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Domestic Financial Developments in the Third Quarter of 1979

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FEDERAL RESERVE BULLETIN

Board of Governors of the Federal Reserve System
Washington, D.C.

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Domestic Financial Developments in the Third Quarter of 1979

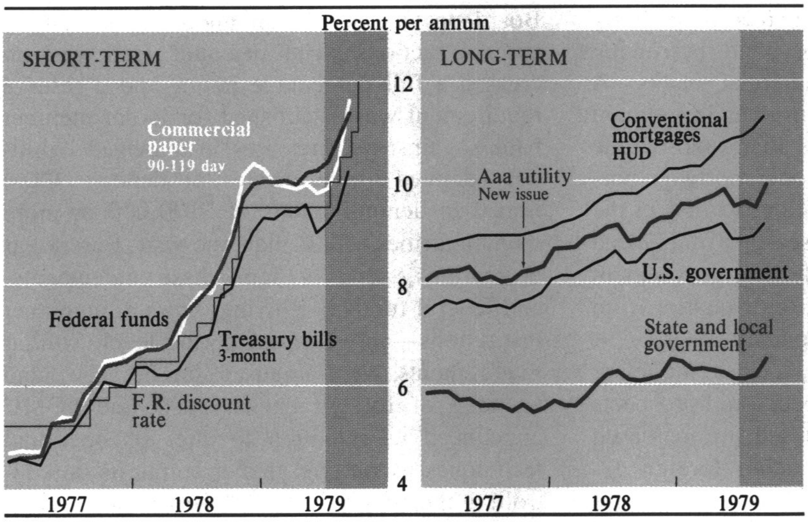
This report, which was sent to the Joint Economic Committee of the U.S. Congress on November 7, 1979, highlights the important developments in domestic financial markets during the summer and early fall.

Growth in the major monetary aggregates increased further during the third quarter. The narrowly defined money stock (M-1) expanded at an annual rate of 9½ percent, up from 7½ percent in the second quarter, in part reflecting increased transaction needs associated with a rebound in economic activity. Along with the strength in M-1, increased inflows of interest-bearing deposits at banks and thrift institutions contributed to more rapid growth in the broader aggregates (M-2 and M-3). As the quarter ended, M-3 was near the low end and M-1 and M-2 at the upper end of the ranges consistent with the growth objectives set by the Federal Open Market Committee (FOMC) for the period from the fourth quarter of 1978 to the fourth quarter of 1979.

Seeking to moderate the rapid growth of the monetary aggregates in an environment of intense inflationary pressures, the Federal Reserve allowed the rate on federal funds to increase about 1¼ percentage points over the quarter. In addition, the System raised the discount rate 1/2 percentage point in each month of the quarter, to a record 11 percent by mid-September. Most short-term rates rose over the quarter as much as or more than the federal funds rate. Long-term rates rose somewhat less, generally between 1/2 and 1 percentage point. By the end of the quarter, long-term rates were at or above the recent cyclical highs registered in the spring of this year.

Total credit flows to nonfinancial sectors of the U.S. economy are estimated to have remained strong in the third quarter, at a pace somewhat above that in the first half. Businesses

Interest rates



Notes

Monthly averages except for Federal Reserve discount rate and conventional mortgages (based on quotations for one day each month). Yields: U.S. Treasury bills, market yields on three-month issues; prime commercial paper, dealer offering rates; conventional mortages, rates on first mortgages in primary markets, unweighted and rounded to nearest 5 basis points, from Department of Housing and Urban Development; Aaa utility bonds, weighted averages of new publicly offered bonds rated Aaa, Aa, and A by Moody's Investors Service and adjusted to Aaa basis; U.S. government bonds, market yields adjusted to 20-year constant maturity by U.S. Treasury; state and local government bonds (20 issues, mixed quality), *Bond Buyer*.

Changes in selected monetary aggregates[1]

Seasonally adjusted annual rates of change, in percent

Item	1976	1977	1978	1978		1979		
				Q3	Q4	Q1	Q2	Q3
Member bank reserves[2]								
Total	.6	5.3	6.6	8.6	2.3	-2.9	-4.9	6.0
Nonborrowed	.8	3.0	6.7	6.6	4.6	-3.3	-8.8	7.9
Monetary base[3]	6.7	8.3	9.1	9.3	8.4	5.7	4.0	9.7
Concepts of money[4]								
M-1	5.8	7.9	7.2	7.9	4.1	-2.1	7.6	9.6
M-2	10.9	9.8	8.4	9.8	7.6	1.8	8.6	12.0
M-3	12.7	11.7	9.3	10.3	9.3	4.7	7.9	10.5
Time and savings deposits at commercial banks—Total (excluding large negotiable CDs)	15.0	11.2	9.4	11.0	10.2	4.5	9.3	13.5
Savings	25.0	11.1	2.2	2.9	.2	-9.6	-3.1	5.5
Other time	7.5	11.4	15.6	17.9	18.2	15.6	18.5	19.2
Small time plus total savings[5]	19.2	10.5	5.9	6.9	7.0	2.2	15.1	15.9
Deposits at thrift institutions[6]	15.6	14.5	10.6	11.1	11.6	8.8	6.8	8.6
Memo (change in billions of dollars, seasonally adjusted)								
Large negotiable CDs at large banks	-19.0	8.0	23.1	2.6	5.5	7.0	-10.3	-4.0
All other large time deposits[7]	-.8	10.8	21.0	6.3	5.6	3.6	-3.3	1.2
Small time deposits	16.4	14.5	17.9	5.4	6.9	7.5	17.2	13.8
Nondeposit funds	10.2	8.7	23.1	5.6	7.5	9.1	17.4	16.8
Domestic[8]	11.5	12.4	16.5	2.7	3.7	4.8	5.6	5.9
Net due to foreign related institutions	-1.2	-3.8	6.6	2.8	3.9	4.3	11.7	11.0

1. Changes are calculated from the average amounts outstanding in each quarter.
2. Annual rates of change in reserve measures have been adjusted for changes in reserve requirements.
3. Includes total reserves (member bank reserve balances in the current week plus vault cash held two weeks earlier), currency in circulation (currency outside the U.S. Treasury, Federal Reserve Banks, and the vaults of commercial banks), and vault cash of nonmember banks.
4. M-1 is currency plus private demand deposits adjusted. M-2 is M-1 plus bank time and savings deposits other than large negotiable CDs. M-3 is M-2 plus deposits at mutual savings banks and savings and loan associations and credit union shares.
5. Interest-bearing deposits subject to Regulation Q.
6. Savings and loan associations, mutual savings banks, and credit unions.
7. Total large time deposits less negotiable CDs at weekly reporting banks.
8. Domestic sources include borrowings by banks from other than commercial banks in the form of federal funds purchased and securities sold under agreements to repurchase, plus other liabilities for borrowed money, loans sold to affiliates, loan repurchase agreements and other minor items.

increased their borrowing in short- and intermediate-term markets, issuing a record quarterly volume of commercial paper and borrowing sizable amounts from commercial banks. A slowing in the growth of consumer installment credit reduced the net flow of loan funds to the household sector, although home mortgage borrowing continued at a pace close to that in the first half of the year. On a seasonally adjusted basis, net borrowing by the federal government picked up moderately in the third quarter from the greatly reduced rate in the first half of 1979.

As the third quarter drew to a close, monetary growth proceeded at a fast pace, and prospects of continued high inflation led to increased speculative activities in financial, foreign exchange, and commodity markets. In response to these developments, the Federal Reserve Board on October 6 announced additional restrictive actions. The discount rate was increased a full percentage point, and a reserve requirement was established for larger member banks against net increases in managed liabilities—defined as certificates of deposit (CDs) issued in denominations of $100,000 or more with maturities of less than one year, Eurodollar borrowings, security repurchase agreements, and federal funds borrowings from nonmember institutions—above a base-period level. Similar requirements were imposed on branches and agencies of foreign banks. Also, the FOMC announced its intention to alter its operating techniques by putting greater emphasis on controlling the supply of bank reserves and less on targeting the federal funds rate in attempting to achieve its stated objectives for monetary growth.

Following the announcement, the federal funds rate fluctuated over a wide range, and on average remained substantially above the levels prevailing before these actions. In late October, short-term interest rates stood between 2 and 2½ percentage points above their levels of October 5; long-term rates were up about 1 percentage point. This rise in rates was accompanied by increases in yield spreads between higher- and lower-rated securities. Stock prices moved sharply lower, and by late October most major stock price indexes were back down to levels near those prevailing at the end of the second quarter, reversing gains of 7 to 12 percent between June and September.

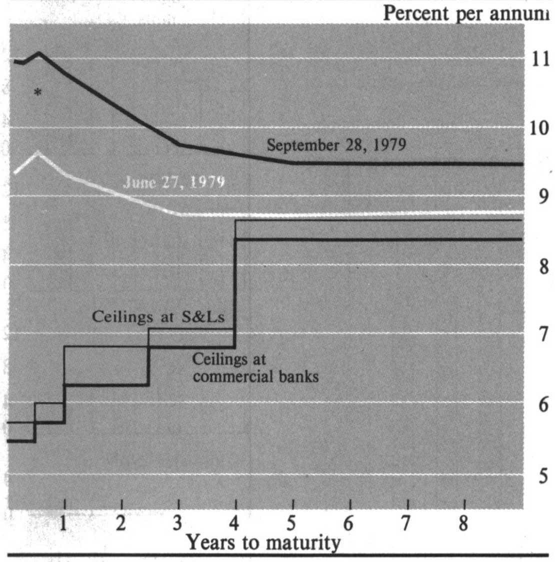
Monetary Aggregates and Bank Credit

The acceleration in M-1 brought its rate of growth for the third quarter to a record 9½ percent. The pickup in M-1 growth reflected in part a greater need for transaction balances, associated with the stronger pace of nominal expenditures, and occurred despite the increased incentive to economize on such balances arising from rapid increases in interest rates. About one-third of the increase from the second-quarter growth rate is attributable to a diminution in the rate at which funds were shifted out of demand deposits and into savings accounts eligible for automatic transfer service (ATS) and negotiable order of withdrawal (NOW) accounts in New York State; such shifts are estimated to have reduced M-1 growth about 1½ percentage points in the second quarter and 3/4 of a percentage point in the third.

Growth in the interest-bearing component of M-2 quickened considerably in the third quarter from the already increased pace of the previous three months. This expansion, along with an acceleration in M-1, boosted growth in M-2 to an annual rate of 12 percent in the third quarter, the fastest pace in almost three years. Savings deposits grew at a rate of 5½ percent, following net outflows during the two previous quarters. The growth in savings deposits occurred despite a further substantial widening in the spread between market interest rates and the ceiling rate on savings deposits. The maximum rate payable on these deposits was increased 1/4 percentage point effective July 1; however, increases in short-term interest rates were well in excess of this adjustment. The composition of small time deposits, on the other hand, appears to have been very sensitive to changes in relative yields. Small time deposits exclusive of six-month money market certificates (MMCs) declined \$3.2 billion, as market (and MMC) rates rose relative to fixed ceiling rates.

Net issuance of MMCs, the yield on which is tied to the six-month Treasury bill rate, totaled \$17 billion at commercial banks during the quarter. Following the mid-March regulatory change that eliminated the ceiling rate advantage of 1/4 percentage point on MMCs issued by thrift institutions (for a six-month bill rate above 9 percent), commercial banks received more than one-half of new flows into this market in the second and third quarters, well above the average one-third share of the preceding three quarters. Other short-term instru-

Treasury yield curves and deposit rate ceilings



* Maximum yield on "money market" time deposits at commercial banks and thrift institutions, September 28, 1979.

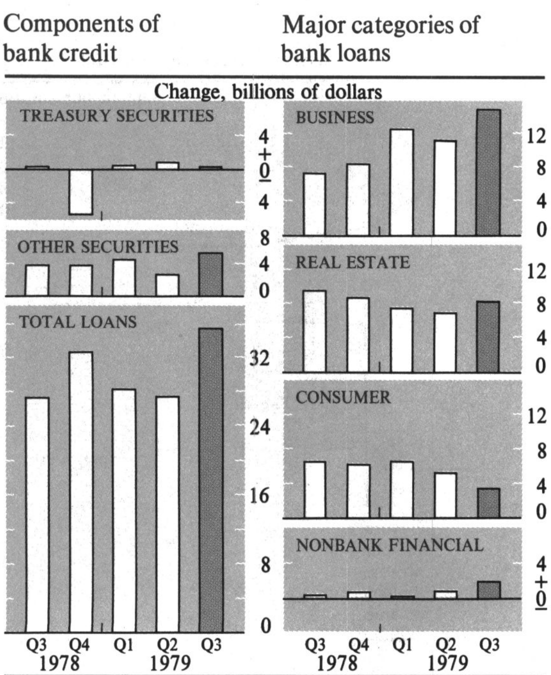
Data reflect annual effective yields. Ceiling rates are yields derived from continuous compounding of the nominal ceiling rates. Market-yield data are on an investment-yield basis.

ments bearing market yields also expanded rapidly in the third quarter; in particular, net purchases of shares in money market mutual funds were slightly in excess of the rapid second-quarter pace, while noncompetitive tenders at auctions of three- and six-month Treasury bills rose substantially.

Mainly due to increased issuance of MMCs and large CDs, deposit inflows to thrift institutions picked up modestly in the third quarter, after having slowed in the previous period. M-3 increased at a pace of 10½ percent, substantially faster than in the first two quarters of the year. Owing to the success of commercial banks in increasing their share of net MMC sales since March, growth of M-2 was more rapid than that of M-3 in the second and third quarters, reversing the pattern that had prevailed since 1975.

Growth in commercial bank credit in the third quarter was well above the pace of the first half. Loans extended to businesses grew at an unusually rapid rate, in excess of 20 percent at an annual rate. Real estate loans showed greater strength as well; by contrast, consumer loan growth slowed to about two-thirds of the somewhat reduced second-quarter pace. Growth in investments also rose in the third quarter, exceeding that of any recent quarter, as banks continued to acquire both Treasury and other securities.

Despite the rapid growth of total deposits, banks' use of managed liabilities in the third quarter increased further, mainly through enlarged net borrowings from foreign branches and purchases of federal funds. Eurodollar deposits continued to be a less expensive source of funds to U.S. banks than domestically issued CDs; banks ran off large time deposits on balance in the third quarter, but less so than in the second. The rapid growth in borrowed funds in the third quarter brought the proportion of total assets financed with these managed liabilities near the peak reached in 1974.



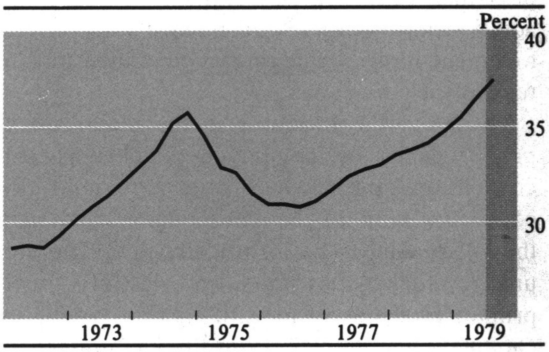
Seasonally adjusted. Total loans and business loans adjusted for transfer between banks and their holding companies, affiliates, subsidiaries, or foreign branches.

Business Finance

Total funds raised by businesses in financial markets remained substantial in the third quarter, declining only moderately from the strong second-quarter pace. External financing needs of nonfinancial corporations continued large, although they decreased somewhat as capital expenditures edged down while internal fund flows increased. The moderate decline in capital expenditures was attributable to a slowing of inventory accumulation from the rapid pace evident in the second quarter. The reduction in credit requirements in the third quarter was reflected in a decrease in business borrowing in bond markets, as many nonfinancial corporations avoided issuing long-term debt at near-record yields. At the same time, firms continued to borrow heavily in short- and intermediate-term markets. The increased use of short-term financing has resulted in a marked rise since mid-1976 in the ratio of short-term to long-term debt outstanding for nonfinancial corporations. At the end of the third quarter, this ratio reached a high of approximately 38 percent, well above the previous peak recorded in 1974.

The rapid growth in short-term credit in the third quarter reflected an acceleration in the pace of business borrowing from all major sources of short-term funds. Commercial paper issuance

Nonfinancial corporations
Ratio of short-term to long-term market debt



Based on seasonally adjusted flow of funds data. 1979 Q3 estimated.

by nonfinancial firms increased further from the record annual rate of the second quarter. Growth in finance company loans to businesses also rose appreciably in the July–September period, and, as noted earlier, the pace of business borrowing from banks surged.

The increased demand for business loans at banks occurred despite a cumulative rise of 2 percentage points in the prime rate during the July–September period. As banks responded to sharply increasing market yields, the prime rate was raised in successive steps to a record 13½ percent at the end of the quarter. (After the Federal Reserve's policy actions in early October, the prime rate was increased further, to 15¼ percent.) In addition, data available for large banks indicate that nonprice loan terms and standards of creditworthiness tightened somewhat over the third quarter. Large banks did, however, continue to report a substantial volume of below-prime lending in the third period, which may reflect in part intense competition to supply the short-term financing needs of the largest corporations. As in the second quarter, growth of business loans at large banks exceeded that at small banks, a reversal of the trend that had prevailed since the beginning of the economic recovery in 1975.

Public offerings of bonds by nonfinancial corporations declined in the third quarter, largely because of a relatively low level of bond issuance by public utilities in the first two months of the period. The volume of public offerings by industrial companies picked up moderately as the quarter progressed, probably reflecting firmer expectations that long-term rates were unlikely to decline substantially in the near future. Financial concerns markedly reduced their issuance of intermediate- and long-term bonds during the quarter, which helped to reduce total public offerings of corporate issues in the July–September period to the low level of the first quarter. Bond and note offerings by financial companies accounted for about 40 percent of total public offerings in the first half of 1979, but since midyear they have represented less than 30 percent of the total.

Private bond placements, which typically serve as a source of funds for smaller and lower-rated firms, are estimated to have declined further in the third quarter from the relatively high levels maintained in recent years. Available data suggest also that bond commitments outstanding at life insurance companies recently reached their lowest level in four years. Life insurance companies, the principal source of

Business loans and short- and intermediate-term business credit

Seasonally adjusted annual rates of change, in percent

Period	Business loans at banks [1]	Short- and intermediate-term business credit [2]
1975—Q1	-4.2	-2.7
Q2	-9.7	-8.7
Q3	-3.3	-1.5
Q4	1.9	-1.0
1976—Q1	-3.6	0.5
Q2	-4.9	-0.2
Q3	3.6	5.3
Q4	10.0	10.4
1977—Q1	9.9	12.6
Q2	6.9	11.3
Q3	10.3	11.4
Q4	13.3	14.3
1978—Q1	18.0	16.6
Q2	16.7	17.2
Q3	12.7	11.8
Q4	14.2	16.3
1979—Q1	20.4	20.6
Q2	17.1	20.0
Q3[e]	22.2	24.0

1. Based on prorated monthly averages of Wednesday data for domestically chartered banks and an average of current and previous month-end data for foreign-related institutions. Adjusted for outstanding amounts of loans sold to affiliates.

2. Short- and intermediate-term business credit is business loans at commercial banks plus nonfinancial commercial paper and finance company loans to businesses, measured from end-of-quarter to end-of-quarter. Commercial paper reflects prorated averages of Wednesday data and finance company loans reflect averages of current and previous month-end data.

e Estimated.

private placement money, have allocated a larger fraction of their investable funds to higher-yielding mortgage instruments in recent quarters.

Yields on corporate bonds increased more than 1/2 of a percentage point over the third quarter to their highest levels since October 1974. Following the Federal Reserve's policy actions in early October, bond yields jumped an additional 75 to 125 basis points by month-end. The recent upward movement in corporate bond yields has been accompanied by a widening of rate spreads between corporate and Treasury obligations and between lower- and higher-rated corporate issues. A similar increase in risk premiums occurred in the commercial paper market. These increases likely reflect concerns about the impact of tighter credit market conditions on borrowers, especially in light of the deteriorated liquidity positions of many firms.

All major indexes of stock prices rose substantially between June and September. The American Stock Exchange composite index and the National Association of Securities Dealers' index of over-the-counter stock prices ended the third quarter at record highs, while most major price indexes of securities listed on the New York Stock Exchange were near their highest levels since early 1973. The American Stock Exchange index continued to post the largest percentage rise, again reflecting the greater relative importance of oil and natural gas industry shares on this exchange. The third-quarter gains were retraced in October, however, as the tightening of financial market conditions increased concerns about the continuing strength of economic activity and corporate earnings. In addition, the sharp rise in interest rates in October encouraged margin account investors to reduce their borrowings.

Gross offerings of new security issues

Seasonally adjusted annual rates, in billions of dollars

Type of security	1978		1979		
	Q3	Q4	Q1r	Q2r	Q3p
Corporate	54	42	47	55	49
Bonds	42	30	39	48	39
Publicly offered	23	18	17	35	27
Privately placed	19	12	22	16	11
Stocks	12	12	8	7	10
Foreign	6	5	4	5	8
State and local government	53	48r	39	41	43

r Revised.
p Preliminary.

Owing to the increases in the major stock-price indexes in the July–September period, conventional measures of price-earnings ratios edged up a bit in the third quarter, although they continued to be historically low. The volume of stock issues remained relatively small, primarily because of the still high cost of equity capital. Although public utilities continued to account for a majority of common and preferred stock offerings, several larger industrial concerns also marketed new equity issues.

Government Finance

Gross bond issuance by state and local governments edged up slightly in the third quarter on a seasonally adjusted basis. Offerings continued to be bolstered by bonds issued to finance housing, almost 80 percent of which were for single-family mortgages. These bonds were among those postponed earlier in the year when federal legislation was introduced to curtail home mortgage financing by local authorities. Although the Congress has yet to act, issuers responded to indications that the final legislation will exempt from any new restrictions the issues that had been postponed earlier.

Interest rates on state and local obligations rose appreciably in the third quarter. The *Bond Buyer* index of yields on general obligation bonds, at 6.6 percent at the end of September, was more than 40 basis points above its level at midyear. By the end of October, this index had increased further, to 7.3 percent. The ratio of tax-exempt to corporate bond yields edged up a bit in the third quarter from the record low level in June and increased further in October.

Net Treasury borrowing amounted to just under $12½ billion in the third quarter, not seasonally adjusted, following a paydown of debt in the previous period. With a combined federal deficit—including off-budget agencies—of about $8½ billion, the Treasury was able to bring its operating cash balance to an unusually high level at the end of the third

Federal government borrowing and cash balance

Not seasonally adjusted, in billions of dollars

Item	1977		1978				1979		
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Treasury financing									
Budget surplus, or deficit (–)	–12.2	–28.8	–25.8	14.0	–8.1	–23.8	–20.4	21.4	–4.4
Off-budget deficit[1]	–4.9	–1.3	–3.7	–2.2	–3.1	–.1	–3.0	–5.2	–4.2
New cash borrowings, or repayments (–)	19.5[2]	20.7	20.8	2.5	15.1	15.2	10.6[3]	–4.6	12.4
Other means of financing[4]	.4	2.6	2.8	–3.2	1.0	2.6	4.2	–1.8	2.9
Change in cash balance	2.8	–6.8	–5.9	11.1	4.9	–6.1	–8.6	9.8	6.7
Federally sponsored credit agencies, net cash borrowings[5]	1.8	2.0	4.5	6.5	6.1	5.2	6.3	5.5	4.7

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

2. Includes $2.5 billion of borrowing from the Federal Reserve on September 30, which was repaid October 4 following enactment of a new debt-ceiling bill.

3. Includes $2.6 billion of borrowing from the Federal Reserve on March 31, which was repaid April 4 following enactment of a new debt-ceiling bill.

4. Checks issued less checks paid, accrued items, and other transactions.

5. Includes debt of the Federal Home Loan Mortgage Corporation, Federal Home Loan Banks, Federal Land Banks, Federal Intermediate Credit Banks, Banks for Cooperatives, and Federal National Mortgage Association (including discount notes and securities guaranteed by the Government National Mortgage Association).

quarter in anticipation of large financing needs in the fourth quarter.

Issuance of nonmarketable Treasury obligations in the third quarter was the largest so far this year. The pickup was attributable largely to a substantial volume of acquisitions by foreign official accounts with the proceeds from dollar-support operations in international exchange markets. In contrast, the foreign central banks had redeemed an appreciable volume of such securities in the first half of the year.

In the open market, the Treasury relied primarily on coupon securities to meet its financing requirements, although the outstanding supply of Treasury bills was increased somewhat. As with nonmarketable issues, a substantial volume of marketable securities were purchased for foreign accounts in the third quarter, in contrast to a net paydown in the preceding two periods. Late in the third quarter, Treasury debt operations were affected by the constraint of the national debt ceiling, which was scheduled to fall to its permanent level of $400 billion at the end of the quarter. The Treasury postponed a bill auction and two note auctions scheduled for late September before the debt ceiling was raised to $879 billion on September 28. The three postponed auctions were held in early October.

Federally sponsored credit agencies raised $4.7 billion in the third quarter, not seasonally adjusted. While substantial, this volume was down somewhat from the pace of the preceding quarter and reflected a large decline in funds raised by the Federal National Mortgage Association (FNMA). FNMA borrowed only $0.2 billion, down from $2.0 billion in the second quarter. Mortgage purchases by FNMA slowed significantly in the third quarter, and were financed in part by drawing down liquidity. The Federal Home Loan Banks borrowed $2.1 billion in the July–September period, while the Farm Credit System borrowed $2.4 billion.

Yields on Treasury securities increased over the third quarter and in October, along with yields on private debt securities. Interest rate increases between July and September were less pronounced for Treasury bills than for private short-term instruments, however, partly reflecting heavy purchases by foreign official accounts and the Federal Reserve System.

Mortgage and Consumer Credit

The growth in mortgage debt moderated only a little in the third quarter, following the strong second-quarter rebound. Mortgage credit flows have been relatively well maintained in recent months, owing primarily to increased lending by commercial banks and life insurance companies. Moreover, mortgage revenue bond programs of state and local governments, which offer below-market interest rates to qualified

Net change in mortgage debt outstanding
Seasonally adjusted annual rates, in billions of dollars

Mortgage debt	1978		1979		
	Q3[r]	Q4[r]	Q1[r]	Q2[r]	Q3[e]
Type of debt					
Total	154	161	153	157	154
Residential	116	125	115	118	113
Other[1]	38	36	38	39	41
Type of holder					
Commercial banks	39	36	33	32	34
Savings and loans	48	52	43	51	43
Mutual savings banks	7	6	6	5	3
Life insurance companies	10	12	10	11	13
FNMA and GNMA	9	9	11	8	4
Other[2]	41	46	50	50	57

1. Includes commercial and other nonresidential as well as farm properties.
2. Includes mortgage pools backing securities guaranteed by the Government National Mortgage Association, Federal Home Loan Mortgage Corporation, or Farmers Home Administration, some of which may have been purchased by the institutions shown separately.
r Revised.
e Partially estimated.

borrowers, have continued to account for considerable origination activity in some localities, and issuance of mortgage passthrough securities guaranteed by the Government National Mortgage Association (GNMA) increased to record levels in the third quarter. The decline in mortgage lending was concentrated in the residential sector and reflected primarily reduced lending by savings and loan associations and to a lesser extent mutual savings banks, as well as decreased purchases of government-underwritten loans by FNMA. Outstanding commitments to acquire new mortgages by savings and loan associations edged up a bit over the third quarter, due to a slower rate of mortgage takedowns at these institutions.

The decline in net mortgage lending at savings and loan associations in the third quarter may have been in lagged response to the reduced pace of deposit growth in the preceding quarter. Moreover, field reports suggest that there was some slackening in residential loan demand, owing to the rise in mortgage interest rates this year and general economic uncertainty. Savings and loan associations decreased their borrowing (seasonally adjusted) from Federal Home Loan Banks and instead relied more heavily on such alternative sources of funds as security repurchase agreements, mortgage-backed bonds, and commercial paper issuance. Associations increased their holdings of liquid assets, thereby raising their average liquidity—measured as the ratio of cash and liquid assets to the sum of short-term borrowings and deposits—from 8.8 percent, seasonally adjusted, at the end of the second quarter to just over 9 percent at the end of the third.

The cost of mortgage financing continued to increase over the third quarter. The average of interest rates on new commitments for 80 percent, 30-year conventional home mortgages at sampled savings and loan associations rose 25 basis points in the July–September period to a new high of 11.35 percent at the end of the quarter. In October, further substantial increases in mortgage yields as well as continued tightening of nonprice lending terms accompanied the rise in other interest rates. As market rates moved to higher levels, several states either raised or removed usury ceilings on conventional home loans. Even so, usury ceilings in a number of states appeared to be restricting the supply of mortgage credit. Moreover, originations of home mortgages insured by the Federal Housing Administration or guaranteed by the Veterans Administration reportedly were hindered by the below-market ceiling rate of 10 percent on such government-underwritten loans. The Department of Housing and Urban Development and the Veterans Administration raised the maximum rate to 10½ percent in late September, and to 11½ percent in late October.

Consumer installment credit outstanding is estimated to have expanded at a 10 percent annual rate in the third quarter. This expansion represents a substantial moderation from the 15 percent rate of advance in the first half of 1979 and the 19 percent rate in 1978. A further decline in the growth of automobile installment credit—a major component of the total—and a marked deceleration in expansion of bank revolving credit contributed to the slowing in the third quarter. Credit extensions have weakened relative to household expenditures in recent months, perhaps reflecting less accommodative financing by lenders as well as greater hesitancy on the part of consumers to incur further debt in an atmosphere of economic uncertainty.

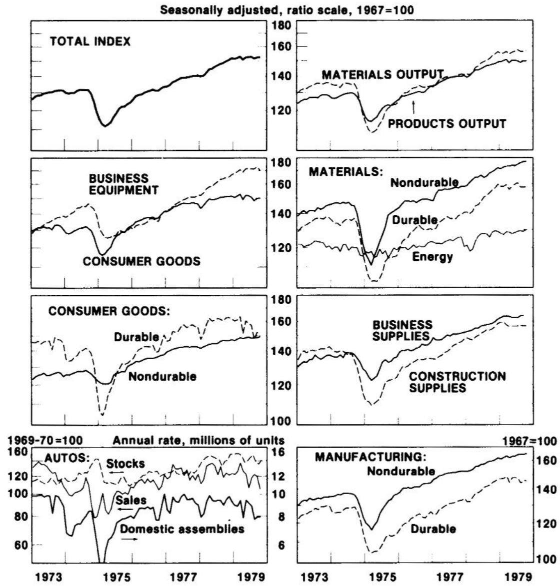
Industrial Production

Released for publication November 15

Industrial production edged up 0.1 percent in October, reflecting small increases in the output of consumer goods and of materials and a strike-related decline in production of business equipment. In September, total output increased 0.5 percent. At 152.5 percent of the 1967 average, the October index is near the level reached early in the year.

In October, output of consumer goods rose 0.3 percent. Auto assemblies were about unchanged at a seasonally adjusted annual rate of 7.9 million units—11 percent below the average of the first half of the year. Production of business equipment declined 1.3 percent in October, mainly reflecting strikes in the farm and construction machinery industries; output increased at most other equipment producers. Production of intermediate goods, which includes construction and business supplies, edged up only a little in September and has been essentially unchanged since March.

Output of materials increased 0.3 percent in October. Among durable goods materials the production of basic metals declined slightly further, while output of most other durable goods materials industries increased somewhat. A general weakening in the output of consumer durable parts since the beginning of 1979 has been mostly offset by continued strength in equipment parts. Output of nondurable goods materials—primarily textiles, paper, and chemicals—increased 0.2 percent further in October, continuing the strength shown over the past year. Output of energy materials increased 0.8 percent, reflecting an increase in coal production after a dip in September.



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

Industrial production	1967 = 100		Percentage change from preceding month						Percentage change 10/78 to 10/79
	1979		1979						
	Sept.^{p}	Oct.^{e}	May	June	July	Aug	Sept.	Oct.	
Total	**152.3**	**152.5**	**1.1**	**.1**	**.1**	**−.8**	**.5**	**.1**	**1.9**
Products, total	149.7	149.7	1.3	−.1	−.3	−.7	.7	0	1.5
Final products	146.9	146.8	1.7	−.1	−.3	−1.1	1.0	−.1	1.2
Consumer goods	149.8	150.3	1.9	−.1	−.7	−1.7	1.0	.3	−.6
Durable	152.3	152.8	5.9	−1.2	−.9	−6.0	3.1	.3	−6.0
Nondurable	148.8	149.3	.5	.3	−.6	.3	.1	.3	1.8
Business equipment	172.8	170.6	1.6	.1	−.1	−.2	1.0	−1.3	3.5
Intermediate products	160.3	160.5	−.1	0	−.1	.6	0	.1	2.6
Construction supplies	156.5	156.5	.3	−.1	.1	.3	−.2	0	1.3
Materials	156.4	156.8	.8	.5	.7	−.8	.1	.3	2.3

p Preliminary. e Estimated. NOTE. Indexes are seasonally adjusted.

Statements to Congress

Statement by Paul A. Volcker, Chairman, Board of Governors of the Federal Reserve System, before the Joint Economic Committee of the U.S. Congress, October 17, 1979.

I appreciate the opportunity to appear again before this committee in my still-new capacity. Some years have passed since I had the privilege of appearing with some frequency as an official of the Treasury. I note with pleasure the continuity of membership on the committee. I know that in some cases membership spans decades, and the committee has played a prominent role through the years in enhancing economic understanding and policymaking. The Federal Reserve, like so many others, has benefited from the dialogue.

I belabor the obvious when I say we face unpleasant economic circumstances, and that none of our choices is risk-free or pain-free. At the same time, the clear and widespread public perception that the problems are difficult but that the time has come to deal with them provides us with an important opportunity to put in place and sustain forceful and appropriate policies.

Monetary policies can only be a part of the overall framework. But they are an essential part.

It is not necessary to recite all the details of the long series of events that have culminated in the serious inflationary environment that we are now experiencing. An entire generation of young adults has grown up since the mid-1960s knowing only inflation, indeed an inflation that has seemed to accelerate inexorably. In the circumstances, it is hardly surprising that many citizens have begun to wonder whether it is realistic to anticipate a return to general price stability and have begun to change their behavior accordingly. Inflation feeds in part on itself, so part of the job of returning to a more stable and more productive economy must be to break the grip of inflationary expectations.

We have recently seen clear evidence of the pervasive influence of inflation and inflationary expectations on the orderly functioning of financial and commodity markets and on the value of the dollar internationally. Over a longer period of time, the uncertainties and distortions inherent in inflation have had a debilitating influence on investment, productivity, and growth. In the circumstances, the overwhelming feeling in the nation—that we must come to grips with the problem—reflects the common sense of the American people. At the same time, we have to recognize that, after more than four years of expansion, there are widespread anticipations of inventory adjustments and a downturn in economic activity. The challenge is to deal with this troublesome situation in a manner that promises, over a period of time, to restore a solid base for sustained growth and stability.

In approaching that challenge, and in our preoccupation with what is wrong with the economy, we should not lose sight of the positive aspects of the current situation.

1. The U.S. economy has enjoyed a long and relatively strong economic recovery; more people are employed than ever before—over 10 million more than 5 years ago.

2. In the face of unprecedented inflation and enormous new increases in energy prices, wage trends overall have not appreciably accelerated this year, reflecting, despite some disturbing exceptions, the discipline and good sense of Americans in general in accepting the need for restraint.

3. As the rate of increase of energy prices moderates—and it should, with responsible pricing behavior by producers in coming months—there is a reasonable prospect that the overall inflation rate will soon decline.

4. Investment activity, while restrained by

uncertainties of inflation and by tax and regulatory constraints, has been relatively well maintained, even though it appears lower than consistent with our long-term needs.

5. Economic activity abroad is being sustained; this should support the recent trend of substantial growth in U.S. exports and help to improve the overall U.S. current-account position.

6. More generally, the sizable imbalances among industrialized countries are being reduced; the substantial reduction—even elimination—of Japanese and German current-account surpluses is particularly noteworthy.

I do not report these facts with any complacency. The actual and prospective achievements and much more will be jeopardized by a failure to come to grips with the home-grown inflationary pressures that have become so pervasive, that have led to speculative distortions, and that have undermined stability and order in the American and in the world economy. Dealing with the sources of inflation and instability is central to both the domestic and the international objectives of the United States; as I see it, these objectives are firmly interconnected, and we will be successful in neither unless we can begin to move toward restoring a sense of stability in our economy.

In this setting, the recent actions by the Federal Reserve were designed to deal with the clear danger of a renewed outburst of destabilizing and inflationary speculative pressures—a development that could only complicate and distort the present process of economic adjustment—and at the same time to establish a stronger foundation for orderly and sustained growth. In one sense, the Federal Reserve actions announced on October 6 were part of a continuing effort to maintain control over money and credit expansion. Our basic targets were not changed. But the new measures, which involved among other things a change in operating procedures, should provide added assurance that those objectives will be reached. Above all, the new measures should make abundantly clear our unwillingness to finance a continuing inflationary process.

Specifically, in the period ahead, more emphasis will be placed on controlling the provision of reserves to the banking system, which ultimately governs the *supply* of deposits and money, to keep monetary growth within our established targets. We have raised the discount rate so that restraint on bank reserves will not be offset by excessive borrowing from the Federal Reserve Banks. And we have placed a special marginal reserve requirement of 8 percent on increases in "managed liabilities" of larger banks (including U.S. agencies and branches of foreign banks) because that source of funds has financed much of the recent buildup in bank credit.

In connection with these Federal Reserve actions, I would like to emphasize several points.

First, as I suggested earlier, our immediate objective is to forestall speculative excesses and anticipations of a new inflationary outburst that could only complicate, and ultimately make more severe, the process of economic adjustment that is under way. In doing so, I believe that our recent actions can hasten, not postpone, the day when interest rates can decline and more stable conditions can be restored to credit and capital markets, thus providing part of the framework for renewed and stable economic growth. In the meantime, these actions are not intended to, and will not, cut off the supply of money and credit to the economy. Indeed, we are conscious of the fact that there are important areas of the economy—homebuilding, smaller businesses, and others—that are particularly dependent on a continuing flow of credit. In that connection, we have asked the banks to take special care to avoid lending to support speculative activity, while giving particular attention to the continuing needs of their established customers for funds to maintain normal business operations.

Second, the doubts about the dollar in exchange markets in recent months have been one factor increasing uncertainties faced by businessmen and consumers alike. Given the dollar's central position in the international financial system, we must recognize that its external value is particularly sensitive to perceptions and expectations about economic policy and especially to concern about our ability to deal with inflation. I see no fundamental conflict, indeed no meaningful "trade-off," between our domestic and international economic objectives in this respect. We continue, on a day-to-day basis, to monitor developments in foreign exchange markets, and if and when intervention is necessary, our actions will be closely coordinated with the actions of monetary authorities abroad.

Third, the recent Federal Reserve actions offer the promise that more effective control can be exercised over the growth of monetary aggregates, but they are not an automatic solution to all our difficulties. The new technique for conducting open market operations is not a panacea. The definition of money itself needs refinement, and redefinition of the monetary aggregates is currently a major Federal Reserve objective. We will be monitoring financial markets and the flow of credit closely. We will adapt our instruments to shifting needs as time passes, but we do intend to maintain the kind of restraint on monetary growth that this committee and so many others have urged for so long.

Finally, we should not rely on monetary policy alone, critical as disciplined monetary policy is, to solve our economic problems. We also need a sustained, disciplined fiscal policy; we need an effective energy policy, commanding the support of all segments of our society, that will put us more surely in control of our destiny; we need regulatory and tax policies that will help stimulate investment, cut costs, and increase productivity; and we need international cooperation and understanding. At the meetings of the International Monetary Fund and the World Bank recently held in Belgrade, I was impressed again by the general understanding that rising real energy prices will require significant and painful economic adjustments and by the consensus on the need, under current circumstances, for virtually every country to attach high priority to the fight against inflation.

As has been amply reported, the atmosphere at those meetings was restrained, skeptical, and uneasy. Therein lies a danger. I am convinced that forceful and effective policies to deal with the evident problems can be successful. These policies will need the support of concerned citizens who recognize the need for hard decisions, for restraint, and even for sacrifice. Pessimism and cynicism can only erode that process.

We are passing through a period beset with exceptional economic problems. Let us recognize that there are risks, but that those risks will only increase if we fail to act forcibly to deal with inflation now, and if we fail to sustain the effort. That is the context in which the Federal Reserve has acted. I am convinced that those actions, as part of a determined national effort, can help establish the essential conditions for a more prosperous and productive America, a strong dollar, and a sense of stability and coherence in the world economy. □

Statement by J. Charles Partee, Member, Board of Governors of the Federal Reserve System, before the Subcommittee on Financial Institutions Supervision, Regulation and Insurance of the Committee on Banking, Finance and Urban Affairs, U.S. House of Representatives, October 17, 1979.

I am pleased to appear before the committee on behalf of the Federal Reserve Board to testify on several proposed bills pertaining to bank holding companies. Because of the broad scope of these bills and the many diverse provisions they contain, it is not possible in my brief prepared remarks to cover all the comments the Board wishes to make. Instead, I will submit for the record an appendix [available on request] stating the Board's positions on specific sections in the bills, many of which have been covered in previous Board testimony.

By way of background, the nation has experienced rapid changes during the past decade in technology, industry structure, and competition in the provision of financial services. To a large extent the proposed bills being considered today represent responses to the changes that are occurring. Some, such as the proposal to permit the underwriting of revenue bonds, are responsive to a perceived need to clarify and update the traditional separation between banking and the securities business. Others, such as the property and casualty insurance prohibitions, represent efforts to protect insurance agents from prospective competition in their business. Proposals to relax regulatory limits on the debt structure of bank holding companies would afford investors greater opportunity to take advantage, through the bank holding company structure, of tax savings and leverage possibilities. Finally, provisions limiting bank mergers and bank holding company acquisitions are intended by their sponsors to maintain a competitive banking system. The common thread of these legislative initiatives is that we are asked to choose among the changes taking place in the market place, encouraging those changes that are clearly in the public interest and resisting those that appear to have counterproductive or anticompetitive implications.

I would like now to comment on three substantive issues that seem to have generated the most public interest. These are the proposals that would permit banks and bank holding companies to underwrite municipal revenue bonds, that would prohibit the sale of property and casualty insurance by most such companies, and that would prohibit the Board from denying formation of a one-bank holding company solely because it involved a bank stock loan with a maturity of up to 25 years.

An aspect of the changing financial landscape, which is the focus of H.R. 1539, has been the rapid growth of financing of revenue bonds by state and local governments. Last year, revenue issues accounted for 60 percent of all tax-exempt bond offerings—up from 30 percent in 1960 and less than 10 percent in the early 1930s when the Glass-Steagall Act became law. That act confined banks to general obligation bonds and prohibited them from underwriting and dealing in municipal revenue bonds. It did not, however, prohibit banks from investing in such bonds for their own accounts.

The Board has frequently considered, and supported, legislation that would permit bank entry into the revenue bond field. After reviewing the issues once again, the Board continues to support extension of bank underwriting and dealer activities to what are essentially investment-grade revenue bonds but wishes to note two concerns. The first is the possibility that some dealers may have a competitive advantage over others because of differences in tax laws. The second is the need to strengthen those provisions of the bill intended to guard against unsound banking practices.

Arguments in favor of bank underwriting of revenue bonds hinge primarily on the prospect that increased competition would lower borrowing costs of state and local governments. The most noticeable effects of this increased competition would be for those issues now receiving only one or two bids in competitive auctions and for negotiated offerings in which the choice of underwriters is limited. In addition, many banks have extensive knowledge about the investment needs of their correspondents and customers—derived in part from their current underwriting of general obligation bonds. Finally, secondary market activities by dealer banks would tend to enhance the attractiveness of revenue bonds by increasing their liquidity.

Thus, it is reasonable to conclude that the entrance of banks into the market for revenue bonds would improve and broaden the market for such issues. Potential savings to issuers, while impossible to quantify, could come from a reduction both in re-offering yields and in average underwriting spreads. Nearly all empirical studies support the contention that there would be at least modest issuer cost reductions.

Opponents argue that the small potential savings are not sufficient to offset the added risk of abuses. The Board believes that these contentions are of doubtful merit. The tenents of sound financial practice and the forces of competition, along with existing regulatory oversight authority, have prevented abuses in the general obligation markets—in which banks have long been active—and would be equally applicable in the revenue bond sector. Several provisions in H.R. 1539 are intended to safeguard against conflicts of interest or unsound banking practices, as well as to ensure a monitoring of the competitive effects within the securities industry. The Board believes that these provisions should be tightened somewhat and should be extended to bank activities in the general obligation market as well.

As indicated, we are concerned that banks might have an unwarranted competitive edge from being able to deduct for tax purposes the interest expense incurred by carrying municipal securities in their dealer positions. We understand that the Treasury is exploring possible methods for reducing this advantage, and we support the effort in this regard.

The proposed limitations on the property, casualty, and life insurance agency activities of bank holding companies and their subsidiaries reflect another dimension of the changing competitive environment. These proposed limitations represent attempts to protect independent agencies from prospective competition and as such threaten an adverse impact on the public interest. The Board believes that the benefits of greater competition outweigh the adverse effects, and thus it feels that banking organizations should be allowed to sell credit-related insurance, including property and casualty insurance. In addition to bringing an extra competitive dimension to the industry, the sale of insurance by banks and bank holding companies provides a useful and convenient service to the public, including sales at places that may be poorly served by others.

Part of the rationale for the bill is to prevent potential abuses that may arise when the supplier of credit also has the capability of providing credit-related insurance. But if there is such a problem, surely it is a general one that applies to all types of lenders. To single out bank holding companies and their bank subsidiaries addresses only a portion of the problem. For example, previous congressional testimony suggests that "tying" and other abuses occur more frequently in the credit life area among nonbank lenders, such as finance companies and auto dealers. Yet these lenders would be permitted to continue to sell all types of insurance.

It is also our view that the various exemptions, such as the size exception of $50 million and the exemption for sales by affiliated finance companies on transactions under $3,500, would increase rather than decrease bank holding company insurance agency activities by broadening the product lines of smaller companies beyond those now permitted by Board regulation.

With respect to the "grandfather" provisions, the Board would urge elimination of the prohibition on any expansion in the volume of business done by affected holding companies. Over a relatively short time such a provision would simply eliminate grandfathered companies as effective competitors in this market.

In recent years, investors have used the one-bank holding company form of organization with increasing frequency as a device to facilitate the purchase and sale of small banks. Accommodating provisions in the federal tax law encourage the formation of one-bank holding companies and the issuance of debt as part of the transaction. Excessive leverage may pose a threat to the safety and soundness of the bank being acquired, however, so that the Board has generally denied one-bank holding company applications involving debt financing in excess of 12 years. H.R. 4004 would force a liberalization in that policy by prohibiting the Board from denying the formation of a one-bank holding company when it involved a loan on bank stock of up to 25 years.

The Board believes that, if the permissible maturity of such bank-stock loans is lengthened substantially, there would be a danger that one-bank holding companies would incur excessive acquisition debt and thus reduce or eliminate their capacity to provide financial support to their banks in times of need. Large and extended debt burdens also might induce holding companies to extract sizable dividends from their banks in order to service that debt. If so, this action would tend to depress bank capital ratios, perhaps to unsafe levels in some instances.

More lenient debt standards also would broaden the number of potential buyers and tend to drive up the price of banks. Should the price for small banks become too steep, buyers—in an effort to recover their investment—would be under pressure to maximize bank earnings by moving the bank into riskier loans and investments.

In sum, the Board recognizes that many buyers of small banks need to incur debt in order to make the purchase. Moreover, we support efforts to facilitate the transfer of ownership of small banks. But we believe that debt issued in connection with a bank acquisition must be held within prudent limits and must not place undue strain on either the bank's or the holding company's capacity to service that debt. I might note that the Board has ample regulatory authority to alter the financing terms on which bank ownership is transferred through organization of bank holding companies and will research the price, tax and safety, and soundness impacts of liberalizing the maturity structure of acquisition debt.

The Board believes developments in the financial sector, and in banking in particular, have been such that there is little or no need for most of the other provisions in the bills under consideration. For example, as Governor Coldwell testified last year on similar competitive proposals, the Board sees no need to impose rigid structural limits on expansion of banks or bank holding companies. We do, however, continue to favor the proposed clarification of existing law permitting denial of acquisitions, even when the possible anticompetitive effects do not violate the antitrust laws, if the responsible agency believes that the proposed acquisition would not be in the public interest and the anticompetitive effects are not clearly outweighed by probable community convenience and needs factors.

With respect to bank holding company expansion into the nonbanking area, the Board submits that this growth has been strictly controlled and limited to activities closely related to banking. For example, we have authorized only two minor activities under the 1970 act that were not already permissible for national banks. Moreover, nonbanking assets still account for less than 4 percent of total consolidated bank holding company assets. Further, despite some sizable acquisitions in certain industries such as mortgage banking, consumer finance, and leasing, the major thrust of bank holding company expansion to date has been in the form of new undertakings. Such *de novo* expansion seems to us procompetitive on balance and thus contains sizable potential public benefits.

I can assure you that the Board intends to proceed with extreme caution in permitting new activities and that we will continue to look closely at proposals involving significant acquisitions of nonbank activities to assure that they satisfy the net public benefits criteria in the statute. Therefore, we see little need for tightening legislative requirements or for new regulatory constraints. In the Board's judgment, the financial sector will continue to face a rapidly changing competitive environment in the years to come. The present flexibility of the regulatory framework seems to provide the best system for responding to the nation's evolving needs.

Statement by Frederick H. Schultz, Vice Chairman, Board of Governors of the Federal Reserve System, before the Subcommittee on Access to Equity Capital and Business Opportunities of the Committee on Small Business, U.S. House of Representatives, October 30, 1979.

I am pleased to appear before you to discuss the impact on small business of the Federal Reserve actions announced on October 6.

These actions, as you know, included an increase of 1 percentage point in the discount rate, a marginal reserve requirement of 8 percent on so-called managed liabilities of larger banks, and a change in operating procedures to give more emphasis in implementing our money supply targets to the supply of bank reserves and less to the level of interest rates. Together these actions should enable us to exercise firmer control over the growth of money and credit and thus assure that monetary policy plays its appropriate role in dampening inflationary pressures.

At the time of the October 6 actions, the monetary aggregates and bank credit had been growing at rates well in excess of our announced targets, inflation and inflationary expectations were showing no signs of abating, and speculative activity had unsettled a number of commodity markets. These developments were not unrelated, nor self-correcting. Failure to deal with them carried long-term risks that in our judgment outweighed the short-run risks of taking forceful steps to contain inflation. Reinforcing our determination to keep the growth of money and credit within our earlier target ranges seemed essential under the circumstances.

These ranges had been reaffirmed in the Board's July oversight hearings before the congressional banking committees and were endorsed by those bodies. The long-run targets adopted for 1979—that is, for the period from the fourth quarter of 1978 to the fourth quarter of 1979—still seem appropriate for orderly growth of the economy. We have not changed them; we have simply increased our ability to achieve them. Not only had growth in money and bank credit been rapid but also it threatened to become excessive. If this happened, we would be unable to meet our objective of supplying sufficient credit to finance orderly economic growth while slowing the pace of inflation. The steps we have taken provide better assurance that we can meet that objective.

Opinions differ as to how long it will take for our message to be widely understood. We think the time will be relatively short. Once the public recognizes that we are serious and that we intend to stay the course, inflationary expectations should begin to recede and the base will be laid for a return to the stable and productive economy we all want.

It almost goes without saying that a healthy economy provides the kind of environment in which small business can prosper, and conversely that the soundness and prosperity of this very important sector are essential to the stability and productiveness of the overall economy. Success in our efforts to take the steam out of inflation and out of self-fulfilling inflationary expectations will be of particular benefit to small businesses.

But the process of getting firmer control of the money supply, as a first step toward unwinding inflation, will not be easy or painless. The next few months could prove difficult for some businesses—large and small. Those that have borrowed to finance speculative transactions may be expected to bear the brunt of the program we have adopted, and appropriately so. Risky and overextended businesses also may find it difficult to roll over or fund maturing short-term debt. Even some well-managed firms needing funds for productive purposes may, for a while, find credit somewhat less readily available and more expensive than it was before.

Since small businesses are of necessity so dependent on commercial banks for the credit their suppliers do not provide, and since the actions the Federal Reserve has taken are designed to restrain the growth of bank credit, I would like to suggest what seems to me the most likely response of these lenders to the new conditions under which they must operate.

I have no doubt that banks will make every effort, as they always do, to meet the legitimate needs of their best customers, the bulk of which for most banks is small businesses. We have urged our member banks to make special efforts to do so in these difficult times. In a letter of October 23 to member banks, Chairman Volcker said that "lending institutions need to be alert to the continuing need for credit on reasonable terms to finance the basic needs of the economy. In accommodating these needs, we believe banks should take particular care that small businesses, consumers, home buyers, and farmers continue to receive a reasonable share of available funds."

However, banks themselves are likely to be under considerable financial pressure over the near term, as demand for bank credit remains heavy while growth in lendable funds moderates.

The reserve requirement placed on further additions to the managed liabilities of larger banks will make such funds more expensive and thus less attractive; managed liabilities have financed a significant share of the recent expansion in bank credit. And the increase in the discount rate is intended to discourage excessive borrowing from the Federal Reserve Banks as an alternative source of financing. In addition, banks have been attracting considerable funds from issuance of money market certificates, but banks in general (including nonmembers) and small banks in particular may be more cautious in promoting this source of lendable funds while it is so expensive.

At the same time, slowing in customer demands for credit may be delayed, in part by lack of acceptable financing for alternative sources. For example, recent increases in the cost of funds in long-term securities markets have caused the postponement of a number of new issues. Unless the planned use is also postponed, these borrowers are likely to seek temporary financing from their banks. Also, there is as yet little evidence of the expected recession-associated slowdown in business loan demand.

Under these circumstances, it seems likely that an increased proportion of credit demands will not be met. We have asked our member banks to avoid lending for speculative purposes and to channel their available funds into loans for productive purposes. While it is sometimes difficult to distinguish between a nonproductive use and a productive one, I would expect to see a sharp cutback in financing of obviously speculative transactions, even before a turnaround in the outlook for inflation dims the profit potential of such transactions.

Banks are also likely to firm their lending standards, not only as a result of Federal Reserve actions but also because—as is usually the case—anticipation of a slowdown in the economy is causing lenders and investors to become more quality-conscious. In addition, banks may be expected to encourage even high-quality borrowers to postpone or scale back their financing demands, if they can and if they have not done so themselves. But I honestly do not believe that banks will need to, or will, deny credit to sound, established customers with financing needs that cannot be postponed.

In fact, the most serious financing problem for such customers over the near term, as I see it, will be not lack of credit but its cost, which in turn will likely reduce some spending plans and financing demands. In his October 23 letter, Chairman Volcker said, "In adjusting loan rates, the Board would also call your attention to the desirability of considering the special problems of smaller customers who have limited financing alternatives." Individual bankers have told us that they will be making particular efforts to hold down the rates charged on loans to small businesses. Banks that have a dual prime arrangement have indicated that they do not intend to abandon it, and some of them apparently have decided to widen the spread between the prime and the lower base rate for small businesses.

What we all most want to see, of course, is a reduction in inflationary expectations, and this reduction should bring with it a *decline* in interest rates. The present unprecedented cost of borrowed funds appears to be unfortunately unavoidable, given the inflation premium that has been imbedded in interest rates for some time. There is no chance that interest rates will come down significantly until inflationary expectations are damped. We are convinced that our recent actions, especially when combined with disciplined fiscal policy, represent the best and fastest way to bring that about.

It is clear, from what one hears and what one reads in the newspapers, that small businesses are worried, and if I were a small businessman I might be worried too. There is reason to be concerned. The next few months could be very difficult for some businesses. But one has to keep in mind that continuation of the inflationary and increasingly speculative environment that had been developing would ultimately have had far worse consequences, for the economy as a whole and for most small businesses. The long-run dangers of the failure of the Federal Reserve to make a determined effort to curb inflation outweigh the short-term risks inherent in the actions we have taken. □

Statement by J. Charles Partee, Member, Board of Governors of the Federal Reserve System, before the Subcommittee on Federal Spending Practices and Open Government of the Committee on Governmental Affairs, U.S. Senate, November 1, 1979.

I am pleased to appear before the committee today to present the views of the Federal Reserve Board on S. 1411. The Board is sympathetic with the general objective of the bill—to reduce paperwork and to put effective controls on the process of imposing reporting and recordkeeping requirements on the public. Reporting burdens have grown sharply over the years, and there can be no question of the need for stern discipline on agency reporting activities. As a matter of proper procedure, all statistical initiatives should be required to demonstrate (1) that there is a pressing need for every piece of information requested; (2) that there are no unnecessary duplicative collection efforts; (3) that information is asked for in the most efficient and least burdensome manner; and (4) that existing data sources, from whatever agency, are utilized to the extent feasible.

The Federal Reserve has always endeavored to conduct its data collection efforts with this kind of discipline. Over the years we have strengthened and intensified our report controls. Since 1975, we have had in place a comprehensive system of clearance procedures. These procedures are reviewed periodically, and any changes in clearance standards promulgated by Executive Order or by Office of Management and Budget (OMB) guidelines have been incorporated in our program to the extent appropriate.

Our program applies both to proposals for new reports and to all existing reports. Under the program, every Board reporting series is periodically reexamined on a zero-based approach to see whether it can be eliminated, cut back with respect to contents or reporting panel, or otherwise improved with respect to reporting burden. Every Board report is subjected to critical review at several levels and must be justified in detail before it is adopted or renewed. We devote a substantial amount of resources to this program, which is coordinated at the senior staff level. Moreover, the program involves active participation by several members of the Board, and the final decision on all report proposals is made by the Board as a whole. We believe that our program for the control and review of reporting is one of the most comprehensive in the federal government, and we are confident that it would meet and surpass the program and procedural criteria set forth in section 3504(c)(2) of the bill.

We have had good success in recent years with the Board's program of reducing the burden of reporting. From the end of 1975 to midyear 1979, we managed to reduce by almost 25 percent the total number of items of information reported to us on all our reporting forms (other than those directly related to the accounting for deposits subject to reserve requirements). This total is measured by taking the number of items of information on each report multiplied by the number of respondents and the frequency of reporting within a year, and the results are then aggregated for all reports. I should hasten to add that we do not expect to be able to continue this rate of net reduction. Given new legislation, new supervisory and monetary policy needs, and the fact that we have completed the first cycle of reviewing existing reports, I would anticipate that we have already accomplished most of the net reduction possible for now. Nevertheless, the Board's clearance and review program will continue to ensure that reporting burdens are kept to the minimum consistent with the effective discharge of our responsibilities.

While our statistical clearance procedures incorporate appropriate OMB clearance guidelines and standards, the reports collected from banking institutions that are used for supervisory purposes by the Board have been exempt since 1942 from submission to OMB for approval under the Federal Reports Act. The banking supervisory reports of the Comptroller of the Currency and the Federal Deposit Insurance Corporation (FDIC) are also exempt. According to the legislative history of the Federal Reports Act, the exemption was intended to ensure that the Bureau of the Budget (OMB's predecessor) would not be able to prohibit the banking agencies from independently collecting information with respect to the banks under their supervision if they determined that the direct collection of such data was necessary. Among the reasons for such treatment are (1) the sensitivity of much supervisory information and of the examination process; (2) the necessity at times of obtaining information quickly in response to urgent policy needs; (3) the highly technical content of much of the data that must be obtained; and (4) the fact that many of the data collection activities and recordkeeping requirements of the federal banking agencies are based on specific statutory mandates.

The Board believes that the rationale underlying the current exemption of banking reports from submission to OMB remains operative, particularly in view of our own rigorous report clearance and review procedures. Retention of the exemption is necessary to ensure the continued and unhindered capability of the financial supervisory agencies to collect information they regard as essential for maintaining the soundness of the banking system. Involving the proposed Administrator for statistical management in the clearance of reports collected from banking institutions would seem to serve no constructive purpose. At a minimum, such involvement would raise serious problems in view of the sensitivity of the data and would necessarily occasion delays that could interfere with the effective discharge of our responsibilities.

I am aware that a section of the proposed bill (3509(a)(3)) contains an "override" provision that would enable the Board, by a two-thirds vote, to void the Administrator's disapproval of a proposed reporting requirement and that another section (3511(b)) would permit the Administrator to "delegate his power to approve proposed information requests" to any agency under certain conditions. But neither of these provisions is a workable substitute for the continuation of the current exemption. The exercise of the override could involve a significant lapse of time because some of the specified procedures for submitting a request to the Administrator may be quite time consuming and, in addition, the Administrator is given up to 90 days to render his decision. Similarly, use of the "delegation" provision would be at the discretion of the Administrator, and there can be no commitments in advance as to whether or on what conditions the provision would be utilized.

Aside from the substantive merits of preserving the current exemption of banking reports from any centralized clearance process, the Board submits that S. 1411 would grant authority to the Administrator in terms so broad as to raise concern that such authority might constitute an undue and unwarranted invasion of our statutory responsibilities. For example, under section 3515, the Board's authority "under any other law" to prescribe policies, regulations, or procedures in connection with information requests would be subject "to the authority conferred on the Administrator" and section 3516 would make all existing policies, regulations, or procedures in connection with information requests subject to repeal, amendment, or suppression by the Administrator. It is difficult to assess the consequences of these sweeping provisions without detailed analysis of all statutes related to the Board and the policies and regulations adopted under those statutes. But it seems clear that these provisions go beyond a reasonable grant of authority consistent with the specific purposes of the legislation.

A number of specific provisions with respect to privacy and availability of data are of some concern. For example, section 3518(b), which lists the conditions under which information obtained by one federal agency may be released to another federal agency, would seem to prevent or to delay the Board in referring evidence of criminal violations of law obtained during the course of a bank examination to the Department of Justice. Such referrals of information are specifically provided for under the Right to Financial Privacy Act (see 12 U.S.C., section 3412(a)).

Similarly, the Right to Financial Privacy Act (see U.S.C., section 3412(d)), authorizes the exchange of examination or other information among financial supervisory agencies, notwithstanding the act's basic prohibitions on the transfer of such information. S. 1411, in section 3518 (b), does not include a similar provision and could impede or eliminate the sharing or exchange of examination material among the Board, Comptroller of the Currency, and FDIC.

Section 3519(a) removes all sanctions for failure to provide information to a federal agency *unless* collection of the information has been approved by the Administrator. This provision would appear to deny the possibility of applying legal penalties for the failure to provide information in cases when the Administrator's disapproval of the collection of information is overridden by a two-thirds vote of the members of an independent regulatory agency, or when the Administrator's approval is implied by his failure to respond to an agency request within the specified time limit. The possibility of legal sanctions should be available in such cases.

There are also some administrative provisions of the bill that are troublesome to us in that they appear to be inconsistent with the Board's independent status under the Federal Reserve Act. For example, section 3504 would appear to give the Administrator responsibility for setting certain aspects of budget and management policies for all agencies covered by the bill. For the Board, this responsibility would involve areas placed within its discretionary authority by statute. Similarly, section 3513 appears to us to be too broad, both with respect to the Administrator's possible use of Board personnel and resources and with respect to his access to information and records in the Board's possession. As worded, these sections are likely to give rise to problems more serious than those they are intended to solve.

I would like also to comment on some technical operating aspects of the bill that could have serious effects on the operation of the federal statistical system. One operational problem arises in connection with section 3509(b), which sets an approval time limit of two years on all new reports. This time limit appears too restrictive and probably an inappropriate detail for legislation. There will be new reports for which an approval for more than two years is entirely appropriate. Moreover, our own experience is that, given the length of time required to go through all the steps of a rigorous clearance process, a universal two-year limit may prove costly and inefficient.

Another operational problem arises in connection with Title II of the bill. That title would establish, with detailed specification, a "Federal Information Locator System," and section 3509(a) would require its use. We have had some experience in related types of procedures for the description and specification of banking data, though of course not on the scale mandated here. On the basis of our experience, it appears that development of a federal information locator system as comprehensive as that called for by the bill would be an extremely complicated task and may in the end prove unworkable. For now, any legislation with respect to such a system might better mandate a program of experimental and developmental work, including the question of whether the system is likely to be a cost-effective service. Such experimental work should include the investigation of the alternative of separate systems for different families of statistics that could be geared to the characteristics of each family. Even so, it is likely to require a great deal of time and effort to obtain a clearer picture of what a practical operational system would look like and to provide an informed appraisal of its probable costs and benefits.

The requirements under section 3603(3) and (4) that each agency insert into the locator system "a data profile for each public-use report, recordkeeping requirement, interagency report, and intraagency report" and that "all data elements" in such reports be registered in the locator system also are premature. Our experience with similar types of systems on a smaller scale has impressed us with the enormous costs and difficulties involved in designing a comprehensive system and in trying to force different kinds of data into a standard format. Again, considerable developmental work seems called for before such a sweeping and costly system is required as a matter of law. □

Statement by Henry C. Wallich, Member, Board of Governors of the Federal Reserve System, before the Subcommittee on International Economics of the Joint Economic Committee of the U.S. Congress, November 5, 1979.

I am pleased to be able to testify before this subcommittee on the international implications of the Federal Reserve's October 6 measures. The measures represented an added restraint on the availability of credit and a more effective technique of controlling growth of the money supply and related monetary aggregates. These actions are designed to assist in curbing the unacceptable inflation we are experiencing and should bring improvement on both the domestic and the international side of our economy. My assignment here is to discuss the international side. But I am sure you understand fully that the domestic and the international effects are closely interrelated.

As background, I would like to review briefly some of the most important developments in the weeks and months leading up to October 6.

The monetary aggregates, after having grown at quite low rates in the fourth quarter of 1978 and the first quarter of this year, began to expand at a very rapid pace in the second and third quarters. Growth of M-1 averaged about 10 percent at an annual rate, and growth of M-2 averaged nearly 12 percent over the course of the latter two quarters. The rapid expansion of the aggregates in the third quarter occurred despite increases in the federal funds rate totaling about 1¼ percent over that quarter. Continuation of growth at these rates would have meant that we could not achieve our longer-run targets for the growth in the aggregates from the fourth quarter of 1978 to the fourth quarter of 1979. Under the provisions of the Humphrey-Hawkins Act, the Federal Open Market Committee had set these targets in February and reaffirmed them in July.

At the same time as incoming data revealed a surprising degree of real strength in the economy, consumer prices continued to show monthly increases at an annual rate of 13 percent in July and August, while the producer price index increased at an annual rate of nearly 16 percent over the third quarter, portending possibly a near-term acceleration rather than a slowdown of consumer price increases.

In the foreign exchange market, the dollar had declined 5½ percent on a weighted-average basis from mid-June to the beginning of October, despite a substantial appreciation against the Japanese yen. The dollar's real exchange value, that is, the dollar's exchange value adjusted for relative U.S. and foreign inflation rates, had declined somewhat less; this occurred despite very heavy official purchases of dollars—particularly at times by U.S. authorities.

Exchange market pressures on the dollar intensified in September; the German mark-dollar rate, for example, had declined to nearly the October 1978 lows. Because of these developments, exchange market participants were anticipating some sort of policy "package" from the United States. Talk in the market tended to focus on possibilities for macroeconomic policy action, particularly monetary policy action. This reflected the view that the fundamental cause of the dollar's weakness in exchange markets was the severe U.S. inflation rate and that until prospects brightened for bringing inflation under control, even augmented U.S. exchange market intervention could do little to help the situation. A sign of the importance that the exchange market attached to action on inflation by the United States was the dollar's sharp advance on October 2 on the news that Chairman Volcker had left the Belgrade meetings early to return to Washington.

Speculation in the gold markets reached feverish proportions from late August until early October, with the price soaring $100 per ounce to a high of almost $450 in London trading on October 2. The price was double that prevailing at the beginning of the year. This infection soon spread to other metals markets, and from there to still other commodities. The Bureau of Labor Statistics (BLS) index of industrial commodity prices rose at an annual rate in excess of 50 percent over the month of September, with metals prices rising faster than the average. These developments in gold and other commodity markets were symptomatic of a general rise in inflationary expectations that tended to feed on themselves.

It was against this background that the Federal Reserve announced on October 6 its package of complementary measures: (1) an increase of 1 percentage point in the basic discount rate from 11 to 12 percent; (2) the establishment of a marginal reserve requirement of 8 percent on further expansion in the managed liabilities of the larger banks—liabilities that had been actively used to finance the rapid recent expansion in bank credit; and (3) a change in short-run operating procedures, placing more emphasis on the supply of bank reserves and less emphasis on managing the interest rate on overnight federal funds, in order to achieve better control over the growth of the monetary aggregates. This last action was intended, in particular, to provide greater assurance that the growth of the aggregates over the remainder of the year would be consistent with the previously adopted longer-run target ranges.

In making the announcement and later in letters addressed to the Federal Reserve member banks and to the branches and agencies of foreign banks, Chairman Volcker made clear that these measures were intended to bring about a slowing but not a halt in the flow of credit. He particularly stressed the need for bankers to provide a continuing reasonable flow of credit for small businesses, consumers, homebuyers, and farmers and pointed out the inadvisability of loans to finance essentially speculative operations in commodities, gold, and foreign exchange markets as well as the inadvisability of unproductive financial loans. To guard against the possibility that lending by foreign banks to U.S. residents might undermine the restraint exerted by the marginal reserve requirements, Chairman Volcker requested the cooperation of U.S. branches and agencies of these banks as well as their foreign affiliates.

Bank credit and the expansion of the monetary aggregates appear to have slowed significantly since the measures were adopted, although initially the effects were obscured by errors in the data concerning the money supply. In the financial markets, the reaction of interest rates and exchange rates was immediate and sharp.

By the end of the first full week, interest rates on short-term dollar assets had jumped as much as 1½ percentage points. Prices in stock and bond markets tumbled. In the exchange market, the dollar advanced more than 1½ percentage points on a weighted-average basis—by 2 percentage points against the German mark—without any central bank intervention support. The gold price did not show any further significant decline, though it had dipped below $400 a few days earlier, and remained very volatile. Other commodity prices dropped back from their early-October highs.

Commentary on the Federal Reserve's actions in the domestic and foreign financial press and by foreign monetary authorities was predominantly favorable, emphasizing that the United States was doing something fundamental about its inflation problem. Some skepticism was expressed, however, as to whether the Federal Reserve would "stick to its guns" in moderating growth of money and credit should a widely forecast recession actually materialize. Among exchange market participants, foreign dealers tended to be more skeptical in their comments than American dealers.

By the end of October, conditions in financial markets had become more settled. Short-term rates were somewhat higher but were generally less variable, except for the federal funds market where the effective daily rate ranged from more than 17½ percent to about 12 percent. Somewhat greater variability in the federal funds rate was, of course, expected in view of our new operating methods. Stock and bond prices, which had declined sharply for about two weeks following the October 6 announcement, regained a moderate portion of their earlier losses and also tended to stabilize.

In the exchange markets, some of the initial skepticism about the Federal Reserve's actions waned, and the dollar advanced even further, even with substantial sales of dollars by a few central banks in support of their currencies. The dollar remained near these higher levels despite the release of trade figures showing a large U.S. deficit for September and an increase in the German Federal Bank's discount rate at the end of October. The dollar was underpinned by the Treasury's announcement of its two new issues of mark-denominated securities in the German capital market. By month-end the dollar's weighted-average exchange value was up 3¾ percent from its October 1 level. Gold prices eventually declined to less than $380, partly reflecting the announced increase in the size of the Treasury's auction held on November 1. In other commodity markets, prices declined further—the BLS index was off 3 percent over the month.

Our actions seem to have prevented any further aggravation of inflationary psychology and, at least for now, may have broken its gathering momentum. Over the longer run, the principal effect of the new monetary policy procedures of the Federal Reserve will occur through the impact that these procedures can be expected to have on growth of the money supply and on inflation. If the monetary aggregates are firmly controlled, and if complementary energy, tax, regulatory, and structural policies are followed, inflation should come down over a period of time, and the dollar should maintain its strength. If at the same time the current account moves in the direction of surplus, as now seems likely, this development should add further strength. Obviously there are a number of uncertainties in the present situation, including the risk of a major further increase in the price of oil, which underscores the importance of an effective energy policy.

In the context of the dollar's exchange value, a greater volatility of the federal funds rate such as may be associated with the new procedures should not have major significance. For one, day-to-day fluctuations in the federal funds rate are unlikely to be interpreted as an indication of changes in Federal Reserve policy, as has been the tendency in the past.

Second, other short-term interest rates and long-term interest rates need not be expected to follow closely, if at all, the daily fluctuations of the funds rate. Such behavior would reflect both the lesser policy significance attached to the funds rate and the fact that 90-day rates and, even more, longer-term rates tend to reflect the average level of the funds rate over the life of the instrument rather than to follow its daily level. For instance, fluctuations in rates for daily money in London and in Frankfurt do not seem to influence very much the rate for 90-day money and also do not seem to influence very much the exchange rates of the pound sterling and the German mark.

Third, the interest rate is only one of several factors bearing upon the exchange market and is probably not the most important. Interest rate differentials are more fully exploited by investors and arbitragers when markets are reasonably stable. Interest-bearing investments in a currency must be held for some time, after all, before the expected benefits from a more attractive interest rate accrue.

An example of this may be seen in the behavior of the foreign exchange value of the dollar during the years 1975–77 as contrasted with interest rate developments during that period. The dollar went from a position of weakness early in 1975 to a condition of greater strength during late 1975, almost all of 1976, and the first part of 1977, only to weaken thereafter. U.S. interest rates actually moved inversely with the exchange value of the dollar, falling, on balance, from mid-1975 through mid-1977 and rising once more beginning in the latter part of 1977. To be sure, U.S. interest rates must be viewed in relation to interest rates in foreign countries and in relation, particularly, to rates of inflation. The data do, however, warn against the acceptance of any simple correlation between interest rates and exchange rates.

If our economy should slow down as is widely predicted, it could be appropriate for interest rates to decline as growth in money and credit subsides and inflationary expectations diminish. I do not believe that such a development would be viewed as a source of weakness of the dollar. Inflation and current-account developments are more fundamental determinants of the exchange rate than are nominal interest rates. The measures announced by the Federal Reserve on October 6 should assist in the effort to make progress in effectively dealing with these fundamental factors. □

Announcements

Regulation Y: Revision

The Federal Reserve Board on November 2, 1979, announced revision of its Regulation Y (Bank Holding Companies) to authorize bank holding companies or their nonbank subsidiaries to act as agent for the sale of general insurance in communities with a population of less than 5,000.

The Board acted in conformity with court action requiring the Board to reconsider a 1971 rule permitting this activity and after consideration of comment received on a proposal to alter the language of the 1971 rule.

The revised rule, effective December 5, 1979, permits bank holding companies or their nonbank subsidiaries with a principal place of banking business in a community with a population of 5,000 or less to sell any type of insurance in such a community.

A provision of the previous rule permitting such activity in communities with inadequate insurance agency facilities was deleted.

Statement on Discrimination

The Examination Council announced on October 16, 1979, that the five federal bank and thrift institution regulators represented on the council have adopted the following policy statement on discrimination.

> The Comptroller of the Currency, the Federal Deposit Insurance Corporation, the Federal Reserve Board, the Federal Home Loan Bank Board, and the National Credit Union Administration, as federal agencies responsible for the regulation and supervision of depositary institutions, in cooperation with other responsible authorities, are committed to identifying and eliminating illegal discrimination and to encouraging nondiscriminatory practices in the operations of these institutions. Over the years, the attention of the federal financial regulatory agencies has focused especially on such matters as discrimination on the basis of race, religion, national origin, sex, and marital status in the provision of lending and other financial services and the discriminatory aspects of mortgage and other lending practices that may have a disparate impact on various neighborhoods and communities. The various efforts of the agencies have been directed toward the enforcement of prohibitions against such discrimination, the development by the institutions they supervise of appropriate remedial or affirmative actions to help eradicate the effects of past discrimination, and the sponsorship or support of numerous special-emphasis programs that have the objective of assisting the financial institutions to meet the credit needs of all segments of the communities which they serve.
>
> Within the boundaries of their jurisdiction, the five federal financial regulatory agencies are committed to effective enforcement of the various civil rights laws of the nation. The agencies believe that illegal discrimination is contrary to the best interests of not only the people discriminated against but also the financial institutions themselves.
>
> The provision of employment opportunity without discrimination on any prohibited basis is first and foremost the legal responsibility of the employer, and it is the policy of the agencies that the financial institutions that they regulate should review periodically their employment practices to ascertain that they are, in fact, nondiscriminatory and, to the extent that any discrimination is found, adopt appropriate remedial policies and practices to eliminate it.
>
> Such an examination of employment practices should include consideration of the institutions' policies regarding the payment of dues on behalf of employees to private clubs that discriminate on the basis of race, sex, religion, color, or national origin. Because business is commonly conducted at such clubs, membership prohibition may have an adverse and discriminatory effect

upon the career advancement of employees who are denied equal opportunity to access as either members or guests.

For this reason, the agencies discourage the payment by financial institutions, on behalf of their employees, officers, or directors, of fees or dues for membership in private clubs where business is commonly conducted, which so discriminate. Payment by financial institutions of the costs of any business or social function held at any such club or organization that practices discrimination is also discouraged.

Proposed Actions

The Federal Reserve Board on October 15, 1979, announced proposals for revisions of Truth in Lending enforcement guidelines intended to overcome administrative problems and to permit the resumption of reimbursements to consumers for overcharges. The Board requested comment by December 21, 1979.

The Board on October 29, 1979, proposed two bank reporting forms to be used by foreign banking organizations to meet supervisory requirements of the Bank Holding Company Act and of the International Banking Act of 1978. The new forms are designed to implement the Board's national treatment concept of supervision of foreign banking organizations by requiring financial reporting equivalent to that required of domestic banking organizations. The Board requested comment by January 4, 1980.

The Board on October 30, 1979, proposed regulations limiting the interstate banking activities of foreign banks in the United States. The proposed rules, on which the Board asked comment by January 4, 1980, would implement the provisions of the International Banking Act of 1978 restricting the establishment in the United States by foreign banks of branches and subsidiary banks in more than one state. The proposed rules would be incorporated into the Federal Reserve's Regulation K.

Record of Policy Actions of the Federal Open Market Committee

MEETING HELD ON SEPTEMBER 18, 1979

1. Domestic Policy Directive

The information reviewed at this meeting suggested that economic activity in the current quarter was near its level in the second quarter when, according to revised estimates of the Commerce Department, real output of goods and services had declined at an annual rate of 2.4 percent. Average prices, as measured by the fixed-weight price index for gross domestic business product, appeared to be rising at a pace close to the annual rate of 10 percent estimated for the second quarter.

Staff projections suggested some further contraction in economic activity and then an upturn beginning in 1980. Over the year ahead, the rise in average prices was projected to moderate a little from the rapid rate of recent quarters, and the rate of unemployment was expected to increase substantially.

The dollar value of retail sales expanded moderately in July and August, but in real terms such sales changed little and were estimated to be about 4 percent below their December 1978 peak. Sales of new automobiles rebounded in July and August from relatively depressed levels in the previous month, and by the end of August dealers' inventories of unsold cars had been reduced from an unusually high level.

The index of industrial production fell 1.1 percent in August after changing little on balance from the peak reached in March. Output of consumer durable goods, especially auto assemblies, declined sharply further in August, and production of business equipment and materials, including automotive parts, also fell.

In August nonfarm payroll employment was virtually unchanged following several months of slowing growth. In manufacturing, employment declined for the fifth consecutive month and the average workweek fell somewhat from an already reduced level. The unemployment rate rose from 5.7 to 6.0 percent after having fluctuated in a range of 5.6 to 5.8 percent since the beginning of the year.

Private housing starts declined somewhat in July to an annual rate of 1.8 million units, close to the rate for the second quarter but well below the average for 1978. Sales of new and existing single-family homes increased in July but were still about 3 percent below their record pace in 1978.

The latest survey of business plans taken by the Department of Commerce in late July and August suggested that spending for plant and equipment would expand 13.2 percent in 1979 as a whole; the survey taken three months earlier had suggested an increase of 12.7 percent. The new survey implied substantially less growth in the second half of the year than in the first half. Manufacturers' new orders for nondefense capital goods declined considerably in July to a level about 15 percent below their March peak.

Producer prices of finished goods continued to rise rapidly in August. The advance was led by a further sharp increase in prices of energy items and by a substantial rise in prices of consumer foods, which had declined considerably over the previous four months. Prices of intermediate goods also continued to move up rapidly in August, but prices of crude goods changed little after having advanced substantially in most earlier months of the year.

In July consumer prices increased considerably further. As in other recent months a large portion of the rise was accounted for by sharp advances in energy prices and homeownership costs. Food prices were little changed for the second straight month. Over the first seven months of the year consumer prices rose at an annual rate of about 13 percent.

In August the rise in the index of average hourly earnings of private nonfarm production workers moderated appreciably, to an annual rate of about 2¾ percent. Over the first eight months of the year the increase was at an annual rate of just over 7 percent, compared with a rise of 8½ percent during 1978. However, the increase in total hourly compensation in the nonfarm business sector was about as rapid in the first half of 1979 as it had been during 1978 and, with productivity declining, the rise in unit labor costs accelerated substantially.

In foreign exchange markets the dollar came under downward pressure in the last few days of August and the first few days of September, but its trade-weighted value against major foreign currencies had changed little on balance since the Committee's meeting in mid-August. The U.S. trade deficit narrowed sharply in July from its average level earlier in the year. Exports, especially of agricultural products, continued to rise strongly in July, while non-oil imports fell substantially.

Total credit outstanding at U.S. commercial banks grew more slowly in August than in most earlier months of the year. Banks' holdings of Treasury obligations declined and growth in their total loans moderated. However, business loans continued to expand rapidly in August and commercial paper issued by nonfinancial firms again increased sharply.

The monetary aggregates—M-1, M-2, and M-3—continued to expand at relatively rapid rates in August and early September, although somewhat less rapidly than in June and July. Growth in demand deposits slowed considerably in August but the slowdown was partly offset by an acceleration in growth of currency. Expansion in time and savings deposits included in M-2 moderated slightly in August and net inflows of funds to nonbank thrift institutions also slowed somewhat. Growth in money market mutual funds and other short-term nondeposit investments had remained rapid in recent weeks.

At its meeting on August 14, the Committee had decided on ranges of tolerance for the annual rates of growth in M-1 and M-2 during the August–September period of 4 to 8 percent and 7 to 11 percent respectively. The Committee had agreed that in the coming intermeeting period the Manager for Domestic Operations of the System Open Market Account should direct open market operations initially toward an increase in the weekly average federal funds rate to a level of about 11 percent. Subsequently, if the two-month growth rates of M-1 and M-2, given approximately equal weight, appeared to be close to or beyond the upper or lower limits of the indicated ranges, the objective for the funds rate was to be raised or lowered in an orderly fashion within a range of 10¾ to 11¼ percent.

Soon after the meeting, incoming data indicated that M-1 and M-2 were growing at rapid rates in August. On August 30, projections for the August–September period suggested that growth of M-1 would be well above the upper limit of the range that had been specified by the Committee and that growth of M-2 would be at about the upper limit of its range. Over the preceding week, the Manager for Domestic Operations had been aiming for a weekly average federal funds rate approaching the 11¼ percent upper limit of the intermeeting range, and in the statement week ending August 29, the rate averaged

11.16 percent. In these circumstances, the Committee voted on August 30 to amend the domestic policy directive by raising the upper limit of the range for the funds rate to 11½ percent, but with the understanding that not all of the additional leeway would be used immediately; use of the leeway would depend on subsequent behavior of the monetary aggregates and on developments in foreign exchange markets. In the week preceding today's meeting, the funds rate averaged about 11⅜ percent.

Short-term interest rates rose substantially during the intermeeting period, in response to strong business demands for credit as well as to the System's actions firming money market conditions and to expectations of further monetary restraint. Bond yields also increased somewhat. During the period, banks raised their loan rate to prime business borrowers in steps from 11¾ percent to a new record of 13 percent. On August 16, the Board of Governors announced an increase in Federal Reserve Bank discount rates from 10 to 10½ percent.

In home mortgage markets, yields on new mortgage commitments rose to new highs in early September and, according to field reports, nonrate lending terms were tightened further by numerous lenders. However, the volume of mortgage lending appeared to be well maintained.

In the Committee's discussion of the economic situation and outlook, none of the members expressed disagreement with the staff appraisal of some further contraction in real gross national product after the current quarter's interruption of the decline. However, members continued to express uncertainty about the duration and extent of the contraction in activity.

In one view, recent domestic developments were consistent with no more than a mild contraction. While several months had elapsed since the first signs of economic weakness and the automobile industry in particular was in recession, activity and demand for labor in certain industries and regions of the country remained strong. The unemployment rate had increased little from a level that, under prevailing market conditions, some observers associated with full employment; retail sales in real terms had leveled out in the summer, after a decline over the first half of the year; and business inventories appeared to be undergoing a moderate correction. Moreover, a new labor contract in the automobile industry had been negotiated without a work stop-page, eliminating one potential disturbance. Abroad, growth of industrial activity appeared sufficiently robust to contribute to improvement in this country's net exports and thereby to lend support to domestic activity.

In an alternative view, the contraction in activity could become more severe. Recent indicators of demands suggested mounting weakness, and business inventories—up sharply in July, according to the latest available data—were unlikely to be worked down easily. Industrial activity abroad—as in the United States, adversely affected by the petroleum situation, by inflation, and by instability in foreign exchange markets—might not contribute so much to improvement in U.S. net exports.

A major problem in the current situation, it was observed, was the tendency of inflation to raise effective income tax rates and thereby to reduce real disposable income and consumption expenditures. The sharp increase in oil prices, moreover, had similar effects.

Members continued to express great concern about the rapid rise in prices. It was observed that inflation was more persistent now than it had been in earlier periods of some weakening in demands and that there was still a tendency to underestimate its strength. Furthermore, the current and foreseeable rate of inflation could itself lead to additional shocks to the economy.

At its meeting on July 11, 1979, the Committee reaffirmed the ranges for monetary growth in 1979 that it had established in February. Thus, the Committee agreed that from the fourth quarter of 1978 to the fourth quarter of 1979 average rates of growth in the monetary aggregates within the following ranges appeared to be consistent with broad economic aims: M-1, 1½ to 4½ percent; M-2, 5 to 8 percent; and M-3, 6 to 9 percent. The associated range for commercial bank credit was 7½ to 10½ percent. Having established the range for M-1 in February on the assumption that expansion of ATS and NOW accounts would dampen growth by about 3 percentage points over the year, the Committee also agreed that actual growth of M-1 might vary in relation to its range to the extent of any deviation from that estimate. It now appeared that expansion of such accounts would reduce measured growth of M-1 over the year by about 1½ percentage points.

In contemplating policy for the period immediately ahead, Committee members took note of a staff analysis suggesting that growth of

M-1 was likely to taper off during the September–October period in response to the lagged effects of the substantial increase in interest rates during the summer and the prospective weakening of expansion in nominal GNP. However, growth over the two months would still be relatively high. Growth of M-2 was also expected to moderate, mainly as a result of the behavior of M-1 but also because of a reduction in growth of savings and small time deposits at commercial banks in response to the increased level of interest rates.

In the Committee's discussion, most members favored a policy of directing open market operations toward a slight additional firming in money market conditions early in the period before the next regular meeting and of having subsequent operations guided by incoming evidence on the behavior of the monetary aggregates. Because of the rapid monetary expansion of recent months, these members in general favored specification of ranges for growth of M-1 and M-2 over the September–October period that were indicative of less tolerance for relatively high than for relatively low growth. Sentiment was also expressed for directing open market operations toward maintaining the money market conditions currently prevailing, unless incoming evidence suggested that growth of the monetary aggregates over the September–October period would deviate significantly from the rates currently expected. No member advocated an easing in money market conditions in the period immediately ahead.

Members who favored policy measures directed toward some additional firming in money market conditions stressed the importance of achieving a significant reduction in the pace of monetary expansion over the months ahead. Such a reduction was necessary if growth over the year ending in the fourth quarter of 1979 was to be held well within the longer-run ranges that had been reaffirmed by the Committee in July. Additional measures to restrain monetary growth, moreover, would tend to lower expected rates of inflation and, consequently, would have a constructive influence on a range of decisions affecting prices and wages as well as the value of the dollar in foreign exchange markets.

It was suggested, in addition, that monetary policy had not been as restrictive as it might have appeared. Despite the level of interest rates, credit demands and credit expansion remained strong. Interest rates after allowance for expected rates of inflation were not high. Furthermore, monetary growth this year had been greater than indicated by M-1 alone, owing to rapid expansion in close substitutes for demand deposits and currency.

In support of a policy directed toward maintenance for the time being of prevailing money market conditions, members emphasized the substantial rise in interest rates over the past two months and the tendency of changes in rates to affect monetary growth and economic activity only after a considerable lag. In this connection, it was observed that growth of demand deposits had slowed markedly in July and August, while expansion of M-1 had been supported by an unexplained pickup in growth of currency in circulation. Growth of the monetary aggregates was likely to taper off in coming months, and additional firming in money market conditions might slow growth to an unwanted degree. In the current circumstances, the Committee should avoid policy actions that might intensify the developing weakness in economic activity.

At the conclusion of its discussion of policy, the Committee decided to instruct the Manager for Domestic Operations to direct open market operations initially toward a slight increase in the weekly average federal funds rate to about 11½ percent. Subsequently, the objective for the funds rate was to be raised or lowered in an orderly fashion within a range of 11¼ to 11¾ percent if the monetary aggregates appeared to be growing over the September–October period at annual rates close to or beyond the upper or lower limits of the following ranges: M-1, 3 to 8 percent; and M-2, 6½ to 10½ percent. They also agreed that in assessing the behavior of the aggregates, the Manager should give approximately equal weight to M-1 and M-2.

As is customary, it was understood that the Chairman might call upon the Committee to consider the need for supplementary instructions before the next scheduled meeting if significant inconsistencies appeared to be developing among the Committee's various objectives.

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

The information reviewed at this meeting suggests that in the third quarter real output of goods and services remained near the reduced level of the preceding quarter and that prices on the average continued to rise rapidly. In August, as in July, the dollar value of retail sales expanded moderately, but sales in real terms changed little and were substantially below those of last December. Industrial production dropped from the May–July level, largely because of sharp curtailments in output of motor vehicles and parts. Nonfarm payroll employment was unchanged; the unemployment rate rose from 5.7 percent to 6.0 percent, thus moving above the narrow range in which it had fluctuated since the beginning of the year. Producer prices of finished goods continued to rise rapidly in August, led by further large increases in energy items and a substantial advance in consumer foods following a significant decline over the preceding four months. The rise in the index of average hourly earnings over the first eight months of this year was moderately below the pace during 1978, but the increase in total hourly compensation in the nonfarm business sector has been about as rapid this year as last.

The dollar came under downward pressure in foreign exchange markets in the last days of August and the early days of September, but its trade-weighted value against major foreign currencies has changed little on balance since mid-August. The U.S. trade deficit in July was sharply reduced from the average in the first half of the year.

Growth of M-1, M-2, and M-3 was relatively rapid in August and early September, although not so rapid as in June and July. Market interest rates have risen appreciably over recent weeks. An increase in Federal Reserve discount rates from 10 to 10½ percent was announced on August 16.

Taking account of past and prospective developments in employment, unemployment, production, investment, real income, productivity, international trade and payments, and prices, the Federal Open Market Committee seeks to foster monetary and financial conditions that will resist inflationary pressures while encouraging moderate economic expansion and contributing to a sustainable pattern of international transactions. At its meeting on July 11, 1979, the Committee agreed that these objectives would be furthered by growth of M-1, M-2, and M-3 from the fourth quarter of 1978 to the fourth quarter of 1979 within ranges of 1½ to 4½ percent, 5 to 8 percent, and 6 to 9 percent respectively, the same ranges that had been established in February. Having established the range for M-1 in February on the assumption that expansion of ATS and NOW accounts would dampen growth by about 3 percentage points over the year, the Committee also agreed that actual growth in M-1 might vary in relation to its range to the extent of any deviation from that estimate. The associated range for bank credit is 7½ to 10½ percent. The Committee anticipates that for the period from the fourth quarter of 1979 to the fourth quarter of 1980, growth may be within the same ranges, depending upon emerging economic conditions and appropriate adjustments that may be required by legislation or judicial developments affecting interest-bearing transactions accounts. These ranges will be reconsidered at any time as conditions warrant.

In the short-run, the Committee seeks to achieve bank reserve and money market conditions that are broadly consistent with the longer-run ranges for monetary aggregates cited above, while giving due regard to developing conditions in foreign exchange and domestic financial markets. Early in the period before the next regular meeting, System open market operations are to be directed at attaining a weekly average federal funds rate slightly above the current level. Subsequently, operations shall be directed at maintaining the weekly average federal funds rate within the range of 11¼ to 11¾ percent. In deciding on the specific objective for the federal funds rate the Manager for Domestic Operations shall be guided mainly by the relationship between the latest estimates of annual rates of growth in the September–October period of M-1 and M-2 and the following ranges of tolerance: 3 to 8 percent for M-1 and 6½ to 10½ percent for M-2. If rates of growth of M-1 and M-2, given approximately equal weight, appear to be close to or beyond the upper or lower limits of the indicated ranges, the objective for the funds rate is to be raised or lowered in an orderly fashion within its range.

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

> Votes for this action: Messrs. Volcker, Kimbrel, Mayo, Partee, Schultz, Mrs. Teeters, Messrs. Wallich, and Timlen. Votes against this action: Messrs. Balles, Black, Coldwell, and Rice. (Mr. Timlen voted as an alternate member.)

Messrs. Balles, Black, and Coldwell agreed with the majority that open market operations should be directed toward attaining a slight increase in the federal funds rate initially in the coming intermeeting period, but they dissented because they believed that, given the excessive monetary growth in recent months relative to the Committee's longer-run ranges, the directive adopted by the Committee would allow for too rapid monetary growth before an additional increase in the objective for the funds rate would be triggered. To enhance the prospects for achieving the Committee's objective of restraining monetary growth they preferred, moreover, to provide leeway for a rise in the funds rate to an upper limit of 12 percent.

Mr. Rice dissented from this action because he believed that an additional firming in money market conditions would intensify the developing weakness in economic activity and was unlikely to affect the rate of inflation favorably within six to nine months. In his judgment, monetary growth most likely would slow in the months immediately ahead even if current money market conditions were maintained, and growth of the monetary aggregates over the year ending in the fourth quarter of 1979 probably would fall within the Committee's longer-run ranges.

2. Authorization for Domestic Open Market Operations

The Committee took note of paragraph 3 of the authorization for domestic open market operations, which authorizes the Reserve Banks to engage in the lending of U.S. government securities held in the System Open Market Account under such instructions as the Committee might specify from time to time. That paragraph had been added to the authorization on October 7, 1969, on the basis of a judgment by the Committee that such lending of securities was reasonably necessary to the effective conduct of open market operations and to the implementation of open market policies, and on the understanding that the authorization would be reviewed periodically. At this meeting the Committee concurred in the judgment of the Manager for Domestic Operations that the lending activity in question remained reasonably necessary and that, accordingly, the authorization should remain in effect subject to review in six months.

Votes for this action: Messrs. Volcker, Balles, Black, Coldwell, Kimbrel, Mayo, Partee, Rice, Schultz, Mrs. Teeters, Messrs. Wallich, and Timlen. Votes against this action: None. (Mr. Timlen voted as an alternate member.)

* * * * *

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 made available a few days after the next regularly scheduled meeting and are subsequently published in the BULLETIN.

Law Department

Statutes, regulations, interpretations, and decisions

Amendments to Regulation D

The Board of Governors has amended Regulation D to establish a marginal reserve requirement of 8 per cent on the amount by which the total of certain managed liabilities of member banks (and Edge and Agreement Corporations) and United States branches and agencies of foreign banks exceeds the amount of such managed liabilities outstanding during a base period.

Effective October 6, 1979, section 204.5 of Regulation D is amended as follows:

Section 204.5—Reserve Requirements

(a) *Reserve percentages.* Pursuant to the provisions of section 19 of the Federal Reserve Act, section 7 of the International Banking Act of 1978 and § 204.2(a) and subject to paragraphs (b) through (f) of this section,***

(b) *Currency and coin.* The United States currency and coin of a member bank or a United States branch or agency of a foreign bank shall be counted as reserves in determining compliance with the reserve requirements of this section.

* * * * *

(f) *Marginal reserve requirements.*

(1) *Member banks.* During the seven-day reserve maintenance period beginning October 25, 1979, and during each seven-day reserve maintenance period thereafter, a member bank shall maintain a daily average reserve balance against its time deposits equal to 8 per cent of the amount by which the daily average of its total managed liabilities during the seven-day computation period ending eight days prior to the beginning of the corresponding seven-day reserve maintenance period exceeds the member bank's managed liabilities base. For a member bank that, on a daily average basis, is a net borrower of total managed liabilities during the fourteen-day base period ending September 26, 1979, its managed liabilities base shall be the daily average of its total managed liabilities during the base period or $100 million, whichever is greater. For a member bank that, on a daily average basis, is a net lender of total managed liabilities during the fourteen-day base period ending September 26, 1979, its managed liabilities base shall be the sum of its negative total managed liabilities and $100 million. A member bank's managed liabilities are the total of the following:

(i)(A) time deposits of $100,000 or more with original maturities of less than one year;

(B) time deposits of $100,000 or more with original maturities of less than one year representing borrowings in the form of promissory notes, acknowledgements of advance, due bills, or similar obligations as provided in § 204.1(f); and

(C) time deposits with remaining maturities of less than one year represented by ineligible bankers' acceptances or obligations issued by a member bank's affiliate, as provided in § 204.1(f). However, managed liabilities do not include savings deposits, or time deposits, open account that constitute deposits of individuals, such as Christmas club accounts and vacation club accounts that are made under written contracts providing that no withdrawal shall be made until a certain number of periodic deposits have been made during a period of not less than 3 months;

(ii) any obligation with an original maturity of less than one year that is issued or undertaken as a means of obtaining funds to be used in its banking business in the form of a promissory note, acknowledgment of advance, due bill, ineligible bankers' acceptance, repurchase agreement (except on a U.S. or agency security), or similar obligation (written or oral) issued to and held for the account of a domestic banking office or agency[15] of another commercial bank or trust company that is not required to maintain reserves

15. Any banking office or agency in any State of the United States or the District of Columbia of a bank organized under domestic or foreign law.

pursuant to this Part, a savings bank (mutual or stock), a building or savings and loan association, or cooperative bank, a credit union, or any agency of the United States, the Export-Import Bank of the United States, Minbanc Capital Corporation and the Government Development Bank for Puerto Rico;

(iii) any obligation with an original maturity of less than one year that is issued or undertaken as a means of obtaining funds to be used in its banking business in the form of a repurchase agreement arising from a transfer of direct obligations of, or obligations that are fully guaranteed as to principal and interest by, the United States or any agency thereof that the institution is obligated to repurchase (except repurchase agreements issued to a domestic banking office or agency of a member bank, or other organization that is required to maintain reserves under this part pursuant to the Federal Reserve Act,[16] or to a Federal Reserve Bank[17]) to the extent that the amount of such repurchase agreements exceeds the total amount of United States and agency securities held by the member bank in its trading account;

(iv) any obligation that arises from a borrowing by a member bank from a dealer in securities that is not a member bank or other organization that is required to maintain reserves pursuant to this Part,[16] for one business day, of proceeds of a transfer of deposit credit in a Federal Reserve Bank (or other immediately available funds), received by such dealer on the date of the loan in connection with clearance of securities transactions;

(v) borrowings with an original maturity of less than one year from foreign offices of other banks and from institutions that are exempt from interest rate limitations pursuant to § 217.3(g) of Regulation Q;

(vi) net balances due from the member bank's domestic offices to its foreign branches;

(vii) assets (including participations) held by the member bank's foreign branches that were acquired from the member bank's domestic offices; and

(viii) credit outstanding from its foreign branches to U.S. residents[18] (other than assets acquired and net balances due from its domestic offices). *Provided*, That this paragraph does not apply to credit extended (1) in the aggregate amount of $100,000 or less to any United States resident, (2) by a foreign branch which at no time during the computation period had credit outstanding to United States residents exceeding $1 million, (3) under binding commitments entered into before May 17, 1973, or (4) to an institution that will be maintaining reserves on such credit under paragraphs (c) or (f) of this section or under Regulation K.

Provided, however, That in no event shall the reserves required on a member bank's aggregate time and savings deposits be more than 10 per cent.

(2) *United States branches and agencies of foreign banks.* During the seven-day reserve maintenance period beginning November 8, 1979, a United States branch or agency of a foreign bank with worldwide banking assets in excess of $1 billion shall maintain a daily average reserve balance against its liabilities equal to 8 per cent of the amount by which the daily average of its total managed liabilities during the three seven-day computation periods beginning October 11, 18 and 25, 1979, exceeds the total of the institution's managed liabilities base. During the seven-day reserve maintenance period beginning November 15, 1979, and during each seven-day reserve maintenance period thereafter, a United States branch or agency of a foreign bank with worldwide banking assets in excess of $1 billion shall maintain a daily average reserve balance against its liabilities equal to 8 per cent of the amount by which the daily average of its total managed liabilities during the seven-day computation period ending eight days prior to the beginning of the corresponding seven-day reserve maintenance period exceeds the institution's managed liabilities base. In determining managed liabilities of United States branches and agencies, the managed liabilities of all United States branches and agencies of

16. Edge Corporations engaged in banking, Agreement Corporations, operations subsidiaries of member banks, and U.S. branches and agencies of foreign banks with worldwide banking assets in excess of $1 billion.

17. Repurchase agreements entered into with nonexempt entities, such as nonmember banks and nonbank dealers, are not subject to marginal reserve requirements if such agreements are intended to provide collateral to such nonexempt entities in order to engage in repurchase transactions with the Federal Reserve System Open Market Account.

18. (a) Any individual residing (at the time the credit is extended) in any State of the United States or the District of Columbia; (b) any corporation, partnership, association or other entity organized therein ("domestic corporation"); and (c) any branch or office located therein of any other entity wherever organized. Credit extended to a foreign branch, office, subsidiary, affiliate or other foreign establishment ("foreign affiliate") controlled by one or more such domestic corporations will not be deemed to be credit extended to a United States resident if the proceeds will be used in its foreign business or that of other foreign affiliates of the controlling domestic corporation(s).

the same foreign parent bank and of its majority-owned (greater than 50 per cent) foreign banking subsidiaries (the "family") shall be consolidated. Asset and liability amounts that represent intra-family transactions between United States branches and agencies of the same family shall not be included in computing the managed liabilities of the family. United States branches and agencies of the same family shall designate one U.S. office to be the reporting office for purposes of filing consolidated family reports required for determination of the family's marginal reserve requirements. The reporting office shall file reports and maintain marginal reserves required under this section for the family at the Federal Reserve Bank of the district in which the reporting office is located. For a family of United States branches and agencies that, on a daily average basis, is a net borrower of total managed liabilities during the fourteen-day base period ending September 26, 1979, the managed liabilities base for the family shall be the daily average of the family's total managed liabilities during the base period or $100 million, whichever is greater. For a family of United States branches and agencies that, on a daily average basis, is a net lender of total managed liabilities during the fourteen-day base period ending September 26, 1979, the managed liabilities base for the family shall be the sum of the family's negative total managed liabilities and $100 million. The total managed liabilities of a family are the total of each branch's and agency's:

(i)(A) time deposits of $100,000 or more with original maturities of less than one year;

(B) time deposits of $100,000 or more with original maturities of less than one year representing borrowings in the form of promissory notes, acknowledgements of advance, due bills, or similar obligations as provided in § 204.1(f);

(C) obligations with remaining maturities of less than one year represented by ineligible bankers' acceptances;

(D) credit balances of $100,000 or more with an original maturity of 30 days or more but less than one year. However, managed liabilities do not include savings deposits, or time deposits, open account that constitute deposits of individuals, such as Christmas club accounts and vacation club accounts that are made under written contracts providing that no withdrawal shall be made until a certain number of periodic deposits have been made during a period of not less than 3 months;

(ii) any obligation with an original maturity of less than one year that is issued or undertaken as a means of obtaining funds to be used in its banking business in the form of a promissory note, acknowledgement of advance, due bill, ineligible bankers' acceptance, repurchase agreement (except on a U.S. or agency security), or similar obligation (written or oral) issued to and held for the account of a domestic banking office or agency[15] of another commercial bank or trust company that is not required to maintain reserves pursuant to this Part, a savings bank (mutual or stock), a building or savings and loan association, a cooperative bank, a credit union, or an agency of the United States, the Export-Import Bank of the United States, Minbanc Capital Corporation and the Government Development Bank for Puerto Rico;

(iii) any obligation with an original maturity of less than one year that is issued or undertaken as a means of obtaining funds to be used in its banking business in the form of a repurchase agreement arising from a transfer of direct obligations of, or obligations that are fully guaranteed as to principal and interest by, the United States or any agency thereof that the institution is obligated to repurchase (except repurchase agreements issued to a domestic banking office or agency of a member bank, or other organization that is required to maintain reserves under this Part pursuant to the Federal Reserve Act,[16] or to a Federal Reserve Bank[17]) to the extent that the amount of such repurchase agreements exceeds the total amount of United States and agency securities held by the institution in its trading account;

(iv) any obligation that arises from a borrowing from a dealer in securities that is not a member bank or other organization that is required to maintain reserves pursuant to this Part,[16] for one business day, of proceeds of a transfer of deposit credit in a Federal Reserve Bank (or other immediately available funds), received by such dealer on the date of the loan in connection with clearance of securities transactions;

(v) borrowings with an original maturity of less than one year from foreign offices of other banks and from institutions that are exempt from interest rate limitations pursuant to § 217.3(g) of Regulation Q;

(vi) assets (including participations) held by the foreign parent bank (including branches and agencies located outside the States of the United States and the District of Columbia) and by the foreign parent's majority-owned (greater than 50 per cent) foreign subsidiaries (including branches and agencies located outside the States of the United States and the District of Columbia) or parent holding company that were acquired from the U.S. branch or agency (other than assets required to be sold by the Federal supervisory authority of the branch or agency); and

(vii) net balances due to the family's foreign parent bank (including branches and agencies located outside the States of the United States and the District of Columbia) and to the foreign parent's majority-owned (greater than 50 per cent) foreign banking subsidiaries (including branches and agencies located outside the States of the United States and the District of Columbia) or parent holding company, after deducting an amount equal to 8 per cent of the U.S. branch and agency family's total assets (not including cash, cash items in the process of collection, or balances due from the foreign parent bank (including branches and agencies located outside the States of the United States and the District of Columbia), the parent's majority-owned (greater than 50 per cent) subsidiaries (including branches and agencies located outside the States of the United States and the District of Columbia) or parent holding company, and balances due from unrelated banks).

Any excess or deficiency in the marginal reserve balances required under this paragraph shall be subject to § 204.3 of this Part.

Amendments to Electronic Fund Transfers

The Board of Governors has adopted in final form (1) additional sections of Regulation E to implement certain provisions of the Electronic Fund Transfer Act that take effect May 10, 1980, and (2) amendments to existing sections of Regulation E.

Regulation E, is amended as follows:

1. Section 205.2 is amended, effective May 10, 1980, by deleting the last sentence of paragraph (i), by redesignating paragraph (j) as (k), by adding new paragraph (j), by redesignating paragraph (k) as (l), and by revising paragraph (3) of new § 205.2(l), o read as follows:

Section 205.2—Definitions

* * * * *

(j) "Preauthorized electronic fund transfer" means an electronic fund transfer authorized in advance to recur at substantially regular intervals.

(k) "State"***

(l) "Unauthorized electronic fund transfer"***

(3) that is initiated by the financial institution or its employee.

2. Section 205.3 is amended, effective November 15, 1979, by revising the introductory statement and paragraphs (c) and (d), to read as follows:

Section 205.3—Exemptions

The Act and this regulation do not apply to the following:

* * * * *

(c) *Certain securities or commodities transfers.* Any transfer the primary purpose of which is the purchase or sale of securities or commodities regulated by the Securities and Exchange Commission or the Commodity Futures Trading Commission.

(d) *Certain automatic transfers.* Any transfer under an agreement between a consumer and a financial institution which provides that the institution will initiate individual transfers without a specific request from the consumer.

(1) Between a consumer's accounts within the financial institution, such as a transfer from a checking account to a savings account;

(2) Into a consumer's account by the financial institution, such as the crediting of interest to a savings account (except that the financial institution is subject to §§ 913(2), 915, and 916 of the Act); or

(3) From a consumer's account to an account of the financial institution, such as a loan payment (except that the financial institution is subject to §§ 913(1), 915, and 916 of the Act).

* * * * *

3. Section 205.4 is redesignated as § 205.5, and new § 205.4 is added, effective May 10, 1980, to read as follows:

Section 205.4—Special Requirements

(a) *Services offered by two or more financial institutions.* Two or more financial institutions that jointly provide electronic fund transfer services may contract among themselves to comply with the requirements that this regulation imposes on any or all of them. When making disclosures under §§ 205.7 and 205.8, a financial institution that provides electronic fund transfer services under an agreement with other financial institutions need make only those disclosures which are within its knowledge and the purview of its relationship with the consumer for whom it holds an account.

(b) *Services offered by financial institutions not holding a consumer's account.*

* * * * *

[See accompanying proposed rules document for § 205.4(b).]

(c) *Multiple accounts and account holders.* (1) If a consumer holds two or more accounts at a financial institution, the institution may combine the disclosures required by the regulation into one statement (for example, the financial institution may mail or deliver a single periodic statement or annual error resolution notice to a consumer for multiple accounts held by that consumer at that institution).

(2) If two or more consumers hold a joint account from or to which electronic fund transfers can be made, the financial institution need provide only one set of the disclosures required by the regulation for each account.

(d) *Additional information; disclosures required by other laws.* At the financial institution's option, additional information or disclosures required by other laws (for example, Truth in Lending disclosures) may be combined with the disclosures required by this regulation.

4. New § 205.5 is amended, effective May 10, 1980, by revising paragraph (b)(2) and by deleting paragraph (d), to read as follows:

Section 205.5—Issuance of Access Devices

* * * * *

(b) *Exception.****

(1) ***

(2) The distribution is accompanied by a complete disclosure, in accordance with § 205.7(a), of the consumer's rights and liabilities that will apply if the access device is validated;

* * * * *

5. Old § 205.5 is amended, effective November 15, 1979, by redesignating it as § 205.6 and by revising paragraphs (a)(3)(i) and (b), to read as follows:

Section 205.6—Liability of Consumer for Unauthorized Transfers

(a) *General rule.****

(3) ***

(i) A summary of the consumer's liability under this section, or under other applicable law or agreement, for unauthorized electronic fund transfers and, at the financial institution's option, notice of the advisability of promptly reporting loss or theft of the access device or unauthorized transfers.

* * * * *

(b) *Limitations on amount of liability.* The amount of a consumer's liability for an unauthorized electronic fund transfer or a series of related unauthorized transfers shall not exceed $50 or the amount of unauthorized transfers that occur before notice to the financial institution under paragraph (c) of this section, whichever is less, unless one or both of the following exceptions apply:

* * * * *

6. Sections 205.7, 205.8, 205.10(b), (c), and (d), 205.12, and 205.13 are added, effective May 10, 1980, to read as follows:

Section 205.7—Initial Disclosure of Terms and Conditions

(a) *Content of disclosures.* At the time a consumer contracts for an electronic fund transfer service or before the first electronic fund transfer is made involving a consumer's account, a financial institution shall disclose to the consumer, in a readily understandable written statement, the following terms and conditions of the electronic fund transfer service, as applicable:

(1) A summary of the consumer's liability under § 205.6, or other applicable law or agreement, for unauthorized electronic fund transfers and, at the financial institution's option, the advisability of promptly reporting loss or theft of the access device or unauthorized transfers.

(2) The telephone number and address of the person or office to be notified when the consumer believes that an unauthorized electronic fund transfer has been or may be made.

(3) The financial institution's business days, as determined under § 205.2(d).

(4) The type of electronic fund transfers that the consumer may make and any limitations on the frequency and dollar amount of transfers. The details of the limitations need not be disclosed if their confidentiality is essential to maintain the security of the electronic fund transfer system.

(5) Any charges for electronic fund transfers or for the right to make transfers.

(6) A summary of the consumer's right to receive documentation of electronic fund transfers, as provided in §§ 205.9, 205.10(a), and 205.10(d).

(7) A summary of the consumer's right to stop payment of a preauthorized electronic fund transfer

and the procedure for initiating a stop-payment order, as provided in § 205.10(c).

(8) A summary of the financial institution's liability to the consumer for its failure to make or to stop certain transfers under § 910 of the Act.

(9) The circumstances under which the financial institution in the ordinary course of business will disclose information to third parties concerning the consumer's account.

(10) A notice that is substantially similar to the following notice concerning error resolution procedures and the consumer's rights under them:

In Case of Errors or Questions About Your Electronic Transfers

Telephone us at [insert telephone number]

or

Write us at [insert address]

as soon as you can, if you think your statement or receipt is wrong or if you need more information about a transfer listed on the statement or receipt. We must hear from you no later than 60 days after we sent you the *first* statement on which the problem or error appeared.

(1) Tell us your name and account number (if any).

(2) Describe the error or the transfer you are unsure about, and explain as clearly as you can why you believe it is an error or why you need more information.

(3) Tell us the dollar amount of the suspected error.

If you tell us orally, we may require that you send us your complaint or question in writing within 10 business days.

We will tell you the results of our investigation within 10 business days after we hear from you and will correct any error promptly. If we need more time, however, we may take up to 45 days to investigate your complaint or question. If we decide to do this, we will recredit your account within 10 business days for the amount you think is in error, so that you will have the use of the money during the time it takes us to complete our investigation. If we ask you to put your complaint or question in writing and we do not receive it within 10 business days, we may not recredit your account.

If we decide that there was no error, we will send you a written explanation within 3 business days after we finish our investigation. You may ask for copies of the documents that we used in our investigation.

(b) *Timing of disclosures for accounts in existence on May 10, 1980.* A financial institution shall mail or deliver to the consumer the information required by paragraph (a) of this section on or before June 9, 1980, or with the first periodic statement required by § 205.9(b) after May 10, 1980, whichever is earlier, for any account that is open on May 10, 1980, and

(1) From or to which electronic fund transfers were made prior to May 10, 1980;

(2) With respect to which a contract for such transfers was entered into between a consumer and a financial institution; or

(3) For which an access device was issued to a consumer.

Section 205.8—Change in Terms; Error Resolution Notice

(a) *Change in terms.* A financial institution shall mail or deliver a written notice to the consumer at least 21 days before the effective date of any change in a term or condition required to be disclosed under § 205.7(a) if the change would result in increased fees or charges, increased liability for the consumer, fewer types of available electronic fund transfers, or stricter limitations on the frequency or dollar amounts of transfers. Prior notice need not be given where an immediate change in terms or conditions is necessary to maintain or restore the security of an electronic fund transfer system or account. However, if a change required to be disclosed under this paragraph is to be made permanent, the financial institution shall provide written notice of the change to the consumer on or with the next regularly scheduled periodic statement or within 30 days, unless disclosure would jeopardize the security of the system or account.

(b) *Error resolution notice.* For each account from or to which electronic fund transfers can be made, a financial institution shall mail or deliver to the consumer, at least once each calendar year, the notice set forth in § 205.7(a)(10). Alternatively, a financial institution may mail or deliver a notice that is substantially similar to the following notice on or with each periodic statement required by § 205.9(b):

In Case of Errors or Questions About Your Electronic Transfers

Telephone us at [insert telephone number]

or

Write us at [insert address]

as soon as you can, if you think your statement or receipt is wrong or if you need more information about a transfer on the statement or receipt. We must hear from you no later than 60 days after we sent you the *first* statement on which the error or problem appeared.

(1) Tell us your name and account number (if any).

(2) Describe the error or the transfer you are unsure about, and explain as clearly as you can why you believe there is an error or why you need more information.

(3) Tell us the dollar amount of the suspected error.

We will investigate your complaint and will correct any error promptly. If we take more than 10 days to do this, we will recredit your account for the amount you think is in error, so that you will have use of the money during the time it takes us to complete our investigation.

Section 205.10—Preauthorized Transfers

(a) *Preauthorized transfers to a consumer's account.*

* * * * *

[See accompanying proposed rules document for § 205.10(a).]

(b) *Preauthorized transfers from a consumer's account; writen authorization.* Preauthorized electronic fund transfers from a consumer's account may be authorized by the consumer only in writing, and a copy of the authorization shall be provided to the consumer by the party that obtains the authorization from the consumer.

(c) *Consumer's right to stop payment.* A consumer may stop payment of a preauthorized electronic fund transfer from the consumer's account by notifying the financial institution orally or in writing at any time up to 3 business days before the scheduled date of the transfer. The financial institution may require written confirmation of the stop-payment order to be made within 14 days of an oral notification if, when the oral notification is made, the requirement is disclosed to the consumer together with the address to which confirmation should be sent. If written confirmation has been required by the financial institution, the oral stop-payment order shall cease to be binding 14 days after it has been made.

(d) *Notice of transfers varying in amount.* Where a preauthorized electronic fund transfer from the consumer's account varies in amount from the previous transfer relating to the same authorization, or the preauthorized amount, the financial institution or the designated payee shall mail or deliver, at least 10 days before the scheduled transfer date, a written notice of the amount and scheduled date of the transfer. If the financial institution or designated payee informs the consumer of the right to receive notice of all varying transfers, the consumer may elect to receive notice only when a transfer does not fall within a specified range of amounts or, alternatively, only when a transfer differs from the most recent transfer by more than an agreed-upon amount.

Section 205.12—Relation to State Law

(a) *Preemption of inconsistent state laws.* The Board shall determine, upon the request of any state, financial institution, or other interested party, whether the Act and this regulation preempt state laws relating to electronic fund transfers. Only those state laws that are inconsistent with the Act and this regulation shall be preempted and then only to the extent of the inconsistency. A state law is not inconsistent with the Act and this regulation if it is more protective of a consumer.

(b) *Standards for preemption.* The following are examples of the standards the Board will apply in determining whether a state law, or a provision of that law, is inconsistent with the Act and this regulation. Inconsistency may exist when state law

(1) Requires or permits a practice or act prohibited by the Act or this regulation;

(2) Provides for consumer liability for unauthorized electronic fund transfers which exceeds that imposed by the Act and this regulation;

(3) Provides for longer time periods than the Act and this regulation for investigation and correction of errors alleged by a consumer, or fails to provide for the recrediting of the consumer's account during the institution's investigation of errors as set forth in § 205.11(c); or

(4) Provides for initial disclosures, periodic statements, or receipts that are different in content from that required by the Act and this regulation except to the extent that the disclosures relate to rights granted to consumers by the state law and not by the Act or this regulation.

(c) *Procedures for preemption.* Any request for a determination shall include the following:

(1) A copy of the full text of the state law in question, including any regulatory implementation or judicial interpretation of that law;

(2) A comparison of the provisions of state law

with the corresponding provisions in the Act and this regulation, together with a discussion of reasons why specific provisions of state law are either consistent or inconsistent with corresponding sections of the Act and this regulation; and

(3) A comparison of the civil and criminal liability for violation of state law with the provisions of §§ 915 and 916(a) of the Act.

(d) *Exemption for state-regulated transfers.* (1) Any state may apply to the Board for an exemption from the requirements of the Act and the corresponding provisions of this regulation for any class of electronic fund transfers within the state. The Board will grant such an exemption if the Board determines that

(i) Under the law of the state that class of electronic fund transfers is subject to requirements substantially similar to those imposed by the Act and the corresponding provisions of this regulation, and

(ii) There is adequate provision for state enforcement.

(2) To assure that the federal and state courts will continue to have concurrent jurisdiction, and to aid in implementing the Act:

(i) No exemption shall extend to the civil liability provisions of § 915 of the Act; and

(ii) After an exemption has been granted, for the purposes of § 915 of the Act, the requirements of the applicable state law shall constitute the requirements of the Act and this regulation, except to the extent the state law imposes requirements not imposed by the Act or this regulation.

Section 205.13—Administrative Enforcement

(a) *Enforcement by federal agencies.* (1) Administrative enforcement of the Act and this regulation for certain financial institutions is assigned to the Comptroller of the Currency, Board of Governors of the Federal Reserve System, Board of Directors of the Federal Deposit Insurance Corporation, Federal Home Loan Bank Board (acting directly or through the Federal Savings and Loan Insurance Corporation), National Credit Union Administration Board, Civil Aeronautics Board, and Securities and Exchange Commission.

(2) Except to the extent that administrative enforcement is specifically committed to other authorities, compliance with the requirements imposed under the Act and this regulation is enforced by the Federal Trade Commission.

(b) *Issuance of staff interpretations.* (1) Unofficial staff interpretations are issued at the staff's discretion where the protection of § 915(d) of the Act is neither requested nor required, or where a rapid response is necessary.

(2)(i) Official staff interpretations are issued at the discretion of designated officials. No interpretations will be issued approving financial institutions' forms or statements. Any request for an official staff interpretation of this regulation shall be made in writing and addressed to the Director of the Division of Consumer Affairs, Board of Governors of the Federal Reserve System, Washington, D.C. 20551. The request shall contain a complete statement of all relevant facts concerning the transfer or service, and shall include copies of all pertinent documents.

(ii) Within 5 business days of receipt of a request, an acknowledgment will be sent to the person making the request. If the designated officials deem issuance of an official staff interpretation to be appropriate, the interpretation will be published in the *Federal Register* to become effective 30 days after the publication date. If a request for public comment is received, the effective date will be suspended. The interpretation will then be republished in the *Federal Register* and the public given an opportunity to comment. Any official staff interpretation issued after opportunity for public comment shall become effective upon publication in the *Federal Register*.

(3) Any request for public comment on an official staff interpretation of this regulation shall be made in writing and addressed to the Secretary, Board of Governors of the Federal Reserve System, Washington, D.C. 20551. It must be postmarked or received by the Secretary's office within 30 days of the interpretation's publication in the *Federal Register*. The request shall contain a statement setting forth the reasons why the person making the request believes that public comment would be appropriate.

(4) Pursuant to § 915(d) of the Act, the Board has designated the Director and other officials of the Division of Consumer Affairs as officials "duly authorized" to issue, at their discretion, official staff interpretations of this regulation.

(c) *Record retention.* (1) Evidence of compliance with the requirements imposed by the Act and this regulation shall be preserved by any person subject to the Act and this regulation for a period of not less than 2 years. Records may be stored by use of microfiche, microfilm, magnetic tape, or other methods capable of accurately retaining and reproducing information.

(2) Any person subject to the Act and this

regulation that has actual notice that it is being investigated or is subject to an enforcement proceeding by an agency charged with monitoring that person's compliance with the Act and this regulation, or that has been served with notice of an action filed under §§ 915 or 916(a) of the Act, shall retain the information required in paragraph (c)(1) of this section that pertains to the action or proceeding until final disposition of the matter, unless an earlier time is allowed by order of the agency or court.

7. Appendix A is amended, effective May 10, 1980, by revising the introductory statement and by adding §§ A(8)(a), (c), and (d), (9), and (10), to read as follows:

Appendix A—Model Disclosure Clauses

This appendix contains model disclosure clauses for optional use by financial institutions to facilitate compliance with the disclosure requirements of §§ 205.5(a)(3), (b)(2), and (b)(3), 205.6(a)(3), and 205.7. Section 915(d)(2) of the Act provides that use of these clauses in conjunction with other requirements of the jgulation will protect financial institutions from liability under §§ 915 and 916 of the Act to the extent that the clauses accurately reflect the institutions' electronic fund transfer services.

Financial institutions need not use any of the clauses, but may use clauses of their own design in conjunction with the model clauses. The inapplicable words or portions of phrases in parentheses should be deleted. The underscored catchlines are not part of the clauses and should not be used as such. Financial institutions may make alterations, substitutions, or additions in the clauses in order to reflect the services offered, such as technical changes (e.g., substitution of a trade name for the word "card," deletion of inapplicable services, or substitution of lesser liability limits in § A(2)). Sections A(3) and A(9) include references to a telephone number and address. Where two or more of these clauses are used in a disclosure, the telephone number and address need not be repeated if referenced.

*   *   *   *   *

Section A(8)—Disclosure of Right to Receive Documentation of Transfers (§§ 205.5(b)(2), 205.7(a)(6))

(a) *Terminal transfers.* You can get a receipt at the time you make any transfer to or from your account using one of our (automated teller machines) (or) (point-of-sale terminals).

(b) *Preauthorized credits.*

*   *   *   *   *

[See accompanying proposed rules document for § A(8)(b).]

(c) *Periodic statements.* You will get a (monthly)(quarterly) account statement (unless there are no transfers in a particular month. In any case you will get the statement at least quarterly).

(d) *Passbook account where the only possible electronic fund transfers are preauthorized credits.* If you bring your passbook to us, we will record any electronic deposits that were made to your account since the last time you brought in your passbook.

Section A(9)—Disclosure of Right to Stop Payment of Preauthorized Transfers, Procedure for Doing So, Right to Receive Notice of Varying Amounts, and Financial Institution's Liability for Failure to Stop Payment (§§ 205.5(b)(2), 205.7(a)(6), (7), and (8))

(a) *Right to stop payment and procedure for doing so.* If you have told us in advance to make regular payments out of your account, you can stop any of these payments. Here's how:

Call us at [insert telephone number], or write us at [insert address], in time for us to receive your request 3 business days or more before the payment is scheduled to be made. If you call, we may also require you to put your request in writing and get it to us within 14 days after you call. (We will charge you [insert amount] for each stop-payment order you give.)

(b) *Notice of varying amounts.* If these regular payments may vary in amount, (we) (the person you are going to pay) will tell you, 10 days before each payment, when it will be made and how much it will be. (You may choose instead to get this notice only when the payment would differ by more than a certain amount from the previous payment, or when the amount would fall outside certain limits that you set.)

(c) *Liability for failure to stop payment of preauthorized transfer.* If you order us to stop one of these payments 3 business days or more before the transfer is scheduled, and we do not do so, we will be liable for your losses or damages.

Section A(10)—Disclosure of Financial Institution's Liability for Failure to Make Transfers (§§ 205.5(b)(2), 205.7(a)(8))

(a) *Liability for failure to make transfers.* If we do not properly complete a transfer to or from your account according to our agreement with you, we will be liable for your losses or damages. However, there are some exceptions. We will not be liable, for instance:

- If, through no fault of ours, your account does not contain enough money to make the transfer.
- If the transfer would go over the credit limit on your overdraft line.
- If the automated teller machine where you are making the transfer does not have enough cash.
- If the (terminal) (system) was not working properly and you knew about the breakdown when you started the transfer.
- If circumstances beyond our control (such as fire or flood) prevent the transfer.
- There may be other exceptions.

Amendment to Regulation Y

The Board of Governors has amended its Regulation Y to provide that the sale of general insurance by bank holding companies in communities with populations not exceeding 5,000 is an activity "closely related" to banking.

Effective December 5, 1979, section 225.4(a) is amended by revising subparagraph (9)(iii) to read as follows:

Section 225.4—Nonbanking Activities

(a) Activities closely related to banking or managing or controlling banks.

* * * * *

(9) acting as insurance agent or broker in offices at which the holding company or its subsidiaries are otherwise engaged in business (or in an office adjacent thereto) with respect to the following types of insurance:

* * * * *

(iii) any insurance sold by a bank holding company or a nonbanking subsidiary in a community that has a population not exceeding 5,000 (as shown by the last preceeding decennial census) provided the principal place of banking business of the bank holding company is located in a community having a population not exceeding 5,000.

Amendments to Regulation Y, Rules of Procedure, and Rules Regarding Delegation of Authority

The Board of Governors has amended its regulations to assign responsibility for receiving applications and reports from a foreign bank that does not have a subsidiary bank in the United States to the Federal Reserve Bank of the district in which banking assets of the foreign bank are the largest. In addition, the Board has amended its regulations to transfer primary responsibility for the supervision, examination, and processing of applications of an Edge Corporation from the Reserve Bank of the district in which such Corporation is located to the Reserve Bank responsible for supervising the Corporation's parent holding company or bank.

Bank Holding Companies and Change in Bank Control

Effective October 24, 1979, Bank Holding Companies and Change in Bank Control, Regulation Y, is amended by revising §§ 225.1(c) and 225.4(g)(3) to read as follows:

Section 225.1— Authority, Scope, and Definitions

* * * * *

(c) *Federal Reserve Bank.* The term "Federal Reserve Bank" as used in this Part with respect to action by, on behalf of, or directed to be taken by a bank holding company or other organization shall mean either the Federal Reserve Bank of the Federal Reserve district in which the operations of the bank holding company or other organization are principally conducted, as measured by total deposits held or controlled by it in subsidiary banks on the date on which it became, or is to become, a bank holding company, or such Reserve Bank as the Board may designate. In the case of a foreign banking organization that is not a bank holding company but which has one or more branches, agencies, or commercial lending companies located in any State of the United States or the District of Columbia, "Federal Reserve Bank" shall mean, unless otherwise determined by the Board, the Reserve Bank of the district in which its banking assets are the largest as of the later of January 1, 1980, or the date that it establishes its first branch, agency, or commercial lending company. With respect to notices filed and other actions taken under the Control Act, the term refers to the Federal Reserve Bank for institution to be acquired, as determined by the preceding sentence in the case of bank holding companies and by section 9 of the Federal Reserve Act in the case of State member banks.

* * * * *

Section 225.4—Nonbanking Activities

* * * * *

(g) *Foreign bank holding companies.*

* * * * *

(3) A foreign bank holding company that is of the opinion that other activities or investments may, in particular circumstances, meet the conditions for an exemption under section 4(c)(9) of the Act may apply to the Board for such determination by submitting to its Reserve Bank a letter setting forth the basis for that opinion.

Rules of Procedure

Effective October 24, 1979, Rules of Procedure is amended by deleting § 262.3(k)(5) and by revising § 262.3(c) to read as follows:

Section 262.3—Applications

* * * * *

(c) *Filing of applications.* Any application should be sent to the Federal Reserve Bank of the district in which the head office of the parent banking organization is located, except as otherwise specified on application forms, and that Bank will forward it to the Board when appropriate; however, in the case of a foreign bank holding company, as defined in section 225.4(g) of this chapter, applications shall be sent to the Federal Reserve Bank of the district in which the operations of the organization's subsidiary banks are principally conducted. In the case of a foreign banking organization that is not a bank holding company but that has one or more branches, agencies, or commercial lending companies in any State of the United States or the District of Columbia, applications shall be sent to the Federal Reserve Bank of the district in which the organization's banking assets are the largest. Applications of a member bank subsidiary, however, should be filed with the Reserve Bank of the district in which the member bank is located.

Rules Regarding Delegation of Authority

Effective October 24, 1979, Rules Regarding Delegation of Authority is amended by revising § 265.2(f) to read as follows:

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

* * * * *

(f) *Each Federal Reserve Bank* is authorized as to a member bank or other indicated organization for which the Reserve Bank is responsible for receiving applications or registration statements; as to its officers under subparagraph (23) of this paragraph; and as to its own facilities under subparagraph (26) of this paragraph:

* * * * *

Adoption of Rules Regarding Foreign Gifts and Decorations

Effective November 1, 1979, the Board of Governors has adopted a new regulation, Rules Regarding Foreign Gifts and Decorations pursuant to the requirement of section 515(g)(1) of Public Law 95-105, the Foreign Gifts and Decorations Act, as amended.

Part 264b—Rules Regarding Foreign Gifts and Decorations

Section 264b.1	Purpose and Scope
Section 264b.2	Definitions
Section 264b.3	Foreign Gifts
Section 264b.4	Foreign Decorations
Section 264b.5	Disposal of Foreign Gifts and Decorations
Section 264b.6	Official Use of Foreign Gifts and Decorations
Section 264.b7	Reporting Requirements
Section 264b.8	Implementing Procedures
Section 264b.9	Miscellaneous

Authority. 5 U.S.C. § 7342, as amended; and section 11(i) of the Federal Reserve Act, 12 U.S.C. § 248(i), 5 U.S.C. § 552.

Section 264b.1—Purpose and Scope

This regulation implements the 1977 Amendments to the Foreign Gifts and Decorations Act, Pub. L. 95-105, which restricts Board Members' and employees' acceptance of foreign gifts and decorations. The restrictions apply to gifts whether they are tangible or intangible. Different rules apply depending on whether the gift has only "minimal value." There are also rules regarding acceptance of decorations from foreign governments.

Section 264b.2—Definitions

(a) The term "Board Members and employees" means:

(1) Members of the Board of Governors of the Federal Reserve System, officers, and other employees of the Board;

(2) Consultants while employed by the Board and acting on behalf of the Board; and

(3) Spouses and dependents of Board Members, officers, employees, and consultants as defined in this section.

(b) The term "foreign government" means any unit of a foreign governmental authority (or its agent or representative), including any foreign, national, state, local, or municipal government, and any international or multinational organization whose membership is composed of any such units.

(c) The term "decoration" means an order, device, medal, badge, insignia, emblem, or award.

Section 264b.3—Foreign Gifts

Except as provided below, Board Members and employees shall not request, or otherwise encourage the tender of, or accept, or retain, a tangible or intangible gift from a foreign government.

(a) *Gifts to Minimal Value.* Board members and employees may accept and retain a tangible or intangible gift of minimal value—that is, one having a retail value in the United States at the time of acceptance of $100 or less—from a foreign government intended as a sourvenir or mark of courtesy.

(b) *Educational Scholarships or Medical Treatment.* Board Members and employees may accept and retain a gift of more than minimal value from a foreign government when such gift is in the nature of an educational scholarship or medical treatment.

(c) *Tangible Gifts of More Than Minimal Value.* A tangible gift of more than minimal value tendered by a foreign government may be accepted when it appears that to refuse the gift would likely cause offense or embarrassment or otherwise adversely affect the foreign relations of the United States. Such a gift accepted under these circumstances is deemed to have been accepted on behalf of the United States, and, upon acceptance, it shall become the property of the United States. Within 60 days after accepting a gift under these circumstances the member or employee must deposit the gift with the Secretary of the Board.

(d) *Travel or Expenses for Travel.* Board Members and employees may accept gifts of travel or expenses for travel taking place entirely outside the United States (such as transportation, food, and lodging) of more than minimal value if such acceptance is appropriate, consistent with the interests of the United States, and is permitted by the Board. Requests for Board approval of acceptance of such expenses shall be submitted to the Vice Chairman of the Board.

Section 264b.4—Foreign Decorations

Board Members and employees may accept, retain, and wear a decoration tendered in recognition of active field service in time of combat operations or awarded for other outstanding or unusually meritorious performance by a foreign government, subject to the approval of the Board. Without this approval, the decoration is deemed to have been accepted on behalf of the United States, shall become the property of the United States, and shall be deposited by the Board Member or employee, within 60 days of acceptance, with the Secretary of the Board for official use or disposal. Requests for Board approval of acceptance of such decorations shall be submitted in advance to the Vice Chairman of the Board.

Section 264b.5—Disposal of Foreign Gifts and Decorations

Within 30 days after a tangible gift or decoration is deposited for disposal with the Secretary of the Board, the gift or decoration shall be returned to the donor, or shall be forwarded to the Administrator of General Services for transfer, donation, or other disposal in accordance with applicable law, or shall be retained for official use of the Board.

Section 264b.6—Official Use of Foreign Gifts and Decorations

A foreign gift or decoration deposited with the Secretary of the Board may, with the approval of the Board, be retained for official Board use. The Secretary shall insure that, whenever possible, "official Board use" of such a gift will benefit the greatest number of Board employees and/or the public. Within 30 days after terminating the "official use" of a foreign gift, the Board shall report the termination of the official use to the Administrator of the General Services, in accordance with applicable GSA regulations.

Section 264b.7—Reporting Requirements

(a) When a Board Member or employee deposits a tangible gift or decoration of more than minimal value for disposal or for official use, or within 30 days after a Board Member or employee accepts travel or travel expenses as provided in this section, the Board Member or employee shall file a statement with the Secretary of the Board containing the information prescribed in paragraphs (b) and (c) that follow.

(b) For each tangible gift or decoration deposited with the Secretary of the Board, a Board Member or employee shall file a statement which shall include the following information:

(1) The name and position of the employee;

(2) A full description of the gift and the circumstances justifying acceptance;

(3) The identity of the foreign government and the name and position of the individual who presented the gift;

(4) The date of acceptance of the gift;

(5) The estimated value in the United States of the gift at the time of acceptance;

(6) Disposition or current location of the gift; and

(7) An indication whether the Board Member or employee is interested in participating in the sale of the tangible gift or decoration if it is sold by the General Services Administration.

(c) For each gift of travel or travel expenses accepted, a Board Member or employee shall file a statement which shall include the following information:

(1) The name and position of the employee;

(2) A brief description of the travel or travel expenses, including the amount, or estimated costs, and the circumstances justifying acceptance; and

(3) The identity of the foreign government and the name and position of the individual who provided the travel or travel expenses.

(d) Board Members and employees need not report the following gifts and decorations:

(1) Gifts of minimal value;

(2) Decorations retained by the employee with the approval of the Board;

(3) Gifts and decorations offered but refused by the Board Member or employee.

(e) Not later than January 31 of each year, the Secretary of the Board shall compile a listing of all statements filed during the preceding year by Board Members and employees pursuant to this section and shall transmit such listing to the Secretary of State for the purpose of publishing a listing of all such statements in the *Federal Register*.

Section 264b.8—Implementing Procedures

The Board shall

(a) Report to the Attorney General cases in which there is reason to believe that a Board Member or employee has violated this section;

(b) Establish a procedure in the Office of the Secretary of the Board for obtaining an appraisal, when necessary, of the value of gifts; and

(c) Take any other actions necessary to carry out the purpose of this subsection, including appropriate disciplinary action for failure to comply with provisions of this Part.

Section 264b.9—Miscellaneous

The provisions of this Part do not apply to grants and other forms of assistance to which section 108A of the Mutual Educational and Cultural Exchange Act of 1961 applies.

Interpretation of Regulation Q

The Board of Governors has modified an existing interpretation of Regulation Q concerning the Federal funds market to include credit unions within the category of institutions from whom member banks may borrow Federal funds.

217.137—Member bank participation in "Federal funds" market:

Since the adoption of section 217.1(f) in 1966, an exemption from Regulation Q has existed for member bank obligations in nondeposit form to another bank. As used in such exemption, "bank" includes a member bank, a nonmember commercial bank, a savings bank (mutual or stock), a building or savings and loan association or cooperative bank, the Export-Import Bank of the United States, Minbanc Capital Corp., a foreign bank, or a credit union. It also includes bank subsidiaries that engage in business in which their parents are authorized to engage and subsidiaries the stock of which is by statute explicitly eligible for purchase by national banks. These institutions are considered to be "banks" also for the purposes of Regulation D (12 CFR 204).***

* * * * *

Bank Holding Company and Bank Merger Orders Issued by the Board of Governors

Orders Under Section 3 of Bank Holding Company Act

National Detroit Corporation,
Detroit, Michigan

Order Approving Acquisition of Bank

National Detroit Corporation, Detroit, Michigan, a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval under § 3(a)(3) of the Act (12 U.S.C. § 1842(a)(3)) to acquire 80 percent or more of the voting shares of Farmers and Merchants National Bank in Benton Harbor ("Bank"), Benton Harbor, Michigan.

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

Applicant, the largest banking organization in Michigan, controls nine banks with total deposits of approximately $5.9 billion, representing 15.9 percent of total deposits in commercial banks in the state.[1] Acquisition of Bank, the 55th largest banking organization in Michigan, with deposits of $107.8 million, would increase Applicant's share of commercial bank deposits in Michigan by 0.3 percent.

Bank is the largest of eleven banking organizations located in the Benton Harbor-St. Joseph banking market (the relevant banking market)[2] and controls 25.6 percent of the total deposits in commercial banks therein. Applicant's closest subsidiary banking office is located approximately 43 miles from an office of Bank, in a separate banking market, and no existing competition between Bank and any of Applicant's subsidiary banks would be eliminated by consummation of this proposal.

Notwithstanding the absence of any significantly adverse effects of the proposal upon existing competition, the Board is concerned, particularly in light of Bank's market share, with the adverse effects the proposal will have upon probable future competition within the Benton Harbor-St. Joseph banking market. Based upon the facts of record, including Applicant's ability to expand de novo, Applicant must be viewed as a likely potential entrant into the Benton Harbor-St. Joseph market, which contains five banks that could serve as foothold entry points. Such factors indicate this proposal has some adverse impact on probable future competition.

The above considerations, however, are mitigated by the fact that at least seven out of the nine largest Michigan bank holding companies would remain as possible entrants into the market. Furthermore, the relevant market, which can be characterized as moderately concentrated, does not appear from the facts of record to be particularly attractive for de novo entry.[3] In addition, none of the possible foothold entries are located within the community of Benton Harbor, and under Michigan law entry thereby into Benton Harbor would be precluded. In light of the above and other facts of record, the Board is unable to conclude that consummation of the proposal would have such adverse competitive effects as to clearly warrant denial of the application.

With respect to concentration of banking resources in Michigan, the Board notes that approval of this acquisition would increase Applicant's share of statewide commercial bank deposits to 16.2 percent. The Board continues to monitor statewide banking structures in general and, more specifically, the size disparity between the large banking organizations operating statewide and the smaller regional banking organizations. The Board is concerned with the possibility that continued approval of acquisition or merger proposals involving large statewide bank holding companies and relatively sizeable banking organizations may perpetuate this size disparity and increase concentration ratios, but does not regard Bank as having sufficient absolute size so that consummation would have a significant adverse effect upon statewide concentration. Nevertheless, under sec-

1. Banking data are as of June 30, 1978, and reflect bank holding company formations and acquisitions approved as of September 30, 1979.

2. The Benton Harbor-St. Joseph banking market is approximated by the northern two-thirds of Berrien County plus the western half of Van Buren County, Michigan.

3. Data indicate that in 1977 the market's population and deposits per banking office and per capita deposits are all below comparable statewide averages.

tion 3(c) of the Act, the Board is not required to tolerate increases in banking concentration inconsistent with the underlying purpose of the Clayton Act as incorporated in the Bank Holding Company Act (see *Brown Shoe Co.* v. *United States*, 370 U.S. 294, 317-18). In acting upon the subject proposal the Board was mindful of these considerations and concerns.

After considering the overall impact of consummation of this proposal, the Board has concluded that approval of this application would generally be in the public interest. The Board recognizes that consummation of the proposal would have some adverse competitive effects in the Benton Harbor-St. Joseph banking market, as well as an adverse effect upon the banking structure in Michigan. However, the Board does not believe that the adverse effects on competition within the Benton Harbor-St. Joseph market and concentration within Michigan are so adverse as to require denial of the proposal.

The financial and managerial resources of Applicant, its subsidiaries, and Bank are regarded as satisfactory and the future prospects of Applicant and its subsidiaries appear favorable. The future prospects of Bank would be enhanced by this proposal in light of Applicant's commitment to inject additional capital into Bank upon consummation.

Following consummation of the proposed transaction, Applicant proposes to expand the services offered by Bank by introducing a statement savings account, offering continuous compounding of interest on savings accounts, Keogh accounts, and a reduced rate short-term mortgage note. Applicant also intends to introduce or expand trust and automated financial services for Bank's corporate customers. Thus, the Board concludes that considerations relating to the convenience and needs of the community to be served lend sufficient weight toward approval to outweigh any adverse competitive effects associated with this proposal. Based on the foregoing and other considerations reflected in the record, it is the Board's judgment that the proposed acquisition is in the public interest and that the application should be approved.

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

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

Voting for this action: Chairman Volcker and Governors Schultz, Coldwell, and Partee. Voting against this action: Governors Wallich, Teeters, and Rice.

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

Dissenting Statement of Governors Wallich, Teeters, and Rice

We would deny the application of National Detroit Corporation to acquire Farmers and Merchants National Bank in Benton Harbor, the largest bank in the Benton Harbor-St. Joseph banking market, for the reasons set forth in Dissenting Statements to past actions by the Board approving applications by major bank holding companies seeking to acquire a banking organization with a significant presence in one or more markets where the applicant was not present.[1] We believe that consummation of this proposal would have an adverse effect upon potential competition which is not outweighed by convenience and needs considerations.

In this case the largest banking organization in Michigan is seeking to acquire the largest banking organization located in the relevant banking market. This proposal is very similar to a number of other proposals from major bank holding companies recently considered by the Board. Moreover, other similar proposals in other states involving large statewide banking organizations may be presented to the Board for its consideration in the near future. We believe that the effects of this developing trend are not in the public interest. As the language in the majority opinion indicates, the Board is concerned by this trend but a majority of the Board has decided that denial is not warranted in this instance. We hope that the Board's action in this case as well as its action of September 10 approving, also by a 4-3 vote, the application of First City Bancorporation of Texas to acquire First Security National Corporation, puts the industry on notice that proposals of this

1. *Texas Commerce Bancshares, Inc.* (Bancapital Financial Corporation), 63 FEDERAL RESERVE BULLETIN 500 (1977); *First City Bancorporation of Texas, Inc.* (City National Bank of Austin), 63 FEDERAL RESERVE BULLETIN 674 (1977); *DETROITBANK Corporation*, 63 FEDERAL RESERVE BULLETIN 926 (1977); *Northwest Bancorporation*, 63 FEDERAL RESERVE BULLETIN 1096 (1977); *First City Bancorporation of Texas, Inc.* (Lufkin National Bank), 64 FEDERAL RESERVE BULLETIN 969 (1978); *First City Bancorporation of Texas, Inc.* (First Security National Corporation), 64 FEDERAL RESERVE BULLETIN (Order of September 10, 1979).

type should be very carefully considered before they are presented to the Board.

With respect to the specific proposal before us, we believe that continuation of this trend would increase the size disparity between the largest banking organizations in Michigan and all other banking organizations in the state. In addition, we feel the majority's decision may continue to encourage bank holding companies to eschew de novo or foothold entry into concentrated secondary markets in Michigan and other holding companies within other states in the belief that the Board will approve less procompetitive means of entry. Accordingly, consummation of this proposal would, in our view, have an adverse effect upon potential competition without offering any offsetting procompetitive benefits or outweighing convenience and needs considerations.

In light of the above, we would deny this application.

October 25, 1979

Security Bancshares Co.,
Glencoe, Minnesota

Order Approving Formation of a Bank Holding Company

Security Bancshares Co., Glencoe, Minnesota, has applied for the Board's approval under section 3(a)(1) of the Bank Holding Company Act (12 U.S.C. § 1842(a)(1)) of formation of a bank holding company by acquiring 83.5 percent of the voting shares of Security State Bank of Glencoe ("Glencoe Bank"), Glencoe, Minnesota, and 94.7 percent of the voting shares of The First State Bank of Brownton ("Brownton Bank"), Brownton, Minnesota.

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

Applicant is a nonoperating corporation recently organized for the purpose of becoming a bank holding company by acquiring Glencoe Bank (deposits of $24.0 million) and Brownton Bank (deposits of $8.8 million).[1] Glencoe Bank is the 82nd largest banking organization in Minnesota and holds 0.13 percent of total commercial bank deposits in the state. Brownton Bank is the 340th largest banking organization in Minnesota and holds less than 0.1 percent of total commercial bank deposits in the state. Upon consummation of the proposal, Applicant would become the 43rd largest banking organization in the state holding 0.17 percent of the state's total commercial bank deposits.

Glencoe Bank and Brownton Bank are 11 miles apart. Both banks are within the Hutchinson banking market.[2] Glencoe Bank is the second largest of 12 banking organizations in that market, holding 12.7 percent of market deposits, and Brownton Bank is the market's eighth largest banking organization, holding 4.6 percent of market deposits. Upon consummation of the proposal, Applicant would become the second largest banking organization in the market with 17.3 percent of market deposits. The two banks have been affiliated since 1974 when Applicant's principal, whose family had been associated with Glencoe Bank since 1935, acquired a 50 percent interest in Brownton Bank. This principal increased his interest in Brownton Bank to 96 percent in 1978 after the death of the co-owner. The original affiliation of these banks in 1974 and the consolidation of common control in 1978 eliminated existing competition, and consummation of this proposal would tend to solidify that relationship. However, the largest banking organization in the market holds 24.3 percent of market deposits, and in view of the absolute and relative sizes of Glencoe Bank and Brownton Bank, the number of alternative banking organizations that would remain in the market after consummation of the proposal, and the fact that the market is relatively unconcentrated, the Board finds that considerations relating to the competitive effects of this proposal are only slightly adverse.

The financial and managerial resources and future prospects of Applicant and of Glencoe Bank and Brownton Bank are regarded as generally satisfactory. While Applicant will incur some debt in connection with the proposed transaction, it appears that Applicant will have sufficient flexibility to retire the debt without adversely affecting the capital position of either bank. Thus, the Board concludes that banking factors are consistent with approval of the application. Moreover, while acquisition of Glencoe Bank and Brownton Bank by Applicant would result in no immediate increase

1. Banking data are as of September 30, 1978.

2. The Hutchinson banking market is approximated by McLeod County, the eastern quarter of Renville County, and the northern quarter of Sibley County, Minnesota.

in either bank's services, there has been an improvement of services in several respects since Applicant's principal assumed control of Brownton Bank. In view of this record and the anticipated continuation of these benefits, the Board finds that convenience and needs considerations lend sufficient weight toward approval to outweigh the slightly adverse competitive considerations associated with this application. Accordingly, the Board concludes that the proposed transaction would be consistent with the public interest and that the application should be approved.

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

By order of the Board of Governors, effective October 11, 1979.

Voting for this action: Chairman Volcker and Governors Schultz, Coldwell, Partee, and Teeters. Voting against this action: Governor Wallich. Absent and not voting: Governor Rice.

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

Dissenting Statement of Governor Wallich

I would deny the application of Security Bancshares Co. to become a bank holding company by acquiring Security State Bank of Glencoe and The First State Bank of Brownton. In assessing the competitive effects of a proposal involving common ownership of more than one bank in the same market, the Board in its analysis examines the competitive effect resulting from the affiliation at the inception of that affiliation.[1] In this case the Board found that the competitive effect of the purchase of Brownton Bank's shares by Applicant's principal had only a slightly adverse effect upon competition. I find that the effect of that acquisition was to eliminate significant competition that existed at that time between Glencoe Bank and Brownton Bank in the relevant market and to increase the concentration of banking resources within the banking market by eliminating an independent competitor. These adverse effects continue today. Glencoe Bank now holds 12.7 percent of market deposits, and Brownton Bank holds 4.6 percent. Upon consummation of this proposed transaction, Applicant would hold 17.3 percent of market deposits. I note that the Justice Department will ordinarily challenge mergers between firms if the acquiring firm accounts for 10 percent of an unconcentrated market and the acquired firm accounts for 4 percent or more. The market shares of Glencoe Bank and Brownton Bank exceed these guidelines.

Section 3(c) of the Bank Holding Company Act requires the Board to consider whether any proposed acquisition by a bank holding company (1) would further the monopolization or attempted monopolization of a banking market, or (2) may substantially lessen competition or tend to create a monopoly in any banking market. In my view, the subject proposal presents a clear case where the holding company form is being used to further an anticompetitive arrangement. While denial of this proposal would not immediately result in a complete termination of the present situation since Applicant's principal would continue to control both banks, it would preserve the distinct possibility that Brownton Bank could again become an independent organization in the future. In my view, consummation of the proposal would serve to perpetuate the adverse competitive effects of the original affiliation. I do not believe that these effects are outweighed by the convenience and needs considerations associated with the proposal since no new or improved service to the banks' communities will result from this transaction.

Further, managerial considerations associated with this application reflect policies pursued by Applicant's principal in the past that have not, in my view, given sufficient regard to the need to maintain adequate bank liquidity. Rather, the policies appear to have emphasized short-run profitmaking to the detriment of liquidity. The formation of this holding company will enable Applicant's principal to realize a significant tax advantage, and this tax saving seems to be the only benefit associated with this proposal. Under the circumstances, where a proposal involves, in my view, no clear benefit to the public, I question whether the Board should further reward an investor before he has established a more satisfactory managerial record.

On the basis of this combination of circumstances reflected in the record I believe this application should be denied.

October 11, 1979

1. See *Mahaska Investment Company*, 63 FEDERAL RESERVE BULLETIN 579 (1977).

Southeast Banking Corporation,
Miami, Florida

Order Approving Acquisition of Banks

Southeast Banking Corporation, Miami, Florida, a bank holding company within the meaning of the Bank Holding Company Act, has filed applications for the Board's approval under section 3 of the Act (12 U.S.C. § 1842) to acquire First Bancshares of Florida, Inc., Boca Raton, Florida ("Bancshares"), by merging Bancshares with a wholly owned subsidiary of Applicant created for this purpose. Immediately prior to the proposed transaction, Bancshares will divest four of its banks and all of its nonbanking subsidiaries. Bancshares' six remaining bank subsidiaries will be indirectly acquired by Applicant as a result of this proposal.

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

Applicant, the largest banking organization in Florida,[1] controls 28 banks with aggregate deposits of approximately $3.1 billion, representing 10.0 percent of total commercial bank deposits in the state. Bancshares' six bank subsidiaries to be indirectly acquired by Applicant hold aggregate deposits of approximately $200 million, representing 0.7 percent of total commercial bank deposits in the state. Upon consummation of the proposal, Applicant's share of commercial bank deposits in Florida would increase to 10.7 percent.

The competitive effects associated with the subject proposal, in addition to the general effect upon the structure of banking in Florida, must be considered within four separate banking markets—Indian River County, Eastern Palm Beach County, Martin County, and St. Lucie County. Applicant is the fifth largest of six banking organizations located in the Indian River County banking market (approximated by Indian River County, Florida) controlling one subsidiary bank with deposits representing 9.7 percent of total market deposits. Bancshares also operates one subsidiary bank in this market, with deposits of $2.1 million, representing 1.2 percent of market deposits. The three largest banking organizations in the Indian River County market account for approximately 78 percent of market deposits, and each is substantially larger than Applicant's bank in the market. In addition, Applicant's subsidiary bank is located 14 miles from all the other banks in the market. In view of the above and other facts of record, it appears that the proposal would have only a slightly adverse effect upon existing competition in the Indian River County banking market.

Bancshares has one banking subsidiary in the Martin County banking market (approximated by Martin County, Florida), where it is the third largest bank in the market with $35.8 million in deposits, representing 12.1 percent of market deposits. In the St. Lucie County banking market, (approximated by St. Lucie County, Florida), Bancshares' subsidiary bank is the second largest with $32.3 million in deposits, representing a 20 percent market share. Applicant is not represented in either market. In light of the structure of the relevant markets, the fact Applicant is seeking initial entry into these markets, and the deposit size of the banks to be acquired, it appears that consummation would result in no significant adverse competitive effects in these two markets.

Applicant also is not currently represented in the Eastern Palm Beach County banking market (approximated by Eastern Palm Beach County, Florida). Bancshares controls five banks in this market, and is the largest banking organization therein, controlling 17 percent of market deposits. Three of these banks are to be acquired indirectly by Applicant. The three banks Applicant will acquire hold approximately $130 million in deposits and thereby control 6.5 percent of total market deposits. Bancshares' two other banks in the market (one of which is Bancshares' lead banking subsidiary with $188 million in deposits), will be spun off to a new bank holding company unrelated to Applicant prior to consummation of this proposal. Thus, consummation of the proposed transaction will result in an increase in the total number of competitors in the market. At the same time, market concentration will decrease and the share of the market held by the three largest organizations will decline from 42 to 35 percent. In view of the above, the Board regards the effects of the proposal within the Eastern Palm Beach banking market as procompetitive.

The financial and managerial resources and future prospects of Bancshares and the subsidiaries of Bancshares to be acquired are also regarded as generally satisfactory, particularly in view of cer-

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

tain commitments made by Applicant regarding this proposal. Convenience and needs considerations are viewed as lending weight toward approval of the proposal. Such benefits to the communities to be served will result in part from the greater expertise and specialization of services that Bancshares can offer its customers through affiliation with Applicant. On balance, these convenience and needs considerations, when coupled with the expected procompetitive effects in the Eastern Palm Beach market, are sufficient to outweigh any adverse effects on existing competition or upon the concentration of statewide banking resources associated with this proposal. On the basis of the foregoing and other facts in the record, it is the Board's judgment that approval of the proposal would be in the public interest.

On the basis of the facts of record, the application is approved for the reasons summarized above. This transaction shall not be consummated before the thirtieth calendar day following the effective date of this Order, nor later than three months after the effective date of this Order, unless such periods are extended for good cause by the Board or by the Federal Reserve Bank of Atlanta pursuant to delegated authority.

By order of the Board of Governors, effective October 5, 1979.

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

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

Southwest Bancshares, Inc.,
Houston, Texas

Order Approving Acquisition of Bank

Southwest Bancshares, Inc., Houston, Texas, a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval under section 3(a)(3) of the Act (12 U.S.C. § 1842(a)(3)) to acquire all of the voting shares (less directors' qualifying shares) of Dallas Bank and Trust Company ("Bank"), Dallas, Texas.

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

Applicant, the sixth largest banking organization in Texas, controls 17 banks with aggregate deposits of approximately $2.35 billion, representing 3.46 percent of total deposits in commercial banks in the state.[1] Acquisition of Bank, the 161st largest banking organization in the state with deposits of $48.2 million, would increase Applicant's share of commercial bank deposits in Texas by only 0.07 percent and would not alter Applicant's ranking in the state.

Bank is the 31st largest of 108 banking organizations in the Dallas banking market,[2] controlling 0.40 percent of the total commercial bank deposits in the market. Applicant is the tenth largest banking organization in the Dallas market, controlling four banking subsidiaries in that market with aggregate deposits of $150.6 million, representing 1.1 percent of the market's commercial bank deposits. Although consummation of the proposed transaction will cause Applicant to become the eighth largest organization in the market, Applicant's share of the market will rise to only 1.5 percent, and Applicant will remain one of six banking organizations in the market holding between one and five percent of market deposits. Although consummation of the proposal would eliminate some existing competition between Bank and Applicant's subsidiary banks, in view of the relative size of these organizations, their market shares, and the number of remaining banking alternatives in the market, it appears that consummation of this proposal would not have significant adverse effects upon competition in the relevant market. Accordingly, in light of the above and other facts of record, it is concluded that consummation of the proposed acquisition would have only a slightly adverse effect on competition in the Dallas banking market.

The financial and managerial resources and future prospects of Applicant, its subsidiaries, and Bank are regarded as generally satisfactory, particularly in light of Applicant's commitment to increase Bank's equity capital upon consummation of the proposal. Thus, considerations relating to banking factors are consistent with approval of the

1. All banking data are as of December 31, 1978, and reflect bank holding company formations and acquisitions approved as of July 31, 1979.

2. The relevant banking market is approximated by the Dallas Ranally Metropolitan Area as defined by Rand McNally & Company's *Commercial Atlas & Marketing Guide.* It includes Dallas County and portions of Tarrant, Collin, Denton, Ellis, Kaufman, and Rockwall Counties.

application. Affiliation with Applicant will enable Bank to draw upon Applicant's expertise and to introduce new and improved services to its customers, including a flexible loan repayment program and automated teller machines. In addition, Bank will be able to offer credit life and credit accident and health insurance to its customers through Applicant's insurance subsidiary at rates lower than those currently being charged by Bank. Thus, considerations relating to the convenience and needs of the community to be served lend sufficient weight toward approval of the application to outweigh any slightly adverse competitive effects that might result from consummation of this proposal. Accordingly, it has been determined that the proposed acquisition would be in the public interest and that the application should be approved.

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

By Order of the Secretary of the Board, acting pursuant to delegated authority for the Board of Governors, effective October 12, 1979.

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

Order Under Sections 3 and 4 of Bank Holding Company Act

NB Corporation,
Charlottesville, Virginia,
Southern Bankshares, Inc.,
Richmond, Virginia

Order Approving Merger of Bank Holding Companies and Acquisition of NB Service Corporation and Charter Insurance Managers, Inc.

NB Corporation, Charlottesville, Virginia ("NB") and Southern Bankshares, Inc., Richmond, Virginia ("SBI") (together "Applicants"), both bank holding companies within the meaning of the Bank Holding Company Act, have applied for the Board's approval under section 3(a)(5) of the Act (12 U.S.C. § 1842(a)(5)) of the consolidation of NB and SBI under the name and charter of Jefferson Bankshares, Inc., Charlottesville, Virginia ("Jefferson"). Applicants also have applied for the Board's approval, pursuant to section 4(c)(8) of the Act (12 U.S.C. § 1843(c)(8)) and sections 225.4(a)(8), (9) and (10) of the Board's Regulation Y (12 C.F.R. §§ 225.4(a)(8), (9) and (10)) to continue to engage after consolidation in certain nonbanking activities currently conducted by their nonbank subsidiaries. In particular, NB currently engages in financial bookkeeping and related data processing services through its subsidiary, NB Service Corporation, Charlottesville, Virginia ("NB Service") and SBI engages through Charter Insurance Managers, Inc. in the sale as agent and in the underwriting of life and accident and health insurance directly related to extensions of credit by SBI's subsidiary banks. Applicants propose to continue to engage in these activities after consolidation and to expand the insurance activities to include the sale and underwriting of life and accident and health insurance in connection with extensions of credit made by NB's subsidiary banks that would become Jefferson's subsidiaries upon consummation of this merger.

Notice of the application, affording opportunity for interested persons to submit comments and views, has been given in accordance with sections 3 and 4 of the Act. 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 section 3(c) of the Act (12 U.S.C. § 1842(c)), and the considerations specified in section 4(c)(8) of the Act (12 U.S.C. § 1843(c)(8)).

SBI, the ninth largest banking organization in Virginia, controls three banks with total deposits of approximately $281.9 million, representing 1.6 percent of total deposits in commercial banks in the state.[1] NB, the tenth largest banking organization in the state, controls three banks with total deposits of approximately $281.5 million, representing 1.6 percent of total deposits in commercial banks in Virginia. SBI primarily competes in an urban banking market in Virginia while NB operates for the most part in rural banking markets in the state. The banking services offered by the bank subsidiaries of these two organizations reflect this difference in market orientation. Furthermore, neither organization has established a significant presence outside the market in which its lead bank competes. Upon consummation of the proposed

1. All banking data are as of December 31, 1978.

transaction, Jefferson would become the ninth largest banking organization in the state controlling approximately 3.2 percent of total deposits in Virginia. On the basis of the facts of record, including the overall structure of banking in Virginia, the Board does not view the proposed consolidation as having any serious effect on the concentration of banking resources in Virginia.

SBI's lead bank, Southern Bank, Richmond, Virginia, the fifth largest of 18 banking organizations in the Richmond banking market,[2] controls \$260.5 million in deposits, representing 8.9 percent of the market's deposits in commercial banks. One of NB's subsidiary banks, NB Bank of Richmond, Richmond, Virginia ("NB Bank"), operates in the Richmond banking market. NB Bank with deposits of \$17.9 million, representing 0.6 percent of commercial bank deposits in the market is one of the smaller banks in the market. In view of the share of market deposits held by NB's subsidiary bank, the large number of banking alternatives and other competitive characteristics of the market, it appears that the effect of the merger on existing competition in the Richmond banking market would not be significant.

With the exception of the Richmond banking market, the banking subsidiaries of SBI and NB do not directly compete in any banking market. However, there are other banking markets in Virginia in which bank subsidiaries of SBI or NB, but not both, presently operate offices. Based upon an examination of these markets and the divergent market preferences of Applicants, it does not appear likely that SBI and NB would become competitors in the future. Accordingly, the Board concludes that consummation of the proposal to consolidate would not have any adverse effects on potential competition in any market.

The financial and managerial resources and future prospects of Jefferson and its subsidiary banks are considered satisfactory and the Board concludes that banking factors are consistent with approval. Following consummation of the proposed transaction Applicants intend to introduce new and expanded services for their customers. Trust services will be made available to customers of NB Bank and customers of certain banks will receive higher interest rates on savings deposits. In addition, as a result of consummation of the proposed merger, Jefferson's subsidiary banks will be able to offer increased lending limits and other expanded services to their customers. The Board concludes that considerations relating to the convenience and needs of the communities to be served lend weight toward approval and are sufficient to outweight any slightly adverse competitive effects that may be associated with this proposal. Accordingly, it is the Board's judgment that the proposed consolidation would be in the public interest and that the application to consolidate should be approved.

Applicants also propose pursuant to section 225.4(a)(8) of Regulation Y (12 C.F.R. § 225.4(a)(8)), to continue to engage in financial bookkeeping and related data processing services through NB Service and to continue to engage in the underwriting and sale of life and accident and health insurance directly related to extensions of credit by SBI's subsidiary banks through Charter Insurance Managers, Inc., and to expand these insurance activities to extensions of credit made by NB's subsidiary banks that would become Jefferson's subsidiaries upon consummation of this proposal. These insurance activities have been determined to be permissible for bank holding companies (12 C.F.R. §§ 225.4(a)(9) and (10)). No nonbank subsidiary of SBI or NB competes with any bank or nonbank subsidiary of the other organization. Accordingly, the Board concludes that no adverse competitive effects on nonbank competition would result from approval of the application to continue to engage in and to expand certain nonbank activities. There is no evidence in the record indicating that consummation of the proposal would result in any undue concentration of resources, unfair competition, conflicts of interest, unsound banking practices or other adverse effects on the public interest. Based on the foregoing and other considerations reflected in the record, it has been determined that the balance of the public interest factors that must be considered under section 4(c)(8) favors approval of Applicants' proposal, and the application to engage in financial bookkeeping, related data processing services, and in the underwriting and sale of credit-related insurance should be approved.

Accordingly, the applications to merge NB and SBI into Jefferson and to engage in certain nonbanking activities are hereby approved for the reasons summarized above. The consolidation shall not be made before the thirtieth calendar day following the effective date of this Order; and neither the consolidation nor the commencement of nonbanking activities shall be made later than three months after the effective date of this Order, unless such periods are extended for good cause

2. The Richmond banking market is approximated by the Richmond SMSA with the exception of New Kent County, Virginia.

by the Board of Governors, or by the Federal Reserve Bank of Richmond pursuant to delegated authority. The determination as to Jefferson's nonbanking activities is subject to the conditions set forth in section 225.4(c) of Regulation Y and to the Board's authority to require reports by, and make examinations of, bank holding companies and their subsidiaries and to require such modification or termination of the activities of a bank holding company or any of its subsidiaries as the Board finds necessary to assure compliance with the provisions and purpose of the Act and the Board's regulations and orders issued thereunder, or to prevent evasion thereof.

By order of the Board of Governors, effective October 22, 1979.

Voting for this action: Chairman Volcker and Governors Schultz, Wallich, Coldwell, Partee, Teeters, and Rice. Governors Schultz and Wallich abstained from voting on the section 4(c)(8) application to engage in insurance activities.

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

Orders Under Section 4 of Bank Holding Company Act

First Banc Group of Ohio, Inc.,
Columbus, Ohio

Order Approving Activity of Furnishing Management Consulting Advice to Nonaffiliated Banks

First Banc Group of Ohio, Inc., Columbus, Ohio, a bank holding company within the meaning of the Bank Holding Company Act, has applied for the Board's approval, under section 4(c)(8) of the Act (12 U.S.C. § 1843(c)(8)) and section 225.4(b)(2) of the Board's Regulation Y (12 C.F.R. § 225.4(b)(2)), to engage de novo, through its subsidiary, First Banc Group Financial Services Corporation ("Company"), Columbus, Ohio, in the activities of furnishing management consulting advice to nonaffiliated banks. Company specifically proposes to provide advice concerning bank operations, systems, and procedures; computer operations and mechanization; implementation of electronic funds transfer systems; site planning and evaluation; bank mergers and the establishment of new branches; cost analysis; capital adequacy and planning; product development, including specialized lending provisions; and marketing operations, including research, market development, and advertising programs. Subject to several limitations, which Company will observe, this activity has been determined by the Board to be closely related to banking (12 C.F.R. § 225.4(a)(12)).

Notice of the application, affording opportunity for interested persons to submit comments on the public interest factors, has been duly published (43 *Federal Register* 47611 (1979)). The time for filing comments has expired, and the Board has considered the application and all comments received in the light of the public interest factors set forth in section 4(c)(8) of the Act.

Applicant, the fourth largest banking organization in Ohio, controls 18 banks with aggregate deposits of approximately $1.9 billion,[1] representing 4.97 percent of the total deposits in commercial banks in Ohio. Applicant also engages, through Company, in leasing and mortgage banking activities.

Company proposes to provide its management consulting to nonaffiliated banks located throughout the United States. Applicant has substantial experience in providing these services for its subsidiary banks. Applicant's entry into the field de novo would provide an additional competitor offering this specialized financial and consulting advice and would have no adverse effects on existing or potential competition in any relevant area. Applicant's provision of such services would benefit those institutions that lack sufficient resources to develop in-house expertise in a broad range of specialized areas. Moreover, availability of this advice on an explicit fee basis, rather than as part of a correspondent banking service, will enable client banks to more accurately analyze the cost of such services and such banks may be able to more efficiently allocate their funds.

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

Based upon the foregoing and other considerations reflected in the record, the Board has

1. All banking data are as of September 30, 1978, and reflect bank holding company formations and acquisitions approved as of April 30, 1979.

determined, in accordance with the provisions of section 4(c)(8), that consummation of this proposal can reasonably be expected to produce benefits to the public that outweight possible adverse effects. Accordingly, the application is approved. This determination is subject to the conditions set forth in section 225.4(c) of Regulation Y and to the Board's authority to require such modification or termination of 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 Cleveland.

By order of the Board of Governors, effective October 1, 1979.

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

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

First Chicago Corporation,
Chicago, Illinois

Order Approving Formation of
First Chicago Cheque Corporation

First Chicago Corporation, Chicago, Illinois, a bank holding company within the meaning of the Bank Holding Company Act ("Act"), has applied for the Board's approval, under section 4(c)(8) of the Act (12 U.S.C. § 1843(c)(8)) and section 225.4(b)(2) of the Board's Regulation Y (12 C.F.R. § 225.4(b)(2)), to engage, through its de novo subsidiary, First Chicago Cheque Corporation ("Cheque Corporation"), Chicago, Illinois, in the issuance and sale of travelers checks.

The Board has not amended its Regulation Y (12 C.F.R. § 225) to include the issuance of travelers checks as a permissible activity, but in connection with three earlier applications the Board determined by order that the activity of issuing travelers checks is closely related to banking and would be in the public interest. (*Citicorp* (travelers checks), 65 FEDERAL RESERVE BULLETIN 666 (1979); *BankAmerica Corporation* (BA Cheque Corporation), 59 FEDERAL RESERVE BULLETIN 544 (1973); and *Republic of Texas Corporation*, 62 FEDERAL RESERVE BULLETIN 630 (1976))[1]. As noted in these earlier Board decisions, banks have in fact engaged in the issuance of travelers checks and generally have engaged in activities that are operationally and functionally similar to the proposed activity. Accordingly, the Board has determined that issuing travelers checks as Applicant proposes is closely related to banking.[2]

Notice of the application, affording opportunity for interested persons to submit comments and views on the public interest factors, has been duly published (44 *Federal Register* 47,612). The time for filing comments and views has expired, and the Board has considered the application and all comments received in the light of the public interest factors set forth in § 4(c)(8) of the Act (12 U.S.C. § 1843(c)(8)).

Applicant, the second largest banking organization in Illinois, has one subsidiary bank with deposits of $9.7 billion, representing 13.6 percent of total deposits in commercial banks in the state.[3] In addition, Applicant engages in a variety of nonbank activities, including leasing, real estate lending, data processing, and commercial and consumer financing.

Applicant, through Cheque Corporation, proposes to issue and sell Visa Travelers Cheques. Cheque Corporation would issue and distribute these checks worldwide to both financial and nonfinancial agents, who would sell the checks to the public on behalf of Cheque Corporation. The five major travelers check issuers currently control an estimated 86 percent of total worldwide travelers check sales, with the largest issuer, American Express Company, accounting for more than 50 percent of the market.

The Board has previously determined that it would be in the public interest for bank holding companies, having the capability, to engage in the activity of issuing travelers checks, in view of the limited number of competitors currently servicing this industry.[4] Applicant's entry into this industry should serve to enhance competition in providing

1. On February 26, 1979, the Board amended Regulation Y (12 C.F.R. § 225.4(a)) to include on its list of permissible activities for bank holding companies the retail sale of travelers checks. (65 FEDERAL RESERVE BULLETIN 265 (1979)).

2. See *National Courier Association* v. *Board of Governors of the Federal Reserve System*, 516 F.2d 1229 (D.C. Cir. 1975).

3. All deposit data are as of June 30, 1978.

4. See the above cited Board decisions on the issuance of travelers checks.

this service. Accordingly, it is the Board's view that approval of this application would produce benefits to the public and would be in the public interest. Furthermore, there is no evidence in the record to indicate that Applicant's engaging in this activity would lead to any undue concentration of resources, unfair competition, conflicts of interests, unsound banking practices, or other adverse effects.

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

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

By order of the Board of Governors, effective October 29, 1979.

Voting for this action: Chairman Volcker and Governors Schultz, Wallich, Coldwell, Partee, Teeters, and Rice.

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

Order Approved Under Bank Merger Act

Southern Bank,
Richmond, Virginia

Order Approving Application for Merger of Banks

Southern Bank, Richmond, Virginia, has applied for the Board's approval under the Bank Merger Act (12 U.S.C. § 1828(c)) to merge with NB Bank of Richmond, Richmond, Virginia. The resulting bank will operate under the charter and name of Southern Bank.

As required by the Bank Merger Act, notice of the proposed merger has been published and reports on competitive factors have been requested from the Attorney General, the Comptroller of the Currency, and the Federal Deposit Insurance Corporation. The Board has considered the application and all comments and reports received including those of the Comptroller of the Currency and the FDIC, in light of the factors set forth in the Act.

This proposal merely represents a corporate reorganization of two subsidiaries of Jefferson Bankshares, Inc., Charlottesville, Virginia ("Jefferson"). On the basis of the record in this case, the application is approved for the reasons summarized in the Board's order of this date relating to the application of NB Corporation, Charlottesville, Virginia, and Southern Bankshares, Inc., Richmond, Virginia, to merge under the name and charter of Jefferson.

The transaction shall not be consummated before the thirtieth calendar date following the effective date of this Order, or later than three months after the effective date of this Order unless such period is extended for good cause by the Board of Governors or by the Federal Reserve Bank of Richmond acting pursuant to delegated authority.

By order of the Board of Governors, effective October 22, 1979.

Voting for this action: Chairman Volcker and Governors Schultz, Wallich, Coldwell, Partee, Teeters, and Rice.

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

Certifications Pursuant to the Bank Holding Company Tax Act of 1976

Chippewa Valley Agency Ltd., Inc.,
Winter, Wisconsin

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

[Docket No. 76-178]

Chippewa Valley Agency Ltd., Inc., ("Chippewa"), Winter, Wisconsin, has requested a prior certification pursuant to section 6158(a) of the Internal Revenue Code ("Code") as amended by section 3(a) of the Bank Holding Company Tax Act of 1976 ("Tax Act"), that the proposed sale of its subsidiary, Winter Insurance Agency ("Winter"), Winter, Wisconsin, a general insurance agency, is necessary or appropriate to effectuate section 4 of the Bank Holding Company Act (12 U.S.C. § 1843 et. seq.) (BHC Act). Chippewa proposes to sell Winter to Exeland Enterprises ("Exeland"), Winter, Wisconsin, for cash.

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

1. Chippewa (formerly The Hegeholz Agency, Inc.) is a corporation organized under the laws of Wisconsin on December 13, 1968. On January 10, 1969, Chippewa acquired ownership and control of 400 shares, representing 66⅔ percent of the outstanding voting shares, of Chippewa Valley Bank ("Bank"), Winter, Wisconsin.

2. Chippewa became a bank holding company on December 31, 1970, as a result of the 1970 amendments to the Bank Holding Company Act by virtue of its ownership and control at that time of more than 25 percent of the outstanding voting shares of Bank, and it registered as such with the Board on June 29, 1971. Chippewa would have been a bank holding company on July 7, 1970, if the Bank Holding Company Act Amendments had been in effect on such date by virtue of its ownership and control on that date of more than 25 percent of the outstanding voting shares of Bank. Chippewa now owns and controls 91 percent of the outstanding voting shares of Bank.

3. Winter was formed in 1919, and is engaged in general insurance agency business. On January 10, 1969, Chippewa acquired all the assets of Winter from Bank. Chippewa did not file an application with the Board, and did not otherwise obtain the Board's approval pursuant to section 4(c)(8) of the BHC Act to retain Winter or engage in the activities carried on by Winter.[2]

4. No director, officer or employee with policy making functions of Chippewa or any of its subsidiaries (including honorary and advisory directors) holds any such position with Exeland. Chippewa does not control in any manner the election of a majority of the directors or exercise a controlling influence over the management on policies of Exeland or its subsidiaries.

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

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

2. Some or all of Winter's activities may be among those activities that the Board previously has determined to be closely related to banking under § 4(c)(8) of the BHC Act. However, in the absence of approval by the Board of an application by Chippewa to retain Winter, Chippewa may not retain Winter beyond December 31, 1980. (*CF. Wachovia Corp.*, Docket No. TCR 76-132, 63 FEDERAL RESERVE BULLETIN 606 (May 9, 1977)).

A. Chippewa is a qualified bank holding corporation within the meaning of section 6158(f)(1) and 1103(b) of the Code;

B. The assets of Winter that Chippewa proposes to sell to Exeland are "prohibited property" within the meaning of section 6158(f)(2) of the Code;

C. The sale of Winter is necessary or appropriate to effectuate section 4 of the BHC Act.

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

By order of the Board of Governors acting through its General Counsel, pursuant to delegated authority (12 C.F.R. § 265.2(b)(3)), effective October 2, 1979.

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

Kemper Corporation,
Long Grove, Illinois

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

[Docket No. TCR 76-192]

Kemper Corporation, Long Grove, Illinois ("Kemper") has requested a prior certification pursuant to section 6158(a) of the Internal Revenue Code ("Code"), as amended by section 3(a) of the Bank Holding Company Tax Act of 1976 ("Tax Act"), that its proposed sale of 47,205 shares of common stock ("Bank Shares") of Bank of Chicago, Chicago, Illinois, ("Bank"), to William R. Cottle, Chicago, Illinois, and Gary R. Edidin, Northbrook, Illinois, for themselves as principals and as agents for undisclosed principals (together referred to as "Buyers") for cash, is necessary or appropriate to effectuate the policies of the Bank Holding Company Act (12 U.S.C. § 1842 et. seq.) ("BHC Act").

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

1. This information derives from Kemper's correspondence with the Board concerning its request for this certification,

1. Kemper is a corporation organized and existing under the laws of the State of Delaware.

2. On May 31, 1968, through an exchange of its shares, Kemper acquired ownership and control of 47,228 shares, representing 94.46 percent of the outstanding voting shares, of Bank.

3. Kemper became a bank holding company on December 31, 1970, as a result of the 1970 Amendments to the BHC Act, by virtue of its ownership and control at that time of more than 25 percent of the outstanding voting shares of Bank. Kemper would have been a bank holding company on July 7, 1970, if the BHC Act Amendments of 1970 had been in effect on such date, by virtue of ownership and control on that date of more than 25 percent of the outstanding voting shares of Bank. Kemper currently owns 47,205 shares, representing 94.41 percent of the outstanding voting shares, of Bank.

4. Kemper holds property acquired by it on or before July 7, 1970, the disposition of which would be necessary or appropriate under section 4 of the BHC Act if Kemper were to remain a bank holding company beyond December 31, 1980, and which property is "prohibited property" within the meaning of section 1103(c) of the Code.

5. On May 27, 1971, Kemper filed with the Board an irrevocable declaration pursuant to section 225.4(d) of the Board's Regulation Y that it would cease to be a bank holding company prior to January 1, 1981, by divesting itself of all of its interest in Bank. In accordance with that portion of the regulation and Kemper's commitment, Kemper has been permitted to expand its nonbanking activities without seeking the Board's prior approval.

6. Kemper has committed that after the sale of Bank Shares, no person who is a director or officer of Kemper or its parent or subsidiaries will serve in a similar capacity with Bank. In addition, all persons affiliated with Kemper currently serving as directors or officers of Bank will resign their positions effective as of the closing date of the sale. Kemper has further committed that none of Buyers is, or will be, indebted to Kemper, and that none of Buyers is affiliated in any way with Kemper.

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

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

B. Bank Shares covered by the instant request are the property by reason of which Kemper controls (within the meaning of section 2(a) of the BHC Act) a bank; and

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

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

By order of the Board of Governors, acting through its General Counsel, pursuant to delegated authority, effective October 23, 1979.

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

Kemper's Registration Statement filed with the Board pursuant to the BHC Act, and other records of the Board.

Determination Under Section 2 of Bank Holding Company Act

First Charter Financial Corporation,
Syracuse, Indiana

Order Granting Determination Under the Bank Holding Company Act

First Charter Financial Corporation ("First"), Syracuse, Indiana, a bank holding company within the meaning of the Bank Holding Company Act, has requested a determination under section 2(g)(3) of the Act (12 U.S.C. § 1841(g)(3)) that First is not in fact capable of controlling William K. Nellans, Inc. ("Nellans") or its principals, William K. Nellans and Christine G. Nellans ("Nellans principals"), notwithstanding the fact that Nellans and the Nellans principals are indebted to First. This request has been made in connection with the sale to Nellans by First of substantially all the assets of First Charter Insurance Agency ("Agency"), Syracuse, Indiana.

Under the provisions of section 2(g)(3) of the Act, shares transferred after January 1, 1966, by any bank holding company to a transferee that is indebted to the transferor, or has one or more officers, directors, trustees, or beneficiaries in common with or subject to control by the transferor are deemed to be indirectly owned or controlled by the transferor unless the Board, after opportunity for hearing, determines that the transferor is not in fact capable of controlling the transferee. In addition, the transfer of substantially all the assets of a company is deemed by the Board to involve a transfer of "shares" of that company for purposes of section 2(g)(3) of the Act (12 C.F.R. § 225.139).

First has not requested a hearing, but it has submitted evidence to support its contention that it is not in fact capable of controlling Nellans or the Nellans principals. On the basis of the evidence of record, including the following facts and commitments, it is hereby determined that First is not in fact capable of controlling Nellans or the Nellans principals. The sale of Agency to Nellans was negotiated at arm's length, and the Nellans principals are not officers, directors, or shareholders of First or any of its subsidiaries. First has no security interest in the Agency assets sold, and the terms governing the debt relationship between the parties are limited to those reasonably required for the protection of First's interests as creditor. First's board of directors has adopted a resolution that First does not, and will not attempt to, exercise control over Agency, Nellans, or any of their officers, directors, or shareholders. Furthermore, although Nellans and the Nellans principals are indebted to First for a substantial portion of the purchase price, it appears that the Nellans principals' personal financial resources are substantial enough to support the conclusion that First is not in fact capable of controlling them or Agency by reason of that indebtedness. Finally, First has stated that should it reacquire Agency assets as a result of Nellans' default, it will advise the Federal Reserve System and promptly dispose of them. Accordingly, it is ordered that the request of First for a determination pursuant to section 2(g)(3) is granted. This determination is based on representations made to the Board by First and Nellans. In the event that the Board should hereafter determine that facts material to this determination are otherwise than as represented, or that First or Nellans has failed to disclose to the Board other material facts, this determination may be revoked, and any change in the facts and circumstances relied upon in making this determination could result in the Board's reconsideration of this determination.

By order of the Board of Governors, acting through its General Counsel, pursuant to delegated authority (12 C.F.R. § 265.2(b)(1)), effective October 3, 1979.

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

ORDERS APPROVED UNDER BANK HOLDING COMPANY ACT

By the Board of Governors

During October 1979 the Board of Governors approved the applications listed below. Copies are available upon request to Publications Services, Room MP-510, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

Section 3

Applicant	Bank(s)	Board action (effective date)
C.S.B. Financial, Inc., Chetek, Wisconsin	Chetek State Bank, Chetek, Wisconsin	October 12, 1979
Dublin Bancshares, Inc., Dublin, Texas	The Dublin National Bank, Dublin, Texas	October 17, 1979
First Security Corporation, Salt Lake City, Utah	First Security Bank of St. George, N.A., St. George, Utah	October 30, 1979
First United Bancorporation, Inc., Fort Worth, Texas	University Bank, Fort Worth, Texas	October 1, 1979

Section 3

Applicant	Bank(s)	Board action (effective date)
First Bank Corporation, Midland, Michigan	Shepherd State Bank, Shepherd, Michigan	October 2, 1979
Loof Investment Co., Grand Junction, Iowa	Peoples Trust and Savings Bank, Grand Junction, Iowa	October 23, 1979
Onarga Bancorp, Inc., Onarga, Illinois	B & B Management Corp., Onarga, Illinois	October 15, 1979
Osceola Bancorporation, Inc., Osceola, Wisconsin	Bank of Osceola, Osceola, Wisconsin	October 5, 1979

By Federal Reserve Banks

Recent applications have been approved by the Federal Reserve Banks as listed below. Copies of the orders are available upon request to the Reserve Banks.

Section 3

Applicant	Bank(s)	Reserve Bank	Effective date
Trust Company of Georgia, Atlanta, Georgia	The Citizens Bank, Douglasville, Georgia	Atlanta	October 23, 1979

Section 4

Applicant	Nonbanking company (or activity)	Reserve Bank	Effective date
Wells Cargo & Company	Underwriting credit life insurance directly related to extensions of credit by Applicant and its credit extending subsidiaries	San Francisco	Sept. 19, 1979

Orders Approved Under Bank Merger Act

Applicant	Bank(s)	Reserve Bank	Effective date
The Exchange Bank of Temple Terrace, Temple Terrace, Florida	The Exchange National Bank of Tampa, Tampa, Florida	Atlanta	October 26, 1979

Pending Cases Involving the Board of Governors

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

County National Bancorporation and TGB Co. v. *Board of Governors*, filed September 1979, U.S.C.A. for the Eighth Circuit.

State of Indiana v. *The United States of America, et al.*, filed September 1979, U.S.D.C. for the District of Columbia.

Edwin F. Gordon v. *Board of Governors, et al.*, filed August 1979, U.S.D.C. for the Northern District of Georgia.

Edwin F. Gordon v. *Board of Governors, et al.*, filed August 1979, U.S.C.A. for the Fifth Circuit.

American Bankers Association v. *Board of Governors, et al.*, filed August 1979, U.S.D.C. for the District of Columbia.

Donald W. Riegel, Jr. v. *Federal Open Market Committee*, filed July 1979, U.S.D.C. for the District of Columbia.

Connecticut Bankers Association, et al., v. *Board of Governors*, filed May 1979, U.S.C.A. for the District of Columbia.

Ella Jackson, et al., v. *Board of Governors*, filed May 1979, U.S.C.A. for the Fifth Circuit.

Memphis Trust Company v. *Board of Governors*, filed May 1979, U.S.C.A. for the Sixth Circuit.

Independent Insurance Agents of America, et al., v. *Board of Governors*, filed May 1979, U.S.C.A. for the District of Columbia.

Independent Insurance Agents of America, et al., v. *Board of Governors*, filed April 1979, U.S.C.A. for the District of Columbia.

Independent Insurance Agents of America, et al., v. *Board of Governors*, filed March 1979, U.S.C.A. for the District of Columbia.

Credit and Commerce American Investment, et al., v. *Board of Governors*, filed March 1979 U.S.C.A. for the District of Columbia.

Consumers Union of the United States, v. *G. William Miller, et al.*, filed December 1978, U.S.D.C. for the District of Columbia.

Manchester-Tower Grove Community Organization/ACORN v. *Board of Governors*, filed September 1978, U.S.C.A. for the District of Columbia.

Beckley v. *Board of Governors*, filed July 1978, U.S.C.A. for the Northern District of Illinois.

Independent Bankers Association of Texas v. *First National Bank in Dallas, et al.*, filed July 1978, U.S.C.A. for the Northern District of Texas.

Mid-Nebraska Bancshares, Inc. v. *Board of Governors*, filed July 1978, U.S.C.A. for the District of Columbia.

United States League of Savings Associations v. *Board of Governors*, filed May 1978, U.S.D.C. for the District of Columbia.

Security Bancorp and Security National Bank v. *Board of Governors*, filed March 1978, U.S.C.A. for the Ninth Circuit.

Vickars-Henry Corp. v. *Board of Governors*, filed December 1977, U.S.C.A. for the Ninth Circuit.

Investment Company Institute v. *Board of Governors*, filed September 1977, U.S.D.C. for the District of Columbia.

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

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

Financial and Business Statistics

CONTENTS

Domestic Financial Statistics

1.10 MONETARY AGGREGATES AND INTEREST RATES

Item	1978	1979			1979				
	Q4	Q1	Q2	Q3	May	June	July	Aug.	Sept.
	Monetary and credit aggregates (annual rates of change, seasonally adjusted in percent)[13]								
Member bank reserves									
1 Total	r2.4	r−3.0	r−5.0	6.3	r−4.7	r−1.5	r12.7	7.2	11.5
2 Required	r2.2	r−2.9	−4.8	6.0	r−3.7	r−3.9	r13.1	7.0	12.5
3 Nonborrowed	r4.7	r−3.4	−8.8	8.2	r−30.3	r9.1	r20.7	10.0	4.2
4 Monetary base[1]	r8.5	r5.6	4.0	9.8	r3.2	r6.2	r11.2	12.1	13.7
Concepts of money[2]									
5 M-1	4.1	−2.1	7.6	9.7	.7	14.8	r10.4	r6.8	11.2
6 M-1+	2.7	−5.0	3.7	8.2	−2.1	12.3	10.2	6.5	7.2
7 M-2	7.6	1.8	8.6	12.0	5.4	14.2	12.9	11.0	12.2
8 M-3	9.3	4.7	7.9	10.5	4.9	11.9	11.4	r10.0	10.9
Time and savings deposits									
Commercial banks									
9 Total	12.3	8.4	1.2	9.0	−1.4	.8	12.2	14.6	15.1
10 Savings	.2	−9.6	−3.1	5.5	−7.2	7.8	9.4	6.6	.0
11 Other time	18.2	15.6	18.5	19.2	19.9	17.6	18.1	19.4	21.2
12 Thrift institutions[3]	11.6	8.8	6.8	8.4	4.1	8.8	9.3	r8.5	8.9
13 Total loans and investments at commercial banks[4]	12.7	r13.3	11.9	15.8	8.8	r12.6	r13.4	11.6	21.7

Item	1978	1979			1979				
	Q4	Q1	Q2	Q3	June	July	Aug.	Sept.	Oct.
	Interest rates (levels, percent per annum)								
Short-term rates									
14 Federal funds[5]	9.58	10.07	10.18	10.94	10.29	10.47	10.94	11.43	13.77
15 Federal Reserve discount[6]	9.09	9.50	9.50	10.21	9.50	9.69	10.24	10.70	11.77
16 Treasury bills (3-month market yield)[7]	8.57	9.38	9.38	9.67	9.06	9.24	9.52	10.26	11.70
17 Commercial paper (90- to 119-day)[7,8]	9.83	10.04	9.85	10.64	9.76	9.87	10.43	11.63	13.23
Long-term rates									
Bonds									
18 U.S. government[9]	8.78	9.03	9.08	9.03	8.91	8.92	8.97	9.21	9.99
19 State and local government[10]	6.28	6.37	6.22	6.28	6.13	6.13	6.20	6.52	7.08
20 Aaa utility (new issue)[11]	9.23	9.58	9.66	9.64	9.50	9.58	9.48	9.93	10.97
21 Conventional mortgages[12]	10.12	10.33	10.35	11.13	10.90	10.95	11.10	11.35	n.a.

1. Includes total reserves (member bank reserve balances in the current week plus vault cash held two weeks earlier); currency outside the U.S. Treasury, Federal Reserve Banks and the vaults of commercial banks; and vault cash of nonmember banks.
2. M-1 equals currency plus private demand deposits adjusted.
M-1+ equals M-1 plus savings deposits at commercial banks, NOW accounts at banks and thrift institutions, credit union share draft accounts, and demand deposits at mutual savings banks.
M-2 equals M-1 plus bank time and savings deposits other than large negotiable certificates of deposit (CDs).
M-3 equals M-2 plus deposits at mutual savings banks, savings and loan associations, and credit union shares.
3. Savings and loan associations, mutual savings banks, and credit unions.
4. Quarterly changes calculated from figures shown in table 1.23.
5. Seven-day averages of daily effective rates (average of the rates on a given date weighted by the volume of transactions at those rates).
6. Rate for the Federal Reserve Bank of New York.
7. Quoted on a bank-discount basis.
8. Beginning Nov. 1977, unweighted average of offering rates quoted by at least five dealers. Previously, most representative rate quoted by these dealers.
9. Market yields adjusted to a 20-year maturity by the U.S. Treasury.
10. *Bond Buyer* series for 20 issues of mixed quality.
11. Weighted averages of new publicly offered bonds rated Aaa, Aa, and A by Moody's Investors Service and adjusted to an Aaa basis. Federal Reserve compilations.
12. Average rates on new commitments for conventional first mortgages on new homes in primary markets, unweighted and rounded to nearest 5 basis points, from Dept. of Housing and Urban Development.
13. Unless otherwise noted, rates of change are calculated from average amounts outstanding in preceding month or quarter. Growth rates for member bank reserves are adjusted for discontinuities in series that result from changes in Regulations D and M.

1.11 FACTORS AFFECTING MEMBER BANK RESERVES

Millions of dollars

Factors	Monthly averages of daily figures			Weekly averages of daily figures for weeks ending—						
	1979			1979						
	Aug.	Sept.p	Oct.p	Sept. 19	Sept. 26	Oct. 3p	Oct. 10p	Oct. 17p	Oct. 24p	Oct. 31p
SUPPLYING RESERVE FUNDS										
1 **Reserve Bank credit outstanding**	**113,441**	**133,598**	**134,049**	**133,736**	**134,113**	**135,461**	**113,011**	**135,391**	**135,305**	**135,930**
2 U.S. government securities[1]	111,639	112,967	113,775	112,599	114,746	114,448	112,862	113,221	113,931	115,440
3 Bought outright	111,044	112,421	113,282	112,388	113,478	113,610	112,797	113,221	113,373	114,171
4 Held under repurchase agreements	595	546	493	211	1,268	838	65	....	558	1,269
5 Federal agency securities	8,519	8,524	8,414	8,373	8,626	9,068	8,264	8,221	8,531	8,501
6 Bought outright	8,243	8,229	8,222	8,224	8,224	8,224	8,223	8,221	8,221	8,221
7 Held under repurchase agreements	276	295	192	149	402	844	41	....	310	280
8 Acceptances	388	316	173	102	382	846	45	....	125	336
9 Loans	1,097	1,345	2,022	1,762	1,159	1,119	938	1,530	2,960	3,056
10 Float	4,884	5,906	6,116	6,435	5,090	5,479	6,621	7,850	5,309	4,129
11 Other Federal Reserve assets	4,915	4,540	4,423	4,464	4,110	4,502	4,280	4,569	4,449	4,467
12 Gold stock	11,266	11,239	11,205	11,228	11,228	11,228	11,223	11,196	11,196	11,195
13 Special drawing rights certificate account	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800
14 Treasury currency outstanding	12,533	12,627	12,741	12,631	12,645	12,670	12,709	12,731	12,753	12,786
ABSORBING RESERVE FUNDS										
15 Currency in circulation	118,248	119,092	119,809	119,236	118,642	118,880	119,875	120,257	119,812	119,528
16 Treasury cash holdings	265	288	346	289	307	322	334	339	356	367
Deposits, other than member bank reserves, with Federal Reserve Banks										
17 Treasury	3,021	4,073	3,090	3,469	4,553	4,925	2,883	2,987	3,505	3,073
18 Foreign	294	319	310	321	262	352	281	321	292	320
19 Other	634	716	645	876	622	800	610	636	580	648
20 Other Federal Reserve liabilities and capital	4,572	4,697	4,870	4,612	4,848	4,860	4,669	4,840	4,908	5,188
21 Member bank reserves with Federal Reserve Banks	30,006	30,079	31,599	30,592	30,553	31,020	30,093	31,737	31,599	32,587

Factors	End-of-month figures			Wednesday figures						
	1979			1979						
	Aug.	Sept.p	Oct.p	Sept. 19	Sept. 26	Oct. 3p	Oct. 10p	Oct. 17p	Oct. 24p	Oct. 31p
SUPPLYING RESERVE FUNDS										
22 **Reserve bank credit outstanding**	**132,299**	**135,389**	**135,005**	**129,619**	**136,436**	**130,409**	**134,907**	**139,185**	**135,139**	**135,005**
23 U.S. government securities[1]	113,027	115,458	114,580	109,812	115,005	109,073	113,240	113,744	113,084	114,580
24 Bought outright	112,635	114,596	114,455	109,812	113,852	109,073	113,240	113,744	113,084	114,455
25 Held under repurchase agreements	392	862	125	....	1,153	....	....	....	....	125
26 Federal agency securities	8,395	9,323	8,278	8,224	8,532	8,224	8,221	8,221	8,221	8,278
27 Bought outright	8,242	8,224	8,221	8,224	8,224	8,224	8,221	8,221	8,221	8,221
28 Held under repurchase agreements	153	1,099	57	....	308	....	....	....	....	57
29 Acceptances	475	1,053	317	....	684	....	....	....	....	317
30 Loans	1,572	1,157	2,672	963	1,820	1,089	515	4,257	4,106	2,672
31 Float	4,209	4,083	4,685	6,014	6,203	7,754	8,422	8,089	5,268	4,685
32 Other Federal Reserve assets	4,621	5,349	4,473	4,606	4,192	4,269	4,509	4,874	4,460	4,473
33 Gold stock	11,259	11,228	11,194	11,228	11,228	11,228	11,212	11,196	11,196	11,194
34 Special drawing rights certificate account	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800
35 Treasury currency outstanding	12,724	12,645	12,793	12,634	12,645	12,704	12,716	12,753	12,753	12,793
ABSORBING RESERVE FUNDS										
36 Currency in circulation	118,914	118,550	120,004	119,164	118,954	119,563	120,615	120,388	119,873	120,004
37 Treasury cash holdings	268	324	369	306	306	324	337	349	359	369
Deposits, other than member bank reserves, with Federal Reserve Banks										
38 Treasury	3,542	6,489	2,209	2,786	5,483	3,256	2,625	3,423	3,218	2,209
39 Foreign	325	348	352	259	275	298	280	290	301	352
40 Other	663	780	286	686	571	613	686	466	582	286
41 Other Federal Reserve liabilities and capital	4,876	5,086	5,011	4,597	4,855	4,254	4,562	4,907	4,917	5,011
42 Member bank reserves with Federal Reserve Banks	29,493	29,485	32,561	27,482	31,665	27,833	31,531	35,111	31,638	32,561

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

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

1.12 RESERVES AND BORROWINGS Member Banks

Millions of dollars

Reserve classification	1978 Dec.	1979 Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.[p]	Oct.[p]
	Monthly averages of daily figures									
All member banks										
Reserves										
1 At Federal Reserve Banks	31,158	30,485	30,399	30,675	30,208	29,822	30,191	30,006	30,079	31,599
2 Currency and coin	10,330	10,074	9,776	9,737	10,044	10,154	10,552	10,523	10,727	10,681
3 Total held[1]	41,572	40,703	40,316	40,546	40,382	40,105	40,900	40,687	40,958	42,423
4 Required	41,447	40,494	40,059	40,548	40,095	39,884	40,710	40,494	40,860	41,998
5 Excess[1]	125	209	257	−2	287	221	190	193	98	425
Borrowings at Reserve Banks[2]										
6 Total	874	973	999	897	1,777	1,396	1,179	1,097	1,345	2,022
7 Seasonal	134	114	121	134	173	188	168	177	178	161
Large banks in New York City										
8 Reserves held	7,120	6,995	6,892	6,804	6,658	6,346	6,605	6,408	6,359	6,655
9 Required	7,243	6,976	6,845	6,837	6,544	6,415	6,586	6,427	6,378	6,832
10 Excess	−123	19	47	−33	114	−69	19	−19	−19	−177
11 Borrowings[2]	99	0	45	61	150	78	97	79	87	183
Large banks in Chicago										
12 Reserves held	1,907	1,824	1,822	1,801	1,730	1,726	1,709	1,694	1,697	1,790
13 Required	1,900	1,823	1,809	1,824	1,712	1,697	1,713	1,706	1,760	1,857
14 Excess	7	1	13	−23	18	29	−4	−12	−63	−67
15 Borrowings[2]	10	10	26	18	60	64	45	6	80	136
Other large banks										
16 Reserves held	16,446	16,055	15,844	15,948	15,926	15,989	16,374	16,370	15,900	16,519
17 Required	16,342	16,018	15,802	16,014	15,893	15,877	16,339	16,321	16,487	16,744
18 Excess	104	37	42	−66	33	112	35	49	−587	−225
19 Borrowings[2]	276	275	215	271	721	586	517	484	603	856
All other banks										
20 Reserves held	16,099	15,829	15,758	15,993	16,068	16,044	16,212	16,215	16,302	16,495
21 Required	15,962	15,677	15,603	15,873	15,946	15,895	16,072	16,040	16,235	16,413
22 Excess	137	152	155	120	122	149	140	175	67	82
23 Borrowings[2]	489	688	713	547	846	668	520	528	575	847
Edge corporations										
24 Reserves held	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	90
25 Required	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	72
26 Excess	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	18

Reserve classification	Aug. 29	Sept. 5	Sept. 12	Sept. 19	Sept. 26	Oct. 3[p]	Oct. 10[p]	Oct. 17[p]	Oct. 24[p]	Oct. 31[p]
	Weekly averages of daily figures for weeks ending 1979									
All member banks										
Reserves										
27 At Federal Reserve Banks	30,467	30,141	28,902	30,592	30,553	31,020	30,093	31,737	31,599	32,587
28 Currency and coin	10,484	10,596	11,134	10,169	10,836	10,959	11,078	10,692	9,942	10,891
29 Total held[1]	41,108	40,894	40,193	40,918	41,545	42,124	41,313	42,571	41,684	43,621
30 Required	40,738	40,489	40,095	40,721	41,519	41,767	40,719	42,570	41,533	43,264
31 Excess[1]	370	405	98	197	26	357	594	1	151	357
Borrowings at Reserve Banks[2]										
32 Total	1,117	1,340	1,230	1,762	1,159	1,119	938	1,530	2,960	3,056
33 Seasonal	186	172	153	163	180	177	139	151	164	187
Large banks in New York City										
34 Reserves held	6,472	6,603	6,236	6,168	6,388	6,616	6,628	7,035	6,410	6,753
35 Required	6,419	6,470	6,292	6,155	6,395	6,774	6,496	7,264	6,539	7,055
36 Excess	53	133	−56	13	−7	−158	132	−229	−129	−302
37 Borrowings[2]	50	214	139	0	29	99	0	348	308	96
Large banks in Chicago										
38 Reserves held	1,693	1,734	1,678	1,754	1,809	1,602	1,522	1,926	1,795	1,860
39 Required	1,687	1,733	1,679	1,764	1,803	1,855	1,773	1,967	1,830	1,857
40 Excess	6	1	−1	−10	6	−253	−251	−41	−35	3
41 Borrowings[2]	29	0	0	343	0	1	64	2	226	309
Other large banks										
42 Reserves held	16,537	16,280	16,160	16,731	16,669	16,583	16,117	16,429	16,559	16,447
43 Required	16,438	16,231	16,188	16,624	16,743	16,682	16,349	17,022	16,583	17,047
44 Excess	99	49	−28	107	−74	−99	−232	−593	−24	−600
45 Borrowings[2]	427	505	512	859	579	440	375	582	1,265	1,391
All other banks										
46 Reserves held	16,406	16,277	16,119	16,265	16,679	16,785	16,396	16,291	16,574	16,508
47 Required	16,194	16,055	15,936	16,178	16,578	16,456	16,101	16,317	16,581	16,633
48 Excess	212	222	183	87	101	329	295	−26	−7	−125
49 Borrowings[2]	611	621	579	560	551	579	499	598	1,161	1,260
Edge corporations										
50 Reserves held	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	396
51 Required	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	318
52 Excess	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	78

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

2. Based on closing figures.

1.13 FEDERAL FUNDS TRANSACTIONS Money Market Banks

Millions of dollars, except as noted

Type	Sept. 5	Sept. 12	Sept. 19	Sept. 26	Oct. 3	Oct. 10	Oct. 17	Oct. 24	Oct. 31
	1979, week ending Wednesday								
	Total, 46 banks								
Basic reserve position									
1 Excess reserves[1]	226	−57	62	4	56	361	67	58	194
LESS:									
2 Borrowings at Federal Reserve Banks	296	300	692	269	252	221	489	834	869
3 Net interbank federal funds transactions	20,563	25,011	21,822	19,838	19,007	23,129	23,567	21,712	20,332
EQUALS: Net surplus, or deficit (−)									
4 Amount	−20,634	−25,368	−22,453	−20,102	−19,204	−22,988	−23,989	−22,488	−21,008
5 Percent of average required reserves	121.0	150.8	131.8	115.4	108.4	133.5	128.7	129.1	113.8
Interbank federal funds transactions									
Gross transactions									
6 Purchases	30,397	33,098	30,764	28,475	28,904	32,356	31,379	28,320	27,700
7 Sales	9,833	8,087	8,941	8,637	9,896	9,227	7,812	6,608	7,367
8 Two-way transactions[2]	7,573	6,813	6,280	6,338	6,767	7,198	6,190	5,478	5,737
Net transactions									
9 Purchases of net buying banks	22,823	26,286	24,484	22,136	22,136	25,159	25,189	22,841	21,963
10 Sales of net selling banks	2,260	1,274	2,661	2,300	3,129	2,030	1,621	1,130	1,630
Related transactions with U.S. government securities dealers									
11 Loans to dealers[3]	3,519	4,780	3,581	2,865	2,973	3,551	2,992	2,575	1,800
12 Borrowings from dealers[4]	1,970	2,069	2,418	1,917	2,103	1,520	1,590	1,571	1,285
13 Net loans	1,549	2,712	1,163	948	870	2,030	1,402	1,004	514
	8 banks in New York City								
Basic reserve position									
14 Excess reserves[1]	189	−6	16	6	15	228	6	33	202
LESS:									
15 Borrowings at Federal Reserve Banks	114	125	0	29	56	0	342	168	58
16 Net interbank federal funds transactions	5,831	7,094	5,791	5,602	5,439	7,175	5,880	4,883	5,656
EQUALS: Net surplus, or deficit (−)									
17 Amount	−5,757	−7,225	−5,774	−5,625	−5,480	−6,947	−6,216	−5,019	−5,512
18 Percent of average required reserves	98.4	126.8	104.2	97.1	89.8	119.0	94.7	82.5	86.4
Interbank federal funds transactions									
Gross transactions									
19 Purchases	7,512	8,316	7,745	6,700	6,930	8,331	7,256	6,402	7,300
20 Sales	1,681	1,222	1,955	1,098	1,491	1,155	1,375	1,519	1,645
21 Two-way transactions[2]	1,681	1,222	1,208	1,082	976	1,155	1,375	1,519	1,459
Net transactions									
22 Purchases of net buying banks	5,831	7,094	6,538	5,617	5,955	7,175	5,881	4,884	5,841
23 Sales of net selling banks	0	0	747	16	516	0	0	0	186
Related transactions with U.S. government securities dealers									
24 Loans to dealers[3]	2,258	3,401	2,408	1,842	1,854	2,340	2,139	1,838	1,107
25 Borrowings from dealers[4]	855	821	1,339	811	748	714	780	745	595
26 Net loans	1,403	2,580	1,068	1,031	1,105	1,625	1,359	1,093	512
	38 banks outside New York City								
Basic reserve position									
27 Excess reserves[1]	37	−51	45	−2	41	134	61	25	−8
LESS:									
28 Borrowings at Federal Reserve Banks	182	175	692	240	196	221	147	666	811
29 Net interbank federal funds transactions	14,732	17,197	16,032	14,236	13,569	15,954	17,686	16,829	14,677
EQUALS: Net surplus, or deficit (−)									
30 Amount	−14,877	−18,143	−16,678	−14,478	−13,724	−16,041	−17,772	−17,469	15,496
31 Percent of average required reserves	132.8	162.6	145.1	124.6	118.2	140.9	147.1	151.5	128.4
Interbank federal funds transactions									
Gross transactions									
32 Purchases	22,885	24,782	23,018	21,775	21,973	24,026	24,123	21,917	20,399
33 Sales	8,152	6,865	6,978	7,540	8,405	8,072	6,437	5,089	5,723
34 Two-way transactions[2]	5,892	5,591	5,072	5,256	5,792	6,042	4,815	3,959	4,278
Net transactions									
35 Purchases of net buying banks	16,993	19,191	17,946	16,519	16,182	17,983	19,308	17,958	16,122
36 Sales of net selling banks	2,260	1,274	1,914	2,284	2,613	2,030	1,621	1,130	1,444
Related transactions with U.S. government securities dealers									
37 Loans to dealers[3]	1,261	1,380	1,173	1,023	1,120	1,211	853	737	693
38 Borrowings from dealers[4]	1,115	1,248	1,078	1,106	1,355	806	809	827	691
39 Net loans	146	132	95	−83	−235	405	43	−90	2

For notes see end of table.

1.13 Continued

Type	1979, week ending Wednesday								
	Sept. 5	Sept. 12	Sept. 19	Sept. 26	Oct. 3	Oct. 10	Oct. 17	Oct. 24	Oct. 31
	5 banks in City of Chicago								
Basic reserve position									
40 Excess reserves[1]	3	−1	−14	−1	0	29	3	19	4
LESS:									
41 Borrowings at Federal Reserve Banks	0	0	343	0	0	64	0	213	300
42 Net interbank federal funds transactions	8,228	8,120	6,922	7,104	7,302	7,276	8,135	8,072	7,266
EQUALS: Net surplus, or deficit (−)									
43 Amount	−8,225	−8,122	−7,278	−7,105	−7,302	−7,310	−8,132	−8,266	−7,563
44 Percent of average required reserves	509.0	520.2	442.5	421.7	421.3	442.5	441.2	484.0	433.9
Interbank federal funds transactions									
Gross transactions									
45 Purchases	9,530	9,407	8,403	8,406	8,614	8,810	9,496	8,963	8,380
46 Sales	1,302	1,287	1,481	1,302	1,313	1,534	1,361	891	1,114
47 Two-way transactions[2]	1,302	1,287	1,481	1,302	1,313	1,531	1,361	891	1,114
Net transactions									
48 Purchases of net buying banks	8,228	8,120	6,922	7,104	7,302	7,280	8,135	8,072	7,266
49 Sales of net selling banks	0	0	0	0	0	4	0	0	0
Related transactions with U.S. government securities dealers									
50 Loans to dealers[3]	247	329	198	190	144	244	170	113	59
51 Borrowings from dealers[4]	15	52	12	170	52	4	0	68	160
52 Net loans	232	277	187	20	92	240	170	45	−101
	33 other banks								
Basic reserve position									
53 Excess reserves[1]	34	−50	59	−1	41	104	58	6	−12
LESS:									
54 Borrowings at Federal Reserve Banks	182	175	349	240	196	157	147	453	511
55 Net interbank federal funds transactions	6,504	9,797	9,110	7,132	6,267	8,678	9,552	8,757	7,410
EQUALS: Net surplus, or deficit (−)									
56 Amount	−6,652	−10,022	−9,400	−7,373	−6,422	−8,731	−9,641	−9,204	−7,933
57 Percent of average required reserves	69.4	104.4	95.5	74.2	65.0	89.7	94.2	93.7	76.8
Interbank federal funds transactions									
Gross transactions									
58 Purchases	13,354	15,376	14,615	13,370	13,359	15,215	14,627	12,955	12,019
59 Sales	6,850	5,579	5,506	6,238	7,092	6,537	5,076	4,198	4,609
60 Two-way transactions[2]	4,590	4,305	3,591	3,955	4,479	4,512	3,454	3,069	3,164
Net transactions									
61 Purchases of net buying banks	8,765	11,071	11,024	9,415	8,880	10,704	11,173	9,886	8,855
62 Sales of net selling banks	2,260	1,274	1,914	2,284	2,613	2,026	1,621	1,130	1,444
Related transactions with U.S. government securities dealers									
63 Loans to dealers[3]	1,014	1,051	975	834	976	967	683	624	634
64 Borrowings from dealers[4]	1,100	1,196	1,067	936	1,303	802	809	759	531
65 Net loans	−85	−145	−92	−103	−328	165	−127	−135	103

1. Based on reserve balances, including adjustments to include waivers of penalities for reserve deficiencies in accordance with changes in policy of the Board of Governors effective Nov. 19, 1975.
2. Derived from averages for individual banks for entire week. Figure for each bank indicates extent to which the bank's average purchases and sales are offsetting.
3. Federal funds loaned, net funds supplied to each dealer by clearing banks, repurchase agreements (purchases from dealers subject to resale), or other lending arrangements.
4. Federal funds borrowed, net funds acquired from each dealer by clearing banks, reverse repurchase agreements (sales of securities to dealers subject to repurchase), resale agreements, and borrowings secured by U.S. government or other securities.

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

1.14 FEDERAL RESERVE BANK INTEREST RATES

Percent per annum

Current and previous levels

Federal Reserve Bank	Loans to member banks									Loans to all others under sec. 13, last par.[4]		
	Under secs. 13 and 13a[1]			Under sec. 10(b)[2]								
				Regular rate			Special rate[3]					
	Rate on 10/31/79	Effective date	Previous rate	Rate on 10/31/79	Effective date	Previous rate	Rate on 10/31/79	Effective date	Previous rate	Rate on 10/31/79	Effective date	Previous rate
Boston	12	10/10/79	11	12½	10/10/79	11½	13	10/10/79	12	15	10/10/79	14
New York	12	10/8/79	11	12½	10/8/79	11½	13	10/8/79	12	15	10/8/79	14
Philadelphia	12	10/8/79	11	12½	10/8/79	11½	13	10/8/79	12	15	10/8/79	14
Cleveland	12	10/8/79	11	12½	10/8/79	11½	13	10/8/79	12	15	10/8/79	14
Richmond	12	10/8/79	11	12½	10/8/79	11½	13	10/8/79	12	15	10/8/79	14
Atlanta	12	10/9/79	11	12½	10/9/79	11½	13	10/9/79	12	15	10/9/79	14
Chicago	12	10/9/79	11	12½	10/9/79	11½	13	10/9/79	12	15	10/9/79	14
St. Louis	12	10/8/79	11	12½	10/8/79	11½	13	10/8/79	12	15	10/8/79	14
Minneapolis	12	10/8/79	11	12½	10/8/79	11½	13	10/8/79	12	15	10/8/79	14
Kansas City	12	10/9/79	11	12½	10/9/79	11½	13	10/9/79	12	15	10/9/79	14
Dallas	12	10/9/79	11	12½	10/9/79	11½	13	10/9/79	12	15	10/9/79	14
San Francisco	12	10/8/79	11	12½	10/8/79	11½	13	10/8/79	12	15	10/8/79	14

Range of rates in recent years[5]

Effective date	Range (or level)—All F.R. Banks	F.R. Bank of N.Y.	Effective date	Range (or level)—All F.R. Banks	F.R. Bank of N.Y.	Effective date	Range (or level)—All F.R. Banks	F.R. Bank of N.Y.
In effect Dec. 31, 1970	5½	5½	1973—July 2	7	7	1977—Aug. 30	5¼–5¾	5¼
1971—Jan. 8	5¼–5½	5¼	Aug. 14	7–7½	7½	31	5¼–5¾	5¾
15	5¼	5¼	23	7½	7½	Sept. 2	5¾	5¾
19	5–5¼	5¼	1974—Apr. 25	7½–8	8	Oct. 26	6	6
22	5–5¼	5	30	8	8	1978—Jan. 9	6–6½	6½
29	5	5	Dec. 9	7¾–8	7¾	20	6½	6½
Feb. 13	4¾–5	5	16	7¾	7¾	May 11	6½–7	7
19	4¾	4¾	1975—Jan. 6	7¼–7¾	7¾	12	7	7
July 16	4¾–5	5	10	7¼–7¾	7¼	July 3	7–7¼	7¼
23	5	5	24	7¼	7¼	10	7¼	7¼
Nov. 11	4¾–5	5	Feb. 5	6¾–7¼	6¾	Aug. 21	7¾	7¾
19	4¾	4¾	7	6¾	6¾	Sept. 22	8	8
Dec. 13	4½–4¾	4¾	Mar. 10	6¼–6¾	6¼	Oct. 16	8–8½	8½
17	4½–4¾	4½	14	6¼	6¼	20	8½	8½
24	4½	4½	May 16	6–6¼	6	Nov. 1	8½–9½	9½
1973—Jan. 15	5	5	23	6	6	3	9½	9½
Feb. 26	5–5½	5½	1976—Jan. 19	5½–6	5½	1979—July 20	10	10
Mar. 2	5½	5½	23	5½	5½	Aug. 17	10–10½	10½
Apr. 23	5½–5¾	5½	Nov. 22	5¼–5½	5¼	20	10½	10½
May 4	5¾	5¾	26	5¼	5¼	Sept. 19	10½–11	11
11	5¾–6	6				21	11	11
18	6	6				Oct. 8	11–12	12
June 11	6–6½	6½				10	12	12
15	6½	6½				In effect Oct. 31, 1979	12	12

1. Discounts of eligible paper and advances secured by such paper or by U.S. government obligations or any other obligations eligible for Federal Reserve Bank purchase.
2. Advances secured to the satisfaction of the Federal Reserve Bank. Advances secured by mortgages on 1- to 4-family residential property are made at the section 13 rate.
3. Applicable to special advances described in section 201.2(e)(2) of Regulation A.
4. Advances to individuals, partnerships, or corporations other than member banks secured by direct obligations of, or obligations fully guaranteed as to principal and interest by, the U.S. government or any agency thereof.
5. Rates under secs. 13 and 13a (as described above). For description and earlier data, see the following publications of the Board of Governors: *Banking and Monetary Statistics, 1914–1941* and *1941–1970*; *Annual Statistical Digest, 1971–1975, 1972–1976*, and *1973–1977*.

1.15 MEMBER BANK RESERVE REQUIREMENTS[1]

Percent of deposits

Type of deposit, and deposit interval in millions of dollars	Requirements in effect October 31, 1979		Previous requirements	
	Percent	Effective date	Percent	Effective date
Net demand[2]				
0–2	7	12/30/76	7½	2/13/75
2–10	9½	12/30/76	10	2/13/75
10–100	11¾	12/30/76	12	2/13/75
100–400	12¾	12/30/76	13	2/13/75
Over 400	16¼	12/30/76	16½	2/13/75
Time and savings[2,3,4]				
Savings	3	3/16/67	3½	3/2/67
Time[5]				
0–5, by maturity				
30–179 days	3	3/16/67	3½	3/2/67
180 days to 4 years	2½	1/8/76	3	3/16/67
4 years or more	1	10/30/75	3	3/16/67
Over 5, by maturity				
30–179 days	6	12/12/74	5	10/1/70
180 days to 4 years	2½	1/8/76	3	12/12/74
4 years or more	1	10/30/75	3	12/12/74

	Legal limits	
	Minimum	Maximum
Net demand		
Reserve city banks	10	22
Other banks	7	14
Time	3	10
Borrowings from foreign banks	0	22

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

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

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

(c) Effective Aug. 24, 1978, the Regulation M reserve requirements on net balances due from domestic banks to their foreign branches and on deposits that foreign branches lend to U.S. residents were reduced to zero from 4 percent and 1 percent, respectively. The Regulation D reserve requirement on borrowings from unrelated banks abroad was also reduced to zero from 4 percent.

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

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

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

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

Effective with the reserve maintenance period beginning Oct. 25, 1979, a marginal reserve requirement of 8 percent was added to managed liabilities in excess of a base amount. Managed liabilities are defined as large time deposits, Eurodollar borrowings, repurchase agreements against U.S. government and federal agency securities, federal funds borrowings from nonmember institutions, and certain other obligations. In general, the base for the marginal reserve requirement is $100 million or the average amount of the managed liabilities held by a member bank, Edge corporation, or family of U.S. branches and agencies of a foreign bank for the two statement weeks ending Sept. 26, 1979.

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

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

Percent per annum

Type and maturity of deposit	Commercial banks				Savings and loan associations and mutual savings banks			
	In effect Nov. 30, 1979		Previous maximum		In effect Nov. 30, 1979		Previous maximum	
	Percent	Effective date	Percent	Effective date	Percent	Effective date	Percent	Effective date
1 Savings	5¼	7/1/79	5	7/1/73	5½	7/1/79	5¼	(7)
2 Negotiable order of withdrawal accounts[1]	5	1/1/74	(8)	....	5	1/1/74	(8)	....
Time accounts[2]								
Fixed ceiling rates by maturity								
3 30–89 days	5¼	9/1/79	5	7/1/73	(8)	....	(8)	....
4 90 days to 1 year	5½	7/1/73	5	(9)	[3]5¾	(7)	5¼	1/21/70
5 1 to 2 years[3]	6	7/1/73	5½	1/21/70	6½	(7)	5¾	1/21/70
6 2 to 2½ years[3]			5¾	1/21/70			6	1/21/70
7 2½ to 4 years[3]	6½	7/1/73	5¾	1/21/70	6¾	(7)	6	1/21/70
8 4 to 6 years[4]	7¼	11/1/73	(10)	....	7½	11/1/73	(10)	....
9 6 to 8 years[4]	7½	12/23/74	7¼	11/1/73	7¾	12/23/74	7½	11/1/73
10 8 years or more[4]	7¾	6/1/78	(8)	....	8	6/1/78	(8)	....
11 Issued to governmental units (all maturities)	8	6/1/78	7¾	12/23/74	8	6/1/78	7¾	12/23/74
12 Individual retirement accounts and Keogh (H.R. 10) plans (3 years or more)[5]	8	6/1/78	7¾	7/6/77	8	6/1/78	7¾	7/6/77
Special variable ceiling rates by maturity								
13 6 months (money market time deposits)[6]	(11)	(11)	(11)	(11)	(11)	(11)	(11)	(11)
14 4 years or more	(12)	(12)	(12)	(12)	(12)	(12)	(12)	(12)

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

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

3. No minimum denomination. Until July 1, 1979, a minimum of $1,000 was required for savings and loan associations, except in areas where mutual savings banks permitted lower minimum denominations. This restriction was removed for deposits maturing in less than 1 year, effective Nov. 1, 1973.

4. No minimum denomination. Until July 1, 1979, minimum denomination was $1,000 except for deposits representing funds contributed to an Individual Retirement Account (IRA) or a Keogh (H.R. 10) Plan established pursuant to the Internal Revenue Code. The $1,000 minimum requirement was removed for such accounts in December 1975 and November 1976, respectively.

5. Accounts maturing in less than 3 years subject to regular ceilings.

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

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

8. No separate account category.

9. Multiple maturity: July 20, 1966; single maturity: September 26, 1966.

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

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

11. Commercial banks, savings and loan associations, and mutual savings banks were authorized to offer money market time deposits effective June 1, 1978. The ceiling rate for commercial banks is the discount rate on most recently issued 6-month U.S. Treasury bills. Until Mar. 15, 1979, the ceiling rate for savings and loan associations and mutual savings banks was ¼ percentage point higher than the rate for commercial banks. Beginning Mar. 15, 1979, the ¼ percentage point interest differential is removed when the 6-month Treasury bill rate is 9 percent or more. The full differential is in effect when the 6-month bill rate is 8¾ percent or less. Thrift institutions may pay a maximum 9 percent when the 6-month bill rate is between 8¾ and 9 percent. Also effective March 15, 1979, interest compounding was prohibited on money market time deposit at all offering institutions. For both commercial banks and thrift institutions, the maximum allowable rates in October were as follows: Oct. 4, 10.327; Oct. 11, 10.662; Oct. 18, 11.716; Oct. 25, 12.651.

12. Effective July 1, 1979, commercial banks, savings and loan associations, and mutual savings banks are authorized to offer variable ceiling accounts with no required minimum denomination and with maturities of 4 years or more. The maximum rate for commercial banks is 1¼ percentage points below the yield on 4-year U.S. Treasury securities; the ceiling rate for thrift institutions is ¼ percentage point higher than that for commercial banks. For deposits issued in October, the ceiling was 8.25 percent at commercial banks and 8.50 percent at thrift institutions. In November, the ceiling at commercial banks is 10.3 percent, and the ceiling at thrift institutions is 10.55 percent.

NOTE. Maximum rates that can be paid by federally insured commercial banks, mutual savings banks, and savings and loan associations are established by the Board of Governors of the Federal Reserve System, the Board of Directors of the Federal Deposit Insurance Corporation, and the Federal Home Loan Bank Board under the provisions of 12 CFR 217, 329, and 526, respectively. The maximum rates on time deposits in denominations of $100,000 or more with maturities of 30-89 days were suspended in June 1970; such deposits maturing in 90 days or more were suspended in May 1973. For information regarding previous interest rate ceilings on all types of accounts, see earlier issues of the FEDERAL RESERVE BULLETIN, the Federal Home Loan Bank Board *Journal*, and the *Annual Report* of the Federal Deposit Insurance Corporation.

1.17 FEDERAL RESERVE OPEN MARKET TRANSACTIONS

Millions of dollars

Type of transaction	1976	1977	1978	1979 Mar.	1979 Apr.	1979 May	1979 June	1979 July	1979 Aug.	1979 Sept.
U.S. GOVERNMENT SECURITIES										
Outright transactions (excluding matched sale–purchase transactions)										
Treasury bills										
1 Gross purchases	14,343	13,738	16,628	2,012	[2]2,361	0	518	2,252	2,351	1,692
2 Gross sales	8,462	7,241	13,725	475	100	251	623	0	380	353
3 Redemptions	[2]5,017	2,136	2,033	400	[2]1,240	200	0	0	0	200
Others within 1 year[1]										
4 Gross purchases	472	3,017	1,184	2,600	0	0	42	218	57	120
5 Gross sales	0	0	0	0	0	0	0	0	0	0
6 Exchange, or maturity shift	792	4,499	−5,170	724	439	4,660	1,152	33	1,526	876
7 Redemptions	0	2,500	0	0	[2]3,240	0	0	0	0	0
1 to 5 years										
8 Gross purchases	[2]3,202	2,833	4,188	0	[2]640	0	0	237	699	354
9 Gross sales	177	0	0	0	0	0	0	0	0	0
10 Exchange, or maturity shift	−2,588	−6,649	−178	−724	−439	−5,209	−1,152	−33	−1,591	−876
5 to 10 years										
11 Gross purchases	1,048	758	1,526	0	0	0	0	96	140	73
12 Gross sales	0	0	0	0	0	0	0	0	0	0
13 Exchange, or maturity shift	1,572	584	2,803	0	0	350	0	0	−240	0
Over 10 years										
14 Gross purchases	642	553	1,063	0	0	0	0	142	81	87
15 Gross sales	0	0	0	0	0	0	0	0	0	0
16 Exchange, or maturity shift	225	1,565	2,545	0	0	200	0	0	305	0
All maturities[1]										
17 Gross purchases	[2]19,707	20,898	24,591	4,612	[2]3,000	0	561	2,945	3,327	2,326
18 Gross sales	8,639	7,241	13,725	475	100	251	623	0	380	353
19 Redemptions	[2]5,017	4,636	2,033	400	[2]4,480	200	0	0	0	200
Matched sale–purchase transactions										
20 Gross sales	196,078	425,214	511,126	61,669	62,362	54,343	52,640	40,310	35,159	41,395
21 Gross purchases	196,579	423,841	510,854	63,707	61,968	53,692	52,949	40,300	35,480	41,583
Repurchase agreements										
22 Gross purchases	232,891	178,683	151,618	11,817	5,784	2,188	15,531	18,464	10,539	10,850
23 Gross sales	230,355	180,535	152,436	10,137	6,163	3,488	12,226	19,690	12,226	10,380
24 Net change in U.S. government securities	9,087	5,798	7,743	7,454	−2,352	−2,403	3,552	1,708	1,582	2,431
FEDERAL AGENCY OBLIGATIONS										
Outright transactions										
25 Gross purchases	891	1,433	301	0	0	0	371	482	0	0
26 Gross sales	0	0	173	0	0	0	0	0	0	0
27 Redemptions	169	223	235	23	*	40	33	0	*	18
Repurchase agreements										
28 Gross purchases	10,520	13,811	40,567	2,851	1,173	1,149	4,443	7,247	4,057	5,016
29 Gross sales	10,360	13,638	40,885	2,482	1,392	1,298	3,617	7,434	4,544	4,069
30 Net change in federal agency obligations	882	1,383	−426	345	−219	−189	1,163	295	−487	928
BANKERS ACCEPTANCES										
31 Outright transactions, net	−545	−196	0	0	0	0	0	0	0	0
32 Repurchase agreements, net	410	159	−366	204	48	−252	1,400	−241	−684	578
33 Net change in bankers acceptances	−135	−37	−366	204	48	−252	1,400	−241	−684	578
34 Total net change in System Open Market Account	**9,833**	**7,143**	**6,951**	**8,003**	**−2,524**	**−2,844**	**6,115**	**1,761**	412	**3,937**

1. Both gross purchases and redemptions include special certificates created when the Treasury borrows directly from the Federal Reserve, as follows (millions of dollars): Sept. 1977, 2,500; Mar. 1979, 2,600.

2. In 1976, the System acquired $189 million of 2-year Treasury notes in exchange for maturing bills. In April 1979, the System acquired $640 million of 2-day cash management bills in exchange for maturing 2-year notes. New 2-year notes were later obtained in exchange for the maturing bills. Each of these transactions is treated in the table as both a purchase and a redemption.

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

1.18 FEDERAL RESERVE BANKS Condition and Federal Reserve Note Statements

Millions of dollars

Account	Wednesday 1979					End of month 1979		
	Oct. 3p	Oct. 10p	Oct. 17p	Oct. 24p	Oct. 31p	Aug.	Sept.p	Oct.p
	Consolidated condition statement							
ASSETS								
1 Gold certificate account	11,228	11,212	11,196	11,196	11,194	11,259	11,228	11,194
2 Special drawing rights certificate account	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800
3 Coin	455	450	457	456	449	441	454	449
Loans								
4 Member bank borrowings	1,089	515	4,257	4,106	2,672	1,572	1,157	2,672
5 Other	0	0	0	0	0	0	0	0
Acceptances								
6 Bought outright	0	0	0	0	0	0	0	0
7 Held under repurchase agreements	0	0	0	0	317	475	1,053	317
Federal agency obligations								
8 Bought outright	8,224	8,221	8,221	8,221	8,221	8,242	8,224	8,221
9 Held under repurchase agreements	0	0	0	0	57	153	1,099	57
U.S. governments securities								
Bought outright								
10 Bills	39,377	42,876	43,380	42,657	44,028	42,905	44,232	44,028
11 Certificates—Special	0	0	0	0	0	0	0	0
12 Other	0	0	0	0	0	0	0	0
13 Notes	55,511	56,179	56,179	56,242	56,242	55,645	56,179	56,242
14 Bonds	14,185	14,185	14,185	14,185	14,185	14,085	14,185	14,185
15 Total[1]	109,073	113,240	113,744	113,084	114,455	112,635	114,596	114,455
16 Held under repurchase agreements	0	0	0	0	125	392	862	125
17 Total U.S. government securities	109,073	113,240	113,744	113,084	114,580	113,027	115,458	114,580
18 **Total loans and securities**	**118,386**	**121,976**	**126,222**	**125,411**	**125,847**	**123,469**	**126,991**	**125,847**
19 Cash items in process of collection	14,966	16,669	15,753	11,591	11,693	9,938	9,381	11,693
20 Bank premises	397	402	403	402	402	400	400	402
Other assets								
21 Denominated in foreign currencies[2]	1,537	1,518	1,498	1,498	1,432	2,213	1,536	1,432
22 All other	2,335	2,589	2,973	2,560	2,639	2,008	3,413	2,639
23 **Total assets**	**151,104**	**156,616**	**160,302**	**154,914**	**155,456**	**151,528**	**155,203**	**155,456**
LIABILITIES								
24 Federal Reserve notes	107,638	108,685	108,441	107,935	108,029	106,900	106,683	108,029
Deposits								
25 Reserve accounts								
26 Member Banks	27,833	31,531	35,111	31,638	32,192	29,493	29,485	32,192
27 Edge Act Corporations	0	0	0	0	369	0	0	369
28 U.S. agencies and branches of foreign banks	0	0	0	0	0	0	0	0
29 Total	27,833	31,531	35,111	31,638	32,561	29,493	29,485	32,561
30 U.S. Treasury—General account	3,256	2,625	3,423	3,218	2,209	3,542	6,489	2,209
31 Foreign	298	280	290	301	352	325	348	352
32 Other	613	686	466	582	286	663	780	286
33 Total deposits	32,000	35,122	39,290	35,739	35,408	34,023	37,102	35,408
34 Deferred availability cash items	7,212	8,247	7,664	6,323	7,008	5,729	6,332	7,008
35 Other liabilities and accrued dividends[3]	1,897	2,022	2,180	1,996	1,849	1,813	2,078	1,849
36 **Total liabilities**	**148,747**	**154,076**	**157,575**	**151,993**	**152,294**	**148,465**	**152,195**	**152,294**
CAPITAL ACCOUNTS								
37 Capital paid in	1,135	1,135	1,135	1,135	1,136	1,131	1,135	1,136
38 Surplus	1,078	1,078	1,078	1,078	1,078	1,078	1,078	1,078
39 Other capital accounts	144	327	514	708	948	854	795	948
40 **Total liabilities and capital accounts**	**151,104**	**156,616**	**160,302**	**154,914**	**155,456**	**151,528**	**155,203**	**155,456**
41 MEMO: Marketable U.S. government securities held in custody for foreign and international account	83,286	85,297	83,696	83,029	81,928	81,928	82,703	81,928
	Federal Reserve note statement							
42 Federal Reserve notes outstanding (issued to Bank)	122,514	122,865	123,293	123,921	124,342	121,408	122,457	124,342
Collateral held against notes outstanding								
43 Gold certificate account	11,228	11,212	11,196	11,196	11,194	11,259	11,228	11,194
44 Special Drawing Rights certificate account	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800
45 Eligible paper	688	382	1,293	2,246	1,743	1,090	848	1,743
46 U.S. government and agency securities	108,798	109,471	109,004	108,679	109,605	107,259	108,581	109,605
47 **Total collateral**	**122,514**	**122,865**	**123,293**	**123,921**	**124,342**	**121,408**	**122,457**	**124,342**

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

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

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

1.19 FEDERAL RESERVE BANKS Maturity Distribution of Loan and Security Holdings

Millions of dollars

Type and maturity	Wednesday 1979					End of month 1979		
	Oct. 3	Oct. 10	Oct. 17	Oct. 24	Oct. 31	Aug. 31	Sept. 30	Oct. 31
1 Loans	1,089	515	4,257	4,106	2,672	1,572	1,157	2,672
2 Within 15 days	1,020	430	4,228	4,050	2,577	1,441	1,079	2,577
3 16 days to 90 days	69	85	29	56	95	131	78	95
4 91 days to 1 year	0	0	0	0	0	0	0	0
5 Acceptances	0	0	0	0	317	475	1,053	317
6 Within 15 days	0	0	0	0	317	475	1,053	317
7 16 days to 90 days	0	0	0	0	0	0	0	0
8 91 days to 1 year	0	0	0	0	0	0	0	0
9 U.S. Government securities	109,073	113,240	113,744	113,084	114,580	113,027	115,458	114,580
10 Within 15 days[1]	4,588	3,437	3,185	3,095	6,848	2,821	3,481	6,848
11 16 days to 90 days	18,478	23,890	23,717	23,482	20,930	23,419	25,171	20,930
12 91 days to 1 year	35,060	34,298	35,227	34,857	35,036	35,477	34,983	35,036
13 Over 1 year to 5 years	26,270	26,938	26,938	26,973	27,089	26,793	27,146	27,089
14 Over 5 years to 10 years	12,294	12,294	12,294	12,294	12,294	12,221	12,294	12,294
15 Over 10 years	12,383	12,383	12,383	12,383	12,383	12,296	12,383	12,383
16 Federal agency obligations	8,224	8,221	8,221	8,221	8,278	8,395	9,323	8,278
17 Within 15 days[1]	33	12	64	52	109	281	1,186	109
18 16 days to 90 days	224	362	310	352	352	185	223	352
19 91 days to 1 year	1,412	1,263	1,280	1,350	1,350	1,242	1,369	1,350
20 Over 1 year to 5 years	4,386	4,415	4,398	4,290	4,290	4,452	4,376	4,290
21 Over 5 years to 10 years	1,427	1,427	1,427	1,435	1,435	1,439	1,427	1,435
22 Over 10 years	742	742	742	742	742	796	742	742

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

1.20 BANK DEBITS AND DEPOSIT TURNOVER

Debits are shown in billions of dollars, turnover as ratio of debits to deposit. Monthly data are at annual rates.

Bank group, or type of customer	1976	1977	1978	1979				
				May	June	July	Aug.	Sept.
	Debits to demand deposits[2] (seasonally adjusted)							
1 All commercial banks	29,180.4	34,322.8	40,300.3	47,545.4	50,388.3	52,102.7	52,402.5	54,233.1
2 Major New York City banks	11,467.2	13,860.6	15,008.7	16,960.3	19,747.4	20,480.5	20,357.2	21,117.6
3 Other banks	17,713.2	20,462.2	25,291.6	30,585.2	30,641.0	31,622.2	32,045.3	33,115.5
	Debits to savings deposits[3] (not seasonally adjusted)							
4 All customers	....	174.0	418.1	764.4	658.8	732.8	735.8	667.6
5 Business[1]	....	21.7	56.7	69.4	72.6	74.1	78.2	74.5
6 Others	....	152.3	361.4	695.0	586.2	658.8	657.6	593.1
	Demand deposit turnover[2] (seasonally adjusted)							
7 All commercial banks	116.8	129.2	139.4	160.3	167.3	171.9	173.1	175.0
8 Major New York City banks	411.6	503.0	541.9	619.1	685.4	717.7	709.1	711.5
9 Other banks	79.8	85.9	96.7	113.6	112.5	115.2	116.9	118.2
	Savings deposit turnover[3] (not seasonally adjusted)							
10 All customers	....	1.6	1.9	3.6	3.1	3.4	3.4	3.1
11 Business[1]	....	4.1	5.1	6.8	7.2	7.2	7.4	7.0
12 Others	....	1.5	1.7	3.4	2.9	3.2	3.2	2.9

1. Represents corporations and other profit-seeking organizations (excluding commercial banks but including savings and loan associations, mutual savings banks, credit unions, the Export-Import Bank, and federally sponsored lending agencies).
2. Represents accounts of individuals, partnerships, and corporations, and of states and political subdivisions.
3. Excludes negotiable order of withdrawal (NOW) accounts and special club accounts, such as Christmas and vacation clubs.

NOTE. Historical data—estimated for the period 1970 through June 1977, partly on the basis of the debits series for 233 SMSAs, which were available through June 1977—are available from Publications Services, Division of Support Services, Board of Governors of the Federal Reserve System, Washington, D.C. 20551. Debits and turnover data for savings deposits are not available prior to July 1977.

1.21 MONEY STOCK MEASURES AND COMPONENTS

Billions of dollars, averages of daily figures

Item	1975 Dec.	1976 Dec.	1977 Dec.	1978 Dec.	1979 Apr.	1979 May	1979 June	1979 July	1979 Aug.	1979 Sept.
					Seasonally adjusted					
MEASURES[1]										
1 M-1	295.4	313.8	338.7	361.2	364.3	364.5	369.0	r372.2	374.3	377.8
2 M-1+	456.8	517.2	560.6	587.2	585.1	584.1	590.1	595.1	598.3	601.9
3 M-2	664.8	740.6	809.4	875.8	889.8	893.8	904.4	914.1	922.5	931.9
4 M-3	1,092.4	1,235.6	1,374.3	1,500.1	1,530.8	1,537.0	1,552.3	1,567.0	r1,580.0	1,594.4
5 M-4	745.8	803.0	883.1	972.4	984.8	984.4	989.3	r998.8	1,008.4	1,020.0
6 M-5	1,173.5	1,298.0	1,448.0	1,596.7	1,625.9	1,627.6	1,637.2	1,651.7	r1,666.0	1,682.4
COMPONENTS										
7 Currency	73.8	80.8	88.6	97.5	100.2	100.7	101.5	102.4	103.6	104.8
Commercial bank deposits										
8 Demand	221.7	233.0	250.1	263.7	264.1	263.8	267.5	269.8	270.7	273.0
9 Time and savings	450.3	489.2	544.4	611.2	620.6	619.9	620.3	626.6	634.2	642.2
10 Savings	160.7	202.1	219.7	223.0	217.7	216.4	217.8	219.5	220.7	220.7
11 Negotiable CDs[2]	81.0	62.4	73.7	96.6	95.0	90.6	84.9	84.7	85.9	88.1
12 Other time	208.6	224.7	251.0	291.5	307.9	313.0	317.6	322.4	327.6	333.4
13 Nonbank thrift institution deposits[3]	427.7	495.0	564.9	624.4	641.0	643.2	647.9	652.9	r657.5	662.4
					Not seasonally adjusted					
MEASURES[1]										
14 M-1	303.9	322.6	348.2	371.3	367.4	359.1	368.2	r374.1	371.6	375.6
15 M-1+	463.6	524.2	568.0	595.2	590.7	580.6	591.0	598.8	595.6	597.8
16 M-2	670.0	745.8	814.9	881.5	896.8	892.1	906.0	917.0	919.3	927.2
17 M-3	1,095.0	1,238.3	1,377.2	1,502.8	1,540.8	1,536.4	1,556.3	1,573.0	r1,577.1	1,588.6
18 M-4	753.5	810.0	890.8	981.0	989.5	981.1	990.4	1,001.0	1,005.7	1,017.0
19 M-5	1,178.4	1,302.6	1,453.2	1,602.4	1,633.5	1,625.4	1,640.7	1,657.0	r1,663.4	1,678.4
COMPONENTS										
20 Currency	75.1	82.1	90.1	99.1	99.9	100.6	101.8	103.2	103.9	104.5
Commercial bank deposits										
21 Demand	228.8	240.5	258.1	272.2	267.5	258.5	266.4	270.9	267.7	271.1
22 Member	162.8	169.4	177.5	183.0	178.5	171.8	177.1	180.5	178.5	179.4
23 Domestic nonmember	62.6	67.5	76.2	85.2	85.1	82.6	84.8	86.1	85.3	87.4
24 Time and savings	449.6	487.4	542.6	609.7	622.1	622.0	622.2	627.0	634.1	641.4
25 Savings	159.1	200.2	217.7	220.9	220.1	218.2	219.4	221.4	220.7	218.9
26 Negotiable CDs[2]	83.5	64.3	75.9	99.5	92.6	88.9	84.4	84.0	86.4	89.8
27 Other time	207.1	222.9	249.0	289.2	309.3	314.9	318.3	321.6	327.1	332.7
28 Other checkable deposits[4]	.7	1.4	2.1	3.0	3.2	3.3	3.3	3.4	3.4	3.4
29 Nonbank thrift institution deposits[3]	424.9	492.5	562.3	621.4	644.0	644.3	650.3	656.0	r657.8	661.4
30 U.S. government demand deposits (all commercial banks)[5]	4.1	4.4	5.1	10.2	5.3	8.4	10.8	13.2	9.8	12.4

1. Composition of the money stock measures is as follows:
M-1: Averages of daily figures for (1) demand deposits at commercial banks other than domestic interbank and U.S. government, less cash items in process of collection and Federal Reserve float; (2) foreign demand balances at Federal Reserve Banks; and (3) currency outside the Treasury, Federal Reserve Banks, and vaults of commercial banks.
M-1+: M-1 plus savings deposits at commercial banks, NOW accounts at banks and thrift institutions, credit union share draft accounts, and demand deposits at mutual savings banks.
M-2: M-1 plus savings deposits, time deposits open account, and time certificates of deposit (CDs) other than negotiable CDs of $100,000 or more at large weekly reporting banks.
M-3: M-2 plus the average of the beginning- and end-of-month deposits of mutual savings banks, savings and loan shares, and credit union shares (nonbank thrift).
M-4: M-2 plus large negotiable CDs.
M-5: M-3 plus large negotiable CDs.
2. Negotiable time CDs issued in denominations of $100,000 or more by large weekly reporting commercial banks.
3. Average of the beginning- and end-of-month figures for deposits of mutual savings banks, for savings capital at savings and loan associations, and for credit union shares.
4. Includes NOW accounts at thrift institutions, credit union share draft accounts, and demand deposits at mutual savings banks.
5. Includes Treasury note balances beginning Nov. 2, 1978.

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

NOTES TO TABLE 1.23:

1. Includes domestic chartered banks, U.S. branches, agencies, and New York investment company subsidiaries of foreign banks; and Edge Act corporations.
2. Excludes loans to commercial banks in the United States.
3. Loans sold are those sold outright to a bank's own foreign branches, nonconsolidated nonbank affiliates of the bank, the bank's holding company (*if not a bank*), and nonconsolidated nonbank subsidiaries of the holding company.
4. United States includes the 50 states and the District of Columbia.
5. As of Dec. 31, 1977, as the result of loan reclassifications, business loans were reduced by $0.2 billion and nonbank financial loans by $0.1 billion; real estate loans were increased by $0.3 billion.
6. As of Dec. 31, 1978, total loans and investments were reduced by $0.1 billion. "Other securities" were increased by $1.5 billion and total loans were reduced by $1.6 billion largely as the result of reclassifications of certain tax-exempt obligations. Most of the loan reduction was in "all other loans."
7. As of Dec. 31, 1978, commercial and industrial loans were reduced $0.1 billion as a result of reclassifications.
8. As of Dec. 31, 1978, commercial and industrial loans sold outright were increased $0.7 billion as the result of reclassifications, but $0.1 billion of this amount was offset by a balance sheet reduction of $0.1 billion as noted above.
9. As of Dec. 31, 1978, nonbank financial loans were reduced $0.1 billion as the result of reclassifications.
10. As of Jan. 3, 1979, as the result of reclassifications, total loans and investments and total loans were increased by $0.6 billion. Business loans were increased by $0.4 billion and real estate loans by $0.5 billion. Nonbank financial loans were reduced by $0.3 billion.

NOTE. Data are prorated averages of Wednesday data for domestic chartered banks, and averages of current and previous month-end data for foreign-related institutions.

1.22 AGGREGATE RESERVES AND DEPOSITS Member Banks

Billions of dollars, averages of daily figures

Item	1976 Dec.	1977 Dec.	1978 Dec.	1979 Feb.	1979 Mar.	1979 Apr.	1979 May	1979 June	1979 July	1979 Aug.	1979 Sept.
	Seasonally adjusted										
1 **Reserves**[1]	**34.89**	**36.10**	**41.27**	**40.75**	**40.81**	**40.65**	**40.48**	**40.42**	**40.82**	**41.07**	**41.46**
2 Nonborrowed	34.84	35.53	40.40	39.78	39.82	39.73	38.72	39.00	39.65	39.98	40.12
3 Required	34.61	35.91	41.04	40.54	40.66	40.47	40.34	40.20	40.61	40.85	41.27
4 Monetary base[2]	118.4	127.8	142.3	143.3	143.9	144.5	144.9	145.6	146.9	148.4	150.1
5 **Deposits subject to reserve requirements**[3]	**528.6**	**568.6**	**616.7**	**619.7**	**616.4**	**618.6**	**613.9**	**613.1**	**618.7**	**623.7**	**630.5**
6 Time and savings	354.1	386.7	429.4	436.1	434.1	432.0	428.7	425.9	429.4	434.4	439.8
Demand											
7 Private	171.5	178.5	185.1	181.9	180.5	184.7	183.5	184.8	187.5	187.1	188.9
8 U.S. government	3.0	3.5	2.3	1.8	1.8	1.8	1.7	2.4	1.8	2.2	1.8
	Not seasonally adjusted										
9 Monetary base[2]	120.3	129.8	144.6	141.9	142.3	144.2	144.4	145.6	147.9	148.4	149.4
10 **Deposits subject to reserve requirements**[3]	**534.8**	**575.3**	**624.0**	**614.3**	**614.3**	**621.1**	**610.9**	**613.9**	**619.2**	**620.4**	**629.0**
11 Time and savings	353.6	386.4	429.6	434.2	434.9	432.3	429.8	427.2	429.8	434.1	439.4
Demand											
12 Private	177.9	185.1	191.9	178.2	177.5	186.8	179.2	183.9	187.8	184.5	187.5
13 U.S. government	3.3	3.8	2.5	1.8	1.9	2.0	1.8	2.8	1.6	1.7	2.1

1. Series reflects actual reserve requirement percentages with no adjustment to eliminate the effect of changes in Regulations D and M. There are breaks in series because of changes in reserve requirements effective Jan. 8 and Dec. 30, 1976; and Nov. 2, 1978. In addition, effective Jan. 1, 1976, statewide branching in New York was instituted. The subsequent merger of a number of banks raised required reserves because of higher reserve requirements on aggregate deposits at these banks.

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

3. Includes total time and savings deposits and net demand deposits as defined by Reguation D. Private demand deposits include all demand deposits except those due to the U.S. government, less cash items in process of collection and demand balances due from domestic commercial banks.

NOTE. Back data and estimates of the impact on required reserves and changes in reserve requirements are shown in table 14 of the Board's *Annual Statistical Digest, 1971–1975.*

1.23 LOANS AND INVESTMENTS All Commercial Banks[1]

Billions of dollars; averages of Wednesday figures

Category	1977 Dec.	1978 Dec.	1979 July[p]	1979 Aug.[p]	1979 Sept.[p]	1977 Dec.	1978 Dec.	1979 July[p]	1979 Aug.[p]	1979 Sept.[p]
	Seasonally adjusted					Not seasonally adjusted				
1 **Total loans and securities**[2]	**891.1**	**[6]1,014.3**	**[10]1,092.2**	**1,102.8**	**1,122.8**	**899.1**	**[6]1,023.8**	**[10]1,093.7**	**1,102.7**	**1,124.7**
2 U.S. Treasury securities	99.5	93.4	95.3	94.1	95.2	100.7	94.6	93.6	92.2	93.6
3 Other securities	159.6	[6]173.1	183.5	185.4	187.6	160.2	[6]173.9	183.3	185.0	187.6
4 Total loans and leases[2]	632.1	[6]747.8	[10]813.4	823.3	840.0	638.3	[6]755.4	[10]816.8	825.5	843.5
5 Commercial and industrial loans	[5]211.2	[7]246.5	[10]275.5	279.9	285.9	[5]212.6	[7]248.2	[10]276.9	279.6	285.8
6 Real estate loans	[5]175.2	210.5	[10]228.7	231.3	234.1	[5]175.5	210.9	[10]228.9	232.0	235.3
7 Loans to individuals	138.2	164.9	177.8	178.8	180.2	139.0	165.9	178.2	180.4	182.4
8 Security loans	20.6	19.4	23.6	23.0	23.5	22.0	20.7	22.7	23.0	23.6
9 Loans to nonbank financial institutions	[5]25.8	[9]27.1	[10]29.2	29.5	29.8	[5]26.3	[9]27.6	[10]29.5	29.8	30.3
10 Agricultural loans	25.8	28.2	29.1	29.2	29.6	25.7	28.1	29.5	29.8	30.1
11 Lease financing receivables	5.8	7.4	8.3	8.6	8.7	5.8	7.4	8.3	8.6	8.7
12 All other loans	29.5	[6]43.6	41.2	43.2	48.0	31.5	[6]46.6	42.8	42.3	47.2
MEMO:										
13 **Total loans and investments plus loans sold**[2,3]	**895.9**	**[6]1,018.1**	**[10]1,095.9**	**1,106.5**	**1,126.5**	**903.9**	**[6]1,027.6**	**[10]1,097.4**	**1,106.4**	**1,128.4**
14 Total loans plus loans sold[2,3]	636.9	[6]751.6	[10]817.2	827.0	843.7	643.0	[6]759.2	[10]820.5	829.2	847.2
15 Total loans sold to affiliates[3]	4.8	3.8	3.7	3.7	3.7	4.8	3.8	3.7	3.7	3.7
16 Commercial and industrial loans plus loans sold[3]	[5]213.9	[8]248.5	[10]278.3	282.6	288.7	[5]215.3	[8]250.1	[10]279.7	282.4	288.6
17 Commercial and industrial loans sold[3]	2.7	[8]1.9	2.8	2.8	2.8	2.7	[8]1.9	2.8	2.8	2.8
18 Acceptances held	7.5	6.8	8.2	8.0	8.6	8.6	7.5	7.9	7.5	8.0
19 Other commercial and industrial loans	[5]203.7	239.7	267.3	271.8	277.3	[5]203.9	240.9	269.1	272.1	277.8
20 To U.S. addressees[4]	[5]193.8	226.6	250.0	253.7	258.7	[5]193.7	226.5	251.7	254.2	259.2
21 To non-U.S. addressees	[5]9.9	13.1	17.3	18.1	18.6	[5]10.3	14.4	17.3	17.9	18.7
22 Loans to foreign banks	13.5	21.2	20.9	20.9	24.0	14.6	23.0	21.9	20.6	23.6
23 Loans to commercial banks in the United States	54.1	57.3	68.8	70.9	75.9	56.9	60.3	65.6	66.4	73.5

For notes see bottom of opposite page.

1.24 ASSETS AND LIABILITIES OF COMMERCIAL BANKING INSTITUTIONS Last-Wednesday-of-Month Series

Billions of dollars except for number of banks

Account	1978	1979p									
	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.
Domestically Chartered Commercial Banks[1]											
1 Loans and investments	1,030.4	1,018.9	1,025.2	1,031.4	1,048.3	1,059.4	1,071.3	1,081.8	1,094.3	1,112.1	1,117.7
2 Loans, gross	761.6	750.4	755.6	759.8	773.9	785.3	797.9	807.6	819.4	833.8	838.7
3 Interbank	45.3	41.3	42.1	42.3	44.4	45.9	46.3	48.1	50.3	53.6	54.1
4 Commercial and industrial	221.6	221.9	225.3	227.8	233.0	236.4	240.5	242.0	244.1	249.5	249.7
5 Other	494.7	487.2	488.2	489.6	496.5	503.0	511.2	517.4	525.0	530.8	534.8
6 U.S. Treasury securities	93.1	92.1	93.1	93.6	94.2	93.2	91.6	92.1	90.6	91.9	91.4
7 Other securities	175.7	176.4	176.5	178.0	180.2	181.0	181.7	182.1	184.3	186.4	187.7
8 Cash assets, total	177.3	139.8	147.1	135.8	139.9	158.8	146.3	140.2	145.7	148.5	160.7
9 Currency and coin	15.5	15.2	15.0	15.2	15.6	16.0	16.3	16.1	16.8	16.7	16.6
10 Reserves with Federal Reserve Banks	34.4	29.8	29.7	30.0	33.9	32.8	32.6	29.6	33.7	31.6	34.1
11 Balances with depositary institutions	52.3	40.2	42.5	36.8	39.0	44.6	40.8	41.2	41.1	40.7	45.5
12 Cash items in process of collection	75.1	54.6	59.9	53.7	51.4	65.4	56.5	53.4	54.1	59.5	64.6
13 Other assets	60.9	64.0	62.4	58.9	55.8	52.7	55.1	53.9	53.8	57.5	57.5
14 Total assets/total liabilities and capital	**1,268.6**	**1,222.7**	**1,234.8**	**1,226.1**	**1,244.0**	**1,270.9**	**1,272.7**	**1,275.9**	**1,293.8**	**1,318.2**	**1,335.9**
15 Deposits	1,011.3	961.3	969.2	954.9	964.4	975.5	971.3	975.2	982.9	996.6	1,023.6
16 Demand	399.2	347.5	352.1	335.0	348.0	357.8	352.4	352.6	352.4	358.7	376.6
17 Time and savings	612.1	613.8	617.1	619.8	616.4	617.8	618.9	622.6	630.5	637.9	647.0
18 Savings	219.7	215.2	215.2	216.8	215.9	215.5	216.4	218.3	216.6	213.4	207.6
19 Time	392.4	398.6	401.9	403.0	400.5	402.3	402.5	404.2	413.8	424.5	439.4
20 Borrowings	114.6	110.8	111.9	115.2	123.5	132.0	137.1	137.2	140.1	147.0	137.4
21 Other liabilities	49.1	56.6	59.0	60.9	60.8	65.4	65.5	64.9	69.7	71.2	73.9
22 Residual (assets less liabilities)	93.6	94.0	94.7	95.1	95.3	98.1	98.9	98.7	101.1	103.3	100.9
Memo:											
23 U.S. Treasury note balances included in borrowing	12.4	12.0	4.0	4.8	5.9	4.9	12.9	11.9	8.6	17.8	8.4
24 Number of banks	14,602	14,586	14,593	14,597	14,610	14,616	14,620	14,584	14,607	14,616	14,605
All Commercial Banking Institutions[2]											
25 Loans and investments	1,097.0	1,080.6	1,087.7	1,101.4	1,114.8	1,131.0	1,146.7	1,152.8	1,169.5	1,197.7	
26 Loans, gross	825.5	809.7	815.6	827.2	837.7	854.0	870.5	875.9	891.8	915.9	
27 Interbank	57.6	52.1	53.5	56.1	57.3	61.8	60.4	60.7	63.8	69.2	
28 Commercial and industrial	251.2	251.8	255.6	259.8	264.9	269.2	275.2	277.5	280.9	288.2	
29 Other	516.8	505.9	506.5	511.3	515.4	523.0	534.9	537.7	547.0	558.5	
30 U.S. Treasury securities	94.5	93.3	94.3	94.9	95.6	94.6	93.1	93.5	91.9	93.5	
31 Other securities	177.0	177.6	177.8	179.4	181.5	182.3	183.1	183.5	185.7	188.3	
32 Cash assets, total	196.8	158.2	166.8	157.0	156.4	176.4	168.0	160.8	166.4	172.2	
33 Currency and coin	15.5	15.2	15.1	15.2	15.6	16.1	16.3	16.1	16.8	16.7	
34 Reserves with Federal Reserve Banks	35.0	30.2	30.3	30.7	34.5	33.4	33.4	30.4	34.5	32.5	
35 Balances with depositary institutions	69.9	56.8	60.3	56.0	53.7	60.1	60.5	59.7	59.9	62.4	
36 Cash items in process of collection	76.4	56.0	61.3	55.1	52.5	66.8	57.7	54.6	55.2	60.6	
37 Other assets	76.0	78.4	76.9	74.1	70.8	67.7	71.4	69.7	70.9	76.8	
38 Total assets/total liabilities and capital	**1,369.8**	**1,316.8**	**1,331.0**	**1,332.5**	**1,342.1**	**1,375.5**	**1,386.1**	**1,383.2**	**1,406.7**	**1,446.7**	n.a.
39 Deposits	1,049.0	994.3	1,002.5	994.0	997.0	1,012.5	1,015.6	1,012.1	1,020.6	1,043.7	
40 Demand	418.9	363.2	368.1	355.7	361.7	375.1	376.4	369.6	368.8	383.2	
41 Time and savings	630.0	631.2	634.4	638.3	635.3	637.4	639.2	642.5	651.8	660.5	
42 Savings	220.3	215.9	215.9	218.0	216.9	216.7	217.2	219.1	217.6	214.2	
43 Time	409.7	415.2	418.4	420.3	418.5	420.6	422.0	423.5	434.2	446.2	
44 Borrowings	144.0	138.0	138.0	141.7	150.4	159.4	165.4	165.8	169.6	182.1	
45 Other liabilities	81.4	89.0	94.6	99.8	97.1	102.8	104.2	104.4	113.1	115.4	
46 Residual (assets less liabilities)	95.5	95.9	96.5	97.1	97.2	100.0	100.9	100.8	103.2	105.6	
Memo:											
47 U.S. Treasury note balances included in borrowing	12.4	12.0	4.0	4.8	5.9	4.9	12.9	11.9	8.6	17.8	
48 Number of banks	14,923	14,913	14,926	14,930	14,946	14,954	14,968	14,933	14,960	14,972	

1. Domestically chartered commercial banks include all commercial banks in the United States except branches of foreign banks; included are member and nonmember banks, stock savings banks, and nondeposit trust companies.

2. Commercial banking institutions include domestically chartered commercial banks, branches and agencies of foreign banks, Edge Act and Agreement corporations, and New York state foreign investment corporations.

Note. Figures are partly estimated except on call dates. They include all bank-premises subsidiaries and other significant majority-owned domestic subsidiaries.

1.25 COMMERCIAL BANK ASSETS AND LIABILITIES Call-Date Series

Millions of dollars, except for number of banks

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

1. Includes items not shown separately.

For Note see table 1.24.

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

Millions of dollars, except for number of banks

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

For notes see opposite page.

1.26 Continued

	Liability or capital account	Insured commercial banks	Member banks[1]					Non-member banks[1]
			Total	Large banks			All other	
				New York City	City of Chicago	Other large		
75	Demand deposits	369,030	282,450	66,035	10,690	100,737	104,988	86,591
76	Mutual savings banks	1,282	1,089	527	1	256	305	194
77	Other individuals, partnerships, and corporations	279,651	205,591	31,422	7,864	79,429	86,876	74,061
78	U.S. government	7,942	5,720	569	188	1,987	2,977	2,222
79	States and political subdivisions	17,122	11,577	764	252	3,446	7,116	5,545
80	Foreign governments, central banks, etc.	1,805	1,728	1,436	19	211	62	77
81	Commercial banks in United States	39,596	38,213	21,414	1,807	10,803	4,189	1,393
82	Banks in foreign countries	7,379	7,217	5,461	207	1,251	298	162
83	Certified and officers' checks, etc.	14,253	11,315	4,443	352	3,354	3,166	2,937
84	Time deposits	368,562	266,496	38,086	15,954	98,525	113,931	102,066
85	Accumulated for personal loan payments	79	66	0	0	1	65	13
86	Mutual savings banks	399	392	177	40	148	27	7
87	Other individuals, partnerships, and corporations	292,120	210,439	29,209	12,074	76,333	92,824	81,680
88	U.S. government	864	689	61	40	356	232	175
89	States and political subdivisions	59,087	40,010	1,952	1,554	16,483	20,020	19,077
90	Foreign governments, central banks, etc.	6,672	6,450	3,780	1,145	1,401	124	222
91	Commercial banks in United States	7,961	7,289	2,077	999	3,585	629	672
92	Banks in foreign countries	1,381	1,161	829	103	219	9	220
93	Savings deposits	223,326	152,249	10,632	2,604	54,825	84,188	71,077
94	Individuals and nonprofit organizations	207,701	141,803	9,878	2,448	51,161	78,316	65,897
95	Corporations and other profit organizations	11,216	7,672	519	148	3,195	3,809	3,544
96	U.S. government	82	65	2	3	24	35	17
97	States and political subdivisions	4,298	2,682	215	4	437	2,025	1,616
98	All other	30	27	18	*	8	2	3
99	**Total deposits**	**960,918**	**701,195**	**114,753**	**29,248**	**254,087**	**303,107**	**259,733**
100	Federal funds purchased and securities sold under agreements to repurchase	91,981	85,582	21,149	8,777	41,799	13,857	6,398
101	Commercial banks	42,174	39,607	6,991	5,235	21,609	5,773	2,566
102	Brokers and dealers	12,787	11,849	2,130	1,616	6,381	1,722	939
103	Others	37,020	34,126	12,028	1,926	13,809	6,362	2,894
104	Other liabilities for borrowed money	8,738	8,352	3,631	306	3,191	1,225	386
105	Mortgage indebtedness	1,767	1,455	234	27	701	491	316
106	Bank acceptances outstanding	16,661	16,140	8,398	1,260	6,070	412	521
107	Other liabilities	27,124	23,883	8,860	1,525	9,020	4,477	3,494
108	**Total liabilities**	**1,107,188**	**836,607**	**157,026**	**41,144**	**314,868**	**323,569**	**270,849**
109	Subordinated notes and debentures	5,767	4,401	1,001	79	2,033	1,287	1,366
110	Equity capital	**85,540**	**63,174**	**12,871**	**2,947**	**21,177**	**26,178**	**22,380**
111	Preferred stock	88	36	0	0	5	31	52
112	Common stock	17,875	12,816	2,645	570	4,007	5,594	5,064
113	Surplus	32,341	23,127	4,541	1,404	8,148	9,034	9,217
114	Undivided profits	33,517	26,013	5,554	921	8,680	10,858	7,509
115	Other capital reserves	1,719	1,182	132	52	337	661	538
116	**Total liabilities and equity capital**	**1,198,495**	**904,182**	**170,899**	**44,170**	**338,079**	**351,034**	**294,595**
	MEMO:							
117	Demand deposits adjusted[2]	252,337	171,864	18,537	5,576	60,978	86,774	80,472
	Average for last 15 or 30 days							
118	Cash and due from bank	146,283	124,916	36,862	6,030	45,731	36,293	21,379
119	Federal funds sold and securities purchased under agreements to resell	43,873	33,682	4,272	1,887	16,007	11,517	10,307
120	Total loans	651,874	483,316	76,750	25,722	184,790	196,054	168,558
121	Time deposits of $100,000 or more	183,614	150,160	32,196	13,216	65,776	38,972	33,454
122	Total deposits	944,593	687,543	107,028	28,922	250,804	300,789	257,062
123	Federal funds purchased and securities sold under agreements to repurchase	92,685	86,635	22,896	9,473	40,541	13,725	6,053
124	Other liabilities for borrowed money	8,716	8,326	3,679	370	3,211	1,067	390
125	Standby letters of credit outstanding	18,820	17,658	10,063	1,477	4,820	1,297	1,162
126	Time deposits of $100,000 or more	186,837	152,553	32,654	13,486	66,684	39,728	34,284
127	Certificates of deposit	160,227	129,667	27,950	11,590	56,383	33,743	30,560
128	Other time deposits	26,610	22,886	4,704	1,896	10,301	5,985	3,724
129	Number of banks	14,390	5,593	12	9	153	5,419	8,810

1. Member banks exclude and nonmember banks include 13 noninsured trust companies that are members of the Federal Reserve System.
2. Demand deposits adjusted are demand deposits other than domestic commercial interbank and U.S. government, less cash items reported as in process of collection.

NOTE. Data include consolidated reports, including figures for all bank-premises subsidiaries and other significant majority-owned domestic subsidiaries. Securities are reported on a gross basis before deductions of valuation reserves. Back data in lesser detail were shown in previous issues of the BULLETIN.

1.27 ALL LARGE WEEKLY REPORTING COMMERCIAL BANKS with Domestic Assets of $750 Million or More on December 31, 1977, Assets and Liabilities

Millions of dollars, Wednesday figures

Account	1979								
	Sept. 5	Sept. 12	Sept. 19	Sept. 26	Oct. 3p	Oct. 10p	Oct. 17p	Oct. 24p	Oct. 31p
1 Cash items in process of collection	56,041	52,354	52,696	49,020	53,576	56,569	54,960	47,021	51,971
2 Demand deposits due from banks in the United States	16,658	15,413	16,988	14,540	16,941	17,929	18,026	16,020	17,633
3 All other cash and due from depositary institutions	31,301	26,235	28,857	31,963	28,503	32,976	36,264	31,936	33,129
4 **Total loans and securities**	**503,707**	**501,258**	**506,488**	**501,788**	**507,014**	**508,938**	**502,765**	**498,687**	**503,222**
Securities									
5 U.S. Treasury securities	36,756	37,014	35,976	35,717	34,196	35,966	35,644	35,160	35,282
6 Trading account	5,335	5,557	4,928	4,939	4,016	5,169	4,935	4,468	4,770
7 Investment account, by maturity	31,421	31,457	31,048	30,778	30,180	30,798	30,709	30,691	30,512
8 One year or less	8,669	8,671	8,213	7,915	7,839	8,121	8,033	8,001	8,086
9 Over one through five years	18,414	18,530	18,571	18,577	18,059	18,381	18,350	18,379	18,102
10 Over five years	4,338	4,257	4,264	4,285	4,281	4,296	4,326	4,312	4,325
11 Other securities	70,790	70,542	70,745	70,774	71,161	70,812	70,867	70,716	70,819
12 Trading account	5,162	4,867	4,572	4,446	4,761	4,337	4,143	3,911	3,746
13 Investment account	65,629	65,675	66,173	66,328	66,400	66,475	66,724	66,806	67,073
14 U.S. government agencies	14,550	14,567	14,960	15,013	15,067	15,116	15,344	15,263	15,341
15 States and political subdivision, by maturity	48,366	48,391	48,521	48,641	48,667	48,709	48,712	48,872	49,071
16 One year or less	6,373	6,359	6,314	6,327	6,538	6,514	6,408	6,462	6,684
17 Over one year	41,994	42,032	42,207	42,313	42,129	42,195	42,304	42,410	42,387
18 Other bonds, corporate stocks and securities	2,712	2,716	2,691	2,675	2,666	2,649	2,668	2,671	2,661
Loans									
19 Federal funds sold[1]	31,229	29,317	31,304	28,746	31,807	30,962	26,074	24,196	25,233
20 To commercial banks	20,692	18,014	21,023	20,011	19,614	21,201	17,637	16,534	17,946
21 To nonbank brokers and dealers in securities	7,998	8,520	7,574	6,263	7,959	6,908	5,876	5,168	5,039
22 To others	2,539	2,782	2,707	2,472	4,233	2,852	2,561	2,494	2,248
23 Other loans, gross	376,552	376,082	380,232	378,310	381,555	382,985	382,019	380,517	383,815
24 Commercial and industrial	149,479	149,893	151,476	151,717	152,493	152,939	151,323	151,730	152,640
25 Bankers' acceptances and commercial paper	4,014	3,924	3,844	4,155	3,954	4,027	3,410	3,105	3,806
26 All other	145,465	145,969	147,632	147,562	148,539	148,911	147,913	148,624	148,835
27 U.S. addresses	138,910	139,448	141,099	140,978	141,966	142,190	141,187	141,783	142,226
28 Non-U.S. addressees	6,556	6,521	6,533	6,584	6,573	6,721	6,726	6,841	6,608
29 Real estate	92,475	92,975	93,536	93,759	94,128	94,483	95,037	95,470	95,927
30 To individuals for personal expenditures	68,202	68,382	68,641	68,916	69,140	69,240	69,392	69,567	70,115
To financial institutions									
31 Commercial banks in the United States	3,272	3,268	3,050	3,027	3,618	3,284	3,183	3,287	3,756
32 Banks in foreign countries	6,984	7,125	7,207	7,089	7,308	7,729	7,483	7,250	7,004
33 Sales finance, personal finance companies, etc.	10,252	10,064	9,962	9,108	9,367	9,790	9,521	9,572	9,555
34 Other financial institutions	16,362	16,600	16,587	16,180	16,588	16,808	16,477	16,524	16,864
35 To nonbank brokers and dealers in securities	9,734	8,449	9,807	8,036	8,658	8,483	9,265	7,208	7,354
36 To others for purchasing and carrying securities[2]	2,506	2,499	2,501	2,494	2,508	2,536	2,508	2,475	2,541
37 To finance agricultural production	4,974	4,986	5,032	5,053	5,032	5,021	4,987	4,941	4,937
38 All other	12,312	11,840	12,432	12,932	12,716	12,674	12,843	12,494	13,120
39 LESS: Unearned income	6,614	6,673	6,733	6,746	6,718	6,777	6,809	6,846	6,829
40 Loan loss reserve	5,007	5,024	5,036	5,012	4,988	5,011	5,030	5,055	5,098
41 Other loans, net	364 931	364,385	368,463	366,552	369,850	371,198	370,180	368,615	371,888
42 Lease financing receivables	7,109	7,185	7,215	7,231	7,308	7,335	7,355	7,379	7,404
43 All other assets	57,065	58,555	58,343	57,905	58,272	57,663	57,195	57,533	58,071
44 **Total assets**	**671,881**	**661,000**	**670,587**	**662,447**	**671,614**	**681,410**	**676,565**	**658,578**	**671,429**
Deposits									
45 Demand deposits	198,104	189,187	191,696	181,665	195,657	199,308	193,740	179,114	191,404
46 Mutual savings banks	824	722	608	634	809	828	733	646	779
47 Individuals, partnerships, and corporations	138,917	134,580	130,093	126,297	134,634	138,029	134,648	126,990	134,584
48 States and political subdivisions	4,831	4,362	4,342	4,766	4,507	4,610	4,630	4,332	5,079
49 U.S. government	1,013	1,638	3,010	1,893	2,824	1,236	939	727	1,304
50 Commercial banks in the United States	35,583	31,155	35,465	30,927	33,545	35,523	34,720	30,524	32,808
51 Banks in foreign countries	7,308	7,562	7,356	7,790	8,268	8,628	8,067	6,668	7,486
52 Foreign governments and official institutions	1,470	1,272	1,562	1,394	1,512	1,223	1,581	1,338	1,060
53 Certified and officers' checks	8,157	7,897	9,258	7,964	9,556	9,231	8,422	7,890	8,304
54 Time and savings deposits	252,344	254,414	255,559	256,708	258,406	259,100	260,126	260,453	261,544
55 Savings	77,451	77,248	76,701	76,076	76,781	76,557	76,036	75,295	74,053
56 Individuals and nonprofit organizations	72,349	72,148	71,721	71,122	71,844	71,597	71,165	70,487	69,364
57 Partnerships and corporations operated for profit	4,325	4,285	4,178	4,164	4,124	4,142	4,065	4,065	3,980
58 Domestic governmental units	756	792	780	764	789	797	783	724	688
59 All other	22	23	22	26	24	20	23	19	22
60 Time	174,893	177,167	178,858	180,632	181,624	182,543	184,090	185,158	187,490
61 Individuals, partnerships, and corporations	143,293	145,050	146,607	148,175	149,237	149,915	151,337	152,256	154,612
62 States and political subdivisions	21,522	21,677	21,666	21,789	21,856	22,114	22,232	22,361	22,218
63 U.S. government	496	501	498	495	477	476	488	476	464
64 Commercial banks in the United States	4,348	4,679	4,879	4,991	5,038	5,019	5,004	5,155	5,305
65 Foreign governments, official institutions, and banks	5,235	5,260	5,207	5,182	5,016	5,019	5,028	4,910	4,891
66 Federal funds purchased[3]	101,817	95,763	94,791	93,072	94,380	100,769	96,406	92,249	93,908
Other liabilities for borrowed money									
67 Borrowings from Federal Reserve Banks	642	2,013	434	1,071	677	190	3,746	3,118	1,631
68 Treasury tax-and-loan notes	1,146	2,421	9,101	11,596	4,275	5,354	4,065	5,985	4,808
69 All other liabilities for borrowed money	16,464	15,978	16,269	16,096	15,757	14,842	14,739	13,281	12,799
70 Other liabilities and subordinated note and debentures	57,163	56,885	58,504	58,022	58,046	57,208	59,218	59,765	60,461
71 **Total liabilities**	**627,681**	**616,662**	**626,354**	**618,132**	**627,197**	**636,772**	**632,040**	**613,966**	**626,556**
72 Residual (total assets minus total liabilities)[4]	44,200	44,338	44,232	44,216	44,417	44,638	44,525	44,612	44,873

1. Includes securities purchased under agreements to resell.
2. Other than financial institutions and brokers and dealers.
3. Includes securities sold under agreements to repurchase.
4. This is not a measure of equity capital for use in capital adequacy analysis or for other analytic uses.

1.28 LARGE WEEKLY REPORTING COMMERCIAL BANKS with Domestic Assets of $1 Billion or More on December 31, 1977 Assets and Liabilities

Millions of dollars, Wednesday figures

Account	1979 Sept. 5	Sept. 12	Sept. 19	Sept. 26	Oct. 3p	Oct. 10p	Oct. 17p	Oct. 24p	Oct. 31p
1 Cash items in process of collection	53,018	49,948	50,182	46,585	51,164	53,681	52,567	44,848	49,592
2 Demand deposits due from banks in the United States	15,600	14,787	16,218	13,833	16,085	17,005	17,258	15,367	16,863
3 All other cash and due from depositary institutions	29,826	24,752	27,034	30,180	26,810	31,370	34,546	30,233	31,401
4 **Total loans and securities**	**471,958**	**469,131**	**474,653**	**469,793**	**474,594**	**476,568**	**470,436**	**466,508**	**471,112**
Securities									
5 U.S. Treasury securities	34,390	34,650	33,609	33,352	31,838	33,618	33,288	32,855	33,021
6 Trading account	5,286	5,508	4,887	4,896	3,968	5,128	4,878	4,430	4,717
7 Investment account, by maturity	29,104	29,142	28,722	28,456	27,870	28,490	28,410	28,425	28,304
8 One year or less	8,149	8,137	7,671	7,374	7,304	7,591	7,509	7,499	7,604
9 Over one through five years	16,897	17,028	17,070	17,078	16,580	16,906	16,876	16,918	16,672
10 Over five years	4,058	3,976	3,981	4,005	3,987	3,993	4,024	4,008	4,028
11 Other securities	65,543	65,296	65,486	65,510	65,893	65,550	65,600	65,425	65,498
12 Trading account	5,071	4,772	4,492	4,368	4,676	4,257	4,069	3,839	3,660
13 Investment account	60,472	60,524	60,993	61,142	61,218	61,293	61,531	61,586	61,837
14 U.S. government agencies	13,535	13,555	13,946	13,994	14,043	14,094	14,312	14,231	14,295
15 States and political subdivision, by maturity	44,396	44,417	44,522	44,638	44,671	44,712	44,714	44,847	45,046
16 One year or less	5,793	5,774	5,739	5,759	5,938	5,916	5,831	5,870	6,095
17 Over one year	38,603	38,643	38,783	38,879	38,733	38,796	38,883	38,977	38,951
18 Other bonds, corporate stocks and securities	2,541	2,551	2,525	2,511	2,503	2,486	2,505	2,508	2,496
Loans									
19 Federal funds sold[1]	29,052	26,758	29,125	26,515	29,278	28,464	23,638	21,873	23,011
20 To commercial banks	18,872	16,041	19,226	18,181	17,657	19,175	15,641	14,687	16,051
21 To nonbank brokers and dealers in securities	7,704	8,062	7,250	5,926	7,479	6,505	5,504	4,760	4,769
22 To others	2,477	2,655	2,649	2,408	4,142	2,785	2,493	2,426	2,190
23 Other loans, gross	353,769	353,294	357,365	355,336	358,455	359,887	358,907	357,411	360,662
24 Commercial and industrial	141,947	142,370	143,965	144,162	144,888	145,360	143,736	144,182	145,116
25 Bankers' acceptances and commercial paper	3,917	3,834	3,741	4,050	3,850	3,928	3,316	3,015	3,720
26 All other	138,030	138,536	140,223	140,112	141,037	141,432	140,419	141,167	141,396
27 U.S. addresses	131,529	132,068	133,736	133,573	134,508	134,762	133,737	134,371	134,834
28 Non-U.S. addressees	6,501	6,467	6,488	6,538	6,529	6,670	6,682	6,796	6,562
29 Real estate	86,921	87,405	87,927	88,139	88,486	88,832	89,377	89,813	90,253
30 To individuals for personal expenditures	60,418	60,585	60,796	61,050	61,219	61,315	61,442	61,597	62,072
To financial institutions									
31 Commercial banks in the United States	3,184	3,184	2,979	2,954	3,547	3,208	3,115	3,213	3,690
32 Banks in foreign countries	6,937	7,064	7,146	7,021	7,249	7,660	7,426	7,170	6,927
33 Sales finance, personal finance companies, etc.	10,061	9,879	9,770	8,911	9,168	9,592	9,320	9,374	9,370
34 Other financial institutions	15,901	16,127	16,117	15,698	16,101	16,317	16,013	16,065	16,392
35 To nonbank brokers and dealers in securities	9,591	8,325	9,707	7,936	8,545	8,388	9,169	7,112	7,249
36 To others for purchasing and carrying securities[2]	2,306	2,299	2,294	2,281	2,297	2,322	2,290	2,259	2,320
37 To finance agricultural production	4,796	4,809	4,855	4,877	4,855	4,845	4,811	4,765	4,768
38 All other	11,707	11,246	11,808	12,307	12,100	12,047	12,208	11,862	12,507
39 LESS: Unearned income	6,061	6,115	6,170	6,180	6,153	6,209	6,235	6,269	6,256
40 Loan loss reserve	4,735	4,751	4,762	4,740	4,718	4,742	4,761	4,786	4,824
41 Other loans, net	342,973	342,428	346,432	344,415	347,584	348,936	347,911	346,356	349,582
42 Lease financing receivables	6,919	6,995	7,023	7,039	7,115	7,143	7,161	7,184	7,207
43 All other assets	55,498	57,038	56,849	56,383	56,742	56,136	55,644	55,964	56,438
44 **Total assets**	**632,819**	**622,649**	**631,959**	**623,813**	**632,509**	**641,903**	**637,612**	**620,105**	**632,613**
Deposits									
45 Demand deposits	186,259	177,935	180,454	170,699	184,087	187,487	182,131	168,224	179,965
46 Mutual savings banks	781	690	585	609	773	794	705	619	744
47 Individuals, partnerships, and corporations	129,760	125,691	121,357	117,837	125,674	128,862	125,551	118,459	125,574
48 States and political subdivisions	4,332	3,829	3,779	4,016	3,991	4,024	4,032	3,682	4,559
49 U.S. government	902	1,475	2,728	1,680	2,624	1,141	832	671	1,206
50 Commercial banks in the United States	33,928	29,864	34,171	29,730	32,055	33,943	33,368	29,242	31,391
51 Banks in foreign countries	7,244	7,497	7,296	7,726	8,217	8,571	7,972	6,612	7,435
52 Foreign governments and official institutions	1,469	1,267	1,562	1,380	1,512	1,222	1,548	1,337	1,058
53 Certified and officers' checks	7,843	7,621	8,976	7,720	9,241	8,930	8,123	7,602	7,997
54 Time and savings deposits	234,920	236,973	238,182	239,271	240,750	241,432	242,444	242,866	243,928
55 Savings	71,894	71,693	71,224	70,638	71,301	71,108	70,623	69,932	68,784
56 Individuals and nonprofit organizations	67,191	67,006	66,626	66,069	66,742	66,524	66,121	65,492	64,453
57 Partnerships and corporations operated for profit	4,002	3,967	3,867	3,848	3,820	3,833	3,760	3,763	3,684
58 Domestic governmental units	681	698	710	697	717	732	720	660	625
59 All other	20	21	20	24	22	19	21	17	21
60 Time	163,025	165,281	166,958	168,634	169,448	170,323	171,821	172,934	175,144
61 Individuals, partnerships, and corporations	133,643	135,399	136,951	138,428	139,306	139,934	141,288	142,228	144,466
62 States and political subdivisions	19,527	19,670	19,656	19,786	19,858	20,117	20,254	20,407	20,263
63 U.S. government	489	494	492	488	470	469	481	470	457
64 Commercial banks in the United States	4,140	4,466	4,660	4,757	4,806	4,791	4,776	4,924	5,072
65 Foreign governments, official institutions, and banks	5,226	5,251	5,198	5,174	5,008	5,012	5,023	4,905	4,885
66 Federal funds purchased[3]	96,556	90,724	89,708	88,047	89,345	95,502	91,567	87,226	89,024
Other liabilities for borrowed money									
67 Borrowings from Federal Reserve Banks	631	1,908	429	1,038	670	182	3,638	2,932	1,410
68 Treasury tax-and-loan notes	1,046	2,239	8,469	10,770	3,963	4,980	3,750	5,532	4,454
69 All other liabilities for borrowed money	16,063	15,613	15,901	15,682	15,269	14,487	14,363	12,998	12,555
70 Other liabilities and subordinated note and debentures	55,911	55,708	57,364	56,828	56,823	56,003	57,993	58,514	59,203
71 **Total liabilities**	**591,386**	**581,101**	**590,506**	**582,335**	**590,906**	**600,074**	**595,886**	**578,293**	**590,538**
72 Residual (total assets minus total liabilities)[4]	41,433	41,548	41,453	41,478	41,603	41,829	41,725	41,812	42,075

1. Includes securities purchased under agreements to resell.
2. Other than financial institutions and brokers and dealers.
3. Includes securities sold under agreements to repurchases.
4. This is not a measure of equity capital for use in capital adequacy analysis or for other analytic uses.

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

Millions of dollars, Wednesday figures

Account	1979								
	Sept. 5	Sept. 12	Sept. 19	Sept. 26	Oct. 3p	Oct. 10p	Oct. 17p	Oct. 24p	Oct. 31p
1 Cash items in process of collection	16,952	17,346	19,311	17,624	18,654	20,210	20,563	16,652	18,045
2 Demand deposits due from banks in the United States	10,129	10,503	11,588	9,335	11,291	11,737	12,451	10,846	11,846
3 All other cash and due from depositary institutions	7,471	5,522	4,868	7,060	5,476	8,435	10,533	6,172	8,997
4 **Total loans and securities**[1]	**109,217**	**107,588**	**112,263**	**107,559**	**109,678**	**108,838**	**108,546**	**106,930**	**108,510**
Securities									
5 U.S. Treasury securities[2]	....	....	....	....	....	....	....	....	....
6 Trading account[2]	....	....	....	....	....	....	....	....	....
7 Investment account, by maturity	6,522	6,644	6,590	6,157	6,004	6,303	6,299	6,311	6,314
8 One year or less	1,320	1,450	1,384	1,049	1,064	1,309	1,310	1,324	1,343
9 Over one through five years	4,644	4,636	4,647	4,550	4,376	4,427	4,411	4,409	4,385
10 Over five years	558	558	558	558	563	567	578	578	586
11 Other securities[2]	....	....	....	....	....	....	....	....	....
12 Trading account[2]	....	....	....	....	....	....	....	....	....
13 Investment account	11,359	11,421	11,648	11,662	11,742	11,753	11,962	11,959	11,939
14 U.S. government agencies	1,912	1,920	2,145	2,145	2,146	2,155	2,374	2,371	2,356
15 States and political subdivision, by maturity	8,900	8,958	8,963	8,981	9,041	9,050	9,041	9,037	9,028
16 One year or less	1,361	1,374	1,339	1,352	1,409	1,405	1,384	1,386	1,400
17 Over one year	7,539	7,584	7,623	7,629	7,632	7,645	7,657	7,650	7,628
18 Other bonds, corporate stocks and securities	548	544	541	535	555	548	547	551	555
Loans									
19 Federal funds sold[3]	8,015	6,858	9,758	7,282	7,977	6,777	5,762	5,755	5,749
20 To commercial banks	3,698	3,054	6,427	4,463	4,323	3,044	2,452	3,156	3,198
21 To nonbank brokers and dealers in securities	3,452	2,959	2,662	2,091	2,471	2,822	2,486	1,848	1,823
22 To others	865	845	669	727	1,183	911	824	751	728
23 Other loans, gross	85,784	85,149	86,758	84,959	86,434	86,495	87,014	85,403	87,034
24 Commercial and industrial	44,221	44,394	45,327	45,338	45,434	45,608	44,947	44,969	45,383
25 Bankers' acceptances and commercial paper	1,182	1,158	1,190	1,567	1,264	1,327	923	820	1,228
26 All other	43,039	43,236	44,137	43,771	44,169	44,282	44,024	44,148	44,155
27 U.S. addressees	40,802	41,118	41,981	41,602	42,068	42,067	41,792	41,889	42,025
28 Non-U.S. addressees	2,236	2,118	2,156	2,169	2,101	2,215	2,232	2,259	2,130
29 Real estate	11,649	11,696	11,774	11,805	11,881	11,840	11,926	11,949	12,062
30 To individuals for personal expenditures	7,832	7,876	7,932	7,970	8,005	8,029	8,049	8,052	8,100
To financial institutions									
31 Commercial banks in the United States	1,031	1,236	983	965	1,486	1,191	1,157	1,246	1,684
32 Banks in foreign countries	3,236	3,326	3,317	3,157	3,370	3,762	3,518	3,339	3,208
33 Sales finance, personal finance companies, etc.	3,940	3,821	3,762	3,154	3,356	3,583	3,418	3,449	3,574
34 Other financial institutions	4,796	4,834	4,814	4,753	4,886	4,866	4,875	4,894	5,058
35 To nonbank brokers and dealers in securities	5,656	4,559	5,586	4,105	4,513	4,133	5,330	3,953	4,180
36 To others for purchasing and carrying securities[4]	476	479	464	466	468	458	457	438	444
37 To finance agricultural production	226	236	253	250	251	243	237	246	249
38 All other	2,720	2,691	2,544	2,997	2,784	2,782	3,098	2,867	3,093
39 LESS: Unearned income	892	903	912	938	921	929	921	928	938
40 Loan loss reserve	1,571	1,581	1,579	1,563	1,558	1,560	1,569	1,572	1,587
41 Other loans, net	83,321	82,665	84,266	82,459	83,955	84,005	84,523	82,904	84,508
42 Lease financing receivables	1,381	1,385	1,400	1,397	1,420	1,422	1,420	1,424	1,424
43 All other assets[5]	27,533	29,081	27,746	26,794	26,543	27,379	26,436	26,748	27,410
44 **Total assets**	**172,683**	**171,426**	**177,176**	**169,770**	**173,062**	**178,022**	**179,950**	**168,771**	**176,232**
Deposits									
45 Demand deposits	60,875	58,509	63,735	57,383	62,566	64,047	63,865	56,493	61,880
46 Mutual savings banks	405	365	306	327	409	471	383	340	394
47 Individuals, partnerships, and corporations	31,854	29,494	29,064	27,727	30,701	32,238	30,693	28,293	31,879
48 States and political subdivisions	658	385	375	406	443	429	489	397	434
49 U.S. government	118	348	793	356	639	165	172	140	229
50 Commercial banks in the United States	17,768	17,595	21,405	17,635	18,583	18,932	20,424	17,796	18,765
51 Banks in foreign countries	5,391	5,721	5,466	5,923	6,205	6,494	6,208	4,796	5,626
52 Foreign governments and official institutions	1,114	925	1,269	1,075	1,144	914	1,244	877	722
53 Certified and officers' checks	3,566	3,676	5,057	3,934	4,441	4,403	4,250	3,854	3,830
54 Time and savings deposits	40,552	41,146	41,490	41,800	42,436	42,720	42,751	42,254	42,903
55 Savings	9,930	9,924	9,858	9,765	9,903	9,889	9,802	9,693	9,511
56 Individuals and nonprofit organizations	9,361	9,364	9,299	9,201	9,324	9,307	9,219	9,141	8,993
57 Partnerships and corporations operated for profit	407	400	392	390	387	385	373	365	358
58 Domestic governmental units	151	149	156	160	180	188	197	178	149
59 All other	11	11	10	14	13	9	12	8	11
60 Time	30,622	31,222	31,632	32,035	32,533	32,831	32,950	32,560	33,391
61 Individuals, partnerships, and corporations	25,048	25,495	25,875	26,171	26,715	26,971	27,050	26,678	27,391
62 States and political subdivisions	1,510	1,564	1,554	1,599	1,564	1,636	1,664	1,713	1,772
63 U.S. government	70	69	60	59	40	48	51	50	48
64 Commercial banks in the United States	1,170	1,244	1,315	1,384	1,434	1,418	1,437	1,457	1,511
65 Foreign governments, official institutions, and banks	2,824	2,849	2,827	2,822	2,780	2,757	2,748	2,663	2,670
66 Federal funds purchased[6]	29,369	28,555	27,288	26,640	25,426	28,729	26,827	24,456	27,983
Other liabilities for borrowed money									
67 Borrowings from Federal Reserve Banks	....	930	....	200	394	....	2,390	578	....
68 Treasury tax-and-loan notes	138	516	1,764	1,867	656	990	786	1,177	941
69 All other liabilities for borrowed money	7,827	7,694	7,993	8,134	7,447	7,258	6,960	7,356	6,390
70 Other liabilities and subordinated note and debentures	20,327	20,428	21,279	20,246	20,499	20,582	22,769	22,854	22,392
71 **Total liabilities**	**159,088**	**157,779**	**163,551**	**156,272**	**159,424**	**164,327**	**166,349**	**155,168**	**162,489**
72 Residual (total assets minus total liabilities)[7]	13,595	13,647	13,625	13,498	13,638	13,694	13,601	13,603	13,743

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

1.30 LARGE WEEKLY REPORTING COMMERCIAL BANKS Balance Sheet Memoranda

Millions of dollars, Wednesday figures

Category	1979								
	Sept. 5	Sept. 12	Sept. 19	Sept. 26	Oct. 3p	Oct. 10p	Oct. 17p	Oct. 24p	Oct. 31p
BANKS WITH ASSETS OF $750 MILLION OR MORE									
1 Total loans (gross) and investments adjusted[1]	491,364	491,673	494,184	490,509	495,487	496,240	493,783	490,768	493,447
2 Total loans (gross) adjusted[1]	383,817	384,117	387,462	384,018	390,130	389,462	387,272	384,891	387,346
3 Demand deposits adjusted[2]	105,466	104,041	100,524	99,825	105,711	105,981	103,121	100,842	105,322
4 Time deposits in accounts of $100,000 or more	118,028	120,006	121,234	122,462	123,217	123,878	125,124	125,676	126,343
5 Negotiable CDs	83,836	85,708	86,747	87,853	88,336	88,799	89,692	90,102	90,664
6 Other time deposits	34,192	34,298	34,486	34,609	34,881	35,079	35,433	35,575	35,678
7 Loans sold outright to affiliates[3]	3,757	3,747	3,704	3,724	3,606	3,600	3,589	3,570	3,633
8 Commercial and industrial	2,770	2,742	2,751	2,772	2,685	2,681	2,653	2,623	2,648
9 Other	987	1,006	953	952	922	919	936	947	985
BANKS WITH ASSETS OF $1 BILLION OR MORE									
10 Total loans (gross) and investments adjusted[1]	460,698	460,772	463,381	459,577	464,260	465,136	462,676	459,664	462,452
11 Total loans (gross) adjusted[1]	360,765	360,826	364,285	360,715	366,529	365,968	363,789	361,385	363,933
12 Demand deposits adjusted[2]	98,412	96,648	93,373	92,703	98,244	98,721	95,364	93,463	97,776
13 Time deposits in accounts of $100,000 or more	110,312	112,284	113,558	114,706	115,332	115,986	117,200	117,839	118,486
14 Negotiable CDs	78,063	79,948	81,022	82,033	82,385	82,816	83,710	84,198	84,757
15 Other time deposits	32,250	32,335	32,537	32,674	32,947	33,171	33,490	33,641	33,729
16 Loans sold outright to affiliates[3]	3,705	3,694	3,653	3,672	3,556	3,549	3,536	3,506	3,576
17 Commercial and industrial	2,751	2,722	2,730	2,750	2,664	2,659	2,631	2,590	2,621
18 Other	954	972	923	923	892	889	906	916	955
BANKS IN NEW YORK CITY									
19 Total loans (gross) and investments adjusted[1,4]	106,952	105,782	107,345	104,632	106,348	107,093	107,428	105,026	106,153
20 Total loans (gross) adjusted[1]	89,070	87,717	89,106	86,813	88,602	89,037	89,167	86,756	87,900
21 Demand deposits adjusted[2]	26,036	23,219	22,226	21,768	24,690	24,739	22,705	21,905	24,840
22 Time deposits in accounts of $100,000 or more	24,481	25,006	25,295	25,683	26,065	26,309	26,402	26,053	26,714
23 Negotiable CDs	17,022	17,467	17,741	18,108	18,447	18,566	18,609	18,227	18,810
24 Other time deposits	7,459	7,539	7,554	7,575	7,618	7,743	7,793	7,826	7,904

1. Exclusive of loans and federal funds transactions with domestic commercial banks.
2. All demand deposits except U.S. government and domestic banks less cash items in process of collection.
3. Loans sold are those sold outright to a bank's own foreign branches, nonconsolidated nonbank affiliates of the bank, the bank's holding company (if not a bank) and nonconsolidated nonbank subsidiaries of the holding company.
4. Excludes trading account securities.

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

Millions of dollars

Industry classification	Outstanding 1979					Net change during 1979		1979		
	June 27	July 25	Aug. 29	Sept. 26	Oct. 31p	Q2	Q3	Aug.	Sept.	Oct.
1 Durable goods manufacturing	20,905	21,521	21,703	23,594	23,453	1,323	2,689	182	1,891	−141
2 Nondurable goods manufacturing	17,403	17,612	18,441	18,907	18,969	−89	1,504	829	466	62
3 Food, liquor, and tobacco	4,371	4,348	4,598	4,906	4,922	−440	535	250	308	17
4 Textiles, apparel, and leather	4,701	4,860	5,090	5,029	4,858	495	328	231	−62	−170
5 Petroleum refining	1,967	1,929	1,841	1,972	2,140	−310	6	−88	131	167
6 Chemicals and rubber	3,448	3,437	3,641	3,627	3,809	−63	179	204	−14	182
7 Other nondurable goods	2,916	3,038	3,270	3,372	3,239	230	456	232	102	−134
8 Mining (including crude petroleum and natural gas)	11,008	11,221	11,442	11,681	11,736	858	673	221	240	54
9 Trade	23,976	25,029	24,396	24,662	25,274	1,493	686	−633	266	612
10 Commodity dealers	1,917	2,100	1,675	1,859	2,212	25	−58	−424	184	353
11 Other wholesale	11,741	12,075	12,038	11,940	12,101	777	199	−37	−98	160
12 Retail	10,318	10,854	10,683	10,863	10,962	692	544	−171	180	99
13 Transportation, communication, and other public utilities	15,324	15,396	15,788	16,761	16,785	1,256	1,436	393	972	24
14 Transportation	6,451	6,495	6,691	6,834	6,998	180	382	195	143	164
15 Communication	2,050	2,106	2,139	2,325	2,400	199	274	33	186	76
16 Other public utilities	6,823	6,794	6,959	7,602	7,386	877	779	164	643	−216
17 Construction	5,583	5,861	5,805	5,891	5,699	210	308	−56	86	−192
18 Services	17,250	17,822	18,082	18,359	18,786	1,177	1,109	260	277	428
19 All other[1]	15,040	13,925	14,193	13,720	14,135	1,076	−1,320	268	−473	415
20 **Total domestic loans**	**126,490**	**128,387**	**129,851**	**133,575**	**134,838**	**7,306**	**7,085**	**1,463**	**3,724**	**1,262**
21 MEMO: Term loans (original maturity more than 1 year) included in domestic loans	64,240	63,586	65,293	67,391	68,514	3,725	3,152	1,708	2,098	1,122

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

NOTE. New series. The 134 large weekly reporting commercial banks with domestic assets of $1 billion or more as of December 31, 1977 are included in this series. The revised series is on a last-Wednesday-of-the-month basis.

1.311 MAJOR NONDEPOSIT FUNDS OF COMMERCIAL BANKS[1]

Monthly averages, billions of dollars

Source	December outstanding			Outstanding in 1979							
	1976	1977	1978	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.
Total nondeposit funds											
1 Seasonally adjusted[2]	c54.6	62.7	84.9	83.1	95.8	100.8	104.9	111.2	115.8	119.5	130.3
2 Not seasonally adjusted	c53.3	61.3	83.9	82.2	93.7	98.5	102.6	113.4	115.6	122.2	131.9
Federal funds, RPs, and other borrowings from nonbanks[3]											
3 Seasonally adjusted[3]	47.1	58.4	74.8	73.2	80.2	81.0	82.3	84.3	84.5	86.6	92.9
4 Not seasonally adjusted	45.8	57.0	73.8	72.3	78.1	78.7	80.1	86.5	84.3	89.3	94.5
5 Net Eurodollar borrowings, not seasonally adjusted	c3.7	c−1.3	6.3	6.3	12.0	16.3	18.9	23.2	27.5	29.1	33.8
6 Loans sold to affiliates, not seasonally adjusted[4]	3.8	4.8	3.8	3.6	3.6	3.5	3.6	3.7	3.8	3.7	3.7
MEMO											
7 Domestic chartered banks net positions with own foreign branches, not seasonally adjusted[5]	−6.0	−12.5	−10.7	c−10.2	−6.3	−4.5	−1.9	2.6	5.8	6.3	8.9
8 Gross due from balances	12.8	21.1	25.5	c24.9	23.3	22.5	21.6	19.7	20.0	20.1	19.2
9 Gross due to balances	6.8	8.6	14.8	c14.7	17.0	18.0	19.7	22.3	25.7	26.3	28.1
10 Foreign-related institutions net positions with directly related institutions, not seasonally adjusted[6]	9.7	11.1	17.0	16.4	18.3	20.8	20.8	20.6	21.7	22.8	24.9
11 Gross due from balances	8.3	10.3	14.2	15.4	15.0	15.3	15.7	15.9	17.6	17.6	16.2
12 Gross due to balances	18.1	21.4	31.2	31.7	33.3	36.0	36.5	36.5	39.3	40.4	41.0
13 Security RP borrowings, seasonally adjusted[7]	27.9	36.3	43.8	43.8	42.9	42.7	43.0	42.2	45.0	42.8	40.9
14 Not seasonally adjusted	27.0	35.1	42.4	40.8	41.4	42.2	42.5	44.8	44.5	42.5	42.5
15 U.S. Treasury demand balances, seasonally adjusted[8]	3.9	4.4	8.6	12.0	8.0	6.2	5.1	9.3	9.2	15.3	12.4
16 Not seasonally adjusted	4.4	5.1	10.2	11.9	8.3	6.5	5.3	8.4	10.8	13.2	9.8
17 Time deposits, $100,000 or more, seasonally adjusted[9]	136.0	159.8	204.4	209.0	212.1	208.4	202.1	196.8	189.6	190.4	192.6
18 Not seasonally adjusted	138.4	162.5	207.8	209.7	209.3	207.8	200.4	196.0	189.4	188.9	192.7

1. Commercial banks are those in the 50 states and the District of Columbia with national or state charters plus U.S. branches, agencies, and New York investment company subsidiaries of foreign banks and Edge Act corporations.
2. Includes seasonally adjusted federal funds, RPs, and other borrowings from nonbanks and not seasonally adjusted net Eurodollars and loans to affiliates. Includes averages of Wednesday data for domestic chartered banks and averages of current and previous month-end data for foreign-related institutions.
3. Other borrowings are borrowings on any instrument, such as a promissory note or due bill, given for the purpose of borrowing money for the banking business. This includes borrowings from Federal Reserve Banks and from foreign banks, term federal funds, overdrawn due from bank balances, loan RPs, and participations in pooled loans. Includes averages of daily figures for member banks and averages of current and previous month-end data for foreign-related institutions.
4. Loans initially booked by the bank and later sold to affiliates that are still held by affiliates. Averages of Wednesday data.
5. Includes averages of daily figures for member banks and quarterly call report figures for nonmember banks.
6. Includes averages of current and previous month-end data.
7. Based on daily average data reported by 46 large banks.
8. Includes U.S. Treasury demand deposits and Treasury tax and loan notes at commercial banks. Averages of daily data.
9. Averages of Wednesday figures.

1.32 GROSS DEMAND DEPOSITS of Individuals, Partnerships, and Corporations[1]

Billions of dollars, estimated daily-average balances

Type of holder	1974 Dec.	1975 Dec.	1976 Dec.	1977 Dec.	1978 June	1978 Sept.	1978 Dec.	1979[2] Mar.	1979[2] June	1979[2] Sept.
	Commercial banks									
1 All holders—Individuals, partnerships, and corporations	**225.0**	**236.9**	**250.1**	**274.4**	**271.2**	**278.8**	**294.6**	**270.4**	**285.6**	**292.4**
2 Financial business	19.0	20.1	22.3	25.0	25.7	25.9	27.8	24.4	25.4	26.7
3 Nonfinancial business	118.8	125.1	130.2	142.9	137.7	142.5	152.7	135.9	145.1	148.8
4 Consumer	73.3	78.0	82.6	91.0	92.9	95.0	97.4	93.9	98.6	99.2
5 Foreign	2.3	2.4	2.7	2.5	2.4	2.5	2.7	2.7	2.8	2.8
6 Other	11.7	11.3	12.4	12.9	12.4	13.1	14.1	13.5	13.7	14.9
	Weekly reporting banks									
	1975 Dec.	1976 Dec.	1977 Dec.	1978 Sept.	1978 Oct.	1978 Nov.	1978 Dec.	1979[3] Mar.	1979[3] June	1979[3] Sept.
7 All holders—Individuals, partnerships, and corporations	**124.4**	**128.5**	**139.1**	**139.7**	**141.3**	**142.7**	**147.0**	**121.9**	**128.8**	**132.7**
8 Financial business	15.6	17.5	18.5	18.9	19.1	19.3	19.8	16.9	18.4	19.7
9 Nonfinancial business	69.9	69.7	76.3	74.1	75.0	75.7	79.0	64.6	68.1	69.1
10 Consumer	29.9	31.7	34.6	37.1	37.5	37.7	38.2	31.1	33.0	33.7
11 Foreign	2.3	2.6	2.4	2.4	2.5	2.5	2.5	2.6	2.7	2.8
12 Other	6.6	7.1	7.4	7.3	7.2	7.5	7.5	6.7	6.6	7.4

1. Figures include cash items in process of collection. Estimates of gross deposits are based on reports supplied by a sample of commercial banks. Types of depositors in each category are described in the June 1971 BULLETIN, p. 466.

2. Beginning with the March 1979 survey, the demand deposit ownership survey sample was reduced to 232 banks from 349 banks, and the estimation procedure was modified slightly. To aid in comparing estimates based on the old and new reporting sample, the following estimates in billions of dollars for December 1978 have been constructed using the new smaller sample: financial business, 27.0; nonfinancial business, 146.9; consumer, 98.3; foreign, 2.8; and other, 15.1.

3. After the end of 1978 the large weekly reporting bank panel was changed to 170 large commercial banks, each of which had total assets in domestic offices exceeding $750 million as of Dec. 31, 1977. See "Announcements," p. 408 in the May 1978 BULLETIN. Beginning in March 1979, demand deposit ownership estimates for these large banks are constructed quarterly on the basis of 97 sample banks and are not comparable with earlier data. The following estimates in billions of dollars for December 1978 have been constructed for the new large-bank panel: financial business, 18.2; nonfinancial business, 67.2; consumer, 32.8; foreign, 2.5; other, 6.8.

1.33 COMMERCIAL PAPER AND BANKERS DOLLAR ACCEPTANCES OUTSTANDING

Millions of dollars, end of period

Instrument	1976 Dec.	1977 Dec.	1978 Dec.	1979 Mar.	1979 Apr.	1979 May	1979 June	1979 July	1979 Aug.	1979 Sept.
	Commercial paper (seasonally adjusted)									
1 All issuers	**52,971**	**65,101**	**83,665**	**90,796**	**92,725**	**96,106**	**101,516**	**102,447**	**103,907**	**107,621**
Financial companies[1]										
Dealer-placed paper[2]										
2 Total	7,261	8,884	12,296	14,247	14,961	15,551	16,537	17,042	17,379	18,207
3 Bank-related	1,900	2,132	3,521	3,793	4,251	4,141	3,826	3,951	4,062	4,485
Directly placed paper[3]										
4 Total	32,511	40,484	51,630	55,653	55,313	57,886	61,256	60,532	60,402	61,369
5 Bank-related	5,959	7,102	12,314	12,642	12,788	13,799	15,130	14,722	15,817	15,930
6 Nonfinancial companies[4]	13,199	15,733	19,739	20,896	22,451	22,669	23,723	24,873	26,126	28,045
	Bankers dollar acceptances (not seasonally adjusted)									
7 Total	**22,523**	**25,450**	**33,700**	**34,617**	**34,391**	**35,286**	**36,989**	**39,040**	**42,354**	**42,147**
Holder										
8 Accepting banks	10,442	10,434	8,579	7,645	7,535	7,844	8,180	r8,288	7,994	8,419
9 Own bills	8,769	8,915	7,653	6,535	6,685	6,895	6,956	r7,243	7,138	7,288
10 Bills bought	1,673	1,519	927	1,110	849	950	1,224	r1,045	856	831
Federal Reserve Banks										
11 Own account	991	954	1	204	252	0	1,400	1,159	475	1,053
12 Foreign correspondents	375	362	664	793	861	940	971	952	957	1,470
13 Others	10,715	13,904	24,456	25,975	25,744	26,501	27,837	r28,641	32,928	31,205
Basis										
14 Imports into United States	4,992	6,378	8,574	9,281	8,679	9,007	9,202	9,499	9,847	9,724
15 Exports from United States	4,818	5,863	7,586	8,104	8,087	8,367	8,599	8,784	9,578	9,354
16 All other	12,713	13,209	17,540	17,232	17,625	17,912	19,189	20,756	22,929	23,069

1. Institutions engaged primarily in activities such as, but not limited to, commercial, savings, and mortgage banking; sales, personal, and mortgage financing; factoring, finance leasing, and other business lending; insurance underwriting; and other investment activities.

2. Includes all financial company paper sold by dealers in the open market.

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

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

1.34 PRIME RATE CHARGED BY BANKS on Short-Term Business Loans

Percent per annum

Effective date	Rate	Effective date	Rate	Month	Average rate	Month	Average rate
1978—Nov. 1	10½	1979—Aug. 16	12	1978—Apr	8.00	1979—Jan	11.75
6	10¾	28	12¼	May	8.27	Feb	11.75
17	11			June	8.63	Mar	11.75
24	11½	Sept. 7	12¾	July	9.00	Apr	11.75
		14	13	Aug	9.01	May	11.75
Dec. 26	11¾	21	13¼	Sept	9.41	June	11.65
		28	13½	Oct	9.94	July	11.54
1979—June 19	11½			Nov	10.94	Aug	11.91
		Oct. 9	14½	Dec	11.55	Sept	12.90
July 27	11¾	23	15			Oct	14.39

1.35 TERMS OF LENDING AT COMMERCIAL BANKS Survey of Loans Made, August 6–11, 1979

Item	All sizes	Size of loan (in thousands of dollars)					
		1–24	25–49	50–99	100–499	500–999	1,000 and over
SHORT-TERM COMMERCIAL AND INDUSTRIAL LOANS							
1 Amount of loans (thousands of dollars)	8,295,363	881,138	521,863	461,301	1,402,779	678,498	4,349,784
2 Number of loans	148,187	115,179	15,657	7,224	7,779	1,063	1,286
3 Weighted average maturity (months)	2.7	3.2	2.9	3.1	3.2	2.9	2.3
4 Weighted average interest rate (percent per annum)	12.31	12.23	12.44	12.53	12.42	12.61	12.21
5 Interquartile range[1]	11.75–12.82	11.02–13.65	10.60–13.69	11.75–13.52	11.75–13.25	11.99–13.03	11.75–12.40
Percentage of amount of loans							
6 With floating rate	49.0	19.6	21.4	32.3	41.6	57.8	61.0
7 Made under commitment	46.0	26.5	42.8	40.2	45.3	59.9	49.0
LONG-TERM COMMERCIAL AND INDUSTRIAL LOANS							
8 Amount of loans (thousands of dollars)	1,888,708		358,723		169,065	120,865	1,240,055
9 Number of loans	29,692		28,087		847	177	581
10 Weighted average maturity (months)	45.1		44.9		45.4	51.2	44.5
11 Weighted average interest rate (percent per annum)	12.25		12.57		12.82	12.91	12.02
12 Interquartile range[1]	11.57–12.97		11.00–14.09		12.00–13.75	12.25–13.75	11.57–12.50
Percentage of amount of loans							
13 With floating rate	48.8		32.8		58.1	68.2	50.3
14 Made under commitment	49.2		26.3		56.1	67.4	53.1
CONSTRUCTION AND LAND DEVELOPMENT LOANS							
15 Amount of loans (thousands of dollars)	895,394	139,974	88,809	66,913	186,534	413,165	
16 Number of loans	21,106	16,444	2,503	968	966	225	
17 Weighted average maturity (months)	7.4	5.4	4.0	7.2	8.8	8.7	
18 Weighted average interest rate (percent per annum)	12.52	11.49	12.49	12.79	12.95	12.64	
19 Interquartile range[1]	11.30–13.75	10.34–12.40	11.46–12.96	12.00–13.75	12.34–14.00	11.00–13.75	
Percentage of amount of loans							
20 With floating rate	60.6	14.3	24.9	57.1	68.8	80.7	
21 Secured by real estate	91.0	82.4	96.5	95.9	85.7	94.2	
22 Made under commitment	71.5	63.2	66.8	67.9	75.0	74.3	
Type of construction							
23 1- to 4-family	40.1	82.5	84.8	53.8	41.9	13.1	
24 Multifamily	9.4	1.8	5.1	13.5	13.8	10.3	
24 Nonresidential	50.5	15.6	10.1	32.7	44.3	76.6	

LOANS TO FARMERS	All sizes	1–9	10–24	25–49	50–99	100–249	250 and over
26 Amount of loans (thousands of dollars)	817,603	150,832	126,103	116,791	150,651	184,649	88,578
27 Number of loans	59,186	42,815	8,970	3,574	2,363	1,280	184
28 Weighted average maturity (months)	6.2	6.9	6.6	8.0	5.6	4.2	4.5
29 Weighted average interest rate (percent per annum)	11.28	10.86	11.08	10.89	11.12	11.57	12.40
30 Interquartile range[1]	10.34–12.00	10.25–11.41	10.34–11.52	10.25–11.50	10.25–11.61	11.00–12.13	11.00–13.54
By purpose of loan							
31 Feeder livestock	11.18	10.61	11.12	10.39	11.36	11.05	12.58
32 Other livestock	11.08	10.81	10.58	11.49	10.58	12.29	[2]
33 Other current operating expenses	11.37	10.89	11.06	10.93	11.23	12.51	12.12
34 Farm machinery and equipment	10.87	10.83	10.98	11.15	[2]	[2]	(2)
35 Other	11.50	10.98	11.67	10.87	11.50	11.82	12.59

1. Interest rate range that covers the middle 50 percent of the total dollar amount of loans made.

2. Fewer than 10 sample loans.

NOTE. For more detail, see the Board's E. 2 (416) statistical release.

1.36 INTEREST RATES Money and Capital Markets

Averages, percent per annum

Instrument	1976	1977	1978	1979				1979, week ending				
				July	Aug.	Sept.	Oct.	Oct. 6	Oct. 13	Oct. 20	Oct. 27	Nov. 3
	Money market rates											
1 Federal funds[1]	5.05	5.54	7.94	10.47	10.94	11.43	13.77	11.91	12.00	13.22	15.14	15.61
Prime commercial paper[2,3]												
2 90- to 119-day	5.24	5.54	7.94	9.87	10.43	11.63	13.23	11.79	13.13	13.35	14.10	n.a.
3 4- to 6-month	5.35	5.60	7.99	9.82	10.39	11.60	13.23	11.76	13.18	13.32	14.10	n.a.
4 Finance company paper, directly placed, 3- to 6-month[2,3]	5.22	5.49	7.78	9.39	9.82	10.59	11.76	10.76	11.39	11.82	12.50	n.a.
5 Prime bankers acceptances, 90-day[3,4]	5.19	5.59	8.11	9.99	10.62	11.70	13.44	12.04	13.49	13.59	14.32	14.11
Certificates of deposit, secondary market[5]												
6 1-month	5.07	5.48	7.88	10.04	10.58	11.70	13.36	11.94	13.26	13.38	14.36	14.17
7 3-month	5.27	5.64	8.22	10.11	10.71	11.89	13.66	12.19	13.52	13.71	14.71	14.45
8 6-month	5.62	5.92	8.61	10.23	10.86	12.01	13.83	12.46	13.69	13.91	14.87	14.49
9 Eurodollar deposits, 3-month[6]	5.57	6.05	8.74	10.87	11.53	12.61	14.59	12.79	13.86	14.71	15.14	15.65
U.S. Treasury bills[3,7]												
Secondary market												
10 3-month	4.98	5.27	7.19	9.24	9.52	10.26	11.70	10.43	11.62	11.91	12.60	12.07
11 6-month	5.26	5.53	7.58	9.24	9.49	10.20	11.66	10.43	11.53	11.82	12.54	12.14
12 1-year	5.52	5.71	7.74	8.87	9.16	9.89	11.23	10.07	11.30	11.40	11.94	11.65
Auction average[8]												
13 3-month	4.989	5.265	7.221	9.262	9.450	10.182	11.472	10.313	10.808	11.836	12.932	12.256
14 6-month	5.266	5.510	7.572	9.190	9.450	10.125	11.339	10.327	10.662	11.716	12.651	12.193
	Capital market rates											
U.S. TREASURY NOTES AND BONDS												
Constant maturities[9]												
15 1-year	5.88	6.09	8.34	9.64	9.98	10.84	12.44	11.02	12.50	12.68	13.31	12.91
16 2-year	......	6.45	8.34	9.14	9.46	10.06	11.49	10.23	11.24	11.62	12.44	12.13
17 3-year	6.77	6.69	8.29	8.94	9.14	9.69	10.95	9.85	10.65	11.01	11.83	11.64
18 5-year	7.18	6.99	8.32	8.90	9.06	9.41	10.63	9.61	10.42	10.70	11.37	11.25
19 7-year	7.42	7.23	8.36	8.92	9.05	9.38	10.47	9.58	10.29	10.56	11.09	11.00
20 10-year	7.61	7.42	8.41	8.95	9.03	9.33	10.30	9.53	10.09	10.37	10.89	10.78
21 20-year	7.86	7.67	8.48	8.92	8.97	9.21	9.99	9.38	9.85	10.04	10.42	10.44
22 30-year	......	......	8.49	8.93	8.98	9.17	9.85	9.32	9.71	9.88	10.25	10.26
Composite[10]												
23 3 to 5 years	6.94	6.85	8.30	8.88	9.08	9.56	10.75	9.72	10.48	10.79	11.57	11.43
24 Over 10 years (long-term)	6.78	7.06	7.89	8.35	8.42	8.68	9.44	8.85	9.28	9.51	9.87	9.88
STATE AND LOCAL NOTES AND BONDS												
Moody's series[11]												
25 Aaa	5.66	5.20	5.52	5.58	5.72	5.90	6.25	5.95	6.35	6.35	6.35	6.35
26 Baa	7.49	6.12	6.27	6.11	6.36	6.75	7.34	6.75	7.90	7.00	7.70	7.90
27 *Bond Buyer* series[12]	6.64	5.68	6.03	6.13	6.20	6.52	7.08	6.64	7.12	7.18	7.38	7.26
CORPORATE BONDS												
28 Seasoned issues, all industries[13]	9.01	8.43	9.07	9.69	9.74	9.93	10.71	10.17	10.45	10.74	11.11	11.32
By rating groups												
29 Aaa	8.43	8.02	8.73	9.20	9.23	9.44	10.13	9.66	9.91	10.09	10.50	10.73
30 Aa	8.75	8.24	8.92	9.49	9.53	9.70	10.46	9.94	10.11	10.44	10.97	11.06
31 A	9.09	8.49	9.12	9.75	9.85	10.03	10.83	10.27	10.63	10.87	11.19	11.50
32 Baa	9.75	8.97	9.45	10.29	10.35	10.54	11.40	10.81	11.10	11.56	11.80	11.98
Aaa utility bonds[14]												
33 New issue	8.48	8.19	8.96	9.58	9.48	9.83	10.97	10.22	10.88	11.05	11.45	11.49
34 Recently offered issues	8.49	8.19	8.97	9.53	9.49	9.87	10.91	10.25	10.79	11.00	11.36	11.43
MEMO: Dividend/price ratio[15]												
35 Preferred stocks	7.97	7.60	8.25	8.93	9.02	9.16	7.44	7.83	7.53	7.39	7.18	7.28
36 Common stocks	3.77	4.56	5.28	5.50	5.30	5.31	5.56	5.26	5.49	5.59	5.76	5.72

1. Weekly figures are 7-day averages of daily effective rates for the week ending Wednesday; the daily effective rate is an average of the rates on a given day weighted by the volume of transactions at these rates.
2. Beginning November 1977, unweighted average of offering rates quoted by at least five dealers (in the case of commercial paper), or finance companies (in the case of finance paper). Previously, most representative rate quoted by those dealers and finance companies.
3. Yields are quoted on a bank-discount basis.
4. Average of the midpoint of the range of daily dealer closing rates offered for domestic issues.
5. Five-day average of rates quoted by five dealers (3-month series was previously a 7-day average).
6. Averages of daily quotations for the week ending Wednesday.
7. Except for auction averages, yields are computed from daily closing bid prices.
8. Rates are recorded in the week in which bills are issued.
9. Yield on the more actively traded issues adjusted to constant maturities by the U.S. Treasury, based on daily closing bid prices.
10. Unweighted averages for all outstanding notes and bonds in maturity ranges shown, based on daily closing bid prices. "Long-term" includes all bonds neither due nor callable in less than 10 years, including several very low yielding "flower" bonds.
11. General obligations only, based on figures for Thursday, from Moody's Investors Service.
12. Twenty issues of mixed quality.
13. Averages of daily figures from Moody's Investors Service.
14. Compilation of the Board of Governors of the Federal Reserve System.

Issues included are long-term (20 years or more). New-issue yields are based on quotations on date of offering; those on recently offered issues (included only for first 4 weeks after termination of underwriter price restrictions), on Friday close-of-business quotations.

15. Provided by Standard and Poor's Corporation.

1.37 STOCK MARKET Selected Statistics

Indicator	1976	1977	1978	1979 Apr.	May	June	July	Aug.	Sept.	Oct.
				Prices and trading (averages of daily figures)						
Common stock prices										
1 **New York Stock Exchange (Dec. 31, 1965 = 50)**	**54.45**	**53.67**	**53.76**	**57.50**	**56.21**	**57.61**	**58.38**	**61.19**	**61.89**	**59.27**
2 Industrial	60.44	57.84	58.30	63.64	62.21	63.57	64.24	67.71	69.17	66.68
3 Transportation	39.57	41.07	43.25	45.92	45.60	47.53	48.85	52.48	52.21	48.07
4 Utility	36.97	40.91	39.23	38.63	37.48	38.44	38.88	39.26	38.39	36.58
5 Finance	52.94	55.23	56.74	59.50	58.80	61.87	64.43	68.40	67.21	61.64
6 **Standard & Poor's Corporation (1941–43 = 10)[1]**	**102.01**	**98.18**	**96.11**	**102.10**	**99.73**	**101.73**	**102.71**	**107.36**	**108.60**	**104.47**
7 **American Stock Exchange (Aug. 31, 1973 = 100)**	**101.63**	**116.18**	**144.56**	**181.14**	**180.81**	**196.08**	**197.63**	**208.29**	**223.00**	**212.33**
Volume of trading (thousands of shares)										
8 New York Stock Exchange	21,189	20,936	28,591	31,033	28,352	34,662	32,416	35,870	37,576	37,301
9 American Stock Exchange	2,565	2,514	3,922	4,262	3,888	5,236	3,890	4,503	5,405	5,446
				Customer financing (end-of-period balances, in millions of dollars)						
10 **Regulated margin credit at brokers/dealers[2]**	**8,166**	**9,993**	**11,035**	**11,416**	**11,314**	**11,763**	**12,019**	**12,236**	**12,178**	n.a.
11 Margin stock[3]	7,960	9,740	10,830	11,220	11,130	11,590	11,840	12,060	12,000	n.a.
12 Convertible bonds	204	250	205	194	183	172	178	176	177	n.a.
13 Subscription issues	2	3	1	2	1	1	1	*	1	n.a.
Free credit balances at brokers[4]										
14 Margin-account	585	640	835	835	840	895	885	910	960	n.a.
15 Cash-account	1,855	2,060	2,510	2,550	2,590	2,880	3,025	2,995	3,325	n.a.
				Margin-account debt at brokers (percentage distribution, end of period)						
16 **Total**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	n.a.
By equity class (in percent)[5]										
17 Under 40	12.0	18.0	33.0	23.0	22.0	21.0	19.0	14.0	16.0	n.a.
18 40–49	23.0	36.0	28.0	29.0	30.0	28.0	28.0	26.0	26.0	n.a.
19 50–59	35.0	23.0	18.0	23.0	23.0	26.0	28.0	31.0	30.0	n.a.
20 60–69	15.0	11.0	10.0	12.0	12.0	12.0	12.0	14.0	14.0	n.a.
21 70–79	8.7	6.0	6.0	7.0	7.0	7.0	7.0	8.0	8.0	n.a.
22 80 or more	6.0	5.0	5.0	6.0	6.0	6.0	6.0	7.0	6.0	n.a.
				Special miscellaneous-account balances at brokers (end of period)						
23 **Total balances (millions of dollars)[6]**	**8,776**	**9,910**	**13,092**	**13,218**	**13,099**	**13,634**	n.a.	n.a.	n. a.	n. a.
Distribution by equity status (percent)										
24 Net credit status	41.3	43.4	41.3	42.1	41.3	42.6	n.a.	n.a.	n. a.	n. a.
Debit status, equity of										
25 60 percent or more	47.8	44.9	45.1	47.6	48.6	47.3	n.a.	n.a.	n. a.	n. a.
26 Less than 60 percent	10.9	11.7	13.6	10.3	10.1	10.1	n.a.	n.a.	n. a.	n. a.

Margin requirements (percent of market value and effective date)[7]

Indicator	Mar. 11, 1968	June 8, 1968	May 6, 1970	Dec. 6, 1971	Nov. 24, 1972	Jan. 3, 1974
27 Margin stocks	70	80	65	55	65	50
28 Convertible bonds	50	60	50	50	50	50
29 Short sales	70	80	65	55	65	50

1. Effective July 1976, includes a new financial group, banks and insurance companies. With this change the index includes 400 industrial stocks (formerly 425), 20 transportation (formerly 15 rail), 40 public utility (formerly 60), and 40 financial.
2. Margin credit includes all credit extended to purchase or carry stocks or related equity instruments and secured at least in part by stock. Credit extended is end-of-month data for member firms of the New York Stock Exchange.
In addition to assigning a current loan value to margin stock generally, Regulations T and U permit special loan values for convertible bonds and stock acquired through exercise of subscription rights.
3. A distribution of this total by equity class is shown on lines 17–22.
4. Free credit balances are in accounts with no unfulfilled commitments to the brokers and are subject to withdrawal by customers on demand.
5. Each customer's equity in his collateral (market value of collateral less net debit balance) is expressed as a percentage of current collateral values.
6. Balances that may be used by customers as the margin deposit required for additional purchases. Balances may arise as transfers based on loan values of other collateral in the customer's margin account or deposits of cash (usually sales proceeds) occur.
7. Regulations G, T, and U of the Federal Reserve Board of Governors, prescribed in accordance with the Securities Exchange Act or 1934, limit the amount of credit to purchase and carry margin stocks that may be extended on securities as collateral by prescribing a maximum loan value, which is a specified percentage of the market value of the collateral at the time the credit is extended. Margin requirements are the difference between the market value (100 percent) and the maximum loan value. The term "margin stocks" is defined in the corresponding regulation.

1.38 SAVINGS INSTITUTIONS Selected Assets and Liabilities

Millions of dollars, end of period

Account	1976	1977	1978 Dec.	1979 Jan.	1979 Feb.	1979 Mar.	1979 Apr.	1979 May	1979 June	1979 July	1979 Aug.	1979 Sept.[p]
	Savings and loan associations											
1 **Assets**	**391,907**	**459,241**	**523,649**	**529,820**	**534,168**	**539,715**	**543,459**	**549,181**	**555,571**	**561,209**	**566,675**	**570,485**
2 Mortgages	323,005	381,163	432,858	435,460	437,905	441,420	445,705	451,054	456,629	460,710	464,706	468,324
3 Cash and investment securities[1]	35,724	39,150	44,855	47,653	49,018	50,130	48,674	48,257	48,231	49,477	49,989	49,171
4 Other	33,178	38,928	45,936	46,707	47,245	48,165	49,080	49,870	50,711	51,022	51,980	52,990
5 **Liabilities and net worth**	**391,907**	**459,241**	**523,649**	**529,820**	**534,168**	**539,715**	**543,459**	**549,181**	**555,571**	**561,209**	**566,675**	**570,485**
6 Savings capital	335,912	386,800	431,009	435,752	438,633	446,981	445,831	447,872	454,738	456,756	457,958	462,714
7 Borrowed money	19,083	27,840	42,960	42,468	41,368	41,592	43,765	44,380	47,051	48,495	50,497	52,741
8 FHLBB	15,708	19,945	31,990	31,758	31,004	31,123	32,389	33,003	34,266	35,286	36,009	37,652
9 Other	3,375	7,895	10,970	10,610	10,364	10,469	11,376	11,377	12,785	13,209	14,488	15,089
10 Loans in process	6,840	9,911	10,737	10,445	10,287	10,346	10,706	11,136	11,278	11,328	11,066	10,895
11 Other	8,074	9,506	9,918	11,971	14,250	10,919	12,971	15,283	11,703	13,530	15,743	12,455
12 Net worth[2]	21,998	25,184	29,025	29,284	29,630	29,877	30,186	30,510	30,801	31,100	31,411	31,680
13 MEMO: Mortgage loan commitments outstanding[3]	14,826	19,875	18,911	18,053	19,038	21,085	22,923	23,569	22,777	22,366	22,288	22,382
	Mutual savings banks[9]											
14 **Assets**	**134,812**	**147,287**	**158,174**	**158,892**	**160,078**	**161,866**						
Loans												
15 Mortgage	81,630	88,195	95,157	95,552	95,821	96,136						
16 Other	5,183	6,210	7,195	7,744	8,455	9,421						
Securities												
17 U.S. government	5,840	5,895	4,959	4,838	4,801	4,814	n.a.	n.a.	n.a.	n.a.	n.a.	
18 State and local government	2,417	2,828	3,333	3,328	3,167	3,126						
19 Corporate and other[4]	33,793	37,918	39,732	40,007	40,307	40,658						
20 Cash	2,355	2,401	3,665	3,274	3,306	3,410						
21 Other assets	3,593	3,839	4,131	4,149	4,222	4,300						
22 **Liabilities**	**134,812**	**147,287**	**158,174**	**158,892**	**160,078**	**161,866**						n.a.
23 Deposits	122,877	134,017	142,701	142,879	143,539	145,650	145,096	145,056	146,057	145,757	145,713	
24 Regular[5]	121,961	132,744	141,170	141,388	142,071	144,042	143,210	143,271	144,161	143,843	143,731	
25 Ordinary savings	74,535	78,005	71,816	69,244	68,817	68,829	67,758	67,577	68,104	67,537	66,733	
26 Time and other	47,426	54,739	69,354	72,145	73,254	75,213	75,452	75,694	76,057	76,306	76,998	
27 Other	916	1,272	1,531	1,491	1,468	1,608	1,886	1,784	1,896	1,914	1,982	
28 Other liabilities	2,884	3,292	4,565	5,032	5,485	5,048	5,050	5,172	4,545	5,578	6,350	
29 General reserve accounts	9,052	9,978	10,907	10,980	11,054	11,167	11,085	11,153	11,212	11,264	11,324	
30 MEMO: Mortgage loan commitments outstanding[6]	2,439	4,066	4,400	4,366	4,453	4,482	4,449	4,352	4,214	4,071	4,123	
	Life insurance companies											
31 **Assets**	**321,552**	**351,722**	**389,924**	**394,185**	**396,190**	**399,579**	**402,963**	**405,627**	**409,853**	**414,120**	**418,350**	
Securities												
32 Government	17,942	19,553	20,009	20,244	20,222	20,463	20,510	20,381	20,397	20,468	20,472	
33 United States[7]	5,368	5,315	4,822	5,063	5,114	5,234	5,272	5,149	5,178	5,228	5,229	
34 State and local	5,594	6,051	6,402	6,348	6,255	6,259	6,268	6,272	6,241	6,243	6,258	
35 Foreign[8]	6,980	8,187	8,785	8,833	8,853	8,970	8,970	8,960	8,978	8,997	8,985	
36 Business	157,246	175,654	198,105	201,861	202,843	204,895	206,160	207,775	209,804	212,876	215,252	n.a.
37 Bonds	122,984	141,891	162,587	166,093	167,548	168,622	169,817	171,762	173,130	175,854	176,920	
38 Stocks	34,262	33,763	35,518	35,768	35,295	36,273	36,343	36,013	36,674	37,022	38,332	
39 Mortgages	91,552	96,848	106,167	106,654	107,385	108,417	109,198	110,023	111,123	112,120	113,102	
40 Real estate	10,476	11,060	11,764	11,862	11,943	11,484	12,086	12,101	12,199	12,351	12,738	
41 Policy loans	25,834	27,556	30,146	30,469	30,778	31,160	31,512	31,832	32,131	32,390	32,713	
42 Other assets	18,502	21,051	23,733	23,095	23,019	23,160	23,497	23,515	24,199	23,915	24,073	
	Credit unions											
43 **Total assets/liabilities and capital**	**45,225**	**54,084**	**62,595**	**61,756**	**62,319**	**63,883**	**63,247**	**64,372**	**65,603**	**66,563**	**67,271**	**68,032**
44 Federal	24,396	29,574	34,681	34,165	34,419	35,289	34,653	35,268	35,986	36,733	37,045	37,498
45 State	20,829	24,510	27,914	27,591	27,900	28,594	28,594	29,104	29,617	29,830	30,226	30,534
46 Loans outstanding	34,384	42,055	51,807	51,526	51,716	52,480	52,542	53,100	53,831	54,160	55,110	55,744
47 Federal	18,311	22,717	28,583	28,340	28,427	28,918	28,849	29,109	29,525	29,674	30,179	30,495
48 State	16,073	19,338	23,224	23,186	23,289	23,562	23,693	23,991	24,306	24,486	24,931	25,249
49 Savings	39,173	46,832	53,048	51,916	52,484	54,243	53,745	54,638	r55,948	56,512	56,701	57,372
50 Federal (shares)	21,130	25,849	29,326	28,427	28,743	29,741	29,339	29,755	30,563	30,857	30,890	31,227
51 State (shares and deposits)	18,043	20,983	23,722	23,489	23,741	24,502	24,406	24,883	r25,386	25,655	25,811	26,145

For notes see bottom of page A30.

1.39 FEDERAL FISCAL AND FINANCING OPERATIONS

Millions of dollars

Type of account or operation	Fiscal year 1977	Fiscal year 1978	Fiscal year 1979	Calendar year 1978 H1	Calendar year 1978 H2	Calendar year 1979 H1	1979 July	1979 Aug.	1979 Sept.
U.S. budget									
1 Receipts[1]	357,762	r401,997	465,940	210,650	206,275	246,574	33,268	39,353	47,295
2 Outlays[1]	402,725	r450,938	493,221	222,561	238,186	245,616	40,482	54,279	29,625
3 Surplus, or deficit (−)	−44,963	r−48,940	−27,281	−11,912	−31,912	958	−7,214	−14,926	17,670
4 Trust funds	9,497	12,693	18,335	4,334	11,754	4,041	3,805	−4,673	16,039
5 Federal funds[2]	−54,460	r−61,633	−45,616	−16,246	−43,666	−4,999	−3,408	−10,254	1,631
Off-budget entities surplus, or deficit (−)									
6 Federal Financing Bank outlays	−8,415	−10,661	−13,261	−5,105	−5,082	−7,712	−809	−908	−1,383
7 Other[3]	−264	355	832	−790	1,843	−447	−143	−169	−730
U.S. budget plus off-budget, including Federal Financing Bank									
8 Surplus, or deficit (−)	−53,642	r−59,246	−39,710	−17,806	−35,151	−7,201	−8,166	−16,003	15,557
Source of financing									
9 Borrowing from the public	53,516	r−59,106	33,641	23,378	30,314	6,039	4,831	3,268	4,249
10 Cash and monetary assets (decrease, or increase (−))[4]	−2,247	r−3,023	−408	−5,098	3,381	−8,878	4,711	6,535	−16,562
11 Other[5]	2,373	r3,163	6,477	−474	1,456	10,040	−1,376	6,200	−3,244
MEMO:									
12 Treasury operating balance (level, end of period)	19,104	22,444	24,176	17,526	16,291	17,485	13,530	6,950	24,176
13 Federal Reserve Banks	15,740	16,647	6,489	11,614	4,196	3,290	2,765	3,542	6,489
14 Tax and loan accounts	3,364	5,797	17,687	5,912	12,095	14,195	10,765	3,408	17,687

1. Effective June 1978, earned income credit payments in excess of an individual's tax liability, formerly treated as income tax refunds, are classified as outlays retroactive to January 1976.
2. Half-year figures calculated as a residual (total surplus/deficit less trust fund surplus/deficit).
3. Includes Pension Benefit Guaranty Corp.; Postal Service Fund; Rural Electrification and Telephone Revolving Fund; and Rural Telephone Bank.
4. Includes U.S. Treasury operating cash accounts; special drawing rights; gold tranche drawing rights; loans to International Monetary Fund; and other cash and monetary assets.
5. Includes accured interest payable to the public; deposit funds; miscellaneous liability (including checks outstanding) and asset accounts; seignorage; increment on gold; net gain/loss for U.S. currency valuation adjustment; net gain/loss for IMF valuation adjustment; and profit on the sale of gold.

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

NOTES TO TABLE 1.38

1. Holdings of stock of the Federal Home Loan Banks are included in "other assets."
2. Includes net undistributed income, which is accrued by most, but not all, associations.
3. Excludes figures for loans in process, which are shown as a liability.
4. Includes securities of foreign governments and international organizations and nonguaranteed issues of U.S. government agencies.
5. Excludes checking, club, and school accounts.
6. Commitments outstanding (including loans in process) of banks in New York State as reported to the Savings Banks Association of the State of New York.
7. Direct and guaranteed obligations. Excludes federal agency issues not guaranteed, which are shown in this table under "business" securities.
8. Issues of foreign governments and their subdivisions and bonds of the International Bank for Reconstruction and Development.
9. The NAMSB reports that, effective April 1979, balance sheet data are not strictly comparable with previous months. This largely reflects: (1) changes in FDIC reporting proceedures; and (2) reclassification of certain items.

NOTE. *Savings and loan associations:* Estimates by the FHLBB for all associations in the United States. Data are based on monthly reports of federally insured associations and annual reports of other associations. Even when revised, data for current and preceding year are subject to further revision.

Mutual savings banks: Estimates of National Association of Mutual Savings Banks for all savings banks in the United States. Data are reported on a gross-of-valuation-reserves basis.

Life insurance companies: Estimates of the American Council of Life Insurance for all life insurance companies in the United States. Annual figures are annual-statement asset values, with bonds carried on an amortized basis and stocks at year-end market value. Adjustments for interest due and accrued and for differences between market and book values are not made on each item separately but are included, in total, in "other assets."

Credit unions: Estimates by the National Credit Union Administration for a group of federal and state-chartered credit unions that account for about 30 percent of credit union assets. Figures are preliminary and revised annually to incorporate recent benchmark data.

1.40 U.S. BUDGET RECEIPTS AND OUTLAYS

Millions of dollars

Source or type	Fiscal year 1977	Fiscal year 1978[r]	Fiscal year 1979	Calendar year 1978 H1	Calendar year 1978 H2	Calendar year 1979 H1	1979 July	1979 Aug.	1979 Sept.
RECEIPTS									
1 **All sources[1]**	**357,762**	**401,997**	**465,940**	**210,650**	**206,275**	**246,574**	**33,268**	**39,353**	**47,295**
2 Individual income taxes, net	157,626	180,988	217,841	90,336	98,854	111,603	17,086	17,215	23,341
3 Withheld	144,820	165,215	195,295	82,784	90,148	98,683	16,714	16,952	16,194
4 Presidential Election Campaign Fund	37	39	36	36	3	32	0	3	0
5 Nonwithheld	42,062	47,804	56,215	37,584	10,777	44,116	1,241	1,041	7,349
6 Refunds[1]	29,293	32,070	33,705	30,068	2,075	31,228	869	781	201
Corporation income taxes									
7 Gross receipts	60,057	65,380	71,448	38,496	28,536	42,427	2,518	1,661	10,096
8 Refunds	5,164	5,428	5,771	2,782	2,757	2,889	499	293	463
9 Social insurance taxes and contributions, net	108,683	123,410	141,591	66,191	61,064	75,609	10,566	17,164	10,809
10 Payroll employment taxes and contributions[2]	88,196	99,626	115,041	51,668	51,052	59,298	8,857	13,577	9,893
11 Self-employment taxes and contributions[3]	4,014	4,267	5,034	3,892	369	4,616	0	0	417
12 Unemployment insurance	11,312	13,850	15,387	7,800	6,727	8,623	1,204	2,847	154
13 Other net receipts[4]	5,162	5,668	6,130	2,831	2,917	3,072	504	740	344
14 Excise taxes	17,548	18,376	18,745	8,835	9,879	8,984	1,659	1,498	1,660
15 Customs deposits	5,150	6,573	7,439	3,320	3,748	3,682	647	689	559
16 Estate and gift taxes	7,327	5,285	5,411	2,587	2,691	2,657	463	534	434
17 Miscellaneous receipts[5]	6,536	7,413	9,237	3,667	4,260	4,501	828	886	859
OUTLAYS									
18 **All types[1]**	**402,725**	**450,938**	**493,221**	**222,561**	**238,186**	**245,616**	**40,482**	**54,279**	**29,625**
19 National defense	97,501	105,192	116,491	52,535	55,124	57,643	10,397	10,657	9,200
20 International affairs	4,813	6,083	5,419	3,347	2,060	3,538	−427	944	748
21 General science, space, and technology	4,677	4,721	5,620	2,395	2,383	2,461	433	503	965
22 Energy	4,172	5,901	7,855	2,721	4,279	4,417	713	789	459
23 Natural resources and environment	10,000	11,167	12,346	4,690	6,020	5,672	1,154	1,394	1,234
24 Agriculture	5,532	7,618	6,410	2,435	4,967	3,020	−369	−215	−28
25 Commerce and housing credit	−44	3,319	2,592	−443	3,292	60	173	59	−46
26 Transportation	14,636	15,462	17,013	7,215	8,740	7,688	1,552	1,702	1,589
27 Community and regional development	6,286	11,263	9,735	5,500	5,844	4,499	702	933	1,003
28 Education, training, employment, and social services	20,985	25,890	28,524	13,218	14,247	14,467	2,472	2,645	2,341
29 Health	38,785	43,676	49,614	21,147	23,830	24,860	4,108	4,632	4,109
30 Income security[1]	137,915	146,503	160,496	75,370	73,127	81,173	13,669	23,659	4,546
31 Veterans benefits and services	18,038	18,987	19,916	9,625	9,532	10,127	667	2,559	599
32 Administration of justice	3,600	3,786	4,138	1,945	1,989	2,096	336	397	281
33 General government	3,374	3,723	4,671	1,845	2,304	2,291	365	432	333
34 General-purpose fiscal assistance	9,499	9,377	8,234	4,678	4,610	3,890	1,800	53	131
35 Interest[6]	38,009	44,040	52,634	22,280	24,036	26,934	3,491	4,240	3,818
36 Undistributed offsetting receipts[6,7]	−15,053	−15,772	−18,489	−7,945	−8,199	−8,999	−753	−1,103	−1,655

1. Effective June 1978, earned income credit payments in excess of an individual's tax liability, formerly treated as income tax refunds, are classified as outlays retroactive to January 1976.
2. Old-age, disability, and hospital insurance, and railroad retirement accounts.
3. Old-age, disability, and hospital insurance.
4. Supplementary medical insurance premiums, federal employee retirement contributions, and Civil Service retirement and disability fund.
5. Deposits of earnings by Federal Reserve Banks and other miscellaneous receipts.
6. Effective September 1976, "Interest" and "Undistributed Offsetting Receipts" reflect the accounting conversion for the interest on special issues for U.S. government accounts from an accrual basis to a cash basis.
7. Consists of interest received by trust funds, rents and royalties on the Outer Continental Shelf, and U.S. government contributions for employee retirement.

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

1.41 FEDERAL DEBT SUBJECT TO STATUTORY LIMITATION

Billions of dollars

Item	1976	1977			1978			1979	
	Dec. 31	June 30	Sept. 30	Dec. 31	June 30	Sept. 30	Dec. 31	Mar. 31	June 30
1 **Federal debt outstanding**	**665.5**	**685.2**	**709.1**	**729.2**	**758.8**	**780.4**	**797.7**	**804.6**	**812.2**
2 Public debt securities	653.5	674.4	698.8	718.9	749.0	771.5	789.2	796.8	804.9
3 Held by public	506.4	523.2	543.4	564.1	587.9	603.6	619.2	630.5	626.4
4 Held by agencies	147.1	151.2	155.5	154.8	161.1	168.0	170.0	166.3	178.5
5 Agency securities	12.0	10.8	10.3	10.2	9.8	8.9	8.5	7.8	7.3
6 Held by public	10.0	9.0	8.5	8.4	8.0	7.4	7.0	6.3	5.9
7 Held by agencies	1.9	1.8	1.8	1.8	1.8	1.5	1.5	1.5	1.5
8 **Debt subject to statutory limit**	**654.7**	**675.6**	**700.0**	**720.1**	**750.2**	**772.7**	**790.3**	**797.9**	**806.0**
9 Public debt securities	652.9	673.8	698.2	718.3	748.4	770.9	788.6	796.2	804.3
10 Other debt[1]	1.7	1.7	1.7	1.7	1.8	1.8	1.7	1.7	1.7
11 MEMO: Statutory debt limit	682.0	700.0	700.0	752.0	752.0	798.0	798.0	798.0	830.0

1. Includes guaranteed debt of government agencies, specified participation certificates, notes to international lending organizations, and District of Columbia stadium bonds.

NOTE. Data from *Treasury Bulletin* (U.S. Treasury Department).

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

Billions of dollars, end of period

Type and holder	1975	1976	1977	1978	1979				
					June	July	Aug.	Sept.	Oct.
1 **Total gross public debt**	**576.6**	**653.5**	**718.9**	**789.2**	**804.9**	**807.5**	**813.1**	**826.5**	**826.8**
By type									
2 Interest-bearing debt	575.7	652.5	715.2	782.4	799.9	806.5	812.1	819.0	825.7
3 Marketable	363.2	421.3	459.9	487.5	499.3	507.0	509.2	506.7	515.0
4 Bills	157.5	164.0	161.1	161.7	159.9	159.9	160.5	161.4	161.7
5 Notes	167.1	216.7	251.8	265.8	272.1	278.3	277.6	274.2	280.8
6 Bonds	38.6	40.6	47.0	60.0	67.4	68.8	71.1	71.1	72.5
7 Nonmarketable[1]	212.5	231.2	255.3	294.8	300.5	299.5	302.9	312.3	310.7
8 Convertible bonds[2]	2.3	2.3	2.2	2.2	2.2	2.2	2.2	2.2	2.2
9 State and local government series	1.2	4.5	13.9	24.3	24.1	24.2	24.6	24.6	24.4
10 Foreign issues[3]	21.6	22.3	22.2	29.6	26.8	28.0	27.7	28.1	28.0
11 Government	21.6	22.3	22.2	28.0	22.7	23.9	23.5	24.0	23.9
12 Public	0	0	0	1.6	4.2	4.2	4.2	4.2	4.2
13 Savings bonds and notes	67.9	72.3	77.0	80.9	80.8	80.9	80.9	80.0	80.5
14 Government account series[4]	119.4	129.7	139.8	157.5	166.3	163.9	167.3	176.4	175.3
15 Non-interest-bearing debt	1.0	1.1	3.7	6.8	5.1	1.0	1.0	7.5	1.1
By holder[5]									
16 U.S. government agencies and trust funds	139.1	147.1	154.8	170.0	178.6	176.3	178.6		
17 Federal Reserve Banks	89.8	97.0	102.5	109.6	109.2	111.4	113.0		
18 Private investors	349.4	409.5	461.3	508.6	516.6	519.8	521.5		
19 Commercial banks	85.1	103.8	101.4	93.4	95.0	93.4	92.7		
20 Mutual savings banks	4.5	5.9	5.9	5.2	5.0	4.7	4.6		
21 Insurance companies	9.5	12.7	15.1	15.0	14.5	14.5	14.6		
22 Other corporations	20.2	27.7	22.7	20.6	24.0	21.2	20.7	n.a.	n.a.
23 State and local governments	34.2	41.6	55.2	68.6	68.0	69.9	70.1		
Individuals									
24 Savings bonds	67.3	72.0	76.7	80.7	80.6	80.7	80.7		
25 Other securities	24.0	28.8	28.6	30.0	31.8	32.0	32.3		
26 Foreign and international[6]	66.5	78.1	109.6	137.8	119.5	122.2	124.4		
27 Other miscellaneous investors[7]	38.0	38.9	46.1	57.4	78.3	81.1	81.5		

1. Includes (not shown separately): Securities issued to the Rural Electrification Administration, depositary bonds, retirement plan bonds, and individual retirement bonds.
2. These nonmarketable bonds, also known as Investment Series B Bonds, may be exchanged (or converted) at the owner's option for 1½ percent, 5-year marketable Treasury notes. Convertible bonds that have been so exchanged are removed from this category and recorded in the notes category above.
3. Nonmarketable dollar-denominated and foreign currency denominated series held by foreigners.
4. Held almost entirely by U.S. government agencies and trust funds.
5. Data for Federal Reserve Banks and U.S. government agencies and trust funds are actual holdings; data for other groups are Treasury estimates.
6. Consists of the investments of foreign balances and international accounts in the United States. Beginning with July 1974, the figures exclude non-interest-bearing notes issued to the International Monetary Fund.
7. Includes savings and loan associations, nonprofit institutions, corporate pension trust funds, dealers and brokers, certain government deposit accounts, and government sponsored agencies.

NOTE. Gross public debt excludes guaranteed agency securities and, beginning in July 1974, includes Federal Financing Bank security issues.

Data by type of security from *Monthly Statement of the Public Debt of the United States* (U.S. Treasury Department); data by holder from *Treasury Bulletin*.

1.43 U.S. GOVERNMENT MARKETABLE SECURITIES Ownership, by maturity

Par value; millions of dollars, end of period

Type of holder	1977	1978	1979		1977	1978	1979	
			July	Aug.			July	Aug.
	All maturities				1 to 5 years			
1 **All holders**	**459,927**	**487,546**	**506,994**	**509,187**	**151,264**	**162,886**	**160,356**	**160,771**
2 U.S. government agencies and trust funds	14,420	12,695	12,448	11,388	4,788	3,310	2,464	3,109
3 Federal Reserve Banks	101,191	109,616	111,445	113,027	27,012	31,283	28,430	27,055
4 Private investors	344,315	365,235	383,102	384,771	119,464	128,293	129,462	130,607
5 Commercial banks	75,363	68,890	67,332	66,813	38,691	38,390	37,099	37,055
6 Mutual savings banks	4,379	3,499	3,275	3,244	2,112	1,918	1,767	1,752
7 Insurance companies	12,378	11,635	11,728	11,743	4,729	4,664	4,629	5,095
8 Nonfinancial corporations	9,474	8,272	7,597	7,127	3,183	3,635	2,663	2,265
9 Savings and loan associations	4,817	3,835	3,587	3,547	2,368	2,255	2,040	2,070
10 State and local governments	15,495	18,815	18,049	18,151	3,875	3,997	4,049	4,283
11 All others	222,409	250,288	271,534	274,145	64,505	73,433	77,215	78,087
	Total, within 1 year				5 to 10 years			
12 **All holders**	**230,691**	**228,516**	**244,203**	**245,699**	**45,328**	**50,400**	**47,556**	**45,510**
13 U.S. government agencies and trust funds	1,906	1,488	2,318	1,416	2,129	1,989	1,765	872
14 Federal Reserve Banks	56,702	52,801	58,608	61,392	10,404	14,809	12,435	12,246
15 Private investors	172,084	174,227	183,277	182,891	32,795	33,601	33,355	32,392
16 Commercial banks	29,477	20,608	20,604	20,232	6,162	7,490	7,103	6,951
17 Mutual savings banks	1,400	817	800	799	584	496	453	444
18 Insurance companies	2,398	1,838	1,924	1,865	3,204	2,899	2,805	2,478
19 Nonfinancial corporations	5,770	4,048	4,230	4,150	307	369	331	324
20 Savings and loan associations	2,236	1,414	1,395	1,334	143	89	75	68
21 State and local governments	7,917	8,194	6,270	5,952	1,283	1,588	1,659	1,719
22 All others	122,885	137,309	148,054	148,559	21,112	20,671	20,930	20,408
	Bills, within 1 year				10 to 20 years			
23 **All holders**	**161,081**	**161,747**	**159,938**	**160,489**	**12,906**	**19,800**	**26,341**	**26,270**
24 U.S. government agencies and trust funds	32	2	*	*	3,102	3,876	4,520	4,520
25 Federal Reserve Banks	42,004	42,397	41,338	42,911	1,510	2,088	3,204	3,203
26 Private investors	119,035	119,348	118,600	117,578	8,295	13,836	18,617	18,548
27 Commercial banks	11,996	5,707	5,030	4,663	456	956	1,162	1,062
28 Mutual savings banks	484	150	126	136	137	143	139	133
29 Insurance companies	1,187	753	389	506	1,245	1,460	1,453	1,365
30 Nonfinancial corporations	4,329	1,792	1,632	1,831	133	86	231	225
31 Savings and loan associations	806	262	217	201	54	60	60	59
32 State and local governments	6,092	5,524	3,362	2,977	890	1,420	1,968	2,070
33 All others	94,152	105,161	107,763	107,264	5,380	9,711	13,604	13,634
	Other, within 1 year				Over 20 years			
34 **All holders**	**69,610**	**66,769**	**84,265**	**85,210**	**19,738**	**25,944**	**28,538**	**30,937**
35 U.S. government agencies and trust funds	1,874	1,487	2,318	1,416	2,495	2,031	1,380	1,472
36 Federal Reserve Banks	14,698	10,404	17,270	18,481	5,564	8,635	8,767	9,131
37 Private investors	53,039	54,879	64,677	65,313	11,679	15,278	18,391	20,334
38 Commercial banks	15,482	14,901	15,575	15,569	578	1,446	1,364	1,513
39 Mutual savings banks	916	667	674	662	146	126	117	116
40 Insurance companies	1,211	1,084	1,535	1,359	802	774	915	941
41 Nonfinancial corporations	1,441	2,256	2,598	2,319	81	135	142	162
42 Savings and loan associations	1,430	1,152	1,177	1,133	16	17	16	16
43 State and local governments	1,825	2,670	2,908	2,975	1,530	3,616	4,104	4,128
44 All others	28,733	32,149	40,290	41,296	8,526	9,164	11,732	13,457

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

Data complete for U.S. government agencies and trust funds and Federal Reserve Banks, but data for other groups include only holdings of those institutions that report. The following figures show, for each category, the number and proportion reporting as of Aug. 31, 1979: (1) 5,413 commercial banks, 461 mutual savings banks, and 724 insurance companies, each about 80 percent; (2) 431 nonfinancial corporations and 484 savings and loan associations, each about 50 percent; and (3) 491 state and local governments, about 40 percent.

"All others," a residual, includes holdings of all those not reporting in the Treasury Survey, including investor groups not listed separately.

1.44 U.S. GOVERNMENT SECURITIES DEALERS Transactions

Par value; averages of daily figures, in millions of dollars

Item	1976	1977	1978	1979			1979, week ending Wednesday					
				July	Aug.	Sept.	July 18	July 25	Aug. 1	Aug. 8	Aug. 15	Aug. 22
1 **U.S. government securities**	**10,449**	**10,838**	**10,285**	**11,113**	**r12,259**	**13,489**	**9,799**	**12,763**	**10,841**	**12,534**	**12,290**	**11,946**
By maturity												
2 Bills	6,676	6,746	6,173	6,738	6,787	8,056	5,761	7,843	6,241	5,828	7,228	7,588
3 Other within 1 year	210	237	392	398	466	606	323	309	617	258	483	493
4 1–5 years	2,317	2,320	1,889	1,979	r2,328	2,425	1,868	2,291	2,242	2,195	1,848	1,724
5 5–10 years	1,019	1,148	965	907	r1,275	1,033	757	1,095	831	2,051	1,429	919
6 Over 10 years	229	388	866	1,092	r1,403	1,368	1,091	1,225	912	2,201	1,302	1,221
By type of customer												
7 U.S. government securities dealers	1,360	1,267	1,135	1,086	1,480	1,720	961	1,041	1,501	1,353	1,300	1,689
8 U.S. government securities brokers	3,407	3,709	3,838	4,491	r4,690	5,580	3,943	5,298	3,724	4,849	4,606	4,516
9 Commercial banks	2,426	2,295	1,804	1,797	r1,638	1,836	1,459	2,259	1,686	1,790	1,565	1,548
10 All others[1]	3,257	3,568	3,508	3,740	r4,450	4,342	3,437	4,164	3,930	4,542	4,819	4,193
11 **Federal agency securities**	**1,548**	**1,729**	**1,894**	**2,511**	**r2,348**	**3,230**	**2,384**	**2,663**	**2,717**	**2,222**	**2,411**	**2,009**

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

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

Transactions are market purchases and sales of U.S. government securities dealers reporting to the Federal Reserve Bank of New York. The figures exclude allotments of, and exchanges for, new U.S. government securities, redemptions of called or matured securities, or purchases or sales of securities under repurchase, reverse repurchase (resale), or similar contracts.

1.45 U.S. GOVERNMENT SECURITIES DEALERS Positions and Sources of Financing

Par value; averages of daily figures, in millions of dollars

Item	1976	1977	1978	1979			1979, week ending Wednesday					
				July	Aug.	Sept.	June 27	July 4	July 11	July 18	July 25	Aug. 1
	Positions[2]											
1 **U.S. government securities**	**7,592**	**5,172**	**2,656**	**r2,979**	**1,128**	**866**	**5,950**	**6,180**	**4,832**	**2,750**	**1,632**	**1,355**
2 Bills	6,290	4,772	2,452	3,634	1,306	2,476	6,035	5,937	5,051	3,347	2,703	2,336
3 Other within 1 year	188	99	260	52	−23	−380	286	315	203	41	−40	−76
4 1–5 years	515	60	−92	−513	−299	−1,085	−109	−409	−522	−579	−661	−111
5 5–10 years	402	92	40	46	312	146	165	150	129	95	−13	−150
6 Over 10 years	198	149	−4	−240	−168	−291	−427	115	−29	−154	−357	−644
7 **Federal agency securities**	**729**	**693**	**606**	**r1,983**	**1,975**	**2,164**	**1,915**	**2,262**	**2,054**	**1,999**	**1,976**	**1,686**
	Financing[3]											
8 **All sources**	**8,715**	**9,877**	**10,204**	**16,217**	**16,173**	**18,057**	**14,821**	**15,814**	**16,431**	**15,679**	**16,711**	**16,269**
Commercial banks												
9 New York City	1,896	1,313	599	1,266	773	1,292	1,440	1,576	1,937	789	1,151	714
10 Outside New York City	1,660	1,987	2,174	2,324	2,562	3,517	2,152	1,968	2,523	2,309	2,332	2,318
11 Corporations[1]	1,479	2,423	2,370	3,434	3,979	3,918	2,930	2,886	3,273	3,100	3,814	3,860
12 All others	3,681	4,155	5,052	9,193	8,859	9,329	8,298	9,384	8,698	9,481	9,414	9,376

1. All business corporations except commercial banks and insurance companies.

2. New amounts (in terms of par values) of securities owned by nonbank dealer firms and dealer departments of commercial banks on a commitment, that is, trade-date basis, including any such securities that have been sold under agreements to repurchase. The maturities of some repurchase agreements are sufficiently long, however, to suggest that the securities involved are not available for trading purposes. Securities owned, and hence dealer positions, do not include securities purchased under agreements to resell.

3. Total amounts outstanding of funds borrowed by nonbank dealer firms and dealer departments of commercial banks against U.S. government and federal agency securities (through both collateral loans and sales under agreements to repurchase), plus internal funds used by bank dealer departments to finance positions in such securities. Borrowings against securities held under agreement to resell are excluded where the borrowing contract and the agreement to resell are equal in amount and maturity, that is, a matched agreement.

NOTE. Averages for positions are based on number of trading days in the period; those for financing, on the number of calendar days in the period.

1.46 FEDERAL AND FEDERALLY SPONSORED CREDIT AGENCIES Debt Outstanding

Millions of dollars, end of period

Agency	1976	1977	1978	1979					
				Feb.	Mar.	Apr.	May	June	July
1 **Federal and federally sponsored agencies**[1]	**103,848**	**112,472**	**137,063**	**140,999**	**143,265**	**145,556**	**146,429**	**149,612**	**152,653**
2 Federal agencies	22,419	22,760	23,488	23,485	23,507	23,568	23,366	24,170	24,274
3 Defense Department[2]	1,113	983	868	859	839	822	807	796	787
4 Export-Import Bank[3,4]	8,574	8,671	8,711	8,499	8,326	8,322	8,107	8,806	8,783
5 Federal Housing Administration[5]	575	581	588	586	580	576	568	562	559
6 Government National Mortgage Association participation certificates[6]	4,120	3,743	3,141	3,141	3,141	3,099	3,099	3,039	3,004
7 Postal Service[7]	2,998	2,431	2,364	2,364	2,364	2,364	2,202	2,202	2,202
8 Tennessee Valley Authority	4,935	6,015	7,460	7,690	7,900	7,985	8,155	8,335	8,495
9 United States Railway Association[7]	104	336	356	346	357	400	428	430	444
10 Federally sponsored agencies[1]	81,429	89,712	113,575	117,514	119,758	121,988	123,063	125,442	128,379
11 Federal Home Loan Banks	16,811	18,345	27,563	28,447	28,265	28,121	28,577	28,758	29,600
12 Federal Home Loan Mortgage Corporation	1,690	1,686	2,262	2,461	2,333	2,330	2,323	2,522	2,522
13 Federal National Mortgage Association	30,565	31,890	41,080	42,405	43,625	44,792	44,639	45,775	46,341
14 Federal Land Banks	17,127	19,118	20,360	19,275	19,275	18,389	18,389	18,389	17,075
15 Federal Intermediate Credit Banks	10,494	11,174	11,469	8,958	7,890	6,994	5,958	5,122	4,269
16 Banks for Cooperatives	4,330	4,434	4,843	3,852	3,351	2,473	1,483	785	785
17 Farm Credit Banks[1]	....	2,548	5,081	11,134	13,987	17,838	20,597	22,949	26,606
18 Student Loan Marketing Association[8]	410	515	915	980	1,030	1,050	1,095	1,140	1,180
19 Other	2	2	2	2	2	1	2	2	1
MEMO:									
20 **Federal Financing Bank debt**[7,9]	**28,711**	**38,580**	**51,298**	**53,221**	**55,310**	**56,610**	**58,186**	**60,816**	**61,798**
Lending to federal and federally sponsored agencies									
21 Export-Import Bank[4]	5,208	5,834	6,898	6,898	7,131	7,131	7,131	7,846	7,846
22 Postal Service[7]	2,748	2,181	2,114	2,114	2,114	2,114	1,952	1,952	1,952
23 Student Loan Marketing Association[8]	410	515	915	980	1,030	1,050	1,095	1,140	1,180
24 Tennessee Valley Authority	3,110	4,190	5,635	5,865	6,075	6,260	6,430	6,610	6,770
25 United States Railway Association[7]	104	336	356	346	357	400	428	430	444
Other lending[10]									
26 Farmers Home Administration	10,750	16,095	23,825	25,160	25,985	26,890	28,050	29,200	29,765
27 Rural Electrification Administration	1,415	2,647	4,604	4,735	4,962	5,122	5,253	5,497	5,639
28 Other	4,966	6,782	6,951	7,123	7,656	7,643	7,847	8,141	8,202

1. In September 1977 the Farm Credit Banks issued their first consolidated bonds, and in January 1979 they began issuing these bonds on a regular basis to replace the financing activities of the Federal Land Banks, the Federal Intermediate Credit Banks, and the Banks for Cooperatives. Line 17 represents those consolidated bonds outstanding, as well as any discount notes that have been issued. Lines 1 and 10 reflect the addition of this item.
2. Consists of mortages assumed by the Defense Department between 1957 and 1963 under family housing and homeowners assistance programs.
3. Includes participation certificates reclassified as debt beginning Oct. 1, 1976.
4. Off-budget Aug. 17, 1974, through Sept. 30, 1976; on-budget thereafter.
5. Consists of debentures issued in payment of Federal Housing Administration insurance claims. Once issued, these securities may be sold privately on the securities market.
6. Certificates of participation issued prior to fiscal 1969 by the Government National Mortgage Association acting as trustee for the Farmers Home Administration; Department of Health, Education, and Welfare; Department of Housing and Urban Development; Small Business Administration; and the Veterans Administration.
7. Off-budget.
8. Unlike other federally sponsored agencies, the Student Loan Marketing Association may borrow from the Federal Financing Bank (FFB) since its obligations are guaranteed by the Department of Health, Education, and Welfare.
9. The FFB, which began operations in 1974, is authorized to purchase or sell obligations issued, sold, or guaranteed by other federal agencies. Since FFB incurs debt solely for the purpose of lending to other agencies, its debt is not included in the main portion of the table in order to avoid double counting.
10. Includes FFB purchases of agency assets and guaranteed loans; the latter contain loans guaranteed by numerous agencies with the guarantees of any particular agency being generally small. The Farmers Home Administration item consists exclusively of agency assets, while the Rural Electrification Administration entry contains both agency assets and guaranteed loans.

1.47 NEW SECURITY ISSUES of State and Local Governments

Millions of dollars

Type of issue or issuer, or use	1976	1977	1978	1979 Mar.	Apr.	May	June	July	Aug.
1 **All issues, new and refunding** [1]	**35,313**	**46,769**	**48,607**	**4,648**	**3,512**	**3,032**	**4,578**	**3,265**	**3,134**
Type of issue									
2 General obligation	18,040	18,042	17,854	1,060	1,258	1,137	1,527	793	728
3 Revenue	17,140	28,655	30,658	3,580	2,243	1,893	3,032	2,469	3,396
4 Housing Assistance Administration [2]	....	....	....	....	....	....	....	....	....
5 U.S. government loans	133	72	95	8	11	2	19	3	10
Type of issuer									
6 State	7,054	6,354	6,632	436	298	205	642	234	200
7 Special district and statutory authority	15,304	21,717	24,156	2,930	1,709	1,464	1,911	1,532	2,473
8 Municipalities, counties, townships, school districts	12,845	18,623	17,718	1,274	1,495	1,361	2,005	1,497	1,451
9 **Issues for new capital, total**	**32,108**	**36,189**	**37,629**	**4,635**	**3,482**	**3,023**	**4,233**	**3,087**	**4,070**
Use of proceeds									
10 Education	4,900	5,076	5,003	281	562	665	527	392	555
11 Transportation	2,586	2,951	3,460	204	134	125	278	141	103
12 Utilities and conservation	9,594	8,119	9,026	1,134	508	590	981	881	813
13 Social welfare	6,566	8,274	10,494	2,036	1,499	582	1,332	1,180	1,704
14 Industrial aid	483	4,676	3,526	315	182	399	321	253	406
15 Other purposes	7,979	7,093	6,120	665	597	662	794	240	489

1. Par amounts of long-term issues based on date of sale.
2. Only bonds sold pursuant to the 1949 Housing Act, which are secured by contract requiring the Housing Assistance Administration to make annual contributions to the local authority.

SOURCE. Public Securities Association.

1.48 NEW SECURITY ISSUES of Corporations

Millions of dollars

Type of issue or issuer, or use	1976	1977	1978	1979 Feb.	Mar.	Apr. r	May	June r	July
1 **All issues** [1]	**53,488**	**53,792**	**47,230**	**3,170**	**4,401**	**4,692**	**4,167**	**6,247**	**4,008**
2 **Bonds**	**42,380**	**42,015**	**36,872**	**2,257**	**3,729**	**4,113**	**3,575**	**5,356**	**3,027**
Type of offering									
3 Public	26,453	24,072	19,815	1,336	1,904	2,984	1,999	4,171	2,247
4 Private placement	15,927	17,943	17,057	921	1,825	1,129	1,576	1,185	780
Industry group									
5 Manufacturing	13,264	12,204	9,572	278	739	536	1,208	1,146	925
6 Commercial and miscellaneous	4,372	6,234	5,246	279	362	73	267	573	229
7 Transportation	4,387	1,996	2,007	266	245	307	205	423	375
8 Public utility	8,297	8,262	7,092	517	721	1,153	638	1,125	174
9 Communication	2,787	3,063	3,373	558	517	261	102	379	26
10 Real estate and financial	9,274	10,258	9,586	359	1,145	1,782	1,154	1,710	1,298
11 **Stocks**	**11,108**	**11,777**	**10,358**	**913**	**672**	**579**	**592**	**891**	**981**
Type									
12 Preferred	2,803	3,916	2,832	201	231	155	174	278	392
13 Common	8,305	7,861	7,526	712	441	424	418	613	589
Industry group									
14 Manufacturing	2,237	1,189	1,241	121	24	36	85	47	38
15 Commercial and miscellaneous	1,183	1,834	1,816	93	114	210	203	363	173
16 Transportation	24	456	263	....	55	....	49	3	....
17 Public utility	6,121	5,865	5,140	669	335	257	227	248	598
18 Communication	776	1,379	264	....	65	....	7	30	68
19 Real estate and financial	771	1,049	1,631	29	79	78	21	200	103

1. Figures, which represent gross proceeds of issues maturing in more than one year, sold for cash in the United States, are principal amount or number of units multiplied by offering price. Excludes offerings of less than $100,000, secondary offerings, undefined or exempted issues as defined in the Securities Act of 1933, employee stock plans, investment companies other than closed-end, intracorporate transactions, and sales to foreigners.

SOURCE. Securities and Exchange Commission.

1.49 OPEN-END INVESTMENT COMPANIES Net Sales and Asset Position

Millions of dollars

Item	1977	1978	1979						
			Mar.	Apr.	May	June	July	Aug.	Sept.
INVESTMENT COMPANIES[1]									
1 Sales of own shares[2]	6,401	6,645	523	594	549	676	744	675	580
2 Redemptions of own shares[3]	6,027	7,231	646	761	715	667	706	832	784
3 Net sales	357	−586	−123	−175	−166	9	38	−157	−204
4 Assets[4]	45,049	44,980	47,051	47,142	46,431	48,064	48,771	r50,802	50,147
5 Cash position[5]	3,274	4,507	4,746	4,862	4,869	5,012	5,052	4,924	5,016
6 Other	41,775	40,473	42,305	42,280	41,562	43,052	43,719	r45,878	45,131

1. Excluding money market funds.
2. Includes reinvestment of investment income dividends. Excludes reinvestment of capital gains distributions and share issue of conversions from one fund to another in the same group.
3. Excludes share redemption resulting from conversions from one fund to another in the same group.
4. Market value at end of period, less current liabilities.
5. Also includes all U.S. government securities and other short-term debt securities.

NOTE. Investment Company Institute data based on reports of members, which comprise substantially all open-end investment companies registered with the Securities and Exchange Commission. Data reflect newly formed companies after their initial offering of securities.

1.50 CORPORATE PROFITS AND THEIR DISTRIBUTION

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

Account	1976	1977	1978	1977	1978				1979	
				Q4	Q1	Q2	Q3	Q4	Q1	Q2
1 Profits before tax	**156.0**	**177.1**	**206.0**	**183.0**	**177.5**	**207.2**	**212.0**	**227.4**	**233.3**	**227.9**
2 Profits tax liability	63.8	72.6	84.5	75.1	70.8	84.7	87.5	95.1	91.3	88.7
3 Profits after tax	92.2	104.5	121.5	107.9	106.7	122.4	124.5	132.3	142.0	139.3
4 Dividends	37.5	42.1	47.2	43.4	45.1	46.0	47.8	49.7	51.5	52.3
5 Undistributed profits	54.7	62.4	74.3	64.5	61.6	76.4	76.8	82.6	90.5	87.0
6 Capital consumption allowances	97.1	109.3	119.8	113.1	116.5	119.1	120.6	123.1	125.5	130.4
7 Net cash flow	151.8	171.7	194.1	177.6	178.1	195.5	197.3	205.7	216.0	217.3

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

1.51 NONFINANCIAL CORPORATIONS Current Assets and Liabilities

Billions of dollars, except for ratio

Account	1975	1976	1977 Q3	1977 Q4	1978 Q1	1978 Q2	1978 Q3	1978 Q4	1979 Q1	1979 Q2
1 **Current assets**	**759.0**	**826.3**	**881.8**	**900.9**	**925.0**	**954.2**	**992.6**	**1,028.1**	**1,078.6**	**1,110.2**
2 Cash	82.1	87.3	83.5	94.3	88.8	91.3	91.6	103.5	102.4	100.1
3 U.S. government securities	19.0	23.6	19.3	18.7	18.6	17.3	16.1	17.8	19.2	20.8
4 Notes and accounts receivable	272.1	293.3	326.9	325.0	337.4	356.0	376.4	381.9	405.3	418.8
5 Inventories	315.9	342.9	368.3	375.6	390.5	399.3	415.5	428.3	452.6	468.9
6 Other	69.9	79.2	83.8	87.3	89.6	90.3	92.9	96.5	99.1	101.4
7 **Current liabilities**	**451.6**	**492.7**	**533.2**	**546.8**	**574.2**	**593.5**	**626.3**	**662.2**	**701.9**	**723.7**
8 Notes and accounts payable	264.2	282.0	306.1	313.7	325.2	337.9	356.2	375.1	392.6	410.5
9 Other	187.4	210.6	227.1	233.1	249.0	255.6	270.0	287.1	309.2	313.1
10 **Net working capital**	**307.4**	**333.6**	**348.6**	**354.1**	**350.7**	**360.7**	**366.3**	**365.9**	**376.7**	**386.5**
11 MEMO: Current ratio[1]	1.681	1.677	1.654	1.648	1.611	1.608	1.585	1.552	1.537	1.534

1. Ratio of total current assets to total current liabilities.

NOTE. For a description of this series, see "Working Capital of Nonfinancial Corporations" in the July 1978 BULLETIN, pp. 533–37.

All data in this table have been revised to reflect the most current benchmarks. Complete data are available upon request from the Flow of Funds Section, Division of Research and Statistics.

SOURCE. Federal Trade Commission.

1.52 BUSINESS EXPENDITURES on New Plant and Equipment

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

Industry	1977	1978	1978 Q1	1978 Q2	1978 Q3	1978 Q4	1979 Q1	1979 Q2	1979 Q3r	1979 Q4[2]
1 **All industries**	**135.72**	**153.60**	**144.25**	**150.76**	**155.41**	**163.96**	**165.94**	**173.48**	**175.29**	**179.56**
Manufacturing										
2 Durable goods industries	27.75	31.59	28.72	31.40	32.25	33.99	34.00	36.86	38.03	40.38
3 Nondurable goods industries	32.33	35.86	32.86	35.80	35.50	39.26	37.56	39.56	40.27	41.58
Nonmanufacturing										
4 Mining	4.49	4.81	4.45	4.81	4.99	4.98	5.46	5.31	5.30	5.58
Transportation										
5 Railroad	2.82	3.33	3.35	3.09	3.38	3.49	4.02	3.66	4.13	3.92
6 Air	1.63	2.34	2.67	2.08	2.20	2.39	3.35	3.26	2.92	3.15
7 Other	2.55	2.42	2.44	2.23	2.47	2.55	2.71	2.79	3.24	3.08
Public utilities										
8 Electric	21.57	24.71	23.15	23.83	24.92	26.95	27.70	28.06	28.52	27.46
9 Gas and other	4.21	4.72	4.78	4.62	4.70	4.78	4.66	5.18	4.74	5.33
10 Communication	15.43	18.15	17.07	18.18	18.90	18.46	18.75	20.29	48.13	49.08
11 Commercial and other[1]	22.95	25.67	24.76	24.71	26.09	27.12	27.73	28.51		

1. Includes trade, service, construction, finance, and insurance.
2. Anticipated by business.

NOTE. Estimates for corporate and noncorporate business, excluding agriculture; real estate operators; medical, legal, educational, and cultural service; and nonprofit organizations.

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

1.53 DOMESTIC FINANCE COMPANIES Assets and Liabilities

Billions of dollars, end of period

Account	1973	1974	1975	1976	1977	1978 Q2	1978 Q3	1978 Q4	1979 Q1	1979 Q2
ASSETS										
Accounts receivable, gross										
1 Consumer	35.4	36.1	36.0	38.6	44.0	47.1	49.7	52.6	54.9	58.7
2 Business	32.3	37.2	39.3	44.7	55.2	59.5	58.3	63.3	66.7	70.1
3 Total	67.7	73.3	75.3	83.4	99.2	106.6	108.0	116.0	121.6	128.8
4 LESS: Reserves for unearned income and losses	8.4	9.0	9.4	10.5	12.7	14.1	14.3	15.6	16.5	17.7
5 Accounts receivable, net	59.3	64.2	65.9	72.9	86.5	92.6	93.7	100.4	105.1	111.1
6 Cash and bank deposits	2.6	3.0	2.9	2.6	2.6	2.9	2.7	3.5		
7 Securities	.8	.4	1.0	1.1	.9	1.3	1.8	1.3	[1] 23.8	24.6
8 All other	10.6	12.0	11.8	12.6	14.3	16.2	17.1	17.3		
9 **Total assets**	73.2	79.6	81.6	89.2	104.3	112.9	115.3	122.4	128.9	135.8
LIABILITIES										
10 Bank loans	7.2	9.7	8.0	6.3	5.9	5.4	5.4	6.5	6.5	7.3
11 Commercial paper	19.7	20.7	22.2	23.7	29.6	31.3	29.3	34.5	38.1	41.0
Debt										
12 Short-term, n.e.c.	4.6	4.9	4.5	5.4	6.2	6.6	6.8	8.1	6.7	8.8
13 Long-term, n.e.c.	24.6	26.5	27.6	32.3	36.0	40.1	41.3	43.6	44.5	46.0
14 Other	5.6	5.5	6.8	8.1	11.5	13.6	15.2	12.6	15.1	14.4
15 Capital, surplus, and undivided profits	11.5	12.4	12.5	13.4	15.1	16.0	17.3	17.2	18.0	18.2
16 **Total liabilities and capital**	73.2	79.6	81.6	89.2	104.3	112.9	115.3	122.4	128.9	135.8

1. Beginning Q1 1979, asset items on lines 6, 7, and 8 are combined.

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

1.54 DOMESTIC FINANCE COMPANIES Business Credit

Millions of dollars, seasonally adjusted except as noted

Type	Accounts receivable outstanding Aug. 31, 1979[1]	Changes in accounts receivable 1979 June	July	Aug.	Extensions 1979 June	July	Aug.	Repayments 1979 June	July	Aug.
1 **Total**	68,588	1,361	1,234	251	16,788	15,453	15,606	15,427	14,219	15,355
2 Retail automotive (commercial vehicles)	15,467	−32	−25	101	1,116	1,118	1,239	1,148	1,143	1,138
3 Wholesale automotive	14,150	655	526	−583	5,919	5,804	5,633	5,264	5,278	6,216
4 Retail paper on business, industrial and farm equipment	17,168	449	−31	282	1,075	1,171	1,194	626	1,202	912
5 Loans on commercial accounts receivable[2] / 6 Factored commercial accounts receivable[2]	6,703	−135	−91	97	6,097	5,004	5,195	6,232	5,095	5,098
7 All other business credit	15,100	424	855	354	2,581	2,356	2,345	2,157	1,501	1,991

1. Not seasonally adjusted.

2. Beginning January 1979 the categories "Loans on commercial accounts receivable" and "Factored commercial accounts receivable" are combined.

1.55 MORTGAGE MARKETS

Millions of dollars; exceptions noted.

Item	1976	1977	1978	1979 Apr.	May	June	July	Aug.	Sept.
	Terms and yields in primary and secondary markets								
PRIMARY MARKETS									
Conventional mortgages on new homes									
Terms[1]									
1 Purchase price (thousands of dollars)	48.4	54.3	62.6	75.4	72.3	73.7	74.3	80.0	75.5
2 Amount of loan (thousands of dollars)	35.9	40.5	45.9	54.9	51.4	52.5	52.7	56.9	53.9
3 Loan/price ratio (percent)	74.2	76.3	75.3	75.1	73.2	73.5	73.0	73.1	73.4
4 Maturity (years)	27.2	27.9	28.0	29.0	28.2	28.4	28.1	28.1	28.6
5 Fees and charges (percent of loan amount)[2]	1.44	1.33	1.39	1.75	1.59	1.53	1.63	1.60	1.67
6 Contract rate (percent per annum)	8.76	8.80	9.30	10.06	10.20	10.39	10.49	10.73	10.72
Yield (percent per annum)									
7 FHLBB series[3]	8.99	9.01	9.54	10.36	10.47	10.66	10.78	11.01	11.02
8 HUD series[4]	8.99	8.95	9.68	10.55	10.80	10.90	10.95	11.10	11.35
SECONDARY MARKETS									
Yield (percent per annum)									
9 FHA mortgages (HUD series)[5]	8.82	8.68	9.70	n.a.	10.61	10.49	10.46	10.58	11.37
10 GNMA securities[6]	8.17	8.04	8.98	9.79	9.89	9.78	9.77	9.91	10.31
FNMA auctions[7]									
11 Government-underwritten loans	8.99	8.73	9.77	10.59	10.84	10.77	10.66	10.66	11.08
12 Conventional loans	9.11	8.98	10.01	11.03	11.35	11.57	11.52	11.52	11.75
	Activity in secondary markets								
FEDERAL NATIONAL MORTGAGE ASSOCIATION									
Mortgage holdings (end of period)									
13 Total	32,904	34,370	43,311	47,028	47,757	48,206	48,539	48,909	49,173
14 FHA-insured	18,916	18,457	21,243	22,773	23,008	23,204	23,378	23,526	n.a.
15 VA-guaranteed	9,212	9,315	10,544	10,591	10,543	10,502	10,450	10,386	n.a.
16 Conventional	4,776	6,597	11,524	13,664	14,206	14,500	14,710	14,997	15,203
Mortgage transactions (during period)									
17 Purchases	3,606	4,780	12,303	883	1,023	739	602	646	545
18 Sales	86	67	5	0	0	0	0	0	0
Mortgage commitments[8]									
19 Contracted (during period)	6,247	9,729	18,960	1,075	1,400	634	354	593	1,407
20 Outstanding (end of period)	3,398	4,698	9,201	6,656	6,862	6,476	5,912	5,692	6,352
Auction of 4-month commitments to buy									
Government-underwritten loans									
21 Offered[9]	4,929.8	7,974.1	12,978	1,322.7	426.3	219.9	133.2	162.3	1,421.1
22 Accepted	2,787.2	4,846.2	6,747.2	638.5	185.0	99.9	69.6	82.7	599.9
Conventional loans									
23 Offered[9]	2,595.7	5,675.2	9,933.0	661.9	458.6	357.5	93.5	245.9	527.3
24 Accepted	1,879.2	3,917.8	5,110.9	363.6	214.3	195.3	69.9	184.1	325.6
FEDERAL HOME LOAN MORTGAGE CORPORATION									
Mortgage holdings (end of period)[10]									
25 Total	4,269	3,276	3,064	3,377	3,310	3,334	3,487	r3,549	3,729
26 FHA/VA	1,618	1,395	1,243	1,198	1,186	1,171	1,156	1,145	1,132
27 Conventional	2,651	1,881	1,822	2,180	2,124	2,163	2,331	r2,404	2,597
Mortgage transactions (during period)									
28 Purchases	1,175	3,900	6,524	358	560	447	518	636	537
29 Sales	1,396	4,131	6,211	364	572	382	321	554	347
Mortgage commitments[11]									
30 Contracted (during period)	1,477	5,546	7,451	540	652	528	528	655	n.a.
31 Outstanding (end of period)	333	1,063	1,410	1,487	1,541	1,590	1,572	1,536	n.a.

1. Weighted averages based on sample surveys of mortgages originated by major institutional lender groups. Compiled by the Federal Home Loan Bank Board in cooperation with the Federal Deposit Insurance Corporation.
2. Includes all fees, commissions, discounts, and "points" paid (by the borrower or the seller) in order to obtain a loan.
3. Average effective interest rates on loans closed, assuming prepayment at the end of 10 years.
4. Average contract rates on new commitments for conventional first mortgages, rounded to the nearest 5 basis points; from Department of Housing and Urban Development.
5. Average gross yields on 30-year, minimum-downpayment, Federal Housing Administration insured first mortgages for immediate delivery in the private secondary market. Any gaps in data are due to periods of adjustment to changes in maximum permissible contract rates.
6. Average net yields to investors on Government National Mortgage Association guaranteed, mortgage-backed, fully modified pass-through securities, assuming prepayment in 12 years on pools of 30-year FHA/VA mortgages carrying the prevailing ceiling rate. Monthly figures are unweighted averages of Monday quotations for the month.
7. Average gross yields (before deduction of 38 basis points for mortgage servicing) on accepted bids in Federal National Mortgage Association's auctions of 4-month commitments to purchase home mortgages, assuming prepayment in 12 years for 30-year mortgages. No adjustments are made for FNMA commitment fees or stock related requirements. Monthly figures are unweighted averages for auctions conducted within the month.
8. Includes some multifamily and nonprofit hospital loan commitments in addition to 1- to 4-family loan commitments accepted in FNMA's free market auction system, and through the FNMA-GNMA tandem plans.
9. Mortgage amounts offered by bidders are total bids received.
10. Includes participation as well as whole loans.
11. Includes conventional and government-underwritten loans.

1.56 MORTGAGE DEBT OUTSTANDING

Millions of dollars, end of period

Type of holder, and type of property	1975	1976	1977	1978	1978		1979	
					Q3	Q4	Q1r	Q2
1 **All holders**	**801,537**	**889,327**	**1,023,505**	**1,172,502**	**1,133,699**	**1,172,502**	**1,205,290**	**1,249,743**
2 1- to 4-family	490,761	556,557	656,566	761,905	734,740	761,905	784,299	814,976
3 Multifamily	100,601	104,516	111,841	122,004	119,442	122,004	124,003	125,984
4 Commercial	159,298	171,223	189,274	212,597	205,744	212,597	217,563	224,526
5 Farm	50,877	57,031	65,824	75,996	73,773	75,996	79,425	84,257
6 Major financial institutions	581,193	647,650	745,011	847,910	822,184	847,910	866,036	894,471
7 Commercial banks[1]	136,186	151,326	178,979	213,963	205,445	213,963	220,063	229,564
8 1- to 4-family	77,018	86,234	105,115	126,966	121,911	126,966	130,585	136,223
9 Multifamily	5,915	8,082	9,215	10,912	10,478	10,912	11,223	11,708
10 Commercial	46,882	50,289	56,898	67,056	64,386	67,056	68,968	71,945
11 Farm	6,371	6,721	7,751	9,029	8,670	9,029	9,287	9,688
12 Mutual savings banks	77,249	81,639	88,104	95,157	93,403	95,157	96,136	97,155
13 1- to 4-family	50,025	53,089	57,637	62,252	61,104	62,252	62,892	63,559
14 Multifamily	13,792	14,177	15,304	16,529	16,224	16,529	16,699	16,876
15 Commercial	13,373	14,313	15,110	16,319	16,019	16,319	16,488	16,663
16 Farm	59	60	53	57	56	57	57	58
17 Savings and loan associations	278,590	323,130	381,163	432,858	420,971	432,858	441,420	456,629
18 1- to 4-family	223,903	260,895	310,686	356,156	345,617	356,156	363,774	377,587
19 Multifamily	25,547	28,436	32,513	36,057	35,362	36,057	36,682	37,078
20 Commercial	29,140	33,799	37,964	40,645	39,992	40,645	40,964	41,964
21 Life insurance companies	89,168	91,555	96,765	105,932	102,365	105,932	108,417	111,123
22 1- to 4-family	17,590	16,088	14,727	14,449	14,189	14,449	14,507	14,489
23 Multifamily	19,629	19,178	18,807	19,026	18,803	19,026	19,080	19,102
24 Commercial	45,196	48,864	54,388	62,086	59,268	62,086	63,908	66,055
25 Farm	6,753	7,425	8,843	10,371	10,105	10,371	10,922	11,477
26 Federal and related agencies	66,891	66,753	70,006	81,853	78,672	81,853	86,689	90,095
27 Government National Mortgage Assn.	7,438	4,241	3,660	3,509	3,560	3,509	3,448	3,425
28 1- to 4-family	4,728	1,970	1,548	877	897	877	821	800
29 Multifamily	2,710	2,271	2,112	2,632	2,663	2,632	2,627	2,625
30 Farmers Home Administration	1,109	1,064	1,353	926	1,384	926	956	1,200
31 1- to 4-family	208	454	626	288	460	288	302	363
32 Multifamily	215	218	275	320	240	320	180	75
33 Commercial	190	72	149	101	251	101	283	278
34 Farm	496	320	303	217	433	217	191	484
35 Federal Housing and Veterans Admin.	4,970	5,150	5,212	5,419	5,295	5,419	5,522	5,597
36 1- to 4-family	1,990	1,676	1,627	1,641	1,565	1,641	1,693	1,744
37 Multifamily	2,980	3,474	3,585	3,778	3,730	3,778	3,829	3,853
38 Federal National Mortgage Association	31,824	32,904	34,369	43,311	41,189	43,311	46,410	48,206
39 1- to 4-family	25,813	26,934	28,504	37,579	35,437	37,579	40,702	42,543
40 Multifamily	6,011	5,970	5,865	5,732	5,752	5,732	5,708	5,663
41 Federal Land Banks	16,563	19,125	22,136	25,624	24,758	25,624	26,893	28,459
42 1- to 4-family	549	601	670	927	819	927	1,042	1,198
43 Farm	16,014	18,524	21,466	24,697	23,939	24,697	25,851	27,261
44 Federal Home Loan Mortgage Corp.	4,987	4,269	3,276	3,064	2,486	3,064	3,460	3,208
45 1- to 4-family	4,588	3,889	2,738	2,407	1,994	2,407	2,685	2,489
46 Multifamily	399	380	538	657	492	657	775	719
47 Mortgage pools or trusts[2]	34,138	49,801	70,289	88,633	82,730	88,633	94,551	100,599
48 Government National Mortgage Assn.	18,257	30,572	44,896	24,347	50,844	54,347	57,955	61,340
49 1- to 4-family	17,538	29,583	43,555	52,732	49,276	52,732	56,269	59,586
50 Multifamily	719	989	1,341	1,615	1,568	1,615	1,686	1,754
51 Federal Home Loan Mortgage Corp.	1,598	2,671	6,610	11,892	10,511	11,892	12,467	13,708
52 1- to 4-family	1,349	2,282	5,621	9,657	8,616	9,657	10,088	11,096
53 Multifamily	249	389	989	2,235	1,895	2,235	2,379	2,612
54 Farmers Home Administration	14,283	16,558	18,783	22,394	21,375	22,394	24,129	25,551
55 1- to 4-family	9,194	10,219	11,379	13,400	12,851	13,400	13,883	14,329
56 Multifamily	295	532	759	1,116	1,116	1,116	1,465	1,764
57 Commercial	1,948	2,440	2,945	3,560	3,369	3,560	3,660	3,833
58 Farm	2,846	3,367	3,682	4,318	4,039	4,318	5,121	5,625
59 Individuals and others[3]	119,315	125.123	138,199	154,106	150,113	154,106	158,014	164,578
60 1- to 4-family	56,268	62,643	72,115	82,574	80,004	82,574	85,056	88,970
61 Multifamily	22,140	20,420	20,538	21,395	21,119	21,395	21,670	22,155
62 Commercial	22,569	21,446	21,820	212,830	22,459	22,830	23,292	23,789
63 Farm	18,338	20,614	23,726	27,307	26,531	27,307	27,996	29,664

1. Includes loans held by nondeposit trust companies but not bank trust departments.
2. Outstanding principal balances of mortgages backing securities insured or guaranteed by the agency indicated.
3. Other holders include mortgage companies, real estate investment trusts, state and local credit agencies, state and local retirement funds, noninsured pension funds, credit unions, and U.S. agencies for which amounts are small or separate data are not readily available.

NOTE. Based on data from various institutional and government sources, with some quarters estimated in part by the Federal Reserve in conjunction with the Federal Home Loan Bank Board and the Department of Commerce. Separation of nonfarm mortgage debt by type of property, if not reported directly, and interpolations and extrapolations when required, are estimated mainly by the Federal Reserve. Multifamily debt refers to loans on structures of five or more units.

1.57 CONSUMER INSTALLMENT CREDIT[1] Total Outstanding, and Net Change

Millions of dollars

Holder, and type of credit	1976	1977	1978	1979 Mar.	Apr.	May	June	July	Aug.	Sept.
				Amounts outstanding (end of period)						
1 **Total**	**193,977**	**230,829**	**275,629**	**278,453**	**282,575**	**287,315**	**291,856**	**295,052**	**299,813**	**303,902**
By major holder										
2 Commercial banks	93,728	112,373	136,189	137,445	139,843	142,102	144,035	145,169	147,312	148,657
3 Finance companies	38,919	44,868	54,298	56,991	58,334	59,635	60,996	62,463	63,362	64,822
4 Credit unions	31,169	37,605	45,939	46,301	46,322	46,832	47,478	47,772	48,631	49,214
5 Retailers[2]	19,260	23,490	24,876	22,929	23,097	23,421	23,672	23,713	24,114	24,446
6 Savings and loans	6,246	7,354	8,394	8,671	8,833	9,066	9,290	9,425	9,760	9,972
7 Gasoline companies	2,830	2,963	3,240	3,292	3,383	3,537	3,704	3,872	4,048	4,244
8 Mutual savings banks	1,825	2,176	2,693	2,824	2,763	2,722	2,681	2,638	2,586	2,547
By major type of credit										
9 Automobile	67,707	82,911	102,468	105,426	107,186	109,211	110,930	111,952	113,351	114,765
10 Commercial banks	39,621	49,577	60,564	61,742	62,866	63,891	64,480	64,826	65,389	65,813
11 Indirect paper	22,072	27,379	33,850	34,592	35,322	35,917	36,251	36,475	36,887	37,267
12 Direct loans	17,549	22,198	26,714	27,150	27,544	27,974	28,229	28,351	28,502	28,546
13 Credit unions	15,238	18,099	21,967	22,140	22,150	22,394	22,703	22,844	23,255	23,534
14 Finance companies	12,848	15,235	19,937	21,544	22,170	22,926	23,747	24,282	24,707	25,418
15 Revolving	17,189	39,274	47,051	45,240	45,781	46,489	47,458	47,894	49,270	50,422
16 Commercial banks	14,359	18,374	24,434	24,442	24,767	25,054	25,652	25,927	26,782	27,446
17 Retailers	....	17,937	19,377	17,506	17,631	17,898	18,102	18,095	18,440	18,732
18 Gasoline companies	2,830	2,963	3,240	3,292	3,383	3,537	3,704	3,872	4,048	4,244
19 Mobile home	14,573	15,141	16,042	16,092	16,198	16,453	16,607	16,719	16,972	17,105
20 Commercial banks	8,737	9,124	9,553	9,509	9,549	9,702	9,759	9,801	9,912	9,940
21 Finance companies	3,263	3,077	3,152	3,148	3,159	3,177	3,191	3,212	3,231	3,258
22 Savings and loans	2,241	2,538	2,848	2,942	2,997	3,076	3,152	3,198	3,312	3,384
23 Credit unions	332	402	489	493	493	498	505	508	517	523
24 Other	94,508	93,503	110,068	111,695	113,410	115,162	116,861	118,487	120,220	121,610
25 Commercial banks	31,011	35,298	41,638	41,752	42,661	43,455	44,144	44,615	45,229	45,458
26 Finance companies	22,808	26,556	31,209	32,299	33,005	33,532	34,058	34,969	35,424	36,146
27 Credit unions	15,599	19,104	23,483	23,668	23,679	23,940	24,270	24,420	24,859	25,157
28 Retailers	19,260	5,553	5,499	5,423	5,466	5,523	5,570	5,618	5,674	5,714
29 Savings and loans	4,005	4,816	5,546	5,729	5,836	5,990	6,138	6,227	6,448	6,588
30 Mutual savings banks	1,825	2,176	2,693	2,824	2,763	2,722	2,681	2,638	2,586	2,547
				Net change (during period)[3]						
31 **Total**	**21,647**	**35,278**	**44,810**	**3,625**	**4,105**	**3,306**	**2,558**	**2,443**	**2,446**	**4,446**
By major holder										
32 Commercial banks	10,792	18,645	23,813	1,465	2,117	1,665	984	662	866	1,521
33 Finance companies	2,946	5,948	9,430	1,228	1,378	893	913	1,185	549	1,773
34 Credit unions	5,503	6,436	8,334	528	139	124	144	342	391	411
35 Retailers[1]	1,059	2,654	1,386	143	306	283	288	180	332	443
36 Savings and loans	1,085	1,111	1,041	173	158	280	240	120	253	207
37 Gasoline companies	124	132	276	20	73	96	39	2	116	127
38 Mutual savings banks	138	352	530	68	−66	−35	−50	−48	−61	−36
By major type of credit										
39 Automobile	10,465	15,204	19,557	1,486	1,387	1,225	690	616	594	1,823
40 Commercial banks	6,334	9,956	10,987	617	740	633	123	72	172	762
41 Indirect paper	2,742	5,307	6,471	290	482	389	87	51	188	542
42 Direct loans	3,592	4,649	4,516	327	258	244	36	21	−16	220
43 Credit unions	2,497	2,861	3,868	245	64	60	45	183	177	218
44 Finance companies	1,634	2,387	4,702	624	583	532	522	361	245	843
45 Revolving	2,170	6,248	7,776	742	918	749	796	429	787	1,057
46 Commercial banks	2,046	4,015	6,060	588	605	418	494	303	365	546
47 Retailers	....	2,101	1,440	134	240	235	263	124	306	384
48 Gasoline companies	124	132	276	20	73	96	39	2	116	127
49 Mobile home	140	565	897	108	82	234	102	72	182	89
50 Commercial banks	70	387	426	31	21	125	12	17	59	10
51 Finance companies	−182	−189	74	11	6	13	14	11	13	17
52 Savings and loans	192	297	310	59	56	94	74	41	106	57
53 Credit unions	60	70	87	7	−1	2	2	3	4	5
54 Other	8,872	13,261	16,580	1,289	1,718	1,098	970	1,326	883	1,477
55 Commercial banks	2,342	4,287	6,340	229	751	489	355	270	270	203
56 Finance companies	1,494	3,750	4,654	593	789	348	377	813	291	913
57 Credit unions	2,946	3,505	4,379	276	76	62	97	156	210	188
58 Retailers	1,059	553	−54	9	66	48	25	56	26	59
59 Savings and loans	893	814	731	114	102	186	166	79	147	150
60 Mutual savings banks	138	352	530	68	−66	−35	−50	−48	−61	−36

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

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

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

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

1.58 CONSUMER INSTALLMENT CREDIT Extensions and Liquidations

Millions of dollars

Holder, and type of credit	1976	1977	1978	1979 Mar.	1979 Apr.	1979 May	1979 June	1979 July	1979 Aug.	1979 Sept.
	Extensions[2]									
1 **Total**	**211,028**	**254,071**	**298,351**	**26,533**	**27,009**	**27,901**	**26,139**	**26,848**	**27,583**	**28,634**
By major holder										
2 Commercial banks	97,397	117,896	142,720	12,412	13,111	13,400	12,278	12,292	12,700	13,172
3 Finance companies	36,129	41,989	50,505	4,958	5,239	5,186	4,641	5,353	5,133	5,489
4 Credit unions	29,259	34,028	40,023	3,250	2,753	3,124	2,986	3,282	3,361	3,363
5 Retailers[1]	29,447	39,133	41,619	3,611	3,742	3,721	3,853	3,687	3,921	4,082
6 Savings and loans	3,898	4,485	5,050	583	559	723	682	592	728	678
7 Gasoline companies	13,387	14,617	16,125	1,493	1,505	1,613	1,589	1,525	1,640	1,734
8 Mutual savings banks	1,511	1,923	2,309	226	100	134	110	117	100	116
By major type of credit										
9 Automobile	63,743	75,641	88,987	7,794	7,999	8,260	7,178	7,447	7,667	8,430
10 Commercial banks	37,886	46,363	53,028	4,424	4,707	4,680	3,952	3,936	4,085	4,544
11 Indirect paper	20,576	25,149	29,336	2,449	2,635	2,684	2,146	2,151	2,276	2,569
12 Direct loans	17,310	21,214	23,692	1,975	2,072	1,996	1,806	1,785	1,809	1,975
13 Credit unions	14,688	16,616	19,486	1,587	1,415	1,566	1,485	1,611	1,661	1,655
14 Finance companies	11,169	12,662	16,473	1,783	1,877	2,014	1,741	1,900	1,921	2,231
15 Revolving	43,934	86,756	104,587	9,714	9,722	10,039	10,136	9,856	10,371	10,699
16 Commercial banks	30,547	38,256	51,531	5,024	4,923	5,154	5,166	5,078	5,280	5,398
17 Retailers	...	33,883	36,931	3,197	3,294	3,272	3,381	3,253	3,451	3,567
18 Gasoline companies	13,387	14,617	16,125	1,493	1,505	1,613	1,589	1,525	1,640	1,734
19 Mobile home	4,859	5,425	6,067	518	510	668	547	519	655	531
20 Commercial banks	3,064	3,466	3,704	296	304	411	304	297	362	294
21 Finance companies	702	643	886	63	59	58	59	71	67	69
22 Savings and loans	929	1,120	1,239	139	134	182	167	133	206	148
23 Credit unions	164	196	238	20	13	17	17	18	20	20
24 Other	98,492	86,249	98,710	8,507	8,778	8,934	8,278	9,026	8,890	8,974
25 Commercial banks	25,900	29,811	34,457	2,668	3,177	3,155	2,856	2,981	2,973	2,936
26 Finance companies	24,258	28,684	33,146	3,112	3,303	3,114	2,841	3,382	3,145	3,189
27 Credit unions	14,407	17,216	20,299	1,643	1,325	1,541	1,484	1,653	1,680	1,688
28 Retailers	29,447	5,250	4,688	414	448	449	472	434	470	515
29 Savings and loans	2,969	3,365	3,811	444	425	541	515	459	522	530
30 Mutual savings banks	1,511	1,923	2,309	226	100	134	110	117	100	116
	Liquidations[2]									
31 **Total**	**189,381**	**218,793**	**253,541**	**22,908**	**22,904**	**24,595**	**23,581**	**24,405**	**25,137**	**24,188**
By major holder										
32 Commercial banks	86,605	99,251	118,907	10,947	10,994	11,735	11,294	11,630	11,834	11,651
33 Finance companies	33,183	36,041	41,075	3,730	3,861	4,293	3,728	4,168	4,584	3,716
34 Credit unions	23,756	27,592	31,689	2,722	2,614	3,000	2,842	2,940	2,970	2,952
35 Retailers[1]	28,388	36,479	40,233	3,468	3,436	3,438	3,565	3,507	3,589	3,639
36 Savings and loans	2,813	3,374	4,009	410	401	443	442	472	475	471
37 Gasoline companies	13,263	14,485	15,849	1,473	1,432	1,517	1,550	1,523	1,524	1,607
38 Mutual savings banks	1,373	1,571	1,779	158	166	169	160	165	161	152
By major type of credit										
39 Automobile	53,278	60,437	69,430	6,308	6,612	7,035	6,488	6,831	7,073	6,607
40 Commercial banks	31,552	36,407	42,041	3,807	3,967	4,047	3,829	3,864	3,913	3,782
41 Indirect paper	17,834	19,842	22,865	2,159	2,153	2,295	2,059	2,100	2,088	2,027
42 Direct loans	13,718	16,565	19,176	1,648	1,814	1,752	1,770	1,764	1,825	1,755
43 Credit unions	12,191	13,755	15,618	1,342	1,351	1,506	1,440	1,428	1,484	1,437
44 Finance companies	9,535	10,275	11,771	1,159	1,294	1,482	1,219	1,539	1,676	1,388
45 Revolving	41,764	80,508	96,811	8,972	8,804	9,290	9,340	9,427	9,584	9,642
46 Commercial banks	28,501	34,241	45,471	4,436	4,318	4,736	4,672	4,775	4,915	4,852
47 Retailers	...	31,782	35,491	3,063	3,054	3,037	3,118	3,129	3,145	3,183
48 Gasoline companies	13,263	14,485	15,849	1,473	1,432	1,517	1,550	1,523	1,524	1,607
49 Mobile home	4,719	4,860	5,170	410	428	434	445	447	473	442
50 Commercial banks	2,994	3,079	3,278	265	283	286	292	280	303	284
51 Finance companies	884	832	812	52	53	45	45	60	54	52
52 Savings and loans	737	823	929	80	78	88	93	92	100	91
53 Credit unions	104	126	151	13	14	15	15	15	16	15
54 Other	89,620	72,988	82,130	7,218	7,060	7,836	7,308	7,700	8,007	7,497
55 Commercial banks	23,558	25,524	28,117	2,439	2,426	2,666	2,501	2,711	2,703	2,733
56 Finance companies	22,764	24,934	28,492	2,519	2,514	2,766	2,464	2,569	2,854	2,276
57 Credit unions	11,461	13,711	15,920	1,367	1,249	1,479	1,387	1,497	1,470	1,500
58 Retailers	28,388	4,697	4,742	405	382	401	447	378	444	456
59 Savings and loans	2,076	2,551	3,080	330	323	355	349	380	375	380
60 Mutual savings banks	1,373	1,571	1,779	158	166	169	160	165	161	152

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

2 Monthly figures are seasonally adjusted.

1.59 FUNDS RAISED IN U.S. CREDIT MARKETS

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

Transaction category, or sector	1973	1974	1975	1976	1977	1978	1976		1977		1978	
							H1	H2	H1	H2	H1	H2
					Nonfinancial sectors							
1 **Total funds raised**	**203.1**	**191.3**	**210.8**	**271.9**	**338.5**	**400.3**	**270.6**	**273.2**	**298.4**	**378.7**	**383.9**	**416.8**
2 Excluding equities	195.4	187.4	200.7	261.1	335.4	398.2	257.0	265.2	297.2	373.6	386.5	410.0
By sector and instrument												
3 **U.S. government**	**8.3**	**11.8**	**85.4**	**69.0**	**56.8**	**53.7**	**79.4**	**58.7**	**46.3**	**67.2**	**61.4**	**46.0**
4 Treasury securities	7.9	12.0	85.8	69.1	57.6	55.1	79.3	59.0	46.9	68.4	62.4	47.9
5 Agency issues and mortgages	.4	−.2	−.4	−.1	−.9	−1.4	.1	−.3	−.6	−1.2	−.9	−1.9
6 **All other nonfinancial sectors**	**194.9**	**179.5**	**125.4**	**202.9**	**281.8**	**346.6**	**191.2**	**214.6**	**252.0**	**311.5**	**322.5**	**370.8**
7 Corporate equities	7.7	3.8	10.1	10.8	3.1	2.1	13.6	8.1	1.2	5.1	−2.6	6.8
8 Debt instruments	187.2	175.6	115.3	192.0	278.6	344.5	177.6	206.5	250.9	306.4	325.1	364.0
9 **Private domestic nonfinancial sectors**	**188.8**	**164.1**	**112.1**	**182.0**	**267.9**	**314.4**	**170.6**	**193.5**	**241.3**	**294.4**	**301.7**	**327.0**
10 Corporate equities	7.9	4.1	9.9	10.5	2.7	2.6	13.3	7.7	.5	4.9	−1.8	7.0
11 Debt instruments	180.9	160.0	102.1	171.5	265.1	311.8	157.2	185.8	240.8	289.5	303.5	320.0
12 Debt capital instruments	105.1	98.0	98.4	123.5	175.6	196.6	119.9	127.2	159.3	192.0	187.8	205.3
13 State and local obligations	14.7	16.5	16.1	15.7	23.7	28.3	20.1	11.3	22.0	25.3	27.8	28.7
14 Corporate bonds	9.2	19.7	27.2	22.8	21.0	20.1	22.3	23.4	16.6	25.4	20.5	19.8
Mortgages												
15 Home	46.4	34.8	39.5	63.7	96.4	104.5	57.7	69.7	90.5	102.3	99.8	109.2
16 Multifamily residential	10.4	6.9	*	1.8	7.4	10.2	.6	3.1	6.4	8.4	9.3	11.2
17 Commercial	18.9	15.1	11.0	13.4	18.4	23.3	14.3	12.5	14.8	21.9	21.2	25.4
18 Farm	5.5	5.0	4.6	6.1	8.8	10.2	5.0	7.3	9.0	8.7	9.3	11.1
19 Other debt instruments	75.8	62.0	3.8	48.0	89.5	115.2	37.3	58.6	81.5	97.5	115.7	114.7
20 Consumer credit	26.0	9.9	9.7	25.6	40.6	50.6	23.6	27.6	36.6	44.5	50.1	51.0
21 Bank loans n.e.c.	37.1	31.7	−12.3	4.0	27.0	37.3	−3.7	11.6	26.2	27.8	42.5	32.0
22 Open market paper	2.5	6.6	−2.6	4.0	2.9	5.2	5.7	2.3	3.4	2.4	5.3	5.1
23 Other	10.3	13.7	9.0	14.4	19.0	22.2	11.7	17.1	15.3	22.8	17.8	26.6
24 By borrowing sector	188.8	164.1	112.1	182.0	267.9	314.4	170.6	193.5	241.3	294.4	301.7	327.0
25 State and local governments	13.2	15.5	13.7	15.2	20.4	23.6	18.4	12.1	15.4	25.3	21.0	26.1
26 Households	80.1	51.2	49.5	90.7	139.9	162.6	82.9	98.5	130.0	149.9	156.2	169.0
27 Farm	9.6	8.0	8.8	10.9	14.7	18.1	10.1	11.7	16.3	13.2	15.2	20.9
28 Nonfarm noncorporate	13.0	7.7	2.0	5.4	12.5	15.7	3.4	7.5	12.6	12.5	16.8	14.5
29 Corporate	73.0	81.7	38.1	59.8	80.3	94.5	55.8	63.7	67.0	93.5	92.4	96.6
30 **Foreign**	**6.1**	**15.4**	**13.3**	**20.8**	**13.9**	**32.3**	**20.7**	**21.0**	**10.7**	**17.1**	**20.8**	**43.8**
31 Corporate equities	−.2	−.2	.2	.3	.4	−.5	.3	.3	.6	.2	−.8	−.2
32 Debt instruments	6.3	15.7	13.2	20.5	13.5	32.8	20.4	20.7	10.1	16.9	21.6	44.0
33 Bonds	1.0	2.1	6.2	8.6	5.1	4.0	7.4	9.7	4.4	5.7	5.0	3.0
34 Bank loans n.e.c.	2.7	4.7	3.9	6.8	3.1	18.3	8.5	5.0	−.1	6.3	9.4	27.1
35 Open market paper	.9	7.3	.3	1.9	2.4	6.6	1.5	2.4	2.7	2.2	3.6	9.6
36 U.S. government loans	1.7	1.6	2.8	3.3	3.0	3.9	2.9	3.6	3.1	2.9	3.6	4.2
					Financial sectors							
37 **Total funds raised**	**44.8**	**39.2**	**12.7**	**24.1**	**54.0**	**81.4**	**18.2**	**29.9**	**45.9**	**62.1**	**80.7**	**82.1**
By instrument												
38 U.S. government related	19.9	23.1	13.5	18.6	26.3	41.4	16.5	20.7	22.6	29.9	38.5	44.3
39 Sponsored credit agency securities	16.3	16.6	2.3	3.3	7.0	23.1	2.4	4.3	7.1	6.8	21.9	24.3
40 Mortgage pool securities	3.6	5.8	10.3	15.7	20.5	18.3	14.2	17.2	17.9	23.1	16.6	20.1
41 Loans from U.S. government	0	.7	.9	−.4	−1.2	0	*	−.7	−2.3	0	0	0
42 Private financial sectors	24.9	16.2	−.8	5.5	27.7	40.0	1.7	9.3	23.2	32.2	42.2	37.8
43 Corporate equities	1.5	.3	.6	1.0	.9	1.7	−.2	2.3	.9	.8	2.2	1.1
44 Debt instruments	23.4	15.9	−1.4	4.4	26.9	38.3	1.9	7.0	22.3	31.4	40.0	36.7
45 Corporate bonds	3.5	2.1	2.9	5.8	10.1	7.5	6.0	5.7	9.5	10.7	8.5	6.4
46 Mortgages	−1.2	−1.3	2.3	2.1	3.1	.9	1.4	2.8	3.1	3.0	2.1	−.3
47 Bank loans n.e.c.	9.0	4.6	−3.7	−3.7	−.3	2.8	−2.5	−4.9	−2.3	1.8	2.6	3.1
48 Open market paper and RPs	4.9	3.8	1.1	2.2	9.6	14.6	−1.0	5.4	9.2	10.1	13.5	15.7
49 Loans from FHLBs	7.2	6.7	−4.0	−2.0	4.3	12.5	−1.9	−2.0	2.9	5.8	13.2	11.8
By sector												
50 Sponsored credit agencies	16.3	17.3	3.2	2.9	5.8	23.1	2.3	3.5	4.7	6.8	21.9	24.3
51 Mortgage pools	3.6	5.8	10.3	15.7	20.5	18.3	14.2	17.2	17.9	23.1	16.6	20.1
52 Private financial sectors	24.9	16.2	−.8	5.5	27.7	40.0	1.7	9.3	23.2	32.2	42.2	37.8
53 Commercial banks	1.2	1.2	1.2	2.3	1.1	1.3	2.4	2.1	.8	1.5	1.5	1.1
54 Bank affiliates	2.2	3.5	.3	−.8	1.3	6.7	−1.3	−.3	1.3	1.2	5.8	7.6
55 Savings and loan associations	6.0	4.8	−2.3	.1	9.9	14.3	−.3	.4	8.2	11.7	16.4	12.2
56 Other insurance companies	.5	.9	1.0	.9	.9	1.1	.9	.9	.9	1.0	1.0	1.1
57 Finance companies	9.5	6.0	.5	6.4	17.6	18.6	4.4	8.5	15.0	20.2	18.9	18.2
58 REITs	6.5	.6	−1.4	−2.4	−2.2	−1.0	−2.1	−2.7	−2.4	−2.0	−1.0	−1.0
59 Open-end investment companies	−1.2	−.7	−.1	−1.0	−.9	−1.0	−2.4	.4	−.6	−1.3	−.5	−1.5
					All sectors							
60 **Total funds raised, by instrument**	**248.0**	**230.5**	**223.5**	**296.0**	**392.5**	**481.7**	**288.8**	**303.2**	**344.3**	**440.8**	**464.6**	**498.9**
61 Investment company shares	−1.2	−.7	−.1	−1.0	−.9	−1.0	−2.4	.4	−.6	−1.3	−.5	−1.5
62 Other corporate equities	10.4	4.8	10.8	12.9	4.9	4.7	15.8	9.9	2.6	7.2	.1	9.4
63 Debt instruments	238.8	226.4	212.8	284.1	388.5	478.0	275.4	292.8	342.2	434.9	465.0	491.0
64 U.S. government securities	28.3	34.3	98.2	88.1	84.3	95.2	96.0	80.2	71.4	97.2	100.0	90.4
65 State and local obligations	14.7	16.5	16.1	15.7	23.7	28.3	20.1	11.3	22.0	25.3	27.8	28.7
66 Corporate and foreign bonds	13.6	23.9	36.4	37.2	36.1	31.6	35.7	38.7	30.6	41.7	34.0	29.2
67 Mortgages	79.9	60.5	57.2	87.1	134.0	149.0	78.8	95.3	123.7	144.2	141.6	156.4
68 Consumer credit	26.0	9.9	9.7	25.6	40.6	50.6	23.6	27.6	36.6	44.5	50.1	51.0
69 Bank loans n.e.c.	48.8	41.0	−12.2	7.0	29.8	58.4	2.3	11.7	23.7	35.8	54.5	62.2
70 Open market paper and RPs	8.3	17.7	−1.2	8.1	15.0	26.4	6.2	10.1	15.3	14.6	22.4	30.4
71 Other loans	19.1	22.7	8.7	15.3	25.2	38.6	12.6	18.0	18.9	31.4	34.6	42.6

1.60 DIRECT AND INDIRECT SOURCES OF FUNDS TO CREDIT MARKETS

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

	Transaction category, or sector	1973	1974	1975	1976	1977	1978	1976 H1	1976 H2	1977 H1	1977 H2	1978 H1	1978 H2
1	**Total funds advanced in credit markets to nonfinancial sectors**	**195.4**	**187.4**	**200.7**	**261.1**	**335.4**	**398.2**	**257.0**	**265.2**	**297.2**	**373.6**	**386.5**	**410.0**
	By public agencies and foreign												
2	Total net advances	31.8	53.7	44.6	54.3	85.1	109.7	46.0	62.5	61.8	108.4	102.4	116.9
3	U.S. government securities	9.5	11.9	22.5	26.8	40.2	43.9	21.4	32.2	23.9	56.5	43.6	44.1
4	Residential mortgages	8.2	14.7	16.2	12.8	20.4	26.5	10.7	14.9	18.4	22.5	22.2	30.7
5	FHLB advances to S&Ls	7.2	6.7	−4.0	−2.0	4.3	12.5	−1.9	−2.0	2.9	5.8	13.2	11.8
6	Other loans and securities	6.9	20.5	9.8	16.6	20.2	26.9	15.8	17.5	16.7	23.7	23.4	30.3
	Totals advanced, by sector												
7	U.S. government	2.8	9.8	15.1	8.9	11.8	20.4	5.8	12.0	5.4	18.3	19.4	21.5
8	Sponsored credit agencies	19.1	26.5	14.8	20.3	26.8	44.6	18.5	22.2	21.6	32.0	39.4	49.8
9	Monetary authorities	9.2	6.2	8.5	9.8	7.1	7.0	12.0	7.7	8.2	6.1	13.3	.6
10	Foreign	.6	11.2	6.1	15.2	39.4	37.7	9.8	20.6	26.6	52.1	30.4	45.1
11	Agency borrowing not included in line 1	19.9	23.1	13.5	18.6	26.3	41.4	16.5	20.7	22.6	29.9	38.5	44.3
	Private domestic funds advanced												
12	Total net advances	183.6	156.8	169.7	225.4	276.5	330.0	227.5	223.3	258.0	295.1	322.5	337.4
13	U.S. government securities	18.8	22.4	75.7	61.3	44.1	51.3	74.6	48.0	47.6	40.7	56.4	46.3
14	State and local obligations	14.7	16.5	16.1	15.7	23.7	28.3	20.1	11.3	22.0	25.3	27.8	28.7
15	Corporate and foreign bonds	10.0	20.9	32.8	30.5	22.5	22.5	28.8	32.3	18.0	27.0	23.9	21.1
16	Residential mortgages	48.4	26.9	23.2	52.7	83.3	88.2	47.5	57.8	78.4	88.1	86.8	89.6
17	Other mortgages and loans	98.8	76.8	17.9	63.3	107.3	152.2	54.6	72.0	94.9	119.7	140.8	163.5
18	LESS: FHLB advances	7.2	6.7	−4.0	−2.0	4.3	12.5	−1.9	−2.0	2.9	5.8	13.2	11.8
	Private financial intermediation												
19	Credit market funds advanced by private financial institutions	161.3	125.5	122.5	190.3	255.9	296.9	176.9	203.8	242.4	269.3	301.0	292.8
20	Commercial banking	84.6	66.6	29.4	59.6	87.6	128.7	47.8	71.5	79.1	96.1	131.8	125.7
21	Savings institutions	35.1	24.2	53.5	70.8	82.0	75.9	72.8	68.8	82.5	81.5	75.8	75.9
22	Insurance and pension funds	23.7	29.8	40.6	49.9	67.9	73.5	51.8	47.9	65.2	70.6	76.9	70.2
23	Other finance	17.9	4.8	−1.0	10.0	18.4	18.7	4.6	15.5	15.7	21.1	16.6	20.9
24	Sources of funds	161.3	125.5	122.5	190.3	255.9	296.9	176.9	203.8	242.4	269.3	301.0	292.8
25	Private domestic deposits	97.3	67.5	92.0	124.6	141.2	142.5	118.2	131.0	141.4	141.1	138.6	146.4
26	Credit market borrowing	23.4	15.9	−1.4	4.4	26.9	38.3	1.9	7.0	22.3	31.4	40.0	36.7
27	Other sources	40.6	42.1	32.0	61.3	87.8	116.0	56.8	65.8	78.7	96.9	122.5	109.6
28	Foreign funds	3.0	10.3	−8.7	−4.6	1.2	6.3	−6.3	−2.8	1.6	.8	5.7	6.9
29	Treasury balances	−1.0	−5.1	−1.7	−.1	4.3	6.8	4.1	−4.3	1.2	7.4	2.0	11.6
30	Insurance and pension reserves	18.4	26.2	29.7	34.5	49.4	62.7	35.8	33.2	45.3	53.4	66.2	59.2
31	Other, net	20.2	10.6	12.7	31.4	32.9	40.3	23.2	39.7	30.7	35.2	48.6	32.0
	Private domestic nonfinancial investors												
32	Direct lending in credit markets	45.7	47.2	45.8	39.5	47.5	71.4	52.5	26.6	37.9	57.1	61.5	81.3
33	U.S. government securities	18.8	18.9	24.1	16.1	23.0	33.2	26.7	5.6	18.3	27.8	32.4	34.1
34	State and local obligations	5.4	9.3	8.4	3.8	2.6	4.5	8.7	−1.0	−.9	6.0	7.1	2.0
35	Corporate and foreign bonds	2.0	5.1	8.4	5.8	−3.3	−1.4	4.5	7.1	−.7	−5.9	−3.9	1.2
36	Commercial paper	9.8	5.8	−1.3	1.9	9.5	16.3	1.9	1.9	8.0	11.0	8.5	24.1
37	Other	9.7	8.0	6.2	11.8	15.7	18.7	10.7	13.0	13.2	18.2	17.5	20.0
38	Deposits and currency	101.2	73.8	98.1	131.9	149.5	151.8	124.3	139.5	147.2	151.8	149.0	154.6
39	Security RPs	11.0	−2.2	.2	2.3	2.2	7.5	1.5	3.2	4.3	.2	9.8	5.1
40	Money market fund shares	......	2.4	1.3	*	.2	6.9	−.5	.5	−.5	.9	6.1	7.7
41	Time and savings accounts	75.7	65.4	84.0	113.5	121.0	115.2	105.3	121.6	117.6	124.4	110.8	119.6
42	Large negotiable CDs	17.8	18.4	−14.3	−13.6	9.0	10.8	−19.3	−7.8	−4.5	22.6	10.1	11.4
43	Other at commercial banks	29.5	25.3	38.8	57.9	43.0	43.3	57.3	58.6	51.4	34.6	42.3	44.4
44	At savings institutions	28.5	21.8	59.4	69.1	69.0	61.1	67.4	70.8	70.8	67.2	58.5	63.8
45	Money	14.5	8.2	12.6	16.1	26.1	22.2	18.0	14.2	25.8	26.4	22.2	22.1
46	Demand deposits	10.6	1.9	6.4	8.8	17.8	12.9	12.0	5.7	20.0	15.7	11.8	14.0
47	Currency	3.9	6.3	6.2	7.3	8.3	9.3	6.1	8.6	5.8	10.7	10.5	8.1
48	**Total of credit market instruments, deposits and currency**	**146.9**	**121.0**	**143.9**	**171.4**	**197.0**	**223.2**	**176.8**	**166.1**	**185.2**	**208.9**	**210.5**	**235.9**
49	Public support rate (in percent)	16.3	28.7	22.2	20.8	25.4	27.5	17.9	23.6	20.8	29.0	26.5	28.5
50	Private financial intermediation (in percent)	87.9	80.0	72.2	84.4	92.5	90.0	77.8	91.2	94.0	91.3	93.3	86.8
51	Total foreign funds	3.6	21.5	−2.6	10.6	40.5	44.0	3.5	17.8	28.2	52.9	36.1	52.0
	MEMO: Corporate equities not included above												
52	**Total net issues**	**9.2**	**4.1**	**10.7**	**11.9**	**4.0**	**3.7**	**13.4**	**10.3**	**2.1**	**5.9**	**−.4**	**7.9**
53	Mutual fund shares	−1.2	−.7	−.1	−1.0	−.9	−1.0	−2.4	.4	−.6	−1.3	−.5	−1.5
54	Other equities	10.4	4.8	10.8	12.9	4.9	4.7	15.8	9.9	2.6	7.2	.1	9.4
55	Acquisitions by financial institutions	13.1	5.8	9.6	12.3	7.4	7.6	12.7	11.8	6.8	8.1	.4	14.7
56	Other net purchases	−3.9	−1.7	1.1	−.4	−3.4	−3.8	.7	−1.5	−4.7	−2.2	−.8	−6.8

NOTES BY LINE NUMBER.
1. Line 2 of p. A-44.
2. Sum of lines 3–6 or 7–10.
6. Includes farm and commercial mortgages.
11. Credit market funds raised by federally sponsored credit agencies, and net issues of federally related mortgage pool securities. Included below in lines 3, 13, and 33.
12. Line 1 less line 2 plus line 11. Also line 19 less line 26 plus line 32. Also sum of lines 27, 32, 39, and 44.
17. Includes farm and commercial mortgages.
25. Sum of lines 39 and 44.
26. Excludes equity issues and investment company shares. Includes line 18.
28. Foreign deposits at commercial banks, bank borrowings from foreign branches, and liabilities of foreign banking agencies to foreign affiliates.
29. Demand deposits at commercial banks.
30. Excludes net investment of these reserves in corporate equities.
31. Mainly retained earnings and net miscellaneous liabilities.
32. Line 12 less line 19 plus line 26.
33–37. Lines 13–17 less amounts acquired by private finance. Line 37 includes mortgages.
45. Mainly an offset to line 9.
46. Lines 32 plus 38, or line 12 less line 27 plus line 45.
47. Line 2/line 1.
48. Line 19/line 12.
49. Sum of lines 10 and 28.
50, 52. Includes issues by financial institutions.

NOTE. Full statements for sectors and transaction types quarterly, and annually for flows and for amounts outstanding, may be obtained from Flow of Funds Section, Division of Research and Statistics, Board of Governors of the Federal Reserve System, Washington, D.C. 20551

2.10 NONFINANCIAL BUSINESS ACTIVITY Selected Measures

1967 = 100; monthly and quarterly data are seasonally adjusted. Exceptions noted.

Measure	1976	1977	1978	1979 Mar.	Apr.	May	June	July[r]	Aug.[r]	Sept.[r]	Oct.
1 **Industrial production**[1]	**130.5**	**138.2**	**146.1**	**153.0**	**150.8**	**152.4**	**152.6**	**152.8**	**151.6**	**152.3**	**152.5**
Market groupings											
2 Products, total	129.7	137.9	144.8	150.8	148.4	150.3	150.2	149.7	148.7	149.7	149.7
3 Final, total	127.6	135.9	142.2	148.2	145.4	147.8	147.6	147.1	145.5	146.9	146.8
4 Consumer goods	137.1	145.3	149.1	152.9	149.1	152.0	151.8	150.8	148.3	149.8	150.3
5 Equipment	114.6	123.0	132.8	141.7	140.4	141.9	141.9	142.1	141.6	142.9	142.0
6 Intermediate	137.2	145.1	154.1	160.4	159.7	159.5	159.5	159.4	160.3	160.3	160.5
7 Materials	131.7	138.6	148.3	156.3	154.5	155.7	156.5	157.6	156.3	156.4	156.8
Industry groupings											
8 Manufacturing	130.3	138.4	146.8	154.5	151.6	153.8	153.9	154.1	152.4	153.4	153.4
Capacity utilization (percent)[1,2]											
9 Manufacturing	79.5	81.9	84.4	87.1	85.3	86.3	86.2	86.1	84.9	85.2	85.0
10 Industrial materials industries	81.1	82.7	85.6	88.3	86.9	87.4	87.5	87.9	86.9	86.7	86.8
11 Construction contracts[3]	190.2	160.5	174.3	186.0	202.0	178.0	177.0	165.0	164.0	185.0	n.a.
12 Nonagricultural employment, total[4]	120.7	125.3	131.4	135.3	135.3	135.9	136.2	136.3	136.4	136.5	137.0
13 Goods-producing, total	100.2	104.5	109.8	114.2	114.0	114.3	114.4	114.7	114.1	114.1	114.2
14 Manufacturing, total	97.7	101.2	105.3	108.4	108.3	108.3	108.3	108.4	107.8	107.7	107.8
15 Manufacturing, production-worker	95.3	98.8	102.8	105.9	105.8	105.6	105.5	105.5	104.5	104.5	104.7
16 Service-producing	131.9	136.7	143.2	146.9	147.0	147.7	148.1	148.2	148.6	148.9	149.5
17 Personal income, total[5]	220.5	244.4	274.1	298.8	300.1	301.9	304.0	308.0	310.4	312.0	n.a.
18 Wages and salary disbursements	208.2	230.2	258.1	281.2	282.1	283.2	285.5	287.5	289.0	291.5	n.a.
19 Manufacturing	177.0	198.3	222.4	244.7	244.1	244.8	245.9	247.5	246.2	248.2	n.a.
20 Disposable personal income	176.8	194.8	217.7	......	......	239.1	......	......	244.4	......	......
21 Retail sales[6]	c207.4	c229.8	c253.8	275.3	272.7	274.8	274.4	276.5	285.8	293.2	288.3
Prices[7]											
22 Consumer	170.5	181.5	195.4	209.1	211.5	214.1	216.6	218.9	221.1	223.4	n.a.
23 Producer finished goods	170.3	180.6	194.6	209.1	211.4	r212.7	r213.7	215.8	217.3	220.4	223.7

1. The industrial production and capacity utilization series have been revised. For a description of the changes see the August 1979 BULLETIN, pp. 603–07.
2. Ratios of indexes of production to indexes of capacity. Based on data from Federal Reserve, McGraw-Hill Economics Department, and Department of Commerce.
3. Index of dollar value of total construction contracts, including residential, nonresidential, and heavy engineering, from McGraw-Hill Informations Systems Company, F. W. Dodge Division.
4. Based on data in *Employment and Earnings* (U.S. Department of Labor). Series covers employees only, excluding personnel in the Armed Forces.
5. Based on data in *Survey of Current Business* (U.S. Department of Commerce). Series for disposable income is quarterly.
6. Based on Bureau of Census data published in *Survey of Current Business* (U.S. Department of Commerce).
7. Data without seasonal adjustment, as published in *Monthly Labor Review* (U.S. Department of Labor). Seasonally adjusted data for changes in the price indexes may be obtained from the Bureau of Labor Statistics, U.S. Department of Labor.

NOTE. Basic data (not index numbers) for series mentioned in notes 4, 5, and 6, and indexes for series mentioned in notes 3 and 7 may also be found in the *Survey of Current Business* (U.S. Department of Commerce).
Figures for industrial production for the last two months are preliminary and estimated, respectively.

2.11 OUTPUT, CAPACITY, AND CAPACITY UTILIZATION[1]

Seasonally adjusted

Series	1978 Q4	1979 Q1	1979 Q2	1979 Q3[r]	1978 Q4	1979 Q1	1979 Q2	1979 Q3	1978 Q4	1979 Q1	1979 Q2	1979 Q3[r]
	Output (1967 = 100)				Capacity (percent of 1967 output)				Utilization rate (percent)			
1 **Manufacturing**	**151.7**	**153.4**	**153.1**	**153.3**	**175.6**	**176.9**	**178.2**	**179.5**	**86.4**	**86.7**	**85.9**	**85.4**
2 Primary processing	162.2	162.1	161.9	163.6	181.2	182.7	184.2	185.7	89.5	88.7	87.9	88.1
3 Advanced processing	146.1	148.7	148.5	147.9	172.7	173.8	175.0	176.2	84.6	85.6	84.8	83.9
4 **Materials**	**154.6**	**155.5**	**155.6**	**156.8**	**175.4**	**176.8**	**178.1**	**179.8**	**88.2**	**88.0**	**87.3**	**87.2**
5 Durable goods	157.3	158.4	157.7	158.5	180.1	181.5	183.0	184.6	87.4	87.3	86.2	85.9
6 Metal materials	132.2	124.7	124.3	127.2	139.6	139.8	140.3	140.8	94.7	89.1	88.5	90.4
7 Nondurable goods	170.3	172.2	173.4	175.7	190.2	191.9	193.7	195.7	89.6	89.7	89.5	89.8
8 Textile, paper, and chemical	177.1	179.1	181.3	184.3	197.9	199.6	201.5	203.8	89.5	89.7	89.9	90.4
9 Textile	119.5	118.2	119.6	121.7	136.6	136.9	137.3	137.7	87.5	86.3	87.1	88.4
10 Paper	138.1	136.9	140.7	146.9	147.8	148.7	149.9	151.0	93.4	92.0	93.9	97.3
11 Chemical	218.0	222.7	224.8	226.8	244.6	247.4	250.6	253.8	89.1	90.0	89.7	89.3
12 Energy	128.9	127.9	128.1	129.1	145.7	146.7	147.5	148.3	88.5	87.2	86.9	87.0

1. The capacity utilization series has been revised. For a description of the changes, see the August 1979 BULLETIN, pp. 606–07.

2.12 LABOR FORCE, EMPLOYMENT, AND UNEMPLOYMENT

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

Category	1976	1977	1978	1979 Apr.	May	June	July	Aug.	Sept.	Oct.
HOUSEHOLD SURVEY DATA										
1 **Noninstitutional population**[1]	**156,048**	**158,559**	**161,058**	**163,008**	**163,260**	**163,469**	**163,685**	**163,891**	**164,106**	**164,460**
2 Labor force (including Armed Forces)[1]	96,917	99,534	102,537	104,193	104,325	104,604	105,141	105,139	105,590	105,567
3 Civilian labor force	94,773	97,401	100,420	102,111	102,247	102,528	103,059	103,049	103,498	103,474
Employment										
4 Nonagricultural industries[2]	84,188	87,302	91,031	92,987	93,134	93,494	93,949	93,578	94,113	94,005
5 Agriculture	3,297	3,244	3,342	3,186	3,184	3,260	3,262	3,322	3,400	3,288
Unemployment										
6 Number	7,288	6,855	6,047	5,937	5,929	5,774	5,848	6,149	5,985	6,182
7 Rate (percent of civilian labor force)	7.7	7.0	6.0	5.8	5.8	5.6	5.7	6.0	5.8	6.0
8 Not in labor force	59,130	59,025	58,521	58,815	58,935	59,865	58,545	58,752	58,515	58,901
ESTABLISHMENT SURVEY DATA										
9 **Nonagricultural payroll employment**[3]	**79,382**	**82,423**	**86,446**	**89,036**	**89,398**	**89,626**	**89,713**	**89,762**	**89,845**	**90,151**
10 Manufacturing	18,997	19,682	20,476	21,066	21,059	21,063	21,079	20,957	20,954	20,958
11 Mining	779	813	851	940	944	949	956	968	972	972
12 Contract construction	3,576	3,851	4,271	4,559	4,648	4,662	4,688	4,674	4,665	4,693
13 Transportation and public utilities	4,582	4,713	4,927	5,024	5,130	5,190	5,169	5,194	5,181	5,229
14 Trade	17,755	18,516	19,499	20,088	20,129	20,116	20,122	20,126	20,149	20,281
15 Finance	4,271	4,467	4,727	4,915	4,936	4,958	4,972	5,003	4,995	5,025
16 Service	14,551	15,303	16,220	16,880	16,954	17,051	17,092	17,141	17,220	17,290
17 Government	14,871	15,079	15,476	15,564	15,598	15,637	15,635	15,699	15,709	15,703

1. Persons 16 years of age and over. Monthly figures, which are based on sample data, relate to the calendar week that contains the 12th day; annual data are averages of monthly figures. By definition, seasonality does not exist in population figures. Based on data from *Employment and Earnings* (U.S. Dept. of Labor).
2. Includes self-employed, unpaid family, and domestic service workers.
3. Data include all full- and part-time employees who worked during, or received pay for, the pay period that includes the 12th day of the month, and exclude proprietors, self-employed persons, domestic servants, unpaid family workers, and members of the Armed Forces. Data are adjusted to the February 1977 benchmark. Based on data from *Employment and Earnings* (U.S. Dept. of Labor).

2.13 INDUSTRIAL PRODUCTION Indexes and Gross Value[1]

Monthly data are seasonally adjusted.

Grouping	1967 proportion	1978 average	1978 Aug.	1978 Sept.	1978 Oct.	1979 Feb.	1979 Mar.	1979 Apr.	1979 May	1979 June	1979 July[r]	1979 Aug.	1979 Sept.[p]	1979 Oct.[e]
			Index (1967 = 100)											
MAJOR MARKET														
1 **Total index**	**100.00**	**146.1**	**148.0**	**148.6**	**149.7**	**152.0**	**153.0**	**150.8**	**152.4**	**152.6**	**152.8**	**151.6**	**152.3**	**152.5**
2 Products	60.71	144.8	146.6	146.9	147.5	149.9	150.8	148.4	150.3	150.2	149.7	148.7	149.7	149.7
3 Final products	47.82	142.2	144.2	144.5	145.1	146.8	148.2	145.4	147.8	147.6	147.1	145.5	146.9	146.8
4 Consumer goods	27.68	149.1	150.6	150.8	151.2	151.5	152.9	149.1	152.0	151.8	150.8	148.3	149.8	150.3
5 Equipment	20.14	132.8	135.3	135.9	136.6	140.4	141.7	140.4	141.9	141.9	142.1	141.6	142.9	142.0
6 Intermediate products	12.89	154.1	155.6	155.6	156.4	161.4	160.4	159.7	159.5	159.5	159.4	160.3	160.3	160.5
7 Materials	39.29	148.3	150.2	151.2	153.2	155.2	156.3	154.5	155.7	156.5	157.6	156.3	156.4	156.8
Consumer goods														
8 Durable consumer goods	7.89	159.2	161.5	160.5	162.6	161.1	163.6	151.6	160.5	158.6	157.2	147.7	152.3	152.8
9 Automotive products	2.83	179.9	183.5	179.5	187.6	179.3	186.8	163.0	182.7	175.9	170.3	147.6	158.3	159.8
10 Autos and utility vehicles	2.03	172.5	174.9	170.0	181.0	170.3	178.8	147.4	176.3	167.4	155.6	125.1	139.8	141.9
11 Autos	1.90	148.6	150.2	144.2	154.7	144.9	153.8	128.6	153.1	148.0	141.8	118.5	128.0	129.0
12 Auto parts and allied goods	80	198.5	205.5	203.7	204.3	202.2	207.2	202.7	199.0	197.5	207.8	204.8	205.2	205.3
13 Home goods	5.06	147.7	149.2	149.9	148.6	150.9	150.6	145.2	148.1	148.8	149.8	147.7	148.9	148.8
14 Appliances, A/C, and TV	1.40	133.3	132.4	136.2	132.3	129.8	128.4	115.6	128.4	129.3	129.7	121.2	128.7	128.7
15 Appliances and TV	1.33	135.4	133.1	137.5	132.9	131.4	130.3	116.5	130.2	131.2	131.6	124.1	131.4	......
16 Carpeting and furniture	1.07	164.2	167.1	167.9	165.3	171.8	173.5	170.7	170.2	170.6	171.9	171.7	171.0	......
17 Miscellaneous home goods	2.59	148.6	150.9	149.9	150.5	153.7	153.2	150.8	149.6	150.5	151.6	152.2	150.8	151.2
18 Nondurable consumer goods	19.79	145.1	146.3	147.0	146.6	147.7	148.6	148.0	148.7	149.1	148.2	148.6	148.8	149.3
19 Clothing	4.29	131.1	133.3	135.0	132.6	130.7	130.9	127.7	128.6	130.7	126.9	128.0	......	......
20 Consumer staples	15.50	148.9	149.9	150.3	150.5	152.4	153.6	153.7	154.2	154.2	154.1	154.3	154.2	154.6
21 Consumer foods and tobacco	8.33	140.6	141.9	141.4	141.4	142.4	145.1	145.2	145.7	146.2	147.0	145.5	145.0	......
22 Nonfood staples	7.17	158.5	159.2	160.6	161.1	164.0	163.4	163.5	164.1	163.5	162.4	164.6	164.8	165.1
23 Consumer chemical products	2,63	192.7	194.1	196.1	198.3	203.1	202.8	201.6	205.2	205.9	206.1	209.2	209.2	......
24 Consumer paper products	1.92	118.4	118.4	119.8	118.0	122.7	121.4	120.9	121.3	121.1	119.9	121.2	121.2	......
25 Consumer energy products	2.62	153.6	154.0	155.0	155.3	155.2	154.7	156.4	154.3	152.0	149.8	151.6	152.3	......
26 Residential utilities	1.45	162.1	161.7	162.2	163.0	167.7	167.9	169.1	167.8	162.3	158.5	......	......	......
Equipment														
27 Business	12.63	160.3	163.4	163.8	164.8	169.0	170.8	168.7	171.4	171.5	171.4	171.1	172.8	170.6
28 Industrial	6.77	145.8	148.0	147.6	148.1	152.5	152.8	150.4	151.8	152.0	151.3	151.7	152.6	150.7
29 Building and mining	1.44	207.3	209.0	208.4	208.8	207.9	205.2	204.2	203.7	205.3	207.4	210.6	211.2	199.9
30 Manufacturing	3.85	121.2	123.2	122.8	123.4	129.1	130.3	128.0	130.1	130.1	130.3	131.2	130.3	130.7
31 Power	1.47	149.4	153.3	153.0	153.0	159.1	160.2	156.0	157.7	156.8	151.0	147.7	153.5	154.9
32 Commercial transit, farm	5.86	177.2	181.2	182.5	184.1	188.1	191.6	189.9	193.9	194.0	194.6	193.6	196.1	193.5
33 Commercial	3.26	212.0	215.3	217.6	218.2	221.2	224.4	223.0	224.9	226.4	227.0	229.5	231.1	232.1
34 Transit	1.93	133.8	139.2	139.5	143.3	146.6	150.5	148.8	156.7	155.3	155.2	148.7	154.5	154.9
35 Farm	67	132.8	136.0	135.7	135.5	146.9	150.0	147.7	150.8	148.1	151.0	148.3	145.9	......
36 Defense and space	7.51	86.5	87.9	89.0	89.3	92.4	92.9	92.9	92.5	92.3	92.8	92.0	92.8	94.0
Intermediate products														
37 Construction supplies	6.42	151.7	153.8	153.5	154.5	159.3	157.1	156.0	156.4	156.3	156.4	156.8	156.5	156.5
38 Business supplies	6.47	156.5	157.4	157.7	158.4	163.6	163.8	163.2	162.5	162.6	162.4	163.8	164.0	......
39 Commercial energy products	1.14	168.2	169.5	170.2	170.0	173.7	173.5	174.6	172.6	169.4	167.8	168.2	166.7	......
Materials														
40 Durable goods materials	20.35	149.0	151.9	153.4	155.5	158.0	159.2	155.7	157.9	159.5	160.7	157.5	157.4	157.7
41 Durable consumer parts	4.58	140.8	142.1	145.1	147.0	146.0	145.8	136.9	142.5	141.8	138.5	129.3	131.8	132.1
42 Equipment parts	5.44	166.5	168.8	170.7	172.9	184.4	186.8	187.0	188.0	191.0	192.1	190.1	190.7	191.5
43 Durable materials n.e.c.	10.34	143.3	147.3	148.0	150.1	149.4	150.6	147.7	149.0	150.8	154.0	152.8	151.1	151.3
44 Basic metal materials	5.57	121.2	126.5	127.0	129.3	124.1	126.7	123.2	122.9	126.1	130.5	128.1	125.4	......
45 Nondurable goods materials	10.47	165.6	165.3	167.8	168.8	172.4	173.1	173.0	173.8	173.4	174.6	175.8	176.6	176.9
46 Textile, paper, and chemical materials	7.62	171.8	170.7	174.6	175.3	179.6	180.1	180.7	181.5	181.7	182.8	184.4	185.6	186.1
47 Textile materials	1.85	116.9	115.6	116.8	119.7	117.4	119.0	117.0	118.8	122.9	122.2	120.9	122.0	......
48 Paper materials	1.62	137.0	130.0	137.7	137.3	137.4	139.9	140.8	140.1	141.1	146.2	146.7	147.8	......
49 Chemical materials	4.15	210.0	211.2	214.9	214.9	223.9	223.0	224.7	225.7	223.9	224.1	227.5	228.7	......
50 Containers, nondurable	1.70	159.8	162.6	160.7	163.9	165.8	167.3	162.0	163.3	159.2	163.1	162.9	163.2	......
51 Nondurable materials n.e.c.	1.14	132.7	133.7	132.5	133.2	134.1	135.6	138.2	138.4	139.0	137.5	137.6	137.0	......
52 Energy materials	8.48	125.3	127.5	125.6	128.6	127.1	128.7	128.4	127.7	128.3	129.1	129.3	128.9	129.9
53 Primary energy	4.65	112.6	115.6	111.5	116.7	110.6	114.6	113.0	111.7	112.4	112.8	114.0	113.5	......
54 Converted fuel materials	3.82	140.8	141.9	142.7	143.0	147.2	145.9	147.1	147.2	147.6	148.8	147.8	147.7	......
Supplementary groups														
55 Home goods and clothing	9.35	140.0	141.9	143.0	141.2	141.6	141.6	137.2	139.1	140.5	139.3	138.7	139.9	140.2
56 Energy, total	12.23	135.4	137.1	136.0	138.2	137.5	138.4	138.7	137.6	137.2	137.1	137.7	137.4	138.3
57 Products	3.76	158.0	158.7	159.6	159.8	160.8	160.3	161.9	159.9	157.3	155.2	156.6	156.7	......
58 Materials	8.48	125.3	127.5	125.6	128.6	127.1	128.7	128.4	127.7	128.3	129.1	129.3	128.9	129.9

For notes see opposite page.

2.13 Continued

Grouping	SIC code	1967 proportion	1978 average^p	1978 Aug.	1978 Sept.	1978 Oct.	1979 Feb.	1979 Mar.	1979 Apr.	1979 May	1979 June	1979 July^p	1979 Aug.	1979 Sept.^p	1979 Oct.^e
				Index (1967 = 100)											
MAJOR INDUSTRY															
1 Mining and utilities	......	12.05	141.7	143.2	142.6	144.6	143.0	143.5	143.8	143.4	143.0	143.7	145.0	145.2	146.3
2 Mining	......	6.36	124.0	126.2	124.4	127.9	120.9	122.3	122.7	122.8	123.9	124.7	127.1	126.3	127.6
3 Utilities	......	5.69	161.4	162.2	163.0	163.2	167.7	167.1	167.4	166.5	164.2	164.8	165.1	166.4	167.2
4 Electric	......	3.88	182.2	183.3	184.5	184.7	189.9	188.8	189.0	186.4	182.4	182.2	182.7	......	......
5 Manufacturing	......	87.95	146.8	148.6	149.6	150.7	153.3	154.5	151.6	153.8	153.9	154.1	152.4	153.4	153.4
6 Nondurable	......	35.97	156.9	158.4	159.3	159.5	162.0	163.0	161.7	162.8	163.0	164.1	164.4	164.3	164.8
7 Durable	......	51.98	139.7	141.8	142.9	144.6	147.2	148.6	144.6	147.6	147.6	147.2	144.2	145.8	145.5
Mining															
8 Metal	10	.51	121.0	118.0	115.6	122.1	125.3	126.9	128.9	123.1	123.2	128.6	126.5	122.9	......
9 Coal	11, 12	.69	114.7	125.9	114.0	141.9	104.5	124.0	130.1	133.4	137.5	137.1	144.1	142.6	146.7
10 Oil and gas extraction	13	4.40	124.6	126.2	125.4	125.5	120.4	119.3	118.6	118.6	119.6	120.4	122.6	122.1	123.2
11 Stone and earth minerals	14	.75	131.2	132.1	133.7	133.6	135.7	135.6	135.3	137.8	137.3	136.4	138.3	137.9	......
Nondurable manufacturers															
12 Foods	20	8.75	142.7	143.9	143.7	143.2	145.5	147.6	147.0	149.2	149.5	149.4	148.3	148.2	......
13 Tobacco products	21	.67	118.3	118.5	120.3	119.0	116.2	123.3	120.0	120.2	118.3	118.9	107.5	......	......
14 Textile mill products	22	2.68	137.5	137.1	138.6	139.6	139.9	142.3	141.2	141.5	114.6	143.0	143.3	145.1	......
15 Apparel products	23	3.31	134.2	137.7	139.6	136.8	133.5	136.5	130.8	128.2	132.0	129.7	130.2	......	......
16 Paper and products	26	3.21	144.8	142.2	144.2	145.8	144.6	149.0	148.7	147.9	148.0	154.0	153.9	155.1	154.1
17 Printing and publishing	27	4.72	131.5	131.9	132.6	132.6	138.2	137.3	135.7	136.8	136.9	135.6	137.7	137.7	138.2
18 Chemicals and products	28	7.74	197.4	199.3	201.3	202.7	208.6	107.4	207.7	209.7	207.8	210.5	213.0	212.5	......
19 Petroleum products	29	1.79	145.2	146.0	147.6	147.6	146.0	143.8	145.4	142.4	143.9	143.9	143.1	142.8	143.1
20 Rubber and plastic products	30	2.24	253.6	263.4	260.9	262.3	267.5	270.4	265.5	270.0	270.0	278.0	276.6	273.1	......
21 Leather and products	31	.86	73.8	73.3	72.9	72.4	73.4	72.9	69.6	72.3	70.1	69.7	69.7	70.3	......
Durable manufactures															
22 Ordnance, private and government	19,91	3.64	73.7	74.0	73.8	74.2	75.8	75.1	75.1	75.3	75.1	74.6	74.9	75.2	75.9
23 Lumber and products	24	1.64	136.3	136.0	136.2	138.1	137.2	137.7	137.2	136.1	136.8	135.2	136.9	137.3	......
24 Furniture and fixtures	25	1.37	155.8	159.5	160.7	159.9	163.1	163.6	159.4	159.6	159.6	159.5	161.7	161.5	......
25 Clay, glass, stone products	32	2.74	157.2	157.6	159.8	161.3	166.9	164.9	161.2	163.8	162.7	163.3	162.5	162.7	......
26 Primary metals	33	6.57	119.9	124.9	127.4	129.4	120.4	123.7	121.7	121.0	124.3	127.1	121.1	122.0	121.8
27 Iron and steel	331,2	4.21	113.2	118.3	121.3	123.8	110.8	116.2	115.8	114.3	118.1	119.0	112.0	115.0	......
28 Fabricated metal products	34	5.93	141.6	143.7	144.2	144.9	150.8	150.2	148.8	150.3	149.3	149.3	147.6	147.5	147.7
29 Nonelectrical machinery	35	9.15	153.6	155.5	156.4	157.5	162.9	164.0	161.8	164.3	164.5	165.3	166.1	165.6	161.0
30 Electrical machinery	36	8.05	159.4	161.5	163.3	164.2	173.2	174.2	170.6	174.7	175.1	174.4	171.4	174.0	175.3
31 Transportation equipment	37	9.27	132.5	134.2	134.9	139.7	139.9	143.7	131.6	141.9	139.4	135.5	124.7	131.8	133.4
32 Motor vehicles and parts	371	4.50	169.9	171.6	171.0	178.9	173.1	179.7	156.0	176.3	169.6	160.2	138.7	150.8	152.7
33 Aerospace and miscellaneous transportation equipment	372–9	4.77	97.2	98.9	100.9	102.8	108.6	109.7	108.6	109.6	111.0	112.2	111.5	113.9	115.1
34 Instruments	38	2.11	167.1	170.3	170.4	170.3	176.0	177.3	176.3	174.7	175.9	174.0	173.9	173.5	174.5
35 Miscellaneous manufactures	39	1.51	151.0	151.8	151.3	151.8	154.0	154.5	152.3	150.7	152.7	155.7	155.7	155.1	155.0
				Gross value (billions of 1972 dollars, annual rates)											
MAJOR MARKET															
36 Products, total	......	**507.4**	**610.2**	**613.9**	**617.2**	**622.1**	**627.3**	**636.1**	**620.8**	**632.3**	**628.7**	**622.7**	**614.5**	**619.5**	**619.2**
37 Final	......	[2]390.9	471.0	474.0	476.8	481.0	482.0	491.0	476.4	488.2	485.1	479.6	469.9	475.6	474.9
38 Consumer goods	......	[2]277.5	326.6	327.5	329.9	331.8	329.4	334.7	323.9	331.5	329.8	326.0	320.4	321.7	322.3
39 Equipment	......	[2]113.4	144.4	146.5	146.9	149.2	152.6	156.3	152.5	156.7	155.4	153.6	149.5	153.9	152.6
40 Intermediate	......	[2]116.6	139.2	139.9	140.4	141.1	145.3	145.1	144.4	144.2	143.6	143.2	144.6	143.8	144.3

1. The industrial production series has been revised. For a description of the changes, see "Revision of Industrial Production Index" in the August 1979 BULLETIN, pp. 603–05.
2. 1972 dollars.

NOTE. Published groupings include some series and subtotals not shown separately. For description and historical data, see *Industrial Production—1976 Revision* (Board of Governors of the Federal Reserve System: Washington, D.C.), December 1977.

2.14 HOUSING AND CONSTRUCTION

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

Item	1976	1977	1978	1979 Mar.	1979 Apr.	1979 May	1979 June	1979 July	1979 Aug.	1979 Sept.
	Private residential real estate activity (thousands of units)									
NEW UNITS										
1 Permits authorized	1,296	1,677	1,801	1,621	1,517	1,618	1,639	1,528	1,654	1,733
2 1-family	894	1,126	1,182	1,056	1,036	1,047	1,012	1,001	1,030	1,032
3 2-or-more-family	402	551	619	565	481	571	627	527	624	701
4 Started	1,538	1,986	2,019	1,786	1,745	1,835	1,923	r1,786	1,806	1,881
5 1-family	1,163	1,451	1,433	1,266	1,278	1,226	1,288	r1,220	1,240	1,249
6 2-or-more-family	377	535	586	520	467	609	635	566	566	632
7 Under construction, end of period[1]	1,147	1,442	1,355	1,304	1,256	1,244	r1,247	r1,241	1,240	n.a.
8 1-family	655	829	1,378	770	793	r730	r723	r715	717	n.a.
9 2-or-more-family	492	613	553	534	519	r514	r524	r525	523	n.a.
10 Completed	1,362	1,652	1,866	1,957	2,015	r2,016	r1,866	r1,756	1,725	n.a.
11 1-family	1,026	1,254	1,368	1,412	1,438	r1,344	r1,345	r1,196	1,178	n.a.
12 2-or-more-family	336	398	498	545	577	r672	r521	r560	547	n.a.
13 Mobile homes shipped	246	277	276	270	273	271	279	282	277	n.a.
Merchant builder activity in 1-family units										
14 Number sold	639	819	817	784	709	709	692	804	758	757
15 Number for sale, end of period[1]	433	407	423	424	425	430	418	417	416	412
Price (thousands of dollars)[2]										
Median										
16 Units sold	44.2	48.9	55.9	60.4	62.6	63.0	64.1	63.2	63.6	n.a.
17 Units for sale	41.6	48.2	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Average										
18 Units sold	48.1	54.4	62.7	68.5	71.1	71.8	74.3	71.5	74.2	78.2
EXISTING UNITS (1-family)										
19 Number sold	3,002	3,572	3,905	3,650	3,760	3,860	3,560	3,770	3,850	4,010
Price of units sold (thous. of dollars)[2]										
20 Median	38.1	42.9	48.7	53.8	54.7	55.9	56.8	57.9	57.7	n.a.
21 Average	42.2	47.9	55.1	61.8	62.5	64.2	66.1	66.7	66.3	66.1
	Value of new construction[4] (millions of dollars)									
CONSTRUCTION										
22 **Total put in place**	**148,778**	**172,552**	**202,219**	**216,676**	**216,212**	**223,205**	**224,686**	**232,593**	**232,407**	**235,801**
23 Private	110,416	134,723	157,455	172,672	171,692	174,803	178,703	181,678	182,871	183,654
24 Residential	60,519	80,957	93,088	96,460	95,496	94,963	97,339	98,781	100,056	101,166
25 Nonresidential, total	49,897	53,766	64,367	76,212	76,196	79,840	81,364	82,897	82,815	82,488
Buildings										
26 Industrial	7,182	7,713	10,762	15,201	14,034	14,504	14,697	15,547	13,751	13,874
27 Commercial	12,757	14,789	18,280	20,990	21,463	23,601	24,785	24,785	25,818	25,799
28 Other	6,155	6,200	6,659	7,071	7,150	7,141	7,306	7,427	7,532	7,478
29 Public utilities and other	23,803	25,064	28,666	32,967	33,325	34,101	33,958	35,140	35,714	35,337
30 Public	38,312	37,828	44,762	44,004	44,823	48,402	45,983	50,916	49,536	52,147
31 Military	1,521	1,517	1,462	1,983	1,550	1,531	1,787	1,459	1,702	1,717
32 Highway	9,439	9,280	8,627	8,882	9,875	11,674	10,250	11,166	10,802	n.a.
33 Conservation and development	3,751	3,882	3,697	4,854	4,417	5,383	3,572	5,371	5,273	n.a.
34 Other[3]	23,601	23,149	23,503	28,285	30,376	29,814	30,374	32,920	31,759	n.a.

1. Not at annual rates.
2. Not seasonally adjusted.
3. Beginning January 1977 Highway imputations are included in Other.
4. Value of new construction data in recent periods may not be strictly comparable with data in prior periods due to changes by the Bureau of the Census in its estimating techniques. For a description of these changes see *Construction Reports* (C-30-76-5), issued by the Bureau in July 1976.

NOTE. Census Bureau estimates for all series except (a) mobile homes, which are private, domestic shipments as reported by the Manufactured Housing Institute and seasonally adjusted by the Census Bureau, and (b) sales and prices of existing units, which are published by the National Association of Realtors. All back and current figures are available from originating agency. Permit authorizations are those reported to the Census Bureau from 14,000 jurisdictions through 1977, and 16,000 jurisdictions beginning with 1978.

2.15 CONSUMER AND PRODUCER PRICES

Percentage changes based on seasonally adjusted data, except as noted

Item	12 months to		3 months (at annual rate) to				1 month to					Index level Sept. 1979 (1967 = 100)[3]
	1978 Sept.	1979 Sept.	1978	1979			1979					
			Dec.	Mar.	June	Sept.	May	June	July	Aug.	Sept.	
CONSUMER PRICES[1]												
1 **All items**	**8.3**	**12.1**	**8.5**	**13.0**	**13.4**	**13.2**	**1.1**	**1.0**	**1.0**	**1.1**	**1.1**	**223.4**
2 Commodities	7.9	12.4	9.6	14.5	13.3	12.3	.9	1.0	.9	.9	1.1	214.1
3 Food	10.8	10.0	10.2	17.7	7.5	4.2	.7	.2	.1	0	.9	237.1
4 Commodities less food	6.7	13.5	9.6	12.9	15.8	16.2	1.1	1.3	1.2	1.3	1.2	201.8
5 Durable	7.7	9.8	11.3	10.0	9.1	8.7	.5	.8	.7	.7	.7	194.5
6 Nondurable	5.2	18.4	6.7	16.5	25.8	25.7	1.8	2.1	2.1	1.9	1.8	209.6
7 Services	9.1	11.6	7.2	10.6	13.8	14.3	1.3	1.0	1.1	1.2	1.1	240.7
8 Rent	7.1	7.6	7.7	3.6	8.7	10.7	1.0	.5	.8	.9	.8	179.0
9 Services less rent	9.4	12.2	7.1	11.7	14.5	15.1	1.3	1.1	1.2	1.3	1.1	252.1
Other groupings												
10 All items less food	7.8	12.6	8.5	12.0	14.9	15.4	1.2	1.1	1.2	1.3	1.2	219.6
11 All items less food and energy	7.9	9.9	7.7	9.3	11.2	11.5	.9	.8	.7	1.0	1.0	211.5
12 Homeownership	12.0	16.1	10.9	16.7	18.0	19.3	1.3	1.4	1.4	1.7	1.4	271.9
PRODUCER PRICES												
13 Finished goods	8.4	11.8	10.5	14.3	r7.5	15.0	.4	r.5	r.9	1.2	1.4	220.4
14 Consumer	8.4	13.3	11.1	16.0	r6.7	19.6	.4	r.5	r1.0	1.6	1.8	221.3
15 Foods	10.2	8.8	15.3	21.0	r−11.3	13.1	−1.5	r−1.2	0.0	1.2	1.8	227.8
16 Excluding foods	7.4	15.8	8.8	13.4	r17.9	23.2	1.5	r1.4	r1.6	1.8	1.9	215.9
17 Capital equipment	8.4	8.3	8.8	10.3	r9.8	4.3	.6	r.6	r.6	.1	.3	217.7
18 Materials	9.2	15.3	13.0	17.9	r12.0	18.5	.8	r1.0	1.7	1.0	1.6	258.0
19 Intermediate[2]	6.6	14.8	11.2	14.0	r15.3	18.8	1.0	r1.0	r1.4	1.4	1.5	252.1
Crude												
20 Nonfood	14.9	23.0	19.8	29.2	r22.2	21.0	2.4	r3.2	1.4	.5	2.9	362.1
21 Food	20.0	13.9	21.2	31.0	−7.1	13.9	−.2	−1.2	2.1	−.2	1.5	248.7

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

SOURCE. Bureau of Labor Statistics.

2.16 GROSS NATIONAL PRODUCT AND INCOME

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

Account	1976	1977	1978	1978			1979		
				Q2	Q3	Q4	Q1	Q2	Q3[p]
GROSS NATIONAL PRODUCT									
1 **Total**	**1,702.2**	**1,899.5**	**2,127.6**	**2,104.2**	**2,159.6**	**2,235.2**	**2,292.1**	**2,329.8**	**2,391.5**
By source									
2 Personal consumption expenditures	1,089.9	1,210.0	1,350.8	1,331.2	1,369.3	1,415.4	1,454.2	1,475.9	1,528.6
3 Durable goods	157.4	178.8	200.3	200.3	203.5	212.1	213.8	208.7	213.7
4 Nondurable goods	443.9	481.3	530.6	521.8	536.7	558.1	571.1	581.2	602.5
5 Services	488.5	549.8	619.8	609.1	629.1	645.1	669.3	686.0	712.4
6 Gross private domestic investment	243.0	303.3	351.5	352.3	356.2	370.5	373.8	395.4	392.1
7 Fixed investment	233.0	281.3	329.1	326.5	336.1	349.8	354.6	361.9	372.1
8 Nonresidential	164.9	189.4	221.1	218.8	225.9	236.1	243.4	249.1	257.2
9 Structures	57.3	62.6	76.5	75.2	79.7	84.4	84.9	90.5	94.6
10 Producers' durable equipment	107.6	126.8	144.6	143.6	146.3	151.8	158.5	158.6	162.6
11 Residential structures	68.1	91.9	108.0	107.7	110.2	113.7	111.2	112.9	114.9
12 Nonfarm	65.7	88.8	104.4	104.3	106.4	110.0	107.8	109.1	110.8
13 Change in business inventories	10.0	21.9	22.3	25.8	20.0	20.6	19.1	33.4	20.0
14. Nonfarm	12.1	20.7	21.3	25.3	18.5	19.3	18.8	32.6	19.2
15 Net exports of goods and services	8.0	−9.9	−10.3	−7.6	−6.8	−4.5	4.0	−8.1	−5.3
16 Exports	163.3	175.9	207.2	205.7	213.8	224.9	238.5	243.7	266.4
17 Imports	155.4	185.8	217.5	213.3	220.6	229.4	234.4	251.9	271.7
18 Government purchases of goods and services	361.3	396.2	435.6	428.3	440.9	453.8	460.1	466.6	476.2
19 Federal	129.7	144.4	152.6	148.2	152.3	159.0	163.6	161.7	162.5
20 State and local	231.6	251.8	283.0	280.1	288.6	294.8	296.5	304.9	313.7
By major type of product									
21 Final sales, total	1,692.1	1,877.6	2,105.2	2,078.4	2,139.5	2,214.5	2,272.9	2,296.4	2,371.5
22 Goods	762.7	842.2	930.0	922.5	940.9	983.8	1,011.8	1,018.1	1,035.5
23 Durable	305.9	345.9	380.4	378.0	382.6	402.3	425.5	422.4	424.3
24 Nondurable	456.8	496.3	549.6	544.5	558.3	581.6	586.2	595.7	611.3
25 Services	776.7	866.4	969.3	956.2	981.7	1,005.3	1,041.4	1,064.2	1,098.8
26 Structures	162.7	190.9	228.2	225.6	237.0	246.0	238.9	247.5	257.2
27 Change in business inventories	10.0	21.9	22.3	25.8	20.0	20.6	19.1	33.4	20.0
28 Durable goods	5.3	11.9	13.9	13.1	10.3	13.4	18.4	24.3	9.8
29 Nondurable goods	4.7	10.0	8.4	12.7	9.7	7.2	.7	9.1	10.2
30 MEMO: **Total GNP in 1972 dollars**	**1,273.0**	**1,340.5**	**1,399.2**	**1,395.2**	**1,407.3**	**1,426.6**	**1,430.6**	**1,422.3**	**1,430.8**
NATIONAL INCOME									
31 **Total**	**1,359.8**	**1,525.8**	**1,724.3**	**1,703.9**	**1,752.5**	**1,820.0**	**1,869.0**	**1,897.9**	n.a.
32 Compensation of employees	1,037.8	1,156.9	1,304.5	1,288.2	1,321.1	1,364.8	1,411.2	1,439.7	1,471.8
33 Wages and salaries	890.0	984.0	1,103.5	1,090.0	1,117.4	1,154.7	1,189.4	1,211.5	1,237.0
34 Government and government enterprises	188.0	201.3	218.0	215.3	219.2	225.1	228.1	231.2	234.5
35 Other	702.0	782.7	885.5	874.6	898.1	929.6	961.3	980.3	1,002.5
36 Supplement to wages and salaries	147.8	172.9	201.0	198.3	203.7	210.1	221.8	228.2	234.8
37 Employer contributions for social insurance	70.4	81.2	94.6	93.6	95.5	98.2	105.8	107.9	109.9
38 Other labor income	77.4	91.8	106.5	104.7	108.2	111.9	116.0	120.3	124.9
39 Proprietors' income[1]	89.3	100.2	116.8	115.0	117.4	125.7	129.0	129.3	128.6
40 Business and professional[1]	71.0	80.5	89.1	87.3	91.3	94.4	94.8	95.5	98.9
41 Farm[1]	18.3	19.6	27.7	27.7	26.1	31.3	34.2	33.7	29.7
42 Rental income of persons[2]	22.1	24.7	25.9	24.4	26.8	27.1	27.3	26.8	26.5
43 Corporate profits[1]	126.8	150.0	167.7	169.4	175.2	184.8	178.9	176.6	n.a.
44 Profits before tax[3]	156.0	177.1	206.0	207.2	212.0	227.4	233.3	227.9	n.a.
45 Inventory valuation adjustment	−14.6	−15.2	−25.2	−25.1	−23.0	−28.8	−39.9	−36.6	−40.8
46 Capital consumption adjustment	−14.5	−12.0	−13.1	−12.6	−13.8	−13.8	−14.5	−14.7	−17.6
47 Net interest	83.8	94.0	109.5	106.8	111.9	117.6	122.6	125.6	130.8

1. With inventory valuation and capital consumption adjustments.
2. With capital consumption adjustments.
3. For after-tax profits, dividends, and the like, see table 1.50.

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

2.17 PERSONAL INCOME AND SAVING

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

Account	1976	1977	1978	1978 Q2	1978 Q3	1978 Q4	1979 Q1	1979 Q2	1979 Q3p
PERSONAL INCOME AND SAVING									
1 **Total personal income**	**1,381.6**	**1,531.6**	**1,717.4**	**1,689.3**	**1,742.5**	**1,803.1**	**1,852.6**	**1,892.5**	**1,943.4**
2 Wage and salary disbursements	890.0	984.0	1,103.3	1,090.0	1,116.8	1,154.3	1,189.3	1,212.4	1,237.1
3 Commodity-producing industries	307.2	343.1	387.4	383.4	393.7	408.6	423.0	431.7	437.8
4 Manufacturing	237.4	266.0	298.3	294.1	300.8	312.7	324.8	328.5	331.6
5 Distributive industries	216.3	239.1	269.4	265.9	272.5	281.6	291.1	295.8	303.8
6 Service industries	178.5	200.5	228.7	225.4	231.9	239.4	247.2	252.8	260.9
7 Government and government enterprises	188.0	201.3	217.8	215.3	218.7	224.7	228.0	232.1	234.6
8 Other labor income	77.4	91.8	106.5	104.7	108.2	111.9	116.0	120.3	124.9
9 Proprietors' income[1]	89.3	100.2	116.8	115.0	117.4	125.7	129.0	129.3	128.6
10 Business and professional[1]	71.0	80.5	89.1	87.3	91.3	94.4	94.8	95.5	98.9
11 Farm[1]	18.3	19.6	27.7	27.7	26.1	31.3	34.2	33.7	29.7
12 Rental income of persons[2]	22.1	24.7	25.9	24.4	26.8	27.1	27.3	26.8	26.5
13 Dividends	37.5	42.1	47.2	46.0	47.8	49.7	51.5	52.3	52.8
14 Personal interest income	127.0	141.7	163.3	159.4	167.2	174.3	181.0	187.6	193.6
15 Transfer payments	193.8	208.4	224.1	218.8	228.3	231.8	237.3	243.6	261.0
16 Old-age survivors, disability, and health insurance benefits	92.9	105.0	116.3	112.4	119.8	121.5	123.8	127.1	138.9
17 LESS: Personal contributions for social insurance	55.6	61.3	69.6	69.0	70.2	71.8	78.7	79.8	81.1
18 EQUALS: Personal income	1,381.6	1,531.6	1,717.4	1,689.3	1,742.5	1,803.1	1,852.6	1,892.5	1,943.4
19 LESS: Personal tax and nontax payments	197.1	226.4	259.0	252.1	266.0	278.2	280.4	290.7	306.4
20 EQUALS: Disposable personal income	1,184.5	1,305.1	1,458.4	1,437.3	1,476.5	1,524.8	1,572.2	1,601.7	1,636.9
21 LESS: Personal outlays	1,115.9	1,240.2	1,386.4	1,366.1	1,405.6	1,453.4	1,493.0	1,515.8	1,570.0
22 EQUALS: Personal saving	68.6	65.0	72.0	71.2	70.9	71.5	79.2	85.9	66.9
MEMO: Per capita (1972 dollars)									
23 Gross national product	5,916	6,181	6,402	6,392	6,433	6,506	6,514	6,459	6,483
24 Personal consumption expenditures	3,813	3,974	4,121	4,099	4,138	4,197	4,197	4,155	4,190
25 Disposable personal income	4,144	4,285	4,449	4,426	4,462	4,522	4,536	4,510	4,487
26 Saving rate (percent)	5.8	5.0	4.9	5.0	4.8	4.7	5.0	5.4	4.1
GROSS SAVING									
27 **Gross private saving**	**271.9**	**295.6**	**324.9**	**324.2**	**330.4**	**336.1**	**345.2**	**360.5**	n.a.
28 Personal saving	68.6	65.0	72.0	71.2	70.9	71.5	79.2	85.9	66.9
29 Undistributed corporate profits[1]	25.5	35.2	36.0	38.7	40.0	40.1	36.1	35.6	n.a.
30 Corporate inventory valuation adjustment	−14.6	−15.2	−25.2	−25.1	−23.0	−28.8	−39.9	−36.6	−40.8
Capital consumption allowances									
31 Corporate	111.6	121.3	132.9	131.7	134.3	136.8	139.9	145.1	150.1
32 Noncorporate	66.1	74.1	84.0	82.7	85.2	87.7	89.9	93.9	97.5
33 Wage accruals less disbursements	...	...	...	...	...	...	...	...	...
34 Government surplus, or deficit (−), national income and product accounts	−35.7	−19.5	−.3	5.0	2.3	10.8	15.8	12.7	n.a.
35 Federal	−53.6	−46.3	−27.7	−24.6	−20.4	−16.3	−11.7	−7.0	n.a.
36 State and local	17.9	26.8	27.4	29.6	22.7	27.1	27.6	19.7	n.a.
37 Capital grants received by the United States, net	...	...	...	...	...	...	1.1	1.1	1.1
38 Investment	242.3	283.6	327.9	331.5	336.5	351.0	362.8	373.1	371.9
39 Gross private domestic	243.0	303.3	351.5	352.3	356.2	370.5	373.8	395.4	392.1
40 Net foreign	−.1	−19.6	−23.5	−20.8	−19.6	−19.4	−11.0	−22.3	−20.2
41 Statistical discrepancy	6.1	7.5	3.3	2.3	3.9	4.1	.6	−1.3	n.a.

1. With inventory valuation and capital consumption adjustments.
2. With capital consumption adjustment.

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

3.10 U.S. INTERNATIONAL TRANSACTIONS Summary

Millions of dollars; quarterly data are seasonally adjusted except as noted.[1]

	Item credits or debits	1976	1977	1978	1978			1979	
					Q2	Q3	Q4	Q1	Q2
1	Balance on current account	4,605	−14,092	−13,895	−3,426	−3,227	−313	415	−965
2	Not seasonally adjusted	....	....	....	−2,858	−5,955	722	1,731	−85
3	Merchandise trade balance[2]	−9,306	−30,873	−34,187	−7,907	−8,012	−6,369	−6,115	−7,716
4	Merchandise exports	114,745	120,816	141,884	35,267	36,491	39,315	41,348	42,792
5	Merchandise imports	−124,051	−151,689	−176,071	−43,174	−44,503	−45,684	−47,463	−50,508
6	Military transactions, net	674	1,679	492	237	247	−239	34	−92
7	Investment income, net[3]	15,975	17,989	21,645	4,854	4,952	6,599	6,864	7,398
8	Other service transactions, net	2,260	1,783	3,241	703	819	1,010	954	827
9	MEMO: Balance on goods and services[3,4]	9,603	−9,423	−8,809	−2,113	−1,994	1,001	1,737	417
10	Remittances, pensions, and other transfers	−1,851	−1,895	−1,934	−486	−463	−524	−517	−485
11	U.S. government grants (excluding military)	−3,146	−2,775	−3,152	−827	−770	−790	−805	−897
12	Change in U.S. government assets, other than official reserve assets, net (increase, −)	−4,214	−3,693	−4,656	−1,263	−1,390	−994	−1,094	−1,000
13	Change in U.S. official reserve assets (increase, −)	−2,558	−375	732	248	115	182	−3,585	343
14	Gold	0	−118	−65	0	0	−65	0	0
15	Special drawing rights (SDRs)	−78	−121	1,249	−104	−43	1,412	−1,142	6
16	Reserve position in International Monetary Fund	−2,212	−294	4,231	437	195	3,275	−86	−78
17	Foreign currencies	−268	158	−4,683	−85	−37	−4,440	−2,357	415
18	Change in U.S. private assets abroad (increase, −)[3]	−44,498	−31,725	−57,033	−4,451	−8,774	−29,442	−2,958	−14,811
19	Bank-reported claims	−21,368	−11,427	−33,023	715	−5,488	−21,980	6,572	−7,147
20	Nonbank-reported claims	−2,296	−1,940	−3,853	315	−29	−1,898	−2,719	n.a.
21	U.S. purchase of foreign securities, net	−8,885	−5,460	−3,487	−1,095	−475	−918	−1,056	−639
22	U.S. direct investments abroad, net[3]	−11,949	−12,898	−16,670	−4,386	−2,782	−4,646	−5,755	−7,025
23	Change in foreign official assets in the United States (increase, +)	17,573	36,656	33,758	−5,265	4,641	18,764	−9,391	−9,515
24	U.S. Treasury securities	9,319	30,230	23,542	−5,813	3,029	13,422	−8,872	−12,737
25	Other U.S. government obligations	573	2,308	656	211	443	−115	−5	94
26	Other U.S. government liabilities[5]	4,507	1,240	2,754	−136	122	2,045	−164	154
27	Other U.S. liabilities reported by U.S. banks	969	773	5,411	−164	963	3,156	−563	2,829
28	Other foreign official assets[6]	2,205	2,105	1,395	637	84	256	213	145
29	Change in foreign private assets in the United States (increase, +)[3]	18,826	14,167	29,956	6,207	10,717	10,475	10,868	13,931
30	U.S. bank-reported liabilities	10,990	6,719	16,975	1,865	7,958	7,556	7,157	11,299
31	U.S. nonbank-reported liabilities	−578	473	1,640	315	1,004	−177	−651	n.a.
32	Foreign private purchases of U.S. Treasury securities, net	2,783	534	2,180	803	−1,053	1,549	2,583	−239
33	Foreign purchases of other U.S. securities, net	1,284	2,713	2,867	1,347	528	540	790	893
34	Foreign direct investments in the United States, net[3]	4,347	3,728	6,294	1,877	2,280	1,008	989	1,978
35	Allocation of SDRs	0	0	0	0	0	0	1,139	0
36	Discrepancy	10,265	−937	11,139	7,950	−2,082	1,328	4,606	12,016
37	Owing to seasonal adjustments	....	....	....	517	−2,716	1,301	985	748
38	Statistical discrepancy in recorded data before seasonal adjustment	10,265	−937	11,139	7,433	634	27	3,621	11,268
	MEMO:								
	Changes in official assets								
39	U.S. official reserve assets (increase, −)	−2,558	−375	732	248	115	182	−3,585	343
40	Foreign official assets in the United States (increase, +)	13,066	35,416	31,004	−5,129	4,519	16,719	−9,227	−9,669
41	Changes in Organization of Petroleum Exporting Countries official assets in the United States (part of line 25 above)	9,581	6,351	−727	−2,705	−1,794	1,803	−1,916	676
42	Transfers under military grant programs (excluded from lines 4, 6, and 11 above)	373	204	259	50	69	63	31	48

1. Seasonal factors are no longer calculated for lines 13 through 42.
2. Data are on an international accounts (IA) basis. Differs from the census basis primarily because the IA basis includes imports into the U.S. Virgin Islands, and it excludes military exports, which are part of line 6.
3. Includes reinvested earnings of incorporated affiliates.
4. Differs from the definition of "net exports of goods and services" in the national income and product (GNP) account. The GNP definition makes various adjustments to merchandise trade and service transactions.
5. Primarily associated with military sales contracts and other transactions arranged with or through foreign official agencies.
6. Consists of investments in U.S. corporate stocks and in debt securities of private corporations and state and local governments.

NOTE. Data are from Bureau of Economic Analysis, *Survey of Current Business* (U.S. Department of Commerce).

3.11 U.S. FOREIGN TRADE

Millions of dollars; monthly data are seasonally adjusted.

Item	1976	1977	1978	1979						
				Mar.	Apr.	May	June	July	Aug.	Sept.
1 EXPORTS of domestic and foreign merchandise excluding grant-aid shipments	115,156	121,150	143,574	14,452	13,883	13,862	15,038	15,669	15,821	15,832
2 GENERAL IMPORTS including merchandise for immediate consumption plus entries into bonded warehouses	121,009	147,685	172,026	15,273	16,036	16,342	16,937	16,777	18,177	18,666
3 Trade balance	−5,853	−26,535	−28,452	−821	−2,153	−2,480	−1,900	−1,108	−2,357	−2,833

NOTE. Bureau of Census data reported on a free-alongside-ship (f.a.s.) value basis. Effective January 1978, major changes were made in coverage, reporting, and compiling procedures. The international-accounts-basis data adjust the Census basis data for reasons of coverage and timing. On the *export side*, the largest adjustments are: (a) the addition of exports to Canada not covered in Census statistics, and (b) the exclusion of military exports (which are combined with other military transactions and are reported separately in the "service account"). On the *import side*, the largest single adjustment is the addition of imports into the Virgin Islands (largely oil for a refinery on St. Croix), which are not included in Census statistics.

SOURCE. FT 900 "Summary of U.S. Export and Import Merchandise Trade" (U.S. Department of Commerce, Bureau of the Census).

3.12 U.S. RESERVE ASSETS

Millions of dollars, end of period

Type	1976	1977	1978	1979						
				Apr.	May	June	July	Aug.	Sept.	Oct.p
1 Total[1]	**18,747**	**19,312**	**18,650**	**21,403**	**22,230**	**21,246**	**20,023**	**20,023**	**18,534**	**17,994**
2 Gold stock, including Exchange Stabilization Fund[2]	11,598	11,719	11,671	11,418	11,354	11,323	11,290	11,259	11,228	11,194
3 Special drawing rights[1,3]	2,395	2,629	1,558	2,602	2,624	2,670	2,690	2,689	2,725	2,659
4 Reserve position in International Monetary Fund[1]	4,434	4,946	1,047	1,097	1,193	1,204	1,200	1,277	1,280	1,238
5 Foreign currencies[4]	320	18	4,374	6,286	7,059	6,049	4,843	4,798	3,301	2,903

1. Beginning July 1974, the IMF adopted a technique for valuing the SDR based on a weighted average of exchange rates for the currencies of 16 member countries. The U.S. SDR holdings and reserve position in the IMF also are valued on this basis beginning July 1974.
2. Gold held under earmark at Federal Reserve Banks for foreign and international accounts is not included in the gold stock of the United States; see table 3.24.
3. Includes allocations by the International Monetary Fund of SDRs as follows: $867 million on Jan. 1, 1970; $717 million on Jan. 1, 1971; $710 million on Jan. 1, 1972; and $1,139 million on Jan. 1, 1979; plus net transactions in SDRs.
4. Beginning November 1978, valued at current market exchange rates.

3.13 FOREIGN BRANCHES OF U.S. BANKS Balance Sheet Data

Millions of dollars, end of period

Asset account	1976	1977	1978[2]	1979 Feb.	Mar.	Apr.	May	June	July	Aug.[p]
	All foreign countries									
1 **Total, all currencies**	**219,420**	**258,897**	**306,795**	**296,983**	**307,688**	**303,799**	**311,051**	**326,732**	**326,122**	**349,983**
2 Claims on United States	7,889	11,623	17,340	16,094	22,894	19,959	24,527	r29,267	26,575	41,917
3 Parent bank	4,323	7,806	12,811	11,217	17,300	14,233	17,917	22,633	19,704	35,203
4 Other	3,566	3,817	4,529	4,877	5,594	5,726	6,610	r6,634	6,871	6,714
5 Claims on foreigners	204,486	238,848	278,135	268,649	271,828	270,946	274,207	r284,351	286,209	294,541
6 Other branches of parent bank	45,955	55,772	70,338	64,518	65,257	64,076	65,908	69,349	70,020	74,528
7 Banks	83,765	91,883	103,111	99,720	101,840	101,772	103,242	107,564	107,715	111,671
8 Public borrowers[1]	10,613	14,634	23,737	24,586	24,895	24,828	24,690	24,834	24,579	24,226
9 Nonbank foreigners	64,153	76,560	80,949	79,825	79,836	80,270	80,367	r82,604	83,895	84,116
10 Other assets	7,045	8,425	11,320	12,240	12,966	12,894	12,317	13,114	13,338	13,525
11 **Total payable in U.S. dollars**	**167,695**	**193,764**	**224,940**	**214,590**	**224,453**	**221,904**	**228,311**	**237,903**	**234,039**	**258,716**
12 Claims on United States	7,595	11,049	16,382	15,159	22,029	18,989	23,579	r28,197	25,506	40,797
13 Parent bank	4,264	7,692	12,625	10,987	17,108	13,994	17,735	22,379	19,448	34,937
14 Other	3,332	3,357	3,757	4,172	4,921	4,995	5,844	r5,818	6,058	5,860
15 Claims on foreigners	156,896	178,896	203,498	193,717	196,496	196,404	198,547	r203,370	202,061	211,257
16 Other branches of parent bank	37,909	44,256	55,408	49,864	50,077	49,615	50,738	52,884	53,421	58,041
17 Banks	66,331	70,786	78,686	74,861	77,236	77,528	79,002	81,316	79,830	83,950
18 Public borrowers[1]	9,022	12,632	19,567	20,338	21,091	20,851	20,815	20,552	20,187	20,082
19 Nonbank foreigners	43,634	51,222	49,837	48,654	48,092	48,410	47,992	r48,618	48,623	49,184
20 Other assets	3,204	3,820	5,060	5,714	5,928	6,511	6,185	6,336	6,472	6,662
	United Kingdom									
21 **Total, all currencies**	**81,466**	**90,933**	**106,593**	**101,179**	**102,144**	**102,876**	**104,915**	**112,881**	**115,217**	**120,703**
22 Claims on United States	3,354	4,341	5,370	3,912	5,019	5,268	6,303	r7,492	8,408	10,559
23 Parent bank	2,376	3,518	4,448	2,689	3,544	3,679	4,410	5,495	6,177	8,520
24 Other	978	823	922	1,223	1,475	1,589	1,893	r1,997	2,231	2,039
25 Claims on foreigners	75,859	84,016	98,137	94,032	93,840	94,120	95,266	r101,693	103,033	106,394
26 Other branches of parent bank	19,753	22,017	27,830	24,474	24,911	24,435	25,248	29,158	28,376	31,800
27 Banks	38,089	39,899	45,013	44,032	42,964	43,308	43,657	44,800	46,291	46,625
28 Public borrowers[1]	1,274	2,206	4,522	4,548	4,608	4,547	4,579	4,872	4,489	4,639
29 Nonbank foreigners	16,743	19,895	20,772	20,978	21,357	21,830	21,782	r22,863	23,877	23,330
30 Other assets	2,253	2,576	3,086	3,235	3,285	3,488	3,346	3,696	3,776	3,750
31 **Total payable in U.S. dollars**	**61,587**	**66,635**	**75,860**	**70,525**	**71,499**	**72,015**	**73,480**	**78,155**	**79,211**	**85,380**
32 Claims on United States	3,275	4,100	5,113	3,618	4,710	4,946	5,981	r7,033	7,956	10,146
33 Parent bank	2,374	3,431	4,386	2,610	3,488	3,612	4,374	5,386	6,060	8,443
34 Other	902	669	727	1,008	1,222	1,334	1,607	r1,647	1,896	1,703
35 Claims on foreigners	57,488	61,408	69,416	65,416	65,214	65,356	65,968	r69,451	69,496	73,503
36 Other branches of parent bank	17,249	18,947	22,838	19,884	20,370	19,866	20,505	23,999	23,481	26,983
37 Banks	28,983	28,530	31,482	30,185	29,393	29,924	30,211	29,803	30,626	31,318
38 Public borrowers[1]	846	1,669	3,317	3,414	3,523	3,429	3,331	3,396	3,166	3,210
39 Nonbank foreigners	10,410	12,263	11,779	11,933	11,928	12,137	11,921	r12,253	12,223	11,992
40 Other assets	824	1,126	1,331	1,491	1,575	1,713	1,531	1,671	1,759	1,731
	Bahamas and Caymans									
41 **Total, all currencies**	**66,774**	**79,052**	**91,735**	**88,999**	**97,509**	**93,832**	**98,057**	**103,387**	**98,839**	**113,512**
42 Claims on United States	3,508	5,782	9,635	10,000	15,774	12,859	16,360	19,979	16,613	29,021
43 Parent bank	1,141	3,051	6,429	6,786	12,158	9,332	12,244	15,952	12,566	24,929
44 Other	2,367	2,731	3,206	3,214	3,616	3,527	4,116	4,027	4,047	4,092
45 Claims on foreigners	62,048	71,671	79,774	76,507	79,057	77,992	78,869	80,601	79,476	81,370
46 Other branches of parent bank	8,144	11,120	12,904	11,841	12,086	11,756	11,886	11,295	11,871	10,745
47 Banks	25,354	27,939	33,677	31,534	33,821	33,524	34,063	36,560	34,940	37,897
48 Public borrowers[1]	7,105	9,109	11,514	12,125	12,573	12,360	12,703	12,445	12,301	11,981
49 Nonbank foreigners	21,445	23,503	21,679	21,007	20,577	20,352	20,217	20,301	20,364	20,747
50 Other assets	1,217	1,599	2,326	2,492	2,678	2,981	2,828	2,807	2,750	3,121
51 **Total payable in U.S. dollars**	**62,705**	**73,987**	**85,417**	**82,616**	**91,184**	**87,875**	**91,829**	**97,028**	**92,216**	**106,767**

For notes see opposite page.

3.13 Continued

Liability account	1976	1977	1978[2]	1979 Feb.	Mar.	Apr.	May	June	July	Aug.^p
				All foreign countries						
52 **Total, all currencies**	**219,420**	**258,897**	**306,795**	**296,983**	**307,688**	**303,799**	**311,051**	**326,732**	**326,122**	**349,983**
53 To United States	32,719	44,154	57,948	54,731	56,447	56,039	57,668	61,056	60,129	67,746
54 Parent bank	19,773	24,542	28,564	24,529	21,484	23,992	23,440	19,362	20,263	20,221
55 Other banks in United States	12,946	19,613	12,338	9,196	12,547	9,891	9,904	14,988	12,456	17,887
56 Nonbanks			17,046	21,006	22,416	22,156	24,324	26,706	27,410	29,638
57 Foreigners	179,954	206,579	238,912	232,286	240,968	237,377	242,186	253,784	253,336	269,778
58 Other branches of parent bank	44,370	53,244	67,496	62,410	62,431	61,982	63,709	66,537	67,941	72,815
59 Banks	83,880	94,140	97,711	94,312	102,346	100,148	101,779	109,180	104,995	117,594
60 Official institutions	25,829	28,110	31,936	32,028	34,275	33,006	34,107	34,377	35,363	33,426
61 Nonbank foreigners	25,877	31,085	41,769	43,536	41,916	42,241	42,591	43,690	45,037	45,943
62 Other liabilities	6,747	8,163	9,935	9,966	10,273	10,383	11,197	11,892	12,657	12,459
63 **Total payable in U.S. dollars**	**173,071**	**198,572**	**230,810**	**221,051**	**229,706**	**226,469**	**232,240**	**243,093**	**240,054**	**263,927**
64 To United States	31,932	42,881	55,811	52,577	54,357	54,070	55,536	58,516	57,487	65,135
65 Parent bank	19,559	24,213	27,493	23,523	20,452	23,048	22,503	18,340	19,225	19,178
66 Other banks in United States	12,373	18,669	12,084	8,855	12,302	r9,688	9,671	14,690	12,150	17,424
67 Nonbanks			16,234	20,199	21,603	r21,334	23,362	25,486	26,112	28,533
68 To foreigners	137,612	151,363	169,927	163,029	169,665	166,928	170,528	178,217	176,189	192,067
69 Other branches of parent bank	37,098	43,268	53,396	48,411	48,134	48,371	49,420	51,007	52,039	56,719
70 Banks	60,619	64,872	63,000	59,226	65,597	63,977	65,250	70,848	65,648	77,936
71 Official institutions	22,878	23,972	26,404	26,413	28,524	27,108	28,310	28,117	29,497	27,383
72 Nonbank foreigners	17,017	19,251	27,127	28,979	27,410	27,472	27,548	28,245	29,005	30,029
73 Other liabilities	3,527	4,328	5,072	5,445	5,684	5,471	6,176	6,360	6,378	6,725
				United Kingdom						
74 **Total, all currencies**	**81,466**	**90,933**	**106,593**	**101,179**	**102,144**	**102,876**	**104,915**	**112,881**	**115,217**	**120,703**
75 To United States	5,997	7,753	9,730	9,214	10,086	10,781	11,697	12,779	13,626	17,174
76 Parent bank	1,198	1,451	1,887	1,731	1,461	1,814	2,113	1,505	1,706	2,669
77 Other banks in United States	4,798	6,302	4,232	3,216	3,677	3,541	3,380	4,265	4,842	6,175
78 Nonbanks			3,611	4,267	4,948	5,426	6,204	7,009	7,078	8,330
79 To foreigners	73,228	80,736	93,202	88,122	88,068	88,174	88,796	95,385	96,258	98,557
80 Other branches of parent bank	7,092	9,376	12,786	11,303	10,910	11,023	10,931	11,353	11,193	11,467
81 Banks	36,259	37,893	39,917	36,655	38,318	39,391	38,417	42,297	41,336	46,256
82 Official institutions	17,273	18,318	20,963	20,637	21,845	20,115	21,312	23,140	24,017	21,825
83 Nonbank foreigners	12,605	15,149	19,536	19,527	16,995	17,645	18,136	18,595	19,712	19,009
84 Other liabilities	2,241	2,445	3,661	3,843	3,990	3,921	4,422	4,717	5,333	4,972
85 **Total payable in U.S. dollars**	**63,174**	**67,573**	**77,030**	**72,293**	**72,639**	**72,653**	**74,127**	**79,256**	**80,398**	**86,642**
86 To United States	5,849	7,480	9,328	8,855	9,756	10,439	11,200	12,199	13,077	16,572
87 Parent bank	1,182	1,416	1,836	1,694	1,418	1,780	2,047	1,460	1,637	2,613
88 Other banks in United States	4,667	6,064	4,144	3,122	3,626	3,492	3,321	4,194	4,777	6,088
89 Nonbanks			3,348	4,039	4,712	5,167	5,832	6,545	6,663	7,871
90 To foreigners	56,372	58,977	66,216	61,729	61,215	60,689	60,948	65,081	65,403	68,035
91 Other branches of parent bank	5,874	7,505	9,635	8,393	7,985	7,706	7,777	7,711	7,377	7,720
92 Banks	25,527	25,608	25,287	21,911	23,017	24,002	22,684	25,436	23,893	28,698
93 Official institutions	15,423	15,482	17,091	16,868	18,030	16,197	17,486	19,093	20,288	18,119
94 Nonbank foreigners	9,547	10,382	14,203	14,557	12,183	12,784	13,001	12,841	13,845	13,498
95 Other liabilities	953	1,116	1,486	1,709	1,668	1,525	1,979	1,976	1,918	2,035
				Bahamas and Caymans						
96 **Total, all currencies**	**66,774**	**79,052**	**91,735**	**88,999**	**97,509**	**93,832**	**98,057**	**103,387**	**98,839**	**113,512**
97 To United States	22,721	32,176	39,431	37,552	38,672	37,698	38,764	40,063	37,974	41,767
98 Parent bank	16,161	20,956	20,456	16,732	14,877	16,627	16,057	12,286	12,242	11,127
99 Other banks in United States	6,560	11,220	6,199	4,863	7,044	5,224	5,404	8,973	6,342	10,266
100 Nonbanks			12,776	15,957	16,751	15,847	17,303	18,804	19,390	20,374
101 To foreigners	42,899	45,292	50,447	49,534	56,742	54,124	57,133	61,176	58,689	69,340
102 Other branches of parent bank	13,801	12,816	16,094	13,697	13,923	14,716	15,997	17,104	18,223	20,246
103 Banks	21,760	24,717	23,104	23,299	28,749	25,964	28,599	31,662	28,204	35,145
104 Official institutions	3,573	3,000	4,208	4,429	5,181	5,328	4,970	4,074	4,375	4,751
105 Nonbank foreigners	3,765	4,759	7,041	8,109	8,889	8,116	7,567	8,336	7,887	9,198
106 Other liabilities	1,154	1,584	1,857	1,913	2,095	2,010	2,160	2,148	2,176	2,405
107 **Total payable in U.S. dollars**	**63,417**	**74,463**	**87,014**	**84,337**	**92,673**	**88,942**	**92,797**	**97,993**	**93,470**	**107,623**

1. In May 1978 a broader category of claims on foreign public borrowers, including corporations that are majority owned by foreign governments, replaced the previous, more narrowly defined claims on foreign official institutions.

2. In May 1978 the exemption level for branches required to report was increased, which reduced the number of reporting branches.

3.14 SELECTED U.S. LIABILITIES TO FOREIGN OFFICIAL INSTITUTIONS

Millions of dollars, end of period

Item	1976	1977	1978 r	1979 Mar.	Apr.	May	June	July	Aug.	Sept. p
By type										
1 Total[1]	95,634	131,097	162,567	154,310	148,364	141,084	144,017	147,829	148,463	149,368
2 Liabilities reported by banks in the United States[2]	17,231	18,003	23,274	23,029	24,924	25,720	25,349	25,640	25,155	25,281
3 U.S. Treasury bills and certificates[3]	37,725	47,820	67,671	59,774	51,614	43,727	46,304	49,425	50,146	50,842
U.S. Treasury bonds and notes										
4 Marketable	11,788	32,164	35,912	36,086	36,329	36,179	36,478	37,510	38,025	38,071
5 Nonmarketable[4]	20,648	20,443	20,970	20,471	20,467	20,467	20,697	19,797	19,547	19,547
6 U.S. securities other than U.S. Treasury securities[5]	8,242	12,667	14,740	14,950	15,030	14,991	15,189	15,457	15,590	15,627
By area										
7 Total	95,634	131,097	162,567	154,310	148,364	141,084	144,017	147,829	148,463	149,368
8 Western Europe[1]	45,882	70,748	92,989	90,304	85,198	81,025	83,523	86,630	86,401	87,040
9 Canada	3,406	2,334	2,506	3,088	3,044	1,993	1,979	2,116	2,185	2,412
10 Latin America and Caribbean	4,926	4,649	5,045	4,221	4,671	4,822	4,610	5,397	4,497	4,879
11 Asia	37,767	50,693	58,858	53,888	52,086	49,827	50,573	50,380	51,749	52,087
12 Africa	1,893	1,742	2,423	2,135	2,529	2,604	2,614	2,618	3,219	2,513
13 Other countries[6]	1,760	931	746	674	836	813	718	688	412	437

1. Includes the Bank for International Settlements.
2. Principally demand deposits, time deposits, bankers acceptances, commercial paper, negotiable time certificates of deposit, and borrowings under repurchase agreements.
3. Includes nonmarketable certificates of indebtedness (including those payable in foreign currencies through 1974) and Treasury bills issued to official institutions of foreign countries.
4. Excludes notes issued to foreign official nonreserve agencies. Includes bonds and notes payable in foreign currencies.
5. Debt securities of U.S. government corporations and federally sponsored agencies, and U.S. corporate stocks and bonds.
6. Includes countries in Oceania and Eastern Europe.

NOTE. Based on Treasury Department data and on data reported to the Treasury Department by banks (including Federal Reserve Banks) and securities dealers in the United States.

3.15 LIABILITIES TO AND CLAIMS ON FOREIGNERS Reported by Banks in the United States Payable in Foreign Currencies

Millions of dollars, end of period

Item	1976	1977	1978 r	1978 Sept. r	1978 Dec. r	1979 Mar. r	1979 June
1 Banks' own liabilities	781	925	2,235	1,771	2,235	1,781	1,986
2 Banks' own claims[1]	1,834	2,356	3,522	2,950	3,522	2,602	2,530
3 Deposits	1,103	941	1,650	1,375	1,650	1,121	1,345
4 Other claims	731	1,415	1,871	1,575	1,871	1,481	1,185
5 Claims of banks' domestic customers[2]	....	....	367	446	367	476	521

1. Includes claims of banks' domestic customers through March 1978.
2. Assets owned by customers of the reporting bank located in the United States that represent claims on foreigners held by reporting banks for the accounts of their domestic customers.

NOTE. Data on claims exclude foreign currencies held by U.S. monetary authorities.

3.16 LIABILITIES TO FOREIGNERS Reported by Banks in the United States
Payable in U.S. dollars

Millions of dollars, end of period

	Holder and type of liability	1976	1977	1978	1979 Mar.	1979 Apr.	1979 May	1979 June	1979 July	1979 Aug.p	1979 Sept.p
1	**All foreigners**	**110,657**	**126,168**	**r167,087**	**r166,934**	**r160,248**	**r159,114**	**167,855**	**168,957**	**191,302**	**185,369**
2	Banks' own liabilities	....	....	r78,995	r85,569	r86,152	r93,689	100,018	97,255	117,493	111,398
3	Demand deposits	16,803	18,996	19,201	16,696	18,367	r18,105	19,326	19,088	18,914	20,226
4	Time deposits[1]	11,347	11,521	12,473	r12,385	r12,516	r12,650	12,735	12,608	12,963	13,247
5	Other[2]	....	....	r9,767	r8,560	r10,264	r13,564	12,440	12,753	12,197	12,166
6	Own foreign offices[3]	....	....	r37,554	r47,928	r45,005	r49,370	55,517	52,806	73,418	65,761
7	Banks' custody liabilities[4]	....	....	88,091	r81,365	r74,096	r65,425	67,837	71,702	73,809	73,970
8	U.S. Treasury bills and certificates[5]	40,744	48,906	68,202	60,709	53,434	r45,103	47,425	51,467	52,347	52,429
9	Other negotiable and readily transferable instruments[6]	....	....	17,396	r18,487	r18,513	r18,118	18,115	18,020	19,180	19,208
10	Other	....	....	2,493	2,169	2,150	2,203	2,296	2,215	2,282	2,333
11	**Nonmonetary international and regional organizations[7]**	**5,714**	**3,274**	**2,617**	**2,364**	**2,300**	**2,757**	**2,851**	**3,437**	**3,551**	**2,909**
12	Banks' own liabilities	....	....	916	769	791	1,306	1,500	844	603	491
13	Demand deposits	290	231	330	276	270	298	264	216	154	161
14	Time deposits[1]	205	139	94	99	100	85	87	79	87	92
15	Other[2]	....	....	492	394	422	923	1,150	549	362	238
16	Banks' custody liabilities[4]	....	....	1,701	1,595	1,509	1,451	1,350	2,593	2,948	2,418
17	U.S. Treasury bills and certificates	2,701	706	201	211	212	175	199	1,345	1,531	912
18	Other negotiable and readily transferable instruments[6]	....	....	1,499	1,382	1,294	1,274	1,151	1,247	1,416	1,505
19	Other	....	....	1	2	2	1	1	1	1	1
20	**Official institutions[8]**	**54,956**	**65,822**	**r90,688**	**r82,802**	**r76,537**	**r69,447**	**71,653**	**75,066**	**75,301**	**76,122**
21	Banks' own liabilities	....	....	r12,112	r10,740	r12,675	r13,958	13,305	14,240	12,796	13,177
22	Demand deposits	3,394	3,528	3,390	2,864	3,583	3,170	3,196	2,850	2,397	3,130
23	Time deposits[1]	2,321	1,797	2,546	2,524	2,491	r2,567	2,506	2,590	2,607	2,514
24	Other[2]	....	....	6,176	5,352	r6,601	r8,221	7,604	8,800	7,791	7,534
25	Banks' custody liabilities[4]	....	....	78,577	72,062	63,862	55,489	58,347	60,826	62,506	62,945
26	U.S. Treasury bills and certificates[5]	37,725	47,820	67,415	59,774	51,614	43,727	46,304	49,425	50,146	50,842
27	Other negotiable and readily transferable instruments[6]	....	....	10,992	r12,245	r12,209	r11,692	12,003	11,350	12,307	11,999
28	Other	....	....	170	43	40	70	40	50	52	104
29	**Banks[9]**	**37,174**	**42,335**	**r57,758**	**r65,926**	**r64,363**	**r70,178**	**76,465**	**73,313**	**95,290**	**88,897**
30	Banks' own liabilities	....	....	r52,973	r61,016	r59,386	r65,010	71,434	68,362	90,271	83,739
31	Unaffiliated foreign banks	....	....	15,419	r13,088	r14,381	r15,640	15,917	15,556	16,853	17,979
32	Demand deposits	9,104	10,933	11,239	9,349	10,202	r10,278	11,138	11,361	11,761	12,424
33	Time deposits[1]	2,297	2,040	1,479	r1,258	1,302	r1,263	1,398	1,209	1,521	1,760
34	Other[2]	....	....	2,700	r2,481	2,877	r4,099	3,382	2,987	3,571	3,794
35	Own foreign offices[3]	....	....	r37,554	r47,928	r45,005	r49,370	55,517	52,806	73,418	65,761
36	Banks' custody liabilities[4]	....	....	4,785	4,910	r4,977	5,168	5,031	4,951	5,019	5,157
37	U.S. Treasury bills and certificates	119	141	300	425	456	508	407	347	384	406
38	Other negotiable and readily transferable instruments[6]	....	....	2,425	2,421	r2,499	2,593	2,480	2,556	2,508	2,605
39	Other	....	....	2,060	2,064	2,022	2,066	2,145	2,048	2,127	2,146
40	**Other foreigners**	**12,814**	**14,736**	**16,023**	**15,842**	**r17,047**	**r16,732**	**16,886**	**17,140**	**17,159**	**17,442**
41	Banks' own liabilities	....	....	12,995	13,044	13,299	r13,415	13,778	13,809	13,823	13,991
42	Demand deposits	4,015	4,304	4,242	4,207	4,312	4,358	4,729	4,661	4,602	4,510
43	Time deposits[1]	6,524	7,546	8,353	8,504	8,623	r8,735	8,744	8,731	8,748	8,881
44	Other[2]	....	....	399	333	364	322	305	417	473	600
45	Banks' custody liabilities[4]	....	....	3,028	r2,798	3,748	r3,317	3,108	3,332	3,335	3,451
46	U.S. Treasury bills and certificates	198	240	285	299	1,152	693	516	350	285	269
47	Other negotiable and readily transferable instruments[6]	....	....	2,481	2,439	2,511	r2,559	2,482	2,867	2,947	3,099
48	Other	....	....	262	60	85	66	111	115	103	83
49	MEMO: Negotiable time certificates of deposit held in custody for foreigners	....	....	11,007	r11,254	r11,151	r10,824	10,633	10,709	11,076	11,237

1. Excludes negotiable time certificates of deposit, which are included in "Other negotiable and readily transferable instruments." Data for time deposits prior to April 1978 represent short-term only.
2. Includes borrowing under repurchase agreements.
3. U.S. banks: includes amounts due to own foreign branches and foreign subsidiaries consolidated in "Consolidated Report of Condition" filed with bank regulatory agencies. Agencies, branches, and majority-owned subsidiaries of foreign banks: principally amounts due to head office or parent foreign bank, and foreign branches, agencies or wholly owned subsidiaries of head office or parent foreign bank.
4. Financial claims on residents of the United States, other than long-term securities, held by or through reporting banks.
5. Includes nonmarketable certificates of indebtedness (including those payable in foreign currencies through 1974) and Treasury bills issued to official institutions of foreign countries.
6. Principally bankers acceptances, commercial paper, and negotiable time certificates of deposit.
7. Principally the International Bank for Reconstruction and Development, and the Inter-American and Asian Development Banks.
8. Foreign central banks and foreign central governments and the Bank for International Settlements.
9. Excludes central banks, which are included in "Official institutions."

3.16 LIABILITIES TO FOREIGNERS Continued

Area and country	1976	1977	1978	1979 Mar.	1979 Apr.	1979 May	1979 June	1979 July	1979 Aug.[p]	1979 Sept.[p]
1 **Total**	**110,657**	**126,168**	**r167,087**	**r166,934**	**r160,248**	**r159,114**	**167,855**	**168,957**	**191,302**	**185,369**
2 **Foreign countries**	**104,943**	**122,893**	**r164,470**	**r164,570**	**r157,948**	**r156,357**	**165,004**	**165,520**	**187,750**	**182,460**
3 Europe	47,076	60,295	r85,387	r82,011	r77,532	r75,221	79,513	81,510	86,004	88,560
4 Austria	346	318	513	524	484	475	449	444	486	444
5 Belgium-Luxembourg	2,187	2,531	2,552	2,443	2,359	2,282	2,419	2,493	2,674	2,870
6 Denmark	356	770	1,946	2,131	1,596	1,526	1,165	1,560	1,412	1,100
7 Finland	416	323	346	361	367	401	457	466	508	415
8 France	4,876	5,269	9,208	r8,896	9,291	9,755	9,594	9,616	9,985	10,528
9 Germany	6,241	7,239	17,286	12,997	9,364	r7,617	8,492	10,724	10,429	13,128
10 Greece	403	603	826	671	r660	r678	684	760	695	691
11 Italy	3,182	6,857	7,674	8,142	8,939	9,751	9,656	8,458	9,676	8,576
12 Netherlands	3,003	2,869	2,402	2,766	2,816	2,889	2,628	2,355	2,627	2,254
13 Norway	782	944	1,271	1,572	1,477	1,456	1,348	1,263	1,320	1,401
14 Portugal	239	273	330	279	231	244	353	303	411	554
15 Spain	559	619	870	763	r1,077	897	1,211	1,107	1,060	1,133
16 Sweden	1,692	2,712	3,121	2,520	2,596	2,524	2,437	2,227	2,368	2,062
17 Switzerland	9,460	12,343	18,612	18,563	r15,567	r13,720	15,932	16,744	15,716	16,684
18 Turkey	166	130	157	132	110	127	156	193	160	168
19 United Kingdom	10,018	14,125	r14,265	r15,464	r16,150	r16,696	18,079	18,760	22,579	22,630
20 Yugoslavia	189	232	254	176	207	184	151	159	149	149
21 Other Western Europe[1]	2,673	1,804	3,346	r3,297	r3,897	r3,686	3,961	3,553	3,400	3,414
22 U.S.S.R.	51	98	82	59	84	58	62	63	80	45
23 Other Eastern Europe[2]	236	236	325	258	258	254	277	260	270	317
24 Canada	4,659	4,607	6,966	r7,991	r8,760	r7,959	6,674	7,610	8,376	8,329
25 Latin America and Caribbean	19,132	23,670	31,622	38,067	r36,009	r40,406	44,887	41,398	56,706	49,389
26 Argentina	1,534	1,416	1,484	1,534	1,483	1,886	1,891	1,693	1,757	1,928
27 Bahamas	2,770	3,596	6,743	13,078	r10,064	r11,682	16,383	13,022	23,912	18,442
28 Bermuda	218	321	428	375	351	345	402	339	415	392
29 Brazil	1,438	1,396	1,125	1,137	1,251	r1,576	1,332	1,294	1,040	1,198
30 British West Indies	1,877	3,998	5,991	6,971	6,916	9,313	8,943	8,085	13,367	11,132
31 Chile	337	360	399	343	447	368	403	465	459	420
32 Colombia	1,021	1,221	1,756	1,925	2,079	2,192	2,402	2,292	2,377	2,188
33 Cuba	6	6	13	6	7	9	7	7	6	9
34 Ecuador	320	330	322	330	335	318	391	443	449	364
35 Guatemala[3]	....	....	416	339	360	318	319	319	320	335
36 Jamaica[3]	....	....	52	75	80	78	46	104	67	175
37 Mexico	2,870	2,876	3,417	3,178	3,234	3,215	3,392	3,632	3,658	3,549
38 Netherlands Antilles[4]	158	196	308	318	335	396	414	422	361	358
39 Panama	1,167	2,331	2,992	2,938	3,368	r2,903	3,125	3,070	3,049	3,336
40 Peru	257	287	363	403	360	321	382	425	391	477
41 Uruguay	245	243	231	236	230	223	248	231	222	218
42 Venezuela	3,118	2,929	3,821	3,211	3,426	r3,664	2,982	3,920	3,180	2,903
43 Other Latin America and Caribbean	1,797	2,167	1,760	1,669	r1,681	1,601	1,825	1,636	1,675	1,965
44 Asia	29,766	30,488	r36,532	r32,778	r31,511	r28,510	29,513	30,614	32,019	32,213
China										
45 Mainland	48	53	67	280	45	41	46	42	41	45
46 Taiwan	990	1,013	502	600	667	r598	739	769	1,027	1,231
47 Hong Kong	894	1,094	1,256	r1,279	1,459	1,496	1,555	1,452	1,571	1,387
48 India	638	961	790	857	929	1,016	940	873	704	921
49 Indonesia	340	410	449	479	567	394	409	509	317	463
50 Israel	392	559	674	608	673	650	706	621	625	634
51 Japan	14,363	14,616	21,927	r18,127	r14,922	12,262	12,572	13,104	13,094	13,300
52 Korea	438	602	795	748	728	r986	809	816	825	938
53 Philippines	628	687	644	642	562	r605	690	640	619	632
54 Thailand	277	264	427	277	343	302	413	307	330	421
55 Middle East oil-exporting countries[5]	9,360	8,979	r7,588	r7,632	r9,242	r8,758	9,003	9,651	11,092	10,376
56 Other Asia	1,398	1,250	1,414	1,249	r1,375	r1,402	1,632	1,830	1,773	1,865
57 Africa	2,298	2,535	2,886	2,650	2,986	3,056	3,237	3,226	3,818	3,194
58 Egypt	333	404	404	329	359	297	306	378	302	245
59 Morocco	87	66	32	43	34	36	45	35	40	40
60 South Africa	141	174	168	242	246	206	316	196	174	235
61 Zaire	36	39	43	50	55	47	56	37	49	73
62 Oil-exporting countries[6]	1,116	1,155	1,525	1,256	1,554	1,523	1,566	1,699	2,441	1,832
63 Other Africa	585	698	715	729	738	946	948	881	811	768
64 Other countries	2,012	1,297	1,076	1,072	1,149	1,206	1,181	1,162	826	776
65 Australia	1,905	1,140	838	862	957	991	891	806	621	549
66 All other	107	158	239	211	192	215	290	355	205	227
67 Nonmonetary international and regional organizations	5,714	3,274	2,617	2,364	2,300	2,757	2,851	3,437	3,551	2,909
68 International	5,157	2,752	1,485	1,189	1,128	1,535	1,738	2,257	2,516	1,810
69 Latin American regional	267	278	808	872	872	892	829	917	793	824
70 Other regional[7]	290	245	324	303	300	330	284	263	242	275

1. Includes the Bank for International Settlements. Beginning April 1978, also includes Eastern European countries not listed in line 23.
2. Beginning April 1978 comprises Bulgaria, Czechoslovakia, German Democratic Republic, Hungary, Poland, and Romania.
3. Included in "Other Latin America and Caribbean" through March 1978.
4. Includes Surinam through December 1975.
5. Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).
6. Comprises Algeria, Gabon, Libya, and Nigeria.
7. Asian, African, Middle Eastern, and European regional organizations, except the Bank for International Settlements, which is included in "Other Western Europe."

3.17 BANKS' OWN CLAIMS ON FOREIGNERS Reported by Banks in the United States
Payable in U.S. Dollars
Millions of dollars, end of period

Area and country	1976	1977	1978	1979						
				Mar.	Apr.	May	June	July	Aug.p	Sept.p
1 **Total**	**79,301**	**90,206**	**r115,307**	**r108,210**	**r105,507**	**r106,554**	**115,297**	**113,417**	**125,837**	**127,175**
2 **Foreign countries**	**79,261**	**90,163**	**r115,250**	**r108,164**	**r105,460**	**r106,508**	**115,252**	**113,369**	**125,786**	**127,125**
3 Europe	14,776	18,114	r24,235	r21,279	r20,538	r20,267	24,377	24,097	25,752	28,360
4 Austria	63	65	140	177	130	150	169	188	223	191
5 Belgium-Luxembourg	482	561	1,200	r1,792	1,377	r1,328	1,689	1,657	1,483	1,735
6 Denmark	133	173	254	166	r199	168	140	137	141	166
7 Finland	199	172	305	297	250	184	186	220	247	227
8 France	1,549	2,082	3,742	2,921	2,907	2,701	3,517	3,205	3,240	3,740
9 Germany	509	644	900	907	806	792	843	944	890	1,841
10 Greece	279	206	164	r188	r168	r156	167	130	267	209
11 Italy	993	1,334	r1,508	r1,297	r1,411	1,440	1,332	1,196	1,474	1,566
12 Netherlands	315	338	680	r590	532	531	516	792	559	630
13 Norway	136	162	299	r205	r240	196	200	181	227	239
14 Portugal	88	175	171	209	208	190	172	235	297	325
15 Spain	745	722	1,110	r904	r803	r925	994	999	969	1,126
16 Sweden	206	218	537	312	300	231	247	401	482	459
17 Switzerland	379	564	1,283	r1,071	878	959	1,071	1,027	714	1,178
18 Turkey	249	360	283	r142	r145	119	135	118	148	119
19 United Kingdom	7,033	8,964	10,156	r8,583	r8,361	r8,530	11,272	10,697	12,344	12,384
20 Yugoslavia	234	311	363	448	r472	492	535	541	571	584
21 Other Western Europe[1]	85	86	122	124	r422	171	187	199	216	247
22 U.S.S.R.	485	413	366	319	298	291	300	282	292	326
23 Other Eastern Europe[2]	613	566	652	r627	r631	713	704	950	969	1,064
24 Canada	3,319	3,355	r5,152	r5,211	r4,801	r4,712	4,899	5,063	5,093	4,780
25 Latin America and Caribbean	38,879	45,850	r57,166	r53,715	r52,585	r53,708	57,328	54,015	62,928	62,494
26 Argentina	1,192	1,478	r2,281	r2,749	r3,095	3,406	3,200	3,339	3,257	3,286
27 Bahamas	15,464	19,858	r21,515	r19,490	r19,273	r19,996	19,113	16,572	19,932	19,141
28 Bermuda	150	232	r184	150	135	198	126	192	167	172
29 Brazil	4,901	4,629	6,251	r6,281	r6,189	r6,271	6,121	6,169	6,550	7,297
30 British West Indies	5,082	6,481	r9,391	r7,429	5,524	r4,896	9,221	6,525	10,564	9,100
31 Chile	597	675	r972	964	970	1,058	1,089	1,120	1,173	1,339
32 Colombia	675	671	1,012	1,004	945	r1,005	1,089	1,196	1,220	1,259
33 Cuba	13	10	*	4	4	4	4	4	6	4
34 Ecuador	375	517	705	839	903	877	908	916	921	944
35 Guatemala[3]	....	....	94	89	95	101	95	98	100	106
36 Jamaica[3]	....	....	40	61	63	64	40	47	30	33
37 Mexico	4,822	4,909	r5,423	r5,545	r5,753	6,024	6,424	7,171	7,697	8,395
38 Netherlands Antilles[4]	140	224	273	r273	213	234	280	392	342	306
39 Panama	1,372	1,410	r3,094	r2,930	r3,549	r3,702	3,600	4,189	4,400	4,524
40 Peru	933	962	918	834	r813	r739	720	727	730	708
41 Uruguay	42	80	52	46	48	61	58	56	66	60
42 Venezuela	1,828	2,318	3,474	r3,515	r3,545	3,601	3,793	3,819	4,043	4,205
43 Other Latin America and Caribbean	1,293	1,394	1,487	1,512	1,468	r1,470	1,447	1,483	1,731	1,615
44 Asia	19,204	19,236	r25,488	r25,037	r24,677	r24,893	25,535	27,138	29,117	28,476
China										
45 Mainland	3	10	4	16	20	22	9	20	29	25
46 Taiwan	1,344	1,719	1,499	r1,834	r1,818	1,812	1,882	1,891	1,970	1,936
47 Hong Kong	316	543	1,573	r2,037	r1,730	r1,970	2,105	1,978	1,788	1,832
48 India	69	53	54	52	73	r59	82	43	75	74
49 Indonesia	218	232	143	124	135	138	138	131	156	140
50 Israel	755	584	r870	r907	r779	824	842	865	857	882
51 Japan	11,040	9,839	r12,686	r12,762	r12,134	12,342	12,523	13,908	15,199	14,654
52 Korea	1,978	2,336	r2,282	r2,533	r2,708	r2,940	3,366	3,465	3,612	3,713
53 Philippines	719	594	680	660	710	r697	678	743	797	637
54 Thailand	442	633	758	r765	760	836	895	925	919	1,032
55 Middle East oil-exporting countries[5]	1,459	1,746	3,135	1,939	2,437	1,723	1,586	1,784	1,689	1,903
56 Other Asia	863	947	1,804	r1,408	r1,374	1,531	1,429	1,386	2,026	1,648
57 Africa	2,311	2,518	2,221	r1,966	1,977	r1,971	2,128	2,043	1,969	2,099
58 Egypt	126	119	107	r71	104	r125	178	115	126	120
59 Morocco	27	43	82	66	64	46	37	34	31	23
60 South Africa	957	1,066	860	701	680	719	745	745	730	704
61 Zaire	112	98	164	155	151	151	151	189	151	149
62 Oil-exporting countries[6]	524	510	452	455	462	460	478	452	398	563
63 Other	565	682	556	518	516	471	539	508	533	539
64 Other countries	772	1,090	988	r956	882	956	984	1,013	926	916
65 Australia	597	905	877	r825	755	789	779	765	756	743
66 All other	175	186	111	131	127	167	205	248	170	172
67 Nonmonetary international and regional organizations[7]	40	43	56	46	46	46	45	47	51	50

1. Includes the Bank for International Settlements. Beginning April 1978, also includes Eastern European countries not listed in line 23.
2. Beginning April 1978 comprises Bulgaria, Czechoslavkia, German Democratic Republic, Hungary, Poland, and Romania.
3. Included in "Other Latin America and Caribbean" through March 1978.
4. Includes Surinam through December 1975.
5. Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).
6. Comprises Algeria, Gabon, Libya, and Nigeria.
7. Excludes the Bank for International Settlements, which is included in "Other Western Europe."

NOTE. Data for period prior to April 1978 include claims of banks' domestic customers on foreigners.

3.18 BANKS' OWN AND DOMESTIC CUSTOMERS' CLAIMS ON FOREIGNERS Reported by Banks in the United States

Payable in U.S. Dollars

Millions of dollars, end of period

Type of claim	1976	1977	1978 r	1979						
				Mar. r	Apr. r	May r	June	July r	Aug.	Sept. p
1 **Total**	**79,301**	**90,206**	**126,392**	**120,506**	....	....	**128,845**	....	....	....
2 Banks' own claims on foreigners	....	....	115,307	108,210	105,507	106,554	115,297	113,417	125,837	127,175
3 Foreign public borrowers	....	....	10,103	10,763	10,982	10,542	11,268	11,737	12,436	13,729
4 Own foreign offices[1]	....	....	41,465	36,512	36,853	35,889	37,347	36,265	40,230	39,671
5 Unaffiliated foreign banks	....	....	40,427	37,277	34,174	35,415	41,512	38,843	45,127	45,944
6 Deposits	....	....	5,721	6,358	5,430	5,498	7,384	6,990	7,956	7,631
7 Other	....	....	34,706	30,920	28,744	29,917	34,128	31,853	37,170	38,313
8 All other foreigners	....	....	23,312	23,657	23,498	24,707	25,169	26,572	28,044	27,831
9 Claims of banks' domestic customers[2]	....	....	11,085	12,296	....	....	13,548	....	....	....
10 Deposits	....	....	972	1,143	....	....	1,438	....	....	....
11 Negotiable and readily transferable instruments[3]	....	....	4,762	5,511	....	....	6,230	....	....	....
12 Outstanding collections and other claims[4]	5,756	6,176	5,351	5,641	....	....	5,879	....	....	....
13 MEMO: Customer liability on acceptances	....	....	14,918	15,098	....	....	16,838	....	....	....
Dollar deposits in banks abroad, reported by nonbanking business enterprises in the United States[5]	....	....	11,674	15,766	16,550	17,453	15,275	18,156	18,031	n.a.

1. *U.S. banks:* includes amounts due from own foreign branches and foreign subsidiaries consolidated in "Consolidated Report of Condition" filed with bank regulatory agencies. *Agencies, branches, and majority-owned subsidiaries of foreign banks:* principally amounts due from head office or parent foreign bank, and foreign branches, agencies, or wholly owned subsidiaries of head office or parent foreign bank.
2. Assets owned by customers of the reporting bank located in the United States that represent claims on foreigners held by reporting banks for the account of their domestic customers.
3. Principally negotiable time certificates of deposit and bankers acceptances.
4. Data for March 1978 and for period prior to that are outstanding collections only.
5. Includes demand and time deposits and negotiable and nonnegotiable certificates of deposit denominated in U.S. dollars issued by banks abroad. For description of changes in data reported by nonbanks, see July 1979 BULLETIN, p. 550.

NOTE. Beginning April 1978, data for banks' own claims are given on a monthly basis, but the data for claims of banks' domestic customers are available on a quarterly basis only.

3.19 BANKS' OWN CLAIMS ON UNAFFILIATED FOREIGNERS Reported by Banks in the United States

Payable in U.S. Dollars

Millions of dollars, end of period

Maturity; by borrower and area	1978			1979		
	June r	Sept. r	Dec. r	Mar. r	June	Sept.
1 **Total**	**55,902**	**60,096**	**73,633**	**71,528**	**77,339**	....
By borrower						
2 Maturity of 1 year or less[1]	44,558	47,230	58,341	55,347	59,763	....
3 Foreign public borrowers	3,128	3,709	4,579	4,627	4,551	....
4 All other foreigners	41,430	43,521	53,762	50,720	55,212	....
5 Maturity of over 1 year[1]	11,343	12,866	15,292	16,181	17,575	....
6 Foreign public borrowers	3,243	4,230	5,336	5,935	6,372	....
7 All other foreigners	8,101	8,635	9,956	10,246	11,204	....
By area						
Maturity of 1 year or less[1]						
8 Europe	9,710	10,513	15,121	12,376	13,998	....
9 Canada	1,598	1,953	2,670	2,512	2,678	....
10 Latin American and Caribbean	17,439	18,624	20,912	21,634	22,937	....
11 Asia	13,831	14,014	17,572	16,993	18,166	....
12 Africa	1,457	1,535	1,496	1,290	1,423	....
13 All other[2]	523	591	569	541	563	....
Maturity of over 1 year[1]						
14 Europe	2,920	3,102	3,149	3,108	3,484	....
15 Canada	344	794	1,426	1,456	1,212	....
16 Latin America and Caribbean	5,900	6,877	8,469	9,336	10,214	....
17 Asia	1,297	1,303	1,399	1,471	1,871	....
18 Africa	631	580	636	629	613	....
19 All other[2]	252	211	214	180	182	....

1. Remaining time to maturity.
2. Includes nonmonetary international and regional organizations.

NOTE. The first available data are for June 1978.

3.20 CLAIMS ON FOREIGN COUNTRIES Held by U.S. Offices and Foreign Branches of U.S.-Chartered Banks[1]
Billions of dollars, end of period

Area or Country	1975	1976	1977 June	1977 Sept.	1977 Dec.	1978 Mar.	1978 June[7]	1978 Sept.	1978 Dec.	1979 Mar.	1979 June
1 **Total**	**167.0**	**207.7**	**217.8**	**226.7**	**239.4**	**247.2**	**245.7**	**246.7**	**265.3**	**263.4**	**273.6**
2 G-10 countries and Switzerland	88.0	100.1	104.1	108.8	115.3	116.6	112.8	113.7	124.9	118.8	124.5
3 Belgium-Luxembourg	5.3	6.1	6.3	7.1	8.4	8.3	8.3	8.4	9.0	9.4	9.2
4 France	8.5	10.0	10.6	10.5	11.0	11.4	11.4	11.7	12.2	11.7	12.8
5 Germany	7.8	8.7	8.2	8.6	9.6	9.0	9.1	9.7	11.4	10.5	10.8
6 Italy	5.2	5.8	6.4	6.0	6.5	6.0	6.4	6.0	6.6	5.7	6.1
7 Netherlands	2.8	2.8	3.1	3.0	3.5	3.4	3.4	3.5	4.4	3.8	4.0
8 Sweden	1.0	1.2	1.7	1.9	1.9	2.0	2.1	2.2	2.1	2.0	2.0
9 Switzerland	2.4	3.0	3.0	3.3	3.3	4.0	4.1	4.3	5.4	4.5	4.8
10 United Kingdom	36.3	41.5	41.4	44.1	46.5	46.5	45.0	44.4	47.2	46.4	50.2
11 Canada	3.8	5.1	6.4	6.6	5.8	6.9	5.1	4.9	5.9	5.8	5.5
12 Japan	14.9	15.9	17.0	17.6	18.8	19.1	17.9	18.6	20.7	19.0	19.1
13 Other developed countries	10.7	15.1	16.9	18.1	18.6	20.5	19.3	18.7	19.2	18.3	18.8
14 Austria	.7	1.2	1.2	1.3	1.3	1.5	1.5	1.5	1.7	1.7	2.2
15 Denmark	.6	1.0	1.4	1.5	1.6	1.6	1.7	1.9	2.0	2.0	2.0
16 Finland	.9	1.1	1.1	1.2	1.2	1.2	1.1	1.0	1.2	1.1	1.1
17 Greece	1.4	1.7	1.8	2.0	2.2	2.7	2.3	2.2	2.3	2.3	2.2
18 Norway	1.4	1.5	1.7	1.8	1.9	1.9	2.1	2.1	2.1	2.1	2.1
19 Portugal	.3	.4	.5	.6	.6	.7	.6	.5	.6	.6	.5
20 Spain	1.9	2.8	3.2	3.5	3.6	3.6	3.6	3.5	3.4	3.0	3.0
21 Turkey	.6	1.3	1.4	1.4	1.5	1.5	1.4	1.5	1.5	1.4	1.4
22 Other Western Europe	.6	.7	.8	1.2	.9	1.4	1.2	1.0	1.0	1.1	1.2
23 South Africa	1.2	2.2	2.3	2.3	2.4	2.5	2.4	2.2	2.0	1.7	1.8
24 Australia	1.3	1.2	1.5	1.5	1.4	1.9	1.4	1.3	1.4	1.3	1.3
25 Oil-exporting countries[2]	6.9	12.6	15.0	16.5	17.6	19.2	19.1	20.4	22.8	22.9	22.6
26 Ecuador	.4	.7	.9	1.1	1.1	1.3	1.4	1.6	1.6	1.5	1.6
27 Venezuela	2.3	4.1	4.6	5.1	5.5	5.5	5.6	6.2	7.2	7.2	7.5
28 Indonesia	1.6	2.2	2.2	2.2	2.2	2.1	1.9	1.9	2.0	1.9	1.9
29 Middle East countries	1.6	4.2	5.5	6.3	6.9	8.3	8.3	8.7	9.5	9.7	9.0
30 African countries	1.0	1.4	1.8	1.9	1.9	2.0	1.9	2.0	2.5	2.6	2.6
31 Non-oil developing countries	34.2	43.1	45.8	47.6	50.0	49.9	48.9	49.5	52.4	53.1	56.1
Latin America											
32 Argentina	1.7	1.9	2.1	2.4	2.9	3.0	3.0	2.9	3.0	2.9	3.5
33 Brazil	8.0	11.1	11.8	11.8	12.7	13.0	13.3	14.0	14.9	14.6	15.0
34 Chile	.5	.8	.7	.8	.9	1.1	1.3	1.3	1.6	1.7	1.8
35 Colombia	1.2	1.3	1.2	1.2	1.3	1.3	1.3	1.3	1.4	1.5	1.5
36 Mexico	9.0	11.7	12.2	12.6	11.9	11.2	11.0	10.7	10.8	10.9	11.0
37 Peru	1.4	1.8	2.0	1.9	1.9	1.7	1.8	1.8	1.7	1.6	1.4
38 Other Latin America	2.6	2.7	2.4	2.5	2.7	3.5	3.3	3.4	3.6	3.5	3.3
Asia											
China											
39 Mainland	*	*	*	*	*	*	*	*	*	.1	.1
40 Taiwan	1.7	2.3	2.7	2.9	3.1	2.5	2.4	2.4	2.9	3.1	3.3
41 India	.2	.2	.2	.3	.3	.3	.2	.3	.2	.2	.2
42 Israel	.9	1.0	.8	.7	.9	.8	.7	.7	1.0	1.0	.9
43 Korea (South)	2.4	3.1	3.4	3.6	3.9	3.7	3.6	3.5	3.9	4.2	5.0
44 Malaysia[3]	.3	.5	.7	.7	.7	.6	.6	.6	.6	.6	.7
45 Philippines	1.7	2.2	2.3	2.4	2.5	2.6	2.7	2.8	2.8	3.2	3.7
46 Thailand	.7	.7	.8	.9	1.7	1.1	1.1	1.1	1.2	1.2	1.4
47 Other Asia	.4	.4	.3	.4	.3	.4	.3	.3	.2	.3	.4
Africa											
48 Egypt	.4	.4	.4	.4	.3	.3	.3	.4	.4	.4	.7
49 Morocco	.1	.2	.3	.4	.5	.4	.5	.5	.6	.6	.5
50 Zaire	.3	.2	.3	.3	.3	.3	.2	.2	.2	.2	.2
51 Other Africa[4]	.5	.6	1.0	1.2	1.2	1.4	1.2	1.3	1.4	1.4	1.5
52 Eastern Europe	3.7	5.2	5.5	5.5	6.5	6.3	6.4	6.6	6.9	6.7	6.7
53 U.S.S.R.	1.0	1.5	1.5	1.5	1.6	1.4	1.4	1.4	1.3	1.1	.9
54 Yugoslavia	.6	.8	.9	1.0	1.1	1.2	1.3	1.3	1.5	1.6	1.7
55 Other	2.1	2.8	3.1	3.0	3.8	3.7	3.7	3.9	4.1	4.0	4.1
56 Offshore banking centers	19.4	26.2	25.4	25.3	26.1	29.0	31.1	29.2	30.0	34.1	35.0
57 Bahamas	7.3	11.8	9.5	9.9	9.8	11.3	11.8	11.1	9.9	12.8	13.2
58 Bermuda	.5	.5	.5	.5	.6	.6	.7	.7	.7	.6	.7
59 Cayman Islands and other British West Indies	2.5	3.8	4.8	4.3	3.8	4.5	6.3	6.2	6.9	7.3	7.1
60 Netherlands Antilles	.6	.6	.5	.6	.7	.7	.6	.6	.8	.7	.8
61 Panama	2.6	2.7	2.9	2.8	3.1	3.2	3.2	3.1	2.9	3.3	3.4
62 Lebanon	.2	.1	.2	.1	.2	.2	.1	.1	.1	.1	.1
63 Hong Kong	1.6	2.3	2.8	3.1	3.7	4.0	4.1	4.0	4.3	4.7	5.1
64 Singapore	3.8	4.4	4.2	3.9	3.7	4.0	3.8	2.9	3.9	4.1	4.2
65 Others[5]	.1	*	*	.1	.5	.5	.5	.5	.5	.5	.4
66 Miscellaneous and unallocated[6]	4.1	5.4	5.1	5.0	5.3	5.7	8.1	8.6	9.1	9.5	9.9

1. The banking offices covered by these data are the U.S. offices and foreign branches of U.S.-owned banks and of U.S. subsidiaries of foreign-owned banks. Offices *not* covered include (1) U.S. agencies and branches of foreign banks, and (2) foreign subsidiaries of U.S. banks. To minimize duplication, the data are adjusted to exclude the claims on foreign branches held by a U.S. office or another foreign branch of the same banking institution. The data in this table combine foreign branch claims in table 3.13 (the sum of lines 7 through 10) with the claims of U.S. offices in table 3.17 (excluding those held by agencies and branches of foreign banks and those constituting claims on own foreign branches). However, see also footnote 2.

2. Includes Algeria, Bahrain, Gabon, Iran, Iraq, Kuwait, Libya, Nigeria, Oman, Qatar, Saudi Arabia, and United Arab Emirates in addition to countries shown individually.

3. Foreign branch claims only through December 1976.

4. Excludes Liberia.

5. Foreign branch claims only.

6. Includes New Zealand, Liberia, and international and regional organizations.

7. For June 1978 and subsequent dates, the claims of the U.S. offices in this table include only banks' own claims payable in dollars. For earlier dates the claims of the U.S. offices also include customer claims and foreign currency claims (amounting in June 1978 to $10 billion).

3.21 MARKETABLE U.S. TREASURY BONDS AND NOTES Foreign Holdings and Transactions

Millions of dollars

Country or area	1977	1978	1979	1979						
			Jan.–Sept.p	Mar.	Apr.	May	June	July	Aug.p	Sept.p
	Holdings (end of period)[4]									
1 **Estimated total**[1]	**38,640**	**44,938**	....	**47,529**	**48,131**	**47,218**	**47,494**	**48,991**	**49,575**	**50,199**
2 Foreign countries[1]	33,894	39,817	....	42,932	43,177	43,055	43,454	44,544	44,979	45,002
3 Europe[1]	13,936	17,072	....	20,172	20,593	20,667	21,047	22,213	22,558	22,541
4 Belgium-Luxembourg	19	19	....	19	19	20	24	24	24	65
5 Germany[1]	3,168	8,705	....	10,216	10,812	10,828	10,751	10,781	10,952	10,953
6 Netherlands	911	1,358	....	1,587	1,637	1,672	1,695	1,655	1,577	1,667
7 Sweden	100	285	....	360	415	479	484	481	525	550
8 Switzerland	497	977	....	1,537	1,510	1,458	1,582	1,843	2,048	2,496
9 United Kingdom	8,888	5,373	....	5,991	5,735	5,697	6,016	6,938	6,895	6,193
10 Other Western Europe	349	354	....	461	464	513	496	491	538	617
11 Eastern Europe	4	....	....	....	....	....	....	....	....	....
12 Canada	288	152	....	166	226	216	227	232	233	233
13 Latin America and Caribbean	551	416	....	418	397	387	387	537	539	539
14 Venezuela	199	144	....	183	183	183	183	183	183	183
15 Other Latin American and Caribbean	183	110	....	72	52	42	42	192	192	192
16 Netherlands Antilles	170	162	....	162	162	162	162	162	165	165
17 Asia	18,745	21,488	....	21,488	21,273	21,097	21,103	20,874	20,960	21,000
18 Japan	6,860	11,528	....	12,729	12,982	13,014	13,040	13,090	12,818	12,789
19 Africa	362	691	....	691	691	691	691	691	691	691
20 All other	11	−3	....	−3	−3	−3	−3	−3	−3	−3
21 Nonmonetary international and regional organizations	4,746	5,121	....	4,597	4,954	4,163	4,040	4,447	4,596	5,197
22 International	4,646	5,089	....	4,560	4,915	4,114	3,993	4,400	4,551	5,150
23 Latin American regional	100	33	....	38	38	48	48	48	46	46
	Transactions (net purchases, or sales (−), during period)									
24 **Total**[1]	**22,843**	**6,297**	**5,261**	**1,862**	**602**	**−913**	**277**	**1,497**	**584**	**623**
25 Foreign countries[1]	21,130	5,921	5,185	1,968	246	−122	399	1,090	435	23
26 Official institutions	20,377	r3,747	2,159	524	242	−149	298	1,033	515	45
27 Other foreign[1]	753	r2,175	3,026	1,443	4	27	101	57	−81	−22
28 Nonmonetary international and regional organizations	1,713	375	77	−106	356	−791	−121	407	149	600
MEMO: Oil-exporting countries										
29 Middle East[2]	4,451	−1,785	−1,546	−31	−452	−190	8	−193	394	72
30 Africa[3]	−181	329	....	....	....	....	....	....	....	....

1. Beginning December 1978, includes U.S. Treasury notes publicly issued to private foreign residents.
2. Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).
3. Comprises Algeria, Gabon, Libya, and Nigeria.
4. Estimated official and private holdings of marketable U.S. Treasury securities with an original maturity of more than 1 year. Data are based on a benchmark survey of holdings as of Jan. 31, 1971, and monthly transactions reports. Excludes nonmarketable U.S. Treasury bonds and notes held by official institutions of foreign countries.

3.22 FOREIGN OFFICIAL ASSETS HELD AT FEDERAL RESERVE BANKS

Millions of dollars, end of period

Assets	1976	1977	1978	1979						
				Apr.	May	June	July	Aug.	Sept.	Oct.p
1 Deposits	352	424	367	388	407	326	372	325	347	351
Assets held in custody										
2 U.S. Treasury securities[1]	66,532	91,962	117,126	99,674	91,327	95,301	99,004	98,794	100,383	97,965
3 Earmarked gold[2]	16,414	15,988	15,463	15,406	15,381	15,356	15,322	15,296	15,294	15,253

1. Marketable U.S. Treasury bills, notes, and bonds; and nonmarketable U.S. Treasury securities payable in dollars and in foreign currencies.
2. The value of earmarked gold increased because of the changes in par value of the U.S. dollar in May 1972 and in October 1973.

NOTE. Excludes deposits and U.S. Treasury securities held for international and regional organizations. Earmarked gold is gold held for foreign and international accounts and is not included in the gold stock of the United States.

3.23 FOREIGN TRANSACTIONS IN SECURITIES

Millions of dollars

Transactions, and area or country	1977	1978	1979 Jan.–Sept.[p]	1979 Mar.	Apr.	May	June	July	Aug.[p]	Sept.[p]
	U.S. corporate securities									
STOCKS										
1 Foreign purchases	14,155	20,142	15,969	r1,944	r1,615	r1,579	1,860	1,766	2,382	2,074
2 Foreign sales	11,479	17,723	14,730	r1,439	1,520	r1,389	1,794	1,774	2,224	2,023
3 Net purchases, or sales (−)	**2,676**	**2,420**	**1,239**	**r505**	**r95**	**191**	**66**	**−8**	**158**	**51**
4 Foreign countries	**2,661**	**2,466**	**1,225**	**r502**	**94**	**191**	**67**	**−8**	**156**	**58**
5 Europe	1,006	1,283	98	104	−2	136	11	−42	−48	−107
6 France	40	47	180	33	31	48	41	18	19	−20
7 Germany	291	620	−161	−2	−59	−1	−16	−19	−30	−37
8 Netherlands	22	−22	−96	−19	−10	−7	−15	8	−3	*
9 Switzerland	152	−585	−234	−12	r−16	18	−3	−52	−87	−64
10 United Kingdom	613	1,230	447	109	52	74	5	−12	97	19
11 Canada	65	74	421	57	30	47	33	30	78	145
12 Latin America and Caribbean	127	151	40	36	22	−18	−28	−17	45	−8
13 Middle East[1]	1,390	781	433	242	48	20	15	−7	44	41
14 Other Asia	59	187	239	61	−3	9	39	32	34	−12
15 Africa	5	−13	−12	1	−3	−2	−3	−4	−4	−2
16 Other countries	8	3	6	1	2	−1	−1	1	7	1
17 Nonmonetary international and regional organizations	**15**	**−46**	**14**	**3**	**1**	*****	**−1**	*****	**2**	**−7**
BONDS[2]										
18 Foreign purchases	7,739	r7,975	6,216	r593	589	863	1,081	869	729	398
19 Foreign sales	3,560	r5,517	5,442	489	378	922	793	648	673	288
20 Net purchases, or sales (−)	**4,179**	**r2,458**	**774**	**r104**	**210**	**−59**	**288**	**221**	**56**	**110**
21 Foreign countries	**4,083**	**r2,049**	**937**	**r91**	**106**	**87**	**254**	**222**	**71**	**23**
22 Europe	1,850	r908	758	r12	139	121	163	159	−5	19
23 France	−34	30	−2	13	−2	−1	8	−34	−3	−1
24 Germany	−20	68	86	4	19	6	24	−11	−10	−1
25 Netherlands	72	r12	−160	−27	−20	−37	−32	−9	−19	−2
26 Switzerland	94	−100	−14	12	8	−41	−1	−4	−8	4
27 United Kingdom	1,690	930	800	27	134	151	169	232	24	23
28 Canada	141	102	98	33	6	4	*	8	9	17
29 Latin America and Caribbean	64	r98	79	24	9	7	−10	11	10	−4
30 Middle East[1]	1,695	810	−115	25	−61	−73	52	40	50	−7
31 Other Asia	338	131	115	−3	14	28	48	5	7	−4
32 Africa	−6	−1	2	*	*	*	*	*	*	1
33 Other countries	*	1	*	1	−1	*	*	*	*	*
34 Nonmonetary international and regional organizations	**96**	**409**	**−164**	**13**	**104**	**−146**	**34**	**−1**	**−14**	**87**
	Foreign securities									
35 Stocks, net purchases, or sales (−)	−410	527	−458	2	13	67	−18	−67	−100	−338
36 Foreign purchases	2,255	3,666	3,278	331	369	554	403	329	377	420
37 Foreign sales	2,665	3,139	3,736	329	356	487	421	396	476	758
38 Bonds, net purchases, or sales (−)	−5,096	r−4,018	−3,240	r−30	r−11	r10	−689	−345	−543	−715
39 Foreign purchases	8,040	r11,043	9,078	r1,194	r893	r860	1,011	984	1,575	824
40 Foreign sales	13,136	15,061	12,318	r1,224	r904	r851	1,700	1,330	2,118	1,539
41 Net purchases, or sales (−) of stocks and bonds	**−5,506**	**r−3,491**	**−3,698**	**r−28**	**r2**	**r77**	**−707**	**−412**	**−643**	**−1,053**
42 Foreign countries	−3,949	r−3,314	−2,891	r−11	r−11	r76	−425	−436	−559	−877
43 Europe	−1,100	−40	−1,199	r11	r−165	r−25	−144	−305	−290	−120
44 Canada	−2,404	r−3,238	−2,003	−228	10	85	−221	−178	−128	−854
45 Latin America and Caribbean	−82	201	379	r55	55	26	53	30	30	*
46 Asia	−97	350	−77	152	84	−14	−114	16	−172	92
47 Africa	2	−441	−9	−8	2	4	4	*	−1	*
48 Other countries	−267	−146	18	7	2	1	−4	2	2	5
49 Nonmonetary international and regional organizations	**−1,557**	**−177**	**−807**	**−17**	**13**	**1**	**−282**	**24**	**−83**	**−176**

1. Comprises oil-exporting countries as follows: Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).

2. Includes state and local government securities, and securities of U.S. government agencies and corporations. Also includes issues of new debt securities sold abroad by U.S. corporations organized to finance direct investments abroad.

3.24 LIABILITIES TO UNAFFILIATED FOREIGNERS Reported by Nonbanking Business Enterprises in the United States ▲

Millions of dollars, end of period

	Type, and area or country	1976	1977	1978			1979			
				June	Sept.	Dec.	Mar.[r]	June[p]	Sept.	Dec.
1	**Total**	**10,099**	**11,085**	**11,870**	**12,786**	**13,888**	**13,683**	**14,641**	...	...
2	Payable in dollars	9,390	10,284	11,044	11,955	11,166	10,984	12,126	...	...
3	Payable in foreign currencies[1]	709	801	825	831	2,723	2,699	2,515	...	...
	By type									
4	Financial liabilities	...	...	...	...	5,407	5,505	5,319	...	...
5	Payable in dollars	...	...	...	...	3,465	3,433	3,453	...	...
6	Payable in foreign currencies	...	...	...	...	1,942	2,072	1,866	...	...
7	Commercial liabilities	...	...	...	...	8,481	8,178	9,322	...	...
8	Trade payables	...	...	...	...	3,930	3,445	4,213	...	...
9	Advance receipts and other liabilities	...	...	...	...	4,552	4,733	5,109	...	...
10	Payable in dollars	...	...	...	...	7,701	7,551	8,673	...	...
11	Payable in foreign currencies	...	...	...	...	780	627	648	...	...
	By area or country									
	Financial liabilities									
12	Europe	...	...	...	...	3,467	3,528	3,336	...	...
13	Belgium-Luxembourg	...	...	...	...	287	264	313	...	...
14	France	...	...	...	...	157	138	142	...	...
15	Germany	...	...	...	...	334	329	295	...	...
16	Netherlands	...	...	...	...	360	396	375	...	...
17	Switzerland	...	...	...	...	207	190	181	...	...
18	United Kingdom	...	...	...	...	1,947	2,009	1,838	...	...
19	Canada	...	...	...	...	205	224	195	...	...
20	Latin America and Caribbean	...	...	...	...	971	997	1,052	...	...
21	Bahamas	...	...	...	...	422	407	438	...	...
22	Bermuda	...	...	...	...	56	41	38	...	...
23	Brazil	...	...	...	...	10	13	19	...	...
24	British West Indies	...	...	...	...	122	132	118	...	...
25	Mexico	...	...	...	...	77	101	132	...	...
26	Venezuela	...	...	...	...	46	52	65	...	...
27	Asia	...	...	...	...	754	745	725	...	...
28	Japan	...	...	...	...	671	667	656	...	...
29	Middle East oil-exporting countries[2]	...	...	...	...	48	36	36	...	...
30	Africa	...	...	...	...	5	5	6	...	...
31	Oil-exporting countries[3]	...	...	...	...	2	1	2	...	...
32	All other[4]	...	...	...	...	5	5	5	...	...
	Commercial liabilities									
33	Europe	...	...	...	...	2,927	2,804	3,207	...	...
34	Belgium-Luxembourg	...	...	...	...	73	70	80	...	...
35	France	...	...	...	...	312	339	339	...	...
36	Germany	...	...	...	...	519	394	473	...	...
37	Netherlands	...	...	...	...	206	194	202	...	...
38	Switzerland	...	...	...	...	321	329	439	...	...
39	United Kingdom	...	...	...	...	760	804	946	...	...
40	Canada	...	...	...	...	653	612	659	...	...
41	Latin America	...	...	...	...	1,031	1,138	1,313	...	...
42	Bahamas	...	...	...	...	25	16	65	...	...
43	Bermuda	...	...	...	...	95	40	80	...	...
44	Brazil	...	...	...	...	75	61	165	...	...
45	British West Indies	...	...	...	...	53	89	121	...	...
46	Mexico	...	...	...	...	130	236	203	...	...
47	Venezuela	...	...	...	...	306	356	323	...	...
48	Asia	...	...	...	...	2,942	2,632	3,003	...	...
49	Japan	...	...	...	...	430	412	500	...	...
50	Middle East oil-exporting countries[2]	...	...	...	...	1,543	1,117	1,222	...	...
51	Africa	...	...	...	...	724	754	894	...	...
52	Oil-exporting countries[3]	...	...	...	...	313	345	412	...	...
53	All other[4]	...	...	...	...	204	239	246	...	...

1. Prior to December 1978, foreign currency data include only liabilities denominated in foreign currencies with an original maturity of less than one year.
2. Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).
3. Comprises Algeria, Gabon, Libya, and Nigeria.
4. Includes nonmonetary international and regional organizations.

▲ For a description of the changes in the International Statistics tables, see July 1979 BULLETIN, p. 550.

3.25 CLAIMS ON UNAFFILIATED FOREIGNERS Reported by Nonbanking Business Enterprises in the United States ▲

Millions of dollars, end of period

Type, and area or country	1976	1977	1978 June	1978 Sept.	1978 Dec.	1979 Mar.[r]	1979 June[p]	1979 Sept.	1979 Dec.
1 **Total**	**19,350**	**21,298**	**23,229**	**23,260**	**27,138**	**29,714**	**29,048**	....	....
2 Payable in dollars	18,300	19,880	21,665	21,292	24,160	26,939	26,181	....	....
3 Payable in foreign currencies[1]	1,050	1,418	1,564	1,968	2,978	2,775	2,867	....	....
By type									
4 Financial claims	....	....	....	....	15,843	18,995	18,009	....	....
5 Deposits	....	....	....	....	10,735	13,899	12,835	....	....
6 Payable in dollars	....	....	....	....	9,694	12,991	11,873	....	....
7 Payable in foreign currencies	....	....	....	....	1,041	908	961	....	....
8 Other financial claims	....	....	....	....	5,108	5,096	5,174	....	....
9 Payable in dollars	....	....	....	....	3,528	3,567	3,635	....	....
10 Payable in foreign currencies	....	....	....	....	1,580	1,529	1,540	....	....
11 Commercial claims	....	....	....	....	11,295	10,719	11,039	....	....
12 Trade receivables	....	....	....	....	10,647	9,963	10,325	....	....
13 Advance payments and other claims	....	....	....	....	647	756	714	....	....
14 Payable in dollars	....	....	....	....	10,938	10,381	10,673	....	....
15 Payable in foreign currencies	....	....	....	....	357	338	366	....	....
By area or country									
Financial claims									
16 Europe	....	....	....	....	5,054	5,191	5,486	....	....
17 Belgium-Luxembourg	....	....	....	....	48	63	54	....	....
18 France	....	....	....	....	179	170	182	....	....
19 Germany	....	....	....	....	529	266	361	....	....
20 Netherlands	....	....	....	....	107	86	80	....	....
21 Switzerland	....	....	....	....	98	96	81	....	....
22 United Kingdom	....	....	....	....	3,850	4,283	4,491	....	....
23 Canada	....	....	....	....	4,454	5,137	4,964	....	....
24 Latin America and Caribbean	....	....	....	....	5,197	7,598	6,487	....	....
25 Bahamas	....	....	....	....	2,836	4,098	3,165	....	....
26 Bermuda	....	....	....	....	80	62	57	....	....
27 Brazil	....	....	....	....	151	137	122	....	....
28 British West Indies	....	....	....	....	1,231	2,438	2,264	....	....
29 Mexico	....	....	....	....	146	166	164	....	....
30 Venezuela	....	....	....	....	149	141	148	....	....
31 Asia	....	....	....	....	918	826	797	....	....
32 Japan	....	....	....	....	306	206	216	....	....
33 Middle East oil-exporting countries[2]	....	....	....	....	18	17	17	....	....
34 Africa	....	....	....	....	180	204	227	....	....
35 Oil-exporting countries[3]	....	....	....	....	10	26	23	....	....
36 All other[4]	....	....	....	....	41	39	48	....	....
Commercial claims									
37 Europe	....	....	....	....	3,935	3,818	3,820	....	....
38 Belgium-Luxembourg	....	....	....	....	145	172	169	....	....
39 France	....	....	....	....	607	490	472	....	....
40 Germany	....	....	....	....	392	501	420	....	....
41 Netherlands	....	....	....	....	256	271	303	....	....
42 Switzerland	....	....	....	....	213	248	243	....	....
43 United Kingdom	....	....	....	....	802	681	712	....	....
44 Canada	....	....	....	....	1,102	1,113	1,144	....	....
45 Latin America and Caribbean	....	....	....	....	2,535	2,382	2,403	....	....
46 Bahamas	....	....	....	....	109	117	98	....	....
47 Bermuda	....	....	....	....	215	241	118	....	....
48 Brazil	....	....	....	....	624	490	500	....	....
49 British West Indies	....	....	....	....	9	10	25	....	....
50 Mexico	....	....	....	....	513	488	582	....	....
51 Venezuela	....	....	....	....	293	273	295	....	....
52 Asia	....	....	....	....	3,087	2,757	2,985	....	....
53 Japan	....	....	....	....	978	895	1,008	....	....
54 Middle East oil-exporting countries[2]	....	....	....	....	711	670	691	....	....
55 Africa	....	....	....	....	449	446	490	....	....
56 Oil-exporting countries[3]	....	....	....	....	137	132	140	....	....
57 All other[4]	....	....	....	....	187	203	198	....	....

1. Prior to December 1978, foreign currency data include only liabilities denominated in foreign currencies with an original maturity of less than one year.
2. Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).
3. Comprises Algeria, Gabon, Libya, and Nigeria.
4. Includes nonmonetary international and regional organizations.

▲ For a description of the changes in the International Statistics tables, see July 1979 BULLETIN, p. 550.

3.26 DISCOUNT RATES OF FOREIGN CENTRAL BANKS

Percent per annum

Country	Rate on Oct. 31, 1979		Country	Rate on Oct. 31, 1979		Country	Rate on Oct. 31, 1979	
	Per-cent	Month effective		Per-cent	Month effective		Per-cent	Month effective
Argentina	18.0	Feb. 1972	France	9.5	Aug. 1977	Norway	7.0	Feb. 1978
Austria	3.75	Jan. 1979	Germany, Fed. Rep. of	5.0	July 1979	Sweden	8.0	Sept. 1979
Belgium	10.0	Oct. 1979	Italy	12.0	Oct. 1979	Switzerland	1.0	Feb. 1978
Brazil	33.0	Nov. 1978	Japan	5.25	July 1979	United Kingdom	14.0	June 1979
Canada	14.0	Oct. 1979	Mexico	4.5	June 1942	Venezuela	7.5	July 1978
Denmark	11.00	Sept. 1979	Netherlands	8.0	July 1979			

NOTE. Rates shown are mainly those at which the central bank either discounts or makes advances against eligible commercial paper and/or government securities for commercial banks or brokers. For countries with more than one rate applicable to such discounts or advances, the rate shown is the one at which it is understood the central bank transacts the largest proportion of its credit operations.

3.27 FOREIGN SHORT-TERM INTEREST RATES

Percent per annum, averages of daily figures

Country, or type	1976	1977	1978	1979 May	1979 June	1979 July	1979 Aug.	1979 Sept.	1979 Oct.
1 Eurodollars	5.58	6.03	8.74	10.75	10.52	10.87	11.53	12.61	14.59
2 United Kingdom	11.35	8.07	9.18	11.76	13.02	13.87	14.06	14.11	14.12
3 Canada	9.39	7.47	8.52	11.26	11.17	11.29	11.78	11.89	13.34
4 Germany	4.19	4.30	3.67	5.89	6.40	6.77	7.04	7.82	8.84
5 Switzerland	1.45	2.56	0.74	1.54	1.51	1.19	1.67	1.94	2.57
6 Netherlands	7.02	4.73	6.53	7.82	8.55	9.53	9.51	9.82	10.09
7 France	8.65	9.20	8.10	7.63	8.63	9.90	10.85	11.67	12.14
8 Italy	16.32	14.26	11.40	11.37	11.27	11.46	11.50	11.51	12.71
9 Belgium	10.25	6.95	7.14	8.16	9.09	11.18	11.42	11.88	12.99
10 Japan	7.70	6.22	4.75	5.25	5.46	6.26	7.00	7.00	7.01

NOTE. Rates are for 3-month interbank loans except for the following: Canada, finance company paper; Belgium, time deposits of 20 million francs and over; and Japan, loans and discounts that can be called after being held over a minimum of two month-ends.

3.28 FOREIGN EXCHANGE RATES

Cents per unit of foreign currency

Country/currency	1976	1977	1978	1979 May	1979 June	1979 July	1979 Aug.	1979 Sept.	1979 Oct.
1 Australia/dollar	122.15	110.82	114.41	110.57	111.11	112.83	112.83	112.63	111.31
2 Austria/schilling	5.5744	6.0494	6.8958	7.1222	7.2081	7.4628	7.4786	7.7211	7.7570
3 Belgium/franc	2.5921	2.7911	3.1809	3.2732	3.3048	3.4240	3.4140	3.4684	3.4656
4 Canada/dollar	101.41	94.112	87.729	86.534	85.296	85.920	85.425	85.814	85.084
5 Denmark/krone	16.546	16.658	18.156	18.562	18.401	19.072	18.964	19.279	19.110
6 Finland/markka	25.938	24.913	24.337	24.974	25.250	26.040	26.075	26.242	26.483
7 France/franc	20.942	20.344	22.218	22.691	22.914	23.535	23.491	23.826	23.809
8 Germany/deutsche mark	39.737	43.079	49.867	52.422	53.084	54.817	54.666	55.758	55.884
9 India/rupee	11.148	11.406	12.207	12.066	12.317	12.651	12.484	12.289	12.159
10 Ireland/pound	180.48	174.49	191.84	198.43	200.01	206.79	205.79	209.18	208.28
11 Italy/lira	.12044	.11328	.11782	.11744	.11828	.12192	.12219	.12326	.12112
12 Japan/yen	.33741	.37342	.47981	.45797	.45750	.46189	.45890	.44963	.43405
13 Malaysia/ringgit	39.340	40.620	43.210	44.934	45.474	46.422	46.363	46.382	46.074
14 Mexico/peso	6.9161	4.4239	4.3896	4.3805	4.3767	4.3767	4.3804	4.3858	4.3825
15 Netherlands/guilder	37.846	40.752	46.284	48.132	48.374	49.821	49.805	50.635	50.379
16 New Zealand/dollar	99.115	96.893	103.64	104.37	103.29	102.04	101.40	100.28	98.564
17 Norway/krone	18.327	18.789	19.079	19.270	19.398	19.824	19.877	20.080	20.143
18 Portugal/escudo	3.3159	2.6234	2.2782	2.0214	2.0192	2.0551	2.0332	2.0297	1.9992
19 South Africa/rand	114.85	114.99	115.01	118.22	118.31	118.46	119.38	119.91	120.79
20 Spain/peseta	1.4958	1.3287	1.3073	1.5131	1.5131	1.5118	1.5132	1.5135	1.5117
21 Sri Lanka/rupee	11.908	11.964	6.3834	6.4239	6.4059	6.3786	6.4174	6.4126	6.4000
22 Sweden/krona	22.957	22.383	22.139	22.755	23.028	23.687	23.693	23.860	23.747
23 Switzerland/franc	40.013	41.714	56.283	57.894	58.884	60.650	60.349	62.087	61.350
24 United Kingdom/pound	180.48	174.49	191.84	205.87	211.19	225.98	223.68	219.66	214.38
MEMO:									
25 United States/dollar[1]	105.57	103.31	92.39	90.31	89.56	86.93	87.24	86.73	87.67

1. Index of weighted average exchange value of U.S. dollar against currencies of other G-10 countries plus Switzerland. March 1973 = 100. Weights are 1972–76 global trade of each of the 10 countries. Series revised as of August 1978. For description and back data, see "Index of the Weighted-Average Exchange Value of the U.S. Dollar: Revision" on page 700 of the August 1978 BULLETIN.

NOTE. Averages of certified noon buying rates in New York for cable transfers

4.10 TIME AND SAVINGS DEPOSITS Held by Insured Commercial Banks on Recent Survey Dates

Type of deposits, denomination, and original maturity	Number of issuing banks			Deposits				
				Millions of dollars			Percentage change	
	Jan. 31, 1979	Apr. 25, 1979	July 25, 1979	Jan. 31, 1979	Apr. 25, 1979	July 25, 1979	Jan. 31– Apr. 25	Apr. 25– July 25
Total time and savings deposits	**14,269**	**14,285**	**14,206**	**613,147**	**615,427**	**621,863**	**.4**	**1.0**
Savings	14,269	14,285	14,206	214,791	216,901	222,721	1.0	2.7
Holder								
Individuals and nonprofit organizations	14,269	14,285	14,206	200,193	202,133	207,264	1.0	2.5
Partnerships and corporations operated for profit (other than commercial banks)	9,735	9,684	10,065	10,475	10,255	10,968	−2.1	7.0
Domestic governmaent units	8,050	8,039	8,096	3,991	4,386	4,190	9.9	−4.5
All other	1,244	1,474	1,605	133	126	299	−5.0	136.1
Interest-bearing time deposits, less than $100,000	14,179	14,191	14,113	190,314	201,067	205,253	5.7	2.1
Holder								
Domestic governmental units[1]	10,539	10,506	10,269	3,252	2,928	2,569	−10.0	−12.2
30 up to 90 days	4,636	5,220	5,028	662	595	528	−10.0	−11.3
90 up to 180 days	7,716	7,750	7,168	1,245	890	812	−28.5	−8.7
180 days up to 1 year	4,752	4,749	3,665	367	537	387	46.4	−27.9
1 year and over	8,379	8,424	7,969	979	906	842	−7.5	−7.0
Other than domestic governmental units[1]	14,179	14,110	14,032	151,579	145,433	135,972	−4.1	−6.5
30 up to 90 days	5,104	5,187	4,692	3,758	3,144	2,742	−16.4	−12.8
90 up to 180 days	11,236	11,065	10,771	25,606	25,156	22,758	−1.8	−9.5
180 days up to 1 year	8,321	8,447	8,357	3,350	3,476	2,678	3.8	−22.9
1 up to 2½ years	13,765	13,840	13,762	28,349	25,257	22,743	−10.9	−10.0
2½ up to 4 years	13,002	12,892	12,819	16,420	15,626	14,212	−4.8	−9.1
4 up to 6 years	13,416	13,467	13,482	48,273	46,367	44,532	−3.9	−4.0
6 up to 8 years	11,470	11,693	11,599	23,071	23,406	23,217	1.5	−.8
8 years and over	7,909	8,569	8,635	2,753	3,002	3,091	9.0	3.0
IRA and Keogh Plan time deposits, 3 years or more	10,015	10,209	10,433	3,533	4,159	4,376	17.7	5.2
Money market certificates, $10,000 or more, exactly 6 months	12,228	12,395	12,868	31,949	48,547	62,336	52.0	28.4
Interest-bearing time deposits, $100, 000 or more	11,875	11,973	11,654	202,807	191,664	187,156	−5.5	−2.4
Non-interest-bearing time deposits	1,604	1,489	1,263	4,379	4,248	4,504	−3.0	6.0
Less than $100,000	1,254	1,163	944	658	826	921	25.5	11.5
$100,000 or more	745	663	663	3,721	3,422	3,583	−8.0	4.7
Club accounts (Christmas savings, vacation, and the like)	9,193	9,334	9,407	857	1,548	2,229	80.7	44.0

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

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

Details may not add to totals because of rounding.

4.11 SMALL-DENOMINATION TIME AND SAVINGS DEPOSITS Held by Insured Commercial Banks on July 25, 1979, Compared with Previous Survey, by Type of Deposit, by Most Common Rate Paid on New Deposits in Each Category, and by Size of Bank

Deposit group, original maturity, and distribution of deposits by most common rate	All banks		Size of bank (total deposits in millions of dollars)				All banks		Size of bank (total deposits in millions of dollars)			
			Less than 100		100 and over				Less than 100		100 and over	
	July 25, 1979	Apr. 25, 1979	July 25, 1979	Apr. 25, 1979	July 25, 1979	Apr. 25, 1979	July 25, 1979	Apr. 25, 1979	July 25, 1979	Apr. 25, 1979	July 25, 1979	Apr. 25, 1979
	Number of banks, or percentage distribution						Amount of deposits (in millions of dollars), or percentage distribution					
Savings deposits												
Individuals and nonprofit organizations												
Issuing banks	14,206	14,285	13,055	13,130	1,151	1,155	207,264	202,133	78,950	75,826	128,314	126,307
Distribution, total	100	100	100	100	100	100	100	100	100	100	100	100
4.50 or less	5.0	10.1	4.8	10.2	7.6	8.9	5.8	8.3	4.2	9.6	6.7	7.6
4.51–5.00	22.6	89.9	23.2	89.8	15.8	91.1	17.5	91.7	18.7	90.4	16.8	92.4
5.01–5.25	72.4	(2)	72.0	(2)	76.6	(2)	76.7	(2)	77.1	(2)	76.4	(2)
MEMO: Paying ceiling rate[1]	72.4	89.9	72.0	89.8	76.6	91.1	76.7	91.7	77.1	90.4	76.4	92.4
Partnerships and corporations												
Issuing banks	10,055	9,684	8,949	8,559	1,106	1,125	10,934	10,255	3,638	3,150	7,295	7,105
Distribution, total	100	100	100	100	100	100	100	100	100	100	100	100
4.50 or less	1.2	4.4	1.1	4.6	2.4	2.7	2.8	3.9	1.1	4.3	3.7	3.7
4.51–5.00	21.1	95.6	21.7	95.4	16.1	97.3	18.4	96.1	19.3	95.7	18.0	96.3
5.01–5.25	77.7	(2)	77.2	(2)	81.5	(2)	78.8	(2)	79.7	(2)	78.3	(2)
MEMO: Paying ceiling rate[1]	77.7	95.6	77.2	95.4	81.5	97.3	78.8	96.1	79.7	95.7	78.3	96.3
Domestic governmental units												
Issuing banks	8,095	8,038	7,259	7,215	835	823	4,189	4,386	2,342	2,330	1,848	2,056
Distribution, total	100	100	100	100	100	100	100	100	100	100	100	100
4.50 or less	4.0	7.9	4.3	8.6	1.9	1.7	2.1	3.7	2.8	6.3	1.3	.8
4.51–5.00	20.1	92.1	20.4	91.4	17.4	98.3	17.7	96.3	14.6	93.7	21.8	99.2
5.01–5.25	75.9	(2)	75.3	(2)	80.7	(2)	80.1	(2)	82.6	(2)	77.0	(2)
MEMO: Paying ceiling rate[1]	75.9	91.8	75.3	91.0	80.7	98.3	80.1	96.2	82.6	93.6	77.0	99.2
All other												
Issuing banks	1,602	1,467	1,425	1,299	176	168	290	123	112	51	178	72
Distribution, total	100	100	100	100	100	100	100	100	100	100	100	100
4.50 or less	9.4	9.6	10.1	10.6	4.0	2.1	1.2	.9	.9	.6	1.4	1.2
4.51–5.00	17.1	90.4	17.4	89.4	14.5	97.9	23.3	99.1	38.1	99.4	14.0	98.8
5.01–5.25	73.5	(2)	72.5	(2)	81.5	(2)	75.4	(2)	60.9	(2)	84.6	(2)
MEMO: Paying ceiling rate[1]	73.5	90.4	72.5	89.4	81.5	97.9	75.4	99.1	60.9	99.4	84.6	98.8
Time deposits less than $100,000												
Domestic governmental units												
30 up to 90 days												
Issuing banks	5,028	5,219	4,346	4,530	682	690	528	595	352	412	175	183
Distribution, total	100	100	100	100	100	100	100	100	100	100	100	100
5.00 or less	51.3	59.2	49.6	58.1	61.9	66.7	37.1	42.8	37.2	40.6	36.9	47.7
5.01–5.50	22.7	14.4	24.2	15.4	12.7	8.4	23.0	12.5	29.9	16.4	9.1	3.7
5.51–8.00	26.1	26.4	26.2	26.6	25.4	24.9	39.9	44.7	32.9	43.0	53.9	48.7
MEMO: Paying ceiling rate[1]	17.6	15.3	17.2	14.6	20.6	19.7	28.1	24.9	20.0	17.3	44.6	41.7
90 up to 180 days												
Issuing banks	7,168	7,621	6,383	6,786	785	836	812	876	529	581	283	295
Distribution, total	100	100	100	100	100	100	100	100	100	100	100	100
5.00 or less	8.5	14.5	9.2	14.8	3.4	12.3	3.3	5.3	4.6	5.1	.7	5.7
5.01–5.50	72.5	67.1	72.3	66.9	74.2	69.1	81.0	71.9	80.2	70.0	82.4	75.7
5.51–8.00	18.9	18.3	18.5	18.3	22.3	18.6	15.7	22.8	15.1	24.9	16.8	18.6
MEMO: Paying ceiling rate[1]	14.6	12.2	14.2	12.0	17.4	14.1	10.8	18.0	8.3	19.4	15.6	15.1
180 days up to 1 year												
Issuing banks	3,665	4,712	3,040	4,035	624	677	387	536	231	371	156	165
Distribution, total	100	100	100	100	100	100	100	100	100	100	100	100
5.00 or less	1.3	9.5	1.1	9.6	2.4	8.7	.9	.8	.1	.5	2.0	1.4
5.01–5.50	72.5	61.2	73.7	61.2	66.5	61.3	68.1	49.2	62.5	39.4	76.2	71.1
5.51–8.00	26.2	29.3	25.1	29.2	31.2	30.0	31.1	50.0	37.4	60.0	21.8	27.5
MEMO: Paying ceiling rate[1]	12.7	12.7	10.7	11.4	22.3	20.6	22.3	38.3	23.9	44.3	19.8	24.7
1 year and over												
Issuing banks	7,934	8,423	7,156	7,606	778	817	839	906	720	776	119	130
Distribution, total	100	100	100	100	100	100	100	100	100	100	100	100
5.50 or less	3.3	4.4	3.2	4.1	4.7	6.8	7.2	6.1	7.3	6.2	6.1	5.9
5.51–6.00	60.0	57.6	59.6	57.2	63.6	61.7	53.9	51.3	54.1	50.6	52.4	55.6
6.01–8.00	36.7	38.0	37.2	38.7	31.8	31.5	38.9	42.5	38.5	43.2	41.5	38.5
MEMO: Paying ceiling rate[1]	7.0	7.8	6.5	7.5	11.8	11.3	9.5	9.9	7.2	7.7	23.6	23.1

For notes see end of table.

4.11 SMALL-DENOMINATION TIME AND SAVINGS DEPOSITS Continued

Deposit group, original maturity, and distribution of deposits by most common rate	All banks		Size of bank (total deposits in millions of dollars)				All banks		Size of bank (total deposits in millions of dollars)			
			Less than 100		100 and over				Less than 100		100 and over	
	July 25, 1979	Apr. 25, 1979	July 25, 1979	Apr. 25, 1979	July 25, 1979	Apr. 25, 1979	July 25, 1979	Apr. 25, 1979	July 25, 1979	Apr. 25, 1979	July 25, 1979	Apr. 25, 1979
	Number of banks, or percentage distribution						Amount of deposits (in millions of dollars), or percentage distribution					
Time deposits less than $100,000 (cont.)												
Other than domestic governmental units												
30 up to 90 days												
Issuing banks	4,688	5,178	3,786	4,249	903	929	2,733	3,143	514	660	2,219	2,483
Distribution, total	100	100	100	100	100	100	100	100	100	100	100	100
4.50 or less	1.6	3.5	1.6	3.7	1.4	2.5	1.5	1.8	(2)	.7	1.9	2.1
4.51–5.00	98.4	96.5	98.4	96.3	98.6	97.5	98.5	98.2	100.0	99.3	98.1	97.9
MEMO: Paying ceiling rate[1]	98.4	96.5	98.4	96.3	98.5	97.5	98.4	98.2	100.0	99.3	98.0	97.9
90 up to 180 days												
Issuing banks	10,771	11,065	9,631	9,917	1,140	1,148	22,758	25,156	8,697	9,922	14,061	15,234
Distribution, total	100	100	100	100	100	100	100	100	100	100	100	100
5.00 or less	6.3	7.9	7.0	8.5	.8	2.2	2.8	3.9	1.4	5.4	3.6	2.9
5.01–5.50	93.7	92.1	93.0	91.5	99.2	97.8	97.2	96.1	98.6	94.6	96.4	97.1
MEMO: Paying ceiling rate[1]	91.9	91.4	91.1	90.7	98.3	97.6	95.6	95.5	98.1	94.6	94.0	96.2
180 days up to 1 year												
Issuing banks	8,291	8,420	7,394	7,503	897	917	2,670	3,467	1,457	1,731	1,213	1,736
Distribution, total	100	100	100	100	100	100	100	100	100	100	100	100
5.00 or less	5.0	7.7	5.3	8.2	3.2	3.4	1.1	15.0	1.7	29.4	.4	.6
5.01–5.50	95.0	92.3	94.7	91.8	96.8	96.6	98.9	85.0	98.3	70.6	99.6	99.4
MEMO: Paying ceiling rate[1]	95.0	92.3	94.7	91.8	96.8	96.6	98.9	85.0	98.3	70.6	99.6	99.4
1 up to 2½ years												
Issuing banks	13,762	13,837	12,616	12,690	1,146	1,147	22,743	25,255	14,507	16,092	8,236	9,163
Distribution, total	100	100	100	100	100	100	100	100	100	100	100	100
5.50 or less	1.0	3.6	1.0	3.9	1.1	.8	.9	2.1	.3	3.1	1.9	.3
5.51–6.00	99.0	96.4	99.0	96.1	98.9	99.2	99.1	97.9	99.7	96.9	98.1	99.7
MEMO: Paying ceiling rate[1]	98.6	96.1	98.8	95.9	97.2	98.0	98.6	97.5	99.6	96.8	96.8	98.6
2½ up to 4 years												
Issuing banks	12,757	12,859	11,626	11,723	1,132	1,136	14,172	15,620	8,130	9,172	6,042	6,448
Distribution, total	100	100	100	100	100	100	100	100	100	100	100	100
6.00 or less	2.0	3.2	2.0	3.4	1.3	1.2	3.1	2.9	5.1	4.8	.4	.3
6.01–6.50	98.0	96.8	98.0	96.6	98.7	98.8	96.9	97.1	94.9	95.2	99.6	99.7
MEMO: Paying ceiling rate[1]	97.3	96.6	97.3	96.6	97.6	97.2	96.0	96.8	93.8	95.2	99.0	99.1
4 up to 6 years												
Issuing banks	13,482	13,467	12,359	12,336	1,123	1,131	44,532	46,367	24,542	25,554	19,990	20,813
Distribution, total	100	100	100	100	100	100	100	100	100	100	100	100
7.00 or less	7.5	8.9	7.7	9.1	5.9	6.7	5.2	7.6	5.5	9.1	4.7	5.9
7.01–7.25	88.0	91.1	88.3	90.9	84.7	93.3	86.1	92.4	88.7	90.9	82.8	94.1
7.26–7.60	4.5	(2)	4.1	(2)	9.4	(2)	8.8	(2)	5.7	(2)	12.5	(2)
MEMO: Paying ceiling rate[1]	3.4	90.6	2.9	90.5	8.4	92.5	7.3	91.9	4.0	90.2	11.4	94.0
6 up to 8 years												
Issuing banks	11,521	11,612	10,437	10,529	1,084	1,083	23,178	23,340	9,913	10,073	13,264	13,267
Distribution, total	100	100	100	100	100	100	100	100	100	100	100	100
7.25 or less	2.8	3.1	2.6	3.2	3.9	2.8	1.7	1.4	.3	.8	2.8	1.9
7.25–7.50	95.0	96.9	95.2	96.8	92.9	97.2	94.1	98.6	98.6	99.2	90.7	98.1
7.51–7.60	2.3	(2)	2.2	(2)	3.2	(2)	4.2	(2)	1.1	(2)	6.5	(2)
MEMO: Paying ceiling rate[1]	2.3	96.8	2.2	96.8	3.2	96.4	4.2	98.6	1.1	99.2	6.5	98.1
8 years and over												
Issuing banks	8,631	8,560	7,641	7,607	991	953	3,091	2,964	1,102	1,142	1,989	1,822
Distribution, total	100	100	100	100	100	100	100	100	100	100	100	100
7.50 or less	2.5	3.8	1.9	2.7	7.7	12.1	12.3	16.0	.3	5.7	18.9	22.5
7.51–7.75	97.5	96.2	98.1	97.3	92.3	87.9	87.7	84.0	99.7	94.3	81.1	77.5
MEMO: Paying ceiling rate[1]	97.4	96.2	98.1	97.3	91.4	87.6	86.7	84.0	99.7	94.3	79.4	77.5
IRA and Keogh Plan time deposits, 3 years or more												
Issuing banks	10,433	10,205	9,377	9,140	1,056	1,064	4,376	4,124	1,636	1,615	2,740	2,508
Distribution, total	100	100	100	100	100	100	100	100	100	100	100	100
6.00 or less	2.6	3.8	2.8	4.0	1.6	1.9	.6	.8	1.0	1.5	.4	.4
6.01–7.00	5.6	5.1	5.9	5.3	2.8	3.5	1.5	2.6	1.7	2.8	1.4	2.5
7.01–7.50	23.4	26.3	24.5	27.4	13.7	17.3	12.5	14.5	17.2	19.1	9.7	11.6
7.51–8.00	68.4	64.8	66.9	63.4	81.9	77.3	85.4	82.0	80.2	76.6	88.5	85.5
MEMO: Paying ceiling rate[1]	53.9	50.7	52.2	49.1	68.7	64.4	73.6	69.7	66.6	63.7	77.8	73.7

For notes see end of table.

4.11 SMALL-DENOMINATION TIME AND SAVINGS DEPOSITS Continued

Deposit group, original maturity, and distribution of deposits by most common rate	All banks		Size of bank (total deposits in millions of dollars): Less than 100		Size of bank: 100 and over		All banks		Size of bank (total deposits in millions of dollars): Less than 100		Size of bank: 100 and over	
	July 25, 1979	Apr. 25, 1979	July 25, 1979	Apr. 25, 1979	July 25, 1979	Apr. 25, 1979	July 25, 1979	Apr. 25, 1979	July 25, 1979	Apr. 25, 1979	July 25, 1979	Apr. 25, 1979
	Number of banks, or percentage distribution						Amount of deposits (in millions of dollars), or percentage distribution					
Time deposits less than $100,000 (cont.)												
Money market certificates, $10,000 or more, 6 months												
Issuing banks	12,868	12,395	11,722	11,257	1,146	1,138	62,336	48,547	27,392	21,188	34,945	27,359
Distribution, total	100	100	100	100	100	100	100	100	100	100	100	100
8.00 or less	.7	1.9	.8	2.0	[2]	.3	[2]	.2	[2]	.3	[2]	.1
8.01–8.74	.3	2.2	.3	2.4	[2]	.4	.2	.8	.4	1.2	[2]	.4
8.75–9.00	4.3	15.2	4.6	16.2	1.7	6.1	1.0	7.6	1.1	8.7	1.0	6.8
9.01–9.26	94.7	80.7	94.3	79.5	98.3	93.1	98.8	91.4	98.5	89.8	99.0	92.7
MEMO: Paying ceiling rate[1]	75.8	74.4	76.1	72.7	72.4	91.5	72.0	88.7	83.3	85.0	63.2	91.5
Club accounts												
Issuing banks	9,407	9,334	8,600	8,515	808	819	2,175	1,521	948	654	1,226	867
Distribution, total	100	100	100	100	100	100	100	100	100	100	100	100
0.00	41.3	41.1	43.0	42.8	22.9	23.2	19.8	19.7	28.1	29.3	13.4	12.4
0.01–4.00	18.1	18.7	18.3	18.9	15.5	16.5	18.3	18.3	25.0	24.7	13.2	13.4
4.01–4.50	6.8	7.2	6.8	7.2	6.9	6.7	13.0	13.7	13.1	14.1	12.9	13.5
4.51–5.50	33.8	33.1	31.9	31.1	54.6	53.6	48.9	48.3	33.8	31.9	60.5	60.7

1. See table 1.16, page A10, for the ceiling rates that existed at the time of each survey. Effective July 1, 1979, commercial banks are authorized to offer variable ceiling accounts with no required minimum denomination and with maturities of 4 years or more. In July the ceiling on such accounts was 7.60 percent.
2. Less than .05 percent.

NOTE. All banks that either had discontinued offering or had never offered particular types of deposits as of the survey date are not counted as issuing banks. Moreover, the small amounts of deposits held at banks that had discontinued issuing deposits are not included in the amounts outstanding. Therefore, the deposit amounts shown in table 4.10 may exceed the deposit amounts shown in this table.

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

Details may not add to totals because of rounding.

4.12 AVERAGE OF MOST COMMON INTEREST RATES PAID on Various Categories of Time and Savings Deposits at Insured Commercial Banks, July 25, 1979

Type of deposit, holder, and original maturity	Bank size (total deposits in millions of dollars): All size groups	Less than 20	20 up to 50	50 up to 100	100 up to 500	500 up to 1,000	1,000 and over
Savings and small-denomination time deposits	**6.25**	**6.31**	**6.43**	**6.29**	**6.22**	**6.10**	**6.15**
Savings, total	5.15	5.13	5.19	5.14	5.14	5.09	5.16
Individuals and nonprofit organizations	5.15	5.12	5.19	5.14	5.14	5.08	5.16
Partnerships and corporations	5.17	5.21	5.20	5.17	5.17	5.16	5.14
Domestic governmental units	5.17	5.14	5.21	5.19	5.18	5.19	5.11
All other	5.01	5.08	5.14	5.15	4.81	5.02	5.18
Other time deposits in denominations of less than $100,000, total	6.63	6.51	6.71	6.68	6.66	6.56	6.58
Domestic governmental units, total	6.14	5.95	6.20	6.42	5.83	6.53	6.94
30 up to 90 days	6.17	6.09	5.59	6.20	5.91	6.45	7.19
90 up to 180 days	5.81	5.81	5.68	6.05	5.64	6.52	6.89
180 days up to 1 year	6.15	5.60	6.90	6.93	5.74	6.10	6.68
1 year and over	6.42	6.07	6.70	6.60	6.46	7.22	6.77
Other than domestic governmental units, total	6.64	6.53	6.73	6.68	6.67	6.56	6.58
30 up to 90 days	4.97	5.00	5.00	5.00	4.90	4.93	5.00
90 up to 180 days	5.48	5.47	5.50	5.50	5.49	5.47	5.46
180 days up to 1 year	5.47	5.50	5.50	5.40	5.49	5.44	5.48
1 up to 2½ years	5.99	6.00	6.00	6.00	5.97	5.99	6.00
2½ up to 4 years	6.46	6.42	6.48	6.38	6.50	6.48	6.50
4 up to 6 years	7.26	7.24	7.25	7.26	7.26	7.32	7.29
6 up to 8 years	7.49	7.50	7.46	7.50	7.49	7.45	7.50
Over 8 years	7.69	7.75	7.75	7.74	7.72	7.70	7.63
IRA and Keogh Plan time deposits, 3 years or more	7.86	7.77	7.87	7.81	7.87	7.86	7.91
Money market certificates, exactly 6 months	9.25	9.23	9.25	9.25	9.25	9.25	9.25
Club accounts[1]	3.70	2.26	3.31	3.48	3.99	3.91	4.41

1. Club accounts are excluded from all of the other categories.

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

Guide to Tabular Presentation and Statistical Releases

GUIDE TO TABULAR PRESENTATION

Symbols and Abbreviations

c	Corrected
e	Estimated
p	Preliminary
r	Revised (Notation appears on column heading when more than half of figures in that column are changed.)
*	Amounts insignificant in terms of the last decimal place shown in the table (for example, less than 500,000 when the smallest unit given is millions)
0	Calculated to be zero
n.a.	Not available
n.e.c.	Not elsewhere classified
IPCs	Individuals, partnerships, and corporations
REITs	Real estate investment trusts
RPs	Repurchase agreements
SMSAs	Standard metropolitan statistical areas
......	Cell not applicable

General Information

Minus signs are used to indicate (1) a decrease, (2) a negative figure, or (3) an outflow.

"U.S. government securities" may include guaranteed issues of U.S. government agencies (the flow of funds figures also include not fully guaranteed issues) as well as direct obligations of the Treasury. "State and local government" also includes municipalities, special districts, and other political subdivisions.

In some of the tables details do not add to totals because of rounding.

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List Published Semiannually, with Latest Bulletin Reference

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The Federal Reserve System

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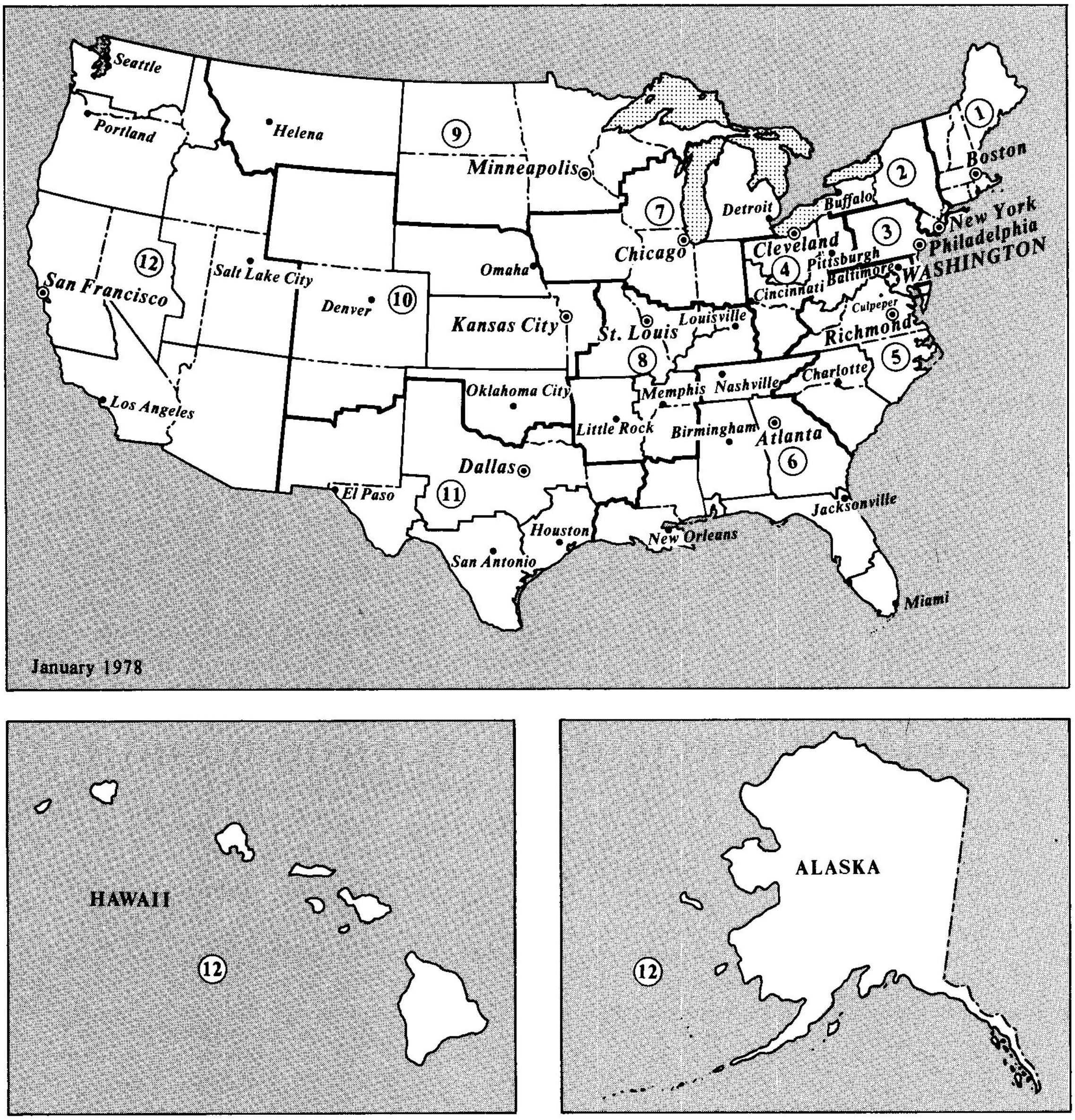

Legend

- Boundaries of Federal Reserve Districts
- Boundaries of Federal Reserve Branch Territories
- Board of Governors of the Federal Reserve System
- Federal Reserve Bank Cities
- Federal Reserve Branch Cities
- Federal Reserve Bank Facility