

FEDERAL RESERVE BULLETIN

RECENT PRICE DEVELOPMENTS
CHANGES IN TIME AND SAVINGS DEPOSITS, OCTOBER 1973-APRIL 1974
TREASURY-FEDERAL RESERVE FOREIGN EXCHANGE OPERATIONS

SEPTEMBER 1974



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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.)

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NUMBER 9 □ VOLUME 60 □ SEPTEMBER 1974

CONTENTS	613	Recent Price Developments
	627	Changes in Time and Savings Deposits at Commercial Banks, October 1973–April 1974
	636	Treasury and Federal Reserve Foreign Exchange Operations
	653	Statement to Congress
	656	Record of Policy Actions of the Federal Open Market Committee
	664	Law Department
	679	Announcements
	682	Industrial Production
A	1	Contents
A	3	Guide to Tabular Presentation
A	3	Statistical Releases: Reference
A	4	U.S. Statistics
A	60	International Statistics
A	86	Board of Governors and Staff
A	88	Open Market Committee and Staff; Federal Advisory Council
A	89	Federal Reserve Banks and Branches
A	90	Federal Reserve Board Publications
A	93	Index to Statistical Tables
		Map of Federal Reserve System on Inside Back Cover

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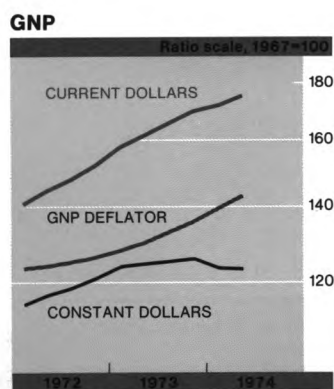
The Federal Reserve BULLETIN is issued monthly under the direction of the staff editorial committee. This committee is responsible for opinions expressed except in official statements and signed articles. Direction for the art work is provided by Mack Rowe.

Recent Price Developments

The present inflation is the most severe and prolonged that the United States has experienced since the rise in prices following World War II. Consumer prices have been increasing at near-record rates for more than a year, and prices of producers' goods are now rising several times as fast as a year earlier.

Although economic activity has slackened this year, lower demand has thus far failed to repress price increases. And the pressure of rising costs is intensifying. Prices are still increasing at almost unprecedented rates, while wage rates and labor costs are accelerating as workers attempt to maintain their real purchasing power. Nevertheless, a better balance between supply and demand is appearing in markets for a number of materials, and reports of shortages have become less frequent.

ECONOMIC SETTING

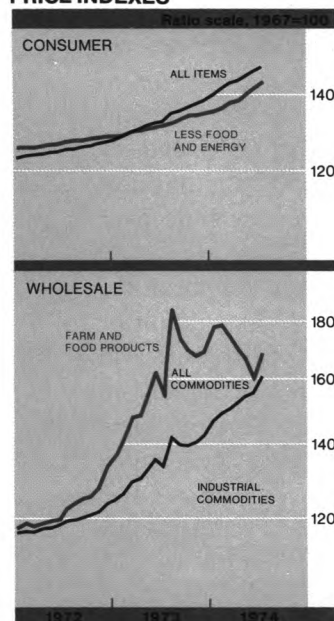


Constant dollars = 1958 prices. GNP: Commerce Dept. data; latest figures, Q2. Seasonally adjusted.

In 1973 the U.S. economy exhibited increasing signs of strain. After a booming first quarter, the growth rate fell sharply, in part because of supply limitations as major materials industries operated at high rates of capacity utilization. Shortages of materials became more pervasive throughout the year, partly as a result of high world demand, and these contributed to a decline in productive efficiency as well as to price pressures. Declines in domestic food supplies were accompanied by sharp increases in food prices.

In October the Arab oil-exporting countries placed an embargo on shipments of oil to the United States. The resulting shortages and a sharp rise in prices of fuels triggered reductions in activity in a number of sectors, especially in automobile sales and production. Inventories of automobiles rose in the fourth quarter at the same time that stocks of other commodities were accumulating. With declines in energy-related sectors as well as in residential construction, and with consumer demand weakening, economic activity fell rather sharply in the first quarter of 1974 and has edged down further in recent months.

CONSUMER AND WHOLESALE PRICE INDEXES



CPI and wholesale prices, Dept. of Labor data. Farm and food products are farm products and processed foods and feeds. CPI less food and energy, estimates based on Dept. of Labor data. Latest figures, July. Seasonally adjusted.

Despite this slack in the economy, inflation has intensified. In 1973 the rate of price increase had already doubled that in 1972, and this year has seen a further acceleration. In the year ending in July, consumer prices rose by 12 per cent; in August wholesale prices were 18 per cent above a year earlier, and industrial commodity prices had risen even more.

Efforts to reduce inflation through price and wage controls continued during last year and earlier this year, but these were frustrated by several developments, some of which arose outside the United States. Rising international demand fanned an inflationary trend in the domestic economy, which was further exacerbated as the economy reached a cyclical peak. At the same time the second devaluation of the dollar early last year raised the cost to U.S. purchasers of imported goods. Moreover, during the period of currency realignment, peak rates of industrial activity coincided in major industrial nations, thus creating excessive pressure on raw material resources. Prices of imported materials—already at advanced levels—increased sharply further.

Late last year, when price controls were still in effect, prices of a number of major industrial materials on world markets were

TABLE 1
MAJOR PRICE TRENDS

Per cent change, seasonally adjusted annual rates

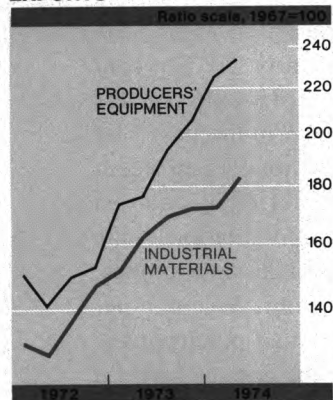
Period	Consumer price index			Wholesale price index		
	All items	Foods	Energy items ¹	Total	Farm and food ²	Industrials
6 months ending—						
1972—June	2.9	3.0	.5	4.1	4.5	4.0
Dec.	3.9	6.5	5.0	9.1	25.1	3.2
1973—June	7.9	21.6	12.4	20.2	45.8	10.6
Dec.	9.7	18.6	21.1	10.9	10.4	10.9
1974—June	12.6	10.9	44.5	18.2	-11.5	34.0
3 months ending—						
1974—Mar.	14.2	19.4	70.7	24.5	10.8	32.3
June	10.9	3.1	22.3	12.2	-29.3	35.7
1 month ending ³ —						
1974—July	9.1	-4.5	12.5	44.6	77.3	32.9
Aug.	n.a.	n.a.	n.a.	46.4	91.0	30.3

¹Includes electricity, gas, gasoline and motor oil, fuel oil, and so on. Estimates based on Dept. of Labor data.

²Farm products and processed foods and feeds.

³One-month rates not compounded.

SOURCE.—Dept. of Labor.

EXPORTS

Dept. of Commerce data; latest figures, Q2. Seasonally adjusted annual rate.

higher than controlled domestic prices, further stimulating exports. As a result of this, as well as the realignment of currencies and high export demand for farm products, the balance of exports over imports in real terms has continued to rise since early 1973. Shipments of industrial materials—particularly those in short supply—have increased along with the volume of exports of machinery and other producers' equipment. On the other hand, the physical volume of imports of these commodities has changed little over all since the second quarter of last year.

Even more destabilizing to the economy, perhaps, has been the increase in world demand for U.S. farm products. As a result of poor harvests in much of the world outside of North America in 1972, exports of food and feed grains began to rise rapidly in late 1972 and have continued at advanced levels. Prices of grains rose to record levels, and U.S. stocks of food and feed grains have been severely depleted. Even today—almost 2 years after harvest failures—a delicate balance exists between adequate domestic supplies and export requirements. High grain prices are still having far-reaching repercussions on prices of meat and other foods in this country.

The timing of the surge in food prices reinforced the cyclical rise in industrial prices. As a rule, fluctuations in prices of food and in those of industrial commodities reflect partly independent influences; food prices often are neutral or may offset some of the change in prices of nonfood commodities. In 1973, however, price fluctuations in the two groups moved together.

PRICES OF INDUSTRIAL COMMODITIES

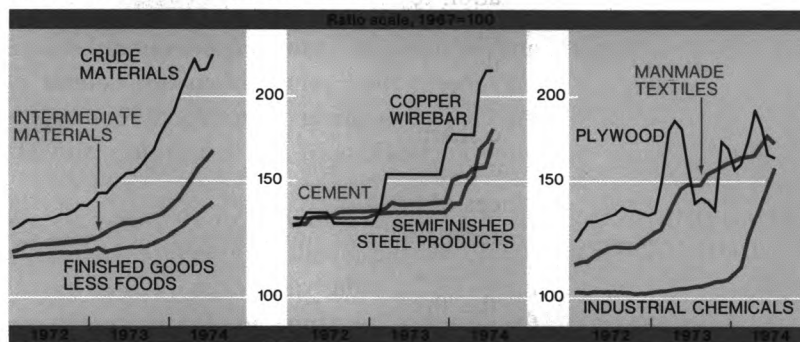
During the first 9 months of 1973 increases in farm and food prices dominated the inflationary picture. Later, and particularly in 1974, increases in industrial prices became more important. Following the October oil embargo, the extraordinary rise in costs of fuel and of petrochemical materials stimulated a radical readjustment of the price structure and contributed to a general upward movement in the over-all price level.

The industrial price rise failed to slow appreciably during 1972 even under price controls, and it accelerated during most of 1973. As would be expected in a cyclical expansion process, prices of crude materials rose first—in fact, the upturn had begun in late 1971 and the rise was very fast in 1973. Prices of processed materials and intermediate goods rose later and less, while many finished goods at wholesale advanced at moderate rates until late in 1973. In part these varying rates of increase reflect the lag involved in the process of purchasing, processing, and distribution. In addition, a large part of the cost of processed materials—especially of finished goods—reflects labor costs. The rise in such costs was relatively more moderate than that in materials prices, although

it has accelerated sharply since last year. Finally, price controls may have been more effective for finished goods.

Prices of crude materials in August were nearly 50 per cent above those of a year earlier and 80 per cent above levels in the first quarter of 1972. The most important influence in the past year has been the rise in the price of crude oil. Although petroleum prices had begun to rise strongly in the first half of 1973—so fast in fact that the industry was placed under special regulations—the bulk of the increase followed the Arab oil embargo in October. The unit value of imported crude oil rose from over \$3 per barrel last September to about \$12 in July—almost quadrupling. Imports of crude and refined products account for about one-third of U.S. consumption. Prices of domestically produced oil, though restrained by price regulations, have risen about 80 per cent during the past year. “New” oil—plus an equivalent amount of “old” oil, and oil from “stripper” wells—has been allowed to attain its free market level; such uncontrolled oil now amounts to about 40 per cent of domestic supply. A maximum price of \$5.25 per barrel was set for the remainder of “old” oil.

WHOLESALE PRICES accelerate



Dept. of Labor data; latest figures, July. Crude materials are for further processing and exclude crude foodstuffs, feedstuffs, plant and animal fibers, oilseeds, and leaf tobacco. Intermediate materials include supplies and components but exclude intermediate materials for food manufacturing and manufactured animal feeds. Finished goods less food derived by F.R. from BLS data. Manmade textiles are manmade fiber broadwoven goods. Not seasonally adjusted.

Prices of other fuels have also responded to supply stringencies. Coal production—constrained by labor problems, new safety regulations, and environmental restraints—has expanded relatively little, and a strike is threatened. Moreover, utilities are now using higher proportions of coal. Coal prices have increased by two-thirds during the past year while gas fuel prices, under liberalized regulations, have climbed more than 45 per cent. Although fuel had accounted for 2 to 3 per cent of the costs in manufacturing before the recent rise, for many industries and for utilities the proportion is now much higher. Industries using petrochemicals as raw mate-

TABLE 2
ENERGY PRICES

Percentage changes

Item	Annual rate of increase		9-month increase		June to July
	1960-67	1967-72	Dec. 1972 to Sept. 1973	Sept. 1973 to June 1974	
Crude oil					
Imported .....	.3	3.3	23.7	248.8	3.1
Domestic .....	.2	2.8	16.2	51.3	11.3
Coal .....	.7	18.8	8.3	44.4	7.0
Gas fuels	2.1	2.8	10.9	14.5	23.8
Electric power	-.2	4.3	6.5	25.8	1.8

SOURCE.—Wholesale prices except imported oil, Dept. of Labor. The estimates are lagged 1 month, except for gas fuels, which are lagged 2 months. Imported oil, Dept. of Commerce.

rials have suffered a double impact from the increases in petroleum prices.

Among other crude materials, steel scrap has been very scarce and was placed under export controls in July 1973; prices have fallen somewhat since spring but remain far above their customary relation to those of steel. Prices of raw materials of agricultural origin, especially cotton, have fallen substantially from earlier peaks.

PROCESSED INDUSTRIAL MATERIALS

The sharply advanced levels at which prices of raw materials have remained for more than 2 years have exerted a strong effect on prices of major processed materials. In addition, most of the major materials—steel, nonferrous metals, textiles, cement, chemicals, plastics, and paper—have been in short supply since early 1973. In the third quarter of 1973 the ratio of output to plant capacity for major materials rose to about 94 per cent, the highest for any quarter since World War II. By the second quarter of this year, the ratio had fallen only slightly—to 90 per cent.

The accelerated rise, or “bulge,” in prices of industrial materials—as well as of other products—this year also reflects in part the calendar of price decontrol. Imported raw materials and agricultural products were not controlled at first sale in 1972 or 1973, but other products and materials were generally subject to controls; as a result, domestic producers were often unable to compete for supplies in international markets. Because of shortages, prices of most nonferrous metals, including lead, tin, zinc, and platinum, were decontrolled in December 1973 and those of nonferrous alloys and most petrochemical materials followed early this year. Fertilizers had been decontrolled even earlier, following reductions in domestic supplies stemming from increased exports and worldwide shortages of these products. Paper, aluminum, and most petro-

chemical products were released from controls in March, but steel and copper remained under control until the program expired on April 30.

Regulations following the lifting of last year's freeze presumably had allowed a full pass-through of cost increases into prices of products. Nevertheless, price advances following decontrol were very large, particularly in cases where domestic prices had been below those in world markets. Even after these increases, however, imports of industrial materials continued to decline and exports to rise.

Prices of metals have contributed more to the price rise in industrial commodities in the first 8 months of 1974 than any other major industry including fuels. Prices of steel mill products increased almost 40 per cent between December and August. Steel producers have experienced sharply higher costs for energy and for coke, iron ore, and especially steel scrap. Demand has been bolstered by stockpiling in anticipation of price increases and fears of a coal strike. Average hourly earnings in the basic steel industry increased about 10 per cent in the first half of this year. With the recent spurt in domestic prices, steel imports, which had been falling for some time, began to rise, but exports this year have been about two-thirds above those in the same period last year.

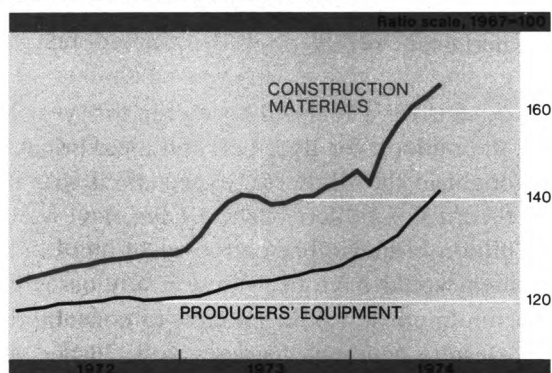
The major nonferrous metals have also exhibited sharp price advances, although during the past year substantial sales from U.S. stockpiles have helped to ease shortages. Prices of copper of domestic origin are about one-third above a year earlier; lead, tin, and zinc prices have increased even more. In August prices of aluminum ingot were about two-thirds above a year earlier and have since increased further. Costs of labor and of bauxite, the principal material in this industry, have risen sharply, as have costs of power, large amounts of which are used in the production of aluminum.

Prices in the chemical industry moved up briskly in 1973. However, industrial chemicals, which are basic for many products, did not accelerate greatly until after the oil embargo when shortages of materials derived from petroleum and natural gas became widespread. By August, prices of industrial chemicals were over 60 per cent higher than a year earlier. Although prices of the more highly processed chemicals have advanced less, increases have been large in petrochemical-consuming industries such as textiles, rubber, and plastics.

Among major construction materials, prices of softwood plywood and lumber have declined; in August lumber was below a year earlier. But prices of other construction materials—including hardwood plywood, asphalt roofing, and cement—are sharply higher. Paper and paperboard prices are also at very advanced levels.

**FINISHED GOODS,
EXCEPT FOODS**

Price increases for producers' machinery and equipment remained moderate until this year despite high rates of investment and rising backlogs of orders. Nevertheless, in the first quarter the rate of price rise doubled from 6 per cent at an annual rate to 13 per cent. In the second quarter it doubled again and since then has accelerated further. High metal prices, pressing domestic demands for agricultural and other machinery, and rising exports were instrumental in making this the fastest rise since the 1940's.

Costs of INVESTMENT rise

Dept. of Labor data, latest figures, July. Producers' equipment, seasonally adjusted. Construction materials, not seasonally adjusted.

Although wholesale prices of consumer finished goods excluding foods did not begin to increase at accelerated rates until last fall, advances for apparel and other nondurable goods since then have been extremely large by historical standards, as have recent in-

TABLE 3**PRICES OF FINISHED GOODS—Selected nonfood items**

Per cent change, seasonally adjusted annual rates

Item	Dec. 1972 to Sept. 1973	Sept. 1973 to Dec. 1973	Dec. 1973 to July 1974
Consumer goods			
Apparel			
Wholesale	3.9	9.7	11.7
Retail	4.2	3.8	9.6
Furniture and household durables			
Wholesale	4.2	5.6	15.8
Retail	4.4	3.4	11.7
Passenger cars			
Wholesale	2.7	-.3	10.9
Retail	3.8	-5.6	12.7
Gasoline ¹			
Wholesale	17.0	62.3	106.5
Retail	9.3	57.2	51.0
Producers' equipment	5.0	6.2	21.2

¹Not seasonally adjusted.

SOURCE.—Dept. of Labor.

creases for durable goods. The rise in retail prices has been catching up with wholesale increases; in the case of gasoline most of the slower rise at retail reflects the stability of the excise tax.

In the fourth quarter of 1973 passenger car prices fell slightly on a seasonally adjusted basis after allowance for quality improvements, owing to restraints on producers by the Cost of Living Council. After a wage settlement in the industry, prices of autos were decontrolled in December and the subsequent increase in prices was very rapid. Briskly rising prices for furniture reflect in part the rise in prices of hardwood, textile, and aluminum materials.

FARM PRICES

Prospects for a reduced corn crop this year have led to uncertainty in the outlook for livestock and meat prices. Owing to widespread drought in the Midwest, expectations that the corn crop might be a record 6.7 billion bushels have now been lowered to less than 5 billion bushels. The carryover of stocks of feed and food grains, which would have been low in any case, is now expected to fall to minimum levels in relation to consumption.

Despite generous harvests in 1973 and good crop prospects in most of the world this year, the world stocks of grains have not recovered from the failure of crops in many countries in 1972. Exports of feed grains rose more than 50 per cent in physical quantity from the 1971-72 to the 1972-73 crop year, and stayed at about that advanced level in the crop year just ending. Wheat exports in the last two crop years have been almost double earlier levels, and exports of cotton, soybeans, and rice have increased substantially. Thus, U.S. food and feed stocks—which are the main source of supply in world trade—will remain at minimum levels

TABLE 4

EXPORTS, STOCKS, AND PRICES OF GRAINS

Period	Domestic use	Exports	Ending stocks	Season average price ¹
	Millions of short tons			
Feed grains				
1971-72	165.7	27.3	48.4	1.08
1972-73	173.2	43.1	32.4	1.57
1973-74 estimate	173.2	43.7	20.6	2.38
	Millions of bushels			
Wheat				
1971-72	854.7	632.5	863.1	1.34
1972-73	785.5	1,185.3	438.5	1.76
1973-74 estimate	757.2	1,147.9	248.6	4.00

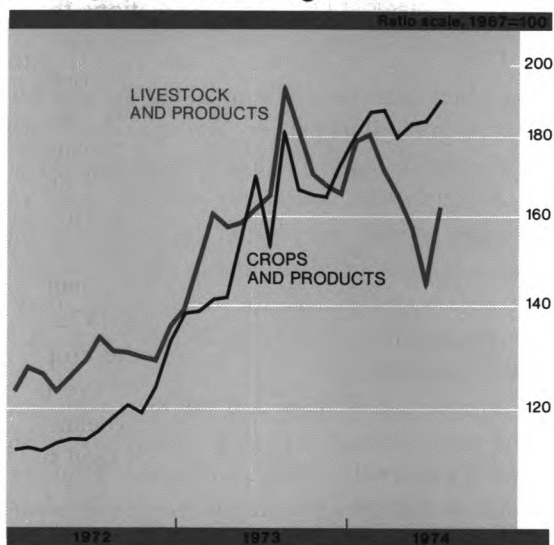
¹Dollars per bushel. Feed grain price is for corn.

SOURCE.—Dept. of Agriculture.

in relation to consumption. Small variations in either production or consumption could therefore lead to speculation and sharp changes in price.

Recent increases in the prices of feed grains have intensified the problem of a growing imbalance between feed prices and livestock prices. Although both livestock and feed prices are high by historical standards, crop prices—including those of feed grains—have outpaced those of livestock over the past 2 years; this development has reduced the incentive to expand livestock production. Compared with July 1971, livestock prices are up almost 50 per cent, but corn has more than doubled.

Prices of LIVESTOCK recede; CROP prices remain high



Derived by F.R. from Dept. of Labor data; latest figures, July. Not seasonally adjusted.

Meat supplies in 1973 fell substantially from those in the three preceding years. As a result, livestock prices rose to near-record levels in August at the same time that crop prices reached a temporary peak. Since then there has been a substantial decline in livestock prices, but retail meat prices have dropped much less, with the result that producers now receive a smaller proportion of the consumer's dollar. With feed and other costs rising, losses involved in livestock feeding have become widespread. For several months the number of cattle placed in feedlots has been declining compared with a year earlier, and in August the number on feed was down more than 25 per cent. Although the total cattle population was continuing to rise, a much higher proportion of animals approaching marketable weights are being kept on the range.

TABLE 5**MEAT: CONSUMPTION AND PRICES**

Indexes, 1967 = 100, seasonally adjusted

Period	Per capita consumption	Prices	
	Meat	Livestock	Meat (retail)
1972—H1	106.1	136.1	126.2
H2	104.7	149.2	132.3
1973—H1	99.0	180.1	150.9
H2	96.9	200.5	171.2
1974—Q1	101.4	192.3	173.7
Q2	106.8	151.7	159.2

SOURCE.—Dept. of Agriculture and Dept. of Labor.

From June to August of this year livestock prices increased as slaughter rates for cattle reflected the smaller numbers that had been placed in feedlots earlier. With prospects of lower feed-grain prices now more remote, feedlot operations may continue to decline.

Nevertheless, marketing of beef may rise substantially in the coming months because of limitations in the number of cattle that can be maintained profitably on the range. Longer-run increases in beef supplies, on the other hand, may be adversely affected as producers gradually reduce the size of breeding herds through heavy marketings.

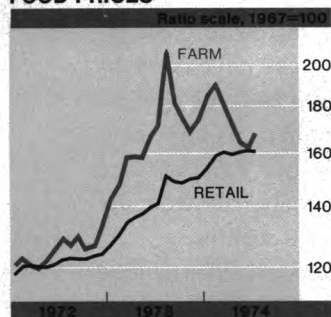
Production of hogs and poultry, which can be adjusted for cost and price changes within a comparatively short time span, is likely to fall earlier than beef production. High grain and soybean prices could reduce poultry output after an interval of only 3 or 4 months, and pork supplies in less than a year. Unless feed grain prices fall considerably, moreover, the output of milk, eggs, and cheese may be adversely affected.

**CONSUMER GOODS
AND SERVICES**

The rise in consumer prices has spread out this year to include not only foods and gasoline but also most other goods and services. The importance of foods and fuels in the price rise—accounting for nearly half the increase in the total index from mid-1973 to mid-1974—is diminishing. Mainly for this reason the rapidity of the rise in over-all consumer prices, which attained a peak annual rate of 14 per cent in the first quarter, slackened to about 11 per cent in the second quarter. However, the rate of increase in prices of consumer goods and services other than food and energy accelerated between April and July to about three times that during 1973.

The increase in grocery store food prices for the year ending

FOOD PRICES



Dept. of Labor for retail prices; latest figures: July. Dept. of Agriculture data for farm value of market-basket foods; latest figures, July. Retail is food-at-home component of CPI. Not seasonally adjusted.

in July reflects in part a rise in food prices at the farm level, in part a widening of the spread between prices at the farm level and those at retail, and in part higher prices for imported foods. Relative to a year earlier almost all foods were sharply higher—except for meat, which was already at a very advanced level in mid-1973. In July meat prices were slightly below a year earlier but still almost one-fifth above mid-1972.

Farm-to-retail price spreads have widened considerably in the past year for meat, bread, milk, and most other foods. For the typical “market basket”—foods of U.S. farm origin—such spreads were one-fourth higher in the second quarter of this year than in the same period of 1973.

Of total expenditures for food consumed at home, meats, poultry, and fish account for well over one-third, more than twice as much as the proportions for dairy products, cereal and bakery products, or fruits and vegetables. For meats, processing and distribution costs are not such a high proportion of retail prices as they are for most other foods; nevertheless, the rise in these costs during the last year has offset most of the sizable decline in prices of livestock, so consumers have benefited little. The spread between farm and retail prices for beef, which was already high compared with preceding years, widened by more than one-fifth between the second quarter of 1973 and the corresponding period this year.

Prices of cereal and bakery products increased more than one-third in the 12 months ending July 1974. However, only about one-fourth of the retail price of those products represents prices of wheat and other farm products. Even though prices of the latter have soared, wheat prices were responsible for less than half of the increase in bread prices during the period.

In July prices of dairy products were still more than 20 per cent above the year-earlier level, after receding somewhat from the April

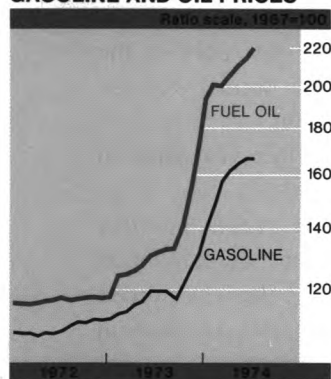
TABLE 6

FARM-TO-RETAIL PRICE SPREAD, 1974

Item	Index, 1967 = 100		Per cent change ¹	
	Q1	Q2	Q1	Q2
Market basket	142.6	156.2	19.7	25.6
Beef	179.1	178.4	26.2	22.5
Pork	151.9	158.6	42.6	34.2
Milk	133.2	140.1	17.1	21.5
White bread	130.3	150.0	19.5	32.4

¹From corresponding quarter in 1973.

SOURCE.—Dept. of Agriculture.

GASOLINE AND OIL PRICES

Dept. of Labor data for consumer prices; latest figures, July. Seasonally adjusted. Gasoline includes motor oil.

high. The run-up in feed costs and resulting cutbacks in milk production have had a considerable impact on retail prices. Shortfalls from previous harvests and low carryover stocks have contributed to the sharp rise in prices of processed fruits and vegetables. However, the outlook for fruit and vegetable supplies has improved this year. Prices of dried beans, which, with rice, have a large impact on food budgets of low-income individuals, showed the sharpest increases last year, but they have fallen recently.

Since February the rise in food prices has been greatly reduced from an annual rate of about 20 per cent that had been maintained for more than a year. The escalation in gasoline prices has also slackened since the very large first-quarter increase, although the rise in fuel oil prices was still substantial in July. Gasoline supplies are now relatively ample, but consumption this year has been below last year's rate. Since last September the rise in gasoline and motor oil prices has exceeded 40 per cent. Excluding the gasoline tax the percentage rise was, of course, considerably greater. On a per-gallon basis, prices of regular gasoline have gone up from less than 40 cents to about 56 cents. Meanwhile, fuel oil prices have increased by about two-thirds.

Sharper increases in recent months for other commodities and for services in the consumer budget have offset much of the relative improvement in food and fuels. Prices of apparel—the importance of which is less than half that of food, but about twice that of gasoline and fuel oil—have been rising recently at rates more than twice those in 1973. This reflects in part the rise in textile prices over the last year and a half.

Consumer budgets are also being strained by an accelerated rise in the cost of many other nondurable goods, such as household textiles, detergents, paper products, and newspapers. A broad grouping of these commodities advanced more than 10 per cent on the average in the year ending in July; more recently the rate of rise has been about 20 per cent.

Since being decontrolled at the producer level in December, retail prices of new cars have advanced about 7 per cent, seasonally adjusted, in sharp contrast to an increase of less than 2 per cent in the preceding 2 years. Consumer prices of automobiles are adjusted to exclude the cost of legally required safety and emission-control equipment and other quality improvements. They also reflect changes in dealer discounts and trade-ins. Prices of small cars have been marked up by larger percentages than have other models, but small cars are not so fully represented in the sample for consumer prices as are standard types. Retail prices of cars of foreign make, which formerly were a restraint on domestic prices, have increased more in U.S. markets than those of domestic makes in the past year; the increase reflects in part the appreciation in exporters' currencies relative to the dollar.

Used-car prices have risen very strongly over the past 4 months, following a long decline between mid-1973 and March of this year; the increase may reflect buyers' reactions to the jump in new-car prices or a preference for models without emission-control equipment.

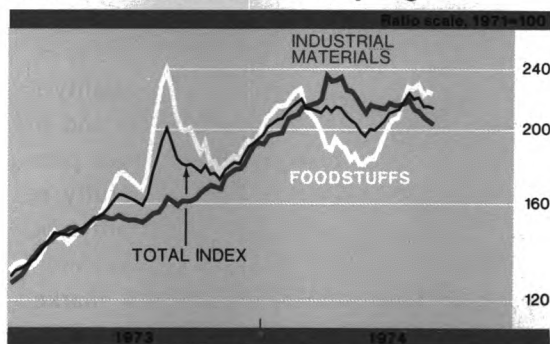
Prices of furniture and other household durable goods have been rising since spring at a rate about triple that in 1973. Furniture prices in July were nearly 10 per cent above a year earlier; the rise in appliances was about half this much, in contrast to little change in 1973.

Service costs have been rising almost as fast as those of nonfood commodities exclusive of gas and oil—about 13 per cent at an annual rate in recent months. Although rapid increases are still occurring in electric and gas utility rates—reflecting in large part the high cost of coal and oil—the rate of rise has slackened somewhat since spring. Prices of medical care, which rose at reduced rates during the control period, have accelerated sharply, and for the 3 months ending in July they have been rising at an annual rate approaching 20 per cent. Services for housekeeping and home maintenance have been rising at an even higher rate for the past 6 months. Rent has been rising more slowly, 4.7 per cent over the past year.

RECENT TRENDS

Supplies of many raw materials are now becoming more adequate. Since this spring, declines in nonferrous metal prices have been substantial in the world market, though many U.S. producer prices have continued to move up. Cotton, wool, hides, and natural rubber are well below earlier peaks. Petroleum stocks have been replenished. The bulge in prices of major processed materials—steel, chemicals, fuels, and others—may recede shortly. But hopes of a substantial drop in the rate of inflation have been made more uncertain recently by prospects of a reduced crop of feed grains, and by the upward thrust of labor costs. Productivity gains, which

Prices of INDUSTRIAL MATERIALS have declined somewhat since spring



Index of spot prices of basic commodities compiled by F.R.

had slowed in each quarter of 1973, dropped sharply in the first half of this year, as output declined. Moreover, in the past few months employees have been receiving much larger wage and fringe benefit increases than in the preceding year, or even in earlier months of this year. Between May and August the average hourly earnings index in nonfarm activities increased by 11 per cent at an annual rate. With productivity lower than at the end of last year, unit labor costs were 11 per cent higher in the second quarter than in the same period in 1973—more than double the rise that had occurred in each of the two previous years. □

Changes in Time and Savings Deposits at Commercial Banks

October 1973–April 1974

Recent surveys of time and savings deposits held by individuals, partnerships, and corporations (IPC) at commercial banks indicate that interest rates on large-denomination time deposits rose substantially in the 3 months ending April 30, 1974, while rates on most consumer-type time and savings deposits remained close to the ceiling levels established by the regulatory authorities.¹ The rise in rates offered on large time deposits—which are not constrained by ceilings—reflected efforts by banks to attract funds needed to meet surging business credit demands in March and April.

As banks competed for funds, the outstanding volume of large-denomination time deposits expanded by more than \$8 billion—data are not seasonally adjusted—between the end of January and the end of April. This growth accounted for more than half of the total increase in IPC time and savings deposits during that period; a large proportion of the remaining growth was concentrated in consumer-type 4-year certificates in denominations of \$1,000 to \$100,000, most of which were paying the maximum rate allowed under Regulation Q—7¼ per cent. Although passbook savings accounts increased moderately in the first quarter, other short-maturity consumer-type time deposits continued the decline that had begun in mid-1973, as rates on competitive market instruments rose further above the maximum rates allowed on these instruments.

NOTE.—Martha S. Scanlon of the Board's Division of Research and Statistics prepared this article.

¹ Previous surveys of time and savings deposits at all member banks were conducted by the Board of Governors in late 1965, in early 1966, and quarterly beginning in 1967. Beginning in 1968 the surveys were expanded to provide figures for all insured commercial banks and were conducted jointly by the Board of Governors and the Federal Deposit Insurance Corporation. The results of earlier surveys have appeared in the BULLETINS for 1966–73, the most recent being April 1974, pp. 252–62.

CONSUMER-TYPE TIME AND SAVINGS DEPOSITS

Following little or no growth in the second and third quarters of 1973, inflows of passbook savings deposits picked up somewhat in late 1973 and expanded at a modest pace in the first 4 months of 1974. Essentially all the growth in savings deposits in the April 1974 survey period occurred in accounts paying the maximum 5 per cent rate. However, a surprising proportion of the outstanding dollar volume of savings deposits—approximately 23 per cent—remained in accounts paying a below-ceiling rate of 4½ per cent, and some were at even lower rates. A substantial share of these lower-yielding deposits was in large banks (deposits of \$100 million or more), especially a few banks on the West coast.

Holders of below-ceiling-rate savings deposits presumably preferred the liquidity and convenience of such accounts to the higher rates available on longer-maturity time deposits, or perhaps they were not aware of the higher rates available elsewhere. Those banks paying less than 5 per cent on passbook accounts assumed that most interest-sensitive funds had already been withdrawn from savings accounts, and that raising the savings rate to 5 per cent would increase the cost of existing funds without attracting a significant inflow of new funds. At the same time these banks attempted to attract interest-sensitive funds by offering higher rates on time certificates.

Regulation Q ceiling rates have had a marked impact on the maturity structure of small-denomination (less than \$100,000) time deposit flows during the past year, as indicated in the survey data. As low-yielding, short-maturity time certificates have matured, many savers have shifted their funds into longer-maturity, higher-yielding deposits or into other money

TABLE 1

TYPES OF TIME AND SAVINGS DEPOSITS OF INDIVIDUALS, PARTNERSHIPS, AND CORPORATIONS HELD BY INSURED COMMERCIAL BANKS ON SURVEY DATES, July 31, 1973–April 30, 1974.

Type of deposit	Number of issuing banks				Amount (in millions of dollars)				Percentage change in deposits (quarterly rate)	
	1973		1974		1973		1974		Oct. 31–Jan. 31	Jan. 31–Apr. 30
	July 31 ^r	Oct. 31 ^r	Jan. 31	Apr. 30	July 31 ^r	Oct. 31 ^r	Jan. 31	Apr. 30		
Total time and savings deposits.....	13,804	13,820	13,915	14,013	304,010	308,953	318,593	333,090	3.1	4.6
Savings.....	13,476	13,510	13,619	13,709	124,086	124,217	126,175	129,928	1.6	3.0
Time deposits in denominations of less than \$100,000—total.....	13,565	13,684	13,698	13,898	104,176	105,567	109,891	112,245	4.1	2.1
Accounts with original maturity of ¹ —										
Less than 1 year.....	13,064	13,092	13,200	13,456	42,963	38,944	38,638	37,592	— .8	—2.7
1 up to 2½ years.....	13,034	13,383	13,351	13,558	48,170	45,543	45,037	42,670	—1.1	—5.3
2½ up to 4 years ²	8,057	10,455	11,008	11,485	9,841	11,576	13,262	14,759	15.4	11.6
4 years and over in denominations of \$1,000 or more..	5,207	7,764	8,931	9,560	3,203	9,506	12,954	17,224	36.3	33.0
All maturities:										
Open accounts—										
Passbook or statement form ³	3,862	3,547	3,704	3,682	30,315	28,391	29,629	29,125	4.4	—1.7
Time deposits in denominations of \$100,000 or more.....	6,590	7,085	7,490	7,533	69,116	73,036	77,056	85,130	5.5	10.5
Negotiable CD's.....	3,246	3,660	3,776	3,908	50,795	52,116	53,509	60,273	2.7	12.6
Nonnegotiable CD's and open accounts.....	3,848	3,988	4,297	4,228	18,411	20,920	23,547	24,857	12.6	5.6
Christmas savings and other special funds ⁴	8,811	7,916	8,637	8,832	6,632	6,133	5,471	5,787	—1.1	5.8

^r Revised.

¹ Maturity categories were changed to conform with the change in Regulation Q that went into effect July 1, 1973.

² Includes a small amount of deposits in accounts with maturities of 4 years or more and minimum denominations of less than \$1,000.

³ Includes time deposits, open account, issued in passbook, statement, or other forms that are direct alternatives for regular savings accounts. Most of these are believed to be in accounts totaling less than \$100,000. The figures shown on this line are included above in the appropriate maturity category.

⁴ Through July 31, 1973, special funds (and also total time and savings deposits) included deposits accumulated for the payment of personal loans (hypothecated deposits). In the Oct. 31, 1973, and future surveys these funds are excluded. Hence, the amounts of

special funds reported Oct. 31 and after are not strictly comparable with those in previous surveys.

NOTE.—Data were compiled jointly by the Board of Governors of the Federal Reserve System and the Federal Deposit Insurance Corporation. For surveys taking place in January, April, and July the information was reported by a probability sample of all insured commercial banks; for October the data for member banks were reported by virtually all such banks and for insured nonmember banks by the same sample of these banks reporting in earlier surveys.

Some deposit categories include a small amount of deposits outstanding in a relatively few banks that no longer issue these types of deposits and are not included in the number of issuing banks. Dollar amounts may not add to totals because of rounding.

market instruments such as Treasury bills. For example, outstanding consumer-type time deposits maturing in less than a year and time certificates in the 1- to 2½-year maturity range each declined by more than \$5 billion in the 9-month period ending April 30, 1974. Deposits in these two maturity categories are limited to maximum rates of 5½ and 6 per cent, respectively.

Meanwhile, banks have attracted large amounts of funds through sales of 4-year certificates in denominations of \$1,000 to \$100,000. Regulation Q ceilings on these instruments were lifted in July 1973 and in the period from then to April 1974, such deposits increased by more than \$14 billion. Between July 1 and November 1, 1973, there was no limit on the rates that banks could offer on these certificates, and some banks were offering rates as high as 8 or 9 per

cent, with the majority offering 7 to 7½ per cent. Following the imposition of the 7¼ per cent ceiling on November 1, most banks began offering this rate; since then, sales of 4-year certificates have continued strong, indicating that 7¼ per cent is still a relatively attractive rate to small savers.

A large part of the inflows of 4-year deposits no doubt reflects shifts of funds out of lower-yielding commercial bank time deposits, and a lesser part, net inflows of funds to the banking system. Accompanying the growth in 4-year deposits between January and April, there was an increase of \$1.5 billion in deposits maturing in 2½ to 4 years, which were paying a rate of 6½ per cent. The expansion in deposits in these two maturity categories offset the decline in shorter-maturity time deposits, so, on balance, total small-denomination IPC time deposits in-

TABLE 2

SMALL-DENOMINATION TIME AND SAVINGS DEPOSITS, IPC, HELD BY INSURED COMMERCIAL BANKS ON JAN. 31 AND APR. 30, 1974, BY TYPE OF DEPOSIT, BY MOST COMMON RATE PAID ON NEW DEPOSITS IN EACH CATEGORY, AND BY SIZE OF BANK

Group	All banks		Size of bank (total deposits in millions of dollars)				All banks		Size of bank (total deposits in millions of dollars)			
			Less than 100		100 and over				Less than 100		100 and over	
	Apr. 30	Jan. 31	Apr. 30	Jan. 31	Apr. 30	Jan. 31	Apr. 30	Jan. 31	Apr. 30	Jan. 31	Apr. 30	Jan. 31
	Number of banks, or percentage distribution						Amount of deposits (in millions of dollars), or percentage distribution					
Savings deposits:												
Issuing banks.....	13,710	13,619	12,938	12,859	772	760	129,928	126,175	52,715	51,145	77,213	75,030
Percentage distribution by most common rate paid on new deposits:												
Total.....	100	100	100	100	100	100	100	100	100	100	100	100
3.50 or less.....	2.1	2.3	2.2	2.4	1.4	1.2	1.0	1.1	.9	1.5	1.0	.9
3.51-4.00.....	6.9	7.5	6.9	7.4	8.4	9.4	7.2	8.0	5.4	5.8	8.4	9.5
4.01-4.50.....	10.1	11.3	9.7	11.0	15.9	15.7	22.8	23.2	12.4	14.1	30.0	29.4
4.51-5.00.....	80.8	79.0	81.2	79.3	74.3	73.7	68.9	67.6	81.3	78.6	60.5	60.1
Time deposits in denominations of less than \$100,000:												
Maturities less than 1 year:												
Issuing banks.....	13,456	13,199	12,681	12,438	775	761	37,593	38,638	18,063	18,533	19,530	20,105
Percentage distribution by most common rate paid on new deposits:												
Total.....	100	100	100	100	100	100	100	100	100	100	100	100
4.00 or less.....	(1)	(1)	(1)	(1)	(1)	.1	(1)	(1)	(1)	(1)	(1)	.1
4.01-4.50.....	(1)	.1	(1)	.1	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
4.51-5.00.....	10.5	12.8	10.5	12.9	10.1	12.0	9.2	11.5	8.4	9.9	10.0	13.1
5.01-5.50.....	89.5	87.1	89.4	87.0	89.9	87.9	90.8	88.4	91.6	90.1	90.0	86.9
Maturities of 1 up to 2½ years:												
Issuing banks.....	13,558	13,351	12,793	12,599	765	752	42,669	45,037	28,009	29,351	14,660	15,686
Percentage distribution by most common rate paid on new deposits:												
Total.....	100	100	100	100	100	100	100	100	100	100	100	100
4.50 or less.....	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
4.51-5.00.....	.1	.2	.1	.2	.3	.3	.1	.1	.1	.1	.1	.1
5.01-5.50.....	3.2	3.9	3.3	4.0	1.6	3.5	1.7	1.9	2.4	2.3	.5	1.3
5.51-6.00.....	96.6	95.8	96.5	95.8	98.1	96.2	98.2	97.9	97.5	97.6	99.4	98.6
Maturities of 2½ up to 4 years:												
Issuing banks.....	11,485	11,008	10,756	10,290	729	718	14,391	12,896	8,695	7,454	5,696	5,442
Percentage distribution by most common rate paid on new deposits:												
Total.....	100	100	100	100	100	100	100	100	100	100	100	100
5.00 or less.....	(1)	.2	(1)	.1	.1	.7	(1)	.1	(1)	(1)	.1	.2
5.01-5.50.....	.1	.2	.1	.2	.1	.1	.2	(1)	(1)	(1)	.5	(1)
5.51-6.00.....	2.2	3.2	2.2	3.1	3.4	5.2	5.2	6.9	2.9	4.0	8.6	10.8
6.01-6.50.....	97.6	96.4	97.7	96.6	96.3	93.9	94.5	93.0	97.0	96.0	90.8	89.0
Maturities of 4 years and over (minimum denomination of \$1,000):												
Issuing banks.....	9,560	8,930	8,844	8,235	716	695	17,141	12,839	7,556	5,508	9,585	7,331
Percentage distribution of most common rate paid on new deposits:												
Total.....	100	100	100	100	100	100	100	100	100	100	100	100
6.00 or less.....	.4	.3	.4	.2	1.1	1.4	.4	1.3	.2	.2	.4	2.1
6.01-6.50.....	1.9	2.6	1.8	2.6	2.6	3.2	.8	.8	1.1	1.0	.5	.7
6.51-7.00.....	35.6	40.4	36.4	41.2	25.9	31.2	26.0	31.3	32.2	36.3	21.1	27.6
7.01-7.25.....	62.1	56.6	61.4	56.0	70.3	64.3	72.9	66.5	66.5	62.5	78.0	69.6

¹ Less than .05 per cent.

For NOTE, see p. 631.

TABLE 3

AVERAGE OF MOST COMMON INTEREST RATES PAID ON VARIOUS CATEGORIES OF TIME AND SAVINGS DEPOSITS, IPC, AT INSURED COMMERCIAL BANKS ON JAN. 31 AND APR. 30, 1974

Bank location and size of bank (total deposits in millions of dollars)	Savings and small denomination time deposits	Savings	Time deposits in denominations of less than \$100,000					
			Total	Maturing in—				
				Less than 1 year	1 up to 2½ years	2½ up to 4 years	4 years or more (in denominations of less than \$1,000)	4 years or more (in denominations of \$1,000 or more)
January 31, 1974								
All banks:								
All size groups.....	5.34	4.78	5.98	5.44	5.97	6.45	6.04	7.15
Less than 10.....	5.53	4.72	5.95	5.40	5.98	6.48	6.50	7.09
10-50.....	5.47	4.86	5.98	5.46	5.97	6.47	5.44	7.14
50-100.....	5.39	4.85	6.01	5.46	5.98	6.48	6.07	7.18
100-500.....	5.30	4.79	5.98	5.44	5.97	6.43	5.47	7.13
500 and over.....	5.19	4.72	5.97	5.42	5.98	6.42	6.08	7.15
Banks in—								
Selected large SMSA's: ¹								
All size groups.....	5.24	4.78	5.98	5.43	5.97	6.42	6.04	7.14
Less than 10.....	5.38	4.83	5.96	5.42	5.95	6.46	6.08	7.15
10-50.....	5.34	4.88	5.99	5.44	5.95	6.47	5.43	7.16
50-100.....	5.34	4.87	6.01	5.46	5.96	6.46	6.13	7.17
100-500.....	5.25	4.79	5.97	5.43	5.96	6.40	5.76	7.07
500 and over.....	5.20	4.74	5.98	5.43	5.98	6.41	6.08	7.15
All other SMSA's:								
All size groups.....	5.32	4.71	6.00	5.45	5.97	6.49	5.58	7.18
Less than 10.....	5.18	4.24	5.98	5.27	5.98	6.50	6.50	7.09
10-50.....	5.44	4.75	6.04	5.47	5.96	6.49	5.86	7.18
50-100.....	5.37	4.81	6.00	5.47	5.98	6.50	5.14	7.17
100-500.....	5.33	4.80	5.99	5.46	5.98	6.47	5.22	7.19
500 and over.....	5.10	4.46	5.92	5.40	5.96	6.49	6.13	7.16
Banks outside SMSA's:								
All size groups.....	5.54	4.87	5.97	5.45	5.98	6.47	6.40	7.14
Less than 10.....	5.61	4.84	5.94	5.42	5.98	6.48	6.50	7.08
10-50.....	5.54	4.89	5.96	5.46	5.97	6.47	6.50	7.12
50-100.....	5.51	4.87	6.03	5.44	5.99	6.49	5.81	7.20
100-500.....	5.36	4.77	6.01	5.43	5.96	6.41	5.90	7.17
500 and over.....	5.58	5.00	6.07	5.50	6.00	6.50	.....	7.25
April 30, 1974								
All banks:								
All size groups.....	5.37	4.80	6.05	5.45	5.98	6.46	6.05	7.17
Less than 10.....	5.61	4.82	6.00	5.44	5.98	6.49	6.44	7.12
10-50.....	5.50	4.87	6.04	5.46	5.97	6.48	6.29	7.15
50-100.....	5.43	4.88	6.07	5.46	5.98	6.48	5.88	7.18
100-500.....	5.33	4.80	6.07	5.45	5.98	6.45	6.26	7.19
500 and over.....	5.22	4.72	6.05	5.45	5.98	6.43	6.02	7.17
Banks in—								
Selected large SMSA's: ¹								
All size groups.....	5.27	4.79	6.06	5.46	5.98	6.44	6.03	7.18
Less than 10.....	5.42	4.85	6.04	5.43	5.98	6.48	6.05	7.19
10-50.....	5.37	4.89	6.06	5.45	5.97	6.48	6.27	7.17
50-100.....	5.37	4.88	6.08	5.45	5.97	6.46	5.15	7.18
100-500.....	5.29	4.80	6.07	5.45	5.97	6.42	6.44	7.19
500 and over.....	5.23	4.74	6.06	5.46	5.98	6.44	6.01	7.17
All other SMSA's:								
All size groups.....	5.36	4.74	6.05	5.43	5.98	6.48	5.69	7.18
Less than 10.....	5.47	4.71	6.05	5.42	5.98	6.50	6.50	7.12
10-50.....	5.47	4.76	6.11	5.46	5.98	6.50	6.12	7.14
50-100.....	5.42	4.86	6.03	5.47	5.98	6.50	5.15	7.17
100-500.....	5.35	4.79	6.06	5.46	5.98	6.48	5.21	7.19
500 and over.....	5.12	4.46	5.94	5.31	5.98	6.38	6.32	7.21
Banks outside SMSA's:								
All size groups.....	5.58	4.88	6.02	5.46	5.97	6.47	6.48	7.16
Less than 10.....	5.65	4.84	6.00	5.45	5.98	6.49	6.50	7.12
10-50.....	5.57	4.89	6.01	5.46	5.97	6.47	6.50	7.14
50-100.....	5.55	4.92	6.11	5.45	5.99	6.49	6.50	7.20
100-500.....	5.45	4.85	6.11	5.46	5.99	6.43	6.17	7.20
500 and over.....	5.64	5.00	6.14	5.50	6.00	6.50	6.50	7.25

For notes see p. 631.

creased 2.1 per cent during the 3 months ending April 30. This was the smallest first-quarter increase in such deposits since 1970. In April as in the January and October survey periods, almost all banks were paying the ceiling rates on small-denomination time deposits.

LARGE-DENOMINATION TIME DEPOSITS

Sales of large-denomination time deposits—negotiable and nonnegotiable certificates of deposit (CD's) and open accounts—slowed considerably in the fall of 1973 and continued at a reduced pace through January 1974. Offering rates on such instruments in January were moderately lower than the levels reported in October. The slower growth in sales during most of this period reflected a less aggressive stance by commercial banks in seeking such funds because of a variety of factors. The most important factor was a slackening in the pace of business credit demands at the end of the year, which reduced the banks' needs for funds. In addition, expectations that an easing in monetary policy would lead to lower interest rates reduced the pressures in financial markets early in 1974. Between the end of October and the end of January more than half the growth in large-denomination IPC time deposits was in nonnegotiable CD's and open account deposits. These instruments generally carry somewhat

lower rates than do negotiable CD's, and lacking marketability they are not so competitive with other money market instruments.

In the middle of the first quarter, business credit demands began to swell, and the continuation of a restrictive monetary policy reversed expectations of an easing in credit availability. Banks again increased their reliance on sales of large-denomination time deposits in the form of negotiable CD's in order to obtain lendable funds. Consequently, offering rates on negotiable CD's rose sharply late in the first quarter, and net sales of such instruments to IPC's approached \$6.8 billion between the end of January and the end of April.

A substantial proportion of the negotiable CD's sold in this period was issued by banks with deposits of \$500 million or more located in the major money market centers. Large banks in the New York, Chicago, and San Francisco Districts accounted for nearly three-fourths of the net increase between January and April in CD's held by IPC's. Sales of CD's to IPC's in the San Francisco District—where most of the large banks were offering rates above 10 per cent—amounted to more than \$2 billion.

Rates on nonnegotiable CD's rose much less rapidly than other market rates in the April survey period, and sales of these instruments dropped to half the pace of the preceding quarter when market rates generally were lower. □

NOTE TO TABLE 2:

NOTE.—The most common interest rate for each instrument refers to the basic stated rate per annum (before compounding) in effect on the survey date that was generating the largest dollar volume of deposit inflows. If the posted rates were unchanged during the 30-day period just preceding the survey date, the rate reported as the most common rate was the rate in effect on the largest dollar volume of deposit inflows during the 30-day period. If the rate changed during that period, the rate reported was the rate prevailing on the largest dollar volume of inflows from the time of the last rate change to the survey date.

While rate ranges of $\frac{1}{4}$ or $\frac{1}{2}$ of a percentage point are shown in this and other tables, the most common rate reported by most banks was the top rate in the range; for example, 4.00, 4.50, etc. Some deposit categories exclude a small amount of deposits outstanding in a relatively few banks that no longer issue these types of deposits and are not included in the number of issuing banks.

Figures may not add to totals because of rounding.

NOTES TO TABLE 3:

¹ The selected large Standard Metropolitan Statistical Areas, as defined by the Office of Management and Budget and arranged by size of population in the 1970 Census, are as follows:

New York City	Minneapolis-St. Paul	San Jose	Albany-Schenectady-Troy	Richmond
Los Angeles-Long Beach	Seattle-Everett	New Orleans	Akron	Jacksonville
Chicago	Milwaukee	Tampa-St. Petersburg	Hartford	Flint
Philadelphia	Atlanta	Portland	Norfolk-Portsmouth	Tulsa
Detroit	Cincinnati	Phoenix	Syracuse	Orlando
San Francisco-Oakland	Paterson-Clifton-Passaic	Columbus	Gary-Hammond-E. Chicago	Charlotte
Washington, D. C.	Dallas	Rochester	Oklahoma City	Wichita
Boston	Buffalo	San Antonio	Honolulu	West Palm Beach
Pittsburgh	San Diego	Dayton	Ft. Lauderdale-Hollywood	Des Moines
St. Louis	Miami	Louisville	Jersey City	Ft. Wayne
Baltimore	Kansas City	Sacramento	Salt Lake City	Baton Rouge
Cleveland	Denver	Memphis	Omaha	Rockford
Houston	San Bernardino-Riverside	Ft. Worth	Nashville-Davidson	Jackson, Miss.
Newark	Indianapolis	Birmingham	Youngstown-Warren	

NOTE.—The average rates were calculated by weighting the most common rate reported on each type of deposit at each bank by the amount of that type of deposit outstanding. Christmas savings and other special funds, for which no rate information was collected, were excluded.

APPENDIX TABLE 1—SAVINGS DEPOSITS

Most common interest rates paid by insured commercial banks on new deposits

Group	Total	Most common rate paid (per cent)				Total	Most common rate paid (per cent)			
		3.50 or less	4.00	4.50	5.00		3.50 or less	4.00	4.50	5.00
	NUMBER OF BANKS					MILLIONS OF DOLLARS				
	JANUARY 31, 1974									
All banks.....	13,619	313	1,018	1,536	10,752	126,175	1,458	10,113	29,289	85,315
Size of bank (total deposits in millions of dollars):										
Less than 10.....	5,405	215	600	402	4,188	6,098	390	640	502	4,566
10-50.....	6,469	83	292	874	5,220	30,844	280	1,550	4,386	24,628
50-100.....	984	6	54	140	784	14,203	76	777	2,319	11,031
100-500.....	588	6	51	83	448	26,115	182	2,946	4,276	18,711
500 and over.....	173	3	21	37	112	48,915	530	4,200	17,807	26,378
	APRIL 30, 1974									
All banks.....	13,710	296	951	1,382	11,081	129,928	1,316	9,347	29,685	89,580
Size of bank (total deposits in millions of dollars):										
Less than 10.....	5,265	194	560	327	4,184	5,781	111	594	429	4,647
10-50.....	6,624	85	277	814	5,448	31,921	298	1,602	4,122	25,899
50-100.....	1,049	7	49	118	875	15,013	77	655	1,989	12,292
100-500.....	599	7	46	85	461	27,690	261	2,624	4,997	19,808
500 and over.....	173	3	19	38	113	49,523	569	3,872	18,148	26,934

APPENDIX TABLE 2—TIME DEPOSITS, IPC, IN DENOMINATIONS OF LESS THAN \$100,000—MATURING IN LESS THAN 1 YEAR

Most common interest rates paid by insured commercial banks on new deposits

Group	Total	Most common rate paid (per cent)		Total	Most common rate paid (per cent)		
		5.00 or less	5.50		5.00 or less	5.50	
All banks	NUMBER OF BANKS			MILLIONS OF DOLLARS			
	JANUARY 31, 1974						
	13,200	1,705	11,495	38,638	4,477	34,161	
	Size of bank (total deposits in millions of dollars):						
	Less than 10	5,214	921	4,293	2,825	545	2,280
	10-50	6,239	587	5,652	11,154	930	10,224
	50-100	985	104	881	4,554	360	4,194
	100-500	589	65	524	7,686	784	6,902
	500 and over	173	28	145	12,419	1,858	10,561
	APRIL 30, 1974						
13,456	1,418	12,038	37,592	3,462	34,130		
Size of bank (total deposits in millions of dollars):							
Less than 10	5,220	722	4,498	2,447	271	2,176	
10-50	6,415	519	5,896	11,040	884	10,156	
50-100	1,046	99	947	4,576	359	4,217	
100-500	602	56	546	7,650	715	6,935	
500 and over	173	22	151	11,879	1,233	10,646	

For notes to Appendix Tables 1-7, see p. 635.

APPENDIX TABLE 3—TIME DEPOSITS, IPC, IN DENOMINATIONS OF LESS THAN \$100,000—MATURING IN 1 UP TO 2½ YEARS

Most common interest rates paid by insured commercial banks on new deposits

Group	Total	Most common rate paid (per cent)			Total	Most common rate paid (per cent)		
		5.00 or less	5.50	6.00		5.00 or less	5.50	6.00
All banks Size of bank (total deposits in millions of dollars): Less than 10 10-50 50-100 100-500 500 and over	NUMBER OF BANKS				MILLIONS OF DOLLARS			
	JANUARY 31, 1974							
	13,351	37	525	12,789	45,037	50	876	44,111
	5,345	26	236	5,083	7,271	6	262	7,003
	6,279	7	232	6,040	17,433	21	329	17,083
	975	2	30	943	4,647	(2)	(2)	4,561
	583	1	19	563	6,538	(2)	(2)	6,399
	169	1	8	160	9,148	(2)	(2)	9,065
	APRIL 30, 1974							
	13,559	21	438	13,100	42,670	35	743	41,892
Size of bank (total deposits in millions of dollars): Less than 10 10-50 50-100 100-500 500 and over	5,276	10	178	5,088	7,067	2	256	6,809
	6,477	5	225	6,247	16,509	3	373	16,133
	1,040	4	23	1,013	4,433	16	38	4,379
	595	1	7	587	5,991	(2)	(2)	5,926
	171	1	5	165	8,670	(2)	(2)	8,645

APPENDIX TABLE 4—TIME DEPOSITS, IPC, IN DENOMINATIONS OF LESS THAN \$100,000—MATURING IN 2½ YEARS OR MORE EXCLUDING DEPOSITS WITH MINIMUM MATURITY OF 4 YEARS IN DENOMINATIONS OF \$1,000 to \$100,000

Most common interest rates paid by insured commercial banks on new deposits

Group	Total	Most common rate paid (per cent)		Total	Most common rate paid (per cent)	
		6.00 or less	6.50		6.00 or less	6.50
All banks Size of bank (total deposits in millions of dollars): Less than 10 10-50 50-100 100-500 500 and over	NUMBER OF BANKS			MILLIONS OF DOLLARS		
	JANUARY 31, 1974					
	11,008	391	10,617	12,896	897	11,999
	3,799	126	3,673	1,138	49	1,089
	5,568	173	5,395	5,009	213	4,796
	923	49	874	1,307	36	1,271
	558	25	533	1,926	218	1,708
	160	16	142	3,516	381	3,135
	APRIL 30, 1974					
	11,485	273	11,212	14,391	785	13,606
Size of bank (total deposits in millions of dollars): Less than 10 10-50 50-100 100-500 500 and over	3,879	33	3,846	1,435	32	1,403
	5,893	163	5,730	5,681	182	5,499
	985	50	935	1,579	46	1,533
	567	14	553	2,120	184	1,936
	161	13	148	3,576	341	3,235

For notes to Appendix Tables 1-7, see p. 635.

APPENDIX TABLE 5—TIME DEPOSITS, IPC, IN DENOMINATIONS OF \$1,000 to \$100,000—MATURING IN 4 YEARS OR MORE

Most common interest rates paid by insured commercial banks on new deposits

Group	Total	Most common rate paid (per cent)			Total	Most common rate paid (per cent)			
		6.50 or less	7.00	7.25		6.50 or less	7.00	7.25	
All banks	NUMBER OF BANKS				MILLIONS OF DOLLARS				
	JANUARY 31, 1974								
	8,930	260	3,607	5,063	12,838	271	4,022	8,545	
	Size of bank (total deposits in millions of dollars):								
	Less than 10	2,678	125	1,243	1,310	639	41	275	323
	10-50	4,696	96	1,869	2,731	3,083	25	1,219	1,839
Size of bank (total deposits in millions of dollars):	50-100	861	8	278	575	1,785	(1)	507	1,278
	100-500	532	23	165	344	2,951	164	655	2,132
	500 and over	163	8	52	103	4,380	41	1,366	2,973
	APRIL 30, 1974								
	9,560	222	3,405	5,933	17,141	192	4,450	12,499	
	Size of bank (total deposits in millions of dollars):								
Less than 10	2,856	44	1,241	1,571	760	18	328	414	
Size of bank (total deposits in millions of dollars):	10-50	5,050	128	1,720	3,202	4,492	70	1,536	2,886
	50-100	938	23	258	657	2,304	13	566	1,725
	100-500	554	19	145	390	3,996	16	773	3,207
	500 and over	162	8	41	113	5,589	75	1,247	4,267

APPENDIX TABLE 6—NEGOTIABLE CD's, IPC, IN DENOMINATIONS OF \$100,000 OR MORE

Most common interest rates paid by insured commercial banks on new deposits

Group	Total	Most common rate paid (per cent)								Total	Most common rate paid (per cent)							
		7.00 or less	7.50	8.00	8.50	9.00	9.50	10.00	More than 10.00		7.00 or less	7.50	8.00	8.50	9.00	9.50	10.00	More than 10.00
NUMBER OF BANKS										MILLIONS OF DOLLARS								
JANUARY 31, 1974																		
All banks.....	3,777	725	580	670	636	802	328	32	4	53,507	629	936	5,631	10,518	16,256	16,807	2,696	34
Size of bank (total deposits in millions of dollars):																		
Less than 10.....	793	274	62	177	132	85	63	.....	299	(2)	(2)	88	62	25	59	.....	.....	9
10-50.....	2,098	402	438	384	336	397	119	19	3	2,554	332	439	368	531	639	159	77	.....
50-100.....	406	19	67	68	62	146	42	2	.....	1,711	34	175	262	264	831	145	(2)	(2)
100-500.....	324	27	11	35	75	116	55	4	1	6,421	183	151	730	1,338	2,707	1,266	(2)	(2)
500 and over.....	156	3	2	6	31	58	49	7	.....	42,522	(2)	(2)	4,183	8,323	12,054	15,178	2,598	.....
APRIL 30, 1974																		
All banks.....	3,908	631	570	568	651	597	374	309	208	60,272	615	698	938	2,050	3,574	4,884	14,352	33,161
Size of bank (total deposits in millions of dollars):																		
Less than 10.....	752	235	100	99	168	107	6	37	.....	264	(2)	(2)	27	101	24	2	17	.....
10-50.....	2,273	342	426	408	367	347	221	104	58	2,823	308	456	378	364	516	434	228	139
50-100.....	402	38	33	40	81	68	62	41	39	1,723	129	56	137	290	290	427	159	235
100-500.....	322	13	10	16	31	59	63	80	50	6,367	89	148	157	469	1,148	1,315	1,773	1,268
500 and over.....	159	3	1	5	4	16	22	47	61	49,095	(2)	(2)	239	826	1,596	2,706	12,175	31,519

For notes to Appendix Tables 1-7, see p. 635.

APPENDIX TABLE 7—NONNEGOTIABLE CD's AND OPEN ACCOUNT DEPOSITS, IPC, IN DENOMINATIONS OF \$100,000 OR MORE

Most common interest rates paid by insured commercial banks on new deposits

Group	Total	Most common rate paid (per cent)								Total	Most common rate paid (per cent)															
		7.00 or less	7.50	8.00	8.50	9.00	9.50	10.00	More than 10.00		7.00 or less	7.50	8.00	8.50	9.00	9.50	10.00	More than 10.00								
NUMBER OF BANKS																			MILLIONS OF DOLLARS							
JANUARY 31, 1974																										
All banks	4,297	1,174	620	807	591	777	292	17	19	23,462	1,573	1,011	2,508	4,798	9,805	3,636	120	111								
Size of bank (total deposits in millions of dollars):																										
Less than 10	672	280	74	100	115	95	8			145	45	13	21	21	43	2										
10-50	2,434	679	389	534	261	379	163	11	18	2,406	262	268	739	405	464	242	(2)	(2)								
50-100	635	101	115	115	118	151	33	2		1,924	152	169	326	438	590	249	(2)	(2)								
100-500	425	81	32	50	78	118	63	3		5,491	178	117	559	1,250	2,128	1,156	103									
500 and over	131	33	10	8	19	34	26		1	13,496	936	444	863	2,684	6,580	1,987	(2)	(2)								
APRIL 30, 1974																										
All banks	4,228	993	442	715	510	637	418	364	149	24,781	1,658	381	1,321	1,182	6,566	2,990	4,504	6,179								
Size of bank (total deposits in millions of dollars):																										
Less than 10	506	235	67	83	7	62	31	15	6	113	49	10	16	2	26	6	3	1								
10-50	2,491	593	300	454	342	357	264	147	34	2,639	256	139	515	351	561	497	259	61								
50-100	661	61	37	139	120	133	42	105	24	2,250	73	49	217	365	546	255	630	115								
100-500	439	71	28	33	35	70	70	71	61	5,495	178	108	321	301	843	1,371	1,297	1,076								
500 and over	131	33	10	6	6	15	11	26	24	14,284	1,102	75	252	163	4,590	861	2,315	4,926								

NOTES TO APPENDIX TABLES 1-7:

¹ Less than \$500,000.² Omitted to avoid individual bank disclosure.

NOTE.—Data were compiled from information reported by a probability sample of member and insured nonmember commercial banks. The figures were expanded to provide universe estimates.

Figures exclude banks that reported no interest rate paid and that held no deposits on the survey dates, and they also exclude

a few banks that had discontinued issuing these instruments but still had some deposits outstanding on the survey date. Dollar amounts may not add to totals because of rounding.

In the headings of these tables under "Most common rate paid (per cent)" the rates shown are those being paid by nearly all reporting banks. However, for the relatively few banks that reported a rate in between those shown, the bank was included in the next higher rate.

Treasury and Federal Reserve Foreign Exchange Operations

This twenty-fifth joint interim report reflects the Treasury-Federal Reserve policy of making available additional information on foreign exchange operations from time to time. The Federal Reserve Bank of New York acts as agent for both the Treasury and the Federal Open Market Committee of the Federal Reserve System in the conduct of foreign exchange operations.

Over the 6-month period, February 1974 through July 1974, covered by this report, the exchange markets were buffeted by turbulent crosscurrents. Dollar rates against European currencies and the yen swung over a broad range in response to shifting market appraisals of the impact of the oil crisis and inflation on relative currency values, while episodes such as the Herstatt Bank failure also had major effects on market activity and sentiment.

At the beginning of the year the dollar was moving up strongly against some currencies to levels prevailing before the February 1973 devaluation. The market's bullish appraisal of the dollar mainly derived from the favorable trends in the U.S. payments balance that had emerged during 1973, and the judgment that this country could better cope with the damaging consequences of the oil crisis than most other industrial countries. Late in January, however, exchange-market sentiment abruptly shifted against the dollar, with selling pressures continuing until mid-May.

This adverse shift of market sentiment coincided with the complete elimination of U.S. capital controls on January 29 and the subsequent easing of European barriers against capital inflows. Moreover, U.S. interest rates had already begun to fall sharply while rates abroad held firm, and this swing in interest rate differentials temporarily provided a further strong

This report was prepared by Charles A. Coombs, Special Manager, System Open Market Account, and Senior Vice President in charge of the Foreign Department of the Federal Reserve Bank of New York. It covers the period February through July 1974. Previous reports have been published in March and September BULLETINS of each year beginning with September 1962.

inducement to outflows of U.S. funds into foreign markets. Foreign demand for dollar credit mounted, as many countries rushed to launch medium-term borrowing programs to meet anticipated balance of payments deficits. As a result, claims on foreigners reported by U.S. banks ballooned by a record increase of well over \$9 billion during the 4 months, February through May. Even more importantly, the energy crisis threatened to provoke a more rapid and pronounced deterioration in our trade balance than originally expected, while Germany showed a continuing trade surplus of surprising strength.

As this picture unfolded, dollar rates against most European currencies fell steadily during February to levels more than 10 per cent below the January highs. Such recurrent declines in dollar rates threatened to generate speculative pressures and disorderly trading, and the Federal Reserve accordingly resumed intervention on February 22. By the month-end, the Federal Reserve had sold \$91.2 million equivalent of marks, financed by drawings on the swap line with the German Federal Bank, of which \$3.7 million was repaid with market purchases early in March. In addition, the New York Bank sold \$6.8 million equivalent of Belgian francs from System balances, as well as some \$8.9 million equivalent of German marks and \$15.8 million equivalent of French francs from Treasury balances.

Meanwhile, the divergent trend between the

NOTE.—Tables 1–4 appear on pp. 651 and 652.

U.S. weakening trade position and the continued strength of Germany's export surplus had kindled renewed speculation about a revaluation of the German mark. During March the Federal Reserve intervened intermittently but in sizable amounts to sell a further \$225.5 million equivalent of German marks, financed by additional drawings on the swap line with the German Federal Bank. These operations were conducted in close coordination with the German Federal Bank, which also supplied marks on a substantial scale both by buying dollars outright and by intervening in the European Community (EC) "snake" arrangement. In other operations during March, the New York Bank sold \$10 million equivalent of Belgian francs from System balances and \$17.9 million equivalent of French francs from Treasury balances.

By April interest rates in the United States had turned around and began to move upward sharply while rates abroad were on an easing trend, thereby progressively reversing earlier interest-arbitrage differentials adverse to the United States. Moreover, trade figures for March showed a more modest U.S. deficit than generally expected in the market and a slightly reduced surplus for Germany. Nevertheless, the market remained fearful of a possible revaluation of the German mark or disbanding of the EC snake. In addition, publication of first-quarter figures, showing a drop in U.S. output and a distressing acceleration of domestic inflation, prompted gloomy market reassessments of U.S. business and foreign trade prospects. Market sources also cited new disclosures in the Watergate affair as having a depressing effect on the dollar. As the dollar fell still further, the Federal Reserve continued to intervene and sold \$51.6 million equivalent of marks in April, financed by further drawings under the swap line with the German Federal Bank.

Speculative overtrading against the dollar continued until mid-May, at which point the dollar had fallen 21 per cent below its January high against the mark. Against this background, Swiss, German, and U.S. officials attending the May meeting of the Bank for International Settlements (BIS) reached agreement on the desirability of concerted exchange market operations to counter excessive speculation against the

dollar. Reports of this agreement appeared on the news tickers on May 14 and immediately brought about a scramble to cover short dollar positions. By the following day, the German mark and Swiss franc rates against the dollar had fallen off by 4½ per cent.

The subsequent recovery of the dollar during the late spring and summer months was solidly based on improving trends in the U.S. payments position. U.S. trade figures for April and again for June showed unexpected strength despite the burden of higher oil prices, while the German trade surplus leveled off and then declined. A pronounced tightening of credit conditions and sharply higher interest rates in New York also exerted a stronger pull on international capital funds, while U.S. bank lending abroad subsequently slackened. As the oil-producing countries progressively saturated the capacity of the major Euro-dollar banks to handle short-term placements, flows of Organization of Petroleum Exporting Countries (OPEC) funds into the U.S. credit markets grew in volume and revived earlier market anticipations that such investment flows would strengthen the dollar relative to other currencies unable to provide comparable investment facilities.

Early in June the dollar experienced temporary selling pressure and the Federal Reserve made a further drawing of \$17.1 million on the German Federal Bank swap line, lifting total mark debt outstanding to a peak of \$381.7 million. Thereafter, the Federal Reserve steadily accumulated mark balances, of which \$122.8 million was used to reduce outstanding swap debt with the German Federal Bank to \$258.9 million equivalent. The dollar came under some selling pressure, however, following the announcement on June 25 of a poor trade performance in May, and on the following day, the Herstatt Bank was closed. As a stabilizing measure, the Federal Reserve sold \$24.2 million of mark balances on June 28 and July 2.

For some time the market had become increasingly concerned over reports of large foreign exchange trading losses by banks in various countries. The main impact of the Herstatt Bank closure, however, was to highlight the fact that even a spot exchange contract involved a credit risk in which a bank might

accept payment on a currency trade but be forced to close its doors before delivering the foreign exchange counterpart. As bank management throughout the world focused on this risk, traders severely limited new transactions to only those names they considered of the highest quality. Initially, foreign exchange trading was further sharply curtailed as New York Clearing House banks sought to make payments for their correspondents only after assurance that covering receipts were in hand. As this proved unworkable, the Clearing House then modified its procedures to permit all participating banks to recall payments made provisionally in anticipation of receipt of funds. These new arrangements facilitated a considerable recovery in trading volume, although complaints over the recall feature continued to be voiced abroad. Over subsequent weeks trading in the spot exchange market gradually recovered, but activity in the forward market remained subdued. A more lasting consequence of the Herstatt affair was to compound the trading difficulties faced by small- and medium-sized banks, not only in the foreign exchanges but also in the Euro-dollar market, as a worldwide review of bank credit lines resulted in a tightening of credit limits for all but the very best names.

In the thin and sensitive markets that appeared in the wake of Herstatt, central banks tended to move more quickly than usual to check sharp exchange-rate movements. On July 15–17, the Federal Reserve sold from balances \$7.5 million equivalent of marks and \$4.4 million of Belgian francs to cushion declining dollar rates. Then on July 24 a sudden rash of rumors of a guilder revaluation exerted speculative pressure on the dollar, which intensified following ticker reports of the Supreme Court decision on the Watergate tapes. The Federal Reserve intervened forcefully that day and sold a total of \$43.8 million of marks from existing balances, together with \$2.3 million of guilders financed by a drawing on the swap line with the Netherlands Bank. The dollar rate subsequently firmed up and gained increasing buoyancy with reports the next day of a reduction in the German trade surplus as well as an improved U.S. trade performance during June.

As the mark came on offer, the Federal Reserve again accumulated mark balances that were supplemented by a purchase of \$132.3 million equivalent of marks from the Bank of Italy. These mark acquisitions enabled the System to repay \$194.2 million of outstanding swap debt with the German Federal Bank on July 31, leaving an outstanding commitment of \$64.6 million equivalent. In addition, the System acquired sufficient guilders to liquidate on July 30 the \$2.3 million drawing on the Netherlands Bank swap line.

In summary, during the period under review the Federal Reserve intervened in support of the dollar to the extent of \$527 million equivalent. Of this amount, \$139.3 million represented drawings on Federal Reserve and Treasury balances. The remaining \$387.7 million was financed by Federal Reserve drawings on its swap lines with the German Federal Bank and the Netherlands Bank.

GERMAN MARK

In late 1973 the German mark led the decline of European currencies against the dollar. By early 1974, however, the market began to view the previous rush into dollars as having been overdone. A sharp bulge in demand for German exports, on top of an already high level of foreign orders, had added another \$1 billion a month to German exports, but the higher monthly cost of Germany's oil imports was estimated to be only half that amount. The market now expected, moreover, that the prospective sharp rise of the U.S. oil import bill would erode the recent surge back into surplus of the U.S. trade balance. Inflation in Germany was already leveling off just above 7 per cent, while the rise in U.S. prices was continuing to accelerate. The market also anticipated that the German Federal Bank would maintain its strongly restrictive monetary policy in an effort to reduce the inflation rate further. The interest rate disparity favoring Germany was widening at the time when U.S. controls on capital outflows were terminated on January 29. These developments, combined with a subsequent relaxation of German barriers to inflows, set the stage for a massive outpouring

of funds from this country and reflows to Germany.

In late January and during February the German mark was bid up sharply against the dollar and EC currencies. The bidding for marks, with particularly heavy trading by a relatively small number of banks, unsettled the market and threatened to generate broader speculative pressures against the dollar. By February 22 the market had advanced some 10 per cent from its January lows and the Federal Reserve resumed intervention. The Desk was obliged to operate fairly forcefully on occasion to avoid the outbreak of disorderly conditions. By the month-end, the New York Bank had sold a total of \$100.1 million equivalent of marks, \$91.2 million equivalent for the System financed by swap drawings on the German Federal Bank and \$8.9 million for the Treasury from balances. Early in March the Federal Reserve purchased \$3.7 million equivalent of marks in the market and used them to repay part of the swap debt.

The rising German export surplus to almost \$1.25 billion in January had sparked renewed debate in that country over exchange-rate policy, and press commentary suggested that the German Government would welcome a rise or even revaluation of the mark. Official denials from the German Federal Bank helped clear the air, but market talk of even more massive trade surpluses for Germany and deficits for other major industrial countries, including the United States, generated further strong demand for marks. In late March German and U.S. February trade figures—a \$2 billion German surplus and a much-reduced \$200 million U.S. surplus—set off a new surge of the mark. To maintain orderly conditions, the Federal Reserve intervened repeatedly, occasionally in sizable amounts. For March as a whole, System mark sales amounted to \$225.5 million equivalent, all financed by additional drawings on the swap arrangement with the German Federal Bank. The German Federal Bank also purchased dollars on several days in Frankfurt and, with the mark pinned to the top of the EC band, provided marks for intervention against currencies of its partners in the “snake” as well.

By early April interest rates in the United States were clearly moving upward. Federal

Reserve determination to maintain a firm monetary policy and the need for a strong dollar in the struggle against inflation were underscored by the April 4 testimony of Chairman Burns to the Congress. Meanwhile interest rates in Germany had eased, thereby reversing the previously adverse interest rate differentials against the dollar. These developments, however, gave only a temporary respite to the rise in the mark exchange rate. Expectations about the dollar rate soon soured on publication of U.S. gross national product (GNP) figures for the first quarter, showing an unexpectedly severe drop in real output and an acceleration of domestic inflation to a rate well above Germany's. Exaggerated market expectations of a German trade surplus as high as 7 billion marks for March prior to release of the data in late April renewed the revaluation fever. Growing uncertainties surrounding the impeachment proceedings in Washington as well as new disclosures in the Watergate affair exerted a further depressing influence on the dollar.

Heavy speculative demand for marks re-emerged just after mid-April, swamping the effect of further increases in U.S. interest rates, including on April 25 a ½ percentage point increase to 8 per cent in the Federal Reserve discount rate. By mid-May, the spot mark had been ratcheted up to \$0.42, fully 21 per cent above its January low and just 6 per cent below the peak reached in July 1973. This upsurge had pulled all the major European currencies up to levels that many traders considered to be unsustainably high. The Federal Reserve continued to intervene to guard against disorderly conditions. In April sales of marks drawn on the swap line totaled \$51.6 million equivalent. In Frankfurt, the German Federal Bank made additional dollar purchases and continued to intervene in the EC snake arrangement. In the 3 months through mid-May, German Federal Bank intervention contributed to a \$2.3 billion increase in German reserves.

Despite such intervention, the market continued to verge on disorder. Accordingly, representatives of the German Federal Bank, the Federal Reserve, and the Swiss National Bank agreed at the monthly BIS meeting in Basle, Switzerland, on a concerted plan of intervention

in marks and Swiss francs to counter excessive speculation against the dollar. The Federal Reserve was prepared to operate forcefully in the New York market, drawing further on the swap line with the German Federal Bank, while the German Federal Bank and the Swiss National Bank were prepared to buy dollars in their own markets. Reports of this agreement reached the news services on May 14 and had an electrifying effect on dollar trading. Dealers holding long mark and short dollar positions scrambled for cover. In 24 hours the mark rate plummeted nearly 4½ per cent. As conditions in the exchanges settled down, dealers began to respond to the interest incentive favoring the dollar, and the mark's decline continued through the month-end. As the mark declined, the Federal Reserve purchased modest amounts of marks to cover its swap indebtedness.

Revaluation jitters reappeared during the June 1–2 French-German summit meeting, and the mark was once again bid upward. To moderate the rise of the mark rate, the Federal Reserve sold \$17.1 million equivalent drawn on the swap line, thus raising outstanding drawings to a peak of \$381.7 million equivalent. Moreover, the German Federal Bank was again obliged to provide marks against EC snake currencies. The mark subsequently resumed a gradual decline through most of June. By June 25, the mark had dropped more than 7 per cent from its mid-May high to \$0.3881 and had receded from the top of the EC snake. The Federal Reserve took advantage of this situation to purchase sufficient marks to reduce its swap drawings to \$258.9 million by the end of the second quarter.

Throughout the spring, reports that several banks in various countries had incurred large foreign exchange losses generated growing market concern about the extent of speculative overtrading. Against this background, the June 26 closing of the Herstatt Bank, a major German private bank, by the German banking authorities had a far-reaching market impact. The bank was closed partly in consequence of large foreign exchange losses and left many banks both in Germany and abroad with unsatisfied claims on the Herstatt Bank. Throughout the world, bank managements moved to reassess their own foreign exchange positions and their dealing

relationships with other banks. Trading in marks was virtually paralyzed in New York and in European markets; the large German banks in particular were reluctant to deal through brokers or to participate in the daily fixing. Under these strained trading conditions, small- and medium-sized banks found it difficult to raise needed funds either in the exchange or in the Euro-dollar markets to meet current obligations. To ease this situation, the German Federal Bank expanded Lombard and other credit facilities to provide additional liquidity on a selective basis to German banks.

The mark initially declined under the impact of the Herstatt Bank collapse, then leveled off in extremely limited interbank dealing. In this situation of unusual market sensitivity, however, the central banks were prepared to intervene more promptly, and the Federal Reserve sold a total of \$31.7 million equivalent of mark balances from late June through mid-July.

Shortly after midmonth a news report that the International Monetary Fund (IMF) had recommended a revaluation of the Netherlands guilder prompted a speculative run-up in the guilder. The selling of dollars soon spilled over into other markets, and the mark also began to advance. Such speculation intensified on July 24, when the Supreme Court's decision on the Watergate tapes was announced. The Federal Reserve responded by intervening forcefully, through sizable offers of marks as well as of guilders. By the end of that day, total sales of marks had reached \$43.8 million equivalent.

The subsequent recovery of the dollar was reinforced by news of a halving of Germany's June trade surplus to around \$1 billion and of a cut by two thirds in the U.S. June trade deficit. Rapidly moving political developments in Washington kept the market on edge, but expectations of renewed intervention by the Federal Reserve provided a steadying influence. By the month-end, the mark had declined to \$0.3865, about 8 per cent below its May peak, and had fallen to the bottom of the EC band. During July the Federal Reserve took advantage of the stronger dollar to accumulate additional mark balances through the market. Moreover, the System arranged to purchase \$132.3 million equivalent of marks from the Bank of Italy. Italy

had obtained the marks from a multicurrency drawing on the IMF. Using these resources the System repaid a further \$194.2 million equivalent of swap drawings on the German Federal Bank, leaving \$64.6 million equivalent outstanding on July 31.

STERLING

Early in 1974 the United Kingdom faced an unusually difficult economic situation. Despite wage-price restraints and tight monetary policy, accompanied by historically high interest rates, prices were rising at a 15 per cent annual rate, and the rise was accelerating. The trade balance was registering a near \$1 billion monthly deficit and was expected to worsen as the full impact of higher oil prices was felt. Real economic growth had fallen off sharply, and financial strains were apparent, especially among the smaller banks and in home mortgage financing. A 3-day workweek was imposed to conserve the nation's fuel supply, which had been sharply reduced by a confrontation between the miners and the Government. This dispute heightened political tensions and tended to crystalize trade union opposition to wage and price controls. In early February, following the miners' decision to strike, an election was set for February 28.

Sterling came under periodic bouts of selling pressure, which drove it down to a low of \$2.15¼ in mid-January and kept it relatively weak through early February. The pound therefore depreciated substantially against the continental European currencies, which were then advancing strongly against the dollar. By mid-February, however, the attraction of unusually high short-term interest rates in London, together with the persistent and expanding needs for sterling by oil companies to meet tax and royalty payments to oil-exporting countries, began to strengthen sterling. The rate then tended to follow other European currencies in their rise against the dollar, moving up nearly to \$12.31½ just before the election.

The establishment of a minority Labor government was greeted with some caution by the market. After the Government quickly moved to restore a normal workweek and resolve the

trade union conflicts, however, the market atmosphere improved. Moreover, the renewal of exchange-rate guarantees—this time against the weighted average of a number of currencies—on official overseas-sterling-area balances held in London was seen as forestalling large-scale switching into other currencies. With money remaining tight in London, first-quarter inflows amounted to more than \$1.5 billion. Thus, sterling continued to rise along with most other European currencies against the dollar through much of March, reaching \$2.36 after the middle of the month.

The market nevertheless remained concerned over sterling's prospects. The previous dislocations of production coupled with the vastly increased oil import bill aggravated Britain's large foreign trade deficit, and inflation threatened to erode once again Britain's international competitiveness. The March 26 budget message, announcing new fiscal measures largely neutral on aggregate domestic demand as well as substantial new credit lines to bolster Britain's reserves, helped reassure the market. The new credit lines included an increase of \$1 billion to \$3 billion in the swap line between the Bank of England and the Federal Reserve and arrangement of a \$2.5 billion Euro-dollar loan—the largest single Euro-currency loan ever contracted—to be taken down as needed. These lines would supplement the almost \$3.5 billion previously borrowed by Britain's public authorities. Sterling retained some buoyancy in the exchanges and, when speculative selling of dollars developed just before the month-end, the pound was briefly swept up to \$2.42½, before settling back to just below \$2.40 early in April. The pound also gained ground against the currencies of Britain's EC partners.

With sterling thus on a better footing in the exchanges, the British authorities believed themselves to be in a position to relieve some of the tensions that had built up in domestic financial markets as a result of the sharp run-up of interest rates over previous months. The Bank of England reduced its call for special deposits from 4½ per cent to 3 per cent and successively cut its minimum lending rate from 12½ per cent to 12 per cent. Market interest rates in the United Kingdom also fell back from their his-

torically high levels, before leveling off. Meanwhile, interest rates in the U.S. and Euro-dollar markets were advancing, tending also to narrow interest differentials in favor of sterling. The spot pound turned somewhat easier through mid-April. As the dollar then came under generalized speculative pressure, sterling moved moderately higher once more, gaining nearly 2 per cent against the dollar between mid-April and mid-May.

When the speculative surge of European currencies was suddenly broken, following press reports of possible concerted central bank intervention in support of the dollar, sterling declined against the dollar much less sharply than other European currencies. From mid-May, the depressing effect of a huge current-account deficit on the sterling rate was nearly offset by an increasing demand for sterling for tax and royalty payments to the OPEC members. In turn, these countries were investing the major share of their sterling accruals in high-yielding sterling instruments. In addition, reports that potential British North Seas output of gas and oil would greatly exceed earlier forecasts lifted some of the market's pessimism about the outlook for British trade. The pound settled near \$2.40 in early summer in the reduced and cautious trading that followed the closing of the Herstatt Bank in Germany.

Thereafter, the British Government continued to grapple with strong inflationary pressures and a worsening trade position, on the one side, and on the other, a weakening trend of real output and income. Monetary policy was kept relatively firm, while on July 22 the Government announced a moderately stimulative package of fiscal measures, including a cut in the value-added tax to boost private spending. This combination of policies, less reflationary than some had feared, helped maintain a firm undertone for sterling. News that Iran had agreed to lend up to \$1.2 billion to British industry over the next 3 years and the continuing demand for sterling by oil companies also helped buoy the pound. By the end of July, sterling, at \$2.38½, was still almost 7 per cent above its early-February lows. During the 6-month period under review, the Bank of England intervened in the market intermittently to moderate exchange-rate

movements and to avoid the emergence of disorderly trading conditions.

SWISS FRANC

Early in the year, inflation in Switzerland rose to 10 per cent per year under the impact of higher oil prices. To curb inflationary pressures, the Swiss authorities relied primarily on a restrictive monetary policy, including incremental reserve requirements against domestic and foreign liabilities, credit ceilings, and non-interest-bearing penalty deposits against loan growth above the prescribed 6 per cent limit. This policy, supported by the Swiss National Bank's abstention from intervening in the foreign exchange market, had resulted in a marked tightening of bank liquidity and an accompanying firming of Swiss and Euro-Swiss franc interest rates. To moderate the ensuing strain on Swiss financial markets, the Swiss National Bank at the end of January reduced required reserves by 20 per cent and reduced limits on nonresident borrowings in Switzerland. Joining in the widespread dismantling of capital controls, the Swiss authorities lifted the prohibition on nonresident investment in Swiss securities and mortgages.

The lifting of controls opened the way for an influx of funds, and the Swiss franc rate led the sharp rise of continental currencies against the dollar. By late February the spot rate had risen to \$0.3280, some 12 per cent above mid-January lows. Strong demand for the Swiss franc, reinforced by a spillover from the rapidly rising German mark, continued in March, lifting the Swiss franc a further 3 per cent.

Meanwhile, Swiss credit markets were tightening drastically. Short-term Swiss and Euro-Swiss franc rates firmed almost to mid-January levels, drawing funds away from longer-term placements. To alleviate this pressure, the Swiss National Bank provided temporary liquidity beginning April 3 by arranging dollar swaps with the commercial banks, a technique ordinarily employed only at month- or quarter-end. The National Bank injected more permanent liquidity by reducing minimum reserves on both domestic and foreign bank liabilities. The central bank also raised the ceiling on the growth

of bank credit for the period to July 1974 by 1 percentage point, to 7 per cent per annum, while easing the burden of penalty deposits on excess lending. Although Swiss interest rates turned lower in response, speculative demand for francs continued strong. The franc followed the continuing rise of the mark in early May, as political uncertainties elsewhere in Europe and in the United States stimulated flows into the franc. By May 14 the spot rate had been swept up to \$0.3588, more than 20 per cent above its January lows.

In the highly charged speculative atmosphere that had developed, the report of an agreement among the Federal Reserve, the German Federal Bank, and the Swiss National Bank on intended concerted intervention to prevent a further erosion in dollar rates prompted an immediate reversal of market psychology. The spot franc came heavily on offer, tumbling $4\frac{3}{4}$ per cent in 24 hours. As dealers continued to cut out long positions, the rate eased another 2 per cent to \$0.3360 by the end of May.

Liquidity pressures remained a matter of official concern in Switzerland. To reduce the strain on the longer-term markets, on May 21 the authorities temporarily closed the Swiss capital market to issues of foreign bonds. The following week they also agreed to extend growth limits on bank lending to guard against an excessive rise in short-term interest rates. As liquidity tightened toward the quarter's end in June, the National Bank again entered into dollar swaps and cut minimum reserve requirements further. These actions helped prevent a further tightening of liquidity, and the franc moved generally in line with other European currencies during June.

The June 26 closing of Germany's Herstatt Bank had a considerable psychological impact on the Swiss market. Amidst rumors that other banks might be afflicted with large foreign exchange losses, trading dropped off precipitously. Swiss banks sought to improve their liquidity positions beyond normal levels and reassessed the risks of exposure to their correspondents. Some banks were left with open positions following the Herstatt closing and had to find cover by bidding for francs. These added demands put upward pressure on Swiss and

Euro-Swiss franc interest rates. The authorities responded with further swap assistance to keep Swiss franc interest rates in line with corresponding Euro-dollar rates to avoid sizable shifts of funds out of long-term markets.

Late in July, the Swiss franc moved up on rumors of a Dutch guilder revaluation and rose still further when the dollar came more generally on offer following the Supreme Court's Watergate tapes decision. In line with other European currencies the Swiss franc subsequently dropped back to \$0.3378, about 6 per cent below its May highs.

JAPANESE YEN

Dependent on imported oil for over 70 per cent of its energy needs, Japan was particularly vulnerable to the economic impact of the energy crisis. Already suffering from a sharp upsurge of domestic inflation and a massive adverse swing in both trade and capital accounts, the higher cost of oil was expected to exacerbate the rise in production costs and to add significantly to Japan's import bill. The yen thus had come under increasing speculative pressure late in 1973. The authorities responded with a series of measures. They stiffened monetary policy, applied direct measures to conserve oil and electricity supplies, and shifted the pattern of capital controls to encourage inflows and slow outflows. In addition, the Bank of Japan intervened to moderate the continuing erosion of the yen rate, which reached levels that prevailed before the yen was floated by mid-January.

These actions, together with the termination of U.S. capital controls at the end of January, turned the tide, as Japanese banks stepped up their borrowings in the U.S. and Euro-dollar markets to finance Japanese imports of oil and other commodities. In addition, Japanese residents sold dollars to comply with new restrictions on their foreign-currency holdings. Consequently, the yen recovered 4 per cent by late February and strengthened another 4 per cent in March in response to a seasonal build-up of export receipts. Late in March the Bank of Japan intervened by purchasing dollars in small amounts for the first time since February 1973.

During the spring and early summer, Japa-

nese banks continued to expand their net foreign borrowings. Also, in response to foreign exchange controls, long-term investment abroad slowed to \$1 billion equivalent in the second quarter, compared with \$1.5 billion 3 months before. Japan's trade balance, which had sunk to a seasonally adjusted \$1.25 billion deficit in the first quarter, moved back into surplus by June, as both imports and exports responded to a slowdown in the domestic economy.

Despite this improvement in Japan's balance of payments, settlement of import bills, representing payments for goods shipped into the country in previous months, strengthened the demand for dollars in Tokyo. The yen consequently eased gradually by some 3 per cent to \$0.003520 by the end of June. The yen's decline accelerated in July, however, as rumors circulated that the Japanese banks were approaching their credit limits abroad. The Japanese authorities requested the banks to refrain from excessive foreign borrowings and, to help the banks repay their dollar borrowings, placed additional official deposits with the banks.

Nevertheless, the volume of import payments continued to swell, and by the month-end the spot yen had dropped back to around its January lows. To resist the decline, the Bank of Japan resumed occasional support of the yen through moderate sales of dollars. Further adjustments in Japanese exchange control provisions relieved much of the selling pressure, and by mid-August the yen rate had stabilized.

FRENCH FRANC

The precipitous rise in Mideastern oil prices late last year threatened a \$5 billion deterioration in France's trade account and a near doubling of France's rate of inflation. To protect reserves and employment in the face of such an adverse shift in the balance of payments, the French authorities temporarily withdrew from the EC monetary arrangement and allowed the French franc to float independently on January 19. Initially, the franc dropped by about 5 per cent. After the initial impact of this decision had dissipated, however, and reports circulated that the Government was arranging a \$1.5 billion Euro-dollar borrowing to augment official re-

serves, the market gradually moved back into better balance. Following the termination of U.S. capital controls late in January, the franc joined in the general upsurge of European currencies.

The franc's advance continued into the early spring, although France's current account was rapidly moving into substantial deficit. Helping to buoy the spot rate were reports of additional French public-sector borrowings, totaling over \$1 billion. In addition, the French authorities announced in March new measures to contain pressures on capacity and to bolster the balance of payments. They also terminated the two-tier exchange market. In response, the franc occasionally outpaced other European currencies that were also gaining strongly against the dollar. On these occasions, the Federal Reserve Bank of New York stepped in to provide resistance to an excessive rate movement, selling for the U.S. Treasury \$15.8 million equivalent of francs on February 27 and \$17.9 million on March 20. By March 28, the franc was trading around \$0.21, over 10 per cent above its mid-January lows.

In early April the franc eased as the death of President Pompidou on April 2 and prospects of new presidential elections weighed on market psychology. In addition, expectations of a mounting German trade surplus became an increasingly depressing influence on the French franc as well as the dollar. The franc's decline was cushioned by the steady conversion of Euro-dollar borrowings by private- and public-sector enterprises. Nevertheless, by May the franc had dropped over 4 per cent to \$0.2020, while sliding over 8 per cent against the mark and other snake currencies. After the election of President Giscard d'Estaing, the franc again began to move more closely with EC snake currencies, and by May 14 the spot franc had recovered against the dollar almost to its late March levels.

In late May rumors that a return of the franc to the EC snake was imminent circulated with increasing frequency. Traders particularly expected the June 1-2 French-German summit talks to produce an economic package designed to adjust intra-EC trade imbalances and to smooth the way for a return of the franc to the

snake without a franc devaluation. Consequently, the franc held relatively firm through late May. When the franc did not rejoin the EC arrangement after the summit talks, however, the franc's buoyancy faded and the spot franc, too, slipped back early in June.

Meanwhile, spiraling oil costs had pushed the rate of inflation almost to 15 per cent, and the trade balance (on a customs basis) had swung into a deficit of \$750 million in May. The Government responded by announcing a broad stabilization program on June 12, including increased corporate and personal income taxes, continued restraints on credit growth and petroleum consumption, and incentives for personal savings. A week later the Bank of France followed up by raising its discount rate a full 2 percentage points to 13 per cent. As market interest rates in France then climbed to record levels, short franc positions were quickly covered. In contrast to other European exchange markets, trading in the Paris market remained active following the Herstatt closure. As some French traders repatriated funds from Germany, the franc strengthened and the Bank of France bought dollars to moderate the rise.

In July the franc was pulled up further in the generalized speculative run-up of European exchange rates following rumors of the guilder revaluation, and the Bank of France continued to purchase dollars to moderate the upswing. After this speculative outburst, the franc declined only slightly against the dollar, in contrast to other European currencies, as an improvement in France's trade figures—together with a sharp fall in the German trade surplus for June—raised hopes that European trade was moving into better balance. By the month-end, the franc was trading near \$0.2140, its highest level since December 1973.

ITALIAN LIRA

The steep rise in oil prices at the end of 1973 had very serious implications for Italy, which depends on imported oil for about 80 per cent of its energy needs. The oil crisis threatened to add another \$5 billion to a trade deficit already running at \$4 billion in 1973 and to accelerate domestic inflation still further. These

economic fears, combined with serious political and social uncertainties, generated large speculative capital outflows. The lira came under renewed selling pressure in January, plunging to \$0.001480, and lost ground vis-a-vis other European currencies as well.

Concerned that a further weakening of the lira and a corresponding deterioration in Italy's terms of trade would aggravate domestic inflationary pressures, the Italian authorities intervened heavily in support of the spot lira. Such intervention was financed from the proceeds of foreign borrowings by Italian public enterprises as well as new Bank of Italy swaps with the commercial banks. To bolster reserves, several new public sector borrowings were arranged. Moreover, the swap line between the Bank of Italy and the Federal Reserve was increased by \$1 billion to \$3 billion, effective February 1, and after midmonth the Italian authorities announced that negotiations were under way for a \$1.2 billion IMF standby credit. Although news of additional credit facilities was well received in the market, pessimism over Italy's domestic economic situation and trade performance remained deeply entrenched, and the Bank of Italy intervened heavily to keep the lira in line with the other EC currencies as they firmed against the dollar in February. Later that month, pressure on the lira intensified as a division over economic policy led to the dissolution of the cabinet on March 1.

The prompt formation of a new government under Premier Rumor was followed by a sequence of counter-inflationary measures that temporarily firmed the lira rate. Monetary policy was tightened, as the Bank of Italy imposed a 1-year ceiling on the growth of most categories of bank lending and raised its basic discount rate $2\frac{1}{2}$ percentage points to 9 per cent. These actions triggered an immediate escalation of private borrowing and lending rates. The Government moved to increase the value-added tax on nonessential consumer goods to discourage imports, raised prices for some government services, and strengthened income tax provisions. In addition, new regulations on the export and import of lira bank notes were also imposed by the Government, and on March 22 the two-tiered foreign exchange market was abolished in favor

of a uniform market for commercial and financial transactions.

These various measures were initially welcomed in the exchange markets, but as traders began to question their effectiveness, the selling of lire was resumed. The authorities continued to provide substantial support to the lira to keep it generally in line with other EC currencies, which were rising sharply against the dollar. By the end of March, official support for the lira had swelled since the beginning of the year to over \$3 billion. The intervention was financed in part by new foreign borrowing including EC short-term support. By the quarter-end the total of Italy's medium-term Euro-dollar borrowing came to about \$9 billion.

In April Italy's trade deficit, running at \$1 billion a month, continued to weigh on the market, and the lira required almost daily official support. The Italian authorities moved at the end of April to reinforce their earlier monetary restraints by imposing a 50 per cent import-deposit requirement on most categories of imports. This measure, implemented early in May, gave a lift to the lira, which in any case was marked up somewhat in the general resurgence of speculation against the dollar that peaked toward mid-May. Even before the dollar's mid-May recovery, however, continued uncertainties had begun to weaken the lira rate against other European currencies. The market became increasingly unsettled after new figures showing the extent of the balance of payments deterioration were released. Moreover, grim appraisals of the Italian economy by responsible leaders inside and outside the Government underscored the seriousness of the situation. As the debate over economic policy provoked a cabinet crisis in early June, the lira dropped to as low as \$0.001531.

The cabinet was quickly re-established, however, and additional stabilization measures were adopted, including a renewed effort to bring Government expenses under control. At the same time, the monetary restraints in force since March began to bite, leading to a tightening of liquidity and a consequent reversal of capital outflows. The lira therefore improved in June and remained steady in the atmosphere of cautious dealing that developed in all markets after

the Herstatt Bank failure. During July the Bank of Italy was a net buyer of dollars in the market. By the month-end, the spot rate had settled near \$0.001555, some 5 per cent above its mid-January lows.

CANADIAN DOLLAR

The prospects of a continuing surplus in Canada's trade balance provided a firm undertone to the Canadian dollar early in 1974. As a major exporter of raw materials and industrial commodities, Canada was expected to benefit from the historically high commodity prices. Moreover, as Canada is largely self-sufficient in oil, its trade position was seen as unaffected by the sharp increase in oil prices that was swelling the import bill of other developed countries. The positive market assessment for the Canadian dollar was further reinforced in January when U.S. interest rates dropped off sharply, Canadian rates held steady, and interest differentials shifted in favor of Canada.

With this shift stimulating substantial short-term inflows, the Canadian dollar enjoyed a broadly based advance that was sustained by both strong commercial and professional demand late in January. Positioning ahead of conversion of provincial borrowings abroad, outright forward purchases of Canadian dollars, and cuts in U.S. prime rates provided further impetus to the upswing through February. By the month-end, the Canadian dollar had climbed almost 3 per cent to above \$1.03¼. In moderating the rise, the Bank of Canada had purchased sizable amounts of U.S. dollars, thereby contributing to the \$429 million increase in reserves for the first 2 months of the year.

From March to mid-April the Canadian dollar steadied, fluctuating narrowly around \$1.03 in response to actual or prospective interest rate incentives. Then, on April 15, the Bank of Canada raised its discount rate a full percentage point to 8¼ per cent to temper the strong demand for domestic credit and to bring it in line with higher interest rates abroad. The commercial banks soon followed by raising their prime rates, and as Canadian interest rates rose, demand for Canadian dollars swelled. The spot rate soon was pushed above its February peak,

to just below \$1.04½ on April 25 even as the Bank of Canada again purchased dollars to moderate the advance.

Concern that the Liberal government might lose a confidence vote on its upcoming budget proposals led to a brief downturn in the Canadian dollar early in May. Although an election was eventually called, the spot rate held firm as a further rise in interest rates and a second increase in the Bank of Canada's discount rate to 8¾ per cent continued to attract short-term funds from abroad. By May 23 the Canadian dollar was again trading near \$1.04.

In mid-June, however, the Canadian dollar began gradually to weaken. Canadian interest rates were now lagging behind the uptrend of U.S. rates. In addition, Canada's trade account had weakened, and by June it dropped into deficit. The spot rate continued to slip, even after a clear-cut victory for the Liberal government in the July elections cleared away political uncertainties, and the Bank of Canada raised the official discount rate further to 9¼ per cent. By the end of July, the dollar had dropped below \$1.02¼ and the Bank of Canada had intervened to moderate the steady erosion. Over the course of the 2-month slide the Canadian reserves declined some \$200 million.

NETHERLANDS GUILDER

In late 1973 the Mideast oil embargo on the Netherlands and the sharp rise of oil prices had initially prompted pessimistic assessments for the Dutch economy. By mid-January, however, such fears had begun to lift. The nation's strong underlying payments position, a \$1.75 billion surplus in 1973, provided ample room to withstand the estimated \$1.25 billion in higher oil costs, and revenues from the Netherlands's natural gas exports were expected to benefit strongly from the energy shortage.

Following the widespread relaxation in early 1974 of capital controls, high Dutch interest rates stimulated some reflow of funds to the Netherlands. In late January and February the guilder rose more rapidly against the dollar than most other European currencies, climbing 10 per cent from mid-January lows to \$0.3635 in late February.

Meanwhile, in response to signs of a slackening of domestic economic activity, plans were announced to provide moderate stimulus through tax reductions and higher Government expenditure. In addition, the Netherlands authorities remained concerned over an undue tightening of money market conditions. As earlier official swaps with Dutch commercial banks matured, they were rolled over or replaced with outright purchases of spot dollars by the central bank. Furthermore, the cost of central bank credit was reduced during February and early March. As a result of these actions, Dutch interest rates eased somewhat, and by mid-March the guilder, while holding relatively firm against the dollar, had eased against other EC currencies.

Later in March, rumors of a possible revaluation of the mark led to bidding for guilders, reflecting expectations that the guilder would follow a mark revaluation. The guilder at first kept pace with the mark, climbing to \$0.3738, even as the Netherlands Bank purchased dollars to moderate the advance. As speculation focused more and more on the mark, however, the guilder dropped to the floor of the EC band, where it was supported by the Dutch and German central banks. To relieve such pressure on the guilder, the Netherlands Bank tightened domestic liquidity by allowing maturing swaps with the commercial banks to run off. This operation had the desired effect, and by May 14 the guilder had fluctuated sharply higher with the mark to \$0.3983.

Following reports from Basle on May 14 that concerted central bank intervention had been planned to support the dollar, the guilder fell off from its peak levels. A temporary easing of the Amsterdam money market accentuated the decline. By late May the guilder had again fallen to the bottom of the EC snake, as well as to the floor of an almost fully extended Benelux band where it traded with only brief interruption through late June.

The closing on June 26 of the Herstatt Bank brought both spot and forward trading in Amsterdam virtually to a halt. Trading recovered only hesitantly over succeeding days. The covering of short positions in guilders left exposed by the Herstatt collapse gave some buoyancy

to the guilder rate by mid-July. Some interest-induced inflows and nonresident purchases of guilder-denominated securities also contributed to the rise. The firming tendency was also in part the result of a more positive market outlook for the Dutch payments position that emerged after termination of the oil embargo on July 10 of this year.

Circulation in the Amsterdam press on July 23 of a report that an IMF study group had recommended a guilder revaluation touched off a scramble for guilders. Although the report was officially denied, the guilder nevertheless rose to the top of the snake, while a more generalized speculative movement against the dollar developed. The Supreme Court's decision on the Presidential tapes led to further dollar selling on July 24. That day the Federal Reserve placed sizable offers of guilders in the New York market. This was done in coordination with the Netherlands Bank, which had purchased dollars outright in the Amsterdam market and sold guilders against other EC currencies. The market backed away from the Federal Reserve offerings, and only \$2.3 million equivalent of guilders was actually sold. The Federal Reserve financed these sales by a swap drawing with the Netherlands Bank. The guilder closed the day at \$0.3895, off some one-half of a percentage point from its high.

Wire service reports late on July 24 of Federal Reserve intervention in guilders and marks had a steadying effect on the market the next day. The Netherlands Bank reinforced this effect with additional dollar purchases early in the morning. After the New York opening, a categorical official Dutch denial of any revaluation plans led to further easing of the guilder against the dollar and movement of the guilder to well below the top of the snake. With the guilder's easing, the Federal Reserve was able to purchase the \$2.3 million equivalent of guilders needed to liquidate its swap debt.

The guilder's decline was subsequently accelerated by announcements of a greatly reduced U.S. trade deficit for June and of a swing of the Dutch position into deficit for May. By the end of July the spot rate for the guilder had fallen back to \$0.3810, over 4¼ per cent below its May high.

BELGIAN FRANC

By the end of 1973 Belgium's restrictive monetary policy had contributed substantially toward holding the inflation rate just under 7 per cent. Domestic restraint permitted strong export demand to widen the current-account surplus to \$1.5 billion for the year as a whole. The sudden increase in oil prices, however, threatened to erode the current-account surplus for 1974 by an estimated \$1.75 billion and to set back earlier progress toward bringing inflation under control. In late 1973 the Belgian franc weakened sharply against the dollar and settled to the bottom of the EC band.

In early 1974 the Belgian franc participated in the general strengthening against the dollar. Joining other countries in relaxing capital restrictions, Belgium lifted the prohibition on interest payments to nonresidents and the 100 per cent reserve requirement on nonresident accounts. To bring Belgian interest rates more in line with those in other EC countries, the National Bank raised its discount rate by 1 percentage point to 8¾ per cent on February 1. After this move the Belgian commercial franc advanced more rapidly against the dollar than most European currencies and rose to the top of the EC snake. The rate reached \$0.025100 by February 22, over 10 per cent above its mid-January lows.

At this point the Federal Reserve intervened with offers of Belgian francs along with other currencies. The Federal Reserve sold \$6.8 million equivalent of francs from balances accumulated earlier in the month when the franc was still weak within the EC snake. The Belgian franc was again pulled up against the dollar in the wake of speculative pressures on the German mark. The Federal Reserve intervened on March 20 with sales of \$10 million equivalent of Belgian francs, also from balances. Rumors of a German mark revaluation persisted, and the Belgian franc soon dropped to the bottom of the EC band where it required intervention periodically throughout April and early May. Against the dollar, the spot franc was dragged up by the mark to a high of \$0.027235 on May 14, almost 20 per cent above its January lows.

During these months, Belgium's rate of in-

flation increased and reached an annual rate of 11 per cent. The National Bank responded by progressively tightening its monetary restraints at a time when domestic liquidity was already being contracted by foreign exchange outflows. The National Bank cut commercial banks' discount quotas and stiffened reserve requirements against bank credit expansion, while reserve requirements on time deposits were eased. These new monetary restraints helped push Belgian interest rates above levels prevailing in other countries participating in the EC snake arrangement. Also tending to strengthen the franc was the formation in April of a new government under Premier Tindemans, which relieved the uncertainties of a 3-month governmental crisis. In mid-May, once the speculative movement into marks tapered off and the snake moved lower against the dollar, the franc began to strengthen against other EC currencies. By early June the Belgian franc re-emerged at the top of the EC band.

The Belgian authorities continued to tighten their anti-inflation program. In early summer the Government announced a budgetary plan, providing for increases in taxes to ensure an equilibrium in the 1975 budget. The National Bank replaced an expiring gentlemen's agreement limiting commercial bank credit expansion with new legal rules. Based on this authority, it cut credit expansion limits for the next 4 months from 17 to 14 per cent. Reinforced by these new restraints, the Belgian franc traded steadily around \$0.026400 and remained firm within the EC and Benelux bands, while the German mark and certain other currencies fell from their speculative peaks.

In late June and July the National Bank periodically bought EC currencies to keep the franc within the snake and Benelux limits and regularly purchased small amounts of dollars to assist in this effort. In mid-July the Federal Reserve supplemented its sales of marks with sales of \$4.4 million equivalent of Belgian francs from balances to resist an excessive erosion of dollar rates. When speculation over a guilder revaluation triggered a generalized selling of dollars late in July, the franc rose but dropped back by the month-end to \$0.026280, some 3½ per cent below its May highs.

EURO-DOLLAR

During the period, the oil price escalation with its attendant balance of payments problems subjected the Euro-currency markets to heavy demands. In general, countries around the world depending on oil imports rushed to the Euro-market to finance their expected needs, attempting to extend the maturities out as far as possible. As the flow of funds to OPEC members subsequently swelled, they placed a large share of the excess over current expenditures in the Euro-currency market but mainly for very short-term maturities. Banks were thus faced with an increasingly difficult problem of reconciling the maturity differentials between their claims and liabilities. In addition, following disclosures of foreign exchange losses by several banks, bank managements reacted by strengthening their internal controls and by tightening their credit limits for all but the very best names.

As a result, a multitiered rate structure emerged, and many smaller banks and even large banks of some countries had to pay premiums over rates at which prime banks could obtain funds. One consequence of this tiered-rate pattern was that many banks at rollover dates for syndicated term loans were obliged to refinance their commitments at rates above the London interbank deposit rate on which the floating interest rates to be charged to borrowers are contractually based.

Despite its segmentation, the Euro-currency market continued to expand at an impressive rate between February and July. During the early months of the year official and semiofficial borrowers in the United Kingdom, Italy, and France obtained loan commitments of close to \$10 billion in anticipation of mounting oil deficits. The market was also tapped by developing countries, especially in Latin America and Asia; by Eastern bloc borrowers, notably Yugoslavia; and by public-sector institutions in Spain and Greece. Among nonofficial borrowers, Japanese banks entered the market on a large scale and soon became heavy net debtors, reversing their net foreign creditor position built up during 1972 and 1973.

In response to the heavy demands for funds

in the Euro-currency market, interest rates were bid up providing a further incentive for recycling into the market the rapidly growing oil revenues of the OPEC countries. In addition, the Euro-currency market received a strong boost following the removal in January of U.S. restraints on capital outflows. Through late spring U.S. banks and other financial and non-financial institutions lent large amounts in the Euro-markets. During recent months, however, whenever Federal funds rates climbed above overnight Euro-dollar rates, head offices of U.S. banks stepped up their Euro-dollar takings from their overseas branches. Similarly, major foreign banks arbitrated on occasion sizable amounts of Euro-dollars into the U.S. money market.

More recently, market expansion has probably slowed. A somewhat larger portion of aggregate OPEC accruals of surplus funds appear to have been placed in the U.S. money market, although investments of Mideastern oil-producing countries in the United States still represent only a fraction of that area's current surplus. Japanese banks became less insistent bidders under instructions of their Government. To facilitate this policy, the Japanese Finance Ministry increased its dollar deposits with domestic banks. In addition, Italian banks have reduced their borrowings.

Through May Euro-dollar rates tended to move closely with money rates in the United States. They bottomed out in late February, when 3-month Euro-dollar maturities were just above 8 per cent, and thereafter climbed steadily until early May. This rise was in contrast to interest rate declines in some European centers.

After pausing during May, Euro-dollar rates resumed their climb and reached unprecedented levels in the aftermath of the Herstatt collapse. Thus, rates on 3-month maturities reached 14 per cent in mid-July, rising well above comparable U.S. certificates of deposit rates. In the latter half of that month, rates generally fell back, but the July average rate as well as the mid-August rate for the 3-month maturity was close to 13½ per cent.

Because of limits imposed by customary capital-asset ratios, many major intermediaries have found it difficult to accept increasing amounts of OPEC deposits. Some major banks have refused to add to their Euro-currency footings; others have become more reluctant to accept very short-dated deposits and are quoting below the market to discourage such supplies. As a result, some of the OPEC countries have been willing to place funds at somewhat longer maturities. Still, the market remains confronted by the sharp divergence of maturities at which funds are placed and at which oil-importing countries wish to finance their balance of payments deficits. While the market has so far made a major contribution to the recycling of funds from oil-producing countries to those with balance of payments deficits, its capacity to continue such financial intermediation on a large scale may depend in part upon the availability of deposits at longer maturities. Finally, as noted by Governor Wallich: "the problem of the weaker countries is obvious—they will sooner or later find it difficult to attract funds from the market as their debt burdens reach the limit which the market should and probably will place on their borrowing capacity." □

TABLE 1

FEDERAL RESERVE RECIPROCAL CURRENCY ARRANGEMENTS

In millions of dollars

Institution	Increases during the period: Feb. 1–July 31, 1974	Amount of facility, July 31, 1974
Austrian National Bank		250
National Bank of Belgium		1,000
Bank of Canada		2,000
National Bank of Denmark		250
Bank of England	¹ 1,000	3,000
Bank of France		2,000
German Federal Bank		2,000
Bank of Italy	² 1,000	3,000
Bank of Japan		2,000
Bank of Mexico		180
Netherlands Bank		500
Bank of Norway		250
Bank of Sweden		300
Swiss National Bank		1,400
Bank for International Settlements: Swiss francs/dollars		600
Other authorized European currencies/dollars		1,250
Total	2,000¹	19,980

¹Effective date March 26, 1974.²Effective date February 1, 1974.

TABLE 2

FEDERAL RESERVE SYSTEM ACTIVITY UNDER ITS RECIPROCAL SWAP LINES

In millions of dollars equivalent

Transactions with—	System swap drawings, Jan. 1, 1974	Drawings, or repayments (—)			System swap drawings July 31, 1974
		1974			
		I	II	July	
National Bank of Belgium	261.8	{ 255.0	130.4	...	261.8
German Federal Bank		{ -3.7	-122.8	-194.2	64.6
Netherlands Bank .....	...	{ ...	...	2.3	...
Swiss National Bank	565.0	{ -193.8	..	...	371.2
Bank for International Settlements (Swiss francs)	600.0	...	...	...	600.0
Total	1,426.8	{ 255.0	130.4	2.3	1,297.5
		{ -197.6	-122.8	-196.6	

NOTE.—Discrepancies in totals are due to rounding.

TABLE 3**DRAWINGS AND REPAYMENTS ON FEDERAL RESERVE SYSTEM BY ITS SWAP PARTNERS**

In millions of dollars

Banks drawing on System	Drawings on System, Jan. 1, 1974	Drawings, or repayments (—)			Drawings on System, July 31, 1974
		1974			
		I	II	July	
Bank for International Settlements (against German marks)	{ 26.0 —26.0	{ 76.0 —76.0	{ 5.0 —5.0}	
Total	{ 26.0 —26.0	{ 76.0 —76.0	{ 5.0 —5.0}	.....

TABLE 4**U.S. TREASURY SECURITIES, FOREIGN CURRENCY SERIES**

In millions of dollars equivalent

Issued to—	Outstand- ing, Jan. 1, 1974	Issues, or redemptions (—)			Outstand- ing, July 31, 1974
		1974			
		I	II	July	
Swiss National Bank	1,459.2	127.3	.....	.....	1,599.3
Bank for International Settlements ..	127.3	{ —127.3 }	.....	.....	.....
Total	1,586.4	{ 127.3 —127.3 }	.....	.....	1,599.3

NOTE.—Swiss-franc-denominated security issued to the Bank for International Settlements was reissued to the Swiss National Bank at its maturity in January 1974.

¹Increase in amount outstanding reflects valuation changes upon renewals of maturing securities.

Statement to Congress

Statement by Arthur F. Burns, Chairman, Board of Governors of the Federal Reserve System, before the Budget Committee of the U.S. Senate, August 21, 1974.

It is a pleasure to meet with this committee as it undertakes its momentous responsibilities under the Congressional Budget Act of 1974. In recent years Federal spending has risen swiftly, deficits have become chronic, and the public debt has mounted. Our present grave problem of inflation stems from many causes, and inadequate fiscal discipline is prominent among them. You and your congeners in the House of Representatives therefore face a great challenge, but you also have a unique opportunity to re-establish order in our Nation's finances.

The budget that the President recommends to the Congress at the beginning of each session is the product of a systematic process aiming to establish an over-all limit on outlays in relation to expected revenues, and to determine priorities within the totality of outlays. This process, as you know, has hitherto had no counterpart in the Congress. Instead, congressional decisions that determine the ultimate shape of the budget have been taken by acting separately—or at times by taking no action—on a hundred or more entirely independent measures. It is only after separate votes are cast on housing, education, defense, welfare, and whatnot that we put the pieces together and discover what kind of a budget has emerged for the Federal Government.

Thus, year after year, members of the Congress have been voting for or against larger benefits to veterans, for or against better schools, for or against cleaner air, and for or against a host of other good things that Government can help to provide. But the Congress has not had the opportunity to vote on what total outlays should be, or whether an appropriation for a particular purpose is needed badly enough

to raise taxes or to make offsetting reductions in other appropriations.

This fragmented congressional consideration of the elements that make up the budget has contributed materially to the almost uninterrupted succession of budget deficits. Since 1960, we have had a deficit in every fiscal year except 1969. True, some of these deficits occurred because of efforts to use the Federal budget as a means of stimulating a lagging economy, but for the most part we have allowed deficits to happen without plan or purpose. Machinery for putting effective ceilings on expenditures, and for establishing priorities among alternative uses of Federal revenues, has simply not been available.

By passing the Budget Act of 1974, the Congress has established a framework for exercising this much needed control and has also indicated its firm resolve to do so. The Budget Act is a milestone in the reassertion of congressional authority and self-discipline. There is now real hope that we can avoid the massive increases of Federal expenditure and the persistent deficits that have plagued us in the past.

The immense importance of your committee's new responsibilities may perhaps be more fully appreciated by reflecting on what has happened to the Federal budget over the long sweep of our Nation's history. Total expenditures did not reach the \$100 billion level until fiscal 1962, or nearly 200 years after the founding of the Republic. By fiscal 1971, 9 years later, Federal spending had risen another \$100 billion and thus passed the \$200 billion mark. In the budget as now projected, the \$300 billion mark will be passed this fiscal year. Clearly, the pace of Federal spending has been accelerating rapidly, and a pause for taking stock of where we are is overdue.

One result of the sharply rising curve of expenditures is that Government has been assuming an ever-larger role in the economic life of our people. In 1929 Federal expenditures

accounted for less than 3 per cent of the dollar value of our total national output, and expenditures at all levels of Government—Federal, State, and local—amounted to about 10 per cent of the gross national product. By 1950 the share of national output absorbed by Government had risen to 23 per cent. Since that time, governmental involvement in the economy has increased further; last year, Federal expenditures alone accounted for 22 per cent of our national output, and the combined expenditures of all governmental units for 35 per cent.

A significant increase over the past four decades in the role of Government in economic life was inevitable. A growing population, and the increasing complexity of modern urban life, gave rise to new and expanded governmental activities. This was also a period in which the United States came to occupy a position of leadership in international political affairs and in world economic development.

Some part of the rapid upward trend of Federal spending, however, is attributable to widespread acceptance of the theory that social and economic problems can generally be solved by quick and large expenditure of governmental monies. We have tried to meet the need for better schooling of the young, for upgrading the skills of the labor force, for expanding the production of low-income housing, for improving the Nation's health, for ending urban blight, for purifying our water and air, and for other national objectives, by constantly excogitating new programs and getting the Treasury to finance them on a liberal scale before they have been tested.

The result has been a piling up of one social program on another, so that they now literally number in the hundreds and practically defy understanding. Not a little of our taxpayers' money is being spent on activities of slight value, or on laudable activities that are conducted ineffectively.

Another result of the rapid growth of Federal spending has been a larger tax burden borne by our citizens, and a blunting of economic incentives. Business capital investment in recent years has certainly been inadequate for a Nation that is eager for rapid improvement in the general welfare. There is thus reason to believe that

governmental spending and taxing may have gone beyond prudent limits.

Where the line should be drawn between governmental and private use of resources is, in the final analysis, a matter of judgment and of social values. However this question is resolved, it should be clear to everyone that Federal spending, whatever its level, needs to be financed on a sound basis. Deficit financing by the Federal Government can be justified at a time of substantial unemployment, but it becomes a source of instability when it occurs during a period of high economic activity, such as we have experienced in recent years. The huge Federal deficits of the past decade added enormously to aggregate demand for goods and services, but they added little to our capacity to produce. They have thus been directly responsible for a substantial part of our present inflationary problem.

The current inflation began in the middle 1960's when our Government embarked on a highly expansive fiscal policy. Large tax reductions occurred in 1964 and the first half of 1965, and they were immediately followed by an explosion of Federal spending. New and substantial tax reductions followed in 1969 and 1971, and so too have massive increases of expenditures. In the last five fiscal years, that is, from 1970 through 1974, the public debt—including obligations of the Federal credit agencies—has risen by more than \$100 billion, a larger increase than in the previous 24 years.

In the fiscal year just concluded, the condition of the Federal budget failed to improve sufficiently. True, the reported budget deficit declined to about \$3½ billion—a much smaller deficit than in the three preceding years. But in a year of such powerful inflationary forces, the Federal budget should have been in surplus. Moreover, when off-budget outlays and the expenditures of governmentally sponsored agencies are taken into account, as I believe they should be, the total Federal deficit reached \$21 billion last year, which is not much lower than the extraordinary deficits of the three previous fiscal years.

The financing of these huge Federal deficits has contributed powerfully to the upward pressure on interest rates and the tension in financial

markets, which have been so troublesome of late. The disturbing effect of Federal borrowing on the flow of funds was illustrated dramatically earlier this month, when the Treasury went to the market to refinance some maturing debt obligations. Long lines of people formed at the doors of the Treasury and the Federal Reserve Banks to bid for the new securities offered by the Treasury. Half of the total of \$4.4 billion sought by the Government was obtained through noncompetitive bids—that is, from relatively small investors. A large share of these funds undoubtedly came out of deposit accounts, and thus further reduced the ability of our financial institutions—particularly savings banks and savings and loan associations—to support homebuilding activities.

Despite such concrete evidence, it is sometimes contended that the Federal deficits of recent years have been only a minor source of economic or financial instability, since the amounts are small relative to total borrowing by the private sector. This is a faulty argument. To be sure, the rate of private credit expansion has substantially exceeded the rate of Federal borrowing. But we must never confuse the power or responsibility of private citizens with the power or responsibility of government. Business firms and consumers have no way of acting in concert to prevent an inflationary expansion of credit, and their private responsibilities may conflict with national objectives. The basic responsibility for economic stabilization lies with the Federal Government. Unless it exercises that function better than it has in the past, there will be little hope for restoration of stability in the general price level.

The central purpose of the Congress, besides providing for the Nation's security, is to help find the way to a better life for the American people—among other things, reasonably full employment, a widely shared prosperity, and a stable purchasing power of their currency. None of these objectives will be achieved over any length of time without far stricter fiscal discipline than we have exercised in recent years. That is why your committee, together with the Budget Committee of the House, has

such a great and unique opportunity to serve the Nation's welfare.

I recognize that you have a good deal of preparatory work to do before you can begin exercising fully your responsibilities under the Congressional Budget Act of 1974. The importance of this preparatory effort should not be underestimated. A highly competent and thoroughly objective staff will need to be assembled to carry out the functions of the Congressional Budget Office. Good working relations will need to be established between your committee and the House Budget Committee and between both committees and the Office of Management and Budget. Procedures will have to be worked out for implementing the intricate steps in the budgetary process set forth in the Budget Act. Some flexibility is needed in congressional management of our enormously complex Federal budget, and the Budget Act properly provides opportunity for waiver of procedures and deadline requirements. But unless the Congress undertakes its new responsibility with a firm determination to reserve the waiver privilege for unusual circumstances, the Budget Act may turn out to be a well-meaning but illusory gesture.

Full implementation of the new budgetary procedures, I understand, will begin in fiscal 1977—or 2 years from now. We dare not wait 2 years, however, for the additional fiscal restraint that is so urgently needed in the present inflationary environment. Strenuous efforts should be made immediately to pare budget expenditures in fiscal 1975 and to balance the budget in fiscal 1976.

I recognize that this committee is not yet in a good position to recommend to the Congress where expenditure cuts would be most appropriate. Nevertheless, in view of the special responsibility that has been assigned to you by the leadership of the Senate, you can justly use your good offices to press for restraint on Federal spending. This is the most important single step that can now be taken by the Executive and the Congress to curb inflationary pressures and to restore the confidence of our people in their own and the Nation's economic future.

Record of Policy Actions

of the Federal Open Market Committee

MEETING HELD ON JUNE 18, 1974

Domestic policy directive

The information reviewed at this meeting suggested that real output of goods and services would change little in the current quarter after declining at an annual rate of 6.3 per cent in the first quarter. There was some improvement in economic activity as the spring progressed. The second-quarter increase in the GNP implicit deflator, while still large, was not expected to be quite so large as in the first quarter. Staff projections continued to suggest that real economic activity would expand somewhat in the second half of the year—although by less than had appeared likely 4 weeks earlier—and that prices would increase at a less rapid pace than in the first half.

In May industrial production rose—for the second consecutive month—reflecting significant gains in output of business equipment and consumer goods. Employment in manufacturing changed little, but total employment in nonfarm establishments expanded substantially further. The unemployment rate rose from 5.0 to 5.2 per cent, however, as the civilian labor force increased sharply after having changed little over the preceding 3 months. According to the advance report, the dollar volume of retail sales had expanded in May; although the May level was moderately above the first-quarter average, the gain appeared to be no greater than the increase in average retail prices.

Wholesale prices of farm and food products declined substantially in May for the third consecutive month. However, wholesale prices of industrial commodities continued upward at a rapid pace; as in earlier months of the year, large price increases were reported for most commodity groups. The index of average hourly earnings of production workers on nonfarm payrolls accelerated somewhat further in May, but the size of the advance was influenced by the initial effects of the increase in the minimum wage at the beginning of the month and by other special factors. In April the rise in

the consumer price index had been less rapid than in the first 3 months of the year, as retail prices of foods, particularly meats, had declined.

The latest staff projections for the second half of 1974 suggested that the rise in consumption expenditures would slow somewhat more from the first-half pace than had been anticipated 4 weeks earlier. The projected rise had been scaled down because of the recent continued sluggishness of retail sales and because it no longer seemed likely that the rate of growth in disposable income would be augmented by a downward adjustment of the withholding schedule for Federal income taxes. Less expansion in both business fixed investment and residential construction also was now in prospect. It was still expected that government purchases of goods and services would continue to grow at a fairly rapid rate.

In foreign exchange markets the depreciation of the dollar against leading foreign currencies, which had been substantial over the preceding 3½ months, was arrested in mid-May. The dollar was buoyed first by a news report that the United States, Germany, and Switzerland were contemplating concerted intervention in the markets, and later by the release of figures indicating improvement in U.S. foreign trade in April. On the balance of payments basis, the trade deficit had narrowed substantially, despite a further large rise in the cost of petroleum imports; over all, the increase in imports had been small while the gain in exports had been large. In May U.S. international transactions were in approximate balance on the official settlements basis, after having been in substantial deficit in the preceding 2 months. The improvement appeared to reflect an abatement in net outflows of capital reported by banks.

Growth in loans and investments at U.S. commercial banks moderated in May from the high rates earlier in the year, reflecting in large part a slowing in business loan growth. While over-all business credit demands remained relatively strong, expansion in short-term credit—measured by the combination of bank loans and of borrowing in the commercial paper market—receded from the extraordinary pace of the preceding month to about the rate of the first quarter. Moreover, prime corporate borrowers tended to shift to commercial paper issuance as interest rates on prime paper declined relative to the effective rate on bank loans. At the same time, issuers with nonprime ratings experienced some difficulty

in rolling over maturing commercial paper and, consequently, drew more heavily on their credit lines at banks.

Growth in the narrowly defined money stock (M_1)¹ moderated further in May, to an annual rate of about 5.2 per cent. Weekly data suggested that the rate of growth had increased somewhat in early June, however, and it appeared likely that growth over the second quarter would be close to the 7 per cent rate of the first quarter.² Banks' net inflows of time and savings deposits other than large-denomination CD's slowed in May, after having picked up in April, and expansion in the more broadly defined money stock (M_2)³ also slackened, to an annual rate of 5.5 per cent. In order to help finance loan growth, banks again issued a substantial amount of large-denomination CD's and continued to increase their borrowings in the Euro-dollar market, with the result that expansion in the bank credit proxy⁴—although well below the unprecedented rate of April—was still relatively rapid. In late May and early June the increase in outstanding large-denomination CD's and Euro-dollar borrowings abated.

Net deposit inflows at nonbank thrift institutions continued to be weak in May, as yields on market securities remained attractive to savers; growth in the measure of the money stock that includes such deposits (M_3)⁵ slowed. Contract interest rates on conventional mortgages and yields in the secondary market for Federally insured mortgages rose further from early May to early June.

System open market operations since the May 21 meeting had been guided by the Committee's decision to maintain about the prevailing restrictive money market conditions, provided that the monetary aggregates appeared to be growing at rates within the specified ranges of tolerance, while taking account of developments in domestic and international financial markets. In the first 2 weeks

¹Private demand deposits plus currency in circulation.

²Growth rates cited are calculated on the basis of the daily-average level in the last month of the quarter relative to that in the last month of the preceding quarter.

³ M_1 plus commercial bank time and savings deposits other than large-denomination CD's.

⁴Daily-average member bank deposits, adjusted to include funds from nondeposit sources.

⁵ M_2 plus time and savings deposits at mutual savings banks and at savings and loan associations.

following the meeting, the maintenance of taut money market conditions, with the Federal funds rate averaging close to the upper limit of the 11 to 11½ per cent range established by the Committee, served to counter incipient market anticipations of an easing in System policy and of declining interest rates. At the same time, it appeared that the monetary aggregates would grow in the May-June period at rates within their specified ranges.

In the first 3 days of the statement week beginning June 6 the Federal funds rate averaged about 11.40 per cent. The System Account Manager advised that market psychology was delicately poised; expectations of declining interest rates had strengthened during the previous week, partly in conjunction with publicity concerning reductions in the prime rate by a number of banks. Although those expectations had been dampened by System operations, the Manager reported that it would be useful to have some additional leeway with respect to the funds rate if necessary to counteract a resurgence of such expectations. The members of the Committee concurred in the Chairman's recommendation of June 10 that the upper limit of the funds rate constraint be raised to 11¾ per cent, on the understanding that the Manager would use the additional leeway if market interest rates came under downward pressure or if the monetary aggregates for the May-June period appeared to be testing the upper limits of their tolerance ranges. Subsequently, estimates of the 2-month growth rates for the monetary aggregates were revised upward to the neighborhood of those upper limits, and in the remaining days before this meeting the funds rate fluctuated around 11¾ per cent.

In the four statement weeks ending June 12, member bank borrowings averaged about \$3,120 million, up from an average of about \$1,925 million in the preceding 4 weeks. The magnitude of the increase was associated with the special problems experienced by the Franklin National Bank.

Short-term market interest rates fluctuated in a narrow range in the period between the Committee's meeting on May 21 and this meeting, as money market conditions remained taut. Wide yield spreads between high- and lower-quality securities persisted as financial markets continued uneasy. Treasury bill rates remained unusually low relative to other short-term rates, reflecting not only the shift in investor preference toward securities of higher quality,

but also the persistence of substantial purchases of bills by foreign monetary authorities and strong demands for such securities by small investors. On the day before this meeting the market rate on 3-month bills was 8.17 per cent, compared with 7.94 per cent on the day before the May meeting.

Yields on long-term securities also fluctuated in a narrow range in the inter-meeting period. The volume of public offerings of corporate bonds—which had declined in April, in part because some scheduled offerings were postponed or canceled—rose substantially in May, and a further increase was in prospect for June. Offerings of State and local government issues declined moderately in May, and little change was in prospect for June.

A staff analysis suggested that maintenance of prevailing money market conditions would be associated with some slowing in the rate of growth of the narrowly defined money stock over the months ahead, because the demand for money was likely to be restrained by the lagged effects of the rise in short-term market rates of interest that had occurred over the past few months. According to the analysis, growth in consumer-type time and savings deposits at both banks and nonbank thrift institutions would remain relatively slow.

The Committee concluded that the economic situation continued to call for moderate growth in monetary aggregates over the months ahead. As at the May 21 meeting, the members decided that greater emphasis than usual should be placed on money market conditions during the period until the next meeting. In particular, they agreed that operations in the coming period should be directed toward maintaining about the prevailing restrictive money market conditions, provided that the monetary aggregates appeared to be growing over the June–July period at rates within specified ranges of tolerance. Also, against the background of the substantial growth rates recorded earlier in the year, the members agreed that the lower limits of the tolerance ranges specified for the monetary aggregates should be set at levels that would accommodate slower growth rates than expected at present if such rates were to develop under prevailing money market conditions.

Taking account of the staff analysis, the Committee decided that in the period until the next meeting the weekly average Federal funds rate might be permitted to vary in an orderly fashion from

as low as $11\frac{1}{4}$ per cent to as high as $12\frac{1}{4}$ per cent, if necessary, in the course of operations. For the June–July period the Committee adopted ranges of tolerance of $3\frac{1}{2}$ to $7\frac{1}{2}$ per cent and $5\frac{1}{2}$ to $8\frac{1}{2}$ per cent for the annual rates of growth in M_1 and M_2 , respectively. The members agreed that rates of growth within those ranges would be likely to involve growth in reserves available to support private nonbank deposits (RPD's) during the same period at an annual rate within a 10 to $13\frac{1}{2}$ per cent range.

The Committee also agreed that, in the conduct of operations, account should be taken of developments in domestic and international financial markets. It was understood that the Chairman might call upon the Committee to consider the need for supplementary instructions before the next scheduled meeting if significant inconsistencies appeared to be developing among the Committee's various objectives and constraints.

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 will be about the same in the current quarter as a whole as in the first quarter, but that there has been some improvement as the spring has progressed. The over-all rate of price rise, while very large, is not quite so rapid as in the first quarter. In May industrial production increased somewhat for the second consecutive month, and nonfarm employment expanded substantially further. The unemployment rate moved above 5 per cent, however, as the civilian labor force rose sharply. Wholesale prices of farm and food products declined substantially further, but increases among industrial commodities again were widespread and extraordinarily large. The advance in wage rates accelerated somewhat further.

In May the depreciation of the dollar against leading foreign currencies was arrested. U.S. international transactions were in approximate balance on the official settlements basis, as bank-reported net outflows of capital apparently abated. The foreign trade deficit narrowed in April, despite a further large rise in the cost of petroleum imports.

Growth in the narrowly defined money stock moderated in May, but apparently it accelerated in early June. Net inflows of consumer-type time deposits at banks slowed in May, and deposit experience at nonbank thrift institutions continued poor. Business

credit demands remained large, although the expansion in short-term credit was below the extraordinary pace of April and was less concentrated at banks. In May banks increased their outstanding large-denomination CD's substantially further and continued to borrow in the Euro-dollar market; most recently, however, they have reduced their reliance on these sources of funds. Market interest rates have fluctuated in a narrow range in recent weeks.

In light of the foregoing developments, it is the policy of the Federal Open Market Committee to foster financial conditions conducive to resisting inflationary pressures, supporting a resumption of real economic growth, and achieving 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 maintain about the prevailing restrictive money market conditions, provided that the monetary aggregates appear to be growing at rates within the specified ranges of tolerance.

Votes for this action: Messrs. Burns, Black, Brimmer, Bucher, Holland, Kimbrel, Mitchell, Sheehan, Wallich, Winn, and Debs. Vote against this action: Mr. Clay.

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

Mr. Clay dissented from this action because he thought that for too long the Committee had accepted rates of growth in the monetary aggregates that would result in a continuing and growing inflation. He believed that the aggregates had not yet been brought under control and that the longer that situation persisted the more difficult it would be to achieve control and the greater would be the damage done to the economy by inflation.

Subsequent to this meeting, in the statement week ending July 3, the Federal funds rate was consistently above 13 per cent and averaged about 13½ per cent, despite System efforts to bring the rate down into the 11¼ to 12¼ per cent range of tolerance that had been specified by the Committee. On July 5 the Committee held a telephone meeting to discuss the situation and to consider whether any Committee actions would be appropriate. Mr. Coldwell and Mr. Debs participated as alternates for Mr. Kimbrel and Mr. Hayes, respectively.

On the day of the telephone meeting, it appeared that in the

June–July period growth in M_1 would be within its range of tolerance and that growth in M_2 would be at about the upper limit of its range. The Manager reported that in order to bring the funds rate back within its range of tolerance he would have had to expand reserve-supplying operations substantially. In his view, the high funds rate was a reflection of the great uncertainty prevailing in both domestic and foreign financial markets, compounded by the effects of market transactions related to the midyear statement date for banks and by the July 4 holiday. The Committee concluded that there was no immediate need to press hard to bring the funds rate down within the specified range of tolerance, in view of the likelihood that the high level of the rate was primarily a consequence of technical factors that might well prove temporary.

Subsequent to the telephone meeting the volume of reserves provided was deemed sufficient to have reduced the Federal funds rate to about 12 per cent under normal circumstances. Member bank borrowing at the Reserve Banks was unexpectedly low, however, and the funds rate remained at an extremely high level; its average for the statement week ending July 10 was estimated at about 13½ per cent. The Manager reported that it probably would be difficult to bring the weekly average rate down to the 12¼ per cent upper limit of the Committee's range of tolerance without providing nonborrowed reserves on a very large scale. It appeared that in the June–July period the growth rates of both M_1 and M_2 would be somewhat below the upper limits of their ranges of tolerance.

On July 10 Chairman Burns recommended that the Manager be instructed to act to reduce the funds rate, but not so aggressively as to risk unduly rapid growth in reserves and monetary aggregates. The Chairman recommended specifically that the Manager be instructed to undertake operations promptly with a view to reducing the average funds rate to 13 per cent, on the understanding that the funds rate would be permitted to decline to the neighborhood of 12 per cent should money market factors work in that direction. All of the members concurred in this recommendation except Messrs. Bucher and Sheehan, who favored decisive action to reduce the Federal funds rate to the neighborhood of 12¼ per cent, and Mr. Winn, who opposed overt action to lower the funds rate, although he would not resist a decline produced by market forces.

* * * * *

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

Law Department

Statutes, regulations, interpretations, and decisions

SECURITIES OF STATE MEMBER BANKS

The Board of Governors has amended its Regulation F regarding disclosure of standby letters of credit on financial statements of banks that are subject to Regulation F.

AMENDMENT TO REGULATION F

Effective September 16, 1974, Section 206.7 is amended to read as follows:

SECTION 206.7—FORM AND CONTENT OF FINANCIAL STATEMENTS

* * * * *

(c) Provisions of general application***

(9) General notes to balance sheets***

(viii) Standby letters of credit. State the amount of outstanding "standby letters of credit." For the purpose of this paragraph, "standby letters of credit" include every letter of credit (or similar arrangement however named or designated) which represents an obligation to the beneficiary on the part of the issuer (1) to repay money borrowed by or advanced to or for the account of the account party or (2) to make payment on account of any evidence of indebtedness undertaken by the account party, or (3) to make payment on account of any default by the account party in the performance of an obligation,² *except that*, if prior to or at the time of issuance of a standby letter of credit, the issuing bank (1) is paid an amount equal to the bank's maximum liability under the standby letter of credit, or (2) has set aside sufficient funds in a segregated, clearly earmarked deposit account to cover the bank's maximum liability under the standby letter of credit, then the amount of that standby letter of credit need not be stated.

² As defined, "standby letter of credit" would not include (1) commercial letters of credit and similar instruments where the issuing bank expects the beneficiary to draw upon the issuer and which do not "guaranty" payment of a money obligation or (2) a guaranty or similar obligation issued by a foreign branch in accordance with and subject to the limitations of Regulation M.

MEMBERSHIP OF STATE BANKING INSTITUTIONS IN THE FEDERAL RESERVE SYSTEM

The Board of Governors has amended its Regulation H regarding the issuance of standby letters of credit and certain acceptances.

AMENDMENT TO REGULATION H

Effective September 16, 1974, Section 208.8 is amended to read as follows:

SECTION 208.8—BANKING PRACTICES

* * * * *

(c) **Effect on other banking practices.** Nothing in this section shall be construed as restricting in any manner the Board's authority to deal with any banking practice which is deemed to be unsafe or unsound or otherwise not in accordance with law, rule, or regulation or which violates any condition imposed in writing by the Board in connection with the granting of any application or other request by a State member bank, or any written agreement entered into by such bank with the Board. Compliance with the provisions of this section shall neither relieve a State member bank of its duty to conduct all operations in a safe and sound manner nor prevent the Board from taking whatever action it deems necessary and desirable to deal with general or specific acts or practices which, although perhaps not violating the provisions of this section, are considered nevertheless to be an unsafe or unsound banking practice.

(d) Letters of credit and acceptances

1. Definitions

For the purpose of this paragraph, "standby letters of credit" include every letter of credit (or similar arrangement however named or designated) which represents an obligation to the beneficiary on the part of the issuer (1) to repay money borrowed by or advanced to or for the account of the account party or (2) to make payment on account of any evidence of indebtedness undertaken by the account party, or (3) to make payment on account of any default by the account party

in the performance of an obligation.^{6a} An "ineligible acceptance" is a time draft accepted by a bank, which does not meet the requirements for discount with a Federal Reserve Bank.

^{6a}As defined, "standby letter of credit" would not include (1) commercial letters of credit and similar instruments where the issuing bank expects the beneficiary to draw upon the issuer and which do not "guaranty" payment of a money obligation or (2) a guaranty or similar obligation issued by a foreign branch in accordance with and subject to the limitations of Regulation M.

2. Restrictions

A. A state member bank shall not issue, renew, extend, or amend a standby letter of credit (or other similar arrangement, however named or described) or make an ineligible acceptance or grant any other extension of credit if, in the aggregate, the amount of all standby letters of credit and ineligible acceptances issued, renewed, extended, or amended on or after the effective date of this amendment, when combined with other extensions of credit issued by the bank would exceed the legal limitations on loans imposed by the State (including limitations to any one customer or on aggregate extensions of credit) or exceed legal limits pertaining to loans to affiliates under Federal law (12 U.S.C. 371(c)); provided that, if any State has a separate limitation on the issuance of letters of credit or acceptances which apply to a standby letter of credit or to ineligible acceptances respectively, then the separate limitation shall apply in lieu of the standard loan limitation.

B. No State member bank shall issue a standby letter of credit or ineligible acceptance unless the credit standing of the account party under any letter of credit, and the customer of an ineligible acceptance, is the subject of credit analysis equivalent to that applicable to a potential borrower in an ordinary loan situation.

C. If several banks participate in the issuance of a standby letter of credit or ineligible acceptance under a *bona fide* binding agreement which provides that, regardless of any event, each participant shall be liable only up to a certain percentage or certain amount of the total amount of the standby letter of credit or ineligible acceptance issued, a State member bank need only include the amount of its participation for purposes of this section; otherwise, the entire amount of the letter of credit or acceptance must be included.

3. Disclosure; recordkeeping

The amount of all outstanding standby letters of credit and ineligible acceptances, regardless of

when issued, shall be adequately disclosed in the bank's published financial statements.

Each State member bank shall maintain adequate control and subsidiary records of its standby letters of credit comparable to the records maintained in connection with the bank's direct loans so that at all times the bank's potential liability thereunder and the bank's compliance with this section (d) may be readily determined.

4. Exceptions

A standby letter of credit is not subject to the restrictions set forth above in the following situations:

A. prior to or at the time of issuance of the credit, the issuing bank is paid an amount equal to the bank's maximum liability under the standby letter of credit or

B. prior to or at the time of issuance, the bank has set aside sufficient funds in a segregated, clearly earmarked deposit account to cover the bank's maximum liability under the standby letter of credit.

* * * * *

COLLECTION OF CHECKS AND OTHER ITEMS BY FEDERAL RESERVE BANKS

The Board of Governors has amended its Regulation J to discontinue the Federal Reserve Par List and in its place issue a list of banks that charge exchange fees on cash items presented for payment.

AMENDMENT TO REGULATION J

Effective September 1, 1974, footnote 2 in Section 210.2 is amended to read as follows:

²The Board of Governors publishes from time to time a "Memorandum on Exchange Charges" which indicates the banks that would make exchange charges on cash items forwarded by Federal Reserve Banks and consequently would not be paying their checks at par.

RULES REGARDING DELEGATION OF AUTHORITY

The Board of Governors has amended its Rules Regarding Delegation of Authority to transfer to the Director of the Office of Saver and Consumer Affairs certain functions previously delegated to the Director of the Division of Supervision and Regulation.

AMENDMENTS TO RULES REGARDING DELEGATION OF AUTHORITY

Effective August 16, 1974, Section 265.2 is amended as follows:

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

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

* * * * *

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

(1) Under the provisions of §§ 207.2(f), 220.2(e), and 221.3(d) of this chapter (Regulations G, T, and U, respectively) to approve issuance

of the list of OTC margin stocks and to add, omit, or remove any stock in circumstances indicating that such change is necessary or appropriate in the public interest.

(2) Under the provisions of § 207.4(a)(2)(ii) of this chapter (Regulations G, T, U, and X) to approve repayments of the "deficiency" with respect to stock option or employee stock purchase plan credit in lower amounts and over longer periods of time than those specified in the regulation.

(3) Pursuant to the provisions of Part 261 of this chapter, to make available reports and other information of the Board acquired pursuant to Parts 207, 220, 221, and 224 (Regulations G, T, U and X) of the nature and in circumstances described in § 261.6(a)(2) and (3) of Part 261.

2. Sections 265.2(c)(13), 265.2(c)(18), and 265.2(c)(19) are repealed, and §§ 265.2(c)(14) through 265.2(c)(17) are redesignated as §§ 265.2(c)(13) through 265.2(c)(16).

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

ORDERS UNDER SECTION 3 OF BANK HOLDING COMPANY ACT

BRONSON AGENCY, INC.,
BRONSON, KANSAS

ORDER APPROVING FORMATION OF BANK HOLDING COMPANY AND RETENTION OF INSURANCE AGENCY ACTIVITIES

Bronson Agency, Inc., Bronson, Kansas, 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 80% or more of the voting shares of The Bank of Bronson, Bronson, Kansas ("Bank"). The factors that are considered in acting on the application are set forth in § 3(c) of the Act (12 U.S.C. 1842(c)). Applicant has also 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, for permission to continue its present general agency business in a community not exceeding 5,000 people. Such activity has been determined by the Board in § 225.4(a)(9)(iii)(a) of Regulation Y as permissible for bank holding companies subject to Board approval of individual proposals in accordance with the procedures of § 225.4(b).

Notice of the applications, affording opportunity for interested person to submit comments and

views has been given. The time for filing comments and views has expired, and the Board has considered the applications and all comments received in light of the factors set forth in § 3(c) and § 4(c)(8) of the Act.

Applicant was recently organized by the present owners of Bank and conducts a general insurance business from the premises of Bank (deposits of \$3.2 million dollars).¹ Bank ranks second among three commercial banks located in the relevant banking market with approximately 43% of the deposits in commercial banks there.² This proposal to acquire Bank merely represents a restructuring of the ownership of Bank from individuals to a corporation with the same individuals as shareholders. Since Applicant has no banking subsidiaries, the acquisition of Bank by Applicant would have no adverse effects on competition and the Board concludes that competitive considerations are consistent with approval of the application.

The financial and managerial resources and future prospects of Applicant and Bank are satisfactory and consistent with approval of the application. Similarly, considerations relating to the convenience and needs of the community to be served are consistent with approval of the applica-

¹ All banking data are as of December 31, 1973.

² The relevant banking market is approximated by Bourbon and Allen Counties.

tion. It is the Board's judgment that consummation of the acquisition of Bank by Applicant would be in the public interest and that such application should be approved.

Concurrently with the application by Applicant to acquire Bank, Applicant has filed a 4(c)(8) application to retain its present general insurance agency business pursuant to § 225.4(a)(9)(iii)(a) of Regulation Y. Bronson is a town with a population not exceeding 5,000 persons and the operation of a general insurance agency in such a community is an activity the Board has found to be closely related to banking. There is no evidence in the record that would indicate that Applicant's retention of its general insurance agency business would result in an undue concentration of resources, decreased or unfair competition, conflicts of interests, unsound banking practices or any other adverse effects on the public interest. On the contrary, approval of the retention application would insure that a convenient source of insurance services would remain available to consumers in the Bronson area, which result the Board regards as being in the public interest.

In its consideration of this application, the Board has considered certain covenants not to compete given by shareholders of The Bank of Bronson. The Board finds that the provisions of these covenants are reasonable in scope, duration and geographic area and do not constitute grounds for denying these applications.

Based on the foregoing and other considerations reflected in the record, the Board has determined that the balance of the public interest factors that the Board is required to consider under § 4(c)(8) is favorable, and the application should be approved.

Accordingly, the applications are approved for the reasons summarized above. The acquisition of Bank shall not be made (a) before the 30th calendar day following the effective date of this Order or (b) later than 3 months after the effective date of this Order unless such period is extended for good cause by the Board or by the Federal Reserve Bank of Kansas City pursuant to delegated authority. The determination as to Applicant's insurance activities is subject to the conditions set forth in § 225.4(c) of Regulation Y and to the Board's authority to require such modification or termination of the activities of the holding company or any of its subsidiaries as the Board finds necessary to insure compliance with the provisions and purposes of the Act and to the Board's regulations and orders issued thereunder or to prevent evasion thereof.

By order of the Board of Governors, effective August 26, 1974.

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

(Signed) CHESTER B. FELDBERG,
[SEAL] *Secretary of the Board*

DISSENTING STATEMENT OF GOVERNOR BRIMMER

I would deny the applications by Bronson Agency, Inc., to acquire The Bank of Bronson and to continue to engage in insurance agency activities. My decision is based on the existence of covenants not to compete granted Applicant by certain shareholders of The Bank of Bronson. These individuals have agreed, for a period of 5 years; not to engage in either the banking or insurance agency businesses within 25 miles of Bronson. These covenants would prevent the shareholders from providing an alternative source of banking or insurance services; this adversely affects competition and, thus, the public interest. There is no evidence in the record to indicate that the anti-competitive effects of these covenants are offset by any positive statutory factors bearing on the public interest. For reasons stated more fully in my dissents to the Board's approvals of the application of Orbanco, Inc., to acquire Far West Security Company (59 Federal Reserve BULLETIN 368-369 (1973), and the application of CBT Corporation to acquire General Discount Corporation (59 Federal Reserve BULLETIN 471 (1973)), it is my view such covenants should not receive the sanction of the Board. I would deny these applications.

CENTRAL STATES BANCOR, INC., DES MOINES, IOWA

ORDER DENYING FORMATION OF BANK HOLDING COMPANY

Central States Bancor, Inc., Des Moines, Iowa, has applied for the Board's approval under § 3(a)(1) of the Bank Holding Company Act (12 U.S.C. 1842(a)(1)) of formation of a bank holding company through acquisition of 90.31 per cent of the voting shares of Capital City State Bank, Des Moines, Iowa ("Bank").

Notice of receipt of the application, affording an opportunity for interested persons to submit

comments and views, has been given in accordance with § 3(b) of the Act, and the time for filing comments and views has expired. The Board has considered the application and all comments received in the 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 the acquisition of Bank. Bank (\$51 million in deposits) is the fifth largest of 23 banks in the Des Moines SMSA banking market and controls approximately 4.2 per cent of the total deposits held by commercial banks in the market.¹ Upon acquisition of Bank, Applicant would control 0.5 per cent of total commercial bank deposits in the State. Since the purpose of the proposed transaction is essentially a reorganization to effect a transfer of the ownership of Bank from individuals to a corporation owned by the same individuals, consummation of the proposal would not eliminate any existing competition, nor would it appear to have any adverse effects on other banks or on the development of competition in the relevant market. Therefore, 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 holding company and the bank to be acquired. In the exercise of that responsibility, the Board finds that considerations relating to the financial resources of Applicant warrant denial of the application. Applicant's earnings prospects are entirely dependent upon the earnings of Bank; Applicant expects to service a \$4.5 million debt over a 12-year period through Bank dividends of 60 per cent of Bank's projected annual income. The projected earnings for Bank do not, in the Board's view, provide Applicant with the necessary financial flexibility to meet its annual debt servicing requirements as well as any unexpected problems that might arise at Bank. Furthermore, if Bank's rate of growth is consistent with the average annual growth rate for banks in Iowa, total capital funds as related to its total assets would become insufficient because of Applicant's inability to augment Bank's capital due to its substantial debt servicing requirements. The above factors strongly suggest that these financial requirements could place an undue strain on the financial condition of Bank and thus impair Bank's

ability to remain a viable banking organization in meeting the banking needs of the community which it serves. Such considerations lend weight toward denial of the application.

The Board notes that the principals of Applicant are already principals in another bank holding company which controls a bank with a capital ratio which has been declining under the policy of its present management. This precedent lends support to the view that the similar financial plan in the instant case may not generate sufficient income from the earnings of Bank to service its acquisition debt and to maintain Bank's capital under a financially sound program.

With respect to questions of acquisition debt and debt-equity ratios, the Board has been relatively liberal in the standards it has applied in cases where a current or prospective owner-chief executive is establishing, or has established, a one-bank holding company to hold the direct equity interest in his bank. Such relative liberality is regarded as in the public interest in order to facilitate management succession on the community level at the Nation's many smaller independent banks. However, in situations such as the instant proposal where this special consideration does not pertain, the Board believes it is prudent to apply somewhat more restrictive standards, as is regularly done in analyzing multibank holding companies.

Under the above circumstances, in addition to other facts of record, considerations relating to the financial condition and prospects of Applicant lend weight for denial of the application. While the Board recognizes that denial of the application would not necessarily affect immediately the control of Bank, the Board cannot sanction the use of a holding company structure that, because of limited financial resources, could impair the financial condition of the bank to be acquired, nor would the public interest be served by such Board action.

Consummation of the transaction would have no immediate effect on area banking needs. Applicant has proposed some changes which could ultimately benefit the community, but at the same time Applicant has also indicated that certain other banking services will be curtailed in order to help alleviate Applicant's debt servicing problem. Thus, 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 facts in the record, and in light of the factors set forth in § 3(c) of the Act, it is the Board's judgment that the proposed acquisition would result in a bank holding com-

¹Banking data are as of December 31, 1973.

pany with financial resources inadequate to service its debt while maintaining Bank's capital account and that such condition could impair the ability of Bank to meet the needs of the community which it serves. Accordingly, the Board concludes that consummation of the proposal would not be in the public interest and that the application should be denied.

By order of the Board of Governors, effective August 22, 1974.

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

(Signed) CHESTER B. FELDBERG,
[SEAL] *Secretary of the Board.*

SOUTHLAND BANCORPORATION,
MOBILE, ALABAMA

ORDER DENYING FORMATION OF BANK HOLDING
COMPANY

Southland Bancorporation, Mobile, Alabama, 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 100 per cent of the voting shares (less directors' qualifying shares) of the successors by merger to The Merchants National Bank of Mobile, Mobile, Alabama ("Mobile Bank"), City National Bank of Birmingham, Birmingham, Alabama ("Birmingham Bank"), and First National Bank of Fairhope, Fairhope, Alabama ("Fairhope Bank"). The banks into which Mobile Bank, Birmingham Bank, and Fairhope Bank are to be merged have no significance except as a means to facilitate the acquisition of all of the voting shares of the respective Banks. Accordingly, the proposed acquisition of shares of the successor organizations is treated herein as the proposed acquisition of shares of Mobile Bank, Birmingham Bank, and Fairhope Bank.

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

Applicant was recently organized for the purpose of becoming a bank holding company through the acquisition of Mobile Bank (\$267.7 million

in deposits), Birmingham Bank (\$65.4 million in deposits), and Fairhope Bank (\$25.8 million in deposits).¹ Upon consummation of the proposed transaction, Applicant would become the fifth largest bank holding company in Alabama and would control 5 per cent of the total commercial bank deposits in the State. Board approval of the instant proposal would not result in a significant increase in the concentration of banking resources in Alabama.

Mobile Bank is the second largest banking organization competing in the Mobile Ranally Metro Area (Mobile RMA),² the relevant banking market,³ where it controls 38.2 per cent of the total commercial bank deposits in that market. The largest bank in the market, First National Bank of Mobile, is only slightly larger in size as it holds \$269 million in deposits, representing 38.6 per cent of the market's total commercial deposits. However, in terms of IPC demand deposits under \$100,000, Mobile Bank ranks as the largest bank in the market, holding 43 per cent of all such deposits, while the First National Bank of Mobile is the market's second largest bank, holding approximately 34 per cent of such deposits.⁴ The market appears somewhat concentrated, with the top 3 banking organizations controlling 4 banks and holding approximately 90 per cent of both the market's total commercial deposits and those IPC demand deposits in accounts under \$100,000.

Birmingham Bank is the fifth largest of 12 banking organizations competing in the Jefferson County banking market where it controls 3.5 per cent of the total commercial bank deposits in that market. The Jefferson County banking market is approximately 200 miles distant from the Mobile

¹ All banking data are as of June 30, 1973, and reflect bank holding company formations and acquisitions approved through May 1, 1974.

² The Mobile Ranally Metro Area includes portions of Mobile and Baldwin Counties.

³ Prior Board decisions have defined this market as being approximated by the Mobile SMSA, composed of Mobile and Baldwin Counties. See, e.g., Order approving application of The Alabama Financial Group, Inc., to acquire Baldwin County Bank, Bay Minette, Alabama, dated June 26, 1973; and Order approving application of Alabama Bancorporation to acquire the successor by merger to Baldwin National Bank of Robertsdale, Robertsdale, Alabama. While the Board has redefined the market in this case to the somewhat narrower Mobile RMA, it should be noted that under either market definition, concentration levels are essentially the same and that the Board's determination herein would not differ under either criteria. Essentially, the Board regards the boundary portrayed by the Mobile RMA as a more accurate reflection of commuter traffic patterns and the area within which actual competition in this banking market occurs.

⁴ IPC deposit data as of June 30, 1972.

banking market, in which both Mobile Bank and Fairhope Bank are located, and it does not appear that Birmingham Bank derives any significant amount of loans or deposits from this banking market. Nor does Fairhope Bank derive any significant amount of loans or deposits from the Jefferson County banking market. Inasmuch as Mobile Bank derives a relatively insignificant amount of its deposits and loans from the Jefferson County banking market, consummation of the instant proposal would eliminate no significant existing competition between Birmingham Bank and either of the proposed subsidiaries in the Mobile banking market. Moreover, the distance separating the two markets and Alabama's restrictive branching laws effectively preclude the possibility of future competition developing between either Mobile Bank or Fairhope Bank.

Fairhope Bank is the fifth largest of seven banking organizations competing in the Mobile RMA where it controls 3.4 per cent of the total commercial deposits and 4 per cent of all IPC demand deposits in accounts under \$100,000 in that market. As noted above, Mobile Bank also competes in this banking market. Although the main offices of the two banks are 16 miles apart and located in separate Counties, it appears from the record that 30 per cent of Fairhope's employed persons commute to Mobile. Moreover, it is anticipated that Mobile and Baldwin Counties, in which the respective banks are located, will become even more integrated in the future. Mobile Bank derives approximately 4 per cent of its total loans and 2 per cent of its total deposits from the primary service area of Fairhope Bank, while Fairhope Bank derives 5.5 per cent of its total loans and 2.3 per cent of its total deposits from the primary service area of Mobile Bank. Thus, consummation of the instant proposal would not only eliminate existing competition between the two institutions, but would result in the formation of the market's largest banking organization, controlling over 41 per cent of the total commercial deposits and 47 per cent of all IPC demand deposits in accounts under \$100,000. In addition, the present level of deposit concentration among the market's top three banking organizations would increase to approximately 94 per cent and the likelihood of eventual deconcentration within the Mobile RMA would be further diminished. In the circumstances of this case, the Board is unconvinced that Applicant's formation as a bank holding company must take the form of acquiring competing institutions in a relevant banking mar-

ket. The Board recognizes certain advantages that the formation of an additional bank holding company would bring to Alabama and, under more favorable circumstances, would encourage such a formation. However, under the present proposal, it is the Board's judgment that preserving the possibility of deconcentration of the area's commercial bank deposits would be in the public interest by offering the promise of more vigorous competition developing in the future within the Mobile banking market.

On the basis of the foregoing and all other facts in the record, the Board concludes that consummation of Applicant's proposal would have substantially adverse effects on competition, and unless such anticompetitive effects are clearly outweighed in the public interest by the probable effect of the transaction in meeting the convenience and needs of the communities to be served, the application should be denied.

The financial condition, managerial resources and future prospects of Applicant and its proposed subsidiary banks appear satisfactory. Thus, considerations relating to banking factors are consistent with approval but provide no significant support for such action.

Applicant proposes to offer new or expanded services, including international, data processing and trust services. In addition, equipment leasing and large commercial and industrial lending would be offered. While these improved services lend some weight toward approval, the Board does not consider these convenience and needs considerations sufficient to outweigh the anticompetitive effects of the proposal. Accordingly, it is the Board's judgment that, on the basis of the entire record, consummation of the proposed transaction would not be in the public interest and that the application should be, and hereby is, denied.

By order of the Board of Governors, effective July 15, 1974.

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

(Signed) CHESTER B. FELDBERG,
[SEAL] *Secretary of the Board.*

MERCANTILE BANCORPORATION, INC.,
ST. LOUIS, MISSOURI

ORDER APPROVING ACQUISITION OF BANK

Mercantile Bancorporation, Inc., St. Louis, Missouri, a bank holding company within the meaning of the Bank Holding Company Act, has

applied for the Board's approval under § 3(a)(3) of the Act (12 U.S.C. 1842(a)(3)) to acquire 90 per cent or more of the voting shares of Lewis & Clark State Bank of St. Louis County, St. Louis County, Missouri ("Bank").

Notice of receipt of the application, affording opportunity for interested persons to submit comments and views with respect to the proposed transaction, was published in the Federal Register (38 F.R. 26507). As required by § 3(b) of the Act, the Board gave written notice of receipt of the application to the Commissioner of Finance of the State of Missouri and requested his views and recommendations thereon. Within 30 days of his receipt of that notice, the Commissioner submitted in writing a statement expressing disapproval of the application. Accordingly, as required by § 3(b) of the Act, the Board by order issued October 17, 1973, directed that a public hearing be held commencing on November 8, 1973, at the Federal Reserve Bank of St. Louis, before the Honorable Louis W. Sornson, Administrative Law Judge. Notice of the hearing was published in the Federal Register (38 F.R. 201) and all persons desiring to give testimony, present evidence, or otherwise participate in the hearing held in St. Louis, Missouri, on November 8 and 9, 1973, were afforded an opportunity to do so. The hearing and related proceedings have been conducted in accordance with the Board's Rules of Practice for Formal Hearings (12 CFR 263).¹

In a Recommended Decision of March 29, 1974, the Administrative Law Judge concluded that the evidence supported approval of the application and found that the proposed acquisition of 90 per cent or more of the voting shares of Bank was consistent with the public interest. Accordingly, he recommended that the application be approved by the Board of Governors of the Federal Reserve System.

The Board, having considered the entire record of the hearing, including the transcript, exhibits, rulings, all briefs, and memoranda filed in connection with the hearing, and the Recommended Decision, findings of fact, and conclusions of law filed by the Administrative Law Judge, together with the exceptions taken thereto, and having determined that the Administrative Law Judge's findings of fact, conclusions, and order, as modi-

fied and supplemented herein, should be adopted as the findings, conclusions, and order of the Board, now makes its findings as to the facts, its conclusions drawn therefrom, and its order.

Applicant is the largest banking organization and bank holding company in Missouri, where it controls ten banks holding aggregate deposits of \$1.3 billion, representing 9.5 per cent of the total commercial bank deposits in the State.² Acquisition of Bank, with deposits of \$11.2 million (as of December 31, 1972), would increase Applicant's share of the State's total commercial bank deposits to approximately 9.6 per cent. Applicant owns, either directly or indirectly, a number of nonbanking subsidiaries, including Mercantile Mortgage Company, a mortgage banking firm that makes mortgage loans in the St. Louis area.

Applicant presently controls four banks in the St. Louis area, one of which, Mercantile National Bank of St. Louis County, had not opened for business at the time of the instant hearing. Applicant's lead bank, Mercantile Trust Company, N.A. (Mercantile Trust), and Mercantile-Commerce Trust Company (Mercantile-Commerce), are each located in the city of St. Louis, while the third banking subsidiary, County Bank of St. Charles, is located in St. Charles, approximately fourteen miles west from Bank.³ Applicant's three banking subsidiaries hold aggregate deposits of \$1.1 billion, representing 17.0 per cent of the total commercial bank deposits in the St. Louis banking market.⁴ However, in an area confined solely to St. Louis City and St. Louis County, Applicant's market share is 18.4 per cent, while in the area encompassed by the entire St. Louis SMSA, Applicant's share of the market approximates 14.4 per cent. However determined, Applicant's market share does not appear to represent that of a dominant organization. The market's second largest banking organization, First Union Incorporated, holds aggregate deposits of \$879.6 million, representing 13.5 per cent of the total commercial deposits in the St. Louis banking market. More-

² Banking data are as of December 31, 1972.

³ Board Exhibit 1, p. 31.

In this Statement, the following abbreviations will be used for citations:

R.D.—Recommended Decision of the Administrative Law Judge (ALJ)

Tr.—Transcript of Testimony

AX—Applicant's Exhibits

BX—Board Exhibits

CX—Commissioner of Finance Exhibits

⁴ The St. Louis banking market is approximated by St. Louis City, St. Louis County, portions of St. Charles and Jefferson Counties, Missouri, and portions of St. Clair and Madison Counties, Illinois.

¹ Board counsel's participation in the hearing was confined to "represent[ing] the Board in a nonadversary capacity for the purpose of developing for the record information relevant to the issues to be determined by the presiding officer and the Board." (12 CFR 263.6(d))

over, the market is relatively unconcentrated, with the top five banking organizations holding aggregate deposits that represent but 46.7 per cent of the market's total commercial bank deposits.

Bank is located in an unincorporated area north of I-270 in northern St. Louis County, near the communities of Florissant, Ferguson, and Black Jack. Bank was organized by a group of area investors who filed an application for a State bank charter in October, 1968. After examination by the office of the Commissioner of Finance commencing in February, 1970, a charter was granted by the Commissioner in May, 1970. Upon construction of a building, Bank commenced operations on June 1, 1971. It has enjoyed substantial growth, as its statement of condition reflects an increase in total deposits from \$4.7 million (as of December 31, 1971) to \$12.9 million (as of June 30, 1973). However, Bank remains the smallest of seven banks operating in the north St. Louis County area, holding but 4.8 per cent of the aggregate deposits of these area banks.

The principal competitive issue posed at the hearing centered upon the delineation of the relevant geographic area, or "section of the county" within which the competitive effects of Applicant's proposal should be measured. The Commissioner contends that the service area of Bank is the relevant geographic area to be considered in this proceeding. However, there is no evidence of record to indicate that Bank's service area is an insulated and separate banking market. To the contrary, each of the banks in the north St. Louis County area appear to be responsive to changes in price or services offered by banks located in downtown St. Louis; and while 4.2 per cent of the employed persons who commute from the service area of Bank are commuting to the central business district of the city of St. Louis, more than 42.0 per cent commute to locations within the city of St. Louis itself.⁵ Thus, there are numerous commercial banks located in the area to which Bank's customers may, and do, turn for a convenient and practical alternative source in their purchase of commercial bank services. After giving due consideration to the contentions of the Commissioner, and after close examination of the entire record in this case, the Board concludes that the service area of Bank is not the relevant market for examining the competitive effects of the proposed acquisition. In the Board's view, the area within which Bank competes, and one which has

a genuine economic significance in terms of a relevant banking market for this case, is closely approximated by St. Louis City, St. Louis County, portions of St. Charles and Jefferson Counties, Missouri, and portions of St. Clair and Madison Counties, Illinois. Thus, consummation of the proposed acquisition of Bank, located in the St. Louis banking market as delineated herein, would increase Applicant's share of the market's total deposits by only 0.2 per cent to 17.2 per cent and would eliminate but a slight amount of existing competition. Accordingly, the Board finds that no significant adverse effects on present competition would result from consummation of the proposal.

Applicant does not presently control any bank in the northern St. Louis County portion of the St. Louis banking market. Missouri's restrictive branching laws prevent Applicant from establishing a branch in this area, and the only alternative to the proposed acquisition of a small bank (such as Lewis & Clark State Bank of St. Louis County) would be entry *de novo*. The projected population growth of northern St. Louis County might appear to make such entry attractive. However, due to the recent chartering of three banks in the area, the Commissioner testified that he did not believe the area could support a new bank "at the present time" (Tr. 238), but that there was a "good possibility" a charter application by Applicant might be favorably considered "at some point in the future" (Tr. 186). In light of the Commissioner's testimony, and other facts of record, it appears that the *probability* of Applicant's *de novo* entry into the northern St. Louis County portion of the market is remote within the reasonably foreseeable future. Additionally, as noted by the ALJ, an analysis of certain area zip codes in this portion of the market indicates that the relative share of deposits held therein by Applicant's banking subsidiaries declined between the period 1969-1972. It therefore appears, from all the facts of record, that consummation of the proposal would not foreclose significant potential competition.

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

An additional ground upon which the Commissioner based his opposition to the proposed trans-

⁵ BX 23, p. 13.

action was a concern that organizers of Bank had sought a charter with the intention of realizing a profit through the early sale of Bank to a holding company (Tr. 196-7). This is a legitimate concern and one that the Board has on previous occasions shared. (See, e.g., Order denying application of United Missouri Bancshares, Inc., to acquire Bank of Jacomo, 1972 F.R. BULLETIN 155). However, in the instant case, it appears that the first discussion officials of Applicant held with Bank concerning a possible purchase took place in the fall of 1972,⁶ approximately four years from the time Bank's organizers applied for a charter. Moreover, as the principal organizer of Bank testified, Bank's charter was sought for the purpose of a long-term investment, and no evidence was proffered during the course of the hearing that would contradict such intent. Thus, the circumstances surrounding the present application are clearly distinguishable from those before the Board in *Jacomo*,⁷ cited *supra*, and the evidence of record confirms, in the Board's view, the finding of the ALJ that "it was not the intention of the organizers of Bank to profit through an early sale of their stock to Applicant or another banking organization" (RD, p. 25).

The financial condition, management, and prospects of Applicant and its present subsidiaries are regarded as satisfactory. It also appears that Bank is a viable banking organization and that its present management is competent. In view of a total purchase price of \$3 million contracted for Bank's shares, the Commissioner expressed some concern that an excessive premium was being offered inasmuch as the purchase price is equal to about 14.8 per cent of Bank's deposits. While the premium appears somewhat higher than that generally offered for banks of this deposit size, a cash purchase analysis submitted by Applicant projects, on the basis of an assumed 5 per cent earnings growth rate, an after-tax return of 5.35 per cent on its investment in the seventh year. From the facts of record, it appears that this projection is attainable by Applicant and represents a modest projection of Bank's future earnings.⁸ Nor does it appear that the purchase price will have any adverse effect on the financial condition of Applicant. The ALJ concluded that "Applicant's investment in Bank

will augment rather than dilute Applicant's financial fitness and strength," and the Board expressly affirms said finding in concluding that banking factors are consistent with approval of the application.

With respect to considerations relating to convenience and needs, it appears that Bank is in need of additional capital to improve and enlarge its main banking building and to construct and staff two facilities permitted under State law, as well as to support its growth. Applicant is committed to inject a minimum of \$500,000 for these purposes. In addition, affiliation with Applicant would permit Bank to better meet its loan demands and provide its customers with a wider range of banking services. These considerations are consistent with, and lend some weight toward, approval of the application.

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

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

By order of the Board of Governors, effective July 26, 1974.

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

(Signed) CHESTER B. FELDBERG,
[SEAL] *Secretary of the Board.*

ORDERS UNDER SECTION 4(c)(8) OF BANK HOLDING COMPANY ACT

**GALBANK, INC., AND UNITED STATES
NATIONAL BANCSHARES, INC.,
GALVESTON, TEXAS**

ORDER APPROVING ACQUISITION OF BANKERS DATA SERVICES, INC.

Galbank, Inc., and its subsidiary, United States National Bancshares, Inc., both of Galveston, Texas, (hereinafter jointly referred to as "Applicant"), are bank holding companies within the

⁶ Tr. 46-7,80-1.

⁷ Bank of Jacomo's charter application was filed on December 19, 1969. Following grant of the charter on March 18, 1970, Bank opened for business on May 22, 1970. On June 30, 1971, organizers entered into a contract for the sale of Bank of Jacomo (AX2).

⁸ An assumed 15 per cent growth in Bank's assets would produce a return of 7.12 per cent on Applicant's investment as a 10-year average (AX 4).

meaning of the Bank Holding Company Act and have each applied for the Board's approval under § 4(c)(8) of the Act and § 225.4(b)(2) of the Board's Regulation Y, to acquire voting shares of Bankers Data Services, Inc., Houston, Texas ("BDS"), a company that engages in the activity of providing data processing services to banks and other financial services organizations and computer programming incident to the use of such data processing services. Such activity has been determined by the Board to be closely related to banking (12 CFR 225.4(a)(8)).

Notice of the application, affording opportunity for interested persons to submit comments and views on the public interest factors, has been duly published (39 Federal Register 20103). The time for filing comments and views has expired, and the applications and all comments and views received have been considered in light of the public interest factors in § 4(c)(8) of the Act (12 U.S.C. 1843(c)(8)).

Applicant, the nineteenth largest banking organization in Texas, controls 2 banks with aggregate deposits of \$83 million, representing less than 1 per cent of the total deposits in commercial banks in the State.¹

BDS performs data processing, accounting and related services principally for banks, and provides some of these services to other business enterprises. BDS operates out of two offices, one in Houston, and one in Clute, Texas (about 30 miles south of Houston), and has total assets of \$615,500 (as of October 31, 1973) and realized a gross income of \$1 million in fiscal year 1973. Within the relevant market, which is approximated by the Houston SMSA, BDS competes with over 200 organizations offering similar services including banks with internal computer facilities, bank co-operatives and commercial firms providing such services. Applicant does not engage in such activity. It is the Board's opinion, on the basis of the above and other facts of record, that the proposed acquisition would not have an adverse effect on existing competition. Furthermore, it does not appear that acquisition of BDS would foreclose the development of significant potential competition in the Houston market in view of the size of BDS, the numerous other potential entrants, and the large number of competitors in the market. The Board concludes that consummation of the proposed acquisition would have no significant

adverse effects on existing or potential competition in any relevant area.

It is anticipated that affiliation with Applicant will increase the resources available to BDS, and enhance the latter's effectiveness and enable it to expand the range of services it offers. There is no evidence in the record indicating that consummation of the proposed transaction would result in any undue concentration of resources, unfair competition, conflicts of interests, unsound banking practices, or other adverse effects on the public interest.

In its consideration of these applications, the Board has examined covenants not to compete which were executed in connection with the proposed acquisition. The Board finds that the provisions of these covenants are reasonable in duration, scope and geographic area and are consistent with the public interest.

Based upon the foregoing and other considerations reflected in the record, the Board has determined, in accordance with the provisions of § 4(c)(8), that consummation of this proposal can reasonably be expected to produce benefits to the public that outweigh possible adverse effects. Accordingly, the applications are 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 modifications 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 evasions thereof.

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

By order of the Board of Governors, effective August 2, 1974.

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

(Signed) CHESTER B. FELDBERG,
Secretary of the Board.

[SEAL]

DISSENTING STATEMENT OF GOVERNOR BRIMMER

I would deny the applications of Galbank and United States National Bancshares to acquire Bankers Data Services, Inc. (BDS). My decision

¹ All banking data are as of June 30, 1973, and reflect bank holding company formations and acquisitions approved through June 30, 1974.

is based on covenants not to compete which were entered into between Applicants and the principal executives of BDS as an incident to this proposal. The effect of these covenants is to prevent these executives of BDS from providing their expertise in the data processing business to competitors of BDS in any geographic area in which BDS now has an office or has an office at the time when the executives terminate their employment with BDS, for a period of two to four years from the date of termination of their employment with BDS. Such agreements are inherently anticompetitive and I believe there is no evidence in the record which demonstrates that the adverse effects of such covenants are outweighed by reasonably expected benefits to the public. For reasons stated more fully in my dissents to the application of Orbanco, Inc., to acquire Far West Security Company (59 BULLETIN 368-369 (1973)), and the application of CBT Corporation to acquire General Discount Corporation (59 BULLETIN 471 (1973)), it is my view that such covenants are not in the public interest and should not receive the sanction of the Board. I would deny this application.

UNITED VIRGINIA BANKSHARES
INCORPORATED,
RICHMOND, VIRGINIA

ORDER APPROVING ACQUISITION OF
BANK MANAGEMENT CONSULTANTS, INC.

United Virginia Bankshares Incorporated, Richmond, Virginia, 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 § 225.4(b)(2) of the Board's Regulation Y, to acquire all of the voting shares of Bank Management Consultants, Inc., Richmond, Virginia ("BMC"), a proposed new company that would engage in the activities of furnishing management consulting advice on a fee basis to nonaffiliated banks with respect to bank operations, planning, market research, and financial analysis. Such activity has been determined by the Board to be closely related to banking (12 CFR 225.4(a)(12)).

Notice of the application, affording opportunity for interested persons to submit comments and views on the public interest factors, has been duly published (39 Federal Register 20434). The time for filing comments and views has expired. The application and all comments and views received

have been considered in light of the public interest factors in section 4(c)(8) of the Act (12 U.S.C. 1843(c)(8)).

Applicant, the largest banking organization in Virginia, controls 16 banks with aggregate deposits of \$1.7 billion, representing about 14 per cent of the total deposits in commercial banks in the State.¹ Applicant also controls a number of non-banking subsidiaries that engage in mortgage banking, factoring, leasing, insurance and investment advisory activities.

BMC proposes to provide management consulting advice to nonaffiliated banks located in the mid-Atlantic States. BMC would provide to client banks, on an explicit fee basis, management consulting advice concerning bank operations, planning, market research, and financial assistance.

It would appear that no adverse effects on competition would result from BMC offering bank management consulting advice. While such management consulting advice is currently available to banks as a correspondent banking service, Applicant's banking subsidiaries offer only limited correspondent services in this area. Further, such services are not presently available from correspondent banks on an explicit fee basis. In addition, general management consulting firms in this area offer management consulting advice and services to a full range of industries. The Board concludes, therefore, that no significant existing or potential competition would be eliminated upon approval of this application.

There is no evidence in the record indicating that consummation of the proposed transaction would result in any undue concentration of resources, unfair competition, conflicts of interests, unsound banking practices, or other adverse effects on the public interest. It is expected that Applicant's *de novo* entry into this industry should have a procompetitive effect by increasing the number of firms offering this specialized consulting advice. Further, by making this advice available on an explicit fee basis rather than as a correspondent banking service, client banks will now be able to more accurately analyze the cost of such services and may be able to more efficiently allocate their funds.

Based upon the foregoing and other considerations reflected in the record, the Board has determined in accordance with the provisions of

¹All banking data are as of December 31, 1973, and reflect bank holding company formations and acquisitions approved through June 30, 1974.

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

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

By order of the Board of Governors, effective August 6, 1974.

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

(Signed) CHESTER B. FELDBERG,
[SEAL] *Secretary of the Board.*

DISSENTING STATEMENT OF
GOVERNOR BRIMMER

I would deny this application by United Virginia Bankshares to engage in bank management consulting.

As stated in my dissent to the application of The Citizens and Southern Corporation to acquire Bank Management Advisory Services, Inc. (1974 BULLETIN 226), I believe that the provision of such services by a bank holding company is contrary to the purposes of the Act, in conflict with the Board's regulations, and not in the public interest.

Upon approval of this application, United Virginia Bankshares Incorporated will be able to advise banks outside of its holding company system on how to manage their banking business. This is contrary to the basic purposes of the Act which was enacted to provide adequate safeguards against undue concentration of control of banking activities and to regulate the expansion of bank holding companies. The Act requires that bank

holding companies must obtain prior Board approval before acquiring direct or indirect ownership or control of more than 5 per cent of the voting shares of any additional bank. In amending the Act in 1970, Congress recognized that a bank holding company did not have to hold 25 per cent or more of a bank's shares to control a bank and, in order to provide the Board broader powers to carry out the purpose of the Act, Congress added a provision which included within the definition of a bank holding company a company that directly or indirectly exercises a "controlling influence" over the management or policies of a bank. To carry out this new provision of the Act the Board adopted regulations which set forth circumstances under which a bank holding company would be presumed to control or exert a controlling influence over a bank. One of these regulations basically provides that an agreement or understanding between a bank and a company, such as a management contract, through which the company directly or indirectly exercises significant influence over the Bank, raises a presumption that the company controls the Bank.¹

In addition to the above-mentioned reasons, I believe bank holding companies should be prohibited from providing bank management consulting advice because this activity fails to meet the public benefits test set forth in section 4(c)(8) of the Act. Section 4(c)(8) of the Act requires the Board to consider whether the performance of an activity by a bank holding company "can reasonably be expected to produce benefits to the public, such as greater convenience, increased competition, or gains in efficiency, that *outweigh* possible adverse effects, such as undue concentration or resources, decreased or unfair competition, conflicts of interest or unsound banking practices." As stated more fully in my Dissenting Statement in The Citizens and Southern Corporation case, I believe the possible adverse effects of this activity clearly outweigh any benefits to the public.

For the reasons I expressed in this Statement and those expressed in my earlier Dissenting Statement (1974 BULLETIN 226), I would deny this application, and I would prohibit bank holding companies from providing management consulting advice to nonaffiliated banks.

¹Section 225.2(b)(3) of Regulation Y (12 CFR 225.2(b)(3)).

ORDERS NOT PRINTED IN THIS ISSUE

During August 1974, 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.

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>
First Commerce Corporation New Orleans, Louisiana	First National Bank of Commerce, New Orleans, Louisiana	8/6/74	39 F.R. 29052 8/13/74
Intermountain Bankshares Company, Charleston, West Virginia	Kanawha Banking & Trust Com- pany National Association, Charleston, West Virginia and Community Bank & Trust, N.A., Fairmont, West Virginia	8/1/74	39 F.R. 28566 8/8/74
Marco Capital Corporation, Wilmington, Delaware	Marshall County Bank & Trust Company, Plymouth, Indiana	8/5/74	39 F.R. 29055 8/13/74
Mountain Financial Services, Inc., Denver, Colorado	Northwest State Bank, Arvada, Colorado	8/19/74	39 F.R. 30865 8/26/74

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>
City National Bank Corporation, Miami, Florida	City National Bank of South Dade, Dade County, Florida	8/2/74	39 F.R. 29051 8/13/74
Commercial Bank Investment Company and Commercial Bancorporation of Colorado, Sterling, Colorado	The Bank of Colorado, Colorado Springs, Colorado	8/23/74	39 F.R. 31953 9/3/74
Mercantile Bancorporation, Inc., St. Louis, Missouri	The Drovers and Merchants Bank, St. Joseph, Missouri	8/19/74	39 F.R. 30864 8/26/74

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

<i>Applicant</i>	<i>Non banking Company (or activity)</i>	<i>Board action (effective date)</i>	<i>Federal Register citation</i>
Charter Bancshares, Inc., Northfield, Illinois	Bank of Winfield, Winfield, Illinois	8/30/74	39 F.R. 32794 9/11/74
First Commerce Corporation, New Orleans, Louisiana	First Boeing Data Services, Inc., New Orleans, Louisiana	8/28/74	39 F.R. 32192 9/5/74
Industrial National Corporation, Providence, Rhode Island	J. R. Gentry d/b/a Security Loan Co., Bartow, Florida	8/16/74	39 F.R. 30863 8/26/74

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

<i>Applicant</i>	<i>Banks</i>	<i>Effective date</i>	<i>Federal Register citation</i>
Patagonia Corporation, Tucson, Arizona	General Finance Ltd., Council Bluffs, Iowa	8/6/74	39 F.R. 29055 8/13/74
Pittsburgh National Corporation, Pittsburgh, Pennsylvania	Central Mortgage & Investment Company, Colorado Springs, Colorado	8/16/74	39 F.R. 30865 8/26/74
United Carolina Bancshares Corporation, Whiteville, North Carolina	Hometown Loan Corporation, Manchester, Georgia	8/30/74	39 F.R. 32796 9/11/74

ORDERS ISSUED BY FEDERAL RESERVE BANKS

During July and August 1974, 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.

**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>
First Commercial Banks Inc., Albany, New York	The Oystermen's Bank and Trust Company, Sayville, New York	New York	8/6/74	39 F.R. 29972 8/19/74
Equitable Bancorporation, Baltimore, Maryland	Truckers and Savings Bank, Salisbury, Maryland	Richmond	8/14/74	39 F.R. 30862 2/26/74
NB Corporation, Charlottesville, Virginia	Peoples Bank and Trust Company, Henrico County, Richmond, Virginia	Richmond	8/6/74	39 F.R. 29973 8/19/74
Landmark Banking Corpora- tion of Florida, Fort Lauderdale, Florida	Brandon State Bank, Brandon, Florida	Atlanta	8/20/74	39 F.R. 31954 9/3/74
Southern Bancorporation, Birmingham, Alabama	Citizens Bank and Trust Company, Selma, Alabama	Atlanta	7/31/74	39 F.R. 29973 8/19/74

**ORDERS UNDER BANK MERGER ACT—
APPLICATIONS TO MERGE, CONSOLIDATE, OR ACQUIRE ASSETS**

<i>Applicant</i>	<i>Bank</i>	<i>Reserve Bank</i>	<i>Effective date</i>	<i>Federal Register citation</i>
The Oystermen's Bank and Trust Company, Sayville, New York	Sayville Bank and Trust Co., Sayville, New York	New York	8/6/74	39 F.R. 30862 8/26/74
First Virginia Bank of Roanoke Valley, Roanoke, Virginia	The Farmers National Bank of Salem, Salem, Virginia	Richmond	8/22/74	39 F.R. 32192 9/5/74
PBT Bank, Henrico County, Richmond, Virginia	Peoples Bank and Trust Company, Henrico County, Richmond, Virginia	Richmond	8/6/74	39 F.R. 29973 8/19/74

Announcements

FAC STATEMENT ON BANK LENDING POLICIES

The Board of Governors of the Federal Reserve System released on September 16, 1974, a statement on bank lending policies that was received from the Federal Advisory Council, a statutory body established under the Federal Reserve Act. The statement suggests how banks can effectively adapt lending policies in the current period of credit restraint.

The Board believes the Council's statement can be helpful to commercial banks in formulating their lending policies under current circumstances.

The Board regards restraint in lending policies as essential to the national effort to control inflation. Restraint best serves the public interest when limited credit resources are used in ways that encourage expansion of productive capacity, sustain key sectors of national and local economies, provide liquidity for sound businesses in temporary difficulty, and take account of the legitimate needs of individuals and of small as well as large businesses.

The Board noted particularly that the Council in its statement recognized "the special vulnerability of the homebuilding industry." An active homebuilding industry is vital to the well-being of local communities as well as of the Nation as a whole, and it is to the interest of banks and other financial institutions to give reasonable support to the financial needs of that industry.

The Federal Advisory Council is composed of 12 leading bankers, one from each Federal Reserve district. It was created by the Federal Reserve Act and under law is required to meet with the Board of Governors at least four times a year. The statement stems from a discussion of bank lending policies during a recent FAC meeting with the Board.

The FAC statement, which together with the Board's covering statement, was mailed to all member banks in the Federal Reserve System, is as follows:

The members of the Federal Advisory Council firmly believe that inflation remains our most acute domestic problem and that the effort to reduce it deserves the full dedication of all Americans. We have been pleased recently to observe the renewed

efforts of the administration and other segments of our national Government, in consultation with a broad representation of interested groups in the private sector, to identify appropriate and effective policies to deal with this problem.

As bankers we are acutely aware of the disproportionate role that a restrictive monetary policy has had to bear thus far in the fight against inflation. We are particularly hopeful that fiscal and other measures will be adopted that will soon alleviate this excessive reliance on monetary restraint and high interest rates, because government spending and budget deficits are a major cause of inflation.

We recognize, however, that regardless of the measures adopted, money and credit will necessarily remain limited in supply as long as inflationary pressures persist. We are confident that sufficient money will be made available to assure orderly operation of credit markets and to provide for the resumption of real growth in the economy. However, we foresee a period of considerable duration when the supply of lendable funds will be limited, and when, therefore, it will be necessary for banks to restrict the growth in their loan portfolios by selecting carefully and responsibly the uses to which they put their loanable funds.

It is also clear that this process contributes to the very desirable objective of reducing interest rates, a development banks welcome. Relief from the present unprecedentedly high rates would be particularly beneficial to those segments of the economy that are by their nature heavily dependent on borrowed money, such as housing and public utilities.

In view, therefore, of the extreme importance of bank lending policies in today's environment, we should like to describe those policies that we believe are appropriate in present circumstances and that, we feel, are already being followed by many banks.

The basic credit needs for normal operations of all established business customers should, of course, be met to assure the production and distribution of goods and services.

Loans to finance capital investment by business are also appropriate, where access to capital markets is not available and where the investment is reasonable in size and necessary to maintain or improve productivity, or to increase capacity to meet existing or clearly anticipated demand. In considering such loans, banks should weigh the relative importance of the particular business with respect to such factors as the nature of its product or service and its significance as an employer in the local area.

Particular consideration should be given to the needs of established businesses that are basically sound but that suffer a temporary lack of liquidity because of present conditions.

Loans for purely financial activities, such as acquisitions or the purchase of a company's own shares, would normally not be appropriate uses of limited bank funds.

Loans for speculative purposes, such as purchasing securities or commodities other than in the ordinary course of business, excessive inventory accumulation, or investing in land without well-defined plans for its useful development, are not generally suitable.

A regrettable aspect of restrictive monetary policy is that it tends to produce an uneven impact, bearing more heavily on some sectors of the economy than others. Therefore, banks should make an effort to utilize their limited funds equitably, giving consideration, for instance, to the special vulnerability of the homebuilding industry.

Similarly, consumer credit should receive its share of bank funds. The basic requirements of individuals for household needs and automobiles should be accommodated, but discretionary spending that might be deferred should not be encouraged.

Loans to foreigners that are funded from domestic sources should also be weighed against the above criteria. In addition, banks should give careful consideration to the diversion of loan funds from U.S. customers through such loans.

Implicit in these policies is a need for close communication and counseling between bankers and their customers to agree on ways to reduce or defer borrowing needs or to identify alternate sources of financing.

The Council recognizes that it is impossible to prescribe a precise and particular list of priorities for proper bank lending. We do feel, however, that the policies outlined describe a responsible posture that is appropriate to present circumstances. We believe that governmental credit allocations are not needed and that they would be counter-productive.

We are confident that the Nation's banks will continue to cooperate with our Government and all sectors of the economic community in implementing sound and necessary national policy.

CHANGE IN MARGINAL RESERVE REQUIREMENT

The Board of Governors announced on September 4, 1974, the removal of its 3 per cent marginal reserve requirement on large-denomination certificates of deposit with an initial maturity of 4 months or longer.

This regulatory action will lower somewhat the cost to banks of issuing longer-term CD's and should therefore encourage banks to lengthen the maturities of their large CD's.

Longer-term CD's of \$100,000 or more and related instruments will continue to be subject to the regular 5 per cent reserve requirement on time deposits.

Partial removal of the marginal reserve requirement was effective on deposits outstanding in the week of September 5–11. Banks were required to maintain reserves against these deposits 2 weeks later, in the week of September 19–25.

The action reduces total reserves by about \$400 million at a time when there is a seasonal need to provide reserves to the banking system.

The full reserve requirement (the regular 5 per cent plus the marginal 3 per cent) will continue to apply to large CD's with an initial maturity of less than 4 months. All large CD's outstanding on September 5 with a remaining maturity of 4 months or longer and all CD's issued on September 5 or thereafter with initial maturities of 4 months or longer will be affected by the action.

A marginal reserve requirement (the regular 5 per cent plus a supplemental 3 per cent) was first announced by the Board on May 16, 1973. An additional 3 per cent marginal reserve was announced by the Board on September 7 raising the total reserve requirements on affected deposits to 11 per cent. This latter 3 per cent reserve was removed by the Board last December.

Technically, the marginal reserve requirement applies to increases (beyond the amount outstanding in the week ended May 16, 1973) in the total of (a) time deposits in denominations of \$100,000 and over and (b) bank-related commercial paper and finance bills with a maturity of 30 days or longer. In no case does the supplemental reserve apply to banks whose large CD's total less than \$10 million.

The new action also affects certain nonmember State banks and U.S. agencies and branches of foreign banks that have been voluntarily holding marginal reserves on large CD's at the request of the Board.

AMENDMENT TO REGULATION H

The Board of Governors amended on September 16, 1974, a regulatory provision that prohibits State member banks from lending on improved real estate or a mobile home in flood-prone areas unless the property is covered by flood insurance.

The amendment requires State member banks—as a condition of making or renewing a loan secured by affected property—to provide a loan customer with written notice that the property is in a flood-hazard area. This amendment imple-

ments a statutory change adopted August 22, 1974, to the Housing and Urban Development Act of 1968. The original regulatory provision was issued by the Board on February 6, 1974.

Similar rules are being issued by other Federal regulatory agencies for institutions they supervise.

BANK HOLDING COMPANY ACTIVITIES DECISION

The Board of Governors announced on September 11, 1974, that it had decided it would not be appropriate at this time to add the underwriting of mortgage guarantee insurance to the activities permissible for bank holding companies.

The Board's decision follows an oral presentation held on this matter in January 1974 at which proponents and opponents expressed views.

REVISED MONEY STOCK DATA

Money stock and related measures, shown on pages A-14 and A-15, have been revised to reflect new benchmark data for nonmember banks available from the April 24, 1974, call report. Revisions for M_1 and M_2 affect weekly and monthly data for the same period. Detailed data were published in the H.6 release, "Money Stock Measures," for August 22, 1974, and are available from the Banking Section of the Board's Division of Research and Statistics.

CHANGES IN BOARD STAFF

The Board of Governors of the Federal Reserve System has announced the following staff appointments, effective August 28, 1974:

Peter E. Barna as Program Director, and Robert S. Plotkin as Assistant Program Director, for Bank Holding Company Analysis in the Office of Managing Director for Operations under the general supervision of Samuel B. Chase, Jr., Adviser to the Board.

Mr. Barna, formerly Senior Vice President of the Riviere Realty Trust Company, Washington, D.C., holds a B.S. degree from Indiana University and is a certified public accountant. Prior to his appointment Mr. Plotkin was Assistant General Counsel in the Board's Legal Division.

Robert Solomon has returned to the Board after a 2-year leave of absence serving as a Vice Chairman of the Deputies of the Committee on Reform of the International Monetary System and Related Issues (Committee of 20). Mr. Solomon will re-

sume his duties as Adviser to the Board in the field of international finance and as international economist of the Federal Open Market Committee.

DIRECTOR CHANGES AT FEDERAL RESERVE BRANCHES

Robert J. Buckley, President, Allegheny Ludlum Industries, Inc., Pittsburgh, Pennsylvania, was appointed as Director of the Pittsburgh Branch of the Federal Reserve Bank of Cleveland, effective June 12, 1974, to succeed Douglas Grymes, President, Koppers Company, Pittsburgh, Pennsylvania, who resigned effective May 1, 1974.

Lacy I. Rice, Jr., President, The Old National Bank of Martinsburg, and President, Suburban National Bank, Martinsburg, West Virginia, was appointed as Director of the Baltimore Branch of the Federal Reserve Bank of Richmond, effective August 8, 1974, to succeed the late Douglass Adams, President, The Parkersburg National Bank, Parkersburg, West Virginia.

Clarence L. Turnipseed, President, First National Bank, Brewton, Alabama, was appointed as Director of the Birmingham Branch of the Federal Reserve Bank of Atlanta, effective July 12, 1974, to succeed Lawrence Harris, President, Slocumb National Bank, Slocumb, Alabama, who resigned effective March 15, 1974.

J. Luther Davis, Chairman of the Board and President, Tucson Gas and Electric Company, Tucson, Arizona, was appointed as Director of the El Paso Branch of the Federal Reserve Bank of Dallas, effective July 19, 1974, to succeed Allan B. Bowman, President, Amax Arizona, Tucson, Arizona, who resigned effective July 1, 1974.

ADMISSION OF STATE BANKS TO MEMBERSHIP IN THE FEDERAL RESERVE SYSTEM

The following banks were admitted to membership in the Federal Reserve System during the period August 16, 1974, through September 15, 1974:

Illinois

Chicago Midwest Securities
Trust Company

Virginia

Arlington County First Commercial Bank

Industrial Production

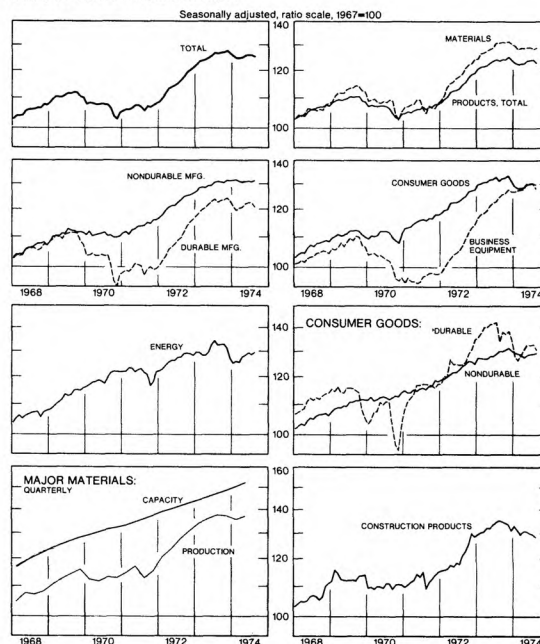
Released for publication September 13

Industrial production declined an estimated 0.4 per cent in August and, at 125.2 per cent of the 1967 average, was 1.0 per cent below a year earlier. The August decline was caused mainly by strikes in various industries and cutbacks in output of durable consumer goods, other than automobiles, and construction products.

Auto assemblies were at an annual rate of 7.9 million units during August compared to a 7.8 million unit rate in July. Production of household appliances, furniture, and other household goods declined about 2.5 per cent in August. Output of business equipment also declined largely because of work stoppages in the electrical industry.

Production of durable goods materials, including steel, increased in August, and output of nondurable materials was unchanged. Strikes at iron and coal mines and in the copper industry reduced production in mining and at copper fabricating factories.

INDUSTRIAL PRODUCTION



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

Industrial production	Seasonally adjusted 1967 = 100			Per cent changes from—		Per cent changes, annual rate		
	1974			Month ago	Year ago	1973	1974	
	June ^r	July ^p	Aug. ^e			Q4	Q1	Q2
Total	125.8	125.7	125.2	-.4	-1.0	.9	-6.6	1.9
Products, total	124.0	124.2	122.9	-1.0	-.6	1.3	-5.8	2.6
Final products	122.5	122.9	121.3	-1.3	-.1	3.3	-6.5	3.0
Consumer goods	130.0	130.2	129.9	-.2	-1.0	1.2	-11.5	2.2
Durable goods	132.7	133.0	130.8	-1.7	-2.4	-4.0	-26.6	13.8
Nondurable goods	129.0	129.1	129.5	.3	-.5	3.1	-5.2	-2.2
Business equipment	130.3	130.4	128.2	-1.7	2.9	8.0	.6	7.2
Intermediate products	129.3	128.8	128.6	-.2	-2.6	-4.8	-4.6	1.6
Construction products	130.1	129.6	128.6	-.8	-5.0	-5.6	-5.1	-2.1
Materials	129.1	128.4	128.9	.4	-1.5	.3	-6.4	.0

^rRevised.^pPreliminary.^eEstimated.

Financial and Business Statistics

CONTENTS

- A 3 GUIDE TO TABULAR PRESENTATION
- A 3 STATISTICAL RELEASES: REFERENCE

U.S. STATISTICS:

- A 4 Member bank reserves, Federal Reserve Bank credit,
and related items
- A 7 Federal funds—Major reserve city banks
- A 8 Reserve Bank interest rates
- A 9 Reserve requirements
- A 10 Maximum interest rates; margin requirements
- A 11 Open market account
- A 12 Federal Reserve Banks
- A 13 Bank debits

- A 14 Money stock
- A 15 Bank reserves; bank credit
- A 16 Commercial banks, by classes
- A 20 Weekly reporting banks
- A 25 Business loans of banks
- A 26 Demand deposit ownership
- A 27 Loan sales by banks
- A 27 Open market paper
- A 28 Interest rates
- A 31 Security markets
- A 32 Stock market credit
- A 32 Savings institutions

- A 34 Federal finance
- A 36 U.S. Government securities
- A 39 Federally sponsored credit agencies
- A 40 Security issues
- A 43 Business finance
- A 44 Real estate credit
- A 47 Consumer credit

Continued on next page

U.S. STATISTICS—Continued

A 50	Industrial production
A 52	Business activity
A 52	Construction
A 54	Labor force, employment, and unemployment
A 55	Consumer prices
A 55	Wholesale prices
A 56	National product and income
A 58	Flow of funds

INTERNATIONAL STATISTICS:

A 60	U.S. balance of payments
A 61	Foreign trade
A 61	U.S. reserve assets
A 62	U.S. gold transactions
A 63	International capital transactions of the United States
A 76	Open market rates
A 77	Central bank rates
A 77	Foreign exchange rates
A 78	Gold reserves of central banks and governments

TABLES PUBLISHED PERIODICALLY:

A 79	Sales, revenue, profits, and dividends of large manufacturing corporations
	Member banks, 1973:
	Operating ratios:
A 80	By size of bank
A 84	By Federal Reserve district
A 93	INDEX TO STATISTICAL TABLES

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 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	Sept. 1974	A-79	Banks and branches, number, by class and State	Apr. 1974	A-88—A-89
<i>Semiannually</i>			Flow of funds:		
Banking offices:			Assets & liabilities		
Analysis of changes in number	Aug. 1974	A-79	1961-72	Sept. 1973	A-71.14—A-71.28
On, and not on, Federal Reserve Par List, number	Aug. 1974	A-80	Flows:		
			1961-72	Sept. 1973	A-70—A-71.13
<i>Annually</i>			Income and expenses:		
Bank holding companies:			Federal Reserve Banks	Feb. 1974	A-96—A-97
Banking offices and deposits of group banks, Dec. 31, 1973	June 1974	A-80—A-83	Insured commercial banks	June 1974	A-84—A-85
	July 1974	530	Member banks:		
			Calendar year	June 1974	A-84—A-93
			Income ratios	June 1974	A-94—A-99
			Operating ratios	Sept. 1974	A-80—A-85
Banking and monetary statistics:			Stock market credit	Jan. 1974	A-96—A-97
1973	Mar. 1974	A-96—A-109			
	July 1974	A-80—A-82			

Statistical Releases

LIST PUBLISHED SEMIANNUALLY, WITH LATEST BULLETIN REFERENCE

	<i>Issue</i>	<i>Page</i>
Anticipated schedule of release dates for individual releases	June 1974	A-106

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 ²	Other F.R. assets ³	Total ⁴			
	Total	Bought outright	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
1968—Dec.....	52,529	52,454	75	765	3,251	.....	56,610	10,367	.....	6,810
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—Aug.....	76,653	76,475	178	2,144	2,563	1,018	82,443	10,410	400	8,549
Sept.....	76,073	75,712	361	1,861	2,925	889	81,810	10,410	400	8,584
Oct.....	78,042	77,500	542	1,465	2,936	1,122	83,644	10,933	400	8,613
Nov.....	78,457	77,937	520	1,399	2,764	1,078	83,756	11,567	400	8,642
Dec.....	79,701	78,833	868	1,298	3,414	1,079	85,642	11,567	400	8,668
1974—Jan.....	80,793	80,608	185	1,044	3,385	1,258	86,568	11,567	400	8,705
Feb.....	80,801	80,551	250	1,186	2,300	1,117	85,493	11,567	400	8,747
Mar.....	80,686	80,184	502	1,352	1,816	960	84,943	11,567	400	8,767
Apr.....	81,567	80,873	694	1,714	2,295	1,160	86,907	11,567	400	8,807
May.....	83,434	82,037	1,397	2,580	2,025	1,093	89,405	11,567	400	8,838
June.....	82,812	81,859	953	3,000	2,114	1,106	89,254	11,567	400	8,877
July.....	84,313	83,496	817	3,308	2,267	1,343	91,554	11,567	400	8,905
Aug. ^p	84,493	84,221	272	3,348	2,023	1,258	91,404	11,567	400	8,951
Week ending—										
1974—June 5.....	83,075	82,128	947	3,054	2,184	1,013	89,554	11,567	400	8,859
12.....	81,267	80,814	453	2,729	2,007	1,036	87,184	11,567	400	8,862
19.....	83,017	82,283	734	3,223	2,162	1,095	89,720	11,567	400	8,880
26.....	83,815	82,049	1,766	2,788	2,055	1,160	90,068	11,567	400	8,891
July 3.....	83,933	82,663	1,270	3,435	2,190	1,253	91,140	11,567	400	8,899
10.....	83,990	83,007	983	2,640	2,951	1,259	91,157	11,567	400	8,898
17.....	84,718	83,614	1,104	3,175	2,401	1,321	92,015	11,567	400	8,903
24.....	84,429	84,153	276	3,641	2,027	1,397	91,722	11,567	400	8,907
31.....	84,112	83,531	581	3,690	1,807	1,434	91,386	11,567	400	8,913
Aug. 7.....	83,648	83,648	.....	3,089	2,100	1,461	90,516	11,567	400	8,938
14 ^p	83,486	83,486	.....	3,040	2,024	1,524	90,291	11,567	400	8,953
21 ^p	85,394	84,720	674	3,437	1,975	914	92,033	11,567	400	8,955
28 ^p	85,176	84,646	530	3,533	1,860	1,145	92,101	11,567	400	8,961
End of month										
June.....	83,612	82,646	966	3,210	2,297	1,264	90,687	11,567	400	8,924
July.....	81,688	81,688	.....	3,589	2,631	1,684	89,810	11,567	400	8,965
Aug. ^p	84,951	84,951	.....	4,321	1,487	1,268	92,304	11,567	400	8,964
Wednesday										
1974—June 5.....	79,659	79,659	.....	2,710	2,847	1,078	86,394	11,567	400	8,860
12.....	82,989	80,764	2,225	3,157	2,271	1,090	89,903	11,567	400	8,865
19.....	82,283	82,283	.....	2,486	3,044	1,134	89,042	11,567	400	8,886
26.....	83,555	81,976	1,579	2,978	2,621	1,196	90,607	11,567	400	8,892
July 3.....	84,027	82,745	1,282	3,002	2,668	1,266	91,346	11,567	400	8,897
10.....	84,510	83,086	1,424	2,271	3,544	1,343	92,057	11,567	400	8,898
17.....	84,829	83,775	1,054	4,048	3,070	1,369	93,663	11,567	400	8,906
24.....	85,229	84,294	935	5,639	2,158	1,419	94,910	11,567	400	8,911
31.....	81,688	81,688	.....	3,589	2,631	1,684	89,810	11,567	400	8,965
Aug. 7.....	82,121	82,121	.....	2,889	2,660	1,560	89,445	11,567	400	8,949
14 ^p	83,803	83,803	.....	2,915	2,189	1,540	90,662	11,567	400	8,954
21 ^p	85,816	85,050	766	3,113	2,386	1,118	92,748	11,567	400	8,959
28 ^p	81,523	80,996	527	3,434	2,367	1,112	88,844	11,567	400	8,964

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

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

³ Beginning Apr. 16, 1969, "Other F.R. assets" and "Other F.R. liabilities and capital" are shown separately; formerly, they were netted together and reported as "Other F.R. accounts."

⁴ Includes industrial loans and acceptances until Aug. 21, 1959, when

industrial loan program was discontinued. For holdings of acceptances on Wed. and end-of-month dates, see table on F.R. Banks on p. A-12. See also note 2.

⁵ Includes certain deposits of domestic nonmember banks and foreign-owned banking institutions held with member banks and redeposited in full with Federal Reserve Banks in connection with voluntary participation by nonmember institutions in the Federal Reserve System's program of credit restraint.

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- lation	Treas- ury cash hold- ings	Deposits, other than member bank reserves, with F.R. Banks			Other F.R. ac- counts ³	Other F.R. lia- bilities and capital ³	Member bank reserves			
		Treas- ury	For- eign	Other ^{2, 5}			With F.R. Banks	Cur- rency and coin ⁶	Total ⁷	
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	353	739	.....	17,391	.....	17,391	1950—Dec.
33,019	408	522	250	495	1,029	.....	16,688	2,595	19,283	1960—Dec.
50,609	756	360	225	458	—1,105	.....	22,484	4,737	27,221	1968—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.
68,394	344	1,674	300	838		2,877	27,375	6,296	33,783	1973—Aug.
68,592	349	792	332	781		2,848	27,510	6,402	34,020	Sept.
68,909	622	1,718	266	575		2,866	28,458	6,371	34,913	Oct.
69,927	340	1,772	522	589		2,854	28,259	6,382	34,725	Nov.
71,646	323	1,892	406	571		2,942	28,352	6,635	35,068	Dec.
70,962	349	2,488	427	571		2,904	29,396	7,192	36,655	1974—Jan.
70,411	342	2,972	293	582		2,932	28,574	6,601	35,242	Feb.
71,081	334	1,803	311	599		2,998	28,450	6,450	34,966	Mar.
72,176	308	1,712	328	570		2,985	29,469	6,402	35,929	Apr.
72,876	286	3,000	320	599		3,168	29,861	6,600	36,519	May
73,749	293	2,015	491	591		3,187	29,672	6,668	36,390	June
74,556	275	2,795	296	573		3,216	30,514	6,824	37,338	July
74,709	282	2,633	326	581		3,240	30,301	6,764	37,065	Aug.
Week ending—										
73,344	302	2,804	399	569		3,275	29,562	6,659	36,279	1974—June 5
73,846	283	931	309	574		3,041	28,929	6,802	35,789	12
73,938	292	1,511	992	574		3,140	30,019	6,631	36,708	19
73,689	298	2,659	343	587		3,265	29,985	6,493	36,536	26
74,112	287	2,781	350	577		3,240	30,459	6,815	37,274	July 3
74,876	275	2,957	289	553		3,050	29,820	7,048	36,868	10
74,849	266	2,366	303	586		3,193	31,122	6,702	37,824	17
74,441	270	2,721	283	575		3,271	30,853	6,564	37,417	24
74,081	283	3,214	293	585		3,390	30,218	6,986	37,204	31
74,383	282	2,730	274	599		3,053	29,900	7,020	36,920	Aug. 7
74,916	274	1,875	269	575		3,107	29,895	7,047	36,942	14 ^p
74,872	279	2,447	428	583		3,262	30,834	6,353	37,187	21 ^p
74,613	281	3,191	307	579		3,390	30,467	6,609	37,076	28 ^p
End of Month										
73,833	274	2,919	384	576		3,319	30,086	6,815	36,901	June
74,373	269	3,822	330	1,169		3,403	27,376	6,986	34,362	July
74,854	307	3,303	372	564		3,532	30,213	6,823	37,036	Aug
Wednesday										
73,740	300	1,340	330	583		2,931	27,896	6,659	34,613	1974—June 5
74,166	296	906	359	550		3,101	31,257	6,802	38,117	12
73,991	308	2,946	753	595		3,141	28,060	6,631	34,749	19
73,932	303	2,693	282	599		3,286	30,270	6,493	36,821	26
74,749	288	2,590	269	537		2,971	30,706	6,815	37,521	July 3
75,154	277	2,447	241	564		3,144	30,894	7,048	37,942	10
74,848	285	2,714	257	572		3,170	32,465	6,702	39,167	17
74,411	268	3,001	254	573		3,350	33,771	6,564	40,335	24
74,373	269	3,822	330	1,169		3,403	27,376	6,986	34,362	31
74,877	289	1,891	261	575		3,030	29,338	7,020	36,358	Aug. 7
75,140	290	1,969	248	529		3,141	29,865	7,047	36,912	14 ^p
74,882	294	2,456	303	538		3,290	31,711	6,353	38,064	21 ^p
74,973	306	2,950	324	523		3,429	27,069	6,609	33,678	28 ^p

⁶ Part allowed as reserves Dec. 1, 1959—Nov. 23, 1960; all allowed thereafter. Beginning with Jan. 1963, figures are estimated except for weekly averages. Beginning Sept. 12, 1968, amount is based on close-of-business figures for reserve period 2 weeks previous to report date.

⁷ 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.

⁸ Includes securities loaned—fully secured by U.S. Govt. securities pledged with F.R. Banks.

⁹ Includes securities loaned—fully secured by U.S. Govt. securities pledged with F.R. Banks. Also reflects securities sold, and scheduled to be bought back, under matched sale/purchase transactions.

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—Aug.....	33,783	33,540	243	2,144	163	34	109	-8	53	8	755	97	1,227
Sept.....	34,020	33,775	245	1,861	147	-6	115	24	62	40	712	79	972
Oct.....	34,913	34,690	223	1,465	126	11	74	1	54	17	589	110	748
Nov.....	34,725	34,543	182	1,399	84	27	180	-24	28	-20	593	115	598
Dec.....	35,068	34,806	262	1,298	41	-23	74	43	28	28	761	133	435
1974—Jan.....	36,655	36,419	236	1,044	18	65	135	-44	17	-8	549	156	343
Feb.....	35,242	35,053	189	1,186	17	51	87	-19	18	-51	635	141	446
Mar.....	34,966	34,790	176	1,352	32	21	113	-61	65	43	689	107	485
Apr.....	35,929	35,771	158	1,714	50	19	114	69	41	-58	987	70	572
May.....	36,519	36,325	194	2,580	102	-20	772	29	20	-4	939	131	849
June.....	36,390	36,259	131	3,000	130	-26	1,303	-8	51	26	799	89	847
July.....	37,338	37,161	177	3,308	149	45	1,457	19	70	-12	848	125	933
Aug. ^p	37,065	36,836	229	3,348	165	-72	1,464	-2	22	10	855	131	1,007
Week ending—													
1973—Aug. 1 ^r	34,051	33,552	499	2,095	141	266	.....	12	88	-5	785	114	1,222
8 ^r	33,456	33,381	75	2,005	158	-39	90	24	41	-68	741	46	1,133
15 ^r	33,829	33,515	314	1,916	148	24	50	-3	54	21	658	160	1,154
22 ^r	33,601	33,562	39	2,134	163	-24	172	2	36	-87	711	36	1,215
29 ^r	33,797	33,674	123	2,558	185	-47	137	-21	68	2	947	77	1,406
1974—Jan. 2.....	35,656	35,268	388	1,210	31	80	140	-6	141	24	599	223	330
9.....	36,296	36,210	86	776	19	2	271	-47	44	-96	174	160	287
16.....	37,702	37,374	328	988	20	59	45	16	.....	27	681	159	262
23.....	36,610	36,693	-83	1,182	13	-114	183	-12	.....	-110	655	86	344
30.....	36,139	35,880	259	1,220	17	104	20	-57	.....	15	733	130	467
Feb. 6.....	35,475	35,351	124	998	18	-123	.....	14	.....	34	494	132	504
13.....	35,348	35,054	294	1,153	15	144	92	-23	56	-34	585	140	420
20.....	35,388	35,274	114	1,376	20	-37	257	-63	.....	-42	711	189	408
27.....	34,851	34,645	206	1,251	16	70	.....	-17	13	-24	780	110	458
Mar. 6.....	34,633	34,515	118	912	19	-81	123	13	11	1	364	118	414
13.....	34,748	34,632	116	983	19	41	11	-8	66	-82	507	98	399
20.....	35,209	35,129	80	1,483	35	-41	333	-3	15	-36	679	93	456
27.....	34,774	34,605	169	1,713	43	10	31	40	21	-16	1,061	68	600
Apr. 3.....	35,443	35,217	226	1,503	44	77	34	-9	189	-27	710	127	570
10.....	35,002	34,940	62	1,194	41	-73	108	4	53	6	663	67	370
17.....	36,256	35,927	329	1,816	46	78	107	-19	101	37	1,093	175	515
24.....	36,055	35,916	139	1,939	52	-12	69	70	4	-12	1,233	35	633
May 1.....	36,845	36,668	177	2,157	74	62	176	-47	17	-34	1,140	138	824
8.....	36,336	36,201	135	1,616	82	-57	134	41	14	10	822	83	646
15.....	36,646	36,470	176	1,977	94	83	506	-39	37	-63	731	137	703
22.....	36,616	36,487	129	3,090	112	-55	993	57	7	-9	1,131	78	959
29.....	36,349	36,170	179	3,606	114	32	1,449	-17	9	-10	1,081	116	1,067
June 5.....	36,279	36,054	225	3,054	131	-37	1,210	2	15	61	846	141	983
12.....	35,789	35,658	131	2,729	136	26	1,296	21	40	-67	629	93	764
19.....	36,708	36,461	247	3,223	140	31	1,385	-17	139	44	984	131	715
26.....	36,536	36,437	99	2,788	133	-8	1,221	41	17	-76	690	84	860
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
Aug. 7.....	36,920	36,692	228	3,089	174	-7	1,420	9	24	54	644	172	1,001
14 ^p	36,942	36,797	145	3,040	160	4	1,431	-24	24	-113	717	80	868
21 ^p	37,187	36,924	263	3,437	166	-26	1,447	-14	21	7	958	113	1,011
28 ^p	37,076	36,893	183	3,533	161	68	1,457	35	20	-140	951	81	1,105

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 million. Beginning 1974 Q1, \$67 million, Q2, \$58 million, transition period ended after second quarter, 1974.

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. Beginning with Jan. 1964 reserves are estimated except for weekly averages.

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

Effective Apr. 19, 1963, the Board's Regulation A, which governs lending by Federal Reserve 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													
1974—July 3.....	65	817	12,007	-12,759	75.3	19,030	7,023	6,098	12,933	925	1,806	1,051	756
10.....	222	267	14,249	-14,293	85.5	20,324	6,075	5,646	14,678	429	1,788	1,091	698
17.....	120	327	13,591	-13,798	77.5	19,453	5,862	5,373	14,080	489	1,655	1,154	501
24.....	63	284	7,330	-7,551	50.7	14,823	7,493	4,719	10,104	2,773	1,309	483	826
31.....	100	411	11,757	-12,068	70.6	17,690	5,933	4,872	12,818	1,060	2,483	985	1,498
Aug. 7.....	107	123	14,388	-14,404	84.6	20,168	5,779	5,005	15,162	774	3,168	1,170	1,998
14.....	179	224	14,512	-14,556	84.9	20,111	5,600	4,809	15,303	791	3,152	1,030	2,122
21.....	161	454	12,484	-12,777	74.4	18,306	5,822	4,746	13,560	1,076	2,642	1,159	1,483
28.....	-1,092	295	11,501	-12,888	70.2	17,223	5,723	4,578	12,646	1,145	2,583	1,098	1,485
8 in New York City													
1974—July 3.....	23	159	3,658	-3,794	55.0	5,335	1,677	1,347	3,988	331	810	390	420
10.....	114	14	4,215	-4,116	61.3	5,933	1,718	1,518	4,414	199	846	558	287
17.....	11	127	3,856	-3,972	53.7	5,568	1,712	1,556	4,013	157	590	515	75
24.....	-20	29	2,326	-2,374	39.2	4,669	2,343	1,253	3,416	1,090	636	264	373
31.....	47	21	3,137	-3,111	44.2	4,963	1,826	1,380	3,584	446	1,200	603	597
Aug. 7.....	25	.....	4,490	-4,466	64.1	6,338	1,848	1,425	4,913	423	1,886	635	1,251
14.....	37	19	5,192	-5,174	72.7	6,381	1,188	1,105	5,276	84	1,784	648	1,136
21.....	6	.....	4,178	-4,172	58.4	5,379	1,201	1,171	4,209	30	1,446	815	631
28.....	110	.....	2,119	-3,010	43.4	4,580	1,461	1,173	3,407	289	1,280	806	474
38 outside New York City													
1974—July 3.....	41	657	8,349	-8,966	89.3	13,695	5,346	4,751	8,944	595	997	661	336
10.....	109	252	10,034	-10,178	101.7	14,391	4,357	4,127	10,264	230	943	532	410
17.....	108	200	9,735	-9,826	94.3	13,885	4,150	3,818	10,067	333	1,065	639	426
24.....	83	255	5,004	-5,176	58.5	10,154	5,150	3,466	6,688	1,683	672	219	453
31.....	53	390	8,620	-8,957	89.0	12,727	4,107	3,493	9,234	614	1,283	382	901
Aug. 7.....	83	123	9,898	-9,938	98.8	13,829	3,932	3,580	10,249	352	1,282	535	747
14.....	142	205	9,319	-9,382	93.5	13,731	4,441	3,704	10,027	707	1,368	382	986
21.....	154	454	8,305	-8,605	85.7	12,927	4,621	3,575	9,351	1,046	1,196	344	852
28.....	-1,201	295	8,382	-9,878	86.4	12,643	4,261	3,405	9,238	857	1,303	292	1,011
5 in City of Chicago													
1974—July 3.....	11	107	3,165	-3,261	172.3	3,934	769	762	3,172	7	287	.....	287
10.....	6	21	3,552	-3,568	193.0	4,407	854	855	3,552	.....	312	.....	312
17.....	13	.....	3,670	-3,657	185.0	4,510	840	840	3,670	.....	318	.....	318
24.....	51	.....	1,885	-1,835	113.1	2,984	1,099	982	2,002	117	435	17	418
31.....	12	.....	3,070	-3,058	165.3	3,889	819	777	3,112	42	366	.....	366
Aug. 7.....	18	.....	3,703	-3,685	198.3	4,524	821	812	3,712	9	332	.....	332
14.....	80	.....	3,807	-3,727	198.7	4,560	753	753	3,808	.....	388	.....	388
21.....	4	.....	3,527	-3,523	183.4	4,290	763	763	3,527	.....	302	.....	302
28.....	27	.....	3,470	-3,443	182.2	4,254	784	784	3,470	.....	297	.....	297
33 others													
1974—July 3.....	30	550	5,184	-5,704	70.0	9,761	4,577	3,989	5,772	588	710	661	49
10.....	103	231	6,482	-6,610	81.0	9,985	3,503	3,273	6,712	230	631	532	98
17.....	95	200	6,064	-6,169	73.1	9,375	3,310	2,978	6,397	333	747	639	108
24.....	32	255	3,119	-3,341	46.3	7,170	4,051	2,484	4,686	1,567	231	202	35
31.....	41	390	5,550	-5,899	71.8	8,838	3,288	2,716	6,122	572	917	382	535
Aug. 7.....	65	123	6,195	-6,254	76.2	9,306	3,111	2,768	6,538	342	950	535	416
14.....	62	205	5,512	-5,655	69.3	9,170	3,658	2,951	6,219	707	980	382	598
21.....	150	454	4,779	-5,082	62.6	8,637	3,858	2,812	5,825	1,046	894	344	550
28.....	-1,228	295	4,912	-6,435	67.5	8,389	3,477	2,621	5,768	857	1,006	292	714

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 carryover reserves.

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

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

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 ³		
	Under Secs. 13 and 13a ¹			Under Sec. 10(b) ²					
	Rate on Aug. 31, 1974	Effective date	Previous rate	Rate on Aug. 31, 1974	Effective date	Previous rate	Rate on Aug. 31, 1974	Effective date	Previous rate
Boston.....	8	Apr. 30, 1974	7½	8½	Apr. 30, 1974	8	10	Apr. 30, 1974	9½
New York.....	8	Apr. 25, 1974	7½	8½	Apr. 25, 1974	8	10	Apr. 25, 1974	9½
Philadelphia.....	8	Apr. 25, 1974	7½	8½	Apr. 25, 1974	8	10	Apr. 25, 1974	9½
Cleveland.....	8	Apr. 25, 1974	7½	8½	Apr. 25, 1974	8	10	Apr. 25, 1974	9½
Richmond.....	8	Apr. 25, 1974	7½	8½	Apr. 25, 1974	8	10	Apr. 25, 1974	9½
Atlanta.....	8	Apr. 29, 1974	7½	8½	Apr. 29, 1974	8	10	Apr. 29, 1974	9½
Chicago.....	8	Apr. 26, 1974	7½	8½	Apr. 26, 1974	8	10	Apr. 26, 1974	9½
St. Louis.....	8	Apr. 26, 1974	7½	8½	Apr. 26, 1974	8	10	Apr. 26, 1974	9½
Minneapolis.....	8	Apr. 26, 1974	7½	8½	Apr. 26, 1974	8	10	Apr. 26, 1974	9½
Kansas City.....	8	Apr. 25, 1974	7½	8½	Apr. 25, 1974	8	10	Apr. 25, 1974	9½
Dallas.....	8	Apr. 25, 1974	7½	8½	Apr. 25, 1974	8	10	Apr. 25, 1974	9½
San Francisco.....	8	Apr. 25, 1974	7½	8½	Apr. 25, 1974	8	10	Apr. 25, 1974	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. Maximum maturity: 90 days except that discounts of certain bankers' acceptances and of agricultural paper may have maturities not over 6 months and 9 months, respectively.

² Advances secured to the satisfaction of the F.R. Bank. Maximum maturity: 4 months.

³ Advances to individuals, partnerships, or corporations other than member banks secured by direct obligations of, or obligations fully guaranteed as to principal and interest by, the U.S. Govt. or any agency thereof. Maximum maturity: 90 days.

SUMMARY OF EARLIER CHANGES

(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, 1954.....	1½	1½	1959—Mar. 6.....	2½-3	3	1970—Dec. 1.....	5½-5¾	5¾
1955—Apr. 14.....	1½-1¾	1½	16.....	3	3	4.....	5½-5¾	5¾
15.....	1½-1¾	1¾	May 29.....	3-3½	3½	11.....	5½	5½
May 2.....	1¾	1¾	June 12.....	3½	3½			
Aug. 4.....	1¾-2¼	1¾	Sept. 11.....	3½-4	4	1971—Jan. 8.....	5¼-5½	5¼
5.....	1¾-2¼	2	18.....	4	4	15.....	5¼	5¼
12.....	2-2¼	2				19.....	5-5¼	5¼
Sept. 9.....	2-2¼	2¼	1960—June 3.....	3½-4	4	22.....	5-5¼	5
13.....	2¼	2¼	10.....	3½-4	3½	29.....	5	5
Nov. 18.....	2¼-2½	2½	14.....	3½	3½	Feb. 13.....	4¾-5	5
23.....	2½	2½	Aug. 12.....	3-3½	3	19.....	4¾	4¾
			Sept. 9.....	3	3	July 16.....	4¾-5	5
1956—Apr. 13.....	2½-3	2¾	1963—July 17.....	3-3½	3½	23.....	5	5
20.....	2¾-3	2¾	26.....	3½	3½	Nov. 11.....	4¾-5	5
Aug. 24.....	2¾-3	3	1964—Nov. 24.....	3½-4	4	19.....	4¾	4¾
31.....	3	3	30.....	4	4	Dec. 13.....	4½-4¾	4¾
1957—Aug. 9.....	3-3½	3	1965—Dec. 6.....	4-4½	4½	17.....	4½-4¾	4½
23.....	3½	3½	13.....	4½	4½	24.....	4½	4½
Nov. 15.....	3-3½	3				1973—Jan. 15.....	5	5
Dec. 2.....	3	3	1967—Apr. 7.....	4-4½	4	Feb. 26.....	5-5½	5½
			14.....	4	4	Mar. 2.....	5½	5½
1958—Jan. 22.....	2¾-3	3	Nov. 20.....	4-4½	4½	Apr. 23.....	5½-5¾	5¾
24.....	2¾-3	2¾	27.....	4½	4½	May 4.....	5¾	5¾
Mar. 7.....	2¾-3	2¾	1968—Mar. 15.....	4½-5	4½	11.....	5¾-6	6
13.....	2¾-3¼	2¾	22.....	5	5	18.....	6	6
21.....	2¾	2¾	Apr. 19.....	5-5½	5½	June 11.....	6-6½	6½
Apr. 18.....	1¾-2¼	1¾	26.....	5½	5½	15.....	6½	6½
May 9.....	1¾	1¾	Aug. 16.....	5¼-5½	5½	July 2.....	7	7
Aug. 15.....	1¾-2	1¾	30.....	5¼	5¼	Aug. 14.....	7-7½	7½
Sept. 12.....	1¾-2	2	Dec. 18.....	5¼-5½	5½	23.....	7½	7½
23.....	2	2	20.....	5½	5½			
Oct. 24.....	2-2½	2	1969—Apr. 4.....	5½-6	6	1974—Apr. 25.....	7½-8	8
Nov. 7.....	2½	2½	8.....	6	6	30.....	8	8
						In effect Aug. 31, 1974.....	8	8
			1970—Nov. 11.....	5¾-6	6			
			13.....	5¾-6	5¾			
			16.....	5¾	5¾			

NOTE.—Rates under Secs. 13 and 13a (as described in table and notes above). For data before 1955, 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)			Effective date	Net demand ^{2, 4}					Time ³		
	Reserve city		Other		Savings	Other time			0-2	2-10	10-100	100-400	Over 400 ⁵	Savings	Other time	
	0-5	Over 5	0-5	Over 5		0-5	Over 5								0-5	Over 5 %
In effect Jan. 1, 1963.....	16½		12		4			1972—Nov. 9..... Nov. 16.....	8	10	12	716½ 13	17½	8 3	8 3	8 5
1966—July 14, 21..... Sept. 8, 15.....					4	4	5 6	1973—July 19.....		10½	12½	13½	18			
1967—Mar. 2..... Mar. 16.....					3½ 3	3½ 3		In effect Aug. 31, 1974 ⁹	8	10½	12½	13½	18	3	3	5
1968—Jan. 11, 18.....	16½	17	12	12½												
1969—Apr. 17.....	17	17½	12½	13												
1970—Oct. 1.....							5									
Present legal limits:													Minimum		Maximum	
Net demand deposits, reserve city banks.....													10		22	
Net demand deposits, other banks.....													7		14	
Time deposits.....													3		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 8 per cent. The requirement was 10 per cent originally, was increased to 20 per cent on Jan. 7, 1971, and was reduced to the current 8 per cent effective June 21, 1973. 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 Reserve city banks.

⁶ Except as noted below, effective Dec. 27, 1973, member banks are subject to an 8 per cent marginal reserve requirement against increases in the aggregate of (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 the existing reserve requirements on time deposits, and (c) funds from sales of finance bills. The 8 per cent requirement applies to balances above a specified base, but is not applicable to banks that have obligations of these types aggregating less than \$10 million. For the period June 21 through Aug. 29, 1973, (a) included only single-maturity time deposits. Previous requirements have been: 8 per cent for (a) and (b) from June 21 through Oct. 3, 1973, and for (c) from July 12 through Oct. 3, 1973; and 11 per cent from Oct. 4 through Dec. 26, 1973. For details, see Regulation D and appropriate supplements and amendments.

⁷ 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.

⁸ See preceding columns for earliest effective date of this rate.

⁹ For changes to be effective in Sept. 1974, see "Announcements" on p. 680 of the Sept. 1974 BULLETIN.

NOTE.—All required reserves were held on deposit with F.R. Banks June 21, 1917, until Dec. 1959. From Dec. 1959 to Nov. 1960, member banks were allowed to count part of their currency and coin as reserves; effective Nov. 24, 1960, they were allowed to count all as reserves. For further details, see Board's *Annual Reports*.

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 of deposit	Effective date				Type of deposit	Effective date	
	July 20, 1966	Sept. 26, 1966	Apr. 19, 1968	Jan. 21, 1970		July 1, 1973	Nov. 1, 1973
Savings deposits.....	4	4	4	4½	Savings deposits.....	5	5
Other time deposits: ¹					Other time deposits (multiple- and single-maturity):		
Multiple maturity: ²					Less than \$100,000:		
30-89 days.....	4	4	4	4½	30-89 days.....	5	5
90 days to 1 year.....	5	5	5	5	90 days to 1 year.....	5½	5½
1 year to 2 years.....				5½	1 year to 2½ years.....	6	6
2 years or more.....				5¾	2½ years or more.....	6½	6½
Single-maturity:					4 years or more in minimum denomination of \$1,000.....	(4)	7¼
Less than \$100,000:					\$100,000 or more.....	(3)	(3)
30 days to 1 year.....	5½	5	5	5			
1 year to 2 years.....				5½			
2 years and over.....				5¾			
\$100,000 or more:							
30-59 days.....	5½	5½	5½	(3)			
60-89 days.....				5½			
90-179 days.....				6			
180 days to 1 year.....				6¼			
1 year or more.....				(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	May 16, 1973
180 days to 1 year	7 per cent	
1 year or more	7½ per cent	

Rates on multiple-maturity time deposits in denomination 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 4-year

certificates with minimum denomination 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 denomination of \$1,000. There is no limitation on the amount of these certificates that banks may issue.

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.....	50						50
1955—Jan. 4	Apr. 22.....	60						60
Apr. 23	1958—Jan. 15.....	70						70
1958—Jan. 16	Aug. 4.....	50						50
Aug. 5	Oct. 15.....	70						70
Oct. 16	1960—July 27.....	90						90
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
1973—July....	1,640	495	60	.....	.....	.....	27	.....	.....	.....	.....	.....	.....	.....	.....
Aug....	655	945	456	351	.....	4,361	.....	.....	-4,812	.....	.....	.....	.....	.....	100
Sept....	480	401	564	836	.....	-813	.....	.....	-23	.....	.....	.....	.....	.....	.....
Oct....	2,117	153	.....	.....	.....	.....	125	.....	.....	.....	.....	.....	.....	.....	.....
Nov....	583	489	1,101	41	.....	1,515	125	.....	680	331	.....	-2,220	35	.....	25
Dec....	1,919	70	10	75	.....	34	116	.....	-34	35	.....	.....	.....	.....	.....
1974—Jan....	1,340	335	1,402	9	.....	.....	93	.....	.....	77	.....	.....	.....	.....	.....
Feb....	768	391	410	.....	.....	687	30	.....	-922	.....	200	.....	.....	.....	35
Mar....	664	566	165	.....	.....	.....	109	.....	.....	56	.....	.....	25	.....	.....
Apr....	1,237	49	407	.....	.....	.....	172	.....	.....	.....	.....	.....	.....	.....	.....
May....	737	100	.....	112	.....	2,563	26	.....	-2,663	31	.....	.....	38	.....	100
June....	614	954	204	48	.....	.....	34	.....	.....	78	.....	.....	16	.....	.....
July....	988	211	.....	27	.....	.....	53	.....	.....	9	.....	.....	36	.....	.....

Period	Total outright ¹			Matched sale-purchase transactions (Treasury bills)		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		Outright		Repurchase agreements, net	Outright	Repurchase agreements	
	Gross purchases	Gross sales	Redemptions	Gross sales	Gross purchases	Gross purchases	Gross sales		Gross purchases	Sales or redemptions				
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	8,866
1972.....	10,142	6,467	2,862	23,319	23,319	31,103	32,228	-312	1,197	370	-88	-9	-145	272
1973.....	18,121	4,880	4,592	45,780	45,780	74,755	74,795	8,610	865	239	29	-2	-36	9,227
1973—July....	1,666	495	60	3,405	3,405	7,651	6,686	2,076	174	6	106	-12	78	2,416
Aug....	1,006	945	807	9,632	9,632	2,234	2,492	-1,005	.....	20	157	-7	-41	-915
Sept....	1,316	401	1,400	6,981	6,981	3,309	2,752	72	.....	30	-95	-9	69	7
Oct....	2,117	153	.....	4,735	4,735	8,220	7,859	2,325	176	4	-20	8	-46	2,440
Nov....	1,116	489	1,101	2,089	2,089	6,637	7,525	-1,360	74	3	20	-2	-34	-1,307
Dec....	2,145	70	10	3,435	3,435	9,523	10,202	1,387	212	84	-126	23	-26	1,386
1974—Jan....	1,519	335	1,402	2,590	2,590	4,442	4,500	-276	29	39	-42	.....	.....	-328
Feb....	798	391	410	2,393	2,393	4,265	4,265	-3	120	46	.....	1	.....	72
Mar....	854	566	165	702	702	6,248	5,124	1,247	170	48	185	4	223	1,780
Apr....	1,409	49	407	.....	.....	8,069	8,498	524	360	48	33	8	-89	789
May....	944	100	.....	4,586	4,586	9,192	8,648	1,388	201	15	424	16	142	2,155
June....	790	954	204	4,580	4,580	6,124	6,667	-911	309	72	-372	.....	-70	-1,115
July....	1,113	211	.....	2,587	.....	4,269	4,965	-2,381	761	35	-270	121	-207	-2,011

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.

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.

CONVERTIBLE FOREIGN CURRENCIES HELD BY FEDERAL RESERVE BANKS

(In millions of U.S. dollar equivalent)

End of period	Total	Pounds sterling	Austrian schillings	Belgian francs	Canadian dollars	Danish kroner	French francs	German marks	Italian lire	Japanese yen	Netherlands guilders	Swiss francs
1970—Dec.....	257	154	.....	*	*	.....	.....	98	.....	1	*	4
1971—Dec.....	18	3	.....	3	*	.....	.....	2	.....	1	.....	8
1972—Dec.....	192	*	.....	*	*	.....	.....	164	.....	1	20	6
1973—May.....	4	*	.....	*	*	.....	.....	*	.....	1	.....	3
June.....	4	*	.....	*	*	.....	.....	*	.....	1	.....	3
July.....	4	*	.....	*	*	.....	.....	*	.....	1	.....	3
Aug....	5	*	.....	*	*	.....	.....	1	.....	1	.....	3
Sept....	4	*	.....	*	*	.....	.....	*	.....	1	.....	3
Oct....	4	*	.....	*	*	.....	.....	*	.....	1	.....	3
Nov....	4	*	.....	*	*	.....	.....	*	.....	1	.....	3
Dec....	4	*	.....	*	*	.....	.....	*	.....	1	.....	3
1974—Jan....	1	*	.....	.....	*	.....	.....	*	.....	1	.....	.....
Feb....	32	*	.....	20	*	.....	.....	10	.....	1	.....	.....
Mar....	6	*	.....	5	*	.....	.....	*	.....	1	.....	.....
Apr....	6	*	.....	5	*	.....	.....	*	.....	1	.....	.....
May....	63	*	.....	5	*	.....	.....	57	.....	1	.....	.....

CONSOLIDATED STATEMENT OF CONDITION OF ALL FEDERAL RESERVE BANKS

(In millions of dollars)

Item	Wednesday					End of month		
	1974					1974		1973
	Aug. 28	Aug. 21	Aug. 14	Aug. 7	July 31	Aug. 31	July 31	Aug. 31
Assets								
Gold certificate account.....	11,460	11,460	11,460	11,460	11,460	11,460	11,460	10,303
Special Drawing Rights certificate account.....	400	400	400	400	400	400	400	400
Cash.....	224	208	203	246	201	232	201	309
Loans:								
Member bank borrowings.....	3,434	3,113	2,915	2,889	3,589	4,321	3,589	2,842
Other.....								
Acceptances:								
Bought outright.....	275	250	215	215	218	277	218	47
Held under repurchase agreements.....	133	65						37
Federal agency obligations:								
Bought outright.....	3,582	3,582	3,582	3,582	3,585	3,820	3,585	1,597
Held under repurchase agreements.....	340	337						263
U.S. Govt. securities:								
Bought outright:								
Bills.....	34,775	38,829	37,582	35,900	35,464	38,492	35,464	34,585
Certificates—Special.....								
Other.....								
Notes.....	39,582	39,582	39,781	39,781	39,781	39,581	39,781	37,374
Bonds.....	3,057	3,057	2,858	2,858	2,858	3,058	2,858	3,428
Total bought outright.....	1,277,414	1,81,468	1,280,221	1,278,539	1,278,103	81,131	1,278,103	175,387
Held under repurchase agreements.....	187	429						706
Total U.S. Govt. securities.....	77,601	81,897	80,221	78,539	78,103	81,131	78,103	76,093
Total loans and securities.....	85,365	89,244	86,933	85,225	85,495	89,549	85,495	80,879
Cash items in process of collection.....	^p 7,466	^p 7,953	8,083	8,216	7,966	^p 6,022	7,966	6,236
Bank premises.....	245	245	245	243	243	245	243	210
Other assets:								
Denominated in foreign currencies.....	183	219	10	30	8	183	8	5
All other.....	684	654	1,285	1,287	1,433	840	1,433	535
Total assets.....	^p 106,207	^p 110,383	108,619	107,107	107,206	^p 108,931	107,206	98,877
Liabilities								
F.R. notes.....	66,433	66,318	66,573	66,356	65,771	66,322	65,771	60,338
Deposits:								
Member bank reserves.....	^p 27,069	^p 31,711	29,865	29,338	27,376	^p 30,213	27,376	28,955
U.S. Treasury—General account.....	2,950	2,456	1,969	1,891	3,822	3,303	3,822	848
Foreign.....	324	303	248	261	330	372	330	259
Other:								
All other ³	723	738	929	675	1,169	654	1,169	760
Total deposits.....	^p 31,066	^p 35,208	33,011	32,165	32,697	^p 34,542	32,697	30,822
Deferred availability cash items.....	5,099	5,567	5,894	5,556	5,335	4,535	5,335	4,631
Other liabilities and accrued dividends.....	1,216	1,193	1,160	1,163	1,155	1,277	1,155	1,035
Total liabilities.....	^p 103,814	^p 108,286	106,638	105,240	104,958	^p 106,676	104,958	96,826
Capital accounts								
Capital paid in.....	882	881	881	880	880	881	880	827
Surplus.....	844	844	844	844	844	844	844	793
Other capital accounts.....	487	372	256	143	524	530	524	431
Total liabilities and capital accounts.....	^p 106,027	^p 110,383	108,619	107,107	107,206	^p 108,931	107,206	98,877
Contingent liability on acceptances purchased for foreign correspondents.....	1,182	1,171	1,131	1,064	1,023	1,202	1,023	522
Marketable U.S. Govt. securities held in custody for foreign and international accounts.....	30,464	30,721	30,766	30,718	30,090	30,796	30,090	28,043

Federal Reserve Notes—Federal Reserve Agents' Accounts

F.R. notes outstanding (issued to Bank).....	70,813	70,717	70,614	70,444	70,346	70,832	70,346	64,616
Collateral held against notes outstanding:								
Gold certificate account.....	2,380	2,275	2,275	2,225	2,225	2,380	2,225	2,415
U.S. Govt. securities.....	69,575	69,650	69,600	69,600	69,600	69,575	69,600	63,690
Total collateral.....	71,955	71,925	71,875	71,825	71,825	71,955	71,825	66,105

¹ See note 8 on p. A-5.² See note 9 on p. A-5.³ See note 5 on p. A-4.

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

(In millions of dollars)

Item	Wednesday					End of month		
	1974					1974		1973
	Aug. 28	Aug. 21	Aug. 14	Aug. 7	July 31	Aug. 31	July 31	Aug. 31
Loans—Total.....	3,434	3,113	2,915	2,889	3,588	4,321	3,588	2,847
Within 15 days.....	3,400	2,898	2,838	2,733	3,476	4,226	3,476	2,749
16 days to 90 days.....	34	215	77	156	112	95	112	98
91 days to 1 year.....								
Acceptances—Total.....	408	315	215	215	218	277	218	84
Within 15 days.....	156	91	26	29	31	20	31	47
16 days to 90 days.....	178	163	155	142	187	184	187	37
91 days to 1 year.....	74	61	34	44		73		
U.S. Government securities—Total.....	77,601	81,897	80,221	78,539	78,103	81,131	78,103	76,093
Within 15 days ¹	2,804	6,264	10,686	8,540	9,127	3,058	9,127	3,982
16 days to 90 days.....	19,343	21,093	18,174	18,678	17,770	20,926	17,770	19,995
91 days to 1 year.....	22,655	21,741	21,428	21,388	21,273	24,348	21,273	18,886
Over 1 year to 5 years.....	21,024	21,024	19,967	19,967	19,967	21,024	19,967	22,170
Over 5 years to 10 years.....	9,893	9,893	7,954	7,954	7,954	9,893	7,954	9,358
Over 10 years.....	1,882	1,882	2,012	2,012	2,012	1,882	2,012	1,702
Federal agency obligations—Total.....	3,922	3,919	3,582	3,582	3,585	3,820	3,585	1,860
Within 15 days ¹	371	365	12		3	31	3	293
16 days to 90 days.....	99	65	81	93	85	99	85	7
91 days to 1 year.....	465	441	441	441	449	513	449	379
Over 1 year to 5 years.....	1,658	1,719	1,719	1,719	1,719	1,848	1,719	622
Over 5 years to 10 years.....	865	865	865	865	865	865	865	307
Over 10 years.....	464	464	464	464	464	464	464	252

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		
1973—July.....	17,224.5	7,381.4	4,282.4	9,843.1	5,560.8	102.6	247.5	111.7	71.3	55.8
Aug.....	17,888.9	7,744.6	4,318.2	10,144.3	5,826.0	106.2	252.5	113.6	73.6	58.4
Sept.....	17,918.7	8,025.3	4,195.7	9,893.3	5,697.6	107.4	266.4	111.6	72.4	57.5
Oct.....	18,394.4	8,137.2	4,418.0	10,257.2	5,839.1	109.5	265.3	116.4	74.7	58.8
Nov.....	19,049.5	8,437.9	4,519.8	10,611.6	6,091.7	113.2	274.9	118.6	77.1	61.2
Dec.....	18,641.3	8,097.7	4,462.8	10,543.6	6,080.8	110.2	269.8	115.0	75.8	60.6
1974—Jan.....	18,815.7	8,081.0	4,517.1	10,734.8	6,217.6	111.5	270.3	116.2	77.3	62.2
Feb.....	19,813.6	8,896.2	4,582.1	10,917.4	6,335.3	118.0	294.2	119.9	79.3	63.7
Mar.....	20,166.8	8,914.4	4,718.0	11,252.5	6,534.5	118.2	292.5	120.8	80.3	64.7
Apr.....	20,062.1	8,637.9	4,747.6	11,424.2	6,676.6	115.4	274.6	119.7	80.2	65.0
May.....	20,558.8	8,970.1	4,820.8	11,588.7	6,767.9	117.0	275.3	122.3	81.0	65.3
June.....	20,450.0	9,065.7	4,768.0	11,384.3	6,616.3	116.8	279.9	120.0	79.8	64.2
July.....	20,907.8	9,140.4	4,900.8	11,767.4	6,866.5	119.7	282.1	123.8	82.7	66.9

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 includes 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)

Month or week	Seasonally adjusted			Not seasonally adjusted		
	M_1	M_2	M_3	M_1	M_2	M_3
Composition of measures is described in the NOTE below.						
1971—Dec.....	235.2	473.0	727.9	241.9	477.9	730.9
1972—Dec.....	255.7	525.5	822.8	263.0	530.6	826.2
1973—Aug.....	266.3	555.1	870.7	263.0	551.3	866.6
Sept.....	265.5	556.8	873.5	264.0	554.4	870.0
Oct.....	266.6	561.9	880.3	266.1	560.1	877.2
Nov.....	269.2	567.3	887.7	270.9	565.7	884.0
Dec.....	271.4	572.1	894.8	279.1	577.2	898.4
1974—Jan. ^r	270.6	575.1	900.1	277.8	581.1	905.7
Feb. ^r	273.1	581.2	908.3	270.2	578.6	905.5
Mar. ^r	275.2	585.0	914.6	272.5	584.5	915.3
Apr. ^r	276.7	588.5	919.9	278.2	592.9	926.1
May. ^r	277.8	591.0	923.1	273.1	589.1	922.2
June.....	279.6	596.2	929.2	277.6	595.7	930.3
July.....	280.0	598.9	933.0	279.2	597.8	933.4
Aug. ^p	280.8	602.2	936.6	277.4	598.2	932.3
Week ending—						
1974—Aug. 7.....	281.0	601.5	.....	278.3	598.4	.....
14.....	281.2	602.7	.....	278.9	599.9	.....
21 ^p	281.0	602.4	.....	277.4	598.2	.....
28 ^p	279.9	601.8	.....	274.5	595.6	.....
Sept. 4 ^p	280.7	602.6	.....	278.2	599.7	.....

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

M_1 : Averages of daily figures for (1) demand deposits of commercial banks other than domestic interbank and U.S. Govt., less cash items in process of collection and F.R. float; (2) foreign demand balances at F.R. Banks; and (3) currency outside the Treasury, F.R. Banks, and vaults of commercial banks.

M_2 : Averages of daily figures for M_1 plus savings deposits, time de-

posits open account, and time certificates other than negotiable CD's of \$100,000 of large weekly reporting banks.

M_3 : M_2 plus the average of the beginning- and end-of-month figures for deposits of mutual savings banks and for savings capital of savings and loan associations.

For description and back data, see "Revision of the Money Stock Measures and Member Bank Deposits" on pp. 81-95 of the Feb. 1974 BULLETIN and "Announcements" on p. 681 of the Sept. 1974 BULLETIN.

COMPONENTS OF MONEY STOCK MEASURES AND RELATED ITEMS

(In billions of dollars)

Month or week	Seasonally adjusted						Not seasonally adjusted							U.S. Govt. de- pos- its ³	
	Cur- ren- cy	De- mand de- pos- its	Commercial banks			Non- bank thrift insti- tutions ²	Cur- ren- cy	Commercial banks							
			Time and savings deposits					Demand deposits			Time and savings deposits				Non- bank thrift insti- tutions ²
			CD's ¹	Other	Total			Total	Mem- ber	Do- mestic- non- mem- ber	CD's ¹	Other	Total		
1971—Dec.....	52.6	182.6	33.0	237.9	270.9	254.8	53.5	188.4	142.6	44.1	33.8	236.0	269.8	253.0	6.9
1972—Dec.....	56.9	198.7	43.4	269.9	313.3	297.2	57.9	205.1	152.4	51.4	44.3	267.6	311.8	295.6	7.4
1973—Aug.....	59.8	206.4	66.3	288.8	355.1	315.6	60.0	202.9	147.8	52.7	68.4	288.3	356.7	315.3	4.1
Sept.....	60.2	205.3	66.7	291.4	358.0	316.7	60.1	203.8	148.2	53.3	68.8	290.5	359.3	315.6	5.3
Oct.....	60.5	206.1	63.8	295.3	359.1	318.5	60.4	205.7	149.7	53.8	66.3	294.0	360.3	317.0	6.0
Nov.....	61.0	208.2	62.0	298.1	360.1	320.4	61.5	209.5	151.8	55.1	64.1	294.8	359.0	318.3	4.3
Dec.....	61.7	209.7	62.8	300.6	363.5	322.7	62.7	216.4	157.0	56.6	64.1	298.1	362.2	321.2	6.3
1974—Jan. ^r	61.9	208.7	65.5	304.6	370.1	325.0	61.6	216.2	156.4	56.9	66.1	303.3	369.4	324.5	8.1
Feb. ^r	62.7	210.4	66.6	308.1	374.7	327.1	61.9	208.3	151.1	54.6	65.9	308.4	374.3	326.9	6.6
Mar. ^r	63.3	211.9	67.7	309.8	377.5	329.6	62.7	209.8	152.4	54.7	67.0	312.0	379.1	330.8	6.4
Apr. ^r	63.9	212.8	75.4	311.8	387.1	331.4	63.5	214.7	155.8	56.2	72.4	314.7	387.1	333.2	6.0
May ^r	64.4	213.4	81.2	313.3	394.4	332.1	64.2	208.9	151.2	54.9	77.8	316.1	393.9	333.0	7.6
June ^r	64.8	214.8	83.3	316.5	399.9	333.1	64.9	212.7	153.4	56.3	79.7	318.1	397.9	334.7	6.1
July.....	64.9	215.1	85.4	319.0	404.3	334.0	65.4	213.8	154.2	56.8	83.3	318.6	402.0	335.6	5.4
Aug. ^p	65.6	215.2	84.7	321.4	406.1	334.4	65.8	211.6	152.2	56.5	87.4	320.8	408.2	334.1	3.9
Week ending—															
1974—Aug. 7.....	65.4	215.6	84.9	320.6	405.5	.....	66.0	212.3	153.0	56.5	86.0	320.1	406.1	.....	4.3
14.....	65.6	215.6	84.7	321.5	406.2	.....	66.2	212.8	153.0	57.0	86.9	321.0	407.9	.....	3.7
21 ^p	65.6	215.4	84.6	321.4	406.0	.....	65.9	211.6	152.1	56.6	87.8	320.8	408.6	.....	4.0
28 ^p	65.7	214.3	84.4	321.9	406.2	.....	65.3	209.2	150.5	55.9	88.4	321.1	409.5	.....	4.0
Sept. 4 ^p	65.7	214.9	85.1	321.9	407.0	.....	65.9	212.3	152.8	56.6	88.6	321.5	410.0	.....	3.3

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 and savings capital at savings and loan associations.

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-borrowed	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.	S.A.	N.S.A.
1970—Dec....	29.19	28.86	28.95	27.10	321.3	178.8	136.1	6.5	325.2	178.1	141.1	6.0	332.9	336.8
1971—Dec....	31.30	31.17	31.12	28.96	360.3	210.4	143.8	6.1	364.6	209.7	149.2	5.7	364.3	368.7
1972—Dec....	31.41	30.36	31.13	29.05	402.0	241.4	154.5	6.1	406.8	240.7	160.1	6.1	406.4	411.2
1973—July....	33.58	31.62	33.29	31.36	431.1	270.1	157.1	3.9	429.9	268.5	156.2	5.1	437.6	436.4
Aug....	33.91	31.74	33.73	32.04	436.7	275.0	157.0	4.8	433.7	276.6	154.0	3.1	443.8	440.8
Sept....	34.17	32.32	33.95	32.39	438.6	277.5	156.2	5.0	437.7	279.0	154.7	4.1	445.9	445.0
Oct....	34.94	33.47	34.72	32.84	439.7	277.3	156.4	6.0	439.7	278.8	156.1	4.8	446.5	446.5
Nov....	34.86	33.46	34.62	32.71	440.4	277.1	157.5	5.8	438.2	276.6	158.3	3.2	447.5	445.3
Dec....	35.10	33.81	34.80	32.91	442.2	279.0	158.3	4.9	447.5	278.5	164.0	5.0	449.6	454.9
1974—Jan....	35.85	34.80	35.69	32.80	446.8	283.2	157.4	6.2	453.0	283.1	163.4	6.5	454.3	460.5
Feb....	35.11	33.92	34.92	32.79	447.1	286.1	157.9	3.0	447.1	285.7	156.3	5.1	454.8	454.8
Mar....	34.95	33.63	34.81	33.12	450.4	287.9	158.8	3.7	450.4	288.6	156.9	4.9	459.1	459.1
Apr....	35.90	34.17	35.72	33.66	461.6	297.1	160.0	4.5	462.5	296.2	161.5	4.8	471.2	472.1
May....	36.52	33.93	36.35	34.27	467.0	304.2	159.1	3.8	464.7	303.0	155.6	6.1	477.8	475.4
June....	36.73	33.73	36.53	34.80	472.9	308.6	160.6	3.7	470.0	306.4	158.9	4.7	483.1	480.3
July....	37.42	34.12	37.26	35.05	475.7	312.3	160.9	2.5	474.3	310.1	160.0	4.1	486.9	485.5

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, bank-related commercial paper, 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 the Money Stock Measures and Member Bank Reserves and Deposits" on pp. 61–79 of the Feb. 1973 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				
1970—Dec. 31.....	435.5	291.7	294.7	110.0	112.1	57.9	85.9	446.8	299.0	301.9	112.5	114.6	61.7	86.1		
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—July 25.....	608.8	427.5	431.5	151.2	153.7	59.8	121.5	607.4	429.3	433.3	151.6	154.1	56.5	121.7		
Aug. 29.....	617.4	435.9	440.6	153.4	156.3	57.9	123.6	613.4	435.2	439.9	152.0	154.9	54.9	123.3		
Sept. 26.....	620.2	439.1	443.7	153.7	156.6	56.4	124.7	619.9	440.1	444.7	153.8	156.7	55.1	124.8		
Oct. 31.....	624.2	441.1	445.7	153.6	156.5	55.1	128.0	624.0	440.9	445.6	152.9	155.8	56.0	127.0		
Nov. 28.....	628.4	445.5	449.8	155.0	157.7	55.0	127.9	628.2	443.9	448.3	154.1	156.8	57.8	126.5		
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—Jan. 30 ² ...	638.0	452.3	456.7	157.8	160.4	54.4	131.3	637.6	448.3	452.7	156.1	158.7	58.7	130.6		
Feb. 27 ² ...	645.7	457.1	462.1	158.9	161.6	56.2	132.4	640.4	451.5	456.4	157.3	160.0	57.5	131.5		
Mar. 27 ² ...	654.9	466.3	471.2	164.4	167.2	56.2	132.4	651.4	461.1	466.0	164.2	167.0	57.3	133.0		
Apr. 24 ² ...	663.2	473.7	479.1	168.9	172.0	56.7	132.8	660.5	470.4	475.8	169.6	172.7	56.1	134.0		
May 29 ² ...	668.6	478.0	483.7	171.9	175.0	56.7	133.9	665.1	476.9	482.5	171.3	174.4	53.6	134.6		
June 30 ⁵ ...	673.9	481.3	486.7	173.9	176.8	57.1	135.5	677.9	488.5	493.9	176.5	179.4	52.8	136.6		
July 31 ² ...	681.3	490.4	495.8	176.8	179.7	55.4	135.5	680.1	492.8	498.2	177.2	180.1	51.7	135.7		
Aug. 28 ² ...	686.7	496.4	501.7	179.5	182.8	54.7	135.6	682.2	495.5	500.8	177.9	181.2	51.4	135.3		

¹ Adjusted to exclude domestic commercial interbank loans.

² Loans sold are those sold outright by commercial banks to own subsidiaries, foreign branches, holding companies, and other affiliates.

³ Beginning June 30, 1972, commercial and industrial loans were reduced by about \$400 million as a result of loan reclassifications at one large bank.

⁴ Beginning June 30, 1971, Farmers Home Administration insured notes totaling approximately \$700 million are included in "Other securities" rather than in "Loans."

⁵ Beginning June 30, 1974, data revised to include one large mutual savings bank that merged with a nonmember commercial bank. Total loans and investments were increased by about \$600 million of which \$500 million were in loans and \$100 million in "other securities."

⁶ Beginning Aug. 28, 1974, loans sold outright to bank affiliates reflect a newly issued definition of the group of affiliates included as well as a somewhat different group of reporting banks. Total loans were unchanged on the new basis; commercial and industrial loans were increased by \$400 million.

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. 831–832, and the Dec. 1971 BULLETIN, pp. 971–973. 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. Treasury	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 7...	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	14,181	
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	13,472	
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	13,686	
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	13,783	
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	13,927	
1973—Aug. 29...	641,140	462,910	54,910	123,320	92,010	766,300	619,520	26,500	6,620	3,460	224,770	358,170	53,220	55,350	14,083	
Sept. 26...	646,710	466,840	55,080	124,790	100,030	779,730	630,360	27,720	7,190	8,210	228,420	358,820	56,280	55,620	14,102	
Oct. 31...	654,390	471,340	56,010	127,040	111,720	800,760	646,030	32,830	6,820	5,680	241,130	359,570	60,620	56,510	14,134	
Nov. 28...	659,280	475,010	57,770	126,500	104,140	797,180	638,740	30,130	7,010	4,350	238,540	358,710	62,870	56,730	14,163	
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	14,171	
1974—Jan. 30 ^p ...	673,520	484,240	58,730	130,550	103,070	810,500	651,410	31,510	6,620	9,500	233,310	370,470	65,770	58,270	14,180	
Feb. 27 ^p ...	679,130	490,180	57,500	131,450	102,230	816,200	650,970	31,320	6,200	6,620	232,930	373,900	67,970	58,560	14,202	
Mar. 27 ^p ...	687,670	497,430	57,260	132,980	104,070	827,600	658,490	31,590	6,490	6,070	235,360	378,980	69,740	59,050	14,236	
Apr. 24 ^p ...	694,660	504,560	56,060	134,040	101,770	833,340	665,970	30,870	7,290	5,850	235,460	386,500	67,320	59,590	14,261	
May 29 ^p ...	697,970	509,780	53,630	134,560	114,585	850,625	678,265	34,070	8,200	5,880	237,265	392,850	69,560	59,870	14,290	
June 26 ^p ...	707,670	519,290	52,340	136,040	105,280	852,600	679,100	30,480	8,860	8,070	237,350	394,340	68,730	60,140	14,338	
July 31 ^p ...	713,280	525,940	51,680	135,660	106,830	863,770	689,300	32,720	9,530	4,250	242,430	400,370	67,440	60,990	14,368	
Aug. 28 ^p ...	713,780	527,060	51,440	135,280	99,490	855,840	682,010	29,880	9,820	3,940	234,180	404,190	66,320	60,940	14,368	
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	6,619	
1947—Dec. 31...	97,846	32,628	57,914	7,304	32,845	132,060	122,528	12,353	50	1,176	80,609	28,340	54	8,464	6,923	
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	6,174	
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	5,767	
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	5,727	
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	5,704	
1973—Aug. 29...	494,200	365,951	38,233	90,016	78,475	600,202	478,273	24,972	5,911	2,701	172,082	272,607	49,283	42,807	5,713	
Sept. 26...	498,322	368,842	38,372	91,108	85,802	611,359	486,975	26,182	6,480	6,740	175,016	272,557	52,485	42,972	5,718	
Oct. 31...	504,120	371,866	39,375	92,879	96,251	628,710	499,110	31,142	6,112	4,601	185,324	271,931	56,772	43,618	5,723	
Nov. 28...	507,176	374,148	40,752	92,276	89,652	624,258	491,405	28,522	6,298	3,359	182,931	270,295	58,865	43,759	5,736	
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	5,735	
1974—Jan. 30...	518,541	381,344	41,699	95,498	88,960	635,219	501,260	30,003	5,690	7,621	178,457	279,489	61,585	44,829	5,744	
Feb. 27...	522,816	385,879	40,922	96,015	87,753	639,172	500,113	29,753	5,273	5,084	178,731	281,272	63,865	45,054	5,747	
Mar. 27...	529,961	392,461	40,537	96,963	89,568	649,114	506,641	30,083	5,558	4,817	180,862	285,321	65,428	45,491	5,754	
Apr. 24...	535,917	399,092	39,273	97,552	87,005	653,285	512,792	29,396	6,364	4,743	179,927	292,362	62,859	45,896	5,763	
May 29...	538,801	403,619	37,282	97,900	99,155	669,357	524,837	32,452	7,274	4,746	182,060	298,305	64,820	46,090	5,763	
June 26...	546,777	411,334	36,214	99,229	90,089	669,578	524,101	28,961	7,928	6,282	181,957	298,973	64,270	46,280	5,763	
July 31...	552,619	418,065	35,860	98,694	91,430	680,511	533,807	31,153	8,598	3,180	186,360	304,516	63,042	46,907	5,767	
Aug. 28 ^p ...	552,831	418,713	35,878	98,240	84,917	673,263	527,560	28,450	8,887	2,958	179,453	307,812	61,765	46,815	5,767	
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	13,426	
1947—Dec. 31...	114,274	37,583	67,941	8,750	36,926	152,733	141,851	12,615	54	1,325	92,975	34,882	61	9,734	13,398	
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	13,119	
1970—Dec. 31 ⁸ ...	458,919	312,006	61,438	85,475	92,708	572,682	479,174	30,233	1,874	7,898	208,037	231,132	19,149	42,427	13,502	
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	13,602	
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	13,721	
1973—June 30...	630,379	452,587	57,532	120,261	101,716	762,250	625,316	30,559	5,446	10,408	235,174	343,729	48,413	55,240	13,842	
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	13,964	
1974—Apr. 24...	693,489	503,653	189,837		98,997	826,736	664,070	30,539	6,634	5,913	234,435	386,550	66,160	59,757	14,043	
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	5,117	
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	5,005	
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	4,530	
1970—Dec. 31 ⁸ ...	271,760	187,554	34,203	50,004	56,028	340,764	283,663	18,051	982	4,740	122,298	137,592	13,100	24,868	4,620	
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	4,599	
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	4,612	
1973—June 30...	369,856	270,188	31,651	68,018	61,336	449,772	364,129	16,640	2,874	6,181	137,116	201,318	33,804	31,867	4,629	
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	4,659	
1974—Apr. 24...	404,972	299,182	105,790		59,806	486,163	384,314	16,492	3,997							

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 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		Time ⁵			
			U.S. Treas- ury	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	1,918
1960—Dec. 31....	58,073	36,240	16,394	5,439	17,081	77,316	68,118	6,608	1,028	2,022	40,733	17,727	20	6,299	1,644
1970—Dec. 31 ⁸ ...	94,760	66,963	11,196	16,600	25,472	125,460	101,512	11,091	750	1,720	45,734	42,218	5,478	9,232	1,147
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	1,128
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	1,092
1973—June 30....	121,052	91,095	9,429	20,527	26,891	155,017	123,016	12,671	2,005	1,986	45,322	61,032	12,725	11,231	1,076
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	1,076
1974—Apr. 24....	132,211	100,876	31,335		27,008	166,929	127,944	12,918	2,084	1,114	44,173	67,655	18,210	12,145	1,071
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	6,478
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	6,948
1970—Dec. 31 ⁸ ...	92,399	57,489	16,039	18,871	11,208	106,457	93,998	1,091	141	1,438	40,005	51,322	571	8,326	7,735
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	7,875
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	8,017
1973—June 30....	139,471	91,304	16,452	31,716	13,490	157,461	138,171	1,248	567	2,241	52,735	81,379	1,884	12,143	8,137
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	8,229
1974—Apr. 24....	156,305	103,594	52,711		12,183	173,645	151,812	1,130	553	1,163	55,072	93,894	2,322	13,587	8,284
Noninsured nonmember:															
1941—Dec. 31....	1,457	455	761	241	763	2,283	1,872	329		1,291		253	13	329	852
1947—Dec. 31 ⁷ ...	2,009	474	1,280	255	576	2,643	2,251	177	185	18	1,392	478	4	325	783
1960—Dec. 31....	1,498	550	535	413	314	1,883	1,443	159	132	13	846	293	14	358	352
1970—Dec. 31 ⁸ ...	3,079	2,132	304	642	934	4,365	2,570	375	101	40	1,298	756	226	532	184
1971—Dec. 31....	3,147	2,224	239	684	1,551	5,130	2,923	380	116	19	1,273	1,134	283	480	181
1972—Dec. 31....	4,865	3,731	349	785	1,794	7,073	3,775	488	81	55	1,530	1,620	527	491	206
1973—June 30....	5,915	4,732	345	838	1,892	8,196	4,438	488	145	26	1,779	2,000	885	500	204
Dec. 31....	6,192	4,927	316	949	2,010	8,650	4,996	591	344	9	1,836	2,215	1,463	524	207
Total nonmember:															
1941—Dec. 31....	7,233	3,696	2,270	1,266	3,431	10,992	9,573	457		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	190	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	7,300
1970—Dec. 31 ⁸ ...	95,478	59,621	16,342	19,514	12,143	110,822	96,568	1,466	243	1,478	41,303	52,078	796	8,858	7,919
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	8,056
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	8,223
1973—June 30....	145,386	96,036	16,797	32,554	15,381	165,657	142,608	1,736	712	2,267	54,514	83,379	2,770	12,643	8,341
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	8,436

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-18.

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-26.

² See first two 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 From 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.

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: three before Jan. 1960 and two 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, excludes one national bank in Puerto Rico.

Beginning Dec. 31, 1973, member banks exclude and noninsured non-member banks include a noninsured trust company which is a member 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, APRIL 24, 1974

(Amounts in millions of dollars)

Account	Insured commercial banks	Member banks ¹					Non- member banks ¹
		Total	Large banks			All other	
			New York City	City of Chicago	Other large		
Cash bank balances, items in process.....	98,997	86,814	23,527	3,984	31,456	27,847	12,183
Currency and coin.....	9,913	7,516	589	157	2,413	4,358	2,397
Reserves with Federal Reserve Banks.....	29,848	29,848	6,515	1,859	10,521	10,954	.....
Demand balances with banks in United States.....	23,711	15,647	5,741	297	3,023	6,586	8,064
Other balances with banks in United States.....	2,056	1,323	57	5	738	524	733
Balances with banks in foreign countries.....	822	704	196	54	363	91	119
Cash items in process of collection.....	32,646	31,776	10,429	1,613	14,400	5,334	870
Total securities held—Book value.....	189,837	137,126	15,221	5,322	45,992	70,592	52,711
Bank investment portfolios.....	184,037	131,387	13,460	4,751	42,919	70,258	52,650
U.S. Treasury.....	54,236	37,728	4,221	1,153	12,088	20,265	16,508
Other U.S. Government agencies.....	28,568	18,297	1,333	621	5,063	11,280	10,271
States and political subdivisions.....	95,554	71,288	7,197	2,783	24,610	36,697	24,266
All other.....	5,679	4,075	708	193	1,157	2,016	1,605
Trading-account securities.....	5,799	5,738	1,761	571	3,073	334	61
Federal funds sold and securities resale agreements.....	33,019	23,831	2,221	1,230	9,949	10,432	9,187
Other loans.....	470,634	376,227	71,145	21,841	143,675	139,566	94,406
Total loans and securities.....	693,489	537,183	88,586	28,392	199,615	220,590	156,305
Fixed assets—Buildings, furniture, real estate.....	13,715	10,549	1,051	417	4,303	4,778	3,167
Investments in subsidiaries not consolidated.....	1,523	1,505	684	115	652	54	18
Customer acceptances outstanding.....	5,277	5,041	3,155	294	1,392	200	236
Other assets.....	13,735	11,999	3,163	596	5,360	2,879	1,736
Total assets.....	826,736	653,091	120,166	33,798	242,778	256,349	173,645

¹ Member banks exclude a noninsured trust company that is a member of the Federal Reserve System, and two national banks outside the continental United States.

² See table (and notes), *Deposits Accumulated for Payment of Personal Loans*, p. 26.

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 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.

Details may not add to totals because of rounding.

LIABILITIES AND CAPITAL BY CLASS OF BANK, APRIL 24, 1974

(Amounts in millions of dollars)

Account	Insured commercial banks	Member banks ¹					Non-member banks ¹
		Total	Large banks			All other	
			New York City	City of Chicago	Other large		
Demand deposits.....	270,887	213,522	46,507	8,500	74,314	84,200	57,365
Mutual savings banks.....	1,036	963	343	1	172	447	74
Other individuals, partnerships, and corporations.....	207,861	158,832	25,198	6,424	57,258	69,951	49,030
U.S. Government.....	5,913	4,750	661	164	2,131	1,794	1,163
States and political subdivisions.....	15,431	10,929	436	211	3,294	6,988	4,503
Foreign governments, central banks, etc.....	1,504	1,483	1,243	21	210	8	21
Commercial banks in United States.....	24,560	23,739	11,719	1,371	7,811	2,838	821
Banks in foreign countries.....	4,943	4,708	3,421	128	1,048	111	236
Certified and officers' checks, etc.....	9,637	8,118	3,485	180	2,390	2,063	1,519
Time and savings deposits.....	393,184	298,736	40,788	14,810	108,725	134,414	94,447
Savings deposits.....	130,762	95,709	6,201	2,052	33,679	53,777	35,053
Accumulated for personal loan payment ²	478	346	.....	.....	62	284	131
Mutual savings banks.....	509	498	259	49	164	25	12
Other individuals, partnerships, and corporations.....	197,527	151,586	24,183	9,668	55,180	62,555	45,941
U.S. Government.....	459	335	32	25	118	159	125
States and political subdivisions.....	49,011	36,515	2,168	1,623	15,484	17,241	12,496
Foreign governments, central banks, etc.....	8,311	8,163	4,437	865	2,819	42	148
Commercial banks in United States.....	5,806	5,304	3,371	496	1,137	300	502
Banks in foreign countries.....	319	280	137	31	82	30	39
Total deposits.....	664,070	512,258	87,295	23,310	183,039	218,614	151,812
Federal funds purchased and securities sold under agreements to repurchase.....	57,316	55,343	12,303	6,379	28,100	8,561	1,973
Other liabilities for borrowed money.....	8,844	8,495	3,183	113	3,919	1,279	350
Mortgage indebtedness.....	868	686	80	5	439	163	181
Bank acceptances outstanding.....	5,401	5,165	3,259	301	1,402	203	236
Other liabilities.....	22,541	18,465	3,574	1,232	7,366	6,292	4,075
Total liabilities.....	759,040	600,412	109,694	31,340	224,266	235,113	158,628
Minority interest in consolidated subsidiaries.....	4	2	.....	.....	.....	2	3
Total reserves on loans/securities.....	7,934	6,507	1,445	426	2,412	2,223	1,427
Reserves for bad debts (IRS).....	7,646	6,317	1,444	426	2,352	2,095	1,329
Other reserves on loans.....	122	80	1	.....	9	70	42
Reserves on securities.....	166	110	.....	.....	52	58	57
Total capital accounts.....	59,757	46,170	9,027	2,033	16,100	19,011	13,587
Capital notes and debentures.....	4,200	3,441	787	57	1,680	918	758
Equity capital.....	55,557	42,729	8,240	1,976	14,420	18,093	12,828
Preferred stock.....	61	43	18	.....	11	14	18
Common stock.....	14,257	10,821	2,160	562	3,536	4,562	3,436
Surplus.....	24,033	18,547	3,466	1,135	6,689	7,258	5,485
Undivided profits.....	16,376	12,703	2,592	236	3,932	5,944	3,674
Other capital reserves.....	831	615	4	42	252	316	216
Total liabilities, reserves, minority interest, capital account.....	826,736	653,091	120,166	33,798	242,778	256,349	173,645
Demand deposits adjusted ³	207,767	153,256	23,697	5,353	49,972	74,234	54,511
Selected ratios:							
Percentage of total assets							
Cash and balances with other banks.....	12.0	13.3	19.6	11.8	13.0	10.9	7.0
Total securities held.....	23.0	21.0	12.7	15.7	18.9	27.5	30.3
U.S. Treasury.....	6.6	5.8	3.5	3.4	5.0	7.9	9.5
States and political subdivisions.....	11.6	10.9	6.0	8.2	10.1	14.3	14.0
All other trading account securities.....	4.1	3.4	1.7	2.4	2.6	5.2	6.8
Trading account securities.....	.7	.9	1.5	1.7	1.3	.1	.....
Other loans and Federal funds sold.....	60.9	61.3	61.1	68.3	63.3	58.5	59.6
All other assets.....	4.1	4.5	6.7	4.2	4.8	3.1	3.0
Total loans and securities.....	83.9	82.3	73.7	84.0	82.2	86.1	90.0
Reserves for loans and securities.....	1.0	1.0	1.2	1.3	1.0	.9	.8
Equity capital—Total.....	6.7	6.5	6.9	5.8	5.9	7.1	7.4
Total capital accounts.....	7.2	7.1	7.5	6.0	6.6	7.4	7.8
Number of Banks.....	14,043	5,759	13	9	156	5,581	8,284

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	Agri- cul- tural	For purchasing or carrying securities				To nonbank financial institutions	
				U.S. Treas- ury se- curi- ties	Other se- curi- ties					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.		
<i>Large banks— Total</i>															
1973															
Aug. 8.....	352,536	15,352	12,035	2,587	225	505	259,050	107,961	3,343	1,164	5,291	189	3,008	9,476	16,915
15.....	355,596	15,375	12,019	2,839	233	284	260,493	108,035	3,360	1,482	5,248	188	3,010	9,696	17,032
22.....	350,388	13,354	11,556	1,369	160	269	258,352	107,785	3,352	830	5,002	181	2,971	8,928	17,020
29.....	350,651	13,404	11,781	1,215	131	277	258,797	106,789	3,334	1,311	5,197	181	2,951	8,853	17,019
1974															
July 3.....	394,698	16,313	14,335	1,039	495	444	294,760	125,609	3,807	412	4,447	122	2,698	9,997	21,423
10.....	394,012	16,025	14,201	918	482	424	294,992	125,827	3,810	456	4,001	120	2,685	10,100	21,648
17.....	393,421	14,924	13,040	1,071	402	411	295,943	126,553	3,845	487	3,889	108	2,682	10,232	21,636
24.....	389,989	12,800	10,971	935	406	488	294,573	126,132	3,821	415	4,011	111	2,674	9,845	21,460
31.....	397,771	16,527	13,418	1,881	581	647	297,957	126,151	3,846	1,720	4,699	113	2,687	10,211	21,670
Aug. 7 ^p	397,759	16,646	13,558	1,962	437	689	297,465	126,368	3,846	1,451	4,381	111	2,699	10,205	21,735
14 ^p	395,339	15,466	13,133	1,229	450	674	296,440	126,459	3,836	1,055	4,277	109	2,682	9,986	21,754
21 ^p	393,550	14,686	12,368	1,334	401	583	296,046	126,796	3,865	634	3,786	104	2,675	9,934	21,829
28 ^p	396,635	15,879	12,072	2,599	418	790	297,698	126,690	3,849	2,111	3,908	102	2,689	9,906	21,891
<i>New York City</i>															
1973															
Aug. 8.....	75,245	2,289	2,191	96	.....	2	60,771	31,081	78	1,085	3,011	43	693	2,877	5,688
15.....	76,451	1,878	1,777	54	15	32	61,317	30,958	79	1,367	3,067	44	686	3,077	5,643
22.....	74,051	1,359	1,246	66	.....	47	59,703	30,879	76	727	2,901	43	682	2,672	5,657
29.....	74,329	1,447	1,359	51	.....	37	60,125	30,336	75	1,200	3,103	41	681	2,631	5,678
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
10.....	88,265	1,862	1,793	5	31	33	72,191	37,614	128	393	2,192	23	557	3,523	8,068
17.....	89,006	2,545	2,504	9	.....	32	72,499	37,845	140	410	2,207	23	558	3,586	8,066
24.....	88,023	1,869	1,776	56	.....	37	72,006	37,606	133	354	2,259	28	557	3,348	8,066
31.....	92,098	2,807	2,716	55	.....	36	74,683	37,525	135	1,611	2,949	30	557	3,507	8,140
Aug. 7 ^p	90,799	2,019	1,903	55	.....	61	74,148	37,601	140	1,322	2,724	30	563	3,520	8,246
14 ^p	89,600	1,730	1,558	57	.....	115	73,102	37,625	138	909	2,660	29	556	3,430	8,267
21 ^p	89,434	1,895	1,649	165	1	80	72,525	37,682	137	567	2,223	24	557	3,415	8,292
28 ^p	91,238	1,894	1,607	208	.....	79	74,440	37,787	132	2,016	2,414	24	566	3,346	8,372
<i>Outside New York City</i>															
1973															
Aug. 8.....	277,291	13,063	9,844	2,491	225	503	198,279	76,880	3,265	79	2,280	146	2,315	6,599	11,227
15.....	279,145	13,497	10,242	2,785	218	252	199,176	77,077	3,281	115	2,181	144	2,324	6,619	11,389
22.....	276,337	11,995	10,310	1,303	160	222	198,649	76,906	3,276	103	2,101	138	2,289	6,256	11,363
29.....	276,322	11,957	10,422	1,164	131	240	198,672	76,453	3,259	111	2,094	140	2,270	6,222	11,341
1974															
July 3.....	305,633	14,044	12,103	1,031	495	415	222,418	88,022	3,671	86	1,861	99	2,138	6,490	13,490
10.....	305,747	14,163	12,408	913	451	391	222,801	88,213	3,682	63	1,809	97	2,128	6,577	13,580
17.....	304,415	12,379	10,536	1,062	402	379	223,444	88,708	3,705	77	1,682	85	2,124	6,646	13,570
24.....	301,966	10,931	9,195	879	406	451	222,567	88,526	3,688	61	1,752	83	2,117	6,497	13,394
31.....	305,673	13,720	10,702	1,826	581	611	223,274	88,626	3,711	109	1,750	83	2,130	6,704	13,530
Aug. 7 ^p	306,960	14,627	11,655	1,907	437	628	223,317	88,767	3,706	129	1,657	81	2,136	6,685	13,489
14 ^p	305,739	13,736	11,555	1,172	450	559	223,338	88,834	3,698	146	1,617	80	2,126	6,556	13,487
21 ^p	304,116	12,791	10,719	1,169	400	503	223,521	89,114	3,728	67	1,563	80	2,118	6,519	13,537
28 ^p	305,397	13,985	10,465	2,391	418	711	223,258	88,903	3,717	95	1,494	78	2,123	6,560	13,519

For notes see p. A-24.

ASSETS AND LIABILITIES OF LARGE COMMERCIAL BANKS—Continued

(In millions of dollars)

Loans (cont.)						Investments						Wednesday
Other (cont.)						U.S. Treasury securities						
Real estate	To commercial banks		Consumer installment	Foreign govts. ²	All other	Total	Bills	Certificates	Notes and bonds maturing—			
	Domestic	Foreign							Within 1 yr.	1 to 5 yrs.	After 5 yrs.	
Large banks—Total												
1973												
51,250	3,212	5,055	31,149	1,257	19,780	22,149	2,902	.....	4,094	12,548	2,605	Aug. 8
51,613	3,206	5,017	31,265	1,254	20,087	23,016	4,116	.....	3,858	12,352	2,690	15
51,840	3,356	4,854	31,386	1,236	19,611	22,462	3,753	.....	3,854	12,211	2,644	22
52,037	3,587	4,966	31,526	1,254	19,792	22,098	3,506	.....	3,835	12,134	2,623	29
1974												
58,317	4,043	6,645	34,069	2,040	21,131	20,872	1,749	.....	3,590	11,722	3,811	July 3
58,420	4,099	6,973	34,091	2,117	20,645	20,353	1,485	.....	3,451	11,604	3,813	10
58,605	4,184	6,848	34,143	2,022	20,709	20,186	1,469	.....	3,423	11,539	3,755	17
58,728	4,097	6,859	34,218	1,837	20,365	19,944	1,306	.....	3,436	11,437	3,765	24
58,908	3,983	6,979	34,345	1,868	20,777	20,915	2,047	.....	3,558	11,561	3,749	31
58,886	3,924	6,877	34,419	2,075	20,488	21,284	2,458	.....	3,538	11,519	3,769	Aug. 7 ^p
59,154	3,900	6,725	34,468	1,875	20,160	21,429	2,545	.....	3,644	11,447	3,793	14 ^p
59,341	3,808	6,808	34,508	1,895	20,063	20,976	2,112	.....	3,415	11,191	4,258	21 ^p
59,378	3,773	6,888	34,609	1,918	19,986	21,304	2,465	.....	3,419	11,097	4,323	28 ^p
New York City												
1973												
5,682	1,163	2,267	2,381	613	4,109	3,460	805	.....	649	1,523	483	Aug. 8
5,767	1,169	2,203	2,393	598	4,266	3,995	1,175	.....	728	1,569	523	15
5,790	1,237	2,035	2,401	599	4,004	4,017	1,274	.....	632	1,587	524	22
5,832	1,279	2,141	2,398	621	4,109	3,856	1,100	.....	618	1,633	505	29
1974												
6,879	1,663	3,100	2,452	793	4,797	3,506	13	.....	378	1,857	1,258	July 3
6,913	1,659	3,279	2,449	788	4,605	3,288	75	.....	227	1,726	1,260	10
6,965	1,700	3,156	2,456	823	4,564	3,204	58	.....	250	1,690	1,206	17
7,003	1,647	3,100	2,468	810	4,627	3,096	84	.....	205	1,591	1,216	24
7,053	1,626	3,257	2,486	811	4,996	3,770	369	.....	426	1,767	1,208	31
7,073	1,581	3,172	2,499	933	4,744	3,823	446	.....	419	1,736	1,222	Aug. 7 ^p
7,125	1,630	2,993	2,512	870	4,358	4,093	644	.....	473	1,754	1,222	14 ^p
7,186	1,571	3,078	2,536	860	4,397	4,291	400	.....	402	1,912	1,577	21 ^p
7,213	1,586	3,186	2,555	885	4,358	4,264	364	.....	356	1,895	1,649	28 ^p
Outside New York City												
1973												
45,568	2,049	2,788	28,768	644	15,671	18,689	2,097	.....	3,445	11,025	2,122	Aug. 8
45,846	2,037	2,814	28,872	656	15,821	19,021	2,941	.....	3,130	10,783	2,167	15
46,050	2,119	2,819	28,985	637	15,607	18,445	2,479	.....	3,222	10,624	2,120	22
46,205	2,308	2,825	29,128	633	15,683	18,242	2,406	.....	3,217	10,501	2,118	29
1974												
51,438	2,380	3,545	31,617	1,247	16,334	17,366	1,736	.....	3,212	9,865	2,553	July 3
51,507	2,440	3,694	31,642	1,329	16,040	17,065	1,410	.....	3,224	9,878	2,553	10
51,640	2,484	3,692	31,687	1,199	16,145	16,982	1,411	.....	3,173	9,849	2,549	17
51,725	2,450	3,759	31,750	1,027	15,738	16,848	1,222	.....	3,231	9,846	2,549	24
51,855	2,357	3,722	31,859	1,057	15,781	17,145	1,678	.....	3,132	9,794	2,541	31
51,813	2,343	3,705	31,920	1,142	15,744	17,461	2,012	.....	3,119	9,783	2,547	Aug. 7 ^p
52,029	2,270	3,732	31,956	1,005	15,802	17,336	1,901	.....	3,171	9,693	2,571	14 ^p
52,155	2,237	3,730	31,972	1,035	15,666	16,685	1,712	.....	3,013	9,279	2,681	21 ^p
52,165	2,187	3,702	32,054	1,033	15,628	17,040	2,101	.....	3,063	9,202	2,674	28 ^p

For notes see p. A-24.

ASSETS AND LIABILITIES OF LARGE COMMERCIAL BANKS—Continued

(In millions of dollars)

Wednesday		Investments (cont.)					Cash items in process of collection	Re-serves with F.R. Banks	Cur-rency 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
		Other securities											
		Total	Obligations of States and political subdivisions		Other bonds, corp. stocks, and securities								
			Tax war-rants ³	All other	Certif. of partici-pation ⁴	All other ⁵							
Large banks— Total													
1973													
Aug.	8.....	55,985	7,944	38,022	1,958	8,061	27,508	18,452	3,954	10,423	1,308	20,774	434,955
	15.....	56,712	8,103	38,456	1,924	8,229	30,343	20,707	4,085	9,982	1,307	21,162	443,182
	22.....	56,220	7,781	38,329	1,948	8,162	26,723	21,592	4,184	10,220	1,310	20,182	434,599
	29.....	56,352	7,718	38,163	2,015	8,456	26,192	21,277	4,395	8,842	1,308	20,923	433,588
1974													
July	3.....	62,753	7,255	41,206	2,512	11,780	36,811	23,874	3,911	10,045	1,609	26,452	497,400
	10.....	62,642	7,048	41,436	2,386	11,772	31,247	23,899	4,558	10,050	1,607	26,504	491,877
	17.....	62,368	6,968	41,355	2,378	11,667	33,181	25,660	4,516	11,157	1,602	26,104	495,641
	24.....	62,672	7,060	41,421	2,420	11,771	31,874	26,683	4,592	10,257	1,573	26,875	491,843
	31.....	62,372	6,978	41,145	2,494	11,755	35,190	20,314	4,490	11,470	1,594	28,795	499,624
Aug.	7 ^p	62,364	6,874	41,354	2,516	11,620	29,836	23,040	4,143	10,020	1,596	28,514	494,908
	14 ^p	62,004	6,770	41,152	2,542	11,540	31,066	23,656	4,474	9,909	1,598	28,341	494,383
	21 ^p	61,842	6,562	41,192	2,539	11,549	29,080	24,950	4,502	9,654	1,610	27,587	490,933
	28 ^p	61,754	6,514	41,041	2,491	11,708	30,645	21,134	4,643	10,385	1,614	28,296	493,352
New York City													
1973													
Aug.	8.....	8,725	2,173	4,574	605	1,373	9,568	5,185	486	4,972	624	6,819	102,899
	15.....	9,261	2,359	4,876	570	1,456	8,999	5,428	498	4,609	625	7,389	103,999
	22.....	8,972	2,243	4,793	575	1,361	8,317	6,585	488	5,076	627	6,770	101,914
	29.....	8,901	2,202	4,619	624	1,456	8,698	5,867	511	4,011	625	7,039	101,080
1974													
July	3.....	10,948	2,246	5,844	631	2,227	12,100	6,816	457	4,178	726	8,202	121,544
	10.....	10,924	2,155	5,911	546	2,312	10,166	7,846	523	3,881	710	8,473	119,864
	17.....	10,758	2,128	5,844	543	2,243	10,879	7,366	508	5,064	711	8,373	121,907
	24.....	11,052	2,354	5,892	545	2,261	12,787	8,322	504	4,715	710	8,876	123,937
	31.....	10,838	2,272	5,743	551	2,272	13,547	6,433	506	5,522	710	9,506	128,322
Aug.	7 ^p	10,809	2,183	5,874	544	2,208	10,133	7,823	490	4,267	710	9,171	123,393
	14 ^p	10,675	2,143	5,762	546	2,224	10,294	7,288	499	4,346	715	9,479	122,221
	21 ^p	10,723	2,059	5,900	547	2,217	9,037	7,877	483	3,994	723	8,900	120,448
	28 ^p	10,640	2,055	5,766	540	2,279	10,861	5,540	508	4,573	728	8,994	122,442
Outside New York City													
1973													
Aug.	8.....	47,260	5,771	33,448	1,353	6,688	17,940	13,267	3,468	5,451	684	13,955	332,056
	15.....	47,451	5,744	33,580	1,354	6,773	21,344	15,279	3,587	5,373	682	13,773	339,183
	22.....	47,248	5,538	33,536	1,373	6,801	18,406	15,007	3,696	5,144	683	13,412	332,685
	29.....	47,451	5,516	33,544	1,391	7,000	17,494	15,410	3,884	4,831	683	13,884	332,508
1974													
July	3.....	51,805	5,009	35,362	1,881	9,553	24,711	17,058	3,454	5,867	883	18,250	375,856
	10.....	51,718	4,893	35,525	1,840	9,460	21,081	16,053	4,035	6,169	897	18,031	372,013
	17.....	51,610	4,840	35,511	1,835	9,424	22,302	18,294	4,008	6,093	891	17,731	373,734
	24.....	51,620	4,706	35,529	1,875	9,510	19,087	18,361	4,088	5,542	863	17,999	367,906
	31.....	51,534	4,706	35,402	1,943	9,483	21,643	13,881	3,984	5,948	884	19,289	371,302
Aug.	7 ^p	51,555	4,691	35,480	1,972	9,412	19,703	15,217	3,653	5,753	886	19,343	371,515
	14 ^p	51,329	4,627	35,390	1,996	9,316	20,772	16,368	3,975	5,563	883	18,862	372,162
	21 ^p	51,119	4,503	35,292	1,992	9,332	20,043	17,073	4,019	5,660	887	18,687	370,485
	28 ^p	51,114	4,459	35,275	1,951	9,429	19,784	15,594	4,135	5,812	886	19,302	370,910

For notes see page A-24.

ASSETS AND LIABILITIES OF LARGE COMMERCIAL BANKS—Continued

(In millions of dollars)

Deposits															Wednesday
Demand									Time and savings						
Total	IPC	States and political subdivisions	U.S. Govt.	Domestic interbank		Foreign		Certified and officers' checks	Total ⁶	IPC		States and political subdivisions	Domestic interbank	Foreign govts. ²	
				Commercial	Mutual sav-ings	Govts., etc. ²	Commercial banks			Savings	Other				
Large banks—Total															
1973															
147,749	105,996	6,060	1,404	22,495	874	857	3,761	6,302	187,307	57,123	94,414	22,193	4,954	8,118	Aug. 8
154,097	112,537	6,717	2,222	21,482	824	845	3,534	5,936	188,824	56,809	96,021	22,208	5,256	8,060	15
144,370	106,340	5,676	1,820	19,723	792	820	3,556	5,643	190,039	56,612	96,909	22,544	5,434	8,102	22
143,546	105,787	5,697	1,816	19,072	728	893	3,422	6,131	190,776	56,286	97,902	22,679	5,466	8,036	29
1974															
164,141	114,623	6,409	5,501	23,426	935	1,246	4,970	7,031	211,533	58,115	112,245	24,232	7,076	8,933	July 3
157,407	112,969	5,972	2,546	22,380	859	1,193	5,469	6,019	211,532	58,064	112,010	24,404	7,047	9,016	10
158,189	114,378	5,893	1,686	22,355	745	1,269	5,143	6,720	213,583	57,989	113,649	24,415	7,389	9,001	17
153,933	111,755	5,667	1,740	20,734	637	1,104	5,088	7,208	215,440	57,855	114,851	24,577	7,530	9,402	24
161,787	115,110	6,273	1,831	23,117	733	1,875	5,431	7,417	216,294	57,615	115,729	24,451	7,338	9,898	31
152,368	109,934	5,793	1,408	21,389	712	1,378	5,358	6,396	217,093	57,553	116,449	24,311	7,198	10,115	Aug. 7 ^p
153,828	113,213	5,960	1,143	20,692	651	1,116	5,247	5,806	217,998	57,420	117,368	24,249	7,196	10,220	14 ^p
150,969	110,239	5,555	2,847	20,471	582	1,171	4,824	5,280	218,809	57,280	118,024	24,316	7,265	10,313	21 ^p
153,790	112,184	5,591	1,830	21,332	615	1,267	4,746	6,225	219,251	57,120	118,763	24,255	7,144	10,280	28 ^p
New York City															
1973															
40,932	22,139	441	128	11,588	479	675	2,758	2,724	34,725	5,119	20,239	2,027	3,280	3,991	Aug. 8
41,860	24,665	570	466	10,350	429	678	2,553	2,149	35,043	5,075	20,335	2,128	3,466	3,978	15
38,418	22,545	401	230	9,418	448	657	2,543	2,176	34,817	5,036	19,945	2,222	3,511	4,044	22
38,341	22,452	327	295	8,933	383	728	2,409	2,814	35,150	4,991	20,405	2,148	3,517	4,037	29
1974															
45,638	24,872	410	923	11,098	558	1,042	3,695	3,040	42,581	5,067	25,314	1,906	4,663	5,151	July 3
43,744	24,223	349	470	10,773	492	971	4,081	2,385	42,687	5,062	25,078	1,970	4,705	5,345	10
44,487	24,449	297	176	11,318	399	1,048	3,864	2,936	43,413	5,056	25,420	2,106	4,926	5,317	17
45,433	25,370	347	229	10,563	343	908	3,802	3,871	44,401	5,039	25,945	2,087	4,947	5,714	24
48,889	26,215	461	369	11,816	399	1,645	4,149	3,835	44,686	5,006	26,091	2,069	4,667	6,155	31
42,875	23,601	305	138	10,657	363	1,121	3,949	2,741	45,012	4,991	26,421	1,983	4,481	6,213	Aug. 7 ^p
42,537	24,558	440	125	9,794	337	896	3,977	2,410	45,448	4,986	26,950	1,888	4,412	6,221	14 ^p
40,818	23,471	314	562	9,649	292	880	3,570	2,080	45,500	4,968	26,953	1,939	4,392	6,244	21 ^p
44,151	25,167	297	345	10,498	321	994	3,506	3,023	45,751	4,935	27,563	1,840	4,266	6,128	28 ^p
Outside New York City															
1973															
106,817	83,857	5,619	1,276	10,907	395	182	1,003	3,578	152,582	52,004	74,175	20,166	1,674	4,127	Aug. 8
112,237	87,872	6,147	1,756	11,132	395	167	981	3,787	153,781	51,734	75,686	20,080	1,790	4,082	15
105,952	83,795	5,275	1,590	10,305	344	163	1,013	3,467	155,222	51,576	76,964	20,322	1,923	4,058	22
105,205	83,335	5,370	1,521	10,139	345	165	1,013	3,317	155,626	51,295	77,497	20,531	1,949	3,999	29
1974															
118,503	89,751	5,999	4,578	12,328	377	204	1,275	3,991	168,952	53,048	86,931	22,326	2,413	3,782	July 3
113,663	88,746	5,623	2,076	11,607	367	222	1,388	3,634	168,845	53,002	86,932	22,434	2,342	3,671	10
113,702	89,929	5,596	1,510	11,037	346	221	1,279	3,784	170,170	52,933	88,229	22,309	2,463	3,684	17
108,500	86,385	5,320	1,511	10,171	294	196	1,286	3,337	171,039	52,816	88,906	22,490	2,583	3,687	24
112,898	88,895	5,812	1,462	11,301	334	230	1,282	3,582	171,608	52,609	89,638	22,382	2,671	3,743	31
109,493	86,333	5,488	1,270	10,732	349	257	1,409	3,655	172,081	52,562	90,028	22,328	2,717	3,902	Aug. 7 ^p
111,291	88,655	5,520	1,018	10,898	314	220	1,270	3,396	172,550	52,434	90,418	22,361	2,784	3,999	14 ^p
110,151	86,768	5,241	2,285	10,822	290	291	1,254	3,200	173,309	52,312	91,071	22,377	2,873	4,069	21 ^p
109,639	87,017	5,294	1,485	10,834	294	273	1,240	3,202	173,500	52,185	91,200	22,415	2,878	4,152	28 ^p

For notes see p. A-24.

ASSETS AND LIABILITIES OF LARGE COMMERCIAL BANKS—Continued

(In millions of dollars)

Wednesday		Federal funds purchased, etc. ⁷	Borrowings from—		Other liabilities, etc. ⁸	Reserves for—		Total capital accounts	Memoranda						
			F.R. Banks	Others		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			Gross liabilities of banks to their foreign branches
												Total	Issued to IPC's	Issued to others	
Large banks—Total															
1973															
Aug.	8.....	40,418	826	4,556	18,624	4,533	65	30,877	259,155	337,289	96,342	66,313	45,099	21,214	2,276
	15.....	39,747	1,959	4,715	18,426	4,533	65	30,816	260,643	340,371	100,050	67,927	46,389	21,538	1,900
	22.....	38,374	2,282	5,286	18,858	4,536	65	30,789	256,794	335,476	96,104	68,851	47,054	21,797	2,440
	29.....	36,735	2,546	5,745	18,840	4,554	65	30,781	256,833	335,283	96,466	69,696	48,023	21,673	2,802
1974															
July	3.....	53,465	2,361	6,100	21,447	5,040	62	33,251	292,695	376,320	98,403	80,848	56,267	24,581	3,177
	10.....	55,108	1,745	6,086	21,669	5,033	62	33,235	292,717	375,712	101,234	81,129	56,229	24,900	2,804
	17.....	52,608	3,417	6,119	23,522	5,035	62	33,106	293,643	376,197	100,967	82,973	57,613	25,360	4,583
	24.....	49,449	4,780	6,137	23,909	5,030	62	33,103	292,305	394,921	99,585	84,791	58,664	26,127	4,711
	31.....	50,283	2,781	5,869	24,082	5,068	62	33,398	297,083	380,370	101,649	85,495	59,197	26,298	3,314
Aug.	7 ^p	54,516	2,286	6,112	24,019	5,066	62	33,386	296,629	380,277	99,735	85,969	59,710	26,259	3,499
	14.....	52,459	2,268	6,010	23,333	5,069	62	33,356	294,893	378,326	100,927	86,850	60,623	26,227	2,910
	21 ^p	50,284	2,375	5,923	24,145	5,074	62	33,292	294,556	377,374	98,571	87,813	61,071	26,742	3,687
	28 ^p	49,026	2,632	5,854	24,373	5,082	62	33,282	297,732	380,790	99,983	88,276	71,552	26,724	3,297
New York City															
1973															
Aug.	8.....	8,954	15	2,057	7,114	1,294	.....	7,808	59,706	71,891	19,648	21,064	13,881	7,183	1,701
	15.....	8,925	265	2,041	6,771	1,293	.....	7,801	60,249	73,505	22,035	21,406	13,933	7,473	1,329
	22.....	9,303	837	2,456	7,008	1,296	.....	7,779	58,579	71,568	20,453	21,196	13,610	7,586	1,779
	29.....	8,396	527	2,606	7,024	1,302	.....	7,734	58,934	71,691	20,415	21,589	14,084	7,505	2,327
1974															
July	3.....	12,862	100	2,413	7,894	1,377	.....	8,679	70,716	85,170	21,517	26,980	17,927	9,053	1,919
	10.....	13,206	.....	2,355	7,824	1,375	.....	8,673	70,601	84,813	22,335	27,116	17,774	9,342	1,574
	17.....	11,664	890	2,402	9,024	1,375	.....	8,652	70,840	84,802	22,114	27,827	18,078	9,749	2,730
	24.....	11,300	861	2,374	9,540	1,374	.....	8,654	70,452	84,600	21,854	28,672	18,557	10,115	3,656
	31.....	12,780	150	2,130	9,560	1,391	.....	8,736	73,148	87,756	23,157	28,723	18,520	10,203	2,422
Aug.	7 ^p	14,085	.....	2,098	9,184	1,390	.....	8,749	72,683	87,315	21,947	28,767	18,836	9,931	2,305
	14 ^p	13,230	130	2,119	8,618	1,392	.....	8,747	71,644	86,412	22,324	29,146	19,406	9,740	1,798
	21 ^p	12,375	.....	2,076	9,579	1,389	.....	8,711	71,200	86,214	21,570	29,333	19,332	10,001	2,639
	28 ^p	11,007	.....	2,163	9,277	1,399	.....	8,694	73,141	88,045	22,447	29,519	19,711	9,808	2,131
Outside New York City															
1973															
Aug.	8.....	31,464	811	2,499	11,510	3,239	65	23,069	199,449	265,398	76,694	45,249	31,218	14,031	575
	15.....	30,822	1,694	2,674	11,655	3,240	65	23,015	200,394	266,866	78,005	46,521	32,456	14,065	571
	22.....	29,071	1,445	2,830	11,850	3,240	65	23,010	198,215	263,908	75,651	47,655	33,444	14,211	661
	29.....	28,339	2,019	3,139	11,816	3,252	65	23,047	197,899	263,592	76,051	48,107	33,939	14,168	475
1974															
July	3.....	40,603	2,261	3,687	13,553	3,663	62	24,572	221,979	291,150	76,886	53,868	38,340	15,528	1,258
	10.....	41,902	1,745	3,731	13,845	3,658	62	24,562	222,116	290,899	78,899	54,013	38,455	15,558	1,230
	17.....	40,944	2,527	3,717	14,498	3,660	62	24,454	222,803	291,395	78,853	55,146	39,535	15,611	1,853
	24.....	38,149	3,919	3,763	14,369	3,656	62	24,449	221,853	290,321	77,731	56,119	40,107	16,012	1,055
	31.....	37,503	2,631	3,739	14,522	3,677	62	24,662	223,935	292,614	78,492	56,772	40,677	16,095	892
Aug.	7 ^p	40,431	2,286	4,014	14,835	3,676	62	24,637	223,946	292,962	77,788	57,202	40,874	16,328	1,194
	14 ^p	39,229	2,138	3,891	14,715	3,677	62	24,609	223,249	291,914	78,603	57,704	41,217	16,487	1,112
	21 ^p	37,909	2,375	3,847	14,566	3,685	62	24,581	223,256	291,160	77,001	58,480	41,739	16,741	1,048
	28 ^p	38,019	2,632	3,691	15,096	3,683	62	24,588	224,591	292,745	77,536	58,757	41,841	16,916	1,166

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.

COMMERCIAL AND INDUSTRIAL LOANS OF LARGE COMMERCIAL BANKS

(In millions of dollars)

Industry	Outstanding					Net change during—								
	1974					1974			1974		1973	1974	1973	
	Aug. 28	Aug. 21	Aug. 14	Aug. 7	July 31	Aug.	July	June	II	I	IV	1st half	2nd half	
Durable goods manufacturing:														
Primary metals.....	1,869	1,898	1,908	1,878	1,867	2	2	-29	-23	79	-247	56	-229	
Machinery.....	8,575	8,672	8,645	8,544	8,503	72	-16	363	779	1,069	136	1,848	615	
Transportation equipment.....	3,357	3,323	3,259	3,253	3,195	162	88	110	229	358	90	587	362	
Other fabricated metal products...	2,998	2,978	2,994	2,981	2,942	56	107	59	235	267	15	502	71	
Other durable goods.....	4,983	4,946	4,946	4,883	4,797	186	185	160	560	349	-363	909	-73	
Nondurable goods manufacturing:														
Food, liquor, and tobacco.....	4,187	4,196	4,109	4,064	4,034	153	97	-122	-344	124	340	-220	733	
Textiles, apparel, and leather.....	4,341	4,327	4,311	4,273	4,096	245	-31	215	338	570	-440	908	-205	
Petroleum refining.....	1,745	1,810	1,815	1,787	1,832	-87	549	-212	68	-176	184	-108	203	
Chemicals and rubber.....	3,301	3,298	3,299	3,309	3,199	102	73	120	355	255	-198	610	-150	
Other nondurable goods.....	2,583	2,587	2,561	2,540	2,514	69	31	120	222	116	-65	338	91	
Mining, including crude petroleum and natural gas.....	4,435	4,390	4,376	4,403	4,382	53	192	23	74	312	-233	386	-156	
Trade: Commodity dealers.....	1,462	1,451	1,436	1,476	1,490	-28	-79	-88	-630	357	630	-273	588	
Other wholesale.....	6,332	6,370	6,384	6,406	6,385	-53	135	133	364	471	151	835	194	
Retail.....	7,027	7,189	7,123	7,125	7,252	-225	83	123	556	540	-184	1,096	-19	
Transportation.....	6,072	6,036	6,104	6,012	6,032	40	-71	-31	34	105	14	139	80	
Communication.....	2,393	2,373	2,400	2,416	2,425	-32	-76	-29	326	149	-78	475	-91	
Other public utilities.....	7,617	7,598	7,509	7,645	7,670	-53	749	548	1,335	-291	596	1,044	1,330	
Construction.....	6,447	6,389	6,371	6,323	6,313	134	103	169	623	34	-200	657	11	
Services.....	11,778	11,795	11,772	11,793	11,689	89	41	107	404	188	565	592	927	
All other domestic loans.....	9,624	9,439	9,345	9,469	9,579	45	187	398	580	541	302	1,121	682	
Bankers' acceptances.....	1,324	1,320	1,326	1,270	1,490	-166	-227	301	381	62	199	443	-123	
Foreign commercial and industrial loans.....	4,578	4,722	4,799	4,887	4,891	-313	211	202	502	105	23	607	-361	
Total classified loans.....	107,028	107,107	106,792	106,737	106,577	451	2,333	2,640	6,968	5,584	1,237	12,552	4,480	
Total commercial and industrial loans of large commercial banks.	126,690	126,796	126,459	126,368	126,151	539	2,566	2,704	7,600	5,864	1,938	13,464	5,309	

See NOTE to table below.

"TERM" COMMERCIAL AND INDUSTRIAL LOANS OF LARGE COMMERCIAL BANKS

(In millions of dollars)

Industry	Outstanding										Net change during—				
	1974										1974		1973		1974
	Aug. 28	July 31	June 26	May 29	Apr. 24	Mar. 27	Feb. 27	Jan. 30	Dec. 26		II	I	IV	III	1st half
Durable goods manufacturing:															
Primary metals.....	1,104	1,116	1,105	1,111	1,083	1,064	1,046	1,092	1,104	41	-40	-203	-21	1	
Machinery.....	3,789	3,572	3,286	3,213	3,145	3,114	3,037	2,950	2,866	172	248	186	39	420	
Transportation equipment.....	1,419	1,373	1,410	1,424	1,423	1,365	1,367	1,324	1,284	45	81	18	77	126	
Other fabricated metal products.....	1,000	996	954	960	934	911	911	938	894	43	17	23	2	60	
Other durable goods.....	2,197	2,169	2,107	2,012	1,972	1,915	1,837	1,737	1,772	192	143	-16	98	335	
Nondurable goods manufacturing:															
Food, liquor, and tobacco.....	1,604	1,604	1,571	1,584	1,533	1,529	1,527	1,514	1,491	42	38	14	84	80	
Textiles, apparel, and leather.....	1,171	1,182	1,128	1,120	1,147	1,089	1,043	1,032	1,003	39	86	-25	59	125	
Petroleum refining.....	1,047	996	963	954	934	945	901	920	933	18	12	13	44	30	
Chemicals and rubber.....	1,788	1,760	1,737	1,686	1,690	1,603	1,569	1,570	1,561	134	42	9	71	176	
Other nondurable goods.....	1,191	1,149	1,171	1,157	1,145	1,139	1,080	1,069	1,082	32	57	-18	37	89	
Mining, including crude petroleum and natural gas.....	3,323	3,197	3,130	3,172	3,284	3,245	3,203	3,153	2,958	-115	287	-32	144	172	
Trade: Commodity dealers.....	166	155	141	144	144	140	129	137	127	1	13	11	-7	14	
Other wholesale.....	1,419	1,446	1,406	1,404	1,335	1,323	1,315	1,265	1,190	83	133	12	112	216	
Retail.....	2,529	2,512	2,428	2,514	2,543	2,480	2,376	2,249	2,206	-52	274	59	141	222	
Transportation.....	4,311	4,352	4,425	4,474	4,414	4,417	4,311	4,327	4,320	8	97	41	-26	105	
Communication.....	1,034	1,030	1,030	1,033	978	966	940	947	860	64	106	2	73	170	
Other public utilities.....	3,664	3,539	3,443	3,356	3,196	3,154	3,245	3,298	3,252	289	-98	416	427	191	
Construction.....	2,218	2,183	2,130	1,984	1,908	1,898	1,940	1,943	1,905	232	-7	-87	96	225	
Services.....	5,300	5,273	5,273	5,263	5,223	5,076	5,004	4,937	5,049	197	27	330	157	224	
All other domestic loans.....	3,073	3,058	3,021	2,945	2,935	2,808	2,384	2,692	2,602	213	206	17	384	419	
Foreign commercial and industrial loans.....	2,500	2,565	2,544	2,396	2,369	2,350	2,321	2,469	2,334	194	16	148	-399	210	
Total loans.....	45,847	45,227	44,403	43,906	43,335	42,531	41,486	41,563	40,793	1,872	1,738	918	1,592	3,610	

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 commercial banks:						
1970—Sept.....	17.0	88.0	51.4	1.4	10.0	167.9
Dec.....	17.3	92.7	53.6	1.3	10.3	175.1
1971—Mar.....	18.3	86.3	54.4	1.4	10.5	170.9
June.....	18.1	89.6	56.2	1.3	10.5	175.8
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—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.....	18.3	112.1	71.2	2.2	11.1	214.9
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—July.....	14.8	61.1	27.3	1.9	6.6	111.7
Aug.....	14.3	59.5	27.3	1.9	6.1	109.1
Sept.....	14.5	60.6	27.2	1.9	6.5	110.8
Oct.....	15.0	61.7	27.3	2.0	6.6	112.5
Nov.....	14.8	62.9	27.5	2.1	6.7	113.9
Dec.....	14.9	66.2	28.0	2.2	6.8	118.1
1974—Jan.....	15.2	63.8	28.4	2.3	6.7	116.5
Feb.....	14.1	62.1	26.9	2.3	6.2	111.5
Mar.....	14.7	61.5	27.6	2.1	6.3	112.1
Apr.....	14.7	62.2	29.6	2.1	6.2	114.7
May.....	14.2	62.3	28.0	2.1	6.1	112.7
June.....	14.1	63.3	28.1	2.0	6.3	113.8
July ^p	14.4	63.6	28.4	2.1	6.5	115.1

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	June 30, 1973	Dec. 31, 1973	Apr. 24, 1974	Class of bank	Dec. 31, 1972	June 30, 1973	Dec. 31, 1973	Apr. 24, 1974
All commercial.....	559	538	507	.....	All member—Cont.				
Insured.....	554	533	503	478	Other large banks ¹	69	63	58	62
National member.....	311	304	288	282	All other member ¹	313	312	294	284
State member.....	71	71	64	64	All nonmember.....	177	163	155	.....
All member.....	381	375	352	346	Insured.....	172	158	152	131
					Noninsured.....	5	5	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 pp. A-16; from the figures for weekly reporting banks as shown on pp. A-20-A-24 (consumer instalment loans); and from the figures in the table at the bottom of p. A-15. But they are included in the figures for "Time deposits" and "Loans" for call dates as shown on pp. A-16-A-19.

LOANS SOLD OUTRIGHT BY COMMERCIAL BANKS

(Amounts outstanding; in millions of dollars)

Date	To own subsidiaries, foreign branches, holding companies, and other affiliates			To all others except banks		
	Total	By type of loan		Total	By type of loan	
		Commercial and industrial	All other		Commercial and industrial	All other
1974—May 1.....	5,399	3,020	2,379	1,471	379	1,092
8.....	5,536	3,069	2,467	1,475	375	1,100
15.....	5,442	3,039	2,403	1,457	358	1,099
22.....	5,567	3,084	2,483	1,455	357	1,098
29.....	5,653	3,112	2,541	1,442	359	1,083
June 5.....	5,648	2,986	2,662	1,469	384	1,085
12.....	5,493	2,999	2,494	1,446	374	1,072
19.....	5,380	2,888	2,492	1,450	391	1,059
26.....	5,372	2,943	2,429	1,429	382	1,047
July 3.....	5,460	2,947	2,513	1,479	439	1,040
10.....	5,491	2,949	2,542	1,436	396	1,040
17.....	5,501	2,973	2,528	1,420	381	1,039
24.....	5,572	3,050	2,522	1,428	389	1,039
31.....	5,411	2,905	2,506	1,481	440	1,041
Aug. 7.....	5,419	2,846	2,573	1,422	401	1,021
14.....	5,502	2,882	2,620	1,413	408	1,005
21.....	5,438	2,834	2,604	1,432	434	998
28.....	5,310	2,946	2,364	1,477	497	980

NOTE.—Amounts sold under repurchase agreement are excluded. Figures include small amounts sold by banks other than large weekly reporting banks.

COMMERCIAL AND FINANCE COMPANY PAPER AND BANKERS ACCEPTANCES OUTSTANDING

(In millions of dollars)

End of period	Commercial and finance company paper				Dollar acceptances										
	Total	Placed through dealers		Placed directly		Total	Held by—						Based on—		
		Bank related	Other ¹	Bank related	Other ²		Accepting banks			F.R. Banks		Others	Imports into United States	Exports from United States	All other
							Total	Own bills	Bills bought	Own acct.	Foreign corr.				
1965.....	9,300	.....	1,903	.....	7,397	3,392	1,223	1,094	129	187	144	1,837	792	974	1,626
1966.....	13,645	.....	3,089	.....	10,556	3,603	1,198	983	215	193	191	2,022	997	829	1,778
1967.....	17,085	.....	4,901	.....	12,184	4,317	1,906	1,447	459	164	156	2,090	1,086	989	2,241
1968.....	21,173	.....	7,201	.....	13,972	4,428	1,544	1,344	200	58	109	2,717	1,423	952	2,053
1969.....	32,600	1,216	10,601	3,078	17,705	5,451	1,567	1,318	249	64	146	3,674	1,889	1,153	2,408
1970.....	33,071	409	12,262	1,940	18,460	7,058	2,694	1,960	735	57	250	4,057	2,601	1,561	2,895
1971.....	32,126	495	10,923	1,478	19,230	7,889	3,480	2,689	791	261	254	3,894	2,834	1,546	3,509
1972.....	34,721	930	11,242	1,707	20,842	6,898	2,706	2,006	700	106	179	3,907	2,531	1,909	2,458
1973—July.....	35,463	1,207	7,954	3,307	22,995	7,693	2,254	1,803	452	132	496	4,810	2,222	2,954	2,517
Aug.....	37,149	1,350	7,676	3,758	24,365	7,734	1,968	1,598	370	84	522	5,159	2,268	2,945	2,520
Sept.....	37,641	1,353	8,845	3,878	23,565	8,170	2,099	1,629	470	145	548	5,379	2,296	3,289	2,585
Oct.....	41,602	1,319	11,727	3,549	25,007	8,237	2,042	1,731	311	107	589	5,499	2,345	3,222	2,670
Nov.....	42,945	1,317	12,824	3,655	25,149	8,493	2,566	2,129	437	71	604	5,252	2,320	3,340	2,833
Dec.....	41,073	1,311	11,751	3,570	24,441	8,892	2,837	2,318	519	68	581	5,406	2,273	3,499	3,120
1974—Jan.....	45,491	1,429	13,990	4,072	26,000	9,101	2,706	2,251	454	68	589	5,738	2,334	3,492	3,275
Feb.....	47,164	1,449	15,897	4,080	25,738	9,364	2,854	2,328	525	69	592	5,850	2,434	3,182	3,748
Mar.....	44,690	1,508	13,520	4,537	25,125	10,166	2,986	2,413	573	296	684	6,200	2,827	2,979	4,361
Apr.....	44,677	1,664	13,327	5,170	24,516	10,692	3,232	2,744	488	216	700	6,544	2,900	2,833	4,959
May.....	46,171	1,807	13,631	5,277	25,456	11,727	3,089	2,642	447	373	732	7,532	2,952	2,899	5,876
June.....	44,846	1,635	13,249	5,317	24,645	13,174	3,535	3,066	469	304	795	8,540	3,287	3,219	6,668
July.....	45,193	1,553	13,636	5,497	24,507	15,686	3,499	2,983	516	218	1,023	10,947	3,589	3,774	8,323

¹ As reported by dealers; includes finance company paper as well as other commercial paper sold in the open market.

² As reported by finance companies that place their paper directly with investors.

NOTE.—Back data available from Financial Statistics Division, Federal Reserve Bank of New York.

PRIME RATE CHARGED BY BANKS

(Per cent per annum)

Effective date	Rate	Effective date	Rate	Effective date	Rate	Effective date	Rate
1973—June 8.....	7½■	1974—Jan. 7.....	9½-9¾■	1974—Apr. 11.....	9¾-9¾/10-	1974—June 3.....	11½■-11¾/10-
19.....	7½■-7¾	14.....	9½-9¾■	15.....	10■-10½/10-	7.....	11¼-11½■
25.....	7¾■	29.....	9½-9¾■	19.....	10½/10-	10.....	11½■
July 2.....	7¾■-8	Feb. 11.....	9-9¼■9¾/10	23.....	10½■-10¾/10	21.....	11½-11½■
3.....	7¾■-8■	19.....	9■-9¼■	24.....	10¾■	24.....	11½■-11¾■
9.....	8-8¼■	25.....	8¾/10-8¾■-9	25.....	10¾-10¾/10-	25.....	11½■-11¾-
17.....	8¼■-8½■	26.....	8¾/10-8¾■	26.....	10¾/10-	26.....	11½-11¾■
18.....	8¼■-8½■	Mar. 4.....	8½-8¾/10-	26.....	10¾■-10¾/10-	28.....	11¾■-11¾/10
23.....	8½■	5.....	8½-8¾/10-	30.....	10¾■-11	July 3.....	11¾■-11¾/10-
30.....	8½-8¾■	19.....	8¾■-8¾/10	30.....	10¾■-11	5.....	11¾/10-12■
Aug. 6.....	8¾-9■	21.....	8¾■-8¾/10-9	May 2.....	10½-10¾/10-	9.....	12■-12¼
7.....	9■	22.....	8¾/10-9■	3.....	10¾/10-10¾■	23.....	10¾-12■-
13.....	9-9¼■	26.....	9■	6.....	10¾/10-10¾-	Aug. 20.....	10¾-12■
21.....	9¼■-9½	28.....	9■-9¼	7.....	11■		
22.....	9½■	29.....	9-9¼■-9½	10.....	11-11¼■		
28.....	9½-9¾■	Apr. 2.....	9¼■-9¼/10-	13.....	11¼■-11¾/10		
29.....	9¾■	3.....	9¼-9¼/10-	17.....	11¼-11¾/10		
Sept. 14.....	9¾■-10	4.....	9¼/10-9½■-	20.....	11½■-11¾		
18.....	10■	5.....	9¼/10-9½-				
27.....	9¾-10■	8.....	9¾■-9¾/10-				
Oct. 22.....	9½-9¾-10■		10				
24.....	9½-9¾■-10						

NOTE.—Beginning Nov. 1971, several banks adopted a floating prime rate keyed to money market variables. ■ denotes the predominate prime rate quoted by commercial 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 1974	Feb. 1974	May 1974	Feb. 1974	May 1974	Feb. 1974	May 1974	Feb. 1974	May 1974	Feb. 1974	May 1974	Feb. 1974
Short-term												
35 centers.....	11.15	9.91	10.50	9.86	11.06	10.09	11.41	10.28	11.32	10.06	11.06	9.75
New York City.....	11.08	9.68	10.70	9.93	11.25	10.12	11.54	9.95	11.24	9.78	11.00	9.62
7 Other Northeast.....	11.65	10.28	11.31	10.42	11.69	10.46	12.01	10.71	11.94	10.48	11.40	9.99
8 North Central.....	11.09	9.98	9.59	9.18	10.80	9.98	11.36	10.42	11.37	10.14	11.00	9.82
7 Southeast.....	10.88	9.80	10.43	9.69	10.69	9.81	10.92	10.02	10.93	9.90	10.94	9.60
8 Southwest.....	10.82	9.93	10.32	9.90	10.67	9.98	10.97	10.04	10.84	9.99	10.78	9.82
4 West Coast.....	11.19	9.78	11.01	10.16	11.27	10.08	11.34	10.05	11.30	9.83	11.13	9.68
Revolving credit												
35 centers.....	11.21	9.82	11.00	10.22	11.27	10.09	11.36	10.10	11.32	9.78	11.19	9.79
New York City.....	11.47	9.91	10.76	9.32	11.16	9.60	11.27	9.99	11.31	9.72	11.49	9.92
7 Other Northeast.....	11.35	10.20	11.36	9.82	11.52	10.27	11.36	10.32	11.02	9.65	11.38	10.25
8 North Central.....	11.06	10.00	11.63	11.14	11.37	10.27	11.35	10.17	11.19	10.03	11.00	9.97
7 Southeast.....	10.58	9.96	10.00	9.75	10.17	9.88	10.51	10.09	11.00	9.35	10.52	10.14
8 Southwest.....	11.84	10.34	11.73	10.58	11.28	9.97	11.79	10.32	12.12	10.43	11.79	10.35
4 West Coast.....	11.01	9.58	10.71	10.24	11.37	10.11	11.39	10.04	11.31	9.65	10.93	9.51
Long-term												
35 centers.....	11.41	10.16	10.61	10.74	10.82	10.42	10.92	10.47	11.58	10.24	11.48	10.09
New York City.....	12.64	10.03	10.67	10.82	11.50	10.93	11.90	10.06	12.06	9.95	12.74	10.02
7 Other Northeast.....	11.27	10.48	10.81	10.93	11.03	10.07	11.01	10.19	11.76	10.58	11.26	10.58
8 North Central.....	11.14	10.48	9.49	10.51	10.13	9.69	11.10	10.45	11.66	10.10	11.13	10.57
7 Southeast.....	11.03	10.93	10.19	10.49	9.96	13.59	11.49	12.48	9.96	14.20	11.50	8.90
8 Southwest.....	10.83	9.90	11.51	10.88	11.32	10.23	10.64	10.56	11.36	9.63	10.65	9.79
4 West Coast.....	9.97	9.75	11.31	10.75	11.06	10.21	9.40	10.64	11.34	10.22	9.81	9.55

NOTE.—Beginning Feb. 1971 the Quarterly Survey of Interest Rates on Business Loans was revised. For description of revised series see pp. 468-77 of the June 1971 BULLETIN.

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 ¹	Federal funds rate ³	U.S. Government securities ⁴						
	90-119 days	4- to 6-months				3-month bills ⁵		6-month bills ⁵		9- to 12-month issues		3- to 5-year issues ⁶
						Rate on new issue	Market yield	Rate on new issue	Market yield	1-year bill (market yield) ⁵	Other ⁶	
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
1973—Aug.....	10.26	10.21	8.90	10.18	10.50	8.672	8.67	8.700	8.65	8.32	8.82	7.75
Sept.....	10.31	10.23	8.90	10.19	10.78	8.478	8.29	8.537	8.45	8.07	8.44	7.16
Oct.....	9.14	8.92	7.84	9.07	10.01	7.155	7.22	7.259	7.32	7.17	7.42	6.81
Nov.....	9.11	8.94	7.94	8.73	10.03	7.866	7.83	7.823	7.96	7.40	7.66	6.96
Dec.....	9.28	9.08	8.16	8.94	9.95	7.364	7.45	7.444	7.56	7.01	7.38	6.80
1974—Jan.....	8.86	8.66	7.92	8.72	9.65	7.755	7.77	7.627	7.65	7.01	7.46	6.94
Feb.....	8.00	7.82	7.40	7.83	8.97	7.060	7.12	6.874	6.96	6.51	6.93	6.77
Mar.....	8.64	8.42	7.76	8.43	9.35	7.986	7.96	7.829	7.83	7.34	7.86	7.33
Apr.....	9.92	9.79	8.43	9.61	10.51	8.229	8.33	8.171	8.32	8.08	8.66	7.99
May.....	10.82	10.62	8.94	10.68	11.31	8.430	8.23	8.496	8.40	8.21	8.78	8.24
June.....	11.18	10.96	9.00	10.79	11.93	8.145	7.90	8.232	8.12	8.16	8.71	8.14
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
Week ending—												
1974—May 4.....	10.85	10.73	8.70	10.35	11.17	8.909	8.81	8.796	8.73	8.45	9.10	8.29
11.....	11.00	10.83	8.90	10.70	11.29	9.036	8.60	9.006	8.71	8.46	9.21	8.51
18.....	11.00	10.80	9.00	10.75	11.46	8.023	8.00	8.031	8.12	8.11	8.79	8.20
25.....	10.63	10.38	9.00	10.75	10.95	8.197	7.90	8.440	8.28	7.99	8.39	8.09
June 1.....	10.56	10.31	9.00	10.75	11.54	7.983	8.04	8.205	8.26	8.06	8.46	8.07
8.....	10.78	10.53	9.00	10.75	11.45	8.300	8.05	8.426	8.16	8.15	8.61	8.06
15.....	10.98	10.75	9.00	10.75	11.60	8.260	8.23	8.324	8.32	8.14	8.68	8.06
22.....	11.33	11.10	9.00	10.75	11.85	8.177	7.88	8.175	8.04	8.10	8.66	8.09
29.....	11.65	11.48	9.00	10.90	11.97	7.841	7.45	8.003	7.96	8.24	8.88	8.33
July 6.....	12.00	11.81	9.00	11.31	13.55	7.808	7.53	8.055	8.15	8.38	9.09	8.47
13.....	12.18	11.95	9.00	12.00	13.34	7.892	7.45	8.480	8.05	8.13	9.09	8.60
20.....	12.15	11.95	9.00	12.00	13.04	7.702	7.72	7.876	7.83	7.80	8.67	8.35
27.....	11.73	11.50	9.00	12.00	12.60	7.604	7.43	7.700	7.64	7.81	8.62	8.08
Aug. 3.....	11.43	11.23	9.00	12.00	12.29	7.698	7.84	8.055	8.38	8.38	9.19	8.55
10.....	11.60	11.48	9.00	12.00	12.09	8.505	8.75	8.660	8.82	8.49	9.27	8.59
17.....	11.73	11.63	9.05	12.08	12.02	8.763	8.75	8.719	8.78	8.50	9.33	8.58
24.....	11.95	11.80	9.65	12.16	12.23	8.846	9.29	8.899	9.41	9.25	9.71	8.69
31.....	12.00	11.85	9.65	12.10	11.84	9.908	9.37	9.930	9.61	9.38	9.93	8.69

¹ 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.

² Averages of the most representative daily offering rate published by finance companies, for varying maturities in the 90-179 day range.

³ 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.

⁴ Except for new bill issues, yields are averages computed from daily closing bid prices.

⁵ Bills quoted on bank-discount-rate basis.

⁶ 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	
1973—Aug.....	6.81	5.51	5.26	5.80	8.36	8.22	8.04	7.68	8.53	7.91	8.32	8.06	7.43	3.16	.....
Sept.....	6.42	5.13	4.90	5.41	7.88	7.99	8.06	7.63	8.63	7.89	8.37	8.09	7.38	3.13	7.09	
Oct.....	6.26	5.03	4.76	5.31	7.90	7.94	7.96	7.60	8.41	7.76	8.24	8.04	7.18	3.05	.....
Nov.....	6.31	5.21	5.03	5.46	7.90	7.94	8.02	7.67	8.42	7.81	8.28	8.11	7.40	3.36	.....
Dec.....	6.35	5.14	4.90	5.43	8.00	8.04	8.05	7.68	8.48	7.84	8.28	8.17	7.76	3.70	8.37	
1974—Jan.....	6.56	5.23	5.03	5.49	8.21	8.21	8.15	7.83	8.58	7.97	8.34	8.27	7.60	3.64	.....
Feb.....	6.54	5.25	5.05	5.49	8.12	8.23	8.17	7.85	8.59	8.01	8.27	8.33	7.47	3.81	.....
Mar.....	6.81	5.44	5.20	5.71	8.46	8.44	8.27	8.01	8.65	8.12	8.35	8.44	7.56	3.65	8.96	
Apr.....	7.04	5.76	5.45	6.06	8.99	8.95	8.50	8.25	8.88	8.39	8.51	8.68	7.83	3.86	.....
May.....	7.07	6.09	5.89	6.30	9.24	9.13	8.68	8.37	9.10	8.55	8.73	8.86	8.11	4.00	.....
June.....	7.03	6.17	5.95	6.41	9.38	9.40	8.85	8.47	9.34	8.69	8.89	9.08	8.25	4.02	.....
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	.....
Week ending—																
1974—July 6.....	7.12	6.61	6.20	7.00	.....	9.79	8.99	8.62	9.47	8.85	8.95	9.25	8.22	4.30	.....
13.....	7.23	6.90	6.50	7.25	10.25	10.16	9.04	8.66	9.49	8.90	9.01	9.30	8.29	4.54	.....
20.....	7.24	6.80	6.50	7.15	10.10	10.02	9.10	8.71	9.55	8.95	9.09	9.36	8.43	4.35	.....
27.....	7.12	6.48	6.15	7.00	.....	10.09	9.16	8.77	9.61	9.02	9.16	9.40	8.52	4.29	.....
Aug. 3.....	7.24	6.69	6.40	7.05	10.31	10.28	9.23	8.86	9.67	9.07	9.23	9.48	8.55	4.61	.....
10.....	7.31	6.60	6.25	7.00	9.82	10.15	9.29	8.93	9.70	9.11	9.27	9.57	8.50	4.47	.....
17.....	7.35	6.64	6.30	7.05	10.10	10.02	9.34	8.98	9.74	9.12	9.30	9.67	8.52	4.82	.....
24.....	7.30	6.71	6.35	7.15	10.26	10.28	9.39	9.03	9.78	9.17	9.30	9.77	8.64	5.05	.....
31.....	7.36	6.88	6.60	7.25	9.99	10.26	9.47	9.07	9.86	9.25	9.34	8.97	8.76	5.24	.....
Number of issues ²	12	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 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 Investor Service. (3) Corporate: Rates for "New issue" and "Recently offered" Aaa utility bonds are weekly averages compiled by the Board of Governors of the Federal Reserve System. Rates for seasoned issues are 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 are as of end of period. Preferred stock ratio is based on eight 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 monthly figures. Monthly and weekly data are averages of daily figures unless otherwise noted and are computed as follows: U.S. Govt. bonds, derived from average market yields in table on p. A-30 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, normally conducted 5 days per week for 5½ hours per day, or 27½ hours per week. In recent years shorter days and/or weeks have cut total weekly trading to the following number of hours:

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 (see Dec. 1970 BULLETIN). 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	Cor- porate AAA	Total	Indus- trial	Rail- road	Public utility	Total	Indus- trial	Trans- porta- tion	Utility	Fi- nance		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	17,429	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	
1973—Aug.....	58.71	82.2	61.0	103.80	116.75	33.76	50.14	55.33	61.09	33.48	35.40	68.26	99.23	14,761	1,796	
Sept.....	61.81	86.2	61.3	105.61	118.52	35.49	52.31	56.71	62.25	35.82	36.79	72.23	101.88	17,320	2,055	
Oct.....	63.13	86.9	62.1	109.84	123.42	38.24	53.22	59.26	65.29	39.03	37.47	74.98	107.97	18,387	3,388	
Nov.....	62.71	85.6	62.1	102.03	114.64	39.74	48.30	54.59	60.15	36.31	34.73	67.85	99.91	19,044	3,693	
Dec.....	62.37	86.1	62.9	94.78	106.16	41.48	45.73	50.39	55.12	34.69	33.47	62.49	88.39	19,227	3,553	
1974—Jan.....	60.66	85.2	62.3	96.11	107.18	44.37	48.60	51.39	55.77	36.85	35.89	64.80	95.32	16,506	2,757	
Feb.....	60.83	85.3	62.0	93.45	104.13	41.85	48.13	50.01	54.02	36.26	35.27	62.81	95.11	13,517	2,079	
Mar.....	58.70	83.5	61.3	97.44	108.98	42.57	47.90	52.15	56.80	38.39	35.22	64.47	99.10	14,745	2,123	
Apr.....	57.01	80.2	60.3	92.46	103.66	40.26	44.03	49.21	53.95	35.87	32.59	58.72	93.57	12,109	1,752	
May.....	56.81	77.3	59.7	89.67	101.17	37.04	39.35	47.35	52.53	33.62	30.25	52.85	84.71	12,512	1,725	
June.....	57.11	73.2	59.5	89.79	101.62	37.31	37.46	47.14	52.63	33.76	29.20	51.20	82.88	12,268	1,561	
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	
Week ending—																
1974—Aug. 3.....	55.59	71.3	58.1	79.62	89.68	36.05	35.10	41.71	46.41	30.56	27.13	42.79	77.79	11,092	1,291	
10.....	55.04	72.5	58.1	80.98	91.21	36.86	35.62	42.42	47.19	31.13	27.65	43.34	78.36	13,321	1,488	
17.....	54.76	72.7	58.0	77.39	86.99	36.05	34.88	40.63	45.05	30.07	27.09	41.28	77.11	10,263	1,150	
24.....	55.13	71.5	57.9	73.48	82.54	34.37	33.36	38.56	42.61	28.69	26.45	38.57	73.37	13,286	1,434	
31.....	54.75	69.8	56.3	71.20	80.10	32.61	31.84	37.28	41.26	27.35	25.61	36.39	70.29	14,837	1,668	

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	Margin accts.	Cash accts.	
	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					
1973—July.....	7,299	6,243	1,056	6,010	976	216	64	17	16	1,957	379	1,542		
Aug.....	7,081	6,056	1,025	5,830	949	210	61	16	15	1,952	348	1,462		
Sept.....	6,954	5,949	1,005	5,730	929	204	60	15	16	1,909	379	1,632		
Oct.....	7,093	5,912	1,181	5,690	1,105	203	59	19	17	1,878	419	1,713		
Nov.....	6,774	5,671	1,003	5,460	1,027	197	60	14	16	1,917	464	1,685		
Dec.....	6,382	5,251	1,131	5,050	1,070	189	46	12	15	1,866	454	1,700		
1974—Jan.....	6,343	5,323	1,020	5,130	961	182	45	11	14	1,845	445	1,666		
Feb.....	6,462	5,423	1,039	5,230	977	183	46	10	16	1,843	420	1,604		
Mar.....	6,527	5,519	1,008	5,330	944	180	48	9	16	1,869	425	1,583		
Apr.....	6,567	5,558	1,009	5,370	952	179	44	9	13	1,868	415	1,440		
May.....	6,381	5,361	1,020	5,180	963	172	44	9	13	1,858	395	1,420		
June.....	6,345	5,260	1,085	5,080	.....	172	.....	8	.....	.....	395	1,360
July.....	.....	4,925	.....	4,760	.....	158	.....	7	.....	.....	402	1,391

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
1973—July..	6,010	5.8	8.8	17.7	22.7	25.3	19.7
Aug...	5,830	5.0	8.4	16.4	19.6	24.2	26.4
Sept...	5,730	5.0	13.9	18.9	23.9	23.5	16.8
Oct...	5,690	7.2	10.0	19.9	22.6	22.1	18.2
Nov...	5,460	5.4	6.1	12.0	16.9	19.5	40.1
Dec...	5,050	5.8	7.7	14.4	17.4	20.3	34.2
1974—Jan...	5,130	5.5	8.0	14.2	22.6	25.8	24.0
Feb...	5,230	5.4	7.4	13.3	22.6	28.0	23.1
Mar...	5,330	5.0	7.0	11.4	19.4	30.2	27.1
Apr...	5,370	4.4	6.0	9.9	16.5	26.5	37.0
May...	5,180	4.2	5.1	8.5	13.7	23.3	45.3
June...	5,080	4.0	5.0	7.7	12.6	21.8	49.1
July...	4,760	4.0	4.8	7.9	13.3	22.2	47.9

¹ Note 1 appears at the bottom of p. A-30.

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	
1973—July.....	35.9	46.7	17.4	5,740
Aug.....	35.9	45.6	18.5	5,650
Sept.....	37.4	53.1	9.4	5,740
Oct.....	38.5	46.7	14.8	5,860
Nov.....	37.5	42.2	20.3	5,882
Dec.....	39.4	40.0	20.6	5,935
1974—Jan.....	38.3	42.7	18.0	6,596
Feb.....	39.4	43.3	24.9	6,740
Mar.....	40.0	41.2	18.9	6,784
Apr.....	39.6	42.3	19.4	6,526
May.....	37.8	40.0	22.2	6,544
June.....	40.3	37.4	22.4	6,538
July.....	40.2	36.5	23.2	6,695

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 accounts	Mortgage loan commitments classified by maturity (in months)				
	Mortgage	Other	U.S. Govt.	State and local govt.	Corporate and other ¹							3 or less	3-6	6-9	Over 9	Total
1970.....	57,775	2,255	3,151	197	12,876	1,270	1,471	78,995	71,580	1,690	5,726	619	322	302	688	1,931
1971.....	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—June...	70,637	3,959	3,346	1,125	22,562	1,775	2,273	105,677	95,706	2,650	7,321	1,711	1,020	573	1,378	4,683
July...	71,219	3,819	3,190	1,093	22,683	1,555	2,202	105,761	95,355	3,044	7,362	1,626	906	636	1,367	4,535
Aug...	71,713	3,986	3,037	999	22,777	1,551	2,227	105,789	94,882	3,496	7,411	1,302	840	718	1,315	4,174
Sept...	72,034	4,200	2,945	957	21,799	1,491	2,345	105,771	95,183	3,134	7,453	1,411	762	589	1,197	3,959
Oct...	72,367	4,181	3,007	939	21,276	1,501	2,285	105,557	94,944	3,139	7,474	1,318	771	510	1,096	3,695
Nov...	72,760	4,424	2,948	925	21,150	1,519	2,264	105,991	95,259	3,201	7,530	1,272	685	479	1,079	3,515
Dec...	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—Jan...	73,440	4,161	2,925	936	21,623	1,686	2,312	107,083	96,792	2,665	7,626	1,171	587	439	998	3,196
Feb...	73,647	4,584	2,846	942	21,923	1,618	2,316	107,877	97,276	2,919	7,681	1,232	562	407	952	3,153
Mar...	73,957	4,825	2,851	934	22,302	1,634	2,373	108,876	98,557	2,595	7,724	1,302	525	413	929	3,168
Apr...	74,181	4,425	2,852	951	22,366	1,601	2,347	108,722	98,035	2,943	7,744	1,214	584	401	994	3,193
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

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 beginning with Aug. 1967.

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 Banks which

were net of valuation reserves. For most items, however, the differences are relatively small.

NOTE.—NAMS 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				
1970.....	207,254	11,068	4,574	3,306	3,188	88,518	73,098	15,420	74,375	6,320	16,064	10,909
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—June.....	244,495	11,315	4,387	3,374	3,554	116,172	90,637	25,535	77,982	7,526	18,713	12,787
July.....	247,082	11,427	4,480	3,427	3,520	118,061	91,144	26,917	78,243	7,577	18,841	12,933
Aug.....	247,655	11,416	4,462	3,433	3,521	117,842	91,342	26,500	78,657	7,632	19,181	12,927
Sept.....	250,203	11,404	4,424	3,439	3,541	119,200	91,480	27,720	79,040	7,677	19,511	13,371
Oct.....	251,590	11,402	4,423	3,438	3,541	119,714	91,707	28,007	79,516	7,765	19,768	13,425
Nov.....	251,055	11,462	4,471	3,444	3,547	118,016	91,847	26,169	80,191	7,838	19,926	13,622
Dec.....	252,071	11,376	4,382	3,449	3,545	117,733	91,452	26,281	81,180	7,769	20,076	13,937
1974—Jan.....	253,531	11,465	4,410	3,463	3,592	119,079	93,082	25,997	81,490	7,816	20,242	13,439
Feb.....	254,739	11,535	4,429	3,518	3,588	119,715	93,672	26,043	81,745	7,825	20,382	13,537
Mar.....	255,847	11,766	4,595	3,511	3,660	119,936	94,037	25,899	81,971	7,831	20,538	13,805
Apr.....	256,583	11,594	4,317	3,526	3,751	120,466	95,010	25,456	82,469	7,795	20,830	13,429
May.....	257,518	11,606	4,318	3,538	3,750	120,642	95,721	24,921	82,750	7,840	21,067	13,613
June.....	258,398	11,617	4,290	3,562	3,765	120,526	95,934	24,592	83,228	7,878	21,321	13,828

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	
1970.....	150,331	13,020	3,506	9,326	176,183	146,404	12,401	10,911	3,078	3,389	4,452
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 ³	232,104	21,027		19,227	272,358	227,254	17,108	17,100	4,676	6,220	9,532
1973—July.....	225,265	22,628		18,296	266,189	221,399	16,550	14,226	6,686	7,328	13,710
Aug.....	227,778	21,001		18,704	267,483	220,243	16,896	15,634	6,449	8,261	12,249
Sept.....	229,182	20,025		19,008	268,215	222,086	16,782	16,255	6,064	7,028	10,799
Oct.....	230,195	20,618		19,295	270,108	223,033	17,041	16,435	5,535	8,064	9,909
Nov.....	231,089	21,220		19,449	271,758	224,304	17,330	16,312	5,011	8,801	9,717
Dec.....	232,104	21,027		19,227	272,358	227,254	17,108	17,100	4,676	6,220	9,532
1974—Jan.....	232,980	22,378		19,502	274,860	229,435	17,333	16,663	4,380	7,049	9,788
Feb.....	234,426	23,327		19,901	277,654	231,264	17,623	16,431	4,304	8,032	10,740
Mar.....	236,514	23,970		20,429	280,913	235,436	17,488	16,652	4,492	6,845	12,018
Apr.....	239,027	23,520		20,902	283,449	235,218	17,763	18,087	4,807	7,574	12,933
May.....	241,650	23,680		21,538	286,868	235,731	18,074	19,282	5,050	8,731	12,493
June.....	243,791	22,975		21,733	288,499	238,421	17,893	20,274	5,044	6,867	11,744
July ²	245,521	23,015		22,075	290,611	237,933	18,183	21,629	4,878	7,988	10,992

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 preceding 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 Mortgage Corporation, loans and notes insured by the Farmers Home Administration and certain other Government-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								Other means of financing, net ³	
	Receipts	Outlays	Surplus or deficit (-)	Borrowings from the public ¹						Less: Cash and monetary assets			
				Public debt securities	Agency securities	Less: Investments by Govt. accounts		Less: Special notes ²	Equals: Total	Treasury operating balance	Other		
						Special issues	Other						
Fiscal year:													
1971.....	188,392	211,425	-23,033	27,211	-347	6,461	956	.....	19,448	710	-710	3,587
1972.....	208,649	231,876	-23,227	29,131	-1,269	6,813	1,607	.....	19,442	1,362	1,108	6,003
1973.....	232,225	246,526	-14,301	30,881	216	12,141	-319	.....	19,275	2,459	-1,613	-4,129
1974 ^p	264,847	268,343	-3,495	16,918	912	13,703	1,110	.....	3,017	-3,417	534	-2,405
Half year:													
1972—July—Dec.....	106,062	118,579	-12,517	22,038	876	6,351	-823	.....	17,386	956	-1,520	-5,434
1973—Jan.—June.....	126,163	127,947	-1,784	8,843	-660	5,790	504	.....	1,889	1,503	-93	1,305
1973—July—Dec.....	124,253	130,360	-6,107	11,756	477	5,396	824	.....	6,013	-2,202	-191	-2,299
1974—Jan.—June ^p	140,594	137,983	2,612	5,162	435	8,307	286	.....	-2,996	-1,215	725	-106
Month:													
1973—July.....	18,210	22,717	-4,506	862	4	1,258	325	.....	-717	-5,398	-523	-698
Aug.....	21,291	22,139	-847	2,842	301	3,137	568	.....	-563	-4,105	151	-2,544
Sept.....	25,007	20,736	4,271	-406	40	-756	-173	.....	564	5,207	346	718
Oct.....	17,637	23,092	-5,455	1,037	29	-306	-22	.....	1,395	-2,588	-43	1,431
Nov.....	20,208	22,099	-1,891	1,561	273	-3,510	3,141	.....	2,202	-1,010	-48	-1,368
Dec.....	21,987	19,686	2,302	5,861	-174	5,574	-3,016	.....	3,128	5,693	-54	209
1974—Jan.....	23,476	23,671	-195	-1,714	12	-984	55	.....	-773	168	544	1,681
Feb.....	20,226	21,030	-804	2,503	-17	2,478	169	.....	-162	-2,877	-84	-1,995
Mar.....	16,818	22,905	-6,086	3,813	394	-164	61	.....	4,309	690	191	2,657
Apr.....	29,657	22,273	7,384	-2,597	37	-115	57	.....	-2,502	3,125	1,319	-438
May.....	19,243	23,981	-4,739	2,773	-28	2,936	-200	.....	8	-5,032	1,120	-1,423
June ^p	31,174	24,123	7,052	385	37	4,156	143	.....	-3,877	2,711	-125	-588
July.....	20,939	24,411	-3,472	1,109	-126	-836	176	.....	1,644	-2,705	-658	-1,534

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		Less: Special notes ²	Equals: Total	
							Special issues	Other			
Fiscal year:											
1971.....	1,274	7,372	109	8,755	398,130	12,163	82,784	22,356	825	304,328	37,086
1972.....	2,344	7,934	139	10,117	427,260	10,894	89,598	23,961	825	323,770	41,814
1973.....	4,038	8,433	106	12,576	458,142	11,109	101,738	24,093	825	343,045	51,325
1974 ^p	2,919	6,152	88	9,159	475,060	12,021	115,442	24,752	825	346,062	65,411
Calendar year:											
1972.....	1,856	8,907	310	11,073	449,298	11,770	95,948	23,140	825	341,155	43,459
1973.....	2,543	7,760	70	10,374	469,898	11,586	107,135	24,467	825	349,058	59,857
Month:											
1973—July.....	2,867	4,203	108	7,178	459,003	11,118	102,996	23,968	825	342,332	52,780
Aug.....	847	2,217	8	3,072	461,845	11,419	106,133	24,536	825	341,769	54,409
Sept.....	1,626	6,582	71	8,279	461,439	11,459	105,378	24,362	825	342,333	56,691
Oct.....	1,839	3,781	71	5,691	462,476	11,488	105,071	24,241	825	343,727	59,330
Nov.....	1,945	2,666	70	4,681	464,037	11,760	101,561	27,482	825	345,930	59,317
Dec.....	2,543	7,760	70	10,374	469,898	11,586	107,135	24,467	825	349,058	59,857
1974—Jan.....	2,844	7,628	69	10,542	468,184	11,598	106,151	24,521	825	348,285	59,566
Feb.....	2,017	5,579	69	7,665	470,687	11,581	108,629	24,691	825	348,123	59,282
Mar.....	1,372	6,915	69	8,356	474,500	11,975	108,465	24,752	825	352,433	59,897
Apr.....	2,814	8,576	89	11,480	471,903	12,012	108,350	24,809	825	349,931	61,151
May.....	3,134	3,226	88	6,448	474,675	11,984	111,286	24,609	825	349,939	62,650
June ^p	2,919	6,152	88	9,159	475,060	12,021	115,442	24,752	825	346,062	65,411
July.....	3,822	2,544	88	6,454	475,344	11,895	114,606	24,928	6.....	347,706	.....

¹ The decrease in Federal securities resulting from conversion to private ownership of Govt.-sponsored corporations (totaling \$9,853 million) is not included here. In the bottom panel, however, these conversions decrease the outstanding amounts of Federal securities held by the public mainly by reductions in agency securities. The Federal National Mortgage Association (FNMA) was converted to private ownership in Sept. 1968 and the Federal intermediate credit banks (FICB) and banks for cooperatives in Dec. 1968.

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 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 FICB 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	Customs	Estate and gift	Misc. receipts ⁴
		With-held	Pres. Election Campaign Fund ¹	Non-with-held	Re-funds	Net total	Gross receipts	Re-funds	Employment taxes and contributions ²		Un-empl. insur.	Other net receipts ³	Net total				
									Pay-roll taxes	Self-empl.							
Fiscal year:																	
1971.....	188,392	76,490	.....	24,262	14,522	86,230	30,320	3,535	39,751	1,948	3,673	3,206	48,578	16,614	2,591	3,735	3,858
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 ^p	264,847	111,857	.....	27,30,819	23,957	118,750	41,789	3,125	62,886	3,008	6,907	4,049	76,849	16,885	3,334	5,009	5,355
Half year:																	
1972—July—Dec....	106,062	46,056	.....	5,784	688	51,152	15,315	1,459	22,493	165	2,437	1,773	26,867	8,244	1,551	2,333	2,059
1973—Jan.—June....	126,164	52,037	.....	22,233	21,179	52,094	23,730	1,434	30,013	2,206	3,616	1,841	37,657	8,016	1,637	2,584	1,861
1974—Jan.—June ^p ..	140,495	58,896	.....	6,207	999	58,170	16,589	1,494	29,965	201	2,974	1,967	35,109	8,966	1,633	2,514	2,768
Month:																	
1973—July.....	18,210	8,484	.....	681	354	8,811	1,552	202	4,608	.....	382	346	5,336	1,538	276	398	502
Aug.....	21,291	9,085	.....	451	257	9,279	1,904	209	7,087	.....	1,357	333	8,778	1,434	303	494	308
Sept.....	25,007	7,940	.....	3,903	135	11,707	5,477	230	4,812	177	103	317	5,409	1,436	238	373	597
Oct.....	17,637	8,752	.....	550	71	9,230	1,515	462	4,119	24	217	351	4,712	1,459	291	454	437
Nov.....	20,209	9,811	.....	261	66	10,006	939	287	5,578	.....	825	321	6,724	1,563	301	462	501
Dec.....	21,987	8,887	.....	362	115	9,134	6,201	105	3,760	.....	89	299	4,149	1,536	224	333	515
1974—Jan.....	23,476	9,296	.....	5,076	45	14,327	1,722	160	4,439	170	244	378	5,232	1,263	304	455	334
Feb.....	20,226	9,505	.....	3,945	1,851	8,601	1,066	248	7,080	214	761	346	8,400	1,315	239	423	429
Mar.....	16,818	9,662	.....	2,186	8,631	3,219	5,887	338	5,059	228	96	338	5,721	1,211	277	465	377
Apr.....	29,657	9,946	.....	13,118	6,313	14,764	5,893	430	4,390	1,603	552	351	6,896	1,275	286	371	602
May.....	19,243	10,083	.....	5,120	5,651	5,641	1,318	218	7,196	311	2,190	339	10,036	1,391	295	437	343
June ^p	31,174	10,404	.....	4,084	462	14,029	9,313	236	4,757	281	88	329	5,455	1,464	301	344	503
July.....	20,939	10,227	.....	957	378	10,806	1,796	310	5,005	.....	418	358	5,781	1,517	325	418	607

Period	Budget outlays														
	Total	National defense	Intl. affairs	Space re-search	Agricul-ture	Natural re-sources	Comme-rcial and transp.	Com. mun. deve-lop. and housing	Educa-tion and man-power	Health and wel-fare	Veterans	Inter-est	General govt.	General reve-nue shar-ing	Intra-govt. trans-act-ions ⁵
Fiscal year:															
1972.....	231,876	78,336	3,786	3,422	7,061	3,759	11,197	4,216	10,198	81,538	10,747	20,584	4,889	.....	-7,858
1973.....	246,526	76,023	3,132	3,311	6,051	559	12,505	4,162	10,822	91,343	12,004	22,836	5,519	7,636	-8,379
1974 ^p	268,343	78,793	4,175	3,228	5,183	-990	12,549	5,129	10,575	105,577	13,370	28,101	6,485	6,106	-9,938
1975 ⁶	304,445	87,729	4,103	3,272	2,729	3,128	13,400	5,667	11,537	126,353	13,612	29,122	6,774	6,174	-10,717
Half year:															
1972—July—Dec....	118,578	35,329	1,639	1,676	4,616	330	6,199	2,637	5,133	43,213	5,740	10,619	2,869	2,617	-4,039
1973—Jan.—June....	127,947	40,694	1,493	1,635	1,435	229	6,306	1,525	5,749	48,130	6,264	12,217	2,650	4,019	-4,340
1974—Jan.—June ^p ..	130,360	37,331	1,617	1,501	3,472	763	7,387	3,215	4,772	48,978	6,518	13,440	3,088	3,032	-4,753
Month:															
1973—July.....	22,717	7,899	308	278	2,011	-942	2,104	911	776	7,899	1,100	2,184	544	1,495	-850
Aug.....	22,139	6,772	327	262	440	573	1,090	779	954	7,935	1,054	2,159	466	-3	-670
Sept.....	20,736	6,095	205	246	-35	422	957	712	661	8,302	970	2,392	643	16	-849
Oct.....	23,092	6,607	282	248	503	416	1,260	561	955	8,040	1,058	2,135	479	1,494	-850
Nov.....	22,099	6,900	276	246	782	424	912	36	805	8,373	1,194	2,401	438	29	-717
Dec.....	19,686	6,079	219	221	-228	-130	1,064	316	619	8,534	1,143	2,169	498	.....	-816
1974—Jan.....	23,671	6,793	351	251	756	-544	886	331	983	9,067	1,204	2,353	530	1,532	-929
Feb.....	21,030	6,509	224	231	138	58	363	198	932	8,979	1,088	2,466	626	1	-677
Mar.....	22,904	6,686	345	252	205	759	746	263	1,036	9,310	1,194	2,508	499	.....	-898
Apr.....	22,273	6,751	336	293	89	-1,618	740	373	925	9,505	1,165	2,455	586	1,540	-867
May.....	23,981	7,243	312	278	313	428	875	352	662	10,087	1,180	2,516	498	1	-763
June ^p	24,123	7,468	1,050	423	210	-836	1,562	397	1,263	9,655	1,020	2,314	648	.....	-1,052
July.....	24,411	5,862	369	216	-60	498	1,099	693	854	10,060	1,258	2,525	466	1,538	-967

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 Federal Reserve Banks and other miscellaneous receipts.

⁵ Consists of Government contributions for employee retirement and of interest received by trust funds.

⁶ Estimate presented in *Budget of the U.S. Government, Fiscal Year 1975*. Breakdown does not add to total because special allowances for contingencies, Federal pay increase (excluding Department of Defense), and acceleration of energy research and development, totaling \$1,561 million, are not included.

⁷ Contains retroactive payments of \$2,617 million for fiscal 1972.

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									Special issues ³	
		Total	Marketable					Con-vertible bonds	Nonmarketable			
			Total	Bills	Certifi-cates	Notes	Bonds ²		Total ³	Foreign issues ⁴		Sav-ings bonds & notes
1967—Dec.....	344.7	284.0	226.5	69.9	.....	61.4	95.2	2.6	54.9	3.1	51.7	57.2
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—Aug.....	461.8	353.8	262.4	101.8	.....	118.7	42.0	2.3	89.1	27.9	60.3	106.1
Sept.....	461.4	354.1	262.4	99.8	.....	120.7	41.9	2.3	89.5	28.2	60.3	105.4
Oct.....	462.5	355.5	264.0	101.6	.....	120.7	41.8	2.3	89.2	27.8	60.5	105.1
Nov.....	464.0	360.5	270.2	107.7	.....	124.6	37.8	2.3	88.0	26.1	60.8	101.6
Dec.....	469.9	360.7	270.2	107.8	.....	124.6	37.8	2.3	88.2	26.0	60.8	107.1
1974—Jan.....	468.2	360.1	270.1	107.8	.....	124.6	37.7	2.3	87.7	25.3	61.0	106.2
Feb.....	470.7	360.0	269.7	107.9	.....	126.1	35.7	2.3	88.1	25.4	61.3	108.6
Mar.....	474.5	364.2	273.6	111.9	.....	126.1	35.6	2.3	88.3	25.2	61.6	108.5
Apr.....	471.9	361.7	270.5	107.3	.....	127.6	35.5	2.3	89.0	25.7	61.9	108.4
May.....	474.7	361.5	269.6	107.9	.....	128.4	33.2	2.3	89.6	26.0	62.1	111.3
June.....	475.1	357.8	266.6	105.0	.....	128.4	33.1	2.3	89.0	25.0	62.4	115.4
July.....	475.3	358.8	268.8	107.3	.....	128.4	33.0	2.3	86.8	24.4	62.7	115.5
Aug.....	481.8	361.1	272.1	110.6	.....	127.7	33.9	2.3	85.7	23.2	62.8	119.6

¹ Includes non-interest-bearing debt (of which \$617 million on Aug. 31, 1974, 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, and Rural Electrification Administration bonds.

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 Daily Statement of U.S. Treasury. See also second paragraph in NOTE to table below.

OWNERSHIP OF PUBLIC DEBT

(Par value, in billions of dollars)

End of period	Total gross public debt	Held by—		Held by private investors									
		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 international ¹	Other misc. investors ²
										Savings bonds	Other securities		
1967—Dec.....	344.7	73.1	49.1	222.4	63.8	4.2	9.0	12.2	24.1	51.2	22.3	15.8	19.9
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	53.3	17.0
1973—July.....	459.0	125.0	77.1	256.9	56.5	3.1	6.4	10.3	28.4	59.7	17.0	59.7	15.8
Aug.....	461.8	128.7	76.1	257.1	55.1	2.9	6.3	11.5	27.7	59.8	17.2	59.2	17.3
Sept.....	461.4	127.8	76.2	257.4	55.4	2.9	6.3	9.2	29.0	59.8	17.3	58.5	18.9
Oct.....	462.5	127.4	78.5	256.5	56.3	2.9	6.3	10.2	28.5	60.0	17.0	57.5	17.9
Nov.....	464.0	127.1	77.1	259.8	58.5	2.9	6.2	11.1	28.9	60.3	16.9	56.2	18.9
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—Jan.....	468.2	128.7	78.2	261.2	60.2	2.8	6.3	10.7	29.9	60.5	16.9	52.8	21.1
Feb.....	470.7	131.3	78.2	261.1	58.2	2.8	6.0	10.9	30.7	60.8	17.0	53.6	21.2
Mar.....	474.5	131.2	79.5	263.8	59.5	2.8	6.1	11.7	30.4	61.1	17.3	54.9	20.0
Apr.....	471.9	131.1	80.0	260.7	56.8	2.7	5.9	10.5	30.1	61.4	17.8	55.9	19.7
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	135.5	78.1	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....

¹ Consists of investments of foreign and international accounts in the United States.

² Consists of savings and loan assns., nonprofit institutions, corporate pension trust funds, and dealers and brokers. Also included are certain Govt. deposit accounts and Govt.-sponsored agencies.

NOTE.—Reported data for F.R. Banks and U.S. Govt. agencies and trust funds; Treasury estimates for other groups.

The debt and ownership concepts were altered beginning with the Mar. 1969 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:								
1971—Dec. 31.....	262,038	119,141	97,505	21,636	93,648	29,321	9,530	10,397
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—June 30.....	266,575	139,942	105,019	34,923	77,199	26,957	17,403	5,074
July 31.....	268,782	142,245	107,321	34,924	77,200	26,952	17,346	5,040
U.S. Govt. agencies and trust funds:								
1971—Dec. 31.....	18,444	1,380	605	775	7,614	4,676	2,319	2,456
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—June 30.....	21,229	2,660	462	2,198	6,865	4,633	5,719	1,351
July 31.....	21,425	2,703	469	2,234	6,989	4,665	5,717	1,351
Federal Reserve Banks:								
1971—Dec. 31.....	70,218	36,032	31,033	4,999	25,299	7,702	584	601
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—June 30.....	80,485	50,132	37,321	12,811	20,231	8,127	1,753	241
July 31.....	78,103	48,171	35,464	12,707	19,967	7,954	1,753	259
Held by private investors:								
1971—Dec. 31.....	173,376	81,729	65,867	15,862	60,735	16,943	6,627	7,340
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—June 30.....	164,861	87,150	67,236	19,914	50,103	14,197	9,931	3,482
July 31.....	169,254	91,371	71,388	19,983	50,244	14,333	9,876	3,430
Commercial banks:								
1971—Dec. 31.....	51,363	14,920	8,287	6,633	28,823	6,847	555	217
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—June 30.....	40,181	11,334	3,309	8,025	22,741	4,845	1,010	250
July 31.....	40,051	11,266	3,528	7,738	22,720	4,801	1,021	242
Mutual savings banks:								
1971—Dec. 31.....	2,742	416	235	181	1,221	499	281	326
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—June 30.....	1,673	377	135	242	717	218	259	102
July 31.....	1,577	326	103	223	700	199	252	101
Insurance companies:								
1971—Dec. 31.....	5,679	720	325	395	1,499	993	1,366	1,102
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—June 30.....	4,571	569	194	375	1,009	1,276	1,329	389
July 31.....	4,484	468	130	338	1,021	1,282	1,264	446
Nonfinancial corporations:								
1971—Dec. 31.....	6,021	4,191	3,280	911	1,492	301	16	20
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—June 30.....	4,400	2,327	1,219	1,108	1,476	528	56	13
July 31.....	4,764	2,743	1,408	1,335	1,635	314	58	15
Savings and loan associations:								
1971—Dec. 31.....	3,002	629	343	286	1,449	587	162	175
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—June 30.....	1,907	385	53	332	923	360	214	25
July 31.....	1,894	399	67	332	895	370	208	25
State and local governments:								
1971—Dec. 31.....	9,823	4,592	3,832	760	2,268	783	918	1,263
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—June 30.....	8,238	4,508	3,245	1,263	1,715	738	1,031	246
July 31.....	8,558	4,925	3,535	1,390	1,611	749	1,031	244
All others:								
1971—Dec. 31.....	94,746	56,261	49,565	6,696	23,983	6,933	3,329	4,237
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—June 30.....	103,891	67,650	59,081	8,569	21,522	6,232	6,032	2,457
July 31.....	107,926	71,244	62,617	8,627	21,662	6,618	6,042	2,357

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) 5,588 commercial banks, 477 mutual savings

banks, and 734 insurance companies combined, each about 90 per cent; (2) 467 nonfinancial corporations and 486 savings and loan assns., each about 50 per cent; and (3) 504 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	
1973—July.....	2,993	2,330	367	226	72	581	632	982	798	700
Aug.....	3,366	2,403	706	172	85	566	874	1,044	881	771
Sept.....	3,884	3,021	644	158	61	583	1,182	1,142	977	1,048
Oct.....	3,384	2,798	374	163	48	568	954	1,073	789	810
Nov.....	4,022	3,001	485	447	89	655	1,188	1,173	1,007	810
Dec.....	3,889	3,167	348	317	58	675	1,051	1,123	1,040	869
1974—Jan.....	3,659	3,074	325	215	45	706	889	1,103	962	695
Feb.....	4,229	3,192	402	561	74	795	1,058	1,299	1,077	1,019
Mar.....	3,697	2,814	450	369	64	744	892	1,071	991	733
Apr.....	3,338	2,682	438	173	45	614	836	951	937	710
May.....	3,542	2,645	693	133	72	711	905	991	936	861
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
Week ending—										
1974—July 3.....	3,013	2,570	339	72	32	581	707	897	828	941
10.....	2,568	2,139	344	58	27	545	617	646	760	1,054
17.....	2,567	2,095	341	73	57	526	693	728	620	1,099
24.....	2,194	1,759	328	66	41	388	635	555	616	1,252
31.....	2,704	2,224	383	73	24	456	749	706	793	890
Aug. 7.....	3,058	2,456	469	84	50	635	755	898	770	630
14.....	3,111	2,070	519	409	112	637	809	809	856	802
21.....	2,573	1,968	294	244	67	444	729	658	741	846
28.....	3,246	2,703	303	212	27	458	1,027	750	1,012	990

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	
1973—July.....	1,901	2,062	-250	-43	131	511
Aug.....	1,788	1,977	-94	-107	12	273
Sept.....	3,201	2,958	316	-111	38	799
Oct.....	3,073	2,858	93	56	67	904
Nov.....	3,618	3,034	95	350	139	1,185
Dec.....	4,441	3,697	223	396	124	1,400
1974—Jan.....	3,653	3,210	51	262	130	1,324
Feb.....	4,081	2,707	537	647	190	1,435
Mar.....	2,587	2,149	50	287	102	1,045
Apr.....	1,536	1,577	-121	62	17	719
May.....	495	421	-33	66	41	791
June.....	594	447	52	78	16	1,226
July.....	263	219	-50	90	4	935
Week ending—						
1974—June 5.....	1,049	925	47	63	14	1,232
12.....	1,193	1,043	59	70	21	1,304
19.....	807	657	57	84	9	1,219
26.....	-328	-485	51	89	17	1,214
July 3.....	9	-117	18	86	21	972
10.....	-113	-220	-14	92	29	776
17.....	-274	-271	-89	86	.....	872
24.....	26	17	-77	93	-7	1,019
31.....	1,505	1,483	-52	85	-10	1,077

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		
1973—July.....	2,826	725	544	510	1,047
Aug.....	2,318	829	327	386	777
Sept.....	4,244	1,620	877	441	1,306
Oct.....	3,721	1,253	918	328	1,223
Nov.....	4,469	1,809	900	570	1,190
Dec.....	5,468	2,322	1,147	671	1,329
1974—Jan.....	4,802	1,747	1,253	658	1,143
Feb.....	4,837	1,545	1,501	533	1,257
Mar.....	3,817	1,196	952	485	1,185
Apr.....	2,449	600	728	287	833
May.....	1,637	26	486	213	913
June.....	2,477	241	884	268	1,083
July.....	1,710	6	596	216	892
Week ending—					
1974—June 5.....	2,152	148	722	191	1,092
12.....	3,527	587	1,244	334	1,363
19.....	2,879	648	977	279	975
26.....	1,860	-82	651	299	993
July 3.....	1,527	-283	602	152	1,055
10.....	1,725	65	588	170	902
17.....	1,343	-140	554	228	700
24.....	1,497	-18	595	204	715
31.....	2,282	212	669	296	1,106

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, JULY 31, 1974

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:		
8/25/69 – 8/25/74.....	7.65	173	9/10/69 – 9/10/74.....	7.85	250	2/4/74 – 8/1/74.....	8.15	565
8/25/72 – 8/26/74.....	5½	400	2/10/71 – 9/10/74.....	5.65	300	3/4/74 – 9/3/74.....	7.15	357
8/27/73 – 8/26/74.....	9½	800	5/10/71 – 12/10/74.....	6.10	250	4/1/74 – 10/1/74.....	8.20	326
11/25/69 – 11/25/74.....	8.00	217	9/10/71 – 12/10/74.....	6.45	450	5/1/74 – 11/4/74.....	8.65	268
5/25/73 – 11/25/74.....	7.05	1,000	11/10/70 – 3/10/75.....	7.55	300	6/3/74 – 12/2/74.....	8.90	364
1/26/71 – 2/25/75.....	6.10	250	10/12/71 – 3/10/75.....	6.35	600	7/1/74 – 1/2/75.....	9.25	398
11/27/72 – 2/25/75.....	5½	400	4/12/71 – 6/10/75.....	5.25	500	10/1/73 – 4/4/77.....	7.70	200
9/21/73 – 2/25/75.....	8.20	500	10/13/70 – 9/10/75.....	7.50	350			
4/12/73 – 5/25/75.....	7.15	700	3/12/73 – 9/10/75.....	6.80	650			
8/25/70 – 5/26/75.....	8.05	265	3/10/72 – 12/10/75.....	5.70	500	Federal intermediate credit banks		
2/25/74 – 5/27/75.....	6.80	300	9/10/73 – 12/10/75.....	8.25	300	Bonds:		
7/27/70 – 8/25/75.....	7.95	300	3/11/71 – 3/10/76.....	5.65	500	11/1/73 – 8/1/74.....	7.95	628
7/25/73 – 8/25/75.....	7½	500	6/12/73 – 3/10/76.....	7.13	400	12/3/73 – 9/3/74.....	8.60	593
10/25/73 – 8/25/75.....	7.15	400	6/10/71 – 6/10/76.....	6.70	250	1/2/74 – 10/1/74.....	7.95	799
12/18/70 – 11/25/75.....	6.50	350	2/10/72 – 6/10/76.....	5.85	450	2/4/74 – 11/4/74.....	8.00	754
5/25/73 – 11/25/75.....	7.05	600	11/10/71 – 9/10/76.....	6.13	300	3/4/74 – 12/2/74.....	7.15	785
5/28/74 – 11/25/75.....	9.10	700	6/12/72 – 9/10/76.....	5.85	500	5/1/72 – 1/2/75.....	6.05	240
6/21/74 – 2/25/76.....	8.70	400	7/12/71 – 12/10/76.....	7.45	300	4/1/74 – 1/2/75.....	8.15	608
8/27/71 – 2/25/76.....	7½	300	12/11/72 – 12/10/76.....	6.25	500	5/1/74 – 2/3/75.....	8.80	674
8/27/73 – 2/25/76.....	8½	300	6/10/74 – 12/10/76.....	8.45	500	6/3/74 – 3/3/75.....	9.00	796
6/22/73 – 5/25/76.....	7.20	600	2/13/62 – 2/10/77.....	4½	198	7/1/74 – 4/1/75.....	9.25	811
11/27/73 – 5/25/76.....	7.45	300	9/11/72 – 3/10/77.....	6.30	500	1/3/72 – 7/1/75.....	5.70	302
7/25/73 – 8/25/76.....	7.80	500	3/11/74 – 3/10/77.....	7.05	400	3/1/73 – 1/5/76.....	6.65	261
7/25/74 – 11/26/76.....	9.55	500	12/10/70 – 6/10/77.....	6.38	250	7/2/73 – 1/3/77.....	7.10	236
10/25/73 – 2/25/77.....	7.20	500	5/10/71 – 6/10/77.....	6.50	150	7/1/74 – 4/4/77.....	8.90	321
6/21/74 – 5/25/77.....	8.70	500	12/10/73 – 6/10/77.....	7.20	500	1/2/74 – 1/3/78.....	7.10	406
6/25/71 – 5/25/77.....	6.95	200	9/10/71 – 9/12/77.....	6.88	300			
4/12/73 – 8/25/77.....	7.15	300	9/10/73 – 9/12/77.....	7.85	400	Federal land banks		
5/28/74 – 8/25/77.....	8.80	600	7/10/73 – 12/12/77.....	7.25	500	Bonds:		
2/26/73 – 11/25/77.....	6½	300	10/1/73 – 12/12/77.....	7.55	500	4/20/71 – 10/21/74.....	5.30	300
11/27/73 – 11/25/77.....	7.45	300	6/10/74 – 3/10/78.....	8.45	650	2/20/70 – 1/20/75.....	8½	220
9/21/73 – 5/25/78.....	7.60	500	6/12/73 – 6/12/78.....	7.15	600	4/23/73 – 1/20/75.....	7.15	300
6/21/74 – 2/26/79.....	8.65	600	3/11/74 – 9/11/78.....	7.15	550	4/20/65 – 4/21/75.....	4½	200
5/28/74 – 5/25/79.....	8½	400	10/12/71 – 12/11/78.....	6.75	300	7/20/73 – 4/21/75.....	7.65	300
7/25/74 – 8/27/79.....	9.50	500	7/10/74 – 12/11/78.....	8.95	300	2/15/72 – 7/21/75.....	5.70	425
3/25/70 – 2/25/80.....	7.75	350	12/10/73 – 3/12/79.....	7.25	500	4/22/74 – 7/21/75.....	8.30	300
2/25/74 – 2/25/80.....	7.05	300	9/10/73 – 6/11/79.....	7.85	300	7/20/71 – 10/20/75.....	7.20	300
10/15/70 – 10/15/80.....	7.80	200	6/12/72 – 9/10/79.....	6.40	300	10/23/73 – 10/20/75.....	7.40	362
10/27/71 – 11/27/81.....	6.60	200	12/10/71 – 12/10/79.....	6.55	350	4/20/72 – 1/20/76.....	6½	300
4/12/73 – 5/25/83.....	7.30	188	2/10/72 – 3/10/80.....	6.88	250	7/22/74 – 1/20/76.....	9.20	650
5/28/74 – 5/25/84.....	8½	300	6/10/74 – 6/10/80.....	8.50	350	2/21/66 – 2/24/76.....	5.00	123
10/25/73 – 11/26/93.....	7½	400	2/16/73 – 7/31/80.....	5.19	1	1/22/73 – 4/20/76.....	6½	373
Federal Home Loan Mortgage Corporation			2/16/73 – 7/31/80.....	3.18	9	4/22/74 – 4/20/76.....	8½	400
Bonds:			10/1/73 – 9/10/80.....	7.50	400	7/20/66 – 7/20/76.....	5½	150
2/10/72 – 8/26/74.....	5.30	200	1/16/73 – 10/30/80.....	4.46	5	1/21/74 – 7/20/76.....	7.05	360
5/29/73 – 8/25/76.....	7.05	400	12/11/72 – 12/10/80.....	6.60	300	4/23/73 – 10/20/76.....	7.15	450
5/11/72 – 2/25/77.....	6.15	350	6/29/72 – 1/29/81.....	6.15	156	4/22/74 – 4/20/77.....	8½	565
11/19/70 – 11/27/95.....	8.60	140	3/12/73 – 3/10/81.....	7.05	350	7/20/73 – 7/20/77.....	7½	550
7/15/71 – 8/26/96.....	7.75	150	4/18/73 – 4/10/81.....	6.59	26	10/20/71 – 10/20/77.....	6.35	300
5/11/72 – 5/26/97.....	7.15	150	3/21/73 – 5/1/81.....	4.50	18	2/20/63 – 2/20/73-78.....	4½	148
Federal National Mortgage Association—			3/21/73 – 5/1/81.....	5.77	2	5/2/66 – 4/20/78.....	5½	150
Secondary market operations			9/10/71 – 6/10/81.....	7.25	250	7/20/72 – 7/20/78.....	6.40	269
Discount notes.....			3/11/74 – 12/10/81.....	7.30	250	7/22/74 – 7/20/78.....	9.15	350
Capital debentures:			7/10/74 – 3/10/82.....	8.88	200	10/23/73 – 10/19/78.....	7.35	550
4/1/70 – 4/1/75.....	8.00	200	6/28/72 – 5/1/82.....	5.84	58	2/20/67 – 1/22/79.....	5.00	285
9/30/71 – 10/1/96.....	4.38	248	2/10/71 – 6/10/82.....	6.65	250	1/21/74 – 1/22/79.....	7.10	300
10/2/72 – 10/1/97.....	7.40	250	9/11/72 – 9/10/82.....	6.80	200	9/15/72 – 4/23/79.....	6.85	235
Mortgage-backed bonds:			12/10/73 – 12/10/82.....	7.35	300	2/20/74 – 7/23/79.....	7.15	389
6/1/70 – 6/2/75.....	8.38	250	3/11/71 – 6/10/83.....	6.75	200	10/23/72 – 10/23/79.....	6.80	400
3/14/73 – 1/15/81.....	3.58	53	6/12/73 – 6/10/83.....	7.30	300	1/22/73 – 1/21/80.....	6.70	300
3/14/73 – 1/15/81.....	5.48	5	11/10/71 – 9/12/83.....	6.75	250	7/20/73 – 7/21/80.....	7½	250
6/21/73 – 7/1/82.....	5.85	71	4/12/71 – 6/11/84.....	6.25	200	2/23/71 – 4/20/81.....	6.70	224
6/21/73 – 7/1/82.....	5.92	35	12/10/71 – 12/10/84.....	6.90	250	7/22/74 – 7/20/81.....	9.10	265
3/1/73 – 8/31/84.....	5.50	10	3/10/72 – 3/10/92.....	7.00	200	4/20/72 – 4/20/82.....	6.90	200
3/1/73 – 10/31/85.....	5.49	21	6/12/72 – 6/10/92.....	7.05	200	4/23/73 – 10/20/82.....	7.30	239
3/1/73 – 3/1/86.....	5.74	81	12/11/72 – 12/10/97.....	7.10	200	10/23/73 – 10/20/83.....	7.30	300
9/29/70 – 10/1/90.....	8.63	200						

NOTE.—These securities are not guaranteed by the U.S. Govt.; see also note to table at top of p. A-40.

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)
	Advances to members	Investments	Cash and deposits	Bonds and notes	Member deposits	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—July..	12,365	2,126	103	11,213	1,183	2,035	21,772	20,843	2,811	2,365	6,981	6,745	10,256	9,388
Aug...	13,511	2,016	111	12,562	1,091	2,064	22,319	21,186	2,865	2,310	7,065	6,727	10,441	9,390
Sept...	14,298	2,908	102	14,062	1,178	2,089	22,826	21,537	2,738	2,560	7,170	6,833	10,592	9,388
Oct...	14,799	3,498	106	15,362	1,270	2,107	23,348	22,243	2,711	2,728	7,130	6,901	10,781	9,838
Nov...	14,866	3,649	77	15,362	1,545	2,112	23,912	22,404	2,662	2,704	7,029	6,890	10,926	9,838
Dec...	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—Jan...	15,188	2,843	121	14,556	1,692	2,246	24,424	23,131	3,123	2,741	7,163	6,956	11,245	10,048
Feb...	14,904	2,680	116	13,906	1,936	2,294	24,541	23,092	3,211	2,828	7,277	7,029	11,402	10,282
Mar...	14,995	2,779	124	13,906	2,027	2,306	24,888	23,515	3,143	2,878	7,545	7,162	11,467	10,282
Apr...	16,020	1,615	82	13,902	2,067	2,337	25,264	23,668	2,891	2,810	7,850	7,403	11,878	10,843
May...	17,103	1,956	96	14,893	2,215	2,376	25,917	25,089	2,694	2,674	8,195	7,585	12,142	10,843
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

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			Education	Roads and bridges	Utilities ⁴	Housing ⁵	Veterans' aid	Other purposes
1970.....	18,164	11,850	6,082	131	103	4,174	5,595	8,399	.....	18,110	5,062	1,532	3,525	466	.....	7,526
1971.....	24,962	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.....	23,652	13,305	9,332	959	57	4,991	9,496	9,165	.....	22,073	4,981	1,689	4,638	1,910	.....	6,741
1973.....	23,970	12,257	10,632	1,022	58	4,212	9,507	10,249	.....	22,408	4,311	1,458	5,654	2,639	.....	8,335
1973—Apr....	1,826	870	947	.....	9	159	731	934	.....	1,757	306	12	452	88	.....	898
May.....	1,939	825	1,106	.....	8	291	945	703	.....	1,775	299	233	430	224	.....	588
June.....	2,152	1,025	861	261	5	189	1,082	881	.....	2,144	542	102	643	334	.....	523
July.....	2,028	1,458	564	.....	6	516	363	1,149	.....	2,001	391	231	366	3	.....	1,009
Aug.....	1,657	1,067	588	.....	2	529	498	630	.....	1,602	311	30	352	290	.....	618
Sept....	1,750	721	741	285	2	236	838	675	.....	1,653	327	66	579	384	.....	298
Oct.....	2,313	1,344	964	.....	6	337	842	1,135	.....	2,163	299	142	412	251	.....	1,060
Nov.....	2,257	866	1,383	.....	9	243	1,247	766	.....	1,929	356	42	596	247	.....	687
Dec.....	2,089	919	995	173	1	450	1,022	616	.....	1,954	372	165	487	344	.....	582
1974—Jan....	2,198	1,402	794	.....	2	208	823	1,163	.....	2,130	595	36	373	56	.....	1,070
Feb.....	1,934	1,155	778	.....	1	473	523	938	.....	1,869	449	53	612	39	.....	717
Mar.....	1,979	1,160	590	227	3	346	776	856	.....	1,868	359	258	349	241	.....	660
Apr.....	2,362	1,694	660	.....	8	360	849	1,155	.....	2,325	505	9	595	178	.....	1,038

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
1970.....	88,666	14,831	16,181	17,762	949	38,945	30,315	25,384	4,931	1,390	7,240
1971.....	105,233	17,325	16,283	24,370	2,165	45,090	32,123	24,775	7,354	3,670	9,291
1972.....	96,522	17,080	12,825	23,070	1,589	41,957	28,896	19,434	9,462	3,367	9,694
1973.....	100,417	19,057	23,883	22,700	1,385	33,391	22,268	13,649	8,620	3,372	7,750
1973—Apr.....	6,567	564	1,640	1,688	178	2,497	1,739	938	801	200	558
May.....	11,225	3,353	3,442	1,870	17	2,543	1,721	1,049	672	187	635
June.....	7,943	559	1,706	2,046	53	3,578	2,757	1,358	1,398	216	606
July.....	7,643	490	2,471	1,992	60	2,631	1,870	857	1,013	226	536
Aug.....	8,019	3,097	1,600	1,474	42	1,806	1,382	792	590	94	330
Sept.....	8,091	2,432	2,100	1,630	15	1,915	1,366	684	682	119	430
Oct.....	8,924	485	2,612	2,232	196	3,398	2,358	1,805	553	355	685
Nov.....	12,553	4,521	2,200	2,224	45	3,563	2,257	1,669	589	637	668
Dec.....	6,635	148	1,032	1,966	251	3,238	2,469	1,552	917	196	573
1974—Jan. ⁶						3,392	2,956	2,115	842	152	284
Feb.....						2,687	2,101	1,684	418	268	318
Mar.....						3,141	2,384	2,020	364	395	361
Apr.....						2,947	2,134	1,594	541	356	456

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
1970.....	9,192	1,320	1,963	2,540	2,213	47	8,016	3,001	5,053	83	3,878	1,638
1971.....	9,426	2,152	2,272	2,390	1,998	420	7,605	4,195	4,227	1,592	6,601	2,212
1972.....	4,821	1,809	2,645	2,882	2,862	185	6,392	4,965	3,692	1,125	8,485	2,095
1973.....	4,329	643	1,283	1,559	1,881	43	5,585	4,661	3,535	1,369	5,661	2,860
1973—Apr.....	260	22	237	139	91	1	150	369	258	.....	743	228
May.....	387	12	30	143	236	8	361	410	355	19	351	231
June.....	703	25	133	89	183	.....	1,099	497	303	29	337	181
July.....	364	169	139	112	250	1	651	269	244	60	223	151
Aug.....	230	49	149	129	83	15	419	90	320	5	182	136
Sept.....	270	78	149	96	140	2	334	252	228	16	244	106
Oct.....	472	52	63	147	114	.....	342	608	633	46	734	193
Nov.....	383	93	61	92	241	4	584	496	296	499	692	122
Dec.....	485	18	145	285	226	6	569	319	350	27	693	115
1974—Jan. 6.....	866	29	135	125	127	.....	1,192	249	142	4	493	30
Feb.....	353	36	51	143	5	1	536	293	372	25	784	87
Mar.....	419	161	40	71	76	.....	850	446	310	21	690	58
Apr.....	1,109	9	209	56	6	.....	446	685	279	5	85	57

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.

⁶ Beginning Jan. 1974 noncorporate figures are no longer published by the SEC.

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
1970.....	38,707	9,079	29,628	29,495	6,667	22,825	9,213	2,411	6,801
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.....	35,058	11,804	23,252	21,501	8,810	12,691	13,554	2,993	10,561
1972-IV.....	10,944	2,932	8,012	6,998	2,207	4,790	3,946	725	3,220
1973-I.....	8,219	2,806	5,412	4,198	1,781	2,417	4,020	1,025	2,995
II.....	9,418	2,470	6,947	5,769	1,664	4,106	3,648	806	2,842
III.....	6,638	2,150	4,488	4,521	1,579	2,941	2,118	571	1,547
IV.....	10,783	4,378	6,405	7,013	3,786	3,227	3,768	591	3,177

Period	Type of issues											
	Manu- facturing		Commercial and other ²		Transpor- tation ³		Public utility		Communi- cation		Real estate and financial ¹	
	Bonds & notes	Stocks	Bonds & notes	Stocks	Bonds & notes	Stocks	Bonds & notes	Stocks	Bonds & notes	Stocks	Bonds & 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	1,389	3,522	3,141
1972-IV.....	116	290	575	479	179	47	1,056	1,735	944	89	1,920	580
1973-I.....	135	63	-174	377	127	-43	844	1,170	520	185	965	1,244
II.....	632	-2	119	327	327	7	1,136	1,276	842	562	1,049	673
III.....	165	450	108	247	414	-44	1,217	557	752	77	284	260
IV.....	-131	147	-162	460	176	-13	1,068	1,506	1,051	575	1,224	964

¹ Excludes investment companies.² Extractive and commercial and miscellaneous companies.³ Railroad and other transportation companies.

NOTE.—Securities and Exchange Commission estimates of cash transactions only. As contrasted with data shown on opposite page, new issues

exclude foreign sales and include sales of securities held by affiliated companies, special offerings to employees, and also new stock issues and cash proceeds connected with conversions of bonds into stocks. Retirements are defined in the same way and also include securities retired with internal funds or with proceeds of issues for that purpose.

OPEN-END INVESTMENT COMPANIES

(In millions of dollars)

Year	Sales and redemption of own shares			Assets (market value at end of period)			Month	Sales and redemption of own shares			Assets (market value at end of period)		
	Sales ¹	Redemptions	Net sales	Total ²	Cash position ³	Other		Sales ¹	Redemptions	Net sales	Total ²	Cash position ³	Other
1962.....	2,699	1,123	1,576	21,271	1,315	19,956	1973-July..	364	357	-7	50,933	4,594	46,339
1963.....	2,460	1,504	952	25,214	1,341	23,873	Aug..	239	432	-193	49,553	4,567	44,986
1964.....	3,404	1,875	1,528	29,116	1,329	27,787	Sept...	330	395	-65	52,322	4,641	47,681
1965.....	4,359	1,962	2,395	35,220	1,803	33,417	Oct...	305	559	-254	51,952	4,168	47,784
1966.....	4,671	2,005	2,665	34,829	2,971	31,858	Nov...	502	542	-40	45,814	4,126	41,688
1967.....	4,670	2,745	1,927	44,701	2,566	42,135	Dec...	349	392	-43	46,518	4,002	42,516
1968.....	6,820	3,841	2,979	52,677	3,187	49,490	1974-Jan...	334	325	9	47,094	4,226	42,863
1969.....	6,717	3,661	3,056	48,291	3,846	44,445	Feb...	215	303	-88	45,958	4,447	41,511
1970.....	4,624	2,987	1,637	47,618	3,649	43,969	Mar...	297	346	-49	44,423	4,406	40,017
1971.....	5,145	4,751	774	56,694	3,163	53,531	Apr...	262	327	-65	42,679	4,426	38,253
1972.....	4,892	6,563	-1,671	59,831	3,035	56,796	May...	323	320	3	41,015	4,389	36,626
1973.....	4,358	5,651	1,261	46,518	4,002	42,516	June...	337	276	61	40,040	4,461	35,579
							July..	442	352	90	37,669	4,609	33,060

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	1972—III r...	100.2	41.8	58.4	27.8	30.6	66.7
1969.....	84.9	40.1	44.8	24.3	20.5	51.9	IV r...	108.2	45.2	63.1	28.2	34.9	68.2
1970.....	74.0	34.8	39.3	24.7	14.6	56.0	1973—I r...	120.4	48.9	71.5	28.7	42.8	69.2
1971.....	83.6	37.5	46.1	25.0	21.1	60.4	II r...	124.9	50.9	74.0	29.1	44.9	70.8
1972.....	99.2	41.5	57.7	27.3	30.3	66.3	III r...	122.7	49.9	72.9	29.8	43.1	71.6
1973.....	122.7	49.8	72.9	29.6	43.3	71.2	IV r...	122.7	49.5	73.2	30.7	42.5	73.1
							1974—I r...	138.7	53.6	85.1	31.6	53.5	74.1
							II r...	150.4	59.4	91.1	32.5	58.5	75.7

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.....	204.9	518.8	55.7	10.7	3.5	208.8	200.3	39.7	313.9	4.9	207.3	12.2	89.5
1972—I.....	209.8	528.1	55.6	10.2	3.4	212.8	204.3	41.8	318.3	4.9	207.0	13.3	93.2
II.....	215.0	536.5	56.0	8.9	2.8	217.8	207.7	43.1	321.5	4.9	208.5	11.4	96.7
III.....	219.2	547.5	57.7	7.8	2.9	224.1	212.2	42.8	328.3	4.7	212.1	12.7	98.8
IV.....	224.3	563.1	60.5	9.9	3.4	230.5	215.1	43.6	338.8	4.0	221.6	14.1	99.1
1973—I.....	231.8	579.2	61.2	10.8	3.2	235.7	222.8	45.5	347.4	4.1	222.8	15.7	104.7
II.....	237.7	596.8	62.3	9.6	2.9	245.6	230.3	46.0	359.1	4.5	232.5	13.9	108.1
III.....	241.9	613.6	62.2	9.5	3.0	254.2	238.2	46.6	371.7	4.4	240.8	15.3	111.2
IV.....	245.3	631.4	65.2	10.7	3.5	255.8	247.0	49.3	386.1	4.3	252.0	16.6	113.3
1974—I.....	253.2	653.9	62.8	11.7	3.2	265.6	258.9	51.6	400.7	4.5	256.7	18.7	120.7

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. A.R.)
		Durable	Non-durable		Railroad	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	15.91	2.76	12.85	21.40	.....
1972—I.....	19.38	3.29	3.32	.58	.48	.50	.32	3.19	.44	2.72	4.55	86.79
II.....	22.01	3.71	3.92	.61	.48	.73	.39	3.61	.62	2.95	4.98	87.12
III.....	21.86	3.86	3.87	.59	.38	.61	.35	3.67	.72	2.84	4.97	87.67
IV.....	25.20	4.77	4.61	.63	.47	.63	.40	4.01	.73	3.39	5.57	91.94
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.....	28.02	5.78	5.64	.77	.60	.49	.70	4.49	.86	8.70	5.46	113.00

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				
	1970	1971	1972	1973			1974	
				II	III	IV	I	II
ALL HOLDERS	451,726	499,758	565,196	600,197	619,996	635,137	646,280	663,324
1- to 4-family.....	280,175	307,200	345,500	366,202	378,382	386,489	392,053	402,053
Multifamily ¹	58,023	67,367	76,585	81,130	83,521	85,394	86,760	88,425
Commercial.....	82,292	92,333	107,673	115,150	119,504	123,855	127,228	131,275
Farm.....	31,236	32,858	35,438	37,715	38,589	39,399	40,239	41,571
PRIVATE FINANCIAL INSTITUTIONS ..	355,929	394,239	450,371	480,242	495,044	505,583	514,110	527,251
1- to 4-family.....	231,317	253,540	288,169	307,423	316,754	322,296	327,146	335,332
Multifamily ¹	45,796	52,498	59,293	62,429	63,566	64,723	65,555	66,750
Commercial.....	68,697	78,345	92,387	99,364	103,429	107,018	109,891	113,338
Farm.....	10,119	9,856	10,522	11,026	11,295	11,546	11,518	11,831
<i>Commercial banks</i> ²	73,275	82,515	99,314	109,114	114,788	119,068	121,668	125,968
1- to 4-family.....	42,329	48,020	57,004	62,181	65,484	67,998	69,351	71,802
Multifamily ¹	3,311	3,984	5,778	6,469	6,745	6,932	7,178	7,432
Commercial.....	23,284	26,306	31,751	35,224	37,181	38,696	39,664	41,066
Farm.....	4,351	4,205	4,781	5,240	5,378	5,442	5,475	5,668
<i>Mutual savings banks</i>	57,948	61,978	67,556	70,634	72,034	73,231	73,957	74,264
1- to 4-family.....	37,342	38,641	41,650	43,003	43,738	44,247	44,462	44,426
Multifamily ¹	12,594	14,386	15,490	16,394	16,567	16,843	17,011	17,081
Commercial.....	7,893	8,901	10,354	11,178	11,670	12,084	12,425	12,698
Farm.....	119	50	62	59	59	57	59	59
<i>Savings and loan associations</i>	150,331	174,250	206,182	222,580	229,182	232,104	236,514	243,791
1- to 4-family.....	124,970	142,275	167,049	180,423	185,706	188,051	191,529	197,349
Multifamily ¹	13,830	17,355	20,783	21,880	22,391	22,561	22,800	23,379
Commercial.....	11,531	14,620	18,350	20,277	21,085	21,492	22,185	23,063
<i>Life insurance companies</i>	74,375	75,496	77,319	77,914	79,040	81,180	81,971	83,228
1- to 4-family.....	26,676	24,604	22,466	21,816	21,826	22,000	21,804	21,755
Multifamily ¹	16,061	16,773	17,242	17,686	17,863	18,387	18,566	18,858
Commercial.....	25,989	28,518	31,932	32,685	33,493	34,746	35,617	36,511
Farm.....	5,649	5,601	5,679	5,727	5,858	6,047	5,984	6,104
FEDERAL AND RELATED AGENCIES ..	32,992	39,357	45,790	48,991	53,008	55,664	58,430	62,533
1- to 4-family.....	21,993	26,453	30,147	31,276	33,725	35,454	37,168	39,782
Multifamily ¹	3,359	4,555	6,086	7,128	8,171	8,489	8,923	9,643
Commercial.....	16	11						
Farm.....	7,624	8,338	9,557	10,587	11,112	11,721	12,339	13,108
<i>Government National Mortgage Association</i>	5,222	5,323	5,113	3,908	4,429	4,029	3,604	3,618
1- to 4-family.....	2,902	2,770	2,490	1,300	1,462	1,330	1,189	1,194
Multifamily ¹	2,304	2,542	2,623	2,608	2,967	2,699	2,415	2,424
Commercial.....	16	11						
<i>Farmers Home Administration</i>	767	819	837	900	1,000	1,200	1,300	1,400
1- to 4-family.....	330	398	387	430	480	550	596	642
Farm.....	437	421	450	470	520	650	704	758
<i>Federal Housing and Veterans Administra-</i> <i>tions</i>	3,505	3,389	3,338	3,293	3,446	3,476	3,514	3,617
1- to 4-family.....	2,771	2,517	2,199	1,998	2,046	2,013	1,964	1,978
Multifamily ¹	734	872	1,139	1,295	1,400	1,463	1,550	1,639
<i>Federal National Mortgage Association</i>	15,502	17,791	19,791	21,413	22,831	24,175	24,875	26,559
1- to 4-family.....	15,181	16,681	17,697	18,521	19,479	20,370	20,516	21,691
Multifamily ¹	321	1,110	2,094	2,892	3,352	3,805	4,359	4,868
<i>Federal land banks (farm only)</i>	7,187	7,917	9,107	10,117	10,592	11,071	11,635	12,350
<i>Federal Home Loan Mortgage Corporation</i>	357	964	1,789	2,029	2,423	2,604	2,637	3,191
1- to 4-family.....	357	934	1,754	1,973	2,294	2,446	2,472	2,951
Multifamily ¹		30	35	56	129	158	165	240
<i>GNMA Pools</i>	452	3,154	5,815	7,331	8,287	9,109	10,865	11,798
1- to 4-family.....	452	3,153	5,620	7,054	7,964	8,745	10,431	11,326
Multifamily ¹		1	195	277	323	364	434	472
INDIVIDUALS AND OTHERS ³	62,805	66,162	69,035	70,964	71,944	73,890	73,740	73,540
1- to 4-family.....	26,865	27,207	27,184	27,503	27,903	28,739	27,739	26,939
Multifamily ¹	8,868	10,314	11,206	11,573	11,784	12,182	12,282	12,032
Commercial.....	13,579	13,977	15,286	15,786	16,075	16,837	17,337	17,937
Farm.....	13,493	14,664	15,359	16,102	16,182	16,132	16,382	16,632

¹ Structure of five 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 Government 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
1970.....	15,492	11,063	4,429	5,079	20	8,047	5,203	325	325	.....	325	.....	.....	.....
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
1973—July.....	21,772	15,877	5,574	516	.....	1,102	9,859	2,158	1,714	444	140	.....	139	278
Aug.....	22,319	16,085	5,761	699	.....	1,019	9,809	2,307	1,728	579	161	.....	208	291
Sept.....	22,831	16,293	5,937	633	.....	1,724	9,602	2,423	1,729	694	126	.....	143	288
Oct.....	23,348	16,510	6,101	659	.....	264	8,918	2,527	1,742	785	113	.....	63	218
Nov.....	23,912	16,734	6,294	656	.....	200	8,690	2,565	1,746	819	46	.....	45	207
Dec.....	24,175	16,852	6,352	410	40	158	7,889	2,604	1,743	861	50	2	43	186
1974—Jan.....	24,424	17,008	6,348	350	.....	110	6,715	2,621	1,736	885	34	8	26	161
Feb.....	24,529	17,050	6,336	242	.....	489	6,768	2,625	1,730	895	21	6	49	185
Mar.....	24,875	17,315	6,340	462	1	1,646	7,913	2,638	1,724	914	29	2	595	748
Apr.....	25,263	17,450	6,503	525	1	2,154	9,292	2,722	1,756	967	101	.....	400	1,037
May.....	25,917	17,725	6,794	821	.....	1,145	9,475	2,986	1,827	1,159	281	.....	1,486	2,221
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

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	
1970.....	8.27	1.03	25.1	71.7	35.5	25.2	8.44	8.52	9.03
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	7.52
1973.....	7.78	1.11	26.3	77.3	37.1	28.1	7.95	8.30	.....
1973—July.....	7.69	1.11	26.3	78.1	37.0	28.3	7.87	8.40	8.19
Aug.....	7.77	1.08	26.7	76.7	38.6	28.9	7.94	8.85	.....
Sept.....	7.98	1.19	26.6	77.3	37.2	28.2	8.17	8.95	9.18
Oct.....	8.12	1.20	26.1	76.9	38.5	29.0	8.31	8.80	8.97
Nov.....	8.22	1.08	26.0	75.5	38.9	28.8	8.39	8.75	8.86
Dec.....	8.31	1.12	25.6	75.5	37.7	28.0	8.49	8.75	8.78
1974—Jan.....	8.33	1.16	26.4	76.3	38.8	28.9	8.52	8.65	.....
Feb.....	8.40	1.33	25.9	76.5	37.8	28.5	8.62	8.55	8.54
Mar.....	8.43	1.35	26.4	77.3	39.1	29.5	8.64	8.60	8.66
Apr.....	8.47	1.21	26.1	77.3	38.5	29.2	8.67	8.90	9.17
May.....	8.55	1.20	25.8	76.8	37.9	28.8	8.74	9.15	9.46
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

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-46:

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											
	1974											
	Mar. 25	Apr. 8	Apr. 22	May 6	May 20	June 3	June 17	July 1	July 15	July 29	Aug. 12	Aug. 26
Amounts (millions of dollars):												
Govt.-underwritten loans												
Offered ¹	1,154.7	1,061.4	333.6	256.0	217.7	85.1	38.5	271.7	379.5	151.6	207.9	309.6
Accepted.....	332.5	267.0	168.5	111.1	82.8	71.5	31.5	103.0	193.5	73.4	97.7	93.0
Conventional loans												
Offered ¹	126.3	163.9	80.3	74.3	41.4	26.1	21.6	39.7	60.4	36.8	45.8	59.0
Accepted.....	34.2	63.3	40.9	29.8	23.6	20.5	11.2	23.6	29.9	18.1	19.4	24.9
Average yield (per cent) on short-term commitments ²												
Govt.-underwritten loans.....	8.62	8.95	9.18	9.34	9.48	9.54	9.54	9.65	9.90	9.98	10.12	10.38
Conventional loans.....	8.64	9.00	9.21	9.44	9.63	9.70	9.69	9.76	9.90	10.02	10.16	10.42

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	Dec. 31, 1971	Dec. 31, 1972	Mar. 31, 1973	June 30, 1973	Sept. 30, 1973	Dec. 31, 1973	Mar. 31, 1974
All holders.....	120.8	131.1	132.4	133.6	133.8	135.0	136.7
FHA.....	81.3	86.4	86.6	86.4	85.6	85.0	85.0
VA.....	39.5	44.7	45.8	47.2	48.2	50.0	51.7
Commercial banks.....	11.3	11.7	11.7	11.7	11.7	11.5	11.6
FHA.....	8.3	8.5	8.5	8.5	8.4	8.2	8.3
VA.....	3.0	3.2	3.2	3.2	3.3	3.3	3.3
Mutual savings banks.....	28.2	28.6	28.7	28.7	28.6	28.4	28.8
FHA.....	16.1	16.0	15.9	15.8	15.7	15.5	15.7
VA.....	12.1	12.6	12.8	12.9	12.9	12.9	13.1
Savings and loan assns.....	24.3	28.9					
FHA.....	13.7	15.4	29.5	29.8	30.1	29.7	29.8
VA.....	10.6	13.5					
Life insurance cos.....	15.8	14.7	14.4	14.0	13.7	13.6	13.3
FHA.....	10.8	10.0	9.8	9.5	9.3	9.2	9.0
VA.....	5.0	4.7	4.6	4.5	4.4	4.4	4.3
Others.....	41.2	47.2	48.2	49.4	50.0	52.1	53.2
FHA.....	32.4	36.5					
VA.....	8.8	10.7					

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
1970.....	912	2,341.1	2,567	9.93	22/8	74.7	10.8	1.32	11.1
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
1971—Nov.....	136	288.2	2,119	9.01	23/5	75.6	9.9	1.27	10.2
Dec.....	133	290.0	2,181	8.96	23/0	74.4	9.9	1.30	10.2
1972—Jan.....	107	198.6	1,856	8.78	22/1	73.3	10.0	1.31	10.2
Feb.....	122	423.5	3,471	8.62	22/6	73.3	9.7	1.31	10.0
Mar.....	220	530.4	2,411	8.50	24/2	76.3	9.5	1.29	9.7
Apr.....	200	381.1	1,906	8.44	24/6	76.3	9.5	1.29	9.6
May.....	246	399.6	1,624	8.48	23/4	76.0	9.5	1.26	9.8
June.....	268	683.2	2,549	8.55	23/0	75.4	9.5	1.29	9.8
July.....	170	421.2	2,478	8.56	23/0	74.5	9.5	1.31	9.8
Aug.....	178	515.7	2,897	8.54	23/4	74.9	9.5	1.27	9.9
Sept.....	152	354.1	2,329	8.58	23/4	75.7	9.5	1.28	9.8
Oct.....	159	343.5	2,161	8.65	23/0	75.8	9.6	1.29	9.9
Nov.....	180	371.7	2,065	8.63	23/2	74.7	9.6	1.28	9.9
Dec.....	130	363.9	2,799	8.64	22/8	74.4	9.8	1.37	9.9

See NOTE on p. A-45.

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
1973—July.....	169,148	138,212	49,352	42,575	6,845	39,440	30,936	12,968	6,424	2,055	9,489
Aug.....	171,978	140,810	50,232	43,505	7,009	40,064	31,168	13,111	6,475	2,130	9,452
Sept.....	173,035	142,093	50,557	44,019	7,120	40,397	30,942	13,088	6,229	2,106	9,519
Oct.....	174,840	143,610	51,092	44,632	7,235	40,651	31,230	13,145	6,554	2,036	9,495
Nov.....	176,969	145,400	51,371	45,592	7,321	41,116	31,569	13,161	6,761	2,024	9,623
Dec.....	180,486	147,437	51,130	47,530	7,352	41,425	33,049	13,241	7,783	2,046	9,979
1974—Jan.....	178,686	146,575	50,617	47,303	7,303	41,352	32,111	13,117	6,894	1,981	10,119
Feb.....	177,522	145,927	50,386	46,781	7,343	41,417	31,595	13,159	6,136	1,882	10,418
Mar.....	177,572	145,768	50,310	46,536	7,430	41,492	31,804	13,188	6,097	1,842	10,677
Apr.....	179,495	147,047	50,606	47,017	7,573	41,851	32,448	13,315	6,556	1,878	10,699
May.....	181,680	148,852	51,076	47,588	7,786	42,402	32,828	13,331	6,948	1,999	10,550
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

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- instalment	
		Total	Automobile paper		Other consumer goods paper			Home improve- 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			2,858	798	8,160	8,374
1969.....	50,974	42,421	13,133	7,791	2,639			2,996	1,081	8,699	8,553
1970.....	53,867	45,398	12,918	7,888	3,792			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
1973—July.....	77,556	66,065	18,439	12,023	6,629	5,603	5,815	3,774	1,934	11,848	11,491
Aug.....	79,036	67,381	18,771	12,190	6,825	5,792	5,923	3,863	1,982	12,035	11,655
Sept.....	79,526	67,918	18,886	12,160	6,956	5,909	5,978	3,903	2,027	12,099	11,608
Oct.....	80,281	68,627	19,123	12,262	7,106	5,991	6,012	3,950	2,060	12,123	11,654
Nov.....	80,830	69,161	19,198	12,306	7,208	6,171	6,035	3,979	2,085	12,179	11,669
Dec.....	81,248	69,495	19,038	12,218	7,223	6,649	6,054	3,982	2,144	12,187	11,753
1974—Jan.....	81,081	69,429	18,885	12,113	7,237	6,826	6,041	3,944	2,167	12,216	11,652
Feb.....	80,909	69,246	18,770	12,028	7,285	6,770	6,063	3,937	2,173	12,220	11,663
Mar.....	80,918	69,232	18,775	11,985	7,333	6,667	6,082	3,958	2,169	12,263	11,686
Apr.....	81,750	69,944	18,896	12,039	7,399	6,761	6,208	4,028	2,180	12,433	11,806
May.....	82,527	70,721	19,037	12,100	7,491	6,887	6,323	4,135	2,199	12,549	11,806
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

See also NOTE to table at top of page.

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
1973—July.....	35,020	11,365	3,132	4,103	733	15,687	21,394	18,517	2,877	15,733	293	15,440
Aug.....	35,634	11,583	3,187	4,194	771	15,899	21,808	18,961	2,847	15,987	296	15,691
Sept.....	35,993	11,721	3,235	4,265	809	15,963	22,129	19,207	2,922	16,053	297	15,756
Oct.....	36,365	11,859	3,269	4,316	847	16,074	22,315	19,339	2,976	16,303	300	16,003
Nov.....	36,887	11,949	3,310	4,371	886	16,371	22,505	19,517	2,988	16,847	302	16,545
Dec.....	37,243	11,927	3,378	4,434	917	16,587	22,567	19,609	2,958	18,132	299	17,833
1974—Jan.....	37,140	11,754	3,392	4,460	940	16,594	22,301	19,429	2,872	17,705	296	17,409
Feb.....	37,148	11,710	3,406	4,486	968	16,578	22,413	19,430	2,983	17,120	293	16,827
Mar.....	37,005	11,624	3,324	4,497	1,018	16,542	22,562	19,550	3,012	16,969	292	16,677
Apr.....	37,291	11,684	3,364	4,547	1,057	16,639	22,753	19,704	3,049	17,059	293	16,766
May.....	37,751	11,810	3,413	4,583	1,097	16,848	23,203	20,053	3,150	17,177	294	16,883
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

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 automobiles (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			
1972—July.....	9.97	10.77	12.39	12.73	17.25	11.84	16.57	12.25	19.38	21.26
Aug.....	10.02	10.71	12.47	12.72	17.25	11.85	16.62	12.41	19.15	21.05
Sept.....	10.02	10.67	12.47	12.70	17.25	11.88	16.71	12.41	19.15	21.05
Oct.....	10.01	10.66	12.38	12.70	17.23	11.86	16.67	12.41	18.90	21.22
Nov.....	10.02	10.85	12.44	12.63	17.23	11.89	16.78	12.41	18.90	21.22
Dec.....	10.01	10.69	12.55	12.77	17.24	11.92	16.87	12.41	18.90	21.22
1973—Jan.....	10.01	10.54	12.46	12.65	17.13	11.89	16.08	12.51	19.04	21.00
Feb.....	10.05	10.76	12.51	12.76	17.16	11.86	16.20	12.51	19.04	21.00
Mar.....	10.04	10.67	12.48	12.71	17.19	11.85	16.32	12.54	18.92	20.79
Apr.....	10.04	10.64	12.50	12.74	17.19	11.88	16.44	12.54	18.92	20.79
May.....	10.05	10.84	12.48	12.78	17.22	11.91	16.52	12.73	18.88	20.76
June.....	10.08	10.57	12.57	12.78	17.24	11.94	16.61	12.73	18.88	20.76
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	12.77	18.93	20.55
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	12.90	18.69	20.52
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	17.07	13.07	18.90	20.57
July.....	10.94	11.46	13.14	13.42	17.23	12.58	17.19	13.07	18.90	20.57

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	By type				By holder			
		Automobile paper	Other consumer goods paper	Home improvement loans	Personal loans	Commercial banks	Finance companies	Other financial lenders	Retail outlets
Extensions									
1966.....	82,832	27,192	26,329	2,223	27,088	30,073	25,897	10,368	16,494
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
1973—July.....	14,542	3,930	5,943	433	4,236	5,976	3,824	2,110	2,632
Aug.....	14,294	3,968	5,961	408	3,957	6,195	3,685	1,943	2,471
Sept.....	13,691	3,939	5,537	410	3,805	5,809	3,602	2,019	2,261
Oct.....	14,149	3,912	5,911	415	3,911	6,060	3,623	1,951	2,515
Nov.....	14,275	3,819	5,978	402	4,076	6,222	3,564	2,029	2,460
Dec.....	12,677	3,315	5,254	429	3,679	5,124	3,279	1,897	2,377
1974—Jan.....	13,714	3,492	5,662	373	4,187	5,715	3,693	1,911	2,395
Feb.....	13,541	3,389	5,647	409	4,096	5,794	3,656	1,861	2,230
Mar.....	13,823	3,484	5,933	424	3,982	5,710	3,497	1,976	2,640
Apr.....	14,179	3,545	6,034	447	4,153	5,838	3,671	2,054	2,616
May.....	14,669	3,769	6,156	468	4,276	6,023	3,832	2,140	2,674
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
Repayments									
1966.....	77,480	25,619	24,080	2,118	25,663	27,716	24,952	9,342	15,470
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
1973—July.....	12,544	3,334	5,141	308	3,761	5,112	3,312	1,771	2,349
Aug.....	12,399	3,293	5,168	298	3,640	5,146	3,241	1,738	2,274
Sept.....	12,332	3,406	5,072	322	3,532	5,167	3,144	1,757	2,264
Oct.....	12,449	3,427	5,149	308	3,565	5,212	3,287	1,703	2,247
Nov.....	12,549	3,471	5,154	301	3,623	5,345	3,143	1,814	2,247
Dec.....	12,267	3,338	5,001	332	3,596	5,088	3,151	1,766	2,262
1974—Jan.....	12,797	3,433	5,193	356	3,815	5,254	3,418	1,823	2,302
Feb.....	12,870	3,394	5,340	323	3,813	5,430	3,423	1,692	2,325
Mar.....	13,206	3,544	5,596	308	3,758	5,479	3,452	1,827	2,448
Apr.....	13,026	3,498	5,483	312	3,733	5,470	3,375	1,784	2,397
May.....	13,407	3,601	5,607	315	3,884	5,573	3,528	1,855	2,451
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
Net change									
1966.....	5,352	1,573	2,249	105	1,425	2,357	945	1,026	1,024
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
1973—July.....	1,998	596	802	125	475	864	512	339	283
Aug.....	1,895	675	793	110	317	1,049	444	205	197
Sept.....	1,359	533	465	88	273	642	458	262	-3
Oct.....	1,700	485	762	107	346	848	336	248	268
Nov.....	1,726	348	824	101	453	877	421	215	213
Dec.....	410	-23	253	97	83	36	128	131	115
1974—Jan.....	917	59	469	17	372	461	275	88	93
Feb.....	671	-5	307	86	283	364	233	169	-95
Mar.....	617	-60	337	116	224	231	45	149	192
Apr.....	1,153	47	551	135	420	368	296	270	219
May.....	1,262	168	549	153	392	450	304	285	223
June.....	1,086	154	428	90	414	512	324	205	45
July.....	1,325	249	554	96	426	588	172	382	183

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- portion	1973 aver- age	1973					1974							
			Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July ^p	Aug. ^e
Total index.....	100.0	125.6	126.5	126.8	127.0	127.5	126.5	125.4	124.6	124.7	124.9	125.7	125.8	125.7	125.2
Products, total.....	62.21	123.4	123.7	124.3	124.3	125.3	124.0	122.9	122.4	122.6	122.7	123.8	124.0	124.2	122.9
Final products.....	48.95	121.3	121.4	122.4	122.7	123.7	122.6	121.2	120.6	121.0	120.8	122.4	122.5	122.9	121.3
Consumer goods.....	28.53	131.7	131.2	132.3	132.6	133.5	131.3	129.2	128.3	128.5	128.5	129.7	130.0	130.2	129.9
Equipment.....	20.42	106.7	107.6	108.5	108.9	110.1	110.1	109.8	109.9	110.1	110.1	112.2	112.1	121.5	109.4
Intermediate products.....	13.26	131.1	132.1	131.0	130.6	131.1	129.1	129.2	129.1	128.2	129.4	129.2	129.3	128.8	128.6
Materials.....	37.79	129.3	130.9	131.3	131.1	131.5	130.7	129.7	128.3	128.8	128.7	129.1	129.1	128.4	128.9
Consumer goods															
Durable consumer goods.....	7.86	139.0	134.0	138.2	137.3	138.5	134.6	128.2	126.4	128.5	130.9	132.8	132.7	133.0	130.8
Automotive products.....	2.84	136.8	121.1	129.8	131.4	133.7	120.6	108.0	106.6	108.0	113.8	116.1	114.9	115.9	116.5
Autos.....	1.87	125.4	103.9	118.4	122.5	124.8	106.2	90.0	86.4	86.3	97.7	100.3	99.6	101.5	103.1
Auto parts and allied goods.....	.97	158.9	154.2	151.8	148.4	150.9	147.8	142.6	145.5	149.8	144.7	146.5	144.0	143.7	142.0
Home goods.....	5.02	140.3	141.1	142.9	140.9	141.2	142.5	139.6	137.5	140.1	140.6	142.3	142.7	142.4	138.8
Appliances, TV, and radios.....	1.41	144.8	146.3	149.4	143.4	140.4	147.9	138.4	131.9	135.8	135.2	137.7	139.3	138.8	.....
Appliances and A/C.....	.92	156.9	153.3	159.8	159.3	154.7	172.2	153.9	148.2	150.0	148.6	152.6	154.9	154.0	.....
TV and home audio.....	.49	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Carpeting and furniture.....	1.08	150.0	154.2	153.3	153.9	152.7	150.1	153.5	153.3	154.5	158.2	157.4	158.1	158.3	.....
Misc. home goods.....	2.53	133.6	132.9	134.8	134.1	136.8	136.3	134.4	134.2	136.3	136.0	138.3	138.2	137.9	134.5
Nondurable consumer goods.....	20.67	129.0	130.2	130.1	130.8	131.5	130.2	129.5	129.1	128.7	127.6	128.5	129.0	129.1	129.5
Clothing.....	4.32	116.0	117.0	118.0	116.8	117.3	120.3	116.3	114.5	112.0	106.2	107.0	108.1	.....	.....
Consumer staples.....	16.34	132.4	133.6	133.2	134.5	135.2	132.8	133.0	133.0	133.1	133.2	134.2	134.5	134.8	135.4
Consumer foods and tobacco.....	8.37	122.2	121.9	122.2	123.3	126.5	125.0	126.9	125.9	125.7	123.9	124.7	125.1	125.5	126.2
Nonfood staples.....	7.98	143.1	145.8	144.8	146.2	144.3	141.1	139.4	140.4	140.8	143.1	144.3	144.3	144.6	145.0
Consumer chemical products.....	2.64	153.3	155.6	153.4	156.2	154.9	156.7	157.8	159.0	160.3	159.7	157.5	156.6	154.1	.....
Consumer paper products.....	1.91	121.3	124.1	124.4	122.5	123.6	120.5	119.4	119.9	119.1	119.4	124.7	123.9	124.5	.....
Consumer fuel and lighting.....	3.43	147.5	150.4	149.7	151.9	147.8	140.7	136.7	137.4	138.2	143.7	145.1	146.1	148.4	.....
Residential utilities.....	2.25	156.8	160.0	160.9	161.9	158.0	149.8	145.6	148.6	149.0	151.6	153.2	155.4	.....	.....
Equipment															
Business equipment.....	12.74	122.6	124.6	125.8	126.2	127.8	126.9	126.8	127.3	127.6	127.9	130.2	130.3	130.4	128.2
Industrial equipment.....	6.77	120.1	122.5	124.1	124.5	125.6	124.9	125.3	126.6	126.8	127.6	129.6	129.4	129.7	129.5
Building and mining equip.....	1.45	120.4	123.0	123.7	124.7	126.0	126.0	128.5	130.3	131.3	133.5	135.0	136.0	136.0	136.5
Manufacturing equipment.....	3.85	113.0	115.1	117.3	117.3	118.2	118.5	119.3	120.6	121.1	122.1	124.1	123.2	123.5	122.9
Power equipment.....	1.47	138.5	141.0	142.3	143.0	144.6	140.3	138.0	138.7	137.3	136.6	138.4	139.0	140.0	139.1
Commercial, transit, farm eq.....	5.97	125.5	127.0	127.7	128.1	130.3	129.2	128.5	128.2	128.7	128.2	130.9	131.5	131.2	126.8
Commercial equipment.....	3.30	135.0	137.0	138.2	140.1	141.3	139.3	139.8	139.8	140.8	140.4	141.5	142.7	141.4	138.4
Transit equipment.....	2.00	109.8	108.4	109.6	109.8	111.4	111.1	109.5	109.3	109.4	106.7	110.2	110.4	111.4	103.4
Farm equipment.....	.67	125.1	132.8	129.4	123.5	132.4	133.4	129.2	126.0	126.1	131.2	140.2	140.6	139.6	.....
Defense and space equipment.....	7.68	80.2	79.7	79.8	80.0	80.9	81.9	81.4	80.9	81.0	80.6	82.2	81.6	82.8	78.1
Military products.....	5.15	80.3	79.0	79.1	79.3	80.0	81.3	80.6	80.2	80.5	79.9	81.2	79.6	81.5	81.2
Intermediate products															
Construction products.....	5.93	134.2	135.3	134.9	134.3	133.7	131.1	133.0	131.3	129.6	130.8	130.8	130.1	129.6	128.6
Misc. intermediate products.....	7.34	128.6	129.6	128.1	127.5	129.0	127.4	126.3	127.4	127.5	128.2	127.9	128.6	128.2	.....
Materials															
Durable goods materials.....	20.91	130.1	131.8	132.3	132.2	133.0	132.7	129.8	127.3	127.2	127.3	128.3	127.9	126.7	128.2
Consumer durable parts.....	4.75	127.8	128.6	129.9	128.2	128.4	121.0	113.0	109.3	110.6	112.5	114.7	113.5	113.8	116.5
Equipment parts.....	5.41	119.3	122.3	122.1	122.7	125.8	125.3	123.9	122.6	121.6	120.1	122.5	122.1	121.2	122.5
Durable materials nec.....	10.75	136.5	138.0	138.7	139.0	138.7	141.6	140.0	137.6	137.5	137.5	137.2	137.2	135.0	136.2
Nondurable goods materials.....	13.99	129.1	130.6	130.3	130.1	130.7	129.2	131.1	131.1	131.9	131.9	130.9	131.5	131.1	131.2
Textile, paper, and chem. mat.....	8.58	139.8	142.4	141.9	141.4	142.4	140.1	143.4	141.7	143.1	143.9	143.3	143.7	144.0	143.9
Nondurable materials n.e.c.....	5.41	112.2	111.7	112.0	112.3	112.1	111.9	111.7	114.3	114.7	112.7	111.4	112.2	111.0	111.1
Fuel and power, industrial.....	2.89	123.9	126.3	128.3	126.9	124.9	123.1	121.5	122.5	122.6	123.2	124.7	126.5	127.2	123.2
Supplementary groups															
Home goods and clothing.....	9.34	129.0	130.0	131.3	129.8	130.2	132.4	128.8	126.9	127.0	124.6	126.0	126.7	126.2	124.2
Containers.....	1.82	139.9	140.5	139.8	141.2	142.3	141.0	148.4	144.3	151.4	147.0	141.5	141.9	141.4	.....
Gross value of products in market structure (In billions of 1963 dollars)															
Products, total.....	286.3	449.8	446.2	449.8	452.6	456.9	449.1	445.4	442.5	443.9	445.4	449.5	449.4	448.8	444.2
Final products.....	221.4	346.1	341.9	346.3	349.7	353.3	346.9	342.5	339.9	342.3	342.9	347.2	347.3	346.7	342.7
Consumer goods.....	156.3	239.7	235.4	239.0	241.7	243.6	237.8	233.6	230.6	232.7	233.8	235.9	236.1	235.3	235.5
Equipment.....	65.3	106.4	106.6	107.3	108.0	109.5	108.9	108.9	109.1	109.4	109.0	111.2	111.3	111.2	107.5
Intermediate products.....	64.9	103.7	104.6	103.5	103.1	103.6	102.5	103.1	102.6	101.9	102.5	102.2	102.1	102.3	101.7

For NOTE see p. A-51.

INDUSTRY GROUPINGS

(1967 = 100)

Grouping	1967 pro- portion	1973 aver- age	1973					1974							
			Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July ^p	Aug. ^e
Manufacturing	88.55	125.2	126.1	126.3	126.4	127.4	126.4	125.3	124.5	124.6	124.8	125.7	125.9	125.8	125.0
Durable.....	52.33	122.1	122.6	123.3	123.5	124.3	123.1	121.1	119.4	120.4	120.7	122.1	122.4	122.4	120.8
Nondurable.....	36.22	129.6	130.9	130.7	130.4	131.3	131.2	131.4	131.5	130.9	130.4	130.9	130.9	130.7	131.2
Mining and utilities.....	11.45	128.9	130.7	131.3	131.5	130.6	126.9	125.4	126.9	127.3	127.8	128.0	128.3	128.6	127.7
Mining.....	6.37	110.2	111.5	111.8	111.9	111.3	110.4	109.9	111.7	112.2	111.3	111.0	110.6	110.3	108.1
Utilities.....	5.08	152.3	154.8	155.8	156.2	154.6	147.6	144.9	146.1	146.5	148.7	149.2	150.5	151.5	152.5
Durable manufactures															
Primary and fabricated metals	12.55	128.8	129.5	129.5	130.6	131.0	130.5	130.4	127.6	128.2	127.5	128.1	129.1	128.6	127.3
Primary metals.....	6.61	127.1	125.6	127.8	128.7	128.9	130.7	129.5	125.0	125.3	124.0	124.6	126.5	125.6	124.9
Iron and steel, subtotal.....	4.23	121.6	118.5	122.7	123.6	124.2	127.7	125.5	119.4	119.6	116.4	118.0	120.0	120.5	121.2
Fabricated metal products.....	5.94	130.7	133.8	131.5	132.4	133.1	130.0	131.4	130.6	131.6	131.3	131.9	131.9	131.9	130.0
Machinery and allied goods	32.44	117.3	117.7	118.9	118.9	119.9	118.6	115.2	113.8	114.8	115.5	117.5	117.7	117.5	116.3
Machinery.....	17.39	125.9	128.5	130.0	129.2	130.4	130.9	128.6	127.2	128.4	128.2	129.7	130.7	130.4	128.0
Nonelectrical machinery.....	9.17	125.1	128.9	130.0	130.0	130.3	130.2	129.4	128.1	129.8	130.7	131.9	132.5	132.0	133.0
Electrical machinery.....	8.22	126.8	128.2	129.8	128.5	130.5	131.6	127.7	126.2	126.8	125.3	127.4	128.9	128.6	122.4
Transportation equipment.....	9.29	109.2	105.7	107.3	108.8	109.8	103.0	95.7	93.9	95.0	97.8	100.6	99.5	98.9	98.8
Motor vehicles and parts.....	4.56	138.1	131.0	133.9	136.4	137.8	124.6	112.7	109.2	110.2	116.4	119.6	117.0	117.3	116.3
Aerospace and misc. trans. eq.....	4.73	81.4	81.3	81.7	82.3	82.9	82.2	79.3	79.3	80.3	80.0	82.4	82.6	81.2	81.7
Instruments.....	2.07	138.4	140.9	141.5	141.0	142.6	142.7	143.0	142.8	142.8	143.8	146.1	147.5	146.7	147.4
Ordnance, private and Govt.....	3.69	85.4	83.8	83.7	83.8	84.3	86.1	85.2	84.2	84.9	84.3	86.1	86.3	87.2	87.2
Lumber, clay, and glass	4.44	129.5	129.2	128.8	129.7	129.3	127.8	129.7	127.4	128.1	128.9	128.0	127.1	127.6	124.9
Lumber and products.....	1.65	128.9	128.4	128.9	127.4	127.3	126.3	126.1	127.1	126.1	126.8	126.8	125.6	125.6	.....
Clay, glass, and stone products.....	2.79	129.9	129.6	128.9	131.2	130.4	128.7	131.8	127.6	129.3	130.3	128.7	127.8	128.8	.....
Furniture and miscellaneous	2.90	135.2	137.5	138.2	136.1	136.4	135.3	133.4	135.2	136.8	136.8	138.9	138.9	140.3	136.3
Furniture and fixtures.....	1.38	126.3	129.5	130.4	128.8	127.9	124.9	124.2	125.4	126.8	128.8	129.7	131.9	133.6	.....
Miscellaneous manufactures.....	1.52	143.3	144.9	145.3	142.9	144.3	144.5	141.8	144.2	145.8	144.1	147.3	145.3	146.3	.....
Nondurable manufactures															
Textiles, apparel, and leather	6.90	114.7	115.4	117.5	116.8	116.7	118.8	116.2	115.3	112.4	109.3	109.8	108.8	108.2	108.4
Textile mill products.....	2.69	127.1	129.0	130.2	130.2	129.4	130.9	128.4	127.6	125.0	123.4	124.0	124.5	124.0	.....
Apparel products.....	3.33	112.9	113.6	115.4	114.9	115.3	118.5	116.4	113.6	110.0	105.8	105.0	103.4	.....	.....
Leather and products.....	.88	83.6	81.0	86.4	83.1	82.9	82.9	77.6	83.7	83.0	79.5	83.9	81.6	72.1	.....
Paper and printing	7.92	122.1	124.5	122.1	121.3	121.9	121.2	121.7	122.2	122.5	121.2	121.3	122.7	123.0	124.3
Paper and products.....	3.18	135.4	137.0	134.8	135.3	136.2	136.7	138.7	137.6	140.2	135.4	135.1	136.7	136.8	.....
Printing and publishing.....	4.74	113.2	116.2	113.6	112.1	112.3	110.8	110.4	111.9	110.7	111.7	111.9	113.3	113.8	117.7
Chemicals, petroleum, and rubber	11.92	149.3	151.0	150.9	151.1	151.6	151.6	151.5	151.2	151.3	153.5	153.0	153.5	153.3	153.6
Chemicals and products.....	7.86	150.1	151.4	153.0	152.7	153.0	154.5	154.9	155.3	155.5	156.2	156.2	156.9	155.7	156.4
Petroleum products.....	1.80	127.4	128.2	126.0	130.4	129.5	125.5	120.5	116.9	117.3	126.9	126.1	125.3	127.9	126.7
Rubber and plastics products.....	2.26	164.0	167.9	163.6	161.9	164.5	162.3	164.3	163.5	164.2	165.5	163.7	164.5	165.0	.....
Foods and tobacco	9.48	121.9	122.0	122.2	121.7	124.7	123.0	125.4	126.2	125.3	124.3	126.5	125.4	124.8	125.4
Foods.....	8.81	122.7	122.9	123.2	122.4	125.4	124.5	126.3	127.2	126.5	125.9	127.8	126.7	126.0	126.5
Tobacco products.....	.67	111.6	110.1	109.1	113.7	115.8	104.2	113.3	112.1	110.4	104.6	109.4	108.7	.....	.....
Mining															
Metal, stone, and earth minerals	1.26	118.1	120.6	120.4	120.9	121.3	122.0	121.4	119.9	119.7	117.5	117.9	112.4	113.8	108.9
Metal mining.....	.51	130.8	131.4	136.6	138.3	135.2	135.2	132.2	132.9	132.2	127.4	128.1	120.6	120.4	.....
Stone and earth minerals.....	.75	109.5	113.1	109.5	109.2	111.7	113.1	111.9	111.6	110.7	110.7	111.0	106.7	109.3	.....
Coal, oil, and gas	5.11	108.3	109.2	109.5	109.7	108.8	107.5	107.0	109.6	110.2	109.8	109.2	110.1	109.4	107.8
Coal.....	.69	103.6	104.0	109.8	103.0	104.1	110.4	108.7	112.7	114.7	110.3	112.4	118.3	115.6	100.7
Oil and gas extraction.....	4.42	109.0	110.0	109.7	110.8	109.6	107.0	106.8	109.1	109.5	109.7	108.8	108.8	108.4	108.9
Utilities															
Electric.....	3.91	160.7	163.8	165.1	165.3	163.4	155.6	153.0	154.6	155.1	158.3	159.0	160.4	.....	.....
Gas.....	1.17	124.2	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....

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.

Indexes without seasonal adjustment are no longer being published in the *Bulletin*, but they are available in the Board's monthly release *Industrial Production* (the G.12.3), which is available upon request to Publications Services, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

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								
		Total	Products			Inter- mediate	Materials					Manu- facturing				
			Total	Consumer 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	103.1	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	106.7	103.2	116.6	114	108.8	106.5
1970.....	106.6	106.0	104.5	110.3	96.3	111.7	107.7	105.2	78.3	123.1	107.2	98.0	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	107.3	93.9	116.3	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	110.5	96.7	130.2	142	125.3	119.8
1973.....	125.6	123.4	121.3	131.7	106.7	131.1	129.3	125.2	83.0	183.3	114.8	101.9	146.9	.....	133.1	134.7
1973—July.....	126.7	124.2	122.1	132.8	107.3	132.5	130.9	126.5	83.3	175.0	114.6	101.8	146.3	163	132.7	134.3
Aug.....	126.5	123.7	121.4	131.2	107.6	132.1	130.9	126.1		199.0	115.0	102.1	146.7	162	135.1	142.1
Sept.....	126.8	124.3	122.4	132.3	108.5	131.0	131.3	126.3		182.0	115.3	102.1	149.8	163	135.5	139.7
Oct.....	127.0	124.3	122.7	132.6	108.9	130.6	131.1	126.4		191.0	116.0	102.9	151.7	164	136.6	138.7
Nov.....	127.5	125.3	123.7	133.5	110.1	131.1	131.5	127.4	82.6	194.0	116.4	103.3	155.8	164	137.6	139.2
Dec.....	126.5	124.0	122.6	131.3	110.1	129.1	130.7	126.4		161.0	116.4	103.2	153.7	161	138.5	141.8
1974—Jan.....	125.4	122.9	121.2	129.2	109.8	129.2	129.7	125.3	80.5	155.0	116.2	102.6	151.6	164	139.7	146.6
Feb.....	124.6	122.4	120.6	128.3	109.9	129.1	128.3	124.5		187.0	116.6	101.8	151.1	165	141.5	149.5
Mar.....	124.7	122.6	121.0	128.5	110.1	128.2	128.8	124.6		181.0	116.6	101.5	150.5	168	143.1	151.4
Apr.....	124.9	122.7	120.8	128.5	110.1	129.4	128.7	.....		179.0	116.8	101.9	147.9	169	144.0	152.7
May.....	125.7	123.8	122.4	129.7	112.2	129.2	129.1	125.7	80.6	188.0	.....	102.0	154.4	172	145.6	155.0
June.....	125.8	124.0	122.5	130.0	112.1	129.3	129.1	125.9		166.0	.....	102.0	155.5	170	147.1	155.7
July.....	125.7	124.2	122.9	130.2	112.5	128.8	128.4	125.8		177.0	.....	101.7	156.6	177	148.3	161.7
Aug.....	125.2	122.9	121.3	129.9	109.4	128.6	128.9	125.0		.....	.....	100.8	158.1	178	.....	167.4

¹ Employees only; excludes personnel in the Armed Forces.² Production workers only.³ F.R. index based on Census Bureau figures.⁴ Prices are not seasonally adjusted. Latest figure is final.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; does not include data for Alaska and Hawaii.

Employment and payrolls: Based on Bureau of Labor Statistics data; includes data for Alaska and Hawaii beginning with 1959.

Prices: Bureau of Labor Statistics data.

CONSTRUCTION CONTRACTS AND PRIVATE HOUSING PERMITS

(In millions of dollars, except as noted)

Type of ownership and type of construction	1972	1973	1973						1974						
			July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July
Total construction ¹	90,979	101,071	9,228	10,303	8,151	8,983	7,905	6,133	5,954	6,610	7,911	8,929	10,158	8,480	9,295
By type of ownership:															
Public.....	24,043	26,686	2,581	2,968	2,328	2,055	2,140	1,855	2,135	2,212	2,481	2,336	3,082	2,968	3,242
Private ¹	66,936	73,385	6,647	7,335	5,822	6,928	5,765	4,277	3,819	4,398	5,430	6,593	7,076	5,512	6,053
By type of construction:															
Residential building ¹	44,975	46,246	4,224	4,233	3,638	3,673	3,299	2,341	2,231	2,678	3,374	3,924	3,862	3,546	3,350
Nonresidential building.....	27,021	31,761	2,991	3,241	2,719	2,758	2,655	2,210	2,307	2,260	2,752	2,842	3,120	2,989	3,698
Nonbuilding.....	18,983	22,064	2,013	2,828	1,794	2,552	1,951	1,581	1,415	1,672	1,785	2,163	3,176	1,945	2,247
Private housing units authorized... (In thousands, S.A., A.R.)	2,219	1,820	1,814	1,777	1,656	1,379	1,361	1,285	1,282	1,325	1,410	1,296	1,120	1,106	1,043

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 exceed annual totals because adjustments—negative—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; 1971 data are for 13,000 reporting areas.

VALUE OF NEW CONSTRUCTION ACTIVITY

(In millions of dollars)

Period	Total	Private							Public				
		Total	Resi- dential	Nonresidential				Total	Mili- tary	High- way	Conser- vation and develop- ment	Other ²	
				Total	Buildings								Other
					Indus- trial	Com- mercial	Other build- ings ¹						
1962 ³	59,965	42,096	25,150	16,946	2,842	5,144	3,631	5,329	17,869	1,266	6,365	1,523	8,715
1963 ⁴	64,563	45,206	27,874	17,332	2,906	4,995	3,745	5,686	19,357	1,179	7,084	1,694	9,400
1964	67,413	47,030	28,010	19,020	3,565	5,396	3,994	6,065	20,383	910	7,133	1,750	10,590
1965	73,412	51,350	27,934	23,416	5,118	6,739	4,735	6,824	22,062	830	7,550	2,019	11,663
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	93,368	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	135,437	102,875	57,604	45,271	6,243	15,453	5,888	17,687	32,562	1,170	10,559	2,313	18,520
1973—July	137,172	105,562	59,145	46,417	6,477	15,976	6,093	17,871	31,610	1,231	10,727	2,097	17,555
Aug.	137,351	105,475	59,280	46,195	6,436	15,754	5,854	18,151	31,876	1,100	10,606	2,226	17,944
Sept.	137,283	104,119	58,048	46,071	6,820	15,446	5,674	18,131	33,164	1,026	11,128	2,354	18,656
Oct.	136,363	130,197	56,233	46,964	6,748	15,762	5,860	18,594	33,166	1,079	10,566	2,300	19,221
Nov.	135,594	102,172	54,450	47,722	7,080	16,054	5,727	18,861	33,422	1,060	10,952	2,362	19,048
Dec.	133,169	100,057	52,304	47,753	7,343	15,890	5,913	18,607	33,112	1,082	11,168	2,314	18,548
1974—Jan.	132,487	97,647	49,802	47,845	6,831	15,762	6,058	19,194	34,840	1,305			
Feb.	136,274	98,762	49,071	49,691	7,869	16,650	6,143	19,029	37,512	1,361			
Mar.	135,483	99,045	49,209	49,836	7,500	16,652	6,336	19,348	36,438	1,401			
Apr.	137,786	98,832	49,558	49,274	6,920	16,296	6,264	19,794	38,954	1,505			
May	139,938	99,664	49,718	49,946	7,606	16,408	5,890	20,042	40,274	1,181			
June	138,054	99,755	49,340	50,415	8,027	16,425	6,034	19,929	38,299	1,163			
July ^p	137,172	97,537	48,735	48,802	7,167	15,434	6,086	20,115	39,635	1,192			

¹ Includes religious, educational, hospital, institutional, and other buildings.² Sewer and water, formerly shown separately, now included in "Other."³ Beginning July 1962, reflects inclusion of new series affecting most private nonresidential groups.⁴ Beginning 1963, reflects inclusion of new series under "Public" (for State and local govt. activity only).

NOTE.—Census Bureau data; monthly series at seasonally adjusted annual rates.

NEW HOUSING UNITS

(In thousands)

Period	Units started														Mobile home shipments (N.S.A.)
	Private (S.A., A.R.)								Private and public (N.S.A.)			Government-underwritten (N.S.A.)			
	Total	Region				Type of structure			Total	Private	Public	Total	FHA	VA	
		North-east	North Central	South	West	1-family	2- to 4-family	5- or more-family							
1963.....	1,603	261	328	591	430	1,012	589		1,635	1,603	32	292	221	71	151
1964.....	1,529	254	340	578	357	970	108	450	1,561	1,529	32	264	205	59	191
1965.....	1,473	270	362	575	266	964	87	422	1,510	1,473	37	246	197	49	216
1966.....	1,165	206	288	472	198	778	61	325	1,196	1,165	31	195	158	37	217
1967.....	1,292	215	337	520	220	844	72	376	1,322	1,292	30	232	180	53	240
1968.....	1,508	227	369	618	294	900	81	527	1,546	1,508	38	283	227	56	318
1969.....	1,467	206	349	588	324	814	85	571	1,500	1,467	33	284	233	51	413
1970.....	1,434	218	294	612	310	813	85	536	1,469	1,434	35	482	421	61	401
1971.....	2,052	264	434	869	486	1,151	120	781	2,084	2,052	32	621	528	93	497
1972.....	2,357	330	443	1,057	527	1,309	141	906	2,379	2,357	22	475	371	104	576
1973.....	2,045	277	440	897	428	1,132	118	795	2,057	2,045	12	247	161	86	567
1973—July.....	2,152	245	475	1,020	412	1,232	144	776	203	203	1	20	12	8	49
Aug.....	2,030	255	466	844	465	1,108	107	814	200	197	3	23	14	9	53
Sept.....	1,844	281	431	748	384	990	97	757	149	148	1	15	10	6	44
Oct.....	1,674	242	383	715	334	957	81	637	149	147	2	15	9	6	45
Nov.....	1,675	241	322	750	362	938	84	653	135	133	1	17	12	5	39
Dec.....	1,403	192	278	654	279	767	73	563	91	90	.....	11	7	4	28
1974—Jan.....	1,464	258	330	650	226	793	89	582	86	85	2	13	9	4	29
Feb.....	1,922	337	386	871	328	1,056	84	782	110	109	.....	12	8	4	30
Mar.....	1,499	212	332	620	335	962	87	450	127	125	2	14	8	6	37
Apr.....	1,630	195	327	749	359	996	88	546	161	160	1	13	6	7	42
May.....	1,471	177	312	633	348	931	95	445	150	149	1	17	10	8	41
June.....	1,590	255	398	607	330	1,012	73	505	149	147	2	15	8	7	39
July ^p	1,335	154	341	540	300	941	81	313	127	126	1	.....	.....	.....	.....

NOTE.—Starts are Census Bureau series (including farm starts) except for Govt.-underwritten, which are from Federal Housing Admin. and Veterans Admin. and represent units started, including rehabilitation

units under FHA, based on field office reports of first compliance inspections. Data may not add to totals because of rounding.

Mobile home shipments are as reported by Mobile Homes Manufacturers Assn.

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		
1968.....	135,562	53,291	82,272	78,737	75,920	72,103	3,817	2,817	3.6
1969.....	137,841	53,602	84,240	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
1973—Aug.....	148,565	56,129	91,011	88,704	84,513	81,088	3,425	4,191	4.7
Sept.....	148,782	57,484	91,664	89,373	85,133	81,757	3,376	4,240	4.7
Oct.....	149,001	56,955	92,038	89,749	85,649	82,194	3,455	4,100	4.6
Nov.....	149,208	57,040	92,186	89,903	85,649	82,088	3,561	4,254	4.7
Dec.....	149,436	57,453	92,315	90,033	85,669	82,026	3,643	4,364	4.8
1974—Jan.....	149,656	58,303	92,801	90,543	85,811	82,017	3,794	4,732	5.2
Feb.....	149,857	58,165	92,814	90,556	85,803	81,951	3,852	4,753	5.2
Mar.....	150,066	58,183	92,747	90,496	85,863	82,164	3,699	4,633	5.1
Apr.....	150,283	58,547	92,556	90,313	85,775	82,264	3,511	4,538	5.0
May.....	150,507	58,349	92,909	90,679	85,971	82,514	3,457	4,708	5.2
June.....	150,710	55,953	93,130	90,919	86,165	82,872	3,293	4,754	5.2
July.....	150,922	55,426	93,387	91,167	86,312	82,907	3,405	4,855	5.3
Aug.....	151,135	56,456	93,281	91,061	86,187	82,744	3,443	4,874	5.4

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 & public utilities	Trade	Finance	Service	Government
1968.....	67,915	19,781	606	3,285	4,310	14,084	3,382	10,623	11,845
1969.....	70,284	20,167	619	3,435	4,429	14,639	3,564	11,229	12,202
1970.....	70,593	19,349	623	3,381	4,493	14,914	3,688	11,612	12,535
1971.....	70,645	18,529	602	3,411	4,442	15,142	3,796	11,869	12,856
1972.....	72,764	18,933	607	3,521	4,495	15,683	3,927	12,309	13,290
1973.....	75,567	19,820	625	3,648	4,611	16,288	4,053	12,866	13,657
SEASONALLY ADJUSTED									
1973—Aug.....	75,747	19,861	634	3,676	4,617	16,352	4,064	12,906	13,637
Sept.....	75,961	19,882	633	3,700	4,629	16,388	4,078	12,995	13,656
Oct.....	76,363	20,016	639	3,694	4,671	16,465	4,088	13,044	13,746
Nov.....	76,679	20,095	644	3,711	4,654	16,520	4,095	13,122	13,838
Dec.....	76,626	20,090	646	3,732	4,644	16,398	4,101	13,128	13,887
1974—Jan.....	76,526	20,006	654	3,636	4,684	16,417	4,109	13,136	13,884
Feb.....	76,813	19,904	656	3,757	4,691	16,472	4,124	13,215	13,994
Mar.....	76,804	19,851	655	3,725	4,676	16,487	4,127	13,240	14,043
Apr.....	76,941	19,921	659	3,659	4,668	16,549	4,130	13,248	14,107
May.....	77,136	19,942	664	3,662	4,664	16,594	4,145	13,329	14,136
June.....	77,101	19,961	665	3,599	4,653	16,602	4,140	13,365	14,116
July.....	77,100	19,915	668	3,522	4,643	16,664	4,133	13,378	14,177
Aug. ^p	77,177	19,801	665	3,544	4,642	16,661	4,143	13,449	14,272
NOT SEASONALLY ADJUSTED									
1973—Aug.....	75,686	20,018	648	3,981	4,659	16,279	4,121	13,009	12,971
Sept.....	76,238	20,132	641	3,944	4,671	16,367	4,082	12,982	13,419
Oct.....	76,914	20,168	640	3,923	4,680	16,515	4,076	13,057	13,855
Nov.....	77,322	20,202	643	3,822	4,659	16,780	4,079	13,096	14,041
Dec.....	77,391	20,110	642	3,639	4,644	17,113	4,080	13,062	14,101
1974—Jan.....	75,620	19,818	642	3,280	4,618	16,290	4,072	12,913	13,987
Feb.....	75,792	19,738	641	3,329	4,616	16,127	4,087	13,056	14,198
Mar.....	76,117	19,726	642	3,405	4,634	16,187	4,102	13,147	14,274
Apr.....	76,706	19,777	653	3,527	4,635	16,429	4,118	13,274	14,293
May.....	77,225	19,825	664	3,658	4,664	16,535	4,141	13,422	14,316
June.....	77,897	20,107	679	3,779	4,718	16,677	4,181	13,552	14,204
July.....	76,958	19,833	682	3,765	4,699	16,631	4,199	13,539	13,610
Aug. ^p	77,128	20,008	680	3,838	4,684	16,587	4,201	13,557	13,573

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 1970, series has been adjusted to Mar. 1971 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	124.2	146.7	136.0	126.4	124.9	126.8	123.8	130.2	137.7	125.2	125.9	129.0
1973—July.....	132.7	140.9	134.2	124.3	145.2	131.7	125.5	125.0	125.8	124.8	130.3	137.3	125.3	126.2	129.5
Aug.....	135.1	149.4	135.2	125.0	147.0	132.8	125.8	125.3	126.5	124.5	130.5	137.6	125.7	126.1	129.4
Sept.....	135.5	148.3	136.6	125.4	149.2	133.6	126.5	126.1	128.3	123.9	131.1	138.3	126.3	126.8	129.9
Oct.....	136.6	148.4	138.1	125.9	151.5	141.1	127.4	126.7	129.6	125.0	132.1	140.6	127.3	127.2	130.3
Nov.....	137.6	150.0	139.4	126.3	152.6	155.6	129.8	127.5	130.5	125.8	132.6	140.9	128.1	127.5	130.8
Dec.....	138.5	151.3	140.6	126.9	153.6	172.8	131.0	128.0	130.5	126.7	133.0	141.4	129.2	127.6	131.3
1974—Jan.....	139.7	153.7	142.2	127.3	154.8	194.6	134.3	129.0	128.8	128.1	133.7	142.2	129.8	128.3	131.8
Feb.....	141.5	157.6	143.4	128.0	155.8	202.0	137.3	130.1	130.4	129.3	134.5	143.4	130.8	128.9	132.3
Mar.....	143.1	159.1	144.9	128.4	157.2	201.5	140.0	132.6	132.2	132.0	135.4	144.8	131.8	129.5	132.8
Apr.....	144.0	158.6	146.0	128.8	158.2	206.5	141.9	134.0	133.6	134.4	136.3	145.6	133.1	130.4	133.6
May.....	145.6	159.7	147.6	129.3	159.4	211.0	143.9	137.0	135.0	137.6	137.7	147.2	134.9	132.0	134.4
June.....	147.1	160.3	149.2	129.8	161.2	214.2	144.5	139.2	135.7	140.7	139.4	149.4	136.5	133.5	135.8
July.....	148.3	160.5	150.9	130.3	163.2	218.5	146.2	141.4	135.3	142.6	141.0	151.4	137.8	134.6	137.7

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.	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	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	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	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
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	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	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	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	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	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	119.7
1973—Aug.....	142.1	213.3	166.2	126.7	125.2	143.0	135.2	111.0	113.1	178.8	123.3	133.7	122.3	115.9	121.0
Sept.....	139.7	200.4	156.3	127.4	126.8	143.8	137.4	111.5	112.8	181.9	124.4	134.4	122.6	116.0	121.1
Oct.....	138.7	188.4	153.1	128.5	128.5	143.8	139.3	112.7	114.0	180.3	125.8	135.9	123.1	116.6	121.0
Nov.....	139.2	184.0	151.9	130.1	130.0	143.0	144.1	113.5	114.8	184.7	127.6	138.5	123.8	117.2	121.3
Dec.....	141.8	187.2	155.7	132.2	131.4	141.9	151.5	115.6	116.5	186.1	128.7	141.8	124.6	117.5	121.6
1974—Jan.....	146.6	202.6	162.1	135.3	133.8	142.6	162.5	118.2	117.7	183.7	131.8	145.0	126.0	119.0	123.5
Feb.....	149.5	205.6	164.7	138.2	135.2	143.4	177.4	120.2	119.8	184.1	132.9	148.0	127.0	120.2	124.6
Mar.....	151.4	197.0	163.0	142.4	136.1	143.4	189.0	127.3	123.8	191.3	137.2	154.7	129.0	121.3	125.8
Apr.....	152.7	186.2	159.1	146.6	137.5	145.4	197.9	132.3	129.4	200.2	114.4	161.2	130.8	122.9	128.2
May.....	155.0	180.8	158.9	150.5	139.1	146.3	204.3	137.0	133.7	198.0	146.6	168.7	134.1	124.5	133.2
June.....	155.7	168.6	157.4	153.6	141.7	146.0	210.5	142.8	135.6	192.2	147.5	174.0	137.2	126.1	134.3
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	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	135.4

¹ Dec. 1968=100.

GROSS NATIONAL PRODUCT

(In billions of dollars)

Item	1929	1933	1941	1950	1969	1970	1971	1972	1973	1973			1974	
										II	III	IV	I	II
Gross national product	103.1	55.6	124.5	284.8	930.3	977.1	1,054.9	1,158.0	1,294.9	1,277.9	1,308.9	1,344.0	1,358.8	1,387.3
Final purchases	101.4	57.2	120.1	278.0	922.5	972.6	1,048.6	1,149.8	1,279.6	1,267.2	1,297.0	1,315.1	1,341.9	1,373.8
Personal consumption expenditures	77.2	45.8	80.6	191.0	579.5	617.6	667.1	729.0	805.2	799.0	816.3	823.9	840.6	869.1
Durable goods	9.2	3.5	9.6	30.5	90.8	91.3	103.9	118.4	130.3	132.1	132.4	124.3	123.9	129.5
Nondurable goods	37.7	22.3	42.9	98.1	245.9	263.8	278.4	299.7	338.0	332.7	343.8	352.1	364.4	375.8
Services	30.3	20.1	28.1	62.4	242.7	262.6	284.8	301.9	336.9	334.2	340.1	347.4	352.4	363.8
Gross private domestic investment	16.2	1.4	17.9	54.1	139.0	136.3	153.7	179.3	209.4	205.1	209.0	224.5	210.5	211.8
Fixed investment	14.5	3.0	13.4	47.3	131.1	131.7	147.4	170.8	194.0	194.4	197.1	195.5	193.6	198.3
Nonresidential	10.6	2.4	9.5	27.9	98.5	100.6	104.6	116.8	136.8	135.6	139.0	141.9	145.2	149.4
Structures	5.0	.9	2.9	9.2	34.2	36.1	37.9	41.1	47.0	46.2	47.9	49.3	51.3	52.2
Producers' durable equipment	5.6	1.5	6.6	18.7	64.3	64.4	66.6	75.7	89.8	89.4	91.1	92.6	93.9	97.2
Residential structures	4.0	.6	3.9	19.4	32.6	31.2	42.8	54.0	57.2	58.1	53.6	48.4	48.8	48.8
Nonfarm	3.8	.5	3.7	18.6	32.0	30.7	42.3	53.4	56.7	58.4	57.6	53.0	47.8	48.0
Change in business inventories	1.7	-1.6	4.5	6.8	7.8	4.5	6.3	8.5	15.4	10.7	11.8	28.9	16.9	13.5
Nonfarm	1.8	-1.4	4.0	6.0	7.7	4.3	4.9	7.8	11.4	7.7	7.4	24.0	13.1	10.4
Net exports of goods and services	1.1	.4	1.3	1.8	1.9	3.6	-2	-6.0	3.9	5	6.7	9.3	11.3	2.0
Exports	7.0	2.4	5.9	13.8	55.5	62.9	65.4	72.4	100.4	95.4	103.7	113.6	131.2	141.0
Imports	5.9	2.0	4.6	12.0	53.6	59.3	65.6	78.4	96.4	94.9	96.9	104.3	119.9	139.0
Government purchases of goods and services ..	8.5	8.0	24.8	37.9	210.0	219.5	234.2	255.7	276.4	273.3	276.9	286.4	296.3	304.4
Federal	1.3	2.0	16.9	18.4	98.8	96.2	97.6	104.9	106.6	106.2	105.3	108.4	111.5	114.3
National defense			13.8	14.1	78.4	74.6	71.2	74.8	74.4	74.0	73.3	75.3	75.8	76.6
Other			3.1	4.3	20.4	21.6	26.5	30.1	32.2	32.2	32.0	33.1	35.7	37.7
State and local	7.2	6.0	7.9	19.5	111.2	123.3	136.6	150.8	169.8	167.1	171.6	177.9	184.8	190.1
Gross national product in constant (1958) dollars	203.6	141.5	263.7	355.3	725.6	722.5	746.3	792.5	839.2	837.4	840.8	845.7	830.5	828.8

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	1969	1970	1971	1972	1973	1973			1974	
										II	III	IV	I	II ^a
National income	86.8	40.3	104.2	241.1	766.0	800.5	857.7	946.5	1,065.6	1,051.2	1,077.3	1,106.3	1,118.8	1,137.1
Compensation of employees	51.1	29.5	64.8	154.6	566.0	603.9	643.1	707.1	786.0	776.7	793.3	814.8	828.8	848.3
Wages and salaries	50.4	29.0	62.1	146.8	509.7	542.0	573.6	626.8	691.6	683.6	698.2	717.0	727.6	744.6
Private	45.5	23.9	51.9	124.4	405.6	426.9	449.5	491.4	545.1	538.7	550.8	565.8	573.8	588.3
Military .....	.3	.3	1.9	5.0	19.0	19.6	19.4	20.5	20.6	20.3	20.2	21.0	21.0	20.9
Government civilian	4.6	4.9	8.3	17.4	85.1	95.5	104.7	114.8	126.0	124.5	127.2	130.2	132.8	135.4
Supplements to wages and salaries .....	.7	.5	2.7	7.8	56.3	61.9	69.5	80.3	94.4	93.1	95.1	97.7	101.2	103.7
Employer contributions for social insurance .....	.1	.1	2.0	4.0	27.8	29.7	33.1	38.6	48.4	47.8	48.8	50.1	52.3	53.2
Other labor income .....	.6	.4	.7	3.8	28.4	32.2	36.4	41.7	46.0	45.4	46.3	47.6	48.9	50.5
Proprietors' income	15.1	5.9	17.5	37.5	67.2	66.9	69.2	75.9	96.1	92.8	99.3	103.2	98.4	89.9
Business and professional	9.0	3.3	11.1	24.0	50.5	50.0	52.0	54.9	57.6	57.1	57.7	58.4	59.3	60.7
Farm	6.2	2.6	6.4	13.5	16.7	16.9	17.2	21.0	38.5	35.6	41.5	44.9	39.1	29.1
Rental income of persons	5.4	2.0	3.5	9.4	22.6	23.9	25.2	25.9	26.1	25.7	26.2	26.4	26.4	26.3
Corporate profits and inventory valuation adjustment	10.5	-1.2	15.2	37.7	79.8	69.2	78.7	92.2	105.1	105.0	105.2	106.4	107.7	112.6
Profits before tax	10.0	1.0	17.7	42.6	84.9	74.0	83.6	99.2	122.7	124.9	122.7	122.7	138.7	150.4
Profits tax liability	1.4	.5	7.6	17.8	40.1	34.8	37.5	41.5	49.8	50.9	49.9	49.5	53.6	59.4
Profits after tax	8.6	.4	10.1	24.9	44.8	39.3	46.1	57.7	72.9	74.0	72.9	73.2	85.1	91.1
Dividends	5.8	2.0	4.4	8.8	24.3	24.7	25.0	27.3	29.6	29.1	29.8	30.7	31.6	32.5
Undistributed profits	2.8	-1.6	5.7	16.0	20.5	14.6	21.1	30.3	43.3	44.9	43.1	42.5	53.5	58.5
Inventory valuation adjustment .....	.5	-2.1	-2.5	-5.0	-5.1	-4.8	-4.9	-7.0	-17.6	-20.0	-17.5	-16.3	-31.0	-37.9
Net interest	4.7	4.1	3.2	2.0	30.5	36.5	41.6	45.6	52.3	51.1	53.2	55.5	57.5	60.1

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	1969	1970	1971	1972	1973	1973			1974	
										II	III	IV	I	II ^p
Gross national product.....	103.1	55.6	124.5	284.8	930.3	977.1	1,054.9	1,158.0	1,294.9	1,277.9	1,308.9	1,344.0	1,358.8	1,387.3
Less: Capital consumption allowances.....	7.9	7.0	8.2	18.3	81.6	87.3	93.7	102.9	110.8	110.5	111.5	113.9	115.8	118.6
Indirect business tax and nontax liability.....	7.0	7.1	11.3	23.3	85.9	93.5	102.7	110.0	119.2	118.6	120.4	121.3	122.6	125.9
Business transfer payments.....	.6	.7	.5	.8	3.8	4.0	4.3	4.6	4.9	4.8	4.9	5.0	5.1	5.2
Statistical discrepancy.....	.7	.6	.4	1.5	-6.1	-6.4	-2.3	-3.8	-5.0	-6.5	-4.9	-2.6	-6.3	-3.1
Plus: Subsidies less current surplus of government enterprises.....	-.1	.....	.1	.2	1.0	1.7	1.1	2.3	.6	.7	.3	-.1	-2.7	-3.7
Equals: National income.....	86.8	40.3	104.2	241.1	766.0	800.5	857.7	946.5	1,065.6	1,051.2	1,077.3	1,106.3	1,118.8	1,137.1
Less: Corporate profits and inventory valuation adjustment.....	10.5	-1.2	15.2	37.7	79.8	69.2	78.7	92.2	105.1	105.0	105.2	106.4	107.7	112.6
Contributions for social insurance.....	.2	.3	2.8	6.9	54.2	57.7	63.8	73.0	91.2	90.2	92.1	93.9	99.1	100.8
Excess of wage accruals over disbursements.....	.....	.....	.....	.....	.....	.0	.6	.0	-.1	-.3	.0	.0	.0	-.6
Plus: Government transfer payments.....	.9	1.5	2.6	14.3	61.9	75.1	89.0	98.6	113.0	111.3	114.1	117.1	123.1	130.6
Net interest paid by government and consumers.....	2.5	1.6	2.2	7.2	28.7	31.0	31.2	33.0	38.3	37.7	39.3	40.4	40.8	41.9
Dividends.....	5.8	2.0	4.4	8.8	24.3	24.7	25.0	27.3	29.6	29.1	29.8	30.7	31.6	32.5
Business transfer payments.....	.6	.7	.5	.8	3.8	4.0	4.3	4.6	4.9	4.8	4.9	5.0	5.1	5.2
Equals: Personal income.....	85.9	47.0	96.0	227.6	750.9	808.3	864.0	944.9	1,055.0	1,039.2	1,068.0	1,099.3	1,112.5	1,134.6
Less: Personal tax and nontax payments.....	2.6	1.5	3.3	20.7	116.5	116.6	117.6	142.4	151.3	147.2	154.2	159.9	161.9	168.2
Equals: Disposable personal income.....	83.3	45.5	92.7	206.9	634.4	691.7	746.4	802.5	903.7	892.1	913.9	939.4	950.6	966.5
Less: Personal outlays.....	79.1	46.5	81.7	193.9	596.2	635.5	685.9	749.9	829.4	822.5	840.7	850.1	866.2	894.9
Personal consumption expenditures.....	77.2	45.8	80.6	191.0	579.5	617.6	667.1	729.0	805.2	799.0	816.3	823.9	840.6	869.1
Consumer interest payments.....	1.5	.5	.9	2.4	15.8	16.8	17.7	19.8	22.9	22.5	23.4	24.0	24.4	24.8
Personal transfer payments to foreigners.....	.3	.2	.2	.5	.9	1.0	1.1	1.1	1.3	1.0	.9	2.2	1.2	1.0
Equals: Personal saving.....	4.2	-.9	11.0	13.1	38.2	56.2	60.5	52.6	74.4	69.6	73.2	89.3	84.4	71.5
Disposable personal income in constant (1958) dollars.....	150.6	112.2	190.3	249.6	513.6	534.8	555.4	580.5	619.6	618.2	621.8	622.9	610.3	603.5

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	1972	1973	1973						1974						
			July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May ^r	June	July ^p
Total personal income.....	944.9	1,055.0	1,056.1	1,067.6	1,080.4	1,090.8	1,100.0	1,107.1	1,107.0	1,113.4	1,117.1	1,125.2	1,135.2	1,143.5	1,157.9
Wage and salary disbursements.....	626.8	691.7	692.9	697.2	704.5	711.0	717.9	722.2	722.5	728.3	732.1	737.1	745.3	753.2	759.4
Commodity-producing industries.....	225.4	251.9	252.6	253.7	257.4	260.0	263.1	264.5	262.1	264.6	265.3	267.4	270.0	272.6	273.3
Manufacturing only.....	175.8	196.6	196.8	197.8	200.4	202.9	205.2	205.8	204.1	204.9	205.5	207.8	210.1	212.5	213.6
Distributive industries.....	151.0	165.1	165.1	166.2	168.2	169.1	171.1	170.9	172.0	172.8	173.9	175.3	177.8	179.1	180.1
Service industries.....	115.3	128.2	128.7	129.7	130.7	131.5	132.3	134.7	135.3	137.0	138.2	139.1	141.1	142.6	144.0
Government.....	135.0	146.6	146.5	147.5	148.2	150.4	151.4	152.1	153.0	153.8	154.6	155.3	156.3	158.9	162.0
Other labor income.....	41.7	46.0	45.9	46.3	46.7	47.1	47.6	48.0	48.5	48.9	49.4	49.9	50.5	51.1	51.7
Proprietors' income.....	75.9	96.1	96.6	99.1	102.1	103.2	103.4	103.3	100.8	98.5	96.0	92.8	89.9	86.9	88.0
Business and professional.....	54.9	57.6	57.8	57.6	57.8	58.3	58.5	58.4	58.7	59.4	59.9	60.2	60.8	61.2	61.3
Farm.....	21.0	38.5	38.8	41.5	44.3	44.9	44.9	44.9	42.1	39.1	36.1	32.6	29.1	25.7	26.7
Rental income.....	25.9	26.1	26.0	26.2	26.4	26.4	26.4	26.4	26.4	26.4	26.4	25.5	26.7	26.7	26.8
Dividends.....	27.3	29.6	29.4	30.0	30.0	30.2	30.4	31.6	31.4	31.6	31.9	32.1	32.5	33.0	33.2
Personal interest income.....	78.6	90.6	91.2	92.5	93.7	94.8	96.0	97.0	97.5	98.3	99.0	100.4	102.0	103.5	104.7
Transfer payments.....	103.2	117.8	117.2	119.4	120.4	121.7	122.1	122.6	126.7	128.4	129.5	134.6	135.8	137.0	142.5
Less: Personal contributions for social insurance.....	34.5	42.8	43.1	43.3	43.5	43.7	43.8	43.8	46.7	46.8	47.0	47.2	47.6	47.9	48.3
Nonagricultural income.....	916.5	1,008.0	1,008.8	1,017.6	1,027.6	1,037.0	1,046.1	1,052.9	1,055.5	1,064.9	1,071.6	1,083.1	1,096.6	1,106.8	1,121.1
Agricultural income.....	28.4	47.1	47.4	50.0	52.9	53.8	53.9	54.2	51.5	48.5	45.5	42.1	38.6	36.8	36.8

NOTE.—Dept. of Commerce estimates. Monthly data are seasonally adjusted totals at annual rates. See also NOTE to table at top of opposite page.

1. SUMMARY OF FLOW OF FUNDS ACCOUNTS FOR THE YEAR 1973

(Seasonally adjusted annual rates; in billions of dollars)

Transaction category	Sector	Private domestic nonfinancial sectors				Rest of the world	U.S. Govt.	Financial sectors					All sectors	Discrepancy	Natl. saving and investment													
		Households		Business				State and local govts.		Total		Fed. spons. credit agencies				Monetary auth.	Coml. banks	Pvt. nonbank finance										
		U	S	U	S	U	S	U	S	U	S		U	S					U	S								
1	Gross saving	229.6		112.6		.2		342.5		-1		-8.2		10.5		.2		.1		4.4		5.7		344.7		344.7		
2	Capital consumption	115.7		95.2				211.0						3.1						1.7		1.4		214.1		214.1		
3	Net saving (1-2)	113.9		17.4		.2		131.5		-1		-8.2		7.4		.2		.1		2.7		4.3		130.6		130.7		
4	Gross investment (5+10)	235.6		98.8		-5.4		329.1		2.1		-7.7		13.7		.3		.1		6.0		7.4		337.3		337.6		
5	Private capital expenditures	174.1		160.5				334.7						5.0						3.0		2.0		339.7		339.7		
6	Consumer durables	130.3						130.3															130.3		130.3			
7	Residential construction	37.5		19.5				57.0						.2								.2		57.2		57.2		
8	Plant and equipment	6.3		125.7				132.0						4.8						3.0		1.8		136.8		136.8		
9	Inventory change			15.4				15.4															15.4		15.4			
10	Net financial investment (11-12)	61.5		-61.7		-5.4		-5.6		2.1		-7.7		8.7		.3		.1		2.9		5.4		-2.4		2.4		
11	Financial uses	130.8		43.9		7.9		182.6		17.4		4.3		217.8		22.0		7.8		100.2		87.7		422.1		2.4		
12	Financial sources		69.3		105.5		13.3	188.1			15.3		12.0		209.1		21.8		7.7		97.3		82.3		424.6		15.3	
13	Gold and official foreign exchange									*	-2	*		-2									-2	-2				
14	Treasury currency . . . . .											.4		.4						.4		.4	*				
15	Demand deposits and currency	13.1		-3		-3		12.5		2.5		-1.8		2.4	16.0	.1		3.4		.3	12.6	2.0		15.5	16.0	.4		
16	Private domestic	13.1		-3		-3		12.5						2.4	15.0	.1		3.9		.3	11.0	2.0		14.9	15.0	.1		
17	U.S. Government											-1.8		-1.5				-5			-1.0			-1.8	-1.5	.3		
18	Foreign									2.5				2.5				-1			2.6			2.5	2.5			
19	Time and savings accounts	67.7		1.4		7.2		76.3		2.9		-2		.1	79.1					50.9		.1	28.1	79.1	79.1			
20	At commercial banks	39.5		1.4		7.2		48.1		2.9		-2		.1	50.9					50.9		.1	*	50.9	50.9			
21	At savings institutions	28.2						28.2						*	28.1							*	28.1	28.1	28.1			
22	Life insurance reserves	7.3						7.3				.1			7.2								7.2	7.3	7.3			
23	Pension fund reserves	24.4						24.4				2.1			22.3								22.3	24.4	24.4			
24	Interbank items													7.9	7.9			-1.6	3.5	9.5	4.4			7.9	7.9			
25	Corporate shares	-8.2			7.4			-8.2	7.4	2.8	-2			13.4	.8					.1	1.2	13.4	-4	8.0	8.0			
26	Credit market instruments	29.7	72.8	9.1	77.6	.4	12.3	39.3	162.7	.7	7.7	3.0	9.7	188.3	51.2	20.3	19.6	9.2		86.6	10.6	72.2	21.0	231.3	231.3			
27	U.S. Government securities	20.4		-1.8		.2		18.8		.3		*	9.8	10.3	19.6	1.3	19.6	9.3		-1.3	.9			29.4	29.4			
28	State and local obligations	4.3		-1	1.8	.2	11.9	4.4	13.7					9.3						5.7		3.6		13.7	13.7			
29	Corporate and foreign bonds	1.1			9.2			1.1	9.2	.1	1.0			11.3	2.3					.5	*	10.9	2.3	12.5	12.5			
30	Home mortgages	-9	44.2			*		-9	43.3			-1.2	-1	43.9	-1.5	6.4				11.0		28.5	-1.5	41.7	41.7			
31	Other mortgages	1.4	1.4		28.4			1.4	29.8			.6		28.1	.3	4.0				8.8		15.4	.3	30.2	30.2			
32	Consumer credit		22.9	3.3				3.3	22.9					19.7						10.6		9.0		22.9	22.9			
33	Bank loans n.e.c.		1.8		34.0				35.8		2.8			52.1	13.5					52.1	5.1		8.4	52.1	52.1			
34	Other loans	3.5	2.5	7.8	5.1		.3	11.3	7.9	.3	3.9	3.6		13.7	17.0	8.5		*		-8	5.5	5.9	11.5	28.8	28.8			
35	Security credit	-2	4.6					-2	4.6	*	-2			-8.0	-3.4					-3.4		-4.6	-3.4	-8.2	-8.2			
36	To brokers and dealers	-2						-2		*				-3.2	-3.4					-3.2		-3.4		-3.4	-3.4			
37	To others		4.6					4.6			-2			-4.8						-2		-4.6		-4.8	-4.8			
38	Taxes payable				2.3		.6	.6	2.3			2.2			.3				.1			.1		2.8	2.7	-1		
39	Trade credit . . . . .		.6	24.1	20.1		1.1	24.1	21.8	1.0	1.9	.3	.1	.7								.7		26.0	23.7	-2.3	
40	Equity in noncorporate business	-4.4				-4.4		-4.4	-4.4															-4.4	-4.4			
41	Miscellaneous claims	1.5	.4	9.6	2.5			11.1	2.9	7.6	6.3	1.0	-4	12.8	27.8	1.7	2.2		.8	7.2	17.5	.9	7.4	32.4	36.7	4.3		
42	Sector discrepancies (1-4)	-6.0		13.8		5.6		13.4		-2.2		-5		-3.3		*				-1.6		-1.7		7.4		7.4		

2. SUMMARY OF FUNDS RAISED AND ADVANCED 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	1973		1974 ^P	
											H1	H2	H1	
Funds raised, by type and sector														
1	Total funds raised by nonfinancial sectors.....	69.9	67.9	82.4	95.9	91.8	98.2	147.4	169.4	187.4	199.9	174.8	188.7	191.0
2	Excluding equities.....	69.6	66.9	80.0	95.9	88.0	92.5	135.9	158.9	180.1	192.5	167.8	182.3	188.7
3	U.S. Government.....	1.8	3.6	13.0	13.4	-3.6	12.8	25.5	17.3	9.7	17.8	1.6	8.2	3.4
4	Public debt securities.....	1.3	2.3	8.9	10.3	-1.3	12.9	26.0	13.9	7.7	16.6	-1.2	7.0	4.4
5	Budget agency issues.....	.5	1.3	4.1	3.1	-2.4	-.1	-.5	3.4	2.0	1.2	2.8	1.2	5.2
6	All other nonfinancial sectors.....	68.1	64.3	69.4	82.5	95.5	85.4	121.9	152.1	177.7	182.1	173.2	180.5	186.3
7	Corporate equities.....	.3	1.0	2.4	*	3.9	5.8	11.5	10.5	7.2	7.4	7.0	6.4	7.7
8	Debt instruments.....	67.9	63.3	67.0	82.6	91.6	79.7	110.4	141.6	170.4	174.6	166.2	174.1	178.6
9	Debt capital instruments.....	38.8	38.9	45.7	50.6	50.6	57.6	84.2	94.9	97.1	96.4	97.7	96.0	99.9
10	State and local government securities.....	7.3	5.6	7.8	9.5	9.9	11.2	17.6	14.4	13.7	11.6	15.8	16.4	10.0
11	Corporate and foreign bonds.....	5.9	11.0	15.9	14.0	13.0	20.6	19.7	13.2	10.2	9.4	10.9	16.3	11.1
12	Mortgages.....	25.6	22.3	22.0	27.1	27.7	25.7	46.9	67.3	73.2	75.4	71.0	63.2	12.2
13	Home mortgages.....	15.4	11.7	11.5	15.1	15.7	12.8	26.1	39.6	43.3	44.8	41.9	37.4	13.3
14	Other residential.....	3.6	3.1	3.6	3.4	4.7	5.8	8.8	10.3	8.4	9.7	7.1	8.3	14.4
15	Commercial.....	4.4	5.7	4.7	6.4	5.3	5.3	10.0	14.8	17.0	16.8	17.3	13.5	15.5
16	Farm.....	2.2	1.8	2.3	2.2	1.9	1.8	2.0	2.6	4.4	4.2	4.6	4.2	16.6
17	Other private credit.....	29.0	24.4	21.3	32.0	41.0	22.1	26.3	46.7	73.4	78.2	68.6	78.1	17.7
18	Bank loans n.e.c.....	14.1	10.7	9.5	13.1	15.3	6.4	9.3	21.8	38.6	47.1	30.1	43.0	18.0
19	Consumer credit.....	9.6	6.4	4.5	10.0	10.4	6.0	11.2	19.2	22.9	25.1	20.8	12.7	19.0
20	Open-market paper.....	-.3	1.0	2.1	1.6	3.3	3.8	-.9	-1.6	1.8	-2.3	6.0	14.7	20.2
21	Other.....	5.6	6.2	5.1	7.2	12.0	5.9	6.6	7.3	10.0	8.3	11.7	7.7	21.1
22	By borrowing sector.....	68.1	64.3	69.4	82.5	95.5	85.4	121.9	152.1	177.7	182.1	173.2	180.5	22.2
23	Debt instruments.....	67.9	63.3	67.0	82.6	91.6	79.7	110.4	141.6	170.4	174.6	166.2	174.1	23.3
24	Foreign.....	2.4	1.8	4.0	2.7	3.2	2.7	4.6	4.7	7.7	8.4	7.1	20.2	24.4
25	State and local governments.....	7.7	6.3	7.9	9.8	10.7	11.3	17.8	14.2	12.3	9.8	14.7	14.6	25.5
26	Households.....	28.3	22.7	19.3	30.0	31.7	23.4	39.8	63.1	72.8	73.3	72.3	53.1	26.7
27	Nonfinancial business.....	29.5	32.5	35.7	40.1	46.0	42.3	48.2	59.6	77.6	83.2	72.1	86.2	27.2
28	Farm.....	3.3	3.1	3.6	2.8	3.2	3.2	4.1	4.9	8.6	7.5	9.7	9.0	28.9
29	Nonfarm noncorporate.....	5.7	5.4	5.0	5.6	7.4	5.3	8.7	10.4	9.3	11.2	7.4	7.0	29.2
30	Corporate.....	20.4	24.0	27.2	31.7	35.5	33.8	35.4	44.4	59.7	64.4	55.0	70.1	30.3
31	Corporate equities.....	.3	1.0	2.4	*	3.9	5.8	11.5	10.5	7.2	7.4	7.0	6.4	31.4
32	Foreign.....	-.3	-.3	-.1	-.2	-.5	-.1	*	-.4	-.2	-.4	*	-.3	32.3
33	Corporate business.....	*	1.3	2.4	-.2	3.4	5.7	11.4	10.9	7.4	7.8	7.0	6.1	33.3
Totals including equities														
34	Foreign.....	2.7	1.5	4.0	2.8	3.7	2.7	4.6	4.3	7.5	8.0	7.1	20.5	34.4
35	Nonfinancial business.....	29.4	33.8	38.1	39.9	49.4	48.0	59.6	70.5	85.1	91.0	79.1	92.3	35.3
36	Corporate.....	20.4	25.3	29.6	31.5	38.9	39.5	46.8	55.3	67.2	72.3	62.0	76.2	36.6
37	Memo: U.S. Govt. cash balance.....	-1.0	-.4	1.2	-1.1	.4	2.8	3.2	-.3	-1.7	3.8	-7.1	-2.4	37.7
Totals net of changes in U.S. Govt. cash balances														
38	Total funds raised.....	70.9	68.3	81.3	97.1	91.4	95.5	144.2	169.7	189.0	196.2	181.9	191.0	38.8
39	By U.S. Government.....	2.8	4.0	11.8	14.5	-4.0	10.0	22.3	17.6	11.4	14.1	8.7	10.6	39.3
Private domestic net investment and borrowing in credit markets														
Total, households and business														
1	Total capital outlays ¹	173.1	190.6	188.1	207.6	226.7	224.2	253.5	293.0	334.7	328.8	340.5	334.1	1
2	Capital consumption ²	110.3	118.5	128.4	140.4	154.3	166.0	178.9	194.3	211.0	207.8	214.1	218.1	2
3	Net physical investment.....	62.8	72.2	59.7	67.2	72.4	58.2	74.6	98.7	123.7	121.0	126.3	116.0	3
4	Net funds raised.....	57.8	56.5	57.5	69.9	81.1	71.4	99.4	133.6	157.9	164.3	151.4	145.3	4
5	Excess net investment ³	5.1	15.7	2.2	-2.7	-8.7	-13.2	-24.8	-34.9	-34.2	-43.3	-25.1	-29.3	5
Total business														
6	Total capital outlays.....	83.6	96.4	93.4	97.9	108.9	108.0	117.1	134.3	160.5	152.7	168.4	168.8	6
7	Capital consumption.....	50.5	54.2	58.5	63.2	69.5	74.6	80.3	88.2	95.2	93.5	97.0	100.9	7
8	Net physical investment.....	33.1	42.3	35.0	34.7	39.4	33.5	36.8	46.0	65.3	59.2	71.4	67.9	8
9	Net debt funds raised.....	29.5	32.5	35.7	40.1	46.0	42.3	48.2	59.6	77.6	83.2	72.1	86.2	9
10	Corporate equity issues.....	*	1.3	2.4	-.2	3.4	5.7	11.4	10.9	7.4	7.8	7.0	6.1	10
11	Excess net investment ³	3.7	8.5	-3.2	-5.2	-10.0	-14.5	-22.8	-24.5	-19.8	-31.8	-7.7	-24.4	11
Corporate business														
12	Total capital outlays.....	62.3	76.5	71.4	75.0	83.7	84.0	87.2	102.5	121.5	115.2	127.8	132.2	12
13	Capital consumption.....	35.2	38.2	41.5	45.1	49.8	53.6	57.7	63.0	67.5	66.5	68.4	70.8	13
14	Net physical investment.....	27.1	38.3	29.9	29.9	33.9	30.4	29.5	39.4	54.0	48.7	59.4	61.5	14
15	Net debt funds raised.....	20.4	24.0	27.2	31.7	35.5	33.8	35.4	44.4	59.7	64.4	55.0	70.1	15
16	Corporate equity issues.....	*	1.3	2.4	-.2	3.4	5.7	11.4	10.9	7.4	7.8	7.0	6.1	16
17	Excess net investment ³	6.7	13.0	.4	-1.6	-5.0	-9.1	-17.3	-15.8	-13.1	-23.6	-2.6	-14.8	17
Households														
18	Total capital outlays.....	89.6	94.2	94.6	109.7	117.8	116.2	136.4	158.8	174.1	176.2	172.1	165.2	18
19	Capital consumption.....	59.9	64.3	69.9	77.2	84.8	91.4	98.6	106.1	115.7	114.4	117.1	117.2	19
20	Net physical investment.....	29.7	29.9	24.7	32.5	33.0	24.7	37.8	52.7	58.4	61.8	55.0	48.1	20
21	Net funds raised.....	28.3	22.7	19.3	30.0	31.7	23.4	39.8	63.1	72.8	73.3	72.3	53.1	21
22	Excess net investment ³	1.4	7.2	5.4	2.5	1.3	1.4	-2.1	-10.4	-14.4	-11.5	-17.3	-5.0	22

¹ Capital outlays are totals for residential and nonresidential fixed capital, net change in inventories, and consumer durables, except outlays by financial business.

² Capital consumption includes amounts for consumer durables and excludes financial business capital consumption.

³ Excess of net investment over net funds raised.

NOTE.—Data revised for all periods. Full statements for sectors and transaction types are available on a quarterly basis and annually for flows and for amounts outstanding. Requests for these statements should be addressed to the Flow of Funds Section, Division of Research and Statistics, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

Funds raised by type and sector. Credit flows included here are the net amounts raised by households, nonfinancial business, governments, and foreigners. All funds raised by financial sectors are excluded. U.S. Government budget issues (line 5) are loan participation certificates issued by CCC, Export-Import Bank, FNMA, and GNMA, together with security issues by FHA, Export-Import Bank, and TVA. Issues by Federally sponsored credit agencies are excluded as borrowing by financial institutions. Such issues are on p. A-59.2, line 11. Corporate equity issues are net cash issues by nonfinancial and foreign corporations. Mortgages exclude loans in process. Open market paper is commercial paper issued by nonfinancial corporations plus bankers' acceptances.

6. SUMMARY OF CREDIT MARKET DEBT OWED BY NONFINANCIAL SECTORS¹

(Amounts outstanding at end of year; in billions of dollars)

Transaction category, or sector	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973
Debt outstanding, by type and sector												
1 Total credit market debt owed by nonfinancial sectors	842.6	900.6	967.5	1037.6	1102.8	1181.6	1276.9	1363.9	1456.7	1592.3	1751.4	1930.4
2 U.S. Government.....	250.2	254.1	260.4	262.2	265.8	278.8	292.2	288.6	301.4	327.4	344.7	354.4
3 Public debt securities.....	246.9	251.0	256.4	257.7	260.0	268.9	279.2	278.0	290.8	316.9	330.8	338.5
4 Budget agency securities.....	3.3	3.2	4.0	4.5	5.8	9.9	13.0	10.6	10.5	10.5	13.9	15.9
5 All other nonfinancial sectors.....	592.4	646.5	707.1	775.4	837.0	902.8	984.7	1075.3	1155.3	1264.9	1406.8	1576.0
6 Debt capital instruments.....	417.8	453.4	490.6	530.0	568.9	613.4	663.7	713.3	771.5	855.5	950.5	1046.3
7 State and local govt. securities.....	81.2	86.9	92.9	100.3	105.9	113.7	123.2	133.1	144.4	162.0	176.3	190.0
8 Corporate and foreign bonds.....	91.7	96.6	101.6	108.0	118.6	133.5	147.3	159.3	180.5	200.8	214.2	224.1
9 Mortgages.....	244.9	269.9	296.1	321.7	344.4	366.3	393.2	420.9	446.6	492.8	560.0	632.2
10 Home mortgages.....	162.7	177.9	193.5	208.9	220.6	232.1	247.1	262.8	275.6	301.4	341.0	384.4
11 Other residential.....	25.8	29.0	33.6	37.2	40.3	43.9	47.3	52.0	57.8	66.6	76.9	85.3
12 Commercial.....	41.1	46.2	50.0	54.5	60.1	64.8	71.3	76.6	81.9	91.9	106.7	123.7
13 Farm.....	15.2	16.8	18.9	21.2	23.3	25.5	27.5	29.5	31.2	32.9	35.4	38.8
14 Other private credit.....	174.6	193.0	216.5	245.5	268.1	289.4	321.0	362.0	383.8	409.4	456.2	529.7
15 Bank loans n.e.c.....	64.4	70.7	79.8	93.8	104.6	114.1	127.2	142.5	148.8	158.1	179.6	218.2
16 Consumer credit.....	67.8	71.7	80.3	89.9	96.2	100.8	110.8	121.1	127.2	138.4	157.6	180.5
17 Open market paper.....	3.8	3.9	4.5	4.2	5.2	7.4	9.0	12.3	16.1	15.2	13.6	15.4
18 Other.....	42.6	46.8	51.9	57.6	62.1	67.2	74.0	86.0	91.8	97.8	105.5	115.5
19 By borrowing sector.....	592.4	646.5	707.1	775.4	837.0	902.8	984.7	1075.3	1155.3	1264.9	1406.8	1576.0
20 Foreign.....	27.9	31.1	36.0	38.9	39.9	42.8	47.5	47.5	50.6	55.8	61.0	68.5
21 State and local governments.....	83.2	89.1	95.4	103.1	109.3	117.3	127.2	137.9	149.2	167.0	181.2	193.5
22 Households.....	251.9	276.9	304.9	333.2	354.7	374.0	404.3	435.9	459.3	498.8	562.0	634.8
23 Nonfinancial business.....	229.4	249.3	270.8	300.3	333.1	368.7	407.9	454.0	496.2	543.3	602.5	679.2
24 Farm.....	23.9	26.4	29.0	32.2	35.8	39.2	41.9	45.1	48.3	52.0	56.9	64.5
25 Nonfarm noncorporate.....	30.6	35.1	40.4	46.2	51.6	56.5	62.1	69.5	74.7	83.4	93.8	103.1
26 Corporate.....	175.0	187.8	201.3	221.8	245.7	272.9	303.9	339.5	373.2	407.8	451.8	511.6
Holdings of credit market claims												
1 Total credit market debt claims against nonfinancial sectors	842.6	900.6	967.5	1037.6	1102.8	1181.6	1276.9	1363.9	1456.7	1592.3	1751.4	1930.4
Held by public agencies and foreign—												
2 Total.....	89.8	96.3	104.1	112.8	124.2	135.2	146.8	161.5	190.0	231.3	250.3	283.2
3 U.S. Govt. securities.....	44.9	47.7	52.2	55.9	59.3	66.1	69.5	70.2	86.1	119.9	128.3	139.3
4 Residential mortgages.....	8.5	7.2	7.1	7.4	10.2	12.3	15.1	19.7	25.5	31.1	36.3	43.9
5 FHLB advances to S & L's.....	3.5	4.8	5.3	6.0	6.9	4.4	5.3	9.3	10.6	7.9	8.0	15.1
6 Other loans plus securities.....	32.9	35.6	39.5	43.4	47.7	52.4	56.9	62.2	67.8	72.4	77.6	84.8
By agency—												
7 U.S. Government.....	30.8	32.2	34.9	37.7	42.0	46.6	51.1	54.0	56.7	59.2	62.2	65.2
8 Sponsored credit agencies.....	13.7	15.3	16.0	18.3	23.4	23.3	26.5	35.4	44.8	55.6	75.9	8
9 Monetary authorities.....	30.9	33.8	37.2	41.0	44.5	49.3	53.0	57.2	62.2	71.1	71.3	80.6
10 Foreign.....	14.4	15.0	15.9	15.9	14.3	16.1	16.1	14.9	25.7	52.4	61.1	61.5
11 Agency debt not in line 1.....	10.1	11.5	12.1	14.2	19.0	18.4	21.9	30.6	38.9	43.2	49.4	68.9
Private domestic holdings—												
12 Total.....	762.8	815.8	875.5	938.9	997.6	1064.8	1152.0	1233.1	1305.5	1404.1	1550.5	1716.2
13 U.S. Govt. securities.....	213.5	215.1	218.3	218.2	223.6	229.3	242.6	247.4	252.7	249.2	264.4	282.8
14 State and local obligations.....	81.2	86.9	92.9	100.3	105.9	113.7	123.2	133.1	144.4	162.0	176.3	190.0
15 Corporate and foreign bonds.....	91.0	95.9	100.7	107.3	117.3	132.5	146.4	158.9	178.8	198.5	211.6	221.8
16 Residential mortgages.....	181.8	201.5	221.9	240.5	252.5	265.4	281.0	296.7	309.5	338.3	382.9	427.0
17 Other mortgages and loans.....	198.8	221.2	247.1	278.7	305.3	328.2	364.0	406.3	430.8	464.1	523.3	609.8
18 Less—FHLB advances.....	3.5	4.8	5.3	6.0	6.9	4.4	5.3	9.3	10.6	7.9	8.0	15.1
Private financial intermediation—												
19 Credit market claims held by private fin. inst.....	582.3	632.6	689.5	752.3	796.9	860.3	935.5	991.9	1066.6	1177.6	1331.0	1489.8
20 Commercial banking.....	231.9	249.5	272.2	300.9	317.3	353.1	391.9	410.7	445.7	496.3	566.9	653.5
21 Savings institutions.....	135.1	152.5	168.7	183.0	191.3	206.2	221.7	236.0	252.8	294.5	343.8	378.9
22 Insurance and pension funds.....	181.0	192.7	205.5	219.1	234.6	247.5	261.6	274.3	291.5	304.9	322.6	344.7
23 Other finance.....	34.3	37.9	43.1	49.3	53.8	53.5	60.4	70.9	76.6	81.9	97.7	112.8
24 Sources of funds.....	582.3	632.6	689.5	752.3	796.9	860.3	935.5	991.9	1066.6	1177.6	1331.0	1489.8
25 Private domestic deposits.....	335.5	366.6	401.5	439.9	461.2	511.0	556.9	559.6	622.8	713.1	810.7	895.4
26 Credit market debt.....	28.8	35.0	40.6	48.5	51.7	51.3	59.7	78.9	78.7	88.0	108.6	140.2
27 Other sources.....	218.0	231.0	247.4	264.0	284.1	298.0	318.9	353.4	365.2	376.5	411.7	454.2
28 Foreign funds.....	10.3	11.8	14.3	15.0	18.7	21.0	23.6	32.9	24.5	21.2	26.4	33.0
29 Treasury balances.....	7.2	6.5	6.5	5.5	5.0	5.2	5.0	5.1	7.9	10.2	10.9	9.9
30 Insurance and pension reserves.....	150.0	159.6	170.5	181.5	195.7	206.5	216.9	228.9	242.3	249.8	260.1	281.4
31 Other, net.....	50.5	53.0	56.0	61.9	64.6	65.4	73.5	86.6	90.5	95.3	114.3	130.0
Private domestic nonfinancial investors—												
32 Credit market claims.....	209.3	218.2	226.6	235.1	252.4	255.7	276.2	320.1	317.5	314.5	328.1	366.5
33 U.S. Govt. securities.....	104.9	109.4	110.4	113.3	121.7	120.3	128.3	145.3	136.3	122.3	123.9	141.7
34 State and local obligations.....	36.3	38.1	40.5	43.1	45.7	43.1	42.9	51.2	49.9	50.5	52.7	57.1
35 Corporate and foreign bonds.....	11.2	11.2	11.9	13.5	15.2	19.0	23.7	30.3	41.0	50.5	55.6	56.8
36 Commercial paper.....	3.8	4.6	6.9	8.4	10.7	12.6	18.4	28.6	24.2	23.6	27.5	38.8
37 Other.....	53.1	54.9	56.8	56.7	59.0	60.7	62.8	64.7	66.1	67.6	68.4	72.1
38 Deposits and currency.....	366.4	400.1	436.6	477.1	500.4	552.3	600.6	606.1	672.8	766.6	868.5	957.2
39 Time and savings accounts.....	222.3	251.0	280.1	312.8	332.0	371.2	405.0	402.8	459.0	540.0	625.3	701.5
40 Large negotiable CD's.....	5.8	9.2	11.4	15.0	14.8	19.1	22.6	8.9	23.9	31.6	40.3	58.9
41 Other at commercial banks.....	89.0	99.2	110.2	126.2	138.3	156.6	174.1	177.6	201.7	234.7	265.3	294.8
42 At savings institutions.....	127.6	142.7	158.4	171.6	178.9	195.5	208.3	216.3	233.3	273.7	319.6	347.8
43 Money.....	144.0	149.0	156.5	164.3	168.3	181.1	195.6	203.3	213.8	226.6	243.3	255.7
44 Demand deposits.....	113.2	115.6	121.4	127.1	129.2	139.8	151.9	156.7	163.8	173.1	185.4	193.9
45 Currency.....	30.8	33.4	35.1	37.2	39.2	41.3	43.7	46.6	50.0	53.4	57.9	61.8
46 Total of credit market instruments, deposits, and currency.....	575.6	618.2	663.2	712.2	752.7	808.1	876.8	926.2	990.4	1081.1	1196.6	1323.7
47 Public holdings as per cent of total.....	10.7	10.7	10.8	10.9	11.3	11.4	11.5	11.8	13.0	14.5	14.3	14.7
48 Private fin. intermediation (in per cent).....	76.3	77.5	78.8	80.1	79.9	80.8	81.2	80.4	81.7	83.9	85.8	86.8
49 Total foreign funds.....	24.7	26.8	30.2	30.9	33.0	37.0	39.7	47.8	50.2	73.6	87.5	94.5

¹ Excludes corporate equities both as assets and as liabilities.

8. SECTOR STATEMENTS OF FINANCIAL ASSETS AND LIABILITIES

(Amounts outstanding at end of year; in billions of dollars)

Category	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973
Households, personal trusts, and nonprofit organizations												
1 Total financial assets	1090.6	1218.9	1329.4	1464.4	1460.0	1695.0	1910.3	1853.7	1918.9	2134.5	2405.8	2302.3
2 Deposits and credit market instruments ¹	435.5	468.4	507.0	547.8	587.9	635.8	690.1	732.3	786.8	859.2	952.8	1062.2
3 Demand deposits and currency	78.4	81.7	86.5	94.2	98.1	109.4	121.7	123.3	134.5	145.5	157.3	170.2
4 Time and savings accounts	207.5	232.1	259.5	287.5	306.8	341.5	371.7	377.8	422.3	492.5	567.9	635.6
5 At commercial banks	79.9	89.4	101.1	115.9	127.9	146.0	163.4	161.5	189.0	218.8	248.3	287.8
6 At savings institutions	127.6	142.7	158.4	171.6	178.9	195.5	208.3	216.3	233.3	273.7	319.6	347.8
7 Credit market instruments	149.6	154.5	160.9	166.0	183.0	184.9	196.7	231.1	230.0	221.2	227.6	256.4
8 U.S. Government securities	72.9	76.5	79.3	81.8	89.5	91.0	96.6	109.4	99.7	85.3	85.9	105.3
9 Savings bonds	46.9	48.0	49.0	49.6	50.2	51.1	51.5	51.1	51.4	53.8	57.1	59.8
10 Short-term marketable	10.3	12.7	12.5	12.4	13.2	12.2	20.1	31.7	22.7	10.2	10.9	17.7
11 Other direct	13.1	12.9	14.2	15.2	17.1	17.4	14.7	13.6	9.9	10.3	7.0	6.7
12 Agency issues	2.6	2.9	3.7	4.6	9.0	10.3	10.2	13.0	15.7	11.0	10.9	21.1
13 State and local obligations	31.0	32.0	34.6	36.4	40.0	37.7	37.0	46.1	45.4	45.2	46.2	50.5
14 Corporate and foreign bonds	11.2	11.2	11.9	13.5	15.2	19.0	23.7	30.3	41.0	50.5	55.6	56.8
15 Commercial paper	1.1	1.1	1.1	1.1	2.8	6	1.4	6.1	4.6	7	2.2	5.7
16 Mortgages	34.5	34.8	35.1	34.3	35.7	36.6	38.1	39.2	39.3	39.5	37.6	38.1
17 Corporate equities	437.9	514.8	566.5	637.5	576.9	733.7	865.1	750.0	733.6	833.7	959.1	744.4
18 Investment company shares	21.3	25.2	29.1	35.2	34.8	44.7	52.7	48.3	47.6	56.7	59.8	46.5
19 Other corporate shares	416.7	489.6	537.4	602.2	542.1	689.0	812.4	701.7	685.9	777.0	899.3	697.9
20 Life insurance reserves	92.4	96.6	101.1	105.9	110.6	115.4	120.0	125.0	130.3	136.4	143.0	150.3
21 Pension fund reserves	109.2	122.7	137.5	153.8	163.6	185.2	206.4	217.4	237.6	271.6	314.5	307.8
22 Security credit	1.2	1.5	1.7	2.5	2.7	4.9	7.0	5.2	4.4	4.9	5.0	4.8
23 Miscellaneous assets	14.3	14.8	15.7	17.0	18.2	19.8	21.6	23.8	26.3	28.7	31.3	32.8
24 Total liabilities	263.5	290.9	319.1	348.7	370.7	394.4	428.4	457.5	480.0	522.8	591.9	661.1
25 Credit market instruments	251.9	276.9	304.9	333.2	354.7	374.0	404.3	435.9	459.3	498.8	562.0	634.8
26 Home mortgages	160.4	175.1	191.1	206.3	219.0	229.4	244.0	260.1	272.5	296.4	334.8	379.0
27 Other mortgages	11.0	12.0	13.1	14.2	15.5	16.7	17.8	19.1	20.5	21.7	23.1	24.5
28 Instalment consumer credit	48.7	55.5	62.7	70.9	76.2	79.4	87.7	97.1	102.1	111.3	127.3	147.4
29 Other consumer credit	15.1	16.3	17.6	19.0	20.0	21.4	23.0	24.0	25.1	27.1	30.2	33.0
30 Bank loans n.e.c.	8.1	8.8	10.3	11.7	12.0	13.9	16.4	17.3	18.2	20.1	22.9	24.7
31 Other loans	8.5	9.2	10.1	11.0	11.9	13.3	15.3	18.3	20.9	22.3	23.6	26.1
32 Security credit	6.6	8.6	8.4	9.1	9.0	12.7	15.6	12.2	10.4	13.1	17.7	13.1
33 Trade credit	2.4	2.5	2.8	3.0	3.3	3.7	4.2	4.7	5.2	5.6	6.2	6.8
34 Deferred and unpaid life insurance premiums	2.7	2.9	3.0	3.3	3.7	3.9	4.3	4.7	5.1	5.4	6.0	6.4
Nonfinancial business—Total												
1 Total financial assets	236.2	252.3	268.1	290.9	306.3	325.9	358.8	391.8	409.3	437.7	476.1	528.0
2 Demand deposits and currency	46.4	46.5	47.0	47.4	47.7	49.3	51.2	53.8	54.8	55.5	55.6	55.4
3 Time deposits	8.4	10.8	10.8	13.1	11.7	13.8	14.2	11.8	13.5	17.1	20.2	21.5
4 Credit market instruments	39.8	43.0	45.3	45.9	44.4	46.2	52.6	55.7	53.9	61.7	65.3	74.5
5 Trade credit	92.6	98.8	107.0	121.0	133.0	141.3	160.0	182.7	191.1	196.7	216.8	240.9
6 Miscellaneous assets	49.1	53.2	58.0	63.5	69.4	75.3	80.8	87.9	96.0	106.7	118.2	135.8
7 Total liabilities	331.0	360.1	389.4	433.8	477.3	518.0	578.3	643.6	692.2	746.9	822.6	925.1
8 Credit market instruments	229.4	249.3	270.8	300.3	333.1	368.7	407.9	454.0	496.2	543.3	602.5	679.2
9 Bonds	84.5	88.4	92.4	97.8	108.0	122.7	135.6	147.6	167.3	186.1	198.3	207.5
10 Home mortgages	2.4	2.7	2.4	2.6	1.6	2.7	3.2	2.7	3.1	5.0	6.2	5.3
11 Other mortgages	71.1	80.1	89.5	98.6	108.3	117.5	128.2	139.0	150.6	169.7	195.9	223.4
12 Bank loans n.e.c.	52.2	57.1	62.7	74.9	85.5	93.4	104.5	119.1	124.8	130.7	146.5	180.5
13 Other loans	19.3	21.0	23.7	26.4	29.7	32.4	36.4	45.6	50.5	51.7	55.0	60.1
14 Trade debt, net	78.1	85.4	92.3	104.6	114.8	123.7	141.1	162.6	171.3	176.6	192.6	212.6
15 Other liabilities	23.6	25.5	26.4	29.0	29.4	25.6	29.3	27.0	24.7	27.0	27.5	33.3

¹ Excludes corporate equities.

1. U.S. BALANCE OF PAYMENTS SUMMARY

(In millions of dollars. Quarterly figures are seasonally adjusted *unless shown in italics*.)

Line	Credits (+), debits (-)	1971	1972	1973	1973				1974
					I	II	III	IV	
1	Merchandise trade balance ¹	-2,722	-6,986	623	-962	-360	602	1,343	101
2	Exports.....	42,754	48,768	70,252	15,228	16,670	18,143	20,211	22,299
3	Imports.....	-45,476	-55,754	-69,629	-16,190	-17,030	-17,541	-18,868	-22,198
4	Military transactions, net.....	-2,908	-3,604	-2,201	-833	-763	-547	-58	-466
5	Travel and transportation, net.....	-2,341	-3,055	-2,710	-686	-781	-613	-630	-529
6	Investment income, net ²	5,021	4,526	5,291	1,447	1,208	1,257	1,378	2,901
7	U.S. direct investments abroad ²	6,385	6,925	9,415	2,194	2,210	2,323	2,688	4,446
8	Other U.S. investments abroad.....	3,444	3,494	4,569	1,000	1,098	1,179	1,292	1,495
9	Foreign investments in the United States ²	-4,809	-5,893	-8,693	-1,747	-2,100	-2,245	-2,602	-3,040
10	Other services, net ²	2,781	3,110	3,540	841	815	984	901	895
11	Balance on goods and services ³	-170	-6,009	4,543	-193 487	119 233	1,683 -169	2,934 3,993	2,902 4,016
12	Remittances, pensions, and other transfers.....	-1,604	-1,624	-1,943	-404	-411	-412	-717	-396
13	Balance on goods, services, and remittances.....	-1,774	-7,634	2,600	-597 109	-292 -182	1,271 -597	2,217 3,270	2,506 3,646
14	U.S. Government grants (excluding military).....	-2,043	-2,173	-1,933	-357	-645	-485	-447	4 2,534
15	Balance on current account.....	-3,817	-9,807	667	-954 -266	-937 -867	786 -1,045	1,770 2,845	4 -28 1,094
16	U.S. Government capital flows excluding nonscheduled repayments, net ⁵	-2,111	-1,705	-2,938	-699	-565	-608	-1,066	4 1,296
17	Nonscheduled repayments of U.S. Government assets.....	227	137	289	111	174	4	*	*
18	U.S. Government nonliquid liabilities to other than foreign official reserve agencies.....	-478	238	1,111	217	485	206	204	55
19	Long-term private capital flows, net.....	-4,381	-98	127	319	-315	1,529	-1,406	742
20	U.S. direct investments abroad.....	-4,943	-3,517	-4,872	-1,815	-973	-710	-1,374	-220
21	Foreign direct investments in the United States.....	-115	383	2,537	351	588	886	712	1,127
22	Foreign securities.....	-966	-654	-807	51	-124	-209	-525	-647
23	U.S. securities other than Treasury issues.....	2,289	4,507	4,051	1,718	489	1,173	670	696
24	Other, reported by U.S. banks.....	-862	-1,158	-581	-110	-239	227	-459	-52
25	Other, reported by U.S. nonbanking concerns.....	216	341	-200	124	-56	162	-430	-162
26	Balance on current account and long-term capital ⁵	-10,559	-11,235	-744	-1,006 -1,051	-1,158 -1,179	1,917 250	-498 1,237	2,065 2,456
27	Nonliquid short-term private capital flows, net.....	-2,347	-1,541	-4,276	-1,663	-1,457	97	-1,253	-3,224
28	Claims reported by U.S. banks.....	-1,802	-1,457	-3,940	-1,644	-1,399	222	-1,119	-2,791
29	Claims reported by U.S. nonbanking concerns.....	-530	-305	-1,240	-57	-59	-460	-664	-756
30	Liabilities reported by U.S. nonbanking concerns.....	-15	221	904	38	1	335	530	323
31	Allocations of Special Drawing Rights (SDR's).....	717	710	.....	.....	.....	.....	.....	.....
32	Errors and omissions, net.....	-9,776	-1,790	-2,776	-4,085	904	-387	792	290
33	Net liquidity balance.....	-21,965	-13,856	-7,796	-6,754 -6,190	-1,711 -2,038	-1,627 611	-959 -179	-869 -48
34	Liquid private capital flows, net.....	-7,788	3,502	2,492	-3,441	1,997	316	3,630	1,913
35	Liquid claims.....	-1,097	-1,247	-1,944	-1,853	923	-521	-493	-2,660
36	Reported by U.S. banks.....	-566	-742	-1,103	-1,171	996	-456	-472	-2,248
37	Reported by U.S. nonbanking concerns.....	-531	-505	-841	-682	-73	-65	-21	-412
38	Liquid liabilities.....	-6,691	4,749	4,436	-1,588	1,074	837	4,113	4,573
39	To foreign commercial banks.....	-6,908	3,716	2,978	-1,673	723	699	3,229	4,589
40	To international and regional organizations.....	682	104	376	11	31	-50	384	-593
41	To other foreigners.....	-465	929	1,082	74	320	188	500	577
42	Official reserve transactions balance, financed by changes in:.....	-29,753	-10,354	-5,304	-10,195 -9,994	286 769	1,943 939	2,661 2,982	1,044 1,488
43	Liquid liabilities to foreign official agencies.....	27,615	9,734	4,452	8,816	-729	-1,489	-2,145	-555
44	Other readily marketable liabilities to foreign official agencies ⁶	-551	399	1,118	1,202	259	11	-354	-277
45	Nonliquid liabilities to foreign official reserve agencies reported by U.S. Govt.....	341	189	-475	-43	167	-452	-147	-2
46	U.S. official reserve assets, net.....	2,348	32	209	220	17	-13	-15	-210
47	Gold.....	866	547	.....	.....	.....	.....	.....	.....
48	SDR's.....	-249	-703	9	.....	9	.....	.....	.....
49	Convertible currencies.....	381	35	233	233	.....	.....	.....	-1
50	Gold tranche position in IMF.....	1,350	153	-33	-13	8	-13	-15	-209
Memoranda:									
51	Transfers under military grant programs (excluded from lines 2, 4, and 14).....	3,204	4,189	2,772	693	833	758	487	391
52	Reinvested earnings of foreign incorporated affiliates of U.S. firms (excluded from lines 7 and 20).....	3,157	4,521	.....	.....	.....	.....	.....	.....
53	Reinvested earnings of U.S. incorporated affiliates of foreign firms (excluded from lines 9 and 21).....	498	548	.....	.....	.....	.....	.....	.....
Balances excluding allocations of SDR's:									
54	Net liquidity.....	-22,682	-14,566	-7,796	-6,190	-2,038	611	-179	-48
55	Official reserve transactions.....	-30,470	-11,064	-5,304	-9,994	769	939	2,982	1,488

For notes see the following page.

2. MERCHANDISE EXPORTS AND IMPORTS

(Seasonally adjusted; in millions of dollars)

	Exports ¹				Imports				Trade balance			
	1971	1972	1973	1974	1971	1972	1973	1974	1971	1972	1973	1974
Month:												
Jan.....	3,601	4,074	4,955	7,111	3,599	4,436	5,244	6,467	2	-361	-289	644
Feb.....	3,695	3,824	5,070	7,606	3,564	4,473	5,483	7,392	130	-649	-413	213
Mar.....	3,790	3,869	5,311	7,674	3,628	4,515	5,414	7,845	160	-647	-103	-171
Apr.....	3,631	3,820	5,494	8,234	3,774	4,417	5,360	8,141	-143	-596	+133	93
May.....	3,746	3,882	5,561	7,630	3,908	4,486	5,703	8,407	-161	-604	-142	-777
June.....	3,672	3,971	5,728	8,357	4,037	4,468	5,775	8,613	-365	-497	-47	-256
July.....	3,573	4,074	5,865	8,307	3,832	4,565	5,829	9,036	-259	-491	+37	-728
Aug.....	3,667	4,197	6,042	.....	3,913	4,726	6,011	.....	-247	-530	+32	.....
Sept.....	4,487	4,176	6,420	.....	4,179	4,612	5,644	.....	308	-436	+776	.....
Oct.....	2,669	4,316	6,585	.....	3,469	4,738	5,996	.....	-800	-421	+589	.....
Nov.....	3,196	4,473	6,879	.....	3,456	5,148	6,684	.....	-260	-675	+195	.....
Dec.....	3,881	4,558	6,949	.....	4,169	5,002	6,291	.....	-288	-444	+658	.....
Quarter:												
I.....	11,086	11,767	15,337	22,390	10,792	13,403	16,140	21,704	294	-1,657	-804	686
II.....	11,049	11,673	16,783	24,220	11,719	13,370	16,838	25,161	-670	-1,697	-56	-940
III.....	11,727	12,447	18,327	.....	11,924	13,903	17,483	.....	-197	-1,456	+845	.....
IV.....	9,746	13,347	20,413	.....	11,094	14,888	18,972	.....	-1,348	-1,540	+1,441	.....
Year ³	43,549	49,208	70,823	.....	45,563	55,555	69,476	.....	-2,014	-6,347	+1,348	.....

¹ Exports of domestic and foreign merchandise; excludes Dept. of Defense shipments of grant-aid military equipment and supplies under Mutual Security Program.

² General imports including imports for immediate consumption plus entries into bonded warehouses.

³ 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			
1960...	19,359	17,804	17,767	.....	1,555	.....	1973						
1961...	18,753	16,947	16,889	116	1,690	.....	Aug....	12,923	10,487	10,410	8	479	1,949
1962...	17,220	16,057	15,978	99	1,064	.....	Sept....	12,927	10,487	10,410	8	483	1,949
1963...	16,843	15,596	15,513	212	1,035	.....	Oct....	14,367	11,652	11,567	8	541	2,166
1964...	16,672	15,471	15,388	432	769	.....	Nov....	14,373	11,652	11,567	8	547	2,166
							Dec....	14,378	11,652	11,567	8	552	2,166
1965...	15,450	13,806	13,733	781	863	.....	1974						
1966...	14,882	13,235	13,159	1,321	326	.....	Jan....	14,565	11,652	11,567	59	688	2,166
1967...	14,830	12,065	11,982	2,345	420	.....	Feb....	14,643	11,652	11,567	68	757	2,166
1968...	15,710	10,892	10,367	3,528	1,290	.....	Mar....	14,588	11,652	11,567	9	824	2,166
1969...	16,964	11,859	10,367	5,271	2,324	.....	Apr....	14,651	11,652	11,567	9	824	2,166
							May....	14,870	11,652	11,567	66	989	2,163
1970...	14,487	11,072	10,732	629	1,935	851	June....	14,946	11,652	11,567	94	1,005	2,195
1971...	12,167	10,206	10,132	6276	585	1,100	July....	14,912	11,652	11,567	12	1,002	2,227
1972...	13,151	10,487	10,410	241	465	1,958	Aug....	15,460	11,652	11,567	224	91,384	92,200
1973...	14,378	11,652	11,567	8	552	2,166							

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-11.

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 (Treasury 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 August amounted to \$2,241 million, reserve position in IMF \$1,409 million, and total U.S. reserve assets \$15,526 million.

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 transfers under military grants, 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 Equal to net exports of goods and services in national income and product 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. U.S. NET MONETARY GOLD TRANSACTIONS WITH FOREIGN COUNTRIES AND INTERNATIONAL ORGANIZATIONS

(Net sales [—] or net acquisitions; 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)

Area and country	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973		1974	
											III	IV	I	II
Western Europe:														
Austria.....	-82	-55	-100	-25			4							
Belgium.....		-40	-83			-58			-110					
France.....	-518	-405	-884	-601		600	325	-129	-473					
Germany, Fed. Rep. of.....		-225					500							
Ireland.....		-1	-2	-2	-2	-52	41	2						
Italy.....		200	-80	-60	-85	-209	-76							
Netherlands.....		-60	-35			-19		-50	-25					
Spain.....	-130	-32	-180					51						
Switzerland.....		-81	-50	-2	-30	-50	-25	-50	-175					
United Kingdom.....	329	618	150	80	-879	-835								
Bank for Intl. Settlements.....							200							
Other.....	1	-6	-35	-49	16	-47	11	-29	-13					
Total.....	-399	-88	-1,299	-659	-980	-669	969	-204	-796					
Canada.....				200	150	50								
Latin American republics:														
Argentina.....	-30			-39	-1	-25	-25	-28						
Brazil.....	72	54	25	-3	-1	*		-23						
Colombia.....		10	29	7			*	-1						
Venezuela.....			-25											
Other.....	-11	-9	-13	-6	11	-40	-29	-80	-5					
Total.....	32	56	17	-41	9	-65	-54	-131	-5					
Asia:														
Iraq.....			-10	-4	-21	-42								
Japan.....				-56				-119						
Lebanon.....		-11		-11	-1	-95			-35					
Malaysia.....						-34			-10					
Philippines.....	25	20	*	-1		9	40	-4	-2					
Saudi Arabia.....						-50								
Singapore.....						-81	11	-30						
Other.....	-13	-6	-14	-14	-22	-75	-9	2-91	39	-3				
Total.....	12	3	-24	-86	-44	-366	42	-213	-38	-3				
All other.....	-36	-7	-16	-22	3-166	3-68	-1	-81	-6					
Total foreign countries.....	-392	-36	-1,322	-608	-1,031	-1,118	957	-631	-845	-3				
Intl. Monetary Fund⁴.....			5-225	177	22	-3	10	-156	-22	-544				
Grand total.....	-392	-36	-1,547	-431	-1,009	-1,121	967	6-787	-867	-547				

¹ Includes purchase from Denmark of \$25 million.

² Includes purchase from Kuwait of \$25 million.

³ Includes sales to Algeria of \$150 million in 1967 and \$50 million in 1968.

⁴ Includes IMF gold sales to and purchases from the United States, U.S. payment of increases in its gold subscription to IMF, gold deposits by the IMF (see note 1 (b) to Table 3), and withdrawal of deposits. The first withdrawal (\$17 million) was made in June 1968 and the last withdrawal (\$144 million) was made in Feb. 1972.

IMF sold to the United States a total of \$800 million of gold (\$200 million in 1956, and \$300 million in 1959 and in 1960) with the right of

repurchase; proceeds from these sales invested by IMF in U.S. Treasury securities. IMF repurchased \$400 million in Sept. 1970 and the remaining \$400 million in Feb. 1972.

⁵ Payment to the IMF of \$259 million increase in U.S. gold subscription less gold deposits by the IMF.

⁶ Includes the U.S. payment of \$385 million increase in its gold subscription to the IMF and gold sold by the IMF to the United States in mitigation of U.S. sales to other countries making gold payments to the IMF. The country data include U.S. gold sales to various countries in connection with the IMF quota payments. Such U.S. sales to countries and resales to the United States by the IMF totaled \$548 million each.

5. U.S. LIQUID AND OTHER 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	Liquid			Nonmarketable nonconvertible 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}	
				Short-term liabilities reported by banks in U.S.	Marketable U.S. Treas. bonds and notes ³	Nonmarketable nonconvertible U.S. Treas. bonds and notes							
1962	24,268	800	12,914	11,963	751	.....	200	.....	5,346	3,013	2,565	448	2,195
1963 ⁹	(26,433 26,394)	800 800	14,459 14,425	12,467 12,467	1,217 1,183	703 703	63 63	9 9	5,817 5,817	3,397 3,387	3,046 3,046	351 341	1,960 1,965
1964 ⁹	(29,313 29,364)	800 800	15,790 15,786	13,224 13,220	1,125 1,125	1,079 1,079	204 204	158 158	7,271 7,303	3,730 3,753	3,354 3,377	376 376	1,722 1,722
1965.....	29,569	834	15,826	13,066	1,105	1,201	334	120	7,419	4,059	3,587	472	1,431
1966 ⁹	(31,145 31,020)	1,011 1,011	14,841 14,896	12,484 12,539	860 860	256 256	328 328	913 913	10,116 9,936	4,271 4,272	3,743 3,744	528 528	906 905
1967 ⁹	(35,819 35,667)	1,033 1,033	18,201 18,194	14,034 14,027	908 908	711 711	741 741	1,807 1,807	11,209 11,085	4,685 4,678	4,127 4,120	558 558	691 677
1968 ⁹	(38,687 38,473)	1,030 1,030	17,407 17,340	11,318 11,318	529 462	701 701	2,518 2,518	2,341 2,341	14,472 14,472	5,053 4,909	4,444 4,444	609 465	725 722
1969 ⁹	¹⁰ (45,755 45,914)	1,019 1,019	¹⁰ 15,975 15,998	11,054 11,077	346 346	555 555	¹⁰ 2,515 2,515	1,505 1,505	23,638 23,645	4,464 4,589	3,939 4,064	525 525	659 663
1970—Dec. ⁹	(47,009 46,960)	566 566	23,786 23,775	19,333 19,333	306 295	429 429	3,023 3,023	695 695	17,137 17,169	4,676 4,604	4,029 4,039	647 565	844 846
1971—Dec. ¹¹	(67,681 67,808)	544 544	51,209 50,651	39,679 39,018	1,955 1,955	6,060 6,093	3,371 3,441	144 144	10,262 10,949	4,138 4,141	3,691 3,694	447 447	1,528 1,523
1972—Dec.	82,888	.....	61,526	40,000	5,236	12,108	3,639	543	14,665	5,070	4,645	425	1,627
1973—July.....	93,218	.....	71,028	46,138	6,934	12,245	3,705	2,006	15,315	5,357	4,983	374	1,518
Aug.....	92,580	.....	70,520	45,721	6,906	12,319	3,555	2,019	15,083	5,445	5,110	335	1,532
Sept.....	92,073	.....	69,777	45,174	6,914	12,319	3,355	2,015	15,031	5,646	5,299	347	1,619
Oct.....	93,175	.....	69,702	45,212	6,929	12,319	3,233	2,009	15,958	5,694	5,320	374	1,821
Nov.....	92,581	.....	67,400	43,791	6,207	12,319	3,134	1,849	17,261	5,190	5,500	410	2,010
Dec.....	92,606	.....	66,810	43,919	5,701	12,319	3,210	1,661	17,647	5,146	5,716	430	2,003
1974—Jan.....	90,111	.....	63,871	41,556	5,229	12,321	3,210	1,555	18,040	6,279	5,830	449	1,921
Feb.....	92,022	.....	64,099	41,991	5,192	12,322	3,210	1,384	19,692	6,438	6,028	410	1,793
Mar.....	95,718	.....	65,527	43,412	5,192	12,329	3,210	1,384	22,028	6,745	6,345	400	1,418
Apr.....	97,509	.....	67,163	45,184	5,020	12,330	3,210	1,419	22,060	6,992	6,572	420	1,294
May ^p	109,956	.....	67,959	46,031	5,013	12,330	3,210	1,430	24,333	7,062	6,692	370	1,547
June ^p	103,858	.....	69,993	47,429	5,013	12,330	3,655	1,566	24,859	7,296	6,930	366	1,710
July ^p	106,926	.....	71,071	48,427	5,013	12,330	3,655	1,646	26,547	7,503	7,122	381	1,805

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 1962–63.

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 two 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 as follows: liquid, \$17 million, and other, \$84 million.

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 non-negotiable, non-interest-bearing special U.S. notes held by other international and regional organizations.

6. U.S. LIQUID AND OTHER LIABILITIES TO OFFICIAL INSTITUTIONS OF FOREIGN COUNTRIES, BY AREA

(Amounts outstanding; in millions of dollars)

End of period	Total foreign countries	Western Europe 1	Canada	Latin American republics	Asia	Africa	Other countries 2
1967.....	18,194	10,321	1,310	1,582	4,428	250	303
1968 3.....	17,407	8,070	1,867	1,865	5,043	259	303
	17,340	8,062	1,866	1,865	4,997	248	302
1969 3.....	15,975	7,074	1,624	1,888	4,552	546	291
	15,998	7,074	1,624	1,911	4,552	546	291
1970 3.....	23,786	13,620	2,951	1,681	4,713	407	414
	23,775	13,615	2,951	1,681	4,708	407	413
1971 5.....	31,209	30,010	3,980	1,414	14,519	415	871
	30,651	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—July.....	71,028	47,140	4,043	2,075	13,692	928	3,150
Aug.....	70,520	47,260	3,836	2,015	13,637	738	3,034
Sept.....	69,777	47,099	3,759	1,861	13,289	769	3,000
Oct.....	69,702	47,514	3,851	1,938	12,601	735	3,063
Nov.....	67,400	46,002	3,820	2,233	11,474	785	3,086
Dec.....	66,810	45,717	3,853	2,544	10,884	788	3,024
1974—Jan.....	63,871	43,270	3,945	2,446	10,479	838	2,893
Feb.....	64,099	42,391	4,262	2,743	10,878	1,000	2,825
Mar.....	65,527	42,772	4,195	2,887	11,631	1,249	2,793
Apr.....	67,163	42,648	4,309	3,532	12,360	1,402	2,912
May.....	68,014	42,816	4,302	3,384	12,988	1,620	2,904
June ^p	69,993	43,200	4,201	4,005	13,992	1,854	2,741
July ^p	71,071	42,978	4,125	3,951	15,209	2,055	2,753

¹ Includes Bank for International Settlements and European Fund.² Includes countries in Oceania and Eastern Europe, and Western European dependencies in Latin America.³ See note 9 to Table 5.⁴ Includes \$101 million increase in dollar value of foreign currency liabilities resulting from revaluation of the German mark in Oct. 1969.⁵ Data on second line differ from those on the first line because certain accounts previously classified as "Official institutions" are included in "Banks"; a number of reporting banks are included in the series for the first time; and U.S. Treasury liabilities payable in foreign currencies

to official institutions of foreign countries have been increased in value by \$110 million to reflect market exchange rates as of Dec. 31, 1971.

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. ⁴	
		Total	Deposits		U.S. Treasury bills and certificates ³				Other short-term liab. ⁴	Demand			Time ²
			Demand	Time ²									
1969	40,199	39,770	20,460	6,959	5,015	7,336	429	800	613	62	83	244	223
1970 ⁷	41,719	41,351	15,785	5,924	14,123	5,519	368	400	820	69	159	211	381
	41,761	41,393	15,795	5,961	14,123	5,514	368	400	820	69	159	211	381
1971 ⁸	55,404	55,018	10,399	5,209	33,025	6,385	386	400	1,372	73	192	210	896
	55,428	55,036	6,459	4,217	33,025	11,335	392	400	1,367	73	192	210	892
1972	60,724	60,228	8,288	5,631	31,850	14,458	496	.....	1,413	86	202	326	800
1973—July	67,925	67,317	8,989	5,879	34,556	17,894	607	.....	1,488	206	116	116	1,049
Aug. ^r	67,400	66,790	8,436	6,137	34,257	17,960	611	.....	1,487	178	118	61	1,129
Sept.	67,057	66,396	8,754	6,130	33,702	17,810	660	.....	1,552	80	100	62	1,311
Oct.	68,258	67,681	9,108	6,772	32,869	18,932	577	.....	1,768	70	93	173	1,431
Nov.	68,514	67,892	9,849	6,884	31,977	19,182	622	.....	1,962	73	97	373	1,420
Dec. ^r	69,237	68,640	11,307	7,084	31,886	18,363	597	0	1,955	101	86	296	1,471
1974—Jan. ^r	67,278	66,638	10,822	7,027	29,543	19,246	640	0	1,853	95	92	286	1,380
Feb. ^r	69,404	68,635	11,473	7,053	30,274	19,834	770	0	1,693	77	66	232	1,318
Mar. ^r	72,936	71,170	11,651	7,168	31,444	21,907	766	0	1,151	96	66	227	762
Apr. ^r	74,925	74,219	11,973	7,505	32,676	22,064	706	0	1,109	60	60	209	780
May. ^r	78,389	77,736	11,805	7,784	33,983	24,163	653	0	1,333	95	54	46	1,138
June ^p	80,811	80,019	13,003	8,395	34,038	24,583	792	0	1,593	106	64	91	1,332
July ^p	83,775	83,109	12,762	8,820	34,178	27,348	666	.....	1,679	121	60	51	1,448

For notes see the following 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 ⁹					
	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. ⁴	
		Demand	Time ²					Demand	Time ²			
1969.....	38,786	20,397	6,876	3,971	7,113	429	11,077	1,930	2,942	3,844	2,159	202
1970 ⁷	40,499	15,716	5,765	13,511	5,138	368	19,333	1,652	2,554	13,367	1,612	148
	40,541	15,726	5,802	13,511	5,133	368	19,333	1,652	2,554	13,367	1,612	148
1971 ⁸	53,632	10,326	5,017	32,415	5,489	386	39,679	1,620	2,504	32,311	3,086	158
	53,661	6,386	4,025	32,415	10,443	392	39,018	1,327	2,039	32,311	3,177	165
1972—Dec.....	59,310	8,203	5,429	31,523	13,659	496	40,000	1,591	2,880	31,453	3,905	171
1973—July.....	66,436	8,782	5,762	34,440	16,845	607	46,138	1,935	3,192	34,360	6,461	189
Aug.....	65,914	8,258	6,019	34,196	16,831	611	45,721	1,576	3,355	34,118	6,545	127
Sept.....	65,504	8,674	6,030	33,640	16,499	660	45,174	1,633	3,226	33,554	6,634	127
Oct.....	66,490	9,038	6,678	32,696	17,501	577	45,212	1,811	3,846	32,613	6,814	127
Nov.....	66,552	9,776	6,787	31,604	17,763	622	43,791	2,035	3,802	31,529	6,298	127
Dec. ^r	67,282	11,206	6,998	31,590	16,892	597	43,919	2,125	3,911	31,511	6,245	127
1974—Jan. ^r	65,426	10,728	6,936	29,257	17,865	640	41,556	2,379	3,705	29,152	6,192	127
Feb. ^r	67,711	11,396	6,988	30,042	18,516	770	41,991	2,407	3,703	29,917	5,836	127
Mar.....	71,785	11,554	7,103	31,217	21,145	766	43,412	2,631	3,800	31,064	5,790	127
Apr.....	73,816	11,913	7,445	32,467	21,284	706	45,184	2,920	3,949	32,312	5,877	127
May.....	77,056	11,710	7,731	33,937	23,025	653	46,031	2,352	4,025	33,731	5,796	127
June ^p	79,218	12,897	8,332	33,947	23,250	792	47,429	2,642	4,277	33,745	6,638	127
July ^p	82,096	12,642	8,760	34,128	25,900	666	48,427	2,561	4,468	33,749	7,522	127

End of period	Total	To banks ¹⁰					To other foreigners					To banks and other foreigners: Payable in foreign currencies	
		Payable in dollars					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. ⁴		
			Demand	Time ²				Demand	Time ²				
1969.....	27,709	23,419	16,756	1,999	20	4,644	4,064	1,711	1,935	107	312	226	
	21,166	16,917	12,376	1,326	14	3,202	4,029	1,688	1,886	131	325	220	
1970 ⁷	21,208	16,949	12,385	1,354	14	3,197	4,039	1,688	1,895	131	325	220	
	13,953	10,034	7,047	850	8	2,130	3,691	1,660	1,663	96	274	228	
1971 ⁸	14,643	10,721	3,399	320	8	6,995	3,694	1,660	1,666	96	271	228	
1972—Dec.....	19,310	14,340	4,658	405	5	9,272	4,645	1,954	2,145	65	481	325	
1973—July.....	20,299	14,898	4,957	3326	8	9,607	4,989	1,890	2,245	72	776	418	
Aug.....	20,192	14,599	4,806	358	10	9,425	5,115	1,876	2,306	68	861	483	
Sept.....	20,330	14,498	5,070	436	8	8,984	5,305	1,972	2,369	77	881	533	
Oct.....	21,278	15,509	5,250	479	7	9,774	5,325	1,977	2,354	76	912	449	
Nov. ^r	22,762	16,766	5,734	474	8	10,550	5,506	2,007	2,511	67	915	495	
Dec. ^r	23,362	17,178	6,941	515	11	9,750	5,716	2,140	2,571	68	936	469	
1974—Jan. ^r	23,870	17,527	6,329	517	14	10,668	5,830	2,020	2,714	91	1,005	513	
Feb. ^r	25,720	19,050	6,857	526	32	11,635	6,028	2,131	2,758	93	1,045	642	
Mar. ^r	28,373	21,389	6,572	511	54	14,251	6,345	2,351	2,792	98	1,104	639	
Apr.....	28,632	21,481	6,601	683	63	14,133	6,572	2,392	2,813	92	1,274	579	
May ^r	31,025	23,807	7,047	795	82	15,884	6,692	2,312	2,911	124	1,345	665	
June ^p	31,789	24,194	7,839	1,002	95	15,259	6,929	2,415	3,053	107	1,354	539	
July ^p	33,669	26,008	7,649	1,160	204	16,996	7,122	2,432	3,133	175	1,383	539	

¹ Data exclude "holdings of dollars" of the IMF.² Excludes negotiable time certificates of deposit, which are included in "Other."³ Includes nonmarketable certificates of indebtedness issued to official institutions of foreign countries.⁴ Principally bankers' acceptances, commercial paper, and negotiable time certificates of deposit. See also note 8(a).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 Development Bank.⁷ Includes difference between cost value and face value of securities in IMF gold investment account.⁸ Data on the two lines shown for this date differ because of changes in reporting coverage. Figures on the first line are comparable in coverage with those shown for the preceding date; figures on the second line are comparable with those shown for the following date.⁸ Data on second line differ from those on first line because (a) those liabilities of U.S. banks to their foreign branches and those liabilities of U.S. agencies and branches of foreign banks to their head offices and foreign branches, which were previously reported as deposits, are included in "Other short-term liabilities"; (b) certain accounts previously classified as "Official institutions" are included in "Banks"; and (c) a number of reporting banks are included in the series for the first time.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 non-negotiable, 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	1972	1973				1974						
	Dec.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June ^p	July ^p	
Europe:												
Austria.....	272	204	166	161	210	279	327	248	298	310	482	
Belgium-Luxembourg.....	1,094	1,411	1,463	1,483	1,593	1,662	1,572	1,795	*1,739	1,827	1,819	
Denmark.....	284	470	527	659	527	456	380	358	261	266	239	
Finland.....	163	135	136	165	178	160	169	140	143	174	203	
France.....	4,441	4,143	3,415	3,483	3,241	2,967	2,852	2,767	3,018	3,425	3,763	
Germany.....	5,346	14,180	14,227	13,227	12,307	12,357	12,275	13,035	*13,778	13,528	12,602	
Greece.....	238	280	236	389	262	238	343	285	239	232	222	
Italy.....	1,338	1,095	1,224	1,404	1,195	1,119	2,243	1,386	1,435	1,281	1,327	
Netherlands.....	1,468	2,534	2,866	2,886	2,522	2,502	2,547	2,507	2,407	2,352	2,232	
Norway.....	978	999	980	965	961	962	993	923	923	911	878	
Portugal.....	416	467	470	534	482	486	450	450	452	411	429	
Spain.....	256	284	319	305	264	304	267	289	499	471	548	
Sweden.....	1,184	1,787	1,807	1,885	1,975	1,973	1,733	1,475	1,350	1,211	1,160	
Switzerland.....	2,857	3,316	3,091	3,377	3,281	3,513	3,792	4,228	*5,137	*6,382	7,208	
Turkey.....	97	83	75	98	221	146	96	92	95	125	134	
United Kingdom.....	5,011	6,416	6,473	6,148	6,440	6,186	7,392	7,697	*8,792	8,533	8,294	
Yugoslavia.....	117	61	76	86	77	94	78	82	86	100	106	
Other Western Europe ¹	1,483	3,426	2,926	3,352	3,125	3,007	2,946	3,003	*2,494	2,701	2,847	
U.S.S.R.....	11	40	20	22	26	20	29	52	28	27	27	
Other Eastern Europe.....	81	96	101	110	92	96	122	95	104	*126	138	
Total.....	27,136	41,426	40,598	40,742	38,982	38,525	40,605	40,905	*43,279	*44,393	44,657	
Canada.....	3,467	3,812	3,967	3,862	4,158	4,432	3,841	4,553	4,164	3,701	3,721	
Latin America:												
Argentina.....	631	781	766	914	847	895	1,001	1,058	1,180	1,365	1,238	
Bahamas ²	540	456	806	824	593	1,011	2,016	1,335	*1,833	1,348	1,392	
Brazil.....	605	745	816	860	819	961	837	774	731	782	790	
Chile.....	137	137	142	157	178	174	185	224	191	238	263	
Colombia.....	210	207	221	247	219	238	238	227	227	217	267	
Cuba.....	6	7	6	7	7	8	7	6	6	6	7	
Mexico.....	831	1,029	1,132	1,284	1,323	1,343	1,369	1,374	1,416	1,410	1,448	
Panama.....	167	231	282	279	281	326	401	408	551	552	558	
Peru.....	225	152	124	135	144	159	160	162	166	166	197	
Uruguay.....	140	115	112	120	120	115	121	121	132	121	122	
Venezuela.....	1,078	1,130	1,420	1,468	1,460	1,636	1,736	2,297	2,248	2,708	2,599	
Other Latin American republics.....	860	742	769	880	947	1,026	1,100	1,144	1,053	1,073	1,192	
Netherlands Antilles and Surinam.....	86	70	63	71	69	61	69	63	95	124	92	
Other Latin America.....	44	532	556	*359	470	792	659	566	424	450	666	
Total.....	5,560	6,334	7,215	*7,606	7,477	8,741	9,896	9,757	10,249	10,561	10,831	
Asia:												
China, People's Rep. of (China Mainland).....	39	37	40	38	38	39	38	39	39	33	39	
China, Republic of (Taiwan).....	675	779	764	757	735	715	641	573	620	688	772	
Hong Kong.....	318	363	383	372	389	416	452	453	512	462	470	
India.....	98	105	71	85	152	183	133	177	264	225	172	
Indonesia.....	108	169	160	133	186	175	240	305	220	257	863	
Israel.....	177	279	330	327	337	311	302	275	267	256	226	
Japan.....	15,843	7,061	6,726	6,954	6,417	7,440	8,307	8,668	9,060	9,419	9,973	
Korea.....	192	198	210	195	222	204	180	253	234	262	215	
Philippines.....	438	479	497	515	570	604	595	642	731	772	762	
Thailand.....	171	163	180	247	336	471	607	536	*517	*524	451	
Other.....	1,071	1,139	1,138	1,202	1,306	1,196	1,445	1,942	1,885	2,572	3,634	
Total.....	19,131	10,771	10,500	10,826	10,690	11,752	12,940	13,861	*14,350	*15,470	17,578	
Africa:												
Egypt.....	24	34	63	35	72	72	52	68	71	84	91	
Morocco.....	12	10	14	11	11	12	17	15	20	39	54	
South Africa.....	115	103	109	114	97	119	148	83	122	102	170	
Zaire.....	21	26	24	87	42	30	42	43	52	58	46	
Other.....	768	747	824	808	837	1,044	1,335	1,500	*1,703	*1,911	2,042	
Total.....	939	919	1,034	1,056	1,059	1,277	1,593	1,709	*1,968	2,193	2,403	
Other countries:												
Australia.....	3,027	3,169	3,183	3,131	2,986	2,917	2,849	2,979	2,980	2,831	2,848	
All other.....	51	59	55	59	74	66	60	52	68	69	58	
Total.....	3,077	3,228	3,238	3,190	3,059	2,984	2,909	3,031	3,047	2,900	2,906	
Total foreign countries.....	59,310	66,490	66,552	*67,282	65,426	67,711	71,785	73,816	*77,056	*79,218	*82,096	
International and regional:												
International ³	951	*1,402	*1,609	*1,627	*1,536	1,404	863	840	1,038	1,250	1,328	
Latin American regional.....	307	*300	*291	*272	*257	228	226	217	226	222	248	
Other regional ⁴	156	66	62	57	*61	61	62	51	69	122	102	
Total.....	1,413	1,768	1,962	1,955	*1,853	1,693	1,151	1,109	1,333	1,593	1,679	
Grand total.....	60,724	68,258	68,514	*69,237	*67,278	69,404	72,936	74,925	*78,389	*80,811	83,775	

For notes see the following 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 data ⁵

Area and country	1972		1973		1974	Area and country	1972		1973		1974
	Apr.	Dec.	Apr.	Dec.	Apr.		Apr.	Dec.	Apr.	Dec.	Apr.
Other Western Europe:						Other Asia—Cont.:					
Cyprus.....	2	3	9	19	10	Kuwait.....	16	39	36	28	.....
Iceland.....	9	9	12	8	11	Laos.....	3	2	3	3	.....
Ireland, Rep. of.....	15	17	22	62	53	Lebanon.....	60	55	55	62	68
Other Latin American republics:						Malaysia.....	25	54	59	58	40
Bolivia.....	53	87	65	68	102	Pakistan.....	58	59	93	105	108
Costa Rica.....	70	92	75	86	88	Ryukyu Islands (incl. Okinawa) ⁶	53	.....	.....	.....	.....
Dominican Republic.....	91	114	104	118	137	Saudi Arabia.....	80	344	236	334	303
Ecuador.....	62	121	109	92	90	Singapore.....	45	77	53	141	165
El Salvador.....	83	76	86	90	129	Sri Lanka (Ceylon).....	6	5	6	13	13
Guatemala.....	123	132	127	156	245	Syria.....	6	4	39	5	40
Haiti.....	23	27	25	21	28	Vietnam.....	185	135	98	88	98
Honduras.....	50	58	64	56	71	Other Africa:					
Jamaica.....	32	41	32	39	52	Algeria.....	31	32	51	111	110
Nicaragua.....	66	61	79	99	119	Ethiopia (incl. Eritrea).....	29	57	75	79	118
Paraguay.....	17	22	26	29	40	Ghana.....	11	10	28	20	22
Trinidad & Tobago.....	15	20	17	17	21	Kenya.....	14	23	19	23	20
Other Latin America:						Liberia.....	25	30	31	42	29
Bermuda.....	(2)	(2)	127	242	201	Libya.....	296	393	312	331	.....
British West Indies.....	23	36	100	109	.....	Nigeria.....	56	85	140	78	.....
Other Asia:						Southern Rhodesia.....	2	2	1	2	1
Afghanistan.....	17	25	19	22	11	Sudan.....	5	3	3	3	2
Bahrain.....	18	24	23	24	11	Tanzania.....	6	11	16	12	12
Burma.....	5	2	17	12	.....	Tunisia.....	7	10	11	7	17
Cambodia.....	2	3	3	2	4	Uganda.....	10	7	19	6	11
Iran.....	88	93	114	124	243	Zambia.....	7	28	37	22	.....
Iraq.....	9	10	26	101	.....	All other:					
Jordan.....	2	4	4	6	6	New Zealand.....	27	30	34	39	33

¹ Includes Bank for International Settlements and European Fund.² Bermuda included with Bahamas through Dec. 1972.³ Data exclude "holdings of dollars" of the International Monetary Fund.⁴ Asian, African, and European regional organizations, except BIS and European Fund, which are included in "Europe."⁵ Represent a partial breakdown of the amounts shown in the "other" categories (except "Other Eastern Europe").⁶ Included in Japan after Apr. 1972.

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
1970.....	1,703	789	914	695	165	53	110	42	26	152	385	137	62
1971.....	902	446	457	144	257	56	164	52	30	111	3	87	9
1972—Dec. ²	1,000	562	439	93	259	87	165	63	32	136	1	32	10
	1,018	580	439	93	259	87	165	63	32	136	1	32	10
1973—July.....	1,525	768	757	311	305	141	164	68	265	145	2	93	19
Aug.....	1,530	775	755	322	305	127	165	68	265	143	2	95	17
Sept.....	1,502	758	744	318	302	123	165	68	263	145	2	84	18
Oct.....	1,473	735	738	312	305	122	165	68	265	140	2	81	18
Nov.....	1,469	753	717	313	287	117	165	67	246	138	2	80	19
Dec.....	1,467	761	706	310	296	100	165	66	245	132	5	78	16
1974—Jan.....	1,496	782	765	310	275	90	165	65	236	119	2	78	10
Feb.....	1,500	888	612	259	267	86	165	58	231	109	2	35	13
Mar.....	1,558	951	607	259	261	87	165	45	232	111	2	39	13
Apr.....	1,671	1,025	646	294	263	89	165	56	227	133	2	50	13
May.....	1,660	1,005	655	296	285	74	165	56	220	147	2	52	13
June ^p	1,653	974	678	321	285	73	165	56	220	146	2	77	12
July ^p	1,677	984	693	319	299	75	171	56	233	142	2	77	13

¹ Excludes central banks, which are included with "Official institutions."² Data on the two lines shown for this date differ because of changes in reporting coverage. Figures on the first line are comparable in coverage with those shown for the preceding date; figures on the second line are comparable with those shown for the following date.

10. ESTIMATED FOREIGN HOLDINGS OF MARKETABLE U.S. TREASURY BONDS AND NOTES

(End of period; in millions of dollars)

	1973						1974						
	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June ^p	July ^p
Europe:													
Belgium-Luxembourg.....	6	6	7	7	7	7	7	7	7	7	7	7	9
Sweden.....	135	135	165	165	165	235	235	260	260	260	260	260	260
Switzerland.....	42	37	37	37	38	34	33	32	34	33	35	34	35
United Kingdom.....	275	236	247	290	400	423	437	450	439	460	470	427	430
Other Western Europe.....	85	85	85	85	85	86	91	91	90	89	87	89	97
Eastern Europe.....	5	5	5	5	5	5	5	5	5	5	5	5	5
Total.....	547	504	546	588	700	789	808	845	835	854	826	822	836
Canada.....	560	560	560	560	567	582	597	832	847	848	849	849	851
Latin America:													
Latin American republics.....	4	8	9	9	11	11	11	11	11	11	11	11	11
Other Latin America.....	3	3	3	3	3	3	3	3	3	3	5	5	5
Total.....	7	11	12	12	14	14	14	14	14	14	16	16	16
Asia:													
Japan.....	5,977	5,949	5,950	5,950	5,143	4,552	4,066	3,718	3,703	3,531	3,499	3,498	3,497
Other Asia.....	9	9	11	11	11	11	11	11	11	11	12	12	12
Total.....	5,987	5,959	5,961	5,961	5,154	4,563	4,077	3,729	3,714	3,542	3,510	3,510	3,509
Africa.....	183	183	158	158	158	158	158	157	157	157	157	157	156
All other.....	25	25	25	25	25	25	25	25	25	25	25	25	25
Total foreign countries.....	7,308	7,241	7,261	7,303	6,617	6,131	5,678	5,602	5,592	5,440	5,383	5,379	5,394
International and regional:													
International.....	1	1	21	6	1	1	20	51	217	141	174	57	51
Latin American regional.....	28	45	45	47	47	48	49	49	49	44	41	60	75
Total.....	29	46	66	53	48	49	69	100	267	185	214	117	126
Grand total.....	7,337	7,287	7,327	7,356	6,665	6,179	5,747	5,702	5,859	5,625	5,597	5,496	5,520

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
1970.....	10,802	10,192	3,051	119	1,720	1,212	2,389	3,985	766	610	352	92	166
1971 ²	13,170	12,328	4,503	223	2,613	1,667	2,475	4,243	1,107	842	549	119	174
	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
	15,676	14,830	5,671	163	2,970	2,538	3,276	3,226	2,657	846	441	223	182
1973—July ^r	19,014	18,151	7,023	162	3,925	2,935	3,871	3,922	3,335	863	561	151	151
Aug. ^r	18,980	18,094	6,971	176	4,028	2,767	3,948	3,716	3,458	887	488	151	248
Sept. ^r	18,727	17,950	6,807	160	3,918	2,729	4,070	3,718	3,355	777	459	143	175
Oct. ^r	19,300	18,440	6,979	216	3,988	2,775	4,099	3,774	3,588	861	510	187	163
Nov. ^r	19,590	18,799	7,068	252	4,084	2,732	4,287	3,788	3,655	790	512	131	148
Dec. ^r	20,721	20,059	7,717	271	4,589	2,857	4,306	4,155	3,881	662	428	119	115
1974—Jan. ^r	21,083	20,281	7,410	303	4,429	2,678	4,386	4,107	4,377	802	467	162	173
Feb. ^r	22,970	22,126	7,947	303	4,992	2,652	4,426	4,554	5,199	844	594	121	129
Mar. ^r	25,656	24,807	9,078	421	5,813	2,844	4,641	5,125	5,962	849	545	160	144
Apr. ^r	26,564	25,707	9,578	346	6,152	3,079	4,805	5,810	5,515	857	589	99	169
May ^r	29,624	28,741	9,960	363	6,384	3,213	5,080	6,486	7,214	884	611	113	160
June ^p	32,092	31,135	11,498	386	7,758	3,354	5,102	7,438	7,097	957	687	130	141
July ^p	33,357	32,345	10,917	461	6,865	3,590	5,151	9,007	7,270	1,012	636	203	173

¹ Excludes central banks, which are included with "Official institutions."² Data on second line differ from those on first line because (a) those claims of U.S. banks on their foreign branches and those claims of U.S. agencies and branches of foreign banks on their head offices and foreign branches, which were previously reported as "Loans", are included in

"Other short-term claims"; and (b) a number of reporting banks are included in the series for the first time.

³ Data on the two lines shown for this date differ because of changes in reporting coverage. Figures on the first line are comparable in coverage with those shown for the preceding date; figures on the second line are comparable with those shown for the following date.

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	1972	1973			1974						
	Dec.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June ^p	July ^p
Europe:											
Austria.....	8	15	14	11	14	36	20	40	32	104	18
Belgium-Luxembourg.....	120	150	145	148	134	143	216	188	155	231	267
Denmark.....	59	50	53	48	50	60	76	57	67	63	42
Finland.....	118	97	89	108	106	93	97	115	124	131	147
France.....	330	461	525	621	649	682	743	721	624	727	701
Germany.....	321	366	392	311	342	382	395	355	441	421	366
Greece.....	29	26	23	35	41	36	37	47	48	49	61
Italy.....	255	282	363	316	313	330	482	507	512	572	442
Netherlands.....	108	132	172	133	139	147	174	169	202	212	165
Norway.....	69	74	82	72	85	91	76	91	96	91	87
Portugal.....	19	23	22	23	25	25	37	29	33	32	30
Spain.....	207	183	189	222	208	180	284	318	322	404	392
Sweden.....	164	155	177	153	135	106	121	132	95	117	119
Switzerland.....	125	242	203	176	240	338	270	327	417	663	386
Turkey.....	6	8	16	10	11	9	16	18	8	10	26
United Kingdom.....	997	1,236	1,210	1,456	1,490	1,621	2,009	1,627	2,179	2,363	2,282
Yugoslavia.....	22	8	19	10	9	15	12	13	25	20	26
Other Western Europe.....	20	34	26	27	19	20	22	28	55	26	19
U.S.S.R.....	41	49	51	46	29	36	33	30	38	47	35
Other Eastern Europe.....	49	87	72	59	64	65	70	65	95	84	105
Total.....	3,067	3,678	3,843	3,985	4,104	4,416	5,190	4,875	5,568	76,365	5,716
Canada.....	1,914	2,210	1,979	1,960	1,880	2,037	2,243	2,191	2,363	2,195	2,339
Latin America:											
Argentina.....	379	469	485	498	521	539	679	686	641	669	683
Bahamas ¹	519	702	7614	7875	7579	71,043	71,289	1,126	1,944	1,887	1,559
Brazil.....	649	837	826	900	953	958	1,114	1,180	1,315	1,476	1,500
Chile.....	52	80	125	151	136	155	180	193	165	182	209
Colombia.....	418	423	413	397	425	428	459	467	473	515	593
Cuba.....	13	15	13	12	11	11	13	13	13	13	12
Mexico.....	1,202	1,368	1,337	1,370	1,344	1,418	1,426	1,627	1,652	1,718	1,768
Panama.....	244	273	263	266	294	297	345	390	406	386	393
Peru.....	145	208	204	178	186	184	194	224	264	280	348
Uruguay.....	40	45	47	55	58	51	44	38	38	40	59
Venezuela.....	383	436	469	517	482	510	586	627	557	605	643
Other Latin American republics.....	388	431	465	490	542	546	600	617	618	663	683
Netherlands Antilles and Surinam.....	14	23	17	13	17	19	29	20	27	41	38
Other Latin America.....	36	137	124	140	356	461	268	281	191	298	231
Total.....	4,480	5,450	5,403	5,863	5,906	6,621	7,226	7,489	8,303	8,772	8,719
Asia:											
China, People's Rep. of (China Mainland).....	1	22	36	31	24	19	27	19	18	23	28
China, Republic of (Taiwan).....	194	128	117	140	119	147	183	231	315	348	392
Hong Kong.....	93	121	124	147	169	189	170	179	166	207	198
India.....	14	14	16	16	16	15	19	18	25	18	20
Indonesia.....	87	89	96	88	105	107	97	71	105	115	116
Israel.....	105	145	155	166	153	140	165	140	135	158	205
Japan.....	4,152	5,746	6,034	6,400	6,466	6,960	7,857	8,607	9,715	10,798	12,361
Korea.....	296	372	369	403	432	477	498	555	632	597	620
Philippines.....	149	105	118	181	189	182	197	228	258	297	292
Thailand.....	191	206	225	273	322	364	405	434	389	416	423
Other.....	300	349	377	394	466	560	521	671	661	712	819
Total.....	5,584	7,297	7,666	8,238	8,463	9,159	10,138	11,153	12,416	13,689	15,474
Africa:											
Egypt.....	21	38	40	35	42	40	42	44	54	58	59
Morocco.....	4	4	7	5	4	4	21	9	4	5	14
South Africa.....	143	150	147	129	133	134	131	153	206	202	210
Zaire.....	13	51	61	60	56	67	61	79	72	91	93
Other.....	118	163	155	159	178	175	210	192	218	266	273
Total.....	299	406	410	388	413	420	466	477	554	622	649
Other countries:											
Australia.....	291	223	251	243	279	268	328	318	353	378	396
All other.....	40	36	36	43	37	49	64	59	66	71	64
Total.....	330	259	287	286	316	317	392	377	420	449	459
Total foreign countries.....	15,674	19,299	19,589	20,720	21,082	22,969	25,655	26,563	29,623	32,091	33,357
International and regional.....	3	1	1	1	1	1	1	1	1	1	1
Grand total.....	15,676	19,300	19,590	20,721	21,083	22,970	25,656	26,564	29,624	32,092	33,357

¹ Includes Bermuda through Dec. 1972.

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
		Loans to—				Other long-term claims								
		Total	Official institutions	Banks ¹	Other foreigners									
1970.....	3,075	2,698	504	236	1,958	352	25	71	411	312	1,325	115	548	292
1971.....	3,667	3,345	575	315	2,455	300	22	130	593	228	1,458	246	583	429
1972 ²	4,954	4,539	833	430	3,276	375	40	145	704	406	1,996	319	881	503
	5,029	4,555	836	430	3,289	435	40	145	701	406	2,012	353	900	514
1973—July ² ...	5,626	5,119	957	554	3,609	453	54	128	1,029	517	1,980	315	1,122	535
Aug. ² ...	5,522	5,012	1,002	516	3,495	464	46	137	1,007	404	1,961	309	1,157	548
Sept. ² ...	5,408	4,885	1,010	509	3,365	454	70	131	976	418	1,939	256	1,186	501
Oct. ² ...	5,591	5,037	1,041	540	3,456	474	80	130	1,012	491	1,978	252	1,203	514
Nov. ² ...	5,786	5,248	1,127	557	3,563	461	78	138	1,059	484	2,086	255	1,246	516
Dec. ² ...	5,880	5,330	1,129	574	3,627	478	72	140	1,099	490	2,089	247	1,282	533
1974—Jan. ² ...	5,821	5,273	1,115	563	3,595	469	79	137	1,102	486	2,050	263	1,284	509
Feb. ² ...	5,872	5,272	1,171	584	3,517	522	79	144	1,159	457	2,059	249	1,293	511
Mar. ² ...	6,048	5,433	1,245	640	3,548	540	75	146	1,264	473	2,127	248	1,300	490
Apr. ² ...	6,661	6,019	1,542	734	3,744	566	76	191	1,550	478	2,340	246	1,328	529
May ² ...	6,707	6,090	1,539	755	3,796	549	67	214	1,535	467	2,402	233	1,336	520
June ² ...	6,961	6,350	1,589	775	3,985	545	66	212	1,663	496	2,454	236	1,387	514
July ² ...	6,976	6,379	1,460	871	4,048	530	67	239	1,581	483	2,517	261	1,379	516

¹ Excludes central banks, which are included with "Official institutions."² Data on the two lines shown for this date differ because of changes in reporting coverage. Figures on the first line are comparable in coverage with those shown for the preceding date; figures on the second line are comparable with those shown for the following date.

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									
1971.....	1,672	130	1,542	1,661	-119	14,593	13,158	1,435	1,687	2,621	-935	1,385	1,439	-57
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.....	305	-165	470	465	6	18,543	13,810	4,733	1,474	2,467	-993	1,729	1,554	176
1974—Jan.—July ²	659	77	-737	-687	-49	8,777	7,801	976	635	1,906	-1,271	1,366	1,159	207
1973—July ²	-79	-71	-9	.....	-9	1,320	898	422	101	207	-106	108	107	1
Aug. ²	-51	17	-68	-28	-39	1,328	864	464	96	157	-61	117	125	-8
Sept. ²	40	20	20	8	12	1,174	963	212	67	101	-34	115	105	10
Oct. ²	29	-13	42	15	27	1,807	1,722	86	97	336	-238	129	131	-2
Nov. ²	-691	-5	-686	-722	36	1,948	1,692	256	104	317	-213	156	178	-22
Dec. ²	-486	1	-487	-506	19	1,336	1,359	-23	144	209	-65	159	144	15
1974—Jan. ²	-432	20	-452	-472	19	1,717	1,454	263	71	364	-292	209	207	2
Feb. ²	-45	31	-77	-37	-39	1,202	1,189	13	100	145	-45	206	206	-1
Mar. ²	157	166	-10	.....	-10	1,672	1,484	188	102	398	-295	167	183	-16
Apr. ²	-234	-82	-152	-171	20	1,060	844	216	103	323	-219	189	155	34
May ²	-28	29	-57	-7	-50	903	852	51	89	154	-64	173	174	-2
June ²	-100	-97	-3	.....	-3	1,174	923	251	74	272	-197	207	117	90
July ²	23	9	14	.....	14	1,048	1,054	-6	94	251	-157	216	116	100

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
1971.....	11,626	10,894	731	87	131	219	168	-49	71	627	-93	37	108	52
1972.....	14,361	12,173	2,188	372	-51	297	642	561	137	1,958	-78	-32	256	83
1973.....	12,762	9,978	2,785	439	2	339	685	366	274	2,104	99	-1	577	5
1974—Jan.—July ^p	4,794	4,405	389	159	19	266	109	-79	41	515	-42	-53	-46	15
1973—July.....	880	564	316	67	-19	25	80	28	28	210	19	11	71	5
Aug.....	972	631	341	53	1	60	57	40	34	245	10	11	81	-6
Sept.....	948	734	214	63	6	18	54	15	14	169	*	27	21	-3
Oct.....	1,369	1,272	96	6	-7	5	-34	68	25	62	-26	16	41	-4
Nov.....	1,482	1,088	394	106	27	54	68	67	6	327	-18	-9	108	-14
Dec.....	873	878	-4	30	9	32	-64	-25	7	-12	-8	-4	34	-16
1974—Jan.....	976	802	174	68	4	37	43	28	23	202	-27	-42	33	9
Feb.....	743	586	157	39	5	54	40	-6	33	163	1	-9	-9	1
Mar.....	896	846	49	14	-26	40	24	14	25	91	-21	9	-29	-1
Apr.....	575	559	16	22	17	35	5	-14	-35	19	-10	2	-14	2
May.....	521	591	-15	18	7	29	-5	-36	-5	19	-7	-16	-15	2
June ^p	520	513	-1	-15	8	33	11	-18	-3	16	13	-7	-15	2
July ^p	507	508	-1	13	5	39	-9	-48	3	3	10	-2	-14	2

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
1971.....	703	15	35	-1	216	327	39	631	37	19	-2	*	-21	39
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—Jan.—July ^p	586	79	33	185	81	225	-40	564	20	13	-218	*	9	197
1973—July.....	106	*	-57	*	13	-15	7	-52	3	4	1	*	*	150
Aug.....	123	31	1	1	-5	57	10	94	-1	4	2	*	*	24
Sept.....	2	2	*	*	-1	14	12	26	-1	1	11	*	*	-39
Oct.....	-11	53	*	1	46	-14	1	86	4	1	1	*	*	-103
Nov.....	-138	4	11	-2	28	76	5	122	-21	3	-209	*	*	-33
Dec.....	-19	9	10	4	37	60	32	152	*	16	-183	.....	*	-3
1974—Jan.....	89	3	25	*	23	117	-9	159	14	1	-104	*	*	18
Feb.....	-144	1	*	*	*	45	-15	30	-2	-5	-119	*	*	-47
Mar.....	139	1	*	-2	6	-79	-6	-81	-1	6	-1	*	*	215
Apr.....	200	60	3	*	8	23	17	111	4	-1	*	*	*	86
May.....	66	10	*	*	28	-19	1	59	3	5	3	*	*	-3
June ^p	242	5	3	116	15	64	-17	185	1	4	-3	*	*	56
July ^p	-5	-1	2	72	2	36	-11	100	1	5	7	*	10	-128

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
1971.....	-992	-310	-682	31	-275	-46	-366	-57	32
1972.....	-622	-90	-532	505	-635	-69	-296	-66	29
1973.....	-818	139	-957	-141	-569	-120	-168	3	37
1974—Jan.—July ^p	-1,158	17	-1,175	-389	-924	-50	181	-5	13
1973—July.....	-105	3	-108	-13	-93	-13	9	*	2
Aug.....	-69	5	-75	-21	-44	-4	-8	*	3
Sept.....	-25	4	-28	-28	8	-8	-1	*	2
Oct.....	-240	4	-243	-25	-148	-8	-64	1	1
Nov.....	-236	9	-245	-47	-89	-6	-104	*	*
Dec.....	-50	51	-101	-45	-11	-15	-34	2	3
1974—Jan.....	-291	-4	-287	-81	-204	-2	-1	-1	2
Feb.....	-46	6	-52	-62	-11	-9	32	-4	1
Mar.....	-311	4	-315	-24	-288	-15	10	*	3
Apr.....	-185	3	-188	-49	-157	6	12	*	3
May.....	-66	5	-71	-26	-35	-22	10	*	3
June ^p	-108	3	-110	-78	-121	-6	94	1	*
July ^p	-151	1	-152	-69	-108	-1	24	1	3

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)
1971—June.....	419	300
Sept.....	333	320
Dec.....	311	314
1972—Mar.....	325	379
June.....	312	339
Sept.....	286	336
Dec.....	372	405
1973—Mar.....	310	364
June.....	316	243
Sept.....	290	255
Dec.....	333	231
1974—Mar. ^p	384	227
June ^p	354	243

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	1971—Dec.	59,939	4,755	2,302	2,454	53,423	11,223	23,599	1,164	17,436	1,760
	1972—Dec.	78,202	4,678	2,113	2,565	71,304	11,504	35,773	1,594	22,432	2,220
	1973—June	96,107	4,925	2,325	2,601	87,786	13,149	44,953	1,805	27,879	3,395
	July	100,987	5,350	2,502	2,848	92,071	14,934	46,155	1,934	29,048	3,567
	Aug.	102,392	5,109	2,286	2,823	93,470	15,289	46,012	2,012	30,156	3,813
	Sept.	108,080	4,806	1,916	2,890	98,681	16,778	48,084	2,147	31,672	4,593
	Oct.	111,087	4,802	1,831	2,970	101,789	17,721	49,477	2,239	32,352	4,496
	Nov.	117,325	5,808	2,848	2,961	106,041	18,462	51,975	2,108	33,497	5,476
	Dec.	121,951	4,882	1,882	3,000	112,323	19,222	55,910	2,503	34,687	4,746
	1974—Jan.	123,912	4,605	1,552	3,054	114,703	19,497	57,032	2,733	35,441	4,604
	Feb.	127,240	4,696	1,893	2,802	117,765	20,341	57,163	2,957	37,020	5,064
	Mar.	136,983	7,986	5,383	2,603	123,823	22,268	60,435	3,030	38,090	5,174
	Apr.	139,532	6,257	3,682	2,575	128,187	22,854	62,334	3,629	39,370	5,087
	May	145,362	8,152	5,585	2,567	131,796	24,376	64,635	3,645	39,141	5,414
	June	146,877	6,843	4,166	2,677	134,413	24,859	64,345	3,560	41,649	5,621
Payable in U.S. dollars	1971—Dec.	39,149	4,502	2,295	2,207	34,093	6,659	17,341	861	9,233	553
	1972—Dec.	52,636	4,419	2,091	2,327	47,444	7,869	26,251	1,059	12,264	773
	1973—June	59,984	4,575	2,276	2,298	54,117	8,118	30,457	1,037	14,505	1,292
	July	62,239	4,775	2,467	2,308	56,058	8,852	30,964	1,123	15,118	1,407
	Aug.	63,553	4,502	2,227	2,275	57,670	9,660	30,545	1,193	16,272	1,380
	Sept.	66,361	4,386	1,865	2,521	60,362	10,315	31,767	1,186	17,093	1,613
	Oct.	68,400	4,356	1,789	2,567	62,461	11,223	32,595	1,223	17,419	1,583
	Nov.	73,637	5,336	2,787	2,549	66,595	11,874	34,992	1,302	18,427	1,705
	Dec.	79,502	4,428	1,844	2,583	73,308	12,844	39,052	1,587	19,824	1,767
	1974—Jan.	81,949	4,166	1,515	2,651	76,033	13,253	40,027	1,848	20,905	1,749
	Feb.	83,907	4,311	1,838	2,473	77,679	13,769	40,185	2,024	21,701	1,918
	Mar.	92,838	7,640	5,359	2,281	83,272	15,776	42,971	1,977	22,548	1,925
	Apr.	94,127	5,886	3,635	2,251	86,093	15,954	44,379	2,726	23,034	2,148
	May	100,155	7,806	5,537	2,269	89,876	16,874	47,330	2,840	22,831	2,473
	June	101,509	6,521	4,116	2,405	92,420	17,357	47,753	2,803	24,507	2,568
IN UNITED KINGDOM											
Total, all currencies	1971—Dec.	34,227	2,693	1,230	1,464	30,675	5,690	15,965	473	8,546	859
	1972—Dec.	43,467	2,234	1,138	1,096	40,214	5,659	23,842	606	10,106	1,018
	1973—June	51,203	1,875	1,012	864	47,821	5,279	30,223	604	11,716	1,506
	July	53,996	2,500	1,492	1,008	49,923	6,274	30,652	646	12,350	1,574
	Aug.	52,880	1,877	935	942	49,423	6,849	29,525	677	12,372	1,580
	Sept.	55,842	1,473	604	870	52,489	8,022	30,774	659	13,035	1,879
	Oct.	57,306	1,833	879	954	53,518	7,970	31,617	685	13,247	1,954
	Nov.	61,897	2,230	1,181	1,049	56,808	8,552	33,813	700	13,743	2,859
	Dec.	61,732	1,789	738	1,051	57,761	8,773	34,442	735	13,811	2,183
	1974—Jan.	63,757	1,484	521	964	60,185	9,123	35,796	907	14,359	2,087
	Feb.	63,585	1,477	616	861	59,792	9,209	34,813	916	14,853	2,317
	Mar.	68,076	3,070	2,319	751	63,020	10,706	36,192	887	15,235	1,986
	Apr.	68,914	2,713	1,876	837	64,104	10,695	36,765	1,073	15,572	2,097
	May	71,935	3,787	2,969	818	65,966	11,759	37,882	889	15,435	2,182
	June	71,307	3,731	2,787	943	65,451	11,886	36,408	812	16,346	2,125
Payable in U.S. dollars	1971—Dec.	24,210		2,585		21,277	4,135	12,572		4,571	348
	1972—Dec.	30,257		2,146		27,664	4,326	17,874		5,464	446
	1973—June	32,763		1,784		30,286	3,900	20,341		6,045	693
	July	33,381		2,193		30,464	4,042	20,137		6,286	723
	Aug.	32,807		1,538		30,569	4,887	19,134		6,549	699
	Sept.	34,251		1,348		32,062	5,399	19,759		6,904	840
	Oct.	35,511		1,681		33,062	5,769	20,336		6,956	768
	Nov.	39,096		2,042		36,218	6,273	22,650		7,296	835
	Dec.	40,323		1,642		37,816	6,509	23,899		7,409	865
	1974—Jan.	42,131		1,368		39,932	6,825	25,098		8,010	830
	Feb.	41,762		1,384		39,409	6,902	24,415		8,093	969
	Mar.	46,062		2,967		42,212	8,240	25,365		8,608	882
	Apr.	46,419		2,623		42,771	8,262	25,768		8,741	1,024
	May	49,608		3,688		44,784	9,285	26,957		8,542	1,135
	June	49,375		3,632		44,618	9,425	26,097		9,097	1,125
IN BAHAMAS AND CAYMANS ¹											
Total, all currencies	1971—Dec.	8,234	1,274	496	777	6,871		3,620		3,251	90
	1972—Dec.	12,642	1,486	214	1,272	10,986		6,663		4,322	170
	1973—June	15,614	1,909	402	1,507	13,448		7,915		5,533	256
	July	16,466	1,927	347	1,579	14,253		8,459		5,795	286
	Aug.	19,341	2,260	576	1,684	16,642		9,846		6,796	439
	Sept.	20,673	2,280	489	1,791	17,890		10,596		7,294	504
	Oct.	20,698	1,976	272	1,704	18,198		10,618		7,580	524
	Nov.	21,503	2,525	824	1,702	18,412		10,367		8,045	566
	Dec.	23,771	2,001	313	1,688	21,307		12,302		9,005	463
	1974—Jan.	24,071	2,011	228	1,783	21,581		12,232		9,349	479
	Feb.	25,657	1,882	170	1,713	23,262		13,293		9,969	513
	Mar.	28,444	3,299	1,787	1,512	24,534		14,600		9,934	611
	Apr.	28,776	2,280	802	1,478	25,873		15,496		10,376	623
	May	30,862	3,164	1,697	1,467	26,953		17,029		9,924	744
	June	31,217	2,262	816	1,446	28,168		17,537		10,630	787

For notes see p. A-76

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			
59,940	3,061	658	2,403	54,798	10,789	29,825	5,472	8,712	2,0811971—Dec.	IN ALL FOREIGN COUNTRIES Total all currencies,
78,203	3,501	997	2,504	72,121	11,121	41,218	8,351	11,432	2,580	.....1972—Dec.
96,106	4,456	1,005	3,451	87,999	12,918	51,863	9,483	13,735	3,6511973—June	IN ALL FOREIGN COUNTRIES Total all currencies,
100,987	4,368	1,200	3,169	92,702	14,634	54,072	9,575	14,421	3,917	..... July
102,392	4,607	1,083	3,524	93,645	15,627	54,493	8,494	15,031	4,140	..... Aug.
108,079	4,728	1,180	3,548	98,699	16,609	57,624	8,635	15,831	4,652	..... Sept.
111,087	4,680	1,298	3,382	101,719	17,253	59,304	9,073	16,089	4,688	..... Oct.
117,326	4,776	1,084	3,692	106,909	17,673	63,274	9,542	16,420	5,641	..... Nov.
121,951	5,070	1,158	3,912	111,754	18,233	65,650	10,094	17,777	5,128	..... Dec.
123,882	5,319	1,738	3,581	113,807	18,531	67,838	9,547	17,890	4,756	.....1974—Jan.
127,240	5,853	2,009	3,844	116,440	18,942	67,979	10,119	19,399	4,947	..... Feb.
136,983	6,656	2,127	4,530	125,002	21,043	71,936	10,474	21,550	5,324	..... Mar.
139,532	6,875	2,368	4,507	127,280	22,469	71,600	11,196	22,015	5,377 Apr.	IN ALL FOREIGN COUNTRIES Payable in U.S. dollars
145,362	8,132	2,930	5,201	131,340	23,605	74,395	11,404	21,936	5,891	..... May
146,876	8,550	3,011	5,539	131,803	23,883	71,889	13,649	22,380	6,524	..... June
40,955	2,624	503	2,121	37,080	6,663	21,116	4,391	4,910	1,250	.....1971—Dec.
54,878	3,050	847	2,202	50,406	7,955	29,229	6,781	6,441	1,422	.....1972—Dec.
62,833	3,911	866	3,045	57,139	8,376	34,403	7,247	7,114	1,783	.....1973—June
64,456	3,775	1,036	2,739	58,799	9,219	35,153	7,005	7,421	1,882	..... July
65,496	4,057	943	3,114	59,347	10,237	35,458	6,165	7,487	2,092	..... Aug.
68,604	4,146	1,021	3,125	62,196	10,627	37,260	6,242	8,067	2,263	..... Sept.
70,058	4,135	1,139	2,996	63,693	11,312	37,662	6,337	8,382	2,230	..... Oct.
75,735	4,190	928	3,262	68,438	11,825	41,598	6,290	8,724	3,107	..... Nov.
80,383	4,488	993	3,495	73,284	12,571	43,702	7,327	9,684	2,611	..... Dec.
82,212	4,820	1,609	3,211	74,920	12,754	44,990	7,172	10,003	2,4731974—Jan.	IN UNITED KINGDOM Total, all currencies
84,548	5,349	1,857	3,493	76,732	12,942	44,853	7,809	11,128	2,466	..... Feb.
93,355	6,086	1,924	4,161	84,471	15,041	49,065	8,205	12,159	2,799	..... Mar.
94,887	6,316	2,195	4,121	85,673	15,830	48,252	8,792	12,800	2,898	..... Apr.
100,579	7,430	2,741	4,689	89,706	16,628	51,078	9,057	12,943	3,443	..... May
102,210	7,944	2,810	5,134	90,274	16,995	49,139	10,937	13,203	3,992	..... June
34,227	1,653	109	1,544	31,814	3,401	18,833	4,454	5,126	760	.....1971—Dec.
43,467	1,453	113	1,340	41,020	2,961	24,596	6,433	7,030	994	.....1972—Dec.
51,203	1,957	122	1,835	47,936	3,321	29,151	7,565	7,899	1,310	.....1973—June
53,996	1,875	163	1,711	50,707	3,883	30,797	7,793	8,234	1,414	..... July
52,880	2,080	171	1,909	49,293	3,731	30,266	6,730	8,565	1,508	..... Aug.
55,842	2,125	161	1,964	51,957	4,118	31,963	6,929	8,947	1,759	..... Sept.
57,306	2,026	129	1,897	53,475	4,036	33,341	7,118	8,980	1,805	..... Oct.
61,897	2,197	143	2,054	57,042	3,886	36,052	7,680	9,424	2,657	..... Nov.
61,732	2,431	136	2,295	57,311	3,944	35,063	8,056	10,248	1,990	..... Dec.
63,726	2,429	346	2,083	59,356	4,350	36,996	7,679	10,332	1,9411974—Jan.	IN UNITED KINGDOM Payable in U.S. dollars
63,585	2,573	269	2,303	58,956	4,193	35,489	8,160	11,112	2,057	..... Feb.
68,076	3,167	353	2,814	63,096	4,587	37,836	8,456	12,217	1,813	..... Mar.
68,914	3,123	409	2,714	63,914	4,975	36,700	9,064	13,175	1,877	..... Apr.
71,935	3,727	749	2,978	66,111	4,890	39,706	9,111	12,404	2,097	..... May
71,307	3,744	606	3,138	65,433	4,913	36,828	11,162	12,530	2,130	..... June
24,629	1,405	23	1,383	22,852	2,164	13,840	3,666	3,181	372	.....1971—Dec.
30,810	1,272	72	1,200	29,002	2,008	17,379	5,329	4,287	535	.....1972—Dec.
33,491	1,731	102	1,629	31,185	2,234	18,318	5,971	4,663	575	.....1973—June
33,803	1,661	148	1,513	31,549	2,316	18,639	5,855	4,738	593	..... July
32,960	1,846	148	1,698	30,433	2,213	18,566	4,995	4,660	681	..... Aug.
34,886	1,866	137	1,729	32,213	2,245	19,836	5,110	5,022	807	..... Sept.
35,342	1,831	103	1,727	32,781	2,515	20,195	4,934	5,137	730	..... Oct.
39,527	1,940	119	1,821	36,032	2,468	23,059	4,971	5,534	1,555	..... Nov.
39,658	2,173	113	2,060	36,646	2,519	22,135	5,839	6,152	839	..... Dec.
40,979	2,200	329	1,871	37,884	2,846	22,971	5,806	6,262	8951974—Jan.	IN BAHAMAS AND CAYMANS: Total, all currencies
40,930	2,346	243	2,103	37,579	2,729	21,464	6,342	7,044	1,006	..... Feb.
45,579	2,927	329	2,598	41,708	3,063	24,300	6,694	7,650	945	..... Mar.
46,323	2,878	384	2,494	42,453	3,234	23,382	7,225	8,612	992	..... Apr.
49,255	3,480	724	2,756	44,580	3,083	26,128	7,306	8,064	1,194	..... May
48,982	3,516	579	2,937	44,228	3,255	23,794	9,010	8,170	1,238	..... June
8,236	747		7,305	1,649	4,539		1,116	183	.....1971—Dec.	IN BAHAMAS AND CAYMANS: Total, all currencies
12,643	1,220		11,260	1,818	8,105		1,338	163	.....1972—Dec.	
15,613	1,458		13,829	2,272	10,170		1,387	326	.....1973—June	IN BAHAMAS AND CAYMANS: Total, all currencies
16,466	1,339		14,803	2,691	10,484		1,628	323	..... July	
19,341	1,521		17,410	3,917	11,691		1,803	409	..... Aug.	
20,673	1,608		18,464	4,321	12,255		1,887	601	..... Sept.	
20,698	1,663		18,463	4,591	11,902		1,969	572	..... Oct.	
21,504	1,559		19,363	4,744	12,857		1,762	582	..... Nov.	
23,771	1,517		21,803	5,526	14,453		1,824	451	..... Dec.	
24,071	1,848		21,782	5,293	14,569		1,920	441	.....1974—Jan.	
25,657	2,166		23,026	5,617	15,248		2,161	465	..... Feb.	
28,444	2,192		25,692	6,591	16,793		2,309	560	..... Mar.	
28,776	2,202		26,095	7,200	16,784		2,111	479	..... Apr.	
30,862	2,567		27,704	8,255	16,759		2,690	591	..... May	
31,217	2,854		27,723	7,647	17,146		2,931	639	..... June	

For notes see p. A-76.

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
1971.....	294	43,195	13,815
1972.....	325	50,934	215,530
1973—Aug....	259	55,855	15,455
Sept....	250	55,407	15,437
Oct....	426	54,766	317,122
Nov....	420	52,998	17,104
Dec....	251	52,070	17,068
1974—Jan....	392	49,582	17,044
Feb....	542	50,255	17,039
Mar....	366	51,342	17,037
Apr....	517	52,642	17,026
May....	429	54,195	17,021
June....	384	54,442	17,014
July....	330	54,317	16,964
Aug....	372	53,681	16,917

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 change in par value of the U.S. dollar in May 1972.

³ The value of earmarked gold increased because of the change in par value of the U.S. dollar 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—Dec. ² ...	1,648	1,092	203	234	120	577	587
	1,507	1,078	127	234	68	580	443
1972—Dec. ² ...	1,965	1,446	169	307	42	702	485
	2,375	1,912	55	340	68	912	535
1973—June....	3,312	2,652	74	453	134	1,157	882
July....	3,340	2,561	136	475	167	1,128	959
Aug....	3,424	2,643	82	490	209	1,117	940
Sept....	3,287	2,573	78	476	161	1,142	892
Oct....	2,993	2,329	66	451	148	1,063	881
Nov....	3,241	2,604	64	437	136	1,121	922
Dec....	3,185	2,604	37	431	113	1,128	775
1974—Jan....	2,859	2,286	59	365	149	1,091	772
Feb....	3,254	2,618	65	368	203	1,222	868
Mar....	3,692	3,018	99	358	218	1,366	1,029
Apr....	3,585	2,966	60	351	209	1,480	928
May....	3,671	3,036	71	337	227	1,434	974
June....	3,605	3,002	57	376	181	1,403	869

¹ Negotiable and other readily transferable foreign obligations payable on demand or having a contractual maturity of not more than 1 year from the date on which the obligation was incurred by the foreigner.

² Data on the two lines for this date differ because of changes in reporting coverage. Figures on the first line are comparable in coverage with those shown for the preceding date; figures on the second line are comparable with those shown for the following date.

NOTE.—Data represent the liquid assets abroad of large nonbanking concerns in the United States. They are a portion of the total claims on foreigners reported by nonbanking concerns in the United States and are included in the figures shown in Table 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
1970—June.....	2,387	1,843	543	4,457	3,868	234	355
Sept.....	2,512	1,956	557	4,361	3,756	301	305
Dec.....	2,677	2,281	496	4,160	3,579	234	348
1971—Mar.....	2,437	1,975	462	4,515	3,909	232	374
June.....	2,375	1,937	438	4,708	4,057	303	348
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	5,004	4,467	290	247
1972—Mar.....	2,844	2,407	437	5,177	4,557	318	302
June.....	2,925	2,452	472	5,331	4,685	376	270
Sept.....	2,933	2,435	498	5,495	4,833	432	230
Dec. ¹	3,119	2,635	484	5,723	5,074	411	238
	3,533	3,022	511	6,373	5,695	396	282
1973—Mar.....	3,460	2,938	522	7,200	6,300	464	437
June.....	3,435	2,856	579	7,437	6,574	503	360
Sept.....	3,757	3,034	723	7,809	6,855	535	418
Dec.....	4,215	3,432	782	8,575	7,641	489	445
1974—Mar. ²	4,691	3,789	902	10,628	9,671	411	546

¹ Data on the two lines shown for this date differ because of changes in reporting coverage. Figures on the first line are comparable with those shown for the

preceding date; figures on the second line are comparable with those shown for the following date.

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				
	1972	1973			1974	1972	1973			1974
	Dec.	June	Sept.	Dec.	Mar. ²	Dec.	June	Sept.	Dec.	Mar. ²
Europe:										
Austria.....	2	2	2	3	4	19	17	15	17	16
Belgium-Luxembourg.....	83	81	129	131	221	73	109	112	106	153
Denmark.....	7	19	18	9	17	29	20	21	46	37
Finland.....	4	4	7	7	8	25	21	31	44	42
France.....	167	165	165	168	161	231	325	283	310	413
Germany, Fed. Rep. of.....	164	189	200	236	238	195	278	265	284	336
Greece.....	15	24	33	40	21	35	40	52	51	87
Italy.....	121	103	108	116	136	202	201	201	237	327
Netherlands.....	109	113	115	134	123	84	96	119	118	111
Norway.....	14	13	10	9	9	16	19	21	18	22
Portugal.....	4	4	12	13	24	19	25	24	50	112
Spain.....	81	72	79	77	68	157	140	169	244	414
Sweden.....	13	25	32	48	43	57	49	53	71	74
Switzerland.....	105	81	142	103	94	82	90	67	101	90
Turkey.....	4	3	11	18	26	48	14	17	34	41
United Kingdom.....	1,104	775	855	938	1,129	1,223	1,495	1,544	1,559	1,857
Yugoslavia.....	7	17	22	28	31	12	18	21	49	30
Other Western Europe.....	2	3	3	3	3	12	9	12	15	19
Eastern Europe.....	3	22	24	31	26	42	92	73	104	79
Total.....	2,010	1,716	1,966	2,113	2,383	2,561	3,059	3,100	3,457	4,259
Canada.....	215	250	236	255	321	965	1,305	1,341	1,251	1,532
Latin America:										
Argentina.....	29	24	24	38	49	79	60	65	75	94
Bahamas ¹	391	435	364	419	206	662	766	746	633	761
Brazil.....	35	47	42	64	78	172	183	208	230	410
Chile.....	18	13	13	20	6	34	29	34	42	78
Colombia.....	7	8	8	9	18	39	36	43	40	44
Cuba.....	1	*	*	*	*	1	1	1	1	1
Mexico.....	27	37	36	45	68	181	203	185	235	260
Panama.....	18	18	17	13	14	85	83	102	120	178
Peru.....	4	6	10	15	17	36	34	37	49	66
Uruguay.....	7	3	2	2	3	4	5	5	5	6
Venezuela.....	21	23	24	50	69	92	101	104	143	143
Other L.A. republics.....	45	47	58	67	66	95	103	127	134	172
Neth. Antilles and Surinam.....	10	11	7	6	5	13	11	9	12	12
Other Latin America.....	4	19	20	22	37	34	90	105	214	158
Total.....	616	689	626	770	637	1,527	1,705	1,771	1,932	2,382
Asia:										
China, People's Republic of (China Mainland).....	32	31	36	42	20	*	11	48	11	8
China, Rep. of (Taiwan).....	26	37	31	34	53	65	77	77	120	183
Hong Kong.....	12	13	18	41	24	33	40	44	47	65
India.....	7	7	7	14	14	34	29	32	37	36
Indonesia.....	16	15	15	14	13	48	47	52	54	51
Israel.....	19	14	11	25	31	31	27	28	38	38
Japan.....	224	290	350	298	377	475	506	641	837	1,157
Korea.....	21	18	20	37	38	68	46	56	105	109
Philippines.....	16	20	17	17	9	59	64	70	73	88
Thailand.....	5	6	6	6	7	23	24	28	28	53
Other Asia.....	152	140	179	233	355	206	207	207	238	260
Total.....	530	592	692	761	940	1,042	1,079	1,283	1,588	2,048
Africa:										
Egypt.....	32	20	11	25	48	16	23	28	18	15
South Africa.....	8	6	6	14	22	52	51	60	62	69
Zaire.....	1	12	19	19	21	8	15	19	19	20
Other Africa.....	63	67	97	128	134	93	97	95	127	162
Total.....	104	105	134	187	224	170	187	202	225	266
Other countries:										
Australia.....	45	72	94	118	134	83	75	90	97	111
All other.....	14	11	9	12	22	23	26	22	25	30
Total.....	59	83	103	130	156	107	101	111	123	141
International and regional.....	*	*	*	*	29	1	1	*	1	1
Grand total.....	3,533	3,435	3,757	4,215	4,691	6,373	7,437	7,809	8,575	10,628

¹ Includes Bermuda through Dec. 1972.

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
1970—Mar.....	2,358	2,744	159	735	573	181	74	458	158	288	71	47
June.....	2,587	2,757	161	712	580	177	65	477	166	288	76	54
Sept.....	2,785	2,885	157	720	620	180	63	586	144	284	73	58
Dec.....	3,102	2,950	146	708	669	183	60	618	140	292	71	64
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	3,118	128	705	767	174	60	653	136	325	86	84
1972—Mar.....	3,093	3,191	129	713	787	175	60	665	137	359	81	85
June.....	3,300	3,255	108	713	797	188	61	671	161	377	86	93
Sept.....	3,448	3,235	128	695	805	177	63	661	132	389	89	96
Dec. ¹	3,540	3,370	163	715	833	184	60	659	156	406	87	109
	3,688	3,493	187	758	868	187	64	703	134	399	82	111
1973—Mar.....	3,874	3,635	151	816	882	165	63	796	124	413	101	125
June.....	3,857	3,703	174	818	893	146	65	819	138	416	104	131
Sept.....	4,086	3,877	211	840	911	147	73	827	152	475	104	137
Dec.....	3,984	3,950	285	785	966	145	81	820	141	471	112	144
1974—Mar. ^p	3,871	4,070	360	758	1,007	194	82	798	138	469	115	149

¹ Data on the two lines shown for this date differ because of changes in reporting coverage. Figures on the first line are comparable with those

shown for the preceding date; figures on the second line are comparable with those shown for the following date.

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
1972.....	3.55	3.65	6.06	5.02	4.83	3.84	4.95	3.04	4.30	2.15	1.97	4.81
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
1973—Aug.....	6.47	5.87	12.78	10.98	9.70	8.99	8.87	7.00	10.63	5.92	7.24	5.00
Sept.....	6.41	6.31	12.12	11.37	9.13	9.50	9.73	7.00	9.76	5.67	7.97	5.25
Oct.....	6.56	6.54	11.37	10.75	10.53	9.50	10.99	7.00	10.57	5.25	7.93	5.25
Nov.....	6.48	6.56	13.38	11.76	8.80	9.50	10.96	7.00	11.30	5.29	7.88	5.25
Dec.....	6.39	6.58	13.74	12.41	9.57	9.46	11.14	7.00	11.89	6.41	8.75	5.40
1974—Jan.....	6.31	6.50	13.67	12.09	10.36	9.25	13.63	7.00	10.40	6.50	9.36	6.00
Feb.....	6.10	6.49	13.63	11.94	8.96	9.50	12.48	7.00	9.13	6.50	9.73	6.00
Mar.....	6.24	6.50	14.39	11.95	11.31	9.50	11.88	7.00	11.63	6.00	9.07	6.00
Apr.....	7.18	6.93	13.20	11.53	10.00	9.50	11.81	5.63	5.33	6.64	9.86	6.50
May.....	8.22	7.48	13.31	11.36	10.72	9.50	12.90	6.63	8.36	7.00	9.00	6.50
June.....	8.66	8.36	12.61	11.23	10.58	9.50	13.59	5.63	8.79	7.00	8.98	6.50
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	.....	12.80	11.24	11.11	9.50	.....	.....	9.05	7.50	.....	.....

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-72 AND A73 RESPECTIVELY:

N.B. Major changes in these two tables will be made in the BULLETIN for October.

¹ Cayman Islands included beginning Aug. 1973.

² Total assets and total liabilities payable in U.S. dollars amounted to \$28,838 million and \$28,954 million, respectively, on June 30, 1974.

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.

CENTRAL BANK RATES FOR DISCOUNTS AND ADVANCES TO COMMERCIAL BANKS

(Per cent per annum)

Country	Rate as of August 31, 1974		Country	Rate as of August 31, 1974	
	Per cent	Month effective		Per cent	Month effective
Argentina.....	18.0	Feb. 1972	Italy.....	9.0	Mar. 1974
Austria.....	6.50	May 1974	Japan.....	9.0	Dec. 1973
Belgium.....	8.75	Feb. 1974	Mexico.....	4.5	June 1942
Brazil.....	18.0	Feb. 1972	Netherlands.....	8.0	Dec. 1973
Canada.....	9.25	July 1974	Norway.....	5.5	Mar. 1974
Denmark.....	10.0	Jan. 1974	Sweden.....	7.0	Aug. 1974
France.....	13.0	June 1974	Switzerland.....	5.5	Jan. 1974
Germany, Fed. Rep. of.....	7.0	June 1973	United Kingdom.....	11.75	May 1974
			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.

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)
1970.....	111.36	3.8659	2.0139	95.802	13.334	18.087	27.424	13.233	239.59	.15945	.27921
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
1973—Aug.....	141.48	5.5917	2.7035	99.605	17.521	23.527	41.219	13.220	247.57	.17423	.37704
Sept.....	146.83	5.5695	2.7089	99.181	17.480	23.466	41.246	12.987	241.83	.17691	.37668
Oct.....	148.22	5.5871	2.7328	99.891	17.692	23.718	41.428	12.938	242.92	.17656	.37547
Nov.....	148.22	5.2670	2.5882	100.092	16.744	22.687	38.764	12.767	238.70	.16904	.35941
Dec.....	148.33	5.1150	2.4726	100.058	16.089	21.757	37.629	12.328	231.74	.16458	.35692
1974—Jan.....	148.23	4.8318	2.3329	100.859	14.981	19.905	35.529	11.854	222.40	.15433	.33559
Feb.....	148.50	5.0022	2.4358	102.398	15.570	20.187	36.844	12.131	227.49	.15275	.34367
Mar.....	148.55	5.1605	2.5040	102.877	16.031	20.742	38.211	12.415	234.06	.15687	.35454
Apr.....	148.41	5.3345	2.5686	103.356	16.496	20.541	39.594	12.711	238.86	.15720	.36001
May.....	148.44	5.5655	2.6559	103.916	17.012	20.540	40.635	12.841	241.37	.15808	.35847
June.....	148.34	5.5085	2.6366	103.481	16.754	20.408	39.603	12.735	239.02	.15379	.35340
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
Period	Malaysia (dollar)	Mexico (peso)	Nether- lands (guilder)	New Zealand (dollar)	Norway (krone)	Portugal (escudo)	South Africa (rand)	Spain (peseta)	Sweden (krona)	Switzer- land (franc)	United Kingdom (pound)
1970.....	32.396	8.0056	27.651	111.48	13.992	3.4978	139.24	1.4280	19.282	23.199	239.59
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
1973—Aug.....	43.859	8.0000	37.596	135.33	18.145	4.3243	148.52	1.7553	24.070	33.656	247.57
Sept.....	43.361	8.0000	38.542	145.07	18.048	4.2784	148.50	1.7610	23.769	33.146	241.83
Oct.....	43.641	8.0000	40.011	148.64	18.285	4.3014	148.54	1.7576	23.942	33.019	242.92
Nov.....	41.838	8.0000	37.267	147.74	17.872	4.1155	148.45	1.7479	23.019	31.604	238.70
Dec.....	41.405	8.0000	35.615	144.34	17.651	3.9500	148.66	1.7571	22.026	31.252	231.74
1974—Jan.....	40.094	8.0000	34.009	139.08	16.739	3.7195	148.66	1.7205	20.781	29.727	222.40
Feb.....	40.489	8.0000	35.349	140.31	17.351	3.8567	148.76	1.6933	21.373	31.494	227.49
Mar.....	41.152	8.0000	36.354	143.40	17.734	3.9519	148.88	1.6927	21.915	32.490	234.06
Apr.....	41.959	8.0000	37.416	145.12	18.170	4.0232	148.85	1.7080	22.730	33.044	238.86
May.....	42.155	8.0000	38.509	146.07	18.771	4.1036	148.78	1.7409	23.388	34.288	241.37
June.....	41.586	8.0000	37.757	145.29	18.410	4.0160	148.86	1.7450	22.885	33.449	239.02
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

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.

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—July.....	5,826	10,487	.....	208	152	281	793	1,603	834	87	69	92	
Aug.....	5,826	10,487	.....	208	152	281	793	1,603	834	87	69	92	
Sept.....	44,880	5,826	10,487	28,565	208	152	282	793	1,603	834	87	69	92
Oct.....	6,474	11,652	.....	231	169	312	881	1,781	927	97	77	103	
Nov.....	6,476	11,652	.....	231	169	312	881	1,781	927	97	77	103	
Dec.....	49,850	6,478	11,652	31,720	231	169	311	881	1,781	927	97	77	103
1974—Jan.....	6,478	11,652	.....	231	169	312	882	1,781	927	97	77	103	
Feb.....	6,478	11,652	.....	231	169	312	882	1,781	927	97	77	103	
Mar.....	49,840	6,478	11,652	31,710	231	169	312	882	1,781	927	97	77	103
Apr.....	6,478	11,652	.....	231	169	312	882	1,781	927	97	77	103	
May.....	6,477	11,652	.....	231	169	312	882	1,781	927	97	77	103	
June.....	49,835	6,477	11,652	31,705	231	169	312	882	1,781	927	97	77	103
July ^p	6,477	11,652	.....	.....	.....	.....	312	882	1,781	927	97	76	.....

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—July.....	3,835	4,469	133	264	142	156	3,134	802	102	350	93	184	2,063
Aug.....	3,835	4,469	133	264	142	156	3,134	802	102	350	93	182	2,065
Sept.....	3,835	4,469	133	264	142	156	3,134	802	94	350	93	179	2,065
Oct.....	4,261	4,966	148	293	159	173	3,483	891	115	388	103	198	2,294
Nov.....	4,261	4,966	148	293	159	173	3,483	891	105	388	103	198	2,294
Dec.....	4,261	4,966	148	293	159	173	3,483	891	120	388	103	196	2,294
1974—Jan.....	4,262	4,966	148	293	159	173	3,483	891	113	389	103	195	2,294
Feb.....	4,262	4,966	148	293	159	173	3,483	891	120	389	103	194	2,294
Mar.....	4,262	4,966	149	293	159	173	3,483	891	123	389	103	156	2,294
Apr.....	4,262	4,966	149	.....	159	173	3,483	891	118	389	103	155	2,294
May.....	4,262	4,966	149	.....	159	173	3,483	891	142	389	103	.....	2,294
June.....	4,262	4,966	150	.....	159	173	3,483	891	130	389	103	.....	2,294
July ^p	4,262	4,966	150	.....	158	173	3,483	.....	130	389	105	.....	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	398	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—July.....	60	1,022	117	734	542	220	3,162	89	136	810	133	425	204
Aug.....	60	1,035	117	740	542	220	3,162	89	136	797	133	425	205
Sept.....	60	1,036	116	738	542	220	3,162	89	136	797	133	425	213
Oct.....	67	1,154	129	820	602	244	3,512	99	151	886	148	472	227
Nov.....	67	1,159	129	809	602	244	3,513	99	151	886	148	472	237
Dec.....	67	1,163	129	802	602	244	3,513	99	151	886	148	472	235
1974—Jan.....	67	1,167	129	793	602	244	3,513	99	151	886	148	472	271
Feb.....	67	1,171	129	783	602	244	3,513	99	151	886	148	472	277
Mar.....	67	1,176	129	780	602	244	3,513	99	151	886	148	472	274
Apr.....	67	1,180	129	780	602	244	3,513	99	151	.....	148	472	271
May.....	67	1,180	129	777	602	244	3,513	99	151	.....	148	472	247
June.....	.....	1,180	129	781	602	244	3,513	99	151	.....	.....	472	259
July ^p.....	.....	.....	129	.....	.....	244	3,513	99	151	.....	.....	472	259

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.

SALES, REVENUE, PROFITS, AND DIVIDENDS OF LARGE MANUFACTURING CORPORATIONS

(In millions of dollars)

Industry	1971	1972	1973	1972				1973				1974
				I	II	III	IV	I	II	III	IV	
Total (170 corps.):												
Sales.....	334,957	371,946	442,254	88,349	93,853	89,550	100,194	102,932	109,967	108,370	120,985	126,893
Total revenue.....	339,134	376,604	448,795	89,452	95,271	90,803	101,078	104,139	111,526	109,984	123,108	128,829
Profits before taxes.....	35,771	41,164	53,833	9,715	10,467	8,978	12,003	12,695	14,009	12,411	14,742	16,847
Profits after taxes.....	19,146	21,753	28,772	5,212	5,674	4,936	5,931	6,801	7,491	6,762	7,750	7,739
Memo: PAT unadj. ¹	18,020	21,233	28,804	5,162	5,687	4,490	5,894	6,754	7,385	6,732	7,930	7,626
Dividends.....	10,104	10,538	11,513	2,538	2,598	2,525	2,877	2,646	2,715	2,767	3,393	2,906
Nondurable goods industries (86 corps.):²												
Sales.....	160,973	176,329	210,118	42,254	43,395	43,865	46,815	47,519	50,223	53,168	59,207	68,864
Total revenue.....	163,448	178,915	213,904	42,930	44,273	44,689	47,023	48,259	51,191	54,098	60,357	70,183
Profits before taxes.....	19,900	21,799	30,200	5,043	4,998	5,278	6,479	6,487	7,129	7,610	8,988	11,880
Profits after taxes.....	10,490	11,154	15,538	2,673	2,682	2,852	2,946	3,411	3,667	4,018	4,463	5,056
Memo: PAT unadj. ¹	10,085	10,859	15,421	2,625	2,625	2,574	3,035	3,348	3,597	3,957	4,517	4,957
Dividends.....	5,664	5,780	6,103	1,447	1,430	1,427	1,476	1,487	1,462	1,527	1,633	1,625
Durable goods industries (84 corps.):³												
Sales.....	173,985	195,618	232,136	46,095	50,458	45,685	53,379	55,413	59,744	55,202	61,778	58,029
Total revenue.....	175,686	197,690	234,891	46,522	50,999	46,115	54,055	55,880	60,335	55,886	62,751	58,646
Profits before taxes.....	15,871	19,365	23,633	4,673	5,469	3,697	5,524	6,208	6,880	4,801	5,754	4,967
Profits after taxes.....	8,656	10,599	13,234	2,539	2,992	2,083	2,984	3,390	3,824	2,744	3,287	2,683
Memo: PAT unadj. ¹	7,935	10,374	13,383	2,537	3,062	1,916	2,859	3,406	3,788	2,775	3,413	2,669
Dividends.....	4,440	4,758	5,410	1,091	1,168	1,097	1,401	1,159	1,253	1,240	1,760	1,281
Selected industries:												
Food and kindred prod. (28 corps.):												
Sales.....	34,584	37,624	42,628	8,824	9,229	9,531	10,039	9,561	10,183	11,014	11,871	11,889
Total revenue.....	35,090	38,091	43,198	8,941	9,371	9,665	10,115	9,711	10,348	11,201	11,938	12,151
Profits before taxes.....	3,372	3,573	3,957	794	880	940	960	890	962	1,031	1,067	1,046
Profits after taxes.....	1,714	1,845	2,063	414	454	486	490	470	499	546	543	529
Memo: PAT unadj. ¹	1,644	1,805	2,074	408	452	492	452	453	501	546	573	533
Dividends.....	862	893	935	221	222	223	227	237	230	236	240	243
Chemical and allied prod. (22 corps.):												
Sales.....	33,005	36,638	43,208	8,779	9,167	9,099	9,593	10,153	10,693	10,828	11,534	12,507
Total.....	33,388	37,053	43,784	8,868	9,196	9,196	9,723	10,264	10,849	10,968	11,704	12,664
Profits before taxes.....	4,123	4,853	6,266	1,172	1,184	1,216	1,280	1,487	1,606	1,599	1,572	1,856
Profits after taxes.....	2,290	2,672	3,504	652	667	683	669	838	886	901	883	1,044
Memo: PAT unadj. ¹	2,167	2,671	3,469	649	626	684	712	834	884	871	880	1,031
Dividends.....	1,332	1,395	1,496	337	341	340	378	346	359	374	417	383
Petroleum refining (15 corps.):												
Sales.....	68,534	74,662	93,505	18,269	18,169	18,298	19,925	20,477	21,689	23,586	27,752	36,196
Total revenue.....	69,903	76,133	95,722	18,695	18,837	18,837	19,845	20,892	22,258	23,988	28,584	37,006
Profits before taxes.....	10,835	11,461	17,494	2,684	2,433	2,628	3,717	3,514	3,884	4,371	5,724	8,296
Profits after taxes.....	5,624	5,562	8,550	1,384	1,270	1,398	1,509	1,760	1,899	2,230	2,662	3,098
Memo: PAT unadj. ¹	5,519	5,325	8,505	1,356	1,273	1,119	1,578	1,737	1,888	2,192	2,688	3,011
Dividends.....	2,952	2,992	3,147	763	742	741	746	777	748	789	832	864
Primary metals and prod. (23 corps.):												
Sales.....	31,441	34,359	42,400	7,848	8,886	8,525	9,099	9,635	10,784	10,602	11,379	11,888
Total revenue.....	31,808	34,797	43,104	7,931	8,984	8,629	9,253	9,733	10,891	10,764	11,715	12,045
Profits before taxes.....	1,517	1,969	3,221	386	581	413	589	618	885	799	919	1,232
Profits after taxes.....	969	1,195	1,966	247	372	274	302	383	542	480	561	589
Memo: PAT unadj. ¹	561	1,109	2,039	260	465	128	256	397	538	496	608	607
Dividends.....	739	653	789	162	161	162	168	200	178	184	227	221
Machinery (27 corps.):												
Sales.....	49,206	55,615	65,041	12,939	13,796	13,862	15,018	14,828	16,035	16,306	17,871	16,830
Total revenue.....	49,846	56,348	65,925	13,102	13,993	14,050	15,203	14,997	16,241	16,519	18,168	17,012
Profits before taxes.....	5,277	6,358	7,669	1,416	1,550	1,583	1,810	1,705	1,880	1,936	2,149	1,829
Profits after taxes.....	2,884	3,522	4,236	771	854	870	1,017	933	1,034	1,069	1,200	1,006
Memo: PAT unadj. ¹	2,560	3,388	4,208	774	848	865	902	931	1,020	1,070	1,188	996
Dividends.....	1,450	1,497	1,606	373	374	375	375	389	401	407	410	441
Motor vehicles and equipment (9 corps.):												
Sales.....	61,481	70,653	83,016	17,273	18,953	14,703	19,725	21,616	22,256	17,959	21,186	18,467
Total revenue.....	61,804	71,139	83,671	17,353	19,105	14,735	19,946	21,710	22,415	18,142	21,362	18,597
Profits before taxes.....	5,648	6,955	7,429	2,017	2,290	628	2,019	2,716	2,704	729	1,280	636
Profits after taxes.....	2,948	3,626	3,992	1,037	1,186	343	1,060	1,405	1,446	431	709	369
Memo: PAT unadj. ¹	2,952	3,640	4,078	1,034	1,178	337	1,091	1,429	1,436	450	763	361
Dividends.....	1,433	1,762	2,063	359	439	365	599	369	473	404	817	380

¹ Profits after taxes (PAT) as reported by the individual companies. In contrast to other profits data in the series, these figures reflect company variations in accounting treatment of special charges and credits.

² Includes 21 corporations in groups not shown separately.

³ Includes 25 corporations in groups not shown separately.

NOTE—Data are obtained from published reports of companies and reports made to the Securities and Exchange Commission. Sales are net

of returns, allowances, and discounts, and exclude excise taxes paid directly by the company. Total revenue data include, in addition to sales, income from nonmanufacturing operations and nonoperating income. Profits are before dividend payments and have been adjusted to exclude special charges and credits to surplus reserves and extraordinary items not related primarily to the current reporting period. Income taxes, (not shown) include Federal, State and local government, and foreign.

Previous series last published in June 1972 BULLETIN, p. A-50.

OPERATING RATIOS BY SIZE OF BANK AND BY RATIO OF TIME TO TOTAL DEPOSITS

(Averages of individual ratios expressed as percentages)

Item	All groups	Size group—Total deposits (in thousands of dollars)							Ratio of time deposits to total deposits (per cent)			
		5,000 and under	5,000– 10,000	10,000– 25,000	25,000– 50,000	50,000– 100,000	100,000– 500,000	Over 500,000	Under 40	40–49	50–59	60 and over
Summary ratios:												
<i>Percentage of equity capital plus all reserves:</i>												
Income after taxes and before securities gains (losses) ¹	12.16	10.69	12.43	12.85	12.26	11.62	10.90	10.79	13.23	12.08	12.26	11.92
Net income.....	12.19	10.75	12.52	12.93	12.19	11.60	10.84	10.72	13.20	12.15	12.34	11.91
<i>Percentage of net income:</i>												
Cash dividends paid.....	25.76	19.71	20.93	22.70	28.30	32.57	38.17	47.04	30.00	26.33	24.65	25.56
Sources and disposition of income:												
<i>Percentage of total assets:</i>												
Total operating expenses.....	5.36	5.25	5.21	5.29	5.41	5.52	5.65	5.83	4.59	5.25	5.43	5.50
Salaries, wages, and fringe benefits.....	1.35	1.67	1.39	1.29	1.27	1.31	1.33	1.30	1.72	1.51	1.40	1.19
Interest on time and savings deposits.....	2.59	2.12	2.50	2.67	2.74	2.73	2.59	2.34	1.22	2.07	2.53	3.07
Occupancy expense of bank premises, net.....	.19	.20	.17	.18	.20	.22	.23	.22	.23	.23	.21	.17
All other operating expenses.....	1.23	1.26	1.15	1.15	1.20	1.26	1.50	1.97	1.42	1.44	1.29	1.07
Total operating income.....	6.66	6.67	6.63	6.65	6.65	6.62	6.70	6.86	6.40	6.63	6.71	6.68
Income after taxes and before securities gains (losses) ¹.....	.97	1.00	1.05	1.02	.95	.86	.82	.78	1.27	1.00	.97	.91
Net income.....	.98	1.00	1.06	1.02	.95	.86	.82	.77	1.27	1.01	.98	.92
<i>Percentage of total operating income:</i>												
Interest, fees, and other loan income ²	67.18	63.97	65.88	66.77	68.00	68.51	69.45	73.69	65.51	66.83	66.96	67.77
<i>Securities—Interest and dividends:³</i>												
U.S. Treasury securities.....	11.64	17.34	14.25	11.82	9.62	8.28	7.24	4.94	13.28	10.98	11.39	11.74
Other U.S. Govt. securities (agencies and corporations).....	5.12	6.55	6.03	5.23	4.79	4.27	3.44	1.28	4.35	4.42	5.11	5.52
Obligations of States and political subdivisions.....	8.31	4.04	7.28	8.94	9.65	9.83	9.03	7.27	7.33	8.37	8.34	8.43
All other securities.....	.74	.65	.67	.72	.75	.99	.93	.58	.58	.50	.59	.97
(Service charges on deposit accounts ⁴).....	(3.37)	(3.47)	(3.45)	(3.62)	(3.45)	(3.24)	(2.63)	(2.15)	(4.41)	(4.24)	(3.77)	(2.59)
(Trust department income ⁴).....	(1.99)	(1.72)	(1.20)	(1.02)	(1.50)	(2.25)	(3.03)	(3.86)	(3.81)	(2.77)	(2.00)	(1.38)
All other operating income.....	7.01	7.45	5.89	6.52	7.19	8.12	9.91	12.24	8.95	8.90	7.61	5.57
Total operating income.....	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Salaries and wages.....	17.57	22.05	18.43	16.77	16.35	16.91	16.80	15.91	23.45	19.70	18.02	15.44
Officer and employee benefits.....	2.67	2.58	2.50	2.60	2.75	2.88	2.97	3.03	3.32	2.92	2.71	2.44
<i>Interest on:</i>												
Time and savings deposits.....	39.19	31.71	38.01	40.48	41.57	41.46	38.97	34.38	19.39	31.70	38.05	46.22
Borrowed money.....	1.39	.28	.29	.50	1.07	2.12	5.71	12.63	2.52	2.38	1.57	.70
(Capital notes and debentures ⁴).....	(1.17)	(6.47)	(1.21)	(1.22)	(1.22)	(1.12)	(1.12)	(1.09)	(.95)	(1.19)	(1.18)	(1.18)
Occupancy expense of bank premises, net.....	3.00	2.87	2.66	2.87	3.13	3.48	3.54	3.38	3.62	3.53	3.12	2.62
Provision for loan losses.....	2.06	2.32	2.20	2.04	1.92	1.84	1.90	2.41	2.14	2.39	2.29	1.77
All other operating expenses.....	14.44	17.24	14.16	14.13	14.60	14.64	14.45	13.13	16.75	16.26	14.90	13.06
Total operating expenses ¹	80.32	79.05	78.25	79.39	81.39	83.33	84.34	84.87	71.19	78.88	80.66	82.25
Income before taxes and securities gains (losses).....	19.68	20.95	21.75	20.61	18.61	16.67	15.66	15.13	28.81	21.12	19.34	17.75
Income after taxes and before securities gains (losses).....	14.98	15.58	16.23	15.57	14.45	13.30	12.49	11.56	20.30	15.68	14.83	13.88
Net securities gains or losses (—), after taxes.....	— .14	.03	.06	.06	— .06	— .10	— .11	— .11	— .03	— .03	— .06	.03
All other income (net).....	.04	.04	.04	.05	— .07	.07	.05	.04	.10	.05	.06	.01
Net income ¹	15.02	15.48	16.30	15.68	14.45	13.31	12.44	11.49	20.29	15.70	14.89	13.92

Rates of return (per cent):												
<i>On securities—Interest and dividends:³</i>												
U.S. Treasury securities.....	6.11	6.07	6.19	6.20	6.06	6.03	5.87	5.68	6.11	6.07	6.10	6.14
Other U.S. Govt. securities (agencies and corporations).....	5.15	4.33	4.67	5.15	5.46	5.71	5.72	5.72	4.21	4.92	5.31	5.28
Obligations of States and political subdivisions.....	4.24	3.76	4.14	4.28	4.40	4.38	4.28	4.30	4.07	4.19	4.23	4.29
All other securities.....	6.23	4.67	6.43	6.36	6.39	6.38	6.46	6.41	5.61	6.25	6.18	6.36
<i>On loans:²</i>												
Interest, fees, and other loan income.....	9.13	9.92	9.42	9.10	8.74	8.67	8.79	9.02	10.19	9.49	9.18	8.77
Net loan losses (—) or recoveries ⁵	— .20	— .13	— .19	— .21	— .20	— .21	— .21	— .25	— .09	— .29	— .24	— .17
Ratios on selected types of assets:												
<i>Percentage of total assets:</i>												
<i>Securities:³</i>												
U.S. Treasury securities.....	12.25	17.90	14.87	12.40	10.15	8.96	8.07	5.82	13.26	11.48	12.06	12.47
Other U.S. Govt. securities (agencies and corporations).....	5.47	7.21	6.61	5.63	4.90	4.30	3.53	1.44	4.50	4.81	5.48	5.87
Obligations of States and political subdivisions.....	12.45	6.04	10.83	13.41	14.32	14.64	13.89	11.44	10.71	12.40	12.63	12.65
All other securities.....	.73	.64	.68	.71	.74	.88	.86	.61	.45	.48	.61	.95
Gross loans ²	54.74	51.63	53.59	54.37	55.64	56.08	56.78	60.00	50.81	53.23	54.35	56.26
Cash assets.....	11.90	13.23	11.58	11.25	11.39	12.12	13.43	15.57	17.99	14.79	12.26	9.53
Real estate assets.....	1.61	1.39	1.40	1.60	1.74	1.86	1.81	1.74	1.48	1.82	1.69	1.50
<i>Percentage of gross loans:²</i>												
Commercial and industrial loans.....	18.84	11.21	13.90	17.17	21.72	25.23	28.80	35.33	21.31	23.12	20.76	15.54
Loans to farmers.....	12.54	25.01	21.38	12.71	6.38	2.79	2.24	1.18	17.13	13.21	13.62	10.72
Real estate loans.....	28.04	19.56	25.18	29.25	31.64	32.43	29.05	21.92	12.75	19.24	24.50	36.37
Loans to individuals for personal expenditures.....	27.46	24.11	24.94	28.55	30.55	29.56	25.78	19.36	27.60	28.14	28.11	26.73
All other loans ²	13.12	20.11	14.60	12.32	9.71	9.99	14.13	22.21	21.21	16.29	13.01	10.64
Other ratios (per cent):												
Interest and fees on loans to loans.....	8.13	8.08	8.04	8.15	8.09	8.09	8.21	8.48	8.26	8.30	8.26	7.95
Interest on time and savings deposits to time and savings deposits ⁶	5.14	4.98	4.97	5.07	5.22	5.39	5.45	5.92	4.98	5.23	5.19	5.10
Income taxes to net income plus income taxes.....	17.90	20.62	21.04	19.29	16.19	12.27	11.52	14.38	25.49	18.24	18.43	16.04
Time and savings deposits to total deposits.....	57.07	49.03	56.30	58.83	59.41	58.63	55.68	50.14	28.23	45.90	55.29	67.48
Total capital accounts and reserves to total assets ⁷	8.46	10.39	8.78	8.18	8.07	7.91	7.97	7.87	10.03	8.86	8.40	8.08
Number of banks ⁸	5,550	566	1,049	1,914	947	519	407	148	451	883	1,726	2,490

For notes see p. A-85.

OPERATING RATIOS BY RATIO OF TIME TO TOTAL DEPOSITS, BY SIZE OF BANK

(Averages of individual ratios expressed as percentages)

Item	All groups	Banks with ratios of time to total deposits of under 40 per cent			Banks with ratios of time to total deposits of 40-49 per cent			Banks with ratios of time to total deposits of 50-59 per cent			Banks with ratios of time to total deposits of 60 per cent and over		
		Size group—Total deposits (in thousands of dollars)											
		5,000 and under	5,000-25,000	Over 25,000	5,000 and under	5,000-25,000	Over 25,000	5,000 and under	5,000-25,000	Over 25,000	5,000 and under	5,000-25,000	Over 25,000
Summary ratios:													
<i>Percentage of equity capital plus all reserves:</i>													
Income after taxes and before securities gains (losses) ¹	12.16	13.84	13.72	11.52	9.52	12.88	11.79	10.80	12.94	11.68	9.75	12.33	11.73
Net income.....	12.19	13.88	13.71	11.38	9.48	12.99	11.82	10.93	13.03	11.71	9.75	12.41	11.59
<i>Percentage of net income:</i>													
Cash dividends paid.....	25.76	27.11	26.06	41.51	18.42	21.94	34.17	18.74	20.19	32.16	17.43	22.70	31.63
Sources and disposition of income:													
<i>Percentage of total assets:</i>													
Total operating expenses.....	5.36	4.32	4.47	5.15	5.55	5.09	5.36	5.49	5.32	5.57	5.72	5.41	5.58
Salaries, wages, and fringe benefits.....	1.35	2.04	1.66	1.49	1.78	1.51	1.42	1.60	1.39	1.36	1.47	1.17	1.17
Interest on time and savings deposits.....	2.59	.79	1.29	1.56	1.96	2.05	2.12	2.42	2.52	2.56	2.89	3.06	3.11
Occupancy expense of bank premises, net.....	.19	.20	.22	.28	.25	.22	.24	.20	.19	.23	.16	.15	.19
All other operating expenses.....	1.23	1.29	1.30	1.82	1.56	1.31	1.58	1.27	1.22	1.42	1.20	1.03	1.11
Total operating income.....	6.66	6.44	6.31	6.52	6.72	6.61	6.62	6.78	6.69	6.72	6.84	6.67	6.66
Income after taxes and before securities gains (losses) ¹.....	.97	1.51	1.29	.94	.83	1.10	.93	.96	1.03	.90	.83	.96	.86
Net income.....	.98	1.52	1.30	.94	.83	1.11	.93	.97	1.04	.90	.83	.97	.85
<i>Percentage of total operating income:</i>													
Interest, fees, and other loan income ²	67.18	62.26	64.32	71.61	65.43	65.63	68.75	65.00	65.88	68.90	66.63	67.44	68.51
Securities—Interest and dividends: ³													
U.S. Treasury securities.....	11.64	19.33	13.35	6.46	17.46	12.18	7.62	18.42	12.39	8.37	15.98	12.92	9.07
Other U.S. Govt. securities (agencies and corporations).....	5.12	5.82	4.88	1.62	6.05	5.03	3.17	6.05	5.96	3.72	7.97	5.48	5.08
Obligations of States and political subdivisions.....	8.31	4.38	8.64	7.81	3.91	8.73	9.18	4.32	8.29	9.35	3.83	8.23	9.70
All other securities.....	.74	.79	.48	.56	.50	.46	.57	.47	.53	.69	.80	.92	1.07
(Service charges on deposit accounts ⁴).....	(3.37)	(3.98)	(5.19)	(3.25)	(4.17)	(4.79)	(3.57)	(3.09)	(4.06)	(3.53)	(2.55)	(2.54)	(2.66)
(Trust department income ⁴).....	(1.99)	(2.96)	(2.45)	(4.52)	.....	(1.36)	(3.19)	(.87)	(.89)	(2.37)	(.84)	(.83)	(1.62)
All other operating income.....	7.01	7.42	8.33	11.94	6.65	7.97	10.71	5.74	6.95	8.97	4.79	5.01	6.57
Total operating income.....	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Salaries and wages.....	17.57	28.55	22.82	19.15	23.73	19.90	18.30	20.94	18.06	17.28	19.09	15.21	15.05
Officer and employee benefits.....	2.67	3.15	3.35	3.44	2.56	2.83	3.12	2.51	2.58	2.94	2.33	2.35	2.61
Interest on:													
Time and savings deposits.....	39.19	12.53	20.64	24.31	29.79	31.46	32.56	36.23	38.09	38.42	42.64	46.24	46.91
Borrowed money.....	1.39	.16	.65	9.10	.31	.42	5.46	.36	.52	3.28	.11	.32	1.41
(Capital notes and debentures ⁴).....	(1.17)	(.75)	(1.10)	(.96)	(1.39)	(1.38)	(1.12)	(1.70)	(1.25)	(1.15)	(1.09)	(1.18)	(1.18)
Occupancy expense of bank premises, net.....	3.00	3.03	3.60	4.30	3.57	3.41	3.66	2.91	2.89	3.49	2.50	2.41	2.95
Provision for loan losses.....	2.06	2.24	2.05	2.21	2.73	2.54	2.11	2.66	2.29	2.21	1.97	1.84	1.63
All other operating expenses.....	14.44	16.96	16.99	16.03	19.04	16.10	15.71	14.77	14.71	15.19	14.72	12.69	13.30
Total operating expenses ¹	80.32	66.62	70.10	78.54	81.73	76.66	80.92	80.38	79.14	82.81	83.36	81.06	83.86
Income before taxes and securities gains (losses).....	19.68	33.38	29.90	21.46	18.27	23.34	19.08	19.62	20.86	17.19	16.64	18.94	16.14
Income after taxes and before securities gains (losses).....	14.98	24.02	20.91	14.91	13.73	17.16	14.33	14.84	15.75	13.56	12.49	14.59	13.08
Net securities gains or losses (—), after taxes.....	.....	-.07	-.11	-.17	-.63	.10	-.03	.01	.01	-.03	.03	.07	-.05
All other income (net).....	.04	.18	.08	.06	.03	.04	.08	.....	.07	.07	.01	.03	-.01
Net income ¹	15.02	24.13	20.88	14.80	13.13	17.30	14.38	14.85	15.83	13.60	12.53	14.69	13.02

Rates of return (per cent):													
<i>On securities—Interest and dividends:³</i>													
U.S. Treasury securities.....	6.11	5.99	6.23	5.98	6.23	6.21	5.85	6.05	6.19	5.99	6.31	6.19	6.03
Other U.S. Govt. securities (agencies and corporations).....	5.15	4.27	4.21	4.13	4.58	4.71	5.28	4.02	5.12	5.86	4.68	5.10	5.69
Obligations of States and political subdivisions.....	4.24	3.91	4.02	4.34	3.48	4.23	4.34	4.01	4.19	4.33	3.76	4.29	4.40
All other securities.....	6.23	4.08	5.92	6.63	4.04	6.55	6.48	5.29	6.24	6.31	5.06	6.50	6.41
<i>On loans:²</i>													
Interest, fees, and other loan income.....	9.13	11.06	10.07	9.51	10.60	9.61	9.04	9.91	9.30	8.86	9.34	8.89	8.48
Net loan losses (—) or recoveries ⁵	— .20	.09	— .12	— .24	— .43	— .31	— .22	— .20	— .23	— .25	— .12	— .17	— .17
Ratios on selected types of assets:													
<i>Percentage of total assets:</i>													
<i>Securities:³</i>													
U.S. Treasury securities.....	12.25	19.19	13.23	6.78	17.94	12.54	8.30	19.25	13.04	9.03	16.84	13.66	9.75
Other U.S. Govt. securities (agencies and corporations).....	5.47	5.89	5.10	1.67	6.86	5.54	3.29	6.77	6.42	3.87	8.90	5.96	5.11
Obligations of States and political subdivisions.....	12.45	6.22	12.72	11.40	6.06	12.82	13.64	6.49	12.50	14.24	5.82	12.37	14.50
All other securities.....	.73	.41	.45	.52	.47	.43	.56	.67	.57	.64	.84	.92	1.01
Gross loans ²	54.74	47.47	49.50	57.25	51.85	52.08	55.09	52.69	53.44	55.98	55.81	55.90	56.89
Cash assets.....	11.90	19.29	16.94	18.77	14.71	14.23	15.52	12.18	11.82	12.88	9.81	9.27	9.88
Real estate assets.....	1.61	.97	1.63	1.71	1.58	1.75	1.99	1.42	1.58	1.91	1.52	1.41	1.62
<i>Percentage of gross loans:²</i>													
Commercial and industrial loans.....	18.84	10.19	20.80	34.64	13.45	19.86	30.02	11.97	17.45	27.38	10.62	13.10	20.30
Loans to farmers.....	12.54	30.95	16.41	3.43	25.86	17.07	4.73	28.31	17.94	4.25	19.26	13.85	4.15
Real estate loans.....	28.04	9.34	13.95	13.99	15.10	18.41	21.48	17.97	23.42	27.50	30.62	35.90	38.29
Loans to individuals for personal expenditures.....	27.46	24.74	30.30	25.06	24.10	29.06	28.08	24.23	27.85	29.38	24.77	25.84	28.50
All other loans ²	13.12	24.78	18.54	22.88	21.49	15.60	15.69	17.52	13.34	11.49	14.73	11.31	8.76
Other ratios (per cent):													
Interest and fees on loans to loans.....	8.13	8.28	8.22	8.33	8.30	8.27	8.32	8.14	8.26	8.27	7.98	7.94	7.96
Interest on time and savings deposits to time and savings deposits ⁶	5.14	4.46	4.91	5.62	4.91	5.02	5.58	5.02	5.09	5.37	4.91	5.03	5.24
Income taxes to net income plus income taxes.....	17.90	25.88	26.07	23.85	14.51	21.05	15.70	22.34	20.09	15.24	20.03	18.43	11.56
Time and savings deposits to total deposits.....	57.07	19.40	30.18	33.88	45.97	45.88	45.91	55.08	55.53	55.02	66.69	67.81	67.13
Total capital accounts and reserves to total assets ⁷	8.46	11.65	9.86	8.59	11.12	8.83	8.27	10.24	8.30	8.10	9.84	8.07	7.74
Number of banks⁸.....	5,550	118	226	107	97	441	345	155	909	662	187	1,395	908

For notes see p. A-85.

OPERATING RATIOS BY FEDERAL RESERVE DISTRICT

(Averages of individual ratios expressed as percentages)

Item	All districts	Boston	New York	Philadelphia	Cleveland	Richmond	Atlanta	Chicago	St. Louis	Minneapolis	Kansas City	Dallas	San Francisco
Summary ratios:													
<i>Percentage of equity capital plus all reserves:</i>													
Income after taxes and before securities gains (losses) ¹	12.16	10.05	9.55	11.78	11.91	12.41	13.01	11.71	12.68	11.77	13.04	13.56	10.24
Net income.....	12.19	9.95	9.52	11.84	12.01	12.47	13.15	11.56	12.78	11.66	13.18	13.61	10.51
<i>Percentage of net income:</i>													
Cash dividends paid.....	25.76	36.88	32.79	29.05	27.47	25.93	26.04	25.12	22.89	24.72	23.71	22.08	24.08
Sources and disposition of income:													
<i>Percentage of total assets:</i>													
Total operating expenses.....	5.36	5.76	5.72	5.20	5.14	5.36	5.55	5.35	4.93	5.52	5.24	5.26	6.29
Salaries, wages, and fringe benefits.....	1.35	1.84	1.51	1.11	1.14	1.32	1.41	1.24	1.20	1.28	1.44	1.44	1.82
Interest on time and savings deposits.....	2.59	1.97	2.64	2.89	2.68	2.60	2.50	2.85	2.48	3.02	2.40	2.23	2.60
Occupancy expense of bank premises, net.....	.19	.32	.28	.16	.16	.19	.20	.18	.17	.16	.17	.22	.30
All other operating expenses.....	1.23	1.63	1.29	1.04	1.16	1.25	1.44	1.08	1.08	1.06	1.23	1.37	1.57
Total operating income.....	6.66	6.98	6.70	6.46	6.49	6.70	6.87	6.53	6.28	6.71	6.71	6.73	7.33
Income after taxes and before securities gains (losses) ¹.....	.97	.89	.80	1.00	1.02	1.01	1.01	.89	1.01	.87	1.06	1.11	.75
Net income.....	.98	.89	.79	1.00	1.04	1.02	1.03	.89	1.02	.86	1.08	1.11	.77
<i>Percentage of total operating income:</i>													
Interest, fees, and other loan income ²	67.18	72.89	68.44	68.71	67.96	70.03	65.77	65.78	63.05	65.65	67.93	67.65	69.28
<i>Securities—Interest and dividends:³</i>													
U.S. Treasury securities.....	11.64	7.82	10.05	11.34	14.00	9.72	8.96	13.31	15.14	13.09	12.30	9.42	8.18
Other U.S. Govt. securities (agencies and corporations).....	5.12	2.03	3.40	4.52	3.10	5.21	5.81	5.42	7.43	7.00	4.15	6.02	4.52
Obligations of States and political subdivisions.....	8.31	7.11	9.19	8.79	8.99	8.71	9.77	7.90	8.30	7.37	7.96	8.26	6.26
All other securities.....	.74	.71	1.20	2.23	.71	.37	.64	1.19	.60	.36	.31	.57	.41
(Service charges on deposit accounts ⁴).....	(3.37)	(4.61)	(3.33)	(1.74)	(2.35)	(2.30)	(4.42)	(2.67)	(2.51)	(3.02)	(3.99)	(4.58)	(5.67)
(Trust department income ⁴).....	(1.99)	(3.52)	(2.53)	(1.70)	(2.04)	(1.83)	(2.10)	(1.86)	(1.72)	(1.75)	(1.76)	(1.56)	(2.49)
All other operating income.....	7.01	9.44	7.72	4.41	5.24	5.96	9.05	6.40	5.48	6.53	7.35	8.08	11.35
Total operating income.....	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Salaries and wages.....	17.57	22.29	19.21	14.75	15.16	17.01	17.81	16.50	16.65	16.48	18.74	19.00	21.46
Officer and employee benefits.....	2.67	3.95	3.31	2.51	2.44	2.64	2.75	2.56	2.47	2.60	2.63	2.39	3.23
<i>Interest on:</i>													
Time and savings deposits.....	39.19	28.21	39.76	44.96	41.44	39.09	36.79	43.77	39.61	45.38	36.05	33.30	35.84
Borrowed money.....	1.39	2.14	2.16	.78	1.30	1.27	1.65	1.38	1.11	.86	1.38	1.27	2.60
(Capital notes and debentures ⁴).....	(1.17)	(.79)	(1.02)	(1.29)	(1.22)	(1.17)	(.99)	(1.27)	(1.22)	(1.14)	(1.36)	(1.23)	(1.01)
Occupancy expense of bank premises, net.....	3.00	4.65	4.16	2.69	2.53	3.02	3.06	2.93	2.80	2.45	2.55	3.30	4.07
Provision for loan losses.....	2.06	2.33	2.06	1.26	1.80	2.16	2.32	1.75	1.68	1.65	2.38	2.74	2.70
All other operating expenses.....	14.44	18.42	14.34	13.55	14.54	14.59	16.32	12.94	13.93	12.90	14.15	15.76	15.51
Total operating expenses ¹	80.32	81.99	85.00	80.50	79.21	79.78	80.70	81.83	78.25	82.32	77.88	77.76	85.41
Income before taxes and securities gains (losses).....	19.68	18.01	15.00	19.50	20.79	20.22	19.30	18.17	21.75	17.68	22.12	22.24	14.59
Income after taxes and before securities gains (losses).....	14.98	12.97	12.24	15.63	16.00	15.57	15.06	13.97	16.45	13.10	16.27	16.89	10.64
Net securities gains or losses (—), after taxes.....	.....	-.11	-.10	.09	.10	-.09	.03	-.08	.14	-.10	.03	-.01	.16
All other income (net).....	.04	.05	.06	.....	.07	.04	.14	-.02	.....	.01	.05	.08	.12
Net income ¹	15.02	12.91	12.20	15.72	16.17	15.52	15.23	13.87	16.59	13.01	16.35	16.96	10.92

Rates of return (per cent):													
<i>On securities—Interest and dividends:³</i>													
U.S. Treasury securities.....	6.11	6.05	6.13	6.23	6.09	6.20	5.99	6.02	6.23	6.05	6.09	6.32	6.00
Other U.S. Govt. securities (agencies and corporations).....	5.15	3.64	5.48	5.18	4.71	5.46	5.80	5.32	5.18	5.21	4.72	5.18	5.51
Obligations of States and political subdivisions.....	4.24	4.43	4.19	4.21	4.26	4.12	4.36	4.19	4.25	4.39	4.18	4.18	4.21
All other securities.....	6.23	6.66	7.83	6.67	6.72	6.23	6.34	6.08	5.86	5.31	5.87	5.81	8.17
<i>On loans:²</i>													
Interest, fees, and other loan income.....	9.13	9.12	8.91	8.43	8.70	8.71	9.53	8.77	8.67	8.78	9.51	10.26	9.82
Net loan losses (—) or recoveries ⁵	— .20	— .23	— .20	— .12	— .16	— .16	— .25	— .18	— .17	— .15	— .23	— .28	— .28
Ratios on selected types of assets:													
<i>Percentage of total assets:</i>													
<i>Securities:³</i>													
U.S. Treasury securities.....	12.25	8.92	10.66	11.64	14.66	10.16	9.83	13.70	14.88	14.30	13.18	9.83	9.49
Other U.S. Govt. securities (agencies and corporations).....	5.47	2.11	3.52	4.65	3.22	5.50	6.21	5.70	7.84	7.75	4.41	6.53	5.35
Obligations of States and political subdivisions.....	12.45	11.01	13.71	12.86	13.26	13.22	14.48	11.83	12.11	11.10	12.10	12.43	10.32
All other securities.....	.73	.74	1.06	2.15	.70	.38	.66	1.15	.53	.39	.34	.53	.42
Gross loans ²	54.74	61.52	57.02	57.93	55.76	57.21	52.70	54.46	50.12	54.57	54.71	52.54	57.70
Cash assets.....	11.90	12.84	11.22	8.69	10.25	10.80	13.02	10.78	12.31	9.77	13.17	15.52	12.67
Real estate assets.....	1.61	2.07	1.61	1.58	1.48	1.91	2.05	1.47	1.51	1.35	1.32	1.74	2.17
<i>Percentage of gross loans:²</i>													
Commercial and industrial loans.....	18.84	26.28	20.93	14.57	13.96	15.90	23.04	17.31	16.39	17.37	18.05	23.79	24.16
Loans to farmers.....	12.54	1.30	2.70	3.46	5.13	3.20	2.89	12.57	10.98	22.81	30.69	15.51	5.41
Real estate loans.....	28.04	29.48	35.11	45.53	37.25	33.62	26.13	32.91	30.62	29.24	15.01	14.50	28.80
Loans to individuals for personal expenditures.....	27.46	31.92	26.71	24.82	31.84	35.31	34.54	24.32	28.36	21.55	22.58	28.50	28.18
All other loans ²	13.12	11.02	14.55	11.62	11.82	11.97	13.40	12.89	13.65	9.03	13.67	17.70	13.45
Other ratios (per cent):													
Interest and fees on loans to loans.....	8.13	8.30	7.91	7.55	7.79	8.17	8.70	7.80	7.88	7.97	8.25	8.65	8.75
Interest on time and savings deposits to time and savings deposits ⁶	5.14	5.13	5.14	4.82	4.82	5.05	5.38	5.13	5.08	5.24	5.14	5.31	5.21
Income taxes to net income plus income taxes.....	17.90	21.09	10.75	14.79	17.88	18.04	16.55	17.44	20.50	20.16	20.90	16.45	16.89
Time and savings deposits to total deposits.....	57.07	44.72	59.66	67.64	63.01	58.81	53.93	62.25	54.51	64.50	52.13	47.08	57.35
Total capital accounts and reserves to total assets ⁷	8.46	9.25	9.22	8.82	8.78	8.82	8.37	7.94	8.43	7.80	8.51	8.66	7.89
Number of banks⁸.....	5,550	210	318	279	451	360	536	919	428	491	804	620	134

¹ Excludes minority interest in operating income, if any.

² Loans include Federal funds sold and securities purchased under agreements to resell.

³ Excludes trading-account securities.

⁴ Averages exclude banks not reporting these items, or reporting negligible amounts.

⁵ Net losses for banks on a valuation-reserve basis are the excess of actual losses over actual recoveries credited and charged to valuation reserves; net recoveries are the reverse. For all other banks, net losses are the amount deducted from operating income as an operating expense.

⁶ Banks reporting no interest paid on time deposits were excluded in computing this average.

⁷ Includes capital notes and debentures and all valuation reserves.

⁸ The ratios for 185 member banks in operation at the end of 1973 were excluded from the compilations because of unavailability of data covering the complete year's operations, certain accounting adjustments, lack of comparability, and so forth.

NOTE.—These ratios, being arithmetic averages of the operating ratios of individual member banks, differ in many cases from corresponding ratios computed from aggregate dollar amounts shown in the June 1974 issue of the BULLETIN. Such differences result from the fact that each bank's figures have an equal weight in calculation of the averages, whereas the figures of the many small and medium-sized banks have little influence on the aggregate dollar amounts. Averages of individual ratios are useful primarily to those interested in

studying the financial results of operations of individual banks, while ratios based on aggregates show combined results for the banking system as a whole and, broadly speaking, are the more significant for purposes of general analyses of credit and monetary problems.

Figures of revenue, expenses, and so forth, used in the calculations were taken from the annual income and dividends reports for 1973. Balance sheet figures used in the compilations were obtained by averaging the amounts shown in each bank's official condition reports submitted for Dec. 31, 1972, June 30, 1973, and Dec. 31, 1973. Savings deposits are included in the time deposits figures used in these tables.

For details concerning comparability of income and related data for 1969 and earlier years, see BULLETIN for July 1970, pp. 564-72.

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HELEN B. JUNZ, *Associate Adviser*
†NORMAN S. FIELEKE, *Assistant Adviser*

†On loan from the Federal Reserve Bank of Boston.

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New York10045	Roswell L. Gilpatric Frank R. Milliken Norman F. Beach	Alfred Hayes Richard A. Debs	A. A. MacInnes, Jr.
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Baltimore21203			
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INDEX TO STATISTICAL TABLES

(For list of tables published periodically, but not monthly, see page A-3)

- Acceptances**, bankers, 11, 27, 29
- Agricultural loans of commercial banks, 18, 20
- Assets and liabilities** (*See also* Foreigners):
 - Banks, by classes, 16, 18, 19, 20, 32
 - Federal Reserve Banks, 12
 - Nonfinancial corporations, current, 43
- Automobiles**:
 - Consumer instalment credit, 47, 48, 49
 - Production index, 50, 51
- Bank credit proxy**, 15
- Bankers balances**, 18, 19, 22
 - (*See also* Foreigners, claims on, and liabilities to)
- Banks for cooperatives, 40
- Bonds** (*See also* U.S. Govt. securities):
 - New issues, 40, 41, 42
 - Yields and prices, 30, 31
- Branch banks**:
 - Assets, foreign branches of U.S. banks, 72
 - Liabilities of U.S. banks to their foreign branches and foreign branches of U.S. banks, 24, 73
- Brokerage balances, 71
- Business expenditures on new plant and equipment, 43
- Business indexes, 52
- Business loans (*See* Commercial and industrial loans)
- Capacity utilization**, 52
- Capital accounts**:
 - Banks, by classes, 16, 19, 24
 - Federal Reserve Banks, 12
- Central banks, 77, 78
- Certificates of deposit, 24
- Commercial and industrial loans:
 - Commercial banks, 15, 18, 27
 - Weekly reporting banks, 20-24, 25
- Commercial banks**:
 - Assets and liabilities, 15, 16, 18, 19, 20
 - Consumer loans held, by type, 47
 - Deposits at, for payment of personal loans, 26
 - Loans sold outright, 27
 - Number, by classes, 16
 - Real estate mortgages held, by type of holder and property, 44-46
- Commercial paper, 27, 29
- Condition statements (*See* Assets and liabilities)
- Construction, 52, 53
- Consumer credit:
 - Instalment credit, 47, 48, 49
 - Noninstalment credit, 47
- Consumer price indexes, 52, 55
- Consumption expenditures, 56, 57
- Corporations**:
 - Profits, taxes, and dividends, 43
 - Sales, revenue, profits, and dividends of large manufacturing corporations, 79
 - Security issues, 41, 42
 - Security yields and prices, 30, 31
- Cost of living (*See* Consumer price indexes)
- Currency and coin, 5, 9, 18
- Currency in circulation, 5, 14
- Customer credit, stock market, 31, 32
- Debits to deposit accounts**, 13
- Debt** (*See* specific types of debt or securities)
- Demand deposits**:
 - Adjusted, commercial banks, 13, 15, 19
 - Banks, by classes, 16, 19, 23
- Demand deposits—Continued
 - Ownership by individuals, partnerships, and corporations, 26
 - Subject to reserve requirements, 15
 - Turnover, 13
- Deposits** (*See also* specific types of deposits):
 - Accumulated at commercial banks for payment of personal loans, 26
 - Banks, by classes, 16, 19, 23, 32
 - Federal Reserve Banks, 12, 74
 - Subject to reserve requirements, 15
- Discount rates (*See* Interest rates)
- Discounts and advances by Reserve Banks (*See* Loans)
- Dividends, corporate, 43, 79
- Employment**, 52, 54
- Farm mortgage loans**, 44
- Federal agency obligations, 11, 12, 13
- Federal finance**:
 - Receipts and outlays, 34, 35
 - Treasury operating balance, 34
- Federal funds, 7, 18, 20, 24, 29
- Federal home loan banks, 39, 40
- Federal Home Loan Mortgage Corporation, 39, 44, 45
- Federal Housing Administration, 44, 45, 46
- Federal intermediate credit banks, 39, 40
- Federal land banks, 39, 40, 44
- Federal National Mortgage Assn., 39, 40, 44, 45, 46
- Federal Reserve Banks**:
 - Condition statement, 12
 - U.S. Govt. securities held, 4, 12, 13, 36, 37
- Federal Reserve credit, 4, 6, 12, 13
- Federal Reserve notes, 12
- Federally sponsored credit agencies, 39, 40
- Finance companies**:
 - Loans, 20, 48, 49
 - Paper, 27, 29
- Financial institutions, loans to, 18, 20
- Float, 4
- Flow of funds, 58, 59
- Foreign**:
 - Currency operations, 11, 12
 - Deposits in U.S. banks, 5, 12, 19, 23, 74
 - Exchange rates, 77
 - Trade, 61
- Foreigners**:
 - Claims on, 68, 69, 70, 74, 75, 76
 - Liabilities to, 24, 63, 64, 65, 66, 67, 74, 75, 76
- Gold**:
 - Certificates, 12
 - Earmarked, 74
 - Net purchases by United States, 62
 - Reserves of central banks and govts., 78
 - Stock, 4, 61
- Government National Mortgage Assn., 44
- Gross national product, 56, 57
- Housing permits**, 52
- Housing starts, 53
- Income**, national and personal, 56, 57
- Industrial production index, 50, 51, 52
- Instalment loans, 47, 48, 49

(References are to pages A-4 through A-85 although the prefix "A" is omitted in this index)

(References are to pages A-4 through A-85 although the prefix "A" is omitted in this index)

Insurance companies, 33, 36, 37, 44, 46

Insured commercial banks, 16, 18, 26

Interbank deposits, 16, 19

Interest rates:

Bond and stock yields, 30

Business loans by banks, 28

Federal Reserve Banks, 8

Foreign countries, 76, 77

Money market rates, 29

Mortgage yields, 45, 46

Prime rate, commercial banks, 28

Time and savings deposits, maximum rates, 10

International capital transactions of U.S., 63-76

International institutions, 62, 77, 78

Inventories, 56

Investment companies, issues and assets, 42

Investments (*See also* specific types of investments):

Banks, by classes, 16, 18, 21, 22, 32

Commercial banks, 15

Federal Reserve Banks, 12, 13

Life insurance companies, 33

Savings and loan assns., 33

Labor force, 54

Life insurance companies (*See* Insurance companies)

Loans (*See also* specific types of loans):

Banks, by classes, 16, 18, 20, 32

Commercial banks, 15, 16, 18, 20, 25, 27, 28

Federal Reserve Banks, 4, 6, 8, 12, 13

Insurance companies, 33, 46

Insured or guaranteed by U.S., 44, 45, 46

Savings and loan assns., 33

Manufacturers:

Capacity utilization, 52

Production index, 51, 52

Margin requirements, 10

Member banks:

Assets and liabilities, by classes, 16, 18

Borrowings at Federal Reserve Banks, 6, 12

Number, by classes, 16

Operating ratios, 80-85

Reserve position, basic, 7

Reserve requirements, 9

Reserves and related items, 4, 6, 15

Mining, production index, 51

Mobile home shipments, 53

Money market rates (*See* Interest rates)

Money stock and related data, 14

Mortgages (*See* Real estate loans and Residential mortgage loans)

Mutual funds (*See* Investment companies)

Mutual savings banks, 23, 32, 36, 37, 44, 46

National banks, 16, 26

National defense expenditures, 35

National income, 56, 57

Nonmember banks, 17, 18, 19, 26, 79

Open market transactions, 11

Operating ratios, member banks, 80-85

Payrolls, manufacturing index, 52

Personal income, 57

Prices:

Consumer and wholesale commodity, 52, 55

Security, 31

Prime rate, commercial banks, 28

Production, 50, 51, 52

Profits, corporate, 43, 79

Real estate loans:

Banks, by classes, 18, 21, 32, 44

Mortgage yields, 45, 46

Type of holder and property mortgaged, 44-46

Reserve position, basic, member banks, 7

Reserve requirements, member banks, 9

Reserves:

Central banks and govts., 78

Commercial banks, 19, 22, 24

Federal Reserve Banks, 12

Member banks, 5, 6, 15, 19

U.S. reserve assets, 61

Residential mortgage loans, 45, 46

Retail credit, 47, 48, 49

Retail sales, 52

Sales, revenue, profits, and dividends of large manufacturing corporations, 79

Saving:

Flow of funds series, 58

National income series, 56, 57

Savings and loan assns., 33, 37, 44, 46

Savings deposits (*See* Time deposits)

Savings institutions, principal assets, 32, 33

Securities (*See also* U.S. Govt. securities):

Federally sponsored agencies, 39, 40

International transactions, 70, 71

New issues, 40, 41, 42

Yields and prices, 30, 31

Special Drawing Rights, 4, 12, 60, 61

State and local govts.:

Deposits, 19, 23

Holdings of U.S. Govt. securities, 36, 37

New security issues, 40, 41

Ownership of securities of, 18, 22, 32

Yields and prices of securities, 30, 31

State member banks, 17, 26

Stock market credit, 31, 32

Stocks (*See also* Securities):

New issues, 41, 42

Yields and prices, 30, 31

Tax receipts, Federal, 35

Time deposits, 10, 15, 16, 19, 23

Treasury currency, Treasury cash, 4, 5

Treasury deposits, 5, 12, 34

Treasury operating balance, 34

Unemployment, 54

U.S. balance of payments, 60

U.S. Govt. balances:

Commercial bank holdings, 19, 23

Member bank holdings, 15

Treasury deposits at Reserve Banks, 5, 12, 34

U.S. Govt. securities:

Bank holdings, 16, 18, 21, 32, 36, 37

Dealer transactions, positions, and financing, 38

Federal Reserve Bank holdings, 4, 12, 13, 36, 37

Foreign and international holdings, 12, 68, 70, 74

International transactions, 68, 70

New issues, gross proceeds, 41

Open market transactions, 11

Outstanding, by type of security, 36, 37

Ownership, 36, 37

Yields and prices, 30, 31

Utilities, production index, 51

Veterans Administration, 44, 45, 46

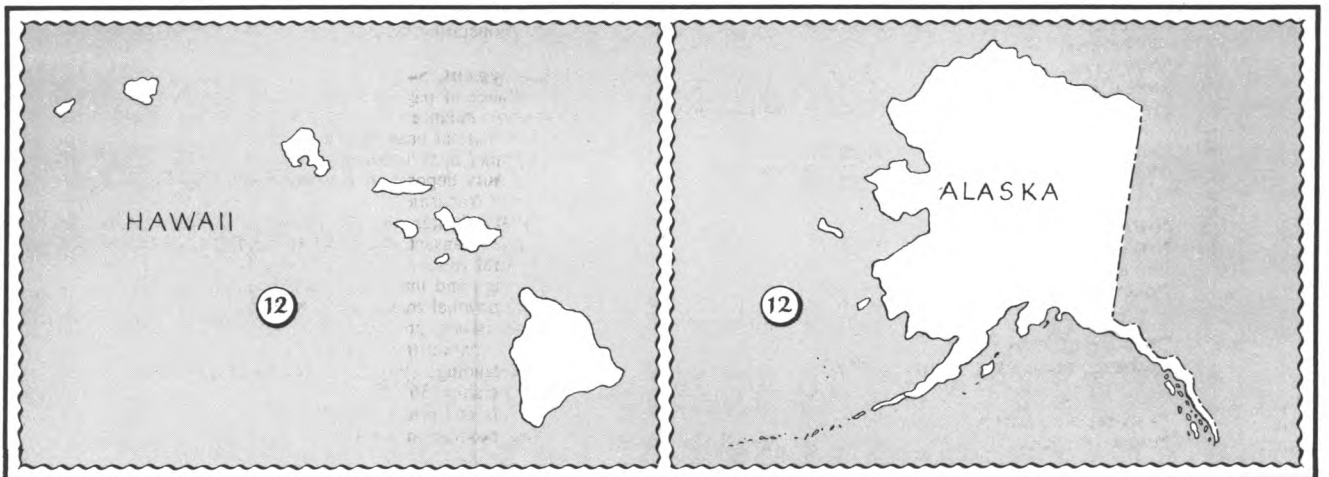
Weekly reporting banks, 20-24

Yields (*See* Interest rates)

BOUNDARIES OF FEDERAL RESERVE DISTRICTS AND THEIR BRANCH TERRITORIES



THE FEDERAL RESERVE SYSTEM



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- Federal Reserve Bank Cities • Federal Reserve Branch Cities
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