proposed legislation is to assure that there will be such a thorough and detailed review of these effects of the regulatory process, agency by agency and industry by industry.

While the Board agrees with the general thrust and objectives of S. 600, there are certain key features with respect both to its coverage and method of implementation that need to be clarified. We are especially concerned with the so-called "sunset" provisions that require the termination of, first, regulatory enforcement authority and, second, the entire agency in the event that no reform plans are enacted within the prescribed time period. There are several reasons for questioning the advisability of using such a strong forcing mechanism in order to assure that the necessary regulatory reform will take place.

First, many Federal agencies, pursuant to their legislative mandates, perform a variety of functions that are not basically regulatory in nature, but that may still depend in part for their implementation on enabling rules, orders, and regulations. In the case of the Federal Reserve Board, for example, such responsibilities include: (1) its central banking function with regard to international finance; (2) the formulation and implementation of monetary policy; (3) oversight activities with respect to the Federal Reserve Banks, which in turn play a pivotal role in the operation of the Nation's payments system; (4) its rules for the administration of the discount window through which the Federal Reserve System serves as the lender of last resort to the banking system and, in exigent circumstances, to the economy as a whole; and (5) the supervision of member banks and bank holding companies. In comparison with these functions, the Board's strictly regulatory responsibilities for banking and finance, including its role in consumer credit protection, account for a relatively small portion of the agency's efforts or for the impact of its actions on the economy.

The coverage of the Regulatory Reform Act, in the case of the banking agencies, specifically refers to their "regulation of banking and finance." It would appear, therefore, that the intent is not to discontinue all nonregulatory functions or to dismantle an entire agency for want of reform plans to cover the agency's regulatory functions. We believe that the Congress would not want to risk the abolishment or suspension, even temporarily, of the conduct of monetary policy or the supervision of banks. Similarly, we would be deeply concerned if there were no central oversight of the operation of the Reserve Banks and the payments mechanism, or of the discount window function. Such potential problems are by no means unique to the Federal Reserve Board. For example, what would become of the deposit insurance function of the FDIC or of its role with respect to the banks requiring liquidation? I should also point out that the Comptroller of the Currency is the chartering and supervisory authority for national banks, and these activities, too, would be suspended in the event of termination of that agency. Surely these functions should continue.

Nevertheless, there are no explicit provisions within the bill to provide for the continuance of these functions. Even if they were construed to be covered by the provisions for regulations "essential for preserving public health and safety," we would have grave reservations that the Department of Justice could assemble the necessary resources to perform these functions that are essential to the Nation's economic well-being. For these reasons, we must *presume* that the bill is directed to the purely regulatory activities of the agencies and would not, in the case of the Federal Reserve Board, encompass central banking, monetary policy, oversight of the Reserve Banks, operation of the discount mechanism, bank supervision, and the incidental regulations of the Federal Reserve necessary to carry out these functions.

In view of the problems associated with the sunset provisions, the Board would urge a narrower and more specific delineation of the aspects of regulation of banking and finance to be covered by the bill, to which the application of these provisions would then be directed.

The Board has a second concern about the sunset mechanism. Instead of easing the regulatory climate, the abrupt termination of even the regulatory functions of Federal agencies might present obstacles to the efficient functioning of the economy simply because of the language of many of our laws. Federal statutes are generally implemented by way of agency regulations, and in many cases agency approval pursuant to those regulations is necessary before individuals or firms can participate in certain activities or markets.

In the event the sunset provisions of S. 600 were triggered by lack of action on bank regulatory reform, under one possible interpretation this would mean that institutions seeking Board approval would be hampered—not freed—for lack of a regulatory process. Thus, for example, as the Bank Holding Company Act is written, it is unlawful for a bank holding company to be formed without the express approval of the Board of Governors. Similarly, existing bank holding companies wishing to expand or to engage in new activities would be denied the opportunity to have their applications for Board approval reviewed and acted upon. The same situation would exist with respect to applications to the Board for new branch offices, to establish Edge corporations, to engage in foreign banking activities requiring Board approval, or for permission to issue new debt or equity securities—to name a few. The result could be severe inequities for firms who could not obtain the approval of the Board to engage in activities that may have already been authorized for their competitors.

This brings me to the final point I wish to make about the proposed legislation. As I have noted, most regulatory agency rules and regulations are issued pursuant to the mandates of specific laws. As such they represent the efforts of the agencies to implement congressional intent. It may therefore be that many of the economic problems and inequities caused by regulation are rooted in the enabling legislation itself, rather than in the specific form the regulations have taken.

I would suggest, therefore, that consideration be given to broadening the scope of the review contemplated in the Regulatory Reform Act to encompass, where necessary, review and reform of the enabling legislation as well as existing regulation. Real progress in improving and simplifying our Federal regulatory apparatus, I would imagine, would often require rather fundamental amendments to underlying statutes.

In conclusion, I wish to reiterate that the Board supports the basic concepts of the Regulatory Reform Act but believes that further attention should be given to problems of its scope and implementation. □

Statement by J. Charles Partee, Member, Board of Governors of the Federal Reserve System, before the Committee on Banking, Housing and Urban Affairs, U.S. Senate, June 6, 1977.

I appreciate the opportunity to appear before this distinguished committee to present the views of the Board of Governors of the Federal Reserve System on H.R. 5675. The Board strongly recommends the enactment of this bill, because by providing a means for earning a direct return on the Treasury's liquid balances it will materially reduce certain operational difficulties encountered by the Federal Reserve in its day-to-day management of monetary policy.

Until recent years, Treasury cash management practices were conducted with a view to keeping fluctuations in Treasury balances from influencing the supply of bank reserves and short-term interest rates. This policy, in effect, recognized that the level of the Treasury balance is quite volatile because cash flows to the Treasury—from taxes and Federal borrowing—tend to be bunched at particular times of the month and year, whereas cash outlays are more evenly distributed. It makes a difference whether the Treasury maintains its cash balance with private depositories or with the Federal Reserve. By holding most of the balance in tax and loan accounts at commercial banks the potential reserve effects of fluctuations in the Treasury's cash position are minimized. When funds moved to or from the Treasury, they simply shifted between private and public demand deposits at banks and exerted little net impact on the total supply of reserves available to the banking system. The need for Federal Reserve open market operations to offset the reserve effects of variation in the Treasury's balance was reduced correspondingly.

The Treasury did maintain an operating balance at Federal Reserve Banks as well, on which the bulk of its checks were drawn. But as checks for outlays were cashed, the operating balance was quickly replenished by "calls" on the Treasury's tax and loan accounts at private banks. In this way the Treasury held a roughly constant balance with the Federal Reserve System.

Of course, some deviation in the level of the operating balance was inevitable. An accurate current measure of the volume of Treasury checks written was difficult to obtain, and it was hard to forecast exactly when outstanding checks would clear through the Federal Reserve. Nevertheless, the procedure was highly effective in reducing the degree of fluctuation in the Treasury's account at the Federal Reserve Banks. Thus, from the standpoint of minimizing the impact of swings in the Treasury's cash position on the supply of bank reserves, the former Treasury tax-and-loan account system worked well, and the implementation of monetary policy was insulated quite successfully.

In 1974, however, the Treasury re-examined the tax-and-loan account system, especially with regard to the foregone potential interest earnings on its cash balances. An earlier study had concluded that the Treasury was adequately compensated for this revenue loss by services provided by the banks. But with the general rise in market interest rates that had occurred during the late 1960's and early 1970's, and the need to maintain larger balances consistent with growing Federal outlays, it appeared that the foregone interest income on the Treasury's balance had come to exceed substantially the value of services rendered to the Treasury by the depositary institutions maintaining tax and loan accounts.

The Treasury did not have the authority to invest directly in short-term earning assets, and thus to earn some income with its idle cash. But it was assured of an indirect return when it reduced its non-interest-bearing deposits at commercial banks and transferred the bulk of its cash balance to the Federal Reserve System. When the Treasury's account with the Federal Reserve is increased, the System makes corresponding additions to its holdings of Government securities. And since virtually all of the earnings on Federal Reserve assets are turned over to the Treasury, this transfer of deposits provides a return to the Treasury that would not be available if the balances remained with depositary institutions.

Unfortunately, this change in procedure has complicated the task of managing monetary policy. This is so because virtually all of the short-run volatility in Treasury deposits now occurs in the accounts held with Federal Reserve Banks. Since variation in the level of such deposits has a dollar-for-dollar impact on the supply of reserves available to the banking system, the current concentration of the Treasury's cash position in these accounts greatly increases the need for offsetting Federal Reserve open market operations.

When most of the Treasury's cash balance is held at Federal Reserve Banks—as has been the case since 1974—increases in the Treasury's account reduce the over-all reserve position of the banking system, and decreases ease that position. Erratic swings in the Treasury balance are often large and concentrated, so that the Federal Reserve must take action through open market operations to offset the unwanted influence on bank reserves. The need for intervention in the Government securities market on this scale has sometimes made the conduct of monetary policy in the short run more difficult.

A few comparisons will help to illustrate the significance for open market operations of this shift in Treasury policy. In 1970—before the Treasury began to alter its cash management techniques—the average weekly change in Treasury deposits at the Federal Reserve was only $124 million. In 1976—after the new policy had been fully implemented—the average weekly change jumped to $2.0 billion. Principally due to this enormous increase in volatility, the average weekly change in reserves provided or absorbed by Federal Reserve open market operations rose to nearly $2.5 billion in 1976 from less than $400 million in 1970.

The shift is even more striking when one focuses on the weeks of peak need to offset technical factors affecting bank reserves. In 1970, the maximum week-to-week change in reserves resulting from open market operations amounted to just under $1.2 billion, and the movement in the Treasury balance necessitated only $130 million of this change. By 1976, however, open market operations added or absorbed more than $4.0 billion of reserves in 12 different statement weeks, and in each case fluctuation in the Treasury balance was the dominant factor requiring action. The largest of these week-to-week changes required intervention totaling $6.0 billion.

To date the Federal Reserve has generally been able to execute the requisite volume of open market operations needed to offset the unwanted reserve effect of these enlarged swings in the Treasury balance. However, there have been significant difficulties. The Treasury balance has become harder to estimate, large day-to-day variations in the balance make it more difficult to develop a consistent short-term operating strategy, and the sheer size of the operations required has at times constrained the System's flexibility in pursuing the more general objectives of monetary policy.

The Federal Reserve's success in offsetting the reserve impact of sharp fluctuations in the Treasury balance has been aided by the availability of a relatively large market supply of Government securities, as is typical of periods with relatively low interest rates and low inventory financing costs. As the economy continues to expand, however, the picture could change. If pressures on financial markets intensify, Government securities are likely to be less readily available in the market and a large volume of open market operations may become more difficult to accomplish.

Thus, from a monetary policy standpoint, the Board urges prompt action on the proposed legislation. Passage of H.R. 5675 would permit the Treasury to receive at least the amount of earnings it is obtaining now without the present complications and operational costs to Federal Reserve open market policy. Moreover, there should be distributional advantages if the Treasury maintains its balance with depositary institutions. Then, when balances shift between the private sector and the Treasury, the supply of funds in regional and local credit markets can remain unaffected. If, instead, these funds are moved to and from the Federal Reserve, there can be unsettling transitory effects on individual credit markets, since the impact of offsetting open market operations tends to focus initially on major money market center institutions.

I have left all comments on the technical implementation of H.R. 5675 to Mr. Mosso, since he has direct responsibility for administration of Treasury balances. However, I would like briefly to comment on one provision of the bill. Under present law, commercial banks, mutual savings banks, and Federally chartered credit unions may all hold Treasury deposits. Savings and loan associations are the only type of depositary institution not authorized to participate in the tax-and-loan account system, and this bill would add them to the list. In this connection, I would like to point out that savings and loans typically hold a very large share of their earning assets in long-term mortgage loans. Since Treasury operating balances are by their very nature volatile, it seems particularly important that the regulatory authorities insist that these institutions add to their short-term liquid assets in amounts commensurate with any such balances obtained. □

Record of Policy Actions of the Federal Open Market Committee

MEETING HELD ON APRIL 19, 1977

Domestic Policy Directive

The information reviewed at this meeting suggested that growth in real output of goods and services in the first quarter of 1977 had increased from the pace in the fourth quarter of 1976—now indicated by revised estimates of the Commerce Department to have been at an annual rate of 2.6 per cent, compared with 3.9 per cent in the third quarter and 4.5 per cent in the second. The rise in average prices—as measured by the fixed-weighted index for gross domestic business product—appeared to have been appreciably faster than the annual rate of 4.9 per cent estimated for the fourth quarter of last year, in part because of the adverse effects of severe winter weather on prices of foods.

According to staff estimates, growth in real GNP had been at a slightly higher rate in the first quarter than had been projected a month earlier. It now appeared that the expansion in consumer purchases of goods and services was substantially stronger than had been anticipated; that the gain in business outlays for equipment was larger; and that the rebound in business inventory investment from the sharply reduced rate in the fourth quarter of 1976 was greater. On the other hand, growth in construction outlays slowed somewhat more than had been expected, and the deterioration in net exports was more pronounced.

The staff projections for subsequent quarters incorporated revised assumptions for fiscal policy, as a result of the President's announcement on April 14 of changes in his package of measures designed to stimulate growth in economic activity. The revised assumptions excluded rebates of Federal income taxes and related payments and any increase in the business investment tax credit. It was still assumed that personal income taxes would be reduced and that Federal spending for job-creating programs and for public works would be expanded. No assumptions were made with respect to the administration's energy program, which was to be the subject of an address by the President to the Congress on April 20.

Growth in real GNP over the next few quarters was still projected to be substantial, reflecting strength in consumer demands and expansion of business investment in both fixed capital and inventories. The projections continued to suggest that the rise in the fixed-weighted price index for gross business product would be less rapid in the quarters immediately ahead than in the first quarter, when it had accelerated because of the adverse effects of severe weather. Upward price pressures over the next several quarters were nonetheless expected to be somewhat greater than had been anticipated earlier, partly because of further deterioration in the outlook for prices of some foods and partly because of the prospect of another increase in the minimum wage soon after midyear.

In March economic activity continued to gain in strength. Industrial production—which had risen 1 per cent in February, recovering to the December level—expanded about 1½ per cent further in March. About one-third of the gain was attributable to a substantial rise in production of motor vehicles, but increases in output were widespread among other types of consumer durable goods and business equipment and among construction supplies and materials. For the first quarter as a whole, industrial production expanded almost twice as much as in the preceding quarter, despite the adverse effects of the weather in January and early February.

Rates of capacity utilization rose in March to about 82 per cent in manufacturing as a whole and to about 81 per cent in the materials-producing industries. However, these utilization rates were still 6 and 10 percentage points, respectively, below the peaks in the previous business expansion, when capacity constraints in a number of materials-producing industries limited growth in output.

Private housing starts, following their weather-related drop in January, rebounded in February and rose sharply further in March to an annual rate of about 2.1 million units—the highest rate in nearly 4 years. For the first quarter as a whole, starts about equaled the total for the fourth quarter of 1976 and remained more than one-tenth above that for the third quarter.

Developments in the labor market in recent months reflected the strengthening in economic activity. Payroll employment in nonfarm establishments rose sharply in March, after having increased considerably in each of the preceding 4 months. Employment gains in March were widespread by industry and were particularly large in the manufacturing, construction, and service-producing industries. The labor force also increased sharply further in March; nevertheless, the unemployment rate declined from 7.5 to 7.3 per cent, returning to the January level.

Personal income, which had changed little in January, rose substantially in February. The rise was concentrated in wage and salary disbursements and for the most part reflected further gains in employment and recovery in the average length of the workweek from the adverse effects of the weather in January. The gain in employment in March suggested that wage and salary payments continued to grow at a rapid pace.

Expansion in retail sales had been quite strong recently. Sales for February had been revised upward, and in March they rose substantially further, reflecting widespread increases among types of retail outlets.

Sales of new domestic and foreign automobiles surged upward in March to an annual rate of about 12¼ million units, compared with rates of about 10¾ million in February and 10 million in the fourth quarter of 1976. The rate in March was the highest since the spring of 1973, and it suggested improvement in consumer confidence and a strong underlying demand for automobiles stemming in part from postponed replacement needs. The gains were impressive for foreign as well as for domestic models; sales of foreign models reached a new record annual rate of 2 million units.

Business capital outlays appeared to have strengthened in the first 2 months of 1977, although much of the improvement reflected recovery in shipments of trucks, automobiles, and farm equipment from the effects of strikes in the fourth quarter of 1976. The value of private nonresidential construction put in place rebounded in February, but it remained below the peak attained last September.

New orders for nondefense capital goods—which, according to revised data, had risen somewhat more in January than had been reported earlier—declined in February. However, the average for the 2 months was significantly higher than the monthly average for the fourth quarter of 1976. Unfilled orders for such goods edged up over the January–February period. Contract awards for commercial and industrial buildings—measured in terms of floor space—declined in February, and the average for the first 2 months of 1977 was unchanged from that for the fourth quarter of 1976. The Commerce Department had reported in mid-March that businesses were planning to spend 11.7 per cent more for plant and equipment in 1977 than in 1976.

The index of average hourly earnings for private nonfarm production workers rose at an annual rate of about 5 per cent in March. Indexes for January and February had been revised upward appreciably, however, with the result that the rise over the 3 months was at an annual rate of 7½ per cent—somewhat faster than the pace during 1976. Much of the acceleration in the first quarter was attributable to an increase in the minimum wage at the beginning of 1977, which had affected rates of pay in the service and trade industries in particular.

The wholesale price index—which had risen 0.9 per cent in February, after having increased 0.6 per cent on the average in the preceding 5 months—rose 1.1 per cent in March, the largest monthly increase since late 1975. Average prices of farm products and foods rose 2.1 per cent in March, reflecting especially sharp increases for coffee, cocoa, tea, soybeans, fresh fruits and vegetables, and sugar. Average prices of industrial commodities rose 0.8 per cent—somewhat more than in the immediately preceding months—reflecting large increases for metals and metal products, transportation equipment, textiles and apparel, and fuels and power.

The consumer price index went up 1.0 per cent in February, compared with 0.8 per cent in January and with 0.4 per cent on the average during the second half of 1976. Retail prices of foods rose sharply in February, led by increases in fresh fruits and vegetables and coffee. Among nonfood items, substantial increases were reported for fuel oil, gasoline, and used cars.

The average value of the dollar against leading foreign currencies had declined about ½ per cent since mid-March, returning to about its level at the beginning of the year. The depreciation of the dollar in the recent period was accounted for mainly by an appreciation of the Japanese yen, which rose 4 per cent in response to intensified demands for that currency. Demands also intensified for the U.K. pound, but exchange market intervention by the Bank of England kept the pound from appreciating. The average value of the currencies associated in the European "snake" arrangement changed little against the dollar.

The U.S. foreign trade deficit remained large in February, and the average for the first 2 months of the year was sharply higher than that for the fourth quarter of 1976. In the January–February period, as compared with the fourth quarter, the value of imports of foods rose sharply—as more coffee entered the country at higher prices—and imports of a variety of other consumer goods increased. The over-all value of exports declined slightly; exports of agricultural commodities were sustained—as their average unit values advanced while the physical quantity declined—but exports of other goods declined somewhat. Since the middle of 1976 exports of nonagricultural commodities had shown little net growth, reflecting sluggishness in the economies of other major industrial countries.

At U.S. banks, growth in total credit was somewhat less rapid in March than in February. Total loans expanded at an accelerated pace, but holdings of Treasury securities increased much less than in February and holdings of other securities declined. Over the first quarter, expansion in total bank credit was greater than in any other quarter in 2½ years.

Business credit demands remained generally strong. Business loans at banks rose during March at about the average rate for the preceding 5 months. At the same time the outstanding volume of commercial paper issued by nonfinancial corporations declined, as such corporations relied to a greater extent than in other recent months on internal sources of funds and on the proceeds of the sizable amount of securities sold in the capital market during the month.

The narrowly defined money stock (*M*-1), which had increased little in February, rose at an annual rate of about 6 per cent in March. From the fourth quarter of 1976 to the first quarter of 1977, *M*-1 grew at a rate of about 4¾ per cent. Weekly data suggested that *M*-1 had expanded substantially in early April.

Reflecting the pick-up in growth of *M*-1, the annual rate of growth in *M*-2 increased to about 8¼ per cent in March from about 6¾ per cent in February. Inflows to banks of time and savings deposits other than large-denomination CD's continued to slacken in March, mainly because of a contraction in savings deposits held by State and local governments. Inflows of deposits to nonbank thrift institutions also continued to slow, but the rate of growth in *M*-3 edged up. From the fourth quarter of 1976 to the first quarter of 1977, *M*-2 and *M*-3 grew at rates of about 9½ and 11 per cent, respectively.

At its March meeting the Committee had decided that growth in *M*-1 and *M*-2 over the March–April period at annual rates within ranges of 4½ to 8½ per cent and 7 to 11 per cent, respectively, would be appropriate. It had judged that these growth rates were likely to be associated with a weekly-average Federal funds rate in the area of 4⅝ to 4¾ per cent. The Committee had agreed that if growth rates in the aggregates over the 2-month period appeared to be deviating significantly from the midpoints of the indicated ranges, the operational objective for the weekly-average Federal funds rate should be modified in an orderly fashion within a range of 4¼ to 5¼ per cent.

Over most of the interval between the March and April meetings, incoming data suggested that the 2-month growth rates for *M*-1 and *M*-2 would be well within their respective ranges. Consequently, the Manager of the System Open Market Account continued to aim for a Federal funds rate in the area of 4⅝ to 4¾ per cent. Near the end of the period, however, it appeared that growth in *M*-1 would exceed the upper limit of its 2-month range and that growth in *M*-2 would be in the upper part of its range. In those circumstances, the Manager aimed for a Federal funds rate of around 4¾ per cent.

Market interest rates changed little over most of the inter-meeting period, but they generally moved lower late in the period when the President's intention to drop the tax rebates and related payments from his fiscal program became known. Yields on medium-term Treasury notes declined more than other rates, because market participants had anticipated that most of the Treasury borrowing in the second quarter to finance the rebates and related payments would follow the pattern of recent borrowings and would be concentrated in the medium-term area.

The Treasury raised $3.7 billion of new money in securities markets during March, largely through sales of 2- and 4-year notes. For the first quarter as a whole, the Treasury sold $14 billion of marketable securities—considerably less than the $20 billion to $23 billion it had projected in January. The difference was attributable to several factors: The Federal deficit in the first quarter was not so large as had been anticipated, chiefly because of a shortfall in outlays; the Treasury sold substantially more nonmarketable securities than had been expected—primarily to State and local governments undertaking advance refundings of their own securities; and the Treasury had drawn down its cash balance to a level at the end of March that was $3 billion below the amount projected in late January. In early April the Treasury sold $4.5 billion of short-dated cash-management bills in order to bridge a low point in its cash balance prior to the mid-April date for tax payments.

In the corporate bond market the volume of new securities offered publicly expanded more than seasonally during March, reflecting large offerings by utilities—for the most part telephone companies. For the first quarter of 1977 as a whole, however, offerings were about the same as those for the final quarter of 1976 and were below those for the first quarter of that year.

In the market for State and local government bonds, offerings of new issues reached a record of $4 billion in March, and the total for the first quarter substantially exceeded offerings in the final quarter of 1976. In March, however, investment interest from property-casualty insurance companies and from investment companies remained substantial, and yields on tax-exempt securities moved lower during the month and in early April, even before the withdrawal of the proposed rebate of Federal taxes. About one-third of the new issues in March were associated with advance refundings.

Interest rates on new commitments for primary conventional home mortgages at savings and loan associations rose somewhat during March and early April from recent lows in late February and early March, as demands for mortgages remained strong. In February outstanding commitments of savings and loan associations to acquire mortgage loans had returned to record levels after having edged down a little in January. Over the past two quarters the ratio of commitments to total cash inflows at these institutions had risen noticeably.

For the period immediately ahead, the principal new factor in the outlook for credit demands was the prospective shift in the position of the U.S. Treasury from a sizable net borrower to a temporary repayer of debt. At the same time, however, business demands for credit were still expected to expand as a result of continuing improvement in economic activity. Projections of consumer expenditures implied a continued high rate of growth in consumer credit outstanding, and expansion of mortgage debt was anticipated to remain large. State and local government borrowing was also expected to remain sizable.

In the discussion of the economy at this meeting, it was suggested that for some time the situation in general had been strengthening, and that—in the light of the housing starts figures for March, which had been released just the day before—residential construction activity might prove to be even stronger than had been projected by the staff. It was emphasized that developments were taking place in the sphere of governmental economic policy that could have important consequences for the course of economic activity and prices—including the recent changes in the administration's fiscal policy proposals, the President's announcement on April 15 of a series of measures aimed at controlling and reducing inflation, and the energy program to be presented to the Congress on the day after this meeting.

With respect to the consequences of the changes in fiscal policy, it was suggested that elimination of the proposal to raise the investment tax credit from 10 to 12 per cent was not of much significance, because an increase of 2 percentage points would have at best only a small effect on business fixed investment—especially in view of the rate at which prices of plant and equipment were rising. Insofar as an increase in the tax credit would add to investment outlays, the effect of its elimination was likely to be offset by another consequence of the changes in fiscal policy proposals: the favorable effect on interest rates to be expected from the reduction in the prospective Federal deficit. It was observed that business investment also would be encouraged by one of the measures proposed to reduce the rate of inflation—specifically, the development of procedures to speed up the issuance of construction permits by government agencies.

Withdrawal of the proposal for tax rebates was thought to be of considerable significance. Some members expected that this change, especially in conjunction with the measures aimed at reducing inflation, would contribute to improvement in business and consumer confidence and in that way would add strength to the economic outlook.

The details of the energy program had not yet been announced, but its probable major features had already been described in the press. It was observed that the program was extensive and complex; that its effects were difficult to appraise; and that uncertainties would be heightened during the long period that was likely to be consumed in legislating the actual measures. Although the need for such a program appeared clear, the suggestion was made that it could have some negative consequences for economic activity in the short run—chiefly, perhaps, if uncertainties led to a dampening of growth in business capital investment—and that over time it would tend to exert some upward pressure on prices.

Attention was drawn to other potentially troublesome aspects of the developing economic situation. Thus, one member commented that growth in nominal GNP over the quarters ahead at the rate indicated in the staff projections—which did not take the energy program into account—might well be accompanied by considerable strain in financial markets. Another member suggested that the economic expansion had become unbalanced in the sense that growth in business fixed investment had lagged that in other major sectors of demand. The question was raised whether in this expansion—in contrast with earlier ones—an acceleration in business capital outlays might not be delayed until capacity utilization reached a relatively high rate and shortages were developing. With respect to the degree of balance during this upswing, it was also pointed out that net exports had deteriorated sharply since 1975 and had exerted a drag on the expansion in over-all activity in this country.

At this meeting the Committee reviewed its 12-month ranges for growth in the monetary aggregates. At its January meeting the Committee had specified the following ranges for growth over the period from the fourth quarter of 1976 to the fourth quarter of 1977: *M*-1, 4½ to 6½ per cent; *M*-2, 7 to 10 per cent; and *M*-3, 8½ to 11½ per cent. The associated range for growth in the bank credit proxy was 7 to 10 per cent. The ranges being considered at this meeting were for the period from the first quarter of 1977 to the first quarter of 1978.

In the discussion of the ranges for growth in the aggregates over the year ahead, members of the Committee were almost unanimous in believing that a reduction of some kind would be appropriate at this time as another step toward the ultimate objective of achieving longer-run rates of monetary expansion consistent with general price stability. However, opinions differed as to the specific reduction to be made.

In advocating a further reduction in the longer-run ranges for monetary growth, a few members noted that the economic situation had strengthened over recent months and that less stimulus from monetary policy was required now, even though the administration's proposals for fiscal stimulus had been scaled down. At the same time, it was observed, inflationary forces appeared to have increased. One member expressed the view that advances in prices attributable to exogenous forces—such as an increase in the price of oil—should not be fully accommodated in establishing appropriate rates of monetary growth; but neither should they be wholly unaccommodated because that could create a high degree of monetary stringency.

In the current circumstances, it was observed, a further step in the gradual process of reducing the longer-run ranges would make a useful contribution to rebuilding confidence in economic prospects. It was suggested, moreover, that continuation of that process would be consistent with the President's announced objective of achieving a 2-percentage-point reduction in the rate of inflation by the end of 1979.

In support of some reduction in the longer-run ranges, it was noted that from the first quarter of 1976 to the first quarter of 1977 growth in *M*-1—at 6.2 per cent—was more rapid than in any four-quarter period since April 1975 when the Committee had begun to adopt 1-year ranges, and that rates of growth for *M*-2 and *M*-3 had been relatively high as well. Over the most recent two quarters, growth in *M*-1—at an annual rate of about 5¾ per cent—had been well within its range, but growth in both *M*-2 and *M*-3 had been above the upper limits of their ranges.

Partly because of the uncertainties associated with the energy program, there was little sentiment for making more than small reductions in the longer-run ranges at this time. Most members were inclined to favor retaining the existing 4½ to 6½ per cent range for *M*-1 while reducing the upper limit—in some cases, both limits—of the ranges for *M*-2 and *M*-3 by ½ of a percentage point. In this connection, it was noted that growth in the interest-bearing deposits included in *M*-2 and *M*-3 had slackened in recent months. However, there also was some sentiment for reducing the lower limit of the range for *M*-1 by ½ of a percentage point—either alone or in combination with some reduction in the ranges for *M*-2 and *M*-3.

At the conclusion of its discussion the Committee arrived at a consensus calling for retention of the existing range for *M*-1 and reductions of ½ of a percentage point in the upper limits of the ranges for *M*-2 and *M*-3. The ranges thus were 4½ to 6½ per cent for *M*-1, 7 to 9½ per cent for *M*-2, and 8½ to 11 per cent for *M*-3. The associated range for the rate of growth in the bank credit proxy was 7 to 10 per cent. It was agreed that the longer-run ranges, as well as the particular aggregates for which such ranges were specified, would be subject to review and modification at subsequent meetings. It was also understood that short-run factors might cause growth rates from month to month to fall outside the ranges contemplated for the year ahead.

> The Committee adopted the following ranges for rates of growth in monetary aggregates for the period from the first quarter of 1977 to the first quarter of 1978: *M*-1, 4½ to 6½ per cent; *M*-2, 7 to 9½ per cent; and *M*-3, 8½ to 11 per cent.
>
> > Votes for this action: Messrs. Burns, Volcker, Coldwell, Gardner, Guffey, Jackson, Lilly, Mayo, Morris, Roos, and Wallich. Vote against this action: Mr. Partee.

Mr. Partee—although he agreed in principle with the longer-term objective of reducing the ranges—dissented from this action because he opposed any adjustment at this particular juncture. He noted that the administration had just withdrawn its proposal for the tax rebate; that the forthcoming energy program, by raising the price structure, might tend to dampen economic expansion; and that very large increases in the velocity of the various monetary aggregates would have to occur over the next year if nominal GNP were to grow at the rate projected by the staff and good progress were thus to be made in reducing unemployment.

As to policy for the period immediately ahead, the Committee members were willing to tolerate growth in the monetary aggregates over the April–May period within ranges that were higher than those adopted for the year ahead because of the expectation that the forces contributing to rapid expansion in *M*-1 in early April would prove to be transitory and that the bulge in growth for the month as a whole would for the most part be offset by slower growth later on.

Members of the Committee did not differ greatly in their preferences for ranges of growth for the monetary aggregates over the April–May period. For *M*-1, most of them favored a range of 6 to 10 per cent, but a number expressed a preference for a slightly lower range—specifically, 5½ to 9½ per cent. For *M*-2, most members favored a range of 8 to 12 per cent; a few preferred 7½ to 11½ per cent.

Almost all of the members favored directing operations initially toward the objective of maintaining the Federal funds rate at its current level of about 4¾ per cent, but one or two members suggested that initial operations be directed toward achieving a slightly higher rate. With respect to the degree of leeway for operations during the inter-meeting period in the event that the aggregates appeared to be deviating significantly from the midpoints of the specified ranges, almost all of the members preferred to specify a range for the funds rate of 4½ to 5¼ per cent. However, one expressed a preference for a range of 4¼ to 5¼ per cent and another for 4½ to 5½ per cent. The member who proposed the latter range also advocated directing operations toward moving the funds rate slowly toward 5 per cent even if the aggregates appeared to be growing at rates near the midpoints of their specified ranges, primarily because he thought that the recent acceleration in growth of *M*-1 might reflect fundamental forces to a greater extent than was generally assumed.

At the conclusion of the discussion the Committee decided that growth in *M*-1 and *M*-2 over the April–May period at annual rates within ranges of 6 to 10 per cent and 8 to 12 per cent, respectively, would be appropriate. It was understood that in assessing the behavior of the aggregates, the Manager should continue to give approximately equal weight to the behavior of *M*-1 and *M*-2.

In the judgment of the Committee, such growth rates of the aggregates were likely to be associated with a weekly-average

Federal funds rate of about 4¾ per cent. The Committee agreed that if growth rates of the aggregates over the 2-month period appeared to be deviating significantly from the midpoints of the indicated ranges, the operational objective for the weekly-average Federal funds rate should be modified in an orderly fashion within a range of 4½ to 5¼ per cent. As customary, it was understood that the Chairman might call upon the Committee to consider the need for supplementary instructions before the next scheduled meeting if significant inconsistencies appeared to be developing among the Committee's various objectives.

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

> The information reviewed at this meeting suggests that growth in real output of goods and services increased in the first quarter from the reduced pace in the fourth quarter of 1976. In March industrial output, retail sales, and employment expanded substantially further. Although the labor force also increased sharply, the unemployment rate declined from 7.5 to 7.3 per cent. The wholesale price index for all commodities again rose substantially; increases were particularly sharp among farm products and foods, and there were sizable advances for many industrial commodities. The index of average wage rates rose in the first quarter of 1977 at a somewhat faster pace than it had on the average during 1976, reflecting largely an increase in the minimum wage.
>
> The average value of the dollar against leading foreign currencies has declined somewhat over the past month, returning to about the level at the beginning of the year. Demand for the Japanese yen and the U.K. pound intensified. The U.S. foreign trade deficit continued large in February.
>
> *M*-1 grew at a moderate pace in March but increased substantially in early April. At banks and thrift institutions, inflows of time and savings deposits other than large-denomination CD's continued to slacken in March. Market interest rates declined considerably in mid-April, after having changed little since mid-March.
>
> In light of the foregoing developments, it is the policy of the Federal Open Market Committee to foster bank reserve and other financial conditions that will encourage continued economic expansion, while resisting inflationary pressures and contributing to a sustainable pattern of international transactions.
>
> Growth in *M*-1, *M*-2, and *M*-3 within ranges of 4½ to 6½ per cent, 7 to 9½ per cent, and 8½ to 11 per cent, respectively, from

the first quarter of 1977 to the first quarter of 1978 appears to be consistent with these objectives. These ranges are subject to reconsideration at any time as conditions warrant.

The Committee seeks to encourage near-term rates of growth in *M*-1 and *M*-2 on a path believed to be reasonably consistent with the longer-run ranges for monetary aggregates cited in the preceding paragraph. Specifically, at present, it expects the annual growth rates over the April–May period to be within the ranges of 6 to 10 per cent for *M*-1 and 8 to 12 per cent for *M*-2. In the judgment of the Committee such growth rates are likely to be associated with a weekly-average Federal funds rate of about 4¾ per cent. If, giving approximately equal weight to *M*-1 and *M*-2, it appears that growth rates over the 2-month period will deviate significantly from the midpoints of the indicated ranges, the operational objective for the Federal funds rate shall be modified in an orderly fashion within a range of 4½ to 5¼ per cent.

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

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

Subsequent to the meeting, on May 5, nearly final estimates indicated that in April *M*-1 had grown at a record annual rate of 19.4 per cent and that *M*-2 had grown at the substantial rate of 13.0 per cent. For the April–May period staff projections suggested that the annual rate of growth in *M*-1 would be well above the upper limit of the 6 to 10 per cent range specified by the Committee in the next-to-last paragraph of the domestic policy directive issued at the April meeting. Growth in *M*-2 for the 2-month period was projected to be close to the midpoint of the Committee's range of 8 to 12 per cent for that aggregate.

The Federal funds rate had averaged 5.15 per cent in the statement week ended May 4, about 40 basis points above the average for the preceding 3 weeks. The Manager of the System Open Market Account was currently aiming at a funds rate of 5¼ per cent, the upper limit of the inter-meeting range specified in the directive.

Against that background, Chairman Burns recommended on May 5 that the upper limit of the range for the Federal funds rate be increased to 5½ per cent, on the understanding that the Manager would use the additional leeway only if new data becoming available before the meeting scheduled for May 17 suggested that the aggregates were strengthening significantly further on balance.

On May 6, 1977, the Committee modified the inter-meeting range for the Federal funds rate specified in the next-to-last paragraph of the domestic policy directive issued on April 19, 1977, by increasing the upper limit from 5¼ to 5½ per cent.

> Votes for this action: Messrs. Burns, Volcker, Coldwell, Gardner, Guffey, Jackson, Lilly, Morris, Partee, Roos, Wallich, and Winn. Votes against this action: None. Absent and not voting: Mr. Mayo. (Mr. Winn voted as alternate for Mr. Mayo.)

* * * * *

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

Law Department

Statutes, regulations, interpretations, and decisions

EMPLOYEE RESPONSIBILITIES AND CONDUCT

The Board of Governors has amended its rules of Employee Responsibilities and Conduct to expand the number of positions for which statements of employment and financial interests are required.

Effective May 26, 1977, section 264.735-8(a) is amended to read as follows:

SECTION 264.735-8—STATEMENTS OF EMPLOYMENT AND FINANCIAL INTERESTS

(a) EMPLOYEES REQUIRED TO SUBMIT STATEMENTS. Except as provided in paragraph (b) of this section, statements of employment and financial interests shall be filed by:

(1) Employees receiving compensation equivalent to GS-13 or above whose positions are identified in Appendix A to this Part by reason of meeting the following criteria:

(i) positions the incumbents of which are responsible for making a Government decision or taking a Government action in regard to:

(A) contracting or procurement;

(B) administering or monitoring grants or subsidies;

(C) regulating or auditing private or other non-Federal enterprise; or

(D) other activities where the decision or action has an economic impact on the interests of any non-federal enterprise.

(ii) positions which the Board determines require the incumbent to report employment and financial interests in order to carry out the purpose of law, executive order, this Part, and the Board's regulations.

(2) Employees receiving compensation below the equivalent to GS-13 whose positions otherwise meet the criteria in subparagraph (1) when the inclusion of the positions in Appendix A has been specifically justified by the Board in writing to the Civil Service Commission as an exception that is essential to protect the integrity of the Government and avoid employee involvement in a possible conflict-of-interest situation.

*   *   *   *

APPENDIX A

General

Each Head, Associate, Deputy or Assistant Head of a Division or Office of the Board (regardless of specific title), Research Officer or Assistant to the Board.

Division of International Finance

Assistant to the Director
Chief, Trade and Financial Studies Section
Chief, International Banking Section
Chief, U.S. International Transactions Section
Chief, Financial Markets Section
*Economist, Financial Markets Section
Chief, World Payments and Economic Activity Section
Chief, Quantitative Studies Section
Chief, International Development Section

Division of Banking Supervision and Regulation

Chief, Banking Activities, Bank Holding Companies Section
Chief, Nonbanking Activities, Bank Holding Companies Section
*Review Examiner, Bank Holding Companies Section
Chief, Financial Institutions Supervisory Section
Senior Attorney, Financial Institutions Supervisory Section
Senior Staff Assistant, Financial Institutions Supervisory Section
Chief, Trust Activities Section
Trust Review Examiner, Trust Activities Section
Chief, Bank Holding Company Analysis Section
*Financial Analyst, Bank Holding Company Analysis Section
Chief Attorney, Securities Credit Regulation
Senior Attorney, Securities Credit Regulation
Accountant Analyst, State Bank Securities/Accounting Section

*Grade 13 and above.

*Foreign Banking Analyst, Foreign Banking Section
Supervisory Examiner, Foreign Banking Section

Division of Administrative Services

Program Analyst/Construction
Chief of Planning
Chief of Procurement

Office of the Controller

Chief, Finance and Accounting Section

Division of Consumer Affairs

Chief, Fair Credit Practices Section
Chief, Equal Credit Opportunity Section
Chief, Compliance Section
Senior Attorney

Division of Research and Statistics

Chief, Banking Section
*Economist, Banking Section
Chief, Capital Markets Section
*Economist, Capital Markets Section
Chief, Government Finance Section
*Economist, Government Finance Section
Chief, Mortgage and Consumer Finance Section
Chief, Financial Structure Section
*Economist, Financial Structure Section
Chief, Econometric and Computer Applications Section
*Economist, Econometric and Computer Applications Section
Chief, National Income Section
Chief, Wages, Prices and Productivity Section
Chief, Business Conditions Section
Chief, Financial Studies Section
Chief, Special Studies Section
Chief, Flow of Funds Section

Division of Federal Reserve Bank Examinations and Budgets

Manager, Financial Examinations Section
*Senior Financial Examiner

Division of Federal Reserve Bank Operations

Architect, Building Planning Section
Manager, Lending, Credit and Cash Services
Manager, Payments Mechanism Section
Program Manager for EFTS Operations
Program Manager for EFTS Planning

Legal Division

Senior Attorney

*Grade 13 and above.

Office of Board Members

Administrative Assistant to the Chairman
Staff Assistant
Economist

Office of Staff Director for Management

Assistant for Program Coordination

Office of Staff Director for Monetary Policy

Economist
Staff Assistant

Division of Data Processing

Senior Staff Assistant
Chief, Mathematical/Statistical Section
Project Analyst/Programmer–Reserves, Mathematical/Statistical Section
Project Analyst/Programmer–Models, Mathematical/Statistical Section
Project Analyst/Programmer–Transmissions of Edited Deposit Systems, Mathematical/Statistical Section
Project Analyst/Programmer–Capital Markets, Mathematical/Statistical Section
Chief, Bank Holding Company Applications Section
Chief, Data Production Section

RULES REGARDING DELEGATION OF AUTHORITY

The Board of Governors has amended its Rules Regarding Delegation of Authority by revoking certain previous delegations and by delegating new functions to the Director of the Division of Banking Supervision and Regulation and to the Federal Reserve Banks.

Effective May 9, 1977, 12 C.F.R. 265.1a is amended by deleting paragraph (a) and redesignating paragraphs (b) and (c) as (a) and (b), respectively. (12 U.S.C. 248(k)).

Effective May 26, 1977, Part 265 is amended as follows:

1. A new paragraph (23) is added to § 265.2(c) to read as set forth below:

SECTION 265.2—SPECIFIC FUNCTIONS DELEGATED TO BOARD EMPLOYEES AND TO FEDERAL RESERVE BANKS.

* * *

(c) THE DIRECTOR OF THE DIVISION OF BANKING SUPERVISION AND REGULATION (or, in the Director's absence, the Acting Director) is authorized:

* * * * *

(23) With the prior concurrence of the appropriate Federal Reserve Bank and the General Counsel of the Board, to act to refuse an application to the Board to stay, modify, terminate or set aside any effective cease and desist order previously issued by the Board pursuant to section 8(b) of the Federal Deposit Insurance Act or any written agreement between the Board or the Reserve Bank and a bank holding company or any nonbanking subsidiary thereof or a State member bank. (12 U.S.C. § 1818(b)).

2. A new paragraph (35) is added to § 265.2(f) to read as set forth below:

(f) EACH FEDERAL RESERVE BANK is authorized:

* * * * *

(35) With the prior approval of both the Director of the Board's Division of Banking Supervision and Regulation and the General Counsel of the Board, to enter into a written agreement with a bank holding company or any nonbanking subsidiary thereof or with a State member bank concerning the correction of an unsafe or unsound practice in conducting the business of such bank holding company, non-banking subsidiary or State member bank and concerning the correction of any violation of law, rule or regulation incident to such an unsafe or unsound practice. (12 U.S.C. 248(a), 321, 324, 325, 330, 1844; 12 CFR § 208.8).

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

ORDERS UNDER SECTION 3 OF BANK HOLDING COMPANY ACT

Mahaska Investment Company, Oskaloosa, Iowa

Order Denying Formation of Bank Holding Company

Mahaska Investment Company, Oskaloosa, Iowa, has applied for the Board's approval under § 3(a)(1) of the Bank Holding Company Act (12 U.S.C. § 1842(a)(1)) of formation of a bank holding company through acquisition of 51.47 per cent of the voting shares of Farmers Savings Bank, Fremont, Iowa (''Bank''). Applicant has also applied, pursuant to the Board's Regulation Y, for permission to continue to engage directly in the activity of leasing real property or acting as agent, broker or advisor in leasing such real property, and to engage indirectly, through its wholly-owned subsidiary, MIC Leasing Co., Oskaloosa, Iowa (''MIC''), in the activity of leasing personal property or acting as agent, broker or advisor in leasing such personal property. Such activities have been determined by the Board to be closely related to banking [12 CFR § 225.4(a)(6)(a) and (b)].

Notice of the applications, affording opportunity for interested persons to submit comments and views, has been given in accordance with §§ 3 and 4 of the Act (42 *Federal Register* 3876). The time for filing comments and views has expired and the applications and all comments received have been considered in light of the factors set forth in § 3(c) of the Act, and the considerations specified in § 4(c)(8) of the Act.

Applicant, a corporation organized under the laws of Iowa, is currently engaged, either directly or indirectly, in the leasing of real and personal property and brokering of credit life, accident and health insurance and mortgage guaranty insurance for mobile homes.[1] Upon acquisition of Bank ($12.4 million in deposits), Applicant would control the 276th largest commercial bank in Iowa, with approximately 0.1 per cent of the total deposits in commercial banks in the State.[2]

Bank is the third largest of the five commercial banks in the Mahaska County banking market and controls approximately 13.5 per cent of the total

[1]Applicant has indicated that it intends to terminate all of its insurance activities if these applications are approved.

[2]Unless otherwise indicated, all banking data are as of June 30, 1976.

commercial bank deposits in the relevant banking market.[3] In analyzing the competitive effects of this proposal, it is also necessary to consider Applicant's affiliate relationship with Mahaska State Bank, Oskaloosa, Iowa ("Mahaska Bank"), the largest commercial banking organization in the market. Mahaska Bank holds total deposits of $44.1 million, representing 47.7 per cent of the deposits in the market, and is more than twice the size of the next largest competitor in the market. In view of the nature and scope of Applicant's affiliation with Mahaska Bank, the Board is of the view that competitive effects of this proposal are such that denial of the application is warranted.

Applicant was originally incorporated in February 1973 as a wholly-owned subsidiary of Mahaska Bank for the purpose of leasing a site for a new drive-in facility to that bank. Subsequently, during November 1973, as a result of a directive by the Iowa Superintendent of Banking, Mahaska Bank was required to divest of Applicant and it caused Applicant's shares of be spun-off to the then shareholders of Mahaska Bank. Since that time, there has been a close identity of shareholders, as well as a commonality of management, involving Mahaska Bank and Applicant. At the present time, four of Applicant's six directors serve as directors of Mahaska Bank and 126 of Applicant's 133 shareholders collectively own 100 per cent of the shares of Mahaska Bank.

While this proposal does not itself involve Mahaska Bank, the Board does not believe that it would be appropriate to ignore the identity of interests between Applicant and Mahaska Bank in assessing the competitive effects of a proposal that seeks to bring Bank into the affiliated group through the formation of a bank holding company. Applicant's president, who also serves in the same capacity with Mahaska Bank, acquired in an individual capacity approximately 52 per cent of the shares of Bank in 1976 by means of a loan from an unaffiliated bank. As part of this proposal, Applicant would assume the outstanding indebtedness (as well as accrued interest) in return for the shares now held by its president. Thereafter, as a corporation, Applicant would proceed to retire the acquisition debt from dividends from Bank and earnings from its nonbanking activities.

Section 3(c) of the Bank Holding Company Act requires the Board to consider whether any proposed acquisition by a bank holding company (1) would further the monopolization or attempted monopolization of a banking market, or (2) may substantially lessen competition or tend to create a monopoly in any banking market. Where, as here, a proposed acquisition involves the use of a holding company by a group of individuals to acquire control of a bank that is a competitor of another bank under the control of essentially the same individuals, the Board believes it must apply these standards.[4]

In the Board's view, the subject proposal presents a compelling case where the holding company form is being used to further an anticompetitive arrangement. Under this proposal, two banks that up to last year were independent banks competing as the first and third largest banks in the Mahaska County market would be brought under common control through the use of a holding company structure. In view of the sizes of the organizations involved and their collective position in the Mahaska market (together the two banks hold 61.2 per cent of the market's deposits), the Board is of the opinion that approval of this proposal would have significant adverse competitive effects. While denial of this proposal may not immediately result in a complete termination of the present situation (Applicant's president would continue to own Bank), it would preserve the distinct possibility that Bank could again become an independent organization in the future. Approval, on the other hand, would almost certainly foreclose that possibility since, as a result of the flexibility afforded by the holding company structure, Applicant would appear capable of servicing its acquisition debt and, in addition, a mutuality of interest between Mahaska Bank and Bank would likely be established.

On the basis of the foregoing and the facts of record, the Board concludes that approval of this application would have significant adverse competitive effects. Accordingly, under the standards set forth in the Bank Holding Company Act, the proposal may not be approved unless the adverse competitive factors are clearly outweighed by other public interest considerations reflected in the record.

The financial and managerial resources and fu-

[3] The relevant geographic market for purposes of analyzing the competitive effects of the proposed transaction is approximated by Mahaska County, Iowa.

[4] Even in the absence of any use of the holding company form, the standards of §§ 1 and 2 of the Sherman Act may apply to the acquisition by a group of individuals of control of a bank that is a competitor of another bank controlled by essentially the same group.

ture prospects of Applicant, which are dependent upon Bank, MIC, and Applicant's leasing activities, are considered satisfactory and generally consistent with approval of the subject application. Therefore, considerations relating to banking factors are consistent with approval of the application. Applicant plans changes and improvements in the form of both physical expansion of Bank's facilities and new and additional banking services. The Board finds that considerations relating to the convenience and needs of the community lend some weight toward approval but, in the Board's view, do not outweigh the significant adverse findings with respect to competitive considerations. Accordingly, it is the Board's judgment that approval of this application would not be in the public interest and that the application should be denied.

On the basis of all facts of the record, and in light of the factors set forth in § 3(c) of the Act, it is the Board's judgment that consummation of the proposal to form a bank holding company would not be in the public interest and that the application should be, and is hereby, denied for the reasons summarized herein.[5]

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

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

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

[5]Denial of Applicant's § 3(a)(1) application renders moot Board action on the accompanying § 4(c) (8) application.

Michigan National Corporation,
Bloomfield Hills, Michigan

Order Approving Acquisition of Bank

Michigan National Corporation, Bloomfield Hills, Michigan ("Applicant"), a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval under § 3(a)(3) of the Act (12 U.S.C. § 1842(a)(3)) to acquire all of the voting shares (less directors' qualifying shares) of Michigan National Bank-Farmington, Farmington Hills, Michigan ("Bank"), a proposed new bank.

Notice of the application, affording opportunity for interested persons to submit comments and views, has been given in accordance with § 3(b) of the Act. The time for filing comments and views has expired, and the Board has considered the application and all comments received, including those submitted by the Metropolitan National Bank of Farmington, Farmington Hills, Michigan ("Protestant"), in light of the factors set forth in § 3(c) of the Act (12 U.S.C. § 1842(c)).

Applicant, the second largest banking organization in Michigan, controls 15 banks[1] with aggregate deposits of $3.3 billion,[2] representing 10.3 per cent of the total commercial bank deposits in the State.[3] Since Bank is a proposed new bank, no existing competition between Bank and Applicant's subsidiary banks would be eliminated, nor would Bank's acquisition by Applicant cause any immediate increase in banking concentration in the relevant banking market or cause an increase in Applicant's share of commercial bank deposits in the State.

Bank, which is currently in formation, has received preliminary charter approval from the Comptroller of the Currency and is to be located in the city of Farmington Hills, Michigan, in the west-central portion of the relevant banking market.[4] Of the 46 banking organizations (67 banks) in this market, Applicant ranks as the fourth largest controlling deposits of approximately $1.4 billion, representing 8.5 per cent of the market deposits. Applicant established two branches of a subsidiary bank in Farmington Township prior to the incorporation of the Township into the city of Farmington Hills in 1973.[5] Michigan banking law restricts branching within incorporated areas to banks that are headquartered in such an area, although branches of banks that were located in areas prior to their incorporation but whose parent

[1]Applicant has applied to the Board to acquire Michigan National Bank-Sterling, Sterling Heights, Michigan, a proposed new bank.

[2]State banking data are as of December 31, 1976; and relevant banking market data are as of June 30, 1976.

[3]In addition, Applicant also controls, directly or indirectly, three nonbank subsidiaries: a small business investment company; a leasing company; and an audit service. Furthermore, under authority delegated to the Federal Reserve Bank of Chicago, Applicant's application to acquire a second, *de novo* leasing company was approved on March 28, 1977.

[4]The relevant banking market for the Detroit area has recently been defined by the Board in its Order of May 12, 1977, denying the application of National Detroit Corporation, Detroit, Michigan, to acquire The Brighton State Bank, Brighton, Michigan (42 *Fed Reg.* 25531; 63 Fed. Res. BULLETIN). The market is approximated by Macomb, Oakland, and Wayne Counties, Michigan, and 33 cities and townships from the Michigan counties of St. Clair, Lapeer, Livingston, Washtenaw, and Monroe. (These cities and towns are specified in Appendix A of the Board's Order of May 12, 1977.)

[5]Prior to incorporation, six other banks in the relevant market had also branched into Farmington Township.

banks are headquartered elsewhere are entitled to remain there. Given the State's bank branching restrictions, Applicant, headquartered in Bloomfield Hills, Michigan, has applied to expand its operations in Farmington Hills by introducing a new bank into this portion of the market.

In its analysis of the subject application, the Board has considered the comments of Protestant, the only banking organization headquartered in Farmington Hills. In summary, Protestant contends that consummation of the subject proposal would essentially result in a substantial lessening of competition in this portion of the relevant market by enabling Applicant to create a monoply of banking services therein; that the city is already overbanked; and that Applicant has substantially overstated the potential growth rate of the city's population and thus has overstated the city's present and future banking needs.[6]

The Board has analyzed the records of the hearing held in connection with Bank's charter application, the other written submissions of Protestant, and the responses thereto by Applicant. For the reasons set forth below, it is the Board's judgment that the issues raised by Protestant do not warrant denial of the application.[7]

In the Board's judgment, the addition of a banking competitor in the Farmington Hills portion of this banking market is procompetitive and would not, as Protestant contends, ". . . result in a substantial lessening of competition." Nor can the Board concur in Protestant's contention that consummation of the proposal would create a monopoly for Applicant since, in addition to the presence of Applicant and Protestant, there are branches of six other banks in Farmington Hills, and the opportunity for *de novo* entry into this portion of the banking market remains open to other banking organizations. Furthermore, even using Protestant's conservative figures of population growth in the Farmington Hills area, the anticipated growth rate over the next two decades and beyond is substantially greater than the State averages, and the average family income level is among the highest of any area in the relevant market. Having considered the comments of the Protestant and on the basis of all of the facts above and other facts of record, the Board concludes that the relevant market, including that portion comprising Farmington Hills, would continue to support the existing banking organizations as well as the proposed new Bank, and that consummation of the proposed acquisition would not have an adverse effect upon competition in any portion of the relevant market. Furthermore, Applicant's acquisition of Bank can be reasonably expected to stimulate competition in this market by introducing an additional banking alternative without causing a significant adverse effect upon any of the existing banks in the market. Therefore, for the reasons summarized above, the Board concludes that competitive considerations are consistent with approval.

The financial and managerial resources of Applicant and its subsidiary banks are generally satisfactory, particularly in view of Applicant's plans to inject capital into, and retain earnings from, certain subsidiary banks.[8] Given Applicant's satisfactory management, favorable earnings and strengthening financial and capital resources, Applicant's future prospects appear favorable. As a proposed new bank, Bank has no financial or operating history; however, based upon Bank's planned financial resources, management, capitalization and expected earnings, Bank's future prospects as a subsidiary of Applicant appear favorable. Thus, considerations relating to banking factors are consistent with approval of the application.

Bank will serve as an additional full service banking alternative to the Farmington Hills area,

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[6] In support of its contentions, Protestant introduced, *inter alia,* (a) the transcript of a hearing before the Deputy Regional Administrator of the Office of the Comptroller of the Currency dated January 16, 1975, when Protestant argued against the preliminary chartering of Bank, and (b) a privately commissioned market analysis of the present and future banking needs of Farmington Hills.

[7] Protestant, in its original submission, requested that the Board hold a hearing on the application. Under § 3(b) of the Act, the Board is required to hold a hearing only when the primary supervisor of the bank to be acquired recommends disapproval of the application (12 U.S.C. § 1842 (b)). In this case, the Comptroller of the Currency issued a preliminary charter of approval on October 21, 1975, and renewed the life of the charter on August 25, 1976 to extend until July 21, 1977. The Comptroller has at no time recommended that the application be denied. Thus, there was no statutory requirement that a hearing be held. By letter dated March 10, 1977, Protestant withdrew its request for a formal hearing.

[8] In connection with its formation as a bank holding company, Applicant indicated to the Board its plan for raising capital. The plan dated May 22, 1972, contemplated raising $10 million by the issuance of equity securities "if the market for equity securities is at or above present index levels." Due to the economic conditions in the market surrounding the sale of equity securities, Applicant has requested relief from this commitment. At the present time, though, the Board has not waived the requirement that Applicant raise the subject $10 million. *See* the Board's statement regarding Applicant's proposed capital improvement plan in the Board's statement accompanying its Order of August 3, 1972, 58 Fed. Res. BULLETIN 804, 806-807 (1972).

offering selected week-day evening and Saturday banking hours. Furthermore, affiliation with Applicant will enable Bank to make available, on a correspondent or referral basis, a variety of highly specialized banking services. Accordingly, these considerations relating to the convenience and needs of the community to be served lend some weight toward 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.

On the basis of the record, the application is approved for the reasons summarized above. The transaction shall not be made (a) before the thirtieth calendar day following the effective date of this Order nor (b) later than three months after that date, and (c) Michigan National Bank-Farmington, Farmington Hills, Michigan, shall be open for business not later than six months after the effective date of this Order. Each of the periods described in (b) and (c) may be extended for good cause by the Board, or by the Federal Reserve Bank of Chicago pursuant to delegated authority.

By order of the Board of Governors, effective May 27, 1977.

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

(Signed) RUTH A. REISTER,
[SEAL] *Assistant Secretary of the Board.*

National Detroit Corporation,
Detroit, Michigan

Order Denying Acquisition of Bank

National Detroit Corporation, Detroit, Michigan, a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval under § 3(a)(3) of the Act (12 U.S.C. § 1842(a)(3)) to acquire 80 per cent or more of the voting shares of The Brighton State Bank, Brighton, Michigan ("Bank").

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

Applicant, the largest bank holding company in Michigan, controls five banks with aggregate deposits of approximately $5.0 billion, representing 16.3 per cent of the total commercial bank deposits in the State.[1] Acquisition of Bank ($54.9 million in deposits) would not significantly increase the concentration of banking resources in Michigan; however, it would have adverse effects upon concentration in the relevant market.

Bank, the 25th largest of 46 banking organizations in the relevant market,[2] has total deposits of approximately $54.9 million, $48.9 million of which are in offices within the Detroit market, representing 0.3 per cent of the total commercial bank deposits in the relevant market. Applicant has a significant presence in the Detroit banking market as it operates three banks with 107 banking offices in the market controlling $4.96 billion in deposits, which represent 30 per cent of total commercial bank deposits in the market. The four largest banking organizations in the Detroit market hold in the aggregate 70.2 per cent of total commercial bank deposits in the market. Acquisition of Bank would result in a further increase in market concentration and continue the trend toward concentration that the market has exhibited in the last year.

In addition to having adverse effects upon the concentration of banking resources in the Detroit market, it appears that consummation of this proposal would eliminate existing competition within the Detroit market between Bank and Applicant. The Board notes that this proposal involves the acquisition of the largest independent bank in the Livingston County portion of the Detroit market by the largest bank holding company in the market and the State. Although Michigan law would pro-

[1] All banking data are as of June 30, 1976. Applicant received approval to acquire the National Bank of Port Huron, Port Huron, Michigan, a proposed new bank, on September 27, 1976; however, the bank has not yet opened for business. (See 62 Federal Reserve BULLETIN 861, 1976.)

[2] In the previous cases involving the Detroit area, the Board has generally been confronted with bank holding company applications to acquire banks located near the center of the Detroit banking market and has defined that market somewhat loosely as being approximated by Macomb, Oakland, and Wayne Counties. This proposal involves the acquisition of a bank on the fringe of the Detroit market and consequently the Board has examined more closely the available census data so as to define more precisely the Detroit banking market for purposes of analyzing the competitive effects of this proposal. On the basis of a detailed study of commuting patterns and population trends, it appears that a significant proportion of the population of the five counties surrounding Macomb, Oakland and Wayne Counties, work in Macomb, Oakland and Wayne Counties, and therefore, the definition of the Detroit market should be expanded somewhat to include 33 cities and townships from the counties of St. Clair, Lapeer, Livingston, Washtenaw, and Monroe. (See Appendix A.)

hibit Applicant from branching into most of the Livingston County portion of the Detroit market, Applicant is in a strong financial position and clearly has the resources to expand into Livingston County; in particular, Applicant has previously expressed an interest in that portion of the market and is clearly capable of *de novo* entry through the establishment of a new bank there.[3] In light of the above, the Board concludes that consummation of the proposal would eliminate significant existing competition within the Detroit market.

The financial and managerial resources and prospects of Bank are regarded as satisfactory. The financial and managerial resources and future prospects of Applicant and its subsidiaries are also regarded as satisfactory. Applicant would exchange shares of its common stock for the outstanding stock of Bank and would purchase convertible debentures of Bank for cash. The Board finds that considerations relating to financial and managerial resources and future prospects of Applicant, its subsidiaries and Bank are consistent with approval; however, such considerations do not lend significant weight for approval of the application.

Applicant states that it would improve Bank's services somewhat by increasing Bank's loan portfolio to include more consumer and commercial loans, upgrading some of Bank's physical facilities and increasing Bank's hours of operation. However, it appears that the major banking needs in the community are currently being met. Accordingly, the Board finds that little weight can be accorded such services and that considerations relating to the convenience and needs of the community to be served lend no significant weight toward approval of the application. In summary, therefore, the considerations relating to banking factors and the considerations relating to the convenience and needs of the community to be served do not outweigh the substantially adverse competitive effects that would result from Applicant's acquisition of Bank.

[3] Applicant contends that the relatively low ratios of population and deposits per banking office in Livingston County make *de novo* entry there unattractive. However, between 1960 and 1970 the population of Livingston County grew by 54.2 per cent, a rate four times the State average. Between 1970 and 1975, available data indicate that the county's population grew by 32 per cent of the 1970 base. Accordingly, the Board is unable to agree with Applicant's contention that the county is unattractive to *de novo* entry.

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

By order of the Board of Governors, effective May 12, 1977.

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

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

APPENDIX A

Cities and Townships
Added to the Detroit Banking Market

County	*City or Township*
Lapeer	Almont
	Dryden
	Hadley
	Metamora
Monroe	Ash
	Berlin
Washtenaw	Salem
St. Clair	Algonac City
	Berlin
	Casco
	China
	Clay
	Columbus
	Cottrellville
	East China
	Ira
	Marine City
	Memphis City
	New Baltimore City
	Riley
	St. Clair City
	St. Clair Twp.
Livingston	Brighton City
	Brighton Twp.
	Genoa
	Green Oak
	Hartland
	Howell City
	Howell Twp.
	Iosco
	Marion
	Oceola
	Tyrone

Northwest Bancorporation,
Minneapolis, Minnesota

Order Denying Acquisition of Bank

Northwest Bancorporation, Minneapolis, Minnesota, a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval under § 3(a)(3) of the Act (12 U.S.C. § 1842(a)(3)) to acquire 90 per cent or more of the voting shares of First National Bank, Fort Dodge, Iowa, Fort Dodge, Iowa ("Bank").

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

Applicant is the largest banking organization in Iowa and controls 7 banks with aggregate deposits of $721 million, representing approximately 6.1 per cent of the total deposits in commercial banks in Iowa.[1] In addition to its holdings in Iowa, Applicant also controls 75 banks in six nearby States with total deposits of approximately $6 billion. Acquisition of Bank ($62.6 million in deposits) would increase Applicant's share of commercial bank deposits in Iowa by 0.5 per cent.

Bank is located in the Fort Dodge banking market, which is approximated by Webster County plus Cedar and Reading townships in adjoining Calhoun County. Applicant's banking subsidiary closest to Bank is located in Des Moines, Iowa, 87 miles from Bank, and there is currently no meaningful competition between Bank and any of Applicant's banking subsidiaries. Accordingly, no significant existing competition would be eliminated between Bank and any of Applicant's subsidiary banks upon consummation of this proposal.

The Fort Dodge banking market is highly concentrated, the three largest of the eight banks in that market controlling approximately 85 per cent of market deposits and 88 per cent of market loans. Bank is the largest bank in this market, holding approximately 30 per cent of total market deposits, and appears to be a viable and effective competitor. Thus, approval of the present proposal would enable Applicant to establish itself as a significant competitor in a highly concentrated market through the acquisition of the largest bank in that market. Prospects for deconcentration of the Fort Dodge market are few, essentially limited by Iowa's restrictive branch banking law to establishment of *de novo* banks.[2]

Applicant's acquisition of the largest bank in the market will do nothing to decrease this market concentration. To the contrary, it would eliminate the probability that Applicant would enter the market *de novo* and, through its competitive efforts to gain an increased market share, decrease present concentration in the market. It is also probable that the proposed acquisition would deter other banking organizations from attempting *de novo* entry into the Fort Dodge market.

On the basis of total deposits in the seven States in which it operates, Applicant is approximately ten times larger than the second largest Iowa bank holding company and its acquisition of the largest bank in the Fort Dodge market may be expected to discourage other Iowa banking organizations from entry into that market. Thus, acquisition of Bank by Applicant would probably eliminate any likelihood that the market would become less concentrated in the future. In view of the total resources available to Applicant, the absolute size of Bank, and its relative position in the market, the prospects for increased competition and deconcentration of the Fort Dodge market would be diminished as a result of the contemplated acquisition.

There can be no doubt that Applicant possesses the resources to accomplish a *de novo* entry into the Fort Dodge banking market. Indeed, the financial and managerial resources available to Applicant coupled with the relatively small size of the Fort Dodge banking market suggest that a *de novo* banking subsidiary established by Applicant in this market could become a substantial competitor within a brief period of time. Evidence of record suggests that Applicant is engaged in an expansion program designed to accomplish the acquisition of a bank in each of Iowa's major banking markets. Thus, if Fort Dodge is attractive for *de novo* entry, Applicant must be regarded as a potential *de novo* entrant.[3]

Population per banking office and deposits per banking office in the Fort Dodge market are higher than those for all counties in Iowa that, like Webster County, have not been classified as

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

[2] Iowa law generally prohibits the establishment of a branch office in any town in which another bank is located. Iowa Code Ann. § 524.1202. Thus, no bank may branch into Fort Dodge.

[3] See following page for footnote 3.

standard metropolitan statistical areas ("SMSA's"), although such ratios are somewhat lower than those for counties of similar total population. In terms of total deposits, however, the Fort Dodge market is the ninth largest banking market in Iowa and its population growth compares favorably with other Iowa non-SMSA counties.[4] Retail sales per banking office in Fort Dodge are nearly twice as high as in any other non-SMSA county and future economic growth appears likely in view of the establishment of a new industrial park and other developments in the city of Fort Dodge.

Another indicium of the market's attractiveness for *de novo* entry is the above-average profitability of each of the three banks located in the city of Fort Dodge. Indeed, the return on assets at Bank and at the second largest Fort Dodge bank over the last four years has averaged forty per cent above that of other banks of similar size in Iowa. For the market as a whole, return on assets has been 12 per cent above all banks in the State. This disparity in profitability may well be related to the concentrated nature of the market, and thus be indicative of the substantial procompetitive effect Applicant's *de novo* entry would likely have. There is no evidence in the record to suggest that either the Iowa Superintendent of Banking or the Comptroller of the Currency would not grant an application to charter a *de novo* bank in Fort Dodge.

De novo entry by Applicant into the Fort Dodge market would not only increase competition therein by introducing a new and aggressive competitor into the market, but would also tend to reduce the concentration of banking resources in the market while preserving Bank as a viable competitive force in the market. In addition, the possibility would be preserved that Bank might become affiliated with one of the State's smaller bank holding companies—not an unlikely prospect in view of Bank's attractiveness for acquisition, due in part to its market position. On the basis of the facts of record, the Board concludes that consummation of the proposed acquisition would have a substantial adverse effect on potential competition in the Fort Dodge banking market.

Unless such anticompetitive effects 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, the application must be denied.[5] The financial and managerial resources and future prospects of Applicant, and its subsidiary banks, are regarded as generally satisfactory while those of Bank are regarded as satisfactory. There is no evidence in the record to indicate that the banking needs of the relevant market are not being met by existing institutions in the market. While certain benefits to the convenience and needs of the communities to be served might result from Applicant's acquisition of Bank, such benefits would also derive from entry by less anticompetitive means. Accordingly, although banking factors and considerations relating to the convenience and needs of the communities to be served are consistent with approval, they do not outweigh the substantial adverse competitive effects of the proposal. It is the Board's judgment that on the basis of the entire record, consummation of the proposed acquisition would not be in the public interest and that the application should be and hereby is denied.

By order of the Board of Governors, effective May 2, 1977.

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

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

Roger Billings, Incorporated,
Delphos, Kansas

Order Approving
Acquisition of Additional Shares of Bank

[3] Although the smaller banks in the market could be regarded as possibilities for a "foothold" acquisition, all are located outside of the city of Fort Dodge and are prevented from branching into Fort Dodge by Iowa law, thus making them unattractive for such an acquisition. Moreover, the primary opportunity for bank growth in the market is in the city of Fort Dodge. As none of these banks may enter that city it is not likely that they will be able to attract sufficient new business to significantly deconcentrate the market, either as independent banks or as a subsidiary of a bank holding company such as Applicant. Only a *de novo* bank located in the city of Fort Dodge would be capable of effecting such deconcentration. Thus, the market's attractiveness for *de novo* entry and the preservation of Applicant as such a potential entrant are major considerations with regard to this application.

[4] Non-SMSA data appear more relevant as Applicant is already represented in, or has applied to acquire banks in, six of Iowa's seven SMSA's. Between 1960 and 1970 Webster County population grew at a rate of 1.2 per cent annually, a growth rate which was only one-half of the State average of 2.4 per cent, but which was also significantly above that of the State's non-SMSA counties, which showed a population decrease of 1.2 per cent during this period.

[5] *Northwest Bancorporation / First National Bank of Dubuque*, 59 Fed. Res. BULLETIN 762 (1973) (convenience and needs considerations insufficient to outweigh adverse competitive effects).

Roger Billings, Incorporated, Delphos, Kansas, a registered bank holding company,[1] has applied for the Board's approval under § 3(a)(3) of the Act (12 U.S.C. § 1842(a)(3)) to acquire an additional 10 per cent of the voting shares of The State Bank of Delphos, Kansas ("Bank").

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

Applicant currently owns 26.8 per cent of the voting shares of Bank, and also engages in insurance activities.[2] Bank, with total deposits as of June 30, 1976 of approximately $4.7 million, controls approximately .05 per cent of the total deposits in commercial banks in the State[3] and is the fourth largest of the five banks in the relevant market with approximately 15.2 per cent of the total deposits in the market.[4] Applicant proposes to acquire 50 shares of Bank from a principal shareholder of Bank and Applicant. The proposed acquisition of additional shares of Bank would have no effect on competition, since Applicant and its officers, directors and principal shareholders together already control a majority of Bank's outstanding voting shares. Thus, competitive considerations are consistent with approval of the application.

The financial and managerial resources of Applicant and Bank are considered generally satisfactory. Although Applicant would incur some debt in connection with this acquisition, it appears that income from Bank and Applicant's insurance activities would provide sufficient revenue to service the debt adequately without adversely affecting the financial condition of Bank. Accordingly, considerations relating to banking factors are consistent with approval. Although there are no immediate changes contemplated in the services or facilities of Bank as a result of this acquisition of additional voting shares, considerations relating to the convenience and needs of the community to be served are consistent with approval of the application. Therefore, it is the Board's judgment that the proposed transaction is consistent with the public interest and that the application should be approved.

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

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

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

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

[1]Applicant registered as a bank holding company in 1971 at the request of the Federal Reserve Bank of Kansas City. Under § 225.2(b) of the Board's Regulation Y (12 C.F.R. § 225.2(b)) a rebuttable presumption existed that Applicant controlled The State Bank of Delphos, Delphos, Kansas; however, the Board has not made a determination that Applicant controlled that bank. By Order of September 14, 1976 the Board approved the application of Applicant to acquire 4.6 per cent of the voting shares of Bank. See 62 Federal Reserve BULLETIN 863.

[2]Applicant claims § 4(c) (ii) as authority for its continuing to engage in its nonbanking activities. In the event the Board determines that Applicant is not entitled to that exemption, Applicant has agreed to either file an application pursuant to § 4(c)(8) or reduce its holdings of Bank's stock to less than 25 per cent of the outstanding voting shares.

[3]All banking data are as of December 31, 1975, except as noted.

[4]The relevant market is approximated by northern Ottawa and southern Cloud Counties.

SYB Corporation, Oklahoma City, Oklahoma

Order Approving Formation of Bank Holding Company

SYB Corporation, Oklahoma City, Oklahoma, has applied for the Board's approval under § 3(a)(1) of the Bank Holding Company Act (12 U.S.C. § 1842(a)(1)) of formation of a bank holding company through acquisition of 80 per cent or more of the voting shares of Stock Yards Bank, Oklahoma City, Oklahoma ("Bank").[1]

[1]By Order of May 6, 1975 (40 *Federal Register* 21076), the Board approved an application by SYB Corporation to become a bank holding company through the acquisition of Bank. Consummation of the approved proposal was delayed pending receipt of a tax ruling from the Internal Revenue Service. In view of the length of time that has elapsed since the Board issued its Order approving the application and the substantial amendments that Applicant has made to the proposal, the Board has considered the amended proposal as if it were a new application.

Effective April 25, 1977, Bank changed its name to United Oklahoma Bank.

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

Applicant, a nonoperating corporation with no subsidiaries, was formed for the purpose of becoming a bank holding company. Upon acquisition of Bank,[2] Applicant would control .06 per cent of the total deposits in commercial banks in Oklahoma.[3] Bank, the ninth largest of 72 banking organizations in the relevant market,[4] holds deposits of approximately $59.6 million, representing approximately 1.8 per cent of the total deposits in commercial banks in the market.

Upon consummation of the proposal, 16 one-bank holding companies[5] would each acquire less than 5 per cent of Applicant's voting shares, and the remainder of Applicant's shares would be held by present shareholders of Bank. The 16 banking organizations hold aggregate deposits of approximately $1.0 billion, representing approximately 9.6 per cent of the total deposits in commercial banks in Oklahoma. Three of the 16 organizations are represented in the Oklahoma City market and hold aggregate deposits, including deposits held by Bank, amounting to $215.8 million or 6.6 per cent of total market deposits. In this circumstance, it is doubtful that the acquisition of less than 5 per cent of Applicant's stock by each of these organizations would adversely affect existing competition within the Oklahoma City market. Each of the other 13 organizations that would own shares of Applicant is located in a separate banking market. In light of the small interest each of the 16 organizations would acquire in Applicant, the Board concludes that consummation of the proposal would not increase the concentration of banking resources in any relevant market and would not have a significant adverse effect upon either existing or potential competition. Accordingly, the Board finds that competitive considerations are consistent with approval of the application.

Where, as here, a number of bank holding companies agree to acquire less than 5 per cent each of the outstanding voting shares of another company or a bank, at least two issues warranting regulatory concern may arise: First, the companies' participation in the management or business of the other company or bank may be so extensive as to support the conclusion that each of the holding company-shareholders is not merely a passive investor, but is in fact engaging as an entrepreneur in the business of the other company or bank.[6] Second, the group of shareholders itself may, through agreement or understanding among the members or through its structure alone, constitute a "company" within the meaning of § 2(b) of the Act (12 U.S.C. § 1841(b)).

On the basis of the facts of record in the present case, the Board is not persuaded that the intention of the holding company-shareholders is to expand their banking businesses further through Applicant. Moreover, the Board does not find it necessary at this time to make a determination that the proposed stockholders of Applicant will themselves constitute an organization that fits the definition of "company" in § 2(b). The Board remains concerned, however, that the close association of bank holding companies as stockholders of Applicant could create potential opportunities for additional investments in banking or nonbanking businesses by this group under circumstances that could be inconsistent with the purposes of the Act. Accordingly, the Board's approval of this application, and its decision not to treat the stockholder

[2] Under a trust arrangement, shareholders of Bank are the beneficial owners of 20 per cent of the shares of Oklahoma Bankers Life Insurance Company, Oklahoma City, Oklahoma ("OBLIC"). Under §§ 2(g)(1) and 2(g)(2) of the Act, control of these shares would be attributed to Applicant upon its acquisition of Bank. The activities of OBLIC have not been determined to be permissible under § 4(c)(8) of the Act and, therefore, the indirect control of these shares by Applicant is prohibited. Accordingly, upon acquisition of Bank, Applicant is required to divest its indirect interest in OBLIC within the applicable time period provided in § 4(a)(2) of the Act.

[3] All banking data are as of June 30, 1976.

[4] The relevant market is approximated by the Oklahoma City Standard Metropolitan Statistical Area.

[5] At this time, only ten of the 16 bank holding companies have been formed. Regulatory approval has been granted to formation of an eleventh. The participation of the remaining holding companies in the above-described arrangement is contingent upon regulatory approval of their formation.

[6] The Board recently stated, in an interpretation under § 4 of the Act, that the exemption in § 4(c)(6) of the Act, under which a bank holding company is generally permitted to own up to 5 per cent of the voting shares of a nonbank company without Board approval, should be interpreted as applicable only to passive investments, and does not authorize control relationships or entrepreneurial activity (63 Federal Reserve Bulletin 60 (1977)). The rationale of that interpretation is equally applicable to the acquisition of 5 per cent holdings in banks or bank holding companies within the leeway provided in § 3(a)(3) of the Act.

group as a bank holding company itself, are subject to the following conditions:

1. The companies owning or controlling shares of Applicant will not engage in any other banking or nonbanking activities as part of a group that consists of substantially the same companies as are shareholders of Applicant.

2. The companies owning shares of Applicant will not enter into any formal or informal agreement or understanding among themselves concerning the manner in which shares of Applicant are to be voted.

3. None of the companies owning shares of Applicant will sell, assign, or transfer any of its shares of Applicant unless and until it has obtained the agreement of any purchaser, assignee or transferee to be bound by the provisions of this Order.

Should the Board have reason to believe at some future date that these companies are not acting independently as essentially passive investors, it will take appropriate steps to ensure that the regulatory purposes of the Act are not evaded.

The financial and managerial resources and future prospects of Applicant are dependent upon those of Bank, which are regarded as satisfactory. Applicant will issue voting common stock and nonvoting cumulative preferred stock in exchange for Bank's shares. Accordingly, considerations relating to banking factors are consistent with approval of the application. Although consummation of the proposed transaction would have no immediate effect on area banking needs, considerations relating to the convenience and needs of the community to be served are consistent with approval. It is the Board's judgment that consummation of the proposed transaction would be consistent with the public interest and that the application should be approved.

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

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

Voting for this action: Vice Chairman Gardner and Governors Wallich, Partee, and Lilly. Voting against this action: Governor Coldwell. Absent and not voting: Chairman Burns and Governor Jackson.

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

Dissenting Statement of Governor Coldwell

In my opinion, approval of this case opens up a very broad range of concerns about the use of the holding company device and the Board's ability to contain it. First by permitting formation of a one-bank holding company owned by a consortium of other bank holding companies the Board is sanctioning the "tiering" of holding companies. I think this will diminish the accountability of bank management and calls into question the degree to which the owners (shareholders) can be relied upon to provide financial strength to the subsidiary bank. If the top tier of owners are bank holding companies responsible for their own banks, one can question their willingness to finance capital needs of another holding company that owns the Stock Yards Bank.

Secondly, this approval opens up the possibility of using the bank holding company format to achieve bank concentrations far beyond that contemplated in normal acquisitions. A grouping of bank holding companies each owning less than 5 per cent of the underlying one-bank holding company could acquire even very large banks providing a "front man" sets up the new company. I view this arrangement as a device for circumventing Board approval of the primary consortium and means of broadening the bank holding company format to encompass a wide range of permissible and impermissible activities.

Beyond these objections, I have a fundamental problem with domestic joint ventures by financial institutions. It has been our experience that joint ventures often result in disputes as to who controls, manages, or supplies new capital or credit to the joint venture. I am reluctant to establish a precedent that would encourage such formations, especially since I see major problems of control and operations inherent in this device.

Finally, the way in which this particular case is presented, with the ultimate owners the one-bank holding companies acting individually rather than as an identifiable legal group, means that the group could use this format as a means of gaining control over other banks or nonbank companies by each acquiring, as an individual owner, less than 5 per cent of the outstanding voting shares rather than acquiring the shares as a consortium formed into a bank holding company. Such acquisitions would enable the owners to escape the Board's controls and reporting requirements. I think this constitutes a major evasion of our regulations and broadens the use of the bank holding company device far beyond the expressed intent of Congress.

For these reasons I would deny this application.

Orders Under Section 4 of Bank Holding Company Act

Manufacturers Hanover Corporation, New York, New York

Order Approving Retention of Offices of Ritter Financial Corporation and Recommencement of Reinsurance Activities

Manufacturers Hanover Corporation, New York, New York, a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval, under section 4(c)(8) of the Act (12 U.S.C. § 1843(c)(8)) and § 225.4(b)(2) of the Board's Regulation Y (12 CFR § 225.4(b)(2)), to retain indirectly seven offices of Ritter Financial Corporation, Wyncote, Pennsylvania (''Ritter''), a wholly-owned subsidiary of Applicant. The offices that Applicant has applied to retain engage in the following activities: making or acquiring, for its own account or for the account of others, loans and other extensions of credit such as would be made by a finance company, servicing loans and other extensions of credit for any person and acting as agent or broker for the sale of credit-related life insurance and credit accident and health insurance. These activities have been determined by the Board to be closely related to banking (12 CFR § 225.4(a)(1), (3), and (9)). The offices are located in Sicklerville, New Jersey; Fairmont, Red Springs and Wadesboro, North Carolina; Hummelstown, Pennsylvania; and Warsaw and Woodstock, Virginia.

Applicant has also applied for the Board's approval to recommence the activity of reinsuring credit life insurance and credit accident and health insurance that is directly related to extensions of credit by the Ritter organization in North Carolina and Pennsylvania. These activities have also been determined by the Board to be closely related to banking (12 CFR § 225.4(a)(10)).

Notice of the applications, affording opportunity for interested persons to submit comments and views on the public interest factors, has been duly published (42 *Fed. Reg.* 16190 (1976)). The time for filing comments and views has expired, and the Board has considered all comments received in the light of the public interest factors set forth in section 4(c)(8) of the Act (12 U.S.C. § 1843 (c)(8)).

Applicant is the third largest banking organization in New York State and the fourth largest nationally.[1] Applicant controls Manufacturers Hanover Trust Company, New York, New York. Ritter, a regional consumer finance company with total assets of approximately $111 million and net receivables of approximately $102 million, was acquired by Applicant on January 3, 1975, pursuant to Board approval granted effective December 10, 1974 (61 Fed. Res. Bulletin 42 (1975)).

At the time that Applicant filed its application to acquire Ritter, the latter had 125 offices in Connecticut, New Jersey, North Carolina, Pennsylvania, Virginia, and West Virginia. During the pendency of that application, Ritter opened eight additional offices;[2] however, Applicant did not amend its application to reflect those additional offices. Accordingly, the Board's approval of Applicant's application to acquire Ritter related only to the 125 offices that were listed in its application. Applicant's operation of offices for which it did not obtain prior Board approval was in violation of the Board's Regulation Y.[3] By this application, Applicant seeks to bring the operation of its additional offices into conformance with the Act.

In acting on applications pursuant to § 4(c)(8) of the Act to retain offices or to recommence engaging in activities in situations where the necessary prior Board approval was not obtained for such offices or activities, the Board applies the same standards as it does to applications to establish such offices and commence such activities initially. In addition, the Board considers the competitive effects of such proposals as of the time that the offices were established or the activities commenced.

At the time that it approved Applicant's application to acquire Ritter, the Board noted that only a slight amount of existing competition would be eliminated between Applicant and Ritter. The competition that did exist was a result of the

[1] All banking and other financial data are as of December 31, 1975.

[2] One of the offices opened during this period was subsequently closed.

[3] See 12 CFR § 225.4(c)(2).

proximity of Ritter's two Connecticut offices to the Metropolitan New York market in which Applicant operated. Because of the locations of the offices that are the subject of this application, it does not appear that any competition between Applicant and those offices existed at the time that the Board approved Applicant's application nor does it appear that any competition exists at this time.

With respect to potential competition, the Board, in approving Applicant's original application, stated that it was questionable whether Applicant's *de novo* expansion in the consumer finance company business or accelerated growth in its consumer lending would give rise to substantial future competition between Applicant and Ritter. The Board concluded that the only significant competition that would be foreclosed by approval of the application would be some distance in the future. It does not appear that the Board's conclusion on this question would have been affected by an awareness of the existence of the additional offices; nor does it appear, on the basis of information in the record, that a significant amount of future competition would be eliminated by retention of these offices. Accordingly, it is the Board's conclusion that no significant amount of existing or potential competition would be eliminated as a result of Applicant's retention of the additional offices. Moreover, there is no evidence in the record indicating that retention of these offices would result in any undue concentration of resources, unfair competition, conflicts of interests, unsound banking practices or other adverse effects on the public interest.

Based upon the foregoing and other considerations reflected in the record, the Board has determind that the balance of the public interest factors the Board is required to consider under § 4(c)(8) is favorable. Accordingly, the application to retain the seven offices is hereby approved.

As part of its Order approving Applicant's acquisition of Ritter, the Board also specifically authorized Applicant, through a subsidiary of Ritter, to act as reinsurer of group credit life and credit accident and health insurance sold in connection with extensions of credit by Ritter's offices in Virginia, West Virginia, and New Jersey. Applicant's application indicated that Ritter was engaged in reinsurance activities only in those three States and, accordingly, the Board's Order of December 10, 1974, only authorized Applicant to engage in reinsurance activities in those three States. Applicant, however, commenced reinsurance activities in the States of North Carolina and Pennsylvania on December 16, 1975, and June 1, 1975, respectively. Applicant's performance of this activity without the prior approval of the Board was in violation of the Board's Regulation Y.[4] Applicant, at the request of the Board's staff, has terminated its reinsurance activities in North Carolina and Pennsylvania pending the Board's action on its application.

Credit life insurance and credit accident and health insurance are generally made available by banks and other lenders and are designed to assure repayment of a loan in the event of death or disability of the borrower. In connection with its addition of the underwriting of such insurance to the list of permissible activities for bank holding companies, the Board stated:

> To assure that engaging in the underwriting of credit life and credit accident and health insurance can reasonably be expected to be in the public interest, the Board will only approve applications in which an applicant demonstrates that approval will benefit the consumer or result in other public benefits. Normally, such a showing would be made by a projected reduction in rates or increase in policy benefits due to bank holding company performance of this service. (12 CFR § 225.4(a)(10) n. 7)

Applicant has stated that, upon recommencement of reinsurance activities in North Carolina and Pennsylvania, it would reduce the rates charged by Ritter's subsidiaries for credit life and credit accident and health insurance in the two States by amounts ranging from 2 per cent to 7.5 per cent.[5] The Board is of the view that the availability of this service at reduced premiums is in the public interest. There is no evidence in the record indicating that consummation of the proposed transaction would result in any undue concentration of resources, decreased or unfair competition, conflicts of interest, unsound banking practices, or other adverse effects on the public interest.

Based upon the foregoing and other considerations reflected in the record, including a commitment by Applicant, with respect to its proposed underwriting activities, to maintain on a continuing basis the public benefits that the Board has

[4]See 12 CFR § 225.4(c)(2).

[5]Applicant's reduced premium rate schedule became effective on November 1, 1976. Applicant also undertook to rebate to Ritter's North Carolina and Pennsylvania customers amounts charged prior to November 1, 1976, that were in excess of the reduced premium rates.

found to be reasonably expected to result from this proposal and upon which the approval of that aspect of this proposal is based, the Board has determined that the balance of the public interest factors the Board is required to consider under § 4(c) (8) is favorable. Accordingly, the application is hereby approved.

As indicated above, the subject applications consist of after-the-fact requests for the Board's approval to conduct operations that had been commenced in violation of the Board's Regulation Y. It is the Board's view, on the basis of the facts and circumstances of the subject applications, that the violations were inadvertent. In acting on the applications, the Board took into consideration the fact that Applicant, upon becoming aware of the existence of the violations, took steps to conform its operations to the Act by filing the subject applications. In addition, Applicant's senior management has taken steps to prevent violations from occurring by establishing procedures for centralized internal review of all of Applicant's activities for compliance with the substantive and procedural requirements of the Act and the Board's Regulation Y. The Board expects that these actions will assist Applicant in avoiding a reoccurrence of similar violations. In consideration of the above and other information in the records of these applications, the Board has determined that the circumstances of the above violations do not warrant denial of the applications.

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

By order of the Board of Governors, effective May 3, 1977.

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

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

United Kentucky, Inc.,
Louisville, Kentucky

Order Approving Acquisition of Kesselring-Netherton & Associates, Inc.

United Kentucky, Inc., Louisville, Kentucky, a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval, under § 4(c)(8) of the Act (12 U.S.C. § 1843(c)(8)) and 225.4(b)(2) of the Board's Regulation Y (12 CFR § 225.4(b)(2)), to acquire shares of Kesselring-Netherton & Associates, Inc., Louisville, Kentucky ("Company"), through a non-operating subsidiary corporation, United Kentucky Mortgage, Inc., which was chartered expressly to absorb Company but to do business as "Kesselring-Netherton & Associates, Inc." Company engages in the activities of originating, for its own account and the accounts of others, conventional and guaranteed residential mortgage loans and commercial mortgage loans, and the servicing of such loans for permanent investors. Such activities have been determined by the Board to be closely related to banking (12 CFR § 225.4(a)(1) and (3)).

Notice of the application, affording opportunity for interested persons to submit comments and views on the pubic interest factors, has been duly published (42 *Fed. Reg.* 14921 (1977)). The time for filing comments and views has expired, and the Board has considered the application and all comments received in light of the public interest factors set forth in § 4(c)(8) of the Act (12 U.S.C. § 1843(c)(8)).

Applicant, the sixth largest banking organization in Kentucky, controls one bank, Louisville Trust Bank, Inc., Louisville, Kentucky ("Bank"), with total deposits of $180.3 million, representing approximately 1.9 per cent of deposits in commercial banks in the State.[1] Company, which commenced operations in 1972, has total assets of approximately $335,900. Its sole office is located in Louisville. Company is one of the smaller mortgage firms in the relevant market, and in 1976, was ranked eleventh largest of twelve mortgage companies in Jefferson County, Kentucky.[2]

During 1976, Bank originated approximately 1.4 per cent of the 1-4 family residential mortgage loans secured by real estate located in the Louis-

[1]As of June 30, 1976.

[2]Based upon a ranking by Chicago Title Insurance Company of dollar amounts of mortgage loans recorded in Jefferson County during the first quarter of 1976.

ville mortgage market,[3] amounting to $2.4 million. During 1976, Bank also originated mortgage loans for multi-family and non-residential mortgage loans amounting to $4.3 million.[4]

Company does not originate single family mortgages. It does, however, originate mortgages on two-to-four family dwellings. During 1976, these loans, amounting to $0.7 million, accounted for less than 1 per cent of the 1-4 family residential loans in the Louisville mortgage market. Company also originated $14 million in multi-family and nonresidential mortgage loans and serviced $22.3 million in all mortgage loans.

Bank and Company are direct competitors to some extent in the local market for the origination of 1-4 family residential mortgage loans and in the regional or national markets for originating and servicing multi-family residential and commercial mortgage loans. The effect of the elimination of competition is mitigated, however, by the presence in the Louisville mortgage market of at least 35 other mortgage banking firms and in the regional or national markets, of numerous other such firms. Thus, the elimination of competition that would result from consummation of the proposed transaction would be slight.

Upon consummation of the proposed transaction, Applicant will expand Company's originations and servicing into single family mortgage financing, thus making it a stronger competitor in the Louisville market. In addition, considering Company's small size, Company would also benefit from access to the additional financial and managerial resources and expertise of Applicant that may not otherwise have been available. Furthermore, there is no evidence in the record to indicate that Applicant's acquisition of Company would result in any undue concentration of resources, unfair competition, conflicts of interests, unsound banking practices, or other adverse effects on the public interest. Based upon these considerations, the Board concludes that the public benefits that would result from consummation of the proposal outweigh the slightly adverse competitive effects that would occur in the Louisville mortgage market.

[3]The Louisville mortgage market for 1-4 family residential loans is approximated by the Louisville Standard Metropolitan Statistical Area, which includes Jefferson, Bullitt, and Oldham Counties, Kentucky, and Clark and Floyd Counties, Indiana.

[4]Characteristically, the relevant geographic market for the origination of multi-family and nonresidential mortgage loans is regional or national in scope, and thus data regarding market shares for such loans are not readily available.

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

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

By order of the Board of Governors, effective May 18, 1977.

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

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

Wells Fargo & Company,
San Francisco, California

Order Approving Acquisition of
Ben G. McGuire & Company

Wells Fargo & Company, San Francisco, California, a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval under § 4(c)(8) of the Act and § 225.4(b)(2) of the Board's Regulation Y to acquire through a recently established subsidiary, WF-BGM, Inc., San Francisco, California, all of the voting shares of Ben G. McGuire & Company, Houston, Texas ("Company"), a company that engages in the activities of mortgage lending and servicing loans and other extensions of credit. Such activities have been determined by the Board to be closely related to banking (12 C.F.R. § 225.4(a)(1) and (3)).

Notice of the application, affording opportunity for interested persons to submit comments and views on the public interest factors, has been duly published (42 *Federal Register* 13060). The time for filing comments and views has expired, and the Board has considered the application and all comments received in the light of the public interest factors set forth in § 4(c)(8) of the Act (12 U.S.C. § 1843(c)(8)).

Applicant, the third largest banking organization in California, controls one bank with total deposits of approximately $10.4 billion representing 10 per cent of the total deposits in commercial banks in the State.[1] Applicant also controls a number of other subsidiaries, including subsidiaries engaged in commercial leasing, real estate advisory services, loan servicing, and mortgage lending.

Company, operating from one office in Houston, Texas, is a mortgage lending and loan servicing company engaged in arranging interim financing with lenders for origination of permanent mortgage loans on commercial and income properties and in the ultimate servicing of such loans. Company has not been directly involved in funding mortgage loans, and loans that it has arranged have been closed in the loan investor's name, with the investor's funds. Although none of Applicant's subsidiaries is engaged in servicing mortgage loans in the Houston banking market,[2] Applicant's real estate advisory subsidiary operates an office in the Houston market and, among other things, originates real estate mortgage loans. However, the amount of such loans made by Applicant's subsidiary is not deemed significant when viewed in light of the large number of other competitors in the market.[3] Applicant's mortgage lending subsidiary also has an office in Houston, but it has not originated or serviced any mortgage loans through that office and Applicant has stated that it intends to close the office upon consummation of the proposed transaction. Therefore, in view of the limited nature of Applicant's present activities in the Houston banking market and the competitive structure of mortgage lending in that market, it appears that consummation of the proposal would not have any significant adverse effects on competition in the relevant area. Furthermore, there is no evidence in the record indicating that consummation of this proposed transaction would result in any undue concentration of resources, unfair competition, conflicts of interest, unsound banking practices or other adverse effects upon the public interest.

Upon consummation of the proposed acquisition, Applicant would offer McGuire the capability to fund directly mortgage loans and warehouse them for short periods of time. To fund such operations, Applicant proposes to downstream some of its commercial paper funds to Company. Through increased access to money markets, Company should also be able to offer a wider range of mortgage loan closings, including residential loans, and to enter additional service markets in Texas. In addition, the policies of Applicant's mortgage lending subsidiary regarding the financing of public housing projects and servicing of FHA loans to low-income borrowers would be extended to McGuire. Accordingly, it appears that the acquisition proposal would produce benefits to the public that are consistent with and lend weight toward approval of this application.

As a source of funds for the proposed acquisition ($3.5 million), Applicant will use a portion of excess proceeds remaining from a $50 million debt issue in 1973. Thus, it appears that the cost of the proposed acquisition will be met with funds currently on hand, without diverting financial resources from Applicant's operations.

Based upon the foregoing and other considerations reflected in the record, the Board has determined, in accordance with the provisions of § 4(c)(8) of the Act, that Applicant's acquisition of Company can reasonably be expected to produce benefits to the public that outweigh possible adverse effects. Accordingly, the application is hereby approved. This determination is subject to the conditions set forth in § 225.4(c) of Regulation Y and to the Board's authority to require such modification or termination of the activities of a holding company or any of its subsidiaries as the Board finds necessary to assure compliance with the provisions and purposes of the Act and the Board's regulations and orders issued thereunder, or to prevent evasion thereof.

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

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

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

(Signed) GRIFFITH L. GARWOOD,

[SEAL] *Deputy Secretary of the Board.*

[1]Unless otherwise indicated, all banking data are as of December 31, 1976.

[2]The relevant market for purposes of reviewing this application is the Houston RMA, approximated by Harris County and portions of Brazoria, Fort Bend, Liberty, Montgomery, and Waller Counties.

[3]Within the Houston banking market, McGuire and Applicant generally compete with 6 commercial banks, 17 mortgage banking firms, and 10 savings and loan associations.

Order Under Sections 3 & 4 of Bank Holding Company Act

European-American Bancorp,
New York, New York

Order Approving Formation of Bank Holding Company and Operation of New York Investment Company

European-American Bancorp, New York, New York, has applied for the Board's approval under section 3(a)(1) of the Bank Holding Company Act (12 U.S.C. § 1842(a)(1)) of the formation of a bank holding company through the acquisition of all the voting shares (except directors' qualifying shares) of European-American Bank & Trust Company ("Bank"), New York, New York.

Applicant has also applied, pursuant to section 4(c)(8) of the Bank Holding Company Act (12 U.S.C. § 1843(c)(8)) and section 225.4(b)(2) of the Board's Regulation Y (12 CFR § 225.4(b)(2)), for permission to acquire all of the voting shares (except directors' qualifying shares and 130 additional shares) of European-American Banking Corporation ("EABC"), New York, New York. EABC is an investment company organized and operating under Article XII of New York State Banking Law[1] (a "New York Investment Company") that engages in the following activities: provision of lending and international banking services, including letters of credit, acceptances and other financing facilities in connection with exports and imports, international transfers of funds and foreign exchange services; investments and foreign exchange transactions for its own account; leasing improved real estate and data processing equipment; and maintenance of credit balances incidental to or related to the foregoing activities. Although Applicant believes that certain of EABC's activities have been determined by the Board in section 225.4(a)(1), (3), and (6) of Regulation Y to be permissible for bank holding companies, it has not applied to acquire shares of EABC on the basis of those provisions. Rather, based on the facts and circumstances of this particular case, Applicant has requested under section 225.4(a) of Regulation Y that the Board determine by specific Order under section 4(c)(8) of the Act that its operation of EABC as a New York Investment Company is permissible under section 4(c)(8) of the Act because EABC is engaged in activities so closely related to banking or managing or controlling banks as to be proper incidents thereto.[2] Operation of a New York Investment Company has not heretofore been determined by the Board to be an activity permissible for bank holding companies.

Notice of receipt of these applications has been given in accordance with sections 3 and 4 of the Act (41 *Federal Register* 49673) and the time for filing views and comments has expired. The Board has considered the applications and all comments received in light of the factors set forth in section 3(c) of the Act (12 U.S.C. § 1842(c)), and the considerations specified in section 4(c)(8) of the Act (12 U.S.C. § 1843(c)(8)). No request for a hearing has been received.

Applicant is a nonoperating corporation organized for the purposes of becoming a bank holding company through the acquisition of Bank and of operating a New York Investment Company through the acquisition of EABC. Bank was chartered in 1953 as the Belgium-American Bank and Trust Company, with the Societe Generale de Banque, S.A., Brussels, Belgium as the sole shareholder. In 1968 the Midland Bank, Limited, London, England; Deutsche Bank A.G., Frankfurt, Germany; and Amsterdam-Rotterdam Bank, N.V., Amsterdam, The Netherlands, joined as shareholders, and Bank adopted its present corporate title. Shortly afterwards, Societe Generale, Paris, France, and Creditanstalt Bankverein, Vienna, Austria, also became shareholders of Bank. Bank had two branches in Manhattan and a limited service branch in the Cayman Islands until October 1974, when it acquired from the Federal Deposit Insurance Corporation ("FDIC") the deposits, selected assets, and a network of 100 branches of Franklin National Bank ("Franklin"), Brooklyn, New York. Prior to the Franklin transaction, Bank operated principally as a wholesale bank, serving primarily European companies in the American market and selected U.S. companies. Through the purchase of $1.6 billion of Franklin's assets, Bank became a major retail bank in the Metropolitan New York market,[3] with most of its operations concentrated on Long Island. Bank

[1] See New York Banking Law §§ 507-519, 4 *McKinney's Consolidated Laws* (1976).

[2] Under § 4(c)(8) of the Act, the Board may determine that the prohibitions of Section 4 of the Act shall not apply to the shares of any company the activities of which the Board after due notice and opportunity for hearing has determined *by order or regulations* to be so closely related to banking or managing or controlling banks as to be a proper incident thereto.

[3] See following page for footnote.

($2.2 billion in domestic deposits) is the 11th largest bank in the market with 1.5 per cent of the market's deposits.[4]

EABC was organized in 1950 as a New York Investment Company under Article XII of New York Banking Law, under the name Belgian-American Banking Corporation, replacing and succeeding to the business of the New York agency of Banque Belge pour L'Etranger (Overseas), Ltd., London, England. EABC, which was owned by Banque de la Societe Generale de Belgique and other of its Belgian affiliates, assumed its present corporate title in 1968 when Amsterdam-Rotterdam Bank, Midland Bank, and a subsidiary of Deutsche Bank became shareholders. Societe Generale and Creditanstalt Bank later became shareholders of EABC. EABC operates through its main office in New York City, two branch offices in California and a foreign branch located in Nassau, The Bahamas. EABC also has five wholly-owned subsidiaries: Euram Realty Corporation and Euramcor Realty Corporation, Jersey City, New Jersey, special-purpose, single-transaction leasing companies that acquired and lease certain real property as accommodations to EABC's customers in accordance with the conditions of section 225.4(a)(6)(b) of Regulation Y; Disk Pack Leasing Corporation, New York, New York, which is now dormant but which was engaged in the leasing of data processing equipment; and two foreign subsidiaries, European-American Finance (Bermuda), Limited, Hamilton, Bermuda, and Euro-Credit S.A., Panama, Panama, Applicant's indirect acquisition of which the Board has approved by separate letter pursuant to section 4(c)(13) of the Act.

Both Bank and EABC are owned by the same shareholders in substantially the same proportions. The proposed transaction is essentially a restructuring of the interests of these shareholders whereby ownership of Bank and EABC will be transferred to a corporation similarly owned. While Bank and EABC have many similar banking powers, Bank engages to a substantial extent in retail banking, which EABC cannot do because it is prohibited by New York Banking Law from accepting deposits from the general public.[5] It appears from the facts of record that Bank and EABC have concentrated on complementary lines of service. EABC engages primarily in international lending and banking services, and Bank concentrates on providing domestic lending and banking services. This separation derives in part from statutory restrictions on EABC's general deposit-taking and trust powers, and in part from a respective business emphasis determined by the common management of the two companies. In light of the above and other facts in the record, it appears that consummation of Applicant's proposals will eliminate no significant competition. There is a long history of common ownership, common management, and cooperative operation of the two institutions, and it appears unlikely that this relationship would be altered if the subject applications were denied. On the basis of the record before it, the Board concludes that competitive considerations are consistent with approval of the applications.[6]

The financial and managerial resources of Applicant, which will be primarily dependent upon those of Bank and EABC, are considered satisfactory and its future prospects appear favorable. Thus, considerations relating to banking factors are consistent with approval of the application to acquire Bank.

In acting on the application to acquire EABC, the Board must first determine under the provisions of section 4(c)(8) of the Act whether the activities of EABC, as a New York Investment Company, are closely related to banking or managing or controlling banks. The New York Investment Company is a unique type of banking and financ-

[3]The Metropolitan New York market consists of the five boroughs of New York City, plus Nassau, Putnam, Rockland, and Westchester Counties, and western Suffolk County, all in New York State, as well as the northern two-thirds of Bergen County and eastern Hudson County in New Jersey and southwestern Fairfield County in Connecticut.

[4]Bank deposit data are as of December 31, 1976; market share and market rank information are as of June 30, 1975.

[5]New York Banking Law § 509, 4 *McKinney's Consolidated Laws* (1976).

[6]In reaching its determination on competitive factors in this application, the Board took into consideration the fact that Applicant will be owned by the same group of foreign banks that presently controls Bank and EABC and that controlled combined total assets on a world-wide basis of nearly $120 billion at year-end 1975. The subject application proposes a reorganization of these banks' existing interests in Bank and EABC, and does not represent an expansion of their joint presence in U.S. markets. No adverse comments have been received from the Department of Justice on this proposal. In a letter dated July 18, 1975, from Assistant Attorney General Thomas R. Kauper to Congressman Wright Patman, Mr. Kauper stated that the Department "was aware of no evidence which would indicate that the EABTC [Bank] venture is part of a more comprehensive illegal arrangement affecting the domestic or foreign commerce of the United States. Nor does it appear that the joint venture, when viewed in the context of a very large market containing numerous powerful domestic and foreign competitors, may substantially lessen competition as defined by the courts under Section 7 of the Clayton Act." It also appears from the record of this application that the existing joint ownership of Bank and EABC by six large European banks would not be altered if the subject applications were denied. Accordingly, in these circumstances, Applicant's ownership by six large European banks presents no adverse competitive considerations.

ing corporation organized under a separate article of New York Banking Law that is believed to have no close institutional parallel under the laws of other States. Its singular powers and status chiefly reflect the diversity of New York's financial markets and the attractiveness of such markets to domestic and foreign financial institutions alike. There are now two principal types of New York Investment Companies. One type engages primarily in financing retail sales; included among this group are some of the Nation's largest finance companies, such as General Motors Acceptance Corporation and Commercial Credit Company. The other type, including EABC, is engaged in transacting virtually all of the usual activities of a commercial bank, except the general business of accepting deposits. These "banking" Investment Companies,[7] like EABC, are all ultimately controlled or affiliated with foreign banking organizations and are engaged primarily in internationally-related activities. In this regard, it appears that the New York Investment Company has, over the years, served as a means for foreign bank entry into New York in cases where entry through a direct branch or agency was either unavailable or undesirable for the purposes sought.

Each of the lending and banking services presently offered by EABC is offered by commercial banks generally and, in this connection, EABC competes with foreign banking organizations and domestic commercial banks and their Edge Corporation subsidiaries in the provision of such services in New York.[8] It is the Board's view, in light of the above and other facts of record, especially the unique structural and competitive circumstances existing in New York, that the present activities of EABC are closely related to banking.[9] In fact, EABC's activities are so like those generally provided by commercial banks, that there is a substantial question whether EABC should be considered a "bank" for purposes of the Act.

Section 2(c) of the Act (12 U.S.C. § 1841(c)) defines the term "bank" to include any institution organized under the laws of any State of the United States which "accepts deposits that the depositor has a legal right to withdraw on demand" and engages in the business of making commercial loans. EABC is a State-chartered corporation that accepts "credit balances" for the account of its customers that the customers have a legal right to withdraw on demand, and it engages in the business of making commercial loans. Accordingly, if EABC's credit balances are deposits within the meaning of section 2(c), it would satisfy the definitional test.

In 1971, the Board determined that a similar New York Investment Company was not a "bank" within the meaning of section 2(c) based largely on three considerations.[10] First, the Board was persuaded at that time that Congress meant to include in the definition of "bank" only those institutions that offer to the public the general convenience of checking account facilities. In this regard, it was found that the New York Investment Company involved could accept credit balances only as an incident to transactions it was legally permitted to perform for its customers, that it could

[7] In addition to EABC, there are: J. Henry Schroder Banking Corporation, New York, New York, a subsidiary of Schroders, Ltd., a registered foreign bank holding company; French-American Banking Corporation, New York, New York, a subsidiary of Banque Nationale de Paris, Paris, France, a registered foreign bank holding company; Nordic American Banking Corporation, New York, New York, which is owned by Svenska Handels-banken; and Baer American Banking Corporation, New York, New York, a subsidiary of a private Swiss bank.

[8] The following banking and lending activities are those currently engaged in directly by EABC under authority of section 508 of New York Banking Law:

1. Borrowing and lending money (without limitation as to a single borrower);
2. Acquiring and disposing of bills of exchange, drafts, notes, acceptances, and other obligations for the payment of money, including bonds and mortgages on real property; making loans upon the security of such bonds and mortgages, and accepting bills of exchange or drafts upon them;
3. Issuing letters of credit;
4. Buying and selling foreign exchange;
5. Receiving funds for transmission to foreign countries;
6. Receiving and maintaining credit balances incidental to, or arising out of, the exercise of its lawful powers;
7. Investing in equity securities of any company (where such investments constitute no more than 5 per cent of the company's outstanding voting stock); and
8. Operating a foreign branch and through that branch receiving funds in the form of time account credit balances (almost entirely from foreign persons), lending such funds to banks and corporations primarily located outside the United States, and placing such funds in time accounts with banks.

[9] Two courts that have considered the "closely related" language in section 4(c)(8) of the Act have concluded, *inter alia*, that an activity generally engaged in by banks directly would generally qualify as "closely related" to banking or managing or controlling banks within the meaning of the statute. *National Courier Association* v. *Board of Governors of the Federal Reserve System*, 516 F.2d 1229 (D.C. Cir. 1975); *Alabama Association of Insurance Agents* v. *Board of Governors of the Federal Reserve System*, 533 F.2d 224 (5th Cir. 1976), modified, ___F.2d___ (5th Cir. January 10, 1977).

[10] Board letter of November 8, 1971 to the San Francisco Reserve Bank concerning the status of French-American Banking Corporation; see also Board Order of Feburary 7, 1972 approving the application of Banque Nationale de Paris to retain French-American Banking Corporation under section 4(c)(9) of the Act, 58 Federal Reserve BULLETIN 312 (1972).

not solicit or accept deposits of idle funds, and that its customers were not permitted to use such balances in the manner of a general checking account, although drafts could be drawn on such accounts to pay for the import and export of goods. Second, the New York Superintendent of Banks had expressed the view that the distinction between credit balances and deposits was "meaningful" and "administrable" in New York. Third, the company involved was principally engaged in financing or facilitating transactions in international or foreign commerce. Since that time, the Board has generally reviewed the activities of New York Investment Companies owned by foreign banks in the course of considering proposed legislation to regulate foreign bank activities in the United States, and has recommended to Congress that these New York Investment Companies, such as EABC, should be subject to Federal banking regulation, including reserve requirements and interest rate controls on their credit balances. In this regard and in other situations, the Board has stated that it believes the credit balance accounts of foreign bank agencies and banking New York Investment Companies are in many respects the functional equivalent of deposits when maintained in connection with the provision of traditional commercial banking services.[11] The Board, however, has not determined that credit balances should be defined as demand deposits within the meaning of section 2(c) of the Act.

Viewing the credit balance activities of EABC in light of these precedents and other facts in the record, the Board is satisfied that the considerations reflected in its 1971 ruling apply equally to EABC and that therefore EABC should not be regarded as a "bank" because it does not accept demand deposits within the meaning of section 2(c) of the Act. The focus of the Act's legislative history on the general provision of checking accounts and the longstanding acceptance of the provision of checking accounts as one of the features distinguishing commercial banks from other financial institutions are factors that must be given particular weight.[12] When such factors are considered with the historical legal and administrative distinction between credit balance and deposit accounts in New York, and Congress' general intent to exclude international banking corporations from the Act's definition of "bank,"[13] the Board believes that the Act need not be extended administratively to include institutions such as EABC or other New York Investment Companies owned by foreign banks, so long as they continue to engage primarily in international banking activities. The resolution of the status of such companies under Federal banking laws, in light of the above considerations, is more properly a matter for legislative determination and, in this connection, the Board has recommended to Congress that New York Investment Companies owned or controlled by foreign banks be subject to the same Federal regulation that Congress may impose on branches and agencies of foreign banks.

Although, as determined above, EABC is presently engaged in activities closely related to banking, Applicant has also applied to engage through EABC in all activities permissible to EABC as a New York Investment Company under Article XII of the New York Banking Law, except that Applicant has agreed that (1) notwithstanding its broad investment powers, EABC will not invest in more than 5 per cent of the voting shares of any company except with prior Board approval under the Act, and (2) EABC will continue to conduct its indirect leasing activities in accordance with section 225.4(a)(6) of Regulation Y. Because EABC is already affiliated with Bank, a member bank, it is foreclosed by section 20 of the Glass-Steagall Act (12 U.S.C. § 377) from engaging principally in securities underwriting and distribution activities even though Article XII of the New York Banking Law permits a broad range of such securities activities to New York Investment Companies. Applicant has stated that EABC is not now engaged in underwriting activities and in the future would only engage in underwriting

[11] See the Board's Order of May 30, 1975, denying Bank of Tokyo's application to acquire Tokyo Bancorp International (Houston), Inc., Houston, Texas, under section 4(c)(9) of the Act, 61 Federal Reserve BULLETIN 449 (1975); and a Board letter of March 17, 1977, to Citibank, N.A., New York, New York, regarding a proposal by Grindlays Bank, Ltd., London, England, to establish an agency in New York City.

[12] See *U.S.* v. *Philadelphia National Bank*, 374 U.S. 321, 356 (1962), where the Supreme Court in explaining the cluster of products and services that make commercial banking a distinct line of commerce for purposes of section 7 of the Clayton Act, noted that—

> Some commercial banking products or services are so distinctive that they are entirely free of effective competition from products or services of other financial institutions; the checking account is in this category.

[13] The definition of "bank" in section 2(c) of the Act specifically excludes Edge Act and Agreement Corporations operating under sections 25(a) and 25 of the Federal Reserve Act, respectively, and any other "organization that does not do business within the United States except as an incident to its activities outside the United States."

activities permissible to Bank.[14] Subject to these limitations, EABC's present and proposed activities all appear to be closely related to banking.

In order to approve the subject application by Order under section 4(c)(8), the Board is required to determine that Applicant's proposed operation of EABC as a New York Investment Company is a proper incident to banking or managing or controlling banks. This test requires the Board to consider whether Applicant's acquisition and operation of EABC pursuant to this application "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 interest, or unsound banking practices." This statutory test necessitates a positive showing by Applicant that the public benefits of its proposal outweigh the possible adverse effects of its proposed acquisition. In the present case, the Board has determined that, based on the particular facts and circumstances and unique public benefits associated with this application, factors relating to the convenience and needs of the community to be served lend weight to approval of Applicant's application to acquire Bank, and the public benefits of its application to acquire EABC, subject to the conditions noted in this Order, outweigh the possible adverse effects of that proposal and therefore satisfy the "proper incident" test of section 4(c)(8) of the Act.

It is expected that approval of the subject applications will result in the more efficient operation of both Bank and EABC through improved internal supervision. Moreover, interposition of a holding company structure in this situation can be expected to reduce borrowing costs and permit Bank and EABC to raise capital more efficiently; in particular, since Applicant will become a primary or joint obligor on Bank's note to the FDIC arising out of the Franklin acquisition, EABC's earnings may also be applied toward reducing that debt, thus better enabling Bank to meet the convenience and needs of the communities it serves. In this regard, Applicant specifically expects to reduce the borrowing costs of Bank and EABC through the commitment of its shareholder banks to advance $25 million, $15 million for the benefit of Bank, replacing more expensive debt, and $10 million to EABC as additional capital. Approval of this particular application will also insure that, notwithstanding its broad powers under Article XII of New York Banking Law, EABC, an existing affiliate of Bank, will only engage in activities that are closely related to banking and proper incidents thereto.

EABC, like similar New York Investment Companies owned by foreign banks and agencies of foreign banks, does not have to maintain reserves against its credit balance accounts, and these accounts are not subject to interest rate limitations. While maintenance of such accounts may not cause EABC to be a "bank" for purposes of section 2(c) of the Act, the Board believes that for purposes of reserve requirements and interest rate limitations, such accounts should be considered to be deposits. The Board has, in this regard, specifically recommended to the Congress that it be given the authority to impose reserve requirements and interest rate limitations on all foreign bank operations in this country—whether conducted through branches, agencies, New York Investment Companies, or bank subsidiaries—because of the growing importance of such institutions in this country's money markets and their particular ability to transmit funds from abroad. Thus, from a broader structural and monetary policy viewpoint, the Board is seriously concerned by the fact that credit balance accounts maintained by foreign banking organizations are not generally subject to reserve requirements. In the Board's view, any proposal under section 4(c)(8) of the Act that would have the effect of diminishing the reserve base either by facilitating the acceptance of reserve-free credit balances or encouraging a shift from reservable deposits to such balances would entail serious adverse effects. This particular application, however, involves only a reorganization of the ownership of EABC, and insofar as the credit balances of EABC are concerned, the proposal merely preserves the *status quo* and does not reduce the reservable deposit base of the banking system or otherwise create an opportunity to shift deposits that does not already exist. If necessary, and in particular if a deliberate attempt to evade or circumvent domestic reserve or interest requirements were discovered, the Board could in the future proceed by regulation or otherwise to subject credit balance accounts held by member bank affiliates engaged

[14] The Board recently decided to defer action on a proposal to make underwriting and dealing in Federal Government securities and general obligations of States or their subdivisions a permissible activity for bank holding companies. Board Order of October 19, 1976, 62 Federal Reserve BULLETIN 928, 973 (1976).

in banking operations to the requirements of Regulations D and Q.[15] However, to subject only EABC and possibly one or two other foreign bank operations to these requirements at this time,[16] when most other foreign bank operations are conducted free from monetary controls, would put these institutions at a competitive disadvantage under existing circumstances. The most equitable solution to the problem of reserve-free credit balance accounts at foreign bank operations is uniform foreign bank legislation, a solution the Board has proposed and consistently recommended since 1974.

EABC has established two branches in California at which it engages primarily in international banking and lending services, but at which it may also engage in purely domestic commercial lending activities. The Board does not believe that it was within the intent of Congress to authorize under section 4 (c)(8) of the Act the ownership of companies that would enable domestic bank holding companies to conduct an international banking business on a multi-State basis outside of the explicit legal framework set up by the Congress in sections 25 and 25(a) of the Federal Reserve Act.[17] In particular, EABC's California offices are not subject to the restrictions on domestic business imposed on Edge Act and Agreement Corporations. Acquisition of such offices could give Applicant a competitive advantage over other domestic banking organizations and could thus undermine the domestic structure of multi-State international banking competition that has been carefully prescribed by the Congress to avoid the conduct of domestic commercial banking operations at offices in more than one State. Such possible adverse effects on the structure and conduct of banking operations in this country are not, in the Board's judgment, outweighed by any particular benefits to be derived from Applicant's acquisition of EABC's California offices. The competitive benefits that may be derived from Applicant's presence in California can be equally achieved through Applicant's direct or indirect acquisition of an Agreement Corporation subsidiary in California, in accordance with the framework established by the Congress for the conduct of such activities on a multi-State basis.[18] Accordingly, the Board has determined that ownership by Applicant of EABC, if EABC maintains its California offices, is not a proper incident to banking or managing or controlling banks, and that to conform with this determination Applicant must, if it acquires EABC, divest EABC's California offices within two years from the date as of which Applicant becomes a bank holding company.

EABC also has a branch in Nassau, The Bahamas, which engages in the types of banking activities conducted by shell branches of U.S. banks. So long as this branch limits its activities to those permissible for EABC under this Order, the Board believes that Applicant may operate this branch of EABC under section 4(c)(8) of the Act.[19] If Applicant or EABC proposes to engage in activities outside this country that are not permissible for EABC under this Order, Applicant may

[15] Approximately 70 per cent of EABC's credit balance accounts are maintained at its foreign branch and payable abroad, and deposits payable only outside the United States are generally exempt from reserve and interest rate requirements.

[16] J. Henry Schroder Banking Corporation is also affiliated with a member bank, and Grindlays Bank, Ltd., in which Citibank has a substantial equity interest, plans to open an agency in New York at which credit balance accounts will be maintained.

[17] In 1972, the Board permitted a foreign bank holding company under section 4(c)(9) of the Act to retain its interest in a New York Investment Company even though it was organizing a bank subsidiary in California. Board Order of February 7, 1972 approving Banque Nationale de Paris' retention of French-American Banking Corporation, 58 Federal Reserve BULLETIN 311 (1972). In 1975, the Board denied an application by Bank of Tokyo, Tokyo, Japan, a foreign bank holding company, to acquire an international banking company, Tokyo Bancorp International (Houston), Inc., in a State outside of its State of principal banking operations under section 4(c)(9). Board Order of May 30, 1975, 61 Federal Reserve BULLETIN 449 (1975). The Board subsequently approved Bank of Tokyo's application to acquire the same corporation as an Agreement Corporation subsidiary subject to the restrictions of section 25 of the Federal Reserve Act. Board letter of January 26, 1976, 62 Federal Reserve BULLETIN 164. While Applicant is owned by foreign banks, it will not be a foreign bank holding company, and thus the issue presented in this case is whether a domestic bank holding company, irrespective of its ownership, should be allowed to use section 4(c)(8) of the Act to conduct a combination of domestic and international banking activities across State borders.

[18] The Board has considered Applicant submissions on this issue and believes the fact that EABC can engage in certain domestic activities not permissible to Edge Act or Agreement Corporations weighs in favor of denial rather than approval for the reasons cited in this Order.

[19] The Board notes that Regulation Y currently provides for the establishment of *de novo* branches under section 4(c)(8) in accordance with the procedures described in section 225.4(b)(1) of Regulation Y. These procedures, requiring local newspaper publication, are designed for domestic expansion of section 4(c)(8) offices; any bank holding company proposing to establish a branch of a section 4(c)(8) company outside of the United States should file a specific application to do so under section 225.4(b)(2). The Board has directed its staff to develop proposed procedures for the establishment of foreign offices of section 4(c)(8) companies to be published for public comment in the Federal Register.

file a separate application under section 4(c)(13) of the Act to organize a subsidiary to engage in those activities.

Applicant has also applied to engage in three activities permissible for New York Investment Companies but in which it is not now engaged and has no fixed present intention to engage: underwriting activities permissible to Bank, a member bank, dealing in coin and bullion, and acting as financial agent of the Federal Government and as depositary of Federal money. The Board has deferred consideration of a proposal to specify the first of these activities to be permissible for bank holding companies under Regulation Y,[20] and in the Board's judgment, Applicant has not established any public benefits that would be derived from its engaging in any of these three activities through EABC. For this reason, the Board is unable to conclude that ownership of EABC, if EABC engaged in these activities, would be a proper incident to banking or managing or controlling banks. The Board is compelled to conclude instead, in light of the facts in the record, that EABC, as a subsidiary of a domestic bank holding company, should not engage in these activities until it is able to present specific proposals concerning them and the manner in which and extent to which they would be conducted, and the specific public benefits that would be derived.

In its consideration of this proposal, the Board also noted that Applicant will serve as a single vehicle for the ownership of Bank and EABC by their existing foreign bank shareholders. The Board has previously determined that no one of the foreign bank shareholders of Bank is now a bank holding company and that the shareholders have not heretofore formed themselves into a "company", as defined in the Act, to control Bank. On the basis of the record, this reorganization does not appear to affect those conclusions. However, the Board is concerned that the close association of Applicant's shareholders could create opportunities for additional investments and activities by this group in the United States under circumstances that could be inconsistent with the purposes of the Act. Accordingly, the Board's approval of these applications is conditioned on a requirement that Applicant's foreign bank shareholders not proceed, otherwise than through Applicant, in substantially the same combination to engage directly or indirectly in additional banking or nonbanking activities or business ventures in this country.[21] The Board may, in any event, reconsider the question whether the shareholders have combined to act together as a company if in the future it appears the shareholders are not acting independently as essentially passive investors, and take appropriate action under the Act.

On the basis of the foregoing and all the facts of record, the Board has determined that the considerations affecting the competitive, banking, and convenience and needs factors under section 3(c) of the Act, and the balance of the public interest factors the Board must consider under section 4(c)(8) of the Act in permitting a bank holding company to engage in an activity on the basis that it is closely related to banking both favor approval of the applications subject, however, to the following conditions:

(1) That EABC continue to engage principally in the financing or facilitating of transactions in international or foreign commerce, and not accept demand deposits;

(2) That EABC comply with all reserve and interest rate requirements that may be imposed on it either as a result of action of the Board or enactment of legislation;

(3) That Applicant cause EABC to divest its offices in California within two years from the date as of which Applicant becomes a bank holding company;

(4) That EABC confine the activities of its Nassau branch to those permissible to EABC at its head office under this Order;

(5) That EABC not engage in the activities of underwriting, selling, or distributing securities, buying or selling coin and bullion, or acting as a financial agent of the United States Government or as a depositary of public moneys of the United States, or in any new activity in which New York Investment Companies by subsequent enactment may be empowered to engage, without the prior approval of the Board; and

(6) That Applicant's shareholders, and their parent and subsidiary organizations, will not, except through Applicant with the Board's approval under the Act, engage, as part of a group consist-

[20] *Supra,* n. 14.

[21] The Board has imposed similar conditions in other circumstances where a bank is to be owned by several banking organizations. See Board Order of May 6, 1977 approving the amended application of SYB Corporation, Oklahoma City, Oklahoma, to become a bank holding company and Board letter of January 26, 1976, to Thomas L. Farmer, Esq. re UBAF Arab-American Bank, New York, New York.

ing of substantially the same companies as are shareholders of Applicant, in any additional banking or nonbanking activities or business ventures within the United States, other than normal banking transactions,[22] and that none of Applicant's shareholders will sell, assign, or transfer any of its shares of Applicant unless it has obtained the agreement of any purchaser, assignee, or transferee to comply with this condition.

Subject to the conditions prescribed in this Order, the applications are hereby approved based on the record and for the reasons summarized above. The acquisition of Bank shall not be made before the thirtieth calendar day following the effective date of this Order; and the acquisition of Bank and EABC shall not be made later than three months after the effective date of this Order, unless such period is extended for good cause by the Board, or by the Federal Reserve Bank of New York pursuant to delegated authority. The determination as to Applicant's operation of EABC is subject to the conditions set forth in this Order and in section 225.4(c) of Regulation Y, and to the Board's authority to require reports by and make examinations of bank holding companies and their subsidiaries, and to require such modification or termination of the activities of a bank holding company or any of its subsidiaries as the Board finds necessary to assure compliance with the provisions and purposes of the Act and the Board's Orders and regulations issued thereunder, or to prevent evasion thereof.

By order of the Board of Governors, effective May 10, 1977.

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

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

[22] For the purposes of this condition, the exception for normal banking transactions is intended to permit several of Applicant's shareholders to participate independently in the same syndicated loan or other credit transaction, to maintain independently normal correspondent relationships with the same domestic bank, and to engage independently in other transactions of that character. The exception is not intended to permit the joint establishment of representative offices, branches, agencies, or the joint organization of or acquisition of voting shares in a United States organization by substantially the same shareholders as own Applicant.

Dissenting Statement of Governor Lilly

I concur in the majority's action approving the application of European-American Bancorp to acquire European-American Bank & Trust Company, but I would deny its application to acquire European-American Banking Corporation, New York, New York, pursuant to section 4(c)(8) of the Act. In my view, EABC is a "bank" for purposes of the Bank Holding Company Act and it is thus inappropriate to approve its acquisition as a "nonbanking" company under the standards of section 4(c)(8) of the Act. In this regard, I cannot agree with the majority's reliance on an earlier 1971 ruling that a similar New York Investment Company was not a "bank" under the Act. Essentially, I believe that, since that ruling, the Board has obtained sufficient additional information concerning the activities of the "banking" New York Investment Companies owned by foreign banks to conclude properly that such institutions should be considered "banks" under the Act.

In my judgment, Congress only intended to exclude from the definition of "bank" in section 2(c) of the Act organizations that are not engaged in domestic commercial banking activities, and it is in this context that the rather technical elements of the definition of "bank" in the Act should be analyzed. It seems clear from the record of this case and from the Board's analysis of the activities of other "banking" New York Investment Companies that EABC and similar companies, though unable to offer retail banking services and though primarily engaged in international banking activities, are nevertheless engaged in substantial domestic commercial banking activities. The credit balances that these organizations maintain for their customers' accounts can be transferred for a variety of purposes and in many respects appear to overlap the demand deposit services provided by ordinary commercial banks. It appears that customers of EABC and similar companies may draw against their credit balances by mail, telephone, or cable instruction, and, in some cases, by draft, which is the functional equivalent of a check, for the purpose of transferring funds to third parties in settlement of a wide variety of financial and commercial transactions. The fact that a customer cannot legally write a check against his existing balance and the fact that EABC and similar companies can only maintain credit balance accounts related to other activities still do not change the nature of business being conducted or the practical equivalent of credit balances to demand deposits in the context of providing other wholesale commercial banking services. In fact, for monetary policy purposes, the Board views the equivalency as strong enough to include these balances in the definition of *M*-1.

Accordingly, I believe this application presents an excellent opportunity to abandon the 1971 ruling and henceforth to treat "banking" New York Investment Companies as "banks" for purposes of the Act, especially where as here, they are owned by foreign banking organizations that are particularly well-suited to use these entities for the conduct of wholesale commercial banking activities. To adhere to that ruling results, I believe, in continuing anomalies, as evidenced in the majority's decision where it is clearly implied that credit balances should not be considered deposits for purposes of the Bank Holding Company Act definition of a bank but should be for monetary policy purposes. While I appreciate the legal distinctions drawn under the Act and the legislative history and administrative precedents militating against a ruling that EABC is a bank, and while I fully support the conditions imposed by the majority in its decision, I would, for the reasons indicated above, nevertheless deny the application to acquire EABC on the basis that it is a "bank" within the meaning of the Act and thus must be acquired under section 3 of the Act, if at all.

Order Granting Motion to Reopen Record

International Bank,
Washington, D.C.

In the Matter of the Determination of Control Over Financial General Bankshares, Inc.

On August 1, 1974, the Board entered an Order determining that International Bank, Washington, D.C., had not terminated its control over Financial General Bankshares, Inc., Washington, D.C., which International Bank admittedly had in 1966, and preliminarily determining, pursuant to § 2(a)(2)(C) of the Bank Holding Company Act (12 U.S.C. 1841(a)(2)(C)), that International Bank exercises a controlling influence over the management and policies of Financial General Bankshares. International Bank requested a hearing to contest the Board's determinations of control and, by Order dated October 4, 1974 (39 *Federal Register* 36510), the Board ordered such a hearing before Frederick Denniston, Administrative Law Judge, to be conducted in accordance with the Board's Rules of Practice for Formal Hearings and the Board's Order of August 1, 1974.

On March 10, 1977, the Board ordered the Administrative Law Judge not to prepare a recommended decision but to submit and certify the record of the hearing to the Board not later than April 30, 1977. The Board further ordered that the record include (1) a statement of the issues for decision by the Board, jointly agreed to by the parties and separately stated as to those issues on which there is not agreement; (2) proposed findings of fact and conclusions of law on behalf of each party; (3) such brief and reply brief as each party may wish to file in support of those proposed findings of fact and conclusions of law. The hearing officer has complied with the Order and so certified the record.

At the time of his certification there was a pending motion by International Bank to reopen the record to introduce additional documents as well as a response by Board's counsel to that motion and a further response and motion of International Bank. The hearing officer, because of the time constraints, was not able to act on these motions and they were, therefore, certified to the Board for its action.

Among the issues certified by the hearing examiner is the question whether the proceeding is "moot" due to the then-proposed sale of International Bank's holdings in Financial General to a group of investors headed by J. William Middendorf, II. The pending motion was obviously intended to provide information bearing on changes in the relationship between International Bank and Financial General and thus, on the "mootness" issue.

The Board believes that the use of the term "moot" misconstrues the issues involved in the proceeding. The fact that the relationship between International Bank and Financial General may have changed does not relieve the Board of the obligation to determine on the record of this proceeding whether control or a controlling influence existed at any point in time. Rather, if such control or a controlling influence existed, a subsequent change in that relationship may bear only on the nature of any affirmative relief that may be ordered by the Board.

However, in an attempt to expedite this proceeding and resolve all issues relating thereto at one time, the Board has determined to grant the motion in part.

It is hereby ordered, That the record in this proceeding is reopened and the matter is referred back to the Administrative Law Judge for such proceedings as may be consistent with this order. In this regard the parties are directed to develop additional facts, to formulate supplemental issues, and to submit to the Administrative Law Judge supplemental briefs and proposed findings of fact relating to whether, assuming control or a controlling influence over Financial General has been exercised by International Bank, such relationship has been terminated. In this regard the possible applicability of § 2 (g)(3) of the Bank Holding Company Act and any relationship between the Middendorf group and International Bank should be explored. Furthermore, assuming the position is taken that any such control relationship has not been terminated, the question of what conditions should be imposed by the Board to insure such termination should be addressed. Further, if it is contended that control or a controlling influence existed at any point in time, the question of what affirmative relief, if any, should be ordered by the Board with respect to the future activities of International Bank and Financial General should be addressed.

It is further ordered, That the hearing officer shall set such schedules on this matter as shall allow him to certify the additional portions of the record to the Board not later than July 15, 1977. As with respect to the prior certification, the hearing officer shall certify such record without a recommended decision.

By order of the Board of Governors, effective May 20, 1977.

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

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

PRIOR CERTIFICATIONS UNDER THE BANK HOLDING COMPANY TAX ACT OF 1976

The Signal Companies, Inc.,
Beverly Hills, California

Prior and Final Certifications Pursuant to the Bank Holding Company Tax Act of 1976

[Docket No. TCR 76-103]

The Signal Companies, Inc., Beverly Hills, California ("Signal"), has requested a prior certification pursuant to § 6158(a) of the Internal Revenue Code (the "Code"), as amended by § 3(a) of the Bank Holding Company Tax Act of 1976 (the "Tax Act"), that the sale on September 29, 1970 of 462,636 shares of the outstanding voting stock of the Arizona Bank, Phoenix, Arizona ("Bank"), by Signal Equities Company, Phoenix, Arizona ("Equities"), a subsidiary of Signal, to Arizona Equities, Inc., Phoenix, Arizona ("Arizona"), was necessary or appropriate to effectuate the policies of the Bank Holding Company Act (12 U.S.C. § 1841 *et seq.*) ("BHC Act"). Signal has also requested a final certification pursuant to § 6158(c)(2) of the Code that Signal has (before the expiration of the period prohibited property is permitted under the BHC Act to be held by a bank holding company) ceased to be a bank holding company.[1]

In connection with these requests, the following information is deemed relevant for purposes of issuing the requested certifications:[2]

1. Signal is a corporation organized under the laws of the State of Delaware on June 25, 1928. Equities is a corportation organized under the laws of the State of Arizona. Signal acquired all of the outstanding shares of Equities on September 1, 1967.

2. On September 1, 1967, Signal acquired indirect ownership and control, through Equities, of 462,636 shares, representing 52.06 per cent of the total outstanding voting shares, of Bank.

3. Signal would have been a bank holding company on July 7, 1970, if the BHC Act Amendments of 1970 had been in effect on such date, by virtue of its indirect ownership and control on that date, through Equities, of more than 25 per cent of the outstanding voting shares of Bank.

4. On September 29, 1970, Equities sold substantially all of its assets, including 462,636 shares, representing 52.06 per cent of the total outstanding voting shares of Bank, to Arizona for cash.

5. On September 29, 1970, Signal held prop-

[1] Pursuant to §§ 2(d)(2) and 3(e)(2) of the Tax Act, in the case of any sale that takes place on or before December 31, 1976 (the 90th day after the date of the enactment of the Tax Act), the certification described in § 6158(a) shall be treated as made before the sale, and the certification described in § 6158(c)(2) shall be treated as made before the close of the calendar year following the calendar year in which the last such sale occurred, if application for such certification was made before the close of December 31, 1976. Signal's application for such certifications was received by the Board on October 25, 1976.

[2] This information derives from Signal's correspondence with the Board concerning its request for certification as well as other records of the Board.

erty acquired by it on or before July 7, 1970, the disposition of which would have been necessary or appropriate to effectuate § 4 of the BHC Act if Signal had retained ownership or control of more than 25 per cent of the outstanding voting shares of Bank after the effective date of the 1970 Amendments to the BHC Act and if Signal were thereafter to continue to be a bank holding company beyond December 31, 1980, which property would have been "prohibited property" within the meaning of sections 6158(f)(1) and 1103(c) of the Code.[3]

6. Neither Signal nor any subsidiary of Signal holds any interest in Bank, Arizona, or any subsidiary of Arizona, or in any other bank or any company that controls a bank.

7. Neither Arizona nor any subsidiary of Arizona, including Bank, holds any interest in Signal or any subsidiary of Signal.

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

9. Signal does not control in any manner the election of a majority of directors, or exercise a controlling influence over the management or policies, of Arizona or any subsidiary of Arizona, including Bank, or of any other bank or company that controls a bank. On the basis of the foregoing information, it is hereby certified that:

(A) at the time of the sale by Equities of the 462,636 shares of Bank to Arizona, Signal was a qualified bank holding corporation, within the meaning of subsection (b) of section 1103 of the Code,[4] and satisfied the requirements of that subsection, and Equities was a subsidiary of Signal within the meaning of §§ 6158(f)(1) and 1103(a)(1)(B) of the Code and § 2(d) of the BHC Act;

(B) the shares of Bank that Equities sold to Arizona were all or part of the property by reason of which Signal controlled (within the meaning of § 2(a) of the BHC Act) a bank or bank holding company;

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

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

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

By order of the Board of Governors acting through its General Counsel, pursuant to delegated authority (12 CFR § 265.2(b)(3)), effective May 25, 1977.

(Signed) RUTH A. REISTER,
[SEAL] *Assistant Secretary of the Board.*

304 Corporation,
Omaha, Nebraska

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

[Docket No. TCR 76-140]

304 Corporation, Omaha, Nebraska ("304"), has requested a prior certification pursuant to § 6158(a) of the Internal Revenue Code (the "Code"), as amended by § 3(a) of the Bank Holding Company Tax Act of 1976 (the "Tax Act"), that its sale of all of the 1,050 issued and outstanding shares of common stock of Industrial Loan and Investment Company, Omaha, Nebraska ("Industrial"), now held by 304 to Industrial

[3] Had Signal in fact retained control of Bank after December 31, 1970, it would have been a "company covered in 1970," as defined in § 2(b) of the BHC Act. As such it would have been entitled, by reason of the proviso of § 4(a)(2) of the BHC Act, to engage thereafter in any activities in which it had been engaged on June 30, 1968, and was engaged continuously thereafter. Accordingly, property relating to such activities would not have been "prohibited property," within the meaning of §§ 6158(f)(1) and 1103(c) of the Code, unless an election to have all such property so treated was made pursuant to § 1103(g) of the Code. However, since Signal ceased to control Bank before December 31, 1970, it never became entitled to the benefits of the proviso of § 4(a)(2) of the BHC Act.

[4] Although the BHC Act had not been amended to cover one-bank holding companies as of September 29, 1970, H.R. 6778, which was eventually enacted on December 31, 1970, as the "Bank Holding Company Act Amendments of 1970," had by that date been passed by both the House and Senate. Signal's management stated at the time of the divestiture of its interest in Bank that the divestiture was being accomplished in anticipation of the enactment of that legislation. Section 2(d)(1)(a) of the Tax Act and § 6158(a) of the Code provide that tax relief under the Tax Act is available with respect to the divesture of bank property after July 7, 1970.

Investment Company, Omaha, Nebraska, is necessary or appropriate to effectuate § 4 of the Bank Holding Company Act (12 U.S.C. § 1843) ("BHC Act").

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

1. 304 is a corporation organized under the laws of the State of Nebraska on February 18, 1970.

2. Industrial is an industrial loan and investment corporation organized under the laws of the State of Nebraska on August 18, 1938, and engaged in the business of an industrial bank. On February 14, 1967, Industrial acquired direct ownership and control of 81.4 per cent of the outstanding voting shares of Mid City Bank, Inc., Omaha, Nebraska ("Bank"). On March 13, 1970, 304 acquired direct ownership and control of 1010 shares, representing all of the outstanding voting shares, of Industrial, and thereby acquired indirect ownership and control on that date of 81.4 per cent of the outstanding voting shares of Bank.

3. 304 became a bank holding company on December 31, 1970, as a result of the 1970 Amendments to the BHC Act, by virtue of its indirect ownership and control at that time, through Industrial, of more than 25 per cent of the outstanding voting shares of Bank, and it registered as such with the Board on June 28, 1971.[2] 304 would have been a bank holding company on July 7, 1970, if the BHC Act Amendments of 1970 had been in effect on such date, by virtue of its indirect ownership and control, through Industrial, of more than 25 per cent of the outstanding voting shares of Bank. 304 presently indirectly owns and controls 8,866 shares, representing 88.6 per cent of the outstanding voting shares, of Bank.

4. 304 has not filed an application with the Board, or otherwise obtained the Board's approval pursuant to § 4(c)(8) of the BHC Act, to retain the shares of Industrial or engage in the activities carried on by Industrial.[3]

[1] This information derives from 304's correspondence with the Board concerning its request for this certification, 304's Registration Statement filed with the Board pursuant to the BHC Act and other records of the Board.

[2] Industrial registered with the Board as a bank holding company on the same date.

[3] The operation of an industrial bank is a permissible activity for a bank holding company. See 12 CFR § 225.4(a)(2). However, in the absence of approval by the Board of an application by 304 to retain Industrial, 304 would have no authority for retaining Industrial beyond December 31, 1980. (*Cf. Wachovia Corp.*, Docket No. TCR 76-132, 42 Fed. Register 24316 (May 13, 1977)).

5. 304 has contracted to sell the shares of Industrial to Industrial Investment Company for cash. Prior to the sale of its shares of Industrial, 304 will purchase from Industrial all of the shares of Bank held by Industrial.

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

(A) 304 is a qualified bank holding corporation within the meaning of § 6158(f)(1) and subsection (b) of section 1103 of the Code, and satisfies the requirements of that subsection;

(B) Industrial is "prohibited property" within the meaning of §§ 6158(f)(2) and 1103(c) of the Code; and

(C) the sale of Industrial is necessary or appropriate to effectuate § 4 of the BHC Act.

This certification is based upon the representation made to the Board by 304 and upon the facts set forth above. In the event the Board should hereafter determine that facts material to this certification are otherwise than represented by 304 or that 304 has failed to disclose to the Board other material facts, it may revoke this certification.

By order of the Board of Governors, acting through its General Counsel, pursuant to delegated authority (12 C.F.R. § 265.2(b)(3)), effective May 20, 1977.

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

The Wachovia Corporation,
Winston-Salem, North Carolina

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

[Docket No. TCR 76-132]

The Wachovia Corporation, Winston-Salem, North Carolina ("Wachovia"), has requested a prior certification pursuant to § 6158(a) of the Internal Revenue Code (the "Code"), as amended by § 3(a) of the Bank Holding Company Tax Act of 1976 (the "Tax Act"), that its proposed sale of all the 20,000 issued and outstanding shares of common stock of Financial Courier Corporation (formerly Wachovia Courier Corporation), Winston-Salem, North Carolina ("Courier"), now held by Wachovia is necessary or appropriate to effectuate § 4 of the Bank Holding Company Act (12 U.S.C. § 1843 *et seq.*) ("BHC Act"). Wachovia has agreed to sell the shares of Courier to Pony Express Courier Corp., Atlanta, Georgia

("Pony Express") for $2,250,000 cash payable on the closing date.

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

1. Wachovia is a corporation organized under the laws of the State of North Carolina in September 1968 to acquire and hold all the shares of Wachovia Bank and Trust Company, N.A. ("Bank").

2. On December 31, 1968, Wachovia acquired ownership and control of all of the outstanding voting shares (less directors' qualifying shares) of Bank.

3. Wachovia became a bank holding company on December 31, 1970, as a result of the 1970 Amendments to the BHC Act, by virtue of its ownership and control at that time of more than 25 per cent of the outstanding voting shares of Bank, and it registered as such with the Board on January 20, 1972. Wachovia would have been a bank holding company on July 7, 1970, if the BHC Act Amendments of 1970 had been in effect on such date, by virtue of its ownership and control on that date of more than 25 per cent of the voting shares of Bank. Wachovia presently owns and controls 100 per cent (less directors' qualifying shares) of the outstanding voting shares of Bank.

4. Courier was organized in May 1969 as a wholly-owned subsidiary of Wachovia to engage in the business of providing courier service for transporting financial documents and data processing material. Such services are currently performed by it for Bank, its correspondent banks, customers of Bank's data processing subsidiary and the Federal Reserve Bank of Richmond. Wachovia presently owns and controls the 20,000 issued and outstanding shares of common stock of Courier, all of which it acquired before July 7, 1970.

5. Wachovia has not filed an application with the Board, or otherwise obtained the Board's approval, pursuant to § 4(c)(8) of the BHC Act to retain the shares of Courier or engage in the activities carried on by Courier.[2]

6. Wachovia has contracted to sell the shares of Courier to Pony Express for cash.

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

(A) Wachovia is a qualified bank holding corporation, within the meaning of § 6158(f)(1) and subsection (b) of section 1103 of the Code, and satisfies the requirements of that subsection;

(B) Courier is "prohibited property" within the meaning of §§ 6158(f)(2) and 1103(c) of the Code; and

(C) the sale of Courier is necessary or appropriate to effectuate § 4 of the BHC Act.

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

By order of the Board of Governors acting through its General Counsel, pursuant to delegated authority (12 CFR § 265.2(b)(3)), effective May 9, 1977.

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

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

[2] Although Wachovia has not sought Board approval to retain Courier, some or all of Courier's activities may be among those activities that the Board has previously determined to be closely related to banking, under § 4(c)(8). See 12 CFR §§ 225.4(a)(11) and 225.129; *National Courier Association* v. *Board of Governors of the Federal Reserve System*, 516 F.2d 1229 (D.C. Cir. 1975). Under the Board's present procedures, however, the question whether, or to what extent, Wachovia would be permitted to retain these activities would not be determinable unless and until Wachovia filed an application for permission to retain the activities. In passing upon such an application the Board would be required to apply the second test set forth in § 4(c)(8) and to determine whether the performance of these activities by a subsidiary of Wachovia "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 interest, or unsound banking practices." In the absence of favorable action on such an application Wachovia would have no authority for retaining Courier beyond December 31, 1980, if it continued to be a bank holding company beyond that date. The legislative history of the Tax Act does not indicate a Congressional intent that companies subject to such a divestiture requirement exhaust the possibilities for retaining the activity before being eligible for tax relief, and in view of the paramount purpose of § 4 of the BHC Act, that "banking and commerce should remain separate," S. Rep. No. 1084, 91st Cong., 2d Sess. 12 (1970), it would appear that the disposition of a potentially permissible activity, without first seeking approval for retention, is at least "appropriate" to effectuate § 4.

Clinton Cable TV Co., Inc.,
Clinton, Indiana

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

[Docket No. TCR 76-131]

Clinton Cable TV Co., Inc., Clinton, Indiana ("Clinton"), has requested a prior certification pursuant to § 1101(b) of the Internal Revenue Code (the "Code"), as amended by § 2(a) of the Bank Holding Company Tax Act of 1976 (the "Tax Act"), that its proposed divestiture of all of the 10,002 shares of Dulaney National Bank of Marshall, Marshall, Illinois ("Bank"), presently held by Clinton, through the *pro rata* distribution of such shares to the common shareholders of Clinton, is necessary or appropriate to effectuate the policies of the Bank Holding Company Act (12 U.S.C. § 1841 *et seq.*) ("BHC Act").

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

1. Clinton is a corporation organized under the laws of the State of Indiana on January 25, 1965.
2. On February 16, 1968, Clinton acquired ownership and control of 5,376 shares, representing 53.76 per cent of the outstanding voting shares of Bank.
3. Clinton became a bank holding company on December 31, 1970, as a result of the 1970 Amendments to the BHC Act, by virtue of its ownership and control at that time of more than 25 per cent of the outstanding voting shares of Bank, and it registered as such with the Board on July 8, 1971. Clinton would have been a bank holding company on July 7, 1970, if the BHC Act Amendments of 1970 had been in effect on such date, by virtue of its ownership and control on such date of more than 25 per cent of the outstanding voting shares of Bank. Clinton presently owns and controls 10,002 shares, representing 50.01 per cent of the outstanding voting shares, of Bank.
4. More than 85 per centum of the voting stock of Clinton was collectively owned on June 30, 1968, and has been so owned continuously thereafter, directly or indirectly, by members of the same family, or their spouses, who are lineal descendants of common ancestors. Accordingly, Clinton has been exempt from the prohibitions of § 4 of the BHC Act by virtue of clause (ii) of § 4(c) of the BHC Act.
5. Clinton holds property acquired by it on or before July 7, 1970, the disposition of which would, but for the proviso of § 4(a)(2) and clause (ii) of § 4(c) of the BHC Act, be necessary or appropriate to effectuate § 4 of the BHC Act if Clinton were to remain a bank holding company beyond December 31, 1980, and which property would, but such proviso and such clause, be "prohibited property" within the meaning of § 1103(c) of the Code. Sections 1103(g) and 1103(h) of the Code provide that any bank holding company may elect, for purposes of Part VIII of subchapter 0 of chapter 1 of the Code, to have the determination whether property is "prohibited property" or is property eligible to be distributed without recognition of gain under § 1101(b)(1) of the Code, made under the BHC Act as if such Act did not contain, respectively, the proviso of § 4(a)(2) thereof and clause (ii) of § 4(c) thereof. Clinton has represented that it will make such an election.[2]

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

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

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

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

This certification is based upon the representations made to the Board by Clinton and upon the facts set forth above, and is conditioned upon Clinton's making the elections required by §§ 1103(g) and 1103(h) of the Code at such time and in such manner as the Secretary of the Treasury or his delegate may by regulation prescribe. In the event that the Board should hereafter determine

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

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

that facts material to this certification are otherwise than as represented by Clinton, or that Clinton has failed to disclose to the Board other material facts, it may revoke this certification.

By order of the Board of Governors, acting through its General Counsel, pursuant to delegated authority (12 CFR § 265.2(b)(3)), effective May 31, 1977.

(Signed) RUTH A. REISTER,

[SEAL] *Assistant Secretary of the Board.*

ORDERS APPROVED UNDER BANK HOLDING COMPANY ACT

BY THE BOARD OF GOVERNORS

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

Section 3

Applicant	*Bank(s)*	*Board action (effective date)*	*Federal Register citation*
Alabama Bancorporation, Birmingham, Alabama	The Farmers & Merchants Bank, Ashford, Alabama	5/11/77	42 F.R. 25373 5/17/77
Peoples Banking Corporation, Bay City, Michigan	The First National Bank of Lapeer, Lapeer, Michigan	5/2/77	42 F.R. 23546 5/9/77
Washington Bancorporation, Washington, Iowa	The National Bank of Washington, Washington, Iowa	5/11/77	42 F.R. 25378 5/17/77

Section 4

Applicant	*Nonbanking company (or activity)*	*Board action (effective date)*	*Federal Register citation*
SEAFIRST CORPORATION, Seattle, Washington	Seafirst Life Insurance Company, Phoenix, Arizona	5/2/77	42 F.R. 23547 5/9/77

Sections 3 and 4

Applicant	Bank(s)	Nonbanking company (or activity)	Reserve Bank	Effective date	Federal Register citation
McCune Bancshares, Inc., McCune, Kansas	McCune State Bank, McCune, Kansas	Sale of insurance related to extensions of credit	Kansas City	5/5/77	42 F.R. 23878 5/11/77

By Federal Reserve Banks

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

Section 3

Applicant	Bank(s)	Reserve Bank	Effective date	Federal Register citation
Pacesetter Financial Corporation, Grand Haven, Michigan	First Security Bank of Grand Blanc, Grand Blanc, Michigan	Chicago	5/17/77	42 F.R. 27294 5/27/77

PENDING CASES INVOLVING THE BOARD OF GOVERNORS*

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

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

First Security Corporation v. *Board of Governors,* filed March 1977, U.S.C.A. for the Tenth Circuit.

Farmers State Bank of Crosby v. *Board of Governors,* filed January 1977, U.S.C.A. for the Eighth Circuit.

National Automobile Dealers Association, Inc. v. *Board of Governors,* filed November 1976, U.S.C.A. for the District of Columbia.

First Security Corporation v. *Board of Governors,* filed August 1976, U.S.C.A. for the Tenth Circuit.

First State Bank of Clute, Texas, et al. v. *Board of Governors,* filed July 1976, U.S.C.A. for the Fifth Circuit.

*This list of pending cases does not include suits against the Federal Reserve Banks in which the Board of Governors is not named a party.

Central Wisconsin Bankshares, Inc. v. *Board of Governors,* filed June 1976, U.S.C.A. for the Seventh Circuit.

National Urban League, et al. v. *Office of the Comptroller of the Currency, et al.,* filed April 1976, U.S.D.C. for the District of Columbia Circuit.

Farmers & Merchants Bank of Las Cruces, New Mexico v. *Board of Governors,* filed April 1976, U.S.C.A. for the District of Columbia Circuit.

Grandview Bank & Trust Company v. *Board of Governors,* filed March 1976, U.S.C.A. for the Eighth Circuit.

Association of Bank Travel Bureaus, Inc. v. *Board of Governors,* filed February 1976, U.S.C.A. for the Seventh Circuit.

Memphis Trust Company v. *Board of Governors,* filed February 1976, U.S.D.C. for the Western District of Tennessee.

First Lincolnwood Corporation v. *Board of Governors,* filed February 1976, U.S.C.A. for the Seventh Circuit.

Roberts Farms, Inc. v. *Comptroller of the Currency, et al.,* filed November 1975, U.S.D.C. for the Southern District of California.

Florida Association of Insurance Agents, Inc. v. *Board of Governors,* and *National Association of Insurance Agents, Inc.* v. *Board of Governors,* filed August 1975, actions consolidated in U.S.C.A. for the Fifth Circuit.

†‡*David R. Merrill, et al.* v. *Federal Open Market Committee of the Federal Reserve System,* filed May 1975, U.S.D.C. for the District of Columbia, appeal pending, U.S.D.A. for the District of Columbia.

Louis J. Roussel v. *Board of Governors,* filed April 1975, U.S.D.C. for the Eastern District of Louisiana.

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

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

†*Consumers Union of the United States, Inc., et al.* v. *Board of Governors,* filed September 1973, U.S.D.C. for the District of Columbia.

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

†Decisions have been handed down in these cases, subject to appeals noted.

‡The Board of Governors is not named as a party in this action.

Announcements

REGULATION B: New Provision

The Board of Governors of the Federal Reserve System has noted that a provision of Regulation B (Equal Credit Opportunity) regarding the credit histories of married persons became effective June 1, 1977.

In general, the regulation gives married persons the right to have credit information about them reported in the names of both the wife and the husband if both use or are responsible for the account. This is meant to assure that individual credit histories will be available for all married persons. Previously, most credit accounts have been kept only in the name of the husband and thus only the husband developed a credit history.

Under the regulation most open-end credit billing statements (such as credit-card billings) mailed during June, July, August, and September will contain a notice called "Credit History for Married Persons." Married consumers who wish to have individual credit histories must sign and mail the notice back once to each creditor who sends such a notice. Either spouse's signature on the form is sufficient.

REGULATION C: Designation of New SMSA's

The Board of Governors noted on June 14, 1977, that five new standard metropolitan statistical areas (SMSA's) have been designated and that this affects banks and thrift institutions subject to the Home Mortgage Disclosure Act in those areas.

The new SMSA's are as follows: *Bradenton, Florida*—Manatee County; *Grand Forks, North Dakota-Minnesota*—Grand Forks County, North Dakota, and Polk County, Minnesota; *Kokomo, Indiana*—Howard and Tipton Counties; *Lawrence, Kansas*—Douglas County; *Panama City, Florida*—Bay County.

The Home Mortgage Disclosure Act and the related Federal Reserve Regulation C went into effect June 28, 1976. They require depositary institutions with assets of more than $10 million and an office in an SMSA to disclose publicly the geographic areas where they are making residential mortgage and home improvement loans. Thus, with the creation of five new SMSA's, additional depositary institutions have become subject to the act and Regulation C. The Office of Management and Budget designates SMSA's.

Any institution that has become subject to the disclosure requirements of the act and regulation by virtue of these SMSA additions should prepare a disclosure statement within 90 days (by September 12, 1977). However, institutions in the affected areas that were subject to the Home Mortgage Disclosure requirements prior to the designation of the new SMSA's need not modify their disclosures to take account of the additions until the beginning of their next fiscal year. For further information regarding its disclosure responsibilities, a depositary institution should contact its Federal supervisory authority.

FOREIGN BANK LEGISLATION

The Board of Governors has informed congressional leaders concerned with bank regulation that it strongly supports the International Banking Act of 1977 that has been introduced in the House of Representatives.

The Board said such legislation is needed because of the recent rapid growth of foreign bank operations in this country, the increasingly important share of the domestic market that is controlled by foreign banks, and the lack of any national regulation and supervision of these operations.

In a letter to the congressional leaders, the Board said "we are primarily concerned about the absence of a national policy and regulatory framework in this increasingly important area and its attendant ramifications for the formulation of monetary policy, the development of a sound and competitive banking system, and the coordination of policies with national monetary and regulatory authorities abroad." The letter was accompanied by proposals for a number of amendments.

Since 1974 the Board has backed foreign bank legislation aimed at national treatment of foreign banks operating here, that is, to place foreign banks under the same type of Federal banking and monetary regulation that affects comparable domestic banks.

ANNUAL REPORT: Publication

The Sixty-Third *Annual Report* of the Board of Governors of the Federal Reserve System, covering operations for the calendar year 1976, 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.

Note that on page 498 of the *Annual Report,* listing the Members of the Board, the State represented by Vice Chairman Gardner should be Pennsylvania (not Massachusetts) and the State represented by Governor Partee should be Virginia (not Ohio).

DOMESTIC FINANCE COMPANIES: Major Assets and Liabilities

A new table providing annual and quarterly data on the major assets and liabilities of domestic finance companies appears on page A39 of this issue of the BULLETIN. Annual data are presented for 1972 through 1974; quarterly data cover the third quarter 1975 to the first quarter 1977. Quarterly data back to June 1970 will be shown in the Board's forthcoming *Annual Statistical Digest, 1972–1976.*

Another new table on the same page provides monthly business credit component data for the most recent 3 months available. Historical data for these series back to June 1970 may be obtained from the Capital Markets Section, Division of Research and Statistics, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

NEW EQUAL CREDIT OPPORTUNITY PAMPHLET

The Board of Governors has issued a new consumer pamphlet entitled *The Equal Credit Opportunity Act and . . . Doctors, Lawyers, Small Retailers, and Others Who May Provide Incidental Credit.* The pamphlet defines a creditor and incidental credit under the Equal Credit Opportunity Act. A professional or small businessman may be subject to the rules covering incidental credit that are described in this pamphlet.

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

CHANGES IN BOARD STAFF

The Board of Governors has announced the retirement, effective June 1, 1977, of James B. Eckert, Senior Research Division officer in the Division of Research and Statistics, and also the resignation of Peter E. Barna, Assistant Director in the Division of Banking Supervision and Regulation, effective June 3, 1977.

SYSTEM MEMBERSHIP: Admission of State Banks

The following State banks were admitted to membership in the Federal Reserve System during the period May 16 through June 15, 1977:

Alabama

Alabama .... Citizens Bank and Trust Company

Colorado

Colorado City .... Greenhorn Valley Bank

Oklahoma

Bixby .... The Bank of Bixby

Vermont

Stowe .... Mountain Trust Company

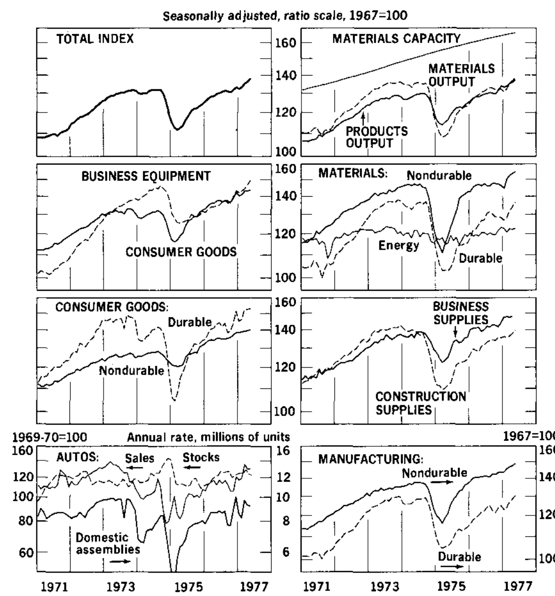
Industrial Production

Released for publication June 15

Industrial production in May increased by an estimated 1.1 per cent, following gains of 0.8 per cent and 1.5 per cent in April and March, respectively. Increases in output in May were widespread among products and materials, but auto production edged off for the second successive month. At a level of 137.8 per cent of the 1967 average, industrial production in May was 3.5 per cent above the level in February and 6.3 per cent higher than a year earlier.

Output of both durable and nondurable consumer goods increased further in May. Auto assemblies—at a 9.2-million-unit annual rate—declined 1.4 per cent from the April index level, but production of other consumer durable goods, particularly home goods, increased sharply. Production of business equipment increased by 1.8 per cent, following a gain of 1.6 per cent now indicated for April; output of business equipment in May was 4.3 per cent above that in February and almost 11 per cent higher than a year earlier. Output of construction supplies also continued to advance strongly last month.

Production of materials increased 1.2 per cent in May. Output of durable goods materials rose sharply, particularly iron and steel. Production of nondurable goods materials increased moderately.



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

Industrial production	Seasonally adjusted, 1967 = 100, 1977				Per cent changes from—		
	Feb.	Mar.	Apr.[p]	May[e]	Month ago	Year ago	Q4 to Q1
Total	**133.2**	**135.2**	**136.3**	**137.8**	**1.1**	**6.3**	**1.3**
Products, total	133.9	135.1	135.9	137.2	1.0	6.4	1.7
Final products	131.8	133.3	134.0	135.2	.9	6.2	1.7
Consumer goods	141.0	143.0	143.0	143.6	.4	4.5	1.5
Durable goods	146.1	152.3	152.4	152.8	.3	6.7	2.1
Nondurable goods	138.9	139.1	139.5	140.0	.4	3.6	1.2
Business equipment	143.1	144.4	146.7	149.3	1.8	10.9	2.4
Intermediate products	141.8	141.9	143.0	144.8	1.3	7.3	2.0
Construction supplies	135.7	136.4	137.8	139.6	1.3	6.6	.7
Materials	132.4	135.4	136.8	138.5	1.2	6.0	.8

[p]Preliminary. [e]Estimated.

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INTEREST AND EXCHANGE RATES

1.10 MONETARY AGGREGATES AND INTEREST RATES

	Item	1976 Q2	1976 Q3	1976 Q4	1977 Q1	1977 Jan.	1977 Feb.	1977 Mar.	1977 Apr.	1977 May
		Monetary and credit aggregates (annual rates of change, seasonally adjusted in per cent)[12]								
	Member bank reserves									
1	Total	0.6	2.7	4.4	2.7	10.9	−13.1	−3.1	13.0	....
2	Required	1.1	2.4	4.0	3.0	11.3	−10.9	−3.7	13.9	....
3	Nonborrowed	0.4	2.6	4.8	2.6	10.4	−13.3	−4.3	14.1	....
	Concepts of money [1]									
4	*M*-1	8.2	4.4	6.8	4.8	5.8	0.8	6.1	19.7	....
5	*M*-2	10.5	9.1	12.2	9.4	9.3	6.6	8.2	13.0	....
6	*M*-3	11.8	11.4	14.2	11.0	11.2	8.7	9.2	12.3	....
	Time and savings deposits									
	Commercial banks:									
7	Total	5.4	7.0	11.5	11.3	9.8	9.7	5.8	6.0	....
8	Other than large CD's	12.4	12.8	16.3	12.7	11.8	10.6	9.7	8.5	....
9	Thrift institutions [2]	13.8	14.8	17.3	13.4	14.0	11.7	r10.9	10.5	....
10	Total loans and investments at commercial banks [3]	r10.3	r7.0	r10.7	r8.8	r3.7	14.7	r10.0	14.0	....
		Interest rates (levels, per cent per annum)								
	Short-term rates									
11	Federal funds [4]	5.19	5.28	4.88	4.66	4.61	4.68	4.69	4.73	5.35
12	Treasury bills (3-month market yield) [5]	5.16	5.15	4.67	4.63	4.62	4.67	4.60	4.54	4.96
13	Commercial paper (90- to 119-day) [6]	5.45	5.41	4.91	4.74	4.72	4.76	4.75	4.75	5.26
14	Federal Reserve discount [7]	5.50	5.50	5.39	5.25	5.25	5.25	5.25	5.25	....
	Long-term rates									
	Bonds:									
15	U.S. Govt.[8]	8.01	7.90	7.54	7.62	7.48	7.64	7.74	7.67	7.74
16	Aaa utility (new issue) [9]	8.69	8.48	8.15	8.17	8.08	8.22	8.25	8.26	8.33
17	State and local government [10]	6.78	6.64	6.18	5.88	5.87	5.89	5.89	5.73	5.75
18	Conventional mortgages [11]	8.98	9.03	8.95	8.82	8.80	8.80	8.85	8.90	....

1 *M*-1 equals currency plus private demand deposits adjusted.
M-2 equals *M*-1 plus bank time and savings deposits other than large negotiable CD's.
M-3 equals *M*-2 plus deposits at mutual savings banks, savings and loan associations, and credit union shares.

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

3 Quarterly changes calculated from figures shown in Table 1.23.

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

5 Quoted on a bank-discount rate basis.

6 Most representative offering rate quoted by five dealers.

7 Rate for the Federal Reserve Bank of New York.

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

9 Weighted averages of new publicly offered bonds rated Aaa, Aa, and A by Moody's Investors Service and adjusted to an Aaa basis. Federal Reserve compilations.

10 *Bond Buyer* series for 20 issues of mixed quality.

11 Average rates on new commitments for conventional first mortgages on new homes in primary markets, unweighted and rounded to nearest 5 basis points, from Dept. of Housing and Urban Development.

12 Unless otherwise noted, rates of change are calculated from average amounts outstanding in preceding month or quarter.

1.11 FACTORS AFFECTING MEMBER BANK RESERVES

Millions of dollars

	Factors	Monthly averages of daily figures			Weekly averages of daily figures for weeks ending—						
		1977			1977						
		Mar.	Apr.	May p	Apr. 13	Apr. 20	Apr. 27	May 4	May 11	May 18 p	May 25 p
	SUPPLYING RESERVE FUNDS										
1	**Reserve Bank credit outstanding**	**108,085**	**108,558**	**112,765**	**105,822**	**108,999**	**111,292**	**115,390**	**114,342**	**113,055**	**111,762**
2	*U.S. Govt. securities*[1]	*95,310*	*95,316*	*99,023*	*92,673*	*95,740*	*97,850*	*100,544*	*99,956*	*99,334*	*98,491*
3	Bought outright	94,313	94,534	97,000	92,311	95,290	96,123	97,391	97,310	97,263	96,707
4	Held under repurchase agreement	997	782	2,023	362	450	1,727	3,153	2,646	2,071	1,784
5	*Federal agency securities*	*6,782*	*6,813*	*7,259*	*6,752*	*6,748*	*6,846*	*7,288*	*7,240*	*7,357*	*7,275*
6	Bought outright	6,750	6,766	7,077	6,731	6,731	6,731	7,077	7,077	7,077	7,077
7	Held under repurchase agreement	32	47	182	21	17	115	211	163	280	198
8	Acceptances	289	284	489	165	164	419	878	646	520	409
9	Loans	110	73	200	38	29	99	215	156	126	311
10	Float	2,833	2,992	2,844	3,261	3,221	2,904	3,205	3,130	2,711	2,719
11	Other Federal Reserve assets	2,761	3,080	2,950	2,933	3,097	3,174	3,260	3,214	3,007	2,556
12	Gold stock	11,646	11,636	11,632	11,636	11,636	11,636	11,636	11,636	11,633	11,629
13	Special Drawing Rights certificate account	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
14	Treasury currency outstanding	10,966	11,010	11,058	11,008	11,014	11,029	11,013	11,048	11,055	11,069
	ABSORBING RESERVE FUNDS										
15	Currency in circulation	92,831	94,295	94,969	94,753	94,657	94,108	94,233	94,929	95,152	94,888
16	Treasury cash holdings	494	452	443	450	448	447	442	442	440	438
	Deposits, other than member bank reserves with F.R. Banks:										
17	Treasury	8,577	7,369	10,997	5,279	6,231	9,606	13,462	13,273	10,862	10,505
18	Foreign	271	294	322	309	313	272	296	359	365	263
19	Other[2]	669	633	559	650	622	634	592	532	525	548
20	Other F.R. liabilities and capital	3,206	3,266	3,324	3,113	3,295	3,343	3,427	3,165	3,281	3,375
21	Member bank reserves with F.R. Banks	25,849	26,096	26,041	25,112	27,284	26,746	26,786	25,527	26,318	25,643

		End-of-month figures			Wednesday figures						
		1977			1977						
		Mar.	Apr.	May p	Apr. 13	Apr. 20	Apr. 27	May 4	May 11	May 18 p	May 25 p
	SUPPLYING RESERVE FUNDS										
22	**Reserve Bank credit outstanding**	**109,648**	**114,406**	**110,817**	**107,915**	**113,087**	**114,925**	**118,793**	**115,404**	**112,126**	**109,302**
23	*U.S. Govt. securities*[1]	*95,987*	*99,967*	*97,394*	*94,329*	*98,440*	*100,240*	*102,853*	*100,878*	*98,162*	*95,906*
24	Bought outright	95,547	97,993	96,560	91,794	95,292	97,045	96,763	97,506	97,043	95,906
25	Held under repurchase agreement	440	1,974	834	2,535	3,148	3,195	6,090	3,372	1,119	....
26	*Federal agency securities*	*6,785*	*7,201*	*7,087*	*6,880*	*6,849*	*6,900*	*7,504*	*7,160*	*7,353*	*7,077*
27	Bought outright	6,731	7,077	7,077	6,731	6,731	6,731	7,077	7,077	7,077	7,077
28	Held under repurchase agreement	54	124	10	149	118	169	427	83	276	....
29	Acceptances	280	881	108	320	361	591	1,017	672	358	60
30	Loans	271	379	398	42	59	487	122	381	211	449
31	Float	3,286	2,735	2,974	3,204	4,165	3,486	4,095	3,035	3,288	3,122
32	Other Federal Reserve assets	2,859	3,243	2,856	3,140	3,213	3,221	3,202	3,278	2,754	2,688
33	Gold stock	11,636	11,636	11,629	11,636	11,636	11,636	11,636	11,636	11,629	11,629
34	Special Drawing Rights certificate account	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
35	Treasury currency outstanding	10,939	10,984	11,073	11,012	11,017	11,029	11,037	11,050	11,058	11,073
	ABSORBING RESERVE FUNDS										
36	Currency in circulation	93,383	93,960	95,637	95,119	94,548	94,345	94,765	95,417	95,223	95,242
37	Treasury cash holdings	451	439	450	452	443	444	443	441	440	433
	Deposits, other than member bank reserves with F.R. Banks:										
38	Treasury	7,150	13,628	5,838	4,790	11,301	11,323	13,699	12,193	10,848	9,044
39	Foreign	349	305	436	252	280	266	259	234	279	274
40	Other[2]	637	591	831	631	740	662	544	424	536	713
41	Other F.R. liabilities and capital	3,457	3,528	3,539	3,153	3,283	3,410	3,121	3,219	3,296	3,425
42	Member bank reserves with F.R. Banks	27,814	25,773	27,988	27,367	26,345	28,339	29,835	27,362	25,392	24,073

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

2 Includes certain deposits of foreign-owned banking institutions voluntarily held with member banks and redeposited in full with Federal Reserve Banks.

NOTE.—For amounts of currency and coin held as reserves, see Table 1.12.

1.12 RESERVES AND BORROWINGS Member Banks

Millions of dollars

	Reserve classification	Monthly averages of daily figures									
		1975	1976				1977				
		Dec.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May[p]
	All member banks										
	Reserves:										
1	At F.R. Banks	27,215	25,708	26,127	26,458	26,430	27,229	25,725	25,849	26,096	26,041
2	Currency and coin	7,773	8,113	8,025	8,180	8,548	8,913	8,326	8,134	8,368	8,616
3	*Total held*[1]	*34,989*	*33,979*	*34,305*	*34,797*	*35,136*	*36,290*	*34,199*	*34,135*	*34,613*	*34,807*
4	Required	34,727	33,692	34,116	34,433	34,964	35,796	34,234	33,870	34,602	34,472
5	Excess[1]	262	287	189	364	172	494	−35	265	11	335
	Borrowings at F.R. Banks:[2]										
6	Total	127	75	66	84	62	61	79	110	73	200
7	Seasonal	13	31	32	21	12	8	12	13	14	30
	Large banks in New York City										
8	*Reserves held*	*6,812*	*6,372*	*6,374*	*6,589*	*6,520*	*7,076*	*6,442*	*6,331*	*6,264*	*6,233*
9	Required	6,748	6,308	6,346	6,485	6,602	6,948	6,537	6,259	6,351	6,279
10	Excess	64	64	28	104	−82	128	−95	72	−87	−46
11	Borrowings[2]	63	22	....	36	15	6	47	44	16	18
	Large banks in Chicago										
12	*Reserves held*	*1,740*	*1,615*	*1,648*	*1,621*	*1,632*	*1,731*	*1,624*	*1,610*	*1,629*	*1,621*
13	Required	1,758	1,617	1,635	1,602	1,641	1,698	1,624	1,611	1,634	1,641
14	Excess	−18	−2	13	19	−9	33	....	−1	−5	−20
15	Borrowings[2]	....	3	3	....	4	2	....	3	*	4
	Other large banks										
16	*Reserves held*	*13,249*	*12,584*	*12,704*	*12,889*	*13,117*	*13,556*	*12,683*	*12,779*	*13,090*	*12,973*
17	Required	13,160	12,521	12,706	12,802	13,053	13,427	12,765	12,705	13,110	12,994
18	Excess	89	63	−2	87	64	129	−82	74	−20	−21
19	Borrowings[2]	26	3	17	7	14	25	4	29	23	64
	All other banks										
20	*Reserves held*	*13,188*	*13,408*	*13,579*	*13,698*	*13,867*	*13,927*	*13,450*	*13,415*	*13,630*	*13,708*
21	Required	13,061	13,246	13,429	13,544	13,668	13,723	13,308	13,295	13,507	13,558
22	Excess	127	162	150	154	199	204	142	120	123	150
23	Borrowings[2]	38	47	46	41	29	28	28	34	34	114

	Reserve classification	Weekly averages of daily figures for weeks ending—									
		1977									
		Mar. 23	Mar. 30	April 6	April 13	Apr. 20	Apr. 27	May 4	May 11	May 18[p]	May 25[p]
	All member banks										
	Reserves:										
24	At F.R. Banks	26,282	26,296	25,654	25,112	27,284	26,746	26,786	25,527	26,318	25,643
25	Currency and coin	7,492	8,290	8,477	8,721	7,724	8,341	8,892	8,998	8,554	8,164
26	*Total held*[1]	*33,921*	*34,737*	*34,264*	*33,988*	*35,162*	*35,240*	*35,831*	*34,678*	*35,023*	*33,956*
27	Required	33,844	34,404	34,008	33,714	35,128	35,076	35,529	34,632	34,750	33,799
28	Excess[1]	77	333	256	274	34	164	302	46	273	157
	Borrowings at F.R. Banks:[2]										
29	Total	338	58	65	38	29	99	215	156	126	311
30	Seasonal	13	14	14	12	14	15	19	21	28	34
	Large banks in New York City										
31	*Reserves held*	*6,213*	*6,485*	*6,343*	*6,237*	*6,567*	*6,259*	*6,516*	*6,299*	*6,372*	*5,922*
32	Required	6,233	6,401	6,282	6,176	6,597	6,290	6,467	6,307	6,433	6,034
33	Excess	−20	84	61	61	−30	−31	49	−8	−61	−112
34	Borrowings[2]	167	....	29	....	....	34	54	25	....	27
	Large banks in Chicago										
35	*Reserves held*	*1,560*	*1,659*	*1,621*	*1,616*	*1,669*	*1,629*	*1,732*	*1,595*	*1,709*	*1,543*
36	Required	1,571	1,635	1,594	1,594	1,695	1,621	1,699	1,625	1,720	1,569
37	Excess	−11	24	27	22	−26	8	33	−30	−11	−26
38	Borrowings[2]	....	14	1	....	....	1	....	....	18	....
	Other large banks										
39	*Reserves held*	*12,701*	*13,022*	*12,802*	*12,814*	*13,304*	*13,407*	*13,526*	*13,093*	*12,957*	*12,772*
40	Required	12,659	12,950	12,799	12,788	13,316	13,339	13,470	13,140	13,107	12,673
41	Excess	42	72	3	26	−12	68	56	−47	−150	99
42	Borrowings[2]	117	11	1	11	4	27	88	51	33	115
	All other banks										
43	*Reserves held*	*13,447*	*13,571*	*13,498*	*13,321*	*13,622*	*13,945*	*14,057*	*13,691*	*13,661*	*13,610*
44	Required	13,381	13,418	13,333	13,156	13,520	13,826	13,893	13,560	13,490	13,523
45	Excess	66	153	165	165	102	119	164	131	171	87
46	Borrowings[2]	54	33	34	27	25	37	73	80	75	169

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

2 Based on closing figures.

1.13 FEDERAL FUNDS TRANSACTIONS of Money Market Banks

Millions of dollars, except as noted

	Type	Mar. 30	April 6	April 13	April 20	April 27	May 4	May 11	May 18	May 25
		1977, week ending Wednesday—								
		Total, 46 banks								
	Basic reserve position									
1	Excess reserves[1]	126	187	112	−13	3	142	−20	64	54
	LESS:									
2	Borrowings at F.R. Banks	14	29	11	4	49	107	31	18	62
3	Net interbank Federal funds transactions	14,363	17,149	21,273	18,670	14,593	15,076	18,142	16,727	14,942
	EQUALS: Net surplus, or deficit (−):									
4	Amount	−14,251	−16,990	−21,172	−18,688	−14,639	−15,042	−18,193	−16,681	−14,949
5	*Per cent of average required reserves*	*95.7*	*116.0*	*144.9*	*121.2*	*97.3*	*98.1*	*121.7*	*110.1*	*104.5*
	Interbank Federal funds transactions									
	Gross transactions:									
6	Purchases	22,819	24,728	27,297	26,572	23,441	24,040	25,762	24,063	22,870
7	Sales	8,457	7,580	6,024	7,902	8,848	8,963	7,620	7,336	7,929
8	Two-way transactions[2]	5,338	5,268	5,074	5,282	5,463	5,589	5,026	5,227	5,619
	Net transactions:									
9	Purchases of net buying banks	17,481	19,460	22,223	21,290	17,978	18,450	20,736	18,836	17,251
10	Sales of net selling banks	3,118	2,311	951	2,260	3,384	3,374	2,594	2,110	2,309
	Related transactions with U.S. Govt. securities dealers									
11	Loans to dealers[3]	2,469	4,226	5,497	3,632	2,468	2,899	2,914	2,857	2,930
12	Borrowing from dealers[4]	1,895	1,512	1,273	1,248	1,552	2,029	2,091	2,327	2,770
13	Net loans	574	2,714	4,224	2,384	915	870	822	530	160
		8 banks in New York City								
	Basic reserve position									
14	Excess reserves[1]	51	101	62	15	−20	29	5	30	−23
	LESS:									
15	Borrowings at F.R. Banks	....	29	....	....	34	54	25	....	21
16	Net interbank Federal funds transactions	4,984	5,724	7,508	7,135	5,464	5,815	7,329	5,656	5,088
	EQUALS: Net surplus, or deficit (−):									
17	Amount	−4,933	−5,652	−7,445	−7,119	−5,518	−5,840	−7,349	−5,627	−5,133
18	*Per cent of average required reserves*	*84.6*	*98.9*	*132.2*	*118.4*	*96.6*	*99.2*	*128.2*	*96.0*	*93.9*
	Interbank Federal funds transactions									
	Gross transactions:									
19	Purchases	6,172	6,515	8,156	8,028	6,663	6,951	8,249	7,083	6,659
20	Sales	1,188	791	648	893	1,199	1,136	920	1,427	1,572
21	Two-way transactions[2]	1,187	790	648	893	1,199	1,135	920	1,427	1,571
	Net transactions:									
22	Purchases of net buying banks	4,984	5,724	7,507	7,134	5,464	5,815	7,329	5,656	5,088
23	Sales of net selling banks	....	....	....	....	....	....	....	....	....
	Related transactions with U.S. Govt. securities dealers									
24	Loans to dealers[3]	1,353	1,964	2,482	2,240	1,427	1,535	1,569	1,533	1,590
25	Borrowing from dealers[4]	804	611	364	386	491	631	849	1,019	1,097
26	Net loans	549	1,353	2,118	1,854	936	904	721	514	494
		38 banks outside New York City								
	Basic reserve position									
27	Excess reserves[1]	75	86	50	−29	22	113	−24	34	78
	LESS:									
28	Borrowings at F.R. Banks	14	....	11	4	14	54	6	18	41
29	Net interbank Federal funds transactions	9,379	11,425	13,766	11,536	9,129	9,261	10,813	11,070	9,854
	EQUALS: Net surplus, or deficit (−):									
30	Amount	−9,318	−11,339	−13,727	−11,568	−9,122	−9,202	−10,843	−11,054	−9,817
31	*Per cent of average required reserves*	*102.8*	*126.8*	*152.8*	*122.9*	*97.7*	*97.3*	*117.7*	*119.1*	*111.0*
	Interbank Federal funds transactions									
	Gross transactions:									
32	Purchases	16,648	18,214	19,141	18,544	16,779	17,089	17,513	16,979	16,211
33	Sales	7,269	6,789	5,376	7,009	7,649	7,828	6,700	5,909	6,357
34	Two-way transactions[2]	4,151	4,478	4,425	4,389	4,265	4,454	4,106	3,800	4,048
	Net transactions:									
35	Purchases of net buying banks	12,497	13,736	14,716	14,156	12,514	12,635	13,407	13,180	12,163
36	Sales of net selling banks	3,118	2,311	951	2,620	3,384	3,374	2,594	2,110	2,309
	Related transactions with U.S. Govt. securities dealers									
37	Loans to dealers[3]	1,117	2,263	3,015	1,392	1,041	1,364	1,345	1,324	1,340
38	Borrowing from dealers[4]	1,091	901	909	862	1,062	1,398	1,243	1,308	1,674
39	Net loans	25	1,361	2,106	530	−21	−34	102	16	−334

For notes see end of table.

1.13 Continued

	Type	1977, week ending Wednesday—								
		Mar. 30	April 6	April 13	April 20	April 27	May 4	May 11	May 18	May 25
		5 banks in City of Chicago								
	Basic reserve position									
40	Excess reserves[1]	17	39	40	−24	−4	38	−12	18	4
	LESS:									
41	Borrowings at F.R. Banks	14	....	....	....	....	....	....	18	....
42	Net interbank Federal funds transactions	5,617	6,197	6,662	6,394	5,364	5,410	5,883	5,908	5,227
	EQUALS: Net surplus, or deficit (−):									
43	Amount	−5,615	−6,159	−6,622	−6,418	−5,368	−5,372	−5,896	−5,907	−5,223
44	*Per cent of average required reserves*	*367.4*	*414.0*	*445.1*	*404.0*	*354.1*	*337.8*	*388.4*	*369.0*	*356.4*
	Interbank Federal funds transactions									
	Gross transactions:									
45	Purchases	6,575	7,155	7,528	7,206	6,491	6,600	6,780	6,904	6,246
46	Sales	958	958	865	812	1,127	1,190	897	996	1,018
47	Two-way transactions[2]	958	958	866	812	1,127	1,178	897	996	1,018
	Net transactions:									
48	Purchases of net buying banks	5,617	6,197	6,662	6,394	5,364	5,421	5,883	5,908	5,228
49	Sales of net selling banks	....	....	....	....	....	12	....	....	....
	Related transactions with U.S. Govt. securities dealers									
50	Loans to dealers[3]	226	816	611	421	171	365	295	229	244
51	Borrowing from dealers[4]	481	189	392	444	541	543	512	561	600
52	Net loans	−255	627	220	−23	−370	−178	−217	−333	−356
		33 other banks								
	Basic reserve position									
53	Excess reserves[1]	58	48	10	−4	26	75	−12	16	74
	LESS:									
54	Borrowings at F.R. Banks	....	....	11	4	14	54	6	....	41
55	Net interbank Federal funds transactions	3,762	5,227	7,103	5,142	3,766	3,852	4,930	5,163	4,627
	EQUALS: Net surplus, or deficit (−):									
56	Amount	−3,704	−5,180	−7,105	−5,150	−3,754	−3,830	−4,948	−5,174	−4,594
57	*Per cent of average required reserves*	*49.1*	*69.5*	*94.8*	*65.8*	*48.0*	*48.7*	*64.3*	*67.0*	*62.2*
	Interbank Federal funds transactions									
	Gross transactions:									
58	Purchases	10,073	11,058	11,614	11,338	10,288	10,489	10,733	10,075	9,965
59	Sales	6,311	5,831	4,510	6,196	6,522	6,638	5,803	4,913	5,339
60	Two-way transactions[2]	3,193	3,520	3,560	3,576	3,137	3,276	3,209	2,803	3,030
	Net transactions:									
61	Purchases of net buying banks	6,880	7,539	8,054	7,762	7,150	7,214	7,523	7,272	6,936
62	Sales of net selling banks	3,118	2,311	951	2,620	3,384	3,362	2,594	2,110	2,309
	Related transactions with U.S. Govt. securities dealers									
63	Loans to dealers[3]	891	1,447	2,403	971	870	999	1,050	1,095	1,096
64	Borrowing from dealers[4]	611	713	517	418	520	855	731	746	1,073
65	Net loans	280	734	1,886	554	350	144	319	349	22

1 Based on reserve balances, including adjustments to include waivers of penalties for reserve deficiencies in accordance with changes in Board policy effective Nov. 19, 1975.

2 Derived from averages for individual banks for entire week. Figure for each bank indicates extent to which the bank's average purchases and sales are offsetting.

3 Federal funds loaned, net funds supplied to each dealer by clearing banks, repurchase agreements (purchases from dealers subject to resale), or other lending arrangements.

4 Federal funds borrowed, net funds acquired from each dealer by clearing banks, reverse repurchase agreements (sales of securities to dealers subject to repurchase), resale agreements, and borrowings secured by U.S. Govt. or other securities.

NOTE.—Weekly averages of daily figures. For description of series, see Federal Reserve BULLETIN for August 1964, pp. 944–53. Back data for 46 banks appear in the Board's *Annual Statistical Digest, 1971–1975*, Table 3.

1.14 FEDERAL RESERVE BANK INTEREST RATES

Per cent per annum

Current and previous levels

Federal Reserve Bank	Loans to member banks— Under Secs. 13 and 13a[1]			Under Sec. 10(b)[2] Regular rate			Under Sec. 10(b)[2] Special rate[3]			Loans to all others under Sec. 13, last par.[4]		
	Rate on 5/31/77	Effective date	Previous rate	Rate on 5/31/77	Effective date	Previous rate	Rate on 5/31/77	Effective date	Previous rate	Rate on 5/31/77	Effective date	Previous rate
Boston	5¼	11/22/76	5½	5¾	11/22/76	6	6¼	11/22/76	6½	8¼	11/22/76	8½
New York	5¼	11/22/76	5½	5¾	11/22/76	6	6¼	11/22/76	6½	8¼	11/22/76	8½
Philadelphia	5¼	11/22/76	5½	5¾	11/22/76	6	6¼	11/22/76	6½	8¼	11/22/76	8½
Cleveland	5¼	11/22/76	5½	5¾	11/22/76	6	6¼	11/22/76	6½	8¼	11/22/76	8½
Richmond	5¼	11/22/76	5½	5¾	11/22/76	6	6¼	11/22/76	6½	8¼	11/22/76	8½
Atlanta	5¼	11/22/76	5½	5¾	11/22/76	6	6¼	11/22/76	6½	8¼	11/22/76	8½
Chicago	5¼	11/22/76	5½	5¾	11/22/76	6	6¼	11/22/76	6½	8¼	11/22/76	8½
St. Louis	5¼	11/26/76	5½	5¾	11/26/76	6	6¼	11/26/76	6½	8¼	11/26/76	8½
Minneapolis	5¼	11/22/76	5½	5¾	11/22/76	6	6¼	11/22/76	6½	8¼	11/22/76	8½
Kansas City	5¼	11/22/76	5½	5¾	11/22/76	6	6¼	11/22/76	6½	8¼	11/22/76	8½
Dallas	5¼	11/22/76	5½	5¾	11/22/76	6	6¼	11/22/76	6½	8¼	11/22/76	8½
San Francisco	5¼	11/22/76	5½	5¾	11/22/76	6	6¼	11/22/76	6½	8¼	11/22/76	8½

Range of rates in recent years[5]

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

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

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

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

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

5 Rates under Secs. 13 and 13a (as described above). For description and earlier data, see the following publications of the Board of Governors: *Banking and Monetary Statistics, 1914–1941*, *Banking and Monetary Statistics, 1941–1970*, and *Annual Statistical Digest, 1971–75.*

1.15 MEMBER BANK RESERVE REQUIREMENTS[1]

Per cent of deposits

Type of deposit, and deposit interval in millions of dollars	Requirements in effect May 31, 1977		Previous requirements	
	Per cent	Effective date	Per cent	Effective date
Net demand:[2]				
0–2	7	12/30/76	7½	2/13/75
2–10	9½	12/30/76	10	2/13/75
10–100	11¾	12/30/76	12	2/13/75
100–400	12¾	12/30/76	13	2/13/75
Over 400	16¼	12/30/76	16½	2/13/75
Time:[2,3]				
Savings	3	3/16/67	3½	3/2/67
Other time:				
0–5, maturing in—				
30–179 days	3	3/16/67	3½	3/2/67
180 days to 4 years	[4] 2½	1/8/76	3	3/16/67
4 years or more	[4] 1	10/30/75	3	3/16/67
Over 5, maturing in—				
30–179 days	6	12/12/74	5	10/1/70
180 days to 4 years	[4] 2½	1/8/76	3	12/12/74
4 years or more	[4] 1	10/30/75	3	12/12/74

	Legal limits, May 31, 1977	
	Minimum	Maximum
Net demand:		
Reserve city banks	10	22
Other banks	7	14
Time	3	10

1 For changes in reserve requirements beginning 1963, see Board's *Annual Statistical Digest, 1971–1975* and for prior changes, see Board's *Annual Report* for 1976, Table 13.

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

(b) The Federal Reserve Act specifies different ranges of requirements for reserve city banks and for other banks. Reserve cities are designated under a criterion adopted effective Nov. 9, 1972, by which a bank having net demand deposits of more than $400 million is considered to have the character of business of a reserve city bank. The presence of the head office of such a bank constitutes designation of that place as a reserve city. Cities in which there are F.R. Banks or branches are also reserve cities. Any banks having net demand deposits of $400 million or less are considered to have the character of business of banks outside of reserve cities and are permitted to maintain reserves at ratios set for banks not in reserve cities. For details, see the Board's Regulation D.

(c) Member banks are required under the Board's Regulation M to maintain reserves against foreign branch deposits computed on the basis of net balances due from domestic offices to their foreign branches and against foreign branch loans to U.S. residents. Loans aggregating $100,000 or less to any U.S. resident are excluded from computations, as are total loans of a bank to U.S. residents if not exceeding $1 million. Regulation D imposes a similar reserve requirement on borrowings from foreign banks by domestic offices of a member bank. A reserve of 4 per cent is required for each of these classifications.

3 Negotiable orders of withdrawal (NOW) accounts and time deposits such as Christmas and vacation club accounts are subject to the same requirements as savings deposits.

4 The average of reserves on savings and other time deposits must be at least 3 per cent, the minimum specified by law.

NOTE.—Required reserves must be held in the form of deposits with F.R. Banks or vault cash.

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

Per cent per annum

Type and maturity of deposit	Commercial banks				Savings and loan associations and mutual savings banks			
	In effect May 31, 1977		Previous maximum		In effect May 31, 1977		Previous maximum	
	Per cent	Effective date	Per cent	Effective date	Per cent	Effective date	Per cent	Effective date
1 Savings	5	7/1/73	4½	1/21/70	5¼	(5)	5	(6)
2 Negotiable order of withdrawal (NOW) accounts[1]	5	1/1/74	....	....	5	1/1/74	....	....
Time (multiple- and single-maturity unless otherwise indicated):[2]								
30–89 days:								
3 Multiple-maturity	5	7/1/73	4½	1/21/70	(7)	....	(7)	....
4 Single-maturity			5	9/26/66				
90 days to 1 year:								
5 Multiple-maturity	5½	7/1/73	5	7/20/66	[3] 5¾	(5)	5¼	1/21/70
6 Single-maturity				9/26/66				
7 1 to 2 years[3]	6	7/1/73	5½	1/21/70	6½	(5)	5¾	1/21/70
8 2 to 2½ years[3]			5¾	1/21/70			6	1/21/70
9 2½ to 4 years[3]	6½	7/1/73	5¾	1/21/70	6¾	(5)	6	1/21/70
10 4 to 6 years[4]	7¼	11/1/73	(8)	....	7½	11/1/73	(8)	....
11 6 years or more[4]	7½	12/23/74	7¼	11/1/73	7¾	12/23/74	7½	11/1/73
12 Governmental units (all maturities)	7¾	12/23/74	7½	11/27/74	7¾	12/23/74	7½	11/27/74

1 For authorized States only. Federally insured commercial banks, savings and loan associations, cooperative banks, and mutual savings banks were first permitted to offer NOW accounts on Jan. 1, 1974. Authorization to issue NOW accounts was extended to similar institutions throughout New England on Feb. 27, 1976.

2 For exceptions with respect to certain foreign time deposits see the Federal Reserve BULLETIN for October 1962 (p. 1279), August 1965 (p. 1094), and February 1968 (p. 167).

3 A minimum of $1,000 is required for savings and loan associations, except in areas where mutual savings banks permit lower minimum denominations. This restriction was removed for deposits maturing in less than 1 year, effective Nov. 1, 1973.

4 $1,000 minimum except for deposits representing funds contributed to an individual retirement account (IRA) or a Keogh (H.R. 10) plan established pursuant to the Internal Revenue code. The $1,000 minimum requirement was removed for such accounts in December 1975 and November 1976, respectively.

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

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

7 No separate account category.

8 Between July 1, 1973, and Oct. 31, 1973, there was no ceiling for certificates maturing in 4 years or more with minimum denominations of $1,000; however, the amount of such certificates that an institution could issue was limited to 5 per cent of its total time and savings deposits. Sales in excess of that amount, as well as certificates of less than $1,000, were limited to the 6½ per cent ceiling on time deposits maturing in 2½ years or more.

Effective Nov. 1, 1973, the present ceilings were imposed on certificates maturing in 4 years or more with minimum denominations of $1,000. There is no limitation on the amount of these certificates that banks can issue.

NOTE—Maximum rates that can be paid by Federally insured commercial banks, mutual savings banks, and savings and loan associations are established by the Board of Governors of the Federal Reserve System, the Board of Directors of the Federal Deposit Insurance Corporation, and the Federal Home Loan Bank Board under the provisions of 12 CFR 217, 329, and 526, respectively. The maximum rates on time deposits in denominations of $100,000 or more were suspended in mid-1973. For information regarding previous interest rate ceilings on all types of accounts, see earlier issues of the Federal Reserve BULLETIN, the Federal Home Loan Bank Board *Journal*, and the *Annual Report* of the Federal Deposit Insurance Corporation.

1.161 MARGIN REQUIREMENTS

Per cent of market value; effective dates shown.

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

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

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

1.17 FEDERAL RESERVE OPEN MARKET TRANSACTIONS

Millions of dollars

	Type of transaction	1974	1975	1976	1976			1977			
					Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.
	U.S. GOVT. SECURITIES										
	Outright transactions (excl. matched sale-purchase transactions)										
	Treasury bills:										
1	Gross purchases	11,660	11,562	14,343	618	346	975	2,535	110	....	1,671
2	Gross sales	5,830	5,599	8,462	....	480	1,546	313	801	368	260
3	Redemptions	4,550	[2] 6,431	[2] 5,017	200	600	....	....	....	....	19
	Others within 1 year:[1]										
4	Gross purchases	450	3,886	472	....	18	59	45	107	41	20
5	Gross sales	....	....	....	....	....	....	....	....	....	....
6	Exchange, or maturity shift	−1,183	−4	792	66	1,047	7	252	63	−266	374
7	Redemptions	131	3,549	....	....	....	....	....	....	....	....
	1 to 5 years:										
8	Gross purchases	797	[2] 3,284	[2] 3,202	....	113	681	475	348	174	327
9	Gross sales	....	....	177	....	....	....	....	....	....	....
10	Exchange, or maturity shift	−697	3,854	−2,588	−66	430	−7	−252	−880	266	−374
	5 to 10 years:										
11	Gross purchases	434	1,510	1,048	....	62	170	128	151	46	104
12	Gross sales	....	....	....	....	....	....	....	....	....	....
13	Exchange, or maturity shift	1,675	−4,697	1,572	....	−1,167	....	....	517	....	....
	Over 10 years:										
14	Gross purchases	196	1,070	642	....	73	119	48	81	37	38
15	Gross sales	....	....	....	....	....	....	....	....	....	....
16	Exchange, or maturity shift	205	848	225	....	−310	....	....	300	....	....
	All maturities:[1]										
17	Gross purchases	13,537	[2] 21,313	19,707	618	612	2,004	3,229	797	298	2,160
18	Gross sales	5,830	5,599	8,639	....	480	1,546	313	801	368	260
19	Redemptions	4,682	[2] 9,980	[2] 5,017	200	600	....	....	....	....	19
	Matched sale-purchase transactions										
20	Gross sales	64,229	151,205	196,078	23,289	22,675	23,193	24,595	22,674	30,115	32,287
21	Gross purchases	62,801	152,132	196,579	24,501	21,525	24,343	22,544	23,447	30,828	32,852
	Repurchase agreements										
22	Gross purchases	71,333	140,311	232,891	16,603	17,612	30,872	23,820	13,853	14,368	13,397
23	Gross sales	70,947	139,538	230,355	18,821	20,173	27,119	27,573	12,921	14,860	11,862
24	Net change in U.S. Govt. securities	1,984	7,434	9,087	−588	−4,179	5,361	−2,887	1,702	151	3,980
	FEDERAL AGENCY OBLIGATIONS										
	Outright transactions:										
25	Gross purchases	3,087	1,616	891	....	115	....	....	....	....	346
26	Gross sales	....	....	....	....	....	....	....	....	....	....
27	Redemptions	322	246	169	....	14	63	4	24	36	....
	Repurchase agreements:										
28	Gross purchases	23,204	15,179	10,520	705	897	1,380	930	689	523	709
29	Gross sales	22,735	15,566	10,360	949	976	1,102	1,208	612	546	639
	BANKERS ACCEPTANCES										
30	Outright transactions, net	511	163	−545	−9	−9	8	−5	−18	−19	−51
31	Repurchase agreements, net	420	−35	410	−492	−140	795	−795	149	−23	653
32	**Net change in total System Account**	**6,149**	**8,539**	**9,833**	**−1,332**	**−4,307**	**6,379**	**−3,969**	**1,886**	**50**	**4,998**

[1] Both gross purchases and redemptions include special certificates created when the Treasury borrows directly from the Federal Reserve, as follows (millions of dollars): 1973, 1,187; 1974, 131; and 1975, 3,549.

[2] In 1975, the System obtained $421 million of 2-year Treasury notes in exchange for maturing bills. In 1976 there was a similar transaction amounting to $189 million. Acquisition of these notes is treated as a purchase; the run-off of bills, as a redemption.

NOTE.—Sales, redemptions, and negative figures reduce holdings of the System Open Market Account; all other figures increase such holdings. Details may not add to totals because of rounding.

1.18 FEDERAL RESERVE BANKS Condition and F.R. Note Statements

Millions of dollars

	Account	Wednesday					End of Month		
		1977					1977		
		Apr. 27	May 4	May 11	May 18p	May 25p	Mar.	Apr.	May p
		Consolidated condition statement							
	ASSETS								
1	Gold certificate account	11,636	11,636	11,636	11,629	11,629	11,636	11,636	11,629
2	Special Drawing Rights certificate account	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
3	Coin[1]	327	324	322	329	324	360	340	319
	Loans:								
4	Member bank borrowings	487	122	381	211	449	271	379	398
5	Other	....	....	....	....	....	....	....	....
	Acceptances:								
6	Bought outright	107	93	75	68	60	154	103	58
7	Held under repurchase agreements	484	924	597	290	....	126	778	50
	Federal agency obligations:								
8	Bought outright	6,731	7,077	7,077	7,077	7,077	6,731	7,077	7,077
9	Held under repurchase agreements	169	427	83	276	....	54	124	10
	U.S. Govt. securities								
	Bought outright:								
10	Bills	40,179	39,897	40,640	40,177	39,040	39,170	41,127	39,694
11	Certificates—Special	....	....	....	....	....	....	....	....
12	Other	....	....	....	....	....	....	....	....
13	Notes	49,632	49,632	49,632	48,732	48,732	49,181	49,632	48,732
14	Bonds	7,234	7,234	7,234	8,134	8,134	7,196	7,234	8,134
15	Total[2]	97,045	96,763	97,506	97,043	95,906	95,547	97,993	96,560
16	Held under repurchase agreements	3,195	6,090	3,372	1,119	....	440	1,974	834
17	**Total U.S. Govt. securities**	**100,240**	**102,853**	**100,878**	**98,162**	**95,906**	**95,987**	**99,967**	**97,394**
18	**Total loans and securities**	**108,218**	**111,496**	**109,091**	**106,084**	**103,492**	**103,323**	**108,428**	**104,987**
19	Cash items in process of collection	9,670	10,329	8,639	9,234	8,429	8,045	8,234	7,341
20	Bank premises	366	367	367	368	369	372	366	369
	Other assets:								
21	Denominated in foreign currencies	64	41	54	43	55	61	56	60
22	All other	2,791	2,794	2,857	2,343	2,264	2,426	2,821	2,427
23	**Total assets**	**134,272**	**138,187**	**134,166**	**131,230**	**127,762**	**127,423**	**133,081**	**128,332**
	LIABILITIES								
24	F.R. notes	84,088	84,495	85,130	84,933	84,926	83,257	83,757	85,333
	Deposits:								
25	Member bank reserves	28,339	29,835	27,362	25,392	24,073	27,814	25,773	27,988
26	U.S. Treasury—General account	11,323	13,699	12,193	10,848	9,044	7,150	13,628	5,838
27	Foreign	266	259	234	279	274	349	305	436
28	Other[3]	662	544	424	536	713	637	591	831
29	**Total deposits**	**40,590**	**44,337**	**40,213**	**37,055**	**34,104**	**35,950**	**40,297**	**35,093**
30	Deferred availability cash items	6,184	6,234	5,604	5,946	5,307	4,759	5,499	4,367
31	Other liabilities and accrued dividends	979	1,062	1,034	988	1,001	1,016	1,052	1,016
32	**Total liabilities**	**131,841**	**136,128**	**131,981**	**128,922**	**125,338**	**124,982**	**130,605**	**125,809**
	CAPITAL ACCOUNTS								
33	Capital paid in	991	994	996	998	999	991	993	1,000
34	Surplus	983	983	983	983	983	983	983	983
35	Other capital accounts	457	82	206	327	442	467	500	540
36	**Total liabilities and capital accounts**	**134,272**	**138,187**	**134,166**	**131,230**	**127,762**	**127,423**	**133,081**	**128,332**
37	MEMO: Marketable U.S. Govt. securities held in custody for foreign and intl. account	57,976	57,929	57,542	58,520	58,301	56,623	60,092	58,214
		Federal Reserve note statement							
38	F.R. notes outstanding (issued to Bank)	89,565	89,599	89,655	89,970	90,023	88,664	89,630	90,242
	Collateral held against notes outstanding:								
39	Gold certificate account	11,631	11,631	11,632	11,625	11,625	11,633	11,631	11,625
40	Special Drawing Rights certificate account	643	643	643	643	643	643	643	643
41	Acceptances	....	....	....	....	....	....	....	....
42	U.S. Govt. securities	78,833	78,933	79,133	79,183	79,183	78,130	78,933	79,283
43	**Total collateral**	**91,107**	**91,207**	**91,408**	**91,451**	**91,451**	**90,406**	**91,207**	**91,551**

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

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

3 Includes certain deposits of domestic nonmember banks and foreign-owned banking institutions voluntarily held with member banks and redeposited in full with F.R. Banks.

NOTE.—Beginning Jan. 1, 1977, "Operating equipment" was transferred to "Other assets."

1.19 FEDERAL RESERVE BANKS Maturity Distribution of Loan and Security Holdings

Millions of dollars

Type and maturity	Wednesday					End of month		
	1977					1977		
	Apr. 27	May 4	May 11	May 18	May 25	Mar. 31	Apr. 30	May 31
1 **Loans**	**486**	**123**	**374**	**211**	**449**	**270**	**377**	**398**
2 Within 15 days	481	114	361	203	441	267	371	386
3 16 days to 90 days	5	9	13	8	8	3	6	12
4 91 days to 1 year	....	....	....	....	....	....	....	....
5 **Acceptances**	**591**	**1,017**	**672**	**358**	**60**	**280**	**881**	**108**
6 Within 15 days	516	953	613	308	6	147	812	59
7 16 days to 90 days	56	47	50	50	48	90	51	45
8 91 days to 1 year	19	17	9	....	6	43	18	4
9 **U.S. Govt. securities**	**100,240**	**102,853**	**100,878**	**98,162**	**95,906**	**95,987**	**99,967**	**97,394**
10 Within 15 days[1]	8,483	13,240	11,291	5,532	3,870	3,494	6,259	2,629
11 16 days to 90 days	21,096	17,736	17,552	17,689	17,613	20,422	22,770	19,615
12 91 days to 1 year	24,050	25,530	25,688	27,525	27,007	25,928	24,327	27,703
13 Over 1 year to 5 years	31,168	30,904	30,904	29,899	29,899	30,841	31,168	29,930
14 Over 5 years to 10 years	9,991	9,991	9,991	11,165	11,165	9,888	9,991	11,165
15 Over 10 years	5,452	5,452	5,452	6,352	6,352	5,414	5,452	6,352
16 **Federal agency obligations**	**6,900**	**7,504**	**7,160**	**7,353**	**7,077**	**6,785**	**7,201**	**7,087**
17 Within 15 days[1]	214	427	122	383	68	82	170	149
18 16 days to 90 days	289	319	280	212	212	268	289	277
19 91 days to 1 year	1,092	1,106	1,106	1,140	1,170	1,178	1,091	1,034
20 Over 1 year to 5 years	3,317	3,490	3,490	3,456	3,450	3,291	3,490	3,450
21 Over 5 years to 10 years	1,233	1,372	1,372	1,372	1,372	1,206	1,371	1,387
22 Over 10 years	755	790	790	790	805	760	790	790

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

1.20 DEMAND DEPOSIT ACCOUNTS Debits and Rate of Turnover

Monthly data are at seasonally adjusted annual rates.

Standard metropolitan statistical area	1973	1974	1975	1976	1977			
				Dec.	Jan.	Feb.	Mar.	Apr.
	Debits (billions of dollars)[2]							
1 **All 233 SMSA's**	**18,641.3**	**22,192.2**	**23,565.1**	**28,911.0**	**29,288.1**	^{r}**30,145.4**	^{r}**30,421.7**	**30,499.7**
2 New York City	8,097.7	9,931.8	10,970.9	13,835.0	14,411.8	14,898.0	14,612.1	14,988.9
3 *232 SMSA's*	*10,543.6*	*12,260.6*	*12,594.2*	*15,076.1*	*14,876.3*	^{r}*15,247.4*	^{r}*15,809.6*	*15,510.8*
4 6 leading SMSA's other than N.Y.C.[1]	4,462.8	5,152.7	4,937.5	5,917.1	5,864.3	5,887.1	6,155.7	6,055.5
5 226 others	6,080.8	7,107.9	7,661.8	9,159.0	9,012.0	^{r}9,360.2	^{r}9,653.9	9,455.3
	Turnover of deposits (annual rate)							
6 **All 233 SMSA's**	**110.2**	**128.0**	**131.0**	**153.5**	**154.3**	**153.3**	^{r}**155.2**	**157.7**
7 New York City	269.8	312.8	351.8	419.8	443.5	437.3	436.0	465.2
8 *232 SMSA's*	*75.8*	*86.6*	*84.7*	*97.0*	*94.6*	*93.8*	^{r}*97.3*	*96.3*
9 6 leading SMSA's other than N.Y.C.[1]	115.0	131.8	118.4	136.9	133.9	129.9	135.2	134.7
10 226 others	60.6	69.3	71.6	81.7	79.4	^{r}79.8	^{r}82.5	81.4

1 Boston, Philadelphia, Chicago, Detroit, San Francisco–Oakland, and Los Angeles–Long Beach.
2 Excludes interbank and U.S. Govt. demand deposit accounts.

NOTE.—Total SMSA's includes some cities and counties not designated as SMSA's.

1.21 MONEY STOCK MEASURES AND COMPONENTS

Billions of dollars, averages of daily figures

Item	1973 Dec.	1974 Dec.	1975 Dec.	1976 Oct.	1976 Nov.	1976 Dec.	1977 Jan.	1977 Feb.	1977 Mar.	1977 Apr.
	Seasonally adjusted									
MEASURES[1]										
1 *M*-1	270.5	283.1	294.8	310.5	310.6	312.8	314.3	314.5	316.1	321.3
2 *M*-2	571.4	612.4	664.3	725.7	731.7	739.3	745.0	749.1	754.2	762.4
3 *M*-3	919.6	981.5	1,092.6	1,210.5	1,222.8	1,236.1	1,247.6	1,256.6	1,266.2	1,279.2
4 *M*-4	634.4	701.4	746.5	788.0	794.0	802.6	808.0	812.3	816.3	824.0
5 *M*-5	982.5	1,070.5	1,174.7	1,272.8	1,285.0	1,299.3	1,310.7	1,319.9	1,328.4	1,340.8
COMPONENTS										
6 Currency	61.5	67.8	73.7	79.8	80.3	80.6	81.3	82.0	82.4	83.3
Commercial bank deposits:										
7 Demand	209.0	215.3	221.0	230.7	230.3	232.1	233.0	232.5	233.7	238.1
8 *Time and savings*	*363.9*	*418.3*	*451.7*	*477.5*	*483.4*	*489.8*	*493.8*	*497.8*	*500.2*	*502.7*
9 Negotiable CD's[2]	63.0	89.0	82.1	62.3	62.2	63.3	63.1	63.3	62.2	61.6
10 Other	300.9	329.3	369.6	415.2	421.2	426.5	430.7	434.5	438.0	441.1
11 Nonbank thrift institutions[3]	348.1	369.1	428.3	484.8	491.0	496.8	502.6	507.5	512.1	516.8
	Not seasonally adjusted									
MEASURES[1]										
12 *M*-1	278.3	291.3	303.2	309.4	312.5	321.7	320.2	310.4	313.1	323.1
13 *M*-2	576.5	617.5	669.3	722.8	729.4	744.3	749.9	745.6	754.3	767.8
14 *M*-3	921.8	983.8	1,094.3	1,204.9	1,215.7	1,236.9	1,250.1	1,251.5	1,267.9	1,288.2
15 *M*-4	640.5	708.0	752.8	786.9	792.3	808.6	813.0	806.9	815.1	827.9
16 *M*-5	985.8	1,074.3	1,177.7	1,269.0	1,278.6	1,301.2	1,313.2	1,312.7	1,328.7	1,348.3
COMPONENTS										
17 Currency	62.7	69.0	75.1	79.6	80.8	82.1	80.7	80.9	81.7	82.9
Commercial bank deposits:										
18 *Demand*	*215.7*	*222.2*	*228.1*	*229.8*	*231.7*	*239.5*	*239.5*	*229.5*	*231.4*	*240.2*
19 Member	156.5	159.7	162.1	161.7	162.5	168.4	168.1	161.0	162.1	167.6
20 Domestic nonmember	56.3	58.5	62.6	64.9	65.9	67.5	67.9	65.0	65.7	68.9
21 *Time and savings*	*362.2*	*416.7*	*449.6*	*477.5*	*479.8*	*486.9*	*492.8*	*496.4*	*502.0*	*504.7*
22 Negotiable CD's[2]	64.0	90.5	83.5	64.2	62.9	64.3	63.1	61.3	60.8	60.1
23 Other	298.2	326.3	366.2	413.4	416.9	422.6	429.7	435.1	441.2	444.7
24 Nonbank thrift institutions[3]	345.3	366.3	424.9	482.1	486.3	492.6	500.2	505.9	513.6	520.4
25 U.S. Govt. deposits (all commercial banks)	6.3	4.9	4.1	4.0	4.1	4.5	3.9	4.1	4.3	5.3

1 Composition of the money stock measures is as follows:

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

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

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

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

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

For a description of the latest revisions in the money stock measures' see "Money Stock Measures Revisions" on pp. 305–306 of the March 1977 BULLETIN.

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

2 Negotiable time CD's issued in denominations of $100,000 or more by large weekly reporting commercial banks.

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

NOTES TO TABLE 1.23:

1 Adjusted to exclude domestic commercial interbank loans.

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

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

4 Data beginning June 30, 1974, include one large mutual savings bank that merged with a nonmember commercial bank. As of that date there were increases of about $500 million in loans, $100 million in "Other securities," and $600 million in "Total loans and investments."

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

5 Data revised beginning July 1976 to conform with Dec. 1976 call report benchmarks. Complete revisions will be published in the *Annual Statistical Digest, 1972–1976*.

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

1.22 AGGREGATE RESERVES AND DEPOSITS Member Banks

Billions of dollars, averages of daily figures

Item	1973 Dec.	1974 Dec.	1975 Dec.	1976 Sept.	1976 Oct.	1976 Nov.	1976 Dec.	1977 Jan.	1977 Feb.	1977 Mar.	1977 Apr.
	Seasonally adjusted										
1 **Reserves** [1]	34.94	33.60	34.73	34.34	34.51	34.85	34.95	34.78	34.40	34.31	34.68
2 Nonborrowed	33.64	35.87	34.60	34.27	34.41	34.78	34.90	34.71	34.33	34,20	34.61
3 Required	34.64	36.34	34.46	34.14	34.29	34.59	34.68	34.51	34.20	34,09	34.49
4 **Deposits subject to reserve requirements** [2]	442.3	486.2	505.4	515.6	520.0	524.9	529.6	532.5	532.0	535.2	538.4
5 Time and savings	279.2	322.1	337.9	343.3	346.2	350.2	355.0	357.3	360.1	361.3	361.4
Demand:											
6 Private	158.1	160.6	164.5	168.7	170.4	170.7	171.4	172.5	169.5	171.1	173.4
7 U.S. Govt	5.0	3.5	3.0	3.6	3.4	4.0	3.2	2.7	2.5	2.8	3.6
8 **Deposits plus nondeposit items** [3]	448.9	494.6	513.8	523.8	529.0	534.0	538.8	540.8	539.5	542.9	546.1
	Not seasonally adjusted										
9 **Deposits subject to reserve requirements** [2]	447.5	491.8	510.9	514.9	518.9	522.5	534.8	537.7	528.7	534.0	541.3
10 Time and savings	278.5	321.7	337.2	344.1	346.7	347.6	353.6	357.0	358.4	361.7	362.3
Demand:											
11 Private	164.0	166.6	170.7	167.2	169.5	171.9	177.9	177.8	167.2	169.1	175.0
12 U.S. Govt	5.0	3.4	3.1	3.6	2.8	3.0	3.3	2.9	3.1	3.2	4.0
13 **Deposits plus nondeposit items** [3]	454.0	500.1	519.3	523.1	527.9	531.5	544.0	546.0	536.2	541.7	549.0

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

2 Includes total time and savings deposits and net demand deposits as defined by Regulation D. Private demand deposits include all demand deposits except those due to the U.S. Govt., less cash items in process of collection and demand balances due from domestic commercial banks.

3 "Total member bank deposits" subject to reserve requirements, plus Euro-dollar borrowings, loans sold to bank-related institutions, and certain other nondeposit items. This series for deposits is referred to as "the adjusted bank credit proxy."

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

1.23 LOANS AND INVESTMENTS All Commercial Banks

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

Category	1973 Dec. 31	1974 [4] Dec. 31	1975 Dec. 31	1976 [5] Nov. 24	1976 [5] Dec. 31	1977 [5] Jan. 26 p	1977 [5] Feb. 23 p	1977 [5] Mar. 30 p	1977 [5] Apr. 27 p	1977 [5] May 25 p
	Seasonally adjusted									
1 **Loans and investments** [1]	633.4	690.4	721.1	778.8	784.4	786.6	796.4	803.0	812.4	819.4
2 Including loans sold outright [2]	637.7	695.2	725.5	782.6	788.2	790.6	800.3	807.0	816.4	823.4
Loans:										
3 Total	449.0	500.2	496.9	533.1	538.9	540.9	545.4	551.0	557.7	562.1
4 Including loans sold outright [2]	453.3	505.0	501.3	536.9	542.7	544.9	549.3	555.0	561.7	566.1
5 Commercial and industrial [3]	156.4	183.3	176.0	179.0	179.5	179.8	181.2	182.9	184.9	185.9
6 Including loans sold outright [2,3]	159.0	186.0	178.5	181.4	181.9	182.4	183.8	185.6	187.7	188.7
Investments:										
7 U.S. Treasury	54.5	50.4	79.4	95.4	97.3	96.9	101.5	103.6	102.8	104.6
8 Other	129.9	139.8	144.8	150.3	148.2	148.8	149.5	148.4	151.9	152.7
	Not seasonally adjusted									
9 **Loans and investments** [1]	647.3	705.6	737.0	778.5	801.6	784.9	790.9	801.1	809.6	816.6
10 Including loans sold outright	651.6	710.4	741.4	782.3	805.4	788.9	793.9	805.1	813.6	820.6
Loans:										
11 Total [1]	458.5	510.7	507.4	531.9	550.2	536.0	538.9	547.7	553.5	561.3
12 Including loans sold outright [2]	462.8	515.5	511.8	535.7	554.0	540.0	542.8	551.7	557.5	565.3
13 Commercial and industrial [3]	159.4	186.8	179.3	178.3	182.9	177.8	179.4	182.8	185.1	186.1
14 Including loans sold outright [2,3]	162.0	189.5	181.8	180.7	185.3	180.4	182.0	185.5	187.9	188.9
Investments:										
15 U.S. Treasury	58.3	54.5	84.1	98.0	102.5	101.1	102.6	104.7	103.0	101.9
16 Other	130.6	140.5	145.5	148.6	148.9	147.9	148.5	148.7	153.1	153.4

For notes see bottom of opposite page.

1.24 COMMERCIAL BANK ASSETS AND LIABILITIES Last-Wednesday-of-Month Series

Billions of dollars except for number of banks

	Account	1975	1976[3]					1977				
		Dec. 31	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.^p	Feb.^p	Mar.^p	Apr.^p	May^p
		All commercial										
1	**Loans and investments**	**775.8**	**791.6**	**800.8**	**808.0**	**817.6**	**846.4**	**824.2**	**831.6**	**840.4**	**846.5**	**853.1**
2	Loans, gross	546.2	553.1	560.2	566.5	571.0	594.9	575.3	580.4	587.0	590.4	597.8
	Investments:											
3	U.S. Treasury securities	84.1	92.5	93.5	94.4	98.0	102.5	101.1	102.6	104.7	103.0	101.9
4	Other	145.5	146.1	147.0	147.1	148.6	148.9	147.9	148.5	148.7	153.1	153.4
5	**Cash assets**	**133.6**	**109.9**	**119.8**	**116.9**	**127.0**	**136.1**	**120.1**	**127.1**	**122.8**	**122.7**	**119.4**
6	Currency and coin	12.3	12.1	12.4	12.7	11.9	12.1	12.8	12.5	12.9	13.3	13.1
7	Reserves with F.R. Banks	26.8	25.4	29.8	26.4	29.1	26.1	28.6	28.6	26.9	28.2	24.0
8	Balances with banks	47.3	36.7	37.0	38.2	42.5	49.6	39.2	41.5	41.9	40.1	41.3
9	Cash items in process of collection	47.3	35.7	40.7	39.7	43.5	48.4	39.6	44.4	41.1	41.0	41.0
10	**Total assets/total liabilities and capital**[1]	**964.9**	**948.8**	**969.7**	**973.7**	**995.7**	**1,030.7**	**996.7**	**1,011.6**	**1,018.2**	**1,024.8**	**1,026.9**
11	**Deposits**	**786.3**	**764.7**	**779.2**	**784.4**	**796.5**	**838.2**	**801.0**	**809.3**	**817.1**	**819.4**	**818.9**
	Demand:											
12	Interbank	41.8	32.9	34.6	34.0	39.1	45.4	35.3	36.6	37.6	33.9	35.2
13	U.S. Govt	3.1	3.7	5.8	3.7	3.4	3.0	4.0	3.8	3.1	7.4	3.6
14	Other	278.7	249.5	255.2	260.8	264.0	288.4	260.6	264.5	263.1	267.9	262.8
	Time:											
15	Interbank	12.0	9.7	9.6	9.2	9.1	9.2	8.8	8.6	8.9	8.6	8.5
16	Other	450.6	468.9	473.9	476.6	481.0	492.2	492.3	495.9	504.4	501.6	508.8
17	Borrowings	60.2	72.6	78.1	76.7	84.6	80.2	82.5	87.6	84.5	88.2	87.6
18	**Total capital accounts**[2]	**69.1**	**73.0**	**73.7**	**74.3**	**74.8**	**78.1**	**76.3**	**76.8**	**77.1**	**77.5**	**78.1**
19	MEMO: Number of banks	14,633	14,650	14,656	14,660	14,674	14,671	14,667	14,688	14,685	14,690	14,690
		Member										
20	**Loans and investments**	**578.6**	**580.3**	**585.7**	**590.7**	**597.6**	**620.5**	**600.9**	**605.9**	**611.8**	**614.8**	**620.2**
21	Loans, gross	416.4	412.9	417.2	421.6	424.1	442.9	426.3	429.9	434.6	435.9	441.5
	Investments:											
22	U.S. Treasury securities	61.5	66.7	67.0	67.7	70.8	74.6	72.6	73.7	74.9	73.0	72.6
23	Other	100.7	100.7	101.5	101.4	102.7	103.1	102.0	102.3	102.3	105.8	106.1
24	**Cash assets, total**	**108.5**	**89.4**	**98.9**	**94.9**	**103.0**	**108.9**	**97.7**	**102.8**	**100.0**	**99.4**	**95.7**
25	Currency and coin	9.2	9.0	9.2	9.5	8.9	9.1	9.5	9.3	9.6	9.9	9.7
26	Reserves with F.R. Banks	26.8	25.4	29.8	26.4	29.1	26.0	28.6	28.6	26.9	28.2	24.0
27	Balances with banks	26.9	20.5	20.6	20.9	23.3	27.4	21.5	22.2	24.0	21.9	22.6
28	Cash items in process of collection	45.5	34.4	39.3	38.2	41.8	46.5	38.1	42.7	39.5	39.4	39.3
29	**Total assets/total liabilities and capital**[1]	**733.6**	**710.7**	**726.8**	**727.6**	**744.8**	**772.9**	**744.6**	**755.1**	**759.7**	**762.7**	**763.9**
30	**Deposits**	**590.8**	**562.3**	**573.9**	**576.1**	**584.8**	**618.7**	**587.0**	**592.0**	**598.1**	**597.8**	**597.4**
	Demand:											
31	Interbank	38.6	30.9	32.7	32.2	37.2	42.4	33.1	34.1	35.3	31.6	32.9
32	U.S. Govt	3.2	2.8	4.3	2.9	2.4	2.1	3.0	2.7	2.1	5.9	2.7
33	Other	210.8	185.9	191.0	194.7	196.0	215.5	193.7	196.6	195.9	199.0	195.1
	Time:											
34	Interbank	10.0	7.6	7.5	7.1	7.0	7.2	6.8	6.6	6.9	6.6	6.5
35	Other	329.1	335.1	338.4	339.2	342.1	351.5	350.3	351.9	357.9	354.7	360.3
36	Borrowings	53.6	65.9	70.6	69.1	76.4	71.7	73.6	78.0	75.3	78.1	77.5
37	**Total capital accounts**[2]	**52.1**	**55.4**	**55.7**	**56.2**	**56.6**	**58.6**	**57.7**	**57.9**	**58.1**	**58.3**	**58.8**
38	MEMO: Number of banks	5,788	5,772	5,774	5,769	5,767	5,759	5,739	5,740	5,739	5,726	5,726

1 Includes items not shown separately.
Effective Mar. 31, 1976, some of the item "reserve for loan losses" and all of the item "unearned income on loans" are no longer reported as liabilities. As of that date the "valuation" portion of "reserve for loan losses" and the "unearned income on loans" have been netted against "other assets," and against "total assets" as well.
Total liabilities continue to include the deferred income tax portion of "reserve for loan losses."

2 Effective Mar. 31, 1976, includes "reserves for securities" and the contingency portion (which is small) of "reserve for loan losses."

3 Figures partly estimated except on call dates.

NOTE.—Figures include all bank-premises subsidiaries and other significant majority-owned domestic subsidiaries.

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

Member banks: The following numbers of noninsured trust companies that are members of the Federal Reserve System are excluded from member banks in Tables 1.24 and 1.25 and are included with noninsured banks in Table 1.25: 1974—June, 2; December, 3; 1975—June and December, 4; 1976 (beginning month shown)—July, 5, December, 7; 1977–January 8.

1.25 COMMERCIAL BANK ASSETS AND LIABILITIES Call-Date Series

Millions of dollars except for number of banks

	Account	1975 June 30	1975 Dec. 31	1976 June 30	1976 Dec. 31	1975 June 30	1975 Dec. 31	1976 June 30	1976 Dec. 31
		Total insured				National (all insured)			
1	**Loans and investments, Gross**	**736,164**	**762,400**	**773,696**	**827,692**	**428,167**	**441,135**	**443,955**	**476,602**
	Loans:								
2	Gross	526,272	535,170	539,017	578,712	312,229	315,738	315,624	340,679
3	Net	(2)	(2)	520,970	560,069	(2)	(2)	305,275	329,968
	Investments:								
4	U.S. Treasury securities	67,833	83,629	90,947	101,459	37,606	46,799	49,688	55,729
5	Other	142,060	143,602	143,731	147,520	78,331	78,598	78,642	80,193
6	Cash assets	125,181	128,256	124,072	129,578	75,686	78,026	75,488	76,074
7	**Total assets/total liabilities**[1]	**914,781**	**944,654**	**942,510**	**1,004,020**	**536,836**	**553,285**	**548,697**	**583,315**
8	**Deposits**	**746,348**	**775,209**	**776,957**	**825,001**	**431,646**	**447,590**	**444,251**	**469,378**
	Demand:								
9	U.S. Govt	3,106	3,108	4,622	3,020	1,723	1,788	2,858	1,674
10	Interbank	41,244	40,259	37,503	44,072	21,096	22,305	20,329	23,148
11	Other	261,903	276,384	265,670	285,190	152,576	159,840	152,382	163,347
	Time:								
12	Interbank	10,252	10,733	9,407	8,250	6,804	7,302	5,532	4,909
13	Other	429,844	444,725	459,754	484,468	249,446	256,355	263,148	276,298
14	Borrowings	59,310	56,775	63,823	75,308	41,954	40,875	45,183	54,420
15	**Total capital accounts**	**65,986**	**68,474**	**68,989**	**72,070**	**37,483**	**38,969**	**39,502**	**41,323**
16	MEMO: Number of banks	14,320	14,372	14,373	14,397	4,730	4,741	4,747	4,735
		State member (all insured)				Insured nonmember			
17	**Loans and investments, Gross**	**134,759**	**137,620**	**136,915**	**144,000**	**173,238**	**183,645**	**192,825**	**207,089**
	Loans:								
18	Gross	100,968	100,823	98,889	102,278	113,074	118,609	124,503	135,754
19	Net	(2)	(2)	96,037	99,475	(2)	(2)	119,658	130,626
	Investments:								
20	U.S. Treasury securities	12,004	14,720	16,323	18,847	18,223	22,109	24,934	26,882
21	Other	21,787	22,077	21,702	22,874	41,942	42,927	43,387	44,451
22	Cash assets	31,466	30,451	30,422	32,859	18,029	19,778	18,161	20,644
23	**Total assets/total liabilities**	**179,787**	**180,495**	**179,645**	**189,573**	**198,157**	**210,874**	**214,167**	**231,130**
24	**Deposits**	**141,995**	**143,409**	**142,061**	**149,481**	**172,707**	**184,210**	**190,644**	**206,141**
	Demand:								
25	U.S. Govt	443	467	869	429	940	853	894	917
26	Interbank	18,751	16,265	15,834	19,296	1,397	1,689	1,339	1,627
27	Other	48,621	50,984	49,658	52,194	60,706	65,560	63,629	69,648
	Time:								
28	Interbank	2,771	2,712	3,074	2,384	676	719	799	957
29	Other	71,409	72,981	72,624	75,177	108,989	115,389	123,980	132,991
30	Borrowings	14,380	12,771	15,300	17,318	2,976	3,128	3,339	3,569
31	**Total capital accounts**	**12,773**	**13,105**	**12,791**	**13,199**	**15,730**	**16,400**	**16,696**	**17,547**
32	MEMO: Number of banks	1,064	1,046	1,029	1,023	8,526	8,585	8,597	8,639
		Noninsured nonmember				Total nonmember			
33	**Loans and investments, Gross**	**11,725**	**13,674**	**15,905**	**18,819**	**184,963**	**197,319**	**208,730**	**225,908**
	Loans:								
34	Gross	9,559	11,283	13,209	16,336	122,633	129,892	137,712	152,091
35	Net	(2)	(2)	13,092	16,209	(2)	(2)	132,751	146,836
	Investments:								
36	U.S. Treasury securities	358	490	472	1,054	18,581	22,599	25,407	27,936
37	Other	1,808	1,902	2,223	1,428	43,750	44,829	45,610	45,880
38	Cash assets	3,534	5,359	4,362	6,496	21,563	25,137	22,524	27,141
39	**Total assets/total liabilities**	**16,277**	**20,544**	**21,271**	**26,790**	**214,434**	**231,418**	**235,439**	**257,921**
40	**Deposits**	**8,314**	**11,323**	**11,735**	**13,325**	**181,021**	**195,533**	**202,380**	**219,467**
	Demand:								
41	U.S. Govt	11	6	4	4	951	859	899	921
42	Interbank	1,338	1,552	1,006	1,277	2,735	3,241	2,346	2,904
43	Other	2,124	2,308	2,555	3,236	62,830	67,868	66,184	72,884
	Time:								
44	Interbank	957	1,291	1,292	1,041	1,633	2,010	2,092	1,998
45	Other	3,883	6,167	6,876	7,766	112,872	121,556	130,857	140,758
46	Borrowings	3,110	3,449	3,372	4,842	6,086	6,577	6,711	8,412
47	**Total capital accounts**	**570**	**651**	**663**	**818**	**16,300**	**17,051**	**17,359**	**18,366**
48	MEMO: Number of banks	253	261	270	275	8,779	8,846	8,867	8,914

1 Includes items not shown separately.
2 Not available.

For Note see Table 1.24.

1.26 COMMERCIAL BANK ASSETS AND LIABILITIES Detailed Balance Sheet, December 31, 1976◄

Asset and liability items are shown in millions of dollars.

	Asset account	All commercial banks	Insured commercial banks	Member banks[1]					Non-member banks[1]
				Total	Large banks			All other	
					New York City	City of Chicago	Other large		
1	**Cash bank balances, items in process**	**136,075**	**129,578**	**108,934**	**29,494**	**3,934**	**40,471**	**35,034**	**27,141**
2	Currency and coin	12,124	12,115	9,066	832	220	3,048	4,965	3,059
3	Reserves with F.R. Banks	25,968	25,968	25,968	3,585	1,423	10,627	10,334	....
4	Demand balances with banks in United States	36,815	32,964	19,711	7,389	196	3,324	8,804	17,103
5	Other balances with banks in United States	6,972	5,763	3,623	193	34	1,434	1,961	3,349
6	Balances with banks in foreign countries	5,823	4,509	4,046	836	23	2,102	1,085	1,777
7	Cash items in process of collection	48,374	48,260	46,520	16,659	2,038	19,937	7,886	1,854
8	**Total securities held—Book value**	**249,882**	**247,439**	**176,333**	**21,349**	**8,157**	**57,755**	**89,072**	**73,549**
9	U.S. Treasury	102,514	101,460	74,577	11,823	4,072	25,735	32,948	27,937
10	Other U.S. Govt. agencies	35,838	35,269	22,150	1,355	500	6,237	14,059	13,688
11	States and political subdivisions	104,661	104,374	75,310	7,751	3,349	24,546	39,665	29,350
12	All other securities	6,732	6,220	4,217	421	236	1,191	2,370	2,515
13	Unclassified total	137	116	78	....	....	47	30	60
14	*Trading-account securities*	*7,904*	*7,882*	*7,650*	*3,251*	*832*	*3,246*	*322*	*253*
15	U.S. Treasury	5,011	5,011	4,861	2,386	582	1,705	188	151
16	Other U.S. Govt. agencies	991	991	975	259	55	624	38	15
17	States and political subdivisions	1,324	1,324	1,297	479	110	660	48	27
18	All other trading acct. securities	440	440	440	127	86	209	17	....
19	Unclassified	137	116	78	....	....	47	30	60
20	*Bank investment portfolios*	*241,979*	*239,557*	*168,683*	*18,098*	*7,325*	*54,510*	*88,750*	*73,296*
21	U.S. Treasury	97,503	96,449	69,717	9,437	3,490	24,030	32,760	27,786
22	Other U.S. Govt. agencies	34,847	34,279	21,175	1,096	445	5,613	14,021	13,672
23	States and political subdivisions	103,336	103,049	74,013	7,272	3,239	23,885	39,617	29,323
24	All other portfolio securities	6,292	5,780	3,778	293	151	981	2,352	2,515
25	F.R. stock and corporate stock	1,580	1,541	1,313	281	86	497	449	268
26	**Federal funds sold and securities resale agreement**	**48,346**	**45,767**	**36,378**	**1,993**	**1,339**	**19,648**	**13,398**	**11,968**
27	Commercial banks	40,199	37,876	28,780	979	1,035	14,217	12,550	11,419
28	Brokers and dealers	5,775	5,693	5,499	610	192	3,981	716	275
29	Others	2,373	2,198	2,099	404	113	1,450	132	273
30	**Other loans, gross**	**546,704**	**532,945**	**406,579**	**75,468**	**21,807**	**148,516**	**160,788**	**140,124**
31	LESS: Unearned income on loans	12,577	12,526	8,614	561	82	2,856	5,117	3,963
32	Reserves for loan loss	6,192	6,116	4,899	1,185	300	1,751	1,663	1,293
33	Other loans, net	527,934	514,303	393,066	73,722	21,426	143,909	154,008	134,869
	Other loans, gross, by category								
34	*Real estate loans*	*149,483*	*149,276*	*104,714*	*9,419*	*1,848*	*37,462*	*55,984*	*44,769*
35	Construction and land development	16,644	16,638	13,153	2,801	382	6,039	3,931	3,491
36	Secured by farmland	6,721	6,710	2,868	16	14	295	2,543	3,853
37	Secured by residential	84,922	84,784	60,487	4,433	944	21,816	33,294	24,435
38	*1- to 4-family residences*	*80,394*	*80,265*	*57,201*	*3,992*	*845*	*20,639*	*31,726*	*23,193*
39	FHA-insured or VA-guaranteed	7,956	7,919	6,859	611	49	3,670	2,529	1,097
40	Conventional	72,438	72,346	50,342	3,381	797	16,968	29,196	22,096
41	*Multifamily residences*	*4,528*	*4,519*	*3,286*	*441*	*99*	*1,178*	*1,568*	*1,242*
42	FHA-insured	388	387	323	122	25	95	82	64
43	Conventional	4,140	4,132	2,963	320	74	1,083	1,486	1,177
44	Secured by other properties	41,195	41,144	28,206	2,169	509	9,311	16,216	12,989
45	*Loans to financial institutions*	*42,427*	*35,738*	*33,760*	*12,048*	*4,383*	*14,349*	*2,981*	*8,666*
46	To REIT's and mortgage companies	9,982	9,855	9,516	3,496	1,301	4,045	674	466
47	To domestic commercial banks	4,531	2,774	2,196	606	127	1,126	337	2,335
48	To banks in foreign countries	10,880	6,617	6,487	3,022	290	2,717	457	4,393
49	To other depositary institutions	1,482	1,340	1,173	163	24	789	198	309
50	To other financial institutions	15,552	15,151	14,389	4,761	2,641	5,672	1,315	1,164
51	Loans to security brokers and dealers	11,420	11,075	10,793	6,900	1,417	2,267	209	627
52	Other loans to purch./carry securities	4,032	4,015	3,329	336	317	1,701	975	703
53	Loans to farmers—except real estate	23,282	23,259	12,971	128	149	3,028	9,667	10,311
54	Commercial and industrial loans	182,920	177,128	145,849	37,893	11,018	55,108	41,830	37,071
55	Loans to individuals	118,408	118,051	82,896	6,003	1,820	29,066	46,005	35,512
56	*Instalment loans*	*94,078*	*93,751*	*65,619*	*4,428*	*1,040*	*23,385*	*36,766*	*28,458*
57	Passenger automobiles	39,862	39,588	25,641	790	136	7,397	17,318	14,221
58	Residential-repair/modernize	6,523	6,522	4,589	324	55	1,808	2,403	1,933
59	Credit cards and related plans	14,358	14,353	12,675	1,649	669	6,935	3,422	1,683
60	Charge-account credit cards	11,317	11,317	10,172	1,186	637	5,731	2,618	1,146
61	Check and revolving credit plans	3,041	3,036	2,504	463	33	1,205	803	537
62	Other retail consumer goods	15,937	15,930	10,974	327	73	3,886	6,689	4,963
63	Mobile homes	8,743	8,742	6,217	173	28	2,231	3,785	2,525
64	Other	7,195	7,189	4,757	154	44	1,654	2,904	2,438
65	Other instalment loans	17,397	17,358	11,739	1,338	106	3,360	6,935	5,658
66	Single-payment loans to individuals	24,330	24,300	17,276	1,575	781	5,681	9,239	7,054
67	All other loans	14,732	14,405	12,267	2,741	855	5,533	3,137	2,466
68	**Total loans and securities, net**	**827,742**	**809,050**	**607,089**	**97,344**	**31,009**	**221,810**	**256,927**	**220,653**
69	Direct lease financing	5,111	5,111	4,865	1,088	129	2,910	738	246
70	Fixed assets—Buildings, furniture, real estate	19,539	19,448	14,616	1,949	662	5,680	6,325	4,923
71	Investment in unconsolidated subsidiaries	2,341	2,303	2,272	1,000	206	978	89	68
72	Customer acceptances outstanding	9,505	9,147	8,758	4,125	177	4,169	288	747
73	Other assets	30,498	29,384	26,355	9,322	1,651	11,257	4,126	4,142
74	**Total assets**	**1,030,811**	**1,004,020**	**772,890**	**144,323**	**37,767**	**287,274**	**303,526**	**257,922**

For notes see opposite page.

1.26 Continued◀

Liability or capital account	All commercial banks	Insured commercial banks	Member banks[1] Total	Large banks: New York City	Large banks: City of Chicago	Large banks: Other large	All other	Nonmember banks[1]
75 **Demand deposits**	**336,800**	**332,283**	**260,090**	**60,201**	**10,267**	**92,746**	**96,876**	**76,711**
76 Mutual savings banks	1,684	1,385	1,254	624	2	268	360	430
77 Other individuals, partnerships, and corporations	255,433	254,221	192,616	32,600	7,552	72,262	80,201	62,818
78 U.S. Govt.	3,025	3,020	2,103	134	41	669	1,259	921
79 States and political subdivisions	17,715	17,648	12,071	645	125	3,568	7,733	5,644
80 Foreign governments, central banks, etc.	2,414	1,846	1,813	1,365	35	387	26	601
81 Commercial banks in United States	36,256	35,926	34,679	16,412	2,022	11,852	4,394	1,577
82 Banks in foreign countries	7,410	6,761	6,512	5,345	174	862	132	898
83 Certified and officers' checks, etc.	12,864	11,475	9,041	3,076	318	2,878	2,769	3,822
84 **Time deposits**	**298,276**	**289,949**	**212,936**	**33,842**	**12,151**	**73,759**	**93,183**	**85,340**
85 Accumulated for personal loan payments	146	146	118	....	....	10	108	28
86 Mutual savings banks	339	317	296	145	6	125	20	43
87 Other individuals, partnerships, and corporations	233,964	228,522	166,393	25,005	8,745	56,289	76,354	67,571
88 U.S. Govt.	675	675	514	66	27	205	216	161
89 States and political subdivisions	44,165	43,885	30,407	1,203	861	12,835	15,508	13,758
90 Foreign governments, central banks, etc.	10,044	8,481	8,218	4,574	1,408	2,185	52	1,827
91 Commercial banks in United States	7,139	6,709	5,858	2,148	1,011	1,878	820	1,281
92 Banks in foreign countries	1,803	1,213	1,132	702	94	231	106	670
93 **Savings deposits**	**203,251**	**202,770**	**145,835**	**11,157**	**2,983**	**54,407**	**77,288**	**57,416**
94 Individuals and nonprofit organizations	188,391	187,922	134,596	10,209	2,782	49,570	72,036	53,795
95 Corporations and other profit organizations	8,642	8,633	6,420	480	175	2,761	3,003	2,222
96 U.S. Govt.	6,103	6,100	4,719	388	25	2,060	2,245	1,384
97 All other	115	114	100	79	....	16	4	15
98 **Total deposits**	**838,328**	**825,002**	**618,860**	**105,200**	**25,401**	**220,912**	**267,347**	**219,468**
99 **Federal funds purchased and securities sold under agreements to repurchase**	**72,847**	**70,188**	**66,899**	**15,000**	**8,643**	**34,537**	**8,719**	**5,948**
100 Commercial banks	42,819	40,613	39,195	6,523	7,241	20,844	4,587	3,624
101 Brokers and dealers	5,603	5,577	5,345	949	29	3,651	716	258
102 Others	24,425	23,998	22,360	7,529	1,373	10,041	3,416	2,066
103 Other liabilities for borrowed money	7,304	5,120	4,840	2,500	49	1,919	372	2,464
104 Mortgage indebtedness	776	774	548	66	15	271	196	227
105 Bank acceptances outstanding	10,118	9,755	9,366	4,714	177	4,186	288	752
106 Other liabilities	23,389	16,013	13,772	4,539	805	5,298	3,129	9,617
107 **Total liabilities**	**952,761**	**926,852**	**714,285**	**132,020**	**35,091**	**267,122**	**280,052**	**238,476**
108 Subordinated notes and debentures	5,161	5,098	4,082	1,124	83	1,823	1,053	1,079
109 **Equity capital**	**72,889**	**72,070**	**54,522**	**11,179**	**2,593**	**18,329**	**22,421**	**18,366**
110 Preferred stock	73	67	25	....	....	2	23	48
111 Common stock	16,238	16,143	11,882	2,453	570	3,818	5,041	4,356
112 Surplus	29,205	28,791	21,407	4,229	1,243	7,655	8,280	7,798
113 Undivided profits	25,505	25,266	19,929	4,406	728	6,422	8,373	5,575
114 Other capital reserves	1,868	1,803	1,279	91	52	432	705	589
115 **Total liabilities and equity capital**	**1,030,811**	**1,004,020**	**772,890**	**144,323**	**37,767**	**287,274**	**303,526**	**257,922**
MEMO ITEMS:								
116 Demand deposits adjusted[2]	249,146	245,076	176,787	26,996	6,167	60,288	83,336	72,359
Average for last 15 or 30 days:								
117 Cash and due from bank	129,797	125,226	106,860	29,510	4,372	39,824	33,154	22,936
118 Federal funds sold and securities purchased under agreements to resell	48,860	45,794	35,440	2,307	1,425	17,825	13,883	13,420
119 Total loans	529,177	515,977	394,113	73,976	21,349	143,957	154,831	135,064
120 Time deposits of $100,000 or more	139,381	132,893	109,644	28,517	9,682	43,372	28,073	29,736
121 Total deposits	816,113	803,019	600,420	98,932	24,869	213,361	263,259	215,693
122 Federal funds purchased and securities sold under agreements to repurchase	80,161	77,949	74,703	20,453	9,340	35,775	9,135	5,458
123 Other liabilities for borrowed money	6,936	4,686	4,396	2,165	53	1,842	335	2,540
124 Standby letters of credit outstanding	13,493	12,969	11,340	6,494	921	3,162	762	2,153
125 Time deposits of $100,000 or more	141,153	135,031	111,415	28,795	9,582	44,546	28,492	29,738
126 Certificates of deposit	117,258	113,275	92,891	24,451	8,276	35,878	24,285	24,368
127 Other time deposits	23,895	21,756	18,524	4,344	1,306	8,668	4,207	5,371
128 Number of banks	14,672	14,397	5,758	12	9	154	5,583	8,914

◀ Data for insured commercial banks for Sept. 30, 1976, appear on pp. A-70 and A-71.

1 Member banks exclude and nonmember banks include 8 noninsured trust companies that are members of the Federal Reserve System, and member banks exclude 2 national banks outside the continental United States.

2 Demand deposits adjusted are demand deposits other than domestic commercial interbank and U.S. Govt., less cash items reported as in process of collection.

NOTE.—Data include consolidated reports, including figures for all bank-premises subsidiaries and other significant majority-owned domestic subsidiaries. Securities are reported on a gross basis before deductions of valuation reserves. Holdings by type of security will be reported as soon as they become available.

Back data in lesser detail were shown in previous BULLETINS. Details may not add to totals because of rounding.

1.27 ALL LARGE WEEKLY REPORTING COMMERCIAL BANKS Assets and Liabilities

Millions of dollars, Wednesday figures

Account	1977							
	Apr. 6	Apr. 13	Apr. 20	Apr. 27	May 4	May 11	May 18	May 25
1 **Total loans and investments**	**421,508**	**416,608**	**417,691**	**413,848**	**417,810**	**416,589**	**418,864**	**417,430**
Loans:								
2 *Federal funds sold*[1]	*27,804*	*23,622*	*22,015*	*20,737*	*22,471*	*20,626*	*22,221*	*22,297*
3 To commercial banks	18,622	17,392	17,488	16,637	18,378	15,941	17,216	16,840
To brokers and dealers involving—								
4 U.S. Treasury securities	6,226	4,143	2,517	2,284	2,130	2,589	2,805	3,334
5 Other securities	1,133	679	538	414	505	488	431	346
6 To others	1,823	1,408	1,472	1,402	1,458	1,608	1,769	1,777
7 *Other, gross*	*290,470*	*290,674*	*290,555*	*290,663*	*292,452*	*292,498*	*293,685*	*292,717*
8 Commercial and industrial	117,285	117,416	117,555	117,647	117,998	117,928	117,752	117,620
9 Agricultural	4,300	4,336	4,368	4,384	4,435	4,483	4,521	4,541
For purchasing or carrying securities:								
To brokers and dealers:								
10 U.S. Treasury securities	2,756	2,269	1,284	1,382	1,141	1,171	1,661	1,720
11 Other securities	8,043	7,852	8,648	7,999	8,458	8,406	8,928	8,178
To others:								
12 U.S. Treasury securities	82	81	97	97	96	95	98	92
13 Other securities	2,492	2,535	2,503	2,489	2,484	2,493	2,525	2,519
To nonbank financial institutions:								
14 Personal and sales finance cos., etc.	7,230	7,284	7,202	7,222	7,538	7,482	7,408	7,389
15 Other	15,771	15,768	15,776	15,785	15,872	15,789	15,786	15,594
16 Real estate	65,005	65,151	65,302	65,424	65,539	65,768	65,957	66,072
To commercial banks:								
17 Domestic	2,112	2,220	1,896	2,014	1,944	1,978	1,953	1,880
18 Foreign	5,383	5,667	5,497	5,505	5,626	5,735	5,743	5,616
19 Consumer instalment	39,805	39,967	40,117	40,378	40,526	40,676	40,812	41,053
20 Foreign governments, official institutions, etc.	1,704	1,745	1,653	1,662	1,615	1,641	1,626	1,584
21 All other loans	18,502	18,383	18,657	18,675	19,180	18,853	18,915	18,859
22 LESS: Loan loss reserve and unearned income on loans	8,600	8,658	8,708	8,728	8,739	8,828	8,880	8,908
23 *Other loans, net*	*281,870*	*282,016*	*281,847*	*281,935*	*283,713*	*283,670*	*284,805*	*283,809*
Investments:								
24 *U.S. Treasury securities*	*51,488*	*50,241*	*50,369*	*47,696*	*48,413*	*48,713*	*48,390*	*47,673*
25 Bills	11,663	10,449	10,287	7,597	8,254	8,703	8,880	8,361
Notes and bonds, by maturity:								
26 Within 1 year	8,425	8,427	8,502	8,382	8,295	8,327	8,467	8,356
27 1 to 5 years	27,215	27,170	27,291	27,495	27,597	27,536	26,864	26,797
28 After 5 years	4,185	4,195	4,289	4,222	4,267	4,147	4,179	4,159
29 *Other securities*	*60,346*	*60,729*	*63,460*	*63,480*	*63,213*	*63,580*	*63,448*	*63,651*
Obligations of States and political subdivisions:								
30 Tax warrants, short-term notes, and bills	6,169	6,649	8,937	8,922	8,793	9,139	8,748	8,724
31 All other	40,712	40,638	40,699	40,817	40,816	40,891	40,947	41,142
Other bonds, corporate stocks, and securities:								
32 Certificates of participation[2]	2,178	2,107	2,162	2,175	2,178	2,086	2,060	2,114
33 All other, including corporate stocks	11,287	11,335	11,662	11,566	11,426	11,464	11,693	11,671
34 Cash items in process of collection	37,447	37,522	37,433	35,856	40,013	35,088	40,525	35,813
35 Reserves with F.R. Banks	12,783	21,580	19,493	21,402	23,544	20,998	19,038	17,261
36 Currency and coin	5,211	6,027	5,939	6,083	5,285	5,820	5,770	5,947
37 Balances with domestic banks	12,520	12,609	12,664	12,396	12,923	11,828	12,898	13,054
38 Investments in subsidiaries not consolidated	2,573	2,584	2,609	2,608	2,618	2,641	2,684	2,689
39 Other assets	53,544	53,839	52,564	52,997	53,957	53,562	52,512	53,101
40 **Total assets/total liabilities**	**545,586**	**550,769**	**548,393**	**545,190**	**556,150**	**546,526**	**552,291**	**545,295**
Deposits:								
41 *Demand deposits*	*176,422*	*176,531*	*176,414*	*173,317*	*175,034*	*166,628*	*173,809*	*168,388*
42 Individuals, partnerships, and corporations	127,687	130,418	128,207	125,598	124,046	122,621	125,296	121,511
43 States and political subdivisions	5,912	6,080	5,986	6,205	6,729	5,751	5,844	5,896
44 U.S. Govt.	1,796	1,511	3,523	4,881	3,074	1,670	2,350	1,814
Domestic interbank:								
45 Commercial	25,451	24,679	24,785	22,780	25,461	23,072	25,136	24,188
46 Mutual savings	968	868	850	804	944	816	828	783
Foreign:								
47 Governments, official institutions, etc.	1,090	1,062	1,039	988	1,357	1,013	1,379	1,103
48 Commercial banks	5,628	5,626	5,444	5,818	5,765	5,679	5,788	5,689
49 Certified and officers' checks	7,890	6,287	6,580	6,243	7,658	6,006	7,188	7,404
50 *Time and savings deposits*[3]	*233,858*	*232,731*	*231,776*	*231,856*	*232,665*	*234,393*	*235,143*	*235,910*
51 Savings[4]	95,398	95,034	94,687	94,681	94,906	95,007	94,890	94,606
Time:								
52 Individuals, partnerships, and corporations	105,392	104,813	104,271	104,271	104,870	105,774	106,192	107,026
53 States and political subdivisions	19,597	19,717	19,687	19,908	19,823	20,198	20,340	20,644
54 Domestic interbank	5,125	4,890	4,729	4,624	4,564	4,596	4,567	4,518
55 Foreign govts., official institutions, etc.	6,927	6,845	6,943	6,940	7,080	7,375	7,665	7,573
56 Federal funds purchased, etc.[5]	65,164	71,850	70,894	69,285	77,029	73,927	71,647	68,359
Borrowings from:								
57 F.R. Banks	8	16	28	423	68	261	138	339
58 Others	4,063	3,565	3,412	3,438	3,333	3,268	3,507	3,850
59 Other liabilities, etc.[6]	24,023	24,011	23,829	24,783	25,718	25,702	25,638	26,005
60 Total equity capital and subordinated notes/debentures[7]	42,048	42,065	42,040	42,088	42,303	42,347	42,409	42,444

1 Includes securities purchased under agreements to resell.

2 Federal agencies only.

3 Includes time deposits of U.S. Govt. and of foreign banks, which are not shown separately.

4 For amounts of these deposits by ownership categories, see Table 1.30.

5 Includes securities sold under agreements to repurchase.

6 Includes minority interest in consolidated subsidiaries and deferred tax portion of reserves for loans.

7 Includes reserves for securities and contingency portion of reserves for loans.

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

Millions of dollars, Wednesday figures

	Account	1977							
		Apr. 6	Apr. 13	Apr. 20	Apr. 27	May 4	May 11	May 18	May 25
1	**Total loans and investments**	**89,454**	**88,857**	90,949	**89,395**	**90,567**	**91,057**	**93,020**	**91,386**
	Loans:								
2	*Federal funds sold* [1]	*2,123*	*2,591*	*2,922*	*3,213*	*3,298*	*3,489*	*4,421*	*3,860*
3	To commercial banks	1,236	1,512	1,797	2,173	2,362	2,021	2,773	2,357
	To brokers and dealers involving—								
4	U.S. Treasury securities	439	586	527	516	412	851	915	800
5	Other securities	....	....	....	....	....	....	....	....
6	To others	448	493	598	524	524	617	733	703
7	*Other, gross*	*68,375*	*68,098*	*67,275*	*66,897*	*66,941*	*66,858*	*67,457*	*67,001*
8	Commercial and industrial	34,074	33,847	33,750	33,543	33,505	33,326	33,230	33,222
9	Agricultural	120	123	126	128	135	134	136	138
	For purchasing or carrying securities:								
	To brokers and dealers:								
10	U.S. Treasury securities	2,354	2,012	1,027	1,160	922	953	1,424	1,503
11	Other securities	4,460	4,305	4,946	4,422	4,440	4,412	4,963	4,387
	To others:								
12	U.S. Treasury securities	11	10	25	25	25	25	25	24
13	Other securities	367	368	340	340	344	345	348	347
	To nonbank financial institutions:								
14	Personal and sales finance cos., etc.	2,377	2,386	2,278	2,357	2,512	2,497	2,340	2,374
15	Other	5,065	5,034	5,049	5,043	5,135	5,081	5,041	5,020
16	Real estate	8,875	8,841	8,823	8,806	8,736	8,779	8,772	8,788
	To commercial banks:								
17	Domestic	561	848	540	610	557	685	598	606
18	Foreign	2,338	2,568	2,428	2,455	2,479	2,594	2,591	2,593
19	Consumer instalment	3,974	4,002	4,009	4,017	4,031	4,041	4,060	4,069
20	Foreign governments, official institutions, etc.	391	435	383	388	357	389	369	356
21	All other loans	3,408	3,319	3,551	3,603	3,763	3,597	3,560	3,574
22	LESS: Loan loss reserve and unearned income on loans	1,571	1,592	1,597	1,592	1,610	1,642	1,652	1,648
23	*Other loans, net*	*66,804*	*66,506*	*65,678*	*65,305*	*65,331*	*65,216*	*65,805*	*65,353*
	Investments:								
24	*U.S. Treasury securities*	*12,095*	*11,201*	*11,913*	*10,528*	*11,663*	*11,939*	*12,327*	*11,712*
25	Bills	3,107	2,447	3,229	1,633	2,988	3,428	3,824	3,253
	Notes and bonds, by maturity:								
26	Within 1 year	875	894	898	891	843	910	1,149	1,040
27	1 to 5 years	7,035	6,866	6,815	7,008	6,925	6,791	6,532	6,511
28	After 5 years	1,078	994	971	996	907	810	822	908
29	*Other securities*	*8,432*	*8,559*	*10,436*	*10,349*	*10,275*	*10,413*	*10,467*	*10,461*
	Obligations of States and political subdivisions:								
30	Tax warrants, short-term notes, and bills	815	863	2,494	2,504	2,397	2,563	2,503	2,482
31	All other	5,963	6,049	6,025	5,999	6,041	6,053	6,087	6,140
	Other bonds, corporate stocks, and securities:								
32	Certificates of participation [2]	213	213	215	215	244	214	213	212
33	All other, including corporate stocks	1,441	1,434	1,702	1,631	1,593	1,583	1,664	1,627
34	Cash items in process of collection	12,795	11,675	11,668	11,539	13,368	10,984	14,804	12,851
35	Reserves with F.R. Banks	2,406	6,533	4,324	4,160	6,256	5,514	4,543	4,067
36	Currency and coin	839	919	945	944	885	919	877	865
37	Balances with domestic banks	5,408	5,930	5,813	5,623	5,860	5,394	5,914	6,333
38	Investments in subsidiaries not consolidated	1,198	1,213	1,242	1,241	1,244	1,268	1,267	1,284
39	Other assets	18,548	18,968	17,770	17,967	19,055	18,761	18,377	18,744
40	**Total assets/total liabilities**	**130,648**	**134,095**	**132,711**	**130,869**	**137,235**	**133,897**	**138,802**	**135,530**
	Deposits:								
41	*Demand deposits*	*49,050*	*48,343*	*48,050*	*47,230*	*49,421*	*45,651*	*50,507*	*48,625*
42	Individuals, partnerships, and corporations	27,728	27,846	27,602	27,558	26,874	26,208	27,932	26,140
43	States and political subdivisions	457	527	527	501	555	477	566	514
44	U.S. Govt	128	165	583	749	550	259	424	305
	Domestic interbank:								
45	Commercial	11,089	11,588	11,098	10,227	11,557	10,548	12,260	11,945
46	Mutual savings	520	467	433	417	463	412	422	403
	Foreign:								
47	Governments, official institutions, etc.	865	844	795	672	1,113	784	1,139	871
48	Commercial banks	4,199	4,181	4,161	4,419	4,331	4,328	4,351	4,335
49	Certified and officers' checks	4,064	2,725	2,851	2,687	3,978	2,635	3,413	4,112
50	*Time and savings deposits* [3]	*41,570*	*41,044*	*40,893*	*40,796*	*41,618*	*42,219*	*42,654*	*42,670*
51	Savings [4]	10,924	10,892	10,907	10,934	10,929	10,943	10,918	10,841
	Time:								
52	Individuals, partnerships, and corporations	22,820	22,499	22,361	22,311	22,681	22,999	23,102	23,186
53	States and political subdivisions	1,277	1,276	1,305	1,324	1,467	1,474	1,504	1,514
54	Domestic interbank	2,045	1,988	1,967	1,891	1,875	1,867	1,803	1,760
55	Foreign govts., official institutions, etc.	3,738	3,625	3,556	3,559	3,894	4,142	4,488	4,487
56	Federal funds purchased, etc. [5]	15,779	20,589	19,810	18,158	21,436	21,510	20,953	18,638
	Borrowings from:								
57	F.R. Banks	....	....	....	240	15	175	....	190
58	Others	1,861	1,565	1,427	1,429	1,284	1,211	1,438	1,589
59	Other liabilities, etc. [6]	10,440	10,612	10,605	11,077	11,496	11,140	11,266	11,828
60	Total equity capital and subordinated notes/debentures [7]	11,948	11,942	11,926	11,939	11,965	11,991	11,984	11,990

1 Includes securities purchased under agreements to resell.
2 Federal agencies only.
3 Includes time deposits of U.S. Govt. and of foreign banks, which are not shown separately.
4 For amounts of these deposits by ownership categories, see Table 1.30.
5 Includes securities sold under agreements to repurchase.
6 Includes minority interest in consolidated subsidiaries and deferred tax portion of reserves for loans.
7 Includes reserves for securities and contingency portion of reserves for loans.

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

Millions of dollars, Wednesday figures

Account	1977							
	Apr. 6	Apr. 13	Apr. 20	Apr. 27	May 4	May 11	May 18	May 25
1 **Total loans and investments**	**332,054**	**327,751**	**326,742**	**324,453**	**327,243**	**325,532**	**325,844**	**326,044**
Loans:								
2 *Federal funds sold*[1]	*25,681*	*21,031*	*19,093*	*17,524*	*19,173*	*17,137*	*17,800*	*18,437*
3 To commercial banks	17,386	15,880	15,691	14,464	16,016	13,920	14,443	14,483
To brokers and dealers involving—								
4 U.S. Treasury securities	5,787	3,557	1,990	1,768	1,718	1,738	1,890	2,534
5 Other securities	1,133	679	538	414	505	488	431	346
6 To others	1,375	915	874	878	934	991	1,036	1,074
7 *Other, gross*	*222,095*	*222,576*	*223,280*	*223,766*	*225,511*	*225,640*	*226,228*	*225,716*
8 Commercial and industrial	83,211	83,569	83,805	84,104	84,493	84,602	84,522	84,398
9 Agricultural	4,180	4,213	4,242	4,256	4,300	4,349	4,385	4,403
For purchasing or carrying securities:								
To brokers and dealers:								
10 U.S. Treasury securities	402	257	257	222	219	218	237	217
11 Other securities	3,583	3,547	3,702	3,577	4,018	3,994	3,965	3,791
To others:								
12 U.S. Treasury securities	71	71	72	72	71	70	73	68
13 Other securities	2,125	2,167	2,163	2,149	2,140	2,148	2,177	2,172
To nonbank financial institutions:								
14 Personal and sales finance cos., etc.	4,853	4,898	4,924	4,865	5,026	4,985	5,068	5,015
15 Other	10,706	10,734	10,727	10,742	10,737	10,708	10,745	10,574
16 Real estate	56,130	56,310	56,479	56,618	56,803	56,989	57,185	57,284
To commercial banks:								
17 Domestic	1,551	1,372	1,356	1,404	1,387	1,293	1,355	1,274
18 Foreign	3,045	3,099	3,069	3,050	3,147	3,141	3,152	3,023
19 Consumer instalment	35,831	35,965	36,108	36,361	36,495	36,635	36,752	36,984
20 Foreign governments, official institutions, etc.	1,313	1,310	1,270	1,274	1,258	1,252	1,257	1,228
21 All other loans	15,094	15,064	15,106	15,072	15,417	15,256	15,355	15,285
22 LESS: Loan reserve and unearned income on loans	7,029	7,066	7,111	7,136	7,129	7,186	7,228	7,260
23 *Other loans, net*	*215,066*	*215,510*	*216,169*	*216,630*	*218,382*	*218,454*	*219,000*	*218,456*
Investments:								
24 *U.S. Treasury securities*	*39,393*	*39,040*	*38,456*	*37,168*	*36,750*	*36,774*	*36,063*	*35,961*
25 Bills	8,556	8,002	7,058	5,964	5,266	5,275	5,056	5,108
Notes and bonds, by maturity:								
26 Within 1 year	7,550	7,533	7,604	7,491	7,452	7,417	7,318	7,316
27 1 to 5 years	20,180	20,304	20,476	20,487	20,672	20,745	20,332	20,286
28 After 5 years	3,107	3,201	3,318	3,226	3,360	3,337	3,357	3,251
29 *Other securities*	*51,914*	*52,170*	*53,024*	*53,131*	*52,938*	*53,167*	*52,981*	*53,190*
Obligations of States and political subdivisions:								
30 Tax warrants, short-term notes, and bills	5,354	5,786	6,443	6,418	6,396	6,576	6,245	6,242
31 All other	34,749	34,589	34,674	34,818	34,775	34,838	34,860	35,002
Other bonds, corporate stocks, and securities:								
32 Certificates of participation[2]	1,965	1,894	1,947	1,960	1,934	1,872	1,847	1,902
33 All other, including corporate stocks	9,846	9,901	9,960	9,935	9,833	9,881	10,029	10,044
34 Cash items in process of collection	24,652	25,847	25,765	24,317	26,645	24,104	25,721	22,962
35 Reserves with F. R. Banks	10,377	15,047	15,169	17,242	17,288	15,484	14,495	13,194
36 Currency and coin	4,372	5,108	4,994	5,139	4,400	4,901	4,893	5,082
37 Balances with domestic banks	7,112	6,679	6,851	6,773	7,063	6,434	6,984	6,721
38 Investments in subsidiaries not consolidated	1,375	1,371	1,367	1,367	1,374	1,373	1,417	1,405
39 Other assets	34,996	34,871	34,794	35,030	34,902	34,801	34,135	34,357
40 **Total assets/total liabilities**	**414,938**	**416,674**	**415,682**	**414,321**	**418,915**	**412,629**	**413,489**	**409,765**
Deposits:								
41 *Demand deposits*	*127,372*	*128,188*	*128,364*	*126,087*	*125,613*	*120,977*	*123,302*	*119,763*
42 Individuals, partnerships, and corporations	99,959	102,572	100,605	98,040	97,172	96,413	97,364	95,371
43 States and political subdivisions	5,455	5,553	5,459	5,704	6,174	5,274	5,278	5,382
44 U.S. Govt	1,668	1,346	2,940	4,132	2,524	1,411	1,926	1,509
Domestic interbank:								
45 Commercial	14,362	13,091	13,687	12,553	13,904	12,524	12,876	12,243
46 Mutual savings	448	401	417	387	481	404	406	380
Foreign:								
47 Governments, official institutions, etc.	225	218	244	316	244	229	240	232
48 Commercial banks	1,429	1,445	1,283	1,399	1,434	1,351	1,437	1,354
49 Certified and officers' checks	3,826	3,562	3,729	3,556	3,680	3,371	3,775	3,292
50 *Time and savings deposits*[3]	*192,288*	*191,687*	*190,883*	*191,060*	*191,047*	*192,174*	*192,489*	*193,240*
51 Savings[4]	84,474	84,142	83,780	83,747	83,977	84,064	83,972	83,765
Time:								
52 Individuals, partnerships, and corporations	82,572	82,314	81,910	81,960	82,189	82,775	83,090	83,840
53 States and political subdivisions	18,320	18,441	18,382	18,584	18,356	18,724	18,836	19,130
54 Domestic interbank	3,080	2,902	2,762	2,733	2,689	2,729	2,764	2,758
55 Foreign govts., official institutions, etc.	3,189	3,220	3,387	3,381	3,186	3,233	3,177	3,086
56 Federal funds purchased, etc.[5]	49,385	51,261	51,084	51,127	55,593	52,417	50,694	49,721
Borrowings from:								
57 F. R. Banks	8	16	28	183	53	86	138	149
58 Others	2,202	2,000	1,985	2,009	2,049	2,057	2,069	2,261
59 Other liabilities, etc.[6]	13,583	13,399	13,224	13,706	14,222	14,562	14,372	14,177
60 Total equity capital and subordinated notes/debentures[7]	30,100	30,123	30,114	30,149	30,338	30,356	30,425	30,454

1 Includes securities purchased under agreements to resell.
2 Federal agencies only.
3 Includes time deposits of U.S. Govt. and of foreign banks, which are not shown separately.
4 For amounts of these deposits by ownership categories, see Table 1.30.
5 Includes securities sold under agreements to repurchase.
6 Includes minority interest in consolidated subsidiaries and deferred tax portion of reserves for loans.
7 Includes reserves for securities and contingency portion of reserves for loans.

1.30 LARGE WEEKLY REPORTING COMMERCIAL BANKS Balance Sheet Memoranda

Millions of dollars, Wednesday figures

	Account and bank group	1977							
		Apr. 6	Apr. 13	Apr. 20	Apr. 27	May 4	May 11	May 18	May 25
	Total loans (gross) and investments, adjusted[1]								
1	*Large banks*	409,374	405,654	407,015	403,925	406,227	407,498	408,575	407,618
2	New York City banks	89,228	88,089	90,209	88,204	89,258	89,993	91,301	90,071
3	Banks outside New York City	320,146	317,565	316,806	315,721	316,969	317,505	317,274	317,547
	Total loans (gross), adjusted								
4	*Large banks*	297,540	294,684	293,186	292,749	294,601	295,205	296,737	296,294
5	New York City banks	68,701	68,329	67,860	67,327	67,320	67,641	68,507	67,898
6	Banks outside New York City	228,839	226,355	225,326	225,422	227,281	227,564	228,230	228,396
	Demand deposits, adjusted[2]								
7	*Large banks*	111,728	112,819	110,673	109,800	106,486	106,798	105,798	106,573
8	New York City banks	25,038	24,915	24,701	24,715	23,946	23,860	23,019	23,524
9	Banks outside New York City	86,690	87,904	85,972	85,085	82,540	82,938	82,779	83,049
	Large negotiable time CD's included in time and savings deposits[3]								
	Total:								
10	Large banks	60,805	59,947	59,344	59,245	59,647	60,909	61,547	62,362
11	New York City	20,307	19,843	19,684	19,606	20,359	20,961	21,299	21,368
12	Banks outside New York City	40,498	40,104	39,660	39,639	39,288	39,948	40,248	40,994
	Issued to IPC's:								
13	*Large banks*	39,804	39,234	38,774	38,645	38,925	39,644	39,942	40,717
14	New York City Banks	13,859	13,562	13,441	13,381	13,642	13,978	14,016	14,128
15	Banks outside New York City	25,945	25,672	25,333	25,264	25,283	25,666	25,926	26,589
	Issued to others:								
16	*Large banks*	21,001	20,713	20,570	20,600	20,722	21,265	21,605	21,645
17	New York City banks	6,448	6,281	6,243	6,225	6,717	6,983	7,283	7,240
18	Banks outside New York City	14,553	14,432	14,327	14,375	14,005	14,282	14,322	14,405
	All other large time deposits[4]								
	Total:								
19	Large banks	25,337	25,472	25,392	25,493	25,549	25,653	25,792	26,029
20	New York City banks	5,213	5,170	5,115	5,070	5,160	5,020	5,108	5,132
21	Banks outside New York City	20,124	20,302	20,277	20,423	20,389	20,633	20,684	20,897
	Issued to IPC's:								
22	*Large banks*	14,021	14,041	13,911	13,945	14,098	14,033	14,101	14,162
23	New York City banks	3,879	3,827	3,790	3,785	3,915	3,777	3,814	3,794
24	Banks outside New York City	10,142	10,214	10,121	10,160	10,183	10,256	10,287	10,368
	Issued to others:								
25	*Large banks*	11,316	11,431	11,481	11,548	11,451	11,620	11,691	11,867
26	New York City banks	1,334	1,343	1,325	1,285	1,245	1,243	1,294	1,338
27	Banks outside New York City	9,982	10,088	10,156	10,263	10,206	10,377	10,397	10,529
	Savings deposits, by ownership category								
	Individuals and nonprofit organizations:								
28	*Large banks*	87,870	87,458	86,976	86,984	87,272	87,406	87,265	87,101
29	New York City banks	9,873	9,848	9,802	9,815	9,798	9,820	9,783	9,752
30	Banks outside New York City	77,997	77,610	77,174	77,169	77,474	77,586	77,482	77,349
	Partnerships and corporations for profit:[5]								
31	*Large banks*	5,029	5,024	5,000	5,030	5,032	5,039	5,071	5,093
32	New York City banks	560	561	564	568	576	577	569	570
33	Banks outside New York City	4,469	4,463	4,436	4,462	4,456	4,462	4,502	4,523
	Domestic governmental units:								
34	*Large banks*	2,395	2,453	2,622	2,581	2,522	2,493	2,478	2,357
35	New York City banks	414	409	480	492	504	504	513	484
36	Banks outside New York City	1,981	2,044	2,142	2,089	2,018	1,989	1,965	1,873
	All other:[6]								
37	*Large banks*	104	99	89	86	80	69	76	55
38	New York City banks	77	74	61	59	51	42	53	35
39	Banks outside New York City	27	25	28	27	29	27	23	20
	Gross liabilities of banks to their foreign branches								
40	*Large banks*	2,878	3,371	3,375	3,292	3,372	3,580	4,005	3,716
41	New York City banks	1,914	2,309	2,458	2,234	2,258	2,423	2,512	2,152
42	Banks outside New York City	964	1,062	917	1,058	1,114	1,157	1,493	1,564
	Loans sold outright to selected institutions by all large banks[7]								
43	Commercial and industrial	2,707	2,745	2,728	2,759	2,721	2,735	2,733	2,758
44	Real estate	226	213	212	212	213	210	201	216
45	All other	1,126	1,127	1,076	1,053	1,001	983	972	991

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

2 All demand deposits except U.S. Govt. and domestic commercial banks, less cash items in process of collection.

3 Certificates of deposit (CD's) issued in denominations of $100,000 or more.

4 All other time deposits issued in denominations of $100,000 or more (not included in large negotiable CD's).

5 Other than commercial banks.

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

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

1.31 LARGE WEEKLY REPORTING COMMERCIAL BANKS Commercial and Industrial Loans

Millions of dollars

Industry group	Outstanding					Net change during—				
	1977					1976	1977			
	Apr. 27	May 4	May 11	May 18	May 25	Q4	I	Mar.	Apr.	May
	Total loans classified[2]									
1 **Total**	**95,990**	**96,337**	**96,337**	**96,015**	**95,855**	**4,041**	**−916**	**616**	**196**	**−135**
Durable goods manufacturing:										
2 Primary metals	2,413	2,422	2,432	2,422	2,406	138	377	40	−164	−7
3 Machinery	4,783	4,787	4,844	4,792	4,748	41	108	136	17	−35
4 Transportation equipment	2,381	2,363	2,371	2,382	2,416	−180	74	107	77	35
5 Other fabricated metal products	1,907	1,924	1,913	1,911	1,889	22	181	116	16	−18
6 Other durable goods	3,454	3,497	3,515	3,492	3,439	−249	90	156	110	−15
Nondurable goods manufacturing:										
7 Food, liquor, and tobacco	3,286	3,220	3,206	3,267	3,285	128	−151	−20	−63	−1
8 Textiles, apparel, and leather	3,515	3,585	3,634	3,626	3,626	−504	381	132	138	111
9 Petroleum refining	2,419	2,463	2,498	2,507	2,487	120	−305	−186	83	68
10 Chemicals and rubber	2,774	2,767	2,755	2,742	2,725	18	131	113	85	−49
11 Other nondurable goods	2,042	2,040	2,074	2,070	2,055	14	147	84	−2	13
12 Mining, including crude petroleum and natural gas	7,599	7,587	7,691	7,701	7,769	361	94	−14	184	170
Trade:										
13 Commodity dealers	2,007	1,999	1,904	1,887	1,789	377	204	28	−130	−218
14 Other wholesale	6,844	6,832	6,726	6,745	6,721	211	465	352	119	−123
15 Retail	6,591	6,768	6,762	6,704	6,747	−264	405	304	84	156
16 Transportation	5,024	4,997	5,005	5,018	5,010	81	−140	−12	−141	−14
17 Communication	1,309	1,360	1,328	1,320	1,303	−131	−10	−246	−39	−6
18 Other public utilities	5,388	5,599	5,466	5,366	5,385	−101	−61	−165	−152	−3
19 Construction	4,038	4,060	4,112	4,124	4,119	−203	64	44	65	81
20 Services	11,068	11,130	11,164	11,198	11,261	129	398	93	115	193
21 All other domestic loans	7,512	7,514	7,711	7,651	7,652	576	−303	229	−104	140
22 Bankers acceptances	3,957	3,783	3,682	3,704	3,674	3,285	−2,930	−488	14	−283
23 Foreign commercial and industrial loans	5,679	5,640	5,544	5,386	5,349	172	−135	−187	−116	−330
MEMO:										
24 Commercial paper included in total classified loans[1]	258	....	....	....	248	241	−216	18	−94	−10
25 Total commercial and industrial loans of all large weekly reporting banks	117,647	117,998	117,928	117,752	117,620	4,269	203	1,336	856	−27

Industry group	1976	1977				1976	1977	1977		
	Jan. 26	Feb. 23	Mar. 30	Apr. 27	May 25	IV	I	Mar.	Apr.	May
	"Term" loans classified[3]									
26 **Total**	**45,290**	**45,735**	**45,841**	**45,893**	**46,107**	**450**	**630**	**r99**	**52**	**214**
Durable goods manufacturing:										
27 Primary metals	1,449	1,481	1,521	1,344	1,342	103	204	40	−177	−2
28 Machinery	2,587	2,551	2,552	2,499	2,490	−90	−33	1	−53	−9
29 Transportation equipment	1,365	1,298	1,339	1,383	1,386	−29	−13	41	44	3
30 Other fabricated metal products	767	815	820	841	826	20	44	5	21	−15
31 Other durable goods	1,549	1,585	1,625	1,630	1,647	−111	....	40	5	17
Nondurable goods manufacturing:										
32 Food, liquor, and tobacco	1,449	1,447	1,412	1,374	1,438	−37	14	−35	−38	64
33 Textiles, apparel, and leather	1,033	1,036	1,071	1,099	1,163	−46	−27	35	28	64
34 Petroleum refining	1,925	1,901	1,770	1,805	1,824	64	−202	−131	35	19
35 Chemicals and rubber	1,456	1,522	1,547	1,589	1,615	−20	103	25	42	26
36 Other nondurable goods	975	987	1,032	1,101	1,172	19	78	45	69	71
37 Mining, including crude petroleum and natural gas	5,793	5,761	5,856	6,015	6,043	341	173	95	159	28
Trade:										
38 Commodity dealers	227	219	199	199	202	−9	−1	−20	....	3
39 Other wholesale	1,483	1,478	1,479	1,489	1,519	69	16	1	10	30
40 Retail	2,087	2,212	2,268	2,274	2,353	−89	223	56	6	79
41 Transportation	3,717	3,830	3,773	3,695	3,604	3	−164	−57	−78	−91
42 Communication	810	829	779	802	793	−56	−68	−50	23	−9
43 Other public utilities	3,762	3,869	3,907	3,796	3,796	60	243	38	−111	....
44 Construction	1,638	1,683	1,661	1,720	1,722	−62	32	−22	59	2
45 Services	5,212	5,216	5,111	5,188	5,283	31	113	−105	77	95
46 All other domestic loans	2,383	2,352	2,433	2,408	2,465	181	−167	74	−25	57
47 Foreign commercial and industrial loans	3,623	3,663	3,686	3,642	3,424	108	62	23	−44	−218

1 Reported for the last Wednesday of each month.
2 Includes "term" loans, shown below.
3 Outstanding loans with an original maturity of more than 1 year and all outstanding loans granted under a formal agreement—revolving credit or standby—on which the original maturity of the commitment was in excess of 1 year.

1.32 GROSS DEMAND DEPOSITS of Individuals, Partnerships, and Corporations

Billions of dollars, estimated daily-average balances

Type of holder	All commercial banks									
	1972 Dec.	1973 Dec.	1974 Dec.	1975 Sept.	1975 Dec.	1976 Mar.	1976 June	1976 Sept.	1976 Dec.	1977 Mar.
1 **All holders, IPC**	**208.0**	**220.1**	**225.0**	**227.0**	**236.9**	**227.9**	**234.2**	**236.1**	**250.1**	**242.3**
2 Financial business	18.9	19.1	19.0	19.0	20.1	19.9	20.3	19.7	22.3	21.6
3 Nonfinancial business	109.9	116.2	118.8	118.7	125.1	116.9	121.2	122.6	130.2	125.1
4 Consumer	65.4	70.1	73.3	76.5	78.0	77.2	78.8	80.0	82.6	81.6
5 Foreign	1.5	2.4	2.3	2.2	2.4	2.4	2.5	2.3	2.7	2.4
6 Other	12.3	12.4	11.7	10.6	11.3	11.4	11.4	11.5	12.4	11.6
	All weekly reporting banks									
	1973 Dec.	1974 Dec.	1975 Dec.	1976 Oct.	1976 Nov.	1976 Dec.	1977 Jan.	1977 Feb.	1977 Mar.	1977 Apr.p
7 **All holders, IPC**	**118.1**	**119.7**	**124.4**	**123.8**	**124.3**	**128.5**	**127.4**	**123.0**	**124.7**	**127.5**
8 Financial business	14.9	14.8	15.6	16.8	16.2	17.5	16.7	15.6	16.7	16.7
9 Nonfinancial business	66.2	66.9	69.9	68.4	68.7	69.7	69.5	67.4	67.8	68.5
10 Consumer	28.0	29.0	29.9	29.6	30.4	31.7	32.0	31.1	31.5	33.5
11 Foreign	2.2	2.2	2.3	2.4	2.5	2.6	2.2	2.4	2.2	2.3
12 Other	6.8	6.8	6.6	6.6	6.6	7.1	7.1	6.5	6.5	6.6

NOTE.—Figures include cash items in process of collection. Estimates of gross deposits are based on reports supplied by a sample of commercial banks. Types of depositors in each category are described in the June 1971 BULLETIN, p. 466.

1.33 COMMERCIAL PAPER AND BANKERS ACCEPTANCES OUTSTANDING

Millions of dollars, end of period

Instrument	1974 Dec.	1975 Dec.	1976 Dec.	1976 Oct.	1976 Nov.	1976 Dec.	1977 Jan.	1977 Feb.	1977 Mar.	1977 Apr.
	Commercial paper									
1 **All issuers**	**49,144**	**47,690**	**52,041**	**51,370**	**53,116**	**52,041**	**53,905**	**r54,432**	**54,671**	**56,333**
Financial companies:[1]										
Dealer-placed paper:[2]										
2 Total	4,611	6,239	7,294	6,674	7,113	7,294	7,347	7,291	7,271	7,325
3 Bank-related	1,814	1,762	1,900	1,703	1,825	1,900	1,895	1,929	1,839	1,778
Directly-placed paper:[3]										
4 Total	31,839	31,276	32,416	31,880	32,691	32,416	32,753	32,392	33,709	34,288
5 Bank-related	6,518	6,892	5,959	5,864	5,944	5,959	5,637	5,502	6,126	5,703
6 Nonfinancial companies[4]	12,694	10,175	12,331	12,816	13,312	12,331	13,805	14,749	13,691	14,720
	Dollar acceptances									
7 **Total**	**18,484**	**18,727**	**22,523**	**20,312**	**20,678**	**22,523**	**22,362**	**22,187**	**22,694**	**22,544**
Held by:										
8 *Accepting banks*	*4,226*	*7,333*	10,442	*7,959*	*9,031*	*10,442*	*8,183*	*7,991*	*7,787*	*7,410*
9 Own bills	3,685	5,899	8,769	6,789	7,706	8,769	7,011	6,654	6,367	6,032
10 Bills bought	542	1,435	1,673	1,170	1,325	1,673	1,172	1,337	1,421	1,378
F.R. Banks:										
11 Own account	999	1,126	991	337	188	991	191	322	r280	881
12 Foreign correspondents	1,109	293	375	387	349	375	374	440	435	394
13 Others	12,150	9,975	13,447	11,629	11,111	10,715	13,615	13,434	r14,191	13,858
Based on:										
14 Imports into United States	4,023	3,726	4,992	4,737	4,667	4,992	4,992	5,138	4,983	5,050
15 Exports from United States	4,067	4,001	4,818	4,715	4,628	4,818	5,137	5,074	5,222	5,264
16 All other	10,394	11,000	12,713	10,860	11,383	12,713	12,233	11,974	12,489	12,230

1 Institutions engaged primarily in activities such as, but not limited to, commercial, savings, and mortgage banking; sales, personal, and mortgage financing; factoring, finance leasing, and other business lending; insurance underwriting; and other investment activities.

2 Includes all financial company paper sold by dealers in the open market.

3 As reported by financial companies that place their paper directly with investors.

4 Includes public utilities and firms engaged primarily in activities such as communications, construction, manufacturing, mining, wholesale and retail trade, transportation, and services.

1.34 PRIME RATE CHARGED BY BANKS on Short-term Business Loans

Per cent per annum

Effective date	Rate	Effective date	Rate	Month	Average rate
1975—Feb. 3	9¼	1975—Oct. 27	7¾	1975—Sept.	7.88
10	9	Nov. 5	7½	Oct.	7.96
18	8¾	Dec. 2	7¼	Nov.	7.53
24	8½	1976—Jan. 12	7	Dec.	7.26
Mar. 5	8¼	21	6¾	1976—Jan.	7.00
10	8	June 1	7	Feb.	6.75
18	7¾	7	7¼	Mar.	6.75
24	7½	Aug. 2	7	Apr.	6.75
May 20	7¼	Oct. 4	6¾	May	6.75
June 9	7	Nov. 1	6½	June	7.20
July 18	7¼	Dec. 13	6¼	July	7.25
28	7½	1977—May 13	6½	Aug.	7.01
Aug. 12	7¾	31	6¾	Sept.	7.00
Sept. 15	8			Oct.	6.78
				Nov.	6.50
				Dec.	6.35
				1977—Jan.	6.25
				Feb.	6.25
				Mar.	6.25
				Apr.	6.25
				May	6.41

1.35 INTEREST RATES CHARGED BY BANKS on Business Loans

Per cent per annum

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

NOTE.—Weighted-average rates based on sample of loans made during first 7 days of the survey month.

1.36 INTEREST RATES Money and Capital Markets

Averages, per cent per annum

	Instrument	1974	1975	1976	1977				1977, week ending—				
					Feb.	Mar.	Apr.	May	Apr. 30	May 7	May 14	May 21	May 28
		Money market rates											
	Prime commercial paper [1]												
1	90- to 119-day	10.05	6.26	5.24	4.76	4.75	4.75	5.26	4.75	4.90	5.20	5.40	5.50
2	4- to 6-month	9.87	6.33	5.35	4.82	4.87	4.87	5.35	4.86	4.98	5.25	5.53	5.60
3	Finance company paper, directly placed, 3- to 6- month [2]	8.62	6.16	5.22	4.75	4.77	4.81	5.13	4.75	4.78	5.00	5.30	5.38
4	Prime bankers acceptances, 90-day [3]	9.92	6.30	5.19	4.83	4.80	4.78	5.34	4.82	5.06	5.33	5.43	5.52
5	Federal funds [4]	10.51	5.82	5.05	4.68	4.69	4.73	5.35	4.82	5.15	5.31	5.34	5.45
	Large negotiable certificates of deposit												
6	3-month, secondary market [5]	10.27	6.43	5.26	4.65	4.83	4.81	5.20	4.79	4.94	5.21	5.35	5.58
7	3-month, primary market [6]	....	....	5.15	4.69	4.74	4.72	5.13	4.74	4.80	5.09	5.24	5.38
8	Euro-dollar deposits, 3-month [7]	10.96	6.97	5.57	5.08	5.13	5.16	5.70	5.14	5.34	5.66	5.81	5.98
	U.S. Govt. securities												
	Bills: [8]												
	Market yields:												
9	3-month	7.84	5.80	4.98	4.67	4.60	4.54	4.96	4.51	4.75	4.96	5.05	5.06
10	6-month	7.95	6.11	5.26	4.90	4.88	4.80	5.20	4.84	5.01	5.23	5.30	5.25
11	1-year	7.71	6.30	5.52	5.16	5.19	5.10	5.43	5.18	5.28	5.46	5.52	5.45
	Rates on new issue:												
12	3-month	7.886	5.838	4.989	4.662	4.613	4.540	4.942	4.518	4.807	4.822	4.996	5.143
13	6-month	7.926	6.122	5.266	4.896	4.883	4.790	5.193	4.838	5.052	5.131	5.234	5.353
	Notes and bonds maturing in— [9]												
14	9 to 12 months	8.25	6.70	5.84	5.50	5.50	5.37	5.81	5.41	5.59	5.83	5.89	5.91
15	3 to 5 years	7.81	7.55	6.94	6.69	6.73	6.58	6.76	6.61	6.72	6.78	6.79	6.77
	Constant maturities: [10]												
16	1-year	8.18	6.76	5.88	5.47	5.50	5.44	5.84	5.54	5.67	5.87	5.93	5.91
17	2-year	....	....	6.31	6.09	6.09	r5.96	6.25	6.04	6.16	6.29	6.31	6.27
18	3-year	7.82	7.49	6.77	6.44	6.47	r6.31	6.55	r6.36	6.49	6.58	6.57	6.56
19	5-year	7.80	7.77	7.18	6.83	6.93	6.79	6.94	6.80	6.93	6.98	6.95	6.91
		Capital market rates											
	Government notes and bonds												
	U.S. Treasury:												
	Constant maturities: [10]												
20	7-year	7.71	7.90	7.42	7.16	7.20	7.11	7.26	7.14	7.27	7.31	7.25	7.21
21	10-year	7.56	7.99	7.61	7.39	7.46	7.37	7.46	7.40	7.46	7.50	7.46	7.41
22	20-year	8.05	8.19	7.86	7.64	7.73	7.67	7.74	7.69	7.74	7.78	7.74	7.70
23	30-year	....	....	....	....	7.80	7.73	7.80	7.76	7.81	7.85	7.79	7.76
24	Long-term [9]	6.99	6.98	6.78	7.15	7.20	7.14	7.17	7.15	7.20	7.20	7.17	7.12
	State and local: [11]												
	Moody's series:												
25	Aaa	5.89	6.42	5.66	5.17	5.21	5.18	5.23	5.17	5.23	5.25	5.20	5.25
26	Baa	6.53	7.62	7.49	6.50	6.41	6.27	6.23	6.25	6.30	6.30	6.15	6.15
27	*Bond Buyer* series [12]	6.17	7.05	6.64	5.89	5.89	5.73	5.75	5.68	5.76	5.82	5.70	5.71
	Corporate bonds												
	Seasoned issues [13]												
28	All industries	9.03	9.57	9.01	8.48	8.51	8.49	8.47	8.46	8.47	8.48	8.48	8.47
	By rating groups:												
29	Aaa	8.57	8.83	8.43	8.04	8.10	8.04	8.05	8.01	8.04	8.07	8.06	8.04
30	Aa	8.84	9.17	8.75	8.26	8.28	8.28	8.28	8.27	8.27	8.27	8.28	8.29
31	A	9.20	9.65	9.09	8.49	8.55	8.55	8.55	8.53	8.55	8.55	8.56	8.56
32	Baa	9.50	10.61	9.75	9.12	9.12	9.07	9.01	9.03	9.01	9.01	9.00	9.00
	Aaa utility bonds: [14]												
33	New issue	9.33	9.40	8.48	8.22	8.25	8.26	8.33	8.31	....	8.32	8.34	....
34	Recently offered issues	9.34	9.41	8.49	8.19	8.29	8.22	8.31	8.25	8.33	8.32	8.31	8.28
	Common stocks												
	Dividend/price ratio:												
35	Preferred stocks	8.23	8.38	7.97	7.55	7.56	4.47	4.39	4.36	4.33	4.40	4.34	4.50
36	Common stocks	4.47	4.31	3.77	4.21	4.37	7.60	7.63	7.65	7.58	7.67	7.59	7.66

1 Averages of the most representative daily offering rate quoted by dealers.

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

3 Beginning Aug. 15, 1974, the rate is the average of the midpoint of the range of daily dealer closing rates offered for domestic issues; prior data are averages of the most representative daily offering rate quoted by dealers.

4 Weekly figures are 7-day averages of daily effective rates for the week ending Wednesday; the daily effective rate is an average of the rates on a given day weighted by the volume of transactions at these rates.

5 Averages of the daily midpoints as determined from the range of offering rates in the secondary market.

6 Posted rates, which are the annual interest rates most often quoted on new offerings of negotiable CD's in denominations of $100,000 or more. Rates prior to 1976 not available. Weekly figures are for Wednesday dates.

7 Averages of daily quotations for the week ending Wednesday.

8 Except for new bill issues, yields are computed from daily closing bid prices. Yields for all bills are quoted on a bank-discount basis.

9 Unweighted averages for all outstanding notes and bonds in maturity ranges shown, based on daily closing bid prices. "Long-term" includes all bonds neither due nor callable in less than 10 years.

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

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

12 Twenty issues of mixed quality.

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

14 Compilation of the Board of Governors of the Federal Reserve System.

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

1.37 STOCK MARKET Selected Statistics

Indicator	1974	1975	1976	1976 Nov.	1976 Dec.	1977 Jan.	1977 Feb.	1977 Mar.	1977 Apr.	1977 May
	Prices and trading (averages of daily figures)									
Common stock prices										
1 New York Stock Exchange (Dec. 31, 1965 = 50)	43.84	45.73	54.45	54.17	56.34	56.28	54.93	54.67	53.92	53.96
2 Industrial	48.08	51.88	60.44	59.45	61.54	61.26	59.65	59.56	58.47	58.13
3 Transportation	31.89	30.73	39.57	39.28	41.77	41.93	40.59	40.52	41.51	43.25
4 Utility	29.82	31.45	36.97	38.85	40.61	41.13	40.86	40.18	40.24	41.14
5 Finance	49.67	46.62	52.94	53.25	57.45	57.86	55.65	54.84	54.30	54.80
6 Standard & Poor's Corporation (1941–43 = 10)[1]	82.85	85.17	102.01	101.19	104.66	103.81	100.96	100.57	99.05	98.76
7 American Stock Exchange (Aug. 31, 1973 = 100)	79.97	83.15	101.63	99.20	104.06	111.04	112.17	111.77	111.70	113.72
Volume of trading (thousands of shares)[2]										
8 New York Stock Exchange	13,883	18,568	21,189	19,370	23,621	23,562	19,310	17,814	17,380	18,700
9 American Stock Exchange	1,908	2,150	2,565	2,211	3,095	3,268	2,830	2,580	2,500	2,440
	Customer financing (end-of-period balances, in millions of dollars)									
10 Regulated margin credit at brokers/dealers and banks[3]	4,836	6,500	8,995	8,640	8,995	9,289	9,509	9,687	9,887	....
11 *Brokers, total*	*3,980*	*5,540*	*8,166*	*7,790*	*8,166*	*8,469*	*8,679*	*8,891*	*9,078*	....
12 Margin stock[4]	3,840	5,390	7,960	7,610	7,960	8,270	8,480	8,690	8,880	....
13 Convertible bonds	137	147	204	178	204	196	197	199	196	....
14 Subscription issues	3	3	2	2	2	3	2	2	2	....
15 *Banks, total*	*856*	*960*	*829*	*850*	*829*	*820*	*830*	*796*	*809*	....
16 Margin stocks	815	909	786	801	786	776	r785	754	766	....
17 Convertible bonds	30	36	29	35	r29	27	27	25	25	....
18 Subscription issues	11	15	14	14	14	17	17	17	18	....
19 Unregulated nonmargin stock credit at banks[5]	2,064	2,281	3,684	3,737	3,684	3,693	3,751	3,720	2,878	....
MEMO: Free credit balances at brokers[6]										
20 Margin-account	410	475	585	615	585	645	605	605	616	....
21 Cash-account	1,425	1,525	1,855	1,740	1,855	1,930	1,815	1,720	1,717	....
	Margin-account debt at brokers (percentage distribution, end of period)									
22 Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	....
By equity class (in per cent):[7]										
23 Under 40	45.4	24.0	12.0	14.0	12.0	15.0	17.6	r16.5	16.5	....
24 40–49	23.0	28.8	23.0	32.0	23.0	r28.8	r34.9	r36.8	34.1	....
25 50–59	13.9	22.3	35.0	27.0	35.0	r28.0	r23.4	r23.2	25.4	....
26 60–69	8.8	11.6	15.0	13.0	15.0	13.0	r11.3	11.6	11.8	....
27 70–79	4.6	6.9	8.7	8.0	8.7	r8.3	7.3	6.7	6.8	....
28 80 or more	4.3	5.3	6.0	6.0	6.0	r5.8	r5.5	5.3	5.4	....
	Special miscellaneous-account balances at brokers (end of period)									
29 Total balances (millions of dollars)[8]	7,010	7,290	8,776	8,576	8,776	r9,070	r9,170	r9,350	9,300	....
Distribution by equity status (per cent)										
30 Net credit status	41.1	43.8	41.3	41.1	41.3	42.3	42.9	42.3	41.4	....
Debit status, equity of—										
31 60 per cent or more	32.4	40.8	47.8	46.8	47.8	r46.6	45.5	46.0	46.3	....
32 Less than 60 per cent	26.5	15.4	10.9	12.1	10.9	r11.1	11.6	11.7	12.4	....

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

2 Based on trading for a 5½-hour day.

3 Margin credit includes all credit extended to purchase or carry stocks or related equity instruments and secured at least in part by stock. Credit extended by brokers is end-of-month data for member firms of the New York Stock Exchange; June data for banks are universe totals; all other data for banks are estimates for all commercial banks based on data from a sample of reporting banks.

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

4 A distribution of this total by equity class is shown below.

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

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

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

8 Balances that may be used by customers as the margin deposit required for additional purchases. Balances may arise as transfers based on loan values of other collateral in the customer's margin account or deposits of cash (usually sales proceeds) occur.

NOTE.—For table on "Margin Requirements" see p. A-10, Table 1.161.

1.38 SAVINGS INSTITUTIONS Selected Assets and Liabilities

Millions of dollars, end of period

Account	1974	1975	1976	1976 Aug.	1976 Sept.	1976 Oct.	1976 Nov.	1976 Dec.	1977 Jan.	1977 Feb.	1977 Mar.	1977 Apr.
	Savings and loan associations											
1 **Assets**	**295,545**	**338,233**	**391,999**	**376,188**	**379,747**	**385,013**	**389,173**	**391,999**	**398,299**	**403,591**	**409,357**	**414,276**
2 Mortgages	249,301	278,590	323,130	307,766	311,847	315,742	319,273	323,130	326,056	329,086	333,703	338,922
3 Cash and investment securities[1]	23,251	30,853	35,660	35,815	35,209	36,442	36,605	35,660	38,252	39,505	39,656	38,975
4 Other	22,993	28,790	33,209	32,607	32,691	32,829	33,295	33,209	33,991	35,000	35,998	35,379
5 **Liabilities and net worth**	**295,545**	**338,233**	**391,999**	**376,188**	**379,747**	**385,013**	**389,173**	**391,999**	**398,299**	**403,591**	**409,357**	**414,276**
6 Savings capital	242,974	285,743	336,030	318,227	323,800	327,252	329,833	336,030	341,211	344,616	352,194	354,273
7 *Borrowed money*	*24,780*	*20,634*	*19,087*	*18,856*	*19,083*	*18,810*	*18,715*	*19,087*	*18,455*	*18,256*	*18,283*	*18,841*
8 FHLBB	21,508	17,524	15,708	15,495	15,832	15,636	15,571	15,708	15,029	14,661	14,325	14,788
9 Other	3,272	3,110	3,379	3,361	3,251	3,174	3,144	3,379	3,426	3,595	3,958	4,053
10 Loans in process	3,244	5,128	6,836	6,628	6,688	6,735	6,753	6,836	6,718	6,783	7,351	7,893
11 Other	6,105	6,949	8,015	11,197	8,779	10,531	11,918	8,015	9,667	11,418	8,833	10,292
12 Net worth[2]	18,442	19,779	22,031	21,280	21,398	21,685	21,954	22,031	22,248	22,518	22,696	22,977
13 MEMO: Mortgage loan commitments outstanding[3]	7,454	10,673	14,828	15,773	15,449	15,319	15,467	14,828	15,079	16,796	19,304	21,243
	Mutual savings banks											
14 **Assets**	**109,550**	**121,056**	**134,702**	**130,571**	**131,413**	**132,455**	**133,361**	**134,812**	**135,906**	**137,307**	**138,901**	....
Loans:												
15 Mortgage	74,891	77,221	81,554	79,781	80,145	80,543	80,884	81,630	81,826	81,982	82,273	....
16 Other	3,812	4,023	5,192	5,210	5,478	5,549	5,801	5,183	5,956	6,254	6,389	....
Securities:												
17 U.S. Govt.	2,555	4,740	5,911	5,733	5,851	5,796	5,836	5,840	5,917	6,096	6,360	....
18 State and local government	930	1,545	2,420	2,339	2,359	2,429	2,466	2,417	2,295	2,366	2,431	....
19 Corporate and other[4]	22,550	27,992	33,676	32,319	32,432	32,793	33,074	33,793	34,475	35,088	35,928	....
20 Cash	2,167	2,330	2,374	1,552	1,581	1,695	1,668	2,355	1,800	1,835	1,823	....
21 Other assets	2,645	3,205	3,574	3,576	3,567	3,649	3,632	3,593	3,637	3,686	3,668	....
22 **Liabilities**	**109,550**	**121,056**	**134,702**	**130,571**	**131,413**	**132,455**	**133,361**	**134,812**	**135,906**	**137,307**	**138,901**	....
23 *Deposits*	*98,701*	*109,873*	*122,802*	*118,225*	*119,590*	*120,360*	*120,971*	*122,877*	*123,864*	*124,728*	*126,687*	....
24 Regular:[5]	98,221	109,291	121,874	117,203	118,510	119,346	120,125	121,961	122,874	123,721	125,624	....
25 Ordinary savings	64,286	69,653	74,483	72,872	73,484	73,610	73,857	74,535	74,621	75,038	76,260	....
26 Time and other	33,935	39,639	47,391	44,331	45,027	45,736	46,268	47,426	48,253	48,683	49,364	....
27 Other	480	582	928	1,022	1,080	1,014	846	916	989	1,007	1,063	....
28 Other liabilities	2,888	2,755	2,853	3,490	2,898	3,140	3,376	2,884	2,940	3,368	2,939	....
29 General reserve accounts	7,961	8,428	9,047	8,855	8,925	8,955	9,015	9,052	9,102	9,211	9,275	....
30 MEMO: Mortgage loan commitments outstanding[6]	2,040	1,803	2,439	2,459	2,671	2,548	2,553	2,439	2,584	2,840	3,161	....
	Life insurance companies											
31 **Assets**	**263,349**	**289,304**	**320,555**	**309,295**	**312,044**	**313,960**	**316,505**	**320,555**	**322,489**	**324,164**	**326,453**	....
Securities:												
32 *Government*	*10,900*	*13,758*	*17,270*	*16,902*	*16,862*	*17,329*	*17,565*	*17,270*	*17,549*	*17,817*	*18,059*	....
33 United States[7]	3,372	4,736	5,156	5,922	5,150	5,448	5,606	5,156	5,291	5,382	5,283	....
34 State and local	3,667	4,508	5,551	5,324	5,364	5,446	5,467	5,551	5,614	5,666	5,626	....
35 Foreign[8]	3,861	4,514	6,563	6,286	6,348	6,435	6,492	6,563	6,644	6,769	7,150	....
36 *Business*	*119,637*	*135,317*	*157,625*	*150,303*	*152,125*	*153,298*	*154,502*	*157,625*	*159,464*	*160,683*	*161,319*	....
37 Bonds	97,717	107,256	123,149	117,806	118,706	120,358	121,659	123,149	125,892	127,542	128,584	....
38 Stocks	21,920	28,061	34,476	32,497	33,419	32,940	32,843	34,476	33,572	33,141	32,735	....
39 Mortgages	86,234	89,167	91,581	89,891	90,217	90,323	90,808	91,581	91,615	91,646	91,874	....
40 Real estate	8,331	9,621	10,526	10,146	10,175	10,285	10,310	10,526	10,550	10,632	10,717	....
41 Policy loans	22,862	24,467	25,849	25,383	25,505	25,607	25,710	25,849	25,921	26,051	26,221	....
42 Other assets	15,385	16,971	17,704	16,670	17,160	17,118	17,610	17,704	17,390	17,335	18,263	....
	Credit unions											
43 **Total assets/liabilities and capital**	**31,948**	**38,037**	**44,897**	**42,266**	**43,079**	**43,415**	**44,089**	**44,835**	**44,906**	**45,798**	**47,111**	**47,348**
44 Federal	16,715	20,209	24,164	22,698	23,198	23,283	23,668	24,164	24,188	24,756	25,596	25,697
45 State	15,233	17,828	20,733	19,658	19,881	20,132	20,421	20,671	20,718	21,042	21,515	21,651
46 *Loans outstanding*	*24,432*	*28,169*	*34,033*	*32,300*	*33,093*	*33,275*	*33,732*	*34,293*	*34,188*	*34,549*	*35,411*	*36,019*
47 Federal	12,730	14,869	18,022	17,065	17,458	17,522	17,786	18,202	18,081	18,275	18,776	19,050
48 State	11,702	13,300	16,011	15,235	15,635	15,753	15,946	16,091	16,107	16,274	16,635	16,969
49 *Savings*	*27,518*	*33,013*	*39,264*	*36,752*	*37,436*	*37,854*	*38,281*	*38,968*	*39,344*	*39,981*	*41,161*	*41,394*
50 Federal (shares)	14,370	17,530	21,149	19,783	20,167	20,358	20,597	20,980	21,165	21,559	22,346	22,524
51 State (shares and deposits)	13,148	15,483	18,115	16,969	17,269	17,496	17,684	17,988	18,179	18,442	18,815	18,870

For notes see bottom of page A30.

1.39 FEDERAL FISCAL AND FINANCING OPERATIONS

Millions of dollars

	Type of account or operation	Fiscal year		Transition quarter (July–Sept. 1976)	Calendar year					
		1975	1976		1975	1976		1977		
					H2	H1	H2	Feb.	Mar.	Apr.
	U.S. Budget									
1	Receipts	280,997	300,005	81,773	139,455	160,552	157,961	24,327	25,171	40,016
2	Outlays [1,2]	326,105	366,466	94,746	185,097	181,369	193,719	30,880	34,646	35,547
3	*Surplus, or deficit* (−)	*−45,108*	*−66,461*	*−12,973*	−45,642	−20,816	*−35,758*	*−6,554*	*−9,475*	*4,469*
4	Trust funds	7,419	2,409	−1,952	−3,125	5,503	−4,621	1,099	−1,441	647
5	Federal funds [3]	−52,526	−68,870	−11,021	−42,517	−26,320	−31,137	−7,654	−8,033	3,822
	Off-budget entities surplus, or deficit (−)									
6	Federal Financing Bank outlays	−6,389	−5,915	−2,575	−2,693	−3,222	−5,176	−460	−843	581
7	Other [1,4]	−1,652	−1,355	793	−236	−1,119	3,809	9	−83	−114
	U.S. Budget plus off-budget, including Federal Financing Bank									
8	*Surplus, or deficit* (−)	*−53,149*	*−73,731*	*−14,755*	*−48,571*	*−25,158*	*−37,125*	*−7,005*	*−10,402*	*4,936*
	Financed by:									
9	Borrowing from the public [2]	50,867	82,922	18,027	49,361	33,561	35,457	9,118	5,351	1,206
10	Cash and monetary assets (decrease, or increase (−))	−320	−7,796	−2,899	−2,046	−7,909	2,153	−1,194	5,610	−9,422
11	Other [5]	2,602	−1,396	−373	1,256	−495	−485	−920	−559	3,280
	MEMO:									
12	**Treasury operating balance (level, end of period)**	**7,591**	**14,836**	**17,418**	**8,452**	**14,836**	**11,670**	**14,599**	**r9,023**	**17,763**
13	F.R. Banks	5,773	11,975	13,299	7,286	11,975	10,393	12,179	r7,149	13,628
14	Tax and loan accounts	1,475	2,854	4,119	1,159	2,854	1,277	2,420	r1,874	4,135
15	Other demand accounts [6]	343	7	....	7	7	....	....	....	....

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

SOURCE.—"Monthly Treasury Statement of Receipts and Outlays of the U.S. Government," *Treasury Bulletin*, and *U.S. Budget, Fiscal Year 1978.*

NOTES TO TABLE 1.38

1 Stock of the Federal Home Loan Bank Board (FHLBB) is included in "other assets."
2 Includes net undistributed income, which is accrued by most, but not all, associations.
3 Excludes figures for loans in process, which are shown as a liability.
4 Includes securities of foreign governments and international organizations and nonguaranteed issues of U.S. Govt. agencies.
5 Excludes checking, club, and school accounts.
6 Commitments outstanding (including loans in process) of banks in New York State as reported to the Savings Banks Assn. of the State of New York.
7 Direct and guaranteed obligations. Excludes Federal agency issues not guaranteed, which are shown in this table under "business" securities.
8 Issues of foreign governments and their subdivisions and bonds of the International Bank for Reconstruction and Development.

NOTE.—*Savings and loan associations:* Estimates by the FHLBB for all associations in the United States. Data are based on monthly reports of Federally insured associations and annual reports of other associations. Even when revised, data for current and preceding year are subject to further revision.

Mutual savings banks: Estimates of National Association of Mutual Savings Banks for all savings banks in the United States. Data are reported on a gross-of-valuation-reserves basis.

Life insurance companies: Estimates of the Institute of Life Insurance for all life insurance companies in the United States. Annual figures are annual-statement asset values, with bonds carried on an amortized basis and stocks at year-end market value. Adjustments for interest due and accrued and for differences between market and book values are not made on each item separately but are included, in total, in "other assets."

Credit unions: Estimates by the National Credit Union Administration for a group of Federal and State-chartered credit unions that account for about 30 per cent of credit union assets. Figures are preliminary and revised annually to incorporate recent benchmark data.

1.40 U.S. BUDGET RECEIPTS AND OUTLAYS

Millions of dollars

	Source or type	Fiscal year		Transition quarter (July–Sept. 1976)	Calendar year					
		1975	1976		1975	1976		1977		
					H2	H1	H2	Feb.	Mar.	Apr.
		Receipts								
1	**All sources**	**280,997**	**300,005**	**81,773**	**139,455**	**160,552**	**157,961**	**24,327**	**25,171**	**40,016**
2	*Individual income taxes, net*	*122,386*	*131,603*	*38,801*	*65,835*	*65,767*	*75,094*	*8,515*	*6,131*	*18,660*
3	Withheld	122,071	123,408	32,949	59,549	63,859	68,023	11,398	12,961	11,797
4	Presidential Election Campaign Fund	32	34	1	....	33	1	8	10	7
5	Nonwithheld	34,296	35,528	6,809	7,649	27,879	8,426	1,154	2,719	14,581
6	Refunds	34,013	27,367	958	1,362	26,004	1,356	4,045	9,559	7,725
7	*Corporation income taxes:*									
8	Gross receipts	45,747	46,783	9,808	18,810	27,973	20,706	1,311	9,131	8,461
9	Refunds	5,125	5,374	1,348	2,735	2,639	2,886	363	412	488
10	*Social insurance taxes and contributions, net*	*86,441*	*92,714*	*25,760*	*40,886*	*51,828*	*47,596*	*10,764*	*7,412*	*10,703*
11	Payroll employment taxes and contributions [1]	71,789	76,391	21,534	35,443	40,947	40,427	9,110	6,569	6,670
12	Self-employment taxes and contributions [1]	3,417	3,518	269	268	3,250	286	247	290	2,328
13	Unemployment insurance	6,771	8,054	2,698	2,861	5,193	4,379	997	126	1,296
14	Other net receipts [2]	4,466	4,752	1,259	2,314	2,438	2,504	410	428	409
15	Excise taxes	16,551	16,963	4,473	8,761	8,204	8,910	1,294	1,283	1,392
16	Customs	3,676	4,074	1,212	1,927	2,147	2,361	347	466	393
17	Estate and gift	4,611	5,216	1,455	2,573	2,643	2,943	1,890	625	376
18	Miscellaneous receipts [3]	6,711	8,026	1,612	3,397	4,630	3,236	568	534	517
		Outlays								
19	**All types** [4]	**326,105**	**366,466**	**94,746**	**185,097**	**181,369**	**193,719**	**30,880**	**34,646**	**35,547**
20	National defense	86,585	89,996	22,518	46,214	44,052	45,002	8,131	8,572	7,976
21	International affairs [4]	5,862	5,067	1,997	2,574	2,668	3,028	381	521	548
22	General science, space, and technology	3,989	4,370	1,161	2,415	1,708	2,377	333	403	356
23	Natural resources, environment, and energy	9,537	11,282	3,324	5,018	6,900	7,206	895	1,180	1,077
24	Agriculture	1,660	2,502	584	1,489	417	2,019	350	564	737
25	Commerce and transportation	16,010	17,248	4,700	11,496	5,766	9,643	−323	1,265	1,316
26	Community and regional development	4,431	5,300	1,530	2,548	2,411	3,192	480	496	579
27	Education, training, employment, and social services	15,248	18,167	5,013	8,423	9,116	9,083	1,585	1,645	1,604
28	Health	27,647	33,448	8,720	16,681	17,008	19,329	3,064	2,674	3,241
29	Income security	108,605	127,406	32,796	61,655	65,336	65,456	11,719	13,045	11,632
30	Veterans benefits and services	16,597	18,432	3,962	9,010	9,450	8,542	1,606	1,611	1,684
31	Law enforcement and justice	2,942	3,320	859	1,589	1,784	1,839	244	292	305
32	General government	3,089	2,927	878	1,929	870	1,734	285	284	113
33	Revenue sharing and general purpose fiscal assistance	7,005	7,119	2,024	3,528	3,664	4,729	44	31	2,103
34	Interest [5]	30,974	34,589	7,246	15,180	18,560	18,409	2,674	2,522	2,751
35	Undistributed offsetting receipts [5,6]	−14,075	−14,704	−2,567	−4,652	−8,340	−7,869	−588	−459	−475

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

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

3 Deposits of earnings by F.R. Banks and other miscellaneous receipts.

4 Outlay totals reflect the reclassification of the Export-Import Bank from off-budget status to unified budget status. Export-Import Bank certificates of beneficial interest (effective July 1, 1975) and loans to Pefco are treated as debt rather than asset sales.

5 Effective September 1976, "Interest" and "Undistributed Offsetting Receipts" reflect the accounting conversion for the interest on special issues for U.S. Govt. accounts from an accrual basis to a cash basis.

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

1.41 FEDERAL DEBT SUBJECT TO STATUTORY LIMITATION

Billions of dollars

Item	1973	1974		1975		1976			1977
	Dec. 31	June 30	Dec. 31	June 30	Dec. 31	June 30	Sept. 30	Dec. 31	Mar. 31
1 **Federal debt outstanding**	**480.7**	**486.2**	**504.0**	**544.1**	**587.6**	**631.9**	**[2]646.4**	**665.5**	**680.1**
2 *Public debt securities*	*469.1*	*474.2*	*492.7*	*533.7*	*576.6*	*620.4*	*634.7*	*653.5*	*669.2*
3 Held by public	339.4	336.0	351.5	387.9	437.3	470.8	488.6	506.4	524.3
4 Held by agencies	129.6	138.2	141.2	145.3	139.3	149.6	146.1	147.1	144.9
5 *Agency securities*	*11.6*	*12.0*	*11.3*	*10.9*	*10.9*	*11.5*	*11.6*	*12.0*	*10.9*
6 Held by public	9.6	10.0	9.3	9.0	8.9	9.5	[2]9.7	10.0	9.1
7 Held by agencies	2.0	2.0	2.0	1.9	2.0	2.0	1.9	1.9	1.8
8 **Debt subject to statutory limit**	**470.8**	**476.0**	**493.0**	**534.2**	**577.8**	**621.6**	**635.8**	**654.7**	**670.3**
9 Public debt securities	468.4	473.6	490.5	532.6	576.0	619.8	634.1	652.9	668.6
10 Other debt[1]	2.4	2.4	2.4	1.6	1.7	1.7	1.7	1.7	1.7
11 MEMO: Statutory debt limit	475.7	495.0	495.0	577.0	595.0	636.0	636.0	682.0	682.0

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

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

NOTE.—Data from *Treasury Bulletin*. (U.S. Treasury Dept.)

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

Billions of dollars, end of period

Type and holder	1973	1974	1975	1976	1977				
					Jan.	Feb.	Mar.	Apr.	May
1 **Total gross public debt[1]**	**469.9**	**492.7**	**576.6**	**653.5**	**653.9**	**663.3**	**669.2**	**671.0**	**672.1**
By type:									
2 **Interest-bearing debt**	**467.8**	**491.6**	**575.7**	**652.5**	**653.0**	**662.3**	**668.2**	**668.5**	**671.0**
3 *Marketable*	*270.2*	*282.9*	*363.2*	*421.3*	*424.0*	*431.6*	*435.4*	*434.1*	*431.4*
4 Bills	107.8	119.7	157.5	164.0	164.0	164.2	164.3	162.0	157.9
5 Notes	124.6	129.8	167.1	216.7	219.5	225.9	229.6	230.7	230.2
6 Bonds	37.8	33.4	38.6	40.6	40.5	41.6	41.5	41.4	43.3
7 *Nonmarketable[2]*	*197.6*	*208.7*	*212.5*	*231.2*	*229.0*	*230.7*	*232.8*	*234.4*	*239.5*
8 Convertible bonds[3]	2.3	2.3	2.3	2.3	2.3	2.3	2.2	2.2	2.2
9 Foreign issues[4]	26.0	22.8	21.6	22.3	22.2	22.1	22.1	21.9	21.8
10 Savings bonds and notes	60.8	63.8	67.9	72.3	72.6	73.0	73.4	73.9	74.3
11 Govt. account series[5]	108.0	119.1	119.4	129.7	126.8	127.8	128.2	129.0	133.0
By holder:[6]									
12 U.S. Govt. agencies and trust funds	129.6	141.2	139.3	147.1	144.0	144.4	145.0	....	....
13 F.R. Banks	78.5	80.5	87.9	97.0	94.1	95.8	96.0	....	....
14 **Private investors**	**261.7**	**271.0**	**349.4**	**409.5**	**415.8**	**423.1**	**428.3**	....	....
15 Commercial banks	60.3	55.6	85.1	102.5	101.0	104.5	106.0	....	....
16 Mutual savings banks	2.9	2.5	4.5	5.5	5.6	5.7	5.2	....	....
17 Insurance companies	6.4	6.1	9.3	12.3	12.2	12.2	12.2	....	....
18 Other corporations	10.9	11.0	20.2	25.5	27.8	27.9	26.0	....	....
19 State and local governments	29.2	29.2	33.8	41.6	44.4	42.3	43.4	....	....
Individuals:									
20 Savings bonds	60.3	63.4	67.3	72.0	72.4	72.8	72.8	....	....
21 Other securities	16.9	21.5	24.0	28.8	28.6	28.7	29.1	....	....
22 Foreign and international[7]	55.5	58.4	66.5	78.1	80.3	82.3	84.7	....	....
23 Other miscellaneous investors[8]	19.3	23.2	38.6	43.2	43.4	46.7	48.9	....	....

1 Includes $2.5 billion of non-interest-bearing debt (of which $612 million on Apr. 30, 1977, was not subject to statutory debt limitations).

2 Includes (not shown separately): Securities issued to the Rural Electrification Administration and to State and local governments, depositary bonds, retirement plan bonds, and individual retirement bonds.

3 These nonmarketable bonds, also known as Investment Series B Bonds, may be exchanged (or converted) at the owner's option for 1½ per cent, 5-year marketable Treasury notes. Convertible bonds that have been so exchanged are removed from this category and recorded in the notes category above.

4 Nonmarketable certificates of indebtedness, notes, and bonds in the Treasury foreign series and foreign-currency series.

5 Held only by U.S. Govt. agencies and trust funds.

6 Data for F.R. Banks and U.S. Govt. agencies and trust funds are actual holdings; data for other groups are Treasury estimates.

7 Consists of the investments of foreign balances and international accounts in the United States. Beginning with 1974, the figures exclude non-interest-bearing notes issued to the International Monetary Fund.

8 Includes savings and loan associations, nonprofit institutions, corporate pension trust funds, dealers and brokers, certain Govt. deposit accounts, and Govt.-sponsored agencies.

NOTE.—Gross public debt excludes guaranteed agency securities and, beginning in July 1974, includes Federal Financing Bank security issues.

Data by type of security from *Monthly Statement of the Public Debt of the United States*, U.S. Treasury Dept.; data by holder from *Treasury Bulletin*.

1.43 U.S. GOVERNMENT MARKETABLE SECURITIES Ownership, by maturity

Par value; millions of dollars, end of period

Type of holder	1975	1976	1977 Mar.	1977 Apr.	1975	1976	1977 Mar.	1977 Apr.
	All maturities				1 to 5 years			
1 **All holders**	**363,191**	**421,276**	**435,379**	**434,065**	**112,270**	**141,132**	**r147,108**	**144,528**
2 U.S. Govt. agencies and trust funds	19,347	16,485	15,788	15,528	7,058	6,141	6,158	5,950
3 F. R. Banks	87,934	96,971	95,987	99,837	30,518	31,249	30,966	31,649
4 *Private investors*	*255,860*	*307,820*	*323,604*	*318,699*	*74,694*	*103,742*	*109,984*	*106,929*
5 Commercial banks	64,398	78,262	80,133	78,234	29,629	40,005	42,980	43,089
6 Mutual savings banks	3,300	4,072	4,519	4,510	1,524	2,010	2,186	2,141
7 Insurance companies	7,565	10,284	10,091	9,959	2,359	3,885	3,827	3,810
8 Nonfinancial corporations	9,365	14,193	14,284	14,448	1,967	2,618	3,708	3,530
9 Savings and loan associations	2,793	4,576	5,605	5,288	1,558	2,360	2,734	2,521
10 State and local governments	9,285	12,252	12,625	16,102	1,761	2,543	2,848	4,590
11 All others	159,154	184,182	196,347	190,159	35,894	50,321	51,701	47,247
	Total, within 1 year				5 to 10 years			
12 **All holders**	**199,692**	**211,035**	**218,080**	**216,788**	**26,436**	**43,045**	**43,204**	**45,806**
13 U.S. Govt. agencies and trust funds	2,769	2,012	1,957	1,910	3,283	2,879	2,149	2,145
14 F. R. Banks	46,845	51,569	49,695	52,459	6,463	9,148	9,901	10,192
15 *Private investors*	*150,078*	*157,454*	*166,428*	*162,419*	*16,690*	*31,018*	*31,154*	*33,469*
16 Commercial banks	29,875	31,213	29,881	27,270	4,071	6,278	6,559	7,156
17 Mutual savings banks	983	1,214	1,333	1,357	448	567	703	717
18 Insurance companies	2,024	2,191	2,050	1,756	1,592	2,546	2,645	2,833
19 Nonfinancial corporations	7,105	11,009	9,959	10,250	175	370	337	422
20 Savings and loan associations	914	1,984	2,627	2,511	216	155	174	184
21 State and local governments	5,288	6,622	6,557	8,690	782	1,465	1,416	1,240
22 All others	103,889	103,220	114,020	110,585	9,405	19,637	19,319	20,917
	Bills, within 1 year				10 to 20 years			
23 **All holders**	**157,483**	**163,992**	**164,264**	**161,977**	**14,264**	**11,865**	**11,718**	**11,685**
24 U.S. Govt. agencies and trust funds	207	449	305	285	4,233	3,102	3,102	3,102
25 F. R. Banks	38,018	41,279	39,455	41,689	1,507	1,363	1,380	1,410
26 *Private investors*	*119,258*	*122,264*	*124,504*	*120,003*	*8,524*	*7,400*	*7,236*	*7,173*
27 Commercial banks	17,481	17,303	13,974	11,218	552	339	322	320
28 Mutual savings banks	554	454	436	476	232	139	136	135
29 Insurance companies	1,513	1,463	1,123	816	1,154	1,114	1,084	1,085
30 Nonfinancial corporations	5,829	9,939	8,745	8,771	61	142	191	171
31 Savings and loan associations	518	1,266	1,617	1,515	82	64	55	56
32 State and local governments	4,566	5,556	5,287	7,255	896	718	663	666
33 All others	88,797	86,282	93,322	89,951	5,546	4,884	4,785	4,741
	Other, within 1 year				Over 20 years			
34 **All holders**	**42,209**	**47,043**	**53,816**	**54,811**	**10,530**	**14,200**	**15,269**	**15,258**
35 U.S. Govt. agencies and trust funds	2,562	1,563	1,652	1,625	2,053	2,350	2,421	2,421
36 F. R. Banks	8,827	10,290	10,240	10,770	2,601	3,642	4,045	4,127
37 *Private investors*	*30,820*	*35,190*	*41,924*	*42,416*	*5,876*	*8,208*	*8,803*	*8,709*
38 Commercial banks	12,394	13,910	15,907	16,052	271	427	390	399
39 Mutual savings banks	429	760	897	881	112	143	162	161
40 Insurance companies	511	728	927	940	436	548	485	475
41 Nonfinancial corporations	1,276	1,070	1,214	1,479	57	55	89	73
42 Savings and loan associations	396	718	1,010	996	22	13	15	15
43 State and local governments	722	1,066	1,270	1,435	558	904	1,140	917
44 All others	15,092	16,938	20,698	20,634	4,420	6,120	6,522	6,669

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

Data complete for U.S. Govt. agencies and trust funds and F.R. Banks, but data for other groups include only holdings of those institutions that report. The following figures show, for each category, the number and proportion reporting as of April 30, 1977; (1) 5,498 commercial banks, 467 mutual savings banks, and 724 insurance companies, each about 90 per cent; (2) 447 nonfinancial corporations and 486 savings and loan assns., each about 50 per cent; and (3) 499 State and local govts., about 40 per cent.

"All others," a residual, includes holdings of all those not reporting in the Treasury Survey, including investor groups not listed separately.

1.44 U.S. GOVERNMENT SECURITIES DEALERS Transactions

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

Item	1974	1975	1976	1977			1977, week ending Wednesday—					
				Feb.	Mar.	Apr.	Apr. 20	Apr. 27	May 4	May 11	May 18	May 25
1 **U.S. Govt. securities**	**3,579**	**6,027**	**10,449**	**12,871**	**11,128**	**13,597**	**15,260**	**14,801**	**15,719**	**11,392**	**7,976**	**10,557**
By maturity:												
2 Bills	2,550	3,889	6,676	7,593	7,445	8,829	9,502	9,304	10,890	6,784	4,910	6,610
3 Other within 1 year	250	223	210	283	234	215	163	285	222	209	172	122
4 1–5 years	465	1,414	2,317	3,262	2,373	2,727	3,366	3,365	2,487	2,001	1,332	2,631
5 5–10 years	256	363	1,019	1,388	883	1,592	1,905	1,606	1,922	1,784	1,261	945
6 Over 10 years	58	138	229	346	193	235	325	240	199	613	300	249
By type of customer:												
7 U.S. Govt. securities dealers	652	885	1,360	1,537	1,492	1,523	1,603	1,301	1,667	867	975	1,068
8 U.S. Govt. securities brokers	965	1,750	3,407	4,428	3,300	4,795	5,478	5,742	6,055	4,961	2,722	4,274
9 Commercial banks	998	1,451	2,426	3,013	2,528	2,705	3,047	2,884	2,820	2,201	1,636	2,176
10 All others[1]	964	1,941	3,257	3,893	3,808	4,575	5,132	r4,875	5,178	3,362	2,651	3,039
11 **Federal agency securities**	**965**	**1,043**	**1,548**	**1,579**	**1,590**	**2,010**	**2,512**	**r1,800**	**1,424**	**1,436**	**1,768**	**2,288**

[1] Includes—among others—all other dealers and brokers in commodities and securities, foreign banking agencies, and the F.R. System.

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

Transactions are market purchases and sales of U.S. Govt. securities dealers reporting to the F.R. Bank of New York. The figures exclude allotments of, and exchanges for, new U.S. Govt. securities, redemptions of called or matured securities, or purchases or sales of securities under repurchase, reverse repurchase (resale), or similar contracts.

1.45 U.S. GOVERNMENT SECURITIES DEALERS Positions and Sources of Financing

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

Item	1974	1975	1976	1977			1977, week ending Wednesday—					
				Feb.	Mar.	Apr.	Mar. 23	Mar. 30	Apr. 6	Apr. 13	Apr. 20	Apr. 27
	Positions[2]											
1 **U.S. Govt. securities**	**2,580**	**5,884**	**7,592**	**6,251**	**5,266**	**5,911**	**5,273**	**3,770**	**7,106**	**7,431**	**7,667**	**2,860**
2 Bills	1,932	4,297	6,290	4,646	4,864	5,215	5,000	3,298	6,345	6,978	6,566	2,279
3 Other within 1 year	−6	265	188	193	237	253	276	292	195	223	278	280
4 1–5 years	265	886	515	587	−14	211	−94	13	119	−46	403	237
5 5–10 years	302	300	402	417	52	101	1	65	353	184	216	−83
6 Over 10 years	88	136	198	407	128	131	91	103	95	92	203	148
7 **Federal agency securities**	**1,212**	**943**	**729**	**466**	**383**	**688**	**394**	**216**	**581**	**562**	**1,049**	**648**
	Sources of financing[3]											
8 **All sources**	**3,977**	**6,666**	**8,715**	**9,017**	**9,433**	**10,302**	**10,482**	**8,671**	**8,360**	**11,647**	**12,799**	**9,020**
Commercial banks:												
9 New York City	1,032	1,621	1,896	1,360	1,552	1,948	1,581	1,183	1,380	2,110	2,761	1,757
10 Outside New York City	1,064	1,466	1,660	1,727	1,910	2,174	1,944	1,288	2,067	3,049	2,629	1,383
11 Corporations[1]	459	842	1,479	2,038	2,131	1,891	2,050	1,851	1,744	2,213	2,141	1,674
12 All other	1,423	2,738	3,681	3,892	3,839	4,289	4,908	4,350	3,169	4,275	5,268	4,207

[1] All business corporations except commercial banks and insurance companies.

[2] Net amounts (in terms of par values) of securities owned by nonbank dealer firms and dealer departments of commercial banks on a commitment, that is, trade-date basis, including any such securities that have been sold under agreements to repurchase. The maturities of some repurchase agreements are sufficiently long, however, to suggest that the securities involved are not available for trading purposes. Securities owned, and hence dealer positions, do not include securities purchased under agreements to resell.

[3] Total amounts outstanding of funds borrowed by nonbank dealer firms and dealer departments of commercial banks against U.S. Govt. and Federal agency securities (through both collateral loans and sales under agreements to repurchase), plus internal funds used by bank dealer departments to finance positions in such securities. Borrowings against securities held under agreement to resell are excluded where the borrowing contract and the agreement to resell are equal in amount and maturity, that is, a matched agreement.

NOTE.—Averages for positions are based on number of trading days in the period; those for financing, on the number of calendar days in the period.

1.46 FEDERAL AND FEDERALLY SPONSORED CREDIT AGENCIES Debt Outstanding

Millions of dollars, end of period

Agency	1973	1974	1975	1976			1977		
				Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
1 **Federal and Federally sponsored agencies**	**71,594**	**89,381**	**97,680**	**103,865**	**103,415**	**103,308**	**103,487**	**r102,961**	**103,673**
2 *Federal agencies*	*11,554*	*12,719*	*19,046*	*22,676*	*22,645*	*22,419*	*22,168*	*22,307*	*22,413*
3 Defense Department[1]	1,439	1,312	1,220	1,128	1,117	1,113	1,095	1,086	1,077
4 Export-Import Bank[2,3]	2,625	2,893	7,188	8,353	8,336	8,574	8,557	8,580	8,615
5 Federal Housing Administration[4]	415	440	564	589	585	575	579	581	592
6 Government National Mortgage Association Participation Certificates[5]	4,390	4,280	4,200	4,145	4,145	4,120	3,845	3,845	3,845
7 Postal Service[6]	250	721	1,750	3,498	3,498	2,998	2,998	2,998	2,998
8 Tennessee Valley Authority	2,435	3,070	3,915	4,865	4,865	4,935	4,985	5,005	5,070
9 United States Railway Association[6]	....	3	209	98	99	104	109	212	216
10 *Federally sponsored agencies*	*60,040*	*76,662*	*78,634*	*81,189*	*80,770*	*80,889*	*81,321*	*r80,654*	*81,260*
11 Federal home loan banks	15,362	21,890	18,900	17,122	16,807	16,811	16,805	16,587	16,626
12 Federal Home Loan Mortgage Corporation	1,784	1,551	1,550	1,150	1,150	1,150	1,350	r957	957
13 Federal National Mortgage Association	23,002	28,167	29,963	30,656	30,413	30,565	30,394	30,143	30,392
14 Federal land banks	10,062	12,653	15,000	17,124	17,127	17,127	17,304	17,304	17,304
15 Federal intermediate credit banks	6,932	8,589	9,254	10,712	10,669	10,494	10,631	10,556	10,670
16 Banks for cooperatives	2,695	3,589	3,655	4,023	4,207	4,330	4,425	4,695	4,899
17 Student Loan Marketing Association[7]	200	220	310	400	395	410	410	410	410
18 *Other*	*3*	*3*	*2*	*2*	*2*	*2*	*2*	*2*	*2*
MEMO:									
19 **Federal Financing Bank debt[6,8]**	....	**4,474**	**17,154**	**26,636**	**27,028**	**28,711**	**29,848**	**30,328**	**31,312**
Lending to Federal and Federally sponsored agencies:									
20 Export-Import Bank[3]	....	....	4,595	4,768	4,768	5,208	5,208	5,237	5,273
21 Postal Service[6]	....	500	1,500	3,248	3,248	2,748	2,748	2,748	2,748
22 Student Loan Marketing Association[7]	....	220	310	400	395	410	410	410	410
23 Tennessee Valley Authority	....	895	1,840	2,810	2,890	3,110	3,160	3,180	3,245
24 United States Railway Association[6]	....	3	209	98	99	104	109	212	216
Other lending:[9]									
25 Farmers Home Administration	....	2,500	7,000	10,250	10,250	10,750	11,450	11,450	11,750
26 Rural Electrification Administration	....	....	566	1,573	1,674	1,768	1,509	1,584	1,677
27 Others	....	356	1,134	3,489	3,704	4,613	5,254	5,507	5,993

1 Consists of mortgages assumed by the Defense Department between 1957 and 1963 under family housing and homeowners assistance programs.

2 Includes participation certificates reclassified as debt beginning Oct. 1, 1976.

3 Off-budget Aug. 17, 1974 through Sept. 30, 1976 on-budget thereafter.

4 Consists of debentures issued in payment of Federal Housing Administration insurance claims. Once issued, these securities may be sold privately on the securities market.

5 Certificates of participation issued prior to fiscal 1969 by the Government National Mortgage Association acting as trustee for the Farmers Home Administration; Department of Health, Education, and Welfare; Department of Housing and Urban Development; Small Business Administration; and the Veterans Administration.

6 Off-budget.

7 Unlike other Federally sponsored agencies, the Student Loan Marketing Association may borrow from the Federal Financing Bank (FFB) since its obligations are guaranteed by the Department of Health, Education, and Welfare.

8 The FFB, which began operations in 1974, is authorized to purchase or sell obligations issued, sold, or guaranteed by other Federal agencies. Since FFB incurs debt solely for the purpose of lending to other agencies, its debt is not included in the main portion of the table in order to avoid double counting.

9 Includes FFB purchases of agency assets and guaranteed loans; the latter contain loans guaranteed by numerous agencies with the guarantees of any particular agency being generally small. The Farmers Home Administration item consists exclusively of agency assets, while the Rural Electrification Administration entry contains both agency assets and guaranteed loans.

1.47 NEW SECURITY ISSUES State and Local Government and Corporate

Millions of dollars

Type of issue or issuer, or use	1974	1975	1976	1976 Sept.	1976 Oct.	1976 Nov.	1976 Dec.	1977 Jan.	1977 Feb.
	State and local government								
1 **All issues, new and refunding** [1]	**24,315**	**30,607**	**35,313**	**2,819**	**3,544**	**3,345**	**2,352**	**3,429**	**3,150**
By type of issue:									
2 General obligation	13,563	16,020	18,040	1,265	1,973	1,529	1,176	1,867	1,624
3 Revenue	10,212	14,511	17,140	1,549	1,551	1,807	1,166	1,552	1,518
4 Housing Assistance Administration [2]	461	....	....	....	....	....	....	....	....
5 U.S. Govt. loans	79	76	133	5	20	9	10	10	8
By type of issuer:									
6 State	4,784	7,438	7,054	470	499	537	361	468	441
7 Special district and statutory authority	8,638	12,441	15,304	1,238	1,470	1,725	1,251	1,786	1,335
8 Municipalities, counties, townships, school districts	10,817	10,660	12,845	1,105	1,553	1,074	732	1,166	1,367
9 **Issues for new capital, total**	**23,508**	**29,495**	**32,108**	**2,591**	**2,921**	**2,879**	**1,847**	**3,084**	**3,019**
By use of proceeds:									
10 Education	4,730	4,689	4,900	356	428	351	334	489	502
11 Transportation	1,712	2,208	2,586	251	332	221	107	104	410
12 Utilities and conservation	5,634	7,209	9,594	747	632	1,333	723	1,050	935
13 Social welfare	3,820	4,392	6,566	767	676	574	233	483	580
14 Industrial aid	494	445	483	31	23	69	63	15	12
15 Other purposes	7,118	10,552	7,979	439	830	331	387	943	580
	Corporate								
16 **All issues** [3]	**38,313**	**53,619**	**53,356**	**4,817**	**4,431**	**3,047**	**6,480**	**3,989**	**2,708**
17 **Bonds**	**32,066**	**42,756**	**42,262**	**4,263**	**3,482**	**2,357**	**5,560**	**3,387**	**1,888**
By type of offering:									
18 Public	25,903	32,583	26,453	2,100	2,729	1,256	2,568	2,786	1,108
19 Private placement	6,160	10,172	15,808	2,163	753	1,101	2,992	601	780
By industry group:									
20 Manufacturing	9,867	16,980	13,243	670	1,261	501	2,275	817	568
21 Commercial and miscellaneous	1,845	2,750	4,361	546	77	376	696	743	346
22 Transportation	1,550	3,439	4,357	1,212	240	193	564	165	47
23 Public utility	8,873	9,658	8,297	1,118	803	795	560	634	210
24 Communication	3,710	3,464	2,787	140	155	163	196	50	290
25 Real estate and financial	6,218	6,469	9,222	577	946	328	1,271	979	426
26 **Stocks**	**6,247**	**10,863**	**11,094**	**554**	**949**	**690**	**920**	**602**	**820**
By type:									
27 Preferred	2,253	3,458	2,789	136	276	282	308	103	128
28 Common	3,994	7,405	8,305	418	673	408	612	499	692
By industry group:									
29 Manufacturing	544	1,670	2,237	83	88	9	110	89	175
30 Commercial and miscellaneous	940	1,470	1,183	33	73	34	198	136	94
31 Transportation	22	1	24	7	....	....	....	....	....
32 Public utility	3,964	6,235	6,101	347	611	532	596	352	225
33 Communication	217	1,002	776	....	....	27	....	....	267
34 Real estate and financial	562	488	771	84	177	88	15	25	60

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

2 Only bonds sold pursuant to the 1949 Housing Act, which are secured by contract requiring the Housing Assistance Administration to make annual contributions to the local authority.

3 Figures, which represent gross proceeds of issues maturing in more than 1 year, sold for cash in the United States, are principal amount or number of units multiplied by offering price. Excludes offerings of less than $100,000, secondary offerings, undefined or exempted issues as defined in the Securities Act of 1933, employee stock plans, investment companies other than closed-end, intracorporate transactions, and sales to foreigners.

SOURCES.—State and local government securities, Securities Industry Association; corporate securities, Securities and Exchange Commission.

1.48 CORPORATE SECURITIES Net Change in Amounts Outstanding

Millions of dollars

Source of change, or industry	1974	1975	1976	1975 Q2	1975 Q3	1975 Q4	1976 Q1	1976 Q2	1976 Q3	1976 Q4
All issues[1]										
1 New issues	39,344	53,255	53,123	15,602	9,079	13,363	13,671	14,229	11,385	13,838
2 Retirements	9,935	10,991	12,184	3,211	2,576	3,116	2,315	3,668	2,478	3,723
3 **Net change**	**29,399**	**42,263**	**40,939**	**12,390**	**6,503**	**10,247**	**11,356**	**10,561**	**8,907**	**10,115**
Bonds and notes										
4 New issues	31,354	40,468	38,994	11,460	6,654	9,595	9,404	10,244	8,701	10,645
5 Retirements	6,255	8,583	9,109	2,336	2,111	2,549	1,403	3,159	1,826	2,721
6 **Net change: Total**	**25,098**	**31,886**	**29,884**	**9,124**	**4,543**	**7,047**	**8,001**	**7,084**	**6,875**	**7,924**
By industry:										
7 Manufacturing	7,404	13,219	8,978	4,574	1,442	2,069	2,966	1,529	1,551	2,932
8 Commercial and other[2]	1,116	1,605	2,259	483	221	528	203	726	610	720
9 Transportation, including railroad	341	2,165	3,078	429	147	1,588	985	488	1,092	513
10 Public utility	7,308	7,236	6,829	1,977	1,395	1,211	1,820	1,260	2,109	1,640
11 Communication	3,499	2,980	1,687	810	472	429	498	953	335	−99
12 Real estate and financial	5,428	4,682	7,054	852	866	1,222	1,530	2,128	1,178	2,218
Common and preferred stock										
13 New issues	7,980	12,787	14,129	4,142	2,425	3,768	4,267	3,985	2,684	3,193
14 Retirements	3,678	2,408	3,075	875	465	567	912	509	652	1,002
15 **Net change: Total**	**4,302**	**10,377**	**11,055**	**3,266**	**1,960**	**3,200**	**3,355**	**3,477**	**2,032**	**2,191**
By industry:										
16 Manufacturing	17	1,607	2,634	500	412	433	838	1,120	744	−68
17 Commercial and other[2]	−135	1,137	762	490	108	462	88	318	117	239
18 Transportation, including railroad	−20	65	96	7	53	4	5	25	17	49
19 Public utility	3,834	6,015	6,171	1,866	1,043	1,537	2,174	1,300	932	1,765
20 Communication	398	1,084	854	359	97	604	47	735	19	53
21 Real estate and financial	207	468	538	43	247	160	203	−21	203	153

1 Excludes issues of investment companies.
2 Extractive and commercial and miscellaneous companies.

NOTE.—Securities and Exchange Commission estimates of cash transactions only, as published in the Commission's *Statistical Bulletin*.

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

1.49 OPEN-END INVESTMENT COMPANIES Net Sales and Asset Position

Millions of dollars

Item	1975	1976	1976 Oct.	1976 Nov.	1976 Dec.	1977 Jan.	1977 Feb.	1977 Mar.	1977 Apr.
INVESTMENT COMPANIES excluding money market funds									
1 Sales of own shares[1]	3,302	4,226	378	446	661	655	423	463	556
2 Redemptions of own shares[2]	3,686	6,802	450	419	628	628	463	553	490
3 Net sales	−384	2,496	−72	27	33	141	−40	−90	66
4 **Assets**[3]	**42,179**	**47,537**	**44,858**	**45,369**	**47,537**	**45,760**	**45,040**	**44,516**	**44,862**
5 Cash position[4]	3,748	2,747	2,434	2,635	2,747	2,958	3,260	3,474	2,777
6 Other	38,431	44,790	42,424	42,734	44,790	42,802	41,780	41,042	42,085

1 Includes reinvestment of investment income dividends. Excludes reinvestment of capital gains distributions and share issue of conversions from one fund to another in the same group.
2 Excludes share redemption resulting from conversions from one fund to another in the same group.
3 Market value at end of period, less current liabilities.
4 Also includes all U.S. Govt. securities and other short-term debt securities.

NOTE.—Investment Company Institute data based on reports of members, which comprise substantially all open-end investment companies registered with the Securities and Exchange Commission. Data reflect newly formed companies after their initial offering of securities.

1.50 CORPORATE PROFITS AND THEIR DISTRIBUTION

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

Account	1974	1975	1976	1975		1976				1977
				Q3	Q4	Q1	Q2	Q3	Q4	Q1p
1 **Profits before tax**	**127.6**	**114.5**	**147.9**	**126.9**	**131.3**	**141.1**	**146.2**	**150.2**	**154.2**	**156.3**
2 Profits tax liability	52.4	49.2	64.4	54.8	57.2	61.4	63.5	65.1	67.4	68.6
3 Profits after tax	75.2	65.3	83.5	72.1	74.1	79.7	82.7	85.1	86.8	87.7
4 Dividends	30.8	32.1	35.2	32.6	32.2	33.1	34.4	35.4	37.7	37.6
5 Undistributed profits	44.4	33.2	48.3	39.5	41.9	46.6	48.3	49.7	49.1	50.1
6 Capital consumption allowances	81.6	89.4	97.3	90.5	92.9	94.3	96.2	98.2	100.5	102.6
7 Net cash flow	126.0	122.6	145.6	130.0	134.8	140.9	144.5	147.9	149.6	152.7

SOURCE.—U.S. Dept. of Commerce, *Survey of Current Business.*

1.51 NONFINANCIAL CORPORATIONS Current Assets and Liabilities

Billions of dollars, end of period

Account	1971	1972	1973	1974	1975		1976			
					Q3	Q4	Q1	Q2	Q3	Q4
1 **Current assets**	**529.4**	**574.4**	**643.2**	**712.2**	**716.5**	**731.6**	**753.5**	**775.4**	**791.8**	**816.8**
2 Cash	53.3	57.5	61.6	62.7	65.6	68.1	68.4	70.8	71.1	77.0
3 U.S. Govt. securities	11.0	10.2	11.0	11.7	14.3	19.4	21.7	23.3	23.9	26.4
4 *Notes and accounts receivable*	*221.1*	*243.4*	*269.6*	*293.2*	*298.0*	*298.2*	*310.9*	*321.8*	*328.5*	*328.2*
5 U.S. Govt.[1]	3.5	3.4	3.5	3.5	3.3	3.6	3.6	3.7	4.3	4.3
6 Other	217.6	240.0	266.1	289.7	294.7	294.6	307.3	318.1	324.2	323.9
7 Inventories	200.4	215.2	246.7	288.0	279.6	285.8	288.8	295.6	302.1	315.4
8 Other	43.8	48.1	54.4	56.6	59.0	60.0	63.6	63.9	66.3	69.8
9 **Current liabilities**	**326.0**	**352.2**	**401.0**	**450.6**	**444.7**	**457.5**	**465.9**	**475.9**	**484.1**	**499.9**
10 *Notes and accounts payable*	*220.5*	*234.4*	*265.9*	*292.7*	*279.6*	*288.0*	*286.9*	*293.8*	*291.7*	*302.9*
11 U.S. Govt.[1]	4.9	4.0	4.3	5.2	6.2	6.4	6.4	6.8	7.0	7.0
12 Other	215.6	230.4	261.6	287.5	273.4	281.6	280.5	287.0	284.7	295.9
13 Accrued Federal income taxes	13.1	15.1	18.1	23.2	19.4	20.7	23.9	22.0	24.9	26.8
14 Other	92.4	102.6	117.0	134.8	145.6	148.8	155.0	160.1	167.5	170.2
15 **Net working capital**	**203.6**	**221.3**	**242.3**	**261.5**	**271.8**	**274.1**	**287.6**	**299.5**	**307.7**	**316.9**

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

SOURCE.—Securities and Exchange Commission estimates published in the Commission's *Statistical Bulletin.*

1.52 BUSINESS EXPENDITURES on New Plant and Equipment

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

Industry	1975	1976	1975		1976				1977	
			Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2[2]
1 **All industries**	**112.75**	**120.82**	**112.16**	**111.80**	**114.72**	**118.12**	**122.55**	**125.22**	**129.19**	**132.71**
Manufacturing										
2 Durable goods industries	21.88	23.50	21.01	21.07	21.63	22.54	24.59	25.50	25.33	26.77
3 Nondurable goods industries	26.13	29.22	26.38	25.75	27.58	28.09	30.20	28.93	30.84	31.13
Nonmanufacturing										
4 Mining	3.80	3.98	3.82	3.82	3.83	3.83	4.21	4.13	4.26	4.16
Transportation:										
5 Railroad	2.56	2.35	2.75	2.39	2.08	2.64	2.69	2.63	2.37	2.68
6 Air	1.87	1.31	2.12	1.65	1.18	1.44	1.12	1.41	1.76	1.45
7 Other	3.03	3.56	2.99	3.56	3.29	4.16	3.44	3.49	2.87	2.45
Public utilities:										
8 Electric	16.99	18.90	16.58	17.92	18.56	18.82	18.22	19.49	20.44	21.96
9 Gas and other	3.14	3.47	3.21	3.00	3.36	3.03	3.45	3.96	4.08	4.24
10 Communication	12.76	12.93	12.95	12.22	12.54	12.62	13.64	14.30	37.25	37.87
11 Commercial and other[1]	20.61	20.87	20.34	20.44	20.68	20.94	20.99	21.36		

1 Includes trade, service, construction, finance, and insurance.
2 Anticipated by business.

NOTE.—Estimates for corporate and noncorporate business, excluding agriculture; real estate operators; medical, legal, educational, and cultural service; and nonprofit organizations.

SOURCE.—U.S. Dept. of Commerce, *Survey of Current Business.*

1.521 DOMESTIC FINANCE COMPANIES Assets and Liabilities

Billions of dollars, end of period

Account	1972	1973	1974	1975 Q3	1975 Q4	1976 Q1	1976 Q2	1976 Q3	1976 Q4	1977 Q1
ASSETS										
Accounts receivable, gross										
Consumer	31.9	35.4	36.1	35.4	36.0	35.7	36.7	37.6	38.6	39.2
Business	27.4	32.3	37.2	38.6	39.3	41.2	42.4	42.4	44.7	47.5
Total	*59.3*	*67.7*	*73.3*	*74.1*	*75.3*	*76.9*	*79.2*	*80.0*	*83.4*	*86.7*
LESS: Reserves for unearned income and losses	7.4	8.4	9.0	9.2	9.4	9.4	9.8	10.2	10.5	10.6
Accounts receivable, net	51.9	59.3	64.2	64.8	65.9	67.4	69.4	69.9	72.9	76.1
Cash and bank deposits	2.8	2.6	3.0	3.1	2.9	2.8	2.7	2.6	2.6	2.7
Securities	.9	.8	.4	.8	1.0	.8	.8	1.2	1.1	1.0
All other	10.0	10.6	12.0	11.7	11.8	12.5	12.4	12.7	12.6	13.0
Total assets	**65.6**	**73.2**	**79.6**	**80.5**	**81.6**	**83.5**	**85.3**	**86.4**	**89.2**	**92.8**
LIABILITIES										
Bank loans	5.6	7.2	9.7	8.2	8.0	7.4	6.9	5.5	6.3	6.1
Commercial paper	17.3	19.7	20.7	20.8	22.2	22.2	22.2	21.7	23.7	24.8
Debt:										
Short-term, n.e.c.	4.3	4.6	4.9	4.5	4.5	4.9	5.0	5.2	5.4	4.5
Long-term, n.e.c.	22.7	24.6	26.5	26.7	27.6	28.4	30.1	31.0	32.3	34.0
Other	4.8	5.6	5.5	7.7	6.8	7.8	7.8	9.5	8.1	9.5
Capital, surplus, and undivided profits	10.9	11.5	12.4	12.6	12.5	12.8	13.2	13.4	13.4	13.9
Total liabilities and capital	**65.6**	**73.2**	**79.6**	**80.5**	**81.6**	**83.5**	**85.3**	**86.4**	**89.2**	**92.8**

NOTE.—Components may not add to totals due to rounding.

1.522 DOMESTIC FINANCE COMPANIES Business Credit

Millions of dollars, seasonally adjusted except as noted

Type	Accounts receivable outstanding Apr. 30, 1977 [1]	Changes in accounts receivable during— 1977 Feb.	Mar.	Apr.	Extensions 1977 Feb.	Mar.	Apr.	Repayments 1977 Feb.	Mar.	Apr.
Retail automotive (commercial vehicles)	10,017	255	272	246	903	966	949	648	694	703
Wholesale automotive	10,237	246	549	255	4,981	5,730	5,084	4,735	5,181	4,829
Retail paper on business, industrial, and farm equipment	12,162	45	−109	59	684	787	698	639	896	639
Loans on commercial accounts receivable	3,789	−74	42	51	2,373	2,554	2,492	2,447	2,512	2,441
Factored commercial accounts receivable	2,218	60	11	124	1,558	1,626	1,685	1,498	1,615	1,561
All other business credit	9,936	13	144	118	1,284	1,337	1,282	1,271	1,193	1,164

[1] Not seasonally adjusted.

1.53 MORTGAGE MARKETS

Millions of dollars. Exceptions noted.

	Item	1974	1975	1976	1976 Nov.	1976 Dec.	1977 Jan.	1977 Feb.	1977 Mar.	1977 Apr.
		Terms and yields in primary and secondary markets								
	PRIMARY MARKETS									
	Conventional mortgages on new homes									
	Terms:[1]									
1	Purchase price (thous. dollars)	40.1	44.6	48.4	48.6	51.0	52.5	53.1	53.8	53.4
2	Amount of loan (thous. dollars)	29.8	33.3	35.9	36.0	37.1	39.0	39.3	40.9	39.6
3	Loan/price ratio (per cent)	74.3	74.7	74.2	75.6	74.7	76.3	75.8	77.5	75.5
4	Maturity (years)	26.3	26.8	27.2	27.0	27.7	28.2	27.8	28.0	27.3
5	Fees and charges (per cent of loan amount)[2]	1.30	1.54	1.44	1.36	1.38	1.38	1.31	1.34	1.30
6	Contract rate (per cent per annum)	8.71	8.75	8.76	8.83	8.87	8.82	8.78	8.74	8.73
	Yield (per cent per annum):									
7	FHLBB series[3]	8.92	9.01	8.99	9.05	9.10	9.05	8.99	8.95	8.94
8	HUD series[4]	9.22	9.10	8.99	8.95	8.90	8.80	8.80	8.85	8.90
	SECONDARY MARKETS									
	Yields (per cent per annum) on—									
9	FHA mortgages (HUD series)[5]	9.55	9.19	8.82	8.45	8.25	8.40	8.50	8.58	8.57
10	GNMA securities[6]	8.72	8.52	8.17	7.93	7.59	7.85	7.98	8.06	7.96
	FNMA auctions:[7]									
11	Government-underwritten loans	[c]9.31	9.26	[c]8.99	8.66	8.45	8.48	8.55	8.68	8.67
12	Conventional loans	[c]9.43	[c]9.37	[c]9.11	9.00	8.84	8.82	8.86	8.91	8.97
		Activity in secondary markets								
	FEDERAL NATIONAL MORTGAGE ASSOCIATION									
	Mortgage holdings (end of period)									
13	**Total**	**29,578**	**31,824**	**32,904**	**32,929**	**32,904**	**32,848**	**32,792**	**32,830**	**32,938**
14	FHA-insured	19,189	19,732	18,916	18,986	18,916	18,854	18,771	18,739	18,745
15	VA-guaranteed	8,310	9,573	9,212	9,264	9,212	9,162	9,115	9,099	9,125
16	Conventional	2,080	2,519	4,776	4,679	4,776	4,833	4,906	4,992	5,069
	Mortgage transactions (during period)									
17	Purchases	6,953	4,263	3,606	1,131	191	141	150	283	391
18	Sales	4	2	86	8	....	....	....	....	....
	Mortgage commitments:[8]									
19	Contracted (during period)	10,765	6,106	6,247	615	290	1,180	968	1,119	716
20	Outstanding (end of period)	7,960	4,126	3,398	3,649	3,398	4,142	4,707	5,184	5,411
	Auction of 4-month commitments to buy—									
	Government-underwritten loans:									
21	Offered[9]	[c]5,462.6	[c]7,042.6	4,929.8	494.1	56.9	747.4	868.4	1,138.2	456.1
22	Accepted	2,371.4	3,848.3	2,787.2	221.1	41.5	549.1	484.7	612.0	269.8
	Conventional loans:									
23	Offered[9]	[c]1,195.4	[c]1,401.3	2,595.7	353.3	150.2	326.8	300.0	373.9	348.1
24	Accepted	[c]656.5	[c]765.0	[c]1,879.2	296.9	135.4	238.3	235.8	268.1	280.7
	FEDERAL HOME LOAN MORTGAGE CORPORATION									
	Mortgage holdings (end of period)[10]									
25	**Total**	**4,586**	**4,987**	**4,269**	**4,162**	**4,269**	**3,896**	**3,672**	**3,557**	**3,355**
26	FHA/VA	1,904	1,824	1,618	1,638	1,618	1,594	1,580	1,564	1,542
27	Conventional	2,682	3,163	2,651	2,523	2,651	2,302	2,092	1,993	1,813
	Mortgage transactions (during period)									
28	Purchases	2,191	1,716	1,175	101	208	16	98	200	235
29	Sales	52	1,020	1,396	91	60	51	290	285	388
	Mortgage commitments:[11]									
30	Contracted (during period)	4,553	982	1,477	245	105	250	170	459	606
31	Outstanding (end of period)	2,390	111	333	452	333	462	533	760	1,112

1 Weighted averages based on sample surveys of mortgages originated by major institutional lender groups. Compiled by the Federal Home Loan Bank Board in cooperation with the Federal Deposit Insurance Corporation.

2 Includes all fees, commissions, discounts, and "points" paid (by the borrower or the seller) in order to obtain a loan.

3 Average effective interest rates on loans closed, assuming prepayment at the end of 10 years.

4 Average contract rates on new commitments for conventional first mortgages, rounded to the nearest 5 basis points; from Dept. of Housing and Urban Development.

5 Average gross yields on 30-year, minimum-downpayment, Federal Housing Administration-insured first mortgages for immediate delivery in the private secondary market. Any gaps in data are due to periods of adjustment to changes in maximum permissible contract rates.

6 Average net yields to investors on Government National Mortgage Association-guaranteed, mortgage-backed, fully-modified pass-through securities, assuming prepayment in 12 years on pools of 30-year FHA/VA mortgages carrying the prevailing ceiling rate. Monthly figures are unweighted averages of Monday quotations for the month.

7 Average gross yields (before deduction of 38 basis points for mortgage servicing) on accepted bids in Federal National Mortgage Association's auctions of 4-month commitments to purchase home mortgages, assuming prepayment in 12 years for 30-year mortgages. No adjustments are made for FNMA commitment fees or stock related requirements. Monthly figures are unweighted averages for auctions conducted within the month.

8 Includes some multifamily and nonprofit hospital loan commitments in addition to 1- to 4-family loan commitments accepted in FNMA's free market auction system, and through the FNMA–GNMA Tandem plans.

9 Mortgage amounts offered by bidders are total bids received.

10 Includes participations as well as whole loans.

11 Includes conventional and Government-underwritten loans.

1.54 MORTGAGE DEBT OUTSTANDING

Millions of dollars, end of period.

	Type of holder, and type of property	1972	1973	1974	1975	1976 Q2	1976 Q3	1976 Q4	1977 Q1
1	**All holders**	**603,417**	**682,321**	**742,504**	**801,640**	**[r]840,813**	**[r]864,345**	**[r]888,958**	**[r]910,625**
2	1- to 4-family	372,793	416,883	449,937	491,568	[r]521,705	[r]541,224	[r]558,415	[r]574,534
3	Multifamily	82,572	92,877	99,851	100,471	[r]100,790	[r]100,344	[r]102,380	[r]102,591
4	Commercial	112,294	131,308	146,428	158,724	[r]164,209	[r]167,070	[r]170,870	[r]174,233
5	Farm	35,758	41,253	46,288	50,877	[r]54,109	[r]55,707	[r]57,293	[r]59,267
6	**Major financial institutions**	**450,000**	**505,400**	**542,552**	**581,296**	**[r]611,524**	**[r]629,949**	**647,314**	**[r]661,851**
7	*Commercial banks*[1]	*99,314*	*119,068*	*132,105*	*136,186*	*143,699*	*147,636*	*150,869*	*154,007*
8	1- to 4-family	57,004	67,998	74,758	77,018	82,900	86,013	87,897	89,725
9	Multifamily	5,778	6,932	7,619	5,915	6,107	6,201	6,336	6,468
10	Commercial	31,751	38,696	43,679	46,882	48,125	48,749	49,817	50,853
11	Farm	4,781	5,442	6,049	6,371	6,567	6,673	6,819	6,961
12	*Mutual savings banks*	*67,556*	*73,230*	*74,920*	*77,249*	*78,838*	*80,249*	*81,734*	*[r]82,273*
13	1- to 4-family	46,229	48,811	49,213	50,025	51,326	52,250	53,217	[r]53,568
14	Multifamily	10,910	12,343	12,923	13,792	13,674	13,915	14,173	[r]14,266
15	Commercial	10,355	12,012	12,722	13,373	13,780	14,028	14,287	[r]14,381
16	Farm	62	64	62	59	58	56	57	58
17	*Savings and loan associations*	*206,182*	*231,733*	*249,293*	*278,693*	*[r]299,296*	*[r]311,847*	*323,130*	*[r]333,697*
18	1- to 4-family	167,049	187,750	201,553	224,710	[r]241,623	[r]251,629	[r]260,895	[r]270,094
19	Multifamily	20,783	22,524	23,683	25,417	[r]26,817	[r]27,505	[r]28,436	[r]29,032
20	Commercial	18,350	21,459	24,057	28,566	[r]31,456	[r]32,713	[r]33,799	[r]34,571
21	*Life insurance companies*	*76,948*	*81,369*	*86,234*	*89,168*	*89,691*	*90,217*	*91,581*	*[r]91,874*
22	1- to 4-family	22,315	20,426	19,026	17,590	16,861	16,458	16,108	[r]15,780
23	Multifamily	17,347	18,451	19,625	19,629	19,374	19,256	19,201	[r]19,064
24	Commercial	31,608	36,496	41,256	45,196	46,456	47,322	48,854	[r]49,405
25	Farm	5,678	5,996	6,327	6,753	7,000	7,181	7,418	[r]7,625
26	**Federal and related agencies**	**40,157**	**46,721**	**58,320**	**66,891**	**66,033**	**67,314**	**[r]66,753**	**[r]66,248**
27	*Government National Mortgage Assn.*	*5,113*	*4,029*	*4,846*	*7,438*	*5,557*	*5,068*	*4,241*	*[r]4,013*
28	1- to 4-family	2,513	1,455	2,248	4,728	3,165	2,486	1,970	[r]1,670
29	Multifamily	2,600	2,574	2,598	2,710	2,392	2,582	2,271	[r]2,343
30	*Farmers Home Admin.*	*1,019*	*1,366*	*1,432*	*1,109*	*830*	*1,355*	*1,064*	*500*
31	1- to 4-family	279	743	759	208	228	754	454	98
32	Multifamily	29	29	167	215	46	143	218	28
33	Commercial	320	218	156	190	151	133	72	64
34	Farm	391	376	350	496	405	325	320	310
35	*Federal Housing and Veterans Admin.*	*3,338*	*3,476*	*4,015*	*4,970*	*5,111*	*5,092*	*5,150*	*5,406*
36	1- to 4-family	2,199	2,013	2,009	1,990	1,781	1,716	1,676	1,732
37	Multifamily	1,139	1,463	2,006	2,980	3,330	3,376	3,474	3,674
38	*Federal National Mortgage Assn.*	*19,791*	*24,175*	*29,578*	*31,824*	*32,028*	*32,962*	*32,904*	*32,830*
39	1- to 4-family	17,697	20,370	23,778	25,813	26,112	27,030	26,934	26,836
40	Multifamily	2,094	3,805	5,800	6,011	5,916	5,932	5,970	5,994
41	*Federal land banks*	*9,107*	*11,071*	*13,863*	*16,563*	*17,978*	*18,568*	*19,125*	*19,942*
42	1- to 4-family	13	123	406	549	575	586	601	611
43	Farm	9,094	10,948	13,457	16,014	17,403	17,982	18,524	19,331
44	*Federal Home Loan Mortgage Corp.*	*1,789*	*2,604*	*4,586*	*4,987*	*4,529*	*4,269*	*4,269*	*3,557*
45	1- to 4-family	1,754	2,446	4,217	4,588	4,166	3,917	3,889	3,200
46	Multifamily	35	158	369	399	363	352	380	357
47	**Mortgage pools or trusts**[2]	**14,404**	**18,040**	**23,799**	**34,138**	**41,225**	**44,960**	**49,801**	**54,811**
48	*Government National Mortgage Assn.*	*5,504*	*7,890*	*11,769*	*18,257*	*23,634*	*26,725*	*30,572*	34,260
49	1- to 4-family	5,353	7,561	11,249	17,538	22,821	25,841	29,583	33,190
50	Multifamily	151	329	520	719	813	884	989	1,070
51	*Federal Home Loan Mortgage Corp.*	*441*	*766*	*757*	*1,598*	*2,153*	*2,506*	*2,671*	*3,570*
52	1- to 4-family	331	617	608	1,349	1,831	2,141	2,282	3,112
53	Multifamily	110	149	149	249	322	365	389	458
54	*Farmers Home Admin.*	*8,459*	*9,384*	*11,273*	*14,283*	*15,438*	*15,729*	*16,558*	*16,981*
55	1- to 4-family	5,017	5,458	6,782	9,194	9,670	9,587	10,219	10,423
56	Multifamily	131	138	116	295	541	535	532	530
57	Commercial	867	1,124	1,473	1,948	2,104	2,291	2,440	2,560
58	Farm	2,444	2,664	2,902	2,846	3,123	3,316	3,367	3,468
59	**Individuals and others**[3]	**98,856**	**112,160**	**117,833**	**119,315**	**[r]122,031**	**[r]122,122**	**[r]125,090**	**127,715**
60	1- to 4-family	45,040	51,112	53,331	56,268	[r]59,246	[r]60,816	[r]62,690	64,495
61	Multifamily	21,465	23,982	24,276	22,140	[r]21,095	[r]19,298	[r]20,011	19,307
62	Commercial	19,043	21,303	23,085	22,569	[r]22,137	[r]21,834	[r]21,601	22,399
63	Farm	13,308	15,763	17,141	18,338	[r]19,553	[r]20,174	[r]20,788	21,514

1 Includes loans held by nondeposit trust companies but not bank trust departments.

2 Outstanding principal balances of mortgages backing securities insured or guaranteed by the agency indicated.

3 Other holders include mortgage companies, real estate investment trusts, State and local credit agencies, State and local retirement funds, noninsured pension funds, credit unions, and U.S. agencies for which amounts are small or separate data are not readily available.

NOTE.—Based on data from various institutional and Govt. sources, with some quarters estimated in part by Federal Reserve in conjunction with the Federal Home Loan Bank Board and the Dept. of Commerce. Separation of nonfarm mortgage debt by type of property, if not reported directly, and interpolations and extrapolations where required, are estimated mainly by Federal Reserve. Multifamily debt refers to loans on structures of 5 or more units.

1.55 CONSUMER INSTALMENT CREDIT Total Outstanding, and Net Change

Millions of dollars

	Holder, and type of credit	1974	1975	1976	1976 Oct.	1976 Nov.	1976 Dec.	1977 Jan.	1977 Feb.	1977 Mar.	1977 Apr.
		Amounts outstanding (end of period)									
1	**Total**	**155,384**	**162,237**	**178,775**	**173,930**	**175,333**	**178,775**	**177,975**	**178,252**	**179,695**	**182,265**
	By holder:										
2	Commercial banks	75,846	78,703	85,379	84,152	84,278	85,379	85,051	85,005	85,916	87,481
3	Finance companies	36,208	36,695	39,642	38,809	39,129	39,642	39,665	39,831	39,889	40,361
4	Credit unions	22,116	25,354	30,546	29,711	30,053	30,546	30,410	30,701	31,448	31,912
5	Retailers[1]	17,933	18,002	19,178	17,205	17,726	19,178	18,693	18,322	18,068	18,205
6	Others[2]	3,281	3,483	4,030	4,053	4,147	4,030	4,156	4,393	4,374	4,306
	By type of credit:										
7	*Automobile*	*50,392*	*53,028*	*60,498*	*59,717*	*60,002*	*60,498*	*60,349*	*60,774*	*61,841*	*63,183*
8	Commercial banks	30,994	31,534	35,313	35,009	35,095	35,313	35,284	35,492	36,232	37,145
9	Indirect	18,687	18,353	19,642	19,611	19,575	19,642	19,566	19,640	20,005	20,468
10	Direct	12,306	13,181	15,671	15,398	15,520	15,671	15,719	15,852	16,227	16,678
11	Finance companies	10,618	11,439	13,059	12,901	12,957	13,059	12,973	13,042	13,084	13,347
12	Credit unions	8,414	9,653	11,633	11,311	11,442	11,633	11,579	11,690	11,976	12,152
13	Others	366	402	493	496	508	493	513	550	549	539
	Mobile homes:										
14	Commercial banks	8,972	8,704	8,233	8,294	8,254	8,233	8,146	8,094	8,076	8,100
15	Finance companies	3,524	3,451	3,277	3,309	3,295	3,277	3,248	3,207	3,197	3,177
16	*Home improvement*	*7,754*	*8,004*	*8,773*	*8,726*	*8,790*	*8,773*	*8,736*	*8,750*	*8,816*	*8,923*
17	Commercial banks	4,694	4,965	5,381	5,359	5,388	5,381	5,340	5,307	5,343	5,425
	Revolving credit:										
18	Bank credit cards	8,281	9,501	11,075	10,232	10,329	11,075	10,996	10,820	10,705	10,877
19	Bank check credit	2,797	2,810	3,010	2,933	2,935	3,010	3,031	3,039	3,030	3,045
20	*All other*	*73,664*	*76,738*	*83,910*	*80,719*	*81,728*	*83,910*	*83,469*	*83,568*	*84,031*	*84,959*
21	Commercial banks, total	20,108	21,188	22,368	22,325	22,277	22,368	22,254	22,253	22,531	22,888
22	Personal loans	13,771	14,629	15,606	15,534	15,517	15,606	15,569	15,590	15,769	16,003
23	Finance companies, total	21,717	21,655	23,178	22,469	22,748	23,178	23,319	23,454	23,480	23,709
24	Personal loans	16,961	17,681	19,043	18,509	18,773	19,043	19,002	18,998	19,048	19,235
25	Credit unions	13,037	14,937	17,993	17,505	17,706	17,993	17,915	18,086	18,524	18,799
26	Retailers	17,933	18,002	19,178	17,205	17,726	19,178	18,693	18,322	18,068	18,205
27	Others	869	956	1,193	1,215	1,271	1,193	1,288	1,453	1,428	1,358
		Net change (during period)[3]									
28	**Total**	**8,952**	**6,843**	**16,539**	**1,564**	**1,243**	**1,823**	**1,918**	**2,022**	**2,717**	**2,660**
	By holder:										
29	Commercial banks	3,975	2,851	6,678	671	381	913	565	829	1,462	1,295
30	Finance companies	806	483	2,946	317	245	364	481	442	373	559
31	Credit unions	2,507	3,238	5,192	280	395	537	416	540	717	557
32	Retailers	1,538	69	1,176	263	98	64	249	118	238	191
33	Others	126	202	547	33	124	−55	207	93	−72	58
	By type of credit:										
34	*Automobile*	*327*	*2,631*	*7,470*	*528*	*477*	*1,013*	*758*	*884*	*1,201*	*1,174*
35	Commercial banks	−508	535	3,779	350	221	652	418	504	759	686
36	Indirect	−310	−340	1,289	117	70	330	160	239	385	357
37	Direct	−198	875	2,490	233	151	322	258	265	373	329
38	Finance companies	−100	821	1,620	77	98	146	99	161	194	282
39	Credit unions	958	1,239	1,980	105	144	207	174	213	267	203
40	Other	−23	36	91	−4	14	8	66	6	−19	2
	Mobile homes:										
41	Commercial banks	632	−268	−471	−56	−43	32	−43	−26	16	17
42	Finance companies	168	−73	−174	−16	−16	−16	−18	−43	3	−15
43	*Home improvement*	*804*	*248*	*768*	*73*	*103*	*73*	*130*	*73*	*97*	*106*
44	Commercial banks	611	271	416	44	55	54	36	14	75	66
	Revolving credit:										
45	Bank credit cards	1,443	1,220	1,576	123	71	−33	28	170	293	246
46	Bank check credit	543	14	199	27	6	7	41	32	38	49
47	*All other*	*5,036*	*3,072*	*7,172*	*884*	*645*	*747*	*1,023*	*931*	*1,069*	*1,083*
48	Commercial banks, total	1,255	1,080	1,180	183	72	199	85	134	281	231
49	Personal loans	898	858	977	161	47	148	101	114	200	160
50	Finance companies, total	803	−64	1,523	258	163	236	401	320	175	291
51	Personal loans	479	717	1,362	237	161	113	178	129	168	251
52	Credit unions	1,473	1,900	3,056	166	239	313	227	312	428	336
53	Retailers	1,538	69	1,176	263	98	64	249	118	238	191
54	Others	−33	87	237	15	73	−66	60	48	−54	34

1 Excludes 30-day charge credit held by retailers, oil and gas companies, and travel and entertainment companies.

2 Mutual savings banks, savings and loan associations, and auto dealers.

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

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

1.56 CONSUMER INSTALMENT CREDIT Extensions and Liquidations

Millions of dollars

Holder, and type of credit	1974	1975	1976	1976 Oct.	1976 Nov.	1976 Dec.	1977 Jan.	1977 Feb.	1977 Mar.	1977 Apr.
				Extensions[1]						
1 **Total**	**160,008**	**163,483**	**186,221**	**16,055**	**15,763**	**16,702**	**16,870**	**17,186**	**18,253**	**18,077**
By holder:										
2 Commercial banks	72,605	77,131	88,666	7,618	7,486	8,182	7,546	8,055	8,715	8,670
3 Finance companies	35,644	32,582	35,956	3,148	3,059	3,157	3,431	3,437	3,559	3,442
4 Credit unions	22,403	24,151	28,829	2,350	2,395	2,688	2,683	2,743	2,978	2,933
5 Retailers[2]	27,034	27,049	29,569	2,673	2,467	2,480	2,775	2,603	2,817	2,722
6 Others[3]	2,322	2,570	3,201	266	356	194	436	347	185	310
By type of credit:										
7 *Automobile*	*43,209*	*48,103*	*55,807*	*4,587*	*4,632*	*5,263*	*4,940*	*5,205*	*5,654*	*5,474*
8 Commercial banks	26,406	28,333	32,687	2,770	2,691	3,170	2,892	3,075	3,350	3,243
9 Indirect	15,576	15,761	17,600	1,479	1,426	1,723	1,544	1,641	1,818	1,735
10 Direct	10,830	12,572	15,087	1,291	1,265	1,446	1,349	1,435	1,532	1,507
11 Finance companies	8,630	9,598	11,210	904	927	992	964	999	1,151	1,101
12 Credit unions	7,788	9,702	11,336	875	957	1,051	974	1,075	1,124	1,072
13 Others	385	470	574	37	57	51	110	55	30	49
Mobile homes:										
14 Commercial banks	3,486	2,681	2,449	178	207	267	195	207	254	260
15 Finance companies	1,413	771	690	59	54	53	50	52	57	58
16 *Home improvement*	*4,571*	*4,398*	*5,034*	*463*	*464*	*461*	*494*	*457*	*478*	*488*
17 Commercial banks	2,789	2,722	3,036	282	276	288	262	251	308	301
Revolving credit:										
18 Bank credit cards	17,098	20,428	25,481	2,198	2,181	2,217	2,117	2,332	2,434	2,509
19 Bank check credit	4,227	4,024	4,832	413	410	426	462	448	456	452
20 *All other*	*86,004*	*83,079*	*91,928*	*8,158*	*7,815*	*8,015*	*8,612*	*8,484*	*8,920*	*8,836*
21 Commercial banks, total	18,599	18,944	20,182	1,777	1,721	1,815	1,618	1,742	1,913	1,905
22 Personal loans	13,176	13,386	14,463	1,286	1,238	1,317	1,213	1,281	1,379	1,389
23 Finance companies, total	25,316	22,135	24,014	2,182	2,072	2,108	2,413	2,379	2,346	2,268
24 Personal loans	16,691	17,333	19,610	1,776	1,696	1,688	1,787	1,843	1,814	1,775
25 Credit unions	14,228	13,992	16,911	1,426	1,389	1,582	1,656	1,612	1,792	1,803
26 Retailers	27,034	27,049	29,569	2,673	2,467	2,480	2,775	2,603	2,817	2,722
27 Others	827	959	1,253	100	166	30	151	149	52	139
				Liquidations[1]						
28 **Total**	**151,056**	**156,640**	**169,682**	**14,491**	**14,520**	**14,879**	**14,952**	**15,164**	**15,536**	**15,418**
By holder:										
29 Commercial banks	68,630	74,280	81,988	6,947	7,105	7,269	6,981	7,227	7,253	7,375
30 Finance companies	34,838	32,099	33,010	2,831	2,814	2,793	2,949	2,995	3,186	2,883
31 Credit unions	19,896	20,913	23,637	2,070	2,000	2,151	2,267	2,203	2,261	2,377
32 Retailers[2]	25,496	26,980	28,393	2,410	2,369	2,416	2,526	2,485	2,579	2,531
33 Others[3]	2,196	2,368	2,654	233	232	249	228	254	257	252
By type of credit:										
34 *Automobile*	*42,883*	*45,472*	*48,337*	*4,059*	*4,155*	*4,250*	*4,183*	*4,320*	*4,453*	*4,300*
35 Commercial banks	26,915	27,798	28,908	2,420	2,470	2,517	2,474	2,571	2,591	2,557
36 Indirect	15,886	16,101	16,311	1,363	1,356	1,393	1,384	1,402	1,432	1,378
37 Direct	11,029	11,697	12,597	1,058	1,114	1,124	1,090	1,169	1,159	1,178
38 Finance companies	8,730	8,777	9,590	827	829	846	866	838	957	828
39 Credit unions	6,830	8,463	9,356	770	813	843	800	862	857	869
40 Others	408	434	483	42	43	43	43	49	49	47
Mobile homes:										
41 Commercial banks	2,854	2,949	2,921	233	250	234	238	233	238	243
42 Finance companies	1,245	844	864	74	70	70	67	96	53	73
43 *Home improvement*	*3,767*	*4,150*	*4,266*	*390*	*360*	*388*	*364*	*385*	*382*	*382*
44 Commercial banks	2,178	2,451	2,620	239	221	234	227	237	233	236
Revolving credit:										
45 Bank credit cards	15,655	19,208	23,905	2,074	2,110	2,250	2,089	2,161	2,141	2,264
46 Bank check credit	3,684	4,010	4,632	386	404	419	421	416	419	403
47 *All other*	*80,969*	*80,007*	*84,757*	*7,274*	*7,170*	*7,268*	*7,590*	*7,553*	*7,850*	*7,753*
48 Commercial banks, total	17,345	17,864	19,002	1,594	1,649	1,615	1,533	1,608	1,632	1,674
49 Personal loans	12,278	12,528	13,486	1,125	1,191	1,169	1,111	1,167	1,179	1,229
50 Finance companies, total	24,513	22,199	22,491	1,924	1,909	1,872	2,012	2,059	2,171	1,976
51 Personal loans	16,212	16,616	18,248	1,539	1,535	1,575	1,608	1,714	1,646	1,524
52 Credit unions	12,755	12,092	13,855	1,260	1,150	1,268	1,429	1,300	1,363	1,467
53 Retailers	25,496	26,980	28,393	2,410	2,369	2,416	2,526	2,485	2,579	2,531
54 Others	860	872	1,016	86	93	96	90	101	105	105

1 Monthly figures are seasonally adjusted.
2 Excludes 30-day charge credit held by retailers, oil and gas companies, and travel and entertainment companies.
3 Mutual savings banks, savings and loan associations, and auto dealers.

1.57 FUNDS RAISED IN U.S. CREDIT MARKETS

Billions of dollars; half-year data are at seasonally adjusted annual rates.

	Transaction category, or sector	1971	1972	1973	1974	1975	1976	1975 H1	1975 H2	1976 H1	1976 H2	
		Nonfinancial sectors										
1	**Total funds raised**	**151.0**	**176.9**	**197.6**	**188.8**	**210.4**	**271.6**	**184.2**	**236.5**	**256.6**	**286.3**	1
2	*Excluding equities*	*139.6*	*166.4*	*190.0*	*185.0*	*200.3*	*260.8*	*173.8*	*226.9*	*243.0*	*278.2*	2
	By sector and instrument:											
3	**U.S. Govt.**	**24.7**	**15.2**	**8.3**	**12.0**	**85.2**	**69.0**	**80.8**	**89.6**	**71.6**	**66.6**	3
4	Public debt securities	26.0	14.3	7.9	12.0	85.8	69.1	82.0	89.7	71.5	66.9	4
5	Agency issues and mortgages	−1.3	1.0	.4	*	−.6	−.1	−1.2	−.1	.1	−.3	5
6	**All other nonfinancial sectors**	**126.3**	**161.7**	**189.4**	**176.8**	**125.2**	**202.6**	**103.4**	**146.9**	**185.0**	**219.7**	6
7	Corporate equities	11.5	10.5	7.7	3.8	10.0	10.8	10.5	9.6	13.6	8.1	7
8	Debt instruments	114.8	151.2	181.7	173.0	115.1	191.8	93.0	137.3	171.4	211.7	8
9	**Private domestic nonfinancial sectors**	**121.1**	**157.7**	**183.1**	**161.6**	**112.2**	**181.1**	**94.9**	**129.4**	**169.1**	**192.5**	9
10	Corporate equities	11.4	10.9	7.9	4.1	9.9	10.5	10.3	9.5	13.3	7.7	10
11	*Debt instruments*	*109.7*	*146.8*	*175.3*	*157.5*	*102.3*	*170.5*	*84.6*	*119.9*	*155.8*	*184.8*	11
12	*Debt capital instruments*	*86.8*	*102.8*	*106.7*	*101.2*	*101.3*	*123.6*	*97.5*	*105.1*	*113.5*	*133.8*	12
13	State and local obligations	17.5	15.4	16.3	19.6	17.3	17.2	16.2	18.4	18.1	16.4	13
14	Corporate bonds	18.8	12.2	9.2	19.7	27.2	22.8	33.4	21.0	20.7	25.0	14
	Mortgages:											
15	Home	28.6	42.6	46.4	34.6	40.8	64.4	33.5	48.1	58.1	70.7	15
16	Multifamily residential	9.7	12.7	10.4	7.0	−.1	1.1	*	−.2	1.6	.6	16
17	Commercial	9.8	16.4	18.9	15.1	10.9	11.7	8.7	13.1	9.8	13.5	17
18	Farm	2.4	3.6	5.5	5.1	5.2	6.4	5.6	4.8	5.1	7.6	18
19	*Other debt instruments*	*22.8*	*44.0*	*68.6*	*56.3*	*1.0*	*46.9*	*−12.8*	*14.8*	*42.3*	*51.0*	19
20	Consumer credit	11.6	18.6	21.7	9.8	8.5	20.5	1.1	16.0	19.4	21.6	20
21	Bank loans n.e.c.	6.5	18.1	34.8	26.2	−14.5	7.7	−23.5	−5.5	2.2	12.7	21
22	Open market paper	−.4	.8	2.5	6.8	−2.2	3.5	−.2	−4.2	8.2	−1.3	22
23	Other	5.1	6.5	9.6	13.5	9.1	15.3	9.7	8.5	12.6	17.9	23
24	*By borrowing sector*	*121.1*	*157.7*	*183.1*	*161.6*	*112.2*	*181.1*	*94.9*	*129.4*	*169.1*	*192.5*	24
25	State and local governments	17.8	15.2	14.8	18.6	14.9	16.8	13.9	15.9	16.4	17.2	25
26	Households	42.1	64.8	73.5	45.2	49.7	90.7	39.0	60.4	88.3	93.0	26
27	Farm	4.5	5.8	9.7	7.9	9.4	12.3	9.4	9.4	11.0	13.6	27
28	Nonfarm noncorporate	10.3	13.1	12.3	6.7	1.2	4.7	−.8	3.2	4.2	4.8	28
29	Corporate	46.4	58.8	72.9	83.1	37.1	56.6	33.5	40.6	49.3	63.9	29
30	**Foreign**	**5.2**	**4.0**	**6.2**	**15.3**	**13.0**	**21.5**	**8.5**	**17.4**	**15.9**	**27.2**	30
31	Corporate equities	*	−.4	−.2	−.2	.1	.3	.1	.1	.3	.3	31
32	*Debt instruments*	*5.2*	*4.4*	*6.4*	*15.5*	*12.8*	*21.2*	*8.4*	*17.3*	*15.6*	*26.9*	32
33	Bonds	.9	1.0	1.0	2.1	6.2	8.4	5.7	6.7	7.3	9.4	33
34	Bank loans n.e.c.	2.1	3.0	2.8	4.7	4.0	6.8	.6	7.4	4.2	9.3	34
35	Open market paper	.3	−1.0	.9	7.1	−.1	2.5	−1.2	1.0	.8	4.2	35
36	U.S. Govt. loans	1.8	1.5	1.7	1.6	2.8	3.6	3.3	2.2	3.2	4.0	36
		Financial sectors										
37	**Total funds raised**	**17.0**	**29.1**	**56.7**	**43.0**	**14.8**	**29.8**	**14.4**	**15.3**	**27.5**	**32.1**	37
	By instrument:											
38	*U.S. Govt. related*	*5.9*	*8.4*	*19.9*	*23.1*	*13.5*	*17.7*	*14.0*	*13.1*	*18.0*	*17.4*	38
39	Sponsored credit agency securities	1.1	3.5	16.3	16.6	2.3	2.4	1.4	3.3	3.9	.9	39
40	Mortgage pool securities	4.8	4.9	3.6	5.8	10.3	15.7	11.5	9.2	14.2	17.2	40
41	Loans from U.S. Govt.	....	....	....	.7	.9	−.4	1.1	.6	*	−.7	41
42	*Private financial sectors*	*11.1*	*20.7*	*36.8*	*19.9*	*1.3*	*12.1*	*.4*	*2.1*	*9.5*	*14.7*	42
43	Corporate equities	3.5	2.8	1.5	1.0	1.2	1.8	1.2	1.2	.3	3.3	43
44	*Debt instruments*	*7.6*	*18.0*	*35.3*	*18.9*	*.1*	*10.3*	*−.8*	*1.0*	*9.1*	*11.4*	44
45	Corporate bonds	3.8	5.1	3.5	2.1	2.9	5.8	2.5	3.3	7.2	4.4	45
46	Mortgages	2.1	1.7	−1.2	−1.3	2.3	1.9	1.2	3.4	1.0	2.8	46
47	Bank loans n.e.c.	3.5	6.8	14.0	7.5	−3.9	−3.3	−4.7	−3.2	−3.6	−3.0	47
48	Open market paper and Rp's	.9	4.4	11.8	3.9	2.8	7.8	7.6	−1.9	6.8	8.8	48
49	Loans from FHLB's	−2.7	*	7.2	6.7	−4.0	−2.0	−7.3	−.6	−2.3	−1.7	49
	By sector:											
50	Sponsored credit agencies	1.1	3.5	16.3	17.3	3.2	2.0	2.5	4.0	3.9	.2	50
51	Mortgage pools	4.8	4.9	3.6	5.8	10.3	15.7	11.5	9.2	14.2	17.2	51
52	*Private financial sectors*	*11.1*	*20.7*	*36.8*	*19.9*	*1.3*	*12.1*	*.4*	*2.1*	*9.5*	*14.7*	52
53	Commercial banks	2.4	4.8	8.1	−1.1	1.7	7.6	5.7	−2.3	9.9	5.3	53
54	Bank affiliates	−.4	.7	2.2	3.5	.3	−.8	.9	−.3	−1.3	−.3	54
55	Foreign banking agencies	1.6	.8	5.1	2.9	−.3	.4	−.9	.2	−1.5	2.4	55
56	Savings and loan associations	−.1	2.0	6.0	6.3	−2.1	−.1	−7.8	3.6	−1.0	.7	56
57	Other insurance companies	.6	.5	.5	.9	.9	1.0	.9	1.0	1.0	1.0	57
58	Finance companies	2.7	6.2	9.4	4.5	.7	6.1	−.8	2.1	6.0	6.2	58
59	REIT's	2.9	6.3	6.5	1.1	−1.9	−2.1	−1.6	−2.2	−1.8	−2.5	59
60	Open-end investment companies	1.3	−.5	−1.2	−.5	.8	.3	1.5	.1	−1.1	1.8	60
61	Money market funds	....	....	....	2.4	1.3	−.3	2.6	*	−.7	.2	61
		All sectors										
62	**Total funds raised, by instrument**	**168.1**	**206.0**	**254.3**	**231.8**	**225.2**	**301.4**	**198.6**	**251.8**	**284.1**	**318.4**	62
63	Investment company shares	1.3	−.5	−1.2	−.5	.8	.3	1.5	.1	−1.1	1.8	63
64	Other corporate equities	13.7	13.8	10.4	5.4	10.4	12.3	10.2	10.7	15.0	9.6	64
65	*Debt instruments*	*153.1*	*192.8*	*245.2*	*227.0*	*214.0*	*288.7*	*187.0*	*241.0*	*270.2*	*307.0*	65
66	U.S. Govt. securities	30.7	23.7	28.3	34.5	98.0	87.2	93.6	102.4	89.8	84.7	66
67	State and local obligations	17.5	15.4	16.3	19.6	17.3	17.2	16.2	18.4	18.1	16.4	67
68	Corporate and foreign bonds	23.5	18.4	13.6	23.9	36.3	37.0	41.6	31.0	35.2	38.8	68
69	Mortgages	52.5	76.8	79.9	60.5	59.0	85.4	49.1	69.0	75.7	95.2	69
70	Consumer credit	11.6	18.6	21.7	9.8	8.5	20.5	1.1	16.0	19.4	21.6	70
71	Bank loans n.e.c.	12.1	27.8	51.6	38.4	−14.4	11.2	−27.6	−1.2	2.9	19.1	71
72	Open market paper and Rp's	.9	4.1	15.2	17.8	.5	13.8	6.2	−5.1	15.8	11.8	72
73	Other loans	4.2	8.0	18.5	22.5	8.7	16.5	6.8	10.7	13.4	19.5	73

1.58 DIRECT AND INDIRECT SOURCES OF FUNDS TO CREDIT MARKETS

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

	Transaction category or sector	1971	1972	1973	1974	1975	1976	1975 H1	1975 H2	1976 H1	1976 H2	
1	**Total funds advanced in credit markets to nonfinancial sectors**	**139.6**	**166.4**	**190.0**	**185.0**	**200.3**	**260.8**	**173.8**	**226.9**	**243.0**	**278.2**	1
	By public agencies and foreign:											
2	*Total net advances*	*43.4*	*19.8*	*34.2*	*52.7*	*44.2*	*55.9*	*51.9*	*36.6*	*50.5*	*61.2*	2
3	U.S. Govt. securities	34.4	7.6	9.6	11.9	22.5	26.8	32.6	12.4	26.7	26.9	3
4	Residential mortgages	7.0	7.0	8.2	14.7	16.2	12.8	15.9	16.5	10.8	14.8	4
5	FHLB advances to S&L's	−2.7	*	7.2	6.7	−4.0	−2.0	−7.3	−.6	−2.3	−1.7	5
6	Other loans and securities	4.6	5.1	9.2	19.5	9.5	18.2	10.6	8.3	15.3	21.1	6
	Totals advanced, by sector											
7	U.S. Govt.	2.8	1.8	2.8	9.8	15.1	10.2	14.9	15.2	5.6	14.9	7
8	Sponsored credit agencies	5.2	9.2	21.4	25.6	14.5	20.6	15.9	13.2	20.0	21.3	8
9	Monetary authorities	8.9	.3	9.2	6.2	8.5	9.8	7.0	10.1	13.6	6.1	9
10	Foreign	26.4	8.4	.7	11.2	6.1	15.2	14.2	−2.0	11.4	19.0	10
11	Agency borrowing not included in line 1	5.9	8.4	19.9	23.1	13.5	17.7	14.0	13.1	18.0	17.4	11
	Private domestic funds advanced											
12	*Total net advances*	*102.1*	*155.0*	*175.7*	*155.3*	*169.6*	*222.6*	*135.9*	*203.4*	*210.5*	*234.4*	12
13	U.S. Govt. securities	−3.7	16.1	18.7	22.6	75.5	60.4	61.0	90.0	63.1	57.8	13
14	State and local obligations	17.5	15.4	16.3	19.6	17.3	17.2	16.2	18.4	18.1	16.4	14
15	Corporate and foreign bonds	19.5	13.1	10.0	20.9	32.8	30.3	38.9	26.7	27.0	33.5	15
16	Residential mortgages	31.2	48.1	48.5	26.9	24.4	52.7	17.7	31.1	48.9	56.4	16
17	Other mortgages and loans	35.0	62.3	89.3	71.9	15.7	60.1	−5.2	36.5	51.1	68.6	17
18	LESS: FHLB advances	−2.7	*	7.2	6.7	−4.0	−2.0	−7.3	−.6	−2.3	−1.7	18
	Private financial intermediation											
19	*Credit market funds advanced by private financial institutions*	*109.7*	*149.4*	*163.8*	*126.2*	*116.0*	*181.8*	*97.7*	*134.3*	*161.9*	*201.1*	19
20	Commercial banks	50.6	70.5	86.5	64.6	27.6	57.7	13.5	41.7	41.5	73.6	20
21	Savings institutions	39.1	47.2	36.0	27.0	51.0	69.7	49.8	52.2	71.0	68.2	21
22	Insurance and pension funds	14.2	17.8	23.8	30.1	39.3	44.2	36.4	42.3	44.3	44.2	22
23	Other finance	5.9	13.8	17.4	4.5	−1.8	10.1	−1.9	−1.8	5.1	15.1	23
24	*Sources of funds*	*109.7*	*149.4*	*163.8*	*126.2*	*116.0*	*181.8*	*97.7*	*134.3*	*161.9*	*201.1*	24
25	Private domestic deposits	89.4	100.9	86.4	69.4	90.5	122.7	90.3	90.6	103.8	141.4	25
26	Credit market borrowing	7.6	18.0	35.3	18.9	.1	10.3	−.8	1.0	9.1	11.4	26
27	*Other sources*	*12.6*	*30.5*	*42.1*	*37.8*	*25.4*	*48.8*	*8.2*	*42.7*	*49.0*	*48.3*	27
28	Foreign funds	−3.9	5.3	6.9	14.5	−.4	2.5	−5.7	5.0	−2.7	7.7	28
29	Treasury balances	2.2	.7	−1.0	−5.1	−1.7	−.1	−3.5	.1	3.9	−4.2	29
30	Insurance and pension reserves	8.6	11.6	18.4	26.0	29.9	34.3	27.4	32.5	33.6	35.0	30
31	Other, net	5.7	12.8	17.8	2.4	−2.4	12.1	−10.1	5.2	14.2	9.9	31
	Private domestic nonfinancial investors											
32	*Direct lending in credit markets*	*	*23.6*	*47.2*	*40.8*	*53.7*	*51.1*	*37.4*	*70.1*	*57.7*	*44.7*	32
33	U.S. Govt. securities	−10.8	4.2	19.4	17.9	23.0	19.6	5.0	41.0	21.5	17.6	33
34	State and local obligations	.5	3.1	7.5	12.2	9.9	7.1	10.3	9.6	6.0	8.2	34
35	Corporate and foreign bonds	8.3	4.2	.9	5.3	10.4	5.9	12.9	7.9	8.2	3.6	35
36	Commercial paper	−1.1	3.0	12.5	4.6	3.1	6.3	3.5	2.7	10.6	2.0	36
37	Other	3.2	9.1	6.9	8.1	7.3	12.2	5.6	8.9	11.3	13.2	37
38	*Deposits and currency*	*92.8*	*105.3*	*90.3*	*75.7*	*96.7*	*130.0*	*95.7*	*97.7*	*107.9*	*151.9*	38
39	*Time and saving accounts*	*79.1*	*83.7*	*76.2*	*67.4*	*84.8*	*113.2*	*75.0*	*94.7*	*97.9*	*128.5*	39
40	Large negotiable CD's	6.3	7.7	18.3	18.9	−13.3	−14.1	−27.3	.7	−17.9	−10.3	40
41	Other at commercial banks	33.2	30.6	29.6	26.1	39.0	58.1	39.4	38.5	50.0	66.2	41
42	At savings institutions	39.6	45.4	28.4	22.4	59.2	69.2	63.0	55.4	65.7	72.7	42
43	*Money*	*13.7*	*21.6*	*14.1*	*8.3*	*11.9*	*16.8*	*20.7*	*3.0*	*10.1*	*23.3*	43
44	Demand deposits	10.4	17.2	10.2	2.0	5.7	9.5	15.3	−4.0	5.9	12.9	44
45	Currency	3.4	4.4	3.9	6.3	6.2	7.3	5.4	7.1	4.2	10.5	45
46	**Total of credit market instruments, deposits and currency**	**92.9**	**129.0**	**137.5**	**123.7**	**150.4**	**181.2**	**133.1**	**167.8**	**165.6**	**196.5**	46
47	Public support rate (in per cent)	31.1	11.9	18.0	28.5	22.1	21.4	29.9	16.1	20.8	22.0	47
48	Private financial intermediation (in per cent)	107.4	96.4	93.2	81.2	68.4	81.6	71.9	66.0	76.9	85.8	48
49	Total foreign funds	22.5	13.7	7.6	25.7	5.7	17.7	8.5	3.0	8.7	26.6	49
	MEMO: Corporate equities not included above											
50	**Total net issues**	**15.0**	**13.3**	**9.2**	**4.9**	**11.2**	**12.7**	**11.7**	**10.8**	**14.0**	**11.4**	50
51	Mutual fund shares	1.3	−.5	−1.2	−.5	.8	.3	1.5	.1	−1.1	1.8	51
52	Other equities	13.7	13.8	10.4	5.4	10.4	12.3	10.2	10.7	15.0	9.6	52
53	Acquisitions by financial institutions	17.8	15.3	13.3	5.5	8.3	12.0	9.2	7.4	11.8	12.1	53
54	Other net purchases	−2.9	−2.1	−4.1	−.7	2.9	.7	2.4	3.4	2.1	−.7	54

NOTES BY LINE NO.
1. Line 2 of p. A-44.
2. Sum of lines 3–6 or 7–10.
6. Includes farm and commercial mortgages.
11. Credit market funds raised by Federally sponsored credit agencies, and net issues of Federally related mortgage pool securities. Included below in lines 3, 13, and 33.
12. Line 1 less line 2 plus line 11. Also line 19 less line 26 plus line 32. Also sum of lines 27, 32, 39, and 44.
17. Includes farm and commercial mortgages.
25. Lines 39 plus 44.
26. Excludes equity issues and investment company shares. Includes line 18.
28. Foreign deposits at commercial banks, bank borrowings from foreign branches, and liabilities of foreign banking agencies to foreign affiliates.
29. Demand deposits at commercial banks.
30. Excludes net investment of these reserves in corporate equities.
31. Mainly retained earnings and net miscellaneous liabilities.
32. Line 12 less line 19 plus line 26.
33–37. Lines 13–17 less amounts acquired by private finance. Line 37 includes mortgages.
45. Mainly an offset to line 9.
46. Lines 32 plus 38 or line 12 less line 27 plus line 45.
47. Line 2/line 1.
48. Line 19/line 12.
49. Lines 10 plus 28.
50, 52. Includes issues by financial institutions.

NOTE.—Full statements for sectors and transaction types quarterly, and annually for flows and for amounts outstanding, may be obtained from Flow of Funds Section, Division of Research and Statistics, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

2.10 NONFINANCIAL BUSINESS ACTIVITY Selected Measures

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

Measure	1974	1975	1976	1976			1977				
				Oct.	Nov.	Dec.	Jan.	Feb. r	Mar. r	Apr. r	May
1 **Industrial production**	**129.3**	**117.8**	**129.8**	**130.4**	**131.8**	**133.1**	**132.1**	**133.2**	**135.2**	**136.3**	**137.8**
Market groupings:											
2 *Products, total*	*129.3*	*119.3*	*129.3*	*129.6*	*131.7*	*133.8*	*133.1*	*133.9*	*135.1*	*135.9*	*137.2*
3 Final, total	125.1	118.2	127.3	127.4	129.8	132.1	130.8	131.8	133.3	134.0	135.2
4 Consumer goods	128.9	124.0	136.8	136.9	139.1	142.0	140.2	141.0	143.0	143.0	143.6
5 Equipment	120.0	110.2	114.3	114.4	116.9	118.6	117.8	119.0	119.8	121.6	123.6
6 Intermediate	135.3	123.1	136.8	138.3	138.8	139.8	141.8	141.8	141.9	143.0	144.8
7 Materials	132.4	115.5	130.5	131.6	131.9	131.9	130.7	132.4	135.4	136.8	138.5
Industry groupings:											
8 Manufacturing	129.4	116.3	129.4	129.9	131.9	132.8	131.5	132.9	135.0	136.2	137.9
Capacity utilization (per cent)[1] in—											
9 Manufacturing	84.2	73.6	80.1	79.7	80.8	81.2	80.2	80.8	82.0	82.4	83.3
10 Industrial materials industries	87.7	73.6	80.3	80.3	80.3	80.1	79.1	80.0	81.6	82.3	83.1
11 Construction contracts[2]	173.9	162.3	190.2	237.0	186.0	183.0	203.0	207.0	207.0	250.0	....
12 **Nonagricultural employment, total**[3]	**119.1**	**116.9**	**120.6**	**121.2**	**121.6**	**122.0**	**122.3**	**122.7**	**123.6**	**123.9**	**124.2**
13 Goods-producing, total	106.2	96.9	100.3	100.2	100.9	101.0	101.3	101.9	103.2	103.8	104.2
14 Manufacturing, total	103.1	94.3	97.5	97.4	98.0	98.2	98.8	98.9	99.8	100.2	100.5
15 Manufacturing, production-worker	102.1	91.3	95.2	94.9	95.6	95.7	96.5	96.5	97.6	98.1	98.7
16 Service-producing	126.1	127.8	131.7	132.7	132.9	133.5	133.8	134.1	134.8	134.9	135.1
17 **Personal income, total**[4]	**184.1**	**199.4**	**219.1**	**224.9**	**226.8**	**229.7**	**230.0**	**233.7**	**237.2**	**239.0**	....
18 Wages and salary disbursements	178.9	188.7	208.3	211.3	213.2	217.6	218.4	221.5	224.8	227.1	....
19 Manufacturing	157.6	157.9	176.7	179.1	182.4	184.1	185.0	188.4	192.6	194.6	....
20 Disposable personal income	180.5	198.5	217.0	....	218.1	....	....	234.2	....	....	....
21 Retail sales[5]	171.2	186.0	206.6	208.8	212.3	221.2	216.5	215.7	227.4	227.6	229.3
Prices:[6]											
22 Consumer	147.7	161.2	170.5	173.3	173.8	174.3	175.3	177.1	178.2	179.6	....
23 Wholesale	160.1	174.1	182.9	185.2	185.6	187.1	188.0	190.0	191.9	194.3	195.2

1 Ratios of indexes of production to indexes of capacity. Based on data from Federal Reserve, McGraw-Hill Economics Department, and Department of Commerce.

2 Index of dollar value of total construction contracts, including residential, nonresidential, and heavy engineering, from McGraw-Hill Informations Systems Company, F. W. Dodge Division.

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

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

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

6 Data without seasonal adjustment, as published in *Monthly Labor Review* (U.S. Dept. of Labor). Seasonally adjusted data for changes in the price indexes may be obtained from the Bureau of Labor Statistics, U.S. Dept. of Labor.

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

2.11 OUTPUT, CAPACITY, AND CAPACITY UTILIZATION

Seasonally adjusted

Series	1976			1977	1976			1977	1976			1977
	Q2	Q3	Q4	Q1 r	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1 r
	Output (1967 = 100)				Capacity (per cent of 1967 output)				Utilization rate (per cent)			
1 **Manufacturing**	**129.4**	**131.1**	**131.5**	**133.1**	**161.3**	**162.3**	**163.2**	**164.3**	**80.2**	**80.8**	**80.6**	**81.0**
2 Primary processing	136.6	139.3	138.9	140.0	167.5	168.8	170.1	171.4	81.5	82.5	81.7	81.7
3 Advanced processing	125.2	126.3	127.5	129.5	158.0	158.8	159.6	160.6	79.2	79.6	79.9	80.6
4 **Materials**	**130.3**	**132.6**	**131.8**	**132.8**	**161.7**	**163.1**	**164.3**	**165.5**	**80.6**	**81.3**	**80.2**	**80.3**
5 Durable goods	126.1	130.7	128.4	128.9	165.5	166.7	167.8	169.0	76.2	78.4	76.5	76.3
6 Basic metal	110.8	117.1	107.7	107.5	143.1	143.7	144.4	144.8	77.4	81.5	74.6	74.2
7 Nondurable goods	146.9	146.6	147.0	149.2	171.0	172.5	174.1	175.6	85.9	85.0	84.4	84.9
8 Textile, paper, and chemical	151.6	151.2	151.5	153.4	178.3	180.1	182.0	183.6	85.0	84.0	83.2	83.6
9 Textile	115.5	114.4	111.7	111.1	139.0	139.8	140.6	141.4	83.1	81.8	79.4	78.6
10 Paper	132.5	131.9	130.2	132.4	145.7	146.7	147.9	148.9	90.9	89.9	88.1	88.9
11 Chemical	175.3	175.1	177.6	180.5	208.7	211.2	213.7	216.2	84.0	82.9	83.1	83.5
12 Energy	120.0	119.9	121.5	121.9	141.5	142.7	143.9	144.3	84.8	84.0	84.4	84.5

2.12 LABOR FORCE, EMPLOYMENT, AND UNEMPLOYMENT

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

Category	1974	1975	1976	1976 Nov.	1976 Dec.	1977 Jan.	1977 Feb.	1977 Mar.	1977 Apr.	1977 May[p]
	Household survey data									
1 **Noninstitutional population[1]**	**150,827**	**153,449**	**156,048**	**157,006**	**157,176**	**157,381**	**157,584**	**157,782**	**157,986**	**158,228**
2 **Labor force (including Armed Forces)[1]**	**93,240**	**94,793**	**96,917**	**98,020**	**98,106**	**97,649**	**98,282**	**98,677**	**98,892**	**99,286**
3 Civilian labor force	91,011	92,613	94,773	95,871	95,960	95,516	96,145	96,539	96,760	97,158
Employment:										
4 Nonagricultural industries[2]	82,443	81,403	84,188	84,972	85,184	85,468	85,872	86,359	86,763	87,022
5 Agriculture	3,492	3,380	3,297	3,248	3,257	3,090	3,090	3,116	3,260	3,386
Unemployment:										
6 Number	5,076	7,830	7,288	7,651	7,517	6,958	7,183	7,064	6,737	6,750
7 *Rate (per cent of civilian labor force)*	*5.6*	*8.5*	*7.7*	*8.0*	*7.8*	*7.3*	*7.5*	*7.3*	*7.0*	*6.9*
8 **Not in labor force**	**57,587**	**58,655**	**59,130**	**58,986**	**59,071**	**59,732**	**59,302**	**59,104**	**59,094**	**58,943**
	Establishment survey data									
9 **Nonagricultural payroll employment[3]**	**78,413**	**77,050**	**79,443**	**80,106**	**80,344**	**80,561**	**80,824**	**[r]81,395**	**[r]81,605**	**81,792**
10 Manufacturing	20,046	18,347	18,958	19,065	19,095	19,211	19,233	[r]19,404	[r]19,481	19,547
11 Mining	694	745	783	805	808	817	823	[r]842	[r]847	849
12 Contract construction	3,957	3,515	3,593	3,619	3,605	3,561	3,645	[r]3,759	[r]3,835	3,848
13 Transportation and public utilities	4,696	4,499	4,508	4,519	4,553	4,549	4,553	[r]4,568	[r]4,568	4,578
14 Trade	17,017	16,997	17,694	17,808	17,898	17,981	18,067	[r]18,189	[r]18,194	18,214
15 Finance	4,208	4,222	4,315	4,381	4,403	4,423	4,431	[r]4,453	[r]4,459	4,477
16 Service	13,617	14,008	14,645	14,873	14,936	15,010	15,068	[r]15,149	[r]15,171	15,202
17 Government	14,177	14,773	14,947	15,036	15,046	15,009	15,004	[r]15,031	[r]15,050	15,077

[1] Persons 16 years of age and over. Monthly figures, which are based on sample data, relate to the calendar week that contains the 12th day; annual data are averages of monthly figures. By definition, seasonality does not exist in population figures. Based on data from *Employment and Earnings* (U.S. Dept. of Labor).

[2] Includes self-employed, unpaid family, and domestic service workers.

[3] Data include all full- and part-time employees who worked during, or received pay for, the pay period that includes the 12th day of the month, and exclude proprietors, self-employed persons, domestic servants, unpaid family workers, and members of the Armed Forces. Data are adjusted to the February 1977 benchmark. Based on data from *Employment and Earnings* (U.S. Dept. of Labor).

2.13 INDUSTRIAL PRODUCTION

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

Grouping	1967 proportion	1976 average	1976 Mar.	1976 Apr.	1976 May r	1976 Dec.	1977 Jan.	1977 Feb. r	1977 Mar.	1977 Apr. p	1977 May e
	Major market groupings										
1 **Total index**	**100.00**	**129.8**	**128.1**	**128.4**	**129.6**	**133.1**	**132.1**	**133.2**	**135.2**	**136.3**	**137.8**
2 **Products**	**60.71**	**129.3**	**128.1**	**128.0**	**128.9**	**133.8**	**133.1**	**133.9**	**135.1**	**135.9**	**137.2**
3 *Final products*	*47.82*	*127.3*	*126.4*	*126.3*	*127.3*	*132.1*	*130.8*	*131.8*	*133.3*	*134.0*	*135.2*
4 Consumer goods	27.68	136.8	136.1	136.1	137.4	*142.0*	140.2	141.0	143.0	143.0	143.6
5 Equipment	20.14	114.3	112.9	112.9	113.5	118.6	117.8	119.0	119.8	121.6	123.6
6 Intermediate products	12.89	136.8	134.9	134.7	135.0	139.8	141.8	141.8	141.9	143.0	144.8
7 **Materials**	39.29	**130.5**	**128.2**	**129.2**	130.6	**131.9**	**130.7**	132.4	135.4	136.8	138.5
Consumer goods											
8 *Durable consumer goods*	*7.89*	*141.5*	*140.4*	*141.1*	*143.2*	*151.2*	*145.1*	*146.1*	*152.3*	*152.4*	*152.8*
9 Automotive products	2.83	154.8	155.1	155.2	154.0	180.4	164.0	161.8	178.2	175.1	173.0
10 Autos and utility vehicles	2.03	149.9	149.5	152.1	153.4	180.1	155.8	152.7	176.1	171.2	167.4
11 Autos	1.90	132.0	133.6	134.3	134.4	159.8	136.9	132.8	155.8	150.6	148.5
12 Auto parts and allied goods	.80	167.2	169.5	163.1	135.6	181.7	184.9	184.5	183.7	184.9	187.0
13 Home goods	5.06	134.1	132.0	133.1	137.2	134.9	134.6	137.3	137.9	139.7	141.6
14 Appliances, A/C, and TV	1.40	115.8	114.6	117.2	123.5	111.7	113.4	118.5	124.1	127.0	129.4
15 Appliances and TV	1.33	118.6	117.1	119.6	126.4	113.8	116.0	121.1	126.5	129.4	....
16 Carpeting and furniture	1.07	144.1	141.4	143.0	142.6	144.7	142.7	145.9	144.6	146.1	....
17 Misc. home goods	2.59	139.9	137.9	137.8	142.5	143.6	142.8	144.0	142.7	143.9	145.0
18 *Nondurable consumer goods*	*19.79*	*134.9*	*134.4*	*134.0*	*135.1*	*138.4*	*138.3*	*138.9*	*139.1*	*139.5*	*140.0*
19 Clothing	4.29	126.9	130.1	129.6	132.1	126.4	124.2	124.2	123.9	....	....
20 Consumer staples	15.50	137.2	135.5	135.2	135.8	141.7	142.2	142.9	143.3	143.2	143.4
21 Consumer foods and tobacco	8.33	130.8	129.1	128.4	129.8	132.8	132.9	135.4	136.8	136.6	....
22 Nonfood staples	7.17	144.6	143.3	143.3	142.7	151.8	153.1	151.6	150.9	150.8	150.7
23 Consumer chemical products	2.63	166.6	163.6	162.1	161.4	177.9	178.5	175.7	175.9	177.3	....
24 Consumer paper products	1.92	113.3	113.4	114.2	113.8	117.7	117.0	113.3	116.9	115.2	....
25 Consumer energy products	2.62	145.4	145.0	145.9	145.1	150.9	154.1	155.3	150.8	150.3	....
26 Residential utilities	1.45	....	153.7	154.5	154.7	....	....	....	....	....	....
Equipment											
27 *Business equipment*	*12.63*	*136.1*	*134.0*	*134.1*	*134.6*	*143.2*	*142.0*	*143.1*	*144.4*	*146.7*	*149.3*
28 Industrial equipment	6.77	127.9	125.6	125.3	126.9	133.5	131.4	133.2	133.8	135.9	138.4
29 Building and mining equip	1.44	177.4	172.1	170.7	174.6	187.4	187.9	192.9	195.4	200.0	203.2
30 Manufacturing equipment	3.85	106.4	104.4	105.4	106.4	110.7	107.8	108.5	109.0	111.1	114.0
31 Power equipment	1.47	135.3	135.6	132.7	134.0	140.0	137.5	139.3	138.5	137.9	139.0
32 Commercial transit, farm equip	5.86	145.5	143.7	144.6	143.7	154.4	154.5	154.6	156.6	159.1	161.8
33 Commercial equipment	3.26	173.2	168.5	170.0	169.5	185.3	185.2	185.2	186.1	189.5	192.7
34 Transit equipment	1.93	103.8	104.7	105.6	104.2	109.1	108.4	108.7	112.9	114.3	116.1
35 Farm equipment	.67	130.6	134.7	132.7	133.1	134.8	138.0	137.7	138.8	140.5	....
36 *Defense and space equipment*	*7.51*	*77.9*	*77.4*	*77.3*	*78.2*	*77.4*	*77.1*	*78.5*	*78.4*	*79.3*	*80.3*
Intermediate products											
37 Construction supplies	6.42	132.0	128.7	128.0	130.9	135.5	136.1	135.7	136.4	137.8	139.6
38 Business supplies	6.47	141.5	141.2	141.3	139.0	144.2	147.3	147.8	147.4	148.0	....
39 Commercial energy products	1.14	156.5	157.6	156.8	157.1	156.7	162.3	165.7	164.5	165.4	....
Materials											
40 *Durable goods materials*	*20.35*	*126.6*	*122.4*	*124.5*	*126.8*	*128.3*	*126.8*	*128.0*	*131.9*	*134.2*	*136.7*
41 Durable consumer parts	4.58	121.6	118.5	119.2	123.0	124.7	121.5	124.1	127.8	131.4	134.3
42 Equipment parts	5.44	133.9	128.5	130.5	133.0	138.8	135.1	137.3	137.8	140.5	143.1
43 Durable materials n.e.c.	10.34	125.0	121.0	123.5	125.2	124.2	124.8	124.9	130.7	131.9	134.5
44 Basic metal materials	5.57	109.8	104.0	107.8	113.2	104.7	104.7	104.8	113.0	115.0	....
45 *Nondurable goods materials*	*10.47*	*146.4*	*146.7*	*146.9*	*146.2*	*146.2*	*144.6*	*150.3*	*152.6*	*153.8*	*154.8*
46 Textile, paper, and chem. mat	7.62	151.2	152.7	152.2	150.9	150.6	148.8	154.2	157.2	158.7	159.6
47 Textile materials	1.85	114.4	115.5	114.1	116.4	113.6	110.6	110.4	112.4	113.0	....
48 Paper materials	1.62	131.1	130.1	132.1	131.2	127.6	127.6	133.2	136.5	136.2	....
49 Chemical materials	4.15	175.5	178.0	177.2	173.9	176.3	174.2	181.9	185.5	187.8	....
50 Containers, nondurable	1.70	142.6	141.3	141.9	140.7	143.8	139.5	150.7	150.0	149.9	....
51 Nondurable materials n.e.c.	1.14	120.0	115.1	120.4	123.2	119.7	122.6	124.3	126.0	126.4	....
52 Energy materials	8.48	120.3	119.6	118.8	120.6	123.1	122.6	120.8	122.4	122.1	....
53 Primary energy	4.65	107.0	106.2	105.0	106.2	106.6	102.9	103.1	108.5	106.3	....
54 Converted fuel materials	3.82	136.4	136.0	135.7	138.1	143.2	146.5	142.3	139.5	141.4	....
Supplementary groups											
55 Home goods and clothing	9.35	130.8	131.1	131.5	134.9	131.0	129.8	131.3	131.5	133.4	135.3
56 Energy, total	12.23	129.0	128.6	128.2	129.3	132.2	133.0	132.4	132.4	132.1	132.4
57 Products	3.76	148.8	148.8	149.3	148.8	152.7	156.5	158.4	155.0	154.8	....
58 Materials	8.48	120.3	119.6	118.8	120.6	123.1	122.6	120.8	122.4	122.1	....

For NOTE see opposite page.

2.13 Continued

	Grouping	SIC code	1967 proportion	1976 average	1976 Mar.	1976 Apr.	1976 May	1976 Dec.	1977 Jan.	1977 Feb.[r]	1977 Mar.	1977 Apr.[p]	1977 May[e]
			Gross value of products in market structure (annual rates, in billions of 1972 dollars)										
1	**Products, total**	....	[1]507.4	550.6	546.2	545.0	551.5	570.6	564.2	570.3	577.8	579.2	585.6
2	*Final products*	....	[1]390.9	*426.2*	*422.9*	*421.8*	*427.5*	*443.9*	*436.5*	*441.2*	*448.4*	*448.5*	*452.9*
3	Consumer goods	....	[1]277.5	302.9	299.8	299.9	303.7	315.7	309.3	312.6	316.8	316.1	317.9
4	Equipment	....	[1]113.4	123.5	123.5	122.1	123.7	128.2	127.2	128.6	131.7	132.2	134.7
5	Intermediate products	....	[1]116.6	124.3	122.6	123.0	123.7	126.5	127.8	128.6	129.2	130.9	132.7
			Major industry groupings										
6	*Mining and utilities*	....	*12.05*	*131.9*	*131.6*	*131.2*	*132.0*	*134.8*	*136.1*	*136.4*	*136.1*	*135.3*	*135.9*
7	Mining	....	6.36	114.1	113.9	113.5	113.0	116.2	113.2	116.5	120.3	119.0	119.9
8	Utilities	....	5.69	151.7	151.4	150.8	153.0	155.5	161.5	158.8	154.0	153.4	153.9
9	Electric	....	3.88	....	167.3	165.7	169.8	....	....	....	....	....	....
10	*Manufacturing*	....	*87.95*	*129.4*	*127.9*	*128.5*	129.6	*132.8*	*131.5*	*132.9*	*135.0*	*136.2*	*137.9*
11	Nondurable	....	35.97	141.0	140.7	140.7	140.9	143.7	143.7	145.7	146.8	147.5	148.9
12	Durable	....	51.98	121.4	119.0	120.1	121.7	125.2	123.0	124.0	126.8	128.3	130.3
	Mining												
13	Metal mining	10	.51	122.8	122.3	124.3	118.3	130.4	135.6	132.3	133.8	127.5	....
14	Coal	11, 12	.69	116.9	114.4	114.4	119.2	125.9	95.3	100.8	124.1	118.4	122.4
15	Oil and gas extraction	13	4.40	112.0	111.9	111.3	110.8	112.8	112.0	115.8	117.0	117.3	118.0
16	Stone and earth minerals	14	.75	118.3	119.3	117.5	116.7	117.9	121.6	124.9	126.4	124.9	....
	Nondurable manufactures												
17	Foods	20	8.75	132.0	128.3	129.2	131.2	134.3	135.5	137.1	138.5	139.3	....
18	Tobacco products	21	.67	117.2	122.4	115.4	114.5	119.1	114.8	117.0	117.0	....	....
19	Textile mill products	22	2.68	135.9	136.4	135.7	138.0	133.3	131.8	133.0	133.1	135.4	....
20	Apparel products	23	3.31	126.1	126.3	126.1	130.3	128.0	123.6	125.2	123.5	....	....
21	Paper and products	26	3.21	133.1	132.2	133.9	134.0	131.8	130.6	136.5	136.6	137.9	140.4
22	Printing and publishing	27	4.72	120.7	121.0	122.0	120.5	123.1	124.3	122.4	124.0	123.6	125.0
23	Chemicals and products	28	7.74	169.4	170.6	168.7	166.6	173.6	172.0	175.1	177.5	177.6	....
24	Petroleum products	29	1.79	132.7	131.8	131.6	132.7	138.9	141.0	145.4	145.1	146.2	145.2
25	Rubber & plastic products	30	2.24	199.8	203.5	198.2	185.6	212.3	218.7	220.4	225.8	226.9	....
26	Leather and products	31	.86	82.0	86.0	87.7	91.4	73.4	74.8	75.0	73.8	73.7	....
	Durable manufactures												
27	Ordnance, pvt. & govt	19, 91	3.64	71.7	69.5	69.1	71.4	71.8	70.8	72.4	72.5	74.0	74.5
28	Lumber and products	24	1.64	125.1	121.1	122.8	123.0	127.5	132.7	132.2	132.1	132.5	....
29	Furniture and fixtures	25	1.37	132.8	130.6	131.7	131.0	135.7	135.1	137.1	136.5	137.4	....
30	Clay, glass, stone prod	32	2.74	135.8	133.7	132.7	133.9	142.0	137.3	139.0	143.7	143.8	....
31	Primary metals	33	6.57	108.0	101.4	105.4	113.2	102.7	100.0	100.4	107.2	112.3	117.3
32	Iron and steel	331,2	4.21	104.4	97.7	103.5	110.7	95.6	89.8	91.3	97.9	104.4	111.5
33	Fabricated metal prod	34	5.93	123.3	120.2	121.5	121.4	128.2	125.7	126.0	127.8	129.1	130.7
34	Nonelectrical machinery	35	9.15	134.7	132.9	133.5	134.0	141.2	139.5	139.4	140.4	142.7	145.4
35	Electrical machinery	36	8.05	131.7	127.8	130.0	131.8	135.6	134.0	137.6	138.1	139.7	141.7
36	Transportation equip	37	9.27	110.6	111.2	110.6	112.9	118.2	113.5	113.4	120.5	119.7	120.8
37	Motor vehicles & pts	371	4.50	140.7	140.8	141.3	144.3	156.4	145.5	145.4	161.2	158.2	158.5
38	Aerospace & misc. tr. eq	372,9	4.77	82.2	83.3	81.7	83.3	82.4	83.4	83.3	82.3	83.5	85.4
39	Instruments	38	2.11	148.2	144.4	145.4	149.0	155.7	153.7	157.0	156.9	156.8	157.7
40	Miscellaneous mfrs	39	1.51	143.5	142.5	140.7	145.5	146.8	147.8	147.9	147.4	148.7	150.1

[1] 1972 dollars.

NOTE.—Published groupings include some series and subtotals not shown separately. For summary description and historical data, see BULLETIN for June 1976, pp. 470–79. Availability of detailed descriptive and historical data will be announced in a forthcoming BULLETIN.

2.14 HOUSING AND CONSTRUCTION

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

Item	1974	1975	1976	1976 Oct.	1976 Nov.	1976 Dec.	1977 Jan.	1977 Feb.	1977 Mar.[r]	1977 Apr.
	Private residential real estate activity (thousands of units)									
NEW UNITS										
1 *Permits authorized*	*1,074*	*927*	*1,281*	*1,492*	*1,590*	*1,514*	*1,307*	*1,529*	*1,712*	*1,534*
2 1-family	644	669	895	998	1,072	1,053	927	1,064	1,208	1,051
3 2-or-more-family	431	278	386	494	518	461	380	465	504	483
4 *Started*	*1,338*	*1,160*	*1,540*	*1,715*	*1,706*	*1,889*	*1,384*	*r1,802*	*2,114*	*1,875*
5 1-family	888	892	1,163	1,269	1,236	1,324	1,006	r1,424	1,520	1,444
6 2-or-more-family	450	268	377	446	470	565	378	r378	594	431
7 *Under construction, end of period* [1]	*1,189*	*1,003*	*1,157*	*1,140*	*1,168*	*1,192*	*r1,198*	*r1,215*	*1,247*	....
8 1-family	516	531	656	662	671	686	r692	r709	740	....
9 2-or-more-family	673	472	501	478	497	507	r506	r505	508	....
10 *Completed*	*1,692*	*1,297*	*1,362*	*1,326*	*1,399*	*1,444*	*r1,416*	*r1,642*	*1,659*	....
11 1-family	931	866	1,026	989	1,068	1,078	r1,103	r1,245	1,194	....
12 2-or-more-family	760	430	336	337	331	366	r313	r397	465	....
13 Mobile homes shipped	329	213	250	263	247	248	258	275	275	254
Merchant builder activity in 1-family units:										
14 Number sold	501	544	639	728	694	r808	r815	r864	807	....
15 Number for sale, end of period [1]	407	383	433	420	429	r431	r432	r435	438	....
Price (thous. of dollars) [2]										
Median:										
16 Units sold	35.9	39.3	44.2	45.3	45.8	r45.9	r45.7	r47.8	46.4	....
17 Units for sale	36.2	38.9	41.6	41.0	41.2	41.6	r41.9	42.0	42.9	....
Average:										
18 Units sold	38.9	42.5	48.1	50.4	50.0	50.6	r50.7	r52.7	52.4	55.1
EXISTING UNITS (1-family)										
19 Number sold	2,272	2,452	3,002	3,230	3,300	3,470	3,190	3,080	3,410	3,300
Price of units sold (thous. of dollars): [2]										
20 Median	32.0	35.3	38.1	38.5	38.8	39.0	39.6	40.7	41.0	42.0
21 Average	35.8	39.0	42.2	42.4	42.9	43.3	44.0	45.1	45.5	46.5
	Value of new construction [3] (millions of dollars)									
CONSTRUCTION										
22 **Total put in place**	**138,526**	**132,043**	**144,821**	**148,475**	**152,819**	**152,185**	**137,087**	**r148,893**	**159,319**	**163,384**
23 *Private*	*100,179*	*93,034*	*108,424*	*114,503*	*118,752*	*118,918*	*107,153*	*r116,441*	*125,679*	*128,278*
24 Residential	50,378	46,476	59,948	65,405	69,181	69,951	63,404	r68,080	74,978	77,114
25 Nonresidential, total	49,801	46,558	48,476	49,098	49,571	48,967	43,749	r48,361	50,701	51,164
Buildings:										
26 Industrial	7,902	8,017	6,910	6,407	6,461	6,453	6,088	6,398	7,194	7,168
27 Commercial	15,945	12,804	12,586	12,560	12,522	12,859	12,178	12,449	13,927	13,808
28 Other	5,797	5,585	6,252	6,489	6,677	6,497	5,978	5,892	5,930	6,193
29 Public utilities and other	20,157	20,152	22,728	23,642	23,911	23,158	19,505	r23,622	23,650	23,995
30 *Public*	*38,347*	*39,009*	*36,397*	*33,972*	*34,067*	*33,267*	*29,934*	*32,452*	*33,640*	*35,106*
31 Military	1,188	1,391	1,479	1,467	1,622	1,567	1,509	1,597	1,444	1,585
32 Highway	12,069	10,345	9,112	8,738	7,843	7,508	5,975	r7,244	7,916	....
33 Conservation and development	2,741	3,227	3,659	2,949	4,077	3,856	3,446	r4,037	3,769	....
34 Other	22,349	24,046	22,147	20,818	20,525	20,336	19,004	r19,574	20,511	....

1 Not at annual rates.

2 Not seasonally adjusted.

3 Value of new construction data in recent periods may not be strictly comparable with data in prior periods due to changes by the Bureau of the Census in its estimating techniques. For a description of these changes see *Construction Reports* (C-30-76-5), issued by the Bureau in July 1976.

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

2.15 CONSUMER AND WHOLESALE PRICES

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

Item	12 months to—		3 months (at annual rate) to—				1 month to—					Index level Apr. 1977 (1967 = 100)[1]
	1976 Apr.	1977 Apr.	1976			1977	1976	1977				
			June	Sept.	Dec.	Mar.	Dec.	Jan.	Feb.	Mar.	Apr.	
	Consumer prices											
1 **All items**	**6.1**	**6.8**	**6.1**	**5.3**	**4.2**	**10.0**	**.4**	**.8**	**1.0**	**.6**	**.8**	**179.6**
2 *Commodities*	*4.8*	*6.3*	*6.0*	*3.9*	*3.4*	*10.4*	*.4*	*.8*	*1.2*	*.5*	*.8*	*173.3*
3 Food	4.7	6.5	6.2	1.6	0.0	14.6	.1	.9	2.0	.6	1.5	190.9
4 Commodities less food	4.8	6.1	5.6	5.5	5.7	7.4	.6	.7	.7	.4	.4	163.6
5 Durable	5.8	6.8	6.5	5.0	6.0	10.5	.7	.9	.9	.6	.5	162.2
6 Nondurable	4.4	6.1	5.0	6.0	5.4	10.1	.4	.5	1.5	.5	.9	177.4
7 *Services*	*8.3*	*7.7*	*6.5*	*7.5*	*5.1*	*9.8*	*.4*	*.9*	*.6*	*.8*	*.8*	*191.3*
8 Rent	5.4	5.9	5.4	5.4	5.3	6.3	.5	.8	.3	.5	.7	151.6
9 Services less rent	8.7	7.8	6.7	7.7	5.4	10.4	.4	.9	.7	.8	.8	198.6
Other groupings:												
10 All items less food[1]	6.5	6.8	7.0	7.4	5.3	6.9	.3	.4	.6	.6	.7	176.3
11 All items less shelter[1]	6.3	6.9	6.9	5.6	4.3	9.4	.3	.5	1.1	.6	.8	177.5
12 Homeownership[1]	5.3	6.4	4.3	8.0	1.2	9.1	.1	.9	.7	.6	.9	201.0
	Wholesale prices											
13 **All commodities**	**5.3**	**7.2**	**6.6**	**3.5**	**7.1**	**10.2**	**.6**	**.5**	**.9**	**1.1**	**1.1**	**194.3**
14 *Farm products, and processed foods and feeds*	*2.7*	*6.6*	*13.4*	*−12.0*	*6.6*	*19.1*	*2.1*	*.3*	*2.0*	*2.1*	*2.9*	*195.9*
15 Farm products	8.6	7.9	18.2	−11.9	5.8	26.0	2.6	1.1	2.2	2.5	3.4	208.1
16 Processed foods and feeds	−.8	5.9	10.3	−11.8	6.5	15.6	1.8	−.1	1.8	1.9	2.5	188.5
17 *Industrial commodities*	*6.1*	*7.3*	*4.8*	*8.0*	*7.6*	*7.9*	*.3*	*.5*	*.6*	*.8*	*.6*	*193.2*
Materials, supplies, and components of which:												
18 Crude materials[2]	10.4	15.2	16.4	10.6	21.6	21.9	−2.2	−1.2	4.0	2.3	.3	283.1
19 Intermediate materials[3]	5.6	7.0	3.5	8.3	7.1	8.0	.5	.5	.6	.9	.6	200.5
Finished goods, excluding foods:												
20 Consumer	5.8	6.9	3.6	7.7	5.2	8.5	.3	1.0	.3	.8	.7	170.3
21 Durable	4.4	5.2	3.1	5.1	3.3	7.0	.1	.7	.5	.4	.7	150.5
22 Nondurable	6.6	7.9	3.8	9.1	6.5	9.5	.3	1.1	.2	1.0	.7	183.5
23 Producer	6.6	6.0	4.3	4.7	9.5	5.3	.7	.4	.5	.4	.6	181.6
MEMO:												
24 Consumer foods	4.1	3.6	13.2	−13.1	8.4	12.7	2.8	−.1	2.0	1.1	2.5	188.5

1 Not seasonally adjusted.

2 Excludes crude foodstuffs and feedstuffs, plant and animal fibers, oilseeds, and leaf tobacco.

3 Excludes intermediate materials for food manufacturing and manufactured animal feeds.

SOURCE.—Bureau of Labor Statistics.

2.16 GROSS NATIONAL PRODUCT AND INCOME

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

Account	1974	1975	1976	1975	1976				1977
				Q4	Q1	Q2	Q3	Q4	Q1
	Gross national product								
1 **Total**	**1,413.2**	**1,516.3**	**1,691.6**	**1,588.2**	**1,636.2**	**1,675.2**	**1,708.9**	**1,745.1**	**1,796.1**
By source:									
2 *Personal consumption expenditures*	*887.5*	*973.2*	*1,079.7*	*1,012.0*	*1,043.6*	*1,064.7*	*1,088.5*	*1,122.0*	*1,159.1*
3 Durable goods	121.6	131.7	156.5	141.8	151.4	155.0	157.6	162.0	174.0
4 Nondurable goods	376.2	409.1	440.4	421.6	429.1	434.8	441.8	456.0	464.7
5 Services	389.6	432.4	482.8	448.6	463.2	474.9	489.1	504.0	520.4
6 *Gross private domestic investment*	*215.0*	*183.7*	*239.6*	*201.4*	*229.6*	*239.2*	*247.0*	*242.8*	*267.9*
7 Fixed investment	204.3	198.3	227.7	205.7	214.7	223.2	231.9	241.0	254.1
8 *Nonresidential*	*149.2*	*147.1*	*160.0*	*148.7*	*153.4*	*157.9*	*163.0*	*165.6*	*173.9*
9 Structures	54.1	52.0	55.3	52.1	53.2	54.9	56.0	57.0	56.6
10 Producers' durable equipment	95.1	95.1	104.7	96.6	100.2	103.0	107.0	108.6	117.4
11 Residential structures	55.1	51.2	67.7	57.0	61.3	65.3	68.9	75.5	80.2
12 Nonfarm	52.7	49.0	65.1	54.2	58.6	62.9	66.3	72.7	77.4
13 Change in business inventories	10.7	−14.6	11.9	−4.3	14.8	16.0	15.1	1.7	13.8
14 Nonfarm	12.2	−17.6	11.9	−9.5	12.7	17.3	15.6	2.2	13.0
15 *Net exports of goods and services*	*7.5*	*20.5*	*6.6*	*21.0*	*8.4*	*9.3*	*4.7*	*4.2*	*−9.3*
16 Exports	144.4	148.1	162.7	153.7	154.1	160.3	167.7	168.5	170.5
17 Imports	136.9	127.6	156.0	132.7	145.7	151.0	163.0	164.3	179.8
18 *Govt. purchases of goods and services*	*303.3*	*339.0*	*365.6*	*353.8*	*354.7*	*362.0*	*369.6*	*376.2*	*378.5*
19 Federal	111.6	124.4	133.4	130.4	129.2	131.2	134.5	138.9	138.2
20 State and local	191.6	214.5	232.2	223.4	225.5	230.9	235.0	237.4	240.3
By major type of product:									
21 Final sales, total	1,402.5	1,531.0	1,679.7	1,592.5	1,621.4	1,659.2	1,694.7	1,743.4	1,782.4
22 *Goods*	*639.7*	*681.7*	*760.2*	*719.7*	*742.3*	*758.4*	*766.1*	*774.3*	*802.9*
23 Durable goods	247.2	254.4	300.5	270.0	282.7	301.2	308.2	309.8	333.7
24 Nondurable	392.4	427.3	459.8	449.7	459.6	457.1	457.9	464.5	469.1
25 Services	626.6	692.5	772.0	719.5	742.6	759.6	781.5	804.4	824.3
26 Structures	146.9	142.1	159.3	149.1	151.3	157.3	162.2	166.5	169.0
27 Change in business inventories	10.7	−14.6	11.9	−4.3	14.8	16.0	15.1	1.7	13.8
28 Durable goods	7.1	−12.1	2.7	−10.6	−3.6	5.4	6.8	2.0	8.2
29 Nondurable goods	3.6	−2.6	9.2	6.3	18.5	10.6	8.3	−.3	5.6
MEMO:									
30 **Total GNP in 1972 dollars**	**1,214.0**	**1,191.7**	**1,264.7**	**1,219.2**	**1,246.3**	**1,260.0**	**1,272.2**	**1,280.4**	**1,300.3**
	National income								
31 **Total**	**1,135.7**	**1,207.6**	**1,348.4**	**1,264.6**	**1,304.7**	**1,337.4**	**1,362.5**	**1,389.3**	**1,431.4**
32 Compensation of employees	875.8	928.8	1,028.4	963.1	994.4	1,017.2	1,037.5	1,064.5	1,097.7
33 *Wages and salaries*	*764.5*	*806.7*	*890.4*	*836.4*	*861.5*	*881.1*	*897.8*	*921.0*	*947.1*
34 Government and Government enterprises	160.4	175.8	190.7	182.2	185.4	188.7	191.7	197.0	200.0
35 Other	604.1	630.8	699.7	654.1	676.1	692.4	706.1	723.9	747.1
36 *Supplement to wages and salaries*	*111.3*	*122.1*	*138.0*	*126.7*	*132.9*	*136.2*	*139.6*	*143.5*	*150.5*
37 Employer contributions for social insurance	55.8	59.7	67.9	61.6	65.9	67.1	68.6	70.2	74.7
38 Other labor income	55.5	62.5	70.1	65.2	67.1	69.0	71.1	73.3	75.8
39 *Proprietors' income*[1]	*86.9*	*90.2*	*96.7*	*97.2*	*93.2*	*100.3*	*96.1*	*97.1*	*103.6*
40 Business and professional[1]	61.1	65.3	73.8	69.0	71.4	72.8	74.4	76.8	79.6
41 Farm[1]	25.8	24.9	22.8	28.3	21.9	27.5	21.7	20.3	24.0
42 Rental income of persons[2]	21.0	22.4	23.5	22.9	23.3	23.1	23.4	24.3	25.1
43 Corporate profits[1]	84.8	91.6	117.8	105.6	115.1	116.4	122.0	117.8	116.2
44 Profits before tax[3]	127.6	114.5	147.9	131.3	141.1	146.2	150.2	154.2	156.3
45 Inventory valuation adjustment	−39.8	−11.4	−14.6	−12.3	−11.5	−14.4	−12.6	−20.0	−23.1
46 Capital consumption adjustment	−3.0	−11.5	−15.5	−13.5	−14.5	−15.4	−15.7	−16.4	−17.0
47 Net interest	67.1	74.6	82.0	75.8	78.6	80.3	83.5	85.6	88.9

1 With inventory valuation and capital consumption adjustments.
2 With capital consumption adjustments.
3 For after-tax profits, dividends, etc., see Table 1.50.

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

2.17 PERSONAL INCOME AND SAVING

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

Account	1974	1975	1976	1975	1976				1977
				Q4	Q1	Q2	Q3	Q4	Q1
	Personal income and saving								
1 **Total personal income**	**1,153.3**	**1,249 7**	**1,375.3**	**1,299.7**	**1,331.3**	**1,362.0**	**1,386.0**	**1,421.7**	**1,464.0**
2 *Wage and salary disbursements*	*765.0*	*806.7*	*890.4*	*836.4*	*861.5*	*881.1*	*897.8*	*921.0*	*947.1*
3 Commodity-producing industries	273.9	275.3	304.8	285.8	295.3	302.9	307.0	314.0	323.9
4 Manufacturing	211.4	211.7	237.0	220.3	229.6	235.6	238.9	243.9	253.0
5 Distributive industries	184.4	195.6	214.9	202.3	208.3	212.8	216.5	221.9	229.2
6 Service industries	145.9	159.9	180.0	166.1	172.4	176.7	182.7	188.1	194.0
7 Government and government enterprises	160.9	175.8	190.7	182.2	185.4	188.7	191.7	197.0	200.0
8 Other labor income	55.5	62.5	70.1	65.2	67.1	69.0	71.1	73.3	75.8
9 *Proprietors' income*[1]	*86.9*	*90.2*	*96.7*	*97.2*	*93.2*	*100.3*	*96.1*	*97.1*	*103.6*
10 Business and professional[1]	61.1	65.3	73.8	69.0	71.4	72.8	74.4	76.8	79.6
11 Farm[1]	25.8	24.9	22.8	28.3	21.9	27.5	21.7	20.3	24.0
12 Rental income of persons[2]	21.0	22.4	23.5	22.9	23.3	23.1	23.4	24.3	25.1
13 Dividends	30.8	32.1	35.1	32.2	33.1	34.4	35.4	37.7	37.6
14 Personal interest income	101.4	110.7	123.0	114.4	118.0	120.7	125.0	128.4	131.6
15 Transfer payments	140.3	175.2	191.3	182.5	188.6	187.6	192.4	196.6	202.8
16 Old-age survivors, disability, and health insurance benefits	70.1	81.4	93.0	86.3	88.1	89.5	95.8	98.5	100.0
17 LESS: Personal contributions for social insurance	47.6	50.0	54.9	51.0	53.4	54.3	55.2	56.6	59.7
18 EQUALS: Personal income	1,153.3	1,249.7	1,375.3	1,299.7	1,331.3	1,362.0	1,386.0	1,421.7	1,464.0
19 LESS: Personal tax and nontax payments	170.4	168.8	193.6	179.8	183.8	189.5	195.8	205.3	218.2
20 EQUALS: Disposable personal income	982.9	1,080.9	1,181.7	1,119.9	1,147.6	1,172.5	1,190.2	1,216.5	1,245.8
21 LESS: Personal outlays	910.7	996.9	1,105.2	1,036.2	1,068.0	1,089.6	1,114.3	1,148.6	1,186.1
22 EQUALS: Personal saving	72.2	84.0	76.5	83.7	79.5	82.9	75.8	67.8	59.7
MEMO:									
Per capita (1972 dollars):									
23 Gross national product	3,968.0	4,007.0	4,140.0	4,049.0	4,103.0	4,143.0	4,142.0	4,168.0	4,195.0
24 Personal consumption expenditures	887.5	973.2	1,079.7	1,012.0	1,043.6	1,064.7	1,088.5	1,122.0	1,159.1
25 Disposable personal income	840.8	855.5	890.5	867.5	880.4	890.5	892.0	899.6	907.0
26 Saving rate (per cent)	7.3	7.8	6.5	7.5	6.9	7.1	6.4	5.6	4.8
	Gross saving								
27 **Gross private saving**	**211.6**	**255.6**	**274.6**	**269.4**	**273.8**	**279.1**	**278.9**	**266.7**	**261.8**
28 Personal saving	72.2	84.0	76.5	83.7	79.5	82.9	75.8	67.8	59.7
29 Undistributed corporate profits[1]	1.7	10.3	18.3	16.2	20.6	18.5	21.5	12.7	9.9
30 Corporate inventory valuation adjustment	−39.8	−11.4	−14.6	−12.3	−11.5	−14.4	−12.6	−20.0	−23.1
Capital consumption allowances:									
31 Corporate	84.6	100.9	112.8	106.4	108.8	111.6	113.9	116.9	119.5
32 Noncorporate	53.1	60.4	67.0	63.2	64.8	66.1	67.7	69.3	72.6
33 Wage accruals less disbursements	....	....	....	....	....	....	....	....	....
34 *Government surplus, or deficit (−), national income and product accounts*	*−4.2*	*−64.4*	*−44.7*	*−61.5*	*−51.6*	*−44.9*	*−44.7*	*−37.4*	*−21.2*
35 Federal	−11.5	−71.2	−58.6	−69.4	−63.8	−54.1	−57.4	−59.3	−41.3
36 State and local	7.3	6.9	14.0	7.9	12.2	9.2	12.7	21.9	20.1
37 Capital grants received by the United States, net	−2.0	....	....	....	....	....	....	....	....
38 *Investment*	*211.9*	*195.6*	*237.7*	*214.0*	*229.4*	*240.0*	*242.9*	*238.4*	*249.8*
39 Gross private domestic	215.0	183.7	239.6	201.4	229.6	239.2	247.0	242.8	267.9
40 Net foreign	−3.0	11.9	−2.0	12.6	−.2	.8	−4.1	−4.3	−18.1
41 Statistical discrepancy	6.8	4.4	7.7	6.1	7.2	5.8	8.7	9.2	9.2

1 With inventory valuation and capital consumption adjustments.
2 With capital consumption adjustment.

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

3.10 U.S. INTERNATIONAL TRANSACTIONS Summary

Millions of dollars, quarterly data are seasonally adjusted except as noted.[1]

Item credits or debits	1974	1975	1976	1975	1976			
				Q4	Q1	Q2	Q3	Q4
1 Merchandise exports	98,310	107,088	114,692	27,657	26,997	28,378	29,600	29,717
2 Merchandise imports	103,679	98,058	123,916	25,437	28,324	29,914	32,387	33,291
3 Merchandise trade balance[2]	−5,369	9,030	−9,224	2,220	−1,327	−1,536	−2,787	−3,574
4 Military transactions, net	−2,083	−883	391	12	−15	−155	339	223
5 Investment income, net	10,227	6,007	10,538	1,670	2,286	2,468	2,784	3,000
6 Other service transactions, net	812	2,163	2,696	455	475	781	860	578
7 **Balance on goods and services**[3]	**3,586**	**16,316**	**4,401**	**4,357**	**1,419**	**1,558**	**1,196**	**227**
8 Remittances, pensions, and other transfers	−1,710	−1,727	−1,866	−433	−483	−452	−446	−487
9 U.S. Govt. grants (excluding military)	−5,475	−2,893	−3,139	−818	−635	−468	−1,479	−557
10 **Balance on current account**	**−3,598**	**11,697**	**−604**	**3,106**	**301**	**638**	**−729**	**−817**
11 *Not seasonally adjusted*				*4,305*	*1,449*	*742*	*−3,677*	*883*
12 Change in U.S. Govt. assets, other than official reserve assets, net (increase, −)	365	−3,463	−4,295	−952	−684	−1,009	−1,450	−1,153
13 *Change in U.S. official reserve assets (increase, −)*	*−1,434*	*−607*	*−2,530*	*89*	*−773*	*−1,578*	*−407*	*228*
14 Gold								
15 SDR's	−172	−66	−78	−21	−45	14	−18	−29
16 Reserve position in IMF	−1,265	−466	−2,212	−57	−237	−798	−716	−461
17 Foreign currencies	3	−75	−240	167	−491	−794	327	718
18 **Change in U.S. private assets abroad (increase, −)**	**−32,323**	**−27,523**	**−36,195**	**−10,375**	**−8,550**	**−7,288**	**−6,824**	**−13,534**
19 *Bank-reported claims*	*−19,494*	*−13,487*	*−20,742*	*−5,348*	*−3,582*	*−4,767*	*−3,355*	*−9,038*
20 Long-term	−1,183	−2,373	−2,098	−943	−250	−385	−993	−470
21 Short-term	−18,311	−11,114	−18,644	−4,405	−3,332	−4,382	−2,362	−8,568
22 *Nonbank-reported claims*	*−3,221*	*−1,522*	*−1,772*	*−972*	*−751*	*−962*	*721*	*−780*
23 Long-term	−474	−441	−14	−379	−187	146	53	−26
24 Short-term	−2,747	−1,081	−1,758	−593	−564	−1,108	668	−754
25 U.S. purchase of foreign securities, net	−1,854	−6,206	−8,682	−2,361	−2,460	−1,357	−2,743	−2,123
26 U.S. direct investments abroad, net	−7,753	−6,307	−5,000	−1,694	−1,757	−202	−1,447	−1,593
27 *Change in foreign official assets in the United States (increase, +)*	*10,981*	*6,899*	*18,107*	*2,771*	*3,942*	*4,105*	*2,999*	*7,061*
28 U.S. Treasury securities	3,282	4,338	9,301	1,069	1,998	2,166	1,261	3,876
29 Other U.S. Govt. obligations	902	891	566	307	68	316	66	116
30 Other U.S. Govt. liabilities[4]	724	1,732	5,013	499	1,482	797	1,746	988
31 Other U.S. liabilities reported by U.S. banks	5,818	−2,158	1,012	134	−275	135	−598	1,750
32 Other foreign official assets[5]	254	2,095	2,215	762	669	691	524	331
33 **Change in foreign private assets in the United States (increase, +)**	**21,452**	**8,427**	**15,022**	**3,103**	**1,454**	**3,225**	**5,248**	**5,095**
34 *U.S. bank-reported liabilities*	*16,017*	*647*	*10,974*	*691*	*675*	*3,518*	*1,766*	*5,015*
35 Long-term	9	−300	172	146	−91	−25	67	221
36 Short-term	16,008	947	10,802	545	766	3,543	1,699	4,794
37 *U.S. nonbank-reported liabilities*	*1,615*	*171*	*−588*	*−68*	*24*	*−248*	*−324*	*−40*
38 Long-term	−212	345	−1,017	10	−332	−188	−285	−212
39 Short-term	1,827	−174	429	−78	356	−60	−39	172
40 Foreign private purchases of U.S. Treasury securities, net	697	2,667	2,825	213	453	−598	3,026	−56
41 Foreign purchases of other U.S. securities, net	378	2,505	1,250	1,038	1,030	131	68	21
42 Foreign direct investments in the United States, net	2,745	2,437	561	1,229	−728	422	712	155
43 Allocations of SDR's								
44 *Discrepancy*	*4,557*	*4,570*	*10,495*	*2,258*	*4,310*	*1,907*	*1,163*	*3,120*
45 Owing to seasonal adjustments				1,275	958	73	−2,800	1,773
46 Statistical discrepancy in recorded data before seasonal adjustment	4,557	4,570	10,495	983	3,352	1,834	3,963	1,347
MEMO:								
Changes in official assets:								
47 U.S. official reserve assets (increase, −)	−1,434	−607	−2,530	89	−773	−1,578	−407	228
48 Foreign official assets in the U.S. (increase, +)	10,257	5,166	13,094	2,272	2,460	3,308	1,253	6,073
49 Changes in OPEC official assets in the U.S. (part of line 27 above)	10,841	7,108	9,517	1,996	3,491	3,339	1,687	1,000
50 Transfers under military grant programs (excluded from lines 1, 4, and 9 above)	1,817	2,232	400	177	50	99	156	95

1 Seasonal factors are no longer calculated for lines 13 through 50.

2 Data are on an international accounts (IA) basis. Differs from the Census basis primarily because the IA basis includes imports into the U.S. Virgin Islands, and it excludes military exports, which are part of Line 4.

3 Differs from the definition of "net exports of goods and services" in the national income and product (GNP) account. The GNP definition excludes certain military sales to Israel from exports and excludes U.S. Govt. interest payments from imports.

4 Primarily associated with military sales contracts and other transactions arranged with or through foreign official agencies.

5 Consists of investments in U.S. corporate stocks and in debt securities of private corporations and state and local governments.

NOTE.—Data are from Bureau of Economic Analysis, *Survey of Current Business* (U.S. Department of Commerce).

3.11 U.S. FOREIGN TRADE

Millions of dollars, monthly data are seasonally adjusted.

Item	1974	1975	1976	1976 Oct.	1976 Nov.	1976 Dec.	1977 Jan.	1977 Feb.	1977 Mar.	1977 Apr.
1 EXPORTS of domestic and foreign merchandise excluding grant-aid shipments	97,908	107,130	114,807	9,699	9,589	10,410	9,599	9,808	10,072	9,970
2 GENERAL IMPORTS including merchandise for immediate consumption plus entries into bonded warehouses	100,252	96,115	120,677	10,555	10,623	11,020	11,269	11,674	12,459	12,593
3 Trade balance	−2,344	+11,014	−5,870	−857	−1,034	−610	−1,670	−1,866	−2,387	−2,623

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

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

3.12 U.S. RESERVE ASSETS

Millions of dollars, end of period

Type	1973	1974	1975	1976 Nov.	1976 Dec.	1977 Jan.	1977 Feb.	1977 Mar.	1977 Apr.	1977 May[p]
1 Total	[3] 14,378	15,883	16,226	19,416	18,747	19,087	19,122	19,120	[4] 18,868	[4] 19,192
2 Gold stock, including Exchange Stabilization Fund[1]	[3] 11,652	11,652	11,599	11,598	11,598	11,658	11,658	11,658	11,658	11,658
3 Special Drawing Rights[2]	[3] 2,166	2,374	2,335	2,365	2,395	2,375	2,383	2,389	[4] 2,384	[4] 2,470
4 Reserve position in International Monetary Fund	[3] 552	1,852	2,212	4,307	4,434	4,682	4,819	4,812	[4] 4,720	[4] 4,969
5 Convertible foreign currencies	8	5	80	1,146	320	372	262	261	106	95

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

2 Includes allocations by the International Monetary Fund of SDR's as follows: $867 million on Jan. 1, 1970; $717 million on Jan. 1, 1971; and $710 million on Jan. 1, 1972; plus net transactions in SDR's.

3 Change in par value of U.S. dollar on Oct. 18, 1973 increased total reserve assets by $1,436 million, gold stock by $1,165 million, SDR's by $217 million, and reserve position in IMF by $54 million.

4 Beginning July 1974, the IMF adopted a technique for valuing the SDR based on a weighted average of exchange rates for the currencies of 16 member countries. The U.S. SDR holdings and reserve position in the IMF also are valued on this basis beginning July 1974. At valuation used prior to July 1974 (SDR1 = $1.20635) total U.S. reserve assets at end of May amounted to $19,369; SDR holdings, $2,565, and reserve position in IMF, $5,051.

3.13 SELECTED U.S. LIABILITIES TO FOREIGNERS

Millions of dollars, end of period

Holder, and type of liability	1973	1974		1975	1976		1977			
		Dec.[9]			Nov.	Dec.	Jan.	Feb.	Mar.[p]	Apr.[p]
1 **Total**	**92,490**	**119,240**	**119,164**	**126,552**	**r144,638**	**151,329**	**147,913**	**149,008**	**151,908**	**157,028**
2 **Foreign countries**	**90,487**	**115,918**	**115,842**	**120,929**	**136,407**	**142,846**	**139,994**	**141,023**	**143,802**	**143,320**
3 *Official institutions*[1]	*66,861*	*76,801*	*r76,823*	*r80,712*	*r87,793*	*r91,900*	*93,046*	*93,858*	*96,553*	*99,502*
4 Short-term, reported by banks in the United States.[2]	43,923	53,057	r53,079	49,530	r49,323	r53,528	54,515	54,796	56,040	57,529
U.S. Treasury bonds and notes:										
5 Marketable[3]	5,701	5,059	5,059	6,671	11,367	11,788	12,017	12,725	13,548	14,470
6 Nonmarketable[4]	15,564	16,339	16,339	19,976	21,131	20,648	20,622	20,495	21,106	20,976
7 Other readily marketable liabilities[5]	1,673	2,346	2,346	4,535	r5,972	5,936	5,892	5,842	5,859	6,527
Commercial banks abroad:										
8 Short-term reported by banks in the United States[2,6]	17,694	30,314	r30,106	29,516	r35,332	r37,377	33,510	33,088	32,874	35,378
9 *Other foreigners*	*5,932*	*8,803*	*8,913*	*r10,701*	*13,282*	*r13,569*	*13,438*	*14,077*	*14,375*	*14,440*
10 Short-term, reported by banks in the United States[2]	5,502	8,305	8,415	r10,000	12,312	r12,592	12,441	13,056	12,993	12,886
11 Marketable U.S. Treasury bonds and notes[3,7]	430	498	498	701	970	r977	997	1,021	1,382	1,554
12 **Nonmonetary international and regional organization**[8]	**2,003**	**3,322**	**3,322**	**5,623**	**r8,231**	**8,483**	**7,919**	**7,985**	**8,106**	**7,708**
13 Short-term, reported by banks in the United States[2]	1,955	3,171	3,171	5,292	r5,505	5,450	4,625	3,918	4,288	5,282
14 Marketable U.S. Treasury bonds and notes[3]	48	151	151	331	2,726	3,033	3,294	4,067	3,819	2,426

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

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

3.14 SELECTED U.S. LIABILITIES TO FOREIGN OFFICIAL INSTITUTIONS

Millions of dollars, end of period

Area	1973	1974		1975	1976		1977			
		Dec.[3]			Nov.	Dec.	Jan.	Feb.	Mar.[p]	Apr.[p]
1 **Total**	**66,861**	**76,801**	**r76,823**	**80,712**	**87,793**	**91,900**	**93,046**	**93,858**	**96,553**	**99,502**
2 Western Europe[1]	45,764	44,328	r44,328	45,701	44,075	45,855	45,927	46,108	47,927	48,770
3 Canada	3,853	3,662	3,662	3,132	2,406	3,406	3,197	2,844	2,684	2,752
4 Latin American republics	2,544	4,419	4,419	4,450	4,087	4,853	4,546	4,525	4,826	4,396
5 Asia	10,887	18,604	18,627	22,551	33,906	34,112	35,562	36,458	37,455	39,611
6 Africa	788	3,161	3,160	2,983	r1,975	1,893	1,757	1,771	1,679	1,934
7 Other countries[2]	3,025	2,627	2,627	1,895	1,344	1,781	2,057	2,152	1,982	2,039

1 Includes Bank for International Settlements.
2 Includes countries in Oceania and Eastern Europe, and Western European dependencies in Latin America.
3 See Note 9 to Table 3.13.

NOTE.—Data represent breakdown by area of line 3, Table 3.13.

3.15 SHORT-TERM LIABILITIES TO FOREIGNERS Reported by Banks in the United States

By Holder and by Type of Liability

Millions of dollars, end of period

Holder, and type of liability	1973	1974		1975	1976		1977			
		Dec.[8]			Nov.[r]	Dec.[r]	Jan.[r]	Feb.	Mar.[p]	Apr.[p]
1 **All foreigners, excluding the International Monetary Fund**	**69,074**	**94,847**	**94,771**	**94,338**	**102,473**	**108,947**	**105,091**	**104,858**	**106,195**	**111,075**
2 *Payable in dollars*	*68,477*	*94,081*	*94,004*	*93,780*	*101,692*	*108,223*	*104,359*	*104,043*	*105,334*	*110,266*
Deposits:										
3 Demand	11,310	14,068	14,051	13,564	15,811	16,803	15,314	16,098	11,226	15,411
4 Time[1]	6,882	10,106	9,932	10,250	10,452	11,297	11,395	11,205	15,097	11,261
5 U.S. Treasury bills and certificates[2]	31,886	35,662	35,662	37,414	38,643	40,744	41,275	42,669	43,553	44,660
6 Other short-term liabilities[3]	18,399	34,246	34,359	32,552	36,786	39,380	36,374	34,071	35,457	38,933
7 *Payable in foreign currencies*	*597*	*766*	*766*	*558*	*781*	*724*	*732*	*815*	*861*	*809*
8 **Nonmonetary international and regional organizations[4]**	**1,955**	**3,171**	**3,171**	**5,293**	**5,506**	**5,450**	**4,625**	**3,918**	**4,288**	**5,282**
9 *Payable in dollars*	*1,955*	*3,171*	*3,171*	*5,284*	*5,502*	*5,445*	*4,621*	*3,912*	*4,285*	*5,279*
Deposits:										
10 Demand	101	139	139	139	287	290	166	216	203	125
11 Time[1]	83	111	111	148	196	205	230	237	236	196
12 U.S. Treasury bills and certificates	296	497	497	2,554	3,604	2,701	2,890	2,779	2,743	2,849
13 Other short-term liabilities[5]	1,474	2,424	2,424	2,443	1,415	2,250	1,335	680	1,103	2,109
14 *Payable in foreign currencies*	....	....	....	*8*	*4*	*5*	*4*	*6*	*3*	*3*
15 **Official institutions, banks, and other foreigners**	**67,119**	**91,676**	**91,600**	**89,046**	**96,967**	**103,497**	**100,466**	**100,940**	**101,907**	**105,793**
16 *Payable in dollars*	*66,522*	*90,910*	*90,834*	*88,497*	*96,191*	*102,778*	*99,738*	*100,131*	*101,049*	*104,988*
Deposits:										
17 Demand	11,209	13,928	13,912	13,426	15,524	16,513	15,148	15,882	14,895	15,286
18 Time[1]	6,799	9,995	9,796	10,102	10,256	11,092	11,166	10,968	10,968	11,066
19 U.S. Treasury bills and certificates[2]	31,590	35,165	35,165	34,860	35,039	38,042	38,386	39,889	40,810	41,811
20 Other short-term liabilities[3]	16,925	31,822	31,961	30,109	35,371	37,130	35,039	33,391	34,354	36,825
21 *Payable in foreign currencies*	*597*	*766*	*766*	*549*	*776*	*719*	*728*	*809*	*858*	*805*
22 **Official institutions[6]**	**43,923**	**53,057**	**53,079**	**49,530**	**49,323**	**53,528**	**54,515**	**54,796**	**56,040**	**57,529**
23 *Payable in dollars*	*43,795*	*52,930*	*52,952*	*49,530*	*49,323*	*53,528*	*54,515*	*54,796*	*56,040*	*57,529*
Deposits:										
24 Demand	2,125	2,951	2,951	2,644	2,685	3,394	2,931	2,404	2,629	2,757
25 Time[1]	3,911	4,257	4,167	3,423	2,132	2,289	2,456	2,376	2,269	2,380
26 U.S. Treasury bills and certificates[2]	31,511	34,656	34,656	34,199	34,706	37,725	38,081	39,559	40,454	41,508
27 Other short-term liabilities[5]	6,248	11,066	11,178	9,264	9,799	10,120	11,047	10,457	10,689	10,884
28 *Payable in foreign currencies*	*127*	*127*	*127*	....	....	....	....	....	....	....
29 **Banks and other foreigners**	**23,196**	**38,619**	**38,520**	**39,515**	**47,644**	**49,969**	**45,951**	**46,144**	**45,867**	**48,264**
30 *Payable in dollars*	*22,727*	*37,980*	*37,881*	*38,966*	*46,868*	*49,250*	*45,223*	*45,335*	*45,009*	*47,459*
31 Banks[7]	17,224	29,676	29,467	28,966	34,556	36,658	32,788	32,279	32,016	34,573
Deposits:										
32 Demand	6,941	8,248	8,231	7,534	8,897	9,104	8,475	9,387	8,400	8,711
33 Time[1]	529	1,942	1,885	1,856	1,663	2,279	2,074	1,779	1,739	1,625
34 U.S. Treasury bills and certificates	11	232	232	335	124	119	122	102	108	104
35 Other short-term liabilities[3]	9,743	19,254	19,119	19,241	23,872	25,156	22,111	21,011	21,770	24,132
36 Other foreigners	5,502	8,304	8,414	10,000	12,312	12,592	12,441	13,056	12,993	12,886
Deposits:										
37 Demand	2,143	2,729	2,730	3,248	3,943	4,015	3,741	4,091	3,866	3,818
38 Time[1]	2,359	3,796	3,744	4,823	6,461	6,524	6,636	6,813	6,983	7,060
39 U.S. Treasury bills and certificates	68	277	277	325	209	198	183	229	248	199
40 Other short-term liabilities[5]	933	1,502	1,664	1,604	1,700	1,854	1,876	1,924	1,896	1,809
41 *Payable in foreign currencies*	*469*	*639*	*639*	*549*	*776*	*719*	*728*	*809*	*858*	*805*

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

2 Includes nonmarketable certificates of indebtedness and Treasury bills issued to official institutions of foreign countries.

3 Includes liabilities of U.S. banks to their foreign branches, liabilities of U.S. agencies and branches of foreign banks to their head offices and foreign branches of their head offices, bankers acceptances, commercial paper, and negotiable time certificates of deposit.

4 Principally the International Bank for Reconstruction and Development, and the Inter-American and Asian Development Banks.

5 Principally bankers acceptances, commercial paper, and negotiable time certificates of deposit.

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

7 Excludes central banks, which are included in "Official institutions."

8 Data in the two columns shown for this date differ because of changes in reporting coverage. Figures in the first column are comparable with those for the preceding date; figures in the second column are comparable with those shown for the following date.

NOTE.—"Short-term obligations" are those payable on demand, or having an original maturity of 1 year or less.

3.16 SHORT-TERM LIABILITIES TO FOREIGNERS Reported by Banks in the United States

By Country

Millions of dollars, end of period

	Area and country	1973	1974		1975	1976		1977			
			Dec.[7]			Nov. r	Dec. r	Jan.	Feb.	Mar. p	Apr. p
1	**Total**	**69,074**	**94,847**	**94,771**	**94,338**	**102,473**	**108,947**	**105,091**	**104,858**	**106,195**	**111,075**
2	**Foreign countries**	**67,119**	**91,676**	**91,600**	**89,046**	**96,967**	**103,497**	**100,466**	**100,940**	**101,907**	**105,793**
3	*Europe*	*40,742*	*48,667*	*48,813*	*43,988*	*42,478*	*46,923*	*43,765*	*43,584*	*44,342*	*45,038*
4	Austria	161	607	607	754	332	348	373	401	499	509
5	Belgium-Luxembourg	1,483	2,506	2,506	2,898	2,085	2,268	2,376	2,411	2,566	2,607
6	Denmark	659	369	369	332	416	363	419	419	569	809
7	Finland	165	266	266	391	378	419	389	367	312	306
8	France	3,483	4,287	4,287	7,733	4,642	4,875	4,701	4,590	4,827	4,748
9	Germany	13,227	9,420	9,429	4,357	5,418	5,965	5,304	5,495	4,676	4,490
10	Greece	389	248	248	284	378	403	421	346	302	350
11	Italy	1,404	2,617	2,577	1,072	2,884	3,206	2,858	2,703	2,361	2,625
12	Netherlands	2,886	3,234	3,234	3,411	2,694	3,007	2,832	2,817	3,181	2,924
13	Norway	965	1,040	1,040	996	740	785	566	793	746	906
14	Portugal	534	310	310	195	206	239	172	228	209	184
15	Spain	305	382	382	426	478	565	492	546	560	501
16	Sweden	1,885	1,138	1,138	2,286	1,420	1,693	1,613	1,593	1,717	2,047
17	Switzerland	3,377	9,986	10,139	8,514	8,846	9,453	9,571	9,619	8,927	8,813
18	Turkey	98	152	152	118	88	166	85	82	88	81
19	United Kingdom	6,148	7,559	7,584	6,886	8,399	9,999	8,996	8,711	10,334	10,695
20	Yugoslavia	86	183	183	126	147	188	113	121	96	111
21	Other Western Europe[1]	3,352	4,073	4,073	2,970	2,639	2,672	2,263	2,136	2,144	2,133
22	U.S.S.R.	22	82	82	40	84	51	47	45	50	41
23	Other Eastern Europe	110	206	206	200	203	255	172	162	178	159
24	*Canada*	*3,627*	*3,517*	*3,520*	*3,076*	*3,944*	*4,784*	*4,519*	*4,815*	*4,322*	*4,823*
25	*Latin America*	*7,664*	*12,038*	*11,754*	*14,942*	*17,684*	*19,010*	*17,847*	*18,529*	*19,123*	*20,528*
26	Argentina	924	886	886	1,147	1,293	1,538	1,648	1,820	1,889	1,845
27	Bahamas	852	1,448	1,054	1,827	2,654	2,789	1,979	2,439	2,200	4,006
28	Brazil	860	1,034	1,034	1,227	1,168	1,432	1,292	1,272	1,108	1,225
29	Chile	158	276	276	317	315	335	325	302	403	329
30	Colombia	247	305	305	417	922	1,017	1,090	1,152	1,201	1,253
31	Cuba	7	7	7	6	6	6	6	6	6	7
32	Mexico	1,296	1,770	1,770	2,066	2,860	2,848	2,710	2,782	2,745	2,699
33	Panama	282	488	510	1,099	1,188	1,140	909	1,002	1,001	1,008
34	Peru	135	272	272	244	243	257	244	228	246	255
35	Uruguay	120	147	165	172	238	245	250	239	241	263
36	Venezuela	1,468	3,413	3,413	3,289	3,009	3,060	2,986	2,909	2,927	2,440
37	Other Latin American republics	884	1,316	1,316	1,494	1,740	1,740	2,033	2,225	2,428	2,297
38	Netherlands Antilles[2]	71	158	158	129	157	140	151	157	162	173
39	Other Latin America	359	519	589	1,507	1,890	2,139	2,223	1,995	2,565	2,729
40	*Asia*	*10,839*	*21,073*	*21,130*	*21,539*	*28,982*	*28,461*	*29,789*	*29,258*	*29,604*	*30,471*
41	China, People's Republic of (Mainland)	38	50	50	123	59	47	47	47	52	67
42	China, Republic of (Taiwan)	757	818	818	1,025	1,092	985	1,058	1,158	1,056	1,123
43	Hong Kong	372	530	530	623	859	892	941	1,039	1,018	993
44	India	85	261	261	126	910	648	510	559	538	648
45	Indonesia	133	1,221	1,221	369	314	340	695	546	480	888
46	Israel	327	386	389	386	325	385	430	547	509	436
47	Japan	6,967	10,897	10,931	10,218	14,736	14,380	14,481	13,358	13,271	13,071
48	Korea	195	384	384	390	324	437	448	483	382	430
49	Philippines	515	747	747	698	606	627	602	554	652	624
50	Thailand	247	333	333	252	244	275	301	313	312	308
51	Middle East oil-exporting countries[3]	....	4,633	4,623	6,461	8,124	8,073	9,029	9,276	9,987	10,398
52	Other[4]	1,202	813	844	867	1,388	1,373	1,245	1,377	1,346	1,485
53	*Africa*	*1,056*	*3,551*	*3,551*	*3,373*	*2,281*	*2,300*	*2,207*	*2,406*	*2,285*	*2,572*
54	Egypt	35	103	103	343	771	333	209	244	250	242
55	Morocco	11	38	38	68	72	88	97	105	94	91
56	South Africa	114	130	130	169	132	143	211	155	136	176
57	Zaire	87	84	84	63	64	35	48	42	39	28
58	Oil-exporting countries[5]	....	2,814	2,814	2,239	1,322	1,116	1,033	1,132	965	1,149
59	Other[4]	808	383	383	491	520	585	609	728	801	886
60	*Other countries*	*3,190*	*2,831*	*2,831*	*2,128*	*1,598*	*2,019*	*2,339*	*2,348*	*2,231*	*2,361*
61	Australia	3,131	2,742	2,742	2,014	1,486	1,911	2,224	2,231	2,101	2,223
62	All other	59	89	89	114	112	108	116	118	130	138
63	**Nonmonetary international and regional organizations**	**1,955**	**3,171**	**3,171**	**5,293**	**5,506**	**5,450**	**4,625**	**3,918**	**4,288**	**5,282**
64	International	1,627	2,900	2,900	5,064	5,109	5,091	4,275	3,599	3,965	5,001
65	Latin American regional	272	202	202	187	160	136	160	132	136	99
66	Other regional[6]	57	69	69	42	237	223	190	187	186	181

For notes see bottom of p. A59.

3.17 SHORT-TERM LIABILITIES TO FOREIGNERS Reported by Banks in the United States

Supplemental "Other" Countries[1]

Millions of dollars, end of period

	Area and country	1974	1975		1976	
		Dec.	Apr.	Dec.	Apr.	Dec.
	Other Western Europe:					
1	Cyprus	7	17	6	38	69
2	Iceland	21	20	33	43	40
3	Ireland, Republic of	29	29	75	39	......
	Other Eastern Europe:					
4	Bulgaria	36	13	19	13	34
5	Czechoslovakia	34	11	32	10	21
6	German Democratic Republic	36	18	17	3	......
7	Hungary	14	11	13	10	19
8	Poland	55	42	66	65	77
9	Rumania	25	14	44	28	19
	Other Latin American republics:					
10	Bolivia	96	93	110	104	133
11	Costa Rica	118	120	124	69	141
12	Dominican Republic	128	214	169	149	275
13	Ecuador	122	157	120	150	319
14	El Salvador	129	144	171	128	178
15	Guatemala	219	255	260	177	397
16	Haiti	35	34	38	33	47
17	Honduras	88	92	99	69	137
18	Jamaica	69	62	41	49	35
19	Nicaragua	127	125	133	89	119
20	Paraguay	46	38	43	43	49
21	Surinam[2]	......	......	......	12	......
22	Trinidad and Tobago	107	31	131	44	167
	Other Latin America:					
23	Bermuda	116	100	170	197	177
24	British West Indies	449	627	1,311	2,284	1,874

	Area and country	1974	1975		1976	
		Dec.	Apr.	Dec.	Apr.	Dec.
	Other Asia:					
25	Afghanistan	18	19	41	54	57
26	Bangladesh	21	50	54	41	......
27	Burma	65	49	31	34	13
28	Cambodia	4	4	4	3	4
29	Jordan	22	30	39	20	37
30	Laos	3	5	2	2	1
31	Lebanon	126	180	117	132	140
32	Malaysia	63	92	77	105	396
33	Nepal	25	22	28	34	33
34	Pakistan	91	118	74	89	189
35	Singapore	245	215	256	c344	280
36	Sri Lanka (Ceylon)	14	13	13	9	23
37	Vietnam	126	70	62	33	66
	Other Africa:					
38	Ethiopia (incl. Eritrea)	95	76	60	70	41
39	Ghana	18	13	23	45	27
40	Ivory Coast	7	11	62	76	10
41	Kenya	31	32	19	37	46
42	Liberia	39	33	53	63	77
43	Southern Rhodesia	2	3	1	1	1
44	Sudan	4	14	12	17	22
45	Tanzania	11	21	30	18	......
46	Tunisia	19	23	29	33	20
47	Uganda	13	38	22	50	43
48	Zambia	22	18	78	14	......
	All Other:					
49	New Zealand	47	36	42	29	45

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

2 Surinam included with Netherlands Antilles until January 1976.

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

Millions of dollars, end of period

	Holder, and area or country	1973	1974	1975	1976			1977			
					Oct.[r]	Nov.[r]	Dec.[r]	Jan.[r]	Feb.	Mar.[p]	Apr.[p]
1	**Total**	**1,462**	**1,285**	**1,812**	**2,328**	**2,324**	**2,408**	**2,352**	**2,297**	**2,315**	**2,460**
2	**Nonmonetary international and regional organizations**	**761**	**822**	**415**	**338**	**313**	**264**	**263**	**248**	**262**	**250**
3	**Foreign countries**	**700**	**464**	**1,397**	**1,991**	**2,011**	**2,144**	**2,090**	**2,049**	**2,053**	**2,211**
4	Official institutions, including central banks	310	124	931	1,312	1,311	1,352	1,262	1,192	1,163	1,313
5	Banks, excluding central banks	291	261	364	501	526	588	604	627	648	631
6	Other foreigners	100	79	100	178	173	204	224	230	242	267
	Area or country:										
7	Europe	470	226	330	499	517	537	555	580	591	583
8	Germany	159	146	214	310	309	313	313	296	354	304
9	United Kingdom	66	59	66	101	127	134	144	122	123	131
10	Canada	8	19	23	28	26	29	31	29	37	35
11	Latin America	132	115	140	151	152	230	244	267	263	264
12	Middle East oil-exporting countries[1]	....	94	894	1,286	1,239	1,251	1,186	1,104	1,091	1,259
13	Other Asia[2]	82	7	8	25	75	96	67	67	67	68
14	African oil-exporting countries[3]	....	*	*	*	*	*	*	*	*	*
15	Other Africa[4]	1	1	1	....	....	....	1	2	2	2
16	All other countries	7	*	*	1	1	1	4	1	1	1

1 Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).

2 Includes Middle East oil-exporting countries until December 1974.

3 Comprises Algeria, Gabon, Libya, and Nigeria.

4 Includes African oil-exporting countries until December 1974.

NOTE.—Long-term obligations are those having an original maturity of more than 1 year.

NOTES TO TABLE 3.16:

1 Includes Bank for International Settlements.

2 Surinam included with Netherlands Antilles until January 1976.

3 Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).

4 Includes oil-exporting countries until December 1974.

5 Comprises Algeria, Gabon, Libya, and Nigeria.

6 Asian, African, and European regional organizations, except BIS, which is included in "Other Western Europe."

7 Data in the two columns shown for this date differ because of changes in reporting coverage. Figures in the first column are comparable with those shown for the preceding date; figures in the second column are comparable with those shown for the following date.

3.19 SHORT-TERM CLAIMS ON FOREIGNERS Reported by Banks in the United States

By Country

Millions of dollars, end of period

Area and country	1973	1974	1975	1976 Oct.r	1976 Nov.r	1976 Dec.r	1977 Jan.r	1977 Feb.	1977 Mar.p	1977 Apr.p
1 **Total**	**20,723**	**39,056**	**50,231**	**60,986**	**63,313**	**69,126**	**63,719**	**63,447**	**65,196**	**65,814**
2 **Foreign countries**	**20,723**	**39,055**	**50,229**	**60,981**	**63,307**	**69,121**	**63,712**	**63,442**	**65,189**	**65,809**
3 *Europe*	*3,970*	*6,255*	*8,987*	*10,435*	*10,790*	*12,162*	*10,486*	*10,764*	*10,887*	*12,026*
4 Austria	11	21	15	42	54	44	41	42	58	63
5 Belgium-Luxembourg	147	384	352	504	501	662	554	611	570	470
6 Denmark	48	46	49	64	129	85	72	64	67	83
7 Finland	108	122	128	137	136	141	137	131	141	126
8 France	621	673	1,471	1,096	1,098	1,448	1,246	1,372	1,343	1,510
9 Germany	311	589	436	585	577	563	511	667	575	590
10 Greece	35	64	49	88	76	79	57	85	54	70
11 Italy	316	345	370	733	877	929	875	802	870	946
12 Netherlands	133	348	300	399	240	304	246	510	252	380
13 Norway	72	119	71	79	85	98	124	127	133	142
14 Portugal	23	20	16	46	53	65	80	90	98	90
15 Spain	222	196	249	264	304	429	362	375	291	363
16 Sweden	153	180	167	101	93	177	112	85	75	116
17 Switzerland	176	335	237	499	511	482	539	530	496	496
18 Turkey	10	15	86	125	140	173	199	207	274	291
19 United Kingdom	1,459	2,580	4,718	5,376	5,591	6,158	4,960	4,671	5,218	5,939
20 Yugoslavia	10	22	38	37	38	45	60	64	37	31
21 Other Western Europe	25	22	27	49	53	52	53	60	56	51
22 U.S.S.R.	46	46	103	83	103	99	82	95	104	108
23 Other Eastern Europe	44	131	108	128	132	130	178	175	177	163
24 *Canada*	*1,955*	*2,776*	*2,817*	*3,129*	*3,136*	*3,100*	*2,944*	*3,512*	*3,737*	*3,685*
25 *Latin America*	*5,900*	*12,377*	*20,532*	*29,275*	*31,010*	*34,060*	*31,459*	*31,487*	*32,055*	*31,758*
26 Argentina	499	720	1,203	902	858	962	937	867	914	873
27 Bahamas	883	3,405	7,570	12,587	14,021	15,340	13,872	14,102	15,439	14,150
28 Brazil	900	1,418	2,221	3,125	3,254	3,378	3,456	3,145	2,951	3,189
29 Chile	151	290	360	350	358	396	370	379	357	419
30 Colombia	397	713	689	517	523	575	593	598	544	565
31 Cuba	12	14	13	13	14	13	13	13	13	13
32 Mexico	1,373	1,972	2,802	3,211	3,290	3,419	3,366	3,332	3,294	3,301
33 Panama	274	505	1,052	1,119	781	1,021	760	869	849	753
34 Peru	178	518	583	638	630	690	737	739	733	756
35 Uruguay	55	63	51	28	35	38	41	39	39	35
36 Venezuela	518	704	1,086	1,338	1,512	1,552	1,296	1,260	1,241	1,180
37 Other Latin American republics	493	852	967	1,037	1,069	1,140	1,127	1,120	1,132	1,076
38 Netherlands Antilles[1]	13	62	49	41	43	40	45	41	41	54
39 Other Latin America	154	1,142	1,885	4,369	4,623	5,495	4,848	4,985	4,509	5,394
40 *Asia*	*8,224*	*16,226*	*16,057*	*16,099*	*16,365*	*17,765*	*16,686*	*15,471*	*16,118*	*15,759*
41 China, People's Republic of (Mainland)	31	4	22	5	3	3	4	30	5	78
42 China, Republic of (Taiwan)	140	500	736	991	1,099	987	1,028	1,089	1,124	1,099
43 Hong Kong	147	223	258	208	267	361	229	265	317	337
44 India	16	14	21	64	48	41	28	23	32	24
45 Indonesia	88	157	102	117	120	76	54	55	53	41
46 Israel	155	255	491	320	330	554	344	337	328	287
47 Japan	6,398	12,518	10,776	10,534	10,428	10,992	10,579	9,472	9,486	9,397
48 Korea	403	955	1,561	1,555	1,577	1,722	1,710	1,574	1,736	1,807
49 Philippines	181	372	384	478	495	559	592	479	463	490
50 Thailand	273	458	499	415	414	422	421	446	491	468
51 Middle East oil-exporting countries[2]	....	330	524	765	1,082	1,312	981	1,050	1,389	1,095
52 Other[3]	392	441	684	647	503	735	715	651	693	636
53 *Africa*	*388*	*855*	*1,228*	*1,382*	*1,394*	*1,486*	*1,519*	*1,478*	*1,613*	*1,570*
54 Egypt	35	111	101	106	109	132	151	126	149	146
55 Morocco	5	18	9	8	14	13	19	13	26	35
56 South Africa	129	329	545	772	748	763	798	797	802	783
57 Zaire	61	98	34	14	25	29	16	11	10	8
58 Oil-exporting countries[4]	....	115	231	215	213	256	238	249	343	289
59 Other[3]	158	185	308	266	284	293	298	282	283	309
60 *Other countries*	*286*	*565*	*609*	*661*	*612*	*549*	*618*	*729*	*779*	*1,011*
61 Australia	243	466	535	558	502	450	512	604	663	892
62 All other	43	99	73	103	110	99	105	125	116	119
63 **Nonmonetary international and regional organizations**	**1**	*	**1**	**5**	**6**	**5**	**7**	**5**	**6**	**5**

[1] Includes Surinam until January 1976.
[2] Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).
[3] Includes oil-exporting countries until December 1974.
[4] Comprises Algeria, Gabon, Libya, and Nigeria.

3.20 SHORT-TERM CLAIMS ON FOREIGNERS Reported by Banks in the United States

By Type of Claim

Millions of dollars, end of period

	Type	1973	1974	1975	1976			1977			
					Oct.[r]	Nov.[r]	Dec.[r]	Jan.[r]	Feb.	Mar.[p]	Apr.[p]
1	**Total**	**20,723**	**39,056**	**50,231**	**60,986**	**63,313**	**69,126**	**63,719**	**63,447**	**65,196**	**65,814**
2	*Payable in dollars*	*20,061*	*37,859*	*48,683*	*59,271*	*61,508*	*67,481*	*61,987*	*61,488*	*63,298*	*64,129*
3	*Loans, total*	*7,660*	*11,287*	*13,194*	*16,191*	*16,141*	*18,300*	*16,072*	*16,234*	*15,783*	*16,473*
4	Official institutions, including central banks	284	381	613	1,055	1,262	1,451	1,251	935	784	741
5	Banks, excluding central banks	4,538	7,332	7,665	10,018	9,628	11,076	9,334	9,764	9,739	10,616
6	All other, including nonmonetary international and regional organizations	2,838	3,574	4,916	5,118	5,247	5,773	5,487	5,535	5,259	5,116
7	Collections oustanding	4,307	5,637	5,467	5,586	5,628	5,846	5,833	5,868	6,192	6,306
8	Acceptances made for accounts of foreigners	4,160	11,237	11,147	11,461	11,422	12,367	12,018	12,009	12,793	12,979
9	Other claims[1]	3,935	9,689	19,054	26,033	28,316	30,968	28,064	27,378	28,529	28,370
10	*Payable in foreign currencies*	*662*	*1,196*	*1,368*	*1,715*	*1,805*	*1,645*	*1,732*	*1,959*	*1,897*	*1,686*
11	Deposits with foreigners	428	669	656	1,052	1,084	1,063	1,126	1,091	1,100	863
12	Foreign government securities, commercial and finance paper	119	289	340	113	89	89	145	272	323	332
13	Other claims	115	238	372	550	632	493	460	596	474	490

1 Includes claims of U.S. banks on their foreign branches and claims of U.S. agencies and branches of foreign banks on their head offices and foreign branches of their head offices.

NOTE.—Short-term claims are principally the following items payable on demand or with a contractual maturity of not more than 1 year: loans made to, and acceptances made for, foreigners; drafts drawn against foreigners, where collection is being made by banks and bankers for their own account or for account of their customers in the United States; and foreign currency balances held abroad by banks and bankers and their customers in the United States. Excludes foreign currencies held by U.S. monetary authorities.

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

Millions of dollars, end of period

	Type, and area or country	1973	1974	1975	1976			1977			
					Oct.[r]	Nov.[r]	Dec.[r]	Jan.[r]	Feb.	Mar.[p]	Apr.[p]
1	**Total**	**5,996**	**7,179**	**9,536**	**11,320**	**11,596**	**11,660**	**11,684**	**11,829**	**12,201**	**12,481**
	By type:										
2	*Payable in dollars*	*5,924*	*7,099*	*9,419*	*11,181*	*11,449*	*11,512*	*11,534*	*11,618*	*12,012*	*12,280*
3	*Loans, total*	*5,446*	*6,490*	*8,316*	*9,672*	*9,846*	*9,935*	*9,953*	*10,131*	*10,426*	*10,557*
4	Official institutions, including central banks	1,156	1,324	1,351	1,312	1,367	1,422	1,404	1,535	1,625	1,648
5	Banks, excluding central banks	591	929	1,567	2,115	2,170	2,212	2,178	2,218	2,192	2,218
6	All other, including nonmonetary international and regional organizations	3,698	4,237	5,399	6,245	6,310	6,301	6,371	6,377	6,609	6,691
7	Other long-term claims	478	609	1,103	1,509	1,603	1,577	1,581	1,487	1,585	1,723
8	*Payable in foreign currencies*	*72*	*80*	*116*	*139*	*147*	*148*	*150*	*211*	*190*	*201*
	By area or country:										
9	Europe	1,271	1,908	2,704	3,180	3,283	3,232	3,309	3,362	3,616	3,689
10	Canada	490	501	555	570	590	586	518	536	566	558
11	Latin America	2,116	2,614	3,468	4,565	4,694	4,806	4,878	4,906	4,908	4,990
12	*Asia*	*1,582*	*1,619*	*1,795*	*1,896*	*1,881*	*1,882*	*1,835*	*1,841*	*1,896*	*1,964*
13	Japan	251	258	296	376	364	387	383	363	417	416
14	Middle East oil-exporting countries[1]	....	384	220	171	141	146	117	123	152	181
15	Other Asia[2]	1,331	977	1,279	1,348	1,376	1,349	1,334	1,356	1,327	1,367
16	*Africa*	*355*	*366*	*747*	*839*	*888*	*883*	*856*	*876*	*890*	*953*
17	Oil-exporting countries[3]	....	62	151	259	269	264	201	206	211	228
18	Other[4]	355	305	596	580	619	619	655	670	678	725
19	All other countries[5]	181	171	267	271	261	269	288	308	327	327

1 Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).

2 Includes Middle East oil-exporting countries until December 1974.

3 Comprises Algeria, Gabon, Libya, and Nigeria.

4 Includes oil-exporting countries until December 1974.

5 Includes nonmonetary international and regional organizations.

3.22 FOREIGN BRANCHES OF U.S. BANKS Balance Sheet Data

Millions of dollars, end of period

Asset account	1973	1974	1975	1976				1977		
				Sept.r	Oct.r	Nov.r	Dec.r	Jan.r	Feb.	Mar.p
						All foreign countries				
1 **Total, all currencies**	**121,866**	**151,905**	**176,493**	**199,893**	**206,454**	**207,552**	**219,235**	**212,180**	**215,642**	**222,886**
2 *Claims on United States*	*5,091*	*6,900*	*6,743*	*6,654*	*9,968*	*7,639*	*7,999*	*6,563*	*7,061*	*7,252*
3 Parent bank	1,886	4,464	3,665	3,273	6,863	4,359	4,435	2,979	3,738	3,638
4 Other	3,205	2,435	3,078	3,381	3,105	3,281	3,564	3,583	3,323	3,614
5 *Claims on foreigners*	*111,974*	*138,712*	*163,391*	*186,217*	*189,358*	*192,706*	*204,194*	*198,008*	*201,148*	*208,217*
6 Other branches of parent bank	19,177	27,559	34,508	41,174	41,812	42,729	45,877	46,083	47,760	48,644
7 Other banks	56,368	60,283	69,206	74,820	76,191	77,260	83,606	77,225	77,702	81,457
8 Official institutions	2,693	4,077	5,792	9,208	9,205	9,550	10,608	10,835	11,188	11,766
9 Nonbank foreigners	33,736	46,793	53,886	61,015	62,149	63,168	64,104	63,866	64,498	66,350
10 Other assets	4,802	6,294	6,359	7,022	7,128	7,207	7,042	7,609	7,434	7,417
11 **Total payable in U.S. dollars**	**79,445**	**105,969**	**132,901**	**150,484**	**156,101**	**156,544**	**167,646**	**162,941**	**165,317**	**172,133**
12 *Claims on United States*	*4,599*	*6,603*	*6,408*	*6,295*	*9,623*	*7,297*	*7,705*	*6,283*	*6,773*	*6,853*
13 Parent bank	1,848	4,428	3,628	3,210	6,818	4,296	4,375	2,940	3,692	3,591
14 Other	2,751	2,175	2,780	3,085	2,805	3,001	3,330	3,343	3,081	3,262
15 *Claims on foreigners*	*73,018*	*96,209*	*123,496*	*140,943*	*143,124*	*145,933*	*156,738*	*152,746*	*154,922*	*161,755*
16 Other branches of parent bank	12,799	19,688	28,478	33,358	34,051	34,382	37,832	38,360	39,816	40,921
17 Other banks	39,527	45,067	55,319	58,901	59,355	60,327	66,287	60,749	60,793	64,475
18 Official institutions	1,777	3,289	4,864	7,906	7,885	8,298	9,017	9,468	9,853	10,469
19 Nonbank foreigners	18,915	28,164	34,835	40,779	41,833	42,926	43,602	44,170	44,460	45,890
20 Other assets	1,828	3,157	2,997	3,246	3,353	3,314	3,203	3,911	3,622	3,525
						United Kingdom				
21 **Total, all currencies**	**61,732**	**69,804**	**74,883**	**73,589**	**76,854**	**77,249**	**81,466**	**76,482**	**78,708**	**81,268**
22 *Claims on United States*	*1,789*	*3,248*	*2,392*	*2,036*	*3,256*	*3,426*	*3,354*	*2,262*	*1,772*	*2,311*
23 Parent bank	738	2,472	1,449	1,081	2,413	2,538	2,376	1,357	991	1,282
24 Other	1,051	776	943	955	843	888	978	905	781	1,029
25 *Claims of foreigners*	*57,761*	*64,111*	*70,331*	*69,217*	*71,162*	*71,477*	*75,859*	*71,995*	*74,713*	*76,865*
26 Other branches of parent bank	8,773	12,724	17,557	17,745	18,358	17,949	19,753	19,483	21,450	21,115
27 Other banks	34,442	32,701	35,904	34,405	35,336	35,846	38,089	34,827	35,517	37,074
28 Official institutions	735	788	881	1,138	1,211	1,168	1,274	1,377	1,615	1,606
29 Nonbank foreigners	13,811	17,898	15,990	15,929	16,257	16,514	16,743	16,309	16,130	17,070
30 Other assets	2,183	2,445	2,159	2,335	2,436	2,345	2,253	2,225	2,224	2,092
31 **Total payable in U.S. dollars**	**40,323**	**49,211**	**57,361**	**54,547**	**57,161**	**57,699**	**61,587**	**57,758**	**60,038**	**62,353**
32 *Claims on United States*	*1,642*	*3,146*	*2,273*	*1,902*	*3,124*	*3,313*	*3,275*	*2,185*	*1,684*	*2,173*
33 Parent bank	730	2,468	1,445	1,064	2,406	2,523	2,374	1,352	988	1,277
34 Other	912	678	828	838	719	789	902	833	696	896
35 *Claims on foreigners*	*37,817*	*44,694*	*54,121*	*51,782*	*53,112*	*53,541*	*57,488*	*54,735*	*57,492*	*59,342*
36 Other branches of parent bank	6,509	10,265	15,645	15,195	15,829	15,405	17,249	17,183	19,114	18,712
37 Other banks	23,389	23,716	28,224	25,866	26,421	27,008	28,983	26,184	26,767	28,352
38 Official institutions	510	610	648	862	912	817	846	1,110	1,340	1,310
39 Nonbank foreigners	7,409	10,102	9,604	9,859	9,950	10,311	10,410	10,258	10,271	10,968
40 Other assets	865	1,372	967	863	925	845	824	838	862	839
						Bahamas and Caymans				
41 **Total, all currencies**	**23,771**	**31,733**	**45,203**	**60,804**	**63,578**	**61,886**	**66,774**	**66,479**	**66,134**	**69,524**
42 *Claims on United States*	*2,210*	*2,464*	*3,229*	*3,356*	*5,492*	*2,970*	*3,506*	*3,192*	*3,722*	*3,395*
43 Parent bank	317	1,081	1,477	1,283	3,519	845	1,141	811	1,418	1,073
44 Other	1,893	1,383	1,752	2,072	1,973	2,126	2,365	2,381	2,303	2,321
45 *Claims on foreigners*	*21,041*	*28,453*	*41,040*	*56,279*	*56,847*	*57,683*	*62,050*	*61,539*	*60,999*	*64,796*
46 Other branches of parent bank	1,928	3,478	5,411	7,250	7,296	7,389	8,144	8,463	7,815	9,060
47 Other banks	9,895	11,354	16,298	22,471	22,175	22,481	25,354	23,836	23,435	25,351
48 Official institutions	1,151	2,022	3,576	6,059	6,040	6,485	7,101	7,004	7,225	7,495
49 Nonbank foreigners	8,068	11,599	15,756	20,498	21,336	21,327	21,451	22,236	22,523	22,890
50 Other assets	520	815	933	1,169	1,239	1,232	1,217	1,748	1,413	1,333
51 **Total payable in U.S. dollars**	**21,937**	**28,726**	**41,887**	**56,650**	**59,289**	**57,799**	**62,705**	**62,266**	**61,605**	**64,944**

3.22 Continued

	Liability account	1973	1974	1975	1976 Sept.[r]	1976 Oct.[r]	1976 Nov.[r]	1976 Dec.[r]	1977 Jan.[r]	1977 Feb.	1977 Mar.[p]
					All foreign countries						
52	**Total, all currencies**	**121,866**	**151,905**	**176,493**	**199,893**	**206,454**	**207,552**	**219,235**	**212,180**	**215,642**	**222,886**
53	*To United States*	*5,610*	*11,982*	*20,221*	*29,574*	*28,984*	*30,289*	*32,836*	*30,406*	*30,514*	*34,304*
54	Parent bank	1,642	5,809	12,165	18,957	17,869	19,058	19,893	18,723	19,260	21,013
55	Other	3,968	6,173	8,057	10,617	11,115	11,231	12,942	11,683	11,253	13,291
56	*To foreigners*	*111,615*	*132,990*	*149,815*	*163,772*	*170,625*	*170,509*	*179,666*	*174,896*	*178,270*	*181,721*
57	Other branches of parent bank	18,213	26,941	34,111	40,119	41,044	41,692	44,302	44,283	46,322	47,558
58	Other banks	65,389	65,675	72,259	75,370	79,287	78,216	83,671	79,278	78,044	79,956
59	Official institutions	10,330	20,185	22,773	23,731	25,019	23,967	25,828	25,771	26,631	26,194
60	Nonbank foreigners	17,683	20,189	20,672	24,552	25,275	26,634	25,864	25,564	27,273	28,013
61	Other liabilities	4,641	6,933	6,456	6,547	6,844	6,754	6,733	6,879	6,858	6,861
62	**Total payable in U.S. dollars**	**80,374**	**107,890**	**135,907**	**155,199**	**160,510**	**161,003**	**173,007**	**167,499**	**170,392**	**177,029**
63	*To United States*	*5,027*	*11,437*	*19,503*	*28,685*	*28,210*	*29,399*	*32,049*	*29,470*	*29,601*	*33,362*
64	Parent bank	1,477	5,641	11,939	18,624	17,633	18,821	19,680	18,475	19,015	20,761
65	Other	3,550	5,795	7,564	10,060	10,576	10,578	12,368	10,996	10,585	12,601
66	*To foreigners*	*73,189*	*92,503*	*112,879*	*123,131*	*128,901*	*128,181*	*137,443*	*134,268*	*137,149*	*140,088*
67	Other branches of parent bank	12,554	19,330	28,217	32,921	33,850	33,993	37,033	37,703	36,369	40,591
68	Other banks	43,641	43,656	51,583	53,821	56,677	55,869	60,521	56,696	55,965	57,779
69	Official institutions	7,491	17,444	19,982	20,787	21,910	20,924	22,877	23,038	23,598	23,406
70	Nonbank foreigners	9,502	12,072	13,097	15,602	16,463	17,394	17,011	16,831	18,217	18,312
71	Other liabilities	2,158	3,951	3,526	3,383	3,400	3,423	3,516	3,761	3,642	3,579
					United Kingdom						
72	**Total, all currencies**	**61,732**	**69,804**	**74,883**	**73,589**	**76,854**	**77,249**	**81,466**	**76,482**	**78,708**	**81,268**
73	*To United States*	*2,431*	*3,978*	*5,646*	*5,379*	*5,310*	*5,520*	*5,997*	*5,101*	*4,871*	*6,365*
74	Parent bank	136	510	2,122	1,442	1,468	1,459	1,198	1,211	1,191	1,537
75	Other	2,295	3,468	3,523	3,938	3,842	4,061	4,798	3,889	3,681	4,828
76	*To foreigners*	*57,311*	*63,409*	*67,240*	*66,026*	*69,151*	*69,368*	*73,228*	*69,202*	*71,523*	*72,665*
77	Other branches of parent bank	3,944	4,762	6,494	6,788	6,826	6,783	7,092	7,663	7,981	8,252
78	Other banks	34,979	32,040	32,964	31,015	32,488	33,690	36,259	32,336	32,097	33,830
79	Official institutions	8,140	15,258	16,553	16,389	17,567	16,181	17,273	16,975	18,204	17,711
80	Nonbank foreigners	10,248	11,349	11,229	11,834	12,270	12,713	12,605	12,228	13,242	12,872
81	Other liabilities	1,990	2,418	1,997	2,184	2,394	2,360	2,241	2,179	2,313	2,238
82	**Total payable in U.S. dollars**	**39,689**	**49,666**	**57,820**	**55,625**	**58,031**	**58,757**	**63,174**	**59,009**	**61,331**	**63,346**
83	*To United States*	*2,173*	*3,744*	*5,415*	*5,183*	*5,152*	*5,330*	*5,849*	*4,876*	*4,704*	*6,189*
84	Parent bank	113	484	2,083	1,404	1,448	1,447	1,182	1,195	1,166	1,506
85	Other	2,060	3,261	3,332	3,779	3,704	3,883	4,666	3,681	3,538	4,683
86	*To foreigners*	*36,646*	*44,594*	*51,447*	*49,579*	*52,017*	*52,503*	*56,372*	*53,230*	*55,675*	*56,283*
87	Other branches of parent bank	2,519	3,256	5,442	5,790	5,742	5,520	5,874	6,573	6,906	7,188
88	Other banks	22,051	20,526	23,330	20,526	21,493	23,040	25,527	22,137	22,211	23,841
89	Official institutions	5,923	13,225	14,498	14,418	15,550	14,283	15,423	15,184	16,345	15,817
90	Nonbank foreigners	6,152	7,587	8,176	8,846	9,233	9,660	9,547	9,336	10,213	9,437
91	Other liabilities	870	1,328	959	862	862	924	953	903	953	874
					Bahamas and Caymans						
92	**Total, all currencies**	**23,771**	**31,733**	**45,203**	**60,804**	**63,578**	**61,886**	**66,774**	**66,479**	**66,134**	**69,524**
93	*To United States*	*1,573*	*4,815*	*11,147*	*20,814*	*20,167*	*20,676*	*22,723*	*21,689*	*21,672*	*24,164*
94	Parent bank	307	2,636	7,628	15,243	14,000	14,797	16,163	15,191	15,241	17,108
95	Other	1,266	2,180	3,520	5,751	6,167	5,879	6,560	6,499	6,431	7,056
96	*To foreigners*	*21,747*	*26,140*	*32,949*	*38,864*	*42,358*	*40,111*	*42,897*	*43,376*	*43,166*	*43,974*
97	Other branches of parent bank	5,508	7,702	10,569	11,854	13,381	12,931	13,801	13,551	14,406	14,931
98	Other banks	14,071	14,050	16,825	20,937	22,615	19,923	21,758	22,256	21,006	20,571
99	Official institutions	492	2,377	3,308	2,712	2,784	3,198	3,573	3,607	3,314	3,302
100	Nonbank foreigners	1,676	2,011	2,248	3,361	3,577	4,059	3,765	3,963	4,439	5,169
101	Other liabilities	451	778	1,106	1,125	1,053	1,099	1,154	1,413	1,295	1,385
102	**Total payable in U.S. dollars**	**22,328**	**28,840**	**42,197**	**57,282**	**60,042**	**58,372**	**63,417**	**62,851**	**62,416**	**65,753**

3.23 MARKETABLE U.S. TREASURY BONDS AND NOTES Foreign Holdings and Transactions

Millions of dollars

Country or area	1975	1976	1977 Jan.— Apr.p	1976 Oct.	1976 Nov.	1976 Dec.	1977 Jan.	1977 Feb.	1977 Mar.p	1977 Apr.p
	Holdings, end of period [4]									
1 **Estimated total**	**7,703**	**15,798**	....	**14,487**	**15,063**	**15,798**	**16,307**	**17,813**	**18,748**	**18,450**
2 **Foreign countries**	**7,372**	**12,765**	....	**11,954**	**12,337**	**12,765**	**13,014**	**13,746**	**14,929**	**16,024**
3 *Europe*	*1,085*	*2,330*	....	*2,064*	*2,293*	*2,330*	*2,300*	*2,504*	*2,870*	*3,505*
4 Belgium-Luxembourg	13	14	....	13	14	14	14	14	14	14
5 Germany	215	764	....	535	746	764	764	789	894	1,112
6 Netherlands	16	288	....	283	288	288	287	367	388	388
7 Sweden	276	191	....	242	192	191	191	188	188	188
8 Switzerland	55	261	....	267	291	261	271	324	317	397
9 United Kingdom	363	485	....	403	433	485	476	512	713	1,069
10 Other Western Europe	143	323	....	317	325	323	293	306	354	332
11 Eastern Europe	4	4	....	4	4	4	4	4	4	4
12 Canada	395	256	....	390	250	256	256	261	270	268
13 Latin America	200	312	....	160	302	312	314	295	405	448
14 Venezuela	4	149	....	4	149	149	149	149	258	193
15 Other Latin America republics	29	35	....	32	28	35	21	21	26	21
16 Netherlands Antilles [1]	161	118	....	113	115	118	125	121	120	119
17 Asia	5,370	9,323	....	8,808	8,950	9,323	9,637	10,330	11,068	11,476
18 Japan	3,271	2,687	....	3,093	2,587	2,687	2,682	2,806	3,123	3,174
19 Africa	321	543	....	531	543	543	506	356	356	356
20 All other	*	*	....	*	*	*	*	*	11	23
21 **Nonmonetary international and regional organizations**	**331**	**3,033**	....	**2,533**	**2,726**	**3,033**	**3,294**	**4,068**	**3,819**	**2,426**
22 International	322	2,905	....	2,504	2,655	2,905	3,180	3,948	3,700	2,318
23 Latin American regional	9	128	....	28	71	128	114	119	118	108
	Transactions, net purchases, or sales (−), during period									
24 **Total**	**1,994**	**8,095**	**2,653**	**1,019**	**577**	**735**	**510**	**1,505**	**936**	**−298**
25 **Foreign countries**	**1,814**	**5,393**	**3,259**	**283**	**383**	**428**	**249**	**731**	**1,184**	**1,094**
26 Official institutions	1,612	5,116	2,682	227	340	421	229	709	823	922
27 Other foreign	202	276	578	56	43	6	21	23	361	173
28 **Nonmonetary international and regional organizations**	**180**	**2,702**	**−110**	**736**	**193**	**307**	**261**	**773**	**248**	**−1,392**
MEMO: Oil-exporting countries										
29 Middle East [2]	1,797	r3,887	1,505	98	630	140	254	505	408	338
30 Africa [3]	170	221	−237	....	11	....	−37	−150	−51	....

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

3.24 FOREIGN OFFICIAL ASSETS HELD AT FEDERAL RESERVE BANKS

Millions of dollars, end of period

Assets	1973	1974	1975	1976 Nov.	1976 Dec.	1977 Jan.	1977 Feb.	1977 Mar.	1977 Apr.	1977 May
1 Deposits	251	418	353	305	352	383	361	349	305	436
Assets held in custody:										
2 U.S. Treasury securities [1]	52,070	55,600	60,019	63,962	66,532	66,992	68,653	71,435	73,261	73,964
3 Earmarked gold [2]	17,068	16,838	16,745	16,457	16,414	16,343	16,304	16,271	r16,282	16,221

1 Marketable U.S. Treasury bills, certificates of indebtedness, notes, and bonds; and nonmarketable U.S. Treasury securities payable in dollars and in foreign currencies.
2 The value of earmarked gold increased because of the changes in par value of the U.S. dollar in May 1972 and in October 1973.

NOTE.—Excludes deposits and U.S. Treasury securities held for international and regional organizations. Earmarked gold is gold held for foreign and international accounts and is not included in the gold stock of the United States.

3.25 FOREIGN TRANSACTIONS IN SECURITIES

Millions of dollars

	Transactions, and area or country	1975	1976	1977 Jan.–Apr.p	1976 Oct.	1976 Nov.	1976 Dec.	1977 Jan.	1977 Feb.	1977 Mar.p	1977 Apr.p
	U.S. corporate securities										
	Stocks:										
1	Foreign purchases	15,347	18,227	4,823	1,226	977	1,562	1,425	1,162	1,101	1,135
2	Foreign sales	10,678	15,474	4,066	1,321	1,025	1,287	1,137	1,036	980	913
3	**Net purchases, or sales (−)**	**4,669**	**2,752**	**757**	**−95**	**−49**	**274**	**288**	**126**	**121**	**222**
4	**Foreign countries**	**4,651**	**2,740**	**752**	**−98**	**−50**	**281**	**290**	**124**	**116**	**222**
5	Europe	2,491	336	354	−251	−118	111	130	47	72	105
6	France	262	256	15	−12	−25	37	27	−10	4	−6
7	Germany	251	68	28	−16	−13	24	1	−7	−4	38
8	Netherlands	359	−199	2	−37	−29	−35	24	−5	−10	−7
9	Switzerland	899	−100	130	−95	−44	−7	39	23	30	38
10	United Kingdom	594	340	177	−72	−5	84	39	36	55	47
11	Canada	361	325	42	18	1	60	8	30	9	−5
12	Latin America	−7	155	53	−17	25	1	4	14	14	21
13	Middle East[1]	1,640	1,803	264	126	64	115	100	50	17	97
14	Other Asia[2]	142	117	37	28	−23	9	46	−17	3	5
15	Africa	10	7	*	−3	1	2	*	*	*	*
16	Other countries	15	−4	3	1	*	−17	2	1	1	−1
17	**Nonmonetary international and regional organizations**	**18**	**12**	**5**	**4**	**2**	**−6**	**−2**	**1**	**5**	**1**
	Bonds[3]										
18	Foreign purchases	5,408	5,529	2,122	625	355	533	400	534	348	840
19	Foreign sales	4,642	4,322	987	386	364	524	322	214	208	243
20	**Net purchases, or sales (−)**	**766**	**1,207**	**1,136**	**239**	**−9**	**9**	**78**	**320**	**140**	**598**
21	**Foreign countries**	**1,795**	**1,248**	**1,067**	**203**	**110**	**6**	**73**	**329**	**112**	**553**
22	Europe	113	92	466	−10	24	53	8	281	75	102
23	France	82	49	−15	−1	5	7	−5	−3	−2	−5
24	Germany	−6	−50	−4	5	4	1	−4	4	*	−4
25	Netherlands	−8	−29	−10	−5	3	−20	2	−2	−3	−7
26	Switzerland	117	158	74	−2	−3	13	15	32	31	−4
27	United Kingdom	−52	23	385	*	15	54	8	225	43	109
28	Canada	128	96	69	−1	16	7	11	55	−3	6
29	Latin America	31	7	7	29	6	27	−5	8	1	3
30	Middle East[1]	1,553	1,179	539	156	74	−21	59	−7	48	439
31	Other Asia[2]	−35	−165	−9	3	−8	−43	1	−8	−6	4
32	Africa	5	−25	−2	−2	−2	−14	*	*	−2	*
33	Other countries	1	−21	*	*	*	−2	*	*	*	*
34	**Nonmonetary international and regional organizations**	**−1,030**	**−41**	**67**	**64**	**−119**	**3**	**4**	**−9**	**27**	**45**
	Foreign securities										
35	**Stocks, net purchases, or sales (−)**	**−189**	**−322**	**−229**	**−1**	**−1**	**4**	**−18**	**−109**	**−62**	**−40**
36	Foreign purchases	1,541	1,937	655	132	167	217	181	130	187	157
37	Foreign sales	1,730	2,259	883	133	168	213	199	238	249	197
38	**Bonds, net purchases, or sales (−)**	**−6,325**	**−8,652**	**−478**	**−367**	**−400**	**−1,298**	**−30**	**−374**	**−80**	**−18**
39	Foreign purchases	2,383	4,932	2,626	452	455	670	818	581	613	599
40	Foreign sales	8,708	13,584	3,104	819	855	1,968	848	955	693	617
41	**Net purchases, or sales (−) of stocks and bonds**	**−6,515**	**−8,973**	**−707**	**−369**	**−402**	**−1,294**	**−49**	**−483**	**−142**	**−57**
42	**Foreign countries**	**−4,323**	**−7,078**	**−971**	**−282**	**−270**	**−765**	**−338**	**−488**	**−159**	**4**
43	Europe	−53	−844	−172	−37	−10	−140	−21	−207	54	2
44	Canada	−3,202	−5,168	−140	−301	−26	−643	−298	−265	−93	−94
45	Latin America	−306	3	171	13	−28	37	25	42	35	69
46	Asia	−622	−700	−244	34	−10	−24	−53	−61	−154	25
47	Africa	15	48	1	1	*	2	−1	2	*	*
48	Other countries	−155	−416	12	9	−197	3	9	1	*	2
49	**Nonmonetary international and regional organizations**	**−2,192**	**−1,898**	**265**	**−87**	**−132**	**−529**	**290**	**5**	**17**	**−6**

1 Comprises oil-exporting countries as follows: Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).

2 Includes Middle East oil-exporting countries until 1975.

3 Includes State and local government securities, and securities of U.S. Govt. agencies and corporations. Also includes issues of new debt securities sold abroad by U.S. corporations organized to finance direct investments abroad.

3.26 SHORT-TERM LIABILITIES TO AND CLAIMS ON FOREIGNERS Reported by Nonbanking Concerns in the United States

Millions of dollars, end of period

Type, and area or country	Liabilities to foreigners 1975 Dec.	1976 Mar.	1976 June	1976 Sept.	1976 Dec.p	Claims on foreigners 1975 Dec.	1976 Mar.	1976 June	1976 Sept.	1976 Dec.p
1 **Total**	**6,006**	**6,350**	**6,301**	**6,318**	**6,477**	**12,151**	**12,698**	**13,847**	**13,190**	**14,148**
By type:										
2 *Payable in dollars*	*5,402*	*5,700*	*5,676*	*5,702*	*5,867*	*11,048*	*11,713*	*12,912*	*12,211*	*13,211*
3 *Payable in foreign currencies*	*605*	*650*	*625*	*615*	*610*	*1,103*	*985*	*935*	*980*	*936*
4 Deposits with banks abroad in reporter's name	......	......	......	......	......	564	478	496	493	379
5 Other	......	......	......	......	......	539	508	439	487	557
By area or country:										
6 **Foreign countries**	**5,602**	**6,132**	**6,055**	**6,131**	**6,269**	**12,150**	**12,697**	**13,846**	**13,189**	**14,147**
7 *Europe*	*2,333*	*2,344*	*2,286*	*2,270*	*2,122*	*4,499*	*4,935*	*5,330*	*5,155*	*5,250*
8 Austria	14	6	13	15	10	16	17	17	21	21
9 Belgium-Luxembourg	299	296	233	183	166	133	116	193	195	163
10 Denmark	9	12	12	13	7	39	35	30	26	50
11 Finland	14	10	7	21	4	91	36	138	139	79
12 France	149	205	159	185	198	291	355	363	413	426
13 Germany	149	152	228	256	173	355	305	358	492	377
14 Greece	19	25	29	28	48	33	41	47	56	51
15 Italy	171	125	116	128	97	381	406	335	358	383
16 Netherlands	114	162	170	141	141	167	176	146	142	162
17 Norway	20	23	22	24	29	40	58	52	43	49
18 Portugal	4	3	3	5	13	44	45	22	28	40
19 Spain	81	68	51	36	40	408	516	432	336	369
20 Sweden	29	25	24	35	34	62	80	84	62	89
21 Switzerland	130	159	213	241	187	242	207	270	254	241
22 Turkey	25	14	20	16	13	28	26	31	23	25
23 United Kingdom	998	929	846	789	811	1,901	2,280	2,599	2,363	2,437
24 Yugoslavia	76	91	108	113	123	36	30	28	30	26
25 Other Western Europe	8	6	7	8	7	14	18	14	17	19
26 U.S.S.R.	20	23	10	19	9	150	106	96	81	156
27 Other Eastern Europe	11	10	16	14	13	70	80	75	79	85
28 *Canada*	*295*	*313*	*369*	*324*	*377*	*2,109*	*2,234*	*2,202*	*2,216*	*2,449*
29 *Latin America*	*912*	*1,176*	*1,077*	*1,011*	*1,017*	*2,367*	*2,563*	*3,053*	*2,813*	*3,557*
30 Argentina	36	41	42	41	38	58	48	43	39	44
31 Bahamas	277	376	330	251	260	667	883	1,150	925	1,368
32 Brazil	96	91	90	53	65	409	475	462	417	682
33 Chile	14	11	15	16	17	36	27	46	26	34
34 Colombia	17	16	19	11	13	49	47	57	66	59
35 Cuba	*	*	*	*	*	1	1	1	1	1
36 Mexico	82	92	72	74	95	362	332	332	352	332
37 Panama	16	10	12	10	34	91	84	101	83	74
38 Peru	29	30	31	32	25	41	38	39	35	42
39 Uruguay	3	2	3	3	4	4	4	4	22	5
40 Venezuela	100	163	184	222	219	178	156	186	215	194
41 Other Latin American republics	71	71	95	100	137	159	170	184	179	270
42 Netherlands Antilles [1]	35	58	55	68	10	12	7	10	9	9
43 Other Latin America	138	214	130	129	101	301	292	437	444	442
44 *Asia*	*1,721*	*1,733*	*1,752*	*2,027*	*2,080*	*2,631*	*2,489*	*2,727*	*2,419*	*2,330*
45 China, People's Republic of (Mainland)	6	5	8	7	20	65	35	23	11	23
46 China, Republic of (Taiwan)	97	110	124	129	112	164	100	215	136	199
47 Hong Kong	18	23	28	33	40	111	66	104	88	96
48 India	7	9	10	11	23	39	60	51	53	55
49 Indonesia	137	141	133	144	136	140	155	160	193	209
50 Israel	31	26	34	32	39	54	42	53	48	41
51 Japan	295	307	290	275	228	1,130	1,161	1,169	1,008	912
52 Korea	69	53	62	85	77	263	105	131	142	120
53 Philippines	14	18	18	28	53	96	106	114	93	86
54 Thailand	18	18	11	23	24	22	20	19	23	22
55 Other Asia	1,031	1,022	1,035	1,260	1,326	549	638	691	624	567
56 *Africa*	*390*	*502*	*527*	*432*	*597*	*405*	*343*	*378*	*407*	*390*
57 Egypt	37	30	22	25	27	22	22	28	36	28
58 Morocco	8	7	32	42	43	10	10	12	9	10
59 South Africa	99	113	88	65	54	93	80	83	78	87
60 Zaire	6	7	12	24	36	24	23	25	28	21
61 Other Africa	239	345	372	276	438	256	207	230	257	245
62 *Other countries*	*70*	*65*	*44*	*67*	*76*	*141*	*133*	*155*	*178*	*171*
63 Australia	55	47	32	50	57	102	97	100	112	106
64 All other	14	18	12	18	19	39	36	56	67	65
65 **Nonmonetary international and regional organizations**	**276**	**219**	**246**	**186**	**208**	**1**	**1**	**1**	**1**	**1**

[1] Includes Surinam until 1976.

NOTE.—Reported by exporters, importers, and industrial and commercial concerns and other nonbanking institutions in the United States. Data exclude claims held through U.S. banks and intercompany accounts between U.S. companies and their affiliates.

3.27 SHORT-TERM CLAIMS ON FOREIGNERS Reported by Large Nonbanking Concerns in the United States

Millions of dollars, end of period

Type and country	1973	1974	1975	1976 Sept.	1976 Oct.	1976 Nov.	1976 Dec.	1977 Jan.	1977 Feb.p	1977 Mar.p
1 **Total**	**3,164**	**3,357**	**3,792**	**4,725**	**4,897**	**5,123**	**5,419**	**5,358**	**5,575**	**6,286**
By type:										
2 *Payable in dollars*	*2,625*	*2,660*	*3,038*	*4,077*	*4,326*	*4,600*	*4,802*	*4,743*	*4,941*	*5,673*
3 Deposits	2,588	2,591	2,706	3,707	3,935	4,213	4,429	4,375	4,564	5,218
4 Short-term investments [1]	37	69	332	370	391	387	373	368	377	455
5 *Payable in foreign currencies*	*540*	*697*	*756*	*648*	*571*	*523*	*618*	*616*	*634*	*614*
6 Deposits	435	429	510	438	339	307	332	308	336	312
7 Short-term investments [1]	105	268	246	210	232	216	286	308	298	302
By country:										
8 United Kingdom	1,118	1,350	1,304	1,709	1,640	1,693	1,835	1,851	1,844	1,871
9 Canada	765	967	1,153	1,336	1,429	1,552	1,539	1,291	1,321	1,468
10 Bahamas	589	390	546	810	1,059	1,059	1,247	1,312	1,396	1,707
11 Japan	306	398	343	146	116	135	110	127	164	147
12 All other	386	252	445	724	653	684	688	777	850	1,093

1 Negotiable and other readily transferable foreign obligations payable on demand or having a contractural maturity of not more than 1 year from the date on which the obligation was incurred by the foreigner.

NOTE.—Data represent the assets abroad of large nonbanking concerns in the United States. They are a portion of the total claims on foreigners reported by nonbanking concerns in the United States and are included in the figures shown in Table 3.26.

3.28 LONG-TERM LIABILITIES TO AND CLAIMS ON FOREIGNERS Reported by Nonbanking Concerns in the United States

Millions of dollars, end of period

Area and country	Liabilities to foreigners 1975 Dec.	1976 Mar.	1976 June	1976 Sept.	1976 Dec.p	Claims on foreigners 1975 Dec.	1976 Mar.	1976 June	1976 Sept.	1976 Dec.p
1 Total	**4,256**	**4,069**	**3,935**	**3,725**	**3,507**	**4,977**	**5,177**	**5,034**	**4,971**	**4,910**
2 Europe	3,267	3,114	2,992	2,820	2,697	1,026	973	984	953	910
3 Germany	506	446	425	406	396	37	34	35	73	72
4 Netherlands	202	214	214	270	258	217	219	211	211	156
5 Switzerland	522	484	467	327	260	59	56	56	54	57
6 United Kingdom	1,604	1,577	1,493	1,445	1,407	396	349	365	298	297
7 Canada	155	144	166	111	86	1,426	1,473	1,516	1,511	1,534
8 Latin America	269	248	222	230	241	1,634	1,770	1,602	1,547	1,520
9 Bahamas	210	184	157	132	138	8	7	37	37	36
10 Brazil	4	5	5	5	5	170	182	164	171	203
11 Chile	1	1	1	1	1	315	312	306	244	248
12 Mexico	3	6	6	7	15	216	209	187	219	195
13 Asia	496	495	489	498	423	669	685	710	737	771
14 Japan	397	394	388	402	397	90	91	85	80	80
15 Africa	2	2	2	2	2	168	214	163	165	189
16 All other [1]	66	65	64	64	58	55	61	59	58	58

1 Includes nonmonetary international and regional organizations.

3.29 DISCOUNT RATES OF FOREIGN CENTRAL BANKS

Per cent per annum

Country	Rate on May 31, 1977		Country	Rate on May 31, 1977		Country	Rate on May 31, 1977	
	Per cent	Month effective		Per cent	Month effective		Per cent	Month effective
Argentina	18.0	Feb. 1972	France	10.5	Sept. 1976	Norway	6.0	Sept. 1976
Austria	4.0	June 1976	Germany, Fed. Rep. of.	3.5	Sept. 1975	Sweden	8.0	Oct. 1976
Belgium	6.5	May 1977	Italy	15.0	Oct. 1976	Switzerland	2.0	June 1976
Brazil	28.0	May 1976	Japan	5.0	Apr. 1977	United Kingdom	8.0	May 1977
Canada	7.5	May 1977	Mexico	4.5	June 1942	Venezuela	5.0	Oct. 1970
Denmark	9.0	Mar. 1977	Netherlands	3.5	May 1977			

NOTE.—Rates shown are mainly those at which the central bank either discounts or makes advances against eligible commercial paper and/or government securities for commercial banks or brokers. For countries with more than one rate applicable to such discounts or advances, the rate shown is the one at which it is understood the central bank transacts the largest proportion of its credit operations.

3.30 FOREIGN SHORT-TERM INTEREST RATES

Per cent per annum, averages of daily figures

Country, or type	1974	1975	1976	1976	1977				
				Dec.	Jan.	Feb.	Mar.	Apr.	May
1 Euro-dollars	11.01	7.02	5.58	5.01	5.14	5.08	5.13	5.16	5.80
2 United Kingdom	13.34	10.63	11.35	14.27	13.53	11.56	10.31	8.59	7.63
3 Canada	10.47	8.00	9.39	8.51	8.24	7.78	7.63	7.58	7.44
4 Germany	9.80	4.87	4.19	4.82	4.70	4.64	4.70	4.57	4.43
5 Switzerland	....	3.01	1.45	1.98	1.24	1.68	2.88	2.61	3.98
6 Netherlands	....	5.17	7.02	6.51	6.18	6.04	5.73	4.89	3.03
7 France	....	7.91	8.65	10.55	10.02	9.81	9.87	9.33	9.13
8 Italy	....	10.37	16.32	17.13	15.68	15.86	16.57	16.26	15.49
9 Belgium	....	6.63	10.25	10.73	8.49	7.59	7.07	7.01	6.94
10 Japan	....	11.64	7.70	8.00	7.50	7.50	7.20	6.46	5.75

NOTE.—Rates are for 3-month interbank loans except for—Canada, finance company paper; Belgium, time deposits of 20 million francs and over; and Japan, loans and discounts that can be called after being held over a minimum of two month-ends.

3.31 FOREIGN EXCHANGE RATES

Cents per unit of foreign currency

Country/currency	1974	1975	1976	1976	1977				
				Dec.	Jan.	Feb.	Mar.	Apr.	May
1 Australia/dollar	143.89	130.77	122.15	105.29	108.53	109.04	109.94	110.53	110.31
2 Austria/shilling	5.3564	5.7467	5.5744	5.9061	5.8852	5.8453	5.8822	5.9252	5.9533
3 Belgium/franc	2.5713	2.7253	2.5921	2.7483	2.7249	2.7114	2.7258	2.7509	2.7700
4 Canada/dollar	102.26	98.30	101.41	98.204	98.985	97.295	95.125	95.103	95.364
5 Denmark/krone	16.442	17.437	16.546	17.145	16.967	16.891	17.038	16.710	16.638
6 Finland/markka	26.565	27.285	25.938	26.315	26.313	26.169	26.296	24.899	24.530
7 France/franc	20.805	23.354	20.942	20.055	20.108	20.083	20.075	20.133	20.190
8 Germany/deutsche mark	38.723	40.729	39.737	41.965	41.792	41.582	41.812	42.119	42.394
9 India/rupee	12.460	11.926	11.148	11.296	11.231	11.285	11.313	11.310	11.320
10 Ireland/pound	234.03	222.16	180.48	167.84	171.24	171.03	171.74	171.90	171.85
11 Italy/lira	.15372	.15328	.12044	.11521	.11372	.11327	.11276	.11264	.11279
12 Japan/yen	.34302	.33705	.33741	.33933	.34359	.35087	.35687	.36339	.36046
13 Malaysia/ringgit	41.682	41.753	39.340	39.550	39.718	40.011	40.152	40.305	40.255
14 Mexico/peso	8.0000	8.0000	6.9161	4.8626	4.8114	4.4084	4.3978	4.4076	4.3890
15 Netherlands/guilder	37.267	39.632	37.846	40.240	39.953	39.813	40.079	40.464	40.7009
16 New Zealand/dollar	140.02	121.16	99.115	92.179	94.839	95.192	95.689	96.129	96.002
17 Norway/krone	18.119	19.180	18.327	19.193	18.946	18.904	19.035	18.909	18.956
18 Portugal/escudo	3.9506	3.9286	3.3159	3.1674	3.1276	3.0717	2.5778	2.5752	2.5818
19 South Africa/rand	146.98	136.47	114.85	114.95	114.94	115.00	115.00	114.93	115.00
20 Spain/peseta	1.7337	1.7424	1.4958	1.4634	1.4577	1.4475	1.4530	1.4536	1.4491
21 Sri Lanka/rupee	14.978	14.385	11.908	11.246	11.421	11.442	12.820	13.676	13.700
22 Sweden/krona	22.563	24.141	22.957	24.051	23.734	23.543	23.726	23.004	22.962
23 Switzerland/franc	33.688	38.743	40.013	40.823	40.127	39.669	39.209	39.582	39.694
24 United Kingdom/pound	234.03	222.16	180.48	167.84	171.24	171.03	171.74	171.90	171.85
MEMO:									
25 United States/dollar [1]	84.11	82.20	89.68	90.55	90.35	90.55	90.45	90.13	89.99

[1] Index of weighted-average exchange value of U.S. dollar against currencies of other G-10 countries plus Switzerland. May 1970 parities = 100. Weights are 1972 global trade of each of the 10 countries.

NOTE.—Averages of certified noon buying rates in New York for cable transfers.

Guide to Tabular Presentation and Statistical Releases

GUIDE TO TABULAR PRESENTATION

Symbols and Abbreviations

p	Preliminary
r	Revised
rp	Revised preliminary
e	Estimated
c	Corrected
n.e.c.	Not elsewhere classified
Rp's	Repurchase agreements
IPC's	Individuals, partnerships, and corporations
SMSA's	Standard metropolitan statistical areas
REIT's	Real estate investment trusts
*	Amounts insignificant in terms of the particular unit (e.g., less than 500,000 when the unit is millions)
...	(1) Zero, (2) no figure to be expected, or (3) figure delayed or, (4) no change (when figures are expected in percentages).

General Information

Minus signs are used to indicate (1) a decrease, (2) a negative figure, or (3) an outflow.

"U.S. Govt. securities" may include guaranteed issues of U.S. Govt. agencies (the flow of funds figures also include not fully guaranteed issues) as well as direct obligations of the Treasury. "State and local govt." also includes municipalities, special districts, and other political subdivisions.

In some of the tables details do not add to totals because of rounding.

STATISTICAL RELEASES

List Published Semiannually, with Latest Bulletin Reference

	Issue	Page
Anticipated schedule of release dates for individual releases	Dec. 1976	A-82

Detailed data for call report for September 30, 1976, appear on following two pages.

1.26 COMMERCIAL BANK ASSETS AND LIABILITIES Detailed Balance Sheet, September 30, 1976◀

Asset and liability items are shown in millions of dollars

Asset account	Insured commercial banks	Member banks[1]					Non-member banks[1]
		Total	Large banks			All other	
			New York City	City of Chicago	Other large		
1 **Cash bank balances, items in process**	**120,709**	**102,645**	**28,519**	**4,026**	**37,317**	**32,783**	**18,069**
2 Currency and coin	11,866	8,836	782	151	2,824	5,079	3,030
3 Reserves with F.R. Banks	26,496	26,496	4,823	1,770	9,926	9,977	....
4 Demand balances with banks in United States	27,863	16,955	6,033	186	3,272	7,463	10,913
5 Other balances with banks in United States	5,144	3,052	116	25	977	1,935	2,092
6 Balances with banks in foreign countries	3,868	3,417	296	28	2,045	1,048	452
7 Cash items in process of collection	45,470	43,890	16,468	1,867	18,273	7,282	1,581
8 **Total securities held—Book value**	**238,111**	**168,815**	**20,453**	**7,953**	**52,729**	**87,680**	**69,299**
9 U.S. Treasury	94,148	68,496	10,625	3,930	21,679	32,262	25,655
10 Other U.S. Govt. agencies	34,089	21,136	1,201	360	5,874	13,701	12,954
11 States and political subdivisions	103,914	75,183	8,208	3,435	24,106	39,435	28,730
12 All other securities	5,834	3,921	420	229	1,033	2,240	1,913
13 Unclassified total	126	79	....	....	37	42	47
14 *Trading-account securities*	*7,153*	*6,979*	*3,154*	*673*	*2,875*	*277*	*175*
15 U.S. Treasury	4,540	4,438	2,311	444	1,535	148	101
16 Other U.S. Govt. agencies	658	656	222	50	371	14	2
17 States and political subdivisions	1,403	1,379	528	113	675	64	24
18 All other trading acct. securities	426	426	93	67	258	8	1
19 Unclassified	126	79	....	....	37	42	47
20 *Bank investment portfolios*	*230,958*	*161,836*	*17,299*	*7,280*	*49,854*	*87,403*	*69,124*
21 U.S. Treasury	89,608	64,057	8,314	3,486	20,144	32,113	25,553
22 Other U.S. Govt. agencies	33,431	20,480	979	310	5,503	13,687	12,952
23 States and political subdivisions	102,510	73,804	7,680	3,322	23,432	39,370	28,706
24 All other portfolio securities	5,408	3,495	327	162	775	2,232	1,913
25 F.R. stock and corporate stock	1,532	1,291	268	78	472	473	241
26 **Federal funds sold and securities resale agreement**	**37,318**	**29,168**	**1,575**	**1,087**	**15,668**	**10,837**	**8,186**
27 Commercial banks	33,278	25,381	1,008	925	13,034	10,414	7,933
28 Brokers and dealers	2,581	2,456	458	120	1,588	290	124
29 Others	1,459	1,331	109	42	1,047	133	129
30 **Other loans, gross**	**512,885**	**391,783**	**70,487**	**21,157**	**143,351**	**156,787**	**121,102**
31 LESS: Unearned income on loans	12,439	8,617	574	84	2,822	5,137	3,822
32 Reserves for loan loss	6,122	4,928	1,192	316	1,764	1,656	1,194
33 Other loans, net	494,323	378,238	68,721	20,758	138,765	149,994	116,085
Other loans, gross, by category							
34 *Real estate loans*	*145,670*	*102,858*	*9,519*	*1,981*	*36,784*	*54,574*	*42,812*
35 Construction and land development	16,794	13,565	2,967	521	6,272	3,805	3,229
36 Secured by farmland	6,505	2,793	16	14	288	2,475	3,712
37 Secured by residential	82,531	59,194	4,486	944	21,294	32,470	23,337
38 *1- to 4-family residences*	*78,162*	*55,999*	*4,097*	*832*	*20,209*	*30,862*	*22,163*
39 FHA-insured or VA-guaranteed	8,178	7,094	623	50	3,858	2,562	1,084
40 Conventional	69,984	48,906	3,474	781	16,351	28,299	21,079
41 *Multifamily residences*	*4,369*	*3,195*	*390*	*112*	*1,085*	*1,608*	*1,174*
42 FHA-insured	374	311	121	25	77	88	63
43 Conventional	3,995	2,884	269	87	1,008	1,520	1,110
44 Secured by other properties	39,839	27,305	2,050	502	8,930	15,824	12,534
45 *Loans to financial institutions*	*34,108*	*32,387*	*11,887*	*4,221*	*13,442*	*2,837*	*1,721*
46 To REIT's and mortgage companies	10,215	9,868	3,751	1,411	4,010	697	346
47 To domestic commercial banks	2,495	1,986	800	128	778	280	508
48 To banks in foreign countries	6,168	6,076	2,622	325	2,642	487	93
49 To other depositary institutions	1,184	1,003	79	21	735	167	181
50 To other financial institutions	14,046	13,454	4,635	2,336	5,278	1,205	593
51 Loans to security brokers and dealers	8,465	8,247	4,936	1,176	1,990	145	217
52 Other loans to purch./carry securities	4,057	3,417	428	312	1,738	939	640
53 Loans to farmers—except real estate	22,913	12,790	93	135	2,974	9,588	10,123
54 Commercial and industrial loans	169,720	139,934	35,256	10,823	53,317	40,538	29,786
55 Loans to individuals	114,770	80,793	5,861	1,712	28,043	45,177	33,978
56 *Instalment loans*	*91,290*	*64,074*	*4,375*	*967*	*22,527*	*36,205*	*27,216*
57 Passenger automobiles	38,615	25,239	806	143	7,294	16,996	13,376
58 Residential-repair/modernize	6,425	4,531	316	47	1,784	2,384	1,894
59 Credit cards and related plans	13,111	11,560	1,544	592	6,287	3,137	1,551
60 Charge-account credit cards	10,211	9,171	1,099	561	5,147	2,364	1,041
61 Check and revolving credit plans	2,900	2,390	445	31	1,141	773	510
62 Other retail consumer goods	15,930	10,994	310	78	3,873	6,733	4,936
63 Mobile homes	8,794	6,261	167	31	2,239	3,824	2,533
64 Other	7,136	4,734	143	47	1,634	2,909	2,402
65 Other instalment loans	17,209	11,749	1,398	108	3,288	6,955	5,459
66 Single-payment loans to individuals	23,481	16,719	1,486	745	5,517	8,971	6,762
67 All other loans	13,182	11,358	2,508	798	5,062	2,991	1,824
68 **Total loans and securities, net**	**771,284**	**577,512**	**91,017**	**29,877**	**207,634**	**248,984**	**193,811**
69 Direct lease financing	4,820	4,590	1,062	130	2,736	663	230
70 Fixed assets—Buildings, furniture, real estate	19,251	14,527	1,999	622	5,603	6,302	4,726
71 Investment in unconsolidated subsidiaries	2,227	2,186	909	162	1,042	73	40
72 Customer acceptances outstanding	9,868	9,497	5,027	351	3,826	293	372
73 Other assets	30,667	27,621	11,919	1,601	10,045	4,056	3,089
74 **Total assets**	**958,827**	**738,577**	**140,451**	**36,769**	**268,204**	**293,154**	**220,337**

For notes see opposite page.

1.26 Continued◄

Liability or capital account	Insured commercial banks	Member banks[1] Total	Large banks: New York City	Large banks: City of Chicago	Large banks: Other large	All other	Nonmember banks[1]
75 **Demand deposits**	**309,935**	**243,671**	**58,244**	**10,034**	**85,132**	**90,260**	**66,264**
76 Mutual savings banks	1,129	1,020	486	2	242	289	109
77 Other individuals, partnerships, and corporations	233,964	177,465	29,296	7,344	66,188	74,637	56,498
78 U.S. Govt.	5,738	4,285	459	169	1,618	2,038	1,453
79 States and political subdivisions	16,404	11,586	641	191	3,454	7,300	4,818
80 Foreign governments, central banks, etc.	1,272	1,251	989	21	217	24	21
81 Commercial banks in United States	32,958	31,959	17,063	1,901	9,544	3,452	998
82 Banks in foreign countries	6,157	5,916	4,488	141	1,148	138	241
83 Certified and officers' checks, etc.	12,313	10,188	4,821	265	2,721	2,382	2,125
84 **Time deposits**	**285,825**	**210,810**	**33,040**	**12,327**	**72,926**	**92,516**	**75,016**
85 Accumulated for personal loan payments	170	138	....	....	12	125	33
86 Mutual savings banks	386	373	194	6	140	33	13
87 Other individuals, partnerships, and corporations	224,286	163,792	23,370	8,873	56,019	75,531	60,493
88 U.S. Govt.	731	580	88	33	241	219	151
89 States and political subdivisions	44,022	30,762	1,326	1,203	12,433	15,800	13,260
90 Foreign governments, central banks, etc.	8,323	8,048	4,915	1,177	1,909	47	275
91 Commercial banks in United States	6,628	5,901	2,291	942	1,970	697	727
92 Banks in foreign countries	1,281	1,216	856	93	202	65	65
93 **Savings deposits**	**190,325**	**136,037**	**10,187**	**2,751**	**49,096**	**74,002**	**54,288**
94 Individuals and nonprofit organizations	179,937	128,442	9,560	2,636	46,285	69,961	51,494
95 Corporations and other profit organizations	7,077	5,261	360	110	2,278	2,513	1,817
96 U.S. Govt.	3,260	2,287	236	6	522	1,522	973
97 All other	51	47	32	....	10	5	3
98 **Total deposits**	**786,084**	**590,517**	**101,471**	**25,113**	**207,154**	**256,778**	**195,567**
99 **Federal funds purchased and securities sold under agreements to repurchase**	**64,132**	**60,803**	**14,683**	**7,898**	**30,052**	**8,170**	**3,330**
100 Commercial banks	36,521	35,115	7,200	5,635	18,357	3,924	1,406
101 Brokers and dealers	6,289	5,778	923	821	3,222	812	510
102 Others	21,323	19,910	6,560	1,442	8,474	3,434	1,413
103 Other liabilities for borrowed money	4,733	4,454	2,229	53	1,729	443	279
104 Mortgage indebtedness	798	578	57	16	311	195	220
105 Bank acceptances outstanding	10,471	10,099	5,602	351	3,852	294	372
106 Other liabilities	16,067	13,825	4,359	798	5,513	3,155	2,322
107 **Total liabilities**	**882,286**	**680,276**	**128,402**	**34,229**	**248,612**	**269,034**	**202,091**
108 Subordinated notes and debentures	4,931	3,995	1,098	83	1,802	1,012	936
109 **Equity capital**	**71,609**	**54,306**	**10,951**	**2,457**	**17,791**	**23,107**	**17,310**
110 Preferred stock	76	35	....	....	10	25	41
111 Common stock	16,477	12,295	2,444	570	3,768	5,513	4,185
112 Surplus	28,202	21,114	4,231	1,155	7,394	8,334	7,089
113 Undivided profits	25,046	19,565	4,184	660	6,193	8,528	5,483
114 Other capital reserves	1,808	1,296	92	71	426	707	512
115 **Total liabilities and equity capital**	**958,827**	**738,577**	**140,451**	**36,769**	**268,204**	**293,154**	**220,337**
116 MEMO: Demand deposits adjusted[2]	225,769	163,536	24,254	6,097	55,698	77,488	62,232
Average for last 15 or 30 days:							
117 Cash and due from bank	121,031	103,795	29,495	4,296	37,813	32,192	17,239
118 Federal funds sold and securities purchased under agreements to resell	40,210	31,166	1,824	1,353	15,658	12,331	9,077
119 Total loans	499,639	382,368	70,357	20,941	139,653	151,417	117,272
120 Time deposits of $100,000 or more	134,595	111,784	28,660	9,880	44,751	28,493	22,811
121 Total deposits	774,159	579,734	95,758	24,367	203,638	255,971	194,425
122 Federal funds purchased and securities sold under agreements to repurchase	69,683	65,646	17,273	8,750	31,425	8,197	4,038
123 Other liabilities for borrowed money	4,276	3,989	1,703	67	1,831	388	287
124 Standby letters of credit outstanding	11,476	10,936	6,276	850	3,137	673	540
125 Time deposits of $100,000 or more	134,796	111,644	28,227	9,752	44,932	28,734	23,152
126 Certificates of deposit	113,509	93,241	23,574	8,252	36,440	24,976	20,268
127 Other time deposits	21,287	18,402	4,653	1,500	8,492	3,757	2,884
128 Number of banks	14,389	5,773	12	9	154	5,598	8,622

◄ Similar data for Dec. 31, 1976, appear on pp. A-18 and A-19.

1 Member banks exclude and nonmember banks include 6 noninsured trust companies that are members of the Federal Reserve System, and member banks exclude 2 national banks outside the continental United States.

2 Demand deposits adjusted are demand deposits other than domestic commercial interbank and U.S. Govt., less cash items reported as in process of collection.

NOTE.—Data include consolidated reports, including figures for all bank-premises subsidiaries and other significant majority-owned domestic subsidiaries. Securities are reported on a gross basis before deductions of valuation reserves. Holdings by type of security will be reported as soon as they become available.

Back data in lesser detail were shown in previous BULLETINS. Details may not add to totals because of rounding.

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Baltimore 21203	James G. Harlow		Jimmie R. Monhollon
Charlotte 28230	Robert C. Edwards		Stuart P. Fishburne
Culpeper Communications and Records Center.. 22701			Albert D. Tinkelenberg
ATLANTA 30303	H. G. Pattillo Clifford M. Kirtland, Jr.	Monroe Kimbrel Kyle K. Fossum	
Birmingham 35202	William H. Martin, III		Hiram J. Honea
Jacksonville 32203	Gert H. W. Schmidt		Edward C. Rainey
Miami 33152	David G. Robinson		W. M. Davis
Nashville 37203	John C. Bolinger		Jeffrey J. Wells
New Orleans 70161	George C. Cortright, Jr.		George C. Guynn
CHICAGO* 60690	Peter B. Clark Robert H. Strotz	Robert P. Mayo Daniel M. Doyle	
Detroit 48231	Jordan B. Tatter		William C. Conrad
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Little Rock 72203	Ronald W. Bailey		John F. Breen
Louisville 40201	James C. Hendershot		Donald L. Henry
Memphis 38101	Frank A. Jones, Jr.		L. Terry Britt
MINNEAPOLIS 55480	James P. McFarland Stephen F. Keating	Mark H. Willes Clement A. Van Nice	
Helena 59601	Patricia P. Douglas		John D. Johnson
KANSAS CITY 64198	Harold W. Andersen Joseph H. Williams	Roger Guffey Henry R. Czerwinski	
Denver 80217	A. L. Feldman		Wayne W. Martin
Oklahoma City 73125	James G. Harlow, Jr.		William G. Evans
Omaha 68102	Durward B. Varner		Robert D. Hamilton
DALLAS 75222	Irving A. Mathews Charles T. Beaird	Ernest T. Baughman Robert H. Boykin	
El Paso 79999	Gage Holland		Fredric W. Reed
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CHANGES IN TIME AND SAVINGS DEPOSITS AT COMMERCIAL BANKS, Oct.–Jan. 1977. 6/77.
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ANTICIPATED SCHEDULE OF RELEASE DATES FOR PUBLIC PERIODIC RELEASES[1]—BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

WEEKLY RELEASES	APPROXIMATE RELEASE DAY	DATE OR PERIOD TO WHICH DATA REFER
Aggregate Reserves and Member Bank Deposits (H.3)	Tuesday	Week ended previous Wednesday
Applications and Reports Received or Acted on and All Other Actions of the Board (H.2)	Friday	Week ended previous Saturday
Assets and Liabilities of All Commercial Banks in the United States (H.8)	Wednesday	Wednesday, 2 weeks earlier
Changes in State Member Banks (K.3)	Tuesday	Week ended previous Saturday
Commercial and Industrial Loans Outstanding by Industry (H.12)[2]	Wednesday	Wednesday, 1 week earlier
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
Foreign Exchange Rates (H.10)	Monday	Week ended previous Friday
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 Rates and Bond Prices (H.15)	Monday	Week ended previous Saturday
Weekly Condition Report of Large Commercial Banks in New York and Chicago (H.4.3)	Thursday	Previous Wednesday
Weekly Condition Report of Large Commercial Banks and Domestic Subsidiaries (H.4.2)[3]	Wednesday	Wednesday, 1 week earlier
Weekly Summary of Banking and Credit Measures (H.9)	Thursday	Week ended previous Wednesday; and week ended Wednesday of previous week
SEMIMONTHLY RELEASE		
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 Instalment Credit Developments (G.26)	6th working day of month	2nd month previous

[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 processing procedures. Moreover, for all series unusual circumstances may, from time to time, result in a release date being later than anticipated.

[2]On second Wednesday of month, contains monthly data release.

[3]Contains revised H.4.3 data.

MONTHLY RELEASES (cont.)	APPROXIMATE RELEASE DAY	DATE OR PERIOD TO WHICH DATA REFER
Bank Debits, Deposits, and Deposit Turnover (G.6)	25th of month	Previous month
Bank Interest Rates Charged on Consumer Instalment Loans (G.10)	15th of month	2nd month previous
Capacity Utilization: Manufacturing and Materials (G.3)	17th of month	Previous month
Changes in Status of Banks and Branches (G.4.5)	25th of month	Previous month
Consumer Instalment Credit (G.19)	3rd working day of month	2nd month previous
Federal Reserve System Memorandum on Exchange Charges (K.14)	5th of month	Period since last release
Finance Companies (G.20)	5th working day of month	2nd month previous
Foreign Exchange Rates (G.5)	1st of month	Previous month
Index Numbers of Wholesale Prices (G.8)	20th of month	Previous month
Industrial Production (G.12.3)	15th of month	Previous month
Loan Commitments at Selected Large Commercial Banks (G.21)	20th of month	2nd month previous
Maturity Distribution of Outstanding Negotiable Time Certificates of Deposit (G.9)	24th of month	Last Wednesday of previous month
Monthly Report of Condition for Foreign Banking Institutions in the U.S. (G.11)	15th of month	2nd month previous
Selected Interest Rates and Bond Prices (G. 13)	6th of month	Previous month
Summary of Equity Security Transactions (G.16)	Last week of month	Release date
Survey of Terms of Bank Lending (G. 14)	15th of month	3rd month previous

QUARTERLY RELEASES		
Finance Rates and Other Terms on Selected Types of Consumer Instalment Credit Extended by Major Finance Companies (E.10)	25th of January, April, July, October	2nd month previous
Flow of Funds: Seasonally adjusted and unadjusted (Z.1); Volume and Composition of Individuals' Saving (Flow of funds series) (E.8)	15th of February, May, August, November	Previous quarter
Geographical Distribution of Assets and Liabilities of Major Foreign Branches of U.S. Banks (E.11)	15th of March, June, September, December	Previous quarter
Sales, Revenue, Profits, and Dividends of Large Manufacturing Corporations (E.6)	10th of March, July, September, December	2nd quarter previous

SEMIANNUAL RELEASES	APRROXIMATE RELEASE DAY	DATE OR PERIOD TO WHICH DATA REFER
Assets and Liabilities of Commercial Banks, by Class of Bank (E.3.4)	May and November	End of previous December and June
Check Collection Services—Federal Reserve System (E.9)	February and July	Previous six months

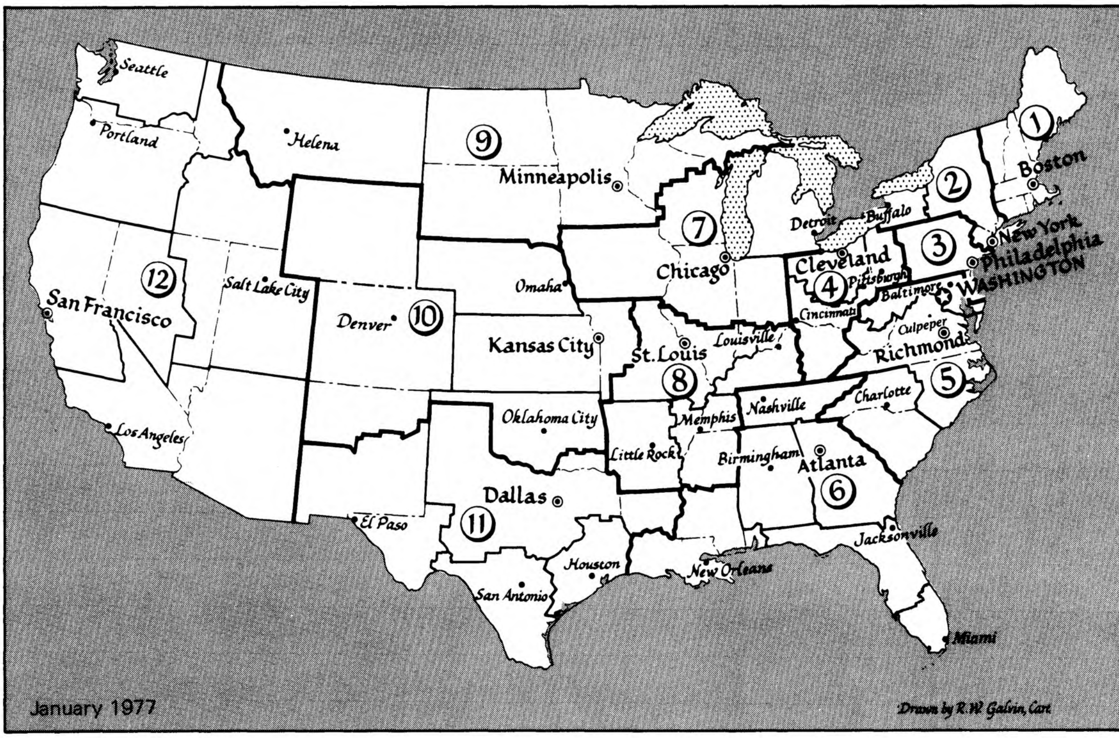
SEMIANNUAL RELEASES (Cont.)	APPROXIMATE RELEASE DAY	DATE OR PERIOD TO WHICH DATA REFER
List of OTC Margin Stocks (E.7)	June 30, December 31	Release date
Assets, Liabilities, and Capital Accounts of Commercial and Mutual Savings Banks—Reports of Call (Joint Release of the Federal Deposit Insurance Corp., the Board of Governors of the Federal Reserve System, and Office of the Comptroller of the Currency. **Published and distributed by FDIC.**)	May and November	End of previous December and June
ANNUAL RELEASES		
Aggregate Summaries of Annual Surveys of Security Credit Extension (C.2)	February	End of Previous June
Bank Debits and Demand Deposits (C.5)	March 25	Previous Year
Member Bank Income (C.4)	End of May	Previous year
State Member Banks of Federal Reserve System and Nonmember Banks that Maintain Clearing Accounts with Federal Reserve Banks (G.4)	1st quarter of year	End of previous year
(Supplements issued monthly)	15th of month	Previous month

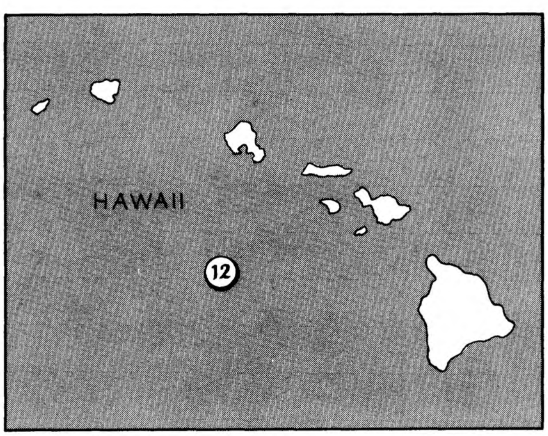
Index to Statistical Tables

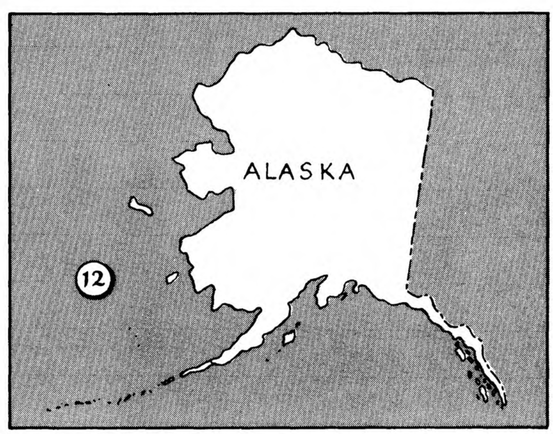
References are to pages A-3 through A-71 although the prefix "A" is omitted in this index

The Federal Reserve System

Boundaries of Federal Reserve Districts and Their Branch Territories







LEGEND

- Boundaries of Federal Reserve Districts
- Boundaries of Federal Reserve Branch Territories
- Board of Governors of the Federal Reserve System
- Federal Reserve Bank Cities
- Federal Reserve Branch Cities
- Federal Reserve Bank Facility