
AUGUST 1975

FEDERAL RESERVE BULLETIN

RECENT DEVELOPMENTS IN CORPORATE FINANCE

A copy of the Federal Reserve BULLETIN is sent to each member bank without charge; member banks desiring additional copies may secure them at a special \$10.00 annual rate. The regular subscription price in the United States and its possessions, and in Bolivia, Canada, Chile, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, Guatemala, Haiti, Republic of Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, El Salvador, Uruguay, and Venezuela is \$20.00 per annum or \$2.00 per copy; elsewhere, \$24.00 per annum or \$2.50 per copy. Group subscriptions in the United States for 10 or more copies to one address, \$1.75 per copy per month, or \$18.00 for 12 months.

The BULLETIN may be obtained from the Division of Administrative Services, Board of Governors of the Federal Reserve System, Washington, D.C. 20551, and remittance should be made payable to the order of the Board of Governors of the Federal Reserve System in a form collectible at par in U.S. currency. (Stamps and coupons are not accepted.)

FEDERAL RESERVE BULLETIN

NUMBER 8 □ VOLUME 61 □ AUGUST 1975

CONTENTS

- | | |
|--|---|
| 463 Recent Developments in
Corporate Finance | A 1 Financial and Business Statistics |
| 472 Staff Economic Studies: Summary | A 1 <i>Contents</i> |
| 474 Statements to Congress | A 2 <i>U.S. Statistics</i> |
| 505 Record of Policy Actions
of the Federal Open Market Committee | A 58 <i>International Statistics</i> |
| 513 Law Department | A 78 Board of Governors and Staff |
| 534 Announcements | A 80 Open Market Committee and Staff;
Federal Advisory Council |
| 537 Industrial Production | A 81 Federal Reserve Banks and Branches |
| | A 82 Federal Reserve Board Publications |
| | A 84 Index to Statistical Tables |
| | A 86 Map of Federal Reserve System |
| | Inside Back Cover: |
| | Guide to Tabular Presentation |
| | Statistical Releases: Reference |

PUBLICATIONS COMMITTEE

J. Charles Partee	Lyle E. Gramley	John M. Denkler	Frederic Solomon
Ralph C. Bryant	Joseph R. Coyne	John D. Hawke, Jr.	
James L. Kichline, Staff Director			

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.

Recent Developments in Corporate Finance

This article was prepared in the Capital Markets Section of the Division of Research and Statistics.

The concurrence of rapid inflation and declining real economic activity placed unusual financing pressures on nonfinancial business corporations in 1974. Even though real business activity weakened progressively throughout the year, current-dollar requirements by industry for working capital and investment outlays continued to rise because of the persistent advance of prices and costs. Consequently, corporations tapped financial markets for a record volume of funds last year. In contrast, during the first half of 1975 total demands on credit markets abated as corporations made sizable cutbacks in inventories and fixed investment outlays. Nevertheless, the volume of bond financing has reached historically high levels in recent months as corporations have shifted from short- to long-term debt.

The record total of \$77 billion raised by nonfinancial corporations in external markets in 1974 was 15 per cent more than in the boom year of 1973. Rather than sell new equity shares at depressed 1974 market prices, firms turned to debt markets for funds to meet their increased financing requirements. Thus, while net stock issues of nonfinancial corporations declined to \$4.1 billion, the lowest volume since 1969, net issues of corporate debt soared to a record \$73 billion. Short-term debt accounted for a significant share of this increased corporate borrowing, with bank loans to business expanding at the same advanced pace in 1974 as in 1973. Corporate issuance of open-market paper also rose substantially in 1974; this was in contrast to 1973, when corporations had substituted bank loans for funds raised through sales of commercial paper because of the much lower relative cost of bank credit.

Over the past decade, trends in corporate finance have led to a considerable reduction in the relative importance of equity in corporate balance sheets. The sharp increase in debt financing in 1974 accelerated this decline, and corporate debt-to-equity ratios rose to unprecedented levels. In addition, the already unfavorable maturity structure of the debt shown on many corporate balance sheets was worsened by the continued heavy reliance on short-term financing. Because of this deterioration, many corporations found their credit ratings questioned and their ability to obtain external funds impaired at a time when their internal funds were declining. Market investors became increasingly quality-conscious, requiring large risk premiums for lower-rated corporate issues; as a result, firms with less than prime credit ratings—including many public utilities—were virtually excluded from market participation for many months of last year.

Efforts to repair these widespread financial imbalances began late in 1974 and dominated corporate financial strategy through the first half of 1975. With the economy in the midst of the deepest decline of the postwar period, businesses curtailed their capital outlays and reduced their inventories sharply, thus lessening pressures on total external financing. The funding of short-term liabilities in order to restructure balance sheets and to rebuild liquidity has been reflected in the large volume of corporate bond offerings and the pronounced decline in short-term borrowings during the first 6 months. Meanwhile, the recovery in stock prices has led to an increase in the volume of new equity issues, with public utilities accounting for a large share of this growth.

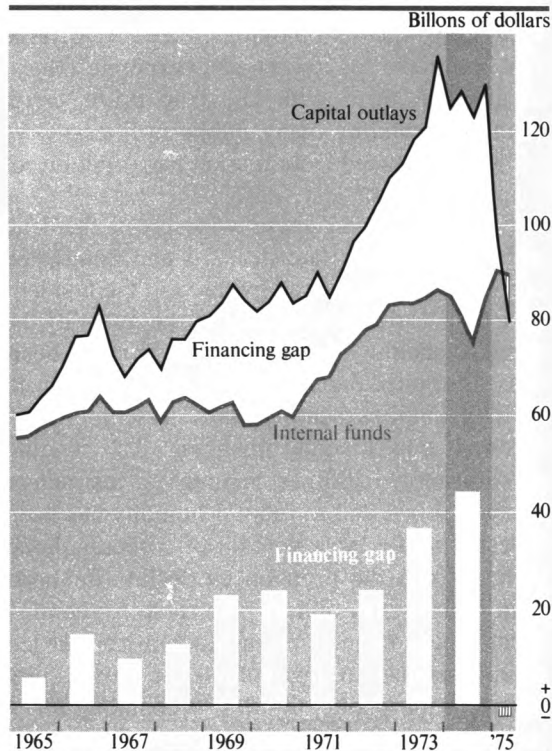
These efforts have improved the financial base of many corporations, though considerable restructuring remains to be done. In particular, a significant accumulation of financial assets

probably will not occur until corporate profits rebound from their decline earlier this year. Moreover, for many of the weaker firms, improving their financial position is an arduous process, which could conceivably be hindered if the economic recovery should sharply increase total demands on capital markets.

CAPITAL EXPENDITURES AND INTERNAL FUNDS

The gap between corporate internal funds and capital expenditures widened substantially in 1974 for the fourth consecutive year. As a result, firms had to turn to external sources of funds to finance more than \$44 billion in total capital outlays (including inventory investment) during the year, \$7 billion more than in 1973 and \$21 billion more than in 1972.

Capital outlays and internal funds



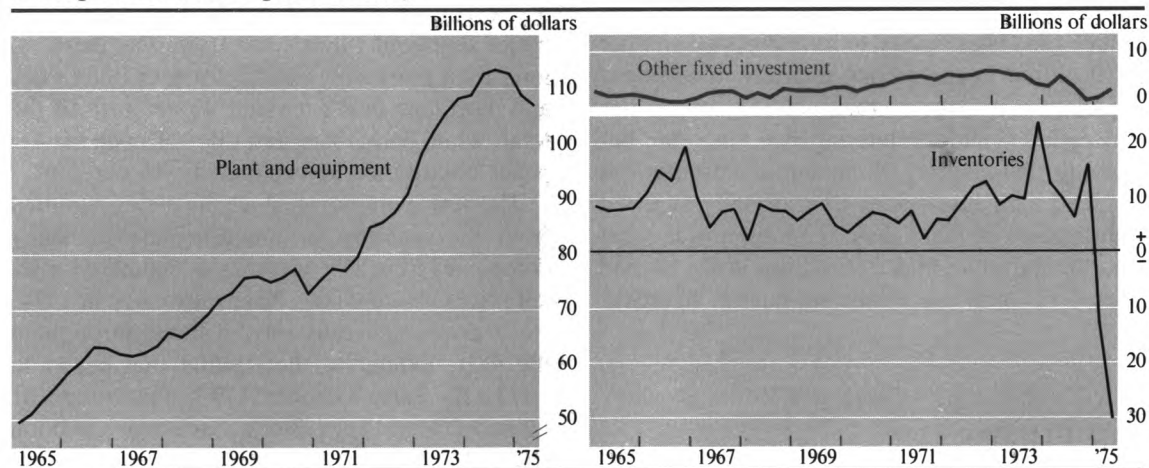
Internal funds are undistributed profits (including foreign branch profits) plus capital consumption allowances.
Flow of funds quarterly data for nonfinancial corporations at seasonally adjusted annual rates. Data for 1975-II are preliminary.

The increasing gap between internal funds and capital outlays reflected in large part the impact of inflation on business investment activity. Although corporate plant and equipment expenditures in real terms weakened in the first half of 1974 and actually declined in the final months, these outlays in current dollars were more than 8 per cent higher for the year as a whole than in 1973. The largest increases occurred among manufacturers of nondurable goods—particularly petroleum, chemicals, and paper—but there were also strong advances for durable goods manufacturers. In the nonmanufacturing sector, public utility outlays expanded at a rate close to 10 per cent, even though the utilities were scaling back their planned expenditures throughout the year in response to sharply rising operating costs, reductions in consumer demand, and unfavorable terms of financing.

Inventory investment in 1974 was below the record pace of 1973, but it still remained high by historical standards. A large part of the inventory building in the first half of the year was the result of producers' desires to stockpile materials that had been, or might be, in short supply—especially steel and coal. But as the year progressed, inflation and rising unemployment adversely affected consumer expenditures, and sales fell off rapidly. The decline in demand resulted in a sizable increase in inventories of finished goods, despite vigorous efforts by retailers to reduce excessive stocks. Unintentional inventory accumulation was most apparent in the fourth quarter in the durable goods industries, especially in new cars.

Whereas outlays for fixed investment and inventories were rising during most of 1974, corporate cash flow—retained earnings plus capital consumption allowances—declined on balance for the year. The reduction in cash flow occurred despite a large increase in before-tax profits, all of which was attributable to an enormous expansion in inventory profits—that is, profits generated by an increase in the value of inventories as a result of inflation. Although inventory profits are taxed the same as all other earnings, they are offset by increased costs of inventories needed for replacement and hence

Composition of capital outlays



Other fixed investment includes expenditures for multiunit and 1- to 4-family residential construction.

Flow of funds quarterly data for nonfinancial corporations at seasonally adjusted annual rates. Data for 1975-II are preliminary.

do not provide corporations with internal funds for any other purpose.

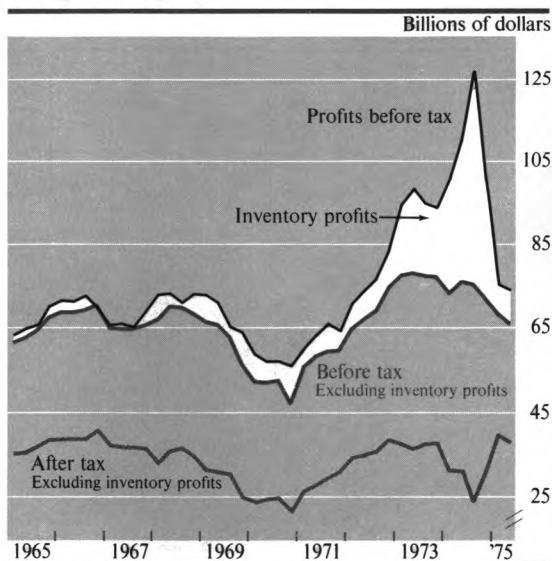
With the sharp rise in prices—especially of fuel—in 1974, inventory profits became extremely large and tended to obscure the picture of firms' liquidity. If inventory gains are excluded from reported profits, the resulting figure—profits from current production—shows a sizable decline in corporate after-tax profits from late 1973 to the fourth quarter of 1974, the first sustained decline in such profits since 1969. Retained earnings (adjusted to exclude inventory profits) fell even more sharply as corporations increased their dividend payouts.

Gains from inventory profits dropped sharply in early 1975, in part because firms liquidated stocks and also because many of them changed their accounting methods from first-in, first-out (FIFO) to last-in, first-out (LIFO) to minimize the effects of inflation on reported inventory values. The decline in inventory profits contributed to a sharp reversal in total before-tax profits of nonfinancial corporations in the first two quarters of this year. Nevertheless, after-tax profits actually improved, as corporate tax liabilities fell significantly because of the sharp drop in inventory profits and the relief obtained through the Tax Reduction Act of 1975.

The gap between internal funds and capital expenditures narrowed markedly in the first

quarter of 1975—in part because of the improvement in cash flow, but primarily because of sharp reductions in capital outlays. Responding to the accelerating decline in economic activity, industrial firms—like the utilities earlier—began to scale down or stretch out their expenditures. As a result, the annual rate of outlays for plant

Corporate profits



Flow of funds quarterly data for nonfinancial corporations at seasonally adjusted annual rates. Data for 1975-II are preliminary.

and equipment by nonfinancial corporations dropped \$3.6 billion between December and March, and is estimated to have dropped another \$1.9 billion in the second quarter. In addition, liquidation of excess stocks of inventories has proceeded at an accelerating rate since the beginning of the year. Nonfinancial corporations reduced their inventories at seasonally adjusted annual rates of more than \$13 billion in the first quarter and more than \$30 billion in the second (based on preliminary second-quarter figures).

EXTERNAL SOURCES OF FUNDS

Despite rising interest rates and greater selectivity on the part of investors, nonfinancial corporations in 1974 raised more than \$77 billion from external sources—a record volume. These funds were used to finance the gap between capital outlays and internal funds and for acquisitions of liquid and other financial assets. As the figures in Table 1 reveal, net new equity financing by business corporations fell sharply

for the third year in a row, accounting for only 5 per cent of total market funds raised. The major supply of funds came from debt markets; long-term borrowings in the form of bond sales and mortgage debt provided 42 per cent of the total, while bank loans and sales of open market paper contributed approximately 46 per cent.

The low volume of stock financing resulted from the inability or unwillingness of many companies to sell new stocks at depressed market prices. Except for a brief rally early in 1974, stock prices generally moved lower throughout the year, extending the decline that began in 1973. By early October 1974, the composite index of New York Stock Exchange common shares had reached a 12-year low of 33. And even though it moved up slightly before year-end, it was down 30 per cent for the year and down about 45 per cent from the peak reached in 1973. With the exception of producers of selected materials in short supply and of energy-related industries, almost all sectors participated in the decline.

A combination of unfavorable economic developments—chiefly accelerating inflation,

TABLE 1

Nonfinancial corporations: Composition of funds raised in financial markets

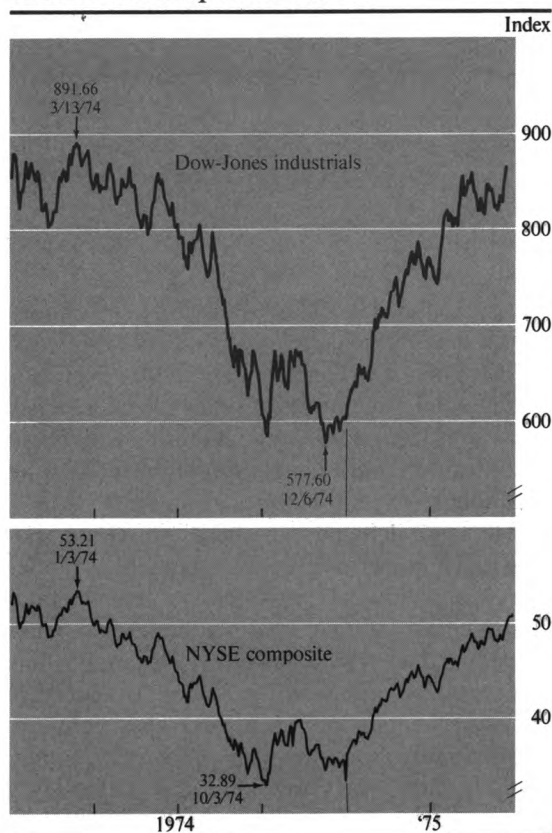
Amounts are shown in billions of dollars.

Period	Total		Equity		Bonds		Mortgages		Bank loans		Other credit market instruments	
	Amount	Per cent	Amount	Per cent	Amount	Per cent	Amount	Per cent	Amount	Per cent	Amount	Per cent
1970	39.5	100	5.7	14.4	19.8	50.1	5.2	13.2	5.6	14.2	3.2	8.1
1971	46.8	100	11.4	24.4	18.9	40.4	11.4	24.4	4.4	9.4	.7	1.5
1972	55.0	100	10.9	19.8	12.5	22.7	15.6	28.4	13.5	24.5	2.5	4.6
1973	67.1	100	7.4	11.0	11.0	16.4	16.1	24.0	30.6	45.6	2.0	3.0
1974	77.1	100	4.1	5.3	21.3	27.6	10.9	14.1	29.9	38.8	11.0	14.3
1974—I	75.5	100	6.2	8.2	18.7	24.8	12.6	16.7	33.9	44.9	4.1	5.4
II	91.8	100	5.0	5.4	20.7	22.6	17.4	19.0	40.7	44.3	8.0	8.7
III	72.6	100	...	...	17.9	24.7	7.3	10.0	25.6	35.3	21.8	30.0
IV	68.7	100	5.2	7.6	27.8	40.5	6.3	9.2	19.4	28.2	10.0	14.6
1975—I	41.8	100	7.7	18.4	41.8	100.0	3.0	7.2	-12.0	-28.7	1.3	3.1
II	35.1	100	9.7	27.6	39.5	112.5	8.5	24.2	-19.5	-55.5	-3.1	-8.8

NOTE.—Net funds raised as shown in the flow of funds accounts. Quarterly data are at seasonally adjusted annual rates; those for 1975-II are preliminary. Other credit market instruments consist of commercial paper and loans from finance companies and the U.S. Government.

higher interest rates, and the increasing slack in economic activity—contributed to the poor performance of the stock market last year. With short-term interest rates rising rapidly as a consequence of strong cyclical credit demands, an escalation of inflation premiums, and a firm monetary policy, the attractiveness of higher-

Stock market performance



risk equity market instruments was sharply diminished. Moreover, during much of the year the market was disturbed by events associated with the energy shortage and by the prevailing political uncertainties.

Almost half of all common stock and virtually all preferred stock issues sold in 1974 were those of the electric and gas utilities. Despite lower share prices, utilities were forced to seek equity funds to finance rapidly rising expansion

costs and to strengthen their equity structure in response to pressures from the regulatory authorities. Frequently, however, these firms were able to sell shares only at prices below book value, which tended to dilute existing shareholders' equity.

The unattractiveness of the equity markets as a source of long-term funds was an important factor in explaining the heavy volume of corporate bond financings last year. Net bond offerings of nonfinancial corporations—at close to \$21 billion—exceeded the record of 1970 and might have been even higher had not deteriorating market conditions led to cancellations of several large offerings scheduled for the spring and summer.

Although the volume of new bond issues was heavy during most of 1974, a number of factors contributed to a deterioration in bond market conditions as the year progressed. As noted earlier, the rapid rise in short-term rates attracted many investors to money market instruments. In addition, in the spring the financing difficulties of two large banks, the omission of a dividend payment by a large public utility, and rumors of the difficulties faced by some other firms led market investors to become increasingly concerned about the ability of corporations to service their debt obligations.

As a result, investor preferences shifted toward higher-quality securities, and a wide rate spread developed between yields on prime quality instruments and those with lower credit ratings. From a difference of approximately 75 basis points at the beginning of 1974, the spread between yields on seasoned corporate issues rated Baa and those on prime Aaa issues rose to more than 160 basis points by the year-end. Reflecting these developments, less than 6 per cent of the gross new bond issues sold in 1974 carried ratings of Baa or less, as compared with 12 per cent on average in the preceding 5 years. Moreover, most of the lower-rated issues were sold by utilities that faced a large volume of maturing debt and thus could not easily postpone financings.

The increased selectivity of investors, combined with a reluctance of issuers to offer very long-term debt at high yields, was reflected in

TABLE 2

Gross issues of publicly offered corporate bonds

Year	Total	Moody's rating				Maturity (in years)			Firms with ratings changed (Moody's)	
		Aaa & Aa	A	Baa & below	Not rated	Less than 10 ¹	10-19	20 or more	Increases	Decreases
	Billion dollars	Per cent of total				Per cent of total			Number	
1969	12.7	41	23	22	14	15	3	82	11	20
1970	25.4	48	32	10	10	22	3	75	15	21
1971	24.9	44	21	15	20	7	12	81	14	29
1972	18.4	41	18	9	32	25	5	70	19	25
1973	13.6	55	26	4	15	7	2	90	21	27
1974	25.3	57	29	6	8	29	11	60	39	61
1975-H1	22.7	60	31	7	2	25	22	53	42	24

¹Includes serial bond issues.

a shortening of maturities on new issues. Whereas in the 1969-73 period nearly 80 per cent of all new bond offerings carried maturities of 20 years or more, 60 per cent of such issues had long maturities in 1974. In fact, a heavy concentration of issues last year had terms of less than 10 years.

The development of such a two-tier market for long-term debt made it exceedingly difficult for corporations with less than prime credit ratings to borrow. Moreover, as debt burdens expanded and business activity declined, Moody's Investors Service lowered the credit ratings of more than 60 firms in 1974, in contrast to only 21 in the previous recession year of 1970. In light of unfavorable market conditions, many of these firms decided to postpone, or cancel, previously scheduled bond issues.

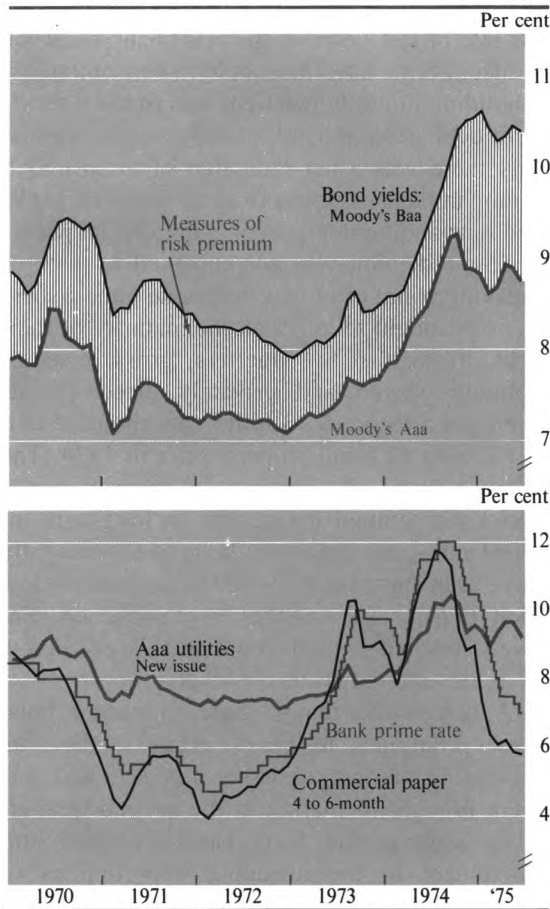
The deterioration in long-term markets in 1974 contributed to a further increase in the already bulging demands for credit at commercial banks. Short-term bank loans to nonfinancial corporations rose by approximately \$30 billion, almost equaling the record borrowing of 1973 when such loans were bolstered by booming business activity and an artificially restrained prime rate. In addition, firms with good credit ratings sought short-term funds through sales of commercial paper; following 3 years of contraction, outstanding open-market

paper expanded by \$5.4 billion in 1974—almost twice the previous record pace of 1969 and 1970. Like the bond markets, however, the commercial paper market demanded large risk premiums from borrowers, and firms with lower credit ratings were unable to obtain funds from this source.

The large demands for short-term credit relative to the moderate growth in available supplies put strong upward pressures on interest rates during most of last year. Commercial banks increased their prime lending rates more than 2 percentage points to a record 12 per cent between January and July and also tightened substantially their nonprice terms of lending. Late in the year, however, the increasingly restrictive lending practices of banks and the developing weakness in economic activity began to dampen the growth in short-term corporate borrowings. Subsequently, growth in business loans came to a halt and short-term interest rates declined sharply, as corporations began to restructure their balance sheets by repaying bank loans with funds raised through sales of long-term securities.

As inflation and the higher cost of credit-market borrowing put pressure on cash positions in 1974, other short-term liabilities of businesses also expanded rapidly. The rate of growth of trade debt in the first two quarters

Selected interest rates



Monthly averages. Moody's Investors Service bond yields for seasoned Baa and Aaa corporate issues; prime commercial paper, dealer offering rates; Aaa utility, weighted averages on new publicly offered bonds rated Aaa, Aa, and A by Moody's and adjusted to an Aaa utility basis.

of last year was more than half again as large as in 1973. Such growth slowed, however, as business activity slackened; in the fourth quarter trade debt contracted sharply, and in the first half of 1975 it fell substantially further.

IMPACTS ON CORPORATE FINANCIAL STRUCTURE

The heavy reliance on borrowed funds that occurred in 1974 was an extension of trends that had begun earlier. Since the mid-1960's non-financial firms have increased their capital market debt by nearly \$385 billion while net new

stock issues and retentions of profits have amounted to only \$166 billion. The sharp increase in debt financing last year resulted in a further reduction in equity cushions. For manufacturing corporations—the only group of non-financial corporations for which complete balance sheet data are available on a current basis—the relative share of stockholders' equity had declined to slightly more than 50 per cent of total assets by the end of 1974, compared with 61 per cent in 1965. Furthermore, the pronounced decline in stock prices during 1973 and 1974 sharply eroded the market valuation of ownership claims.

TABLE 3

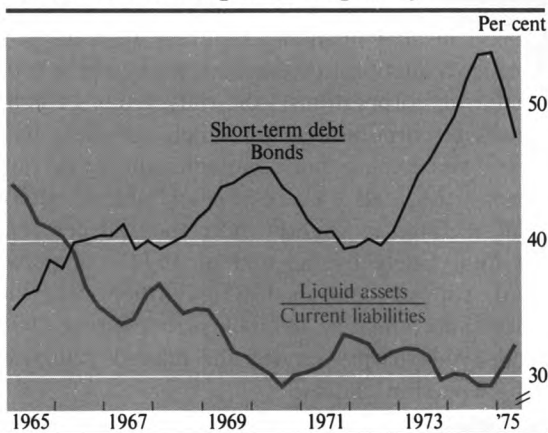
Capital structure of manufacturing corporations
In billions of dollars, unless otherwise noted

End of year	Total assets (1)	Less: Liabilities (2)	Equals: Stockholders' equity (3)	Col. 3 ÷ col. 1 (per cent) (4)
1965	359.1	140.9	218.1	60.8
1966	402.3	165.5	236.8	58.9
1967	437.2	182.9	254.3	58.2
1968	485.9	212.7	273.2	56.2
1969	543.7	246.6	297.1	54.6
1970	578.2	267.4	310.8	53.8
1971	612.8	285.7	327.1	53.4
1972	663.4	310.3	353.1	53.2
1973	742.3	355.9	386.4	52.1
1974	841.1	413.7	427.4	50.8

SOURCE.—Federal Trade Commission, *Quarterly Financial Report for Manufacturing Corporations*. Data for 1974 have been converted by F.R. to adjust for changes in series coverage and account classification from previous years.

A further result of the growth in debt and the simultaneous rise in interest rates has been a sizable increase in net interest paid by non-financial corporations. In 1974 such interest amounted to \$23 billion—almost a fivefold increase over the 1964 total. At the same time corporate holdings of liquid assets rose much less rapidly than total liabilities, making it more difficult for firms to carry their debt burdens. Although corporations added moderately to their holdings of liquid assets—primarily through acquisitions of interest-earning time deposits and commercial paper—short-term debt grew at a

Measures of corporate liquidity



Liquid assets are currency, demand and time deposits, U.S. Government securities, State and local obligations, and open-market paper. Current liabilities are short-term bank loans, trade debt, open-market paper, finance company loans, U.S. Government loans, and profit taxes payable. Short-term debt consists of short-term bank loans plus open-market paper.

Flow of funds quarterly data for nonfinancial corporations, not seasonally adjusted. Data for 1975-II are preliminary.

much faster pace. Consequently, corporate liquidity, as measured by the ratio of liquid assets to current liabilities, fell to a new low in 1974. The decline was a continuation of the postwar downtrend that had been temporarily interrupted by balance-sheet restructuring in 1971 and 1972.

In short, corporate balance sheets were weakened substantially by the large amounts of debt—particularly short-term debt—issued during 1973 and 1974. The unfavorable effects of these financing patterns on corporate liquidity, debt-to-equity ratios, and the maturity structure of corporate capital sharply reduced the financial flexibility of many corporations and contributed to the numerous downgradings in credit ratings that occurred last year.

RESTRUCTURING IN 1975

As a result of the large cutbacks in capital expenditures and inventory liquidation in the first two quarters of 1975, total corporate demands on credit markets have fallen sharply from 1974 levels. Indeed, in the first 6 months the volume of net funds raised in financial markets by nonfinancial corporations is esti-

mated to have been less than \$39 billion at a seasonally adjusted annual rate, or roughly half the rate of last year. With their financing needs reduced, firms have been able to concentrate on rebuilding liquidity positions and funding short-term debt. Consequently, between January and July there was a net reduction of almost \$7.5 billion in business loans from commercial banks and outstanding nonfinancial commercial paper.

This reduction was accompanied by record-breaking volumes of new corporate bond issues, as firms sought to lengthen the maturity of their debt. In the first two quarters, gross issues of publicly offered and privately placed bonds averaged a record \$4.3 billion per month, compared with \$2.6 billion per month in 1974. The heavy volume of corporate offerings was one factor that limited the decline in long-term interest rates; nevertheless, bond yields recently have been approximately 100 basis points below their 1974 peaks, and they have remained relatively steady despite the continued large volume of issues offered in this market.

Although the major share of recent bond issues continues to be of prime quality, an increasing number of issues rated A and Baa were brought to market in the second quarter. This suggests that there has been some improvement in the financing opportunities of lower-rated corporations. Indeed, since the beginning of the year there have been several indications of such improvements in the corporate financial environment. Downgrading of corporate bond ratings and postponements of new issues have been much less prevalent than last year, and many firms with improved liquidity positions have had their credit ratings raised or reinstated. The number and volume of cutbacks in capital spending plans, particularly by the utilities, have subsided. And regulatory agencies have been allowing more rapid and greater rate increases; as a result of such increases, the earnings position of the utilities appears to have strengthened, improving somewhat their access to financial markets.

In addition, the decline in interest rates and progress in reducing inflation have contributed to a marked improvement in equity markets. During the first half of 1975 stock prices rose

by as much as 50 to 60 per cent from their 1974 lows. Concurrently, the volume of new equity issues expanded significantly, with utilities in particular taking advantage of rising share prices to sell stocks and thus reduce their debt-to-equity ratios. Although major stock indices are still more than 20 per cent below their peaks in 1973, a moderate increase in stock issues, along with continued large offerings of long-term debt, may help to restructure and strengthen corporate balance sheets through the remainder of 1975.

Despite these improvements, however, the markets continue to reflect the preference of creditors for high-quality obligations. Risk premiums have fallen only slightly, and numerous

corporations with less than prime ratings must wait for further improvements in capital markets before issuing long-term debt.

And, even though the financial position of many firms has improved, the ratio of short-to long-term debt remains relatively high by historical standards. Also, while many businesses have increased their holdings of cash and marketable securities, acquisitions of substantial amounts of liquid assets probably will not occur until corporate profits have recovered from their recent declines. On balance, therefore, it appears that corporations have only partially recovered the ground lost in 1974 and may find it necessary to continue restructuring through the remainder of 1975. □

Staff Economic Studies

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

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

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

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

STUDY SUMMARY

THE PERFORMANCE OF INDIVIDUAL BANK HOLDING COMPANIES

ARTHUR G. FRAAS—Formerly on the staff of the Board of Governors; presently Assistant Professor of Economics, U.S. Naval Academy, Annapolis, Maryland.
Prepared as a staff paper in June 1974.

A cornerstone of public policy toward the bank holding company movement has been the proposition that holding company affiliation leads to changes in bank performance that promote the public interest. This expectation has not been borne out, however, by studies that compare the performance of holding company affiliates as a group with the performance of independent banks. The absence of any marked change in performance may reflect substantial, offsetting differences in the operations of individual holding companies that arise because of differences in management philosophy. This study examines the extent of differences in performance of individual holding companies.

The method of approach adopted uses single-equation regression models in an attempt to explain variations in a selected set of performance measures. In order to correct for differences in local markets, these models contain several independent variables to represent local economic conditions. In addition, a set of independent variables—using the statistical technique of dummy variables—represents bank affiliation with individual bank holding companies. From the standpoint of this study, the results associated with the latter set of variables indicate the degree of difference in performance among individual bank holding companies. These regression models were applied succes-

sively to samples of all banks from the States of Ohio and Colorado with \$10 million to \$75 million in deposits.

The findings indicate significant differences in the performance of individual holding companies. These differences are particularly apparent in the portfolio choices of the affiliates of individual holding companies—for example, in the proportions of total assets held as installment loans, residential real estate loans, and obligations of State and local governments. As a result, it is possible in a number of instances

to reject the hypothesis that all holding-company-affiliated banks can be treated as elements of a single group. Many of the performance measures indicate that operations of banks affiliated with particular holding companies differ significantly from those of independent banks and of banks affiliated with other holding companies. As a matter of public policy with respect to specific holding companies, then, these results suggest the importance of assessing the operating characteristics of each holding company. □

Statements to Congress

Statement by Jeffrey M. Bucher, Member, Board of Governors of the Federal Reserve System, before the Subcommittee on Consumer Affairs of the Committee on Banking, Housing, and Urban Affairs, U.S. Senate, July 17, 1975.

I appreciate the opportunity to appear before this subcommittee to offer the views of the Board of Governors on proposed legislation dealing with the Equal Credit Opportunity Act and consumer leasing. Three bills are before the committee that would amend the Equal Credit Opportunity Act—H.R. 6516, S. 483, and S. 1927. Two legislative proposals to regulate consumer leasing—S. 1900 and S. 1961—are also under consideration. I would first like to address myself to the suggested amendments to the Equal Credit Opportunity Act.

The three Equal Credit Opportunity bills would add new classes to the existing categories of sex and marital status. H.R. 6516 would add the categories of race, color, religion, national origin, and age. S. 1927 would amend the Act to include not only those categories covered by H.R. 6516 but also discrimination based on a person's political affiliation, receipt of public assistance benefits, exercise of rights under the Act or other provisions of law, and such other classifications as the Board of Governors may establish by regulation. In contrast, S. 483 would simply amend the existing law to prohibit discrimination on the basis of an "arbitrary age limit."

Let me begin by stating, as I did before the House Subcommittee on Consumer Affairs on April 22 of this year, that the Board strongly favors the elimination in credit transactions of all discrimination based on factors other than an individual's creditworthiness. Although there is no legal right to receive credit, the Board believes a great deal can be done to assure that

credit is made available to equally creditworthy people on a just and fair basis. The denial of credit based upon a person's membership in a group without reference to that individual's qualifications works to the economic disadvantage of applicants and creditors alike.

It is because we believe that fair and equal access to credit is a matter of great importance that the Board recommends that the Congress delay enactment of this legislation until there has been sufficient opportunity to benefit from experience in implementing the regulations under the sex and marital status provisions of the Equal Credit Opportunity Act, which goes into effect in October 1975. In the course of our preparation of this regulation we have developed an increased appreciation of the many complexities involved in implementing the requirements of this type of legislation. Based upon our experience to date, we feel that the Equal Credit Opportunity Act should not be extended without a thorough exploration, delineation, and resolution of the basic issues present in regulating these areas.

Our experience in drafting regulations to implement the existing law has brought to the surface many problems the solutions to which must be tested in practice before we can confidently apply similar approaches in other areas. Some of the more perplexing questions that have not yet been finally resolved include the extent to which a creditor should be required to consider alimony as ordinary income, the extent to which a nonworking spouse should benefit from the credit history of a joint account, and the problem of how to provide the consumer with a "clear and meaningful" statement of the reasons for denial. In our efforts to reconcile the statutory goal of equal credit opportunity with the need to preserve the lender's ability to distinguish accurately the creditworthiness of different applicants we have proposed solutions

whose success will not be known until the effects of their actual operation can be measured.

Similarly, even a preliminary look at the prohibition against age discrimination, a major feature of all three bills, discloses particularly complex questions. For example, under the proposed legislation, to what extent will it be permissible to use statistical data in evaluating applicants for credit? Can statistical data relating to age be used in determining creditworthiness in the same way that insurance companies utilize actuarial tables to evaluate insurance risks or should the approach be similar to that in the Equal Employment Opportunity Act¹ guidelines which direct that "individuals be considered on the basis of individual capacities and not on the basis of any characteristics generally attributed to the group"² and thereby forbid the reliance on data that reflect the performance of a particular group?

Each of us at the Board is influenced by the realization of how much is at stake in these endeavors. Unless they are carried out in the best possible manner, we may not only fail to gain the positive benefits for our citizens that are so earnestly sought but we may also reduce the availability of credit and bring discredit upon these and other laudable efforts to dispel bias and prejudice by the reasoned and orderly development of our legal system. An attempt to impose these solutions without sufficient knowledge of their possible ramifications could have the adverse effect of reducing the availability of credit by inflating creditors' costs and eliminating the smaller lender whose profit margin cannot sustain such costs. Our best hope for achieving the worthy objectives of this proposed legislation will depend upon not only the understanding of the Congress of this fundamental problem but also on our efforts to study and understand the problems as thoroughly as possible, to consult as extensively as we can, and then to draft the regulation as carefully and objectively as we know how.

Accordingly, we would suggest that the Con-

gress allow itself more time to continue its study of the problems involved in extending the Equal Credit Opportunity Act to the proposed new categories in order to achieve a thorough analysis of the issues. We also believe that before enlarging the scope of the Equal Credit Opportunity Act, the Congress should obtain the benefit of the experience of consumers and creditors under the regulation pertaining to sex and marital status that will be published in final form in the next few months.

If, after reviewing these considerations, the committee nevertheless decides to proceed with the proposed amendments at this time, the Board of Governors will make the utmost effort to carry out its rule-writing and enforcement responsibilities under the broadened Act in the fairest and most effective way possible. With that in mind, the Board wishes to emphasize the fact that the presently proposed 6-month-rule-writing period is not adequate given the complexity of the issues and the dearth of previous work in these areas of credit regulation. In accordance with our best estimates, we request that the effective date of the amendments be set at 2 years rather than 6 months after enactment. Our objective is a time frame that will permit the Board to discharge its responsibility in a manner that will fully carry out the intent of the Congress and serve the public interest.

Based upon our experience in writing regulations under the existing Act, and under the Truth in Lending and Fair Credit Billing Acts, the Board is aware that the final version of a regulation of this kind should be adopted at least 6 months before it becomes effective. The lead time is essential to achieve three basic goals: first, to give the Board time to inform creditors of their new duties and responsibilities under the regulation; second, to give creditors time to revise their procedures, rewrite their forms, and train their people; and third, to allow the Board to educate consumers as to *their* rights under the amended Act. For example, a minimum lead time of several months is needed simply to print the new application forms in the quantities required.

Thus a period of 2 years only provides 18 months in actuality for the rule-writing process

¹Title VII of the 1964 Civil Rights Act, as amended in 1972.

²29 C.F.R. 1604.2 (Equal Employment Opportunity Commission's Guidelines).

itself. We have constructed a timetable³ that explains in detail what must be done during the 18 months needed for the actual drafting and adoption of a regulation of the quality we believe the Congress wants and the public interest requires.

I would now like to comment upon specific provisions of the three bills. With regard to S. 483, the only point I would like to raise concerns the use of the word "arbitrary" to modify the term "age limit." The Board has concurred with the position expressed by the Congress in the language of the current law relating to sex and marital status—that it would be unwise to place any qualifying language in the statement of the Act's basic prohibition. The addition of the term "arbitrary," while appearing to modify the class protected by the Act, in fact, gives little, if any, guidance to the Board as to what is intended. More significant, it may be inconsistent with the extensive body of civil rights law that defines the word "discriminate" and establishes the legal standards of scrutiny to be used in determining whether conduct is discriminatory.⁴ If the Congress wishes to qualify the coverage of the amendment in the area of age, it is recommended that such qualifications be spelled out with particularity.

Let me turn now to a second bill regarding Equal Credit Opportunity—S. 1927. Section 701(a) of this bill would establish three specific categories of prohibited discrimination that are not included in H.R. 6516. These are the categories of political affiliation, receipt of public assistance benefits, and exercise of rights under the Act or other provision of law. With regard to the inclusion of "political affiliation" as a category of prohibited discrimination, we suggest that, because we are not aware of any evidence of such discrimination, this would appear to be an area in which further inquiry on the committee's part may be advisable.

In contrast, evidence has been presented re-

garding discrimination on the basis of an applicant's receipt of public assistance benefits. Surveys reported by the National Commission on Consumer Finance suggest that the problem is significant.⁵ We would agree that the receipt of public assistance, be it Aid to Dependent Children, disability, or social security benefits, should not by itself disqualify one for credit. In all cases the essential determinants of a person's qualifications for credit are the ability and willingness to repay. Since credit is often extended to cover the most basic purchases, including shelter, clothing, and furniture, the credit-granting process should offer every applicant the opportunity to demonstrate his or her individual merits.

Section 701(a)(5) of the bill would prohibit discrimination on the basis of "exercise of rights under this act or other provisions of law." We have no difficulty with the first part of that category, but the term "or other provisions of law" would bring within the Act's prohibition the exercise of the entire spectrum of other legal rights, some of which a creditor might justifiably consider in determining creditworthiness. The most obvious case is the exercise of rights under the bankruptcy law. We believe a discharge in bankruptcy to be a valid consideration in a determination of creditworthiness and one that should not be prohibited. We suggest that this category of prohibition be revised to include only "exercise of rights under this Act."

Sections 701(b) of S. 1927 and 701(d) of H.R. 6516 provide, in effect, that the consideration of an applicant's age when used for the purpose of applying criteria favoring applicants in a particular age category shall not constitute discrimination. These provisions require some revision to clarify their scope and intent. According to the House committee report on H.R. 6516 and the comments accompanying the introduction of S. 1927, the provisions were intended to permit the use of age information when carrying out affirmative action programs designed to benefit a particular age category. It would be preferable if these provisions de-

³This memorandum, which accompanied the original statement, is available upon request to Publications Services, Division of Administrative Services, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

⁴See for example, *Griggs v. Duke Power Co.*, 401 U.S. 424, 429-30 (1971); *Albemarle Paper Co. v. Moody*, 95 S. Ct. 2362 (1975).

⁵"Consumer Credit in the United States," Report of the National Commission on Consumer Finance, pp. 155-60 (December 1972).

scribed with specificity which age categories are deemed to be in need of such protection, and then explicitly authorized the Board to implement these objectives by regulation. As the provision now reads, it creates a loophole by making it possible for a creditor who discriminated against one age category to raise as a defense the argument that its policy was designed to favor another age category.

Section 701(d) of S. 1927 would require creditors to furnish rejected applicants with a notice of the reasons for denial or termination of credit. As the committee may be aware, the proposed regulation issued by the Board under the existing Act contains a similar provision that would require notice of reasons for denial only when requested by an applicant. The Board is still considering this entire question. Its present feeling is that requiring the notice to be given only where requested would accomplish the purposes of the requirement without putting the creditor to the unnecessary expense of providing a written statement in all instances of denial. The Board believes that the existing law provides the necessary authority for a provision of this nature; however, if the Congress desires to include the provision in the amendments to the Act, the Board would welcome this explicit statement of its authority and would suggest that the Congress consider the modified version contained in the proposed regulation.

I would now like to address the two legislative proposals, S. 1900 and S. 1961 dealing with consumer leasing, that the subcommittee is considering. The Board is particularly pleased to see legislative action beginning in this area because the need for consumer leasing disclosures has been of some concern to us over the last 2 years. In its Annual Report to Congress on Truth in Lending for 1973, the Board pointed out several disclosure problems in the area of consumer leasing and suggested that the Congress might wish to examine this rapidly expanding field. The additional step of recommending legislative provisions was taken by the Board in its Truth in Lending Report for 1974, and I was gratified to note that many of the provisions of the Board's proposal have been incorporated into the two bills.

I would like to state at the outset that the

Board believes that consumer leasing is an appropriate method of utilizing and, in some cases, of purchasing consumer durables. Consumer leasing has experienced rapid growth within the last decade. This growing popularity suggests that the public is increasingly coming to view leasing as a viable alternative to credit purchases for some products.

Available statistics on the growth of consumer leasing indicate that the so-called "big-ticket durables," such as automobiles, color television sets, and home furnishings are the most common goods leased by consumers. Automobiles presently constitute the most popular leased goods, and this aspect of consumer leasing will no doubt absorb much of the subcommittee's attention during its deliberations on this legislation.

Automobile leasing has experienced rapid growth over the past decade. According to statistics from the National Automobile Dealers Association, in 1965 more than 1.5 million, some 14 per cent of the total number of automobiles produced, were leased, and one-fifth of this total was leased to individuals. By 1970 the percentage of automobile production that was leased had grown to 24 per cent (2.6 million), more than a quarter of which represented leases to individuals. As of 1974, 2.8 million, about 26 per cent of the total number of cars made, were leased, and 36 per cent of this total was leased to individuals. Thus, over almost a decade, the percentage of total automobile production leased to individuals has tripled in size—from less than 3 per cent in 1965 to 9.2 per cent in 1974. Projections from auto makers in Detroit, moreover, estimate that 80 per cent of the growth in leasing through 1980 will be seen in leases to individuals.

The Board's concern with consumer leasing is that presently, except for provisions made in a few State statutes, there is no requirement that a standardized aggregate cost disclosure be given the consumer when he leases goods under a long-term contract. The major purpose of the Truth in Lending Act has been to facilitate meaningful consumer shopping of the credit market by providing standardized disclosures of credit costs. Without comparable disclosures on consumer leasing, it is difficult, if not impossi-

ble, for consumers to shop in the expanding leasing market. Our hope is that the passage of this type of legislation will help consumers not only to compare leasing alternatives but also to compare lease transactions with conventional credit sales.

The need for comparability in disclosure between lease and credit transactions is particularly important because many consumer leasing arrangements now prevalent in the market are essentially the equivalent of credit sales. The terminology of the trade, for example, refers to certain lease agreements as "financing leases." The fact that many of these leases are essentially equivalent to credit sales is not coincidental. For example, both the Comptroller of the Currency as to national banks and the Board in its rules governing bank holding company activities require that leases entered into by these institutions be the functional equivalent of a credit transaction and have thus limited the asset risk that banks and bank-related lessors may take in engaging in leasing operations. These rules, designed to protect the safety and soundness of banks in which the public deposits its funds, have the effect of placing the risk of any unforeseen deterioration or depreciation of the product leased on the lessee. Thus, legislation to protect the consumer by requiring proper disclosure of the consumer lessee's risks becomes all the more important. Otherwise, the lessee may unknowingly undertake nearly all the burdens of ownership, without the benefit of title or adequate cost disclosures.

It is presently not possible as a practical matter to require adequate cost disclosures on leases under the Truth in Lending Act. The Truth in Lending Act brings certain leases within its disclosure requirements through the definition of credit sale contained in Section 103(g). However, these requirements apply only with respect to those leases that contain provisions permitting the lessee to become the owner of the goods leased "for no other or a nominal consideration." The Board might conceivably expand this provision by adopting a broad definition of what constitutes a nominal consideration. However, this would still not accomplish the purpose of assuring that adequate cost disclosures are given in all consumer leases,

such as those in which there is no option to purchase. In addition, we believe that the number of leases with nominal purchase options is quite small.

The focal point of the Board's concern is thus those long-term leases of personal property to be used for personal, family, or household purposes, which typically have a maturity approaching that of a credit-sale agreement, and potentially bind the lessee to the payment of an aggregate sum substantially equivalent to the value of the goods leased. This does not include the short-term convenience leasing such as "rent-a-car" arrangements.

We feel that standardized disclosures, comparable to those set forth under Truth in Lending, should be required for lease advertisements as well as for consumer lease transactions. However, we do not believe that rate disclosures, analagous to the annual percentage rate under the Truth in Lending Act, are practical. The development of lease rate disclosures is impractical, we feel, because of the difficulty of determining what common costs should be isolated in the computation of such rates.

I would now like to comment on two sections of S. 1961 and one section of S. 1900 that we regard as highly important. The first is Section 183, a sectional reference common to both bills, which sets a limitation on a consumer lessee's liability. This section of the two bills addresses the liability that the lease may impose on a consumer lessee at the end of the lease term. It is not uncommon for consumer leases to provide that upon the expiration of the lease the product will have a stipulated depreciated value and will either be purchased by the lessee or sold to an independent party. Under the terms of such an agreement, if the product is sold and brings less than the depreciated value stipulated in the contract, the lessee is liable for the difference; if it brings more, the lessee is entitled to the surplus.

For example, a typical 2-year auto lease on a \$5,400 car might call for 24 \$100 instalment payments and set an end-term depreciated value of \$3,000 on the car. Under such an agreement, the lessee may have no understanding of how much the lease may cost unless he can accurately predict the secondhand market value of

the product. For example, in this case the depreciated value of the car might be \$2,500, which under the lease contract would leave the lessee liable for an additional \$500 "balloon" payment. Thus, if the contract sets an unrealistically high depreciated value on the leased goods, the contingent liability of the lessee will increase accordingly, and the lessor can offer deceptively low monthly rental payments to an unwary public.

Section 183 of S. 1961 sets the lessee's contingent liability as the lesser of twice the average monthly rental payment or 10 per cent of the total rental payments under the lease. The comparable provision in S. 1900 states that the lessee's contingent liability would be limited to three times the monthly rental payment or a larger amount agreed upon by the lessor and lessee. Both bills provide an exception to the limit placed on lessee liability in the case of damage beyond normal wear and tear to the leased product or in the case of lessee delinquency.

The provisions of both bills are designed to assure that the lessee is notified in advance of the extent of his maximum contract liability under the lease. By incorporating a monthly payment factor or a percentage of total payments into the computation of this maximum end-term figure, both bills seek to assure that the lessor will price the rental instalments of the leased goods sufficiently high to cover expected depreciation and thus avoid leaving the consumer lessee with an unduly large balloon payment at the end of the lease term.

The Board supports the purpose of both of these protective features. However, as the Board stated in its 1974 *Annual Report*, it is not committed to any specific liability formula. The 3-month formula of S. 1900 or the 10 per cent alternative in S. 1961 both may be quite adequate. The Board would hope, however, that whatever formula may be chosen will reflect industry experience in accurately setting depreciated values.

Some, but not all, members of the Board have concern over the provision in S. 1900, which allows for the substitution of a larger amount agreed to by the lessee and lessor. Their concern is with the likely disparity in bargaining power

between lessee and lessor and with the possibility that such a larger amount might be offered in a pre-printed form contract on a "take-it or leave-it" basis. They believe, moreover, that some limitation tied to instalment payments is highly desirable because of its ability to assure that the leased product will be fairly priced to cover anticipated depreciation.

The second provision on which I would like to comment is Section 6 of S. 1961. This section places an effective date for this legislation as the first day of the second full calendar month after the date of enactment. As we have mentioned before, we believe the time that the Congress grants to an agency to implement a given statute has a direct bearing on the quality and effectiveness of the agency's regulations. We believe the 2-month period accorded under S. 1961 is far too short to develop well-considered implementing regulations that are fair to the lessee and lessor alike. Time for consultation with both business and consumer groups is needed. Time is also needed to comply with the Administrative Procedure Act, which requires publication of proposed rules for comment. Responding comments must be carefully analyzed, and an effort must be made to educate consumers on the legislation. Finally, if the regulations are to be properly complied with, industry must have some time to study them and to change business procedures. Therefore, the Board would respectfully urge that a minimum of 12 months be provided, as Section 5 of S. 1900 would provide, before this Act is to become effective.

In closing I would like to commend this committee for the action taken in the area of consumer leasing. This new and expanding alternative to credit purchases, we feel, merits careful attention, and we are hopeful that the Congress will provide a statutory basis to assure that the consuming public will have the necessary information to make intelligent shopping decisions in lease transactions. With regard to the Equal Credit Act amendments, the Board supports the purposes of the legislation but believes that further inquiry and analysis are needed to devise the most suitable methods of serving these purposes. We believe the prudent course would be to draw upon the experience

that will be gained after the existing law covering sex and marital status has been in effect for a reasonable time, and to defer extensions

of the coverage of the Act until such experience is available. I will be pleased to respond to any of your questions. □

Statement by Henry C. Wallich, Member, Board of Governors of the Federal Reserve System, before the Subcommittee on International Trade, Investment and Monetary Policy of the Committee on Banking, Currency, and Housing, U.S. House of Representatives, and the Subcommittee on International Economics of the Joint Economic Committee, on "Problems of International Monetary Reform and Exchange-Rate Management," July 21, 1975.

I am pleased to appear before these committees to discuss the five questions posed by Chairman Rees' letter of June 26. In order to be as responsive as possible to the committees' needs, I have organized my remarks today into five sections to correspond with the concerns raised by your chairman.

EVALUATION OF EXPERIENCE WITH FLEXIBLE EXCHANGE RATES

After floating first became general in March 1973, early evaluations of floating exchange rates were marked by considerable relief and satisfaction that international trade continued to expand and that exchange markets functioned well. Both the business community and governments seemed to adapt quickly to the new system. Governments did not then, and on the whole have not since, resorted to administrative controls or competitive depreciation to improve their current account positions at the expense of others. The absence of controls, together with increasing familiarity with techniques available for minimizing risks associated with exchange-rate changes, has considerably reduced initial skepticism toward floating rates expressed by some members of the business community.

Recently, however, increasing criticism of floating rates has been heard. The most prevalent criticism is that exchange-rate fluctuations

have been excessively wide. The fact that many effective exchange rates (a term I will examine more closely in a moment) have returned to about the levels at which they stood in March 1973, or shortly thereafter, seems to suggest that the interim fluctuations were unnecessary. Some observers go further and argue that temporary declines in exchange rates that have occurred have been inflationary in many countries through a ratchet effect on cost-price structures.

Moreover, monetary policies of non-reserve-currency countries have not been as independent under floating rates as some had expected. Monetary policies that generated and were constrained by unwanted flows of financial capital among countries under fixed exchange rates seem to have generated and to have been constrained by unwanted changes in exchange rates under a regime of greater flexibility in exchange rates.

Another aspect of the world monetary system that has attracted attention of late is the fact that it is not a system of freely floating exchange rates. It is a mixed system: some countries peg their currencies to the currency of a major trading partner; some blocs, or groups, of countries maintain stable rates among themselves while floating more freely with respect to the rest of the world; some countries actively manage their float to a greater or lesser extent by intervention in their exchange markets; and a very few countries, among them the United States, float—to the extent that the interventions of others will allow them—with a relatively small amount of intervention.

Recent criticisms of floating exchange rates contribute to our understanding of the current world monetary system and deserve to be weighed carefully. On the other hand, it would be a mistake to allow these criticisms to overshadow the benefits that greater exchange-rate flexibility has yielded. Exchange-rate fluctua-

tions have been large, to be sure, but in good part these fluctuations have reflected the disturbed nature of our times. Since March 1973 we have experienced high and unpredictable rates of inflation, a worldwide recession, and the end of the boom in commodity prices. Massive increases in oil prices have produced large shifts in trade flows, and the problems connected with the recycling of investments of the Organization of Petroleum Exporting Countries (OPEC) to countries in need of financing have created further uncertainties. Finally, considerable uncertainty has prevailed concerning the preferences of OPEC members for various financial assets. Assessments that could be made by market participants of the probable impacts of these factors on individual countries have changed rapidly. These changing assessments have in turn generated large changes in exchange rates. But such shocks to the world economy would have required unusually large and frequent exchange-rate changes under any monetary system and would probably have resulted in some exchange-market crises under a regime of fixed exchange rates. As a practical matter there has been no alternative to greater flexibility in exchange rates, and for some countries there may be none for the foreseeable future.

The problems of the present system have been exaggerated by a tendency of public attention to concentrate on those foreign currencies showing the widest fluctuations vis-a-vis the U.S. dollar. This in part reflects the fact that in some cases an upward trend in a currency has tended to attract increasing activity into the market for that currency as speculative interest in it has mounted. In particular, wide swings in the German mark and in the Swiss franc against the dollar have dominated the news from the exchange markets. But all foreign currencies do not move up and down against the dollar at the same time or at the same rate. And it is misleading to describe the movement in the dollar by concentrating on a particular foreign currency that is currently the center of market attention. The dollar has risen since March 1973 with respect to several major foreign currencies including sterling, the Canadian dollar, lira, and the Japanese yen.

With this in mind, analysts have constructed weighted averages of countries' exchange rates; these calculations are sometimes labeled the "effective exchange rate" of a particular currency. I have provided a brief description of alternative methods of calculating effective exchange rates in the appendix to this testimony.¹ For the U.S. dollar, in contrast to some other currencies, alternative measures of an effective rate yield rather similar results.

TO WHAT EXTENT SHOULD CENTRAL BANKS INTERVENE IN EXCHANGE MARKETS?

Floating has been tempered by official intervention in exchange markets. The old system of fixed rates required intervention to be carried to the point of nearly complete stability. Under floating, intervention has usually been carried less far. But some countries—including Germany, Switzerland, France, Italy, Japan, and the United Kingdom—have intervened on a substantial scale in attempts to modify the exchange value of their currencies. The first two countries have intervened predominantly to moderate the appreciation of their currencies, while intervention by the others has been directed predominantly, but not exclusively, toward supporting their currencies.

Intervention initiated by foreign governments to support their currencies has been financed, as in the past, partly by the accumulation or reduction of reserves. But in some cases recent intervention has been financed by official borrowing of dollars in private credit markets, particularly the Euro-dollar market. In addition, some "intervention" has not directly involved governments at all but has taken the form of officially directed borrowing of foreign currencies by state-controlled firms. These officially directed transactions have the same impact on exchange rates as more traditional forms of exchange-market intervention. To give just one indication of magnitudes, in the first half of 1974 alone exchange-market intervention of all

¹ Available upon request from Publications Services, Division of Administrative Services, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

these types together amounted to nearly \$20 billion.

The great bulk of intervention by foreign countries occurs in dollars. While the intent and principal effect have been with respect to the currency of the intervening country, a significant effect has been exerted thereby upon the dollar. Sales of dollars in support of sterling, the French franc, and the lira tend to raise these currencies relative to the dollar. At the same time, the action tends to depress the dollar with respect to other currencies. Hence, while some dollar intervention has been supportive of the dollar, on balance intervention by central banks financed with reserves or with borrowed dollars has in some degree depressed the dollar.

In contrast to dollar intervention initiated by foreign governments, intervention initiated by the United States since March 1973 has been quite modest and limited in its purpose to maintaining orderly market conditions by smoothing temporary and disruptive fluctuations in exchange markets.

Disorder in exchange markets may take several forms. One such form is a widening spread between bid and offer rates. In times of extreme disturbance, bids and offers may disappear altogether. Rate movements that are relatively discontinuous represent another form of disorder. Some participants in exchange markets engage in frequent in-and-out trading based on very short-term objectives; fluctuations generated by such trading may temporarily swamp more fundamental factors. Various other circumstances may temporarily block a response to fundamentals.

When appraising exchange-market intervention by the United States, it is important to remember the difficulties and constraints that necessarily circumscribe these operations. The total volume of financial assets denominated in U.S. dollars may be on the order of \$5 trillion, including substantial amounts held by foreigners in the United States and in the Euro-dollar market, and a relatively large proportion of these dollar assets is internationally mobile. Hence potential shifts between the dollar and foreign currencies are very large. The potential scale of U.S. intervention, moreover, would be bound to remain modest, given the small size

of U.S. reserve assets, the gross amount of which currently stands at about \$16 billion. The swap facilities utilized by the Federal Reserve to finance exchange-market intervention are designed to be short-term credits and not substitutes for reserve assets. Finally, the United States at times faces a significant technical difficulty because, in order to intervene on any but a modest scale, it would have to intervene in many foreign currencies. Since we are larger than other countries, U.S. intervention in just one foreign currency could substantially distort the exchange rates between that one currency and all other foreign currencies.

Because of the important role that foreign official intervention plays in current exchange-rate arrangements, guidelines for intervention within the existing mixed system of exchange-rate arrangements have been developed by the Committee of Twenty. As adopted in June 1974 by Executive Directors of the International Monetary Fund (IMF), these guidelines are the first step in outlining the rights and responsibilities of countries within the evolving system. The guidelines encourage intervention designed to maintain orderly market conditions by mitigating day-to-day and week-to-week exchange-rate changes. A member may also intervene to moderate movements in exchange rates over longer time periods (month to month or quarter to quarter) where factors recognized to be temporary are at work. The guidelines also allow countries to establish target zones for exchange rates or for the development of their reserves in consultation with the Fund—although, to date, no country has attempted to specify zones for exchange rates or for changes in their reserve positions. These guidelines allow greater scope for intervention than we are willing to utilize.

The guidelines also recognize that members who engage in exchange-market intervention should bear in mind the interests of the issuing countries in whose currencies they intervene. Since most intervention involves dollars, the United States has a legitimate concern in this regard.

Before leaving the subject of intervention in exchange markets, I would like to point out that monetary policies, and in particular central bank

operations in domestic financial markets, have important implications for exchange rates. This is especially true for a currency such as the dollar because U.S. money markets are free of direct controls and because the dollar is widely held by individuals and firms that are sensitive to interest rates on alternative foreign currency assets. However, most countries—and, again, particularly the United States—find it in their interest to give priority to domestic objectives in determining their monetary policies. Hence monetary policies may have unwanted repercussions in exchange markets—an easing of monetary policy, for instance, producing a weakening in the exchange rate, possibly with inflationary consequences. Within limits, exchange-market intervention may be able to cushion such effects.

SHOULD AUTHORIZATION BY THE IMF BE REQUIRED FOR A COUNTRY TO FLOAT?

The constraints that circumscribe intervention operations described in the foregoing discussion apply a fortiori to the extreme case of intervention—that is, attempted maintenance of a fixed rate. Such a fixed rate would be implied if the IMF had the power to deny to a member the right to float its currency, because the alternative to floating is a fixed rate maintained by intervention, or controls, or tight policy coordination, or some combination of these. The right of a country to float without prior authorization by the IMF was one of the principal matters in dispute at the recent meeting of the IMF Interim Committee in Paris.

Exchange-rate stability is preferable to instability. But for reasons already given, it would be difficult for the United States to maintain exchange rates within narrow margins by intervention alone and undesirable to attempt to do so.

Nor does close policy coordination offer a viable alternative as a means of maintaining exchange rates within narrow margins, at least for a large country like the United States. Smaller countries may find it preferable to limit their freedom of domestic policy in order to obtain the benefits of more stable international

economic relations. For a large country with a foreign trade sector that is small relative to its domestic economy, a proper ordering of priorities points in the opposite direction.

Even a commitment to maintenance of exchange rates within narrow margins for a temporary period would have to be carefully safeguarded by an agreed adjustment mechanism. In such a mechanism, surplus and deficit countries would have to share the burden of adjustment, and it would also have to allow for changes in rates, perhaps along the lines of the outline of reform negotiated by the Committee of Twenty of the IMF.

These problems associated with a system of convertible currencies based on fixed rates make it clear that an option to float must be available as part of the Fund's exchange-rate regime. A system under which a country could be denied the right to float, or where some time limit for returning to fixed parities was specified, or where floating countries could be penalized in some form, would not meet the foreseeable needs of the United States.

A floating rate regime, of course, is not a license for uncooperative foreign exchange practices. A country with a floating currency can be a good international citizen and has an obligation to act responsibly and fulfill its international commitments. A commitment to cooperative behavior rather than to a particular form of exchange-rate regime should be at the core of a country's obligations to the IMF.

THE ROLE OF GOLD AS A RESERVE ASSET AND SALES OF GOLD BY THE IMF

As I have indicated, the appropriateness of particular exchange-rate arrangements will depend in theory and in practice on the nature of other aspects of the international monetary system, such as the place of reserve assets in that system. Similarly, the issue of the possible use of the gold now held by the IMF must be examined in the context of the broader issue of the relationship between gold and other reserve assets in the international monetary system.

As you know, the United States wants to

ensure that the role of gold in the international monetary system is gradually reduced. International rules of behavior should be structured to help achieve this objective. These might include:

1. A prohibition on any arrangements that would have the effect of fixing a price, or a price range, for gold.

2. A global limitation on the holdings of gold by governments and the IMF taken together; no government would be allowed to purchase gold from the private market if such a purchase would push total holdings above the global limit.

3. Prohibition of gold transactions among monetary authorities, except in special circumstances such as an emergency need for a country to mobilize its gold holdings; gold would not be used, directly or indirectly, as a means of settling payments imbalances except in such special circumstances.

4. Continuation of the right of individual countries to sell gold to the private market.

Rules governing the use of gold in transactions with and directly by the IMF are also needed, such as that gold should no longer be accepted by the Fund either for quota payments or for any other purpose and that the Fund should be granted the same authority that each member government now has to sell gold from its present stock in the private market. The proceeds from such gold sales by the IMF should be used for internationally agreed upon purposes. Mobilization of a portion of the IMF's gold through sales in the private market could add to the resources available to assist those countries most seriously affected by the rise in oil prices; such sales would also help to ensure that the stock of monetary gold is gradually reduced.

Sales of the IMF's gold on the private market should not be designed to fix the market price of gold. Such sales, together with an effective global limit on the stock of officially held gold, would make it more difficult for individual governments, if they were so inclined, to fix the market price of gold. The announcement of a program of sales of IMF gold on the private market could depress the price of gold if the announcement took the public by surprise. But

once the market adjusted to the prospect of increased supplies from this source, the actual sales should not have a particularly pronounced effect on the market price. Moreover, such sales by the IMF are likely to be small and gradual.

The danger of manipulation of the gold price as a consequence of IMF sales of gold is further reduced by more general considerations. An attempt by any country or group of countries to fix an official price of gold would encounter severe difficulties owing to the existence of a free market for gold. An official price could not long deviate from the free price because monetary authorities would not wish to sell at prices below the free price and would not wish to buy above it. Maintaining equality between a fixed official price and the free price would require at least one monetary authority to stand ready to buy or sell unlimited quantities of gold. Such an arrangement was attempted under the so-called Gold Pool arrangements in the 1960's and proved unworkable.

The establishment of rules of conduct for individual governments and for the IMF along the lines I have indicated is consistent with the objective of gradually reducing the role of gold in the international monetary system. Yet a gradual approach to this problem is clearly essential because gold is an important asset in the international reserves of a few countries. It is unrealistic to think that this asset can be eliminated from the international monetary system overnight. Instead, its role should be gradually, effectively, and equitably reduced.

THE ROLE OF THE DOLLAR AS A RESERVE CURRENCY AND THE "DOLLAR OVERHANG"

I turn now to the question of the role of reserve currencies, and particularly the role of the U.S. dollar, in the international monetary system. In analyzing this subject, and particularly in considering the so-called dollar overhang, it is necessary to keep in mind the multiple roles of the dollar in the international monetary system: the dollar is both the world's most widely used intervention currency and its principal reserve currency; the dollar is used by firms and individuals in many countries both to denominate

and to execute their transactions; and, finally, dollar-denominated assets and liabilities are both widely held and issued by firms and individuals around the world.

Traditionally, the term dollar overhang has been applied to the holdings of dollars by foreign monetary authorities that are thought to be in excess of their desired holdings. Leaving aside the accumulations of dollar-denominated assets by the oil-exporting countries, which are more properly viewed as investments and not as reserves, the bulk of the dollar balances now held by foreign monetary authorities was accumulated before the widespread adoption of floating exchange rates in March 1973. In defense of their exchange parities, several countries accumulated massive amounts of dollar reserves in 1970-71 and in early 1973. There is no way of knowing whether or not all of these balances are now "willingly" held, but on the basis of the following factors there is reason to believe that for the most part they are.

First, since March 1973, under a regime of floating exchange rates, the accumulation of dollars by foreign authorities is no longer an obligation but rather an option. Some countries may on occasion intervene to hold down their exchange rate and so accumulate dollars and expand their money supply rather than see their currencies appreciate. Even if one were to regard these dollars as "unwanted" although they were acquired by choice, the inflows may be quite unrelated to the U.S. balance of payments. Intervention may be engaged in by the European Economic Community (EEC) members, for example, for the purposes of keeping "snake" currencies within their agreed-upon margins. Alternatively, a country may be faced with the choice of intervening in dollars or letting its exchange rate appreciate or depreciate as a result of the attempted movement of OPEC funds.

Second, the recent uncertainties and balance of payments difficulties associated with the rise in petroleum prices have put a premium on the holding of reserves. This development strengthens the presumption that current official holdings of dollars are willingly held.

Third, as indicated earlier, countries have frequently borrowed dollars on the international capital markets and have used these dollars in

order to intervene in the exchange markets instead of reducing their actual holdings of dollars. This is indicative of a desire to preserve existing levels of reserves.

Fourth, some countries that have very large dollar accumulations received these in part through an inflow of liquid capital. These funds could depart some day and therefore may make desirable the maintenance of somewhat larger reserves.

It tends to be misleading, therefore, in the present environment to view official dollar holdings as an overhang. The possibility exists, of course, that countries now holding dollars willingly may change their minds. In any event, even to the extent that observers do speak of an overhang, the United States cannot necessarily be held responsible for it.

The concept of the so-called dollar overhang has sometimes been extended to include private holdings of dollar-denominated assets, particularly those taking the form of Euro-currency claims. In my view, such an extension of the concept of the dollar overhang lacks economic meaning. At any moment in time these private claims are willingly held. For the most part, they represent the liquid assets of enterprises and investors that are required for the normal conduct of their operations.

It is true, of course, that the private demand for dollar-denominated assets, as against assets in other currencies, is subject to change. If countries desired to offset the pressures on exchange rates that result from such shifts in asset demands, they would have to buy or sell dollars in the exchange markets. Official purchases of dollars under such circumstances could conceivably be interpreted as additions to the potential dollar overhang in the more traditional sense of the term. In the present environment, however, situations in which market pressures lead countries to sell dollars are as likely to occur as situations in which countries are led to purchase dollars. Countries are not obliged to do either.

The use of the dollar as a reserve currency, which is the corollary of the concern about an overhang, has associated costs and benefits from the U.S. perspective. The main advantage for the United States has been the greater flexibility

of balance of payments financing that this country has experienced because it could issue liabilities in settlement of a deficit. This presumed advantage, of course, is greatly reduced under a regime of floating exchange rates. On the other hand, the use of the dollar as a reserve currency has diminished our freedom to pursue an active exchange-rate policy. As I have noted above, foreign intervention decisions have a strong influence on the exchange value of the dollar, sometimes in ways detrimental to U.S. objectives.

I believe that on balance the use of the dollar as a reserve currency has made an important contribution to the smooth functioning of the world economy during its recent, severe difficulties. For the longer term, however, the role to be played by the dollar and other reserve currencies in the international monetary system is an important, open question. A consolidation of dollar reserves into Special Drawing Rights

(SDR's) has been suggested. A consolidation of dollar reserves may well be involved in the eventual establishment of the SDR at the center of the international monetary system. But such proposals raise questions regarding terms—interest rates, exchange guarantees, amortization provisions—that were discussed during the Committee of Twenty negotiations. The answers to these questions are, of course, crucial to the interests of the United States.

I would not want to prejudge the issue of consolidation. It may well be that as the international monetary system evolves, the case may gain in persuasiveness. We are fortunate to have been able to observe the operation of the international monetary system in the past 2 years without being forced by events into hasty arrangements that might not have stood the test of time. The task for the future is to analyze thoroughly and build on the experience we have accumulated. □

Statement by Robert C. Holland, Member, Board of Governors of the Federal Reserve System, before the Subcommittee on Financial Institutions of the Committee on Banking, Housing, and Urban Affairs, U.S. Senate, July 22, 1975.

I am pleased to appear before this subcommittee, on behalf of the Board of Governors of the Federal Reserve System, to discuss the Board's reasons for recommending the enactment of legislation embodied in S. 890.

The financial experiences of the last 2 years have raised many significant issues with regard to the regulation and supervision of the Nation's banking institutions.

One very important area that we at the Federal Reserve are giving increased attention is the development of more expeditious means of dealing with problem banks. The Federal Reserve System is strengthening its program covering banks under its jurisdiction to place increased emphasis on the identification, surveillance, and timely resolution of current and po-

tential problem bank cases. This action has had first priority among our broad sweep of studies addressing key problem areas in banking supervision and regulation. It is humanly impossible—and even undesirable—for supervisors to prevent all bank problems; but it is practical to aspire, as we do, to recognizing problems early and moving promptly to try to remedy them.

There remains, however, a gap in the range of feasible remedial actions that could be undertaken if preventive measures should somehow not succeed in forestalling a bank failure. In that eventuality, the best solution of the problem in most cases is for the troubled bank to be taken over by another bank. Bank mergers, where permitted by State branching laws, can sometimes serve this purpose effectively. The alternative of bank holding company acquisition of a failing bank, however, even where permitted by State laws, is substantially inhibited by two Federal statutory constraints. One enforces certain time delays in the approval and consummation of all bank holding company acquisitions. The second effectively prevents any

holding company acquisition of banks across State lines.

In our view, either or both of those limitations can interfere with actions needed to protect the public interest in some cases. Accordingly, the Board has placed two separate statutory recommendations before the Congress, both of which are now embodied in S. 890.

The first recommendation essentially involves procedural amendments to the Bank Holding Company Act that are designed to permit the immediate or expeditious consummation of a transaction under the Bank Holding Company Act in certain problem bank and bank holding company situations. The amendments are intended to parallel existing provisions in the Bank Merger Act. The second recommendation would amend the Bank Holding Company Act to grant the Board authority to approve an acquisition of a bank across State lines by a bank holding company when the Board determines that a large bank or bank holding company controlling a large bank is in severe financial difficulty and the public interest would best be served if the bank involved was acquired by an out-of-State holding company. I will discuss each of these recommendations in turn, referring to the current law, the main reason therefor, the key arguments for changing the law at this time, and the Board's reasons for recommending the specific amendments proposed in S. 890.

Certain time schedules for the provision of notice and hearing¹ were enacted as part of the original Bank Holding Company Act of 1956, as a compromise between giving bank chartering authorities an absolute right to deny a holding company application to acquire a bank and

giving such authorities only an informal consulting role vis-a-vis the Board's final decision in the case.

The Board in Section 1(1) of S. 890 has recommended, first, that the regular 30-day notice period be shortened to 10 days if the Board advises the supervisory authority that an emergency exists requiring expeditious action. Secondly, Section 1(1) as proposed would give the Board the authority to waive notice and hearing requirements entirely if the Board finds that it must act immediately on an application to prevent the probable failure of a bank or bank holding company involved in the proposed transaction. Both of these suggested amendments parallel provisions subsequently enacted in the Bank Merger Act—provisions that have worked well in the nearly 50 instances in which they have been used over the past 10 years.

In the Board's judgment, the present requirement for 30-day notice to the relevant bank supervisor might work against the public interest in the context of a problem bank holding company situation where immediate or expeditious action is called for. From a practical standpoint, the primary supervisory authority in such a situation would be actively involved in the process of screening potential acquirers and would also be desirous of having an acquisition quickly consummated. Similarly, the protracted hearing requirements in the case of recommended disapprovals by the supervisory authority are ill-suited to a failing bank or bank holding company situation where the public interest demands that decisions be made quickly on the basis of available evidence.

There is an additional statutory delay to be dealt with. Under existing law, the Board must immediately notify the Attorney General of any approval of a proposed bank acquisition, merger, or consolidation transaction under Section 3 of the Bank Holding Company Act, and such transaction may not be consummated before the 30th calendar day after the date of approval by the Board.

This requirement was added to the Bank Holding Company Act in 1966 in order to conform with the standard consummation procedures being established in the Bank Merger Act. The purpose of the provision was to elimi-

¹ Under existing law, the Board, before approving an application for the acquisition of voting shares or assets of a bank under Section 3 of the Bank Holding Company Act must: (1) give notice to the Comptroller of the Currency if the applicant or bank involved is a national or district bank or to the appropriate State supervisory authority if the applicant or bank involved is a State bank; (2) allow 30 days within which the views and recommendations of the Comptroller of the Currency or the State supervisory authority, as the case may be, may be submitted; and (3) if the supervisory authority so notified files a written disapproval of the application within the 30-day period, provide a hearing on the application and base its decision on the record of that hearing.

nate conflicts between the Board's decisions under the Bank Holding Company Act and the Attorney General's enforcement of the antitrust laws, which might otherwise require the unwinding of a transaction after that transaction had been approved under the Bank Holding Company Act.

However, the Bank Merger Act provides for an exception to this delay in problem cases while the Bank Holding Company Act does not. The Board is recommending that, in cases involving problem banks or bank holding companies, the consummation procedures of the Bank Holding Company Act be fully conformed to those in the Bank Merger Act.

Accordingly, it is proposed that, when the Board has advised a supervisory authority of an emergency requiring expeditious action, consummation be permitted five calendar days after the date of approval. In cases where the Board has found that it must act immediately to prevent the probable failure of a bank or bank holding company, it is recommended that immediate consummation be permitted. In the Board's judgment, there appears to be no public policy reason for not having parallel consummation procedures for bank mergers and bank holding company acquisitions in problem bank situations because the same reasons exist for not waiting 30 days for the Attorney General's competitive judgment in both cases. As a practical matter, the Federal banking agencies in such situations have regularly followed the practice of informally consulting with the Attorney General in advance in any case large enough to raise substantial competitive questions.

The existing statutory delay provisions in the Bank Holding Company Act have effectively eliminated bank holding companies from bidding in emergency situations because a bank in severe financial difficulty may not be able to survive the 30-day consummation delay. These provisions have thus unnecessarily limited the number of potential acquirers of a problem bank. This can increase the anticompetitive risks in such acquisitions by often limiting the pool of potential acquirers to banks already in direct competition with the problem bank, for example, in the case of Franklin National Bank,

other New York City banks. The holding company can be a procompetitive form of bank expansion, and its use should not be effectively foreclosed in infrequent problem bank situations because of delay requirements not similarly imposed in bank mergers. Waiver of the usual delay provisions undoubtedly would be warranted in only a small number of cases, and in those cases the waiver should produce net public benefits.

Another—and more sensitive—constraint on bank holding company acquisitions is geographical in nature. Under the Bank Holding Company Act, the Board may not approve any further acquisition of a bank by a bank holding company across State lines.² This provision was made part of the original Bank Holding Company Act of 1956 in order to halt the further expansion of several large multi-State bank holding companies then in existence. It was based in large part on the concern of the Congress that, unless this trend were halted, widespread and frequent acquisitions by major bank holding companies could eventually lead to an undue concentration of banking resources in the United States. In particular, it was thought that, absent this provision, holding companies would be used to avoid the multi-State branching provisions of the McFadden Act, and thus it was also intended to preserve the rights of the States in this area.³

²The precise words of Section 3 (d) provide that the Board may not approve any application under Section 3 of the Bank Holding Company Act: "... which will permit any bank holding company or any subsidiary thereof to acquire, directly or indirectly, any voting shares of, interest in, or all or substantially all of the assets of an additional bank located outside of the State in which the operations of such bank holding company's banking subsidiaries were principally conducted. . . ."

³Under the terms of this provision, a bank holding company can only acquire a bank outside of its principal State if the State in which such bank is located takes action to specifically permit such acquisition. If a State took such action, the Board would still have to decide the application under the statutory standards of the Bank Holding Company Act. At the time of this Act's passage in 1956, no State granted such permission. Except for Iowa, which has enacted a law giving a single grandfathered multi-State bank holding company permission to acquire additional banks in that State, and Maine, which recently enacted a law that would allow acquisition of a Maine bank by an out-of-State bank holding company if a Maine bank holding company is given reciprocal

The Board is of the opinion that Section 3 (d) could, in the case of a large problem bank or a problem bank holding company controlling a large bank, operate in contravention of both national and local interests. The limitation to in-State bidders may, in the case of a large problem bank, severely limit the number of potential acquirers and result in an increased concentration of banking resources within a State—contrary to the intent of the Congress in passing the Bank Holding Company Act. In most of our States, the number of locally owned banks big and strong enough to absorb a large problem bank are very few. The only smaller banks strong enough to undertake such a venture may be those affiliated with powerful commercial or financial interests domiciled either in this country or abroad.

The problem created by the constraints imposed by Section 3(d) has been sharpened as banks, particularly large banks, have moved increasingly from asset to liability management. This shift in emphasis has led many larger institutions to search far afield for money market funds. While this has often been of considerable benefit to the customers and communities they have served—particularly in those areas where widespread branching is not permitted and local deposit generation is thereby limited—liability management has increased banks' exposure to the risks created by any substantial net outflow of such nonlocal and often volatile funds.

When adverse news triggers enough outflows of funds to significantly weaken a bank, it may become necessary in the public interest to fold it into a larger and stronger institution. As you know, this occurred in New York and California where big in-State banks were available to acquire the problem banks involved. Had institutions of the size of Franklin National or of the United States National Bank of San Diego failed in many other States, however, no banks in those States would have been large enough to acquire them. In such circumstances, the need to be able to arrange acquisitions across State boundaries would become very real.

rights in that holding company's State, the situation remains essentially unchanged with no other States granting such permission.

The Board therefore recommends several amendments to the Bank Holding Company Act designed to permit out-of-State acquisitions in certain emergency and failing bank situations involving a large bank or bank holding company controlling a large bank. Under Section 1(3) of S. 890 as proposed, the Board would have the authority to make exceptions to the multi-State prohibitions of Section 3(d) whenever the Board finds that an emergency requiring expeditious action exists with respect to a bank or bank holding company, or that it must act immediately in order to prevent the probable failure of a bank or bank holding company. The proposed authority would be limited, however, to cases involving a bank having assets in excess of \$500 million or a bank holding company controlling a bank having assets in excess of \$500 million. There are three basic reasons for limiting this authority to the case of a large bank or bank holding company controlling a large bank: first, the failure of such an institution can have damaging effects in both national and international markets and on the national economy; secondly, there may be few, if any, prospective acquirers of such an institution within any State; and thirdly, the most likely in-State acquirers are likely to be institutions of comparable or greater size, which might often pose problems under the antitrust laws and threaten an increased concentration of banking resources within the State.

The Board chose a \$500 million asset cutoff figure because it would cover major money center and regional banks, whose failure might have an adverse effect on regional, national, or even international financial markets, yet would not be so extensive an exception as to create a potentially significant loophole to the multi-State prohibitions of the Act. Also, in cases involving smaller problem banks, local acquisitions where appropriate can be more readily arranged by the Federal Deposit Insurance Corporation and State authorities than can transfers of the liabilities and assets of large institutions.

The choice of any cutoff figure involves various public policy considerations by the Congress. The Board stands ready to supply the subcommittee with additional data on this issue if that would be helpful. On the basis of data

prepared by the Board's staff, a \$500 million cutoff would cover not only the large money center and regional banks but also, in most cases, the largest bank in any State.⁴ From our analysis of cases in which emergency or failing bank procedures have been used under the Bank Merger Act, it appears that only three banks acquired under emergency approval procedures have had assets in excess of \$500 million (Security National Bank of Long Island, Franklin National Bank of New York, and United States National Bank of San Diego). Thus, the Board anticipates that this provision would be applicable only in *rare* cases where there may be significant effects upon the national and international economy.

Under Section 1(3) of S. 890 the Board could use this authority to approve a multi-State acquisition only when it finds, in weighing the statutory competitive and other factors, that the public interest would best be served if the bank or banks involved were acquired by an out-of-State bank holding company. The Board thus anticipates that this authority would rarely be used and only in cases presenting very special circumstances, such as those involving Franklin National Bank. In our view, these relatively rare situations would not contravene the central purpose of the multi-State prohibition of the Bank Holding Company Act, which was directed at preventing large concentrations of financial resources through frequent multi-State acquisitions of banking institutions.

The Board is sensitive to the fact that the prohibition on multi-State branching was designed to prevent the evolution of a few large banking institutions. While there would be only a very limited number of instances in which the Board would consider making exceptions to Section 3(d), the amending language could be narrowed even more than was originally suggested. A strict limit could be placed on the number of acquisitions any single bank holding company would be allowed to make under such an exception. This limit should be more than

one, in order not to encourage potential bidders to wait until an ideal acquisition opportunity was presented, but it could be less than five, in order to forestall excessive expansions of financial power. In our view, this kind of limit would serve to preclude any possibility of undue concentration of economic resources being created through exceptions to Section 3(d).⁵

The Board hopes, of course, that no significant bank will so misbehave that it becomes threatened with failure. It would be imprudent, however, not to be prepared to deal with that

⁵ As a corollary to its recommended amendment of Section 3(d), the Board has felt it necessary to also recommend an amendment in Section 2 of S. 890 overriding certain provisions of State law in situations involving a problem bank or bank holding company where expeditious or immediate action is required.

Section 7 of the Bank Holding Company Act reserves to the States their rights to exercise such powers and jurisdiction that they now or in the future may have with respect to banks, bank holding companies, and subsidiaries thereof. In problem bank or bank holding company situations, the normal circumstances that may have led a State to enact a statute prohibiting the formation of bank holding companies within its borders or otherwise restricting the entry of out-of-State bank holding companies do not apply and therefore such provisions should not be controlling when the Board has approved such application under the immediate or expeditious action provisions recommended in S. 890. In such cases, the national interest argues that Federal law be supreme. In practical terms, even though a State may favor an acquisition by an out-of-State holding company approved by the Board under its immediate or expeditious action provisions as an alternative to failure, it would probably be impossible either for the State legislature to enact in time any necessary amendments to its laws or for a State court to interpret the terms of an unclear statute. The delays involved in trying to pursue either of the above courses of action could be crucial. Section 2 of S. 890 would solve these problems by providing that in any case where the Board has approved an application under the immediate or expeditious action provisions of S. 890, the holding company may acquire and operate the bank involved as a subsidiary notwithstanding Section 7 or any provision of State law that would otherwise prevent the acquisition or restrict the operations of that holding company.

Section 2, however, leaves intact State restrictions on multibank holding companies, so that an out-of-State bank holding company that acquired a bank with the Board's approval under the immediate or expeditious action provisions could not gain a competitive advantage over an in-State holding company by acquiring a second bank under those provisions. The McFadden Act restrictions on multi-State branching would not be affected by Section 2 of S. 890, as such restrictions are a matter of Federal law.

⁴ From the Board's figures as of Dec. 31, 1974, this asset cutoff would appear to include some 210 commercial banks across the country, including the largest bank in 39 States and the District of Columbia and the two largest banks in 35 States and the District of Columbia.

eventuality. As a matter of good contingency planning, the Board recommends prompt enactment of S. 890. It will serve the public interest both by facilitating the speedy and efficient

resolution of problem bank and bank holding company cases we may encounter and by increasing the likelihood of more competitive acquisitions in such situations. □

Statement by Arthur F. Burns, Chairman, Board of Governors of the Federal Reserve System, before the Committee on Banking, Housing, and Urban Affairs, U.S. House of Representatives, July 24, 1975.

I welcome this opportunity to discuss the condition of the national economy and to convey the Federal Reserve's views on monetary policy.

The performance of our economy during the past 2 years has been disappointing. We have suffered the most damaging peacetime inflation in our Nation's history, a critical shortage of energy supplies, and the deepest decline in business activity since the end of World War II. Similar problems have plagued practically every industrial country in the world.

The recession of 1974-75 in our country will, I believe, be viewed by economic historians as the culminating phase of a long cycle in economic activity that began in 1961. During the industrial phase of the long upswing—from 1961 through 1964—productivity grew rapidly, prices remained quite stable, and real wages and profits kept advancing. During the next 10 years—from 1965 through 1974—the strength of the American economy was gradually undermined. A succession of interrelated, partly overlapping, waves of speculation occurred—first in merging business enterprises and organizing conglomerates, next in the stock market, then in the real estate market, and finally in the markets for industrial materials and other commodities. During this long speculative phase, productivity languished and expansion in the physical volume of output decelerated, while the pace of inflation kept quickening—mainly, but by no means entirely—in response to the lax financial practices of the Federal Government. Bad harvests, extraordinary increases in the

price of oil, another devaluation of the dollar, and the coincidence of booming business around the world played their part in the inflationary process during 1973 and 1974.

As a result of these myriad developments, seeds of recession were sown across the economy. Inflation led to a burgeoning of credit demands, both public and private, and interest rates soared to unprecedented heights. Rising consumer prices eroded the purchasing power of workers' incomes and savings. The sharp rise in the price of oil caused a diversion of purchasing power to foreign suppliers. Corporate profits diminished—a fact that businessmen were slow to recognize because of accounting techniques that failed to take account of inflation. Construction of new dwellings and office buildings proceeded on a scale that greatly exceeded underlying demand. And inventories of commodities piled up, often at a very rapid pace, as businessmen reacted to fears of shortages and of accelerating price increases.

By the spring of 1973, signs of faltering in the pace of economic expansion had already emerged. Homebuilding began to turn down and so too did sales of mobile homes, new autos, and other big-ticket consumer items. A declining trend in the physical volume of other goods purchased by consumers soon followed. These developments, however, were largely overlooked by a business community caught up in the euphoria created by inflation. New orders flowing to manufacturers continued to rise, order backlogs generally increased, and stockpiles of materials and other commodities mounted. By the summer of 1974, the physical volume of business inventories was already higher in relation to sales than at any time since the Korean war. The stage was thus set for a significant economic adjustment.

The recession that ensued has cut deeply into

the Nation's economic life. Between September 1974 and May 1975, industrial output fell by 12½ per cent. Total employment dropped by 2½ million from its peak in October 1974 to a low in March of this year. And the rate of unemployment rose from less than 5 per cent in late 1973 to perhaps 9 per cent at the present time.

In view of the serious economic imbalances caused by inflation, the recession has been performing a painful, but unavoidable, function. Corrective forces have been released and they have helped lay the basis for a renewal of sound economic expansion.

Thus, business competition is now much keener than it was a year or two ago. Business managers are also devoting more attention to cost control and improvements in efficiency. Prices of industrial raw materials have fallen substantially. Price increases at later stages of processing have also become less extensive. The rise of the general price level has therefore slowed—from an annual rate of about 12 to 14 per cent late last year—to about half that rate recently. Increases of wage rates, moreover, have moderated, although they still are much higher than the long-run rate of improvement in productivity. Meanwhile, stock prices—a significant indicator of the state of confidence—have risen substantially.

The slowdown in the pace of inflation and the revived stock market have bolstered the confidence of the general public. Early this year, as price concessions on autos and other items became common, consumer purchases—especially of durable goods—began to pick up. In fact, consumer expenditures during the first quarter rose in real terms as well as in dollars. This strengthening continued in the second quarter, as spendable incomes of consumers were augmented—first by tax rebate checks, later by extra social security checks. With consumer buying expanding and production declining, the efforts of business firms to work down their excess stocks have been remarkably successful. Inventories of most consumer goods now seem to be in rather good balance with sales.

Significant progress has also been made in improving the financial position of business firms. Corporations have issued exceptionally

large amounts of longer-term securities this year, and they have used much of the proceeds to repay short-term debt or to acquire liquid assets. The liquidity position of consumers has likewise been strengthened; instalment debts to banks and other lenders have been paid down, and many millions of individuals have added substantially to their savings deposits and other liquid assets.

Financial institutions, too, have improved their financial condition. Commercial banks have taken advantage of the reduced demand for business and consumer loans to repay their borrowings from Federal Reserve Banks, to reduce their reliance on volatile sources of funds, and to rebuild liquid assets. In their turn, savings and loan associations and mutual savings banks reduced their indebtedness and enlarged their holdings of Treasury securities and other liquid assets, thus laying the basis for a renewed expansion of mortgage lending in recent months.

These self-corrective forces have been aided powerfully by fiscal and monetary policies that sought to cushion the effects of economic adversity, moderate recessionary forces, and provide some stimulus to economic recovery. I need not dwell on the fiscal measures that have been adopted to combat recessionary forces; these measures have already been widely discussed. Let me note merely that I believe the Congress acted wisely in providing only a temporary fiscal stimulus through the Tax Reduction Act of 1975. The confidence of our citizens in the Nation's economic future has been bolstered by evidence that responsible members of both the executive and legislative branches of our Government are seeking ways to stimulate recovery without releasing a new wave of inflation.

This principle has also guided monetary policy. Last summer, as signs of weakening in economic activity multiplied, the Federal Reserve began taking steps to increase the availability of money and credit. Open market operations were oriented toward a more liberal provision of reserves to the banking system; later, these actions were reinforced by several reductions in the discount rate and in reserve requirements.

During the fall and winter months the demand for credit by businesses and consumers weakened on account of the recession, and commercial banks used the more abundant supply of reserves to repay their indebtedness to the Federal Reserve. Growth in M_1 , that is, currency plus demand deposits, was therefore slow to reflect the easing of monetary policy. We at the Federal Reserve were concerned about this development, but we refused to run the risk of releasing fresh inflationary forces and rekindling inflationary expectations. In any event, broader monetary aggregates displayed a more vigorous response to our easing actions. For example, flows of individual savings into commercial banks and thrift institutions began to pick up in the fourth quarter of 1974, and by the first quarter of this year these deposits were expanding at a seasonally adjusted annual rate of more than 13 per cent. In fact, recent rates of growth of the monetary aggregates have been generally higher than during comparable periods of earlier postwar recessions.

The efforts of the Federal Reserve to ease credit conditions, together with the weakening of private credit demands, resulted in a sharp decline of short-term rates of interest. The Federal funds rate—that is, the interest rate banks pay when borrowing reserves from one another—fell from a high of $13\frac{1}{2}$ per cent last summer to about $5\frac{1}{4}$ per cent in early June. The commercial paper rate declined from more than 12 per cent last July to a low of about $5\frac{1}{2}$ per cent. And the prime rate of interest on bank loans to businesses fell from 12 per cent to a low of 7 per cent.

In the markets for long-term securities interest rates also declined, although much less than short-term rates. Of course, long-term rates typically fluctuate within a narrower range than short-term rates; but in the present instance, other powerful factors have also been at work. Fears of inflation are still widespread, and long-term interest rates therefore still contain a sizable inflation premium. Moreover, corporations have issued an enormous volume of bonds in the first half of this year; State and local governments have borrowed large sums in the capital markets; and troublesome uncertainties have been created by the financial problems of some

borrowers in the municipal bond market. Also, the huge financing demands of the Treasury have been a disturbing element in the money and capital markets.

Despite these problems conditions in financial markets have greatly improved over the past 6–9 months, and a financial basis has been established for an upturn in business activity.

Signs have multiplied in recent weeks that the economy is moving through a turning zone from recession to recovery. As already noted, retail sales have been gaining strength progressively since early this year. The appreciable pick-up in new auto sales over the past several months is continuing. Sales of new houses started rising early this year, and as the backlog of unsold units declined building permits and new housing starts also began to move up.

With excess inventories at retail, at wholesale, and at manufacturing firms being worked off and the curve of consumer sales still rising, businessmen have become more optimistic about the future. New orders for durable goods—an important leading indicator of industrial activity—have of late been rising again. Moreover, industrial production, after having declined for eight consecutive months, registered its first advance in June.

In the labor market, too, there are numerous signs of improvement. The range of nonfarm industries adding to the number on their payrolls has been widening steadily, from a low of 17 per cent in February to about 50 per cent in May and June; total employment has increased by 600,000 over the past 3 months; the average factory workweek has lengthened; and, of late, initial claims for unemployment insurance have dropped sharply.

We may be reasonably confident, therefore, that a recovery in business activity will develop soon if it is not already under way. How strong the recovery will be no one can foresee with any assurance. There are ample amounts of idle labor and capital resources to permit rapid growth over the next several quarters. Past cyclical experience suggests, moreover, that a steep decline in business activity such as we have experienced is usually followed by a brisk recovery.

A central objective of Federal Reserve policy

at the present time is to contribute to a substantial expansion in output and employment. The vigor of economic recovery, however, will depend less on the rate of expansion in money and credit than on the confidence of the public—in particular, the willingness of businesses and consumers to put the enormous volume of existing money balances to work.

The turnover of money, or its velocity, varies widely in the course of a business cycle. During the first year of earlier postwar recoveries, the velocity of M_1 —that is, the ratio of the dollar value of the gross national product to the narrowly defined money supply—has usually risen about 5 or 6 per cent, compared with a rate of increase in M_1 of around 3 or 4 per cent. As confidence in the economy improves in the months ahead, the velocity of money—which declined during the past several quarters—will probably increase significantly. This factor is frequently neglected by economists and others, but we at the Federal Reserve cannot afford to do so.

In conducting monetary policy, we will also have to remain mindful of the urgency of dealing with the longer-run problem of inflation as well as with the current problem of unemployment. Economic recovery is apparently beginning at a time when the rate of inflation, while lower than a year ago, is still well above a tolerable pace. Our objective as a Nation should be to achieve further moderation in the advance of the general price level over the months ahead, and we shall therefore need to avoid actions that threaten an acceleration of inflation later on—a development that would create even more intractable economic problems than we have yet encountered. I was glad to see the Senate Committee on Banking, Housing, and Urban Affairs recognize this basic truth in its recent report on monetary policy, which states unequivocally that “if inflation is rekindled, any recovery will be short-lived and will end in another recession, one almost certain to be more virulent than the present one.”

In testifying before that committee on May 1 of this year, I indicated that the course of monetary policy cannot be understood adequately by focusing on any single measure of money balances. Some observers believe that

the Federal Reserve should devote almost exclusive attention to the behavior of M_1 —that is, currency plus demand deposits. We in the Federal Reserve do not take so narrow a view of our responsibilities.

The public's demand for currency, for checking deposits, for savings deposits, and for a host of other liquid assets is constantly changing. Financial technology in our country has developed rapidly in the past 20 to 30 years. As a rule, consumer and business firms no longer hold all, or even most, of their spendable funds in the form of currency or demand deposits. More and more corporate treasurers have learned how to get along with a minimum of deposits in their checking accounts. Consumers, too, have learned to keep an increasing part of their transactions and precautionary balances in the form of savings deposits at commercial banks, or deposits in savings and loan associations, or certificates of deposit, or Treasury bills, or shares in money market funds, or other income-earning liquid instruments. These trends are likely to continue. Use of so-called negotiable order of withdrawal (NOW) accounts and other interest-bearing deposits for transactions purposes is growing, and electronic funds transfer systems may well revolutionize the payments mechanism and the forms in which money is held. In this day and age no single concept of money conveys adequately the spendable funds held by the public.

Viewed in isolation, the behavior of the narrowly defined money supply, M_1 , can actually be a misleading guide to the degree of monetary ease or restraint. For example, in periods of declining economic activity, both the transactions demand for cash and the private demand for credit will tend to weaken and thus slow the growth of M_1 . But during such periods market rates of interest usually decline and thereby stimulate faster rates of growth of consumer-type deposits at commercial banks and other financial institutions.

During periods of economic expansion, the behavior of M_1 may again be misleading. At such times large demands for credit and money are likely to strengthen the growth of M_1 , but open market interest rates will tend to rise and thereby curtail the flow of individual savings to

banks and thrift institutions. A monetary policy formulated on the basis of M_1 alone would ignore the pressures of disintermediation that develop in periods of economic expansion and thus threaten serious damage to the mortgage market and to the homebuilding industry.

To avoid errors of this kind, the Federal Reserve takes into account the behavior of numerous monetary and credit aggregates in conducting monetary policy. Among these is M_2 , which includes—besides currency and demand deposits—consumer-type time deposits at commercial banks; M_3 , a still broader composite, which includes also the deposits at savings banks, savings and loan associations, and credit unions; M_4 , which starts with M_2 and adds large certificates of deposit issued by commercial banks; M_5 , which is more comprehensive than any of the preceding aggregates because it includes the currency holdings of the public plus all deposits at all financial institutions; and also the credit proxy, which indicates the funds that member banks have available for lending.

Besides following these and still other aggregates, we pay careful attention to the condition of financial markets—that is, to movements in interest rates, lending terms, the liquidity needs of businesses and financial institutions, and other variables, including the foreign exchange value of the dollar. All of these must be given some weight in the conduct of monetary policy.

On May 1 of this year, I informed the Senate Banking Committee that the Federal Reserve was seeking a moderate rate of expansion in the monetary and credit aggregates, and that the course we are pursuing will promote an increase in M_1 of between 5 and 7½ per cent over the 12 months ending in March 1976. It was expected that the related growth rates of other major aggregates would be somewhat higher—with M_2 increasing in a range of 8½ to 10½ per cent; M_3 , in a 10-12 per cent range; and the credit proxy, in a range of 6½ to 9½ per cent.

Economic prospects now are not materially different than the Federal Reserve anticipated 2 or 3 months ago, and we therefore as yet see no reason to alter the general course of monetary policy. Accordingly, the Federal Open Market Committee has reaffirmed its intent to seek the

growth ranges announced earlier. In view of the erratic movements to which monthly figures on money balances are subject, the projected growth ranges for the several aggregates now cover the 12-month span from the second quarter of 1975 to the second quarter of 1976. In the future, we will generally express our projected growth range of each monetary aggregate from a quarterly base because a 3-month average is less subject to erratic movements than is a single-month base.

We have recently experienced some extreme short-run fluctuations in the growth rate of money balances. Such movements may give rise to confusion regarding the course of monetary policy. It may be helpful, therefore, to comment on the huge bulge in the rate of growth of the monetary aggregates during May and June.

This bulge was a direct result of the tax bill passed earlier this year by the Congress. The tax rebate checks and supplemental social security payments disbursed by the Treasury were temporarily added to the public's holdings of currency, demand deposits, and savings accounts. Thus, M_1 grew at an average annual rate of more than 14.5 per cent during the months of May and June, and M_2 increased at a rate of about 16 per cent. But by late June and early July, as individuals disposed of their additional funds, the explosion of the monetary aggregates subsided.

The May-June bulge in the monetary aggregates did not come as a surprise, but it was larger than we had expected—and very much larger than we desired. It must be clearly understood that the Federal Reserve has no intention of permitting rates of increase as high as those in the second quarter to continue. The special Treasury disbursements have come to an end; and the Federal Reserve has already set in motion forces that should, in the near future, return the growth of the monetary aggregates to the moderate path desired. True, these recent actions have left their mark on short-term market rates of interest. But we have succeeded in avoiding during the past 2 to 3 months the severe and damaging effects on credit markets that would have occurred if we had pursued a rigid money supply objective such as some economists keep urging on us.

As recent experience indicates, short-run variations in the stock of money may not at all reflect the intent or the underlying course of Federal Reserve policy. My colleagues and I have frequently noted that short-run movements of the monetary stock have little significance, and it is good to have the opportunity to state once again that far more attention is given to these short-run fluctuations than is warranted. Actually, our studies indicate that large deviations in the growth of money from a long-run path may occur for half a year or even longer and still have a negligible effect on the workings of the real economy. We must learn to recognize that monthly fluctuations such as those in the rate of growth of the money stock, however defined, are characteristic of almost any series in which monthly changes are small relative to the level of the series.

In view of considerations such as these, the Federal Reserve focuses its attention principally on an appropriate growth of money balances over periods running from 6 months to a year. Unfortunately, our ability to control this longer-run rate of monetary expansion is less precise than it should or could be. Deficiencies in existing statistical data are part of the problem. Steps have been taken by the Federal Reserve to speed the collection of data and to improve its quality. We have also been exploring, with the cooperation of the FDIC, methods to obtain better estimates of money balances held at nonmember banks. The information now available regarding demand deposits at nonmember banks is entirely inadequate and at times has misled the Federal Reserve and the public as to the actual course of monetary expansion.

Our control over the Nation's money stock would be imprecise, however, even with the best of statistical information. The Federal Reserve's influence over the money stock is indirect. The principal means we use to regulate the growth of money and credit is to buy or sell government securities in the open market. These transactions are taken at our initiative and in such dollar amounts as we deem appropriate. The size of the Federal Reserve's portfolio of securities is thus under our control. The response of the money stock to an open market

purchase or sale, however, is determined by decisions of commercial banks and of the public at large—decisions over which we have no control.

For example, a purchase of securities by the Federal Reserve would lead to little or no increase in the reserves of member banks if there were an equivalent rise in the public's holdings of currency, or if member banks used the additional funds to repay indebtedness to their Federal Reserve Banks. Alternatively, member banks might choose to add to their excess reserves instead of employing the newly acquired funds for lending or investing. In that event, there would be no multiplier effect of reserve expansion on deposit creation.

The choices made by the public as to the form in which newly created deposits are held and the type of commercial bank in which the funds are deposited also influence the response of the money stock, particularly M_1 or M_2 , to a reserve injection. The response of the narrowly defined money supply would be larger if the public increased its holdings of demand deposits at smaller member banks because reserve requirements at these banks are lower than those at the larger member banks. And, of course, the freedom of the public to choose between demand and time deposits can alter materially the amount of aggregate deposits that can be supported by a given volume of reserves.

Part of the imprecision in monetary control also arises from the fact that a sizable fraction of money balances is held at banks that are not subject to the reserve requirements set by the Federal Reserve. Once the Congress sees fit to adopt the legislation on uniform reserve requirements that we have been seeking for several years, the Federal Reserve's control over the monetary aggregates will be improved and financial institutions offering similar deposit services will at the same time be treated more equitably.

In closing, let me remind this distinguished committee that the growth ranges for the monetary aggregates that we have projected for the next year may need to be adjusted one way or another. Clearly, the growth rates presently sought by the Federal Reserve, while appropriate in the present environment of high unem-

ployment and unused industrial capacity, could not be maintained indefinitely without rekindling inflationary forces. As the economy returns to higher rates of resource utilization, it will be necessary to reduce the rate of monetary and credit expansion so that the basis for a lasting prosperity is laid.

We must not lose sight of the fact that the principal cause of the current recession is an inflation that got out of control. Our Nation has paid a heavy price during the past year for neglect of this serious problem. All of us in

Government must work to promote a good recovery in economic activity; but all of us must also take great care lest the hard-won gains of the past year are nullified by a new round of inflation. The rise of the consumer price level in June at an annual rate of more than 9 per cent is a warning that the menace of inflation is still very much with us. The task now facing our country, therefore, is not only to hasten the process of economic recovery but also to unwind the inflation and thus lay the basis for a lasting prosperity. □

Statement by Arthur F. Burns, Chairman, Board of Governors of the Federal Reserve System, before the Joint Economic Committee, July 29, 1975.

I am pleased to meet once again with this distinguished committee to present the views of the Board of Governors on the condition of the national economy.

The performance of our economy during the past 2 years has been disappointing. We have suffered the most damaging peacetime inflation in our Nation's history, a critical shortage of energy supplies, and the deepest decline in business activity since the end of World War II.

Signs of faltering in the pace of economic expansion had already emerged in the spring of 1973. Homebuilding began to turn down, and so too did sales of mobile homes, new autos, and other big-ticket consumer items. A declining trend in the physical volume of other goods purchased by consumers soon followed.

In the winter of 1973-74 the Arab embargo on oil exports caused some interruption of economic activities. A related and perhaps more ominous development was a quickening of the rate of inflation. The steep rise in oil prices diverted purchasing power to foreign suppliers. Rising prices of consumer goods and services eroded the purchasing power of workers' incomes and savings and resulted in a further weakening of retail sales. Inflation also led to

a burgeoning of credit demands, both public and private, and interest rates soared.

These developments, however, were largely overlooked by a business community caught up in the euphoria created by inflation. New orders flowing to manufacturers continued to rise, order backlogs generally increased, and stockpiles of materials and other commodities mounted. By the summer of 1974 the physical volume of business inventories was already higher in relation to sales than at any time since the Korean war, but inventories still kept climbing. The stage was thus set for a significant economic adjustment.

Business activity began to decline sharply in the autumn of last year. Between September 1974 and May 1975 industrial output fell by 12.5 per cent. As a result, a substantial part of the Nation's industrial plant became idle; total employment dropped by 2.5 million from its peak in October 1974 to a low in March of this year; the length of the average workweek declined; the rate of unemployment rose from under 5 per cent in late 1973 to perhaps 9 per cent at the present time; and business profits slumped.

The recession has cut deeply into the Nation's economic life, but it has at the same time been performing an unavoidable function. Because of the neglect of inflation over the previous decade, our national economy was in serious trouble a year ago. Inflation was raging. Industrial commodity prices in wholesale markets were rising at an annual rate of over 25 per cent. Interest

rates were at record highs. Not a few financial and industrial firms were encountering difficulties in rolling over their commercial paper or in raising funds through other channels. Cancellations or postponements of corporate bond and stock offerings were announced almost daily. Stock prices plummeted. Fears spread that real estate investment trusts, public utilities, other business enterprises, and even banks might be unable to weather the gathering financial storm. And many millions of American workers, investors, and businessmen became deeply concerned about their own and the Nation's economic future.

We have by no means found a satisfactory solution to all the economic and financial problems that troubled us a year ago. Confidence, however, is reviving as a result of the corrective forces that have been at work in recent months.

Thus, business competition is now much keener than it was a year or two ago. Business managers are also devoting more attention to cost control and improvements in efficiency. Prices of industrial raw materials have fallen substantially. Price increases at later stages of processing have also become less extensive. The rise of the general price level has therefore slowed—from an annual rate of about 12 to 14 per cent late last year to about half that rate recently. Increases of wage rates, moreover, have moderated, although they are still much higher than the long-run rate of increase in productivity.

As industrial activity declined in our country, the need to import industrial materials and other goods diminished. Our merchandise exports, on the other hand, continued to reflect the improvement of our competitive position in world markets during the past 2 or 3 years. The foreign trade balance of the United States therefore moved from a sizable deficit in the first half of 1974 to a substantial surplus this year. This development helped to cushion the decline in domestic economic activity, and it also contributed to the strengthening of the dollar in foreign exchange markets since last March. The dollar, I am glad to say, is re-establishing itself as the strongest currency in the world.

In financial markets the marked improvement in sentiment over the past year has been re-

flected in a recovery of stock and bond prices. Interest rates on short-term securities declined very sharply. The Federal funds rate—that is, the interest rate banks pay when borrowing reserves from one another—fell from a high of 13½ per cent last summer to about 5¼ per cent in early June. The commercial paper rate declined from over 12 per cent last July to a low of about 5½ per cent. And the prime rate of interest on bank loans to businesses fell from 12 per cent to a low of 7 per cent.

Interest rates on long-term securities declined much less than short-term rates. Long-term rates typically fluctuate within a narrower range than short-term rates; but in the present instance other powerful factors have also been at work. Fears of inflation are still widespread among both lenders and borrowers, and long-term interest rates therefore still contain a sizable inflation premium.

As the condition of our money and capital markets improved, so also did the financial position of business firms. Corporations have issued exceptionally large amounts of longer-term securities this year, and they have used much of the proceeds to repay short-term debt or to acquire liquid assets. The liquidity position of consumers has likewise been strengthened; instalment debts to banks and other lenders have been paid down, and many millions of individuals have added substantially to their savings deposits and other liquid assets.

Financial intermediaries, too, have improved their condition. Commercial banks have taken advantage of the reduced demand for business and consumer loans to repay their borrowings from Federal Reserve Banks, to reduce reliance on volatile sources of funds, and to rebuild liquid assets. In their turn, savings and loan associations and mutual savings banks have reduced their indebtedness and enlarged their holdings of Treasury securities and other liquid assets, thus laying the basis for the renewed expansion of mortgage lending during recent months.

The beneficial effects of easier conditions in financial markets and of the moderation of inflation began to appear in markets for goods and services while recessionary forces were still spreading. For example, new mortgage loan

commitments of savings and loan associations began to turn up in November of last year. By January sales of new single-family homes were also rising. The backlog of unsold units therefore declined, and residential building began to recover.

In consumer markets price concessions on autos and other items became common early this year, and retail sales—especially of durable goods—expanded. In fact, consumer expenditures during the first quarter rose in real terms as well as in dollars. This upward trend continued in the second quarter as spendable incomes of consumers were augmented—first by tax rebate checks, later by extra social security checks.

With consumer purchases expanding and production declining, the efforts of business firms to work down their excess stocks have been remarkably successful. In the second quarter of this year, inventory liquidation reached an annual rate of around \$35 billion—or about 2½ per cent of the dollar value of the gross national product. This is the largest decline of inventories relative to the GNP in any quarter of the entire postwar period. The rate of production in the second quarter was thus unusually low relative to final sales. With the level of inventories in most consumer lines now in rather good balance with sales, the base has been laid for a recovery in aggregate economic activity.

Correction of the economic and financial imbalances of a year ago has resulted, in large part, from the internal workings of the business cycle. These self-corrective forces have been aided powerfully, however, by fiscal and monetary policies that sought to cushion the effects of economic adversity, moderate recessionary forces, and provide some stimulus to economic recovery. I need not dwell on the fiscal measures that have been adopted to combat recessionary forces; these measures have already been widely discussed. Let me note merely that I believe the Congress acted wisely in providing only a temporary fiscal stimulus through the Tax Reduction Act of 1975. The confidence of our citizens in the Nation's economic future has been bolstered by evidence that responsible members of both the executive and legislative

branches of our Government are seeking ways to stimulate recovery without releasing a new wave of inflation.

This principle has also guided monetary policy. Last summer, as signs of weakening in economic activity multiplied, the Federal Reserve began taking steps to increase the availability of money and credit. Open market operations were oriented toward a more liberal provision of reserves to the banking system; later, these actions were reinforced by several reductions in the discount rate and in reserve requirements.

During the fall and winter months the demand for credit by businesses and consumers weakened on account of the recession, and commercial banks used the more abundant supply of reserves to repay their indebtedness to the Federal Reserve. Growth in M_1 —that is, currency plus demand deposits—was therefore slow to reflect the easing of monetary policy. We at the Federal Reserve were concerned about this development, but we refused to run the risk of releasing fresh inflationary forces and rekindling inflationary expectations. In any event, broader monetary aggregates displayed a more vigorous response to our easing actions. For example, flows of individual savings into commercial banks and thrift institutions began to pick up in the fourth quarter of 1974; and by the first quarter of this year, these deposits were expanding at a seasonally adjusted annual rate of more than 13 per cent.

Federal Reserve actions to increase the availability of reserves take some time to work their way through the economic system. As a consequence, some of the effects of easier Federal Reserve policies during a recession may not register in M_1 , the narrowly defined money stock, until the demand for transactions balances begins to strengthen. That may well have been a factor in the huge bulge of the money supply during May and June of this year. However, a large part of this bulge was also the direct result of the tax bill passed earlier this year by the Congress. The tax rebate checks and supplemental social security payments disbursed by the Treasury were temporarily added to the public's holdings of currency, demand deposits, and savings accounts. Thus, M_1 grew at an

average annual rate of 14½ per cent during the months of May and June, and M_2 —which includes consumer-type time deposits at commercial banks, besides currency and demand deposits—increased at a rate of about 16 per cent. By late June and early July, as individuals disposed of their additional funds, the explosion of the monetary aggregates subsided.

Over the past three quarters as a whole—that is, during the period of steeply declining business activity—the additions to money and credit supplies have been on the generous side for an economy that is continuing to suffer from inflation. In fact, the growth rates of the monetary aggregates during this recession have been appreciably higher than during comparable periods of earlier postwar recessions. The narrowly defined money stock, M_1 , increased at an annual rate of about 5 per cent from the third quarter of 1974 to the second quarter of this year. Increases in broader measures of money balances were considerably larger over this period. For example, M_3 —which includes all consumer-type time deposits at depository institutions, in addition to currency and checking accounts—rose at an annual rate of 9 per cent over the three quarters. As these facts indicate, Federal Reserve policy contributed materially to establishing the financial basis for an upturn in business activity.

In recent weeks signs have multiplied that the economy is moving through a turning zone from recession to recovery. Improved markets for consumer goods have been leading the way, with retail sales gaining strength progressively since early this year. The appreciable pick-up in new auto sales over the past several months is continuing and so is the uptrend in sales of residential real estate. Sales of new houses in May were 50 per cent above their trough of last December, and the backlog of unsold units is down to 8 months' supply at recent sales rates.

With excess inventories at retail, wholesale, and manufacturing firms being worked off and the curve of consumer sales still rising, businessmen have become more optimistic about the future. New orders for durable goods—an important leading indicator of industrial activity—have risen in each of the past 3 months. Moreover, industrial production, after having de-

clined in eight consecutive months, registered its first advance in June.

In the labor market, too, there are numerous signs of improvement. The range of nonfarm industries adding to their payrolls has been widening steadily, from a low of 17 per cent in February to about 50 per cent in May and June; total employment has increased by 600,000 over the past 3 months; the average factory workweek has lengthened; and of late, initial claims for unemployment insurance have dropped substantially.

We may be reasonably confident, therefore, that a recovery in business activity will develop soon if it is not already under way. Inventory liquidation in some lines—particularly among producers of capital equipment—seems likely to continue for a time, and an upturn in business fixed investment may lag behind the expansion in general economic activity. In many sectors, however, the need to rebuild stocks in response to improving sales will add a strong upward thrust to industrial production and to employment in the months ahead. As uncertainties about jobs and earned incomes abate, consumer spending will advance further. A significant rise in residential building activity may also be expected because the underlying improvement in the condition of real estate markets has just begun to register in rising new home construction.

The outlook for our foreign trade balance, while less clear, also appears to be favorable. To be sure, recent trade surpluses reflect in part the impact of the decline in domestic activity on our imports—especially of fuels and industrial supplies. A revival of economic activity here will tend to boost these imports; but once foreign economies begin to recover, which seems likely before the year comes to an end, our exports of industrial materials will also pick up. Exports of machinery have been maintained at a high level this year despite the weakness of foreign economies; these exports may be expected to do well over the next year. And in view of unsatisfactory harvests abroad, our exports of grain will be large—perhaps even embarrassingly large.

Recovery from the recession of 1974–75 thus seems likely to be broadly based. How strong

the recovery will be, no one can foresee with any assurance. The amounts of idle labor and capital resources are certainly sufficient to permit rapid growth over the next several quarters. Past cyclical experience suggests, moreover, that a steep decline in business activity such as we have experienced is usually followed by a brisk recovery.

We must recognize, however, that our economy is confronted with some troublesome problems to which public policy must attend if full employment is to be regained. Energy prices are extraordinarily high, and they may well rise further. Shortages of energy supplies and other industrial materials could become a serious impediment to the expansion of production and jobs in a year or two. Our financial markets, meanwhile, will have to absorb a huge volume of Treasury securities this fiscal year—at a time when private credit demands will be expanding to finance larger economic activity. To make matters worse, inflation is still adding its own dimension to pressures in financial markets.

The vigor of economic expansion in the year ahead, and even more over the next few years, will depend heavily on the ability of our Government to find ways to cope with these difficulties. Let me therefore turn to the implications of these problems for public policy.

As far as the Federal Reserve is concerned, the only responsible policy is to pursue a moderate course of monetary and credit expansion, such as I described before the House Committee on Banking, Currency, and Housing a few days ago.

The relation over time between money balances and the physical volume of economic activity is rather loose because so much depends on the attitudes of businessmen and consumers as well as on other governmental policies that are pursued simultaneously. But with M_1 growing in a range of 5 to 7½ per cent, and more comprehensive measures of money expanding substantially faster than this, it should be entirely possible to finance a recovery of normal cyclical dimensions over the next year. History teaches that the turnover of money—that is, the willingness of people to use their existing money balances—tends to rise much faster in the recovery stage of the business cycle than

does the monetary stock itself. This basic fact about the business cycle must never be overlooked in judging the reasonableness of monetary growth rates.

I might add that materially higher or lower monetary aggregates than the Federal Reserve has projected for the coming year would involve serious risks. If, for example, the expansion of M_1 were held down to 3 or 4 per cent, short-term interest rates might rise rapidly and impede economic recovery. On the other hand, if a growth rate of 8 or 10 per cent were sought, inflationary expectations would be intensified and larger increases in prices and costs would be encouraged. In these circumstances, long-term interest rates would tend to rise because investors would insist on getting, and borrowers would be willing to pay, a higher inflation premium. It is highly important to bear in mind the longer-run effects of the policy alternatives now available to the Federal Reserve. More rapid monetary growth would indeed tend to hold down short-term interest rates and thus impart some immediate stimulus to economic activity. But long-term interest rates would soon rise and perhaps frustrate any reasonable prospect of recovery in housing or business capital investment.

As I noted earlier, the growth of monetary aggregates in recent months has been well above the longer-run rates of expansion that we have been seeking. The Federal Reserve has no intention of permitting rates of increase as high as those in the second quarter to continue. The special Treasury disbursements have come to an end; and we have already set in motion forces that should, in the near future, return the growth of the monetary aggregates to the moderate path desired. These recent actions have left their mark, if only temporarily, on short-term market rates of interest. But if that had not occurred, the business and financial community, which nowadays is highly sensitive to monetary growth rates, might well have concluded that the Federal Reserve is releasing a new wave of inflation. Any such interpretation by market participants could have had damaging effects on economic prospects at this stage of the business cycle.

As I believe this committee recognizes, the

growth ranges for the monetary aggregates that we have projected for the next 12 months may need to be adjusted one way or another. Clearly, the growth rates presently sought by the Federal Reserve, while appropriate in the present environment of high unemployment and unused industrial capacity, could not be maintained indefinitely without giving up the fight against inflation. As the economy returns to higher rates of resource utilization, it will be necessary to reduce the rate of monetary and credit expansion in order that the basis for a lasting prosperity is laid.

Timely steps may also be needed to reduce the degree of fiscal stimulation as economic recovery proceeds. The gigantic budget deficits for fiscal 1975 and 1976—coming on top of the persistent Federal deficits of the past decade—are a major source of the inflationary expectations that are holding up long-term interest rates. When anticipations of inflation are as pervasive as they are today, the only effective device available to the Federal Reserve for holding down long-term interest rates is to pursue a moderate monetary policy. But fiscal policy can also be very helpful in this regard. The American people are awaiting further evidence that their Government will restore the fiscal discipline needed to cope with inflation. The Board of Governors therefore urges this influential committee to use its good offices to press for moderation in fiscal affairs during this and the next fiscal year.

Our country is confronted today with a serious dilemma in its search for ways to move the economy toward full employment. Highly expansionary monetary and fiscal policies might, for a short time, provide some additional thrust to economic activity. But, later on, the rate of inflation would accelerate sharply—a development that would create even more difficult economic problems than we have yet encountered. The Senate Committee on Banking, Housing, and Urban Affairs has recognized this basic truth. Its recent report on monetary policy states unequivocally that “if inflation is rekindled, any recovery will be short-lived and will end in another recession, one almost certain to be more virulent than the present one.”

In the current economic and financial envi-

ronment, conventional thinking about a stabilization policy is insufficient. We need to reopen our economic minds and actively seek ways of achieving reasonably full employment without resorting to ever larger monetary and fiscal stimuli.

A part of our recent problem of continuing inflation amidst widespread unemployment stems from a failure to attend sufficiently to modernization and improvement of our Nation's industrial plant. Our country has been devoting relatively less of its economic resources to business capital expenditures than any other major industrial nation in the world. The result has been a diminishing rate of increase in productivity, the emergence in 1973 and 1974 of severe shortages of critically needed industrial materials and supplies, and continuing upward pressure on costs and prices. Renewed scarcities of major materials—such as steel, industrial chemicals, and plastics—could impede the projected economic recovery unless action is taken soon to step up the rate at which modern facilities are expanded in these industries.

The inadequate rate of investment among American enterprises reflects to a large degree the fact that business profits over the last decade have fallen short of the amounts needed to finance a good rate of growth of effective industrial capacity. Last year the after-tax domestic profits of nonfinancial corporations—excluding inventory gains—were actually smaller than they were 8 or 10 years ago when the dollar volume of the output of these corporations was about half what it is today.

The slump of profits, besides its adverse effect on investment, has led to increasing dependence of business corporations on borrowed funds. The amount of debt owed by corporations relative to their equity position has risen sharply for more than a decade, and many businesses therefore no longer have the resiliency they once had to resist economic and financial adversity. There is a clear need in our country not only for larger business capital investment but also for larger reliance on equity funds in financing capital expenditures.

These objectives may be promoted by an overhaul of the structure of Federal taxation. Value-added taxes are widely used in Western

Europe, and it may be instructive to re-examine the merits of such a tax for our country. There are, of course, numerous other possibilities. For example, dividends on preferred stock might be made tax deductible, as the President has recommended, or taxation of dividends that are reinvested in new shares—at the option of the shareholder—might be deferred. These and other ways of integrating business and personal taxes deserve thorough study by the Congress.

Another area that needs immediate action is our national energy policy. Uncertainties created by the delay in adopting legislation on the oil-pricing problem are becoming a serious obstacle to private economic planning and may increasingly impede the recovery as time goes on. In formulating a national energy program it is of course necessary to give attention to sources of energy besides oil. Shortages of natural gas are likely to curtail production in some States this winter, and this problem will become more acute in later years if current policies for controlling the price of natural gas are not modified. And let us not overlook the importance of expanding the rate of construction in the electric utility industry. The President's Labor-Management Committee has developed a series of recommendations to accomplish this objective that I hope the Congress will weigh carefully.

Among these recommendations is a suggestion that environmental restrictions be stretched out to facilitate the expansion of electric-generating capacity. Of course, the impact of environmental regulations on the economic activities of our Nation goes well beyond the electric utility industry. A good deal of industrial construction across our land is being held up by environmental regulations and litigation. A significant part of business capital outlays, moreover, is now being channeled into equipment for the abatement of pollution rather than for expanding industrial capacity. For example, in 1974 producers of iron and steel, nonferrous metals, and paper devoted more than 20 per cent of their capital budgets to pollution control. Regulations with respect to the environment and safety have also been a major factor running up auto prices in recent years and thus putting a damper on auto sales and production.

We at the Federal Reserve are concerned, as are all thoughtful citizens, with the need to protect the environment and to improve in other ways the quality of life. We are also concerned, however, about the vigor of economic recovery and the dampening effect of environmental regulations on business activity. Here, too, a middle ground is needed.

Governmental practices and programs affecting labor markets also have to be reviewed in any serious search for noninflationary measures to reduce unemployment. For example, the Federal minimum wage law is still pricing many teenagers out of the job market. At times programs for unemployment compensation provide benefits on such a generous scale that they may be blunting incentives to work. Even in today's environment, with perhaps 9 per cent of the labor force unemployed, there are numerous job vacancies—perhaps because job seekers are unaware of the opportunities, or because the skills of the unemployed are not suitable, or for other reasons. It is hard to believe that better results could not be achieved with more effective job banks, more realistic training programs, and other labor market policies.

Indeed, many structural reforms will prove necessary to enhance the prospects for expanded employment, while at the same time reducing the pressures on costs and prices. We need to gather the courage to reassess our laws directed against restraint of trade by business firms, to reassess the enforcement of these laws, also the monopoly of first-class mail by the Post Office, the various restrictions on entry into the professions, the effects of the Davis-Bacon Act on construction wages and employment, the intricacies of governmental regulation of transportation, the role of trade unions in the public sector, the effects on consumer prices of the remaining fair trade laws, and other legislation or practices that impede the competitive process. Nor would I rule out the possibility that some form of incomes policy, going beyond the legislation governing the Council on Wage and Price Stability but continuing to rely mainly on voluntary compliance, may yet be of some benefit in moving our Nation towards the goals of full employment and a stable price level.

What I have tried to suggest in these brief

comments on structural policies is that we can make better progress in moving toward our national goals by reducing the burden being carried by monetary and fiscal policies. The well-meaning citizens who now keep urging stronger monetary and fiscal stimuli seem to overlook the fact that excessive reliance on such policies brought on an accelerating inflation during the past decade. They overlook the fact that the current recession was caused basically by an inflation that got out of control. And they also overlook the fact that a large part of the effort that our Nation has directed during the past decade or longer to improving the lot of poor people—through increases in social security benefits, welfare programs, and other

means—has been nullified by the cumulative force of inflation.

Our Nation has paid a heavy price during the past year for tolerating inflation and allowing it to get out of control. All of us in Government must now work to promote a good recovery in jobs and production; but all of us must also take great care lest the hard-won gains of the past year be destroyed by a new round of inflation. The rise of the consumer price level in June at an annual rate of more than 9 per cent is a warning that the menace of inflation is still very much with us. The task facing our country, therefore, is not only to hasten the process of economic recovery but also to unwind the inflation and lay the basis for a lasting prosperity. □

Record of Policy Actions of the Federal Open Market Committee

MEETING HELD ON JUNE 16–17, 1975¹

1. Domestic Policy Directive

The information reviewed at this meeting suggested that real output of goods and services—which had fallen sharply during the two preceding quarters—had leveled off in the second quarter of 1975 and that the rise in prices had moderated further. Staff projections continued to suggest that real economic activity would expand in the second half of the year and that the rise in prices would continue to slow somewhat further.

In May retail sales increased strongly, most likely in response to the disbursement of a large volume of rebates on Federal income tax liabilities for 1974 and to a reduction in current income tax withholdings. Industrial production declined slightly further, as producers and distributors in many industries continued their efforts to liquidate inventories; total business inventories had declined appreciably in both March and April. Nonfarm payroll employment increased in May, after having changed little in April, and total employment advanced for the second consecutive month. Nevertheless, the unemployment rate rose further, from 8.9 to 9.2 per cent, as the civilian labor force continued to grow at a rapid pace.

The index of average hourly earnings for private nonfarm production workers rebounded in May, after having declined slightly in April, but over the first 5 months of the year the rate of advance in the index was considerably less rapid than the rate during the second half of 1974. Average wholesale prices of industrial commodities rose slightly in May—by about as much as over the preceding 2 months—while prices of farm and food products increased moderately further. In April the rise in the consumer price index had picked up, but the average rise over the first 4 months of the year had remained well below the pace during 1974.

Staff projections for the second half of 1975 suggested moderate

¹This meeting was held over a 2-day period, beginning on the afternoon of June 16.

recovery in real output and substantial gains in nominal GNP. It was anticipated that the recovery would be spurred by rapid growth in consumption expenditures in response to the expansive income tax measures; by increases in residential construction; and by a considerable slowing in the rate of business inventory liquidation. On the other hand, it was anticipated that business fixed investment would decline somewhat further in real terms and that, as a result of the recovery in business activity in this country, imports would rise at a faster pace than exports.

Since mid-May the average exchange value of the dollar against leading foreign currencies had changed little in relatively light trading. In April the U.S. foreign trade balance remained in surplus; however, the surplus was well below the first-quarter rate, reflecting a substantially lower rate of exports. Banks' liabilities to foreigners rose more than claims in April, resulting in a small net inflow of funds compared with a large net outflow in the first quarter of the year.

Total loans and investments at U.S. commercial banks continued to expand at a slow pace during May. Outstanding loans to business declined markedly further—as did the outstanding volume of commercial paper issued by nonfinancial businesses—in association with inventory liquidation and a continued large volume of corporate financing in the capital market. As in the preceding 3 months, banks added substantially to their holdings of U.S. Government securities.

Growth in deposits was exceptionally strong at banks and at nonbank thrift institutions in May, reflecting in part the large volume of income tax rebates disbursed during the month, and M_1 , M_2 , and M_3 all increased substantially. Banks continued to reduce the outstanding volume of large-denomination CD's in response to the growth in other deposits and to the continued weakness in loan demand, and the bank credit proxy increased by only a small amount.

Interest rates in private short-term markets had changed little over the period since mid-May. Market rates on Treasury bills also changed little in the latter part of May, but they declined in early June, partly in response to the seasonal reduction in the supply of bills in prospect for the second half of the month. At the time of this meeting the market rate on 3-month Treasury bills was 4.88

per cent, compared with 5.11 per cent on the day before the May meeting.

Yields on longer-term securities changed little in late May—despite a continued heavy volume of corporate financing—and then declined considerably in early June, in part because the prospective size of Treasury financing through July was not so large as had been expected. Public offerings of corporate bonds expanded to a near-record volume in May, in part because of the marketing of some issues that had been postponed, and a continued large volume was in prospect for June. Offerings of State and local government issues in May and the calendar for June also were heavy. Yields on home mortgages eased in May, after having risen somewhat in April.

System open market operations since the May 20 meeting had been guided by the Committee's decision to seek to maintain about the prevailing money market conditions over the period immediately ahead, provided that monetary aggregates generally appeared to be growing at rates within acceptable ranges of tolerance. The Federal funds rate, which had been about $5\frac{1}{8}$ per cent in the days before the May meeting, remained within a range of 5 to $5\frac{1}{4}$ per cent. In the second week of June, just a few days before this meeting, available data suggested that over the May–June period both M_1 and M_2 would grow at rates well above the specified ranges of tolerance. Consequently, the System sought some tightening of bank reserve and money market conditions, and the Federal funds rate rose into a range of $5\frac{1}{4}$ to $5\frac{1}{2}$ per cent.

At this meeting the Committee reviewed the 12-month ranges for rates of growth in the monetary and credit aggregates on the average over the period from March 1975 to March 1976 that it had specified 2 months earlier at the April meeting. The members agreed that it would be consistent with the Committee's broad economic objectives if growth within the same percentage ranges were to be realized on the average over the 12-month period to June 1976 from the currently estimated levels for June 1975.² The ranges were as follows: M_1 , 5 to $7\frac{1}{2}$ per cent; M_2 , $8\frac{1}{2}$ to $10\frac{1}{2}$

²At its meeting on July 15 the Committee decided that the percentage ranges should apply to the period from the second quarter of 1975 to the second quarter of 1976, rather than from June to June.

per cent; M_3 , 10 to 12 per cent; and the bank credit proxy, $6\frac{1}{2}$ to $9\frac{1}{2}$ per cent. As before, it was understood that these ranges, as well as the particular list of aggregates for which such ranges were specified, were subject to review and modification at subsequent meetings. It also was understood that from month to month the rates of growth of the various aggregates might well fall outside ranges contemplated for annual periods as a result of short-run factors.

In considering current policy, the Committee took note of a staff analysis suggesting that in the months ahead strong expansion in transactions demands for money was likely if the substantial gains projected in nominal GNP materialized. If monetary growth was to be appropriately constrained, it appeared probable that some tightening of bank reserve and money market conditions would need to develop over the weeks immediately ahead.

The staff analysis also suggested that, even with some tightening in bank reserve and money market conditions, the monetary aggregates would grow at relatively rapid rates in the June–July period, in large part because of the temporary effects of income tax rebates and, in the second half of June, of one-time payments to social security recipients. It was anticipated, however, that private short-term credit demands would remain weak, as business firms continued to liquidate inventories and to issue longer-term securities in large volume.

In the course of the Committee's discussion a number of members expressed uncertainty about the extent to which rapid growth in the monetary aggregates was attributable to transitory rather than to fundamental forces affecting the demand for money. No members advocated aggressive operations at this time to tighten bank reserve and money market conditions, and there was some sentiment for continuing about the prevailing money market conditions in the period until the next meeting on the grounds that additional data might indicate that growth in the monetary aggregates was in the process of subsiding. However, some members favored a modest tightening in the period immediately ahead in order to restrain growth in the monetary aggregates, and others were prepared to accept some tightening if it proved to be necessary for that purpose.

At the conclusion of the discussion, the Committee decided that growth in M_1 and M_2 over the June–July period at annual rates

within ranges of tolerance of $6\frac{1}{2}$ to $9\frac{1}{2}$ per cent and 9 to 12 per cent, respectively, would be acceptable. The members concluded that such growth rates would be likely to involve growth in reserves available to support private nonbank deposits (RPD's) within a range of 5 to 8 per cent. They agreed that in the period until the next meeting the weekly average Federal funds rate might be expected to vary in an orderly fashion within a range of 5 to 6 per cent, if necessary, in the course of seeking monetary growth rates within the ranges specified. The members also agreed that, in the conduct of operations, account should be taken of developments in domestic and international financial markets.

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

The information reviewed at this meeting suggests that real output of goods and services—after having fallen sharply for two quarters—has leveled off in the current quarter. In May retail sales strengthened considerably. Industrial production declined slightly further, but total employment advanced for the second consecutive month. The unemployment rate increased again, from 8.9 to 9.2 per cent, as the civilian labor force rose substantially further. The rise in average wholesale prices of industrial commodities continued to be slow; prices of farm and food products increased moderately further. The advance in average wage rates so far this year has been considerably less rapid than the increase during the second half of 1974.

The foreign exchange value of the dollar has changed little since mid-May. The U.S. foreign trade balance continued in substantial surplus in April, but at a rate much reduced from the first quarter. After large net outflows in the first quarter, there was a small net inflow of funds through banks in April, as liabilities to foreigners rose more than claims.

Growth in M_1 , M_2 , and M_3 was substantial in May, reflecting in part large Federal income tax rebates deposited at both banks and nonbank thrift institutions. Business demands for short-term credit both at banks and in the commercial paper market remained unusually weak, while demands in the long-term market continued very strong. Market interest rates in general changed little during the latter part of May, but since then rates in longer-term markets and on Treasury bills have declined. Mortgage rates have eased over the past month.

In light of the foregoing developments, it is the policy of the

Federal Open Market Committee to foster financial conditions conducive to stimulating economic recovery, while resisting inflationary pressures and working toward equilibrium in the country's balance of payments.

To implement this policy, while taking account of developments in domestic and international financial markets, the Committee seeks to achieve bank reserve and money market conditions consistent with moderate growth in monetary aggregates over the months ahead.

Votes for this action: Messrs. Burns, Baughman, Eastburn, Holland, MacLaury, Mayo, Mitchell, Wallich, and Debs. Votes against this action: Messrs. Bucher and Coldwell.

Absent and not voting: Mr. Hayes. (Mr. Debs voted as alternate for Mr. Hayes.)

Messrs. Bucher and Coldwell dissented from this action because they believed that a tightening in money market conditions and the associated increase in short-term interest rates would be premature at this time, and they preferred to specify a lower range for the Federal funds rate than that adopted by the Committee. Both stressed the influence of the tax rebates and payments to recipients of social security benefits in bringing about high rates of monetary growth. Mr. Bucher, in addition, thought that primary emphasis should be given to promoting recovery in economic activity, because he believed that as yet there were no clear indications of the forces that would lead the recovery and because he saw no threat of intensified inflationary pressures so long as rates of resource use remained comparatively low.

Subsequent to the meeting, on June 26, the available data suggested that the annual rates of growth in M_1 and M_2 in June would be much more rapid than had appeared likely at the time of the meeting and that growth in both aggregates over the June-July period, therefore, would be substantially above the upper limits of the ranges of tolerance established by the Committee. In the statement week ending June 25 the Federal funds rate averaged 5.72 per cent; in the latest 3 days it had been close to 6 per cent. The System Account Manager was planning to aim for a rate of 6 per cent, the upper limit of the specified range of tolerance.

Against that background and to give the Manager some flexibility, Chairman Burns recommended on June 26 that the upper limit of the funds rate constraint be raised to 6¼ per cent, on the understanding that the additional leeway would be used only in the event that another week's data confirmed excessive strength in the monetary aggregates. Members of the Committee—with the exception of Messrs. Bucher, Holland, and Mitchell—concurred in the Chairman's recommendation.

2. Amendment to Authorization for Domestic Open Market Operations

The Committee amended paragraph 1(c) of the authorization for domestic open market operations to authorize the Federal Reserve Bank of New York to arrange repurchase agreements (RP's) directly with bank dealers. Prior to this action, the Bank had been authorized to arrange RP's with nonbank dealers only. With this amendment, paragraph 1(c) read as follows:

(c) To buy U.S. Government securities, obligations that are direct obligations of, or fully guaranteed as to principal and interest by, any agency of the United States, and prime bankers' acceptances of the types authorized for purchase under 1(b) above, from dealers for the account of the Federal Reserve Bank of New York under agreements for repurchase of such securities, obligations, or acceptances in 15 calendar days or less, at rates that, unless otherwise expressly authorized by the Committee, shall be determined by competitive bidding, after applying reasonable limitations on the volume of agreements with individual dealers; provided that in the event Government securities or agency issues covered by any such agreement are not repurchased by the dealer pursuant to the agreement or a renewal thereof, they shall be sold in the market or transferred to the System Open Market Account; and provided further that in the event bankers' acceptances covered by any such agreement are not repurchased by the seller, they shall continue to be held by the Federal Reserve Bank or shall be sold in the open market.

Votes for this action: Messrs. Burns, Baughman, Bucher, Coldwell, Eastburn, Holland, MacLaury, Mayo, Mitchell, Wallich, and Debs. Votes against this action: None.

Absent and not voting: Mr. Hayes. (Mr. Debs voted as alternate for Mr. Hayes.)

This action was taken on recommendation of a staff committee, which advised that it would usefully broaden the scope of participation in System RP's. The staff committee also reported that experience with determination of interest rates on RP's by competitive bidding—provided for by action of the Committee in April 1972—had been satisfactory.

3. Revision of Guidelines for Operations in Federal Agency Issues

On recommendation of the Manager, the Committee amended number 5 of the guidelines for the conduct of System operations in Federal agency issues to increase the limit on System holdings of any one issue at any one time from 20 to 30 per cent of the amount of the issue outstanding, and to increase the limit on System holdings of the issues of any one agency from 10 to 15 per cent of the amount of outstanding issues of that agency. The Manager had advised that Desk operations in agency issues might soon be inhibited by the existing limits; that flexibility for operations in agency issues might prove especially useful; and that experience gained over the past 3½ years of operations in agency issues had shown that the market was capable of absorbing a larger volume of System purchases without undue impact on yields or other market relationships.

Votes for this action: Messrs. Burns, Baughman, Bucher, Coldwell, Eastburn, MacLaury, Mayo, Mitchell, Wallich, and Debs. Vote against this action: Mr. Holland.

Absent and not voting: Mr. Hayes. (Mr. Debs voted as alternate for Mr. Hayes.)

Mr. Holland dissented from this action because he was concerned that to date the System had bought but rarely had sold agency issues and because the limits on System holdings of agency issues might more appropriately be raised at a stage of the business cycle when the volume of new agency issues being marketed was large.

* * * * *

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 45 days after the meeting and are subsequently published in the BULLETIN.

Law Department

Statutes, regulations, interpretations, and decisions

INTEREST ON DEPOSITS

The Board of Governors has amended its Regulation Q to permit member banks to offer a service for making third party payments through pre-authorized transfers of funds from depositors' savings accounts.

AMENDMENT TO REGULATION Q

Effective September 2, 1975, section 217.5(c) of Regulation Q is amended to read as follows:

SECTION 217.5—

WITHDRAWAL OF SAVINGS DEPOSITS

* * * * *

(c) **Manner of payment of savings deposits.**

(1) Subject to the provisions of subparagraphs (2) and (3) of this paragraph, a member bank may permit withdrawals to be made from a savings deposit only through payment⁷ to the depositor (but not to any other person whether or not acting for the depositor) except

* * * * *

(vii) Pursuant to nontransferable withdrawal orders or authorizations received from a depositor by a member bank for the payment of amounts from such deposits to third parties, including the bank (except as prohibited by subparagraph 2), periodically or otherwise. Any such withdrawal order or authorization that may be honored as a withdrawal request for payment to a third party may, if so authorized by the third party, be honored as a transfer to an account of such third party. Any form for such withdrawal order or authorization shall contain language in boldface type of reasonable size to the effect that it is not negotiable or transferable.

⁷Payment from a savings deposit or presentation of a pass-book may be made over the counter, through the mails, or otherwise.

(2) Notwithstanding the provisions of subparagraph (1) of this paragraph, no withdrawal shall be permitted by a member bank to be made from a savings deposit, through payment to the bank itself or through transfer of credit to a demand or other deposit account of the same depositor (other than of interest on the savings deposit) if such payment or transfer is made pursuant to any advertised plan or any agreement, written or oral which authorizes such payments or transfers of credit to be made automatically or as a normal practice in order to cover checks or drafts drawn by the depositor upon the bank.

(3) The provisions of this paragraph do not apply to deposits subject to negotiable orders of withdrawal authorized by Federal law to be issued in the States of Massachusetts and New Hampshire.

* * * * *

TRUTH IN LENDING

The Board of Governors has amended its Regulation Z to implement requirements of Title IV of Pub. L. 93-495.

AMENDMENTS TO REGULATION Z

Effective August 8, 1975, Regulation Z is amended as follows:

1. Sections 226.1(b) (1) and (c) are amended to read as follows:

SECTION 226.1—

AUTHORITY, SCOPE, PURPOSE, etc.

* * * * *

(b) **Administrative enforcement.** (1) As set forth more fully in section 108 of the Act, administrative enforcement of the Act and this Part with respect to certain creditors and credit card issuers

is assigned to the Comptroller of the Currency, Board of Directors of the Federal Deposit Insurance Corporation, Federal Home Loan Bank Board (acting directly or through the Federal Savings and Loan Insurance Corporation), Administrator of the National Credit Union Administration, Civil Aeronautics Board, Secretary of Agriculture, Farm Credit Administration, and Board of Governors of the Federal Reserve System.

* * * * *

(c) **Penalties and liabilities.** Section 112 of the Act provides criminal liability for willful and knowing failure to comply with any requirement imposed under the Act and this Part. Section 134 provides for criminal liability for certain fraudulent activities related to credit cards. Section 130 provides for civil liability in individual or class actions for any creditor who fails to comply with any requirement imposed under Chapter 2 or Chapter 4 of the Act and the corresponding provisions of this Part, provides a defense for creditors complying in good faith with the provisions of the Part or any interpretation thereof by the Board, and provides that a multiple failure to disclose in connection with a single account shall permit but a single recovery. Section 115 provides for civil liability for an assignee of an original creditor where the original creditor has violated the disclosure requirements and such violation is apparent on the face of the instrument assigned, unless the assignment is involuntary. Pursuant to Section 108 of the Act, violations of the Act or this Part constitute violations of other Federal laws which may provide further penalties.

* * * * *

2. Section 226.3(e) is added to read as follows:

SECTION 226.3—EXEMPTED TRANSACTIONS

* * * * *

(e) **Agricultural credit transactions.** Credit transactions primarily for agricultural purposes, including real property transactions, in which the amount financed^{1a} exceeds \$25,000 or in which the transaction is pursuant to an express written commitment by the creditor to extend credit in excess of \$25,000.

* * * * *

^{1a}For this purpose, the amount financed is the amount which is required to be disclosed under § 226.8(c)(7), or (d)(1), as applicable, or would be so required if the transaction were subject to this Part.

3. Sections 226.7(a)(1) and (b)(9) are amended to read as follows:

SECTION 226.7—OPEN END

CREDIT ACCOUNTS—SPECIFIC DISCLOSURES

(a) ***

(1) The conditions under which a finance charge may be imposed, including an explanation of the time period, if any, within which any credit extended may be paid without incurring a finance charge, except that the creditor may, at his option and without disclosure, refrain from imposing such finance charge even though payment is received after the termination of such time period.

* * * * *

(b) ***

(9) The closing date of the billing cycle and the outstanding balance in the account on that date, using the term "new balance," accompanied by the statement of the date by which, or the period, if any, within which payment must be made to avoid additional finance charges, except that the creditor may, at his option and without disclosure, refrain from imposing such additional finance charges even though payment is received after such date or termination of such period.

* * * * *

4. Sections 226.9(g)(5) is amended and 226.9(h) is added to read as follows:

SECTION 226.9—RIGHT TO

RESCIND CERTAIN TRANSACTIONS

* * * * *

(g) ***

(5) Any transaction in which an agency of a State is the creditor.

(h) **Time limit for unexpired right of rescission.** In the event the creditor fails to deliver to the customer the disclosures required by this section or the other material disclosures required by this Part, a customer's right to rescind a transaction pursuant to this section shall expire the earlier of (1) three years after the date of consummation of the transaction, or (2) the date the customer transfers all his interest, both equitable and legal, in the property.

* * * * *

5. Section 226.10(f) is added to read as follows:

SECTION 226.10—ADVERTISING CREDIT TERMS

* * * * *

(f) **Credit payable in more than four instalments; no identified finance charge.** Any advertisement to aid, promote, or assist directly or indirectly an extension of consumer credit repayable by agreement in more than four instalments shall, unless a specific finance charge is or may be imposed, state clearly and conspicuously: "The cost of credit is included in the price quoted for the goods and services."

* * * * *

6. Section 226.13(i) is added to read as follows:

SECTION 226.13—CREDIT
CARDS—ISSUANCE AND LIABILITY

* * * * *

(i) **Business use of credit cards.** If 10 or more credit cards are issued by one card issuer to a single business or other organization for use by its employees, nothing in this section prohibits the card issuer from agreeing by contract with such business or other organization as to liability for unauthorized use of any such credit cards without regard to the provisions of this section, but in no case may any business or other organization or card issuer impose liability on any employee of such business or other organization with respect to unauthorized use of such credit card except in accordance with, and subject to, the other liability limitations of this section.

RULES REGARDING
DELEGATION OF AUTHORITY

The Board of Governors has amended its Rules Regarding Delegation of Authority to delegate to the Committee on Federal Reserve Bank Activities certain responsibilities with respect to supervision of Federal Reserve Bank land acquisition, construction programs, financial planning and control, purchase of computer equipment and examination and operations review. In addition, the Board has amended its previous delegation of authority to the Committee to make explicit the Committee's authority to disapprove as well as to approve certain Federal Reserve Bank expenditures.

AMENDMENTS TO
RULES REGARDING
DELEGATION OF AUTHORITYSECTION 265.1a—SPECIFIC
FUNCTIONS DELEGATED TO BOARD MEMBERS

1. Effective July 31, 1975, paragraphs 1 through 5 of section 265.1a(a) are amended by inserting the words "or disapprove" after the words "to approve" in each paragraph.

2. Paragraphs 6 through 11 are added to section 265.1a(a) to read as follows:

(a) The Committee on Federal Reserve Bank Activities, consisting of at least three members of the Board designated by the Chairman, is authorized, to act upon matters as set forth in this section pursuant to the twenty-second paragraph of sections 4 and 11(j) of the Federal Reserve Act (12 U.S.C. 307 and 248(j)) and subject to such general guidelines as may be prescribed by the Board. With respect to any approval action taken by the Committee pursuant to authority delegated herein involving a controversial matter, a policy consideration, or an expenditure of funds exceeding \$500,000, the Committee will inform the Board by memo before giving notice of its approval to the Reserve Bank. For a period of three days, any member of the Board may request that the matter be scheduled for review by the Board. The Committee is authorized:

* * * * *

(6) To approve or disapprove specific Reserve Bank proposals to acquire land for current or future building purposes, provided that the Board has previously authorized the general Reserve Bank expansion or building program for which the land is sought and provided that each proposed land acquisition requires commitment of no more than one million dollars (\$1,000,000).

(7) To approve or disapprove: (i) Reserve Bank studies, analyses and similar commitments for a Reserve Bank building or expansion program at a stage after the general Reserve Bank building or expansion program has been approved by the Board and prior to the Board decision to permit the Reserve Bank to accept bids and award contracts, (ii) additional construction costs of a new Bank or Branch building in excess of costs originally approved by the Board provided such additional costs do not exceed the 5 per cent contingency portion of the Board-approved budget, (iii) proposed remodeling or renovation of existing

Bank or Branch buildings or additions to such buildings where the total cost of such renovation, remodeling or additions is in excess of two hundred and fifty thousand dollars (\$250,000) but not in excess of one million two hundred fifty thousand dollars (\$1,250,000). (The initial two hundred fifty thousand dollars (\$250,000) may be committed solely by the Director of the Division of Federal Reserve Bank Operations pursuant to section 265.2(d)(5).)

(8) To approve or disapprove supplementary budget requests and special incentive programs to improve operations or reduce costs, provided that the Board has previously approved the requesting Reserve Bank's budget and provided the supplemental request adheres to the Board's expense guidelines and provided the amounts approved for the System in a fiscal year do not exceed one per cent of the total budget of all the Reserve Banks in the System, as approved by the Board. (The amount which the Committee may approve is in addition to any amounts approved by the Director of Federal Reserve Bank Operations pursuant to section 265.2(d)(6) of these Rules.)

(9) To approve or disapprove specific projects proposed in accordance with ongoing System programs previously approved by the Board, such as the automated clearing house program, provided the Committee adheres to the Board's budgetary constraints.

(10) To approve Reserve Bank purchases of computers and other major automation equipment, provided that the staff of the Division of Federal Reserve Bank Operations indicates the return on the investment is adequate to recapture the investment within 5 years and provided the total capital commitment in the System for such purchases does not exceed ten million dollars (\$10,000,000) annually.

(11) To review and approve reports on Federal Reserve Bank examinations and Federal Reserve Bank operations reviews provided that issues of unusual import be presented to the Board and provided that the Committee present an annual summary of Reserve Bank operations and problems to the Board.

3. Effective July 31, 1975, sections 265.2(d)(5) and (6), and 265.2(f)(33) are added to read as follows:

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

* * * * *

(d) **The Director of the Division of Federal Reserve Bank Operations** (or in his absence the Acting Director) is authorized:

* * * * *

(5) To approve or disapprove proposed remodeling or renovation of existing Reserve Bank or Branch buildings or additions to such buildings where the cost of such remodeling, renovation or addition will be in excess of one hundred thousand dollars (\$100,000), provided that the cost of each project approved by the Director may not be in excess of two hundred and fifty thousand dollars (\$250,000).

(6) To approve or disapprove supplementary budget requests and special incentive programs to improve operations or reduce costs, provided that the Board has previously approved the budget of the requesting Reserve Bank and provided that the supplemental request adheres to the Board's general expense guidelines and such guidelines as the Board may have imposed in approving the Reserve Bank's budget and provided that the amount approved by the Director may not exceed in any budgetary year one hundred thousand dollars (\$100,000) for each Reserve Bank and seven hundred and fifty thousand dollars (\$750,000) for all Reserve Banks in the System.

(f) **Each Federal Reserve Bank** is authorized, as to member banks or other indicated organizations headquartered in its district or under subparagraph (25) of this paragraph as to its officers or under subparagraph (33) as to its own facilities:

* * * * *

(33) Under the provisions of sections 3 and 11(j) of the Federal Reserve Act (12 U.S.C. §§ 521 and 248(j)), to undertake remodeling, renovation of or addition to its existing buildings or those of its branches provided the expenditure for such purpose does not exceed one hundred thousand dollars (\$100,000) within a single budget year.

* * * * *

The Board has also amended its Rules Regarding Delegation of Authority to delegate to the Director of the Office of Saver and Consumer Affairs the authority to approve and issue reporting, examination, or inspection materials with respect to the Board's responsibilities under the Consumer Credit Protection Act, the Securities Exchange Act of 1934, and the Federal Trade Commission Act, to grant State exemptions under

the Consumer Credit Protection Act and Regulation Z (12 C.F.R. § 226.12), and to conduct certain matters with respect to the Truth in Lending Advisory Committee.

4. Effective July 21, 1975 paragraph (h) of section 265.2 is amended by adding paragraphs (4), (5), and (6) as follows:

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

* * * * *

(h) **The Director of the Office of Saver and Consumer Affairs** (or in his absence, the Acting Director) is authorized:

* * * * *

(4) Pursuant to the provisions of Section 11(a) of the Federal Reserve Act (12 U.S.C. § 248(a)), Section 17(b) of the Securities Exchange Act of 1934 (15 U.S.C. § 78(q)), Sections 108(b), 621(c), and 704(b) of the Consumer Credit Protection Act (15 U.S.C. §§ 1607(b), 1681S(b), 1691C), and, Section 18(f)(3) of the Federal Trade Commission Act (Pub. L. 93-637 Section 202(a)).

(a) to issue examination or inspection manuals, registration, report, agreement, and examination forms, guidelines, instructions or other similar materials for use in connection with the administration of

(1) Sections 1 through 707 (excluding sections 201 through 500) of the Consumer Credit Protection Act (15 U.S.C. §§ 1601-1691(e)),

(2) Sections 7 and 8 of the Securities Exchange Act of 1934 (15 U.S.C. §§ 78(g) and (h)),

(3) Sections 18(f)(1)-(3) of the Federal Trade Commission Act (Pub. L. 93-637 § 202(a)), and rules and regulations issued thereunder.

(5) Pursuant to Sections 123 and 171(b) of the Truth in Lending Act (15 U.S.C. §§ 1633 and 1666(j)) and the Board's Regulation Z, (12 C.F.R. § 226.12), to grant, but not to deny or revoke, exemptions to States from the requirements of Chapters 2 and 4 of the Truth in Lending Act (15 U.S.C. §§ 1631-1644 and 1666), where State law imposes substantially similar requirements, and there is adequate provision for enforcement.

(6) Pursuant to Section 110 of the Consumer Credit Protection Act (15 U.S.C. § 1609), to call meetings of and consult with the Advisory Committee established under that section, to approve the agenda for such meetings, and to accept any resignations from Advisory Committee members.

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

ORDERS UNDER SECTION 3 OF BANK HOLDING COMPANY ACT

**FOREST PARK NATIONAL CORPORATION,
FOREST PARK, ILLINOIS**

Order Denying Formation of Bank Holding Company

Forest Park National Corporation, Forest Park, Illinois, has applied for the Board's approval under § 3(a)(1) of the Bank Holding Company Act (12 U.S.C. 1842(a)(1)) to become a bank holding company through acquisition of all of the voting shares (less directors' qualifying shares) of the successor by merger to Forest Park National Bank, Forest Park, Illinois ("Bank"). The bank into which Bank is to be merged has no significance except as a means to facilitate the acquisition of the voting shares of Bank. Accordingly, the proposed acquisition of shares of the successor organization is treated herein as the proposed acquisition of the shares of Bank.

Notice of the application, affording opportunity for interested persons to submit comments and views, has been given in accordance with § 3(c) 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 organized for the purpose of becoming a bank holding company through acquisition of Bank (deposits of \$37.3 million). Bank, located approximately 10 miles west of downtown Chicago, is the 131st largest bank in the Chicago banking market¹ and holds .09 per cent of the total deposits in the market. (All banking data are as of June 30, 1974). Inasmuch as the proposed transaction represents a restructuring of the ownership of Bank from individuals (who acquired

¹The Chicago banking market is approximated by Cook County, DuPage County, and portions of Lake County.

control of Bank in 1974) to a corporation owned by the same individuals, and since Applicant has no present subsidiaries, consummation of the proposal would not eliminate existing or future competition, nor have an adverse effect on any bank in the relevant area.

A principal of Applicant is also a principal of First National Corporation of Oak Brook, Oak Brook, Illinois, a one-bank holding company (in formation)² which proposes to acquire 100 per cent of First National Bank and Trust Company of Oak Brook, Oak Brook, Illinois ("First National"). First National (deposits of \$16.8 million) ranks as the 227th largest bank in the relevant banking market with .04 per cent of total deposits therein. In view of the relatively small size of the two banks and the large number of competitors in the market, it appears that there is no significant competition between First National and Bank. Accordingly, based on the foregoing and other facts of record, the Board concludes that competitive considerations are consistent with approval of the application.

Under the Bank Holding Company Act, the Board is required to take into consideration the financial and managerial resources and future prospects of the proposed bank holding company and the bank to be acquired. In the exercise of that responsibility, the Board finds that such considerations warrant denial of the application.

In regard to such considerations, it appears that Bank's presently marginal capital position may be further weakened as a result of Applicant's intention to take out substantial dividends from Bank during the coming years. Such a dividend policy flows from the substantial debt in excess of \$1 million which has been incurred by the principals of Applicant as a result of their purchase of Bank's stock. The dividend policy currently in effect as well as that proposed involves levels of pay-out which are inconsistent with the earnings retention needed to maintain acceptable capital funds in Bank. Accordingly, in the Board's view, the above factors reflect adversely on financial and managerial considerations as they relate to Applicant and Bank and warrant denial of the application.

The proposed formation represents merely a restructuring of the ownership of Bank with no changes in Bank's operations or the services offered to customers. Accordingly, considerations relating to the convenience and needs of the community to be served lend no weight toward approval of the application.

On the basis of all the circumstances concerning this application, the Board concludes that the banking considerations involved in the proposal are adverse with respect to financial and managerial considerations. Such adverse factors are not out-weighted by any procompetitive effects or by benefits which would result in serving the convenience and needs of the community. Accordingly, it is the Board's judgment that approval of the application would not be in the public interest, and the application should be, and hereby is, denied for the reasons summarized above.

By order of the Board of Governors, effective July 2, 1975.

Voting for this action: Governors Bucher, Holland, Wallich, and Coldwell. Absent and not voting: Chairman Burns and Governor Mitchell.

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

SCRIBNER BANSHARES, INC.,
SCRIBNER, NEBRASKA

Order Denying Formation of Bank Holding Company

Scribner Banshares, Inc., Scribner, Nebraska, 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 96.7 per cent or more of the voting shares of Scribner Bank, Scribner, Nebraska ("Bank").¹ Applicant has also applied, pursuant to § 4(c)(8) of the Act (12 U.S.C. 1843(c)(8)) and § 225.4(b)(2) of the Board's Regulation Y, for permission to retain Scribner Insurance Agency ("Agency"), a company that engages in the activities of a general insurance agency in a community with a population not exceeding 5,000. Such activities have been determined by the Board to be closely related to banking (12 C.F.R. 225.4(a)(9)(iii)(a)).

Notice of receipt of these applications, affording an opportunity for interested persons to submit comments and views, has been given in accordance with §§ 3 and 4 of the Act (40 Fed. Reg. 2625 (1975)). The time for filing comments and views has expired, and the Board has considered the applications and all comments received in the light of the factors set forth in § 3(c) of the Act (12 U.S.C. 1842(c)) and the considerations specified in § 4(c)(8) of the Act (12 U.S.C. 1843(c)(8)).

²By Order dated April 24, 1975, the Board approved the application of First National Corporation of Oak Brook to become a bank holding company.

¹The Board of Governors also considered today the application of Winner Banshares, Inc., Winner, South Dakota, to acquire Farmers State Bank, Winner, South Dakota, which involves some of the same principal shareholders.

Applicant was formed for the purposes of becoming a bank holding company through the acquisition of Bank and of operating a general insurance agency. Bank, with deposits of about \$10.3 million,² is the only bank in Scribner, Nebraska, and is the fourth largest of 7 banks in the relevant banking market,³ controlling approximately 8.9 per cent of the total deposits in commercial banks in the market. Certain principals of Applicant are also involved as shareholders, directors and/or officers, in other one-bank holding companies located in Nebraska, Iowa, and South Dakota. The closest subsidiary bank of these bank holding companies is 53 miles from Bank, and none operates in the relevant market area. Accordingly, since the proposal represents a restructuring of the ownership of Bank from individuals to a corporation owned by the same individuals, consummation of the proposal would have no significantly adverse effects on competition in any relevant area. Accordingly, the Board concludes that competitive considerations are consistent with approval of the application.

The Board has indicated on previous occasions that it believes that a holding company should provide a source of financial and managerial strength to its subsidiary bank(s), and that every proposed acquisition or formation will be closely examined with such considerations in mind. In this connection, the Board notes that Applicant will incur a substantial debt as a result of the acquisition of Bank. Applicant proposes to service such debt over an 11-year period with income from Agency and dividends from Bank consistently exceeding 50 per cent of Bank's net income, thereby limiting Bank's ability to meet any unforeseen financial problems that might arise. Accordingly, the Board views the sizable acquisition debt to be incurred by Applicant as an adverse factor in the consideration of the subject proposal.

Turning to managerial considerations, it appears that certain of the banks in which Applicant's principals are involved have experienced deteriorating capital positions. In addition, demands that some of the principals appear to have placed upon the resources of other banks under their control have detracted from the overall financial condition of some of these banks. The Board believes, therefore, that managerial considerations weigh for denial of the application.

The proposed formation represents merely a restructuring of the ownership of Bank with no significant changes in Bank's operations or the

services offered to customers. Consequently, considerations relating to the convenience and needs of the community to be served lend no weight toward approval of the application.

On the basis of all the circumstances concerning this application, the Board concludes that the banking considerations involved in the proposal present adverse factors bearing on the financial and managerial resources of Applicant. Such adverse factors are not outweighed by any procompetitive effects or by benefits which would result in serving the convenience and needs of the community. Accordingly, it is the Board's judgment that approval of the application would not be in the public interest and that the application to become a bank holding company should be, and is hereby, denied.⁴

By order of the Board of Governors, effective July 28, 1975.

Voting for this action: Governors Holland, Wallich, Coldwell, and Jackson. Absent and not voting: Chairman Burns and Governors Mitchell and Bucher.

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

⁴In view of the Board's action with respect to the application to become a bank holding company, consideration of the § 4(c)(8) application to retain the insurance activities becomes moot.

WINNER BANSHARES, INC.,
WINNER, SOUTH DAKOTA

*Order Denying
Formation of Bank Holding Company*

Winner Banshares, Inc., Winner, South Dakota, 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 94.4 per cent or more of the voting shares of Farmers State Bank, Winner, South Dakota ("Bank").¹

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)).

¹The Board of Governors also considered today the application of Scribner Banshares, Inc., Scribner, Nebraska to acquire Scribner Bank and to retain an insurance agency. These applications involve some of the same principal shareholders.

²All banking data are as of June 30, 1974.

³The relevant banking market is approximated by Dodge County, excluding the City of Dodge.

Applicant, a newly-organized corporation, was formed for the purpose of becoming a bank holding company through the acquisition of Bank. Bank (deposits of \$29.8 million) is the thirteenth largest banking organization in South Dakota and holds about 1.5 per cent of the total commercial bank deposits in the State.² With a total of four offices in the relevant market (approximated by Tripp, Todd and Mellette Counties), Bank controls 58.4 per cent of the total market deposits and ranks as the largest of the three banking organizations in the market. Certain principals of Applicant are also involved as shareholders, directors and/or officers, in other banks and one-bank holding companies located in Nebraska, Iowa, and South Dakota. Inasmuch as this proposal represents a restructuring of the existing ownership of Bank, and since none of the other banks with which Applicant's principals are involved is located in the same market as Bank, it appears that consummation of the proposal would not have adverse effects on existing or potential competition. Accordingly, the Board concludes that competitive considerations are consistent with approval of the application.

The Board has indicated on previous occasions that it believes that a holding company should provide a source of financial and managerial strength to its subsidiary bank(s), and that every proposed acquisition or formation will be closely examined with such considerations in mind. In this connection, the Board notes that Applicant will incur a debt as a result of the acquisition of Bank. Applicant proposes to service such debt over a 12-year period through dividends from Bank averaging about 50 per cent of its net income. In the Board's view, Applicant's projections appear somewhat optimistic, and the dividends required from Bank to service the debt could result in the impairment of Bank's overall capital position. Accordingly, the Board views the acquisition debt to be incurred by Applicant as an adverse factor in the consideration of the subject proposal.

Turning to managerial considerations, it appears that certain of the banks in which Applicant's principals are involved have experienced deteriorating capital positions. In addition, demands that some of the principals appear to have placed upon the resources of other banks under their control, have detracted from the overall financial condition of some of these banks. The Board believes, therefore, that managerial considerations weigh for denial of the application.

On the basis of all the circumstances concerning this application, the Board concludes that the banking considerations involved in the proposal present adverse factors bearing on the financial and managerial resources of Applicant. Such adverse factors are not outweighed by any procompetitive effects or by benefits which would result in serving the convenience and needs of the community. Accordingly, it is the Board's judgment that approval of the application would not be in the public interest and that the application to become a bank holding company should be, and is hereby, denied.

By order of the Board of Governors, effective July 28, 1975.

Voting for this action: Governors Holland, Wallich, Coldwell, and Jackson. Absent and not voting: Chairman Burns and Governors Mitchell and Bucher.

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

CENTRAL BANCSHARES OF THE SOUTH, INC., BIRMINGHAM, ALABAMA

Order Approving Acquisition of Bank

Central Bancshares of the South, Inc., Birmingham, Alabama, 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 Citizens Bank of Tuscaloosa, National Association, Tuscaloosa, Alabama ("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 numerous independent banks throughout Alabama (hereinafter collectively referred to as "Protestants"), in light of the factors set forth in § 3(c) of the Act (12 U.S.C. 1842(c)).

Applicant, the fourth largest banking organization in Alabama, controls nine banks with aggregate deposits of \$798.5 million, representing approximately 10 per cent of total deposits in commercial banks in the State. (All banking data are as of June 30, 1974, and reflect formations and acquisitions approved by the Board through June 30, 1975.) Since Bank is a proposed new bank, its acquisition would not increase the concentration of banking resources in Alabama nor change Applicant's rank in size in the State.

²All banking data are as of June 30, 1974.

Applicant is seeking to make its initial entry into the Tuscaloosa County banking market. There are four banks in the market with the two largest banks controlling approximately 94 per cent of the deposits therein. Applicant's closest subsidiary bank is located about 53 miles northeast of Bank in a separate banking market. It appears that Applicant's acquisition of Bank would not eliminate any existing competition; nor would consummation of the transaction have a substantially adverse effect on future competition between any of Applicant's banking subsidiaries and Bank in view of the distances involved and the Alabama branching laws. On the other hand, Applicant's acquisition of Bank should stimulate competition in the market by introducing an additional banking alternative to compete with the two largest organizations in the market without having adverse effects on any competing banks. On the basis of the facts of record, the Board concludes that the competitive considerations of the transaction are consistent with, and lend some weight toward, approval of the application.

The financial and managerial resources and future prospects of Applicant, its subsidiary banks, and Bank are satisfactory, particularly in view of Applicant's commitment to inject additional equity capital into one of its subsidiary banks. These considerations relating to financial factors are consistent with approval of the application. Bank's formation and acquisition by Applicant will provide an alternative source of banking services for customers in the market so that considerations relating to the convenience and needs of the community to be served lend weight toward approval of the application.

During the course of its consideration of this application, the Board has received numerous comments from Protestants. These comments contend generally that affiliation of Applicant with Bank would contravene Alabama law prohibiting branch banking (Alabama Code of 1940 (Recomp. 1958) Title 5, § 125 (1)). In addition, Protestants claim that the subject proposal is prohibited under State law because of Regulation 13, which was issued by the Alabama State Banking Board. In the Board's view, however, the objections of Protestants are not sufficient to warrant denial of the subject application.¹

With regard to the branching issue, the Board has stated that a State's restrictive branch banking laws are not automatically applicable to bank holding company operations. In a given case, the Board examines the facts to determine whether a particular acquisition by a bank holding company

would constitute an illegal branch under State law; if the Board determines that a violation of State law would result, it is required to disapprove the transaction. (*Whitney National Bank v. Bank of New Orleans*, 323 F.2d 290 (D.C. Cir. 1963), *rev'd on other grounds*, 379 U.S. 411 (1965)). However, the facts of record in this case indicate that Bank will be a separate corporation, with its own capital stock and a loan limit based on such capital stock; that Bank will be capitalized with funds raised by Applicant through use of its own capital resources and not with profits or other funds of any other bank; and that Bank's board of directors are, or will be, unaffiliated with any other bank owned by Applicant, will exercise independent judgment with respect to the management of Bank, and are, or will be, residents of Tuscaloosa. Accordingly, the Board concludes that Bank will not be operated in a unitary fashion with any banking subsidiary of Applicant and thus this proposal will not contravene Alabama's statute prohibiting branch banking. Further, the Board concludes that Applicant is a "traditionally recognized bank holding company which, with its own capital, invests in or buys the stock of banks", *Whitney National Bank v. Bank of New Orleans*, *supra*.

Finally, some Protestants have argued that Regulation 13, which was issued by the Alabama State Banking Board, applies to *de novo* national banks as well as *de novo* State chartered banks and thus the Board is prevented by State law from approving the subject application.² The Board does not agree. National banks are organized and chartered by the Comptroller of the Currency pursuant to the provisions of the National Bank Act (12 U.S.C. §§ 21-27). Pursuant to that authority, the Comptroller of the Currency issued his preliminary charter approval for Bank on January 7, 1975. The Board does not regard Regulation 13 as having any legal effect on the chartering of national banking associations and, therefore, Regulation 13

¹Some of the Protestants have also 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 preliminary charter approval for Bank on January 7, 1975, and he has not subsequently recommended that the subject application be denied. Thus, there is no statutory requirement that the Board hold a hearing. Moreover, the Board is of the view that the record in this case is sufficiently complete to render a decision.

²Regulation 13 reads in relevant part as follows: "RESOLVED that the Superintendent of Banks be prohibited from approving charters of *de novo* applications by bank holding companies."

has no effect on the Board's authority to approve Applicant's application to acquire Bank, a *de novo* national bank.

On the basis of all facts of record, it is the Board's judgment that the transaction would be in the public interest and that the application should be approved. Accordingly, 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 that date and (c) Citizens Bank of Tuscaloosa, National Association, shall be opened 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 Atlanta pursuant to delegated authority.

By order of the Board of Governors, effective July 9, 1975.

Voting for this action: Vice Chairman Mitchell and Governors Bucher, Holland, and Coldwell. Absent and not voting: Chairman Burns and Governor Wallich.

(Signed) THEODORE E. ALLISON,

[SEAL]

Secretary of the Board.

FIRST SECURITY CORPORATION,
SALT LAKE CITY, UTAH

Order Approving Acquisition of Bank

First Security Corporation, Salt Lake City, Utah, 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 of First Security State Bank of Kaysville, Kaysville, Utah.

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 on behalf of Barnes Banking Company of Kaysville ("Protestant"), in light of the factors set forth in § 3(c) of the Act (12 U.S.C. 1842(c)).

Applicant, the largest banking organization in Utah, controls six Utah banks with aggregate deposits of \$844.1 million, representing approximately 28.5 per cent of all commercial bank deposits in the State.¹ In addition, Applicant controls

one bank in Idaho and one bank in Wyoming, each of which was acquired by Applicant prior to the enactment of the Bank Holding Company Act of 1956. Since Bank is a proposed new bank, its acquisition by Applicant would not immediately increase Applicant's share of commercial bank deposits in Utah.

Bank is to be located in Kaysville, a small "bedroom" community situated almost midway between Ogden and Salt Lake City. Kaysville, which is presently served by only one other bank, the "Protestant," is located on the southern boundary of the Ogden metropolitan area,² a market served by ten banks. Applicant's lead bank is the largest bank in this market, with a 30.9 per cent share of total deposits (as of June 30, 1973). Since Bank is a new bank, consummation of the proposal would not eliminate any existing competition. Nor does it appear that the transaction would have adverse effects on the development of competition in the future. Accordingly, competitive considerations are regarded by the Board as being consistent with approval of the application.

The financial and managerial resources and future prospects of Applicant and its subsidiaries are regarded as satisfactory. Bank, as a proposed new bank, has no financial or operating history; however, its future prospects as a subsidiary of Applicant appear favorable. Bank would provide a source of additional full banking services to the residents of the Kaysville area. Accordingly, considerations relating to the convenience and needs of the community to be served lend some weight toward approval of the application.

In its consideration of the subject application, the Board has considered the comments submitted on behalf of Protestant, a bank located one block from the proposed site of Bank. Protestant, a unit bank with deposits of approximately \$17 million, contends that Applicant's acquisition of Bank would lessen competition, restrain trade, and tend toward monopoly, without producing any countervailing advantage to the convenience and needs of the citizens of Kaysville. These contentions were presented before the Commissioner of Financial Institutions of the State of Utah at a public hearing during the pendency of the charter application of Bank.³ In an Order dated August 22, 1973, the Commissioner approved the establish-

²Defined as the Rand-McNally R.M.A. of Ogden, Utah.

³Protestants have submitted to the Board copies of the Commissioner's findings of fact, conclusions of law, and Order, and the Board has made those materials part of the record on which it relied in this matter.

¹Banking data are as of December 31, 1974, unless otherwise indicated, and reflect holding company formations and acquisitions approved through May 31, 1975.

ment of Bank, pending approval by the Federal Deposit Insurance Corporation of insurance for Bank's accounts and approval by the Board of the application herein. Protestant appealed the Commissioner's Order to the District Court in and for the Salt Lake County, Utah, which granted a Motion for Summary Judgment in favor of Applicant and Bank on December 11, 1974. Subsequently, Protestant appealed the District Court action to the Supreme Court of Utah, which has not yet rendered its decision on the appeal.

In "RESOLVED Board's opinion, the objection of Protestant does not warrant denial of the subject application. The home-office protection laws of Utah prevent any of Applicant's existing banks from establishing branches in Kaysville. Accordingly, aside from the acquisition of Protestant, the subject proposal represents Applicant's sole means of competing directly in the Kaysville community. The establishment of Bank by Applicant should foster competition by introducing a banking alternative to Protestant, the only bank in Kaysville. Moreover, as a subsidiary of Applicant, Bank will be able to offer a broad range of banking services to the residents of the area. In the Board's judgment, the benefits likely to be derived from Applicant's proposal in terms of increased competition and greater convenience and banking services are such that approval of the application would be appropriate. Accordingly, it is the Board's judgment that the proposed transaction 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) First Security State Bank of Kaysville, Kaysville, Utah shall be opened 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 San Francisco pursuant to delegated authority.

By order of the Board of Governors, effective July 9, 1975.

Voting for this action: Vice Chairman Mitchell and Governors Bucher, Holland, Wallich, and Coldwell. Absent and not voting: Chairman Burns.

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

TEXAS COMMERCE BANCSHARES, INC., HOUSTON, TEXAS

Order Approving Acquisition of Banks

Texas Commerce Bancshares, Inc., Houston, Texas, a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval, under § 3(a)(3) of the Act (12 U.S.C. 1842(a)(3)), to acquire 100 per cent of the voting shares (less directors' qualifying shares) of the successors by merger to Casa Linda National Bank of Dallas ("Casa Linda Bank"); Fidelity Bank, National Association ("Fidelity Bank"); Northwest National Bank of Dallas ("Northwest Bank"); Royal National Bank of Dallas ("Royal Bank"); and The Village Bank (National Association) ("Village Bank"), all located in Dallas Texas (collectively referred to as "Banks"). The banks into which each of Banks are to be respectively merged have no significance except as means to facilitate acquisition of the voting shares of Banks. Accordingly, the proposed acquisition of the successor organizations is treated herein as proposed acquisition of Banks.

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

Applicant, the third largest banking organization in Texas, controls 24 banks with aggregate deposits of approximately \$2.5 billion, representing 6.3 per cent of total deposits in commercial banks in the State.¹ Acquisition of Banks (aggregate deposits of \$45.1 million) would increase Applicant's share of commercial bank deposits in Texas by less than 0.2 of one per cent, and would have no appreciable effect upon the concentration of banking resources in Texas.

Casa Linda Bank, the 68th largest of the 105 banking organizations in the Dallas banking market,² holds deposits of about \$11.1 million, or 0.1 of one per cent of total market deposits. Fidelity Bank is the 94th largest banking organization in the market and holds approximately \$3 million in

¹All banking data are as of June 30, 1974, and reflect holding company formations and acquisitions approved through June 15, 1975.

²The Dallas banking market, the relevant geographic market for purposes of analyzing the competitive effects of the subject proposals, is approximated by the Dallas RMA.

deposits, representing less than 0.1 of one per cent of market deposits. Northwest Bank is the market's 48th largest banking organization and holds about \$18 million in deposits, which represents 0.2 of one per cent of total market deposits. Royal Bank, the 76th largest banking organization in the market, holds deposits of approximately \$8.4 million, representing less than 0.1 per cent of total market deposits. Village Bank is the 85th largest banking organization in the market and holds approximately \$4.9 million in deposits, or less than 0.1 of one per cent of total market deposits. Applicant, the sixth largest banking organization in the Dallas market, controls two suburban banks which are located near Dallas and which hold aggregate deposits of approximately \$152.4 million, representing 1.9 per cent of total deposits in commercial banks in the market. The subsidiary bank of Applicant closest to one of Banks is separated by a distance of more than eight miles. Each of Banks is relatively small and retail-oriented and serves a predominantly residential area. The resultant highly localized nature of Banks' respective service areas severely limits effective competition among the five banks. In view of the distances involved, the limited service areas of each of Banks and the number of intervening banks, there does not appear to be any meaningful competition existing between Applicant's present subsidiaries and any of Banks. These same factors of distance and intervening banks, as well as Texas' prohibitive branching laws, appear to foreclose the development of significant competition in the future. Accordingly, on the basis of the record, it is concluded that consummation of the proposed acquisitions would not have significant adverse effects on existing or potential competition in the relevant banking market.

Considerations relating to the financial and managerial resources and future prospects of Applicant, its subsidiaries, and Banks are regarded as generally satisfactory and consistent with approval, particularly in view of Applicant's projected addition of \$240,000 to the equity capital structure of each one of Banks through retention of the capital of the respective interim banks. Affiliation with Applicant should enable Banks to expand and improve the banking services offered to their customers. In particular, Applicant proposes to expand banking hours, reduce minimum deposits on certain types of savings accounts, and expand the range of trust services. Accordingly, these considerations relating to the convenience and needs of the residents of the communities to

be served lend weight toward approval of the proposal. It has been determined that the proposed acquisition would be in the public interest and that the application should be approved.

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

By order of the Secretary of the Board, acting pursuant to delegated authority for the Board of Governors. effective July 31, 1975.

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

ORDER UNDER SECTION 4 OF BANK HOLDING COMPANY ACT

FIRST HAWAIIAN, INC.,
HONOLULU, HAWAII

Order Approving Acquisition of Hawaii Thrift & Loan, Inc.

First Hawaiian, Inc., Honolulu, Hawaii, 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 and section 225.4(b)(2) of the Board's Regulation Y, to acquire, through a newly-formed wholly-owned subsidiary, certain assets and to assume certain liabilities of Hawaii Thrift & Loan, Inc., Honolulu, Hawaii ("HT&L"), a company that operates as an industrial loan company under Chapter 408 of the Hawaii Revised Statutes and does not accept demand deposits. Such activity has been determined by the Board to be closely related to banking (12 CFR § 225.4(a)(2)).

Notice of the application, affording opportunity for interested persons to submit comments and views on the public interest factors, has been duly published (40 *Federal Register* 25042 (1975)). The time for filing comments and views has expired, and the Board has considered all comments received, including those of the Governor of Hawaii, the Hawaii Consumer Finance Association, and Mr. Ezau Hoogs 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, the second largest banking organization in the State of Hawaii, controls First Hawaiian Bank ("Bank") with total deposits of approximately \$813 million, representing approximately 33 per cent of total deposits in the eight commercial banks located in Hawaii.¹ Bank is Applicant's only subsidiary.

HT&L, as an industrial loan company, accepts thrift deposits in the form of investment certificates and debentures, and with the proceeds of such deposits makes real estate, consumer, and commercial loans. As of April 30, 1975, HT&L had total assets of \$96.8 million. Applicant would acquire a substantial portion of these assets.

HT&L has experienced consistent net operating losses since 1970. On May 21, 1975, it was announced that HT&L's auditor withdrew its 1972 and 1973 audit reports and declined to issue an audit report for 1974 in view of certain transactions between HT&L, on the one hand, and its principal shareholder and affiliates of that shareholder, on the other.² That announcement caused substantial withdrawals of funds from HT&L by investment certificate holders and HT&L has been unable to borrow, other than from Applicant, to meet commitments or to operate properly as an industrial loan company. The Governor of the State of Hawaii has, by telegram, requested that the Board expedite its consideration of the instant application and favors approval for the protection of the approximately 30,000 holders of investment certificates and debentures issued by HT&L.

HT&L operates eleven offices in the State of Hawaii, including eight on the island of Oahu,³ one on the island of Kauai, one on the island of Maui, and one on the island of Hawaii. Bank operates branch offices on each of these islands, from which offices it accepts savings and time deposits and makes commercial, consumer, and real estate loans. The investment certificates and debentures issued by HT&L are similar to deposits accepted by Bank, but HT&L's investment certificates and debentures are uninsured and involve considerably higher risk than deposits accepted by Bank (and, accordingly, the certificates and debentures, on the one hand, and deposits of Bank, on the other, may not be reasonable substitutes for one another.) While for some "depositors", it is clear that Bank and HT&L are in direct

competition with one another, for others the risk exposure may be understood.⁴ It is clear, also, that Bank and HT&L, but for the present financial condition of HT&L, would be direct competitors in commercial, consumer, and real estate loan markets in Hawaii. (However, HT&L, in view of its present financial condition, is no longer an effective competitor in those markets and accordingly, consummation of the proposed acquisition would not carry an adverse effect on competition, existing or potential, in any market.)

Hawaiian governmental authorities have expressed the view that, absent consummation of the proposed acquisition, a serious danger would exist that HT&L would fail. The consequences of failure of HT&L would be serious financial loss to some 30,000 uninsured investment certificate and debenture holders, as well as possible liquidity problems at other Hawaiian financial institutions, possible harm to certificate holders in such institutions, and serious consequences to Hawaii's economy, according to the Governor of that State. These consequences would be avoided by consummation of the proposed acquisition.

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

The transaction shall be consummated not later than three months after the effective date of this Order, unless such period is extended for good

¹All banking data are as of December 31, 1974.

²That shareholder and its affiliates are neither parties to, nor the subject of the instant application.

³The opening of a ninth office on Oahu is pending.

⁴In any event, consummation would eliminate potential competition between Applicant and HT&L. Applicant has made efforts to form an industrial loan company in Hawaii, but those efforts were unsuccessful due to the refusal of the Hawaii Director of Regulatory Institutions to grant the necessary license. It is estimated that HT&L held, on June 30, 1974, 28 per cent of investment certificates issued by Hawaiian industrial loan companies. Thus, but for HT&L's present financial condition, the instant application would raise significant problems related to potential competition in Hawaiian markets for non-insured lendable funds, apart from its effect in Hawaiian loan markets.

cause by the Board or by the Federal Reserve Bank of San Francisco, pursuant to authority hereby delegated.

By order of the Board of Governors, effective June 18, 1975.

Voting for this action: Chairman Burns and Governors Mitchell, Holland, Wallich, and Coldwell. Absent and not voting: Governor Bucher.

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

ORDERS FOR HEARING

MELLON NATIONAL CORPORATION,
PITTSBURGH, PENNSYLVANIA

Order for Hearing

Mellon National Corporation, Pittsburgh, Pennsylvania, has applied, pursuant to § 4(c)(8) of the Bank Holding Company Act (12 U.S.C. § 1843(c)(8)) and § 225.4(b)(2) of the Board's Regulation Y (12 C.F.R. § 225.4(b)(2)) for permission to acquire 100 per cent of the voting shares of Local Loan Company, Chicago, Illinois. Notice of the application was published between September 20 and 27, 1974 and on October 3, 11 and 12, 1974, in newspapers of general circulation in each of the communities in which there is located one or more of the 124 offices of Local Loan Company located in the United States to be retained by Applicant if the proposed transaction is consummated. The subsidiaries of Local Loan Company operate offices in the States of California, Colorado, Florida, Illinois, Indiana, Kentucky, Minnesota, Nebraska, New York, Oregon, Washington, and Wisconsin.

By notice published in the Federal Register on December 6, 1974 (39 *Federal Register* 42719 (1974)), the Board invited interested persons to express their views on the question whether consummation of the proposal can "reasonably be expected to produce benefits to the public, such as greater convenience, increased competition, or gains in efficiency, that outweigh possible adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interests, or unsound banking practices." The notice further provided that any request for a hearing on this question should be accompanied by a statement summarizing the evidence the person requesting the hearing proposes to submit or to elicit at the hearing and a statement of the reasons why this matter should not be resolved without a hearing.

By letter dated January 6, 1975, Mr. Anthony R. Martin-Trigona, Chicago, Illinois, requested that the Board hold a formal hearing on the Mellon application.¹ His request, which was accompanied neither by a statement summarizing the evidence he proposed to submit or elicit nor by a statement why the matter could not be resolved without a hearing, stated his belief "that the Board is well aware of my standing as a party in interest." In response to Applicant's challenge to his standing, Mr. Martin-Trigona requested the Board to incorporate by reference in the record of this proceeding certain earlier submissions to the Board made by him with respect to his standing to oppose the application of The Chase Manhattan Corporation, New York, N.Y., to acquire Dial Financial Corporation, Des Moines, Iowa.

On May 30, 1975, following receipt of several further communications from both Mellon and Mr. Martin-Trigona with respect to the standing issue, and because Mr. Martin-Trigona had expressed a desire to supplement his earlier submission on standing in the *Chase-Dial* matter, the Board's General Counsel notified Mellon and Mr. Martin-Trigona that he would hold an informal hearing on June 12, 1975, to afford them the opportunity to put before the Board any additional facts they deemed relevant on the standing question. Applicant and its counsel, as well as Mr. Martin-Trigona and his counsel, participated in this proceeding, and Mr. Martin-Trigona has taken the position that he has carried his burden of establishing his standing to obtain a formal hearing in this case.

A brief review of the history of Mr. Martin-Trigona's efforts to establish his standing in Board proceedings under the Bank Holding Company Act is necessary to put the present controversy in perspective.

In November 1972, Mr. Martin-Trigona protested the application of BankAmerica Corporation, San Francisco, California ("BankAmerica"), for permission to acquire GAC Finance, Inc., Allentown, Pennsylvania. In response to an inquiry from the Board asking whether he claimed status as a "party in interest" and, if so, requesting that he state the basis for that claim, Mr. Martin-Trigona responded that his claim was made "on the basis of my undivided interest in the public interest, as a citizen of the United States and the State of Illinois, and as a person who

¹Although Mr. Martin-Trigona's letter stated that "I would again renew my demand for formal hearings on this application," no previous request for a hearing on the Mellon application had been made by him.

stands to be injured by economic concentration.” In addition, he asserted an interest in “meaningful and rigorous enforcement” of the antitrust laws.

By letter of June 26, 1973, the Board rejected Mr. Martin-Trigona’s claim of party-in-interest status in that case because, *inter alia*, he had not shown what he was within the class sought to be protected by the Bank Holding Company Act. In July 1973, the Board denied BankAmerica’s application, but BankAmerica requested reconsideration. In August 1973, Mr. Martin-Trigona reaffirmed his opposition to the application and again requested a hearing. However, he submitted no additional material with respect to his claim of standing and the Board denied his renewed request for a hearing for the reasons it had stated in its June 26 letter. Mr. Martin-Trigona petitioned the U. S. Court of Appeals for the District of Columbia Circuit for review of the Board’s denial of his request. In his brief to the Court of Appeals, Mr. Martin-Trigona, admitting that the matter was “not of record,” asked the Court to consider that “petitioner himself is a potential entrant in the financial services industry and has been studying an entry in the market himself for sometime in 1974.” He alleged that these plans “will shortly be coming to fruition” and he described his entry as “imminent.” On review, the Board’s conclusion as to his standing was affirmed by the Court of Appeals. *Martin-Trigona v. Federal Reserve Board*, 509 F.2d 363 (D.C. Cir. 1975) (the “*BankAmerica-GAC* case”).²

In March 1974, as we have noted, Mr. Martin-Trigona protested a renewed application of The Chase Manhattan Corporation (“Chase”) to acquire Dial Financial Corporation,³ and sought leave to intervene on the ground that he was then “in the process of entering the financial services industry himself and, accordingly, is within the class of business competitors and potential competitors who are guaranteed a right and standing to intervene” by 12 U.S.C. § 1850. Elaborating on this request in April 1974, he stated that he had taken a number of preparatory steps to enter the business,⁴ that he was “prepared to commit more funds in the next 60 days to begin operations,

and that “we should be operational on a pilot basis some time in June or early July, and move into full scale operations as soon as is practicable.” In July 1974, he told the Board that he was waiting until the prime rate fell below 9 per cent, and that “if we had a prime rate of 9 per cent, I think we would be operational by the 1st of August.” On October 31, 1974, the Board denied Chase’s application without a hearing and, accordingly, without resolving the question of Mr. Martin-Trigona’s standing.

In the present case, Mr. Martin-Trigona continues to allege that he intends to enter the consumer finance business in Chicago, and that he therefore has standing as a potential competitor of Mellon. While interest rates have decreased well below the 9 per cent level that he referred to in the *Chase-Dial* matter, he now states that his uncertainty as to the “regulatory climate” and the general economy is deterring his entry. He avers that “I’ve got the money to go, and I can start lending and earning a return on my assets virtually instantly.” However, he states he is waiting “to determine what the position of the Board will be” before he proceeds, and that “if the Board proceeds to approve willy nilly acquisitions of loan companies by bank holding companies,” the chances he will proceed with entry “are marginal, at best.” He further states that he has been “postponing our entry until the economy appears to be moving out of the recession and until the demand for funds moves to the positive side.”

We take as our present standard for determining questions of standing in cases such as this § 105 of the Bank Holding Company Act Amendments of 1970 (12 U.S.C. § 1850), and the recent decision of the U. S. Court of Appeals for the District of Columbia Circuit in the *BankAmerica-GAC* case.

Section 105 expressly provides that in a case in which a bank holding company applies for authority to acquire a company engaged in a non-banking activity

“a party who would become a competitor of the applicant or subsidiary thereof by virtue of the applicant’s . . . acquisition, . . . shall have the right to be a party in interest”

²In 1970, the same court affirmed a decision of the Federal Communications Commission holding that Mr. Martin-Trigona lacked standing to petition that agency for revocation of the licenses of the three major New York television stations. *Martin-Trigona v. Federal Communications Commission*, 432 F.2d 682 (D.C. Cir. 1970).

³Chase’s first application to acquire Dial, which was denied in January 1974, was not opposed by Mr. Martin-Trigona.

⁴Specifically, he stated he had surveyed relevant state laws, appropriate corporate forms, and possible names; formed corporations and ordered a corporate logo; inquired of banks as to lines of credit; investigated banks to perform computer bookkeeping and lock box services; raised a “modest initial cash investment”; and had discussions with a “possible full-time branch manager for the first office.”

in the Board's proceeding with respect to the application. Mr. Martin-Trigona is admittedly not a present competitor of either Mellon of Local Loan and he clearly would not become such "by virtue of" the proposed acquisition. However, in the *BankAmerica-GAC* case, the Court pointed out that a "potential competitor" would be within the "zone of interest" protected by § 4 of the Bank Holding Company Act "if that potential competitor may realistically be viewed as a possible entrant" into the relevant market. Furthermore, although it reserved judgment on the issue, it suggested that a consumer of the services offered by the applicant or the acquired firm would similarly be considered to be within that "zone of interest." In either event, the Court stated that, in order to establish standing in a case such as this, the claimant must satisfy three salient principles: first, he must allege that the proposed acquisition would cause him "injury in fact, economic or otherwise"; second, the alleged "injury in fact" must be arguably within the zone of interests protected or regulated by the statute; and, third, the claimant "may not merely allege the existence of an injury," but must go beyond and allege "facts showing that he is himself adversely affected" by the proposed acquisition. The Court further indicated that the test of whether a potential competitor or consumer has standing based upon allegations of injury resulting from the anticompetitive effects of an acquisition is whether he would have standing under the Clayton Act (15 U.S.C. § 12 *et seq.*) to maintain a private antitrust action with respect to the proposed acquisition.⁵ (509 F.2d at 365-66).

Assessing Mr. Martin-Trigona's belated claim of standing as a "consumer" on the basis of the standards articulated by the Court of Appeals, we have little difficulty in concluding that he has not established standing as a consumer. Mr. Martin-Trigona admittedly has never borrowed from Local Loan Company, although he states that he "might at some point in the future do so." At the informal hearing before the General Counsel he was not responsive in answering questions about his past "consumer" borrowings, and he flatly refused, "simply on the basis of relevance," to state when in the past he had borrowed from any consumer

finance company. He has alleged no facts whatsoever that he even remotely indicated how he would personally be adversely affected as a "consumer" by Mellon's proposed acquisition of Local Loan. Although he makes the conclusory claims that the effect of this acquisition would be "to force rates higher," and that an additional source of credit would be provided if Mellon were encouraged to enter the finance business *de novo*, rather than through an acquisition of an existing company, the Board does not consider these allegations to constitute the type of factual allegations of particularized injury called for in the test establishment by the Court of Appeals.

A somewhat different question is presented, however, with respect to Mr. Martin-Trigona's claim as a "potential competitor." Under the approach dictated by the Court of Appeals in the *BankAmerica-GAC* case, there are four elements to be considered in determining whether a party claiming standing as a potential competitor has established the necessary intention and preparedness to warrant a conclusion that he has a protectable "business" interest: (1) his background and experience in the prospective business, (2) the affirmative action he has taken to engage in the proposed business, (3) his financial ability to purchase the necessary equipment and facilities to engage in the business, and (4) the consummation of contracts relating to the proposed business. See *Waldron v. British Petroleum Co.*, 231 F. Supp. 72, 81-82 (S.D.N.Y. 1964).⁶

Applying these tests, the Board has substantial question whether Mr. Martin-Trigona can realistically be viewed as a potential competitor. He has not alleged or proved that he has background or experience in the consumer finance business; he has not consummated any contracts relating to the business; he has not obtained or applied for a State license to engage in the business. While he claims to have made certain "surveys" and taken certain very preliminary steps, such as the formation of shell corporations, and while he claims to have made "inquiries" of banks as to lines of credit, the Board has doubts that these steps constitute meaningful "affirmative action" and that his mere "inquiries" of banks establish his financial ability to engage in the business. Moreover, his long delay in actually entering the business since the first time he informed the Board of his intention to do so, and the unpersuasiveness of his explana-

⁵Section 4 of the Clayton Act (15 U.S.C. § 15) permits private damage actions by any person who has been injured in his business or property by reason of any conduct of the defendant violative of the antitrust laws. Section 16 of the Clayton Act (15 U.S.C. § 26) authorizes suits for injunctions by any person threatened with injury by such conduct.

⁶The *Waldron* case was expressly relied upon by the Court of Appeals in the *BankAmerica* case. 509 F.2d at 366 n.12.

tion for this delay, strongly suggest that his claim of "potential competitor" status has been advanced for the purpose of clothing himself with standing in Board proceedings rather than as a result of a bona fide intention to enter the consumer finance business.

In short, there is reason to be skeptical about Mr. Martin-Trigona's claims, and the Board believes that the record in this matter would support a conclusion that he should not, in the Court of Appeals' words, "realistically be viewed as a possible entrant" into the consumer finance business. However, in the event a reviewing court were to take a different review of the standing issues the likely relief would be a remand for a hearing. Because of its reluctance to foreclose the parties prematurely from making full submissions on the standing issue in this case the Board has permitted the argument to carry on for a period of several months, and the Board is hesitant at this stage of the proceedings to infect this case with possible procedural error, however remote that possibility may be, that would in the long run cause far more substantial delay in the final resolution of this matter. Accordingly, the Board has determined not to decide the question as to Mr. Martin-Trigona's standing as a potential competitor in this case, but nevertheless to hold a hearing on the merits of Mellon's application and to permit Mr. Martin-Trigona to participate in that hearing.⁷

For the foregoing reasons, it is hereby ordered that a public hearing be held with respect to the application of Mellon National Corporation, Pittsburgh, Pennsylvania, pursuant to § 4(c)(8) of the Bank Holding Company Act (12 U.S.C. § 1843(c)(8)) and § 225.4(b)(2) of the Board's Regulation Y (12 C.F.R. § 225.4(b)(2)), for permission to acquire 100 per cent of the voting shares of Local Loan Co., Chicago, Illinois. The hearing will commence at 10:00 a.m., September 3, 1975, before Phillip J. LaMacchia, former Administra-

tive Law Judge, now retired, in Room 1202 of the Board Building, Constitution Avenue between 20th and 21st Streets, Washington, D.C. 20551.

It is further ordered, that the issue to be considered as said hearing is whether the proposed acquisition 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.⁸

By order of the Board of Governors, July 28, 1975.

Voting for this action: Governors Bucher, Wallich, and Jackson. Voting against this action: Governors Holland and Coldwell. Absent and not voting: Chairman Burns and Governor Mitchell.

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

Dissenting Opinion of Governors Holland and Coldwell

We share the view that Mr. Martin-Trigona's claim to be a potential entrant into the consumer finance business is not creditable, but having reached that view we would not further delay this matter by holding a hearing.

His long delay in actually entering the business and his weak explanations for the delay, compel the inference that he has little real intention of entering this business. For the Board to order a hearing under these circumstances is in our opinion simply to countenance an abuse of its procedures, which were designed to protect the public interest. The public interest is served by reasonably prompt decision-making by a regulatory agency, and that also is a factor to be weighed in the balance, in our judgment, in deciding to what extremes the provision of pre-decision opportunities for presentation of arguments should be pushed.

It should be stressed that a determination that Mr. Martin-Trigona lacks standing by no means forecloses him from bringing relevant matters to the attention of the Board. Although he has not seen fit to submit anything with respect to the

⁷In light of his past expressions of interest in participating in Board proceedings, we recognize that the question of Mr. Martin-Trigona's standing may again be raised in future application proceedings. To the extent that he continues to claim standing as a potential entrant into the consumer finance business, the Board will, in any such future case, expect to be presented with credible evidence that the intention he first expressed in this regard in April 1974, has been meaningfully furthered by the taking of concrete steps to enter that business.

Of course, whether or not Mr. Martin-Trigona is determined to have sufficient standing to entitle him to a formal hearing and to party-in-interest status, the opportunity is always available to him to make a timely submission of facts and arguments in written form.

⁸In view of the Board's decision to hold a hearing in this matter and to afford Mr. Martin-Trigona the same opportunity to participate that he would have had if he had established his standing, the question of standing will no longer be considered to be an issue to be litigated in this proceeding before the Board, and the hearing will be limited to the merits of the application.

merits of the Mellon application, despite repeated invitations to do so, our procedures offer him ample opportunity to make written submissions contesting the facts upon which the application is premised and to present us with additional facts, expert opinion or legal argument of his own. The Board is interested in informed decision-making, and it is interested in receiving the views of both competitors and consumers on matters coming before it under the Bank Holding Company Act. We would have welcomed any such contribution that Mr. Martin-Trigona might have made on the issues presented by cases such as this. Information and arguments submitted by all parties will be fully weighed by the Board in seeking to decide the net public benefits in this case, as is mandated by the statute.

PATAGONIA CORPORATION,
TUCSON, ARIZONA

Order for Hearing

On July 11, 1975, the Board of Governors of the Federal Reserve System ordered a hearing,

pursuant to a decision by the United States Court of Appeals for the Ninth Circuit, on the petition of Patagonia Corporation, Tucson, Arizona, that, on or before June 30, 1968, Pima Savings and Loan Association, Tucson, Arizona was a subsidiary of Patagonia Corporation, as defined in section 2 (d)(3) of the Bank Holding Company Act (12 U.S.C. 1841(d)(3)). Pursuant to that Board Order (40 Federal Register 30537), Philip J. LaMacchia, former Administrative Law Judge, now retired, was appointed as the Presiding Officer to conduct the hearing in accordance with the Board's Rules of Practice for Formal Hearings (12 C.F.R. Part 263).

The hearing will commence at 10:00 a.m. on September 30, 1975 in Tucson, Arizona, at the Federal Building, 301 West Congress Street. The hearing will be open to the public.

By order of the Secretary of the Board of Governors, acting pursuant to delegated authority from the Board of Governors, effective July 30, 1975.

(Signed) THEODORE E. ALLISON,
Secretary of the Board.

[SEAL]

ORDERS NOT PRINTED IN THIS ISSUE

ORDERS APPROVED BY THE BOARD OF GOVERNORS

During June or July 1975, the Board of Governors approved the applications listed below. The orders have been published in the Federal Register, and copies of the orders are available upon request to Publications Services, Division of Administrative Services, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

ORDER UNDER SECTION 3(a)(1) OF BANK HOLDING COMPANY ACT— APPLICATIONS FOR FORMATION OF BANK HOLDING COMPANY

<i>Applicant</i>	<i>Bank(s)</i>	<i>Board action (effective date)</i>	<i>Federal Register citation</i>
North Florida Bancshares, Inc., Panama City, Florida	The Bay National and Trust Co. and The First National Bank, both in Panama City, Florida	7/18/75	40 F.R. 31287 7/25/75

**ORDER UNDER SECTION 3(a)(3) OF BANK HOLDING COMPANY ACT—
APPLICATIONS FOR ACQUISITION OF BANK**

<i>Applicant</i>	<i>Bank(s)</i>	<i>Board action (effective date)</i>	<i>Federal Register citation</i>
Mountain Banks, Ltd., Colorado Springs, Colorado	Fort Collins National Bank, Fort Collins, Colorado	7/28/75	40 F.R. 33074 8/6/75

**ORDERS UNDER SECTION 4(c)(8) OF BANK HOLDING COMPANY ACT—
APPLICATIONS TO ENGAGE IN NONBANKING ACTIVITIES**

<i>Applicant</i>	<i>Nonbanking company (or activity)</i>	<i>Board action (effective date)</i>	<i>Federal Register citation</i>
Allied Bancshares, Inc., Houston, Texas	Allied Life Insurance Company of Texas, Houston, Texas	7/9/75	40 F.R. 30326 7/18/75
The Central Bancorporation, Inc., Cincinnati, Ohio	The Shawnee Life Insurance Company, Phoenix, Arizona	7/25/75	40 F.R. 32794 8/4/75

**ORDERS UNDER SECTIONS 3 AND 4 OF BANK HOLDING COMPANY ACT—
APPLICATIONS TO FORM BANK HOLDING COMPANY AND ENGAGE IN
NONBANKING ACTIVITIES**

<i>Applicant</i>	<i>Bank(s)</i>	<i>Nonbanking company (or activity)</i>	<i>Effective date</i>	<i>Federal Register citation</i>
Citizens State Bancorp, Inc., Manhattan, Kansas	Citizens State Bank & Trust Co., Manhattan, Kansas	Sale of credit life, credit accident, and health insurance	6/27/75	40 F.R. 28872 7/9/75
FOB, Corp., Belleville, Indiana	First National Bank of Belle- ville, Belleville, Illinois	Illinois State Trust Company, East St. Louis, Illinois	7/18/75	40 F.R. 31285 7/25/75

**ORDER UNDER SECTION 3(a)(1) OF BANK HOLDING COMPANY ACT—
APPLICATION FOR FORMATION OF BANK HOLDING COMPANY—AND
DETERMINATION UNDER SECTION 2(g)(3) OF BANK HOLDING COMPANY ACT**

<i>Applicant</i>	<i>Bank(s)</i>	<i>Board action (effective date)</i>	<i>Federal Register citation</i>
Mercantile National Corporation, Dallas, Texas	Mercantile National Bank at Dallas, Dallas, Texas	6/2/75	40 F.R. 28676 6/8/75

ORDERS APPROVED BY THE SECRETARY OF THE BOARD

During July 1975, applications were approved by the Secretary of the Board under delegated authority as listed below. The orders have been published in the Federal Register, and copies of the orders are available upon request to Publications Services, Division of Administrative Services, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

**ORDERS UNDER SECTION 3(a)(1) OF BANK HOLDING COMPANY ACT—
APPLICATIONS FOR FORMATION OF BANK HOLDING COMPANY**

<i>Applicant</i>	<i>Bank(s)</i>	<i>Board action (effective date)</i>	<i>Federal Register citation</i>
Kansas State Bancshares, Inc., Manhattan, Kansas	Kansas State Bank of Manhattan, Manhattan, Kansas	7/21/75	40 F.R. 31286 7/25/75
The Landmarks Corporation, Kimballton, Iowa	The Landmarks National Bank of Kimballton, Kimballton, Iowa	7/1/75	40 F.R. 28874 7/9/75

**ORDERS UNDER SECTION 3(a)(3) OF BANK HOLDING COMPANY ACT—
APPLICATIONS FOR ACQUISITION OF BANK**

<i>Applicant</i>	<i>Bank(s)</i>	<i>Board action (effective date)</i>	<i>Federal Register citation</i>
First International Banc- shares, Inc., Dallas Texas	First International Bank in El Paso El Paso, Texas	7/31/75	40 F.R. 33493 8/8/75
Manufacturers National Corporation, Detroit, Michigan	Bay City Bank & Trust Company, Bay City, Michigan	7/21/75	40 F.R. 31286 7/25/75
Texas Commerce Bancshares, Inc., Houston, Texas	Casa Linda National Bank of Dallas; Fidelity Bank, National Association; Northwest National Bank of Dallas; Royal National Bank of Dallas; and The Village Bank (National Association), all located in Dallas, Texas	7/31/75	40 F.R. 33495 8/8/75

ORDERS APPROVED BY FEDERAL RESERVE BANKS

During July 1975, applications were approved by the Federal Reserve Banks under delegated authority as listed below. The orders have been published in the Federal Register, and copies of the orders are available upon request to the Reserve Bank.

**ORDER UNDER SECTION 3(a)(1) OF BANK HOLDING COMPANY ACT—
APPLICATIONS FOR FORMATION OF BANK HOLDING COMPANY**

<i>Applicant</i>	<i>Bank(s)</i>	<i>Reserve Bank</i>	<i>Effective date</i>	<i>Federal Register citation</i>
Butte State Company, Butte, Nebraska	Butte State Bank, Butte, Nebraska	Kansas City	7/3/75	40 F.R. 30158 7/17/75

**ORDERS UNDER SECTION 3(a)(3) OF BANK HOLDING COMPANY ACT—
APPLICATIONS FOR ACQUISITION OF BANK**

<i>Applicant</i>	<i>Bank(s)</i>	<i>Reserve Bank</i>	<i>Effective date</i>	<i>Federal Register citation</i>
CleveTrust Corporation, Cleveland, Ohio	The City Bank, Kent, Ohio	Cleveland	7/25/75	40 F.R. 33071 8/6/75
Winters National Cor- poration, Dayton, Ohio	Euclid National Bank, Euclid, Ohio	Cleveland	7/17/75	40 F.R. 31288 7/25/75
First Banc Group, Inc., Creve Coeur, Missouri	Commonwealth Bank, Wentzville, Missouri	St. Louis	7/24/75	40 F.R. 33072 8/6/75

Announcements

ANALYSES OF SYSTEM EXPENDITURES

The Board of Governors of the Federal Reserve System on August 4, 1975, sent to the Congress two analyses on various items of expenditures made by the Federal Reserve System during the calendar year 1974.

The analyses were sent to the chairman and ranking members of the House Banking, Currency, and Housing Committee in response to a staff report issued by the Subcommittee on Domestic Monetary Policy covering 1974 expenditures of the System and a report by the full committee on H.R. 7590, a bill that would provide for an audit of the Federal Reserve by the General Accounting Office.

Expenditures by the System during 1974 were consistent with provisions of the Federal Reserve Act that authorize the Board of Directors of each Reserve Bank to formulate operating policies under the general supervision of the Board.

There were only a few cases where an expense item seemed questionable to the Board, and for such items action has been taken to avoid a recurrence.

In transmitting the analyses to the Congress, Board Chairman Arthur F. Burns said:

The Board rejects categorically the Committee's apparent judgment that Federal Reserve expenditures have grown at an excessive rate. Any responsible analysis of the System's expenditures would show that increases have been reasonable in light of the System's rapidly growing workload, the increased responsibilities imposed by Congress, and the rise in the cost of doing business. As just one example, the average salary of officers within the System rose at an average annual rate of 5.3 per cent between 1964 and 1974; this is well below the annual average increase for employees in the Federal civil service.

The Board noted that items of expenditure reported in the congressional documents were pro-

vided to the House Banking Committee by the staff of the Board of Governors and the Federal Reserve Banks. These expenditures were identified under strict auditing and control procedures that have been in effect within the System for many years.

NEW BILL-PAYING SERVICE

The Board of Governors of the Federal Reserve System has authorized member banks to offer a bill-paying service to their customers through the preauthorized transfer of funds from the customer's savings account, effective September 2.

Prior to this action, a bill-paying service of this type could be made only for the payment of the principal, interest, or other charges related to a real estate loan or mortgage.

The new authorization, in the form of an amendment to the Board's Regulation Q governing the payment of interest on deposits, permits a savings depositor to authorize the transfer of funds to third parties for payments of any type, except bank overdrafts.

The amendment as adopted was substantially the same as proposed by the Board on April 7, with three modifications:

- It specifies that transfers from savings accounts may not be made to cover overdrafts or the use of a checking account line of credit.

- The amendment makes it clear that it does not permit a member bank to agree to transfer funds automatically—that is, without specific instructions—from a customer's savings account to the customer's checking account.

- The amendment indicates that withdrawal orders or authorizations for payment to third parties may be received by a member bank only from a depositor.

The Board had previously invited public comment on proposed arrangements for access to Federal Reserve clearing and settlement facilities connected with automated clearing houses. Pending further consideration of this matter, such Federal Reserve facilities may not be used to clear the

third-party transfers now authorized from savings accounts. Rules presently in effect regarding the clearing and settling of negotiable orders of withdrawal (NOW's) are not affected by the amendment of Regulation Q.

The amendment gives member banks broad, general authority to design and offer bill-paying services by using funds in savings accounts. The amendment does not, however, specify the form of such services. The Board therefore offered the following hypothetical outline of a possible bill-paying service:

In most cases, a bill-paying service will be based upon a written contract between the bank and the depositor. . . . The transfer . . . may be accomplished by means of an internal bank transaction or by sending a bank check to the transferee or the transferee's bank.

The depositor will give the bank the names of those organizations or individuals to whom funds are to be transferred, indicating either the specific amount to be paid to each, or a maximum amount and the frequency of payment. . . .

Subsequent additions to the list of transferees or changes in instructions may be communicated to the bank in person, in writing or by telephone.

If the depositor uses a written withdrawal form to convey transfer instructions to the bank, such form must contain language in boldface type that it is not negotiable or transferable.

The System will monitor the development of bill-paying services, and it is possible that additional regulations or guidelines may be issued in the future. Member banks were advised to maintain data on accounts subject to third-party payment authorizations in a manner that will facilitate identification of such deposits for reporting purposes.

The Federal Deposit Insurance Corporation has proposed similar changes in its regulations.

LETTER RE: EMERGENCY HOUSING ACT

The Board of Governors on August 12, 1975, requested the Reserve Banks to send a letter to the chief executive officers of State member banks drawing their attention to the provisions of the

Emergency Housing Act of 1975. The Board's letter to State member banks, which urged that they "review the requirements and objectives of the Emergency Housing Act of 1975, together with the long-term prospects for repayment by delinquent borrowers before instituting foreclosure action," is as follows:

TO THE CHIEF EXECUTIVE OFFICER OF EACH STATE MEMBER BANK

On July 2, 1975, Public Law 94-50 known as the "Emergency Housing Act of 1975" became effective. The Act gives the Department of Housing and Urban Development standby authority to provide up to \$250 per month assistance to homeowners who are unable to make full mortgage payments because of a substantial reduction in income, as a result of involuntary unemployment, or under-employment due to adverse economic conditions, provided certain stipulated requirements are met. The assistance may take the form of insurance for loans or advances from financial institutions or direct loans from HUD on behalf of delinquent mortgagors and is designed to prevent widespread mortgage foreclosure and distressed sales of properties. The Department of Housing and Urban Development expects to issue Regulations dealing with the Act. In addition to the standby authority given HUD, the Act notes the obligations of prudent lenders to exercise restraint on the foreclosure of residential¹ mortgages where such relief might be available and effective.

The Act also charges the Federal supervisory agencies, until one year from the date of enactment, with respect to financial institutions subject to their jurisdiction to: (1) "take appropriate action, not inconsistent with laws relating to the safety or soundness of institution or mortgagee, as the case may be, to waive or relax limitations pertaining to the operations of such institutions or mortgagees with respect to mortgage delinquencies in order to cause or encourage forbearance in residential mortgage loan foreclosures", and (2) "request each such institution or mortgagee to notify that Federal supervisory agency, the Secretary of HUD and the mortgagor at least 30 days prior to instituting foreclosure proceedings in connection with any mortgage loan."

¹For the purposes of the Act, residential mortgages include loans on 1- to 4-family homes, mobile homes, and single condominium units. In each case, the unit must be the principal residence of the mortgagor.

The Federal Reserve, therefore, urges each State member bank to review the requirements and objectives of the Emergency Housing Act of 1975, together with the long-term prospects for repayment by delinquent borrowers before instituting foreclosure action. In this connection, the System's examiners are being furnished a copy of this letter and are being instructed to refrain from criticizing forbearance in residential mortgage loan foreclosures where such forbearance does not threaten the safety and soundness of the bank under examination.

With respect to the legal requirement for notification of intent to foreclose on a residential mortgage loan, you will be advised in the near future of the specific information which will be required to fulfill the notification stipulation.

Your cooperation in this effort will be appreciated.

CHANGES IN BOARD STAFF

The Board has announced the appointment of Kenneth A. Guenther as Assistant to the Board in congressional liaison matters, replacing John Rippey, who has resigned.

Mr. Guenther, formerly Assistant Special Trade Representative for Commercial Policy in the Executive Office of the President, is a cum laude graduate of the University of Rochester and has done graduate work at Yale University and Johns Hopkins University.

The Board has also announced the promotion of Stanley J. Sigel, Adviser in the Division of Research and Statistics, as an Assistant to the Board in the Office of Managing Director for Research and Economic Policy, effective August 1, 1975.

ADMISSION OF STATE BANKS TO MEMBERSHIP IN SYSTEM

The following banks were admitted to membership in the Federal Reserve System during the period July 16, 1975, through August 15, 1975:

Michigan

Troy Detroit Bank—Troy

Minnesota

Victoria Victoria State Bank

West Virginia

Harpers Ferry Bank of Harpers Ferry

Industrial Production

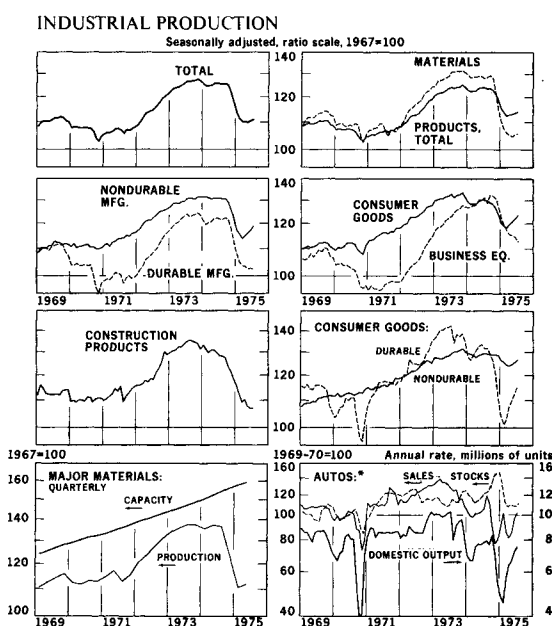
Released for publication August 15

Industrial production is estimated to have increased 0.5 per cent in July following a similar rise in June. Increases in July were fairly widespread among consumer goods and nondurable materials. But output of business equipment and durable materials decreased further and construction products changed little. The estimated levels of total industrial production for both June and May were revised upward (0.3 and 0.2, respectively).

Among consumer goods, auto production increased 5 per cent further in July and output of appliances, furniture, and other consumer goods continued to rise. Total consumer goods production was up about 4 per cent from the March low. Business equipment production declined about 1.5 per cent further in July, bringing the total cutback in those industries to 15 per cent since last September. Output of construction products apparently leveled off in July.

Total materials production is estimated to have increased slightly in July following a moderate increase in June. Further rises in output of the textile, paper, and chemical industries and other nondurable materials exceeded continued cutbacks in durable materials production. Output of iron and

steel was practically unchanged from month-ago levels, but further reductions occurred in the non-ferrous metal industries.



F.R. indexes, seasonally adjusted. Latest figures: July.

* Auto sales and stocks include imports.

Industrial production	Seasonally adjusted 1967 = 100				Per cent changes from—		
	1975						
	April	May	June ^b	July ^c	Month ago	Year ago	Q1 to Q2
Total	109.9	109.8	110.3	110.8	.5	-11.7	-1.4
Products, total	112.9	113.0	113.5	113.9	.4	- 8.1	- .6
Final products	112.6	113.2	113.8	114.3	.4	- 6.9	- .3
Consumer goods	119.6	120.6	122.0	123.4	1.1	- 5.1	1.3
Durable goods	107.8	110.2	112.8	115.5	2.4	-12.3	7.4
Nondurable goods	124.0	124.5	125.5	126.4	.7	- 2.3	- .6
Business equipment	115.4	115.0	114.4	112.7	-1.5	-14.2	-3.8
Intermediate products	113.4	112.4	112.4	112.6	.2	-11.9	-2.1
Construction products	110.1	107.6	106.8	106.8	...	-16.7	-3.7
Materials	105.2	104.6	105.1	105.6	.5	-17.5	-2.7

^aPreliminary.

^aEstimated.

Financial and Business Statistics

CONTENTS

GUIDE TO TABULAR PRESENTATION ON INSIDE BACK COVER

STATISTICAL RELEASES: REFERENCE ON INSIDE BACK COVER

U.S. STATISTICS

- A 2 *Member bank reserves, Reserve Bank credit, and related items*
- A 5 *Federal funds—Money market banks*
- A 6 *Reserve Bank interest rates*
- A 7 *Reserve requirements*
- A 8 *Maximum interest rates; margin requirements*
- A 9 *Open market account*
- A 10 *Federal Reserve Banks*
- A 11 *Bank debits*
- A 12 *Money stock*
- A 13 *Bank reserves; bank credit*
- A 14 *Commercial banks, by classes*
- A 18 *Weekly reporting banks*
- A 23 *Business loans of banks*
- A 24 *Demand deposit ownership*
- A 25 *Loan sales by banks*
- A 25 *Open market paper*
- A 26 *Interest rates*
- A 29 *Security markets*
- A 29 *Stock market credit*
- A 30 *Savings institutions*
- A 32 *Federal finance*
- A 34 *U.S. Government securities*
- A 37 *Federally sponsored credit agencies*

- A 38 *Security issues*
- A 41 *Business finance*
- A 42 *Real estate credit*
- A 45 *Consumer credit*
- A 48 *Industrial production*
- A 50 *Business activity*
- A 50 *Construction*
- A 52 *Labor force, employment, and unemployment*
- A 53 *Consumer prices*
- A 53 *Wholesale prices*
- A 54 *National product and income*
- A 56 *Flow of funds*

INTERNATIONAL STATISTICS

- A 58 *U.S. balance of payments*
- A 59 *Foreign trade*
- A 59 *U.S. reserve assets*
- A 60 *Gold reserves of central banks and governments*
- A 61 *International capital transactions of the United States*
- A 74 *Open market rates*
- A 75 *Central bank rates*
- A 75 *Foreign exchange rates*

TABLES PUBLISHED PERIODICALLY

BANKING OFFICES:

- A 76 *Number in the United States*
- A 77 *Number of par and nonpar*

- A 84 INDEX TO STATISTICAL TABLES

MEMBER BANK RESERVES, FEDERAL RESERVE BANK CREDIT, AND RELATED ITEMS

(In millions of dollars)

Period or date	Factors supplying reserve funds									
	Reserve Bank credit outstanding							Gold stock	Special Drawing Rights certificate account	Treasury currency outstanding
	U.S. Govt. securities ¹			Loans	Float ³	Other F.R. assets ⁴	Total ⁵			
	Total	Bought outright ²	Held under repurchase agreement							
Averages of daily figures										
1939—Dec.....	2,510	2,510	.....	8	83	.....	2,612	17,518	.....	2,956
1941—Dec.....	2,219	2,219	.....	5	170	.....	2,404	22,759	.....	3,239
1945—Dec.....	23,708	23,708	.....	381	652	.....	24,744	20,047	.....	4,322
1950—Dec.....	20,345	20,336	9	142	1,117	.....	21,606	22,879	.....	4,629
1960—Dec.....	27,248	27,170	78	94	1,665	.....	29,060	17,954	.....	5,396
1969—Dec.....	57,500	57,295	205	1,086	3,235	2,204	64,100	10,367	.....	6,841
1970—Dec.....	61,688	61,310	378	321	3,570	1,032	66,708	11,105	400	7,145
1971—Dec.....	69,158	68,868	290	107	3,905	982	74,255	10,132	400	7,611
1972—Dec.....	71,094	70,790	304	1,049	3,479	1,138	76,851	10,410	400	8,293
1973—Dec.....	79,701	78,833	868	1,298	3,414	1,079	85,642	11,567	400	8,668
1974—July.....	84,313	83,496	817	3,308	2,267	1,343	91,554	11,567	400	8,905
Aug.....	84,493	84,221	272	3,351	1,983	1,258	91,367	11,567	400	8,951
Sept.....	84,384	84,049	335	3,287	2,239	1,349	91,617	11,567	400	8,992
Oct.....	83,735	83,303	432	1,793	2,083	2,984	90,971	11,567	400	9,041
Nov.....	84,052	83,395	657	1,285	2,409	3,171	91,302	11,567	400	9,113
Dec.....	86,679	85,202	1,477	703	2,734	3,129	93,967	11,630	400	9,179
1975—Jan.....	86,039	85,369	670	390	2,456	3,391	93,002	11,647	400	9,235
Feb.....	84,744	83,843	901	147	2,079	3,419	91,168	11,626	400	9,284
Mar.....	84,847	84,398	449	106	1,994	3,142	90,819	11,620	400	9,362
Apr.....	87,080	86,117	963	110	2,061	3,237	93,214	11,620	400	9,410
May.....	91,918	89,355	2,563	60	1,877	3,039	97,845	11,620	429	9,464
June.....	88,912	87,618	1,294	271	2,046	3,098	95,119	11,620	500	9,536
July ^p	88,166	87,882	284	261	1,935	3,100	94,168	11,620	500	9,612
Week ending—										
1975—May 7.....	92,125	88,923	3,202	34	1,681	3,424	98,377	11,620	400	9,435
14.....	91,358	89,449	1,909	17	1,750	3,347	97,446	11,620	400	9,456
21.....	92,529	89,494	3,035	121	2,220	2,629	98,458	11,620	400	9,462
28.....	92,156	89,724	2,432	84	1,821	2,735	97,606	11,620	486	9,469
June 4.....	90,748	88,833	1,915	84	2,159	3,061	96,905	11,620	500	9,561
11.....	86,150	86,150	.....	38	2,122	3,026	92,044	11,620	500	9,527
18.....	87,281	86,957	324	77	2,132	3,140	93,315	11,620	500	9,538
25.....	89,859	88,434	1,425	188	1,953	3,165	95,949	11,620	500	9,542
July 2.....	91,559	88,834	2,725	871	1,887	3,010	98,243	11,620	500	9,573
9.....	89,020	88,473	547	222	2,260	3,007	95,272	11,620	500	9,569
16.....	87,497	87,263	234	202	2,131	3,050	93,566	11,620	500	9,618
23 ^p	87,997	87,850	147	382	1,852	3,125	94,047	11,620	500	9,630
30 ^p	87,868	87,609	259	253	1,432	3,246	93,491	11,620	500	9,641
End of month										
1975—May.....	91,029	88,953	2,076	24	1,811	2,984	96,712	11,620	500	9,669
June.....	89,895	89,665	230	561	1,791	2,997	95,926	11,620	500	9,687
July ^p	86,966	86,966	.....	178	1,220	3,196	92,245	11,620	500	9,647
Wednesday										
1975—May 7.....	91,579	89,209	2,370	21	2,188	3,319	98,051	11,620	400	9,453
14.....	91,356	89,655	1,701	20	2,342	3,417	98,079	11,620	400	9,460
21.....	95,465	89,505	5,960	728	2,140	2,672	102,015	11,620	400	9,468
28.....	94,337	89,640	4,697	481	2,118	2,939	100,751	11,620	500	9,475
June 4.....	89,002	88,142	860	457	2,890	3,011	96,188	11,620	500	9,481
11.....	84,979	84,979	.....	115	2,573	3,149	91,514	11,620	500	9,538
18.....	89,273	88,167	1,106	374	3,039	3,141	96,508	11,620	500	9,538
25.....	93,269	88,738	4,531	1,100	2,059	3,070	100,492	11,620	500	9,553
July 2.....	90,026	89,512	514	272	2,078	2,932	96,000	11,620	500	9,562
9.....	84,483	84,483	.....	80	2,849	3,064	91,162	11,620	500	9,612
16.....	89,369	87,729	1,640	1,132	2,241	3,076	96,498	11,620	500	9,627
23 ^p	88,662	87,631	1,031	1,999	2,143	3,222	96,775	11,620	500	9,637
30 ^p	88,064	87,112	952	147	1,823	3,238	93,982	11,620	500	9,647

¹ Includes Federal agency issues held under repurchase agreements beginning Dec. 1, 1966, and Federal agency issues bought outright beginning Sept. 29, 1971.

² Includes, beginning 1969, 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 Beginning with 1960 reflects a minor change in concept; see Feb. 1961 BULLETIN, p. 164.

⁴ Beginning Apr. 16, 1969, "Other F.R. assets" and "Other F.R. liabilities and capital" are shown separately; formerly, they were netted together and reported as "Other F.R. accounts."

⁵ Includes industrial loans and acceptances until Aug. 21, 1959, when industrial loan program was discontinued. For holdings of acceptances

on Wed. and end-of-month dates, see table on F.R. Banks on p. A-10. See also note 3.

⁶ Includes certain deposits of domestic nonmember banks and foreign-owned banking institutions held with member banks and redeposited in full with F.R. Banks in connection with voluntary participation by nonmember institutions in the Federal Reserve System's program of credit restraint.

As of Dec. 12, 1974, the amount of voluntary nonmember and foreign agency and branch deposits at F.R. Banks that are associated with marginal reserves are no longer reported. However, deposits voluntarily held by agencies and branches of foreign banks operating in the United States as reserves and Euro-dollar liabilities are reported.

Notes continued on opposite page.

MEMBER BANK RESERVES, FEDERAL RESERVE BANK CREDIT, AND RELATED ITEMS—Continued

(In millions of dollars)

Factors absorbing reserve funds										Period or date
Cur- rency in cir- cu- la- tion	Treas- ury cash hold- ings	Deposits, other than member bank reserves with F.R. Banks			Other F.R. ac- counts ⁴	Other F.R. lia- bilities and capital ⁴	Member bank reserves			
		Treas- ury	For- eign	Other ^{3, 6}			With F.R. Banks	Cur- rency and coin ⁷	Total ⁸	
Averages of daily figures										
7,609	2,402	616	739	248	.....	11,473	.....	11,473	..... 1939—Dec.	
10,985	2,189	592	1,531	292	.....	12,812	.....	12,812	..... 1941—Dec.	
28,452	2,269	625	1,247	493	.....	16,027	.....	16,027	..... 1945—Dec.	
27,806	1,290	615	920	739	.....	17,391	.....	17,391	..... 1950—Dec.	
33,019	408	522	250	495	1,029	.....	16,688	2,595	19,283	..... 1960—Dec.
53,591	656	1,194	146	458	.....	2,192	23,071	4,960	28,031	..... 1969—Dec.
57,013	427	849	145	735	.....	2,265	23,925	5,340	29,265	..... 1970—Dec.
61,060	453	1,926	290	728	.....	2,287	25,653	5,676	31,329	..... 1971—Dec.
66,060	350	1,449	272	631	.....	2,362	24,830	6,095	31,353	..... 1972—Dec.
71,646	323	1,892	406	717	.....	2,942	28,352	6,635	35,068	..... 1973—Dec.
74,556	275	2,795	296	773	.....	3,216	30,514	6,824	37,338	..... 1974—July
74,709	283	2,633	326	831	.....	3,240	30,264	6,765	37,029	..... Aug.
75,098	303	2,451	456	766	.....	3,345	30,156	6,920	37,076	..... Sept.
75,654	315	1,601	294	869	.....	3,260	29,985	6,811	36,796	..... Oct.
77,029	302	864	370	770	.....	3,149	29,898	6,939	36,837	..... Nov.
78,951	220	1,741	357	874	.....	3,266	29,767	7,174	36,941	..... Dec.
77,780	221	2,087	336	884	.....	3,264	29,713	7,779	37,492	..... 1975—Jan.
76,979	236	2,374	317	711	.....	3,358	28,503	7,062	35,565	..... Feb.
77,692	277	1,887	363	958	.....	3,076	27,948	6,831	34,779	..... Mar.
78,377	309	3,532	307	718	.....	3,137	28,264	6,870	35,134	..... Apr.
79,102	326	8,115	262	746	.....	3,231	27,576	6,916	34,492	..... May
80,607	355	3,353	272	989	.....	3,191	28,007	6,969	34,976	..... June
81,753	359	2,207	269	711	.....	3,135	27,466	7,216	34,682	..... July ^p
Week ending—										
78,405	307	8,960	232	688	.....	3,141	28,098	7,139	35,237	..... 1975—May 7
79,095	323	8,419	277	472	.....	3,125	27,212	7,305	34,517	..... 14
79,203	324	7,947	258	697	.....	3,278	28,233	6,469	34,702	..... 21
79,439	333	7,474	266	911	.....	3,313	27,444	6,765	34,209	..... 28
79,904	373	5,815	285	1,294	.....	3,297	27,618	6,893	34,511	..... June 4
80,476	380	1,833	258	1,108	.....	3,009	26,627	7,080	33,707	..... 11
80,775	363	1,464	306	1,069	.....	3,135	27,861	7,076	34,937	..... 18
80,685	370	4,224	243	823	.....	3,258	28,008	6,698	34,706	..... 25
81,094	366	5,774	274	729	.....	3,323	28,376	7,105	35,481	..... July 2
81,898	367	3,393	264	729	.....	3,016	27,294	7,318	34,612	..... 9
82,164	358	1,198	296	676	.....	3,110	27,502	7,362	34,864	..... 16
81,761	345	1,370	240	690	.....	3,147	28,244	6,718	34,962	..... 23 ^p
81,287	364	1,830	262	711	.....	3,237	27,562	7,451	35,013	..... 30 ^p
End of month										
79,782	373	7,036	310	1,159	.....	3,396	26,445	6,893	33,338	..... 1975—May
81,196	364	5,773	373	701	.....	3,354	25,976	7,105	33,081	..... June
81,331	370	2,675	369	686	.....	3,354	25,227	7,548	32,775	..... July ^p
Wednesday										
78,989	330	9,162	257	482	.....	3,080	27,223	7,139	34,362	..... 1975—May 7
79,382	329	6,871	253	482	.....	3,187	29,055	7,305	36,360	..... 14
79,400	338	7,017	253	694	.....	3,342	32,459	6,469	38,928	..... 21
79,972	321	7,687	294	1,318	.....	3,392	29,362	6,765	36,127	..... 28
80,251	390	1,858	254	1,098	.....	3,027	30,911	6,893	37,804	..... June 4
80,935	383	1,057	254	1,165	.....	3,080	26,298	7,080	33,378	..... 11
80,879	370	2,639	295	885	.....	3,207	29,891	7,076	36,967	..... 18
80,972	370	5,497	294	741	.....	3,452	30,839	6,698	37,537	..... 25
81,708	369	5,291	253	765	.....	2,877	26,418	7,105	33,523	..... July 2
82,372	370	1,381	239	694	.....	3,022	24,817	7,318	32,135	..... 9
82,193	354	597	224	673	.....	3,193	31,011	7,362	38,373	..... 16
81,709	349	1,333	276	795	.....	3,171	30,899	6,718	37,617	..... 23 ^p
81,478	370	1,386	284	574	.....	3,339	28,318	7,451	35,769	..... 30 ^p

⁷ Part allowed as reserves Dec. 1, 1959—Nov. 23, 1960; all allowed thereafter. Beginning Jan. 1963, figures are estimated except for weekly averages. Beginning Sept. 12, 1968, amount is based on close-of-business figures for reserve period 2 weeks previous to report date.

⁸ Beginning with week ending Nov. 15, 1972, includes \$450 million of reserve deficiencies on which F.R. Banks are allowed to waive penalties for a transition period in connection with bank adaptation to Regulation J

as amended effective Nov. 9, 1972. Beginning 1973, allowable deficiencies included are (beginning with first statement week of quarter): Q1, \$279 million; Q2, \$172 million; Q3, \$112 million; Q4, \$84 million. Beginning 1974, Q1, \$67 million, Q2, \$58 million. Transition period ended after second quarter, 1974.

For other notes see opposite page.

RESERVES AND BORROWINGS OF MEMBER BANKS

(In millions of dollars)

Period	All member banks					Large banks ²						All other banks	
	Reserves			Borrowings		New York City		City of Chicago		Other		Excess	Borrowings
	Total held ¹	Re-quired	Excess ¹	Total	Seasonal	Excess	Borrowings	Excess	Borrowings	Excess	Borrowings		
1939—Dec.....	11,473	6,462	5,011	3	.....	2,611	.....	540	.....	1,188	.....	671	3
1941—Dec.....	12,812	9,422	3,390	5	.....	989	.....	295	.....	1,303	.....	804	4
1945—Dec.....	16,027	14,536	1,491	334	.....	48	192	14	.....	418	96	1,011	46
1950—Dec.....	17,391	16,364	1,027	142	.....	125	58	8	5	232	50	663	29
1960—Dec.....	19,283	18,527	756	87	.....	29	19	4	8	100	20	623	40
1965—Dec.....	22,719	22,267	452	454	.....	41	111	15	23	67	228	330	92
1967—Dec.....	25,260	24,915	345	238	.....	18	40	8	13	50	105	267	80
1968—Dec.....	27,221	26,766	455	765	.....	100	230	15	85	90	270	250	180
1969—Dec.....	28,031	27,774	257	1,086	.....	56	259	18	27	6	479	177	321
1970—Dec.....	29,265	28,993	272	321	.....	34	25	7	4	42	264	189	28
1971—Dec.....	31,329	31,164	165	107	.....	25	35	1	8	-35	22	174	42
1972—Dec.....	31,353	31,134	219	1,049	.....	-20	301	13	55	-42	429	-160	264
1973—Dec.....	35,068	34,806	262	1,298	41	-23	74	43	28	28	761	133	435
1974—July.....	37,338	37,161	177	3,308	149	-45	1,457	19	70	-12	848	125	933
Aug.....	37,029	36,851	178	3,351	165	-58	1,464	6	23	78	860	152	1,004
Sept.....	37,076	36,885	191	3,287	139	133	1,662	20	17	-77	792	115	816
Oct.....	36,796	36,705	91	1,793	117	-49	502	-18	36	36	569	122	686
Nov.....	36,837	36,579	258	1,285	67	-8	257	38	14	90	566	138	448
Dec.....	36,941	36,602	339	703	32	132	80	5	18	39	323	163	282
1975—Jan.....	37,492	37,556	-64	390	13	-119	156	-16	16	-91	87	162	131
Feb.....	35,565	35,333	232	147	10	31	37	17	10	41	29	143	71
Mar.....	34,779	34,513	266	106	7	53	22	20	10	56	28	137	46
Apr.....	35,134	35,014	120	110	7	32	25	-23	14	-4	38	115	33
May.....	34,492	34,493	-1	60	9	-28	24	-21	.....	-89	13	137	23
June.....	34,976	34,428	548	271	11	142	90	47	2	217	114	142	65
July ^p	34,682	34,687	-5	261	17	-75	54	24	23	-245	60	110	124
Week ending—													
1974—July 3.....	37,274	36,905	369	3,435	127	9	1,412	111	137	72	878	177	1,008
10.....	36,868	36,590	278	2,640	136	90	1,339	1	52	84	432	103	817
17.....	37,824	37,840	-16	3,175	150	-75	1,536	26	15	-74	786	107	838
24.....	37,417	37,302	115	3,641	156	17	1,538	-41	80	81	1,108	58	915
31.....	37,204	37,020	184	3,690	163	33	1,431	1	38	13	1,086	137	1,135
1975—Jan. 1.....	37,588	37,011	577	561	24	-8	83	61	.....	223	218	301	260
8.....	37,312	37,175	137	311	18	55	36	-27	.....	-26	107	135	168
15.....	38,207	38,249	-42	609	12	-130	317	1	69	-89	108	176	115
22.....	38,265	38,079	186	594	12	29	328	1	.....	45	130	111	136
29.....	37,240	37,066	174	142	10	71	.....	-13	.....	-24	33	140	109
Feb. 5.....	36,974	36,579	395	98	11	133	.....	33	.....	84	12	145	86
12.....	36,029	35,970	59	90	10	-37	6	-20	.....	-5	15	121	69
19.....	35,118	34,960	158	229	11	.....	140	-22	.....	-18	20	198	69
26.....	34,606	34,447	159	180	10	-15	.....	29	39	35	71	110	70
Mar. 5.....	34,795	34,386	409	70	9	117	.....	4	.....	90	10	198	60
12.....	34,482	34,252	230	60	7	122	.....	15	.....	-20	19	113	41
19.....	34,510	34,490	20	167	6	-96	88	-17	.....	10	36	143	43
26.....	34,819	34,675	144	155	7	54	8	36	44	-12	58	86	45
Apr. 2.....	35,087	34,808	279	51	7	-30	.....	7	.....	99	8	203	43
9.....	34,663	34,552	111	30	8	62	.....	15	.....	-51	7	85	23
16.....	35,295	35,076	219	22	6	25	.....	-14	.....	36	4	172	18
23.....	35,249	35,179	70	165	6	-5	42	16	25	-23	77	80	21
30.....	35,495	35,306	189	241	7	-11	67	1	37	56	71	143	66
May 7.....	35,237	34,926	311	34	11	177	.....	21	.....	-5	.....	118	34
14.....	34,517	34,518	-1	17	8	-106	.....	-26	.....	-17	1	148	16
21.....	34,702	34,631	71	121	7	-33	98	9	.....	-34	2	129	21
28.....	34,209	34,045	164	84	9	53	9	4	.....	-5	54	112	21
June 4.....	34,511	34,177	334	84	9	18	61	19	.....	137	.....	160	23
11.....	33,707	33,743	-36	38	11	-76	.....	-32	11	-55	2	127	23
18.....	34,937	34,603	334	77	10	80	49	12	.....	69	.....	173	28
25.....	34,706	34,615	91	188	11	19	97	-4	.....	5	38	71	53
July 2.....	35,481	35,085	396	871	15	57	189	39	.....	117	468	183	214
9.....	34,612	34,479	133	222	13	18	.....	-20	.....	-20	90	155	132
16.....	34,864	34,791	73	202	15	-72	78	2	54	6	16	137	54
23 ^p	34,962	34,693	269	382	19	90	151	33	50	-90	47	73	134
30 ^p	35,013	34,718	295	253	20	68	.....	63	.....	-14	91	102	162

¹ Beginning with week ending Nov. 15, 1972, includes \$450 million of reserve deficiencies on which F.R. Banks are allowed to waive penalties for a transition period in connection with bank adaptation to Regulation J as amended effective Nov. 9, 1972. Beginning 1973, allowable deficiencies included are (beginning with first statement week of quarter): Q1, \$279 million; Q2, \$172 million; Q3, \$112 million; Q4, \$84 million. Beginning 1974, Q1, \$67 million; Q2, \$58 million. Transition period ended after second quarter, 1974. For weeks for which figures are preliminary, figures by class of bank do not add to the total because adjusted data by class are not available.

² Beginning Nov. 9, 1972, designation of banks as reserve city banks

for reserve-requirement purposes has been based on size of bank (net demand deposits of more than \$400 million), as described in the BULLETIN for July 1972, p. 626. Categories shown here as "Large" and "All other" parallel the previous "Reserve city" and "Country" categories, respectively (hence the series are continuous over time).

NOTE.—Monthly and weekly data are averages of daily figures within the month or week, respectively.

Borrowings at F.R. Banks: Based on closing figures.

Effective Apr. 19, 1973, the Board's Regulation A, which governs lending by F.R. Banks, was revised to assist smaller member banks to meet the seasonal borrowing needs of their communities.

BASIC RESERVE POSITION, AND FEDERAL FUNDS AND RELATED TRANSACTIONS

(In millions of dollars, except as noted)

Reporting banks and week ending—	Basic reserve position					Interbank Federal funds transactions					Related transactions with U.S. Govt. securities dealers		
	Excess re- serves ¹	Less—		Net—		Gross transactions		Total two-way trans- actions ²	Net transactions		Loans to dealers ³	Bor- row- ings from dealers ⁴	Net loans
		Bor- rowings at F.R. Banks	Net inter- bank Federal funds trans.	Surplus or deficit	Per cent of avg. required reserves	Pur- chases	Sales		Pur- chases of net buying banks	Sales of net selling banks			
Total—46 banks													
1975—June 4.....	123	61	14,066	-14,005	89.0	19,745	5,679	5,166	14,579	513	3,198	649	2,548
11.....	4	13	17,347	-17,355	112.8	22,227	4,881	4,477	17,751	404	4,597	533	4,005
18.....	23	49	17,112	-17,137	106.9	22,029	4,917	4,457	17,572	460	3,938	389	3,549
25.....	84	124	15,612	-15,652	99.7	21,050	5,438	4,356	16,694	1,082	2,730	725	2,005
July 2.....	210	503	13,626	-13,919	86.6	20,100	6,474	4,847	15,253	1,627	2,139	629	1,511
9.....	121	58	16,779	-16,717	106.5	22,688	5,909	5,310	17,378	599	2,957	542	2,415
16.....	-31	132	17,347	-17,510	109.1	22,263	4,916	4,671	17,592	244	3,083	601	2,483
23.....	69	205	14,396	-14,532	92.2	18,962	4,566	4,375	14,587	191	2,195	664	1,531
30.....	200	1	13,290	-13,091	83.4	18,494	5,204	4,550	13,945	655	1,616	641	975
8 in New York City													
1975—June 4.....	17	61	4,665	-4,709	72.7	5,570	906	906	4,665	.....	1,393	241	1,152
11.....	-55	.....	6,343	-6,399	103.0	7,110	767	560	6,550	206	1,671	220	1,451
18.....	19	49	5,977	-6,006	91.7	6,773	797	742	6,031	54	1,774	181	1,593
25.....	37	97	5,953	-6,013	95.2	6,683	730	730	5,952	.....	1,269	273	996
July 2.....	81	189	5,544	-5,652	86.3	6,074	531	531	5,544	.....	1,087	271	816
9.....	70	.....	6,662	-6,593	103.1	7,451	789	789	6,662	.....	1,356	294	1,063
16.....	-33	78	6,471	-6,582	100.3	7,208	737	737	6,471	.....	1,386	292	1,095
23.....	63	151	4,671	-4,759	74.3	5,347	676	674	4,673	2	1,200	340	860
30.....	116	.....	4,422	-4,306	68.3	5,186	763	764	4,422	.....	981	343	637
38 outside New York City													
1975—June 4.....	106	.....	9,401	-9,295	100.4	14,175	4,773	4,260	9,914	513	1,805	409	1,397
11.....	59	13	11,003	-10,957	119.4	15,117	4,114	3,916	11,201	198	2,927	313	2,614
18.....	4	.....	11,135	-11,131	117.5	15,256	4,121	3,715	11,541	406	2,165	208	1,956
25.....	48	27	9,659	-9,639	102.8	14,367	3,626	3,626	10,742	1,082	1,461	451	1,010
July 2.....	129	314	8,083	-8,267	86.9	14,026	5,943	4,317	9,709	1,627	1,052	357	695
9.....	51	58	10,117	-10,124	108.7	15,238	5,120	4,522	10,716	599	1,601	248	1,353
16.....	2	54	10,877	-10,928	115.3	15,055	4,179	3,934	11,121	244	1,697	309	1,388
23.....	7	54	9,725	-9,773	104.4	13,615	3,701	3,701	9,914	189	995	324	671
30.....	84	1	8,868	-8,785	93.5	13,309	4,441	3,786	9,523	655	636	298	338
5 in City of Chicago													
1975—June 4.....	24	.....	3,854	-3,830	224.3	4,804	950	941	3,863	9	332	.....	332
11.....	-17	11	3,778	-3,806	224.2	4,477	698	689	3,787	9	509	.....	509
18.....	6	.....	4,451	-4,445	256.0	5,079	628	621	4,459	8	423	.....	423
25.....	-6	.....	4,128	-4,134	245.5	4,852	723	723	4,129	.....	364	.....	364
July 2.....	36	.....	3,824	-3,789	219.7	4,690	865	865	3,825	.....	278	.....	278
9.....	-9	.....	4,377	-4,386	265.1	5,221	844	833	4,388	11	413	.....	413
16.....	-4	54	4,613	-4,670	268.3	5,303	691	689	4,614	1	508	.....	508
23.....	6	50	4,233	-4,277	257.7	4,960	727	727	4,233	.....	374	.....	374
30.....	27	.....	3,948	-3,920	239.1	4,862	914	913	3,949	2	235	.....	235
33 others													
1975—June 4.....	82	.....	5,547	-5,466	72.4	9,371	3,823	3,319	6,052	504	1,473	409	1,064
11.....	76	2	7,225	-7,151	95.6	10,641	3,416	3,227	7,413	189	2,418	313	2,105
18.....	-2	.....	6,684	-6,686	86.4	10,176	3,492	3,094	7,082	398	1,742	208	1,533
25.....	53	27	5,531	-5,505	71.6	9,516	2,903	2,903	6,613	1,082	1,096	451	645
July 2.....	93	314	4,258	-4,479	57.5	9,336	3,451	3,451	5,885	1,627	774	357	417
9.....	60	58	5,740	-5,738	75.0	10,016	4,276	3,688	6,328	588	1,188	248	940
16.....	6	.....	6,264	-6,258	80.9	9,752	3,488	3,245	6,507	243	1,189	309	880
23.....	1	4	5,493	-5,496	71.4	8,655	2,973	2,973	5,682	189	621	324	297
30.....	56	1	4,920	-4,865	62.7	8,447	3,526	2,973	5,574	654	401	298	103

¹ Based upon reserve balances, including all adjustments applicable to the reporting period. Prior to Sept. 25, 1968, carryover reserve deficiencies, if any, were deducted. Excess reserves for later periods are net of all carry-over reserves.

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

³ Federal funds loaned, net funds supplied to each dealer by clearing

banks, repurchase agreements (purchases of securities from dealers subject to resale), or other lending arrangements.

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

NOTE.—Weekly averages of daily figures. For description of series and back data, see Aug. 1964 BULLETIN, pp. 944-74.

CURRENT RATES

(Per cent per annum)

Federal Reserve Bank	Loans to member banks—									Loans to all others under last par. Sec. 13 ⁴		
	Under Secs. 13 and 13a ¹			Under Sec. 10(b) ²								
				Regular rate			Special rate ³					
	Rate on 7/31/75	Effective date	Previous rate	Rate on 7/31/75	Effective date	Previous rate	Rate on 7/31/75	Effective date ³	Previous rate	Rate on 7/31/75	Effective date	Previous rate
Boston.....	6	5/16/75	6¼	6½	5/16/75	6¾	7	7/2/75	7½	9	3/10/75	9½
New York.....	6	5/16/75	6¼	6½	5/16/75	6¾	7	6/24/75	7½	9	3/10/75	9½
Philadelphia.....	6	5/16/75	6¼	6½	5/16/75	6¾	7	6/9/75	7½	9	3/10/75	9½
Cleveland.....	6	5/16/75	6¼	6½	5/16/75	6¾	7	6/9/75	7½	9	3/10/75	9½
Richmond.....	6	5/16/75	6¼	6½	5/16/75	6¾	7	6/9/75	7½	9	3/10/75	9½
Atlanta.....	6	5/16/75	6¼	6½	5/16/75	6¾	7	6/3/75	7½	9	3/10/75	9½
Chicago.....	6	5/16/75	6¼	6½	5/16/75	6¾	7	6/9/75	7½	9	3/14/75	9½
St. Louis.....	6	5/16/75	6¼	6½	5/16/75	6¾	7	7/15/75	7½	9	3/14/75	9½
Minneapolis.....	6	5/23/75	6½	6½	5/23/75	6¾	7	6/9/75	7½	9	3/10/75	9½
Kansas City.....	6	5/16/75	6¼	6½	5/16/75	6¾	7	7/9/75	7½	9	3/10/75	9½
Dallas.....	6	5/16/75	6¼	6½	5/16/75	6¾	7	6/9/75	7½	9	3/14/75	9½
San Francisco.....	6	5/16/75	6¼	6½	5/16/75	6¾	7	6/24/75	7½	9	3/10/75	9½

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.

SUMMARY OF EARLIER CHANGES

(Per cent per annum)

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, 1955.....	2½	2½	1964—Nov. 24.....	3½-4	4	1971—Nov. 11.....	4¾-5	5
1956—Apr. 13.....	2½-3	2¾	30.....	4	4	19.....	4¾	4¾
20.....	2¾-3	2¾	1965—Dec. 6.....	4 -4½	4½	Dec. 13.....	4½-4¾	4¾
Aug. 24.....	2¾-3	3	13.....	4½	4½	17.....	4½-4¾	4½
31.....	3	3				24.....	4½	4½
1957—Aug. 9.....	3 -3½	3	1967—Apr. 7.....	4 -4½	4	1973—Jan. 15.....	5	5
23.....	3½	3½	14.....	4	4	Feb. 26.....	5 -5½	5½
Nov. 15.....	3 -3½	3	Nov. 20.....	4 -4½	4½	Mar. 2.....	5½	5½
Dec. 2.....	3	3	27.....	4½	4½	Apr. 23.....	5½-5¾	5½
1958—Jan. 22.....	2¾-3	3	1968—Mar. 15.....	4½-5	4½	May 4.....	5¾	5¾
24.....	2¾-3	2¾	22.....	5	5	11.....	5¾-6	6
Mar. 7.....	2¼-3	2¼	Apr. 19.....	5 -5½	5½	18.....	6	6
13.....	2¼-2¾	2¼	26.....	5½	5½	June 11.....	6 -6½	6½
21.....	2¼	2¼	Aug. 16.....	5¼-5½	5½	15.....	6½	6½
Apr. 18.....	1¾-2¼	1¾	30.....	5¼	5¼	July 2.....	7	7
May 9.....	1¾	1¾	Dec. 18.....	5¼-5½	5½	Aug. 14.....	7 -7½	7½
Aug. 15.....	1¾-2	1¾	20.....	5½	5½	23.....	7½	7½
Sept. 12.....	1¾-2	2	1969—Apr. 4.....	5½-6	6	1974—Apr. 25.....	7½-8	8
23.....	2	2	8.....	6	6	30.....	8	8
Oct. 24.....	2 -2½	2	1970—Nov. 11.....	5¾-6	6	Dec. 9.....	7¾-8	7¾
Nov. 7.....	2½	2½	13.....	5¾-6	5¾	16.....	7¾	7¾
1959—Mar. 6.....	2½-3	3	16.....	5¾	5¾	1975—Jan. 6.....	7¼-7¾	7¾
16.....	3	3	Dec. 1.....	5½-5¾	5¾	10.....	7¼-7¾	7¼
May 29.....	3 -3½	3½	4.....	5½-5¾	5½	24.....	7¼	7¼
June 12.....	3½	3½	11.....	5½	5½	Feb. 5.....	6¾-7¼	6¾
Sept. 11.....	3½-4	4				7.....	6¾	6¾
18.....	4	4	1971—Jan. 8.....	5¼-5½	5¼	Mar. 10.....	6¼-6¾	6¼
1960—June 3.....	3½-4	4	15.....	5¼	5¼	14.....	6¼	6¼
10.....	3½-4	3½	19.....	5 -5¼	5¼	May 16.....	6 -6¼	6
14.....	3½	3½	22.....	5 -5¼	5	23.....	6	6
Aug. 12.....	3 -3½	3	29.....	5	5			
Sept. 9.....	3	3	Feb. 13.....	4¾-5	5	In effect, July 31, 1975.....	6	6
1963—July 17.....	3 -3½	3½	19.....	4¾	4¾			
26.....	3½	3½	July 16.....	4¾-5	5			
			23.....	5	5			

NOTE.—Rates under Secs. 13 and 13a (as described in table and notes above). For data before 1956, see *Banking and Monetary Statistics*, 1943, pp. 439-42, and Supplement to Section 12, p. 31.

RESERVE REQUIREMENTS ON DEPOSITS OF MEMBER BANKS

(Deposit intervals are in millions of dollars. Requirements are in per cent of deposits.)

Effective date ¹	Net demand ²				Time ³ (all classes of banks)		
	Reserve city		Other		Savings	Other time	
	0-5	Over 5	0-5	Over 5		0-5	Over 5
In effect Jan. 1, 1963.....	16½		12			4	
1966—July 14, 21.....					4	4	5
Sept. 8, 15.....							6
1967—Mar. 2.....					3½	3½	
Mar. 16.....					3	3	
1968—Jan. 11, 18.....	16½	17	12	12½			
1969—Apr. 17.....	17	17½	12½	13			
1970—Oct. 1.....							5

Beginning Nov. 9, 1972

Effective date	Net demand ^{2,4}					Time ³			
	0-2	2-10	10-100	100-400	Over 400	Savings	Other time		
							0-5	Over 5 ⁵ , maturing in—	
								30-179 days	180 days and over
1972—Nov. 9,.....	8	10	12	6 16½	17½	7 3	7 3	7 5	
Nov. 16.....				13					
1973—July 19.....		10½	12½	13½	18				
1974—Dec. 12.....					17½			6	3
1975—Feb. 13.....	7½	10	12	13	16½				
In effect July 31, 1975	7½	10	12	13	16½	3	3	6	3

Present legal limits:

Net demand deposits, reserve city banks.....
 Net demand deposits, other banks.....
 Time deposits.....

Minimum

Maximum

10

7

3

22

14

10

¹ When two dates are shown, the first applies to the change at reserve city banks and the second to the change at country banks. For changes prior to 1963 see Board's *Annual Reports*.

² (a) 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) Requirement schedules are graduated, and each deposit interval applies to that part of the deposits of each bank.

(c) Since Oct. 16, 1969, member banks have been required under 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. Since June 21, 1973, loans aggregating \$100,000 or less to any U.S. resident have been excluded from computations, as have 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. The reserve percentage applicable to each of these classifications is 4 per cent. The requirement was 10 per cent originally, was increased to 20 per cent on Jan. 7, 1971, was reduced to 8 per cent effective June 21, 1973, and was reduced to the current 4 per cent effective May 22, 1975. Initially certain base amounts were exempted in the computation of the requirements, but effective Mar. 14, 1974, the last of these reserve-free bases were eliminated. For details, see Regulations D and M.

³ Effective Jan. 5, 1967, time deposits such as Christmas and vacation club accounts became subject to same requirements as savings deposits. For other notes see 2(b) and 2(c) above.

⁴ Effective Nov. 9, 1972, a new criterion was adopted to designate reserve cities, and on the same date requirements for reserves against net demand deposits of member banks were restructured to provide that each

member bank will maintain reserves related to the size of its net demand deposits. The new reserve city designations are as follows: A bank having net demand deposits of more than \$400 million is considered to have the character of business of a reserve city bank, and 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 Regulation D and appropriate supplements and amendments.

⁵ A marginal reserve requirement was in effect between June 21, 1973, and Dec. 11, 1974, against increases in the aggregate of the following types of obligations: (a) outstanding time deposits of \$100,000 or more, (b) outstanding funds obtained by the bank through issuance by a bank's affiliate of obligations subject to existing reserve requirements on time deposits, and (c) beginning July 12, 1973, funds from sales of finance bills. The requirement applied to balances above a specified base, but was not applicable to banks having obligations of these types aggregating less than \$10 million. For details, including percentages and maturity classifications, see "Announcements" in BULLETINS for May, July, Sept., and Dec. 1973 and Sept. and Nov. 1974.

⁶ The 16½ per cent requirement applied for one week, only to former reserve city banks. For other banks, the 13 per cent requirement was continued in this deposit interval.

⁷ See columns above for earliest effective date of this rate.

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

MAXIMUM INTEREST RATES PAYABLE ON TIME AND SAVINGS DEPOSITS

(Per cent per annum)

Rates July 20, 1966—June 30, 1973					Rates beginning July 1, 1973				
Type and size of deposit	Effective date				Type and size of deposit	Effective date			
	July 20, 1966	Sept. 26, 1966	Apr. 19, 1968	Jan. 21, 1970		July 1, 1973	Nov. 1, 1973	Nov. 27, 1974	Dec. 23, 1974
Savings deposits.....	4	4	4	4½	Savings deposits.....	5	5	5	5
Other time deposits: ¹					Other time deposits (multiple- and single-maturity): ^{1, 2}				
Multiple-maturity: ²					Less than \$100,000:				
30-89 days.....	4	4	4	4½	30-89 days.....	5	5	5	5
90 days to 1 year.....	5	5	5	5½	90 days to 1 year.....	5½	5½	5½	5½
1-2 years.....				5¾	1-2½ years.....	6	6	6	6
2 years or more.....					2½ years or more.....	6½	6½	6½	6½
Single-maturity:					Minimum denomination of \$1,000:				
Less than \$100,000:					4-6 years.....	(4)	7¼	7¼	7¼
30 days to 1 year.....	5½	5	5	5½	6 years or more.....	(5)	(5)	(5)	7½
1-2 years.....				5¾	Governmental units.....	(5)	(5)	7½	7½
2 years or more.....					\$100,000 or more.....	(3)	(3)	(3)	(3)
\$100,000 or more:									
30-89 days.....			5½	(3)					
60-89 days.....			5¾	(3)					
90-179 days.....	5½	5½	6	(3)					
180 days to 1 year.....			6¼	(3)					
1 year or more.....			6¼	(3)					

¹ For exceptions with respect to certain foreign time deposits, see BULLETIN for Feb. 1968, p. 167.

² Multiple-maturity time deposits include deposits that are automatically renewable at maturity without action by the depositor and deposits that are payable after written notice of withdrawal.

³ Maximum rates on all single-maturity time deposits in denominations of \$100,000 or more have been suspended. Rates that were effective Jan. 21, 1970, and the dates when they were suspended are:

30-59 days	6¼ per cent	June 24, 1970
60-89 days	6½ per cent	
90-179 days	6¾ per cent	
180 days to 1 year	7 per cent	May 16, 1973
1 year or more	7½ per cent	

Rates on multiple-maturity time deposits in denominations of \$100,000 or more were suspended July 16, 1973, when the distinction between single- and multiple-maturity deposits was eliminated.

⁴ Between July 1 and Oct. 31, 1973, there was no ceiling for certificates maturing in 4 years or more with minimum denominations of \$1,000. The amount of such certificates that a bank could issue was limited to 5 per cent of its total time and savings deposits. Sales in excess of that

amount were subject to the 6½ per cent ceiling that applies to time deposits maturing in 2½ years or more.

Effective Nov. 1, 1973, a ceiling rate of 7¼ per cent was 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 may issue.

⁵ Prior to Nov. 27, 1974, no distinction was made between the time deposits of governmental units and of other holders, insofar as Regulation Q ceilings on rates payable were concerned. Effective Nov. 27, 1974, governmental units were permitted to hold savings deposits and could receive interest rates on time deposits with denominations under \$100,000 irrespective of maturity, as high as the maximum rate permitted on such deposits at any Federally insured depository institution.

NOTE.—Maximum rates that may be paid by member banks are established by the Board of Governors under provisions of Regulation Q; however, a member bank may not pay a rate in excess of the maximum rate payable by State banks or trust companies on like deposits under the laws of the State in which the member bank is located. Beginning Feb. 1, 1936, maximum rates that may be paid by nonmember insured commercial banks, as established by the FDIC, have been the same as those in effect for member banks.

For previous changes, see earlier issues of the BULLETIN.

MARGIN REQUIREMENTS

(Per cent of market value)

Period		For credit extended under Regulations T (brokers and dealers), U (banks), and G (others than brokers, dealers, or banks)						
Beginning date	Ending date	On margin stocks			On convertible bonds			On short sales (T)
		T	U	G	T	U	G	
1937—Nov. 1	1945—Feb. 4	40						50
1945—Feb. 5	July 4	50						50
July 5	1946—Jan. 20	75						75
1946—Jan. 21	1947—Jan. 31	100						100
1947—Feb. 1	1949—Mar. 29	75						75
1949—Mar. 30	1951—Jan. 16	50						50
1951—Jan. 17	1953—Feb. 19	75						75
1953—Feb. 20	1955—Jan. 3	60						50
1955—Jan. 4	Apr. 22	70						60
Apr. 23	1958—Jan. 15	50						70
1958—Jan. 16	Aug. 4	70						50
Aug. 5	Oct. 15	70						70
Oct. 16	1960—July 27	90						70
1960—July 28	1962—July 9	70						70
1962—July 10	1963—Nov. 5	50						50
1963—Nov. 6	1968—Mar. 10	70						70
1968—Mar. 11	June 7	70				50		70
June 8	1970—May 5	80				60		80
1970—May 6	1971—Dec. 3	65				50		65
1971—Dec. 6	1972—Nov. 22	55				50		55
1972—Nov. 24	1974—Jan. 2	65				50		65
Effective Jan. 3, 1974		50				50		50

NOTE.—Regulations G, T, and U, prescribed in accordance with the Securities Exchange Act of 1934, limit the amount of credit to purchase and carry margin stocks that may be extended on securities as collateral by prescribing a maximum loan value, which is a specified percentage of the market value of the collateral at the time the credit is extended; margin requirements are the difference 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.

TRANSACTIONS OF THE SYSTEM OPEN MARKET ACCOUNT

(In millions of dollars)

Period	Outright transactions in U.S. Govt. securities, by maturity (excluding matched sale-purchase transactions)														
	Treasury bills ¹			Others within 1 year ²			1-5 years			5-10 years			Over 10 years		
	Gross purchases	Gross sales	Redemptions	Gross purchases	Gross sales	Exch., maturity shifts, or redemptions	Gross purchases	Gross sales	Exch. or maturity shifts	Gross purchases	Gross sales	Exch. or maturity shifts	Gross purchases	Gross sales	Exch. or maturity shifts
1970.....	11,074	5,214	2,160	99		-3,483	848		5,430	249		-1,845	93		-102
1971.....	8,896	3,642	1,064	1,036		-6,462	1,338		4,672	933		685	311		150
1972.....	8,522	6,467	2,545	125		2,933	789		-1,405	539		-2,094	167		250
1973.....	15,517	4,880	3,405	1,396		-140	579		-2,028	500		895	129		87
1974.....	11,660	5,830	4,550	450		-1,314	797		-697	434		1,675	196		205
1974—June...	614	954	204	48			34			78			16		
July.....	988	211		27			53			9			36		
Aug.....	1,652	850				-2,867			1,057			1,940			-130
Sept.....	717	565	786	22		-200	65		200	53			37		
Oct.....	547	1,110	1,063												
Nov.....	1,422	273	107	148		-1,623	92		1,757	78		-465	25		200
Dec.....	973	426	6	85		126	123		-126	53			20		
1975—Jan.....	341	945	600	14			305			61			26		
Feb.....	357	460	900			2,437	129		-2,836	113		249	74		150
Mar.....	760	156	487	1,579		-1,494	361		194	450			212		
Apr.....	2,119	318	506	148			485			274			164		
May.....	903	354	407	50		-3,131			6,635			-3,801			298
June.....	421	161	612	20		691	488		-529	180			109		

Period	Total outright ¹			Matched sale-purchase transactions (U.S. Govt. securities)		Repurchase agreements (U.S. Govt. securities)		Net change in U.S. Govt. securities	Federal agency obligations		Bankers acceptances, net		Net change ³
	Gross purchases	Gross sales	Redemptions	Gross sales	Gross purchases	Gross purchases	Gross sales		Gross purchases	Sales or redemptions	Repurchase agreements, net	Out-right		Repurchase agreements
1970.....	12,362	5,214	2,160	12,177	12,177	33,859	33,859	4,988			-6		4,982
1971.....	12,515	3,642	2,019	16,205	16,205	44,741	43,519	8,076	485		101	22	181
1972.....	10,142	6,467	2,862	23,319	23,319	31,103	32,228	-312	1,197	370	-88	-9	-145
1973.....	18,121	4,880	4,592	45,780	45,780	74,755	74,795	8,610	865	239	29	-2	9,227
1974.....	13,537	5,830	4,682	64,229	62,801	71,333	70,947	1,984	3,087	322	469	511	6,149
1974—June...	790	954	204	4,580	4,580	6,124	6,667	-911	309	72	-372		-70
July.....	1,113	211		2,587		4,269	4,965	-2,381	761	35	-270	121	-207
Aug.....	1,652	850		9,061	11,287	2,096	2,096	3,028	238	3		59	
Sept.....	893	565	786	9,420	9,782	3,551	3,551	-96	207	16		40	187
Oct.....	547	1,110	1,063	12,574	12,516	4,618	4,618	-1,684				-100	-185
Nov.....	1,765	273	238	6,880	6,404	6,990	6,121	1,647	331		369	174	2,739
Dec.....	1,254	426	6	8,855	7,962	11,470	11,895	-498	360		142	188	201
1975—Jan.....	746	945	600	9,237	10,367	9,260	8,748	844		14	-409	103	-136
Feb.....	673	460	900	7,167	6,634	11,267	10,305	-258	376	81	246	-12	39
Mar.....	3,362	156	1,788	15,933	16,763	5,011	6,928	332	210	2	-347	-5	-323
Apr.....	3,189	318	506	12,375	12,216	12,774	8,551	6,428		2	883	24	496
May.....	953	354	407	2,996	3,044	19,489	21,952	-2,224		97	-567	55	-375
June.....	1,217	161	450	12,914	13,026	15,219	16,810	-873		6	-255	-62	-121

¹ Before Nov. 1973 BULLETIN, included matched sale-purchase transactions, which are now shown separately.

² Includes special certificates acquired when the Treasury borrows directly from the Federal Reserve, as follows: June 1971, 955; Sept. 1972, 38; Aug. 1973, 351; Sept. 1973, 836; Nov. 1974, 131; Mar. 1975, 1,560.

³ Net change in U.S. Govt. securities, Federal agency obligations, and bankers' acceptances.

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

CONVERTIBLE FOREIGN CURRENCIES HELD BY FEDERAL RESERVE BANKS

(In millions of U.S. dollar equivalent)

End of period	Total	Pounds sterling	Belgian francs	Canadian dollars	French francs	German marks	Italian lire	Japanese yen	Mexico pesos	Netherlands guilders	Swiss francs
1970.....	257	154	*	*	.....	98	.....	1	.....	*	4
1971.....	18	3	3	*	.....	2	.....	1	.....	.....	8
1972.....	192	*	*	*	.....	164	.....	1	.....	20	6
1973.....	4	*	.....	*	.....	*	.....	1	.....	.....	3
1974—May.....	63	*	5	*	.....	57	.....	1	.....	.....	.....
June.....	90	*	5	*	.....	84	.....	1	.....	.....	.....
July.....	8	*	1	*	.....	6	.....	1	.....	.....	.....
Aug.....	220	*	*	*	.....	39	.....	1	180	.....	.....
Sept.....	242	*	*	*	.....	61	.....	1	180	.....	.....
Oct.....	190	*	1	*	.....	8	.....	1	180	.....	.....
Nov.....	40	*	*	*	.....	38	.....	1	.....	.....	.....
Dec.....	2	*	*	*	.....	1	.....	1	.....	.....	.....
1975—Jan.....	2	*	*	*	.....	1	.....	1	.....	.....	.....
Feb.....	2	*	*	*	.....	1	.....	1	.....	.....	.....
Mar.....	19	*	*	*	.....	17	.....	1	.....	.....	.....
Apr.....	2	*	*	*	.....	*	.....	1	.....	.....	.....

CONSOLIDATED STATEMENT OF CONDITION OF ALL FEDERAL RESERVE BANKS

(In millions of dollars)

Item	Wednesday					End of month		
	1975					1975		1974
	July 30	July 23	July 16	July 9	July 2	July 31	June 30	July 31
Assets								
Gold certificate account.....	11,620	11,620	11,620	11,620	11,620	11,620	11,620	11,460
Special Drawing Rights certificate account.....	500	500	500	500	500	500	500	400
Cash.....	332	320	311	315	351	338	360	201
Loans:								
Member bank borrowings.....	147	1,999	1,132	80	272	178	561	3,589
Other.....								
Acceptances:								
Bought outright.....	673	673	680	686	690	685	682	218
Held under repurchase agreements.....	37	76			2			
Federal agency obligations:								
Bought outright.....	5,083	5,083	5,084	5,084	5,084	5,083	5,085	3,585
Held under repurchase agreements.....	53	211	189		99		61	
U.S. Govt. securities:								
Bought outright:								
Bills.....	34,621	35,140	35,237	31,991	37,020	34,475	37,172	35,464
Certificates—Special.....								
Other.....								
Notes.....	42,886	42,886	42,886	42,886	42,886	42,886	42,886	39,781
Bonds.....	4,522	4,522	4,522	4,522	4,522	4,522	4,522	2,858
Total bought outright.....	182,029	182,548	182,645	179,399	184,428	181,883	184,580	178,103
Held under repurchase agreements.....	899	820	1,451		415		169	
Total U.S. Govt. securities.....	82,928	83,368	84,096	79,399	84,843	81,883	84,749	78,103
Total loans and securities.....	88,921	91,410	91,181	85,249	90,990	87,829	91,138	85,495
Cash items in process of collection.....	26,342	27,026	7,902	8,353	7,449	25,408	5,966	7,966
Bank premises.....	300	298	298	290	290	300	288	243
Operating equipment.....	2	2	2	2	2	2	2	
Other assets:								
Denominated in foreign currencies.....	31	12	23	21	8	1	25	8
All other.....	2,905	2,910	2,753	2,751	2,632	2,893	2,682	1,433
Total assets.....	111,153	114,098	114,590	109,101	113,842	108,891	112,581	107,206
Liabilities								
F.R. notes.....	72,533	72,741	73,230	73,444	72,867	72,392	72,229	65,771
Deposits:								
Member bank reserves.....	28,318	30,899	31,011	24,817	26,418	25,227	25,976	27,376
U.S. Treasury—General account.....	1,386	1,333	597	1,381	5,291	2,675	5,773	3,822
Foreign.....	284	276	224	239	253	369	373	330
Other:								
All other ²	574	795	673	694	765	686	701	1,169
Total deposits.....	30,562	33,303	32,505	27,131	32,727	28,957	32,823	32,697
Deferred availability cash items.....	4,719	4,883	5,662	5,504	5,371	4,188	4,175	5,335
Other liabilities and accrued dividends.....	1,077	1,011	1,138	1,067	1,027	1,068	1,076	1,155
Total liabilities.....	108,891	111,938	112,535	107,146	111,992	106,605	110,303	104,958
Capital accounts								
Capital paid in.....	911	912	911	909	911	911	909	880
Surplus.....	897	897	897	897	897	897	897	844
Other capital accounts.....	454	351	247	149	42	478	472	524
Total liabilities and capital accounts.....	111,153	114,098	114,590	109,101	113,842	108,891	112,581	107,206
Contingent liability on acceptances purchased for foreign correspondents.....								1,023
Marketable U.S. Govt. securities held in custody for foreign and international accounts.....	42,435	41,423	41,055	40,272	40,065	42,250	39,760	30,090

Federal Reserve Notes—Federal Reserve Agents' Accounts

F.R. notes outstanding (issued to Bank).....	78,081	78,073	77,922	77,532	77,156	78,070	77,001	70,346
Collateral held against notes outstanding:								
Gold certificate account.....	11,596	11,596	11,596	11,596	11,595	11,596	11,596	2,225
Special Drawing Rights certificate account.....	302	302	302	302	292	302	292	
Acceptances.....								
U.S. Govt. securities.....	69,030	68,930	68,810	68,670	68,650	69,030	68,650	69,600
Total collateral.....	80,928	80,828	80,708	80,568	80,537	80,928	80,538	71,825

¹ See note 2 on p. A-2.² See note 6 on p. A-2.

MATURITY DISTRIBUTION OF LOANS AND U.S. GOVERNMENT SECURITIES HELD BY FEDERAL RESERVE BANKS

(In millions of dollars)

Item	Wednesday					End of month		
	1975					1975		1974
	July 30	July 23	July 16	July 9	July 2	July 31	June 30	July 31
Loans—Total.....	147	1,999	1,131	80	271	178	560	3,588
Within 15 days.....	135	1,995	1,127	74	264	162	552	3,476
16-90 days.....	12	4	4	6	7	16	8	112
91 days to 1 year.....								
Acceptances—Total.....	710	749	680	686	692	685	682	218
Within 15 days.....	136	168	76	80	98	99	93	31
16-90 days.....	400	403	421	423	402	403	383	187
91 days to 1 year.....	174	178	183	183	192	183	206	
U.S. Govt. securities—Total.....	82,928	83,368	84,096	79,399	84,843	81,883	84,749	78,103
Within 15 days ¹	4,768	5,468	5,094	2,151	4,890	5,294	3,891	9,127
16-90 days.....	18,459	18,725	18,810	16,905	19,621	15,760	21,187	17,770
91 days to 1 year.....	21,002	20,476	21,493	21,644	21,633	22,130	20,972	21,273
1-5 years.....	28,366	28,366	28,366	28,366	28,366	28,366	28,366	19,967
5-10 years.....	7,137	7,137	7,137	7,137	7,137	7,137	7,137	7,954
Over 10 years.....	3,196	3,196	3,196	3,196	3,196	3,196	3,196	2,012
Federal agency obligations—Total.....	5,136	5,294	5,273	5,084	5,183	5,083	5,146	3,585
Within 15 days ¹	79	237	190	1	99	27	109	3
16-90 days.....	276	276	291	291	283	276	282	85
91 days to 1 year.....	532	532	517	517	526	531	495	449
1-5 years.....	2,544	2,544	2,567	2,567	2,567	2,544	2,552	1,719
5-10 years.....	1,144	1,144	1,147	1,147	1,147	1,187	1,147	865
Over 10 years.....	561	561	561	561	561	518	561	464

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

BANK DEBITS AND DEPOSIT TURNOVER

(Seasonally adjusted annual rates)

Period	Debits to demand deposit accounts ¹ (billions of dollars)					Turnover of demand deposits				
	Total 233 SMSA's	Leading SMSA's		Total 232 SMSA's (excl. N.Y.)	226 other SMSA's	Total 233 SMSA's	Leading SMSA's		Total 232 SMSA's (excl. N.Y.)	226 other SMSA's
		N.Y.	6 others ²				N.Y.	6 others ²		
1974—June.....	20,457.3	9,065.7	4,768.0	11,391.6	6,623.6	116.9	279.9	120.0	79.8	64.3
July.....	20,899.6	9,140.4	4,892.1	11,759.2	6,867.1	119.8	282.1	123.5	82.8	67.0
Aug.....	21,481.7	9,240.8	5,173.0	12,241.0	7,068.0	123.4	286.4	132.0	86.3	68.9
Sept.....	22,017.5	9,970.8	5,092.1	12,046.7	6,954.7	125.1	310.5	127.5	83.8	66.9
Oct.....	22,348.8	10,271.1	5,084.7	12,077.6	6,993.0	127.0	316.8	127.3	84.1	67.5
Nov.....	22,918.7	10,538.9	5,160.2	12,379.8	7,219.6	131.8	324.6	131.5	87.5	70.6
Dec.....	22,192.4	9,931.8	5,152.7	12,260.6	7,107.9	128.0	312.8	131.8	86.6	69.3
1975—Jan.....	21,856.3	10,157.8	4,868.4	11,698.4	6,830.1	127.2	321.8	125.9	83.4	67.3
Feb.....	22,952.7	10,918.0	4,992.8	12,034.7	7,041.9	133.3	343.2	127.4	85.8	69.6
Mar.....	22,182.9	10,241.1	4,899.9	11,941.8	7,041.9	125.1	320.4	118.2	82.2	67.8
Apr.....	22,707.7	10,810.3	4,770.6	11,897.5	7,126.9	128.3	337.5	115.3	82.1	68.8
May.....	22,739.7	10,826.1	4,852.6	11,913.6	7,016.0	129.7	341.3	121.3	83.0	68.2
June.....	22,499.8	10,612.2	4,755.5	11,887.7	7,132.1	124.7	328.6	115.5	80.2	66.7

¹ Excludes interbank and U.S. Govt. demand deposit accounts.

² Boston, Philadelphia, Chicago, Detroit, San Francisco—Oakland, and Los Angeles—Long Beach.

NOTE.—Total SMSA's include some cities and counties not designated as SMSA's.

For back data see pp. 634-35 of July 1972 BULLETIN.

MEASURES OF THE MONEY STOCK

(In billions of dollars)

Period	Seasonally adjusted					Not seasonally adjusted				
	M ₁	M ₂	M ₃	M ₄	M ₅	M ₁	M ₂	M ₃	M ₄	M ₅
Composition of measures is described in the Note below.										
1972—Dec.....	255.8	525.7	844.9	569.7	888.8	263.0	530.7	848.0	574.9	892.2
1973—Dec.....	271.5	572.2	919.6	636.0	983.4	279.1	577.3	922.8	641.3	986.8
1974—June.....	280.0	597.1	955.8	678.4	1,037.1	278.2	596.5	957.2	676.2	1,036.8
July.....	280.4	599.6	959.6	683.2	1,043.2	280.0	599.2	960.9	681.9	1,043.7
Aug.....	280.5	601.9	962.6	685.7	1,046.4	277.3	598.4	958.7	685.5	1,045.8
Sept.....	280.7	603.4	965.0	688.2	1,049.9	278.9	600.3	960.8	689.0	1,049.5
Oct.....	281.6	607.6	970.7	693.8	1,056.9	281.2	605.7	967.4	694.5	1,056.2
Nov.....	283.6	611.6	976.9	697.1	1,062.5	285.1	609.8	972.8	696.8	1,059.9
Dec.....	284.4	613.5	981.7	703.8	1,072.0	292.3	618.6	985.1	709.1	1,075.5
1975—Jan.....	282.2	615.5	987.0	708.3	1,079.8	289.3	621.5	992.4	713.4	1,084.4
Feb.....	283.5	620.3	995.6	712.4	1,087.6	280.4	617.9	993.3	707.1	1,082.5
Mar.....	286.1	626.4	1,007.2	716.1	1,097.0	283.3	625.9	1,008.6	713.9	1,096.6
Apr.....	287.1	630.4	1,017.2	718.8	1,105.6	288.7	634.8	1,023.9	720.6	1,109.8
May.....	289.7	637.3	1,029.7	722.9	1,115.3	284.9	635.5	1,029.6	719.6	1,113.7
June ^p	294.0	647.3	1,046.3	731.3	1,130.4	292.1	646.7	1,047.9	729.1	1,130.2

NOTE.—Composition of the money stock measures is as follows:

M₁: 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.

M₂: Averages of daily figures for M₁ plus savings deposits, time deposits open account, and time certificates other than negotiable CD's of \$100,000 of large weekly reporting banks.

M₃: M₂ plus mutual savings bank deposits, savings and loan shares, and credit union shares (nonbank thrift).

M₄: M₂ plus large negotiable CD's.

M₅: M₂ plus large negotiable CD's.

For a description of the latest revisions in M₁, M₂, and M₃, see "Revision of Money Stock Measures and Member Bank Reserves and Deposits" on pp. 817-27 of the Dec. 1974 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.

COMPONENTS OF MONEY STOCK MEASURES AND RELATED ITEMS

(In billions of dollars)

Period	Seasonally adjusted						Not seasonally adjusted								U.S. Govt. deposits ³
	Cur-rency	De-mand de-pos-its	Commercial banks			Non-bank thrift institu-tions ²	Cur-rency	Commercial banks						Non-bank thrift institu-tions ²	
			Time and savings deposits					Demand deposits			Time and savings deposits				
			CD's ¹	Other	Total			Total	Mem-ber	Do-mestic non-mem-ber	CD's ¹	Other	Total		
1972—Dec.....	56.9	198.9	43.9	269.9	313.8	319.1	57.9	205.1	152.4	51.4	44.2	267.6	311.8	317.3	7.4
1973—Dec.....	61.6	209.9	63.8	300.7	364.5	347.4	62.7	216.4	157.0	56.6	64.0	298.2	362.2	345.6	6.3
1974—June.....	64.6	215.4	81.3	317.1	398.4	358.7	64.8	213.5	153.6	56.1	79.6	318.3	397.9	360.7	6.1
July.....	64.8	215.6	83.6	319.2	402.8	360.0	65.3	214.7	154.4	56.5	82.8	319.2	402.0	361.7	5.4
Aug.....	65.5	215.0	83.8	321.5	405.2	360.7	65.7	211.6	152.3	56.1	87.1	321.1	408.2	360.3	4.0
Sept.....	65.9	214.8	84.8	322.7	407.5	361.7	65.8	213.1	153.3	56.6	88.7	321.3	410.1	360.5	5.5
Oct.....	66.5	215.2	86.2	325.9	412.1	363.2	66.4	214.7	154.4	57.1	88.8	324.6	413.3	361.7	3.7
Nov.....	67.4	216.2	85.5	328.0	413.6	365.3	67.9	217.3	156.0	57.7	87.1	324.6	411.7	363.0	3.4
Dec.....	67.9	216.5	90.3	329.1	419.4	368.2	69.0	223.3	160.4	58.9	90.5	326.3	416.8	366.5	4.9
1975—Jan.....	68.2	214.0	92.7	333.3	426.0	371.5	67.8	221.5	158.9	58.7	91.9	332.2	424.1	371.0	4.0
Feb.....	68.8	214.7	92.1	336.8	428.9	375.3	67.9	212.6	152.4	56.6	89.2	337.4	426.6	375.4	3.4
Mar.....	69.5	216.6	89.8	340.3	430.0	380.8	68.9	214.4	154.0	57.1	88.1	342.6	430.6	382.7	3.9
Apr.....	69.6	217.5	88.4	343.3	431.7	386.8	69.2	219.5	157.6	58.8	85.8	346.1	432.0	389.1	4.2
May.....	70.3	219.4	85.5	347.6	433.1	392.4	70.1	214.8	154.1	57.8	84.1	350.6	434.7	394.1	4.2
June ^p	71.1	222.8	84.1	353.3	437.3	399.0	71.3	220.8	157.9	60.0	82.3	354.6	436.9	401.1	4.2

¹ Negotiable time certificates of deposit issued in denominations of \$100,000 or more by large weekly reporting commercial banks.

² 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.

³ At all commercial banks.

See also NOTE above.

AGGREGATE RESERVES AND MEMBER BANK DEPOSITS

(In billions of dollars)

Period	Member bank reserves, S.A. ¹				Deposits subject to reserve requirements ³								Total member bank deposits plus nondeposit items ⁴	
	Total	Non-bor-rowed	Re-quired	Avail-able ²	S.A.				N.S.A.					
					Total	Time and savings	Demand		Total	Time and savings	Demand			
							Private	U.S. Govt.			Private	U.S. Govt.		
1971—Dec.....	31.33	31.20	31.15	29.03	360.3	210.7	143.8	5.8	364.6	209.7	149.2	5.7	365.2	369.5
1972—Dec.....	31.46	30.41	31.17	29.09	402.0	242.0	154.5	5.6	406.8	240.7	160.1	6.1	406.4	411.2
1973—Dec.....	35.16	33.87	34.86	32.97	442.2	280.0	158.2	3.9	447.5	278.5	164.0	5.0	448.7	454.0
1974—June....	36.74	33.73	36.54	34.71	472.9	307.0	160.6	5.3	470.0	306.4	158.9	4.7	481.2	478.4
July.....	37.40	34.10	37.24	34.96	475.7	310.7	160.7	4.2	474.3	310.1	160.0	4.1	484.9	483.5
Aug.....	37.27	33.93	37.08	35.27	478.5	312.4	159.9	6.2	475.1	315.3	157.0	2.9	487.5	484.2
Sept.....	37.28	34.00	37.09	35.30	480.6	314.4	159.9	6.3	479.7	317.2	158.3	4.2	489.2	488.2
Oct.....	36.86	35.04	36.73	34.89	480.5	317.2	159.5	3.7	480.5	318.6	159.1	2.7	488.3	488.3
Nov.....	36.87	35.62	36.67	34.87	483.6	318.4	160.6	4.6	481.2	317.4	161.4	2.4	491.2	488.8
Dec.....	36.91	36.18	36.65	34.64	485.9	323.4	160.7	1.9	491.8	321.7	166.6	3.5	494.3	500.1
1975—Jan.....	36.91	36.51	36.76	34.41	488.2	328.5	159.0	0.7	495.1	327.2	165.0	2.9	495.8	502.6
Feb.....	35.46	35.32	35.27	33.61	489.2	328.9	159.7	0.6	487.0	326.5	158.0	2.4	495.7	493.5
Mar....	34.85	34.74	34.65	33.03	491.6	329.2	161.7	0.7	491.6	328.9	159.8	2.8	498.1	498.1
Apr....	35.08	34.97	34.93	33.11	493.5	329.7	161.7	2.1	495.4	329.1	163.2	3.1	500.2	502.2
May....	34.64	34.57	34.48	32.81	493.7	329.0	162.6	2.1	491.8	329.8	159.0	3.0	501.2	499.2
June ^p ...	34.88	34.66	34.67	33.01	500.5	330.8	165.9	3.8	497.5	330.2	164.2	3.1	507.5	504.5

¹ Averages of daily figures. Member bank reserve series reflects actual reserve requirement percentages with no adjustment to eliminate the effect of changes in Regulations D and M. Required reserves were increased by \$660 million effective Apr. 16, 1969, and \$400 million effective Oct. 16, 1969; were reduced by \$500 million (net) effective Oct. 1, 1970. Required reserves were reduced by approximately \$2.5 billion, effective Nov. 9, 1972; by \$1.0 billion, effective Nov. 15; and increased by \$300 million effective Nov. 22.

² Reserves available to support private nonbank deposits are defined as (1) required reserves for (a) private demand deposits, (b) total time and savings deposits, and (c) nondeposit sources subject to reserve requirements, and (2) excess reserves. This series excludes required reserves for net interbank and U.S. Govt. demand deposits.

³ Averages of daily figures. Deposits subject to reserve requirements include total time and savings deposits and net demand deposits as defined

by Regulation D. Private demand deposits include all demand deposits except those due to the U.S. Govt., less cash items in process of collection and demand balances due from domestic commercial banks.

⁴ "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.—For description of revised series and for back data, see article "Revision of Money Stock Measures and Member Bank Reserves and Deposits" on pp. 817–27 of the Dec. 1974 BULLETIN.

Due to changes in Regulations M and D, member bank reserves include reserves held against nondeposit funds beginning Oct. 16, 1969. Back data may be obtained from the Banking Section, Division of Research and Statistics, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

LOANS AND INVESTMENTS AT ALL COMMERCIAL BANKS

(In billions of dollars)

Date	Seasonally adjusted							Not seasonally adjusted						
	Total loans and investments ¹	Loans				Securities		Total loans and investments ¹	Loans				Securities	
		Total ¹	Plus loans sold ²	Commercial and industrial ³		U.S. Treasury	Other ⁴		Total ¹	Plus loans sold ²	Commercial and industrial ³		U.S. Treasury	Other ⁴
				Total	Plus loans sold ²						Total	Plus loans sold ²		
1971—Dec. 31.....	484.8	320.3	323.1	115.9	117.5	60.1	104.4	497.9	328.3	331.1	118.5	120.2	64.9	104.7
1972—Dec. 31.....	556.4	377.8	380.4	129.7	131.4	61.9	116.7	571.4	387.3	389.9	132.7	134.4	67.0	117.1
1973—Dec. 31.....	630.3	447.3	451.6	155.8	158.4	52.8	130.2	647.3	458.5	462.8	159.4	162.0	58.3	130.6
1974—July 31 ⁵	687.5	494.8	500.2	178.0	180.9	55.9	136.8	686.3	497.2	502.6	178.4	181.3	52.2	136.9
Aug. 28.....	693.9	501.5	506.8	181.0	183.9	55.3	137.1	689.4	500.6	505.9	179.4	182.3	52.0	136.8
Sept. 25.....	689.9	500.2	505.5	181.4	184.2	52.3	137.4	689.5	501.2	506.5	181.5	184.3	50.7	137.6
Oct. 30.....	690.8	502.0	507.2	183.2	186.0	49.8	139.0	689.5	500.7	505.9	182.0	184.8	50.7	138.1
Nov. 27 ⁶	692.5	503.8	508.7	184.3	187.0	49.1	139.6	692.2	502.0	506.9	183.2	185.9	52.1	138.1
Dec. 31.....	687.1	498.2	503.0	182.6	185.3	48.8	140.1	705.6	510.7	515.5	186.8	189.5	54.4	140.5
1975—Jan. 29 ⁶	689.3	500.7	505.3	183.9	186.6	48.8	139.8	688.3	495.9	500.5	181.7	184.4	53.6	138.9
Feb. 26 ⁶	691.0	497.6	502.1	182.1	184.8	53.3	140.1	685.3	491.5	496.0	180.3	183.0	54.7	139.1
Mar. 26 ⁶	694.7	496.4	501.1	180.4	183.2	58.7	139.6	690.2	490.3	495.0	180.0	182.8	59.6	140.3
Apr. 30 ⁶	696.2	492.4	497.0	179.8	182.5	64.5	139.3	695.2	490.6	495.2	180.4	183.1	63.7	140.9
May 28 ⁶	698.3	489.6	494.3	178.2	181.0	68.8	139.9	694.7	488.4	493.1	177.8	180.6	65.6	140.6
June 30 ⁶	698.8	484.5	489.2	175.3	178.2	73.0	141.3	703.0	491.8	496.5	177.9	180.8	68.8	142.4
July 30 ⁶	702.1	485.8	490.3	176.0	178.8	74.0	142.3	700.6	487.9	492.4	175.9	178.7	70.4	142.4

¹ Adjusted to exclude domestic commercial interbank loans.

² Loans sold are those sold outright for 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 at one large bank reduced these loans by about \$400 million as of June 30, 1972.

⁴ Farmers Home Administration insured notes included in "Other securities" rather than in loans beginning June 30, 1971, when such notes totaled about \$700 million.

⁵ 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."

⁶ 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.

NOTE.—Total loans and investments: For monthly data, Jan. 1959–June 1973, see Nov. 1973 BULLETIN, pp. A-96–A-97, and for 1948–58, Aug. 1968 BULLETIN, pp. A-94–A-97. For a description of the current seasonally adjusted series see the Nov. 1973 BULLETIN, pp. 831–32, and the Dec. 1971 BULLETIN, pp. 971–73. Commercial and industrial loans: For monthly data, Jan. 1959–June 1973, see Nov. 1973 BULLETIN, pp. A-96–A-98; for description see July 1972 BULLETIN, p. 683. 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.

PRINCIPAL ASSETS AND LIABILITIES AND NUMBER, BY CLASS OF BANK

(Amounts in millions of dollars)

Classification by FRS membership and FDIC insurance	Loans and investments				Cash assets ³	Total assets— Total liabilities and capital accounts ⁴	Deposits					Bor- row- ings	Total capital ac- counts	Num- ber of banks	
	Total	Loans 1	Securities				Total ³	Interbank ³		Other					
			U.S. Treas- ury	Other 2				De- mand	Time	Demand					Time ⁵
										U.S. Govt.	Other				
Last-Wednesday-of-month series ⁶															
All commercial banks:															
1941—Dec. 31...	50,746	21,714	21,808	7,225	26,551	79,104	71,283	10,982		44,349	15,952	23	7,173	14,278	
1947—Dec. 31...	116,284	38,057	69,221	9,006	37,502	155,377	144,103	12,792	240	1,343	94,367	35,360	65	10,059	
1960—Dec. 31...	199,509	117,642	61,003	20,864	52,150	257,552	229,843	17,079	1,799	5,945	133,379	71,641	163	20,986	
1970—Dec. 31...	461,194	313,334	61,742	86,118	93,643	576,242	480,940	30,608	1,975	7,938	209,335	231,084	19,375	42,958	
1971—Dec. 31...	516,564	346,930	64,930	104,704	99,832	640,255	537,946	32,205	2,908	10,169	220,375	272,289	25,912	47,211	
1972—Dec. 31...	598,808	414,696	67,028	117,084	113,128	739,033	616,037	33,854	4,194	10,875	252,223	314,891	38,083	52,658	
1973—Dec. 31...	683,799	494,947	58,277	130,574	118,276	835,224	681,847	36,839	6,773	9,865	263,367	365,002	58,994	58,128	
1974—July 31...															
Aug. 28...	720,730	531,580	52,230	136,920	107,850	872,560	695,230	33,580	9,680	4,360	243,870	403,740	68,030	61,530	
Sept. 25...	722,110	533,320	52,010	136,780	100,610	865,740	688,490	30,530	9,970	4,070	235,780	408,140	67,230	61,530	
Oct. 30...	721,160	532,890	50,690	137,580	107,390	873,710	692,830	29,760	10,610	7,380	236,550	408,530	67,920	61,850	
Nov. 27...	723,330	534,520	50,730	138,080	110,770	880,750	700,420	33,150	10,180	3,080	243,090	410,920	68,350	62,180	
Dec. 31...	729,640	539,400	52,140	138,100	116,220	894,530	708,150	34,230	10,310	3,910	248,730	410,970	71,470	62,210	
1975—Jan. 29...															
Feb. 26...	744,107	549,183	54,451	140,473	128,042	919,552	747,903	43,483	11,496	4,807	267,506	420,611	58,369	63,650	
1975—Jan. 29...															
Feb. 26...	724,080	531,630	53,560	138,890	101,400	873,940	701,390	29,900	11,740	4,530	233,730	421,490	61,320	64,010	
Mar. 26...	724,010	530,160	54,720	139,130	103,470	877,120	701,120	29,770	10,440	2,640	234,380	423,890	63,920	64,460	
Apr. 30...	729,500	529,590	59,620	140,290	105,230	886,450	710,440	30,160	11,680	3,970	236,540	428,090	62,830	65,100	
May 28...	728,300	523,680	63,720	140,900	113,280	895,310	720,410	32,790	11,880	7,950	242,150	425,640	60,620	64,940	
June 25...	730,170	523,950	65,580	140,640	113,340	896,550	722,290	32,030	11,200	2,980	245,960	430,120	60,810	64,890	
July 30...	733,230	523,060	67,980	142,190	110,710	898,130	721,170	31,210	10,830	3,810	244,600	430,620	62,720	65,430	
Members of F.R. System:															
1941—Dec. 31...	43,521	18,021	19,539	5,961	23,113	68,121	61,717	10,385	140	1,709	37,136	12,347	4	5,886	
1947—Dec. 31...	97,846	32,628	57,914	7,304	32,845	132,060	122,528	12,353	50	1,176	80,609	28,340	54	8,464	
1960—Dec. 31...	165,619	99,933	49,106	16,579	45,756	216,577	193,029	16,437	1,639	5,287	112,393	57,273	130	17,398	
1970—Dec. 31...	365,940	253,936	45,399	66,604	81,500	465,644	384,596	29,142	1,733	6,460	168,032	179,229	18,578	34,100	
1971—Dec. 31...	405,087	277,717	47,633	79,738	86,189	511,353	425,380	30,612	2,549	8,427	174,385	209,406	25,046	37,279	
1972—Dec. 31...	465,788	329,548	48,715	87,524	96,566	585,125	482,124	31,958	3,561	9,024	197,817	239,763	36,357	41,228	
1973—Dec. 31...	528,124	391,032	41,494	95,598	100,098	655,898	526,837	34,782	5,843	8,273	202,564	275,374	55,611	44,741	
1974—July 31...															
Aug. 28...	552,643	418,088	35,858	98,697	91,430	680,511	533,807	31,153	8,598	3,180	186,360	304,516	63,042	46,907	
Sept. 25...	552,845	418,727	35,878	98,240	84,947	673,296	527,573	28,487	8,887	2,958	179,429	307,812	61,781	46,816	
Oct. 30...	550,843	417,631	34,683	98,529	91,002	679,160	531,194	27,831	9,522	5,782	180,114	307,945	62,166	47,054	
Nov. 27...	548,622	415,941	34,813	97,868	93,674	680,173	535,128	31,043	9,089	2,117	184,573	308,306	60,803	47,131	
Dec. 31...	556,088	421,428	36,394	98,266	98,603	694,743	542,515	32,422	9,222	2,859	189,688	308,324	65,411	47,320	
1975—Jan. 29...															
Feb. 26...	568,532	429,537	38,921	100,073	106,995	715,615	575,563	41,062	10,552	3,183	204,203	317,064	52,850	48,240	
1975—Jan. 29...															
Feb. 26...	550,264	414,426	37,549	98,289	86,321	676,905	536,256	28,311	10,299	3,247	177,701	316,698	56,136	48,411	
Mar. 26...	549,144	412,076	38,628	98,440	84,430	678,970	535,250	28,157	8,991	1,989	178,596	317,517	58,868	48,741	
Apr. 30...	552,957	411,446	38,967	98,967	89,685	685,906	542,076	28,564	10,231	2,794	180,214	320,273	58,030	49,219	
May 28...	550,756	406,676	45,142	98,338	96,694	692,147	549,824	31,102	10,433	6,212	184,693	317,384	55,738	49,267	
June 25...	551,264	405,803	46,918	98,543	96,455	691,485	549,996	30,191	9,751	2,178	187,439	320,437	56,140	49,188	
July 30...	553,091	404,580	48,695	99,816	94,405	692,853	548,631	29,557	9,388	2,859	186,266	320,561	57,959	49,593	
Call date series															
Insured banks:															
Total:															
1941—Dec. 31...	49,290	21,259	21,046	6,984	25,788	76,820	69,411	10,654		1,762	41,298	15,699	10	6,844	
1947—Dec. 31...	114,274	37,583	67,941	8,750	36,926	152,733	141,851	12,615	54	1,325	92,975	34,882	61	9,734	
1960—Dec. 31...	198,011	117,092	60,468	20,451	51,836	255,669	228,401	16,921	1,667	5,932	132,533	71,348	149	20,628	
1970—Dec. 31...	458,919	312,006	61,438	85,475	92,708	572,682	479,174	30,233	1,874	7,898	208,037	231,132	19,149	42,427	
1971—Dec. 31...	514,097	345,386	64,691	104,020	98,281	635,805	535,703	31,824	2,792	10,150	219,102	271,835	25,629	46,731	
1972—Dec. 31...	594,502	411,525	66,679	116,298	111,333	732,519	612,822	33,366	4,113	10,820	250,693	313,830	37,556	52,166	
1973—Dec. 31...	678,113	490,527	57,961	129,625	116,266	827,081	677,358	36,248	6,429	9,856	261,530	363,294	57,531	57,603	
1974—June 30...															
Dec. 31...	709,904	521,424	51,832	136,648	123,536	871,986	703,767	40,534	8,427	8,355	250,225	396,226	65,514	61,003	
National member:															
1941—Dec. 31...	27,571	11,725	12,039	3,806	14,977	43,433	39,458	6,786		1,088	23,262	8,322	4	3,640	
1947—Dec. 31...	65,280	21,428	38,674	5,178	22,024	88,182	82,023	8,375	35	795	53,541	19,278	45	5,409	
1960—Dec. 31...	107,546	63,694	32,712	11,140	28,675	139,261	124,911	9,829	611	3,265	71,660	39,546	111	11,098	
1970—Dec. 31...	271,760	187,554	34,203	50,004	56,028	340,764	283,663	18,051	982	4,740	122,298	137,592	13,100	24,868	
1971—Dec. 31...	302,756	206,758	36,386	59,612	59,191	376,318	314,085	17,511	1,828	6,014	128,441	160,291	18,169	27,065	
1972—Dec. 31...	350,743	247,041	37,185	66,516	67,390	434,810	359,319	19,096	2,155	6,646	146,800	184,622	26,706	30,342	
1973—Dec. 31...	398,236	293,555	30,962	73,718	70,711	489,470	395,767	20,357	3,876	5,955	152,705	212,874	39,696	33,125	
1974—June 30...															
Dec. 31...	418,329	313,659	27,631	77,039	73,703	516,632	407,915	20,086	4,912	5,038	145,954	231,925	48,123	34,966	
4,693															
Dec. 31...															
428,433															
321,466															
29,075															
77,892															
76,523															
534,207															
431,039															
23,497															
6,750															
2,437															
154,397															
243,959															
39,603															
35,815															
4,706															

For notes see opposite page.

PRINCIPAL ASSETS AND LIABILITIES AND NUMBER, BY CLASS OF BANK—Continued

(Amounts in millions of dollars)

Classification by FRS membership and FDIC insurance	Loans and investments				Cash assets ³	Total assets— Total li- abilities and capital ac- counts ⁴	Deposits						Bor- row- ings	Total capital ac- counts	Num- ber of banks
	Total	Loans 1	Securities				Total ³	Interbank ³		Other		Time ⁵			
			U.S. Treasury	Other 2				De- mand	Time	Demand					
										U.S. Govt.	Other				

Call date series														
Insured banks (cont.):														
State member:														
1941—Dec. 31....	15,950	6,295	7,500	2,155	8,145	24,688	22,259	3,739	621	13,874	4,025	1	2,246	1,502
1947—Dec. 31....	32,566	11,200	19,240	2,125	10,822	43,879	40,505	3,978	15	381	27,068	9,062	9	3,055
1960—Dec. 31....	58,073	36,240	16,394	5,439	17,081	77,316	68,118	1,028	2,022	40,733	17,727	20	6,299	1,644
1970—Dec. 31⁸...	94,760	66,963	11,196	16,600	25,472	125,460	101,512	11,091	750	1,720	45,734	42,218	5,478	9,232
1971—Dec. 31....	102,813	71,441	11,247	20,125	26,998	135,517	111,777	13,102	721	2,412	45,945	49,597	6,878	10,214
1972—Dec. 31....	115,426	82,889	11,530	21,008	29,176	150,697	123,186	12,862	1,406	2,378	51,017	55,523	9,651	10,886
1973—Dec. 31....	130,240	97,828	10,532	21,880	29,387	166,780	131,421	14,425	1,968	2,318	49,859	62,851	15,914	11,617
1974—June 30....	132,388	101,732	8,303	22,353	35,268	175,896	139,446	19,125	2,906	1,586	47,690	68,138	14,713	11,980
Dec. 31....	140,373	108,346	9,846	22,181	30,473	181,683	144,799	17,565	3,301	746	49,807	73,380	13,247	12,425
Nonmember:														
1941—Dec. 31....	5,776	3,241	1,509	1,025	2,668	8,708	7,702	129	53	4,162	3,360	6	959	6,810
1947—Dec. 31....	16,444	4,958	10,039	1,448	4,083	20,691	19,342	262	4	149	12,366	6,558	7	1,271
1960—Dec. 31....	32,411	17,169	11,368	3,874	6,082	39,114	35,391	484	27	645	20,140	14,095	19	3,232
1970—Dec. 31⁸...	92,399	57,489	16,039	18,871	11,208	106,457	93,998	1,091	141	1,438	40,005	51,322	571	8,326
1971—Dec. 31....	108,527	67,188	17,058	24,282	12,092	123,970	109,841	1,212	242	1,723	44,717	61,946	582	9,451
1972—Dec. 31....	128,333	81,594	17,964	28,774	14,767	147,013	130,316	1,408	552	1,796	52,876	73,685	1,199	10,938
1973—Dec. 31....	149,638	99,143	16,467	34,027	16,167	170,831	150,170	1,467	586	1,582	58,966	87,569	1,920	12,862
1974—June 30....	159,186	106,033	15,898	37,255	14,565	179,457	156,406	1,323	610	1,731	56,580	96,162	2,678	14,057
Dec. 31....	165,709	111,300	15,211	39,199	18,380	190,435	165,827	1,525	642	1,616	61,240	100,804	3,138	14,799
Noninsured nonmember:														
1941—Dec. 31....	1,457	455	761	241	763	2,283	1,872	329	185	1,291	253	13	329	852
1947—Dec. 31⁷...	2,009	474	1,280	255	576	2,643	2,251	177	132	18	1,392	478	4	325
1960—Dec. 31....	1,498	550	535	413	314	1,883	1,443	159	101	13	846	293	14	358
1970—Dec. 31⁸...	3,079	2,132	304	642	934	4,365	2,570	375	101	40	1,298	756	226	532
1971—Dec. 31....	3,147	2,224	239	684	1,551	5,130	2,923	380	116	19	1,273	1,134	283	480
1972—Dec. 31....	4,865	3,731	349	785	1,794	7,073	3,775	488	81	55	1,530	1,620	527	491
1973—Dec. 31....	6,192	4,927	316	949	2,010	8,650	4,996	591	344	9	1,836	2,215	1,463	524
1974—June 30....	9,269	7,987	282	1,001	2,951	12,770	6,610	1,481	476	12	2,209	2,432	2,033	620
Dec. 31....	9,981	8,461	319	1,201	2,667	13,616	6,627	897	803	8	2,062	2,857	2,382	611
Total nonmember:														
1941—Dec. 31....	7,233	3,696	2,270	1,266	3,431	10,992	9,573	457	190	5,504	3,613	18	1,288	7,662
1947—Dec. 31....	18,454	5,432	11,318	1,703	4,659	23,334	21,591	439	167	13,758	7,036	12	1,596	7,261
1960—Dec. 31....	33,910	17,719	11,904	4,287	6,396	40,997	36,834	643	160	657	20,986	14,388	33	3,590
1970—Dec. 31⁸...	95,478	59,621	16,342	19,514	12,143	110,822	96,568	1,466	243	1,478	41,303	52,078	796	8,858
1971—Dec. 31....	111,674	69,411	17,297	24,966	13,643	129,100	112,764	1,592	359	1,742	45,990	63,081	866	9,932
1972—Dec. 31....	133,198	85,325	18,313	29,559	16,562	154,085	134,091	1,895	633	1,850	54,406	75,305	1,726	11,429
1973—Dec. 31....	155,830	104,070	16,783	34,976	18,177	179,480	155,165	2,057	930	1,592	60,802	89,784	3,383	13,386
1974—June 30....	168,456	114,020	16,180	38,256	17,516	192,227	163,016	2,804	1,086	1,743	58,789	98,593	4,711	14,677
Dec. 31....	175,690	119,761	15,530	40,400	21,047	204,051	172,454	2,422	1,445	1,624	63,302	103,661	5,520	15,410

¹ Loans to farmers directly guaranteed by CCC were reclassified as securities and Export-Import Bank portfolio fund participations were reclassified from loans to securities effective June 30, 1966. This reduced "Total loans" and increased "Other securities" by about \$1 billion. "Total loans" include Federal funds sold, and beginning with June 1967 securities purchased under resale agreements, figures for which are included in "Federal funds sold, etc." on p. A-16.

Effective June 30, 1971, Farmers Home Administration notes were classified as "Other securities" rather than "Loans." As a result of this change, approximately \$300 million was transferred to "Other securities" for the period ending June 30, 1971, for all commercial banks.

See also table (and notes) at the bottom of p. A-24.

² See first 2 paragraphs of note 1.

³ Reciprocal balances excluded beginning with 1942.

⁴ Includes items not shown separately. See also note 1.

⁵ See third paragraph of note 1 above.

⁶ For the last-Wednesday-of-the-month series, figures for call dates are shown for June and December as soon as they became available.

⁷ Beginning with Dec. 31, 1947, the series was revised; for description, see note 4, p. 587, May 1964 BULLETIN.

⁸ Figure takes into account the following changes, which became effective June 30, 1969: (1) inclusion of consolidated reports (including figures for all bank-premises subsidiaries and other significant majority-owned domestic subsidiaries) and (2) reporting of figures for total loans and for individual categories of securities on a gross basis—that is, before deduction of valuation reserves—rather than net as previously reported.

⁹ Member bank data for Oct. exclude assets of \$3.6 billion of one large bank.

NOTE.—Data are for all commercial banks in the United States (including Alaska and Hawaii, beginning with 1959). Commercial banks represent all commercial banks, both member and nonmember; stock savings banks; and nondeposit trust companies.

Figures for member banks before 1970 include mutual savings banks as follows: 3 before Jan. 1960 and 2 through Dec. 1960. Those banks are not included in insured commercial banks.

Effective June 30, 1969, commercial banks and member banks exclude a small national bank in the Virgin Islands; also, member banks exclude, and noninsured commercial banks include, through June 30, 1970, a small member bank engaged exclusively in trust business; beginning 1973, exclude 1 national bank in Puerto Rico.

Beginning Dec. 31, 1973, June 30, 1974, and Dec. 31, 1974, respectively, member banks exclude and noninsured nonmember banks include 1, 2, and 3 noninsured trust companies that are members of the Federal Reserve System.

Comparability of figures for classes of banks is affected somewhat by changes in F.R. membership, deposit insurance status, and by mergers etc.

Figures are partly estimated except on call dates.

For revisions in series before June 30, 1947, see July 1947 BULLETIN, pp. 870-71.

ASSETS BY CLASS OF BANK, DECEMBER 31, 1974

(Amounts in millions of dollars)

Account	All commercial banks ^c	Insured commercial banks ^c	Member banks ¹					Non-member banks ¹
			Total ^c	Large banks			All other ^c	
				New York City	City of Chicago	Other large		
Cash bank balances, items in process.....	128,042	125,375	106,995	27,604	4,816	40,126	34,449	21,047
Currency and coin.....	11,658	11,633	8,846	691	198	2,889	5,068	2,812
Reserves with F.R. banks.....	27,109	27,109	27,109	4,960	1,783	10,356	10,011	.....
Demand balances with banks in United States.....	36,073	34,317	21,685	7,265	357	4,382	9,681	14,388
Other balances with banks in United States.....	4,173	3,872	2,602	62	275	853	1,413	1,571
Balances with banks in foreign countries.....	1,751	1,331	1,165	412	89	532	132	586
Cash items in process of collection.....	47,278	47,113	45,588	14,214	2,115	21,115	8,144	1,690
Total securities held—Book value.....	194,924	193,404	138,995	16,412	5,612	47,254	69,716	55,929
U.S. Treasury.....	54,451	54,132	38,921	5,332	1,820	13,323	18,445	15,529
Other U.S. Govt. agencies.....	32,841	32,380	20,858	2,005	874	6,450	11,529	11,984
States and political subdivisions.....	100,376	100,010	74,261	8,288	2,706	25,761	37,507	26,115
All other securities.....	7,256	6,882	4,954	787	212	1,719	2,235	2,302
Trade-account securities.....	7,989	7,984	7,916	3,040	831	3,805	240	74
U.S. Treasury.....	2,548	2,543	2,521	970	461	1,037	53	27
Other U.S. Govt. agencies.....	1,352	1,352	1,347	541	120	637	49	4
States and political subdivisions.....	3,370	3,370	3,337	1,341	250	1,612	135	34
All other.....	719	719	710	188	.....	519	3	9
Bank investment portfolios.....	186,934	185,420	131,079	13,372	4,781	43,449	69,476	55,855
U.S. Treasury.....	51,902	51,589	36,400	4,362	1,360	12,286	18,393	15,502
Other U.S. Govt. agencies.....	31,489	31,028	19,510	1,464	753	5,813	11,480	11,979
States and political subdivisions.....	97,006	96,640	70,925	6,947	2,456	24,150	37,372	26,081
All other.....	6,537	6,163	4,244	599	212	1,200	2,232	2,293
Federal funds sold and securities resale agreements.....	40,042	38,881	29,848	1,887	985	14,741	12,235	10,194
Commercial banks.....	33,807	32,645	23,723	1,052	698	10,628	11,345	10,084
Brokers and dealers.....	4,386	4,386	4,330	615	253	2,815	647	56
Others.....	1,849	1,849	1,795	220	35	1,298	243	54
Other loans.....	509,531	502,231	399,963	82,049	24,261	149,804	143,849	109,567
Real estate loans.....	130,585	130,301	94,576	8,184	1,325	35,945	49,123	36,009
Secured by farmland.....	5,904	5,887	2,634	14	2	345	2,274	3,270
Secured by residential.....	81,606	81,403	60,573	4,567	887	24,133	30,986	21,033
1- to 4-family residences.....	74,039	73,863	54,316	3,135	827	21,198	29,155	19,723
FHA insured.....	5,914	5,870	5,110	254	40	2,815	2,000	805
VA guaranteed.....	3,191	3,147	2,703	188	20	1,401	1,094	488
Other.....	64,933	64,846	46,503	2,693	766	16,982	26,062	18,430
Multifamily.....	7,567	7,540	6,257	1,432	59	2,934	1,831	1,310
FHA insured.....	938	921	820	166	27	355	272	118
Other.....	6,629	6,619	5,437	1,266	32	2,579	1,559	1,192
Secured by other properties.....	43,075	43,012	31,369	3,602	437	11,467	15,863	11,706
Loans to domestic and foreign banks.....	12,265	10,017	9,500	4,731	679	3,628	462	2,765
Loans to other financial institutions.....	35,235	35,011	33,626	12,911	5,009	13,047	2,660	1,609
Loans on securities to brokers and dealers.....	5,241	5,193	5,073	3,597	550	763	161	169
Other loans for purch./carry securities.....	4,026	4,001	3,343	566	329	1,527	921	683
Loans to farmers.....	18,237	18,216	10,501	120	252	2,457	7,672	7,735
Commercial and industrial loans.....	186,826	182,802	156,340	43,095	13,408	60,473	39,365	30,485
Loans to individuals.....	103,210	102,951	74,460	5,213	1,558	26,751	40,938	28,750
Installment loans.....	80,242	80,033	57,440	3,177	835	20,819	32,608	22,802
Passenger automobiles.....	32,847	32,763	22,125	462	161	6,954	14,549	10,722
Residential-repair/modernize.....	5,546	5,536	4,074	206	39	1,734	2,096	1,472
Credit cards and related plans.....	11,078	11,077	9,807	1,113	388	5,479	2,828	1,271
Charge-account credit cards.....	8,281	8,280	7,430	665	358	4,273	2,134	851
Check and revolving credit plans.....	2,797	2,797	2,377	447	30	1,206	694	420
Other retail consumer goods.....	15,381	15,357	10,831	155	118	3,799	6,758	4,549
Mobile homes.....	8,997	8,996	6,520	97	54	2,353	4,016	2,477
Other.....	6,383	6,362	4,311	59	64	1,447	2,742	2,072
Other installment loans.....	15,390	15,299	10,602	1,242	129	2,853	6,378	4,789
Single-payment loans to individuals.....	22,968	22,919	17,020	2,036	723	5,932	8,330	5,948
All other loans.....	13,906	13,738	12,543	3,631	1,152	5,214	2,546	1,362
Total loans and securities.....	744,496	734,516	568,806	100,348	30,859	211,799	225,800	175,690
Fixed assets—Buildings, furniture, real estate.....	15,106	15,027	11,374	1,116	448	4,622	5,189	3,732
Investments in subsidiaries not consolidated.....	1,763	1,739	1,723	768	134	752	69	41
Customer acceptances outstanding.....	10,857	10,648	10,364	5,629	451	3,912	372	493
Other assets.....	19,677	19,020	16,628	5,104	872	7,132	3,519	3,049
Total assets.....	919,941	906,325	715,890	140,569	37,581	268,343	269,398	204,051
Number of banks.....	14,465	14,216	5,780	13	9	155	5,603	8,685

¹ Member banks exclude and nonmember banks include 3 noninsured trust companies that are members of the Federal Reserve System, and member banks exclude 2 national banks outside the continental United States.

² See table (and notes), *Deposits Accumulated for Payment of Personal Loans*, p. 24.

³ 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. Figures for total loans and for individual categories of securities are reported on a gross basis—that is, before deduction of valuation reserves.

Back data in lesser detail were shown in previous BULLETINS. Beginning with the fall Call Report, data for future spring and fall Call Reports will be available from the Data Production Section of the Division of Data Processing.

Details may not add to totals because of rounding.

LIABILITIES AND CAPITAL BY CLASS OF BANK, DECEMBER 31, 1974

(Amounts in millions of dollars)

Account	All commercial banks ^c	Insured commercial banks ^c	Member banks ¹					Non-member banks ¹
			Total ^c	Large banks			All other ^c	
				New York City	City of Chicago	Other large		
Demand deposits.....	315,796	312,829	248,448	55,556	11,307	88,451	93,134	67,348
Mutual savings banks.....	1,363	1,197	1,121	559	3	190	370	242
Other individuals, partnerships, and corporations..	235,774	234,780	180,792	30,816	7,538	67,111	75,327	54,982
U.S. Government.....	4,807	4,799	3,183	226	36	815	2,106	1,624
States and political subdivisions.....	18,615	18,484	13,125	666	218	3,889	8,353	5,489
Foreign governments, central banks, etc.....	2,124	1,882	1,855	1,465	24	357	8	269
Commercial banks in United States.....	35,316	35,053	33,824	14,399	3,039	11,985	4,401	1,492
Banks in foreign countries.....	6,804	6,336	6,116	4,593	198	1,192	134	688
Certified and officers' checks, etc.....	10,993	10,297	8,431	2,833	251	2,912	2,436	2,562
Time and savings deposits.....	432,496	428,836	327,390	51,799	17,491	119,486	138,614	105,106
Savings deposits.....	135,597	135,353	97,585	6,061	2,060	34,273	55,191	38,012
Accumulated for personal loan payments ²	389	387	275	.....	.....	69	206	115
Mutual savings banks.....	479	463	451	261	3	171	16	28
Other individuals, partnerships, and corporations..	221,752	219,947	170,180	30,329	11,996	62,467	65,388	51,572
U.S. Government.....	477	477	352	39	6	146	160	125
States and political subdivisions.....	50,102	49,930	37,057	2,060	1,307	16,494	17,196	13,046
Foreign governments, central banks, etc.....	12,683	12,049	11,891	7,369	1,315	3,174	32	792
Commercial banks in United States.....	8,611	8,417	7,858	4,119	775	2,546	418	753
Banks in foreign countries.....	2,406	1,814	1,742	1,561	29	145	7	663
Total deposits.....	748,292	741,665	575,838	107,355	28,799	207,936	231,748	172,454
Federal funds purchased and securities sold under agreements to repurchase.....	52,325	51,139	48,349	10,048	4,295	26,357	7,649	3,976
Other liabilities for borrowed money.....	6,045	4,848	4,501	1,571	63	2,406	460	1,544
Mortgage indebtedness.....	715	712	509	77	4	259	169	206
Bank acceptances outstanding.....	11,433	11,221	10,936	6,155	469	3,938	373	497
Other liabilities.....	28,788	25,047	20,426	4,397	1,346	8,029	6,653	8,362
Total liabilities.....	847,597	834,632	660,559	129,603	34,977	248,927	247,052	187,038
Minority interest in consolidated subsidiaries.....	6	5	2	.....	.....	.....	2	3
Total reserves on loans/securities.....	8,688	8,649	7,088	1,594	488	2,668	2,338	1,600
Reserves for bad debts (IRS).....	8,402	8,366	6,909	1,593	488	2,598	2,229	1,493
Other reserves on loans.....	116	115	70	1	.....	17	51	46
Reserves on securities.....	171	169	110	.....	.....	53	57	60
Total capital accounts.....	63,650	63,039	48,240	9,372	2,115	16,748	20,005	15,410
Capital notes and debentures.....	4,290	4,226	3,422	755	61	1,673	933	868
Equity capital.....	59,360	58,813	44,818	8,616	2,054	15,076	19,072	14,542
Preferred stock.....	54	43	24	.....	.....	10	13	30
Common stock.....	14,820	14,723	11,014	2,188	568	3,560	4,698	3,806
Surplus.....	25,396	25,224	19,226	3,720	1,140	6,840	7,525	6,170
Undivided profits.....	18,122	17,917	13,905	2,704	301	4,398	6,502	4,216
Other capital reserves.....	968	904	649	44	.....	267	334	319
Total liabilities, reserves, minority interest, capital accounts.....	919,941	906,325	715,890	140,569	37,581	268,343	269,398	204,051
Demand deposits adjusted ³	228,395	225,864	165,853	26,717	6,117	54,535	78,483	62,542
Average total deposits (past 15 days).....	724,418	717,811	555,884	103,014	27,229	199,287	226,354	168,534
Average total loans (past 15 days).....	519,192	510,810	401,666	81,665	24,493	150,485	145,023	117,525
Selected ratios:								
Percentage of total assets								
Cash and balances with other banks.....	13.9	13.8	14.9	19.6	12.8	15.0	12.8	10.3
Total securities held.....	21.2	21.3	19.4	11.7	14.9	17.6	25.9	27.4
Trading account securities.....	.9	.9	1.1	2.2	2.2	1.4	.1	.....
U.S. Treasury.....	.3	.3	.4	.7	1.2	.4	.....	.....
States and political subdivisions.....	.4	.4	.5	1.0	.7	.6	.....	.....
All other trading account securities.....	.2	.2	.3	.5	.3	.4	.....	.....
Bank investment portfolios.....	20.3	20.5	18.3	9.5	12.7	16.2	25.8	27.4
U.S. Treasury.....	5.6	5.7	5.1	3.1	3.6	4.6	6.8	7.6
States and political subdivisions.....	10.5	10.7	9.9	4.9	6.5	9.0	13.9	12.8
All other portfolio securities.....	4.1	4.1	3.3	1.5	2.6	2.6	5.1	7.0
Other loans and Federal funds sold.....	59.7	59.7	60.0	59.7	67.2	61.3	57.9	58.7
All other assets.....	5.2	5.1	5.6	9.0	5.1	6.1	3.4	3.6
Total loans and securities.....	80.9	81.0	79.5	71.4	82.1	78.9	83.8	86.1
Reserves for loans and securities.....	.9	1.0	1.0	1.1	1.3	1.0	.9	.8
Equity capital—Total.....	6.5	6.5	6.3	6.1	5.5	5.6	7.1	7.1
Total capital accounts.....	6.9	7.0	6.7	6.7	5.6	6.2	7.4	7.6
Number of banks.....	14,465	14,216	5,780	13	9	155	5,603	8,685

For notes see opposite page.

ASSETS AND LIABILITIES OF LARGE COMMERCIAL BANKS

(In millions of dollars)

Wednesday		Total loans and invest- ments	Loans														
			Federal funds sold, etc. ¹					Other									
			Total	To com- mer- cial banks	To brokers and dealers involving—		To others	Total	Com- mer- cial and indus- trial	Agricultural	For purchasing or carrying securities				To nonbank financial institutions		Real estate
					U.S. Treas- ury se- curities	Other se- curities					To brokers and dealers		To others		Pers. and sales finan. cos., etc.	Other	
				U.S. Treas- ury secs.	Other secs.					U.S. Treas- ury secs.	Other secs.	U.S. Treas- ury secs.	Other secs.				
Large banks— Total																	
1974																	
July	3	394,699	16,326	14,308	1,039	495	484	294,749	125,614	3,924	418	4,440	122	2,682	9,979	21,379	58,411
	10	393,974	16,038	14,177	918	482	461	294,955	125,813	3,922	462	3,994	120	2,669	10,089	21,618	58,526
	17	393,409	14,930	13,003	1,071	402	454	295,938	126,581	3,942	493	3,886	108	2,670	10,230	21,580	58,710
	24	389,976	12,800	10,971	935	406	488	294,567	126,158	3,908	421	4,008	111	2,664	9,844	21,423	58,833
	31	397,781	16,527	13,418	1,881	581	647	297,975	126,143	3,928	1,726	4,696	113	2,677	10,215	21,648	59,008
1975																	
June	4	392,798	19,635	16,049	2,256	770	560	282,872	122,004	3,390	1,897	3,507	84	2,336	9,256	20,134	59,245
	11	395,880	21,301	15,234	4,588	885	594	282,222	121,961	3,404	1,961	3,335	85	2,337	9,028	20,190	59,251
	18	396,191	19,758	15,734	2,574	893	557	282,519	122,155	3,431	1,306	3,398	83	2,349	9,426	20,395	59,228
	25	389,756	15,796	12,675	1,871	637	613	281,778	121,885	3,456	605	3,663	114	2,340	9,430	20,477	59,204
July	2 ^p	394,903	18,803	15,607	1,710	719	767	283,900	122,326	3,477	981	3,896	101	2,348	9,378	20,600	59,209
	9 ^p	397,932	20,947	15,694	3,911	640	702	284,553	122,077	3,501	2,948	3,242	101	2,338	9,329	20,468	59,124
	16 ^p	391,959	17,054	14,162	1,751	465	676	282,233	121,729	3,505	939	3,488	102	2,342	9,136	20,340	59,116
	23 ^p	387,697	14,082	11,746	1,441	333	562	280,742	121,082	3,518	879	3,528	114	2,331	8,962	20,137	59,067
	30 ^p	388,990	15,441	13,217	1,427	335	462	280,682	120,666	3,535	766	3,647	109	2,312	9,133	20,039	59,048
New York City																	
1974																	
July	3	89,065	2,269	2,232	8	.....	29	72,342	37,587	136	326	2,586	23	560	3,507	7,933	6,879
	10	88,265	1,862	1,793	5	31	33	72,191	37,614	128	393	2,192	23	557	3,523	8,066	6,913
	17	89,006	2,545	2,504	9	.....	32	72,499	37,845	140	410	2,207	23	558	3,586	8,066	6,965
	24	88,023	1,869	1,776	56	.....	37	72,006	37,606	133	354	2,259	28	557	3,348	8,066	7,003
	31	92,098	2,807	2,716	55	.....	36	74,683	37,525	135	1,611	2,949	30	557	3,507	8,140	7,053
1975																	
June	4	87,128	1,194	1,058	31	.....	105	70,509	37,165	84	1,648	2,405	18	457	3,204	7,830	7,438
	11	87,652	1,107	982	5	.....	120	70,353	37,255	82	1,605	2,267	18	466	3,117	7,778	7,440
	18	88,724	1,258	1,000	37	149	72	70,287	37,330	82	1,099	2,341	18	478	3,328	7,906	7,422
	25	87,271	691	458	79	.....	154	69,986	37,331	83	516	2,575	49	470	3,380	7,863	7,422
July	2 ^p	88,847	1,198	768	46	74	310	71,317	37,649	80	825	2,788	39	473	3,277	8,002	7,405
	9 ^p	89,337	1,001	769	9	.....	223	72,205	37,452	79	2,630	2,230	38	477	3,176	7,955	7,405
	16 ^p	88,517	2,147	1,875	53	.....	219	70,214	37,235	78	691	2,431	36	481	3,146	7,978	7,424
	23 ^p	86,916	1,482	1,032	224	.....	226	69,359	36,773	80	772	2,464	50	450	3,046	7,934	7,445
	30 ^p	87,850	2,284	1,862	236	.....	186	69,454	36,735	90	648	2,578	45	439	3,150	7,791	7,449
Outside New York City																	
1974																	
July	3	305,634	14,057	12,076	1,031	495	455	222,407	88,027	3,788	92	1,854	99	2,122	6,472	13,446	51,532
	10	305,709	14,176	12,384	913	451	428	222,764	88,199	3,794	69	1,802	97	2,112	6,566	13,550	51,613
	17	304,403	12,385	10,499	1,062	402	422	223,439	88,736	3,802	83	1,679	85	2,112	6,644	13,514	51,745
	24	301,953	10,931	9,195	879	406	451	222,561	88,552	3,775	67	1,749	83	2,107	6,496	13,357	51,830
	31	305,683	13,720	10,702	1,826	581	611	223,292	88,618	3,793	115	1,747	83	2,120	6,708	13,508	51,955
1975																	
June	4	305,670	18,441	14,991	2,225	770	455	212,363	84,839	3,306	249	1,102	66	1,879	6,052	12,304	51,807
	11	308,228	20,194	14,252	4,583	885	474	211,869	84,706	3,322	356	1,068	67	1,871	5,911	12,412	51,811
	18	307,467	18,500	14,734	2,537	744	485	212,232	84,825	3,349	207	1,057	65	1,871	6,098	12,489	51,806
	25	302,485	15,105	12,217	1,792	637	459	211,792	84,554	3,373	89	1,088	65	1,870	6,050	12,614	51,782
July	2 ^p	306,056	17,605	14,839	1,664	645	457	212,583	84,677	3,397	156	1,108	62	1,875	6,101	12,598	51,804
	9 ^p	308,595	19,946	14,925	3,902	640	479	212,348	84,625	3,422	318	1,012	63	1,861	6,153	12,513	51,719
	16 ^p	303,442	14,907	12,287	1,698	465	457	212,019	84,494	3,427	248	1,057	66	1,861	5,990	12,362	51,692
	23 ^p	300,781	12,600	10,714	1,217	333	336	211,383	84,309	3,438	107	1,064	64	1,881	5,916	12,203	51,622
	30 ^p	301,140	13,157	11,355	1,191	335	276	211,228	83,931	3,445	118	1,069	64	1,873	5,983	12,248	51,599

For notes see p. A-22.

ASSETS AND LIABILITIES OF LARGE COMMERCIAL BANKS—Continued

(In millions of dollars)

Loans (cont.)					Investments										Wednesday		
Other (cont.)					U.S. Treasury securities					Other securities							
To commercial banks		Consumer installment	Foreign govts. ²	All other	Total	Bills	Certificates	Notes and bonds maturing—			Total	Obligations of States and political subdivisions		Other bonds, corp. stocks, and securities			
Domestic	Foreign							Within 1 yr.	1 to 5 yrs.	After 5 yrs.		Tax warrants ³	All other	Certif. of participation ⁴		All other ⁵	
Large banks—Total																	
1974																	
3,971	6,690	34,119	2,040	20,960	20,874	1,749	.....	3,590	11,724	3,811	62,750	7,255	41,205	2,512	11,778	.....	July 3
4,029	6,996	34,137	2,117	20,463	20,350	1,279	.....	3,552	11,708	3,811	62,631	7,048	41,428	2,385	11,770	.....	10
4,116	6,874	34,197	2,022	20,529	20,182	1,320	.....	3,495	11,614	3,753	62,359	6,968	41,350	2,377	11,664	.....	17
4,036	6,859	34,279	1,837	20,186	19,944	1,052	.....	3,563	11,565	3,764	62,665	7,060	41,419	2,419	11,767	.....	24
3,924	6,979	34,420	1,878	20,620	20,914	2,047	.....	3,557	11,562	3,748	62,365	6,978	41,144	2,493	11,750	.....	31
1975																	
2,614	5,295	33,793	1,341	17,976	30,590	6,628	.....	4,596	15,951	3,415	59,701	5,859	39,593	2,396	11,853	.....	June 4
2,467	5,235	33,770	1,333	17,865	32,150	7,669	.....	4,632	16,485	3,364	60,207	6,067	39,721	2,429	11,990	.....	11
2,395	5,154	33,795	1,267	18,137	32,723	7,975	.....	4,880	16,442	3,426	61,191	6,519	40,168	2,422	12,082	.....	18
2,413	5,161	33,870	1,399	17,761	31,583	7,181	.....	4,779	16,359	3,264	60,599	6,601	39,634	2,400	11,964	.....	25
2,482	5,279	33,944	1,586	18,293	32,021	7,086	.....	5,036	16,736	3,163	60,179	6,253	39,541	2,394	11,991	.....	July 2 ^P
2,492	5,664	33,906	1,406	17,957	32,326	6,962	.....	5,043	17,175	3,146	60,106	6,268	39,474	2,400	11,964	.....	9 ^P
2,517	5,636	33,912	1,355	18,116	32,058	6,996	.....	5,046	16,952	3,064	60,614	6,365	40,005	2,474	11,770	.....	16 ^P
2,525	5,601	33,924	1,362	17,712	32,042	7,073	.....	5,067	16,858	3,044	60,831	6,555	39,820	2,458	11,998	.....	23 ^P
2,333	5,737	34,024	1,493	17,840	32,308	7,534	.....	5,127	16,575	3,072	60,559	6,547	39,678	2,445	11,889	.....	30 ^P
New York City																	
1974																	
1,663	3,100	2,452	793	4,797	3,506	-40	.....	404	1,884	1,258	10,948	2,246	5,844	631	2,227	.....	July 3
1,659	3,279	2,449	788	4,605	3,288	-226	.....	377	1,877	1,260	10,924	2,155	5,911	546	2,312	.....	10
1,700	3,156	2,456	823	4,564	3,204	-173	.....	365	1,806	1,206	10,758	2,128	5,844	543	2,243	.....	17
1,647	3,100	2,468	810	4,627	3,096	-252	.....	373	1,759	1,216	11,052	2,354	5,892	545	2,261	.....	24
1,626	3,257	2,486	811	4,996	3,770	-369	.....	426	1,767	1,208	10,838	2,272	5,743	551	2,272	.....	31
1975																	
1,086	2,360	2,568	601	3,645	6,588	1,559	.....	555	3,548	926	8,837	1,442	4,835	519	2,041	.....	June 4
1,103	2,303	2,577	599	3,743	6,905	1,632	.....	605	3,756	912	9,287	1,688	4,978	526	2,095	.....	11
1,072	2,246	2,583	501	3,881	7,199	1,717	.....	658	3,826	998	9,980	2,084	5,227	537	2,132	.....	18
1,096	2,278	2,590	538	3,795	7,030	1,677	.....	665	3,787	901	9,564	1,934	4,985	532	2,113	.....	25
1,110	2,308	2,589	750	4,022	7,151	1,593	.....	663	4,034	861	9,181	1,665	4,853	535	2,128	.....	July 2 ^P
1,101	2,621	2,589	606	3,846	7,059	1,415	.....	550	4,216	878	9,072	1,592	4,866	534	2,080	.....	9 ^P
1,179	2,503	2,539	541	3,952	6,881	1,440	.....	595	4,030	816	9,275	1,495	5,258	535	1,987	.....	16 ^P
1,170	2,467	2,539	512	3,657	7,000	1,629	.....	607	3,938	826	9,075	1,458	5,106	534	1,977	.....	23 ^P
1,018	2,518	2,543	633	3,817	7,153	1,893	.....	589	3,842	829	8,959	1,427	5,051	520	1,961	.....	30 ^P
Outside New York City																	
1974																	
2,308	3,590	31,667	1,247	16,163	17,368	1,789	.....	3,186	9,840	2,553	51,802	5,009	35,361	1,881	9,551	.....	July 3
2,370	3,717	31,688	1,329	15,858	17,062	1,505	.....	3,175	9,831	2,551	51,707	4,893	35,517	1,839	9,458	.....	10
2,416	3,718	31,741	1,199	15,965	16,978	1,493	.....	3,130	9,808	2,547	51,601	4,840	35,506	1,834	9,421	.....	17
2,389	3,759	31,811	1,027	15,559	16,848	1,304	.....	3,190	9,806	2,548	51,613	4,706	35,527	1,874	9,506	.....	24
2,298	3,722	31,934	1,067	15,624	17,144	1,678	.....	3,131	9,795	2,540	51,527	4,706	35,401	1,942	9,478	.....	31
1975																	
1,528	2,935	31,225	740	14,331	24,002	5,069	.....	4,041	12,403	2,489	50,864	4,417	34,758	1,877	9,812	.....	June 4
1,364	2,932	31,193	734	14,122	25,245	6,037	.....	4,027	12,729	2,452	50,920	4,379	34,743	1,903	9,895	.....	11
1,323	2,908	31,212	766	14,256	25,524	6,258	.....	4,222	12,616	2,428	51,211	4,435	34,941	1,885	9,950	.....	18
1,317	2,883	31,280	861	13,966	24,553	5,504	.....	4,114	12,572	2,363	51,035	4,667	34,649	1,868	9,851	.....	25
1,372	2,971	31,355	836	14,271	24,870	5,493	.....	4,373	12,702	2,302	50,998	4,588	34,688	1,859	9,863	.....	July 2 ^P
1,391	3,043	31,317	800	14,111	25,267	5,547	.....	4,493	12,959	2,268	51,034	4,676	34,608	1,866	9,884	.....	9 ^P
1,338	3,133	31,373	814	14,164	25,177	5,556	.....	4,451	12,922	2,248	51,339	4,870	34,747	1,939	9,783	.....	16 ^P
1,355	3,134	31,385	850	14,055	25,042	5,444	.....	4,460	12,920	2,218	51,756	5,097	34,714	1,924	10,021	.....	23 ^P
1,315	3,219	31,481	860	14,023	25,155	5,641	.....	4,538	12,733	2,243	51,600	5,120	34,627	1,925	9,928	.....	30 ^P

For notes see p. A-22.

ASSETS AND LIABILITIES OF LARGE COMMERCIAL BANKS—Continued

(In millions of dollars)

Wednesday	Cash items in process of collection	Re-serves with F.R. Banks	Currency and coin	Bal-ances with do-mestic banks	Invest-ments in sub-sidiar-ies not con-sol-idated	Other assets	Total assets/total liabil-ities	Deposits					
								Demand					
								Total	IPC	States and polit-ical sub-divi-sions	U.S. Govt.	Domestic Interbank	
								6				Com-mer-cial	Mutual sav-ings
Large banks—Total													
1974													
July 3	36,811	23,874	3,911	10,045	1,609	26,451	497,400	164,144	114,626	6,409	5,501	23,426	935
10	31,247	23,899	4,558	10,041	1,607	26,516	491,842	157,390	112,955	5,971	2,545	22,379	859
17	33,180	25,660	4,515	11,149	1,602	26,091	495,606	158,172	114,364	5,892	1,685	22,355	745
24	31,874	26,683	4,591	10,253	1,573	26,875	491,825	153,925	111,748	5,666	1,740	20,734	637
31	35,192	20,314	4,489	11,466	1,594	28,772	499,608	161,763	115,119	6,272	1,825	23,091	733
1975													
June 4	34,689	24,526	4,291	11,832	1,730	37,553	507,419	163,432	116,625	5,991	2,622	24,159	771
11	33,455	20,231	4,734	11,823	1,735	37,372	505,230	162,574	118,749	5,933	1,537	22,867	728
18	34,358	23,545	4,711	12,261	1,739	36,389	509,194	166,493	119,008	6,130	4,992	22,767	742
25	32,898	24,262	4,945	11,858	1,761	36,572	502,052	160,567	115,245	7,084	1,956	22,433	646
July 2 ^p	35,959	20,618	4,566	12,504	1,755	38,905	509,210	169,097	121,565	6,413	1,330	24,694	914
9 ^p	32,615	18,612	4,731	12,207	1,776	37,855	505,728	162,384	117,715	5,932	1,421	23,956	868
16 ^p	34,022	25,019	4,828	12,717	1,750	36,542	506,837	163,819	119,284	5,968	1,494	23,792	764
23 ^p	30,758	23,845	4,986	11,634	1,743	36,282	496,945	157,217	115,375	5,933	979	21,980	699
30 ^p	31,346	21,914	5,034	11,625	1,751	36,904	497,564	158,928	115,896	5,956	849	23,296	736
New York City													
1974													
July 3	12,100	6,816	457	4,178	726	8,202	121,544	45,638	24,872	410	923	11,098	558
10	10,166	7,846	523	3,881	710	8,473	119,864	43,744	24,223	349	470	10,773	492
17	10,879	7,366	508	5,064	711	8,373	121,907	44,487	24,449	297	176	11,318	399
24	12,787	8,322	504	4,715	710	8,876	123,937	45,433	25,370	347	229	10,563	343
31	13,547	6,433	506	5,522	710	9,506	128,322	48,889	26,215	461	369	11,816	399
1975													
June 4	12,143	7,423	505	4,627	788	13,172	125,786	46,120	25,333	366	573	11,327	416
11	12,472	6,360	511	5,003	789	13,006	125,793	46,208	25,802	454	241	11,457	387
18	12,088	7,310	517	4,909	795	12,195	126,538	46,757	26,713	310	676	10,964	382
25	13,032	7,294	539	5,444	795	12,223	126,598	47,631	26,073	1,118	302	11,510	329
July 2 ^p	12,004	6,352	511	5,225	800	13,712	127,451	48,577	27,286	325	130	12,055	520
9 ^p	11,044	6,405	520	4,953	800	13,454	126,513	45,363	25,482	228	140	11,879	477
16 ^p	11,364	7,572	504	5,589	795	12,677	127,018	46,172	25,799	268	205	12,096	422
23 ^p	10,601	6,753	515	5,371	798	12,547	123,501	44,546	25,174	318	80	11,184	384
30 ^p	11,076	6,001	544	4,752	795	13,219	124,237	45,734	25,906	335	73	11,633	405
Outside New York City													
1974													
July 3	24,711	17,058	3,454	5,867	883	18,249	375,856	118,506	89,754	5,999	4,578	12,328	377
10	21,081	16,053	4,035	6,160	897	18,043	371,978	113,646	88,732	5,622	2,075	11,606	367
17	22,301	18,294	4,007	6,085	891	17,718	373,699	113,685	89,915	5,595	1,509	11,037	346
24	19,087	18,361	4,087	5,538	863	17,999	367,888	108,492	86,378	5,319	1,511	10,171	294
31	21,645	13,881	3,983	5,944	884	19,266	371,286	112,874	88,904	5,811	1,456	11,275	334
1975													
June 4	22,546	17,103	3,786	7,205	942	24,381	381,633	117,312	91,292	5,625	2,049	12,832	355
11	20,983	13,871	4,223	6,820	946	24,366	379,437	116,366	92,947	5,479	1,296	11,410	341
18	22,270	16,235	4,194	7,352	944	24,194	382,656	119,736	92,295	5,820	4,316	11,803	360
25	19,866	16,968	4,406	6,414	966	24,349	375,454	112,936	89,172	5,966	1,654	10,923	317
July 2 ^p	23,955	14,266	4,055	7,279	955	25,193	381,759	120,520	94,279	6,088	1,200	12,639	394
9 ^p	21,571	12,207	4,211	7,254	976	24,401	379,215	117,021	92,233	5,704	1,281	12,077	391
16 ^p	22,658	17,447	4,324	7,128	955	23,865	379,819	117,647	93,485	5,700	1,289	11,696	342
23 ^p	20,157	17,092	4,471	6,263	945	23,735	373,444	112,671	90,201	5,615	899	10,796	315
30 ^p	20,270	15,913	4,490	6,873	956	23,685	373,327	113,194	89,990	5,621	776	11,663	331

For notes see page A-22.

ASSETS AND LIABILITIES OF LARGE COMMERCIAL BANKS—Continued

(In millions of dollars)

Deposits (cont.)										Federal funds purchased, etc. ⁷	Borrowings from—		Other liabilities, etc. ⁸	Wednesday
Demand (cont.)			Time and savings						F.R. Banks		Others			
Foreign		Certified and officers' checks	Total ⁶	IPC		States and political subdivisions	Domestic interbank	Foreign govts. ²						
Govts., etc. ²	Commercial banks			Savings	Other									
Large banks—Total														
1974														
1,246	4,970	7,031	211,529	58,114	112,242	24,232	7,076	8,933	53,465	2,361	6,100	21,448	July	3
1,193	5,469	6,019	211,516	58,060	112,000	24,402	7,047	9,016	55,108	1,745	6,086	21,671	.....	10
1,269	5,143	6,719	213,566	57,983	113,640	24,413	7,389	9,001	52,608	3,417	6,119	23,524	.....	17
1,104	5,088	7,208	215,431	57,852	114,841	24,576	7,535	9,402	49,449	4,780	6,137	23,910	.....	24
1,875	5,431	7,417	216,232	57,602	115,673	24,450	7,346	9,898	50,275	2,781	5,869	24,161	.....	31
1975														
1,262	4,745	7,257	224,283	64,338	113,107	24,905	7,992	12,450	51,527	430	3,406	23,317	June	4
1,197	4,431	7,132	224,776	64,629	113,458	24,559	7,987	12,595	49,960	89	3,224	23,519	.....	11
1,246	4,729	6,879	223,053	64,874	112,135	24,130	7,885	12,553	52,210	340	3,236	22,909	.....	18
1,296	4,591	7,316	223,660	64,981	112,905	23,740	7,870	12,708	50,141	972	3,190	22,585	.....	25
1,462	4,720	7,999	223,211	65,483	112,922	22,834	7,928	12,592	49,659	176	3,530	22,299	July	2 ^p
1,081	4,956	6,455	223,137	65,664	112,639	22,882	7,793	12,683	53,268	34	3,577	22,104	.....	9 ^p
1,132	4,921	6,464	222,672	65,638	112,658	22,865	7,677	12,391	52,108	1,055	3,635	22,426	.....	16 ^p
1,117	4,946	6,188	223,091	65,574	113,290	23,006	7,691	12,040	47,729	1,852	3,740	22,218	.....	23 ^p
1,163	5,013	6,019	222,709	65,406	113,214	22,975	7,685	11,983	48,499	21	3,780	22,508	.....	30 ^p
New York City														
1974														
1,042	3,695	3,040	42,581	5,067	25,314	1,906	4,663	5,151	12,862	100	2,413	7,894	July	3
971	4,081	2,385	42,687	5,062	25,078	1,970	4,705	5,345	13,206	.....	2,355	7,824	.....	10
1,048	3,864	2,936	43,413	5,056	25,420	2,106	4,926	5,317	11,664	890	2,402	9,024	.....	17
908	3,802	3,871	44,401	5,039	25,945	2,087	4,947	5,715	11,300	861	2,374	9,540	.....	24
1,645	4,149	3,835	44,686	5,006	26,091	2,069	4,667	6,155	12,780	150	2,130	9,560	.....	31
1975														
1,015	3,422	3,668	44,399	5,815	24,939	1,244	3,581	7,807	14,396	430	1,406	8,080	June	4
995	3,220	3,652	44,683	5,885	24,982	1,304	3,521	7,947	14,339	.....	1,303	8,291	.....	11
1,018	3,387	3,307	44,079	5,926	24,530	1,297	3,474	7,871	15,248	340	1,292	7,892	.....	18
1,095	3,328	3,876	44,232	5,883	24,816	1,262	3,348	7,963	14,255	680	1,330	7,559	.....	25
1,273	3,378	3,610	44,396	5,930	25,087	1,137	3,439	7,848	14,268	75	1,609	7,473	July	2 ^p
896	3,651	2,610	44,517	5,933	25,221	1,168	3,337	7,885	16,452	.....	1,511	7,624	.....	9 ^p
894	3,670	2,818	44,380	5,886	25,411	1,186	3,257	7,690	15,388	546	1,579	7,900	.....	16 ^p
904	3,670	2,832	44,496	5,853	25,699	1,194	3,307	7,456	12,865	1,055	1,676	7,828	.....	23 ^p
943	3,712	2,727	44,162	5,806	25,511	1,262	3,289	7,338	13,733	.....	1,709	7,866	.....	30 ^p
Outside New York City														
1974														
204	1,275	3,991	168,948	53,047	86,928	22,326	2,413	3,782	40,603	2,261	3,687	13,554	July	3
222	1,388	3,634	168,829	52,998	86,922	22,432	2,342	3,671	41,902	1,745	3,731	13,847	.....	10
221	1,279	3,783	170,153	52,927	88,220	22,307	2,463	3,684	40,944	2,527	3,717	14,500	.....	17
196	1,286	3,337	171,030	52,813	88,896	22,489	2,588	3,687	38,149	3,919	3,763	14,370	.....	24
230	1,282	3,582	171,546	52,596	89,582	22,381	2,679	3,743	37,495	2,631	3,739	14,601	.....	31
1975														
247	1,323	3,589	179,884	58,523	88,168	23,661	4,411	4,643	37,131	.....	2,000	15,237	June	4
202	1,211	3,480	180,093	58,744	88,476	23,255	4,466	4,648	35,621	89	1,921	15,228	.....	11
228	1,342	3,572	178,974	58,948	87,605	22,833	4,411	4,682	36,962	.....	1,944	15,017	.....	18
201	1,263	3,440	179,428	59,098	88,089	22,478	4,522	4,745	35,886	292	1,860	15,026	.....	25
189	1,342	4,389	178,815	59,553	87,835	21,697	4,489	4,744	35,391	101	1,921	14,826	July	2 ^p
185	1,305	3,845	178,620	59,731	87,418	21,714	4,456	4,798	36,816	34	2,066	14,480	.....	9 ^p
238	1,251	3,646	178,292	59,752	87,247	21,679	4,420	4,701	36,720	509	2,056	14,526	.....	16 ^p
213	1,276	3,356	178,595	59,721	87,591	21,812	4,384	4,584	34,864	797	2,064	14,390	.....	23 ^p
220	1,301	3,292	178,547	59,600	87,703	21,713	4,396	4,645	34,766	21	2,071	14,642	.....	30 ^p

For notes see p. A-22.

ASSETS AND LIABILITIES OF LARGE COMMERCIAL BANKS—Continued

(In millions of dollars)

Wednesday	Reserves for—		Total capital accounts	Memoranda									Gross liabilities of banks to their foreign branches	
	Loans	Securities		Total loans (gross) adjusted ⁹	Total loans and investments (gross) adjusted ⁹	Demand deposits adjusted ¹⁰	Large negotiable time CD's included in time and savings deposits ¹¹			All other large time deposits ¹²				
							Total	Issued to IPC's	Issued to others	Total	Issued to IPC's	Issued to others		
Large banks—Total														
1974														
July 3.....	5,040	62	33,251	292,796	376,420	98,406	80,848	56,228	24,620	3,177
10.....	5,033	62	33,231	292,787	375,768	101,219	81,129	56,190	24,939	2,804
17.....	5,035	62	33,103	293,749	376,290	100,952	82,973	57,542	25,431	4,583
24.....	5,030	62	33,101	292,360	374,969	99,577	84,791	58,605	26,186	4,711
31.....	5,068	62	33,397	297,160	380,439	101,655	85,491	59,109	26,382	3,314
1975														
June 4.....	5,777	68	35,179	283,844	374,135	101,962	82,663	54,542	28,121	35,487	18,440	17,047	2,533	
11.....	5,786	68	35,234	285,822	378,179	104,715	83,122	54,862	28,260	35,214	18,281	16,933	2,545	
18.....	5,754	68	35,131	284,148	378,062	104,376	81,464	53,558	27,906	34,581	18,039	16,542	2,368	
25.....	5,724	68	35,145	282,486	374,668	103,280	81,996	54,152	27,844	34,330	17,949	16,381	1,883	
July 2 ^p	5,713	69	35,456	284,614	376,814	107,114	81,398	54,073	27,325	33,842	17,798	16,044	1,429	
9 ^p	5,710	69	35,445	287,314	379,746	104,392	81,372	53,855	27,517	33,814	17,888	15,926	1,809	
16 ^p	5,698	69	35,355	282,608	375,280	104,511	80,989	53,972	27,017	33,994	17,879	16,115	3,130	
23 ^p	5,697	69	35,332	280,553	373,426	103,500	81,504	54,474	27,030	33,935	17,916	16,019	2,742	
30 ^p	5,734	69	35,316	280,573	373,440	103,437	81,409	54,299	27,110	33,564	17,737	15,827	2,377	
New York City														
1974														
July 3.....	1,377	8,679	70,716	85,170	21,517	26,980	17,927	9,053	1,919
10.....	1,375	8,673	70,601	84,813	22,335	27,116	17,774	9,342	1,574
17.....	1,375	8,652	70,840	84,802	22,114	27,827	18,078	9,749	2,730
24.....	1,374	8,654	70,452	84,600	21,854	28,672	18,557	10,115	3,656
31.....	1,391	8,736	73,148	87,756	23,157	28,723	18,520	10,203	2,422
1975														
June 4.....	1,695	.....	9,260	69,559	84,984	22,077	27,815	17,507	10,308	8,131	4,867	3,264	1,663
11.....	1,705	.....	9,264	69,375	85,567	22,038	27,922	17,556	10,366	8,279	4,895	3,384	1,856
18.....	1,679	.....	9,251	69,473	86,652	23,029	27,408	17,119	10,289	8,120	4,813	3,307	1,620
25.....	1,664	.....	9,247	69,123	85,717	22,787	27,596	17,350	10,246	8,083	4,816	3,267	1,225
July 2 ^p	1,643	.....	9,410	70,637	86,969	24,388	27,697	17,544	10,153	8,059	4,869	3,190	712
9 ^p	1,650	.....	9,396	71,336	87,467	22,300	27,919	17,791	10,128	8,067	4,870	3,197	1,052
16 ^p	1,651	.....	9,402	69,307	85,463	22,507	28,002	18,094	9,908	8,018	4,862	3,156	2,231
23 ^p	1,653	.....	9,382	68,639	84,714	22,681	28,373	18,462	9,911	7,820	4,804	3,016	1,901
30 ^p	1,676	.....	9,357	68,858	84,970	22,952	28,171	18,273	9,898	7,707	4,777	2,930	1,390
Outside New York City														
1974														
July 3.....	3,663	62	24,572	222,080	291,250	76,889	53,868	38,301	15,567	1,258
10.....	3,658	62	24,558	222,186	290,955	78,884	54,013	38,416	15,597	1,230
17.....	3,660	62	24,451	222,909	291,488	78,838	55,146	39,464	15,682	1,853
24.....	3,656	62	24,447	221,908	290,369	77,723	56,119	40,048	16,071	1,055
31.....	3,677	62	24,661	224,012	292,683	78,498	56,768	40,589	16,179	892
1975														
June 4.....	4,082	68	25,919	214,285	289,151	79,885	54,848	37,035	17,813	27,356	13,573	13,783	870	
11.....	4,081	68	25,970	216,447	292,612	82,677	55,200	37,306	17,894	26,935	13,386	13,549	689	
18.....	4,075	68	25,880	214,675	291,410	81,347	54,056	36,439	17,617	26,461	13,226	13,235	748	
25.....	4,060	68	25,898	213,363	288,951	80,493	54,400	36,802	17,598	26,247	13,133	13,114	658	
July 2 ^p	4,070	69	26,046	213,977	289,845	82,726	53,701	36,529	17,172	25,783	12,929	12,854	717	
9 ^p	4,060	69	26,049	215,978	292,279	82,092	53,453	36,064	17,389	25,747	13,018	12,729	757	
16 ^p	4,047	69	25,953	213,301	289,817	82,004	52,987	35,878	17,109	25,976	13,017	12,959	899	
23 ^p	4,044	69	25,950	211,914	288,712	80,819	53,131	36,012	17,119	26,115	13,112	13,003	841	
30 ^p	4,058	69	25,959	211,715	288,470	80,485	53,238	36,026	17,212	25,857	12,960	12,897	987	

¹ Includes securities purchased under agreements to resell.² Includes official institutions and so forth.³ Includes short-term notes and bills.⁴ Federal agencies only.⁵ Includes corporate stocks.⁶ Includes U.S. Govt. and foreign bank deposits, not shown separately.⁷ Includes securities sold under agreements to repurchase.⁸ Includes minority interest in consolidated subsidiaries.⁹ Exclusive of loans and Federal funds transactions with domestic commercial banks.¹⁰ All demand deposits except U.S. Govt. and domestic commercial banks, less cash items in process of collection.¹¹ Certificates of deposit issued in denominations of \$100,000 or more.¹² All other time deposits issued in denominations of \$100,000 or more (not included in large negotiable CD's).

COMMERCIAL AND INDUSTRIAL LOANS OF LARGE COMMERCIAL BANKS

(In millions of dollars)

Industry	Outstanding					Net change during—								
	1975					1975			1975		1974	1975	1974	
	July 30	July 23	July 16	July 9	July 2	July	June	May	II	I	IV	1st half	2nd half	
Durable goods manufacturing:														
Primary metals.....	1,988	1,995	2,011	2,018	2,030	-35	18	-80	-21	39	77	18	140	
Machinery.....	7,070	7,118	7,235	7,328	7,344	-357	-485	-201	-661	-653	-127	-1,314	222	
Transportation equipment.....	3,527	3,543	3,570	3,537	3,482	17	-77	-53	-295	-7	365	-302	705	
Other fabricated metal products...	2,492	2,530	2,577	2,664	2,665	-231	-24	-138	-207	19	-178	-188	75	
Other durable goods.....	4,070	4,085	4,148	4,157	4,145	-71	-152	-155	-297	-421	-265	-718	247	
Nondurable goods manufacturing:														
Food, liquor, and tobacco.....	3,080	3,154	3,128	3,168	3,253	-232	-238	-104	-517	-1,092	484	-1,609	984	
Textiles, apparel, and leather.....	3,243	3,321	3,295	3,317	3,271	20	-18	-64	-136	-151	-725	-287	-618	
Petroleum refining.....	2,538	2,497	2,499	2,516	2,606	60	90	-40	279	-51	473	228	967	
Chemicals and rubber.....	2,837	2,895	2,956	3,015	3,078	-285	-122	-73	-327	67	-55	-260	256	
Other nondurable goods.....	2,219	2,235	2,245	2,253	2,248	-4	57	-38	12	-295	-135	-283	23	
Mining, including crude petroleum and natural gas.....	5,082	5,092	5,057	4,976	5,012	203	83	-59	114	-272	556	-158	846	
Trade: Commodity dealers.....	1,126	1,069	1,069	1,081	1,121	21	-54	-172	-324	-648	703	-972	508	
Other wholesale.....	5,611	5,598	5,636	5,667	5,681	-9	-107	-107	-555	-553	349	-1,108	484	
Retail.....	6,145	6,238	6,260	6,225	6,288	-164	-153	-73	-205	-193	-246	-398	-465	
Transportation.....	6,009	6,009	5,996	6,034	6,040	-54	18	-164	-173	-150	261	-323	283	
Communication.....	2,127	2,207	2,267	2,277	2,283	-17	-71	-91	14	-369	90	-355	-2	
Other public utilities.....	7,100	7,030	7,108	7,132	7,231	-95	-75	-214	-405	-1,018	609	-1,423	1,697	
Construction.....	5,573	5,552	5,551	5,520	5,516	12	-25	-32	-81	-541	-195	-622	36	
Services.....	10,723	10,797	10,831	10,834	10,883	-111	-7	-170	-422	-698	171	-1,120	304	
All other domestic loans.....	9,840	9,866	9,812	10,006	9,731	80	146	-426	-82	-290	387	-372	744	
Bankers' acceptances.....	2,315	2,228	2,349	2,285	2,316	55	150	21	28	571	309	599	-56	
Foreign commercial and industrial loans.....	4,880	4,851	4,819	4,705	4,714	349	223	-31	241	53	-239	294	-447	
Total classified loans.....	99,595	99,910	100,419	100,715	100,938	-848	-823	-2,464	-4,020	-6,653	2,669	-10,873	6,933	
Comm. paper included in total classified loans ¹	203													
Total commercial and industrial loans of large commercial banks.....	120,666	121,082	121,729	122,077	122,326	-1,219	-844	-2,620	-3,868	-6,213	3,559	-10,081	8,354	

For notes see table below.

"TERM" COMMERCIAL AND INDUSTRIAL LOANS OF LARGE COMMERCIAL BANKS

(In millions of dollars)

Industry	Outstanding									Net change during—					
	1975								1974		1975		1974		1975
	July 30	June 25	May 28	Apr. 30	Mar. 26	Feb. 26	Jan. 29	Dec. 31	Nov. 27	II	I	IV	III	1st half	
Durable goods manufacturing:															
Primary metals.....	1,269	1,288	1,280	1,323	1,284	1,237	1,249	1,210	1,176	4	74	77	28	78	
Machinery.....	3,864	3,977	4,269	4,302	4,071	4,117	4,138	4,145	4,049	-94	-74	249	610	-168	
Transportation equipment.....	1,725	1,740	1,726	1,705	1,672	1,712	1,737	1,673	1,586	68	-1	138	125	67	
Other fabricated metal products.....	1,196	1,222	1,245	1,280	1,312	1,323	1,243	1,197	1,113	-90	115	131	112	25	
Other durable goods.....	2,058	2,090	2,122	2,210	2,251	2,256	2,288	2,391	2,361	-161	-140	123	161	-301	
Nondurable goods manufacturing:															
Food, liquor, and tobacco.....	1,440	1,514	1,616	1,571	1,561	1,614	1,703	1,763	1,674	-47	-202	114	78	-249	
Textiles, apparel, and leather.....	1,133	1,095	1,075	1,091	1,158	1,083	1,124	1,145	1,179	-63	13	-6	23	-50	
Petroleum refining.....	1,828	1,709	1,611	1,617	1,483	1,458	1,542	1,518	1,272	226	-35	421	134	191	
Chemicals and rubber.....	1,666	1,762	1,784	1,814	1,846	1,812	1,839	1,878	1,818	-84	-32	100	41	-116	
Other nondurable goods.....	1,139	1,143	1,114	1,126	1,130	1,119	1,221	1,235	1,170	13	-105	31	33	-92	
Mining, including crude petroleum and natural gas.....	3,801	3,734	3,646	3,626	3,537	3,446	3,523	3,701	3,620	197	-164	362	209	33	
Trade: Commodity dealers.....	152	148	140	142	150	153	169	155	171	-2	-5	16	-2	-7	
Other wholesale.....	1,344	1,329	1,344	1,387	1,450	1,420	1,472	1,492	1,431	-121	-42	43	43	-163	
Retail.....	2,111	2,136	2,143	2,192	2,283	2,298	2,369	2,594	2,602	-147	-311	67	99	-458	
Transportation.....	4,399	4,425	4,424	4,492	4,524	4,505	4,455	4,550	4,379	-99	-26	201	-76	-125	
Communication.....	1,130	1,133	1,159	1,148	1,135	1,125	1,158	1,082	1,076	-2	53	53	-1	51	
Other public utilities.....	4,018	4,045	4,047	4,017	4,034	3,870	3,885	3,963	3,987	11	71	291	229	82	
Construction.....	2,360	2,314	2,291	2,272	2,197	2,191	2,224	2,294	2,281	117	-97	22	142	20	
Services.....	5,155	5,140	5,246	5,352	5,430	5,370	5,320	5,532	5,417	-290	-102	182	77	-392	
All other domestic loans.....	3,237	3,258	3,186	3,210	3,082	3,144	3,079	3,224	3,255	176	-142	102	105	34	
Foreign commercial and industrial loans.....	2,676	2,594	2,547	2,596	2,528	2,544	2,524	2,457	2,473	66	71	56	-147	137	
Total loans.....	47,701	47,796	48,015	48,473	48,118	47,797	48,262	49,199	48,090	-322	-1,081	2,773	2,023	-1,403	

¹ New item to be reported as of the last Wednesday of each month.

NOTE.—About 160 weekly reporting banks are included in this series; these banks classify, by industry, commercial and industrial loans amounting to about 90 per cent of such loans held by all weekly reporting banks and about 70 per cent of those held by all commercial banks.

For description of series see article "Revised Series on Commercial and Industrial Loans by Industry," Feb. 1967 BULLETIN, p. 209.

Commercial and industrial "term" loans are all 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.

GROSS DEMAND DEPOSITS OF INDIVIDUALS, PARTNERSHIPS, AND CORPORATIONS¹

(In billions of dollars)

Class of bank, and quarter or month	Type of holder					Total deposits, IPC
	Financial business	Nonfinancial business	Consumer	Foreign	All other	
All insured commercial banks:						
1970—Dec.....	17.3	92.7	53.6	1.3	10.3	175.1
1971—Sept.....	17.9	91.5	57.5	1.2	9.7	177.9
Dec.....	18.5	98.4	58.6	1.3	10.7	187.5
1972—Mar.....	20.2	92.6	54.7	1.4	12.3	181.2
June.....	17.9	97.6	60.5	1.4	11.0	188.4
Sept.....	18.0	101.5	63.1	1.4	11.4	195.4
Dec.....	18.9	109.9	65.4	1.5	12.3	208.0
1973—Mar.....	18.6	102.8	65.1	1.7	11.8	200.0
June.....	18.6	106.6	67.3	2.0	11.8	206.3
Sept.....	18.8	108.3	69.1	2.1	11.9	210.3
Dec.....	19.1	116.2	70.1	2.4	12.4	220.1
1974—Mar.....	18.9	108.4	70.6	2.3	11.0	211.2
June.....	18.2	112.1	71.4	2.2	11.1	215.0
Sept.....	17.9	113.9	72.0	2.1	10.9	216.8
Dec.....	19.0	118.8	73.3	2.3	11.7	225.0
1975—Mar.....	18.6	111.3	73.2	2.3	10.9	216.3
June ^p	19.4	115.1	74.8	2.3	10.6	222.2
Weekly reporting banks:						
1971—Dec.....	14.4	58.6	24.6	1.2	5.9	104.8
1972—Dec.....	14.7	64.4	27.1	1.4	6.6	114.3
1973—Dec.....	14.9	66.2	28.0	2.2	6.8	118.1
1974—July.....	14.4	63.5	28.5	2.1	6.5	115.1
Aug.....	14.1	62.6	28.0	1.9	5.8	112.5
Sept.....	13.9	64.4	28.4	2.0	6.3	115.0
Oct.....	14.7	64.4	28.4	2.0	6.4	115.8
Nov.....	14.6	65.9	28.7	2.1	6.5	117.7
Dec.....	14.8	66.9	29.0	2.2	6.8	119.7
1975—Jan.....	14.8	65.6	29.2	2.2	6.6	118.3
Feb.....	14.4	63.1	27.9	2.3	6.2	113.9
Mar.....	14.1	63.2	28.2	2.2	6.4	114.1
Apr.....	15.0	63.3	30.1	2.2	6.5	117.0
May.....	14.2	63.1	29.2	2.3	6.2	115.0
June ^p	15.1	65.1	29.5	2.2	6.2	118.1

¹ Including cash items in process of collection.

NOTE.—Daily-average balances maintained during month as estimated

from reports supplied by a sample of commercial banks. For a detailed description of the type of depositor in each category, see June 1971 BULLETIN, p. 466.

DEPOSITS ACCUMULATED FOR PAYMENT OF PERSONAL LOANS

(In millions of dollars)

Class of bank	Dec. 31, 1972	Dec. 31, 1973	June 30, 1974	Dec. 31, 1974	Class of bank	Dec. 31, 1972	Dec. 31, 1973	June 30, 1974	Dec. 31, 1974
All commercial.....	559	507	460	389	All member—Cont.				
Insured.....	554	503	457	387	Other large banks ¹	69	58	63	69
National member.....	311	288	265	236	All other member ¹	313	294	267	206
State member.....	71	64	65	39	All nonmember.....	177	155	130	115
All member.....	381	352	330	275	Insured.....	172	152	127	112
					Noninsured.....	5	3	3	3

¹ Beginning Nov. 9, 1972, designation of banks as reserve city banks for reserve-requirement purposes has been based on size of bank (net demand deposits of more than \$400 million), as described in the BULLETIN for July 1972, p. 626. Categories shown here as "Other large" and "All other member" parallel the previous "Reserve City" (other than in New York City and the City of Chicago) and "Country" categories, respectively (hence the series are continuous over time).

NOTE.—Hypothecated deposits, as shown in this table, are treated one way in monthly and weekly series for commercial banks and in another way in call-date series. That is, they are excluded from "Time deposits" and "Loans" in the monthly (and year-end) series as shown on p. A-14; from the figures for weekly reporting banks as shown on pp. A-18-A-22 (consumer instalment loans); and from the figures in the table at the bottom of p. A-13. But they are included in the figures for "Time deposits" and "Loans" for call dates as shown on pp. A-14-A-17.

LOANS SOLD OUTRIGHT BY LARGE COMMERCIAL BANKS

(Amounts outstanding; in millions of dollars)

Date	To selected related institutions ¹			
	Total	By type of loan		
		Commercial and industrial	Real estate	All other
1975—Apr. 2.....	4,584	2,714	202	1,668
9.....	4,587	2,748	201	1,638
16.....	4,529	2,715	201	1,613
23.....	4,519	2,704	197	1,618
30.....	4,587	2,744	204	1,639
May 7.....	4,582	2,813	199	1,570
14.....	4,612	2,808	200	1,604
21.....	4,625	2,776	202	1,647
28.....	4,665	2,820	201	1,644
June 4.....	4,615	2,829	198	1,588
11.....	4,628	2,849	198	1,581
18.....	4,631	2,849	198	1,584
25.....	4,667	2,895	196	1,576
July 2.....	4,648	2,907	196	1,545
9.....	4,599	2,827	192	1,580
16.....	4,484	2,755	189	1,540
23.....	4,470	2,734	188	1,548
30.....	4,500	2,763	186	1,551

¹ To bank's own foreign branches, nonconsolidated non-bank affiliates of the bank, the bank's holding company (if not a bank), and nonconsolidated nonbank subsidiaries of the holding company.

NOTE.—Series changed on Aug. 28, 1974. For a comparison of the old and new data for that date, see p. 741 of the Oct. 1974 BULLETIN. Revised figures received since Oct. 1974 that affect that comparison are shown in note 2 to this table in the Dec. 1974 BULLETIN, p. A-27.

COMMERCIAL PAPER AND BANKERS ACCEPTANCES OUTSTANDING

(In millions of dollars)

End of period	Commercial paper						Dollar acceptances										
	All issuers	Financial companies ¹		Non-financial companies ⁴	Bank-related ⁵		Total	Held by—						Based on—			
		Dealer-placed ²	Di-rectly-placed ³		Dealer-placed	Di-rectly-placed		Accepting banks			F.R. Banks		Others	Im-ports into United States	Ex-ports from United States	All other	
								Total	Own bills	Bills bought	Own acct.	For- eign corr. ⁶					
1966.....	13,645	2,332	10,556	757	.....	.....	3,603	1,198	983	215	193	191	2,022	997	829	1,778
1967.....	17,085	2,790	12,184	2,111	.....	.....	4,317	1,906	1,447	459	164	156	2,090	1,086	989	2,241
1968.....	21,173	4,427	13,972	2,774	.....	.....	4,428	1,544	1,344	200	58	109	2,717	1,423	952	2,053
1969.....	32,600	6,503	20,741	5,356	1,160	3,134	5,451	1,567	1,318	249	64	146	3,674	1,889	1,153	2,408	
1970.....	33,071	5,514	20,424	7,133	352	1,997	7,058	2,694	1,960	735	57	250	4,057	2,601	1,561	2,895	
1971.....	32,126	5,297	20,582	6,247	524	1,449	7,889	3,480	2,689	791	261	254	3,894	2,834	1,546	3,509	
1972.....	34,721	5,655	22,098	6,968	1,226	1,411	8,898	2,706	2,006	700	106	179	3,907	2,531	1,909	2,458	
1973.....	41,073	5,487	27,204	8,382	1,938	2,943	8,892	2,837	2,318	519	68	581	5,406	2,273	3,499	3,120	
1974—May..	46,171	5,699	30,426	10,046	1,978	5,106	11,727	3,089	2,642	447	373	732	7,532	2,952	2,899	5,876	
June..	44,846	4,970	29,908	9,968	1,579	5,373	13,174	3,535	3,066	469	304	795	8,540	3,287	3,219	6,668	
July..	45,561	4,655	30,344	10,562	1,465	5,585	15,686	3,499	2,983	516	218	1,023	10,947	3,589	3,774	8,323	
Aug..	47,967	5,308	31,774	10,885	2,425	6,350	16,167	3,388	2,866	522	277	1,202	11,300	3,585	3,933	8,649	
Sept..	49,087	5,333	31,095	12,659	2,185	6,446	16,035	3,347	2,942	405	504	1,459	10,724	3,526	3,806	8,703	
Oct..	51,754	5,242	32,509	14,003	2,046	6,408	16,882	3,291	2,872	419	218	2,037	11,335	3,793	3,759	9,330	
Nov..	51,883	4,860	32,491	14,532	1,947	6,697	17,553	3,789	3,290	499	611	*1,756	*11,398	3,810	3,709	10,035	
Dec..	49,070	4,611	31,765	12,694	1,874	6,444	18,484	4,226	3,685	542	999	*1,109	*12,150	4,023	4,067	10,394	
1975—Jan...	51,528	5,029	31,851	14,648	1,946	6,625	18,602	4,357	3,903	454	966	*560	*12,718	4,120	4,314	10,168	
Feb...	52,325	5,167	32,426	14,732	1,854	7,228	18,579	4,864	4,370	494	993	*325	*12,398	3,974	4,210	10,396	
Mar...	50,745	5,342	31,139	14,264	1,738	7,190	18,730	4,773	4,085	688	665	*263	*13,029	3,845	4,296	10,589	
Apr...	51,552	5,461	32,073	14,018	1,654	6,931	18,727	4,485	3,900	585	1,185	*235	*13,034	3,690	4,206	10,831	
May...	51,238	5,889	32,742	12,607	1,587	7,017	18,108	4,450	3,892	558	865	234	12,559	3,665	4,186	10,257	

¹ Financial companies are 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 As reported by dealers; includes all financial company paper sold in the open market.

³ As reported by financial companies that place their paper directly with investors.

⁴ Nonfinancial companies include public utilities and firms engaged primarily in activities such as communications, construction, manufacturing, mining, wholesale and retail trade, transportation, and services.

⁵ Included in dealer- and directly-placed financial company columns. Coverage of bank-related companies was expanded in Aug. 1974. Most of the increase resulting from this expanded coverage occurred in directly-placed paper.

⁶ Beginning November 1974, the Board of Governors terminated the System guarantee on acceptances purchased for foreign official accounts.

PRIME RATE CHARGED BY BANKS

(Per cent per annum)

Effective date	Rate	Effective date	Rate	Effective date	Rate	Effective date	Rate
1974—Apr. 11.....	9¾-9⅞/10-10	1974—June 3.....	11½-11⅞/10-11¾	1974—Oct. 28.....	10¾-11-11¼-11½	1975—Feb. 3.....	8¾-9-9¼-9½-9¾
15.....	10-10⅛/10-10¼	7.....	11¼-11½-11⅞/10			4.....	8¾-9-9¼-9½
19.....	10-10⅞/10-10¼	10.....	11½-11⅞/10-11¾	Nov. 4.....	10¾-11-11¼-11½	10.....	8¾-9-9¼-9½
Apr. 23.....	10¼-10⅞/10-10¼	21.....	11¼-11½-11⅞/10	11.....	10½-10¾-11	18.....	8½-8¾-9
24.....	10¼-10⅞/10-10¼	24.....	11½-11¾-11⅞/10			24.....	8½-8¾
		25.....	11½-11¾-11⅞/10	14.....	10½-10¾-11	Mar. 3.....	8¼-8½-8¾
25.....	10¼-10⅞/10-10¼	26.....	11½-11¾-11⅞/10	18.....	10-10½-10¾	5.....	8¼-8½-8¾
26.....	10¼-10⅞/10-10¼	28.....	11¾-11⅞/10-11¾	19.....	10-10½-10¾	6.....	7¾-8-8¼
						10.....	7¾-8-8¼
30.....	10½-10⅞/10-10¾	July 3.....	11¾-11⅞/10-11¾	25.....	10-10½-10¾	17.....	7¾-8-8¼
		5.....	11⅞/10-12-12¼			18.....	7¾-8-8¼
May 2.....	10½-10⅞/10-10¾	9.....	12-12¼-12½	Dec. 2.....	9¾-10-10¼-10½	24.....	7½-7¾-8
3.....	10⅞/10-10¾-11	23.....	10¾-12-12¼			25.....	7½-7¾-8
6.....	10⅞/10-10¾-11			1975—Jan. 9.....	9½-10-10¼-10½	31.....	7½-7¾-8
7.....	11-11¼-11½	Aug. 20.....	10¾-12-12¼			May 20.....	7½-7¾-8
10.....	11-11¼-11½	Sept. 26.....	10¾-11½-11¾	13.....	9½-9¾-10-10¼	26.....	7½-7¾-8
13.....	11¼-11⅞/10-11½	Oct. 7.....	10¾-11½-11¾	15.....	9½-9¾-10-10¼	June 9.....	6¾-7-7¼
17.....	11¼-11⅞/10-11½	15.....	10¾-11½-11¾	20.....	9½-9¾-10-10¼	July 18.....	7-7¼-7½
20.....	11½-11¾-11⅞/10	21.....	10¾-11½-11¾	28.....	9½-9¾-10-10¼	28.....	7¼-7½-8
				29.....	9½-9¾-10-10¼		

NOTE.—Beginning Nov. 1971, several banks adopted a floating prime rate keyed to money market variables. ■ denotes the predominant prime rate quoted by a majority of large "money market" banks to large businesses.

Effective Apr. 16, 1973, with the adoption of a two-tier or "dual prime rate," this table shows only the "large-business prime rate," which is the range of rates charged by commercial banks on short-term loans to large businesses with the highest credit standing.

RATES ON BUSINESS LOANS OF BANKS

Center	Size of loan (in thousands of dollars)											
	All sizes		1-9		10-99		100-499		500-999		1,000 and over	
	May 1975	Feb. 1975	May 1975	Feb. 1975	May 1975	Feb. 1975	May 1975	Feb. 1975	May 1975	Feb. 1975	May 1975	Feb. 1975
Short-term												
35 centers.....	8.16	9.94	9.57	10.94	9.10	10.73	8.52	10.25	8.18	9.93	7.90	9.73
New York City.....	7.88	9.61	9.27	10.82	9.02	10.60	8.55	10.14	7.86	9.74	7.76	9.50
7 Other Northeast.....	8.37	10.31	10.00	12.07	9.34	11.31	8.63	10.64	8.51	10.09	7.95	9.96
8 North Central.....	8.00	9.87	9.11	10.55	8.82	10.49	8.32	10.09	7.91	9.85	7.82	9.74
7 Southeast.....	8.70	10.24	9.86	10.59	9.40	10.52	8.97	10.21	8.67	10.22	8.15	10.12
8 Southwest.....	8.34	10.01	9.35	10.36	8.89	10.47	8.32	10.11	8.24	9.83	8.15	9.84
4 West Coast.....	8.33	9.99	9.72	11.23	9.23	10.75	8.58	10.22	8.23	10.05	8.18	9.84
Revolving credit												
35 centers.....	7.95	9.20	9.59	11.03	8.91	10.56	8.58	10.14	8.23	10.18	7.84	8.98
New York City.....	7.92	7.84	9.04	10.98	8.94	10.59	8.37	9.98	8.16	9.87	7.88	7.61
7 Other Northeast.....	7.92	10.83	10.45	12.05	8.66	10.60	8.21	9.97	7.56	10.98	7.91	10.90
8 North Central.....	8.20	10.32	9.78	11.77	10.01	11.14	9.24	10.97	8.12	10.24	8.03	10.22
7 Southeast.....	8.41	9.77	9.90	10.61	8.61	10.41	8.68	10.35	7.97	9.00	8.40	9.76
8 Southwest.....	8.40	10.54	9.44	11.61	8.66	11.18	8.51	10.57	8.47	10.75	8.29	10.37
4 West Coast.....	7.84	9.52	8.91	10.67	8.54	10.13	8.44	9.77	8.40	10.17	7.69	9.40
Long-term												
35 centers.....	8.22	10.26	9.94	10.54	9.36	10.55	8.83	10.57	8.47	10.16	8.05	10.21
New York City.....	8.38	9.62	9.92	9.27	9.50	10.82	8.69	10.46	9.02	9.78	8.31	9.53
7 Other Northeast.....	8.53	10.48	9.99	10.99	9.76	10.77	9.41	10.51	7.96	10.20	8.28	10.49
8 North Central.....	7.22	11.33	9.06	10.32	8.68	10.25	8.64	10.17	8.09	9.45	6.80	11.81
7 Southeast.....	8.91	10.42	10.94	9.67	9.14	10.47	7.93	11.11	9.47	11.95	9.50	9.16
8 Southwest.....	8.47	9.87	10.74	11.99	9.86	10.12	8.37	10.46	8.68	10.09	8.28	9.60
4 West Coast.....	8.71	10.07	9.15	8.36	9.20	10.77	9.06	11.28	8.67	10.94	8.66	9.78

MONEY MARKET RATES

(Per cent per annum)

Period	Prime commercial paper ¹		Finance co. paper placed directly, 3 to 6 months ²	Prime bankers' acceptances, 90 days ³	Federal funds rate ⁴	U.S. Government securities ⁵						
	90-119 days	4 to 6 months				3-month bills ⁶		6-month bills ⁶		9- to 12-month issues		3- to 5-year issues ⁷
						Rate on new issue	Market yield	Rate on new issue	Market yield	1-year bill (market yield) ⁶	Other ⁷	
1967.....	.....	5.10	4.89	4.75	4.22	4.321	4.29	4.630	4.61	4.71	4.84	5.07
1968.....	.....	5.90	5.69	5.75	5.66	5.339	5.34	5.470	5.47	5.46	5.62	5.59
1969.....	.....	7.83	7.16	7.61	8.21	6.677	6.67	6.853	6.86	6.79	7.06	6.85
1970.....	.....	7.72	7.23	7.31	7.17	6.458	6.39	6.562	6.51	6.49	6.90	7.37
1971.....	.....	5.11	4.91	4.85	4.66	4.348	4.33	4.511	4.52	4.67	4.75	5.77
1972.....	4.66	4.69	4.52	4.47	4.44	4.071	4.07	4.466	4.49	4.77	4.86	5.85
1973.....	8.20	8.15	7.40	8.08	8.74	7.041	7.03	7.178	7.20	7.01	7.30	6.92
1974.....	10.05	9.87	8.62	9.92	10.51	7.886	7.84	7.926	7.95	7.71	8.25	7.81
1974—July.....	11.93	11.72	9.00	11.88	12.92	7.752	7.55	8.028	7.94	8.04	8.89	8.39
Aug.....	11.79	11.65	9.31	12.08	12.01	8.744	8.96	8.853	9.11	8.88	9.54	8.64
Sept.....	11.36	11.23	9.41	11.06	11.34	8.363	8.06	8.599	8.53	8.52	8.95	8.38
Oct.....	9.55	9.36	9.03	9.34	10.06	7.244	7.46	7.559	7.74	7.59	8.04	7.98
Nov.....	8.95	8.81	8.50	9.03	9.45	7.585	7.47	7.551	7.52	7.29	7.67	7.65
Dec.....	9.18	8.98	8.50	9.19	8.53	7.179	7.15	7.091	7.11	6.79	7.33	7.22
1975—Jan.....	7.39	7.30	7.31	7.54	7.13	6.493	6.26	6.525	6.36	6.27	6.74	7.29
Feb.....	6.36	6.33	6.24	6.35	6.24	5.583	5.50	5.674	5.62	5.56	5.97	6.85
Mar.....	6.06	6.06	6.00	6.22	5.54	5.544	5.49	5.635	5.62	5.70	6.10	7.00
Apr.....	6.11	6.15	5.97	6.15	5.49	5.694	5.61	6.012	6.00	6.40	6.83	7.76
May.....	5.70	5.82	5.74	5.76	5.22	5.315	5.23	5.649	5.59	5.91	6.31	7.49
June.....	5.67	5.79	5.53	5.70	5.55	5.193	5.34	5.463	5.61	5.86	6.26	7.26
July.....	6.32	6.44	6.02	6.40	6.10	6.164	6.13	6.492	6.50	6.64	7.07	7.72
Week ending—												
1975—Apr. 5.....	6.03	6.03	5.88	6.15	5.59	5.562	5.62	5.786	5.90	6.20	6.58	7.47
12.....	6.18	6.23	5.95	6.20	5.28	6.021	5.74	6.351	6.09	6.48	6.94	7.74
19.....	6.15	6.20	6.00	6.11	5.44	5.538	5.44	5.843	5.86	6.30	6.76	7.75
26.....	6.13	6.13	6.00	6.16	5.54	5.653	5.66	6.067	6.09	6.49	6.91	7.90
May 3.....	6.03	6.15	6.00	6.07	5.71	5.716	5.51	6.158	5.95	6.36	6.81	7.87
10.....	5.98	6.08	6.00	6.00	5.42	5.356	5.41	5.724	5.77	6.13	6.52	7.64
17.....	5.78	5.93	5.78	5.83	5.20	5.182	5.04	5.481	5.51	5.81	6.20	7.45
24.....	5.48	5.60	5.55	5.58	5.13	5.115	5.16	5.412	5.45	5.74	6.15	7.34
31.....	5.38	5.50	5.50	5.45	5.14	5.206	5.23	5.469	5.50	5.80	6.21	7.38
June 7.....	5.48	5.60	5.50	5.59	5.24	5.258	5.23	5.505	5.48	5.77	6.15	7.29
14.....	5.55	5.63	5.50	5.55	5.15	5.080	5.00	5.283	5.25	5.50	5.94	7.05
21.....	5.58	5.65	5.45	5.58	5.31	4.767	5.24	5.129	5.55	5.74	6.13	7.14
28.....	5.98	6.18	5.63	6.03	5.72	5.665	5.80	5.935	6.07	6.32	6.69	7.49
July 5.....	6.25	6.34	5.81	6.19	6.31	6.009	5.98	6.262	6.28	6.47	6.89	7.62
12.....	6.28	6.45	6.00	6.38	6.06	6.203	6.06	6.510	6.39	6.50	6.91	7.65
19.....	6.28	6.43	6.00	6.35	5.93	6.045	6.05	6.344	6.41	6.53	6.91	7.67
26.....	6.38	6.48	6.03	6.52	6.14	6.247	6.27	6.626	6.65	6.82	7.27	7.79
Aug. 2.....	6.43	6.53	6.18	6.49	6.25	6.318	6.28	6.719	6.69	6.86	7.35	7.86

¹ Averages of the most representative daily offering rate quoted by dealers.

² Averages of the most representative daily offering rate published by finance companies, for varying maturities in the 90-179 day 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 Seven-day averages for week ending Wednesday. Beginning with statement week ending July 25, 1973, weekly averages are based on the daily average of the range of rates on a given day weighted by the volume

of transactions at these rates. For earlier statement weeks, the averages were based on the daily effective rate—the rate considered most representative of the day's transactions, usually the one at which most transactions occurred.

⁵ Except for new bill issues, yields are averages computed from daily closing bid prices.

⁶ Bills quoted on bank-discount-rate basis.

⁷ Selected note and bond issues.

NOTE.—Figures for Treasury bills are the revised series described on p. A-35 of the Oct. 1972 BULLETIN.

BOND AND STOCK YIELDS

(Per cent per annum)

Period	Government bonds					Corporate bonds							Stocks		
	United States (long-term)	State and local			Aaa utility		Total ¹	By selected rating		By group			Dividend/price ratio		Earnings/price ratio
		Total ¹	Aaa	Baa	New issue	Recently offered		Aaa	Baa	Industrial	Railroad	Public utility	Preferred	Common	Common
Seasoned issues															
1970.....	6.59	6.42	6.12	6.75	8.68	8.71	8.51	8.04	9.11	8.26	8.77	8.68	7.22	3.83	6.46
1971.....	5.74	5.62	5.22	5.89	7.62	7.66	7.94	7.39	8.56	7.57	8.38	8.13	6.75	3.14	5.41
1972.....	5.63	5.30	5.04	5.60	7.31	7.34	7.63	7.21	8.16	7.35	7.99	7.74	7.27	2.84	5.50
1973.....	6.30	5.22	4.99	5.49	7.74	7.75	7.80	7.44	8.24	7.60	8.12	7.83	7.23	3.06	7.12
1974.....	6.99	6.19	5.89	6.53	9.33	9.34	8.98	8.57	9.50	8.78	8.98	9.27	8.23	4.47	11.60
1974—July.....	7.18	6.70	6.34	7.10	10.20	10.04	9.10	8.72	9.55	8.95	9.08	9.35	8.40	4.42	.....
Aug.....	7.33	6.70	6.38	7.10	10.07	10.19	9.36	9.00	9.77	9.16	9.30	9.70	8.61	4.90	.....
Sept.....	7.30	6.77	6.49	7.18	10.38	10.30	9.67	9.24	10.12	9.44	9.46	10.11	8.93	5.45	14.35
Oct.....	7.22	6.56	6.21	6.99	10.16	10.23	9.80	9.27	10.41	9.53	9.64	10.31	8.78	5.38	.....
Nov.....	6.93	6.54	6.06	7.01	9.21	9.34	9.60	8.89	10.50	9.30	9.59	10.14	8.60	5.13	.....
Dec.....	6.78	7.04	6.65	7.50	9.53	9.56	9.56	8.89	10.55	9.23	9.59	10.02	8.78	5.43	12.97
1975—Jan.....	6.68	6.89	6.39	7.45	9.36	9.45	9.55	8.83	10.62	9.19	9.52	10.10	8.41	5.07	.....
Feb.....	6.61	6.40	5.96	7.03	8.97	9.09	9.33	8.62	10.43	9.01	9.32	9.83	8.07	4.61	.....
Mar.....	6.73	6.70	6.28	7.25	9.35	9.38	9.28	8.67	10.29	9.05	9.25	9.67	8.04	4.42	10.18
Apr.....	7.03	6.95	6.46	7.43	9.67	9.65	9.49	8.95	10.34	9.30	9.39	9.88	8.27	4.34	.....
May.....	6.99	6.95	6.42	7.48	9.63	9.65	9.55	8.90	10.46	9.37	9.49	9.93	8.51	4.08	.....
June.....	6.86	6.96	6.28	7.48	9.25	9.32	9.45	8.77	10.40	9.29	9.40	9.81	8.34	4.02	.....
July.....	6.89	7.07	6.39	7.60	9.41	9.42	9.43	8.84	10.33	9.26	9.37	9.81	8.24	4.02	.....
Week ending—															
1975—June 7.....	6.96	7.01	6.35	7.55	9.41	9.53	9.51	8.85	10.47	9.36	9.46	9.89	8.50	3.98	.....
14.....	6.81	6.84	6.15	7.35	8.95	9.22	9.46	8.76	10.42	9.29	9.41	9.83	8.29	4.07	.....
21.....	6.82	6.96	6.30	7.50	9.07	9.14	9.41	8.73	10.37	9.26	9.38	9.76	8.36	4.08	.....
28.....	6.85	7.01	6.30	7.55	9.37	9.41	9.41	8.75	10.35	9.25	9.36	9.76	8.22	3.93	.....
July 5.....	6.89	7.01	6.30	7.55	9.62	9.30	9.44	8.82	10.37	9.26	9.38	9.81	8.04	3.95	.....
12.....	6.89	7.03	6.33	7.56	9.38	9.45	9.44	8.84	10.35	9.26	9.38	9.82	8.16	3.92	.....
19.....	6.87	7.08	6.40	7.60	9.53	9.57	9.43	8.82	10.33	9.25	9.37	9.80	8.22	3.93	.....
26.....	6.90	7.17	6.50	7.70	9.25	9.33	9.43	8.85	10.32	9.25	9.37	9.80	8.33	4.12	.....
Aug. 2.....	6.92	7.07	6.40	7.58	9.37	9.35	9.44	8.86	10.31	9.26	9.37	9.82	8.45	4.19	.....
Number of issues ²	14	20	5	5	.....	.....	121	20	30	41	30	40	14	500	500

¹ Includes bonds rated Aa and A, data for which are not shown separately. Because of a limited number of suitable issues, the number of corporate bonds in some groups has varied somewhat. As of Dec. 23, 1967, there is no longer an Aaa-rated railroad bond series.

² Number of issues varies over time; figures shown reflect most recent count.

NOTE.—Annual yields are averages of weekly, monthly, or quarterly data.

Bonds: Monthly and weekly yields are computed as follows: (1) U.S. Govt., averages of daily figures for bonds maturing or callable in 10 years or more; from Federal Reserve Bank of New York. (2) State and local

govt., general obligations only, based on Thurs. figures, from Moody's Investors Service. (3) Corporate, rates for "New issue" and "Recently offered" Aaa utility bonds, weekly averages compiled by the Board of Governors of the Federal Reserve System; and rates for seasoned issues, averages of daily figures from Moody's Investors Service.

Stocks: Standard and Poor's corporate series. Dividend/price ratios are based on Wed. figures. Earnings/price ratios as of end of period. Preferred stock ratio based on 8 median yields for a sample of non-callable issues—12 industrial and 2 public utility. Common stock ratios on the 500 stocks in the price index. Quarterly earnings are seasonally adjusted at annual rates.

NOTES TO TABLES ON OPPOSITE PAGE:

Security Prices:

NOTE.—Annual data are averages of daily or weekly figures. Monthly and weekly data are averages of daily figures unless otherwise noted and are computed as follows: U.S. Govt. bonds, derived from average market yields in table on p. A-28 on basis of an assumed 3 per cent, 20-year bond. Municipal and corporate bonds, derived from average yields as computed by Standard and Poor's Corp., on basis of a 4 per cent, 20-year bond; Wed. closing prices. Common stocks, derived from component common stock prices. Average daily volume of trading, presently conducted 5 days per week for 6 hours per day.

Stock Market Customer Financing:

¹ Margin credit includes all credit extended to purchase or carry stocks or related equity instruments and secured at least in part by stock (Dec. 1970 BULLETIN, p. 920). 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 represent estimates for all commercial banks based on reports by a reporting sample, which accounted for 60 per cent of security credit outstanding at banks on June 30, 1971.

² In addition to assigning a current loan value to margin stock generally, Regulations T and U permit special loan values for convertible bonds and stock acquired through exercise of subscription rights.

³ 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.

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

SECURITY PRICES

Period	Bond prices (per cent of par)			Common stock prices											Volume of trading in stocks (thousands of shares)	
				New York Stock Exchange												
				Standard and Poor's index (1941-43= 10)				New York Stock Exchange index (Dec. 31, 1965= 50)					Amer- ican Stock Ex- change total index (Aug. 31, 1973= 100)			
	U.S. Govt. (long- term)	State and local	Corpo- rate AAA	Total	Indus- trial	Rail- road	Public utility	Total	Indus- trial	Trans- porta- tion	Utility	Fin- ance		NYSE	AMEX	
1970.....	60.52	72.3	61.6	83.22	91.29	32.13	54.48	45.72	48.03	32.14	37.24	54.64	96.63	10,532	3,376	
1971.....	67.73	80.0	65.0	98.29	108.35	41.94	59.33	54.22	57.92	44.35	39.53	70.38	113.40	15,381	4,234	
1972.....	68.71	84.4	65.9	109.20	121.79	44.11	56.90	60.29	65.73	50.17	38.48	78.35	129.10	16,487	4,447	
1973.....	62.80	85.4	63.7	107.43	120.44	38.05	53.47	57.42	63.08	37.74	37.69	70.12	103.80	16,374	3,004	
1974.....	57.45	76.3	58.8	82.85	92.91	37.53	38.91	43.84	48.08	31.89	29.82	49.67	79.97	13,883	1,908	
1974—July.....	55.97	71.9	58.5	82.82	93.54	35.63	35.37	43.27	48.35	31.01	27.50	44.23	77.92	12,459	1,610	
Aug.....	54.95	71.6	57.6	76.03	85.51	35.06	34.00	39.86	44.19	29.41	26.72	40.11	74.97	12,732	1,416	
Sept.....	55.13	71.0	56.2	68.12	76.54	31.55	30.93	35.69	39.29	25.86	24.94	36.42	65.70	13,998	1,808	
Oct.....	55.69	72.7	55.9	69.44	77.57	33.70	33.80	36.62	39.81	27.26	26.76	39.28	66.78	16,396	1,880	
Nov.....	57.80	72.6	56.3	71.74	80.17	35.95	34.45	37.98	41.24	28.40	27.60	41.89	63.72	14,341	1,823	
Dec.....	58.96	68.6	56.1	67.07	74.80	34.81	32.85	35.41	38.32	26.02	26.18	39.27	59.88	15,007	2,359	
1975—Jan.....	59.70	70.9	56.4	72.56	80.50	37.31	38.19	38.56	41.29	28.12	29.55	44.85	68.31	19,661	2,117	
Feb.....	60.27	74.1	56.6	80.10	89.29	37.80	40.37	42.48	46.00	30.21	31.31	47.59	76.08	22,311	2,545	
Mar.....	59.33	70.9	56.2	83.78	93.90	38.35	39.55	44.35	48.63	31.62	31.04	47.83	79.15	22,680	2,665	
Apr.....	57.05	69.5	55.8	84.72	95.27	38.55	38.19	44.91	49.74	31.70	30.01	47.35	82.03	20,334	2,302	
May.....	57.40	69.6	56.6	90.10	101.05	38.92	39.69	47.76	53.22	32.28	31.02	49.97	86.94	21,785	2,521	
June.....	58.33	69.8	56.7	92.40	103.68	38.97	43.65	49.21	54.61	30.79	32.78	52.20	90.57	17,052	2,743	
July.....	58.09	68.5	56.6	92.49	103.84	38.04	43.67	49.54	54.96	32.88	32.98	52.51	93.28	20,076	2,750	
Week ending—																
July 5.....	58.14	69.4	56.5	94.65	106.27	39.44	44.89	50.57	56.12	33.12	33.58	53.84	92.94	19,338	2,555	
12.....	58.11	69.0	56.6	94.24	105.87	39.04	44.05	50.43	56.05	33.37	33.22	53.57	93.78	22,456	3,400	
19.....	58.24	68.3	56.8	94.45	106.05	38.92	44.48	50.65	56.24	33.93	33.46	53.80	96.13	22,756	3,344	
26.....	58.02	67.2	56.6	90.69	101.76	36.92	43.22	48.67	53.91	32.41	32.66	51.62	93.90	18,632	2,414	
Aug. 2.....	57.88	68.4	56.5	88.49	112.75	36.07	42.23	47.37	52.46	31.37	32.06	49.66	89.84	15,572	1,828	

For notes see opposite page.

STOCK MARKET CUSTOMER FINANCING

(In millions of dollars)

End of period	Margin credit at brokers and banks ¹										Free credit balances at brokers ⁴	
	Regulated ²									Unregu- lated ³		
	By source			By type								
	Total	Brokers	Banks	Margin stock		Convertible bonds		Subscription issues		Nonmargin stock credit at banks		
				Brokers	Banks	Brokers	Banks	Brokers	Banks			
1974—Apr.....	6,567	5,558	1,009	5,370	952	179	44	9	13	1,868	415	1,440
May.....	6,461	5,441	1,020	5,260	963	172	44	9	13	1,858	395	1,420
June.....	6,377	5,340	1,037	5,160	991	172	34	8	12	2,072	395	1,360
July.....	6,028	5,005	1,023	4,840	978	158	33	7	12	2,091	402	1,391
Aug.....	5,705	4,752	953	4,590	912	156	29	6	12	2,119	429	1,382
Sept.....	5,167	4,243	924	4,090	881	148	31	5	12	2,060	437	1,354
Oct.....	5,066	4,150	916	4,000	872	145	32	5	12	2,024	431	1,419
Nov.....	5,074	4,183	891	4,040	851	139	29	4	11	2,054	410	1,447
Dec.....	4,906	4,050	856	3,910	815	137	30	3	11	2,064	411	1,424
1975—Jan.....	4,934	4,166	848	4,030	806	134	29	2	13	1,919	410	1,446
Feb.....	5,099	4,339	830	4,200	783	136	34	3	13	1,897	478	1,604
Mar.....	5,244	4,400	844	4,260	780	134	30	6	14	1,882	515	1,760
Apr.....	5,407	4,583	824	4,440	781	138	30	5	13	1,885	505	1,790
May.....	5,746	4,927	819	4,780	779	140	27	7	13	1,883	520	1,705
June.....		5,220		5,070		146		4			519	1,790

For notes see opposite page.

**EQUITY STATUS OF MARGIN ACCOUNT DEBT
AT BROKERS**

(Per cent of total debt, except as noted)

End of period	Total debt (millions of dollars) ¹	Equity class (per cent)					
		80 or more	70-79	60-69	50-59	40-49	Under 40
1974—June...	\$5,160	4.0	5.0	7.7	12.6	21.8	49.1
July...	\$4,840	4.0	4.8	7.9	13.3	22.2	47.9
Aug...	\$4,590	3.5	4.0	6.6	11.2	18.4	56.3
Sept...	\$4,090	3.5	3.9	6.1	10.2	18.0	58.3
Oct...	\$4,000	4.6	5.5	9.4	16.8	27.3	36.4
Nov...	\$4,040	4.2	5.1	8.5	14.8	24.4	42.8
Dec...	\$3,910	4.3	4.6	8.8	13.9	23.0	45.4
1975—Jan...	\$4,030	5.6	7.3	13.5	24.6	28.1	21.2
Feb...	\$4,200	5.9	7.2	14.6	25.4	28.5	18.4
Mar...	\$4,260	6.5	8.0	15.3	27.6	25.8	16.9
Apr...	\$4,440	7.1	8.7	16.1	28.7	23.5	15.9
May...	\$4,780	7.0	9.1	16.7	31.5	21.0	13.4
June...	\$5,070	7.4	9.9	18.3	32.7	20.4	11.4

¹ Note 1 appears at the bottom of p. A-28.

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

**SPECIAL MISCELLANEOUS ACCOUNT BALANCES
AT BROKERS, BY EQUITY STATUS OF ACCOUNTS**

(Per cent of total, except as noted)

End of period	Net credit status	Equity class of accounts in debit status		Total balance (millions of dollars)
		60 per cent or more	Less than 60 per cent	
1974—June.....	40.3	37.4	22.4	6,538
July.....	40.2	36.5	23.2	6,695
Aug.....	39.9	34.0	26.0	6,783
Sept.....	40.7	31.2	27.0	7,005
Oct.....	40.9	35.1	24.0	7,248
Nov.....	40.0	34.6	25.3	6,926
Dec.....	41.1	32.4	26.5	7,013
1975—Jan.....	41.1	39.3	19.8	7,185
Feb.....	42.2	40.1	17.8	7,303
Mar.....	44.4	40.1	15.5	7,277
Apr.....	45.2	41.1	13.7	7,505
May.....	44.5	43.2	12.3	7,601
June.....	45.9	43.1	11.0	7,875

NOTE.—Special miscellaneous accounts contain credit balances that may be used by customers as the margin deposit required for additional purchases. Balances may arise as transfers based on loan values of other collateral in the customer's margin account or deposits of cash (usually sales proceeds) occur.

MUTUAL SAVINGS BANKS

(In millions of dollars)

End of period	Loans		Securities			Cash	Other assets	Total assets— Total liabilities and general reserve accts.	Deposits	Other liabilities	General reserve ac- counts	Mortgage loan commitments ² classified by maturity (in months)				
	Mort- gage	Other	U.S. Govt.	State and local govt.	Corpo- rate and other ¹							3 or less	3-6	6-9	Over 9	Total
1971.....	62,069	2,808	3,334	385	17,674	1,389	1,711	89,369	81,440	1,810	6,118	1,047	627	463	1,310	3,447
1972 ³	67,563	2,979	3,510	873	21,906	1,644	2,117	100,593	91,613	2,024	6,956	1,593	713	609	1,624	4,539
1973.....	73,231	3,871	2,957	926	21,383	1,968	2,314	106,651	96,496	2,566	7,589	1,250	598	405	1,008	3,261
1974.....	74,891	3,812	2,555	930	22,550	2,167	2,645	109,550	98,701	2,888	7,961	664	418	232	726	2,040
1974—May...	74,011	4,388	2,750	893	22,241	1,656	2,355	108,295	97,391	3,173	7,731	1,129	608	400	1,014	3,151
June...	74,281	4,274	2,758	880	22,324	1,651	2,488	108,654	98,190	2,688	7,776	1,099	602	328	1,001	3,031
July...	74,541	4,311	2,650	884	22,383	1,402	2,487	108,660	97,713	3,144	7,803	990	585	316	1,076	2,968
Aug...	74,724	4,031	2,604	879	22,292	1,334	2,519	108,383	97,067	3,475	7,841	949	496	417	977	2,839
Sept...	74,790	4,087	2,574	876	22,218	1,303	2,573	108,420	97,425	3,089	7,906	932	382	450	904	2,668
Oct...	74,835	3,981	2,525	870	22,190	1,303	2,608	108,313	97,252	3,158	7,904	775	374	360	792	2,301
Nov...	74,913	4,226	2,553	877	22,201	1,406	2,633	108,809	97,582	3,291	7,936	724	398	317	743	2,182
Dec....	74,891	3,812	2,555	930	22,550	2,167	2,645	109,550	98,701	2,888	7,961	664	418	232	726	2,040
1975—Jan....	74,957	4,287	2,571	967	22,979	1,706	2,663	110,130	99,211	2,948	7,971	726	400	225	620	1,971
Feb...	75,057	4,658	2,677	1,017	23,402	1,856	2,709	111,376	100,149	3,211	8,016	654	360	217	579	1,810
Mar...	75,127	4,736	2,975	1,095	24,339	2,101	2,672	113,045	102,285	2,712	8,049	824	312	294	564	1,994
Apr...	75,259	4,407	3,419	1,121	24,994	1,841	2,780	113,821	102,902	2,849	8,071	913	335	312	538	2,098
May...	75,440	4,593	3,616	1,137	25,579	2,077	2,811	115,252	104,056	3,080	8,116	955	383	300	573	2,211

¹ Also includes securities of foreign governments and international organizations and nonguaranteed issues of U.S. Govt. agencies.² Commitments outstanding of banks in New York State as reported to the Savings Banks Assn. of the State of New York. Data include building loans.³ Balance sheet data beginning 1972 are reported on a gross-of-valuation-reserves basis. The data differ somewhat from balance sheet data previously reported by National Assn. of Mutual Savings Bank, which

were net of valuation reserves. For most items, however, the differences are relatively small.

NOTE.—NAMSAB data; figures are estimates for all savings banks in the United States and differ somewhat from those shown elsewhere in the BULLETIN; the latter are for call dates and are based on reports filed with U.S. Govt. and State bank supervisory agencies.

LIFE INSURANCE COMPANIES

(In millions of dollars)

End of period	Total assets	Government securities				Business securities			Mortgages	Real estate	Policy loans	Other assets
		Total	United States	State and local	Foreign ¹	Total	Bonds	Stocks				
1971.....	222,102	11,000	4,455	3,363	3,182	99,805	79,198	20,607	75,496	6,904	17,065	11,832
1972.....	239,730	11,372	4,562	3,367	3,443	112,985	86,140	26,845	76,948	7,295	18,003	13,127
1973.....	252,436	11,403	4,328	3,412	3,663	117,715	91,796	25,919	81,369	7,693	20,199	14,057
1974.....	263,817	11,890	4,396	3,653	3,841	119,580	97,430	22,150	86,258	8,249	22,899	14,941
1974—Apr.....	256,385	11,619	4,329	3,540	3,750	120,104	94,756	25,348	82,470	7,800	20,819	13,573
May.....	257,304	11,635	4,330	3,549	3,756	120,178	95,352	24,826	82,734	7,860	21,056	13,841
June.....	258,034	11,638	4,286	3,577	3,775	119,911	95,450	24,461	83,225	7,904	21,305	14,051
July.....	258,712	11,722	4,312	3,600	3,810	119,655	95,917	23,738	83,657	7,957	21,563	14,158
Aug.....	258,508	11,789	4,365	3,603	3,821	118,319	96,076	22,243	84,082	8,037	21,867	14,414
Sept.....	258,116	11,762	4,316	3,618	3,828	116,884	96,162	20,722	84,427	8,100	22,175	14,768
Oct.....	261,183	11,804	4,344	3,620	3,840	119,225	96,815	22,410	85,016	8,140	22,473	14,525
Nov.....	262,253	11,871	4,394	3,626	3,851	119,246	97,199	22,047	85,481	8,207	22,676	14,772
Dec.....	263,349	11,965	4,437	3,667	3,861	118,572	96,652	21,920	86,234	8,331	22,862	15,385
1975—Jan.....	266,823	12,065	4,461	3,669	3,935	121,986	98,876	23,110	86,526	8,313	23,058	14,875
Feb.....	269,715	12,161	4,512	3,686	3,960	124,158	99,571	24,587	86,929	8,402	23,224	14,841
Mar.....	272,143	12,338	4,581	3,712	4,045	125,512	100,116	25,396	87,187	8,582	23,391	15,133
Apr.....	273,523	12,374	4,608	3,719	4,047	126,256	99,725	26,531	87,638	8,782	23,459	15,014

¹ Issues of foreign governments and their subdivisions and bonds of the International Bank for Reconstruction and Development.

NOTE.—Institute of Life Insurance estimates for all life insurance companies in the United States.

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."

SAVINGS AND LOAN ASSOCIATIONS

(In millions of dollars)

End of period	Assets				Total assets— Total liabilities	Liabilities					Mortgage loan commitments outstanding at end of period ⁴
	Mortgages	Investment securities ¹	Cash	Other		Savings capital	Net worth ²	Borrowed money ³	Loans in process	Other	
1971.....	174,250	18,185	2,857	10,731	206,023	174,197	13,592	8,992	5,029	4,213	7,328
1972.....	206,182	21,574	2,781	12,590	243,127	206,764	15,240	9,782	6,209	5,132	11,515
1973 ⁵	231,733	21,055		19,117	271,905	226,968	17,056	17,172	4,667	6,042	9,526
1974.....	249,306	23,235		23,075	295,616	242,914	18,435	24,824	3,205	6,238	7,454
1974—June.....	243,400	23,003		21,614	288,017	238,114	17,838	20,347	5,033	6,685	11,732
July.....	245,135	23,052		21,926	290,113	237,631	18,101	21,708	4,867	7,806	10,844
Aug.....	246,713	22,081		22,361	291,155	236,472	18,377	22,891	4,584	8,831	9,851
Sept.....	247,624	21,166		22,758	291,548	237,877	18,201	24,136	4,226	7,108	9,126
Oct.....	248,189	22,126		23,016	293,331	238,304	18,444	24,544	3,809	8,230	8,127
Nov.....	248,711	23,249		23,306	295,266	239,530	18,674	24,550	3,444	9,068	7,723
Dec.....	249,306	23,235		23,075	295,616	242,914	18,435	24,824	3,205	6,238	7,454
1975—Jan.....	249,734	25,382		23,338	298,454	246,182	18,585	23,398	3,022	7,267	7,887
Feb.....	250,845	26,995		23,754	301,594	249,480	18,815	21,938	3,015	8,346	8,787
Mar.....	252,463	28,293		24,295	305,051	255,973	18,653	20,417	3,239	6,769	10,050
Apr.....	254,748	29,035		24,955	308,738	258,831	18,881	19,889	3,567	7,570	11,653
May.....	257,930	30,635		25,611	314,176	262,726	19,127	19,362	4,056	8,905	12,557
June ²	261,365	30,967		25,880	318,212	268,944	18,990	18,925	4,393	6,960	12,296

¹ Excludes stock of the Federal Home Loan Bank Board. Compensating changes have been made in "Other assets."

² Includes net undistributed income, which is accrued by most, but not all, associations.

³ Advances from FHLBB and other borrowing.

⁴ Data comparable with those shown for mutual savings banks (on opposite page) except that figures for loans in process are not included above but are included in the figures for mutual savings banks.

⁵ Beginning 1973, participation certificates guaranteed by the Federal Home Loan Mortgage Corporation, loans and notes insured by the Farmers Home Administration, and certain other Govt.-insured mortgage-type investments, previously included in mortgage loans, are included

in other assets. The effect of this change was to reduce the mortgage total by about \$0.6 billion.

Also, GNMA-guaranteed, mortgage-backed securities of the pass-through type, previously included in "Cash" and "Investment securities" are included in "Other assets." These amounted to about \$2.4 billion at the end of 1972.

NOTE.—FHLBB data; figures are estimates for all savings and loan assns. in the United States. Data are based on monthly reports of insured assns. and annual reports of noninsured assns. Data for current and preceding year are preliminary even when revised.

FEDERAL FISCAL OPERATIONS: SUMMARY

(In millions of dollars)

Period	U.S. budget			Means of financing							
	Receipts	Outlays	Surplus or deficit (-)	Borrowings from the public					Less: Cash and monetary assets		Other means of financing, net ³
				Public debt securities	Agency securities	Less: Investments by Govt. accounts ¹		Less: Special notes ²	Equals: Total	Treasury operating balance	Other
						Special issues	Other				
Fiscal year:											
1972.....	208,649	231,876	-23,227	29,131	-1,269	6,796	1,623	.....	19,442	1,362	6,003
1973.....	232,225	246,526	-14,301	30,881	216	11,712	109	.....	19,275	2,459	-1,129
1974.....	264,932	268,392	-3,460	16,918	903	13,673	1,140	.....	3,009	-3,417	-2,063
1975 ^p	280,921	325,133	-44,212	58,953	-1,069	8,112	685	.....	50,853	-1,570	-5,840
Half year:											
1973—July—Dec.....	124,256	130,362	-6,106	11,756	478	5,376	845	.....	6,014	-2,202	-2,429
1974—Jan.—June.....	140,676	138,032	2,647	5,162	426	8,297	295	.....	-3,004	-1,215	1,089
1975—Jan.—June ^p	139,807	153,399	-13,591	18,429	-646	2,840	150	.....	14,794	-3,228	-4,183
1975—Jan.—June ^p	141,114	171,734	-30,621	40,524	-423	5,272	835	.....	36,059	4,798	-1,657
Month:											
1974—June.....	31,259	24,172	7,087	385	29	4,178	121	.....	-3,886	2,711	239
July.....	20,939	24,411	-3,472	1,109	-126	-858	198	.....	1,644	-2,705	-658
Aug.....	23,620	25,408	-1,787	6,447	-56	4,133	-25	.....	2,283	-1,012	83
Sept.....	28,377	24,712	3,666	-326	-167	-1,311	250	.....	569	3,244	797
Oct.....	19,633	26,460	-6,827	-1,242	-242	-2,053	-152	.....	721	-6,445	-338
Nov.....	22,292	24,965	-2,673	5,139	-17	653	-31	.....	4,500	816	96
Dec.....	24,946	27,442	-2,496	7,300	-38	2,276	-90	.....	5,077	2,874	268
1975—Jan.....	25,020	28,934	-3,914	1,475	-23	-2,173	-42	.....	3,667	-58	319
Feb.....	19,975	26,200	-6,225	5,571	-306	1,224	-495	.....	4,535	-2,359	-132
Mar.....	20,134	27,986	-7,852	9,949	5	-1,216	-79	.....	11,249	3,115	285
Apr.....	31,451	29,601	1,850	7,081	-37	10	-451	.....	7,485	7,666	1,847
May.....	12,793	28,186	-15,394	11,418	-6	3,296	-44	.....	8,556	-5,757	-732
June ^p	31,741	30,827	914	5,030	-55	4,131	276	.....	567	-949	537

End of period	Selected balances										Memo: Debt of Govt.-sponsored corps.—Now private ⁵
	Treasury operating balance				Borrowing from the public.						
	F.R. Banks	Tax and loan accounts	Other depositaries ⁴	Total	Public debt securities	Agency securities	Less: Investments of Govt. accounts ¹		Less: Special notes ²	Equals: Total	
							Special issues	Other			
Fiscal year:											
1971.....	1,274	7,372	109	8,755	398,130	12,163	82,740	22,400	825	304,328	37,086
1972.....	2,344	7,934	139	10,117	427,260	10,894	89,536	24,023	825	323,770	41,814
1973.....	4,038	8,433	106	12,576	458,142	11,109	101,248	24,133	825	343,045	51,325
1974.....	2,919	6,152	88	9,159	475,060	12,012	114,921	25,273	825	346,053	65,411
1975 ^p	5,773	1,473	343	7,589	533,188	10,943	123,033	24,192	(⁶)	396,906	.....
Calendar year:											
1973.....	2,543	7,760	70	10,374	469,898	11,586	106,624	24,978	825	349,058	59,857
1974.....	3,113	2,749	70	5,932	492,664	11,367	117,761	25,423	(⁶)	360,847	.....
Month:											
1974—June.....	2,919	6,152	88	9,159	475,060	12,012	114,921	25,273	825	346,053	65,411
July.....	3,822	2,544	88	6,454	475,344	11,895	114,063	25,471	(⁶)	347,706	68,243
Aug.....	3,304	2,049	91	5,443	481,792	11,831	118,196	25,446	.....	349,980	69,951
Sept.....	3,211	5,384	92	8,687	481,466	11,664	116,885	25,696	.....	350,549	73,068
Oct.....	789	1,381	71	2,241	480,224	11,422	114,832	25,544	.....	351,270	75,343
Nov.....	1,494	1,571	.....	3,066	485,364	11,404	115,485	25,513	.....	355,770	75,706
Dec.....	3,113	2,745	70	5,928	492,664	11,367	117,761	25,423	.....	360,847	76,459
1975—Jan.....	3,541	2,115	220	5,876	494,139	11,343	115,588	25,380	.....	364,514	76,921
Feb.....	2,884	410	220	3,514	499,710	11,037	116,812	24,886	.....	369,049	75,964
Mar.....	4,269	2,140	220	6,629	509,659	11,042	115,596	24,807	.....	380,298	76,392
Apr.....	8,363	5,411	521	14,295	516,740	11,004	115,606	24,355	.....	387,783	77,124
May.....	7,036	981	521	8,538	528,158	10,998	118,902	23,915	.....	396,339	75,140
June ^p	5,773	1,473	343	7,589	533,188	10,943	123,033	24,192	.....	396,906	.....

¹ With the publication of the Oct. 1974, Federal Reserve BULLETIN, these series have been corrected (beginning in fiscal year 1971) to exclude special issues held by the Federal home loan banks and the General Services Adm. Participation Certificate Trust, which are not Govt. accounts.

² Represents non-interest-bearing public debt securities issued to the International Monetary Fund and international lending organizations. New obligations to these agencies are handled by letters of credit.

³ Includes net outlays of off-budget Federal agencies, accrued interest payable on public debt securities, deposit funds, miscellaneous liability and asset accounts, and seigniorage.

⁴ As of Jan. 3, 1972, the Treasury operating balance was redefined to exclude the gold balance and to include previously excluded "Other depositaries" (deposits in certain commercial depositaries that have been converted from a time to a demand basis to permit greater flexibility in Treasury cash management).

⁵ Includes debt of Federal home loan banks, Federal land banks, R.F.K. Stadium Fund, FNMA (beginning Sept. 1968), and Federal intermediate credit banks and banks for cooperatives (both beginning Dec. 1968).

⁶ Beginning July 1974, public debt securities excludes \$825 million of notes issued to International Monetary Fund to conform with Office of Management and Budget's presentation of the budget.

NOTE—Half years may not add to fiscal year totals due to revisions in series that are not yet available on a monthly basis.

FEDERAL FISCAL OPERATIONS: DETAIL

(In millions of dollars)

Period	Budget receipts																
	Total	Individual income taxes					Corporation income taxes		Social insurance taxes and contributions					Excise taxes	Cus-toms	Estate and gift	Misc. re-ceipts ⁴
		With-held	Pres. Elec-tion Cam-paign Fund ¹	Non-with-held	Re-funds	Net total	Gross re-ceipts	Re-funds	Employment taxes and contribution ²		Un-empl. insur.	Other net re-ceipts ³	Net total				
									Pay-roll taxes	Self-empl.							
Fiscal year:																	
1972.....	208,649	83,200	.....	25,679	14,143	94,737	34,926	2,760	44,088	2,032	4,357	3,437	53,914	15,477	3,287	5,436	3,633
1973.....	232,225	98,093	.....	27,017	21,866	103,246	39,045	2,893	52,505	2,371	6,051	3,614	64,542	16,260	3,188	4,917	3,921
1974.....	264,932	112,064	28	30,812	23,952	118,952	41,744	3,125	62,878	3,008	6,837	4,051	76,780	16,844	3,334	5,035	5,369
1975.....	280,921	122,004	.....	34,299	34,014	122,322	45,746	5,120	71,782	3,416	6,764	4,461	86,429	16,542	3,666	4,589	6,747
Half year:																	
1973—July—Dec.....	124,256	52,964	.....	6,207	999	58,172	16,589	1,494	29,965	201	2,974	1,967	35,109	8,966	1,633	2,514	2,768
1974—Jan.—June.....	140,676	59,100	28	24,605	22,953	60,782	25,155	1,631	32,919	2,807	3,862	2,084	41,671	7,878	1,701	2,521	2,601
1975—July—Dec.....	139,807	61,377	.....	7,099	1,016	67,460	18,247	2,016	34,418	254	2,914	2,187	39,774	8,761	1,958	2,284	3,341
1975—Jan.—June.....	141,114	60,627	.....	27,201	32,998	54,862	27,499	3,104	37,364	3,162	3,850	2,274	46,655	7,781	1,708	2,305	3,406
Month:																	
1974—June.....	31,259	10,611	4	4,077	462	14,231	9,269	237	4,757	281	18	329	5,386	1,423	301	370	517
July.....	20,939	10,227	.....	957	378	10,806	1,796	310	5,005	.....	418	358	5,781	1,517	325	418	607
Aug.....	23,620	10,223	.....	491	229	10,485	1,084	256	7,813	.....	1,363	368	9,544	1,415	355	453	540
Sept.....	28,377	9,754	.....	4,323	130	13,947	6,082	435	5,428	240	62	389	6,119	1,465	305	352	543
Oct.....	19,633	10,106	.....	561	78	10,590	1,717	511	4,558	.....	221	363	5,142	1,401	347	370	578
Nov.....	22,292	10,638	.....	305	111	10,832	1,111	314	6,633	.....	762	353	7,748	1,474	319	350	773
Dec.....	24,946	10,428	.....	461	90	10,799	6,458	190	4,982	14	89	356	5,441	1,489	307	341	301
1975—Jan.....	25,020	10,252	1	5,366	132	15,487	1,745	557	4,802	223	245	402	5,673	1,351	307	385	629
Feb.....	19,975	10,957	7	1,046	4,264	7,747	1,275	496	6,707	225	732	352	8,979	1,277	260	399	535
Mar.....	20,134	9,617	8	2,661	8,152	4,134	7,228	649	6,268	208	21	373	6,870	1,160	295	356	741
Apr.....	31,451	9,542	15	12,766	6,258	16,065	5,819	726	5,438	1,743	557	388	8,126	1,166	286	317	399
May.....	12,793	10,300	.....	819	12,749	—1,630	1,192	18	7,689	340	2,209	350	10,588	1,373	270	459	559
1974—June.....	31,741	9,960	.....	4,543	1,445	13,059	10,211	658	5,552	373	86	407	6,419	1,455	292	390	543

Period	Budget outlays ⁵											
	Total	National defense	Intl. affairs	General sci-ence, space, and tech.	Agricul-ture	Natural re-sources, enviro, and energy	Com-merce and transp.	Com-mun. and region. devel-opment	Educa-tion, man-power, and social serv.	Health and wel-fare	Vet-erans	Inter-est
Fiscal year:												
1973.....	246,526	75,072	2,956	4,169	4,855	5,461	9,938	5,869	11,874	91,790	12,013	22,813
1974.....	268,392	78,569	3,593	4,154	2,230	6,390	13,100	4,910	11,600	106,505	13,386	28,072
1975.....	325,133	88,289	4,215	4,157	2,009	8,020	15,546	4,482	15,061	136,763	16,599	31,035
1976.....	358,900	94,100	5,500	4,600	2,000	10,300	15,700	6,100	16,800	151,800	17,100	34,400
Month:												
1975—Mar.....	27,986	7,435	503	379	347	723	1,4	1519	1,209	12,154	1,811	2,656
Apr.....	29,601	7,555	109	368	275	611	1,088	309	1,838	12,379	1,466	2,716
May.....	28,186	8,000	408	384	42	679	995	383	1,647	11,968	1,468	2,607
June.....	30,827	7,905	567	259	196	887	1,285	461	1,635	14,588	1,416	2,535

¹ Collections of these receipts, totaling \$2,427 million for fiscal year 1973, were included as part of nonwithheld income taxes prior to Feb. 1974.

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

³ Supplementary medical insurance premiums and Federal employee retirement contributions.

⁴ Deposits of earnings by F. R. Banks and other miscellaneous receipts.

⁵ Budget outlays reflect the new functional classification of outlays presented in the 1976 Budget. For a description of these functions, see *Budget of the U.S. Government, Fiscal Year 1976*, pp. 64-65.

⁶ Consists of interest received by trust funds, rents and royalties on the Outer Continental Shelf, and Govt. contributions for employee retirement.

⁷ Contains retroactive payments of \$2,617 million for fiscal 1972.

⁸ Estimates presented in *Mid-Session Review of the 1976 Budget*, May 30, 1975. Breakdowns do not add to totals because special allowances for contingencies, civilian agency pay raises, and energy tax equalization payments totaling \$6,800 million for fiscal 1976 are not included.

NOTE.—Half years may not add to fiscal year totals due to revisions in series that are not yet available on a monthly basis.

GROSS PUBLIC DEBT, BY TYPE OF SECURITY

(In billions of dollars)

End of period	Total gross public debt ¹	Public issues (interest-bearing)										Special issues ⁵
		Total	Marketable					Con-vertible bonds	Nonmarketable			
			Total	Bills	Certifi-cates	Notes	Bonds ²		Total ³	Foreign issues ⁴	Savings bonds and notes	
1968—Dec.....	358.0	296.0	236.8	75.0	.....	76.5	85.3	2.5	56.7	4.3	52.3	59.1
1969—Dec.....	368.2	295.2	235.9	80.6	.....	85.4	69.9	2.4	56.9	3.8	52.2	71.0
1970—Dec.....	389.2	309.1	247.7	87.9	.....	101.2	58.6	2.4	59.1	5.7	52.5	78.1
1971—Dec.....	424.1	336.7	262.0	97.5	.....	114.0	50.6	2.3	72.3	16.8	54.9	85.7
1972—Dec.....	449.3	351.4	269.5	103.9	.....	121.5	44.1	2.3	79.5	20.6	58.1	95.9
1973—Dec.....	469.9	360.7	270.2	107.8	.....	124.6	37.8	2.3	88.2	26.0	60.8	107.1
1974—July.....	475.3	359.7	268.8	107.3	.....	128.4	33.0	2.3	88.7	24.4	62.7	114.6
Aug.....	481.8	362.0	272.1	110.6	.....	127.7	33.9	2.3	87.6	23.2	62.8	118.7
Sept.....	481.5	362.7	272.6	111.1	.....	127.7	33.8	2.3	87.8	23.2	63.0	117.4
Oct.....	480.2	363.9	273.5	112.1	.....	127.7	33.8	2.3	88.1	23.1	63.3	115.3
Nov.....	485.4	368.2	277.5	114.6	.....	129.6	33.3	2.3	88.4	23.1	63.6	115.9
Dec.....	492.7	373.4	282.9	119.7	.....	129.8	33.4	2.3	88.2	22.8	63.8	118.2
1975—Jan.....	494.1	377.1	286.1	120.0	.....	131.8	33.3	2.3	88.8	23.0	64.2	116.0
Feb.....	499.7	381.5	289.8	123.0	.....	132.7	34.1	2.3	89.4	23.3	64.5	117.2
Mar.....	509.7	392.6	300.0	124.0	.....	141.9	34.1	2.3	90.4	24.0	64.8	116.0
Apr.....	516.7	399.8	307.2	127.0	.....	145.0	35.3	2.3	90.3	23.6	65.2	116.0
May.....	528.2	407.8	314.9	131.5	.....	146.5	36.8	2.3	90.6	23.5	65.5	119.2
June.....	533.2	408.8	315.6	128.6	.....	150.3	36.8	2.3	90.9	23.2	65.9	123.3
July.....	538.2	416.3	323.7	133.4	.....	153.6	36.7	2.3	90.4	22.2	66.3	120.9

¹ Includes non-interest-bearing debt (of which \$623 million on July 31, 1975, was not subject to statutory debt limitation).

² Includes Treasury bonds and minor amounts of Panama Canal and postal savings bonds.

³ Includes (not shown separately): depository bonds, retirement plan bonds, Rural Electrification Administration bonds, State and local government bonds, and Treasury deposit funds.

⁴ Nonmarketable certificates of indebtedness, notes, and bonds in the Treasury foreign series and foreign-currency-series issues.

⁵ Held only by U.S. Govt. agencies and trust funds and the Federal home loan banks.

NOTE.—Based on *Monthly Statement of the Public Debt of the United States*, published by U.S. Treasury. See also second paragraph in NOTE to table below.

OWNERSHIP OF PUBLIC DEBT

(Par value, in billions of dollars)

End of period	Total gross public debt	Held by—		Held by private investors									
		U.S. Govt. agencies and trust funds	F.R. Banks	Total	Com-mercial banks	Mutual savings banks	Insur-ance com-panies	Other corporations	State and local govts.	Individuals		Foreign and inter-national ¹	Other misc. investors ²
										Savings bonds	Other securities		
1968—Dec.....	358.0	76.6	52.9	228.5	66.0	3.8	8.4	14.2	24.9	51.9	23.3	14.3	21.9
1969—Dec.....	368.2	89.0	57.2	222.0	56.8	3.1	7.6	10.4	27.2	51.8	29.0	11.2	25.0
1970—Dec.....	389.2	97.1	62.1	229.9	62.7	3.1	7.4	7.3	27.8	52.1	29.1	20.6	19.9
1971—Dec.....	424.1	106.0	70.2	247.9	65.3	3.1	7.0	11.4	25.4	54.4	18.8	46.9	15.6
1972—Dec.....	449.3	116.9	69.9	262.5	67.7	3.4	6.6	9.8	28.9	57.7	16.2	55.3	17.0
1973—Dec.....	469.9	129.6	78.5	261.7	60.3	2.9	6.4	10.9	29.2	60.3	16.9	55.6	19.3
1974—May.....	474.7	133.9	81.4	259.4	54.8	2.6	5.8	11.2	29.2	61.7	18.3	57.3	18.5
June.....	475.1	138.2	80.5	256.4	53.2	2.6	5.9	10.8	28.3	61.9	18.8	57.7	17.3
July.....	475.3	137.5	78.1	259.7	53.9	2.6	5.7	11.3	28.8	62.2	19.4	56.9	18.8
Aug.....	481.8	141.6	81.1	259.0	53.0	2.6	5.7	11.0	29.2	62.3	20.3	56.0	19.0
Sept.....	481.5	140.6	81.0	259.8	52.9	2.5	5.7	10.5	29.3	62.5	20.8	56.0	19.5
Oct.....	480.2	138.4	79.4	262.5	53.5	2.5	5.9	11.2	28.8	62.8	21.0	56.6	20.3
Nov.....	485.4	139.0	81.0	265.3	54.5	2.5	5.9	11.0	28.7	63.2	21.1	58.3	20.1
Dec.....	492.7	141.2	80.5	271.0	56.5	2.5	6.1	11.0	29.2	63.4	21.5	58.4	22.4
1975—Jan.....	494.1	139.0	81.3	273.8	54.5	2.6	6.2	11.3	30.0	63.7	21.6	61.5	22.3
Feb.....	499.7	139.8	81.1	278.9	56.9	2.7	6.2	11.4	30.5	64.0	21.3	64.6	21.3
Mar.....	509.7	138.5	81.4	289.8	62.0	2.9	6.6	12.0	29.7	64.4	21.4	65.0	25.9
Apr.....	516.7	138.0	87.8	290.9	63.0	3.2	6.7	12.5	29.8	64.7	21.4	64.9	24.7
May ^p	528.2	140.9	85.6	301.7	65.7	3.4	6.9	13.1	29.6	65.1	21.4	68.4	28.0

¹ Consists of investments of foreign and international accounts in the United States.

² Consists of savings and loan assns., nonprofit institutions, corporate pensions trust funds, and dealers and brokers. Also included are certain Govt. deposit accounts and Govt.-sponsored agencies.

NOTE.—Reported data for F.R. Banks and U.S. Govt. agencies and trust funds; Treasury estimates for other groups.

The debt and ownership concepts were altered beginning with the Mar. 1969 BULLETIN. The new concepts (1) exclude guaranteed securities and (2) remove from U.S. Govt. agencies and trust funds and add to other miscellaneous investors the holdings of certain Govt.-sponsored but privately owned agencies and certain Govt. deposit accounts. Beginning in July 1974, total gross public debt includes Federal Financing Bank bills and excludes notes issued to the IMF (\$825 million).

OWNERSHIP OF MARKETABLE SECURITIES, BY MATURITY

(Par value, in millions of dollars)

Type of holder and date	Total	Within 1 year			1-5 years	5-10 years	10-20 years	Over 20 years
		Total	Bills	Other				
All holders:								
1972—Dec. 31.....	269,509	130,422	103,870	26,552	88,564	29,143	15,301	6,079
1973—Dec. 31.....	270,224	141,571	107,786	33,785	81,715	25,134	15,659	6,145
1974—Dec. 31.....	282,891	148,086	119,747	28,339	85,311	27,897	14,833	6,764
1975—May 31.....	314,886	164,160	131,541	32,619	100,926	26,834	14,549	8,418
June 30.....	315,606	163,891	128,569	35,322	101,973	26,830	14,509	8,403
U.S. Govt. agencies and trust funds:								
1972—Dec. 31.....	19,360	1,609	674	935	6,418	5,487	4,317	1,530
1973—Dec. 31.....	20,962	2,220	631	1,589	7,714	4,389	5,019	1,620
1974—Dec. 31.....	21,391	2,400	588	1,812	7,823	4,721	4,670	1,777
1975—May 31.....	20,114	2,183	393	1,790	7,491	4,209	4,271	1,960
June 30.....	20,475	2,317	479	1,838	7,626	4,309	4,233	1,990
Federal Reserve Banks:								
1972—Dec. 31.....	69,906	37,750	29,745	8,005	24,497	6,109	1,414	136
1973—Dec. 31.....	78,516	46,189	36,928	9,261	23,062	7,504	1,577	184
1974—Dec. 31.....	80,501	45,388	36,990	8,399	23,282	9,664	1,453	713
1975—May 31.....	85,622	46,603	38,287	8,316	28,925	6,994	1,375	1,725
June 30.....	84,749	45,953	37,239	8,714	28,440	7,137	1,419	1,801
Held by private investors:								
1972—Dec. 31.....	180,243	91,063	73,451	17,612	57,649	17,547	9,570	4,413
1973—Dec. 31.....	170,746	93,162	70,227	22,935	50,939	13,241	9,063	4,341
1974—Dec. 31.....	180,999	100,298	82,168	18,130	54,206	13,512	8,710	4,274
1975—May 31.....	209,150	115,374	92,861	22,513	64,510	15,631	8,903	4,733
June 30.....	210,382	115,621	90,851	24,770	65,907	15,384	8,857	4,612
Commercial banks:								
1972—Dec. 31.....	52,440	18,077	10,289	7,788	27,765	5,654	864	80
1973—Dec. 31.....	45,737	17,499	7,901	9,598	22,878	4,022	1,065	272
1974—Dec. 31.....	42,755	14,873	6,952	7,921	22,717	4,151	733	280
1975—May 31.....	51,065	18,309	8,527	9,782	27,359	4,487	621	290
June 30.....	53,335	19,643	9,241	10,402	28,415	4,394	639	244
Mutual savings banks:								
1972—Dec. 31.....	2,609	590	309	281	1,152	469	274	124
1973—Dec. 31.....	1,955	562	222	340	750	211	300	131
1974—Dec. 31.....	1,477	399	207	192	614	174	202	88
1975—May 31.....	2,276	501	224	277	1,055	369	235	117
June 30.....	2,435	519	212	307	1,150	406	243	116
Insurance companies:								
1972—Dec. 31.....	5,220	799	448	351	1,190	976	1,593	661
1973—Dec. 31.....	4,956	779	312	467	1,073	1,278	1,301	523
1974—Dec. 31.....	4,741	722	414	308	1,061	1,310	1,297	351
1975—May 31.....	5,537	793	450	343	1,534	1,637	1,164	408
June 30.....	5,542	762	421	341	1,549	1,707	1,170	354
Nonfinancial corporations:								
1972—Dec. 31.....	4,948	3,604	1,198	2,406	1,198	121	25	1
1973—Dec. 31.....	4,905	3,295	1,695	1,600	1,281	260	54	15
1974—Dec. 31.....	4,246	2,623	1,859	764	1,423	115	26	59
1975—May 31.....	5,869	3,285	2,420	865	2,174	263	101	46
June 30.....	5,136	2,871	2,010	861	1,969	159	89	48
Savings and loan associations:								
1972—Dec. 31.....	2,873	820	498	322	1,140	605	226	81
1973—Dec. 31.....	2,103	576	121	455	1,011	320	151	45
1974—Dec. 31.....	1,663	350	87	263	835	282	173	23
1975—May 31.....	2,212	619	325	294	1,184	271	119	20
June 30.....	2,212	569	285	284	1,239	265	114	25
State and local governments:								
1972—Dec. 31.....	10,904	6,159	5,203	956	2,033	816	1,298	598
1973—Dec. 31.....	9,829	5,845	4,483	1,362	1,870	778	1,003	332
1974—Dec. 31.....	7,864	4,121	3,319	802	1,796	815	800	332
1975—May 31.....	8,089	4,397	3,661	736	1,716	676	831	469
June 30.....	8,022	4,290	3,466	824	1,700	717	838	476
All others:								
1972—Dec. 31.....	101,249	61,014	55,506	5,508	23,171	8,906	5,290	2,868
1973—Dec. 31.....	101,261	64,606	55,493	9,113	22,076	6,372	5,189	3,023
1974—Dec. 31.....	118,253	77,210	69,330	7,880	25,760	6,664	5,479	3,141
1975—May 31.....	134,100	87,470	77,254	10,216	29,487	7,927	5,831	3,384
June 30.....	133,700	86,967	75,216	11,751	29,885	7,735	5,764	3,348

NOTE.—Direct public issues only. Based on Treasury Survey of Ownership.

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: (1) 5,562 commercial banks, 473 mutual savings

banks, and 732 insurance companies combined, each about 90 per cent; (2) 458 nonfinancial corporations and 486 savings and loan assns., each about 50 per cent; and (3) 502 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.

DAILY-AVERAGE DEALER TRANSACTIONS

(Par value, in millions of dollars)

Period	U.S. Government securities									U.S. Govt. agency securities
	Total	By maturity				By type of customer				
		Within 1 year	1-5 years	5-10 years	Over 10 years	U.S. Govt. securities dealers	U.S. Govt. securities brokers	Com- mercial banks	All other ¹	
1974—June.....	3,084	2,549	385	110	41	693	759	877	755	978
July.....	2,566	2,114	348	66	38	490	685	681	710	1,044
Aug.....	3,097	2,407	389	238	64	554	876	789	878	856
Sept.....	4,114	3,327	472	265	50	683	1,351	1,022	1,058	1,227
Oct.....	3,543	2,802	498	193	50	607	1,087	928	920	1,150
Nov.....	3,977	2,872	635	384	86	560	1,049	1,144	1,224	1,186
Dec.....	4,111	3,126	550	369	67	671	1,196	1,120	1,124	1,087
1975—Jan.....	5,415	3,495	1,514	303	104	887	1,549	1,503	1,478	1,244
Feb.....	5,770	3,353	1,521	711	185	698	2,044	1,511	1,518	1,233
Mar.....	4,467	2,812	994	464	197	671	1,183	1,198	1,415	928
Apr.....	5,197	3,682	1,096	285	134	704	1,450	1,242	1,801	904
May.....	6,419	4,181	1,615	466	158	981	1,917	1,454	2,067	1,049
June.....	5,732	3,745	1,484	372	132	801	1,689	1,336	1,906	1,217
Week ending—										
1975—June 4.....	5,864	4,184	1,214	328	139	890	1,628	1,296	2,050	1,051
11.....	6,310	4,240	1,474	459	137	834	1,859	1,621	1,996	1,452
18.....	5,352	3,439	1,339	445	129	801	1,558	1,280	1,713	1,096
25.....	4,929	3,033	1,434	314	147	693	1,581	1,055	1,599	1,334
July 2.....	6,246	4,001	1,951	213	82	854	1,755	1,319	2,317	881
9.....	4,189	3,070	943	105	71	568	1,152	1,040	1,430	999
16.....	3,959	2,790	986	110	73	655	1,154	903	1,247	727
23.....	4,329	3,200	945	122	62	565	1,014	1,072	1,677	800
30.....	5,335	3,770	1,349	141	76	752	1,608	1,277	1,698	689

¹ Since Jan. 1972 has included transactions of dealers and brokers in securities other than U.S. Govt.

NOTE.—The transactions data combine market purchases and sales of U.S. Govt. securities dealers reporting to the F.R. Bank of New York.

They do not include allotments of, and exchanges for, new U.S. Govt. securities, redemptions of called or matured securities, or purchases or sales of securities under repurchase agreement, reverse repurchase (resale), or similar contracts. Averages of daily figures based on the number of trading days in the period.

DAILY-AVERAGE DEALER POSITIONS

(Par value, in millions of dollars)

Period	U.S. Government securities, by maturity					U.S. Govt. agency securities
	All maturities	Within 1 year	1-5 years	5-10 years	Over 10 years	
1974—June.....	587	447	51	73	16	1,200
July.....	254	219	—52	85	3	908
Aug.....	2,432	2,361	215	337	66	1,041
Sept.....	3,033	2,692	329	328	59	1,190
Oct.....	2,870	2,149	430	260	31	1,445
Nov.....	4,513	2,999	728	618	169	1,531
Dec.....	4,831	3,100	975	559	197	1,803
1975—Jan.....	4,634	2,689	1,236	600	113	1,578
Feb.....	5,588	3,658	1,180	536	213	1,469
Mar.....	5,737	3,435	1,486	618	198	1,444
Apr.....	4,453	3,123	1,036	218	77	937
May.....	6,332	4,917	1,094	248	73	896
June.....	6,768	5,923	748	100	—3	790
Week ending—						
1975—May 7.....	4,773	4,573	457	—136	—121	806
14.....	6,713	4,966	1,019	583	145	879
21.....	7,164	5,113	1,578	324	149	940
28.....	6,890	5,088	1,414	258	130	942
June 4.....	6,268	5,215	852	159	41	884
11.....	6,471	5,794	553	117	7	780
18.....	7,550	6,788	644	86	33	822
25.....	6,745	5,999	740	31	—25	778

NOTE.—The figures include all securities sold by dealers under repurchase contracts regardless of the maturity date of the contract, unless the contract is matched by a reverse repurchase (resale) agreement or delayed delivery sale with the same maturity and involving the same amount of securities. Included in the repurchase contracts are some that more clearly represent investments by the holders of the securities rather than dealer trading positions.

Average of daily figures based on number of trading days in the period.

DAILY-AVERAGE DEALER FINANCING

(In millions of dollars)

Period	All sources	Commercial banks		Corporations ¹	All other
		New York City	Elsewhere		
1974—June.....	2,477	241	884	268	1,083
July.....	1,710	6	596	216	892
Aug.....	4,138	988	1,248	548	1,354
Sept.....	4,709	1,312	1,247	480	1,671
Oct.....	4,621	1,194	1,003	571	1,853
Nov.....	5,626	1,466	1,245	561	2,355
Dec.....	6,904	2,061	1,619	691	2,534
1975—Jan.....	6,185	1,455	1,277	864	2,590
Feb.....	6,295	1,672	1,077	714	2,832
Mar.....	6,881	1,879	1,650	838	2,513
Apr.....	5,696	1,655	1,326	583	2,132
May.....	6,656	1,684	1,567	452	2,953
June.....	7,682	1,955	1,979	737	3,012
Week ending—					
1975—May 7.....	5,108	1,113	1,199	315	2,482
14.....	6,189	1,768	1,143	464	2,815
21.....	7,945	2,328	1,602	570	3,445
28.....	7,222	1,704	2,060	471	2,988
June 4.....	7,054	1,427	2,001	460	3,166
11.....	7,262	2,039	2,224	698	2,301
18.....	8,950	2,733	2,347	914	2,956
25.....	7,665	1,896	1,983	737	3,050

¹ All business corporations, except commercial banks and insurance companies.

NOTE.—Averages of daily figures based on the number of calendar days in the period. Both bank and nonbank dealers are included. See also NOTE to the table on the left.

OUTSTANDING ISSUES OF FEDERALLY SPONSORED CREDIT AGENCIES, JUNE 30, 1975

Agency, and date of issue and maturity	Coupon rate	Amount (millions of dollars)	Agency, and date of issue and maturity	Coupon rate	Amount (millions of dollars)	Agency, and date of issue and maturity	Coupon rate	Amount (millions of dollars)
Federal home loan banks			Federal National Mortgage Association—Cont.			Banks for cooperatives		
Bonds:			Debentures:			Bonds:		
7/27/70 - 8/25/75.....	7.95	300	10/13/70 - 9/10/75.....	7.50	350	1/2/75 - 7/1/75.....	7.40	493
7/25/73 - 8/25/75.....	7.88	500	3/12/73 - 9/10/75.....	6.80	650	2/3/75 - 8/4/75.....	7.05	478
10/25/73 - 8/25/75.....	7.15	400	3/10/72 - 12/10/75.....	5.70	500	3/3/75 - 9/2/75.....	6.05	407
12/18/70 - 11/25/75.....	6.50	350	9/10/73 - 12/10/75.....	8.25	300	4/1/75 - 10/1/75.....	5.85	353
5/25/73 - 11/25/75.....	7.05	600	3/11/71 - 3/10/76.....	5.65	500	5/1/75 - 11/3/75.....	6.15	374
5/28/74 - 11/25/75.....	9.10	700	6/12/73 - 3/10/76.....	7.13	400	6/2/75 - 12/1/75.....	5.80	439
6/21/74 - 2/25/76.....	8.70	400	6/10/71 - 6/10/76.....	6.70	250	10/1/73 - 4/4/77.....	7.70	200
8/25/71 - 2/25/76.....	7.38	300	2/10/72 - 6/10/76.....	5.85	450	12/2/74 - 10/1/79.....	8.00	201
8/27/73 - 2/25/76.....	8.75	300	9/10/74 - 6/10/76.....	10.00	700			
8/26/74 - 2/25/76.....	9.20	600	11/10/71 - 9/10/76.....	6.13	300	Federal intermediate credit banks		
6/22/73 - 5/25/76.....	7.20	600	6/12/72 - 9/10/76.....	5.85	500	Bonds:		
11/27/73 - 5/25/76.....	7.45	300	12/10/74 - 9/10/76.....	7.50	200	10/1/74 - 7/1/75.....	9.60	769
7/25/73 - 8/25/76.....	7.80	500	7/12/71 - 12/10/76.....	7.45	300	1/3/72 - 7/1/75.....	5.70	302
9/25/74 - 8/25/76.....	9.55	700	12/11/72 - 12/10/76.....	6.25	500	11/4/74 - 8/4/75.....	8.45	758
10/25/74 - 11/26/76.....	8.60	600	6/10/74 - 12/10/76.....	8.45	600	12/2/74 - 9/2/75.....	8.05	783
7/25/74 - 11/26/76.....	9.55	500	3/13/62 - 2/10/77.....	4.50	198	1/2/75 - 10/1/75.....	7.35	563
10/25/73 - 2/25/77.....	7.20	500	9/11/72 - 3/10/77.....	6.30	500	2/3/75 - 11/3/75.....	7.05	824
11/25/74 - 2/25/77.....	8.05	500	3/11/74 - 3/10/77.....	7.05	400	3/3/75 - 12/1/75.....	6.15	897
6/21/74 - 5/25/77.....	8.70	500	12/10/70 - 6/10/77.....	6.38	250	3/1/73 - 1/5/76.....	6.65	261
6/25/71 - 5/25/77.....	6.95	200	5/10/71 - 6/10/77.....	6.50	150	4/1/75 - 1/5/76.....	6.05	1,079
4/12/73 - 8/25/77.....	7.15	300	12/10/73 - 6/10/77.....	7.20	500	5/1/75 - 2/2/76.....	6.60	909
5/28/74 - 8/25/77.....	8.80	600	9/10/71 - 9/12/77.....	6.88	300	6/2/75 - 3/1/76.....	6.15	840
2/26/73 - 11/25/77.....	6.75	300	9/10/73 - 9/12/77.....	7.85	400	7/2/73 - 1/3/77.....	7.10	236
11/27/73 - 11/25/77.....	7.45	300	7/10/73 - 12/12/77.....	7.25	500	7/1/74 - 4/4/77.....	8.70	321
8/26/74 - 11/25/77.....	9.15	700	10/1/73 - 12/12/77.....	7.55	500	1/2/74 - 1/3/78.....	7.10	406
9/25/74 - 2/27/78.....	9.38	400	6/10/74 - 3/10/78.....	8.45	650	1/2/75 - 1/2/79.....	7.40	410
9/21/73 - 5/25/78.....	7.60	500	3/10/75 - 3/10/78.....	6.70	350			
8/26/74 - 11/27/78.....	9.10	500	6/12/73 - 6/12/78.....	7.15	600	Federal land banks		
6/21/74 - 2/26/79.....	8.65	600	3/11/74 - 9/11/78.....	7.15	550	Bonds:		
9/25/74 - 2/26/79.....	9.45	600	10/12/71 - 12/11/78.....	6.75	300	2/15/72 - 7/21/75.....	5.70	425
10/25/74 - 5/25/79.....	8.65	500	7/10/74 - 12/11/78.....	8.95	450	4/22/74 - 7/21/75.....	8.30	300
5/28/74 - 5/25/79.....	8.75	400	12/10/73 - 3/12/79.....	7.25	500	7/20/71 - 10/20/75.....	7.20	300
7/25/74 - 8/27/79.....	9.50	500	9/10/73 - 6/11/79.....	7.85	300	10/23/73 - 10/20/75.....	7.40	362
11/25/74 - 11/26/79.....	8.15	500	9/10/74 - 6/11/79.....	9.80	600	4/20/72 - 1/20/76.....	6.25	300
12/23/74 - 11/26/79.....	7.50	500	6/12/72 - 9/10/79.....	6.40	300	7/22/74 - 1/20/76.....	9.20	650
3/25/70 - 2/25/80.....	7.75	350	12/10/74 - 9/10/79.....	7.80	700	2/21/66 - 2/24/76.....	5.00	123
2/25/74 - 2/25/80.....	7.05	300	12/10/71 - 12/10/79.....	6.55	350	1/22/73 - 4/20/76.....	6.25	373
10/15/70 - 10/15/80.....	7.80	200	6/10/75 - 12/10/79.....	7.75	650	4/22/74 - 4/20/76.....	8.25	400
10/27/71 - 11/27/81.....	6.60	200	2/10/72 - 3/10/80.....	6.88	250	7/20/66 - 7/20/76.....	5.38	150
10/25/74 - 11/25/81.....	8.65	400	3/10/75 - 3/10/80.....	7.25	750	1/21/74 - 7/20/76.....	7.05	360
4/12/73 - 5/25/83.....	9.30	183	4/1/75 - 4/10/80.....	7.63	300	4/23/73 - 10/20/76.....	7.15	450
2/25/75 - 11/25/83.....	7.38	400	6/10/74 - 6/10/80.....	8.50	600	4/21/75 - 1/20/77.....	7.45	750
5/28/74 - 5/25/84.....	8.75	300	2/16/73 - 7/31/80.....	5.19	9	4/22/74 - 4/20/77.....	8.25	565
10/25/73 - 11/26/93.....	7.38	400	2/16/73 - 7/31/80.....	3.18	9	7/20/73 - 7/20/77.....	7.50	550
Federal Home Loan Mortgage Corporation			10/1/73 - 9/10/80.....	7.50	400	10/20/71 - 10/20/77.....	6.35	300
Bonds:			1/16/73 - 10/30/80.....	4.46	5	10/21/74 - 1/23/78.....	8.70	546
5/29/73 - 8/25/76.....	7.05	400	12/11/72 - 12/10/80.....	6.60	300	2/20/63 - 2/20/73-78.....	4.13	148
5/11/72 - 2/25/77.....	6.15	350	6/29/72 - 1/29/81.....	6.15	156	5/2/66 - 4/20/78.....	5.13	150
11/19/70 - 11/27/95.....	8.60	140	3/12/73 - 3/10/81.....	7.05	350	1/20/75 - 4/20/78.....	7.60	713
7/15/71 - 8/26/96.....	7.75	150	4/18/73 - 3/10/81.....	6.59	26	7/20/72 - 7/20/78.....	6.40	269
5/11/72 - 5/26/97.....	7.15	150	3/21/73 - 5/1/81.....	4.50	18	7/22/74 - 7/20/78.....	9.15	350
Certificates:			3/21/73 - 5/1/81.....	5.77	2	10/23/73 - 10/19/78.....	7.35	550
2/25/75 - 3/15/05.....	8.20	300	1/21/71 - 6/10/81.....	7.25	250	2/20/67 - 1/22/79.....	5.00	285
Federal National Mortgage Association—			9/10/71 - 9/10/81.....	7.25	250	1/21/74 - 1/22/79.....	7.10	300
Secondary market operations			9/10/74 - 9/10/81.....	9.70	300	9/15/72 - 4/23/79.....	6.85	235
Discount notes.....			3/11/74 - 12/10/81.....	7.30	250	2/20/74 - 7/23/79.....	7.15	389
Capital debentures:			7/10/74 - 3/10/82.....	8.88	300	10/23/72 - 10/23/79.....	6.80	400
9/30/71 - 10/1/96.....	4.38	248	6/28/72 - 5/1/82.....	5.84	58	1/22/73 - 1/21/80.....	6.70	300
10/2/72 - 10/1/97.....	7.40	250	2/10/71 - 6/10/82.....	6.65	250	7/20/73 - 7/21/80.....	7.50	250
Mortgage-backed bonds:			9/11/72 - 9/10/82.....	6.80	200	10/21/74 - 10/20/80.....	8.70	400
3/14/73 - 1/15/81.....	3.58	53	12/10/73 - 12/10/82.....	7.35	300	2/23/71 - 4/20/81.....	6.70	224
3/14/73 - 1/15/81.....	5.48	5	3/11/71 - 6/10/83.....	6.75	200	7/22/74 - 7/20/81.....	9.10	265
6/21/73 - 7/1/82.....	5.85	71	6/12/73 - 6/10/83.....	7.30	300	1/20/75 - 1/20/82.....	7.80	400
6/21/73 - 7/1/82.....	5.92	35	11/10/71 - 9/12/83.....	6.75	250	4/20/72 - 4/20/82.....	6.90	200
3/1/73 - 8/31/84.....	5.50	10	6/10/75 - 12/12/83.....	8.00	300	4/21/75 - 4/20/82.....	8.15	300
3/1/73 - 10/31/85.....	5.49	21	4/12/71 - 6/11/84.....	6.25	200	4/23/73 - 10/20/82.....	7.30	239
3/1/73 - 3/1/86.....	5.74	81	3/10/75 - 3/11/85.....	7.65	500	10/23/73 - 10/20/83.....	7.30	300
9/29/70 - 10/1/90.....	8.63	200	3/10/72 - 3/10/92.....	7.00	200	6/23/75 - 7/22/85.....	8.10	391
			6/12/72 - 6/10/92.....	7.05	200			
			12/11/72 - 12/10/97-82.....	7.10	200			

NOTE.—These securities are not guaranteed by the U.S. Govt.; see also note to table at top of p. A-38.

MAJOR BALANCE SHEET ITEMS OF SELECTED FEDERALLY SPONSORED CREDIT AGENCIES

(In millions of dollars)

End of period	Federal home loan banks						Federal National Mortgage Assn. (secondary market operations)		Banks for cooperatives		Federal intermediate credit banks		Federal land banks	
	Assets			Liabilities and capital			Mortgage loans (A)	Debentures and notes (L)	Loans to cooperatives (A)	Bonds (L)	Loans and discounts (A)	Bonds (L)	Mortgage loans (A)	Bonds (L)
	Ad- vances to mem- bers	Invest- ments	Cash and de- posits	Bonds and notes	Mem- ber de- posits	Capital stock								
1970.....	10,614	3,864	105	10,183	2,332	1,607	15,502	15,206	2,030	1,755	4,974	4,799	7,186	6,395
1971.....	7,936	2,520	142	7,139	1,789	1,618	17,791	17,701	2,076	1,801	5,669	5,503	7,917	7,063
1972.....	7,979	2,225	129	6,971	1,548	1,756	19,791	19,238	2,298	1,944	6,094	5,804	9,107	8,012
1973.....	15,147	3,537	157	15,362	1,745	2,122	24,175	23,001	2,577	2,670	7,198	6,861	11,071	9,838
1974—June..	17,642	2,564	115	16,393	2,158	2,413	26,559	25,232	2,733	2,449	8,479	7,860	12,400	10,843
July...	18,582	2,578	150	17,390	1,954	2,450	27,304	25,878	3,008	2,477	8,706	8,212	12,684	11,782
Aug...	19,653	2,052	80	18,759	1,935	2,495	28,022	26,639	3,026	2,622	8,548	8,381	12,941	11,782
Sept...	20,772	2,681	135	20,647	2,160	2,543	28,641	27,312	3,092	2,835	8,931	8,502	13,185	11,782
Oct...	21,409	3,224	105	22,058	2,129	2,580	29,139	27,543	3,598	2,855	8,838	8,482	13,418	12,427
Nov...	21,502	2,568	106	21,474	2,182	2,603	29,407	28,024	3,573	3,295	8,700	8,441	13,643	12,427
Dec...	21,804	3,094	144	21,878	2,484	2,624	29,709	28,201	3,575	3,561	8,848	8,400	13,643	12,427
1975—Jan...	20,728	4,467	113	21,778	2,612	2,699	29,797	28,030	3,910	3,653	8,888	8,419	14,086	13,020
Feb...	19,460	4,838	99	20,822	2,819	2,698	29,846	27,730	3,821	3,592	9,031	8,484	14,326	13,021
Mar...	18,164	6,415	154	*20,754	3,025	2,677	29,870	28,420	3,741	*3,439	9,303	8,703	14,641	13,021
Apr...	17,528	6,836	98	*20,738	2,651	2,660	29,931	28,257	3,650	3,329	9,520	*9,061	14,917	13,571
May...	17,145	5,745	98	*19,463	2,708	2,656	29,977	27,714	3,499	*2,982	9,763	*9,231	15,180	13,571
June...	16,803	6,259	134	19,396	2,831	2,653	30,136	28,237	3,371	2,948	10,031	*9,357	15,437	13,961

NOTE.—Data from Federal Home Loan Bank Board, Federal National Mortgage Assn., and Farm Credit Admin. Among omitted balance sheet items are capital accounts of all agencies, except for stock of FHLB's. Bonds, debentures, and notes are valued at par. They include only publicly

offered securities (excluding, for FHLB's, bonds held within the FHLB System) and are not guaranteed by the U.S. Govt.; for a listing of these securities, see table on preceding page. Loans are gross of valuation reserves and represent cost for FNMA and unpaid principal for other agencies.

NEW ISSUES OF STATE AND LOCAL GOVERNMENT SECURITIES

(In millions of dollars)

Period	All issues (new capital and refunding)								Total amount delivered ³	Issues for new capital						
	Total	Type of issue				Type of issuer				Total	Use of proceeds					
		General obligations	Revenue	HAA ¹	U.S. Govt. loans	State	Special district and stat. auth.	Other ²			Edu- cation	Roads and bridges	Utilities ⁴	Hous- ing ⁵	Veter- ans' aid	Other pur- poses
1971.....	24,963	15,220	8,681	1,000	62	5,999	8,714	10,246	24,495	5,278	2,642	5,214	2,068	.....	.....	9,293
1972.....	23,653	13,305	9,332	959	57	4,991	9,496	9,165	19,959	4,981	1,689	4,638	1,910	.....	.....	6,741
1973.....	23,968	12,257	10,632	1,022	57	4,212	9,505	10,249	22,397	4,311	1,458	5,654	2,639	.....	.....	8,335
1974.....	24,315	13,563	10,212	461	79	4,784	8,638	10,817	23,508	4,730	768	5,634	1,064	.....	.....	11,312
1974—June...	2,171	1,075	856	234	6	580	721	864	2,079	220	62	664	334	.....	.....	799
July.....	1,466	859	600	.....	7	540	158	761	1,456	314	58	154	.....	.....	.....	930
Aug.....	1,109	576	529	.....	4	141	400	565	1,067	228	85	257	15	.....	.....	482
Sept.....	1,705	869	832	.....	4	448	641	611	1,669	251	11	380	21	.....	.....	1,006
Oct.....	2,865	1,707	1,153	.....	5	328	974	1,558	2,738	343	110	236	110	.....	.....	1,939
Nov.....	2,487	1,110	1,374	.....	3	689	1,005	789	2,403	698	4	866	9	.....	.....	826
Dec.....	1,500	761	717	.....	22	222	558	700	1,475	297	64	424	53	.....	.....	637
1975—Jan. r...	2,367	1,364	997	.....	6	372	702	1,293	2,332	710	49	644	172	.....	.....	757
Feb. r...	2,327	1,704	618	.....	5	877	582	861	2,287	432	206	417	105	.....	.....	1,127
Mar. r...	2,090	1,283	805	.....	2	376	673	1,045	2,035	463	94	471	35	.....	.....	972
Apr. r...	2,391	1,484	900	.....	7	368	876	1,143	2,311	405	61	733	38	.....	.....	1,074
May r...	2,863	1,857	1,001	.....	5	811	1,196	852	2,769	419	210	559	25	.....	.....	1,556
June...	2,947	1,699	1,246	.....	2	923	1,092	918	2,733	420	159	756	36	.....	.....	1,362

¹ Only bonds sold pursuant to 1949 Housing Act, which are secured by contract requiring the Housing Assistance Administration to make annual contributions to the local authority.

² Municipalities, counties, townships, school districts.

³ Excludes U.S. Govt. loans. Based on date of delivery to purchaser and payment to issuer, which occurs after date of sale.

⁴ Water, sewer, and other utilities.

⁵ Includes urban redevelopment loans.

NOTE.—Security Industries Assn. data; par amounts of long-term issues based on date of sale unless otherwise indicated.

Components may not add to totals due to rounding.

TOTAL NEW ISSUES

(In millions of dollars)

Period	Gross proceeds, all issues ¹										
	Total	Noncorporate				Total	Corporate				
		U.S. Govt. ²	U.S. Govt. agency ³	State and local (U.S.) ⁴	Other ⁵		Bonds			Stock	
							Total	Publicly offered	Privately placed	Preferred	Common
1971.....	105,233	17,235	16,283	24,370	2,165	44,914	31,999	24,790	7,209	3,679	9,236
1972.....	96,522	17,080	12,825	23,070	1,589	40,787	27,727	18,347	9,378	3,373	9,689
1973.....	100,417	19,057	23,883	22,700	1,385	33,391	22,268	13,649	8,620	3,372	7,750
1974 [*]						37,837	31,551	25,337	6,214	2,253	4,033
1974—Apr.....						3,060	2,260	1,594	666	355	445
May.....						3,164	2,957	2,350	607	65	142
June.....						2,981	2,455	1,939	516	113	413
July.....						3,257	2,702	2,086	616	228	327
Aug.....						2,668	2,341	2,042	299	107	218
Sept.....						1,617	1,204	897	307	126	287
Oct.....						4,609	3,778	3,423	355	196	635
Nov.....						3,746	3,346	3,016	330	93	307
Dec.....						3,505	3,052	2,172	880	152	301
1975—Jan.....						5,379	4,790	3,657	1,133	235	354
Feb.....						4,526	3,904	3,201	703	173	449
Mar.....						5,368	4,471	3,971	500	253	644
Apr.....						4,407	3,131	2,771	360	347	929

Period	Gross proceeds, major groups of corporate issuers											
	Manufacturing		Commercial and miscellaneous		Transportation		Public utility		Communication		Real estate and financial	
	Bonds	Stocks	Bonds	Stocks	Bonds	Stocks	Bonds	Stocks	Bonds	Stocks	Bonds	Stocks
1971.....	9,551	2,102	2,158	2,370	2,006	434	7,576	4,201	4,222	1,596	6,484	2,204
1972.....	4,796	1,812	2,669	2,878	1,767	187	6,398	4,967	3,680	1,127	8,415	2,096
1973.....	4,329	643	1,283	1,559	1,881	43	5,585	4,661	3,535	1,369	5,661	2,860
1974 [*]	9,890	543	1,851	1,956	983	22	8,872	3,964	3,710	222	6,241	587
1974—Apr.....	1,194	9	238	56	6	.....	446	684	283	5	95	47
May.....	847	15	332	71	44	.....	837	75	660	3	239	44
June.....	434	43	303	139	5	15	859	288	355	1	491	39
July.....	1,051	43	257	93	62	1	318	300	242	53	773	65
Aug.....	601	4	38	62	14	.....	862	216	364	.....	462	44
Sept.....	186	2	46	45	40	5	384	296	331	18	217	48
Oct.....	725	3	102	29	306	.....	1,414	695	439	36	791	69
Nov.....	1,697	2	116	100	336	.....	739	225	62	31	397	44
Dec.....	1,456	196	180	23	14	.....	435	194	150	25	817	15
1975—Jan.....	1,898	3	179	74	84	.....	765	507	933	5	930	.....
Feb.....	1,631	44	65	60	75	.....	1,471	486	124	1	539	32
Mar.....	2,368	111	271	74	83	.....	828	679	317	.....	604	734
Apr.....	1,473	233	289	211	67	.....	794	614	352	209	156	9

¹ Gross proceeds are derived by multiplying principal amounts or number of units by offering price.

² Includes guaranteed issues.

³ Issues not guaranteed.

⁴ See NOTE to table at bottom of opposite page.

⁵ Foreign governments and their instrumentalities, International Bank for Reconstruction and Development, and domestic nonprofit organizations.

NOTE.—Securities and Exchange Commission estimates of new issues maturing in more than 1 year sold for cash in the United States.

NET CHANGE IN OUTSTANDING CORPORATE SECURITIES

(In millions of dollars)

Period	Derivation of change, all issuers ¹								
	All securities			Bonds and notes			Common and preferred stocks		
	New issues	Retirements	Net change	New issues	Retirements	Net change	New issues	Retirements	Net change
1971.....	46,687	9,507	37,180	31,917	8,190	23,728	14,769	1,318	13,452
1972.....	42,306	10,224	32,082	27,065	8,003	19,062	15,242	2,222	13,018
1973.....	33,559	11,804	21,754	21,501	8,810	12,691	12,057	2,993	9,064
1974.....	39,334	9,935	29,399	31,554	6,255	25,098	7,980	3,678	4,302
1974—I.....	8,973	2,031	6,942	6,810	1,442	5,367	2,163	588	1,575
II.....	9,637	2,048	7,589	7,847	1,584	6,263	1,790	465	1,326
III.....	8,452	2,985	5,467	6,611	1,225	5,386	1,841	1,759	82
IV.....	12,272	2,871	9,401	10,086	2,004	8,082	2,186	866	1,319
1975—I.....	15,211	2,088	13,123	12,759	1,587	11,172	2,452	501	1,951

Period	Type of issues											
	Manu- facturing		Commercial and other ²		Transpor- tation ³		Public utility		Communi- cation		Real estate and financial ¹	
	Bonds and notes	Stocks	Bonds and notes	Stocks	Bonds and notes	Stocks	Bonds and notes	Stocks	Bonds and notes	Stocks	Bonds and notes	Stocks
1971.....	6,585	2,534	827	2,290	900	800	6,486	4,206	3,925	1,600	5,005	2,017
1972.....	1,995	2,094	1,409	2,471	711	254	5,137	4,844	3,343	1,260	7,045	2,096
1973.....	801	658	109	1,411	1,044	93	4,265	4,509	3,165	1,399	3,523	1,181
1974.....	7,404	17	1,116	135	341	20	7,308	3,834	3,499	398	5,428	207
1974—I.....	906	324	11	363	37	35	2,172	827	675	76	1,662	20
II.....	1,921	12	698	213	13	12	1,699	1,038	1,080	7	877	82
III.....	1,479	421	189	664	49	6	1,358	862	1,116	222	1,194	88
IV.....	3,098	126	240	47	342	9	2,079	1,107	628	107	1,695	17
1975—I.....	5,134	262	373	77	1	1	2,653	1,569	1,269	24	1,742	18

¹ Excludes investment companies.² Extractive and commercial and miscellaneous companies.³ Railroad and other transportation companies.

NOTE.—Securities and Exchange Commission estimates of cash transactions only. As contrasted with data shown on preceding page, new issues

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

OPEN-END INVESTMENT COMPANIES

(In millions of dollars)

Year	Sales and redemption of own shares			Assets (market value at end of period)			Month	Sales and redemption of own shares			Assets (market value at end of period)		
	Sales ¹	Redemptions	Net sales	Total ²	Cash position ³	Other		Sales ¹	Redemptions	Net sales	Total ²	Cash position ³	Other
1963.....	2,460	1,504	952	25,214	1,341	23,873	1974—June..	337	276	61	40,040	4,461	35,579
1964.....	3,404	1,875	1,528	29,116	1,329	27,787	July..	442	352	90	37,669	4,609	33,060
1965.....	4,359	1,962	2,395	35,220	1,803	33,417	Aug..	446	339	107	35,106	4,953	30,153
1966.....	4,671	2,005	2,665	34,829	2,971	31,858	Sept..	499	292	207	31,985	5,078	26,907
1967.....	4,670	2,745	1,927	44,701	2,566	42,135	Oct..	816	311	505	37,115	5,652	31,463
1968.....	6,820	3,841	2,979	52,677	3,187	49,490	Nov..	619	335	284	36,366	5,804	30,562
1969.....	6,717	3,661	3,056	48,291	3,846	44,445	Dec..	736	411	325	35,777	5,637	30,140
1970.....	4,624	2,987	1,637	47,618	3,649	43,969	1975—Jan..	1,067	428	639	3,7407	3,889	33,518
1971.....	5,145	4,751	394	55,045	3,038	52,007	Feb..	889	470	419	39,330	4,006	35,324
1972.....	4,892	6,563	1,671	59,831	3,035	56,796	Mar..	847	623	224	40,449	3,870	36,579
1973.....	4,358	5,651	1,261	46,518	4,002	42,516	Apr..	808	791	17	42,353	3,841	38,512
1974.....	5,346	3,937	1,409	35,777	5,637	30,140	May..	677	735	58	43,832	3,879	39,953
							June..	704	811	107	45,538	3,643	41,895

¹ Includes contractual and regular single-purchase sales, voluntary and contractual accumulation plan sales, and reinvestment of investment income dividends; excludes reinvestment of realized capital gains dividends.² Market value at end of period less current liabilities.³ Cash and deposits, receivables, all U.S. Govt. securities, and other short-term debt securities, less current liabilities.

NOTE.—Investment Company Institute data based on reports of members, which comprise substantially all open-end investment companies registered with the Securities and Exchange Commission. Data reflect newly formed companies after their initial offering of securities.

CORPORATE PROFITS, TAXES, AND DIVIDENDS

(In billions of dollars)

Year	Profits before taxes	Income taxes	Profits after taxes	Cash dividends	Undistributed profits	Corporate capital consumption allowances ¹	Quarter	Profits before taxes	Income taxes	Profits after taxes	Cash dividends	Undistributed profits	Corporate capital consumption allowances ¹
1968.....	87.6	39.9	47.8	23.6	24.2	46.8	1973—II....	124.9	50.9	74.0	29.1	44.9	70.8
1969.....	84.9	40.1	44.8	24.3	20.5	51.9	III....	122.7	49.9	72.9	29.8	43.1	71.6
1970.....	74.0	34.8	39.3	24.7	14.6	56.0	IV....	122.7	49.5	73.2	30.7	42.5	73.1
1971.....	83.6	37.5	46.1	25.0	21.1	60.4	1974—I....	135.4	52.2	83.2	31.6	51.6	74.1
1972.....	99.2	41.5	57.7	27.3	30.3	66.3	II....	139.0	55.9	83.1	32.5	50.5	75.7
1973.....	122.7	49.8	72.9	29.6	43.3	71.2	III....	157.0	62.7	94.3	33.2	61.1	77.6
1974.....	140.7	55.7	85.0	32.7	52.4	76.7	IV....	131.5	52.0	79.5	33.3	46.2	79.3
							1975—I....	101.2	39.0	62.3	33.8	28.5	81.2

¹ Includes depreciation, capital outlays charged to current accounts, and accidental damages.

NOTE.—Dept. of Commerce estimates. Quarterly data are at seasonally adjusted annual rates.

CURRENT ASSETS AND LIABILITIES OF NONFINANCIAL CORPORATIONS

(In billions of dollars)

End of period	Net working capital	Current assets						Current liabilities					
		Total	Cash	U.S. Govt. securities	Notes and accts. receivable		Inventories	Other	Total	Notes and accts. payable		Accrued Federal income taxes	Other
					U.S. Govt. ¹	Other				U.S. Govt. ¹	Other		
1970.....	187.4	492.3	50.2	7.7	4.2	201.9	193.3	35.0	304.9	6.6	204.7	10.0	83.6
1971.....	203.6	529.6	53.3	11.0	3.5	217.6	200.4	43.8	326.0	4.9	215.6	13.1	92.4
1972.....	221.3	573.5	57.5	9.3	3.4	240.0	215.2	48.1	352.2	4.0	230.4	15.1	102.6
1973—I....	229.5	590.6	58.1	11.2	3.2	245.3	222.5	50.2	361.1	4.1	231.7	17.1	108.2
II....	235.4	608.2	59.0	10.0	2.9	255.4	230.1	50.8	372.7	4.5	241.7	15.0	111.6
III....	239.5	625.3	58.9	9.7	3.0	264.4	238.0	51.3	385.8	4.4	250.2	16.5	114.7
IV....	242.3	643.2	61.6	11.0	3.5	266.1	246.7	54.4	401.0	4.3	261.6	18.1	117.0
1974—I....	250.1	666.2	59.4	12.1	3.2	276.2	258.4	56.9	416.1	4.5	266.5	20.6	124.5
II....	253.9	685.4	58.8	10.7	3.4	289.8	269.2	53.5	431.5	4.7	278.5	19.0	129.1
III....	259.5	708.6	60.3	11.0	3.5	295.5	282.1	56.1	449.1	5.1	287.0	22.7	134.3
IV....	261.5	712.2	62.7	11.7	3.5	289.7	288.0	56.6	450.6	5.2	287.5	23.2	134.8
1975—I....	260.4	698.4	60.6	12.1	3.2	281.9	285.2	55.4	438.0	5.3	271.2	21.8	139.8

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

NOTE.—Based on Securities and Exchange Commission estimates.

BUSINESS EXPENDITURES ON NEW PLANT AND EQUIPMENT

(In billions of dollars)

Period	Total	Manufacturing		Mining	Transportation			Public utilities		Communications	Other ¹	Total (S.A.R.)
		Durable	Non-durable		Rail-road	Air	Other	Electric	Gas and other			
1971.....	81.21	14.15	15.84	2.16	1.67	1.88	1.38	12.86	2.44	10.77	18.05	.....
1972.....	88.44	15.64	15.72	2.45	1.80	2.46	1.46	14.48	2.52	11.89	20.07	.....
1973.....	99.74	19.25	18.76	2.74	1.96	2.41	1.66	15.94	2.76	12.85	21.40	.....
1974.....	112.40	22.62	23.39	3.18	2.54	2.00	2.12	17.63	2.92	13.96	22.05	.....
1973—I....	21.50	3.92	3.88	.63	.46	.52	.32	3.45	.50	2.87	4.94	96.19
II....	24.73	4.65	4.51	.71	.46	.72	.43	3.91	.68	3.27	5.40	97.76
III....	25.04	4.84	4.78	.69	.48	.57	.44	4.04	.77	3.19	5.24	100.90
IV....	28.48	5.84	5.59	.71	.56	.60	.47	4.54	.82	3.53	5.83	103.74
1974—I....	24.10	4.74	4.75	.68	.50	.47	.34	3.85	.52	3.19	5.05	107.27
II....	28.16	5.59	5.69	.78	.64	.61	.49	4.56	.75	3.60	5.46	111.40
III....	28.23	5.65	5.96	.80	.64	.43	.58	4.42	.78	3.39	5.57	113.99
IV....	31.92	6.64	6.99	.91	.78	.48	.71	4.80	.87	3.78	5.97	116.22
1975—I....	25.82	5.10	5.74	.91	.59	.44	.62	3.84	.58	3.11	4.88	114.57
II ²	28.63	5.42	6.46	.94	.81	.54	.63	4.38	.75	8.72		113.39

¹ Includes trade, service, construction, finance, and insurance.² Anticipated by business.

NOTE.—Dept. of Commerce and Securities and Exchange Commission estimates for corporate and noncorporate business; excludes agriculture, real estate operators, medical, legal, educational, and cultural service, and nonprofit organizations.

MORTGAGE DEBT OUTSTANDING BY TYPE OF HOLDER

(In millions of dollars)

Type of holder, and type of property	End of year			End of quarter				
	1971	1972	1973	1974				1975
				I	II	III	IV	
ALL HOLDERS	499,758	564,825	634,954	645,920	664,298	678,693	688,576	695,358
1- to 4-family.....	307,200	345,384	386,240	391,751	402,137	410,184	414,961	418,680
Multifamily ¹	67,367	76,496	85,401	86,582	88,258	90,270	92,043	93,016
Commercial.....	92,333	107,508	123,965	127,384	132,122	135,048	137,281	138,179
Farm.....	32,858	35,437	39,348	40,203	41,781	43,191	44,291	45,483
PRIVATE FINANCIAL INSTITUTIONS ..	394,239	450,000	505,400	513,918	528,173	537,524	542,589	546,915
1- to 4-family.....	253,540	288,053	322,047	326,844	335,414	340,857	343,374	346,090
Multifamily ¹	52,498	59,204	64,730	65,377	66,583	67,844	68,521	69,122
Commercial.....	78,345	92,222	107,128	110,047	114,185	116,511	118,264	119,162
Farm.....	9,856	10,521	11,495	11,650	11,991	12,312	12,430	12,541
<i>Commercial banks</i> ²	82,515	99,314	119,068	121,882	127,320	130,582	132,105	132,105
1- to 4-family.....	48,020	57,004	67,598	69,374	72,253	73,987	74,758	74,740
Multifamily ¹	3,984	5,778	6,932	7,046	7,313	7,496	7,619	7,614
Commercial.....	26,306	31,751	38,696	39,855	41,926	43,092	43,679	43,700
Farm.....	4,205	4,781	5,442	5,607	5,828	6,007	6,049	6,051
<i>Mutual savings banks</i>	61,978	67,556	73,230	73,929	74,225	74,809	74,920	75,160
1- to 4-family.....	38,641	41,650	44,246	44,443	44,398	44,604	44,670	44,796
Multifamily ¹	14,386	15,490	16,843	17,002	17,070	17,208	17,234	17,292
Commercial.....	8,901	10,354	12,084	12,425	12,698	12,938	12,956	12,997
Farm.....	50	62	57	59	59	59	60	75
<i>Savings and loan associations</i>	174,250	206,182	231,733	236,136	243,400	247,624	249,306	252,463
1- to 4-family.....	142,275	167,049	187,750	191,223	197,008	200,352	201,564	204,116
Multifamily ¹	17,355	20,783	22,524	22,763	23,342	23,574	23,684	23,934
Commercial.....	14,620	18,350	21,459	22,150	23,050	23,698	24,058	24,413
<i>Life insurance companies</i>	75,496	76,948	81,369	81,971	83,228	84,509	86,258	87,187
1- to 4-family.....	24,604	22,350	22,053	21,804	21,755	21,914	22,382	22,438
Multifamily ¹	16,773	17,153	18,431	18,566	18,858	19,566	19,984	20,282
Commercial.....	28,518	31,767	34,889	35,617	36,511	36,783	37,571	38,052
Farm.....	5,601	5,678	5,996	5,984	6,104	6,246	6,321	6,415
FEDERAL AND RELATED AGENCIES ..	39,357	45,790	55,664	58,262	62,585	67,829	72,267	75,973
1- to 4-family.....	26,453	30,147	35,454	37,168	39,784	43,188	45,748	47,751
Multifamily ¹	4,555	6,086	8,489	8,923	9,643	10,644	11,790	12,662
Commercial.....	11							
Farm.....	8,338	9,557	11,721	12,171	13,158	13,997	14,729	15,560
<i>Government National Mortgage Association</i>	5,323	5,113	4,029	3,604	3,618	4,052	4,848	5,584
1- to 4-family.....	2,770	2,490	1,330	1,189	1,194	1,337	1,600	1,843
Multifamily ¹	2,542	2,623	2,699	2,415	2,424	2,715	3,248	3,741
Commercial.....	11							
<i>Farmers Home Administration</i>	819	837	1,200	1,300	1,400	1,500	1,600	1,700
1- to 4-family.....	398	387	550	596	642	688	734	780
Farm.....	421	450	650	704	758	812	866	920
<i>Federal Housing and Veterans Administra-</i> <i>tions</i>	3,389	3,338	3,476	3,514	3,619	3,765	3,900	4,025
1- to 4-family.....	2,517	2,199	2,013	1,964	1,980	2,037	2,083	2,119
Multifamily ¹	872	1,139	1,463	1,550	1,639	1,728	1,817	1,906
<i>Federal National Mortgage Association</i>	17,791	19,791	24,175	24,875	26,559	28,641	29,578	29,754
1- to 4-family.....	16,681	17,697	20,370	20,516	21,691	23,258	23,778	23,743
Multifamily ¹	1,110	2,094	3,805	4,359	4,868	5,383	5,800	6,011
Federal land banks (farm only).....	7,917	9,107	11,071	11,467	12,400	13,185	13,863	14,640
<i>Federal Home Loan Mortgage Corporation</i> ..	964	1,789	2,604	2,637	3,191	3,713	4,586	4,608
1- to 4-family.....	934	1,754	2,446	2,472	2,951	3,414	4,217	4,231
Multifamily ¹	30	35	158	165	240	299	369	377
<i>GNMA Pools</i>	3,154	5,815	9,109	10,865	11,798	12,973	13,892	15,662
1- to 4-family.....	3,153	5,620	8,745	10,431	11,326	12,454	13,336	15,035
Multifamily ¹	1	195	364	434	472	519	556	627
INDIVIDUALS AND OTHERS ³	66,162	69,035	73,890	73,740	73,540	73,340	73,720	72,470
1- to 4-family.....	27,207	27,184	28,739	27,739	26,939	26,139	25,839	24,839
Multifamily ¹	10,314	11,206	12,182	12,032	11,032	11,782	11,732	11,232
Commercial.....	13,977	15,286	16,837	17,337	17,937	18,537	19,017	19,017
Farm.....	14,664	15,359	16,132	16,382	16,632	16,882	17,132	17,382

¹ Structure of 5 or more units.² Includes loans held by nondeposit trust companies but not bank trust departments.³ Includes some 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, where not reported directly, and interpolations and extrapolations where required, estimated mainly by Federal Reserve.

FEDERAL NATIONAL MORTGAGE ASSOCIATION AND FEDERAL HOME LOAN MORTGAGE CORPORATION— SECONDARY MORTGAGE MARKET ACTIVITY

(In millions of dollars)

End of period	FNMA							FHLMC						
	Mortgage holdings			Mortgage transactions (during period)		Mortgage commitments		Mortgage holdings			Mortgage transactions (during period)		Mortgage commitments	
	Total ¹	FHA-insured	VA-guaranteed	Purchases	Sales	Made during period	Out-standing	Total	FHA-VA	Conventional	Purchases	Sales	Made during period	Out-standing
1971.....	17,791	12,681	5,110	3,574	336	9,828	6,497	968	821	147	778	64	.....	182
1972.....	19,791	14,624	5,112	3,699	211	8,797	8,124	1,789	1,503	286	1,298	408	1,606	198
1973.....	24,175	16,852	6,352	6,127	71	8,914	7,889	2,604	1,743	861	1,334	409	1,629	186
1974.....	29,578	19,189	8,310	6,953	5	10,765	7,960	4,586	1,904	2,682	2,191	52	4,553	2,390
1974—June..	26,559	17,966	7,079	770	.....	537	9,019	3,191	1,877	1,314	222	.....	628	2,598
July..	27,304	18,250	7,384	886	.....	1,175	9,044	3,309	1,883	1,426	129	.....	1,127	3,583
Aug..	28,022	18,526	7,704	868	2	1,202	9,115	3,451	1,886	1,565	155	.....	81	3,500
Sept..	28,641	18,758	7,994	760	.....	997	9,043	3,713	1,896	1,817	273	.....	69	3,278
Oct..	29,139	18,966	8,206	612	.....	878	8,987	4,107	1,910	2,197	410	7	30	2,871
Nov....	29,407	19,083	8,291	379	.....	201	8,532	4,352	1,908	2,445	270	12	28	2,621
Dec....	29,578	19,189	8,310	278	.....	231	7,960	4,586	1,904	2,682	266	16	34	2,390
1975—Jan...	29,670	19,231	8,318	208	.....	146	7,285	4,744	1,900	2,845	199	26	26	2,190
Feb....	29,718	19,256	8,313	169	.....	137	6,672	4,533	1,893	2,640	113	309	21	2,070
Mar....	29,754	19,277	8,304	151	1	639	6,636	4,608	1,887	2,722	113	19	52	1,040
Apr....	29,815	19,282	8,337	211	.....	913	6,890	4,634	1,890	2,744	121	71	297	1,161
May....	29,858	19,251	8,395	247	.....	621	6,615	4,773	1,920	2,854	203	38	42	969
June..	30,015	19,282	8,498	326	.....	557	6,549	.....	.....	.....	.....	.....	.....	.....

¹ Includes conventional loans not shown separately.

NOTE.—Data from FNMA and FHLMC, respectively.

For FNMA: Holdings include loans used to back bond issues guaranteed by GNMA. Commitments include some multifamily and nonprofit hospital loan commitments in addition to 1- to 4-family loan commitments accepted in FNMA's free market auction system, and through the FNMA-GNMA Tandem Plan (Program 18).

For FHLMC: Data for 1970 begin with Nov. 26, when the FHLMC became operational. Holdings and transactions cover participations as well as whole loans. Holdings include loans used to back bond issues guaranteed by GNMA. Commitments cover the conventional and Govt.-underwritten loan programs.

TERMS AND YIELDS ON NEW HOME MORTGAGES

Period	Conventional mortgages								FHA-insured loans—Yield in private secondary market ⁵
	Terms ¹						Yields (per cent) in primary market		
	Contract rate (per cent)	Fees and charges (per cent) ²	Maturity (years)	Loan/price ratio (per cent)	Purchase price (thous. of dollars)	Loan amount (thous. of dollars)	FHLBB series ³	HUD series ⁴	
1971.....	7.60	.87	26.2	74.3	36.3	26.5	7.74	7.75	7.70
1972.....	7.45	.88	27.2	76.8	37.3	28.1	7.60	7.64	7.53
1973.....	7.78	1.11	26.3	77.3	37.1	28.1	7.95	8.30	8.19
1974.....	8.71	1.30	26.3	75.8	40.1	29.8	8.92	9.22	9.55
1974—June.....	8.65	1.25	26.3	76.9	39.7	30.1	8.85	9.25	9.46
July.....	8.75	1.28	26.1	74.4	40.5	29.6	8.96	9.40	9.85
Aug.....	8.87	1.32	26.4	75.3	40.2	29.5	9.09	9.60	10.30
Sept.....	8.97	1.30	26.1	74.8	42.4	31.1	9.19	9.80	10.38
Oct.....	8.95	1.37	26.7	74.7	42.3	30.7	9.17	9.70	10.13
Nov.....	9.04	1.40	26.2	73.6	41.3	30.2	9.27	9.55	.....
Dec.....	9.13	1.44	27.5	75.5	42.4	31.3	9.37	9.45	9.51
1975—Jan.....	9.09	1.51	26.7	73.8	43.2	31.6	9.33	9.15	8.99
Feb.....	8.88	1.44	26.8	76.5	44.4	33.0	9.12	9.05	8.84
Mar.....	8.79	1.61	26.5	75.1	45.9	33.7	9.06	8.90	8.69
Apr.....	8.71	1.53	26.5	76.4	44.5	33.4	8.96	9.00	.....
May.....	8.63	1.63	27.0	75.5	43.4	32.2	8.90	9.05	9.16
June ^p	8.74	1.37	26.6	76.8	43.1	32.6	8.96	9.00	9.06

¹ Weighted averages based on probability sample survey of characteristics of mortgages originated by major institutional lender groups (including mortgage companies) for purchase of single-family homes, as compiled by Federal Home Loan Bank Board in cooperation with Federal Deposit Insurance Corporation. Data are not strictly comparable with earlier figures beginning Jan. 1973.

² Fees and charges—related to principal mortgage amount—include loan commissions, fees, discounts, and other charges, but exclude closing costs related solely to transfer of property ownership.

³ Effective rate, reflecting fees and charges as well as contract rates

(as shown in first column of this table) and an assumed prepayment at end of 10 years.

⁴ Rates on first mortgages, unweighted and rounded to the nearest 5 basis points.

⁵ Based on opinion reports submitted by field offices of prevailing local conditions as of the first of the succeeding month. Yields are derived from weighted averages of private secondary market prices for Sec. 203, 30-year mortgages with minimum downpayment and an assumed prepayment at the end of 15 years. Any gaps in data are due to periods of adjustment to changes in maximum permissible contract interest rates.

NOTE TO TABLE AT BOTTOM OF PAGE A-44:

American Life Insurance Association data for new commitments of \$100,000 and over each on mortgages for multifamily and nonresidential nonfarm properties located largely in the United States. The 15 companies account for a little more than one-half of both the total assets and the nonfarm mortgages held by all U.S. life insurance companies. Averages, which are based on number of loans, vary in part with loan composition by type and location of property, type and purpose of loan, and loan

amortization and prepayment terms. Data for the following are limited to cases where information was available or estimates could be made: capitalization rate (net stabilized property earnings divided by property value); debt coverage ratio (net stabilized earnings divided by debt service); and per cent constant (annual level payment, including principal and interest, per \$100 of debt). All statistics exclude construction loans, increases in existing loans in a company's portfolio, reapprovals, and loans secured by land only.

FEDERAL NATIONAL MORTGAGE ASSOCIATION AUCTIONS OF COMMITMENTS TO BUY HOME MORTGAGES

Item	Date of auction											
	1975											
	Feb. 24	Mar. 10	Mar. 24	Apr. 7	Apr. 21	May 5	May 19	June 2	June 16	June 30	July 14	July 28
Amounts (millions of dollars):												
Govt.-underwritten loans												
Offered ¹	36.2	99.2	460.5	551.6	470.9	525.5	165.6	172.5	73.4	358.7	333.2	415.8
Accepted.....	23.8	60.1	321.4	277.2	247.3	280.4	115.0	80.4	38.6	246.9	174.9	247.7
Conventional loans												
Offered ¹	20.0	34.4	60.7	99.8	79.2	69.8	46.4	51.2	28.5	67.5	71.4	56.5
Accepted.....	9.1	22.1	35.8	44.6	51.3	43.9	38.4	27.1	15.7	47.3	35.8	34.5
Average yield (per cent) on short-term commitments ²												
Govt.-underwritten loans.....	8.87	8.78	8.85	8.98	9.13	9.29	9.25	9.14	9.06	9.07	9.10	9.20
Conventional loans.....	9.04	8.96	9.00	9.13	9.26	9.43	9.41	9.26	9.21	9.18	9.17	9.26

¹ Mortgage amounts offered by bidders are total bids received.² Average accepted bid yield (before deduction of 38 basis-point fee paid for mortgage servicing) for home mortgages assuming a prepayment

period of 12 years for 30-year loans, without special adjustment for FNMA commitment fees and FNMA stock purchase and holding requirements. Commitments mature in 4 months.

MAJOR HOLDERS OF FHA-INSURED AND VA-GUARANTEED RESIDENTIAL MORTGAGE DEBT

(End of period, in billions of dollars)

Holder	Sept. 30, 1973	Dec. 31, 1973	Mar. 31, 1974	June 30, 1974	Sept. 30, 1974	Dec. 31, 1974	Mar. 31, 1975
All holders.....	133.8	135.0	136.7	137.8	138.6	140.3	142.0
FHA.....	85.6	85.0	85.0	84.9	84.1	84.1	84.3
VA.....	48.2	50.0	51.7	52.9	54.5	56.2	57.7
Commercial banks.....	11.7	11.5	11.1	11.0	10.7	10.4	10.5
FHA.....	8.4	8.2	7.8	7.6	7.4	7.2	7.2
VA.....	3.3	3.3	3.3	3.4	3.3	3.2	3.3
Mutual savings banks.....	28.6	28.4	28.2	27.9	27.8	27.5	27.6
FHA.....	15.7	15.5	15.3	15.1	15.0	14.8	14.8
VA.....	12.9	12.9	12.9	12.8	12.8	12.7	12.8
Savings and loan assns.....							
FHA.....	30.1	29.7	29.8	29.7	29.8	29.8	29.8
VA.....							
Life insurance cos.....	13.7	13.6	13.3	13.1	12.9	12.7	12.5
FHA.....	9.3	9.2	9.0	8.8	8.7	8.6	8.4
VA.....	4.5	4.4	4.3	4.3	4.2	4.2	4.1
Others.....	50.0	52.1	54.3	56.1	57.4	59.9	61.6
FHA.....							
VA.....							

NOTE.—VA-guaranteed residential mortgage debt is for 1- to 4-family properties while FHA-insured includes some debt in multifamily structures.

Detail by type of holder partly estimated by Federal Reserve for first and third quarters, and for most recent quarter.

COMMITMENTS OF LIFE INSURANCE COMPANIES FOR INCOME PROPERTY MORTGAGES

Period	Number of loans	Total amount committed (millions of dollars)	Averages						
			Loan amount (thousands of dollars)	Contract interest rate (per cent)	Maturity (yrs./mos.)	Loan-to-value ratio (per cent)	Capitalization rate (per cent)	Debt coverage ratio	Per cent constant
1971.....	1,664	3,982.5	2,393	9.07	22/10	74.9	10.0	1.29	10.4
1972.....	2,132	4,986.5	2,339	8.57	23/3	75.2	9.6	1.29	9.8
1973.....	2,140	4,833.3	2,259	8.76	23/3	74.3	9.5	1.29	10.0
1974.....	1,166	2,603.0	2,232	9.47	21/3	74.3	10.1	1.29	10.6
1974—Jan.....	61	91.5	1,501	9.07	20/11	73.7	9.7	1.24	10.4
Feb.....	90	209.4	2,327	9.10	23/1	73.6	9.8	1.33	10.2
Mar.....	117	238.8	2,041	8.99	21/11	74.2	9.6	1.31	10.1
Apr.....	141	306.7	2,175	9.02	21/9	73.8	9.9	1.33	10.2
May.....	148	352.4	2,381	9.31	21/11	74.2	10.0	1.30	10.4
June.....	147	287.5	1,956	9.35	20/10	75.7	10.1	1.24	10.7
July.....	121	234.6	1,939	9.60	20/0	74.1	10.1	1.26	10.8
Aug.....	105	312.4	2,975	9.80	22/10	74.3	10.2	1.31	10.7
Sept.....	95	241.6	2,543	10.04	20/11	74.4	10.3	1.29	11.1
Oct.....	57	108.3	1,899	10.29	19/7	74.6	10.6	1.25	11.5
Nov.....	47	79.7	1,695	10.37	18/4	74.0	10.7	1.26	11.6
Dec.....	37	140.0	3,784	10.28	19/10	74.8	11.0	1.33	11.3
1975—Jan.....	31	43.8	1,414	10.44	18/4	71.9	11.0	1.33	11.9
Feb.....	46	94.6	2,057	10.08	22/11	74.3	10.9	1.34	11.0
Mar.....	46	109.6	2,382	10.37	23/1	74.1	11.3	1.34	11.3

See NOTE on preceding page.

TOTAL CREDIT

(In millions of dollars)

End of period	Total	Instalment					Noninstalment				
		Total	Auto- mobile paper	Other consumer goods paper	Home improve- ment loans ¹	Personal loans	Total	Single- payment loans	Charge accounts		Service credit
									Retail outlets	Credit cards ²	
1965.....	89,883	70,893	28,437	18,483	3,736	20,237	18,990	7,671	5,724	706	4,889
1966.....	96,239	76,245	30,010	20,732	3,841	21,662	19,994	7,972	5,812	874	5,336
1967.....	100,783	79,428	29,796	22,389	4,008	23,235	21,355	8,558	6,041	1,029	5,727
1968.....	110,770	87,745	32,948	24,626	4,239	25,932	23,025	9,532	5,966	1,227	6,300
1969.....	121,146	97,105	35,527	28,313	4,613	28,652	24,041	9,747	5,936	1,437	6,921
1970.....	127,163	102,064	35,184	31,465	5,070	30,345	25,099	9,675	6,163	1,805	7,456
1971.....	138,394	111,295	38,664	34,353	5,413	32,865	27,099	10,585	6,397	1,953	8,164
1972.....	157,564	127,332	44,129	40,080	6,201	36,922	30,232	12,256	7,055	1,947	8,974
1973.....	180,486	147,437	51,130	47,530	7,352	41,425	33,049	13,241	7,783	2,046	9,979
1974.....	190,121	156,124	51,689	52,009	8,162	44,264	33,997	12,979	8,012	2,122	10,884
1974—June.....	183,425	150,615	51,641	48,099	7,930	42,945	32,810	13,311	7,002	2,104	10,393
July.....	184,805	152,142	52,082	48,592	8,068	43,400	32,663	13,192	6,936	2,204	10,331
Aug.....	187,369	154,472	52,772	49,322	8,214	44,164	32,897	13,202	6,983	2,282	10,430
Sept.....	187,906	155,139	52,848	49,664	8,252	44,375	32,767	13,131	6,876	2,277	10,483
Oct.....	188,023	155,328	52,736	49,986	8,287	44,319	32,695	13,003	7,027	2,156	10,509
Nov.....	188,084	155,166	52,325	50,401	8,260	44,180	32,918	12,950	7,174	2,144	10,650
Dec.....	190,121	156,124	51,689	52,009	8,162	44,264	33,997	12,979	8,012	2,122	10,884
1975—Jan.....	187,080	153,952	50,947	51,142	8,048	43,815	33,128	12,675	7,162	2,153	11,138
Feb.....	185,381	152,712	50,884	50,136	7,966	43,726	32,669	12,560	6,468	2,074	11,567
Mar.....	184,253	151,477	50,452	49,391	7,925	43,709	32,776	12,542	6,452	2,033	11,749
Apr.....	184,344	151,271	50,360	49,247	7,880	43,784	33,073	12,526	6,735	2,062	11,750
May.....	185,010	151,610	50,465	49,329	7,908	43,908	33,400	12,443	7,268	2,073	11,616
June.....	186,099	152,668	50,927	49,519	7,973	44,249	33,431	12,470	7,361	2,088	11,512

¹ Holdings of financial institutions; holdings of retail outlets are included in "Other consumer goods paper."

² Service station and miscellaneous credit-card accounts and home-heating-oil accounts.

NOTE.—Consumer credit estimates cover loans to individuals for household, family, and other personal expenditures, except real estate mortgage loans. For back figures and description of the data, see "Consumer Credit," Section 16 (New) of *Supplement to Banking and Monetary Statistics*, 1965, and *BULLETINS* for Dec. 1968 and Oct. 1972.

CONSUMER CREDIT HELD BY COMMERCIAL BANKS

(In millions of dollars)

End of period	Total	Instalment								Non-in- stalment	
		Total	Automobile paper		Other consumer goods paper			Home im- prove- ment loans	Personal loans		Single- payment loans
			Purchased	Direct	Mobile homes	Credit cards	Other		Check credit	Other	
1965.....	35,652	28,962	10,209	5,659	4,166			2,571	6,357		6,690
1966.....	38,265	31,319	11,024	5,956	4,681			2,647	7,011		6,946
1967.....	40,630	33,152	10,972	6,232	5,469			2,731	7,748		7,478
1968.....	46,310	37,936	12,324	7,102	.....	1,307	5,387	2,858	798	8,160	8,374
1969.....	50,974	42,421	13,133	7,791	.....	2,639	6,082	2,996	1,081	8,699	8,553
1970.....	53,867	45,398	12,918	7,888	.....	3,792	7,113	3,071	1,336	9,280	8,469
1971.....	60,556	51,240	13,837	9,277	4,423	4,419	4,501	3,236	1,497	10,050	9,316
1972.....	70,640	59,783	16,320	10,776	5,786	5,288	5,122	3,544	1,789	11,158	10,857
1973.....	81,248	69,495	19,038	12,218	7,223	6,649	6,054	3,982	2,144	12,187	11,753
1974.....	84,010	72,510	18,582	11,787	7,645	8,242	6,414	4,458	2,424	12,958	11,500
1974—June.....	83,417	71,615	19,220	12,169	7,564	7,076	6,420	4,224	2,230	12,712	11,802
July.....	84,078	72,384	19,377	12,250	7,623	7,222	6,484	4,316	2,266	12,846	11,694
Aug.....	84,982	73,302	19,511	12,344	7,681	7,491	6,541	4,409	2,312	13,013	11,680
Sept.....	85,096	73,455	19,389	12,314	7,706	7,638	6,527	4,445	2,348	13,088	11,641
Oct.....	84,887	73,372	19,246	12,195	7,709	7,749	6,530	4,480	2,376	13,087	11,515
Nov.....	84,360	72,896	18,981	12,031	7,700	7,846	6,469	4,490	2,362	13,017	11,464
Dec.....	84,010	72,510	18,582	11,787	7,645	8,242	6,414	4,458	2,424	12,958	11,500
1975—Jan.....	82,986	71,776	18,230	11,581	7,587	8,325	6,323	4,399	2,448	12,883	11,210
Feb.....	82,229	71,151	18,104	11,497	7,522	8,149	6,272	4,359	2,447	12,801	11,078
Mar.....	81,201	70,183	17,754	11,377	7,459	7,890	6,272	4,318	2,403	12,710	11,018
Apr.....	81,155	70,134	17,613	11,387	7,417	7,909	6,312	4,318	2,411	12,767	11,021
May.....	81,066	70,130	17,529	11,417	7,391	7,903	6,373	4,353	2,383	12,781	10,936
June.....	81,429	70,475	17,560	11,482	7,375	7,977	6,446	4,403	2,375	12,857	10,954

See NOTE to table above.

INSTALMENT CREDIT HELD BY NONBANK LENDERS

(In millions of dollars)

End of period	Finance companies					Other financial lenders			Retail outlets			
	Total	Auto- mobile paper	Other consumer goods paper		Home improve- ment loans	Per- sonal loans	Total	Credit unions	Mis- cellaneous lenders ¹	Total	Auto- mobile dealers	Other retail outlets
			Mobile homes	Other								
1965.....	23,851	9,218	4,343		232	10,058	8,289	7,324	965	9,791	315	9,476
1966.....	24,796	9,342	4,925		214	10,315	9,315	8,255	1,060	10,815	277	10,538
1967.....	24,576	8,627	5,069		192	10,688	10,216	9,003	1,213	11,484	287	11,197
1968.....	26,074	9,003	5,424		166	11,481	11,717	10,300	1,417	12,018	281	11,737
1969.....	27,846	9,412	5,775		174	12,485	13,722	12,028	1,694	13,116	250	12,866
1970.....	27,678	9,044	2,464	3,237	199	12,734	15,088	12,986	2,102	13,900	218	13,682
1971.....	28,883	9,577	2,561	3,052	247	13,446	17,021	14,770	2,251	14,151	226	13,925
1972.....	32,088	10,174	2,916	3,589	497	14,912	19,511	16,913	2,598	15,950	261	15,689
1973.....	37,243	11,927	3,378	4,434	917	16,587	22,567	19,609	2,958	18,132	299	17,833
1974.....	38,925	12,435	3,570	4,751	993	17,176	25,216	22,116	3,100	19,473	286	19,187
1974—June.....	38,159	11,957	3,449	4,626	1,114	17,013	23,630	20,501	3,129	17,211	296	16,915
July.....	38,479	12,040	3,505	4,664	1,118	17,152	23,968	20,825	3,143	17,311	297	17,014
Aug.....	38,943	12,267	3,539	4,680	1,097	17,360	24,677	21,402	3,275	17,550	299	17,251
Sept.....	38,921	12,345	3,573	4,662	1,073	17,268	25,085	21,792	3,293	17,678	298	17,380
Oct.....	38,901	12,458	3,597	4,658	1,054	17,134	25,204	21,893	3,311	17,851	296	17,555
Nov.....	38,803	12,462	3,603	4,611	1,021	17,106	25,195	21,975	3,220	18,272	292	17,980
Dec.....	38,925	12,435	3,570	4,751	993	17,176	25,216	22,116	3,100	19,473	286	19,187
1975—Jan.....	38,340	12,315	3,559	4,642	967	16,857	25,032	21,966	3,066	18,804	282	18,522
Feb.....	38,194	12,406	3,539	4,580	923	16,746	25,213	22,089	3,124	18,154	280	17,874
Mar.....	37,910	12,371	3,519	4,427	903	16,690	25,506	22,227	3,279	17,878	276	17,602
Apr.....	37,746	12,349	3,513	4,366	867	16,651	25,623	22,415	3,208	17,768	275	17,493
May.....	37,711	12,406	3,507	4,315	833	16,650	25,917	22,674	3,243	17,852	275	17,577
June.....	37,828	12,571	3,508	4,288	807	16,654	26,478	23,186	3,292	17,887	276	17,611

¹ Savings and loan associations and mutual savings banks.

See also NOTE to table at top of preceding page.

FINANCE RATES ON SELECTED TYPES OF INSTALMENT CREDIT

(Per cent per annum)

Month	Commercial banks					Finance companies				
	New auto-mobiles (36 mos.)	Mobile homes (84 mos.)	Other consumer goods (24 mos.)	Personal loans (12 mos.)	Credit-card plans	Automobiles		Mobile homes	Other consumer goods	Personal loans
						New	Used			
1973—June.....	10.08	10.57	12.57	12.78	17.24	11.94	16.61	12.77	18.93	20.55
July.....	10.10	10.84	12.51	12.75	17.21	12.02	16.75	12.77	18.93	20.55
Aug.....	10.25	10.95	12.66	12.84	17.22	12.13	16.86	12.90	18.69	20.52
Sept.....	10.44	11.06	12.67	12.96	17.23	12.28	16.98	12.90	18.69	20.52
Oct.....	10.53	10.98	12.80	13.02	17.23	12.34	17.11	13.12	18.77	20.65
Nov.....	10.49	11.19	12.75	12.94	17.23	12.40	17.21	13.12	18.77	20.65
Dec.....	10.49	11.07	12.86	13.12	17.24	12.42	17.31	13.12	18.77	20.65
1974—Jan.....	10.55	11.09	12.78	12.96	17.25	12.39	16.56	13.24	18.90	20.68
Feb.....	10.53	11.25	12.82	13.02	17.24	12.33	16.62	13.15	18.69	20.57
Mar.....	10.50	10.92	12.82	13.04	17.23	12.29	16.69	13.15	18.69	20.57
Apr.....	10.51	11.07	12.81	13.00	17.25	12.28	16.76	13.07	18.90	20.57
May.....	10.63	10.96	12.88	13.10	17.25	12.36	16.86	13.07	18.90	20.57
June.....	10.81	11.21	13.01	13.20	17.23	12.50	17.06	13.21	19.24	20.78
July.....	10.96	11.46	13.14	13.42	17.20	12.58	17.18	13.21	19.24	20.78
Aug.....	11.15	11.71	13.10	13.45	17.21	12.67	17.32	13.42	19.30	20.93
Sept.....	11.31	11.72	13.20	13.41	17.15	12.84	17.61	13.42	19.30	20.93
Oct.....	11.53	11.94	13.28	13.60	17.17	12.97	17.78	13.60	19.49	21.16
Nov.....	11.57	11.87	13.16	13.47	17.16	13.06	17.88	13.60	19.49	21.16
Dec.....	11.62	11.71	13.27	13.60	17.21	13.10	17.89	13.60	19.80	21.09
1975—Jan.....	11.61	11.66	13.28	13.60	17.12	13.08	17.27	13.60	19.80	21.09
Feb.....	11.51	12.14	13.20	13.44	17.24	13.07	17.39	13.59	20.00	20.86
Mar.....	11.46	11.66	13.07	13.40	17.15	13.07	17.52	13.59	20.00	20.86
Apr.....	11.44	11.78	13.22	13.55	17.17	13.07	17.58	13.57	19.63	20.75
May.....	11.39	11.57	13.11	13.41	17.21	13.09	17.65	13.57	19.63	20.75
June.....	11.26	12.02	13.10	13.40	17.10	13.12	17.67	13.57	19.63	20.75

NOTE.—Rates are reported on an annual percentage rate basis as specified in Regulation Z (Truth in Lending) of the Board of Governors. Commercial bank rates are "most common" rates for direct loans with

specified maturities; finance company rates are weighted averages for purchased contracts (except personal loans). For back figures and description of the data, see BULLETIN for Sept. 1973.

INSTALMENT CREDIT EXTENDED AND REPAYED

(In millions of dollars)

Period	Total	Type				Holder			
		Automobile paper	Other consumer goods paper	Home improve- ment loans	Personal loans	Commercial banks	Finance companies	Other financial lenders	Retail outlets
Extensions									
1967.....	87,171	26,320	29,504	2,369	28,978	31,382	26,461	11,238	18,090
1968.....	99,984	31,083	33,507	2,534	32,860	37,395	30,261	13,206	19,122
1969.....	109,146	32,553	38,332	2,831	35,430	40,955	32,753	15,198	20,240
1970.....	112,158	29,794	43,873	2,963	35,528	42,960	31,952	15,720	21,526
1971.....	124,281	34,873	47,821	3,244	38,343	51,237	32,935	17,966	22,143
1972.....	142,951	40,194	55,599	4,006	43,152	59,339	38,464	20,607	24,541
1973.....	165,083	46,453	66,859	4,728	47,043	69,726	43,221	23,414	28,722
1974.....	166,478	42,756	71,077	4,650	47,995	69,554	41,809	24,510	30,605
1974—June.....	14,387	3,731	6,043	425	4,188	6,076	3,729	2,040	2,542
July.....	14,635	3,812	6,164	416	4,243	6,129	3,685	2,201	2,620
Aug.....	14,394	3,887	5,993	388	4,126	6,034	3,476	2,290	2,594
Sept.....	14,089	3,835	5,935	302	4,017	6,050	3,408	2,079	2,552
Oct.....	13,626	3,369	5,948	348	3,961	5,600	3,229	2,160	2,637
Nov.....	12,609	3,062	5,700	321	3,526	5,390	2,823	1,863	2,533
Dec.....	12,702	3,205	5,798	294	3,405	5,012	3,240	1,901	2,549
1975—Jan.....	12,859	3,348	5,430	289	3,792	5,368	3,068	2,048	2,375
Feb.....	13,465	3,856	5,561	302	3,746	5,649	3,195	2,104	2,517
Mar.....	12,797	3,419	5,535	339	3,504	5,357	2,872	2,044	2,524
Apr.....	13,181	3,454	5,584	313	3,830	5,457	3,145	2,142	2,437
May.....	13,149	3,467	5,757	334	3,591	5,473	2,985	2,032	2,659
June.....	13,959	3,752	5,976	373	3,858	5,772	3,316	2,141	2,730
Repayments									
1967.....	83,988	26,534	27,847	2,202	27,405	29,549	26,681	10,337	17,421
1968.....	91,667	27,931	31,270	2,303	30,163	32,611	28,763	11,705	18,588
1969.....	99,786	29,974	34,645	2,457	32,710	36,470	30,981	13,193	19,142
1970.....	107,199	30,137	40,721	2,506	33,835	40,398	31,705	14,354	20,742
1971.....	115,050	31,393	44,933	2,901	35,823	45,395	31,730	16,033	21,892
1972.....	126,914	34,729	49,872	3,218	39,095	50,796	35,259	18,117	22,742
1973.....	144,978	39,452	59,409	3,577	42,540	60,014	38,066	20,358	26,540
1974.....	157,791	42,197	66,598	3,840	45,156	66,539	40,127	21,861	29,264
1974—June.....	13,301	3,577	5,615	335	3,774	5,564	3,405	1,835	2,497
July.....	13,310	3,563	5,610	320	3,817	5,541	3,513	1,819	2,437
Aug.....	12,882	3,443	5,444	309	3,686	5,463	3,166	1,851	2,402
Sept.....	13,412	3,604	5,700	279	3,829	5,808	3,371	1,723	2,510
Oct.....	13,224	3,470	5,499	321	3,934	5,542	3,250	1,962	2,470
Nov.....	13,009	3,423	5,561	325	3,700	5,671	2,981	1,860	2,497
Dec.....	13,516	3,668	6,037	341	3,470	5,803	3,308	1,822	2,583
1975—Jan.....	13,260	3,534	5,549	336	3,841	5,669	3,331	1,827	2,433
Feb.....	13,228	3,605	5,632	350	3,641	5,747	3,134	1,824	2,523
Mar.....	13,234	3,772	5,708	357	3,397	5,924	2,971	1,782	2,557
Apr.....	13,423	3,719	5,632	369	3,703	5,769	3,263	1,947	2,444
May.....	13,274	3,625	5,694	349	3,606	5,737	3,169	1,894	2,474
June.....	13,537	3,728	5,799	358	3,652	5,774	3,307	1,806	2,650
Net change									
1967.....	3,183	-214	1,657	167	1,573	1,833	-220	901	669
1968.....	8,317	3,152	2,237	231	2,697	4,784	1,498	1,501	534
1969.....	9,360	2,579	3,687	374	2,720	4,485	1,772	2,005	1,098
1970.....	4,959	-343	3,152	457	1,693	2,977	-168	1,366	784
1971.....	9,231	3,480	2,888	343	2,520	5,842	1,205	1,933	251
1972.....	16,037	5,465	5,727	788	4,057	8,543	3,205	2,490	1,799
1973.....	20,105	7,001	7,450	1,151	4,503	9,712	5,155	3,056	2,182
1974.....	8,687	559	4,479	810	2,839	3,015	1,682	2,649	1,341
1974—June.....	1,086	154	428	90	414	512	324	205	45
July.....	1,325	249	554	96	426	588	172	382	183
Aug.....	1,512	444	549	79	440	571	310	439	192
Sept.....	1,677	231	235	23	188	242	37	356	42
Oct.....	402	-101	449	27	27	58	-21	198	167
Nov.....	-400	-361	139	-4	-174	-281	-158	3	36
Dec.....	-814	-463	-239	-47	-65	-791	-68	79	-34
1975—Jan.....	-401	-186	-119	-47	-49	-301	-263	221	-58
Feb.....	237	251	-71	-48	105	-98	61	280	-6
Mar.....	-437	-353	-173	-18	107	-567	-99	262	-33
Apr.....	-242	-265	-48	-56	127	-312	-118	195	-7
May.....	-125	-158	63	-15	-15	-264	-184	138	185
June.....	422	24	177	15	206	-2	9	335	80

NOTE.—Monthly estimates are seasonally adjusted and include adjustments for differences in trading days. Annual totals are based on data not seasonally adjusted.

Estimates are based on accounting records and often include finance charges. Renewals and refinancing of loans, purchases and sales of in-

stalment paper, and certain other transactions may increase the amount of extensions and repayments without affecting the amount outstanding.

For back figures and description of the data, see "Consumer Credit," Section 16 (New) of *Supplement to Banking and Monetary Statistics*, 1965 and *BULLETINS* for Dec. 1968 and Oct. 1972.

MARKET GROUPINGS

(1967 = 100)

Grouping	1967 pro- por- tion	1974 aver- age	1974						1975						
			July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr. ^r	May	June ^p	July ^p
Total index.....	100.0	124.8	125.5	125.2	125.6	124.8	121.7	117.4	113.7	111.2	110.0	109.9	109.8	110.3	110.8
Products, total.....	62.21	123.1	124.0	123.5	123.6	122.9	121.4	118.7	115.4	113.7	112.4	112.9	113.0	113.5	113.9
Final products.....	48.95	121.7	122.8	122.1	122.6	122.3	120.9	118.2	114.9	113.3	112.2	112.6	113.2	113.8	114.3
Consumer goods.....	28.53	128.8	130.0	129.8	128.8	128.2	126.3	123.4	120.1	118.8	118.2	119.6	120.6	122.0	123.4
Equipment.....	20.42	111.7	113.0	111.4	113.8	114.0	113.2	110.7	107.8	105.3	103.9	103.0	102.8	102.4	101.6
Intermediate products.....	13.26	128.3	127.8	128.6	127.6	125.3	123.0	120.5	117.6	115.2	112.7	113.4	112.4	112.4	112.6
Materials.....	37.79	127.4	128.0	128.5	129.3	128.1	122.1	114.8	110.5	107.4	105.9	105.2	104.6	105.1	105.6
Consumer goods															
Durable consumer goods.....	7.86	127.9	131.6	131.8	129.1	126.5	119.7	110.1	104.0	101.0	103.1	107.8	110.2	112.8	115.5
Automotive products.....	2.84	110.0	113.5	114.9	111.6	114.7	102.1	87.5	80.3	78.2	86.8	93.6	97.6	102.9	105.8
Autos.....	1.87	94.9	101.5	103.1	99.6	108.4	91.0	69.8	62.6	58.9	73.1	82.4	86.3	93.2	97.7
Auto parts and allied goods.....	.97	139.0	136.9	137.6	134.5	126.9	123.6	121.5	114.4	115.5	113.2	115.2	119.3	121.6	121.1
Home goods.....	5.02	138.0	141.8	141.2	139.0	133.2	129.7	123.0	117.5	114.0	112.3	115.9	117.4	118.4	121.1
Appliances, TV, and radios.....	1.41	132.0	139.3	139.1	133.2	120.9	115.3	102.5	94.4	89.0	85.0	96.7	101.1	104.6	.....
Appliances and A/C.....	.92	148.8	151.7	156.2	150.2	139.5	131.9	119.8	108.0	104.8	99.1	114.2	118.4	118.3	.....
TV and home audio.....	.49	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Carpeting and furniture.....	1.08	153.5	155.3	157.1	155.4	151.8	144.7	143.8	135.1	132.3	127.9	127.8	128.2	129.1	.....
Misc. home goods.....	2.53	134.7	137.3	135.8	135.3	132.2	131.4	125.5	123.0	120.1	121.0	121.4	121.7	121.9	123.5
Nondurable consumer goods.....	20.67	129.2	129.4	129.1	128.7	128.9	128.8	128.4	126.3	125.5	124.1	124.0	124.5	125.5	126.4
Clothing.....	4.32	109.0	108.6	106.4	106.0	104.5	103.1	102.0	95.0	94.5	90.9	89.2	92.0	.....	.....
Consumer staples.....	16.34	134.5	134.9	135.1	134.8	135.4	135.6	135.5	134.5	133.6	132.7	133.3	133.1	133.5	133.6
Consumer foods and tobacco.....	8.37	125.4	125.5	124.4	124.4	125.2	126.2	125.3	123.3	123.2	120.7	122.7	122.0	121.6	121.7
Nonfood staples.....	7.98	144.0	144.7	146.5	145.7	146.1	145.3	146.2	146.4	144.5	145.3	144.3	144.8	145.9	146.1
Consumer chemical products.....	2.64	158.4	154.6	159.0	157.7	159.8	155.2	159.1	160.6	157.1	158.2	157.6	157.6	158.0	.....
Consumer paper products.....	1.91	125.2	124.4	129.5	130.9	128.5	127.4	126.7	122.0	121.9	120.9	118.4	122.8	123.1	.....
Consumer fuel and lighting.....	3.43	143.8	148.4	146.2	144.6	145.4	147.9	147.3	149.2	147.2	149.0	148.6	147.3	149.0	.....
Residential utilities.....	2.25	153.7	157.8	155.4	156.2	155.5	159.3	159.0	159.9	159.7	163.1	161.9	160.9	.....	.....
Equipment															
Business equipment.....	12.74	129.4	131.3	128.8	132.3	132.0	131.0	127.1	122.3	119.3	117.0	115.4	115.0	114.4	112.7
Industrial equipment.....	6.77	128.7	130.3	129.6	132.0	130.9	129.3	126.7	122.9	120.4	118.8	116.4	115.3	113.9	112.1
Building and mining equip.....	1.45	136.0	136.2	136.5	139.8	141.2	140.1	137.4	138.4	137.0	137.7	132.3	131.7	127.8	125.6
Manufacturing equipment.....	3.85	121.7	124.9	123.1	124.4	122.5	119.4	116.5	111.8	109.4	106.6	105.6	105.0	103.5	101.9
Power equipment.....	1.47	139.9	138.4	139.6	144.2	142.8	144.5	142.6	136.6	132.1	131.8	128.9	126.2	127.0	125.3
Commercial, transit, farm equip... Commercial equipment.....	5.97 3.30	130.3 141.1	132.5 143.5	127.6 134.0	132.8 143.3	133.2 144.1	132.9 143.1	127.6 139.3	121.6 135.2	118.0 130.4	115.1 127.8	114.2 123.2	114.7 121.5	115.0 121.2	113.4 119.1
Transit equipment.....	2.00	109.6	111.4	109.3	111.8	111.2	109.8	102.9	91.8	91.5	88.8	92.2	98.6	101.0	100.3
Farm equipment.....	.67	138.7	141.4	150.5	144.1	145.4	151.9	143.7	143.8	135.9	130.2	135.7	129.0	126.2	.....
Defense and space equipment.....	7.68	82.3	82.6	82.7	83.1	84.1	83.7	83.4	83.8	82.4	82.1	82.4	82.5	82.3	83.3
Military products.....	5.15	81.2	81.4	81.5	82.3	82.5	81.8	81.3	81.5	80.7	80.3	80.7	81.6	81.0	82.3
Intermediate products															
Construction products.....	5.93	129.6	128.2	128.0	127.4	123.5	121.3	118.3	115.7	112.1	109.1	110.1	107.6	106.8	106.8
Misc. intermediate products.....	7.34	127.3	127.5	129.2	127.8	126.8	124.2	122.5	119.2	118.4	115.6	116.1	116.3	116.9	.....
Materials															
Durable goods materials.....	20.91	127.3	125.8	128.1	129.2	129.3	123.5	114.2	110.3	107.0	104.7	101.6	99.6	99.0	98.4
Consumer durable parts.....	4.75	112.1	117.2	117.5	117.2	115.2	104.1	91.7	83.7	82.1	84.7	86.0	87.1	89.4	92.0
Equipment parts.....	5.41	123.8	120.6	125.8	125.0	124.0	122.2	118.3	116.9	112.0	108.7	104.6	102.1	97.8	95.8
Durable materials nec.....	10.75	135.9	132.3	133.9	136.6	138.3	132.7	122.9	118.8	115.4	111.4	106.9	103.8	104.0	102.4
Nondurable goods materials.....	13.99	128.5	131.1	130.4	129.3	126.8	122.1	116.2	109.2	105.7	105.3	107.9	109.2	111.7	113.9
Textile, paper, and chem. mat.....	8.58	139.8	143.6	143.2	142.2	138.1	131.1	122.9	112.9	108.5	106.2	110.4	112.4	116.2	118.9
Nondurable materials n.e.c.....	5.41	110.6	111.3	110.0	108.9	108.9	107.8	105.7	103.3	101.1	103.9	104.0	104.2	105.0	105.8
Fuel and power, industrial.....	2.89	122.6	128.0	123.5	129.0	126.4	112.7	113.0	117.8	118.2	118.0	117.5	119.5	119.0	120.7
Supplementary groups															
Home goods and clothing.....	9.34	124.6	126.4	125.0	123.8	120.0	117.4	113.2	107.1	105.0	102.3	103.6	105.6	107.7	111.0
Containers.....	1.82	139.4	142.1	140.4	136.7	131.5	127.6	120.3	126.1	119.9	122.3	124.2	123.5	126.8	.....
Gross value of products in market structure (In billions of 1963 dollars)															
Products, total.....	286.3	.....	448.1	446.9	447.1	445.7	439.0	426.7	416.4	410.1	405.1	409.6	407.0	412.1	412.7
Final products.....	221.4	.....	346.6	345.0	346.1	346.5	341.3	331.0	322.3	317.7	315.3	319.0	318.0	323.0	323.2
Consumer goods.....	156.3	.....	235.0	235.1	233.1	233.7	228.9	222.3	216.4	213.7	213.2	217.6	216.7	221.3	223.0
Equipment.....	65.3	.....	111.6	109.9	112.8	112.7	112.4	108.8	105.9	103.9	102.2	101.4	101.4	101.6	100.3
Intermediate products.....	64.9	.....	101.2	102.1	101.0	99.4	97.4	95.8	94.3	92.3	90.0	90.5	89.4	89.3	89.8

For NOTE see opposite page.

INDUSTRY GROUPINGS

(1967 = 100)

Grouping	1967 pro- por- tion	1974 aver- age	1974						1975						
			July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr. ^r	May	June ^p	July ^p
Manufacturing.....	88.55	124.4	125.2	125.2	125.5	124.6	120.9	116.1	111.7	109.2	107.7	107.9	107.8	108.5	108.9
Durable.....	52.33	120.7	121.6	121.6	122.1	121.6	117.9	112.2	108.2	104.8	103.5	103.3	102.4	102.6	102.2
Nondurable.....	36.22	129.7	130.8	130.4	130.5	128.9	125.4	121.9	117.0	115.6	113.7	114.8	115.9	116.9	118.6
Mining and utilities.....	11.45	127.3	128.9	127.4	128.7	128.5	125.9	125.7	127.0	127.3	128.8	128.1	127.0	126.1	126.5
Mining.....	6.37	109.3	110.2	107.3	109.2	110.5	105.0	104.4	107.0	108.6	108.9	108.5	107.0	106.1	106.9
Utilities.....	5.08	149.9	152.4	152.6	153.1	151.2	152.3	152.6	153.0	150.9	154.0	153.1	152.3	151.5	151.0
Durable manufactures															
Primary and fabricated metals.....	12.55	127.5	126.9	126.5	127.2	127.6	124.4	116.0	112.4	107.7	105.1	103.2	99.8	98.9	98.1
Primary metals.....	6.61	124.1	123.2	121.9	123.0	126.0	121.0	108.6	107.2	102.1	98.1	95.0	89.8	87.7	87.2
Iron and steel, subtotal.....	4.23	119.9	119.9	120.7	119.1	123.9	117.7	107.9	110.6	105.0	103.1	99.4	90.1	87.0	86.8
Fabricated metal products.....	5.94	131.4	131.1	131.5	132.0	129.6	128.2	124.1	118.2	113.7	112.9	112.4	110.9	111.1	110.4
Machinery and allied goods.....	32.44	116.3	117.3	117.8	118.8	118.4	114.9	109.6	105.4	102.4	101.5	101.9	101.6	102.2	101.5
Machinery.....	17.39	128.1	129.9	130.5	132.5	131.1	128.9	124.8	119.6	115.6	112.2	110.8	109.0	108.2	107.2
Nonelectrical machinery.....	9.17	133.8	131.1	136.4	137.8	137.4	135.1	132.5	126.7	123.6	119.3	116.9	113.7	111.9	110.2
Electrical machinery.....	8.22	125.2	128.4	123.7	126.4	124.0	121.7	116.3	111.5	106.6	104.3	104.0	103.8	103.9	104.0
Transportation equipment.....	9.29	96.9	98.7	99.9	100.4	102.1	93.7	83.6	78.9	77.1	81.0	84.7	87.6	90.9	90.4
Motor vehicles and parts.....	4.56	113.2	117.3	117.8	118.6	123.0	107.1	86.4	78.2	77.6	85.4	93.1	95.0	101.1	100.9
Aerospace and misc. trans. eq.....	4.73	81.1	80.9	82.6	82.8	81.9	80.9	80.9	79.5	76.6	76.7	76.6	80.4	81.1	80.2
Instruments.....	2.07	143.9	146.7	146.7	144.9	142.0	142.3	139.5	139.1	134.2	130.6	131.1	129.7	130.7	130.7
Ordnance, private and Govt.....	3.69	86.1	87.2	87.1	87.5	87.2	86.6	86.6	86.2	86.9	86.7	86.7	86.1	86.3	86.6
Lumber, clay, and glass.....	4.44	123.6	125.5	123.4	120.6	117.8	113.7	111.0	109.6	104.6	102.6	104.8	105.6	106.2	106.6
Lumber and products.....	1.65	120.1	121.6	121.5	116.6	109.3	105.2	101.3	99.9	99.6	99.8	104.1	108.0	108.2	.....
Clay, glass, and stone products.....	2.79	125.7	127.7	124.6	123.0	122.9	118.8	116.9	115.3	107.8	104.2	105.4	104.2	105.1	.....
Furniture and miscellaneous.....	2.90	136.1	139.7	140.1	138.8	136.7	129.0	128.4	120.0	119.6	118.7	117.6	119.7	120.2	120.7
Furniture and fixtures.....	1.38	126.9	131.6	130.5	129.4	125.5	120.5	120.4	110.6	110.6	106.7	105.6	109.6	109.6	.....
Miscellaneous manufactures.....	1.52	144.4	147.1	148.8	147.5	146.9	136.9	135.7	128.9	128.0	129.7	128.5	129.0	129.7	.....
Nondurable manufactures															
Textiles, apparel, and leather.....	6.90	108.9	108.1	107.4	106.5	105.1	101.9	96.3	88.9	89.6	87.5	90.4	92.6	93.7	97.0
Textile mill products.....	2.69	122.7	125.3	124.3	121.9	119.1	112.8	102.9	95.6	93.3	96.8	100.4	103.7	106.2	.....
Apparel products.....	3.33	105.4	102.7	102.5	102.5	102.8	100.1	98.0	94.0	92.6	86.4	88.2	89.6	.....	.....
Leather and products.....	.88	77.3	75.7	73.4	74.2	70.6	74.7	69.7	66.1	66.7	63.5	68.0	69.8	72.4	.....
Paper and printing.....	7.92	121.0	122.4	121.0	122.7	120.8	115.7	112.3	108.2	106.6	104.2	102.4	103.9	105.2	106.4
Paper and products.....	3.18	134.0	136.1	132.2	135.3	133.9	124.3	116.1	114.3	109.5	104.5	105.8	105.8	108.2	.....
Printing and publishing.....	4.74	112.3	113.4	113.4	114.4	111.9	110.0	109.8	104.1	104.7	104.0	100.2	102.6	103.2	103.0
Chemicals, petroleum, and rubber.....	11.92	151.7	153.9	154.4	154.7	152.4	146.5	141.6	136.5	132.4	130.2	131.0	132.5	134.2	136.5
Chemicals and products.....	7.86	154.3	155.8	156.7	158.3	155.9	148.3	143.1	139.0	134.6	133.6	132.8	135.6	136.7	138.5
Petroleum products.....	1.80	124.0	127.9	125.8	121.9	125.4	127.0	125.8	126.8	123.7	120.1	120.2	118.7	121.9	123.5
Rubber and plastics products.....	2.26	164.4	167.2	169.0	168.6	161.8	155.7	148.9	135.4	132.0	126.8	133.5	132.7	135.0	.....
Foods and tobacco.....	9.48	124.8	124.8	124.8	124.3	123.7	123.8	123.5	120.0	121.3	120.0	122.4	122.0	121.7	122.7
Foods.....	8.81	126.2	126.6	126.3	125.7	124.8	125.4	125.7	121.2	122.3	121.3	122.9	123.4	123.2	124.2
Tobacco products.....	.67	106.4	101.5	104.2	106.0	110.3	103.8	96.2	104.7	108.4	102.6	115.9	103.8	.....	.....
Mining															
Metal, stone, and earth minerals.....	1.26	117.2	113.5	109.9	115.4	121.3	120.7	117.9	119.1	116.2	113.4	113.3	106.2	101.1	105.8
Metal mining.....	.51	129.2	120.3	110.0	130.5	141.4	136.8	134.7	133.8	131.1	125.4	125.8	114.8	110.2	.....
Stone and earth minerals.....	.76	109.1	108.8	109.9	105.0	107.5	109.8	106.4	109.0	106.1	105.1	104.7	100.4	95.0	.....
Coal, oil, and gas.....	5.11	107.3	109.4	106.7	107.7	107.8	101.2	101.1	103.9	106.8	107.7	107.4	107.2	107.4	107.1
Coal.....	.69	105.1	115.6	99.4	112.1	110.3	67.6	85.3	111.3	117.5	117.4	112.2	119.1	120.5	120.7
Oil and gas extraction.....	4.42	107.7	108.4	107.9	107.1	107.4	106.4	103.6	102.9	105.0	106.1	106.6	105.3	105.4	104.9
Utilities															
Electric.....	3.90	159.5	162.7	162.8	162.4	161.2	162.9	163.0	162.5	161.1	165.4	164.1	163.0	.....	.....
Gas.....	1.17	117.9	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....

NOTE.—Data for the complete year of 1972 are available in a pamphlet *Industrial Production Indexes 1972* from Publications Services, Division of Administrative Services, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

Published groupings include series and subtotals not shown separately. Figures for individual series and subtotals are published in the monthly *Business Indexes* release.

SELECTED BUSINESS INDEXES

(1967 = 100, except as noted)

Period	Industrial production										Capacity utilization in mfg. (1967 output = 100)	Construction contracts	Nonagricultural employment—Total ¹	Manu- facturing ²		Total retail sales ³	Prices ⁴	
	Total	Market						In- dustry	Em- plov- ment	Pay- rolls				Con- sumer	Whole- sale com- modity			
		Total	Products				Materials										Manu- factur- ing	
			Final			Inter- mediate												
			Total	Con- sumer goods	Equip- ment													
1955.....	58.5	56.6	54.9	59.5	48.9	62.6	61.5	58.2	90.0	.....	76.9	92.9	61.1	59	80.2	87.8	
1956.....	61.1	59.7	58.2	61.7	53.7	65.3	63.1	60.5	88.2	.....	79.6	93.9	64.6	61	81.4	90.7	
1957.....	61.9	61.1	59.9	63.2	55.9	65.3	63.1	61.2	84.5	.....	80.3	92.2	65.4	64	84.3	93.3	
1958.....	57.9	58.6	57.1	62.6	50.0	63.9	56.8	56.9	75.1	.....	78.0	83.9	60.3	64	86.6	94.6	
1959.....	64.8	64.4	62.7	68.7	54.9	70.5	65.5	64.1	81.4	.....	81.0	88.1	67.8	69	87.3	94.8	
1960.....	66.2	66.2	64.8	71.3	56.4	71.0	66.4	65.4	80.1	.....	82.4	88.0	68.8	70	88.7	94.9	
1961.....	66.7	66.9	65.3	72.8	55.6	72.4	66.4	65.6	77.6	.....	82.1	84.5	68.0	70	89.6	94.5	
1962.....	72.2	72.1	70.8	77.7	61.9	76.9	72.4	71.4	81.4	.....	84.4	87.3	73.3	75	90.6	94.8	
1963.....	76.5	76.2	74.9	82.0	65.6	81.1	77.0	75.8	83.0	86.1	86.1	87.8	76.0	79	91.7	94.5		
1964.....	81.7	81.2	79.6	86.8	70.1	87.3	82.6	81.2	85.5	89.4	88.6	89.3	80.1	83	92.9	94.7		
1965.....	89.2	88.1	86.8	93.0	78.7	93.0	91.0	89.1	89.0	93.2	92.3	93.9	88.1	91	94.5	96.6		
1966.....	97.9	96.8	96.1	98.6	93.0	99.2	99.8	98.3	91.9	94.8	97.1	99.9	97.8	97	97.2	99.8		
1967.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	87.9	100.0	100.0	100.0	100.0	100	100.0	100.0		
1968.....	105.7	105.8	105.8	106.6	104.7	105.7	105.7	105.7	87.7	113.2	103.2	101.4	108.3	109	104.2	102.5		
1969.....	110.7	109.7	109.0	111.1	106.1	112.0	112.4	110.5	86.5	123.7	106.9	103.2	116.6	114	109.8	106.5		
1970.....	106.6	106.0	104.5	110.3	96.3	111.7	107.7	105.2	78.3	123.1	107.7	98.1	114.1	120	116.3	110.4		
1971.....	106.8	106.4	104.7	115.7	89.4	112.6	107.4	105.2	75.0	145.4	108.1	94.2	116.7	122	121.2	113.9		
1972.....	115.2	113.8	111.9	123.6	95.5	121.1	117.4	114.0	78.6	165.3	111.9	97.6	131.5	142	125.3	119.8		
1973.....	125.6	123.4	121.3	131.7	106.7	131.1	129.3	125.2	83.0	181.3	116.7	103.1	148.9	.....	133.1	134.7	
1974.....	124.8	123.1	121.7	128.8	111.7	128.3	127.4	124.4	78.9	168.6	118.9	102.1	156.6	.....	147.7	160.1	
1974—June.....	125.8	124.0	122.6	130.2	112.0	128.9	128.8	125.6	80.1	166.0	119.1	103.2	157.9	170	146.9	155.7		
July.....	125.5	124.0	122.8	130.0	113.0	127.8	128.0	125.2	77.0	119.2	103.0	103.0	159.5	177	148.0	161.7		
Aug.....	125.2	123.5	122.1	129.8	111.4	128.6	128.5	125.2	79.4	170.0	119.4	102.6	161.5	180	149.9	167.4		
Sept.....	125.6	123.6	122.6	128.8	113.8	127.6	129.3	125.5	187.0	119.7	102.5	162.0	176	151.7	167.2	167.2		
Oct.....	124.8	122.9	122.3	128.2	114.0	125.3	128.1	124.6	148.0	119.8	101.7	162.1	175	153.0	170.2	170.2		
Nov.....	121.7	121.4	120.9	126.3	113.2	123.0	122.1	120.9	75.7	154.0	119.1	99.4	157.0	170	154.3	171.9		
Dec.....	117.3	118.7	118.2	123.4	110.7	120.5	114.8	116.1	176.0	118.0	96.3	152.6	171	155.4	171.5	171.5		
1975—Jan.....	113.7	115.4	114.9	120.1	107.8	117.6	110.5	111.7	135.0	117.3	93.6	148.9	176	156.1	171.8	171.8		
Feb.....	111.2	113.7	113.3	118.8	105.3	115.2	107.4	109.2	68.2	116.5	90.8	143.0	179	157.2	171.3	171.3		
Mar.....	110.0	112.4	112.2	118.2	103.9	112.7	105.9	107.7	153.0	116.0	89.9	142.8	176	157.8	170.4	170.4		
Apr.....	109.9	112.9	112.6	119.6	103.0	113.4	105.2	107.9	189.0	115.9	89.6	144.1	179	158.6	172.1	172.1		
May.....	109.8	113.0	113.2	120.6	102.8	112.4	104.6	107.8	182.0	116.1	89.9	144.1	183	159.3	173.2	173.2		
June.....	110.3	113.5	113.8	122.0	102.4	112.4	105.1	108.5	174.0	115.8	89.8	145.6	185	160.6	173.7	173.7		
July.....	110.8	113.9	114.3	123.4	101.6	112.6	105.6	108.9	.....	115.9	89.6	147.8	.....	.....	.....	175.7

¹ Employees only; excludes personnel in the Armed Forces.² Production workers only. Revised back to 1968.³ F.R. index based on Census Bureau figures.⁴ Prices are not seasonally adjusted. Latest figure is final.⁵ Figure is for second quarter 1974.

NOTE.—All series: Data are seasonally adjusted unless otherwise noted.

Capacity utilization: Based on data from Federal Reserve, McGraw-Hill Economics Department, and Dept. of Commerce.

Construction contracts: McGraw-Hill Information Systems Company F.W. Dodge Division, monthly index of dollar value of total construction contracts, including residential, nonresidential, and heavy engineering.

Employment and payrolls: Based on Bureau of Labor Statistics data; includes data for Alaska and Hawaii beginning with 1959.

Prices: Bureau of Labor Statistics data.

CONSTRUCTION CONTRACTS AND PRIVATE HOUSING PERMITS

(In millions of dollars, except as noted)

Type of ownership and type of construction	1973	1974	1974							1975					
			June ^r	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June
Total construction contracts ¹	99,304	93,076	8,220	9,295	8,416	8,359	7,227	6,179	7,304	5,100	4,955	6,574	9,598	9,143	9,324
By type of ownership:															
Public.....	26,563	32,209	2,943	3,242	3,311	3,273	2,720	2,391	2,496	2,254	2,031	2,182	2,768	2,875	3,891
Private ¹	72,741	60,867	5,278	6,053	5,105	5,086	4,508	3,788	4,809	2,846	2,924	4,393	6,830	6,268	5,432
By type of construction:															
Residential building ¹	45,696	34,174	3,419	3,350	3,060	2,503	2,457	1,931	1,715	1,562	1,583	2,316	3,029	3,073	3,116
Nonresidential building.....	31,534	33,859	2,880	3,698	3,246	3,320	2,710	2,618	2,451	2,233	2,199	2,402	2,987	2,877	3,169
Nonbuilding.....	22,074	25,042	1,921	2,247	2,110	2,536	2,061	1,630	3,139	1,305	1,172	1,856	3,582	3,193	3,040
Private housing units authorized ^r (In thousands, S.A., A.R.)	1,820	1,074	1,115	1,040	928	853	811	770	837	689	701	677	837	912	926

¹ Because of improved procedures for collecting data for 1-family homes, some totals are not strictly comparable with those prior to 1968. To improve comparability, earlier levels may be raised by approximately 3 per cent for total and private construction, in each case, and by 8 per cent for residential building.

NOTE.—Dollar value of construction contracts as reported by the McGraw-Hill Information Systems Company, F.W. Dodge Division. Totals of monthly data may differ from annual totals because adjustments are made in accumulated monthly data after original figures have been published.

Private housing units authorized are Census Bureau series for 14,000 reporting areas with local building permit systems.

VALUE OF NEW CONSTRUCTION ACTIVITY

(In millions of dollars)

Period	Total	Private							Public ²				
		Total	Resi- dential	Nonresidential				Other	Total	Mili- tary	High- way	Conser- vation and develop- ment	Other
				Total	Buildings								
					Indus- trial	Com- mercial	Other build- ings ¹						
1966	76,002	51,995	25,715	26,280	6,679	6,879	5,037	7,685	24,007	727	8,405	2,194	12,681
1967	77,503	51,967	25,568	26,399	6,131	6,982	4,993	8,293	25,536	695	8,591	2,124	14,126
1968	86,626	59,021	30,565	28,456	6,021	7,761	4,382	10,292	27,605	808	9,321	1,973	15,503
1969	93,728	65,404	33,200	32,204	6,783	9,401	4,971	11,049	27,964	879	9,250	1,783	16,052
1970	94,167	66,071	31,864	34,207	6,538	9,754	5,125	12,790	28,096	718	9,981	1,908	15,489
1971	109,950	80,079	43,267	36,812	5,423	11,619	5,437	14,333	29,871	901	10,658	2,095	16,217
1972	124,077	93,893	54,288	39,605	4,676	13,462	5,898	15,569	30,184	1,087	10,429	2,172	16,496
1973	135,456	102,894	57,623	45,271	6,243	15,453	5,888	17,687	32,562	1,170	10,559	2,313	18,520
1974	134,814	96,388	55,020	41,368	7,745	16,029	5,951	11,643	38,426	1,188	12,105	2,781	22,352
1974—June	136,889	98,404	48,269	50,135	8,027	16,425	6,034	19,649	38,485	1,169	11,475	3,310	22,531
July	137,879	97,924	48,875	49,049	7,158	15,953	5,915	20,023	39,955	1,131	12,518	2,581	23,725
Aug.	134,425	96,225	48,208	48,017	7,616	15,053	5,691	19,657	38,200	978	11,968	2,568	22,686
Sept.	133,028	94,728	46,005	48,723	7,677	15,668	5,776	19,602	38,300	1,173	13,334	2,886	20,907
Oct.	133,882	95,016	44,132	50,884	8,294	16,300	5,799	20,491	38,866	1,062	12,566	3,070	22,168
Nov.	130,991	93,390	42,205	51,185	8,670	16,037	5,854	20,624	37,601	1,053	10,842	2,871	22,835
Dec.	133,102	91,206	40,466	50,740	8,774	15,372	5,781	20,813	41,896	1,144	12,210	3,446	25,096
1975—Jan.	131,559	89,774	38,922	50,852	8,525	15,053	5,779	21,495	41,785	1,305	12,718	2,974	24,788
Feb.	128,909	88,614	38,153	50,461	8,734	15,249	5,844	20,634	40,295	1,440	.....	.....	.....
Mar.	124,352	85,040	37,257	47,783	7,981	13,289	5,382	21,131	39,312	1,520	.....	.....	.....
Apr.	122,686	83,382	36,694	46,688	7,375	12,677	5,682	20,954	39,304	1,435	.....	.....	.....
May	120,239	83,084	37,402	45,682	8,044	12,405	5,276	19,957	37,155	1,241	.....	.....	.....
June ^p	121,232	84,213	38,802	45,411	8,166	11,787	5,328	20,130	37,019	1,138	.....	.....	.....

¹ Includes religious, educational, hospital, institutional, and other buildings.

NOTE.—Census Bureau data; monthly series at seasonally adjusted annual rates.

² By type of ownership, State and local accounted for 86 per cent of public construction expenditures in 1974.

PRIVATE HOUSING ACTIVITY

(In thousands of units)

Period	Starts			Completions			Under construction (end of period)			Mobile home ship- ments	New 1-family homes sold and for sale ¹			
	Total	1- family	2-or- more family	Total	1- family	2-or- more family	Total	1- family	2-or- more family		Units		Median prices (in thousands of dollars) of units	
											Sold	For sale (end of per- iod)	Sold	For sale
1966.....	1,165	779	386	.....	.....	.....	.....	.....	.....	217	461	196	21.4	22.8
1967.....	1,292	844	448	.....	.....	.....	.....	.....	.....	240	487	190	22.7	23.6
1968.....	1,508	899	608	1,320	859	461	.....	.....	.....	318	490	218	24.7	24.6
1969.....	1,467	811	656	1,399	807	591	885	350	536	413	448	228	25.6	27.0
1970.....	1,434	813	621	1,418	802	617	922	381	541	401	485	227	23.4	26.2
1971.....	2,052	1,151	901	1,706	1,014	692	1,254	505	749	497	656	294	25.2	25.9
1972.....	2,357	1,309	1,047	1,971	1,143	828	1,586	640	947	576	718	416	27.6	28.3
1973.....	2,045	1,132	913	2,014	1,174	840	1,599	583	1,016	567	620	456	32.5	32.9
1974.....	1,337	888	450	1,692	931	760	1,193	518	676	371	501	407	35.9	36.2
1974—June.....	1,533	1,000	534	1,805	1,053	752	1,480	581	899	398	524	436	35.1	35.0
July.....	1,314	920	394	1,655	934	721	1,443	578	864	340	509	430	36.8	35.3
Aug.....	1,156	826	329	1,592	919	674	1,406	570	836	316	466	425	35.7	35.5
Sept.....	1,157	845	313	1,562	899	663	1,372	565	807	252	495	414	36.2	35.7
Oct.....	1,106	792	314	1,627	908	719	1,322	553	769	217	433	409	37.2	35.9
Nov.....	1,017	802	215	1,657	893	763	1,255	541	714	195	435	404	37.3	36.0
Dec.....	880	682	198	1,606	852	754	1,229	545	684	195	382	400	37.4	36.2
1975—Jan.....	999	739	260	1,535	964	571	1,176	522	654	185	404	404	37.2	36.4
Feb.....	1,000	733	267	1,320	770	550	1,156	522	634	219	411	409	37.9	36.6
Mar.....	985	775	210	1,305	734	571	1,113	520	593	199	463	396	38.9	36.5
Apr.....	980	762	218	1,191	744	447	1,085	515	570	194	574	388	39.2	36.7
May.....	1,129	886	243	1,220	785	435	1,069	520	549	224	585	382	39.9	36.9
June ^p	1,070	862	208	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....

¹ Merchant builders only.

NOTE.—All series except prices, seasonally adjusted. Annual rates for starts, completions, mobile home shipments, and sales. Census data except

for mobile homes, which are private, domestic shipments as reported by the Mobile Home Manufacturers' Assn. and seasonally adjusted by Census Bureau. Data for units under construction seasonally adjusted by Federal Reserve.

LABOR FORCE, EMPLOYMENT, AND UNEMPLOYMENT

(In thousands of persons, except as noted)

Period	Total non-institutional population (N.S.A.)	Not in labor force (N.S.A.)	Total labor force (S.A.)	Civilian labor force (S.A.)					Unemployment rate ² (per cent; S.A.)
				Total	Employed ¹			Unemployed	
					Total	In nonagricultural industries	In agriculture		
1969.....	137,841	53,602	84,240	80,734	77,902	74,296	3,606	2,832	3.5
1970.....	140,182	54,280	85,903	82,715	78,627	75,165	3,462	4,088	4.9
1971.....	142,596	55,666	86,929	84,113	79,120	75,732	3,387	4,993	5.9
1972.....	145,775	56,785	88,991	86,542	81,702	78,230	3,472	4,840	5.6
1973.....	148,263	57,222	91,040	88,714	84,409	80,957	3,452	4,304	4.9
1974.....	150,827	57,587	93,240	91,011	85,936	82,443	3,492	5,076	5.6
1974—July.....	150,922	55,426	93,503	91,283	86,403	82,970	3,433	4,880	5.3
Aug.....	151,135	56,456	93,419	91,199	86,274	82,823	3,451	4,925	5.4
Sept.....	151,367	57,706	93,922	91,705	86,402	82,913	3,489	5,303	5.8
Oct.....	151,593	57,489	94,058	91,844	86,304	82,864	3,440	5,540	6.0
Nov.....	151,812	57,991	93,921	91,708	85,689	82,314	3,375	6,019	6.6
Dec.....	152,020	58,482	94,015	91,803	85,202	81,863	3,339	6,601	7.2
1975—Jan.....	152,230	58,888	94,284	92,091	84,562	81,179	3,383	7,529	8.2
Feb.....	152,445	59,333	93,709	91,511	84,027	80,701	3,326	7,484	8.2
Mar.....	152,646	59,053	94,027	91,829	83,849	80,584	3,265	7,980	8.7
Apr.....	152,840	59,276	94,457	92,262	84,086	80,848	3,238	8,176	8.9
May.....	153,051	59,101	95,121	92,940	84,402	80,890	3,512	8,538	9.2
June.....	153,278	57,087	94,518	92,340	84,444	81,140	3,304	7,896	8.6
July.....	153,585	56,540	95,102	92,916	85,078	81,628	3,450	7,838	8.4

¹ Includes self-employed, unpaid family, and domestic service workers.² Per cent of civilian labor force.

NOTE.—Bureau of Labor Statistics. Information relating to persons 16 years of age and over is obtained on a sample basis. Monthly data relate

to the calendar week that contains the 12th day; annual data are averages of monthly figures. Description of changes in series beginning 1967 is available from Bureau of Labor Statistics.

EMPLOYMENT IN NONAGRICULTURAL ESTABLISHMENTS, BY INDUSTRY DIVISION

(In thousands of persons)

Period	Total	Manufacturing	Mining	Contract construction	Transportation and public utilities	Trade	Finance	Service	Government
1969.....	70,442	20,167	619	3,525	4,435	14,704	3,562	11,228	12,202
1970.....	70,920	19,349	623	3,536	4,504	15,040	3,687	11,621	12,561
1971.....	71,216	18,572	603	3,639	4,457	15,352	3,802	11,903	12,887
1972.....	73,711	19,090	622	3,831	4,517	15,975	3,943	12,392	13,340
1973.....	76,833	20,054	638	4,028	4,646	16,665	4,075	12,986	13,742
1974.....	78,334	20,016	672	3,985	4,699	17,011	4,173	13,506	14,285
SEASONALLY ADJUSTED									
1974—July.....	78,479	20,169	675	3,920	4,693	17,107	4,157	13,516	14,242
Aug.....	78,661	20,112	676	3,965	4,701	17,140	4,168	13,573	14,326
Sept.....	78,844	20,112	682	3,939	4,679	17,166	4,176	13,647	14,443
Oct.....	78,865	19,982	692	3,911	4,699	17,160	4,185	13,705	14,531
Nov.....	78,404	19,633	693	3,861	4,697	17,048	4,183	13,721	14,568
Dec.....	77,690	19,146	662	3,798	4,668	16,912	4,182	13,734	14,588
1975—Jan.....	77,227	18,718	700	3,789	4,607	16,863	4,173	13,747	14,630
Feb.....	76,708	18,297	702	3,596	4,561	16,832	4,164	13,771	14,785
Mar.....	76,368	18,146	706	3,486	4,512	16,799	4,157	13,754	14,808
Apr.....	76,349	18,090	703	3,475	4,511	16,794	4,163	13,754	14,859
May.....	76,428	18,118	710	3,472	4,495	16,820	4,161	13,759	14,893
June ^p	76,264	18,071	707	3,404	4,474	16,854	4,154	13,712	14,888
July ^p	76,352	18,032	710	3,360	4,470	16,919	4,161	13,779	14,921
NOT SEASONALLY ADJUSTED									
1974—July.....	78,322	20,066	688	4,187	4,740	17,064	4,219	13,665	13,693
Aug.....	78,561	20,288	690	4,286	4,734	17,058	4,222	13,668	13,615
Sept.....	79,097	20,350	688	4,191	4,721	17,125	4,180	13,647	14,167
Oct.....	79,429	20,142	693	4,150	4,718	17,253	4,172	13,719	14,610
Nov.....	79,125	19,763	693	3,981	4,702	17,342	4,309	13,707	14,771
Dec.....	78,441	19,175	657	3,722	4,663	17,591	4,161	13,665	14,807
1975—Jan.....	76,185	18,538	689	3,372	4,552	16,687	4,131	13,513	14,703
Feb.....	75,753	18,132	687	3,229	4,497	16,475	4,127	13,606	15,000
Mar.....	75,755	18,005	691	3,218	4,476	16,509	4,132	13,658	15,066
Apr.....	76,134	17,967	697	3,333	4,479	16,664	4,146	13,768	15,080
May.....	76,641	18,038	711	3,465	4,495	16,791	4,161	13,869	15,111
June ^p	77,086	18,212	723	3,571	4,532	16,930	4,200	13,904	15,014
July ^p	76,143	17,948	723	3,589	4,515	16,877	4,223	13,931	14,337

NOTE.—Bureau of Labor Statistics; data include all full- and part-time employees who worked during, or received pay for, the pay period that includes the 12th of the month. Proprietors, self-employed persons,

domestic servants, unpaid family workers, and members of Armed Forces are excluded.

Beginning with 1968, series has been adjusted to Mar. 1973 benchmark.

CONSUMER PRICES

(1967 = 100)

Period	All items	Food	Housing						Apparel and upkeep	Transportation	Health and recreation				
			Total	Rent	Home-ownership	Fuel oil and coal	Gas and electricity	Furnishings and operation			Total	Medical care	Personal care	Reading and recreation	Other goods and services
1929.....	51.3	48.3	.....	76.0	.....	.....	.....	.....	48.5	.....	.....	.....	.....	.....	.....
1933.....	38.8	30.6	.....	54.1	.....	.....	.....	.....	36.9	.....	.....	.....	.....	.....	.....
1941.....	44.1	38.4	53.7	57.2	.....	40.5	81.4	.....	44.8	44.2	.....	37.0	41.2	47.7	49.2
1945.....	53.9	50.7	59.1	58.8	.....	48.0	79.6	.....	61.5	47.8	.....	42.1	55.1	62.4	56.9
1960.....	88.7	88.0	90.2	91.7	86.3	89.2	98.6	93.8	89.6	89.6	85.1	79.1	90.1	87.3	87.8
1965.....	94.5	94.4	94.9	96.9	92.7	94.6	99.4	95.3	93.7	95.9	93.4	89.5	95.2	95.9	94.2
1966.....	97.2	99.1	97.2	98.2	96.3	97.0	99.6	97.0	96.1	97.2	96.1	93.4	97.1	97.5	97.2
1967.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1968.....	104.2	103.6	104.2	102.4	105.7	103.1	100.9	104.4	105.4	103.2	105.0	106.1	104.2	104.7	104.6
1969.....	109.8	108.9	110.8	105.7	116.0	105.6	102.8	109.0	111.5	107.2	110.3	113.4	109.3	108.7	109.1
1970.....	116.3	114.9	118.9	110.1	128.5	110.1	107.3	113.4	116.1	112.7	116.2	120.6	113.2	113.4	116.0
1971.....	121.3	118.4	124.3	115.2	133.7	117.5	114.7	118.1	119.8	118.6	122.2	128.4	116.8	119.3	120.9
1972.....	125.3	123.5	129.2	119.2	140.1	118.5	120.5	121.0	122.3	119.9	126.1	132.5	119.8	122.8	125.5
1973.....	133.1	141.4	135.0	124.3	146.7	136.0	126.4	124.9	126.8	123.8	130.2	137.7	125.2	125.9	129.0
1974.....	147.7	161.7	150.6	130.2	163.2	214.6	145.8	140.5	136.2	137.7	140.3	150.5	137.3	133.8	137.2
1974—June.....	146.9	160.3	149.2	129.8	161.2	214.2	144.5	139.2	135.7	138.8	139.4	149.4	136.5	133.5	135.8
July.....	148.0	160.5	150.9	130.3	163.2	218.5	146.2	141.4	135.3	140.6	141.0	151.4	137.8	134.6	137.7
Aug.....	149.9	162.8	152.8	130.9	165.4	220.9	148.5	143.9	138.1	141.3	142.6	153.7	139.3	135.2	139.4
Sept.....	151.7	165.0	154.9	131.4	167.9	222.7	150.2	146.6	139.9	142.2	144.0	155.2	141.2	137.0	140.4
Oct.....	153.0	166.1	156.7	132.2	170.1	225.5	151.5	149.0	141.1	142.9	145.2	156.3	143.0	137.8	141.4
Nov.....	154.3	167.8	158.3	132.8	171.7	229.2	154.0	151.0	142.4	143.4	146.3	157.5	144.2	138.8	142.7
Dec.....	155.4	169.7	159.9	133.5	174.0	228.8	156.7	152.3	141.9	143.5	147.5	159.0	145.3	139.8	143.9
1975—Jan.....	156.1	170.9	161.2	134.0	175.6	228.9	160.2	153.2	139.4	143.2	148.9	161.0	146.5	141.0	144.8
Feb.....	157.2	171.6	162.7	135.1	177.3	229.5	162.7	154.7	140.2	143.5	150.2	163.0	147.8	141.8	145.9
Mar.....	157.8	171.3	163.6	135.5	178.2	228.3	164.0	155.6	140.9	144.8	151.1	164.6	148.9	142.0	146.5
Apr.....	158.6	171.2	164.7	135.9	179.4	229.0	166.3	156.8	141.3	146.2	152.1	165.8	149.5	143.5	146.8
May.....	159.3	171.8	165.3	136.4	180.1	230.2	167.3	157.4	141.8	147.4	152.6	166.8	149.9	143.8	147.1
June.....	160.6	174.4	166.4	136.9	181.4	230.6	169.4	158.1	141.4	149.8	153.2	168.1	150.3	144.1	147.3

NOTE.—Bureau of Labor Statistics index for city wage-earners and clerical workers.

WHOLESALE PRICES: SUMMARY

(1967 = 100, except as noted)

Period	All commodities	Farm products	Processed foods and feeds	Industrial commodities													
				Total	Textiles, etc.	Hides, etc.	Fuel, etc.	Chemicals, etc.	Rubber, etc.	Lumber, etc.	Paper, etc.	Metals, etc.	Machinery and equipment	Furniture, etc.	Non-metallic minerals	Transportation equipment ¹	Miscellaneous
1960.....	94.9	97.2	89.5	95.3	99.5	90.8	96.1	101.8	103.1	95.3	98.1	92.4	92.0	99.0	97.2	.....	93.0
1965.....	96.6	98.7	95.5	96.4	99.8	94.3	95.5	99.0	95.9	95.9	96.2	96.4	93.9	96.9	97.5	.....	95.9
1966.....	99.8	105.9	101.2	98.5	100.1	103.4	97.8	99.4	97.8	100.2	98.8	98.8	96.8	98.0	98.4	.....	97.7
1967.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	.....	100.0
1968.....	102.5	102.5	102.2	102.5	103.7	103.2	98.9	99.8	103.4	113.3	101.1	102.6	103.2	102.8	103.7	.....	102.2
1969.....	106.5	109.1	107.3	106.0	106.0	108.9	100.9	99.9	105.3	125.3	104.0	108.5	106.5	104.9	107.7	100.8	105.2
1970.....	110.4	111.0	112.0	110.0	107.2	110.1	105.9	102.2	108.6	113.7	108.2	116.7	111.4	107.5	113.3	104.5	109.9
1971.....	113.9	112.9	114.3	114.0	108.6	114.0	114.2	104.2	109.2	127.0	110.1	119.0	115.5	109.9	122.4	110.3	112.8
1972.....	119.1	125.0	120.8	117.9	113.6	131.3	118.6	104.2	109.3	144.3	113.4	123.5	117.9	111.4	126.1	113.8	114.6
1973.....	134.7	176.3	148.1	125.9	123.8	143.1	134.3	110.0	112.4	177.2	122.1	132.8	121.7	115.2	130.2	115.1	119.7
1974.....	160.1	187.7	170.9	153.8	139.1	145.1	208.3	146.8	136.2	183.6	151.7	171.9	139.4	127.9	153.2	125.5	133.1
1974—July.....	161.7	180.8	167.6	157.8	142.1	146.6	221.7	148.4	139.5	188.6	153.3	180.3	140.3	128.2	156.4	125.1	135.2
Aug.....	167.4	189.2	179.7	161.6	142.3	146.2	226.0	158.5	143.4	183.7	162.9	185.6	144.3	129.8	157.6	126.7	135.4
Sept.....	167.2	182.7	176.8	162.9	142.1	148.1	225.0	161.7	145.6	180.4	164.2	187.1	146.8	132.8	159.8	127.7	136.3
Oct.....	170.2	187.5	183.5	164.8	140.5	145.2	228.5	168.5	147.5	169.4	166.0	186.9	150.0	135.5	162.2	134.2	137.1
Nov.....	171.9	187.8	189.7	165.8	139.8	144.5	227.4	172.9	148.5	165.8	166.9	186.7	152.7	136.9	163.4	135.1	140.7
Dec.....	171.5	183.7	188.2	166.1	138.4	143.2	229.0	174.0	149.4	165.4	167.2	184.6	154.0	137.7	164.3	137.0	142.4
1975—Jan.....	171.8	179.7	186.4	167.5	137.5	142.1	232.2	176.0	149.6	164.7	169.8	185.5	156.6	138.8	168.5	137.1	145.5
Feb.....	171.3	174.6	182.6	168.4	136.5	141.7	232.3	178.1	150.0	169.3	169.8	186.3	157.7	139.1	170.3	138.2	146.4
Mar.....	170.4	171.1	177.3	168.9	134.3	143.2	233.0	181.8	149.7	169.6	170.0	186.1	158.8	138.5	170.8	139.5	146.8
Apr.....	172.1	177.7	179.4	169.7	134.4	147.5	236.5	182.4	149.4	174.9	169.7	185.7	159.7	138.5	173.0	139.9	147.3
May.....	173.2	184.5	179.0	170.3	135.2	147.7	238.8	182.1	148.9	183.0	169.8	185.1	160.4	138.6	173.1	139.9	147.5
June.....	173.7	186.2	179.7	170.7	135.9	148.7	243.0	181.2	148.6	181.0	169.8	184.5	161.0	139.0	173.3	140.1	147.5
July.....	175.7	193.7	184.6	171.2	136.8	149.3	246.6	181.4	150.1	179.6	170.0	183.4	161.7	139.2	174.7	140.1	147.7

¹ Dec. 1968=100.

GROSS NATIONAL PRODUCT

(In billions of dollars)

Item	1929	1933	1941	1950	1970	1971	1972	1973	1974	1974			1975	
										II	III	IV	I	II
Gross national product.....	103.1	55.6	124.5	284.8	977.1	1,054.9	1,158.0	1,294.9	1,397.4	1,383.8	1,416.3	1,430.9	1,416.6	1,433.4
Final purchases.....	101.4	57.2	120.1	278.0	972.6	1,048.6	1,149.6	1,279.6	1,383.2	1,370.3	1,407.6	1,413.1	1,435.8	1,467.1
Personal consumption expenditures.....	77.2	45.8	80.6	191.0	617.6	667.1	729.0	805.2	876.7	869.1	901.3	895.8	913.2	938.1
Durable goods.....	9.2	3.5	9.6	30.5	91.3	103.9	118.4	130.3	127.5	129.5	136.1	120.7	124.9	130.0
Nondurable goods.....	37.7	22.3	42.9	98.1	263.8	278.4	299.7	338.0	380.2	375.8	389.0	391.7	398.8	408.5
Services.....	30.3	20.1	28.1	62.4	262.6	284.8	310.9	336.9	369.0	363.8	376.2	383.5	389.5	399.6
Gross private domestic investment.....	16.2	1.4	17.9	54.1	136.3	153.7	179.3	209.4	209.4	211.8	205.8	209.4	163.1	147.3
Fixed investment.....	14.5	3.0	13.4	47.3	131.7	147.4	170.8	194.0	195.2	198.3	197.1	191.6	182.2	181.0
Nonresidential.....	10.6	2.4	9.5	27.9	100.6	104.6	116.8	136.8	149.2	149.4	150.9	151.2	146.9	144.6
Structures.....	5.0	.9	2.9	9.2	36.1	37.9	41.1	47.0	52.0	52.2	51.0	53.7	52.8	50.2
Producers' durable equipment.....	5.6	1.5	6.6	18.7	64.4	66.6	75.7	89.8	97.1	97.2	99.9	97.5	94.2	94.4
Residential structures.....	4.0	.6	3.9	19.4	31.2	42.8	54.0	57.2	46.0	48.8	46.2	40.4	35.3	36.4
Nonfarm.....	3.8	.5	3.7	18.6	30.7	42.3	53.4	56.7	45.2	48.0	45.4	39.7	34.8	35.7
Change in business inventories.....	1.7	-1.6	4.5	6.8	4.5	6.3	8.5	15.4	14.2	13.5	8.7	17.8	-19.2	-33.7
Nonfarm.....	1.8	-1.4	4.0	6.0	4.3	4.9	7.8	11.4	11.9	10.4	6.6	17.5	-17.8	-33.4
Net exports of goods and services.....	1.1	.4	1.3	1.8	3.6	-.2	-6.0	3.9	2.1	-1.5	-3.1	1.9	8.8	9.2
Exports.....	7.0	2.4	5.9	13.8	62.9	65.4	72.4	100.4	140.2	138.5	143.6	147.5	142.2	130.9
Imports.....	5.9	2.0	4.6	12.0	59.3	65.6	78.4	96.4	138.1	140.0	146.7	145.7	133.4	121.7
Government purchases of goods and services..	8.5	8.0	24.8	37.9	219.5	234.2	255.7	276.4	309.2	304.4	312.3	323.8	331.6	338.8
Federal.....	1.3	2.0	16.9	18.4	96.2	97.6	104.9	106.6	116.9	114.3	117.2	124.5	126.5	128.6
National defense.....			13.8	14.1	74.6	71.2	74.8	74.4	78.7	76.6	78.4	84.0	87.7	85.4
Other.....			3.1	4.3	21.6	26.5	30.1	32.2	38.2	37.7	38.8	40.6	41.8	43.2
State and local.....	7.2	6.0	7.9	19.5	123.3	136.6	150.8	169.8	192.3	190.1	195.1	199.3	205.1	210.2
Gross national product in constant (1958) dollars.....	203.6	141.5	263.7	355.3	722.5	746.3	792.5	839.2	821.2	827.1	823.1	804.0	780.0	779.4

NOTE.—Dept. of Commerce estimates. Quarterly data are seasonally adjusted totals at annual rates. For back data and explanation of series, see the *Survey of Current Business* (generally the July issue) and the Aug. 1966 Supplement to the *Survey*.

NATIONAL INCOME

(In billions of dollars)

Item	1929	1933	1941	1950	1970	1971	1972	1973	1974	1974			1975	
										II	III	IV	I	II ^p
National income.....	86.8	40.3	104.2	241.1	800.5	857.7	946.5	1,065.6	1,142.5	1,130.2	1,155.5	1,165.4	1,150.7	.....
Compensation of employees.....	51.1	29.5	64.8	154.6	603.9	643.1	707.1	786.0	855.8	848.3	868.2	877.7	875.6	885.5
Wages and salaries.....	50.4	29.0	62.1	146.8	542.0	573.6	626.8	691.6	750.7	744.6	761.5	769.2	765.1	773.1
Private.....	45.5	23.9	51.9	124.4	426.9	449.5	491.4	545.1	592.4	588.3	602.5	605.1	597.4	602.0
Military.....	.3	.3	1.9	5.0	19.6	19.4	20.5	20.6	21.2	20.9	20.8	22.0	22.0	21.9
Government civilian.....	4.6	4.9	8.3	17.4	95.5	104.7	114.8	126.0	137.1	135.4	138.2	142.1	145.7	149.2
Supplements to wages and salaries.....	.7	.5	2.7	7.8	61.9	69.5	80.3	94.4	105.1	103.7	106.7	108.6	110.5	112.4
Employer contributions for social insurance.....	.1	.1	2.0	4.0	29.7	33.1	38.6	48.4	53.6	53.2	54.5	54.6	55.2	55.7
Other labor income.....	.6	.4	.7	3.8	32.2	36.4	41.7	46.0	51.4	50.5	52.3	54.0	55.3	56.7
Proprietors' income.....	15.1	5.9	17.5	37.5	66.9	69.2	75.9	96.1	93.0	89.9	92.1	91.6	84.9	86.0
Business and professional.....	9.0	3.3	11.1	24.0	50.0	52.0	54.9	57.6	61.2	60.7	62.3	62.5	62.7	63.3
Farm.....	6.2	2.6	6.4	13.5	16.9	17.2	21.0	38.5	31.8	29.1	29.8	29.1	22.2	22.7
Rental income of persons.....	5.4	2.0	3.5	9.4	23.9	25.2	25.9	26.1	26.5	26.3	26.6	26.8	27.0	27.1
Corporate profits and inventory valuation adjustment.....	10.5	-1.2	15.2	37.7	69.2	78.7	92.2	105.1	105.6	105.6	105.8	103.4	94.3	.....
Profits before tax.....	10.0	1.0	17.7	42.6	74.0	83.6	99.2	122.7	140.7	139.0	157.0	131.5	101.2	.....
Profits tax liability.....	1.4	.5	7.6	17.8	34.8	37.5	41.5	49.8	55.7	55.9	62.7	52.0	39.0	.....
Profits after tax.....	8.6	.4	10.1	24.9	39.3	46.1	57.7	72.9	85.0	83.1	94.3	79.5	62.3	.....
Dividends.....	5.8	2.0	4.4	8.8	24.7	25.0	27.3	29.6	32.7	32.5	33.2	33.3	33.8	33.9
Undistributed profits.....	2.8	-1.6	5.7	16.0	14.6	21.1	30.3	43.3	52.4	50.5	61.1	46.2	28.5	.....
Inventory valuation adjustment.....	.5	-2.1	-2.5	-5.0	-4.8	-4.9	-7.0	-17.6	-35.1	-33.4	-51.2	-28.1	-7.0	-7.9
Net interest.....	4.7	4.1	3.2	2.0	36.5	41.6	45.6	52.3	61.6	60.1	62.8	65.9	68.9	71.9

NOTE.—Dept. of Commerce estimates. Quarterly data are seasonally adjusted totals at annual rates. See also NOTE to table above.

RELATION OF GROSS NATIONAL PRODUCT, NATIONAL INCOME, AND PERSONAL INCOME AND SAVING

(In billions of dollars)

Item	1929	1933	1941	1950	1970	1971	1972	1973	1974	1974			1975	
										II	III	IV	I	II ^p
Gross national product.....	103.1	55.6	124.5	284.8	977.1	1,054.9	1,158.0	1,294.9	1,397.4	1,383.8	1,416.3	1,430.9	1,416.6	1,433.4
Less: Capital consumption allowances.....	7.9	7.0	8.2	18.3	87.3	93.7	102.9	110.8	119.5	118.6	120.7	122.9	125.2	127.4
Indirect business tax and nontax liability.....	7.0	7.1	11.3	23.3	93.5	102.7	110.0	119.2	126.9	125.9	129.5	129.8	132.2	135.2
Business transfer payments.....	.6	.7	.5	.8	4.0	4.3	4.6	4.9	5.2	5.2	5.3	5.3	5.4	5.5
Statistical discrepancy.....	.7	.6	.4	1.5	-6.4	-2.3	-3.8	-5.0	.4	.3	3.0	4.8	1.6	.....
Plus: Subsidies less current surplus of government enterprises.....	-.1	.....	.1	.2	1.7	1.1	2.3	.6	-2.9	-3.7	-2.4	-2.7	-1.6	-1.9
Equals: National income.....	86.8	40.3	104.2	241.1	800.5	857.7	946.5	1,065.6	1,142.5	1,130.2	1,155.5	1,165.4	1,150.7	.....
Less: Corporate profits and inventory valuation adjustment.....	10.5	-1.2	15.2	37.7	69.2	78.7	92.2	105.1	105.6	105.6	105.8	103.4	94.3	.....
Contributions for social insurance.....	.2	.3	2.8	6.9	57.7	63.8	73.0	91.2	101.5	100.8	103.0	103.2	104.6	105.4
Excess of wage accruals over disbursements.....	.....	.....	.....	.....	.0	.6	.0	-.1	-.5	-.6	-1.5	.0	.0	.0
Plus: Government transfer payments.....	.9	1.5	2.6	14.3	75.1	89.0	98.6	113.0	134.6	130.6	138.7	145.8	158.7	171.2
Net interest paid by government and consumers.....	2.5	1.6	2.2	7.2	31.0	31.2	33.0	38.3	42.3	41.9	42.7	43.6	43.7	45.0
Dividends.....	5.8	2.0	4.4	8.8	24.7	25.0	27.3	29.6	32.7	32.5	33.2	33.3	33.8	33.9
Business transfer payments.....	.6	.7	.5	.8	4.0	4.3	4.6	4.9	5.2	5.2	5.3	5.3	5.4	5.5
Equals: Personal income.....	85.9	47.0	96.0	227.6	808.3	864.0	944.9	1,055.0	1,150.5	1,134.6	1,168.2	1,186.9	1,193.4	1,220.8
Less: Personal tax and nontax payments....	2.6	1.5	3.3	20.7	116.6	117.6	142.4	151.3	170.8	168.2	175.1	178.1	178.0	142.0
Equals: Disposable personal income.....	83.3	45.5	92.7	206.9	691.7	746.4	802.5	903.7	979.7	966.5	993.1	1,008.8	1,015.5	1,078.8
Less: Personal outlays.....	79.1	46.5	81.7	193.9	635.5	685.9	749.9	829.4	902.7	894.9	927.6	922.3	939.5	964.1
Personal consumption expenditures.....	77.2	45.8	80.6	191.0	617.6	667.1	729.0	805.2	876.7	869.1	901.3	895.8	913.2	938.1
Consumer interest payments.....	1.5	.5	.9	2.4	16.8	17.7	19.8	22.9	25.0	24.8	25.3	25.5	25.4	25.1
Personal transfer payments to foreigners.....	.3	.2	.2	.5	1.0	1.1	1.1	1.3	1.0	1.0	.9	.9	.9	.9
Equals: Personal saving.....	4.2	-.9	11.0	13.1	56.2	60.5	52.6	74.4	77.0	71.5	65.5	86.5	75.9	114.6
Disposable personal income in constant (1958) dollars.....	150.6	112.2	190.3	249.6	534.8	555.4	580.5	619.6	602.8	603.5	602.9	594.8	591.0	620.5

NOTE.—Dept. of Commerce estimates. Quarterly data are seasonally adjusted totals at annual rates. See also NOTE to table at top of opposite page.

PERSONAL INCOME

(In billions of dollars)

Item	1973	1974	1974							1975					
			June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June ^p
Total personal income.....	1,055.0	1,150.5	1,143.5	1,159.5	1,167.2	1,178.0	1,185.0	1,184.5	1,191.0	1,191.1	1,193.4	1,195.7	1,203.1	1,214.3	1,244.9
Wage and salary disbursements.....	691.7	751.2	753.2	759.7	761.6	767.7	773.0	767.8	766.6	765.7	763.6	766.0	768.0	772.9	778.3
Commodity-producing industries.....	251.9	270.9	272.6	273.3	276.5	278.3	279.5	272.3	269.3	266.4	260.7	260.5	261.2	262.2	264.4
Manufacturing only.....	196.6	211.3	212.5	214.0	215.5	217.8	219.4	214.2	209.7	206.4	202.9	203.1	203.8	204.5	206.3
Distributive industries.....	165.1	178.9	179.1	180.8	180.7	183.1	183.8	183.9	183.8	183.2	184.0	183.8	184.3	186.1	187.2
Service industries.....	128.2	142.6	142.6	143.5	144.9	146.4	146.9	147.4	148.3	149.8	151.2	152.6	152.4	153.5	154.8
Government.....	146.6	158.8	158.9	162.1	159.5	159.9	162.8	164.2	165.2	166.2	167.6	169.2	170.3	171.1	171.9
Other labor income.....	46.0	51.4	51.1	51.7	52.3	52.9	53.5	54.0	54.5	54.9	55.3	55.7	56.2	56.7	57.2
Proprietors' income.....	96.1	93.0	86.9	90.0	93.1	93.2	91.7	91.6	91.5	88.7	85.0	80.9	83.6	86.4	88.1
Business and professional.....	57.6	61.2	61.2	61.9	62.5	62.5	62.5	62.5	62.5	62.7	62.8	62.5	63.0	63.4	63.6
Farm.....	38.5	31.8	25.7	28.1	30.6	30.7	29.2	29.1	29.0	26.0	22.2	18.4	20.6	23.0	24.5
Rental income.....	26.1	26.5	26.7	26.6	26.6	26.6	26.7	26.8	26.9	27.0	27.0	27.0	27.1	27.1	27.2
Dividends.....	29.6	32.7	33.0	33.1	33.2	33.4	33.5	33.6	32.7	33.9	33.8	33.7	33.9	34.0	33.8
Personal interest income.....	90.6	103.8	103.5	104.4	105.3	106.9	108.0	109.5	111.1	111.9	112.5	113.3	114.8	116.9	119.0
Transfer payments.....	117.8	139.8	137.0	142.5	143.6	146.0	147.6	149.8	156.1	158.6	165.5	168.3	168.9	169.9	191.3
Less: Personal contributions for social insurance.....	42.8	47.9	47.9	48.5	48.4	48.6	48.9	48.5	48.4	49.5	49.2	49.3	49.4	49.7	50.0
Nonagricultural income.....	1,008.0	1,109.0	1,106.8	1,121.7	1,126.8	1,137.4	1,145.7	1,145.2	1,151.4	1,154.3	1,160.1	1,166.2	1,171.1	1,179.7	1,208.7
Agricultural income.....	47.0	41.5	36.8	37.1	40.4	40.6	39.3	39.3	39.5	36.8	33.3	29.6	32.1	34.6	36.2

NOTE.—Dept. of Commerce estimates. Monthly data are seasonally adjusted totals at annual rates. See also NOTE to table at top of opposite page.

SUMMARY OF FUNDS RAISED IN U.S. CREDIT MARKETS
 (Seasonally adjusted annual rates; in billions of dollars)

Transaction category, or sector		1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1974		
												H1	H2	
Credit market funds raised by nonfinancial sectors														
1	Total funds raised by nonfinancial sectors.....	69.9	67.9	82.4	96.0	91.8	98.2	147.4	169.4	187.4	179.6	187.3	172.0	1
2	Excluding equities.....	69.6	66.9	80.0	96.0	87.9	92.4	135.9	158.9	180.1	175.8	181.9	169.7	2
3	U.S. Government.....	1.8	3.6	13.0	13.4	-3.7	12.8	25.5	17.3	9.7	12.0	5.1	18.9	3
4	Public debt securities.....	1.3	2.3	8.9	10.4	-1.3	12.9	26.0	13.9	7.7	12.0	3.9	20.2	4
5	Agency issues and mortgages.....	.5	1.3	4.1	3.1	-2.4	-1	-5	3.4	2.0	*	1.2	-1.3	5
6	All other nonfinancial sectors.....	68.1	64.3	69.4	82.6	95.5	85.4	121.9	152.1	177.6	167.6	182.2	153.1	6
7	Corporate equities.....	.3	1.0	2.4	*	3.9	5.8	11.5	10.5	7.2	3.9	5.4	2.3	7
8	Debt instruments.....	67.9	63.3	67.0	82.6	91.6	79.7	110.4	141.6	170.4	163.8	176.8	150.8	8
Private domestic nonfinancial sectors.....														
9	Nonfinancial sectors.....	65.4	62.7	65.4	79.7	91.8	82.7	117.3	147.8	170.1	152.2	162.3	142.2	9
10	Corporate equities.....	*	1.3	2.4	-2	3.4	5.7	11.4	10.9	7.4	4.1	5.6	2.6	10
11	Debt instruments.....	65.4	61.5	63.0	79.9	88.4	77.0	105.8	136.9	162.7	148.1	156.7	139.6	11
12	Debt capital instruments.....	38.4	38.2	44.5	49.5	49.6	56.7	83.2	93.8	96.1	92.9	99.6	86.1	12
13	State and local obligations.....	7.3	5.6	7.8	9.5	9.9	11.2	17.6	14.4	13.7	17.4	18.3	16.5	13
14	Corporate bonds.....	5.4	10.2	14.7	12.9	12.0	19.8	18.8	12.2	9.2	19.7	18.1	21.3	14
15	Home mortgages.....	15.4	11.7	11.5	15.1	15.7	12.8	26.1	39.6	43.3	31.6	35.8	27.4	15
16	Multifamily residential mortgages.....	3.6	3.1	3.6	3.4	4.7	5.8	8.8	10.3	8.4	7.8	7.3	8.3	16
17	Commercial mortgages.....	4.4	5.7	4.7	6.4	5.3	5.3	10.0	14.8	17.0	11.5	15.7	7.3	17
18	Farm mortgages.....	2.2	1.8	2.3	2.2	1.9	1.8	2.0	2.6	4.4	4.9	4.5	5.4	18
19	Other debt instruments.....	27.1	23.3	18.5	30.4	38.8	20.3	22.6	43.0	66.6	55.2	57.1	53.5	19
20	Consumer credit.....	9.6	6.4	4.5	10.0	10.4	6.0	11.2	19.2	22.9	9.6	12.7	6.6	20
21	Bank loans n.e.c.....	13.6	10.9	9.8	13.6	15.5	6.7	7.8	18.9	35.8	27.1	32.6	21.6	21
22	Open-market paper.....	-3	1.1	1.7	1.8	3.0	3.0	-1.2	-5	-4	6.4	5.2	7.7	22
23	Other.....	4.1	5.0	2.6	5.0	9.9	4.6	4.8	5.5	8.3	12.1	6.6	17.6	23
By borrowing sector.....														
24	State and local governments.....	7.7	6.3	7.9	9.8	10.7	11.3	17.8	14.2	12.3	16.6	16.4	16.7	25
25	Households.....	28.3	22.7	19.3	30.0	31.7	23.4	39.8	63.1	72.8	43.5	47.4	39.5	26
26	Farm.....	3.3	3.1	3.6	2.8	3.2	3.2	4.1	4.9	8.6	7.8	7.7	7.9	27
27	Nonfarm noncorporate.....	5.7	5.4	5.0	5.6	7.4	5.3	8.7	10.4	9.3	7.3	7.2	7.4	28
28	Corporate.....	20.4	25.3	29.6	31.6	38.9	39.5	46.8	55.3	67.1	77.1	83.6	70.7	29
Foreign.....														
30	Foreign.....	2.7	1.5	4.0	2.8	3.7	2.7	4.6	4.3	7.5	15.4	19.9	10.9	30
31	Corporate equities.....	.3	-3	.1	-2	.5	-1	*	-2	-2	-2	-2	-3	31
32	Debt instruments.....	2.4	1.8	4.0	2.7	3.2	2.7	4.6	4.7	7.7	15.7	20.7	11.2	32
33	Bonds.....	.5	.7	1.2	1.1	1.0	.9	1.0	1.0	2.2	2.1	2.3	3.3	33
34	Bank loans n.e.c.....	.5	-2	-3	-5	-2	-3	1.6	2.9	2.8	4.8	9.6	-1.3	34
35	Open-market paper.....	-1	-1	.5	-2	.3	.8	1.3	-1.0	2.2	7.0	1.5	1.8	35
36	U.S. Government loans.....	1.5	1.3	2.6	2.2	2.1	1.3	1.8	1.8	1.7	1.7	1.5	1.8	36
37	Memo: U.S. Govt. cash balance.....	-1.0	-4	1.2	-1.1	.4	2.8	3.2	-3	-1.7	-4.6	-2.0	-7.1	37
38	Total funds raised.....	70.9	68.3	81.3	97.1	91.4	95.5	144.2	169.7	189.0	184.2	189.3	179.1	38
39	By U.S. Government.....	2.8	4.0	11.8	14.6	-4.1	10.0	22.3	17.6	11.4	16.6	7.1	26.0	39
Credit market funds raised by financial sectors														
1	Total funds raised by financial sectors.....	13.3	11.7	2.0	18.3	33.7	12.6	16.5	28.9	52.0	38.2	40.8	35.5	1
2	Sponsored credit agencies.....	2.1	4.8	-6	3.5	8.8	8.2	3.8	6.2	19.6	22.1	16.8	27.4	2
3	U.S. Government securities.....	1.9	5.1	-6	3.2	9.1	8.2	3.8	6.2	19.6	21.4	16.8	26.0	3
4	Loans from U.S. Government.....	.2	-2	-1	.2	-3	..	..	..	..	..	..	1.4	4
5	Private financial sectors.....	11.2	6.9	2.6	14.9	24.9	4.3	12.7	22.8	32.4	16.1	24.1	8.1	5
6	Corporate equities.....	3.2	3.7	3.0	6.4	6.1	4.6	3.3	2.4	.8	2.0	.5	3.6	6
7	Debt instruments.....	7.9	3.2	-4	8.5	18.8	-3	9.3	20.3	31.6	14.1	23.6	4.6	7
8	Corporate bonds.....	2.7	.9	1.3	1.1	1.5	3.1	5.1	7.0	2.3	1.4	2.0	.8	8
9	Mortgages.....	*	-9	1.0	.4	.2	.7	2.1	1.7	-1.2	-1.3	.1	-2.8	9
10	Bank loans n.e.c.....	2.3	-1.0	-2.0	2.5	2.3	-5	3.0	6.8	13.5	7.2	8.9	5.6	10
11	Open-market paper and RP's.....	2.3	3.3	1.9	3.6	10.7	-5.0	1.8	4.9	9.8	1	5.8	-5.5	11
12	Loans from FHLB's.....	.7	.9	-2.5	.9	4.0	1.3	-2.7	*	7.2	6.7	6.8	6.5	12
13	Total funds raised, by sector.....	13.3	11.7	2.0	18.3	33.7	12.6	16.5	28.9	52.0	38.2	40.8	35.5	13
14	Sponsored credit agencies.....	2.1	4.8	-6	3.5	8.8	8.2	3.8	6.2	19.6	22.1	16.8	27.4	14
15	Private financial sectors.....	11.2	6.9	2.6	14.9	24.9	4.3	12.7	22.8	32.4	16.1	24.1	8.1	15
16	Commercial banks.....	1.8	-1	.1	1.2	1.4	-3.1	2.5	4.0	4.5	-1.9	2.6	-6.4	16
17	Bank affiliates.....	..	..	..	..	4.2	-1.9	-4	.7	2.2	2.4	4.1	.7	17
18	Foreign banking agencies.....	*	.1	*	.1	.2	.1	1.6	.8	5.1	2.9	2.7	3.1	18
19	Savings and loan associations.....	.8	.1	-1.7	1.1	4.1	1.8	-1	2.0	6.0	6.3	8.6	4.0	19
20	Other insurance companies.....	.1	.1	.1	.2	.5	.4	.6	.5	.5	.4	.4	.3	20
21	Finance companies.....	5.2	3.1	1.2	5.7	8.3	1.6	4.2	9.3	9.4	3.9	3.6	4.1	21
22	REITS.....	..	..	..	.7	1.3	2.7	3.0	6.1	6.3	1.2	2.8	-5	22
23	Open-end investment companies.....	3.2	3.7	3.0	5.8	4.8	2.6	1.1	-7	-1.6	1.0	-8	2.8	23
Total credit market funds raised, all sectors, by type														
1	Total funds raised.....	83.2	79.6	84.4	114.3	125.5	110.8	163.9	198.3	239.4	217.8	228.1	207.5	1
2	Investment company shares.....	3.2	3.7	3.0	5.8	4.8	2.6	1.1	..	-1.6	1.0	-8	2.8	2
3	Other corporate equities.....	.3	1.1	2.5	.6	5.2	7.7	13.6	13.6	9.6	4.9	6.7	3.1	3
4	Debt instruments.....	79.7	74.9	79.0	107.9	115.5	100.4	149.1	185.4	231.3	211.9	222.2	201.7	4
5	U.S. Government securities.....	3.7	8.8	12.5	16.7	5.5	21.1	29.4	23.6	29.4	33.5	21.9	45.1	5
6	State and local obligations.....	7.3	5.6	7.8	9.5	9.9	11.2	17.6	14.4	13.7	17.4	18.3	16.5	6
7	Corporate and foreign bonds.....	8.6	11.8	17.2	15.0	14.5	23.8	24.8	20.2	12.5	23.3	22.2	24.4	7
8	Mortgages.....	25.6	21.3	23.0	27.4	27.8	26.4	48.9	68.8	71.9	54.4	63.4	45.4	8
9	Consumer credit.....	9.6	6.4	4.5	10.0	10.4	6.0	11.2	19.2	22.9	9.6	12.7	6.6	9
10	Bank loans n.e.c.....	16.4	9.7	7.5	15.7	17.6	5.8	12.4	28.5	52.1	39.1	51.1	27.0	10
11	Open-market paper and RP's.....	1.9	4.4	4.0	5.2	14.1	-1.2	.9	3.3	11.6	13.6	17.8	9.4	11
12	Other loans.....	6.5	6.9	2.5	8.3	15.8	7.3	4.0	7.4	17.2	21.1	14.9	27.3	12

NOTE—Full statements for sectors and transaction types quarterly, and annually for flows and for amounts outstanding, may be obtained from

http://fraser.stlouisfed.org/
Federal Reserve Bank of St. Louis

Flow of Funds Section, Division of Research and Statistics, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

DIRECT AND INDIRECT SOURCES OF FUNDS TO CREDIT MARKETS

(Seasonally adjusted annual rates; in billions of dollars)

Transaction category, or sector	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1974		
											H1	H2	
1 Total funds advanced in credit markets to nonfinancial sectors.....	69.6	66.9	80.0	95.9	88.0	92.5	135.9	158.9	180.1	175.8	181.9	169.7	1
2 By public agencies and foreign													
3 Total net advances.....	8.9	11.9	11.3	12.2	15.7	28.1	41.7	18.3	33.2	49.3	39.6	59.0	2
4 U.S. Government securities.....	3.7	3.4	6.8	3.4	.7	15.9	33.8	8.4	11.0	8.6	6.9	10.4	3
5 Residential mortgages.....	.4	2.8	2.1	2.8	4.6	5.7	5.7	5.2	7.6	13.8	11.7	15.9	4
6 FHLB advances to S&L's.....	.7	.9	-2.5	.9	4.0	1.3	-2.7	*	7.2	6.7	6.8	6.5	5
7 Other loans and securities.....	4.1	4.8	4.9	5.1	6.3	5.2	4.9	4.6	7.5	20.2	14.2	26.2	6
8 By agency—													
9 U.S. Government.....	2.8	4.9	4.6	4.9	2.9	2.8	3.2	2.6	3.0	7.5	2.4	12.5	7
10 Sponsored credit agencies.....	2.2	5.1	-1	3.2	8.9	10.0	3.2	7.0	20.3	24.1	20.5	27.6	8
11 Monetary authorities.....	3.8	3.5	4.8	3.7	4.2	5.0	8.9	.3	9.2	6.2	6.1	6.2	9
12 Foreign.....	.1	-1.6	2.0	.3	-3	10.3	26.4	8.4	.7	11.6	10.6	12.7	10
13 Agency borrowing not included in line 1.....	2.1	4.8	-6	3.5	8.8	8.2	3.8	6.2	19.6	22.1	16.8	27.4	11
14 Private domestic funds advanced													
15 Total net advances.....	62.8	59.8	68.1	87.2	81.1	72.6	98.1	146.7	166.5	148.6	159.1	138.1	12
16 U.S. Government securities.....	*	5.4	5.7	13.3	4.8	5.2	-4.4	15.2	18.4	24.8	15.0	34.7	13
17 State and local obligations.....	7.3	5.6	7.8	9.5	9.9	11.2	17.6	14.4	13.7	17.4	18.3	16.5	14
18 Corporate and foreign bonds.....	6.0	10.3	16.0	13.8	12.5	20.0	19.5	13.2	10.1	20.5	19.2	21.8	15
19 Residential mortgages.....	18.6	12.0	13.0	15.5	15.7	12.8	29.1	44.6	44.1	25.5	31.4	19.6	16
20 Other mortgages and loans.....	31.6	27.4	23.1	35.9	42.2	24.6	33.7	59.5	87.4	67.0	82.1	52.0	17
21 Less: FHLB advances.....	.7	.9	-2.5	.9	4.0	1.3	-2.7	*	7.2	6.7	6.8	6.5	18
22 Private financial intermediation													
23 Credit market funds advanced by private financial institutions.....	62.9	45.4	63.5	75.3	55.3	74.9	110.7	153.4	158.8	132.1	155.6	108.6	19
24 Commercial banking.....	28.7	17.5	35.9	38.7	18.2	35.1	50.6	70.5	86.6	64.4	87.5	41.3	20
25 Savings institutions.....	14.3	7.9	15.0	15.6	14.5	16.9	41.4	49.3	35.1	27.5	35.1	19.8	21
26 Insurance and pension funds.....	13.6	15.5	12.9	14.0	12.7	17.3	13.3	17.7	22.1	34.3	29.1	39.4	22
27 Other finance.....	6.2	4.5	-3	7.0	9.9	5.7	5.3	15.8	15.0	6.0	3.8	8.2	23
28 Sources of funds.....	62.9	45.4	63.5	75.3	55.3	74.9	110.7	153.4	158.8	132.1	155.6	108.6	24
29 Private domestic deposits.....	38.4	22.5	50.0	45.9	2.6	63.2	90.3	97.5	84.9	72.0	93.5	50.5	25
30 Credit market borrowing.....	7.9	3.2	-4	8.5	18.8	-3	9.3	20.3	31.6	14.1	23.6	4.6	26
31 Other sources.....	16.6	19.8	13.9	21.0	34.0	12.0	11.0	35.5	42.4	46.0	38.5	53.5	27
32 Foreign funds.....	.8	3.7	2.3	2.6	9.3	-8.5	-3.2	5.2	6.5	13.6	11.6	15.5	28
33 Treasury balances.....	-1.0	-5	.2	-2	*	2.9	2.2	.7	-1.0	-5.1	-2.1	-8.1	29
34 Insurance and pension reserves.....	11.4	13.6	12.0	11.4	10.8	13.1	9.1	13.1	16.7	28.0	23.0	33.0	30
35 Other, net.....	5.4	3.0	-6	7.2	13.8	4.4	2.9	16.5	20.2	9.5	6.0	13.0	31
36 Private domestic nonfinancial investors													
37 Direct lending in credit markets.....	7.9	17.6	4.2	20.4	44.5	-2.6	-3.2	13.7	39.3	30.5	27.1	34.0	32
38 U.S. Government securities.....	2.9	8.4	-1.4	8.1	17.0	-9.0	-14.0	1.6	18.8	18.4	13.9	22.8	33
39 State and local obligations.....	2.6	2.6	-2.5	-2	8.7	-1.2	.6	2.1	4.4	10.7	8.3	13.0	34
40 Corporate and foreign bonds.....	1.0	2.0	4.6	4.7	6.6	10.7	9.3	5.2	1.1	-2.3	-1.6	-2.9	35
41 Commercial paper.....	1.5	2.3	1.9	5.8	10.2	-4.4	-6	4.0	11.3	.6	4.3	-3.1	36
42 Other.....	-1	2.3	1.7	2.1	2.0	1.4	1.5	.8	3.8	3.2	2.2	4.3	37
43 Deposits and currency.....	40.5	24.4	52.1	48.3	5.4	66.6	93.7	101.9	88.8	78.3	102.0	54.6	38
44 Time and savings accounts.....	32.7	20.3	39.3	33.9	-2.3	56.1	81.0	85.2	76.3	72.0	88.9	55.1	39
45 Large negotiable CD's.....	3.6	-2	4.3	3.5	-13.7	15.0	7.7	8.7	18.5	23.6	30.0	17.2	40
46 Other at commercial banks.....	16.0	13.3	18.3	17.5	3.4	24.2	32.9	30.6	29.5	26.6	32.3	21.0	41
47 At savings institutions.....	13.2	7.3	16.7	12.9	8.0	16.9	40.4	45.9	28.2	21.8	26.6	16.9	42
48 Money.....	7.8	4.1	12.8	14.5	7.7	10.5	12.7	16.7	12.6	6.3	13.1	-5	43
49 Demand deposits.....	5.6	2.1	10.6	12.1	4.8	7.1	9.3	12.3	8.6	*	4.6	-4.6	44
50 Currency.....	2.1	2.0	2.1	2.4	2.8	3.5	3.4	4.4	3.9	6.3	8.5	4.1	45
51 Total of credit market instr., deposits, and currency.....	48.4	42.0	56.3	68.7	49.9	64.1	90.5	115.7	128.1	108.9	129.1	88.6	46
52 Public support rate (in per cent).....	12.8	17.9	14.1	12.7	17.8	30.4	30.7	11.5	18.4	28.0	21.8	34.8	47
53 Private financial intermediation (in per cent).....	100.1	75.9	93.2	86.4	68.3	103.1	112.8	104.5	95.4	88.9	97.8	78.7	48
54 Total foreign funds.....	.8	2.1	4.3	2.9	9.1	1.8	23.2	13.6	7.2	25.2	22.2	28.2	49
Corporate equities not included above													
1 Total net issues.....	3.5	4.8	5.5	6.4	10.0	10.4	14.8	12.9	8.0	5.9	5.9	5.9	1
2 Mutual fund shares.....	3.2	3.7	3.0	5.8	4.8	2.6	1.1	-7	-1.6	1.0	-8	2.8	2
3 Other equities.....	.3	1.1	2.5	.6	5.2	7.7	13.6	13.6	9.6	4.9	6.7	3.1	3
4 Acquisitions by financial institutions.....	6.1	6.0	9.1	10.8	12.2	11.4	19.3	16.0	13.4	6.4	8.4	4.4	4
5 Other net purchases.....	-2.6	-1.2	-3.6	-4.4	-2.2	-1.0	-4.5	-3.1	-5.4	-5	-2.5	1.5	5

Notes

- Line
 1. Line 2 of p. A-56.
 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. Included below in lines 13 and 33. Includes all GNMA-guaranteed security issues backed by mortgage pools.
 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 + 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.
 39-44. See line 25.
 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.

Corporate equities

Line 1 and 3. Includes issues by financial institutions.

1. U.S. BALANCE OF PAYMENTS SUMMARY

(In millions of dollars. Quarterly figures are seasonally adjusted *unless shown in italics*.)

Line	Credits (+), debits (-)	1972	1973	1974	1974				1975
					I	II	III	IV	
1	Merchandise trade balance ¹	-6,409	955	-5,528	-200	-1,537	-2,341	-1,450	1,841
2	Exports.....	49,388	71,379	98,268	22,451	24,206	25,026	26,585	27,222
3	Imports.....	-55,797	-70,424	-103,796	-22,651	-25,743	-27,367	-28,035	-25,381
4	Military transactions, net.....	-3,621	-2,317	-2,158	-503	-646	-513	-498	-347
5	Travel and transportation, net.....	-3,024	-2,862	-2,692	-513	-717	-721	-741	-507
6	Investment income, net ²	4,321	5,179	10,121	3,245	1,964	2,354	2,559	1,325
7	U.S. direct investments abroad ²	6,416	8,841	17,679	4,500	4,399	4,700	4,080	2,189
8	Other U.S. investments abroad.....	3,746	5,157	8,389	1,629	2,048	2,354	2,358	2,157
9	Foreign investments in the United States ²	-5,841	-8,819	-15,946	-2,884	-4,483	-4,700	-3,879	-3,021
10	Other services, net ²	2,803	3,222	3,830	886	936	960	1,049	1,032
11	Balance on goods and services ³	-5,930	4,177	3,574	2,915	*	-261	919	3,344
	Not seasonally adjusted.....				4,197	-5	-2,897	2,278	4,388
12	Remittances, pensions, and other transfers.....	-1,606	-1,903	-1,721	-370	-457	-457	-439	-458
13	Balance on goods, services, and remittances.....	-7,537	2,274	1,853	2,545	-457	-718	480	2,886
	Not seasonally adjusted.....				3,857	-472	-3,366	1,834	3,959
14	U.S. Government grants (excluding military).....	-2,173	-1,938	-5,461	-2,596	-1,408	-808	-649	-738
15	Balance on current account.....	-9,710	335	-3,608	4-51	-1,865	-1,526	-169	2,148
	Not seasonally adjusted.....				1,248	-1,946	-4,130	1,219	3,211
16	U.S. Government capital flows excluding nonscheduled repayments, net ⁵	-1,706	-2,933	408	41,314	273	-195	-985	-1,038
17	Nonscheduled repayments of U.S. Government assets.....	137	289	1	*	*	*	*	*
18	U.S. Government nonliquid liabilities to other than foreign official reserve agencies.....	234	1,154	710	97	211	278	125	541
19	Long-term private capital flows, net.....	-69	177	-8,437	264	-999	-2,157	-5,544	-2,126
20	U.S. direct investments abroad.....	-3,530	-4,968	-7,268	-745	-1,572	-1,828	-3,123	-937
21	Foreign direct investments in the United States.....	380	2,656	2,224	1,177	1,700	-1	-653	326
22	Foreign securities.....	-618	-759	-1,990	-646	-313	-304	-726	-2,033
23	U.S. securities other than Treasury issues.....	4,507	4,055	672	692	440	204	-663	604
24	Other, reported by U.S. banks.....	-1,158	-706	-1,150	-23	-906	48	-269	-444
27	Other, reported by U.S. nonbanking concerns.....	351	-101	-925	-191	-348	-276	-110	358
26	Balance on current account and long-term capital ⁵	-11,113	-977	-10,927	1,624	-2,380	-3,600	-6,573	-475
	Not seasonally adjusted.....				2,375	-2,519	-6,123	-4,660	50
27	Nonliquid short-term private capital flows, net.....	-1,542	-4,238	-12,949	-3,908	-5,248	-1,462	-2,331	1,702
28	Claims reported by U.S. banks.....	-1,457	-3,886	-12,186	-2,817	-5,319	-1,618	-2,432	1,895
29	Claims reported by U.S. nonbanking concerns.....	-306	-1,183	-2,603	-1,508	-682	-276	-137	-95
30	Liabilities reported by U.S. nonbanking concerns.....	221	831	1,840	417	753	432	238	-98
31	Allocations of Special Drawing Rights (SDR's).....	710							
32	Errors and omissions, net.....	-1,884	-2,436	4,834	1,085	1,416	1,153	1,179	1,844
33	Net liquidity balance.....	-13,829	-7,651	-19,043	-1,199	-6,212	-3,909	-7,725	3,071
	Not seasonally adjusted.....				-244	-6,654	-5,551	-6,594	4,204
34	Liquid private capital flows, net.....	3,475	2,343	10,669	1,751	2,020	4,028	2,870	-6,294
35	Liquid claims.....	-1,247	-1,951	-6,113	-2,620	-1,297	-228	-1,968	-4,752
36	Reported by U.S. banks.....	-742	-1,161	-5,980	-2,343	-1,306	-732	-1,599	-5,059
37	Reported by U.S. nonbanking concerns.....	-505	-790	-133	-277	9	504	369	307
38	Liquid liabilities.....	4,722	4,294	16,782	4,371	3,317	4,256	4,838	-1,542
39	Foreign commercial banks.....	3,717	3,028	12,636	4,300	2,413	3,150	2,773	-2,619
40	International and regional organizations.....	103	377	1,295	-530	298	219	1,308	847
41	Other foreigners.....	902	889	2,851	601	606	887	757	230
42	Official reserve transactions balance, financed by changes in.....	-10,354	-5,308	-8,374	552	-4,192	119	-4,855	-3,223
	Not seasonally adjusted.....				1,406	-4,048	-1,683	-4,049	-2,188
43	Liquid liabilities to foreign official agencies.....	9,734	4,456	8,481	-63	3,924	750	3,872	2,753
44	Other readily marketable liabilities to foreign official agencies ⁶	399	1,118	672	-277	183	135	631	800
45	Nonliquid liabilities to foreign official reserve agencies reported by U.S. Govt.....	189	-475	655	-2	443	-1	215	-4
46	U.S. official reserve assets, net.....	32	209	-1,434	-210	-358	-1,003	137	-326
47	Gold.....	547							
48	SDR's.....	-703	9	-172		-29	-123	-20	-5
49	Convertible currencies.....	35	233	3		-85	-152	241	-14
50	Gold tranche position in IMF.....	153	-33	-1,265	-209	-244	-728	-84	-307
Memoranda:									
51	Transfers under military grant programs (excluded from lines 2, 4, and 14).....	4,492	2,809	1,811	406	564	352	490	783
52	Reinvested earnings of foreign incorporated affiliates of U.S. firms (excluded from lines 7 and 20).....	4,521	8,124						
53	Reinvested earnings of U.S. incorporated affiliates of foreign firms (excluded from lines 9 and 21).....	548	945						
54	Balances excluding allocations of SDR's: Not liquidity, not seasonally adjusted.....	-14,539	-7,651	-19,043	-244	-6,654	-5,551	-6,594	4,204
55	Official reserve transactions, N.S.A.....	-11,064	-5,308	-8,374	1,406	-4,048	-1,683	-4,049	-2,188

For notes see opposite page.

2. MERCHANDISE EXPORTS AND IMPORTS

(Seasonally adjusted; in millions of dollars)

	Exports ¹				Imports ²				Trade balance			
	1972	1973	1974 ^r	1975	1972	1973	1974 ^{3r}	1975	1972	1973	1974 ^{3r}	1975
Month:												
Jan.....	4,074	4,955	7,150	9,412	4,436	5,244	6,498	9,622	-361	-289	+652	-211
Feb.....	3,824	5,070	7,549	8,789	4,473	5,483	7,318	7,872	-649	-413	+231	+917
Mar.....	3,869	5,311	7,625	8,716	4,515	5,414	7,742	7,336	-647	-103	-117	+1,380
Apr.....	3,820	5,494	8,108	8,570	4,417	5,360	8,025	8,013	-596	+133	+83	+557
May.....	3,882	5,561	7,652	8,145	4,486	5,703	8,265	7,093	-604	-142	-612	+1,052
June.....	3,971	5,728	8,317	8,692	4,468	5,775	8,577	6,954	-497	-47	-260	+1,737
July.....	4,074	5,865	8,307	.....	4,565	5,829	8,922	.....	-491	+37	-615	.....
Aug.....	4,191	6,042	8,379	.....	4,726	6,011	9,267	.....	-535	+32	-888	.....
Sept.....	4,176	6,420	8,399	.....	4,612	5,644	8,696	.....	-436	+776	-297	.....
Oct.....	4,312	6,585	8,673	.....	4,738	5,996	8,773	.....	-426	+589	-100	.....
Nov.....	4,468	6,879	8,973	.....	5,148	6,684	8,973	.....	-680	+195	.....	.....
Dec.....	4,553	6,949	8,862	.....	5,002	6,291	9,257	.....	-449	+658	-395	.....
Quarter:												
I.....	11,767	15,336	22,325	26,917	13,424	16,140	21,558	24,830	-1,657	-804	+767	+2,087
II.....	11,673	16,783	24,077	25,406	13,370	16,839	24,867	22,060	-1,697	-56	-790	+3,346
III.....	12,442	18,327	25,085	.....	13,903	17,483	26,885	.....	-1,461	+844	-1,800	.....
IV.....	13,333	20,413	26,508	.....	14,888	18,972	27,003	.....	-1,555	+1,441	-495	.....
Year ⁴	49,199	70,823	97,908	.....	55,583	69,476	100,251	.....	-6,384	+1,347	-2,343	.....

¹ Exports of domestic and foreign merchandise (f.a.s. value basis); excludes Department of Defense shipments under military grant-aid programs.

² General imports, which includes imports for immediate consumption plus entries into bonded warehouses. See also note 3.

³ Beginning with 1974 data, imports are reported on an f.a.s. transactions value basis; prior data are reported on a Customs import value

basis. For calendar year 1974, the f.a.s. import transactions value was \$100.3 billion, about 0.7 per cent less than the corresponding Customs import value of \$101.0 billion.

⁴ Sum of unadjusted figures.

NOTE.—Bureau of the Census data. Details may not add to totals because of rounding.

3. U.S. RESERVE ASSETS

(In millions of dollars)

End of year	Total	Gold stock ¹		Convertible foreign currencies	Reserve position in IMF	SDR's ³	End of month	Total	Gold stock		Convertible foreign currencies ⁴	Reserve position in IMF	SDR's ³
		Total ²	Treasury						Total ²	Treasury			
1961...	18,753	16,947	16,889	116	1,690	.....	1974						
1962...	17,220	16,057	15,978	99	1,064	.....	July....	14,912	11,652	11,567	12	1,021	2,227
1963...	16,843	15,596	15,513	212	1,035	.....	Aug....	15,460	11,652	11,567	224	1,384	2,200
1964...	16,672	15,471	15,388	432	769	.....	Sept....	15,893	11,652	11,567	246	1,713	2,282
							Oct....	15,890	11,652	11,567	193	1,739	2,306
1965...	15,450	13,806	13,733	781	863	.....	Nov....	15,840	11,652	11,567	43	1,816	2,329
1966...	14,882	13,235	13,159	1,321	326	.....	Dec....	15,883	11,652	11,652	5	1,852	2,374
1967...	14,830	12,065	11,982	2,345	420	.....						
1968...	15,710	10,892	10,367	3,528	1,290	.....	1975—						
1969...	16,964	11,859	10,367	5,278	2,324	.....	Jan....	15,948	11,635	11,635	2	1,908	2,403
							Feb....	16,132	11,621	11,621	2	2,065	2,444
1970...	14,487	11,072	10,732	629	1,935	851	Mar....	16,256	11,620	11,620	19	2,194	2,423
1971...	12,167	10,206	10,132	6276	585	1,100	Apr....	16,183	11,620	11,620	2	2,168	2,393
1972...	13,151	10,487	10,410	241	1,958	465	May....	16,280	11,620	11,620	4	2,218	2,438
1973...	14,378	11,652	11,567	8	552	2,166	June....	16,242	11,620	11,620	25	2,179	2,418
1974...	15,883	11,652	11,652	5	1,852	2,374	July....	16,086	11,620	11,620	2	2,135	2,329

¹ Includes (a) gold sold to the United States by the IMF with the right of repurchase, and (b) gold deposited by the IMF to mitigate the impact on the U.S. gold stock of foreign purchases for the purpose of making gold subscriptions to the IMF under quota increases. For corresponding liabilities, see Table 5.

² Includes gold in Exchange Stabilization Fund.

³ Includes allocations by the IMF of Special Drawing Rights 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.

⁴ For holdings of F.R. Banks only, see p. A-9.

⁵ Includes gain of \$67 million resulting from revaluation of the German mark in Oct. 1969, of which \$13 million represents gain on mark holdings at time of revaluation.

⁶ Includes \$28 million increase in dollar value of foreign currencies revalued to reflect market exchange rates as of Dec. 31, 1971.

⁷ Total reserve assets include an increase of \$1,016 million resulting from change in par value of the U.S. dollar on May 8, 1972; of which,

total gold stock is \$828 million (Treasury gold stock \$822 million), reserve position in IMF \$33 million, and SDR's \$155 million.

⁸ Total reserve assets include an increase of \$1,436 million resulting from change in par value of the U.S. dollar on Oct. 18, 1973; of which, total gold stock is \$1,165 million (Treas. gold stock \$1,157 million) reserve position in IMF \$54 million, and SDR's \$217 million.

⁹ 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 are also valued on this basis beginning July 1974. At valuation used prior to July 1974 (SDR 1 = \$1.20635) SDR holdings at end of July amounted to \$2,381 million, reserve position in IMF, \$2,167 million, and total U.S. reserve assets, \$16,170.

NOTE.—See Table 20 for gold held under earmark at F.R. Banks for foreign and international accounts. Gold under earmark is not included in the gold stock of the United States.

NOTES TO TABLE 1 ON OPPOSITE PAGE:

¹ Adjusted to balance of payments basis; excludes exports under U.S. military agency sales contracts, and imports of U.S. military agencies.

² Fees and royalties from U.S. direct investments abroad or from foreign direct investments in the United States are excluded from investment income and included in "Other services."

³ Includes special military shipments to Israel that are excluded from the "net exports of goods and services" in the national income and products (GNP) accounts of the United States.

⁴ Includes under U.S. Government grants \$2 billion equivalent, rep-

resenting the refinancing of economic assistance loans to India; a corresponding reduction of credits is shown in line 16.

⁵ Includes some short-term U.S. Govt. assets.

⁶ Includes changes in long-term liabilities reported by banks in the United States and in investments by foreign official agencies in debt securities of U.S. Federally-sponsored agencies and U.S. corporations.

NOTE.—Data are from U.S. Department of Commerce, Bureau of Economic Analysis. Details may not add to totals because of rounding.

4. GOLD RESERVES OF CENTRAL BANKS AND GOVERNMENTS

(In millions of dollars; valued at \$35 per fine ounce through Apr. 1972, at \$38 from May 1972–Sept. 1973, and at \$42.22 thereafter)

End of period	Estimated total world ¹	Intl. Monetary Fund	United States	Estimated rest of world	Algeria	Argentina	Australia	Austria	Belgium	Canada	China, Rep. of (Taiwan)	Denmark	Egypt
1970.....	41,275	4,339	11,072	25,865	191	140	239	714	1,470	791	82	64	85
1971.....	41,160	4,732	10,206	26,220	192	90	259	729	1,544	792	80	64	85
1972.....	44,890	5,830	10,487	28,575	208	152	281	792	1,638	834	87	69	92
1973.....	49,850	6,478	11,652	31,720	231	169	311	881	1,781	927	97	77	103
1974—June.....	49,835	6,478	11,652	31,705	231	169	312	882	1,781	927	97	77	103
July.....	49,835	6,478	11,652	31,705	231	169	312	882	1,781	927	97	76	103
Aug.....	49,835	6,478	11,652	31,705	231	169	312	882	1,781	927	97	76	103
Sept.....	49,830	6,478	11,652	31,700	231	169	312	882	1,781	927	97	76	103
Oct.....	49,830	6,478	11,652	31,700	231	169	312	882	1,781	927	97	76	103
Nov.....	49,830	6,478	11,652	31,700	231	169	312	882	1,781	927	97	76	103
Dec.....	49,790	6,478	11,652	31,660	231	169	312	882	1,781	927	97	76	103
1975—Jan.....	49,770	6,478	11,635	31,670	231	169	312	882	1,781	927	97	76	103
Feb.....	49,770	6,478	11,621	31,670	231	169	312	882	1,781	927	97	76	103
Mar.....	49,770	6,478	11,620	31,670	231	169	312	882	1,781	927	97	76	103
Apr.....	49,770	6,478	11,620	31,670	231	169	312	882	1,781	927	97	76	103
May.....	49,770	6,478	11,620	31,670	231	169	312	882	1,781	927	97	76	103
June ^p	49,770	6,478	11,620	31,670	231	169	312	882	1,781	927	97	76	103
End of period	France	Germany, Fed. Rep. of	Greece	India	Iran	Iraq	Italy	Japan	Kuwait	Lebanon	Libya	Mexico	Netherlands
1970.....	3,532	3,980	117	243	131	144	2,887	532	86	288	85	176	1,787
1971.....	3,523	4,077	98	243	131	144	2,884	679	87	322	85	184	1,909
1972.....	3,826	4,459	133	264	142	156	3,130	801	94	350	93	188	2,059
1973.....	4,261	4,966	148	293	159	173	3,483	891	120	388	103	196	2,294
1974—June.....	4,262	4,966	150	293	159	173	3,483	891	130	389	103	154	2,294
July.....	4,262	4,966	150	293	158	173	3,483	891	130	389	103	154	2,294
Aug.....	4,262	4,966	150	293	158	173	3,483	891	130	389	103	154	2,294
Sept.....	4,262	4,966	150	293	158	173	3,483	891	130	389	103	154	2,294
Oct.....	4,262	4,966	150	293	158	173	3,483	891	138	389	103	154	2,294
Nov.....	4,262	4,966	150	293	158	173	3,483	891	138	389	103	154	2,294
Dec.....	4,262	4,966	150	293	158	173	3,483	891	148	389	103	154	2,294
1975—Jan.....	4,262	4,966	150	293	158	173	3,483	891	140	389	103	154	2,294
Feb.....	4,262	4,966	150	293	158	173	3,483	891	140	389	103	154	2,294
Mar.....	4,262	4,966	150	293	158	173	3,483	891	154	389	103	154	2,294
Apr.....	4,262	4,966	150	293	158	173	3,483	891	154	389	103	154	2,294
May.....	4,262	4,966	150	293	158	173	3,483	891	175	389	103	154	2,294
June ^p	4,262	4,966	150	293	158	173	3,483	891	154	389	103	154	2,294
End of period	Pakistan	Portugal	Saudi Arabia	South Africa	Spain	Sweden	Switzerland	Thailand	Turkey	United Kingdom	Uruguay	Venezuela	Bank for Intl. Settlements ²
1970.....	54	902	119	666	498	200	2,732	92	126	1,349	162	384	-282
1971.....	55	921	108	410	498	200	2,909	82	130	775	148	391	310
1972.....	60	1,021	117	681	541	217	3,158	89	136	800	133	425	218
1973.....	67	1,163	129	802	602	244	3,513	99	151	886	148	472	235
1974—June.....	67	1,180	129	781	602	244	3,513	99	151	886	148	472	259
July.....	67	1,180	129	788	602	244	3,513	99	151	886	148	472	259
Aug.....	67	1,180	129	778	602	244	3,513	99	151	886	148	472	255
Sept.....	67	1,180	129	778	602	244	3,513	99	151	886	148	472	259
Oct.....	67	1,180	129	786	602	244	3,513	99	151	886	148	472	271
Nov.....	67	1,180	129	774	602	244	3,513	99	151	886	148	472	251
Dec.....	67	1,180	129	771	602	244	3,513	99	151	886	148	472	250
1975—Jan.....	67	1,175	129	764	602	244	3,513	99	151	886	148	472	265
Feb.....	67	1,175	129	759	602	244	3,513	99	151	886	148	472	272
Mar.....	67	1,175	129	755	602	244	3,513	99	151	886	148	472	259
Apr.....	67	1,175	129	747	602	244	3,513	99	151	886	148	472	260
May.....	67	1,175	129	742	602	244	3,513	99	151	886	148	472	239
June ^p	67	1,175	129	744	602	244	3,513	99	151	886	148	472	262

¹ Includes reported or estimated gold holdings of international and regional organizations, central banks and govts. of countries listed in this table, and also of a number not shown separately here, and gold to be distributed by the Tripartite Commission for the Restitution of Monetary Gold; excludes holdings of the U.S.S.R., other Eastern European countries, and China Mainland.

The figures included for the Bank for International Settlements are the Bank's gold assets net of gold deposit liabilities. This procedure avoids the overstatement of total world gold reserves since most of the gold deposited with the BIS is included in the gold reserves of individual countries.

² Net gold assets of BIS, i.e., gold in bars and coins and other gold assets minus gold deposit liabilities.

5. U.S. LIABILITIES TO FOREIGN OFFICIAL INSTITUTIONS, AND LIQUID LIABILITIES TO ALL OTHER FOREIGNERS

(In millions of dollars)

End of period	Total	Liquid liabilities to IMF arising from gold transactions ¹	Liabilities to foreign countries									Liquid liabilities to non-monetary intl. and regional organizations ⁸
			Official institutions ²					Liquid liabilities to commercial banks abroad ⁶	Liquid liabilities to other foreigners			
			Total	Short-term liabilities reported by banks in U.S.	Marketable U.S. Treas. bonds and notes ³	Non-marketable U.S. Treas. bonds and notes ⁴	Other readily marketable liabilities ⁵		Total	Short-term liabilities reported by banks in U.S.	Marketable U.S. Treas. bonds and notes ^{3,7}	
1963.....	26,394	800	14,425	12,467	1,183	766	9	5,817	3,387	3,046	341	1,965
1964 ⁹	29,313	800	15,790	13,224	1,125	1,283	158	7,271	3,730	3,354	376	1,722
	29,364	800	15,786	13,220	1,125	1,283	158	7,303	3,753	3,377	376	1,722
1965 ^r	29,568	834	15,825	13,066	1,105	1,534	120	7,419	4,059	3,587	472	1,431
1966 ^{9r}	31,144	1,011	14,840	12,484	860	583	913	10,116	4,271	3,743	528	906
	31,019	1,011	14,895	12,539	860	583	913	9,936	4,272	3,744	528	905
1967 ⁹	35,819	1,033	18,201	14,034	908	1,452	1,807	11,209	4,685	4,127	558	691
	35,667	1,033	18,194	14,027	908	1,452	1,807	11,085	4,678	4,120	558	677
1968 ⁹	38,687	1,030	17,407	11,318	529	3,219	2,341	14,472	5,053	4,444	609	725
	38,473	1,030	17,340	11,318	462	3,219	2,341	14,472	4,909	4,444	465	722
1969 ⁹	45,755	1,109	15,975	11,054	346	3,070	1,505	23,638	4,464	3,939	525	659
	45,914	1,019	15,998	11,077	346	3,070	1,505	23,645	4,589	4,064	525	663
1970—Dec.	47,009	566	23,786	19,333	306	3,452	695	17,137	4,676	4,029	647	844
	46,960	566	23,775	19,333	295	3,452	695	17,169	4,604	4,039	565	846
1971—Dec. ¹¹	67,681	544	51,209	39,679	1,955	9,431	144	10,262	4,138	3,691	447	1,528
	67,808	544	50,651	39,018	1,955	9,534	144	10,949	4,141	3,694	447	1,523
1972—Dec.	82,862	.....	61,526	40,000	5,236	15,747	543	14,666	5,043	4,618	425	1,627
1973—Dec.	92,443	.....	66,814	43,923	5,701	15,529	1,661	17,694	5,932	5,502	430	2,003
1974—June.....	104,059	.....	70,030	47,465	5,013	15,985	1,567	25,119	7,139	6,776	363	1,771
July.....	107,116	.....	71,117	48,455	5,013	15,985	1,664	26,816	7,312	6,935	377	1,871
Aug.....	109,991	.....	71,029	48,440	4,940	15,985	1,664	29,373	7,494	7,128	366	2,095
Sept.....	110,761	.....	72,716	50,149	4,880	15,985	1,702	28,045	8,010	7,617	393	1,990
Oct.....	112,083	.....	73,822	50,921	4,880	16,196	1,825	28,071	8,070	7,639	431	2,120
Nov. ^r	115,761	.....	75,184	51,858	4,906	16,196	2,224	29,770	8,336	7,855	481	2,471
Dec. ^r	119,024	.....	76,623	53,035	5,059	16,196	2,333	30,330	8,783	8,285	498	3,288
1975—Jan.....	118,191	.....	75,918	51,824	5,177	16,324	2,593	29,429	8,692	8,184	508	4,152
Feb.....	119,528	.....	78,625	54,200	5,359	16,324	2,742	27,649	9,050	8,440	610	4,205
Mar.....	120,163	.....	79,176	53,696	6,003	16,324	3,153	27,841	9,002	8,394	608	4,144
Apr.....	121,217	.....	79,047	53,521	5,941	16,365	3,220	29,312	8,806	8,179	627	4,052
May ⁹	121,591	.....	79,733	52,367	6,064	17,925	3,377	28,625	9,024	8,428	596	4,210
June ⁹	121,637	.....	80,430	51,814	6,119	19,027	3,470	28,626	9,096	8,469	627	3,485

¹ Includes (a) liability on gold deposited by the IMF to mitigate the impact on the U.S. gold stock of foreign purchases for gold subscriptions to the IMF under quota increases, and (b) U.S. Treasury obligations at cost value and funds awaiting investment obtained from proceeds of sales of gold by the IMF to the United States to acquire income-earning assets.

² Includes BIS and European Fund.

³ Derived by applying reported transactions to benchmark data; breakdown of transactions by type of holder estimated for 1963.

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 dollars to commercial banks abroad and 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.

⁸ Principally the International Bank for Reconstruction and Development and the Inter-American and Asian Development Banks.

⁹ Data on the 2 lines shown for this date differ because of changes in reporting coverage. Figures on first line are comparable with those shown for the preceding date; figures on second line are comparable with those shown for the following date.

¹⁰ Includes \$101 million increase in dollar value of foreign currency liabilities resulting from revaluation of the German mark in Oct. 1969.

¹¹ Data on the second line differ from those on first line because certain accounts previously classified as official institutions are included with banks; a number of reporting banks are included in the series for the first time; and U.S. Treasury securities payable in foreign currencies issued to official institutions of foreign countries have been increased in value to reflect market exchange rates as of Dec. 31, 1971.

NOTE.—Based on Treasury Dept. data and on data reported to the Treasury Dept. by banks and brokers in the United States. Data correspond generally to statistics following in this section, except for the exclusion of nonmarketable, nonconvertible U.S. Treasury notes issued to foreign official nonreserve agencies, the inclusion of investments by foreign official reserve agencies in debt securities of U.S. Federally-sponsored agencies and U.S. corporations, and minor rounding differences. Table excludes IMF holdings of dollars, and holdings of U.S. Treasury letters of credit and nonnegotiable, non-interest-bearing special U.S. notes held by other international and regional organizations.

6. U.S. LIABILITIES TO OFFICIAL INSTITUTIONS OF FOREIGN COUNTRIES, BY AREA

(Amounts outstanding; in millions of dollars)

End of period	Total foreign countries	Western Europe ¹	Canada	Latin American republics	Asia	Africa	Other countries ²
1971.....	50,651	30,134	3,980	1,429	13,823	415	870
1972.....	61,526	34,197	4,279	1,733	17,577	777	2,963
1973.....	66,814	45,717	3,853	2,544	10,887	788	3,025
1974—June.....	70,030	43,200	4,201	4,022	14,012	1,854	2,741
July.....	71,117	43,002	4,125	3,951	15,235	2,055	2,749
Aug.....	71,029	42,292	3,953	4,157	15,554	2,272	2,801
Sept.....	72,716	42,649	3,819	4,445	16,299	2,850	2,654
Oct.....	73,822	43,006	3,805	4,046	17,329	2,947	2,689
Nov.....	75,184	43,178	3,705	3,768	18,673	3,204	2,656
Dec.....	76,623	44,150	3,662	4,419	18,604	3,161	2,627
1975—Jan.....	75,918	43,289	3,621	3,659	19,555	3,232	2,562
Feb.....	78,625	44,706	3,616	4,223	20,274	3,356	2,450
Mar.....	79,176	45,823	3,546	4,390	19,396	3,433	2,588
Apr.....	79,047	45,025	3,251	4,506	20,062	3,493	2,710
May ^p	79,733	45,237	3,101	4,605	20,425	3,448	2,917
June ^p	80,430	45,173	3,008	4,723	20,457	3,800	3,269

¹ Includes Bank for International Settlements and European Fund.² Includes countries in Oceania and Eastern Europe, and Western European dependencies in Latin America.

NOTE.—Data represent short- and long-term liabilities to the official institutions of foreign countries, as reported by banks in the United States;

foreign official holdings of marketable and nonmarketable U.S. Treasury securities with an original maturity of more than 1 year, except for nonmarketable notes issued to foreign official nonreserve agencies; and investments by foreign official reserve agencies in debt securities of U.S. Federally-sponsored agencies and U.S. corporations.

7. SHORT-TERM LIABILITIES TO FOREIGNERS REPORTED BY BANKS IN THE UNITED STATES, BY TYPE

(Amounts outstanding; in millions of dollars)

End of period	To all foreigners							IMF gold investment ⁵	To nonmonetary international and regional organizations ⁶				
	Total ¹	Payable in dollars					Payable in foreign currencies		Total	Deposits		U.S. Treasury bills and certificates	Other short-term liab. ⁷
		Total	Deposits		U.S. Treasury bills and certificates ³	Other short-term liab. ⁴				Demand	Time ²		
			Demand	Time ²									
1971.....	55,428	55,036	6,459	4,217	33,025	11,335	392	400	1,367	73	192	210	892
1972.....	60,696	60,200	8,290	5,603	31,850	14,457	496	.....	1,412	86	202	326	799
1973.....	69,074	68,477	11,310	6,882	31,886	18,399	597	.....	1,955	101	83	296	1,474
1974—June.....	81,014	80,222	12,856	8,253	34,038	25,074	792	.....	1,653	106	66	91	1,390
July.....	83,951	83,285	12,222	8,643	34,178	28,241	666	.....	1,745	121	66	51	1,508
Aug.....	86,863	86,117	11,841	9,091	33,179	32,006	746	.....	1,921	81	68	146	1,627
Sept.....	87,710	87,015	12,769	9,240	33,467	31,539	696	.....	1,900	128	69	75	1,629
Oct.....	88,628	87,909	11,228	9,807	34,187	32,686	719	.....	1,997	125	89	93	1,690
Nov.....	91,816	91,072	12,860	9,550	35,212	33,450	744	.....	2,333	128	89	285	1,830
Dec.....	94,815	94,049	14,054	10,089	35,662	34,244	766	.....	3,165	139	105	497	2,424
1975—Jan.....	93,350	92,630	12,295	10,157	38,108	32,069	721	.....	3,911	123	104	1,234	2,450
Feb.....	94,245	93,511	12,139	10,322	40,428	30,622	733	.....	3,955	118	95	1,260	2,482
Mar.....	93,404	92,722	12,324	10,143	40,094	30,161	682	.....	3,473	189	116	777	2,391
Apr.....	94,604	93,862	11,699	10,390	40,424	31,349	742	.....	3,592	99	126	781	2,585
May ^a	93,259	92,594	11,924	10,368	40,628	29,674	665	.....	3,839	114	133	1,994	1,598
June ^a	92,350	91,767	12,602	10,453	38,278	30,434	584	.....	3,442	108	133	996	2,205

For notes see opposite page.

7. SHORT-TERM LIABILITIES TO FOREIGNERS REPORTED BY BANKS IN THE UNITED STATES, BY TYPE—Continued

(Amounts outstanding; in millions of dollars)

End of period	Total to official, banks and other foreigners						To official institutions ⁸						
	Total	Payable in dollars				Payable in foreign currencies	Total	Payable in dollars				Payable in foreign currencies	
		Deposits		U.S. Treasury bills and certificates ³	Other short-term liab. ⁴			Deposits		U.S. Treasury bills and certificates ³	Other short-term liab. ⁷		
		Demand	Time ²					Demand	Time ²				
1971.....	53,661	6,386	4,025	32,415	10,443	392	39,018	1,327	2,039	32,311	3,177	165	
1972.....	59,284	8,204	5,401	31,523	13,659	496	40,000	1,591	2,880	31,453	3,905	171	
1973.....	67,119	11,209	6,799	31,590	16,925	597	43,923	2,125	3,911	31,511	6,248	127	
1974—June.....	79,360	12,750	8,187	33,947	23,684	792	47,465	2,643	4,277	33,745	6,673	127	
July.....	82,206	12,102	8,578	34,128	26,733	666	48,455	2,562	4,445	33,749	7,571	127	
Aug.....	84,941	11,760	9,023	33,033	30,379	746	48,440	2,474	4,429	32,687	8,722	127	
Sept.....	85,811	12,641	9,171	33,392	29,910	696	50,149	2,825	4,282	32,955	9,960	127	
Oct.....	86,631	11,104	9,718	34,094	30,996	719	50,921	2,168	4,400	33,634	10,591	127	
Nov.....	89,483	12,732	9,461	34,927	31,620	744	51,858	2,472	4,058	34,467	10,734	127	
Dec.....	91,650	13,915	9,984	35,165	31,821	766	53,035	2,951	4,257	34,656	11,044	127	
1975—Jan.....	89,439	12,172	10,053	36,874	29,619	721	51,824	2,185	4,296	36,531	8,813	.....
Feb.....	90,289	12,021	10,226	39,169	28,141	733	54,200	2,058	4,306	38,840	8,996	.....
Mar.....	89,931	12,135	10,027	39,316	27,771	682	53,696	2,323	4,303	39,015	8,054	.....
Apr.....	91,012	11,600	10,264	39,643	28,764	742	53,521	2,147	4,193	39,316	7,864	.....
May ^p	89,420	11,810	10,236	38,634	28,076	665	52,367	2,175	4,331	38,372	7,489	.....
June ^p	88,909	12,493	10,321	37,282	28,229	584	51,814	2,564	4,243	37,007	8,000	.....
End of period	To banks ⁹						To other foreigners						To banks and other foreigners Payable in foreign currencies
	Total	Payable in dollars				Total	Payable in dollars						
		Total	Deposits		U.S. Treasury bills and certificates		Other short-term liab. ⁴	Total	Deposits		U.S. Treasury bills and certificates	Other short-term liab. ⁷	
			Demand	Time ²					Demand	Time ²			
1971.....	14,643	10,721	3,399	320	8	6,995	3,694	1,660	1,666	96	271	228	
1972.....	19,284	14,340	4,658	405	5	9,272	4,618	1,955	2,116	65	481	325	
1973.....	23,196	17,224	6,941	529	11	9,743	5,502	2,143	2,359	68	933	469	
1974—June.....	31,895	24,454	7,689	996	95	15,675	6,776	2,418	2,915	107	1,336	665	
July.....	33,752	26,277	7,105	1,165	204	17,803	6,936	2,435	2,967	175	1,359	539	
Aug.....	36,502	28,754	6,890	1,444	200	20,220	7,129	2,396	3,150	145	1,437	618	
Sept.....	35,661	27,476	7,096	1,625	258	18,497	7,617	2,721	3,264	179	1,454	568	
Oct.....	35,710	27,492	6,361	1,896	268	18,967	7,626	2,574	3,422	193	1,438	591	
Nov.....	37,626	29,154	7,622	1,795	253	19,484	7,855	2,638	3,608	207	1,402	617	
Dec.....	38,615	29,691	8,253	1,931	232	19,275	8,285	2,710	3,796	277	1,502	639	
1975—Jan.....	37,614	28,710	7,362	1,998	158	19,193	8,184	2,625	3,760	186	1,613	721	
Feb.....	36,090	26,916	7,142	2,048	129	17,596	8,441	2,820	3,872	200	1,548	733	
Mar.....	36,235	27,160	7,072	1,808	101	18,179	8,394	2,740	3,916	200	1,537	682	
Apr.....	37,492	28,571	6,897	2,102	107	19,465	8,179	2,556	3,969	220	1,434	742	
May ^p	37,053	27,961	6,857	1,820	93	19,190	8,428	2,777	4,084	168	1,398	665	
June ^p	37,095	28,042	7,075	1,948	77	18,943	8,469	2,855	4,129	198	1,286	584	

¹ Data exclude "holdings of dollars" of the IMF.² Excludes negotiable time certificates of deposit, which are included in "Other short-term liabilities."³ Includes nonmarketable certificates of indebtedness and Treasury bills issued to official institutions of foreign countries.⁴ 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, bankers' acceptances, commercial paper, and negotiable time certificates of deposit.⁵ U.S. Treasury bills and certificates obtained from proceeds of sales of gold by the IMF to the United States to acquire income-earning assets. Upon termination of investment, the same quantity of gold was reacquired by the IMF.⁶ Principally the International Bank for Reconstruction and Development and the Inter-American and Asian Development Banks.⁷ Includes difference between cost value and face value of securities in IMF gold investment account.⁸ Principally bankers' acceptances, commercial paper, and negotiable time certificates of deposit.⁹ Foreign central banks and foreign central govts. and their agencies, and Bank for International Settlements and European Fund.¹⁰ Excludes central banks, which are included in "Official institutions."

NOTE.—"Short term" refers to obligations payable on demand or having an original maturity of 1 year or less. For data on long-term liabilities reported by banks, see Table 9. Data exclude the holdings of dollars of the International Monetary Fund; these obligations to the IMF constitute contingent liabilities, since they represent essentially the amount of dollars available for drawings from the IMF by other member countries. Data exclude also U.S. Treasury letters of credit and nonnegotiable, non-interest-bearing special U.S. notes held by the Inter-American Development Bank and the International Development Association.

8. SHORT-TERM LIABILITIES TO FOREIGNERS REPORTED BY BANKS IN THE UNITED STATES, BY COUNTRY

(End of period. Amounts outstanding; in millions of dollars)

Area and country	1973	1974				1975					
	Dec.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May ²	June ²
Europe:											
Austria.....	161	597	568	557	607	597	624	599	629	627	627
Belgium-Luxembourg.....	1,483	1,933	2,047	2,295	2,506	2,391	2,647	2,539	2,810	2,875	3,070
Denmark.....	659	268	285	338	369	369	324	370	340	323	355
Finland.....	165	219	223	262	266	204	204	202	212	181	365
France.....	3,483	3,574	3,933	3,835	4,287	4,206	4,035	4,226	4,600	4,982	5,397
Germany.....	13,227	9,337	8,623	9,102	9,420	9,948	10,801	11,235	10,229	8,203	6,461
Greece.....	389	293	255	213	248	253	242	192	202	273	254
Italy.....	1,404	3,138	2,748	2,192	2,617	2,101	2,260	2,449	2,498	2,157	2,298
Netherlands.....	2,886	2,498	3,009	3,177	3,234	3,208	3,242	3,414	3,302	3,351	3,532
Norway.....	965	1,023	1,131	1,181	1,040	874	826	843	827	846	945
Portugal.....	534	435	411	338	310	310	303	288	247	267	264
Spain.....	305	377	347	332	382	379	320	358	361	341	362
Sweden.....	1,885	1,096	1,071	1,103	1,138	1,132	1,215	1,209	1,477	1,697	1,847
Switzerland.....	3,377	8,393	8,974	9,378	10,007	9,601	9,453	8,862	8,807	8,587	8,471
Turkey.....	98	100	121	102	152	169	131	243	103	87	124
United Kingdom.....	6,148	8,714	7,570	8,186	7,548	6,660	6,205	7,050	7,065	7,006	6,416
Yugoslavia.....	86	151	136	105	183	187	168	158	122	126	83
Other Western Europe ¹	3,352	3,122	3,263	3,432	4,051	3,128	2,859	2,641	2,516	2,467	2,462
U.S.S.R.....	22	40	44	33	82	65	59	35	34	61	62
Other Eastern Europe.....	110	149	136	140	206	172	120	218	123	148	370
Total.....	40,742	45,456	44,896	46,300	48,655	45,953	46,037	47,130	46,503	44,605	43,768
Canada.....	3,627	3,754	4,226	3,725	3,503	3,405	3,789	3,456	3,955	3,953	3,620
Latin America:											
Argentina.....	924	1,105	1,017	938	886	900	894	822	886	964	989
Bahamas.....	852	1,232	1,691	1,747	1,452	2,161	2,050	1,755	2,463	2,045	2,181
Brazil.....	860	893	894	952	1,034	859	927	1,065	1,077	984	1,081
Chile.....	158	266	270	297	276	284	281	258	278	260	289
Colombia.....	247	293	292	305	305	319	317	326	313	307	400
Cuba.....	7	7	6	7	7	6	6	6	6	6	7
Mexico.....	1,296	1,647	1,731	1,746	1,770	1,747	1,734	1,668	1,727	1,875	1,823
Panama.....	282	511	484	474	488	500	476	519	656	513	473
Peru.....	135	182	177	183	272	256	238	225	217	206	219
Uruguay.....	120	120	128	140	147	152	164	171	174	168	154
Venezuela.....	1,468	3,217	2,992	2,921	3,413	2,918	3,351	3,559	3,864	3,724	3,720
Other Latin American republics.....	884	1,214	1,113	1,176	1,316	1,211	1,263	1,348	1,401	1,353	1,505
Netherlands Antilles and Surinam.....	71	123	138	135	158	155	133	143	113	123	134
Other Latin America.....	359	553	508	839	515	892	468	492	738	897	983
Total.....	7,664	11,361	11,442	11,862	12,038	12,361	12,302	12,300	13,610	13,566	13,961
Asia:											
China, People's Rep. of (China Mainland).....	38	40	43	45	50	50	73	62	63	56	65
China, Republic of (Taiwan).....	757	822	797	808	818	977	1,015	1,037	1,038	999	1,071
Hong Kong.....	372	621	470	551	530	558	546	528	543	596	598
India.....	85	158	140	156	261	179	177	183	127	168	145
Indonesia.....	133	943	1,600	1,363	1,221	1,327	1,083	497	582	279	365
Israel.....	327	217	218	279	386	417	473	508	490	536	470
Japan.....	6,967	10,136	10,407	10,891	10,897	10,442	10,909	11,390	11,043	11,109	11,223
Korea.....	195	304	313	309	384	315	327	311	345	341	361
Philippines.....	515	748	726	731	747	702	642	745	660	662	697
Thailand.....	247	362	328	333	333	337	327	455	446	342	370
Other.....	1,202	4,726	4,832	5,681	5,446	6,003	6,136	4,651	4,827	5,176	4,756
Total.....	10,839	19,076	19,874	21,147	21,073	21,307	21,708	20,368	20,162	20,262	20,119
Africa:											
Egypt.....	35	73	109	109	103	105	106	92	112	113	514
Morocco.....	11	79	73	59	38	71	81	65	66	75	75
South Africa.....	114	157	138	155	130	150	188	191	159	179	141
Zaire.....	87	43	41	82	84	66	41	38	57	68	61
Other.....	808	2,893	2,973	3,199	3,197	3,272	3,392	3,461	3,472	3,460	3,400
Total.....	1,056	3,244	3,333	3,604	3,551	3,664	3,809	3,848	3,867	3,895	4,192
Other countries:											
Australia.....	3,131	2,847	2,788	2,759	2,742	2,661	2,568	2,761	2,856	3,069	3,185
All other.....	59	72	71	86	89	88	76	66	60	71	64
Total.....	3,190	2,918	2,859	2,845	2,831	2,748	2,644	2,828	2,916	3,140	3,249
Total foreign countries.....	67,119	85,811	86,631	89,483	91,650	89,439	90,289	89,931	91,012	89,420	88,909
International and regional:											
International ²	1,627	1,534	1,665	2,049	2,894	3,636	3,677	3,222	3,291	3,600	3,205
Latin American regional.....	272	261	232	213	202	226	222	207	211	154	140
Other regional ³	57	104	100	70	69	50	57	44	90	84	97
Total.....	1,955	1,900	1,997	2,333	3,165	3,911	3,955	3,473	3,592	3,839	3,442
Grand total.....	69,074	87,710	88,628	91,816	94,815	93,350	94,245	93,404	94,604	93,259	92,350

For notes see opposite page.

8. SHORT-TERM LIABILITIES TO FOREIGNERS REPORTED BY BANKS IN THE UNITED STATES, BY COUNTRY—Continued

(End of period. Amounts outstanding; in millions of dollars)

Supplementary data⁴

Area and country	1973		1974		1975	Area and country	1973		1974		1975
	Apr.	Dec.	Apr.	Dec.	Apr.		Apr.	Dec.	Apr.	Dec.	Apr.
Other Western Europe:						Other Asia—Cont.:					
Cyprus.....	9	19	10	7	17	Laos.....	3	3	3	3	5
Iceland.....	12	8	11	21	20	Lebanon.....	55	62	68	119	180
Ireland, Rep. of.....	22	62	53	29	29	Malaysia.....	59	58	40	63	92
Other Latin American republics:						Pakistan.....	93	105	108	91	118
Bolivia.....	65	68	102	96	93	Singapore.....	53	141	165	240	215
Costa Rica.....	75	86	88	117	120	Sri Lanka (Ceylon).....	6	13	13	14	13
Dominican Republic.....	104	118	137	127	214	Vietnam.....	98	88	98	126	70
Ecuador.....	109	92	90	122	157	Oil-producing countries ⁵	486	652	1,331	4,640	3,941
El Salvador.....	86	90	129	129	144	Other Africa:					
Guatemala.....	127	156	245	214	255	Algeria.....	51	111	110	67	59
Haiti.....	25	21	28	35	34	Ethiopia (incl. Eritrea).....	75	79	118	95	76
Honduras.....	64	56	71	88	92	Ghana.....	28	20	22	18	13
Jamaica.....	32	39	52	69	62	Kenya.....	19	23	20	31	32
Nicaragua.....	79	99	119	127	125	Liberia.....	31	42	29	39	33
Paraguay.....	26	29	40	46	38	Libya.....	312	331	257	452	.....
Trinidad and Tobago.....	17	17	21	107	.....	Nigeria.....	140	78	736	2,295	.....
Other Latin America:						Southern Rhodesia.....	1	2	1	2	3
Bermuda.....	127	242	201	107	100	Sudan.....	3	3	2	4	14
British West Indies.....	100	109	354	116	610	Tanzania.....	16	12	12	11	21
Other Asia:						Tunisia.....	11	7	17	19	23
Afghanistan.....	19	22	11	18	19	Uganda.....	19	6	11	13	.....
Burma.....	17	12	42	65	.....	Zambia.....	37	22	66	22	18
Cambodia.....	3	2	4	4	.....	All other:					
Jordan.....	4	6	6	22	30	New Zealand.....	34	39	33	47	36

¹ Includes Bank for International Settlements and European Fund.² Data exclude holdings of dollars of the International Monetary Fund.³ Asian, African, and European regional organizations, except BIS and European Fund, which are included in "Europe."⁴ Represent a partial breakdown of the amounts shown in the other categories (except "Other Eastern Europe").⁵ Includes Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, Syria, and United Arab Emirates (Trucial States).

9. LONG-TERM LIABILITIES TO FOREIGNERS REPORTED BY BANKS IN THE UNITED STATES

(Amounts outstanding; in millions of dollars)

End of period	Total	To intl. and regional	To foreign countries				Country or area						
			Total	Official institutions	Banks ¹	Other foreigners	Germany	United Kingdom	Other Europe	Total Latin America	Japan	Other Asia	All other countries
1971.....	902	446	457	144	257	56	164	52	30	111	3	87	9
1972 ²	{1,000	562	439	93	259	87	165	63	32	136	1	32	10
1973.....	{1,018	580	439	93	259	87	165	63	32	136	1	32	10
	1,462	761	700	310	291	100	159	66	245	132	5	78	16
1974—June.....	1,635	974	661	321	268	73	150	56	220	144	2	77	12
July.....	1,673	978	695	337	284	75	155	56	231	142	2	97	13
Aug.....	1,498	1,005	493	136	281	76	153	55	32	141	1	97	13
Sept.....	1,367	920	447	93	281	73	153	55	32	123	1	70	13
Oct.....	1,293	849	445	111	263	71	153	43	32	116	1	87	13
Nov.....	1,354	905	449	112	262	75	152	43	32	116	1	88	17
Dec.....	1,285	822	464	124	261	79	152	43	32	115	1	101	20
1975—Jan.....	1,406	846	560	223	266	71	150	42	26	118	1	200	21
Feb.....	1,441	776	666	336	264	66	147	41	23	119	1	313	21
Mar.....	1,543	795	748	426	255	67	137	41	24	120	1	403	21
Apr.....	1,410	626	784	462	253	68	135	41	24	121	1	439	22
May ²	1,446	585	861	544	248	69	129	41	27	121	1	520	21
June.....	1,405	518	887	572	245	70	126	41	25	121	1	550	22

¹ Excludes central banks, which are included with "Official institutions."² Data on the 2 lines shown for this date differ because of changes in reporting coverage. Figures on the first line are comparable in coverage with those shown for the preceding date; figures on the second line are comparable with those shown for the following date.

10. ESTIMATED FOREIGN HOLDINGS OF MARKETABLE U.S. TREASURY BONDS AND NOTES

(End of period; in millions of dollars)

	1974							1975						
	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May ^p	June ^p	
Europe:														
Belgium-Luxembourg.....	7	9	9	10	10	10	10	11	12	14	14	14	14	
Sweden.....	260	260	260	250	250	276	251	252	252	252	252	251	252	
Switzerland.....	34	35	34	34	30	30	30	31	30	29	32	33	36	
United Kingdom.....	424	426	439	459	485	498	493	529	578	598	611	564	522	
Other Western Europe.....	89	97	101	96	102	98	97	89	83	283	300	301	301	
Eastern Europe.....	5	5	5	5	5	5	5	5	3	5	5	5	5	
Total.....	819	832	849	854	883	917	885	916	959	1,180	1,211	1,168	1,129	
Canada.....	849	851	756	706	707	711	713	697	584	588	460	412	412	
Latin America:														
Latin American republics.....	11	11	11	11	11	11	12	11	91	11	11	11	13	
Other Latin America.....	5	5	5	17	25	62	88	88	148	114	107	100	117	
Total.....	16	16	16	28	36	74	100	99	239	125	119	112	131	
Asia:														
Japan.....	3,498	3,497	3,498	3,497	3,497	3,498	3,498	3,498	3,496	3,496	3,496	3,496	3,496	
Other Asia.....	12	12	12	12	12	12	212	325	541	1,071	1,121	1,291	1,397	
Total.....	3,510	3,509	3,510	3,509	3,509	3,509	3,709	3,822	4,037	4,567	4,617	4,787	4,893	
Africa.....	157	156	151	151	151	151	151	151	151	151	161	181	181	
All other.....	25	25	25	25	25	25	.....	.....	.....	.....	.....	.....	.....
Total foreign countries.....	5,376	5,390	5,306	5,273	5,311	5,387	5,557	5,685	5,969	6,611	6,568	6,660	6,746	
International and regional:														
International.....	57	51	102	23	71	71	61	180	190	592	383	306	-8	
Latin American regional.....	60	75	71	68	52	67	61	61	59	79	77	65	52	
Total.....	117	126	173	91	123	138	122	240	249	671	460	371	44	
Grand total.....	5,493	5,516	5,479	5,364	5,434	5,525	5,680	5,925	6,218	7,282	7,028	7,030	6,790	

NOTE.—Data represent estimated official and private holdings of marketable U.S. Treasury securities with an original maturity of more than 1

year, and are based on benchmark surveys of holdings and regular monthly reports of securities transactions (see Table 14).

11. SHORT-TERM CLAIMS ON FOREIGNERS REPORTED BY BANKS IN THE UNITED STATES, BY TYPE

(Amounts outstanding; in millions of dollars)

End of period	Total	Payable in dollars								Payable in foreign currencies			
		Total	Loans to—			Collections outstanding	Acceptances made for acct. of foreigners	Other	Total	Deposits with foreigners	Foreign govt. securities, coml. and finance paper	Other	
			Total	Official institutions	Banks ¹								Others ²
1971.....	13,272	12,377	3,969	231	2,080	1,658	2,475	4,254	1,679	895	548	173	174
1972 ³	15,471	14,625	5,674	163	2,975	2,535	3,269	3,204	2,478	846	441	223	182
1973.....	15,676	14,830	5,671	163	2,970	2,538	3,276	3,226	2,657	846	441	223	182
	20,723	20,061	7,660	284	4,538	2,838	4,307	4,160	3,935	662	428	119	115
1974—June.....	32,436	31,479	11,409	390	7,685	3,334	5,107	7,649	7,314	957	687	130	141
July.....	33,854	32,851	10,766	480	6,715	3,571	5,152	9,205	7,729	1,003	626	207	170
Aug.....	35,357	34,551	11,549	453	7,750	3,346	5,295	9,481	8,227	805	461	180	164
Sept.....	34,451	33,533	10,557	528	6,678	3,352	5,245	9,552	8,178	918	468	217	233
Oct.....	34,593	33,563	10,002	371	6,299	3,332	5,356	10,050	8,155	1,030	547	243	240
Nov.....	36,784	35,756	10,968	439	7,102	3,426	5,345	10,717	8,726	1,028	515	283	229
Dec.....	38,889	37,680	11,313	382	7,352	3,579	5,637	11,223	9,506	1,210	668	289	253
1975—Jan.....	38,973	37,684	10,232	361	6,318	3,553	5,565	11,025	10,863	1,289	719	351	219
Feb.....	39,772	38,582	10,313	379	6,414	3,521	5,346	11,090	11,833	1,190	609	336	244
Mar.....	42,052	40,889	9,626	310	5,682	3,634	5,415	11,341	14,507	1,162	626	290	246
Apr.....	42,806	41,547	10,658	362	6,519	3,778	5,339	11,441	14,109	1,260	764	241	254
May ^p	45,028	43,960	11,852	366	7,638	3,848	5,546	10,961	15,601	1,068	478	301	290
June ^p	45,616	44,375	11,318	457	6,834	4,026	5,345	10,639	17,074	1,240	591	335	314

¹ Excludes central banks, which are included with "Official institutions."

² Includes international and regional organizations.

³ Data on the 2 lines shown for this date differ because of changes

in reporting coverage. Figures on the first line are comparable in coverage with those shown for the preceding date; figures on the second line are comparable with those shown for the following date.

12. SHORT-TERM CLAIMS ON FOREIGNERS REPORTED BY BANKS IN THE UNITED STATES, BY COUNTRY

(End of period. Amounts outstanding; in millions of dollars)

Area and country	1973	1974				1975					
	Dec.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May ²	June ²
Europe:											
Austria.....	11	17	21	42	21	18	38	22	16	19	17
Belgium-Luxembourg.....	147	164	301	308	384	401	591	550	674	647	600
Denmark.....	48	51	59	45	46	54	53	41	53	49	64
Finland.....	108	146	128	107	122	132	136	137	147	137	133
France.....	621	637	485	791	673	892	893	896	859	723	581
Germany.....	311	342	332	438	589	390	435	387	399	389	426
Greece.....	35	59	48	57	64	52	42	46	54	37	37
Italy.....	316	354	340	340	345	351	277	287	334	329	339
Netherlands.....	133	130	176	183	348	195	210	187	157	221	218
Norway.....	72	113	94	97	119	115	106	104	114	126	98
Portugal.....	23	26	35	25	20	16	39	32	26	25	25
Spain.....	222	253	227	201	196	184	166	150	234	251	235
Sweden.....	153	159	149	160	180	128	99	72	101	131	115
Switzerland.....	176	377	277	339	335	252	267	230	227	277	252
Turkey.....	10	15	15	14	15	23	17	19	37	30	40
United Kingdom.....	1,459	2,228	1,852	2,332	2,435	2,700	2,770	2,896	3,174	3,635	3,476
Yugoslavia.....	10	28	24	28	22	38	18	16	28	39	31
Other Western Europe.....	25	18	31	38	22	22	27	24	31	25	22
U.S.S.R.....	46	21	27	28	46	44	48	34	51	83	77
Other Eastern Europe.....	44	102	105	86	131	124	100	110	113	117	118
Total.....	3,970	5,239	4,724	5,660	6,110	6,130	6,331	6,239	6,831	7,293	6,905
Canada.....	1,955	2,032	2,556	2,517	2,773	2,904	2,643	2,934	2,911	3,096	2,868
Latin America:											
Argentina.....	499	695	679	704	720	783	808	869	958	1,007	1,061
Bahamas.....	893	2,787	3,088	2,978	3,398	3,737	4,699	5,804	5,715	6,997	8,647
Brazil.....	900	1,534	1,476	1,493	1,415	1,264	1,345	1,266	1,299	1,272	1,184
Chile.....	151	250	256	291	290	303	351	395	433	422	429
Colombia.....	397	665	686	675	713	706	679	695	710	702	687
Cuba.....	12	14	13	13	14	13	18	13	13	13	13
Mexico.....	1,373	1,706	1,836	1,898	1,972	1,898	2,004	2,116	2,236	2,380	2,530
Panama.....	274	410	405	402	503	604	458	546	531	671	527
Peru.....	178	408	433	486	518	504	531	555	606	590	623
Uruguay.....	55	47	46	63	63	75	86	104	116	100	85
Venezuela.....	518	627	557	643	704	795	747	736	757	745	789
Other Latin American republics.....	493	711	724	810	852	873	890	902	954	960	951
Netherlands Antilles and Surinam.....	13	64	61	74	62	45	39	39	36	44	83
Other Latin America.....	144	370	693	920	1,138	1,451	1,549	1,571	1,722	2,218	1,825
Total.....	5,900	10,290	10,953	11,450	12,362	13,051	14,202	15,613	16,085	18,121	19,434
Asia:											
China, People's Rep. of (China Mainland)	31	9	7	5	4	18	65	19	11	12	9
China, Republic of (Taiwan).....	140	466	499	483	500	526	473	500	448	434	479
Hong Kong.....	147	243	214	238	223	203	184	291	210	288	315
India.....	16	17	19	16	14	19	22	17	21	17	20
Indonesia.....	88	122	128	140	157	142	159	145	134	119	115
Israel.....	155	197	200	208	256	271	284	322	299	287	312
Japan.....	6,398	12,398	11,724	12,420	12,514	11,821	11,246	11,600	11,028	10,603	10,222
Korea.....	403	733	760	835	955	1,116	1,286	1,356	1,503	1,415	1,523
Philippines.....	181	342	347	325	372	302	342	353	398	455	478
Thailand.....	273	439	417	428	458	391	374	406	413	374	441
Other.....	392	669	670	666	771	739	781	846	1,007	965	907
Total.....	8,224	15,635	14,986	15,765	16,224	15,545	15,216	15,855	15,472	14,969	14,821
Africa:											
Egypt.....	35	97	93	91	111	106	114	122	142	138	149
Morocco.....	5	10	11	12	18	19	15	19	10	12	10
South Africa.....	129	243	282	299	329	364	396	413	458	475	498
Zaire.....	60	94	107	101	98	31	38	31	37	41	43
Other.....	158	311	311	291	299	265	291	290	326	351	369
Total.....	388	755	804	795	855	785	853	875	973	1,018	1,068
Other countries:											
Australia.....	243	422	478	492	466	433	431	436	428	440	428
All other.....	43	76	91	104	99	125	95	99	107	89	81
Total.....	286	498	569	597	565	558	526	535	535	528	509
Total foreign countries.....	20,723	34,448	34,593	36,783	38,889	38,972	39,771	42,051	42,805	45,026	45,605
International and regional.....	1	2	1	1	.....	1	1	1	1	2	11
Grand total.....	20,723	34,451	34,593	36,784	38,889	38,973	39,772	42,052	42,806	45,028	45,616

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.

13. LONG-TERM CLAIMS ON FOREIGNERS REPORTED BY BANKS IN THE UNITED STATES

(Amounts outstanding; in millions of dollars)

End of period	Total	Type						Country or area						
		Payable in dollars					Payable in foreign currencies	United Kingdom	Other Europe	Canada	Latin America	Japan	Other Asia	All other countries ²
		Loans to—				Other long-term claims								
		Total	Official institutions	Banks ¹	Other foreigners ²									
1971 ^r	3,667	3,345	575	315	2,455	300	22	130	593	228	1,458	246	583	429
1972 ³	4,954	4,539	833	430	3,276	375	40	145	704	406	1,996	319	881	503
1973.....	5,063	4,588	844	430	3,314	435	40	150	703	406	2,020	353	918	514
	5,996	5,446	1,160	591	3,694	478	72	148	1,124	490	2,116	251	1,331	536
1974—June....	7,087	6,475	1,622	792	4,061	546	66	222	1,686	496	2,487	244	1,434	518
July.....	7,115	6,502	1,490	909	4,104	545	67	249	1,603	498	2,552	269	1,423	520
Aug.....	7,055	6,448	1,456	913	4,080	539	68	285	1,545	503	2,527	269	1,416	511
Sept.....	6,999	6,386	1,419	853	4,113	542	71	266	1,535	543	2,479	247	1,425	505
Oct.....	7,250	6,571	1,445	914	4,212	608	71	333	1,725	523	2,495	264	1,396	515
Nov.....	7,251	6,561	1,377	933	4,250	618	72	339	1,652	506	2,574	257	1,392	531
Dec.....	7,155	6,481	1,331	931	4,219	609	65	329	1,578	486	2,602	258	1,359	542
1975—Jan.....	7,262	6,624	1,368	968	4,289	583	54	323	1,669	475	2,603	248	1,388	557
Feb.....	7,457	6,797	1,378	1,035	4,384	606	54	347	1,749	485	2,675	248	1,355	598
Mar.....	7,554	6,900	1,395	1,063	4,442	598	55	357	1,769	485	2,695	247	1,409	592
Apr.....	7,583	6,896	1,239	1,110	4,547	624	63	375	1,813	490	2,786	242	1,249	630
May ²	7,870	7,194	1,287	1,186	4,721	610	66	402	1,923	476	2,848	254	1,289	677
June ²	7,773	7,136	1,263	1,213	4,660	559	77	389	1,885	446	2,849	264	1,261	678

¹ Excludes central banks, which are included with "Official institutions."² Includes international and regional organizations.³ Data on the 2 lines shown for this date differ because of changes in

reporting coverage. Figures on the first line are comparable in coverage with those shown for the preceding date; figures on the second line are comparable with those shown for the following date.

14. PURCHASES AND SALES BY FOREIGNERS OF LONG-TERM SECURITIES, BY TYPE

(In millions of dollars)

Period	Marketable U.S. Treas. bonds and notes ¹					U.S. corporate securities ²			Foreign bonds			Foreign stocks		
	Net purchases or sales					Purchases	Sales	Net purchases or sales	Purchases	Sales	Net purchases or sales	Purchases	Sales	Net purchases or sales
	Total	Intl. and regional	Foreign											
			Total	Official	Other									
1972.....	3,316	57	3,258	3,281	-23	19,083	15,015	4,068	1,901	2,932	-1,031	2,532	2,123	409
1973 ^r	305	-165	470	465	6	18,574	13,810	4,764	1,474	2,467	-993	1,729	1,554	176
1974 ^r	-499	75	-573	-642	69	15,796	14,305	1,492	1,045	3,284	-2,240	1,903	1,719	183
1975—Jan.—June ^p	1,110	-78	1,189	1,157	32	9,898	7,840	2,058	993	3,948	-2,955	857	929	-72
1974—June ^r	-101	-97	-3	.....	-3	1,184	923	260	74	269	-194	207	117	90
July ^r	23	9	14	.....	14	1,061	1,055	5	94	251	-158	128	116	12
Aug. ^r	-37	47	-84	-73	-11	1,410	1,133	277	59	214	-155	146	117	29
Sept. ^r	-116	-82	-33	-60	27	1,448	1,183	265	72	152	-80	146	100	47
Oct. ^r	70	32	38	.....	38	1,568	1,365	203	86	362	-276	91	152	-62
Nov. ^r	92	17	76	25	50	1,400	1,513	-113	92	170	-78	124	102	22
Dec. ^r	155	-16	171	153	17	1,089	1,245	-156	101	524	-423	117	87	30
1975—Jan.....	245	118	127	118	9	1,207	897	309	131	1,207	-1,076	147	156	-9
Feb.....	293	9	285	182	102	1,704	1,385	318	118	554	-436	134	173	-39
Mar.....	1,063	422	642	644	-3	1,752	1,152	600	186	647	-461	148	159	-11
Apr.....	-254	-211	-43	-66	23	1,636	1,394	242	167	341	-174	155	141	14
May ^p	3	-89	92	123	-31	1,845	1,679	166	172	345	-173	145	157	-12
June.....	240	-326	87	156	-68	1,754	1,332	422	221	855	-635	129	143	-15

¹ Excludes nonmarketable U.S. Treasury bonds and notes issued to official institutions of foreign countries.² Includes State and local govt. 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.

NOTE.—Statistics include transactions of international and regional organizations.

15. NET PURCHASES OR SALES BY FOREIGNERS OF U.S. CORPORATE STOCKS, BY COUNTRY

(In millions of dollars)

Period	Purchases	Sales	Net purchases or sales (-)	France	Germany	Netherlands	Switzerland	United Kingdom	Other Europe	Total Europe	Canada	Latin America	Asia	Other ¹
1972.....	14,361	12,173	2,188	372	-51	297	642	561	137	1,958	-78	-32	256	83
1973.....	12,767	9,978	2,790	439	2	339	686	366	273	2,104	99	-4	577	9
1974 ^r	7,634	7,095	540	203	39	330	36	-377	50	281	-6	-33	288	17
1975—Jan.—June ^p	7,427	5,573	1,854	78	80	134	411	329	33	1,065	99	9	679	-1
1974—June.....	555	513	42	-15	8	33	11	-18	-3	16	13	-7	19	2
July ^r	521	510	11	13	5	39	-9	-64	3	-13	10	-2	13	2
Aug ^r	590	502	88	19	18	16	15	-10	-11	46	14	9	18	*
Sept ^r	460	445	15	-9	17	21	-6	-38	-3	-19	6	4	23	1
Oct ^r	673	695	-22	17	-30	9	-39	-82	11	-115	3	2	95	1
Nov ^r	604	616	-13	5	1	-2	-35	-51	4	-77	-2	-5	70	1
Dec.....	450	429	21	13	13	20	-10	-76	9	-30	14	10	27	*
1975—Jan.....	731	541	190	34	15	8	42	-8	15	107	12	-15	84	2
Feb.....	1,383	849	533	21	25	14	115	147	9	331	20	18	150	15
Mar.....	1,148	913	236	12	11	40	39	38	7	146	15	-5	80	-1
Apr.....	1,318	1,058	259	-15	23	26	44	54	4	136	-5	2	121	3
May ^p	1,527	1,149	378	-6	4	27	100	59	9	193	36	1	149	-1
June ^p	1,321	1,063	258	32	1	19	71	38	-10	152	21	8	96	-19

¹ Includes international and regional organizations.

16. NET PURCHASES OR SALES BY FOREIGNERS OF U.S. CORPORATE BONDS, BY COUNTRY

(In millions of dollars)

Period	Total	France	Germany	Netherlands	Switzerland	United Kingdom	Other Europe	Total Europe	Canada	Latin America	Asia	Africa	Other countries	Intl. and regional
1972.....	1,881	336	77	74	135	367	315	1,303	82	22	323	2	*	148
1973.....	1,948	201	-33	-19	307	275	473	1,204	49	44	588	*	10	52
1974 ^r	952	96	27	183	96	329	-59	672	50	43	632	8	10	-455
1975—Jan.—June ^p	151	12	8	-18	66	-149	-7	-87	50	*	726	*	1	-539
1974—June ^r	218	5	2	116	15	41	-17	161	1	4	-3	*	*	56
July.....	-5	-1	2	72	2	36	-11	100	1	5	7	*	10	-128
Aug ^r	190	1	-1	1	-1	29	-9	21	2	4	199	*	*	-36
Sept ^r	251	1	1	1	2	54	-3	55	4	2	60	*	*	130
Oct ^r	226	10	*	-1	13	6	-5	23	18	5	100	.....	*	79
Nov ^r	-100	4	-2	2	-1	-20	-6	-23	11	1	399	*	*	-486
Dec ^r	-176	1	*	-4	1	54	5	56	-4	17	93	*	*	-339
1975—Jan.....	119	2	3	*	6	59	5	74	14	-1	152	*	*	-120
Feb.....	-269	-4	3	*	3	-83	1	-80	16	*	37	*	1	-242
Mar.....	365	1	-1	-1	10	23	1	32	4	-4	322	*	*	10
Apr.....	-17	1	2	-26	35	-99	-13	-100	5	3	81	*	*	-7
May ^p	-212	3	1	-1	7	-81	-3	-72	7	1	69	*	*	-218
June ^p	164	9	*	8	5	32	3	58	4	*	64	*	*	38

NOTE.—Statistics include State and local govt. 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.

17. NET PURCHASES OR SALES BY FOREIGNERS OF LONG-TERM FOREIGN SECURITIES, BY AREA

(In millions of dollars)

Period	Total	Intl. and regional	Total foreign countries	Europe	Canada	Latin America	Asia	Africa	Other countries
1972.....	-622	-90	-532	505	-635	-69	-296	-66	29
1973.....	-818	139	-957	-141	-569	-120	-168	3	37
1974 ^r	-2,056	-60	-1,997	-546	-1,529	-93	142	7	22
1975—Jan.—June ^p	-3,777	-1,612	-2,165	-122	-1,391	-110	-442	21	-121
1974—June.....	-105	3	-107	-75	-121	-6	94	1	*
July ^r	-145	1	-147	-63	-108	-1	24	-1	3
Aug ^r	-125	2	-127	-35	-126	-9	42	-1	1
Sept ^r	-34	12	-46	-41	-37	5	23	1	3
Oct ^r	-338	2	-340	-81	-244	*	-16	-1	2
Nov.....	-56	3	-59	-21	-8	-14	-21	2	3
Dec.....	-393	-95	-298	-27	-190	-25	-67	12	*
1975—Jan.....	-1,085	-572	-514	-41	-405	-28	-60	20	*
Feb.....	-475	-147	-328	19	-159	-97	-94	2	*
Mar.....	-473	-117	-356	-66	-175	-3	-112	-2	1
Apr.....	-160	-57	-103	-57	-6	17	-59	*	2
May ^p	-185	31	-216	39	-168	*	-58	-2	2
June ^p	-1,399	-750	-649	-17	-478	*	-29	2	-127

18. FOREIGN CREDIT AND DEBIT BALANCES IN BROKERAGE ACCOUNTS

(Amounts outstanding; in millions of dollars)

End of period	Credit balances (due to foreigners)	Debit balances (due from foreigners)
1972—June.....	312	339
Sept.....	286	336
Dec.....	372	405
1973—Mar.....	310	364
June.....	316	243
Sept.....	290	255
Dec.....	333	231
1974—Mar.....	383	225
June.....	354	241
Sept.....	298	178
Dec ^p	293	193
1975—Mar ^p	349	209

NOTE.—Data represent the money credit balances and money debit balances appearing on the books of reporting brokers and dealers in the United States, in accounts of foreigners with them, and in their accounts carried by foreigners.

19a. ASSETS OF FOREIGN BRANCHES OF U.S. BANKS
(In millions of dollars)

Location and currency form	Month-end	Total	Claims on U.S.			Claims on foreigners					Other
			Total	Parent bank	Other	Total	Other branches of parent bank	Other banks	Official institutions	Non-bank foreigners	
IN ALL FOREIGN COUNTRIES											
Total, all currencies	1972—Dec.	78,202	4,678	2,113	2,565	71,304	11,504	35,773	1,594	22,432	2,220
	1973—Dec.	121,866	5,091	1,836	3,205	111,974	19,177	56,368	2,693	33,736	4,802
	1974—May	145,918	8,031	5,465	2,566	132,377	24,583	64,693	3,703	39,398	5,510
	June	147,467	6,839	4,158	2,682	134,891	25,120	64,441	3,610	41,721	5,736
	July	145,058	6,402	3,787	2,614	132,945	25,726	61,949	3,689	41,580	5,711
	Aug.	148,719	9,366	6,868	2,498	133,473	26,428	60,524	3,423	43,098	5,888
	Sept.	147,720	6,267	3,622	2,645	135,272	26,322	61,301	3,721	43,927	6,181
	Oct.	145,906	4,661	2,027	2,634	135,284	26,958	59,617	3,849	44,860	5,962
	Nov.	150,274	7,751	5,159	2,592	136,442	28,366	58,727	4,019	45,330	6,081
	Dec. r	151,905	6,898	4,464	2,434	138,713	27,559	60,283	4,077	46,795	6,294
	1975—Jan. r	151,140	7,029	4,360	2,669	138,143	27,894	58,863	4,152	47,234	5,968
	Feb. r	151,662	5,486	2,882	2,604	140,345	28,969	58,794	4,246	48,335	5,832
	Mar. r	155,204	5,326	2,638	2,688	143,750	28,330	61,611	4,407	49,402	6,127
	Apr.	155,616	5,831	3,052	2,779	143,949	29,195	60,292	4,353	50,109	5,836
	May ^p	156,888	7,725	4,888	2,837	143,081	27,568	60,325	4,496	50,692	6,082
Payable in U.S. dollars	1972—Dec.	52,636	4,419	2,091	2,327	47,444	7,869	26,251	1,059	12,264	773
	1973—Dec.	79,445	4,599	1,848	2,751	73,018	12,799	39,527	1,777	18,915	1,828
	1974—May	100,266	7,685	5,417	2,268	90,066	16,890	47,373	2,841	22,962	2,514
	June	101,704	6,518	4,107	2,410	92,568	17,478	47,819	2,803	24,467	2,619
	July	101,534	6,110	3,738	2,373	92,733	18,480	46,422	2,889	24,942	2,691
	Aug.	105,827	9,055	6,816	2,239	93,893	19,694	45,681	2,780	25,738	2,879
	Sept.	104,345	5,990	3,564	2,426	95,304	19,413	46,517	2,873	26,501	3,050
	Oct.	101,977	4,379	1,970	2,409	94,650	19,785	44,832	3,006	27,027	2,948
	Nov.	105,066	7,445	5,105	2,340	94,581	20,623	43,741	3,192	27,026	3,039
	Dec. r	105,969	6,602	4,428	2,174	96,210	19,688	45,067	3,289	28,166	3,157
	1975—Jan. r	105,776	6,706	4,318	2,387	95,989	20,448	43,151	3,370	29,020	3,082
	Feb. r	104,360	5,141	2,839	2,302	96,327	20,827	42,672	3,431	29,397	2,891
	Mar. r	107,519	5,012	2,607	2,405	99,637	19,836	46,118	3,604	30,079	2,870
	Apr.	108,399	5,466	3,009	2,456	100,231	20,993	45,172	3,599	30,467	2,702
	May ^p	111,622	7,315	4,824	2,491	101,369	21,270	45,398	3,687	31,015	2,938
IN UNITED KINGDOM											
Total, all currencies	1972—Dec.	43,467	2,234	1,138	1,096	40,214	5,659	23,842	606	10,106	1,018
	1973—Dec.	61,732	1,789	738	1,051	57,761	8,773	34,442	735	13,811	2,183
	1974—May	71,982	3,792	2,969	823	66,008	11,759	37,920	889	15,439	2,183
	June	71,305	3,561	2,612	949	65,617	11,886	36,468	812	16,452	2,126
	July	69,197	3,046	2,205	840	63,974	12,486	34,575	718	16,195	2,177
	Aug.	70,382	3,599	2,858	741	64,496	12,790	33,942	666	17,097	2,287
	Sept.	70,965	2,860	2,087	774	65,596	12,436	34,959	829	17,372	2,509
	Oct.	68,123	1,325	502	823	64,462	12,386	33,608	887	17,581	2,336
	Nov.	69,137	3,387	2,568	818	63,571	13,122	32,128	753	17,567	2,179
	Dec.	69,804	3,248	2,472	776	64,111	12,724	32,701	788	17,898	2,445
	1975—Jan.	68,451	2,633	1,902	731	63,527	12,873	32,057	854	17,743	2,291
	Feb.	67,038	1,818	1,023	796	63,250	13,246	31,641	848	17,515	1,970
	Mar.	69,654	1,798	982	817	65,693	12,806	34,260	929	17,699	2,163
	Apr.	69,248	2,017	1,126	891	65,330	13,314	33,079	919	18,018	1,902
	May ^p	68,707	2,535	1,689	845	64,269	12,491	32,443	920	18,415	1,904
Payable in U.S. dollars	1972—Dec.	30,257	2,145	1,096	1,049	27,664	4,326	17,874	5,464	446	446
	1973—Dec.	40,323	1,642	738	864	37,816	6,509	23,899	7,409	865	865
	1974—May	49,654	3,693	2,969	823	44,825	9,285	26,994	8,546	1,135	1,135
	June	49,363	3,462	2,612	949	44,774	9,425	26,147	9,203	1,126	1,126
	July	48,158	2,958	2,205	840	44,061	9,932	24,698	9,432	1,138	1,138
	Aug.	49,406	3,507	2,858	741	44,677	10,529	24,512	9,637	1,222	1,222
	Sept.	50,075	2,774	2,087	774	45,960	10,305	25,720	9,937	1,339	1,339
	Oct.	47,968	1,235	502	823	45,421	10,234	25,233	9,954	1,312	1,312
	Nov.	48,710	3,277	2,568	818	44,198	10,796	23,551	9,852	1,235	1,235
	Dec.	49,211	3,146	2,472	776	44,693	10,265	24,326	10,102	1,372	1,372
	1975—Jan.	47,769	2,542	1,902	731	43,959	10,421	23,271	10,268	1,267	1,267
	Feb.	46,019	1,697	1,023	796	43,244	10,615	22,575	10,055	1,077	1,077
	Mar.	48,939	1,687	982	817	46,039	10,373	25,610	10,057	1,212	1,212
	Apr.	48,797	1,885	1,126	891	45,923	10,995	24,711	10,217	989	989
	May ^p	48,506	2,404	1,689	845	45,180	10,656	24,018	10,506	922	922
IN BAHAMAS AND CAYMANS ¹											
Total, all currencies	1972—Dec.	12,642	1,486	214	1,272	10,986	6,663		4,322	170	170
	1973—Dec.	23,771	2,210	317	1,893	21,041	12,974		8,068	520	520
	1974—May	30,864	3,302	1,836	1,467	26,817	17,035		9,782	744	744
	June	31,219	2,427	981	1,446	28,005	17,643		10,361	787	787
	July	30,403	2,380	870	1,510	27,208	16,822		10,386	815	815
	Aug.	32,317	4,624	3,153	1,471	26,914	16,157		10,757	779	779
	Sept.	30,080	2,315	750	1,564	26,910	16,014		10,896	856	856
	Oct.	30,071	2,206	711	1,495	27,075	16,280		10,795	790	790
	Nov.	32,313	3,299	1,816	1,484	28,130	17,193		10,937	883	883
	Dec. r	31,733	2,463	1,081	1,382	28,455	16,854		11,601	815	815
	1975—Jan. r	33,131	3,223	1,594	1,629	29,070	16,864		12,206	838	838
	Feb. r	33,534	2,563	1,072	1,491	30,137	17,389		12,748	834	834
	Mar. r	33,793	2,405	839	1,567	30,671	17,595		13,077	716	716
	Apr.	35,666	2,587	1,006	1,581	32,359	18,967		13,392	720	720
	May ^p	38,198	4,125	2,468	1,657	33,215	19,982		13,233	858	858

For notes see p. A-74.

19b. LIABILITIES OF FOREIGN BRANCHES OF U.S. BANKS

(In millions of dollars)

Total	To U.S.			To foreigners					Other	Month-end	Location and currency form
	Total	Parent bank	Other	Total	Other branches of parent bank	Other banks	Official institutions	Non-bank foreigners			
78,203	3,501	997	2,504	72,121	11,121	41,218	8,351	11,432	2,580	1972—Dec.	IN ALL FOREIGN COUNTRIES Total, all currencies
121,866	5,610	1,642	3,968	111,615	18,213	65,389	10,330	17,683	4,641	1973—Dec.	
145,918	8,275	3,218	5,057	131,978	23,941	74,193	12,187	21,657	5,665	1974—May 1974—May June July Aug. Sept. Oct. Nov. Dec. r
147,467	9,028	3,488	5,540	132,328	24,234	71,692	14,388	22,015	6,110	..... June
145,057	10,129	4,373	5,757	128,616	25,313	66,855	15,030	21,418	6,312	..... July
148,719	9,419	4,123	5,296	132,774	26,007	68,772	16,304	21,690	6,527	..... Aug.
147,720	9,981	5,058	4,923	131,016	26,337	66,071	17,488	21,121	6,723	..... Sept.
145,906	10,449	5,853	4,596	128,910	26,619	62,606	18,171	21,514	6,548	..... Oct.
150,275	11,901	6,249	5,652	131,619	27,717	63,596	19,979	20,327	6,755	..... Nov.
151,905	11,982	5,809	6,173	132,990	26,941	65,675	20,185	20,189	6,933	..... Dec. r
151,140	11,831	6,356	5,476	132,775	27,019	64,147	21,683	19,926	6,533	1975—Jan. r 1975—Jan. r Feb. r Mar. r Apr. May p
151,662	12,561	6,607	5,954	132,594	28,185	63,402	21,951	19,057	6,507	..... Feb. r
155,204	15,407	8,849	6,557	133,540	28,214	63,419	22,577	19,330	6,257	..... Mar. r
155,617	14,044	7,812	6,233	135,485	30,083	62,287	23,236	19,879	6,088	..... Apr.
156,888	15,993	9,398	6,494	134,550	27,486	64,682	22,223	20,158	6,445	..... May p
54,878	3,050	847	2,202	50,406	7,955	29,229	6,781	6,441	1,422	1972—Dec. Payable in U.S. dollars
80,374	5,027	1,477	3,550	73,189	12,554	43,641	7,491	9,502	2,158	1973—Dec.	
100,714	7,685	3,021	4,664	89,848	16,694	50,848	9,817	12,490	3,181	1974—May 1974—May June July Aug. Sept. Oct. Nov. Dec. r
102,302	8,414	3,279	5,135	90,359	17,070	48,909	11,630	12,750	3,529	..... June
102,432	9,494	4,160	5,334	89,264	18,438	45,768	12,337	12,721	3,675	..... July
106,909	8,786	3,932	4,853	94,178	19,456	48,394	13,508	12,821	3,945	..... Aug.
106,004	9,294	4,833	4,461	92,630	19,599	46,020	14,533	12,478	4,080	..... Sept.
103,934	9,905	5,650	4,255	90,136	19,481	42,690	15,076	12,889	3,893	..... Oct.
107,427	11,215	6,023	5,192	92,233	20,242	43,147	16,789	12,054	3,979	..... Nov.
107,890	11,437	5,641	5,795	92,503	19,330	43,656	17,444	12,072	3,951	..... Dec. r
108,190	11,368	6,204	5,164	93,044	19,999	42,854	18,343	11,848	3,778	1975—Jan. r 1975—Jan. r Feb. r Mar. r Apr. May p
106,125	12,063	6,460	5,603	90,426	20,109	40,701	18,708	10,907	3,636	..... Feb. r
109,501	14,795	8,660	6,135	91,338	19,880	41,216	19,303	10,939	3,368	..... Mar. r
110,405	13,389	7,628	5,760	93,603	21,574	40,996	19,909	11,123	3,414	..... Apr.
114,086	15,292	9,225	6,067	95,195	21,283	43,845	18,928	11,139	3,599	..... May p
43,467	1,453	113	1,340	41,020	2,961	24,596	6,433	7,030	994	1972—Dec.	IN UNITED KINGDOM Total, all currencies
61,732	2,431	136	2,295	57,311	3,944	34,979	8,140	10,248	1,990	1973—Dec.	
71,982	3,729	749	2,979	66,156	4,890	39,596	9,273	12,398	2,097	1974—May 1974—May June July Aug. Sept. Oct. Nov. Dec.
71,305	3,744	606	3,138	65,429	4,913	36,711	11,289	12,516	2,132	..... June
69,197	3,439	611	2,828	63,557	5,099	34,393	11,543	12,521	2,201	..... July
70,382	3,701	713	2,988	64,309	4,794	33,920	12,737	12,858	2,373	..... Aug.
70,965	3,503	635	2,867	64,919	5,428	33,766	13,544	12,181	2,543	..... Sept.
68,123	3,227	683	2,544	62,621	5,237	30,621	14,051	12,712	2,275	..... Oct.
69,137	3,476	889	3,487	62,397	5,071	30,352	15,454	11,521	2,363	..... Nov.
69,804	3,978	510	3,468	63,409	4,762	32,040	15,258	11,349	2,418	..... Dec.
68,451	3,804	873	2,931	62,360	4,567	30,266	16,419	11,108	2,287	1975—Jan. 1975—Jan. Feb. Mar. Apr. May p
67,038	4,376	913	3,462	60,546	4,693	29,207	16,517	10,127	2,117	..... Feb.
69,654	5,095	1,224	3,871	62,363	4,630	29,990	17,305	10,438	2,196	..... Mar.
69,248	4,596	1,342	3,254	62,625	5,394	28,666	17,812	10,753	2,026	..... Apr.
68,708	4,772	1,337	3,435	61,772	5,325	28,957	16,726	10,764	2,164	..... May p
30,810	1,272	72	1,200	29,002	2,008	17,379	5,329	4,287	535	1972—Dec. Payable in U.S. dollars
39,689	2,173	113	2,060	36,646	2,519	22,051	5,923	6,152	870	1973—Dec.	
49,301	3,481	724	2,757	44,625	3,083	26,010	7,468	8,064	1,195	1974—May 1974—May June July Aug. Sept. Oct. Nov. Dec.
48,970	3,516	579	2,937	44,214	3,255	23,669	9,137	8,155	1,239	..... June
48,018	3,176	568	2,608	43,528	3,364	22,388	9,450	8,326	1,314	..... July
49,481	3,448	692	2,756	44,654	3,278	22,558	10,437	8,382	1,380	..... Aug.
50,212	3,177	605	2,572	45,550	3,667	22,818	11,035	8,030	1,486	..... Sept.
48,314	2,988	651	2,337	44,033	3,690	20,203	11,444	8,696	1,294	..... Oct.
49,668	4,037	865	3,172	44,256	3,557	20,200	12,808	7,691	1,375	..... Nov.
49,666	3,744	484	3,261	44,594	3,256	20,526	13,225	7,587	1,328	..... Dec.
48,490	3,599	854	2,744	43,578	3,172	19,061	13,736	7,609	1,313	1975—Jan. 1975—Jan. Feb. Mar. Apr. May p
46,698	4,164	895	3,269	41,350	3,266	17,673	13,932	6,479	1,184	..... Feb.
49,533	4,805	1,189	3,616	43,546	3,072	19,128	14,688	6,658	1,183	..... Mar.
49,177	4,297	1,313	2,984	43,758	3,886	17,997	15,158	6,717	1,122	..... Apr.
49,479	4,487	1,314	3,173	43,784	4,220	18,640	14,135	6,789	1,208	..... May p
12,643	1,220		11,260	1,818	8,105	1,338	163	1972—Dec.	IN BAHAMAS AND CAYMANS ¹ Total, all currencies		
23,771	1,573		21,747	5,508	14,563	1,676	451	1973—Dec.			
30,864	2,567		27,706	8,255	17,217	2,233	591	1974—May	..... 1974—May June July Aug. Sept. Oct. Nov. Dec. r	
31,219	2,855		27,725	7,642	17,593	2,490	639	..... June		
30,403	3,684		26,039	7,663	16,223	2,153	681	..... July		
32,317	2,909		28,670	8,079	18,403	2,188	738	..... Aug.		
30,080	3,721		25,626	7,072	16,259	2,295	733	..... Sept.		
30,071	4,311		24,995	7,211	15,650	2,135	765	..... Oct.		
32,313	4,426		27,107	8,538	16,427	2,141	779	..... Nov.		
31,733	4,815		26,140	7,702	16,427	2,011	778	..... Dec. r		
33,131	5,036		27,343	8,269	16,854	2,220	752	1975—Jan. r	..... 1975—Jan. r Feb. r Mar. r Apr. r May p	
33,534	5,243		27,498	8,975	16,262	2,262	793	..... Feb. r		
33,793	7,228		25,875	8,998	15,134	2,243	690	..... Mar. r		
35,667	6,529		28,428	9,647	16,462	2,318	711	..... Apr. r		
38,198	8,126		29,070	7,634	18,995	2,441	1,001	..... May p		

20. DEPOSITS, U.S. TREAS. SECURITIES, AND GOLD HELD AT F.R. BANKS FOR FOREIGN OFFICIAL ACCOUNT

(In millions of dollars)

End of period	Deposits	Assets in custody	
		U.S. Treas. securities ¹	Earmarked gold
1972.....	325	50,934	215,530
1973.....	251	52,070	217,068
1974.....	418	55,600	16,838
1974—July....	330	54,317	16,964
Aug....	372	53,681	16,917
Sept....	411	53,849	16,892
Oct....	376	54,691	16,875
Nov....	626	55,908	16,865
Dec....	418	55,600	16,838
1975—Jan....	391	58,001	16,837
Feb....	409	60,864	16,818
Mar....	402	60,729	16,818
Apr....	270	60,618	16,818
May....	310	61,539	16,818
June....	373	61,406	16,803
July....	369	60,999	16,803

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 Oct. 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.

21. SHORT-TERM LIQUID CLAIMS ON FOREIGNERS REPORTED BY NONBANKING CONCERNS

(Amounts outstanding; in millions of dollars)

End of period	Total	Payable in dollars		Payable in foreign currencies		United Kingdom	Canada
		Deposits	Short-term investments ¹	Deposits	Short-term investments ¹		
1969.....	1,491	1,062	161	183	86	663	534
1970.....	1,141	697	150	173	121	372	443
1971 ²	1,648	1,092	203	234	120	577	587
	1,507	1,078	127	234	68	580	443
1972 ²	1,965	1,446	169	307	42	702	485
	2,374	1,910	55	340	68	911	536
1973 ²	3,162	2,588	37	427	109	1,118	770
1974—May....	3,669	3,037	76	329	227	1,441	980
June....	3,661	3,049	62	369	181	1,418	927
July....	3,771	3,223	74	341	133	1,441	828
Aug....	3,504	2,941	51	369	144	1,436	872
Sept....	3,073	2,491	30	362	189	1,194	864
Oct. ²	2,698	2,132	25	325	216	1,122	835
Nov. ²	2,998	2,380	15	326	277	1,285	941
Dec. ²	3,303	2,582	56	403	261	1,342	951
1975—Jan. ²	3,215	2,511	45	314	345	1,136	1,112
Feb. ²	3,326	2,512	46	356	412	1,079	1,136
Mar. ²	3,234	2,434	66	347	387	1,055	1,132
Apr. ²	3,359	2,449	39	313	559	1,065	1,277
May ²	3,182	2,216	47	391	527	905	1,238

¹ Negotiable and other readily transferable foreign obligations payable on demand or having a contractual maturity of not more than 1 year from the date on which the obligation was incurred by the foreigner.

² Data on the 2 lines for this date differ because of changes in reporting coverage. Figures on the first line are comparable in coverage with those shown for the preceding date; figures on the second line are comparable with those shown for the following date.

NOTE.—Data represent the liquid assets abroad of large nonbanking concerns in the United States. They are a portion of the total claims on foreigners reported by nonbanking concerns in the United States and are included in the figures shown in Table 22.

22. SHORT-TERM LIABILITIES TO AND CLAIMS ON FOREIGNERS REPORTED BY NONBANKING CONCERNS, BY TYPE

(Amount outstanding; in millions of dollars)

End of period	Liabilities			Claims			
	Total	Payable in dollars	Payable in foreign currencies	Total	Payable in dollars	Payable in foreign currencies	
						Deposits with banks abroad in reporter's name	Other
1971—Sept.....	2,564	2,109	454	4,894	4,186	383	326
Dec. ¹	2,704	2,229	475	5,185	4,535	318	333
	2,763	2,301	463	5,000	4,467	289	244
1972—Mar.....	2,844	2,407	437	5,173	4,557	317	300
June.....	2,925	2,452	472	5,326	4,685	374	268
Sept.....	2,933	2,435	498	5,487	4,833	426	228
Dec. ¹	3,119	2,635	484	5,721	5,074	410	237
	3,399	2,921	478	6,312	5,645	393	274
1973—Mar.....	3,307	2,828	478	7,028	6,150	456	422
June.....	3,286	2,754	532	7,304	6,453	493	358
Sept.....	3,574	2,915	659	7,648	6,710	528	411
Dec.....	3,962	3,249	713	8,438	7,522	485	431
1974—Mar.....	4,382	3,563	819	10,407	9,465	400	542
June.....	5,133	4,168	965	10,965	10,030	420	516
Sept.....	5,600	4,646	954	10,632	9,656	419	558
Dec.....	5,766	4,851	915	11,170	10,125	455	590
1975—Mar. ²	5,723	4,860	863	10,792	9,679	398	715

¹ Data on the 2 lines shown for this date differ because of changes in reporting coverage. Figures on the first line are comparable with those shown for the

preceding date; figures on the second line are comparable with those shown for the following date.

23. SHORT-TERM LIABILITIES TO AND CLAIMS ON FOREIGNERS REPORTED BY NONBANKING CONCERNS

(End of period. Amounts outstanding; in millions of dollars)

Area and country	Liabilities to foreigners					Claims on foreigners				
	1974				1975	1974				1975
	Mar.	June	Sept.	Dec.	Mar. ^p	Mar.	June	Sept.	Dec.	Mar. ^p
Europe:										
Austria.....	5	12	18	20	26	16	17	15	26	15
Belgium-Luxembourg.....	226	417	500	515	467	152	139	114	128	103
Denmark.....	17	18	22	24	23	37	27	25	42	35
Finland.....	8	9	12	16	16	42	80	91	120	76
France.....	134	177	164	202	151	384	511	463	431	329
Germany, Fed. Rep. of.....	237	220	246	314	350	337	348	328	339	276
Greece.....	21	28	28	39	25	87	76	69	65	59
Italy.....	121	131	137	128	113	322	395	415	397	315
Netherlands.....	114	104	120	117	121	103	126	144	148	157
Norway.....	9	8	10	9	9	22	35	32	36	34
Portugal.....	24	17	20	19	13	112	101	69	81	42
Spain.....	60	45	48	56	54	406	409	414	369	359
Sweden.....	43	52	40	38	32	74	106	97	89	66
Switzerland.....	92	112	106	140	157	91	78	154	136	86
Turkey.....	9	11	20	8	12	23	28	24	26	33
United Kingdom.....	1,118	1,244	1,415	1,216	1,101	1,839	1,871	1,768	1,853	1,635
Yugoslavia.....	16	18	17	40	52	15	23	23	22	33
Other Western Europe.....	3	6	7	5	5	19	23	20	21	23
Eastern Europe.....	29	34	80	70	54	79	97	90	142	114
Total.....	2,284	2,662	3,010	2,976	2,781	4,159	4,491	4,355	4,471	3,790
Canada.....	338	312	298	298	260	1,534	1,577	1,570	1,615	1,868
Latin America:										
Argentina.....	19	19	28	36	31	52	53	59	69	75
Bahamas.....	211	307	325	281	299	746	977	518	594	616
Brazil.....	78	125	160	118	121	411	523	419	461	376
Chile.....	7	10	14	22	23	78	64	124	106	69
Colombia.....	18	22	13	14	11	44	51	49	51	51
Cuba.....	*	*	*	*	*	1	1	1	1	1
Mexico.....	77	76	64	63	72	260	263	287	297	325
Panama.....	14	19	21	28	18	94	84	114	132	110
Peru.....	17	11	15	14	18	65	60	40	44	46
Uruguay.....	3	2	2	2	3	6	5	6	5	15
Venezuela.....	50	43	53	49	39	136	172	190	190	178
Other L.A. republics.....	45	60	63	83	65	172	172	182	193	194
Neth. Antilles and Surinam.....	5	7	8	24	48	13	17	14	20	16
Other Latin America.....	37	59	50	81	114	167	157	169	147	192
Total.....	581	761	818	816	862	2,245	2,599	2,169	2,308	2,266
Asia:										
China, People's Republic of (China Mainland).....	20	39	23	17	8	8	3	8	17	19
China, Rep. of (Taiwan).....	51	72	72	93	102	175	118	127	137	121
Hong Kong.....	24	19	19	19	19	69	68	64	63	82
India.....	14	13	10	7	10	36	31	37	37	32
Indonesia.....	13	22	38	60	63	51	67	81	85	110
Israel.....	31	39	40	50	63	38	37	53	44	46
Japan.....	374	374	352	348	331	1,214	957	1,100	1,148	1,238
Korea.....	38	45	66	75	43	109	124	123	201	165
Philippines.....	9	19	28	25	19	87	86	108	93	86
Thailand.....	7	7	10	10	9	21	22	23	24	30
Other Asia.....	262	404	431	536	645	264	314	311	387	399
Total.....	844	1,054	1,089	1,239	1,311	2,074	1,827	2,034	2,237	2,328
Africa:										
Egypt.....	35	12	6	3	5	9	13	16	15	24
South Africa.....	22	24	35	43	54	69	85	90	101	109
Zaire.....	21	15	17	18	17	20	17	13	24	18
Other Africa.....	134	156	114	129	142	154	199	205	234	242
Total.....	212	206	172	193	217	253	314	325	374	393
Other countries:										
Australia.....	73	51	57	56	60	110	117	134	116	100
All other.....	22	24	32	30	31	31	39	44	49	44
Total.....	95	74	89	86	91	142	157	178	165	144
International and regional.....	29	63	125	159	201	1	1	1	*	1
Grand total.....	4,382	5,133	5,600	5,766	5,723	10,407	10,965	10,632	11,170	10,792

NOTE.—Reported by exporters, importers, and industrial and commercial concerns and other nonbanking institutions in the United States.

Data exclude claims held through U.S. banks, and intercompany accounts between U.S. companies and their foreign affiliates.

24. LONG-TERM LIABILITIES TO AND CLAIMS ON FOREIGNERS REPORTED BY NONBANKING CONCERNS

(Amounts outstanding; in millions of dollars)

End of period	Total liabilities	Claims										
		Total	Country or area									
			United Kingdom	Other Europe	Canada	Brazil	Mexico	Other Latin America	Japan	Other Asia	Africa	All other
1971—Mar.....	3,177	2,983	154	688	670	182	63	615	161	302	77	72
June.....	3,172	2,982	151	687	677	180	63	625	138	312	75	74
Sept.....	2,939	3,019	135	672	765	178	60	597	133	319	85	75
Dec. ¹	3,159	3,118	128	705	761	174	60	652	141	327	86	85
	3,138	3,068	128	704	717	174	60	653	136	325	86	84
1972—June.....	3,300	3,206	108	712	748	188	61	671	161	377	86	93
Sept.....	3,448	3,187	128	695	757	177	63	662	132	390	89	96
Dec. ¹	3,540	3,312	163	715	775	184	60	658	156	406	87	109
	3,592	3,284	191	745	759	187	64	703	133	378	86	38
1973—Mar. ^r	3,770	3,421	156	802	775	165	63	796	123	393	105	45
June. ^r	3,771	3,472	180	805	782	146	65	825	124	390	108	48
Sept. ^r	3,979	3,632	216	822	800	147	73	832	134	449	108	51
Dec. ^r	3,867	3,695	290	763	854	145	79	824	122	450	115	53
1974—Mar. ^r	3,816	3,813	368	737	888	194	81	800	118	448	119	61
June. ^r	3,514	3,809	363	696	907	184	138	742	117	477	122	61
Sept.....	3,340	3,932	370	702	943	181	145	776	114	523	118	59
Dec.....	3,677	4,112	364	640	975	187	143	1,018	107	505	121	54
1975—Mar. ^p	3,924	4,113	339	653	1,019	182	160	966	102	528	130	54

¹ Data on the 2 lines shown for this date differ because of changes in reporting coverage. Figures on the first line are comparable with those shown for the preceding date; figures on the second line are comparable with those shown for the following date.

25. OPEN MARKET RATES

(Per cent per annum)

Month	Canada		United Kingdom				France	Germany, Fed. Rep. of		Netherlands		Switzerland
	Treasury bills, 3 months ¹	Day-to-day money ²	Prime bank bills, 3 months	Treasury bills, 3 months	Day-to-day money	Clearing banks' deposit rates	Day-to-day money ³	Treasury bills, 60-90 days ⁴	Day-to-day money ⁵	Treasury bills, 3 months	Day-to-day money	Private discount rate
1973.....	5.43	5.27	10.45	9.40	8.27	7.96	8.92	6.40	10.18	4.07	4.94	5.09
1974.....	7.63	7.69	12.99	11.36	9.85	9.48	12.87	6.06	8.76	6.90	8.21	6.67
1974—July.....	8.88	8.52	13.21	11.20	8.70	9.50	13.75	5.63	9.13	7.50	8.57	7.00
Aug.....	8.76	8.83	12.80	11.24	11.11	9.50	13.68	5.63	9.05	7.50	7.09	7.00
Sept.....	8.70	8.84	12.11	10.91	10.69	9.50	13.41	5.63	9.00	7.42	5.08	7.00
Oct.....	8.67	8.56	11.95	10.93	10.81	9.50	13.06	5.63	8.88	7.38	7.81	7.00
Nov.....	7.84	7.86	12.07	10.98	7.70	9.50	12.40	5.63	7.20	6.72	7.00	7.00
Dec.....	7.29	7.44	12.91	10.99	7.23	9.50	11.88	5.13	8.25	6.69	6.96	7.00
1975—Jan.....	6.65	6.82	11.93	10.59	8.40	9.30	11.20	5.13	7.54	6.60	6.18	7.00
Feb.....	6.34	6.88	11.34	9.88	7.72	9.50	9.91	3.88	4.04	6.56	7.33	7.00
Mar.....	6.29	6.73	10.11	9.49	7.53	8.22	9.06	3.38	4.87	5.94	5.87	7.00
Apr.....	6.59	6.68	9.41	9.26	7.50	7.09	8.34	3.38	4.62	5.53	4.13	6.50
May.....	6.89	6.88	10.00	9.47	7.81	6.25	7.56	3.38	5.32	3.82	1.98	6.50
June.....	6.96	6.88	9.72	9.43	7.00	6.25	7.31	3.38	4.91	2.78	1.37	6.50
July.....	7.22	7.17	9.86	9.71	7.34	6.25	7.25	.....	3.98	2.98	1.99	6.50

¹ Based on average yield of weekly tenders during month.² Based on weekly averages of daily closing rates.³ Rate shown is on private securities.⁴ Rate in effect at end of month.⁵ Monthly averages based on daily quotations.NOTE.—For description and back data, see "International Finance," Section 15 of *Supplement to Banking and Monetary Statistics*, 1962.

NOTES TO TABLES 19a AND 19b ON PAGES A-70 AND A-71, RESPECTIVELY:

¹ Cayman Islands included beginning Aug. 1973.² Total assets and total liabilities payable in U.S. dollars amounted to \$35,024 million and \$35,301 million, respectively, on May 31, 1975.

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

For a given month, total assets may not equal total liabilities because some branches do not adjust the parent's equity in the branch to reflect unrealized paper profits and paper losses caused by changes in exchange rates, which are used to convert foreign currency values into equivalent dollar values.

26. CENTRAL BANK RATES FOR DISCOUNTS AND ADVANCES TO COMMERCIAL BANKS

(Per cent per annum)

Country	Rate as of July 31, 1975		Country	Rate as of July 31, 1975	
	Per cent	Month effective		Per cent	Month effective
Argentina.....	18.0	Feb. 1972	Italy.....	7.0	May 1975
Austria.....	6.0	Apr. 1975	Japan.....	8.0	June 1975
Belgium.....	6.5	May 1975	Mexico.....	4.5	June 1942
Brazil.....	18.0	Feb. 1972	Netherlands.....	6.0	Mar. 1975
Canada.....	8.25	Jan. 1975	Norway.....	5.5	Mar. 1974
Denmark.....	8.0	Apr. 1975	Sweden.....	7.0	Aug. 1974
France.....	9.5	June 1975	Switzerland.....	4.5	May 1975
Germany, Fed. Rep. of.....	4.5	May 1975	United Kingdom.....	11.0	July 1975
			Venezuela.....	5.0	Oct. 1970

NOTE.—Rates shown are mainly those at which the central bank either discounts or makes advances against eligible commercial paper and/or govt. 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. Other rates for some of these countries follow:

Argentina—3 and 5 per cent for certain rural and industrial paper, depending on type of transaction;

Brazil—8 per cent for secured paper and 4 per cent for certain agricultural paper;

Japan—Penalty rates (exceeding the basic rate shown) for borrowings from the central bank in excess of an individual bank's quota;

United Kingdom—The Bank's minimum lending rate, which is the average rate of discount for Treasury bills established at the most recent tender plus one-half per cent rounded to the nearest one-quarter per cent above;

Venezuela—2 per cent for rediscounts of certain agricultural paper, 4½ per cent for advances against government bonds, and 5½ per cent for rediscounts of certain industrial paper and on advances against promissory notes or securities of first-class Venezuelan companies.

27. FOREIGN EXCHANGE RATES

(In cents per unit of foreign currency)

Period	Australia (dollar)	Austria (schilling)	Belgium (franc)	Canada (dollar)	Denmark (krone)	France (franc)	Germany (Deutsche mark)	India (rupee)	Ireland (pound)	Italy (lira)	Japan (yen)
1971.....	113.61	4.0009	2.0598	99.021	13.508	18.148	28.768	13.338	244.42	.16174	.28779
1972.....	119.23	4.3228	2.2716	100.937	14.384	19.825	31.364	13.246	250.08	.17132	.32995
1973.....	141.94	5.1649	2.5761	99.977	16.603	22.536	37.758	12.071	245.10	.17192	.36915
1974.....	143.89	5.3564	2.5713	102.257	16.442	20.805	38.723	12.460	234.03	.15372	.34302
1974—July.....	147.99	5.4973	2.6378	102.424	16.858	20.984	39.174	12.759	238.96	.15522	.34372
Aug.....	148.24	5.3909	2.5815	102.053	16.547	20.912	38.197	12.525	234.56	.15269	.33082
Sept.....	144.87	5.2975	2.5364	101.384	16.111	20.831	37.580	12.316	231.65	.15103	.33439
Oct.....	130.92	5.4068	2.5939	101.727	16.592	21.131	38.571	12.416	233.29	.14992	.33404
Nov.....	131.10	5.5511	2.6529	101.280	16.997	21.384	39.836	12.397	232.52	.14996	.33325
Dec.....	131.72	5.7176	2.7158	101.192	17.315	22.109	40.816	12.352	232.94	.15179	.33288
1975—Jan.....	132.95	5.9477	2.8190	100.526	17.816	22.893	42.292	12.300	236.23	.15504	.33370
Feb.....	134.80	6.0400	2.8753	99.957	18.064	23.390	42.981	12.550	239.58	.15678	.34294
Mar.....	135.85	6.0648	2.9083	99.954	18.397	23.804	43.120	12.900	241.80	.15842	.34731
Apr.....	134.16	5.9355	2.8433	98.913	18.119	23.806	42.092	12.686	237.07	.15767	.34224
May.....	134.04	6.0033	2.8631	97.222	18.299	24.655	42.546	12.391	232.05	.15937	.34314
June.....	133.55	6.0338	2.8603	97.426	18.392	24.971	42.726	12.210	228.03	.15982	.34077
July.....	130.95	5.7223	2.7123	97.004	17.477	23.659	40.469	11.777	218.45	.15387	.33741
Period	Malaysia (dollar)	Mexico (peso)	Netherlands (guilder)	New Zealand (dollar)	Norway (krone)	Portugal (escudo)	South Africa (rand)	Spain (peseta)	Sweden (krona)	Switzerland (franc)	United Kingdom (pound)
1971.....	32.989	8.0056	28.650	113.71	14.205	3.5456	140.29	1.4383	19.592	24.325	244.42
1972.....	35.610	8.0000	31.153	119.35	15.180	3.7023	129.43	1.5559	21.022	26.193	250.08
1973.....	40.988	8.0000	35.977	136.04	17.406	4.1080	143.88	1.7178	22.970	31.700	245.10
1974.....	41.682	8.0000	37.267	140.02	18.119	3.9506	146.98	1.7337	22.563	33.688	234.03
1974—July.....	41.471	8.0000	38.043	145.15	18.519	3.9886	149.73	1.7525	22.861	33.739	238.96
Aug.....	42.780	8.0000	37.419	143.73	18.246	3.9277	146.83	1.7466	22.597	33.509	234.56
Sept.....	41.443	8.0000	36.870	139.64	17.993	3.8565	142.69	1.7339	22.333	33.371	231.65
Oct.....	41.560	8.0000	37.639	129.95	18.165	3.9246	142.75	1.7422	22.683	34.528	233.29
Nov.....	43.075	8.0000	38.438	130.42	18.404	3.9911	143.88	1.7522	23.175	36.384	232.52
Dec.....	42.431	8.0000	39.331	130.56	18.873	4.0400	144.70	1.7716	23.897	38.442	232.94
1975—Jan.....	43.359	8.0000	40.715	131.72	19.579	4.0855	145.05	1.7800	24.750	39.571	236.23
Feb.....	44.136	8.0000	41.582	133.30	19.977	4.1139	147.16	1.7784	25.149	40.450	239.58
Mar.....	44.582	8.0000	42.124	134.31	20.357	4.1276	148.70	1.7907	25.481	40.273	241.80
Apr.....	43.797	8.0000	41.291	132.66	20.049	4.0596	147.01	1.7756	25.171	39.080	237.07
May.....	44.278	8.0000	41.581	131.66	20.198	4.0933	146.69	1.7871	25.422	39.851	232.05
June.....	43.856	8.0000	41.502	130.86	20.393	4.1124	146.31	1.7922	25.532	40.086	228.03
July.....	41.442	8.0000	39.154	127.73	19.241	3.9227	139.75	1.7446	24.213	38.272	218.45

NOTE.—Averages of certified noon buying rates in New York for cable transfers. For description of rates and back data, see "International Finance," Section 15 of *Supplement to Banking and Monetary Statistics*, 1962.

NUMBER OF BANKING OFFICES IN THE UNITED STATES

Type of office and type of change	All banks	Commercial banks							Mutual savings banks	
		Total	Member			Nonmember			Insured ²	Non-insured
			Total	National ¹	State	Total	Insured	Non-insured		
Banks (head office):										
Dec. 31, 1934.....	16,063	15,484	6,442	5,462	980	9,042	7,699	1,343	68	511
Dec. 31, 1941.....	14,826	14,278	6,619	5,117	1,502	7,662	6,810	852	52	496
Dec. 31, 1947 ³	14,714	14,181	6,923	5,005	1,918	7,261	6,478	783	194	339
Dec. 31, 1951.....	14,618	14,089	6,840	4,939	1,901	7,252	6,602	650	202	327
Dec. 31, 1965.....	14,309	13,804	6,221	4,815	1,406	7,583	7,320	263	328	177
Dec. 31, 1970.....	14,181	13,688	5,768	4,621	1,147	7,920	7,735	185	328	165
Dec. 31, 1971.....	14,273	13,784	5,728	4,600	1,128	8,056	7,875	181	326	163
Dec. 31, 1972.....	14,413	13,928	5,705	4,613	1,092	8,223	8,017	206	325	160
Dec. 31, 1973.....	14,653	14,172	5,737	4,661	1,076	8,435	8,229	206	321	160
Dec. 31, 1974.....	14,936	14,457	5,782	4,710	1,072	8,675	8,438	237	319	160
June 30, 1975.....	15,048	14,570	5,796	4,732	1,064	8,774	8,526	248	322	156
Branches, additional offices, and facilities:										
Dec. 31, 1934.....	3,133	3,007	2,224	1,243	981	783	783	783	126	103
Dec. 31, 1941.....	3,699	3,564	2,580	1,565	1,015	984	932	52	32	47
Dec. 31, 1947 ³	4,332	4,161	3,051	1,870	1,181	1,110	1,043	67	124	65
Dec. 31, 1951.....	5,383	5,153	3,837	2,370	1,467	1,316	1,275	41	165	47
Dec. 31, 1965.....	16,471	15,756	12,298	8,964	3,334	3,458	3,404	54	583	132
Dec. 31, 1970.....	22,727	21,643	16,191	12,536	3,655	5,452	5,404	48	891	193
Dec. 31, 1971.....	24,299	23,104	17,085	13,272	3,813	6,019	5,979	40	983	212
Dec. 31, 1972.....	25,977	24,622	17,954	13,974	3,980	6,668	6,623	45	1,113	242
Dec. 31, 1973.....	27,946	26,454	18,966	14,916	4,050	7,488	7,442	46	1,241	251
Dec. 31, 1974.....	30,076	28,434	19,946	15,734	4,212	8,488	8,440	48	1,387	255
June 30, 1975.....	30,985	29,223	20,349	16,017	4,332	8,874	8,827	47	1,468	294
Changes Jan.-June 30, 1975										
Banks:										
New banks.....	160	159	49	39	10	110	90	20	.....	1
Placed in receivership.....	-2	-2	-1	-1	.....	-1	-1	.....	.....	.....
Ceased banking operations.....	-4	-4	.....	.....	.....	-4	.....	-4	.....	.....
Suspensions ⁴	-2	-2	.....	.....	.....	-2	-2	.....	.....	.....
Reopening of suspended bank ⁴	2	2	.....	.....	.....	2	2	.....	.....	.....
Consolidations and absorptions:										
Banks converted into branches.....	-36	-34	-16	-9	-7	-18	-18	.....	-2	.....
Other.....	-5	-5	-2	-1	-1	-3	-2	-1	.....	.....
Interclass changes:										
Nonmember to national.....	.....	.....	2	2	.....	-2	-2	.....	.....	.....
Nonmember to State member.....	-1	-1	1	.....	1	-2	-1	-1	.....	.....
State member to national.....	.....	.....	1	1	-1	.....	.....	.....	.....	.....
State member to nonmember.....	.....	.....	-11	.....	-11	11	11	.....	.....	.....
National to nonmember.....	.....	.....	-8	-8	.....	8	8	.....	.....	.....
National to State member.....	.....	.....	-1	1	.....	.....	.....	.....	.....	.....
Noninsured to insured.....	.....	.....	.....	.....	.....	.....	3	-3	.....	.....
Noninsured mutual to insured mutual.....	.....	.....	.....	.....	.....	.....	.....	.....	5	-5
Net change.....	112	113	14	22	-8	99	88	11	3	-4
Number of banks, June 30, 1975.....	15,048	14,570	5,796	4,732	1,064	8,774	8,526	248	322	156
Branches and additional offices:										
De novo.....	956	836	481	381	100	355	354	1	73	47
Banks converted.....	36	34	19	18	1	15	15	.....	2	.....
Discontinued.....	-91	-89	-76	-52	-24	-13	-13	.....	-1	-1
Sale of branch.....	.....	.....	-1	.....	-1	1	1	.....	.....	.....
Interclass changes:										
Nonmember to national.....	.....	.....	17	17	.....	-17	-17	.....	.....	.....
Nonmember to State member.....	.....	.....	1	.....	1	-1	-1	.....	.....	.....
State member to national.....	.....	.....	40	40	-40	.....	.....	.....	.....	.....
State member to nonmember.....	.....	.....	-13	.....	-13	13	13	.....	.....	.....
National to State member.....	.....	.....	-98	98	.....	.....	.....	.....	.....	.....
National to nonmember.....	.....	.....	-27	-27	.....	27	27	.....	.....	.....
Noninsured to insured.....	.....	.....	.....	.....	.....	.....	2	-2	.....	.....
Noninsured mutual to insured mutual.....	.....	.....	.....	.....	.....	.....	.....	.....	7	-7
Other.....	9	9	7	10	-3	2	2	.....	.....	.....
Facilities reclassified as branches.....	2	2	1	1	.....	1	1	.....	.....	.....
Net change.....	912	792	409	290	119	383	384	-1	81	39
Number of branches and additional offices, June 30, 1975.....	30,791	29,029	20,189	15,868	4,321	8,840	8,793	47	1,468	294
Banking facilities:⁵										
De novo.....	1	1	1	.....	1	.....	.....	.....	.....	.....
Facilities reclassified as branches.....	-2	-2	-1	-1	.....	-1	-1	.....	.....	.....
Discontinued.....	-2	-2	-2	-2	.....	.....	.....	.....	.....	.....
Interclass changes:										
National to nonmember.....	.....	.....	-4	-4	.....	4	4	.....	.....	.....
Net change.....	-3	-3	-6	-7	1	3	3	.....	.....	.....
Number of facilities, June 30, 1975.....	194	194	160	149	11	34	34	.....	.....	.....

¹ National bank figures include 1 bank in Puerto Rico and 1 bank in Virgin Islands.

² Insured mutual savings banks figures include 1 to 3 member mutual savings banks, 1941 to 1962 inclusive, not reflected in total commercial bank figures.

³ Series revised as of June 30, 1947. The revision resulted in an addition of 115 banks and 9 branches.

⁴ One bank involved in litigation was suspended and reopened twice.
⁵ Provided at military and other Govt. establishments through arrangements made by the Treasury Dept.

NOTE.—Beginning with 1959, figures include all banks in Alaska and Hawaii, but nonmember banks in territories and possessions are excluded.

NUMBER OF PAR AND NONPAR BANKING OFFICES

F.R. district, State, or other area	Total		Par						Nonpar (nonmember)	
			Total		Member		Nonmember			
	Banks	Branches and offices	Banks	Branches and offices	Banks	Branches and offices	Banks	Branches and offices	Banks	Branches and offices
Total, including other areas:										
Dec. 31, 1974.....	14,334	28,684	14,247	28,627	5,782	20,012	8,465	8,615	87	57
June 30, 1975.....	14,439	29,469	14,362	29,414	5,796	20,403	8,566	9,011	77	55
F.R. districts, June 30, 1975										
Boston.....	374	2,005	374	2,005	201	1,283	173	722		
New York ¹	484	4,507	484	4,507	317	3,904	167	603		
Philadelphia.....	399	2,139	399	2,139	260	1,374	139	765		
Cleveland.....	768	2,505	768	2,505	459	1,998	309	507		
Richmond.....	794	4,195	789	4,195	407	2,515	382	1,680	5	
Atlanta.....	1,976	2,515	1,939	2,475	657	1,403	1,282	1,072	37	40
Chicago.....	2,695	3,022	2,695	3,022	929	1,896	1,766	1,126		
St. Louis.....	1,427	1,430	1,427	1,430	429	703	998	727		
Minneapolis.....	1,398	385	1,398	385	508	207	898	178		
Kansas City.....	2,185	618	2,185	618	823	323	1,362	295		
Dallas.....	1,480	441	1,445	426	663	212	782	214	35	15
San Francisco.....	459	5,707	459	5,707	143	4,585	316	1,122		
State or area, June 30, 1975:										
Alabama.....	294	436	294	436	112	303	182	133		
Alaska.....	9	83	9	83	5	71	4	12		
Arizona.....	16	433	16	433	3	297	13	136		
Arkansas.....	260	297	260	297	83	169	177	128		
California.....	194	3,531	194	3,531	65	3,035	129	1496		
Colorado.....	269	52	269	52	147	32	122	20		
Connecticut.....	72	556	72	556	26	335	46	221		
Delaware.....	17	132	17	132	5	3	12	129		
District of Columbia.....	16	127	16	127	14	117	2	10		
Florida.....	736	167	736	167	327	58	409	109		
Georgia.....	446	670	446	670	72	394	374	276		
Hawaii.....	8	150	8	150	2	11	6	139		
Idaho.....	24	196	24	196	10	166	14	30		
Illinois.....	1,217	203	1,217	203	490	117	727	86		
Indiana.....	406	877	406	877	169	501	237	376		
Iowa.....	662	394	662	394	145	119	517	275		
Kansas.....	614	142	614	142	194	69	420	73		
Kentucky.....	341	485	341	485	91	281	250	204		
Louisiana.....	253	561	187	506	62	275	125	231	66	55
Maine.....	45	281	45	281	23	157	22	124		
Maryland.....	114	728	114	728	48	440	66	288		
Massachusetts.....	150	897	150	897	90	665	60	232		
Michigan.....	346	1,515	346	1,515	207	1,202	139	313		
Minnesota.....	744	38	744	38	230	21	514	17		
Mississippi.....	184	524	184	524	45	229	139	295		
Missouri.....	701	293	701	293	175	94	526	199		
Montana.....	154	15	154	15	101	11	53	4		
Nebraska.....	448	93	448	93	128	49	320	44		
Nevada.....	8	109	8	109	5	92	3	17		
New Hampshire.....	79	104	79	104	47	82	32	22		
New Jersey.....	216	1,379	216	1,379	141	1,160	75	219		
New Mexico.....	78	198	78	198	42	121	36	77		
New York.....	299	3,152	299	3,152	222	2,970	77	1182		
North Carolina.....	93	1,565	93	1,565	29	762	64	803		
North Dakota.....	171	81	171	81	47	21	124	60		
Ohio.....	497	1,645	497	1,645	331	1,358	166	287		
Oklahoma.....	459	100	459	100	209	62	250	38		
Oregon.....	49	429	49	429	8	296	41	133		
Pennsylvania.....	399	2,240	399	2,240	262	1,526	137	714		
Rhode Island.....	16	217	16	217	5	114	11	103		
South Carolina.....	91	594	86	594	26	307	60	287	5	
South Dakota.....	159	119	159	119	60	85	99	34		
Tennessee.....	342	748	342	748	90	406	252	342		
Texas.....	1,327	131	1,321	131	613	32	708	99	6	
Utah.....	57	192	57	192	16	134	41	58		
Vermont.....	33	134	33	134	17	47	16	87		
Virginia.....	291	1,160	291	1,160	175	875	116	285		
Washington.....	96	671	96	671	29	548	67	123		
West Virginia.....	217	29	217	29	130	18	87	11		
Wisconsin.....	621	329	621	329	162	104	459	225		
Wyoming.....	77	2	77	2	59	1	18	1		
Other areas:										
American Samoa ²		3		3		1		2		
Guam ²	1	16	1	16		9	1	7		
Puerto Rico ³	15	216	15	216		22	14	194		
Virgin Islands ³	8	30	8	30	1	29	7	1		

¹ Includes Los Angeles branch and 19 New York City branches of 3 insured nonmember Puerto Rican banks.

² American Samoa and Guam assigned to the San Francisco District for check clearing and collection purposes. All member branches in Guam are branches of California and New York banks.

³ Puerto Rico and the Virgin Islands assigned to the New York District for purposes of Regulation J, "Check Clearing and Collection." Member branches in Puerto Rico and all except 7 in the Virgin Islands are branches of banks located in California, New York, and Pennsylvania. Certain branches of Canadian banks (2 in Puerto Rico and 5 in Virgin Islands)

are included above in the table as nonmember banks; and nonmember branches in Puerto Rico include 8 branches of Canadian banks.

NOTE.—Includes all commercial banking offices in the United States, Puerto Rico, and the Virgin Islands on which checks are drawn, including 194 banking facilities. Number of banks and branches differs from that in the table on p. A-76 of the Aug. 1975 BULLETIN because this table includes banks in Puerto Rico and the Virgin Islands but excludes banks and trust companies on which no checks are drawn.

Board of Governors of the Federal Reserve System

ARTHUR F. BURNS, *Chairman*
JEFFREY M. BUCHER
HENRY C. WALLICH

GEORGE W. MITCHELL, *Vice Chairman*
ROBERT C. HOLLAND
PHILIP C. JACKSON, JR.

PHILIP E. COLDWELL

OFFICE OF MANAGING DIRECTOR FOR OPERATIONS

JOHN M. DENKLER, *Managing Director*
ROBERT J. LAWRENCE, *Deputy Managing Director*
GORDON B. GRIMWOOD, *Assistant Director and Program Director for Contingency Planning*
WILLIAM W. LAYTON, *Director of Equal Employment Opportunity*
BRENTON C. LEAVITT, *Program Director for Banking Structure*
PETER E. BARNA, *Program Director for Bank Holding Company Analysis*

DIVISION OF FEDERAL RESERVE BANK OPERATIONS

RONALD G. BURKE, *Director*
JAMES R. KUDLINSKI, *Associate Director*
*E. MAURICE MCWHIRTER, *Associate Director*
WILLIAM H. WALLACE, *Associate Director*
WALTER A. ALTHAUSEN, *Assistant Director*
CLYDE H. FARNSWORTH, JR., *Assistant Director*
HARRY A. GUNTER, *Assistant Director*
THOMAS E. MEAD, *Assistant Director*
P. D. RING, *Assistant Director*

OFFICE OF BOARD MEMBERS

THOMAS J. O'CONNELL, *Counsel to the Chairman*
ROBERT SOLOMON, *Adviser to the Board*
JOSEPH R. COYNE, *Assistant to the Board*
KENNETH A. GUENTHER, *Assistant to the Board*
JOHN S. RIPPEY, *Assistant to the Board*
JAY PAUL BRENNEMAN, *Special Assistant to the Board*
JOHN J. HART, *Special Assistant to the Board*
FRANK O'BRIEN, JR., *Special Assistant to the Board*
DONALD J. WINN, *Special Assistant to the Board*

LEGAL DIVISION

JOHN D. HAWKE, JR., *General Counsel*
JOHN NICOLL, *Deputy General Counsel*
BALDWIN B. TUTTLE, *Assistant General Counsel*
CHARLES R. MCNEILL, *Assistant to the General Counsel*
ALLEN L. RAIKEN, *Adviser*
GARY M. WELSH, *Adviser*

OFFICE OF MANAGING DIRECTOR FOR RESEARCH AND ECONOMIC POLICY

J. CHARLES PARTEE, *Managing Director*
STEPHEN H. AXILROD, *Adviser to the Board*
ARTHUR L. BROIDA, *Assistant to the Board*
STANLEY J. SIGEL, *Assistant to the Board*
MURRAY ALTMANN, *Special Assistant to the Board*
NORMAND R. V. BERNARD, *Special Assistant to the Board*

DIVISION OF RESEARCH AND STATISTICS

LYLE E. GRAMLEY, *Director*
PETER M. KEIR, *Adviser*
JAMES L. KICHLINE, *Adviser*
JOSEPH S. ZEISEL, *Adviser*
JAMES B. ECKERT, *Associate Adviser*
EDWARD C. ETTIN, *Associate Adviser*
JOHN H. KALCHBRENNER, *Associate Adviser*
JOHN J. MINGO, *Associate Adviser*
ELEANOR J. STOCKWELL, *Associate Adviser*
ROBERT M. FISHER, *Assistant Adviser*
J. CORTLAND G. PERET, *Assistant Adviser*
STEPHEN P. TAYLOR, *Assistant Adviser*
HELMUT F. WENDEL, *Assistant Adviser*
LEVON H. GARABEDIAN, *Assistant Director*

DIVISION OF DATA PROCESSING

CHARLES L. HAMPTON, *Director*
BRUCE M. BEARDSLEY, *Associate Director*
GLENN L. CUMMINS, *Assistant Director*
WARREN N. MINAMI, *Assistant Director*
ROBERT J. ZEMEL, *Assistant Director*

DIVISION OF PERSONNEL

KEITH D. ENGSTROM, *Director*
CHARLES W. WOOD, *Assistant Director*

OFFICE OF THE CONTROLLER

JOHN KAKALEC, *Controller*
TYLER E. WILLIAMS, JR., *Assistant Controller*

DIVISION OF ADMINISTRATIVE SERVICES

WALTER W. KREIMANN, *Director*
DONALD E. ANDERSON, *Assistant Director*
JOHN D. SMITH, *Assistant Director*

*On leave of absence.

OFFICE OF SAVER AND CONSUMER AFFAIRS

FREDERIC SOLOMON, *Assistant to the
Board and Director*
JANET O. HART, *Deputy Director*
ROBERT S. PLOTKIN, *Assistant Director*

OFFICE OF THE SECRETARY

THEODORE E. ALLISON, *Secretary*
GRIFFITH L. GARWOOD, *Assistant Secretary*
†ROBERT SMITH III, *Assistant Secretary*

DIVISION OF BANKING SUPERVISION
AND REGULATION

BRENTON C. LEAVITT, *Director*
FREDERICK R. DAHL, *Assistant Director*
JACK M. EGERTSON, *Assistant Director*
JOHN N. LYON, *Assistant Director*
JOHN T. MCCLINTOCK, *Assistant Director*
THOMAS A. SIDMAN, *Assistant Director*
WILLIAM W. WILES, *Assistant Director*
JOHN E. RYAN, *Adviser*

†On loan from the Federal Reserve Bank of Dallas.

DIVISION OF INTERNATIONAL FINANCE

RALPH C. BRYANT, *Director*
JOHN E. REYNOLDS, *Associate Director*
ROBERT F. GEMMILL, *Adviser*
REED J. IRVINE, *Adviser*
*HELEN B. JUNZ, *Adviser*
SAMUEL PIZER, *Adviser*
GEORGE B. HENRY, *Associate Adviser*
CHARLES J. SIEGMAN, *Assistant Adviser*
EDWIN M. TRUMAN, *Assistant Adviser*

Federal Open Market Committee

ARTHUR F. BURNS, *Chairman*

PAUL A. VOLCKER, *Vice Chairman*

ERNEST T. BAUGHMAN

DAVID P. EASTBURN

GEORGE W. MITCHELL

JEFFREY M. BUCHER

ROBERT C. HOLLAND

HENRY C. WALLICH

PHILIP E. COLDWELL

BRUCE K. MACLAURY

PHILIP C. JACKSON, JR.

ROBERT P. MAYO

ARTHUR L. BROIDA, *Secretary*

LYLE E. GRAMLEY, *Economist*

MURRAY ALTMANN, *Deputy Secretary*

(*Domestic Business*)

NORMAND R. V. BERNARD, *Assistant Secretary*

ROBERT SOLOMON, *Economist*

(*International Finance*)

THOMAS J. O'CONNELL, *General Counsel*

EDWARD G. BOEHNE, *Associate Economist*

EDWARD G. GUY, *Deputy General Counsel*

RALPH C. BRYANT, *Associate Economist*

JOHN NICOLL, *Assistant General Counsel*

RICHARD G. DAVIS, *Associate Economist*

J. CHARLES PARTEE, *Senior Economist*

RALPH T. GREEN, *Associate Economist*

STEPHEN H. AXILROD, *Economist*

JOHN KAREKEN, *Associate Economist*

(*Domestic Finance*)

JOHN E. REYNOLDS, *Associate Economist*

KARL O. SCHELD, *Associate Economist*

ALAN R. HOLMES, *Manager, System Open Market Account*

PETER D. STERNLIGHT, *Deputy Manager for Domestic Operations*

SCOTT E. PARDEE, *Deputy Manager for Foreign Operations*

Federal Advisory Council

THOMAS I. STORRS, FIFTH FEDERAL RESERVE DISTRICT, *President*

GEORGE B. ROCKWELL, FIRST FEDERAL
RESERVE DISTRICT

EDWIN S. JONES, EIGHTH FEDERAL
RESERVE DISTRICT

ELLMORE C. PATTERSON, SECOND FEDERAL
RESERVE DISTRICT

GEORGE H. DIXON, NINTH FEDERAL
RESERVE DISTRICT

JAMES F. BODINE, THIRD FEDERAL
RESERVE DISTRICT

EUGENE H. ADAMS, TENTH FEDERAL
RESERVE DISTRICT

CLAIR E. FULTZ, FOURTH FEDERAL
RESERVE DISTRICT

BEN F. LOVE, ELEVENTH FEDERAL
RESERVE DISTRICT

LAWRENCE A. MERRIGAN, SIXTH FEDERAL
RESERVE DISTRICT

JAMES B. MAYER, TWELFTH FEDERAL
RESERVE DISTRICT

WILLIAM F. MURRAY, SEVENTH FEDERAL
RESERVE DISTRICT

HERBERT V. PROCHNOW, *Secretary*
WILLIAM J. KORSVIK, *Associate Secretary*

Federal Reserve Banks, Branches, and Offices

FEDERAL RESERVE BANK, branch, or facility Zip	Chairman Deputy Chairman	President First Vice President	Vice President in charge of branch
BOSTON* 02106	Louis W. Cabot Robert M. Solow	Frank E. Morris James A. McIntosh	
NEW YORK* 10045	Roswell L. Gilpatric Frank R. Milliken Donald Nesbitt	Paul A. Volcker Richard A. Debs	Ronald B. Gray
Buffalo 14240			
PHILADELPHIA 19105	John R. Coleman Edward J. Dwyer	David P. Eastburn Mark H. Willes	
CLEVELAND* 44101	Horace A. Shepard Robert E. Kirby Phillip R. Shriver G. Jackson Tankersley	Willis J. Winn Walter H. MacDonald	Robert E. Showalter Robert D. Duggan
Cincinnati 45201			
Pittsburgh 15230			
RICHMOND* 23261	Robert W. Lawson, Jr. E. Craig Wall, Sr. James G. Harlow Charles W. DeBell	Robert P. Black George C. Rankin	Jimmie R. Monhollon Stuart P. Fishburne
Baltimore 21203			John G. Stoides
Charlotte 28201			
Culpeper Communications Center 22701			
ATLANTA 30303	H. G. Pattillo Clifford M. Kirtland, Jr. Frank P. Samford, Jr. James E. Lyons Castle W. Jordan John C. Tune Floyd W. Lewis	Monroe Kimbrel Kyle K. Fossum	Hiram J. Honea Edward C. Rainey W. M. Davis Jeffrey J. Wells George C. Guynn
Birmingham 35202			
Jacksonville 32203			
Miami 33152			
Nashville 37203			
New Orleans 70161			
CHICAGO* 60690	Peter B. Clark Robert H. Strotz W. M. Defoe	Robert P. Mayo Daniel M. Doyle	William C. Conrad
Detroit 48231			
ST. LOUIS 63166	Edward J. Schnuck Sam Cooper Ronald W. Bailey James H. Davis Jeanne L. Holley	Darryl R. Francis Eugene A. Leonard	John F. Breen Donald L. Henry L. Terry Britt
Little Rock 72203			
Louisville 40201			
Memphis 38101			
MINNEAPOLIS 55480	Bruce B. Dayton James P. McFarland William A. Cordingley	Bruce K. MacLaury Clement A. Van Nice	Howard L. Knous
Helena 59601			
KANSAS CITY 64198	Robert T. Person Harold W. Andersen Maurice B. Mitchell James G. Harlow, Jr. Durward B. Varner	George H. Clay John T. Boysen	J. David Hamilton William G. Evans Robert D. Hamilton
Denver 80217			
Oklahoma City 73125			
Omaha 68102			
DALLAS 75222	John Lawrence Charles T. Beaird Herbert M. Schwartz Thomas J. Barlow Pete J. Morales, Jr.	Ernest T. Baughman T. W. Plant	Fredric W. Reed James L. Cauthen Carl H. Moore
El Paso 79999			
Houston 77001			
San Antonio 78295			
SAN FRANCISCO 94120	O. Meredith Wilson Joseph F. Alibrandi Joseph R. Vaughan Loran L. Stewart Sam Bennion Malcolm T. Stamper	John J. Balles John B. Williams	Richard C. Dunn Angelo S. Carella A. Grant Holman James J. Curran
Los Angeles 90051			
Portland 97208			
Salt Lake City 84110			
Seattle 98124			

* Additional offices of these Banks are located at Lewiston, Maine 04240; Windsor Locks, Connecticut 06096; Cranford, New Jersey 07016; Jericho, New York 11753; Columbus, Ohio 43216; Columbia, South Carolina 29210; Des Moines, Iowa 50306; Indianapolis, Indiana 46204; and Milwaukee, Wisconsin 53202.

Federal Reserve Board Publications

Available from Publications Services, Division of Administrative Services, Board of Governors of the Federal Reserve System, Washington, D.C. 20551. Where a charge is indicated, remittance should accompany

THE FEDERAL RESERVE SYSTEM—PURPOSES AND FUNCTIONS. 1974. 125 pp. \$1.00 each; 10 or more to one address, \$.75 each.

ANNUAL REPORT

FEDERAL RESERVE BULLETIN. Monthly. \$20.00 per year or \$2.00 each in the United States and its possessions, and in Bolivia, Canada, Chile, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, Guatemala, Haiti, Republic of Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, El Salvador, Uruguay, and Venezuela; 10 or more of same issue to one address, \$18.00 per year or \$1.75 each. Elsewhere, \$24.00 per year or \$2.50 each.

FEDERAL RESERVE CHART BOOK ON FINANCIAL AND BUSINESS STATISTICS. Monthly. Subscription includes one issue of Historical Chart Book. \$12.00 per year or \$1.25 each in the United States and the countries listed above; 10 or more of same issue to one address, \$1.00 each. Elsewhere, \$15.00 per year or \$1.50 each.

HISTORICAL CHART BOOK. Issued annually in Sept. Subscription to monthly chart book includes one issue. \$1.25 each in the United States and countries listed above; 10 or more to one address, \$1.00 each. Elsewhere, \$1.50 each.

THE FEDERAL RESERVE ACT, as amended through December 1971, with an appendix containing provisions of certain other statutes affecting the Federal Reserve System. 252 pp. \$1.25.

REGULATIONS OF THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

PUBLISHED INTERPRETATIONS OF THE BOARD OF GOVERNORS, as of December 31, 1974. \$2.50.

SUPPLEMENT TO BANKING AND MONETARY STATISTICS.
Sec. 1. Banks and the Monetary System. 1962. 35 pp. \$.35. **Sec. 2.** Member Banks. 1967. 59 pp. \$.50. **Sec. 5.** Bank Debits. 1966. 36 pp. \$.35. **Sec. 6.** Bank Income. 1966. 29 pp. \$.35. **Sec. 9.** Federal Reserve Banks. 1965. 36 pp. \$.35. **Sec. 10.** Member Bank Reserves and Related Items. 1962. 64 pp. \$.50. **Sec. 11.** Currency. 1963. 11 pp. \$.35. **Sec. 12.** Money Rates and Securities Markets. 1966. 182 pp. \$.65. **Sec. 14.** Gold. 1962. 24 pp. \$.35. **Sec. 15.** International Finance. 1962. 92 pp. \$.65. **Sec. 16 (New).** Consumer Credit. 1965. 103 pp. \$.65.

THE FEDERAL FUNDS MARKET. 1959. 111 pp. \$1.00 each; 10 or more to one address, \$.85 each.

TRADING IN FEDERAL FUNDS. 1965. 116 pp. \$1.00 each; 10 or more to one address, \$.85 each.

request and be made payable to the order of the Board of Governors of the Federal Reserve System in a form collectible at par in U.S. currency. (Stamps and coupons are not accepted.)

INDUSTRIAL PRODUCTION—1971 EDITION. 1972. 383 pp. \$4.00 each; 10 or more to one address, \$3.50 each.

THE PERFORMANCE OF BANK HOLDING COMPANIES. 1967. 29 pp. \$.25 each; 10 or more to one address, \$.20 each.

BANK CREDIT-CARD AND CHECK-CREDIT PLANS. 1968. 102 pp. \$1.00 each; 10 or more to one address, \$.85 each.

SURVEY OF FINANCIAL CHARACTERISTICS OF CONSUMERS. 1966. 166 pp. \$1.00 each; 10 or more to one address, \$.85 each.

SURVEY OF CHANGES IN FAMILY FINANCES. 1968. 321 pp. \$1.00 each; 10 or more to one address, \$.85 each.

REPORT OF THE JOINT TREASURY-FEDERAL RESERVE STUDY OF THE U.S. GOVERNMENT SECURITIES MARKET. 1969. 48 pp. \$.25 each; 10 or more to one address, \$.20 each.

JOINT TREASURY-FEDERAL RESERVE STUDY OF THE GOVERNMENT SECURITIES MARKET: STAFF STUDIES—PART 1. 1970. 86 pp. \$.50 each; 10 or more to one address, \$.40 each. **PART 2.** 1971. 153 pp. and **PART 3.** 1973. 131 pp. Each volume \$1.00; 10 or more to one address, \$.85 each.

OPEN MARKET POLICIES AND OPERATING PROCEDURES—STAFF STUDIES. 1971. 218 pp. \$2.00 each; 10 or more to one address, \$1.75 each.

REAPPRAISAL OF THE FEDERAL RESERVE DISCOUNT MECHANISM. Vol. 1. 1971. 276 pp. **Vol. 2.** 1971. 173 pp. **Vol. 3.** 1972. 220 pp. Each volume \$3.00; 10 or more to one address, \$2.50 each.

THE ECONOMETRICS OF PRICE DETERMINATION CONFERENCE, October 30-31, 1970, Washington, D.C. Oct. 1972. 397 pp. Cloth ed. \$5.00 each; 10 or more to one address, \$4.50 each. Paper ed. \$4.00 each; 10 or more to one address, \$3.60 each.

FEDERAL RESERVE STAFF STUDY: WAYS TO MODERATE FLUCTUATIONS IN HOUSING CONSTRUCTION, Dec. 1972. 487 pp. \$4.00 each; 10 or more to one address, \$3.60 each.

LENDING FUNCTIONS OF THE FEDERAL RESERVE BANKS: A HISTORY, by Howard H. Hackley. 1973. 271 pp. \$3.50 each; 10 or more to one address, \$3.00 each.

INTRODUCTION TO FLOW OF FUNDS. 1975. 64 pp. \$.50 each; 10 or more to one address, \$.40 each.

IMPROVED FUND AVAILABILITY AT RURAL BANKS (Report and study papers of the Committee on Rural Banking Problems). June 1975. 133 pp. \$1.00; 10 or more to one address, \$.85 each.

STAFF ECONOMIC STUDIES

Studies and papers on economic and financial subjects that are of general interest in the field of economic research.

SUMMARIES ONLY PRINTED IN THE BULLETIN

(Limited supply of mimeographed copies of full text available upon request for single copies)

THE IMPACT OF HOLDING COMPANY ACQUISITIONS ON AGGREGATE CONCENTRATION IN BANKING, by Samuel H. Talley. Feb. 1974. 24 pp.

OPERATING POLICIES OF BANK HOLDING COMPANIES—PART II: NONBANKING SUBSIDIARIES, by Robert J. Lawrence. Mar. 1974. 59 pp.

HOUSEHOLD-SECTOR ECONOMIC ACCOUNTS, by David F. Seiders. Jan. 1975. 84 pp.

THE PERFORMANCE OF INDIVIDUAL BANK HOLDING COMPANIES, by Arthur G. Fraas. Aug. 1975. 27 pp.

PRINTED IN FULL IN THE BULLETIN

Staff Economic Studies shown in list below.

REPRINTS

(Except for Staff Papers, Staff Economic Studies, and some leading articles, most of the articles reprinted do not exceed 12 pages.)

SEASONAL FACTORS AFFECTING BANK RESERVES. 2/58.
MEASURES OF MEMBER BANK RESERVES. 7/63.

RESEARCH ON BANKING STRUCTURE AND PERFORMANCE, **Staff Economic Study** by Tynan Smith. 4/66.

A REVISED INDEX OF MANUFACTURING CAPACITY, **Staff Economic Study** by Frank de Leeuw with Frank E. Hopkins and Michael D. Sherman. 11/66.

U.S. INTERNATIONAL TRANSACTIONS: TRENDS IN 1960-67. 4/68.

EURO-DOLLARS: A CHANGING MARKET. 10/69.

RECENT CHANGES IN STRUCTURE OF COMMERCIAL BANKING. 3/70.

MEASURES OF SECURITY CREDIT. 12/70.

MONETARY AGGREGATES AND MONEY MARKET CONDITIONS IN OPEN MARKET POLICY. 2/71.

INTEREST RATES, CREDIT FLOWS, AND MONETARY AGGREGATES SINCE 1964. 6/71.

INDUSTRIAL PRODUCTION—REVISED AND NEW MEASURES. 7/71.

REVISED MEASURES OF MANUFACTURING CAPACITY UTILIZATION. 10/71.

REVISION OF BANK CREDIT SERIES. 12/71.

ASSETS AND LIABILITIES OF FOREIGN BRANCHES OF U.S. BANKS. 2/72.

BANK DEBITS, DEPOSITS, AND DEPOSIT TURNOVER—REVISED SERIES. 7/72.

YIELDS ON NEWLY ISSUED CORPORATE BONDS. 9/72.

RECENT ACTIVITIES OF FOREIGN BRANCHES OF U.S. BANKS. 10/72.

REVISION OF CONSUMER CREDIT STATISTICS. 10/72.

ONE-BANK HOLDING COMPANIES BEFORE THE 1970 AMENDMENTS. 12/72.

YIELDS ON RECENTLY OFFERED CORPORATE BONDS. 5/73.

CAPACITY UTILIZATION IN MAJOR MATERIALS INDUSTRIES. 8/73.

CREDIT-CARD AND CHECK-CREDIT PLANS AT COMMERCIAL BANKS. 9/73.

RATES ON CONSUMER INSTALMENT LOANS. 9/73.

NEW SERIES FOR LARGE MANUFACTURING CORPORATIONS. 10/73.

MONEY SUPPLY IN THE CONDUCT OF MONETARY POLICY. 11/73.

U.S. ENERGY SUPPLIES AND USES, **Staff Economic Study** by Clayton Gehman. 12/73.

CAPACITY UTILIZATION FOR MAJOR MATERIALS: REVISED MEASURES. 4/74.

NUMERICAL SPECIFICATIONS OF FINANCIAL VARIABLES AND THEIR ROLE IN MONETARY POLICY. 5/74.

INFLATION AND STAGNATION IN MAJOR FOREIGN INDUSTRIAL COUNTRIES. 10/74.

REVISION OF THE MONEY STOCK MEASURES AND MEMBER BANK DEPOSITS. 12/74.

CHANGES IN TIME AND SAVINGS DEPOSITS AT COMMERCIAL BANKS, APRIL-JULY 1974. 1/75.

U.S. INTERNATIONAL TRANSACTIONS IN 1974. 4/75.

MONETARY POLICY IN A CHANGING FINANCIAL ENVIRONMENT: OPEN MARKET OPERATIONS IN 1974. 4/75.

THE STRUCTURE OF MARGIN CREDIT. 4/75.

CHANGES IN BANK LENDING PRACTICES, 1974. 4/75.

NEW STATISTICAL SERIES ON LOAN COMMITMENTS AT SELECTED LARGE COMMERCIAL BANKS. 4/75.

RECENT TRENDS IN FEDERAL BUDGET POLICY. 7/75.

BANKING AND MONETARY STATISTICS, 1974. Selected series of banking and monetary statistics for 1974 only. 2/75, 3/75, 4/75 and 7/75.

Index to Statistical Tables

References are to pages A-2 through A-77 although the prefix "A" is omitted in this index

(For list of tables published periodically, but not monthly, see inside back cover)

- ACCEPTANCES, bankers, 9, 25, 27
- Agricultural loans of commercial banks, 16, 18
- Assets and liabilities (*See also* Foreigners):
 - Banks, by classes, 14, 16, 17, 18, 30
 - Federal Reserve Banks, 10
 - Nonfinancial corporations, current, 41
- Automobiles:
 - Consumer instalment credit, 45, 46, 47
 - Production index, 48, 49
- BANK credit proxy, 13
- Bankers balances, 16, 17, 20
 - (*See also* Foreigners)
- Banking offices:
 - Changes in number, 76
 - Par and nonpar, number, 77
- Banks for cooperatives, 38
- Bonds (*See also* U.S. Govt. securities):
 - New issues, 38, 39, 40
 - Yields and prices, 28, 29
- Branch banks:
 - Assets, foreign branches of U.S. banks, 70
 - Liabilities of U.S. banks to their foreign branches and foreign branches of U.S. banks, 22, 71
- Brokerage balances, 69
- Business expenditures on new plant and equipment, 41
- Business indexes, 50
- Business loans (*See* Commercial and industrial loans)
- CAPACITY utilization, 50
- Capital accounts:
 - Banks, by classes, 14, 17, 22
 - Federal Reserve Banks, 10
- Central banks, 60, 75
- Certificates of deposit, 22
- Commercial and industrial loans:
 - Commercial banks, 13, 16
 - Weekly reporting banks, 18, 23
- Commercial banks:
 - Assets and liabilities, 13, 14, 16, 17, 18
 - Banking offices, changes in number, 76
 - Consumer loans held, by type, 45
 - Deposits at, for payment of personal loans, 24
 - Loans sold outright, 25
 - Number, by classes, 14
 - Real estate mortgages held, by type of holder and property, 42-44
- Commercial paper, 23, 25, 27
- Condition statements (*See* Assets and liabilities)
- Construction, 50, 51
- Consumer credit:
 - Instalment credit, 45, 46, 47
 - Noninstalment credit, 45
- Consumer price indexes, 50, 53
- Consumption expenditures, 54, 55
- Corporations:
 - Profits, taxes, and dividends, 41
 - Security issues, 39, 40
 - Security yields and prices, 28, 29
- Cost of living (*See* Consumer price indexes)
- Currency and coin, 3, 16
- Currency in circulation, 3, 12
- Customer credit, stock market, 29, 30
- DEBITS to deposit accounts, 11
- Debt (*See specific types of debt or securities*)
- Demand deposits:
 - Adjusted, commercial banks, 11, 13, 17
 - Banks, by classes, 14, 17, 20, 21
 - Ownership by individuals, partnerships, and corporations, 24
 - Subject to reserve requirements, 13
 - Turnover, 11
- Deposits (*See also specific types of deposits*):
 - Accumulated at commercial banks for payment of personal loans, 24
 - Banks, by classes, 14, 17, 20, 21, 30
 - Federal Reserve Banks, 10, 72
 - Subject to reserve requirements, 13
- Discount rates at Federal Reserve Banks (*See* Interest rates)
- Discounts and advances by Reserve Banks (*See* Loans)
- Dividends, corporate, 41
- EMPLOYMENT, 50, 52
- FARM mortgage loans, 42
- Federal agency obligations, 9, 10, 11
- Federal finance:
 - Receipts and outlays, 32, 33
 - Treasury operating balance, 32
- Federal funds, 5, 16, 18, 21, 27
- Federal home loan banks, 37, 38
- Federal Home Loan Mortgage Corporation, 37, 42, 43
- Federal Housing Administration, 42, 43, 44
- Federal intermediate credit banks, 37, 38
- Federal land banks, 37, 38, 42
- Federal National Mortgage Assn., 37, 38, 42, 43, 44
- Federal Reserve Banks:
 - Condition statement, 10
 - U.S. Govt. securities held, 2, 10, 11, 34, 35
- Federal Reserve credit, 2, 4, 10, 11
- Federal Reserve notes, 10
- Federally sponsored credit agencies, 37, 38
- Finance companies:
 - Loans, 18, 46, 47
 - Paper, 25, 27
- Financial institutions, loans to, 16, 18
- Float, 2
- Flow of funds, 56, 57
- Foreign:
 - Currency operations, 9, 10
 - Deposits in U.S. banks, 3, 10, 17, 21, 72
 - Exchange rates, 75
 - Trade, 59
- Foreigners:
 - Claims on, 66, 67, 68, 72, 73, 74
 - Liabilities to, 22, 61, 62, 64, 65, 72, 73, 74
- GOLD:
 - Certificates, 10
 - Earmarked, 72
 - Reserves of central banks and govts., 60
 - Stock, 2, 59
- Government National Mortgage Assn., 42
- Gross national product, 54, 55

References are to pages A-2 through A-77 although the prefix "A" is omitted in this index

HOUSING permits, 50
Housing starts, 51

INCOME, national and personal, 54, 55
Industrial production index, 48, 49, 50
Instalment loans, 45, 46, 47
Insurance companies, 31, 34, 35, 42, 44
Insured commercial banks, 14, 16, 17, 24, 76
Interbank deposits, 14, 20
Interest rates:
 Bond and stock yields, 28
 Business loans of banks, 26
 Federal Reserve Banks, 6
 Foreign countries, 74, 75
 Money market rates, 27
 Mortgage yields, 43, 44
 Prime rate, commercial banks, 26
 Time and savings deposits, maximum rates, 8

International capital transactions of U.S., 61-74
International institutions, 60-64, 66, 67-69, 73
Inventories, 54
Investment companies, issues and assets, 40
Investments (*See also specific types of investments*):
 Banks, by classes, 14, 16, 19, 30
 Commercial banks, 13
 Federal Reserve Banks, 10, 11
 Life insurance companies, 31
 Savings and loan assns., 31

LABOR force, 52

Life insurance companies (*See Insurance companies*)

Loans (*See also specific types of loans*):
 Banks, by classes, 14, 16, 18, 30
 Commercial banks, 13, 14, 16, 18, 23, 25, 26
 Federal Reserve Banks, 2, 4, 6, 10, 11
 Insurance companies, 31, 44
 Insured or guaranteed by U.S., 42, 43, 44
 Savings and loan assns., 31

MANUFACTURERS:

 Capacity utilization, 50
 Production index, 49, 50

Margin requirements, 8

Member banks:

 Assets and liabilities, by classes, 14, 16, 17
 Banking offices, changes in number, 76
 Borrowings at Federal Reserve Banks, 4, 10
 Number, by classes, 14
 Reserve position, basic, 5
 Reserve requirements, 7
 Reserves and related items, 2, 4, 13

Mining, production index, 49

Mobile home shipments, 51

Money market rates (*See Interest rates*)

Money stock and related data, 12

Mortgages (*See Real estate loans and Residential mortgage loans*)

Mutual funds (*See Investment companies*)

Mutual savings banks, 20, 30, 34, 42, 44, 76

NATIONAL banks, 14, 24, 76

National defense expenditures, 33

National income, 54, 55

Nonmember banks, 15, 16, 17, 24, 76

OPEN market transactions, 9

PAR and nonpar banking offices, number, 77

Payrolls, manufacturing index, 50

Personal income, 55

Prices:

 Consumer and wholesale commodity, 50, 53
 Security, 29

Prime rate, commercial banks, 26

Production, 48, 49, 50
Profits, corporate, 41

REAL estate loans:

 Banks, by classes, 16, 18, 30, 42
 Mortgage yields, 43, 44
 Type of holder and property
 mortgaged, 42-44

Reserve position, basic, member banks, 5

Reserve requirements, member banks, 7

Reserves:

 Central banks and govts., 60
 Commercial banks, 17, 20, 22
 Federal Reserve Banks, 10
 Member banks, 3, 4, 13, 17
 U.S. reserve assets, 59

Residential mortgage loans, 43, 44

Retail credit, 45, 46, 47

Retail sales, 50

SAVING:

 Flow of funds series, 56, 57

 National income series, 54, 55

Savings and loan assns., 31, 35, 42, 44

Savings deposits (*See Time deposits*)

Savings institutions, principal assets, 30, 31

Securities (*See also U.S. Govt. securities*):

 Federally sponsored agencies, 37, 38
 International transactions, 68, 69
 New issues, 38, 39, 40
 Yields and prices, 28, 29

Special Drawing Rights, 2, 10, 58, 59

State and local govts.:

 Deposits, 17, 20
 Holdings of U.S. Govt. securities, 34, 35
 New security issues, 38, 39
 Ownership of securities of, 16, 19, 30
 Yields and prices of securities, 28, 29

State member banks, 15, 24, 76

Stock market credit, 29, 30

Stocks (*See also Securities*):

 New issues, 39, 40
 Yields and prices, 28, 29

TAX receipts, Federal, 33

Time deposits, 8, 13, 14, 17, 21, 22

Treasury currency, Treasury cash, 2, 3

Treasury deposits, 3, 10, 32

Treasury operating balance, 32

UNEMPLOYMENT, 52

U.S. balance of payments, 58

U.S. Govt. balances:

 Commercial bank holdings, 17, 20
 Member bank holdings, 13
 Treasury deposits at Reserve Banks, 3, 10, 32

U.S. Govt. securities:

 Bank holdings, 14, 16, 19, 30, 34, 35
 Dealer transactions, positions, and financing, 36
 Federal Reserve Bank holdings, 2, 10, 11, 34, 35
 Foreign and international holdings, 10, 66, 68, 72
 International transactions, 66, 68
 New issues, gross proceeds, 39
 Open market transactions, 9
 Outstanding, by type of security, 34, 35
 Ownership, 34, 35
 Yields and prices, 28, 29

Utilities, production index, 49

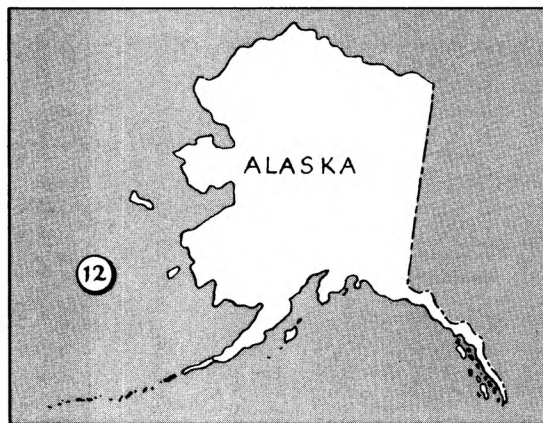
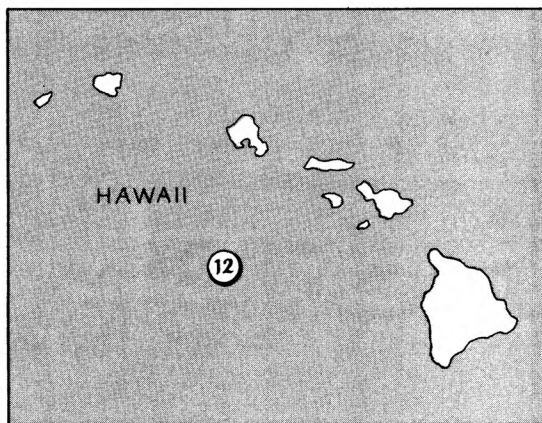
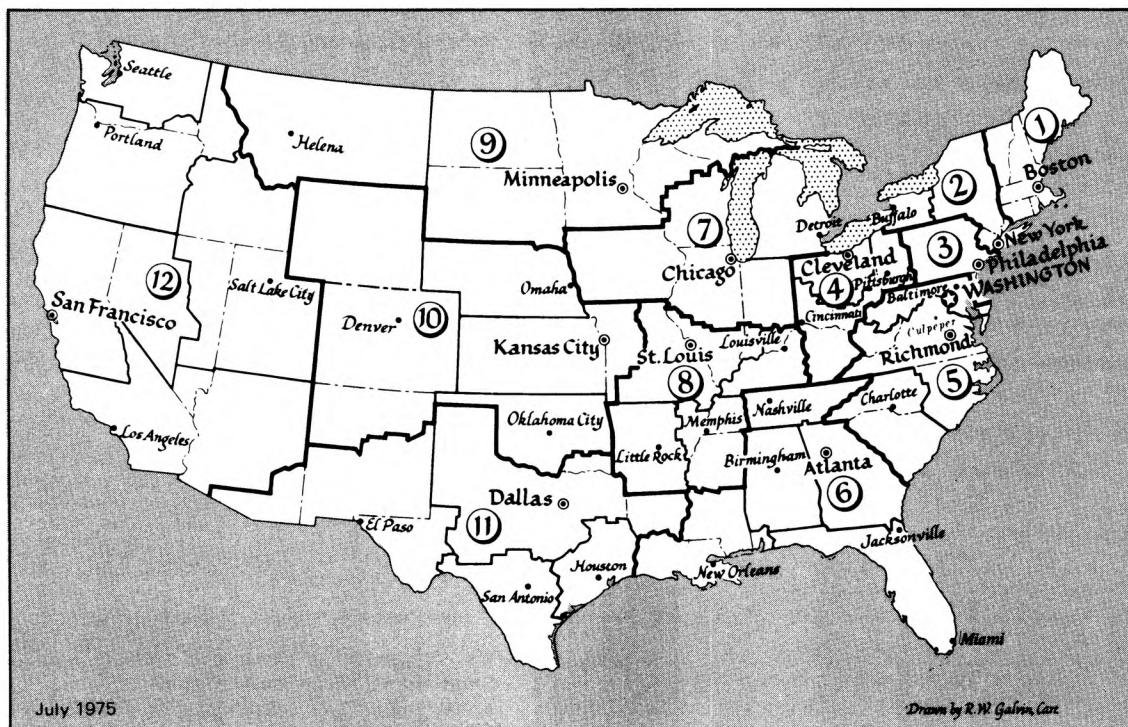
VETERANS Administration, 43, 44

WEEKLY reporting banks, 18-22

YIELDS (*See Interest rates*)

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

Guide to Tabular Presentation

SYMBOLS AND ABBREVIATIONS

e	Estimated	N.S.A.	Monthly (or quarterly) figures not adjusted for seasonal variation
c	Corrected	IPC	Individuals, partnerships, and corporations
p	Preliminary	SMSA	Standard metropolitan statistical area
r	Revised	A	Assets
rp	Revised preliminary	L	Liabilities
I, II, III, IV	Quarters	S	Sources of funds
n.e.c.	Not elsewhere classified	U	Uses of funds
A.R.	Annual rate	*	Amounts insignificant in terms of the particular unit (e.g., less than 500,000 when the unit is millions)
S.A.	Monthly (or quarterly) figures adjusted for seasonal variation	....	(1) Zero, (2) no figure to be expected, or (3) figure delayed

GENERAL INFORMATION

Minus signs are used to indicate (1) a decrease, (2) a negative figure, or (3) an outflow.

A heavy vertical rule is used in the following instances: (1) to the right (to the left) of a total when the components shown to the right (left) of it add to that total (totals separated by ordinary rules include more components than those shown), (2) to the right (to the left) of items that are not part of a balance sheet, (3) to the left of memorandum items.

"U.S. Govt. securities" may include guaranteed issues of U.S. Govt. agencies (the flow of funds figures

also include not fully guaranteed issues) as well as direct obligations of the Treasury. "State and local govt." also includes municipalities, special districts, and other political subdivisions.

In some of the tables details do not add to totals because of rounding.

The footnotes labeled NOTE (which always appear last) provide (1) the source or sources of data that do not originate in the System; (2) notice when figures are estimates; and (3) information on other characteristics of the data.

TABLES PUBLISHED QUARTERLY, SEMIANNUALLY, OR ANNUALLY, WITH LATEST BULLETIN REFERENCE

<i>Quarterly</i>	<i>Issue</i>	<i>Page</i>	<i>Annually—Continued</i>	<i>Issue</i>	<i>Page</i>
Sales, revenue, profits, and dividends of large manufacturing corporations	July 1975	A-76	Banks and branches, number, by class and State	Apr. 1975	A-76—A-77
<i>Semiannually</i>			Flow of funds:		
Number of banking offices:			Assets and liabilities:		
Analysis of changes	Aug. 1975	A-76	1962-73	Oct. 1974	A-59.14—A-59.28
On, and not on, Federal Reserve Par List	Aug. 1975	A-77	Flows:		
<i>Annually</i>			1965-73	Oct. 1974	A-58—A-59.13
Bank holding companies:			Income and expenses:		
Banking offices and deposits of group banks, Dec. 31, 1974	June 1975	A-76—A-79	Federal Reserve Banks ..	Feb. 1975	A-80—A-81
Banking and monetary statistics:			Insured commercial banks	June 1975	A-80—A-81
1974	Feb. 1975	A-84—A-85	Member banks:		
	Mar. 1975	A-79—A-82	Calendar year	June 1975	A-80—A-89
	Apr. 1975	A-78—A-85	Income ratios	June 1975	A-90—A-95
	May 1975	337	Operating ratios	Sept. 1974	A-80—A-85
	July 1975	A-77	Stock market credit	Feb. 1975	A-86—A-87

Statistical Releases

LIST PUBLISHED SEMIANNUALLY, WITH LATEST BULLETIN REFERENCE

	<i>Issue</i>	<i>Page</i>
Anticipated schedule of release dates for individual releases	June 1975	A-101